

PUBLIC DISCLOSURE

January 22, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Banco Popular de Puerto Rico
RSSD No. 940311

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San Juan, Puerto Rico 00918

Federal Reserve Bank of New York
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New York, NY 10045

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

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INSTITUTION RATING

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

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

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

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

The major factors supporting the institution's rating follow:

- The overall number of home purchase, home improvement and small business loans originated or purchased by the bank and its affiliates during the examination period shows excellent responsiveness to credit needs of the bank's assessment areas. In 2011, BPPR was the primary provider of home purchase, refinance, home improvement loans and small business loans in the full scope MSAs in Puerto Rico and the U.S. Virgin Islands.
- The overall geographic distribution of lending was good.
- Overall distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- The overall level of community development lending was outstanding. BPPR was a leader in providing community development loans.
- The level of qualified investments and grants was significant.

- Branch and delivery systems were readily accessible to the bank’s geographies and individuals of differing income levels within the assessment areas.
- BPPR provided an excellent level of community development services through seminars and the provision of financially-related services by BPPR officers and staff who served on boards and committees of qualified community organizations.

INSTITUTION

DESCRIPTION OF INSTITUTION*

Total assets	\$27.9 billion
Net loans & leases	\$18.9 billion
Total domestic deposits	\$21.6 billion
Number of branches	190
Headquarters	San Juan, P.R.
Bank holding company	Popular Inc.

*Data as of December 31, 2011

Banco Popular de Puerto Rico (“Banco Popular” or “BPPR”) is a full-service commercial bank headquartered in San Juan, Puerto Rico. Banco Popular is primarily engaged in retail and commercial banking services, including auto and equipment leasing and financing, investment banking- and broker-dealer and insurance services through specialized subsidiaries. All products and services are offered through Banco Popular’s 190 branch network and alternative delivery channels, such as by telephone, Internet or through automated teller machines (“ATMs”). BPPR is a publicly traded, wholly-owned subsidiary of Popular Inc., a multi-regional diversified financial holding company with \$37 billion in combined total assets as of December 31, 2011.

BPPR is the leading financial institution in Puerto Rico (“P.R.”), ranking first in deposit market share, small business lending, home purchase, refinance, and home improvement lending, and a leader in community development lending over the examination period. BPPR operates 182 retail branches in its Puerto Rico assessment area and eight branches in the United States Virgin Islands (“USVI”) assessment area.

Banco Popular has 12 assessment areas. The assessment areas include 11 Metropolitan Statistical Areas (“MSAs”) and non-MSAs in Puerto Rico and one non-MSA assessment area in the USVI as follows:

Puerto Rico

- MSA 41980 (San Juan-Caguas-Guaynabo, P.R.)

- MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.)
- MSA 38660 (Ponce, P.R.)
- MSA 32420 (Mayaguez, P.R.)
- MSA 41900 (San German-Cabo Rojo, P.R.)
- MSA 25020 (Guayama, P.R.)
- MSA 21940 (Fajardo, P.R.)
- MSA 49500 (Yauco, P.R.)
- Non-MSA A (Municipalities of Adjuntas, Jayuya, Utuado, Las Marias, Maricao, P.R.)
- Non-MSA B (Municipalities of Coamo, Santa Isabel, Salinas, P.R.)
- Non-MSA C (Municipality of Vieques, P.R, and Culebra)

U.S. Virgin Islands

- Non-MSA U.S. Virgin Islands (Islands of St. Thomas, St. Croix and St. John)

During 2010, BPPR entered into a purchase and assumption agreement with the Federal Deposit Insurance Corporation (FDIC) to assume all of the deposits of Westernbank Puerto Rico. BPPR acquired approximately \$8.6 billion in loans and assumed approximately \$2.4 billion in deposits. BPPR also added 12 branches to its network and retained approximately 57% of Westernbank's employees.

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

SCOPE OF EXAMINATION

Procedures

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

Products

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

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

Affiliates

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

- Popular Mortgage Inc., a mortgage origination and secondary marketing subsidiary; and,
- Popular Auto Inc., an automobile and indirect financing subsidiary.

Examination Period

HMDA-related and CRA small business loans originated or purchased between January 1, 2010, and December 31, 2011, were evaluated. Examiners also evaluated community development services, community development loans and qualified investments made between January 1, 2010 and December 31, 2012.

Lending Distribution Analysis

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

In order to analyze the borrower characteristics of HMDA-related loans, the proportion of originations to LMI borrowers was compared with the proportion of LMI families in the assessment areas. Income estimates from the U.S. Department of Housing and Urban Development ("HUD") were used to categorize borrower income. HUD-adjusted median family income figures for 2011 were used to categorize borrower income level for 2011 loans and 2010 HUD-adjusted median family income estimates were used to categorize 2010 loans. 2011 Dunn and Bradstreet data were used for demographic information relating to the proportion of businesses with gross annual revenues ("GAR") of less than or equal to \$1 million. The size of the small business loan was also used as a proxy to identify lending to smaller businesses.

BPPR's 2011 HMDA-related and small business loan originations were also compared to the 2011 market aggregate of all institutions reporting such loans in each full-review assessment area, except the USVI. In addition, 2010 HMDA-related and small business performance was compared to the 2010 market aggregate of all institutions reporting such loans in each full-scope assessment area to assess consistency with 2011 performance. Market aggregate HMDA and small business data were unavailable for the USVI.

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

Deriving Overall Conclusions

Overall conclusions regarding the bank's CRA performance were based primarily on performance in Puerto Rico, which represents 96% of the bank's branches, 96% of the total deposits (as of 6/30/11) and 99% of all lending activity. Therefore, performance in the USVI was not significantly weighted in the overall CRA rating.

Within Puerto Rico, examiners conducted a full scope review of BPPR's performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.), MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.), MSA 38660 (Ponce, P.R.). Limited scope reviews were performed on the remaining MSAs in Puerto Rico. The full scope review areas within Puerto Rico collectively represent 84% of the lending activity, 89% of the deposits and 79% of the branches in Puerto Rico. Overall conclusions about performance in Puerto Rico were primarily influenced by the bank's performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.), which represents 72% of total lending, 81% of deposits, and 66% of branches in the combined Puerto Rico assessment areas. In addition, a full-scope review was conducted of the USVI, consisting of the islands of St. Thomas, St. Croix, and St. John.

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

Community Contacts

In order to learn more about community credit needs, examiners conducted four interviews with community contacts during the examination. Community contacts are primarily used by examiners to obtain a balanced perspective of CRA-related issues and concerns identified by community organizations working within the institution's assessment area.

EXHIBIT 1: Summary of Key Assessment Area Data ALL ASSESSMENT AREAS			
	PUERTO RICO	USVI	TOTAL
Total Population*	3,808,610	107,612	3,916,222
Population % of AA population	97%	3%	100%
Families	1,008,555	26,636	1,035,191
Families % of AA families	97%	3%	100%
Total Census Tracts*	823	32	855
Tracts % AA tracts	96%	4%	100%
LMI tracts	219	7	226
LMI tracts % all AA LMI tracts	97%	3%	100%
Total Owner-Occupied Units*	919,711	18,678	938,389
Units % of AA units	98%	2%	100%
Business Establishments **	31,446	2,482	33,928
Bus. est. % AA bus. est.	93%	7%	100%
Number of Branches *	182	8	190
Branches % all branches	96%	4%	100%
Branches in LMI tracts	35	2	37
LMI branches % AA LMI branches	95%	5%	100%
Branch Deposits (\$'000s) ***	20,478,067	851,425	21,329,492
Deposits % AA deposits	96%	4%	100%
Deposit Market Share (%) / Rank in Market*	41%/1	44%/2	
Home Purchase Originations****	19,543	74	19,617
HP originations % AA orig.	100%	0%	100%
Refinance Originations ****	6,798	139	6,937
Refi orig. % AA orig.	98%	2%	100%
Home Improvement Originations****	12,629	195	12,824
Home Improvement orig. % AA orig.	98%	2%	100%
Small Business Originations ****	25,645	267	25,912
SB orig. % AA orig.	99%	1%	100%
Combined Loan Totals****	64,615	675	65,290
% of AA Orig.	99%	1%	100%

* Source: 2000 Census Data.
 ** Source: 2011 D&B USVI
 *** Source: FDIC Summary of Deposit Data as of June 30, 2011
 **** Originations include Originations and loans purchased between Jan. 1, 2010 and December 31, 2011

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

Lending Activity:

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

The bank originated 65,302 home purchase, refinance, home improvement, and small business loans totaling approximately \$6.3 billion during the examination period, as indicated in the below table:

SUMMARY OF LENDING ACTIVITY				
January 1, 2010 – December 31, 2011				
Loan Type	#	%	\$(000s)	%
HMDA Home Purchase	19,621	30%	\$2,551,240	40%
HMDA Refinancings	6,942	11%	\$1,003,495	16%
Home Improvement	12,827	20%	\$369,566	6%
Total HMDA-related	39,390	60%	\$3,924,301	62%
Total Small Business	25,912	40%	\$2,404,603	38%
TOTAL LOANS	65,302	100%	\$6,328,904	100%

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

Assessment Area Concentration:

A substantial majority of loans originated by BPPR were extended in the bank's assessment areas as detailed in the table below. BPPR uses a business model that primarily relies upon its mortgage company affiliate to provide home purchase and refinance loans to the assessment areas, while BPPR primarily originates or purchases home improvement and small business loans. The table below details the lending by BPPR within and outside the assessment area over the examination period. As noted in the below table, BPPR extended all, 100%, of its loans to individuals and business within its assessment area.

LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA								
January 1, 2010 – December 31, 2011								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Purchase	289	99%	\$55,047	98%	4	1%	\$1,038	2%
Refinancing	238	98%	\$38,561	97%	5	2%	\$1,307	3%
Home Improvement	10,610	100%	\$134,223	100%	3	0%	\$76	0%
Total HMDA-related	11,137	100%	\$227,831	99%	12	0%	\$2,421	1%
Total Small Business	25,912	100%	\$2,404,603	100%	0	0%	\$0	0%
TOTAL LOANS	37,049	100%	\$2,632,434	100%	12	0%	\$2,421	0%

Note: This table includes only loans originated or purchased by the bank. Affiliate loans are not included.

Geographic Distribution:

BPPR exhibited good overall loan penetration in LMI geographies, based on good performance in Puerto Rico and adequate performance in the USVI. The analysis considered performance context issues, such as the number of owner-occupied units in LMI geographies and the market aggregate's performance. Demand for residential mortgage products typically is tied to the availability of owner-occupied housing units. For HMDA-related loans, conclusions were based primarily on performance in moderate-income geographies, as the very low number of owner-occupied housing units in low-income tracts makes it difficult to extend HMDA-related loans in those geographies.

Borrower Distribution:

In both Puerto Rico and the USVI, the overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. The wide disparity between housing prices and incomes makes owner-occupied housing unaffordable to most LMI families residing within BPPR's assessment areas. This rating considers the excellent penetration among businesses of different sizes.

Innovative and flexible:

BPPR exhibits an excellent record of serving the credit needs of low-income individuals and areas and very small businesses. A number of BPPR's products were responsive to specific community needs in the bank's assessment areas, as illustrated below:

- Pronto Popular - is a savings account created to implement the Federal Home Loan Bank's (FHLB) First Home Club (FHC) Program. FHLB's program helps LMI individuals

acquire their first home by matching funds saved by the participants. The program is aimed at households with incomes at or below 80% of the median area income. The FHC provides down payment and closing cost assistance by granting four dollars in matching funds for each dollar saved in a dedicated account (up to \$7,500 in matching funds).

- Federal Housing Administration (“FHA”) and Veterans Administration (“VA”) guaranteed mortgage loans offered by Popular Mortgage, which allow for full financing of the property’s appraised value. FHA loans are flexible in working with borrowers who are in bankruptcy. During the evaluation period, BPPR originated 4,422 FHA loans totaling \$577.2 million. Under the VA program, BPPR originated 462 loans totaling \$74.6 million.
- The Enhanced Portfolio Program, offered by Popular Mortgage, designed for borrowers with adverse credit histories and limited incomes. The program acts as an alternative for people who do not qualify under FHA or Federal National Mortgage Association (“FNMA”) requirements. During the evaluation period, BPPR originated 71 Enhanced Portfolio Program loans for \$7.4 million.
- Loss Mitigation Program- Banco Popular’s Loss Mitigation Division was established to help homeowners that were facing the loss of their homes due to delinquent payments. A professional loss mitigation counselor works with the home owner as well as the lender to find an alternative to foreclosures, including modifications. In 2010 and 2011, Banco Popular facilitated 4,606 loan modifications totaling \$608 million.

Community Development Lending:

Banco Popular’s level of community development lending was excellent and highly responsive to the credit needs within its assessment areas based on excellent performance in both Puerto Rico and in the USVI. As shown in Appendix C, the bank extended 755 community development loans totaling approximately \$1.5 billion. Moreover, new commitments represented \$1.4 billion of total community lending loans, or 93% of total activity. On an annualized basis, community development lending increased 25% in dollars compared to the last examination.

INVESTMENT TEST

BPPR’s investment performance is rated high satisfactory based on good overall performance in Puerto Rico and in the USVI.

Overall, BPPR made a significant level of qualified community development investments and grants, occasionally in a leadership position.

Qualified investments totaled \$223 million over a period of 36 months and are noted in the chart to the right. In comparison, during the prior examination, BPPR made \$194 million in qualified investments over a period of 24 months. Qualified investments decreased by 18% on an annualized basis. Of the

QUALIFIED INVESTMENTS		
PURPOSE	#	\$(000s)
Affordable Housing	78	76,905
Community Services	490	66,340
Economic Development	34	63,066
Revitalize & Stabilize	2	16,911
TOTAL	604	223,222

total, \$120 million or 54% were new investments made during this examination period. Of the total new investments, \$15 million were grants and/or donations to organizations providing community development services throughout BPPR’s assessment area.

The bank demonstrated excellent responsiveness to community credit needs. Of the total dollar amount of qualified investments, 91% targeted community development activities in Puerto Rico. Investment opportunities remain limited in the USVI. BPPR’s investment activity primarily supports community service initiatives, which was identified through the bank’s outreach efforts with community groups and local government agencies as an ongoing community development need. BPPR’s level of investment was comparable to similarly-situated large retail banks in the assessment areas.

BPPR made occasional use of innovative investments to support community development initiatives as opportunities to make innovative investments in Puerto Rico are limited. Qualified investments included \$6 million to fund a community development initiative created by BPPR in 2011 (Echar Pa’lante). The program provides grant funding for small businesses, public schools for primarily LMI children, and organizations that provide community development services to promote entrepreneurship.

BPPR was instrumental in establishing the Puerto Rico Housing and Human Development (FIDEVI), a collaborative alliance between Puerto Rico’s banking industry and the homeless population advocacy community. FIDEVI’s objective is to develop affordable housing for the homeless or those at-risk of becoming homeless. BPPR funded the organization with \$15.8 million of equity investment, of which \$206 thousand directly targeted affordable housing efforts.

SERVICE TEST

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

Retail Services

BPPR’s branches were readily accessible to all portions of its assessment areas. The bank operated 190 branches, of which 2 (1%) were located in low-income tracts, 35 (18%) were in moderate-income tracts, 83 (44%) were in middle-income tracts, and 70 (37%) were in upper-income tracts. Of the bank’s total branches, 37 or 19% are in LMI areas, compared to 25% of the assessment areas’ population residing in LMI geographies. In addition, of the 182 branches on Puerto Rico, 30% are located in shopping centers, providing accessibility to populations from LMI geographies.

Alternative delivery systems somewhat enhanced BPPR’s performance in its assessment areas. BPPR operated 335 off-site ATMs located throughout its assessment areas, of which 5 (1%) were located in low-income areas and 44 (13%) were in moderate-income areas. In addition, the bank offers alternative delivery systems such as bank-by-mail, internet banking, mobile banking applications, text message banking, and 24-hour automated services. These services while not specifically targeted to LMI individuals, provide improved accessibility to bank services throughout BPPR’s assessment area.

BPPR’s record of opening and closing branches did not adversely affect overall accessibility of its delivery systems. During the evaluation period, BPPR opened 13 new branches, of which three were located in LMI areas. In addition, the bank closed two branches during the evaluation period, none of which were located in LMI areas.

