



COMMONWEALTH OF
PUERTO RICO

Government Development Bank
for Puerto Rico

February 2015

Economic Activity Index (“GDB-EAI”)

General Commentary - February 2015

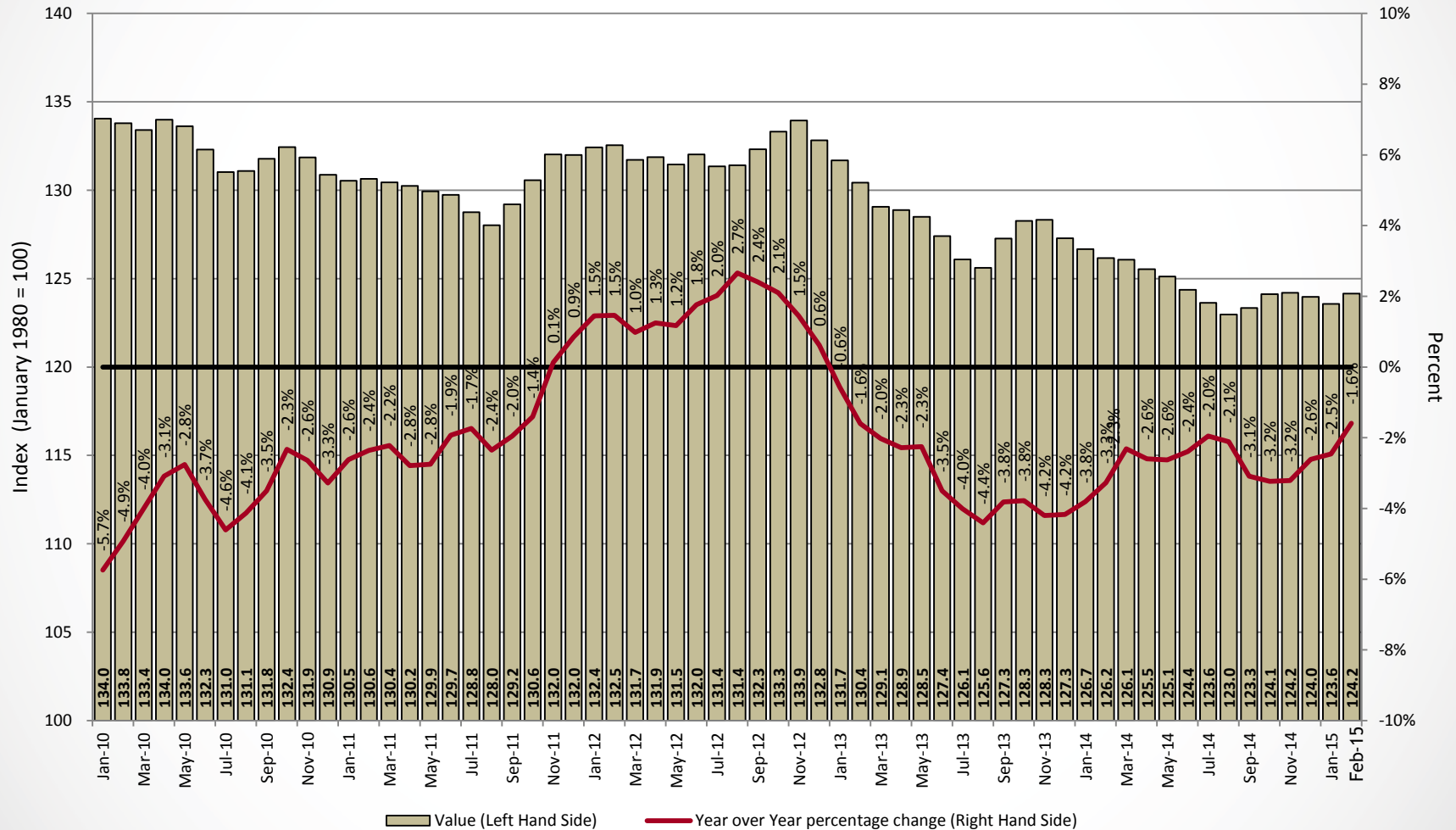
In February 2015, the GDB-EAI registered a 1.6% year-over-year (y-o-y) reduction, and a month-over-month (m-o-m) increase of 0.5%.

