

**Updated in May 2020 for Conforming Amendments to the IAASB's International Standards as a Result of the Revisions to the IESBA Code**

**Effective Date: 16 November 2020**

Part A of this independent auditor's report has been updated for conforming amendments to the IAASB's International Standards as a result of the revisions to the IESBA Code.

The Chief Executive Officer  
Prudential Authority  
South African Reserve Bank  
PO Box 8432  
Pretoria  
0001

Dear Sir

**INDEPENDENT AUDITOR'S REPORT TO THE PRUDENTIAL AUTHORITY (THE "PA") ON THE STATUTORY RETURNS OF XYZ MUTUAL BANK (THE "BANK") IN TERMS OF THE MUTUAL BANKS ACT, 1993 (THE "ACT") AND THE REGULATIONS RELATING TO MUTUAL BANKS (THE "REGULATIONS")**

The respective Parts A to F reports, attached to this report, are made for the purpose of our compliance with the reporting requirements of Regulations 6(1), 6(2)(a), 6(2)(b) and 6(6) of the Regulations in relation to the statutory returns (the returns) submitted to the PA by the Bank during the year ended *[insert year-end date]*.

**Directors' responsibility for the returns**

The directors are responsible for ensuring the Bank's compliance with the provisions of the Act and the Regulations, including the preparation and submission of the relevant statutory financial statements and the returns to the PA, during the year ended *[insert year-end date]*; and for such internal control as the directors determine is necessary to enable the preparation of the returns that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to issue our reports under Regulations 6(1), 6(2)(a), 6(2)(b) and 6(6) of the Regulations in respect of the returns submitted to the PA by the Bank, and which are set out in Parts A to F, that express our audit opinion, review conclusion, limited assurance conclusions and to state our factual findings on the respective returns, based on our audit, review, limited assurance and agreed-upon procedures engagements, performed in accordance with International Standards on Auditing ("ISAs"), International Standards on Review Engagements ("ISREs"), International Standards on Assurance Engagements ("ISAEs") and International Standards on Related Services ("ISRSs"), as applicable; and to report on such additional matters as required by the PA and as set out in the respective Parts A to F reports.

We completed our audit of the statutory financial statements of the Bank for the financial year ended *[insert year-end date]*, on which we issued an unmodified opinion *[adjust as applicable]* on *[insert*

*date auditor's report was signed*]. Our audit of the financial statements was performed in accordance with ISAs.

In forming our audit opinion, review conclusion, limited assurance conclusions and factual findings contained in the respective Parts A to F reports, we have, where appropriate, drawn on evidence obtained in the course of our audit of the financial statements and performed such additional year-end procedures we considered necessary to complete our examination of the returns of the Bank submitted to the PA during the year ended on *[insert year-end date]*.

### **Opinion, conclusions and factual findings**

Our respective audit opinion, review conclusion, limited assurance conclusions and factual findings are expressed in the respective individual Parts A to F of our reports as attached. We have *[initialled/stamped]* the returns referred to in our reports for identification purposes.

### **Basis of preparation of the returns and restriction on use and distribution**

The returns were prepared by the directors of the Bank on the basis indicated in the respective Parts A to F reports for the purpose of the Bank's compliance with the relevant requirements of the Act and the Regulations, and reporting thereon to the PA. As a result, these returns may not be suitable for another purpose.

Our report is intended solely for the purpose of our compliance with the Regulations and for no other purpose. It should not be distributed to or used by any other parties other than the PA and the directors of the Bank.

Should you wish to discuss the contents of the respective Parts A to F reports in any further detail, please contact *[Regulatory Partner's/s' Name/s and telephone numbers]*.

Yours faithfully,

*[Auditor's signature]*

*[Name of individual registered auditor]*

*[Capacity, if not a sole practitioner,*

*e.g. Director/Partner]*

Registered Auditor

*[Date of auditor's report]*

*[Auditor's address]*

## PART A: INDEPENDENT AUDITOR'S REPORT ON DI RETURNS

**Independent auditor's report on the following year-end DI returns: DI 100 (Balance sheet); DI 110 (Off-balance sheet activities); DI 200 (Income statement); DI 310 (Minimum reserve balance and liquid assets); DI 400 (Capital adequacy); DI 500 (Credit risk)**

### Opinion

We have audited the following year-end DI returns of the Bank submitted to the PA for *[insert year-end date]*: DI 100 (lines 1-16 columns 1-4, lines 17-31, line 33, line 34 columns 1-4 and lines 35-76 columns 1 and 4); DI 110 (lines 1-4 columns 1 and 10, and line 9 columns 1 and 10); DI 200 (lines 1-66, excluding column 1); DI 310 (lines 1-6 column 1); DI 400 (lines 14-31, line 34, lines 36-37 and line 40); and DI 500 (lines 9-12) (the "Part A returns") for the purpose of complying with Regulations 6(1) and 6(2)(a).

