

ING in Latin American pensions growth plan

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ING, the Dutch financial services company, is targeting Latin America's booming pensions and life insurance markets, where it wants to become the number one operator in the next three to five years through acquisitions and organic growth.

"I think you will probably see us being very active over the next 12 to 24 months," Carlos Muriel, ING's head for Latin America, told the Financial Times.

ING is targeting pension companies, asset managers, life insurance and distribution networks in the region, but has ruled out attempting to buy a retail bank – as Spain's Santander did in acquiring Brazil's Banco Real as part of last year's ABN Amro takeover – because the sector is already consolidated.

"This is the first time I see most of the stars aligned," Mr Muriel said, noting that most of the Latin American countries had young populations, rapidly developing middle classes and macroeconomic stability thanks to structural reforms.

"What we foresee is a development similar to what the US had in the 1950s with the baby boomers," he said.

The move in Latin America fits in with ING's global strategy of focusing on high-growth emerging markets and using its banking and insurance background to become a "wealth manager" that sells everything from savings accounts to mutual funds and pensions.

It is now second by assets under management in pensions in Latin America, behind BBVA, and third in the life insurance sector, where MetLife is number one thanks to its purchase in 2002 of the state life insurer for civil servants in Mexico.

ING's Latin American operations contributed €237m (\$371m) pre-tax profit to the group in 2007, about 12 per cent of ING's Americas Insurance business.

Mr Muriel said he wanted to double that contribution to 25 per cent over the next three to five years.

On acquisitions, he said no funds had been earmarked as a Latin American war chest but ING's excess capital of €9.5bn gave it flexibility at a time when other European and US banks might be seeking to divest assets.

Mr Muriel also noted that ING could serve the US Hispanic community in ways other banks had not.

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