- The February 2015 figure for the EAI was 124.2, a 1.6% reduction compared to February 2014, and an increase of 0.5% compared to January 2015.
- Total non-farm payroll employment for February 2015 averaged 905,000, an annual decrease of 0.7%.
- Electric power generation for February 2015 totaled 1,521.9 million kWh, an annual decrease of 0.4%.
- The preliminary number for gasoline consumption* in February 2015 was 89.8 million gallons, 13.1% above February 2014.
- Cement sales for February 2015 totaled 1.11 million bags, registering an annual decrease of 12.8%.

* The monthly gasoline consumption is estimated by the GDB from the Treasury Department's monthly gasoline excise tax collections paid by importers which are transferred to P.R. Highways and Transportation Authority. These collections fluctuate due to changes in inventories and purchases, which do not necessarily reflect the actual monthly consumption reported by retailers.

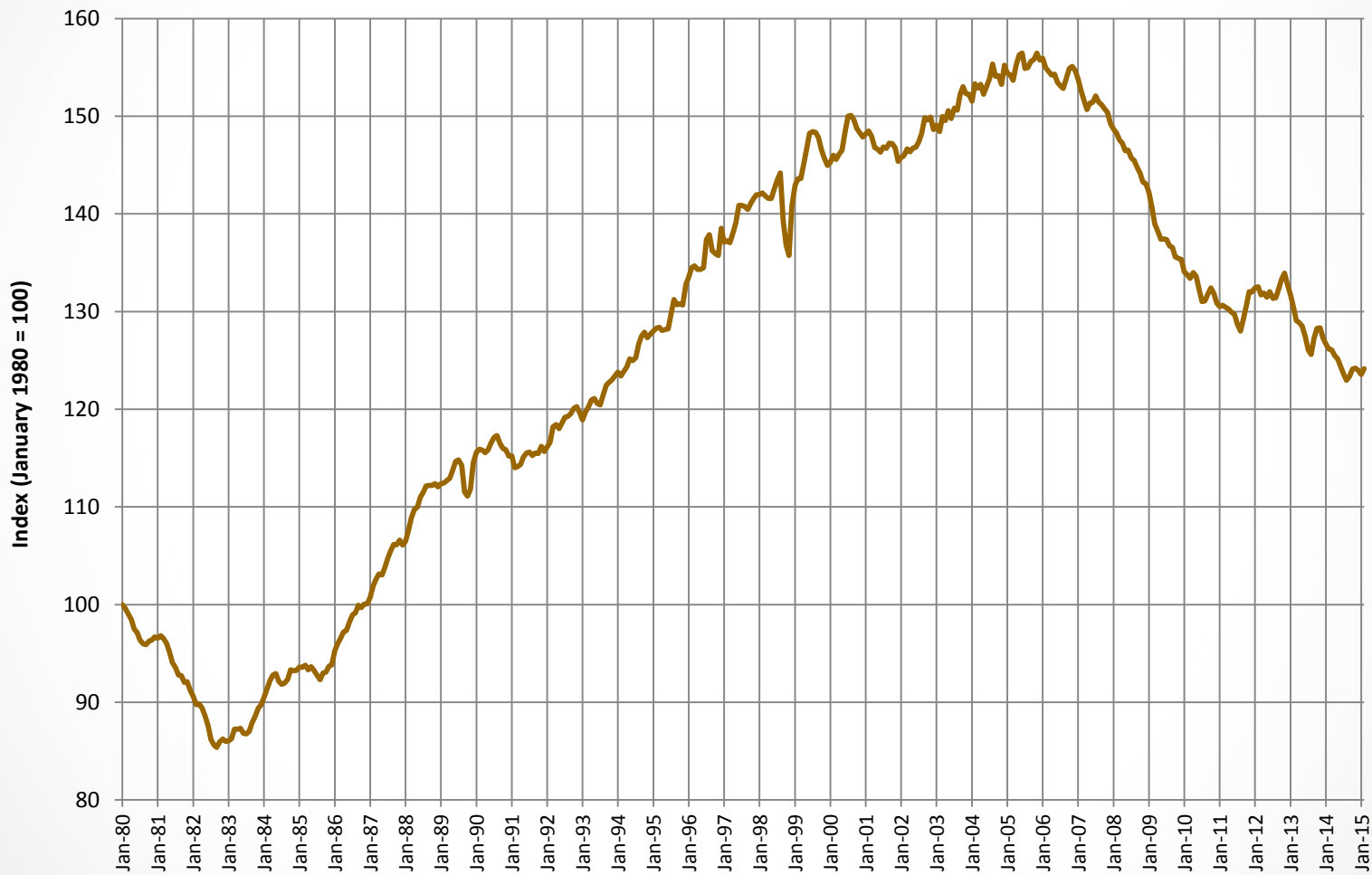
The GDB-EAI registered a 1.6% year-over-year reduction in February 2015, and an increase of 0.5% compared to January 2015.

