



Economic Activity Index

For the month of *May* 2012



Commentary for the month of May 2012

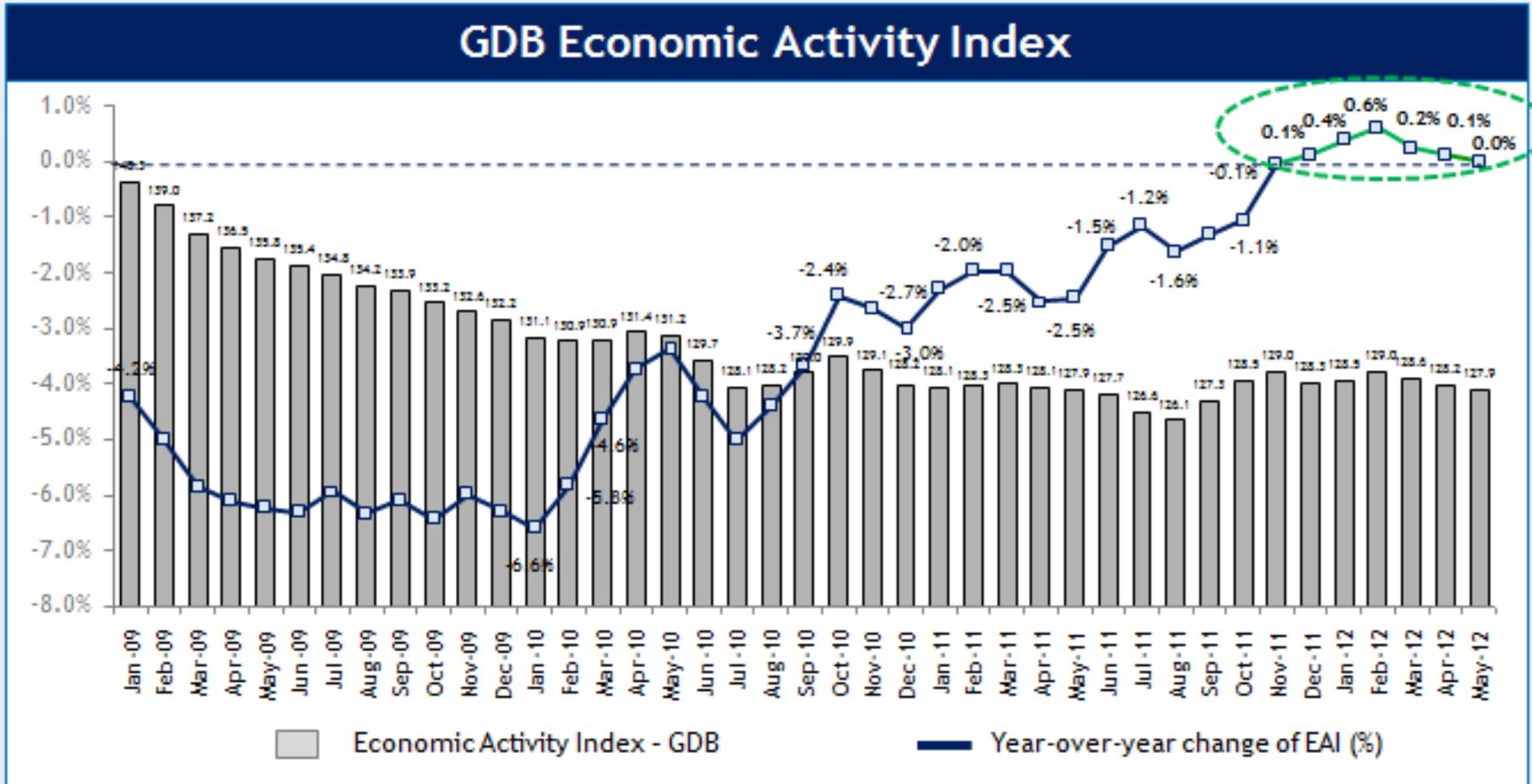
GDB-EAI for the month of May remained unchanged when compared to the same period of 2011, the sixth consecutive month out of negative territory since recession began in 2006

