



Puerto Rico

Promoting Economic Growth in Times of Fiscal Austerity

Investor Webcast

February 21, 2012



Participants

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Introduction and Economic Performance Update

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FY 2012 General Fund Revenues

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FY 2012 Budget vs. Actual

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Swap Portfolio Update

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Market Transactions and Investor Outreach

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Concluding Remarks



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The Global Issues Group of the WEF recently made a call to action on leaders to devote the necessary energy to deliver concrete actions to exit financial crisis and boost growth

Call to Action - Short Term Measures:

Puerto Rico

Use economic organizations and development banks to achieve fiscal consolidation: stability and economic growth



Restore confidence in financial institutions

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



Manage fiscal consolidation to promote rather than reduce prospects for growth and employment



Pursue P3s to finance investments without adding to future deficits - Tap potential in the private sector for P3 investment





At the beginning of 2009, Puerto Rico faced fiscal peril with a severely depressed credit outlook and economic recession. This Administration moved swiftly to address key issues threatening our financial stability and economic development. After three years of difficult decisions, we have successfully redirected Puerto Rico into a path of fiscal responsibility and growth

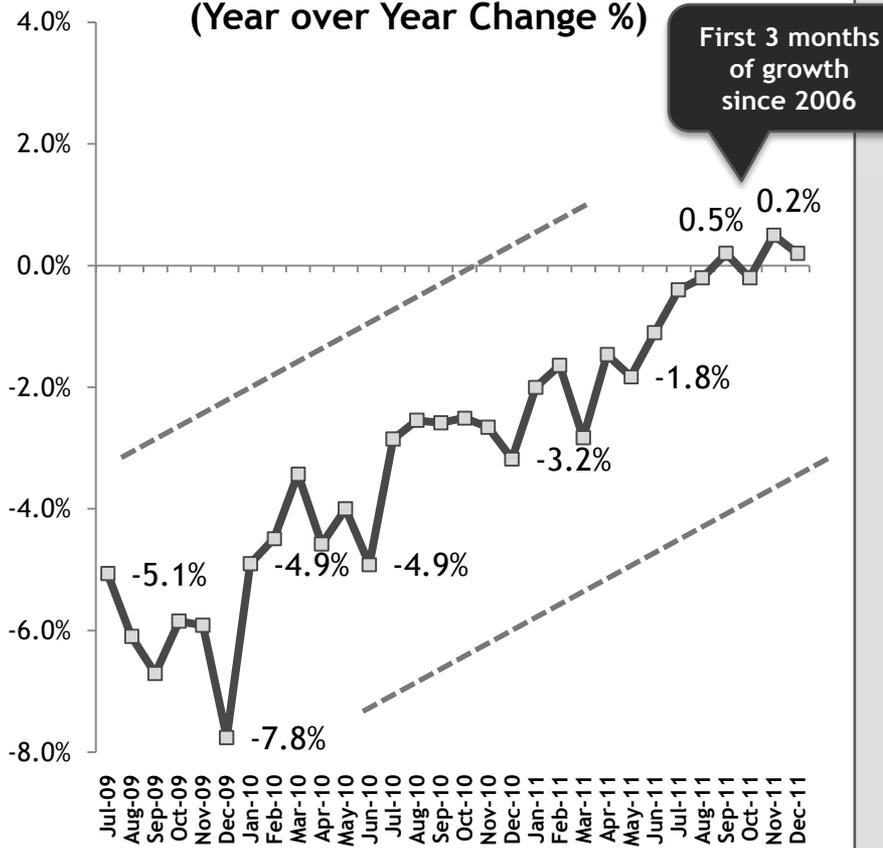
Let's take a look at our progress...



Total employment continues to trend in a positive direction as leading economic indicators improve

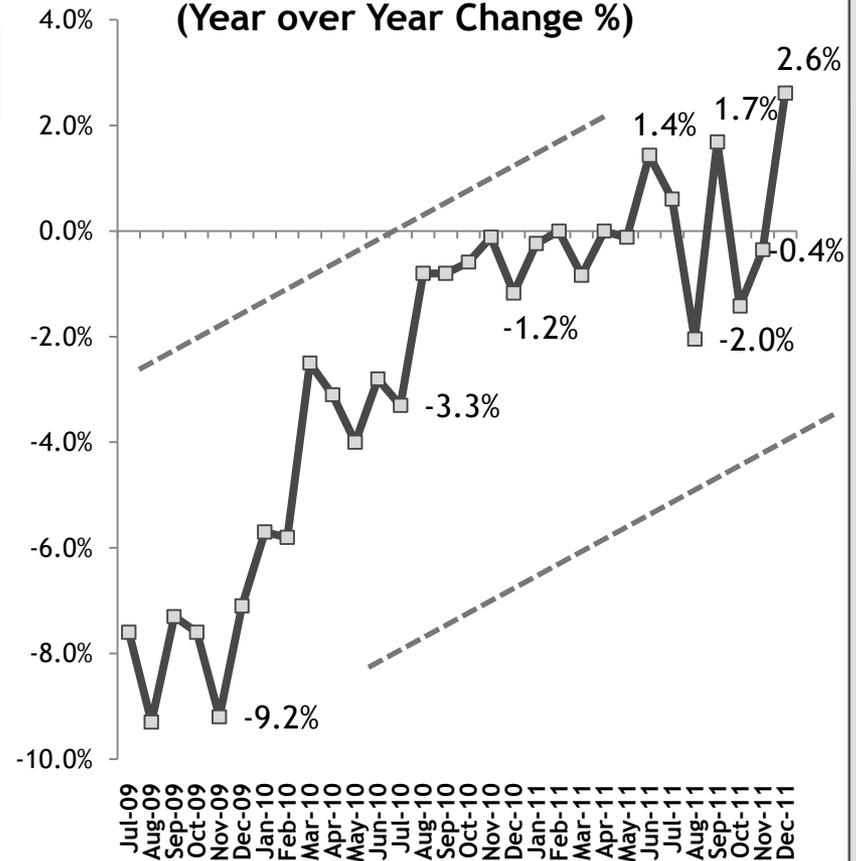
Total Non-Farm Payroll

(Year over Year Change %)



Total Private Sector Employment*

(Year over Year Change %)

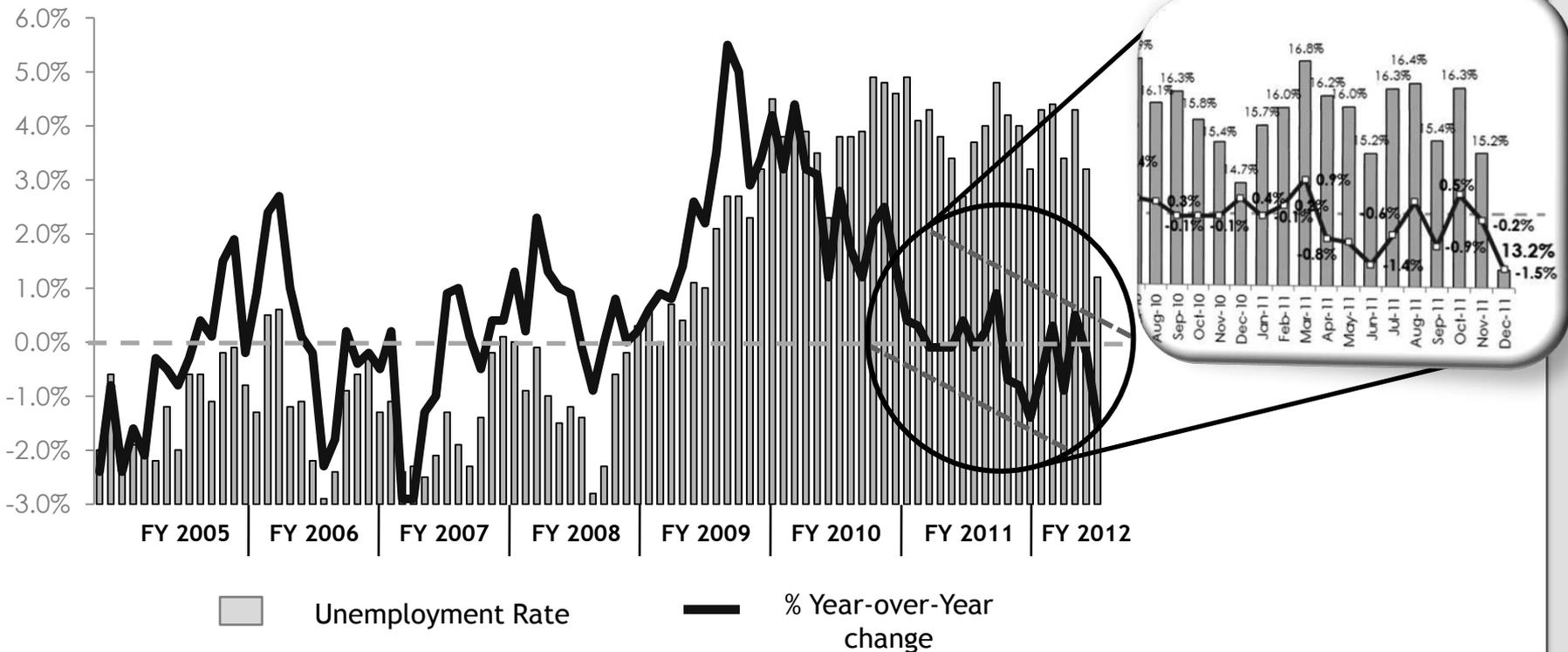


* Household Survey



Although unemployment rate remains a great challenge in Puerto Rico, recent patterns depict a favorable trend

Unemployment Rate

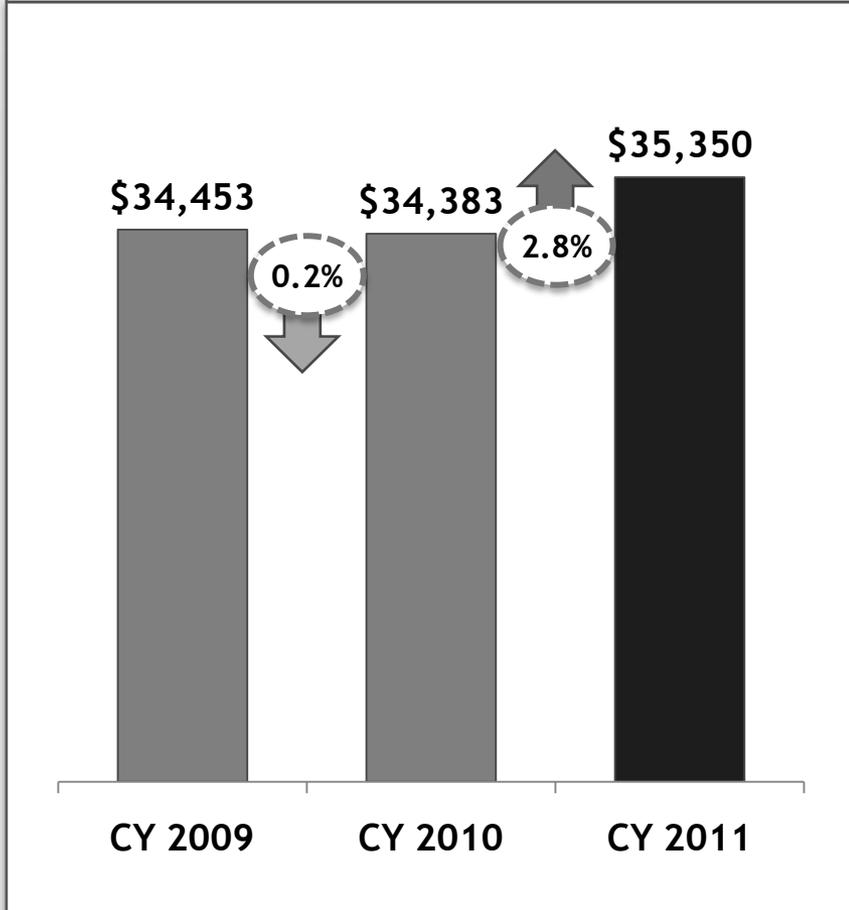


Unemployment rate during December 2011 was 13.2%, currently placed below the historical average unemployment rate since 1963 of 14.5%

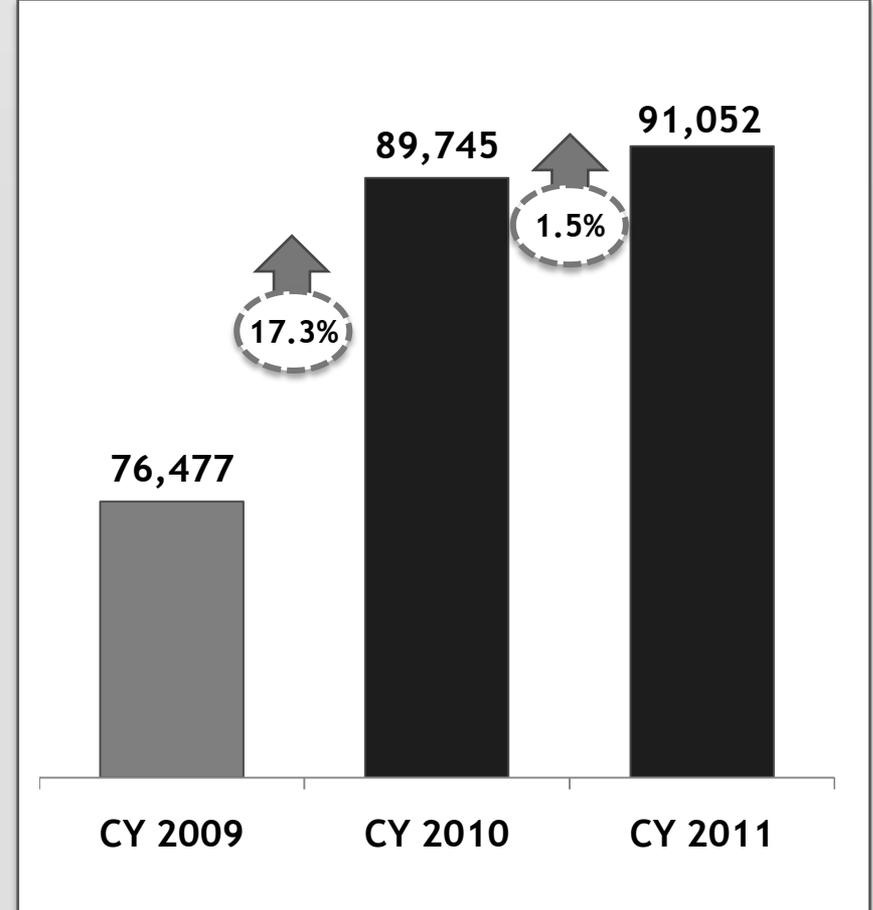


Increased consumer confidence is evidenced by rise in retail and auto sales...

