

P R E S S R E L E A S E

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\$800 MILLION ISSUE IN TRANS

The Commonwealth of Puerto Rico placed today \$800 million in Tax and Revenue Anticipation Notes (TRANS) in the U.S. tax-exempt market with a 1.65% yield, announced Antonio Faría-Soto, President of the Government Development Bank for Puerto Rico (GDB).

“As yesterday with our general obligations bonds issue, once again the market showed the confidence of investors in the strength of our credit and on the economic growth of the Island, which translates into significant savings for the public coffers,” the President said.

“The issue, with maturity date of July 29, 2005, placed \$314 million yesterday during the retail sale period and have had great demand in today’s session, explained the GDB President. Closing with a TIC of 1.795%, this issue will allow the Department of the Treasury to have an adequate cash flow during fiscal year 2004-2005.

The notes received the maximum credit ratings of SP1+ and MIG1 from the agencies that evaluate our credit, Standard & Poor’s and Moody’s Investor Services, respectively.

The issue was managed by Merrill Lynch and BBVA Securities, Inc. UBS Financial Services and Goldman, Sachs & Co., with First Bank served as senior comanagers in the transaction.