



PUERTO RICO  
**FISCAL AGENCY  
& FINANCIAL ADVISORY  
AUTHORITY**

# **Puerto Rico: A Path Forward**

*An Overview of the Commonwealth Plan of Adjustment*

# Debt Restructuring Overview

# Benefits of the Commonwealth Plan of Adjustment

The Plan of Adjustment will allow Puerto Rico to move forward from bankruptcy

Reduces  
Total Debt

Total debt at the Commonwealth of ~\$34 billion prior to Title III will be reduced to only ~\$7.4 billion after Plan effectiveness (a total debt reduction percentage of 78%).

Reduces  
Debt Service

The Plan of Adjustment reduces maximum annual debt service, inclusive of COFINA, from \$4.2 billion to \$1.15 billion (a total debt service reduction of 73%).

New Bond  
Structure  
Mitigates Risk

The Commonwealth will only have to pay out to creditors on part of the new bonds if the economy outperforms the projections in the Certified Fiscal Plans.

Ends PR  
Bankruptcy

Exiting bankruptcy paves the way for the elimination of the Oversight Board.

Future  
Investment

Restructuring the debt provides certainty to investors and will be a catalyst for incremental investment in Puerto Rico's economic development.

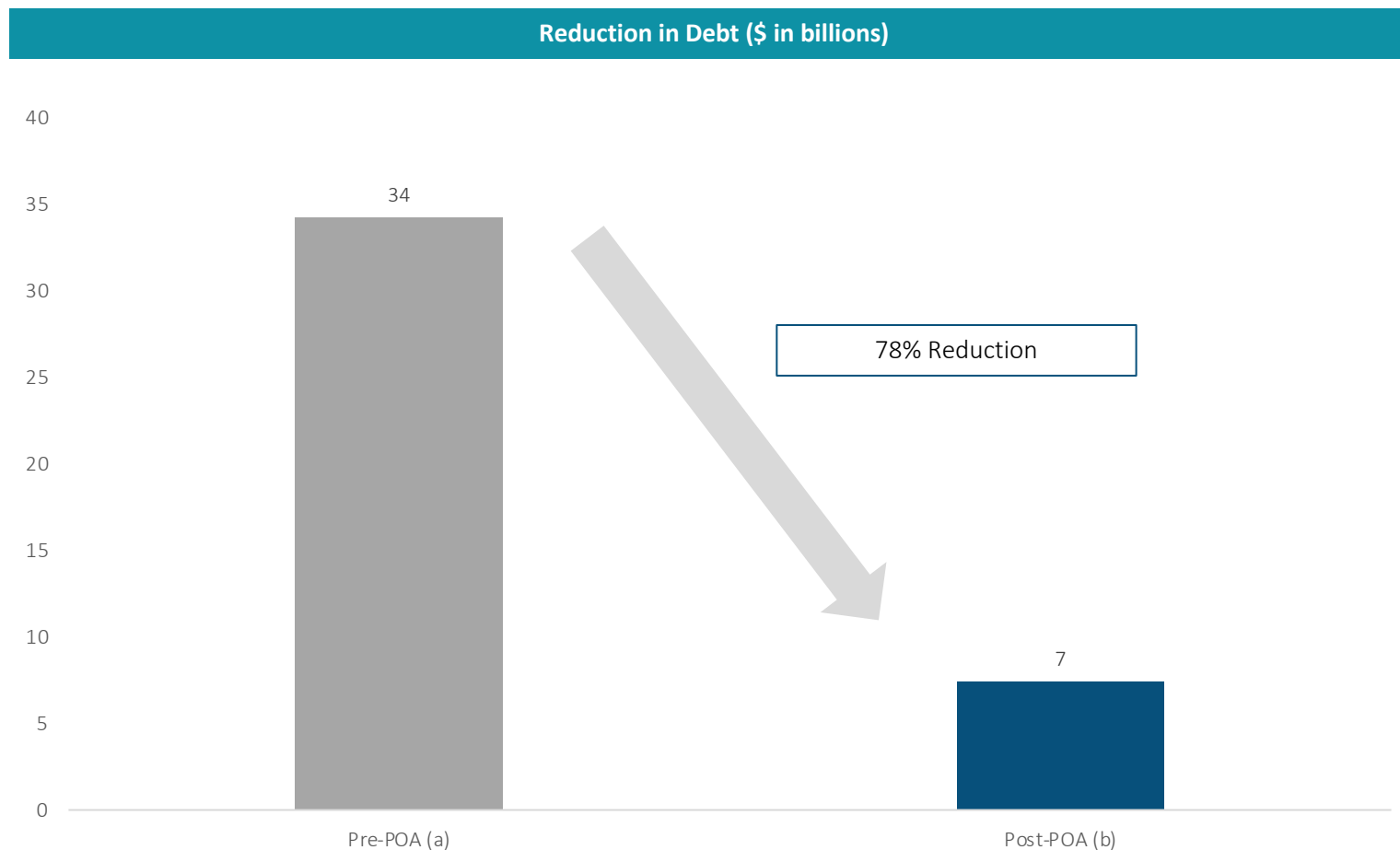
Protects  
Retirees

The plan of adjustment does not include pension cuts to retirees.

# Commonwealth Plan of Adjustment-Reduction in Debt

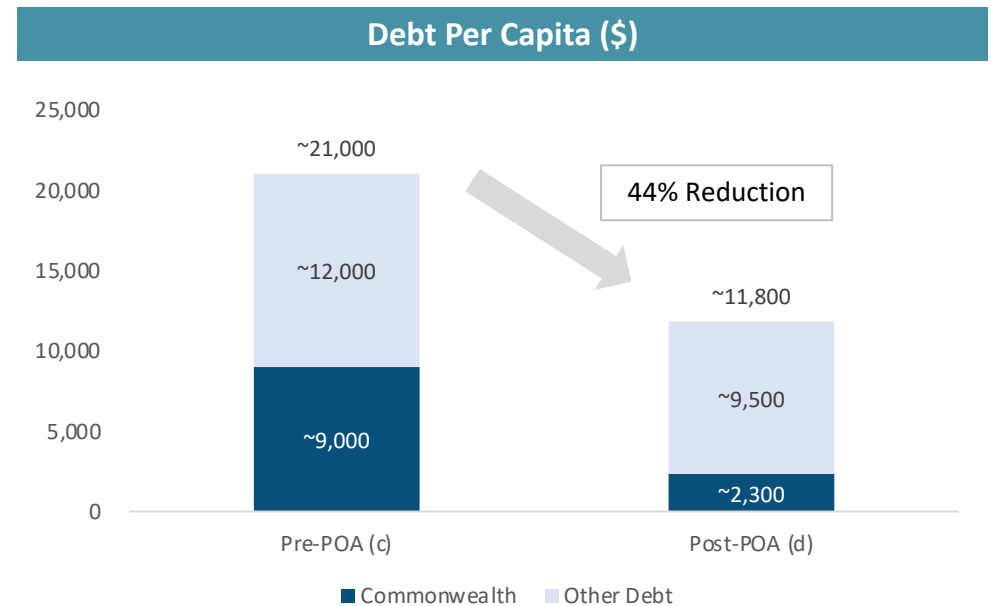
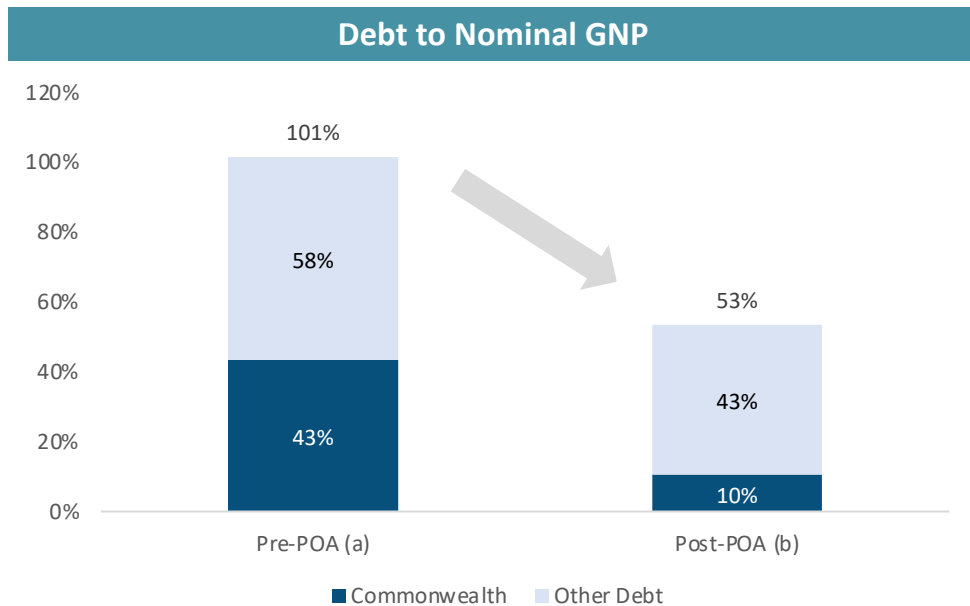
The Commonwealth POA represents an important step towards restructuring Puerto Rico's debt, ending the bankruptcy and re-establishing access to the capital markets, all of which are required for the termination of the FOMB's presence in Puerto Rico.

