



Puerto Rico: Restoring Growth Through Fiscal Responsibility

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Agenda

1 Restoring Growth Through Fiscal Responsibility

2 Puerto Rico's Public Debt

3 Revenues, Enforcement Measures and Expenses

4 FY 2013 Proposed Budget

5 Concluding Remarks

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Concluding Remarks

By 2009, Puerto Rico faced significant fiscal challenges that were restraining our prospects for economic development ...

Immediate actions were taken to address the critical issues and restore confidence from our investor community and main stakeholders...

TODAY, we can say that we have delivered on our commitment to stabilize our finances and return Puerto Rico to a path of fiscal responsibility and economic growth, recognizing we still have a long way to go

Puerto Rico is a model of unparalleled achievements in both fiscal and economic fronts...

Since 2009 we have taken bold actions to restore fiscal balance and economic growth:

- ✓ Reduction of government expenses by \$1.8 billion or 17%
- ✓ Reduction of government payroll expenses by 34%
- ✓ Reduction of budget deficit by 90%
- ✓ Enactment of the most comprehensive Tax Reform in our history
- ✓ Creation of award-winning Public Private Partnerships initiatives
- ✓ Strategic investment in infrastructure projects to restart growth
- ✓ First period of economic growth since 2006

We have done this implementing best practices to stabilize government finances and stimulate our economy

Recommendations of the World Economic Forum:

Puerto Rico

Managing fiscal consolidation to promote prospects for growth



Using economic organizations and/or development banks to achieve growth



- Bank consolidation and recapitalization
- Access to capital for small and medium-sized businesses



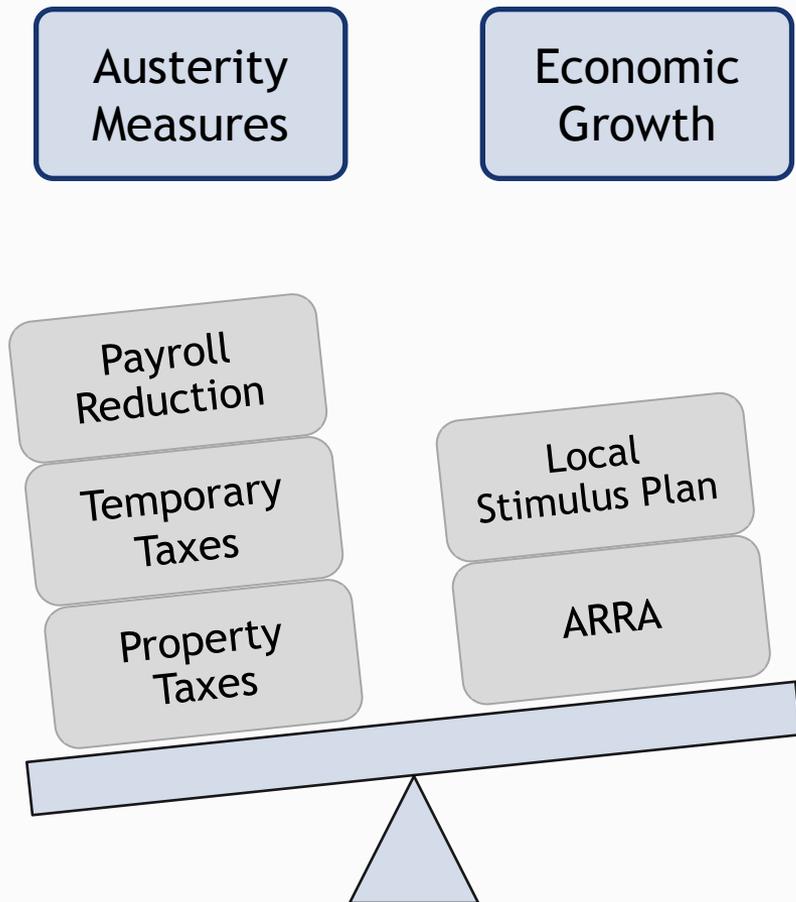
Pursuing P3s to finance investments, tapping private sector potential and reducing debt



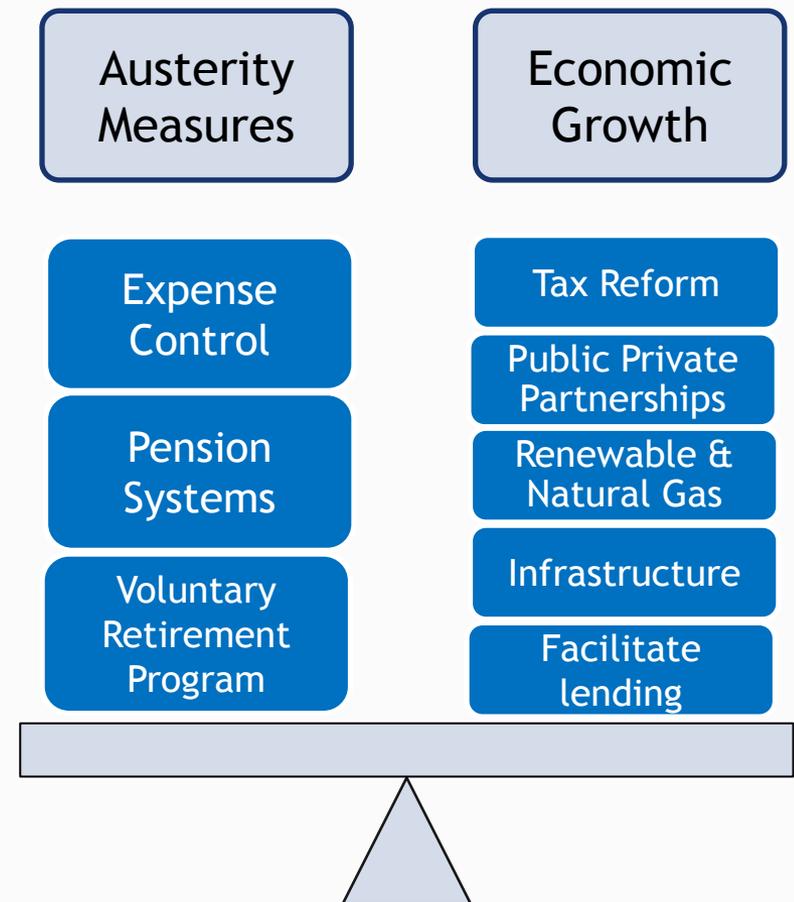
Source: Global Issues Group of the World Economic Forum

We are focused on maintaining a balance to promote growth amid a global austerity environment...

2009

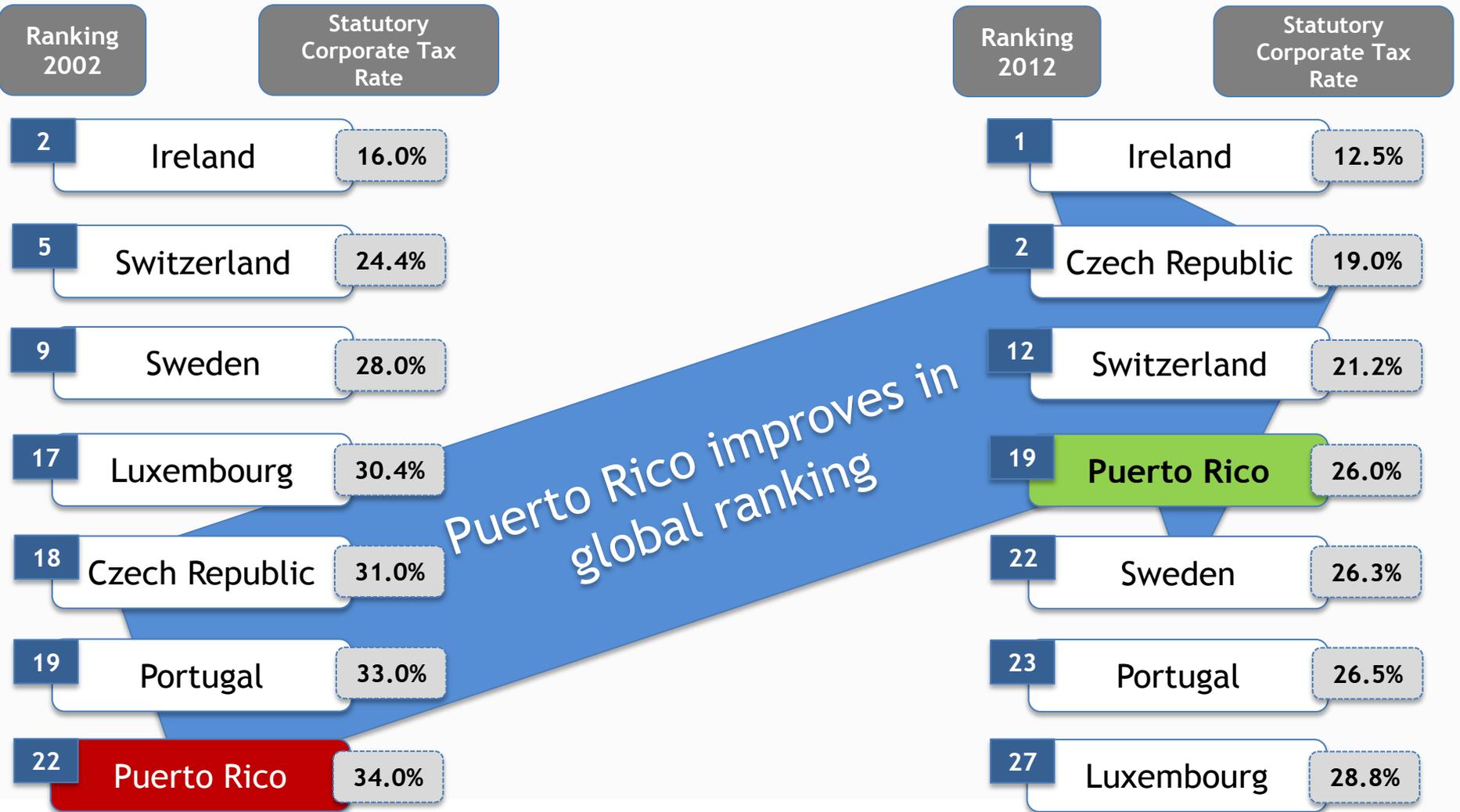


2012



A PRO-GROWTH Tax Reform that significantly improved Puerto Rico's competitiveness on a global scale...

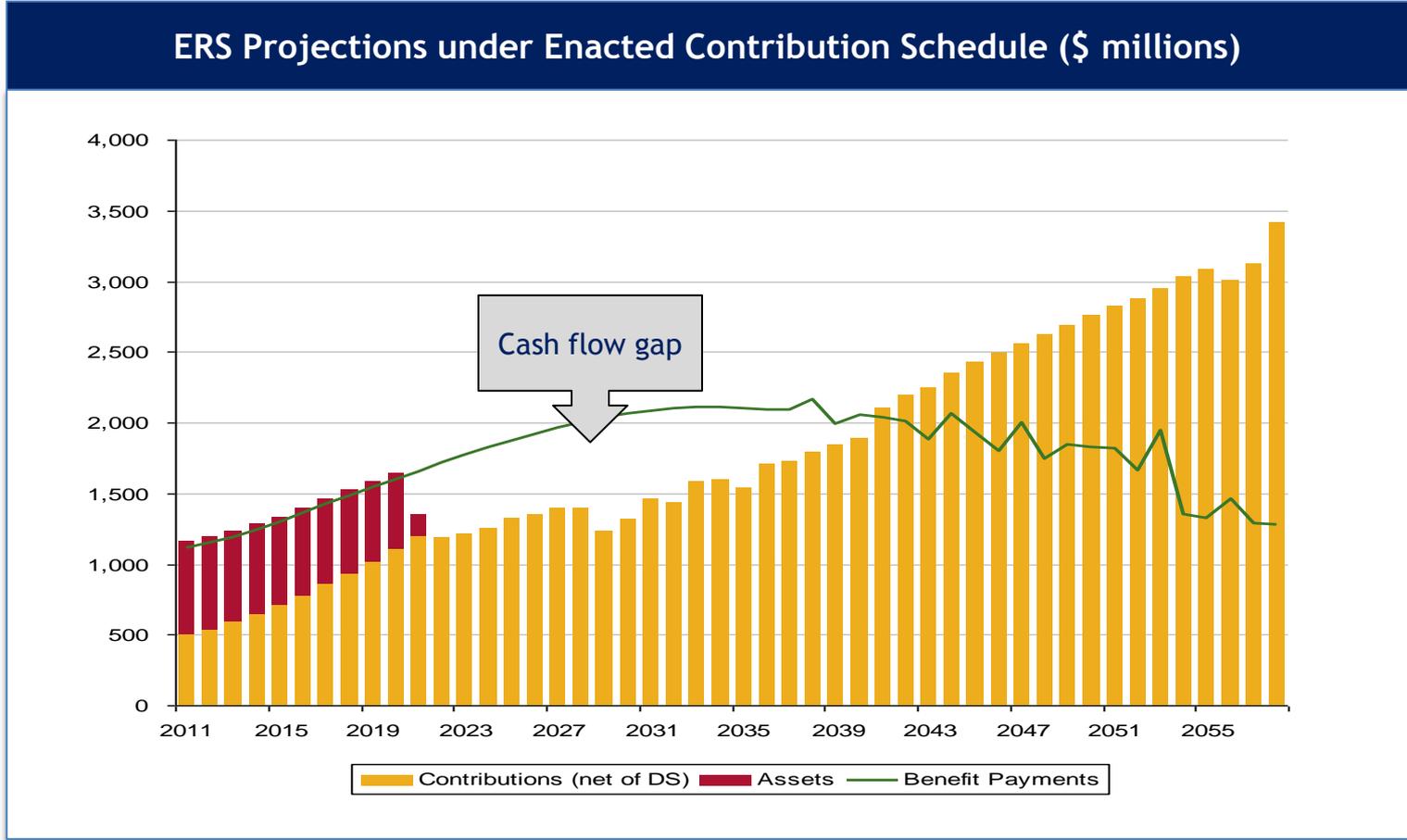
ECONOMIC STIMULUS



Source: Tax Foundation (Statutory corporate tax rates for the 34 OECD nations) and Department of Treasury (Puerto Rico).

Initial steps have been taken to safeguard our Pension System while proactively gathering consensus to permanently solve the problem...

FISCAL MEASURES



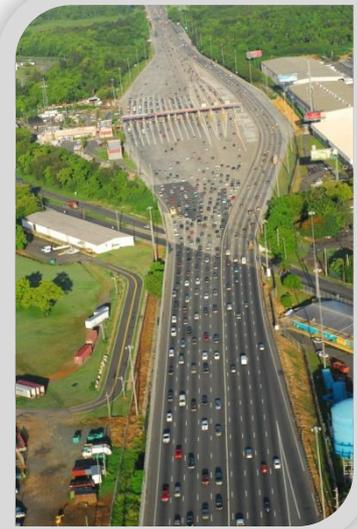
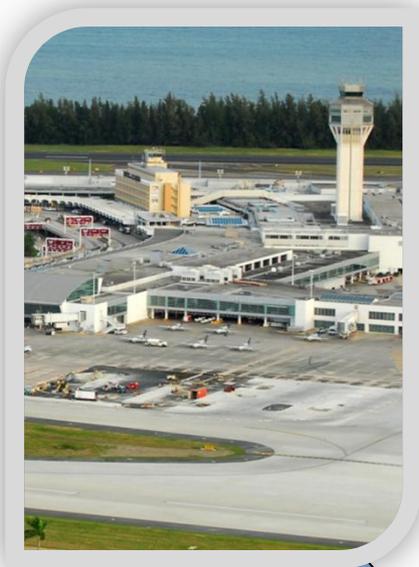
The realistic goal is to balance outflows and inflows to meet retirement obligations, protecting the solvency of the plans until the system autocorrects

Award winning world class Public Private Partnership Program that is yielding successful results

