

NEWS FROM THE EMBASSY OF THE REPUBLIC OF IRAQ

Republic of Iraq Issues \$1 Billion Bond Guaranteed by US Government

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Prime Minister's Press Office

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BAGHDAD (Jan. 18, 2017) – The Republic of Iraq today completed the issuance of an \$1 billion 5-year Guaranteed bond priced at the level of 27 basis points over 5-year US Treasury Notes with a coupon of 2.149 percent per year, payable semi-annually. The Notes benefit from a full faith and credit guarantee of the United States, acting through the United States Agency for International Development (USAID). The guarantee assistance program is intended to reinforce Iraq's economic reform program, as supported by the International Monetary Fund and USAID, support Iraq's continued access to the capital markets, and provide external financing to Iraq at affordable rates.

The support of the international community to the Republic is a key element in the success of Iraq's USAID-guaranteed issuance, at a time where it fights a common battle supported by the US and other allies against terrorism. The bond reinforces Iraq's economic and governance reform program, as supported by the International Monetary Fund, World Bank, the G7, and other donors. It also supports Iraq's economic recovery and the Government of Iraq's access to private capital markets. The reforms supported by the guarantee will help Iraq fight corruption, improve economic governance, increase its economic resilience, and protect the most vulnerable Iraqis from the twin shocks of fighting Da'esh and lower oil prices.

According to a statement released by the Prime Minister's Office, "The Iraqi

government is proud of our ongoing efforts to foster transparency, economic and democratic reforms, and in our success of our people in fighting terrorism. This guaranteed bond is a demonstration of the international community's ongoing assistance to Iraq, and will strengthen the process of implementing meaningful reforms and our efforts to combat corruption and build a more secure, democratic, and financially viable and prosperous Iraq."

This will be Iraq's first \$1 billion USAID Guaranteed bond issuance and fulfills the pledge that the US Government made to Iraq to support economic reform and fight terrorism [as part of the overall \$15.6 billion support package by the G7 and other donors].

The lead managers and bookrunners on the transaction were Citi, Deutsche Bank, and J.P. Morgan.

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