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:

Lender	KfW Development Bank
Loan number	31601
Date of signing of contract	11 December 2024
Capital Amount of debt	R2 806 200 000
Term of debt	15 years
Interest rate	7.79% per annum, fixed
Loan Fee	0.25% of the nominal amount of the loan, payable by the earlier of the first disbursement or three months after signing date
Purpose of debt	The loan aims at supporting energy projects included in the City of Cape Town's sustainable development strategy as detailed in its five-year development plan (IDP 2022-2027), specifically to fund energy projects within the current 2024/25 MTREF.
Repayment of debt	In semi-annual instalments calculated on the straight-line method in respect of capital, and interest on the reducing balance of the loan. The semi-annual repayment dates are 15 May and 15 November annually over the life of the debt.
Detail of drawdown of funds	The loan is to be drawn down in three tranches: 15 May 2025 R935,400,000 15 May 2026 R748,320,000 15 May 2027 R1,122,480,000