

Autoridad de Asesoría Financiera y Agencia Fiscal de Puerto Rico (AAFAF)

November 16, 2020

OMAR J. MARRERO
Chief Financial Officer
Executive Director and Chairman of AAFAF

AAFAF



POWERS OF AAFAF

Act 2-2017 was passed in January 2017, which created a new Financial Advisory Authority and Fiscal Agency of Puerto Rico (AAFAF) with greater powers and authority to coordinate the use of government resources. The creation of AAFAF has been of great importance to the Government of Puerto Rico, since it has the responsibility to work on all the mandates of the PROMESA law.



Budget Oversight

AAFAF acts as an entity that oversees compliance with the budget and fiscal plan.



Debt Negotiation

AAFAF is responsible for initiating discussions with creditors to reach voluntary restructuring agreements.



Auditing

AAFAF has the power to conduct audits and investigations, as well as order information requests as part of its oversight efforts.



Administration

AAFAF can determine overspending and can order the freezing of budget items, appoint trustees, redistribute human resources and change procedures, among other actions.



BACKGROUND AND CONTEXT

Over the past few decades, a multitude of factors contributed to Puerto Rico's steep economic decline, including a shrinking economy, a declining population and a deteriorating fiscal situation. From the early 2000's until 2016, public debt increased rapidly and the outlook for Puerto Rico's economy progressively deteriorated.

Economic conditions - Since 2005, the number of people living under the poverty line has increased, while Puerto Rico's economy began to contract, experiencing a sharper decline than the rest of the United States.

Hurricanes - Hurricanes Maria and Irma inflicted unprecedented damage on Puerto Rico, leaving large segments of the population without power for months, causing the longest and largest power outage in US history.

Earthquakes - Puerto Rico suffered the most serious earthquakes in recent memory, resulting in structural damage to buildings across southwestern Puerto Rico.

COVID-19 - Puerto Rico's economic situation, still reeling from the effects of natural disasters, is further exacerbated by the COVID-19 pandemic.



Enactment of PROMESA



PROMESA

On June 30, 2016, President Obama signed into law the *Puerto Rico Oversight, Management, and Economic Stability Act of 2016* (PROMESA) in order to “provide a method for [Puerto Rico] to achieve fiscal responsibility and access to the capital markets” by establishing, among other things:

- **7-member** Oversight Board appointed by the President whose responsibilities include the certification of fiscal plans and budgets for Puerto Rico;
- **A temporary stay of creditor lawsuits** through May 1, 2017 under Title IV of PROMESA;
- **A voluntary debt modification process** under Title VI of PROMESA, which utilizes a largely out-of-court debt restructuring process through debt modifications acceptable to a supermajority of creditors; and
- **A quasi-bankruptcy proceeding** under Title III of PROMESA, which utilizes an in-court debt restructuring process substantially based upon incorporated provisions of the U.S. Bankruptcy Code.
- On September 30, 2016, the Oversight Board: i) announced a process for the preparation, submission, approval, and certification of fiscal plans for the Central Government and for entities designated as "covered entities"; ii) designated 63 entities as "covered entities" under the PROMESA framework. On May 9, 2019, the Supervisory Board also designated all 78 municipalities as covered entities.

PROMESA also provides a framework for infrastructure revitalization through an expedited permitting process for “critical projects”.

Actions of the Government of Puerto Rico



ACTIONS OF THE GOVERNMENT

This government has been proactive in adopting executive orders and laws that promote economic activity in a sensitive manner, adopting, in turn, measures of social justice for all the people of Puerto Rico.

Act 1-2017 – P3 Amendments

Act 4-2017 – Labor Reform

Act 14-2017 - Medical

Act 9-2017 – Professional Incentives

Act 17-2017 - DMO

Act 13-2017 – Enterprise

Act 19-2017 - Permitting

Several draft amendments to economic incentives laws (Act 73-2008, Act 20-2012, Act 22-2012) have been filed to strengthen this line and to promote projects with federal funds for innovation, science and technology, to attract foreign investment and to encourage the export of goods and services, including medical tourism. Additionally, Act 26-2017 was adopted to implement the measures in the fiscal plan.

Hurricanes and Natural Disasters



HURRICANES AND NATURAL DISASTERS

Puerto Rico has faced unprecedented challenges in recent years caused by historic natural disasters that have impacted the island.

Hurricanes

In September 2017, Hurricanes María and Irma impacted Puerto Rico, inflicting unprecedented damage

COR3 Established

COR3 was established as a division of the P3 Authority to coordinate the \$83 billion in disaster relief funding for the reconstruction of Puerto Rico following the impact of hurricanes Irma and Maria

Earthquakes

At the end of December 2019, Puerto Rico suffered the first of many earthquakes, some of which were the most serious in recent memory

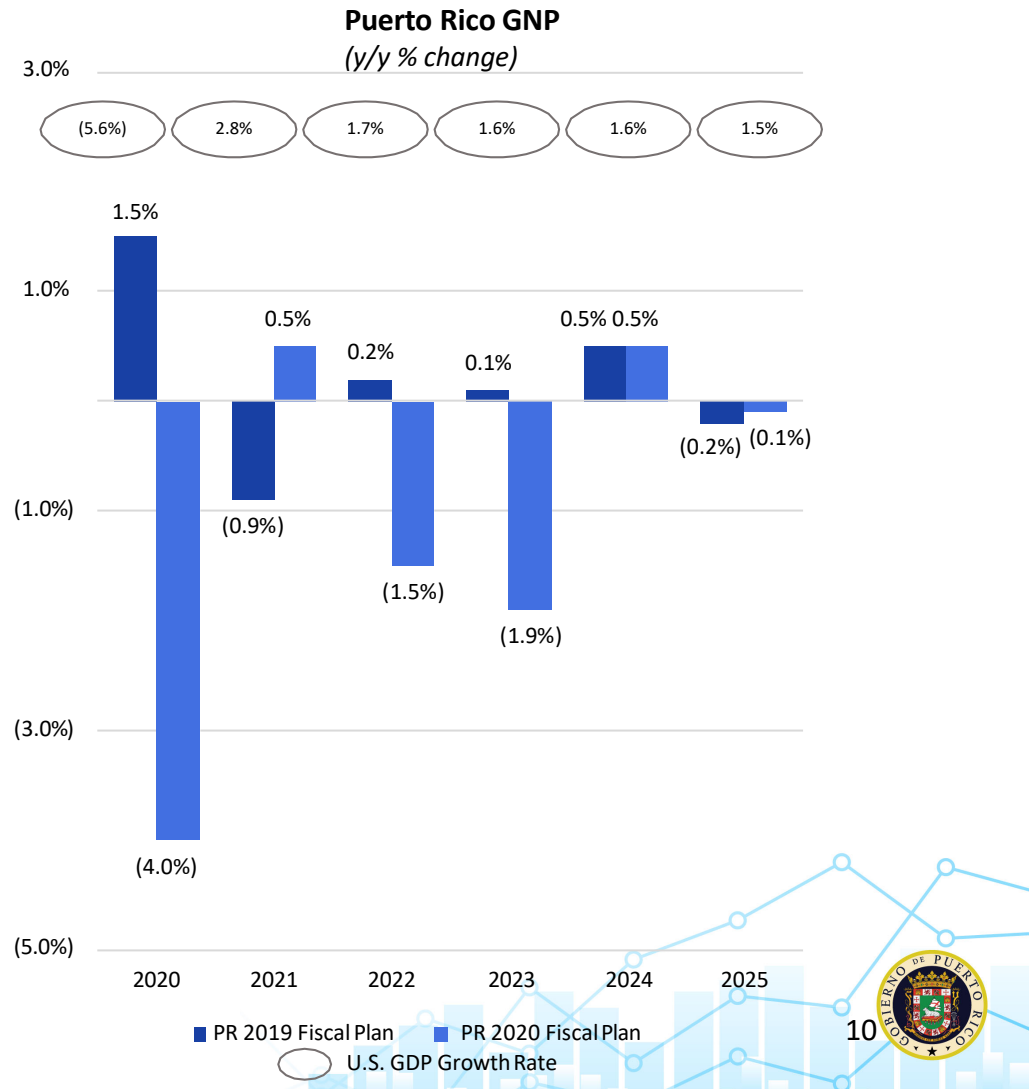
COVID-19

Just two months after the earthquakes, Puerto Rico, and the rest of the world, faced the onset of the COVID-19 pandemic

MACROECONOMIC OUTLOOK

The FOMB's current projection included in the May 2020 Fiscal Plan reflects a substantial decline in near-term GNP and a slow recovery over the next five years.

