



Economic Activity Index

For the month of March 2011



Disclaimer

During the month of March 2011, the GDB-Economic Activity Index was revised according to yearly benchmark revision of trailing 18 months payroll employment data as required by the Bureau of Labor Statistics. This annual revision resulted in the recalculation of the GDB-Economic Activity Index to reflect revision of payroll employment data.



Commentary for the month of March 2011

GDB-EAI for the month of March registered an increase to 127.3, the second consecutive month-over-month increase since October 2010. Cement sales reached their highest levels since July 2009.

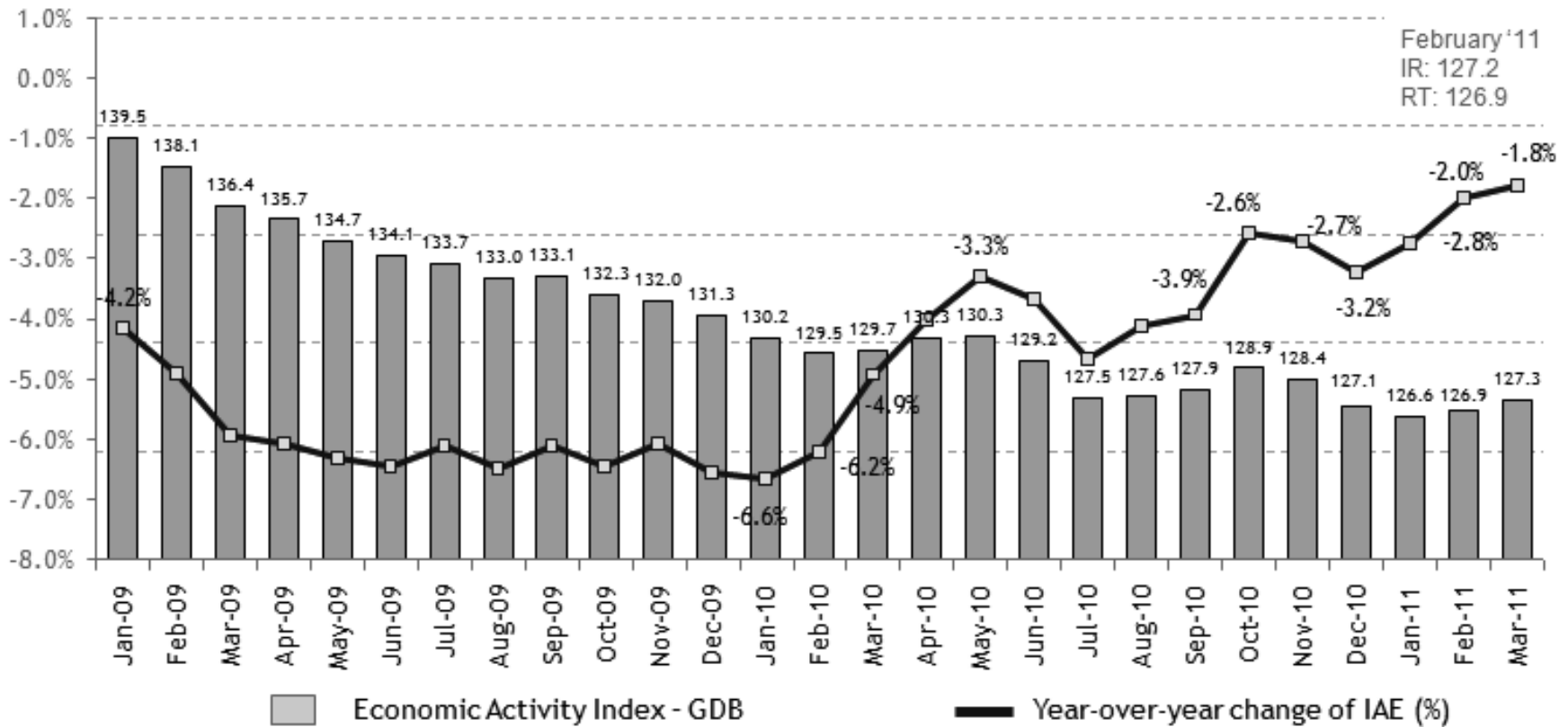
- During the month of March 2011, the GDB-EAI registered a year-over-year (“YOY”) decline of 1.8%, the smallest decline since August 2007.
- Total payroll employment during the month of March 2011 was 918,700, adding 6,300 jobs since January. On a YOY basis, payroll employment reflected a decline of 2.6%.
- Private sector employment continues its improving trend with total private sector employment registering the second smallest YOY rate of decline since September 2007.
- Cement sales totaled 1.902 million bags during the month of March 2011 reached their highest levels since July 2009, registering a YOY increase of 4.9%. On a year-over-year basis, cement sales rose by 10% for the quarter ending in March.
- Electric power consumption during the month of March 2011 totaled 1,478 million kWh, an 8.8% decline on a YOY basis. Lower consumption was reported mainly as a result of a significant increase in oil prices affecting consumption patterns, particularly among residential users.
- Gasoline consumption during month of March 2011 totaled 79.5 million gallons, a 6.0% month-over-month decrease reflecting the higher cost of oil.



