

The Registrar of Banks
South African Reserve Bank
PO Box 8432
Pretoria
0001

Dear Sir,

INDEPENDENT [AUDITOR'S/AUDITORS' – use the plural form when more than one firm is appointed as auditor, for example in joint audit situations. Apply consistently throughout report]

REPORT TO THE REGISTRAR OF BANKS (THE “REGISTRAR”) ON THE STATUTORY RETURNS OF [NAME OF BANK CONTROLLING COMPANY AND [NAME OF BANK] (COLLECTIVELY THE “ENTITIES”)] OR [NAME OF BANK – APPLICABLE TO STAND ALONE BANK OR FOREIGN BRANCHES] (THE “BANK”) IN TERMS OF THE BANKS ACT NO. 94 OF 1990 (THE “ACT”) AND THE REGULATIONS RELATING TO BANKS (THE “REGULATIONS”)

The respective Parts A to H reports attached to this report are made for the purpose of our compliance with the reporting requirements of Regulations 46(1) and 46(2) of the Regulations in relation to the relevant statutory returns (the “Returns”) submitted to the Registrar by [*Bank/Entities, delete as appropriate*] during the year ended [*insert year-end date*].

Directors' responsibility for the returns

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

[Auditor's/Auditors'] responsibility

Our responsibility is to issue our reports under sections 46(1) and 46(2) of the Regulations in respect of the Returns submitted to the Registrar by [*Bank/Entities, delete as appropriate*], which are set out in Parts A to H attached to this report, that express our audit opinions, review conclusions, limited assurance conclusions or to state our factual findings on the respective returns based on our audit, review, limited assurance or 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 Registrar and as set out in the respective Parts A to H reports attached to this report.

We completed our audit of the [*consolidated*] statutory financial statements of the [*Bank/Entities, delete as appropriate*] for the financial year ended [*insert year-end date*], on which we issued an unmodified opinion on [*insert date auditors' report was signed*]. Our audit of the financial statements was performed in accordance with International Standards on Auditing.

In forming our audit opinions, review conclusions, limited assurance conclusions and factual findings contained in the respective Parts A to H reports attached to this report we have, where appropriate, drawn on evidence obtained in the course of our audit of the [*consolidated*] financial statements and performed such additional year-

end procedures we considered necessary to complete our examination of the Returns of the [*Bank/Entities, delete as appropriate*] submitted to the Registrar as at the financial year-ended on [*insert year-end date*].

Opinions, conclusions and factual findings

Our respective audit opinions, review conclusions, limited assurance conclusions and factual findings are expressed in the individual Parts A to H of our reports attached. We have [*initialled/stamped*] the relevant 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 H reports attached to this report for the purpose of the Bank's compliance with the relevant requirements of the Act and the Regulations, and reporting thereon to the Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*]. 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 Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*].

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

Yours faithfully

[*PARTNER NAME*]
Partner / Director
Registered Auditor
[Date]

[*PARTNER NAME*]
Partner / Director
Registered Auditor
[Date]

[*FIRM*]
[Address]

[*FIRM*]
[Address]

PART A: INDEPENDENT [AUDITOR'S/AUDITORS'] REPORT ON BA RETURNS

Independent [auditor's/auditors'] report on the following year-end BA returns: BA 100 (Balance Sheet), BA 110 (Off-balance Sheet Activities), BA 120 (Income Statement), BA 200 (Credit Risk - monthly), BA 310 (Minimum reserve balance and liquid assets) and BA 700 (Capital adequacy)

Opinion

We have audited the following year-end BA Returns of the [*Bank/Entities, delete as appropriate*] submitted to the Registrar for [*insert month and year*]: BA 100 (lines 1-88), BA 110 (lines 1-8), BA 120 (lines 1-89 [excluding columns 1-3], 92-106, 122-123 and 126-130), BA 200 (lines 1, 7-10, 39-40, 70-79) [Standardised Approach], BA 200 (lines 112, 118-121, 167-176, 216 and 217) [Advanced Approaches], BA 310 (lines: 1-9), and BA 700 (lines: 27-39, 42-47 [excluding columns 2 and 3], 49-52, 54-59, 63, 65-72, 79-82, 84 (limit is not triggered) and 197) (the "Part A returns") for the purpose of complying with Regulations 46(1) and 46(2)(a).

In our opinion, the Part A returns of the [*Bank/Entities, delete as appropriate*] as at [*insert year-end date*] are prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

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 [*Bank/Entity, 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 BA 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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of preparation of the Part A returns and restriction on use and distribution

The Part A returns of the [*Bank/Entities, delete as appropriate*] were prepared for the purpose of the Bank's compliance with the relevant requirements of the Act and the Regulation, and reporting thereon to the Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*]. As a result, the Part A returns may not be suitable for another purpose. Our opinion is not 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 to be distributed to or used by any other parties other than the Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*].

