



Economic Activity Index

For the month of March 2012



Commentary for the month of March 2012

GDB-EAI for the month of March registered an increase of +0.2%, reflecting the first quarter of positive growth since recession began in 2006

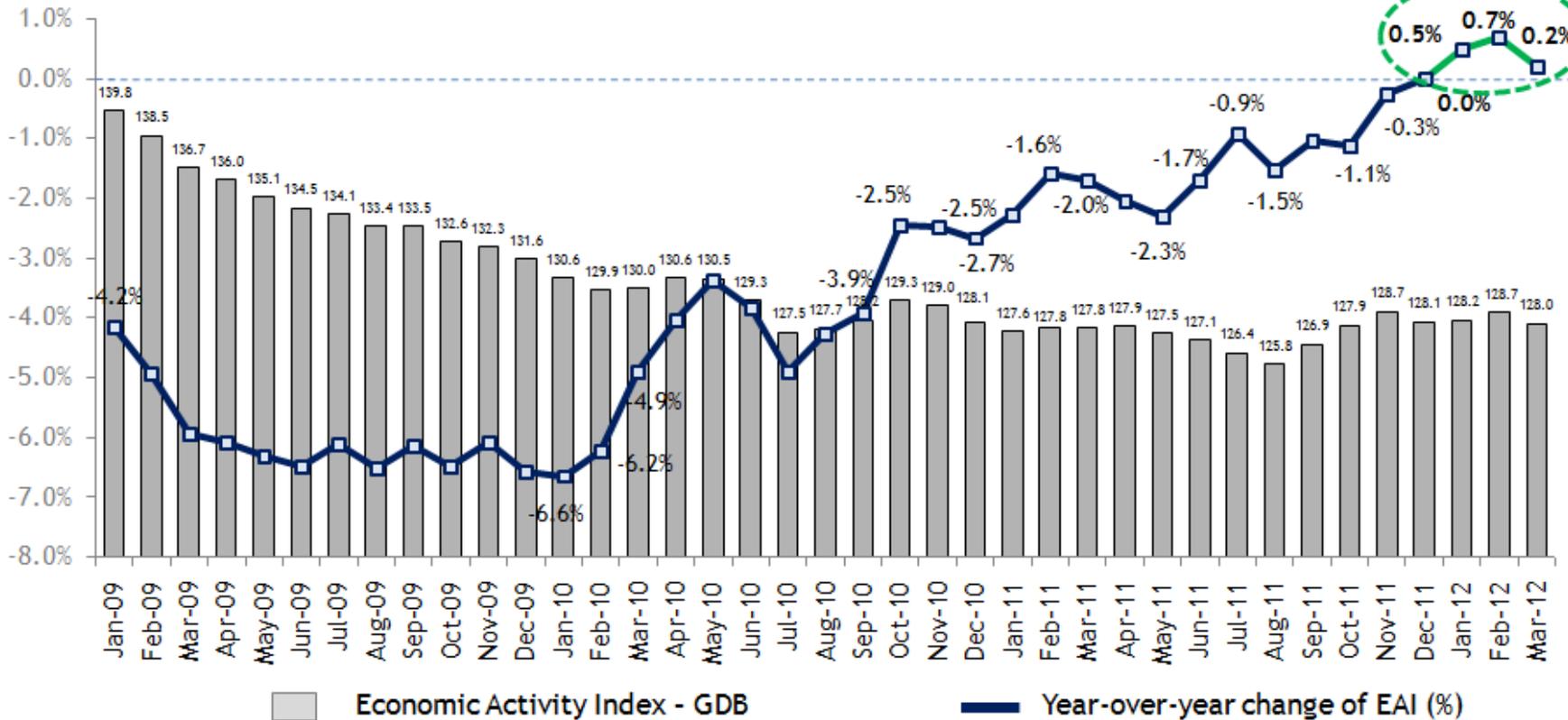
- EAI registered 128.0 during March 2012, an increase of 0.2% when compared to March 2011.
- Unemployment rate decreased to 15.0% (seasonally adjusted) when compared to March 2011 when it reflected 16.2% (seasonally adjusted).
- Total non-farm payroll employment for March 2012 totaled 917,500, a YOY reduction of 0.4%.
- Cement sales totaled 1.868 million bags, registering a year-over-year (“YOY”) reduction of -1.8%. This is the first YOY reduction in 6 months. Total cement sales year-to-date (“YTD”) for fiscal year 2012 are 5.3% above the same period in fiscal year 2011.
- Gasoline consumption* was 85.3 million gallons, a 7.3% YOY increase when compared to March 2011.
- Electric power consumption totaled 1,466.2 million kWh, reflecting a YOY reduction of -0.8%. Total electric power consumption YTD for fiscal year 2012 is 2.4% below the same period in fiscal year 2011, mainly as a result of increased oil prices.

