

PUBLIC DISCLOSURE

May 31, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Banco Popular North America
RSSD No. 2736291

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Rosemont, Illinois 60018

Federal Reserve Bank of New York
33 Liberty Street
New York, New York 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.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: Banco Popular North America is rated Satisfactory.

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
High Satisfactory			
Low Satisfactory	X	X	
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 overall volume of lending related to the Home Mortgage Disclosure Act ("HMDA") and small businesses reflected adequate responsiveness to credit needs in the bank's assessment areas;
- The overall level of community development lending was adequate;
- The overall geographic distribution of lending was excellent;
- The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good;
- The level of qualified investments and grants was adequate;
- Retail delivery systems were readily accessible to geographies and individuals of differing income levels within the assessment areas; and,
- Banco Popular North America provided an excellent level of community development services throughout its assessment areas.

INSTITUTION

DESCRIPTION OF INSTITUTION*

Total assets	\$9.0 billion
Net loans & leases	\$6.6 billion
Total domestic deposits	\$6.6 billion
Number of branches	96
Headquarters	Chicago, IL
Bank holding company	Popular North America, Inc.

* As of December 31, 2010.

Banco Popular North America (also referred to as “BPNA” or “Banco Popular”) is a principal subsidiary of Popular North America, Inc., a bank holding company. Popular North America, Inc. is one of several banking entities indirectly owned by Popular, Inc., a diversified, publicly owned bank holding company located in Hato Rey, Puerto Rico.

BPNA’s primary lines of business are commercial and retail banking. BPNA’s domestic deposits are located in 96 branches in five states (New York, New Jersey, Illinois, Florida, and California). BPNA’s largest presence is in the combined New York/New Jersey Metropolitan Area and in California, with 66 percent of all branches located in those states. BPNA’s assets total \$9 billion and net loans and leases total \$6.6 billion, representing 73 percent of total assets.

At this examination, BPNA had four state or multi-state Metropolitan Statistical Areas (MSA) rated areas which encompassed 8 MSA or Metropolitan Division (MD) assessment areas, as detailed below:

1. **MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)**

- MD 35644 (New York-White Plains-Wayne, NY-NJ), including Bronx, Kings (Brooklyn), New York, and Queens Counties in New York and Hudson and portions of Passaic County in New Jersey.
- MD 35084 (Newark-Union, NJ-PA), including Essex and Union Counties.
- MD 20764 (Edison-New Brunswick, NJ), including portions of Middlesex County.

2. **State of California**

- MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA), consisting of:
 - MD 31084 (Los Angeles-Long Beach-Glendale, CA), including Los Angeles County.
 - MD 42044 (Santa Ana-Anaheim-Irvine, CA), including Orange County.
- MSA 41740 (San Diego-Carlsbad-San Marcos, CA), including portions of San Diego County.

3. State of Illinois

- MSA 16980 (Chicago-Joliet-Naperville, IL-IN-WI), consisting of:
 - MD 16974 (Chicago-Joliet-Naperville, IL), including Cook and DuPage Counties, and portions of Kane County.

4. State of Florida

- MSA 36740 (Orlando-Kissimmee-Sanford, FL), including Orange, Seminole County, and portions of Osceola County.
- MSA 33100 (Miami-Fort Lauderdale-Pompano, FL), consisting of:
 - MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield Beach, FL), including Broward County.
 - MD 33124 (Miami-Miami Beach-Kendall, FL), including Miami-Dade County.

During the evaluation period, BPNA underwent a restructuring in 2009 to refocus its core business in response to the economic contraction in the real estate market. This contraction saw a dramatic decline in applications and loan originations as demand for bank services declined along with the decline in property values within many areas serviced by BPNA. BPNA closed, sold or consolidated 55 branches and realigned its assessment areas to a smaller regional market.

The current evaluation period reflects the elimination of the Texas assessment area and significant reductions in BPNA's Florida assessment area. In the remaining portions of its assessment area, BPNA removed one MSA in California, two counties in its NY Metro MSA, and one county in its Illinois MSA.

SCOPE OF EXAMINATION

Procedures

BPNA's performance was reviewed using the Federal Financial Institutions Examination Council's Interagency CRA Procedures for Large Retail Financial Institutions.

Products

Home purchase, refinance, home improvement, and multi-family loans reportable under HMDA and small business loans reportable under CRA were analyzed. Examiners verified the integrity of HMDA and small business loan data reported by BPNA and its affiliates in 2008, 2009 and 2010. The inclusion of consumer loans is optional under the CRA regulation and BPNA chose not to report consumer loans at this exam. Small farm loans were not analyzed as volume was insufficient. Multifamily loans qualifying as community development loans were also considered in the evaluation of community development lending.

Examination Period

HMDA-related and small business loan originations from January 1, 2008 through December 31, 2010 were analyzed. Examiners also reviewed activities pertaining to the service test, community development ("CD") loans and qualified investments for the same period.

Lending Distribution Analysis

Only loans in BPNA's assessment areas were included in the analysis of geographic and borrower distribution. To evaluate the geographic distribution of HMDA-related loans, the proportion of loan originations was compared with the proportion of owner-occupied housing units in low- and moderate-income ("LMI") and non-LMI geographies. For small business loans, the analysis compared the proportion of loan originations with the proportion of businesses located in LMI and non-LMI geographies.

Performance was rated based on penetration in LMI geographies, but performance in LMI geographies was analyzed separately. The analysis took into account lending opportunities in low- income census tracts relative to moderate-income tracts as indicated by demographic data and aggregate lending patterns.

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 2008, 2009 and 2010 were used to categorize borrower income levels for loans originated in those respective years. 2009 Dun and Bradstreet (D&B) 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.

HMDA-related and small business loan performance for 2009 was also compared with the aggregate of all lenders in BPNA's assessment areas subject to HMDA and/or CRA small business loan reporting.

The analysis of HMDA-related and small business lending data was conducted as of December 31, 2010. Since the analysis of geographic and borrower distribution only considers activity within BPNA's assessment area, HMDA-related and small business loan data for assessment areas removed in 2008, 2009 and 2010 were not be considered in the geographic and borrower evaluation.

Deriving Overall Conclusions

BPNA's performance in multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) received the most weight in determining BPNA's overall rating because of the concentration of deposits, lending and demographics in the multi-state assessment area. The state of California was also weighted significantly in determining the bank's overall rating because of its concentration of branches, branch deposits, and lending. For additional details, see Exhibit 1, which contains a summary of assessment area data for all rated areas. In reaching a conclusion about BPNA's overall performance within an individual assessment area, products were weighted based on their volume in that area.

MSA 41740 (San Diego – Carlsbad – San Marcos, CA) did not have a substantial effect on the overall California assessment area and as such was reviewed as a limited scope assessment area.

MSA 41740 had 1% of deposits, 5% of loans, and no branches in the State of California assessment area.

Twenty-five community contacts were conducted by examiners or obtained from other supervisory agencies in order to understand community credit needs. Community contacts were located throughout BPNA's assessment areas and included representatives of community-based organizations, municipalities and quasi-government agencies.

Demographic and economic information also impacts BPNA's performance context and is discussed in detail within each full scope area. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census 2000, National Association of Realtors, the U.S. Department of Labor, and the U.S. Department of Housing and Urban Development ("HUD").

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BPNA's overall performance in meeting the credit needs of its assessment areas under the lending test is rated low satisfactory.

Lending Activity:

BPNA's responsiveness to the retail credit needs of its assessment areas was adequate, given its capacity to meet assessment area credit needs, overall market conditions including the state of the housing market, and weak economic conditions. This conclusion is based on adequate responsiveness in all assessment areas except for the Chicago MSA (MSA 16980) where lending activity was poor. BPNA's lending activity rating was determined by evaluating the volume of HMDA-related and small business loans originated during the examination period.

Loan volume declined significantly since the prior evaluation. As discussed previously, BPNA's assessment areas changed significantly during each year of the examination period as the bank restructured its operations focusing on a more localized banking operation which impacted lending activity. Overall, 6,551 Home Purchase, Refinance, Home Improvement, and Small Business loans were made during the examination period, totaling \$903 million. This represents a large decrease in the number and in the dollar volume of HMDA-related and small business loans made compared to the prior review. It should also be noted that the prior review period covered two years of lending, compared to three for the current evaluation period.

Exhibit 1					
Summary of Key Assessment Area Data					
ASSESSMENT AREA DATA	Multi-State MSA 35620	State of California	State of 'Florida	State of Illinois	Totals
Total Population⁴	10,076,641	14,438,553	5,255,691	6,396,455	36,167,340
Population % of AA population	28%	40%	14%	18%	100%
Families	2,372,794	3,315,112	1,318,384	1,541,981	8,548,271
Families % of AA families	28%	39%	15%	18%	100%
Total Census Tracts⁴	2,700	3,094	914	1,513	8,221
Tracts % AA tracts	33%	38%	11%	18%	100%
LMI tracts	1,207	1,083	284	642	3,216
LMI tracts % all AA LMI tracts	37%	34%	9%	20%	100%
Total Owner-Occupied Units⁴	1,233,492	2,468,516	1,232,173	1,415,874	6,350,055
Units % of AA units	20%	39%	19%	22%	100%
Business Establishments⁵	443,742	761,582	383,130	258,834	1,847,288
Bus. est. % AA bus. est.	24%	41%	21%	14%	100%
Number of Branches¹	39	24	20	13	96
Branches % all branches	41%	25%	21%	13%	100%
Branches in LMI tracts	27	13	9	8	57
LMI branches % AA LMI branches	47%	23%	16%	14%	100%
Branch Deposits (\$'000s)²	3,732,222	1,424,889	1,092,218	1,023,216	7,272,545
Deposits % AA deposits	51%	20%	15%	14%	100%
Deposit Market Share (%) / Rank in Market*	.40%/25	.17%/40	.27%/43	.36%/36	.51%/23
Home Purchase Originations³	39	44	72	58	213
HP originations % AA orig.	18%	21%	34%	27%	100%
Refinance Originations³	127	110	84	86	407
Refi orig. % AA orig.	31%	27%	21%	21%	100%
Home Improvement Originations³	122	91	93	69	375
Home Improvement orig. % AA orig.	33%	24%	25%	18%	100%
Small Business Originations³	873	693	911	519	2,996
SB orig. % AA orig.	29%	23%	31%	17%	100%
Combined Loan Totals	1,161	938	1,160	732	3,991
% of AA Orig.	29%	24%	29%	18%	100%

(1) Branch numbers are as of 12/31/2010. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/10. (3) Originations are loans reported under HMDA or CRA small business reporting for 2008, 2009 and 2010. (4) Demographic information was obtained from the 2000 Census. (5) Business establishments information was reported by D&B for 2009.

BPNA's market share in terms of deposits and particularly in terms of loans was low, with market share figures for home purchase, refinance, and small business lending all below 0.15% while home improvement market shares ranged between 0.23% and 0.92%. Home purchase, refinance and small business loan market share was consistently below the deposit market share in each of BPNA's assessment areas. Also, BPNA's performance was below the lending activity volume of similarly situated banks based on the number of loans per billion dollars of deposits in all MSAs except for the Miami, Florida MSA (MSA 33100), which had similar performance as similarly situated banks.

While BPNA continues to serve the credit needs of its market, it has substantially shrunk portions of its assessment areas. As a result, the number of overall HMDA-related loans and the number of HMDA-related loans made in LMI census tracts and to LMI persons are low, even though the majority of overall lending is still inside the bank's assessment area.

Exhibit 2 SUMMARY OF LENDING ACTIVITY January 1, 2008– December 31, 2010				
LOAN TYPE	#	%	\$(000s)	%
HMDA Home Purchase	1,054	15	\$138,907	13
HMDA Refinancings	623	9	\$136,194	13
HMDA Home Improvement	455	7	\$34,642	3
HMDA Multi Family	257	4	\$160,977	15
Total HMDA-- Related	2,389	35	\$470,720	44
Total Small Business	4,419	65	\$593,106	56
TOTAL LOANS	6,808	100	\$1,063,826	100

Assessment Area Concentration: A high percentage of loans originated by BPNA were extended in BPNA's assessment areas as detailed in the chart below. HMDA loan activity was impacted by several events that occurred during the examination period. These events include the sale of branches in the state of Texas in 2009, the closure, consolidation, and relocation of branches in the state of California in 2009 and 2010, the sale, consolidation and relocation of branches in the states of New York and New Jersey in 2009 and 2010. In addition, these events also include the relocation and consolidation of branches in the State of Florida in 2009, and the relocation and consolidation of branches in the Chicago MSA in 2008, 2009 and 2010, and the consequent realignment of assessment areas.

Exhibit 3								
LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA								
January 1, 2008 – December 31, 2010								
LOAN TYPE	INSIDE				OUTSIDE			
	#	%	\$ (000S)	%	#	%	\$ (000S)	%
2008 HMDA	943	59	\$193,645	61	666	41	\$125,369	39
2008 Small Business	2,504	74	\$263,090	60	880	26	\$174,871	40
TOTAL 2008	3,447	69	\$456,735	60	1,546	31	\$300,240	40
2009 HMDA	376	80	\$79,726	80	95	20	\$20,088	20
2009 Small Business	532	80	\$70,953	72	137	20	\$28,126	28
TOTAL 2009	908	80	\$150,679	76	232	20	\$48,214	24
2010 HMDA	250	81	\$41,700	80	59	19	\$10,192	20
2010 Small Business	318	87	\$43,048	77	48	13	\$13,018	23
TOTAL 2010	568	84	\$84,478	79	107	16	\$23,210	21

Note: This table includes only loans originated or purchased by the bank.

Geographic Distribution:

The overall geographic distribution of HMDA-related and small business loans reflected excellent penetration in LMI geographies. This conclusion is based on excellent penetration in the multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and the state of Illinois and good lending penetration in the states of California and Florida.

The analysis considered performance context issues, such as the number of owner-occupied units in LMI geographies and the market aggregate's performance. Small business lending was factored in significantly in the overall conclusion for the various assessment areas, since approximately three-quarters of all lending was small business lending over the three year evaluation period.

Borrower Distribution:

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good distribution in the multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and the State of California, Illinois and Florida. In making this conclusion, consideration was given to the wide disparity between housing prices and incomes, which makes owner-occupied housing unaffordable to most LMI families residing within the assessment areas. Overall, small business lending factored significantly in the overall conclusion for the various assessment areas, since approximately three-quarters of all lending was small business lending over the three year evaluation period.

BPNA’s borrower and geographic distribution performance was considered in the context of the low volume of HMDA-related lending and small business lending noted in the lending activity evaluation. In some instances, the evaluation of HMDA-related products in LMI geographies or to LMI persons reflected consideration of the very limited lending opportunities, as denoted in the low number of loans made by the aggregate.

BPNA’s use of various innovative and flexible products that served to enhance the level of lending in low- and moderate-income geographies and to low- and moderate-income borrowers was limited.

Community Development Lending:

BPNA’s community development lending performance was adequate based on adequate performance in multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and the states of California and Illinois and good performance in the state of Florida.

Community Development Lending		
Purpose	#	\$('000s)
Affordable Housing	385	\$363,934
Community Services	60	\$74,777
Economic Development	8	\$8,522
Revitalize and Stabilize	18	\$55,038
Totals	471	\$502,271

As shown in the table above, the bank extended 471 community development loans totaling \$502 million. Of note are new commitments amounting to \$271 million, representing 54% of the total activity. BPNA’s community development loans were not particularly complex or innovative and most of the loans were provided in the normal course of commercial lending. This total also includes loans that may be outside of BPNA’s current assessment area, as delineated December 31, 2010, but originated inside BPNA’s assessment area during 2008, 2009 and 2010. For instance, community development loans originated in 2008 in Texas would be outside BPNA’s current assessment area as delineated December 31, 2010, given that most of Texas was removed from BPNA’s assessment area in 2009. However, the loans were inside the bank’s assessment area at the time they were originated and are therefore considered inside BPNA’s assessment area. The same holds true for community development investments. For details on community development lending and investment volumes, see Appendix D and E.

BPNA’s community development lending demonstrated adequate responsive to community needs. In terms of dollar amounts, affordable housing initiatives represented 72% of total activity. According to community contacts, financing for affordable housing is an important need in all of BPNA’s assessment areas. Affordable housing initiatives were primarily multifamily and construction loans which represented 49% and 18% respectively of all community development loans.

INVESTMENT TEST

BPNA's investment test performance is rated low satisfactory. There was an adequate level of qualified investments and grants in all assessment areas. As indicated in the table below, BPNA's volume of qualified investments totaled approximately \$48 million, an annualized increase of 31% when compared the investment activity noted at the previous examination. Thirty-three million, or 69%, were new investments made since the prior examination.

The table to the right illustrates that BPNA's investments exhibited good responsiveness to the most pressing credit and community development needs throughout the assessment areas. Specifically, community contacts noted that affordable housing was a primary community development need.

Qualified Investments		
INVESTMENT PURPOSE	#	\$('000s)
Affordable Housing	37	43,407
Community Services	202	1,823
Economic Development	48	2,298
Revitalize & Stabilize	6	16
Total	293	47,544

BPNA made a total of \$38 million, or 81% of investments in terms of dollar amount in mortgage-backed securities, which are not considered innovative or complex. BPNA's \$5 million in investments in tax credits are considered complex. In addition, comparisons of BPNA's performance in its various assessment areas was relatively weak, compared to peer bank's performances.

Qualified investments made in Texas totaled \$1.9 million or 4% of total qualified investments and are included in the overall investment totals as previously noted.

Details of investments may be found in Appendix E.

SERVICE TEST

BPNA's rating on the service test is outstanding based on its excellent performance in the multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and in the states of California, Illinois and Florida.

Retail Services:

BPNA's branches were readily accessible to BPNA's geographies and individuals of different income levels in its assessment areas. Of BPNA's 96 branches, 57, or 59%, were located in LMI tracts. This compares very favorably with the overall assessment areas population residing in LMI areas. According to the 2000 U.S. Census data, 40% of the overall assessment areas' population resides in LMI areas. In addition, BPNA offers alternative delivery systems including a web-site that is available in both English and Spanish, toll-free telephone and on-line banking.

Community Development Services:

BPNA is a leader in providing community development services throughout its assessment areas. During the evaluation period, BPNA provided approximately 600 services, a 10 percent increase from the previous evaluation period. Examples of qualified services included sponsoring and participating in a significant number of seminars and presentations relating to affordable mortgages, small business development, financial literacy, and the provision of financially related technical services to community organizations.

Additionally, approximately 75 BPNA staff members provided over 130 qualified service activities by serving on the boards of directors or acting as key members of approximately 100 community development organizations, similar to levels noted at the previous evaluation. The community development organizations' missions cover a wide spectrum of activities, including economic and business development, affordable housing, education, health services and numerous other activities that aid LMI individuals.

