



Economic Activity Index

For the month of April 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 April 2011

GDB-EAI for the month of April reflected 127.5, a year-over-year decline of 2.1%. Total payroll employment reflected a 1.4% decline, the smallest since December 2008.

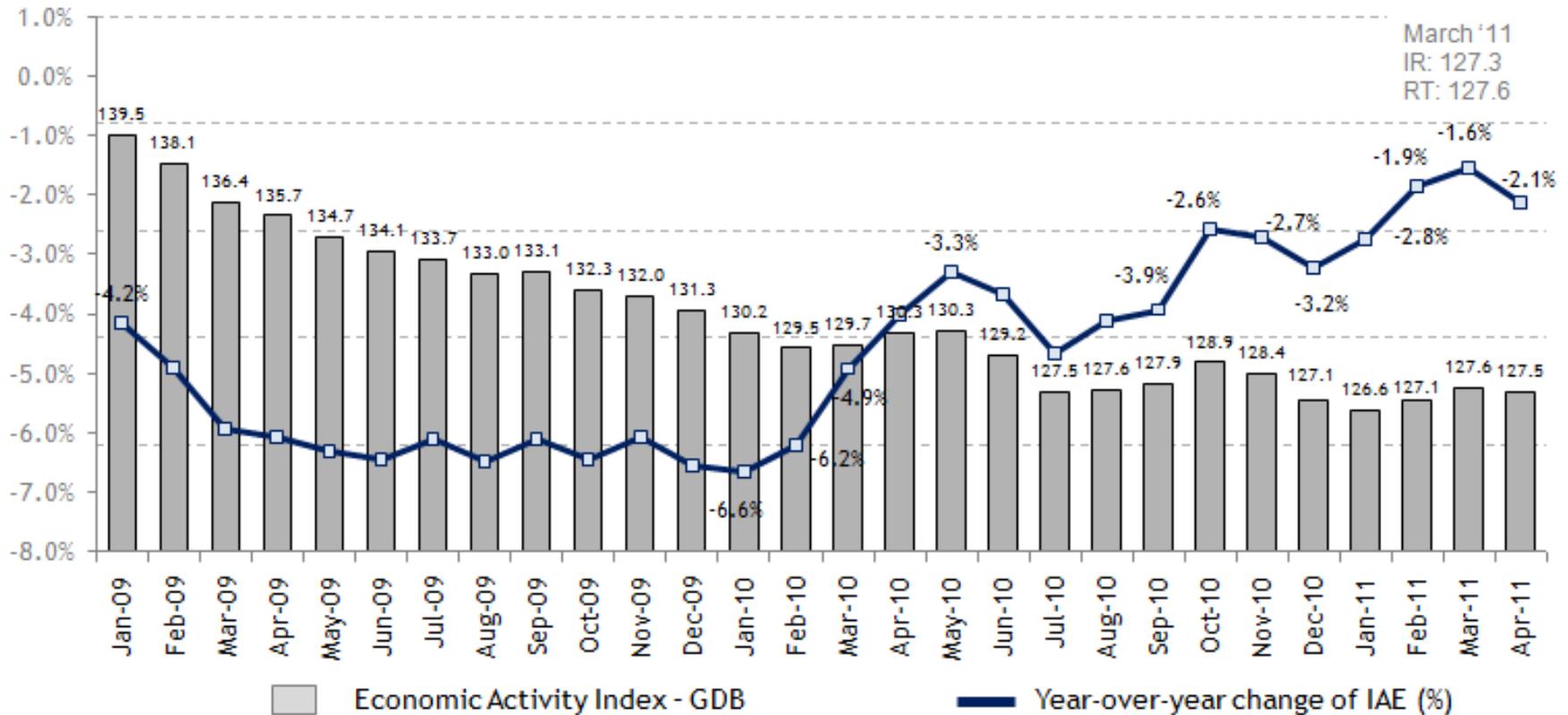
- Cement sales totaled 1.621 million bags during the month of April 2011, registering a YOY increase of 5.4%. On a year-over-year basis, cement sales rose by 9.0% for the four-month period ending in April.
- During the month of April 2011, the GDB-EAI registered a year-over-year (“YOY”) decline of 2.1%; the third smallest decline since April 2008.
- Total payroll employment during the month of April 2011 was 917,200. A total of 4,800 jobs have been added since January. On a YOY basis, payroll employment reflected a decline of 1.4%, the smallest since December 2008.
- Private sector employment continues its improving trend with total private sector employment registering a YOY decline of 0.4%, the smallest since September 2007.
- Electric power consumption during the month of April 2011 totaled 1,463 million kWh, a 5.8% 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 the month of April 2011 was 77.7 million gallons, a 21.3% year-over-year decline reflecting significantly higher gas prices.



