



April 29, 2016

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO ANNOUNCES AGREEMENT WITH PUERTO RICO CREDIT UNIONS

San Juan, P.R. – The Government Development Bank for Puerto Rico (“**GDB**”) announced today that it reached an agreement with various state-chartered credit unions in Puerto Rico (“*cooperativas*”) to implement a limited private exchange of approximately \$33 million of notes issued by GDB maturing on May 1, 2016 for newly issued GDB notes with substantially the same terms, but maturing on May 1, 2017. The exchange was structured to be completed in advance of the May 1 principal payment date and settled today.

This private exchange was designed to address the unique financial considerations of the *cooperativa* institutions. Similar exchanges may be made available by GDB to other institutions with similar considerations, subject to compliance with applicable law.

Apart from this private exchange, GDB continues to negotiate a potential transaction related to an exchange of all of GDB’s bond indebtedness, which would require the participation of all creditors of GDB (including the *cooperativas*). The private exchange does not affect, or take the place of, those ongoing negotiations.

As GDB and the Commonwealth of Puerto Rico have repeatedly stated, the government recognizes the key role the *cooperativas* play in promoting social and economic development on the Island and is committed to working with the *cooperativas*. The government’s efforts to reach an agreement with the *cooperativas* regarding their May 1 notes reaffirm this commitment.

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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.