ECONOMIC
STIMULUS

June 2012

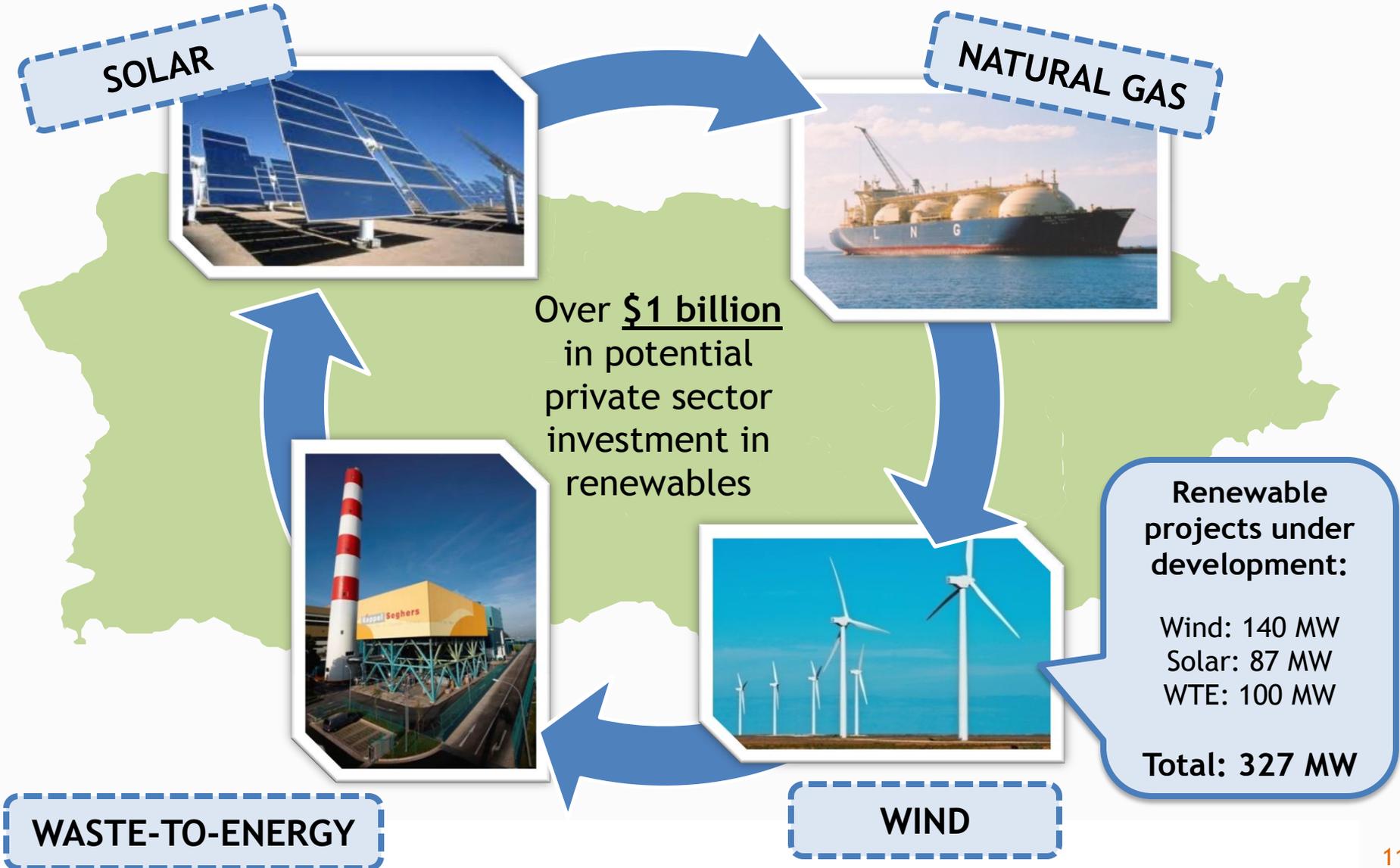
September 2011



abertis 

We have a plan to leverage Puerto Rico's unique geographic attributes to further diversify our fuel mix away from oil

**ECONOMIC
STIMULUS**



New public and private investment in strategic projects and initiatives during 2011 and 2012 will promote economic activity in Puerto Rico

ECONOMIC STIMULUS

Significant investment in various economic sectors



Comprehensive Tax Reform
 (\$1.2 billion 6-yr average annual tax relief to individuals and corporations)

Public-Private Partnerships

- \$1.5 billion toll road concession completed
- International airport concession underway

GDB implemented an innovative loan guaranty program to complement the local banking sector and generate economic activity across different business segments



The small and medium sized business sector in Puerto Rico:



Across many economic sectors:

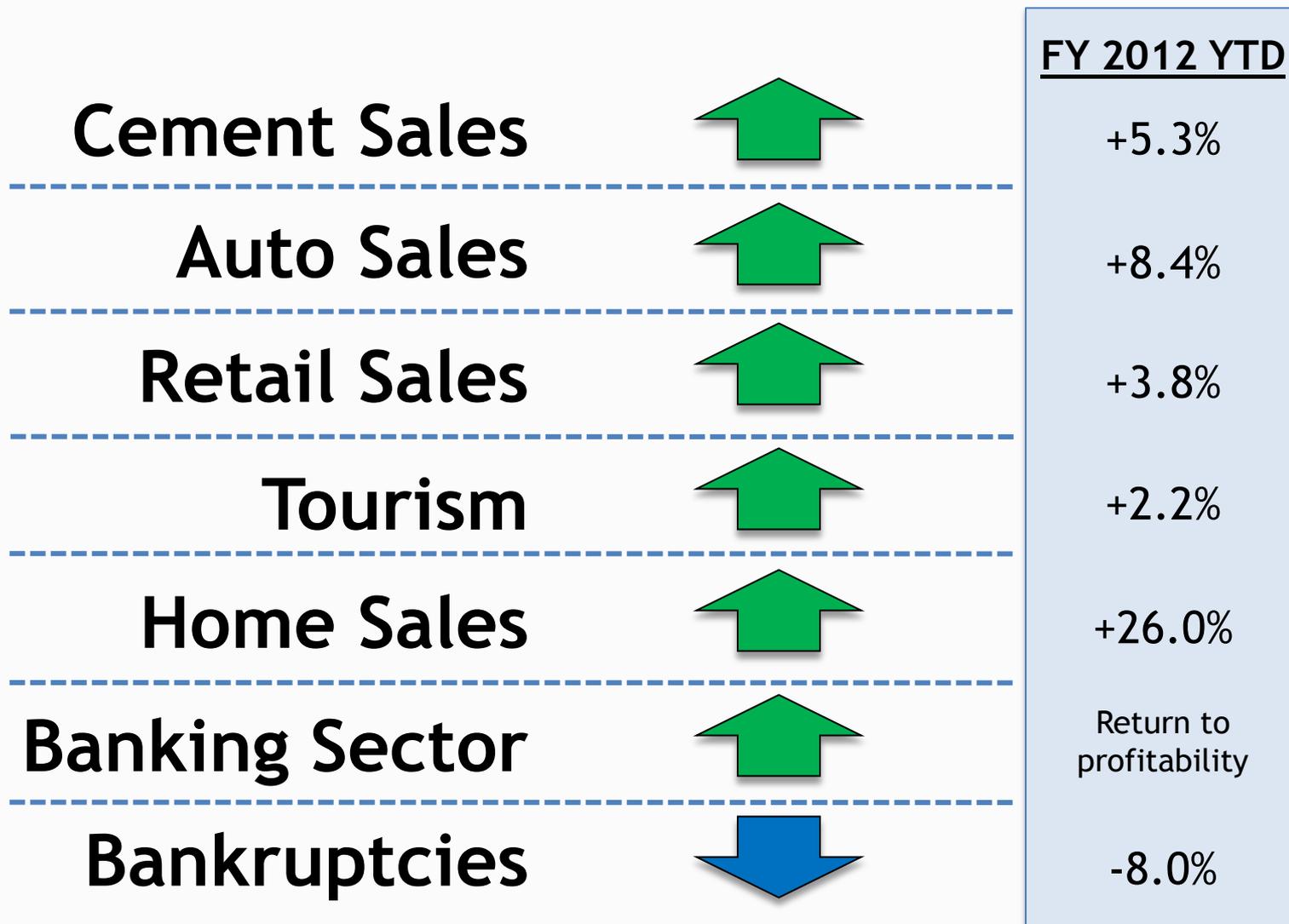
Retail → Transportation → Information Systems → Leisure & Hospitality
Legal, financial, real estate → Professional and administrative Services

**Puerto Rico Development Fund Guaranty Program
(\$200 million)**



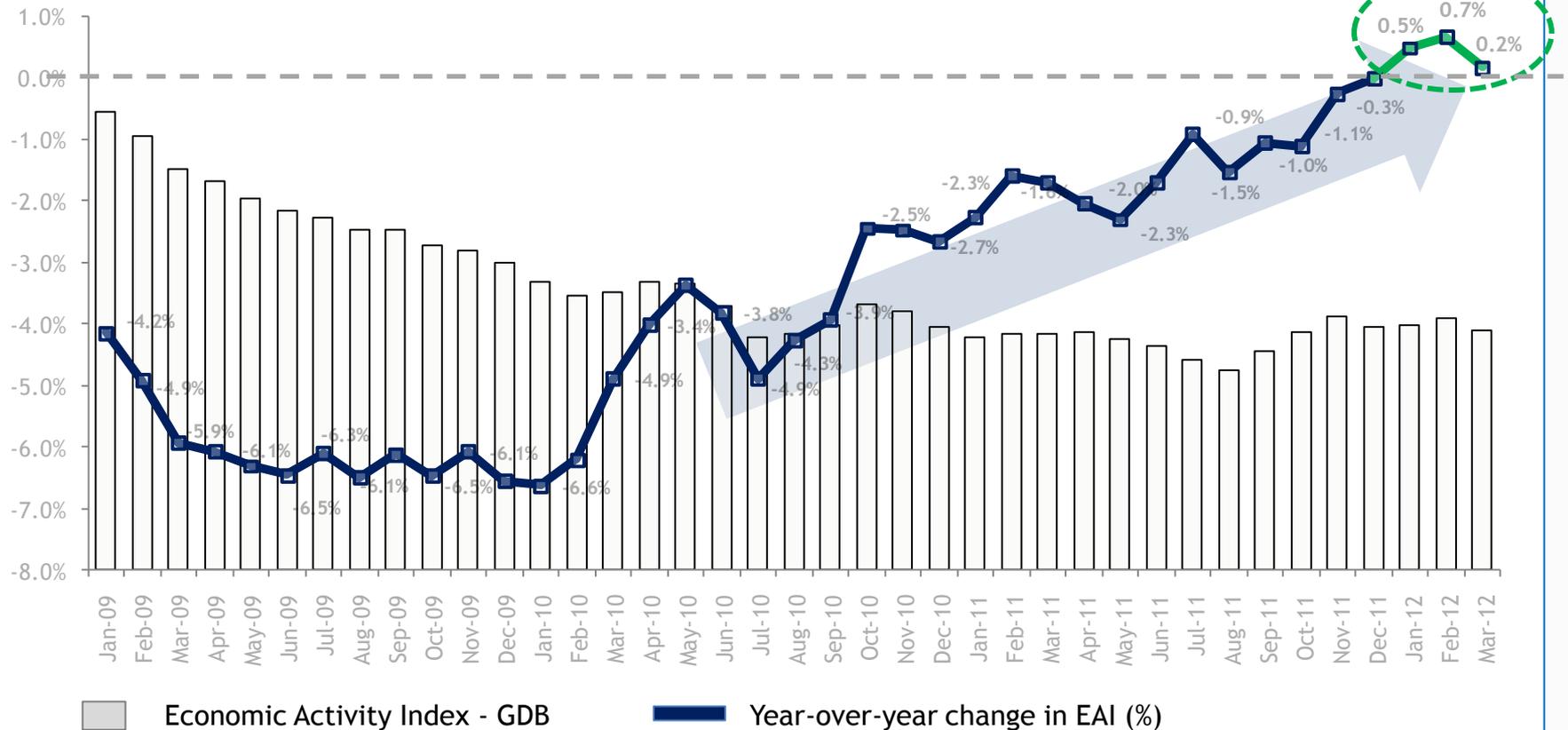
Up to \$800 million in new and restructured loans through commercial banking sector facilitating credit to small and medium-sized business to promote job creation (and retention) and economic development

Economic indicators are trending in the right direction...



GDB-Economic Activity Index continues its path towards sustained economic growth, registering the third consecutive month in positive territory...

GDB Economic Activity Index (EAI): 98% correlation with GNP



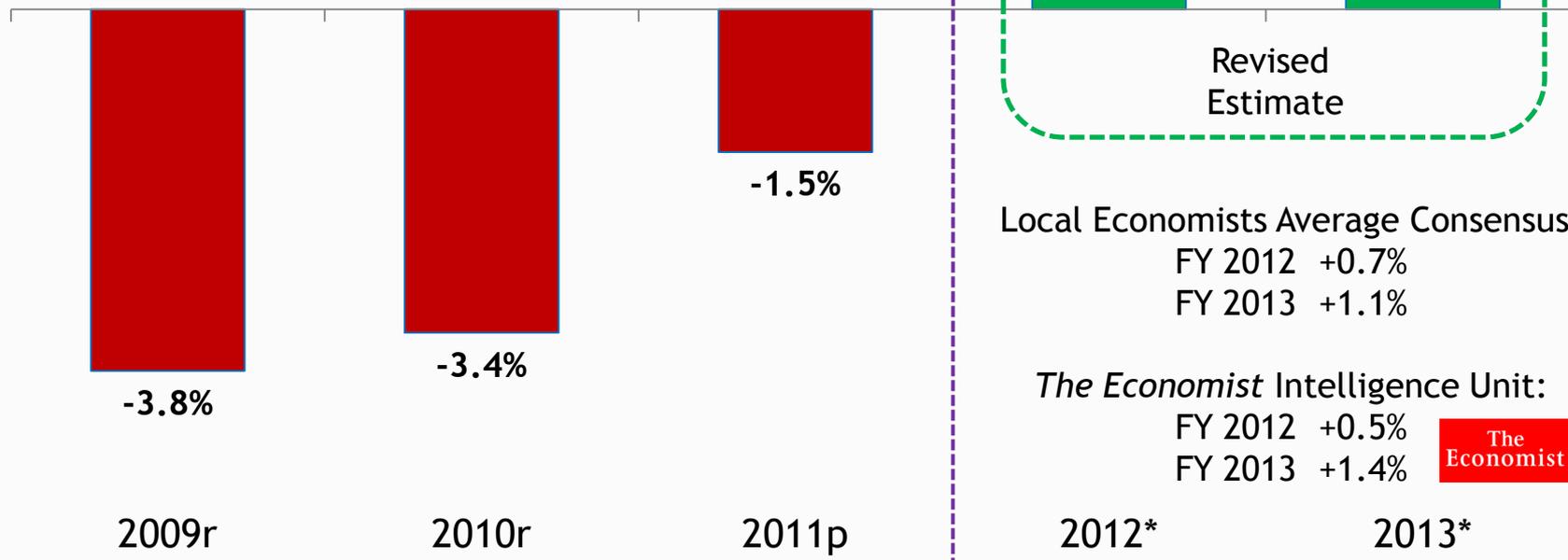
Puerto Rico Planning Board and independent economists project economic growth for fiscal year 2012 and 2013...

Economic Growth - Real Gross National Product

r - revised

p - preliminary

* - projected



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Puerto Rico's public debt has five principal components:

Central Government Debt

- Constitutional debt, appropriation debt paid from General Fund and guaranteed debt

COFINA

- Sales and Use Tax debt mainly used to pay down appropriation debt and deficit financings

Public Corporations

- Financing for capital improvement programs and operation needs paid from internal revenues

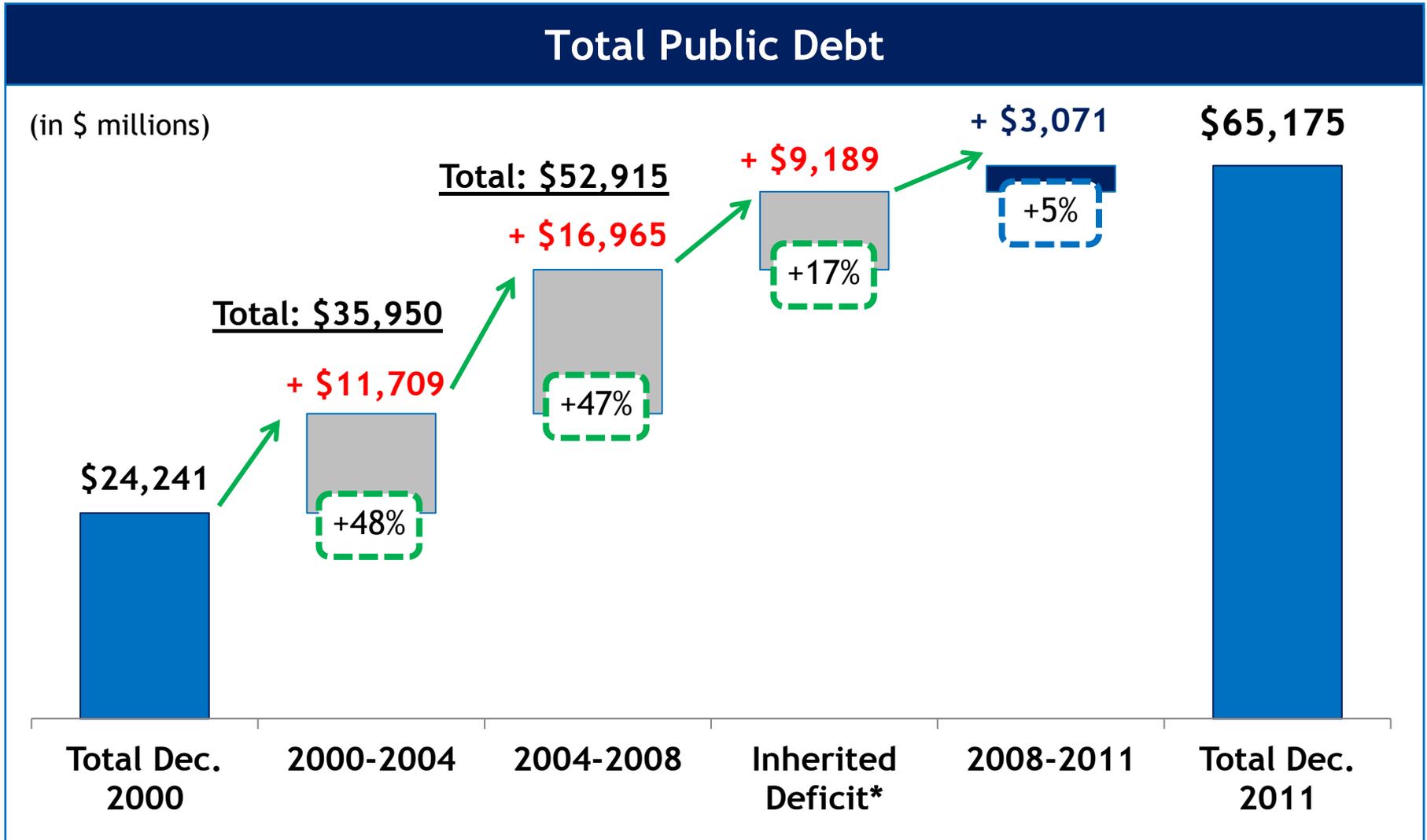
Municipalities

- Financing for infrastructure projects and operational needs

Non-Recourse Debt

- Other debt with limited or non-recourse to the General Fund (ex. Children's Trust - paid by tobacco MSA, AFICAs, etc.)