The following are examples of community development services provided by BPNA:

- In conjunction with a leading provider of government sponsored health plans including Medicare, Medicaid, and state children's health insurance programs, BPNA advises LMI seniors on financial matters.
- BPNA maintains a community strategic partnership with Junior Achievement across its various assessment areas. Employees volunteer in classrooms teaching various business subjects and raise funds for organizational interests. The majority of the students served by Junior Achievement are LMI, or the school in which the program runs is located in an LMI census tract. In addition, BPNA staff act as board members at several Junior Achievement organizations in various cities within BPNA's assessment areas.
- A BPNA branch manager is chairperson of an organization in Chicago that provides technical assistance and individual foreclosure prevention counseling and serves as a panelist at the agency's foreclosure prevention workshops and 'Fix Your Mortgage' events.
- BPNA collaborates with an organization that provides financial presentations to LMI people seeking to start their own businesses. BPNA staff also act as board members for an organization which provides micro-financing credit and other business services to small business owners who do not have access to traditional sources of financing.
- BPNA offers a free checking account for small businesses that requires no minimum balance, no monthly fee, and provides unlimited BPNA ATM access. The account is offered through BPNA's branch network in New York, New Jersey, California, Illinois, Central and Southern Florida.

- A BPNA employee acts as a board member of an organization that owns and operates a section 202 HUD-financed multifamily housing project for the elderly. The project is located in a low-income census tract and consists of 80 housing units.
- A BPNA employee acts as a board member of an organization that assists LMI individuals in areas such as: health, education, employment, economic, community development and housing. The organization is located in a low-income census tract in the Bronx, New York.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

BPNA is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices were identified as being inconsistent with helping to meet community credit needs.

MULTISTATE METROPOLITAN AREA

(FULL REVIEW)

MSA 35620 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-PA)

CRA RATING FOR MULTISTATE MSA 35620: SATISFACTORY

The lending test is rated: Low Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: Outstanding

The major factors supporting the rating include the following:

- Adequate responsiveness to assessment area credit needs;
- An adequate level of community development lending;
- Excellent geographic distribution of loans in BPNA's assessment areas;
- Good distribution of loans among individuals of different income levels and businesses of different revenue sizes;
- An adequate level of qualified investments;
- Readily accessible retail delivery systems to geographies and individuals of different income levels; and,
- An excellent level of community development services

SCOPE OF EXAMINATION

Examiners conducted a full-scope review of multi-state MSA 35620 (New York, Northern New Jersey-Long Island, NY-NJ-PA). BPNA's activities in the multi-state MSA make up a significant proportion of BPNA's operations and were weighted as such when deriving BPNA's overall CRA ratings.

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2010, BPNA has 39 branch locations in MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) also referred to as the "multi-state MSA" or the "multi-state assessment area" representing over a third of its total branch network. A total of 27 or 69% of BPNA's branches in the multi-state MSA are located in LMI census tracts. Based on the Federal Deposit Insurance Corporation ("FDIC") Deposit Market Share Report as of June 30, 2010, 51% of BPNA's total deposit base was held in the MSA. Lending in the MSA represented 29% of the total combined HMDA-related and small business originations extended throughout BPNA's overall assessment areas.

The area is a highly competitive market, home to some of the largest money center banking institutions in the US. BPNA captured a deposit market share of 0.56%, ranking 19th in deposits among the 171 depository institutions operating in this MSA assessment area.

PERFORMANCE CONTEXT

Demographic Characteristics

BPNA’s assessment area in MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) consists of portions of three metropolitan divisions, MD 35644 (New York, White Plains, Wayne NY-NJ), MD 35084 (Newark-Union, NJ-PA), and MD 20764 (Edison-New Brunswick, NJ). According to the 2000 Census, the population of the assessment area exceeds 10 million, with 85% located in MD 35644 (New York, White Plains, Wayne, NY-NJ).

Approximately 49% of the MSA assessment area population resides in LMI geographies, and the LMI geographies are concentrated in New York City, especially in the Bronx. Forty-five percent of the geographies in the assessment area are LMI.

Income Characteristics

According to HUD, the multi-state 2010 median family income was \$62,300. Of the 2.4 million families in the assessment area, 30% are considered low-income, 17% are moderate-income, and 17% have incomes below the poverty level. As shown in the table to the right, there is a wide disparity in income levels across the MSA.

For example, in Middlesex County the Median Family Income (“MFI”) was \$102,000 in 2010. In contrast, the 2010 MFI in Bronx County was \$62,300 in 2010. In addition, low-income and high poverty in New York City, particularly outside of Manhattan, make it difficult for families to afford homes.

HUD MEDIAN FAMILY INCOMES		
Area	2009	2010
MSA 35620	\$61,600	\$62,300
MD 35644	\$64,800	\$65,600
Essex, Union Counties, NJ	\$88,400	\$88,800
Bergen-Passaic Counties, NJ	\$91,200	\$92,200
Middlesex, NJ	\$92,700	\$102,000

Housing Characteristics

The assessment area contains 4 million housing units, of which 31% or 1.2 million are owner-occupied, according to the 2000 Census. Of the available owner-occupied housing units, 4% and 19% are located in low- and moderate-income census tracts, respectively. During the examination period, housing prices decreased. According to the National Association of Realtors, the median sales price for existing single-family homes in the New York-Northern New Jersey-Long Island MSA was \$437,900 in 2008 and \$393,700 in 2010. Despite this decrease, higher home values are found in the suburban areas of the assessment area and in Manhattan (New York County). Most families throughout the assessment area, particularly LMI families, cannot afford to own a home because of the sharp disparity between incomes and housing costs. This indicates the need to provide affordable mortgage programs and develop affordable rental properties for LMI residents. Information received from community contacts also identified the need for affordable housing in this MSA.

Labor, Employment and Economic Characteristics

As summarized in the chart at right, overall unemployment rates increased during the evaluation period and were high overall, reflecting the economic contraction during this timeframe and resulted in fewer lending opportunities. Unemployment levels varied across BPNA’s assessment area, with higher unemployment rates in Essex and Passaic Counties, NJ.

Annual Unemployment Rates		
Area	2009	2010
MD 35644 (NY-WP-Wayne, NY-NJ)	8.7%	8.9%
Essex County, NJ	10.3%	11.0%
Union County, NJ	9.3%	9.6%
Bergen County, NJ	7.8%	8.1%
Middlesex County, NJ	8.5%	8.7%
Passaic County, NJ	11.0%	11.3%
Source: Bureau of Labor Statistics		

Additional performance context data for this assessment area is provided in the Assessment Area Demographics report on the next page.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MULTISTATE MSA 35620 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-PA)

LENDING TEST

BPNA’s performance under the lending test in MSA 35620 is rated low satisfactory. This conclusion is based on adequate community development loan performance, good borrower distribution performance, excellent geographic distribution performance and adequate lending activity performance. Some of the data used to evaluate BPNA’s performance in this MSA assessment area appears in Appendix D.

Lending Activity:

BPNA’s lending activity in MSA 35620 was considered adequate based on lending activity levels, market share and comparison to peer banks and market aggregate data. Performance in small business lending was considered adequate while HMDA-related lending was poor. For the three year evaluation period, lending activity totaled 1,161 loans consisting of 39 home purchase, 127 refinance, 122 home improvement and 873 small business loans. Lending activity declined significantly compared to the prior evaluation period, during which over a two-year period, lending activity totaled 2,792 loans consisting of 248 home purchase, 414 refinance, 259 home improvement, and 1,871 small business loans.

In the MSA, BPNA had a deposit market share of 0.74% of all deposits, compared to a market share of 0.04% in home purchase lending, 0.06% in refinance lending, 0.23% in home improvement lending and 0.06% in small business lending. BPNA’s performance was above the lending activity volume of similarly-situated banks in small business lending but below the lending activity volume of similarly-situated banks in HMDA lending based on the number of loans per billion dollars of deposits. While lending market shares are less than deposit market share, BPNA competes in a highly competitive market and overall market aggregate lending was reduced due to the economic recession in the MSA 35620 assessment area.

Assessment Area Demographics								
Assessment Area : MSA 35620								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	411	15.2	369,918	15.6	145,961	39.5	719,884	30.3
Moderate-income	796	29.5	768,294	32.4	165,276	21.5	409,935	17.3
Middle-income	819	30.3	706,497	29.8	71,027	10.1	418,611	17.6
Upper-income	614	22.7	528,085	22.3	20,987	4.0	824,364	34.7
Unknown-income	60	2.2	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,700	100.0	2,372,794	100.0	403,251	17.0	2,372,794	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	568,882	45,306	3.7	8.0	483,489	85.0	40,087	7.0
Moderate-income	1,200,152	235,302	19.1	19.6	899,287	74.9	65,563	5.5
Middle-income	1,132,444	456,755	37.0	40.3	628,222	55.5	47,467	4.2
Upper-income	1,073,082	496,105	40.2	46.2	517,560	48.2	59,417	5.5
Unknown-income	241	24	0.0	10.0	84	34.9	133	55.2
Total Assessment Area	3,974,801	1,233,492	100.0	31.0	2,528,642	63.6	212,667	5.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	42,339	9.5	36,551	9.6	2,651	8.2	3,137	10.6
Moderate-income	99,934	22.5	87,858	23.0	5,662	17.5	6,414	21.6
Middle-income	107,978	24.3	95,174	24.9	6,805	21.0	5,999	20.2
Upper-income	186,777	42.1	156,920	41.1	16,411	50.7	13,446	45.3
Unknown-income	6,714	1.5	5,242	1.4	817	2.5	655	2.2
Total Assessment Area	443,742	100.0	381,745	100.0	32,346	100.0	29,651	100.0
	Percentage of Total Businesses:			86.0			7.3	6.7

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans was excellent based on excellent performance of small business lending in LMI geographies and excellent HMDA-related penetration in low and moderate-income census tracts. The table on the following page summarizes lending performance in these tracts.

Although lending volumes are low, BPNA made 1, or 4% of its home purchase loans, 2, or 3% of its refinance loans, and 2, or 9%, of its home improvement loans in low-income geographies, exceeding the aggregate's 4% of home improvement loans and slightly below the aggregate's 6% of home purchase and 4% of refinance loans. BPNA's home improvement lending also compares well to the demographics of the assessment area, which indicate that 4% of the available owner-occupied housing units are located within low-income geographies.

MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	EXCELLENT	SLIGHTLY BELOW	EXCELLENT	ABOVE
Refinance	EXCELLENT	SLIGHTLY BELOW	EXCELLENT	SIGNIFICANTLY ABOVE
Home Improvement	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE
Small Business	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE

When compared to the level of owner-occupied housing units and to the aggregate performance, BPNA’s 2008 and 2010 home purchase, refinance and home improvement lending was excellent.

BPNA made 30% of its home purchase, 25% of its refinance, and 27% of its home improvement loans in moderate-income geographies, exceeding the aggregate’s 21% for home purchase loans, 16% for refinance loans, and 17% for home improvement loans. BPNA’s HMDA-related loan performance also compares well to the demographics of the assessment area, which indicate that 19% of the available owner-occupied housing units are located within moderate-income geographies. BPNA’s 2009 HMDA-related performance was similar to its 2009 and 2010 performance.

BPNA originated 19% and 36% of its small business loans in low- and moderate-income geographies, respectively, significantly above the aggregate’s 7% and 19%. BPNA’s performance in low and moderate-income geographies is also above the demographics of the MSA, where 10% of all small businesses operate in low-income geographies and 23% of all small businesses operate in moderate-income geographies. BPNA’s 2008 and 2010 small business performance was similar to its 2009 performance.

Distribution by Borrower Income and Revenue Size of the Business:

BPNA’s lending to LMI borrowers and small businesses of different sizes in the multistate MSA 35620 was good based on a good level of lending to moderate-income borrowers and small businesses and an adequate level of lending to low-income borrowers, as indicated in the chart on the following page.

Low-Income Borrowers

BPNA’s HMDA-related lending performance in lending to low-income borrowers was adequate overall when compared to the 30% of families in the MSA which are of low-income and the performance of the aggregate as well as consideration of performance context issues related to home affordability in the assessment area. During the examination period the bank made 1, or 4%, 1, or 2%, and 6, or 27%, of its home purchase, refinance, and home improvement loans to low-income borrowers respectively.

MSA 35620 (New York- Northern New Jersey- Long Island, NY-NJ-PA)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	POOR	SIGNIFICANTLY ABOVE	POOR	SIGNIFICANTLY BELOW
Refinance	POOR	SLIGHTLY BELOW	GOOD	SLIGHTLY ABOVE
Home Improvement	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE
	Lending to Businesses with GAR <= \$1 million		2009 Aggregate Comparison	
Small Business	GOOD		SIGNIFICANTLY ABOVE	

BPNA’s performance for home purchase and home improvement was significantly above the aggregate while its performance for refinance loans was below. The aggregate made 2%, 2%, and 5% of its home purchase, refinance, and home improvement loans to low-income borrowers, respectively. Performance for 2008 and 2010 was comparable to 2009 performance for home purchase and refinance lending.

BPNA made no home purchase loans to low-income borrowers in 2008 and 2010. Conversely, refinance performance was slightly stronger in 2008 and 2010. 2008 and 2010 home improvement performance was slightly weaker than 2009 performance.

Moderate-Income Borrowers

BPNA’s HMDA-related lending performance to moderate-income borrowers was good overall when compared to the 17% of families in the MSA who are of moderate-income. The bank made 1, or 4%, 6, or 9%, and 5, or 23%, of its home purchase, refinance, and home improvement loans to moderate-income borrowers respectively. BPNA’s performance for home purchase loans was significantly below the aggregate while refinance and home improvement lending performance was above the aggregate. The aggregate made 11%, 8%, and 14% of its home purchase, refinance, and home improvement loans to moderate-income borrowers, respectively.

Performance in 2008 and 2010 was stronger than 2009 performance for home purchase and refinance lending and comparable to 2009 performance for home improvement lending.

Lending to Businesses of Different Sizes

BPNA provided a good level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. BPNA made 56% of its small business loans to these businesses, compared to the 86% of business establishments in the MSA with GAR of \$1 million or less. Performance was significantly above the aggregate which made 17% of its small business loans to businesses with GAR of \$1 million or less. BPNA made 82% of its small business loans in amounts of \$100,000 or less, which was slightly below the aggregate which made 96% of its small business loans in amounts of \$100,000 or less. The average loan size was \$77,000. Performance in 2008 and 2010 was comparable to 2009.

Community Development Lending:

BPNA’s level of community development lending in MSA 35620 was adequate with 101 loan originations totaling \$162 million or 32% of total community development lending. 95% of all community development lending came from the New York State portion of the MSA while 5% was from New Jersey. Performance in the MSA was down 21% compared to the last examination when BPNA reported \$206 million in community development lending within the MSA.

Community Development Lending		
Purpose	#	\$(‘000s)
Affordable Housing	41	78,046
Community Services	49	53,026
Economic Development	1	1,950
Revitalize and Stabilize	10	28,659
Totals	101	161,681

Performance within the MSA was directed at affordable housing with 48% of all community development lending activity. A total of \$115 million or 71% of community development lending was from the current period. Lending outside the assessment area in the broader statewide or regional area that includes the assessment area totaled \$1.8 million or 1% of the multi-state community development activity. Community development lending performance is below that of similarly-situated large retail banks in the MSA.

Examples of community development lending included:

- A \$17 million loan to construct 89 units of housing, of which 67 units must be affordable to LMI purchasers under New York City’s Housing Preservation and Development (“HPD”) affordable cooperative program.
- A \$3 million commercial mortgage to finance renovations to a building in an Empire Development Zone in the Bronx. The business employs 150 workers, the majority of which are of LMI. Proceeds of the loan will allow for business expansion.
- A \$1 million line of credit to a nonprofit corporation that seeks to revitalize the Brownsville community of Brooklyn by providing primary health care services and economic development opportunities. The corporation also provides health care services in other disadvantaged areas in Brooklyn.

2009 Aggregate Comparison Loan Distribution Table

Assessment Area: MSA 35620

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Bank % \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	Bank % \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	1	4.3%	4.2%	5.5%	4.8%	1	4.3%	4.1%	2.0%	0.8%
Moderate	7	30.4%	29.0%	21.2%	17.0%	1	4.3%	2.3%	10.9%	5.5%
Middle	8	34.8%	30.1%	34.5%	27.3%	11	47.8%	41.6%	22.6%	16.2%
Upper	7	30.4%	36.7%	38.3%	49.8%	8	34.8%	46.2%	52.8%	66.3%
Unknown	0	0.0%	0.0%	0.5%	0.9%	2	8.7%	5.8%	11.6%	11.3%
Total	23	100.0%	100.0%	100.0%	100.0%	23	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	2	3.1%	3.3%	3.5%	3.2%	1	1.6%	0.6%	2.1%	1.3%
Moderate	16	25.0%	28.9%	16.4%	14.3%	6	9.4%	5.3%	8.0%	4.8%
Middle	23	35.9%	33.0%	31.3%	26.4%	22	34.4%	29.8%	17.5%	13.0%
Upper	23	35.9%	34.8%	48.6%	55.9%	29	45.3%	54.1%	53.1%	61.3%
Unknown	0	0.0%	0.0%	0.1%	0.2%	6	9.4%	10.2%	19.3%	19.6%
Total	64	100.0%	100.0%	100.0%	100.0%	64	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	2	9.1%	2.9%	4.0%	3.0%	6	27.3%	10.3%	5.2%	1.5%
Moderate	6	27.3%	3.9%	17.4%	13.5%	5	22.7%	7.5%	13.8%	7.2%
Middle	10	45.5%	78.6%	36.4%	28.9%	5	22.7%	35.7%	22.4%	17.1%
Upper	4	18.2%	14.6%	42.3%	54.6%	5	22.7%	45.1%	54.6%	68.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	4.5%	1.4%	4.0%	6.2%
Total	22	100.0%	100.0%	100.0%	100.0%	22	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	12.6%	11.3%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	34.5%	35.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	23.9%	20.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	28.9%	33.4%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.1%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	5	4.6%	3.5%	4.4%	4.3%	8	7.3%	2.3%	2.1%	1.0%
Moderate	29	26.6%	26.9%	18.4%	16.6%	12	11.0%	4.7%	9.2%	4.8%
Middle	41	37.6%	36.0%	32.5%	26.4%	38	34.9%	33.4%	19.4%	13.5%
Upper	34	31.2%	33.6%	44.4%	52.3%	42	38.5%	51.3%	52.4%	59.8%
Unknown	0	0.0%	0.0%	0.3%	0.5%	9	8.3%	8.3%	16.9%	20.9%
Total	109	100.0%	100.0%	100.0%	100.0%	109	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	Bank % \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	20	18.5%	15.7%	6.9%	6.4%					
Moderate	39	36.1%	39.1%	19.2%	18.1%					
Middle	27	25.0%	27.8%	24.4%	24.1%					
Upper	20	18.5%	16.1%	47.7%	49.1%					
Unknown	2	1.9%	1.3%	1.0%	1.7%					
Tract Unknown	0	0.0%	0.0%	0.9%	0.6%					
Total	108	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	60	55.6%	34.2%	17.2%	24.9%					
By Loan Size										
\$100,000 or less	89	82.4%	54.6%	95.6%	39.5%					
\$100,001-\$250,000	16	14.8%	33.9%	2.0%	13.1%					
\$250,001-\$1 Million	3	2.8%	11.5%	2.4%	47.4%					
Total	108	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

INVESTMENT TEST

BPNA's investment test performance in MSA 35620 is rated low satisfactory. Qualified investments totaled \$19 million or 41% of BPNA's total qualified investments, compared to \$7.4 million at the last examination. This represents an annualized increase of 76%. However, BPNA's community development investment performance was below other similarly-situated banks operating in the assessment area. Examples of qualified investments include:

- A \$100,000 certificate of deposit in a community development financial institution located in a moderate-income census tract.
- A \$1.4 million equity investment in an organization that provides affordable housing to LMI persons.
- A \$10 million mortgage backed security to provide subsidized housing to moderate-income workers who receive government subsidiaries.