GDB Economic Activity Index

For the month of April 2011

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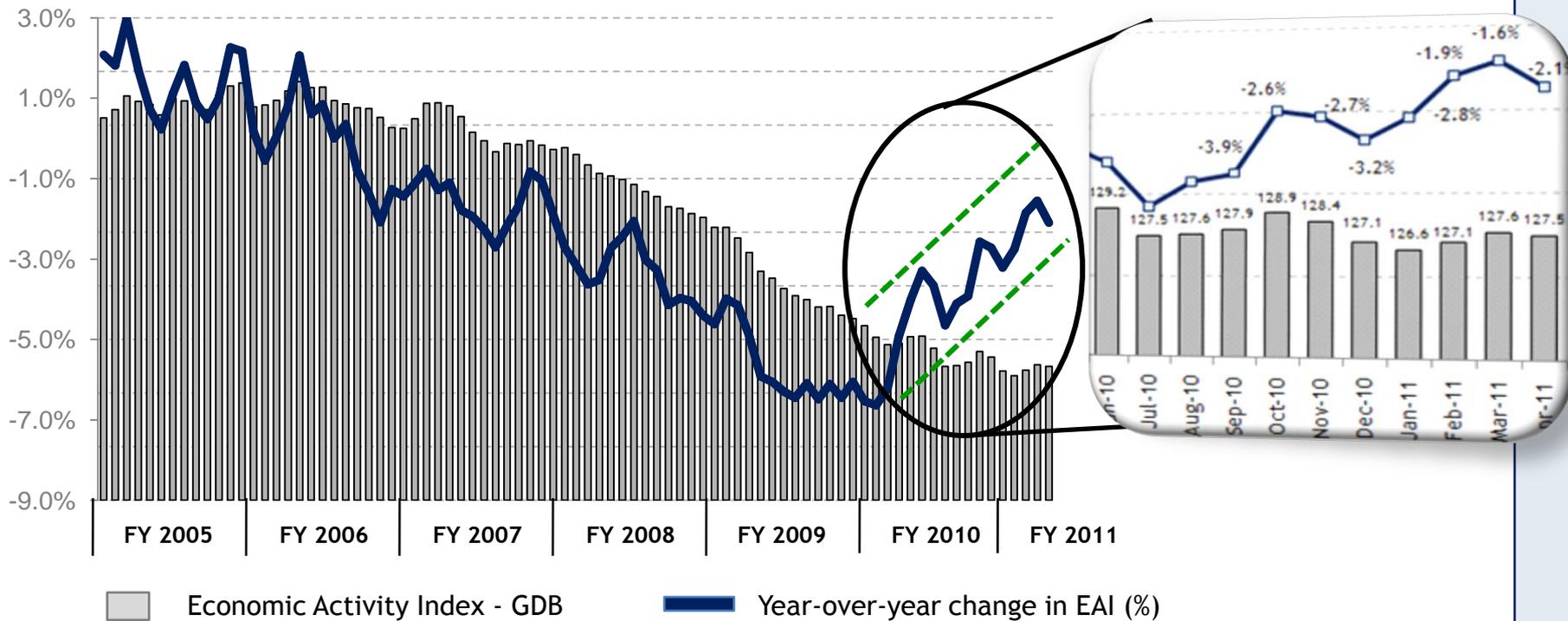


Data used for GDB-EAI is adjusted for seasonality and volatility.