- May 2012 EAI was 127.9, the same level as in May 2011
- **Cement sales totaled 1.846 million bags, registering a year-over-year increase of 21.3%.** Total cement sales year-to-date (“YTD”) for fiscal year 2012 are 6.4% above the same period in fiscal year 2011.
- Electric power generation totaled 1,903.4 million kWh, reflecting a YOY increase of 0.7%. Total electric power generation YTD for fiscal year 2012 is 2.3% below the same period in fiscal year 2011.
- Unemployment rate decreased to 14.2% (seasonally adjusted) when compared to May 2011 when the unemployment rate was at 15.9% (seasonally adjusted).
- Total non-farm payroll employment for May 2012 totaled 919,500, a YOY reduction of 0.3%.
- Gasoline consumption* was 86.5 million gallons, a 15.2% YOY reduction when compared to May 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.



GDB-Economic Activity Index continues showing an improving trend



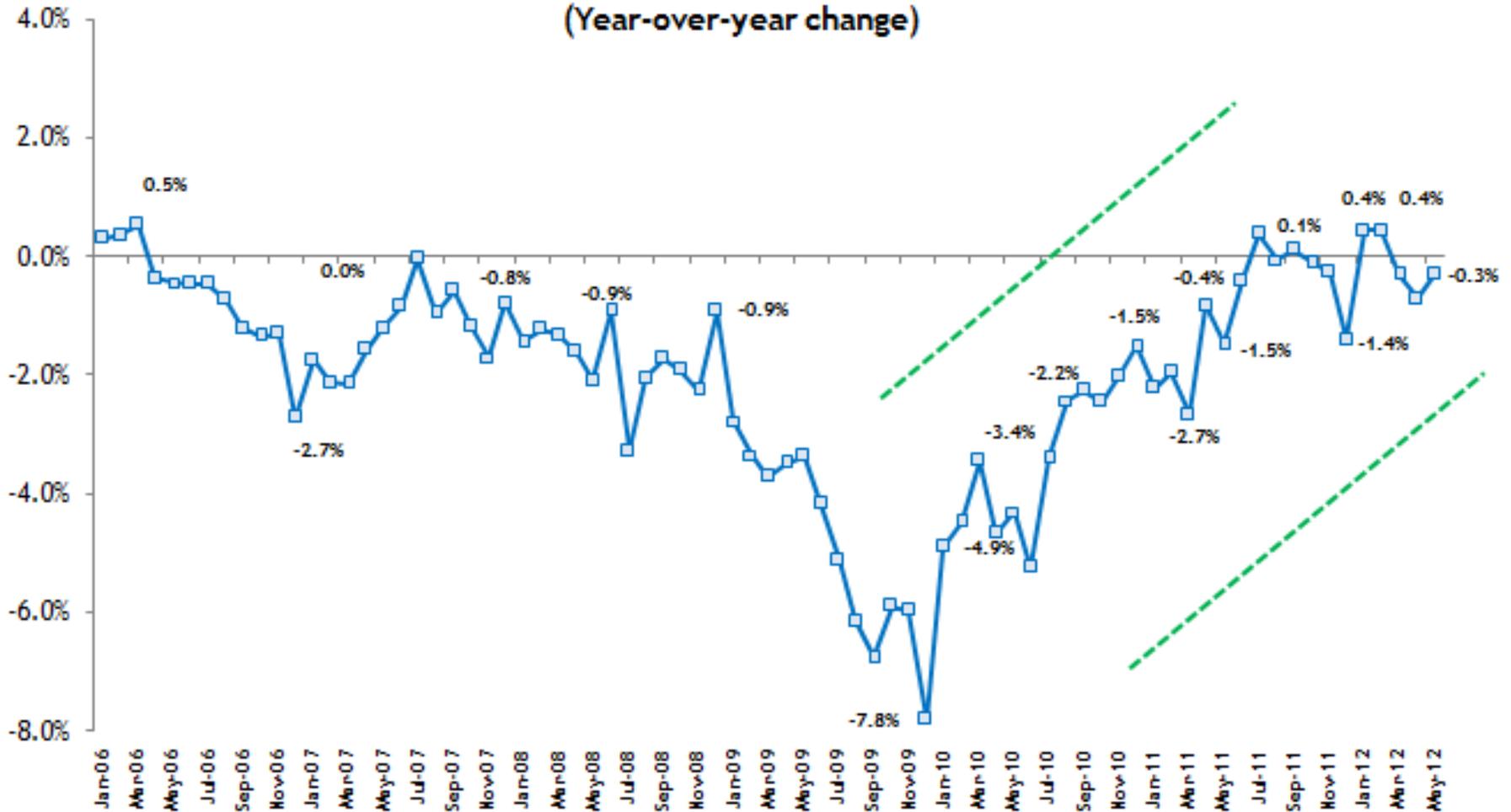
Data used for GDB-EAI is adjusted for seasonality and volatility.



