The Commonwealth of Puerto Rico

Monthly General Fund Budget (Budgetary Basis) Schedule of Revenues and Expenditures.

As of October 31, 2014 and projected for fiscal year 2015

Forward-Looking Statements

The information included in this presentation contains certain "forward-looking" statements. These forward-looking statements may relate to the fiscal and economic condition, economic performance, plans and objectives of the Commonwealth of Puerto Rico (the "Commonwealth") and/or its agencies or instrumentalities. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipates," "believes," "continues," "expects," "estimates," "intends," "aims," "projects," and similar expressions, and future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may," or similar expressions, are generally intended to identify forward-looking statements.

These statements are not guarantees of future performance and involve certain risks, uncertainties, estimates, and assumptions by the Commonwealth and/or its agencies or instrumentalities that are difficult to predict. The economic and financial condition of the Commonwealth and its agencies or instrumentalities is affected by various financial, social, economic, environmental, and political factors. These factors can be very complex, may vary from one fiscal year to the next, and are frequently the result of actions taken or not taken, not only by the Commonwealth and/or its agencies or instrumentalities, but also by entities such as the government of the United States of America or other nations that are not under the control of the Commonwealth. Because of the uncertainty and unpredictability of these factors, their impact cannot, as a practical matter, be included in the assumptions underlying the Commonwealth's or its agencies or instrumentalities' projections.

The projections set forth in this presentation were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. The financial information herein was prepared by the officers of the Commonwealth or its agencies or instrumentalities responsible for the preparation of such information and reflects the Commonwealth's revenue and expenditures estimates prepared in connection with the General Fund budget for fiscal year 2015. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this presentation are cautioned not to place undue reliance on the prospective financial information. Neither the Commonwealth's nor any agency or instrumentality's independent auditors, nor any other independent auditor, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability and disclaim any association with the prospective financial information. Neither the Commonwealth's nor any agency or instrumentality's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this presentation, which is solely the product of the Commonwealth and/or its agencies or instrumentalities, and the independent auditors assume no responsibility for its content.

Disclaimers

- Amounts included in the projections are the ones used in connection with the fiscal year 2015 budget.
- The General Fund Budget revenues projections of the Commonwealth excludes certain taxes which are pledged for specific purposes, including the receipts of Federal Grants, as described on page 4 of this presentation.
- The Commonwealth follows the practice of pooling cash. The following cash flows are for the General Fund only , and therefore do not represent the actual cash balance of the Commonwealth, or its liquidity projections for all of its funds.
- Actual and projected information are not prepared under US GAAP basis.
- General Fund projected revenues are based on estimates used for fiscal year 2015 budget preparation.
- General Fund projected expenditures are based on the amount appropriated by the Puerto Rico Legislative Assembly in the approved budget. There's a risk that actual expenditures will be higher than the budgeted amount.
- General Fund Budget Schedule of revenues, expenditures and changes in cash balances of the Commonwealth for Fiscal Year 2014-15 may vary from those set forth in the financial information included in this presentation.
- General Fund budget actual revenues are recorded once they have been collected.
- General Fund budget actual expenditures include current year expenditures paid plus those amount recorded for payment. It do not include unprocessed expenditures.
- The financial information included in this presentation has not been updated to reflect the impact of circumstances that may arise after the date of the approval of the Commonwealth's General Fund Budget for Fiscal Year 2014-15. Actual amounts could significantly differ from those estimates.
- The Commonwealth, the Department of the Treasury and Government Development Bank for Puerto Rico do not undertake to update the financial information in this presentation to reflect the impact of circumstances that may arise after the date of this publication.
- The projections are subject to various risks and uncertainties, are preliminary and subject to change, and should not be relied upon as being necessarily indicative of future results. Actual General Fund revenues, other financing sources (uses) and expenditures may vary significantly from the projected amounts.

Disclaimers (continue)

The following taxes and revenues of the Commonwealth are excluded from those currently available for the repayment of the tax and revenue anticipation notes ("TRAN's) and they are not included in the Commonwealth's General Fund cash flow projections:

- The portion of rum excise taxes assigned to the Puerto Rico Industrial Development Company ("PRIDCO") and the Puerto Rico Conservation Trust Fund. (Please note that the portion of rum excise tax assigned to the Puerto Rico Infrastructure Financing Authority ("PRIFA") is included and the payment to PRIFA is included in the other financing - sources (uses) line item.)
- Motor Vehicle License Fees and Motor Vehicle Fines assigned to the Puerto Rico Integrated Transportation Authority.
- Motor Vehicle Fines issued by municipal polices departments assigned to municipalities.
- The portion of the excise tax on gasoline, gas, oil, diesel oil and petroleum products assigned to the Puerto Rico Highways and Transportation Authority ("PRHTA").
- The portion of cigarette taxes assigned to PRHTA, and the Puerto Rico Metropolitan Bus Authority, the Office of Services to Former Governors, the Puerto Rico Conservatory of Music Corporation, the Musical Arts Corporation and the Puerto Rico School of Plastic Arts.
- The compulsory vehicle insurance premium assigned to the Puerto Rico Joint Association Membership, which is a private institution.
- The automobile accident compensation insurance premium assigned to the Automobile Accidents Compensation Administration.
- The 7.5% of the Non Resident Withholding Income Tax, assigned to PRIDCO.
- The portion of the horse racing excise taxes assigned to a private institution .
- The portion of the Motor Vehicle Excise Tax assigned to the Energy Affairs Administration.
- The portion of Sales and Use Tax allocated to each of the Puerto Rico Sales Tax Financing Corporation, the Municipal Administration Fund and the Corporation for the Development of the Arts, Science and Film Industry of Puerto Rico.
- The annual special tax of 1.03% of the assessed value of all real and personal property tax, which is pledged to the Commonwealth's General Obligation Debt Service .
- Grants of Federal Funds.
- Collections made by the Commonwealth's agencies (other than the Department of the Treasury) related to certain fees charged for services provided by certain agencies, which are assigned for certain services by law.
- Others

Monthly General Fund Budget (Budgetary Basis) Schedule of Revenues and Expenditures (Actual and Projected)*

Commonwealth of Puerto Rico
Monthly General Fund Budget (Budgetary Fund) Schedule of Revenues, Expenditures and Change in Cash Balance
Fiscal Year 2014-15
(In Thousands)

	July(1)	August(1)	September(1)	October(1)	November(2)	December(2)	January(2)	February (2)	March (2)	April (2)	May(2)	June (2)	Total
Revenues:													
Income taxes	$ 268,203	$ 213,143	$ 445,468	$ 432,552	$ 242,553	$ 607,754	$ 335,021	$ 306,334	$ 427,327	$ 1,008,738	$ 314,743	$ 762,014	5,363,850
Property taxes	677	784	922	3,411	-	-	-	-	-	-	-	-	5,794
Commonwealth excise taxes	325,289	165,210	203,053	206,474	178,363	231,958	216,978	257,274	269,457	266,240	244,892	250,502	2,815,690
Inheritance and gift taxes	53	72	65	16	250	250	250	250	250	250	250	250	2,206
Sales and use tax	-	-	-	-	-	828	146,384	117,453	109,463	123,373	118,235	119,264	735,000
Licenses	1,135	2,476	1,751	1,807	413	1,092	1,324	1,316	1,648	1,290	1,016	10,563	25,831
Non-tax revenues	13,284	32,819	42,260	10,835	11,739	64,393	14,801	15,551	44,624	14,867	14,430	105,504	385,107
Excise on Off- Shore Shipment Rum	15,588	26,075	15,506	20,727	21,795	11,765	3,507	17,661	17,323	15,075	17,374	19,937	202,333
Total revenues	624,229	440,579	709,025	675,822	455,113	918,040	718,265	715,839	870,092	1,429,833	710,940	1,268,034	9,535,812
Total other financing sources (uses) - net	213,588	29,879	14,079	194,285	122,986	83,801	(7,188)	(5,971)	(5,971)	(426,838)	(313,076)	(1,153,204)	(1,253,631)
Total expenditures	(680,063)	(662,406)	(698,420)	(627,143)	(659,755)	(755,620)	(647,038)	(683,413)	(715,411)	(654,270)	(656,126)	(851,610)	(8,291,275)
Net change in cash balance	157,754	(191,948)	24,684	242,964	(81,656)	246,221	64,039	26,456	148,710	348,725	(258,262)	(736,780)	(9,094)
Ending Cash Balance	**$197,010**	**$5,062**	**$29,746**	**$272,710**	**$191,053**	**$437,275**	**$501,313**	**$527,769**	**$676,479**	**$1,025,205**	**$766,942**	**$30,162**	**$ 30,162**

Note: The Commonwealth follows the practice of pooling cash. The following cash flows are for the General Fund only , and therefore do not represent the actual cash balance of the Commonwealth, or its liquidity projections for all of its funds.
Refer to forward looking statements and disclaimers sections. Totals may not add up due to rounding.
*Unaudited, preliminary and subject to change.
(1) Actual.
(2) Projected

Monthly General Fund Budget (Budgetary Basis) Schedule of Revenues and Expenditures - Line Description

General Fund Revenues

Includes all General Fund Revenues from income taxes (net of estimated refunds), sales and use tax, excise taxes, transfers from the Lotteries, and other revenues. All revenues included here in are net of the amounts pledged for specific purposes, as described on page 4 of this presentation.