- The economic projections contained in the May 2020 Fiscal Plan (i.e., following COVID-19) take a similar profile to that following Hurricane Maria
 - Sharp decline in real GNP anticipated, followed by modest growth in 2021
- The Fiscal Plan incorporates the impact of a number of different factors, which result in net contraction over the course of FY21-25
 - Long-term structural negative growth trends pre-Hurricane Maria and pre-COVID
 - Impact of COVID across the economy, partially offset by local and federal economic support
 - Restart of fiscal measures in FY22, which have contractionary impact
 - Impact of federal reconstruction spending on the local economy



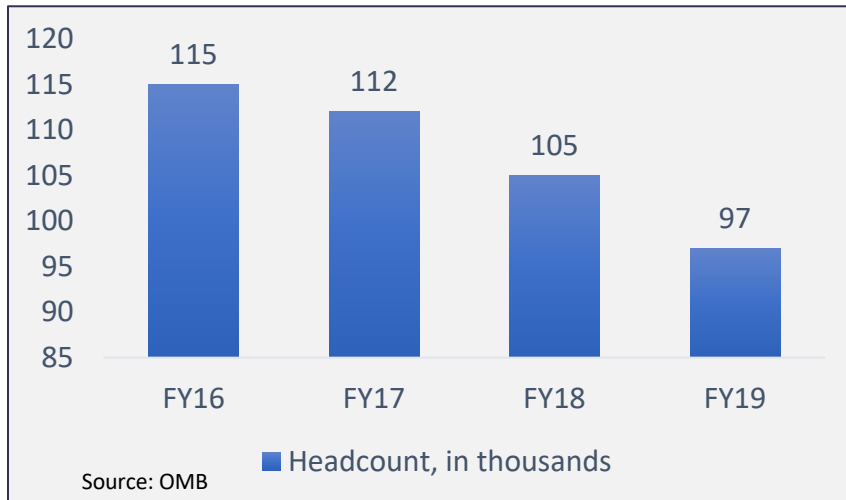
EFFICIENCY IN GOVERNMENT

19%
reduction of Payroll
expenses and
\$1 billion
(or 20%) non-payroll
operating expense

The Government has achieved significant headcount and payroll reductions, as outlined below.

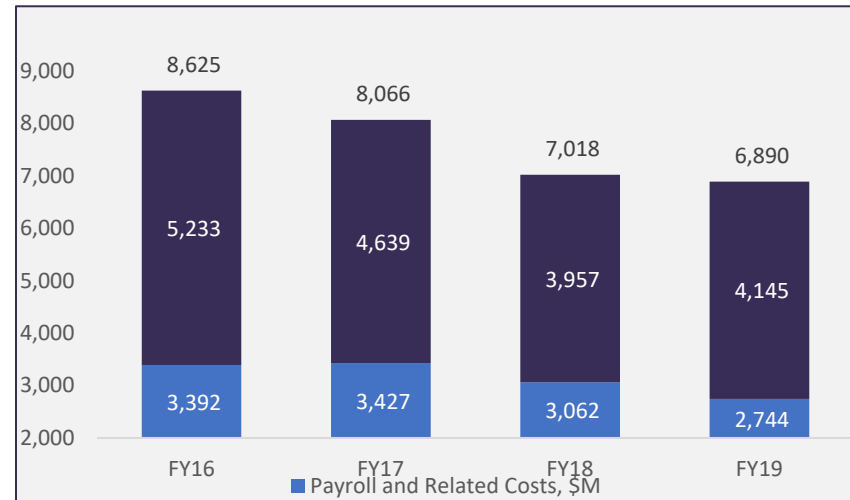
HEADCOUNT REDUCTION

Total cumulative headcount reduction of **~18,000 employees** via natural attrition, early retirement and voluntary transition programs since 2016.



PAYROLL REDUCTION

The decrease in headcount resulted in a **19% reduction** of Payroll expenses **and \$1 billion (or 20%) non-payroll** operating expense over the same period.



Figures above **exclude Paygo costs and Debt Payments**; FY2019 figures are estimates; FY2020 figures budgeted. Source: OMB

Restructuring of Debt



MEDIATION PROCESS

Given the unprecedented complexity of this restructuring process, on June 23, 2017, the Title III Court issued the Mediation Team Order to further the goal of consensual resolution of the disputes raised in these debt adjustment proceedings.

The mediation resulted in the Oversight Board and a creditor group reaching an agreement and ultimately a plan of adjustment in September 2019. Through further mediation, other creditors became part of a modified agreement that became the basis for the amended adjustment plan of February 2020.

Although the Plan of Adjustment is likely to be modified to account for the impact of COVID-19, to the right is an overview of the current plan.

Overview of Plan Treatment

- **\$18.7 billion in GO, GO Guarantee and PBA claims**
 - PSA ensures largely consenting GO and GO Guaranteed classes under the plan.
 - Receive distribution of \$3.809 billion in cash and \$10.142 billion in new bonds (50% GO Bonds and 50% COFINA Junior Bonds).
 - Average recovery of 74.4%.
- **\$16.7 billion of ERS and Clawback claims**
 - Expected to be non-consenting “cramdown” classes under the plan.
 - Receive distribution distributed among the various classes of \$527 million in new bonds.
 - Average recovery of 3.2% on these claims.
- **Total blended recovery to all creditors under the Plan is 40.9%.**

Pension Treatment

- Implement a maximum 8.5% pension cut, which would not apply to beneficiaries receiving less than \$1,200/month and would not affect social security benefits.
- When the PSA was filed, the Commonwealth Government opposed it because FOMB’s proposed pension reduction measures imposed a disproportionate burden on Puerto Rico’s retirees.
- In particular, the PSA did not properly take into account the improved treatment of bondholder claims and the cuts that Government pensioners already suffered prior to the commencement of the Title III cases, which was in contrast to pension treatment in other municipal bankruptcies.

