

## FINANCIAL REPORTING RESPONSIBILITIES

The Management of East Caribbean Financial Holding Company is responsible for the preparation and fair presentation of the financial statements and other financial information contained in this annual report. The accompanying financial statements were prepared in accordance with generally accepted accounting principles. Where amounts had to be based on estimates and judgments, these represent the best estimates and judgments of management.

In discharging its responsibility for the integrity and fairness of the financial statements, and for the accounting systems from which they are derived, the management has developed and maintains a system of accounting and reporting which provides the necessary internal controls that ensure transactions are properly authorized, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. This is supported by written policies and procedures, quality standards in recruiting and training employees, an established organizational structure that permits accountability for performance within appropriate and well-defined areas of responsibility.

An Audit unit that conducts periodic audits of all aspects of the Groups operations further supports the system of internal controls.

The Board of Directors oversees management's responsibility for financial reporting through an Audit Committee, which is composed of directors only who are neither officers nor staff of the Bank. The primary responsibility of the Audit Committee is to review the Group internal control procedures and planned revision to those procedures and advising directors on auditing matters and financial reporting issues. The Group's Senior Internal Auditor has full and unrestricted access to the Audit Committee.

At least once a year, the Eastern Caribbean Central Bank makes such examination and inquiry into the affairs of the Group as deemed necessary to ensure that the provision of the Banking Act relating to the safety of depositors' funds and shareholders equity are being observed and that the Group is in sound financial condition.

PriceWaterhouseCoopers, appointed as auditors by the shareholders of the Group, have examined the financial statements and their report follows. The shareholders' auditors have full and unrestricted access to the Audit Committee to discuss their audit and related findings as to the integrity of the Groups financial reporting and adequacy of the systems of internal control.



Robert Norstrom  
MANAGING DIRECTOR



Marcus Joseph  
FINANCIAL CONTROLLER