



COMUNICADO DE PRENSA

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**Governor appoints Juan Carlos Batlle
President of Government Development Bank**

Outgoing President Carlos García to stay on for a month as Chairman of the Board of Directors to ensure an orderly transition; Juan Carlos Pavía also named new Director of the Office of Management and Budget

San Juan, P.R. – The Governor of Puerto Rico, Luis G. Fortuño, announced the appointment of Juan Carlos Batlle as President of the Government Development Bank (GDB) effective March 2.

Batlle's appointment follows the resignation of Carlos M. García, who will step down from his post as GDB President on March 1, though he will stay on as Chairman of the Board of Directors until March 30 in order to ensure an orderly transition for the new management team.

The Governor also announced the appointment of José R. Otero-Freiría, until now Deputy Chief of Staff for Public Policy in the Office of the Governor, as the new GDB Executive Vice President for Finance. Otero-Freiría, who also previously served as the Governor's Advisor on Economic Development and Finance, will replace Fernando L. Batlle, who will return to the private sector after having served as the second highest ranking GDB official since January 2009. Batlle, who is the brother of the incoming president, will also stay at the GDB until March 30, as Special Advisor to the Chairman of the Board, in order to further facilitate the transition.

"This is one of those instances in which there are not enough words. I'm sure I speak on behalf of all the people of Puerto Rico in thanking Carlos García, and his entire team, for the outstanding job he has done leading the Bank and this Administration's fiscal policy for more than two years. With his habitual modesty, he will be the first one to say that it has been a team effort. And he's right; it has been a team effort. But let there be no doubt...that Puerto Rico was saved from sure bankruptcy; the homes, the IRA accounts and the jobs of tens of thousands of Puerto Ricans were saved; our credit restored to its best rating in 35 years, as was restored the confidence of all Puerto Ricans, who can now

look to the future with hope, thanks to the ingenuity, vision, discipline, honesty, leadership and moral courage of Carlos García. I thank him for it and the people of Puerto Rico thank him for it,” Fortuño said.

García, meanwhile, thanked Fortuño for the confidence he placed in him and his team to carry out the task of stabilizing Puerto Rico’s public finances, improve the Island’s credit rating, design and implement the fiscal restructuring plan, improve the GDB’s financial position and lead the design and implementation of the island’s new Tax Reform.

“I can’t thank the Governor enough for the trust and support he gave us throughout the whole process. From the beginning, we committed ourselves to carrying out a number of specific tasks, not just to save Puerto Rico from all but certain bankruptcy and restore the trust of both our people and the financial markets, but also to create the conditions that would allow our people to look to the future with hope. More than a specific period of time, those objectives required a number of specific actions and initiatives which, thank God and thanks to our Governor’s leadership and support, we have been able to accomplish in a little more than two years: the stabilization of our finances, the restoration and improvement of Puerto Rico’s credit rating, putting in place a concrete plan to achieve a balanced budget, the restoration of GDB’s credibility, the improvement of its capital position and the design and implementation of Tax Reform,” García said.

“I don’t believe that positions in public service are there to make a career out of them. I believe in having a set of specific tasks to accomplish. And, in fact, I believe that once those who come on board have accomplished their tasks, it is healthy for institutions to renew themselves. And I have complete confidence in the professional capacity, technical expertise and proven leadership of all the members of the new team that will now lead this Administration’s fiscal and budgetary policy,” García said in reference to the new management at both the GDB and OMB.

“I have known and worked with Juan Carlos Batlle for many years and can attest to the fact that the Governor has made an excellent appointment. Juan Carlos is an exceptional banker, with extraordinary technical expertise and a proven record of leadership and professional excellence. I will depart with complete confidence that the GDB remains in excellent hands,” García said.

García also acknowledged and thanked the work of Fernando L. Batlle, who for more than two years was his right hand man as GDB Executive Vice President for Finance and Treasury. “What we have accomplished in a little more than two years would not have been possible had it not been for Fernando Batlle. He is the consummate banker, and had it not been for the fact that to a great extent we were able to delegate in him, in absolute confidence, the day-to-day management of the Bank, we would not have been able to attend to so many other matters,” García stated.

New OMB Director

In related news, the Governor appointed Juan Carlos Pavía as new Director of the Office of Management and Budget, effective immediately. Pavía will replace Maritza Garay, who held the position since January on an interim basis.

“Juan Carlos is an extraordinary professional who has excelled at each of the tasks we have assigned to him. I brought him initially to La Fortaleza (the Governor’s Office) to help us in the area of Economic Development, but Kako García stole him away from us,” joked the Governor to signify the fact that since November 2009 Pavía had joined the GDB, first as Senior Advisor to the President and during the last year as Executive Vice President and Fiscal Agent.

“Juan Carlos Pavía has been directly involved in the formulation of the last two budgets, as well as the restructuring and management re-engineering process at various Government of Puerto Rico agencies. The Governor has once again made another extraordinary appointment. The management and the budget of the Government of Puerto Rico are in good hands,” García concluded.

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Juan Carlos Batlle—For the past 14 years, Juan Carlos Batlle has served with distinction as one of Santander Group’s top executives. After initially serving as Senior Vice President and Director of the Group’s Investment Bank, he later went on to serve as First Senior Vice President of Banco Santander, President and Chief Executive Officer of Santander Asset Management Corporation and, most recently, as Managing Director of Santander Securities Corporation. Batlle earned his bachelor’s degree in economics at the University of Michigan.

José R. Otero-Freiría—Throughout his professional career, José Otero-Freiría has held various top positions in the financial field, including Manager of Procter & Gamble’s Finance Department in San Juan, Finance Manager for Guidant Corporation (later Boston Scientific) in Santa Clara, California and Director of Institutional Investment Consulting Services at UBS Financial Services in San Juan. Most recently, he served in the Office of Governor Luis Fortuño as Advisor for Economic Development and Finances, and Assistant Chief of Staff for Public Policy. Otero-Freiría earned his bachelor’s degree in economy, with a concentration in finance and accounting, from the Wharton School of Business at the University of Pennsylvania. He later earned his MBA at Stanford University, and is a Certified Public Accountant.

Juan Carlos Pavía—Prior to entering public service, Juan Carlos Pavía worked in Puerto Rico’s commercial banking field, rising from commercial banking officer to financial analyst and Assistant Vice President for Asset Financing at Westernbank. His previous government positions include having served as Assistant Advisor to the Governor for Economic Development and Finance, Senior Advisor to the President of the Government Development Bank, Executive Director of the Board of Fiscal Stabilization and Reconstruction and, most recently, Executive Vice President and Fiscal Agent of the Government Development Bank. Pavía earned his bachelor’s degree in business administration from The George Washington University in Washington, D.C.

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