In our opinion, the Part A returns of the Bank for *[insert year-end date]* are prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**IF A QUALIFIED OPINION IS EXPRESSED, REPLACE THE ABOVE TWO PARAGRAPHS WITH THE FOLLOWING:**

### Qualified Opinion

We have audited the following year-end DI returns of the Bank submitted to the PA for *[insert year-end date]*: DI 100 (lines 1-16 columns 1-4, lines 17-31, line 33, line 34 columns 1-4 and lines 35-76 columns 1 and 4); DI 110 (lines 1-4 columns 1 and 10, and line 9 columns 1 and 10); DI 200 (lines 1-66, excluding column 1); DI 310 (lines 1-6 column 1); DI 400 (lines 14-31, line 34, lines 36-37 and line 40); and DI 500 (lines 9-12) (the "Part A returns") for the purpose of complying with Regulations 6(1) and 6(2)(a).

In our opinion, except for the effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the Part A returns of the Bank for *[insert year-end date]* are prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**IF A QUALIFIED OPINION IS EXPRESSED, ALSO ADD THE FOLLOWING:**

### Basis for Qualified Opinion

Our basis for qualification has been noted in Appendix A<sup>1</sup>, attached to this report, as item XX relating to *[state the relevant DI returns]*. Then continue with: "We conducted our audit ..." as noted below.

<sup>1</sup> "Appendix A" is usually attached to the reports and it documents all matters noted by the auditor, including the qualification matters. Refer to the requirements of ISA 705 (*revised*), *Modifications to the opinion in the independent auditor's report*, to ensure that the documentation of the qualification matters complies with that standard.

**[For auditor's reports issued on or after 15 June 2019 in respect of the audit of the DI returns for financial periods beginning before or on 14 June 2019] [Delete block if not applicable.]**

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Part A returns* section of our report. We are independent of the [Entity/Entities/Bank/Branch (delete as appropriate)] in accordance with the Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of the DI returns in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our [qualified]<sup>2</sup> opinion.

**[For audits of the DI returns for financial periods beginning on or after 15 June 2019] [Delete block if not applicable.]**

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Part A returns* section of our report. We are independent of the [Entity/Entities/Bank/Branch (delete as appropriate)] in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of the DI returns in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our [qualified]<sup>3</sup> opinion.

### **IF THERE ARE OTHER MATTER ITEMS, THEN ADD THE FOLLOWING:**

#### **Other matter(s)**

The terms of engagement for our audit of the Part A returns address, among others, the application of materiality. In this regard, we draw your attention to Appendix A, which includes details of a misstatement/misstatements, and that in itself exceeds the applicable materiality threshold, but

<sup>2</sup> To be included in the case of a qualified opinion.

<sup>3</sup> To be included in the case of a qualified opinion.

do(es) not cause a material misstatement of Part A returns and a related qualification. Our opinion is not *[include "further" if the opinion is qualified]* modified in respect of this matter.

#### **Emphasis of matter<sup>4</sup> – Basis of preparation of the Part A returns and restriction on use and distribution**

The Part A returns of the Bank were prepared for the purpose of the Bank's compliance with the relevant requirements of the Act and the Regulations, and reporting thereon to the PA. As a result, the Part A returns may not be suitable for another purpose. Our opinion is not *[include "further" if the opinion is qualified]* modified in respect of this matter.

Our report is intended solely for the purpose of our compliance with the Regulations and for no other purpose. It should not be distributed to or used by any other parties other than the PA and the directors of the Bank.

#### **Other Information**

The directors are responsible for the other information. The other information comprises all lines in the returns not referred to in our opinion paragraph above as well as the information covered by Parts B to F, and does not include the Part A returns and our auditor's report thereon.

Our opinion on the Part A returns does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Part A returns, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Part A returns or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. *[We have nothing to report in this regard. OR Where there are inconsistencies that are reported in Parts B to F<sup>5</sup>, a cross reference should be made, if applicable, to where those are reported (amend as appropriate)].*

#### **Responsibilities of the directors for the Part A returns**

The directors are responsible for ensuring the Bank's compliance with the provisions of the Act and the Regulations, which includes the preparation and submission of the Part A returns to the PA, for *[insert year-end date]*, in accordance with the provisions set out in Regulation 6(2)(a); and for such internal control as the directors determine is necessary to enable the preparation of the Part A returns that are free from material misstatement, whether due to fraud or error.

In preparing the Part A returns, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the directors either intend to liquidate the Bank or cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Part A returns**

Our objectives, in accordance with Regulation 6(1), are to obtain reasonable assurance about whether the Part A returns as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

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<sup>4</sup> The DI returns relating to these Part A returns should include a disclosure/explanation on the basis of preparation.

<sup>5</sup> This paragraph must remain for the Part A returns. .

level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these Part A returns.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Part A returns, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting; and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Part A returns or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- [Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Bank to express an opinion on the Part A returns. We are responsible for the direction, supervision and performance of the Mutual Bank audit. We remain solely responsible for our audit opinion<sup>6</sup>.]