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 the Parts I and J reports, 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. *[Where there are inconsistencies that are reported in Parts B to J, cross reference should be made if applicable to where reported.]*

Responsibilities of the directors for the Part A returns

The directors are responsible for ensuring the *[Bank's/Entities', delete as appropriate]* compliance with the provisions of the Act and the Regulations, which includes the preparation of the Part A returns in accordance with the provisions set out in Regulation 46(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/Entities', delete as appropriate]* 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's/Entities', delete as appropriate]* or cease operations, or have no realistic alternative but to do so.

[Auditor's/Auditors'] responsibilities for the audit of the Part A returns

Our objectives, in accordance with Regulation 46(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 level of assurance, but 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/Entities', delete as appropriate]* 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/Entities', delete as appropriate*] 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/Entity, delete as appropriate*] 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.

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.

PART B: INDEPENDENT [AUDITOR'S/AUDITORS'] REVIEW REPORT ON BA RETURNS

Independent [auditor's/auditors'] review report on the following year-end BA returns: BA 100 (Balance Sheet), BA 110 (Off-balance Sheet Activities), BA 120 (Income Statement), BA 130 (Investments, Loans and Advances), BA 220 (Credit Risk), BA 300 (Liquidity Risk), BA 310 (Minimum reserve balance and liquid assets), BA 350 (Derivative Instruments) and BA 700 (Capital Adequacy)

We have reviewed the following year-end BA Returns of the [*Bank/Entities, delete as appropriate*] submitted to the Registrar for [*insert month and year*]: BA 100 (lines 89-127), BA 110 (lines 9-22), BA 120 (lines 90-91), BA 130 [Whole return], BA 220 [Whole return], BA 300 (lines 1-17 and 68-87), BA 310 (lines 10-31) and BA 350 [Whole Return], BA 400 lines 1 -10 and BA 700 (lines 89, 90-96, 99-127, 131-138, 140-195, 196, 198-205, 206-210) (the "Part B returns") for the purpose of complying with Regulations 46(1) and 46(2)(a).

Directors' responsibility for the Part B returns

The directors are responsible for ensuring the [*Bank's/Entities', delete as appropriate*] compliance with the provisions of the Act and the Regulations, which includes the preparation of the Part B returns in accordance with the provisions set out in Regulation 46(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/Auditors'] responsibility

Our responsibility is to report on the Part B returns in accordance with Regulation 46(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 46(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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Part B returns of the [*Bank/Entities, delete as appropriate*] as at [*insert year-end date*] are not prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

Basis of preparation of the Part B returns and restriction on use and distribution

Without modifying our conclusion, we emphasise that the Part B returns of the [*Bank/Entities, delete as appropriate*] were prepared for the purpose of reporting to the Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*]. 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 Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*].

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

Independent [auditor's/auditors'] limited assurance report on the following year-end BA returns: BA 200 (Credit Risk - monthly), BA 210 (Credit Risk – quarterly), BA 300 (Liquidity Risk), BA 320 (Market Risk), BA 325 (Daily Risk Return), BA 330 (Interest Rate Risk in Banking Book), BA 340 (Equity Risk in Banking Book), BA 400 (Operational Risk), BA 410 (Operational Risk Loss Events), BA 500 (Securitisation), BA 600 (Consolidated Return) and BA 700 (Capital Adequacy)

We have undertaken a limited assurance engagement on the following information contained in the year-end BA Returns of the [*Bank/Entities, delete as appropriate*], based on the standardised or advanced approaches specified, submitted to the Registrar for [*insert month and year*]: BA 200 (lines 2-6, 11-34, 47-69 and 80-111 [standardised approach] 252-302 [advanced approaches]), BA 210 (lines 1-228 and 453-471 [standardised approach]) and lines 229-284, 453-471 [advanced approaches]), BA 300 (lines 98-191) [not based on models], BA 320 (lines 1- 24 and 35-99 [standardised approach – Simplified, Delta+ and Scenario Matrix Approaches to Options]), BA 325 (lines 7-10 [Credit risk - standardised approach]; lines 1-6 and 18-23 [Market risk - standardised approach]; lines 11-17 [Liquidity Risk – not based on models]; lines 36-77 [Foreign currency exposure] and lines 78-81 [Interbank information]), BA 330 (lines 1-22), BA 340 (lines 1-2 and 37-43 [standardised approach] and lines (3-5 and 37-43 [IRB approaches]), BA 400 (lines 11-25 and 27-28 [Basic indicator and standardised approaches]), BA 410 (Whole Return [standardised approaches]) and BA 500 (lines 1,2 and 4-100 [standardised approach]; lines 1, 3, 4-37, 109-126 and 127-186 [RBA approach]; lines 1, 3, 4-37 and 109-126 [SFA and IAA approaches]; lines 4-37 and 206-217 [Other Unrated Exposures not subject to RBA, SFA or IAA approaches]; lines 4-37,218-225 and 227-228 [IRB Approaches - Investors Interest in respect of Schemes with early amortization features]; and lines 4-37 and 227-228 [IRB approaches – Non-credit Enhancing IO's and PO's]), BA 600 (lines: 1-58 [standardised approach for credit risk, market risk, equity risk and standardised/basic indicator approach for operational risk where all entities are on these approaches], 40-58 [where one or more of the following apply: IRB approach for credit risk or equity risk, or IMA approach for Market Risk or operational risk for any entity]), lines 59-63 [Liquidity risk - not based on models,] BA 700 (lines: 1-26 [standardised approach], 40-42 (standardised approaches), 73-78 (standardised approaches), 84 (limit is triggered), 86-88 (standardised approaches), 97 (standardised approaches), 211-226, 236-269, 270-271 [not based on models] (the “Part C returns”) for the purpose of complying with Regulations 46(1) and 46(2)(a).

