

 **BOND ISSUE BY PUBLIC OFFERING**   
**OF THE STATE OF CAMEROON**

**6.25%**  
**NET PER YEAR**

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**ISSUER**



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**THE BACKGROUND PAPER FOR THIS BOND ISSUE IS REGISTERED BY  
THE CENTRAL AFRICAN FINANCIAL MARKET SUPERVISION COMMISSION  
UNDER THE SERIAL NUMBER COSUMAF APE-01/2022 OF 29 APRIL 2022**

## I. CONTEXT TO THE TRANSACTION

Since 2010, the State of Cameroon has embarked on a vast investment in projects that will generate growth and employment in the areas of port, road and energy infrastructures, among others. This commitment is in line with the guidelines of its National Development Strategy (NDS 30), which aims to make Cameroon an emerging country by 2035. In order to pursue the various projects undertaken and to finance the new projects included in the 2022 Budget, the State provided for an overall debt of nearly CFAF 1 500.50 billion in the Finance Law to fill the financing gap of the said exercise.

Decree No. 2022/052 of 25 January 2022 authorizes the Minister of Finance to resort to the issuance of public securities of a maximum amount of CFAF 350 billion for the financing of development projects included in the Finance Law for

the 2022 financial year. It is within this context that the State of Cameroon, represented by the Ministry of Finance, intends to mobilize, through a Public Offering, an amount of CFAF 200 000 000 000 (two hundred billion) on the Central African financial market.

## II. PURPOSE OF THE BOND LOAN

The funds collected will be used to finance some projects included in the 2022 Finance Law and allocated more specifically to the following projects:

N°	ADMINISTRATION	ECONOMIC SECTOR	AMOUNT
01	MINEPAT	Planning and Regional Development	3 744 533 583
02	MINEE	Energy	23 477 389 000
03	MINTP	Road infrastructure	119 867 525 000
04	MINDHU	Town planning	23 230 376 000
05	MINTRANS	Extension of the PAK development projects	15 000 000 000
06	MINEPAT : Special Interventions and counterparty funds	Reconstruction of the Far North , North-West, South-West Regions and counterparty funds	14 680 176 417
		<b>TOTAL</b>	<b>200 000 000 000</b>

## III. LOAN REPAYMENT

Interest will be paid annually from the first anniversary of the date of entitlement of the loan. Repayment of the capital will occur after two (2) years of deferment; i.e. from the third year by constant amortization of one fifth (1/5th) of the principal.

### *Loan amortization table*

MATURITY	CAPITAL AT THE START OF THE PERIOD	PRINCIPAL	INTEREST	ANNUAL INSTALMENTS	CAPITAL AT THE END OF THE PERIOD
2023	200 000 000 000	0	12 500 000 000	12 500 000 000	200 000 000 000
2024	200 000 000 000	0	12 500 000 000	12 500 000 000	200 000 000 000
2025	200 000 000 000	40 000 000 000	12 500 000 000	52 500 000 000	160 000 000 000
2026	160 000 000 000	40 000 000 000	10 000 000 000	50 000 000 000	120 000 000 000
2027	120 000 000 000	40 000 000 000	7 500 000 000	47 500 000 000	80 000 000 000
2028	80 000 000 000	40 000 000 000	5 000 000 000	45 500 000 000	40 000 000 000
2029	40 000 000 000	40 000 000 000	2 500 000 000	42 500 000 000	0
<b>TOTAL</b>	<b>-</b>	<b>200 000 000 000</b>	<b>62 500 000 000</b>	<b>262 500 000 000</b>	

The loan will be repaid by debiting the escrow account of the State of Cameroon, opened in the books of BEAC and recalled in the security mechanism. The account shall be replenished on the 15th of each month, by automatic debit of the Single Treasury Account, to the extent of one twelfth (1/12th) of the annual instalment corresponding to the principal and interest due at the end of each year, in accordance with the final amortization table of the loan.