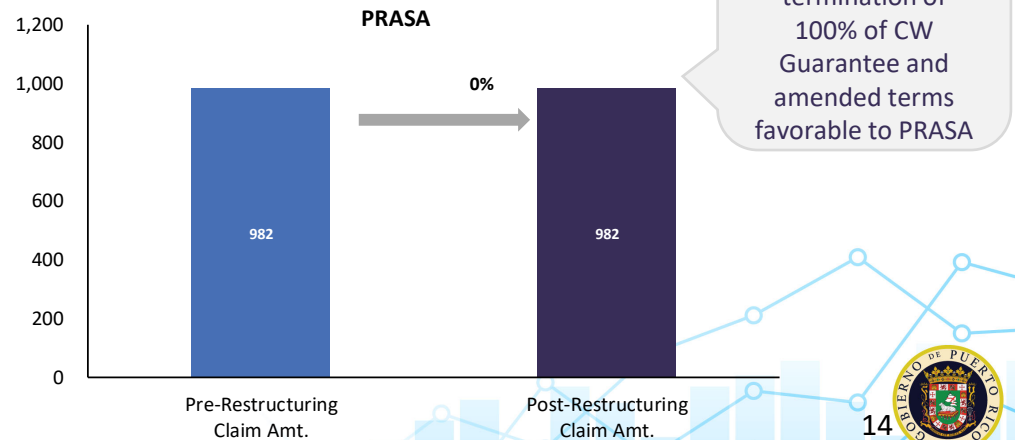
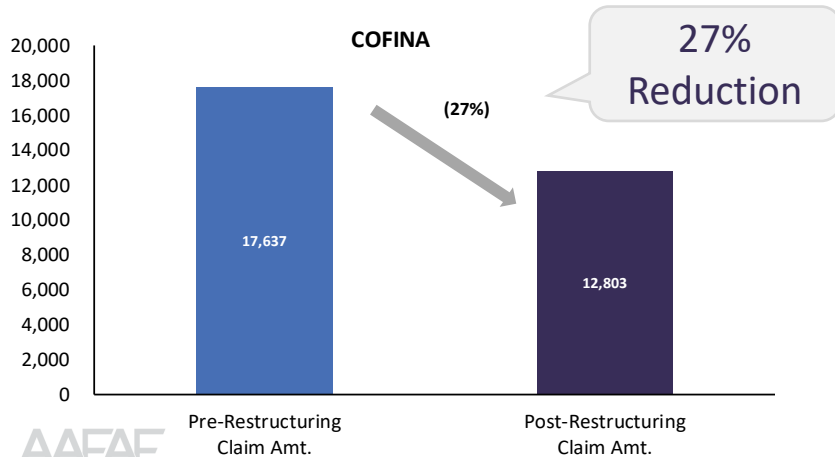
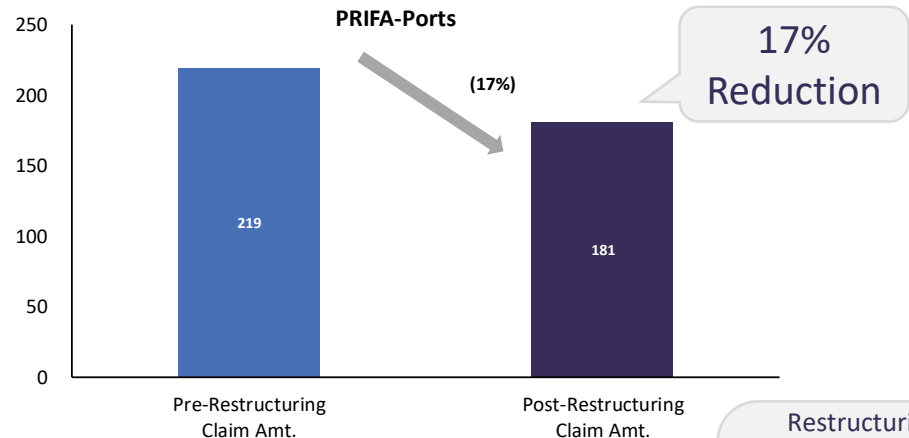
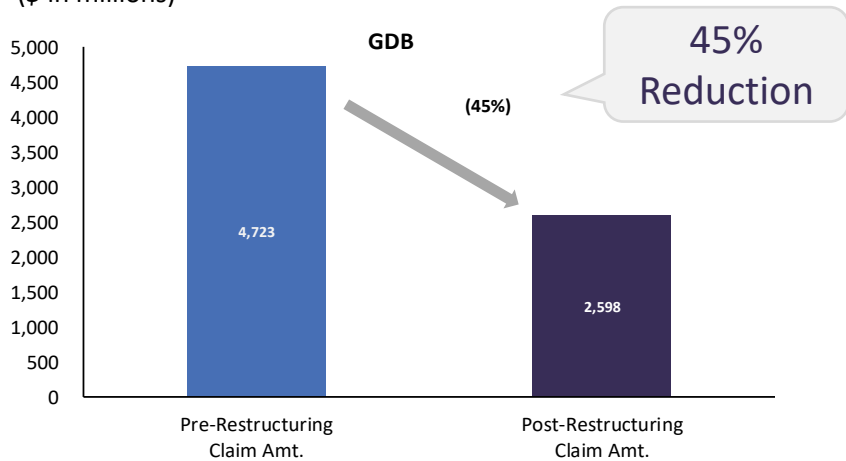


DEBT RESTRUCTURINGS: GAINING CREDIBILITY

The Government and the FOMB have shown the willingness and ability to reach consensual deals, having restructured over \$23 billion of existing indebtedness through the various mechanisms available under PROMESA, resulting in a ~30% reduction in debt.

~30%
reduction in debt

(\$ in millions)



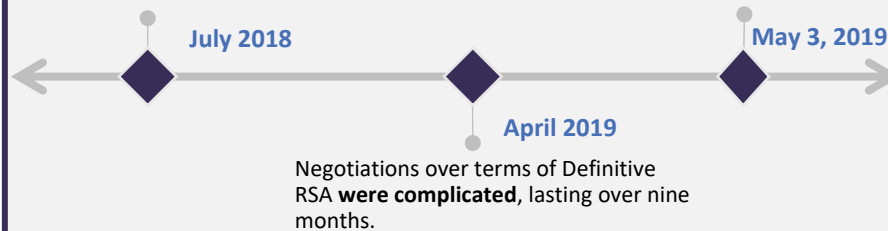
ONGOING RESTRUCTURINGS: PREPA & PRIDCO

PREPA

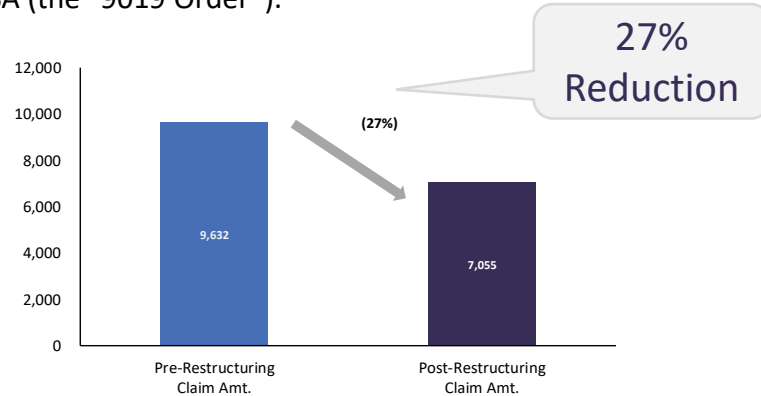
This transaction is currently under evaluation to account for impact of COVID-19

PREPA, AAFAF, the FOMB and an ad hoc group of bondholders entered into a **Preliminary RSA**.

AAFAF, FOMB, the Ad Hoc Group, and Assured executed the Definitive Restructuring Support Agreement.

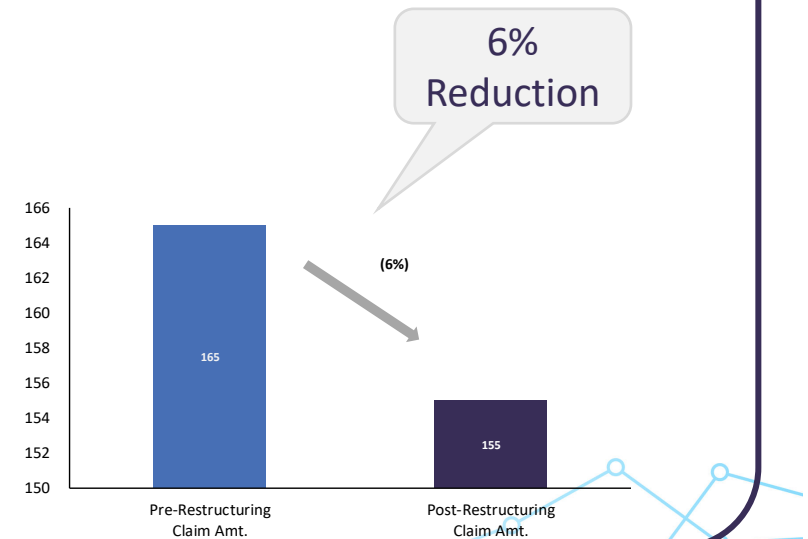
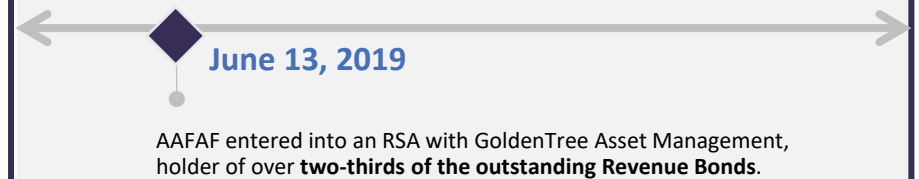


Certain aspects of the PREPA RSA (i.e. Settlement Charge and Settlement Payments) are not effective until order is entered on motion to approve settlements in the PREPA RSA (the "9019 Order").