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

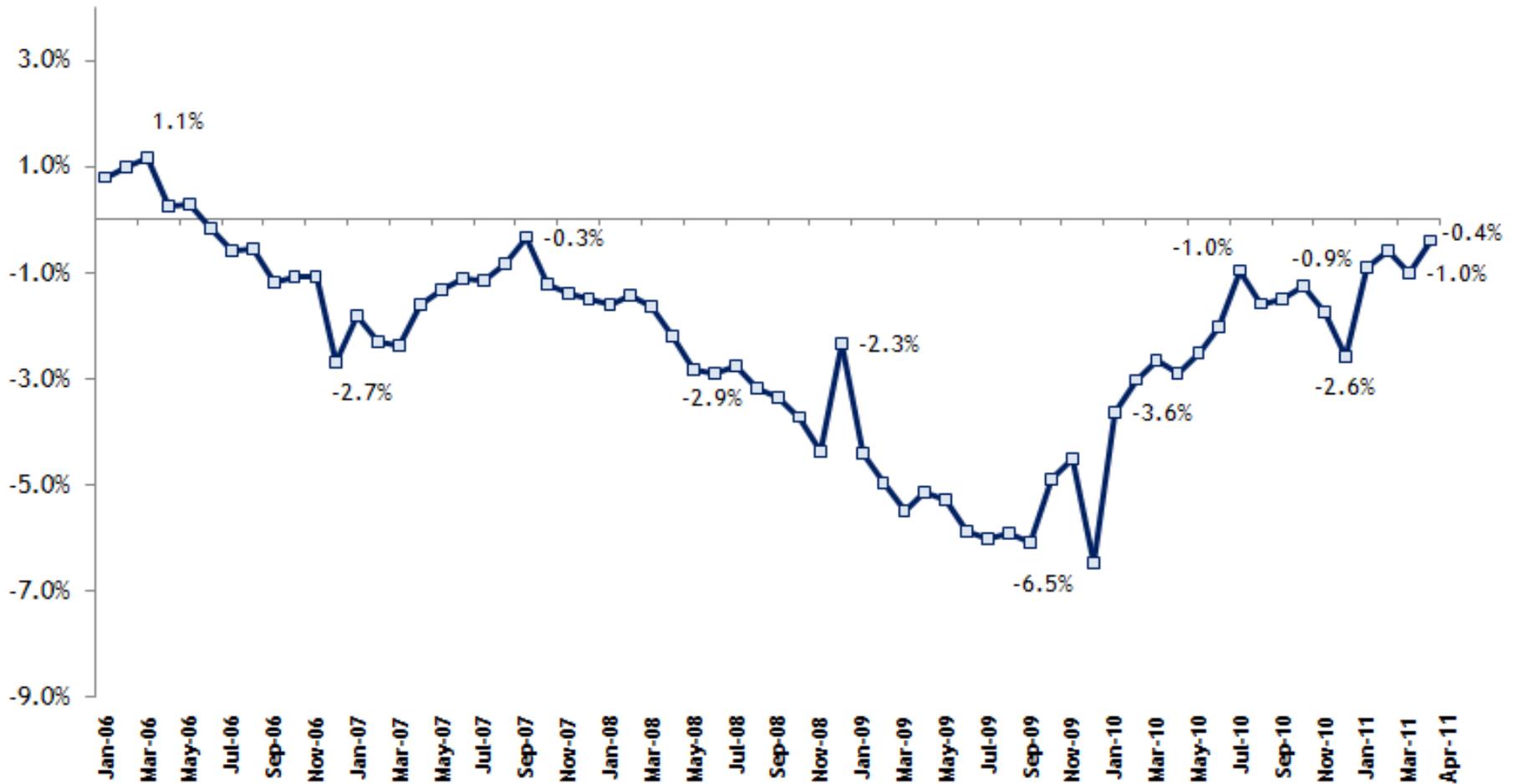
GDB Economic Activity Index (EAI): 98% correlation with GNP





