

Management is responsible to the Directors for the preparation and integrity of the financial statements and all other financial information included in this report. The external auditors are responsible for reporting on the financial statements.

The financial statements have been prepared in accordance with the provisions of the Companies Act and the Banks Act, and comply with generally accepted accounting practice.

INTERNAL CONTROL

In order for the Board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The Board has ultimate responsibility for the system of internal control and reviews the Bank's operations primarily through the Audit Committee and various other risk-monitoring committees.

The Directors rely on documented risk-based internal control systems and administrative controls, designed to provide reasonable assurance that the Bank's assets are secured, and that transactions are conducted in accordance with prudent banking and business practice as well as the Bank's policy guidelines.

These controls are implemented by trained and skilled personnel with an appropriate segregation of duties which are monitored by management, and include a comprehensive budgeting and reporting system operating within strict deadlines and appropriate controls.

The Bank's internal audit function, which operates independently and unimpaired, has unrestricted access to the Audit Committee. It appraises, evaluates and, when necessary, recommends improvements in the systems of internal control and accounting practices based on audit plans which take cognisance of the relative degrees of risk of each function or aspect of business.

The Group is exposed to a number of risks, the most significant being the market, credit, liquidity, operational and compliance risk. These risks are managed by policies and procedures approved by the Board of Directors.

The Directors are of the opinion, based on the information and explanations given by management and the internal auditor, that the accounting controls are adequate and that the financial records may be relied upon in the preparation of the financial statements.

GOING CONCERN

The Annual Financial Statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Company and the Group will not remain a going concern until the next reporting date.

APPROVAL

The financial statements which appear on pages 13 to 30 were approved by the Board of Directors on 7 June 2002 and are signed on its behalf by:

A A Sabbahi
Chairman

E E Vawda
Chief Executive Officer

*Director's
responsibility for
financial reporting*

