



Economic Activity Index

For the month of January 2012



Disclaimer

During the month of March 2012, the GDB-Economic Activity Index was revised according to the annual benchmark revision of trailing 10 years payroll employment data as published by the Bureau of Labor Statistics (BLS). This annual revision resulted in the adjustment of the GDB-Economic Activity Index to reflect the BLS revised data.



Commentary for the month of January 2012

GDB-EAI for the month of January 2012 registered an increase of +0.5%, reflecting the continued upward trend in recent economic indicators

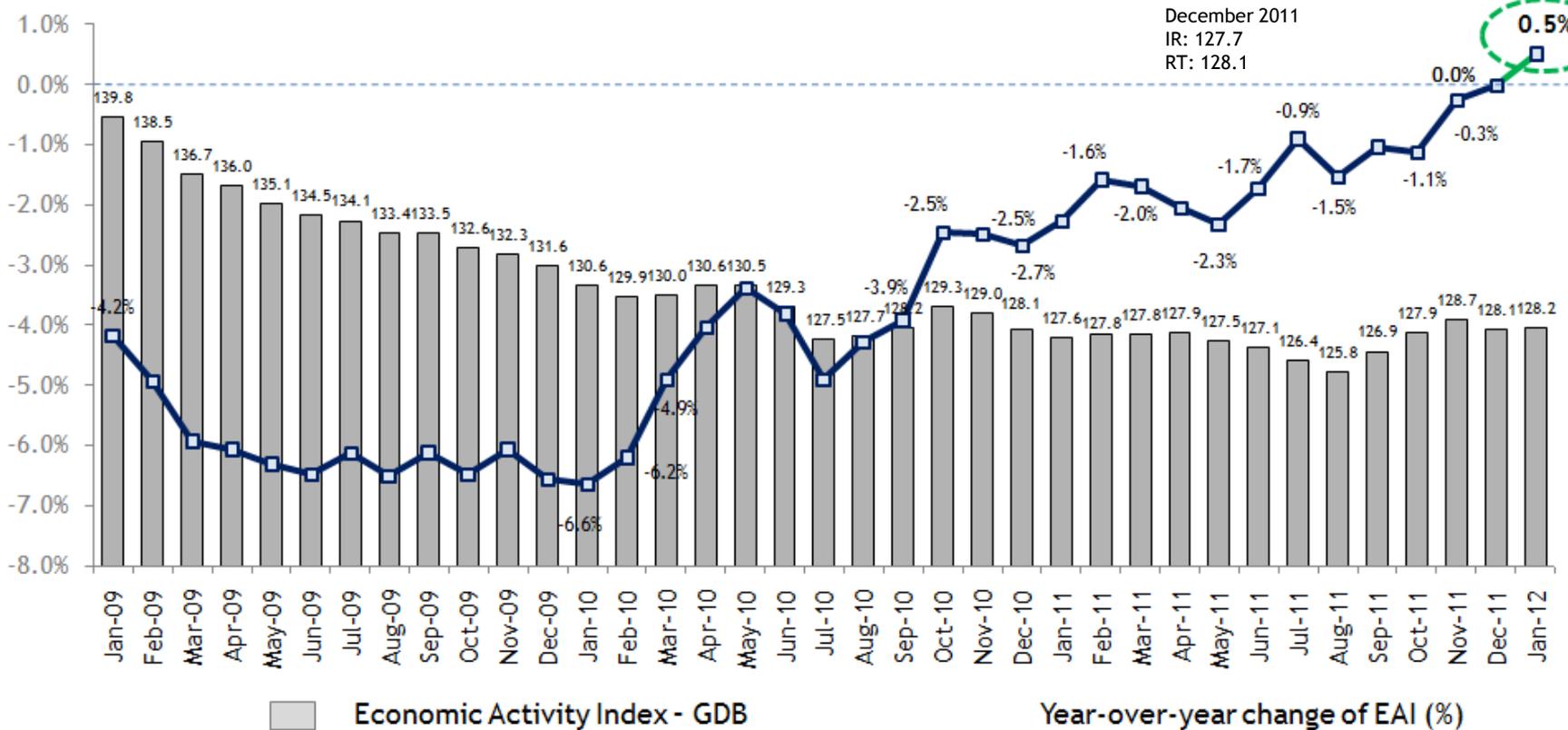
- GDB-EAI registered 128.2 during January 2012, a 0.5% YOY increase when compared to January 2011.
- Unemployment rate decreased to 15.3% when compared to January 2011 when it reflected 15.7%.
- Cement sales totaled 1.551 million bags, registering a YOY increase of 10.5%. Total cement sales year-to-date (YTD) for fiscal year 2012 are 5.8% above the same period in fiscal year 2011.
- Total payroll non-farm payroll employment for January 2012 totaled 917,300, a YOY improvement of 0.4% and the third month reflecting positive growth since early 2006.
- Gasoline consumption* was 86.3 million gallons. Monthly average gasoline consumption during CY 2011 was 87.2 million gallons.
- Electric power consumption totaled 1,406.9 million kWh, reflecting a YOY increase of 1.9%. Total electric power consumption YTD for fiscal year 2012 is 2.0% below the same period in fiscal year 2011.

