

INDEX

**Section 1
Firm Overview
& History**



**Section 3
PR Economic
Update**



Section 1

Firm Overview & History





FIRM OVERVIEW

Birling Capital is a boutique **corporate advisory & consulting firm** that offers broad corporate finance & advisory services to institutional, government, corporate, middle-market companies, family corporations and their owners, in identifying and resolving corporate finance related issues as part of a holistic approach both assets and liabilities sides with integrated business, personal, family needs and objectives.

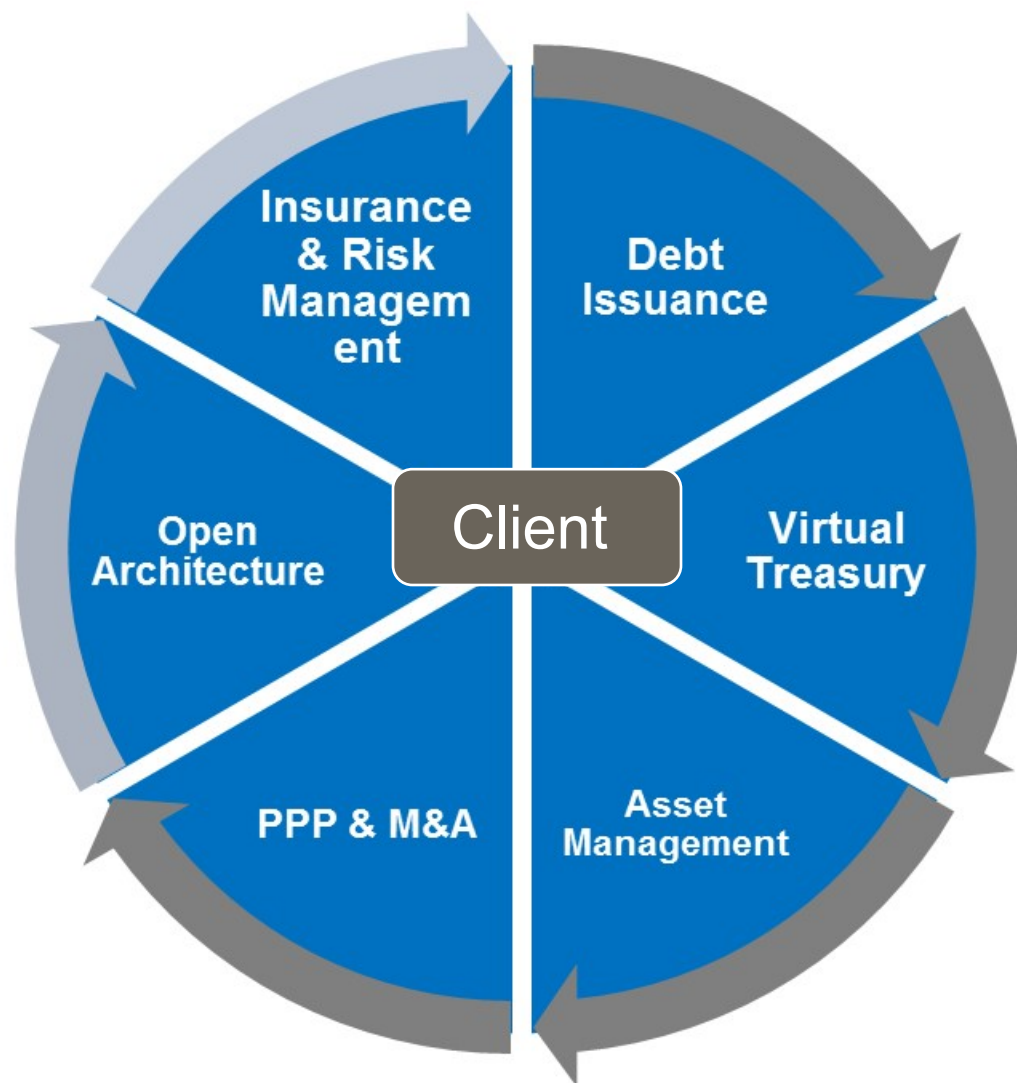
Over the past two decades, our firm's principals have advised on more than 150 transactions in the corporate, healthcare, retail, education, insurance, banking and government markets.

Our value proposition has been implemented with three critical ingredients for success:



- ❑ Unwavering Commitment to Client Service
- ❑ Unparalleled Degree of Professionalism and Senior-Level Attention
- ❑ Extraordinary Level of Industry Expertise

Corporate Financial Planning (CFP)