Retail Sales (as of December 2011)



Auto Sales (as of December 2011)

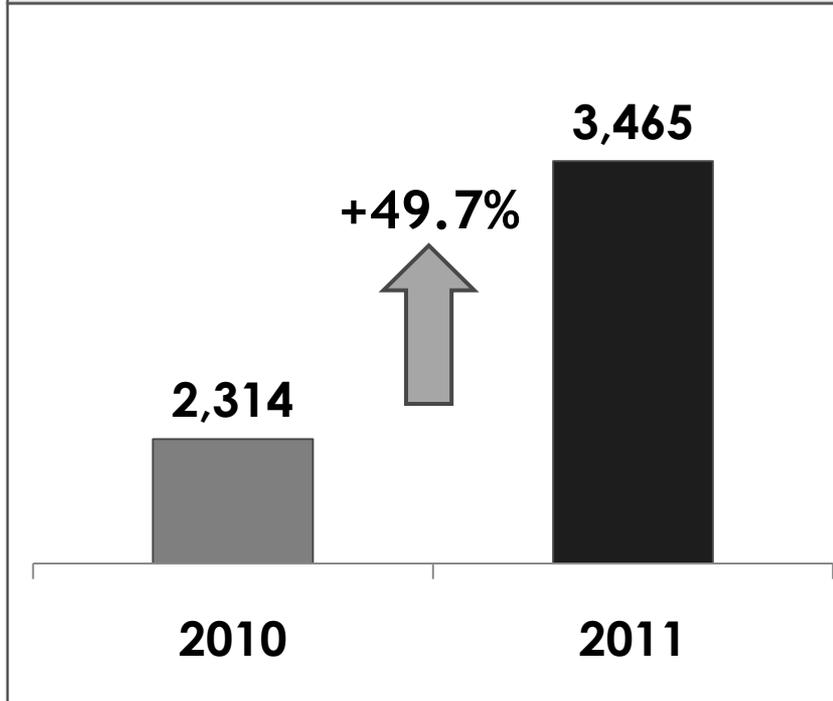




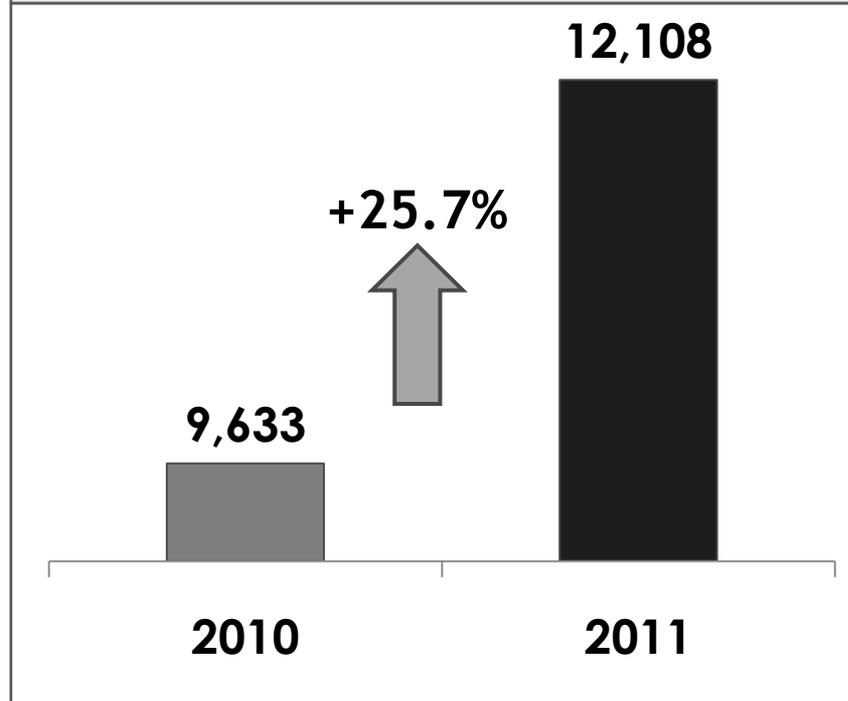
...and a rise in home sales, with over 15,500 new and existing residences sold in 2011, representing a 30.4% increase when compared to 2010

Home Sales (Units)

New Homes (Units)

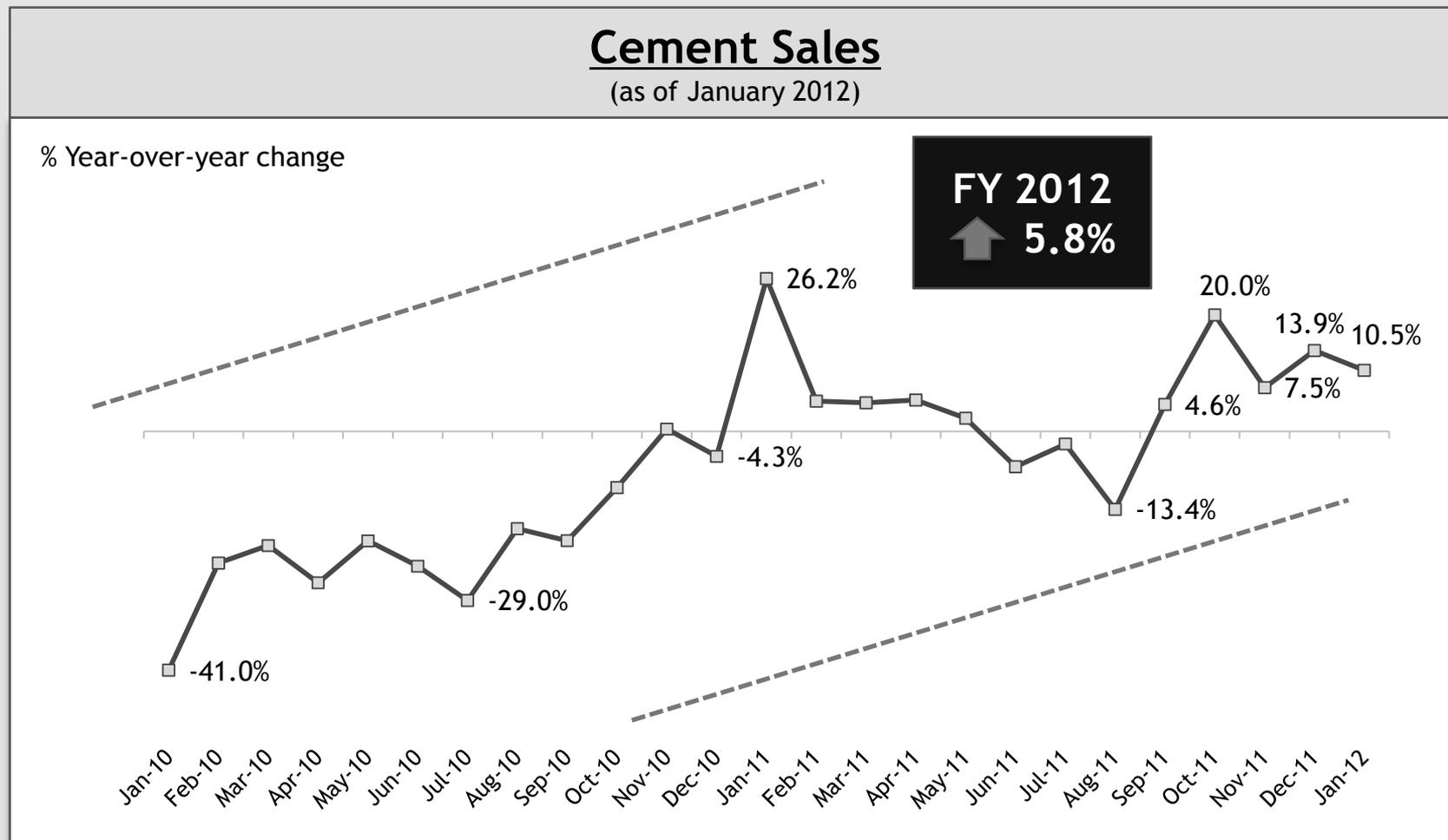


Existing Homes (Units)



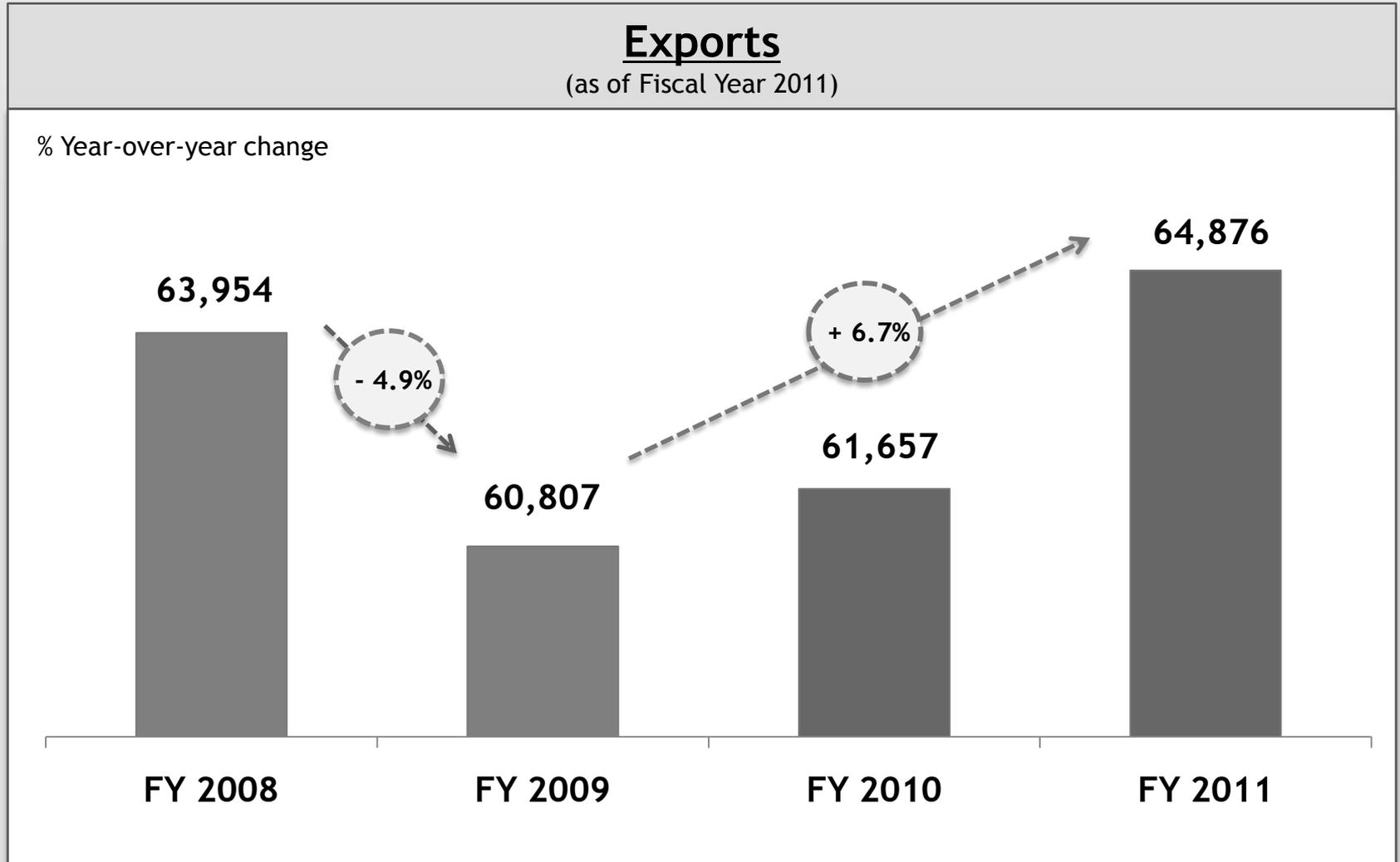


Cement sales have also seen a recovery, evidenced by a 10.5% YOY increase in cement sales in January 2012, the fifth consecutive YOY monthly growth





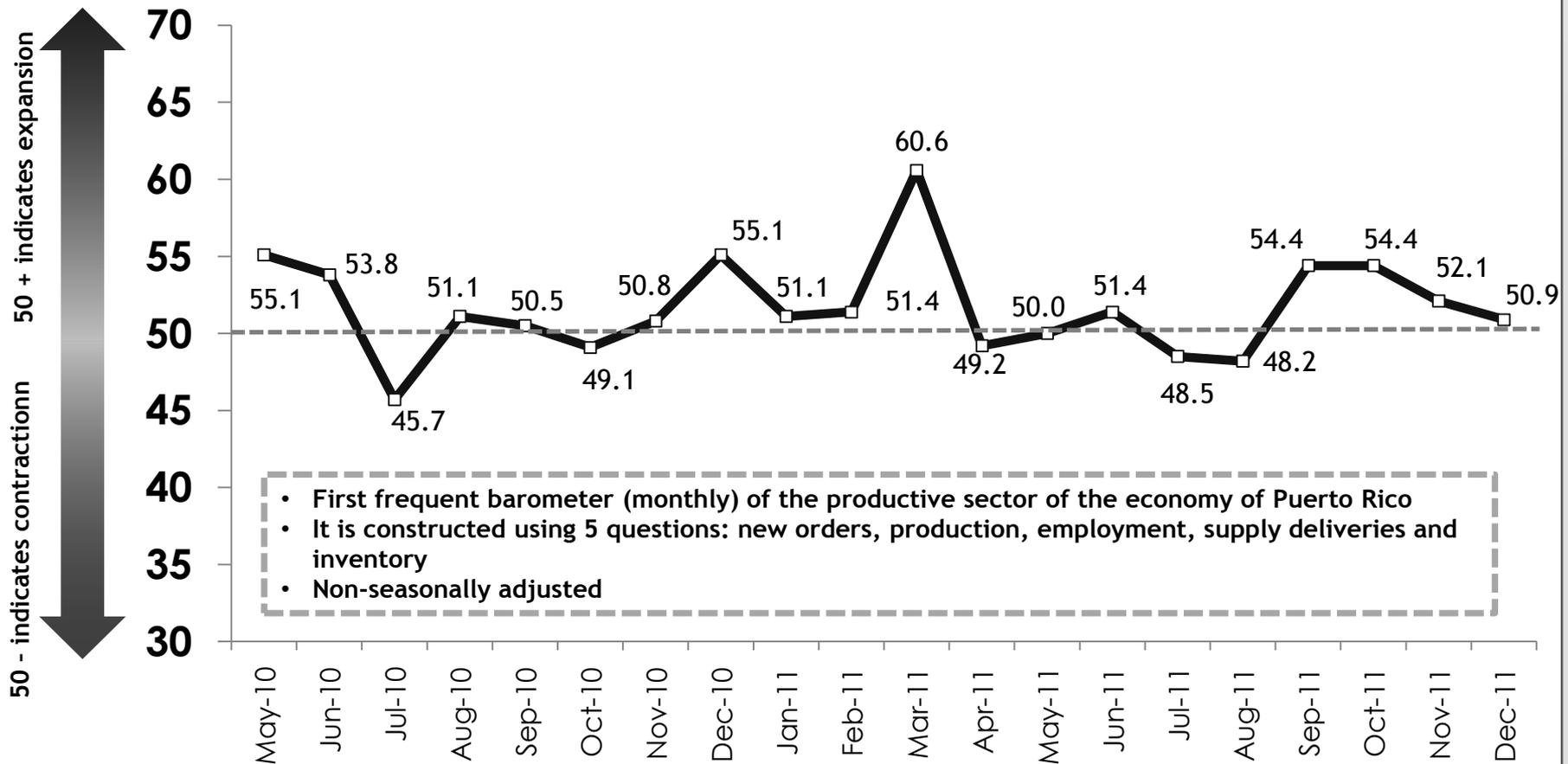
Exports registered their highest level ever during fiscal year 2011





