CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

CITY OF CAPE TOWN

SUMMARY OF MAIN BANKER AND OTHER FINANCIAL SERVICES TENDER AWARDS: TENDER 256S/2021/22

(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:

TRANSACTIONAL BANKING

Name of Financial Institution	Nedbank Limited/RHO Capital (Pty) Ltd
Commencing date of new	1 April 2023
Contract Period of Contract	1 April 2023 to 31 March 2028 (Five (5) years)
Purpose of Contract	To act as Main Banker for the City of Cape Town in respect of transactional banking.

LEAD ARRANGER AND DEBT SPONSOR

Name of Financial Institution	Nedbank Limited/RHO Capital (Pty) Ltd
Commencing date of new	1 April 2023
Contract Period of Contract	1 April 2023 to 31 March 2028 (Five (5) years)
Purpose of Contract	Lead Arranger and Dealer for future Municipal Bond Issues and 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

CUSTODIAN

Name of Financial Institution	Firstrand Bank Limited
Commencing date of new	1 April 2023
Contract Period of Contract	1 April 2023 to 31 March 2028 (Five (5) years)
Purpose of Contract	To perform custodian services in relation to the City's investment portfolio administered by its various fund managers.

ELECTRONIC REFERENCE VALIDATION SERVICES

Name of Financial Institutions	Firstrand Bank Limited, Absa Bank Limited, The Standard Bank of South Africa Limited
Commencing date of new	1 April 2023
Contract Period of Contract	1 April 2023 to 31 March 2028 (Five (5) years)
Purpose of Contract	To list the City as a bank listed beneficiary on the institution's internet banking platform and provide validation rules on the reference numbers entered by its customers for payments to the City

Financial Implications

The net cost of the total contract (Tender 256S/2021/22) for the provision of the services of transactional banking, , lead arranger / debt sponsor services, custodian services and electronic reference validation services for five (5) years is estimated at R 81 774 330 (exclusive of VAT and inclusive of annual increases where applicable, linked to the CPI Index), calculated as follows:

Total estimated cost of Contract/Tender	R 93 149 330
Less: Interest earned on daily current bank	11 375 000
account Net Estimated Cost of Contract	**R 81 774 330**