Other Financing Sources/ (Uses) Net

Includes financing transactions (receipts and payments) such as interim credit lines, tax anticipations and revenue notes, interest payments, General Obligation Debt service payment, and other financing transactions between the Treasury Department and GDB. Also, it includes the payment of income tax refunds, net of estimated income tax reserve, and the payments to PRIFA for its portion of the rum excise tax.

General Fund Expenditures

The Commonwealth's budget is adopted in accordance with a statutory (budgetary) basis of accounting, which is not in accordance with US GAAP. Expenditures are generally recorded when the related expenditure is incurred, recorded in the Commonwealth's accounting system and processed for payment, and not necessarily when it has been paid (disbursed). Expenditures include the following: payroll, legislative appropriations, suppliers and services , and others.

Section4.15 – Budgeted Revenues Covenant

COMMONWEALTH OF PUERTO RICO
TRANS SECTION 4.15 BUDGETED REVENUES DEBT COVENANT
FISCAL YEAR 2014-2015
FOR THE PERIOD ENDED OCTOBER 31, 2014
REVENUES:

A	ACTUAL REVENUES YEAR TO DATE		$	2,449,655
B	BUDGETED REVENUES YEAR TO DATE		$	2,478,845
C	SHORTFALL IN ACTUAL REVENUES (VERSUS BUDGETED REVENUES)	EXCESS B OVER A	$	29,190
D	ANNUAL BUDGETED REVENUES		$	9,565,000

DEBT COVENANT THRESHOLDS- SECTION 4.15 "BUDGETED REVENUES"-
SHORTFALL IN ACTUAL REVENUES THRESHOLDS:

DEBT COVENANT 1	1	5.00% OF THE BUDGETED REVENUES YEAR TO DATE	5.00% of B	$	123,942
DEBT COVENANT 2	2	3.00% OF ANNUAL BUDGETED REVENUES	3.00% of D	$	286,950

DEBT COVENANT COMPLIANCE:

				ANSWER
STEP 1:	COMPLIANCE WITH BUDGETED REVENUES	ACTUAL REVENUES GREATER THAN OR EQUAL TO BUDGETED REVENUES)	A > OR = B	NO

IF ANSWER IS "YES" STOP COMPUTATION (COMPLIANCE EVENT). IF ANSWER IS "NO" GO TO STEP 2. NONCOMPLIANCE EVENT

				ANSWER
STEP 2:	COMPLIANCE WITH SHORTFALL IN ACTUAL REVENUES THRESHOLDS:			
	DEBT COVENANT 1	SHORTFALL IN ACTUAL REVENUES VERSUS BUDGETED REVENUES EQUAL OR LOWER THAN DEBT COVENANT 1	C < OR = 1	YES
	DEBT COVENANT 2	SHORTFALL IN ACTUAL REVENUES VERSUS BUDGETED REVENUES EQUAL OR LOWER THAN DEBT COVENANT 2	C < OR = 2	YES

IF ANSWER IS "YES" FOR BOTH DEBT COVENANTS STOP (COMPLIANCE EVENT). IF ANSWER IS "NO" FOR ANY OF THE DEBT COVENANTS (NONCOMPLIANCE EVENT) GO TO STEP 3

STEP 3: CORRECTIVE MEASURES TO REMEDIATE NONCOMPLIANCE EVENT WITH DEBT COVENANTS 1 OR 2 (WITHIN 60 DAYS AFTER NONCOMPLIANCE EVENT) :

	C	SHORTFALL IN ACTUAL REVENUES (VERSUS BUDGETED REVENUES)		$	29,190
CORRECTIVE MEASURE THRESHOLD	3	1.50% OF ANNUAL BUDGETED REVENUES	1.50% of D	$	143,475
	E	CORRECTIVE MEASURE- REDUCTION IN SHORTFALL IN ACTUAL REVENUES	C - 3	$	-
	F	SHORTFALL IN ACTUAL REVENUES (VERSUS BUDGETED REVENUES) 60 DAYS AFTER THE NONCOMPLIANCE EVENT		$	-

			ANSWER
	SHORTFALL IN ACTUAL REVENUES (VERSUS BUDGETED REVENUES) 60 DAYS AFTER THE NONCOMPLIANCE EVENT EQUAL OR LOWER CORRECTIVE MEASURE THRESHOLD	F < OR = 3	YES

IF ANSWER IS "YES" (NONCOMPLIANCE EVENT WAS REMEDIATED). IF ANSWER IS "NO" (NONCOMPLIANCE EVENT) COMPLIANCE EVENT