



Economic Activity Index

For the month of February 2011

April 4, 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 February 2011

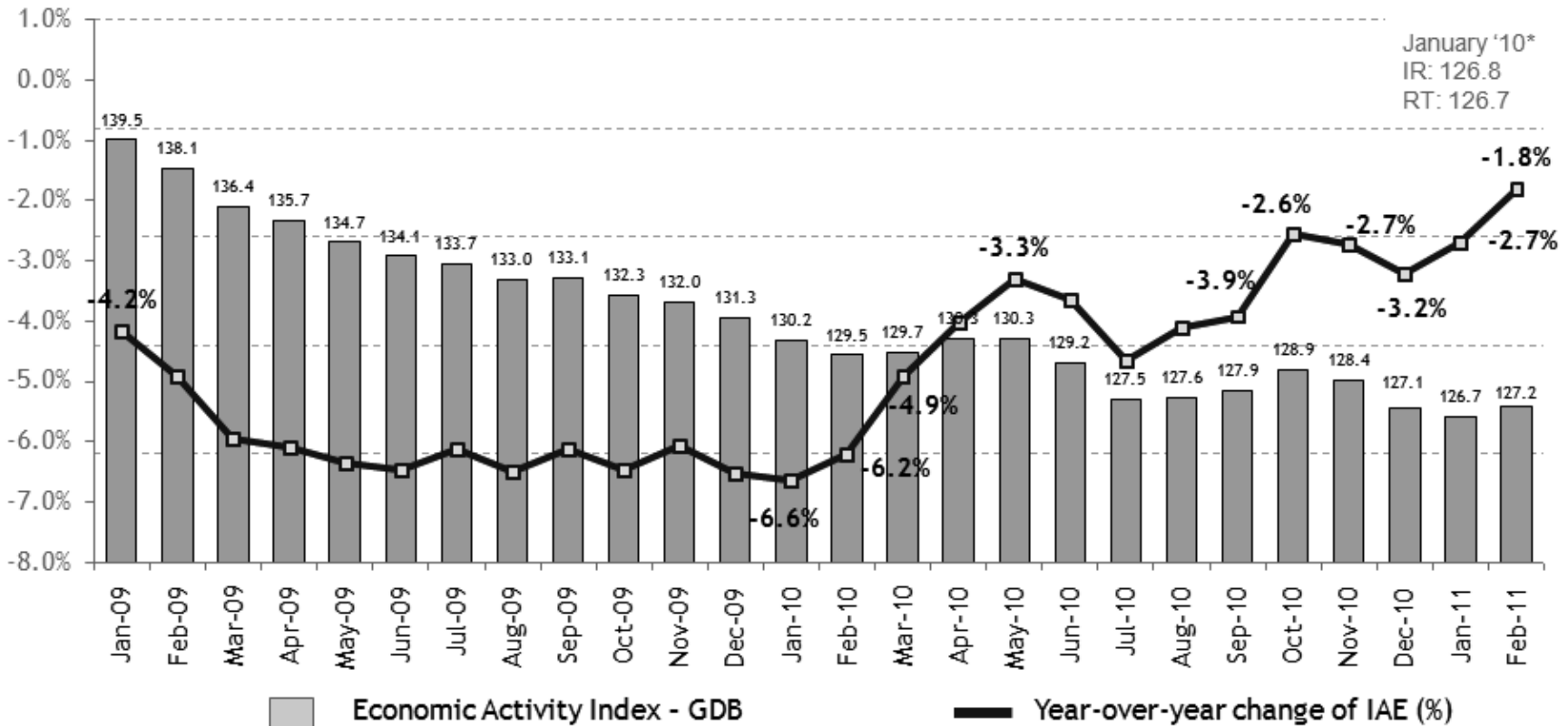
GDB-EAI for the month of February registered an increase to 127.2, the first month-over-month increase since October 2010.

