



press release

PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY

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Government of Puerto Rico fiscal team meets with credit rating agencies

Delegation led by State secretary and AAFAF executive director Marrero provided an update to S&P and Moody's about the PR Government's efforts to regain access to capital markets

[New York City, N.Y.] - The executive director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF), Omar J. Marrero Díaz, led a delegation of officials from the Puerto Rico government's fiscal team to New York City for follow-up meetings with Standard & Poor's (S&P) and Moody's on Thursday, it was announced.

The rest of the delegation was composed of Treasury Secretary Francisco Parés, Labor and Human Resources Secretary Gabriel Maldonado, Office of Management and Budget (OMB) Executive Director Juan Carlos Blanco, Public-Private Partnerships Authority (P3) Executive Director Fermín Fontanés, and Office for Recovery, Reconstruction and Resiliency (COR3) Executive Director Manuel Laboy.

"During the meetings with the credit rating agencies, we provided a detailed update on efforts to restructure the remaining government debt, promote economic development and discipline in financial management, and eventually regain access to capital markets," Marrero explained. "An update was also provided on the sustained economic growth that Puerto Rico has experienced over the past two years and 10 months," he added.

This is the third session of meetings that the government's fiscal team has held with credit rating agencies. Last February 14-16, the secretary made similar presentations to representatives of S&P, Moody's and Fitch Ratings in Miami.

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During the PRNOW event held last May in New York City for investors, Marrero met again with representatives of S&P and Moody's.

So far this year and in collaboration with the Fiscal Oversight Board, significant steps have been taken to restructure what remains of the debt, including a third debt adjustment plan for the Puerto Rico Electric Power Authority that would restructure some \$9 billion, which is still being discussed in federal court. In addition, the work of the private companies contracted to operate, upgrade and maintain the electricity distribution and transmission assets continues in the case of LUMA Energy and, more recently, the generation assets under Genera PR.

Similarly, recovery efforts from the fiscal crisis have generated positive comments from Fitch Ratings, as well as from the federal government's General Accounting Office (GAO), with reports highlighting the reduction of total debt by almost 60% and the progress in the publication of financial reports from the Government of Puerto Rico, among other achievements.

Meanwhile, P3's Fontanés said that the Government of Puerto Rico is seeking to promote its economic development by securing private capital for public projects through the public-private partnership model to execute large-scale transformation projects, as well as contribute to the island's fiscal restructuring and stability.

"This has not only strengthened Puerto Rico's position and credibility in the markets but has also confirmed that we are a mature destination for investment opportunities," Fontanés added. "It is important that Puerto Rico continues to drive the investor appetite that is already on the table. Eyes are on the island".

Meanwhile, Treasury Secretary Parés Alicea presented to the representatives of the credit rating agencies the results of the Department's efforts to increase collections and improve financial transparency by integrating more technology. "Revenues continue to exceed expenditures and we anticipate that the Government's finances will continue to be stable. We presented the results of work that ensures a healthy cash flow to meet all of our obligations. In addition, we are on track to issue the 2022 financial statements. The prudence, discipline



and control that we have practiced as a government is undoubtedly yielding great results," he said.

On the other hand, Office of Management and Budget (OMB) Director Juan C. Blanco gave an update on efforts to improve government operations and fiscal responsibility. "The OMB is responsible for maximizing the utilization and performance of all resources available to us, including federal funds. Examples such as the Public Service Reform and the IDEAR project at the Department of Education reflect how we are responsibly prioritizing areas of great importance by relying on existing tools."

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