

# 2010 ECONOMIC OUTLOOK



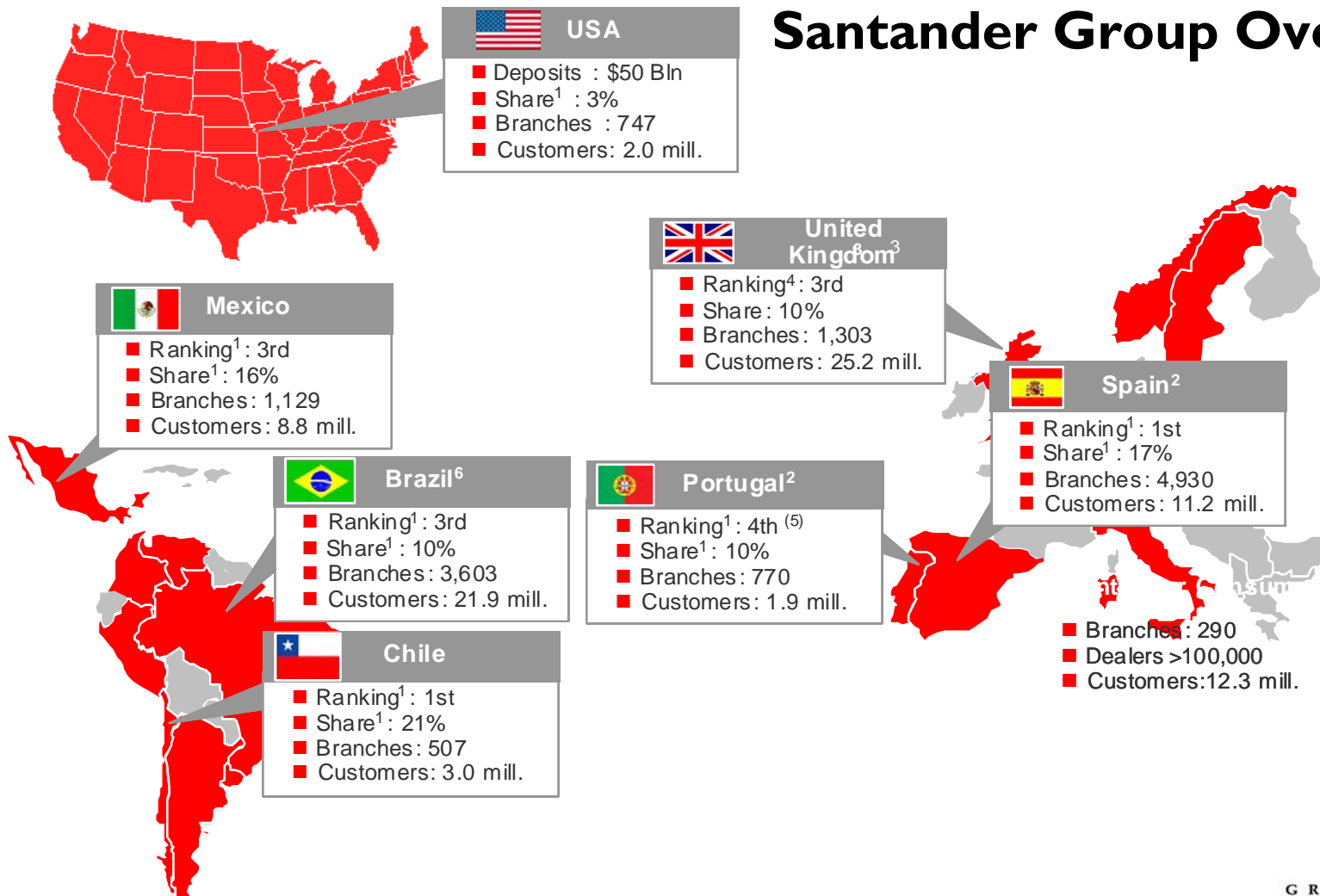
Sovereign®



Santander®

*Rhode Island's resource for business advocacy, action,  
progress and policies.*

