



COMMONWEALTH OF
PUERTO RICO

Government Development Bank
for Puerto Rico



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PUERTO RICO

Treasury Department



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J O I N T S T A T E M E N T

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TREASURY SECRETARY AND GDB CHAIRMAN COMMENT ON STANDARD & POOR'S RATINGS SERVICES ACTION

San Juan, P.R. –Today, Treasury Secretary Melba Acosta Febo and Government Development Bank for Puerto Rico (GDB) Chairman David H. Chafey commented on Standard & Poor's Ratings Services' decision regarding outstanding bonds of the Commonwealth, GDB and other related entities.

“While we are disappointed with Standard & Poor's decision, we remain committed to the implementation of our fiscal and economic development plans. We believe the investment community will recognize the positive impact of the reforms that the Garcia Padilla Administration has enacted in due course.

“We appreciate that S&P recognizes the Commonwealth's significant efforts to date to tackle long-term structural issues, demonstrated by our significant pension reform, increasing the independence of a number of public corporations, and recent revenue increases. S&P also noted that the administration's recently announced intention to reduce the current year deficit and plan for a balanced budget for Fiscal 2015, one year earlier than originally planned, will potentially lead to long run credit improvement.”

“We are confident that we have the liquidity on hand to satisfy all liquidity needs until the end of the fiscal year, including any cash needs resulting from today's decision. In addition, the GDB and the Commonwealth of Puerto Rico have been in discussions with parties that have expressed an interest in arranging additional liquidity for the Commonwealth, and the Commonwealth continues to explore such options, including obtaining additional funding, as necessary.”

As the Commonwealth and the GDB continue their commitment to market transparency, the GDB, Treasury and OMB plan to hold a joint webcast on February 12, 2014 to discuss the immediate impact of the downgrade and the Commonwealth's fiscal and economic plans and progress, and to update investors on its financing plans.

“We are proceeding with focus and determination to continue strengthening the Commonwealth's financial position and build a solid foundation for economic prosperity and development.”

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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.