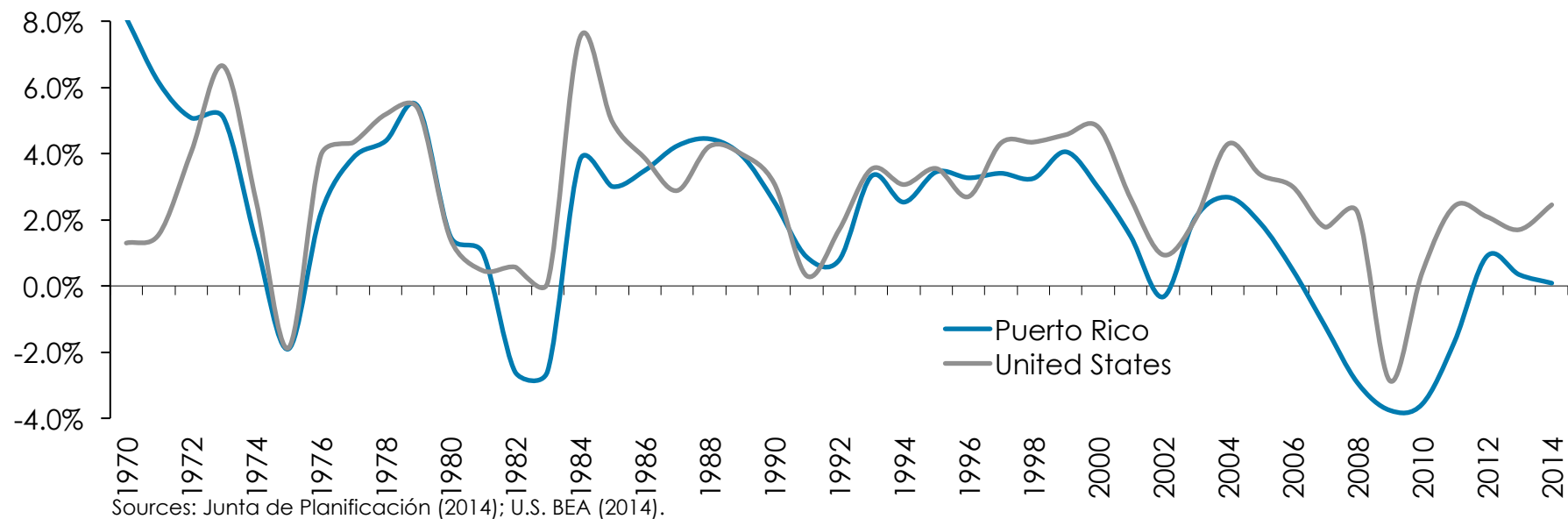
Section 2

Puerto Rico Economic Update



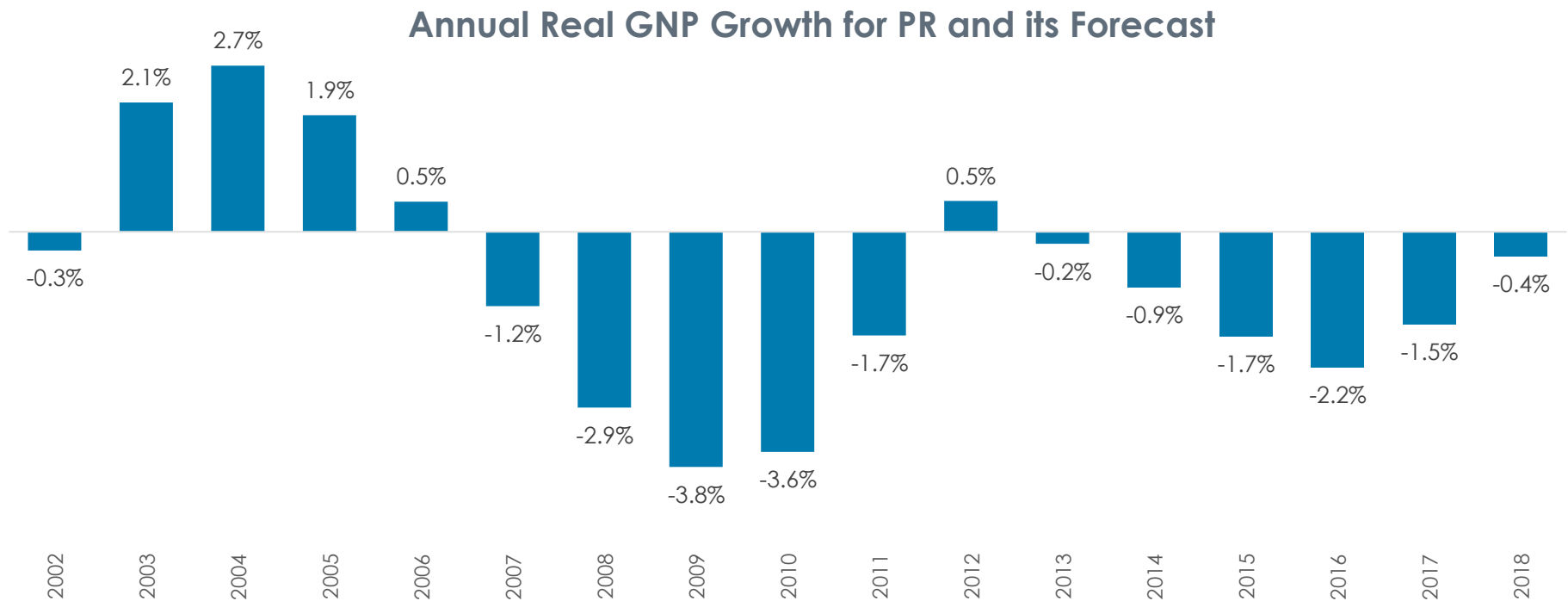
GNP & GDP: Puerto Rico & U.S.

- The local economy has experienced secular deceleration in economic growth since the mid 1970s.
- Up to the late 1990s, the local economy's cycle was significantly correlated with the U.S. business cycle.
- Since then, their growth paths have diverged.
- The underlying reasons leading to the U.S. recession in 2008 are fundamentally different from those that led to the start of the P.R recession in 2006.



GNP Trends

- The Government's role is no longer that of stimulating the economy. Its recent actions lead the economy in the opposite direction.