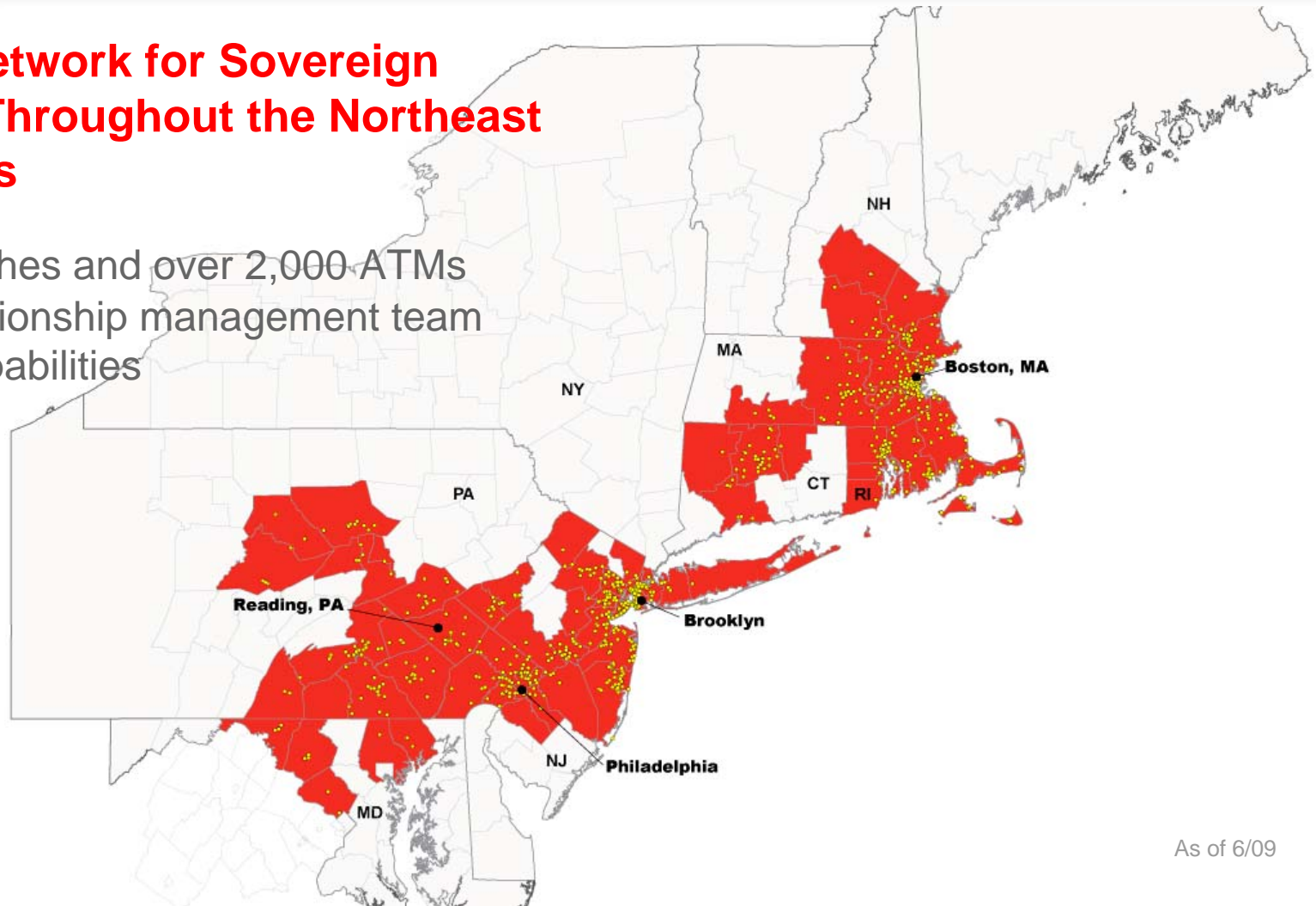
## Santander Group Overview



(1) Loans + Deposits (resources on the balance sheet) + Investment Funds  
 (2) Santander Consumer not included (in Spain: 3.7 mill. customers and 92 branches; in Portugal: 0.3 mill. customers and 7 branches)  
 (3) Including new acquisitions (B&B, A&L).  
 (4) Ranking by deposits  
 (5) 3rd largest private bank in Portugal, 1st private bank by profit  
 (6) Excluding public banks

## Extensive Network for Sovereign Customers Throughout the Northeast United States

- 722 Branches and over 2,000 ATMs
- Local relationship management team
- Global capabilities



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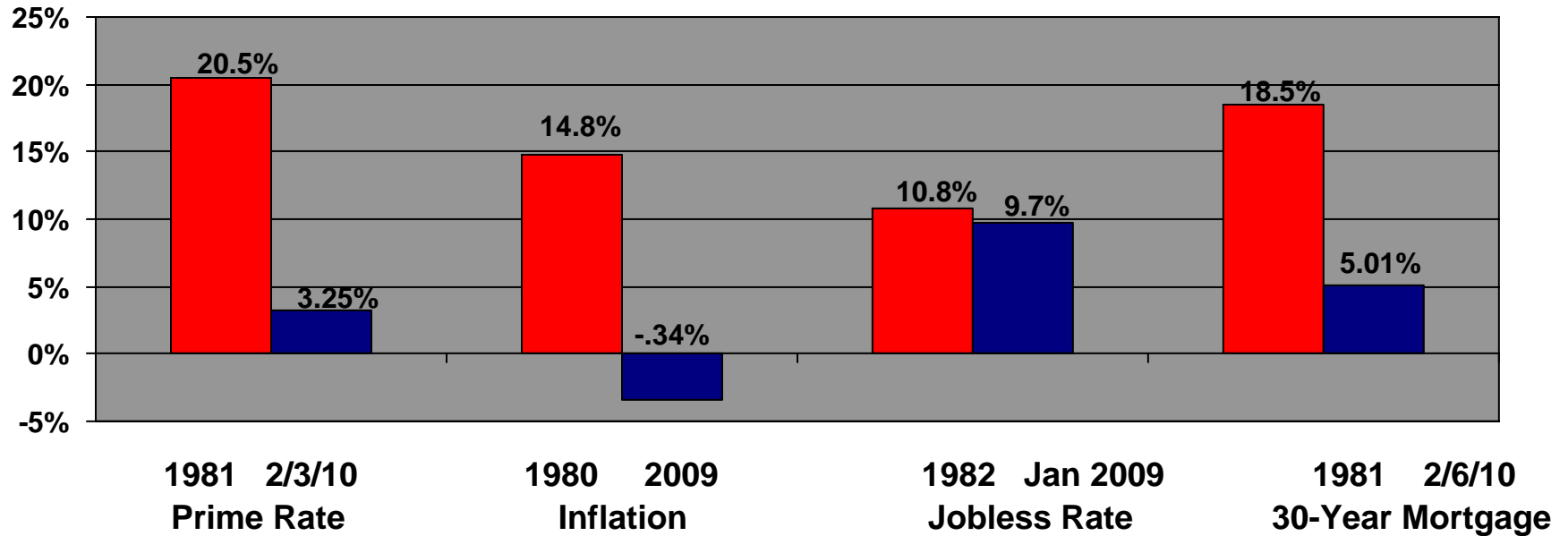
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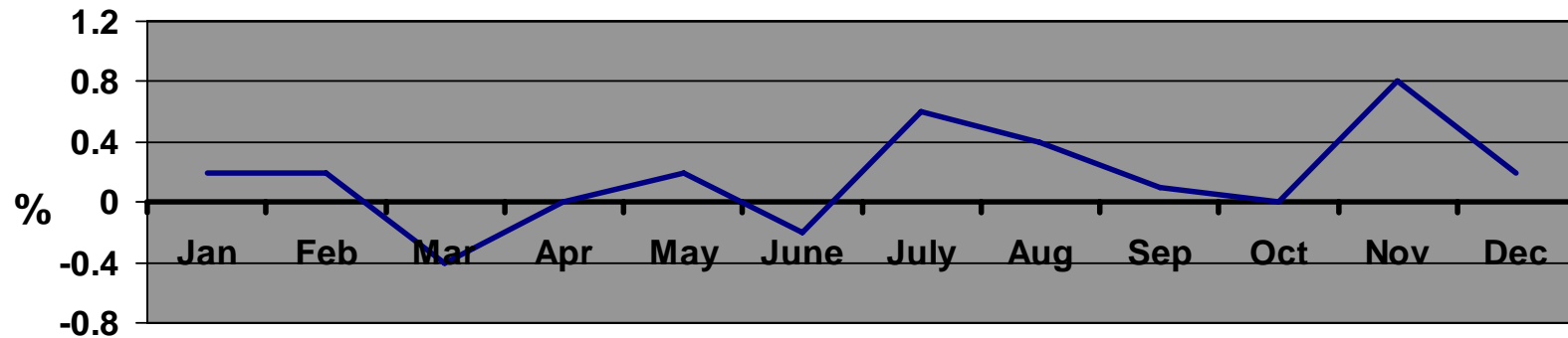
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## Key Economic Indicators: Early 1980s vs. Today *Nationally*