GDB Economic Activity Index

For the month of March 2011

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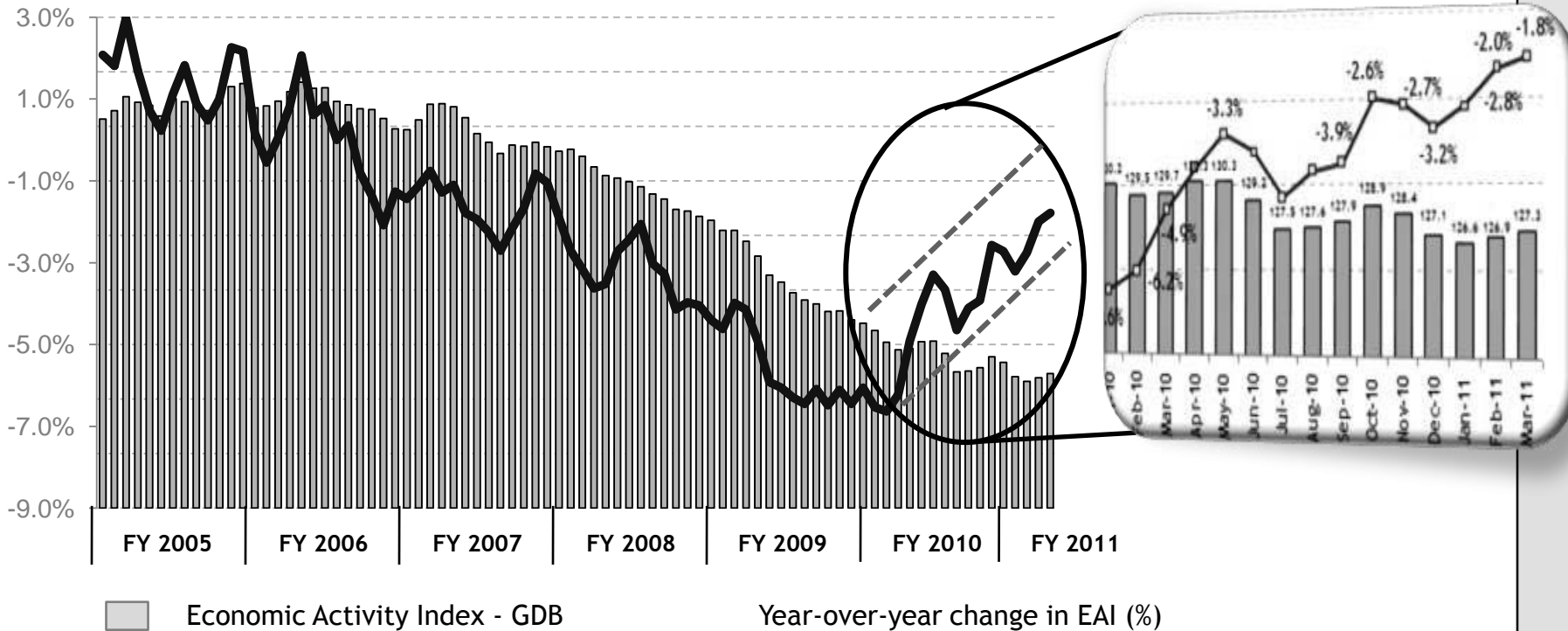


Data used for GDB-EAI is adjusted for seasonality and volatility.



