

P R E S S R E L E A S E

For immediate release

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December, 27 2009

Record \$1,623 Million in GDB Notes, More Than Double Expectations, Garners Solid Support from Puerto Rico Investors

Local Investors Display Confidence in Fiscal and Economic
Reconstruction Program

SAN JUAN, PR— Citing unprecedented demand for a pre-Christmas issue of GDB Notes, Carlos M. Garcia, President and Chairman of the Government Development Bank for Puerto Rico, declared that “the people of Puerto Rico have once again given us a vote of confidence...supporting the actions we are taking to stabilize the Commonwealth’s fiscal crisis and to resume economic growth for Puerto Rico.”

The historical issue of \$1,356 million in Notes placed on the local capital market on December 23, 2009, doubled our expectations. The Notes, with maturities ranging from 1 to 12 years were bought mostly by local individual investors.

"This is an important achievement because it shows the trust that Puerto Rico has, not only in the GDB, but also in the Economic and Fiscal Reconstruction Plan," said Garcia. "We thank them for their confidence. The success of these bond issues also demonstrates the strength, stability and support that the local capital market provides to our economy."

Garcia also announced a separate bond issue totaling \$267 million in GDB five-year notes sold on the tax exempt U.S. market.

"With these two bond issues we have raised \$1,623 million, which provides the GDB with additional resources to continue addressing the financing needs of public corporations and Government agencies, as well as to promote the economic development of Puerto Rico," Garcia said. He added that part of the proceeds will be used to repay outstanding bonds in order to reduce the cost of bank financing and to prudently stagger future maturities.

"These transactions solidify GDB's liquidity, which in turn enables us to continue fully implementing the Economic and Fiscal Reconstruction Plan. However, perhaps more importantly, these tangibly actions demonstrate the confidence we have managed to restore this past year with investors regarding the efforts of the Administration of Governor Luis Fortuño to continue the Economic and Fiscal Reconstruction Plan for Puerto Rico. Investors are not guided with words, but with results... and the results we are achieving are giving them confidence. They are willing to invest their money in Puerto Rico because they recognize that we are guiding Puerto Rico in the right direction," García asserted.

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