PRIDCO

AAFAF is in the process of completing milestones included in the fiscal plan required by FOMB for approval of transaction



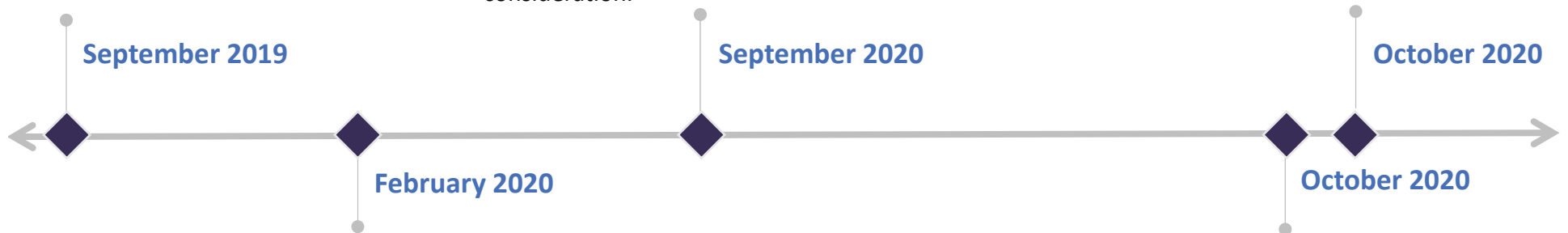
RESTRUCTURING STATUS: COMMONWEALTH POA

The restructuring of the Commonwealth has been a complex process – involving ~\$35 billion of claims across many and very different creditor groups. The Government is committed to collaborating with all stakeholders to reach a consensual agreement in order to get out of bankruptcy and paving the way for increased investment in Puerto Rico while protecting our retirees.

Original POA - Oversight Board filed a joint Plan of Adjustment for the Commonwealth, Employees Retirement System, and Public Buildings Authority.

End of round of mediation - Oversight Board released documents exchanged during mediation between the FOMB and Creditors regarding a new Commonwealth Plan Support Agreement. The proposal from the FOMB called for a decrease in total consideration, while the counter proposal from Creditors included little or no change to total consideration.

FOMB Revised Proposal - During its 21st Public Hearing, the Oversight Board released a revised plan of adjustment for the Commonwealth. The Oversight Board did not vote on approval of the Commonwealth proposal as there was not a quorum at that time.

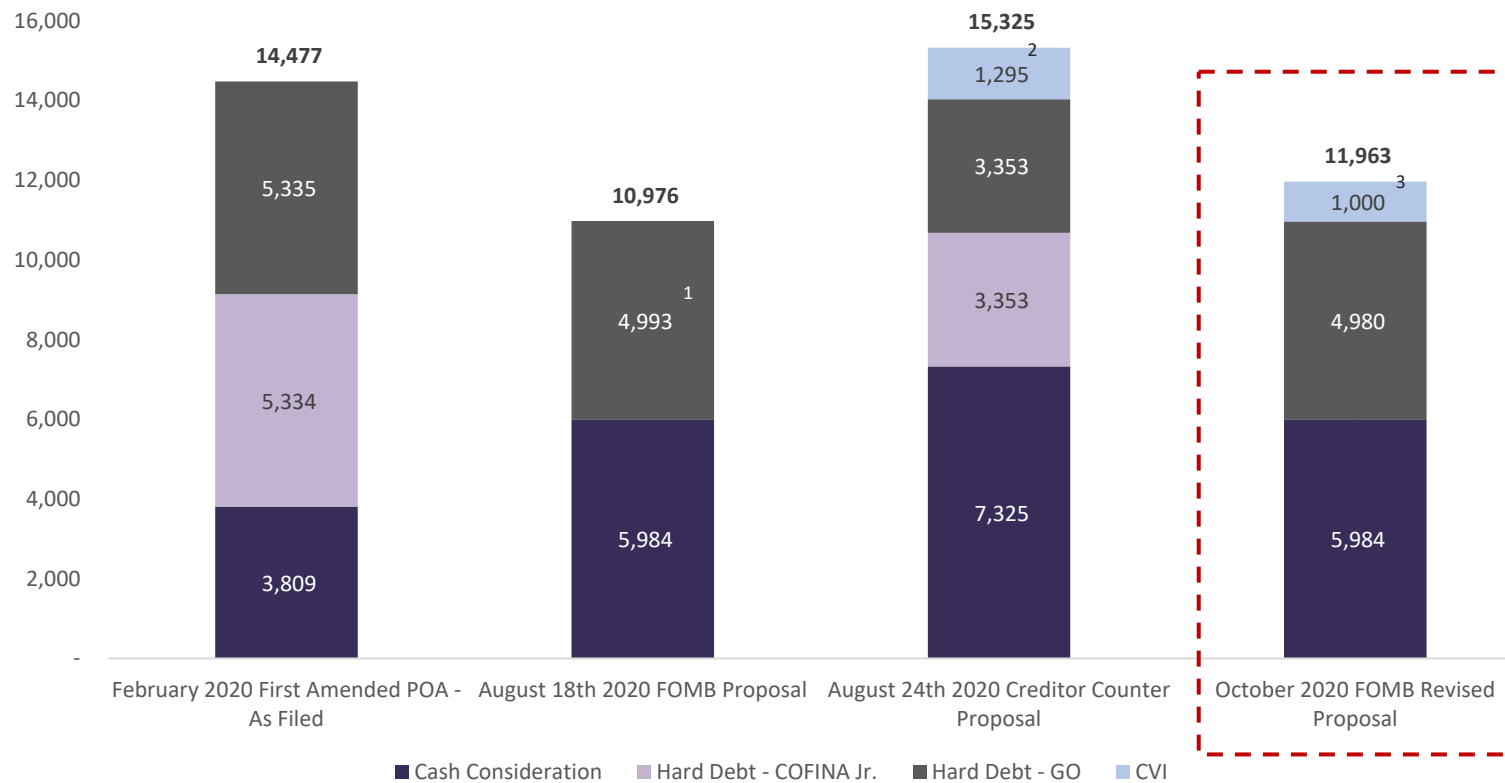


First Amended POA - Oversight Board filed the first amended plan of adjustment.

Creditor Motion - A group of creditors filed a joint motion to impose deadlines on the FOMB for filing and confirmation of a Plan of Adjustment. Judge Swain has subsequently ruled that the Oversight Board, at a minimum, file a term sheet for an amended plan of adjustment and provide a timeline for ultimate case resolution on or before February 10, 2021.

POA PROPOSALS & COUNTER-PROPOSALS

On 10/30/2020, the FOMB shared a revised proposal to creditors as part of the Board’s Public Hearing. As compared to the First Amended POA, the October 2020 FOMB Proposal lowers total consideration in response to the COVID-19 pandemic, includes a slightly increased cash component, removes the COFINA Jr. Structure, and includes a \$1 billion maximum CVI.



Notes: (1) August 18 FOMB Proposal presented range of max. GO and max. COFINA Jr. security structures. Graph illustratively only shows max. GO structure. (2) August 24 Creditor Counter stated CVI value adjusted to a discount date of 7/1/21 and a discount rate of 7.5% (i.e. \$1,414mm), as compared to a discount date of 7/1/20 and discount rate of 20% (i.e., \$611mm), as presented by creditors in their proposal. Creditor-proposed FY21 payment of \$119mm included in upfront cash consideration. Value as described is in-the-money at issuance and does not account for potential outperformance above Fiscal Plan projections. Annual and lifetime caps TBD in Creditor Counter (3) Proposed Plan of Adjustment CVI structured with attachment point of 100% of 2020 Certified Fiscal Plan 5.5% SUT projections and is thus out-of-the-money at issuance. (4) The boards public hearing presentation references different numbers as they adjusted the deemed issuance date of the new bonds contemplated in the First Amended Plan of adjustment to present an apples-to-apples comparison of the current offers between creditors/FOMB.



Fiscal Plan Implementation



IMPLEMENTATION PROGRESS

The structural and fiscal efficiency measures identified in the Government of Puerto Rico's Certified Fiscal Plan is complex and is impacted by countless interdependencies and challenges. Each year we strive to make progress, the Government has undertaken initiatives that are feasible and most aligned with Puerto Rico's policy, priorities and needs.

