



Economic Activity Index

For the month of September 2011



Commentary for the month of September 2011

GDB-EAI for the month of September jumped to 126.7, reflecting the lowest year-over-year (“YOY”) decline since October 2006 at 0.9%.

Total employment reflected the first positive YOY growth since March 2006 when the economic recession began.

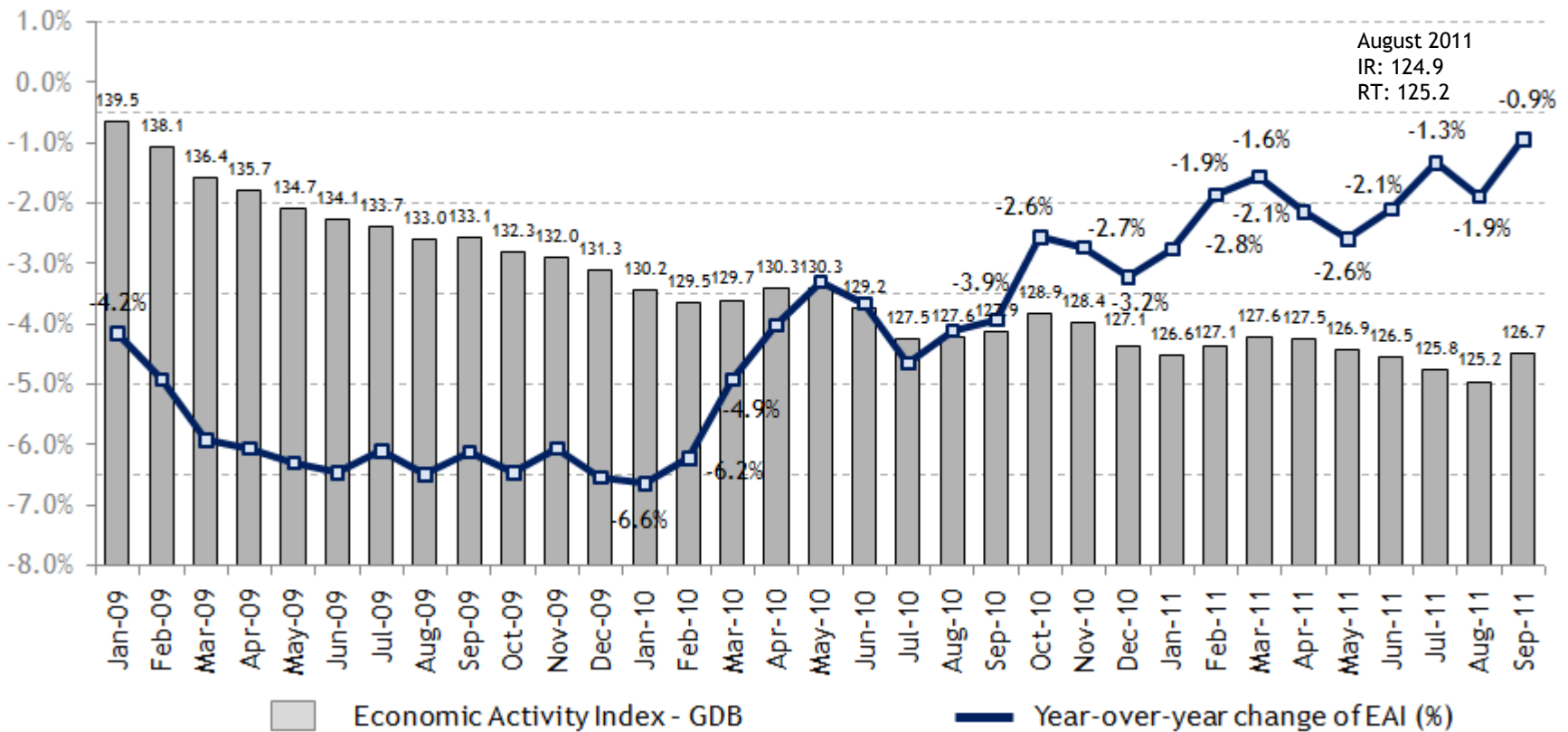
- All four economic indicators composing the GDB-EAI reflected monthly improvements.
- Total payroll employment totaled 915,300, a YOY increase of 0.4%. Employment reflected an increase of 0.9% compared to August.
- Unemployment rate declined to 15.4% from 16.4% in the previous month.
- Electric power consumption totaled 1,634.7 million kWh, reflecting a month-over-month increase of 3.3%.
- Cement sales totaled 1.563 million bags, registering a month-over-month increase of 18.4% and YOY increase of 4.6%. Year-to-date cement sales for 2011 are 2.3% above same period for 2010.
- Gasoline consumption* was 99.3 million gallons. YTD monthly average gasoline consumption in 2011 is 88.4 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.