Directors' responsibility for the Part C returns

The directors are responsible for ensuring the [*Bank's/Entities', delete as appropriate*] compliance with the provisions of the Act and the Regulations, which includes the preparation of the Part C returns in accordance with the provisions set out in Regulation 46(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

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

International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The [firm applies/firms apply] 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/maintain] 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/Auditors'] responsibility

Our responsibility is to report on the Part C returns in accordance with Regulation 46(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*. 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 46(2)(a).

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the [*Bank's/Entities', delete as appropriate*] use of the provisions set out in Regulation 46(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 judgment 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 to the returns from the management and other information systems of the bank; and
- Re-performing calculations of information reflected in the relevant lines of the BA Returns based on risk weightings or derived from models, and extracted from the relevant product information 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 46(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/Entities, delete as appropriate]*, based on the standardised or advanced approaches specified, as at *[insert year-end date]* is not prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

Basis of preparation of the Part C returns and restriction on use and distribution

Without modifying our conclusion, we emphasise that the Part C returns of the *[Bank/Entities, delete as appropriate]*, based on the standardised or advanced approaches specified, were prepared for the purpose of reporting to the Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* of the *[Bank/Entities, delete as appropriate]*. 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 Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* of the *[Bank/Entities, delete as appropriate]*.

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

Independent [auditor's/auditors'] limited assurance report on the following year-end BA returns: BA 120 (Income Statement) BA 200 (Credit Risk - monthly), BA 210 (Credit Risk - quarterly), BA 300 (Liquidity Risk) BA 320 (Market Risk), BA 325 (Daily Risk Return), BA 330 (Interest Rate Risk in Banking Book), BA 340 (Equity Risk in Banking Book), BA 400 (Operational Risk), BA 410 (Operational Risk Loss Events), BA 500 (Securitisation), BA 600 (Consolidated Return) and BA 700 (Capital Adequacy)

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 BA returns of the [*Bank/Entities, delete as appropriate*], based on the standardised or advanced approaches specified, that has been extracted from the financial and other information in the [*Bank's/Entities', delete as appropriate*] general ledger, management accounts and management risk information (the "underlying records") and submitted to the Registrar for [*insert month and year*]: BA 120 (lines 107-121 and 124-125), BA 200 (lines 113-117, 122-166, 170-211, 224-251 and 303-342 [Advanced Approaches]), BA 210 (lines 285-452, 472-616) [Advanced Approaches]), BA 300 (lines 18-67, 88-97 and 98-191 [Based on models]), BA 320 (lines 25-34 and 100-110), BA 325 (lines 7-10 [Credit risk IRB approaches]; lines 1-6, lines 11-17 [Liquidity Risk – based on models] 24-35 [Internal models market approaches]), BA 330 (lines 23-36 [based on models]), BA 340 (lines 6-36 [IRB approaches]), BA 400 (lines 26-39 [Advanced Measurement Approach]), BA 410 (Whole return [Advanced Approaches]), BA 500 (lines 101-108 [IRB Approaches – RBA, IAA and SFA], lines 127-186 [IAA Approach]; lines 187-205 [SFA Approach] and line 226 [IRB Approaches - Investors Interest in respect of Schemes with early amortisation features]), BA 600 (lines 1-39), [IRB approach for credit risk or equity risk, or IMA approach for Market Risk or operational risk for any entity], lines 59-63 [Liquidity risk – [based on models], and BA 700 (lines 1-26 [Advanced approach], 40-42 [Internal model approaches], 48, 53, 60-62, 64, 73-78 [Internal model approaches], 83, 85-88 [Internal model approaches], 97 [Advance approaches], 128-130, 139, 227-235, 270-271 [Based on models]) (the "Part D returns") for the purpose of complying with Regulations 46(1) and 46(2)(a).

Directors' responsibility for the Part D returns

The directors are responsible for ensuring the [*Bank's/Entities', delete as appropriate*] compliance with the provisions of the Act and the Regulations, which includes the preparation of the Part D returns in accordance with the provisions set out in Regulation 46(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/Entities, delete as appropriate*] based on the advanced approaches specified to meet 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 which is unaudited. In addition, the model outputs are based on methodologies and underlying assumptions which 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 and 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 46(2)(a).

