



Economic Activity Index

For the month of November 2009

December 30, 2009



GDB-EAI - Qualitative commentary for the month of November 2009

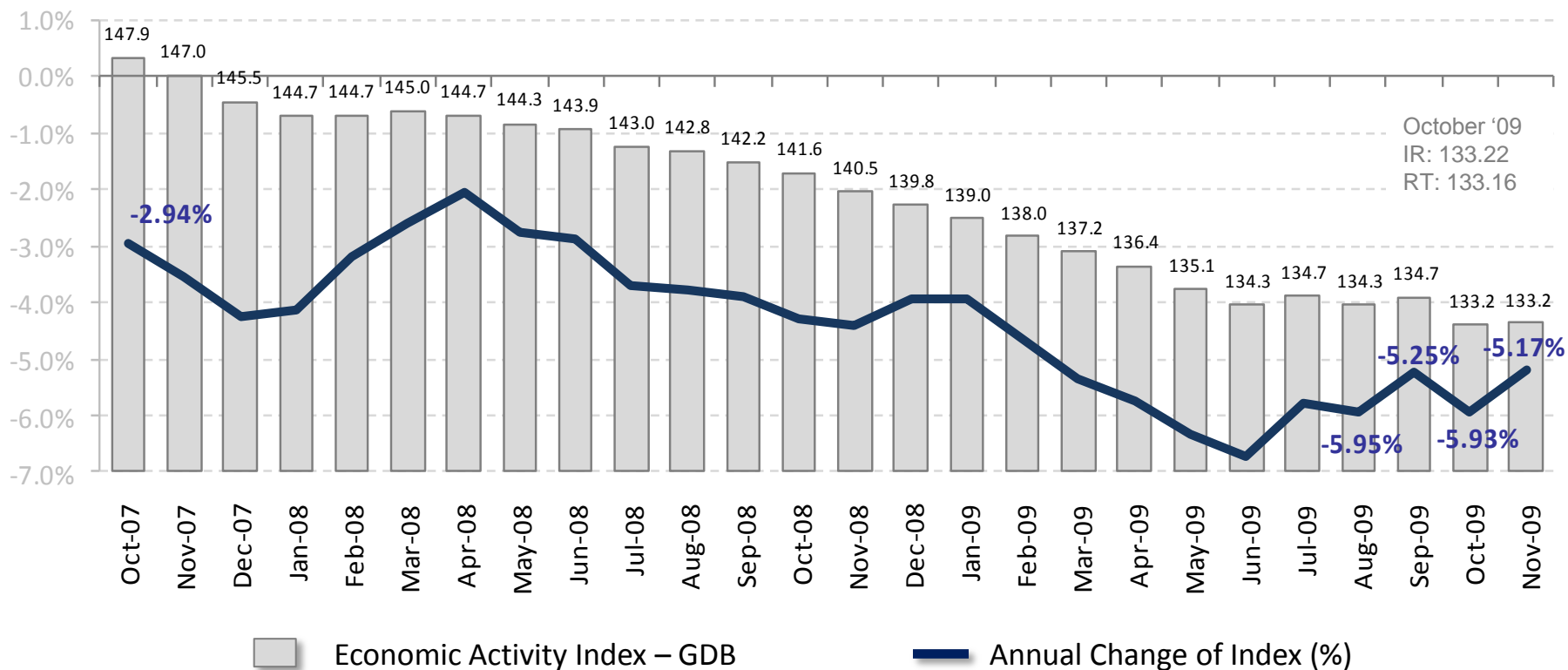
The GDB-EAI posted a modest increase in November 2009:

- The GDB-EAI revealed a moderate month-over-month increase of 0.1% in November 2009, posting a value of 133.22, further showing signals of stabilization.
- Two of the components of the GDB-EAI advanced in November 2009. Non-farm payroll recorded an increase of 14,600 new jobs relative to October 2009. Similarly, based on estimated data, consumption of gas increased 1.7% compared to October 2009.
- However, cement sales, another component of the GDB-EAI, dropped 11.2% in November 2009 compared to October 2009. The decline in cement sales adversely weighted on the GDB-EAI.
- Data for consumption of gasoline is estimated and preliminary due to absence of data as a result of a major incident in one of the island's main fuel tank farms during the month of October that affected inventory build-up.