CONSOLIDATION

- Complete: Agriculture, Public Service Commission and State Department
- In Progress: Family, Environment, Economic Development, General Services, Public Safety

PLAN 106

- Launched Defined Contribution Plan with more than \$700 million in contributions
- Result is 115,000 participants from 192 employers can manage their financial future

PPPs

- LUMA selected for the operation, maintenance and modernization of the T&D system for a 15-year term
- HMS Ferries selected for the operation and maintenance of the ATM assets and Municipality Islands for 23-year term

PRITS

- Developed and published "Proposal Evaluation Guide" to all agencies
- Analyzing IT assets to enable cloud consolidation

BROADBAND

- Currently selecting a Broadband Infrastructure Grant Manager to oversee a competitive selection of firms who will bring broadband to underserved and critical areas on the Island under a 3-year, \$400M initiative

STRUCTURAL REFORMS

The Structural Reforms (the "Reforms") seek to restructure, make more flexible, strengthen and promote the economic development and competitive climate of the Island. Most Reforms are in process of being executed, legislated, and / or directed in accordance with the Fiscal Plan

The Reforms identified and worked on in the last four years have the following key themes:



Human Capital

- Labor
- Nutritional Assistance Program
- Credit for Work
- Workforce Innovation and Opportunity Act
- K-12 Renovation



Competitiveness

- Permitting
- Inclusion in World Bank's *Ease of Doing Business* publication
- Invest PR
- DMO – Destination Puerto Rico
- Land Registry
- Condominium



Tax

- Tax Reform
- Incentive Code



Energy

- Lower Cost and More Reliable Energy
- Independent Regulator
- Private T&D Operations

MONITORING OUR PROGRESS

Our progress can only be recognized if it is effectively tracked and communicated. While we have made great improvements over recent months, consistent implementation reporting of the activity and accomplishments by our agencies continues to be an area of opportunity.

By focusing AAFAF’s efforts on five of our largest and most complex agencies: PRDE, DOH, DDEC, Hacienda, and ASG. From August to October **reporting compliance from major agencies grew from 80% to 100%**.

We must now hold accountable the roughly 60% of agencies who rarely submit implementation reporting.

Major Agencies of Focus	Implementation Report Submission Status
	October 2020
AAFAF	SUBMITTED
ASG	SUBMITTED
DDEC	SUBMITTED
DOH	SUBMITTED
Hacienda	SUBMITTED
PRITS	SUBMITTED
PRDE	SUBMITTED



PENSIONS – SYSTEMS

The Pension Systems in Puerto Rico include the Central Government Systems – Employees Retirement System (ERS), Teachers Retirement System (TRS) and Judiciary Retirement System (JRS).

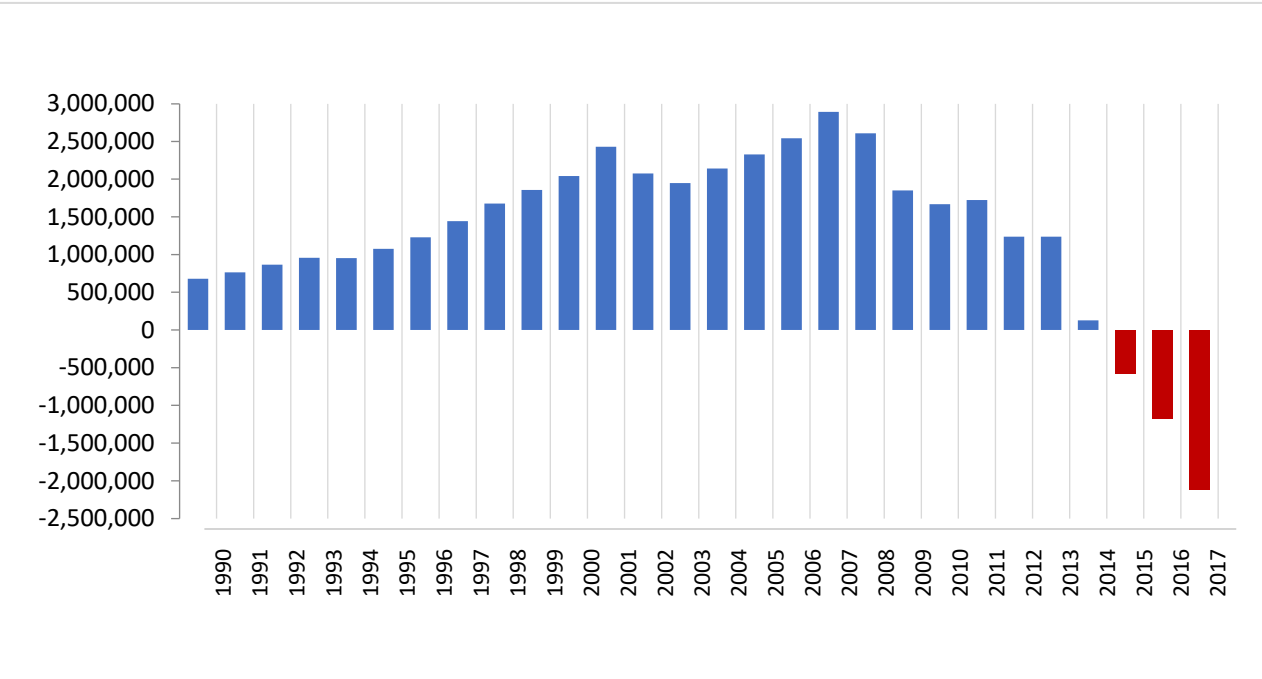
		ERS	TRS	JRS
Type		Defined Benefit / Defined Contribution	Defined Benefit	Defined Benefit
Members	Retirees	94,071	37,470	414
	Active	118,657	35,474	364
Total Pension Liabilities		\$30.1 bn	\$16.4 bn	\$615.2 mm
Net Assets		\$(2.1) bn	\$517.0 mm	\$26.3 mm
Fiduciary Net Position as a % of total pension liability		-7.01%	3.15%	4.27%
FP Treatment		Defined Benefit Freeze & Cuts to Accrued Benefits	Option: Defined Benefit Freeze & Shift to Defined Contribution	Option: Defined Benefit Freeze & Shift to Defined Contribution



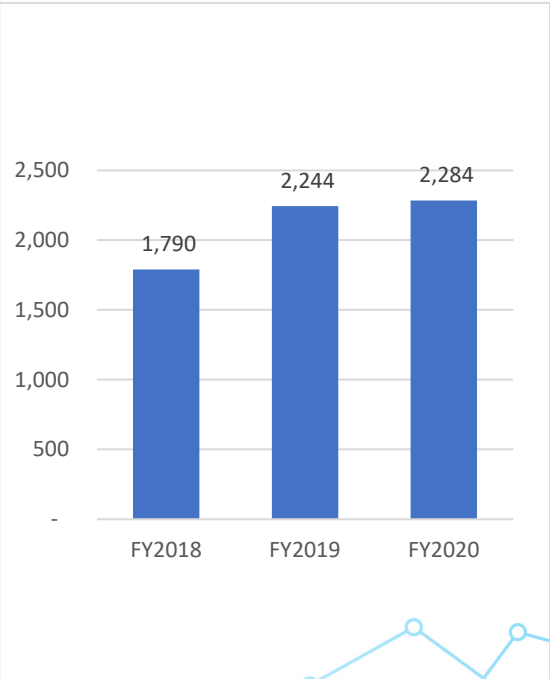
PENSIONS – TAKING CARE OF RETIREES

ERS assets have been depleted by past mismanagement, but our Administration has made the necessary adjustments to continue paying benefits to our retirees.

ERS Net Assets (\$ in thousands)



Total PayGo Expenditures (\$ in millions)¹



PENSIONS – ACT 106 ENHANCEMENT

115,000
participants
192
employers
\$700,000,000
in contributions

This Administration has made the necessary adjustments to protect pensioners with the fulfillment of Pay-Go obligations and given public employees control of their retirement futures with the launch of the Act 106 Defined Contribution Plan.

