



COMMONWEALTH OF  
PUERTO RICO

Government Development Bank  
for Puerto Rico

# PRESS RELEASE

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## STATEMENT FROM GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO ON ANNOUNCEMENT OF UPCOMING OFFERING BY PUERTO RICO AQUEDUCT AND SEWER AUTHORITY

**San Juan, P.R.** – Today, the President of Government Development Bank for Puerto Rico (GDB), Melba Acosta-Febo issued the following statement in response to the announcement of plans by Puerto Rico Aqueduct and Sewer Authority (PRASA) to offer \$750 million of its revenue bonds:

“The fact that PRASA is going to market with this transaction at the same time the Commonwealth is developing a comprehensive fiscal adjustment plan, which is expected to include the pursuit of temporary adjustments to the terms of the accumulated debt load of the Commonwealth and related debt issuers, reflects the individual financial circumstances of the various debt issuers across the Commonwealth. Based on PRASA’s internal cash flow projections, assuming it revises its rates as forecasted – which would be required unless a recurrent source of revenue becomes available that will meet certain revenue coverage – and provided the agency is able to access the market on reasonable terms and for sufficient amounts to cover its capital needs while executing its 5-year projection plan, the GDB currently does not contemplate PRASA necessitating a restructuring of its debt.”

According to the Preliminary Official Statement (POS), PRASA intends to use this funding to finance a portion of its capital improvement program through June 30, 2019, reimburse itself for certain capital costs incurred during fiscal years 2013, 2014 and 2015, repay or refinance certain outstanding credit facilities provided by local banks and GDB, and pay issuance costs of this transaction. The underwriters for this transaction are Bank of America Merrill Lynch, J.P. Morgan, Popular Securities and Santander Securities.

Interested investors can find the POS at <http://www.munios.com/id.aspx?e=34AYE> or can request a copy thereof from the underwriters. The POS is the sole offering document and should be carefully reviewed as it includes important risk factors, recent development information about PRASA and the Commonwealth of Puerto Rico, and general information about PRASA.

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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, including PRASA. 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 of Puerto Rico and/or its agencies or instrumentalities, including PRASA, that are difficult to predict. The economic and financial condition of the Commonwealth of Puerto Rico and its agencies or instrumentalities, including PRASA, 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 of Puerto Rico and/or its agencies or instrumentalities, including PRASA, 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 of Puerto Rico. 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, including PRASA.*