Real GNP Growth Components

Real GNP: Historical and Forecasted Growth Rates by Component

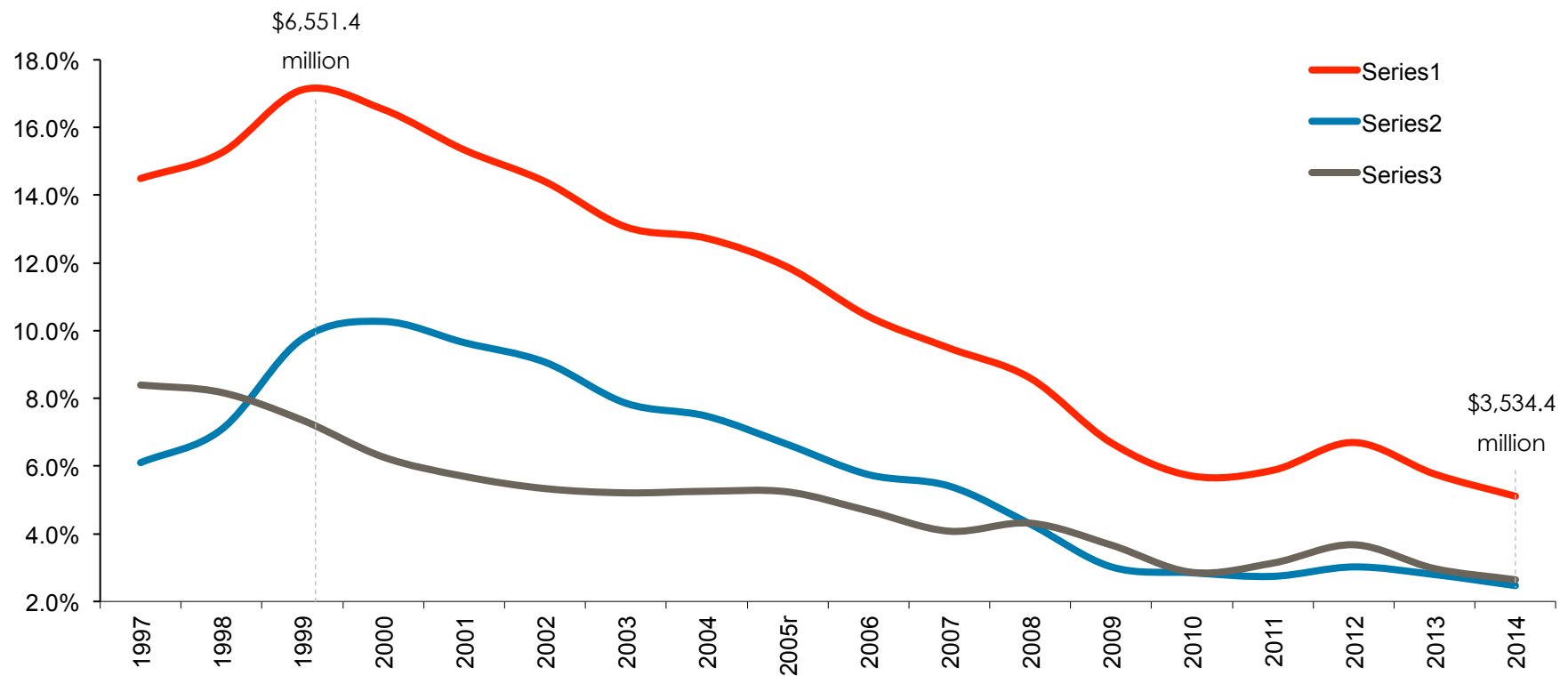
Fiscal Years -- 2005 - 2018

Components of GNP	Historical Growth Rates						Forecasted Growth Rates			
	2009	2010	2011	2012	2013	2014p	2015a	2016a	2017a	2018a
Real GNP	-3.8%	-3.6%	-1.7%	0.5%	-0.2%	-0.9%	-1.7%	-2.2%	-1.5%	-0.4%
Personal Consumption Expenditures	-2.9%	1.4%	1.5%	2.4%	2.6%	-2.6%	-1.2%	-2.0%	0.1%	0.5%
Public Spending	2.5%	-3.4%	-2.2%	1.3%	-1.9%	6.4%	2.2%	-10.0%	-2.5%	0.7%
Gross Domestic Investment	-12.5%	-7.8%	8.1%	5.8%	-9.4%	-4.0%	-5.9%	-7.2%	-1.1%	-0.1%
Construction Investment	-22.2%	-14.1%	2.5%	15.6%	-15.1%	-12.9%	-19.0%	-26.4%	-3.7%	-1.6%
Private	-29.5%	-5.1%	-4.1%	11.7%	-8.8%	-13.1%	-20.2%	-28.0%	-3.9%	-1.7%
Public	-15.0%	-21.5%	9.1%	19.0%	-20.3%	-12.6%	-18.0%	-25.0%	-3.5%	-1.5%
Exports	-3.6%	-3.9%	-0.9%	-6.6%	-2.8%	-2.2%	1.3%	3.8%	4.4%	4.5%
Imports	-3.2%	-0.5%	2.1%	-0.9%	-0.6%	-2.2%	0.2%	-1.0%	2.5%	2.9%

Sources: PR Planning Board (2015). *Statistical Appendix 2014*. Forecasts by Estudios Técnicos, Inc. (Revised May 7, 2015). p = preliminary; a = Subject to revisions.