* Estimated monthly gasoline consumption is derived from the Treasury Department's monthly gasoline excise tax collections. These monthly collections tend to have irregular patterns as major gasoline importers have significant fluctuations in their inventories and purchases. As a result, the estimate used by GDB does not necessarily reflect actual monthly consumption by individuals.



With a +0.5% increase during January 2012, the GDB-Economic Activity Index registered the first YOY growth since March 2006

GDB Economic Activity Index



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

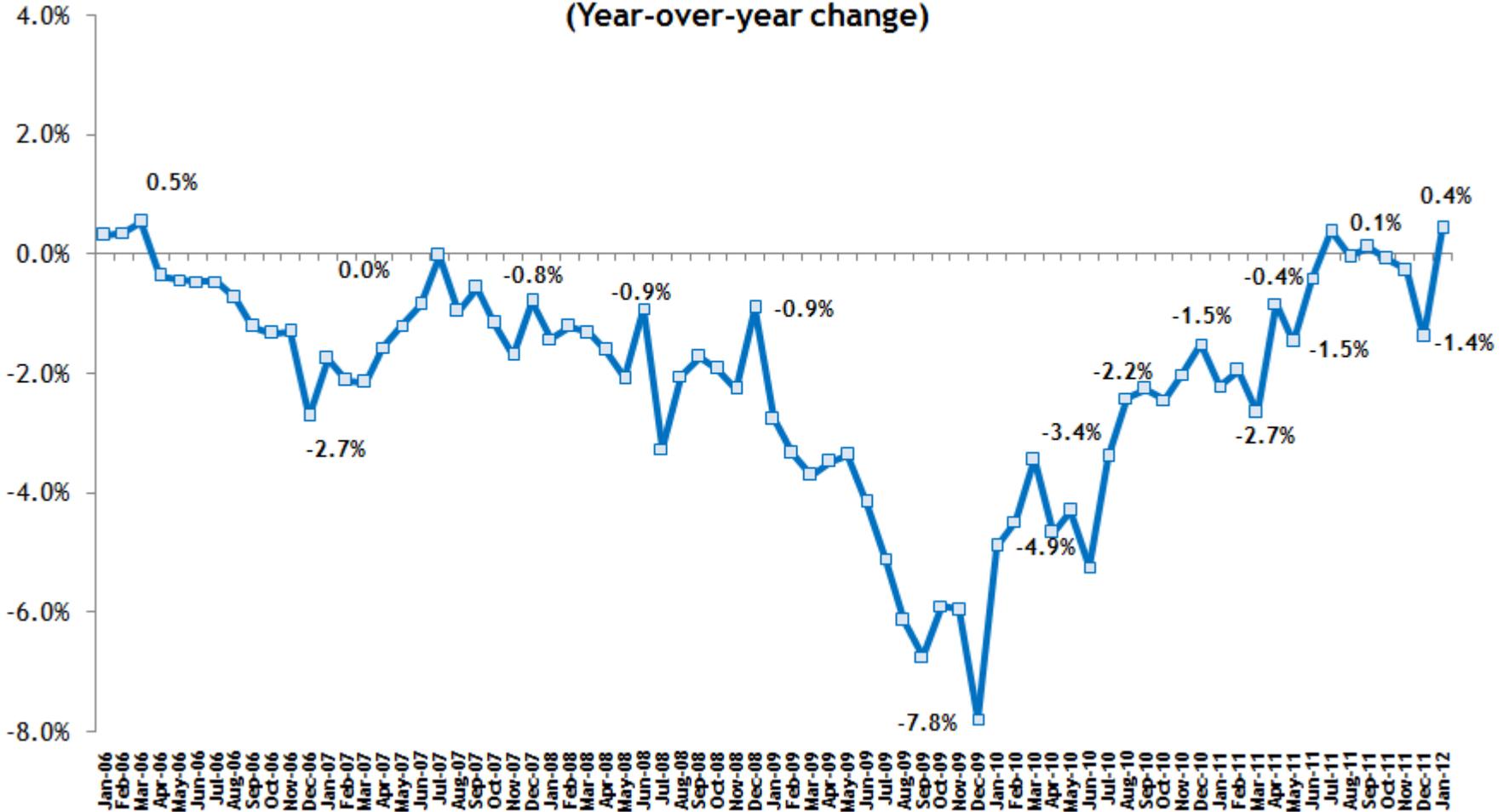
* The GDB Economic Activity Index and its indicators are subject to monthly revisions. IR: Initial Revision, RT: Revised To



