

China's "hunger" for Latam's commodities: Is it sustainable ?

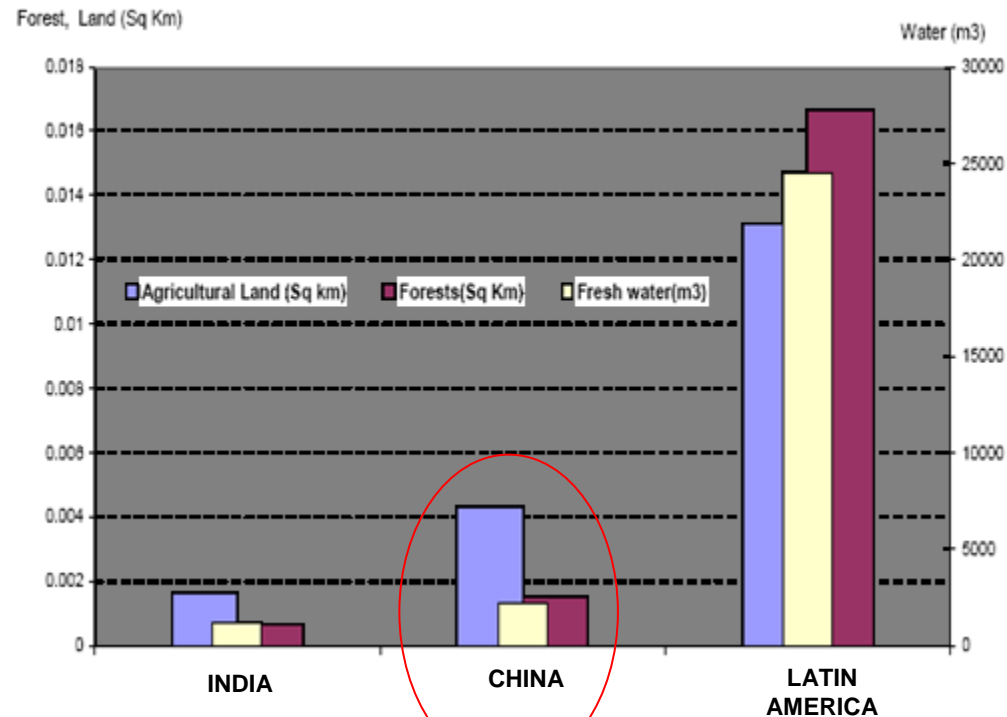
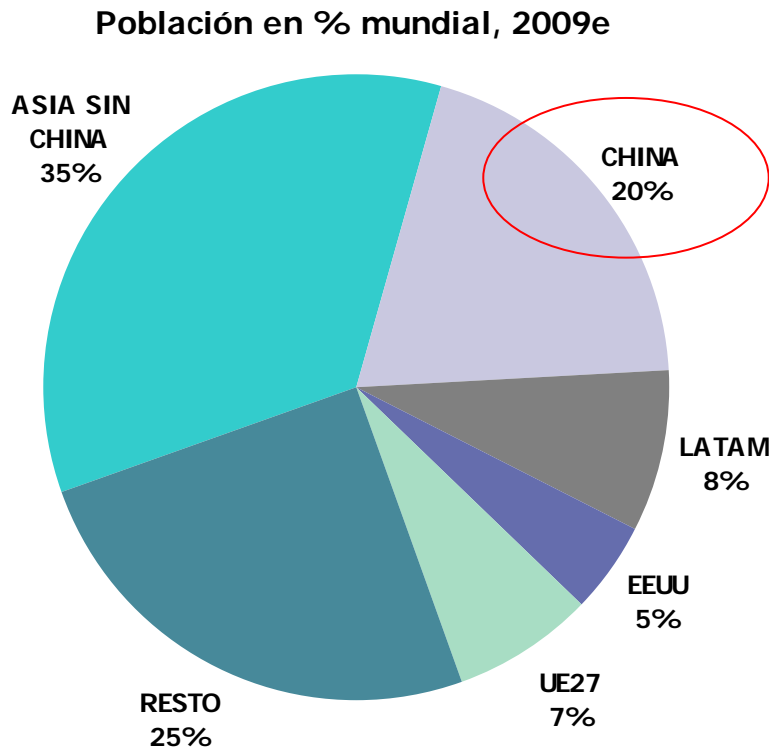
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<http://serviciodeestudios.bbva.com/KETD/ketd/ing/index.jsp>

Bogotá, November 25th 2009

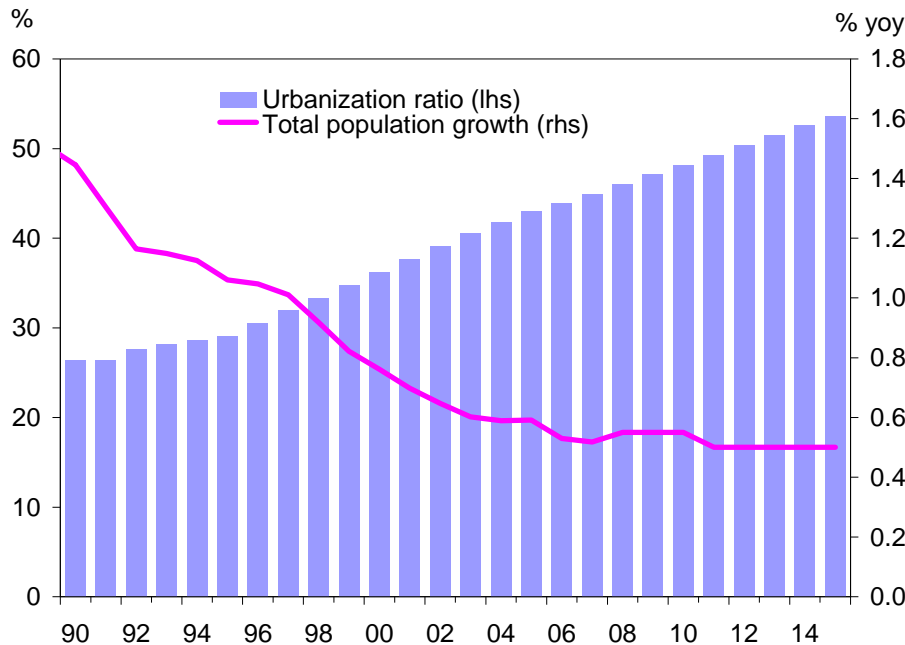
A relative lack of natural resources in comparison to the size of its population. Therefore, the rapid economic growth in China has strengthened its natural role as a commodity importer



