



COMMONWEALTH OF  
PUERTO RICO

Government Development Bank  
for Puerto Rico

PRESS RELEASE

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## **Government Development Bank for Puerto Rico Ends Discussions with Ad Hoc Group**

### *Will Not Move Forward with Proposed Exchange Offer for GDB Notes*

#### *GDB and Working Group Focused on Comprehensive Voluntary Exchange Offer for All Creditors*

San Juan, P.R. – The Government Development bank for Puerto Rico (“GDB”) today announced that informal discussions with certain holders of its bond indebtedness (the “Ad Hoc Group”) and their advisors regarding a potential financing and liability management transaction related to some of GDB’s bond indebtedness have ended as they did not result in a mutually acceptable arrangement.

The GDB and the Working Group for the Fiscal and Economic Recovery of Puerto Rico (the “Working Group”) continue to be focused on implementing the broader, comprehensive voluntary exchange offer for all creditors, including those owning GDB notes, as contemplated in the Working Group’s Fiscal and Economic Growth Plan (“FEGP”), presented on September 9<sup>th</sup> of this year.

President of the GDB Melba Acosta said: “While we are disappointed that we were unable to reach a constructive and mutually beneficial agreement with the Ad Hoc Group of GDB creditors, the GDB and the Working Group continue to make progress towards a comprehensive voluntary exchange offer that addresses the Commonwealth’s indebtedness in a holistic manner and through which creditors across the Commonwealth will agree to amended payment terms through consensual negotiations.

“As we have said in the past, we strongly believe that a voluntary adjustment of the terms of the Commonwealth’s debt that allows the measures contained in the FEGP to be implemented is the best way to maximize recoveries for creditors. The GDB and the Working Group are engaging constructively with key stakeholders to achieve a comprehensive path forward, and we have begun the process of signing non-disclosure agreements and initial due diligence with a number of creditors.”

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