



June 15, 2016

## **Puerto Rico Launches Initiative to Facilitate Communications with Bondholders**

The Commonwealth of Puerto Rico (the “Commonwealth”) has launched an initiative aimed at facilitating communications with its more than 500,000 bondholders by creating a registry of the beneficial owners (the “Registry”) of bonds issued by the Commonwealth and its public corporations and instrumentalities. The Government Development Bank for Puerto Rico, in conjunction with the Puerto Rico Fiscal Agency and Financial Advisory Authority, has been working during the past six months with Bondholder Communications Group (“BondCom”) in this initiative, which is an integral component of the broader efforts to resolve the Commonwealth’s unprecedented fiscal and economic crisis.

Substantial progress has been made since March 2016. Close to 300 brokerages and banks have provided the Commonwealth’s representatives with the contact information for approximately 60% of the beneficial holders of outstanding bonds issued by the Commonwealth and its public corporations and instrumentalities—corresponding to slightly more than 300,000 investor accounts. Throughout the month of June 2016, these financial institutions will be transmitting letters to all remaining investors holding outstanding bonds and inviting them to register their bonds with the Registry.

The Registry was created for two main reasons:

- 1. To help bondholders stay informed about developments with respect to Puerto Rico’s fiscal and economic crisis.** Puerto Rico has 17 separate bond issuing entities that have approximately 200 separate bond issuances outstanding. These bonds are, in turn, divided into over 1,000 CUSIPS. Given the numerous and varied investors in Puerto Rico, the Commonwealth believes it is vital to ensure that all investors are able to receive relevant updates and information regarding developments in Puerto Rico.
- 2. To facilitate bondholder participation and collective action.** Bondholders recorded in the Registry may be better able to actively and timely participate in bondholder votes and other bondholder actions by removing the need to act through third-party intermediaries and facilitating direct communication with the issuers.

**Information in the Registry will be confidential and participation in the Registry will not affect bondholders’ existing communications preferences with other investments**

Data recorded in the Registry will be kept strictly confidential and used only for official communications between Puerto Rico and its investors. If a bondholder opts to include their information in the Registry, this will not affect such bondholder's existing preferences with respect to direct corporate communications from other corporations in which it holds investments, and will only be used to supplement the Registry with information on its bond holdings.

**Questions about the Registry may be directed to BondCom, the Commonwealth's information agent**

Questions from bondholders or their advisors about this initiative to facilitate communications with all bondholders may contact Maria Pleasant of Bondholder Communications Group at +1 888 385 BOND (+1 888 385 2663).

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### *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.