SERVICE TEST

BPNA's overall performance on the service test is rated outstanding, based on its level of community development services and the accessibility of its delivery systems.

Retail Services:

BPNA's delivery systems were readily accessible to all portions of the MSA, including LMI areas. Overall, BPNA has 39 branches in this multi-state MSA, of which 27, or 69 percent, are located in LMI areas. This compares very favorably with the 40 percent of the MSA population residing in LMI areas. BPNA also has one off-site ATM in a low-income census tract in this assessment area.

While changes in branch locations during the evaluation period did not adversely affect the accessibility of its delivery systems, during the evaluation period, BPNA closed 8 branches in the MSA, of which 6, or 75%, were in LMI census tracts. No branches were opened. BPNA continued to meet the needs of its assessment area with its existing branch network.

Services are tailored to the convenience and needs of BPNA's assessment area, including LMI geographies and/or LMI individuals. Of the total 39 branches in the MSA, 27, or 69%, of the branches had Saturday hours. Also, 20 out of the 27 total LMI branches in the MSA, 74%, have Saturday hours.

Community Development Services:

BPNA was a leader in providing community development services throughout the assessment area. BPNA provided 253 services which included a significant number of seminars to community organizations and sponsoring groups relating to affordable mortgages, small business development, and financial literacy.

Additionally, approximately 23 BPNA staff members provided 37 services including serving on the boards of directors or providing financial technical assistance to approximately 32 community development organizations. Approximately 25, or 78%, of these organizations are located in LMI census tracts. BPNA staff provided financial management expertise and technical assistance to these organizations.

STATE OF CALIFORNIA

CRA RATING FOR CALIFORNIA: SATISFACTORY

The lending test is rated: Low Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: Outstanding

The major factors supporting the rating include:

- BPNA's lending activity in the state of California was considered adequate.
- An adequate level of community development lending;
- The geographic distribution of loans in BPNA's assessment areas was good;
- The overall distribution of loans among individuals of different income levels and businesses of different revenue sizes was good;
- An adequate level of qualified investments;
- Delivery Systems that were readily accessible to geographies and individuals of different income levels; and,
- BPNA provided a relatively high level of community development services

SCOPE OF EXAMINATION

MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA) was the only full scope assessment area for the State of California based on such measures as deposit concentration, lending volume and branch office network. As shown in Exhibit 4, MSA 31100 takes in 99% of BPNA's deposits, 96% of BPNA's loans, and 96% of BPNA's branches in the state of California. MSA 31100 encompasses two Metropolitan Divisions in California, MD 31084 (Los Angeles, Long Beach, and Glendale, including Los Angeles County) and MD 42044 (Santa Ana, Anaheim and Irvine, including Orange County). Ratings for the state are based on performance within this MSA. A limited scope review was conducted of MSA 41740 (San Diego-Carlsbad-San Marcos, CA), including San Diego County.

DESCRIPTION OF INSTITUTION'S OPERATIONS

The California assessment area has the second largest branch presence and second largest proportion of deposits. As detailed in Exhibit 4, as of December 31, 2010, BPNA operated 24 or 25% of its branches in its California assessment areas. In addition, BPNA had 0.44% deposit market share, and ranks twenty-third in deposit market share in this assessment area. The FDIC reported that as of June 30, 2010, 20% of all BPNA deposits were held in the California assessment areas.

Exhibit 4: Summary of Key Assessment Area Data: State of California			
ASSESSMENT AREA DATA	MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA)	MSA 41740 (San Diego County, CA)	TOTALS
Total Population⁴	12,365,627	2,072,926	14,438,553
Population % of AA population	86%	14%	100%
Families	2,828,223	486,889	3,315,112
Families % of AA families	85%	15%	100%
Total Census Tracts⁴	2,631	463	3,094
Tracts % AA tracts	85%	15%	100%
LMI tracts	936	147	1,083
LMI tracts % all AA LMI tracts	86%	14%	100%
Total Owner-Occupied Units⁴	2,073,887	394,629	2,468,516
Units % of AA units	84%	16%	100%
Business Establishments⁵	651,207	110,375	761,582
Bus. est. % AA bus. est.	86%	14%	100%
Number of Branches¹	23	1	24
Branches % all branches	96%	4%	100%
Branches in LMI tracts	12	1	13
LMI branches % AA LMI branches	100%	8%	100%
Branch Deposits (\$'000s)²	1,409,327	15,562	1,424,889
Deposits % AA deposits	99%	1%	100%
Deposit Market Share (%)/ Rank in Market	.44%/23	.03%/51	.17%/40
Home Purchase Originations³	36	8	44
HP originations % AA orig.	82%	18%	100%
Refinance Originations³	107	3	110
Refi orig. % AA orig.	97%	3%	100%
Home Improvement Originations³	91	0	91
Home Improvement orig. % AA orig.	100%	0%	100%
Small Business Originations³	668	25	693
SB orig. % AA orig.	96%	4%	100%
Combined Loan Totals	902	36	938
% of AA Orig.	96%	4%	100%

(1) Branch numbers are as of 12/31/2010. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/10. (3) Originations are loans reported under HMDA or CRA small business reporting for 2008, 2009 and 2010. (4) Demographic information was obtained from the 2000 Census. (5) Business establishments information was reported by D&B for 2009.

METROPOLITAN AREA

(FULL REVIEW)

MSA 31100 (LOS ANGELES – LONG BEACH-SANTA ANA, CA)

DESCRIPTION OF INSTITUTION'S OPERATIONS

Banco Popular has a total of 23 branches within this MSA. Of these, 12 branches are located in LMI census tracts. The MSA is dominated by large regional institutions. The top five institutions have 60% of the deposit market share and hold approximately \$191 billion dollars in deposits. Banco Popular has less than a 1% market share of total deposits in the MSA, ranks 23rd in deposit balances, and competes with 157 FDIC-insured depository institutions.

Demographic Characteristics

The Los Angeles MSA covers a large geographic area, extending over 4,752 square miles, including the islands of San Clemente and Santa Catalina. Los Angeles County includes the cities of Los Angeles, Long Beach, and Santa Ana. The Metropolitan Divisions include the cities of Anaheim, Glendale and Irvine as well as Los Angeles and Orange Counties.

According to the 2000 census, the MSA's population is 12.3 million residents. Los Angeles County is the largest county in the nation in terms of population. The population of the MSA continues to grow, as according to estimates, the MSA has experienced a 4% population increase over the last seven years.

The MSA is a culturally diverse region, wherein approximately 5 million residents, or 31%, are foreign-born. Residents from Latin America and Asia comprise the two largest groups within the foreign-born population. There are approximately 7 million residents that speak a language other than English, with Spanish being the most common second language in the region, spoken by 3.7 million residents.

Income Characteristics

According to HUD, the estimated median family income for the Los Angeles MSA in 2010 was \$63,000. Of the 2.8 million families in the assessment area, 23% are considered low-income, 17% moderate-income, and 13% have incomes below the poverty level. Additionally, 6% of the families live in low-income tracts, while 27% of the families live in moderate-income tracts.

Housing Characteristics

The assessment area contains 4.2 million housing units, of which 49%, or 2 million, are owner-occupied. However, only 2% of the available owner-occupied housing units, or 35,850 units, are located in low-income census tracts, limiting opportunities for lending in low-income areas. 17% of owner occupied units are located in moderate-income areas.

During the review period, the existing prices for a single family home in Los Angeles decreased from \$402,100 in 2008 to \$316,700 in 2010. Housing costs still remain very high, making home purchasing unaffordable to many LMI individuals. Community contacts noted that affordable mortgage and small business loans are needed, with particular emphasis on affordable entry level housing.

Labor, Employment and Economic Characteristics

Los Angeles has a diverse economic base that relies on a variety of industries. The area's leading industries are focused on international trade that is supported by the city's connection with the Asia Pacific region; tourism and the motion picture industry. Business services round out the other major industries in Los Angeles. In addition, Los Angeles is the largest manufacturing center in the United States. The most important sectors are apparel, fabricated metals, food producers and aerospace.

Los Angeles continues to experience high unemployment rates reducing lending opportunities. The unemployment rate rose to 11.9% in 2010 from 10.9% in 2009. Community contacts noted an absence of lending to small-to-medium sized businesses, due to tightened credit standards. Contacts also noted that the economic downturn had impacted all sectors, but specifically the service sector (e.g. hotels, restaurants), manufacturing (i.e. apparel), and aerospace. Contacts further noted that the demand for affordable housing has increased and government subsidies and services have experienced deep cuts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 31100 (LOS ANGELES-LONG BEACH-SANTA ANA, CA)

LENDING TEST

Overall lending test performance in MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA) is rated low satisfactory. Some of the data used to evaluate BPNA's performance in this MSA assessment area appears in Appendix D.

Lending Activity:

BPNA's lending activity in the Los Angeles MSA was considered adequate based on volume, market share activity and comparison to peer banks. HMDA lending was adequate while small business lending activity was poor. Loan volume in the MSA was impacted by the closure of 14 branches in the MSA as BPNA restructured operations due to strategic decisions and due to the decline in economic conditions.

For the three year evaluation period, BPNA's lending activity totaled 902 loans, consisting of 36 home purchase, 107 refinance, 91 home improvement and 668 small business loans. Lending activity declined significantly compared to the prior evaluation, during which over a two-year period lending activity totaled 4,747 loans, consisting of 798 home purchase loans, 1,473 refinance, 438 home improvement, and 2,038 small business loans.

BPNA had a deposit market share of 0.44% of all deposits, compared to a market share of 0.01% in home purchase lending, 0.02% in refinance lending, 0.47% in home improvement lending and 0.04% in small business lending. Comparisons with local peers based on the number of loans per billion dollars of deposits indicates that BPNA's HMDA lending volume is comparable to the performance of similarly-situated banks while small business lending volume is below the performance of similarly-situated banks.

Assessment Area Demographics								
Assessment Area MSA 31100								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	200	7.6	177,139	6.3	66,903	37.8	653,549	23.1
Moderate-income	736	28.0	771,693	27.3	166,193	21.5	476,112	16.8
Middle-income	766	29.1	870,585	30.8	86,855	10.0	514,488	18.2
Upper-income	912	34.7	1,008,806	35.7	38,169	3.8	1,184,074	41.9
Unknown-income	17	0.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,631	100.0	2,828,223	100.0	358,120	12.7	2,828,223	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	266,283	35,850	1.7	13.5	213,392	80.1	17,041	6.4
Moderate-income	1,106,668	344,128	16.6	31.1	712,938	64.4	49,602	4.5
Middle-income	1,308,411	662,046	31.9	50.6	599,174	45.8	47,191	3.6
Upper-income	1,559,004	1,031,862	49.8	66.2	469,649	30.1	57,493	3.7
Unknown-income	27	1	0.0	3.7	21	77.8	5	18.5
Total Assessment Area	4,240,393	2,073,887	100.0	48.9	1,995,174	47.1	171,332	4.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	42,742	6.6	36,781	6.4	3,482	8.0	2,479	8.0
Moderate-income	148,441	22.8	128,925	22.4	11,663	26.6	7,853	25.3
Middle-income	190,897	29.3	168,385	29.2	13,147	30.0	9,365	30.2
Upper-income	264,468	40.6	238,881	41.4	14,782	33.8	10,805	34.8
Unknown-income	4,659	0.7	3,442	0.6	711	1.6	506	1.6
Total Assessment Area	651,207	100.0	576,414	100.0	43,785	100.0	31,008	100.0
	Percentage of Total Businesses:			88.5		6.7		4.8

Geographic Distribution:

The overall geographic distribution of HMDA-related and small business loans was good based on excellent small business loan penetration in LMI geographies and adequate HMDA-related loan penetration in low and moderate-income census tracts. The table on the next page summarizes lending performance in these tracts.

BPNA made 2 or 4%, of its of its refinance loans in low-income geographies, exceeding the aggregate's 1% of refinance loans. BPNA's refinance lending also compares well to the demographics of the assessment area, which indicate that 2% of the available owner-occupied housing units are located within low-income geographies.

BPNA made no home purchase and no home improvement loans in low-income geographies and performance was significantly below the aggregate. As a result, home purchase performance was considered poor given that the aggregate’s home purchase lending in low-income geographies indicated that opportunities existed to lend. Home improvement performance was considered adequate since the market aggregate only made 97 home improvement loans in low-income geographies, indicating limited lending opportunities.

MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	VERY POOR	SIGNIFICANTLY BELOW	GOOD	SIGNIFICANTLY ABOVE
Refinance	GOOD	SIGNIFICANTLY ABOVE	POOR	BELOW
Home Improvement	ADEQUATE	SIGNIFICANTLY BELOW	ADEQUATE	SLIGHTLY BELOW
Small Business	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE

BPNA’s 2008 and 2010 home purchase performance in low-income geographies was similar to 2009 performance. Refinance performance in low-income geographies was weaker in 2008 and 2010 compared to 2009 performance. 2009 home improvement performance in low-income geographies was comparable for 2010 but weaker than 2008 performance.

BPNA made 31% of its home purchase, 6% of its refinance, and 10% of its home improvement loans in moderate-income geographies, exceeding the aggregate’s 20% for home purchase loans but below the aggregate’s 10% for refinance loans and 12% for home improvement loans. BPNA’s home purchase loan performance also compares well to the demographics of the assessment area, which indicate that 17% of the available owner-occupied housing units are located within moderate-income geographies.

When compared to the level of owner-occupied housing units and to the 2008 and 2010 aggregate performance, BPNA’s 2008 and 2010 refinance performance in moderate-income geographies was stronger than 2009 performance. Home purchase performance was weaker in 2008 and 2010 compared to 2009. Home improvement performance in 2008 was comparable to 2009 performance but weaker than 2010 performance.

BPNA originated 8% and 36% of its small business loans in low- and moderate-income geographies, respectively, significantly above the aggregate’s 4% and 18%. BPNA’s performance in low and moderate-income geographies was above the demographics of the assessment area, where 7% of all small businesses operate in low-income geographies and 23% of all small businesses operate in moderate-income geographies. BPNA’s 2008 and 2010 small business performance was similar to 2009 performance.

Distribution by Borrower Income and Revenue Size of the Business:

BPNA’s overall lending to LMI borrowers and businesses of different sizes in MSA 31100 was good based on a good level of lending to moderate-income borrowers and small businesses and adequate lending to low -income borrowers, as indicated in the chart below.

MSA 31100 (Los Angeles-Long Beach- Santa Ana, CA)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	ADEQUATE	SIGNIFICANTLY ABOVE	POOR	BELOW
Refinance	ADEQUATE	SIGNIFICANTLY ABOVE	ADEQUATE	SIMILAR
Home Improvement	ADEQUATE	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE
	Lending to Businesses with GAR <= \$1 million		2009 Aggregate Comparison	
Small Business	GOOD		SIGNIFICANTLY ABOVE	

Low-Income Borrowers

BPNA’s HMDA-related lending performance to low-income borrowers was adequate overall when compared to the 23% of families in the MSA which are of low-income and the performance of the aggregate. During the examination period the bank made 2, or 15%, 7, or 13%, and 2, or 10%, of its home purchase, refinance, and home improvement loans to low-income borrowers respectively.

BPNA’s performance for HMDA-related lending was significantly above the aggregate. The aggregate made 4%, 3%, and 4% of its home purchase, refinance, and home improvement loans to low-income borrowers, respectively and the aggregate’s performance is reflective of the high housing costs in the assessment area.

BPNA’s home purchase performance to low-income borrowers was weaker in 2008 and 2010 compared to 2009 performance. Refinance lending performance to low-income borrowers in 2008 and 2010 was also weaker than 2009 performance. Home improvement lending performance in 2009 was stronger than 2008 performance but weaker than 2010 performance.

Moderate-Income Borrowers

BPNA’s HMDA-lending performance to moderate-income borrowers was overall good when compared to the 17% of families in the MSA who are of moderate-income. The bank made 1, or 8%, 5, or 9%, and 7, or 33% of its home purchase, refinance, and home improvement loans to moderate-income borrowers respectively. BPNA’s performance for home improvement loans was above the market aggregate; while its performance for home purchase loans was below and refinance lending was similar. The aggregate made 13%, 9%, and 10% of its home purchase, refinance, and home improvement loans to moderate-income borrowers, respectively.

BPNA’s 2008 and 2010 home purchase performance to moderate-income borrowers was comparable to 2009 performance. 2009 refinance lending to moderate-income borrowers was comparable to 2010 performance and stronger than 2008 performance. 2009 home improvement performance to moderate-income borrowers was comparable to 2008 and 2010 performance.

Lending to Businesses of Different Sizes

BPNA provided a good level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. The bank made 56% of its small business loans to these businesses, compared to the 89% of business establishments in the MSA with GAR of \$1 million or less. Performance was significantly above the aggregate which made 31% of its small business loans to businesses with GAR of \$1 million or less. BPNA made 75% of its small business loans in amounts of \$100,000 or less, which was somewhat below the aggregate which made 95% of its small business loans in amounts of \$100,000 or less. The average loan size was \$132,000. Also, 2009 small business performance was comparable to 2008 performance and stronger than 2010 performance.

Community Development Lending:

BPNA’s level of community development lending activity in MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA) was adequate, with 177 loan originations totaling \$147 million. Performance within the MSA was directed at affordable housing which represented 87% of all community development lending activity.

Community Development Lending		
Purpose	#	\$(‘000s)
Affordable Housing	170	128,599
Community Services	4	13,713
Economic Development	1	267
Revitalize and Stabilize	2	4,783
Totals	177	147,362

Multifamily lending represented 83% of MSA community development lending. Performance in the MSA increased 16% compared to the last examination when BPNA reported \$127 million in community development lending within the MSA, however, new commitments totaled only \$54 million or 37% of community development lending activity. Community development lending performance was consistent with the performance of similarly-situated large retail banks in the MSA.