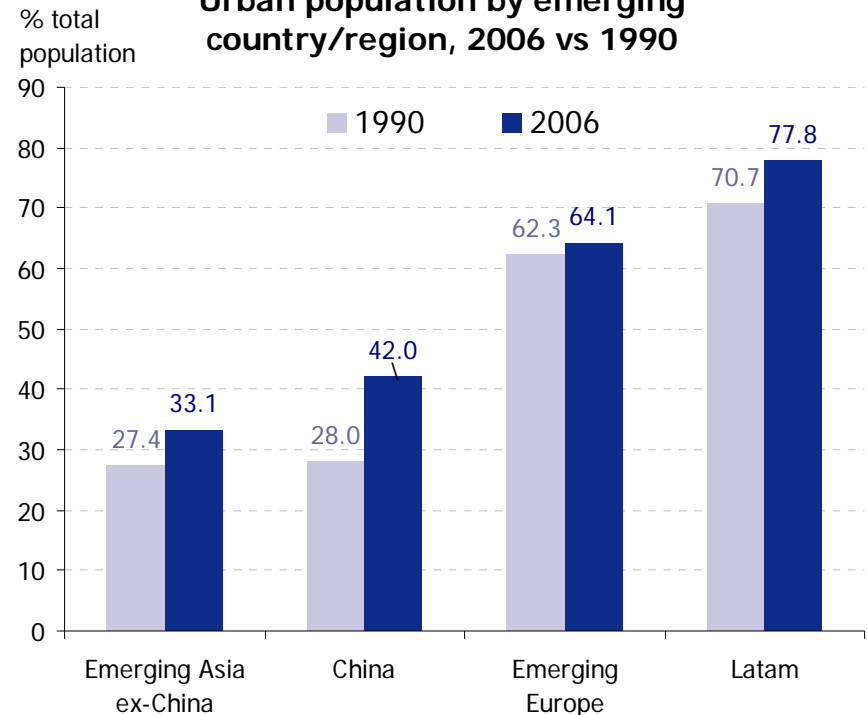
Source: WDI

Urbanization-led investment has been an engine of growth and demand for commodities in China

China's urbanization vs population projections



Urban population by emerging country/region, 2006 vs 1990



Source: ERD BBVA

Note: Urbanization in Emerging Asia ex-China excludes newly industrialized countries (Hong Kong, Singapore, Korea and Taiwan)

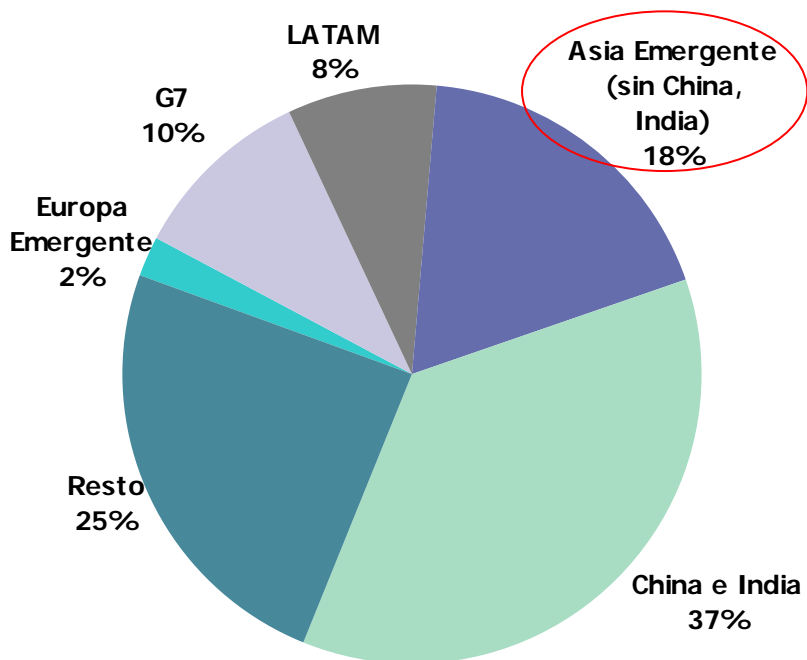
Operaciones recientes de créditos y M&A de empresas/instituciones estatales chinas en 2009

Fecha Anuncio	Empresa Inversora	Empresa Receptora	Tipo de Operación	Sector	País	Importe (US\$ millones)	Comentarios
27-abr-09	China Sci-Tech Holdings Limited	OZ Minerals Ltd.	Adquisición minas oro y plata en Indonesia	Minería	Australia	211	Finalización venta prevista en junio 2009
24-abr-09	China Minmetals Group	OZ Minerals Ltd.	Adquisición de activos	Zinc	Australia	850	Aprobado. Oferta anterior por 100% capital (US\$2500 millones) rechazada por el gobierno australiano
16-abr-09	China National Petroleum Corp	Oil and Gas Kazakhstan	Créditos	Gas y petróleo	Kazakhstan	5000	Garantizar el suministro de crudo
05-abr-09	State Development Bank	Ecuador	Créditos	Petróleo	Ecuador	1000	Garantizar el suministro de crudo
13-mar-09	State Development Bank	Angola	Créditos	Petróleo	Angola	1000	Garantizar el suministro de crudo
24-feb-09	Hunan Valin Iron & Steel Group	Fortescue Metals Group Ltd.	17.6% participación de capital	Acero	Australia	936	Aprobado
21-feb-09	State Development Bank	PDVSA	Créditos	Petróleo	Venezuela	4000	Garantizar el suministro de crudo
18-feb-09	State Development Bank	Petrobras	Créditos	Petróleo	Brasil	10000	Garantizar el suministro de crudo
17-feb-09	State Development Bank	Rosneft, Transneft	Créditos	Petróleo	Rusia	25000	Garantizar el suministro de crudo
12-feb-09	Aluminum Corp. of China	Rio Tinto	Joint venture y suscripción de bonos convertibles	Acero	Australia	19500	Pendiente aprobación por el gobierno australiano. Sería la mayor inversión directa china hasta la fecha

