

PUBLIC DISCLOSURE

September 15, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Banco Popular de Puerto Rico
RSSD No. 940311

209 Munoz Rivera Avenue
San Juan, Puerto Rico 00918

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

Institution Rating	
Institution's CRA Rating	BB1
Table of Performance Test Ratings	BB1
Summary of Major Factors Supporting Rating	BB1
Institution	
Description of Institution	BB2
Scope of Examination	BB3
Conclusions With Respect to Performance Tests	BB6
Puerto Rico	
Commonwealth of Puerto Rico Rating	BB12
Scope of Examination	BB12
Conclusions With Respect to Performance Tests	BB13
Metropolitan Area (Full Review)	
Description of Operations in MSA 41980 (San Juan-Caguas-Guaynabo).....	BB16
Conclusions With Respect to Performance Tests.....	BB19
Metropolitan Area (Full Review)	
Description of Operations in MSA 10380 (Aguadilla-Isabela-San Sebastian).....	BB26
Conclusions With Respect to Performance Tests.....	BB29
Metropolitan Area (Full Review)	
Description of Operations in MSA 38660 (Ponce).....	BB35
Conclusions With Respect to Performance Tests.....	BB38
Metropolitan and Non-Metropolitan Areas (Limited Review).....	BB45
U.S. Virgin Islands	
U.S. Virgin Islands Rating	BB46
Scope of Examination	BB46
Description of Institution's Operations	BB46
Non-Metropolitan Area (Full Review)	
Conclusions With Respect to Performance Tests in Non-MSA St. Thomas.....	BB50
Non-Metropolitan Area (Limited Review)	
Conclusions With Respect to Performance Tests in Non-MSA St. Croix.....	BB56

Exhibits

Exhibit 1: Summary of Key Assessment Area Data for All Assessment Areas.....BB11
Exhibit 2: Summary of Key Assessment Area Data for Puerto Rico Assessment Areas.BB15
Exhibit 3: Assessment Area Demographics for MSA 41980.....BB18
Exhibit 4: Loan Distribution Table & Aggregate Comparison: MSA 41980.....BB23
Exhibit 5: Assessment Area Demographics for MSA 10380.....BB28
Exhibit 6: Loan Distribution Table & Aggregate Comparison: MSA 10380.....BB32
Exhibit 7: Assessment Area Demographics for MSA 38660.....BB37
Exhibit 8: Loan Distribution Table & Aggregate Comparisons: MSA 38660.....BB42
Exhibit 9: Summary of Key Assessment Area Data for USVI.....BB47
Exhibit 10: Combined Assessment Area Demographics Report: USV.....BB49
Exhibit 11: Loan Distribution Table & Aggregate Comparison: St. Thomas.....BB53

Appendices

CRA Appendix A: Scope of Examination.....BB57
CRA Appendix B: Summary of Ratings.....BB58
CRA Appendix C: Community Development Loans.....BB59
CRA Appendix D: Qualified Investments.....BB60
CRA Appendix E: Summary of Branch Locations.....BB61
CRA Appendix F: Loan Distribution Tables & Aggregate Comparisons:
 Limited Scope Assessment AreasBB62
CRA Appendix G: Glossary.....BB71
CRA Appendix H: Assessment Area Maps.....BB74

INSTITUTION RATING

INSTITUTION'S CRA RATING: Banco Popular de Puerto Rico is rated **OUTSTANDING**.

The following table indicates the performance level of the institution with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The major factors supporting the institution's rating follow:

- The volume of lending related to the Home Mortgage Disclosure Act ("HMDA") and small businesses reflected excellent responsiveness to credit needs in the bank's assessment areas.
- The geographic distribution of lending was good.
- The distribution of loans to individuals of different income levels and businesses of different sizes was good.
- BPPR was a leader in providing community development loans.
- An excellent level of qualified community development investments and grants.
- The bank's branch and service delivery systems were readily accessible to all portions of the bank's assessment areas.

INSTITUTION

DESCRIPTION OF INSTITUTION*

Total assets	\$26.7 billion
Net loans & leases	\$16.2 billion
Total domestic deposits	\$18.8 billion
Number of branches	202
Headquarters	San Juan, P.R.
Bank holding company	Popular Inc.

*Data as of December 31, 2007

Banco Popular de Puerto Rico (“Banco Popular” or “BPPR”) is a full-service commercial bank headquartered in San Juan, Puerto Rico. Banco Popular is primarily engaged in retail and commercial banking services, including auto and equipment leasing and financing, investment banking, broker-dealer and insurance services through specialized subsidiaries. All products and services are offered through Banco Popular’s 202 branch network and alternative delivery channels. BPPR is a publicly traded, wholly-owned subsidiary of Popular Inc., a multi-regional diversified financial holding company with \$39 billion in combined total assets as of December 31, 2007.

BPPR is the leading financial institution in Puerto Rico (“P.R.”), ranking first in deposit market share, small business lending, small farm lending, community development lending, and HMDA-related lending over the examination period. BPPR operates 195 retail branches in its Puerto Rico assessment area and seven in the United States Virgin Islands (“USVI”) assessment area. As of June 30, 2007, branch deposits totaled approximately \$14.2 billion, with the vast majority (94%) located in Puerto Rico.

Banco Popular has 13 assessment areas. The assessment areas include 11 Metropolitan Statistical Areas (“MSAs”) and non-MSAs in Puerto Rico and two non-MSAs in the USVI as follows:

Puerto Rico

- MSA 41980 (San Juan-Caguas-Guaynabo, P.R.)
- MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.)
- MSA 38660 (Ponce, P.R.)
- MSA 32420 (Mayaguez, P.R.)
- MSA 41900 (San German-Cabo Rojo, P.R.)
- MSA 25020 (Guayama, P.R.)
- MSA 21940 (Fajardo, P.R.)
- MSA 49500 (Yauco, P.R.)

- Non-MSA A (Municipalities of Adjuntas, Jayuya, Utuado, Las Marias, Maricao, P.R.)
- Non-MSA B (Municipalities of Coamo, Santa Isabel, Salinas, P.R.)
- Non-MSA C (Municipality of Vieques, P.R.)

U.S. Virgin Islands

- Non-MSA island of St. Thomas
- Non-MSA island of St. Croix

Banco Popular's assessment areas are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude any low- or moderate-income ("LMI") geographies. There are no financial or legal factors that would prevent the bank from fulfilling its responsibilities under CRA. A map of the Puerto Rico and USVI assessment areas appears in Appendix H.

SCOPE OF EXAMINATION

Procedures

BPPR's assessment areas were evaluated using the Federal Financial Institutions Examination Council's Interagency CRA Procedures for Large Retail Institutions.

Products

Banco Popular's home purchase, refinance, home improvement, small business and other loans qualifying as community development loans were evaluated. The mortgage loans were reported under the HMDA and small business loans were reported under CRA. HMDA-related loans were reported for Puerto Rico only, as reporting requirements under HMDA are not applicable with respect to dwellings in U.S. territories, such as the USVI. Bank management supplied data for mortgage loans BPPR originated in the USVI.

Examiners verified the integrity of HMDA and small business loan data. The reviews indicated that the HMDA data submitted was in compliance with the reporting requirements of Regulation C and the small business data was in compliance with the reporting requirements under CRA.

BPPR also originates small farm and multifamily loans; however, these products were excluded from the analysis because they represented a low volume reflective of the bank's lending strategies and available lending opportunities. Multifamily loans qualifying as community development loans were considered in the evaluation of community development lending.

Affiliates

BPPR collects and reports information on various consumer-related affiliates. HMDA-related and small business activities of the following affiliates were considered during the examination:

- Popular Mortgage Inc., a mortgage origination and secondary market subsidiary;
- Popular Finance, Inc., an indirect financing, personal loan and secondary mortgage subsidiary; and
- Popular Auto Inc., an automobile and indirect financing subsidiary

Examination Period

HMDA-related and CRA small business loans originated or purchased between January 1, 2006 and December 31, 2007, were evaluated. Examiners also evaluated community development services, community development loans and qualified investments for the same period.

Lending Distribution Analysis

In evaluating the geographic distribution of HMDA-related loans, examiners analyzed the proportion of loan originations in LMI and non-LMI geographies compared with the proportion of owner-occupied housing units in those geographies. For small business loans, the analysis compared the proportion of loan originations in LMI and non-LMI geographies with the proportion of businesses in those geographies.

In order to analyze the borrower characteristics of HMDA-related loans, the proportion of originations to LMI borrowers was compared with the proportion of LMI families in the assessment areas. Income estimates from the U.S. Department of Housing and Urban Development (“HUD”) were used to categorize borrower income. HUD-adjusted median family income figures for 2006 were used to categorize borrower income level for 2006 loans and 2007 HUD-adjusted median family income estimates were used to categorize 2007 loans. 2007 Dun and Bradstreet data were used for demographic information relating to the proportion of businesses with gross annual revenues (“GAR”) of less than or equal to \$1 million. The size of the small business loan was also used as a proxy to identify lending to smaller businesses.

BPPR’s HMDA-related and small business loan originations were also compared to the 2007 market aggregate of all institutions reporting such loans in each full-review assessment area. Market aggregate HMDA data were unavailable for the USVI.

Only loans inside the assessment areas were included in the analysis of geographic and borrower distribution. Before reaching a conclusion about the bank’s overall performance regarding geographic distribution and borrower characteristics in each assessment area, examiners gave greater weight to certain loan products. In each assessment area, a product’s volume compared with total retail lending volume determined the weight of a product’s performance in the overall conclusion.

Deriving Overall Conclusions

Overall conclusions regarding the bank's CRA performance were based primarily on performance in Puerto Rico, which represents 97% of the bank's branches, 94% of the total deposits (as of 6/30/07) and 99% of all lending activity. Therefore, performance in the USVI was not significantly weighted in the overall CRA rating.

Within Puerto Rico, examiners conducted a full review of BPPR's performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.), MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.), and MSA 38660 (Ponce, P.R.). These full review areas within Puerto Rico collectively represent 85% of the lending activity, 89% of the deposits and 82% of the branches in Puerto Rico. Within the USVI, a full scope review was conducted of the non-MSA island of St. Thomas, which represents 67% of lending, 81% of deposits and 71% of the branches in the USVI. Overall conclusions about performance in Puerto Rico were primarily influenced by the bank's performance in MSA 41980, which represents 72% of total lending, 81% of deposits, and 69% of branches in the combined Puerto Rico assessment areas.

This evaluation also included limited reviews of performance in the Puerto Rico MSAs of 32420, 41900, 25020, 21940, 49500, and, non-MSAs A, B, and C. In the USVI, the non-MSA island of St. Croix also received a limited review. Limited review areas did not materially impact the overall rating.

Exhibit 1 on page BB11 highlights additional key assessment area data for the combined Puerto Rico assessment area and the USVI assessment area over the examination period.

Community Contacts

Three interviews with community development organizations were conducted in connection with this CRA assessment. Community contacts are primarily used by examiners to obtain a balanced perspective of CRA-related issues and concerns identified by community organizations working within the institution's assessment area. There were varied credit and social needs identified by the organizations, including the need for economic development through small business lending and micro-credit loans for area residents; continued funding for community organizations that focus on education and unemployment issues for children and young adults; and affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Banco Popular's overall performance in meeting the credit needs of its assessment areas through lending activities is rated outstanding based on excellent performance in Puerto Rico and good performance in the USVI.

Lending Activity:

BPPR's responsiveness to the retail credit needs of its assessment areas was excellent, given the bank's capacity to meet assessment area credit needs and overall market conditions. This was determined by evaluating the volume of HMDA-related and small business loans originated or purchased during the examination period. This conclusion is primarily based on excellent performance in Puerto Rico. BPPR also exhibited good lending performance in USVI.

The bank originated 82,341 home purchase, refinance, home improvement, and small business loans totaling approximately \$7.2 billion during the examination period.

The table below further details the bank's lending by number of loans and dollar amounts, as well as loan type.

LENDING ACTIVITY DETAIL				
January 1, 2006 – December 31, 2007				
Loan Purpose	#	%	\$(000s)	%
HMDA Home Purchase	16,004	19	\$2,450,470	34
HMDA Refinancings	4,841	6	\$658,870	9
HMDA Home Improvement	20,381	25	\$518,307	7
Total HMDA-related	41,226	50	\$3,627,647	50
Total Small Business	41,115	50	\$3,604,623	50
TOTAL LOANS	82,341	100	\$7,232,270	100

Note: This table includes bank and affiliate loans originated in the bank's assessment area.

Assessment Area Concentration: A substantial majority of loans originated by BPPR were extended in the bank's assessment areas as detailed in the table below. BPPR uses a business model that primarily relies upon its mortgage company affiliates to provide home purchase and refinance loans to the assessment areas, while BPPR primarily originates or purchases home improvement and small business loans. The table below details the lending by BPPR within and outside the assessment area over the examination period.

LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA								
January 1, 2006 – December 31, 2007								
LOAN TYPE	INSIDE				OUTSIDE			
	#	%	\$ (000S)	%	#	%	\$ (000S)	%
HOME PURCHASE	2,152	100	\$460,510	99	6	0	\$3,670	1
REFINANCING	758	100	\$131,984	100	2	0	\$330	0
HOME IMPROVEMENT	17,845	100	\$272,501	100	8	0	\$870	0
TOTAL HMDA-RELATED	20,755	100	\$864,995	99	16	0	\$4,870	1
TOTAL SMALL BUSINESS	41,115	100	\$3,604,623	100	23	0	\$2,169	0
TOTAL LOANS	61,870	100	\$4,469,618	100	39	0	\$7,039	0

Note: This table includes only loans originated or purchased by the bank. Affiliate loans are not included. Percentages rounded to nearest whole number.

Geographic Distribution:

Based on performance in both Puerto Rico and the USVI, the bank exhibited a good overall level of loan penetration in LMI geographies considering the limited lending opportunities available in those geographies.

The analysis considered performance context issues, such as the number of owner-occupied units in LMI geographies and the market aggregate's performance. Demand for residential mortgage products typically are tied to the availability of owner-occupied housing units. For HMDA-related loans, conclusions were based primarily on performance in moderate-income geographies, as the very low number of owner-occupied housing units make it difficult to extend HMDA-related loans in low-income geographies.

Borrower Distribution:

In both Puerto Rico and the USVI, the overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. The wide disparity between housing prices and incomes makes owner-occupied housing unaffordable to most LMI families residing within BPPR's assessment areas. Performance relative to moderate-income borrowers fared better in terms of their ratio of incomes to housing prices and was given more weight over low-income borrowers. The bank also demonstrated excellent penetration among businesses of different sizes.

Community Development Lending:

Banco Popular's level of community development lending was excellent and highly responsive to the credit needs within its assessment areas based on excellent performance in Puerto Rico and adequate performance in the USVI. As

Community Development		
Purpose	#	\$ (000s)
Affordable Housing	74	233,095
Economic Development	33	201,404
Community Services	332	163,964
Revitalize and Stabilize	14	126,656
Totals	453	725,119

shown in the table at the right, the bank extended 453 community development loans totaling \$725 million. Moreover, new commitments represented \$567 million of total community lending loans, or 78% of total activity.

BPPR's community development lending was responsive to community needs and was spread across the four categories of community development activities available to financial institutions. Funding for affordable housing initiatives lead the way, representing 32% of the total activity, with economic development initiatives second, at 28% of total dollar amount. Both activities were identified by community groups as important needs in Puerto Rico.

INVESTMENT TEST

BPPR's overall performance under the investment test is rated outstanding based on excellent performance in Puerto Rico and good performance in USVI.

Banco Popular made 665 qualified investments, totaling \$246 million, of which \$128 million or 52% were new investments originated during the examination period. Investment opportunities remain limited in the USVI, and as a result, 95% of investments were made in Puerto Rico. BPPR primarily supports affordable housing initiatives, which was identified through the bank's outreach efforts with community groups and local government agencies as an ongoing community development need. Investment activity is achieved largely through the purchase of qualified mortgage-backed securities. As indicated in the table below, the overwhelming majority of investments by dollar, \$242 million, addressed affordable housing and represented 98% in terms of dollar amount of all qualified investments.

Qualified Investments		
Purpose	#	\$(000s)
Affordable Housing	191	242,471
Community Services	440	3,839
Economic Development	34	318
Totals	665	246,628

SERVICE TEST

BPPR’s performance under the service test is rated outstanding based primarily on its excellent level of community development service activities and readily accessible delivery systems to geographies and individuals of different income levels in Puerto Rico.

Retail Services:

The bank’s branches were accessible to all portions of its assessment areas. Of the bank’s 195 branches located throughout its Puerto Rico assessment areas, 38 or 19% are in LMI areas. Comparatively, 25% of the assessment area population resides in LMI geographies. Alternative delivery systems enhanced the bank’s performance in its assessment areas. There are no LMI geographies in the USVI assessment area, which includes an additional seven branches in middle- and upper-income geographies. BPPR also operated 330 off-site ATM locations across its assessment areas; 49 of these ATMs, or 15%, were located in LMI areas.

BPPR’s branch presence in tracts adjacent to LMI census tracts further enhanced retail service to the LMI population. There were 34 branches identified in middle- and upper-income tracts that serve residents of adjacent LMI tracts. Approximately 50% of these branches are located in shopping centers that are generally accessible, as many shopping centers in Puerto Rico are located adjacent to public housing projects. These include Plaza Las Americas, Santa Francisco Shopping Center, Santa Maria Shopping Center, and Plaza del Sol.