Economic Activity Index is reflecting constant improving economic trends...

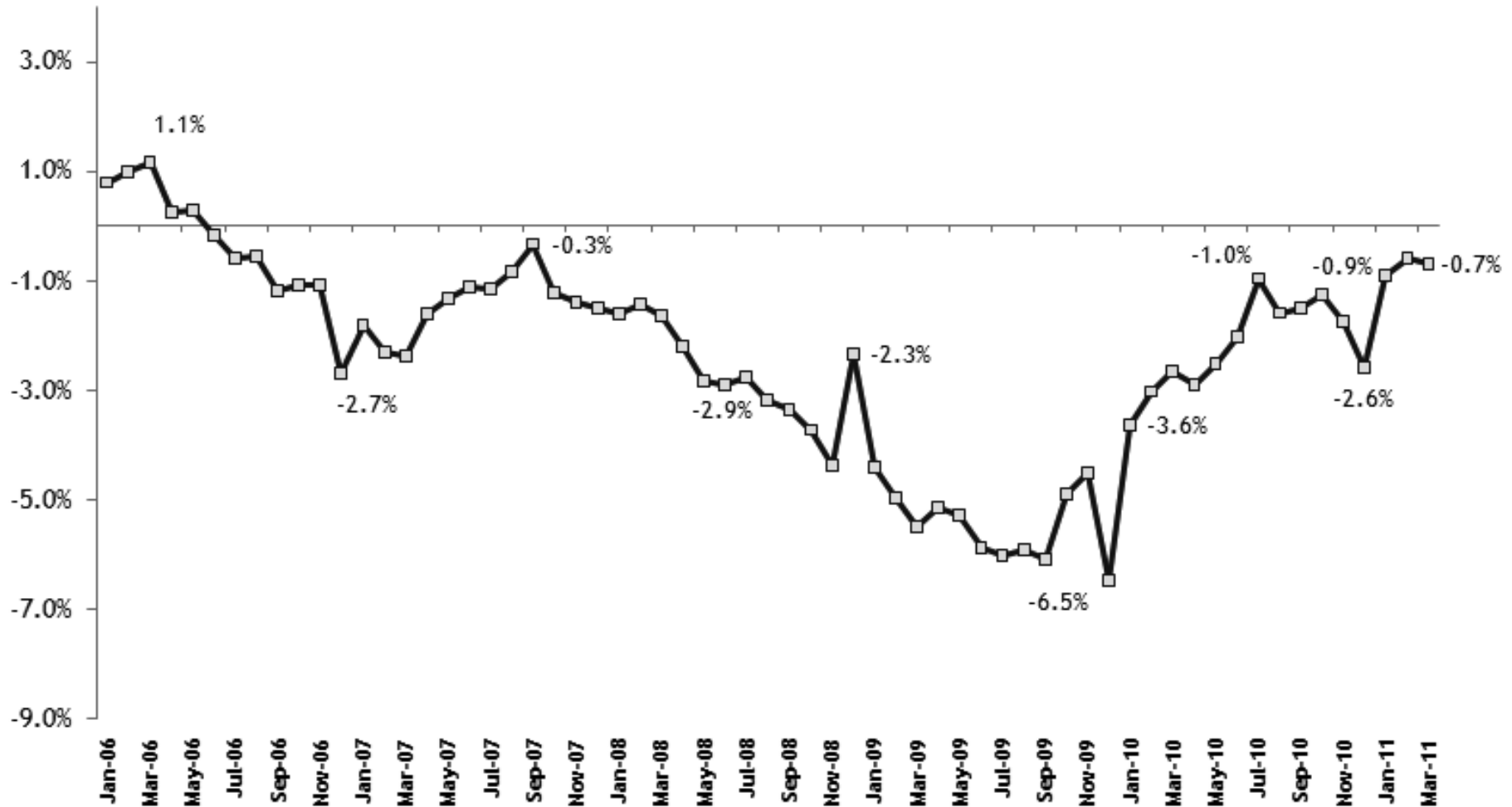
GDB Economic Activity Index (EAI): 98% correlation with GNP