- Reduces over ~\$34 billion of claims to ~\$7 billion in pro-forma debt at the Commonwealth.



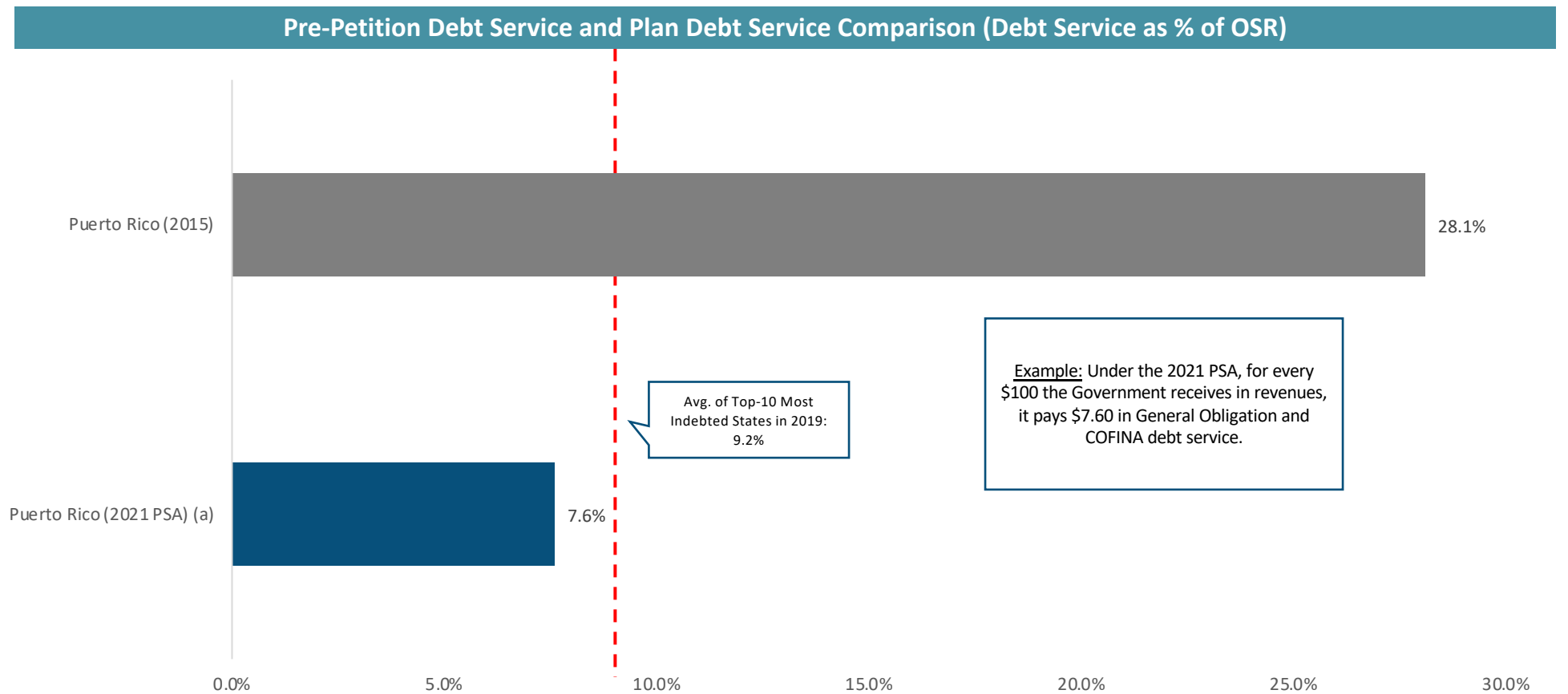
# Puerto Rico Debt Reduction – Key Benchmarks

The Plan of Adjustment results in a significant decrease in the Debt per Capita and Debt to GNP for Puerto Rico.