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all the relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied<sup>7</sup>.]

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<sup>6</sup> This bullet point remains for a Bank or Bank solo, including the term "group audit", if there is an aggregation process in arriving at the Bank or Bank Solo Part A returns. Where there is no such aggregation or consolidation process, this bullet point should be removed.

<sup>7</sup> This paragraph is to be included when an entity within the Group being reported on is a listed entity.

## **PART B: INDEPENDENT AUDITOR'S REVIEW REPORT ON DI RETURNS**

**Independent auditor's review report on the following year-end DI returns: DI 100 (Balance Sheet); DI 110 (Off-balance sheet activities); DI 300 (Liquidity risk); DI 310 (Minimum reserve balance and liquid assets); DI 400 (Capital adequacy); DI 401 (Consolidated balance sheet); DI 403 (Foreign operations); DI 430 (Trading risk); DI 500 (Credit risk); DI 520 (Assets bought in); DI 525 (Funding of local governments); DI 600 (Currency risk); DI 700 (Restriction on investments, loans and advances); and DI 702 (Return regarding investments and interests held)**

We have reviewed the following year-end DI returns of the Bank submitted to the PA for *[insert year-end date]*: DI 100 (lines 1-16 columns 5-6, line 32, line 34 columns 5-6, lines 35-63 columns 2-3 and line 76 column 2-3); DI 110 (lines 1-8 columns 2 and 10 and lines 5-8 column 1); DI 300 (lines 1-14 and lines 21-36); DI 310 (lines 1-6 column 3, line 9 and lines 12-26); DI 400 (lines 1-7 column 8 and lines 38-39); DI 401 (lines 1-42 and lines 46-55); DI 403 (lines 1-4, line 7, lines 18-21, lines 29-37 and lines 39-43); DI 430 (lines 1-7 columns 1 and 4, and lines 8-19); DI 500 (lines 2-8 and lines 13-23); DI 520 (lines 1-2); DI 525 (lines 1-21); DI 600 (lines 13-24); DI 700 (lines 1-16); and DI 702 (lines 1-2 and lines 3-4 columns 4-5) (the "Part B returns") for the purpose of complying with Regulation 6(2)(a).

### **Directors' responsibility for the Part B returns**

The directors are responsible for ensuring the Bank's compliance with the provisions of the Act and the Regulations, which includes the preparation and submission of the Part B returns to the PA, for *[insert year-end date]*, in accordance with the provisions set out in Regulation 6(2)(a); and for such internal control as the directors determine is necessary to enable the preparation of the Part B returns that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to report on the Part B returns in accordance with Regulation 6(1) and to express a conclusion on those returns based on our review. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, *Review of Interim Financial information Performed by the Independent Auditor of the Entity*, which applies to a review of historical financial information performed by the independent auditor of the entity.

ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Part B returns are not prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a). This standard also requires us to comply with relevant ethical requirements.

A review of the Part B returns, in accordance with ISRE 2410, is a limited assurance engagement. A review includes performing procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures; and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these Part B returns.

**IF A QUALIFIED CONCLUSION IS EXPRESSED, ADD THE FOLLOWING:**

**Basis for Qualified Conclusion**

Our basis for qualification has been noted in Appendix A<sup>8</sup>, attached to this report, as item(s) XX relating to *[state the relevant DI returns]*.

**Qualified Conclusion**

Based on our review, except for the effect(s) of the matter(s) described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Part B returns of the Bank for *[insert year-end date]* are not prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Part B returns of the Bank for *[insert year-end date]* are not prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**IF THERE ARE OTHER MATTER ITEMS, THEN ADD THE FOLLOWING:**

**Other matter(s) – matter(s) exceeding PA reporting thresholds**

The terms of the engagement for our review of the Part B returns address, among others, the application of materiality. We draw your attention to the matter(s) exceeding the PA reporting threshold noted as item(s) XXX of the attached Appendix A that affects the Part B return(s) but do(es) not have a material effect on the preparation of the Part B returns in accordance with Regulation 6(2)(a). Our conclusion is not *[include “further” if the conclusion is qualified]* modified in respect of this/these matter/matters.

**Basis of preparation of the Part B returns and restriction on use and distribution<sup>9</sup>**

Without *[include “further” if the conclusion is qualified]* modifying our conclusion, we emphasise that the Part B returns of the Bank were prepared for the purpose of reporting to the PA. As a result, the Part B returns may not be suitable for another purpose.

Our report is intended solely for the purpose of our compliance with the Regulations and for no other purpose. It should not be distributed to or used by any other parties other than the PA and the directors of the Bank.

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<sup>8</sup> “Appendix A” is usually attached to the reports and it documents all matters noted by the auditor, including the qualification matters. Refer to the requirements of ISA (Revised), *Modifications to the opinion in the independent auditor's report*, for guidance regarding the documentation of the qualification matters.

