

OFFSHORE-i **2015 ANNUAL REVIEW**



**EXPERT INSIGHT INTO
THE WORLD OF OFFSHORE
TRANSACTIONS**

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INTRODUCTION



Cameron Adderley
Partner & Global Head of
Corporate

Welcome to Appleby's review of mergers, acquisitions and capital markets activity offshore for 2015. Over the following pages, we highlight key trends and report on the health of deal activity across our region. This edition brings to a close our fourth full year of analysis of activity within the world's major offshore centres where Appleby conducts its business.

The offshore region is able to capitalise on deal activity wherever it is taking place in the world, and regardless of scale, demonstrating the offshore jurisdictions' ability to plug into deal-flow onshore. The largest deal to take place offshore this year commenced just in the last quarter: the acquisition, by Cinda Financial Holdings of Hong Kong, of Nanyang Commercial Bank. Announced in December 2015, this acquisition is valued at a colossal USD43.5bn.

Therefore, as we draw a line under 2015, we cannot fail to take stock and feel bullish about the state of M&A activity in our region. A year ago, we cautiously reported the best year for offshore M&A on record, and were brave enough to predict that the upward trajectory looked set to continue. It was, after all, only in January 2015 that US President Barack Obama called the end of the financial crisis in his State of the Union address. Since then, we have seen our markets not only stabilising at strong levels of activity, but continuing to enjoy considerable value growth.



Frances Woo
Managing Partner
Hong Kong

The outlook for 2016 of course remains fraught with uncertainty, and there are many challenges at the macroeconomic level that could yet derail the buoyancy in global deal activity. The year ahead holds a US Presidential election; continuing instability in the Eurozone and indeed in the European Union; the threat of terrorist attacks, oil price uncertainty and ongoing tensions between Russia and the West that could escalate at any time. Faltering growth in China's vast economy has impacted many of the developing economies that had been expected to fuel the next global economic boom, and as such there remains plenty of need for caution.

The offshore markets are thriving though, and it would be remiss of us not to report positively on such a strong set of figures in this report. We see our region enjoying some of the best deal activity it has ever witnessed, and we are quietly optimistic that such good news will continue to be a feature of 2016.

We trust that you find our analysis on the following pages useful. Please don't hesitate to get in touch with your usual Appleby contact should you wish to discuss any of the issues highlighted in more detail.

Appleby
March 2016

"We have seen our markets not only stabilising at strong levels of activity, but continuing to enjoy considerable value growth."

EXECUTIVE SUMMARY

Several interesting themes emerge from the offshore deal statistics that we outline on the following pages. In particular:

- **There were 2,969 deals in the year**, an almost identical amount as the previous year, one of the biggest on record for offshore.
- **The annual deal value of USD442bn** was the largest we have ever recorded. The **annual average deal size of USD149m is the highest yet recorded**, far out-triumphing the previous high of USD99m set back in 2007.
- **There were 75 billion-dollar deals in 2015**, compared to 52 throughout 2014.
- **The top five deals are each worth in excess of USD9bn**, with the biggest deal being the USD43bn sale of Hong Kong-based Nanyang Commercial Bank. Three of the top five deals were Hong Kong targets.
- With the sale of Nanyang Bank, the **financial services and insurance sector is unsurprisingly the biggest sector** by value as well as volume.
- **Cayman attracted almost 1,000 deals in 2015**, while Jersey, Mauritius and the Seychelles have shown consistent upward growth over the last five years.
- **The offshore region as an acquisition force is enjoying a bumper period.** Offshore has become a regular participant in some of the biggest transactions of the year; while annual volume has remained steady, value has catapulted upwards, increasing almost USD200bn against the previous year.
- **Offshore has the highest average deal size of any region worldwide.** In addition, the Offshore region's 56% increase in value compared to the previous year outpaced all other regions.

2015: SNAPSHOT

2,969	442 USD bn	Financial & Insurance Activities	Cayman Islands	Capital Increase	Hong Kong
Total number of deals	Total value of deals	No. 1 sector	Top target	Favoured type of deal	Top acquirer

LOOKING FOR OFFSHORE TRANSACTIONS ADVICE?

The Corporate group at Appleby is among the largest and most widely recognised in the offshore world. Our multi-disciplinary teams advise a large number of FTSE 100 and Fortune 500 companies on all aspects of corporate and commercial law, focusing on mergers and acquisitions, corporate restructurings, joint ventures, capital markets and investment funds.

Our lawyers are part of a truly international practice operating from our offices in Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey, Hong Kong, Isle of Man, Jersey, Mauritius, the Seychelles and Shanghai. Our network enables us to service our clients all over the world, including the key developing regions and, in particular, the BRIC economies.

ABOUT APPLEBY

Appleby is one of the world's largest providers of offshore legal advice and services. We have around 400 people, including 60 partners, operating from 10 offices around the globe.

We advise global public and private companies, financial institutions, and high net worth individuals, working with them and their advisers to achieve practical solutions, whether in a single location or across multiple jurisdictions.

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RESEARCH METHODOLOGY

This report details mergers and acquisitions and capital markets activity in offshore jurisdictions in 2015 using data from the Zephyr database, published by BvD. The offshore region covers target companies in Bermuda, British Virgin Islands, Cayman Islands, Hong Kong, Guernsey, Jersey, Isle of Man, Mauritius and Seychelles.

The date range for 2015 analysis is 1 January 2015-31 December 2015 inclusive. Deal status is as announced within the time period covered. Certain deals are subject to standard closing terms. Where necessary, deal values have been converted to USD at a rate set by Zephyr. Not all deals have a publically known value. Not all deal details are reported immediately, and the figures are subject to change as new information becomes available.