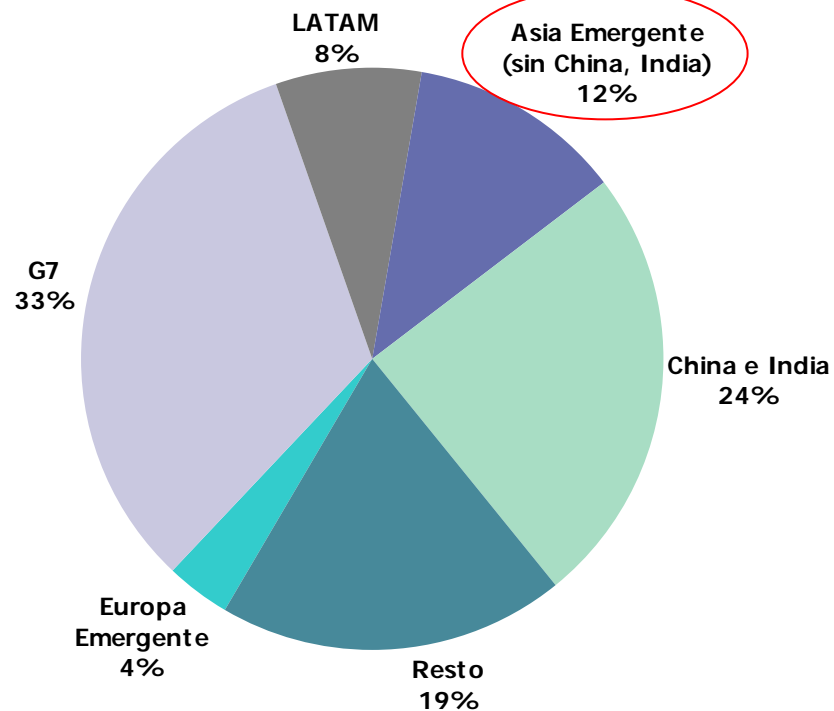
Fuente: prensa china. SEE BBVA

Emerging Asia will still be larger than Latam even when excluding the heavyweights of China and India

Población % mundial, 2020e

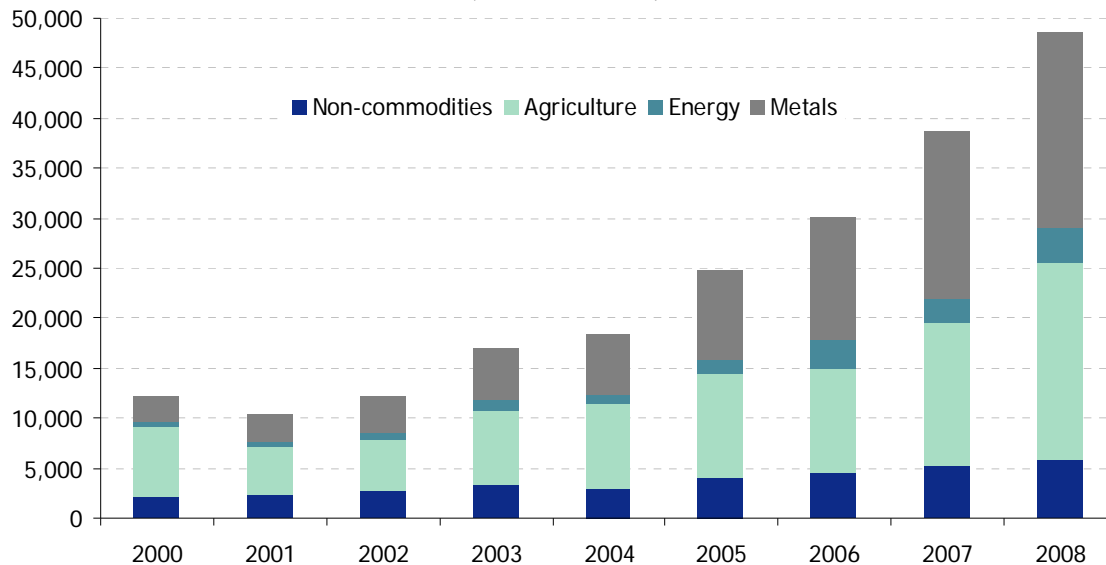


PIB en PPA % mundial, 2020e



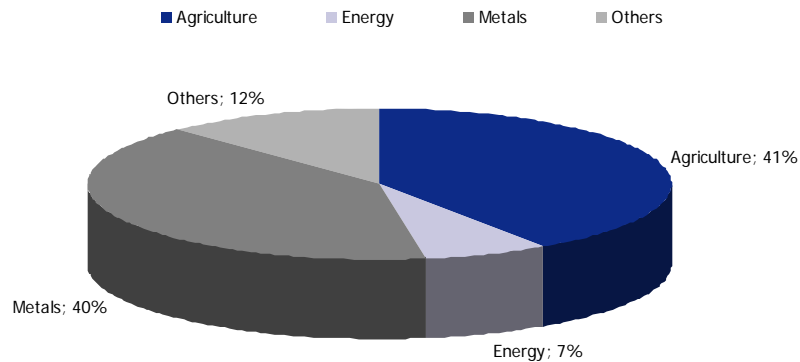
Source: BBVA ERD estimates

Total Exports from Latam to Asia* (USD billions)