## IV. CHARACTERISTICS OF THE TRANSACTION

<b>Issuer</b>	STATE OF CAMEROON
<b>Security name</b>	"ECMR 6.25% net 2022 – 2029"
<b>Nature of the transaction</b>	BOND ISSUE BY PUBLIC OFFERING
<b>Purpose of the transaction</b>	Financing of some development projects included in the State Budget for the 2022 financial year.
<b>Issue amount</b>	CFAF 200 000 000 000
<b>Nominal value</b>	CFAF 10 000 per bond
<b>Minimum investment</b>	CFAF 300 000 (30 bonds)
<b>Coupon Interest Rate</b>	6.25% net of taxes
<b>Issue price</b>	At par, i.e. CFAF 10 000 per bond
<b>Number of securities to be issued</b>	20 000 000 bonds
<b>Security form</b>	The securities will be issued only in dematerialized form, registered in an account with the Central Custodian (BEAC) and held in the books of authorized account holders.
<b>Maturity</b>	Seven (7) years
<b>Subscription period</b>	The subscription period is scheduled to run from 16 to 25 May 2022. However, this subscription period may be extended or reduced upon authorization from the Central African Financial Market Supervisory Commission (COSUMAF).
<b>Date of entitlement</b>	The date of entitlement to the securities is set at 48 hours after the closing of the transaction.
<b>Deferment period</b>	Two (2) years
<b>Taxation</b>	<p>The interest on the bonds will be exempt from all taxes in Cameroon. They will also be exempt from income tax on movable capital in the CEMAC zone member countries.</p> <p>For foreign subscribers (non-community), the income from the issued securities will be liable to the tax legislation in force in their respective countries of residence.</p> <p>As the securities are to be listed on the BVMAC, all income they generate following their trading on the secondary market will be liable to the tax regimes of the various countries of tax residence.</p>
<b>Interest Payments</b>	Interest on the Bonds will commence to accrue on the Settlement date and shall be payable annually.
<b>Capital repayment</b>	Repayment of the capital will be linear after two (2) years of deferment; i.e. the payment of one fifth (1/5) of the capital each year for five years.
<b>Redemption clause</b>	The State of Cameroon reserves the right to redeem the securities as from the end of the third year on the secondary market. Such buybacks will have no consequence for an investor who wishes to keep the securities acquired until maturity, and will not affect the initial amortization schedule. Bonds so repurchased will be cancelled.
<b>Payment</b>	Payments will be initiated and made by BEAC, the Settlement Bank, which will withdraw from the escrow account of this loan at each repayment date, the annual instalments due and make them available to the bondholders, via the approved intermediaries, account holders - custodians of their securities.

<p><b>Security Mechanism</b></p>	<p>An escrow account exclusively intended to receive the sums that will be used to repay the loan will be opened in the books of BEAC before the beginning of the subscription period. The account will be managed exclusively by BEAC which will credit it on the 15th of each month with one twelfth (1/12th) of the annual instalment corresponding to the principal and interest due at the end of each year, in accordance with the amortization table of the loan, by automatic debit of the Single Treasury Account domiciled in its books, as provided for in the agreement for the opening and operation of said account.</p>
<p><b>Weighting of securities in banks' books</b></p>	<p>In response to the Minister of Finance requesting a zero weighting, the President of the Central Africa Banking Commission (COBAC) notified by Letter No. COBAC/0192/DSP/DCP/IHT of 11 February 2022 that the securities issued under the present loan would enjoy a zero weighting (0%), as the repayment of the latter is secured by collateral, as described above.</p>
<p><b>Terms of repayment</b></p>	<p>Repayment in constant annual instalments with two (2) years' deferment on the principal; Annual interest payment.</p>
<p><b>Liquidity</b></p>	<p>The liquidity of the securities resulting from the present issue will be achieved by their listing on the stock exchange. An application for admission to listing will be submitted to BVMAC by the Consortium to ensure liquidity of the issued bonds.</p> <p>A liquidity contract to be signed between BVMAC and a Brokerage firm will also contribute to regular and liquid trading of the security.</p>
<p><b>Fungibility</b></p>	<p>The securities resulting from this issue are not fungible.</p>
<p><b>Eligibility for refinancing</b></p>	<p>The securities issued are eligible for refinancing by the Bank of Central African States, in accordance with the procedures laid down by its Monetary Policy Committee.</p>
<p><b>Investment methods</b></p>	<p>The present loan is the subject of a partial underwriting of CFAF 180 500 0000000 (one hundred and eighty billion five hundred million) (raised by the consortium constituted under the present transaction. An underwriting syndicate is moreover set up and includes, in addition to the members of the consortium, any brokerage firm duly approved by COSUMAF or any bank wishing to join it.</p>
<p><b>Bondholders' pool</b></p>	<p>The bondholders of the present issue will be grouped in a pool with legal personality. The representatives of the Bondholders' Pool will be appointed after the closing of the transaction and no later than thirty (30) days prior to the first redemption of the loan.</p>
<p><b>Arranger and Lead Manager</b></p>	<p>The Consortium is made up of brokerage companies duly authorized as Lead Managers by the Issuer. Namely:</p> <p>Afriland Bourse &amp; Investissement BGFIBourse,  SOCIETE GENERALE Capital Securities Central Africa  Upline Securities Central Africa S.A (USCA)</p>

