



M&A Deal of the Year

Debevoise & Plimpton

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Advising on one of the largest insurance transactions of 2021 in Asia helped Debevoise & Plimpton secure the award for M&A Deal of the Year.

Acting as lead counsel on AIA's US\$1.86 billion acquisition of approximately 25% of China Post Life Insurance — a state-owned insurer with extensive operations across the mainland — required a deft hand as the deal faced several legal and regulatory issues under the laws of both Hong Kong and mainland China.

The transaction was also significant in that it required guidance on a number of other technical and business cooperation arrangements between the two companies.

This deal stood out among all the applicants given its complexity — it involved a public bidding process, bilingual negotiations and the finalisation of transaction documents under a tight timeframe. The transaction also required an adviser that had extensive experience in the mainland Chinese insurance industry as well as a deep familiarity with Chinese state-owned enterprises.

Hong Kong-based AIA is one of the most prominent pan-Asian insurers and has a growing presence in the mainland. China Post Life, a subsidiary of China Post Group, has access to around 40,000 financial outlets and 600 million retail customers through a distribution partnership with Postal Savings Bank of China. The transaction will increase AIA's exposure to the Chinese life insurance market by giving it access to new distribution channels and customer segments that complement its existing strategy in China.

China's life insurance space is expected to grow significantly in the coming years as tens of millions of people join a middle class that has a strong appetite for the long-term market. This deal received widespread media coverage and is expected to be the largest PRC insurance transaction for some time. In addition, this M&A is likely to be part of a growing trend where multi-national insurers seek to gain access to China's vast, under-penetrated insurance market.

The Debevoise & Plimpton team advising AIA was led by partner Edwin Northover and included international counsel Tingting Wu, associate Fengjian Ao and international associates Michelle Qi and Ellena Xu.



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