



Economic Activity Index

For the month of June 2012



Commentary for the month of June 2012

GDB-EAI for the month of June registered a 0.3% year-over-year (“YOY”) growth, reflecting the seventh consecutive month out of negative territory since recession began in 2006

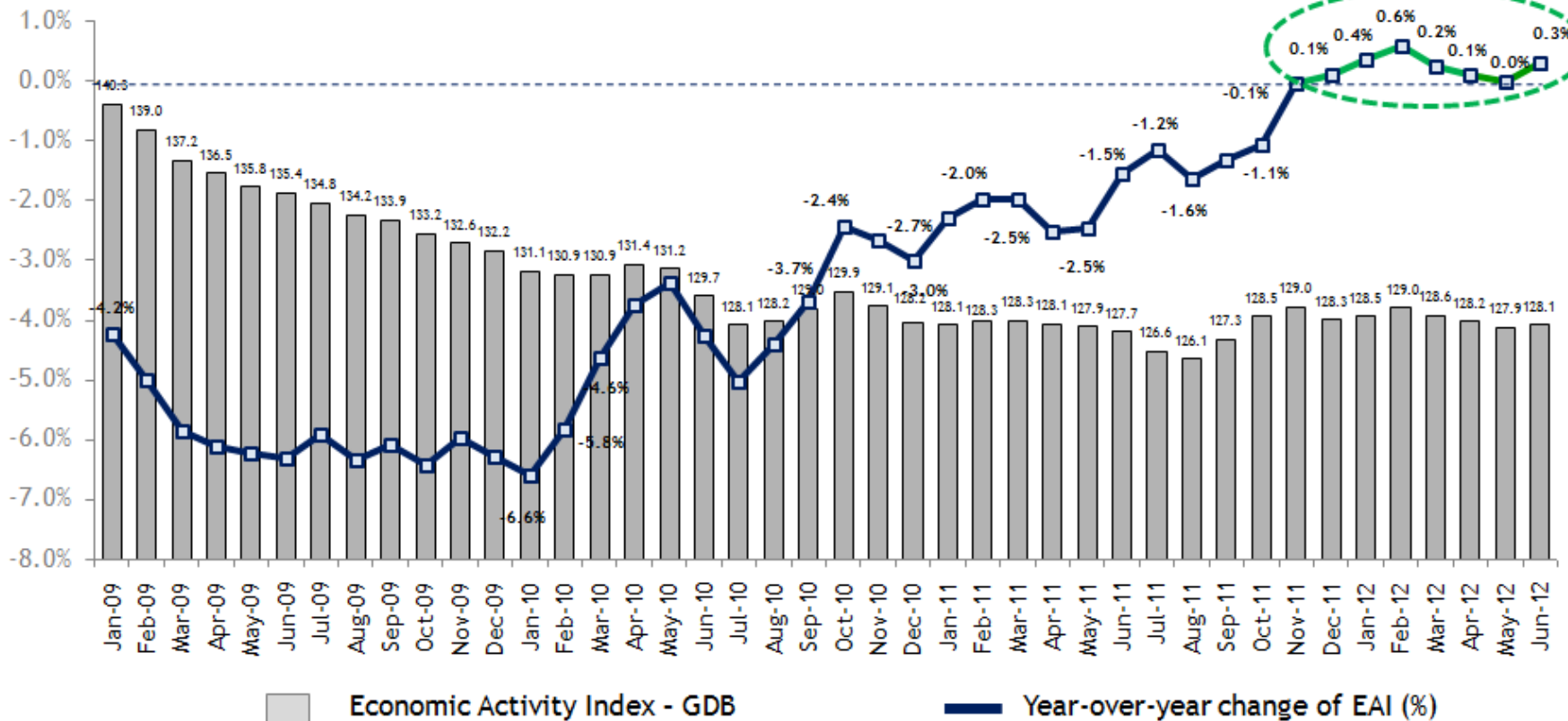
- June 2012 EAI was 128.1, a +0.3% increase when compared to June 2011.
- Cement sales totaled 1.740 million bags, registering a year-over-year increase of 17.2%. Total cement sales for fiscal year 2012 ended 7.3% above fiscal year 2011.
- Unemployment rate decreased to 13.8% (seasonally adjusted) when compared to June 2011 when the unemployment rate was at 15.7% (seasonally adjusted).
- Electric power generation totaled 1,977.7 million kWh, reflecting a YOY increase of 2.0%. Total electric power generation for fiscal year 2012 ended 1.9% below fiscal year 2011.
- Total non-farm payroll employment for June 2012 totaled 929,300, a YOY reduction of 0.1%.
- Gasoline consumption* was 79.1 million gallons, a 20.3% YOY reduction when compared to June 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 is reflecting the first months of positive economic growth since 2006

