

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO**  
(A Component Unit of the Commonwealth of Puerto Rico)

Statement of Net Assets - Business-Type Activities

September 30, 2012

<b>Assets</b>	<b>EDB Enterprise Fund</b>	<b>EDB Capital Investment</b>	<b>Eliminations</b>	<b>Total</b>
<b>Current assets:</b>				
Cash and due from banks	\$ 5,508,858	\$ —	\$ —	\$ 5,508,858
Interest-bearing deposits with other banks and commercial paper	99,650,371	12,052,428	(12,052,428)	99,650,371
Securities purchased under agreements to resell	287,220,000	—	—	287,220,000
Investments	—	—	—	—
Loans, net of allowance for loan losses of \$10,641,654 (1)	95,221,037	—	—	95,221,037
Accrued interest receivable	8,147,835	5,783,659	(820)	13,930,674
	<u>495,748,101</u>	<u>17,836,087</u>	<u>(12,053,248)</u>	<u>501,530,940</u>
<b>Noncurrent assets:</b>				
Investments	876,642,678	310,285,959	—	1,186,928,637
Loans, net of allowance for loan losses of \$20,663,620 (1)	141,099,550	—	—	141,099,550
Interest-bearing deposits with other banks and commercial paper	—	—	—	—
Securities purchased under agreements to resell	—	—	—	—
Other assets	9,503,200	—	—	9,503,200
Due from (to) other fund	23,509	(23,509)	—	—
<b>Capital assets:</b>				
Building and improvements	14,026,084	—	—	14,026,084
Furniture and equipment	4,952,155	—	—	4,952,155
Less accumulated depreciation and amortization	(9,866,014)	—	—	(9,866,014)
Total capital assets	<u>9,112,225</u>	<u>—</u>	<u>—</u>	<u>9,112,225</u>
	<u>1,036,381,162</u>	<u>310,262,450</u>	<u>—</u>	<u>1,346,643,612</u>
<b>Total assets</b>	<b>\$ <u>1,532,129,263</u></b>	<b>\$ <u>328,098,537</u></b>	<b>\$ <u>(12,053,248)</u></b>	<b>\$ <u>1,848,174,552</u></b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Time deposits	\$ 707,849,407	\$ —	\$ (12,052,428)	\$ 695,796,979
Securities sold under agreements to repurchase	249,739,000	—	—	249,739,000
Accrued interest payable	5,759,795	5,172,711	(820)	10,931,686
Promissory notes and other note payable	470,741	—	—	470,741
Other current liabilities	3,697,923	6,426	—	3,704,349
	<u>967,516,866</u>	<u>5,179,137</u>	<u>(12,053,248)</u>	<u>960,642,755</u>
<b>Noncurrent liabilities:</b>				
Securities sold under agreements to repurchase	19,000,000	—	—	19,000,000
Promissory notes and other note payable	425,793,243	275,000,000	—	700,793,243
Other liabilities	7,316,039	7,551	—	7,323,590
	<u>452,109,282</u>	<u>275,007,551</u>	<u>—</u>	<u>727,116,833</u>
<b>Total liabilities</b>	<u>1,419,626,148</u>	<u>280,186,688</u>	<u>(12,053,248)</u>	<u>1,687,759,588</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	(780,421)	—	—	(780,421)
Restricted for special loan programs	13,243,490	—	—	13,243,490
Unrestricted	100,040,046	47,911,849	—	147,951,895
<b>Total net assets</b>	<u>112,503,115</u>	<u>47,911,849</u>	<u>—</u>	<u>160,414,964</u>
<b>Commitments and contingencies</b>				
<b>Total liabilities and net assets</b>	<b>\$ <u>1,532,129,263</u></b>	<b>\$ <u>328,098,537</u></b>	<b>\$ <u>(12,053,248)</u></b>	<b>\$ <u>1,848,174,552</u></b>

(1) Loans and Allowance for Loan Losses distribution between current and noncurrent assets is done using the same ratio as in the latest audited financial statements.

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO**

(A Component Unit of the Commonwealth of Puerto Rico)

Statement of Revenue, Expenses, and Changes in Net Assets - Business-Type Activities

Period ended September 30, 2012

	<b>EDB Enterprise Fund</b>	<b>EDB Capital Investment</b>	<b>Eliminations</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Operating revenue:				
Interest income:				
Deposits with other banks and commercial paper	\$ 290,553	\$ 10,772	\$ (10,772)	\$ 290,553
Securities purchased under agreements to resell	515,824	—	—	515,824
Investments	7,872,042	5,204,555	—	13,076,597
Loans	3,246,449	—	—	3,246,449
Total interest income	<u>11,924,869</u>	<u>5,215,326</u>	<u>(10,772)</u>	<u>17,129,424</u>
Noninterest income:				
Net realized and unrealized gains on investments	(11,157)	(223,216)	—	(234,373)
Other income	176,813	—	(11,288)	165,525
Total noninterest income	<u>165,656</u>	<u>(223,216)</u>	<u>(11,288)</u>	<u>(68,848)</u>
Total operating revenue	<u>12,090,525</u>	<u>4,992,110</u>	<u>(22,060)</u>	<u>17,060,576</u>
Operating expenses:				
Provision for loan losses	500,000	—	—	500,000
Interest expense:				
Time deposits	925,482	—	(10,772)	914,710
Securities sold under agreements to repurchase	533,417	—	—	533,417
Promissory notes and other note payable	5,409,891	4,655,440	—	10,065,331
Total interest expense	<u>6,868,791</u>	<u>4,655,440</u>	<u>(10,772)</u>	<u>11,513,459</u>
Noninterest expenses:				
Salaries and employee benefits	2,262,898	23,839	—	2,286,737
Depreciation and amortization	99,063	—	—	99,063
Occupancy and related expenses	80,429	—	—	80,429
Professional fees	54,581	11,288	(11,288)	54,581
Advertising	114,828	—	—	114,828
Other	338,153	72	—	338,225
Total noninterest expenses	<u>2,949,953</u>	<u>35,198</u>	<u>(11,288)</u>	<u>2,973,863</u>
Total operating expenses	<u>10,318,743</u>	<u>4,690,638</u>	<u>(22,060)</u>	<u>14,987,322</u>
Operating income (loss) and change in net assets	1,771,782	301,472	—	2,073,254
Total net assets, beginning of year	109,902,986	47,610,377	—	157,513,363
Capital contribution	828,347	—	—	828,347
Total net assets, end of year	<u>\$ 112,503,115</u>	<u>\$ 47,911,849</u>	<u>\$ —</u>	<u>\$ 160,414,964</u>

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO**  
(A Component Unit of the Commonwealth of Puerto Rico)

Statement of Net Assets - Business-Type Activities

September 30, 2011

<b>Assets</b>	<b>EDB Enterprise Fund</b>	<b>EDB Capital Investment</b>	<b>Eliminations</b>	<b>Total</b>
<b>Current assets:</b>				
Cash and due from banks	\$ 3,297,439	\$ —	\$ —	\$ 3,297,439
Interest-bearing deposits with other banks and commercial paper	185,850,960	10,723,186	(10,723,186)	185,850,960
Securities purchased under agreements to resell	290,705,000	—	—	290,705,000
Investments	—	—	—	—
Loans, net of allowance for loan losses of \$12,076,600 (1)	81,572,317	—	—	81,572,317
Accrued interest receivable	5,838,636	6,333,442	(1,981)	12,170,097
	<u>567,264,352</u>	<u>17,056,628</u>	<u>(10,725,167)</u>	<u>573,595,813</u>
<b>Noncurrent assets:</b>				
Investments	646,996,674	313,177,801	—	960,174,475
Loans, net of allowance for loan losses of \$24,572,149 (1)	136,085,073	—	—	136,085,073
Interest-bearing deposits with other banks and commercial paper	—	—	—	—
Securities purchased under agreements to resell	—	—	—	—
Other assets	6,354,033	—	—	6,354,033
Due from (to) other fund	1,937,681	(1,937,681)	—	—
<b>Capital assets:</b>				
Building and improvements	13,892,699	—	—	13,892,699
Furniture and equipment	5,044,109	—	—	5,044,109
Less accumulated depreciation and amortization	(9,618,865)	—	—	(9,618,865)
<b>Total capital assets</b>	<u>9,317,943</u>	<u>—</u>	<u>—</u>	<u>9,317,943</u>
	<u>800,691,404</u>	<u>311,240,120</u>	<u>—</u>	<u>1,111,931,524</u>
<b>Total assets</b>	<u>\$ 1,367,955,756</u>	<u>\$ 328,296,748</u>	<u>\$ (10,725,167)</u>	<u>\$ 1,685,527,338</u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Time deposits	\$ 669,635,834	\$ —	\$ (10,723,186)	\$ 658,912,648
Securities sold under agreements to repurchase	110,882,000	—	—	110,882,000
Accrued interest payable	4,540,281	5,660,435	(1,981)	10,198,735
Promissory notes and other note payable	444,095	—	—	444,095
Other current liabilities	3,396,504	8,175	—	3,404,679
	<u>788,898,714</u>	<u>5,668,610</u>	<u>(10,725,167)</u>	<u>783,842,157</u>
<b>Noncurrent liabilities:</b>				
Securities sold under agreements to repurchase	50,800,000	—	—	50,800,000
Promissory notes and other note payable	417,973,150	275,000,000	—	692,973,150
Other liabilities	11,345,864	9,950	—	11,355,814
	<u>480,119,014</u>	<u>275,009,950</u>	<u>—</u>	<u>755,128,964</u>
<b>Total liabilities</b>	<u>1,269,017,727</u>	<u>280,678,559</u>	<u>(10,725,167)</u>	<u>1,538,971,120</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	(1,018,797)	—	—	(1,018,797)
Restricted for special loan programs	8,496,379	—	—	8,496,379
Unrestricted	91,460,447	47,618,188	—	139,078,635
<b>Total net assets</b>	<u>98,938,029</u>	<u>47,618,188</u>	<u>—</u>	<u>146,556,217</u>
<b>Commitments and contingencies</b>				
<b>Total liabilities and net assets</b>	<u>\$ 1,367,955,756</u>	<u>\$ 328,296,747</u>	<u>\$ (10,725,167)</u>	<u>\$ 1,685,527,338</u>

(1) Loans and Allowance for Loan Losses distribution between current and noncurrent assets is done using the same ratio as in the latest audited financial statements.