* 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 months of January, February and March 2012 marked the first quarter of economic growth since 2006

GDB Economic Activity Index



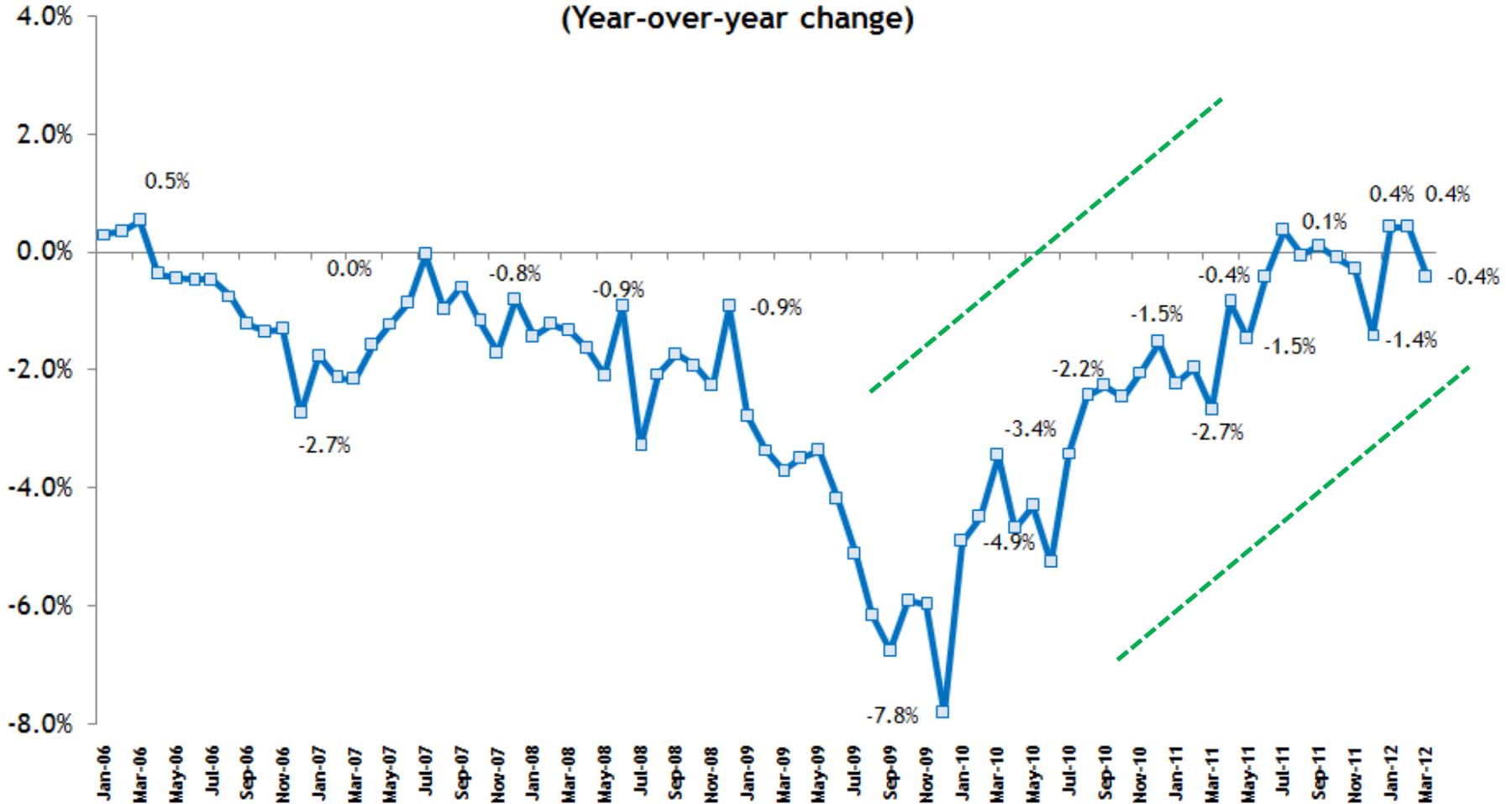
Data used for GDB-EAI is adjusted for seasonality and volatility.