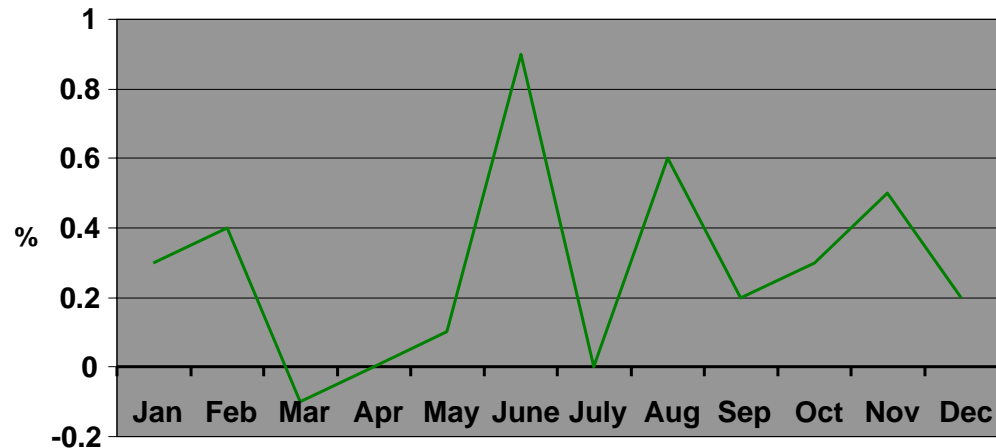


Federal Reserve, Bureau of Labor Statistics, Freddie Mac

## 2009 Average Weekly Earnings *Nationally*

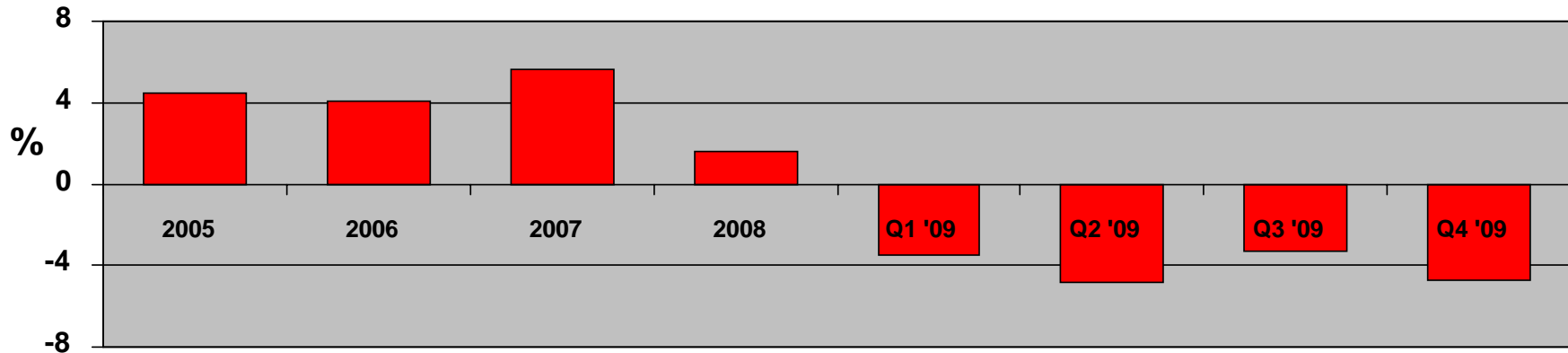


## 2009 Consumer Price Index



Bureau of Labor Statistics

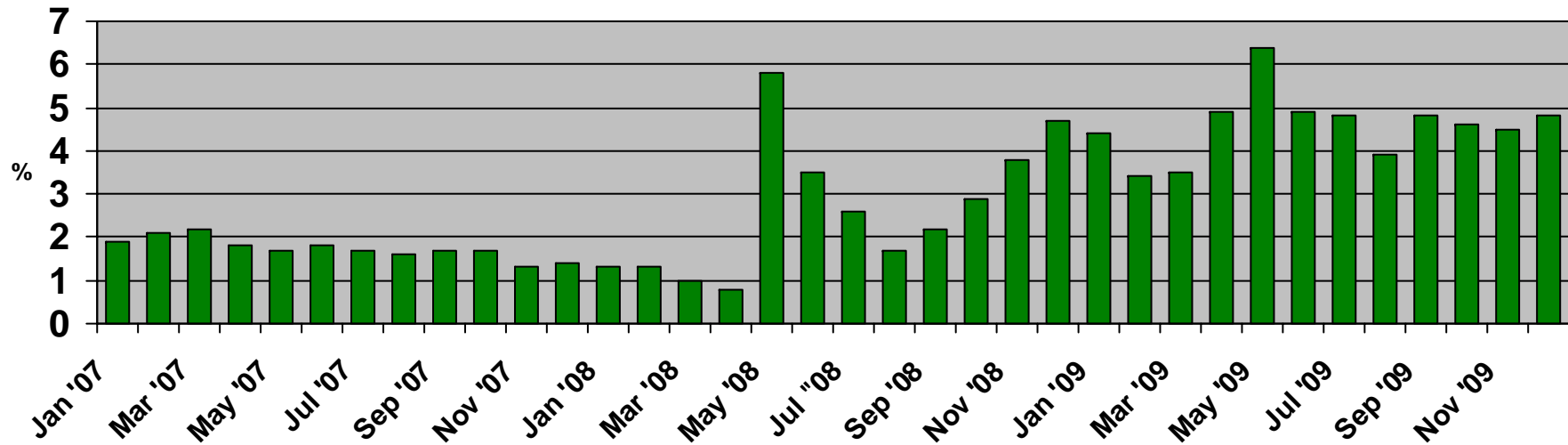
## Consumer Credit *Nationally*



Federal Reserve

## Personal Saving Rate *Nationally*

*(Percent of disposable personal income, seasonally adjusted)*



Bureau of Economic Analysis

# Survey of Professional Forecasters: Federal Reserve Bank *Nationally*

	Real GDP	Unemployment Rate	Payrolls (000s/month)
2010: Q1	2.3%	10.2%	-35.0
2010: Q2	2.4%	10.1%	57.6
2010: Q3	2.6%	10.0%	158.6
2010: Q4	2.9%	9.8%	142.2
2011	3.1%	9.2%	NA
2012	3.3%	8.3%	NA

Federal Reserve Bank

Providence

2010  
ECONOMIC  
OUTLOOK

— G R E A T E R —  
— P R O V I D E N C E —  
— C H A M B E R O F —  
— C O M M E R C E —  
FOUNDED IN 1868



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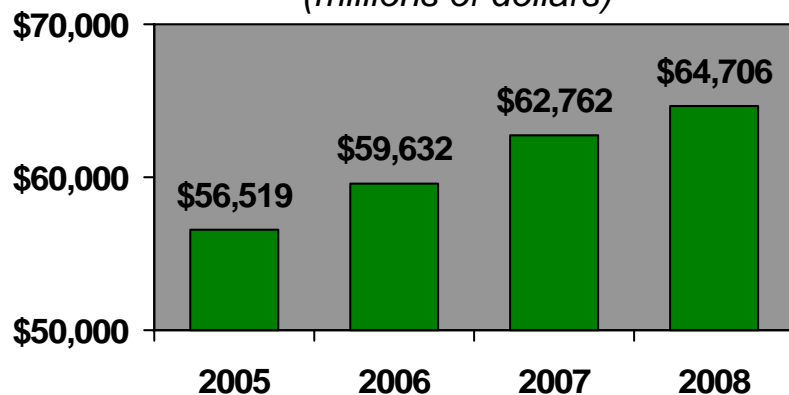