Our independence and quality control

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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The [firm applies/firms apply] 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/maintain] 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/Auditors'] responsibility

Our responsibility is to report on the Part D returns in accordance with Regulation 46(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*. 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 46(2)(a).

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the [Bank's/Entities', delete as appropriate] use of the provisions set out in Regulation 46(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 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 judgment 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, 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 BA returns;
- Re-performing 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 assumptions applied and interpretations of management to ensure definitions and classifications are in accordance with the Regulations applicable to the specific lines in the BA returns; and
- Considering material matters coming to our attention with regard to financial regulatory reporting and compliance reported in accordance with Regulation 46(3), that might materially affect the preparation of risk information in the BA 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 46(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/Entities, delete as appropriate*] as at [*insert year-end date*], based on the standardised or advanced approaches specified 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 46(2)(a).

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

Without modifying our conclusion, we emphasise that the Part D returns of the [*Bank/Entities, delete as appropriate*] based on the standardised or advanced approaches specified, were prepared for the purpose of reporting to the Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*]. 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 Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the [*Bank/Entities, delete as appropriate*].

PART E: LIMITED ASSURANCE REPORT ON DAILY MARKET RISK RETURNS

Independent [auditor's/auditors'] limited assurance report on selected BA 325 (Daily Market Risk) Returns

We have undertaken a limited assurance engagement on the following information contained in the daily BA 325 of [*insert name of bank*] (“the Bank”), based on the standardised or advanced approaches specified, that has been extracted from the unaudited financial and other information in the Bank’s general ledger, management accounts and management risk information (the “underlying records”): the daily BA 325 (for days other than year-end) (lines 7-10 [Credit risk - standardised approach], lines 7-10 [Credit risk - IRB approaches], lines 1-6, 18-23) [Market risk - standardised approach], lines 1-6, 24-35 [Market risk - internal models approaches], lines 11-17 [Liquidity Risk], lines 36-77 [Foreign currency exposure], lines 78-81 [Interbank information]) (the “Part E returns”) for the purpose of complying with Regulations 46(1) and 46(2)(b).

Scope of limited assurance engagement

Our engagement was undertaken in order to evaluate whether, on the basis of our work performed, the information in the daily BA 325 returns selected has been properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 46(2)(b).

As our engagement in respect of the daily BA 325 returns selected does not coincide with our audit of the statutory financial statements, our work performed for this engagement is performed without reference to our audit of those financial statements. Consequently, we are unable to draw on evidence obtained in the course of our statutory audit to the same extent as we might have done for purposes of reporting on the daily BA 325 returns for the year-end included in our reports in parts C and D. In addition, we are unable to, and are not required to perform procedures to enable us to report on whether the returns are prepared using the same accounting policies as those applied in the statutory financial statements.

In respect of the risk information that forms part of the underlying records that is predominantly derived from the internal risk models implemented by the Bank based on the advanced approaches, we have not, and were not, required to perform any additional procedures regarding that information.

In these circumstances, our procedures performed were to compare the information, contained in the daily BA 325 returns selected, to the underlying records and, to the extent considered appropriate, we have made inquiries of persons responsible for financial and accounting matters and the returns, and applied analytical and other review procedures with respect to the preparation of the selected returns to obtain limited assurance about whether the information contained in the Part E returns has been properly extracted from the unaudited, historical financial and other information in the underlying records, in all material respects, in accordance with the provisions specified in Regulation 46(2)(b).

Directors’ responsibility for the Part E returns

The directors are responsible for ensuring the Bank’s compliance with the provisions of the Act and the Regulations, which includes the preparation of the Part E returns in accordance with the provisions set out in Regulation 46(2)(b), and for such internal control as the directors determine is necessary to enable the preparation of the Part E returns that are free from material misstatement, whether due to fraud or error.

Inherent limitations

Information in the daily BA 325 returns selected is predominantly derived from internal risk models implemented by the Bank based on the advanced approaches specified to meet 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 which is unaudited. In addition, the model outputs are based on methodologies and underlying assumptions which 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 and 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 E 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 46(2)(b).

Our independence and quality control

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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The [*firm applies/firms apply*] 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/maintain*] 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/Auditors'] responsibility

Our responsibility is to report on the Part E returns in accordance with Regulation 46(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 engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. 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 E returns is not properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 46(2)(b).

