



*The Capital Markets Act and
The Capital Markets (Securities) (Public Offers, Listing and Disclosures)
Regulations, 2002 (Cap 485A)*

PUBLIC ANNOUNCEMENT

COMPLETION OF THE RESTRUCTURING AND DEMERGER OF INSURANCE BUSINESSES IN CSH AND LISTING OF CFCIH ON THE NAIROBI STOCK EXCHANGE

Introduction

Reference is made to the following previous announcements made by CfC Stanbic Holdings Limited ("CSH"):

(i) the cautionary announcement on Monday 31st August, 2009 advising that CSH was in the process of streamlining its group corporate structure, which process, if completed, could lead to the restructuring and consolidation of its insurance businesses (namely CfC Life Assurance Limited ("CfC Life") and The Heritage Insurance Company Limited ("Heritage") and their respective subsidiaries (together the "Insurance Businesses"); and

(ii) the announcement made on Wednesday 2nd December, 2009 advising that CSH had entered into conditional legal agreements with Liberty Holdings Limited ("Liberty") and African Liaison and Consultant Services Limited ("ALCS") pursuant to which the shareholdings of the Insurance Businesses will be restructured ("the Restructuring"), and a demerger from the banking and financial services business of CSH will be effected ("the Demerger").

The consequence of the Restructuring will be that Heritage and CfC Life will be constituted as wholly-owned subsidiaries of CfC Insurance Holdings Limited ("CfCih") (formerly CfC Holdings Limited), currently a wholly-owned subsidiary of CSH, and Liberty and ALCS will become minority investors in CfCih. CfCih will thereafter be demerged from CSH through a distribution in specie to CSH's shareholders of the entire shareholding of CSH in CfCih.

SAHL has agreed to renounce in favour of Liberty its right to receive the shares in CfCih to which it would be entitled as a CSH shareholder and, as a consequence, Liberty will become the controlling shareholder and core strategic investor in CfCih. CfCih will then be separately listed on the Nairobi Stock Exchange ("NSE") by way of an introduction to the official list of the main investment market segment.

Completion of the Restructuring was subject, inter alia, to a number of regulatory and other approvals and authorizations which have been obtained or complied with, including:

- the approval of the Insurance Regulatory Authority (the "IRA");
- the approval of the Exchange Control Division of the South African Reserve Bank (the "SARB");
- the compliance with the rules of the Johannesburg Stock Exchange; and
- the approval of the Capital Markets Authority (the "CMA").

Completion of the Demerger is subject, inter alia, to regulatory and other approvals and authorizations which have now been obtained or complied with, including:

- the shareholders of CSH approving the Demerger at an extra-ordinary general meeting (the "Shareholders Meeting");
- the approval of the CMA;
- the approval of the NSE to the listing of CfCih by way of introduction;
- the approval of the IRA;
- the approval of the Minister of Finance acting through the Monopolies and Prices Commissioner pursuant to the Restrictive Trade Practices, Monopolies and Price Control Act, chapter 504 of the Laws of Kenya (the "Commissioner"); and
- the compliance with the rules of the JSE.

Transaction Structure Summary

The Restructuring and Demerger involves a series of transactions that will ultimately consolidate all the Insurance Businesses under one holding company - CfCih.

The key steps in the transaction that have already taken place are:

- CfCih implementing a share split of its ordinary shares and a bonus issue of ordinary shares from its share premium account in order to achieve a demerger ratio of 1:1 (i.e. for each one (1) share that a shareholder holds in CSH, the shareholder will receive one (1) CfCih share);
- CfCih acquiring the 64.08% holding in the issued share capital of Heritage owned by CSH in exchange for an issue of CfCih ordinary shares;
- CfCih acquiring the remaining 35.92% holding in the issued share capital of Heritage owned by ALCS in exchange for an issue of CfCih ordinary shares;
- CfCih allotting new shares to Liberty for a cash consideration of KSh. 879,425,000 (eight hundred and seventy nine million four hundred and twenty five thousand shillings), the capital raised thereby being applied to meeting certain of the anticipated costs of the Restructuring and Demerger, increasing the capital solvency of the Insurance Businesses and reducing the levels of debt in CfCih in preparation for its listing on the NSE;

The remaining steps in the transaction which will now take place are:

- CSH distributing its shareholding in CfCih to its shareholders by declaring a dividend in specie at the ratio of one share in CfCih received for each CSH share held, as above (as Kenyan withholding tax is required to be held from the dividend distributed to CSH shareholders, the aggregate dividend declared will include that which is payable in cash, which will, to the extent required, be applied to me that is payable in cash, which will, to the extent required, be applied to me with withholding taxes);
- Liberty acquiring, following the distribution of CSH's shareholding in CfCih in renunciation from SAHL, the right to receive all the shares that SAHL would be entitled to receive in CfCih pursuant to the dividend in specie. As a result Liberty will be the controlling stake in CfCih; and
- CfCih being listed on the NSE by way of introduction.

Shareholders and the public are therefore advised to note the remaining key dates for the Transaction:

Key Dates	Activities
Monday, 14-Mar-2011	Start date for shareholders to verify CDS accounts for purposes of receiving the Dividend in specie
Friday, 18-Mar-2011	Commencement of despatch of the Information Memorandum to shareholders of CSH
Monday, 21-Mar-2011	Publication of Audited Financial Information for CfCih Group as at Dec 2010
Monday, 21-Mar-2011	Publication of Audited Financial Information for CSH Group as at Dec 2010
Friday, 01-Apr-2011	Last date for CSH shareholders to open CDS accounts and immobilise their CSH shares for receipt of new CfCih shares.
Friday, 08-Apr-2011	End of review period of Information Memorandum documentation by CfCih Shareholders
Friday, 08-Apr-2011	Books Closure Date (and Record Date)
Wednesday, 20-Apr-2011	Distribution of Dividend in specie and Special Cash Dividend to CSH shareholders
Thursday, 21-Apr-2011	LISTING BY WAY OF INTRODUCTION OF CFCIH ON THE MAIN MARKET SEGMENT OF THE NSE AND COMMENCEMENT OF TRADING OF CFCIH SHARES

Note: The above dates and times are subject to amendment and notification to the shareholders and the general public, where appropriate.

Conclusion

Existing shareholders in CSH will, as a result of the Restructuring and Demerger, continue to hold their shares in CSH. Consequently, there should be no material immediate impact of the Demerger for shareholders in CSH who will still own stakes in each of CSH's current businesses after the Demerger.

Cautionary

Shareholders are advised to exercise caution in dealing in their shares in CSH during the distribution of the dividend in specie and the Listing of CfCih has taken place.

By order of the Board
CfC Stanbic Holdings Limited
11th March, 2011

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CfC Insurance Holdings Limited
11th March, 2011