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

Total Non-Farm Payroll Employment

(Year-over-year change)

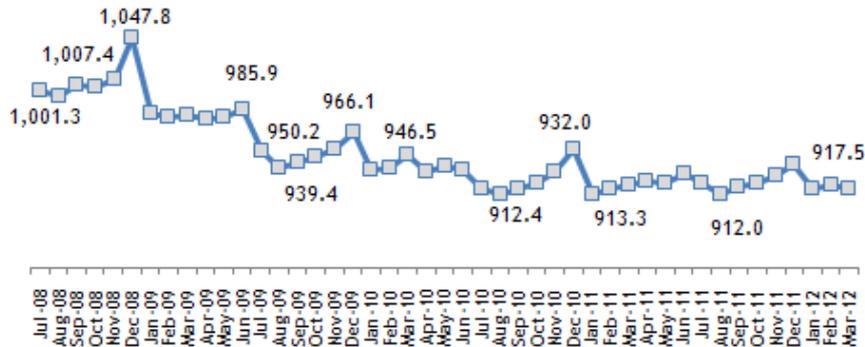




GDB Economic Activity Index Components

Total Non-Farm Payroll Employment*

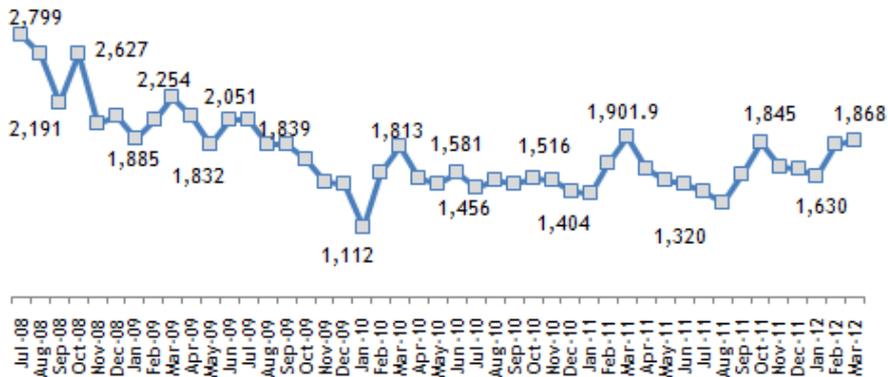
(Thousands of jobs)



- Total non-farm payroll employment for March 2012 totaled 917,500, a slight YOY reduction of 0.4%.
- Total non-farm employment decreased by 3,900 jobs, when compared to March 2011.
- Unemployment rate decreased to 15.0% (s.a) when compared to March 2011 when it reflected 16.2% (s.a).

Cement Sales

(Cement Bags sold, in thousands)



- Cement sales totaled 1.868 million bags; a YOY reduction of 1.8%.
- Total cement sales for calendar year (“CY”) 2011 ended 5.2% above year 2010.
- Total cement sales YTD for fiscal year 2012 are 5.3% above fiscal year 2011.

Sources: Dept. of Labor, GDB

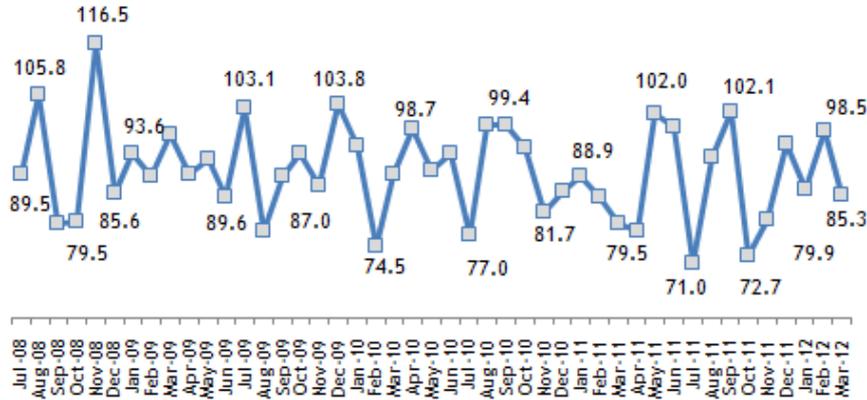
* Not seasonally adjusted.