Puerto Rico Manufacturing - Purchasing Managers Index (PRM-PMI) has been in expansionary terrain (above 50) in 14 out of the last 20 months

A reading above the threshold value of 50 suggests an expansion in the manufacturing sector



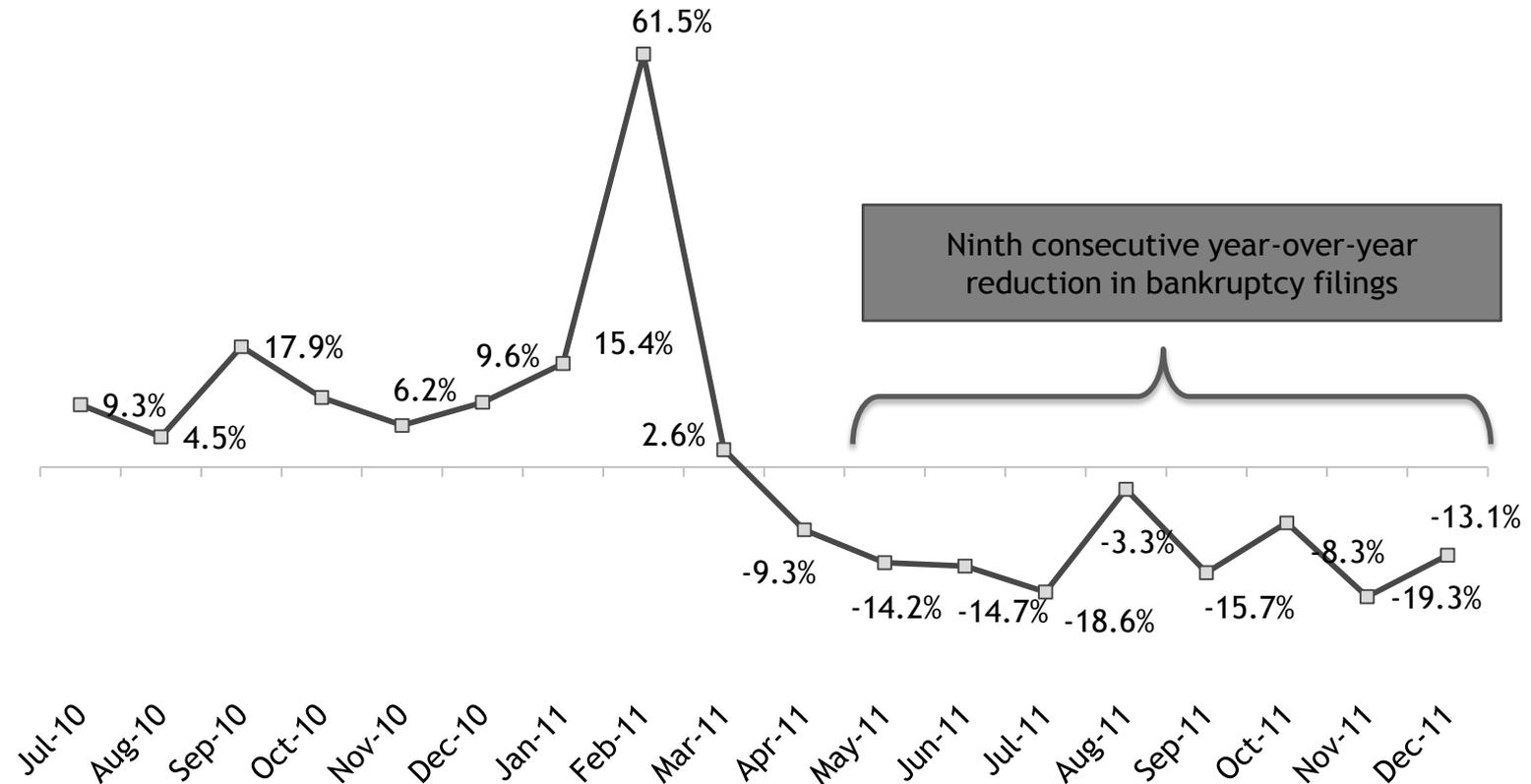


Bankruptcies have significantly decreased during the last seven months

Bankruptcies

(as of October 2011)

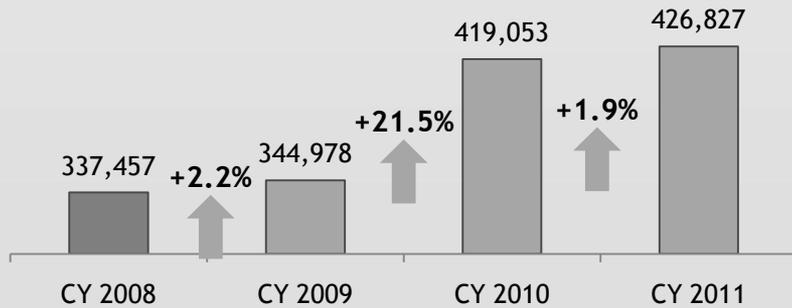
% Year-over-year change



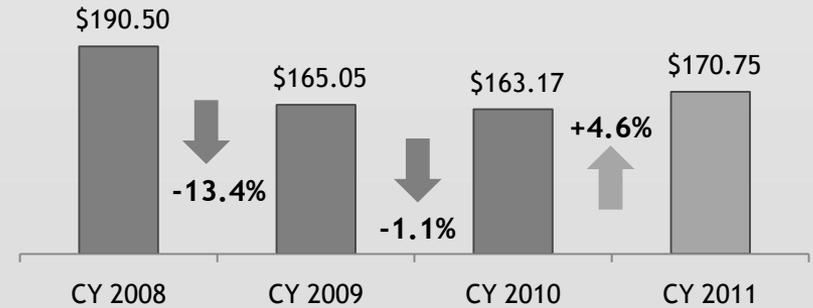


During CY 2011, the tourism sector experienced the highest hotel occupancy in years...

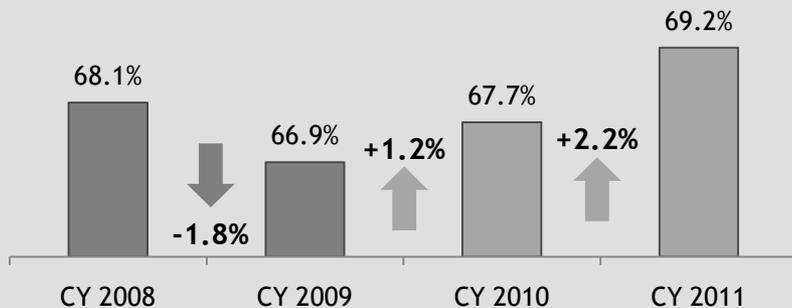
Cruiseship Passengers (“Homeport”)
(First 10 months)



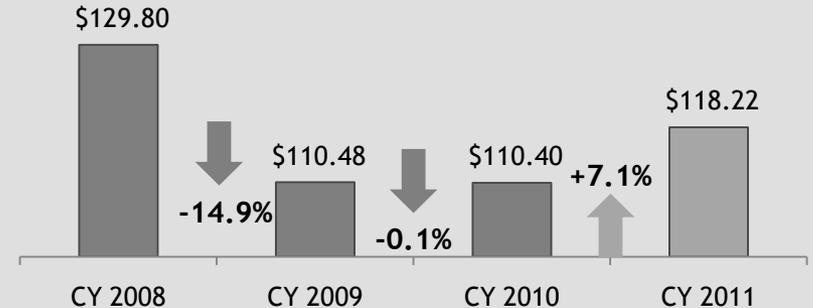
Average Rate per Room



Hotel Occupancy Rate



RevPAR*

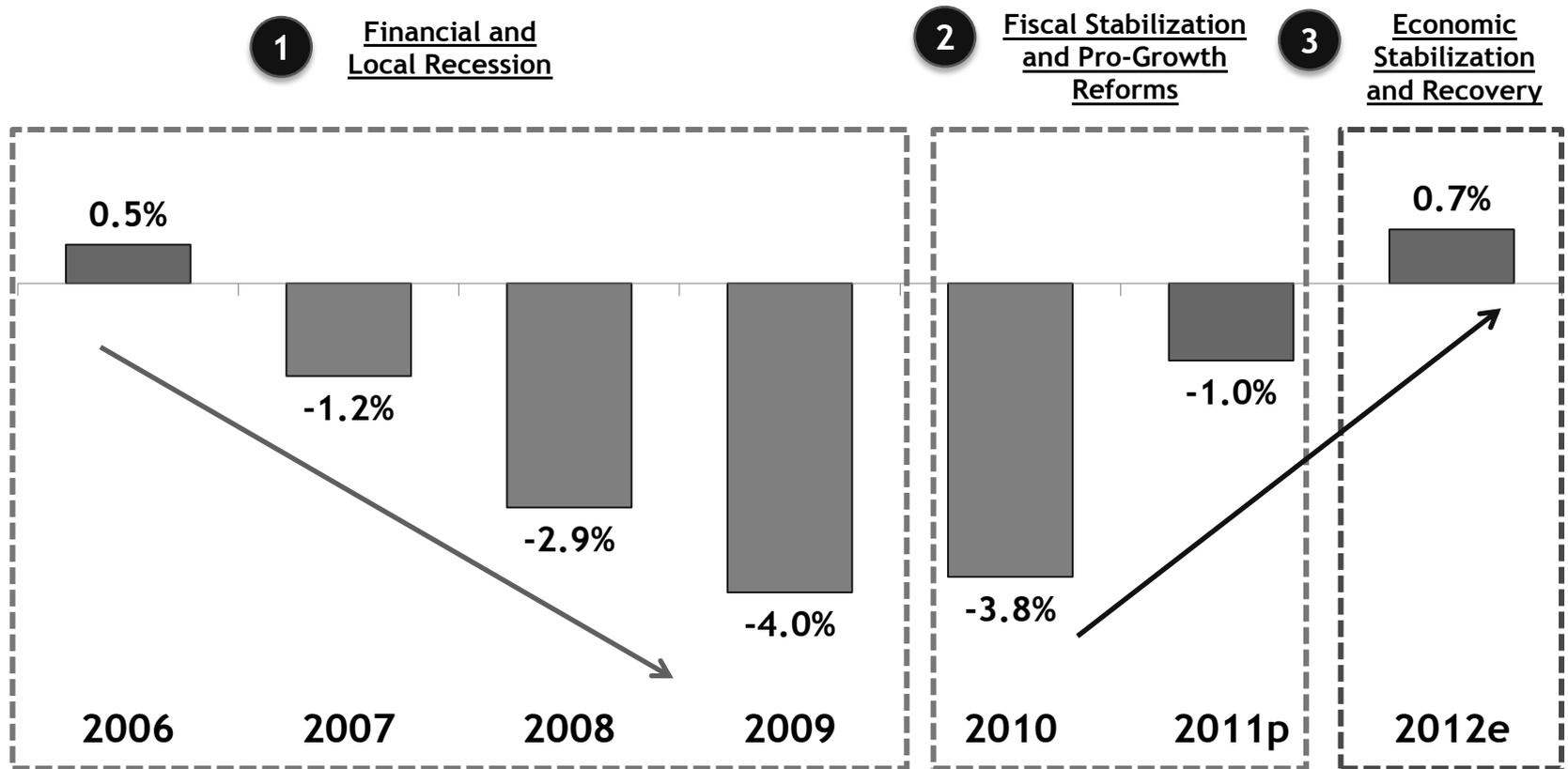


* RevPAR is an important ratio used by the hotel industry to evaluate the financial performance of a particular chain or establishment.



After years of economic contraction and an unattended fiscal crisis, Puerto Rico has demonstrated its capacity to move forward and achieve economic growth beginning in FY 2012

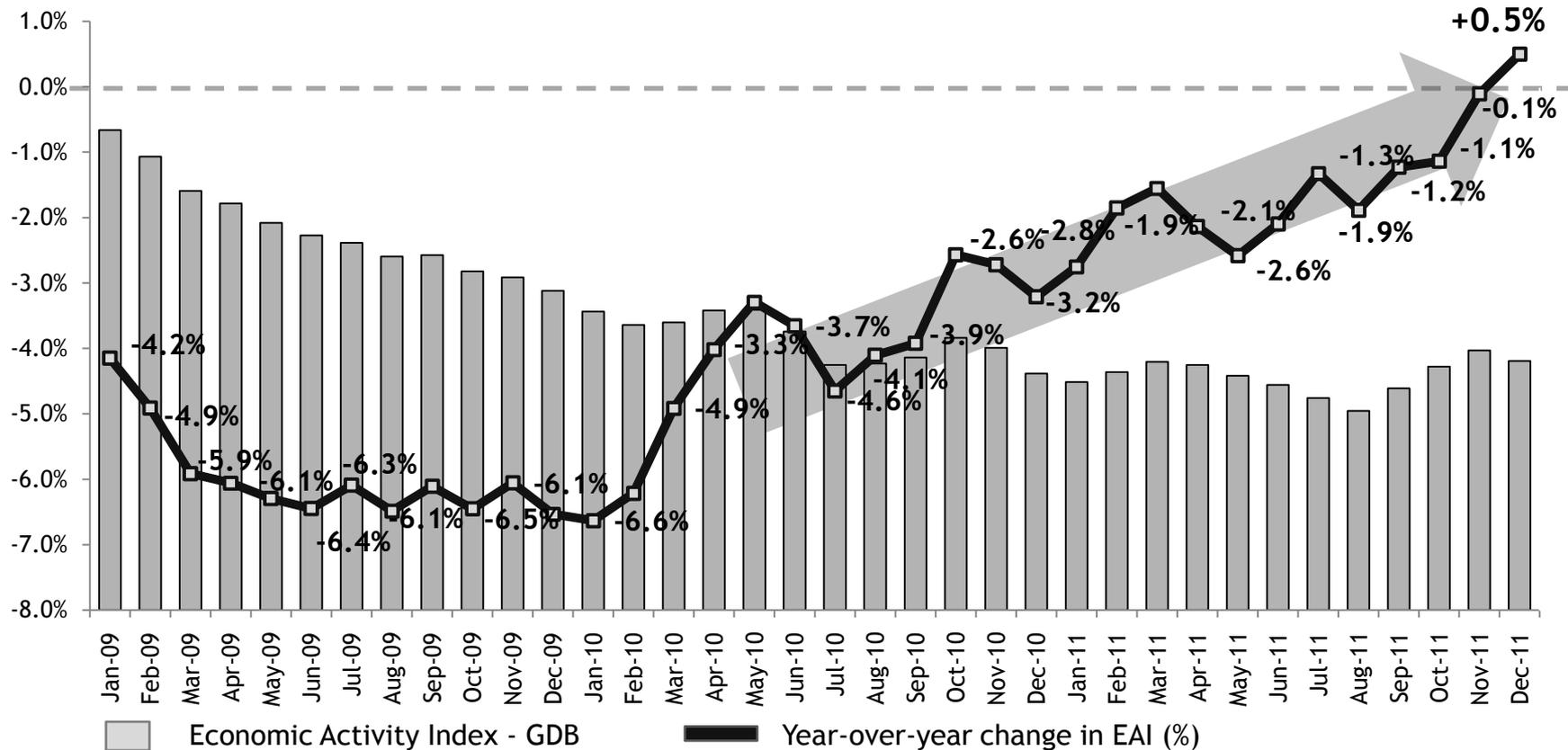
Real Gross Product Growth





Economic Activity Index has confirmed improving economic trends with the December 2011 index registering the first growth since March 2006

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





The positive trend seen in economic indicators is the result of PR's ability to achieve considerable milestones in the last three years...