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# Personal Income Trend

## Providence Market

**Personal Income**  
(millions of dollars)



**Per Capita Personal Income**



Bureau of Economic Analysis

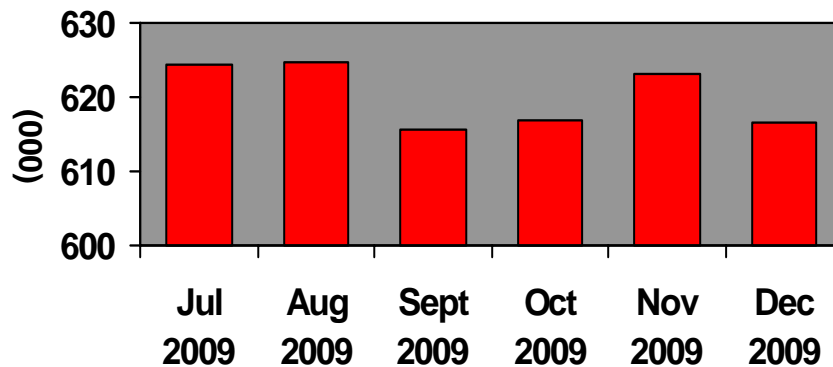
**Change in Per Capita Personal Income**  
**2005 to 2008**

	<b>Percent Change</b>
2005 to 2006	5.9%
2006 to 2007	5.6%
2007 to 2008	3.2%
2005 to 2008	15.4%

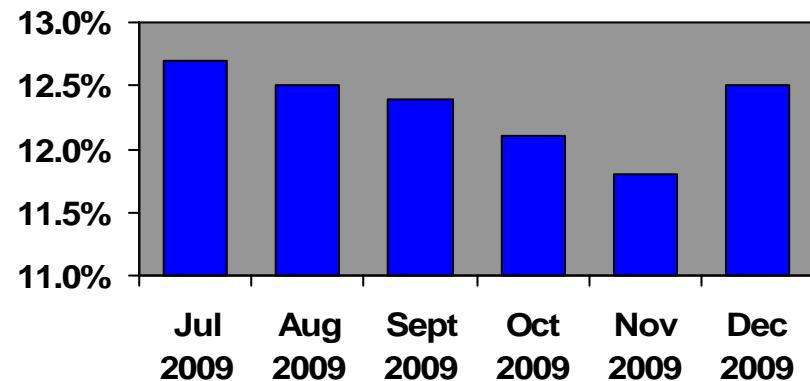
# Employment Trends

## *Providence Market*

Employment



Unemployment Rate



Bureau of Labor Statistics

# Employment

## *Providence Market*

<u>Employment Share By Occupation - 2009</u>	Number of Jobs (000)	% Share
Health Care & Social Assistance	91.4	16.8
Government	71.0	13.0
Retail Trade	61.4	11.3
Professional & Business Services	58.4	10.7
Leisure & Hospitality	58.3	10.7
Manufacturing	55.0	10.1
Financial Activities	35.1	6.4
Other Services	25.4	4.7
Educational Services	23.6	4.3
Mining, Logging & Construction	22.1	4.1
Wholesale Trade	20.3	3.7
Transportation & Utilities	12.5	2.3
Information	11.0	2.0

