



COMMONWEALTH OF
PUERTO RICO

Government Development Bank
for Puerto Rico

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Statement by the Government Development Bank for Puerto Rico

Comment on Fitch Rating Affirmation

Government Development Bank for Puerto Rico (GDB) Interim President José V. Pagán Beauchamp said:

“We are pleased that Fitch has reaffirmed its ratings on the senior lien and first subordinate lien COFINA bonds, citing a diverse and expanded revenue base, strong annual coverage and strong legal separation from Commonwealth operations. With regard to the Commonwealth’s General Obligation bonds, Fitch’s report noted that GO bonds have a first claim on the Commonwealth’s revenues, that we have taken significant steps towards fiscal balance, and that we have mitigated near-term liquidity risk.

Tax revenues for September and October are strong on a year-over-year basis, demonstrating that actions Puerto Rico has taken to increase revenues are working well. The Treasury is continuing to make progress on its initiatives to increase the capture rate and reduce tax evasion regarding the remittance of the Sales and Use Tax (SUT), and yesterday announced additional measures to ensure that collection efforts will be reinforced from all angles.

Our administration continues its focus on creating sustainable economic growth through job creation, making ongoing progress towards our goal of a structural budget balance by fiscal 2016, and strengthening our credit profile, market access and liquidity.”

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