# Debt Sustainability

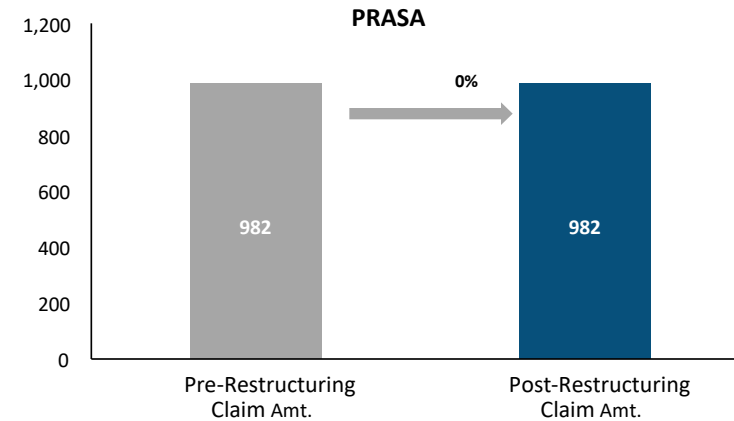
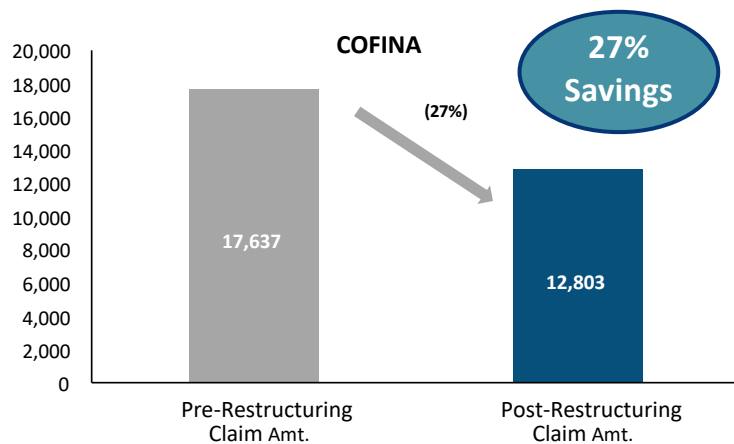
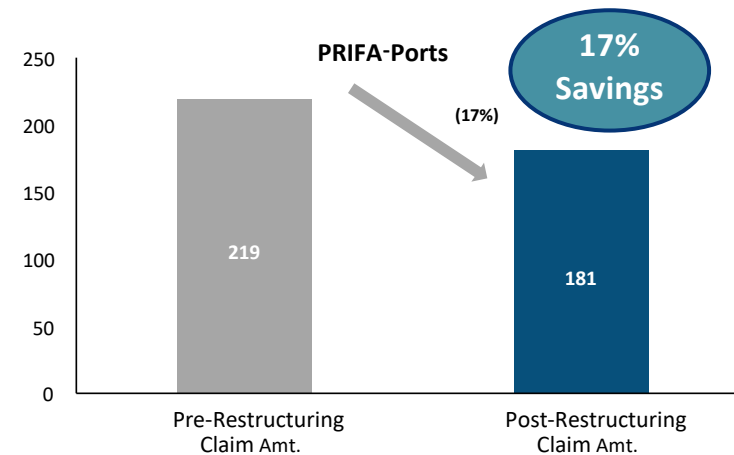
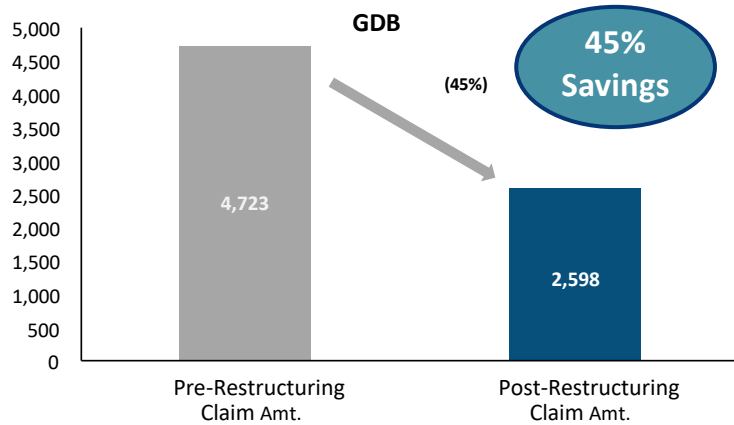
The Plan of adjustment reduces debt service to sustainable levels. Before, 28 cents of every dollar were spent on debt service. Going forward, only 8 cents will be needed to service debt service.



# Debt Restructurings – Completed

The Government and the Oversight Board 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 across GDB, PRIFA-PORTS, COFINA and PRASA.