Examples of community development lending initiatives included:

- 160 multi-family loans totaling \$122 million that provided 2,097 units of affordable housing.
- Renewal of a \$1 million line of credit to a non-profit fund that facilitates the development of affordable housing throughout California.
- A \$4 million loan to remodel a 154 bed skilled nursing home that provides a variety of services to its residents. Seventy-two percent of all revenues come from Medicaid and 11% from Medicare, indicating the majority of residents are LMI. The property is located in a moderate-income census tract.

INVESTMENT TEST

BPNA's investment performance in MSA 31100 (Los Angeles-Long Beach-Santa Ana) was adequate. BPNA's volume of qualified investments totaled \$893 thousand, or 8% the BPNA's total qualified investments in the State of California compared to \$887 thousand at the last examination. Additionally, BPNA made \$10 million in statewide investment initiatives that benefited MSA 31100 as well as the broader statewide area. The statewide investments included five collateralized mortgage obligations totaling \$9 million. BPNA's community development investment performance was below other similarly-situated banks operating in the assessment area. Examples of qualified investments include:

- A \$400 thousand investment in a Community Development Financial Institution.
- \$298 thousand in deposits with a community development bank which serves the real estate, business and financial needs of customers in underserved urban communities.

SERVICE TEST

Retail Services:

BPNA's retail delivery systems were readily accessible to all portions of the MSA, including LMI areas. Overall, BPNA has 23 branches in this MSA, of which 12, or 52 percent, are located in LMI areas. This compares very favorably with the 37 percent of the MSA population residing in LMI areas. BPNA has no off-site ATMs in this assessment area.

Changes in branch locations during the evaluation period did not adversely affect the accessibility of its delivery systems. During the evaluation period, BPNA closed 14 branches, of which 6, or 43%, were in LMI census tracts and no branches were opened. However, BPNA continued to meet the needs of its assessment area with its existing branch network.

Services are tailored to the convenience and needs of BPNA's assessment area, particularly LMI geographies and/or LMI individuals. Nineteen, or 83%, of the branches in the MSA had Saturday hours. In LMI areas, 9 out of the 12 total LMI branches in the MSA, or 75%, have Saturday hours.

2009 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 31100

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%	2.6%	1.7%	2	15.4%	11.3%	3.6%	1.5%
Moderate	4	30.8%	25.6%	19.8%	14.1%	1	7.7%	6.9%	13.0%	7.6%
Middle	5	38.5%	37.0%	34.3%	27.5%	2	15.4%	14.3%	22.7%	17.6%
Upper	4	30.8%	37.4%	43.1%	56.4%	6	46.2%	48.6%	49.3%	63.2%
Unknown	0	0.0%	0.0%	0.2%	0.2%	2	15.4%	18.9%	11.5%	10.1%
Total	13	100.0%	100.0%	100.0%	100.0%	13	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	2	3.8%	4.7%	0.8%	0.6%	7	13.2%	7.7%	3.0%	1.6%
Moderate	3	5.7%	4.7%	9.9%	7.4%	5	9.4%	6.2%	8.5%	5.2%
Middle	18	34.0%	27.4%	26.1%	21.3%	8	15.1%	17.8%	17.5%	13.5%
Upper	30	56.6%	63.2%	63.1%	70.7%	28	52.8%	59.9%	57.0%	64.8%
Unknown	0	0.0%	0.0%	0.1%	0.1%	5	9.4%	8.5%	14.0%	14.9%
Total	53	100.0%	100.0%	100.0%	100.0%	53	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.8%	0.5%	2	9.5%	4.4%	3.9%	1.8%
Moderate	2	9.5%	1.4%	11.5%	8.0%	7	33.3%	20.3%	10.4%	6.9%
Middle	7	33.3%	27.8%	29.6%	23.6%	3	14.3%	7.0%	21.0%	17.6%
Upper	12	57.1%	70.8%	58.1%	67.9%	9	42.9%	68.4%	57.9%	67.4%
Unknown	0	0.0%	0.0%	0.1%	0.1%	0	0.0%	0.0%	6.8%	6.3%
Total	21	100.0%	100.0%	100.0%	100.0%	21	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	11.3%	11.8%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	37.2%	26.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	26.8%	29.7%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	24.6%	32.2%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.1%	0.1%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	2	2.3%	3.3%	1.5%	1.3%	11	12.6%	8.0%	3.2%	1.5%
Moderate	9	10.3%	8.3%	13.5%	10.2%	13	14.9%	7.9%	10.0%	5.8%
Middle	30	34.5%	29.2%	28.9%	23.6%	13	14.9%	15.9%	19.2%	14.4%
Upper	46	52.9%	59.2%	56.0%	64.7%	43	49.4%	58.8%	54.0%	62.1%
Unknown	0	0.0%	0.0%	0.1%	0.1%	7	8.0%	9.5%	13.6%	16.2%
Total	87	100.0%	100.0%	100.0%	100.0%	87	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	10	8.4%	12.6%		4.4%	6.6%				
Moderate	43	36.1%	47.2%		18.1%	22.2%				
Middle	37	31.1%	24.1%		27.0%	27.2%				
Upper	28	23.5%	15.8%		47.6%	41.1%				
Unknown	1	0.8%	0.3%		0.7%	1.2%				
Tract Unknown	0	0.0%	0.0%		2.1%	1.8%				
Total	119	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	67	56.3%	35.1%		31.4%	30.2%				
By Loan Size										
\$100,000 or less	89	74.8%	29.7%		95.2%	43.5%				
\$100,001-\$250,000	12	10.1%	14.2%		2.4%	12.7%				
\$250,001-\$1 Million	18	15.1%	56.1%		2.5%	43.8%				
Total	119	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

Community Development Services:

BPNA provides a relatively high level of community development services throughout the assessment area. BPNA provided 39 services, sponsoring and participating in seminars and presentations relating to affordable mortgages, small business development and financial literacy.

Additionally, BPNA staff members serve on the boards of directors or acting as members of approximately 13 community development organizations. Five, or 38%, of these organizations are located in LMI census tracts. BPNA staff provided financial management expertise and technical assistance to these organizations.

METROPOLITAN AND NONMETROPOLITAN AREA

(LIMITED REVIEW)

MSA 41740 (San Diego-Carlsbad-San Marcos, CA)

Data reviewed, including performance and demographic information, can be found in the California tables in Appendices C, D, E and F. Conclusions regarding performance were compared with the overall state rating, which was based on the full-scope assessment area performance. Conclusions follow:

Assessment Area	Lending Test	Investment Test	Service Test
MSA 41740	Consistent	Below	Consistent

STATE OF ILLINOIS

CRA RATING FOR ILLINOIS SATISFACTORY

The lending test is rated: Low Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: Outstanding

The major factors supporting the rating include:

- An adequate level of community development lending;
- Excellent geographic distribution of loans in the BPNA's assessment areas;
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- An adequate level of qualified investments;
- Delivery Systems were readily accessible to geographies and individuals of different income levels; and,
- Poor responsiveness to assessment area credit needs;

SCOPE OF EXAMINATION

Examiners conducted a full-scope review of the Illinois assessment area, MSA 16980 (Chicago-Joliet-Naperville, IL, IN, WI) in the state of Illinois. Since the multi-state MSA is the only assessment area in the state, ratings are solely based on performance in this MSA. BPNA's assessment area in MSA 16980 consists of all of Cook and DuPage Counties and portions of Kane County.

BPNA's activities in the multi-state MSA make up 14% percent of BPNA's total deposits and were weighted accordingly when deriving overall ratings.

METROPOLITAN AREA

(FULL REVIEW)

MSA 16980 (CHICAGO-JOLIET-NAPERVILLE, IL-IN-WI)

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPNA operates 13 branches in the assessment area, representing 14 percent of BPNA's total branch network. Eleven branches are located in Cook County, and one each is located in the DuPage and Kane counties. Accordingly, the majority of BPNA's business is derived from its operations in Cook County.

Based on the FDIC Deposit Market Share Report of June 30, 2010, BPNA was ranked 32 out of 196 financial institutions with at least one branch in MSA 16980. Although the bank had total deposits of \$1.02 billion, representing approximately 14 percent of BPNA's total deposits, its overall market share in the Chicago Assessment Area was approximately 0.44 percent. BPNA originated 18% of all its total small business and HMDA-related loans in the Chicago MSA. BPNA competes with a significant number of banks in the Chicago MSA, including large regional banking organizations.

BPNA closed nine branches in MSA 16980 during the evaluation period. Of the closed branches, seven were consolidated into existing BPNA branches in MSA 16980 while two were relocated within MSA 16980. BPNA opened one branch in the MSA. The branch closures were part of BPNA's restructuring plan.

PERFORMANCE CONTEXT

Demographic Characteristics

The greater Chicago metropolitan area, known as the Chicago-Joliet-Naperville MSA, is a combination of the Chicago MD, the Gary Indiana MD, and the Lake County-Kenosha County MD. The Chicago MSA includes 1,513 census tracts, of which 15 percent are low-income and 27 percent are moderate-income. According to 2000 Census data, the population in BPNA's assessment area is approximately 6.4 million.

Income Characteristics

According to HUD, the estimated median family income for the Chicago MSA in 2010 was \$75,100. Of the 1.5 million families in the assessment area, 23% are considered low-income, 18% moderate-income, and 9% have incomes below the poverty level. Eight percent of all families live in low-income tracts, and 25% reside in moderate-income tracts.

Housing Characteristics

The assessment area contains 2.5 million housing units of which 57%, or 1.4 million, are owner-occupied. Of the available owner-occupied housing units, 3% and 18% are located in low- and moderate-income tracts, respectively.

Median Home Sales Price		
Area/County	2009	2010
MSA 16980	\$199,200	\$191,400

The median sales price for homes in the greater Chicago MSA was \$191,400 in 2010. Median home sales prices reflect a downward trend, having declined from \$245,600 in 2008. Homes were unaffordable to LMI persons, with a home prices five times the income of a low-income person and over three times the income of moderate- income persons. Foreclosure filings in the Chicago metropolitan area rose 14% between 2009 and 2010 and are expected to trend upward according to a report by the Woodstock Institute, a nonprofit consumer advocacy group.

Labor, Employment and Economic Characteristics

Average Annual Unemployment Rates		
Area/County	2009	2010
MSA 16980	10.0%	10.2%

The annual average unemployment rate for the Chicago MSA was 10.0% in 2009 and 10.2% in 2010. The high unemployment was an outgrowth of the economic recession that started at the end of 2007, driving down loan demand.

The Chicago area is the business and financial center of the Midwest. Major employers in the assessment area include federal, state, and local governments, schools, retail chains, and the healthcare industry. The area is home to many of the country's largest employers, including McDonald's Corporation, The Boeing Company, Sears Holding Corporation, Kraft Foods, Walgreens Company and Allstate Corporation. More detailed performance context data for this assessment area is provided in the assessment area demographic table on the following page:

Assessment Area Demographics								
Assessment Area : MSA 16980								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	232	15.3	128,626	8.3	47,173	36.7	350,268	22.7
Moderate-income	410	27.1	380,908	24.7	58,794	15.4	278,675	18.1
Middle-income	494	32.7	599,601	38.9	28,417	4.7	329,961	21.4
Upper-income	361	23.9	432,846	28.1	8,635	2.0	583,077	37.8
Unknown-income	16	1.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,513	100.0	1,541,981	100.0	143,019	9.3	1,541,981	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	218,193	44,884	3.2	20.6	141,481	64.8	31,828	14.6
Moderate-income	610,757	251,286	17.7	41.1	316,002	51.7	43,469	7.1
Middle-income	939,278	624,104	44.1	66.4	282,988	30.1	32,186	3.4
Upper-income	702,197	495,573	35.0	70.6	180,519	25.7	26,105	3.7
Unknown-income	72	27	0.0	37.5	36	50.0	9	12.5
Total Assessment Area	2,470,497	1,415,874	100.0	57.3	921,026	37.3	133,597	5.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	11,165	4.3	9,738	4.4	729	3.7	698	4.5
Moderate-income	41,732	16.1	36,239	16.2	2,906	14.6	2,587	16.7
Middle-income	95,444	36.9	82,064	36.7	7,647	38.4	5,733	37.0
Upper-income	109,797	42.4	94,854	42.5	8,534	42.8	6,409	41.4
Unknown-income	696	0.3	523	0.2	111	0.6	62	0.4
Total Assessment Area	258,834	100.0	223,418	100.0	19,927	100.0	15,489	100.0
	Percentage of Total Businesses:			86.3		7.7		6.0

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 16980
(CHICAGO-JOLIET-NAPERVILLE, IL-IN-WI)**

LENDING TEST

Overall performance on the lending test in MSA 16980 (Chicago-Naperville-Joliet, IL, IN, WI) is rated low satisfactory. Some of the data used to evaluate the bank's performance in this MSA assessment area appears in Appendix D.

Lending Activity:

BPNA's overall lending activity demonstrated poor responsiveness to the retail credit needs of MSA 16980. For the three year evaluation period, lending activity totaled 750 loans consisting of 60 home purchase, 88 refinance, 69 home improvement and 533 small business loans. Lending activity declined significantly compared to the prior evaluation, during which over a two year period lending activity totaled 2,382 loans, consisting of 611 home purchase, 533 refinance, 365 home improvement, and 873 small business loans. BPNA had a deposit market share of 0.63% of all deposits in the MSA, compared to a market share of 0.04% in home

purchase lending, 0.02% in refinance lending, 0.34% in home improvement lending and 0.10% in small business lending. Although the weak economy has reduced the available lending opportunities in the assessment area, comparisons indicate that BPNA’s lending performance, in terms of volume, is generally below the performance of similarly-situated banks.

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans was excellent based on excellent performance of small business lending and excellent overall HMDA-related lending performance in LMI geographies. The following table summarizes lending performance in these tracts.

MSA 16980 (Chicago-Joliet-Naperville, IL-IN-WI)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	GOOD	SLIGHTLY BELOW	EXCELLENT	SIGNIFICANTLY ABOVE
Refinance	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SLIGHTLY ABOVE
Home Improvement	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE
Small Business	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE

BPNA made 1, or 4%, of its home purchase loans, 3, or 10%, of its refinance loans, and 5, or 28%, of its home improvement loans in low-income geographies, exceeding the aggregate’s 3% of refinance loans and 4% of home improvement loans and slightly below the aggregate’s 4% of home purchase loans. The demographics of the assessment area indicate that 3% of the available owner-occupied housing units are located within low-income geographies.

When compared to the level of owner-occupied housing units and to the 2008 and 2010 aggregate performance, BPNA’s 2008 and 2010 home improvement performance was comparable to its 2009 performance in low-income geographies. 2009 home purchase and refinance performance was comparable to 2008 performance and stronger than 2010 performance in low-income geographies.

BPNA made 10, or 36%, of its home purchase loans, 4, or 13%, of its refinance loans, and 6, or 33%, of its home improvement loans in moderate-income geographies, exceeding the aggregate’s 17% for home purchase loans, 12% for refinance lending and 20% for home improvement lending. The demographics of the assessment area indicate 18% of the available owner-occupied housing units are located within moderate-income geographies.

When compared to the level of owner-occupied housing units and to the 2008 and 2010 aggregate performance, BPNA’s HMDA-related loan performance in moderate-income geographies was comparable to 2009 performance.

BPNA originated 5% and 34% of its small business loans in low- and moderate-income geographies, respectively, significantly above the aggregate’s 3% and 13%. The demographics show that 4% of all small businesses are operating in low-income geographies and 16% in moderate-income geographies. BPNA’s 2008 and 2010 small business performance was similar to 2009 performance.

Distribution by Borrower Income and Revenue Size of Business:

Lending performance in MSA 16980 was good based on good lending to low-income borrowers and small businesses and excellent lending to moderate-income borrowers, as indicated in the chart below:

MSA 16980 (Chicago- Joliet-Naperville, IL-IN-WI)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	GOOD	SIGNIFICANTLY ABOVE	EXCELLENT	SLIGHTLY BELOW
Refinance	ADEQUATE	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE
Home Improvement	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SLIGHTLY ABOVE
	Lending to Businesses with GAR <= \$1 million		2009 Aggregate Comparison	
Small Business	GOOD		SIGNIFICANTLY ABOVE	

Low-Income Borrowers

BPNA’s HMDA-related performance in lending to low-income borrowers was good overall when compared to the 23% of families in the MSA which are of low-income and the performance of the aggregate. During the examination period the bank made 4, or 14%, 2, or 6%, and 7, or 40%, of its home purchase, refinance, and home improvement loans to low-income borrowers respectively.

BPNA’s HMDA-related loan performance was significantly above the aggregate. The aggregate made 8%, 4%, and 12% of its home purchase, refinance, and home improvement loans to low-income borrowers, respectively.

Performance for 2008 and 2010 was comparable to 2009 performance for home purchase and home improvement lending to low-income borrowers. 2009 refinance lending to low-income borrowers was stronger than 2010 performance but weaker than 2008 performance.

Moderate-Income Borrowers

BPNA’s overall HMDA-lending performance to moderate-income borrowers was excellent. BPNA made 5, or 18%, 7, or 23%, and 4, or 22%, of its home purchase, refinance, and home improvement loans to moderate-income borrowers respectively. 18% of the families in the MSA are moderate-income. BPNA’s performance for home improvement and refinance loans was significantly above the aggregate, while its performance for home purchase loans was slightly below. The aggregate made 23%, 12%, and 20% of its home purchase, refinance, and home improvement loans to moderate-income borrowers, respectively.

Performance to moderate-income borrowers for 2008 and 2010 was comparable to 2009 performance for home purchase lending. Refinance and home improvement performance to moderate-income borrowers was weaker in 2008 compared to 2009 while 2010 performance was comparable to 2009 performance.

Lending to Businesses of Different Sizes

BPNA provided a good level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. BPNA made 56% of its small business loans to these businesses, compared to the 86% of business establishments in the MSA with GAR of \$1 million or less. Performance was significantly above the aggregate which made 20% of its small business loans to businesses with GAR of \$1 million or less. BPNA made 54% of its small business loans in amounts of \$100,000 or less, which was below the aggregate which made 92% of its small business loans in amounts of \$100,000 or less. The average loan size was \$195,000. Performance in 2008 and 2010 was consistent with 2009 performance.

Community Development Loans:

BPNA’s community development lending activity in MSA 16980 (Chicago-Joliet-Naperville, IL, IN, WI) was adequate with 83 loan originations totaling \$73 million or 15% of BPNA’s total community development lending.

Performance within the MSA was directed at affordable housing which had been identified by community contacts as a critical need in the assessment area. Affordable housing initiatives represented 79%, community service initiatives represented 8%, and revitalization and stabilization efforts represented 12% of community development lending activity in the MSA, respectively. Community development lending totals included \$29 million or 40% from the current period. Community development lending performance is below that of similarly-situated large retail banks in the MSA.

