

P R E S S R E L E A S E

For immediate release

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GOVERNMENT DEVELOPMENT BANK ECONOMIC ACTIVITY INDEX FOR THE SEMESTER ENDED ON DECEMBER 2009 REFLECTS FURTHER INITIAL SIGNS OF STABILIZATION – JOB GROWTH RECORDED IN DECEMBER 2009 IN THE PRIVATE SECTOR

SAN JUAN, PUERTO RICO– The Government Development Bank for Puerto Rico (“GDB”) released today its monthly Economic Activity Index (“GDB-EAI”) for the month of December 2009. The GDB-EAI average for the semester ended on December 2009 recorded a reduction in the rate of decrease from 3.5% to 2.3%, when compared to the sequential semester ended on June 2009, reflecting further initial signs of stabilization. The month of December 2009 also reflected job growth in the private sector of 11,100 employments. The GDB-EAI is available on the GDB website, at www.gdbpr.com.

On a sequential semester comparison, two of the GDB-EAI components recorded positive increases. The consumption of electricity reflected an increase of 13% while the consumption of gasoline increased by 0.42%. The non-farm payroll employment and cement sales components registered reductions of 2.9% and 14.3%, respectively.

Two of the GDB-EAI components, consumption of gasoline and electricity registered year-over-year increases of 5.8% and 3.3%, respectively, during the month of December 2009. Cement sales and non-farm employment decreased 28.8% and 6.3%, respectively. However, non-farm employment registered a 0.5% increase on a month-over-month basis, driven by an increase of 11,100 employments in the private sector. Government non-farm employment decreased by 6,800 employees during the month of November 2009, said reduction is part of the implementation of the Fiscal Reconstruction Plan to shrink the central Government’s deficit. Data for consumption of gasoline is estimated and preliminary due to delays in the receipt of data as a result of a major incident in one of the island’s main fuel tank farms during the month of October that affected inventory build-up.

The GDB-EAI was 131.3 for the month of December 2009. In comparison to December 2008, the GDB-EAI showed a reduction of 6% in December 2009, mainly due to continuous contraction in the construction industry. On a month-over-month basis, the GDB-EAI decreased 1.2%.

The Economic Activity Index is an economic tool that summarizes the current trend and dynamics of the Puerto Rican economy. The GDB-EAI was formulated following a similar methodology as the Conference Board in its coincident index. The GDB-EAI has a high correlation with Puerto Rico’s real Gross National Product (GNP). GDB publishes the EAI on a monthly basis along with a qualitative economic comment in order to provide a clear understanding of the trend and current state of the local economy.

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