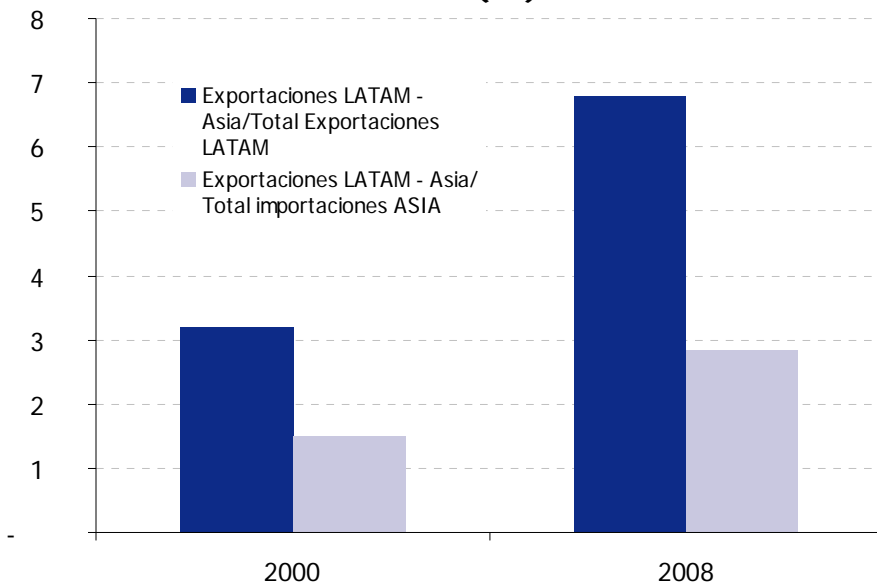


Source: COMTRADE. Latam: Argentina, Brasil, Chile, Colombia, Mexico, Peru and Venezuela. 2008 doesn't include Chile and Venezuela. Asia: India, China, Korea and Japan.

Exports from Latam to Asia 2008

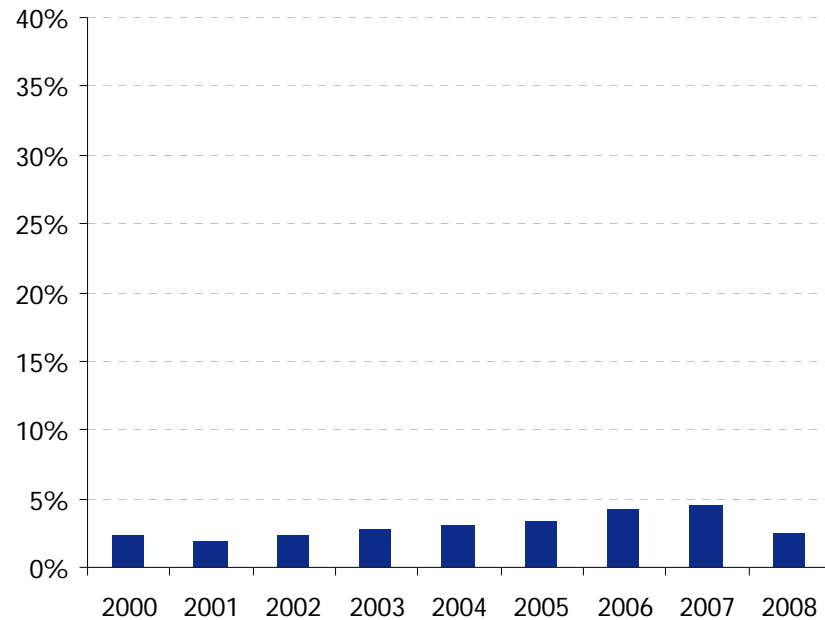


Peso de Exportaciones de América Latina a Asia (%)



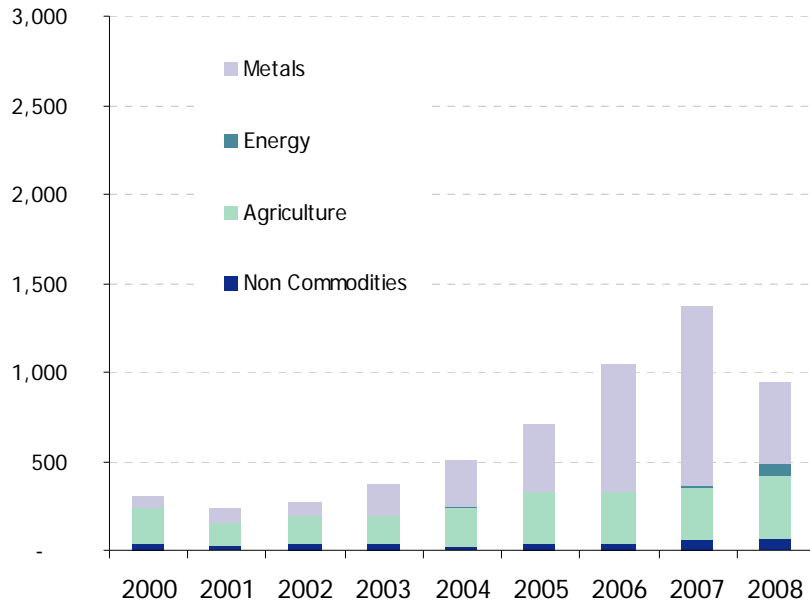
Latam: Argentina, Brasil, Colombia, Mexico, Peru y Venezuela. Asia: China, India, Japón y Corea.
Fuente: COMTRADE.

