



August 3, 2015

## **STATEMENT FROM GOVERNMENT DEVELOPMENT BANK PRESIDENT MELBA ACOSTA FEBO ON THE SERVICE OF PUBLIC FINANCE CORPORATION (PFC) BONDS**

San Juan, P.R. – Today, Government Development Bank for Puerto Rico (“GDB”) President Melba Acosta Febo issued the following statement on the service of Public Finance Corporation (PFC) bonds:

“Due to the lack of appropriated funds for this fiscal year the entirety of the PFC payment was not made today. This was a decision that reflects the serious concerns about the Commonwealth’s liquidity in combination with the balance of obligations to our creditors and the equally important obligations to the people of Puerto Rico to ensure the essential services they deserve are maintained.

“PFC did make a partial payment of interest in respect of its outstanding bonds. The partial payment was made from funds remaining from prior legislative appropriations in respect of the outstanding promissory notes securing the PFC bonds. In accordance with the terms of these bonds, which stipulate that these obligations are payable solely from funds specifically appropriated by the Legislature, PFC applied these funds—totaling approximately \$628,000—to the August 1 payment.”

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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,

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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.