The opening and closing of branches during the evaluation period did not adversely affect overall accessibility of the bank’s delivery systems, as the bank added one moderate-income branch over the examination period.

Services do not vary in a way that inconveniences its assessment areas, particularly LMI geographies or LMI individuals. Extended morning, evening and Saturday hours were widely scheduled and tailored to the convenience and needs of the assessment areas, including LMI areas. In addition, BPPR operated numerous loan production offices in LMI geographies.

Community Development Services:

Banco Popular is a leader in providing financial services, financial education and community services throughout the assessment areas. The bank’s level of performance was excellent in Puerto Rico and adequate in the US Virgin Islands. Activities include the following:

Community Development Services Banco Popular De Puerto Rico	
Financial Literacy Seminars	1,692
Technical Assistance	1,689
Mortgage Education Seminars	93
Small Business Seminars	29
Total	3,503

- BPPR’s affiliate, Popular Mortgage, Inc., through its Vivienda Popular (“VP”) unit, conducted 93 home buyer education programs, provided assistance to low-income borrowers and participated in the conversion of housing projects from rental to homeownership. VP also works with municipalities in

obtaining Home Funds for first time homebuyers. Home Funds is a federally funded program that provides grants to local and state governments which are often used in partnership with local nonprofit groups to build, buy and/or rehabilitate affordable housing or provide direct rental assistance to low-income people.

- BPPR partnered with the Board of Education in designing the financial education program “Something of Value.” The program is a curriculum for grades one through eight, focusing on the bank’s numismatics collection and the history of money, the use of money as a medium of exchange, and modern day money management practices. During the 24-month review period, BPPR conducted 254 financial education and training sessions attended by 12,779 students, the vast majority of which were LMI.
- The “Populoso Financial Education Program” provides savings accounts for children under 17. As part of the program, BPPR employees conduct financial education activities and seminars in different schools and communities, teaching LMI children the importance of saving.
- “Banco en la Comunidad” allows BPPR staff to provide basic financial advice to individuals who lack banking relationships in LMI communities on subjects such as savings, financial planning and bank services. Since 2004, the program has been expanded to include financial educational workshops at universities, schools and homes for the elderly.
- Financial educational forums for the small business community provide product and service advice, identify commercial customer credit needs, and develop products to meet those needs. Forums have been held for small business owners, family owned-businesses and dental school students.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No credit practices were identified as being inconsistent with helping to meet the credit needs of the assessment areas.

Exhibit 1 on page BB11 highlights additional key assessment area data for the combined Puerto Rico assessment areas and the USVI assessment area over the examination period.

EXHIBIT 1: Summary of Key Assessment Area Data ALL ASSESSMENT AREAS			
	Puerto Rico	US Virgin Islands	TOTALS
Total Population¹	3,806,742	104,415	3,911,157
Population % of AA population	97%	3%	100%
Families	1,008,067	25,623	1,033,690
Families % of AA families	98%	2%	100%
Total Census Tracts¹	822	30	852
Tracts % AA tracts	96%	4%	100%
LMI tracts	215	7	222
LMI tracts % all AA LMI tracts	97%	3%	100%
Total Owner-Occupied Units¹	919,182	17,850	937,032
Units % of AA units	98%	2%	100%
Business Establishments²	28,866	1,961	30,827
Bus. est. % AA bus. est.	94%	6%	100%
Number of Branches²	195	7	202
Branches % all branches	97%	3%	100%
Branches in LMI tracts	38	1	39
LMI branches % AA LMI branches	97%	3%	100%
Branch Deposits (\$'000s)³	14,294,620	974,380	15,269,000
Deposits % AA deposits	94%	6%	100%
Deposit Market Share (%)/ Rank in Market³	23.21%/1	50.11%/1	
Home Purchase Originations⁴	15,904	100	16,004
HP originations % AA orig.	99%	1%	100%
Refinance Originations⁴	4,764	77	4,841
Refi orig. % AA orig.	98%	2%	100%
Home Improvement Originations⁴	20,121	260	20,381
Home Improvement orig. % AA orig.	99%	1%	100%
Small Business Originations⁴	40,636	479	41,115
SB orig. % AA orig.	99%	1%	100%
Combined Loan Totals⁴	81,425	916	82,341
% of AA Orig.	99%	1%	100%

¹ Source: 2000 Census Data.
² Source: 2007 D&B USVI.
³ Source: FDIC Summary of Deposit Data as of June 30, 2007.
⁴ Originations include Originations and loans purchased between Jan. 1, 2006 and December 31, 2007.

COMMONWEALTH OF PUERTO RICO

CRA RATING FOR THE COMMONWEALTH OF PUERTO RICO: OUTSTANDING

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: Outstanding

Major factors supporting the rating include:

- Overall excellent responsiveness to assessment areas' credit needs;
- Good geographic distribution of loans in the bank's assessment areas;
- Good distribution of loans among individuals of different incomes and businesses of different sizes;
- An excellent level of community development lending;
- An excellent level of qualified investments; and
- Readily accessible delivery systems to geographies and individuals of different income levels.

SCOPE OF EXAMINATION

A full review of BPPR's performance in the Puerto Rico assessment areas of MSA 41980 (San Juan-Caguas-Guaynabo, P.R.), MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.), and MSA 38660 (Ponce, P.R.) was conducted. A limited review was conducted of the bank's performance in the other Puerto Rico assessment areas. As shown in Exhibit 2, the combined full-scope areas make up 85% of the bank's loans, 82% of the branches and 89% of deposits in the Commonwealth.

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPPR's overall CRA rating is significantly driven by the performance in the Puerto Rico assessment areas, which accounts for 94% of its total retail deposits and 99% of total HMDA-reportable and small business lending activity. Moreover, BPPR maintains the largest retail bank network in Puerto Rico with 195 branches and 330 off-site ATMs. BPPR maintains its leadership position in the Commonwealth, capturing 23% deposit market share in Puerto Rico, according to FDIC deposit market share information for 2007. BPPR's primary bank competitors in Puerto Rico for assessment area deposits include Firstbank of Puerto Rico, which captured 17% of deposits; Westernbank Puerto Rico, 16%; Citibank, National Association, 10%; Banco Santander Puerto Rico; 9%; R-G Premier Bank of Puerto Rico, 8%; and Doral Bank; with a 6% deposit market share.

In order to derive the commonwealth rating, full-scope assessment areas were weighted based on the proportion of loan originations and deposits in each. As a result, MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) had a significant impact on assessing the overall performance of the bank, capturing 81% branch deposits and 72% of loans within Puerto Rico. The two additional

full scope areas, MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.) and MSA 38660 (Ponce, P.R.) had lesser impacts on the overall rating.

Additional key assessment area data can be found in Exhibit 2 on page BB15

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PUERTO RICO

LENDING TEST

Banco Popular's overall record of meeting the credit needs of its assessment areas through its lending activities was outstanding based on excellent performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) and excellent performance in MSA 10380 (Aguadilla-Isabella-San Sebastian, P.R.) and good performance in MSA 38660 (Ponce, P.R.).

Lending Activity:

BPPR's responsiveness to the retail credit needs of its assessment areas was excellent, given the bank's capacity to meet assessment area credit needs and overall market conditions. This was determined by evaluating the volume of HMDA-related and small business loans originated during the examination period. This conclusion is based on excellent performance in MSAs 41980 (San Juan-Caguas-Guaynabo, P.R.), 10380 (Aguadilla-Isabella-San Sebastian, P.R.), and 38660 (Ponce, P.R.).

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans in Puerto Rico reflected good performance in LMI geographies. This conclusion is based on good distribution in MSAs 41980 (San Juan-Caguas-Guaynabo, P.R.) and 10380 (Aguadilla-Isabela-San Sebastian, P.R.) and adequate performance in MSA 38660 (Ponce, P.R.).

The analysis considered performance context issues, such as lending opportunities reflected in the number of owner-occupied units and the market aggregate performance. For HMDA-related loans, conclusions were based primarily on performance in moderate-income geographies, as the very low levels of owner-occupied housing units noted make it difficult to extend HMDA-related loans in the low-income geographies that make up the assessment areas.

Borrower Distribution:

The overall distribution of loans among borrowers of different income levels and businesses of different sizes in Puerto Rico was good. This conclusion is based on good distribution in each of the full review assessment areas.

The analysis also considered performance context issues, such as the high cost of housing for LMI persons. The median housing price for each assessment area was compared to the median family income levels in each assessment area to assess affordability for LMI borrowers.

Community Development Loans:

Banco Popular's overall level of community development lending was excellent and considered highly responsive to the credit needs within its assessment areas. This conclusion is based on excellent performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.), MSA 38660 (Ponce, P.R.) and MSA 10380 (Aquadilla-Isabela-San Sebastian, P.R.).

During the examination period, community development lending in Puerto Rico totaled \$712 million, approximately 2.7% of the bank's total assets. In terms of volume, BPPR is the leading bank in Puerto Rico in making community development loans exceeding its closest competitor by \$386 million.

INVESTMENT TEST

Banco Popular's overall level of qualified investments and grants exhibited excellent responsiveness to the credit and community development needs of its assessment areas based on excellent performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) and adequate performance in MSAs 10380 (Aquadilla-Isabela-San Sebastian, P.R.) and 38660 (Ponce, P.R.). Investments in the Puerto Rico Commonwealth totaled \$233 million. The majority of investments were activities that promoted affordable housing initiatives, representing 98% of the total investment dollars.

SERVICE TEST

BPPR's performance under the service test was outstanding in Puerto Rico based on an excellent level of retail delivery systems and community development services. The conclusions are based on excellent performance in all full review assessment areas.

EXHIBIT 2: Summary of Key Assessment Area Data - Puerto Rico Assessment Areas

	MSA 41980	MSA 10380	MSA 38660	MSA 32420	MSA 41900	MSA 25020	MSA 21940	MSA 49500	Non-MSA Group A	Non-MSA Group B	Non-MSA Group C	Totals
Total Population¹	2,509,007	312,602	264,919	115,048	136,212	83,570	78,533	118,063	89,307	90,375	9,106	3,806,742
Population % of AA population	66%	8%	7%	3%	4%	2%	2%	3%	2%	3%	0%	100%
Families	666,815	84,782	66,781	29,991	37,400	21,780	20,864	30,800	22,963	23,494	2,397	1,008,067
Families % of AA families	66%	9%	7%	3%	4%	2%	2%	3%	2%	2%	0%	100%
Total Census Tracts¹	536	64	60	30	25	15	16	29	22	21	4	822
Tracts % AA tracts	65%	8%	7%	4%	3%	2%	2%	3%	3%	3%	0%	100%
LMI tracts	168	8	22	8	1	0	4	2	1	0	1	215
LMI tracts % all AA LMI tracts	78%	4%	10%	4%	1%	0%	2%	1%	0%	0%	0%	100%
Total Owner-Occupied Units¹	605,085	77,868	59,826	25,589	37,223	20,152	19,622	29,134	19,837	22,187	2,659	919,182
Units % of AA units	66%	9%	7%	3%	4%	2%	2%	3%	2%	2%	0%	100%
Business Establishments²	21,878	1,651	1,694	1,119	671	313	410	413	294	339	84	28,866
Bus. est. % AA bus. est.	76%	6%	6%	4%	2%	1%	1%	2%	1%	1%	0%	100%
Number of Branches	134	13	12	9	4	4	5	4	5	4	1	195
Branches % all branches	69%	7%	6%	5%	2%	2%	3%	2%	2%	2%	0%	100%
Branches in LMI tracts	27	3	4	1	1	0	1	0	1	0	0	38
LMI branches % AA branches	71%	8%	10%	3%	3%	0%	3%	0%	2%	0%	0%	100%
Branch Deposits (\$'000s)³	11,600,797	626,473	510,374	366,174	260,821	191,301	182,296	178,171	175,109	137,835	65,269	14,294,620
Deposits % AA deposits	81%	4%	4%	3%	2%	1%	1%	1%	1%	1%	1%	100%
Deposit Market Share (%)/ Rank in Market	21.11%/1	47.27%/1	28.49%/1	28.96%/2	35.05%/2	58.43%/1	48.63%/1	50.41%/1	84.50%/1	83.08%/1	100%/1	
Home Purchase Originations⁴	11,276	897	904	371	750	494	465	260	120	345	22	15,904
HP originations % AA orig.	71%	6%	6%	2%	5%	3%	3%	1%	1%	2%	0%	100%
Refinance Originations⁴	3,553	289	240	116	153	101	103	56	40	103	10	4,764
Refi orig. % AA orig.	75%	6%	5%	3%	3%	2%	2%	1%	1%	2%	0%	100%
Home Improvement Originations⁴	13,898	1,685	980	509	681	562	387	395	455	450	119	20,121
Home Improvement orig. % AA orig.	69%	8%	5%	3%	3%	3%	2%	2%	2%	2%	1%	100%
Small Business Originations⁴	29,589	3,580	1,832	1,322	859	724	622	740	718	501	149	40,636
SB orig. % AA orig.	73%	9%	5%	3%	2%	2%	1%	2%	2%	1%	0%	100%
Combined Loan Totals⁴	58,316	6,451	3,956	2,318	2,443	1,881	1,577	1,451	1,333	1,399	300	81,425
% of AA Orig.	72%	8%	5%	3%	3%	2%	2%	2%	1%	2%	0%	100%

Sources: ¹ 2000 Census Data; ² 2007 Dunn & Bradstreet; ³ FDIC Summary of Deposit Data as of June 30, 2007; ⁴ Originations include originations and purchases between 01/01/06 and 12/31/07. Branch numbers are as of 12/31/07.

METROPOLITAN AREA

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 41980 (SAN JUAN-CAGUAS-GUAYNABO)

MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) has the greatest impact on the overall rating and comprises the largest portion of the institution's retail operations. BPPR operates 134 branch offices in this assessment area, representing 69% of the bank's total branch network in Puerto Rico. Of the bank's total lending, this assessment area contain 72% of the combined HMDA-related and small business loans by number originated during the review period.

The assessment area is highly competitive, with many multi-regional and large banking institutions operating within the MSA. The assessment area also includes the Commonwealth's capital and government offices, which attracts financial institutions to compete for deposit and lending opportunities in the area. BPPR is the market leader in MSA deposits, according to the June 30, 2007 FDIC Summary of Deposit Report. The bank ranked first out of 11 financial institutions in the San Juan assessment area with \$11.6 billion in deposits, representing a 21% market share. Primary competitors in the area include Firstbank of Puerto Rico, Westernbank Puerto Rico, Banco Santander Puerto Rico, and R-G Premier Bank Puerto Rico.

PERFORMANCE CONTEXT

Demographic Characteristics

The MSA is comprised of 41 municipalities which include: San Juan, Arecibo, Caguas, Barranquitas, Toa Baja, Canovanas, Orocovis, Loiza, Manati, Morovis, San Lorenzo, Comerio, Ciales, Vega Baja, Juncos, Naguabo, Vega Alta, Naranjito, Barceloneta, Yabucoa, Humacao, Cidra, Catano, Hatillo, Aguas Buenas, Florida, Cayey, Aibonito, Quebradillas, Bayamon, Rio Grande, Maunabo, Camuy, Carolina, Guaynabo, Gurabo, Dorado, Las Piedras, Toa Alta, Trujillo Alto, and Corozal.

According to the 2000 Census, the population of the assessment area is 2.5 million, representing 66% of the Puerto Rico assessment areas' total population. There are 666,815 families living in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.), representing 66% of the total number of families in Puerto Rico. A total of 30% of the assessment area families reside in LMI geographies.

Income Characteristics

The HUD-adjusted median family income (MFI) for MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) was \$21,500 for 2006 and \$25,400 for 2007. According to census data, 26% of families residing in the MSA are considered low-income, 15% moderate-income, and more than 41% of

families subsist below the poverty level. Low income and the high levels of poverty experienced throughout the MSA make it difficult for families to afford homes, indicating the need for affordable housing and economic development initiatives.

Housing Characteristics

The MSA contains 928,025 housing units, of which 65% are owner-occupied, 25% are rental, and 10% are vacant. Within LMI geographies, the availability of owner-occupied units is prevalent and account for 28% of the total housing units in low-income geographies and 64% of the total housing units in moderate-income areas. However, despite opportunities to offer mortgage-related products to these segments of the assessment area, affordability issues present significant challenges.

While San Juan boasts the highest HUD-adjusted median family income in Puerto Rico for 2007, the high median housing prices still make homeownership difficult for LMI borrowers. A comparison of the median family income to the median housing value illustrates the challenges faced by local lenders.

Housing values based on 2000 census data range from four to seven times greater than LMI income levels. Considering that homes have further appreciated since the 2000 census, the issue of affordability currently is likely more pronounced. However, this could be somewhat offset with the declining housing prices caused by the recession.

Labor, Employment and Economic Characteristics

In early 2006 Puerto Rico's economic climate began to show signs of deterioration, eventually culminating into a recession, according to Banco Popular's Strategic Planning Division, which uses various sources for economic information and analysis. By 2007, all economic sectors, including manufacturing, tourism, construction and government functions continued to exhibit some degree of deterioration. The behavior of key indicators at the end of 2007 suggests that the contraction in economic activity has intensified and demonstrates the fragility of the local economy. Examples include the loss of 7,100 jobs in the local manufacturing sector and declines in the construction sector, as evidenced by a reduction in the number of building permits and declines in the sales of construction material. Further indicators of economic distress are the new sales and service taxes levied to address the government's budget and fiscal crises.

According to the U.S. Department of Labor statistics, unemployment levels are high in the assessment area, wavering between nine and ten percent for the last four years. The weak economy has resulted in fewer opportunities to originate loans during the review period.