Weight of Asia in Colombia Exports (%)



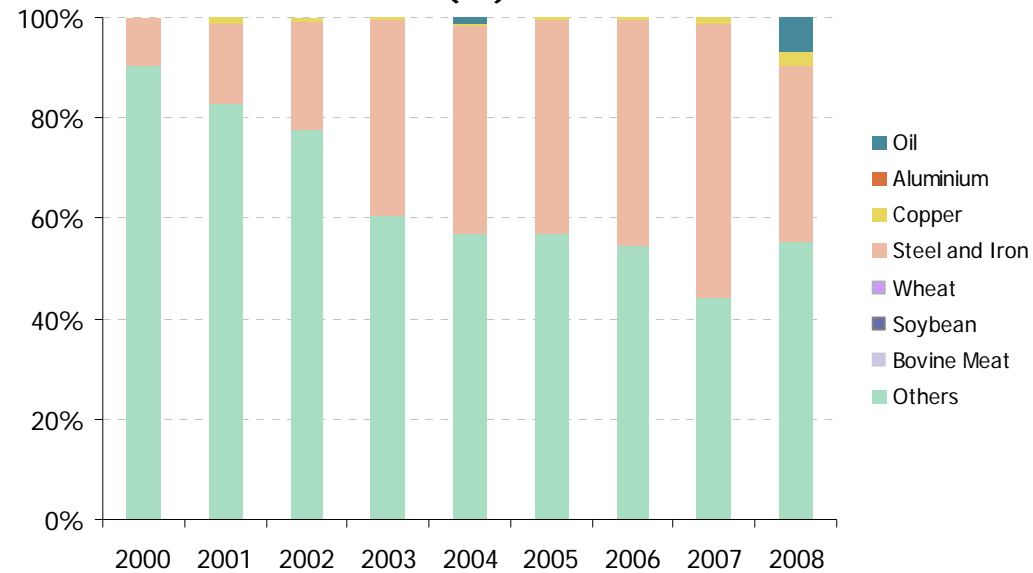
Source: COMTRADE. Asia: India, China, Korea and Japan.

Total Exports from Colombia to Asia* (USD millions)



Source: COMTRADE. Asia: India, China, Korea and Japan.

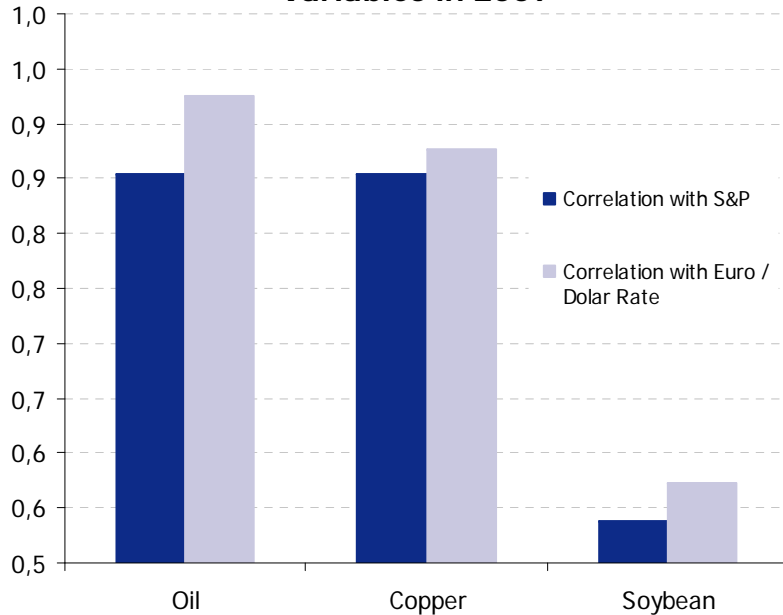
Commodity Exports from Colombia to Asia* (%)



Source: COMTRADE. Asia: India, China, Korea and Japan.

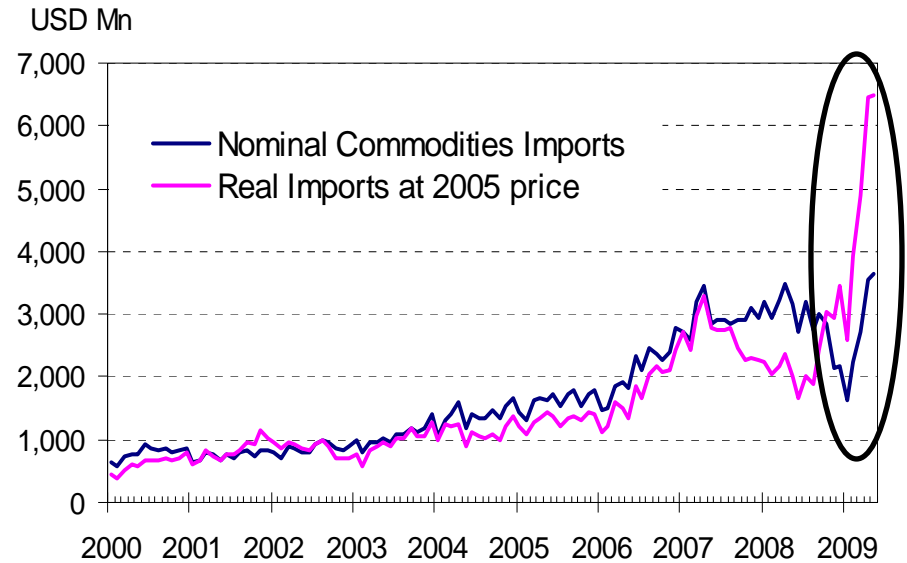
Rising correlation between commodity prices and financial variables

Correlation Among Commodities and Financial Variables in 2009



Source: Bloomberg, BBVA

China's commodity imports nominal vs real



Note: Commodities: crude materials, fuels, ferrous and non ferrous metals, etc.
 Real commodity imports are adjusted with IMF commodity index with base year 2005.
 Source: CEIC, ERD BBVA