GDB Economic Activity Index



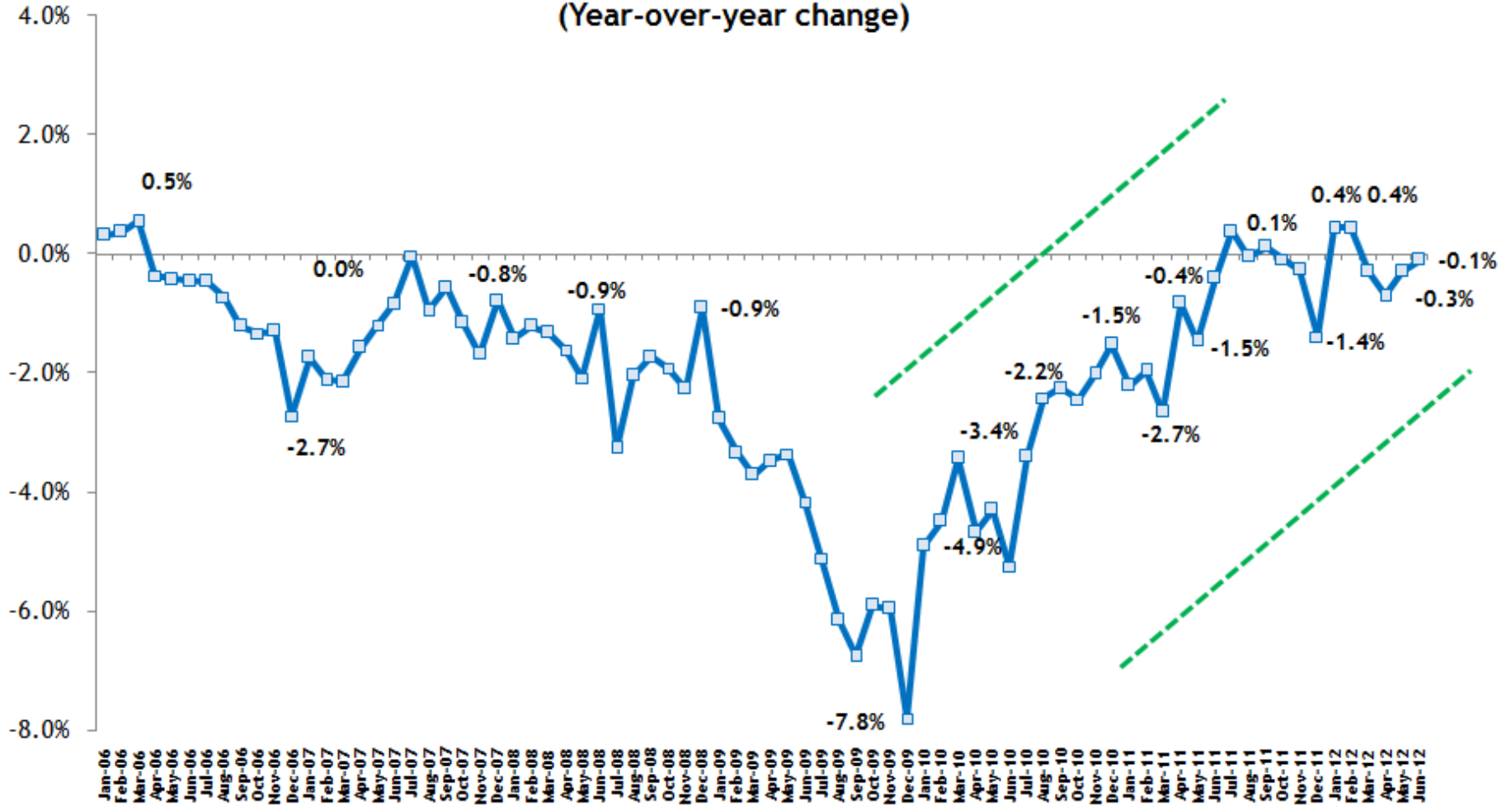
Data used for GDB-EAI is adjusted for seasonality and volatility.