GDB Economic Activity Index For the month of September 2011

GDB Economic Activity Index



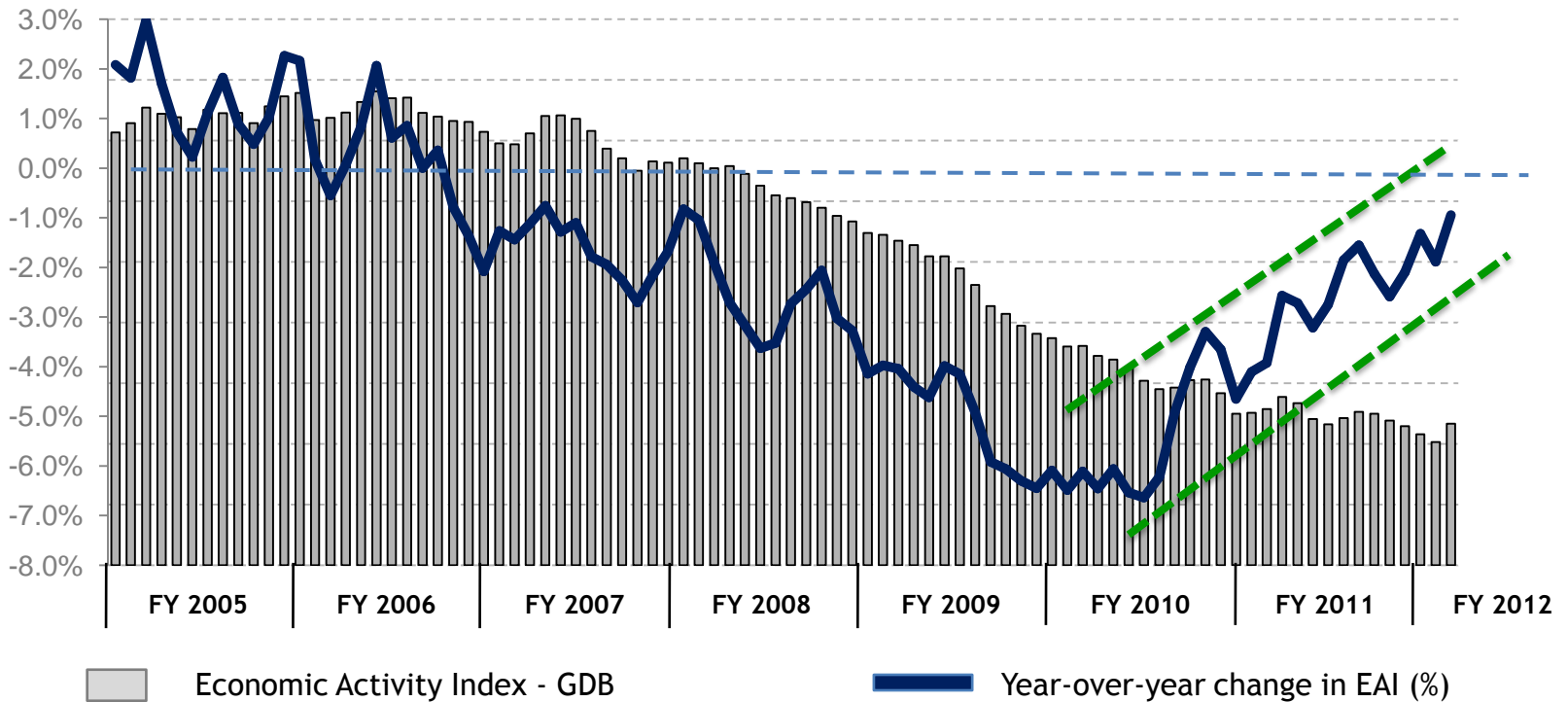
Data used for GDB-EAI is adjusted for seasonality and volatility.