	OIL (Brent, USD/B)	WHEAT	SOYBEANS (USD/metric tons)	CORN	COPPER (LME, USD/pound)	
Quarterly Averages						
2008 I	98.77	377.0	488.5	203.7	3.48	Historical data
II	125.37	306.8	508.1	248.1	1.77	
III	110.52	287.9	487.6	227.1	1.56	
IV	48.21	200.8	328.8	150.7	2.12	
2009 I	45.05	201.4	346.4	148.1	1.56	Forecast
II	61.29	207.4	413.8	159.8	2.12	
III	68.04	178.05	385.4	128.8	2.62	
IV	63.67	165.4	353.5	129.0	2.60	
2010 I	62.70	164.0	352.6	131.1	2.30	
II	65.90	162.5	347.9	132.7	2.10	
III	66.73	161.0	343.4	134.3	1.90	
IV	67.84	159.5	338.9	135.9	1.80	
2011 I	70.13	159.2	337.7	136.3	1.75	
II	70.50	159.4	338.2	135.9	1.70	
III	71.26	159.5	338.7	135.6	1.68	
IV	73.02	159.7	339.2	135.3	1.65	
2012 I	74.82	160.5	341.0	135.9	1.60	
II	75.52	161.6	343.4	137.1	1.65	
III	75.44	162.7	345.8	138.3	1.68	
IV	75.98	163.8	348.3	139.5	1.70	
Annual Averages						
2008	95.72	293.12	453.27	207.40	2.23	
2009	59.51	188.05	374.77	141.43	2.22	
2010	65.79	161.76	345.70	133.49	2.03	
2011	71.23	159.46	338.48	135.77	1.70	
2012	75.44	162.15	344.63	137.69	1.66	

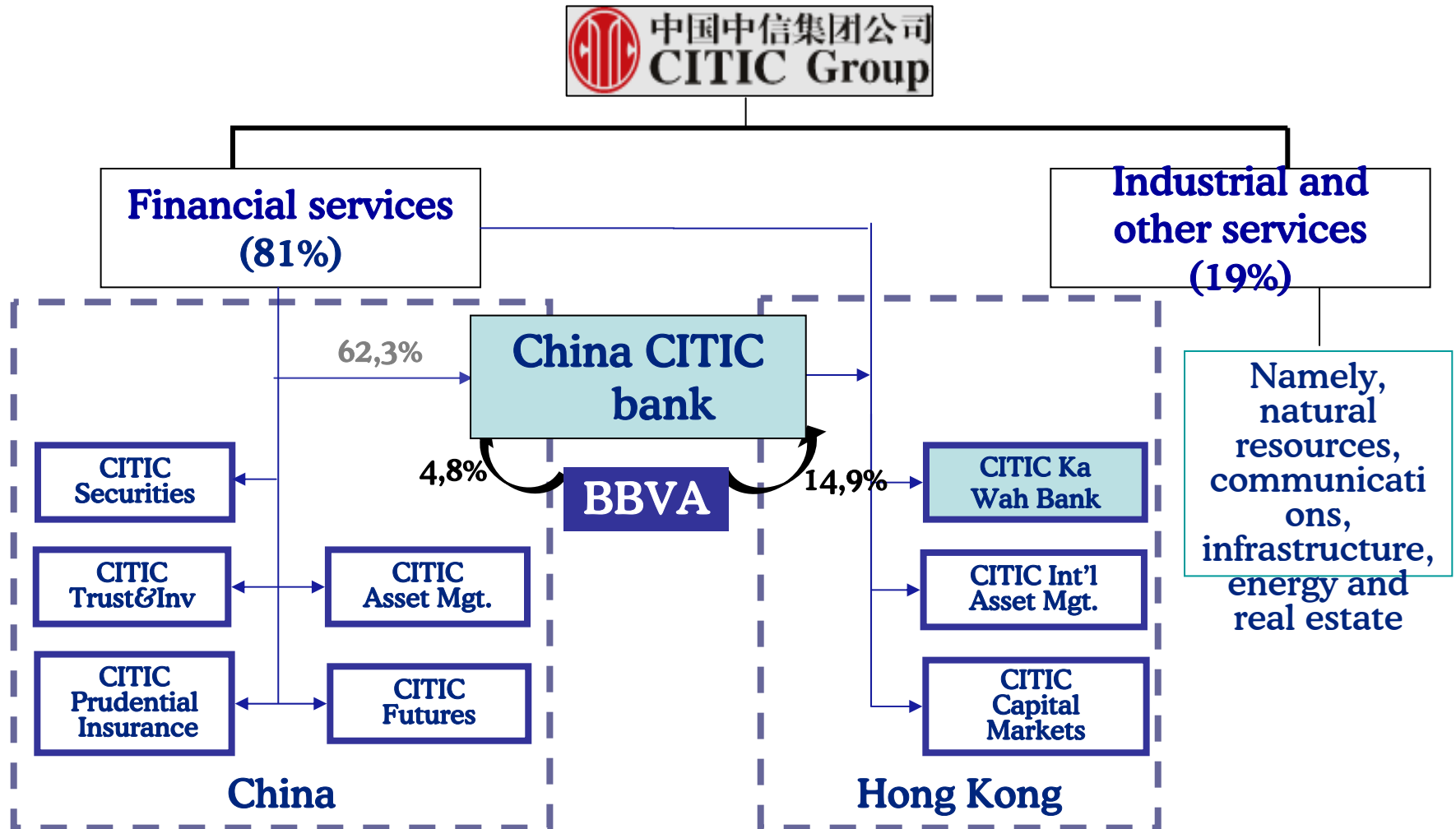
Source: BBVA ERD (as of Oct.2009)

