



December 11, 2014

**STATEMENT FROM THE PRESIDENT OF THE GOVERNMENT DEVELOPMENT BANK ON THE APPROVAL
OF HOUSE BILL 2212 BY THE LEGISLATIVE ASSEMBLY**

San Juan, P.R. - Today, Government Development Bank for Puerto Rico (“GDB”) President Melba Acosta Febo issued the following statement on the approval of House Bill 2212 by the Legislature.

“At the GDB, we will be making a rigorous evaluation of the changes and amendments to the original House Bill 2212 when the bill is received from the Legislature at La Fortaleza; a bill whose main objective is to return liquidity to the GDB, by providing the PRHTA with a repayment source for its multimillion debt and the opportunity to become a financially viable public corporation. We’re analyzing the approved legislation from this perspective, weighing different scenarios and alternatives in order to determine the next steps to be taken. The GDB and its consultants are certainly seeking to obtain the best possible terms for each transaction of the Government and we share the Legislature’s interest in achieving the best transaction possible that will allow us to continue on the road towards fiscal responsibility and economic recovery. It is important to note that the decision of whether a transaction can be executed in the market, as well as its terms and conditions, is taken by the market itself after a thorough due diligence process.

I would like to clarify that, contrary to what has been said, I have never advised the Governor to veto the bill. That is a decision the Governor will make after a pondered analysis of the measure. Certainly, the approval of the bill by the Legislative Assembly, as we have said, is a step in the right direction and has been fundamental in the effort to get Puerto Rico out of its crisis and enable the GDB to continue supporting the central government, its public corporations and the municipalities, especially those undergoing economic difficulties. We thank the majority and minority legislators that have taken this step in the right direction. I am convinced that even though there have been differences of opinion in this process, given the complexities of this matter, all of us in the government, whether in the Executive or

the Legislative branch, are all guided by one sole purpose: to put the house in order, foster job creation and economic development for the wellbeing of Puerto Rico. I am certain that once we are done taking this fundamental step, we will be able to devote our efforts to other important initiatives, such as, passing an important Tax Reform and revitalizing the Puerto Rico Electric Power Authority so that it becomes the cornerstone of Puerto Rico's economic development.”

* * *

Not an Offering of Securities

This statement does not constitute, nor does it form part of, an offer to sell or purchase, or the solicitation of an offer to sell or purchase, any securities or an offer or recommendation to enter into any transaction. This presentation has been prepared for informational purposes only. Any offer or sale of any security may only be made pursuant to the relevant offering documents and binding transaction document and is subject to the detailed provisions therein, including risk considerations. Prospective purchasers should obtain a copy of the relevant offering materials prior to making any investment decisions.

Forward-Looking Statements

The information included in this statement contains certain forward-looking statements. These forward looking statements may relate to the fiscal and economic condition, economic performance, plans and objectives of the Commonwealth of Puerto Rico or its agencies or instrumentalities. All statements contained herein that are not clearly historical in nature are forward looking.

This statement is not a guarantee of future performance and involves certain risks, uncertainties, estimates, and assumptions by the Commonwealth and/or its agencies or instrumentalities that are difficult to predict. The economic and financial condition of the Commonwealth and its agencies or instrumentalities is affected by various financial, social, economic, environmental, and political factors. These factors can be very complex, may vary from one fiscal year to the next, and are frequently the result of actions taken or not taken, not only by the Commonwealth and/or its agencies or instrumentalities, but also by entities such as the government of the United States of America or other nations that are not under the control of the Commonwealth. Because of the uncertainty and unpredictability of these factors, their impact cannot, as a practical matter, be included in the assumptions underlying the Commonwealth's or its agencies or instrumentalities' projections.