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



At -0.9%, the GDB-Economic Activity Index is reflecting the most favorable year-over-year position since October 2006

GDB Economic Activity Index (EAI): 98% correlation with GNP

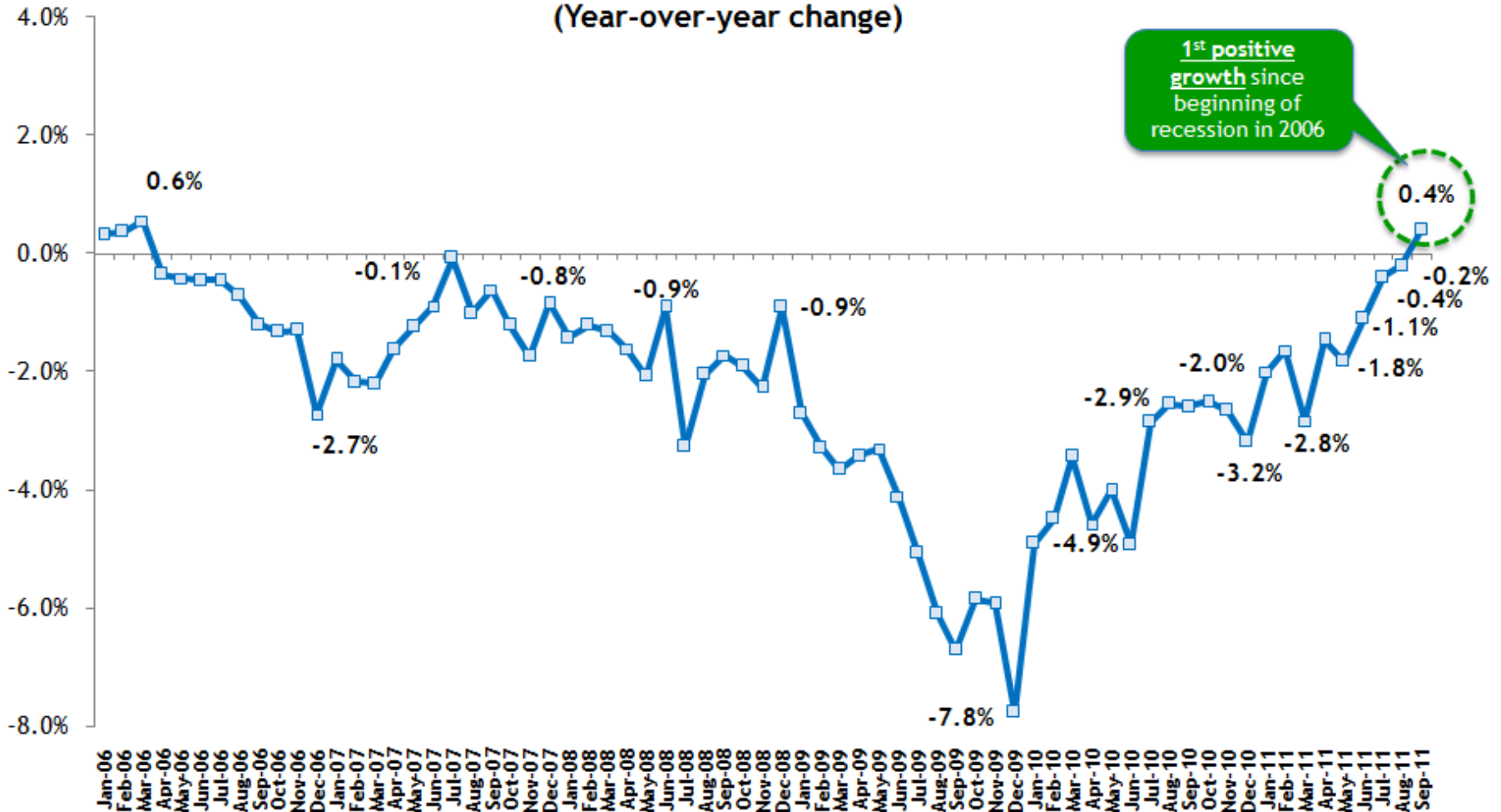




Recent positive trend in total employment is confirmed with first positive growth since March 2006 when economic recession began...