Recent positive trend in total non-farm payroll employment is confirmed with third positive growth since March 2006 when economic recession began...

Total Non-Farm Payroll Employment

(Year-over-year change)

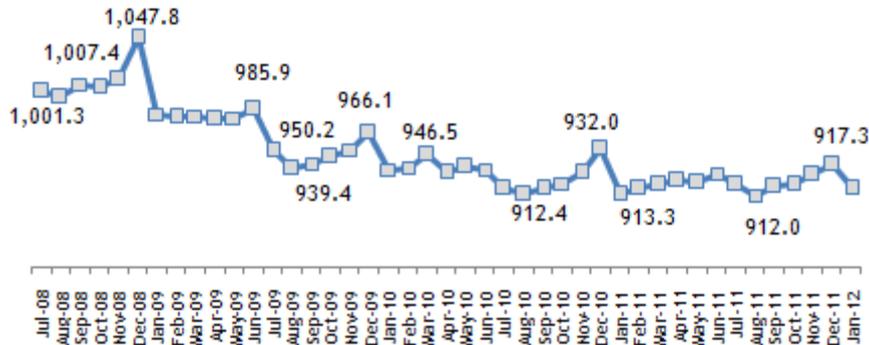




GDB Economic Activity Index Components

Total Non-Farm Payroll Employment*

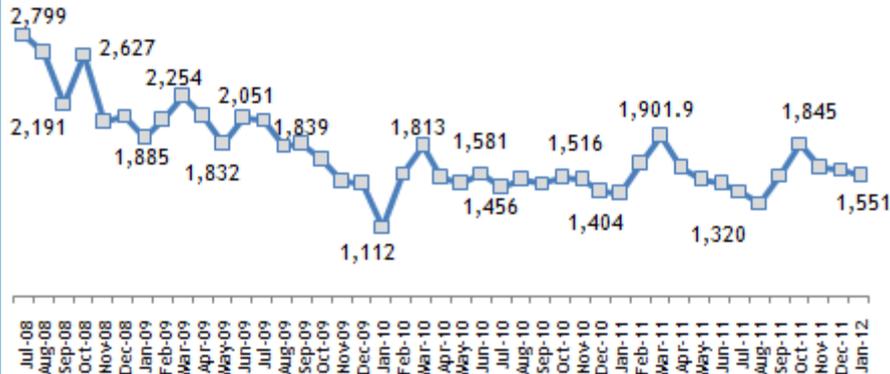
(Thousands of jobs)



- Total non-farm payroll employment for January 2012 totaled 917,300, a YOY improvement of 0.4%.
- When compared to January 2011, total non-farm employment has increased by 4,000 jobs.

Cement Sales

(Cement Bags sold, in thousands)



- Cement sales totaled 1.551 million bags, a year-over-year growth of 10.5%.
- Total cement sales for calendar year (“CY”) 2011 ended 5.2% above year 2010.
- Total cement sales YTD for fiscal year 2012 were 5.8% above fiscal year 2011.

Sources: Dept. of Labor, GDB

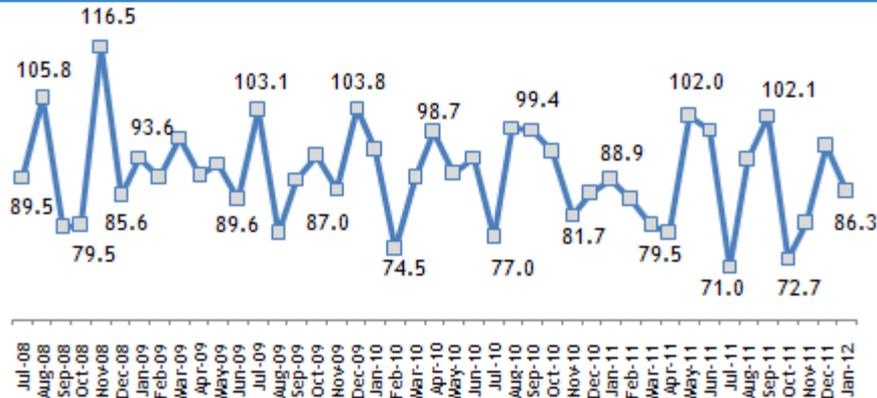
* Not seasonally adjusted.