Investment in construction / GNP - (Current dollars)

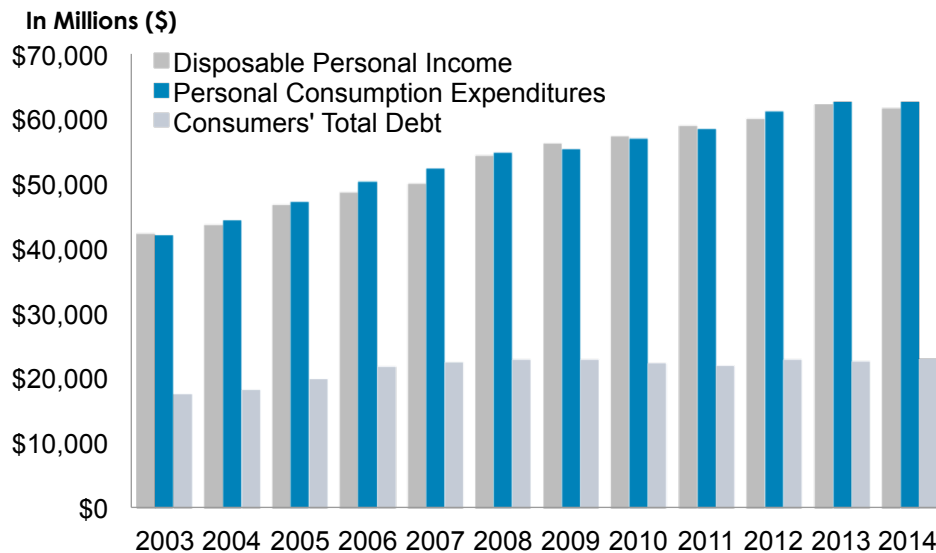
- A major problem is the decrease in investment



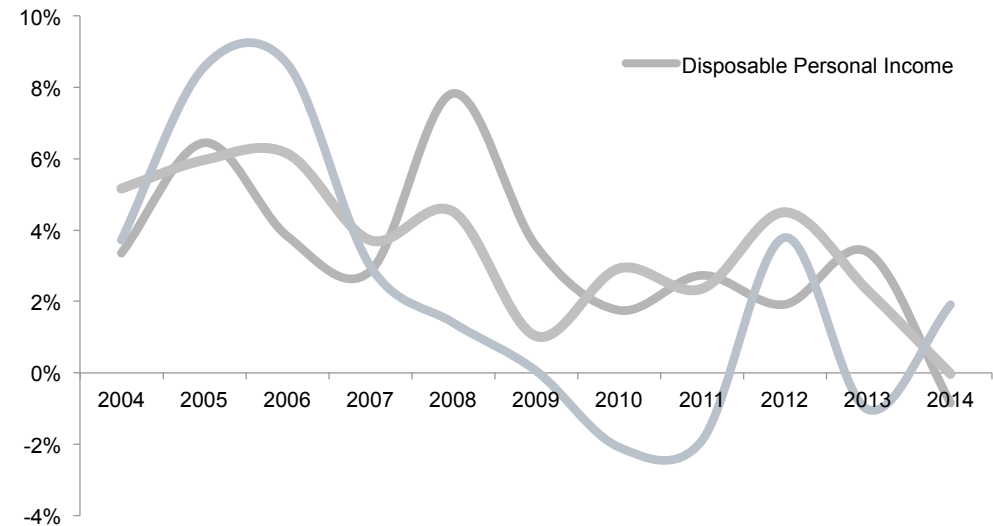
Source: Puerto Rico Planning Board. Estudios Técnicos Inc.

Level and Growth in Personal Income, Personal Consumption Expenditure and Consumer Debt (current dollars)

- Consumers have reacted as expected since the onset of the economic recessions with worsening expectations and increasing their debt repayment.



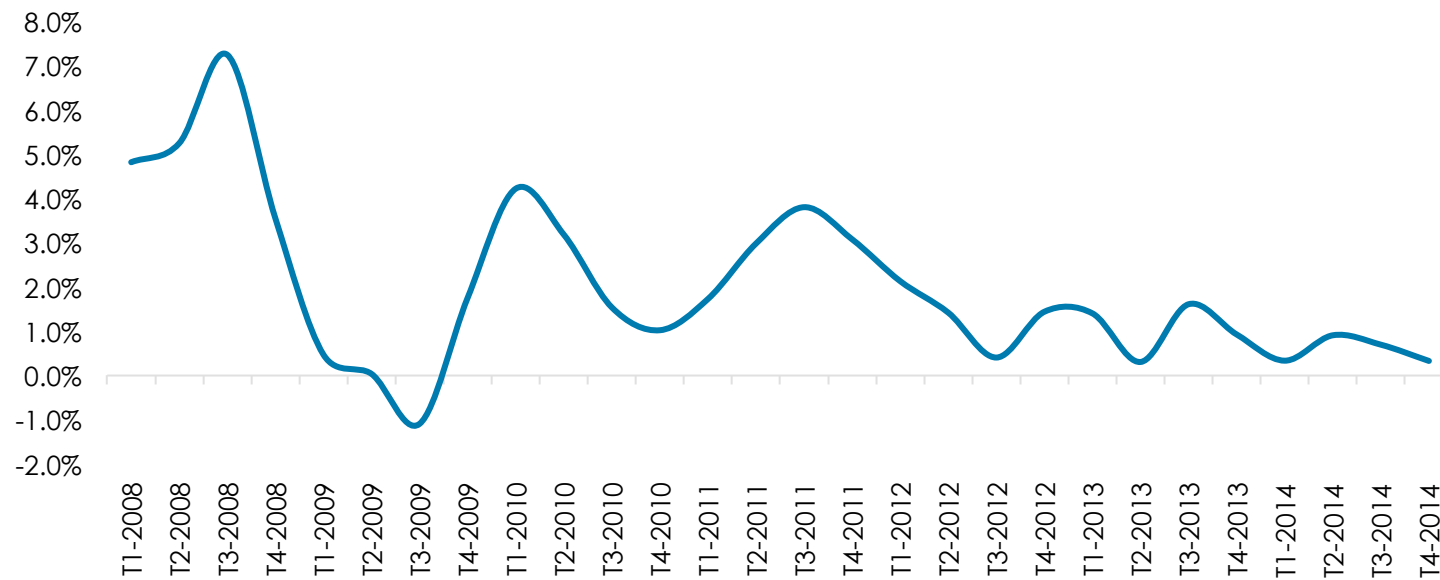
Source: Puerto Rico Planning Board. Estudios Técnicos Inc.