Extended morning, evening and Saturday hours were widely scheduled and tailored to meet the convenience and needs of the assessment areas, particularly LMI geographies and/or LMI individuals. Of the total 37 branches in LMI areas, 20 (54%) had extended morning, evening or Saturday hours.

Community Development Services

BPPR is a leader in providing community development services throughout the assessment areas. The bank’s community development service performance was excellent in Puerto Rico and good in the USVI. During the evaluation period, BPPR provided 3,673 technical community development services, which represents a 39% increase on an annualized basis when compared to the prior evaluation period when BPPR provided 1,759 qualified services. The table above illustrates the level and type of community development services provided. These community development events included sponsorship and participation in a significant number of financial education seminars targeted to LMI individuals, and technical assistance provided to community organizations and small businesses.

COMMUNITY DEVELOPMENT SERVICES	
PURPOSE	#
Financial Education	3,516
Mortgage Education Seminars	68
Technical Assistance	46
Small Business Seminars	43
TOTAL	3,673

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

- A financial education program BPPR established called Mis Finanzas en Tus Manos, which creates awareness about the importance of effective management of personal finances. The program teaches first-time homebuyer education, retirement education, and saving plans for funding children's education. During 2011, BPPR provided, through this program, financial education to towns all over Puerto Rico.
- Since 1989, BPPR has provided financial education through the "Populoso Financial Education Program," in which BPPR employees visit schools to teach about the importance of saving to build a better future. Also, BPPR's Junior Savings Club product encourages children to open savings accounts and keep track of their money.
- Through the Vivienda Popular program, BPPR offered seminars related to homeownership and affordable housing products and services to professional groups, community-based organizations and government agencies.
- During 2011, BPPR created an economic development initiative named Echar Pa'lante, which seeks to jumpstart the Puerto Rican economy through a campaign that focuses on reducing school absenteeism and providing a support network for entrepreneurs. Example of this initiative was a workshop that provides information on how teachers could develop business clubs in their respective schools.

In addition, 156 BPPR employees served on numerous boards or as key members of committees of 166 community development organizations, providing financial management expertise and technical assistance to these organizations. The missions of these organizations are targeted to providing a wide array of affordable housing and community development services. BPPR provided a total of 376 community development service activities.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

COMMONWEALTH OF PUERTO RICO

CRA RATING FOR THE COMMONWEALTH OF PUERTO RICO: OUTSTANDING

The lending test is rated: Outstanding

The investment test is rated: High Satisfactory

The service test is rated: Outstanding

Major factors supporting the rating include:

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

SCOPE OF EXAMINATION

A full review of BPPR's performance in the Puerto Rico assessment areas of MSA 41980 (San Juan-Caguas-Guaynabo, P.R.), MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.), and MSA 38660 (Ponce, P.R.) was conducted. A limited review was conducted of the bank's performance in the other Puerto Rico assessment areas. The combined full-review areas make up 84% of the bank's loans, 79% of the branches and 89% of deposits in the Commonwealth. BPPR's overall CRA rating is significantly driven by the performance in the Puerto Rico assessment areas, which accounts for 96% of its total retail deposits and 99% of total HMDA-reportable and small business lending activity. Use % as a % of PR only

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPPR maintains the largest retail bank network in Puerto Rico with 182 branches, 335 off-site ATMs, and 41% of deposit market share in Puerto Rico. BPPR's primary bank competitors in Puerto Rico for assessment area deposits include Firstbank of Puerto Rico, which captured 17% of deposit market share; Banco Santander Puerto Rico, 10%; Doral Bank, 8%, and Scotiabank de Puerto Rico, with 7% of deposit market share.

In order to derive the Commonwealth rating, full-scope assessment areas were weighted based on the proportion of loan originations and deposits in each. As a result, MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) had a significant impact on assessing the overall performance of the bank, capturing 81% of the branch deposits and 72% of total loans within Puerto Rico. The two additional full scope areas, MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.) and MSA 38660 (Ponce, P.R.) had lesser impacts on the overall rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PUERTO RICO

LENDING TEST

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

Lending Activity:

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

Geographic Distribution:

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

The analysis considered performance context issues, such as lending opportunities reflected in the number of owner-occupied units, and the market aggregate performance. For HMDA-related loans, conclusions were based primarily on performance in moderate-income geographies, as the very low number of owner-occupied housing units in low-income census tracts makes it difficult to extend HMDA-related loans in those geographies.

Borrower Distribution:

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

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

Community Development Loans:

Banco Popular was a leader in community development lending performance in Puerto Rico and its community development lending was considered highly responsive to the credit needs within its assessment areas. This conclusion is based on excellent performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) and MSA 38660 (Ponce, P.R.) and good performance in MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.).

During the examination period, community development lending in Puerto Rico totaled \$1.4 billion, approximately 5% of the bank's total assets. Of this total, \$1.3 billion, or approximately 93%, was originated since the prior CRA examination. In terms of community development loan volume, BPPR is one of the leading banks in Puerto Rico and BPPR's overall community development lending compared favorably to that of other banks operating in the assessment areas.

INVESTMENT TEST

BPPR's performance under the investment test was high satisfactory in Puerto Rico. BPPR provided a significant level of qualified community development investments and grants, occasionally in a leadership position, that exhibited excellent responsiveness to credit and community development needs. Qualified investments in Puerto Rico totaled \$202 million or 91% of the bank's total qualified investments. Assessment area specific investment activity in Puerto Rico was primarily in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) with \$70 million or 35% of investments made in the Commonwealth. Investment activities in Puerto Rico consisted of a diverse mix of projects, with 33% of investment dollars targeting community development services to LMI individuals, 31% for economic development, 28% targeting affordable housing projects, and 8% dedicated to revitalization and stabilization projects in LMI areas.

BPPR's investment test rating was based on good performance in MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) and adequate performance in MSA 38660 (Ponce, P.R.) and MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.).

SERVICE TEST

BPPR's performance under the service test was outstanding in Puerto Rico based on an overall excellent level of retail delivery systems and community development services. This conclusion is based on excellent performance in full scope assessment areas MSA 41980 (San Juan-Caguas-Guaynabo) and MSA 10380 (Aguadilla-Isabela-San Sebastian), and good performance in MSA 38660 (Ponce).

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

	MSA 41980 San Juan- Caguas- Guaynabo	MSA 10380 Aguadilla- Isabela-San Sebastian	MSA 38660 Ponce	MSA 32420 Mayaguez	MSA 41900 San German- Cabo Rojo	MSA 25020 Guayama	MSA 21940 Fajardo	MSA 49500 Yauco	Non- MSA Group A	Non- MSA Group B	Non- MSA Group C	TOTALS PUERTO RICO
SCOPE	FULL SCOPE	FULL SCOPE	FULL SCOPE	LIMITED SCOPE	LIMITED SCOPE	LIMITED SCOPE	LIMITED SCOPE	LIMITED SCOPE	LIMITED SCOPE	LIMITED SCOPE	LIMITED SCOPE	TOTAL
Total Population*	2,509,007	312,602	254,919	115,345	136,212	83,570	78,533	118,063	59,307	50,375	10,974	3,808,610
Population % of AA population	66%	8%	7%	3%	4%	2%	2%	3%	2%	2%	0%	100%
Families	666,815	84,782	66,781	29,991	37,400	21,780	20,884	30,800	22,963	23,494	2,885	1,008,555
Families % of AA families	66%	8%	7%	3%	4%	2%	2%	3%	2%	2%	0%	100%
Total Census Tracts*	536	64	60	30	25	15	16	29	22	21	5	823
Tracts % AA tracts	65%	8%	7%	4%	3%	2%	2%	4%	3%	3%	1%	100%
LMI tracts	168	8	22	8	1	0	4	2	5	0	1	219
LMI tracts % all AA LMI tracts	77%	4%	10%	4%	0%	0%	2%	1%	2%	0%	0%	100%
Total Owner-Occupied Units*	605,085	77,668	59,626	25,585	37,223	20,152	19,622	29,134	19,837	22,187	3,188	919,711
Units % of AA units	66%	8%	7%	3%	4%	2%	2%	3%	2%	2%	0%	100%
Business Establishments **	23,224	1,818	1,945	1,265	848	371	475	518	392	437	155	31,448
Bus. est. % AA bus. est.	74%	6%	6%	4%	3%	1%	2%	2%	1%	1%	0%	100%
Number of Branches	120	14	10	10	5	4	4	4	5	4	1	182
Branches % all branches	66%	8%	5%	5%	3%	2%	2%	2%	3%	2%	1%	100%
Branches in LMI tracts	26	3	2	1	1	0	1	0	1	0	0	35
LMI branches % AA LMI branches	74%	9%	6%	3%	3%	0%	3%	0%	3%	0%	0%	100%
Branch Deposits (\$'000s) ***	16,490,229	983,915	683,059	681,254	601,939	207,395	201,259	263,986	182,837	156,073	52,121	20,478,087
Deposits % AA deposits	81%	5%	3%	3%	3%	1%	1%	1%	1%	1%	0%	100%
Deposit Market Share(%) / Rank in Market	38/1	70/1	39/1	52/1	90/1	54/1	51/1	68/1	84/1	80/1	100/1	41/1
Home Purchase Originations+	14,292	834	1,310	422	886	278	554	375	147	426	19	19,543
HP originations % AA orig.	73%	4%	7%	2%	5%	1%	3%	2%	1%	2%	0%	100%
Refinance Originations+	5,091	395	352	137	281	112	130	114	55	122	9	6,798
Refi orig. % AA orig.	75%	6%	5%	2%	4%	2%	2%	2%	1%	2%	0%	100%
Home Improvement Originations+	8,717	842	695	292	554	336	237	305	270	318	63	12,629
Home Improvement orig. % AA orig.	69%	7%	6%	2%	4%	3%	2%	2%	2%	3%	0%	100%
Small Business Originations+	18,168	2,075	1,302	1,215	861	340	345	536	370	316	113	25,645
SB orig. % AA orig.	71%	8%	5%	5%	3%	1%	1%	2%	1%	1%	0%	100%
Combined Loan Totals+	46,258	4,145	3,659	2,070	2,582	1,066	1,266	1,330	842	1,182	204	64,615
% of AA Orig.	72%	6%	6%	3%	4%	2%	2%	2%	1%	2%	0%	100%

Sources: *2000 Census Data; ** 2011 Dunn & Bradstreet; *** FDIC Summary of Deposit Data as June 30, 2011; +Originations include originations and purchases between 01/01/10 and 12/31/11

METROPOLITAN AREA

(FULL REVIEW)

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

MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) comprises the largest portion of BPPR's overall retail operations. BPPR operated 120 branch offices in this assessment area, representing 66% of the branches in Puerto Rico, and 63% of BPPR's overall branch network. Of the bank's total lending, this assessment area contain 72% of the combined HMDA-related and small business loans by number originated during the review period.

The assessment area is highly competitive, with many multi-regional and large banking institutions operating within the MSA. The assessment area also includes the Commonwealth's capital and government offices, which attracts financial institutions to compete for deposit and lending opportunities in the area. BPPR is the leader in terms of MSA deposits, according to the June 30, 2011 FDIC Summary of Deposit Report. The bank ranked first out of 9 financial institutions in the San Juan assessment area with \$16.5 billion in deposits, representing a 38% market share. Primary competitors in the area include Firstbank of Puerto Rico, Banco Santander Puerto Rico, and Doral Bank.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census (2000), the U.S. Department of Labor, the Federal Reserve Bank of New York's ("FRBNY") 2012 "Report on the Competitiveness of Puerto Rico," and information provided by Banco Popular.

Demographic Characteristics

MSA 41980 is comprised of 41 municipalities which include: San Juan, Arecibo, Caguas, Barranquitas, Toa Baja, Canovanas, Orocovis, Loiza, Manati, Morovis, San Lorenzo, Comerio, Ciales, Vega Baja, Juncos, Naguabo, Vega Alta, Naranjito, Barceloneta, Yabucoa, Humacao, Cidra, Catano, Hatillo, Aguas Buenas, Florida, Cayey, Aibonito, Quebradillas, Bayamon, Rio Grande, Maunabo, Camuy, Carolina, Guaynabo, Gurabo, Dorado, Las Piedras, Toa Alta, Trujillo Alto, and Corozal. The MSA has 536 census tracts, of which 3% are low-income, 28% are moderate-income, 39% are middle-income, and 30% are upper-income geographies.

According to the 2000 Census, the population of the assessment area is 2.5 million, representing 66% of the total population of BPPR's Puerto Rico assessment area. There are 666,815 families living in MSA 41980, representing 66% of the total number of families in Puerto Rico. A total of 26% of the families reside in low-income geographies and 15% reside in moderate-income geographies.

Income Characteristics

The HUD-adjusted median family income (MFI) for MSA 41980 (San Juan-Caguas-Guaynabo, P.R.) was \$24,600 for 2010 and \$25,400 for 2011. According to the 2000 Census data, 2% of families residing in the MSA are considered low-income, 27% are moderate-income, and more than 41% of families subsist below the poverty level. Low income and the high levels of poverty experienced throughout the MSA make it difficult for families to afford homes, indicating the need for affordable housing and economic development initiatives.

The MSA contains 928,025 housing units, of which 65% are owner-occupied, 25% are rental, and 10% are vacant. Within LMI geographies, the availability of owner-occupied units is limited with only 1% of owner-occupied units located in low-income geographies and 26% in moderate-income geographies.

While San Juan boasts the highest HUD-adjusted median family income in Puerto Rico for 2011, the high median housing prices still make homeownership very difficult for LMI borrowers. A comparison of the median family income to the median housing value illustrates the challenges faced by local lenders. According to Census Bureau adjusted data, the median housing value for San Juan MSA in 2011 is estimated to be about ten times the income of a low-income family and six times the income of a moderate-income family, making it very difficult for LMI families in this MSA to own homes.

Labor, Employment and Economic Characteristics

The economy of Puerto Rico showed continued deterioration during the 2010-2011 period. The extent of the economic contraction is manifested in the poor performance of key sectors such as the labor market, manufacturing, banking activity, tourism, construction and public finances. According to the FRBNY "Report on the Competitiveness of Puerto Rico's Economy", Puerto Rico's labor force participation rate is among the lowest in the world, with less than half of eligible workers participating in the formal economy.

A key part of the labor market is construction, which has experienced great difficulties due to the excess supply of new housing units in certain sectors and cutbacks in public investment. The high level of housing inventory prevented growth in the sector, even though the difficulties associated with the financial crisis resulted in lower short-term interest rates. In 2010, the number of construction permits on the island continued to fall from previous years.

The unemployment rate remains persistently well above the U.S. mainland's rate, and is especially high for the young and less educated. In the San Juan assessment area, unemployment stood at 15.2% for 2010 and dropped to 14.8% in 2011. Puerto Rico lost 150,000 jobs from 2010 to 2011, with the government and manufacturing sectors hardest hit with losses of 2.1% and 4.4%, respectively. In addition, tourism, a major industry in the Puerto Rico economy, has been adversely impacted by the recession since it is based mainly on visitors from the mainland United States. The weak economy has resulted in relatively fewer opportunities to originate loans during the review period.

Exhibit 3
Assessment Area Demographics
Assessment Area: MSA 41980 - 2011

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	18	3.4	15,987	2.4	12,242	76.6	172,535	25.9
Moderate-income	150	28.0	181,209	27.2	101,845	56.2	102,116	15.3
Middle-income	207	38.6	270,040	40.5	115,126	42.6	102,671	15.4
Upper-income	161	30.0	199,579	29.9	47,212	23.7	289,493	43.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	536	100.0	666,815	100.0	276,425	41.5	666,815	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	22,350	6,322	1.0	28.3	14,134	63.2	1,894	8.5
Moderate-income	250,829	159,979	26.4	63.8	63,999	25.5	26,851	10.7
Middle-income	368,557	245,506	40.6	66.6	87,467	23.7	35,584	9.7
Upper-income	286,289	193,278	31.9	67.5	65,052	22.7	27,959	9.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	928,025	605,085	100.0	65.2	230,652	24.9	92,288	9.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	280	1.2	219	1.2	35	1.0	26	2.2
Moderate-income	4,746	20.4	3,812	20.6	610	17.1	324	27.4
Middle-income	6,803	29.3	5,497	29.7	939	26.4	367	31.0
Upper-income	11,395	49.1	8,957	48.5	1,973	55.5	465	39.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	23,224	100.0	18,485	100.0	3,557	100.0	1,182	100.0
	Percentage of Total Businesses:			79.6		15.3		5.1

Based on 2000 Census Information and 2011 Dunn and Bradstreet Data.