Background

On August 23, 2017, the Government enacted the Law to Guarantee the Payment of Our Pensioners and Establish a New Plan of Defined Contributions for Public Servants (Act 106), which transformed multiple systems into a single pay-as-you-go system that is contemplated in the Fiscal Plan and supported by the FOMB.

Impact

The Government guaranteed payment of “Accumulated Pension” benefits under the Defined Benefit and “Hybrid” Benefit plans.

- The guaranteed payments are made out of: (i) a newly created “Accumulated Pensions Payment Account” funded by the liquidation of ERS, JRS, and TRS assets; (ii) a Pay-Go charge imposed on agencies, public corporations, municipal governments, and the judicial branch; (iii) budget assignments and special assignments to finance pension payment deficits; (iv) donations; and (v) other funds identified by Puerto Rico’s Legislative Assembly.

The Act also created a new “Defined Contribution Plan,” under which all required monthly contributions by over **115,000** participants across almost **200** employers in the Systems are reconciled and placed in segregated individual Defined Contribution Accounts. For each active plan participant, contributions to these accounts supplement the “Accumulated Pension” benefits that existed prior to enactment of Act 106.

- The employee contributions to the Defined Contribution Plan, which total more than **\$700,000,000**, are deposited in a trust account held by the Trust Division of Banco Popular de Puerto Rico and separate from all funds of the Commonwealth of Puerto Rico.
- The Puerto Rico Retirement Board executed and operationalized three very complicated contracts with Alight Solutions for recordkeeping services, Banco Popular de Puerto Rico for trust and paying agent services, and Bank of New York Mellon for custody and trade settling services.

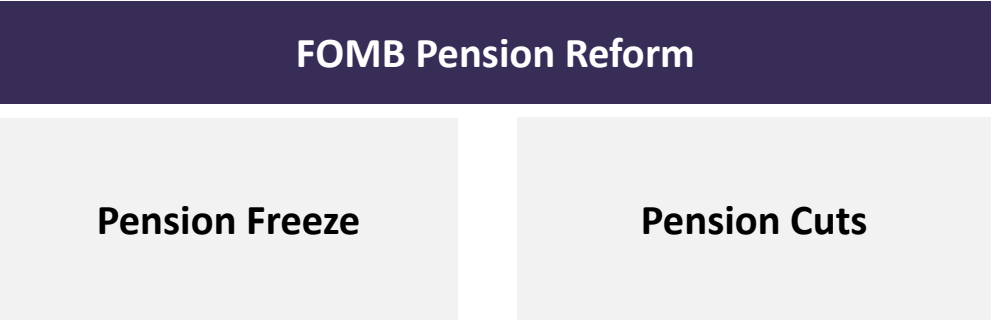
• **The new Defined Contribution Plan successfully launched on June 22, 2020.**

PENSIONS – CURRENT STATE

To date, the Government has taken a strong stance against any pension cuts. The three Commonwealth pensions systems include the ERS, Teachers Retirement System TRS and Judiciary Retirement System JRS. While ERS members are no longer accruing defined benefits, members of both TRS and JRS are.

ERS administers different benefit structures pursuant to Act 447, including a (i) cost-sharing, multi-employer, defined benefit program, (ii) a defined contribution program, and (iii) a contributory hybrid program.

Employee Category	Defined Benefit Component	Hybrid Cash Component	Defined Contribution Component
Employees hired January 1, 2000 or later	None.	Based on employee contribution and a share of investment earnings prior to July 1, 2017.	Based on employee contributions beginning July 1, 2017.
Employees hired December 31, 1999 or before	Based on years of service and salary, frozen as of June 30, 2013.	Based on employee contribution since 2013 and a share of investment earnings from June 30, 2013 to June 1, 2017.	Based on employee contributions beginning July 1, 2017.



RELATIONSHIP WITH THE BOARD

In the last four years, the Government and the Oversight Board have had an awkward relationship, disputing power over government finances and public policy decisions.

KEY POINTS OF CONTENTION

FOMB misuse of PROMESA

Litigation related to laws 29, 82, 90, 138, 176, 181 and 47

Treatment of pensions

KEY POINTS OF COLLABORATION

Establishment of Emergency Relief Fund

Release of emergency funds in response to COVID-19

Energy reform

Certain aspects of debt restructurings

Best Path Forward

As PROMESA was designed, the Government and the FOMB should work together for the benefit of the people of Puerto Rico.

Transparency

AAFAF



TRANSPARENCY AS A KEY PILLAR

There is a new level of transparency and control over government expenditures, which includes over 12 reports that are published on a weekly, monthly, quarterly and annual basis.

TSA Cash Flow

TSA Cash Outlays

B2A vs. Liquidity Plan
Component Unit Report

Cash Account Report

B2A Central Government

PROMESA Sec. 203 B2A
Report

Payroll & Active
Employee Count Report

Invoice Processing KPI's

Disaster Spend & Project
Worksheet Summary

Disaster Related
Disbursements by Agency

PayGo Receivables and
Contributions Reporting

PayGo Budget to Actual



Public-Private Partnerships



PUBLIC PRIVATE PARTNERSHIPS

Since Act 1-2017, a series of laws were approved to amend Act 29-2009, known as the Public-Private Partnerships Law (Act 29). These amendments made certain processes of the Public-Private Partnerships Authority (the Authority) more flexible and streamlined the process for establishing partnerships.

Act 1-2017 (Amendments to Act 29 include the following changes)







- Allow the Authority to receive and evaluate unsolicited proposals for partnership projects;
- Allow the Authority to enter into pre-development agreements to study the feasibility of alliance projects;
- Modify and make flexible matters related to the internal governance of the Authority, including allowing the approval of actions by a simple majority of the members of the board of directors;
- Strengthen citizen and business participation and ensure greater oversight and transparency by providing a 30-day period for the public to submit comments on a study of desirability and convenience;
- Encourage the participation of local companies in alliance projects; and
- Facilitate the direct participation of the Authority in the development of public infrastructure, providing services under assistance contracts and financing the development of public infrastructure.

Act 120-2019 (Act 120)

- Allows the establishment of public-private alliances in relation to the assets and services of the Electric Power Authority ("PREPA").
- Establishes that PREPA's transaction processes are governed mainly by Act 29.
- Was used successfully for the first time for the establishment of the public-private alliance with LUMA for the administration of PREPA's transmission and distribution system and is being used again to establish an alliance with respect to the generation assets of PREPA, marking the first decisive steps for the transformation of PREPA.

PUBLIC PRIVATE PARTNERSHIPS: SAVINGS & INNOVATION

Puerto Rico is transforming the economy and standard of living by improving infrastructure and services through effective integration of the private sector's innovation and expertise.

PREPA	 Transmission and Distribution	\$323 MM	Cumulative Net O&M Savings by FY2027
	 Generation Transformation	August 2021	Target Completion Date
PRASA	 Optimization of the Water Consumption Measurement System and Customer Service	\$350 MM	Estimated Investment
Ports	 Modernization of the San Juan Bay Cruise Terminals	\$340 MM	Estimated Investment
	 O&M Service Contract for Puerto Rico's Regional Airports	7 Years	Estimated Contract Term
MTA	 O&M Contract for MTA's Ferries System	\$337 MM	Estimated Savings

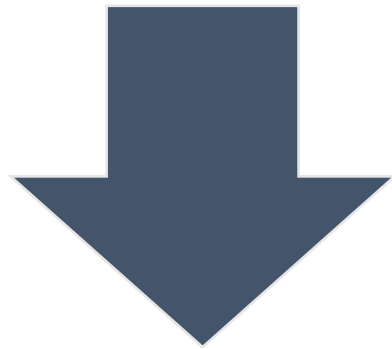
COVID-19

AAFAF



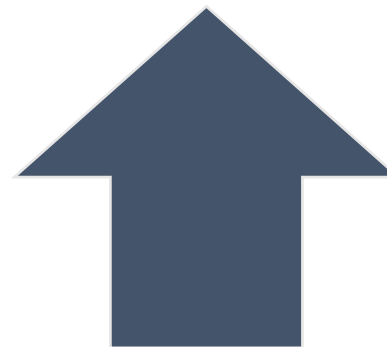
GOVERNMENT RESPONSE

COVID-19 has spread rapidly across the U.S., with the U.S. leading in both total cases and total deaths. Puerto Rico took advantage of its geographic isolation as an island to help prevent the spread of the Coronavirus.