Additional assessment area demographics are illustrated in Exhibit 3 on the following page.

Exhibit 3
Assessment Area Demographic Report

Assessment Area: MSA 41980

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	18	3.4	15,987	2.4	12,242	76.6	172,535	25.9
Moderate-income	150	28.0	181,209	27.2	101,845	56.2	102,116	15.3
Middle-income	207	38.6	270,040	40.5	115,126	42.6	102,671	15.4
Upper-income	161	30.0	199,579	29.9	47,212	23.7	289,493	43.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	536	100.0	666,815	100.0	276,425	41.5	666,815	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	22,350	6,322	1.0	28.3	14,134	63.2	1,894	8.5
Moderate-income	250,829	159,979	26.4	63.8	63,999	25.5	26,851	10.7
Middle-income	368,557	245,506	40.6	66.6	87,467	23.7	35,584	9.7
Upper-income	286,289	193,278	31.9	67.5	65,052	22.7	27,959	9.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	928,025	605,085	100.0	65.2	230,652	24.9	92,288	9.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	233	1.1	188	1.1	39	0.8	6	1.8
Moderate-income	4,394	20.1	3,494	20.8	823	17.4	77	23.1
Middle-income	6,092	27.8	4,760	28.3	1,236	26.2	96	28.7
Upper-income	11,159	51.0	8,378	49.8	2,626	55.6	155	46.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	21,878	100.0	16,820	100.0	4,724	100.0	334	100.0
	Percentage of Total Businesses:			76.9		21.6		1.5

Small Business Data uses 2007 Dunn & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 41980 (SAN JUAN-CAGUAS-GUAYNABO)

LENDING TEST

BPPR's overall lending performance in the MSA was excellent. Exhibit 4 contains data used to evaluate geographic and borrower distribution and Appendix C contains data used to evaluate community development lending.

Lending Activity:

Lending activity reflected excellent responsiveness to assessment area credit needs in relation to the bank's capacity and performance context issues. This assessment was based on market share comparison to peer banks and trend analyses.

Banco Popular was a leader in deposit and loan market share. BPPR ranked first in deposits (market share 21%), first in home purchase lending (market share 22%), fifth in refinance lending (market share 9%) and first in home improvement lending (market share 54%). In small business lending, BPPR was first overall (market share 55%).

BPPR's overall trend in combined HMDA-related and small business lending declined for the number of loans originated and purchased and for the dollar amount of loans originated and purchased since the prior examination. However, BPPR's performance compared favorably to the aggregate. Aggregate lending volumes for San Juan also declined in terms of the number of loans and in terms of dollar amount of loans since the prior examination. However, within individual categories, BPPR home purchase lending volume increased 6% for the number and dollar amount of loans since the prior examination.

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans was good based on excellent penetration for home improvement and small business loans and adequate penetration for home purchase and refinance loans.

According to the 2000 Census, the MSA has 605,085 owner-occupied housing units, of which 6,322 (1%) are located in low-income geographies. Opportunities to lend increase in the moderate-income census tracts, where there are 159,979 (26%) owner-occupied housing units. Additionally, there are 16,820 small businesses, of which 3,682 (22%) are within LMI tracts.

The following table summarizes lending performance in MSA 41980 (San Juan-Caguas-Guaynabo).

MSA 41980 (SAN JUAN-CAGUAS-GUAYNABO, P.R.)				
Product	Low-Income Census Tracts		Moderate -Income Census Tracts	
	BPPR Performance	2007 Aggregate Comparison	BPPR Performance	2007 Aggregate Comparison
Home Purchase	ADEQUATE	BELOW	ADEQUATE	SIMILAR TO
Refinance	ADEQUATE	SLIGHTLY BELOW	ADEQUATE	SIMILAR TO
Home Improvement	GOOD	SIMILAR TO	EXCELLENT	SLIGHTLY ABOVE
Small Business	ADEQUATE	SLIGHTLY BELOW	EXCELLENT	SLIGHTLY ABOVE

Low-income geographies:

Banco Popular made .8% of its home purchase, .5% of its refinance, and .8% of its home improvement loans in low-income geographies. BPPR's performance was below the aggregate's 1% of home purchase lending, slightly below the aggregate's .7% of refinance lending, and similar to the aggregate's .9% of home improvement lending. HMDA lending is slightly below the demographics of the assessment area, which indicate that 1% of the available owner-occupied housing units are located within low-income geographies.

Moderate-income geographies:

Banco Popular made 17% of its home purchase, 16% of its refinance, and 27% of its home improvement loans in moderate-income geographies. This was similar to the aggregate's 18% of home purchase lending, 17% refinance lending, and slightly above the aggregate's 26% of home improvement lending. The bank's home improvement lending compares favorably to the demographics of the assessment area, which indicate 26% of the available owner-occupied housing units are located within moderate-income geographies.

Small Business Lending:

The bank originated .8% and 20% of its small business loans in low- and moderate-income geographies, respectively. This was slightly below the aggregate's .9% in low-income tracts and slightly above the aggregate's 18% in moderate-income tracts. The lending is slightly below the MSA's 1% and equal to the aggregate's 21% of all small businesses operating in low- and moderate-income geographies, respectively.

Distribution by Borrower Income and Revenue Size of the Business:

Overall distribution of loans among borrowers of different income levels and businesses of different sizes in the MSA was good. This conclusion is based on adequate HMDA-lending to low-income borrowers, good HMDA-lending to moderate-income borrowers, and excellent lending to small businesses. Consideration was given to the high cost of housing for LMI persons.

According to the 2000 Census, the San Juan assessment area has 666,815 families, of which 172,535 (26%) are low-income families and 102,116 (15%) are moderate-income families. In addition, the MSA has 22,068 business establishments, of which 17,243 (78%) are small businesses with gross annual revenue (GAR) of \$1 million or less.

The following table summarizes the bank’s performance with respect to these borrowers as well as with respect to small businesses.

MSA 41980 (SAN JUAN-CAGUAS-GUAYNABO, P.R.)				
Product	Low-income Borrowers		Moderate-income Borrowers	
	BPPR Performance	2007 Aggregate Comparison	BPPR Performance	2007 Aggregate Comparison
Home Purchase	ADEQUATE	BELOW	ADEQUATE	BELOW
Refinance	ADEQUATE	BELOW	ADEQUATE	BELOW
Home Improvement	GOOD	SLIGHTLY BELOW	EXCELLENT	SIMILAR TO
	Lending to Businesses with GAR <= \$1 million		2007 Aggregate Comparison	
Small Business	EXCELLENT		SLIGHTLY ABOVE	

Low-income Borrowers:

Banco Popular’s HMDA-lending to low-income borrowers in the MSA was adequate given the affordability issues for low-income borrowers. During the examination period, the bank made .3%, .8%, and 5% of its home purchase, refinance, and home improvement loans, respectively, to low-income borrowers. HMDA-lending to low-income borrowers was significantly below the 26% proportion of low-income families in the MSA. The bank’s HMDA-lending was also below the lending performance of the aggregate, which made .5%, 1.4%, and 7% of its home purchase, refinance, and home improvement loans, respectively, to low-income borrowers.

Moderate-income Borrowers:

HMDA-lending to moderate-income borrowers in the MSA was good. The bank made 2%, 4%, and 18% of its home purchase, refinance, and home improvement loans, respectively, to moderate-income borrowers. Home purchase and refinance lending was below the proportion of

moderate-income families in this MSA (15%), while home improvement lending exceeded the moderate-income family proportion. The bank’s performance for home purchase and refinance lending to moderate-income borrowers was below that of the aggregate, while home improvement lending was similar to the aggregate. The aggregate made 4%, 6%, and 18% of its home purchase, refinance, and home improvement loans, respectively, to moderate-income borrowers.

Small Business Lending:

BPPR provided an excellent level of lending to small business borrowers with GAR of \$1 million or less. The bank made 74% of its small business loans to such businesses, while 77% of business establishments in the MSA have GAR of \$1 million or less. The bank’s small business lending performance exceeded the aggregate, which made 71% of its small business loans to businesses with GAR of \$1 million or less. Also, 79% of the business loans were in amounts of \$100,000 or less, which also exceeded the aggregate’s 77% of business loans in amounts of \$100,000 or less.

Community Development Lending:

Banco Popular’s overall level of community development lending was excellent and considered highly responsive to the credit needs within the MSA 41980 assessment area.

During the examination period, community development lending in MSA 41980 totaled \$582 million or 82% of all BPPR’s community development lending activity in Puerto Rico. Within the MSA, efforts were distributed among the applicable categories of community development lending, with an emphasis on economic development and affordable housing, as noted in the table to the right.

Community Development Loans (2006-2007)		
Purpose	#	\$(000s)
Affordable Housing	50	159,378
Economic Development	16	181,855
Community Services	239	145,892
Revitalize & Stabilize	8	95,194
Total	313	582,319

Examples of community development lending include the following:

- Financing for the renovation and construction of over 5,481 units of affordable housing.
- A \$9.7 million community development loan to construct 300 units of affordable rental housing in San Juan. Tenants will receive Section 8 funds from HUD to subsidize rental payments.
- A \$2.5 million loan to install security cameras in low-income housing projects in Caguas.
- A \$200,000 line of credit to an organization that is dedicated to the prevention and treatment of addiction to drugs and alcohol. Proceeds of the line of credit will be used for recovery, education, and treatment. The vast majority of recipients of this care are LMI individuals.
- A \$23 million community development loan to a public corporation that provides services to small- and medium-sized businesses across Puerto Rico. Proceeds to provide free warehouse space for businesses engaged in the import and export business.

Exhibit 4
2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison
Assessment Area: MSA 41980 San Juan Caguas

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	91	0.8%	1.1%	1.3%	2.0%	30	0.3%	0.1%	0.5%	0.1%
Moderate	1,937	17.2%	13.3%	17.9%	13.5%	247	2.2%	0.9%	3.5%	1.3%
Middle	4,381	38.9%	34.4%	37.4%	33.3%	743	6.6%	3.6%	10.6%	5.6%
Upper	4,867	43.2%	51.2%	43.2%	51.1%	5,584	49.5%	55.9%	71.1%	82.6%
Unknown	0	0.0%	0.0%	0.1%	0.1%	4,672	41.4%	39.5%	14.3%	10.4%
Total	11,276	100.0%	100.0%	100.0%	100.0%	11,276	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	19	0.5%	0.4%	0.7%	0.6%	30	0.8%	0.3%	1.4%	0.5%
Moderate	559	15.7%	11.6%	16.6%	12.8%	154	4.3%	1.9%	6.2%	2.8%
Middle	1,315	37.0%	33.2%	37.1%	31.9%	332	9.3%	5.5%	13.9%	8.2%
Upper	1,660	46.7%	54.7%	45.6%	54.6%	1,924	54.2%	58.2%	66.6%	77.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1,113	31.3%	34.0%	12.0%	11.1%
Total	3,553	100.0%	100.0%	100.0%	100.0%	3,553	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	118	0.8%	0.6%	0.9%	0.7%	727	5.2%	1.4%	6.9%	1.8%
Moderate	3,777	27.2%	19.8%	25.6%	18.8%	2,427	17.5%	6.8%	18.0%	7.0%
Middle	6,013	43.3%	38.0%	42.9%	36.1%	2,846	20.5%	12.0%	22.5%	13.6%
Upper	3,990	28.7%	41.7%	30.6%	44.3%	7,389	53.2%	63.1%	49.6%	72.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	509	3.7%	16.8%	3.1%	5.0%
Total	13,898	100.0%	100.0%	100.0%	100.0%	13,898	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	1	4.8%	0.5%	3.0%	0.8%	0	0.0%	0.0%	0.0%	0.0%
Moderate	3	14.3%	25.3%	12.1%	3.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	11	52.4%	54.8%	42.4%	52.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	6	28.6%	19.5%	42.4%	43.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	21	100.0%	100.0%	100.0%	100.0%
Total	21	100.0%	100.0%	100.0%	100.0%	21	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	229	0.8%	0.9%	1.0%	1.5%	787	2.7%	0.3%	2.1%	0.3%
Moderate	6,276	21.8%	14.0%	19.0%	13.5%	2,828	9.8%	1.9%	7.3%	2.1%
Middle	11,720	40.8%	34.8%	38.4%	33.0%	3,921	13.6%	5.1%	14.1%	7.0%
Upper	10,523	36.6%	50.3%	41.5%	52.0%	14,897	51.8%	56.7%	65.2%	80.0%
Unknown	0	0.0%	0.0%	0.1%	0.1%	6,315	22.0%	36.1%	11.3%	10.6%
Total	28,748	100.0%	100.0%	100.0%	100.0%	28,748	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)			
Low	238	0.8%	0.8%	0.9%	0.8%	0.9%	0.9%			
Moderate	6,002	20.3%	19.1%	20.3%	19.1%	17.5%	17.4%			
Middle	10,451	35.3%	31.5%	35.3%	31.5%	32.1%	29.9%			
Upper	12,898	43.6%	48.6%	43.6%	48.6%	45.7%	51.2%			
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	3.7%	0.5%			
Total	29,589	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
By Revenue										
\$1 Million or Less	21,807	73.7%	47.9%	70.7%	53.2%					
By Loan Size										
\$100,000 or less	23,310	78.8%	29.4%	76.9%	24.3%					
\$100,001-\$250,000	3,969	13.4%	27.0%	12.6%	22.4%					
\$250,001-\$1 Million	2,310	7.8%	43.7%	10.5%	53.3%					
Total	29,589	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			

INVESTMENT TEST

Banco Popular's overall level of qualified investments in MSA 41980 was considered excellent. The MSA benefited from the \$229 million of island-wide investments in collateralized mortgage obligations targeting affordable housing development across Puerto Rico. Also, 365 charitable grants and contributions were made in the MSA totaling \$3.5 million. These include:

- A \$75,000 donation to a community service organization that offers a range of community services to LMI individuals, such as an education center, childcare services and drug prevention programs for local residents.
- Two donations, totaling \$125,000, to an organization that operates programs that target at-risk youths across Puerto Rico by increasing educational opportunities through improving the quality of education.

SERVICE TEST

The bank's performance under the service test in MSA 41980 is excellent, based on branch distribution and leadership in providing community development services.

Retail Services:

Overall, BPPR's delivery systems were readily accessible to all portions of the bank's assessment area when compared with the percentage of population residing in LMI geographies.

Of the 134 branches in the assessment area, 27 or 20% are located in LMI geographies compared with the 30% of the population that is located in LMI tracts. The branch network includes a high percentage of branches in shopping centers, which are generally accessible to LMI communities in the MSA.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. During the evaluation period 9 new branches were opened and 7 were closed. The one branch that closed in a moderate-income tract was replaced with two branch openings in moderate-income tracts.

BPPR used multiple alternative delivery systems that also enhanced the distribution of banking services throughout the assessment area. The bank maintained 224 off-site ATMs in the MSA, and 33 or 15% of them, were located in LMI geographies.

Services do not vary in a way that inconveniences its assessment area, particularly LMI geographies or LMI individuals.

Community Development Services:

The bank is a leader in providing community development services in the San Juan MSA. The table below shows the number and type of services the bank performed during the evaluation period through its “Banco En La Community,” “Something of Value” and “Populoso” programs. Various seminars, business forums and technical assistance sessions that were conducted are also captured in the table.

Additionally, 40 BPPR staff members have been identified as serving on the boards of directors or as key committee members for 48 organizations that are directly involved in providing financial literacy training programs for LMI individuals, lending their financial management expertise, or assisting in organizing and managing fund raising events.

Community Development Services MSA 41980 (San Juan-Caguas-Guaynabo, P.R.)	
Financial Literacy Seminars	1,567
Technical Assistance	1,358
Mortgage Education Seminars	64
Small Business Seminars	24
Total	3,013

METROPOLITAN AREA

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 10380 (AQUADILLA-ISABELA-SAN SEBASTIAN)

MSA 10380 is the second most heavily weighted assessment area in determining BPPR's overall rating. BPPR operates 13 branch offices in this assessment area, representing 7% of the bank's total branch network in Puerto Rico. Of the bank's total lending, this assessment area contained 8% of the HMDA-related and small business loans by number originated during the review period.

BPPR is the market leader in MSA deposits, according to the June 30, 2007 FDIC Summary of Deposit Report. The bank ranked first out of nine financial institutions in the Aguadilla assessment area with \$626 million in deposits, representing a 47% market share. Primary competitors in the area include Westernbank Puerto Rico, Banco Santander Puerto Rico, Banco Bilbao Vizcaya, Firstbank of Puerto Rico, and Scotia Bank of Puerto Rico.

PERFORMANCE CONTEXT

Demographic Characteristics

The MSA is comprised of the following eight municipalities: Aquadilla, Lares, San Sebastian, Aguada, Anasco, Isabela, Moca, and Ricon.

MSA 10380 encompasses the northwestern portion of the island. According to the 2000 Census, the population of this assessment area is 312,602 and represents 8% of the total population of Puerto Rico. Additionally, there are 84,782 families in the MSA, of which approximately 8% resides in moderate-income geographies. The MSA contains no low-income geographies.

Income Characteristics

The HUD-adjusted median family income for MSA 10380 was constant for 2006 and 2007 at \$15,400. According to the 2000 census data, 25% of families residing in the MSA are considered low-income and 15% are moderate-income. Of all families residing in the MSA, 54% subsist below the poverty level. Low-income and the high levels of poverty experienced throughout the MSA make it extremely difficult for families to afford homes, indicating the need for affordable housing and economic development initiatives.