GDB Economic Activity Index For the month of November 2009

GDB Economic Activity Index



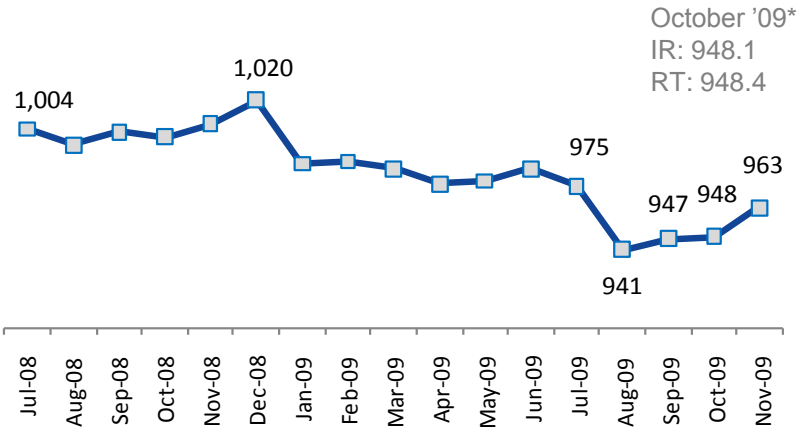
Data used for GDB-EAI is adjusted for seasonality and variability.



GDB Economic Activity Index Components

Total Payroll Employment

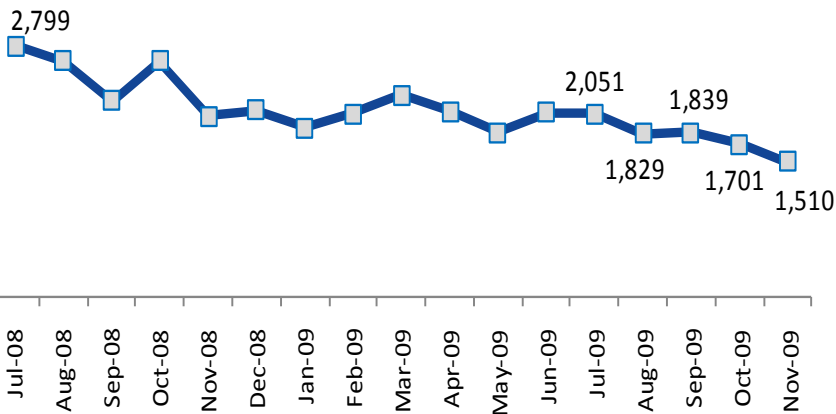
(Thousands of jobs)



- Total payroll employment increased 14,600 jobs compared to October 2009.
- Payroll employment base increased to 963,000 in November 2009.

Cement Sales

(Cement Bags sold, in thousands)



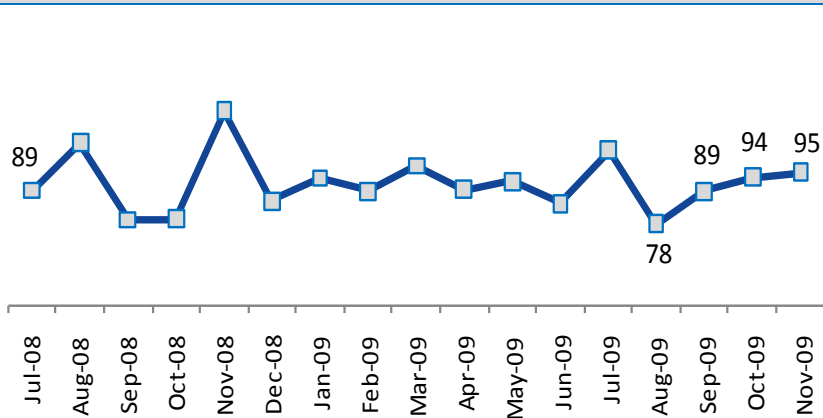
- Cement sales dropped 11.2% on a month-over-month basis. There was a decrease in sales of 191,000 bags month-over-month.
- The decline continues to reveal weakness in the construction industry.