Private sector employment registered the second lowest year-over-year decline since September 2007

Private Sector Employment (Year-over-year Change in Payroll Employment)

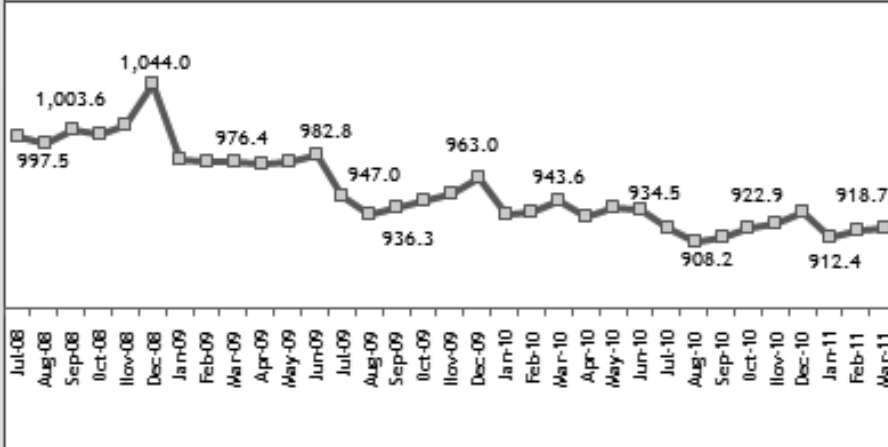




GDB Economic Activity Index Components

Total Payroll Employment

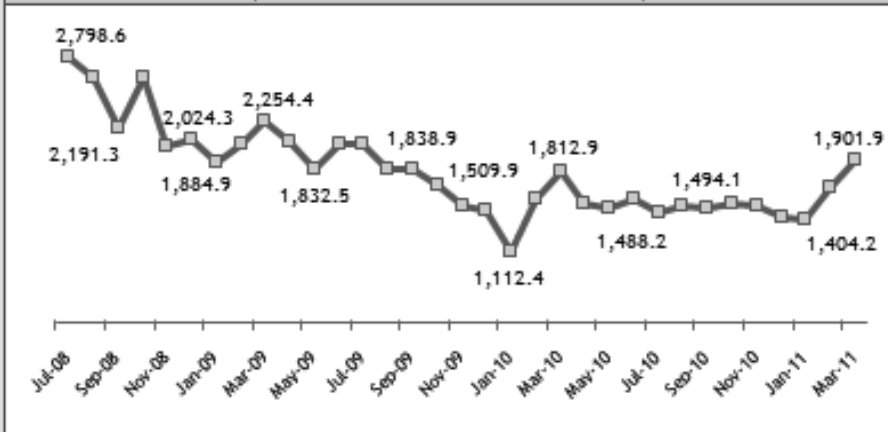
(Thousands of jobs)



- Employment in service sector continues its improving trend. When compared to March 2010, YOY employment in the service sector has increased by 2.3%.
- Total payroll employment totaled 918,700 reflecting the third consecutive monthly increase.
- Total private sector employment registered the second smallest YOY rate of decline since September 2007.

Cement Sales

(Cement Bags sold, in thousands)



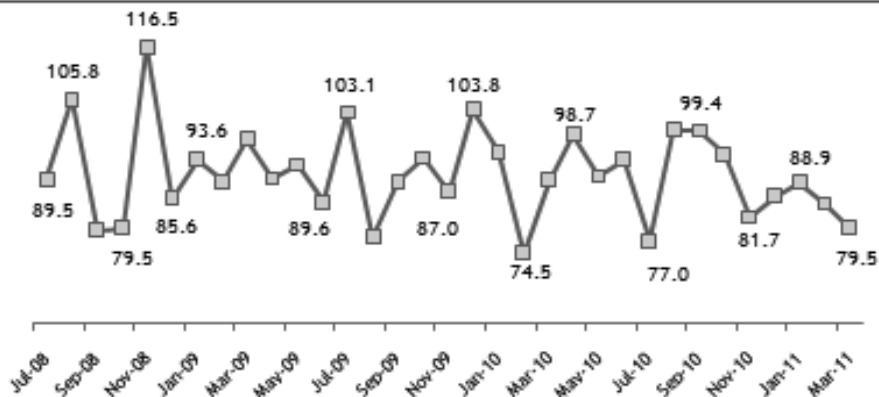
- Cement sales reported during the month of March were 1.902 million bags; the highest level since July 2009.
- On a year-over-year basis, cement sales during the month of March 2011 were 4.9% more than March 2010. The quarter ending in March 2011 registered a YOY increase of 10% when compared to the quarter ending March 2010.