Community Development Lending		
Purpose	#	\$(’000s)
Affordable Housing	72	56,985
Community Services	3	5,765
Economic Development	3	341
Revitalize and Stabilize	5	8,996
Totals	83	72,087

Examples of community development lending initiatives included:

- A \$ 1 million participation in a community mortgage loan that provides low- and moderate-income mortgages in the Chicago area.
- A \$2 million loan to a community based organization to construct and rehabilitate a high school serving low- and moderate-income students. The property will be leased to the school upon completion. The property is located in a low-income census tract.
- A \$2 million line of credit to a nonprofit organization that provides special education, vocational training, job placement, and residential facilities for the mentally handicapped of Cook County.

INVESTMENT TEST

Qualified investments performance is rated low satisfactory. Qualified investments in the MSA totaled \$8 million, which included \$5 million in statewide investments. This represents an increase of 26% on an annualized basis compared to the prior evaluation. The majority of investments in MSA 16980, 93%, were for affordable housing projects. BPNA's community development investment performance was below other similarly-situated banks operating in the assessment area.

Examples of qualified investments include:

- A \$250 thousand investment in a non-profit community development corporation that engages in revitalization projects in LMI neighborhoods.
- A \$173 thousand investment in SBIC venture capital fund that is focused on community development as a core component of its mandate.
- A \$1.5 million equity investment to an organization that provides affordable housing to LMI persons.

2009 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 16980

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	1	3.6%	2.2%	4.3%	3.8%	4	14.3%	9.0%	8.1%	4.0%
Moderate	10	35.7%	33.2%	17.4%	14.1%	5	17.9%	9.9%	22.7%	15.9%
Middle	11	39.3%	32.5%	39.8%	32.6%	6	21.4%	19.9%	24.0%	22.0%
Upper	6	21.4%	32.0%	38.3%	49.3%	6	21.4%	27.7%	32.8%	48.5%
Unknown	0	0.0%	0.0%	0.1%	0.2%	7	25.0%	33.4%	12.4%	9.6%
Total	28	100.0%	100.0%	100.0%	100.0%	28	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	3	9.7%	19.3%	2.5%	2.3%	2	6.5%	3.9%	4.2%	2.2%
Moderate	4	12.9%	12.5%	11.6%	9.8%	7	22.6%	15.7%	12.2%	7.9%
Middle	16	51.6%	38.8%	35.6%	29.6%	6	19.4%	20.1%	20.9%	17.4%
Upper	8	25.8%	29.4%	50.3%	58.2%	3	9.7%	20.2%	44.5%	55.2%
Unknown	0	0.0%	0.0%	0.1%	0.1%	13	41.9%	40.1%	18.2%	17.3%
Total	31	100.0%	100.0%	100.0%	100.0%	31	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	5	27.8%	37.0%	4.4%	3.0%	7	38.9%	35.2%	11.8%	4.7%
Moderate	6	33.3%	21.3%	20.2%	13.1%	4	22.2%	29.6%	20.1%	13.4%
Middle	5	27.8%	29.6%	40.8%	33.4%	4	22.2%	17.4%	25.4%	22.5%
Upper	2	11.1%	12.1%	34.6%	50.4%	3	16.7%	17.7%	37.5%	52.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.2%	6.6%
Total	18	100.0%	100.0%	100.0%	100.0%	18	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	3	60.0%	47.0%	14.7%	11.2%	0	0.0%	0.0%	0.0%	0.0%
Moderate	2	40.0%	53.0%	39.3%	28.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	30.6%	26.8%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	15.4%	34.1%	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	12	14.6%	26.7%	3.0%	2.8%	13	15.9%	4.9%	5.4%	2.6%
Moderate	22	26.8%	34.4%	13.4%	11.2%	16	19.5%	8.5%	15.1%	9.7%
Middle	32	39.0%	21.3%	36.8%	30.3%	16	19.5%	11.9%	21.7%	18.3%
Upper	16	19.5%	17.6%	46.7%	55.6%	12	14.6%	14.0%	41.1%	52.7%
Unknown	0	0.0%	0.0%	0.1%	0.1%	25	30.5%	60.7%	16.7%	16.7%
Total	82	100.0%	100.0%	100.0%	100.0%	82	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	% \$(000s)
Low	6	5.1%	6.6%	2.7%	3.2%					
Moderate	40	34.2%	31.5%	13.2%	13.5%					
Middle	42	35.9%	35.8%	38.6%	37.4%					
Upper	29	24.8%	26.1%	44.5%	45.3%					
Unknown	0	0.0%	0.0%	0.2%	0.3%					
Tract Unknown	0	0.0%	0.0%	0.8%	0.3%					
Total	117	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	65	55.6%	33.0%	20.0%	25.6%					
By Loan Size										
\$100,000 or less	63	53.8%	14.1%	92.0%	24.3%					
\$100,001-\$250,000	23	19.7%	19.9%	3.3%	14.6%					
\$250,001-\$1 Million	31	26.5%	66.1%	4.6%	61.1%					
Total	117	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

SERVICE TEST

BPNA's overall performance is considered outstanding based on its level of community development services and the accessibility of its delivery systems.

Retail Services

BPNA's delivery systems were readily accessible to all portions of the MSA, including LMI areas. Overall, BPNA has 13 branches in this MSA, of which 8, or 62 percent, are located in LMI areas. This compares very favorably with the 36 percent of the MSA population residing in LMI areas.

Changes in branch locations during the evaluation period did not adversely affect the accessibility of its delivery systems. During the evaluation period, BPNA closed 9 branches, of which 3, or 33%, were in LMI census tracts. However, BPNA continued to meet the needs of its assessment area with its existing branch network.

Services are tailored to the convenience and needs of BPNA's assessment area, particularly LMI geographies and/or LMI individuals. In LMI areas within the MSA, all branches have Saturday hours.

Community Development Services

BPNA is a leader in providing community development services throughout the assessment area. BPNA provided 200 services, a 133% increase since the prior evaluation in the MSA. BPNA sponsored and participated in a significant number of seminars and presentations relating to affordable mortgages, small business development, financial literacy, and community organizations.

Additionally, approximately 20 BPNA staff members have provided 43 service events serving on the boards of directors or acting as key members of approximately 30 community development organizations. Approximately 17, or 57%, of these organizations are located in LMI census tracts. BPNA's community development services entailed BPNA staff providing financial management expertise and technical assistance to these organizations.

STATE of FLORIDA

CRA RATING FLORIDA: SATISFACTORY

The lending test is rated: Low Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: Outstanding

The major factors supporting the rating include:

- Adequate lending activity performance in the state of Florida.
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- A good level of community development lending;
- The geographic distribution of loans in BPNA's assessment area was good;
- An adequate level of qualified investments; and,
- Retail delivery systems were readily accessible to geographies and individuals of different income levels in the bank's assessment area.

SCOPE OF EXAMINATION

Examiners conducted full-scope reviews of MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL) and MSA 36740 (Orlando-Kissimmee-Sanford, FL). These assessment areas had sufficient activity to warrant a full-scope review based on measures such as lending volume, deposit concentration, and branch office network. MSA 33100 was given the greatest weight in the overall rating, since this MSA contained 76% of the deposits, 78% of the loans and 55% of the branches in the Florida assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS

The Florida assessment areas have the third largest branch presence and proportion of deposits and have loan volumes similar to the New York Metro MSA. As detailed in Exhibit 1, as of December 31, 2010, BPNA operated 20 branches, or 21%, of its branches in the Florida assessment areas. The State of Florida also generated approximately 29% of BPNA's combined HMDA-related and small business loans during the examination period. Additional details on the Florida assessment area are noted in Exhibit 5 on the next page.

Exhibit 5: Summary of Key Assessment Area Data: Florida			
ASSESSMENT AREA DATA	MSA 36740 (Orange, Seminole, Osceola)	MSA 33100 (Miami- Ft. Lauderdale- Pompano)	Total Florida
Total Population⁴	1,379,311	3,876,380	5,255,691
Population % of AA population	26%	74%	100%
Families	351,942	966,442	1,318,384
Families % of AA families	27%	73%	100%
Total Census Tracts⁴	288	626	914
Tracts % AA tracts	32%	69%	101%
LMI tracts	74	210	284
LMI tracts % all AA LMI tracts	26%	74%	100%
Total Owner-Occupied Units⁴	328,215	903,958	1,232,173
Units % of AA units	27%	73%	100%
Business Establishments⁵	102,183	280,947	383,130
Bus. est. % AA bus. est.	27%	73%	100%
Number of Branches¹	9	11	20
Branches % all branches	45%	55%	100%
Branches in LMI tracts	5	4	9
LMI branches % AA LMI branches	56%	44%	100%
Branch Deposits (\$'000s)²	264,051	828,167	1,092,218
Deposits % AA deposits	24%	76%	100%
Deposit Market Share (%) / Rank in Market	.74% /19	.53% /27	.27%/43
Home Purchase Originations³	42	30	72
HP originations % AA orig.	58%	43%	100%
Refinance Originations³	24	60	84
Refi orig. % AA orig.	29%	72%	100%
Home Improvement Originations³	22	71	93
Home Improvement orig. % AA orig.	24%	76%	100%
Small Business Originations³	173	738	911
SB orig. % AA orig.	19%	81%	100%
Combined Loan Totals	261	899	1,160
% of AA Orig.	22%	78%	100%

(1) Branch numbers are as of 12/31/2010. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/10. (3) Originations are loans reported under HMDA or CRA small business reporting for 2008, 2009 and 2010. (4) Demographic information was obtained from the 2000 Census. (5) Business establishments information was reported by D&B for 2009.

CONCLUSIONS WITH RESPECT TO PERFORMANCE IN FLORIDA

LENDING TEST

BPNA's lending performance in Florida is rated low satisfactory based on overall adequate performance in both MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL) and MSA 36740 (Orlando-Kissimmee-Sanford, FL).

Lending Activity: Lending activity showed adequate responsiveness to retail credit needs in MSA 33100 and MSA 36740 when measured in terms of number and dollar amount of HMDA-related and small business loans originated and purchased in each assessment area.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans reflected good penetration throughout LMI geographies based on good performance in MSA 33100 and excellent performance in MSA 36740.

Borrower Distribution: The overall distribution of loans among borrowers of different income levels and businesses of different sizes in the State of Florida was good. This conclusion is based on good performance in MSA 33100 and excellent performance in MSA 36740.

Community Development Loans: Community development lending was good. This conclusion is based on a good level of community development lending in MSA 33100 and MSA 36740.

Investment Test: BPNA's overall performance was rated low satisfactory. Investment activity in MSAs 33100 and 36740 reflected an adequate level of qualified investments and grants and exhibited adequate responsiveness to credit and community development needs. Most of Florida's investments were broader statewide investments that benefited MSA 33100 and MSA 36740.

Service Test: BPNA's overall performance under the Service Test in the Florida assessment area was rated Outstanding. This conclusion was based primarily on retail delivery systems that are readily accessible to all portions of the BPNA's assessment areas in MSA 33100 and MSA 36740, and an adequate level of community development services in both assessment areas.

METROPOLITAN AREA

(FULL REVIEW)

MSA 33100 (MIAMI-FORT LAUDERDALE-POMPANO BEACH, FL)

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPNA operates 11 of its 20 Florida-based branches in MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL), also referred to as the "Miami MSA." As of June 30, 2010, the MSA branches held \$828 million in deposits, which represents 76% of BPNA's deposits in the state of Florida. BPNA deposits in the MSA represent 0.5% market share, ranking 27th among depository institutions in the area. Four of the MSA branches are located in LMI geographies. Of the total HMDA-related and small business originations made in Florida, 77% were extended in the Miami MSA.

The Miami MSA is dominated by large regional institutions competing with BPNA for retail lending and deposit activity. The top five institutions account for 51% of overall deposits in the MSA.

PERFORMANCE CONTEXT

Demographic Characteristics

The Miami MSA is located in the southeast part of the state of Florida and includes the cities of Miami, Miami Beach, Fort Lauderdale, Pompano Beach, Deerfield Beach, and Kendall. As of the 2000 Census, the MSA population was 3,876,380 and is estimated to have increased by 10% to \$4.2 million as of July 2009, according to a U.S. Census estimate population count. The MSA is ranked as the eighth largest metro area in the United States.

Miami is the lead city in the MSA and is the second largest city in Florida. The Census estimated population count reports that as of July 2009, the city's population is 418,480. The Greater Miami area is considered a cultural melting pot due to its large Latin American and Caribbean populations. The majority of area residents (76%) speak Spanish as their first language, and 57% of city residents were born outside of the US.

Income Characteristics

According to the 2000 Census, the Miami MSA has 966,442 families, of which 22% are low-income, 18% are moderate-income, and 12% live below the poverty level. The HUD-adjusted 2010 median family income for the MSA is \$60,200.

Housing Characteristics

The 2000 Census reports that the MSA contains approximately 1.6 million housing units, of which 57% are owner-occupied, 33% are rental, and 10% are vacant. Of the available owner-occupied units, about 1% are in low-income geographies and 22% are in moderate-income geographies.

The MSA continues to struggle with a distressed housing market. During the examination period, housing prices decreased. The National Association of Realtors reported the 2010 median sales price of an existing single-family home in the MSA at \$201,900, a decrease of 29% since 2008. Housing, however, remains unaffordable for most LMI borrowers. Housing prices range from four to seven times what LMI borrowers are able to afford.

Labor, Employment and Economic Characteristics

Since the prior examination, unemployment rates have significantly increased throughout the state of Florida and within the Miami MSA. In 2010, the MSA reported unemployment at 11.5%, compared to 6% in 2008. The economic downturn has resulted in reduced lending opportunities in this assessment area.

Unemployment Statistics		
Area	2009	2010
Florida	10.2%	11.5%
MSA 33100	10.0%	11.5%

Source: Bureau of Labor Statistics

Tourism and healthcare are the strongest industries in the Miami area. Because of its close proximity to Latin America, Miami serves as the headquarters of Latin American operations for many multinational corporations, and the city of Miami also has the largest concentration of international banks in the US.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 33100
(MIAMI-FORT LAUDERDALE-POMPANO BEACH, FL)**

LENDING TEST

BPNA's performance under the lending test in MSA 33100 was rated low satisfactory. Some of the data used to evaluate BPNA's performance in this MSA assessment area appears in Appendix D.

Lending Activity:

BPNA's overall lending activity performance in MSA 33100 (Miami-Ft. Lauderdale-Miami Beach, FL) was adequate, based on comparisons to peer banks and market aggregate performance. For the three year evaluation period, lending activity totaled 899 loans consisting of 30 home purchase, 60 refinance, 71 home improvement and 738 small business loans. Lending activity declined significantly compared to the prior evaluation, which over a two year evaluation period totaled 1,500 loans, consisting of 203 home purchase, 356 refinance, 149 home improvement, and 792 small business loans. BPNA had a deposit market share of 0.53% of all deposits in the MSA, compared to a market share of .13% in home purchase lending, 0.02% in

refinance lending, 0.72% in home improvement lending and 0.12% in small business lending. Peer Comparisons indicates that BPNA's performance was comparable to that of other similarly-situated banks.

Assessment Area Demographics								
Assessment Area: MSA 33100								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	39	6.2	35,542	3.7	14,245	40.1	213,492	22.1
Moderate-income	171	27.3	255,810	26.5	51,392	20.1	169,055	17.5
Middle-income	231	36.9	377,888	39.1	36,444	9.6	187,145	19.4
Upper-income	182	29.1	297,202	30.8	13,991	4.7	396,750	41.1
Unknown-income	3	0.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	626	100.0	966,442	100.0	116,072	12.0	966,442	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	64,375	12,235	1.4	19.0	43,566	67.7	8,574	13.3
Moderate-income	447,164	197,306	21.8	44.1	206,067	46.1	43,791	9.8
Middle-income	621,222	374,981	41.5	60.4	187,475	30.2	58,766	9.5
Upper-income	460,539	319,436	35.3	69.4	90,153	19.6	50,950	11.1
Unknown-income	21	0	0.0	0.0	0	0.0	21	100.0
Total Assessment Area	1,593,321	903,958	100.0	56.7	527,261	33.1	162,102	10.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	12,569	4.5	10,820	4.3	991	6.2	758	6.0
Moderate-income	61,385	21.8	54,365	21.5	3,799	23.9	3,221	25.7
Middle-income	102,027	36.3	92,046	36.5	5,494	34.5	4,487	35.7
Upper-income	103,992	37.0	94,492	37.4	5,475	34.4	4,025	32.1
Unknown-income	974	0.3	759	0.3	151	0.9	64	0.5
Total Assessment Area	280,947	100.0	252,482	100.0	15,910	100.0	12,555	100.0
	Percentage of Total Businesses:			89.9		5.7		4.5

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans was good based primarily on good performance of small business lending in LMI geographies and good HMDA-related lending penetration in moderate-income census tracts. Adequate HMDA-related penetration was noted in low-income census tracts. The table on the next page summarizes lending performance in these tracts.

BPNA made no HMDA-related loans in low-income geographies in 2009, 2008 or 2010 and performance was significantly below the aggregate. Home purchase and refinance performance was rated very poor given that aggregate lending volumes for these loans indicate that some opportunities to lend existed. Home improvement performance was considered adequate since the market aggregate made only 13 home improvement loans in low-income geographies, indicating limited lending opportunities.

Performance for HMDA-related loans in low-income geographies for 2008 and 2010 was comparable to 2009 performance in low-income geographies.

MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	VERY POOR	SIGNIFICANTLY BELOW	EXCELLENT	ABOVE
Refinance	VERY POOR	SIGNIFICANTLY BELOW	POOR	SIGNIFICANTLY BELOW
Home Improvement	ADEQUATE	SIGNIFICANTLY BELOW	ADEQUATE	BELOW
Small Business	GOOD	SIMILAR	GOOD	SIMILAR

BPNA made 4, or 25%, of its home purchase loans and 1, or 9%, of its home improvement loans, in moderate-income geographies in 2009, exceeding the aggregate's 17% of home purchase loans and below the aggregate's 15% for home improvement loans. BPNA's home purchase lending also compared well to the demographics of the assessment area, which indicate that 22% of the available owner-occupied housing units are located within moderate-income geographies. BPNA made no refinance loans in moderate-income geographies in 2009 and 2010 but did make 4, or 11%, of its refinance loans in moderate-income geographies in 2008, indicating overall poor refinance performance for the evaluation period. Refinance lending performance was significantly below the aggregate's refinance lending performance in moderate-income geographies.

Performance for 2008 and 2010 was comparable to 2009 for home purchase lending in moderate-income geographies while performance for home improvement lending in moderate-income geographies in 2009 was stronger than 2010 performance but weaker than 2008 performance. 2009 refinance lending in moderate-income geographies was comparable to 2010 performance but weaker than 2008 performance.