<sup>9</sup> Note: Contrary to the Part A returns, there is no requirement to include “Emphasis of matter” before the title of this paragraph.



## PART C: LIMITED ASSURANCE REPORT ON RISK RETURNS AT YEAR-END

**Independent auditor’s limited assurance report on the following year-end DI returns: DI 100 (Balance sheet); DI 110 (Off-balance sheet activities); DI 200 (Income statement); DI 310 (Minimum reserve balance and liquid assets); DI 400 (Capital adequacy); DI 401 (Consolidated balance sheet); DI 402 (Counterparty risk); DI 403 (Foreign operations of South African banks); DI 410 (Interest rate mismatch); DI 420 (Market risk); DI 430 (Trading risk); DI 500 (Credit risk); DI 505 (Report of large exposures); DI 510 (Large exposures); DI 525 (Funding of local governments); DI 600 (Currency risk); DI 701 (Asset-backed securitisation) and DI 702 (Investments and interests held)**

We have undertaken a limited assurance engagement on the following information contained in the year-end DI returns of the Bank, submitted to the PA for *[insert year-end date]*: DI 100 (lines 35-76 columns 4-10); DI 110 (lines 1-9 columns 3-9 and lines 10-11); DI 200 (lines 67-69); DI 310 (lines 8, 10 and 11 columns 1-2); DI 400 (lines 1-9 columns 1-7 and 9, lines 10-13, lines 32-33, line 35 and lines 41-45); DI 401 (lines 43-45 and lines 56-58), (lines 1-24); DI 402 (lines 1-24); DI 403 (line 6, lines 8-17, line 22, line 38 and lines 44-59); DI 410 (lines 1-16); DI 420 (lines 1-8); DI 430 (lines 1-7 columns 2-3); DI 500 (line 1 and lines 26-27); DI 505 (line 1); DI 510 (lines 1-2); DI 525 (lines 22-24); DI 600 (lines 1-12); DI 701 (lines 1-9); and DI 702 (line 3 columns 1-3) (the “Part C returns”) for the purpose of complying with Regulations 6(1) and 6(2)(a).

### Directors’ responsibility for the Part C returns

The directors are responsible for ensuring the Bank’s compliance with the provisions of the Act and the Regulations, which includes the preparation and submission of the Part C returns to the PA, for *[insert year-end date]*, in accordance with the provisions set out in Regulation 6(2)(a); and for such internal control as the directors determine is necessary to enable the preparation of the Part C returns that are free from material misstatement, whether due to fraud or error.

### Our independence and quality control

**[For auditor’s reports issued on or after 15 June 2019 in respect of assurance engagements for periods beginning before or on 14 June 2019]<sup>10</sup> *[Delete block if not applicable.]***

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

<sup>10</sup> The wording in this section of the illustrative report is principled on the wording used in the Basis for Opinion sections of the illustrative reports in the South African Auditing Practice Statement (SAAPS) 3, *Illustrative Reports*, (Revised 2019).

**[For assurance engagements for periods beginning on or after 15 June 2019]** *[Delete block if not applicable.]*

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Auditor's responsibility**

Our responsibility is to report on the Part C returns in accordance with Regulation 6(1) and to express a limited assurance conclusion on those returns, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"). That standard requires that we plan and perform our engagement to obtain limited assurance about whether anything has come to our attention that would cause us to believe that the information contained in the Part C returns is not prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the Bank's use of the provisions set out in Regulation 6(2)(a) as the basis for the preparation of the Part C returns; assessing the risks of material misstatement of the Part C returns, whether due to fraud or error; responding to the assessed risks as necessary in the circumstances; and evaluating the overall presentation of the Part C returns. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

### **Summary of work performed**

Our work performed included:

- Making inquiries primarily of persons responsible for financial and accounting matters, risk management and regulatory returns and applying analytical procedures;
- Inspecting evidence to support the completeness and accuracy of information extracted from the management systems and other information of the Bank to the returns; and

- Re-performing calculations of information reflected in the relevant lines of the DI returns, based on risk weightings or other requirements of non-modelled approaches derived from models and extracted from the management systems; and where the information differed from the accounting policies applied in the management accounts and statutory Financial Statements, ascertaining that the amounts reflected in the above returns had been classified or calculated on the basis required by the relevant Regulation(s).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the information contained in the Part C returns has been prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**IF A QUALIFIED LIMITED ASSURANCE CONCLUSION IS EXPRESSED, ADD THE FOLLOWING:**

**Basis for Qualified Limited Assurance Conclusion**

Our basis for qualification has been noted in Appendix A<sup>11</sup>, attached to this report, as item(s) XX relating to *[state the relevant DI returns]*.