- During the month of February 2011, the GDB-EAI registered a year-over-year (“YOY”) decline of 1.8%, the smallest decline since September 2007.
- Total payroll employment during the month of February 2011 was 917,700, reflecting a YOY decline of 1.6%, the smallest decline since December 2008.
- Private sector employment continues its improving trend with total private sector employment registering the smallest YOY rate of decline since September 2007.
- Cement sales totaled 1.664 million bags during the month of February 2011, registering a YOY increase of 5.2%. This represents the second largest YOY increase since April 2008, trailing only the 26% YOY increase registered in January 2011. YTD average monthly cement sales for FY 2011 is 1.502 million bags.
- Electric power consumption during the month of February 2011 totaled 1,391 million kWh, a 2.0% increase on a YOY basis. Despite significant rise in oil prices, this is the first YOY increase since June 2010. Oil cost per barrel has increased over 20% when compared to previous year, affecting consumption patterns, particularly among residential users.
- Gasoline consumption during month of February 2010 totaled 84.7 million gallons, a 13.7% YOY increase. YTD average monthly gasoline consumption for FY 2011 is 89.3 million gallons.



GDB Economic Activity Index For the month of February 2011

GDB Economic Activity Index

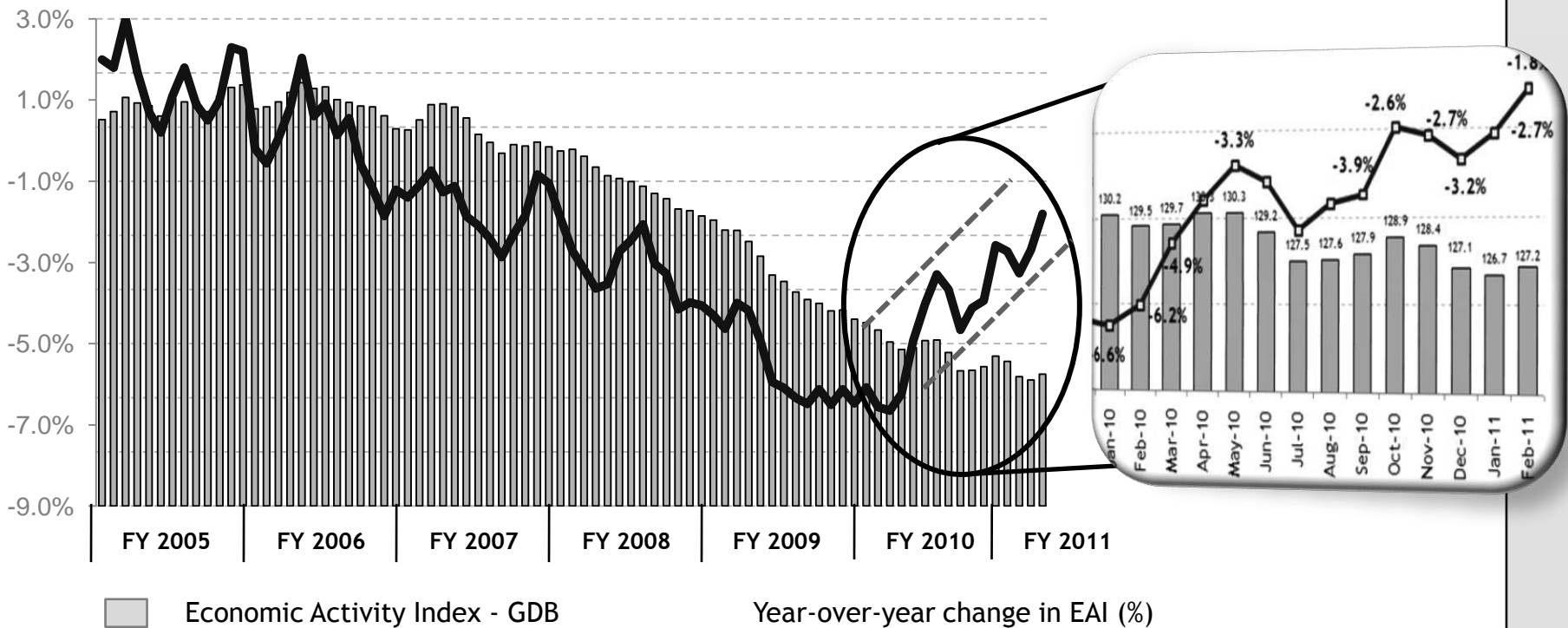


Data used for GDB-EAI is adjusted for seasonality and volatility.