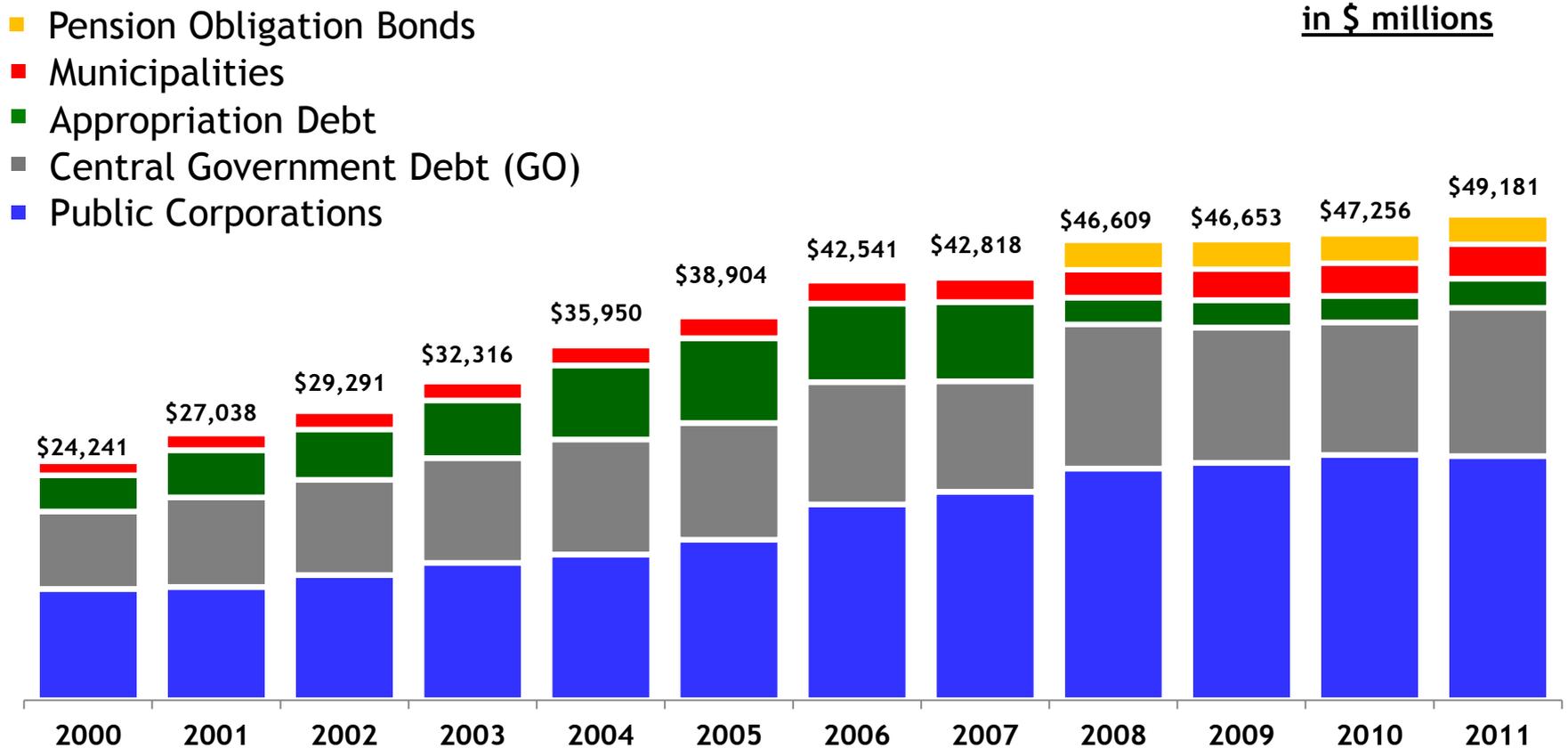
Recent increase in public debt has included deficit financings and debt service restructurings as part of our original Fiscal Stabilization Plan...



*Issued during FY 2009 and FY 2011 for repayment existing debt and inherited deficit.
Excludes non-recourse debt.

Excluding COFINA debt, a modest 1.8% annual growth is observed since 2009 when analyzing Puerto Rico's debt profile...

Total Outstanding Debt as of December 2011* - \$49.181 billion



* Excludes COFINA and non-recourse debt.

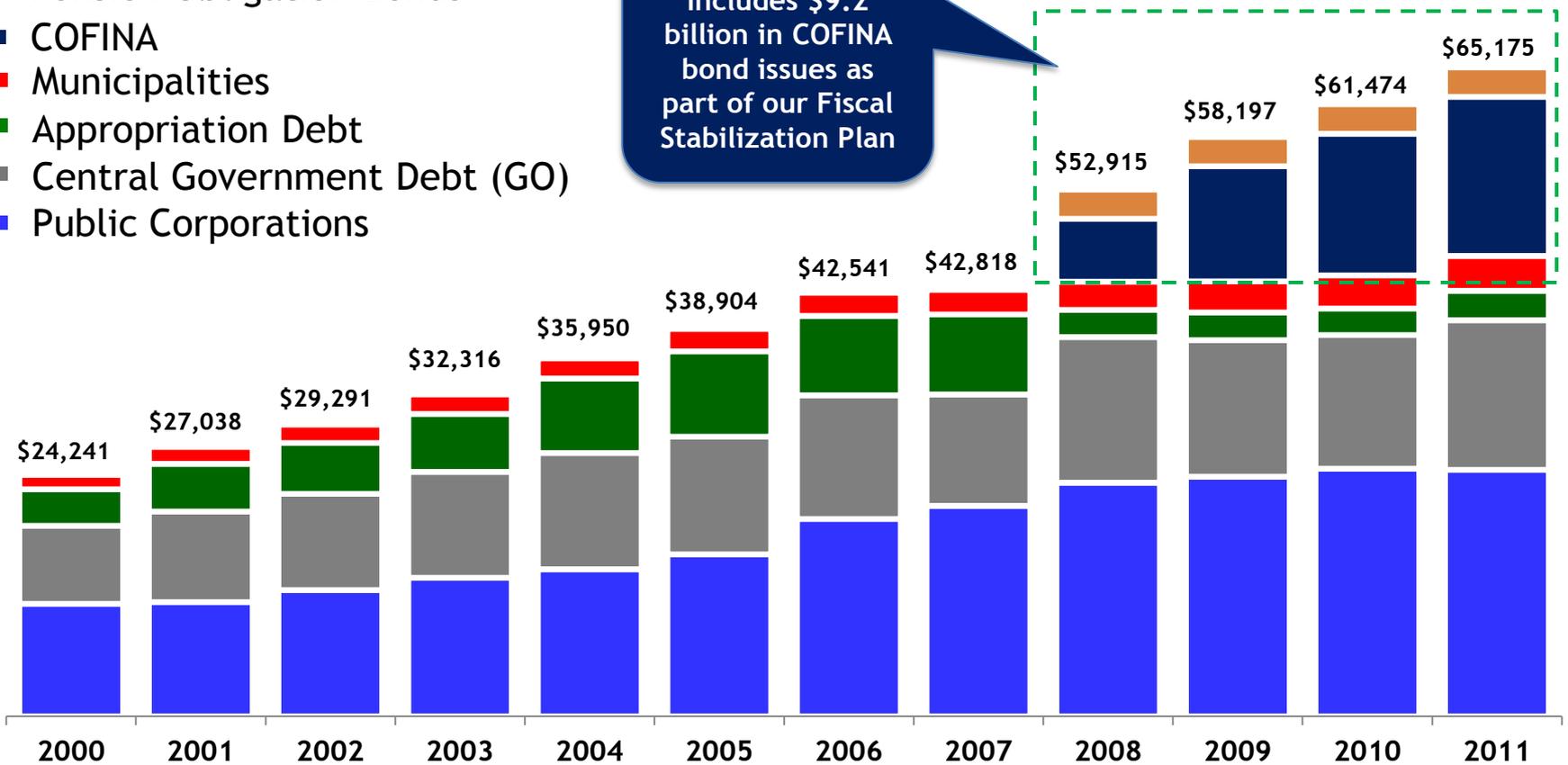
Achieving a balanced budget and maintaining fiscal discipline will significantly reduce need for additional debt

Total Outstanding Debt as of December 2011 - \$65.175 billion

- Pension Obligation Bonds
- COFINA
- Municipalities
- Appropriation Debt
- Central Government Debt (GO)
- Public Corporations

Includes \$9.2 billion in COFINA bond issues as part of our Fiscal Stabilization Plan

in \$ millions



* Excludes non-recourse debt.

Over the course of the last three years, Puerto Rico has relied on deficit financings to transition into a balanced budget as originally disclosed in our Fiscal Reconstruction Plan in 2009

Having reduced our budget deficit significantly over the past three years and steering towards a balanced budget during FY 2014, Puerto Rico will return to a moderate annual debt reliance...

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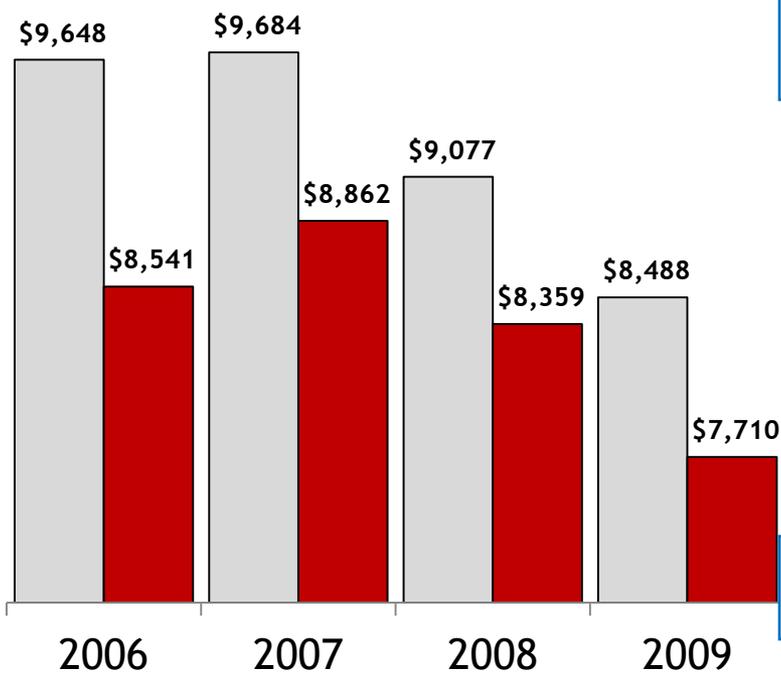
Concluding Remarks

FY 2012 Revenues

For the past three years Puerto Rico has consistently met budgeted revenues...

Overestimation of Revenues

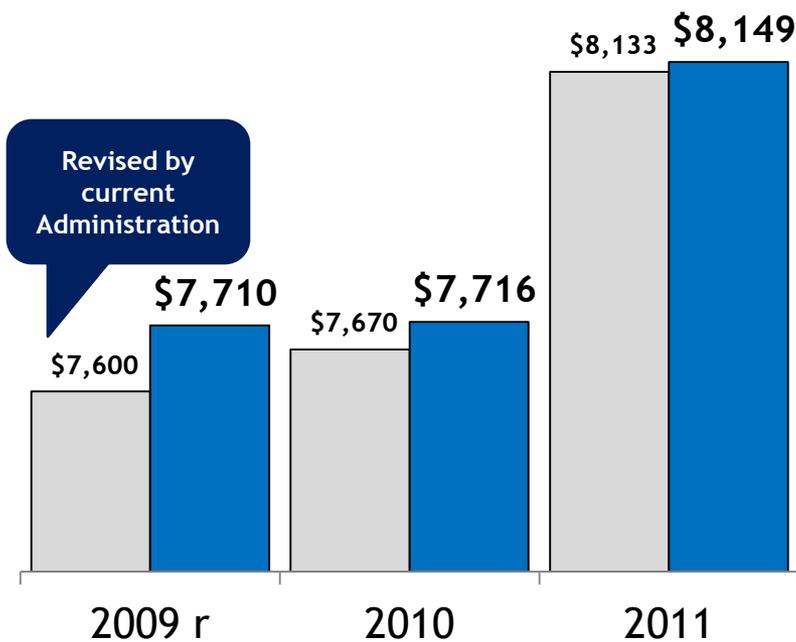
□ Budgeted Revenues ■ Actual Revenues



Diff: -\$1,107 -\$822 -\$718 -\$778

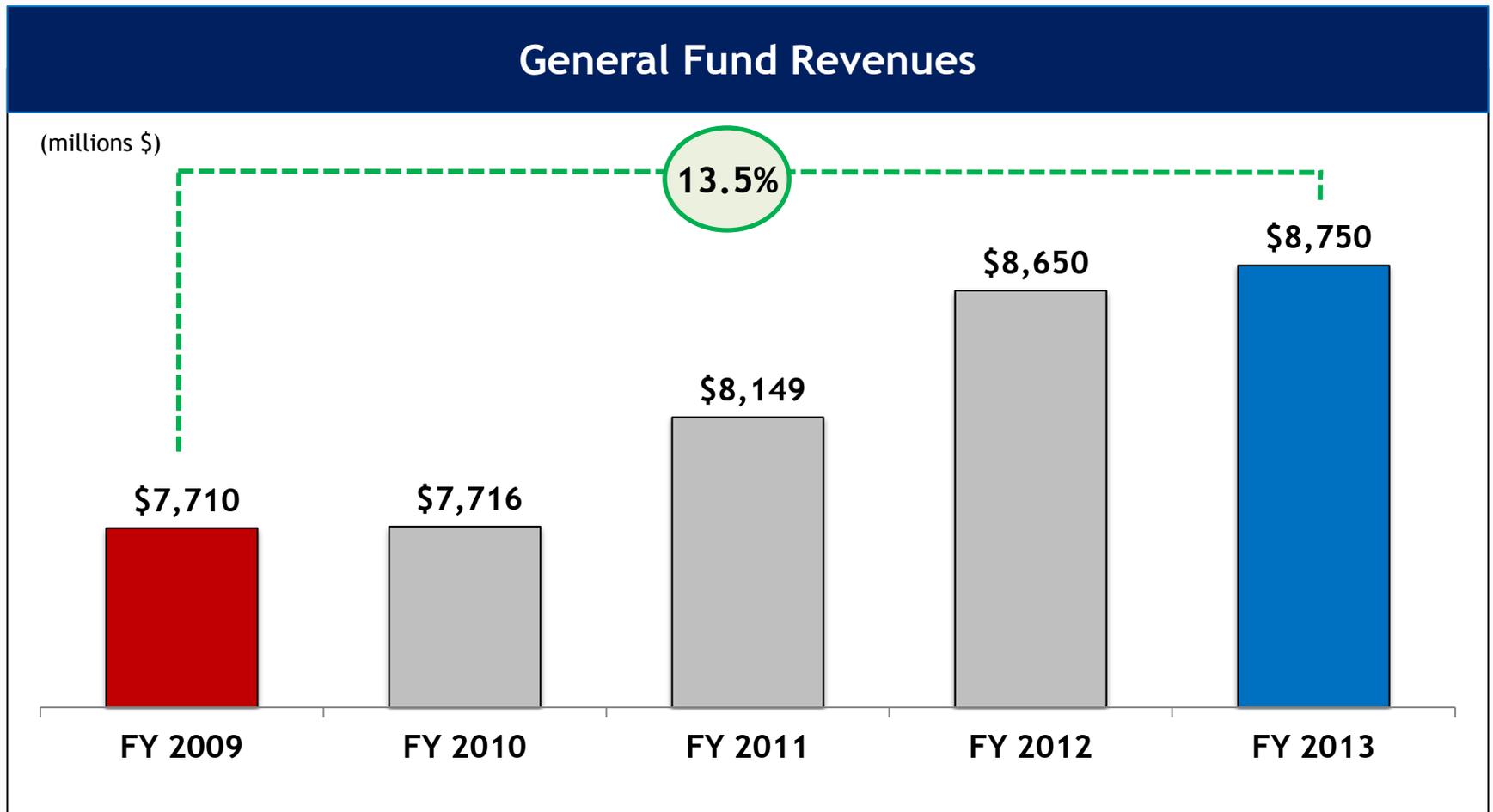
Responsible Revenue Estimates

□ Budgeted Revenues ■ Actual Revenues



Diff: +\$110 +\$46 +\$16

...and we will continue our sound budgeting practices for FY 2013 budget

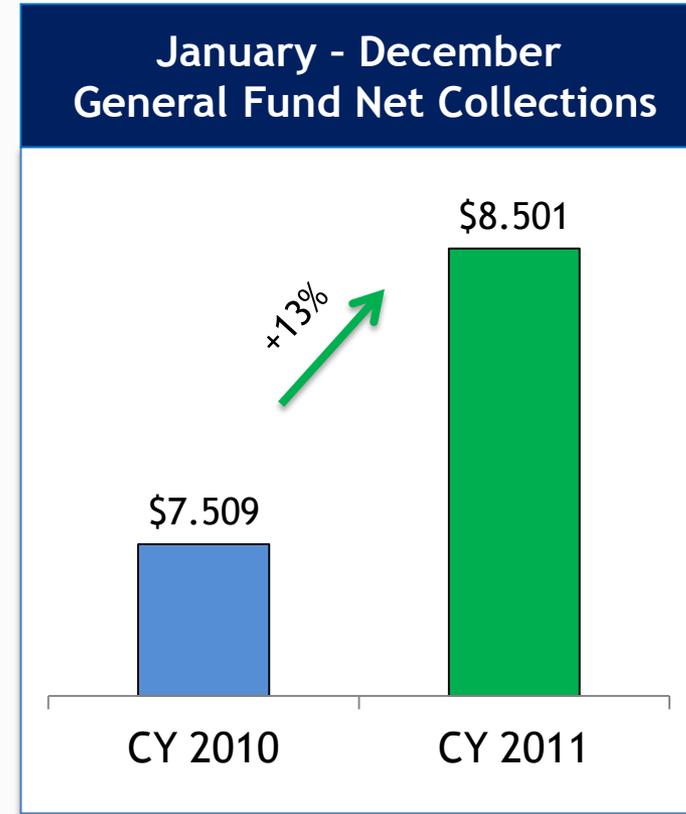
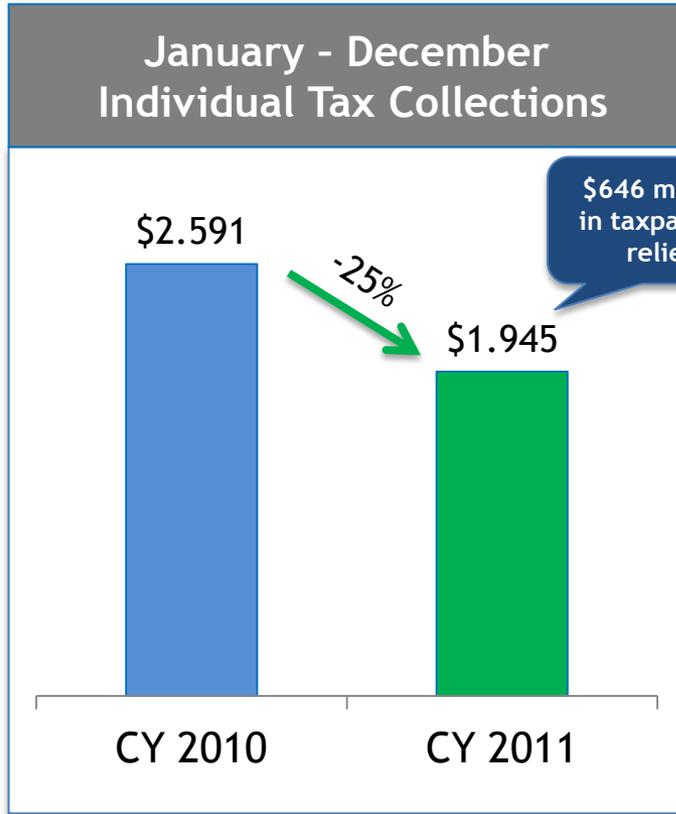