Including the implementation of measures that are transforming the Government of Puerto Rico and our economy:

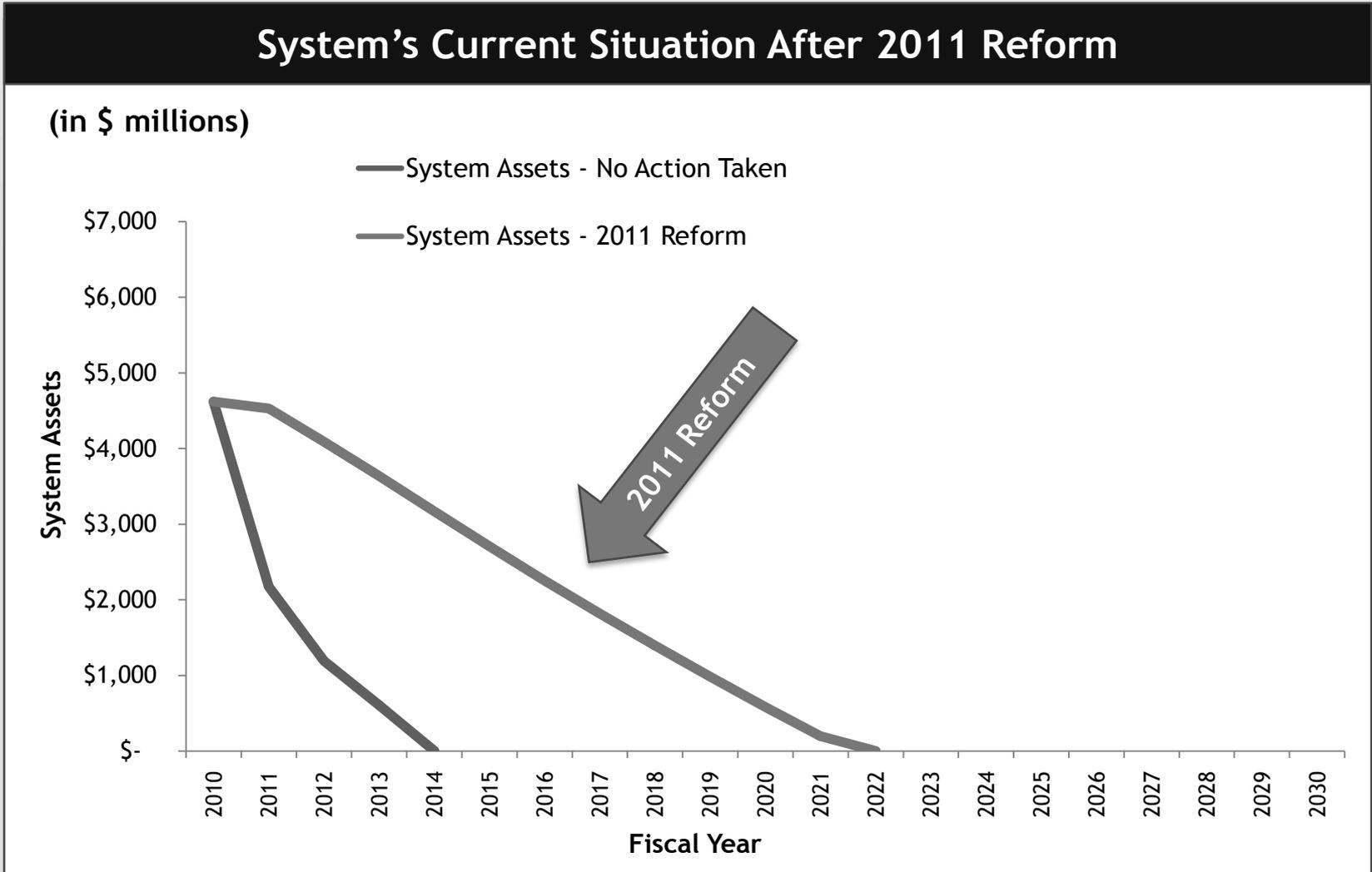
- 1 Fiscal stabilization and reduced deficit, stabilized ratings, controlled expenses and realistic revenue projections
- 2 Comprehensive Tax Reform that has reduced tax burden on individuals and corporate taxpayers
- 3 Implementation of initial changes to begin addressing our pension plan's funding situation
- 4 P3 program that is already showing concrete results
- 5 Housing stimulus program that has resulted in significant increase in new and existing home sales
- 6 Energy cost reduction measures
- 7 Transparency has allowed us to build trust and have access to capital markets





We have adopted initial measures to improve liquidity and extend the life of our Retirement System's assets

System's Current Situation After 2011 Reform



*Based on actuarial assumptions. Data as of June 30, 2010



Through our P3 program, we have jumpstarted investment in infrastructure to complement efforts being promoted by the public sector

Important infrastructure projects

Concession of Toll Roads



Done

\$1.5 BN investment

Modernization of 100 Schools



In Process

\$878 million investment

Concession of Airport



In Process



The PR-22/5 concession has been highlighted by various national publications specializing in transportation infrastructure

PR-22/5 concession will serve as benchmark for future transactions:

“Puerto Rico is now the concession market in the United States”



“A strong P3 champion in the shape of Puerto Rican governor Luis Fortuño proved essential to get the deal done”



“The concession of highways PR-22 & PR-5 was the most significant traffic-based infrastructure project to be successfully financed in North America since the financial crisis”



2011 Deal of the Year - Project Finance International

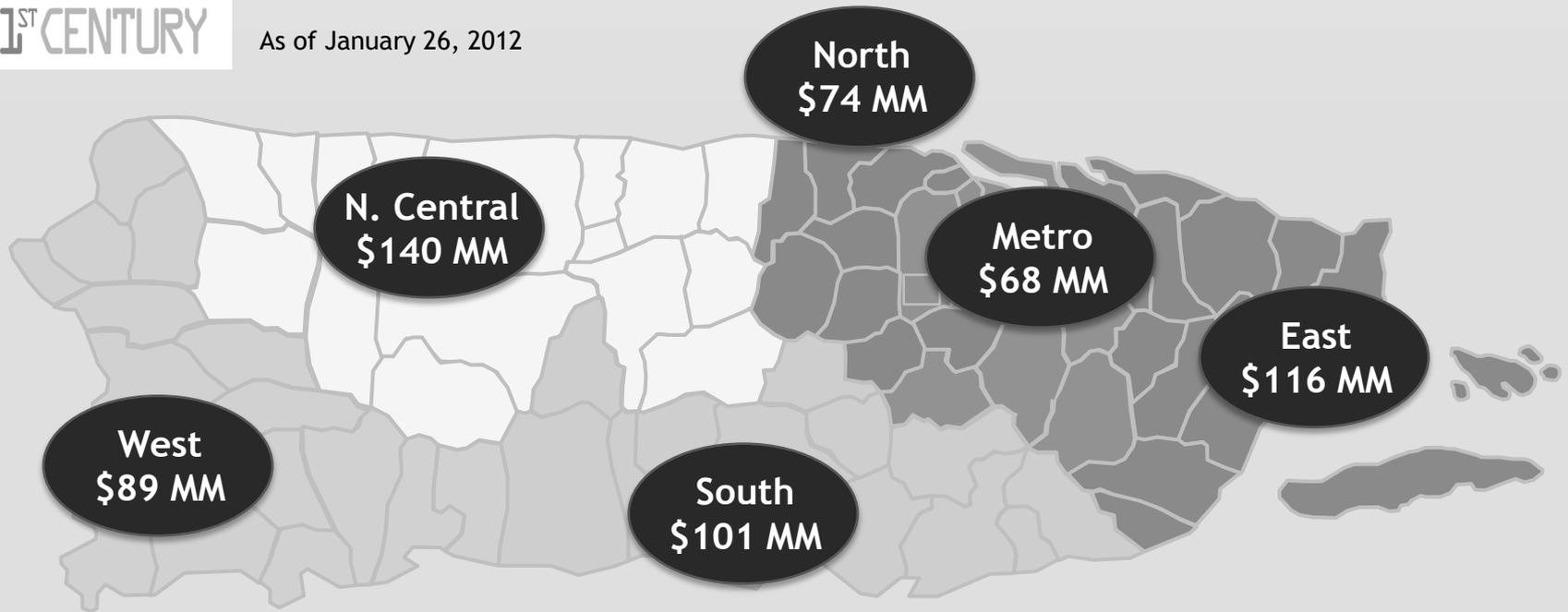


First social infrastructure P3 project in Puerto Rico is well underway with more than \$878 million available for investment and almost \$600 million already being deployed



77 schools under construction

As of January 26, 2012



Jobs and investment happening throughout the Island



We are focused on the successful completion of the LMM International Airport concession

Five consortiums of global players are actively involved in the bidding process

- Fraport AG Infrastructure Partners
- Puerto Rico Gateway Group (GE Capital Aviation)
- Grupo Aeroportuario del Sureste (ASUR) and Highstar Capital
- Flughafen Zürich AG, PSP, Camargo Corrêa, & Gestión e Ingeniería IDC
- Grupo Aeropuertos Avance (Macquarie y Ferrovial)

Benefits

- Improvement in infrastructure
- Enhanced traveler experience
- Fiscal and credit strengthening for Ports Authority and GDB





On the energy front, we are implementing initiatives to lower the electricity bill as we prepare to transition to the use of natural gas and renewables

Energy Cost Reduction - Initial Measures

Transfer the purchase of oil (to generate electricity) from PREPA to GDB; improve payment terms to suppliers to pass savings on to consumers

Implement a hedging program to reduce upswing of oil prices to PREPA's fuel charges

Implement a Natural Gas Plan in order to diversify energy production out of oil; Costa Sur to begin burning Natural Gas in April 2012.

Restructure PREPA's current debt to improve debt service cash flow

Ensure repayment of outstanding public corporation's debts with PREPA

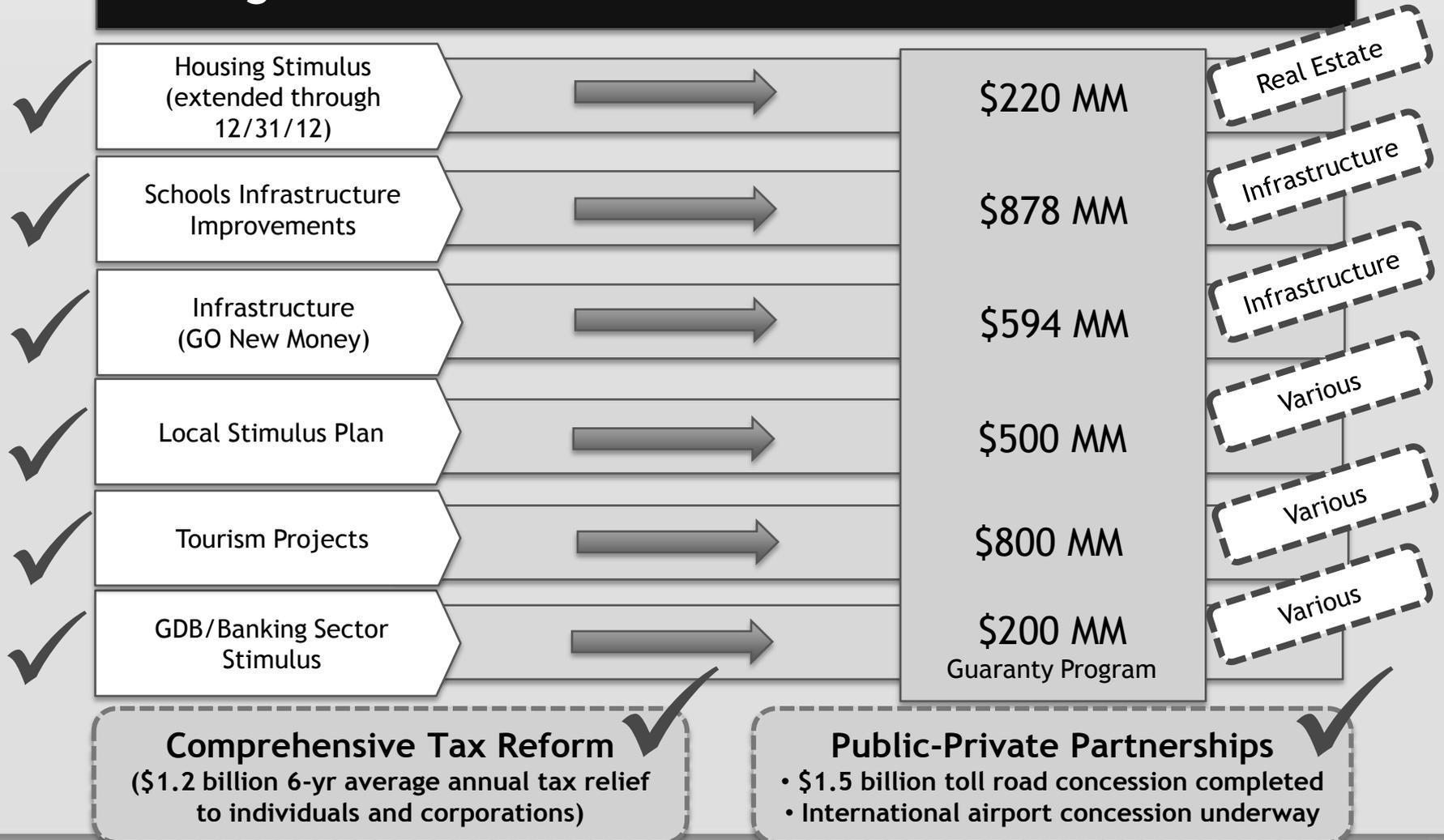
Ensure PREPA meets its expense reduction targets tied to contracts, and maintaining under control overtime, mileage, and stipend expenses