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

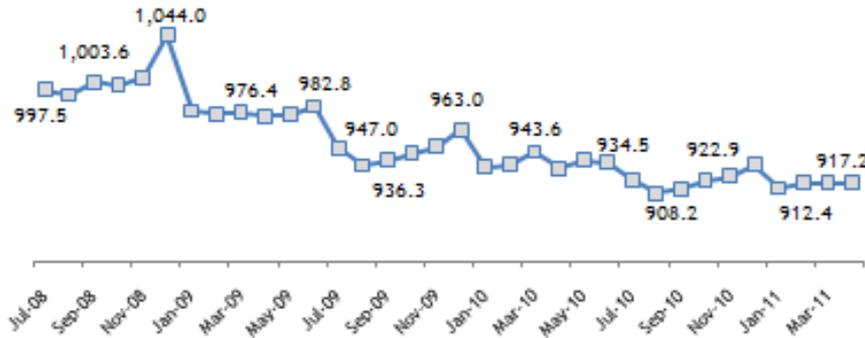
Private Sector Employment (Year-over-year Change in Payroll Employment)





GDB Economic Activity Index Components

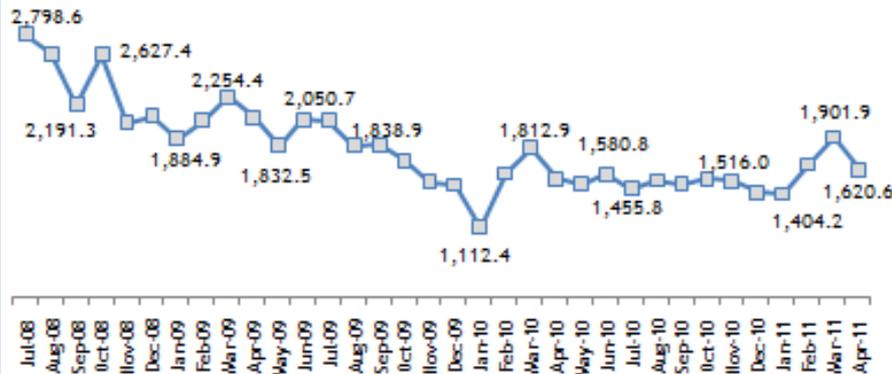
Total Payroll Employment (Thousands of jobs)



- Employment in service sector continues its improving trend. When compared to April 2010, YOY employment in the service sector increased by 2.9% or 8,800 jobs; the largest YOY net jobs increase since March 2006.
- Total payroll employment totaled 917,200, a YOY decrease of 1.4% representing the smallest decline since December 2008.
- Total private sector employment registered the smallest YOY rate of decline since September 2007.

Cement Sales (Cement Bags sold, in thousands)

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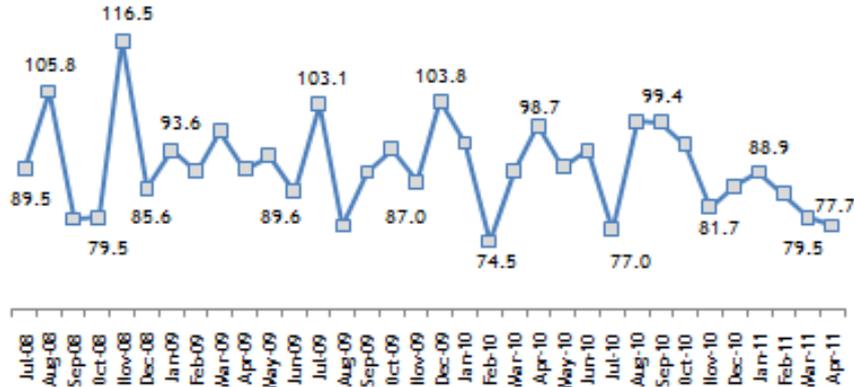


- Cement sales reported during the month of April were 1.621 million bags; a year-over-year increase of 5.4%.
- For the four-month period ending April 2011, cement sales increased by over 9.0% on a year-over-year basis.