Housing Characteristics

The MSA contains 118,183 housing units, of which 66% are owner-occupied, 22% are rental, and 12% are vacant. Within LMI geographies, the availability of owner-occupied units is

somewhat limited with only 5,643 units located in moderate-income geographies. The median housing price for this MSA was eight times the income of a low-income family and five times the income of a moderate-income family for 2007, making it difficult for LMI families in this MSA to afford housing.

Labor, Employment and Economic Characteristics

The island-wide recession that began in 2006 is equally felt in the Aguadilla assessment area as evidenced by unemployment levels, which remained high over the examination period. There was, however, a slight decrease in the unemployment rate from 12.3% in 2006 to 12.2% in 2007, according to the U.S. Department of Labor statistics. The MSA, however, experienced a slight decline in the labor force from 116,109 individuals in 2006 to 115,489 in 2007. High unemployment levels reduce opportunities to make HMDA-related loans and reflect the need for economic development.

Additional assessment area demographics can be found in the Exhibit on the following page.

Exhibit 5
Assessment Area Demographics Report

Assessment Area: MSA 10380 Aguadilla

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	21,197	25.0
Moderate-income	8	12.5	6,839	8.1	4,460	65.2	12,581	14.8
Middle-income	49	76.6	69,732	82.2	38,154	54.7	14,359	16.9
Upper-income	7	10.9	8,211	9.7	3,266	39.8	36,645	43.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	64	100.0	84,782	100.0	45,880	54.1	84,782	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	10,782	5,643	7.2	52.3	3,676	34.1	1,463	13.6
Middle-income	95,783	65,085	83.6	68.0	19,117	20.0	11,581	12.1
Upper-income	11,618	7,140	9.2	61.5	3,117	26.8	1,361	11.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	118,183	77,868	100.0	65.9	25,910	21.9	14,405	12.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	311	18.8	290	20.4	20	9.7	1	5.0
Middle-income	1,220	73.9	1,033	72.5	171	83.0	16	80.0
Upper-income	120	7.3	102	7.2	15	7.3	3	15.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,651	100.0	1,425	100.0	206	100.0	20	100.0
	Percentage of Total Businesses:			86.3		12.5		1.2

Small Business Data uses 2007 Dunn & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 10380 (AGUADILLA-ISABELA-SAN SEBASTIAN)

LENDING TEST

BPPR's overall lending performance in MSA 10380 (Aguadilla-Isabela-San Sebastian) was excellent. Exhibit 6 contains data used to evaluate lending geographic and borrower distribution and Appendix C contains data used to evaluate community development lending.

Lending Activity:

Lending activity reflected excellent responsiveness to assessment area credit needs in relation to the bank's capacity and performance context issues. This assessment was based on market share activity, comparison to peer banks and trend analysis.

BPPR was a leader in both deposit and loan market share. BPPR ranked first in deposits (market share 47%), first in home purchase lending (market share 27%), sixth in refinance lending (market share 9%) and first in home improvement lending (market share 56%). In small business lending BPPR was first overall (market share 64%).

BPPR's overall trend in combined HMDA and small business lending declined for the number of loans originated and purchased and the dollar amount of loans originated and purchased since the prior examination. However, BPPR's performance compared favorably to the aggregate. Aggregate lending volumes for the Aquadilla MSA also declined in terms of the number of loans, and in terms of the dollar amount of loans, since the prior examination.

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans was good based on loan penetration in moderate-income census tracts, although performance varied between products. Since this MSA has no low-income census tracts, conclusions were based on performance in the eight moderate-income geographies in the assessment area. There are 77,868 owner-occupied units within the assessment area of which 5,643 (7%) are located in these moderate-income geographies. Additionally, the 2007 Dunn & Bradstreet data shows there are 1,425 small businesses, of which 290 (20%) are within moderate-income tracts. The following table summarizes lending performance in the MSA.

MSA 10380 (AGUADILLA-ISABELA-SAN SEBASTIAN)				
Product	Low-Income Census Tracts*		Moderate -Income Census Tracts	
	BPPR Performance	2007 Aggregate Comparison	BPPR Performance	2007 Aggregate Comparison
Home Purchase	NOT APPLICABLE	NOT APPLICABLE	ADEQUATE	SIMILAR TO
Refinance	NOT APPLICABLE	NOT APPLICABLE	EXCELLENT	SIGNIFICANTLY ABOVE
Home Improvement	NOT APPLICABLE	NOT APPLICABLE	GOOD	SIMILAR TO
Small Business	NOT APPLICABLE	NOT APPLICABLE	ADEQUATE	SIMILAR TO

* There are no low-income census tracts in the assessment area.

Moderate-income geographies:

BPPR made 5% of its home purchase, 9% of its refinance, and 7% of its home improvement loans in moderate-income geographies. Banco Popular’s performance was similar to the aggregate’s 5% of home purchase lending, significantly above the aggregate’s 6% of refinance lending, and similar to the aggregate’s 7% of home improvement lending. Refinance lending is slightly above the demographics of the assessment area, which indicate that 7% of the available owner-occupied housing units are located within moderate-income geographies.

Small Business Lending:

Banco Popular originated 13% of its small business loans in moderate-income geographies. This was similar to the aggregate’s 14% in moderate-income tracts. The lending is below the MSA’s 20% of all small businesses operating in moderate-income geographies.

Distribution by Borrower Income:

Overall distribution of loans among borrowers of different income levels and businesses of different sizes in the MSA 10380 area was good. This conclusion is based on adequate HMDA-lending to low-income borrowers, good HMDA-lending to moderate-income borrowers, and excellent lending to small businesses. Consideration was given to the high cost of housing for LMI persons.

According to the 2000 Census, the assessment area has 84,782 families, of which 21,197 (25%) are low-income families and 12,581 (15%) are moderate-income families. In addition, according to the 2007 Dunn & Bradstreet, the MSA has 1,651 business establishments, of which 1,425 (86%) are small businesses with GAR of \$1 million or less.

The following table summarizes the bank's performance with respect to these borrowers as well as with respect to small businesses.

MSA 10380 (AQUADILLA-ISABELA-SAN SEBASTIAN, P.R.)				
Product	Low-income Borrowers		Moderate-income Borrowers	
	BPPR Performance	2007 Aggregate Comparison	BPPR Performance	2007 Aggregate Comparison
Home Purchase	POOR	SIMILAR TO	ADEQUATE	BELOW
Refinance	GOOD	SLIGHTLY ABOVE	GOOD	SLIGHTLY ABOVE
Home Improvement	ADEQUATE	SLIGHTLY BELOW	GOOD	SLIGHTLY BELOW
	Lending to Businesses with GAR <= \$1 million		2007 Aggregate Comparison	
Small Business	EXCELLENT		SLIGHTLY BELOW	

Low-income borrowers:

BPPR's HMDA-lending to low-income borrowers in the MSA was adequate, overall, given that the high cost of housing makes it very difficult for low-income borrowers to afford housing. During the examination period, the bank made 0%, .3%, and 1% of its home purchase, refinance, and home improvement loans, respectively, to low-income borrowers. HMDA-lending to low-income borrowers was significantly below the 25% proportion of low-income families in the MSA. The bank's performance for home purchase lending was similar to the aggregate's .1%, slightly above the aggregate's .2% for refinance lending, and slightly below the aggregate's 2% for home improvement lending.

Moderate-income borrowers:

HMDA-lending to moderate-income borrowers in the MSA was good. The bank made 1%, 5%, and 10% of its home purchase, refinance, and home improvement loans, respectively, to moderate-income borrowers. The bank's HMDA-lending was below the 15% proportion of moderate-income families in this MSA. Banco Popular's performance for home purchase lending was below the aggregate's 2%, slightly above the aggregate's 4% for refinance lending, and slightly below the aggregate's 12% for home improvement lending.

Small Business Lending:

BPPR provided an excellent level of lending to small business borrowers with GAR of \$1 million or less. The bank made 76% of its small business loans to small businesses, while 87% of business establishments in the MSA have GAR of \$1 million or less. The bank's small business lending performance was slightly below the aggregate, which made 78% of its small business loans to businesses with GAR of \$1 million or less. Also, 85% of the bank's business loans were in amounts of \$100,000 or less, which exceeded the aggregate's 82%.

Exhibit 6
2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison
Assessment Area: MSA 10380 Aguadilla - Isabella

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.1%	0.0%
Moderate	43	4.8%	3.2%	4.8%	3.4%	9	1.0%	0.3%	1.6%	0.5%
Middle	713	79.5%	79.8%	77.2%	74.2%	42	4.7%	2.4%	4.8%	2.3%
Upper	141	15.7%	17.1%	18.0%	22.4%	583	65.0%	68.1%	80.0%	87.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	263	29.3%	29.2%	13.5%	9.9%
Total	897	100.0%	100.0%	100.0%	100.0%	897	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.3%	0.1%	0.2%	0.1%
Moderate	25	8.7%	7.3%	5.6%	4.7%	14	4.8%	2.2%	4.3%	1.9%
Middle	214	74.0%	77.1%	81.7%	82.6%	14	4.8%	2.6%	8.5%	4.5%
Upper	50	17.3%	15.7%	12.6%	12.6%	201	69.6%	74.8%	80.9%	87.8%
Unknown	0	0.0%	0.0%	0.1%	0.1%	59	20.4%	20.3%	6.2%	5.7%
Total	289	100.0%	100.0%	100.0%	100.0%	289	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	20	1.2%	0.2%	1.5%	0.2%
Moderate	109	6.5%	6.3%	6.8%	5.4%	170	10.1%	3.5%	11.9%	3.2%
Middle	1,413	83.9%	82.1%	84.0%	85.1%	365	21.7%	10.4%	20.8%	10.0%
Upper	163	9.7%	11.6%	9.2%	9.4%	1,109	65.8%	81.7%	65.1%	86.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	21	1.2%	4.2%	0.8%	0.2%
Total	1,685	100.0%	100.0%	100.0%	100.0%	1,685	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	5	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	100.0%	100.0%	100.0%	100.0%
Total	5	100.0%	100.0%	100.0%	100.0%	5	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	21	0.7%	0.1%	0.6%	0.1%
Moderate	177	6.2%	4.5%	5.7%	4.0%	193	6.7%	1.3%	5.7%	1.3%
Middle	2,345	81.5%	80.1%	80.8%	78.5%	421	14.6%	4.1%	11.0%	3.8%
Upper	354	12.3%	15.4%	13.5%	17.4%	1,893	65.8%	71.1%	75.6%	86.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	348	12.1%	23.4%	7.2%	8.1%
Total	2,876	100.0%	100.0%	100.0%	100.0%	2,876	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)		%	% \$(000s)		% \$(000s)
Low	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%		0.0%
Moderate	467	13.0%	14.7%	13.5%	14.8%		13.5%	14.8%		14.8%
Middle	2,506	70.0%	69.9%	69.0%	71.7%		69.0%	71.7%		71.7%
Upper	607	17.0%	15.4%	14.2%	12.9%		14.2%	12.9%		12.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%		0.0%
Tract Unknown	0	0.0%	0.0%	3.2%	0.5%		3.2%	0.5%		0.5%
Total	3,580	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%		100.0%
By Revenue										
\$1 Million or Less	2,730	76.3%	54.4%	77.7%	60.4%					
By Loan Size										
\$100,000 or less	3,032	84.7%	35.6%	81.9%	29.9%					
\$100,001-\$250,000	344	9.6%	24.4%	10.4%	23.3%					
\$250,001-\$1 Million	204	5.7%	39.9%	7.6%	46.8%					
Total	3,580	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%		100.0%

Community Development Lending:

Banco Popular’s overall level of community development lending in MSA 10380 was considered excellent. During the examination period, community development lending totaled \$7.1 million or 1% of all community development lending activity in Puerto Rico.

Within the MSA, community development lending efforts were directed at economic development and affordable housing. Examples of community development loans included:

- A \$3 million loan for a convention center in San Sebastian that will promote job creation by promoting tourism.
- A \$1 million loan for the construction of 150 units of affordable housing under Law 124 and rural development lending programs.

Community Development Lending		
Purpose	#	\$('000s)
Affordable Housing	3	2,552
Community Services	19	1,730
Economic Development	2	2,860
Revitalize and Stabilize	0	0
Totals	24	7,142

INVESTMENT TEST

Banco Popular’s overall level of qualified investments in MSA 10380 was considered adequate. The MSA benefited from the \$229 million of island-wide investments in collateralized mortgage obligations targeting affordable housing development across Puerto Rico.

Community Development investments in the form of charitable grants and contributions in the MSA totaled \$105,000. Examples of charitable grants and contributions include:

- A \$30,000 donation to an educational center serving LMI individuals in San Sebastián's Barrio Cibao and adjacent communities offering library services, tutoring, computers and adult education programs.
- A \$10,000 donation to an organization that operates programs for high school dropouts, and recreational and tutoring programs for LMI students in an after school setting.

SERVICE TEST

Performance under the service test was excellent based on BPPR’s excellent branch distribution and its leadership in providing community development services within the assessment area.

Retail Services:

The bank’s delivery systems were readily accessible to geographies and individuals of different income levels. As of December 31, 2007, three branches, or 23% of the 13 branches in the MSA were in LMI areas, compared with the 8% of the population that resides in LMI census tracts.

Alternative delivery systems such as ATMs slightly enhanced the bank's performance. Of the bank's 18 off-site ATMs, BPPR maintained one or 6% in moderate-income locations.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. During the evaluation period no new branches were opened or closed in the assessment area.

Products and services did not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies and LMI individuals. Branch hours were tailored to the needs of the community.

Community Development Services:

The bank provides a relatively high level of community development services in the Aguadilla MSA. The table below shows the number and type of services the bank performed during the evaluation period through its Something of Value and Populoso programs, and individual small business seminars.

Community Development Services MSA 10380 (Aquadilla-Isabela-San Sebastian, P.R.)	
Financial Literacy Seminars	77
Technical Assistance	0
Mortgage Education Seminars	2
Small Business Seminars	2
Total	81

METROPOLITAN AREA

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 38660 (PONCE, P.R.)

The MSA 38660 assessment area is the third most heavily weighted area in BPPR's overall Puerto Rico rating. BPPR operates 12 branch offices in this assessment area, representing 6% of the bank's total branch network in Puerto Rico. Of the bank's total lending, this assessment area contained 5% of the HMDA-related and small business loans by number originated during the review period.

BPPR is the market leader in MSA deposits, according to the June 30, 2007 FDIC Summary of Deposit Report. The bank ranked first out of 11 financial institutions in the Ponce assessment area with \$510 million in deposits, representing a 28% market share. Primary competitors in the assessment area include Banco Santander Puerto Rico, Banco Bilbao Vizcaya, Westernbank Puerto Rico, Eurobank, and Scotia Bank of Puerto Rico.

PERFORMANCE CONTEXT

Demographic Characteristics

The MSA is Puerto Rico's second largest metropolitan area, encompassing the central southern coastal plain region of the island of Puerto Rico. According to the 2000 census, the population of this assessment area is 264,919, representing 7% of the total population in Puerto Rico. Additionally, there are 66,781 families in the MSA, of which approximately 2% resides in low-income geographies and 31% resides in moderate-income geographies.

Income Characteristics

The HUD-adjusted MFI for MSA 38660 was \$17,800 for 2006 and \$19,100 for 2007. According to 2000 census data, 26% of the families residing in the MSA are considered low-income, 15% moderate-income, and 50% of families subsist below the poverty level. Community contacts cited both affordable housing and small business loans as important local credit needs. Contacts also noted that there is a significant level of economic distress on the island, with prices for goods and services increasing as salaries stay the same, indicating inflationary trends.

Housing Characteristics

The MSA contains 91,426 housing units, of which 65% are owner-occupied, 25% are rental, and 10% are vacant. Within low-income geographies, the availability of owner-occupied units is limited, with only 649 units located in low-income geographies. A total of 17,111 owner-

occupied units are located in moderate-income geographies. It is difficult for LMI persons to afford housing, with home values ranging from four to seven times LMI income levels.

Labor, Employment and Economic Characteristics

The island-wide recession that began in 2006 is also felt in the Ponce assessment area. According to the U.S. Department of Labor statistics, unemployment levels in the Ponce assessment area remain high at 11.4% (2007), compared to 10.8% (2006). During that period, the MSA experienced a decrease in its labor force, declining from 95,023 in 2005 to 92,417 in 2007. Ponce is home to Puerto Rico's major seaport, Port of the Americas, which is currently in the process of being expanded to serve as an international shipping hub. The seaport is a major driver of the local economy.

Additional assessment area demographics can be found in the Exhibit on the following page.