GDB Economic Activity Index Components

Gasoline Consumption

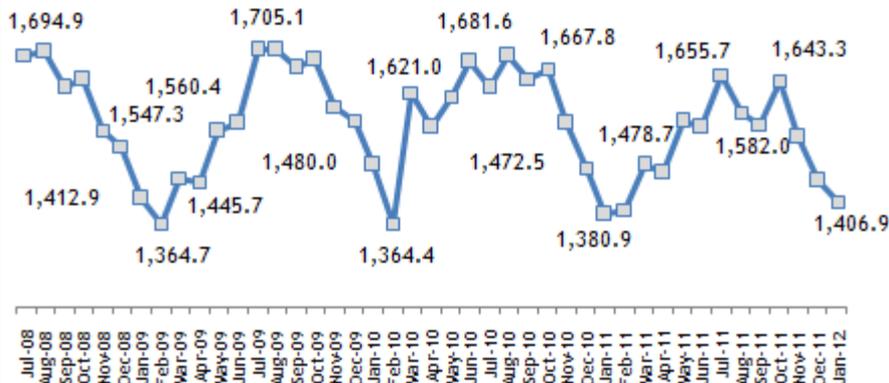
(Millions of gallons)



- Gasoline consumption during the month of January 2012 totaled 86.3 million gallons.
- Estimated monthly gasoline consumption is derived from the Treasury Department's monthly gasoline excise tax collections. These monthly collections tend to have irregular patterns as major gasoline importers have significant fluctuations in their inventories and purchases. As a result, the estimate used by GDB does not necessarily reflect actual monthly consumption by individuals.

Electric Power Consumption

(Millions of kWh)



- Electric power consumption registered 1,406.9 million kWh during the month of January 2012, a 1.9% YOY increase.
- Electric power consumption year-to-date for fiscal year 2012 was 2.0% below same period in FY 2011.



Description of the GDB-Economic Activity Index

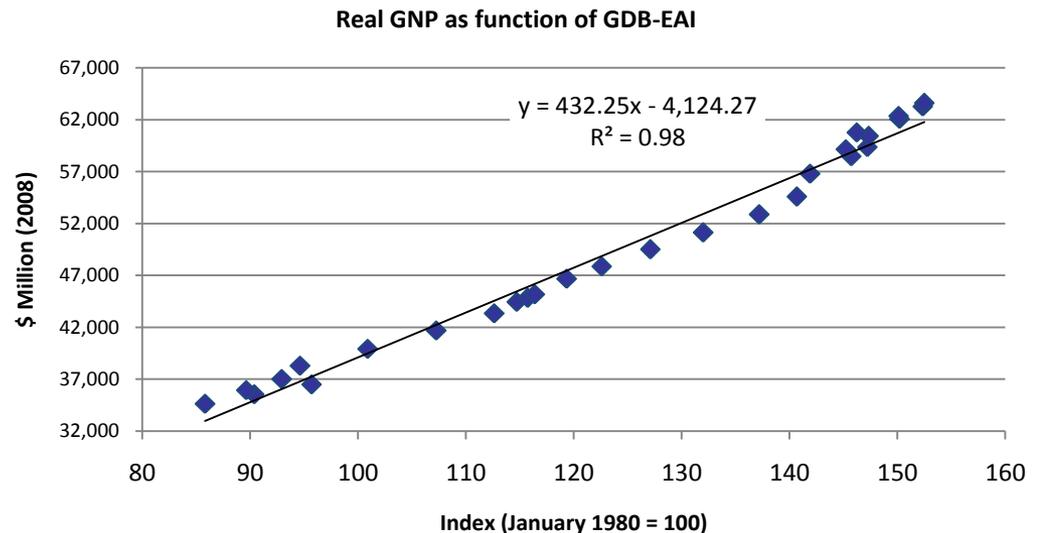


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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.

High 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.