## V. MEMBERS OF DEALERS SYNDICATE

To subscribe, contact the following dealers syndicate members :

N°	Dealers	Addresses	Contacts
1	Afriland Bourse & Investissement	Avenue Charles de Gaulles, Face Lycée Fustel, BP 11 834 Yaoundé	+237 242 05 80 31/ +237 620 29 32 98/ +237 650 84 70 54 bourseinvestissement@ afrilandfirstbank.com
2	Afriland First Bank	1063 Place de l'Indépendance, BP: 111834 Yaoundé	+ 237 222 23 30 68
3	Société Générale Capital Securities Central Africa (SG CAPITAL CEMAC)	Immeuble Grassfield, 2th Floor, Bonanjo, Douala Cameroun	+237 233 501 902
4	Société Générale Cameroun	78, Rue Joss BP 4042 Douala - Cameroun	+237 233 427 010
5	Société Générale Congo	Avenue Amilcar CABRAL, Centreville, BP 598 Brazzaville	+242 06 504 22 22
6	Société Générale Guinée Equatoriale	Malabo II B.P.686 Malabo - Guinea Ecuatorial	240 555 091 912
7	Société Générale Tchad	Siège est à N'Djamena, 2-6 rue du Commandant GALLYAM Negal, BP 461	+235 22 52 28 01
8	Upline Securities Central Africa S.A (USCA)	Siège Social : 234, Avenue de l'Indépendance- Bonapriso, BP: 1925 Douala	+237 233 43 59 24
9	Banque Internationale Du Cameroun pour l'Epargne et le Crédit (BICEC)	BP : 1925, Avenue du Général de Gaulle Douala - Cameroun	+237 233 436 000
10	BGFIBourse	1295, Boulevard de l'indépendance BP 2253 Libreville	+241 011 79 67 10
11	BGFIBank Gabon	1295, Boulevard de l'Indépendance B.P. : 2253 – Libreville / Gabon	+241 01 76 23 26 Fax: +241 01 74 44 56
12	BGFIBank Cameroun	Siège Social : Avenue du Général de Gaulle-Angle rue Carras, B.P. :660, Douala / Cameroun	+237 33 42 64 64 Fax: +237 34 43 33 88
13	BGFIBank Congo	Siège social: Angle rue de Reims, face Paierie de France, BP 14 579 Brazzaville	+242 06 632 65 05 / 05 505 18 65 Fax: +242 22 281 40 51/52
14	BGFIBank Guinée Equatoriale	Siège Social: Malabo Carretera de Luba, BP 749 Malabo	+240 333 09 63 52 Fax: +240 333 09 63 73
15	AFG Capital Central Africa	Immeuble Noutchogouin, Akwa, B.P. 2933 Douala	+237 233 421 066 / 56114 444
16	Attijari Securities Central Africa (ASCA)	Immeuble du phare, Carrefour Soppo Priso, Bonapriso BP : 255 Douala	+237 233 431 446 / 233 435 400
17	SCB Cameroun	B.P. 300 Douala – Cameroun	+237 233 435 400
18	Premium Capital Securities	Rue Moukouloulou Plateau des 15 ans Mougali B.P. : 800 – Brazzaville / Congo	+242 065 70 67 76
19	CBC Bourse	BP 4004 Douala-Cameroun	+237 233 42 02 02
20	Commercial Bank Cameroon	148, Avenue De Gaulle BP : 4004 Douala-Cameroun	+237 233 420 202
21	EDC Investment Corporation	BP : 237 Douala - Cameroun	+237 233 431 446 +237 233 435 400
22	FINANCIA Capital	BP:4593 Bonanjo, Douala - Cameroun	+237 696 42 42 42
23	Africa Bright Securities	316, Rue Victoria - Bonanjo BP : 15451 Douala - Cameroun	+237 233 43 06 24 +237 680 26 07 49
24	Horus Investment Capital	Rue TOKOTO, Bonapriso, BP 13207	+237 233 425 963
25	Banque Populaire Maroc Centrafricaine (BPMC)	Rue Guérillot Bangui – République Centrafricaine	+236 72 40 39 21
26	Union Gabonaise de Banque (UGB)	Avenue du Colonel Parant BP 315 Libreville - Gabon	+241 11 77 72 37
27	Crédit du Congo	Avenue Emmanuel Dadet BP 2470 Pointe Noire Congo	+242 06 510 02