# Employment

## *Providence Market*

### Leading Employers – Rhode Island\*

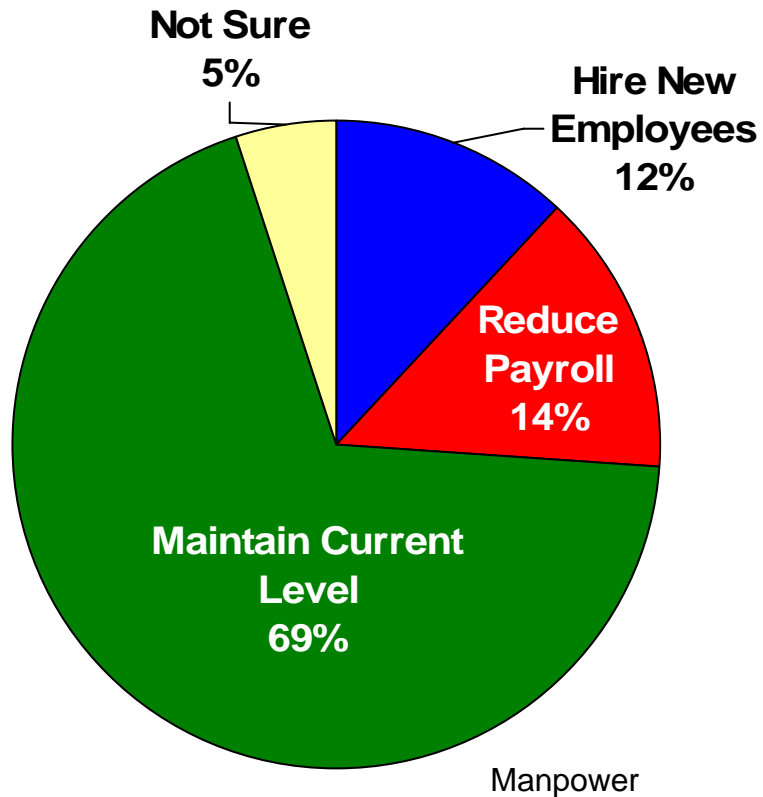
Number of Employees		Number of Employees	
Rhode Island State Government	15,978	Stop & Shop Supermarket Co., Inc.	4,385
Lifespan	11,772	Bank of America	4,000
U.S. Government	9,700	Rhode Island ARC	2,851
Roman Catholic Diocese of Providence	6,200	University of Rhode Island	2,545
Care New England	6,193	Fidelity Investments	2,300
CVS Corp.	5,954	General Dynamics Corp.	2,143
Citizen's Financial Group, Inc.	5,500	Wal-Mart	2,084
Brown University	4,877	St. Joseph Health Services of Rhode Island	2,079

Rhode Island Economic Development Corp.

\*Includes entire market area.