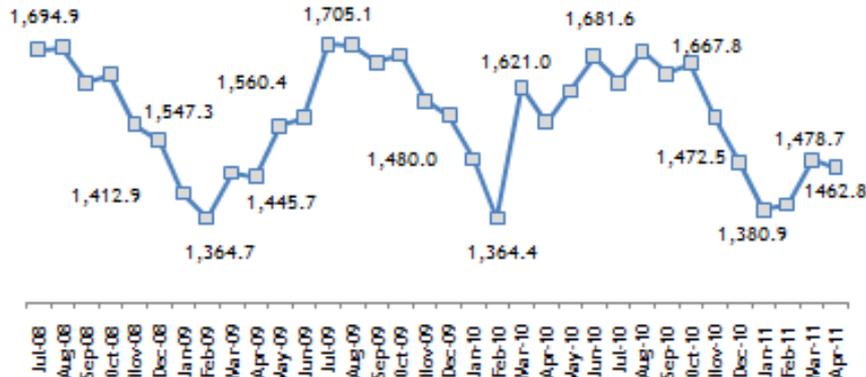
GDB Economic Activity Index Components

Gasoline Consumption (Millions of gallons)



- Gasoline consumption during the month of April 2011 totaled 77.7 million gallons.
- April gasoline consumption decreased mainly as a result of significantly higher gas prices.
- YTD average monthly gasoline consumption for FY 2011 is 82.7 million gallons.

Electric Power Consumption (Millions of kWh)



- Electric power consumption registered 1,462.8 million kWh during the month of April 2011.
- On a year-over-year basis, consumption decline by 5.8% due to significantly higher oil prices.
- YTD average electric power consumption totals 1,428.4 million kWh.



Description of the GDB-Economic Activity Index

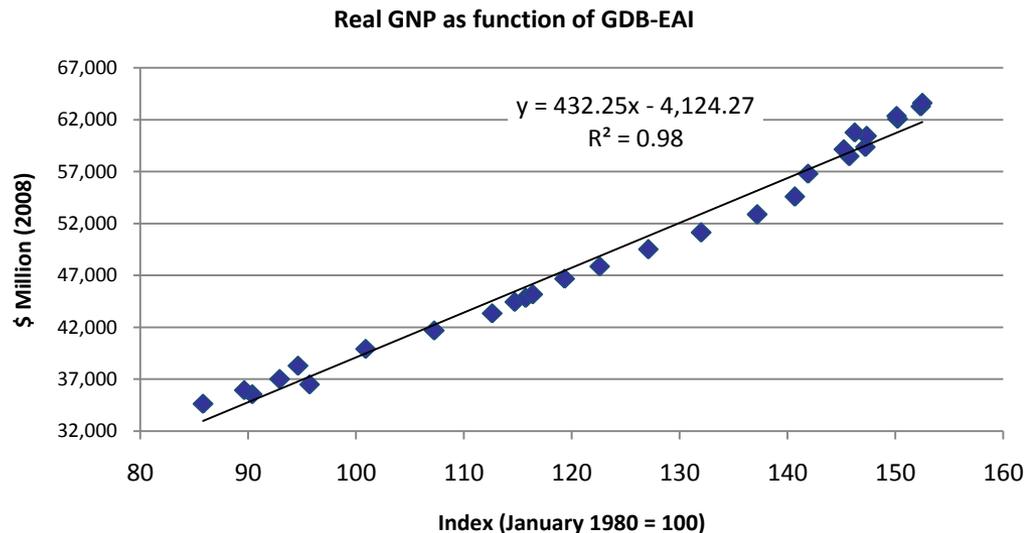


Description of the GDB-Economic Activity Index (GDB-EAI)

- 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.