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

Total Non-Farm Payroll Employment

(Year-over-year change)

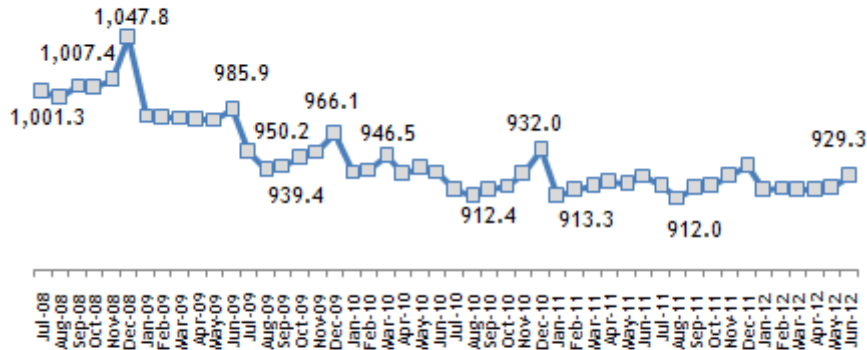




GDB Economic Activity Index Components

Total Non-Farm Payroll Employment*

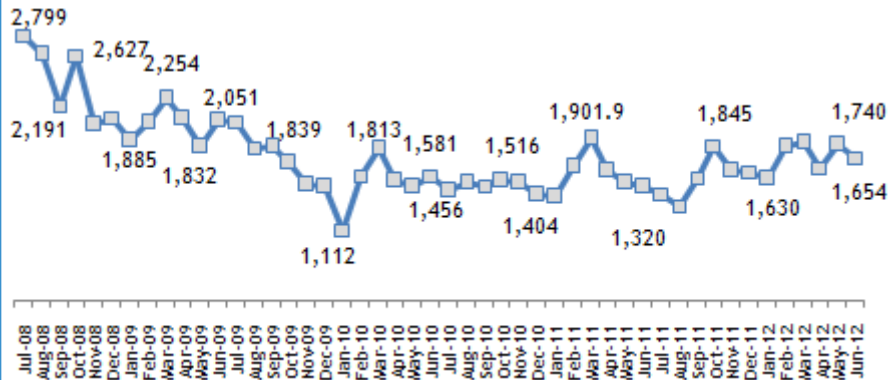
(Thousands of jobs)



- Total non-farm payroll employment for June 2012 totaled 929,300, a YOY reduction of 0.1%.
- Unemployment rate decreased to 13.8% (s.a) when compared to June 2011 when it reflected 15.7% (s.a).

Cement Sales

(Cement Bags sold, in thousands)



- Cement sales totaled 1.740 million bags; a YOY increase of 17.2%.
- Total cement sales for calendar year (“CY”) 2011 ended 5.2% above year 2010.
- Total cement sales for fiscal year 2012 ended 7.3% above fiscal year 2011.

Sources: Dept. of Labor, GDB

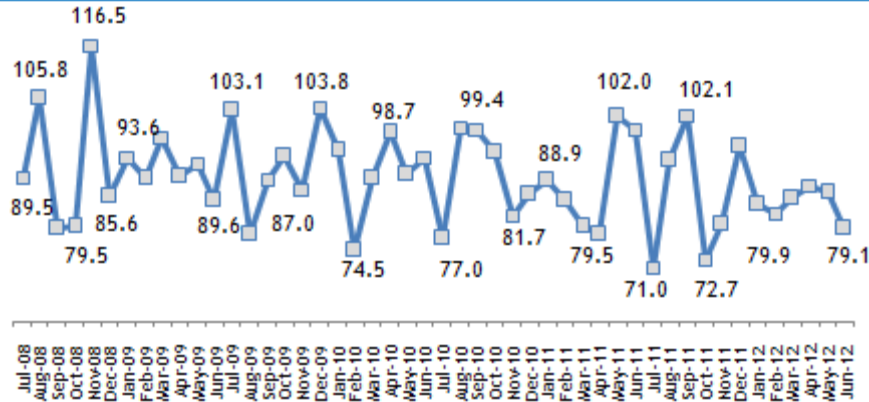
* Not seasonally adjusted.



