

STANBIC AFRICA HOLDINGS LIMITED (“SAHL”) a wholly owned subsidiary of Standard Bank Group Limited (“SBG”)



TENDER OFFER

to purchase up to 59,000,000 additional ordinary shares in the issued share capital of Stanbic Holdings Plc (“Stanbic Holdings”)

1. THE TENDER OFFER

Further to the announcement published on 16 March 2018, SAHL hereby announces that, pursuant to the Tender Offer Document also published today (the “**Tender Offer Document**”) on the website at <http://reporting.standardbank.com/stanbicoffer.php> and on the Company Announcements section of the Nairobi Securities Exchange Website (<https://www.nse.co.ke/listed-companies/company-announcements.html>), it is offering to acquire up to 59,000,000 additional ordinary shares in Stanbic Holdings (“**Ordinary Shares**”), which represents a maximum of just under 15% of the issued share capital of Stanbic Holdings, by means of a tender offer (the “**Tender Offer**”) made to all the other shareholders of Stanbic Holdings.

The Tender Offer will be on a “**willing buyer, willing seller**” basis, with no element of compulsory acquisition from shareholders who do not wish to sell.

2. THE TENDER OFFER TIMETABLE

Subject to the terms and conditions set out in the Tender Offer Document, the Tender Offer will open at 9:00 a.m. on 21 May 2018 and will be open to all holders of Ordinary Shares (other than SAHL) (“**Shareholder**”) on the register of Stanbic Holdings on the relevant closing date of the Tender Offer (see below).

The Tender Offer will close in two phases:

First Closing: the first phase of the offer will close at 5:00 p.m. on 11 June 2018 (the “**First Closing Date**”); and

Second Closing: the second and final phase of the offer will close at 5:00 p.m. on 2 July 2018 (the “**Second Closing Date**”).

There will be an initial settlement of the Tender Offer after the First Closing Date (as described in the Tender Offer Document). Therefore, Shareholders who accept the Tender Offer and apply to sell their Ordinary Shares before the First Closing Date will receive some (if not all) of their consideration shortly after the First Closing Date. Shareholders who only accept the Tender Offer later, after the First Closing Date, will be paid their consideration after the Second Closing Date.

This two stage closing process is intended to ensure that Shareholders who have accepted the Tender Offer early in the offer process are able to realise their investment and receive their purchase consideration at an earlier date than would otherwise be available under a single offer period.

In order to facilitate the settlement of the Tender Offer and ensure that Ordinary Shares tendered in the Tender Offer can be transferred, an application will be made for trading in Stanbic Holdings Ordinary Shares to be suspended for ten business days post Second Closing, expected to be from 9:00 a.m. on 3 July 2018 until 3:00 p.m. on 16 July 2018.

3. THE TENDER OFFER PRICE

The price payable for each Ordinary Share tendered in the Tender Offer is Kenya Shillings 95.00 (“**Tender Price**”), which price is inclusive of the right for SAHL to receive the final dividend of Kenya Shillings 4.00 per Ordinary Share in respect of the 2017 financial year proposed by the Board of Directors of Stanbic Holdings on 2 March 2018 for approval by shareholders of Stanbic Holdings at the Annual General Meeting to be held on 12 June 2018 and to be paid to shareholders thereafter (the “**Final Dividend**”).

As explained in more detail in the Tender Offer Document, the Tender Price represents:

- a premium of 15.7 per cent to the volume weighted average price (VWAP) at which Ordinary Shares traded on the Nairobi Securities Exchange for 30 trading days up to 14 March 2018 (the last day on which Ordinary Shares traded before SAHL submitted its Notice of Intention to launch the Tender Offer);
- a premium of 14.5 per cent to the daily average (cum-dividend) trading price at which Ordinary Shares traded on 14 March 2018;
- a premium of 16.5 per cent over the tangible accounting book net asset value per Ordinary Share (as at 31 December 2017);
- a Tender Price to tangible accounting book net asset value multiple of 1.16 times (as at 31 December 2017); and
- a Price to Earnings per Share multiple of 8.72 times (for the financial year ended 31 December 2017).

4. SCALE-BACK

The Tender Offer is made for a maximum of only 59,000,000 Ordinary Shares and not all of the remaining Ordinary Shares that SAHL does not already own. Therefore, if Shareholders (collectively) apply to sell more than 59,000,000 Ordinary Shares in aggregate in the Tender Offer, a scale-back mechanism will apply, as described in the Tender Offer Document.

In summary, this scale-back mechanism will mean that:

- each Shareholder on the register of Stanbic Holdings as at 5:00 pm on 15 March 2018 (the “**Record Date**”) will have a preferential right to sell the lower of (i) all the shares they owned at the Record Date, and (ii) 10,000 Ordinary Shares in the Tender Offer, without any scale-back;
- investors who only become Shareholders after the Record Date and Shareholders who increase their shareholding from the number of shares they owned as at the Record Date are able to apply to sell all the shares they own through the Tender Offer, but such shareholders are not eligible for preferential rights with respect to the additional shares that they have bought after the Record Date;
- any Shareholder who holds and applies to sell more than the number of shares eligible for the preferred allocation mechanism may not be able to sell the full number of shares that they wish to sell if the Tender Offer is oversubscribed because Shareholders (collectively) apply to sell more than 59,000,000 Ordinary Shares in total; therefore
- in that situation the number of Ordinary Shares that each Shareholder is able to sell will be calculated by the Data Processing Agent in proportion to the number of shares that each Shareholder applies to sell in excess of the preferred allocation limit applicable to that Shareholder (if any), with those Shareholders who accept the Tender Offer before the First Closing being given priority and likely to be able to sell a greater proportion of their shares than those Shareholders who only apply later between the Second Closing.

