

# P R E S S   R E L E A S E

*For immediate release*

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## **Successful U.S. Sale of COFINA Bonds An Important Achievement of the Fiscal Reconstruction Plan for Puerto Rico Bolstering Confidence in Governor Luis Fortuño's Administration**

SAN JUAN, P.R. - Government Development Bank (GDB) President, Carlos M. García, announced that yesterday, June 10, \$4.1 billion in bonds were placed in the U.S. municipal bond market, among individual and institutional investors—an achievement that surpasses all initial P.R. Government expectations.

“Within a very difficult financial market, this is an important achievement for Puerto Rico. It is the largest bond issuance ever placed by Puerto Rico in the municipal bond market, the second largest placed by any issuer in the U.S. since the global financial crisis began in 2007—only California’s was larger with \$6.5 billion—and the sixth largest in the history of the U.S. exempt municipal market,” García explained.

The bonds placed in the U.S. have yields starting at 3.75 percent and the approximate average cost of the transaction is 6.20 percent, falling favorably under market expectations.

The bond offering period in Puerto Rico continues until next week. From an initial expected transaction of \$500 million, there are already indications of interest for over \$1 billion. GDB expects to surpass \$5 billion between what was achieved yesterday in the U.S. and what is finally sold in Puerto Rico. It will be used to address the fiscal deficit, to finance the local stimulus package, to pay the cost of the payroll reduction and to offer a source of payment for current government debts.

“This transaction addresses a significant part of the COFINA financing plan and strengthens the liquidity needed to fully implement the Fiscal Reconstruction Plan. In turn, bondholder’s recently established confidence in Governor Luis Fortuño’s Administration and his reconstruction plan for Puerto Rico is reaffirmed,” GDB President concluded.

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