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

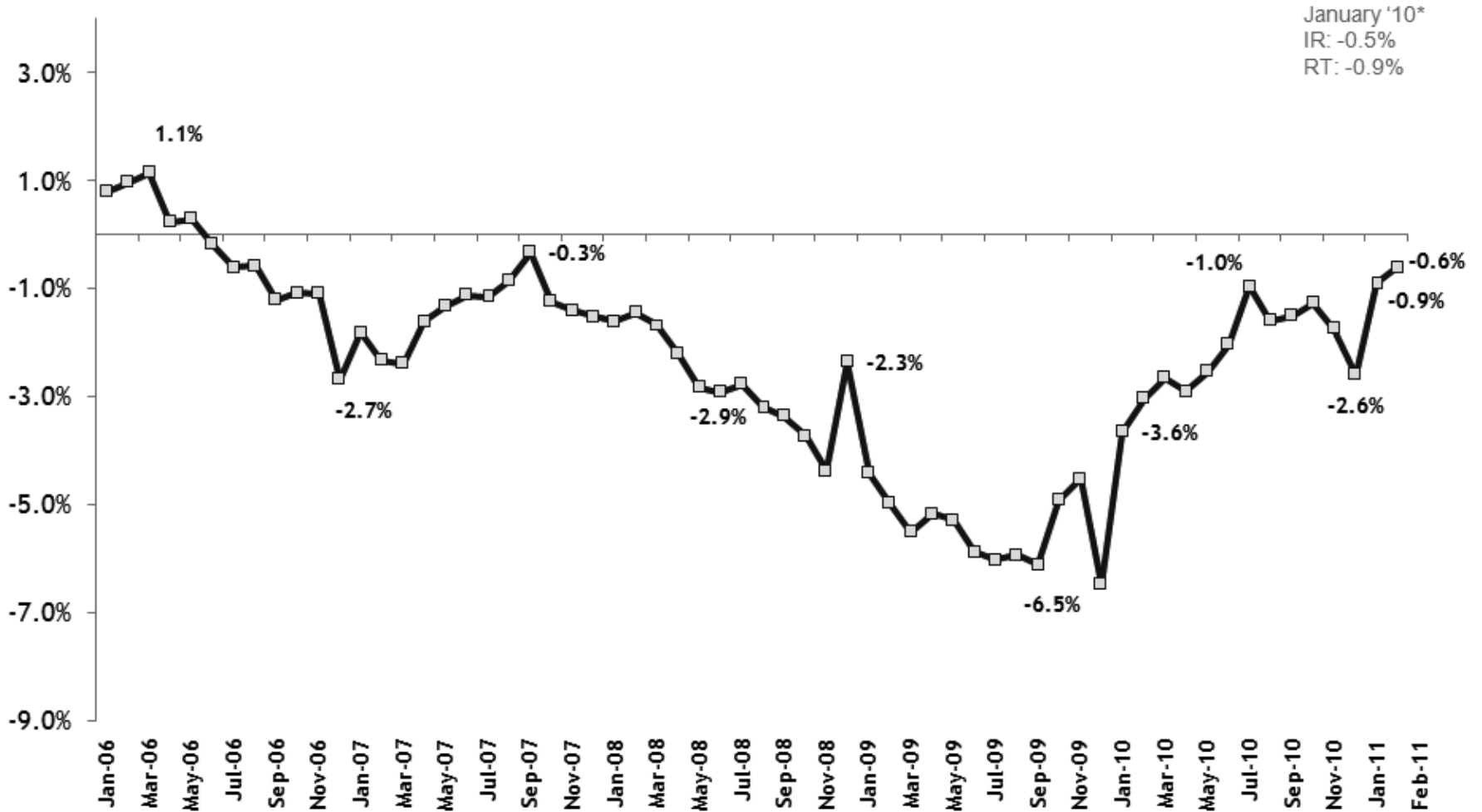
GDB Economic Activity Index (EAI): 98% correlation with GNP





