



COMMONWEALTH OF
PUERTO RICO

Government Development Bank
for Puerto Rico

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GDB ANNOUNCES PLACEMENT OF \$110 MILLION IN SENIOR GUARANTEED NOTES

San Juan, P.R. – Government Development Bank for Puerto Rico (GDB) Interim President José Pagán Beauchamp today confirmed the GDB's placement of \$110 million in Senior Guaranteed Notes with the Puerto Rico State Insurance Fund Corporation. The bonds have a coupon of 8% per annum and have maturities of \$40 million, \$30 million and \$40 million on December 1, 2017, December 1, 2018 and December 1, 2019, respectively. The notes may be redeemed in whole or in part before maturity at the option of GDB, at a price equal to the principal amount of the notes to be redeemed plus accrued interest, subject to the GDB providing at least fifteen days' prior notice.

"This transaction is a part of our previously announced strategy to bring Commonwealth deposits to the GDB," said Pagan. "It achieves two objectives simultaneously – increasing GDB's liquidity and improving the cash flow of the State Insurance Fund. Combined with fiscal reforms recently signed into law that will strengthen the teachers' pension system, today's announcement reflects another step in improving the Commonwealth's near-term economic situation and long-term economic outlook."

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