GDB Economic Activity Index Components

Gasoline Consumption*

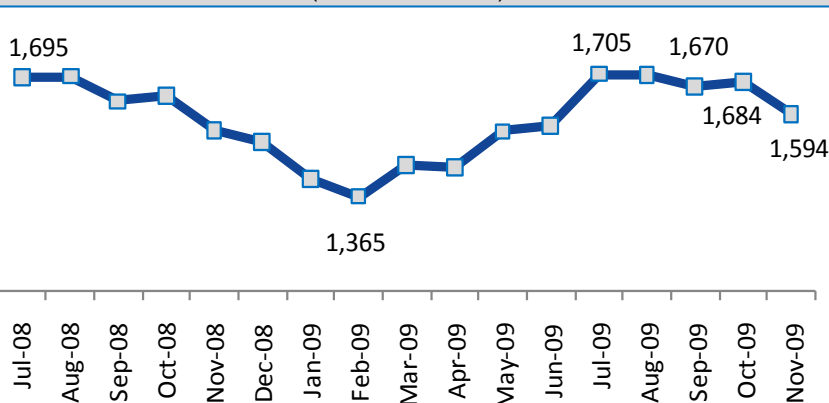
(Millions of gallons)



- Gas consumption advanced 1.7% in November 2009 relative to October 2009.
- Average monthly consumption of gasoline for calendar year 2009 remains stable at 91 million gallons.

Electric Power Consumption

(Millions of kWh)



- On a month-over-month basis, electric power consumption decreased by 5.4% in November 2009.
- Relatively low temperatures in November contributed to a decrease in consumption of electric power.



Description of the GDB-Economic Activity Index

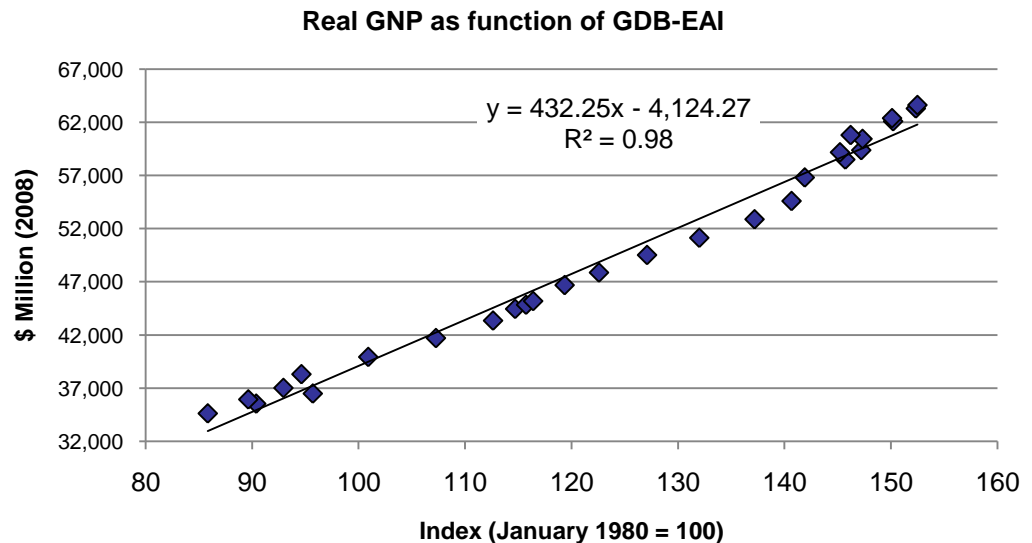


Description of the GDB-Economic Activity Index (GDB-EAI)

- The GDB-EAI is a coincident index for the economy of Puerto Rico. It is a valuable tool that summarizes the behavior of four major monthly economic indicators.
- This index was developed following the methodology similar to that used by *The Conference Board* in their coincident index. This methodology follows a standard procedure to adjust the data for seasonality and volatility factors.

Highly Correlation with Puerto Rico Real GNP

The GDB-EAI levels show a high degree of correlation (R^2 of 0.98) with respect to Real GNP levels





GDB-EAI Highlights and Composition

GDB Economic Activity Index Highlights

Advantages of the GDB-EAI:

- Readily available
- Highly correlated to Puerto Rico's real GNP
- Reliable tool to monitor actual trend of Puerto Rico economy

The GDB-EAI is made up of 4 indicators:

- Total Payroll Employment (Establishment Survey/ Thousand of employees)
- Total Electric Power Consumption (Millions of KWH)
- Cement Sales (Millions of bags)
- Gas Consumption (Millions of gallons)



Disclaimer

The GDB Economic Activity Index and its indicators are subject to monthly revisions. While the information comprising the GDB Economic Activity Index has been obtained from sources GDB believes to be reliable, GDB is not responsible for any errors or omissions, or for the results obtained from the use of this information.