The FRBNY report noted that the business environment in Puerto Rico makes it costly and cumbersome to establish and grow new businesses and expand existing ones on the island. In particular, regulations, the elevated cost of electricity, and an underdeveloped and costly transportation infrastructure are barriers to a more dynamic environment. According to information provided by BPPR, approximately 70% of the local energy system's production depends on imported crude oil. As a general rule, increases in fuel prices trigger almost instantaneous declines in economic activity and increases in inflation. It is estimated that every ten dollars of increase in the price of a barrel of crude oil results in a cost of \$700 million to the local economy.

In addition, the FRBNY report noted small business assistance is a primary need of the island. MSA 41980 has 23,224 business establishments, of which 80% are small businesses with gross annual revenues ("GAR") of less than or equal to \$1 million. Of the total businesses in the assessment area, 1% are located in low-income areas and 20% are in moderate-income areas.

Additional assessment area demographics can be found in Exhibit 3 above.

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

LENDING TEST

BPPR's overall lending performance in the MSA was excellent. This conclusion is based on excellent lending activity and community development loan performance and good geographic and borrower distribution performance. Exhibit 3 contains data used to evaluate geographic and borrower distribution and Appendix C contains data used to evaluate community development lending.

Lending Activity:

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

Banco Popular was a leader in deposit and loan market share. BPPR ranked first in deposits (market share 38%), first in home purchase lending (market share 45%), first in refinance lending (market share 24%) and first in home improvement lending (market share 74%). In small business lending, BPPR was also first overall (market share 69%). In addition, peer comparisons based on the number of loans per million dollars of deposits indicates that BPPR's lending volume compares favorably with the performance of similarly-situated banks.

BPPR's overall trend in combined HMDA-related and small business lending declined for the number of loans originated and purchased and for the dollar amount of loans originated and purchased since the prior examination. However, BPPR's performance compared favorably to

the aggregate, which declined more significantly in both number of loans originated and dollar originated and purchased.

Geographic Distribution:

BPPR’s overall geographic distribution of HMDA-related and small business loans was good based on good penetration in moderate-income census tracts and adequate penetration in low-income census tracts.

According to the 2000 Census, the MSA has 605,085 owner-occupied housing units, of which 6,322 (1%) are located in low-income geographies. Opportunities to lend increase in the moderate-income census tracts, where 159,979 (26%) of owner-occupied housing units are located. Additionally, out of a total of 23,224 small businesses, 4,726 (20%) are located within moderate-income tracts, but only 280 are located in low-income census tracts.

The following table summarizes lending performance in MSA 41980 (San Juan-Caguas-Guaynabo) in low and moderate-income census tracts.

MSA 41980 (SAN JUAN-CAGUAS, GUAYNABO, P.R.)				
PRODUCT	Low-Income Census Tracts		Moderate -Income Census Tracts	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Adequate	Below	Adequate	Slightly Below
Refinance	Adequate	Slightly Below	Adequate	Similar To
Home Improvement	Excellent	Slightly Above	Excellent	Slightly Above
Small Business	Adequate	Slightly Below	Good	Similar To

Low-income Geographies

Banco Popular made less than 1% of its home purchase and refinance loans and slightly more than 1% of its home improvement loans in low-income geographies, below the aggregate’s performance of 1% on home purchase loans, slightly below the aggregate’s 0.5% performance on refinance loans and slightly above the aggregate’s 1% on home improvement loans. The bank’s home improvement lending performance also compares favorably to the demographics of the MSA, which indicate that 1% of the available owner-occupied housing units are located within low-income geographies. However, BPPR was a leader in providing HMDA-related loans in low-income geographies. In 2011, BPPR made the majority of home improvement loans, and a

substantial number of home purchase and refinance loans in low-income geographies in the San Juan MSA.

Banco Popular originated less than 1% of its small business loans in low-income geographies which is slightly below the aggregate's performance of 1% of small business loans in low-income geographies. The bank's small business performance in low-income geographies is below the demographics of the low-income geographies, where 1% of small businesses operate.

Performance overall in 2011 was comparable to 2010.

Moderate-income Geographies

Banco Popular made 14% of its home purchase, 17% of its refinance, and 27% of its home improvement loans in moderate-income geographies, slightly below the aggregate's performance of 17% for home purchase loans, similar to the aggregate's 17% for refinance loans and slightly above the aggregate's 25% for home improvement loans. The bank's home improvement loan performance also compares well to the demographics of the MSA, which indicates that 26% of the available owner-occupied housing units are located within moderate-income geographies.

Banco Popular originated 18% of its small business loans in moderate-income geographies similar to the aggregate's performance of 17%. The bank's small business performance in moderate-income geographies is slightly below the demographics of moderate-income geographies, where 20% of all small businesses operate.

Performance overall in 2011 was comparable to 2010.

Distribution by Borrower Income and Revenue Size of Business:

BPPR's distribution of borrowers in the San Juan-Caguas-Guaynabo assessment area reflected, given the product lines offered, overall good penetration among customers of different income levels and businesses of different sizes. While BPPR exhibited overall poor home purchase and refinance lending to LMI borrowers, consideration was given to performance context factors such as the high cost of housing for LMI persons. BPPR exhibited overall excellent performance in home improvement and small business lending. The table on the next page summarizes the bank's performance to low and moderate-income borrowers:

Low-income Borrowers

BPPR's HMDA lending performance in lending to low-income borrowers was adequate overall when compared to the 26% of families in the MSA which are of low-income and the performance of the aggregate. In 2011, the bank made less than 1% of its home purchase and refinance and 7% of its home improvement loans to low-income borrowers. Consideration was given to the high cost of housing for LMI persons, which limits lending opportunities.

BPPR’s performance for home improvement lending was similar to the aggregate, while its performance for home purchase lending was below and performance for refinance loans was significantly below. The aggregate made 1%, 2%, and 8% of its home purchase, refinance, and home improvement loans, respectively, to low-income borrowers.

However, BPPR was a leader in providing HMDA-related loans to low-income borrowers. In 2011, BPPR made the majority of home improvement loans, and a significant number of the home purchase and refinance loans to low-income borrowers in the San Juan MSA.

MSA 41980 (SAN JUAN-CAGUAS, GUAYNABO, P.R.)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Poor	Significantly Below	Adequate	Below
Refinance	Poor	Significantly Below	Poor	Significantly Below
Home Improvement	Good	Similar to	Excellent	Similar to
	Lending to Businesses with GAR <= \$1 million		2011 Aggregate Comparison	
Small Business	Excellent		Slightly Above	

Moderate-income Borrowers

BPPR’s HMDA-lending performance to moderate-income borrowers was adequate overall when compared to the 15% of families in the MSA that are of moderate-income. In 2011, the bank made 3%, 3%, and 20% of its home purchase, refinance, and home improvement loans, respectively, to moderate-income borrowers. The aggregate made 6%, 6%, and 20% of its home purchase, refinance, and home improvement loans, respectively, to moderate-income borrowers. BPPR’s performance for home improvement loans was similar to the aggregate and BPPR’s performance for refinance and home purchase lending was significantly below and below the aggregate, respectively.

While performance was low when compared to the percentage of families that are moderate-income, homes are difficult for moderate-income persons to afford. As noted in the performance context section, the median housing value for San Juan MSA in 2011 is estimated to be about six times the income of a moderate-income family. Despite this, BPPR is a leader in providing HMDA-related loans in the San Juan MSA. BPPR ranked first in terms of home purchase and home improvement lending and third in refinance lending made to all moderate-income borrowers in the San Juan MSA in 2011. For 2010, BPPR ranked first in terms of home purchase and home improvement loans and 4th for refinancing loans.

Exhibit 4
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 41980

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	%	% \$(000s)	#	Bank %	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	62	0.7%	0.9%	1.0%	1.0%	10	0.1%	0.0%	0.5%	0.2%
Moderate	1,262	14.2%	12.1%	16.8%	14.4%	270	3.0%	1.5%	5.9%	3.2%
Middle	3,478	39.2%	35.5%	39.7%	36.0%	742	8.4%	4.9%	15.3%	10.0%
Upper	4,074	45.9%	51.5%	42.5%	48.6%	3,748	42.2%	48.6%	56.8%	66.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4,106	46.3%	44.9%	21.5%	20.2%
Total	8,876	100.0%	100.0%	100.0%	100.0%	8,876	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	10	0.4%	0.4%	0.5%	0.5%	10	0.4%	0.1%	1.9%	1.0%
Moderate	439	16.5%	12.9%	16.5%	13.3%	78	2.9%	1.4%	6.2%	3.2%
Middle	963	36.3%	29.6%	38.7%	32.8%	192	7.2%	4.4%	12.9%	8.3%
Upper	1,244	46.8%	57.0%	44.3%	53.4%	1,087	40.9%	45.0%	53.2%	61.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1,289	48.5%	49.1%	25.8%	26.0%
Total	2,656	100.0%	100.0%	100.0%	100.0%	2,656	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	59	1.3%	0.6%	1.1%	0.5%	335	7.2%	1.5%	7.5%	1.6%
Moderate	1,266	27.3%	19.7%	25.1%	18.0%	926	19.9%	6.3%	19.8%	7.2%
Middle	1,978	42.6%	38.6%	42.9%	38.5%	988	21.3%	10.5%	21.8%	12.3%
Upper	1,341	28.9%	41.1%	31.0%	43.0%	1,880	40.5%	43.7%	42.1%	51.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	515	11.1%	38.0%	8.8%	27.2%
Total	4,644	100.0%	100.0%	100.0%	100.0%	4,644	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	11.1%	8.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	44.4%	41.9%	0	0.0%	0.0%	0.0%	0.0%
Upper	2	100.0%	100.0%	44.4%	49.9%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	100.0%	100.0%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	131	0.8%	0.7%	0.8%	0.8%	355	2.2%	0.2%	2.1%	0.5%
Moderate	2,967	18.3%	12.9%	18.1%	14.2%	1,274	7.9%	1.9%	8.4%	3.4%
Middle	6,419	39.7%	34.4%	39.9%	35.1%	1,922	11.9%	5.3%	15.7%	9.6%
Upper	6,661	41.2%	51.9%	41.1%	50.0%	6,715	41.5%	47.4%	53.2%	64.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5,912	36.5%	45.3%	20.6%	22.5%
Total	16,178	100.0%	100.0%	100.0%	100.0%	16,178	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income					By Revenue				
	#	Bank %	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	% \$(000s)
Low	66	0.8%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Moderate	1,412	17.5%	16.2%	16.2%	16.2%	16.9%	16.3%	16.9%	16.3%	16.3%
Middle	2,691	33.3%	29.6%	29.6%	29.6%	31.8%	30.0%	31.8%	30.0%	30.0%
Upper	3,915	48.4%	52.9%	52.9%	52.9%	48.9%	52.3%	48.9%	52.3%	52.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	1.3%	0.1%	1.3%	0.1%	0.1%
Total	8,084	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	By Loan Size									
\$1 Million or Less	5,891	72.9%	44.2%	44.2%	44.2%	66.5%	47.0%	66.5%	47.0%	47.0%
\$100,000 or less	6,766	83.7%	35.9%	35.9%	35.9%	81.9%	30.7%	81.9%	30.7%	30.7%
\$100,001-\$250,000	824	10.2%	23.1%	23.1%	23.1%	10.6%	22.8%	10.6%	22.8%	22.8%
\$250,001-\$1 Million	494	6.1%	41.0%	41.0%	41.0%	7.5%	46.5%	7.5%	46.5%	46.5%
Total	8,084	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

Small Business Lending

BPPR provided an excellent level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. In 2011, the bank made 73% of its small business loans to these businesses, compared to the 80% of business establishments in the MSA with GAR of \$1 million or less. Performance was slightly above the aggregate which made 67% of its loans to businesses with GAR of \$1 million or less. The bank made 84% of its small business loans in amounts of \$100,000 or less, which was similar to the aggregate which made 82% of its small business loans in amounts of \$100,000 or less. The average loan size was \$82,000. 2011 performance was comparable to 2010.

Community Development Lending:

Banco Popular was a leader in community development lending in MSA 41980. Banco Popular’s level of community development lending was excellent and highly responsive to the credit needs within the MSA 41980 assessment area. This conclusion was supported by a favorable comparison to similarly-situated large retail banks in the assessment area.

During the examination period, community development lending in MSA 41980 totaled \$1 billion or 75% of all BPPR’s community development lending activity in Puerto Rico. Of this total, \$974 million, or 96%, was originated since the prior CRA examination. Community development lending in the MSA increased 16% over loans noted at the prior evaluation. Within the MSA, efforts were distributed among the applicable categories of community development lending, with an emphasis, in terms of dollar amounts, on community services and economic development, as noted in the table above.

COMMUNITY DEVELOPMENT LENDING		
MSA 41980		
PURPOSE	#	\$(000s)
Affordable Housing	33	82,392
Economic Development	52	223,902
Community Services	420	617,824
Revitalize and Stabilize	4	93,689
TOTAL	509	1,017,807

Examples of community development lending include the following:

- A \$12 million loan to a technical college that teaches mechanical skills to LMI individuals to obtain professional certification and find employment. Ninety-eight percent of the students receive financial assistance in the form of Pell grants.
- A \$2.1 million term loan that supports economic development for local dairy farmers, enabling them to supply milk to public schools. The majority of students in the public schools are LMI and receive support through the national school lunch program.
- A \$21.7 million line of credit for construction of a building that will house the healthcare provider for the municipality of Caguas and will also house a technical school to train individuals to join the healthcare profession. Fifty-four percent of the population in Caguas have income below the poverty level.

- A \$40 million loan to the municipality of Carolina for renovations to a hospital that the municipality is acquiring to improve healthcare in the community, particularly for elderly residents. The hospital is located in a moderate-income area which has a high poverty and unemployment rate.

INVESTMENT TEST

BPPR’s investment performance in MSA 41980 was good. BPPR provided a significant level of qualified community development investments and grants, occasionally in a leadership position. Of the bank’s total qualified investments in Puerto Rico, \$70 million or 35% was specifically targeted to MSA 41980. The MSA also benefited from \$107 million of Island-wide investments in collateralized mortgage obligations, Economic

QUALIFIED INVESTMENTS MSA 41980		
PURPOSE	#	\$(000s)
Affordable Housing	1	4,144
Economic Development	427	32,715
Community Services	20	33,230
Revitalize and Stabilize	1	25
TOTAL	449	70,114

Development Bank (“EDB”) certificates of indebtedness, HUD Section 108 Government Guaranteed Participation Certificates and Puerto Rico Housing and Finance Corporation securities targeting affordable housing development across Puerto Rico.

Qualified investment activity also included multiple grants totaling \$8 million to organizations that support community services and economic development for LMI individuals, as well as revitalization and stabilization of LMI communities throughout this assessment area. Qualified investments in MSA 41980 with community development purpose designations are noted in the chart above.

Based on island-wide activities that also benefited the MSA, BPPR made occasional use of innovative qualified investments to support community development initiatives. The bank’s qualified investment activity in MSA 41980 exhibited excellent responsiveness to assessment area credit needs. Qualified investments primarily supported organizations that provide economic development and community development services that benefit LMI families. Of the total qualified investments made in the assessment area, 83% were new investments made since the prior examination. BPPR’s investment activity was comparable to similarly-situated banks in this assessment area.

Examples of community development investments include:

- A \$25 million equity investment to rehabilitate a hospital located in a low-income community in Cayey, Puerto Rico. The hospital provides health services to the surrounding community, and has a no-charge and reduced rate policy for those who are unable to afford medical care.

- A \$25 million charitable arbitrage investment supported by the Government Development Bank of Puerto Rico to be used to rehabilitate Old San Juan, which will have an immediate impact by creating jobs, many of which will be filled by LMI individuals.
- A \$150 thousand grant to an organization that will be established to provide affordable micro-loans to low-income entrepreneurs.

SERVICE TEST

BPPR's performance under the service test in MSA 41980 (San Juan-Caguas, PR) was excellent based on leadership in providing community development services and excellent branch distribution.