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 46(2)(b) as the basis for the preparation of the Part E returns, assessing the risks of material misstatement of the Part E 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 E 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 judgment 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:

- Selecting haphazardly a sample of daily BA 325 returns from each month of the financial year for the following days: [*insert specific days for which returns were selected, or selected returns attached*]
- Making inquiries primarily of persons responsible for financial and accounting matters and regulatory returns and applying analytical and other review procedures to the extent considered appropriate with respect to the information incorporated in the selected daily BA 325 returns that has been extracted from the underlying records to assess the extent of compliance with the requirements of Regulation 46(2)(b), including ascertaining whether:
 - there has been any change in internal models implemented by the Bank affecting the selected daily BA 325 returns;
 - there have been any changes in general or application controls over the data flows to/from the underlying source systems to the risk systems and reconciliations of data flows; and
 - reconciliations of data flows to/from the risk systems and internal models and from 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 are performed regularly;
- Inspecting evidence to support the completeness and accuracy of information incorporated in the daily BA 325 returns selected that has been extracted from the underlying records and where these appeared to differ from the accounting policies applied in the management accounts and statutory Financial Statements, inquiring whether the amounts reflected in the returns had been calculated on the basis required by Regulation 46(2)(b) and that applied to the daily BA 325 return at year-end;
- Re-performing calculations of information incorporated in the daily BA 325 returns selected, based on risk weightings, or derived from models and that has been extracted from the underlying product information systems, to determine whether the returns are prepared on the same basis as that applied at year-end and to assess the extent of compliance with Regulation 46(2)(b); and

- Considering material matters coming to our attention with regard to financial regulatory reporting and compliance reported in accordance with Regulation 46(3), that might materially affect the preparation of risk information in the selected daily BA 325 returns.

The procedures performed in a limited assurance engagement vary in nature 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 E returns has been properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 46(2)(b).

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 in the Part E returns of the Bank, based on the standardised or advanced approaches specified, is not properly extracted from the unaudited, historical financial and other information in the underlying records, in all material respects, in accordance with the provisions specified in Regulation 46(2)(b).

Basis of preparation of the Part E returns and restriction on use and distribution

Without modifying our conclusion, we emphasise that the Part E returns of the Bank, based on the standardised or advanced approaches specified, were prepared for the purpose of reporting to the Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the Bank. As a result, the Part E returns may not be suitable for another purpose.

Our report is provided 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 the Registrar and the [*Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting*] of the Bank.

PART F: FOREIGN OPERATIONS OF SOUTH AFRICAN BANKS

Independent [auditor's/auditors'] report on the year-end BA 610 Return

a) Report on Part (a) sections of the BA 610 Return

Opinion

We have audited the year-end BA 610 Return for Sections relating to the Balance Sheet (lines 1-67), Off Balance Sheet (lines 86-93), Income Statement (lines 97-154 [except columns 1-3]) and Capital Adequacy (lines 177-179) (the "Part (a) sections") of the Bank as submitted to the Registrar for the *year ended (insert year-end)* for the purpose of complying with Regulations 46(1) and 46(2)(a).

In our opinion, the Part (a) sections of the BA 610 Return of the Bank as at *[insert year-end date]* are prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

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) sections of the BA 610 Return* section of our report. We are independent of the *[Bank/Entity, 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 BA 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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of preparation of the BA 610 return and restriction on use and distribution

The Part (a) sections of the year-end BA 610 Return of the Bank was prepared for the purpose of reporting to the Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* of the Bank. As a result, the year-end Part (a) sections of the year-end BA 610 Return may not be suitable for another purpose. Our opinion is not 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 the Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* 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 the Parts I and J reports, and does not include the Part (a) sections of the BA 610 Return and our auditor's report thereon.

Our opinion on the Part (a) sections of the BA 610 Return 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) sections of the BA 610 Return, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Part (a) sections of the BA 610 Return 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. *[Where there are inconsistencies that are reported in Parts A to E and F to J, cross reference should be made if applicable to where reported.]*

Responsibilities of the directors for the Part (a) sections of the BA 610 Return

The directors are responsible for ensuring the Bank's compliance with the provisions of the Act and the Regulations, which includes the preparation of the Part (a) sections of the BA 610 Return in accordance with the provisions set out in Regulation 46(2)(a), and for such internal control as the directors determine is necessary to enable the preparation of the Part (a) sections of the BA 610 Return that is free from material misstatement, whether due to fraud or error.

In preparing the Part (a) sections of the BA 610 Return, the directors are responsible for assessing the [Bank's/Entities', delete as appropriate] 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's/Entities', delete as appropriate] or cease operations, or have no realistic alternative but to do so.

[Auditor's/Auditors'] responsibilities for the audit of the Part (a) sections of the BA 610 Return

Our objectives, in accordance with Regulation 46(1), are to obtain reasonable assurance about whether the Part (a) sections of the BA 610 Return 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 level of assurance, but 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) sections of the BA 610 Return, 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/Entities', delete as appropriate] 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/Entities', delete as appropriate*] 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) sections of the BA 610 Return 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/Entity, delete as appropriate*] 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.

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.