The tax relief expected from the comprehensive reform has materialized while rendering over \$650 million over prior year

| Revenue | July - March | | \$ |
|----------------------------|----------------|----------------|--------------|
| Categories (\$ millions) | 2011 | 2012 | Change |
| Individuals | 1,622 | 1,476 | (146) |
| Corporations | 787 | 724 | (63) |
| Property Tax | 208 | 36 | (172) |
| Non-Resident Withholdings | 625 | 548 | (77) |
| Sales and Use Tax | 261 | 257 | (4) |
| Act 154 Excise Tax | 235 | 1,379 | 1,144 |
| Motor Vehicles | 277 | 285 | 8 |
| Alcoholic Beverages | 208 | 211 | 3 |
| Off-Shore Shipments of Rum | 252 | 239 | (13) |
| Other | 566 | 485 | (81) |
| Net Revenues | \$5,040 | \$5,639 | \$600 |
| Reserve for Tax Refunds | (\$390) | (\$441) | (\$51) |
| Gross Revenues | \$5,430 | \$6,080 | \$651 |

Impact of Tax Reform

Tax Reform has significantly reduced the tax burden on individuals



In spite of decreased Individual Tax Collections, General Fund Collections have increased more than **\$900 million** during CY 2011, in part due to the “Revenue Positive” effects of the Tax Reform

Upward trend in SUT collections continues as a result of increased economic activity and more effective compliance measures

FY 2011 Sales Tax Collections and FY 2012 YTD

(in \$ millions)

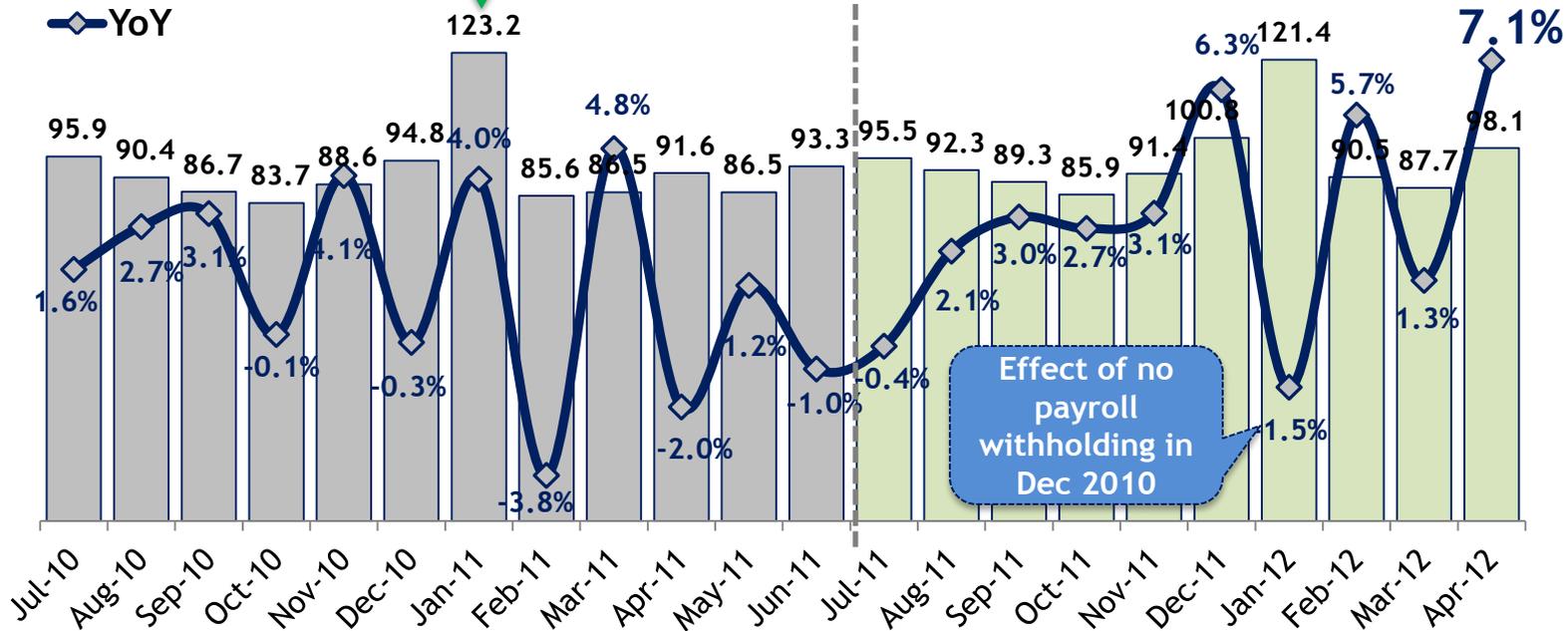
■ Collections

◆ YoY

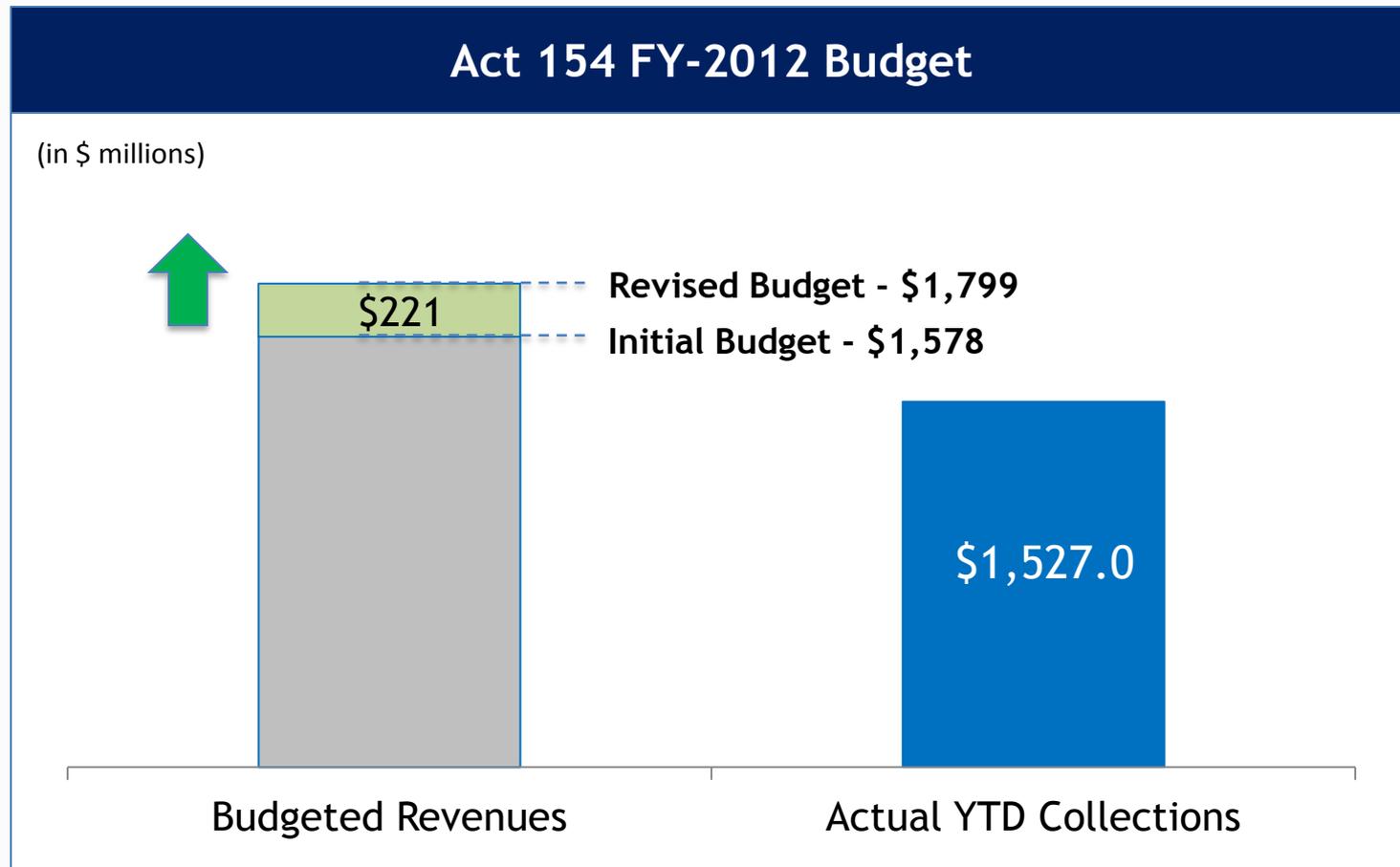
Highest collection ever

FY 2012

Average YTD growth: **+2.9%**



Special excise tax revenues from Act 154 have averaged \$157.1 million per month for FY 2012



Initial budgeted collections for FY 2012 were \$1.578 billion, an average \$131.5 million per month. During the first ten months of FY 2012, actual collections represented 96.8% of initial budgeted amount.

Act 154 is comprised of the temporary excise tax and a permanent Income Source Rule



Companies that are subject to the Excise Tax through 2016, will become subject to the Income Source Rule starting in 2017



Income Source Rule provides that, in certain circumstances, taxpayers will be deemed to be engaged in a trade or business in PR and taxable in Puerto Rico with respect to a portion of taxpayer's income



Income Source Rule apportions the entire net income of the related entity from all source based on four (4) factors that involves:
(1) property; (2) payroll; (3) sales; and (4) purchases



The first income tax return under the Source Rule are due on June 30th, 2012

Revenue Enforcement Measures

Treasury has adopted a tangible and assertive compliance approach to assure equitable participation of all taxpayers

1

Complete organizational and operational overhaul of the Treasury Department

2

Addition of tax specialized district attorneys

3

Completion of SUT Lotto program deployment

4

Implementation of SUT collection task force

5

Started imposition of liens on bank accounts

We are presently in the process of overhauling all strategic, operational and technological processes of Treasury

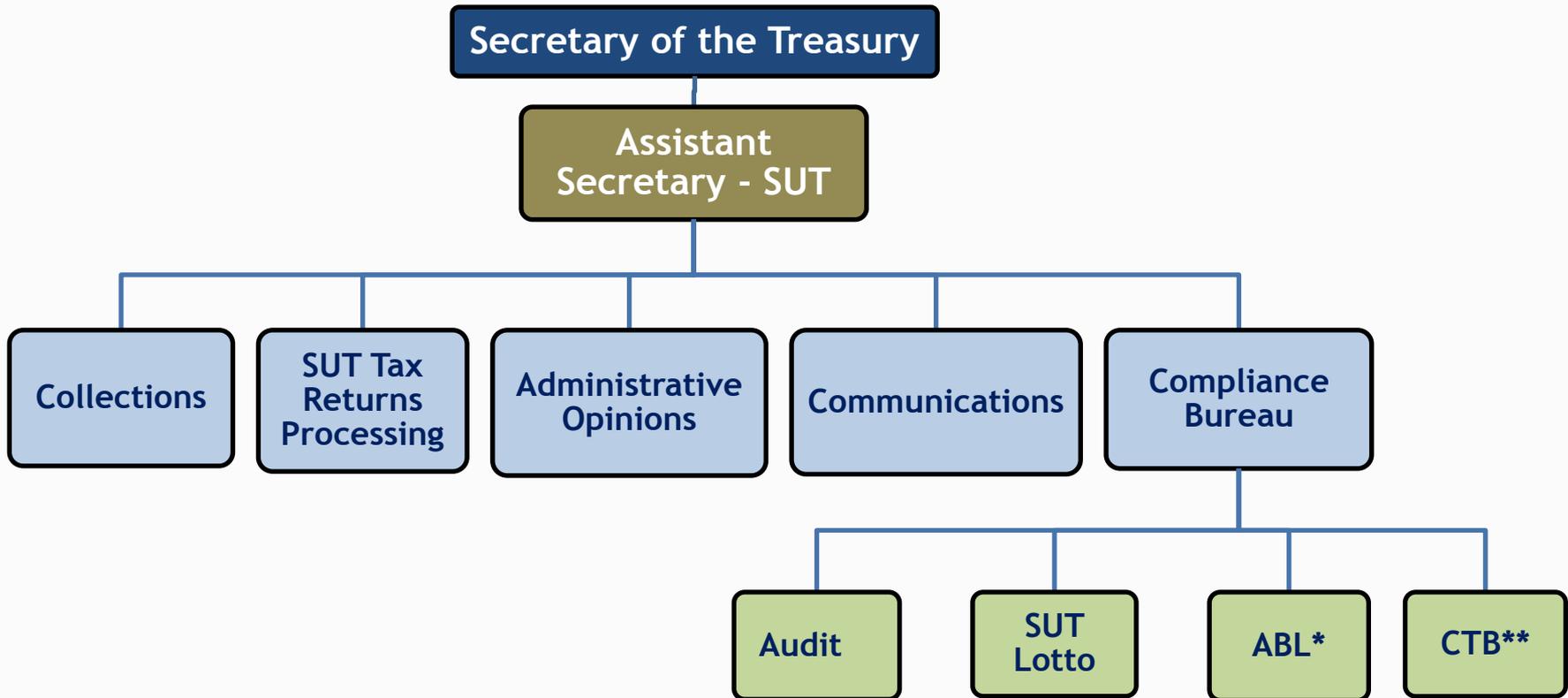
Reorganize administrative structure

Evaluate and upgrade management efficiency measurement tools

Upgrade information technology

Implement new auditing techniques, processes and strategies

The new organizational structure will strengthen SUT compliance and collection efforts



* ABL - Alcoholic Beverages and Licenses

** CTB - Consumer Tax Bureau

Treasury continues to expand the enforcement framework to expedite fiscal audit and tax evasion investigations...