Recent trend in total non-farm payroll employment is in line with positive trends seen in principal economic indicators

Total Non-Farm Payroll Employment

(Year-over-year change)

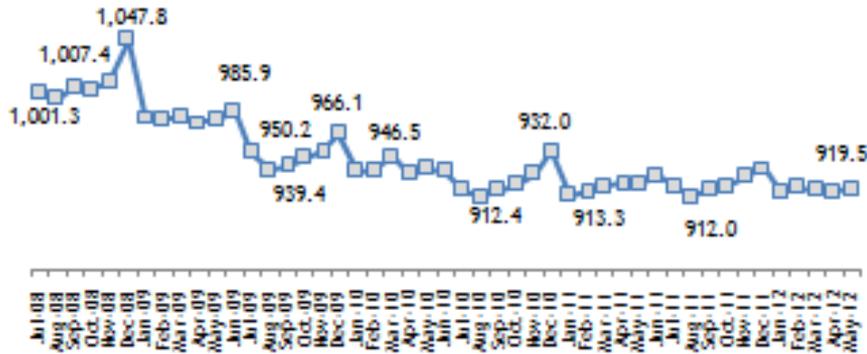




GDB Economic Activity Index Components

Total Non-Farm Payroll Employment*

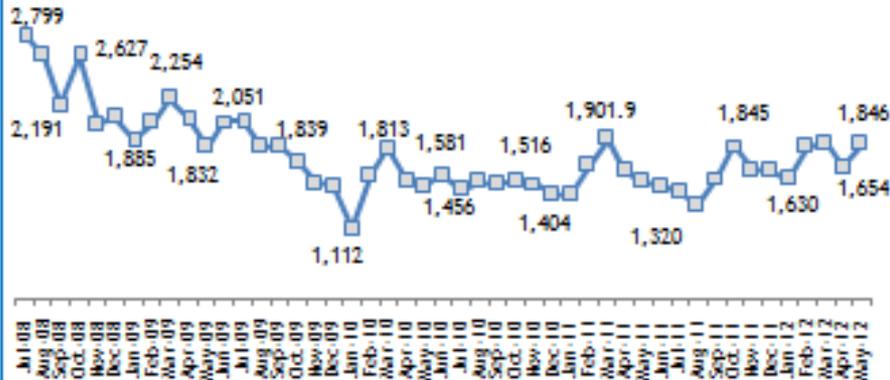
(Thousands of jobs)



- Total non-farm payroll employment for May 2012 totaled 919,500, a YOY reduction of 0.3%.
- Unemployment rate decreased to 14.2% (s.a) when compared to May 2011 when it was at 15.9% (s.a).

Cement Sales

(Cement Bags sold, in thousands)



- Cement sales totaled 1.846 million bags; a YOY increase of 21.3%.
- Total cement sales for calendar year (“CY”) 2011 ended 5.2% above year 2010.
- Total cement sales YTD for fiscal year 2012 are 6.4% above fiscal year 2011.

Sources: Dept. of Labor, GDB

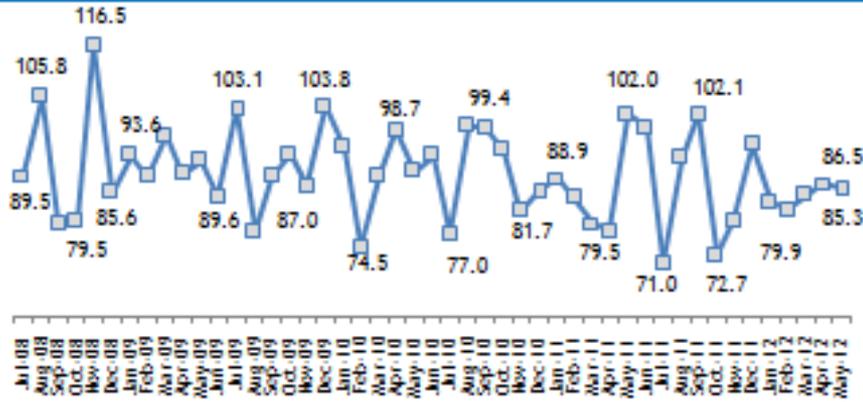
* Not seasonally adjusted.