GDB Economic Activity Index



The complete series of the new EAI, which starts in January 1980, shows the recessions of FY1982 and FY1983, and the mild recession of FY1991, the recession of 2001. It also shows the path of the Index since the beginning of the current recession.

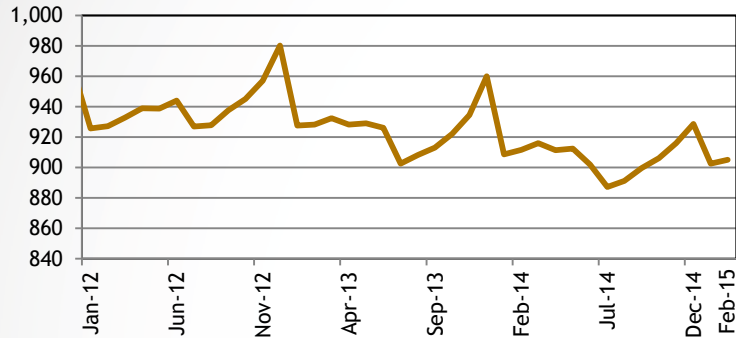
GDB Economic Activity Index



GDB Economic Activity Index Components

Total Non-Farm Payroll Employment*

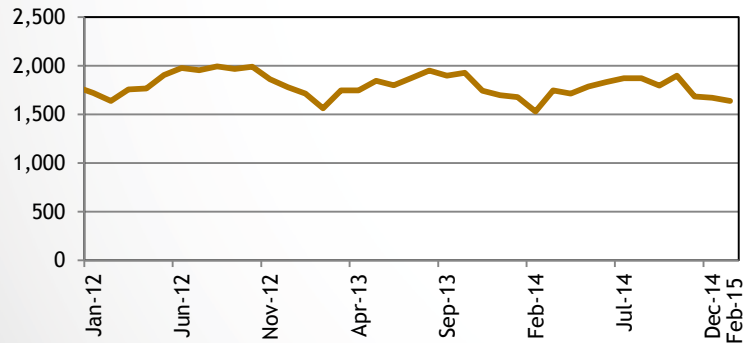
(Thousands of jobs)



- Total non-farm payroll employment for February 2015 averaged 905,000, an annual decrease of 0.7%.

Electric Power Generation*

(Millions of kWh)



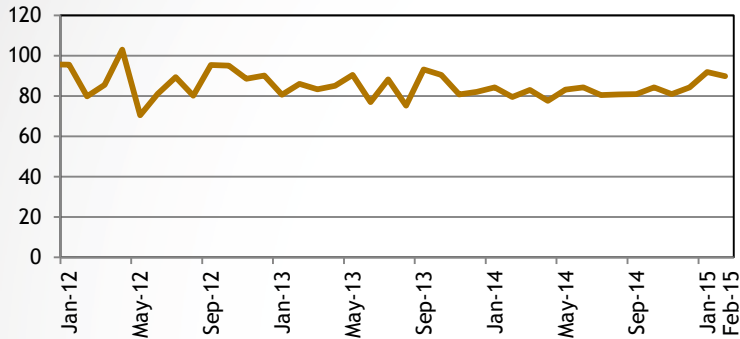
- Electric power generation for February 2015 averaged 1,521.9 million kWh, an annual decrease of 0.4%.

Sources: BLS and PREPA
* Not seasonally adjusted.