GDB Economic Activity Index Components

Gasoline Consumption

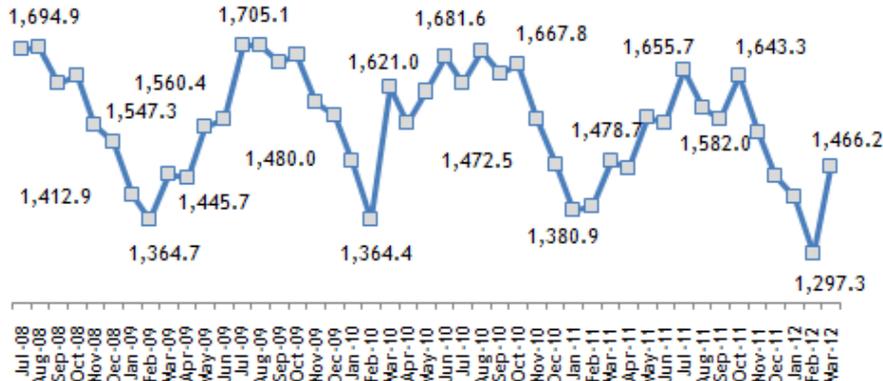
(Millions of gallons)



- Gasoline consumption during the month of March 2012 totaled 85.3 million gallons, a YOY increase of 7.3%.
- 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 Consumption

(Millions of kWh)



- Electric power consumption registered 1,466.2 million kWh during the month of March 2012, a 0.8% YOY reduction.
- Electric power consumption during March 2012 increased by 13% when compared to consumption during February 2012.
- Electric power consumption YTD for fiscal year 2012 was 2.4% below same period in FY 2011, mainly as a result of higher oil prices.



Description of the GDB-Economic Activity Index

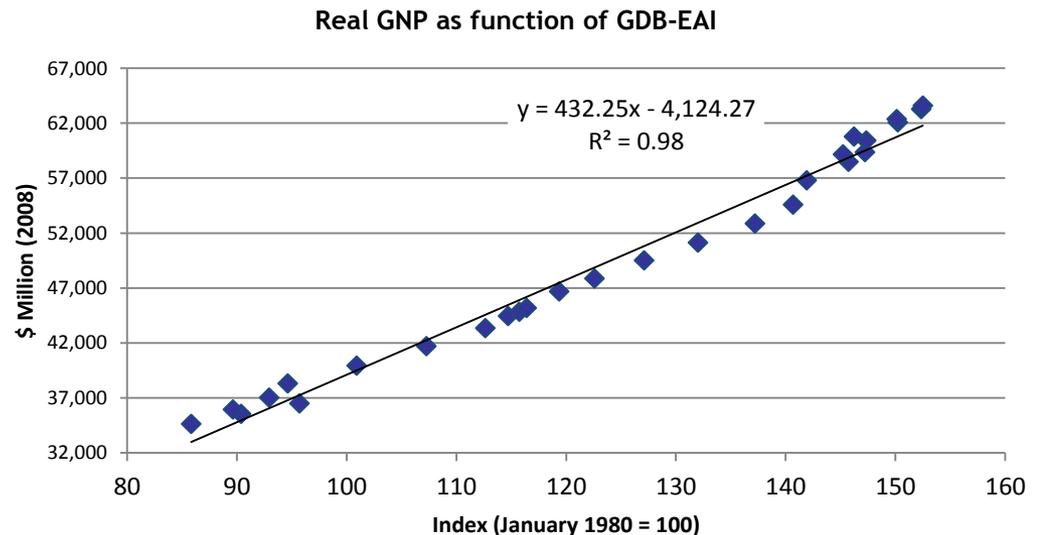


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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 0.98) 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 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.