Exhibit 7
Assessment Area Demographics Report
Assessment Area: MSA 38660 Ponce

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	3.3	1,508	2.3	1,181	78.3	17,378	26.0
Moderate-income	20	33.3	20,700	31.0	13,395	64.7	9,879	14.8
Middle-income	20	33.3	23,734	35.5	12,008	50.6	10,495	15.7
Upper-income	17	28.3	20,839	31.2	6,607	31.7	29,029	43.5
Unknown-income	1	1.7	0	0.0	0	0.0	0	0.0
Total Assessment Area	60	100.0	66,781	100.0	33,191	49.7	66,781	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	2,241	649	1.1	29.0	1,337	59.7	255	11.4
Moderate-income	29,415	17,111	28.6	58.2	8,759	29.8	3,545	12.1
Middle-income	31,461	21,979	36.7	69.9	6,478	20.6	3,004	9.5
Upper-income	28,307	20,087	33.6	71.0	5,883	20.8	2,337	8.3
Unknown-income	2	0	0.0	0.0	0	0.0	2	100.0
Total Assessment Area	91,426	59,826	100.0	65.4	22,457	24.6	9,143	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	31	1.8	30	2.2	1	0.3	0	0.0
Moderate-income	475	28.0	381	28.0	88	29.0	6	21.4
Middle-income	642	37.9	489	35.9	141	46.5	12	42.9
Upper-income	546	32.2	463	34.0	73	24.1	10	35.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,694	100.0	1,363	100.0	303	100.0	28	100.0
	Percentage of Total Businesses:			80.5		17.9		1.7

Small Business Data uses 2007 Dunn & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 38660 (PONCE)

LENDING TEST

BPPR's overall lending performance in the MSA was good. Exhibit 8 contains data used to evaluate geographic and borrower distribution and Appendix C contains data used to evaluate community development lending.

Lending Activity:

Lending activity reflected excellent responsiveness to assessment area credit needs in relation to the bank's capacity and performance context issues. This assessment was based on market share activity, comparison to peer banks and trend analysis.

BPPR was a leader in deposit and loan market share. BPPR ranked first in deposits (market share 29%), first in home purchase lending (market share 29%), fourth in refinance lending (market share 10%) and first in home improvement lending (market share 48%). In small business lending, BPPR was first overall (market share 44%).

BPPR's lending compared favorably with similarly-situated banks.

BPPR's overall trend in combined HMDA-related and small business lending declined for the number of loans originated and purchased, while the dollar amount of loans increased since the prior examination. However, BPPR's performance compared favorably to the aggregate. Aggregate lending volumes for the Ponce MSA declined in terms of the number of loans and in terms of the dollar amount of loans since the prior examination. Also, within individual categories, BPPR home purchase lending volume increased in number and in dollar compared to the aggregate's decline in number and in dollar for this product since the prior examination.

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans was adequate based on the penetration levels in LMI tracts. Ponce's assessment area has 59,826 owner-occupied housing units, of which 649 (1%) are located in low-income areas. The relatively low number of owner-occupied units indicates limited lending opportunities in low-income tracts. The number of owner-occupied units substantially increases in moderate-income areas to 17,111 (29%), considerably improving lending prospects. Additionally, there are 1,363 small businesses, of which 411 (30%) are within low- and moderate income tracts.

The following table summarizes the bank's lending performance throughout the Ponce MSA.

MSA 38660 (Ponce, P.R.)				
Product	Low-Income Census Tracts		Moderate -Income Census Tracts	
	BPPR Performance	2007 Aggregate Comparison	BPPR Performance	2007 Aggregate Comparison
Home Purchase	ADEQUATE	BELOW	POOR	BELOW
Refinance	ADEQUATE	SIMILAR TO	POOR	BELOW
Home Improvement	ADEQUATE	SLIGHTLY BELOW	ADEQUATE	SIMILAR TO
Small Business	ADEQUATE	SLIGHTLY BELOW	ADEQUATE	SIMILAR TO

Low-income geographies:

Banco Popular made .4% of its home purchase, .8% of its refinance, and .6% of its home improvement loans in low-income geographies. Banco Popular’s performance was below the aggregate’s .8% of home purchase, similar to the aggregate’s .9% of refinance lending and slightly below the aggregate’s .7% of home improvement lending. Overall HMDA lending is slightly below the demographics of the assessment area, which indicate that 1% of the available owner-occupied housing units are located within low-income geographies.

Moderate-income geographies:

Banco Popular made 10% of its home purchase, 8% of its refinance, and 20% of its home improvement loans in moderate-income geographies. This performance was below the aggregate’s 15% of home purchase and 15% refinance lending and similar to the aggregate’s 22% of home improvement lending. The bank’s home improvement lending is also below the demographics of the assessment area, which indicate 29% of the available owner-occupied housing units are located within moderate-income geographies.

Small Business Lending:

Banco Popular originated .8% and 17% of its small business loans in low- and moderate-income geographies, respectively. This performance was slightly below the aggregate’s 1% in low-income tracts and similar to the 16% lending in moderate-income tracts. The lending is below the MSA’s demographics with 2% of all small businesses operating in low-income geographies and 28% in moderate-income geographies.

Distribution by Borrower Income and Revenue Size of the Business:

Overall distribution of loans among borrowers of different income levels and businesses of different sizes in the MSA 38660 assessment area was good. This conclusion is based on adequate HMDA-lending to low-income borrowers, good HMDA-lending to moderate-income borrowers, and excellent lending to small businesses. Consideration was also given to the high

cost of housing for LMI persons. According to the 2000 Census, the assessment area has 66,781 families, of which 17,378 (26%) are low-income families and 9,879 (15%) are moderate-income families. In addition, the MSA has 1,690 business establishments, of which 1,374 (81%) are small businesses with GAR of \$1 million or less.

The following table summarizes the bank's performance with respect to these borrowers.

MSA 38660 (PONCE, P.R.)				
Product	Low-income Borrowers		Moderate-income Borrowers	
	BPPR Performance	2007 Aggregate Comparison	BPPR Performance	2007 Aggregate Comparison
Home Purchase	POOR	SIGNIFICANTLY BELOW	GOOD	SIMILAR TO
Refinance	ADEQUATE	BELOW	ADEQUATE	BELOW
Home Improvement	GOOD	SIMILAR TO	EXCELLENT	SLIGHTLY BELOW
	Lending to Businesses with GAR <= \$1 million		2007 Aggregate Comparison	
Small Business	EXCELLENT		SIMILAR TO	

Low-income Borrowers:

BPPR's HMDA-lending to low-income borrowers in the MSA was adequate. During the examination period, the bank made .1%, .8%, and 4% of its home purchase, refinance, and home improvement loans, respectively, to low-income borrowers. HMDA-lending to low-income borrowers was significantly below the 26% proportion of low-income families in the MSA. Banco Popular's performance for home purchase lending was significantly below the aggregate's .3%, below the aggregate's 1% for refinance lending, and similar to the aggregate's 4% for home improvement lending.

Moderate-income Borrowers:

HMDA-lending to moderate-income borrowers in the MSA was good. The bank made 4%, 4%, and 18% of its home purchase, refinance, and home improvement loans, respectively, to moderate-income borrowers. The bank's home purchase and refinance lending was below the 15% of moderate-income families in the MSA, while its home improvement lending exceeded the moderate-income family percentage. The bank's performance for home purchase lending was similar to the aggregate's 4%, below the aggregate's 6% for refinance lending, and slightly below the aggregate's 21% for home improvement lending.

Small Business Lending:

Banco Popular provided an excellent level of lending to small business borrowers with GAR of \$1 million or less. The bank made 74% of its small business loans to these businesses while 81% of business establishments in the MSA have GAR of \$1 million or less. The bank’s small business lending performance was similar to the aggregate, which made 72% of its small business loans to businesses with GAR of \$1 million or less. Also, 84% of the bank’s business loans were in amounts of \$100,000 or less, which was similar to the aggregate’s 83% of business loans in amounts of \$100,000 or less.

Community Development Lending:

Banco Popular’s level of community development lending in MSA 38660 was considered excellent over the evaluation period. A total of \$66 million or 9% of all community development lending activity in Puerto Rico was conducted in MSA 38660.

The bank compared favorably to similarly-situated banks in terms of annualized community development loans to deposits within the MSA.

Within the MSA, community development lending efforts were primarily directed at affordable housing and revitalize and stabilize initiatives in terms of dollar outlays. Examples of community development loans included:

Community Development Lending		
Purpose	#	\$(’000s)
Affordable Housing	7	23,709
Community Services	30	11,422
Economic Development	2	9,738
Revitalize and Stabilize	4	21,360
Totals	43	66,229

- A \$7 million loan for the construction of 109 units of affordable housing, which qualify for subsidies granted under the “Home Funds” program, a federally funded home investment or home partnership program provided by HUD to provide decent affordable housing for low- and very low-income individuals.
- A \$1 million line of credit to an organization that provides community development services by administering programs for the homeless, victims of domestic violence, alcohol and drug recovery programs, and job training for high school dropouts.
- A \$6 million construction and term facility to construct 80 units of affordable housing for the elderly. The organization also provides social, health, and psychiatric services to low-income communities in rural areas of Ponce.

Exhibit 8

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: MSA 38660 Ponce

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	4	0.4%	0.2%	0.8%	0.6%	1	0.1%	0.0%	0.3%	0.1%
Moderate	90	10.0%	6.4%	15.1%	11.9%	36	4.0%	1.8%	3.7%	1.8%
Middle	486	53.8%	52.4%	44.3%	47.9%	106	11.7%	7.2%	10.7%	7.0%
Upper	324	35.8%	41.0%	39.7%	39.5%	491	54.3%	59.5%	63.5%	76.9%
Unknown	0	0.0%	0.0%	0.1%	0.1%	270	29.9%	31.4%	21.8%	14.3%
Total	904	100.0%	100.0%	100.0%	100.0%	904	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	2	0.8%	0.7%	0.9%	1.1%	2	0.8%	0.5%	1.2%	0.5%
Moderate	20	8.3%	6.4%	14.6%	10.7%	10	4.2%	1.7%	5.8%	2.9%
Middle	91	37.9%	41.7%	39.5%	41.9%	16	6.7%	3.9%	10.1%	6.7%
Upper	127	52.9%	51.3%	45.0%	46.4%	151	62.9%	66.8%	70.7%	78.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	61	25.4%	27.1%	12.1%	11.1%
Total	240	100.0%	100.0%	100.0%	100.0%	240	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	6	0.6%	0.7%	0.7%	0.6%	40	4.1%	1.1%	4.3%	1.4%
Moderate	197	20.1%	14.5%	21.5%	16.2%	179	18.3%	8.9%	20.7%	10.3%
Middle	447	45.6%	43.6%	40.3%	39.4%	195	19.9%	12.6%	19.0%	11.3%
Upper	330	33.7%	41.2%	37.4%	43.8%	551	56.2%	69.3%	53.8%	74.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	15	1.5%	8.1%	2.2%	2.1%
Total	980	100.0%	100.0%	100.0%	100.0%	980	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	12	0.6%	0.4%	0.8%	0.8%	43	2.0%	0.2%	1.5%	0.3%
Moderate	307	14.4%	7.3%	16.4%	11.7%	225	10.6%	2.6%	8.4%	2.7%
Middle	1,024	48.2%	49.5%	41.7%	45.1%	317	14.9%	7.3%	12.4%	7.1%
Upper	782	36.8%	42.8%	41.0%	42.4%	1,193	56.1%	61.9%	63.6%	77.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	347	16.3%	28.0%	14.0%	12.3%
Total	2,125	100.0%	100.0%	100.0%	100.0%	2,125	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	14	0.8%	0.5%	0.9%	1.1%	0.9%	1.1%	0.9%	1.1%	0.7%
Moderate	305	16.6%	18.7%	15.5%	15.7%	15.5%	15.7%	15.5%	15.7%	15.7%
Middle	731	39.9%	36.1%	36.3%	42.1%	36.3%	42.1%	36.3%	42.1%	42.1%
Upper	782	42.7%	44.8%	43.2%	40.4%	43.2%	40.4%	43.2%	40.4%	40.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	4.1%	0.7%	4.1%	0.7%	4.1%	0.7%	0.7%
Total	1,832	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	1,360	74.2%	48.3%	71.5%	56.4%	71.5%	56.4%	71.5%	56.4%	56.4%
By Loan Size										
\$100,000 or less	1,529	83.5%	36.1%	82.5%	33.1%	82.5%	33.1%	82.5%	33.1%	33.1%
\$100,001-\$250,000	198	10.8%	26.1%	10.8%	23.8%	10.8%	23.8%	10.8%	23.8%	23.8%
\$250,001-\$1 Million	105	5.7%	37.8%	6.7%	43.1%	6.7%	43.1%	6.7%	43.1%	43.1%
Total	1,832	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

INVESTMENT TEST

The overall level of community development investments in the MSA was considered adequate. The MSA benefited from the \$229 million of island-wide investments in collateralized mortgage obligations targeting affordable housing development across Puerto Rico.

Community development qualified investments in the form of charitable grants and contributions in the MSA totaled \$231,000. Examples of charitable grants and contributions include:

- A \$25,000 donation to a project designed to develop business skills in women, young people and adults in prison.
- A \$10,000 donation to a non-profit organization that helps people obtain funds for affordable housing by providing credit counseling, administering funding programs for home improvements and affordable housing development.

SERVICE TEST

The bank's overall performance under the service test is excellent based on readily accessible delivery systems and relatively high level of community development services.

Retail Services:

The bank's delivery systems were readily accessible to essentially all geographies and individuals of different income levels. As of December 31, 2007, four of twelve branches or 33% were located in LMI geographies compared with 33% of the population residing in the assessment area's LMI tracts.

Products, services and branch hours did not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies and LMI individuals.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. During the evaluation period one new branch was opened in a middle-income census tract and one was closed in an upper-income census tract.

Community Development Services:

The bank provides a relatively high level of community development services in the Ponce MSA. The table below shows the number and type of services the bank performed during the evaluation period through its Banco En La Community and Populoso programs, and seminars targeted to individuals and small businesses.

Community Development Services MSA 38660 (Ponce, P.R.)	
Financial Literacy Seminars	54
Technical Assistance	73
Mortgage Education Seminars	8
Small Business Seminars	2
Total	137

METROPOLITAN AND NON-METROPOLITAN AREAS

(LIMITED REVIEW)

MSA 32420 (MAYAGUEZ, PR)

MSA 41900 (SAN GERMAN-CABO ROJO, PR)

MSA 25020 (GUAYAMA, PR)

MSA 21940 (FAJARDO, PR)

MSA 49500 (YAUCO, PR)

**NON-MSA A (MUNICIPALITIES OF ADJUNTAS, JAYUYA, UTUADO, LAS
MARIAS, MARICAO, PR)**

NON-MSA B (MUNICIPALITIES OF COAMO, SANTA ISABEL, SALINAS, PR)

NON-MSA C (MUNICIPALITY OF VIEQUES, PR)

The performance and aggregate information for the assessment areas above can be found in Appendices C through F. Conclusions regarding performance in the individual limited-review assessment areas are related to the overall Commonwealth of Puerto Rico's performance. Details follow:

Assessment Area	Lending Test	Investment Test	Service Test
MSA 32420	Consistent	Consistent	Consistent
MSA 41900	Consistent	Consistent	Consistent
MSA 25020	Consistent	Consistent	Consistent
MSA 21940	Consistent	Consistent	Consistent
MSA 49500	Consistent	Consistent	Consistent
Non-MSA A	Consistent	Consistent	Consistent
Non-MSA B	Consistent	Consistent	Consistent
Non-MSA C	Consistent	Consistent	Consistent

U.S. VIRGIN ISLANDS

CRA RATING FOR ST. THOMAS: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: Low Satisfactory

Major factors supporting the rating include:

- The lending activity reflected good responsiveness to the assessment area credit needs;
- The level of community development lending was adequate;
- The geographic distribution of loans in the bank's assessment area was adequate;
- Distribution of loans among borrowers of different income levels and businesses of different sizes was good;
- The level of qualified investments was good; and,
- Delivery systems were reasonably accessible to essentially all portions of the assessment area.

SCOPE OF EXAMINATION

For the USVI assessment areas, a full review of the institution's performance in the non-MSA assessment area of St. Thomas, and a limited review for the non-MSA assessment area of St. Croix, were conducted.

The majority of BPPR's loans and deposits were concentrated in non-MSA St. Thomas. As a result, this assessment area had a greater impact on the overall rating of the bank in the USVI.

DESCRIPTION OF INSTITUTION'S OPERATIONS

Banco Popular operates five branches in the St. Thomas assessment area, representing 71% of the bank's total branch network in the USVI. Of the bank's total lending in the USVI, this assessment area contained 67% of the HMDA-related and small business loans by number originated during the review period.

BPPR is the market leader in MSA deposits, according to the June 30, 2007 FDIC Summary of Deposit Report. The bank ranked first out of three financial institutions in the St. Thomas assessment area with \$793 million in deposits, representing a 57% market share. The two other competitors operating in St. Thomas include Firstbank of Puerto Rico and Merchants Commercial Bank.

Additional key assessment area data for the two assessment areas in the USVI can be found in Exhibit 9 below.

EXHIBIT 9: Summary of Key Assessment Area Data for The U.S. Virgin Islands			
	St Thomas	St Croix	Totals
Total Population¹	51,181	53,234	104,415
Population % of AA population	49%	51%	100%
Families	12,373	13,250	25,623
Families % of AA families	48%	52%	100%
Total Census Tracts**	15	15	30
Tracts % AA tracts	50%	50%	100%
LMI tracts	0	7	7
LMI tracts % all AA LMI tracts	0%	100%	100%
Total Owner-Occupied Units¹	9,802	8,048	17,850
Units % of AA units	55%	45%	100%
Business Establishments²	1,181	780	1,961
Bus. est. % AA bus. est.	60%	40%	100%
Number of Branches	5	2	7
Branches % all branches	71%	29%	100%
Branches in LMI tracts	0	1	1
LMI branches % AA LMI branches	0%	100%	100%
Branch Deposits (\$'000s)³	793,010	181,370	974,380
Deposits % AA deposits	81%	19%	100%
Deposit Market Share (%) / Rank in Market	56.77% / 1	33.36% / 2	
Home Purchase Originations⁴	55	45	100
HP originations % AA orig.	55%	45%	100%
Refinance Originations⁴	33	44	77
Refi orig. % AA orig.	43%	57%	100%
Home Improvement Originations⁴	148	112	260
Home Improvement orig. % AA orig.	57%	43%	100%
Small Business Originations⁴	380	99	479
SB orig. % AA orig.	79%	21%	100%
Combined Loan Totals⁴	616	300	916
% of AA Orig.	67%	33%	100%

¹ Source: 2000 Census Data.
² Source: 2007 D&B USVI.
³ Source: FDIC Summary of Deposit Data as of June 30, 2007.
⁴ Originations include Originations and loans purchased between 01/01/06 and 12/31/07.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 2000 Census, the population of the USVI assessment areas is 104,000, about evenly divided between St. Thomas and St. Croix. The population in the USVI assessment areas represents about 3% of the total population residing in BPPR's assessment areas. St. Thomas has no LMI census tracts while St. Croix has seven. The vast majority of families, 71%, in St. Thomas, reside in middle-income census tracts.