The Commonwealth funded \$787 million Emergency Measures Support Package and leveraged the federally funded \$2.2 billion CRF to support the Island

On March 30, Governor Wanda Vazquez Garced issued Executive Order 2020-029 that imposed strict quarantine restrictions

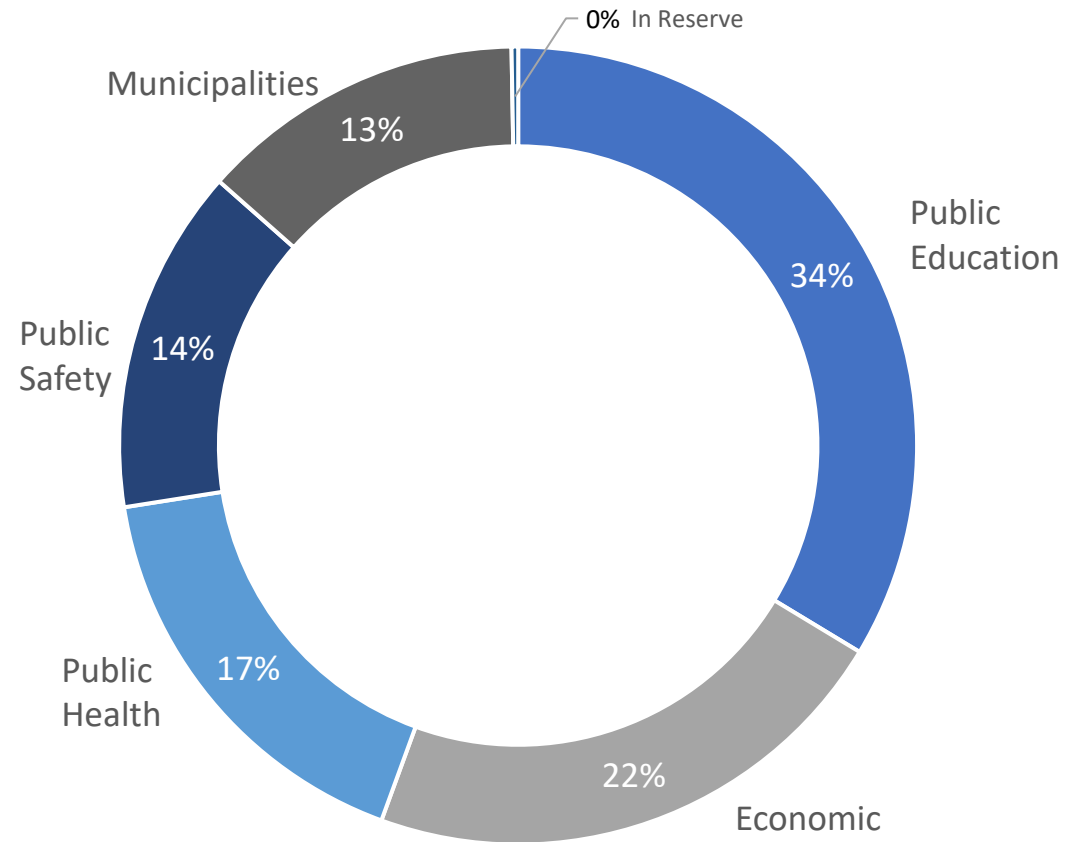


EMERGENCY MEASURES SUPPORT PACKAGE

Strict compliance with these executive orders, including "stay at home" orders, has not been easy, but they have been instrumental in stopping the spread of this deadly virus. Puerto Rico recognized the difficulties these orders imposed, and so on March 23, days before the federal government announced its plan, Puerto Rico announced an unprecedented financial stimulus package totaling **more than \$787 million**. This stimulus package was combined with **\$657 million in government funds** and **\$130 million in federal funds** and was designed to provide a targeted and significant impact in the early days of the pandemic.

Over **\$450M**
disbursed.

Emergency Measures Support Package Allocation



FEDERAL AID PACKAGES

~\$11B

disbursed as part of
Federal Aid Packages

As part of COVID-19 support, the federal government has provided Puerto Rico with funding to directly impact individuals and business affected by the pandemic.

Programs	Disbursed Amount
Unemployment Programs¹	~\$5.6 billion
Federal Pandemic Unemployment Compensation (FPUC) - UI	~\$2.1 billion
Pandemic Unemployment Assistance	~\$520 million
FPUC – PUA	~\$2.8 billion
Pandemic Emergency Unemployment Compensation (PEUC)	~\$41 million
FPUC – PEUC	~\$44 million
Extended Benefits (EB)	~\$1 million
FPUC – EB	~\$1 million
Lost Wages Assistance	~\$116 million (Weeks 1-3)
Other Programs	~\$4.4 billion
Economic Impact Payments (EIPs) ²	~\$2.6 billion
Paycheck Protection Program (PPP) ³	~\$1.8 billion
Coronavirus Relief Fund	~\$1.2 billion
Total, Federal Programs	~\$11 billion

FEDERAL AID PACKAGES

\$2.2B

CRF funds allocated to Puerto Rico

Of the over 2 trillion dollars in federal CARES funding, Puerto Rico was given approximately 2.2 billion to mitigate the impact of the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Stability Act or CARES Act

\$2,283 billion

CARES Act Sec. 5001 Coronavirus Relief Funds: Funding Allocation to State and Local Governments¹

\$150 billion

CARES Act Sec. 5001 Reservation Funds: Funding Allocation to the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa²

\$3 billion

CARES Act Sec. 5001 Reservation Fund Portion for Puerto Rico: Based on Relative Population Proportion³

\$2.2 billion

(1) CARES Act Title V Sec. 5001. Title VI Sec. 601 (a)(1)
(2) CARES Act Title V Sec. 5001. Title VI Sec. 601 (a)(2)(A)
(3) CARES Act Title V Sec. 5001. Title VI Sec. 601 (c)(6)(A) and CARES Act Title V Sec. 5001. Title VI Sec. 601 (c)(6)(B)



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8th

rank among the 56 states and territories in the lowest number of cases per 100,000 inhabitants

Puerto Rico has already disbursed more than \$1.2 billion from these funds and continues to constantly look for ways to further accelerate the disbursement of funds and direct them to identified areas of need and create the greatest impact.

	Coronavirus Relief Fund – Strategic Disbursement Programs	Allocated	Disbursed
ECONOMIC	Private Sector Payroll Protection Program	350,000,000	52,630,085
	Assistance Program to Small Businesses	250,000,000	122,050,000
	Assistance Program to Self-Employed Individuals	200,000,000	190,051,000
	Allocations to the Trust Fund of the Unemployment Fund	150,000,000	150,000,000
	Assistance Program to Medium Businesses	100,000,000	12,672,000
GOV	Assistance Program to the Tourism Industry	100,000,000	23,135,000
	Technology Solutions for Students	90,000,000	25,390,315
	Transfer to the 78 Municipalities for Eligible Expenses	200,000,000	112,734,464
	Administrative Expenses for Administering Puerto Rico’s Coronavirus Relief Fund	50,000,000	5,793,700
	FEMA Cost Share	50,000,000	12,873,024
PUBLIC HEALTH	Remote Work and Distance Education Program of the Government of Puerto Rico	40,000,000	26,480,629
	Assistance Program to Private Hospitals	300,000,000	255,539,013
	COVID-19 Testing and Contact Tracing Program	150,000,000	84,886,935
	Acquisition of Materials and Personal Protective Equipment	100,000,000	93,006,568
	Emergency Assistance – Public Hospitals	50,000,000	23,287,132
	Telemedicine Program in Puerto Rico	40,000,000	-
	COVID-19 Emergency Expenses in Prisons	10,000,000	8,957,665
	Program of Assistance and Care - Homeless Population	5,000,000	3,172,379
Not Allocated	5,625,864	-	
TOTAL		\$ 2,240,625,864	\$ 1,202,659,914