BBVA in Asia and group performance

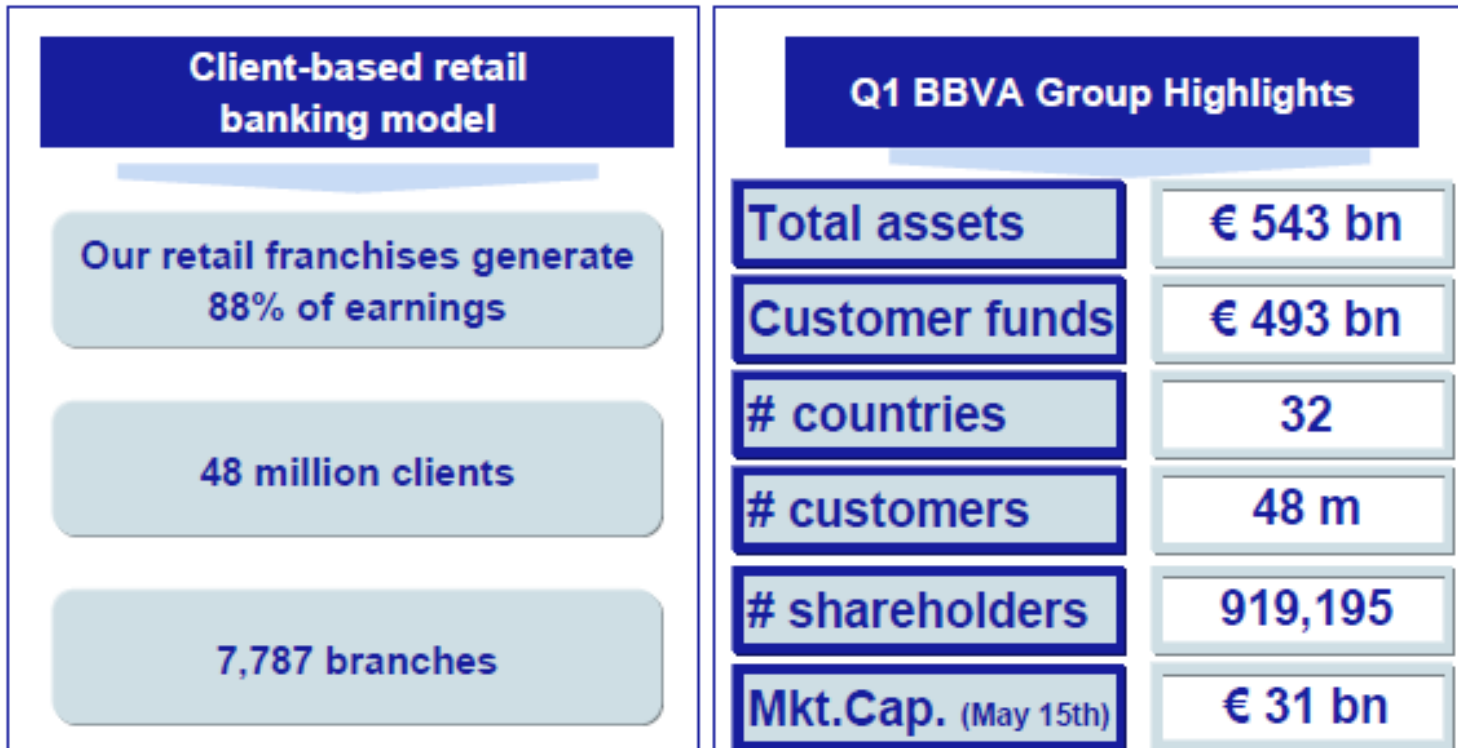


● OR=oficina de representación/representative office

An important milestone in building BBVA as the bank of choice in Asia



BBVA, a business model focused on client-based retail banking

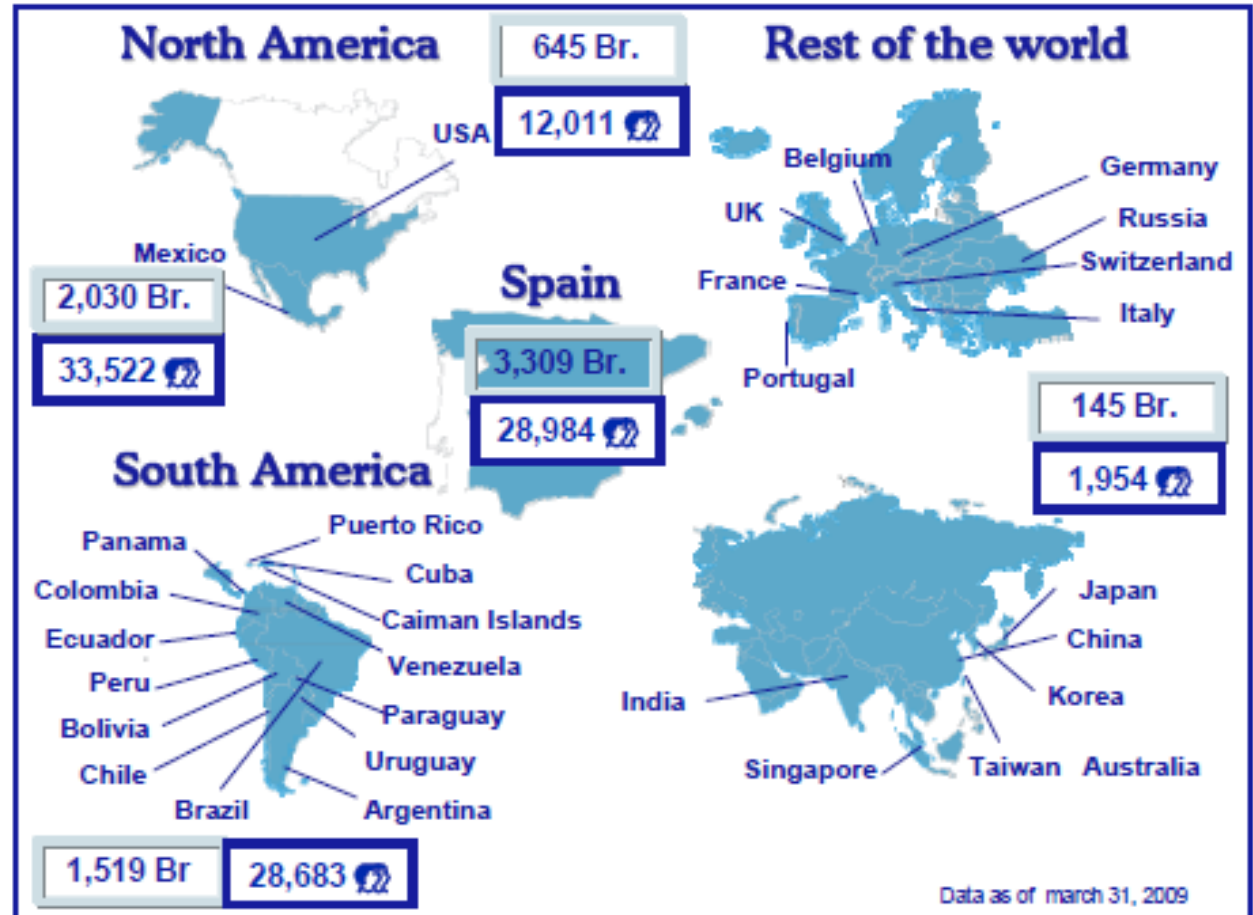


See 2009Q3 results in our website:

<http://www.bbva.com/TLBB/tlbb/jsp/ing/home/index.jsp>

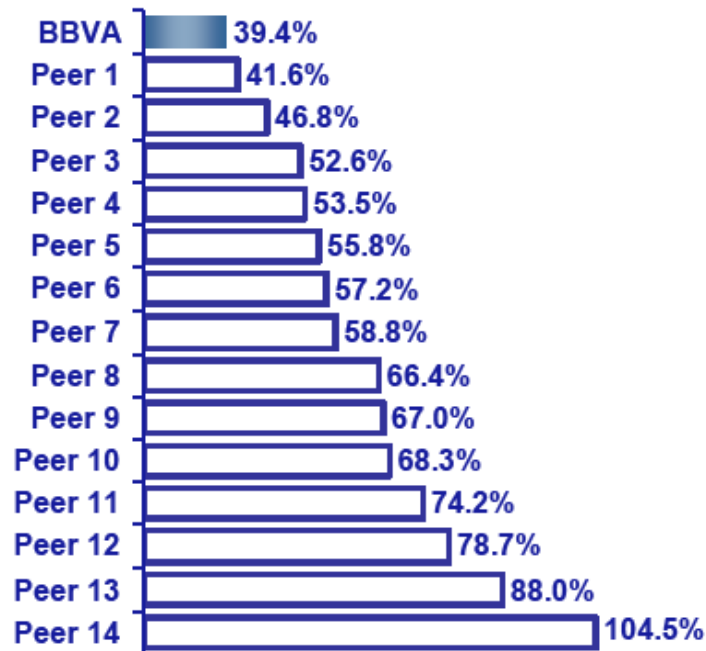
BBVA, a diversified international presence

- # countries
32
- # branches
7,648
- # employees
105,154

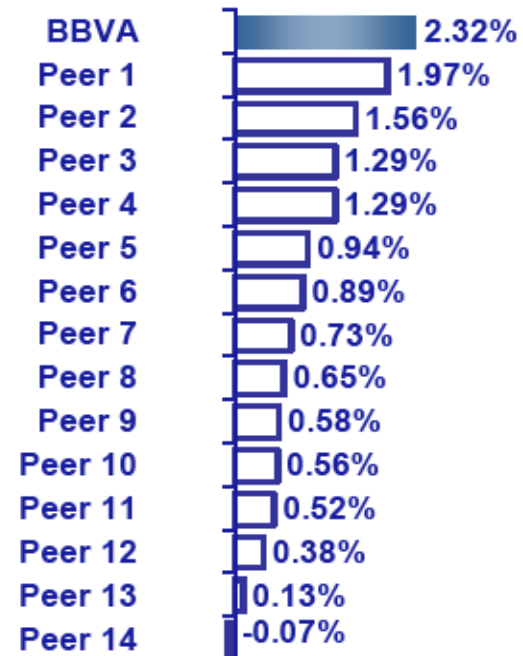


Strong growth in operating income this year confirms BBVA group as the leader in efficiency and profitability

Efficiency
Peer Group
(% at Jun.09)



Operating income / total assets
Peer Group
(% at Jun.09)



Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS y Unicredit

BBVA's balance sheet position is solid

BBVA's strength is based on ...