Retail Services:

BPPR's delivery systems in MSA 41980 were readily accessible to all portions of the assessment area. BPPR operated 120 branches in this assessment area, of which 2 (2%) were located in low-income areas and 24 (20%) were in moderate-income areas. This was comparable to the 3% and the 28% of the MSA's population that resides in low- and moderate-income areas, respectively. The branch network includes a high percentage of branches in shopping centers, which are generally accessible to LMI communities in the MSA.

Alternative delivery systems somewhat enhanced the bank's performance in this assessment area, but were not specifically targeted to LMI individuals. BPPR used multiple alternative delivery systems, such as bank-by-mail, internet banking, mobile banking including mobile application, text message banking, and 24-hour automated services. BPPR maintained 235 off-site ATMs in the MSA, of which 5 (2%) were located in low-income tracts, and 30 (13%) were in moderate-income tracts.

Changes in branch locations improved the accessibility of the bank's delivery systems. During the evaluation period, BPPR opened five branches in this assessment area, of which two were in LMI areas. BPPR also closed two branches, none of which were in LMI tracts.

BPPR's hours and services are tailored to the convenience and needs of the assessment area, particularly LMI geographies and/or LMI individuals. Extended morning, late afternoon, weekend and holiday hours were available at branches in this assessment area. Of the 120 branches in the MSA, 58% had early morning, late evening hours or Saturday hours. Of the 26 branches in LMI census tracts, 50% had extended or Saturday hours.

Community Development Services:

BPPR was a leader in providing community development services in MSA 41980. BPPR sponsored 2,398 financial services-related activities, which primarily consisted of financial education seminars. The table to the right shows the number and type of services provided during the evaluation period.

COMMUNITY DEVELOPMENT SERVICES MSA 41980	
PURPOSE	#
Financial Education	2,300
Mortgage Education Seminars	65
Small Business Seminars	26
Technical Assistance	7
TOTAL	2,398

In addition, 128 members of BPPR's management and staff served as directors, advisors, or committee members, providing financial management expertise and technical assistance to 133 non-profit and community based organizations in the assessment area.

METROPOLITAN AREA

(FULL REVIEW)

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

As of December 31, 2011, BPPR operated 14 branches in MSA 10380, representing 8% of the bank's total branch network in Puerto Rico. Three of the branches in this assessment area are located in moderate-income tracts. As of June 30, 2011, the MSA branches held \$964 million deposits, which represents 5% of the bank's deposits in the Commonwealth of Puerto Rico. Of the bank's total lending in Puerto Rico, this assessment area contains 6% percent of HMDA-related and small business loans originated during the review period.

The Aguadilla assessment area is a banking market consisting mostly of large regional institutions with banking offices spread throughout Puerto Rico. BPPR ranked first out of seven financial institutions operating in the MSA, with BPPR holding 70% of the deposit market share, as of June 30, 2011. Other primary competitors in the area include Banco Santander Puerto Rico, Firstbank of Puerto Rico, Banco Bilbao Vizcaya Argentina, and Scotiabank de Puerto Rico.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census (2000), the U.S. Department of Labor, and Federal Reserve Bank of New York's ("FRBNY") 2012 "Report on the Competitiveness of Puerto Rico".

Demographic Characteristics

MSA 10380 encompasses the northwestern portion of the island of Puerto Rico. The MSA is comprised of the following eight municipalities: Aguadilla, Lares, San Sebastian, Aguada, Anasco, Isabela, Moca, and Rincon. The MSA has 64 census tracts, of which 13% are moderate-income, 77% are middle-income, and 11% are upper-income geographies. The MSA contains no low-income geographies. According to the 2000 Census, the population of this assessment area is 312,602 and represents 8% of the total population of Puerto Rico. Additionally, there are 84,782 families in the MSA, of which approximately 8% reside in moderate-income geographies.

Income Characteristics

According to the 2000 census data, 25% of families residing in the MSA are considered low-income and 15% are moderate-income. Of the total families residing in the MSA, 54% subsist below the poverty level. The HUD-adjusted median family income for MSA 10380 was \$16,300 in 2010 and 2011. Low wages and the very high levels of poverty experienced throughout the MSA makes it extremely difficult for families to afford homes as well as general services, indicating the need for affordable housing and community development service initiatives.

Housing Characteristics

The MSA contains 118,183 housing units, of which 66% are owner-occupied, 22% are rental, and 12% are vacant. Within moderate-income geographies, the availability of owner-occupied units is somewhat limited with only 5,643 units (7% of total owner-occupied units) located in moderate-income geographies. According to Census Bureau adjusted data, the 2011 median housing value for owner-occupied housing units with a mortgage in the Municipality of Aguadilla is estimated to be \$129,000, which is about sixteen times the income of a low-income family and ten times the income of a moderate-income family, making it very difficult for LMI families in this MSA to afford a home purchase.

Labor, Employment and Economic Characteristics

According to the FRBNY's 2012 report on the competitiveness of Puerto Rico, Puerto Rico's labor force participation rate is among the lowest in the world, with less than half of eligible workers participating in the formal economy. During the examination period, unemployment levels slightly decreased, but the unemployment rate remains persistently well above the U.S. mainland's level, and is especially high for the young and less educated. According to the U.S. Department of Labor statistics, the unemployment rate for the MSA was reported at 13.2% in 2011, a decrease from 15.5% in 2010. The MSA also experienced a decline in the labor force with 110,300 individuals in the civilian labor force in 2010 compared to 107,500 in 2011.

The FRBNY's report noted that the business environment in Puerto Rico makes it difficult to establish and grow new businesses, and to expand existing ones on the Island. In particular, regulations, high electricity cost, and underdeveloped and costly transportation systems are barriers. The report also noted that a particular need of the Island is initiatives that lower the cost of doing business, indicating that small business assistance is a primary need in Puerto Rico. The MSA has 1,818 business establishments, of which 86% are small businesses with gross annual revenues ("GAR") of less than or equal to \$1 million. Of the total businesses, 17% are located in moderate-income areas.

Additional assessment area demographics can be found in the Exhibit 5 on the following page.

Exhibit 5
Assessment Area Demographics
Assessment Area: MSA 10380 - 2011

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	21,197	25.0
Moderate-income	8	12.5	6,839	8.1	4,460	65.2	12,581	14.8
Middle-income	49	76.6	69,732	82.2	38,154	54.7	14,359	16.9
Upper-income	7	10.9	8,211	9.7	3,266	39.8	36,645	43.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	64	100.0	84,782	100.0	45,880	54.1	84,782	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	10,782	5,643	7.2	52.3	3,676	34.1	1,463	13.6
Middle-income	95,783	65,085	83.6	68.0	19,117	20.0	11,581	12.1
Upper-income	11,618	7,140	9.2	61.5	3,117	26.8	1,361	11.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	118,183	77,868	100.0	65.9	25,910	21.9	14,405	12.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	315	17.3	289	18.6	11	7.4	15	13.2
Middle-income	1,359	74.8	1,141	73.4	129	86.6	89	78.1
Upper-income	144	7.9	125	8.0	9	6.0	10	8.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,818	100.0	1,555	100.0	149	100.0	114	100.0
	Percentage of Total Businesses:			85.5		8.2		6.3

Based on 2000 Census Information and 2011 Dunn and Bradstreet Data.

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

LENDING TEST

BPPR's overall lending performance in MSA 10380 (Aguadilla-Isabela-San Sebastian) was good. Exhibit 5 contains data used to evaluate lending geographic and borrower distribution and Appendix C contains data used to evaluate community development lending.

Lending Activity:

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

BPPR was a leader in both deposit and loan market share. BPPR ranked first in deposits (market share 70%), first in home purchase lending (market share 44%), first in refinance lending (market share 21%) and first in home improvement lending (market share 73%). In small business lending BPPR was also first overall (market share 82%). In addition, peer comparisons based on the number of loans per million dollars of deposits indicates that BPPR's lending volume compares favorably with the performance of similarly-situated banks.

BPPR's overall trend in combined HMDA and small business lending declined for the number of loans originated and purchased and the dollar amount of loans originated and purchased since the prior examination. However, BPPR's performance compared favorably to the aggregate which experienced more significant declines in volume and dollar amount.

Geographic Distribution:

The overall geographic distribution of HMDA-related and small business loans was good based on good penetration in moderate-income census tracts, although performance varied between products. Since this MSA has no low-income census tracts, conclusions were based on performance in the eight moderate-income geographies in the assessment area. There are 77,868 owner-occupied units within the assessment area of which 5,643 (7%) are located in moderate-income geographies. Additionally, the 2011 Dunn & Bradstreet data shows there are 1,818 small businesses, of which 315 (17%) are located within moderate-income tracts. The following table summarizes lending performance by product in the MSA.

MSA 10380 (AGUADILLA-ISABELA-SAN SEBASTIAN, P.R.)				
PRODUCT	Low-Income Census Tracts*		Moderate -Income Census Tracts	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Not Applicable	Not Applicable	Adequate	Slightly Below
Refinance	Not Applicable	Not Applicable	Excellent	Significantly Above
Home Improvement	Not Applicable	Not Applicable	Good	Similar To
Small Business	Not Applicable	Not Applicable	Good	Similar To

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

Moderate-income Geographies

BPPR made 4% of its home purchase, 10% of its refinance, and 6% of its home improvement loans in moderate-income geographies, slightly below the aggregate’s performance of 5% for home purchase loans, significantly above the aggregate’s 5% for refinance loans and similar to the aggregate’s 6% for home improvement loans. The bank’s refinance loan performance also exceeded the demographics of the MSA, which indicate that 7% of the available owner-occupied housing units are located within moderate-income geographies. However, the bank’s home purchase and home improvement lending performance was below the percentage of owner-occupied housing units located within moderate-income geographies.

BPPR originated 13% of its small business loans in moderate-income geographies, similar to the aggregate’s performance of 13%. The bank’s small business performance in moderate-income geographies is below the demographics which indicate that 17% of all small businesses operate in moderate-income tracts.

In determining overall performance in moderate-income geographies, performance was weighted based on loan volume within the MSA. More weight was given to home purchase and small business lending in arriving at the overall conclusion because it represented the majority of BPPR’s lending in moderate-income geographies.

Distribution by Borrower Income and Revenue Size of Business:

BPPR’s distribution of borrowers in the Aguadilla-Isabella-San Sebastian assessment area reflects, given the product lines offered, good overall penetration among customers of different income levels and businesses of different sizes. In reaching conclusions about performance, consideration was given to performance context factors, such as the high cost of housing for LMI

persons. Overall, lending to small businesses was excellent while lending to low-income and moderate-income borrowers overall, was considered adequate, as indicated in the chart below:

MSA 10380 (AGUADILLA-ISABELA-SAN SEBASTIAN, P.R.)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Adequate	Significantly Below	Poor	Significantly Below
Refinance	Adequate	Significantly Below	Poor	Significantly Below
Home Improvement	Adequate	Significantly Below	Good	Similar to
	Lending to Businesses with GAR <= \$1 million		2011 Aggregate Comparison	
Small Business	Excellent		Similar to	

Low-income Borrowers

BPPR's HMDA lending performance in lending to low-income borrowers was adequate, overall, when compared to the 25% of families in the MSA which are of low-income and to the performance of the aggregate. In 2011, the bank did not make any home purchase, refinance, or home improvement loans to low-income borrowers.

While BPPR's performance for home purchase, refinance lending and home improvement lending was significantly below the aggregate, the aggregate showed weak performance as well. Lending opportunities were very limited due to the high cost of housing and the high poverty rate. In 2011, the aggregate made a total of only 3 home purchase loans, 4 refinance loans, and 8 home improvement loans to low-income borrowers.

2011 performance was comparable to 2010 except for home improvement lending, where 2010 performance was stronger.

Moderate-income Borrowers

BPPR's HMDA-lending performance to moderate-income borrowers was adequate, overall, due primarily to good home improvement lending performance and excellent small business lending performance to moderate-income borrowers. In 2011, the bank made less than 1% of its home purchase loans (2 loans), 1% of its refinance loans (2 loans) and 10% of its home improvement loans (43 loans) respectively to moderate-income borrowers, compared to the 15% of families in the MSA which are of moderate-income.

While BPPR’s performance for home purchase and refinance lending was significantly below the aggregate, the aggregate showed weak performance as well. In 2011, the aggregate made a total of only 21 home purchase loans, 26 refinance loans, and 62 home improvement loans to moderate-income borrowers. Lending opportunities were very limited due to the high cost of housing and the high poverty rate.

2011 performance was comparable to 2010.

Small Business Lending

BPPR provided an excellent level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. In 2011, the bank made 75% 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 similar to the aggregate which made 72% of its loans to businesses with GAR of \$1 million or less. The bank made 90% of its small business loans in amounts of \$100,000 or less, which was similar to the aggregate which made 89% of its small business loans in amounts of \$100,000 or less. The average loan size was \$55,000. 2011 performance was comparable to 2010.

Community Development Lending:

Banco Popular made a relatively high level of community development loans that were considered highly responsive to the credit needs within MSA 10380. During the examination period, the bank made a total of \$37 million or 3% of all community development lending activity in Puerto Rico in MSA 10380. Of this total, \$35 million, or 95%, was originated since the prior CRA examination. On an annualized basis

COMMUNITY DEVELOPMENT LENDING		
MSA 10380		
PURPOSE	#	\$(000s)
Affordable Housing	4	5,460
Economic Development	48	23,401
Community Services	11	8,261
Revitalize and Stabilize	0	0
TOTAL	63	37,122

community development lending increased 42%, compared to the last examination. The community development lending purpose classification is indicated in the above table.

Exhibit 6
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 10380

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.3%	0.1%
Moderate	20	4.1%	3.2%	5.2%	3.9%	2	0.4%	0.2%	1.9%	0.8%
Middle	392	80.7%	83.0%	82.1%	83.8%	41	8.4%	5.0%	9.0%	5.2%
Upper	74	15.2%	13.7%	12.6%	12.3%	327	67.3%	73.5%	78.1%	85.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	116	23.9%	21.3%	10.7%	9.0%
Total	486	100.0%	100.0%	100.0%	100.0%	486	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.4%	0.1%
Moderate	20	9.9%	9.8%	5.1%	4.5%	2	1.0%	0.3%	2.7%	1.5%
Middle	147	72.8%	71.4%	82.5%	81.6%	10	5.0%	2.6%	6.7%	3.8%
Upper	35	17.3%	18.8%	12.3%	14.0%	121	59.9%	64.3%	72.7%	78.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	69	34.2%	32.7%	17.5%	16.2%
Total	202	100.0%	100.0%	100.0%	100.0%	202	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.3%	0.1%
Moderate	24	5.5%	4.3%	6.0%	4.5%	43	9.8%	3.5%	10.3%	3.8%
Middle	365	83.1%	81.4%	83.3%	82.0%	85	19.4%	6.4%	20.0%	9.4%
Upper	50	11.4%	14.3%	10.8%	13.5%	276	62.9%	58.6%	62.3%	63.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	35	8.0%	31.5%	6.1%	23.4%
Total	439	100.0%	100.0%	100.0%	100.0%	439	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.6%	0.1%
Moderate	64	5.7%	5.1%	5.4%	4.2%	47	4.2%	0.7%	4.1%	1.2%
Middle	904	80.2%	79.8%	82.5%	82.8%	136	12.1%	4.6%	10.7%	4.9%
Upper	159	14.1%	15.1%	12.1%	13.0%	724	64.2%	69.1%	72.6%	80.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	220	19.5%	25.6%	12.1%	12.9%
Total	1,127	100.0%	100.0%	100.0%	100.0%	1,127	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	0	0.0%	0.0%		0.0%	0.0%		0.0%		
Moderate	126	13.4%	13.7%		13.0%	12.8%		12.8%		
Middle	662	70.3%	71.5%		70.3%	70.5%		70.5%		
Upper	154	16.3%	14.9%		15.8%	16.6%		16.6%		
Unknown	0	0.0%	0.0%		0.0%	0.0%		0.0%		
Tract Unknown	0	0.0%	0.0%		1.0%	0.1%		0.1%		
Total	942	100.0%	100.0%		100.0%	100.0%		100.0%		
By Revenue										
\$1 Million or Less	706	74.9%	54.4%		72.3%	59.1%				
By Loan Size										
\$100,000 or less	847	89.9%	45.1%		88.5%	41.7%				
\$100,001-\$250,000	55	5.8%	19.0%		7.1%	22.4%				
\$250,001-\$1 Million	40	4.2%	35.9%		4.4%	36.0%				
Total	942	100.0%	100.0%		100.0%	100.0%		100.0%		

Originations and Purchases

Within the MSA, community development lending efforts in terms of dollar amount were directed at community services and economic development. Examples of community development loans included:

- A \$1.5 million line of credit to an association of dairy producers that assists farmers in selling their product. The line of credit promotes economic development as the farms are small business entities.
- A \$1.6 million loan for the construction of 30 new housing units and the rehabilitation of existing housing units that provide affordable housing to LMI persons.
- A \$300,000 loan to a nonprofit that provides shelter and health services to LMI elderly individuals.