**Qualified Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, except for the effect(s) of the matter(s) described in the preceding paragraph, nothing has come to our attention that causes us to believe that the information contained in the Part C returns of the Bank for *[insert year-end date]* is not prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**Limited assurance conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information contained in the Part C returns of the Bank, for *[insert year-end date]* is not prepared, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**IF THERE ARE OTHER MATTER ITEMS, THEN ADD THE FOLLOWING:**

**Other matter(s) – matters exceeding PA reporting thresholds**

The terms of our limited assurance engagement of the Part C returns address, among others, the application of materiality. We draw your attention to the matter(s) exceeding the PA reporting threshold noted as item(s) XXX on the attached Appendix A that affects the Part C return(s) but do(es) not have a material effect on the preparation of the Part C returns in accordance with Regulation 6(2)(a). Our conclusion is not *[include “further” if the conclusion is qualified]* modified in respect of this/these matter/matters.

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<sup>11</sup> “Appendix A” is usually attached to the reports and it documents all matters noted by the auditor, including the qualification matters. Refer to the requirements of ISA 705 (Revised), *Modifications to the opinion in the independent auditor’s report*, for guidance regarding the documentation of the qualification matters.

### **Other information<sup>12</sup>**

The directors are responsible for the other information. The other information comprises all lines in the returns not referred to in our conclusion paragraph above as well as the information covered by Parts A to B and D to F reports, and does not include the Part C returns and our auditor's report thereon.

Our conclusion on the Part C returns does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our limited assurance engagement of the Part C returns, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Part C returns or our knowledge obtained in the limited assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we have considered the options available under ISAE 3000 (Revised) and determined that we will report the inconsistency through the inclusion of this paragraph. *[Where there are inconsistencies that are reported in Parts A to F, a cross reference should be made to where those are reported.]*

### **Basis of preparation of the Part C returns and restriction on use and distribution<sup>13</sup>**

Without *[include "further" if the conclusion is qualified]* modifying our conclusion, we emphasise that the Part C returns of the Bank were prepared for the purpose of reporting to the PA. As a result, the Part C returns may not be suitable for another purpose.

Our report is intended solely for the purpose of our compliance with the Regulations and for no other purpose. It should not be distributed to or used by any other parties other than the PA and the directors of the Bank.

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<sup>12</sup> Although other information is always required to be considered under ISAE 3000 (Revised), there are several ways in which the auditor can respond to it. The inclusion of the other information paragraph is one of the options catered for within ISAE 3000 (Revised). The auditor should use his/her professional judgement as to whether this paragraph is necessary for inclusion, depending on how the auditor addresses the requirements of this standard under paragraphs 62 and A143.

<sup>13</sup> Note: Contrary to the Part A returns, there is no requirement to include "Emphasis of matter" before the title of this paragraph.

## **PART D: LIMITED ASSURANCE REPORT ON RISK RETURNS AT YEAR-END DERIVED FROM INTERNAL MODELS**

**Independent auditor's limited assurance report on the following year-end DI returns: DI 300 (Liquidity risk); DI 403 (Foreign operations of South African banks); DI 410 (Interest rate mismatch); DI 420 (Market risk); and DI 500 (Credit risk)**

We have undertaken a limited assurance engagement on the following information derived from internal models and risk information sources used by management and contained in the year-end DI returns of the Bank, and which has been extracted from the financial and other information in the Bank's general ledger, management accounts and management risk information (the "underlying records") and submitted to the PA for *[insert year-end date]*: DI 300 (lines 15-20); DI 403 (line 5 and lines 23-28); DI 410 (lines 22-25); DI 420 (lines 9-22); and DI 500 (lines 24-25) (the "Part D returns") for the purpose of complying with Regulations 6(1) and 6(2)(a).

### **Directors' responsibility for the Part D returns**

The directors are responsible for ensuring the Bank's compliance with the provisions of the Act and the Regulations, which includes the preparation and submission of the Part D returns to the PA, for *[insert year-end date]*, in accordance with the provisions set out in Regulation 6(2)(a); and for such internal control as the directors determine is necessary to enable the preparation of the Part D returns that are free from material misstatement, whether due to fraud or error.

### **Inherent limitations**

The information in the above returns is predominantly derived from the internal risk models implemented by the Bank, based on the criteria established by the Regulations and those specified by management. The models are complex and significant elements are based on source data input into the models that is unaudited. In addition, the model outputs are based on methodologies and underlying assumptions that may be subjective. We have not assessed the mathematical accuracy or appropriateness of these methodologies or reasonableness of the underlying assumptions.

Our work performed did not extend to obtaining evidence to validate the methodologies within the models or the integrity of the underlying source data from which the information in the above returns has been calculated. Accordingly, we are unable to conclude on the completeness, validity or accuracy of the risk information included in these returns, beyond the fact that it is prepared from risk information and models used by management. In these circumstances, we are unable to conclude on the preparation of the information contained in the Part D returns, beyond whether the information has been properly extracted from the underlying records, in all material respects, in accordance with the Act and the provisions specified in Regulation 6(2)(a).