Private sector employment registered the most favorable growth since September 2007

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

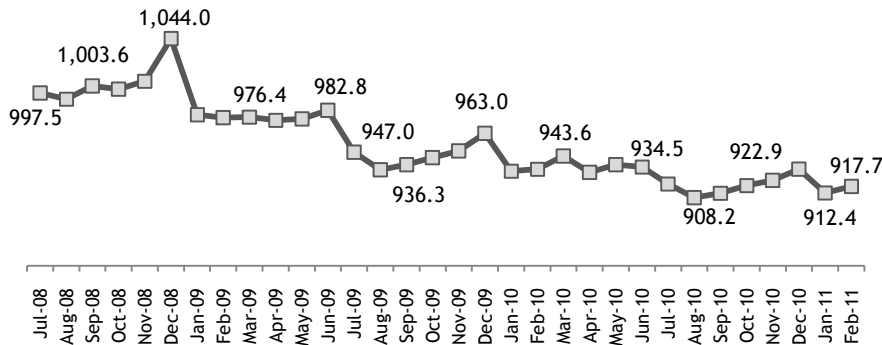




GDB Economic Activity Index Components

Total Payroll Employment

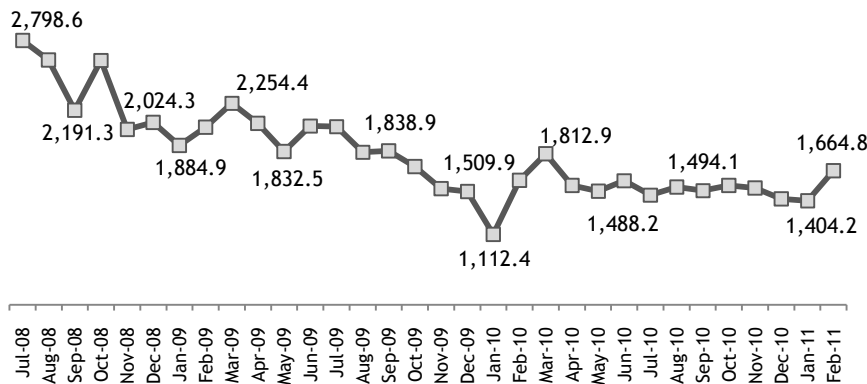
(Thousands of jobs)



- Employment in service sector continues its improving trend. When compared to February 2010, YOY employment in the service sector has increased by 2.3%, or 6,800 jobs.
- Total payroll employment totaled 917,700, the smallest YOY decline since December 2008 and Second largest since June 2008.
- Total private sector employment registered the smallest YOY rate of decline since September 2007.

Cement Sales

(Cement Bags sold, in thousands)



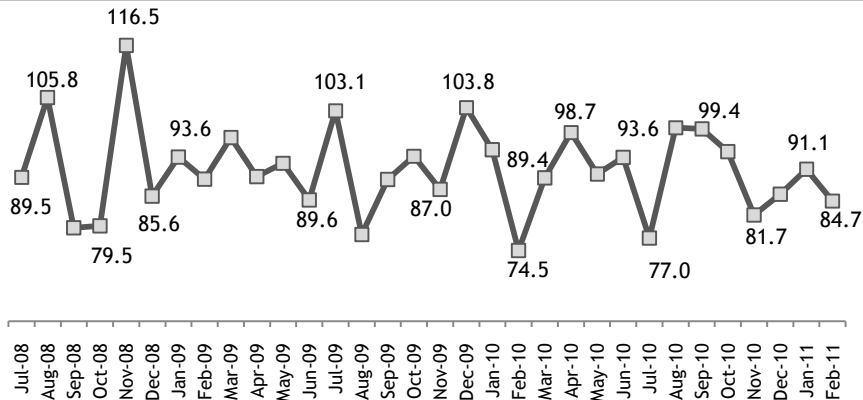
- Cement sales reported during the month of February were 1.664 million bags.
- On a year-over-year basis, cement sales during the month of February 2011 were 82,500 more than February 2010, reflecting the second largest YOY increase since April 2008.