Report on Part (b), (c) and (d) sections of the BA 610 Return

We have also performed the following engagements on the information contained in the year-end BA 610 Return of [*insert name of bank*] (the "Bank"):

b) Review

We have reviewed the information contained in the year-end BA 610 Return for Sections relating to Balance Sheet (lines 68-85), Off Balance Sheet (lines 94-96), Capital Adequacy (lines 180-181-) and Liquidity Risk (lines 232-236 and 248) (the "Part (b) sections")

c) Limited assurance engagement

We have undertaken a limited assurance engagement on the information contained in the following lines and columns of the year-end BA 610 Return based on the standardised approaches specified: Capital Adequacy (lines 155-163, 164 – 171 and 172-176), Credit Risk (lines 182-211, 231 [Standardised Approach]), Liquidity Risk (lines 249 – 265 [not based on models]), Market Risk (lines 266-272 [columns 1-3] [Standardised Approach]), Interest Rate Risk in the Banking Book (lines 273-276), Equity Risk in the Banking Book (lines 277-278 [Standardised Approach]), Equity Risk in the Banking Book (lines 279-281 [IRB approaches]), Operational Risk (lines 289-303, 305-306, 307-316 [Basic Indicator and Standardised Approaches]) (the "Part (c) sections")

d) Limited assurance engagement on information derived from internal models

We have undertaken a limited assurance engagement on the information contained in the following lines and columns of the year-end BA 610 Return, based on the advanced approaches specified, that are derived from internal models and risk information sources used by management and extracted from the financial and other information in the Bank's general ledger, management accounts and management risk information (the "underlying records") contained in the following sections: Capital Adequacy (lines 172-176, lines 180-181), Credit Risk (lines 198-231 [Internal Ratings Based Approach]), Liquidity Risk (lines 237 - 247 and 249-265 [Based on models]), Market Risk (lines 266-272 [columns 4-8] [Internal Models Approaches]), Equity Risk in the Banking Book (lines 282-288 [IRB approach]), Operational Risk (lines 304-316 [Advanced Measurement Approach]) (the "Part (d) sections")

together comprising the Part (b), (c), and (d) sections of the BA 610 Return of the Bank as submitted to the Registrar for the quarter of [*insert month and year (year-end)*] for the purpose of complying with Regulations 46(1) and 46(2)(a).

Directors' responsibility for the return

The directors are responsible for ensuring the Bank's compliance with the provisions of the Act and the Regulations, which includes the preparation of the Part (b), (c), and (d) sections of the BA 610 Return in accordance with the provisions set out in Regulation 46(2)(a), and for such internal control as the directors determine is necessary to enable the preparation of the Part (b), (c), and (d) sections of the BA 610 Return that is free from material misstatement, whether due to fraud or error.

Our independence and quality control

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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The [*firm applies/firms apply*] 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/maintain*] a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

b) Review

[Auditor's/Auditors'] responsibility

Our responsibility is to report on the Part (b) sections of the BA 610 Return in accordance with Regulation 46(1) and to express a conclusion on those sections based on our review. We conducted our review in accordance with the 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) sections are not prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a). This standard also requires us to comply with relevant ethical requirements.

A review of the Part (b) sections 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) sections.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Part (b) sections of the BA 610 Return of the Bank as at [*insert year-end date*] are not prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

c) *Limited assurance engagement*

[Auditor's/Auditors'] responsibility

Our responsibility is to report on the Part (c) sections of the BA 610 Return in accordance with Regulation 46(1) and to express a limited assurance conclusion on those sections based on the procedures we have performed and the evidence we have obtained. We conducted our 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*. That standard requires that we plan and perform our assurance 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) sections is not prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the Bank use of the provisions set out in Regulation 46(2)(a) as the basis for the preparation of the Part (c) sections, assessing the risks of material misstatement of the Part (c) sections 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) sections. 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 judgment 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 and regulatory returns and applying analytical procedures;
- Inspecting evidence to support the completeness and accuracy of information extracted to the return from the management and other information systems of the bank; and
- Re-performing calculations of information reflected in the relevant lines of the BA 610 Return based on risk weightings or derived from models, and extracted from the relevant product information 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 return 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 the whether the information contained in the Part (c) sections has been prepared, in all material respects, in accordance with the provisions specified in Regulation 46(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) sections of the year-end BA 610 Return of the Bank as at [*insert year-end date*], based on the standardised approaches specified, is not prepared, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

d) Limited assurance engagement on information derived from internal models

Inherent limitations

The information in the BA 610 Return referred to in the Part (d) sections above is derived predominantly from internal risk models implemented by the Bank based on the advanced approaches specified, to meet 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 which is unaudited. In addition, the model outputs are based on methodologies and underlying assumptions which 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 and 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 BA 610 Return 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 46(2)(a).