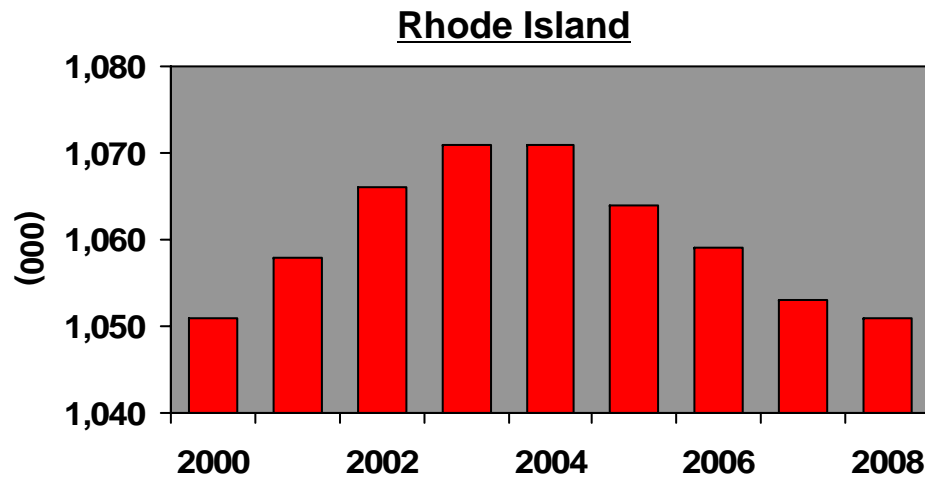
# Employment Outlook Survey

## *Providence Market*

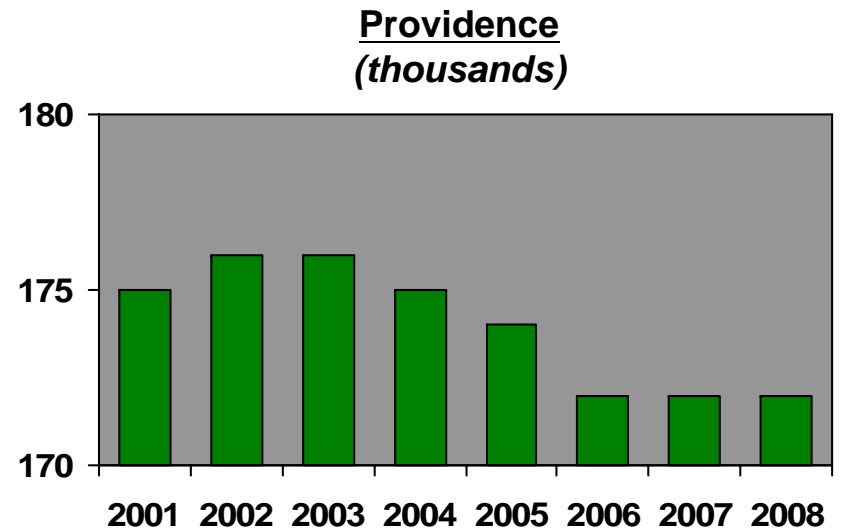


# Population

## *Providence Market*



U.S. Census Bureau

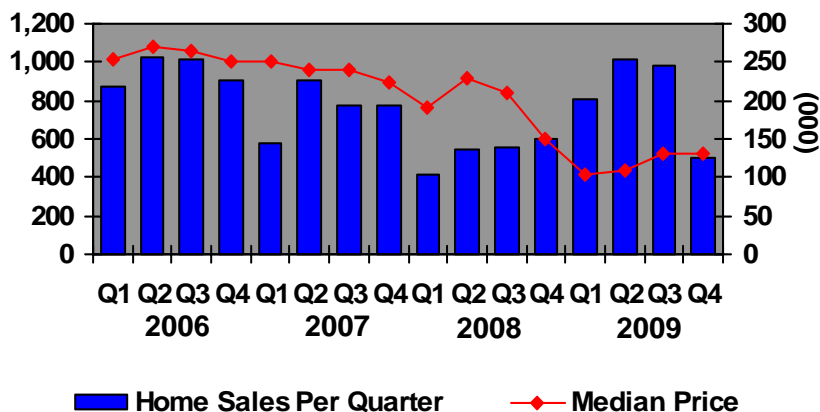


U.S. Census Bureau

# Home Sales

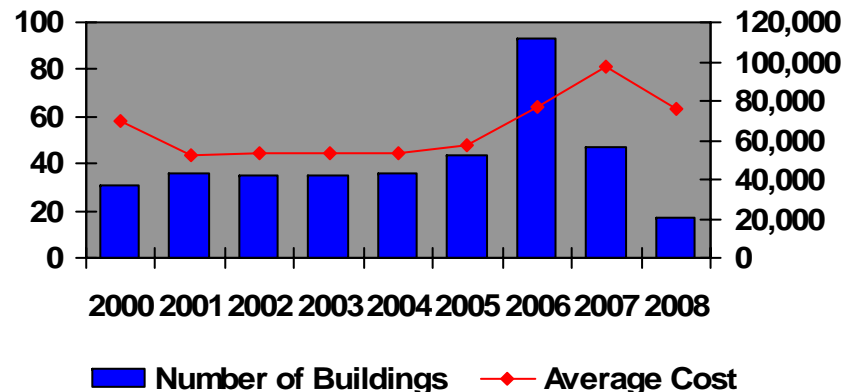
## Providence Market

**Providence Home Sales**



City-data.com

**Single Family Home Construction Permits**



City-data.com

# Office Market

## *Providence Market*

**2009 Statistical Summary of Providence Office Market**

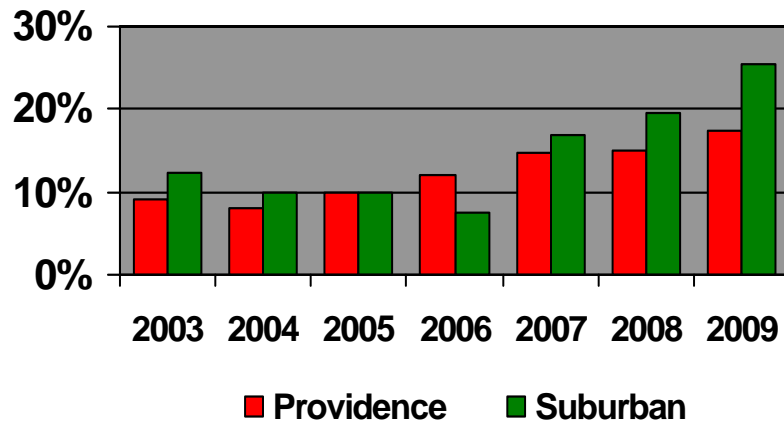
	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Total</u>
<b>Number of Buildings</b>	22	83	12	117
<b>Total Square Footage</b>	2,925,795	30299,506	244,100	6,469,401
<b>Available Space (square footage)</b>	522,188	815,845	49,400	1,387,433
<b>Vacancy Rate (%)</b>	17.9%	24.73%	20.24%	21.45%