A

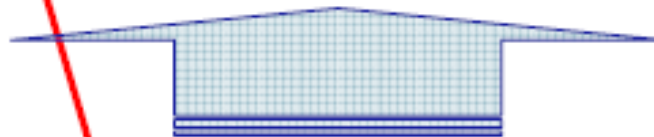
Comfortable liquidity

B

Recognized solvency

BBVA one of the banks with strongest ratings in the current environment

STANDARD & POOR'S (MARCH 09)									
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
		BBVA (-)	ISP(-)	Lloyds/HBOS	Commerz.				
		BNP(-)	C Agricole	RBS	Goldman (-)				
		Santander (-)	Barclays (-)	UBS	Citi				
		HSBC (-)	BONY	Credit Sui	Morgan S (-)				
		US Bancorp**-		DB	Unicredito				
		Wells Fargo**-		JPM (-)	BOA				
				SOCGEN					



STANDARD & POOR'S (JULY 2007)									
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
	BNP	Lloyds	BBVA	Unicredito	Commer				
	Wells Fargo	Barclays	C Agricole	BONY					
		Santander	Credit Sui (+)						
		HSBC (+)	SOCGEN (-)						
		RBS	ISP						
		UBS	DB						
		Citi	JPM						
		BOA	Morgan S						
		Wachovia	Merrill Lynch						
		US Bancorp	Goldman Sachs						

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