INVESTMENT TEST

BPPR's investment performance in MSA 10380 was considered adequate, consisting of eight new charitable grants totaling \$128 thousand to organizations that support community services for LMI individuals in this assessment area. MSA 10380 also benefited from the \$107 million of island-wide investments in collateralized mortgage obligations, Economic Development Bank certificates of indebtedness, HUD Section 108 Government Guaranteed Participation Certificates, and Puerto Rico Housing and Finance Corporation securities targeting affordable housing development across Puerto Rico.

BPPR investments exhibited good responsiveness to the needs of the assessment area. Based on island wide activities that also benefited the MSA, BPPR made occasional use of innovative qualified investments to support community development initiatives. Examples of community development investments include:

- Charitable donations of \$30 thousand to an organization that offers day care services, physical therapy, occupational training and psychological services to LMI children with mental and physical disabilities.
- Charitable donations of \$65 thousand to an organization that offers mentoring, counseling, and general human services to LMI children in Aguada, Puerto Rico.

SERVICE TEST

BPPR's performance under the service test in MSA 10380 (Aguadilla-Isabela-San Sebastian, PR) is excellent based on leadership in providing community development services and excellent branch distribution.

Retail Services:

BPPR’s delivery systems in MSA 10380 were readily accessible to all portions of the bank’s assessment area, when compared with the percentage of population residing in LMI geographies. BPPR operated 14 branches in this assessment area, of which 3 (21%) were located in moderate-income areas, compared to 8% of the MSA’s population residing in moderate-income areas.

Alternative delivery systems slightly enhanced the bank’s performance in this assessment area. BPPR used multiple alternative delivery systems not specifically targeted to LMI individuals, such as bank-by-mail, internet banking, mobile banking including mobile application, text message banking, and 24-hour automated services. BPPR maintained 19 off-site ATMs in this assessment area MSA, of which 1 (5%) was located in a moderate-income tract.

Changes in branch locations did not adversely impact the accessibility of BPPR’s delivery systems, particularly to LMI geographies and/or individuals. During the examination period, BPPR opened two branches in the MSA, none of which were in an LMI area. No branches were closed in the MSA during the evaluation period.

BPPR’s hours and services are tailored to the convenience and needs of the assessment area, particularly LMI geographies and/or LMI individuals. Extended morning, late afternoon, weekend and holiday hours were available at branches in this assessment area. Of the 14 branches in the MSA, 79% had early morning, late evening hours or Saturday hours. Of the 3 branches in moderate-income tracts, 67% had extended or Saturday hours.

Community Development Services:

BPPR was a leader in providing community development services in MSA 10380. BPPR sponsored 271 financial services-related activities, which primarily consisted of financial education seminars. The table to the right shows the number and type of services provided during the evaluation period.

COMMUNITY DEVELOPMENT SERVICES MSA 10380	
PURPOSE	#
Financial Education	247
Technical Assistance	19
Small Business Seminars	4
Mortgage Education Seminars	1
TOTAL	271

In addition, seven members of BPPR’s management and staff served as directors, advisors, or committee members, providing financial management expertise and technical assistance to 5 non-profit and community based organizations in the assessment area.

METROPOLITAN AREA

(FULL REVIEW)

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

As of December 31, 2011, BPPR operates 10 branches in this assessment area, representing 5% of the bank's total branch network in Puerto Rico. Two of the branches in this assessment area are located in moderate-income tracts. As of June 30, 2011, the MSA branches held \$683 million in deposits, which represents 3% of the bank's deposits in Puerto Rico. Of the bank's total lending in Puerto Rico, this assessment area contains 6% percent of the HMDA-related and small business loans originated during the review period.

The Ponce assessment area is a banking market consisting mostly of large regional institutions with banking offices spread throughout Puerto Rico. BPPR ranked first out of seven financial institutions operating in the MSA, with BPPR holding a 39% deposit market share, as of June 30, 2011. Other primary competitors in the area include Banco Santander Puerto Rico, Firstbank of Puerto Rico, Banco Bilbao Vizcaya Argentina, and Scotiabank de Puerto Rico.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census (2000), the U.S. Department of Labor, and Federal Reserve Bank of New York's ("FRBNY") 2012 "Report on the Competitiveness of Puerto Rico".

Demographic Characteristics

The MSA is Puerto Rico's second largest metropolitan area, encompassing the central southern coastal plain region of the island of Puerto Rico. It includes the towns of Ponce, Juana Diaz, and Villalba. The MSA has 60 census tracts, of which 3% are low-income, 33% are moderate-income, 33% are middle-income, and 28% are upper-income geographies. According to the 2000 census, the population of this assessment area is 264,919, representing 7% of the total population of Puerto Rico. Additionally, there are 66,781 families in the MSA, of which approximately 2% reside in low-income geographies and 31% reside in moderate-income geographies.

Income Characteristics

According to the 2000 census data, 26% of families residing in the MSA are considered low-income and 15% are moderate-income. Of the total families residing in the MSA, 50% live below the poverty level. The HUD-adjusted median family income for MSA 38660 was \$19,600 in 2010 and \$20,300 in 2011.

Housing Characteristics

MSA 38660 contains 91,426 housing units, of which 65% are owner-occupied, 25% are rental, and 10% are vacant. Within low-income geographies, the availability of owner-occupied housing units is very limited, with only 649 units (1%) located in low-income geographies. In moderate-income geographies, 17,111 (29%) housing units are owner-occupied. According to Census Bureau adjusted data, the 2011 median housing value for owner-occupied housing units with a mortgage in the Municipality of Ponce is estimated to be \$117,800, which is about twelve times the income of a low-income family and seven times the income of a moderate-income family, making it very difficult for LMI families in this MSA to afford housing.

Labor, Employment and Economic Characteristics

The Ponce MSA economy revolves around a mixed-industry manufacturing sector, retail, and tourism. Agriculture and services are also significant factors in the local economy. Ponce is home to Puerto Rico's major seaport and the future Port of the Americas, which is in the process of being expanded to serve as a primary international shipping hub. The seaport is a major driver of the local economy.

Throughout the island of Puerto Rico, unemployment rates remains persistently well above that of the U.S. mainland, and is especially high for the young and less educated. According to the U.S. Department of Labor statistics, the unemployment rate for the MSA was reported at 13.7% in 2011, a decrease from 15% in 2010. The MSA also experienced a decline in the labor force with 88,100 individuals in the civilian labor force in 2010 compared to 87,700 in 2011.

The MSA has 1,945 business establishments, of which 82% are small businesses with gross annual revenues ("GAR") of less than or equal to \$1 million. Of the total businesses, 2% are located in low-income areas and 29% are located in moderate-income areas. The FRBNY report noted that high underemployment rates on the island and the difficulty in establishing small businesses indicate a need for further economic development.

Detailed performance context data for this assessment area is provided in Exhibit 7 below.

Exhibit 7
Assessment Area Demographics
Assessment Area : MSA 38660 – 2011

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	3.3	1,508	2.3	1,181	78.3	17,378	26.0
Moderate-income	20	33.3	20,700	31.0	13,395	64.7	9,879	14.8
Middle-income	20	33.3	23,734	35.5	12,008	50.6	10,495	15.7
Upper-income	17	28.3	20,839	31.2	6,607	31.7	29,029	43.5
Unknown-income	1	1.7	0	0.0	0	0.0	0	0.0
Total Assessment Area	60	100.0	66,781	100.0	33,191	49.7	66,781	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	2,241	649	1.1	29.0	1,337	59.7	255	11.4
Moderate-income	29,415	17,111	28.6	58.2	8,759	29.8	3,545	12.1
Middle-income	31,461	21,979	36.7	69.9	6,478	20.6	3,004	9.5
Upper-income	28,307	20,087	33.6	71.0	5,883	20.8	2,337	8.3
Unknown-income	2	0	0.0	0.0	0	0.0	2	100.0
Total Assessment Area	91,426	59,826	100.0	65.4	22,457	24.6	9,143	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	41	2.1	38	2.4	1	0.4	2	1.7
Moderate-income	570	29.3	461	29.0	70	29.5	39	32.8
Middle-income	685	35.2	542	34.1	98	41.4	45	37.8
Upper-income	649	33.4	548	34.5	68	28.7	33	27.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,945	100.0	1,589	100.0	237	100.0	119	100.0
	Percentage of Total Businesses:			81.7		12.2		6.1

Based on 2000 Census Information and 2011 Dunn and Bradstreet Report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 38660 (PONCE, P.R.)

LENDING TEST

BPPR's overall lending performance in the MSA was good. Exhibit 7 contains data used to evaluate geographic and borrower distribution and Appendix C contains data used to evaluate community development lending.

Lending Activity:

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

BPPR was a leader in deposit and loan market share. BPPR ranked first in deposits (market share 39%), first in home purchase lending (market share 52%), first in refinance lending (market share 22%) and first in home improvement lending (market share 76%). In small business lending, BPPR was also first overall (market share 60%). In addition, peer comparisons based on the number of loans per million dollars of deposits indicate that BPPR's lending volume compares favorably with the performance of similarly-situated banks.

BPPR's overall trend in combined HMDA-related and small business lending increased for the number and dollar amount of loans originated and purchased since the prior examination. In comparison, the market aggregate's performance declined for both the number and the dollar amount of HMDA-related and small business lending since the previous examination.

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans was adequate based on good HMDA-related penetration in low-income tracts, adequate HMDA-related penetration in moderate-income tracts and adequate penetration in both low- and moderate-income tracts for small business lending.

Ponce's assessment area has 59,826 owner-occupied housing units, of which only 649 (1%) are located in low-income areas. The low number of owner-occupied units indicates very limited lending opportunities in low-income tracts. The number of businesses in low-income tracts is also very small (41 or 2%) and limits lending opportunities in this area. The number of owner-occupied units substantially increases in moderate-income areas to 17,111 (29%), considerably improving lending prospects. The following table summarizes the bank's lending performance by product throughout the Ponce MSA.

MSA 38660 (PONCE, P.R.)				
PRODUCT	Low-Income Census Tracts		Moderate -Income Census Tracts	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Good	Similar To	Poor	Below
Refinance	Good	Significantly Above	Poor	Below
Home Improvement	Good	Above	Good	Similar To
Small Business	Adequate	Similar To	Adequate	Slightly Below

Low-income Geographies

BPPR made 1% of its home purchase, 2% of its refinance, and 1% of its home improvement loans in low-income geographies in 2011. BPPR’s performance was similar to the 2011 aggregate’s 1% of home purchase, significantly above the aggregate’s 1% of refinance, and above the aggregate’s home improvement lending which was less than 1%. The demographics of the assessment area indicate that 1% of the available owner-occupied housing units are located within low-income geographies, indicating limited lending opportunities. The limited lending opportunities in low-income tracts are also illustrated by the performance of the aggregate, which made only 16 home purchase loans, 9 refinance loans and 4 home improvement loans in low-income census tracts.

BPPR originated 1% of its small business loans in low-income geographies similar to the aggregate’s performance of 1%. The bank’s small business performance in low-income geographies is below the demographics of low-income geographies, where 2% of all small businesses operate.

Performance overall in 2010 was comparable to 2011.

Moderate-income Geographies

BPPR made 7% of its home purchase, 9% of its refinance, and 23% of its home improvement loans in moderate-income geographies, below the aggregate’s performance of 11% for home purchase and 17% for refinance loans, and similar to the aggregate’s 21% for home improvement loans. The bank’s HMDA-related performance was below the demographics of the MSA, which indicate that 29% of the available owner-occupied housing units are located within moderate-income geographies.

BPPR originated 17% of its small business loans in moderate-income geographies slightly below the aggregate's performance of 19%. The bank's small business performance in moderate-income geographies is below the demographics of moderate-income geographies, where 29% of all small businesses operate.

Performance overall in 2010 was comparable to 2011.

Distribution by Borrower Income and Revenue Size of Business:

BPPR's distribution of borrowers in the Ponce assessment area reflects, given the product lines offered, good overall penetration among customers of different income levels and businesses of different sizes. Consideration was given to performance context factors such as the high cost of housing for LMI persons. Overall, lending to small businesses was excellent while lending to low-income and moderate-income borrowers was adequate, as indicated in the chart below:

MSA 38660 (PONCE, P.R.)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Adequate	Below	Adequate	Below
Refinance	Poor	Significantly Below	Poor	Significantly Below
Home Improvement	Good	Similar to	Excellent	Slightly Above
	Lending to Businesses with GAR <= \$1 million		2011 Aggregate Comparison	
Small Business	Excellent		Similar to	

Low-income Borrowers

BPPR's HMDA lending performance in lending to low-income borrowers was adequate overall when compared to the 26% of families in the MSA which are of low-income and the performance of the aggregate. In 2011, the bank made less than 1% of its home purchase and refinance loans and 4% of its home improvement loans respectively to low-income borrowers.

BPPR's performance for home improvement loans was similar to the aggregate, while its performance for home purchase loans was below the aggregate, and performance for refinance loans was significantly below the aggregate. In 2011, the aggregate made less than 1% of its home purchase loans, which consisted of only 3 loans, to low-income borrowers. The aggregate made 3% (26) and 4% (20) of its refinance and home improvement loans, respectively, to low-income borrowers.

Exhibit 8
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 38660

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	9	1.1%	0.7%	1.0%	0.5%	1	0.1%	0.0%	0.2%	0.1%
Moderate	60	7.3%	6.2%	10.7%	8.7%	25	3.0%	1.6%	5.0%	3.0%
Middle	382	46.2%	48.0%	50.9%	54.1%	118	14.3%	9.8%	15.3%	11.2%
Upper	375	45.4%	45.1%	37.5%	36.6%	455	55.1%	58.5%	65.1%	71.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	227	27.5%	30.0%	14.4%	14.4%
Total	826	100.0%	100.0%	100.0%	100.0%	826	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	3	1.7%	0.9%	1.1%	0.7%	1	0.6%	0.2%	3.1%	1.8%
Moderate	16	8.9%	5.4%	17.0%	13.3%	5	2.8%	1.7%	6.5%	4.1%
Middle	62	34.6%	41.0%	34.7%	40.9%	14	7.8%	5.7%	10.5%	7.8%
Upper	98	54.7%	52.6%	47.0%	45.1%	84	46.9%	54.6%	56.2%	63.3%
Unknown	0	0.0%	0.0%	0.1%	0.1%	75	41.9%	37.8%	23.6%	23.0%
Total	179	100.0%	100.0%	100.0%	100.0%	179	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	4	1.1%	0.8%	0.8%	0.6%	15	4.0%	1.0%	4.1%	0.9%
Moderate	84	22.6%	13.3%	21.0%	11.8%	66	17.8%	5.2%	15.7%	5.4%
Middle	163	43.9%	49.8%	45.6%	52.0%	81	21.8%	9.0%	22.6%	10.6%
Upper	120	32.3%	36.1%	32.6%	35.7%	171	46.1%	51.7%	49.7%	59.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	38	10.2%	33.0%	7.9%	24.1%
Total	371	100.0%	100.0%	100.0%	100.0%	371	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	2	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	100.0%	100.0%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	16	1.2%	0.7%	1.0%	0.6%	17	1.2%	0.2%	1.7%	0.7%
Moderate	160	11.6%	6.7%	14.2%	10.3%	96	7.0%	2.0%	7.2%	3.5%
Middle	609	44.2%	47.0%	45.4%	49.9%	213	15.5%	9.0%	15.2%	10.1%
Upper	593	43.0%	45.6%	39.3%	39.2%	710	51.5%	57.2%	59.9%	68.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	342	24.8%	31.6%	16.0%	17.6%
Total	1,378	100.0%	100.0%	100.0%	100.0%	1,378	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
		Bank				Aggregate				
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	
Low	7	1.3%	1.3%	1.2%	1.0%					
Moderate	95	17.0%	18.9%	19.4%	17.4%					
Middle	235	42.0%	35.6%	40.3%	40.0%					
Upper	222	39.7%	44.2%	38.7%	41.5%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.4%	0.0%					
Total	559	100.0%	100.0%	100.0%	100.0%					
	By Revenue									
\$1 Million or Less	384	68.7%	43.6%	66.1%	57.1%					
	By Loan Size									
\$100,000 or less	496	88.7%	42.8%	84.3%	36.8%					
\$100,001-\$250,000	37	6.6%	17.7%	9.9%	23.5%					
\$250,001-\$1 Million	26	4.7%	39.5%	5.8%	39.7%					
Total	559	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2011 performance overall was comparable to 2010.