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

Significant investment in various economic sectors

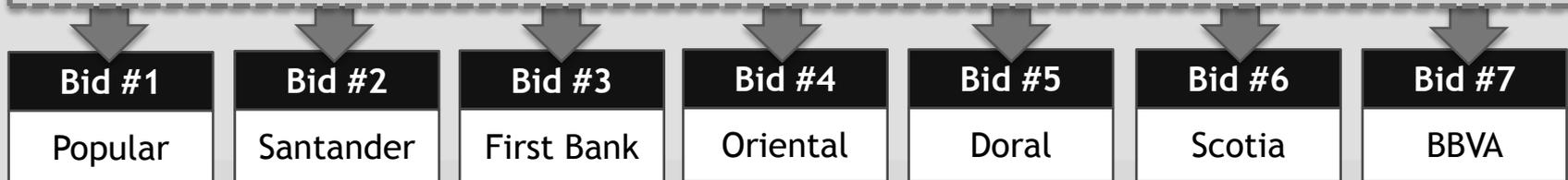




GDB launched an innovative loan guaranty program to complement the local banking sector and spur economic activity across different business segments

Puerto Rico Development Fund Guaranty Rights Allocation (\$200 million)

PRDF issued a Request for Proposal (RFP) for local banks to submit proposals to receive guaranty rights from the Fund



PRDF selects proposals and assigns guaranty rights based on the maximum amount that a bank is willing to commit to lend at the minimum risk to PRDF and within the least amount of time

EXPTECTED LAUNCH DATE: MARCH 16, 2012*

* Preliminary and subject to change



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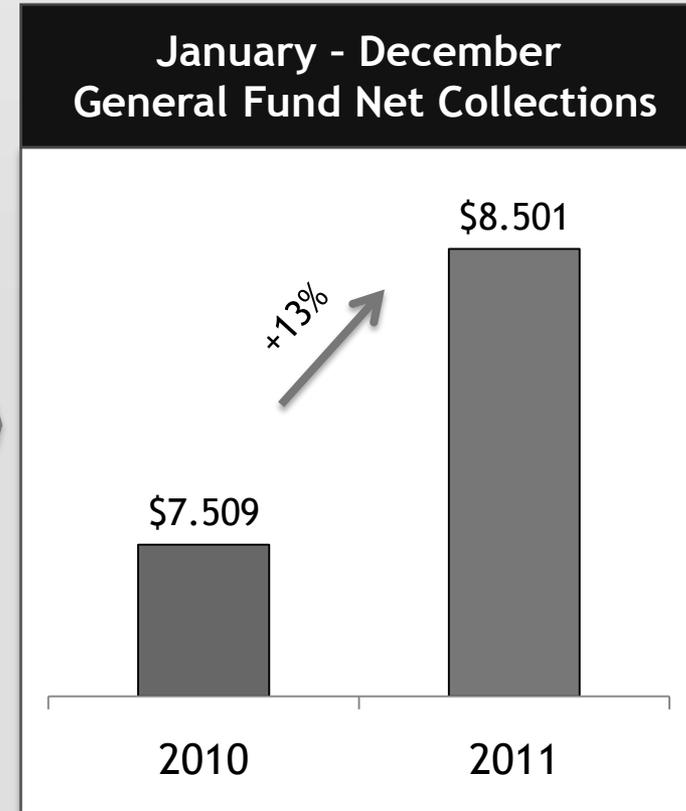
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Implemented Tax Reform is clearly reflecting the intended results, significantly reducing tax burden to individuals



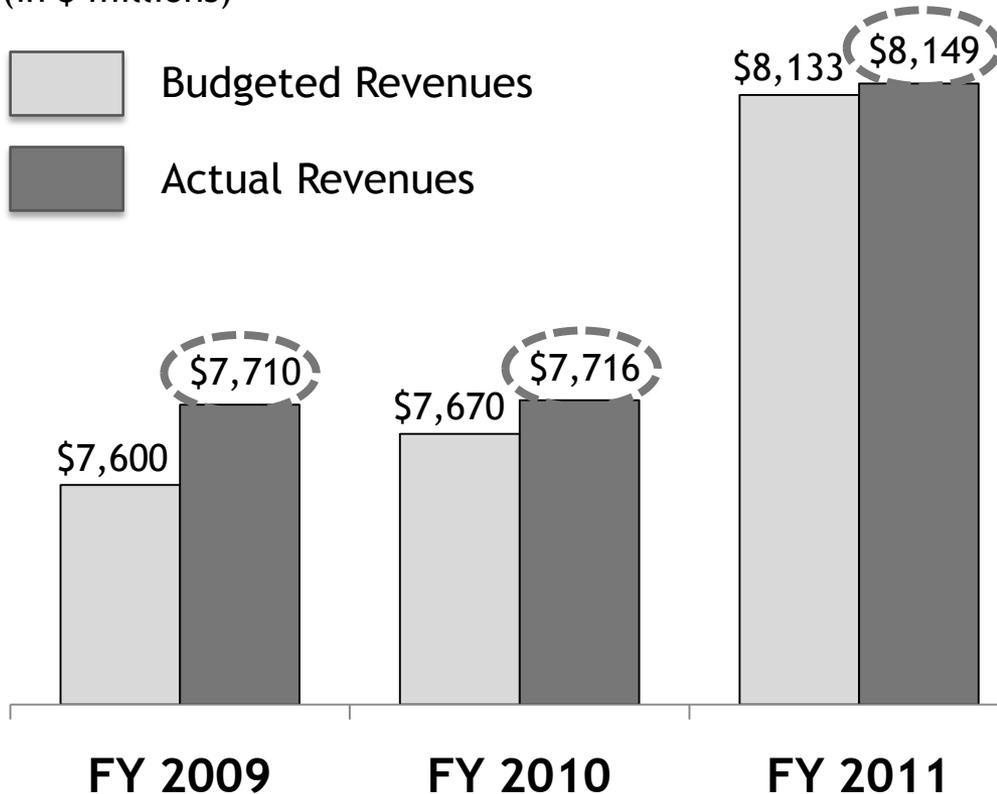
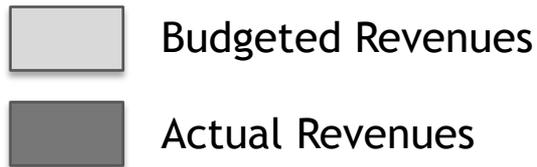
In spite of decreased Individual Tax Collections, General Fund Collections have increased more than **\$900 million** during CY 2011, in part due to the “Revenue Positive” effects of the Tax Reform



General Fund Net Revenues during FY 2011 were \$16 million above projections, the third consecutive year surpassing our budget...

Net Revenues for FY2009 - FY2011

(in \$ millions)



Net Revenues FY2012

YTD Net revenues are \$335 MM above FY2011 and slightly below FY2012 estimates as of December





Net Revenues for the first half of FY 2012 have increased 10.4% on a year-over-year basis

Revenue Categories (\$ millions)	July - December		\$ Change	Estimate	Actual vs.
	2011	2012		2012	Estimate
Individuals	\$1,164	\$923	(\$241)	\$963	(\$41)
Corporations	\$663	\$562	(\$101)	\$605	(\$43)
Non-Resident Withholdings	\$375	\$284	(\$92)	\$368	(\$84)
Property Tax	\$135	\$12	(\$124)	\$0	\$12
Sales and Use Tax	\$0	\$0	\$0	\$21	(\$21)
Act 154 Excise Tax	\$0	\$966	\$966	\$808	\$158
Motor Vehicles	\$174	\$183	\$9	\$165	\$18
Alcoholic Beverages	\$142	\$147	\$5	\$149	(\$2)
Off-Shore Shipments of Rum	\$159	\$166	\$7	\$148	\$18
Other	\$394	\$301	(\$94)	\$396	(\$95)
Net Revenues	\$3,207	\$3,542	\$335	\$3,622	(\$80)
Reserve for Tax Refunds	(\$211)	(\$294)	(\$83)	(\$294)	-
Gross Revenues	\$3,418	\$3,836	\$418	\$3,916	(\$80)

* Numbers may not add up due to rounding.

■ First \$595 million in SUT collections are allocated to COFINA for the payment of outstanding bonds.



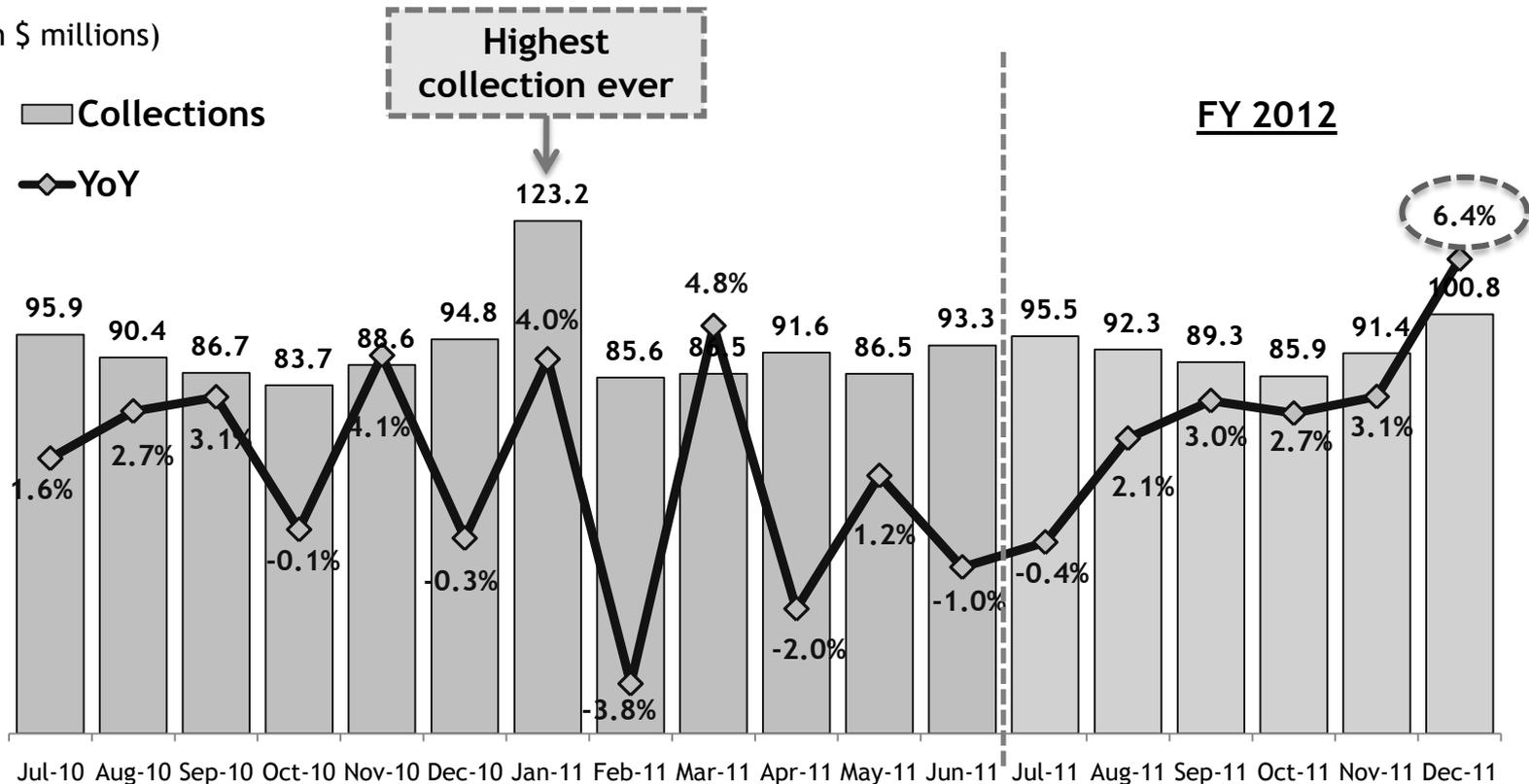
SUT collections for December FY 2012 increased above \$100 million for the first time since inception

FY 2011 Sales Tax Collections and FY 2012 YTD

(in \$ millions)

█ Collections

◆ YoY



Clear upward trend in SUT collections that we believe will continue as a result of improving economic conditions and increased compliance



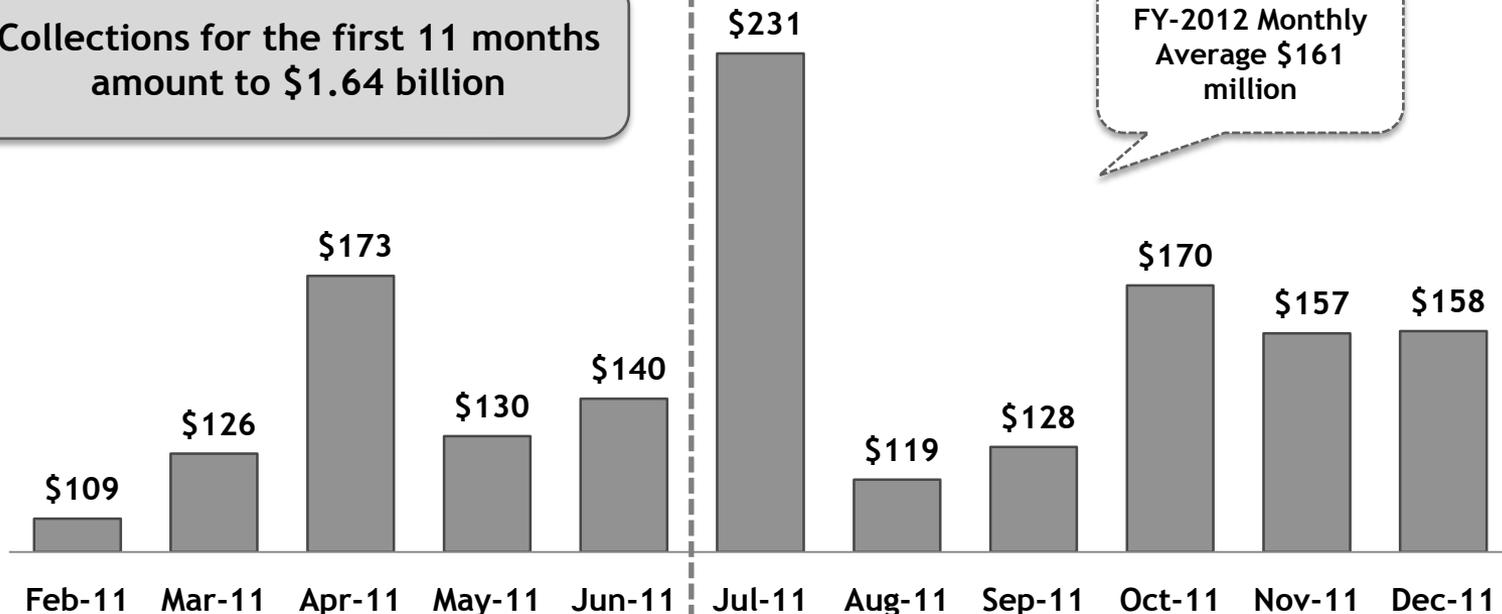
Special excise tax revenues from Act 154 have averaged \$149 million per month since its implementation...