Source: Data as of 11/12 AAFAP Strategic Disbursement Report



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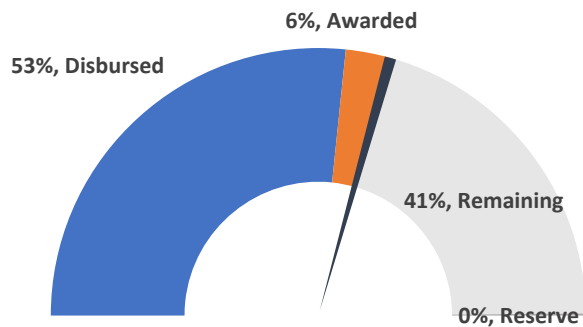
\$5M

CRF funds disbursed on average per day since March 25

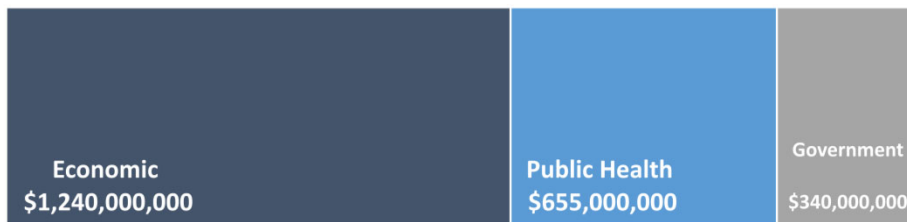
Puerto Rico has been leading the way among states in **disbursing \$1.2 billion in CRF funds** to date, helping the individuals, businesses, non-profits, and public-sector agencies in Puerto Rico that need it the most.

Puerto Rico is in the top 25% of states disbursing funds and has maintained 100% reporting compliance.

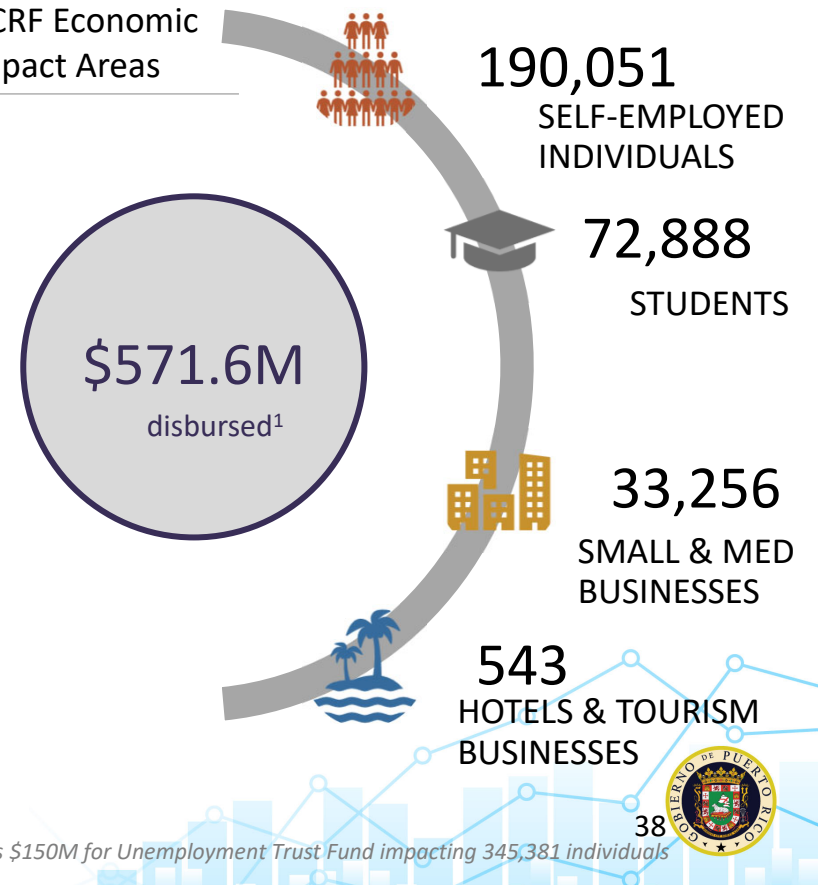
Current Disbursement of CRF Funds



Current Allocation Of CRF Funds By Impact Area



Key CRF Economic Impact Areas

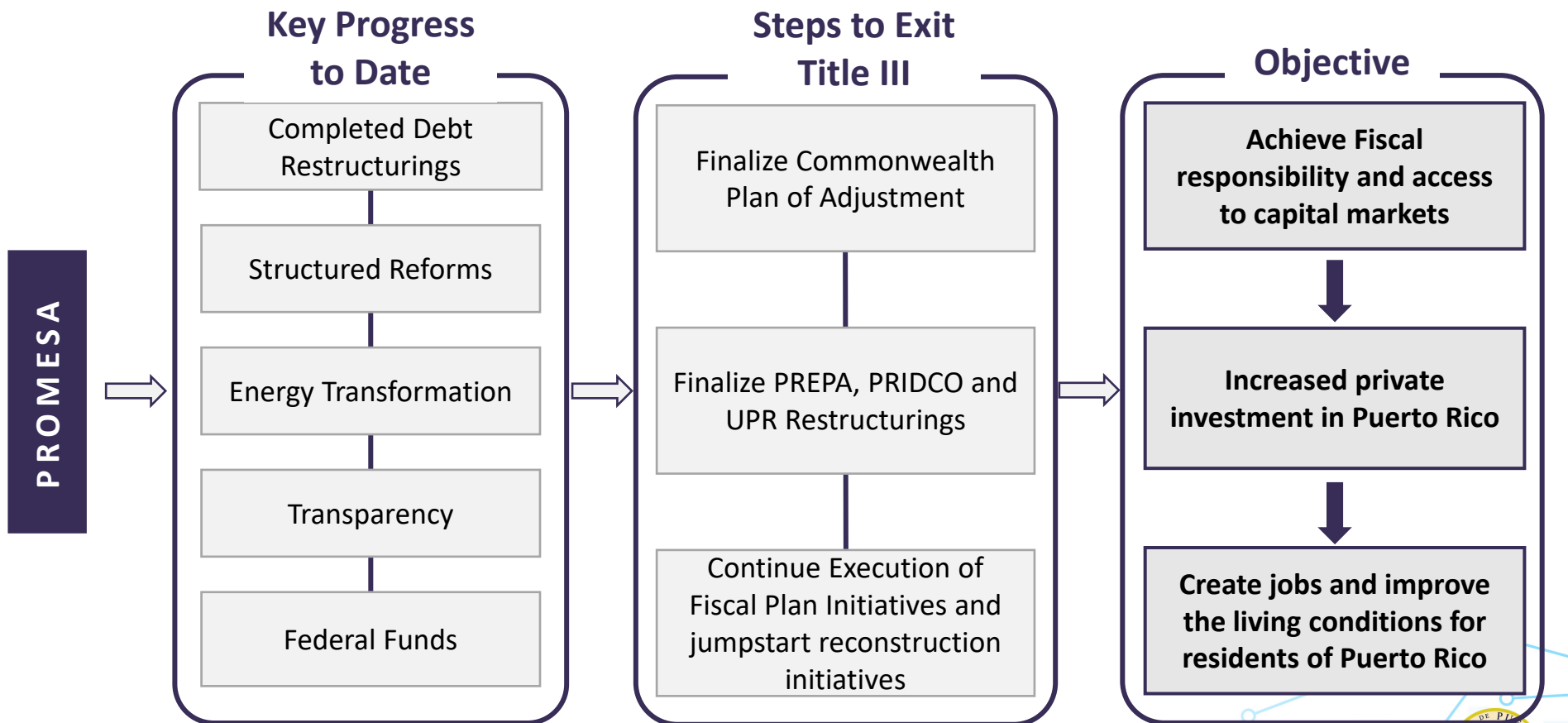


Source: Data as of 11/5 AAFAF Strategic Disbursement Report



DELIVERING RESULTS: TRANSFORMING OUR ISLAND

Despite the challenges that the Government has faced, the Commonwealth has made significant progress in its transformation of Puerto Rico. The Government is committed to continuing to improve the fiscal and economic conditions and move the Commonwealth forward, exit from Title III and focus on promoting private investment on the Island.



THANK YOU

AAFAF