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO**

(A Component Unit of the Commonwealth of Puerto Rico)

Statement of Revenue, Expenses, and Changes in Net Assets - Business-Type Activities

Period ended September 30, 2011

	<b>EDB Enterprise Fund</b>	<b>EDB Capital Investment</b>	<b>Eliminations</b>	<b>Total</b>
Operating revenue:				
Interest income:				
Deposits with other banks and commercial paper	\$ 176,921	\$ 9,587	\$ (9,587)	\$ 176,921
Securities purchased under agreements to resell	562,663	—	—	562,663
Investments	6,355,063	5,188,556	—	11,543,619
Loans	2,729,798	—	—	2,729,798
Total interest income	<u>9,824,444</u>	<u>5,198,143</u>	<u>(9,587)</u>	<u>15,013,000</u>
Noninterest income:				
Net realized and unrealized gains on investments	342,522	188,893	—	531,415
Other income	228,173	—	(11,737)	216,436
Total noninterest income	<u>570,694</u>	<u>188,893</u>	<u>(11,737)</u>	<u>747,851</u>
Total operating revenue	<u>10,395,138</u>	<u>5,387,036</u>	<u>(21,324)</u>	<u>15,760,851</u>
Operating expenses:				
Provision for loan losses	3,700,000	—	—	3,700,000
Interest expense:				
Time deposits	572,415	—	(9,587)	562,828
Securities sold under agreements to repurchase	847,997	—	—	847,997
Promissory notes and other note payable	4,781,862	4,655,440	—	9,437,302
Total interest expense	<u>6,202,274</u>	<u>4,655,440</u>	<u>(9,587)</u>	<u>10,848,127</u>
Noninterest expenses:				
Salaries and employee benefits	2,050,818	22,802	—	2,073,620
Depreciation and amortization	104,817	—	—	104,817
Occupancy and related expenses	71,878	—	—	71,878
Professional fees	67,880	11,737	(11,737)	67,880
Advertising	166,581	—	—	166,581
Other	339,350	131	—	339,481
Total noninterest expenses	<u>2,801,323</u>	<u>34,670</u>	<u>(11,737)</u>	<u>2,824,257</u>
Total operating expenses	<u>12,703,597</u>	<u>4,690,110</u>	<u>(21,324)</u>	<u>17,372,384</u>
Operating income (loss) and change in net assets	<u>(2,308,459)</u>	<u>696,926</u>	<u>—</u>	<u>(1,611,533)</u>
Total net assets, beginning of year	100,256,865	46,921,262	—	147,178,127
Capital contribution	989,623	—	—	989,623
Total net assets, end of year	<u>\$ 98,938,029</u>	<u>\$ 47,618,188</u>	<u>\$ —</u>	<u>\$ 146,556,218</u>

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED  
STATEMENT OF NET ASSETS**

As of September 30, 2012  
(In Thousands)

	Balance			Average	
	9/30/2012	8/31/2012	9/30/2011	9/30/2012	8/31/2012
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and due from banks	\$ 5,509	\$ 5,413	\$ 3,297	\$ 10,287	\$ 10,084
Int. bearing deposits & commercial paper	99,650	99,598	185,851	100,578	101,747
Securities purch. under agree. to resell	287,220	302,225	290,705	292,596	226,682
Marketable securities at cost	-	-	-	-	-
Investments at market value	-	-	-	-	-
Note receivable current portion	-	-	-	-	-
Accrued interest receivable	13,931	12,525	12,170	11,303	10,193
	<u>406,310</u>	<u>419,761</u>	<u>492,023</u>	<u>414,764</u>	<u>348,706</u>
<b>Non current assets:</b>					
Investments at market value	1,186,929	1,043,894	960,174	1,056,994	1,067,153
Investment in subsidiary	-	-	-	-	-
Loans receivable	267,626	270,079	254,306	268,316	266,743
Allowance for loan losses	(31,305)	(31,751)	(36,649)	(31,535)	(31,951)
Int. bearing deposits	-	-	-	-	-
Securities purch. under agree. to resell	-	-	-	-	-
Notes receivable	-	-	-	-	-
Other assets	9,503	8,217	6,354	9,159	8,188
	<u>1,432,753</u>	<u>1,290,439</u>	<u>1,184,185</u>	<u>1,302,934</u>	<u>1,310,133</u>
<b>Capital assets:</b>					
Building & improvements	14,026	14,026	13,893	14,026	14,022
Furniture & equipment	4,952	4,952	5,044	4,952	4,943
Less: accumulated depreciation	(9,866)	(9,833)	(9,619)	(9,836)	(9,801)
	<u>9,112</u>	<u>9,145</u>	<u>9,318</u>	<u>9,142</u>	<u>9,164</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,848,175</u></b>	<b><u>\$ 1,719,345</u></b>	<b><u>\$ 1,685,527</u></b>	<b><u>\$ 1,726,840</u></b>	<b><u>\$ 1,668,003</u></b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Time deposits	\$ 695,797	\$ 714,988	\$ 658,913	\$ 705,697	\$ 643,038
Securities sold under agree. to repurchase	249,739	103,550	110,882	120,722	103,034
Accrued interest payable	10,932	10,358	10,199	9,382	8,569
Current portion promissory notes	471	471	444	471	471
Other liabilities	8,102	7,533	11,661	7,700	7,584
	<u>965,041</u>	<u>836,900</u>	<u>792,099</u>	<u>843,972</u>	<u>762,696</u>
<b>Non-current liabilities:</b>					
Securities sold under agree. to repurchase	19,000	19,000	50,800	19,000	19,000
Promissory notes	700,793	701,075	692,973	700,796	724,110
Other liabilities	2,926	2,876	3,099	2,881	2,828
	<u>722,719</u>	<u>722,951</u>	<u>746,872</u>	<u>722,677</u>	<u>745,938</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,687,760</u></b>	<b><u>1,559,851</u></b>	<b><u>1,538,971</u></b>	<b><u>1,566,649</u></b>	<b><u>1,508,634</u></b>
<b>NET ASSETS:</b>					
Invested in capital assets, net related debt	(780)	(748)	(1,019)	(751)	(728)
Restricted for special loan programs	13,243	13,214	8,496	13,243	13,214
Unrestricted	147,952	147,028	139,079	147,699	146,883
<b>TOTAL NET ASSETS</b>	<b><u>160,415</u></b>	<b><u>159,494</u></b>	<b><u>146,556</u></b>	<b><u>160,191</u></b>	<b><u>159,369</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,848,175</u></b>	<b><u>\$ 1,719,345</u></b>	<b><u>\$ 1,685,527</u></b>	<b><u>\$ 1,726,840</u></b>	<b><u>\$ 1,668,003</u></b>

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED**  
**COMPARATIVE STATEMENT OF REVENUE AND EXPENSES**  
Cumulative for the periods ended September 30, 2012 and September 30, 2011  
(In Thousands)

	9/30/2012		Change Actual Vs. Budget		9/30/2011		Change Actual Vs. Actual	
	ACTUAL	BUDGET	\$	%	ACTUAL	\$	%	
<b>OPERATING REVENUE:</b>								
<b>Interest income:</b>								
Deposits and commercial paper	\$ 291	\$ 258	\$ 33	13	\$ 177	\$ 114	64	
Securities purchased under agreement to resell	516	352	164	47	563	(47)	(8)	
Investment securities	13,077	13,414	(337)	(3)	11,544	1,533	13	
Loans	3,246	3,058	188	6	2,730	516	19	
Other interest earning assets	-	2	(2)	(100)	-	-	-	
<b>Total interest income</b>	<b>17,129</b>	<b>17,084</b>	<b>46</b>	<b>-</b>	<b>15,013</b>	<b>2,116</b>	<b>14</b>	
<b>Noninterest income:</b>								
Gain settlement interest exchange agreement	-	-	-	-	-	-	-	
Net increase (decrease) in FV of investment	(197)	86	(283)	(329)	590	(787)	(133)	
Realized gain (loss) in sale of securities	(49)	-	(49)	-	(63)	14	(22)	
Other	189	250	(61)	(24)	232	(43)	(19)	
<b>Total non-interest income</b>	<b>(58)</b>	<b>336</b>	<b>(393)</b>	<b>(117)</b>	<b>760</b>	<b>(816)</b>	<b>(107)</b>	
<b>Total operating revenue</b>	<b>17,072</b>	<b>17,420</b>	<b>(347)</b>	<b>(2)</b>	<b>15,773</b>	<b>1,300</b>	<b>8</b>	
<b>OPERATING EXPENSES</b>								
<b>Provision for loan losses</b>	<b>500</b>	<b>2,125</b>	<b>(1,625)</b>	<b>(76)</b>	<b>3,700</b>	<b>(3,200)</b>	<b>(86)</b>	
<b>Interest expense:</b>								
Time deposits	915	799	116	15	563	352	63	
Securities sold under agreement to repurchase	533	546	(13)	(2)	848	(315)	(37)	
Promissory notes	10,065	10,396	(331)	(3)	9,437	628	7	
<b>Total interest expense</b>	<b>11,513</b>	<b>11,742</b>	<b>(228)</b>	<b>(2)</b>	<b>10,848</b>	<b>665</b>	<b>6</b>	
<b>Noninterest expenses:</b>								
Salaries and employee benefits	2,287	2,488	(201)	(8)	2,074	213	10	
Depreciation and amortization	99	106	(7)	(7)	105	(6)	(6)	
Occupancy and related expenses	80	102	(22)	(22)	72	8	11	
Professional fees	66	112	(46)	(41)	80	(14)	(18)	
Advertising	115	113	2	2	167	(52)	(31)	
Other expenses	338	528	(190)	(36)	339	(1)	-	
<b>Total noninterest expenses</b>	<b>2,985</b>	<b>3,448</b>	<b>(464)</b>	<b>(13)</b>	<b>2,836</b>	<b>148</b>	<b>5</b>	
<b>Total operating expenses</b>	<b>14,999</b>	<b>17,315</b>	<b>(2,317)</b>	<b>(13)</b>	<b>17,384</b>	<b>(2,387)</b>	<b>(14)</b>	
<b>Operating income (loss)</b>	<b>2,073</b>	<b>105</b>	<b>1,968</b>	<b>1,874</b>	<b>(1,612)</b>	<b>3,687</b>	<b>(229)</b>	
<b>Non-operating income</b>	<b>828</b>	<b>-</b>	<b>828</b>	<b>-</b>	<b>990</b>	<b>-</b>	<b>-</b>	
<b>NET INCOME (LOSS)</b>	<b>\$ 2,902</b>	<b>\$ 105</b>	<b>\$ 2,796</b>	<b>2,663</b>	<b>\$ (622)</b>	<b>\$ 3,687</b>	<b>(593)</b>	

# ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED

## COMPARATIVE STATEMENT OF REVENUES AND EXPENSES

For the months ended September 30, 2012, August 31, 2012 and September 30, 2011

(In Thousands)

	9/30/2012		Change Actual Vs. Budget		8/31/2012		Change Actual Vs. Actual		9/30/2011		Change Actual Vs. Actual	
	ACTUAL	BUDGET	\$	%	ACTUAL	\$	%	ACTUAL	\$	%	\$	%
<b>OPERATING REVENUE:</b>												
<b>Interest income:</b>												
Deposits and commercial paper	\$ 88	\$ 84	\$ 4	5	\$ 91	\$ (3)	(3)	\$ 87	\$ 1		1	
Securities purchased under agreement to resell	218	115	103	90	175	43	25	197	21		11	
Investment securities	4,332	4,372	(40)	(1)	4,350	(18)	-	3,985	347		9	
Loans	1,057	1,003	54	5	1,193	(136)	(11)	824	233		28	
Other interest earning assets	-	1	(1)	(100)	-	-	-	-	-		-	
<b>Total interest income</b>	<u>5,695</u>	<u>5,575</u>	<u>120</u>	<u>2</u>	<u>5,809</u>	<u>(114)</u>	<u>(2)</u>	<u>5,093</u>	<u>602</u>		<u>12</u>	
<b>Noninterest income:</b>												
Gain settlement interest exchange agreement	-	-	-	-	-	-	-	-	-		-	
Net increase (decrease) in FV of investment	15	29	(14)	(48)	(273)	288	(105)	(99)	114		(115)	
Realized gain (loss) in sale of securities	(27)	-	(27)	-	(22)	(5)	23	(14)	(13)		93	
Other	72	83	(11)	(13)	51	21	41	83	(11)		(13)	
<b>Total noninterest income</b>	<u>60</u>	<u>112</u>	<u>(52)</u>	<u>(46)</u>	<u>(243)</u>	<u>304</u>	<u>(125)</u>	<u>(30)</u>	<u>90</u>		<u>(300)</u>	
<b>Total operating revenue</b>	<u>5,755</u>	<u>5,687</u>	<u>68</u>	<u>1</u>	<u>5,565</u>	<u>190</u>	<u>3</u>	<u>5,063</u>	<u>692</u>		<u>14</u>	
<b>OPERATING EXPENSES</b>												
<b>Provision for loan losses</b>	<u>300</u>	<u>708</u>	<u>(408)</u>	<u>(58)</u>	<u>200</u>	<u>100</u>	<u>50</u>	<u>1,900</u>	<u>(1,600)</u>		<u>(84)</u>	
<b>Interest expense:</b>												
Time deposits	335	261	74	28	303	32	11	200	135		68	
Securities sold under agreement to repurchase	177	178	(1)	(1)	178	(1)	(1)	272	(95)		(35)	
Promissory and capital notes	3,293	3,390	(97)	(3)	3,370	(77)	(2)	3,288	5		-	
<b>Total interest expense</b>	<u>3,804</u>	<u>3,829</u>	<u>(25)</u>	<u>(1)</u>	<u>3,851</u>	<u>(46)</u>	<u>(1)</u>	<u>3,760</u>	<u>45</u>		<u>1</u>	
<b>Noninterest expenses:</b>												
Salaries and employee benefits	770	829	(59)	(7)	784	(14)	(2)	666	104		16	
Depreciation and amortization	33	35	(2)	(6)	33	-	-	35	(2)		(6)	
Occupancy and related expenses	28	34	(6)	(18)	27	1	4	24	4		17	
Professional fees	19	37	(18)	(49)	26	(7)	(27)	33	(14)		(42)	
Advertising	38	38	-	-	39	(1)	(3)	64	(26)		(41)	
Other expenses	125	176	(51)	(29)	119	6	5	118	7		6	
<b>Total noninterest expenses</b>	<u>1,013</u>	<u>1,149</u>	<u>(136)</u>	<u>(12)</u>	<u>1,029</u>	<u>(15)</u>	<u>(1)</u>	<u>939</u>	<u>73</u>		<u>8</u>	
<b>Total operating expenses</b>	<u>5,117</u>	<u>5,687</u>	<u>(569)</u>	<u>(10)</u>	<u>5,080</u>	<u>39</u>	<u>1</u>	<u>6,599</u>	<u>(1,482)</u>		<u>(22)</u>	
<b>Operating income (loss)</b>	637	-	637	-	485	151	31	(1,536)	2,174		(142)	
<b>Non-operating income</b>	283	-	283	-	293	(10)	(3)	246	-		-	
<b>NET INCOME (LOSS)</b>	<u>\$ 920</u>	<u>\$ -</u>	<u>\$ 920</u>	<u>-</u>	<u>\$ 778</u>	<u>\$ 141</u>	<u>18</u>	<u>\$ (1,289)</u>	<u>\$ 2,174</u>		<u>(169)</u>	

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED  
STATEMENT OF CHANGES IN NET ASSETS**

For the period ended September 30, 2012

(In Thousands)

	Net assets			Total
	Invested in capital assets, net	Restricted for special loan programs	Unrestricted	
Balance at June 30, 2012	\$ (710)	\$ 13,158	\$ 145,065	\$ 157,513
Change in net assets	(70)	85	2,887	2,902
Capital contribution	-	-	-	-
Balance at September 30, 2012	<u>\$ (780)</u>	<u>\$ 13,243</u>	<u>\$ 147,952</u>	<u>\$ 160,415</u>

## ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED

### STATEMENT OF CASH FLOWS

For the period ended September 30, 2012 and the year ended June 30, 2011

	9/30/2012	6/30/2011
<b>Cash flows from operating activities:</b>		
Cash payments for goods and services	\$ (1,110,017)	\$ (2,838,664)
Cash payments to employees	(2,012,666)	(8,547,278)
Other operating income	213,019	889,873
Interest collected on loans	3,301,908	12,027,410
Principal collected on loans	40,262,794	114,541,105
Proceeds from special investment (936) compliance agreements	-	-
Other receipts (payments)	(1,197,450)	(3,413,028)
Loans disbursed	(39,274,241)	(145,171,959)
Net cash provided (used) in operating activities	<u>183,347</u>	<u>(32,512,541)</u>
<b>Cash flows from noncapital financing activities</b>		
Net increase (decrease) in:		
Time deposits	152,183,017	88,994,011
Securities sold under agreements to repurchase	144,814,000	(13,475,000)
Promissory notes and other notes payable	(34,769,500)	118,323,745
Interest paid	(7,483,159)	(45,590,853)
Net cash provided by (used in) noncapital financing activities	<u>254,744,358</u>	<u>148,251,903</u>
<b>Cash flows from capital and related financing activities</b>		
Capital injection from Government	828,347	8,710,304
Acquisition of premises and equipment	(28,448)	(187,259)
Principal portion on capital debt	-	(444,095)
	<u>799,899</u>	<u>8,078,950</u>
<b>Cash flows from investing activities</b>		
Acquisition of investments	(151,000,000)	(751,555,949)
Maturities and sales of investments	89,026,190	445,907,467
Collections relating to deferred gain on sale of securities	-	-
Principal collected on notes receivable	-	-
Net (increase) decrease in:		
Deposits with other banks and commercial paper	21,849,629	(91,398,062)
Securities purchased under agreements to resell	(224,969,000)	218,770,000
Interest collected on investments	9,254,446	53,379,367
Dividends received	-	-
Proceeds from sales of foreclosed assets	140,000	96,083
Net cash provided by (used in) investing activities	<u>(255,698,735)</u>	<u>(124,801,094)</u>
Net increase (decrease) in cash and due from banks	28,869	(982,782)
Cash and due from banks at beginning of period	<u>5,479,989</u>	<u>6,462,771</u>
Cash and due from banks at end of period	<u>\$ 5,508,858</u>	<u>\$ 5,479,989</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>		
Operating income	\$ 2,073,254	\$ 1,624,932
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	99,063	406,163
Net realized and unrealized (gain) losses on investments	246,373	(611,002)
Provision for loan losses	500,000	8,600,000
Provision for losses on loan guarantees	-	-
Provision for losses on other assets	-	750,000
Loss (gain) on sale of foreclosed assets	(4,500)	(31,750)
Amortization of deferred gain on sale of securities	-	-
Interest income from investments	(13,882,975)	(55,388,723)
(Increase) decrease in AIR from loans	55,459	(128,858)
Interest expense	11,513,459	46,442,982
Dividend income	-	-
(Increase) decrease in other assets	(1,330,327)	984,428
Decrease (increase) in loans receivable	988,553	(30,630,854)
Increase (decrease) in other liabilities	(75,012)	(4,529,859)
Net cash provided (used) in operating activities	<u>\$ 183,347</u>	<u>\$ (32,512,541)</u>

# ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED

## INVESTMENT SECURITIES

September 30, 2012

SECURITIES CLASSIFICATION AND TYPE	BEGINNING BALANCE		TRANSACTION				ENDING BALANCE		
	COST	FAIR VALUE	PURCHASES	SALES	MATURITIES	OTHER ADJUSTMENT	COST	FAIR VALUE	CHANGE IN FAIR VALUE
<b>INVESTMENT SECURITIES AT MARKET</b>									
CMO'S	\$ 196,796,162	\$ 197,419,405	\$ -	\$ -	\$ (6,766,153)	\$ (96,013)	189,933,996	\$ 190,575,325	\$ 641,329
CORPORATE NOTES EDB	-	-	-	-	-	-	-	-	-
ASSET BACKED SECURITIES	-	-	-	-	-	-	-	-	-
AGENCY NOTES (one year or more maturity)	96,949,412	97,035,186	150,000,000	-	(76,388)	-	246,873,024	246,955,437	82,413
ELA MUNICIPAL BONDS	-	-	-	-	-	-	-	-	-
AGENCY NOTES (less than one year maturity)	-	-	-	-	-	-	-	-	-
US MUNIS (EDB NOTES PUT)	438,248,336	439,153,336	-	-	-	(41,422)	438,206,914	439,111,914	905,000
EDBCI - INVESTMENT PORFOLIO BNA	275,000,000	275,000,000	-	-	-	-	275,000,000	275,000,000	-
SUBTOTAL	1,006,993,910	1,008,607,927	150,000,000	-	(6,842,541)	(137,435)	1,150,013,934	1,151,642,676	1,628,742
EQUITY INVESTMENTS	7,204,000	2,129,720	-	-	-	-	7,204,000	2,129,720	(5,074,280)
EXTERNAL INVESTMENT POOLS	21,995,921	33,156,238	-	-	-	-	21,995,921	33,156,238	11,160,317
SUBTOTAL	29,199,921	35,285,958	-	-	-	-	29,199,921	35,285,958	6,086,037
<b>TOTAL AT MARKET</b>	<b>\$ 1,036,193,831</b>	<b>\$ 1,043,893,885</b>	<b>\$ 150,000,000</b>	<b>\$ -</b>	<b>\$ (6,842,541)</b>	<b>\$ (137,435)</b>	<b>\$ 1,179,213,855</b>	<b>\$ 1,186,928,634</b>	<b>\$ 7,714,779</b>

<b>INVESTMENT AT AMORTIZED COST</b>									
CERTIFICATES OF DEPOSITS	\$ 99,598,086	\$ 99,598,086	-	-	-	\$ 52,285	\$ 99,650,371	\$ 99,650,371	-
CERTIFICATES OF DEPOSITS EDA	-	-	-	-	-	-	-	-	-
COMMERCIAL PAPER	-	-	-	-	-	-	-	-	-
	99,598,086	99,598,086	-	-	-	52,285	99,650,371	99,650,371	-
REPOS	302,225,000	302,225,000	138,445,000	-	(153,450,000)	-	287,220,000	287,220,000	-
<b>TOTAL AT AMORTIZED COST</b>	<b>\$ 401,823,086</b>	<b>\$ 401,823,086</b>	<b>\$ 138,445,000</b>	<b>\$ -</b>	<b>\$ (153,450,000)</b>	<b>\$ 52,285</b>	<b>\$ 386,870,371</b>	<b>\$ 386,870,371</b>	<b>\$ -</b>

### SUMMARY INVESTMENTS AT MARKET

DESCRIPTION	COST	MARKET VALUE	INVESTMENT PORTFOLIO		EQUITY AND EXTERNAL INVESTMENT POOLS		TOTAL	
			CURRENT CHANGE IN MARKET VALUE	BALANCE YTD	CURRENT CHANGE IN MARKET VALUE	BALANCE YTD	CURRENT CHANGE IN MARKET VALUE	BALANCE YTD
BEGINNING BALANCE	\$ 1,036,193,831	\$ 1,043,893,885	\$ 1,614,017	\$ 1,590,814	\$ 6,086,037	\$ 4,971,253	\$ 7,700,054	\$ 6,562,067
ENDING BALANCE 09/30/2012	1,179,213,855	1,186,928,634	1,628,742	1,628,742	6,086,037	6,086,037	7,714,779	7,714,779
	(143,020,024)	(143,034,749)	14,725	37,928	-	1,114,784	14,725	1,152,712
PERDIDA EN VALORES			(26,936)	(69,084)	-	-	(26,936)	(69,084)
GANANCIA EN VENCIMIENTO DE VALORES			-	20,000	-	-	-	20,000
RD MEDICAL WRITE-OFF			-	-	-	(1,350,000)	-	(1,350,000)
PERDIDA INVERSION GENOMAS			-	-	-	-	-	-
	<b>\$ (143,020,024)</b>	<b>\$ (143,034,749)</b>	<b>\$ (12,211)</b>	<b>\$ (11,156)</b>	<b>\$ -</b>	<b>\$ (235,216)</b>	<b>\$ (12,211)</b>	<b>\$ (246,372)</b>

## ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED LOAN PRINCIPAL BALANCES AND ALLOWANCES FOR LOAN LOSSES

September 30, 2012

Month End Balances	CCDCA Loans		Direct Loans					Escrow	Loan Orig.	Total Loans
	CCDCA-Com.	CCDCA-Agri.	Agrícola	Credi-Agri.	Commercial	Credi-Empr.	Special loans	Receivable	Costs	
Beg. Princ. Bal. August 31, 2012	\$ 4,442	\$ 69,519	\$ 20,564,277	\$ 1,313,129	\$ 201,635,724	\$ 1,236,616	\$ 45,702,862	\$ 2,383	\$ (450,316)	\$ 270,078,637
Payments received	-	-	(276,557)	(99,158)	(12,603,318)	(123,711)	(1,278,629)	-	-	(14,381,373)
Disbursements	-	-	136,071	65,754	12,353,088	93,258	315,331	-	-	12,963,502
Charged off	-	-	(50,972)	-	(510,641)	(348)	(472,760)	-	-	(1,034,721)
Other :	-	-	-	-	-	-	-	-	-	-
Escrow/Orig. Costs activity	-	-	-	-	-	-	-	(328)	143	(184)
Adjustments	-	-	-	-	-	-	-	-	-	-
Ending Principal September 30, 2012	4,442	69,519	20,372,819	1,279,724	200,874,853	1,205,816	44,266,804	2,055	(450,172)	267,625,860
<b>Allowance For Loan Losses Balance:</b>										
Beginning Allowance August 31, 2012	(4,442)	(69,519)	-	-	-	-	(31,674,943)	(2,383)	-	(31,751,287)
Provision	-	-	-	-	-	-	(300,000)	-	-	(300,000)
Recoveries	-	-	-	-	-	-	(288,707)	-	-	(288,707)
Charged off	-	-	-	-	-	348	1,034,373	-	-	1,034,721
Adjustments	-	-	-	-	-	(348)	20	328	-	-
Ending Allowance September 30, 2012	(4,442)	(69,519)	-	-	-	-	(31,229,257)	(2,055)	-	(31,305,273)
Net Loans	\$ -	\$ -	\$ 20,372,819	\$ 1,279,724	\$ 200,874,853	\$ 1,205,816	\$ 13,037,547	\$ -	\$ (450,172)	\$ 236,320,587

Year To Date Balances	CCDCA Loans		Direct Loans					Escrow	Loan Orig.	Total Loans
	CCDCA-Com.	CCDCA-Agri.	Agrícola	Credi-Agri.	Commercial	Credi-Empr.	Special loans	Receivable	Costs	
Beginning Principal June 30, 2012	\$ 4,897	\$ 69,519	\$ 20,743,164	\$ 1,307,667	\$ 199,599,718	\$ 1,254,136	\$ 48,154,735	\$ 1,865	\$ (462,374)	270,673,326
Payments received	(455)	-	(652,297)	(343,838)	(35,739,709)	(331,516)	(3,250,400)	-	-	(40,318,215)
Disbursement	-	-	396,174	315,896	37,963,212	283,543	315,416	-	-	39,274,241
Charged off	-	-	(114,222)	-	(948,367)	(348)	(952,947)	-	-	(2,015,883)
Other :	-	-	-	-	-	-	-	-	-	-
Escrow/Orig. Costs activity	-	-	-	-	-	-	-	190	12,202	12,392
Adjustments	-	-	-	-	-	-	-	-	-	-
Ending Principal September 30, 2012	4,442	69,519	20,372,819	1,279,724	200,874,853	1,205,816	44,266,804	2,055	(450,172)	267,625,860
<b>Allowance For Loan Losses Balance :</b>										
Beginning Allowance June 30, 2012	(4,897)	(69,519)	-	-	-	-	(30,924,405)	(1,865)	-	(31,000,686)
Provision	-	-	-	-	-	-	(500,000)	-	-	(500,000)
Recoveries	-	-	-	-	-	-	(1,820,470)	-	-	(1,820,470)
Charged off	-	-	-	-	-	348	2,015,536	-	-	2,015,883
Adjustments	455	-	-	-	-	(348)	83	(190)	-	-
Ending Allowance September 30, 2012	(4,442)	(69,519)	-	-	-	-	(31,229,257)	(2,055)	-	(31,305,273)
Net Loans	\$ -	\$ -	\$ 20,372,819	\$ 1,279,724	\$ 200,874,853	\$ 1,205,816	\$ 13,037,547	\$ -	\$ (450,172)	\$ 236,320,587