Source: Puerto Rico Planning Board. Estudios Técnicos inc.

Inflation

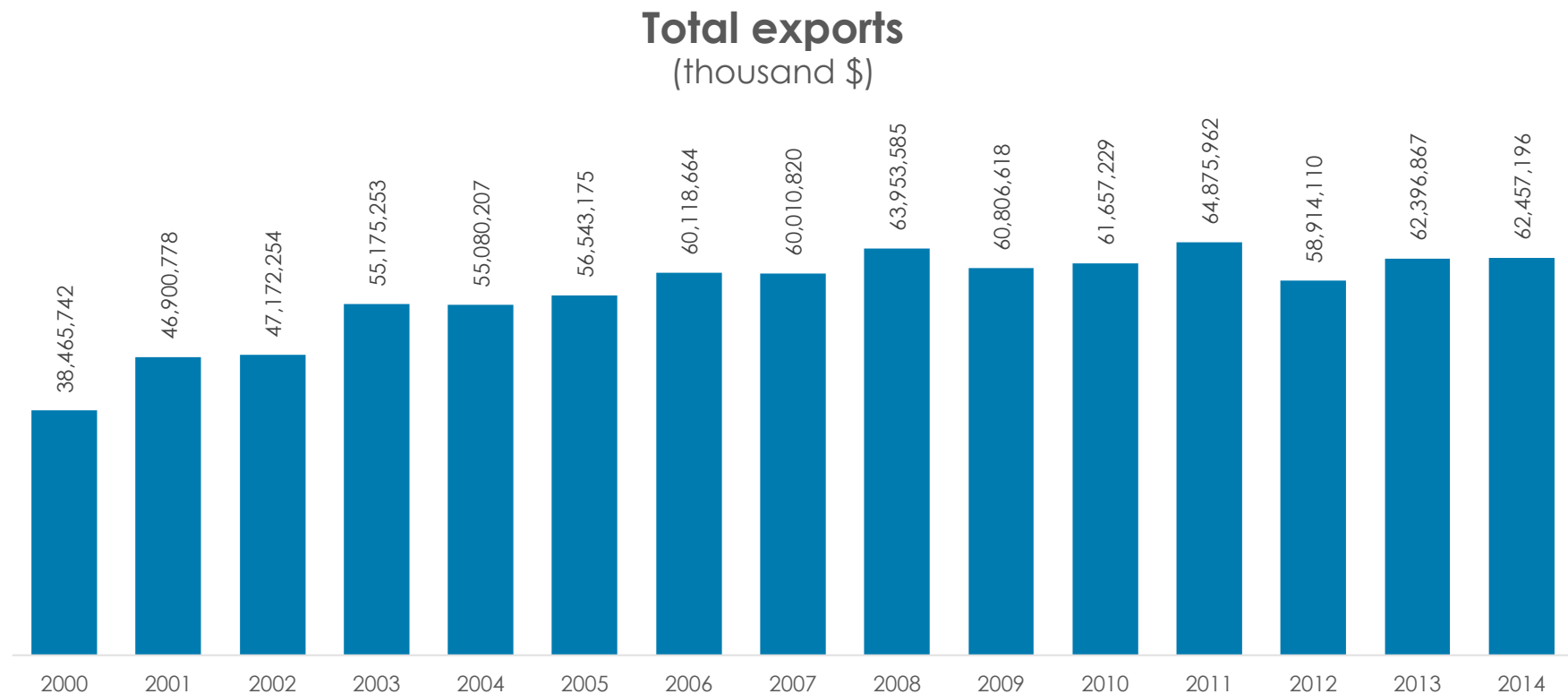
Annual inflation rate



Source: Departamento del Trabajo y Recursos Humanos de Puerto Rico.