GDB Economic Activity Index Components

Gasoline Consumption

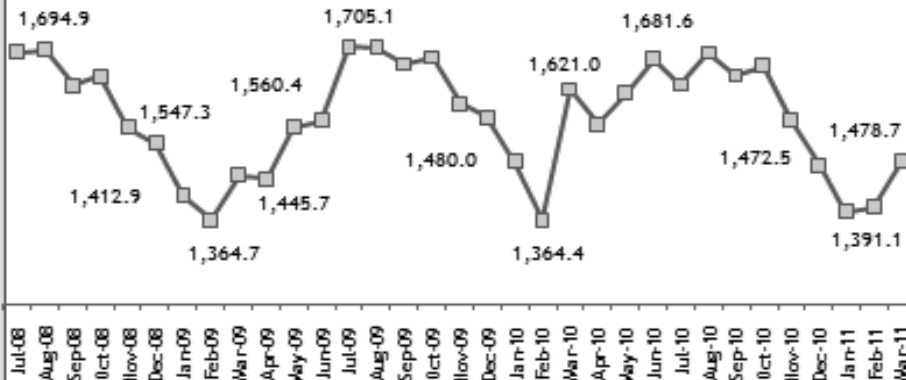
(Millions of gallons)



- Gasoline consumption during the month of March 2011 totaled 79.5 million gallons.
- March gasoline sales decreased by 9.9 million gallons, or 11% compared to March 2010, mainly as a result of an increase in oil prices.
- YTD average monthly gasoline consumption for FY 2011 is 84.3 million gallons.

Electric Power Consumption

(Millions of kWh)



- Electric power consumption increased 7.1% during the first quarter of 2011.
- Electric power consumption totaled 1,478.7 million kWh during the month of March 2011.
- Consumption reflected a 8.8 % YOY decrease due to significantly higher oil prices.



Description of the GDB-Economic Activity Index

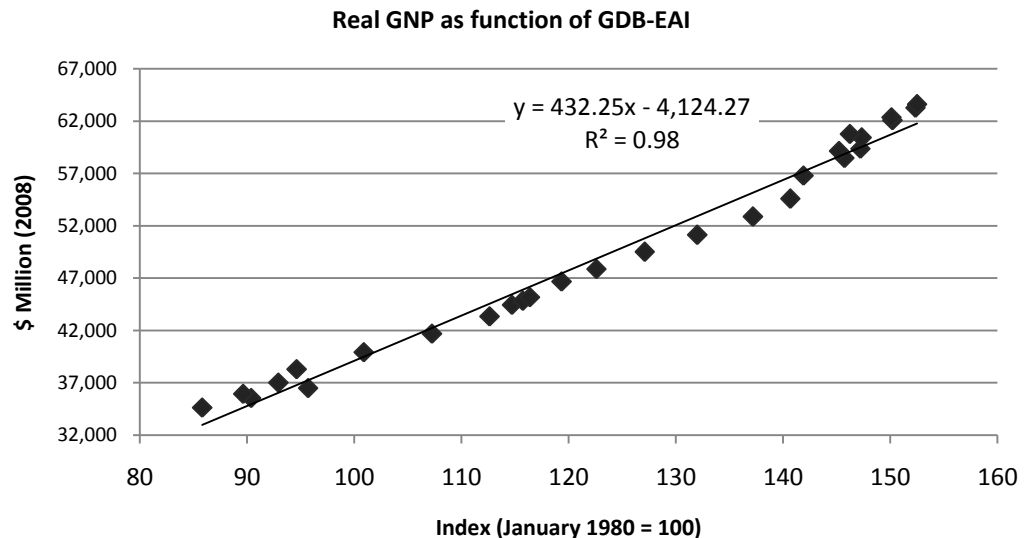


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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 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.