## Our independence and quality control

**[For auditor's reports issued on or after 15 June 2019 in respect of assurance engagements for periods beginning before or on 14 June 2019]<sup>14</sup> [Delete block if not applicable.]**

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

**[For assurance engagements for periods beginning on or after 15 June 2019] [Delete block if not applicable.]**

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is to report on the Part D returns in accordance with Regulation 6(1) and to express a limited assurance conclusion on those returns, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"). That standard requires that we plan and perform our engagement to obtain limited assurance about whether anything has come to our attention that would cause us to believe that the information contained in the Part D returns is not properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the Bank's use of the provisions set out in Regulation 6(2)(a) as the basis for the preparation of the Part D returns; assessing the risks of material misstatement of the Part D returns, whether due to fraud or error; responding to the assessed risks

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<sup>14</sup> The wording in this section of the illustrative report is principled on the wording used in the Basis for Opinion sections of the illustrative reports in SAAPS 3, *Illustrative Reports*, (Revised 2019).

as necessary in the circumstances; and evaluating the overall presentation of the Part D returns. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and/or reporting policies, and agreeing or reconciling with underlying records.

### **Summary of work performed**

Our work performed included:

- Making inquiries, primarily of persons responsible for financial and accounting matters, risk management and regulatory returns, to ascertain which internal models have been implemented by the Bank for the above risk areas and inter alia, considering the:
  - design and implementation of general and application computer controls over data flows from the underlying source systems to the risk systems;
  - design and implementation of general and application computer controls over data flows to/from the risk systems and the internal models;
  - mapping of data flows from the underlying source systems to the risk systems to ensure completeness of data flow to the risk systems;
  - reconciliation of risk systems information to financial reporting systems that ensure the validity, accuracy and completeness of the data maintained in the risk systems and the information reflected in the management accounts and accounting records; and
  - reconciliation of data flows to/from the risk systems and the internal models.
- Comparing and agreeing risk information from the risk systems to the information disclosed in the DI returns.
- Re-performing outside-of-model calculations, substantive analytical procedures and inspecting supporting documents considered necessary to evaluate compliance with the Regulations in the preparation of the returns. This included, inter alia, evaluating the outside-of-model assumptions applied and interpretations of management to ensure definitions and classifications are in accordance with the Regulations applicable to the specific lines in the DI returns.
- Considering material matters coming to our attention with regard to financial regulatory reporting and compliance reported in accordance with Regulation 6(3) that might materially affect the preparation of risk information in the DI returns.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the information in the Part D returns has been properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**IF A QUALIFIED LIMITED ASSURANCE CONCLUSION IS EXPRESSED, ADD THE FOLLOWING:**

**Basis for Qualified Limited Assurance Conclusion**

Our basis for qualification has been noted in Appendix A<sup>15</sup>, attached to this report, as item(s) XX relating to [*state the relevant DI returns*].

**Qualified limited assurance conclusion**

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined above, except for the effect(s) of the matter(s) described in the paragraph above, nothing has come to our attention that causes us to believe that the information contained in the Part D returns of the Bank for [*insert year-end date*] and derived from internal models implemented by the Bank and risk information sources used by management is not properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**Limited assurance conclusion**

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined above, nothing has come to our attention that causes us to believe that the information contained in the Part D returns of the Bank for [*insert year-end date*] and derived from internal models implemented by the bank and risk information sources used by management is not properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 6(2)(a).

**IF THERE ARE OTHER MATTER ITEMS, THEN ADD THE FOLLOWING:**

**Other matter(s) – matters exceeding PA reporting thresholds**

The terms of our limited assurance engagement of the Part D returns address, among others, the application of materiality. We draw your attention to the matter(s) exceeding the PA reporting threshold noted as item(s) XXX of the attached Appendix A that affects the Part D return(s) but do(es) not have a material effect on the preparation of the Part D returns in accordance with Regulation 6(2)(a). Our conclusion is not [*include “further” if the conclusion is qualified*] modified in respect of this/these matter/matters.

**Other information<sup>16</sup>**

The directors are responsible for the other information. The other information comprises all lines in the returns not referred to in our conclusion paragraph above, as well as the information covered by Parts A to C and E to F reports, and does not include the Part D returns and our auditor’s report thereon.

<sup>15</sup> “Appendix A” is usually attached to the reports and it documents all matters noted by the auditor, including the qualification matters. Refer to the requirements of ISA 705 (Revised), *Modifications to the opinion in the independent auditor’s report*, for guidance regarding the documentation of the qualification matters.

<sup>16</sup> Although other information is always required to be considered under ISAE 3000 (Revised), there are several ways in which the auditor can respond to it. The inclusion of the other information paragraph is one of the options catered for within ISAE 3000 (Revised). The auditor should use his/her professional judgement as to whether this paragraph is necessary for inclusion, depending on how the auditor addresses the requirements of this standard under paragraphs 62 and A143.