**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED  
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION  
September 30, 2012**

**MONTH END BALANCES**

DESCRIPTION	BEGINNING 31-Aug-12	ADDITIONS	RETIREMENTS	OTHERS	ENDING 30-Sep-12
Land & building	\$ 11,922,259				11,922,259
Accumulated depreciation	(3,261,021)	(19,140)			(3,280,161)
Building Improvements	2,103,825				2,103,825
Accumulated depreciation	(1,822,512)	(5,008)			(1,827,520)
Furniture and equipment	1,647,733	210			1,647,943
Accumulated depreciation	(1,585,369)	(1,850)			(1,587,219)
Computer equipment	3,196,844				3,196,844
Accumulated depreciation	(3,056,864)	(6,880)			(3,063,744)
Vehicles	107,369				107,369
Accumulated depreciation	(107,369)				(107,369)
	<u>\$ 9,144,895</u>	<u>\$ (32,668)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,112,227</u>

**YEAR TO DATE BALANCES**

DESCRIPTION	BEGINNING 30-Jun-12	ADDITIONS	RETIREMENTS	OTHERS	ENDING 30-Sep-12
Land & building	\$ 11,922,259				\$ 11,922,259
Accumulated depreciation	(3,222,741)	(57,420)			(3,280,161)
Building Improvements	2,094,334	9,491			2,103,825
Accumulated depreciation	(1,812,529)	(14,991)			(1,827,520)
Furniture and equipment	1,633,825	14,118			1,647,943
Accumulated depreciation	(1,581,613)	(5,607)			(1,587,220)
Computer equipment	3,192,005	4,839			3,196,844
Accumulated depreciation	(3,042,699)	(21,045)			(3,063,744)
Vehicles	107,369				107,369
Accumulated depreciation	(107,369)				(107,369)
	<u>\$ 9,182,841</u>	<u>\$ (70,615)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,112,226</u>

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED  
REAL ESTATE OWNED  
September 30, 2012**

**MONTH END BALANCES**

DESCRIPTION	BEGINNING 31-Aug-12	ADDITIONS	RETIREMENTS	OTHERS	ENDING 30-Sep-12
Real Estate Held for Sale	\$ 13,975,794	\$ 98,500	\$ (39,468)		\$ 14,034,826
Allow. R/E for Sale	(6,157,796)		28,968		(6,128,828)
Property BC.Obrero-Repo.	60,722				60,722
Allow.Repo.Bco.Obrero	(60,722)				(60,722)
Repossessed Equipment & Others	47,515				47,515
Allow. for Repossessed Equipment & Others	(25,000)				(25,000)
	<u>\$ 7,840,513</u>	<u>\$ 98,500</u>	<u>\$ (10,500)</u>	<u>\$ -</u>	<u>\$ 7,928,513</u>

**YEAR TO DATE BALANCES**

DESCRIPTION	BEGINNING 30-Jun-12	ADDITIONS	RETIREMENTS	OTHERS	ENDING 30-Sep-12
Real Estate Held for Sale	\$ 12,210,794	\$ 1,863,500	\$ (39,468)		\$ 14,034,826
Allow. R/E for Sale	(6,032,796)	(125,000)	28,968		(6,128,828)
Property BC.Obrero-Repo.	60,722				60,722
Allow.Repo.Bco.Obrero	(60,722)				(60,722)
Repossessed Equipment & Others	47,515				47,515
Allow. for Repossessed Equipment & Others	(25,000)				(25,000)
	<u>\$ 6,200,513</u>	<u>\$ 1,738,500</u>	<u>\$ (10,500)</u>	<u>\$ -</u>	<u>\$ 7,928,513</u>

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED**  
**TIME DEPOSITS, SECURITIES SOLD UNDER AGREE. TO REPURCHASE AND NOTES**  
**September 30, 2012**

**MONTH END BALANCES**

DESCRIPTION	BEGINNING 8/31/2012	ADDITIONS	MATURITIES	OTHER	ENDING 9/30/2012
TIME DEPOSITS :					
CONVENTIONAL	\$ 64,129,636	\$ 497,952,010	\$ 476,074,987	\$ -	\$ 86,006,659
PUBLIC OTHER	640,674,367	576,021,784	617,090,320	-	\$ 599,605,831
PUBLIC CCDCA	184,121	184,489	184,121	-	184,489
CRA	10,000,000	-	-	-	10,000,000
TOTAL TIME DEPOSITS	<u>714,988,124</u>	<u>1,074,158,283</u>	<u>1,093,349,428</u>	<u>-</u>	<u>695,796,979</u>
SECURITIES SOLD UNDER AGREE. TO REPURCHASE	<u>122,550,000</u>	<u>193,839,000</u>	<u>47,650,000</u>	<u>-</u>	<u>268,739,000</u>
PROMISSORY NOTES:					
CONVENTIONAL NOTES	416,653,394	-	289,091	7,035	416,371,338
GDB NOTE	9,892,646	-	-	-	9,892,646
EBCI NOTE	275,000,000	-	-	-	275,000,000
TOTAL PROMISSORY NOTES	<u>701,546,040</u>	<u>-</u>	<u>289,091</u>	<u>7,035</u>	<u>701,263,984</u>
TOTAL	<u>\$ 1,539,084,164</u>	<u>\$ 1,267,997,283</u>	<u>\$ 1,141,288,519</u>	<u>\$ 7,035</u>	<u>\$ 1,665,799,963</u>

**YEAR TO DATE BALANCES**

DESCRIPTION	BEGINNING 6/30/2012	ADDITIONS	MATURITIES	OTHER	ENDING 9/30/2012
TIME DEPOSITS :					
CONVENTIONAL	\$ 51,615,846	\$ 1,548,487,143	\$ 1,514,096,330	\$ -	\$ 86,006,659
PUBLIC OTHER	481,813,996	2,687,716,502	2,569,924,667	-	599,605,831
PUBLIC CCDCA	184,121	184,489	184,121	-	184,489
CRA	10,000,000	-	-	-	10,000,000
TOTAL TIME DEPOSITS	<u>543,613,963</u>	<u>4,236,388,134</u>	<u>4,084,205,118</u>	<u>-</u>	<u>695,796,979</u>
SECURITIES SOLD UNDER AGREE. TO REPURCHASE	<u>123,925,000</u>	<u>313,089,000</u>	<u>168,275,000</u>	<u>-</u>	<u>268,739,000</u>
PROMISSORY NOTES:					
CONVENTIONAL NOTES	451,140,838	-	34,787,362	17,862	416,371,338
GDB NOTE	9,892,646	-	-	-	9,892,646
EBCI NOTE	275,000,000	-	-	-	275,000,000
TOTAL PROMISSORY NOTES	<u>736,033,484</u>	<u>-</u>	<u>34,787,362</u>	<u>17,862</u>	<u>701,263,984</u>
TOTAL	<u>\$ 1,403,572,447</u>	<u>\$ 4,549,477,134</u>	<u>\$ 4,287,267,480</u>	<u>\$ 17,862</u>	<u>\$ 1,665,799,963</u>

## ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED

### OTHER ASSETS

As of September 30, 2012

	<b>9/30/2012</b>	<b>8/31/2012</b>
Account receivable - CCDCA	\$ (4,484)	\$ (4,484)
Acct. rec. - Fondo Préstamos Dept. Familia	(3,908)	(3,219)
Acct. rec. - Fondo Préstamos Dept. Vivienda	(4,155)	(4,155)
Acct. rec. - Fondo Préstamos Dept. Trabajo	-	-
Acct. rec. - Fondo Préstamos Dept. Des. Económico	(33,806)	(71,028)
Acct. rec. - Fondo Préstamos AAFET	-	-
Acct. rec. - Fondo Préstamos Dept. Agricultura	19,638	15,571
Acct. rec. - Fondo Préstamos FIDA (Llave Agroempresa)	62,174	(32,224)
Acct. rec. - Fondo Préstamos Corp. del Cine	-	-
Acct. rec. - Fondo Préstamos Compañía de Turismo	1,000	1,000
Acct. rec. - Fondo Préstamos Ecoturismo	1,000,000	-
Acct. rec. - Fondo Préstamos Procuraduría de la Mujer	-	-
Acct. rec. - Fondo Préstamos Corp. Des. Artes, Ciencias y Cine	20,070	10,676
Other receivables - net	152,077	88,719
Prepaid insurance	203,070	223,220
Foreclosed assets - net	7,928,514	7,840,514
Deferred costs	123,839	124,590
Negative Escrow	-	-
Advances	340	340
Other	38,831	27,867
	<b><u>\$ 9,503,201</u></b>	<b><u>\$ 8,217,385</u></b>

**ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED****OTHER LIABILITIES**  
As of September 30, 2012

	9/30/2012	8/31/2012
<b>Current:</b>		
Payroll taxes and other deductions	\$ 200,117	\$ 137,871
Fringe benefits	402,592	363,057
Other payroll benefits	(1,833)	(1,857)
Deposit from tenants	63,760	63,760
Property option deposits	41,313	33,325
Escrow deposits	2,114,368	1,249,123
Loan participations and accounts payable	219,633	149,419
Accounts payable	68,617	63,144
Unapplied payments	65,625	130,933
Past due checks	51,162	69,954
Accruals	478,995	593,376
Overdrawn checking accounts	-	-
Accrued expense - Prog. Asist. Econ.	-	-
	<u>3,704,349</u>	<u>2,852,105</u>
<b>Non-current:</b>		
Reserve for legal claims	670,722	670,722
Allowance for future guarantees claims	4,397,589	4,680,762
Accrued vacation	614,976	614,976
Accrued sick leave	1,640,303	1,590,303
	<u>7,323,590</u>	<u>7,556,763</u>
	<b><u>\$ 11,027,939</u></b>	<b><u>\$ 10,408,867</u></b>

## ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED

### NON-INTEREST INCOME

As of September 30, 2012

	Year-to-date		Month-to-date	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Inc. special invest. (936) compliance agreement	\$ -	\$ -	\$ -	\$ -
Realized gain on sale of capital investment	(49,084)	(62,581)	(26,936)	-
Unrealized gain/(loss) on Investments (GASB 31)	37,927	405,103	14,725	163,416
Provision for capital investments fluctuations	(235,216)	184,893	-	(276,026)
Dividend income	12,000	4,000	4,000	-
Administration fees	11,288	29,806	3,650	22,100
Rental income	86,836	100,534	33,185	33,658
Recoveries Guarantee Fund loans	2,703	3,075	860	1,475
Gain on sale of real property	4,500	158	4,500	-
Guarantee fees	2,008	3,639	-	-
Gain (loss) on sale of personal property	-	-	-	-
Credit card fees	17,183	18,500	3,020	5,677
Miscellaneous income	52,296	72,461	22,587	19,728
	<b>\$ (57,560)</b>	<b>\$ 759,587</b>	<b>\$ 59,591</b>	<b>\$ (29,972)</b>

## ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO - COMBINED

### OTHER EXPENSES As of September 30, 2012

	Year-to-date		Month-to-date	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Electric energy	\$ 127,787	\$ 138,951	\$ 38,466	\$ 45,937
Insurance	50,554	46,728	17,489	15,854
Repairs & maintenance	28,490	33,544	11,470	16,524
Telephone	13,085	10,924	8,202	2,054
Charged-off loans expenses	15,902	427	12,975	(4,734)
Credit cards service costs	4,870	5,210	1,625	1,745
Trainings, seminars & continued education	710	1,495	710	764
Official meetings	4,807	-	1,283	-
Office supplies	13,165	8,651	3,307	4,781
Reimbursement of expenses to employees	12,541	10,987	5,742	3,953
Investment operations	9,062	14,716	2,705	3,666
Dues and subscriptions	11,796	4,014	8,522	1,576
Vehicles	1,765	1,136	780	-
Postage	5,986	8,159	4,162	5,078
Special disbursements	10,000	10,000	-	-
Travel	-	1,000	-	1,000
Board of Directors	5,336	7,050	2,336	3,150
Conventions	-	-	-	-
Representation	-	-	-	-
Computer supplies	1,441	-	1,441	-
Water	6,044	7,300	2,100	2,100
Car allowance	-	-	-	-
Bank charges	7,316	7,224	2,278	2,114
Books & magazines	-	1,100	-	1,100
Expendable equipment	-	-	-	-
Computer software	2,855	13,993	714	9,168
Miscellaneous	4,714	6,871	(1,620)	1,907
	<b>338,225</b>	<b>339,481</b>	<b>124,686</b>	<b>117,736</b>
Subtotal				
Provision for legal claims	-	-	-	-
Provision for losses on loan guarantees	-	-	-	-
Provision for losses on foreclosed assets	-	-	-	-
	<b>\$ 338,225</b>	<b>\$ 339,481</b>	<b>\$ 124,686</b>	<b>\$ 117,736</b>

**EDB CAPITAL INVESTMENT**  
**STATEMENT OF NET ASSETS**  
As of September 30, 2012  
(In Thousands)

	Balance		
	9/30/2012	8/31/2012	9/30/2011
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and due from banks	\$ -	\$ -	\$ -
Interest bearing deposits	12,052	12,042	10,723
Accrued interest receivable	5,784	4,056	6,333
	<u>17,836</u>	<u>16,098</u>	<u>17,056</u>
<b>Non current assets:</b>			
Investments securities	275,000	275,000	275,000
Investments - venture capital	29,200	29,200	32,250
Reserve for investments losses	6,086	6,086	5,928
Other assets	(24)	(17)	(1,938)
	<u>310,262</u>	<u>310,269</u>	<u>311,240</u>
<b>Capital assets:</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 328,099</u></b>	<b><u>\$ 326,367</u></b>	<b><u>\$ 328,297</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ -
Payroll Taxes	3	3	2
Accrued interest payable	5,173	3,621	5,660
Other liabilities	3	2	6
	<u>5,179</u>	<u>3,626</u>	<u>5,668</u>
<b>Non-current liabilities:</b>			
Other liabilities	8	8	10
Notes payable	275,000	275,000	275,000
	<u>275,008</u>	<u>275,008</u>	<u>275,010</u>
<b>TOTAL LIABILITIES</b>	<b><u>280,187</u></b>	<b><u>278,634</u></b>	<b><u>280,679</u></b>
<b>NET ASSETS:</b>			
Invested in capital assets, net related debt	-	-	-
Unrestricted	47,912	47,733	47,618
<b>TOTAL NET ASSETS</b>	<b><u>47,912</u></b>	<b><u>47,733</u></b>	<b><u>47,618</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 328,099</u></b>	<b><u>\$ 326,367</u></b>	<b><u>\$ 328,297</u></b>

# EDB CAPITAL INVESTMENT

## COMPARATIVE STATEMENT OF REVENUE AND EXPENSES

Cumulative for the periods ended September 30, 2012 and September 30, 2011  
(In Thousands)

	9/30/2012		Change Actual Vs. Budget		9/30/2011		Change Actual Vs. Budget	
	ACTUAL	BUDGET	\$	%	ACTUAL	\$	%	
<b>OPERATING REVENUE:</b>								
<b>Interest income:</b>								
Deposits	\$ 11	\$ -	\$ 11	-	\$ 10	\$ 1	10	
Investment securities	<u>5,205</u>	<u>5,320</u>	<u>(115)</u>	<u>(2)</u>	<u>5,189</u>	<u>16</u>	<u>-</u>	
<b>Total interest income</b>	<u>5,215</u>	<u>5,320</u>	<u>(104)</u>	<u>(2)</u>	<u>5,198</u>	<u>17</u>	<u>-</u>	
<b>Noninterest income:</b>								
Realized gain (loss) in sale of investments	-	-	-	-	-	-	-	
Net increase (decrease) in FV of investment	(235)	300	(535)	(178)	185	(420)	(227)	
Dividends	12	-	12	-	4	8	200	
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total noninterest income</b>	<u>(223)</u>	<u>300</u>	<u>(523)</u>	<u>(174)</u>	<u>189</u>	<u>(412)</u>	<u>(218)</u>	
<b>Total operating revenue</b>	<u>4,992</u>	<u>5,620</u>	<u>(627)</u>	<u>(11)</u>	<u>5,387</u>	<u>(395)</u>	<u>(7)</u>	
<b>OPERATING EXPENSES</b>								
<b>Interest expense:</b>								
Notes payable	<u>4,655</u>	<u>4,759</u>	<u>(104)</u>	<u>(2)</u>	<u>4,655</u>	<u>-</u>	<u>-</u>	
<b>Total interest expense</b>	<u>4,655</u>	<u>4,759</u>	<u>(104)</u>	<u>(2)</u>	<u>4,655</u>	<u>-</u>	<u>-</u>	
<b>Noninterest expenses:</b>								
Salaries and employee benefits	24	21	3	14	23	1	4	
Depreciation and amortization	-	-	-	-	-	-	-	
Occupancy and related expenses	-	-	-	-	-	-	-	
Professional fees	11	15	(4)	(27)	12	(1)	(8)	
Advertising	-	-	-	-	-	-	-	
Other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total noninterest expenses</b>	<u>35</u>	<u>36</u>	<u>(1)</u>	<u>(3)</u>	<u>35</u>	<u>-</u>	<u>-</u>	
<b>Total operating expenses</b>	<u>4,691</u>	<u>4,795</u>	<u>(105)</u>	<u>(2)</u>	<u>4,690</u>	<u>-</u>	<u>-</u>	
<b>OPERATING INCOME</b>	301	825	(522)	(63)	697	(395)	(57)	
<b>TRANSFER IN (OUT)</b>	-	-	-	-	-	-	-	
<b>TOTAL NET ASSETS, BEGINNING OF PERIOD</b>	<u>47,610</u>	<u>47,610</u>	<u>-</u>	<u>-</u>	<u>46,921</u>	<u>689</u>	<u>1</u>	
<b>TOTAL NET ASSETS, END OF PERIOD</b>	<u>\$ 47,912</u>	<u>\$ 48,435</u>	<u>\$ (522)</u>	<u>(1)</u>	<u>\$ 47,618</u>	<u>\$ 294</u>	<u>1</u>	

## EDB CAPITAL INVESTMENT

### COMPARATIVE STATEMENT OF REVENUES AND EXPENSES

For the months ended September 30, 2012, August 31, 2012 and September 30, 2011

(In Thousands)