Total Non-Farm Payroll Employment

(Year-over-year change)

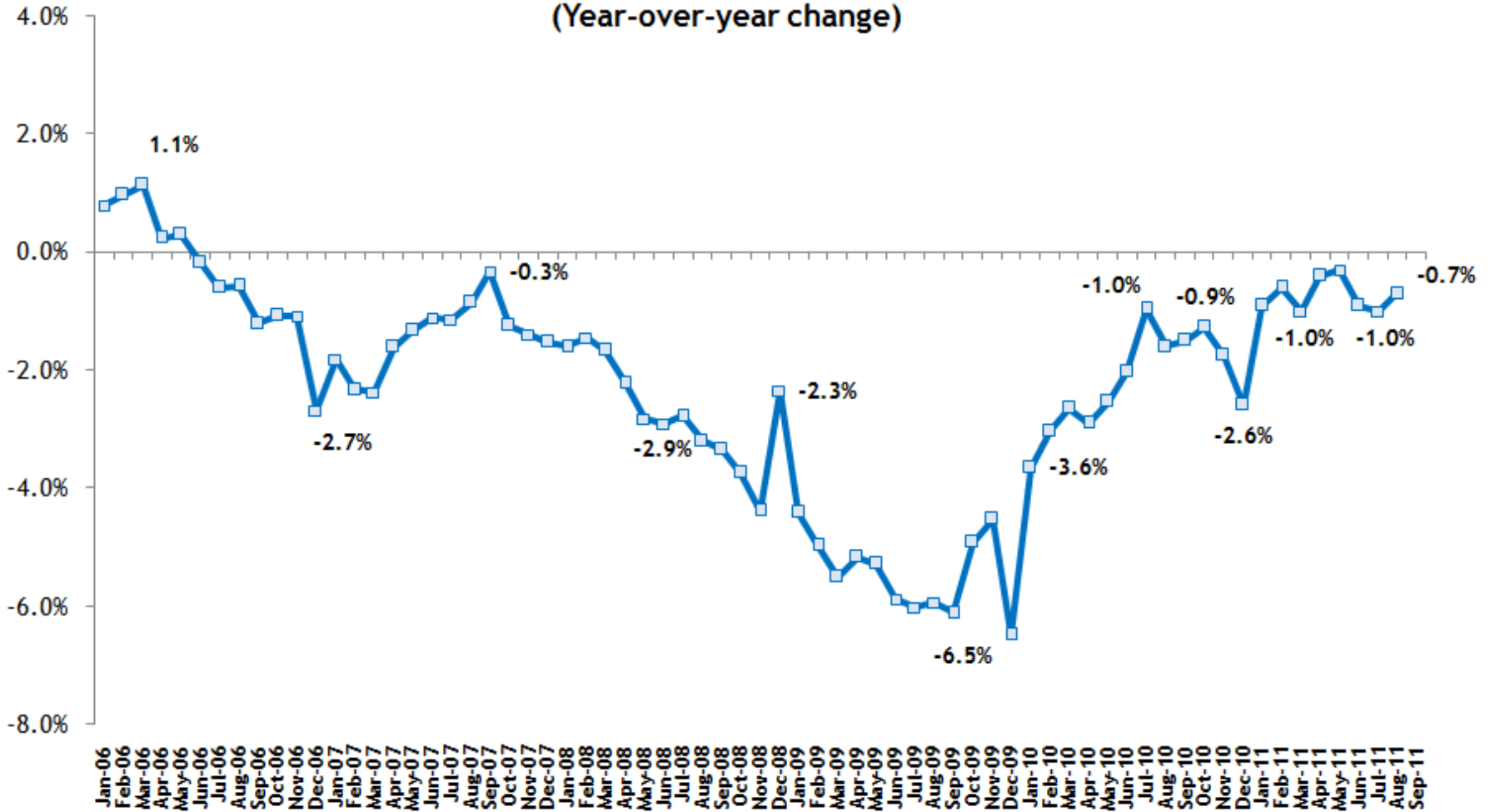




Private sector employment continues to reflect a marked improvement...