Total exports

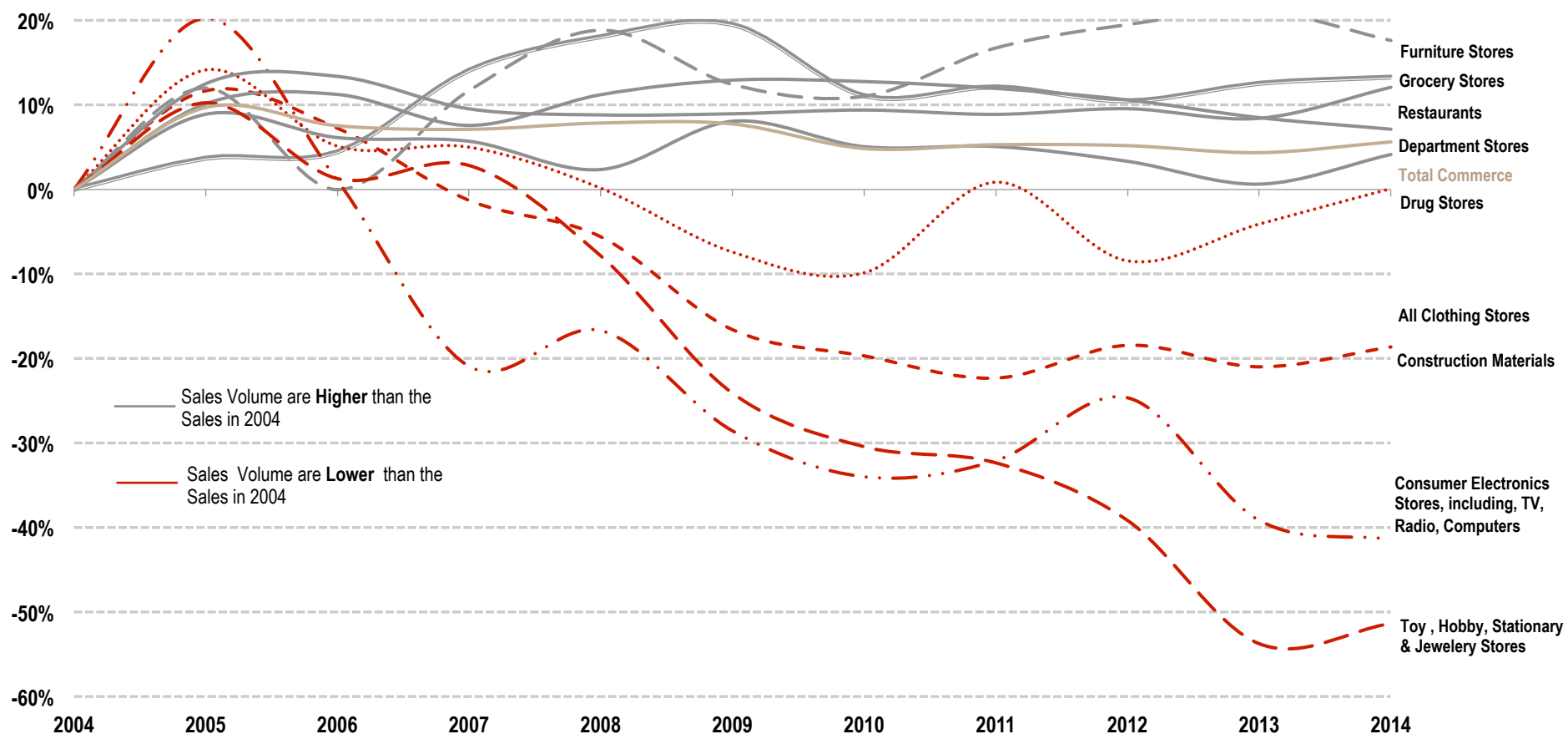
A small, open economy such as ours must necessarily stimulate exports if it wants to spur growth



Source: Puerto Rico Planning Board. Estudios Técnicos, Inc.

The Transformation in Retail Sales

- A major shift to large retail units is transforming the retail sector at the same time total sales are falling.

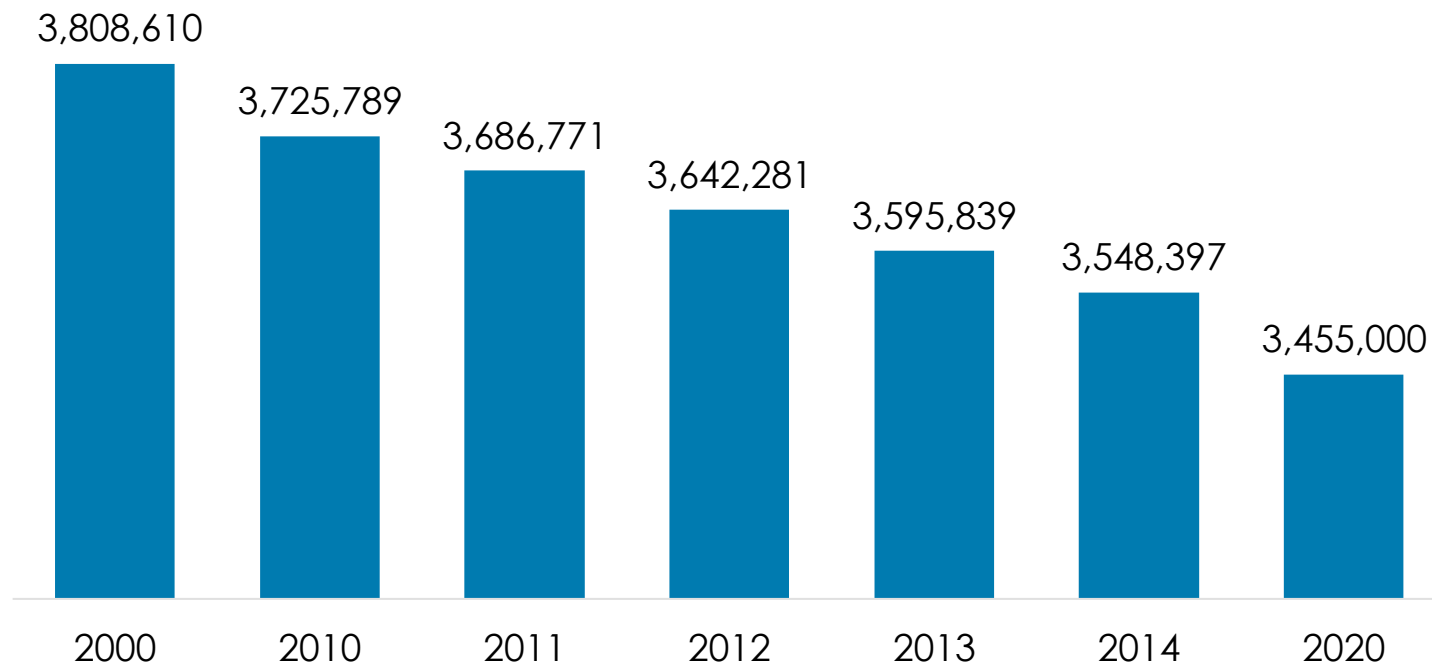


Source: PR Commerce and Export Company.