Moderate-income Borrowers

BPPR’s HMDA-lending performance to moderate-income borrowers was adequate overall when compared to the 15% of families in the MSA who are of moderate-income. In 2011, the bank made 3%, 3%, and 18% of its home purchase, refinance, and home improvement loans, respectively, to moderate-income borrowers. BPPR’s performance for home improvement loans was slightly above the aggregate’s performance and BPPR’s performance for refinance loans was significantly below the aggregate. BPPR’s performance for home purchase loans was below the aggregate. The aggregate made 5%, 7%, and 16% of its home purchase, refinance, and home improvement loans to moderate-income borrowers, respectively. However, BPPR was a leader in providing HMDA-related loans to moderate-income borrowers in relation to other lenders in the market aggregate. In 2011, BPPR made the majority of home improvement loans, and a significant number of home purchase and refinance loans to moderate-income borrowers in the Ponce MSA.

2011 performance was overall slightly stronger than 2010.

Small Business Lending

BPPR provided an excellent level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. In 2011, the bank made 69% of its small business loans to these businesses, compared to the 82% of business establishments in the MSA with GAR of \$1 million or less. Performance was similar to the aggregate, which made 66% of its small business loans to businesses with GAR of \$1 million or less. The bank made 89% of its small business loans in amounts of \$100,000 or less, which was similar to the aggregate, which made 84% of its small business loans in amounts of \$100,000 or less. The average loan size was \$70,000. 2011 performance overall was slightly weaker than 2010.

Community Development Lending:

Banco Popular was a leader in community development lending in MSA 38660. This conclusion was supported by a favorable comparison to similarly-situated large retail banks in the assessment area. In addition, loans were considered highly responsive to the credit needs within the MSA 38660 assessment area. A total of \$67 million, or 5% of all community development lending activity in Puerto Rico was conducted in MSA 38660. Of this total, 99% was originated since the prior CRA examination. The loan purpose of the community development activity is noted in the above table.

COMMUNITY DEVELOPMENT LENDING		
MSA 38660		
PURPOSE	#	\$(000s)
Affordable Housing	3	8,620
Economic Development	2	11,940
Community Services	54	41,497
Revitalize and Stabilize	2	5,140
TOTAL	61	67,197

Within the MSA, community development lending efforts in terms of dollar amount were directed at community services and economic development. Examples of community development loans included:

- A \$4.5 million loan for construction of a mega super store for Walgreens. The store will help revitalize the surrounding LMI tracts in Ponce. Ponce suffers from a high unemployment rate of 14.5%. The store will employ predominately LMI individuals and bring needed jobs to the area.
- A \$2.4 million loan for the purchase and renovations to a building to house a health care center for the low-income communities of Playa and rural areas of Ponce which is supported by the U.S. Department of Health and Human Services.
- A \$1.4 million line of credit to a non-profit organization that provides shelter for the homeless, alcohol and drug addiction recovery services, and services to victims of domestic violence.

INVESTMENT TEST

BPPR’s investment performance in MSA 38660 was adequate. BPPR provided an adequate level of qualified community development investments and grants. Of the bank’s total qualified investments, \$17 million or 9% was specifically targeted to MSA 38660.

QUALIFIED INVESTMENTS		
MSA 38660		
PURPOSE	#	\$(000s)
Community Services	20	346
Economic Development	1	12
Revitalize & Stabilize	1	16,886
TOTAL	22	17,244

The MSA also benefited from the \$107 million of island-wide investments in collateralized mortgage obligations, EDB certificates of indebtedness, HUD Section 108 Government Guaranteed Participation Certificates and Puerto Rico Housing and Finance Corporation securities targeting affordable housing development across Puerto Rico. Qualified investment activity also included numerous charitable grants totaling \$353 thousand to organizations that support community services and economic development for LMI individuals. The table above shows the investment purpose of the qualified investments in the assessment area.

The bank’s qualified investment activity in MSA 38660 exhibited good responsiveness to assessment area needs. Qualified investments primarily consisted of a bond to revitalize a moderate-income community. Of the total qualified investments made in the assessment area, only 2% were new charitable grants made since the prior examination. Based on island-wide activities that also benefited the MSA, BPPR made occasional use of innovative qualified investments to support community development initiatives. Examples of community development investments include:

- A \$17 million municipal bond for the City of Ponce to develop an entertainment facility located in a moderate-income community. The development will revitalize the area and bring tourism to the town. Proceeds will be used to develop the first aquarium in Puerto Rico and for the remodeling of a sports complex.
- Charitable donations of \$80 thousand to an organization that provides programs directed at combating school dropout rates, teen pregnancy, families with special needs, and domestic violence in Ponce.

SERVICE TEST

BPPR's performance under the service test in MSA 38660 (Ponce, PR) is good based on leadership in providing community development services and good branch distribution.

Retail Services:

BPPR's delivery systems in MSA 38660 were accessible to essentially all portions of the bank's assessment area, when compared with the percentage of population residing in LMI geographies. BPPR operated 10 branches in this assessment area, of which 2 (20%) were located in moderate-income areas, compared to 32% of the MSA's population residing in moderate-income areas.

Alternative delivery systems somewhat enhanced the bank's performance in this assessment area. BPPR used multiple alternative delivery systems not specifically targeted to LMI individuals, such as bank-by-mail, internet banking, mobile banking including mobile application, text message banking, and 24-hour automated services. BPPR maintained 22 off-site ATMs in MSA 38660, of which 4 (18%) were located in moderate-income tracts.

Changes in branch locations did not adversely affect the accessibility of the bank's delivery systems. During the evaluation period, no branches were closed, and one branch was opened in this assessment area, which was not in an LMI area.

BPPR's hours and services are tailored to the convenience and needs of the assessment area, particularly LMI geographies and/or LMI individuals. Extended morning, late afternoon, and weekend and holiday hours were available at branches in this assessment area. Of the 10 branches in the MSA, 70% had early morning, late evening hours or Saturday hours. Of the 2 branches in LMI census tracts, both (100%) had extended or Saturday hours.

Community Development Services:

BPPR was a leader in providing community development services in MSA 38660. BPPR sponsored 209 financial services-related activities, primarily consisting of financial education seminars. The table below shows the number and type of services provided.

COMMUNITY DEVELOPMENT SERVICES MSA 38660	
PURPOSE	#
Financial Education	205
Small Business Seminars	3
Mortgage Education Seminars	1
TOTAL	209

In addition, seven members of BPPR's management and staff served as directors, advisors, or committee members, providing financial management expertise and technical assistance to 5 non-profit and community based organizations, in MSA 38660.

METROPOLITAN AND NON-METROPOLITAN AREAS

(LIMITED REVIEW)

MSA 32420 (MAYAGUEZ, P.R.)

MSA 41900 (SAN GERMAN-CABO ROJO, P.R.)

MSA 25020 (GUAYAMA, P.R.)

MSA 21940 (FAJARDO, P.R.)

MSA 49500 (YAUCO, P.R.)

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

NON-MSA B (MUNICIPALITIES OF COAMO, SANTA ISABEL, SALINAS, P.R.)

NON-MSA C (MUNICIPALITY OF VIEQUES, P.R.)

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

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

U.S. VIRGIN ISLANDS

CRA RATING FOR U.S. VIRGIN ISLANDS: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: Outstanding

Major factors supporting the rating include:

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

SCOPE OF EXAMINATION

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

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPPR operated eight retail branches in the USVI, representing 4% of BPPR's total branch network. Two of the branches in the USVI are located in moderate-income areas. BPPR is one of only four banks in the assessment area. As of June 30, 2011, BPPR's USVI branches held \$851 million in deposits. BPPR lead its three competitors, Firstbank of Puerto Rico, Bank of St. Croix, and Merchants Commercial Bank, in deposit market share with 47% of assessment area deposits. The USVI contains 1% percent of the total loans originated by BPPR during the review period.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census (2000), the USVI Bureau of Economic Research, and the USVI Public Housing Authority.

Demographic Characteristics

The USVI consists of the main islands of St. Thomas, St. Croix, and St. John. According to the 2000 Census, the population of the USVI is approximately 107,612. The population in the USVI assessment areas represents about 3% of the total population residing in BPPR's assessment areas. The USVI assessment area has 32 census tracts, of which 9% are low-income, 13% are moderate-income, 47% are middle-income, and 31% are upper-income geographies. There are 26,636 families in the USVI assessment area, of which approximately 11% reside in low-income geographies and 13% reside in moderate-income geographies.

Income Characteristics

According to the 2000 census data, 28% of families residing in the USVI assessment area are considered low-income and 14% are moderate-income. Of the total families residing in the assessment area, 29% live below the poverty level. Income levels in the USVI are generally higher than in Puerto Rico. The HUD-adjusted median family income for the USVI was \$36,700 in 2010 and \$36,600 in 2011.

Housing Characteristics

According to the 2000 census, the USVI assessment area has 50,202 housing units, of which 37% (18,678) are owner-occupied, 44% (21,970) are rentals, and 19% (9,554) are vacant. Vacant housing units in non-LMI tracts are generally vacation homes that are not occupied year-round. Many rental units are apartments that are part of private homes. About 3,500 rental units are public housing.

As reported by the USVI Bureau of Economic Research, the housing and real estate market continues to be depressed. The number of homes sold in the USVI declined by 2% in 2011 to 272 from 278 in 2010. However, the average home price increased by 12.5% to \$533,862 in 2011 from \$474,728 in 2010. Comparison of the median family income to the average home price illustrates the challenges LMI individuals face in obtaining affordable housing. The average sales price of a home in the USVI is estimated to be about twenty-nine times the income of a low-income family and eighteen times the income of a moderate-income family.

Labor, Employment and Economic Characteristics

The USVI Bureau of Economic Research reports that unemployment in the USVI has steadily increased since 2009 and was 8.0% in 2010 and 9.5% at 2011. The USVI also experienced a slight decline in the civilian labor force with 51,513 individuals employed in 2010 compared to 50,900 in 2011.

Government, trade, transportation and utilities; and leisure and hospitality are the industries with the largest number of jobs, accounting for 62 percent of all jobs in the USVI. The USVI has 2,482 business establishments, of which 64% are small businesses with gross annual revenues ("GAR") of less than or equal to \$1 million. Of the total businesses, 8% are located in low-

Exhibit 9 Assessment Area Demographics

Assessment Area: USVI - 2011

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	9	2,798	11	1,481	19	7,417	28
Moderate-income	4	13	3,547	13	1,537	20	3,641	14
Middle-income	15	47	12,319	46	3,275	43	4,155	15
Upper-income	10	31	7,972	30	1,192	16	11,423	43
Unknown-income	0	0	0	0	150	2	0	0
Total Assessment Area	32	100.0	26,636	100.0	7,635	100.0	26,636	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	5,182	1,183	6	23	2,893	56	1,106	21
Moderate-income	5,968	2,310	12	39	2,702	45	956	16
Middle-income	22,840	8,288	44	36	10,609	47	3,943	17
Upper-income	16,212	6,898	37	43	5,766	35	3,549	22
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	50,202	18,678	100.0	37	21,970	44	9,554	19
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	195	8	152	10	9	4	31	5
Moderate-income	876	35	552	35	80	33	240	36
Middle-income	1,238	49	734	46	137	57	352	53
Upper-income	205	8	142	9	15	6	38	6
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	2,482	100	1,580	100	241	100	661	100
	Percentage of Total Businesses:			64		10		26

Based on 2000 Census Information and 2011 Dunn and Bradstreet Report.

income areas and 35% are in moderate-income areas. The top-three major employers as of 2011 were Hovensa, LLC, K-Mart Corporation, and Ritz-Carlton Virgin Islands, Inc. BPPR ranked as the 18th largest employer in the USVI as of 2011. The USVI Bureau of Economic Research reported that tourism industry, the largest industry, saw a healthy increase from 2010 to 2011. However, in January 2012, Hovensa, LLC announced closure of its USVI refinery, which is expected to adversely impact employment in the area.

Detailed performance context data for the USVI assessment areas is provided in Exhibit 9.

NON-METROPOLITAN AREA

(FULL REVIEW)

U.S. VIRGIN ISLANDS

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BPPR's overall lending performance in the Non-MSA assessment area of St. Thomas, St. Croix, and St. John was good.

Lending Activity:

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

During the examination period, 675 HMDA-related and small business loans totaling approximately \$95 million were originated in the US Virgin Islands assessment area. Lending activity in the USVI represents approximately 1% of the bank's total lending activity evaluated at this examination. HMDA-related lending volume was similar to volume noted at the prior evaluation while small business lending volume declined 39% since the prior examination.

Geographic Distribution:

The geographic distribution of HMDA-related and small business loans in the USVI reflected adequate performance in LMI geographies. There are no LMI census tracts on the islands of St. Thomas and St. John. The only LMI census tracts in the U.S. Virgin Islands are on the island of St. Croix. The analysis considered performance context issues, such as lending opportunities reflected in the number of owner-occupied units. Aggregate lending data was not available for the USVI. The table on the following page summarizes lending performance by product in the MSA.

U.S. VIRGIN ISLANDS				
PRODUCT	Low-Income Census Tracts		Moderate -Income Census Tracts	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Good	Not Available	Poor	Not Available
Refinance	Good	Not Available	Adequate	Not Available
Home Improvement	Good	Not Available	Adequate	Not Available
Small Business	Adequate	Not Available	Poor	Not Available

Low-income Geographies

Banco Popular made 6% of its home purchase, 5% of its refinance, and 6% of its home improvement loans in low-income geographies in 2011. The demographics of the assessment area indicate that 6% of the available owner-occupied housing units are located within low-income geographies. Banco Popular originated approximately 2% of its small business loans in low-income geographies which is below the demographics of low-income geographies, where 8% of all small businesses operate. Performance overall in 2010 was comparable to 2011.

Moderate-income Geographies

Banco Popular made 5% of its refinance and 5% of its home improvement loans in moderate-income geographies while 12% of all occupied housing units are located within moderate-income geographies. Banco Popular did not originate any home purchase loans in moderate-income geographies. The bank originated 8% of its small business loans in moderate-income geographies which is below the demographics, which indicate 35% of all small businesses operate in moderate-income geographies. Performance overall in 2010 was comparable to 2011.

Distribution by Borrower Income and Revenue Size of Business:

BPPR’s distribution of borrowers in the US Virgin Islands assessment area reflects, given the product lines offered, overall good penetration among customers of different income levels and businesses of different sizes. Lending to small businesses was excellent while overall lending to low- and moderate-income borrowers was adequate, as indicated in the chart on the following page. Aggregate lending data was not available for the USVI.

Low-income Borrowers:

BPPR's HMDA lending performance in lending to low-income borrowers was adequate overall when compared to the 28% of families in the MSA which are low-income and considering the performance context issues noted earlier in the performance context section for the USVI. In 2011, the bank made 2 refinance loans, 2 home improvement loans, and no home purchase loans to low-income borrowers. However, as previously noted, the average home sales price for the USVI was 29 times the income of a low-income family, making it difficult for lenders to extend home purchase, refinance and home improvement loans to low-income borrowers in this area. There was no aggregate loan data available for comparison from the USVI. 2011 performance was comparable to 2010.