Special Excise Tax (Act 154) Monthly Collections

(in \$ millions)

Collections for the first 11 months amount to \$1.64 billion

FY-2012 Monthly Average \$161 million



Budgeted collections for FY 2012 are \$1.578 billion, an average \$131.5 million per month. During the first six months of FY2012, actual collections 61% of budgeted amount.



Continuing our sound cash management practices, General Fund ended second quarter FY 2012 with \$298 million in cash balance

(in \$ millions)	Actual FY 2011				Actual FY 2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Beginning Balance	87	125	401	141	204	102
Collection and Receipts	2,734	3,376	3,229	4,281	3,076	3,863
Expenses Incl. Debt Service	3,553	3,637	3,673	3,557	3,835	3,780
Total Financing Activity	700	(225)	43	(1,072)	514	51
Total Stabilization Funds*	157	761	142	410	143	62
Ending Cash Balance	125	401	141	204	102	298

We have maintained average monthly cash balance of over \$320 million since July 2011

* Total Stabilization Funds include ARRA funds.

Note: These numbers are preliminary and subject to change upon FY2011 audit.

Source: Department of the Treasury and Government Development Bank for Puerto Rico



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OMB's second Quarterly Budget Review is now available



Quarterly Budget Review Fiscal Year 2012, Oct-Dec

The General Fund revenue estimates for FY 2012 totaled \$9.260 billion, including a one-time allocation of \$510 million from the State Stabilization Fund in order to achieve budget balance. Fiscal year to date revenues as of November 2011, totaled \$2,766 million, a 5% increase over fiscal year 2011.

GENERAL FUND EXPENDITURES FOR THE SECOND QUARTER ARE 1% BELOW AMOUNTS BUDGETED

	Oct-Dec (thousands of dollars)	Oct-Dec (thousands of dollars)
General Fund	\$ 1,868,121	\$ 1,854,147
Budgeted Expenditures		13,974
Actual Expenditures		1%
Variance \$		
Variance %		

Source: Office of Management and Budget (OMB)

The following table shows 2nd Quarter actual expenditures by expense category.

ACTUAL RESULTS BY EXPENSE CATEGORY SHOW PAYROLL EXPENSES 2% BELOW PLAN

FY 2012 Budget vs. Actual by Expense Category (thousands of dollars)

Expense Category	Oct-Dec - Q2		Variance ¹	
	Budget	Actual	\$	%
Payroll ²	\$ 726,629	\$ 709,940	\$ 16,689	2%
Utilities	93,356	88,460	4,896	5%
Utilities	45,305	50,888	(5,583)	-12%
Purchased Services	49,656	68,168	(18,512)	-37%
Donations & Contributions	21,745	21,219	526	2%
Transportation	23,760	21,549	2,211	9%
Professional Services	6,650	8,118	(1,468)	-22%
Other Expenses	160,445	160,445	563	4%
Debt Service	16,083	15,520	1,287	44%
Materials	2,925	1,638	373	73%
Equipment	514	141	373	73%
Advertising	1,825	4,999	(3,174)	-174%
Incentives and Subsidies to Citizens	4,559	697	3,862	85%
Contributions to non-Government Entities	709,158	696,848	12,310	2%
Non Distributed Appropriations ³	2,768	2,540	228	8%
State Matching Funds	2,743	2,977	(234)	-9%
Previous Year's Payables	\$1,868,121	\$1,854,147	\$13,974	1%
Total				

Source: OMB, preliminary and unaudited

¹ Positive operating results are believed to be timing related and do not provide a basis for revising annual estimates.

² Positive variance due to deferred overtime payments and hiring delays.

³ Excludes DOE Schoolwide Program

This Quarterly Budget Review is available at www.omb.pr.gov

Positive operating results are believed to be timing related and do not provide a basis for revising annual estimates of disbursements at this time.

Payroll related costs continue to be under OMB's strict monitoring through monthly reporting of new hires and terminations and preauthorization of related to deferred overtime payments and expense category is related to deferred overtime payments and hiring delays in various security agencies. The negative variance of 37% in the Donations and Contributions expense category not caused by budget transfers between expense categories to pay for the agencies comprising the welfare sector to pay for supplementary services provided by non for profit organizations. Most of these funds were initially allocated in the Non Distributed Appropriations expense category and were transferred in later months, as needs arose. During the month of January 2012, OMB will be revising the projections with the agencies to account for the changes or budget transfers between expense categories in the adopted budget.

Other operational expenses are at levels consistent with expectations, with variance due mainly to the timing of disbursements as several payments originally anticipated in the second quarter of the fiscal year will occur in later months.

OMB continues to use the BVA application and monthly expense control meetings to monitor those agencies that historically have represented a budget risk. The following table shows Budget vs. Actual expenses by programmatic sectors.

FY 2012 Budget vs. Actual by Programmatic Sector (thousands of dollars)

Sector	Oct-Dec Q2		Variance ¹	
	Budget	Actual	\$	%
Special Pension Contributions	\$ 17,552	\$ 17,552	\$ 0	0%
Contributions to Municipalities	113,089	109,630	3,459	3%
Welfare	94,616	113,105	(18,489)	-20%
Economic Development	53,061	51,711	1,350	3%
Education ²	399,824	405,292	(5,467)	-1%
General Government	360,746	344,954	15,792	4%
Safety & Protection	375,076	359,553	15,523	4%
Health	416,497	410,234	6,263	2%
Transportation & Communications	32,600	37,474	(4,874)	-15%
Housing	5,060	4,642	418	8%
Total	\$ 1,868,121	\$ 1,854,147	\$ 13,974	1%

Source: OMB, preliminary and unaudited

¹ Positive operating results are believed to be timing related and do not provide a basis for revising annual estimates.

² Excludes DOE Schoolwide Program.

³ Excludes DOE Schoolwide Program.

By programmatic sector, expenses are within budgeted levels for this second quarter of fiscal year 2012, with the exception of Welfare and Transportation & Communications. The negative variance in the welfare sector is related to the timing of disbursement, with several large payments originally anticipated in the third and fourth quarter of fiscal year 2012. Higher funds for the Cruise Lines Incentives Program from the Economic Development sector, after the budget was adopted.

Safety & Protection and the Health sectors are still under close evaluation to minimize any budget impact resulting from their identified excess funds in various expense categories to cover unanticipated disbursements associated with their ongoing reform. We continue working with the Puerto Rico Health Insurance Administration to implement cost control initiatives to offset and minimize additional expenditures resulting from changes in the risk allocation model.

The FY 2012 budget provides for total expenditures of \$9.260 billion, which are 1% higher than budgeted total expenditures of \$9.150 billion for fiscal year 2011. Accumulated year to date expenditures add up to \$3,775,984. This amount does not include an estimated \$542.7 million from the Department of Education Schoolwide Program since these expenses are not yet registered in the central government accounting system. General Fund expenses from the Schoolwide Program must be allocated by school before they are reflected in the accounting system, according to a matching formula approved by the federal government. Including the Schoolwide Program, the accumulated expenses represent approximately 47% of the adopted budget.

Estimated expenditures show total expenses within the FY 2012 budget. The areas of education, health, and public safety are being closely monitored by special Budget Control Groups designed to develop and implement efficiency measures and examine all operating expenses in order to ensure sustained budget stability. Changes in federal funds receipts must also be monitored, especially as they are related to Medicaid and other health sector grants.

FY 2012 Budget vs. Estimated Expenditures* by Expense Category (thousands of dollars)

Expense Category	Adopted Budget	YTD Expenses	Total Estimated Expenses
Payroll	\$3,005,648	1,560,950	\$ 3,005,648
Utilities	422,005	178,969	422,005
Purchased Services	191,964	77,517	191,964
Donations & Contributions	144,889	96,794	144,889
Transportation	54,366	26,072	54,366
Professional services	103,098	29,606	103,098
Other expenses	27,719	11,813	27,719
Debt Payment	840,645	283,085	840,645
Materials	67,796	20,007	67,796
Equipment	25,759	6,200	25,759
Advertising	1,886	409	1,886
Incentives and Subsidies to Citizens	19,081	11,587	19,081
Contributions to non-government entities	16,484	1,280	16,484
Non distributed appropriations**	4,316,425	1,459,886	4,316,425
State Matching Funds	15,240	3,300	15,240
Previous year payables	6,995	8,509	6,995
Total	\$9,260,000	\$3,775,984	\$ 9,260,000

*Source: OMB, preliminary and unaudited. Does not include any possible additional expenses that may be incurred by the Police Department and the Puerto Rico Health Insurance Administration.

** YTD Expenses do not include an estimated \$542.7 million from the Department of Education Schoolwide Program. Funds for this program were included in the adopted budget, but expenses are not yet reflected in the accounting system.

FORWARD LOOKING STATEMENT: Information contained in this report includes certain statements not historical in nature. These statements are based on the Government of Puerto Rico and OMB's current beliefs regarding future events, and are based upon a number of estimates and assumptions that are subject to significant uncertainties, many of which are outside the control of the Office of Management and Budget and its agencies. This report has been prepared solely for information purposes, and should not be construed as a recommendation to buy or sell any securities or to participate in any particular trading.

For additional information regarding this report please contact Josianne Rosselló at (787) 725-1375 (OMB) or Ana Gregorio at (787) 722-2525 (GDB)

This Quarterly Budget Review is available at www.omb.pr.gov



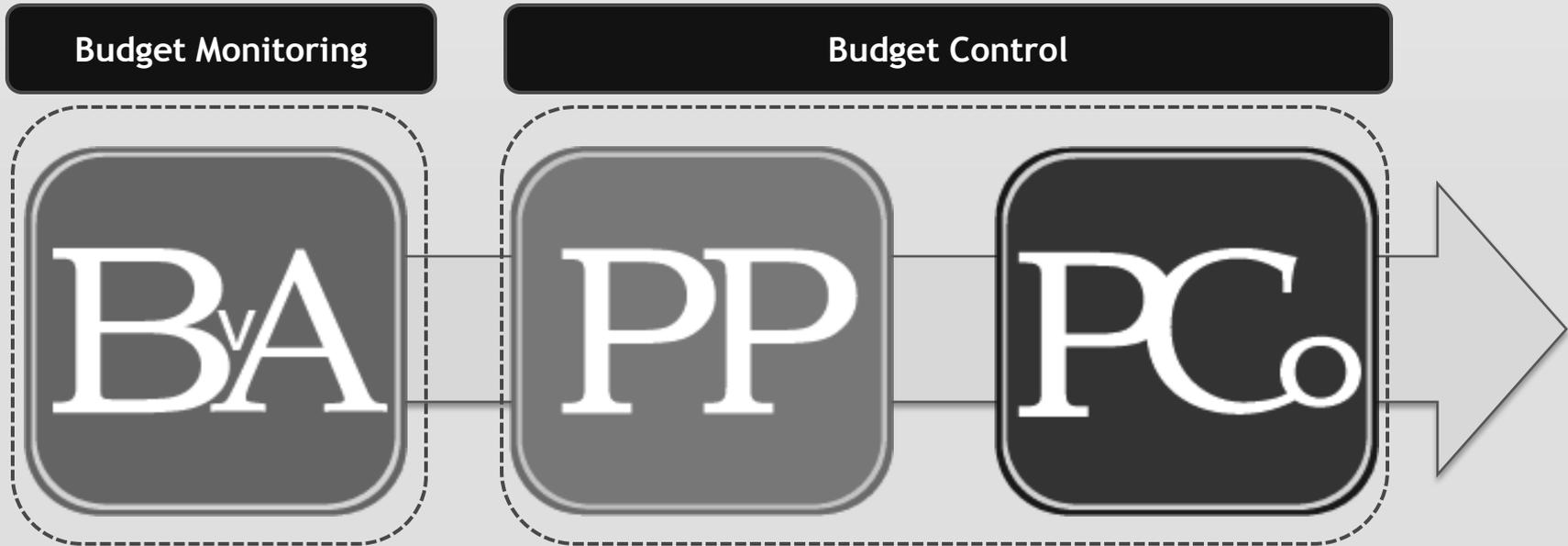
We have kept expenses for the first half of fiscal year 2012 in line with budget

Fiscal Year 2012 Budget vs. Actual Expenses- First Semester

Expense Category <i>(\$ in thousands)</i>	Projected (Annual)	Actual
Payroll	\$3,005,648	\$1,560,950
Utilities	422,005	178,969
Purchased Services	191,964	77,517
Donations and Contributions	144,889	96,794
Transportation	54,366	26,072
Professional Services	103,098	29,606
Other Expenses	27,719	11,813
Debt Service	840,645	283,085
Materials	67,796	20,007
Equipment	25,759	6,200
Advertising	1,886	409
Incentives and Subsidies to Citizens	19,081	11,587
Contributions to non-Government Entities	16,484	1,280
Non Distributed Appropriations	4,316,425	1,459,886
State Matching Funds	15,240	3,300
Previous Year's Payable	6,995	8,509
Total	\$9,260,000	\$3,775,984



