



COMMONWEALTH OF
PUERTO RICO
Government Development Bank
for Puerto Rico



COMMONWEALTH OF
PUERTO RICO
Treasury Department



GDB Contact: Betsy Nazario (787) 960-2089 /Treasury Contact: María E. Quintero (787) 398-0486
Betsy.Nazario@bgfpr.com Maru.Quintero@hacienda.gobierno.pr

October 10, 2014

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO ANNOUNCES SALE OF \$900 MILLION GUARANTEED NOTES TO BANKING SYNDICATE

San Juan, P.R.–The Government Development Bank for Puerto Rico (GDB) today announced the issuance of GDB Senior Notes, 2015 Series B (the “GDB Notes”) in the aggregate principal amount of \$900 million to a syndicate of top-tier financial institutions led by J.P. Morgan. Morgan Stanley, Bank of America, Barclays plc, Banco Popular de Puerto Rico and Amalgamated Bank are also participants in the syndicate.

The GDB Notes are guaranteed by the Commonwealth of Puerto Rico and mature June 30, 2015. \$700 million of the GDB Notes are structured as a term note and carry an annual interest rate of 7.75%. \$200 million of the GDB notes are structured as a revolving line in order to reduce the total financing cost of the transaction and carry an annual interest rate of one month LIBOR plus 7.55%. The GDB will use the proceeds of the GDB Notes to purchase \$900 million aggregate principal amount of Tax and Revenue Anticipation Notes of the Commonwealth (“TRANs”), which will serve as collateral for and are expected to be the source of repayment of the GDB Notes. As part of this transaction and consistent with prior fiscal years, the GDB funded an additional \$300 million in TRANs purchases. TRANs are notes issued each fiscal year in the ordinary course in anticipation of such fiscal year’s tax receipts and revenues.

GDB Interim President José V. Pagán Beauchamp said, “Today’s transaction is part of the Commonwealth’s normal-course financing as it manages the timing difference between ongoing budgetary obligations and the yearly collection of tax revenues in April. We are pleased to have the support of a syndicate of top-tier financial institutions in this transaction.”

Treasury Secretary Melba Acosta Febo commented, “This transaction will support the Commonwealth’s ongoing liquidity as we continue to focus on guiding Puerto Rico on a path to fiscal health and stability.”

“The GDB and the Commonwealth are committed to continued transparency with our investors, and plan to further enhance our regular financial disclosures going forward,” stated GDB Chairman David H. Chafey. In connection with this issuance of GDB Notes, the GDB will publish an updated liquidity report and will make monthly disclosures regarding its cash and cash equivalents. In addition, the Treasury Department will issue cash flow statements on a monthly basis.
