

City Of Cape Town

Summary of Long-term Borrowing Contract

In terms of section 75 (1) (f) of The Local Government: Municipal Finance Management Act (No.56 of 2003), information on the following long-term borrowing contract is hereby given:

Name of contract: Cape Town Infrastructure Development Programme 4

Lender: The Development Bank of Southern Africa Limited

Borrower: The City of Cape Town

Date of contract: 23 September 2005

Capital amount of debt: R600 million.

Term of debt : 10 and 15 years according to the useful lives of the capital assets being financed out of the debt.

Purpose of debt: to finance approved External Finance Fund (EFF) funded capital expenditure.

Repayment of debt: in semi-annual instalments of capital and interest over the life of the debt.

Rates of interest:

Fixed rate: the ruling RSA Government Bond yield curve rate (at date of loan drawdown) plus 1.39% (10 year debt) or 1.43% (15 year debt). A special concessionary rate of 5% per annum is charged on R60 million of targeted infrastructural development expenditure.

Floating rate: the ruling JIBAR rate (at date of loan drawdown) plus 1.28% (10 year debt) or 1.24% (15 year debt), reset 6 monthly.