Our conclusion on the Part D returns does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our limited assurance engagement of the Part D returns, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Part D returns or our knowledge obtained in the limited assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we have considered the options available under ISAE 3000 (Revised) and determined that we will report the inconsistency through the inclusion of this paragraph. *[Where there are inconsistencies that are reported in Parts A to F, a cross reference should be made, if applicable, to where those are reported.]*

### **Basis of preparation of the Part D returns and restriction on use and distribution**

Without *[include "further" if the conclusion is qualified]* modifying our conclusion, we emphasise that the Part D returns of the Bank, based on the standardised or advanced approaches specified, were prepared for the purpose of reporting to the PA. As a result, the Part D returns may not be suitable for another purpose.

Our report is intended solely for the purpose of our compliance with the Regulations and for no other purpose. It should not be distributed to or used by any other parties other than the PA and the directors of the Bank.

**PART E: RETURNS RELATING TO THE MONTHS OTHER THAN YEAR-END: ENGAGEMENT TO PERFORM AGREED UPON PROCEDURES**

**Report of factual findings of the independent auditor on returns completed for months other than year-end**

We have performed the procedures agreed with the directors of the Bank and the PA, and enumerated below with respect to the DI returns specified below, for the months other than that ended *[insert date]*, and prepared and submitted to the PA in compliance with the provisions of Regulation 6(2)(b). Our engagement was undertaken in accordance with International Standard on Related Services (“ISRS”) 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. The procedures were performed solely to assist the PA in evaluating whether any instances of non-compliance with the provisions of Regulation 6(2)(b) were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the directors of the Bank and the PA. Our responsibility is to report our findings based on the agreed-upon procedures performed.

**Agreed-upon procedures in respect of DI returns for months other than year-end**

No	Procedures	Factual Findings
1.	<p>Obtain the reconciliations of the DI 100, DI 110, DI 200, DI 500 and DI 700 to the management accounts for the bank for all months other than year-end.</p> <p>Enquire of management and document its reasons for any reconciling differences.</p>	
2.	<p>Obtain all resubmitted returns during the year from management and perform the following procedures:</p> <p>a) Enquire of management and document its reasons for the resubmission.</p> <p>b) Re-perform the calculation of all limits on the resubmitted DI 310, DI 400 and DI 700 and compare it to the required regulatory limit. Document any non-compliance issues identified.</p> <p>c) Where the resubmitted return validates (i.e. cross-references) other returns in accordance with the PA validation rules, re-perform the validation check to confirm that it continues to reconcile with the other returns.</p>	
3.	<p>Enquire of management whether any changes to the regulatory reporting system were implemented during the year and the reasons thereof, including the introduction of new models, recalibrations, etc., and record management’s responses.</p>	

No	Procedures	Factual Findings
4.	<p>Inspect the preceding year's management letter from the external auditor, setting out any qualification, other matters and housekeeping matters reported.</p> <p>Document which of the above matters are not resolved at the end of the current year.</p>	
5.	<p>Inspect the current year's management letter from the external auditor, setting out any qualification, other matters and housekeeping matters.</p> <p>For those matters potentially affecting returns for months other than the year-end, enquire of management to confirm whether or not other months are affected by the same errors.</p>	
6.	<p>a) Enquire of management whether any information reflected on the DI returns, excluding the DI 900 return, is generated using spreadsheets.</p> <p>b) Enquire of management how the risks normally associated with the use of spreadsheets, such as version control, change controls and data recovery, are mitigated, and record management's responses.</p>	
7.	<p>Obtain from the PA (e.g. in the bilateral meeting) copies of specified correspondence between the Bank and the PA, about DI reporting interpretations and errors to identify matters on which to perform procedures. From inquiry and the inspection of supporting documents and recalculation of amounts (where necessary), test the matters inquired about.</p> <p><i>[We list the matters identified and include the detail of procedures performed and the results thereof]</i></p>	

Because the above procedures do not constitute either an audit or a review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the compliance of the DI returns for the months other than at year-end with the provisions of Regulation 6(2)(b).

Had we performed additional procedures or had we performed an audit or review, or other assurance engagement on the DI returns for the months other than at year-end in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

**Restriction on use and distribution**

Our report is provided solely for the purpose set out in the first paragraph of this report and is restricted to those parties that have agreed to the procedures being performed. This report relates only to the items specified above and does not extend to any financial statements of the Bank, taken as a whole. As a result, our report is not suitable for another purpose and the returns may also not be suitable for another purpose. Our report should not be distributed to or used by any other parties other than the PA and the directors of the Bank.

**PART F: ENGAGEMENT TO PERFORM AGREED-UPON PROCEDURES**

**1. Report of factual findings of the independent auditor on the reconciliation of the DI 900 (Economic returns) to the DI 100 (Balance sheet) returns**

We have performed the procedure agreed with the directors of the Bank and the PA, and enumerated below with respect to the reconciliations of the DI 900 returns to the DI 100 returns specified below in compliance with Regulation 6(6). Our engagement was undertaken in accordance with International Standard on Related Services (“ISRS”) 4400, *Engagements to perform Agreed-Upon Procedures Regarding Financial Information*. The procedure was performed solely to assist the PA in evaluating whether or not all forms DI 100 and DI 900 submitted by the Bank during the financial year ended *[insert year-end date]* were in fact reconcilable with each other. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the directors of the Bank and the PA. Our responsibility is to report our findings based on the agreed-upon procedures performed.