Please see paragraph 7.2 of the Tender Offer Document for further details.

5. IMPACT OF THE TENDER OFFER ON STANBIC HOLDINGS

At the date of this announcement, SAHL holds (through Stanbic Nominees Limited, which holds on its behalf) 237,192,981 Ordinary Shares, which represent 60% (sixty per cent) of the issued share capital of Stanbic Holdings. If the Tender Offer is accepted in full, SAHL will hold 296,192,981 Ordinary Shares, which would represent slightly less than 75% (seventy five per cent) of the issued share capital of Stanbic Holdings.

6. ACTION TO BE TAKEN

SAHL will send printed copies of the detailed Tender Offer Document and a blank Tender Form to each shareholder at the address specified in the shareholders’ register as at the Record Date. Copies of each of these documents will be available at: <http://reporting.standardbank.com/stanbicoffer.php> from the opening of the Tender Offer.

If any Shareholder does not wish to accept the Tender Offer and wishes to continue to remain a shareholder in Stanbic Holdings, then such Shareholder does not need to take any further action.

If any Shareholder does wish to tender all or some of its Ordinary Shares in the Tender Offer, then they will need to complete and return the Tender Form to an authorized Acceptance Agent, in accordance with the detailed terms and conditions set out in the blank Tender Form and the detailed Tender Offer Document.

SAHL encourages Shareholders who do wish to participate in the Tender Offer and sell their Ordinary Shares to accept the Tender Offer early, before the First Closing Date. This has two key advantages:

- **Early Payment:** Shareholders who accept the Tender Offer early, before the First Closing Date, will receive at least part of their consideration early (and Shareholders who tender only shares eligible for the preferred allocation mechanism will be in a position to receive all of their consideration early), before those Shareholders who accept and submit their completed Tender Form after the First Closing Date; and
- **Less Risk of Scale Back:** if the Tender Offer is oversubscribed and any Shareholder wishes to sell more than the shares that are eligible for the preferred allocation mechanism, then that Shareholder is more likely to be able to sell more Ordinary Shares if they accept the Tender Offer early, before the First Closing Date.

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS NOTICE OR THE ACTION YOU SHOULD TAKE REGARDING THIS TENDER OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, INVESTMENT BANK OR OTHER PROFESSIONAL INVESTMENT ADVISER.

TERMS AND CONDITIONS AND FURTHER INFORMATION

The terms and conditions of the Tender Offer are set out in the Tender Offer Document and the Tender Form.

Further information in relation to SAHL, its holding company, SBG, and Stanbic Holdings is set out in the Tender Offer Document. Copies of this announcement, the Tender Offer Document and the Tender Form will be available at <http://reporting.standardbank.com/stanbicoffer.php> from the opening of the Tender Offer.

7. REGULATORY APPROVALS

Pursuant to Rule 5(1) of the Capital Markets (Take-Overs and Mergers) Regulations, 2002, SAHL has applied for and has received from the Capital Markets Authority, an exemption from the requirement to make a mandatory offer to acquire all the issued shares in Stanbic Holdings that it does not hold.

The Capital Markets Authority has given its approval of this announcement. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of any statements or opinions made in this announcement. Approval of the Tender Offer is not to be taken as an indication of the merits of the Tender Offer or of a recommendation by the Capital Markets Authority to the Shareholders.

The Central Bank of Kenya has confirmed that it has no objection to the acquisition of up to 59,000,000 additional Ordinary Shares by SAHL.

The Competition Authority of Kenya has been notified as a matter of procedure under Regulation 3 of the Capital Markets (Take-Overs and Mergers) Regulations, 2002.

8. PARTIES AND ADVISERS

Offeror:	Stanbic Africa Holdings Limited 20 Gresham Street, London, EC2V 7JE, United Kingdom
Offeree:	Stanbic Holdings Plc, Stanbic Centre, 58 Westlands Road P. O. Box 72833-00200, Nairobi, Kenya
Sponsoring Broker:	SBG Securities Limited, Stanbic Centre, 58 Westlands Road P. O. Box 47198-00100, Nairobi, Kenya
Legal Adviser to SAHL:	Bowmans-Kenya (Coulson Harney LLP), 5th Floor, West Wing ICEA Lion Centre, Riverside Park, Chiromo Road P. O. Box 10643-00100, Nairobi, Kenya
Data Processing Agent:	Image Registrars Limited, 5th Floor, Barclays Plaza, Loita Street P. O. Box 9287-00100 GPO, Nairobi, Kenya
Paying Bank:	Stanbic Bank Kenya Limited, Stanbic Centre, 58 Westlands Road P.O. Box 72833-00200, Nairobi, Kenya