BPNA originated 4% and 18% of its small business loans in low- and moderate-income geographies, respectively, similar to the aggregate's 4% and 18%. BPNA's performance in low and moderate-income geographies is slightly below the demographics of the assessment area, where 5% of all small businesses operate in low-income geographies and 22% of all businesses operate in moderate-income geographies. BPNA's 2008 and 2010 small business performance in low-income geographies was comparable to 2009 performance. BPNA's 2008 small business performance in moderate-income geographies was stronger than 2009 performance while 2010 performance was weaker.

Distribution by Borrower Income and Revenue Size of Business:

BPNA’s overall lending to low and moderate-income borrowers and businesses of different sizes in MSA 33100 was good based on good lending to moderate-income borrowers and small businesses and adequate lending to low-income borrowers, as indicated in the chart below.

Low-Income Borrowers

BPNA’s lending performance to low-income borrowers was adequate overall when compared to the 22% of families in the MSA which are of low-income and the performance of the aggregate. During the examination period BPNA made 1, or 6%, of its home purchase loans to low-income borrowers in 2009, significantly above the aggregate. The aggregate made 4% of its home purchase loans to low-income borrowers indicating the limited lending opportunities due to housing costs and the weak economic environment. BPNA made no refinance or home improvement loans to low-income borrowers in 2009, significantly below the aggregate’s performance to low-income borrowers.

MSA 33100 (Miami- Ft. Lauderdale- Pompano Beach, FL)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	POOR	SIGNIFICANTLY ABOVE	ADEQUATE	BELOW
Refinance	POOR	SIGNIFICANTLY BELOW	VERY POOR	SIGNIFICANTLY BELOW
Home Improvement	ADEQUATE	SIGNIFICANTLY BELOW	EXCELLENT	ABOVE
	Lending to Businesses with GAR <= \$1 million		2009 Aggregate Comparison	
Small Business	GOOD		SIGNIFICANTLY ABOVE	

While BPNA made no home improvement loans to low-income borrowers in 2009, home improvement performance was adequate since the market aggregate made only 63 home improvement loans to low-income borrowers, indicating very limited lending opportunities.

2009 home purchase and refinance performance to low-income borrowers was stronger than 2008 and 2010 performance. 2009 home improvement performance to moderate-income borrowers was stronger than 2008 performance but weaker than 2010 performance.

Moderate-Income Borrowers

HMDA-lending performance to moderate-income borrowers was good overall when compared to the 18% of families in the MSA who are of moderate-income. BPNA made 2, or 13% and 2, or 18% of its home purchase and home improvement loans to moderate-income borrowers respectively, in 2009. BPNA’s performance for home purchase loans was below the aggregate while its performance for home improvement loans was above. In 2009, the aggregate made 15% and 13% of its home purchase and home improvement loans to moderate-income borrowers, respectively. BPNA made no refinance loans to moderate-income borrowers in 2009 and performance was significantly below the aggregate

2010 home purchase performance to moderate-income borrowers was stronger than 2009 and 2008 performance. 2010 home improvement performance to moderate-income borrowers was comparable to 2009 performance and stronger than 2008 performance. 2008 and 2010 refinance performance to moderate-income borrowers was comparable to 2009 performance.

Lending to Businesses of Different Sizes

BPNA provided a good overall level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. BPNA made 52% of its small business loans to these businesses, compared to the 90% of business establishments in the MSA with GAR of \$1 million or less. Performance was significantly above the aggregate which made 20% of its small business loans to businesses with GAR of \$1 million or less. BPNA made 80% of its small business loans in amounts of \$100,000 or less, which was just somewhat below the aggregate which made 95% of its small business loans in amounts of \$100,000 or less. The average loan size was \$117,000. Small business performance in 2008 and 2010 was compatible to 2009.

Community Development Lending:

BPNA’s overall community development lending activity in MSA 33100 was good with 31 loan originations totaling \$43 million or 9% of BPNA’s total community development lending. New community development lending originated during the examination period totaled \$32 million or 74% of MSA community development lending.

Community Development Lending		
Purpose	#	\$(‘000s)
Affordable Housing	28	28,781
Community Services	1	50
Economic Development	1	1,980
Revitalize and Stabilize	1	12,600
Totals	31	43,411

The majority of lending performance within the MSA was directed at affordable housing initiatives and revitalization and stabilization of low- and moderate-income areas. Community development lending performance was comparable to that of similarly-situated large retail banks in the MSA.

Examples of community development lending initiatives included:

- A \$2 million loan to purchase three McDonald's restaurants located in moderate-income census tracts. Acquisition of these restaurants will create jobs for low-and moderate-income residents.
- A \$13 million loan to acquire and renovate commercial property located in a low-income tract in Miami-Dade's empowerment zone. After completion of the renovations the development of the project will bring needed jobs for low-and moderate-income residents.
- A \$4 million loan to acquire a 140 unit apartment complex in Broward County. The property is located in a moderate-income tract and rents are all affordable to moderate-income tenants.

2009 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 33100

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%	2.4%	2.0%	1	6.3%	2.5%	3.7%	1.4%
Moderate	4	25.0%	15.5%	17.0%	11.7%	2	12.5%	7.9%	15.0%	8.6%
Middle	7	43.8%	46.0%	39.7%	31.9%	3	18.8%	13.0%	20.5%	15.8%
Upper	5	31.3%	38.5%	40.5%	54.0%	8	50.0%	69.9%	43.1%	59.4%
Unknown	0	0.0%	0.0%	0.4%	0.5%	2	12.5%	6.7%	17.8%	14.8%
Total	16	100.0%	100.0%	100.0%	100.0%	16	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	1.2%	1.0%	0	0.0%	0.0%	4.2%	2.6%
Moderate	0	0.0%	0.0%	12.9%	9.2%	0	0.0%	0.0%	9.0%	5.0%
Middle	1	12.5%	8.7%	33.1%	27.7%	2	25.0%	13.4%	15.7%	11.1%
Upper	7	87.5%	91.3%	52.7%	62.0%	5	62.5%	68.4%	49.1%	59.2%
Unknown	0	0.0%	0.0%	0.1%	0.1%	1	12.5%	18.2%	22.0%	22.1%
Total	8	100.0%	100.0%	100.0%	100.0%	8	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.9%	0.7%	0	0.0%	0.0%	4.5%	1.4%
Moderate	1	9.1%	5.1%	15.1%	8.3%	2	18.2%	3.2%	12.7%	6.5%
Middle	6	54.5%	60.6%	33.5%	25.0%	1	9.1%	5.4%	21.3%	14.7%
Upper	4	36.4%	34.3%	50.4%	66.1%	8	72.7%	91.3%	55.8%	70.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.7%	7.4%
Total	11	100.0%	100.0%	100.0%	100.0%	11	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	12.6%	7.5%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	100.0%	100.0%	48.0%	42.9%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	24.4%	39.5%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	15.0%	10.2%	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%	1.9%	1.7%	1	2.8%	0.7%	3.9%	1.9%
Moderate	6	16.7%	44.4%	15.3%	11.4%	4	11.1%	2.6%	12.4%	6.8%
Middle	14	38.9%	21.7%	36.8%	30.2%	6	16.7%	7.1%	18.4%	13.4%
Upper	16	44.4%	33.9%	45.7%	56.4%	21	58.3%	44.4%	45.8%	57.8%
Unknown	0	0.0%	0.0%	0.2%	0.3%	4	11.1%	45.1%	19.5%	20.2%
Total	36	100.0%	100.0%	100.0%	100.0%	36	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate		Bank		Aggregate		
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	
Low	5	3.9%	3.5%	3.6%	5.9%					
Moderate	23	18.1%	17.3%	17.9%	19.9%					
Middle	40	31.5%	21.9%	34.8%	32.8%					
Upper	56	44.1%	54.8%	42.5%	40.1%					
Unknown	3	2.4%	2.5%	0.3%	0.7%					
Tract Unknown	0	0.0%	0.0%	0.9%	0.6%					
Total	127	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	66	52.0%	35.3%	20.3%	24.1%					
By Loan Size										
\$100,000 or less	102	80.3%	41.0%	94.8%	32.5%					
\$100,001-\$250,000	13	10.2%	16.0%	2.4%	15.1%					
\$250,001-\$1 Million	12	9.4%	43.0%	2.8%	52.4%					
Total	127	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

INVESTMENT TEST

Investment test performance was low satisfactory. Qualified investments in this MSA totaled \$188 thousand or 3% of Florida's total qualified investments compared to \$262 thousand at the last examination. This represents a decrease of 52% on an annualized basis. BPNA's community development investment performance was below other similarly-situated banks operating in the assessment area. Qualified investments in MSA 33100 focused on affordable housing initiatives, particularly activities in the broader statewide region that benefited the MSA and the overall Florida assessment area. Examples of qualified investments include:

- A \$100 thousand deposit in a minority-owned community development bank located in a moderate-income census tract.
- A \$25 thousand equity investment in a consortium of financial institutions established for the purpose of funding loan programs to non-profit groups for the development of affordable housing.
- 15 charitable grants and contributions totaling \$ 63 thousand to organizations that provide services including small business development, assistance to the homeless, and scholarships to LMI students.
- State-wide investments including six collateralized mortgage obligations totaling \$5 million which consist of underlying mortgages to LMI borrowers.

SERVICE TEST

BPNA's overall performance is considered outstanding.

Retail Services

BPNA's delivery systems were readily accessible to all portions of the MSA, including LMI areas. Overall, BPNA has 11 branches in this MSA, of which 4, or 36 percent, are located in LMI areas. This compares favorably with the 32 percent of the MSA population residing in LMI areas. BPNA has no offsite ATMs in the assessment area.

Changes in branch locations during the evaluation period did not adversely affect the accessibility of its delivery systems. During the evaluation period, BPNA closed 2 branches in an upper and middle-income census tract. No branches were opened. BPNA continued to meet the needs of its assessment area with its existing branch network.

Services are tailored to the convenience and needs of BPNA's assessment area, particularly LMI geographies and/or LMI individuals. Five, 45%, of the 11 branches in the MSA had Saturday hours. In LMI areas, 3 out of the 4 total LMI branches in the MSA, 75%, have Saturday hours.

Community Development Services

BPNA provides an adequate level of community development services throughout the assessment area. BPNA provided 29 services, an increase of 38% from the previous evaluation period. BPNA sponsored and participated in seminars and presentations relating to affordable mortgages, small business development, financial literacy, and community organizations.

Additionally, 8 BPNA staff members serve on the boards of directors or act as key members of approximately 14 community development organizations. Eight, or 57%, of these organizations are located in LMI census tracts. BPNA's community development activities entailed BPNA staff providing financial management expertise and technical assistance to these organizations.

METROPOLITAN AREA

(FULL REVIEW)

MSA 36740 (ORLANDO-KISSIMMEE-SANFORD, FL)

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPNA operates nine of its 20 Florida-based branches in MSA 36740 (Orlando-Kissimmee-Sanford, FL), also referred to as the "Orlando MSA." As of June 30, 2010, the MSA branch network held \$264 million in deposits, which represented 24% of BPNA's deposits in the state of Florida. Five of the nine MSA branches are located in LMI geographies.

BPNA holds less than 1% of the market share of total deposits in the MSA, ranking 19th among deposit institutions in the MSA. Of the combined HMDA-related and small business originations in the state of Florida, 22% were extended in the Orlando MSA.

The MSA is home to a number of large regional institutions competing with BPNA for retail lending and deposit activity. The top five financial institutions account for 67% of the market share

PERFORMANCE CONTEXT

Demographic Characteristics

The Orlando MSA is Florida's third-largest metropolitan area. The area encompasses Orange, Osceola, Seminole and Lake Counties. As of the 2000 Census, the MSA has a population of 1,379,311 and is estimated to have increased by 51% according to the July 2009 U.S. Census estimated population count.

Orlando is the fifth largest city in Florida and is the lead city of the Orlando-Kissimmee-Sanford, Florida MSA. The city of Orlando has a diverse population of immigrants, including large Puerto Rican, Colombian, Venezuelan, Haitian, Indian, and Vietnamese communities, and a growing number of Russian and British residents. As of the 2000 census, the population of Orlando was 185,951 and is estimated to have increased by 23% to 227,961 as of the July 2009 U.S. Census estimate population count.

The city of Orlando is best known for the many tourist attractions in the area, particularly the nearby Walt Disney World Resort.

Income Characteristics

According to the 2000 Census, there are 351,942 families residing in the MSA, of which 18% are considered low-income, 18% moderate-income, and 8% live below the poverty level. The proportion of families living in poverty in the Orlando area is lower than the 11% of families living below the poverty level in BPNA's overall Florida assessment areas. The 2010 HUD-adjusted median family income in the Orlando MSA is \$60,900.

Housing Characteristics

According to the 2000 Census, there are 558,187 total housing units in the Orlando MSA, of which 59% are owner-occupied, 34% are rental units, and 7% are vacant. Of the available owner-occupied units, less than 1% are located in low-income areas and 16% are in moderate-income areas.

Housing prices continue to decrease in the Orlando MSA. The National Association of Realtors reported the 2010 median sales price of an existing single-family home in the MSA at \$134,700, a decrease of 36% since 2008. Home ownership nonetheless remains a challenge for LMI borrowers as the median housing price for 2010 was about three times the income of a moderate-income family and four times the income of a low-income family.

Labor, Employment and Economic Characteristics

Since the prior examination and over the course of this evaluation period, the unemployment rate for the Orlando MSA has increased significantly. In 2010, the MSA reported unemployment at 11.5%, compared to 5.8% in 2008. The weak economy has reduced the availability of lending opportunities in this assessment area.

Tourism is the primary industry of the Orlando area economy, with the city's wide range of attractions, which includes Disney World, Universal Studios Orlando, and Sea World Orlando. It is estimated that 46.6 million visitors came to the Orlando area in 2009.

Tourism accounts for 31% of the jobs in the region, with Disney World Company as the largest employer in the area.

The area's economy also includes other industries such as manufacturing and the film, television, and electronic gaming industries, which are aided by the presence of Universal Studios, Disney-MGM Studios, Full Sail School, the Florida Interactive Entertainment Academy, and other entertainment companies and schools. Additional demographic data can be found in the assessment area demographic chart on the next page.

Unemployment Statistics		
Area	2009	2010
Florida	10.2%	11.5%
MSA 36740	10.2%	11.4%

Source: Bureau of Labor Statistics

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 36740
(ORLANDO-KISSIMMEE-SANFORD, FL)**

LENDING TEST

BPNA's performance under the lending test in MSA 36740 was rated low satisfactory.

Assessment Area Demographics								
Assessment Area: MSA 36740								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	8	2.8	5,752	1.6	2,312	40.2	64,776	18.4
Moderate-income	66	22.9	74,146	21.1	11,011	14.9	63,258	18.0
Middle-income	122	42.4	151,592	43.1	10,968	7.2	78,143	22.2
Upper-income	92	31.9	120,452	34.2	3,545	2.9	145,765	41.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	288	100.0	351,942	100.0	27,836	7.9	351,942	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	10,103	2,590	0.8	25.6	6,578	65.1	935	9.3
Moderate-income	126,386	53,533	16.3	42.4	61,385	48.6	11,468	9.1
Middle-income	249,408	143,318	43.7	57.5	87,150	34.9	18,940	7.6
Upper-income	172,290	128,774	39.2	74.7	34,717	20.2	8,799	5.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	558,187	328,215	100.0	58.8	189,830	34.0	40,142	7.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,883	1.8	1,579	1.7	174	3.2	130	3.0
Moderate-income	20,547	20.1	17,995	19.5	1,399	25.8	1,153	26.4
Middle-income	41,061	40.2	37,092	40.1	2,189	40.4	1,780	40.8
Upper-income	38,692	37.9	35,738	38.7	1,650	30.5	1,304	29.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	102,183	100.0	92,404	100.0	5,412	100.0	4,367	100.0
	Percentage of Total Businesses:			90.4		5.3		4.3

Lending Activity:

BPNA's lending activity performance in the Orlando MSA was poor overall based on comparisons to peer banks and the market aggregate. BPNA's overall lending activity demonstrated poor responsiveness to the retail credit needs of MSA 36740. For the three year evaluation period, lending activity totaled 277 loans consisting of 43 home purchase, 24 refinance, 25 home improvement and 185 small business loans.

Lending activity declined significantly compared to the prior evaluation, during which over a two year period lending activity totaled 952 loans, consisting of 194 home purchase, 274 refinance, 91 home improvement and 393 small business loans. BPNA had a deposit market share of 0.91% of all deposits in the MSA, compared to a market share of 0.05% in home purchase lending, 0.06% in refinance lending, 0.92% in home improvement lending and 0.07% in small business lending. Comparison of BPNA’s HMDA and small business lending with local peers based on the number of loans per billion dollars of deposits indicates that BPNA’s performance was below that of other similarly situated banks.

Geographic Distribution:

The overall geographic distribution of HMDA-related and small business loans was good based on good HMDA-related and small business loan penetration in moderate-income census tracts and adequate HMDA-related and small business loan penetration in low-income census tracts. The following table summarizes geographic lending performance:

MSA 36740 (Orlando-Kissimmee-Sanford, FL)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	ADEQUATE	SIGNIFICANTLY BELOW	EXCELLENT	SIMILAR
Refinance	ADEQUATE	SIGNIFICANTLY BELOW	VERY POOR	SIGNIFICANTLY BELOW
Home Improvement	ADEQUATE	SIGNIFICANTLY BELOW	EXCELLENT	SIGNIFICANTLY ABOVE
Small Business	GOOD	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE

While BPNA made no HMDA-related loans in low-income geographies in 2009 and performance was significantly below the aggregate, lending in low-income geographies was considered adequate given the limited lending opportunities as indicated by the low level of HMDA-related lending conducted by the aggregate. Performance for HMDA-related lending in low-income geographies in 2009 was comparable to 2008 and 2010 performance in low-income geographies.

BPNA made 2, or 14%, of its home purchase loans and 2, or 40%, of its home improvement loans in moderate-income geographies, similar to the aggregate’s 13% for home purchase loans and significantly above the aggregate’s 10% for home improvement loans. BPNA’s home improvement and home purchase loan performance also compares well to the demographics of the assessment area, which indicate that 16% of the available owner-occupied housing units are located within moderate-income geographies. BPNA made no refinance loans in moderate-income geographies in 2009 and none in 2008 and 2010. As a result, refinance lending performance was very poor as aggregate refinance lending volumes indicated opportunities to lend.

BPNA originated 4% and 33% of its small business loans in low- and moderate-income geographies, respectively, significantly above the aggregate's 2% and 17%. BPNA's performance in low and moderate-income geographies was above the demographics of the assessment area, where 2% of all small businesses operate in low-income geographies and 20% of all small businesses operate in moderate-income geographies. While 2008 small business performance in moderate-income geographies was comparable to 2009 performance, 2010 performance was very poor with no small business loans extended. As such, overall performance was lowered to good to reflect lending over the entire evaluation period.