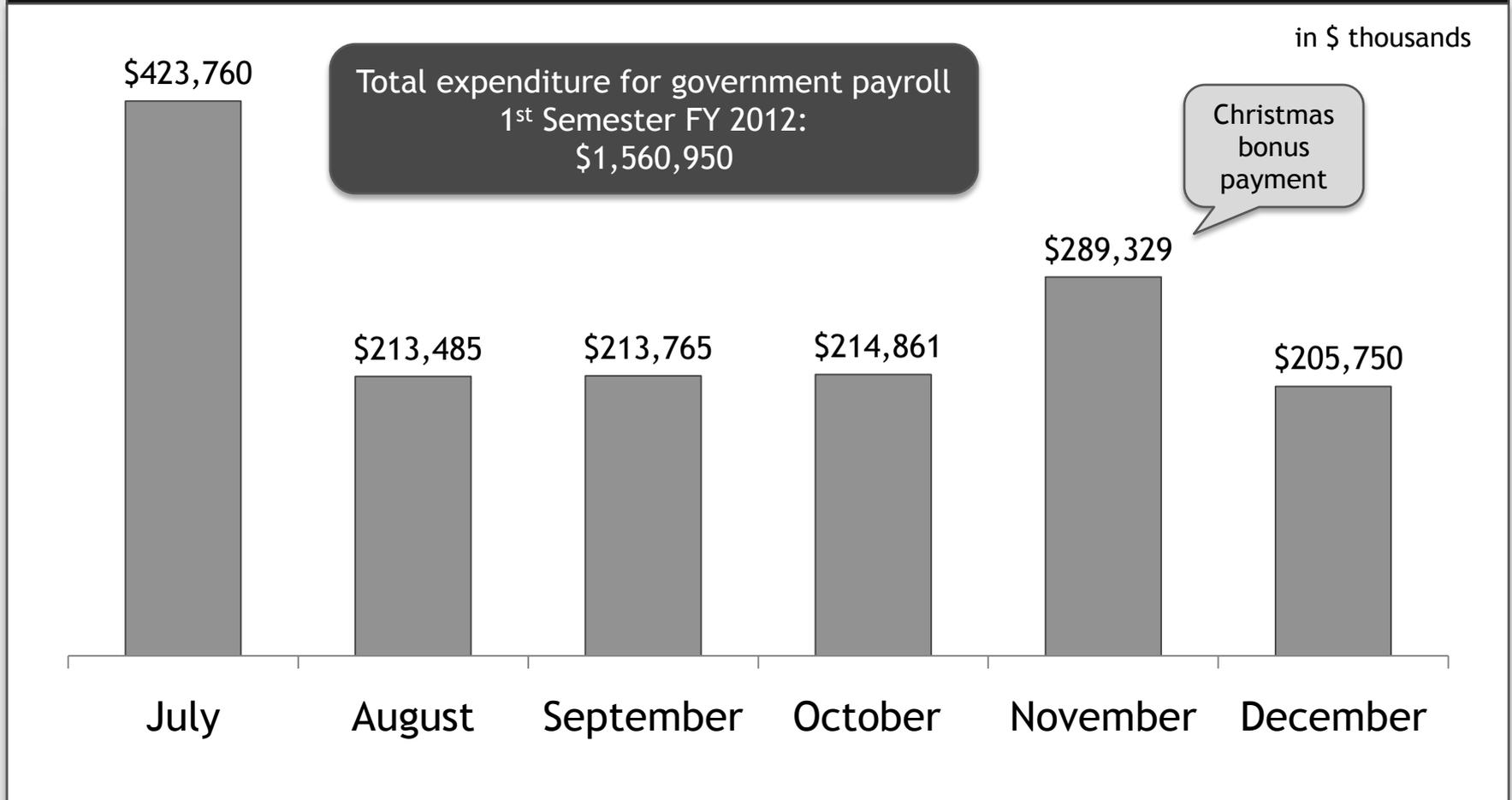
In FY 2012 we made great progress in terms of monitoring and controlling the budget...





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

Payroll - Fiscal Year 2012 (BvA Expenses)*



* Includes both Joint Resolution and Special Appropriations payroll expenses



We have aimed to reduce General Fund sourced payroll, while at the same time maximizing other funding sources

Hires vs. Terms - 1st Semester FY 2012

FY 2012 Month	General Fund		Federal Funds		Other Funds	
	Hires	Terms	Hires	Terms	Hires	Terms
July	168	-	768	-	59	-
August	200	294	592	397	22	24
September	197	213	742	281	30	22
October	174	223	190	213	26	8
November	193	157	90	192	28	13
December	117	201	63	220	19	9
Total	1,049	1,088	2,445	1,303	184	76

Total Hires - First Semester Fiscal Year 2012

3,678

Total Terms - First Semester Fiscal Year 2012

2,467



OMB will continue to prudently manage the budget

1 Expenses incurred during the first half of FY 2012 were in line with budget

2 Our new monitoring systems have allowed us to control payroll costs between agencies and maximize the use of other funding sources

3 We identified potential challenges and opportunities in the current budget that will allow us to reallocate funds between agencies

4 Projected expenses for FY 2012 should be in line with budget



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GDB, as fiscal agent, has implemented a comprehensive strategy in managing the swap portfolio exposure of the Government of PR and all its public corporations



Centralized monitoring of mark to market and collateral postings



Maximized portfolio liquidity by lessening the volatility impact on mark to market



Proactive management of roll over risk due to liquidity facility expirations



Reduced portfolio and simplified overall debt and swap profile

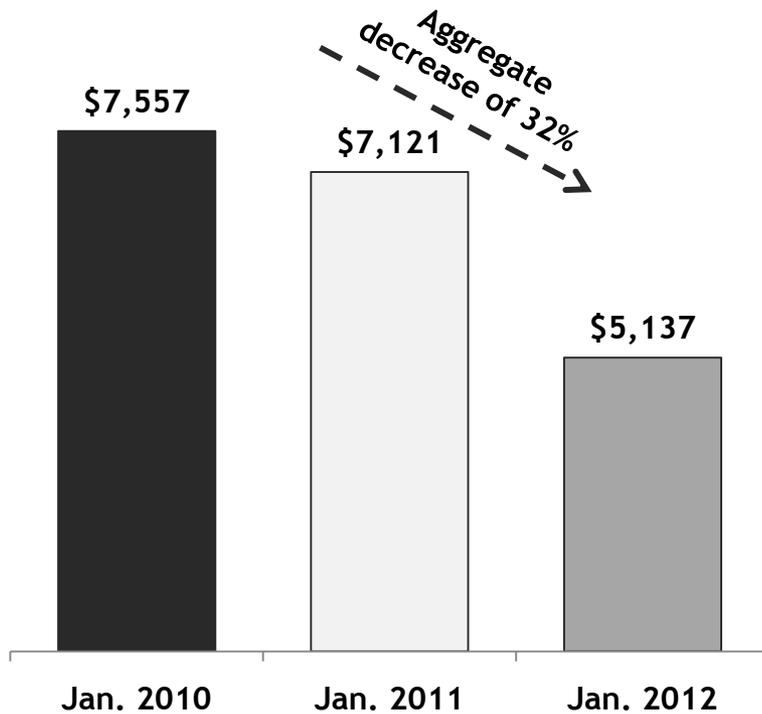


Notional exposure has been reduced by \$2.42 billion or 32% since 2010

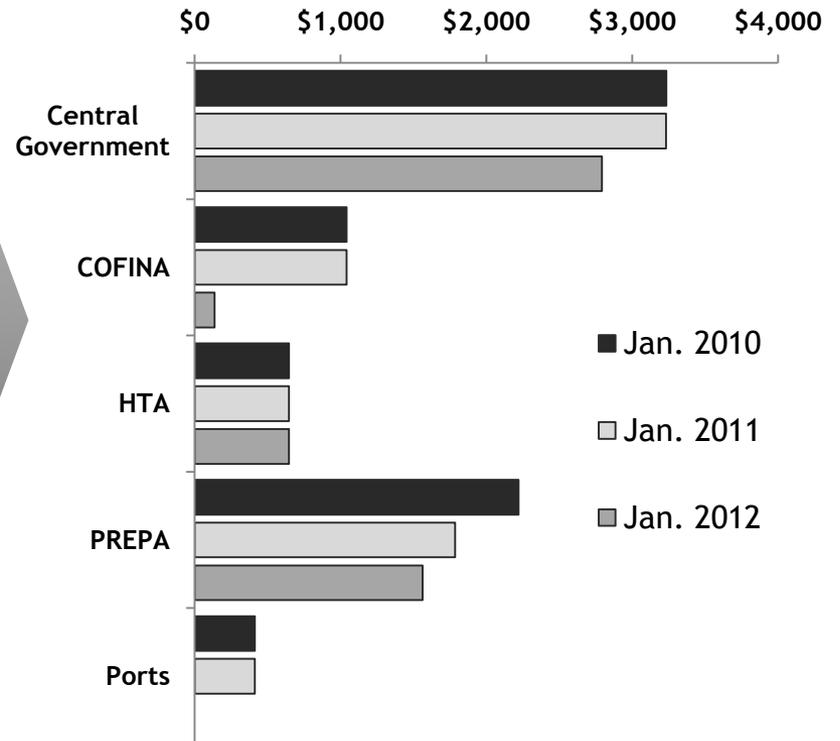
Swap Portfolio Breakdown by Notional Amount

(in \$ millions)

Total Swap Portfolio*



Swap Portfolio by Issuer



* Includes central government and public corporations

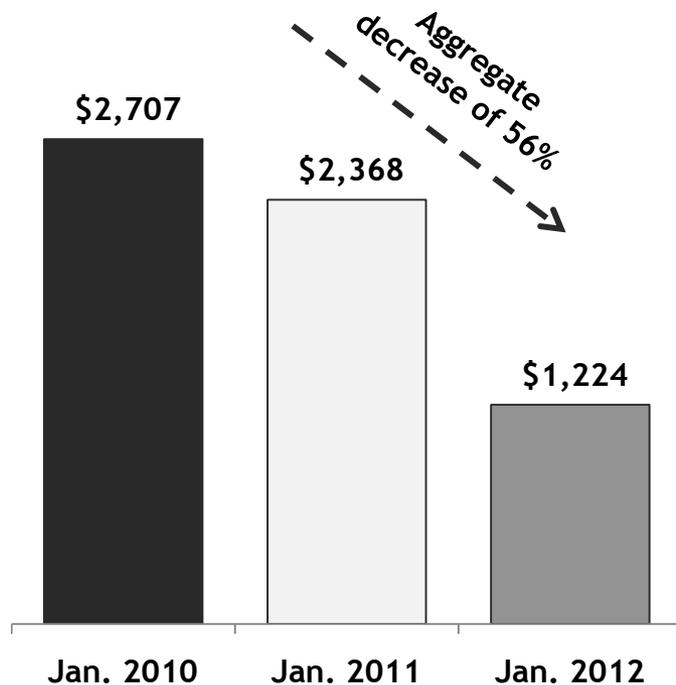


We have significantly reduced our sensitivity to interest rate fluctuations

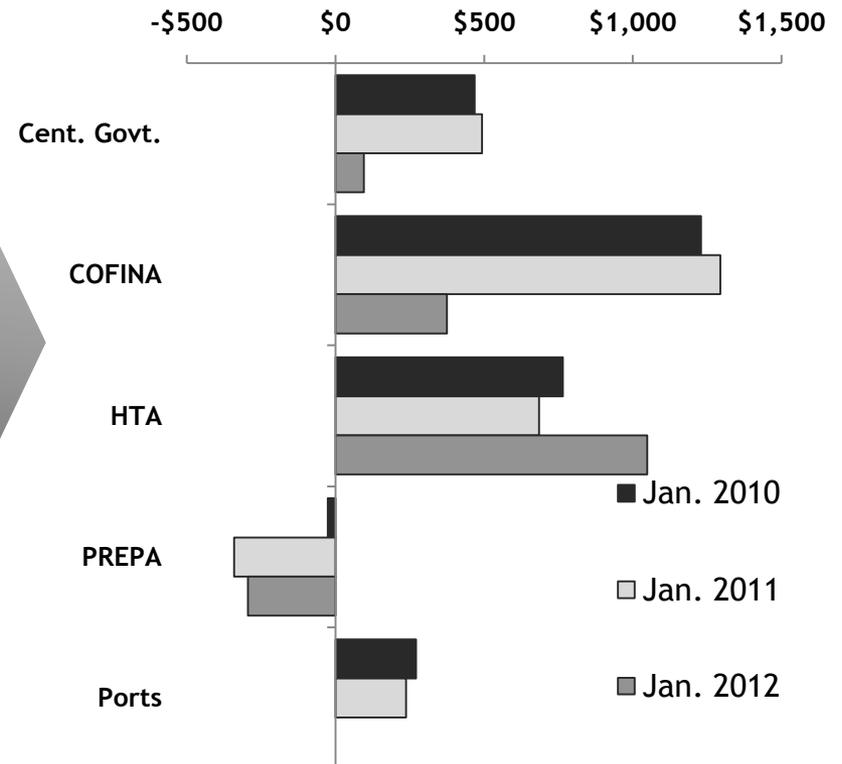
Swap Portfolio Breakdown by Dollar Value of 1 basis point (DV01)

(in \$ thousands)

Total Swap Portfolio by DV01*



DV01 Swap Portfolio by Issuer



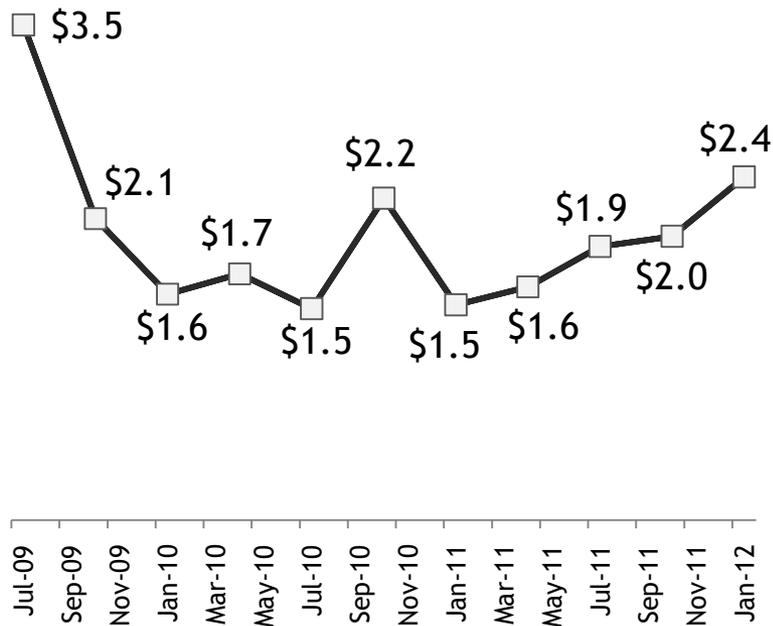
* Includes central government and public corporations



Basis swap exposure has consistently provided both PREPA and the Central Government with positive cash flows