Tax-Specialized District Attorneys



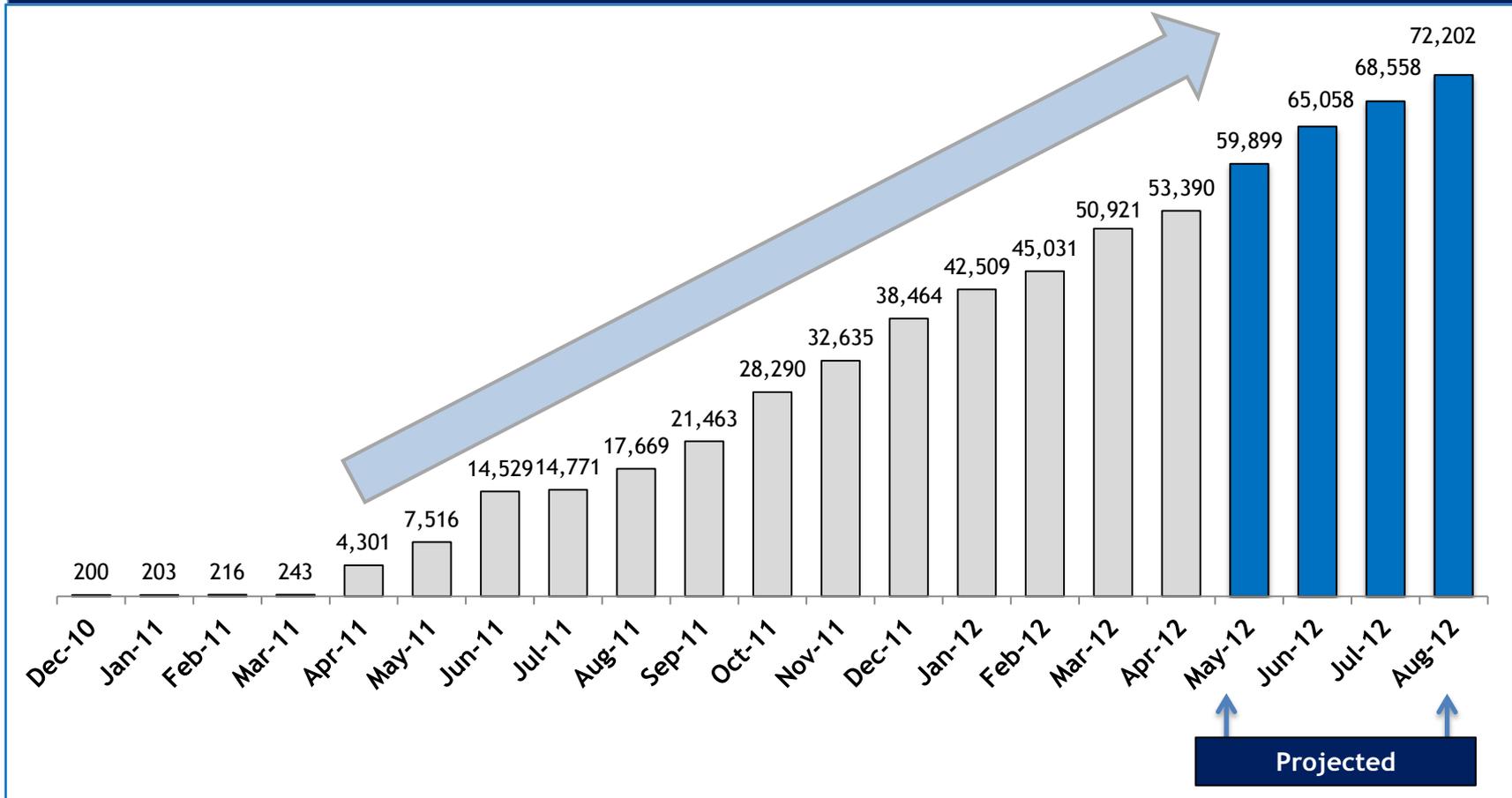
MOU between Department of the Treasury and Department of Justice signed in May 2012 designating and deploying two (2) tax specialized district attorneys



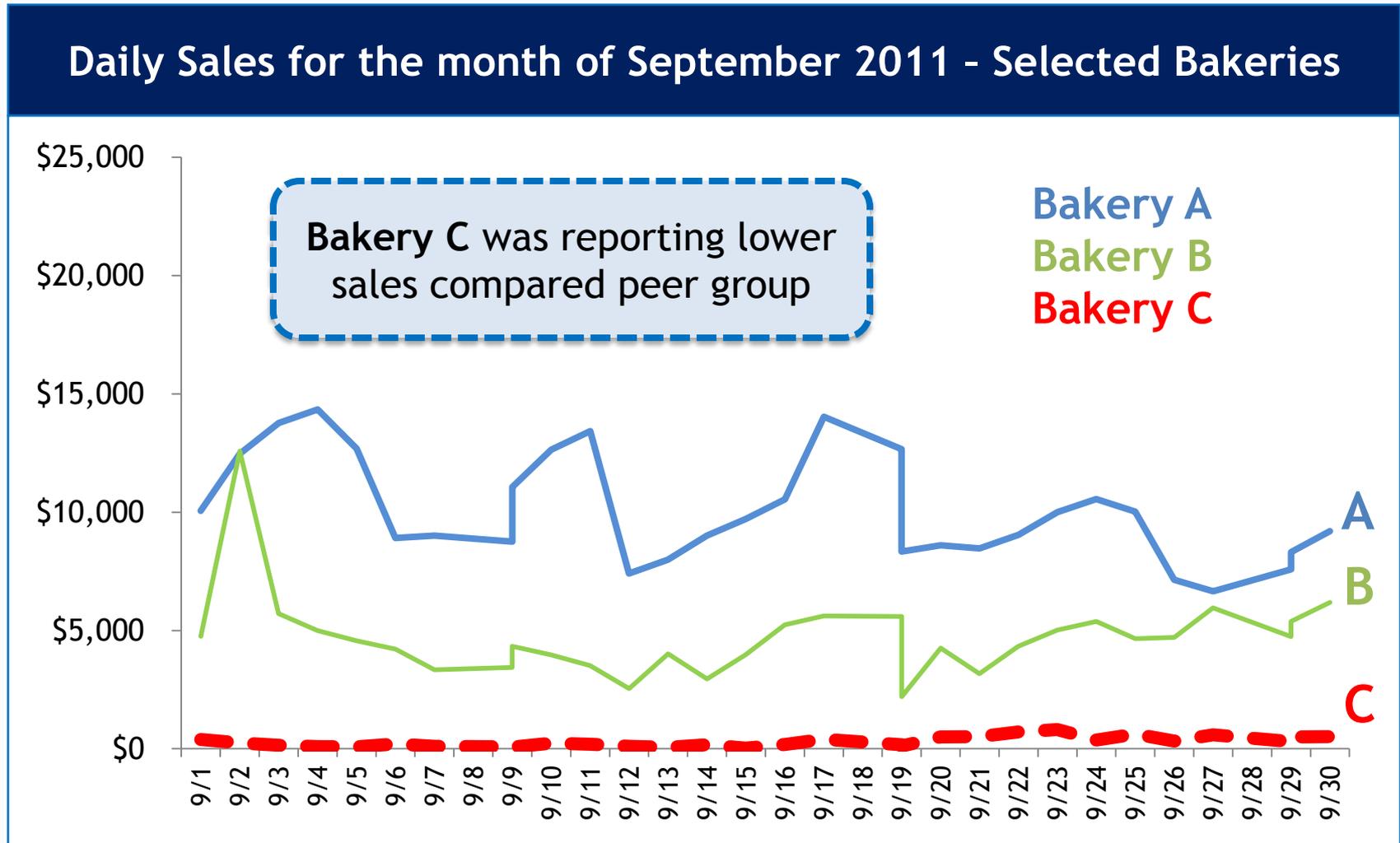
New initiative designed to expedite the settlement process of selected cases through the Department of the Treasury

SUT Lottery program (“IVU LOTO”) provides valuable information, not only to increase SUT collections but also to detect other compliance deviations...

Sales Tax Lottery System - Device Deployment

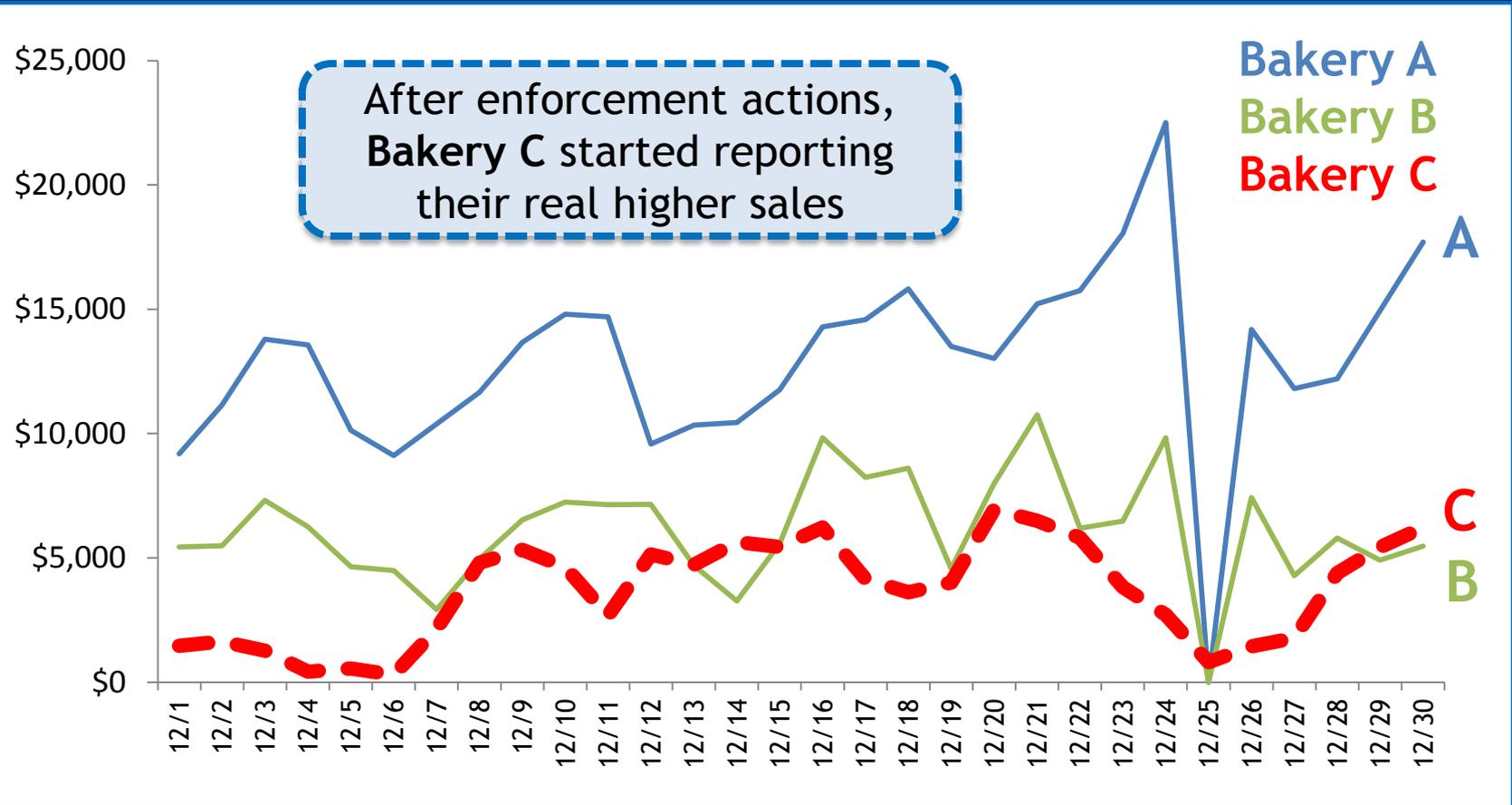


SUT Lotto fiscal device provides critical information to assist in identifying potential tax evasion of SUT as well as other valuable analytical information...



...as well as provides objective data to measure results of enforcement actions

Daily Sales for the month of December 2011 - Selected Bakeries



For the first time since the inception of the SUT in 2006, aggressive collection efforts have been launched to accelerate collections...

New Specialized SUT Collection Unit started operations in April 2012

21,209 notifications to SUT withholding agents have been sent



\$95.8 million* tax due from 2006 through 2011



Specialized personnel is proactively conducting collection efforts, including visits to selected tax withholding agents

*Includes interest, surcharges & penalties

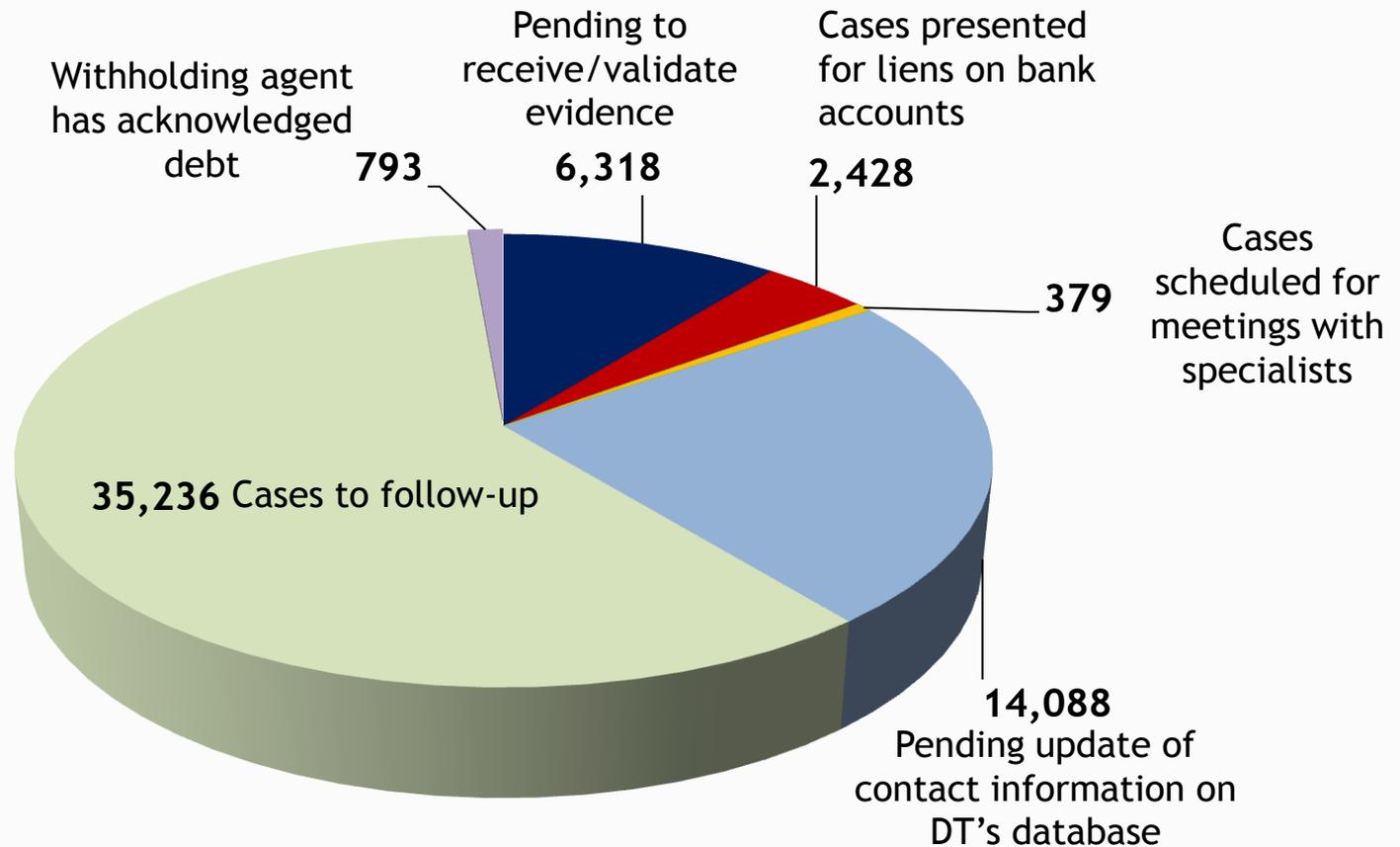
SUT collections task force has implemented a “fast track process” focusing on withholding agents with the largest outstanding debts...

| Tax due ranking | Tax due |
|-----------------|---------------------|
| 1-100 | \$44,753,563 |
| 101-200 | \$9,047,874 |
| 201-300 | \$5,441,534 |
| 301-400 | \$3,842,518 |
| TOTAL | \$63,085,489 |

Represents 66% of SUT self assessed debt of \$95.8 millions

*as of April 2012, considering SUT returns filed up to December 2011

Since April 19th, we have contacted over 10,000 delinquent SUT merchants



Proactive SUT collection efforts include Notice of Lien to delinquent withholding agents....

| Results From April 19th to May 8th, 2012 analysis | |
|---|--------------------|
| Withholding Agents | Total |
| Major Restaurant | \$318,246 |
| Major Fast Food Restaurant | 152,427 |
| Major Fast Food Restaurant | 137,773 |
| Major Electronics Retail Store | 514,626 |
| Office Furniture Store | 556,994 |
| Auto Design Shop | 321,887 |
| Major Fast Food Restaurant | 150,094 |
| Major Fast Food Restaurant | 150,861 |
| Major Fast Food Restaurant | \$125,361 |
| Total collections in process | \$2,428,269 |

Liens on bank accounts placed during first week of May 2012

FY 2012 Expenses

For the first time Puerto Rico is able to monitor expenses on a daily basis...

During the 2011 Credit Conference, OMB committed to publish a Quarterly Budget Report (QBR)...

