



April 18, 2016

TWO GOVERNMENT DEVELOPMENT BANK BOARD MEMBERS RESIGN

San Juan, P.R. – Two members of the Board of Directors of the Government Development Bank for Puerto Rico (“GDB” or the “Bank”), Mr. Fermín Contreras Bordallo and Mr. Iván Méndez López, submitted their letter of resignation effective April 21, 2016. In their letter of resignation addressed to the Governor of the Commonwealth of Puerto Rico, Alejandro García Padilla, the directors stated the following:

“We are aware of the gravity of the financial situation facing the Commonwealth and its public corporations and instrumentalities, including the GDB. We are also aware of the need for passing the [Puerto Rico Emergency Moratorium and Financial Rehabilitation] Act and issuing the Executive Order [2016-10] in order to ensure that essential services are provided and to protect the health, security and wellbeing of the residents of the Commonwealth. However, the Act and the Executive Order limit the functions and responsibilities of the GDB—which were already limited due to the GDB’s delicate financial situation—dictating the manner in which the operations of the Bank will be carried out and transferring duties to the fiscal agent and financial advisor of the Fiscal Authority. Therefore, the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act and the Executive Order have restricted the scope of our authority to make important decisions for the GDB and other government entities, even though we would remain accountable for such decisions,” the officers indicated in their letter.

The officers stated that, among other things, the Act establishes the Puerto Rico Fiscal Agency and Financial Advisory Authority, a new independent public instrumentality that would assume the duties of fiscal agent and financial advisor to the Commonwealth, its public corporations, instrumentalities and municipalities, which the GDB used to carry out. On April 10, 2016, the Governor of Puerto Rico issued Executive Order 2016-010, under the Act, to protect the liquidity of the GDB, declaring a state of emergency for the GDB, prohibiting the disbursement of loans and imposing certain restrictions on the withdrawal of funds deposited with the GDB, among other measures.

“We understand that during the past months you have made difficult, but necessary decisions to guide Puerto Rico on the path to economic progress and solve the crisis we are facing. We wish you and your team much success during the remainder of your term and we trust that you will all continue taking the measures to steer Puerto Rico towards economic recovery,” the two officers concluded and encouraged the Governor to appoint their replacements in a timely manner to ensure the continued operations of said entities.

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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.

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