	9/30/2012		Change		8/31/2012		Change		9/30/2011		Change	
	ACTUAL	BUDGET	Actual	Vs. Budget	Actual	Vs. Budget	Actual	Vs. Budget	Actual	Vs. Budget	Actual	Vs. Budget
			\$	%	\$	%	\$	%	\$	%	\$	%
<b>OPERATING REVENUE:</b>												
<b>Interest income:</b>												
Deposits	\$ 4	\$ -	\$ 4	-	\$ 4	-	\$ 3	-	\$ 1	-	33	-
Investment securities	1,735	1,735	-	-	1,735	-	-	-	1,735	-	-	-
<b>Total interest income</b>	<b>1,738</b>	<b>1,735</b>	<b>3</b>	<b>-</b>	<b>1,738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,738</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Noninterest income:</b>												
Realized gain (loss) in sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in FV of investment	-	100	(100)	(100)	(235)	235	(100)	(276)	276	(101)	(101)	-
Dividends	4	-	4	-	-	4	-	-	4	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total noninterest income</b>	<b>4</b>	<b>100</b>	<b>(96)</b>	<b>(96)</b>	<b>(235)</b>	<b>239</b>	<b>(102)</b>	<b>(276)</b>	<b>280</b>	<b>(101)</b>	<b>(101)</b>	<b>-</b>
<b>Total operating revenue</b>	<b>1,742</b>	<b>1,835</b>	<b>(93)</b>	<b>(5)</b>	<b>1,503</b>	<b>239</b>	<b>16</b>	<b>1,462</b>	<b>280</b>	<b>19</b>	<b>-</b>	<b>-</b>
<b>OPERATING EXPENSES</b>												
<b>Interest expense:</b>												
Notes payable	1,552	1,552	-	-	1,552	-	-	1,552	-	-	-	-
<b>Total interest expense</b>	<b>1,552</b>	<b>1,552</b>	<b>-</b>	<b>-</b>	<b>1,552</b>	<b>-</b>	<b>-</b>	<b>1,552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Noninterest expenses:</b>												
Salaries and employee benefits	8	7	1	14	8	-	-	8	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy and related expenses	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	4	5	(1)	(20)	4	-	-	4	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total noninterest expenses</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operating expenses</b>	<b>1,563</b>	<b>1,564</b>	<b>-</b>	<b>-</b>	<b>1,564</b>	<b>(1)</b>	<b>-</b>	<b>1,564</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING INCOME</b>	<b>179</b>	<b>271</b>	<b>(92)</b>	<b>(34)</b>	<b>(60)</b>	<b>239</b>	<b>(398)</b>	<b>(102)</b>	<b>281</b>	<b>(275)</b>	<b>-</b>	<b>-</b>
<b>TRANSFER IN (OUT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL NET ASSETS, BEGINNING OF PERIOD</b>	<b>47,733</b>	<b>48,164</b>	<b>(431)</b>	<b>(1)</b>	<b>47,793</b>	<b>(60)</b>	<b>-</b>	<b>47,720</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL NET ASSETS, END OF PERIOD</b>	<b>\$47,912</b>	<b>\$48,435</b>	<b>\$ (523)</b>	<b>(1)</b>	<b>\$ 47,733</b>	<b>\$ 179</b>	<b>-</b>	<b>\$ 47,618</b>	<b>\$(47,619)</b>	<b>(100)</b>	<b>-</b>	<b>-</b>

**EDB CAPITAL INVESTMENT**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the period ended September 30, 2012  
(In Thousands)

	Net assets		
	Invested in capital assets, net	Unrestricted	Total
Balance at June 30, 2012	\$ -	\$ 47,610	\$ 47,610
Change in net assets	-	302	301
Transfers in (out)	-	-	-
Balance at September 30, 2012	<u>\$ -</u>	<u>\$ 47,912</u>	<u>\$ 47,912</u>

## EDB CAPITAL INVESTMENT STATEMENT OF CASH FLOWS

For the period ended September 30, 2012 and the year ended June 30, 2011

	9/30/2012	6/30/2011
<b>Cash flows from operating activities:</b>		
Cash payments for goods and services	\$ (11,360)	\$ (47,620)
Cash payments to employees	(24,808)	(95,236)
Other operating income	12,000	36,000
Other receipts (payments)	24,168	(482,386)
	<u>                    </u>	<u>                    </u>
Net cash provided (used) in operating activities	-	(589,242)
<b>Cash flows from noncapital financing activities</b>		
Net increase (decrease) in:		
Promissory notes	-	-
Interest paid	-	(19,147,673)
	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) noncapital financing activities	-	(19,147,673)
<b>Cash flows from capital and related financing activities</b>		
Transfer in	-	-
Acquisition of premises and equipment	-	-
	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) capital and related financing activities	-	-
<b>Cash flows from investing activities</b>		
Acquisition of investments	-	(1,728,571)
Maturities and sales of investments	-	1,350,000
Net (increase) decrease in Deposits with other banks	(10,537)	(1,328,176)
Interest collected on investments	10,537	21,443,662
Dividends received	-	-
	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) investing activities	-	19,736,915
Net increase (decrease) in cash and due from banks	-	-
Cash and due from banks at beginning of period	-	-
	<u>                    </u>	<u>                    </u>
Cash and due from banks at end of period	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>		
Operating income	\$ 301,472	\$ 689,115
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	-	-
Net realized and unrealized (gain) losses on investments	235,216	1,421,733
Dividend income	-	-
Interest income	(5,215,326)	(20,877,762)
Interest expense	4,655,440	18,659,950
(Increase) decrease in other assets	24,167	(482,386)
Increase (decrease) in other liabilities	(969)	108
	<u>                    </u>	<u>                    </u>
Net cash provided (used) in operating activities	<u>\$ -</u>	<u>\$ (589,242)</u>

# ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO

## STATEMENT OF NET ASSETS

As of September 30, 2012  
(In Thousands)

	Balance			Average	
	9/30/2012	8/31/2012	9/30/2011	9/30/2012	8/31/2012
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and due from banks	\$ 5,509	\$ 5,413	\$ 3,297	\$ 10,287	\$ 10,084
Int. bearing deposits & commercial paper	99,650	99,598	185,851	100,578	101,747
Securities purch. under agree. to resell	287,220	302,225	290,705	292,596	226,682
Marketable securities at cost	-	-	-	-	-
Investments at market value	-	-	-	-	-
Note receivable current portion	-	-	-	-	-
Accrued interest receivable	8,148	8,477	5,839	7,082	7,824
	<u>400,527</u>	<u>415,713</u>	<u>485,692</u>	<u>410,543</u>	<u>346,337</u>
<b>Non current assets:</b>					
Investments at market value	876,643	733,608	646,997	746,708	756,761
Loans receivable	267,626	270,079	254,306	268,316	266,743
Allowance for loan losses	(31,305)	(31,751)	(36,649)	(31,535)	(31,951)
Int. bearing deposits	-	-	-	-	-
Securities purch. under agree. to resell	-	-	-	-	-
Notes receivable	-	-	-	-	-
Other assets	9,527	8,234	8,292	9,175	8,196
	<u>1,122,491</u>	<u>980,170</u>	<u>872,946</u>	<u>992,664</u>	<u>999,749</u>
<b>Capital assets:</b>					
Building & improvements	14,026	14,026	13,893	14,026	14,022
Furniture & equipment	4,952	4,952	5,044	4,952	4,943
Less: accumulated depreciation	(9,866)	(9,833)	(9,619)	(9,836)	(9,801)
	<u>9,112</u>	<u>9,145</u>	<u>9,318</u>	<u>9,142</u>	<u>9,164</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,532,129</u></b>	<b><u>\$ 1,405,028</u></b>	<b><u>\$ 1,367,956</u></b>	<b><u>\$ 1,412,349</u></b>	<b><u>\$ 1,355,250</u></b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Time deposits	\$ 707,849	\$ 727,030	\$ 669,636	\$ 717,740	\$ 655,080
Securities sold under agree. to repurchase	249,739	103,550	110,882	120,722	103,034
Accrued interest payable	5,760	6,745	4,540	5,613	6,455
Current portion promissory notes	471	471	444	471	471
Other liabilities	3,698	2,847	3,396	3,024	2,617
	<u>967,517</u>	<u>840,643</u>	<u>788,898</u>	<u>847,570</u>	<u>767,657</u>
<b>Non-current liabilities:</b>					
Securities sold under agree. to repurchase	19,000	19,000	50,800	19,000	19,000
Promissory notes	425,793	426,075	417,973	425,796	449,110
Other liabilities	7,316	7,549	11,346	7,545	7,784
	<u>452,109</u>	<u>452,624</u>	<u>480,119</u>	<u>452,341</u>	<u>475,894</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,419,626</u></b>	<b><u>1,293,267</u></b>	<b><u>1,269,018</u></b>	<b><u>1,299,911</u></b>	<b><u>1,243,551</u></b>
<b>NET ASSETS:</b>					
Invested in capital assets, net related debt	(780)	(748)	(1,019)	(751)	(728)
Restricted for special loan programs	13,243	13,214	8,496	13,243	13,214
Unrestricted	100,040	99,296	91,460	99,946	99,213
<b>TOTAL NET ASSETS</b>	<b><u>112,503</u></b>	<b><u>111,762</u></b>	<b><u>98,938</u></b>	<b><u>112,438</u></b>	<b><u>111,699</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,532,129</u></b>	<b><u>\$ 1,405,028</u></b>	<b><u>\$ 1,367,956</u></b>	<b><u>\$ 1,412,349</u></b>	<b><u>\$ 1,355,250</u></b>

# ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO

## COMPARATIVE STATEMENT OF REVENUE AND EXPENSES

Cumulative for the periods ended September 30, 2012 and September 30, 2011

(In Thousands)