We have already published the QBR for the first three quarters of Fiscal Year 2012

Third Quarterly Budget Review shows evidence that Fiscal Year 2012 is in line with budget

| Fiscal Year 2012 Budget vs. Actual Expenses- YTD | | | |
|--|------------------|------------------|---------------|
| Expense Category (\$ in thousands) | Projected | Actual | Variance |
| Payroll | 2,252,836 | 2,244,275 | 8,561 |
| Utilities | 290,759 | 276,549 | 14,210 |
| Purchased Services | 139,906 | 122,219 | 17,687 |
| Donations and Contributions | 124,925 | 115,008 | 9,917 |
| Transportation | 47,373 | 57,680 | (10,307) |
| Professional Services | 57,296 | 51,872 | 5,424 |
| Other Expenses | 22,401 | 18,722 | 3,679 |
| Debt Service | 288,105 | 288,105 | - |
| Materials | 39,084 | 30,595 | 8,489 |
| Equipment | 13,374 | 8,212 | 5,162 |
| Advertising | 937 | 1,169 | (232) |
| Incentives and Subsidies to Citizens | 20,104 | 20,495 | (391) |
| Contributions to non-Government Entities | 5,277 | 8,718 | (3,441) |
| Non Distributed Appropriations | 2,914,077 | 2,932,166 | (18,089) |
| State Matching Funds | 6,086 | 5,126 | 960 |
| Previous Year's Payable | 8,859 | 9,673 | (814) |
| Total | 6,231,499 | 6,190,584 | 40,915 |

*as of March 31, 2012

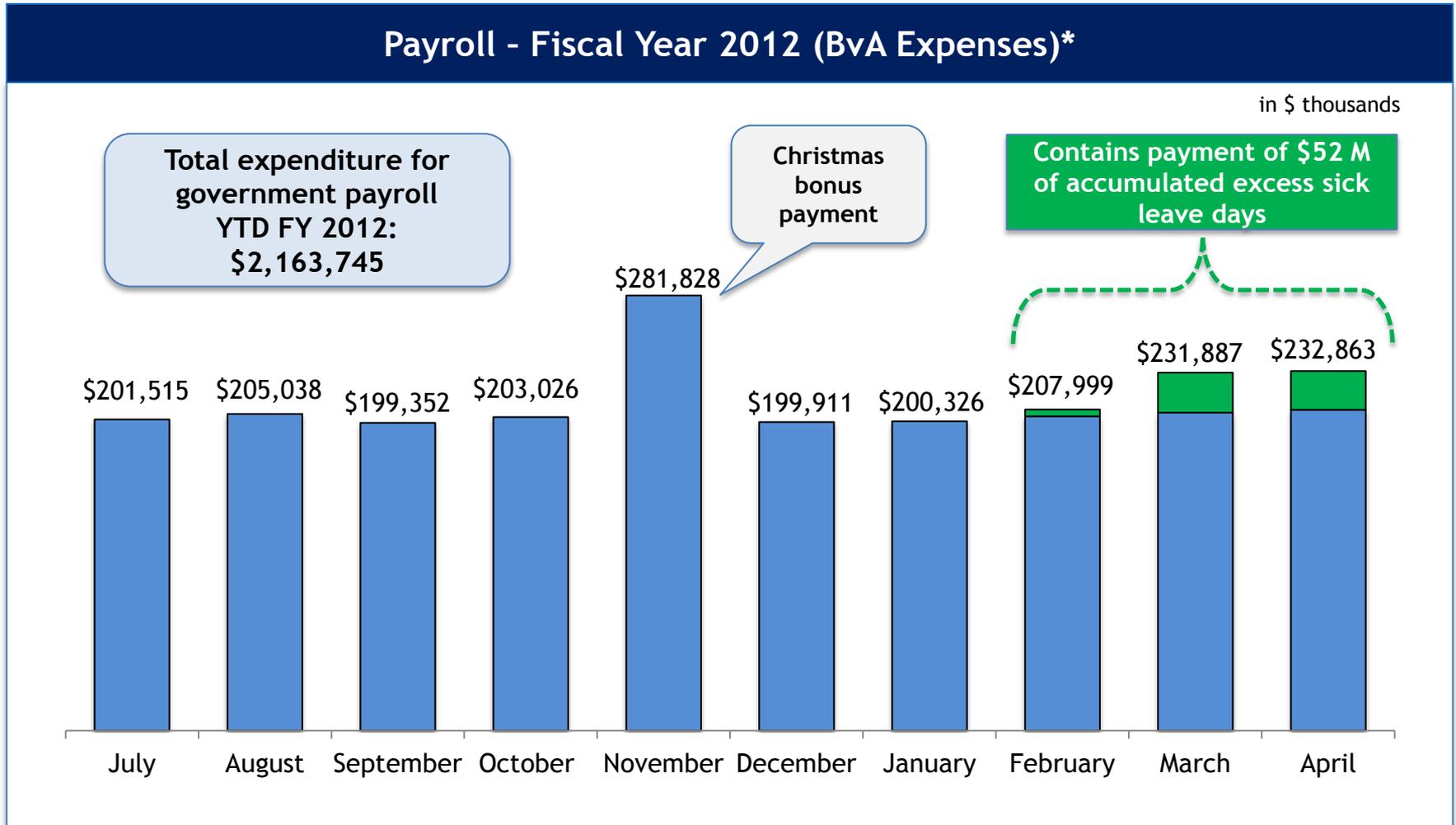
Fiscal Year 2012 Budget vs. Actual Expenses YTD main variances

(in \$ thousands)

Projected Actual Variance

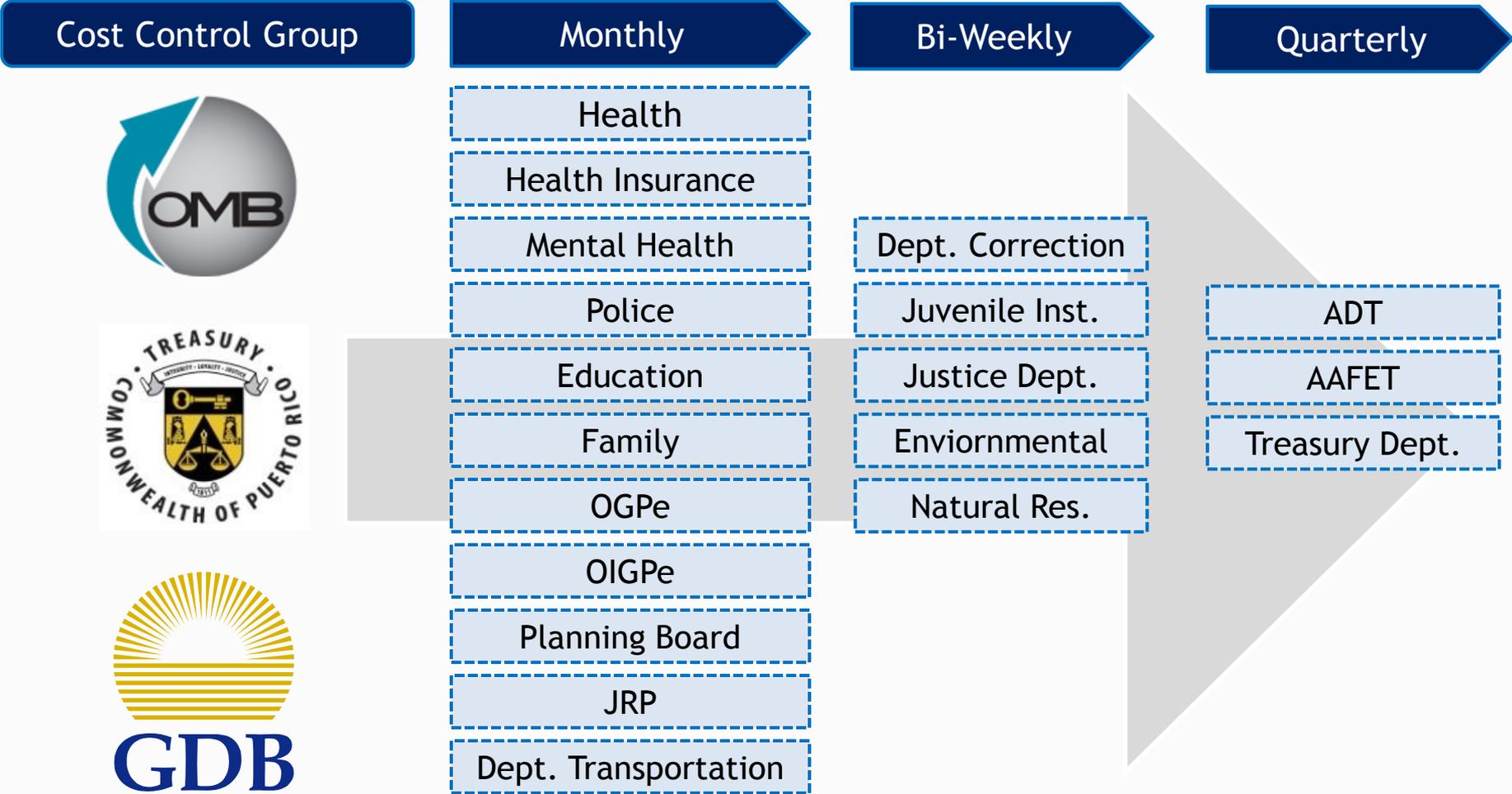
| | | | | |
|---------------------------|-------------|-------------|-----------|--|
| Payroll | \$2,252,836 | \$2,244,275 | \$8,561 | OMB's strict monitoring through monthly reporting of new hires and terminations, and pre-authorization of new hires |
| Purchased Services | \$139,906 | \$122,219 | \$17,307 | Mainly due to Department of Correction's Diversion Program and Out of State Program invoices that will be paid during the 4 th quarter of FY 2012 |
| Transportation | \$47,373 | \$57,680 | -\$10,307 | Ongoing matter directly related to changes in Special Education enrollment and gas prices |

With our new payroll monitoring system, we have been able to control and stabilize such spending



- Joint Resolution payroll expenses

Expense control meetings with agencies have paid off...



OMB is confident that all budget risks have been mitigated at this time

OMB is the final decision-maker in all personnel and financial matters of the Central Government

Cost Control Initiatives

Budget vs. Actual

Cost Control Group

OMB approval of ALL personnel transactions

OMB approval of ALL collective bargaining agreements

Commitment to Transparency

Quarterly Budget Reviews

Budget available online - www.presupuesto.pr.gov

FY 2013 Budget in English - June 15

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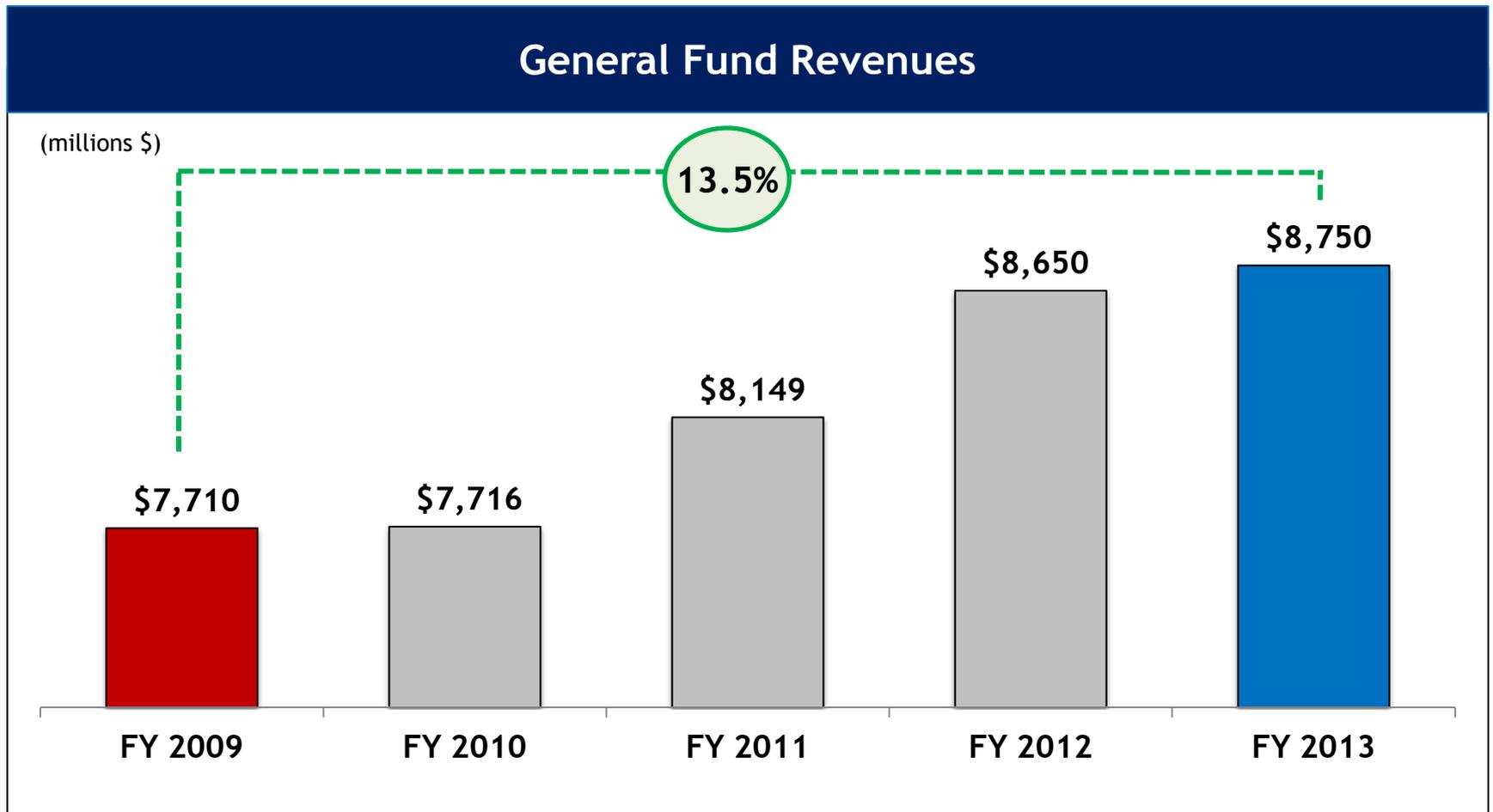
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Fiscal Year 2013
Proposed Budget reduces the
deficit by 90% from
\$3.306 billion in FY 2009 to
\$333 million

We have increased general fund revenues while implementing the most comprehensive tax reform...



FY 2013 General Fund Budget is \$9.08 billion

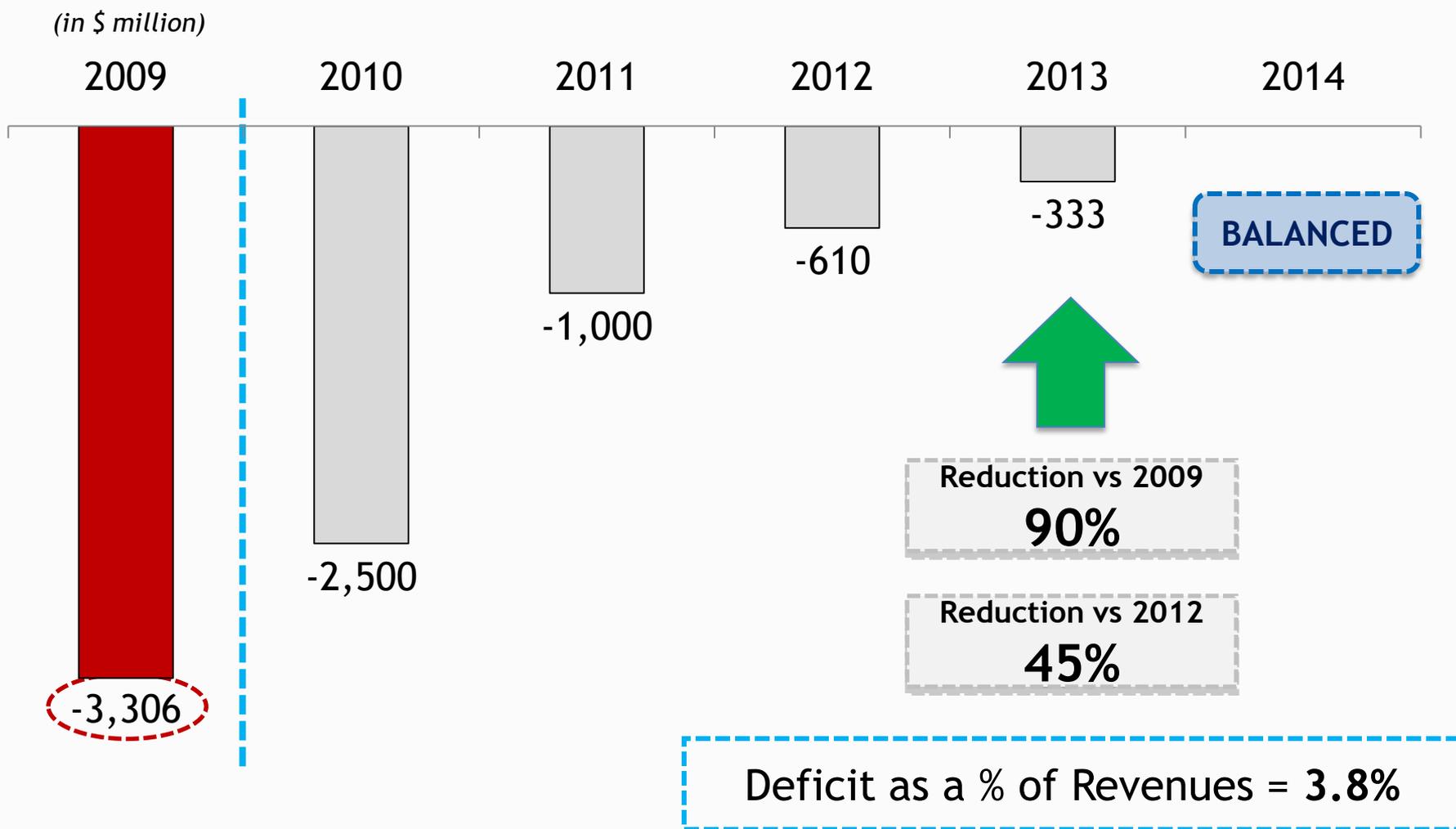
| | FY 2012 | FY 2013 |
|-----------------------|---------|---------|
| (\$ billion) | | |
| Revenues | | |
| Revenues | \$8.65 | \$8.75 |
| Stabilization Fund | \$.610 | \$.33 |
| <i>Total Revenues</i> | \$9.26 | \$9.08 |
| Expenses | | |
| Joint Resolution | \$5.23 | \$5.11 |
| Special Assignments | \$3.42 | \$3.64 |
| Stabilization Fund | \$.610 | \$.333 |
| <i>Total Expenses</i> | \$9.26 | \$9.08 |



While the Consolidated Budget is \$28.5 billion ...