[Auditor's/Auditors'] responsibility

Our responsibility is to report on the Part (d) sections of the BA 610 Return in accordance with Regulation 46(1) and to express a limited assurance conclusion on those sections 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*. 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 in the Part (d) sections is not properly extracted from the underlying records, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the Bank use of the provisions set out in Regulation 46(2)(a) as the basis for the preparation of the Part (d) sections, assessing the risks of material misstatement of the Part (d) sections whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Part (d) sections. 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 judgment 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 and regulatory returns, to ascertain what 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 validity, accuracy and completeness of data flow to the risk systems;
 - reconciliation of risk systems information to financial reporting systems that ensure the completeness of the data maintained in the risk systems and the information reflected in the management accounts and accounting records;
 - reconciliation of the data flows to/from the risk systems and the internal models; and
 - assumptions applied and interpretations of management to ensure definitions and classifications are in accordance with the Regulations applicable to the specific lines in the BA return;
- Comparing and agreeing risk information from the risk systems to the information disclosed in the BA return;
- Re- performing calculations, substantive analytical procedures and inspecting supporting documents considered necessary to evaluate compliance with Regulations in the preparation of the return. This included, inter alia, evaluating the assumptions applied and interpretations of management to ensure definitions and classifications are in accordance with the Regulations applicable to the specific lines in the BA return; and
- Considering material matters coming to our attention with regard to financial regulatory reporting and compliance reported in accordance with the provisions specified in Regulation 46(3), that might materially affect the preparation of risk information in the BA return.

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 (d) sections of the year-end BA 610 Return has been properly extracted from the underlying records of the Bank, in all material respects, in accordance with the provisions specified in Regulation 46(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) sections of the year-end BA 610 Return of the Bank as at *[insert year-end date]*, based on the advanced approaches and derived from internal models implemented by the bank and risk information sources used by management, is not properly extracted from the underlying records of the Bank, in all material respects, in accordance with the provisions specified in Regulation 46(2)(a).

Basis of preparation of the BA 610 Return and restriction on use and distribution

Without modifying our review conclusion and limited assurance conclusions, we emphasise that the year-end Part (b), (c), and (d) sections of the BA 610 Return of the Bank was prepared for the purpose of reporting to the Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* of the Bank. As a result, the year-end Part (b), (c), and (d) sections of the BA 610 Return 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 the Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* of the Bank.

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

Report of factual findings of the independent [auditor/auditors] on returns completed for months other than year-end

We have performed the procedures agreed with the directors of the [*Bank/ Entities, delete as appropriate*] and the Registrar, and enumerated below with respect to the BA returns specified below, for the months other than that ended [*insert date*], submitted to the Registrar prepared in compliance with the provisions of Regulation 46(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 Registrar in evaluating whether any instances of non-compliance with the provisions of Regulation 46(2)(b) were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of management and the Registrar.

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

No	Procedures	Factual Findings
1.	<p>Obtain the reconciliations of the BA 100, BA 110, BA 120, BA 200 and BA 700 to the management accounts for the bank for all months other than year-end.</p> <p>Enquire of management and document their 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 their reasons for the resubmission.</p>	
	<p>b) Re-perform the calculation of all limits on the resubmitted BA 130, BA 310, BA 600 and BA 700 and compare to the required regulatory limit. Document any non-compliance issues identified.</p> <p>c) Where the resubmitted return validates (i.e. cross-references) to other returns in accordance with the South African Reserve <i>Bank</i> validation rules, reperform 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</p>	

No	Procedures	Factual Findings
	were implemented during the year and the reasons therefore, including the introduction of new models, recalibrations etc. and record management's responses.	
4.	<p>Inspect the preceding year's management letter from the external auditors, setting out any qualification, emphasis of matter, interpretive 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 auditors setting out any qualification, emphasis of matter, interpretive 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 BA returns, excluding the BA 900 return, are 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, data recovery etc. are mitigated and record management's responses.</p>	
7.	Obtain from Bank Supervision (e.g. in the bilateral meeting) copies of specified correspondence between the Bank and the SARB, about BA reporting interpretations and errors and from inquiry and inspection of supporting documents, test that the matters inquired about have been addressed.	

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 BA Returns for the months other than at year-end with the provisions of Regulation 46(2)(b).

Had we performed additional procedures or had we performed an audit or review, or other assurance engagement on the BA 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/Entities, delete as appropriate]*, 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 Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* of the *[Bank/Entities, delete as appropriate]*.

PART H: ENGAGEMENT TO PERFORM AGREED UPON PROCEDURES

1. Report of factual findings of the independent [auditor/auditors] on the reconciliation of the BA 900 (Economic Returns) to the BA 100 (Balance Sheet) Returns

We have performed the procedure agreed with the directors of the Bank and the Registrar, and enumerated below with respect to the reconciliations of the BA 900 returns to the BA 100 returns specified below in compliance with Regulation 46(7). 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 Registrar in evaluating whether or not all forms BA 100 and BA 900 submitted by the [Bank/Entities, delete as appropriate] during the financial year-ended [insert financial 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 management of the Bank and the Registrar.