Income Characteristics

Income levels in the USVI are generally higher than in Puerto Rico. Nevertheless, the same housing affordability issues exist for island residents, as discussed below. The table at the right shows St. Thomas's median income is somewhat higher than that of St. Croix.

HUD MEDIAN FAMILY INCOMES		
NON-MSA	2006	2007
St. Thomas	\$38,000	\$38,500
St. Croix	\$28,700	\$29,000

Housing Characteristics

According to the 2000 census, the USVI assessment areas have 47,812 housing units, of which 16,766 or 35% are owner-occupied. Approximately 44% of housing units are renter-occupied and 19% are vacant. Vacant housing units in non-LMI tracts are generally vacation homes that are not occupied year-round. Many rental units are apartments that are part of private homes. About 5,000 rental units are public housing units.

As reported by the USVI Bureau of Economic Research in the adjacent chart, average home prices in the USVI have climbed over the examination period, most notably in St. Croix, where a 21% increase was experienced from 2005 to 2006. As a result, housing costs in relation to family incomes significantly limit opportunities for home purchase.

MEDIAN HOME SALES PRICES		
NON-MSA	2005	2006
St. Thomas	\$649,655	\$684,742
St. Croix	\$302,874	\$367,938

Labor, Employment and Economic Characteristics

According to the USVI Bureau of Economic Research, the local economy is in the midst of an economic expansion attributed to a vibrant tourism sector and strong business investment. Private sector development projects such as Hovensa's \$400 million desulphurization unit, the \$150 million Yacht Haven Hotel, and the \$63 million Sapphire Beach Recreational Center supports this economic growth.

As shown in the chart at the right, the jobless rate decreased slightly during the examination period in the two assessment areas. However, unemployment levels are much higher in St. Croix. High unemployment levels reflect the need for additional economic development in the area.

AVERAGE UNEMPLOYMENT RATES		
NON-MSA	2006	2007
St. Thomas	5.4%	5.2%
St. Croix	7.5%	7.1%

‡ Unemployment rate includes St. John, which has 3% of the population of USVI.

Exhibit 10, below, illustrates combined demographic data for the USVI, using 2000 Census and 2007 Dunn & Bradstreet data.

EXHIBIT 10								
Combined Assessment Area Demographics Report								
U.S. Virgin Islands								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	10	2,798	11	1,481	20	7,264	28
Moderate-income	4	13	3,547	14	1,537	21	3,526	14
Middle-income	15	50	12,319	48	3,275	44	3,991	16
Upper-income	8	27	6,959	27	1,192	16	10,842	42
N/A	0	0	0	0	0	0	0	0
Total Assessment Area	30	100.0	25,623	100.0	7,485	29	25,623	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	5,182	1,183	7	23	2,893	56	1,106	21
Moderate-income	5,968	2,310	14	39	2,702	45	956	16
Middle-income	22,840	8,288	49	36	10,609	46	3,943	17
Upper-income	13,822	4,985	30	36	4,859	35	2,894	21
Total Assessment Area	47,812	16,766	100.0	35	21,063	44	8,899	19
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	125	6	83	6	14	5	28	7
Moderate-income	664	33	450	35	100	32	114	31
Middle-income	1,083	55	686	52	182	59	215	58
Upper-income	120	6	93	7	13	4	14	4
Tract not reported	0	0	0	0	0	0	0	0
Total Assessment Area	1,992	100.0	1,312	100.0	309	100.0	371	100.0
	Percentage of Total Businesses			66.0		15.0		19.0

NON-METROPOLITAN AREA

(FULL REVIEW)

NON-MSA ST. THOMAS

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BPPR's overall lending performance in the MSA was good. Exhibit 11 contains data used to evaluate geographic and borrower distribution and Appendix C contains data to evaluate community development lending.

Lending Activity:

Lending activity reflected good responsiveness to assessment area credit needs in relation to the bank's capacity and performance context issues.

During the examination period, 617 loans totaling approximately \$78 million were originated in the St. Thomas assessment area. Lending activity in the USVI represents approximately 1% of the bank's total lending activity being evaluated at this examination. Overall lending volume in St. Thomas increased 15% compared with the previous examination as HMDA-related loan volume increased by 93 loans. Small business lending, however, experienced a slight decline of 4% or 14 loans since the previous examination.

Geographic Distribution:

There are no LMI census tracts in non-MSA St. Thomas. Geographic distribution in middle- and upper-income tracts was adequate with HMDA and small business lending sufficiently distributed among these census tracts. Examiners noted that loans were made in both middle- and upper-income census tracts.

Distribution by Borrower Income and Revenue Size of the Business:

Overall distribution of loans among borrowers of different income levels and businesses of different sizes in the St. Thomas assessment area was good. This conclusion is based on adequate HMDA-lending to low-income borrowers, good HMDA-lending to moderate-income borrowers, and excellent lending to small businesses. Consideration was given to the high cost of housing for LMI persons.

According to 2000 Census, St. Thomas has 12,373 families, of which 2,758 (22%) are low-income families and 1,704 (14%) are moderate-income families. In addition, according to 2008 business demographic information provided by the bank, St. Thomas has 1,158 business establishments, of which 728 (63%) are small businesses with GAR of \$1 million or less.

The following table summarizes the bank’s performance with respect to these LMI borrowers and small businesses.

NON-MSA ST. THOMAS				
Product	Low-income Borrowers		Moderate-income Borrowers	
	BPPR Performance	2007¹ Aggregate Comparison	BPPR Performance	2007¹ Aggregate Comparison
Home Purchase	ADEQUATE	NOT APPLICABLE	ADEQUATE	NOT APPLICABLE
Refinance	ADEQUATE	NOT APPLICABLE	ADEQUATE	NOT APPLICABLE
Home Improvement	ADEQUATE	NOT APPLICABLE	EXCELLENT	NOT APPLICABLE
	Lending to Businesses with GAR <= \$1 million		2007 Aggregate Comparison	
Small Business	EXCELLENT		NOT APPLICABLE	

¹ Properties located in the USVI are not HMDA-reportable; therefore, no aggregate HMDA data is available.

Low-income Borrowers:

BPPR’s HMDA-lending to low-income borrowers in St. Thomas was adequate, given the affordability issues presented to low-income borrowers. During the examination period, the bank did not extend any home purchase or refinance loans to low-income borrowers. However, it was noted that the average home sales price for St. Thomas was 36 times the income of a low-income family for 2006, also making it difficult for lenders to extend home purchase and refinance loans to low-income borrowers in St. Thomas. However, three loans (2%) were made for home improvement loans, which typically have lower loan amounts and serve the credit needs of lower-income borrowers. HMDA-lending to low-income borrowers was significantly below the 22% proportion of low-income families in St. Thomas. There was no aggregate loan data available for comparison.

Moderate-income Borrowers:

HMDA-lending to moderate-income borrowers in St. Thomas was good. The bank made no home purchase loans (0%) and one (2%) refinance loan to moderate-income borrowers. However, it was noted that the average home sale price for St. Thomas was 22 times the income of a moderate-income, also making it difficult for lenders to extend home purchase and home refinance loans to moderate-income home buyers. Again, home improvement loans with their lower loan amounts appeared to be a credit need better satisfied by the bank, representing 18% or 27 loans made to moderate-income borrowers. Home purchase and refinance lending was below the 14% proportion of moderate-income families in St. Thomas, while home improvement lending exceeded the moderate-income family proportion. There was no aggregate loan data available for comparison.

Small Business Lending:

BPPR provided an excellent level of lending to small business borrowers with GAR of \$1 million or less. The bank made 67% of its small business loans to small businesses, which exceeded the 63% proportion of business establishments in St. Thomas having GAR of \$1 million or less. The bank's small business lending performance also exceeded the aggregate's, which made 37% of its small business loans to businesses with GAR of \$1 million or less. Also, the bank made 74% of its business loans in amounts of \$100,000 or less, which was below the aggregate's 92% of business loans in amounts of \$100,000 or less.

Community Development Lending:

Community development lending performance in St. Thomas assessment area was considered adequate.

There were six community development loans specifically targeted to the Virgin Islands, totaling \$13 million. Given the affordability issues in extending home purchase and refinance loans to LMI borrowers, more community development efforts are needed in the St. Thomas assessment area. The following loans were made.

- One \$10 million loan to the U.S.V.I. Port Authority to rebuild the port in St. Thomas benefiting the entire U.S.V.I. Rebuilding the port will bring needed jobs to low- and moderate-income individuals across St. Thomas. While the island of St. Thomas is made up of middle- and upper-income census tracts, the middle-income tracts are considered distressed areas with high degrees of poverty. This loan will also provide revitalization and stabilize these geographies.
- Three loans, totaling \$310,000, on the island of St. Croix to a health care provider located in a low-income census tract that provides health care services to the island.
- One loan on the island of St. Croix, for \$1.3 million, to a developer who is constructing a commercial shopping center that will create over 100 jobs for LMI workers. The developer is also utilizing loan proceeds for the construction of affordable housing.
- One working capital loan to a drug store chain located in a St. Croix shopping center. The loan will retain jobs for LMI individuals.

Exhibit 11
2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison
Assessment Area: St. Thomas

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	20	44.4%	31.4%	0.0%	0.0%	2	4.4%	1.8%	0.0%	0.0%
Upper	25	55.6%	68.6%	0.0%	0.0%	43	95.6%	98.2%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	45	100.0%	100.0%	0.0%	0.0%	45	100.0%	100.0%	0.0%	0.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	1	2.3%	0.7%	0.0%	0.0%
Middle	19	43.2%	40.4%	0.0%	0.0%	5	11.4%	6.7%	0.0%	0.0%
Upper	25	56.8%	59.6%	0.0%	0.0%	38	86.4%	92.6%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	44	100.0%	100.0%	0.0%	0.0%	44	100.0%	100.0%	0.0%	0.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	3	2.0%	0.2%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	27	18.2%	6.7%	0.0%	0.0%
Middle	65	43.9%	29.5%	0.0%	0.0%	33	22.3%	8.8%	0.0%	0.0%
Upper	83	56.1%	70.5%	0.0%	0.0%	85	57.4%	84.3%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	148	100.0%	100.0%	0.0%	0.0%	148	100.0%	100.0%	0.0%	0.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	2	50.0%	52.7%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	2	50.0%	47.3%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	100.0%	100.0%	0.0%	0.0%
Total	4	100.0%	100.0%	0.0%	0.0%	4	100.0%	100.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	3	1.2%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	28	11.6%	2.0%	0.0%	0.0%
Middle	106	44.0%	34.4%	0.0%	0.0%	40	16.6%	5.1%	0.0%	0.0%
Upper	135	56.0%	65.6%	0.0%	0.0%	166	68.9%	89.2%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	1.7%	3.7%	0.0%	0.0%
Total	241	100.0%	100.0%	0.0%	0.0%	241	100.0%	100.0%	0.0%	0.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle	268	70.5%	62.5%	36.2%	64.6%					
Upper	112	29.5%	37.5%	8.7%	27.0%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	55.1%	8.4%					
Total	380	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	256	67.4%	48.3%	36.8%	50.2%					
By Loan Size										
\$100,000 or less	282	74.2%	28.6%	91.6%	34.7%					
\$100,001-\$250,000	69	18.2%	29.7%	5.1%	21.6%					
\$250,001-\$1 Million	29	7.6%	41.7%	3.3%	43.7%					
Total	380	100.0%	100.0%	100.0%	100.0%					

INVESTMENT TEST

Banco Popular's investment test performance in St. Thomas was good.

Qualified investments in the U.S. Virgin Islands totaled \$13.3 million, which included \$8.6 million in investments and grants in St. Croix and \$4.7 million in investments in St. Thomas.

In response to addressing affordable housing issues in the USVI, Banco Popular primarily participates in government-sponsored initiatives promoting affordable housing through their investments in mortgage-backed securities and bonds issued by the Federal National Mortgage Association ("Fannie-Mae") and HUD. The two major qualified investments made over the examination period were made using this investment vehicle. A \$4.6 million and a \$5.3 million mortgage-backed security investment were made in St. Thomas, and in St. Croix, respectively.

In St. Thomas an additional 25 grants totaling \$22 thousand were made, supporting community service and economic development activities.

SERVICE TEST

Banco Popular's performance under the service test was adequate based on reasonably accessible delivery systems and adequate community development services.

Retail Services:

Given the small geographic area of St. Thomas, BPPR's delivery systems were reasonably accessible to essentially all portions of the bank's assessment area. St. Thomas has no LMI census tracts. Of the five branches, four were located in middle-income geographies and one was located in an upper-income geography.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. During the evaluation period no new branches were opened or closed.

Services did not vary in a way that inconveniences certain portions of the assessment area. Deposit and credit services are available at all branches as well as via telephone and Internet.

Community Development Services:

BPPR provides an adequate level of community development services in the assessment area.

The bank conducted 45 financial service-related programs over the evaluation period within the assessment area. These activities are summarized in the table to the right and in the discussion below.

Community Development Services St. Thomas	
Financial Literacy Seminars	8
Technical Assistance	23
Small Business Seminars	14
Total	45

- BPPR sponsored outreach workshops through the “Banco En La Community” program, which was offered to the Virgin Islands Housing Authority and the Department of Human Services. BPPR also conducted seven seminars under the “Make a Difference Day” program, where bank employees volunteer to address community service-related issues, including providing technical assistance and educational services to small businesses and individuals. The bank held one financial education seminar for a LMI senior citizen group.
- BPPR’s employees separately served in community organizations partnered with the bank. The employees have provided seven home buyer and three technical assistance workshops to LMI individuals and other community organizations located on the island of St. Thomas.

NON-METROPOLITAN AREA

(LIMITED REVIEW)

NON-MSA ST. CROIX

The performance and demographic information for the above assessment area can be found in the Appendix C, D and F.

Conclusions regarding performance in non-MSA St. Croix were compared with the overall USVI performance, which represents the performance in non-MSA St. Thomas. Conclusions follow:

Assessment Area	Lending Test	Investment Test	Service Test
Non-MSA St. Croix	Consistent	Consistent	Consistent

CRA APPENDIX A
SCOPE OF EXAMINATION

BANCO POPULAR DE PUERTO RICO			
TIME PERIOD REVIEWED	1/1/2006 TO 12/31/2007		
FINANCIAL INSTITUTION Banco Popular de Puerto Rico, 209 Munoz Rivera Avenue San Juan, PR		PRODUCTS REVIEWED <ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement • Small business • Community development 	
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
Popular Mortgage, Inc.	Bank subsidiary		<ul style="list-style-type: none"> • Home purchase • Refinancings
Popular Finance, Inc. Popular Auto, Inc.	Bank subsidiary		<ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement

CRA APPENDIX B

Summary of Ratings

State or MSA	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall Rating
Puerto Rico	Outstanding	Outstanding	Outstanding	Outstanding
United States Virgin Islands	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

CRA APPENDIX C

Community Development Loans 2006-2007

Assessment Area	Affordable Housing		Economic Development		Community Services		Revitalize and Stabilize		Combined Totals	
	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)
Puerto Rico										
MSA 41980	50	159,378	16	181,855	239	145,892	8	95,194	313	582,319
MSA 10380	3	2,552	2	2,860	19	1,730	0	0	24	7,142
MSA 38660	7	23,709	2	9,738	30	11,422	4	21,360	43	66,229
MSA 32420	3	5,018	2	100	16	3,781	1	100	22	8,999
MSA 41900	1	2,925	0	0	1	5	0	0	2	2,930
MSA 25020	4	22,930	0	0	10	245	0	0	14	23,175
MSA 21940	1	3,700	0	0	0	0	0	0	1	3,700
MSA 49500	2	6,887	0	0	2	20	0	0	4	6,907
PR Non-MSA Group A	0	0	1	2,063	11	459	0	0	12	2,522
PR Non-MSA Group B	2	5,600	8	2,288	1	100	0	0	11	7,988
PR Non-MSA Group C	1	396	0	0	0	0	0	0	1	396
Statewide	0	0	0	0	0	0	0	0	0	0
Outside Assessment Area	0	0	0	0	0	0	0	0	0	0
Puerto Rico Totals	74	233,095	31	198,904	329	163,654	13	116,654	447	712,307
U.S. Virgin Islands										
St. Thomas	0	0	0	0	0	0	1	10,002	1	10,002
St. Croix	0	0	2	2,500	3	310	0	0	5	2,810
Statewide	0	0	0	0	0	0	0	0	0	0
Outside Assessment Area	0	0	0	0	0	0	0	0	0	0
U.S.V.I. Totals	0	0	2	2,500	3	310	1	10,002	6	12,812
Total Community Development	74	233,095	33	201,404	332	163,964	14	126,656	453	725,119
Percent Total # / \$	16.3%	32.1%	7.3%	27.8%	73.3%	22.6%	3.1%	17.5%	100.0%	100.0%

