

## CITY OF CAPE TOWN

### SUMMARY OF MAIN BANKING SERVICES LEVEL AGREEMENT

*(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 Main Banking Services Level Agreement is hereby given:

<b>Name of Contract</b>	:	Banking Services Level Agreement
<b>Main Banker</b>	:	ABSA Bank Limited
<b>Date of Contract</b>	:	31 March 2008
<b>Date of Commencement of Contract</b>	:	1 April 2008
<b>Period of Contract</b>	:	Five Years
<b>Banking Services</b>	:	To act as main transactional banker to the City
<b>Service Fees Payable</b>	:	As per annual price schedule
<b>Financial Implications</b>	:	The net cost of the service for five years commencing 1 April 2008 is estimated at R9 052 538 (Inclusive of VAT and annual increases linked to the CPIX Index), calculated as follows:

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Total estimated Bank Charges	15 294 170
<b>Less:</b> Interest earned on daily current account balance	<u>6 241 632</u>
<b>Net Cost:</b>	<b><u>R9 052 538</u></b>