GDB Economic Activity Index Components

Gasoline Consumption*

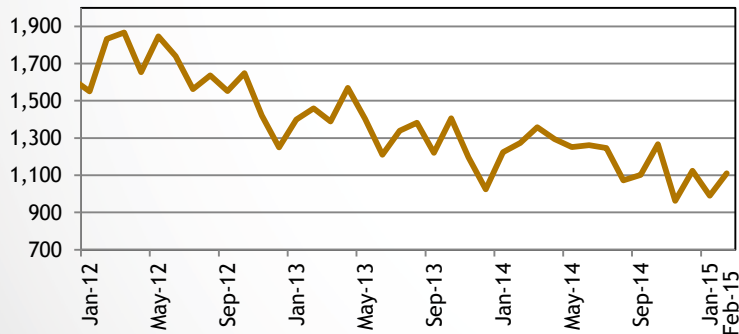
(Millions of gallons)



- The preliminary estimate of gasoline consumption for February 2015 was 89.8 million gallons, for an annual increase of 13.1%.

Cement Sales*

(Cement bags sold, in thousands)



- Cement Sales for February 2015 totaled 1.11 million bags, an annual decrease of 12.8%.

*The monthly gasoline consumption is estimated by the GDB from the Treasury Department's monthly gasoline excise tax collections paid by importers which are transferred to P.R. Highways and Transportation Authority.

Sources: PRHTA and GDB
* Not seasonally adjusted.

Description of the GDB-Economic Activity Index

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)

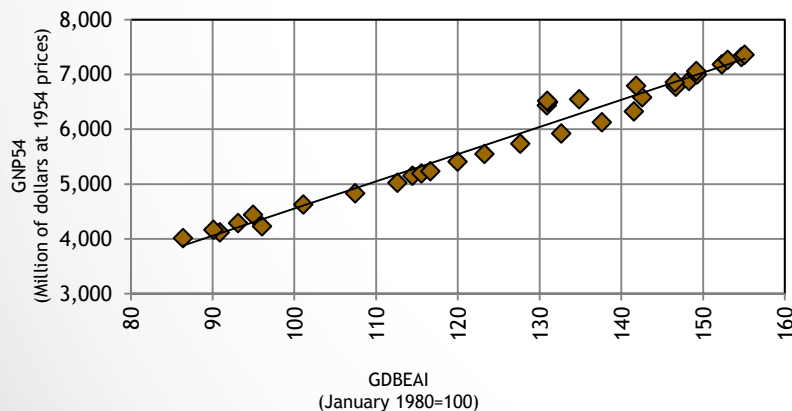
Description of the GDB-EAI

- The GDB-EAI is a coincident index for the economic activity of Puerto Rico. It is highly correlated to Puerto Rico's real GNP not only on the levels, but also on the annual growth rates.
- 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.

Real Gross National Product as a function of the GDB Economic Activity Index

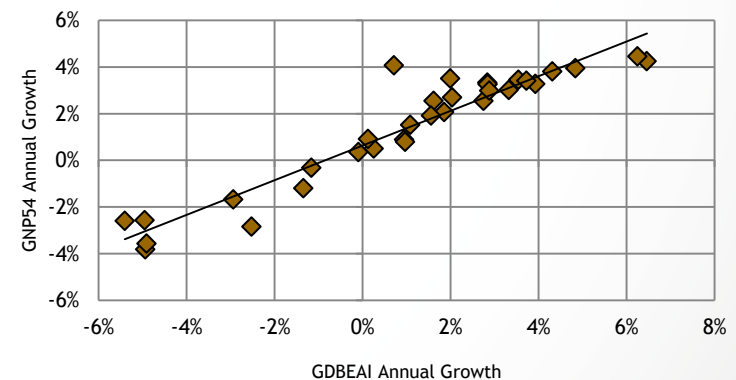
Relationship on the levels: FY1981-FY2013

$$y = 49.619x - 411.49 \quad R^2 = 0.9721$$



Relationship on the growth rates: FY1982-FY2013

$$y = 0.7429x + 0.0063 \quad R^2 = 0.8974$$



Sources: GDB

Disclaimer

The GDB-EAI and its indicators are subject to revisions. While the information comprising the GDB EAI 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.