

CITY OF CAPE TOWN

SUMMARY OF MAIN BANKER AND OTHER FINANCIAL SERVICES TENDER AWARDS: TENDER 62C/2012/13

(Contracts to which Section 33 of the Local Government: Municipal Finance Management Act (MFMA), No 56 of 2003, applies, having future budgetary implications beyond 3 years)

In terms of Section 75(1) (i) of the MFMA, information on the appointment of a Main Banker and Other Financial Services for the City of Cape Town is hereby given:

MAIN BANKER

Name of Financial Institution	ABSA Bank Limited
Commencing date of new Contract	1 April 2013
Period of Contract	Five Years
Purpose of Contract	To act as Main Banker for the City of Cape Town in respect of transactional banking.
Change to Contract	ABSA Bank Ltd sold its Custody and Trustee Business portfolio of the transactional banking contract to Standard Chartered Bank on 2 December 2013 on the same terms and conditions as contained in the original contract awarded to ABSA Bank Ltd
Legal Implication due to change in contract	The City was required to follow a public participation process and table the reasons for such change to the council in terms of S.116 (3) of the Local Government: Municipal Finance Management Act (MFMA).

LEAD ARRANGER

Name of Financial Institution	First Rand Bank Limited
Commencing date of new Contract	1 July 2013
Period of Contract	Five Years
Purpose of Contract	Lead Arranger and Dealer for future Municipal Bond Issues under the City's R7 billion Domestic Medium Term Note Programme.

DEBT SPONSOR

Name of Financial Institution	Standard Bank of South Africa Limited
Commencing date of new Contract	1 July 2013
Period of Contract	Five Years
Purpose of Contract	To act as the Johannesburg Stock Exchange (JSE) Debt Sponsor in terms of the listing requirements of the JSE in relation to the City's R7 billion Domestic Medium Term Note Programme.

Financial Implications

The net cost of the total contract (Tender 62 C/2012/13) for the provision of the service of Main Banker, Lead Arranger and Debt Sponsor for five (5) years is estimated at R19 979 252 (Inclusive of VAT and annual increases, linked to the CPI Index), calculated as follows:

Total estimated cost of Contract/Tender	R 29 179 252
Less: Interest earned on daily current bank account	<u>9 200 000</u>
Net Estimated Cost of Contract	<u>R 19 979 252</u>