Hayes & Sherry

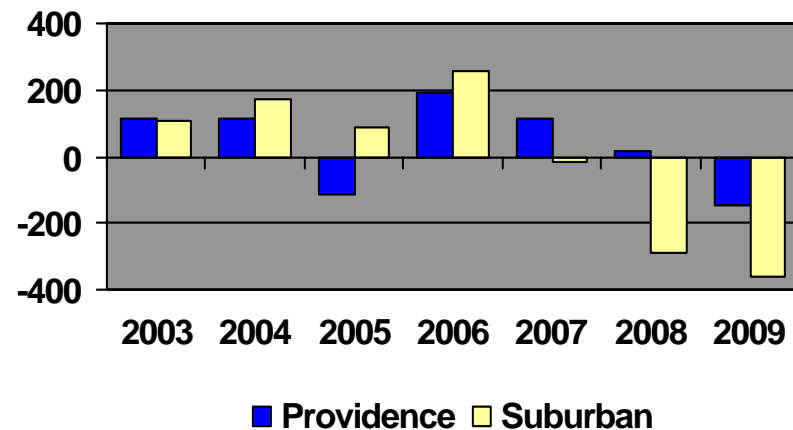
# Office Market

## *Providence Market*

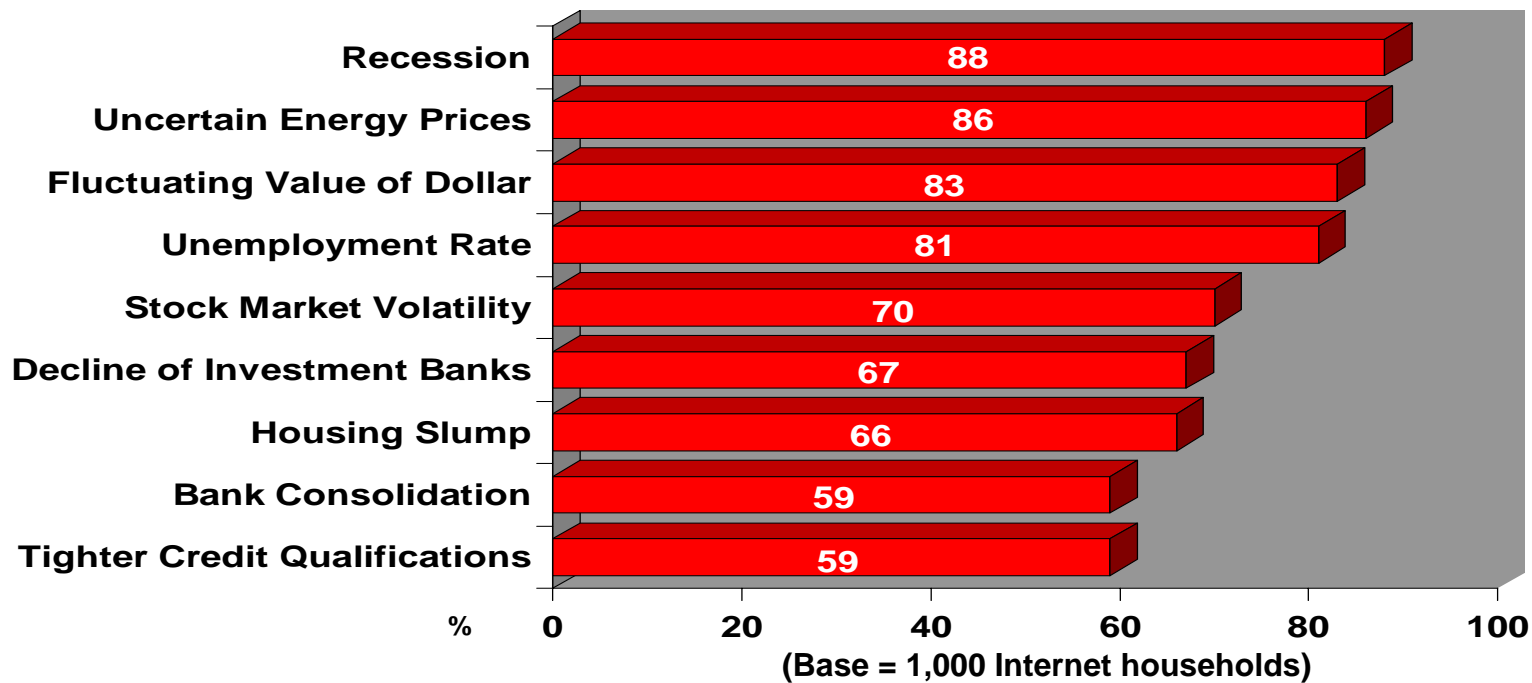
Historical Vacancy Rate



Historical Net Absorption

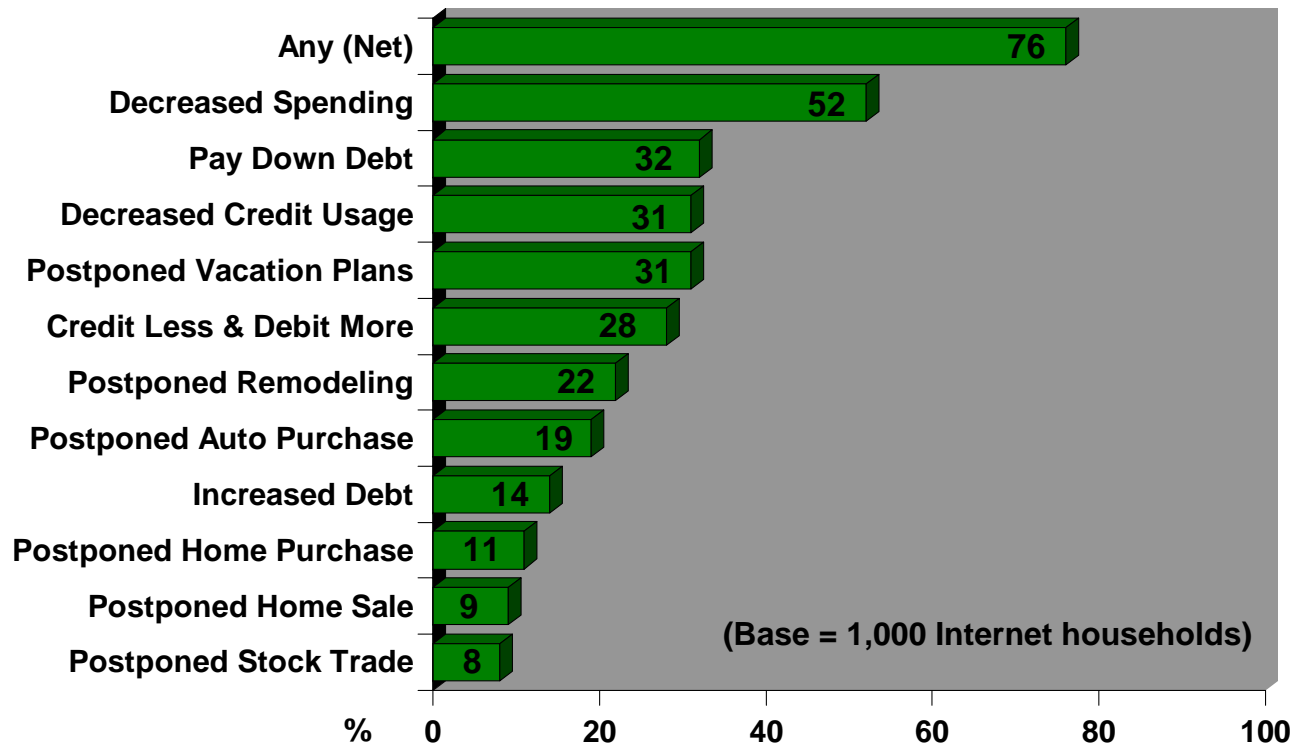


## Economic Factors Impacting Household (Adults – 18+)



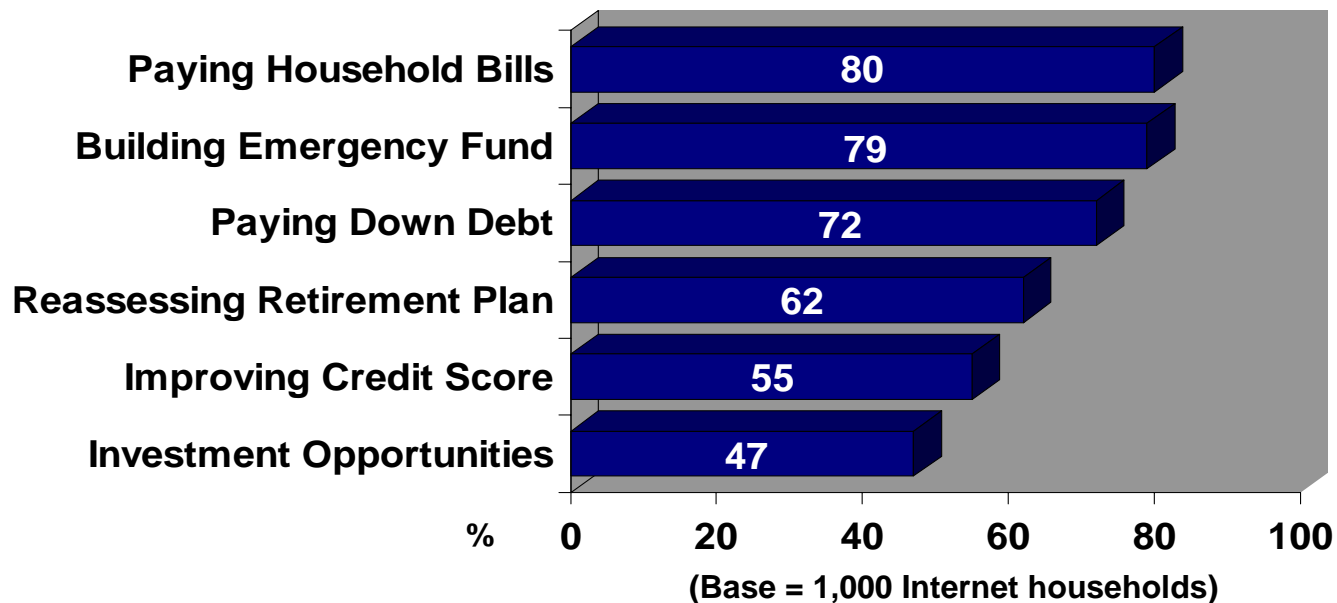
SYNERGISTICS Research Corporation

# Economic Factors Impacting Household *(Adults – 18+)*



# Important Financial Priorities in the Next Year

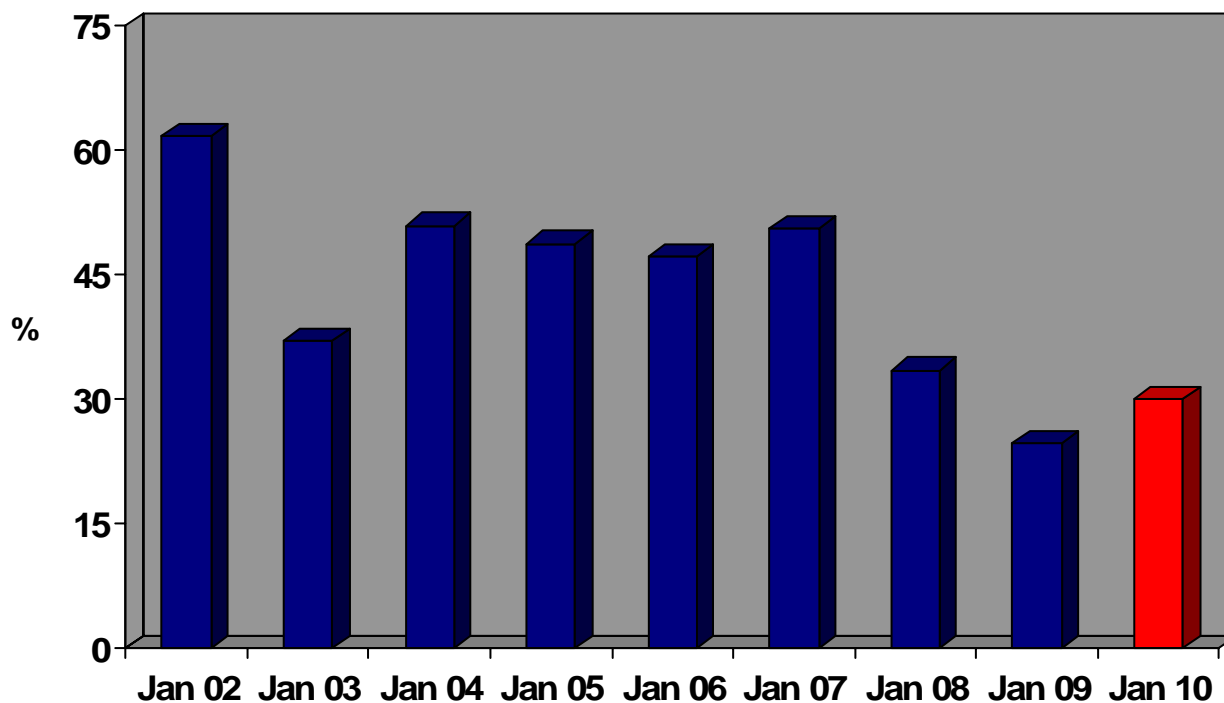
*(Adults – 18+)(Very/Somewhat Important)*



SYNERGISTICS Research Corporation

# Consumer Confidence

*Confident/Very Confident in Chances for a Strong Economy (Adults – 18+)*



BIGresearch, Consumer Intentions & Actions Survey

# Business Survey

# 2010 ECONOMIC OUTLOOK



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## Most Challenging Business Issues Facing Your Business

	Obtaining credit	Retaining Current customers	Attracting new customers	New government regulations	Hiring Qualified employees	Keeping good employees	Cost of Health insurance / Other Employee benefits	Attracting a diverse work force
2009	19%	39%	64%	37%	22%	16%	63%	4%