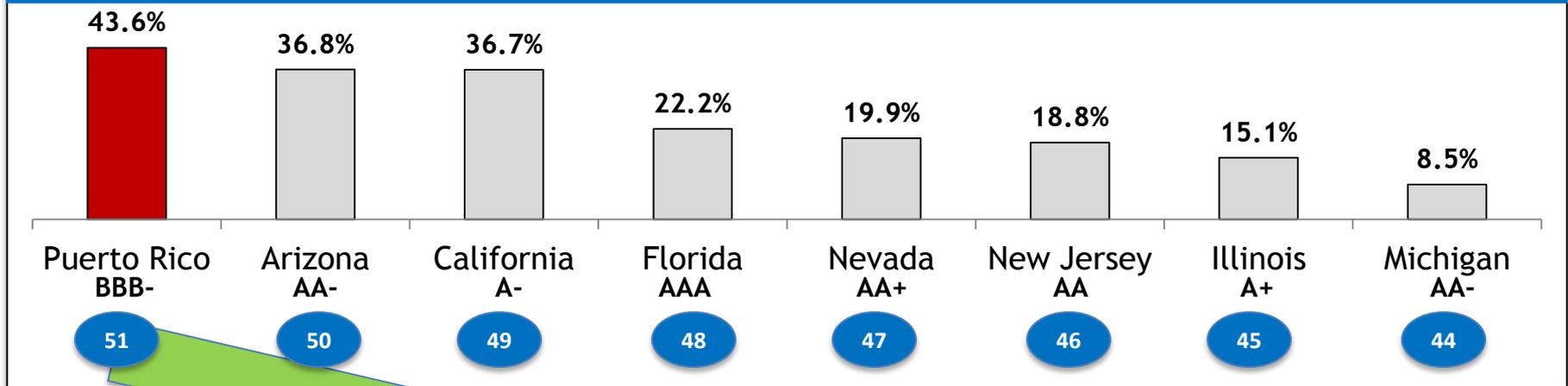
| | FY 2012 | FY 2013 |
|----------------------------|----------------|----------------|
| (\$ billion) | | |
| Consolidated Budget | | |
| General Fund | \$9.26 | \$9.08 |
| Federal Funds | \$6.92 | \$6.79 |
| Other Income | \$.755 | \$.680 |
| Revenues | \$9.36 | \$9.07 |
| Special State Fund | \$1.27 | \$1.23 |
| Public Improvement Fund | \$.290 | \$0 |
| Loans and Bond Issues | \$2.02 | \$1.72 |
| TOTAL | \$29.88 | \$28.57 |

Proposed Budget for Fiscal Year 2013 further reduces the deficit by 90% when compared to 2009...

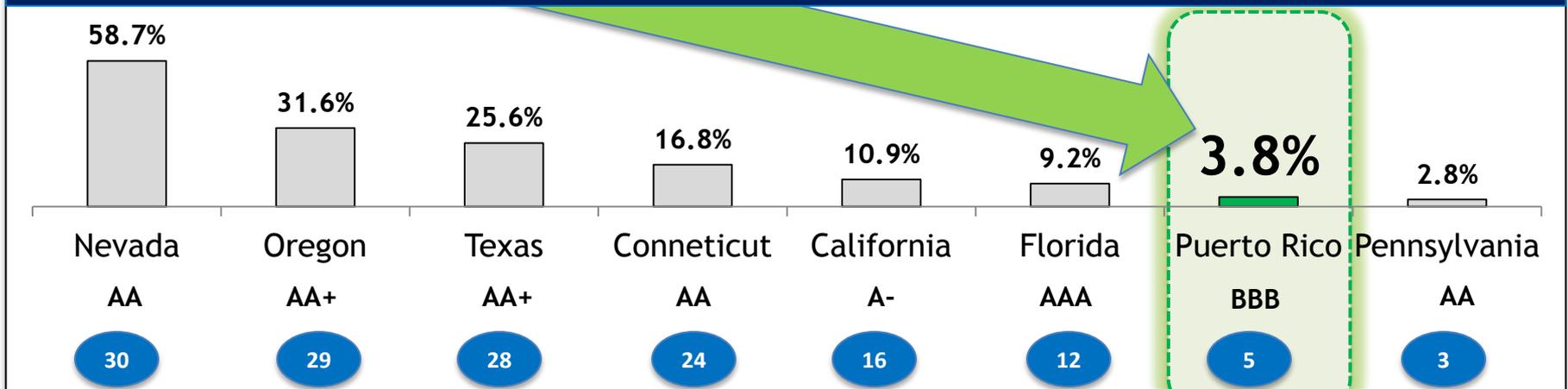


...evidencing the unparalleled fiscal improvement we have made in less than 4 years

Deficit as a % of Revenues for FY 2008-2009

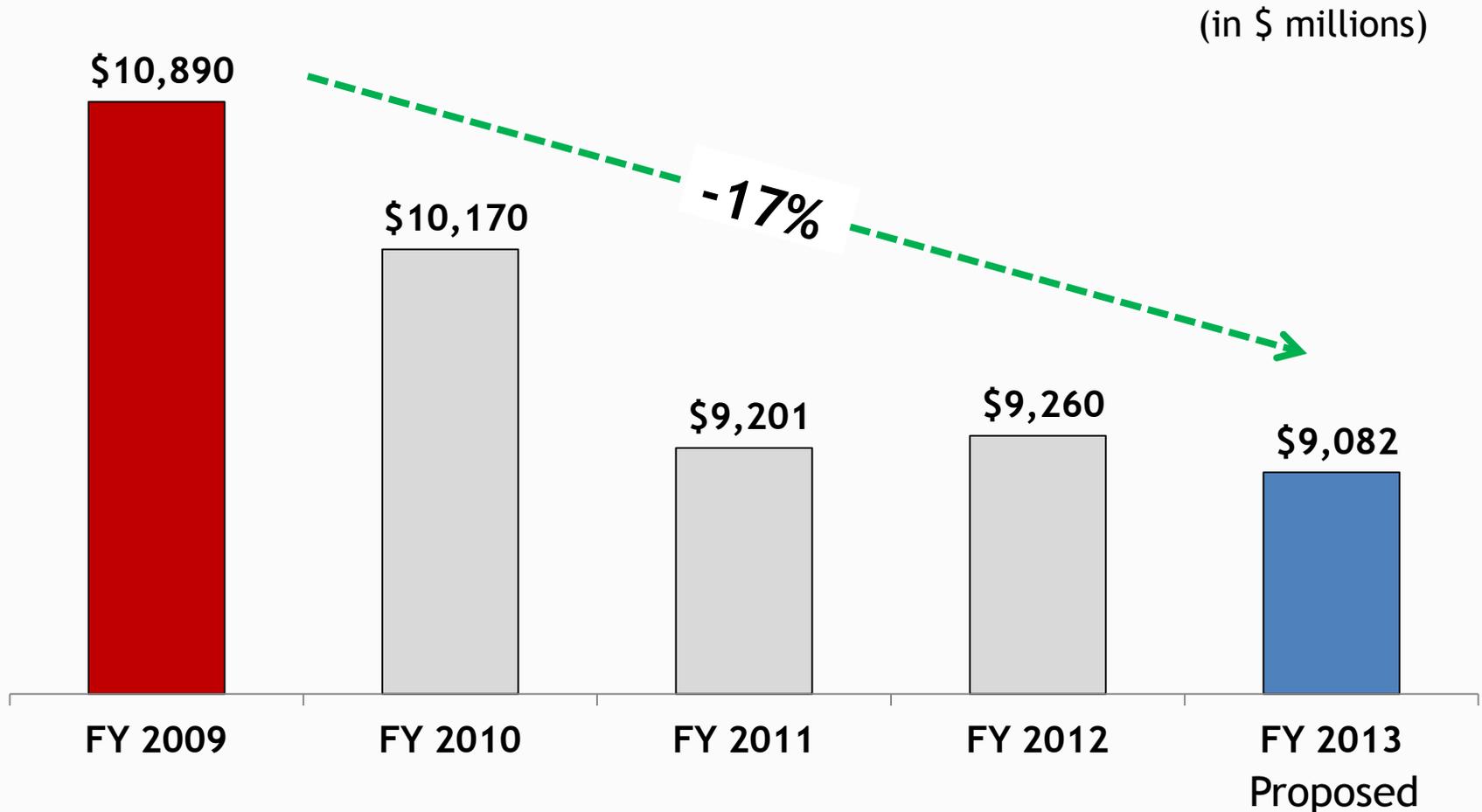


Budgeted Deficit as a % of Revenues for FY 2012-2013*



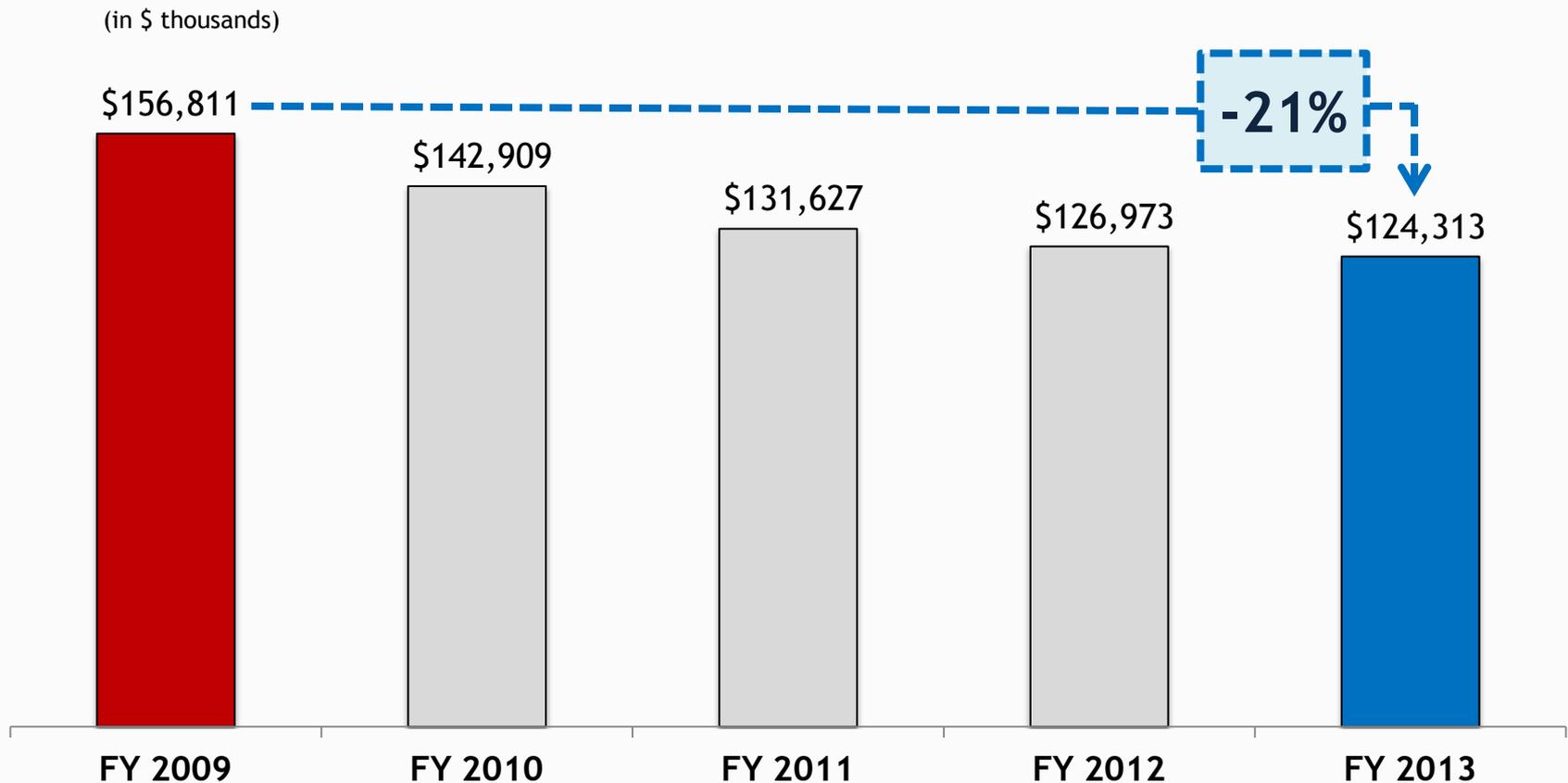
Source: Center on Budget and Policy Priorities. *Based on 30 states with reported shortfalls for FY 2013. Preliminary and subject to change.

We have reduced expenses in the General Fund by 17% in comparison to FY 2009...



We have significantly reduced the cost of Government Professional Services by 21% compared to FY 2009...

Professional Services - General Fund Budget FY 2009 - FY 2013

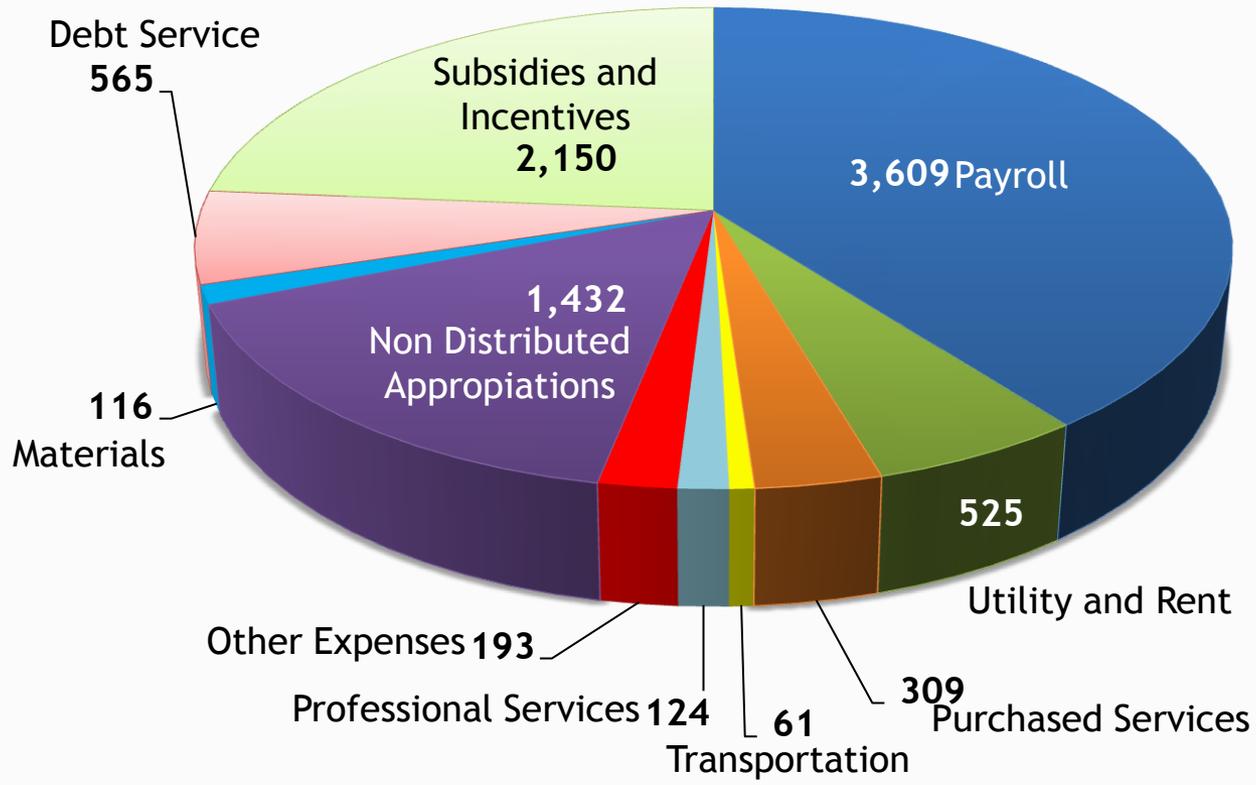
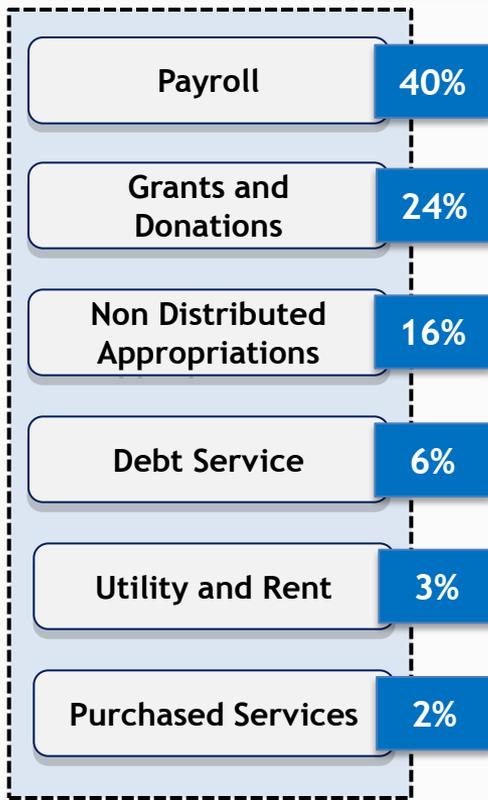


Source: Office of Management and Budget of Puerto Rico

Distribution of FY 2013 General Fund Budget by Expenditures

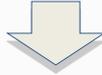
\$9,082 million

(\$ millions)



* Numbers may not add up due to rounding

Reductions in expenditures are a result of effective fiscal management.