GDB Economic Activity Index Components

Gasoline Consumption

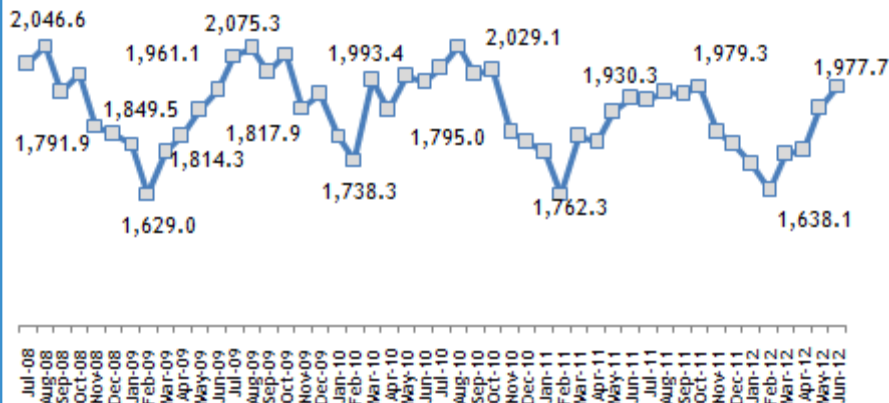
(Millions of gallons)



- Gasoline consumption during the month of June 2012 totaled 79.1 million gallons, a YOY reduction of 20.3%.
- 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 1,977.7 million kWh during the month of June 2012, a 2.0% YOY increase.
- Electric power generation for fiscal year 2012 ended 1.9% below FY 2011, mainly as a result of higher oil prices.



Description of the GDB-Economic Activity Index

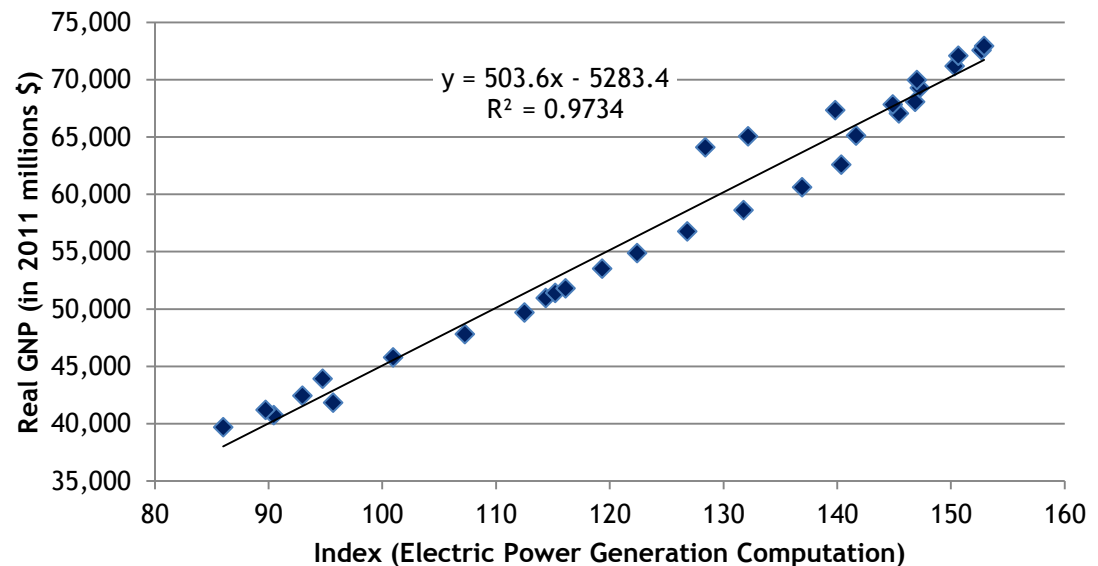


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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.