



PRESS RELEASE

**Government of Puerto Rico announces consummation of the GDB Qualifying Modification**

*(San Juan, PR — November 29, 2018)* Today, the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”, by its Spanish acronym) and the Government Development Bank for Puerto Rico (“GDB”) announced the consummation of the qualifying modification (the “Qualifying Modification”) for GDB under Title VI of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”). The completion of the Qualifying Modification for GDB marks the first successful use of the collective action procedures under Title VI of PROMESA and the first Puerto Rico debt restructuring transaction closed under PROMESA.

“The closing of the GDB debt restructuring is a historic milestone in Puerto Rico’s road to economic recovery. The closing of the qualifying modification for GDB is clear evidence that Puerto Rico has the credibility and resolve necessary to resolve its fiscal challenges. My administration is committed to continue negotiating in good faith with Puerto Rico’s creditors and pursue creative solutions that safeguard the best interests of the people of Puerto Rico,” said Governor Ricardo Rosselló.

“The consummation of this transaction, for example, will provide combined debt service savings to the majority of Puerto Rico’s municipalities of approximately \$55 million during the January 1 and July 1, 2019 payments, while also providing GDB’s diverse creditor constituency with adequate recoveries given the financial circumstances of the GDB,” Governor Rosselló added.

“Today’s achievement is the last step in what has been a long and difficult process that was only possible thanks to the leadership and support of Governor Rosselló and a constructive disposition to compromise by all of GDB stakeholders, including bondholders, municipalities, and our local cooperatives,” added Christian Sobrino, CEO of AAFAF and President of GDB.

The GDB Debt Recovery Authority, a newly formed statutory public trust and governmental instrumentality (the “Issuer”), has issued \$2,597,754,625 of 7.500% GDB Debt Recovery Authority Bonds (Taxable) due 2040 (the “DRA Bonds”) to holders of participating bond claims of GDB, with each holder receiving \$550 of DRA Bonds for each \$1,000 of participating bond claims of GDB that they previously held. The DRA Bonds are expected to be delivered over the next few days.

This press release is not a solicitation of votes, an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or



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sale in any jurisdiction in which such offering, solicitation or sale would be unlawful.

### **Forward-Looking Statements**

This press release includes forward-looking statements, which include, but are not limited to, expectations with respect to the DRA Bonds. AAFAF and GDB cannot provide assurances that future developments affecting AAFAF, GDB, the Issuer or the DRA Bonds will be as anticipated. Actual results may differ materially from those expectations due to a variety of factors. Any forward-looking statement made in this release speaks only as of the date hereof and AAFAF and GDB do not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

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