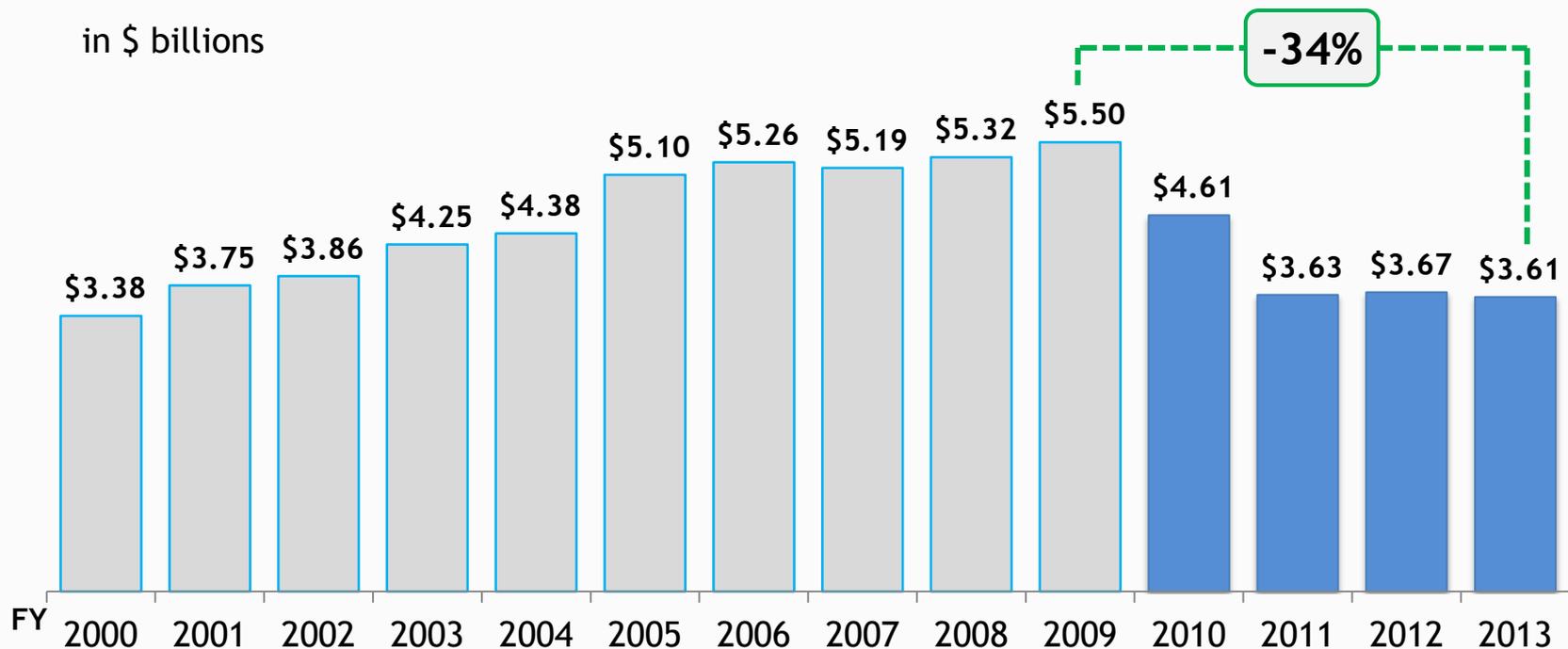
| Expense Category | FY 2012 | FY 2013 | | Change % |
|--------------------------------|---------|---------|---|----------|
| Payroll | 3,667 | 3,608 |  | -2% |
| Utility and Rent* | 484 | 525 |  | 8% |
| Purchased Services | 287 | 309 |  | 8% |
| Grants and Donations | 2,029 | 2,149 |  | 6% |
| Transportation | 58 | 61 |  | 5% |
| Profesional Services | 127 | 124 |  | -2% |
| Other Operating Expenses | 266 | 100 |  | -62% |
| Non-Distributed Appropriations | 1,462 | 1,432 |  | -2% |
| Previous Years' Debt | 21 | 17 |  | -21% |
| Equipment Purchase | 57 | 56 |  | -1% |
| Federal Funds matching | 15 | 17 |  | 11% |

* Increment is mainly due to the increase in utility consumption estimates (PREPA, PRASA, and PBA)

Reduction in payroll expenses has been the cornerstone of our expense reduction plan as it represents over 50% of our expenses...

- The government payroll expenses rose at an average of 6% from FY 2000 to FY 2009

Government payroll during the last decade *



Source: Office of Management and Budget PR, presentation of Transition by the Planning Board.

* Excludes Executive Branch allowances or Formula Act, pension payment and debt service.

Proactive measures have reflected a 20% reduction in human resources when compared to FY 2008...

| Month/Year | Mar. 2008 | Feb. 2010 | Feb. 2011 | Feb. 2012 | Feb. 2013 (Projection) |
|---------------------------------|----------------|----------------|----------------|----------------|---------------------------|
| <i>Executive Branch</i> | | | | | |
| Central Government | 157,258 | 143,035 | 129,407 | 127,013 | 124,881 |
| Public Corporations | 35,351 | 32,622 | 30,258 | 30,020 | 29,774 |
| Total - Executive Branch | 192,609 | 175,657 | 159,665 | 157,033 | 154,623 |



Reduction 37,986 or 20% vs FY 2008

* As reported by agencies to OMB by 4/4/2012

** Out of this total only 12,505 were involuntary separated, the balance is due to attrition and voluntary retirement programs (Act 70)

Act 70 voluntary retirement program has yielded excellent results...

Economic Impact of Act 70 (March 2012 - Third Period)

(\$ thousands)

Agencies (General Fund and Others)

Total Impact on Payroll \$116,152

Cost of Annuity \$37,287

Annual Savings* **\$78,865**

First 2 Periods

+

\$ 67,225

Act 70 Total Savings **= \$146,090**

*Annual savings based 100 % on applicants that will participate on Act 70 Early Retirement & Incentive Program

Over 79% of budgeted expenses are unavoidable...

| <i>(in \$ millions)</i> | 2009 | 2010 | 2011 | 2012 ⁽¹⁾ | 2013 ⁽²⁾ |
|--|----------------------|---------------|--------------|---------------------|---------------------|
| Unavoidable Expenses | | | | | |
| Budget Formulas: | | | | | |
| Contribution to Municipalities | 368 | 335 | 355 | 380 | 388 |
| UPR | 835 | 729 | 691 | 704 | 757 |
| Judicial Branch | 348 | 348 | 348 | 328 | 343 |
| Rent Payment to the Public Building Authority ^{(1) (3)} | 206 | 299 | 216 | 218 | 208 |
| Debt Payments | 393 | 663 | 578 | 670 | 565 |
| Total Unavoidable Expenses | 2,150 | 2,374 | 2,188 | 2,300 | 2,261 |
| % of General Fund and Stabilization Fund | 20% | 23% | 24% | 25% | 25% |
| Discretionary Expenses | 7,334 | 7,796 | 6,874 | 6,960 | 6,822 |
| Payroll and Related Costs ⁽³⁾ | 5,968 | 4,725 | 3,695 | 3,784 | 3,677 |
| Payroll as a % of Discretionary Expenses | 81% | 61% | 54% | 54% | 54% |
| Total Expenses - General Fund and Stabilization Fund | 9,484 | 10,170 | 9,062 | 9,260 | 9,083 |
| Total Expeditures not considered in Budget | 1,406 ⁽⁴⁾ | 0 | 0 | 0 | 0 |
| TOTAL Expenses | 10,890 | 10,170 | 9,062 | 9,260 | 9,083 |

(1) Preliminary

(2) Estimate

(3) Excludes the UPR, and the Judicial Branch. Includes School Wide Program payroll expense

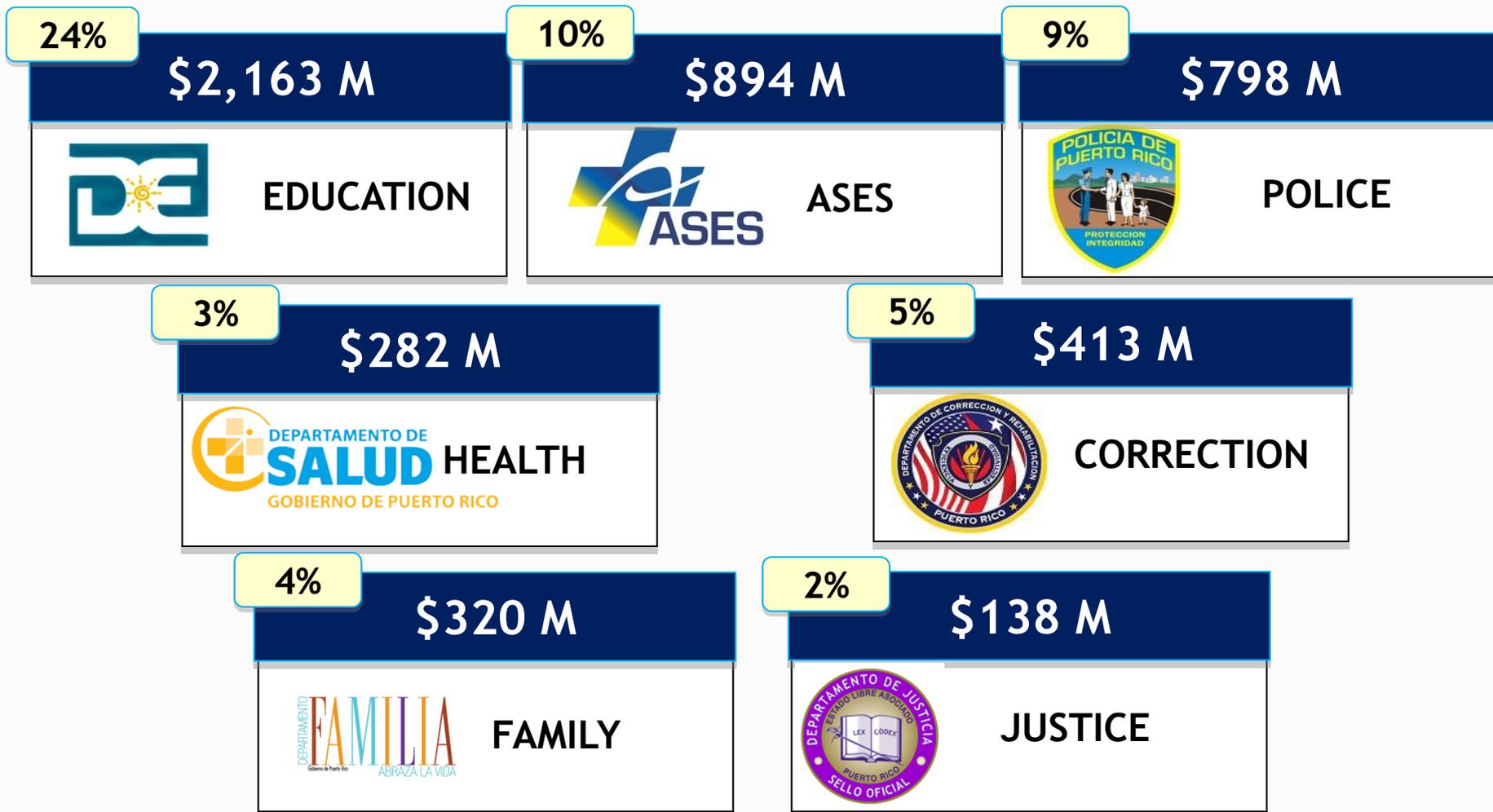
(4) Identified non budgeted costs that were paid with funds proceeding from Bond Issuance - COFINA

Source: Office of Management and Budget

Formula allocations increase by \$76.8 million for the Fiscal Year 2013 Budget...

| (in \$ thousands) | FY 2012 | FY 2013 | Change |
|---|--------------------|--------------------|--|
| UPR | 704,526 | 756,803 | 52,227  |
| Judicial Branch | 327,944 | 342,763 | 14,819  |
| Municipalities | | | |
| Municipal Fund | 204,825 | 210,145 | 5,320  |
| Exemption from property taxes not collected | 148,491 | 153,008 | 4,517  |
| Total | \$1,385,792 | \$1,462,719 | \$76,883 |

57% of the General Fund Budget for FY 2013 is distributed in the following agencies...



**Puerto Rico will have a
balanced budget for
Fiscal Year 2014**

Agenda

1 Restoring Growth Through Fiscal Responsibility

2 Puerto Rico's Public Debt

3 Revenues, Enforcement Measures and Expenses

4 FY 2013 Proposed Budget

5 Concluding Remarks

In early 2009, the Administration developed a comprehensive plan to tackle our immediate challenges...

1st Credit Conference - March 12, 2009
(Fiscal Reconstruction Plan Presentation):



We are ready to start the implementation phase and meet the goals of the Plan

| Plan Goals | Specific actions and components of the Plan |
|---------------------------------------|--|
| Stabilize the fiscal situation | <ul style="list-style-type: none">• Approval of Legislative package to implement the Plan• Implement Expense and Revenue Measures• Implement Financial Measures |
| Strengthen PR's credit | <ul style="list-style-type: none">• Formulate and implement a multi-year plan• Re-establish transparency and investor relation programs |
| Re-build the economy | <ul style="list-style-type: none">• Establish organizational framework for Federal Stimulus Plan• Design a Local and Supplementary Stimulus Plans• Implement Public-Private Partnerships |

9

2009 Commitment

- 1) Stabilize the fiscal situation
- 2) Strengthen Puerto Rico's credit
- 3) Rebuild the economy

Three years later we can say that we have delivered on our initial plan to stabilize our finances and return Puerto Rico to a path of economic growth...

FISCAL

We have reduced government expenses by \$1.8 billion and the General Fund deficit by 90% since 2009

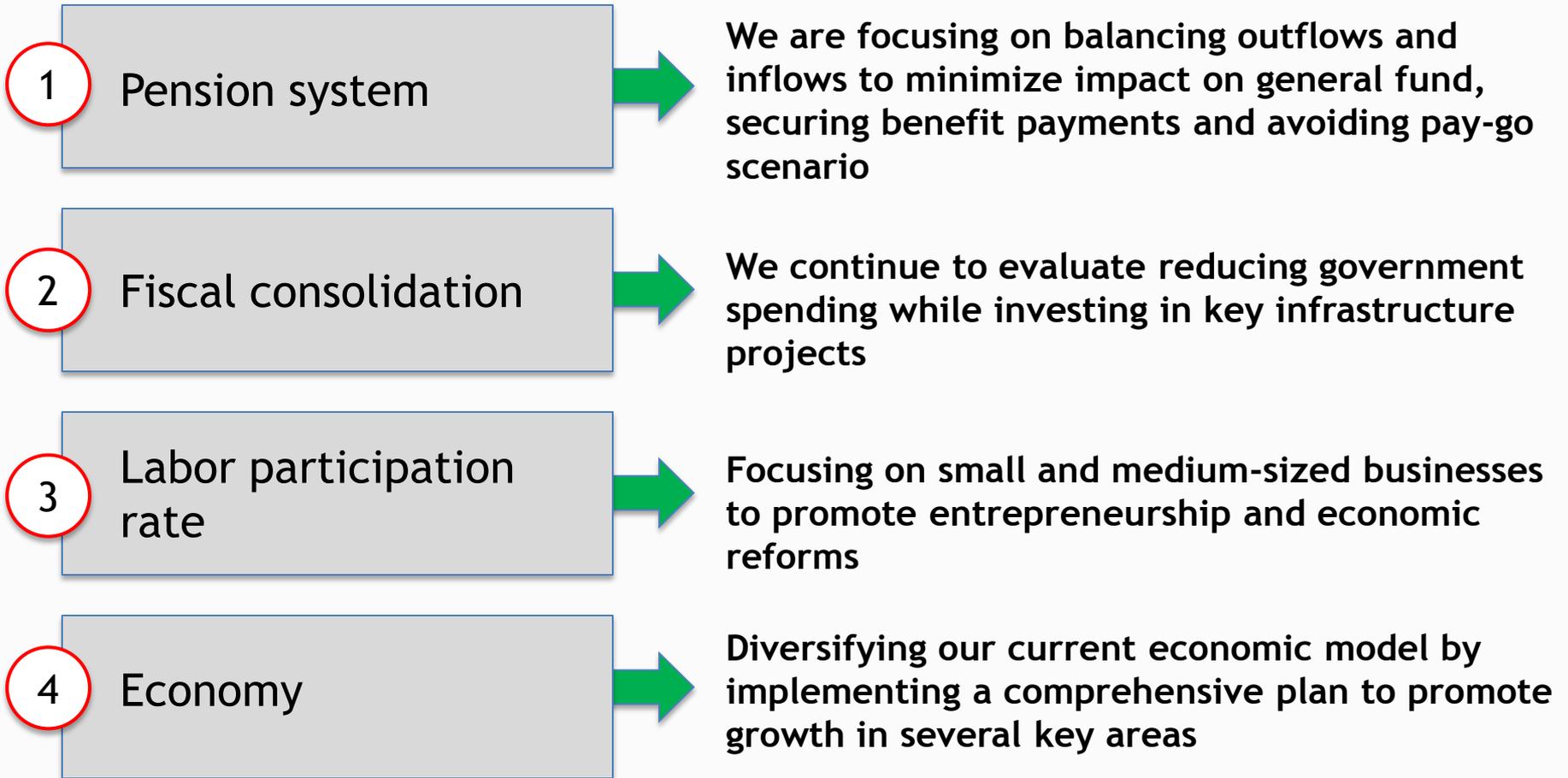
CREDIT

We have improved our overall rating profile and restored confidence with bondholders and capital markets

ECONOMY

For the first time in six years, our economy is showing positive growth

While we are very excited and encouraged by the results of our fiscal stabilization plan and the beginning of economic recovery, we clearly understand the challenges we still face...



We have a long way to go, but we have come a long way...

| Fiscal Year | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------|-----------|-----------|-----------|-----------|-----------|
| Deficit | \$3.3 B | \$2.5 B | \$1.0 B | \$610 M | \$333 M |
| GF Revenues | \$7.710 B | \$7.716 B | \$8.165 B | \$8.650 B | \$8.750 B |
| GDP Growth | -3.8% | -3.4% | -1.5% | +0.9% | +1.1% |
| Unemployment | 14.7% | 15.9% | 16.8% | 14.9% | - |
| ERS Asset Life | 2014 | 2014 | 2021 | 2021 | - |
| Debt as % of GDP* | 56% | 58% | 60% | 62% | - |

* Real Gross Domestic Product vs. Total Debt



Puerto Rico: Restoring Growth Through Fiscal Responsibility

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Government Development
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