Central Government

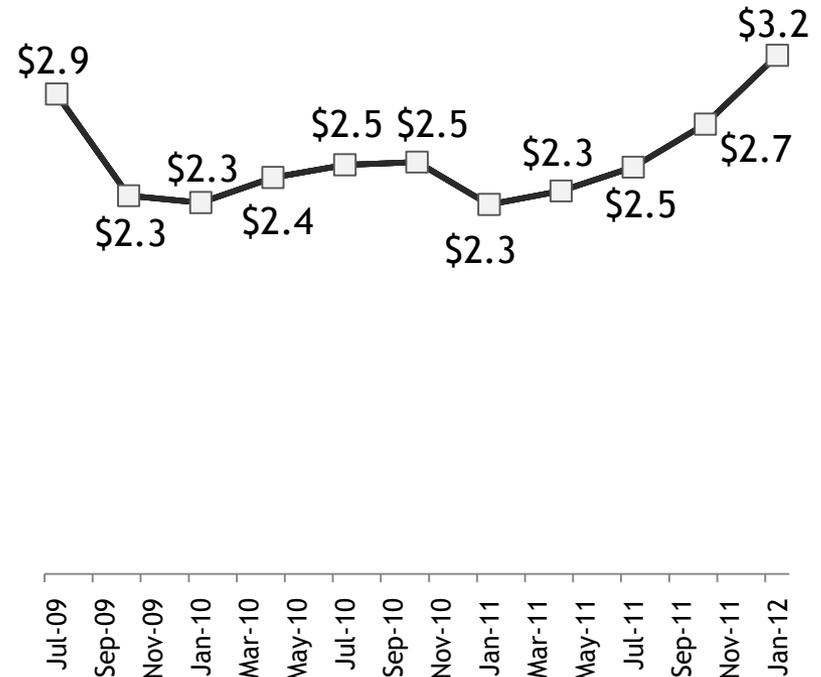
\$ in Millions



Govt. net cash flow accrual since July 2009:
\$22.0 million

PREPA

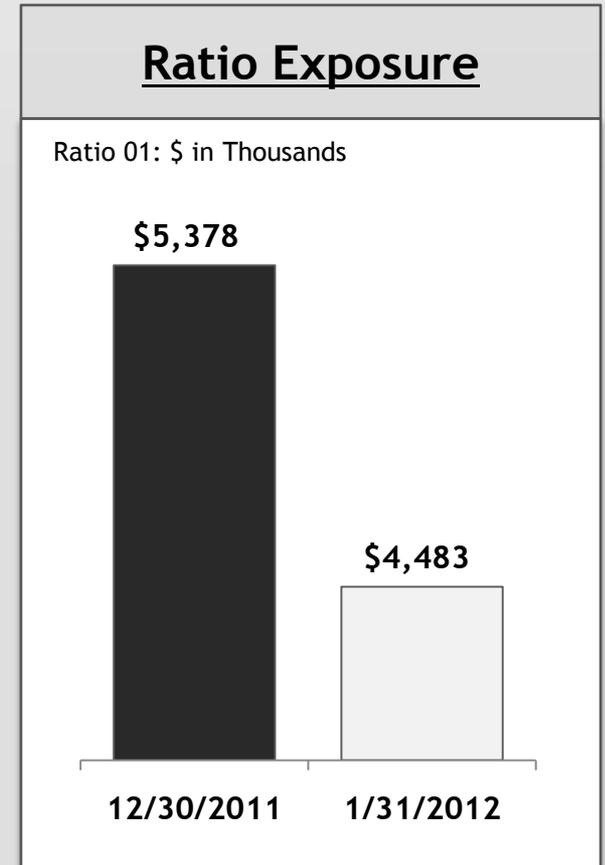
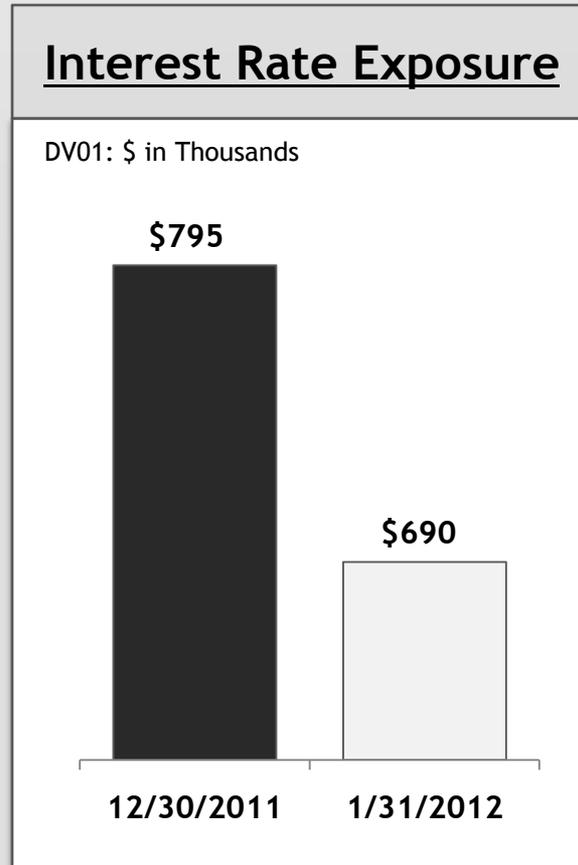
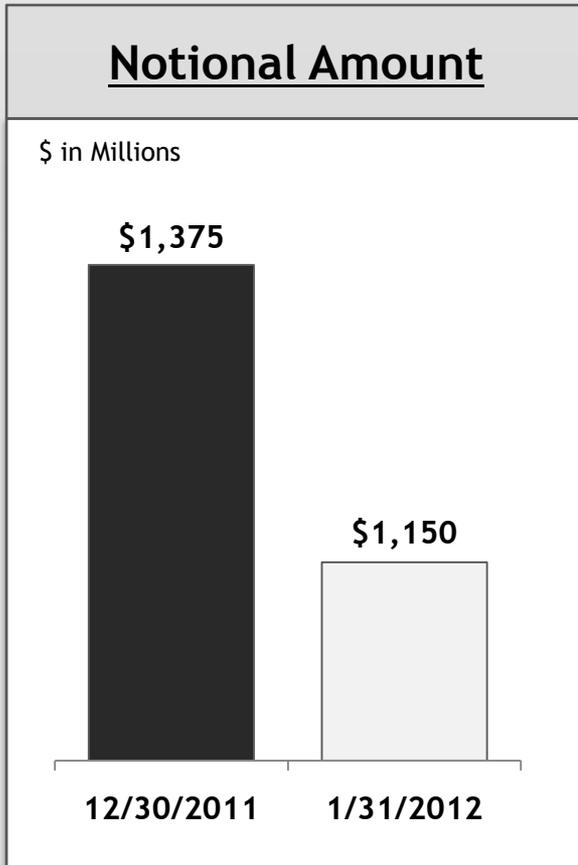
\$ in Millions



PREPA's net cash flow accrual since July 2009:
\$28.0 million



Recent partial terminations of PREPA's basis swap have reduced exposure to rates and SIFMA/LIBOR ratios





Collateral requirement scenarios

* Insurer events have occurred on the AMBAC and MBIA-insured swaps.

Current MTM Requirements

Credit	Notional	MTM as of 1/31/12	Collateral requirement	Collateral requirement upon 1 notch PR downgrade + downgrade of AGM below A3 or A-	Incremental Requirement
1 Central Government	\$2,792,195,000	\$(259,389,530)	\$6,602,817	\$67,385,982	\$60,783,165
2 COFINA	136,000,000	(84,721,094)	--	--	--
3 PREPA	1,561,825,000	(83,745,002)	--	4,307,362	4,307,362
4 HTA	647,025,000	(214,410,095)	55,884,094	109,644,945	53,760,851
Total	\$5,137,045,000	\$(642,265,721)	\$62,486,911	\$ 181,338,289	\$ 118,851,378

The Government can withstand an adverse rating scenario under the current liquidity management program



Well-positioned portfolio to withstand adverse interest rate scenarios

* Insurer events have occurred on the AMBAC and MBIA-insured swaps.

Adverse MTM Requirements

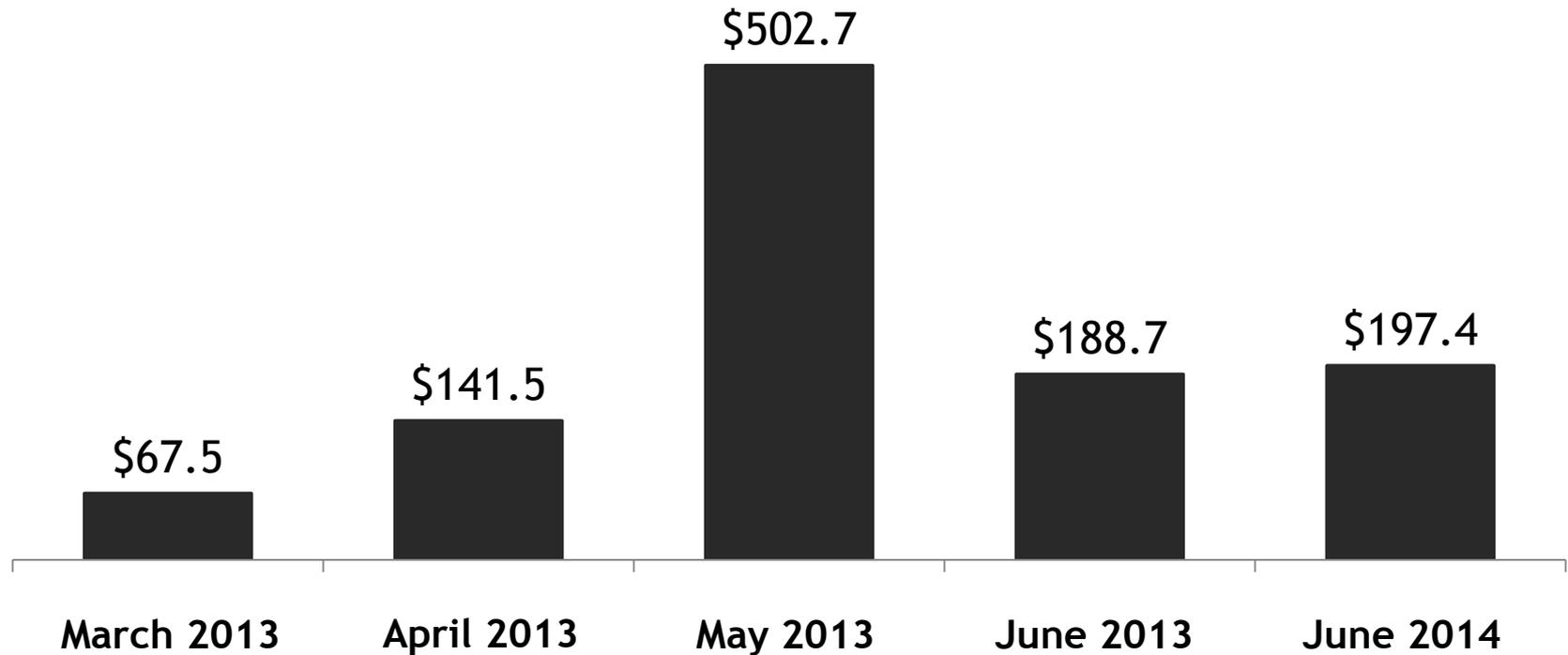
	Credit	Notional	MTM after -50 bps move	Collateral requirement	Collateral requirement upon 1 notch PR downgrade + downgrade of AGM below A3 or A-	Incremental Requirement
1	Central Government	\$2,792,195,000	\$(264,146,330)	17,698,917	\$95,495,672	\$77,796,755
2	COFINA	136,000,000	(103,468,494)	--	--	--
3	PREPA	1,561,825,000	(69,022,710)	--	15,392,542	15,392,542
4	HTA	647,025,000	(266,809,995)	94,936,895	154,936,895	60,000,000
	Total	\$5,137,045,000	\$(703,447,529)	\$112,635,812	\$265,825,109	\$153,189,297



VRDB rollover risk is being proactively managed

Liquidity Facility Calendar Expirations*

\$ in Millions
Quarter in Calendar Year



* Includes GO and PR Highways related credit facilities



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Capital markets activity during 2012 will include both revenue and general obligation issuances, with an emphasis on refundings

1st & 2nd Quarter 2012

GO*

Refunding Series 2012A - \$750 M (103)
Refunding Series 2012B - \$50 M (Local)
Refunding Series 2012B - \$800 M (103)
Mandatory Tender Bonds - \$200 M

PREPA

Refunding - \$450 M
(Refunding and CIP)

PBA

Refunding - \$200 M (103)

HTA*

Revenue Bonds - \$1 Bn
(Refunding and CIP)

3rd & 4th Quarter 2012

GDB Notes

Refunding

PFC

Refunding - \$300 M (Local)

GO*

New Money Series 2012 - \$290 M

Other possible issuers*

MFA & UPR

* Preliminary, subject to change and market conditions

This projected calendar is subject to change due to market conditions and will vary. Most capital market transactions will be for refunding and permanent takeouts of GDB and private banking sector loans and increasing GDB's liquidity and ability to continue supporting the Government of Puerto Rico



Continued Disclosure Undertaking - 15c-2-12

- FY 2011 Comprehensive Annual Financial Report is expected to be filed on or before April 30, 2012, in compliance with Rule 15c-2-12

Employee Retirement System Actuarial Report

- FY 2011 Actuarial Report is expected to be finalized within the next 30 to 45 days



2012 Investor Events Calendar*

		Central Gov't	Public Corps
Investor Webcasts	1 Tuesday, February 21, 2012 - 10:00 AM EST	✓	
	2 August 2012	✓	✓
	3 November 2012	✓	✓
Credit Conference 2012	1 Thursday, May 10, 2012 - Friday, May 11, 2012 General Topics: GO, GDB, P3, and public corporations (PRASA, PREPA, & HTA)	✓	✓
Public Corporations Investor Webcasts	1 PRASA - Road Show, Webcast and issuance • January/February 2012 (Done)		✓
	2 PREPA - Road Show, Webcast and issuance • March/April 2012		✓
	3 HTA - Road Show, Webcast, and issuance • April/May 2012		✓

* All dates are preliminary and subject to change



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We continue to stay the course of fiscal consolidation while opportunistically stimulating our economy



Executed a fiscal stabilization plan that resulted in a reduced deficit and expenses, increased and reliable revenues and removed our credit ratings from the verge of non-investment grade



Implemented initial steps to address our unfunded pension liabilities while remaining committed to keep working to permanently solve our critical situation



Proven access to capital markets by building trust and maintaining a transparent relationship with our investor community



Implemented economic stabilization and stimulus initiatives (Tax reform, P3s, housing stimulus, loan guaranty program, infrastructure investment, energy cost reduction measures, tourism development)



Focused on completing key infrastructure projects that will improve Puerto Rico's global competitiveness



Puerto Rico

Promoting Economic Growth in Times of Fiscal Austerity

Investor Webcast

February 21, 2012