Estudios Técnicos Inc.



Population



Sources: U.S. Census Bureau.

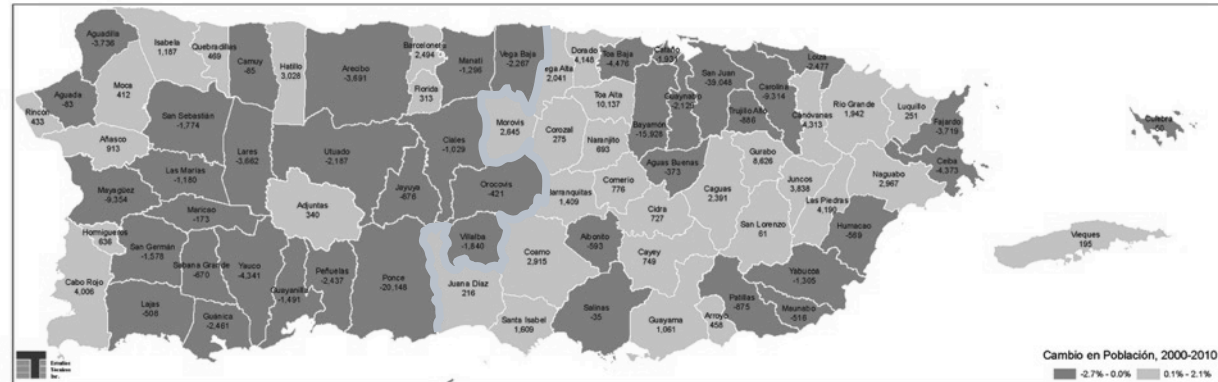
Population Change (Census 2010)