Moderate-income Borrowers:

BPPR's HMDA lending performance to moderate-income borrowers was adequate overall when compared to the 14% of families in the MSA which are of moderate-income and considering the performance context issues noted earlier in the performance context section for the USVI. In 2011, the bank made 1 home purchase loan, 2 refinance loans and 5 home improvement loans to moderate-income borrowers. However, as noted previously, the average sales price for the USVI was 18 times the income of a moderate-income family, making it difficult for lenders to extend home purchase and home improvement loans to moderate-income borrowers. 2011 performance was comparable to 2010.

U.S. VIRGIN ISLANDS				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	2011 BPPR Performance	2011 Aggregate Comparison	2011 BPPR Performance	2011 Aggregate Comparison
Home Purchase	Adequate	Not Available	Adequate	Not Available
Refinance	Adequate	Not Available	Adequate	Not Available
Home Improvement	Adequate	Not Available	Adequate	Not Available
	Lending to Businesses with GAR <= \$1 million		2011 Aggregate Comparison	
Small Business	Excellent		Not Available	

Small Business Lending:

BPPR provided an excellent level of lending to small business borrowers with gross annual revenue (GAR) of \$1 million or less. In 2011, the bank made 57% of its small business loans to these businesses, compared to the 64% of business establishments in the MSA with GAR of \$1

million or less. The bank made 69% of its small business loans in amounts of \$100,000 or less with an average loan size of \$143,000. 2011 overall performance was comparable to 2010.

Community Development Lending:

Banco Popular was a leader in community development lending performance and its lending was considered highly responsive to the credit needs of the USVI. As indicated in the table to the right, there were eleven community development loans specifically targeted to the USVI totaling approximately \$104 million, a significant increase over the prior

COMMUNITY DEVELOPMENT LENDING U.S. VIRGIN ISLANDS		
PURPOSE	#	\$(000s)
Affordable Housing	1	2,800
Economic Development	2	9,286
Community Services	1	1,050
Revitalize and Stabilize	7	90,594
TOTAL	11	103,730

review, at which time total community development loans to the U.S.V.I. totaled \$55 million. Of this total, \$96 million, or 93%, was originated since the prior CRA examination. Within the MSA, community development lending efforts in terms of dollar amount were directed at revitalization and stabilization. The breakdown of the community development purpose of BPPR’s community development loans in the USVI is noted in the table above.

The following loans are highlighted:

- A \$32 million loan to the Virgin Islands Public Finance Authority to develop broadband technologies under the American Recovery Act of 2009. The mission of the VI Public Finance Authority is to promote and sustain economic and social development in the U.S.V.I.; also to encourage private enterprise investments that maximize employment opportunities and better the lives of the population of the USVI. All middle-income tracts in the islands are considered distressed and improving the infrastructure will assist in revitalizing these tracts by leading to new business opportunities.
- A \$30 million to renovate and expand a shopping center creating space for smaller tenants and to construct a building to house the social security administration. The area is considered distressed. The shopping center employs 275 workers, the majority of which are LMI.
- A \$10 million line of credit to improve the delivery of water for the inhabitants of the islands by helping to maintain essential infrastructure. All middle-income tracts in the islands are considered distressed and improving the infrastructure will assist in revitalizing these tracts.

Exhibit 10
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: USVI

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	2	5.7%	2.6%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	1	2.9%	0.7%	0.0%	0.0%
Middle	13	37.1%	20.2%	0.0%	0.0%	3	8.6%	2.1%	0.0%	0.0%
Upper	20	57.1%	77.1%	0.0%	0.0%	31	88.6%	97.2%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	35	100.0%	100.0%	0.0%	0.0%	35	100.0%	100.0%	0.0%	0.0%
Refinance										
Low	4	5.3%	6.0%	0.0%	0.0%	2	2.6%	1.1%	0.0%	0.0%
Moderate	4	5.3%	4.5%	0.0%	0.0%	2	2.6%	2.1%	0.0%	0.0%
Middle	22	28.9%	25.5%	0.0%	0.0%	7	9.2%	5.4%	0.0%	0.0%
Upper	46	60.5%	64.0%	0.0%	0.0%	65	85.5%	91.5%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	76	100.0%	100.0%	0.0%	0.0%	76	100.0%	100.0%	0.0%	0.0%
Home Improvement										
Low	5	5.7%	4.9%	0.0%	0.0%	2	2.3%	0.1%	0.0%	0.0%
Moderate	4	4.5%	2.3%	0.0%	0.0%	5	5.7%	1.6%	0.0%	0.0%
Middle	32	36.4%	28.7%	0.0%	0.0%	14	15.9%	6.9%	0.0%	0.0%
Upper	47	53.4%	64.1%	0.0%	0.0%	67	76.1%	91.4%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	88	100.0%	100.0%	0.0%	0.0%	88	100.0%	100.0%	0.0%	0.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	100.0%	100.0%	0.0%	0.0%	1	100.0%	100.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	1	100.0%	100.0%	0.0%	0.0%	1	100.0%	100.0%	0.0%	0.0%
HMDA Totals										
Low	11	5.5%	4.7%	0.0%	0.0%	4	2.0%	0.5%	0.0%	0.0%
Moderate	8	4.0%	2.6%	0.0%	0.0%	8	4.0%	1.6%	0.0%	0.0%
Middle	67	33.5%	24.8%	0.0%	0.0%	24	12.0%	4.8%	0.0%	0.0%
Upper	114	57.0%	67.9%	0.0%	0.0%	164	82.0%	93.1%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	200	100.0%	100.0%	0.0%	0.0%	200	100.0%	100.0%	0.0%	0.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate						
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	
Low	3	2.4%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Moderate	10	8.1%	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Middle	63	51.2%	46.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upper	47	38.2%	43.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total	123	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
By Revenue										
\$1 Million or Less	70	56.9%	38.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
By Loan Size										
\$100,000 or less	85	69.1%	22.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
\$100,001-\$250,000	22	17.9%	24.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
\$250,001-\$1 Million	16	13.0%	52.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total	123	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

Originations and Purchases

INVESTMENT TEST

BPPR's performance under the investment test was good in the USVI. BPPR had a significant level of qualified community development investments that exhibited good responsiveness to credit and community development needs. Qualified investments in the USVI totaled \$21 million or 9% of the bank's total qualified investments. Of the total, \$3.1 million, or 15%, was a new investment made during this examination period. Investment activity in the USVI was targeted only to affordable housing initiatives, a primary need of the assessment area. BPPR made occasional use of innovative investments to support community development initiatives.

Examples of qualified investments:

- A \$4.3 million FNMA security backed by a pool of multifamily housing loans. The underlying loans collateralizing the mortgage-backed security are affordable housing loans funded by low-income housing tax credits.
- An \$8 million GNMA security that provides affordable housing for 245 Section 8 eligible housing units for the elderly located in the USVI.
- A \$3 million US Department of Housing and Urban Development Section 108 Government Guaranteed participation certificate of the Community Development Block Grant program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. Funding is targeted for statewide USVI.

SERVICE TEST

BPPR's performance under the service test in the USVI was excellent based on excellent branch distribution and provision of a relatively high level of community development services.

Retail Services:

BPPR's delivery systems in the USVI were readily accessible to all portions of the assessment area, when compared with the percentage of population residing in LMI geographies. BPPR operated 8 branches in this assessment area, of which 2 (25%) were located in moderate-income areas. In comparison, the assessment area has 11% and 14% of the population residing in low- and moderate-income areas, respectively.

Alternative delivery systems somewhat enhanced the bank's performance in this assessment area. BPPR used multiple alternative delivery systems, as bank-by-mail, internet banking, mobile banking including mobile application, text message banking, and 24-hour automated services, not specifically targeted to LMI individuals. BPPR maintained one off-site ATM in the USVI, which was located in a middle-income tract.

Changes in branch locations improved the accessibility of the bank's delivery systems. During the evaluation period, BPPR opened one branch in the USVI, which was located in a moderate-income area. No branches were closed in the USVI during the examination period.

BPPR's hours and services did not vary in a way that inconvenienced certain portions of the assessment area. Extended morning, late afternoon, weekend and holiday hours were available at branches in this assessment area.

Community Development Services:

BPPR provided a relatively high level of community development services in the USVI. BPPR sponsored 62 financial education seminars and two small business seminars in the USVI. In addition, eight BPPR management and staff served as directors, advisors, or committee members, providing financial management expertise and technical assistance to 13 non-profit and community based organizations.

CRA APPENDIX A
SCOPE OF EXAMINATION

BANCO POPULAR DE PUERTO RICO			
TIME PERIOD REVIEWED	1/1/2010 TO 12/31/2012*		
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
Banco Popular de Puerto Rico, 209 Munoz Rivera Avenue San Juan, PR		<ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement • Small business • Community development 	
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
Popular Mortgage, Inc.	Bank subsidiary		<ul style="list-style-type: none"> • Home purchase • Home improvement • Refinancings
Popular Auto, Inc.	Bank subsidiary		<ul style="list-style-type: none"> • Home improvement
*HMDA-related and Small Business loan data review period was January 1, 2010 to December 31, 2011.			

See pages 6 and 16 for additional scope information.

CRA APPENDIX B

Summary of Ratings

STATE OR MSA	LENDING TEST RATING	INVESTMENT TEST RATING	SERVICE TEST RATING	OVERALL RATING
Puerto Rico	Outstanding	High Satisfactory	Outstanding	Outstanding
United States Virgin Islands	High Satisfactory	High Satisfactory	Outstanding	Satisfactory

CRA APPENDIX C

COMMUNITY DEVELOPMENT LOANS 2010-2012										
ASSESSMENT AREA	Affordable Housing		Economic Development		Community Services		Revitalize and Stabilize		Combined Totals	
	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)
PUERTO RICO										
MSA 41980 (San Juan-Caguas-Guaynabo, P.R.)*	33	82,392	52	223,902	420	617,824	4	93,689	509	1,017,807
MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.)*	4	5,460	11	8,261	48	23,401	0	0	63	37,122
MSA 38660 (Ponce, P.R.)*	3	8,620	2	11,940	54	41,497	2	5,140	61	67,197
MSA 32420 (Mayaguez, P.R.)	3	13,140	9	53,218	33	18,136	0	0	45	84,494
MSA 41900 (San German-Cabo Rojo, P.R.)	0	0	1	1,500	10	54,006	0	0	11	55,506
MSA 25020 (Guayama, P.R.)	1	2,196	0	0	9	178	2	4,000	12	6,374
MSA 21940 (Fajardo, P.R.)	0	0	0	0	0	0	0	0	0	0
MSA 49500 (Yauco, P.R.)	2	9,330	6	24,211	2	50	0	0	10	33,591
Non-MSA A (Municipalities of Adjuntas, Jayuya, Utuado, Las Marias, Maricao)	0	0	0	0	16	443	1	25	17	468
Non-MSA B (Municipalities of Coamo, Santa Isabel, Salinas)	1	3,800	7	2,900	2	200	3	40,200	13	47,100
Non-MSA C (Municipalities of Vieques and Culebra)	0	0	0	0	3	180	0	0	3	180
Statewide	0	0	0	0	0	0	0	0	0	0
PUERTO RICO TOTALS	47	124,938	88	325,932	597	755,915	12	143,054	744	1,349,839
U.S. VIRGIN ISLANDS										
VIRGIN ISLAND STATEWIDE*	1	2,800	2	9,286	1	1,050	7	90,594	11	103,730
TOTALS										
TOTAL COMMUNITY DEVELOPMENT LOANS	48	127,738	90	335,218	598	756,965	19	233,648	755	1,453,569
PERCENT #/\$	6.4%	8.8%	11.9%	23.1%	79.2%	52.1%	2.5%	16.1%	100.0%	100.0%

* Full Scope Assessment Areas

CRA APPENDIX D

QUALIFIED INVESTMENTS 2010-2012										
ASSESSMENT AREA	Affordable Housing		Economic Development		Community Services		Revitalize and Stabilize		Combined Totals	
	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)
PUERTO RICO										
MSA 41980 (San Juan-Caguas-Guaynabo, P.R.)*	1	4,144	20	33,230	427	32,715	1	25	449	70,114
MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.) ¹	0	0	0	0	8	128	0	0	8	128
MSA 38660 (Ponce, P.R.) ²	0	0	1	12	20	346	1	16,886	22	17,244
MSA 32420 (Mayaguez, P.R.)	0	0	3	23	15	7,908	0	0	18	7,931
MSA 41900 (San German-Cabo Rojo, P.R.)	0	0	0	0	1	1	0	0	1	1
MSA 25020 (Guayama, P.R.)	0	0	0	0	3	60	0	0	3	60
MSA 21940 (Fajardo, P.R.)	0	0	2	21	1	1	0	0	3	22
MSA 49500 (Yauco, P.R.)	0	0	0	0	3	50	0	0	3	50
Non-MSA A (Municipalities of Adjuntas, Jayuya, Utuado, Las Marias, Maricao)	0	0	0	0	5	82	0	0	5	82
Non-MSA B (Municipalities of Coamo, Santa Isabel, Salinas)	0	0	0	0	0	0	0	0	0	0
Non-MSA C (Municipalities of Vieques and Culebra)	0	0	0	0	4	45	0	0	4	45
Statewide	73	51,867	8	29,780	3	25,004	0	0	84	106,651
PUERTO RICO TOTALS	74	56,011	34	63,066	490	66,340	2	16,911	600	202,328
U.S. VIRGIN ISLANDS										
VIRGIN ISLAND STATEWIDE*	4	20,894	0	0	0	0	0	0	4	20,894
TOTALS										
TOTAL QUALIFIED INVESTMENTS	78	76,905	34	63,066	490	66,340	2	16,911	604	223,222
PERCENT #/\$	12.9%	34.5%	5.6%	28.3%	81.1%	29.7%	0.3%	7.6%	100.0%	100.0%

* Full Scope Assessment Areas

CRA APPENDIX E

SUMMARY OF BRANCH LOCATIONS (12/31/11)				
ASSESSMENT AREA	Total Branches	Branches in LMI Tracts	Branches in LMI Tracts	Population in LMI Tracts
PUERTO RICO				
MSA 41980 (San Juan-Caguas-Guaynabo, P.R.)*	120	26	22%	30%
MSA 10380 (Aguadilla-Isabela-San Sebastian, P.R.)*	14	3	21%	8%
MSA 38660 (Ponce, P.R.)*	10	2	20%	35%
MSA 32420 (Mayaguez, P.R.)	10	1	10%	22%
MSA 41900 (San German-Cabo Rojo, P.R.)	6	1	17%	1%
MSA 25020 (Guayama, P.R.)	4	0	0%	0%
MSA 21940 (Fajardo, P.R.)	4	1	25%	22%
MSA 49500 (Yauco, P.R.)	4	0	0%	5%
Non-MSA A (Municipalities of Adjuntas, Jayuya, Utuado, Las Marias, Maricao)	5	1	20%	23%
Non-MSA B (Municipalities of Coamo, Santa Isabel, Salinas)	4	0	0%	0%
Non-MSA C (Municipalities of Vieques and Culebra)	1	0	0%	5%
PUERTO RICO TOTALS	182	35	19%	25%
TOTAL U.S. VIRGIN ISLANDS*	8	2	25%	25%
TOTAL BRANCHES	190	37	19%	25%

* Full Scope Assessment Areas

CRA APPENDIX F
Loan Distribution Tables & Aggregate Comparisons
Limited-Scope Assessment Areas
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 32420