**Agreed-upon procedure and finding in respect of the reconciliation of the DI 900 return to the DI 100 return**

No	Procedure	Factual Findings
1.	Inspect the reconciliations prepared by the Bank between the DI 900 returns and the DI 100 returns for each month during the financial year ended <i>[insert year-end date]</i> .  Document any reconciling items identified.	<i>POSSIBLE FINDINGS:</i> We inspected the reconciliations prepared by the Bank; and the financial information included on the DI 900 returns for the financial year ended <i>[insert date]</i> was reconciled with that on the DI 100 return for each month during the financial year ended. The reconciling items reflected in the reconciliation for the month of <i>[insert month and year]</i> are set out in the attached schedule, which we have <i>[initialed/stamped]</i> for identification purposes.

**2. Report of factual findings of the independent auditor on any instances of non-compliance with Regulations 22(4) in respect of DI 310 (Minimum reserve balance and liquid assets – pledged or otherwise encumbered), and non-compliance with Regulation 33, DI 020 (Appointments of directors or executive officers), in accordance with Regulation 39**

We have performed the procedures agreed with the directors of the Bank and the PA, and enumerated below with respect to the year-end DI 310 and DI 020 returns specified below in compliance with Regulations 22(4), 33 and 39. Our engagement was undertaken in accordance with International Standard on Related Services (“ISRS”) 4400, *Engagements to perform Agreed-Upon Procedures Regarding Financial Information*. The procedures were performed solely to assist the PA in evaluating whether any instances of non-compliance with the provisions of Regulations 22(4) (DI 310), 33 and 39 (DI 020) of the Regulations were identified. The responsibility for determining

the adequacy or otherwise of the procedures agreed to be performed is that of the directors of the Bank and the PA. Our responsibility is to report our findings based on the agreed-upon procedures performed.

**Agreed-upon procedures and findings in respect of the year-end DI 310 and DI 020 returns**

No	Procedures	Factual Findings
1.	For all financial instruments, comprising the liquid asset holdings reflected in the year-end DI 310 return for the month of <i>[insert month and year]</i> and for the selected items, inspect documents of title in the name of the <i>Bank</i> for assets in possession of the <i>Bank</i> , for prima facie evidence that says assets were neither pledged nor otherwise encumbered in contravention of Regulation 22(4)(a).	<i>POSSIBLE FINDING:</i> None of the liquid assets were found to be encumbered or in contravention of Regulation 22(4)(a).
2.	Obtain confirmation from the South African Reserve Bank (the “SARB”) regarding assets pledged by the Bank to secure facilities, and the amount of the facilities actually utilised at close of business at year-end, and compare the amounts in the confirmation with the amount reflected as liquid assets in respect of assets pledged to the SARB in excess of the amount of the facilities actually utilised at close of business at year-end, and not in contravention of Regulation 22(4)(b).	<i>POSSIBLE FINDING:</i> The confirmation from the SARB did not reveal any contravention of Regulation 22(4)(b).
3.	Obtain specific written representation from the Bank management that the liquid assets reflected in the year-end DI 310 return for the month of <i>[insert date]</i> were not pledged or encumbered in contravention of Regulation 22(4).	<i>POSSIBLE FINDING:</i> The written representation obtained from Bank management indicated that the liquid assets reflected in the DI 310 return for the month of <i>[insert date]</i> were unencumbered and in compliance with Regulation 22(4).
4.	Obtain from the Company Secretary a list of directors and executive officers appointed or reappointed during the financial year ended <i>[insert date]</i> , and inspect copies of the DI 020 returns prepared in respect of each appointee for evidence of compliance with Regulation 33.	<i>POSSIBLE FINDING:</i> DI 020 returns had been completed and submitted for all director and executive officer appointments during the year ended <i>[insert date]</i> , in compliance with Regulations 33.

Because the above procedures in parts 1 and 2 do not constitute either an audit or a review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the reconciliations of DI 900 with the DI 100 returns or on the DI 310 and DI 020 returns respectively.

Had we performed additional procedures or had we performed an audit or review, or other assurance engagement on the above mentioned DI returns in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

**Restriction on use and distribution**

Our report in Parts 1 and 2 of Part F above, on the reconciliation of DI 900 returns with the DI 100 returns and on the DI 310 and DI 020 returns respectively, is provided solely for the purpose set out in the first paragraph of each part of this report and is restricted to those parties that have agreed to the procedures being performed. This report relates only to the items specified above and does not extend to any financial statements of the Bank, taken as a whole. As a result, our report is not suitable for another purpose and the returns may also not be suitable for another purpose. Our report should not be distributed to or used by any other parties other than the PA and the directors of the Bank.