Change in population,
1990-2000



Change in population,
2000-2010

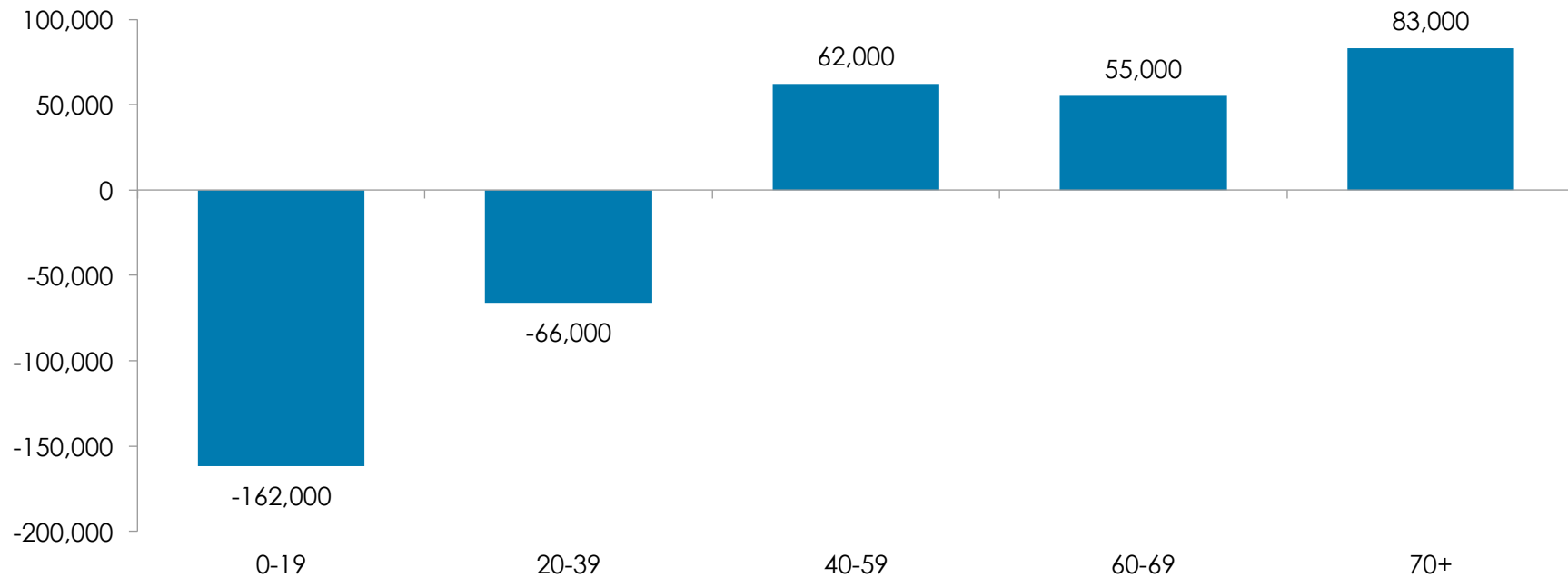


Change in population,
2010-2013



Population

Change in population by cohort 2010-2020

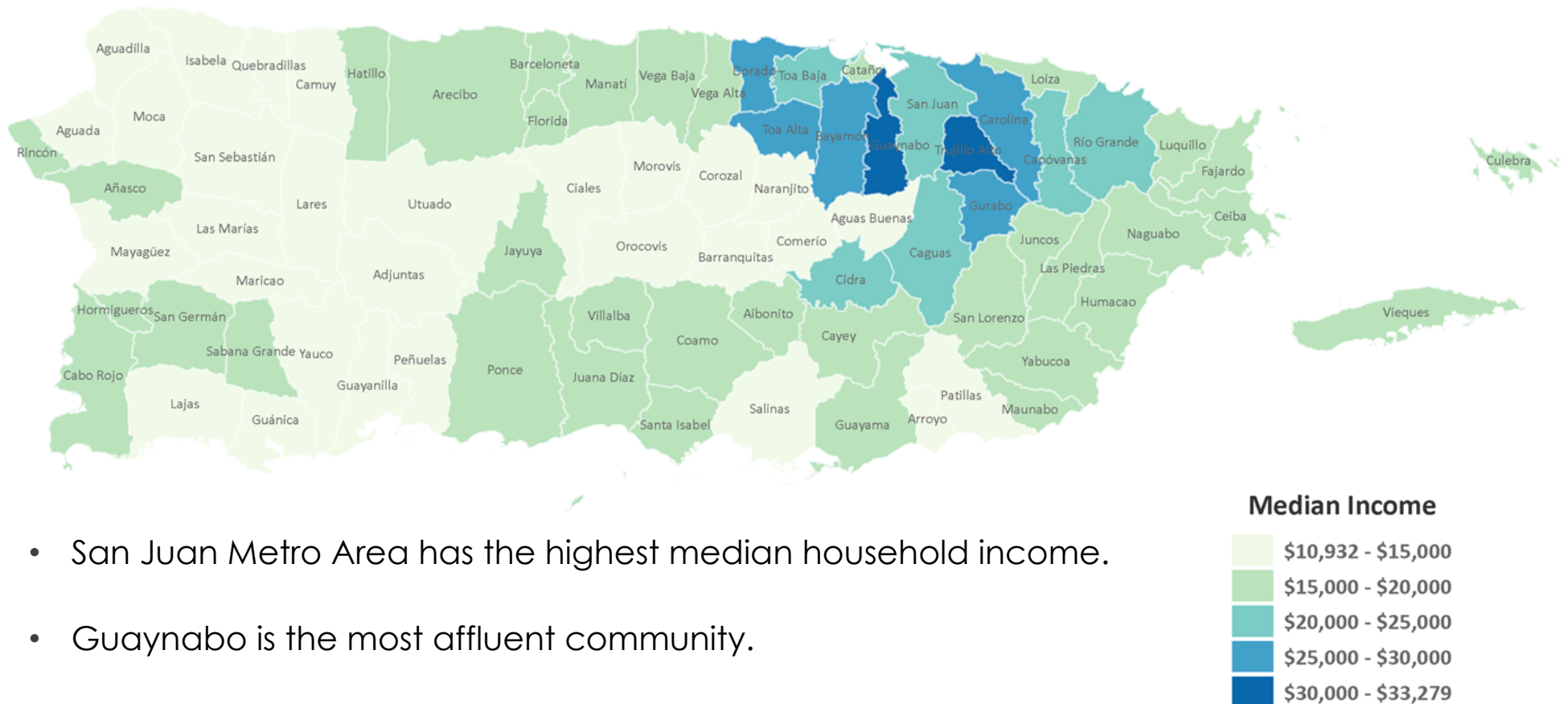


Source: U.S. Census Bureau.

It is expected that the total population in **2020** will be 3.45 million

Median Household Income, 2010

Highest incomes in suburban municipalities around San Juan





Section 3

BIO



BIO

❑ **Francisco Rodriguez-Castro, Managing Partner & Founder**

Mr. Rodriguez-Castro is Managing Partner of Birling Capital since its creation and manages all aspects of its practice. Mr. Rodriguez-Castro with over 25 years of experience has been a key executive in government, global, multinational and public companies as well as a key corporate advisor to multiple entities in a diverse array of market segments. He has participated in structuring over \$10 billion in Municipal Finance, Corporate, Commercial, Asset Based, AFICA and Mergers and Acquisitions transactions.

Mr. Rodríguez Castro has been Managing Director at UBS, President & CEO of the Economic Development Bank and held senior lending positions in the corporate banking sector. He is also a key leader in promoting the private sectors participation in the formulation of public policy of the country supporting the governments in its efforts to achieve and maintain sustained economic development for Puerto Rico. In addition to his management roles he was the founder of the Private Sector Coalition a not for profit association. As board member of the Puerto Rico Chamber of Commerce starting in 2006 he organized, founded and Chairs the Puerto Rico Conference a Macro economic investment conference.

BIO

❑ Francisco Rodriguez-Castro, Managing Partner & Founder

Among the awards he has received are:

- Presidents Award Puerto Rico Chamber of Commerce 2010
- Caribbean Business Person of the Year 2009.
- Presidents Award for Outstanding Service 2009, Puerto Rico Products Association.
- Home Builders Achievement Award 2009
- Presidents Award for Outstanding Service 2008- Puerto Rico Chamber of Commerce
- El Vocero Newspaper Leaders Award 2008.
- Top Management Award 2006, SME Banker of the Year.
- Puerto Rico Chamber of Commerce Zenit Awards Banker of the Year 2006 9. Banker of the year 2004 Puerto Rico Products Association.
- Zenit Award Public Service 2004 Puerto Rico Chamber of Commerce.
- Mercury Award Banker of the Year 2004, Centro Unido de Detallistas.

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