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	Agence Française de Développement
Loan number	CZA 1189 01 E
Date of signing of contract	17 May 2023
Capital Amount of debt	R2 116 000 000
Term of debt	15 years ending 30 April 2038
Interest rate	11.30 % pa Fixed
Appraisal Fee	0,5 % of loan amount due and payable prior to disbursement
Purpose of debt	Supporting the City of Cape Town's sustainable development strategy as detailed in its five-year development plan (IDP2022-2027), specifically to fund projects within the current 2022/23 MTREF, in a context of rising effects of climate change. The main objective is to make the City more inclusive and sensitive to its environment.
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 31 October and 30 April annually over the life of the debt.
Detail of drawdown of funds	The loan of R2,116 billion was drawn down in one disbursement on 6 June 2023