Private Sector Employment

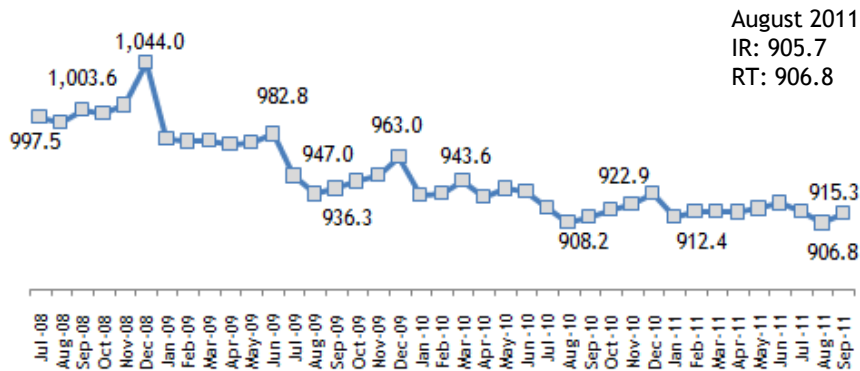
(Year-over-year change)





GDB Economic Activity Index Components

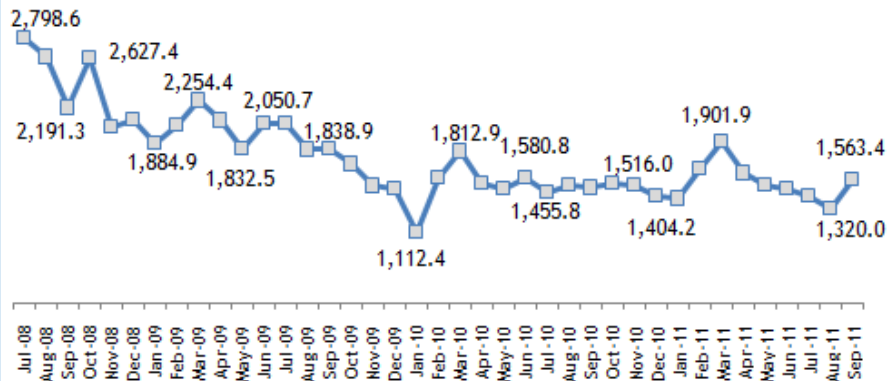
Total Payroll Employment (Thousands of jobs)



- Total payroll employment totaled 915,300, the first YOY growth in payroll employment since March 2006.
- Employment in service sector continues to support overall positive trend. When compared to September 2009, employment in the service sector has increased by 2.9% or 8,600 jobs.
- Private sector employment decreased by 0.7% on a YOY basis, continuing its improving trend towards positive growth.

Cement Sales

(Cement Bags sold, in thousands)



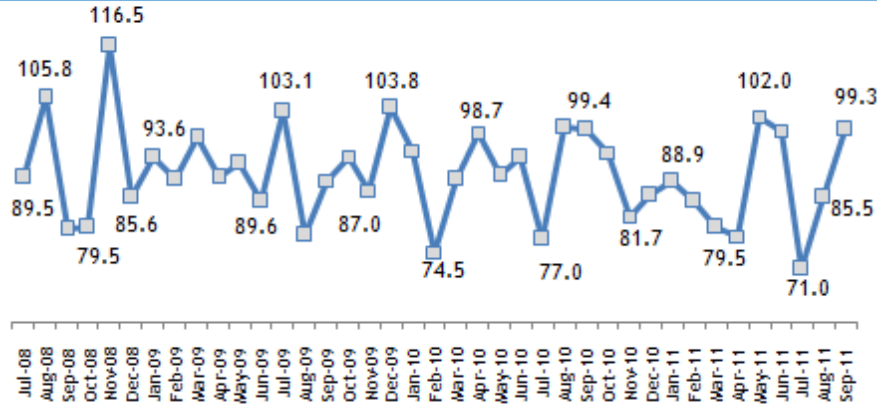
- Cement sales totaled 1.563 million bags; a year-over-year growth of 4.6%.
- Year-to-date cement sales for 2011 are 2.3% above same period for 2010.
- Cement sales during previous month of August were negatively affected by passing of Hurricane Irene.