CRA APPENDIX D

Qualified Investments 2006-2007										
Assessment Area	Affordable Housing		Economic Development		Community Services		Revitalize and Stabilize		Combined Totals	
	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)
Puerto Rico										
MSA 41980	5	6	23	213	337	3,321	0	0	365	3,540
MSA 10380	0	0	0	0	12	105	0	0	12	105
MSA 38660	0	0	2	11	14	220	0	0	16	230
MSA 32420	0	0	1	25	6	70	0	0	7	95
MSA 41900	0	0	1	5	1	0	0	0	2	5
MSA 25020	0	0	0	0	1	1	0	0	1	1
MSA 21940	1	3	1	3	2	2	0	0	4	8
MSA 49500	0	0	0	0	0	0	0	0	0	0
PR Non-MSA Group A	0	0	2	60	4	38	0	0	6	98
PR Non-MSA Group B	0	0	0	0	1	1	0	0	1	1
PR Non-MSA Group C	0	0	0	0	1	20	0	0	1	20
Statewide	182	229,228	0	0	0	0	0	0	182	229,228
Outside Assessment Area	0	0	0	0	0	0	0	0	0	0
Puerto Rico Totals	188	229,237	30	317	379	3,778	0	0	597	233,332
U.S. Virgin Islands										
St. Thomas	1	4,676	2	1	23	21	0	0	26	4,698
St. Croix	1	8,545	1	0	11	17	0	0	13	8,562
Statewide	1	13	1	1	27	24	0	0	29	37
Outside Assessment Area	0	0	0	0	0	0	0	0	0	0
U.S.V.I. Totals	3	13,234	4	2	61	61	0	0	68	13,297
Total Qualified Investments	191	242,471	34	319	440	3,839	0	0	665	246,629
Percent Total # / \$	28.7%	98.3%	5.1%	0.1%	66.2%	1.6%	0.0%	0.0%	100.0%	100.0%

CRA APPENDIX E

SUMMARY OF BRANCH LOCATIONS (as of 12/31/07)				
PUERTO RICO	Total Branches	Total Branches in LMI Tracts	% of Branches in LMI Tracts	% of Population in LMI Tracts
MSA 41980	134	27	20%	30%
MSA 10380	13	3	23%	8%
MSA 38660	12	4	33%	35%
MSA 32420	9	1	11%	22%
MSA 41900	4	1	25%	1%
MSA 25020	4	0	0%	0%
MSA 21940	5	1	20%	5%
MSA 49500	4	0	0%	5%
PR Non-MSA Group A	5	1	20%	23%
PR Non-MSA Group B	4	0	0%	0%
PR Non-MSA Group C	1	0	0%	6%
Puerto Rico Totals	195	38	19%	25%
U.S. VIRGIN ISLANDS				
St. Thomas	5	0	0%	0%
St. Croix	2	1	50%	48%
U.S.V.I. Totals	7	1	14%	48%
Total Branches	202	39	19%	25%

CRA APPENDIX F

**Loan Distribution Tables & Aggregate Comparisons
Limited-Scope Assessment Areas**

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: MSa 32420 Mayaguez

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.3%	0.9%	3	0.8%	0.2%	0.3%	0.1%
Moderate	24	6.5%	5.0%	11.0%	9.2%	19	5.1%	2.0%	5.5%	2.4%
Middle	197	53.1%	52.2%	46.2%	43.5%	36	9.7%	5.3%	8.0%	4.7%
Upper	150	40.4%	42.9%	42.5%	46.3%	220	59.3%	67.2%	73.3%	83.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	93	25.1%	25.2%	12.8%	9.4%
Total	371	100.0%	100.0%	100.0%	100.0%	371	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.9%	0.3%	1.5%	0.6%
Moderate	4	3.4%	1.8%	11.0%	10.4%	3	2.6%	1.0%	5.5%	2.7%
Middle	65	56.0%	58.6%	48.4%	47.7%	13	11.2%	6.4%	14.0%	8.3%
Upper	47	40.5%	39.6%	40.3%	41.8%	82	70.7%	76.5%	71.8%	80.4%
Unknown	0	0.0%	0.0%	0.2%	0.1%	17	14.7%	15.7%	7.2%	8.0%
Total	116	100.0%	100.0%	100.0%	100.0%	116	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	4	0.8%	0.3%	0.6%	0.2%	18	3.5%	0.6%	5.9%	1.1%
Moderate	59	11.6%	11.2%	18.7%	15.3%	96	18.9%	7.3%	15.3%	7.8%
Middle	267	52.5%	45.4%	47.3%	37.3%	101	19.8%	9.2%	17.6%	10.3%
Upper	179	35.2%	43.1%	33.4%	47.2%	280	55.0%	68.0%	53.6%	77.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	14	2.8%	14.8%	7.6%	3.9%
Total	509	100.0%	100.0%	100.0%	100.0%	509	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	25.0%	5.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	2	50.0%	24.1%	25.0%	2.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	2	50.0%	75.9%	50.0%	93.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	100.0%	100.0%	100.0%	100.0%
Total	4	100.0%	100.0%	100.0%	100.0%	4	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	4	0.4%	0.0%	0.3%	0.5%	22	2.2%	0.3%	2.4%	0.4%
Moderate	87	8.7%	5.1%	13.4%	10.0%	118	11.8%	2.6%	8.5%	2.8%
Middle	531	53.1%	50.0%	47.1%	43.1%	150	15.0%	5.8%	12.8%	6.4%
Upper	378	37.8%	44.8%	39.1%	46.4%	582	58.2%	63.9%	66.6%	78.6%
Unknown	0	0.0%	0.0%	0.1%	0.0%	128	12.8%	27.5%	9.7%	11.8%
Total	1,000	100.0%	100.0%	100.0%	100.0%	1,000	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	16	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%
Moderate	209	15.8%	15.3%	15.9%	15.3%	15.9%	15.3%	18.3%	15.9%	18.3%
Middle	673	50.9%	49.7%	46.9%	49.7%	46.9%	49.7%	42.7%	46.9%	42.7%
Upper	424	32.1%	34.3%	32.0%	34.3%	32.0%	34.3%	37.3%	32.0%	37.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	4.0%	0.0%	4.0%	0.0%	0.5%	4.0%	0.5%
Total	1,322	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	926	70.0%	44.9%	71.7%	44.9%	71.7%	44.9%	52.9%	71.7%	52.9%
By Loan Size										
\$100,000 or less	1,065	80.6%	33.8%	79.0%	33.8%	79.0%	33.8%	27.7%	79.0%	27.7%
\$100,001-\$250,000	171	12.9%	28.9%	11.8%	28.9%	11.8%	28.9%	22.7%	11.8%	22.7%
\$250,001-\$1 Million	86	6.5%	37.3%	9.2%	37.3%	9.2%	37.3%	49.6%	9.2%	49.6%
Total	1,322	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: MSA 41900 San Germán-Cabo

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.1%	0.0%
Moderate	3	0.4%	0.4%	0.5%	0.3%	16	2.1%	0.9%	1.2%	0.4%
Middle	640	85.3%	86.3%	84.6%	86.4%	50	6.7%	4.1%	8.2%	4.7%
Upper	107	14.3%	13.2%	14.6%	13.2%	487	64.9%	70.2%	78.9%	86.8%
Unknown	0	0.0%	0.0%	0.3%	0.2%	197	26.3%	24.8%	11.6%	8.0%
Total	750	100.0%	100.0%	100.0%	100.0%	750	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.7%	0.2%	1.2%	0.4%
Moderate	1	0.7%	0.3%	2.6%	2.1%	2	1.3%	0.7%	6.5%	2.9%
Middle	114	74.5%	74.8%	78.4%	80.6%	13	8.5%	4.8%	12.7%	7.3%
Upper	38	24.8%	24.9%	19.1%	17.3%	105	68.6%	72.5%	73.5%	83.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	32	20.9%	21.9%	6.1%	6.3%
Total	153	100.0%	100.0%	100.0%	100.0%	153	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	18	2.6%	0.5%	5.5%	1.3%
Moderate	3	0.4%	0.1%	1.2%	1.1%	102	15.0%	6.5%	13.4%	6.0%
Middle	600	88.1%	84.9%	85.3%	80.8%	168	24.7%	14.2%	26.8%	14.9%
Upper	78	11.5%	15.1%	13.6%	18.0%	378	55.5%	71.3%	52.7%	75.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	15	2.2%	7.5%	1.6%	2.6%
Total	681	100.0%	100.0%	100.0%	100.0%	681	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	19	1.2%	0.1%	1.8%	0.2%
Moderate	7	0.4%	0.4%	1.3%	0.8%	120	7.6%	1.5%	5.9%	1.5%
Middle	1,354	85.5%	84.6%	83.0%	84.3%	231	14.6%	5.3%	14.4%	6.2%
Upper	223	14.1%	15.0%	15.6%	14.7%	970	61.2%	70.7%	70.5%	84.9%
Unknown	0	0.0%	0.0%	0.1%	0.1%	244	15.4%	22.4%	7.4%	7.2%
Total	1,584	100.0%	100.0%	100.0%	100.0%	1,584	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	37	4.3%	1.5%	3.3%	1.4%	76.9%	87.3%	13.8%	10.8%	0.0%
Middle	713	83.0%	88.1%	76.9%	87.3%	13.8%	10.8%	6.0%	0.6%	0.0%
Upper	109	12.7%	10.4%	13.8%	10.8%	6.0%	0.6%	100.0%	100.0%	100.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	859	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	634	73.8%	47.1%	75.0%	53.5%					
By Loan Size										
\$100,000 or less	742	86.4%	39.0%	80.8%	27.2%					
\$100,001-\$250,000	82	9.5%	26.3%	10.7%	21.8%					
\$250,001-\$1 Million	35	4.1%	34.7%	8.5%	51.0%					
Total	859	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: MSA 25020 Guayama

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	19	3.8%	2.6%	5.7%	4.1%
Middle	436	88.3%	87.9%	83.3%	83.5%	72	14.6%	10.9%	14.8%	11.9%
Upper	58	11.7%	12.1%	14.4%	14.4%	269	54.5%	60.5%	58.1%	65.5%
Unknown	0	0.0%	0.0%	2.3%	2.1%	134	27.1%	26.1%	21.5%	18.5%
Total	494	100.0%	100.0%	100.0%	100.0%	494	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	1	1.0%	0.4%	1.7%	0.7%
Moderate	0	0.0%	0.0%	0.0%	0.0%	1	1.0%	0.5%	7.5%	4.0%
Middle	67	66.3%	69.7%	74.1%	75.0%	7	6.9%	3.5%	11.5%	8.7%
Upper	34	33.7%	30.3%	25.2%	24.2%	71	70.3%	77.4%	68.1%	77.2%
Unknown	0	0.0%	0.0%	0.7%	0.8%	21	20.8%	18.2%	11.2%	9.3%
Total	101	100.0%	100.0%	100.0%	100.0%	101	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	8	1.4%	0.6%	1.6%	0.9%
Moderate	0	0.0%	0.0%	0.0%	0.0%	81	14.4%	8.0%	16.0%	8.4%
Middle	433	77.0%	79.1%	79.5%	81.6%	123	21.9%	12.4%	22.1%	13.9%
Upper	129	23.0%	20.9%	20.5%	18.4%	344	61.2%	75.0%	59.3%	75.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	1.1%	4.0%	0.9%	1.6%
Total	562	100.0%	100.0%	100.0%	100.0%	562	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	2	66.7%	51.4%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	33.3%	48.6%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	100.0%	100.0%	100.0%	100.0%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	9	0.8%	0.1%	0.9%	0.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	101	8.7%	2.8%	8.9%	4.3%
Middle	938	80.9%	80.5%	80.1%	81.6%	202	17.4%	9.0%	15.9%	10.8%
Upper	222	19.1%	19.5%	18.6%	16.9%	684	59.0%	58.6%	60.8%	67.3%
Unknown	0	0.0%	0.0%	1.3%	1.5%	164	14.1%	29.5%	13.6%	17.4%
Total	1,160	100.0%	100.0%	100.0%	100.0%	1,160	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle	566	78.2%	75.0%	75.9%	74.0%	75.9%	74.0%	75.9%	74.0%	74.0%
Upper	158	21.8%	25.0%	20.7%	25.6%	20.7%	25.6%	20.7%	25.6%	25.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	3.4%	0.4%	3.4%	0.4%	3.4%	0.4%	0.4%
Total	724	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	569	78.6%	55.8%	79.3%	60.1%	79.3%	60.1%	79.3%	60.1%	60.1%
By Loan Size										
\$100,000 or less	633	87.4%	41.4%	85.2%	34.8%	85.2%	34.8%	85.2%	34.8%	34.8%
\$100,001-\$250,000	54	7.5%	19.8%	8.0%	17.7%	8.0%	17.7%	8.0%	17.7%	17.7%
\$250,001-\$1 Million	37	5.1%	38.8%	6.8%	47.5%	6.8%	47.5%	6.8%	47.5%	47.5%
Total	724	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: MSA 21940 Fajardo

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.2%	0.0%	0.2%	0.1%
Moderate	116	24.9%	25.9%	19.5%	21.7%	9	1.9%	1.0%	3.6%	1.6%
Middle	260	55.9%	50.1%	51.8%	46.5%	28	6.0%	3.9%	10.4%	5.8%
Upper	89	19.1%	24.0%	28.2%	31.5%	195	41.9%	49.6%	68.0%	80.8%
Unknown	0	0.0%	0.0%	0.5%	0.3%	232	49.9%	45.5%	17.8%	11.7%
Total	465	100.0%	100.0%	100.0%	100.0%	465	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	1	1.0%	0.2%	2.6%	1.0%
Moderate	17	16.5%	18.9%	15.3%	18.4%	4	3.9%	2.3%	7.3%	4.7%
Middle	71	68.9%	63.0%	56.9%	55.1%	7	6.8%	5.0%	17.3%	13.2%
Upper	15	14.6%	18.1%	27.2%	26.1%	58	56.3%	60.8%	63.1%	71.3%
Unknown	0	0.0%	0.0%	0.6%	0.5%	33	32.0%	31.7%	9.7%	9.7%
Total	103	100.0%	100.0%	100.0%	100.0%	103	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	17	4.4%	1.3%	6.5%	1.7%
Moderate	78	20.2%	20.9%	17.1%	11.7%	58	15.0%	7.1%	18.7%	9.6%
Middle	225	58.1%	57.7%	57.7%	63.4%	92	23.8%	16.0%	27.8%	20.8%
Upper	84	21.7%	21.5%	25.2%	24.9%	207	53.5%	65.5%	46.2%	65.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	13	3.4%	10.2%	0.8%	2.1%
Total	387	100.0%	100.0%	100.0%	100.0%	387	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	19	2.0%	0.2%	1.9%	0.4%
Moderate	211	22.1%	24.3%	18.0%	20.5%	71	7.4%	1.9%	7.2%	2.7%
Middle	556	58.2%	52.8%	54.2%	49.3%	127	13.3%	5.5%	15.2%	8.3%
Upper	188	19.7%	22.9%	27.4%	29.9%	460	48.2%	53.0%	63.0%	77.8%
Unknown	0	0.0%	0.0%	0.4%	0.3%	278	29.1%	39.5%	12.7%	10.8%
Total	955	100.0%	100.0%	100.0%	100.0%	955	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	0		0.0%		0.0%		0.0%		0.0%	
Moderate	155		24.9%		25.9%		25.6%		24.1%	
Middle	287		46.1%		41.2%		48.8%		52.0%	
Upper	180		28.9%		32.9%		21.5%		22.2%	
Unknown	0		0.0%		0.0%		0.0%		0.0%	
Tract Unknown	0		0.0%		0.0%		4.1%		1.7%	
Total	622		100.0%		100.0%		100.0%		100.0%	
By Revenue										
\$1 Million or Less	488		78.5%		57.8%		73.9%		61.7%	
By Loan Size										
\$100,000 or less	546		87.8%		47.7%		86.4%		40.2%	
\$100,001-\$250,000	53		8.5%		25.7%		9.1%		26.3%	
\$250,001-\$1 Million	23		3.7%		26.7%		4.5%		33.5%	
Total	622		100.0%		100.0%		100.0%		100.0%	