Home purchase and refinance performance in moderate-income geographies in 2009 was comparable to 2008 and 2010 performance in moderate-income geographies. 2009 home improvement performance in moderate-income geographies was comparable to 2008 performance and stronger than 2010 performance.

Distribution by Borrower Income and Revenue Size of the Business:

Lending to LMI borrowers and businesses of different sizes in MSA 36740 was excellent based on excellent lending to low and moderate-income borrowers and small businesses, as indicated in the chart below:

MSA 36740 (Orlando-Kissimmee-Sanford, FL)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2009 Aggregate Comparison	BPNA Performance	2009 Aggregate Comparison
Home Purchase	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	ABOVE
Refinance	GOOD	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE
Home Improvement	EXCELLENT	SIGNIFICANTLY ABOVE	EXCELLENT	SIGNIFICANTLY ABOVE
	Lending to Businesses with GAR <= \$1 million		2009 Aggregate Comparison	
Small Business	EXCELLENT		SIGNIFICANTLY ABOVE	

Low-Income Borrowers

BPNA's HMDA-related lending performance to low-income borrowers was excellent overall when compared to the 18% of families in the MSA which are of low-income and to the performance of the aggregate. During the examination period BPNA made 2, or 14%, 2, or 15%, and 1, or 20% of its home purchase, refinance, and home improvement loans to low-income borrowers, respectively.

BPNA's performance for HMDA-related lending was significantly above the aggregate. The aggregate made 7%, 5%, and 7% of its home purchase, refinance, and home improvement loans to low-income borrowers, respectively.

BPNA's 2008 and 2010 home purchase performance to low-income borrowers was comparable to 2009 performance. 2009 refinance performance to low-income borrowers was comparable to 2010 performance but weaker than 2008 performance. 2009 home improvement performance to low-income borrowers was comparable to 2008 performance but weaker than 2010 performance.

Moderate-Income Borrowers

BPNA's HMDA-lending performance to moderate-income borrowers was excellent when compared to the 18% of families in the MSA who are of moderate-income. The bank made 4, or 29%, 3, or 23%, and 3, or 60% of its home purchase, refinance, and home improvement loans to moderate-income borrowers, respectively. BPNA's HMDA-related performance exceeded the aggregate, which made 22%, 13%, and 19% of its home purchase, refinance, and home improvement loans to moderate-income borrowers, respectively. Overall, 2008 and 2010 HMDA-related performance was comparable to 2009 performance.

2009 home purchase and refinance performance to moderate-income borrowers was comparable to 2010 performance and stronger than 2008 performance. 2009 home improvement performance to moderate-income borrowers was comparable to 2008 and 2010 performance to moderate-income borrowers.

Lending to Businesses of Different Sizes

BPNA provided an adequate level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. BPNA made 75% of its small business loans to these businesses, compared to the 90% of business establishments in the MSA with GAR of \$1 million or less. Performance was significantly above the aggregate which made 19% of its small business loans to businesses with GAR of \$1 million or less. BPNA made 71% of its small business loans in amounts of \$100,000 or less, which was somewhat below the aggregate which made 95% of its small business loans in amounts of \$100,000 or less. The average loan size was \$148,000. 2009 small business performance was compatible to 2008 performance and stronger than 2010 performance.

Community Development Lending:

BPNA's community development lending activity in MSA 36740 (Orlando-Kissimmee, FL) was good, with 8 loan originations totaling \$21 million or 4% of BPNA's total community development lending. New community development lending consisted of four loans totaling \$16 million, or 76% of total community development lending. Performance exceeded the last examination where community development lending totaled \$15 million. Peer comparisons with other large retail banks indicated good performance by BPNA.

Community Development Lending		
Purpose	#	\$('000s)
Affordable Housing	5	16,025
Community Services	2	1,223
Economic Development	1	3,771
Revitalize and Stabilize	0	0
Totals	8	21,019

Affordable housing initiatives represented 76% and economic development efforts represented 18% of community development lending activity. Examples of community development initiatives included:

- Renewal of a \$5 million line of credit to a non-profit corporation that develops affordable housing throughout Florida.
- A \$4 million loan to purchase three restaurants which will provide jobs for low-and moderate-income residents of Orlando.
- A \$2 million loan to acquire a 104 unit apartment complex located in a moderate-income census tracts. All units are currently receiving payments under HUD's Section 8 program.

INVESTMENT TEST

The investment test is rated low satisfactory. BPNA had an adequate level of qualified community development investment activity, which consisted of 21 grants in the Orlando MSA totaling \$92,000, or 1% of Florida's total qualified investments. The majority of these investments, 72%, were targeted to providing community development services to LMI persons. Investments made in the broader statewide area that included BPNA's Florida assessment areas totaled \$6.9 million. BPNA's community development investment performance was below other similarly-situated banks operating in the assessment area. An example of a qualified investment includes:

- A \$10,000 grant to a community organization that constructs affordable housing for LMI individuals.

SERVICE TEST

BPNA's overall performance is considered outstanding.

Retail Services

BPNA's delivery systems were readily accessible to all portions of the MSA, including LMI areas. Overall, BPNA has 9 branches in this MSA, of which 5, or 56 percent, are located in LMI areas. This compares very favorably with the 25 percent of the MSA population residing in LMI areas.

Changes in branch locations during the evaluation period did not adversely affect the accessibility of its delivery systems. During the evaluation period, BPNA closed 2 branches in a low and a moderate-income census tract and opened two branches in a low and a moderate-income census tract.

Services are tailored to the convenience and needs of BPNA's assessment area, particularly LMI geographies and/or LMI individuals. Seven, 78%, of the 9 branches in the MSA had Saturday hours. In LMI areas, 3 out of the 5 total LMI branches in the MSA, 60%, have Saturday hours.

Community Development Services:

BPNA provided an adequate level of community development services throughout the assessment area. BPNA provided 65 community development services. BPNA sponsored and participated in seminars and presentations relating to affordable mortgages, small business development, financial literacy, and community organizations.

Additionally, approximately 6 BPNA staff members participate on boards of directors or act as key members of approximately 9 community development organizations. One, 11%, of these organizations is located in an LMI census tract. BPNA membership activities entailed BPNA staff providing financial management expertise and technical assistance to these organizations.

2009 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 36740

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%	0.2%	0.1%	2	14.3%	9.1%	6.5%	3.3%
Moderate	2	14.3%	10.7%	13.4%	9.1%	4	28.6%	27.8%	22.1%	16.4%
Middle	5	35.7%	36.8%	43.9%	37.7%	2	14.3%	16.5%	23.3%	21.7%
Upper	7	50.0%	52.5%	42.5%	53.1%	4	28.6%	22.6%	34.5%	48.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	14.3%	24.1%	13.5%	10.5%
<i>Total</i>	<i>14</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>14</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Refinance										
Low	0	0.0%	0.0%	0.3%	0.2%	2	15.4%	7.4%	5.0%	2.8%
Moderate	0	0.0%	0.0%	9.4%	6.6%	3	23.1%	14.2%	12.5%	8.1%
Middle	6	46.2%	22.8%	36.6%	30.6%	2	15.4%	7.8%	17.8%	14.4%
Upper	7	53.8%	77.2%	53.7%	62.6%	2	15.4%	25.6%	43.3%	52.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	30.8%	44.9%	21.4%	21.9%
<i>Total</i>	<i>13</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>13</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Home Improvement										
Low	0	0.0%	0.0%	0.3%	0.3%	1	20.0%	0.6%	7.4%	3.9%
Moderate	2	40.0%	43.9%	10.1%	6.7%	3	60.0%	78.9%	18.5%	13.0%
Middle	2	40.0%	55.6%	38.9%	33.3%	1	20.0%	20.5%	23.0%	17.6%
Upper	1	20.0%	0.6%	50.8%	59.7%	0	0.0%	0.0%	45.4%	56.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.7%	9.0%
<i>Total</i>	<i>5</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>5</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
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%	26.1%	5.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	43.5%	53.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	30.4%	41.2%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
HMDA Totals										
Low	0	0.0%	0.0%	0.3%	0.2%	5	15.6%	7.7%	5.9%	3.0%
Moderate	4	12.5%	6.0%	11.6%	7.9%	10	31.3%	22.3%	17.9%	12.3%
Middle	13	40.6%	29.6%	40.7%	34.8%	5	15.6%	11.7%	20.9%	17.9%
Upper	15	46.9%	64.3%	47.5%	57.2%	6	18.8%	23.3%	38.5%	49.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	18.8%	34.9%	16.8%	17.6%
<i>Total</i>	<i>32</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>32</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	1		4.2%		1.9%		1.5%		2.2%	
Moderate	8		33.3%		58.9%		16.7%		20.4%	
Middle	12		50.0%		34.1%		38.2%		36.5%	
Upper	3		12.5%		5.1%		42.5%		40.0%	
Unknown	0		0.0%		0.0%		0.0%		0.0%	
Tract Unknown	0		0.0%		0.0%		1.1%		0.9%	
<i>Total</i>	<i>24</i>		<i>100.0%</i>		<i>100.0%</i>		<i>100.0%</i>		<i>100.0%</i>	
By Revenue										
\$1 Million or Less	18		75.0%		64.1%		18.5%		27.7%	
By Loan Size										
\$100,000 or less	17		70.8%		25.3%		94.8%		34.9%	
\$100,001-\$250,000	2		8.3%		6.6%		2.3%		13.3%	
\$250,001-\$1 Million	5		20.8%		68.0%		2.9%		51.8%	
<i>Total</i>	<i>24</i>		<i>100.0%</i>		<i>100.0%</i>		<i>100.0%</i>		<i>100.0%</i>	

Originations and Purchases

CRA APPENDIX A
SCOPE OF EXAMINATION

BANCO POPULAR NORTH AMERICA			
TIME PERIOD REVIEWED		January 1, 2008-December 31, 2010	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Banco Popular North America* 9600 West Bryn Mawr Rosemont, Illinois 60018			<ul style="list-style-type: none"> • Home purchase • Multifamily • Refinancings • Home Improvement • Small business • Community Development
AFFILIATE(S)	AFFILIATE RELATIONS		PRODUCTS REVIEWED
Banco Popular National Association, Florida**	Holding Company subsidiary		<ul style="list-style-type: none"> • Home Purchase • Refinancings • Home Improvement
E Loan Inc.***	Bank subsidiary		<ul style="list-style-type: none"> • Purchase • Refinancings • Home Improvement
* Branch Examined. ** BP National Association dissolved 12/31/2008. ***E-Loan ceased all activity except deposits effective 12/31/2008.			

CRA APPENDIX B

Summary of State and Multistate MSA Ratings

State or Multistate Metropolitan Area	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
MSA 35620	Low Satisfactory	Low Satisfactory	Outstanding	Satisfactory
California	Low Satisfactory	Low Satisfactory	Outstanding	Satisfactory
Illinois	Low Satisfactory	Low Satisfactory	Outstanding	Satisfactory
Florida	Low Satisfactory	Low Satisfactory	Outstanding	Satisfactory

CRA APPENDIX C

SUMMARY OF BRANCH LOCATIONS AS OF DECEMBER 31, 2010				
ASSESSMENT AREA	Total Branches	Total Branches in LMI Tracts	% of Branches in LMI Tracts	% of Pop. In LMI Tracts
STATE OF NEW YORK				
MSA 35620	39	27	69%	49%
STATE OF CALIFORNIA				
MSA 31100	23	12	52%	37%
MSA 41740	1	1	100%	32%
STATE OF ILLINOIS				
MSA 16980	13	8	62%	36%
STATE OF FLORIDA				
MSA 33100	11	4	36%	32%
MSA 36740	9	5	56%	25%
TOTAL BRANCHES	96	57	59%	40%

CRA APPENDIX D

BANCO POPULAR NORTH AMERICA										
Community Development Loans										
January 1, 2008 - December 31, 2010										
Assessment Area	Affordable Housing		Economic Development		Community Services		Revitalize and Stabilize		Combined Totals	
	#	('\$000)	#	('\$000)	#	('\$000)	#	('\$000)	#	('\$000)
New York- Northern New Jersey - Long Island										
MSA 35620	41	78,046	1	1,950	49	53,026	10	28,659	101	161,681
Statewide	2	1,570	1	213	0	0	0	0	3	1,783
Totals MSA 35620	43	79,616	2	2,163	49	53,206	10	28,659	104	163,464
STATE OF CALIFORNIA										
MSA 31100	170	128,599	1	267	4	13,713	2	4,783	177	147,362
MSA 41740	34	30,832	0	0	0	0	0	0	34	30,832
Statewide	17	15,442	0	0	1	1,000	0	0	18	16,442
Totals California	221	174,873	1	267	5	14,713	2	4,783	229	194,636
STATE OF FLORIDA										
MSA 36740	5	16,025	1	3,771	2	1,223	0	0	8	21,019
MSA 33100	28	28,781	1	1980	1	50	1	12,600	31	43,411
Statewide	10	5,049	0	0	0	0	0	0	10	5,049
Totals Florida	43	49,855	2	5,751	3	1,273	1	12,600	49	69,479
STATE OF ILLINOIS										
MSA 16980	72	56,985	3	341	3	5,765	5	8,996	83	72,087
Statewide	2	1,430	0	0	0	0	0	0	2	1,430
Totals Illinois	74	58,415	3	341	3	5,765	5	8,996	85	73,517
STATE OF TEXAS										
Totals Texas	4	1,175	0	0	0	0	0	0	4	1,175
TOTAL COMMUNITY DEVELOPMENT LOANS	385	363,934	8	8,522	60	74,777	18	55,038	471	502,271

CRA APPENDIX E

BANCO POPULAR NORTH AMERICA										
Community Development Investments										
January 1, 2008 - December 31, 2010										
Assessment Area	Affordable Housing		Economic Development		Community Services		Revitalize and Stabilize		Combined Totals	
	#	('\$000)	#	('\$000)	#	('\$000)	#	('\$000)	#	('\$000)
New York- Northern New Jersey - Long Island										
MSA 35620	9	13,564	10	112	62	571	3	10	84	14,257
Statewide	5	4,849	1	379	0	0	0	0	6	5,228
Totals MSA 35620	14	18,413	11	491	62	571	3	10	90	19,485
STATE OF CALIFORNIA										
MSA 31100	0	0	5	420	28	472	1	1	34	893
MSA 41740	0	0	1	1	3	10	0	0	4	11
Statewide	6	9,562	2	371	2	200	0	0	10	10,133
Totals California	6	9,562	8	792	33	682	1	1	48	11,037
STATE OF FLORIDA										
MSA 36740	1	4	4	20	16	68	0	0	21	92
MSA 33100	1	25	0	0	16	163	0	0	17	188
Statewide	7	6,544	1	379	1	1	0	0	9	6,924
Totals Florida	9	6,573	5	399	33	232	0	0	47	7,204
STATE OF ILLINOIS										
MSA 16980	3	2,213	19	232	66	300	2	5	90	2,750
Statewide	4	5,142	0	0	0	0	0	0	4	5,142
Totals Illinois	7	7,355	19	232	66	300	2	5	94	7,892
STATE OF TEXAS										
State of Texas	1	1,504	5	384	8	38	0	0	14	1,926
TOTAL COMMUNITY DEVELOPMENT INVESTMENTS	37	43,407	48	2,298	202	1,823	6	16	293	47,544

APPENDIX F
State of California - Limited Scope Assessment Areas
2009 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 41740

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	5.8%	3.9%	0	0.0%	0.0%	4.0%	1.7%
Moderate	0	0.0%	0.0%	13.9%	9.5%	0	0.0%	0.0%	16.2%	10.0%
Middle	0	0.0%	0.0%	41.1%	35.5%	1	100.0%	100.0%	25.0%	21.1%
Upper	1	100.0%	100.0%	39.2%	51.2%	0	0.0%	0.0%	44.8%	58.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	9.9%	8.4%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	1.8%	1.3%	0	0.0%	0.0%	2.9%	1.5%
Moderate	0	0.0%	0.0%	6.9%	5.1%	0	0.0%	0.0%	8.6%	5.3%
Middle	0	0.0%	0.0%	30.5%	24.8%	0	0.0%	0.0%	18.1%	14.0%
Upper	1	100.0%	100.0%	60.8%	68.8%	1	100.0%	100.0%	55.3%	63.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.0%	15.4%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	1.6%	0.7%	0	0.0%	0.0%	4.8%	2.2%
Moderate	0	0.0%	0.0%	7.1%	4.3%	0	0.0%	0.0%	12.2%	7.8%
Middle	0	0.0%	0.0%	36.1%	27.9%	0	0.0%	0.0%	21.7%	17.5%
Upper	0	0.0%	0.0%	55.2%	67.1%	0	0.0%	0.0%	55.7%	67.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.5%	4.9%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	26.2%	14.3%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	28.2%	21.8%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	33.1%	34.2%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	12.5%	29.6%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	HMDA Totals									
Low	0	0.0%	0.0%	3.3%	2.5%	0	0.0%	0.0%	3.4%	1.5%
Moderate	0	0.0%	0.0%	9.6%	6.9%	0	0.0%	0.0%	11.4%	6.9%
Middle	0	0.0%	0.0%	34.5%	28.7%	1	50.0%	39.3%	20.6%	16.2%
Upper	2	100.0%	100.0%	52.6%	62.0%	1	50.0%	60.7%	51.3%	60.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.3%	14.5%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	0	0.0%	0.0%		4.1%	5.4%				
Moderate	8	72.7%	38.2%		15.0%	17.0%				
Middle	1	9.1%	28.2%		35.3%	34.3%				
Upper	2	18.2%	33.6%		45.6%	43.3%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		0.0%	0.0%				
Total	11	100.0%	100.0%		100.0%	100.0%				
	By Revenue									
\$1 Million or Less	3	27.3%	9.9%		34.3%	34.1%				
	By Loan Size									
\$100,000 or less	7	63.6%	26.2%		95.5%	47.9%				
\$100,001-\$250,000	2	18.2%	16.8%		2.4%	13.8%				
\$250,001-\$1 Million	2	18.2%	57.0%		2.1%	38.3%				
Total	11	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

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.

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.

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.