2010	19%	32%	65%	41%	14%	14%	69%	4%

## Change to Health Insurance Coverage

	No Change	Increased Co-Pays	Increased Deductibles	Reduce Coverage
2008	61%	27%	16%	NA
2009	54%	21%	15%	NA
2010	37%	43%	42%	16%

## Which of the following best describes your hiring plans for this region in 2010?

	<b>Significant Increase</b>	<b>Slight Increase</b>	<b>No Change</b>	<b>Slight Decrease</b>	<b>Significant Decrease</b>
2008	2%	35%	48%	11%	4%
2009	2%	19%	55%	20%	5%
2010	2%	25%	65%	6%	2%

## Compared to other areas, how well does this region work to attract, retain, and expand business?

	Better than other areas	About the same as other areas	Worse than other areas
2008	4%	32%	64%
2009	4%	22%	74%
2010	3%	14%	83%

## Overall, how will the U.S. economy change in the next 12 months?

	Much Better shape	Somewhat Better Shape	About the same	Somewhat Worse Shape	Much Worse Shape
2009	2%	21%	23%	40%	15%
2010	4%	48%	37%	8%	3%

## Over the next 12 months, how do you think the RI economy will be in comparison to today?

	Much Better shape	Somewhat Better shape	About the same	Somewhat Worse Shape	Much Worse shape
2009	2%	21%	23%	40%	15%
2010	4%	48%	37%	8%	3%