Completed Debt Restructurings (\$ in millions)



Restructuring resulted in the termination of 100% of CW Guarantee and amended terms favorable to PRASA

# Overall Debt Drastically Reduced and Made More Affordable

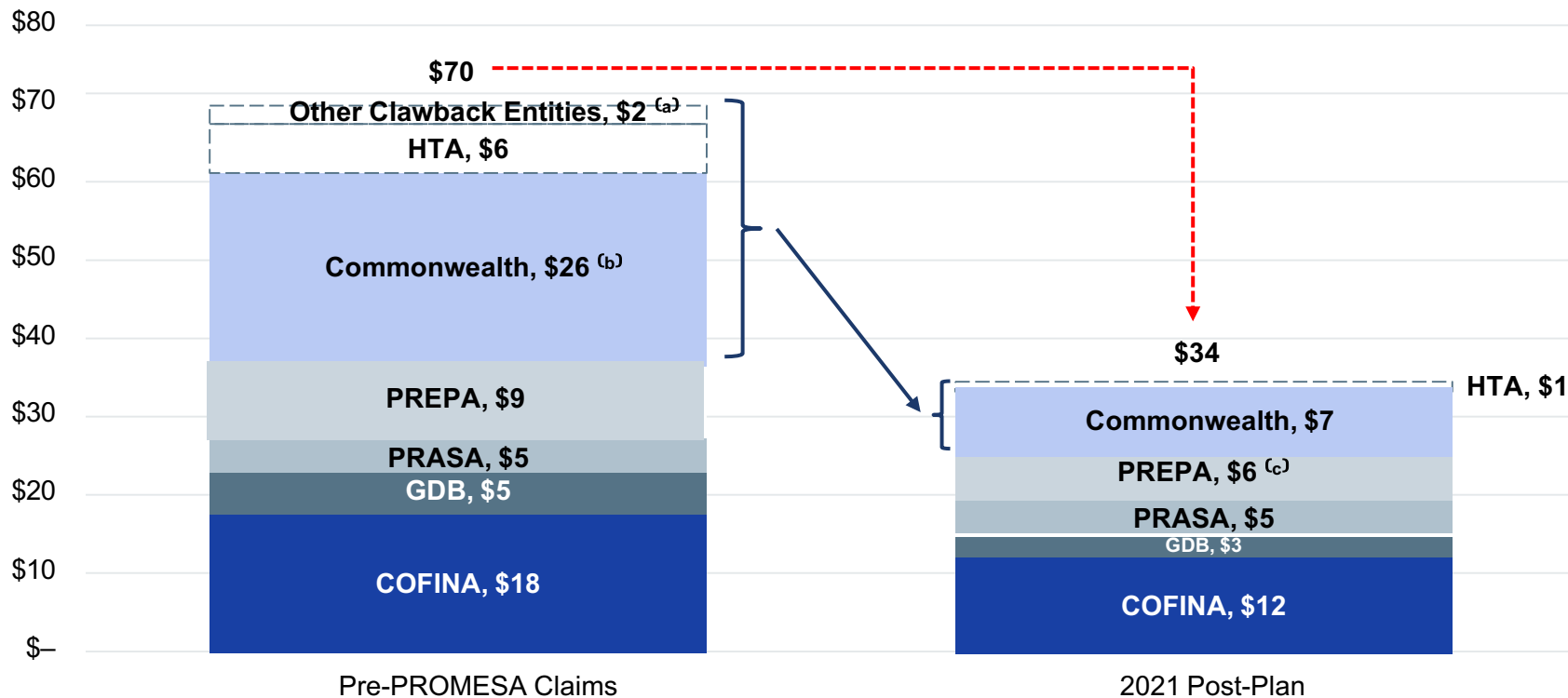
Commonwealth claims (excluding pensions) reduced from ~\$34 billion to ~\$7 billion after Plan effectiveness.

## COMMONWEALTH PRE-PROMESA OBLIGATIONS

(\$ in billions)

## COMMONWEALTH POST-PLAN OBLIGATIONS

(\$ in billions)



Notes: (a) Claims include ~\$2 billion PRIFA and ~\$400 million CCDA and MBA. (b) Includes GO/PBA claims of ~\$19 billion, estimated GUCs of \$2.75 billion, other miscellaneous claims of ~\$1 billion, and ERS claims of ~\$3 billion. (c) Still in process. PREPA is not yet restructured and is currently subject to executing the 2019 PREPA RSA. Assuming maximum haircut of 32.5%, as contemplated in the May 2019 PREPA RSA.