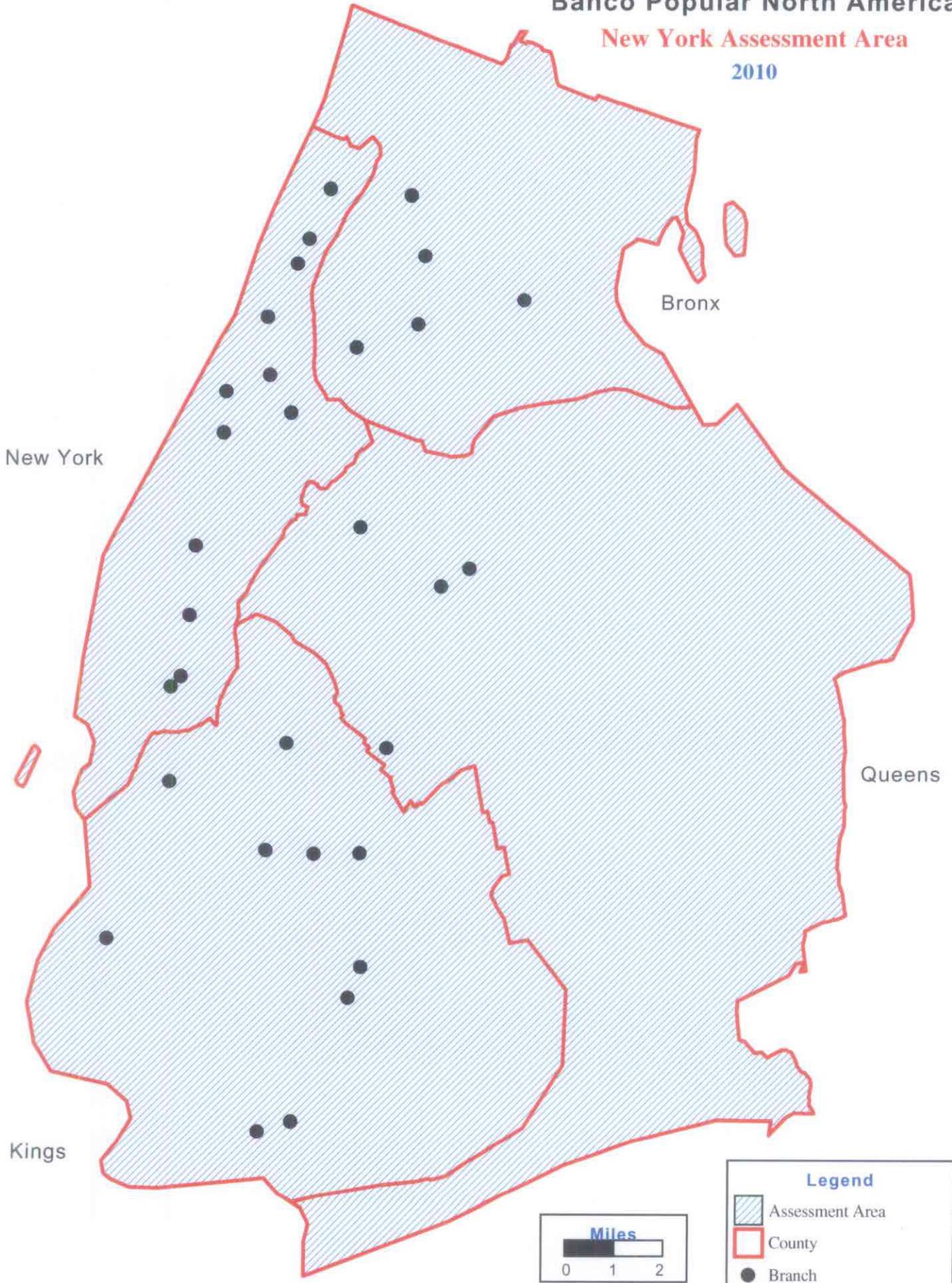
Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

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.

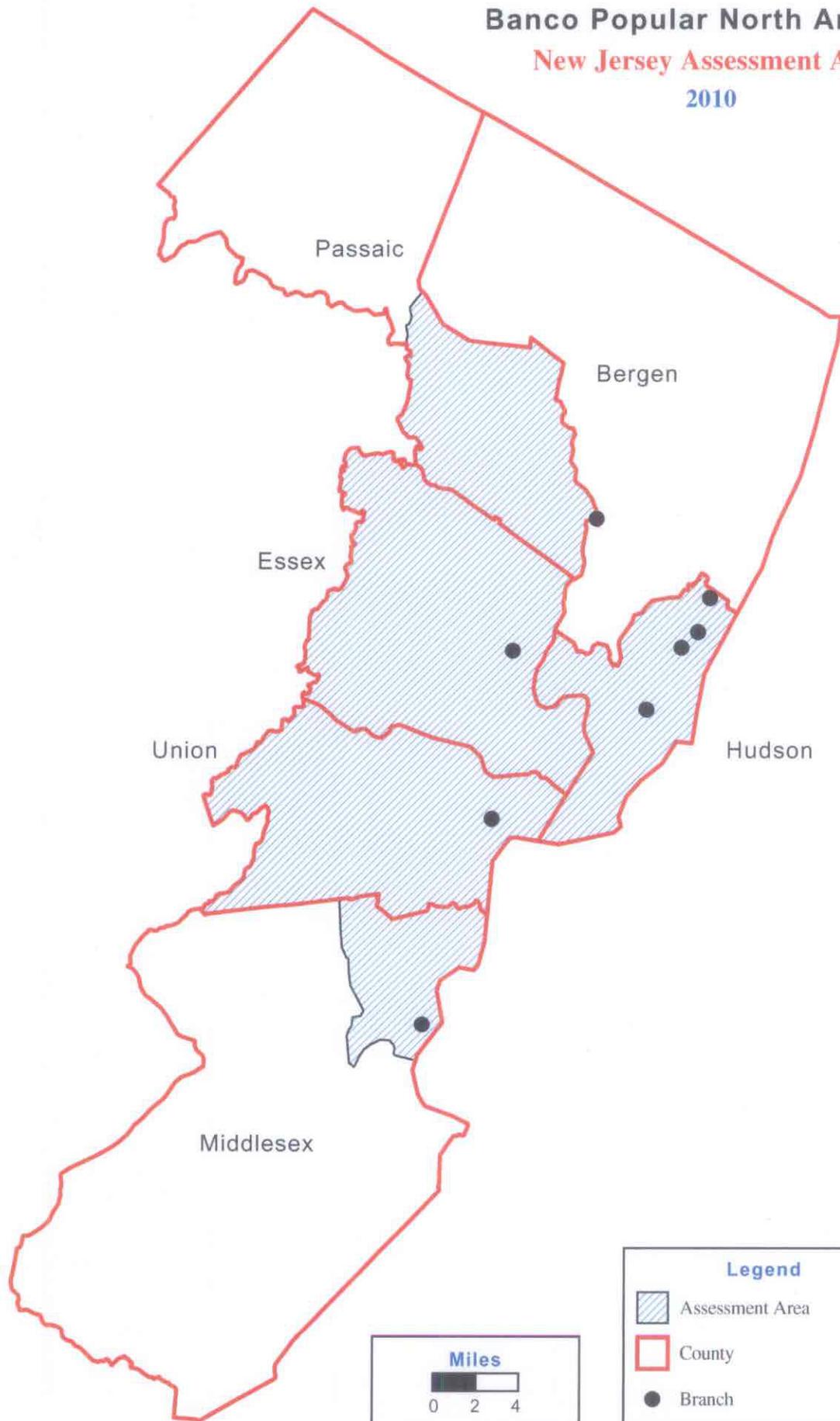
Banco Popular North America
New York Assessment Area
2010



Banco Popular North America

New Jersey Assessment Area

2010



Banco Popular North America

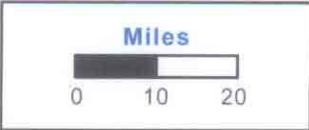
California Assessment Area

2010

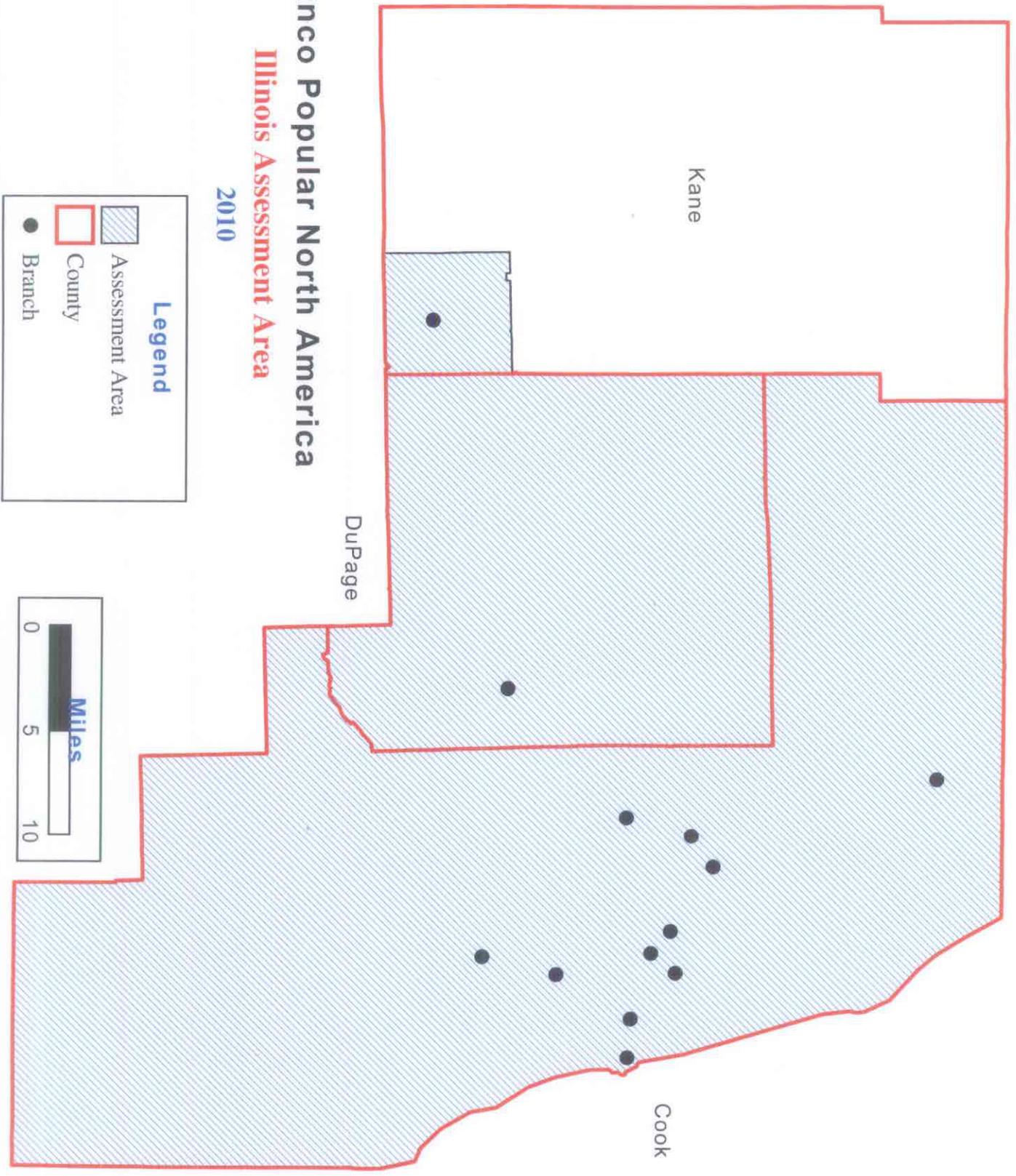


Legend

-  Assessment Area
-  County
-  Branch



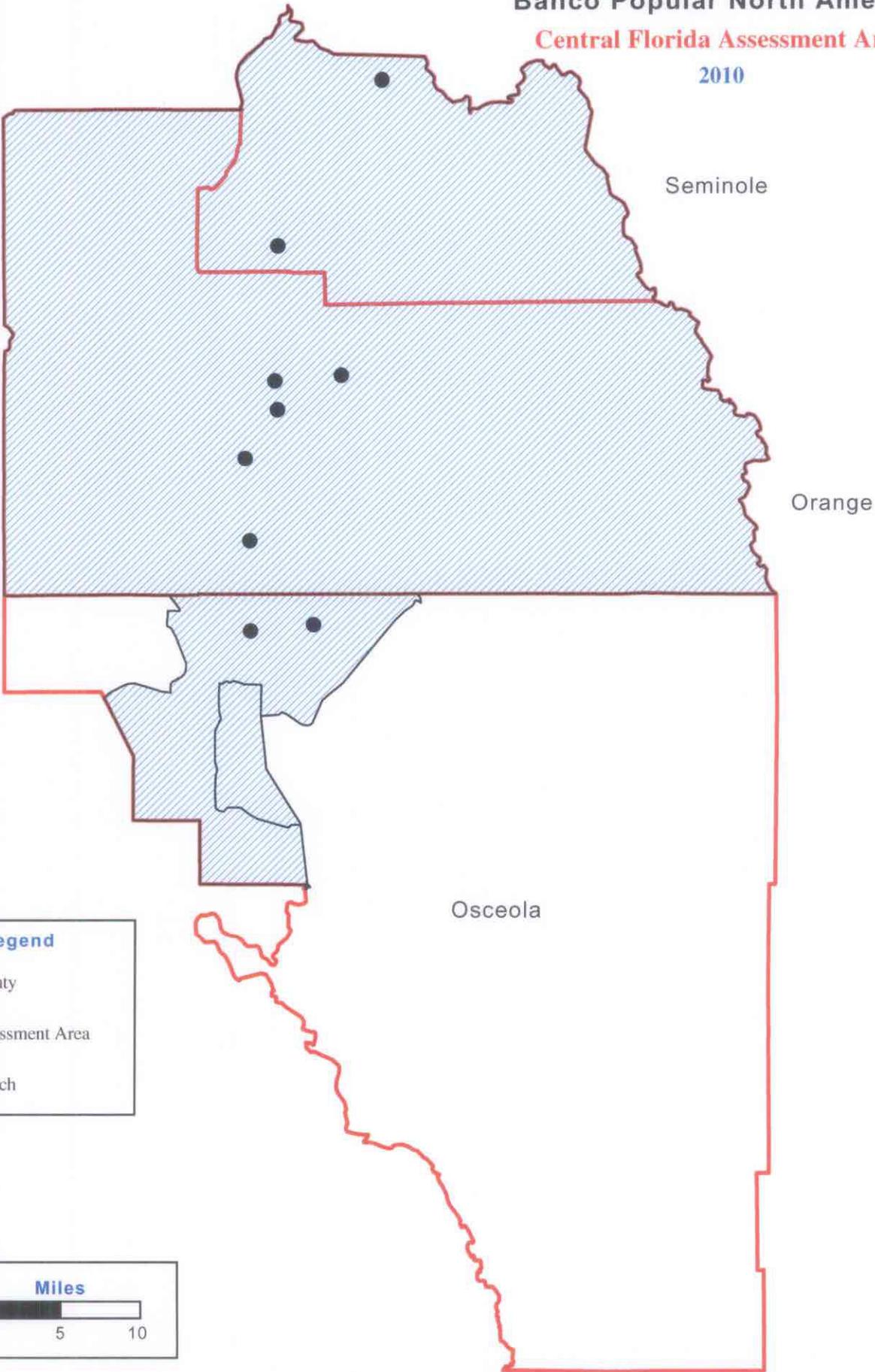
Banco Popular North America
Illinois Assessment Area
2010



Banco Popular North America

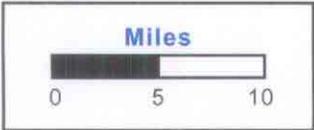
Central Florida Assessment Area

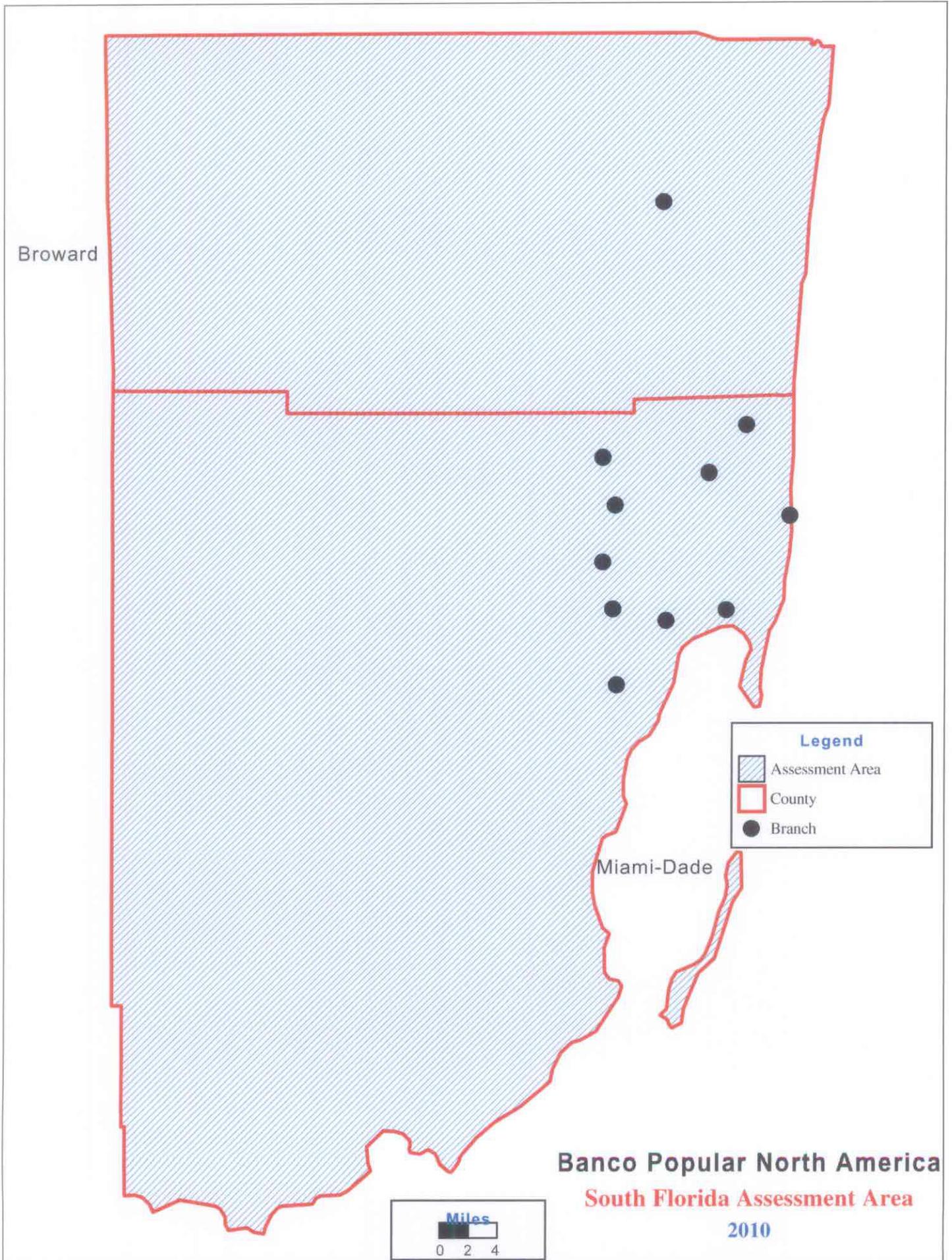
2010



Legend

- County
- Assessment Area
- Branch





Broward

Miami-Dade

Legend

- Assessment Area
- County
- Branch



Banco Popular North America
South Florida Assessment Area
2010