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METLIFE ACQUIRES PART OF AFP PROVIDA

BBVA divestment gathers pace with Chile pension sale

The New York, Washington, DC, Boston and Palo Alto offices of Skadden, Arps, Slate, Meagher & Flom LLP and Chilean firm Prieto y Cía are helping US insurer Metropolitan Life Insurance Company (MetLife) acquire a controlling stake in Chile's largest private pension fund administrator, AFP Provida, from BBVA - less than three months after the Spanish banking heavyweight sold off pension assets in Colombia and Mexico.

MetLife signed the definitive agreement with BBVA on Friday, with the Spanish bank turning to the Paris, New York and Washington, DC offices of Sullivan & Cromwell LLP and Chile's Carey. Under the agreement, MetLife will launch a cash tender offer for all outstanding shares in Provida, with BBVA also transferring its 64.3 per cent stake to the US insurer. AFP Provida will also sell down minority stakes it currently holds in other businesses in Mexico and Peru not being acquired by MetLife, which it will return to its shareholders in the form of a dividend. Should all publicly-held shares be tendered, the purchase price would top US$2 billion, which MetLife will finance from its existing cash balances. The transaction remains subject to regulatory approval and is expected to close in the third quarter of 2013. BBVA's latest sale follows its divestment of stakes in regulated pension fund assets elsewhere in Latin America, as the international bank has sought to abide by new capital rules introduced after the 2008 financial crisis. In December, BBVA turned to Sullivan & Cromwell and Colombia's prietocarrizosa for its sale of Colombian pension fund administrator AFP Horizonte to local banking group Grupo Aval, while a month earlier the bank also relied on the international firm plus Ritch Mueller SC in Mexico City for the sale of its Mexican private pension fund affiliate, AFORE Bancomer, to Mexico's Grupo Financiero Banorte. The sale of Latin American assets by European banks has also opened up opportunities for local financial institutions. In 2011 Sullivan & Cromwell, Shearman & Sterling LLP and 10 Latin American 2

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firms across five countries were involved in the record breaking acquisition of ING Groep's Latin America assets by Colombian financial holding company Grupo Sura - the biggest foreign buy from a Colombian company to date.

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In-house counsel

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