GDB Economic Activity Index Components

Gasoline Consumption

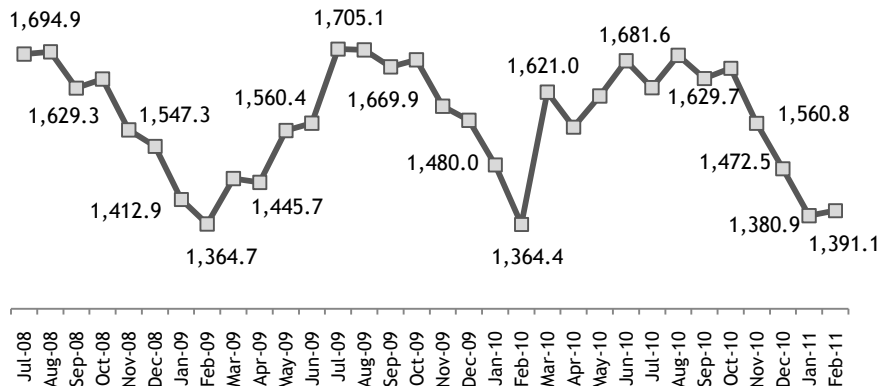
(Millions of gallons)



- Gasoline consumption during the month of February 2011 totaled 84.7 million gallons.
- Despite rising oil prices, February gasoline sales increased by 10.2 million gallons, or 14% compared to February 2010.
- YTD average monthly gasoline consumption for FY 2011 is 89.3 million gallons.

Electric Power Consumption

(Millions of kWh)



- Electric power consumption totaled 1,391.1 million kWh during the month of February 2011.
- Consumption reflected a 2.0% YOY increase despite significantly higher oil prices.



Description of the GDB-Economic Activity Index

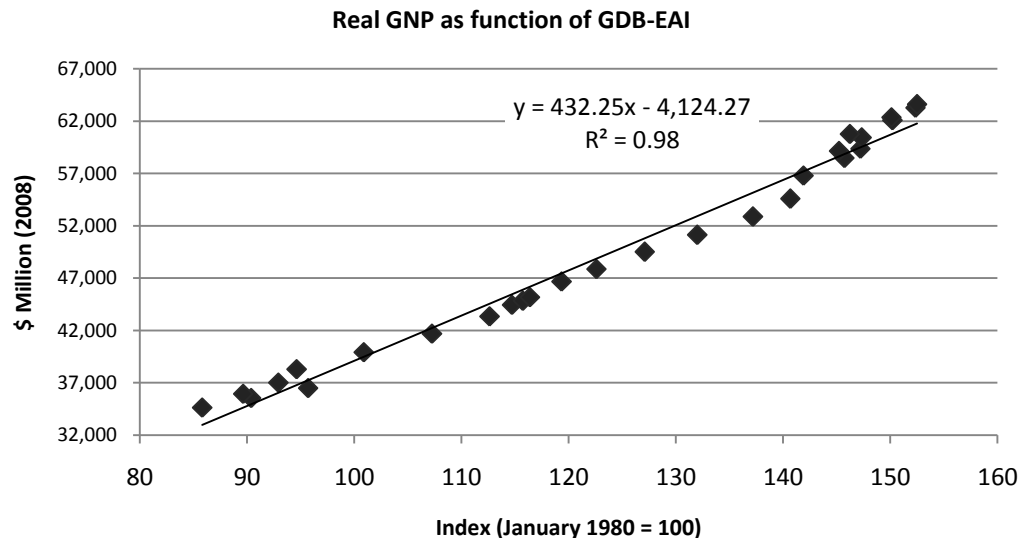


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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.