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

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

2. Report of factual findings of the independent [auditor/auditors] on any instances of non-compliance with Regulations 27(6) in respect of BA 310 (Minimum Reserve Balance and Liquid Assets – pledged or otherwise encumbered), and non-compliance with Regulations 42(1)(a) and 42(1)(b) - BA 020 (Appointments of Directors or Executive Officers), in accordance with Regulation 46(8)

We have performed the procedures agreed with the directors of the Bank and the Registrar, and enumerated below with respect to the year-end BA 310 and BA 020 returns specified below in compliance with Regulation 46(8). 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 Registrar in evaluating whether any instances of non-compliance with the provisions of Regulations 27(6) (BA 310), 42(1)(a) and 42(1)(b) (BA 020) of the Regulations were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of management of the Bank and the Registrar.

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

No	Procedures	Factual Findings
1.	<p>Select a sample of <i>[state sample size and basis of selection]</i> financial instruments, on the basis agreed with the Registrar and management, comprising the liquid asset holdings reflected in the year-end BA 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/Entities, delete as appropriate]</i> for assets in possession of the <i>[Bank/Entities, delete as appropriate]</i>, for prima facie evidence that says assets were neither pledged nor otherwise encumbered in contravention of Regulation 27(6)(a).</p>	<p>None of the liquid assets included in our sample selected were found to be encumbered or in contravention of Regulation 27(6)(a).</p>
2.	<p>Obtain confirmation from the South African Reserve Bank (the "SARB") regarding assets pledged by the <i>[Bank/Entities, delete as appropriate]</i> 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 was not in contravention of Regulation 27(6)(b).</p>	<p>The confirmation from the SARB did not reveal any contravention of Regulation 27(6)(b).</p>
3.	<p>Obtain specific written representation from <i>[Bank/Entities, delete as appropriate]</i> Management that the liquid assets reflected in the year-end BA 310 return for the month of <i>[insert month and year]</i> were not pledged or encumbered in contravention of Regulation 27(6)(a) and 27(6)(b) during the period specified in</p>	<p>The written representation obtained from <i>[Bank/Entities, delete as appropriate]</i> Management indicated that the liquid assets reflected in the BA 310 return for the month of <i>[insert month and year]</i> were unencumbered and in compliance with Regulation 27(6).</p>

No	Procedures	Factual Findings
	Regulation 27(5).	
4.	Obtain from the Company Secretary a list of directors and executive officers appointed or reappointed during the financial year-ended [insert date] and inspect copies of the BA 020 returns prepared in respect of each appointee for evidence of compliance with Regulations 42(1)(a) and 42(1)(b) respectively.	BA 020 returns had been completed and submitted for all director and executive officer appointments during the year-ended [insert date] in compliance with Regulations 42(1)(a) and 42(1)(b) respectively.

3. Report of factual findings of the independent [auditor/auditors] on the BA 125 (Return Regarding Shareholders) under the provisions specified in Regulations 46(1), 46(6) and 21

We have performed the procedures agreed with the directors of the Bank and the Registrar, and enumerated below with respect to the year-end BA 125 return specified below in compliance with Section 46(1), 46(6) and 21 of the Regulations of the Banks Act, 1990. 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 Registrar in identifying significant domestic or foreign shareholders holding more than 1% of the issued shares that control or may potentially control the Bank or Controlling Company based on the aggregate voting rights attaching to the total number and nominal value of individual classes of shares, convertible debentures and other instruments, issued by the [Bank/Entities, delete as appropriate], with and without voting rights, as reflected in the statutory Financial Statements, recorded in the share register and reported in BA 125 as at the financial year-end. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of management of the Bank and the Registrar.

Agreed-upon procedures and findings in respect of the BA 125 (Return Regarding Shareholders)

No	Procedures	Factual Findings
1.	Agree the total number and nominal value of issued shares (columns 8 and 12), by class of share, with and without voting rights, to the statutory Financial Statements.	The total number and nominal value of issued shares (column 8 and 12), by class of share with and without voting rights agrees with the statutory Financial Statements.
2.	Cast and cross cast the return for accuracy.	The return casts and cross-casts.
3.	Inspect the analysis of shareholders obtained from the share register and	The analysis of shareholders obtained from the respective

No	Procedures	Factual Findings
	agree this to amounts disclosed in the return by number of shareholders, number of shares and nominal value of shares (columns 1 to 3, 5 to 7 and 9 to 11).	share registers agrees with the amounts disclosed in the return by number of shareholders, number of shares (to nearest '000) and nominal value of shares (to nearest '000) (columns 1 to 3, 5 to 7 and 9 to 11).

Because the above procedures in part 1, 2 and 3 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 BA 900 with the BA 100 returns or on the BA 310, BA 020 and BA 125 returns respectively.

Had we performed additional procedures or had we performed an audit or review, or other assurance engagement on the abovementioned BA 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, 2 and 3 above on the reconciliation of BA 900 returns with the BA 100 returns, and on the BA 310, BA 020 and BA 125 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/Entities, delete as appropriate]*, 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 Registrar and the *[Directors, Board, Sub-Committee Chairpersons, Management, Regulatory Reporting]* of the *[Bank/Entities, delete as appropriate]*.