

REPUBLIC BANK (GRENADA) LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder

For the first quarter ended December 31, 2016, the Bank recorded Profit after Tax of \$1.197 million, slightly below the \$1.247 million recorded for the corresponding period last year.

The new/revised Banking Act of 2015 requires the Bank's Stated Capital to be at least EC\$20 million. In order to raise the additional minimum capital of EC\$5 million, the Board of Directors has approved the offer of a Rights Issue. This Rights Issue gives each shareholder the right to purchase one new share for every ten shares already held, at the price of \$45.00 per share, as detailed in the Bank's prospectus dated December 28, 2016. It is anticipated that the issue will be sufficiently subscribed to meet the minimum requirement.

The steady economic growth of the past few years is expected to continue into 2017. We anticipate that this momentum will assist us in meeting our objectives in fiscal 2017.

Ronald F. de.C Harford
CHAIRMAN

January 12, 2017