GDB Economic Activity Index Components

Gasoline Consumption

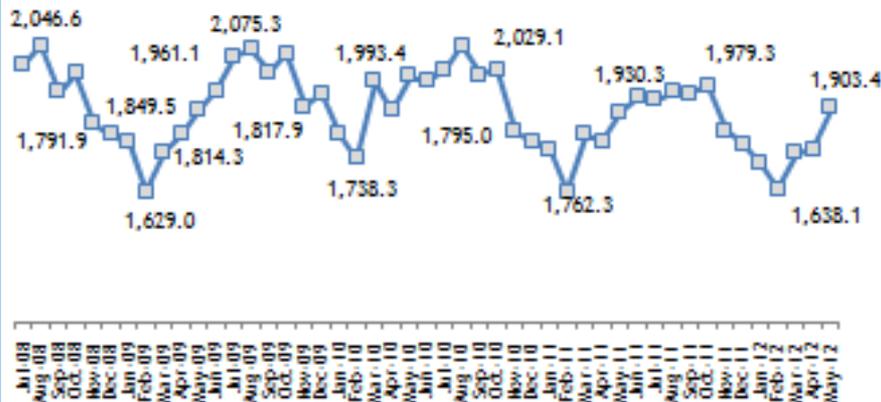
(Millions of gallons)



- Gasoline consumption during the month of May 2012 totaled 86.5 million gallons, a YOY reduction of 15.2%.
- 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 Generation

(Millions of kWh)



- Electric power generation registered 1,903.4 million kWh during the month of May 2012, a 0.7% YOY increase.
- Electric power generation YTD for fiscal year 2012 was 2.3% below same period in FY 2011, mainly as a result of higher oil prices.



Description of the GDB-Economic Activity Index

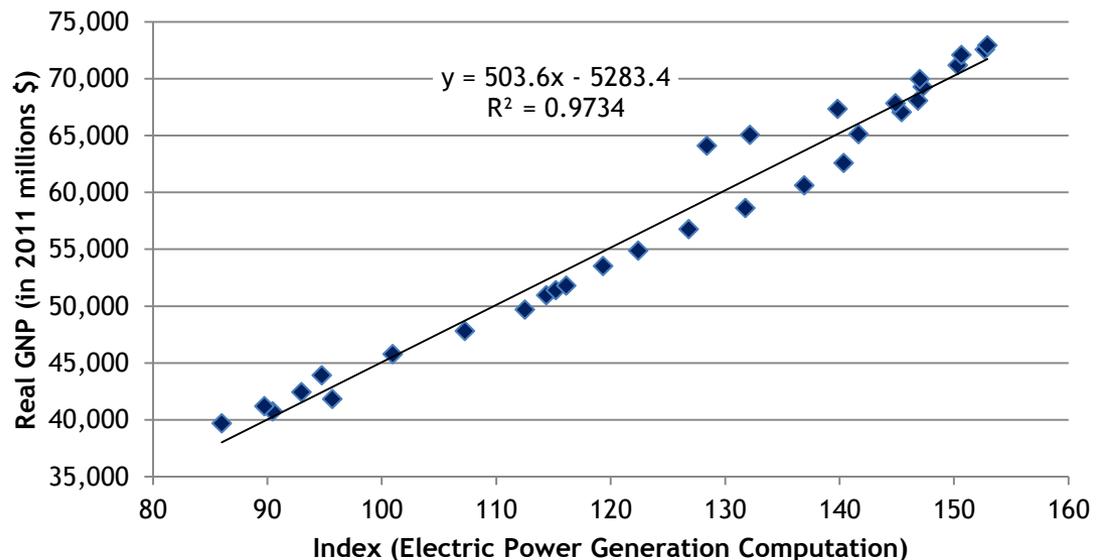


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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 0.97) 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 Generation (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 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.