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: MSA 49500 Yauco

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.4%	0.1%	0.4%	0.1%
Moderate	1	0.4%	0.2%	0.4%	0.4%	4	1.5%	0.6%	1.3%	0.6%
Middle	162	62.3%	58.5%	64.3%	60.3%	8	3.1%	1.7%	8.3%	5.1%
Upper	97	37.3%	41.3%	35.0%	39.1%	155	59.6%	65.0%	74.0%	82.8%
Unknown	0	0.0%	0.0%	0.2%	0.2%	92	35.4%	32.7%	15.9%	11.4%
Total	260	100.0%	100.0%	100.0%	100.0%	260	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	2.1%	0.7%
Moderate	0	0.0%	0.0%	2.7%	2.0%	0	0.0%	0.0%	2.1%	0.9%
Middle	34	60.7%	56.3%	68.7%	66.9%	3	5.4%	4.1%	15.7%	9.8%
Upper	22	39.3%	43.7%	28.6%	31.0%	43	76.8%	79.6%	74.4%	79.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	10	17.9%	16.4%	5.7%	8.8%
Total	56	100.0%	100.0%	100.0%	100.0%	56	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	7	1.8%	0.5%	4.2%	0.8%
Moderate	14	3.5%	1.8%	3.7%	3.3%	41	10.4%	3.2%	11.2%	4.5%
Middle	301	76.2%	72.5%	71.1%	65.7%	84	21.3%	13.1%	24.7%	18.9%
Upper	80	20.3%	25.8%	25.2%	31.0%	260	65.8%	80.1%	59.2%	74.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	0.8%	3.2%	0.7%	1.1%
Total	395	100.0%	100.0%	100.0%	100.0%	395	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	8	1.1%	0.2%	2.2%	0.4%
Moderate	15	2.1%	0.5%	2.2%	1.3%	45	6.3%	1.0%	5.0%	1.2%
Middle	498	69.9%	61.0%	68.0%	63.4%	95	13.3%	4.1%	16.1%	8.5%
Upper	199	27.9%	38.5%	29.7%	35.2%	458	64.3%	69.4%	68.8%	80.5%
Unknown	0	0.0%	0.0%	0.1%	0.1%	106	14.9%	25.3%	7.8%	9.3%
Total	712	100.0%	100.0%	100.0%	100.0%	712	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	19	2.6%	0.7%	2.2%	1.3%					
Middle	551	74.5%	79.1%	67.0%	64.7%					
Upper	170	23.0%	20.2%	25.7%	33.1%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	4.0%	0.4%					
Total	740	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	587	79.3%	59.9%	70.3%	57.5%					
By Loan Size										
\$100,000 or less	668	90.3%	48.1%	87.8%	38.3%					
\$100,001-\$250,000	47	6.4%	22.2%	7.5%	22.1%					
\$250,001-\$1 Million	25	3.4%	29.7%	4.7%	39.6%					
Total	740	100.0%	100.0%	100.0%	100.0%					

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: PR Non MSA GRP A

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	14	11.7%	12.9%	11.7%	11.1%	3	2.5%	1.1%	9.4%	3.0%
Middle	103	85.8%	84.6%	85.7%	86.3%	7	5.8%	3.4%	9.0%	5.5%
Upper	3	2.5%	2.5%	2.6%	2.6%	72	60.0%	68.8%	55.6%	71.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	38	31.7%	26.8%	25.9%	20.3%
Total	120	100.0%	100.0%	100.0%	100.0%	120	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	6	15.0%	12.4%	16.5%	15.1%	2	5.0%	2.6%	4.9%	1.9%
Middle	33	82.5%	86.3%	80.7%	82.8%	5	12.5%	6.5%	7.0%	3.6%
Upper	1	2.5%	1.3%	2.8%	2.1%	28	70.0%	77.5%	79.6%	83.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	12.5%	13.4%	8.4%	11.6%
Total	40	100.0%	100.0%	100.0%	100.0%	40	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	5	1.1%	0.2%	1.8%	0.5%
Moderate	101	22.2%	24.7%	20.2%	17.7%	43	9.5%	4.7%	10.4%	3.5%
Middle	324	71.2%	64.5%	74.5%	74.0%	89	19.6%	12.6%	21.8%	14.6%
Upper	30	6.6%	10.8%	5.2%	8.3%	313	68.8%	77.6%	66.0%	81.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	1.1%	4.9%	0.0%	0.0%
Total	455	100.0%	100.0%	100.0%	100.0%	455	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	5	0.8%	0.1%	0.7%	0.1%
Moderate	121	19.7%	17.4%	16.4%	13.9%	48	7.8%	2.7%	8.3%	2.6%
Middle	460	74.8%	77.0%	79.9%	82.9%	101	16.4%	7.5%	13.1%	5.9%
Upper	34	5.5%	5.5%	3.6%	3.2%	413	67.2%	73.6%	67.3%	78.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	48	7.8%	16.2%	10.6%	13.5%
Total	615	100.0%	100.0%	100.0%	100.0%	615	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	182	25.3%	22.3%	24.8%	20.5%	24.8%	20.5%	24.8%	20.5%	20.5%
Middle	520	72.4%	76.6%	68.5%	77.0%	68.5%	77.0%	68.5%	77.0%	77.0%
Upper	16	2.2%	1.1%	2.8%	1.7%	2.8%	1.7%	2.8%	1.7%	1.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	3.9%	0.8%	3.9%	0.8%	3.9%	0.8%	0.8%
Total	718	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	607	84.5%	59.4%	81.1%	65.3%	81.1%	65.3%	81.1%	65.3%	65.3%
By Loan Size										
\$100,000 or less	668	93.0%	54.3%	91.3%	44.8%	91.3%	44.8%	91.3%	44.8%	44.8%
\$100,001-\$250,000	32	4.5%	18.7%	4.4%	16.6%	4.4%	16.6%	4.4%	16.6%	16.6%
\$250,001-\$1 Million	18	2.5%	27.0%	4.4%	38.5%	4.4%	38.5%	4.4%	38.5%	38.5%
Total	718	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: PR Non MSA GRP B

Income Categories	HMDA										
	By Tract Income					By Borrower Income					
	Bank		Aggregate			Bank		Aggregate			
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)	
Home Purchase											
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	
Moderate	0	0.0%	0.0%	0.0%	0.0%	4	1.2%	0.6%	1.4%	0.7%	
Middle	296	85.8%	86.5%	83.2%	84.4%	18	5.2%	3.3%	7.9%	5.4%	
Upper	49	14.2%	13.5%	16.8%	15.6%	187	54.2%	58.9%	75.1%	81.7%	
Unknown	0	0.0%	0.0%	0.0%	0.0%	136	39.4%	37.3%	15.6%	12.2%	
Total	345	100.0%	100.0%	100.0%	100.0%	345	100.0%	100.0%	100.0%	100.0%	
Refinance											
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.2%	0.0%	
Moderate	0	0.0%	0.0%	0.0%	0.0%	2	1.9%	0.6%	3.2%	1.4%	
Middle	80	77.7%	75.8%	73.5%	71.8%	5	4.9%	2.4%	8.4%	4.7%	
Upper	23	22.3%	24.2%	26.5%	28.2%	70	68.0%	73.0%	77.5%	83.8%	
Unknown	0	0.0%	0.0%	0.0%	0.0%	26	25.2%	24.0%	10.6%	10.0%	
Total	103	100.0%	100.0%	100.0%	100.0%	103	100.0%	100.0%	100.0%	100.0%	
Home Improvement											
Low	0	0.0%	0.0%	0.0%	0.0%	6	1.3%	0.4%	1.2%	0.4%	
Moderate	0	0.0%	0.0%	0.0%	0.0%	45	10.0%	3.1%	13.0%	4.5%	
Middle	376	83.6%	79.3%	87.9%	80.8%	78	17.3%	12.0%	14.5%	8.0%	
Upper	74	16.4%	20.7%	12.1%	19.2%	315	70.0%	78.4%	70.7%	86.3%	
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	1.3%	6.1%	0.6%	0.8%	
Total	450	100.0%	100.0%	100.0%	100.0%	450	100.0%	100.0%	100.0%	100.0%	
Multi-Family											
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	
HMDA Totals											
Low	0	0.0%	0.0%	0.0%	0.0%	6	0.7%	0.1%	0.3%	0.0%	
Moderate	0	0.0%	0.0%	0.0%	0.0%	51	5.7%	1.0%	4.2%	1.1%	
Middle	752	83.7%	83.5%	81.3%	80.0%	101	11.2%	4.4%	9.3%	5.3%	
Upper	146	16.3%	16.5%	18.7%	20.0%	572	63.7%	64.4%	75.0%	82.7%	
Unknown	0	0.0%	0.0%	0.0%	0.0%	168	18.7%	30.2%	11.3%	10.9%	
Total	898	100.0%	100.0%	100.0%	100.0%	898	100.0%	100.0%	100.0%	100.0%	
SMALL BUSINESS											
By Tract Income											
		Bank			Aggregate						
	#	%	% \$(000s)	%	% \$(000s)		%	% \$(000s)	%	% \$(000s)	
Low	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	
Moderate	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	
Middle	396	79.0%	79.0%	87.8%	87.8%		72.3%	72.3%	73.4%	73.4%	
Upper	105	21.0%	21.0%	12.2%	12.2%		23.5%	23.5%	26.1%	26.1%	
Unknown	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%		4.3%	4.3%	0.5%	0.5%	
Total	501	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%	
By Revenue											
\$1 Million or Less	404	80.6%	80.6%	58.9%	58.9%		75.5%	75.5%	64.0%	64.0%	
By Loan Size											
\$100,000 or less	450	89.8%	89.8%	44.9%	44.9%		84.0%	84.0%	30.5%	30.5%	
\$100,001-\$250,000	35	7.0%	7.0%	22.8%	22.8%		8.3%	8.3%	19.2%	19.2%	
\$250,001-\$1 Million	16	3.2%	3.2%	32.2%	32.2%		7.8%	7.8%	50.3%	50.3%	
Total	501	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%	

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: PR Non MSA GRP C

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	3	13.6%	14.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	19	86.4%	86.0%	100.0%	100.0%	1	4.5%	1.5%	3.0%	1.1%
Upper	0	0.0%	0.0%	0.0%	0.0%	15	68.2%	67.7%	87.9%	89.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	27.3%	30.9%	9.1%	9.3%
Total	22	100.0%	100.0%	100.0%	100.0%	22	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	2.8%	0.5%
Moderate	3	30.0%	27.3%	11.1%	11.3%	0	0.0%	0.0%	11.1%	4.1%
Middle	7	70.0%	72.7%	88.9%	88.7%	1	10.0%	1.2%	2.8%	0.7%
Upper	0	0.0%	0.0%	0.0%	0.0%	5	50.0%	32.6%	63.9%	73.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	40.0%	66.2%	19.4%	21.2%
Total	10	100.0%	100.0%	100.0%	100.0%	10	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.8%	0.1%	0.0%	0.0%
Moderate	33	27.7%	19.9%	20.0%	10.1%	11	9.2%	1.7%	10.7%	2.3%
Middle	86	72.3%	80.1%	80.0%	89.9%	26	21.8%	8.0%	20.0%	5.9%
Upper	0	0.0%	0.0%	0.0%	0.0%	80	67.2%	85.9%	68.0%	90.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	0.8%	4.3%	1.3%	1.2%
Total	119	100.0%	100.0%	100.0%	100.0%	119	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.7%	0.0%	0.7%	0.2%
Moderate	39	25.8%	18.7%	13.2%	6.4%	11	7.3%	0.4%	8.3%	2.1%
Middle	112	74.2%	81.3%	86.8%	93.6%	28	18.5%	3.1%	11.8%	1.6%
Upper	0	0.0%	0.0%	0.0%	0.0%	100	66.2%	64.0%	71.5%	82.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	11	7.3%	32.5%	7.6%	13.6%
Total	151	100.0%	100.0%	100.0%	100.0%	151	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	8	5.4%	2.4%	0.0%	0.0%	3.3%	0.7%	0.0%	0.0%	0.0%
Middle	141	94.6%	97.6%	100.0%	100.0%	91.2%	99.0%	100.0%	100.0%	100.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	5.5%	0.4%	0.0%	0.0%	0.0%
Total	149	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	133	89.3%	58.1%	78.0%	56.9%					
By Loan Size										
\$100,000 or less	133	89.3%	43.3%	82.4%	26.8%					
\$100,001-\$250,000	12	8.1%	29.2%	9.9%	25.5%					
\$250,001-\$1 Million	4	2.7%	27.5%	7.7%	47.6%					
Total	149	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix F (Continued)

2006 & 2007 Loan Distribution Table - 2007 Aggregate Comparison

Assessment Area: St. Croix

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	5	9.1%	5.3%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	12	21.8%	18.5%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	14	25.5%	29.1%	0.0%	0.0%	4	7.3%	4.5%	0.0%	0.0%
Upper	24	43.6%	47.1%	0.0%	0.0%	51	92.7%	95.5%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	55	100.0%	100.0%	0.0%	0.0%	55	100.0%	100.0%	0.0%	0.0%
Refinance										
Low	3	9.1%	18.3%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	6	18.2%	10.0%	0.0%	0.0%	1	3.0%	1.3%	0.0%	0.0%
Middle	8	24.2%	24.1%	0.0%	0.0%	4	12.1%	4.7%	0.0%	0.0%
Upper	16	48.5%	47.6%	0.0%	0.0%	28	84.8%	93.9%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	33	100.0%	100.0%	0.0%	0.0%	33	100.0%	100.0%	0.0%	0.0%
Home Improvement										
Low	24	21.4%	22.3%	0.0%	0.0%	7	6.3%	1.3%	0.0%	0.0%
Moderate	23	20.5%	10.5%	0.0%	0.0%	23	20.5%	8.8%	0.0%	0.0%
Middle	28	25.0%	22.4%	0.0%	0.0%	23	20.5%	13.9%	0.0%	0.0%
Upper	37	33.0%	44.8%	0.0%	0.0%	59	52.7%	76.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	112	100.0%	100.0%	0.0%	0.0%	112	100.0%	100.0%	0.0%	0.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	32	16.0%	12.9%	0.0%	0.0%	7	3.5%	0.3%	0.0%	0.0%
Moderate	41	20.5%	14.2%	0.0%	0.0%	24	12.0%	2.2%	0.0%	0.0%
Middle	50	25.0%	26.2%	0.0%	0.0%	31	15.5%	6.5%	0.0%	0.0%
Upper	77	38.5%	46.8%	0.0%	0.0%	138	69.0%	91.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	200	100.0%	100.0%	0.0%	0.0%	200	100.0%	100.0%	0.0%	0.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)		Bank %	% \$(000s)	Aggregate %	% \$(000s)
Low	23	23.2%	9.5%	6.3%	5.2%					
Moderate	26	26.3%	31.6%	14.6%	48.7%					
Middle	20	20.2%	29.0%	3.6%	12.7%					
Upper	30	30.3%	29.9%	4.7%	20.3%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	70.9%	13.0%					
Total	99	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	67	67.7%	39.0%	32.1%	57.9%					
By Loan Size										
\$100,000 or less	76	76.8%	21.5%	94.8%	29.6%					
\$100,001-\$250,000	13	13.1%	17.5%	2.2%	11.4%					
\$250,001-\$1 Million	10	10.1%	60.9%	3.0%	59.1%					
Total	99	100.0%	100.0%	100.0%	100.0%					

CRA APPENDIX G

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small, relatively permanent statistical subdivision of a county or statistically equivalent entity delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county (or statistically equivalent entity) is always a census tract boundary.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

GLOSSARY (CONTINUED)

Family: A family is a group of two or more people related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Full review: Performance is analyzed considering performance context, quantitative factors and qualitative factors.

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

Household: A household consists of all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

Limited-scope review: Performance is analyzed using only quantitative factors.

Low-income: Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of a geography.

Metropolitan Statistical Area (“MSA”): A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.

Metropolitan Division: A county or group of counties within a **Metropolitan Statistical Area** that contains a population of at least 2.5 million and represents an employment center(s) associated through commuting ties.

GLOSSARY (CONTINUED)

Middle-income: Individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

Moderate-income: Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

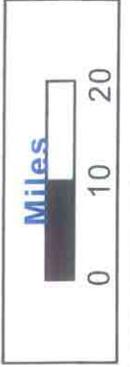
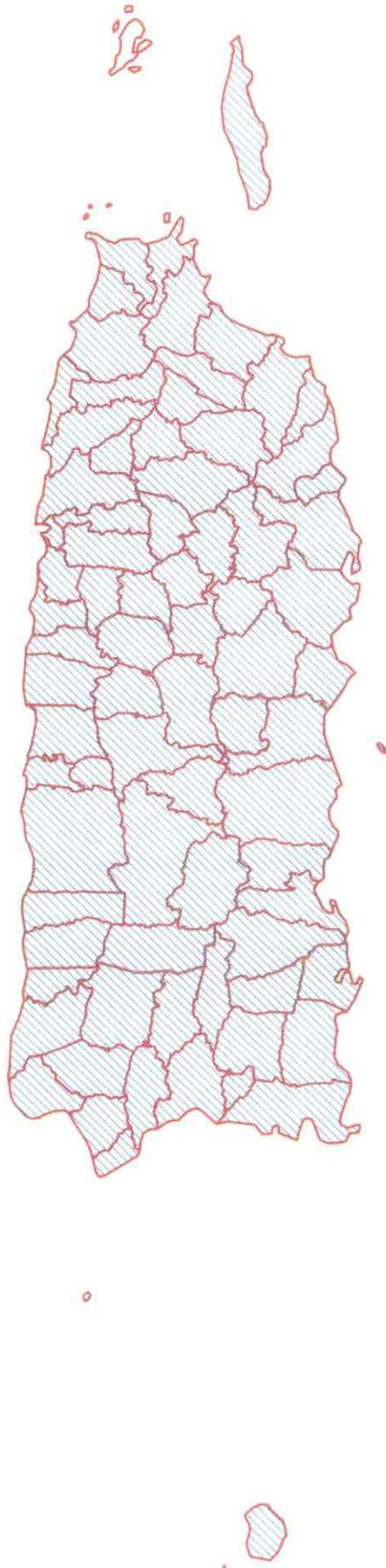
Small loan(s) to business(es): A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report") and the Thrift Financial Reporting ("TFR") instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Upper-income: Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.

Banco Popular de Puerto Rico

Assessment Area

January 1, 2006 - December 31, 2007



Banco Popular de Puerto Rico

Assessment Area

January 1, 2006 - December 31, 2007



Legend

 Island

 Assessment Area

Miles



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