GDB Economic Activity Index Components

Gasoline Consumption

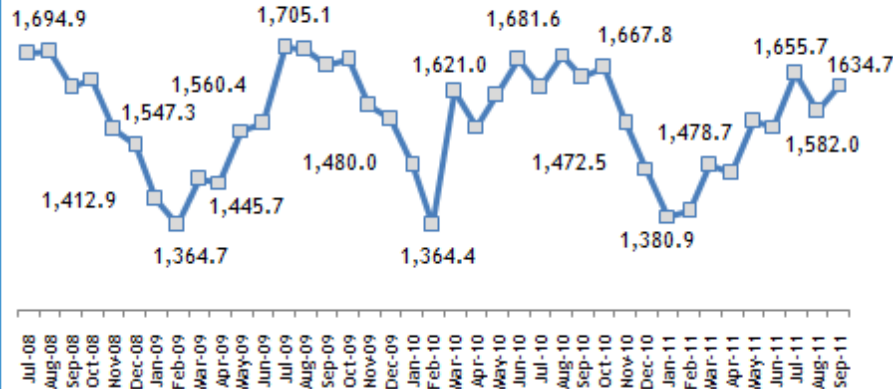
(Millions of gallons)



- Gasoline consumption during the month of September 2011 totaled 99.3 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 1,634.7 million kWh during the month of September 2011.
- September 2011 electric power consumption was 0.8% below same period in FY 2011.
- Electric power consumption during the month of August was affected by a power outage set off by Hurricane Irene.



Description of the GDB-Economic Activity Index

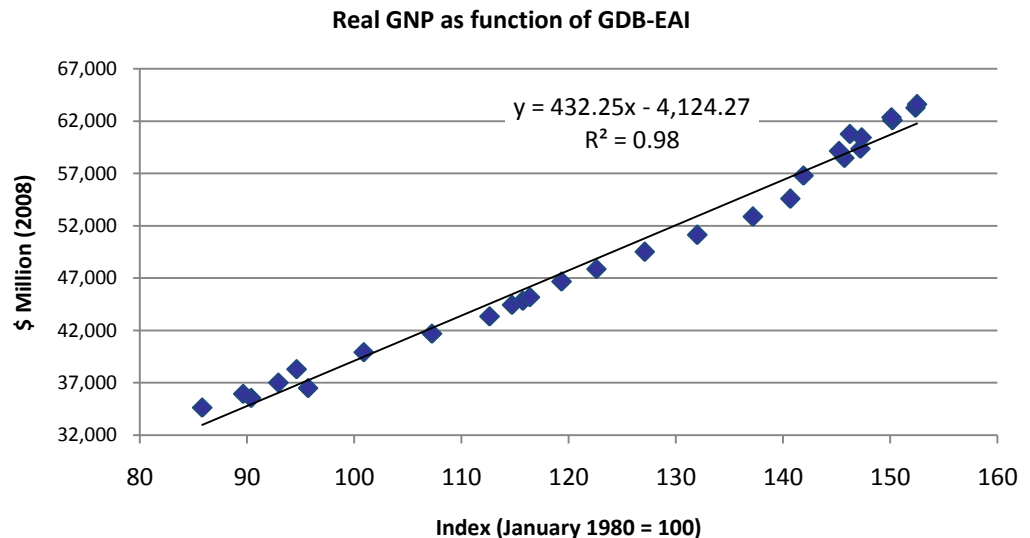


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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.