



**KPMG Inc.**  
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## **Independent Limited Assurance Report to the Directors of Rand Merchant Bank, a division of FirstRand Bank Limited (“RMB”) regarding the US Dollar Custodial Certificates in issue as at 24 January 2018**

We have undertaken a limited assurance engagement regarding the US Dollar Custodial Certificates.

### **Subject Matter**

We are required to provide limited assurance that the US Dollar Custodian Certificates (DCCs) in issue match the US Treasury Bonds (USTBs) held in the Depository Account as at the 24 January 2018 in accordance with FirstRand Bank Limited’s Offering Circular (Offering Circular).

### **Directors’ Responsibilities**

The Directors are responsible for the preparation and presentation of their statement ensuring that RMB has processes and systems in place that are designed and implemented to operate and monitor compliance with FirstRand Bank Limited’s Offering Circular in terms of DCCs and reporting commitments.

### **Our Independence and Quality Control**

We have complied with the independence and all other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors (IRBA) that is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Inc. applies the International Standard on Quality Control 1, 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.

### **Our Responsibility**

Our responsibility is to express a limited assurance conclusion 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*, issued by the International Auditing and Assurance Standards Board.

KPMG Inc. is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

KPMG Inc. is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Chief Executive: N Dlamini  
Directors: Full list on website

The company’s principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors’ names is available for inspection.



That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the DCCs in issue match the USTBs held in the Depository Account.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both 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, inspection of documents and agreeing or reconciling of underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed RMB management to obtain an understanding of the process;
- Obtained a confirmation from Computershare (who provide custodial services for equities, bonds and money market instruments) indicating RMB's participatory interest units;
- Obtained a statement from Euroclear (Euroclear are a Financial Market Infrastructure (FMI) services company that facilitate the settling of domestic and cross-border securities transactions and safekeeping of investments);
- Obtained an annual recon from RMB as at 24 January 2018 (Report attached)
- Agreed the balances of the two statements above from Computershare and Euroclear.

The procedures performed in a limited assurance engagement vary in nature and timing, 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.

#### ***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 DCCs in issue do not match the USTBs held in the Depository Account.

#### ***Other Matters***

The maintenance and integrity of the RMB's Website is the responsibility of RMB's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of its presentation on the RMB's Website.

#### ***Restriction of Use and Liability***

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected information to RMB in accordance with the terms of our engagement, and for no other purpose.



We permit the disclosure of this report, to enable RMB to demonstrate that it has discharged its responsibilities by commissioning an independent assurance report by an external auditor as required by the offering circular. To the fullest extent permitted by law, we do not accept or assume liability to any party other than the directors of RMB, for our work, for this assurance report, or for the conclusion we have reached.”

A handwritten signature in black ink, appearing to read 'N Morris', written over a faint, large, stylized signature.

**KPMG Incorporated**

**Per N Morris**

Chartered Accountant (SA)

Registered Auditor

Director

**25 May 2018**