	9/30/2012		Change Actual Vs. Budget		9/30/2011		Change Actual Vs. Actual	
	ACTUAL	BUDGET	\$	%	ACTUAL	\$	%	
<b>OPERATING REVENUE:</b>								
<b>Interest income:</b>								
Deposits and commercial paper	\$ 291	\$ 258	\$ 33	13	\$ 177	\$ 114	64	
Securities purchased under agreement to resell	516	352	164	47	563	(47)	(8)	
Investment securities	7,872	8,094	(222)	(3)	6,355	1,517	24	
Loans	3,246	3,058	188	6	2,730	516	19	
Other interest earning assets	-	2	(2)	(100)	-	-	-	
	<u>11,925</u>	<u>11,763</u>	<u>161</u>	<u>1</u>	<u>9,824</u>	<u>2,100</u>	<u>21</u>	
<b>Total interest income</b>								
<b>Noninterest income:</b>								
Gain settlement interest exchange agreement	-	-	-	-	-	-	-	
Net increase (decrease) in FV of investment	38	(214)	252	(118)	405	(367)	(91)	
Realized gain (loss) in sale of securities	(49)	-	(49)	-	(62)	13	(21)	
Other	177	250	(73)	(29)	228	(51)	(22)	
	<u>166</u>	<u>36</u>	<u>130</u>	<u>361</u>	<u>571</u>	<u>(405)</u>	<u>(71)</u>	
<b>Total non-interest income</b>								
<b>Total operating revenue</b>	<u>12,091</u>	<u>11,800</u>	<u>291</u>	<u>2</u>	<u>10,395</u>	<u>1,695</u>	<u>16</u>	
<b>OPERATING EXPENSES</b>								
<b>Provision for loan losses</b>	<u>500</u>	<u>2,125</u>	<u>(1,625)</u>	<u>(76)</u>	<u>3,700</u>	<u>(3,200)</u>	<u>(86)</u>	
<b>Interest expense:</b>								
Time deposits	925	799	126	16	572	353	62	
Securities sold under agreement to repurchase	533	546	(13)	(2)	848	(315)	(37)	
Promissory notes	5,410	5,637	(227)	(4)	4,782	628	13	
	<u>6,869</u>	<u>6,983</u>	<u>(114)</u>	<u>(2)</u>	<u>6,202</u>	<u>666</u>	<u>11</u>	
<b>Total interest expense</b>								
<b>Noninterest expenses:</b>								
Salaries and employee benefits	2,263	2,466	(203)	(8)	2,051	212	10	
Depreciation and amortization	99	106	(7)	(7)	105	(6)	(6)	
Occupancy and related expenses	80	102	(22)	(22)	72	8	11	
Professional fees	55	97	(42)	(43)	68	(13)	(19)	
Advertising	115	113	2	2	167	(52)	(31)	
Other expenses	338	528	(190)	(36)	339	(1)	-	
	<u>2,950</u>	<u>3,412</u>	<u>(462)</u>	<u>(14)</u>	<u>2,801</u>	<u>148</u>	<u>5</u>	
<b>Total noninterest expenses</b>								
<b>Total operating expenses</b>	<u>10,319</u>	<u>12,519</u>	<u>(2,201)</u>	<u>(18)</u>	<u>12,704</u>	<u>(2,386)</u>	<u>(19)</u>	
<b>OPERATING INCOME</b>	1,772	(720)	2,492	20	(2,308)	4,081	35	
<b>CAPITALIZATION</b>	828	-	828	-	990	(162)	(16)	
<b>TOTAL NET ASSETS, BEGINNING OF PERIOD</b>	<u>109,903</u>	<u>109,903</u>	<u>-</u>	<u>-</u>	<u>100,257</u>	<u>9,646</u>	<u>10</u>	
<b>TOTAL NET ASSETS, END OF PERIOD</b>	<u>\$ 112,503</u>	<u>\$ 109,183</u>	<u>\$ 3,320</u>	<u>\$ 20</u>	<u>\$ 98,938</u>	<u>\$ 13,565</u>	<u>\$ 29</u>	

# ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO

## COMPARATIVE STATEMENT OF REVENUES AND EXPENSES

For the months ended September 30, 2012, August 31, 2012 and September 30, 2011

(In Thousands)

	9/30/2012		Change Actual Vs. Budget		8/31/2012		Change Actual Vs. Actual		9/30/2011		Change Actual Vs. Actual	
	ACTUAL	BUDGET	\$	%	ACTUAL	\$	%	ACTUAL	\$	%		
<b>OPERATING REVENUE:</b>												
<b>Interest income:</b>												
Deposits and commercial paper	\$ 88	\$ 84	\$ 4	5	\$ 91	\$ (3)	(3)	\$ 87	\$ 1	1		
Securities purchased under agreement to resell	218	115	103	90	175	43	25	197	21	11		
Investment securities	2,597	2,637	(40)	(2)	2,615	(18)	(1)	2,250	347	15		
Loans	1,057	1,003	54	5	1,193	(136)	(11)	824	233	28		
Other interest earning assets	-	1	(1)	(100)	-	-	-	-	-	-		
<b>Total interest income</b>	<u>3,960</u>	<u>3,840</u>	<u>120</u>	<u>3</u>	<u>4,074</u>	<u>(114)</u>	<u>(3)</u>	<u>3,359</u>	<u>602</u>	<u>18</u>		
<b>Noninterest income:</b>												
Gain settlement interest exchange agreement	-	-	-	-	-	-	-	-	-	-		
Net increase (decrease) in FV of investment	15	(71)	86	(121)	(37)	52	(141)	177	(162)	(92)		
Realized gain (loss) in sale of securities	(27)	-	(27)	-	(23)	(4)	17	(14)	(13)	93		
Other	68	83	(15)	(18)	51	17	33	83	(15)	(18)		
<b>Total noninterest income</b>	<u>56</u>	<u>12</u>	<u>44</u>	<u>367</u>	<u>(8)</u>	<u>65</u>	<u>(813)</u>	<u>246</u>	<u>(190)</u>	<u>(77)</u>		
<b>Total operating revenue</b>	<u>4,016</u>	<u>3,852</u>	<u>164</u>	<u>4</u>	<u>4,066</u>	<u>(49)</u>	<u>(1)</u>	<u>3,605</u>	<u>412</u>	<u>11</u>		
<b>OPERATING EXPENSES</b>												
<b>Provision for loan losses</b>	<u>300</u>	<u>708</u>	<u>(408)</u>	<u>(58)</u>	<u>200</u>	<u>100</u>	<u>50</u>	<u>1,900</u>	<u>(1,600)</u>	<u>(84)</u>		
<b>Interest expense:</b>												
Time deposits	338	261	77	30	306	32	10	203	135	67		
Securities sold under agreement to repurchase	177	178	(1)	(1)	178	(1)	(1)	272	(95)	(35)		
Promissory and capital notes	1,741	1,838	(97)	(5)	1,818	(77)	(4)	1,736	5	-		
<b>Total interest expense</b>	<u>2,256</u>	<u>2,277</u>	<u>(21)</u>	<u>(1)</u>	<u>2,303</u>	<u>(46)</u>	<u>(2)</u>	<u>2,211</u>	<u>45</u>	<u>2</u>		
<b>Noninterest expenses:</b>												
Salaries and employee benefits	762	822	(60)	(7)	777	(15)	(2)	658	104	16		
Depreciation and amortization	33	35	(2)	(6)	33	-	-	35	(2)	(6)		
Occupancy and related expenses	28	34	(6)	(18)	27	1	4	24	4	17		
Professional fees	16	32	(16)	(50)	23	(7)	(30)	28	(12)	(43)		
Advertising	38	38	-	-	39	(1)	(3)	64	(26)	(41)		
Other expenses	125	176	(51)	(29)	119	6	5	118	7	6		
<b>Total noninterest expenses</b>	<u>1,002</u>	<u>1,137</u>	<u>(135)</u>	<u>(12)</u>	<u>1,018</u>	<u>(16)</u>	<u>(2)</u>	<u>928</u>	<u>75</u>	<u>8</u>		
<b>Total operating expenses</b>	<u>3,558</u>	<u>4,123</u>	<u>(564)</u>	<u>(14)</u>	<u>3,520</u>	<u>38</u>	<u>1</u>	<u>5,039</u>	<u>(1,480)</u>	<u>(29)</u>		
<b>OPERATING INCOME</b>	458	(270)	728	(270)	545	(87)	(16)	(1,434)	1,892	(132)		
<b>CAPITALIZATION</b>	283	-	283	-	293	(10)	(3)	246	37	15		
<b>TOTAL NET ASSETS, BEGINNING OF PERIOD</b>	<u>111,762</u>	<u>109,453</u>	<u>2,309</u>	<u>2</u>	<u>110,923</u>	<u>839</u>	<u>1</u>	<u>100,126</u>	<u>11,636</u>	<u>12</u>		
<b>TOTAL NET ASSETS, END OF PERIOD</b>	<u>\$ 112,503</u>	<u>\$ 109,183</u>	<u>\$ 3,320</u>	<u>(268)</u>	<u>\$ 111,761</u>	<u>\$ 742</u>	<u>(18)</u>	<u>\$ 98,938</u>	<u>\$ 13,565</u>	<u>(105)</u>		

# ECONOMIC DEVELOPMENT BANK FOR PUERTO RICO

## STATEMENT OF CHANGES IN NET ASSETS

For the period ended September 30, 2012

(In Thousands)

	Net assets			
	Invested in capital assets, net	Restricted for special loan programs	Unrestricted	Total
Balance at June 30, 2012	\$ (710)	\$ 13,158	\$ 97,455	\$ 109,903
Change in net assets	(70)	85	2,585	2,600
Transfers in (out)	-	-	-	-
Balance at September 30, 2012	<u>\$ (780)</u>	<u>\$ 13,243</u>	<u>\$ 100,040</u>	<u>\$ 112,503</u>

## **CERTIFICO Y DOY FE:**

Que toda la información aquí vertida y los documentos electrónicos que se anejan son fieles y exactos a los que constan en nuestros archivos. Entiendo que tanto la información como los documentos podrán ser verificados. Asimismo, soy consciente que de descubrirse cualquier falsedad o fraude sobre lo aquí afirmado y provisto, pudiera estar sujeto a las acciones legales correspondientes según dispuesto por el Artículo 19 de la Ley Núm. 197 de 2002, según enmendada, conocida como la "Ley del Proceso de la Transición del Gobierno".

Nombre: Samuel Carlo

Firma:  \_\_\_\_\_

Fecha: 10 de octubre de 2012