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NIC Group PLC and Commercial Bank of Africa Limited announce that their Boards of Directors have authorized the commencement of discussions regarding a potential merger of the two entities.

Upon successful conclusion of these discussions and subject to approvals from shareholders of the two entities and regulatory authorities it is expected that the envisaged merger would create one of the largest financial services groups in the region.

It is the view of the two Boards that the potential merger would bring together the best in class retail and corporate banks with strong potential for growth in all aspects of banking and wealth management. A combined entity would create a complementary base of over 38 million customers, a strong digital proposition and a robust corporate and asset finance offering.

The Boards believe that combining the business of two highly profitable entities would create enhanced capacity through capital consolidation and strong liquidity to capture strategic growth opportunities. This would allow it to invest in future growth and in new technology to create enhanced offerings and wider services to its customers, as well as deliver deeper financial inclusion while generating attractive returns to shareholders.

A combined larger group would provide new and greater opportunities for employee development, advancement and growth.

The combined group would be strongly placed to play a bigger and more significant role in the banking sector and the economies of Kenya, the region and beyond.

It is important to note that an eventual merger remains subject to due diligence processes, shareholder, regulatory and other approvals.

During this phase of discussions the two entities will continue to operate independently.

The Boards of Directors wish to emphasize that the discussions are preliminary in nature and as such only limited information can be disclosed at this stage. The two entities are committed to the highest standards of governance and regulatory disclosure and will update the market as and when there are any material developments.

James P M Ndegwa

Chairman

NIC Group PLC

Destario A Oyatsi

Chairman

Commercial Bank of Africa Limited