## VI. SUBSCRIPTION CONDITIONS

Subscription orders are materialized by the signing of the subscription form, provided for this purpose, to be collected at the counters of placing Banks or designated securities Brokers that are members of the Dealers Syndicate. The subscription will only be considered valid when the corresponding provision has first been made available to the dealer.

## VII. WARNING

Potential investors are hereby reminded that an investment in financial instruments may be risky, and that the value of the investment may rise or fall under the influence of factors internal or external to the Issuer.

## VIII. SECURITIES ALLOCATION RULES

If authorised by COSUMAF, the Government of Cameroon may extend the subscription period after informing COSUMAF if at the closing date, the total amount of funds collected (including those related to the underwriting agreements) is less than CFAF 200 billion.

In case the total amount collected by the Dealers Syndicate exceeds CFAF 200 billion at the closing date, the Government of Cameroon reserves the right to either:

- *Request COSUMAF's authorization to totally or partially absorb the oversubscription;*
- *Or, assisted by the lead managers, reduce subscriptions by maintaining, in priority, the subscriptions of natural persons and non-banking legal entities. On the remaining securities, the subscriptions of bank legal entities will be reduced in proportion to the requested amounts.*

## IX. ADDITIONAL INFORMATION

The Bond Issue of the State of Cameroon is presented in detail in the Background Paper which has been submitted for approval by the Central African Financial Market Supervisory Commission (COSUMAF), the Central African financial market regulator. The said Background Paper bears the **COSUMAF registration number No. APE-01/2022 dated 29 april 2022.**

The information in this flyer is drawn from the Background Paper approved by COSUMAF. Any investor interested in the transaction should read the Background Paper in its entirety pursuant to Article 25 of the General Regulations of the Central African Financial Market Supervisory Commission. In accordance with COSUMAF General Regulations (Article 53), this Background Paper will be made available to the public as follows:

- *Available for consultation free of charge at the Issuer's headquarters ; Made*
- *Available free of charge to the Lead Consortium and the Dealers ;*
- *Posted on the websites of the Issuer, the Dealers and BVMAC ;*
- *The Background Paper made available free of charge at BVMAC's headquarters ;*
- *A copy of the Background Paper will be sent free of charge to any interested party, upon request.*

*The Background Paper will be available online and also made available to the public at the following addresses :*

- *Ministry of Finance : [www.minfi.gov.cm](http://www.minfi.gov.cm) ;*
- *Ministry of Economy, Planning and Regional Development: [www.minepat.gov.cm](http://www.minepat.gov.cm) ;*
- *Directorate General of Treasury, Financial and Monetary Cooperation: [www.dgtcfm.cm](http://www.dgtcfm.cm) ;*
- *Directorate General of Treasury, Financial and Monetary Cooperation, Department of Cash Flow, Block A, Room 1;*
- *Bond issue website : [www.ecmr2022.com](http://www.ecmr2022.com) ;*
- *Autonomous Sinking Fund : [www.caa.cm](http://www.caa.cm) ;*
- *Central African Financial Market Supervisory Commission (COSUMAF): <https://cosumaf.org>*