Fiscal Oversight & Management Board

Puerto Rico Fiscal Update

January 28th, 2017

Gerardo J. Portela Franco
Executive Director
Puerto Rico Fiscal Agency and
Financial Advisory Authority
New Administration’s first 27 days …

The new Administration has aggressively begun to address the Government’s fiscal crisis, implementing a resolute legislative package and executive orders.

Governor is sworn in:
- EO- 2017 – 001 Fiscal Control & Economic Reconstruction
- EO- 2017 – 003 Expedite Key Infrastructure Projects
- EO- 2017 – 005 Zero-based Budgeting

Jan. 2
- Senate Bill No. 0001 of 2017 Enterprise Puerto Rico
- Senate Bill No. 0004 of 2017 Destination Marketing Organization

Jan. 7
- House Bill No. 0451 of 2017 Act 54 Extension

Jan. 9
- House Bill No. 0454 of 2017 Single Employer

Jan. 11
- Act No. 1 of 2017 Public Private Partnerships Act
- Act No. 2 of 2017 Puerto Rico Fiscal Agency and Financial Authority

Jan. 18-19
- House Bill No. 0675 of 2017 Financial Emergency and Fiscal Responsibility Act

Jan. 25
- Act No. 4 of 2017 Labor Transformation and Flexibility Act

Jan. 27
- PREPA Restructuring Support Agreement (“RSA”) extended

Fiscal Plan Development, PROMESA Compliance & Information Sharing Protocols…
## FOMB Compliance Update

We have complied with FOMB’s pre-conditions to the consideration of an extension of the filing deadline of the Government’s fiscal plan, and the automatic stay.

<table>
<thead>
<tr>
<th>Conditions</th>
<th>Status</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Commitment to a “once and done” approach that achieves structural balance without short-term liquidity loans or near-term financings.</td>
<td>✔️</td>
<td>Aligned</td>
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<tr>
<td>Development and implementation of a liquidity plan that addresses anticipated cash shortfalls at least through the duration of the stay.</td>
<td>✔️</td>
<td>Draft presented today</td>
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<tr>
<td>13-week rolling cash flow forecasting report.</td>
<td>✔️</td>
<td>Draft presented today</td>
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<tr>
<td>Bridge between 2014 audited financial statements and fiscal plan baseline scenario.</td>
<td>✔️</td>
<td>Draft presented today</td>
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<tr>
<td>Schedule of important milestones.</td>
<td>✔️</td>
<td>Completed</td>
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<tr>
<td>Establish a clear joint working arrangement, information sharing protocol and work plan.</td>
<td>✔️</td>
<td>Completed</td>
</tr>
<tr>
<td>Title VI negotiations conducted will be in joint coordination between the Board and the Government.</td>
<td>✔️</td>
<td>Aligned</td>
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