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	4	1.6%	0.7%	1.3%	0.6%	0	0.0%	0.0%	0.3%	0.1%
Moderate	18	7.1%	5.1%	8.5%	6.4%	12	4.7%	2.0%	5.8%	3.0%
Middle	148	58.0%	59.2%	51.6%	51.9%	37	14.5%	9.2%	16.0%	11.1%
Upper	85	33.3%	35.0%	38.6%	41.1%	145	56.9%	66.2%	62.4%	71.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	61	23.9%	22.5%	15.5%	14.6%
Total	255	100.0%	100.0%	100.0%	100.0%	255	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.7%	0.6%	0	0.0%	0.0%	1.0%	0.6%
Moderate	5	7.2%	4.9%	15.0%	14.5%	2	2.9%	1.0%	3.8%	2.7%
Middle	35	50.7%	53.8%	44.0%	45.7%	4	5.8%	2.3%	12.3%	6.5%
Upper	29	42.0%	41.3%	40.3%	39.2%	44	63.8%	76.2%	62.5%	71.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	19	27.5%	20.5%	20.5%	18.8%
Total	69	100.0%	100.0%	100.0%	100.0%	69	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	3	1.9%	1.1%	1.9%	1.9%	4	2.5%	0.5%	4.2%	0.9%
Moderate	20	12.7%	10.6%	13.2%	8.4%	43	27.2%	8.7%	24.5%	6.5%
Middle	72	45.6%	49.0%	44.3%	38.8%	44	27.8%	15.7%	25.9%	14.9%
Upper	63	39.9%	39.4%	40.6%	51.0%	64	40.5%	57.0%	42.9%	66.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	1.9%	18.2%	2.4%	11.0%
Total	158	100.0%	100.0%	100.0%	100.0%	158	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	50.0%	99.9%	50.0%	99.9%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	50.0%	0.1%	50.0%	0.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	100.0%	100.0%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	7	1.4%	0.5%	1.2%	0.6%	4	0.8%	0.0%	1.4%	0.3%
Moderate	44	9.1%	22.5%	11.8%	18.5%	57	11.8%	1.9%	9.5%	2.8%
Middle	256	52.9%	46.9%	47.5%	43.8%	85	17.6%	6.8%	17.1%	8.6%
Upper	177	36.6%	30.2%	39.5%	37.1%	253	52.3%	55.5%	57.7%	64.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	85	17.6%	35.7%	14.2%	24.2%
Total	484	100.0%	100.0%	100.0%	100.0%	484	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	4	0.8%	0.2%	1.1%	0.3%	1.1%	0.3%	0.3%	0.3%	0.3%
Moderate	83	17.2%	14.5%	17.4%	15.6%	17.4%	15.6%	15.6%	15.6%	15.6%
Middle	242	50.1%	45.0%	50.6%	48.5%	50.6%	48.5%	48.5%	48.5%	48.5%
Upper	154	31.9%	40.3%	30.0%	35.5%	30.0%	35.5%	35.5%	35.5%	35.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.9%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%
Total	483	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	330	68.3%	47.5%	64.8%	44.9%	64.8%	44.9%	44.9%	44.9%	44.9%
By Loan Size										
\$100,000 or less	431	89.2%	43.5%	86.7%	34.9%	86.7%	34.9%	34.9%	34.9%	34.9%
\$100,001-\$250,000	28	5.8%	15.1%	7.0%	16.2%	7.0%	16.2%	16.2%	16.2%	16.2%
\$250,001-\$1 Million	24	5.0%	41.4%	6.3%	48.8%	6.3%	48.8%	48.8%	48.8%	48.8%
Total	483	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Originations and Purchases

Appendix F (Continued)
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 41900

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Aggregate % \$ (000s)	Bank %	Aggregate % \$ (000s)	#	Bank %	Aggregate % \$ (000s)	Bank %	Aggregate % \$ (000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.1%	0.1%
Moderate	1	0.2%	0.1%	0.3%	0.2%	1	0.2%	0.1%	0.9%	0.5%
Middle	492	89.8%	92.0%	88.1%	89.9%	67	12.2%	6.8%	11.6%	6.9%
Upper	55	10.0%	7.9%	11.6%	10.0%	358	65.3%	71.9%	74.6%	80.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	122	22.3%	21.1%	12.8%	12.0%
Total	548	100.0%	100.0%	100.0%	100.0%	548	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.2%	0.1%
Moderate	1	0.7%	0.7%	1.0%	1.0%	5	3.4%	1.3%	2.7%	1.3%
Middle	125	83.9%	86.5%	85.5%	87.7%	12	8.1%	5.0%	10.1%	6.8%
Upper	23	15.4%	12.8%	13.4%	11.3%	95	63.8%	69.9%	71.7%	77.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	37	24.8%	23.8%	15.3%	14.6%
Total	149	100.0%	100.0%	100.0%	100.0%	149	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	9	2.8%	0.7%	3.6%	0.7%
Moderate	5	1.5%	1.3%	2.3%	1.3%	59	18.1%	8.4%	17.6%	7.9%
Middle	278	85.3%	79.8%	84.4%	79.1%	71	21.8%	7.9%	22.5%	10.9%
Upper	43	13.2%	18.9%	13.3%	19.6%	167	51.2%	57.6%	51.2%	60.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	20	6.1%	25.4%	5.1%	20.3%
Total	326	100.0%	100.0%	100.0%	100.0%	326	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	9	0.9%	0.0%	0.9%	0.1%
Moderate	7	0.7%	0.3%	0.9%	0.5%	65	6.4%	0.9%	5.0%	1.1%
Middle	895	87.5%	90.2%	86.6%	88.8%	150	14.7%	6.5%	13.5%	7.0%
Upper	121	11.8%	9.5%	12.4%	10.8%	620	60.6%	70.6%	68.8%	78.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	179	17.5%	21.9%	11.8%	13.1%
Total	1,023	100.0%	100.0%	100.0%	100.0%	1,023	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	Aggregate % \$ (000s)	Bank %	Aggregate % \$ (000s)					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	19	5.0%	2.8%	4.3%	2.5%					
Middle	300	79.2%	83.0%	78.1%	81.0%					
Upper	60	15.8%	14.2%	16.4%	16.4%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	1.2%	0.1%					
Total	379	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	259	68.3%	49.5%	65.6%	54.5%					
By Loan Size										
\$100,000 or less	340	89.7%	41.2%	89.8%	39.4%					
\$100,001-\$250,000	25	6.6%	23.5%	5.9%	19.9%					
\$250,001-\$1 Million	14	3.7%	35.3%	4.3%	40.7%					
Total	379	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

Appendix F (Continued)
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 25020

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	11	6.1%	3.9%	6.2%	4.6%
Middle	151	84.4%	87.1%	77.3%	77.2%	16	8.9%	8.5%	18.7%	18.1%
Upper	28	15.6%	12.9%	22.2%	22.4%	79	44.1%	49.9%	56.9%	61.5%
Unknown	0	0.0%	0.0%	0.5%	0.4%	73	40.8%	37.6%	18.2%	15.8%
Total	179	100.0%	100.0%	100.0%	100.0%	179	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.7%	1.1%
Moderate	0	0.0%	0.0%	0.0%	0.0%	2	3.5%	1.5%	4.7%	2.7%
Middle	45	78.9%	81.9%	77.7%	80.6%	6	10.5%	8.0%	13.7%	10.0%
Upper	12	21.1%	18.1%	22.3%	19.4%	32	56.1%	61.5%	61.8%	70.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	17	29.8%	29.0%	18.0%	15.4%
Total	57	100.0%	100.0%	100.0%	100.0%	57	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	3	1.7%	0.8%	2.6%	0.8%
Moderate	0	0.0%	0.0%	0.0%	0.0%	26	14.4%	4.9%	16.2%	6.2%
Middle	143	79.0%	82.1%	79.9%	81.1%	49	27.1%	16.7%	26.9%	21.8%
Upper	38	21.0%	17.9%	19.7%	15.8%	96	53.0%	60.8%	51.3%	59.6%
Unknown	0	0.0%	0.0%	0.4%	0.2%	7	3.9%	16.8%	3.0%	11.6%
Total	181	100.0%	100.0%	100.0%	100.0%	181	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	3	0.7%	0.1%	1.1%	0.4%
Moderate	0	0.0%	0.0%	0.0%	0.0%	39	9.4%	3.5%	8.5%	4.1%
Middle	339	81.3%	85.3%	78.1%	78.8%	71	17.0%	9.5%	19.5%	15.7%
Upper	78	18.7%	14.7%	21.6%	20.9%	207	49.6%	53.9%	56.7%	64.5%
Unknown	0	0.0%	0.0%	0.3%	0.3%	97	23.3%	33.0%	14.1%	15.4%
Total	417	100.0%	100.0%	100.0%	100.0%	417	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)		%	% \$(000s)		% \$(000s)
Low	0		0.0%		0.0%		0.0%			0.0%
Moderate	0		0.0%		0.0%		0.0%			0.0%
Middle	118		75.6%		81.3%		71.7%			78.5%
Upper	38		24.4%		18.7%		27.3%			21.4%
Unknown	0		0.0%		0.0%		0.0%			0.0%
Tract Unknown	0		0.0%		0.0%		1.0%			0.1%
Total	156		100.0%		100.0%		100.0%			100.0%
	By Revenue									
\$1 Million or Less	121		77.6%		57.1%		72.7%			56.1%
	By Loan Size									
\$100,000 or less	143		91.7%		50.4%		88.4%			42.1%
\$100,001-\$250,000	6		3.8%		14.6%		6.1%			16.6%
\$250,001-\$1 Million	7		4.5%		35.0%		5.6%			41.4%
Total	156		100.0%		100.0%		100.0%			100.0%

Originations and Purchases

Appendix F (Continued)
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 21940

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.3%	0.1%	0.4%	0.3%
Moderate	59	16.3%	17.7%	15.2%	16.9%	1	0.3%	0.2%	5.1%	3.4%
Middle	222	61.5%	56.2%	64.2%	62.5%	17	4.7%	2.7%	12.0%	8.3%
Upper	80	22.2%	26.0%	20.6%	20.7%	73	20.2%	22.9%	47.4%	54.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	269	74.5%	74.2%	35.2%	34.0%
Total	361	100.0%	100.0%	100.0%	100.0%	361	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.6%	1.0%
Moderate	18	26.9%	28.3%	21.3%	24.6%	0	0.0%	0.0%	4.4%	2.9%
Middle	32	47.8%	48.3%	54.9%	52.6%	4	6.0%	4.9%	10.8%	7.2%
Upper	17	25.4%	23.4%	23.8%	22.8%	26	38.8%	41.2%	56.2%	64.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	37	55.2%	53.9%	27.0%	24.6%
Total	67	100.0%	100.0%	100.0%	100.0%	67	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	4	3.0%	0.4%	5.5%	1.1%
Moderate	22	16.5%	20.3%	16.4%	22.5%	17	12.8%	3.8%	15.9%	8.9%
Middle	83	62.4%	50.4%	60.0%	47.3%	30	22.6%	11.5%	22.7%	14.7%
Upper	28	21.1%	29.3%	23.6%	30.2%	66	49.6%	38.7%	48.2%	43.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	16	12.0%	45.6%	7.7%	31.8%
Total	133	100.0%	100.0%	100.0%	100.0%	133	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	5	0.9%	0.1%	1.5%	0.5%
Moderate	99	17.6%	19.3%	16.9%	19.0%	18	3.2%	0.4%	6.8%	3.5%
Middle	337	60.1%	54.8%	61.2%	59.4%	51	9.1%	3.6%	13.5%	8.3%
Upper	125	22.3%	25.9%	21.9%	21.6%	165	29.4%	26.4%	49.7%	56.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	322	57.4%	69.6%	28.5%	31.6%
Total	561	100.0%	100.0%	100.0%	100.0%	561	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)			
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Moderate	35	27.8%	16.5%	26.1%	13.3%					
Middle	59	46.8%	53.8%	44.9%	52.3%					
Upper	32	25.4%	29.7%	23.9%	33.9%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	5.1%	0.5%					
Total	126	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	106	84.1%	61.0%	67.6%	50.0%					
By Loan Size										
\$100,000 or less	116	92.1%	58.7%	90.9%	49.5%					
\$100,001-\$250,000	9	7.1%	32.8%	6.8%	30.1%					
\$250,001-\$1 Million	1	0.8%	8.5%	2.3%	20.4%					
Total	126	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

Appendix F (Continued)
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: MSA 49500

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	4	1.7%	0.9%	1.0%	0.5%	1	0.4%	0.3%	2.5%	1.2%
Middle	146	62.1%	58.8%	61.8%	58.2%	32	13.6%	8.9%	17.3%	12.6%
Upper	85	36.2%	40.3%	36.9%	41.1%	129	54.9%	61.7%	61.3%	68.8%
Unknown	0	0.0%	0.0%	0.3%	0.2%	73	31.1%	29.2%	18.8%	17.4%
Total	235	100.0%	100.0%	100.0%	100.0%	235	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.5%	0.5%
Moderate	1	1.8%	1.8%	2.8%	3.1%	1	1.8%	0.6%	2.3%	1.2%
Middle	38	67.9%	70.4%	55.8%	54.3%	1	1.8%	1.1%	8.8%	6.8%
Upper	17	30.4%	27.8%	41.4%	42.5%	33	58.9%	63.6%	67.4%	72.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	21	37.5%	34.7%	20.9%	19.0%
Total	56	100.0%	100.0%	100.0%	100.0%	56	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.5%	0.1%
Moderate	4	2.4%	0.6%	2.3%	1.9%	18	10.6%	3.3%	9.3%	2.9%
Middle	120	70.6%	54.7%	67.6%	53.9%	53	31.2%	10.0%	27.3%	12.0%
Upper	46	27.1%	44.6%	30.1%	44.2%	84	49.4%	53.7%	56.0%	64.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	15	8.8%	32.9%	6.9%	20.2%
Total	170	100.0%	100.0%	100.0%	100.0%	170	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.2%	0.2%
Moderate	9	2.0%	1.0%	1.8%	1.5%	20	4.3%	0.8%	4.2%	1.4%
Middle	304	65.9%	60.4%	61.8%	56.5%	86	18.7%	7.6%	17.7%	10.7%
Upper	148	32.1%	38.6%	36.3%	41.9%	246	53.4%	61.0%	61.5%	69.5%
Unknown	0	0.0%	0.0%	0.1%	0.1%	109	23.6%	30.7%	16.3%	18.2%
Total	461	100.0%	100.0%	100.0%	100.0%	461	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Moderate	4	1.6%	0.3%	1.2%	0.3%	1.2%	0.2%	0.2%	0.2%	0.2%
Middle	198	78.9%	78.3%	79.1%	78.3%	79.1%	80.4%	80.4%	80.4%	80.4%
Upper	49	19.5%	21.4%	19.0%	21.4%	19.0%	19.4%	19.4%	19.4%	19.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.6%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%
Total	251	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	By Revenue									
\$1 Million or Less	176	70.1%	46.1%	68.1%	56.8%					
	By Loan Size									
\$100,000 or less	231	92.0%	47.0%	90.2%	42.5%					
\$100,001-\$250,000	11	4.4%	14.4%	5.8%	18.9%					
\$250,001-\$1 Million	9	3.6%	38.6%	4.0%	38.6%					
Total	251	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

Appendix F (Continued)
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: Non-MSA A

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	14	15.9%	12.7%	13.1%	10.0%	2	2.3%	0.9%	1.7%	1.0%
Middle	70	79.5%	83.8%	79.4%	84.0%	15	17.0%	11.6%	16.0%	11.7%
Upper	4	4.5%	3.5%	7.4%	6.0%	44	50.0%	53.8%	66.3%	72.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	27	30.7%	33.6%	16.0%	15.4%
Total	88	100.0%	100.0%	100.0%	100.0%	88	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.7%	0.5%
Moderate	3	9.4%	7.3%	7.2%	7.9%	0	0.0%	0.0%	3.3%	1.6%
Middle	28	87.5%	89.8%	87.5%	86.2%	1	3.1%	1.5%	13.8%	9.4%
Upper	1	3.1%	2.9%	5.3%	5.9%	11	34.4%	33.9%	59.9%	65.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	20	62.5%	64.6%	22.4%	23.1%
Total	32	100.0%	100.0%	100.0%	100.0%	32	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	2	1.7%	0.3%	3.5%	1.6%
Moderate	20	16.8%	19.4%	16.1%	16.6%	12	10.1%	4.9%	11.2%	5.0%
Middle	91	76.5%	70.6%	77.6%	75.3%	27	22.7%	7.9%	21.7%	8.8%
Upper	8	6.7%	10.0%	6.3%	8.1%	72	60.5%	66.6%	59.4%	68.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	5.0%	20.3%	4.2%	16.1%
Total	119	100.0%	100.0%	100.0%	100.0%	119	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	2	0.8%	0.1%	1.3%	0.4%
Moderate	37	15.5%	12.5%	12.1%	9.7%	14	5.9%	1.4%	5.1%	1.6%
Middle	189	79.1%	83.0%	81.5%	84.2%	43	18.0%	8.6%	17.0%	10.5%
Upper	13	5.4%	4.5%	6.4%	6.2%	127	53.1%	51.3%	62.1%	68.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	53	22.2%	38.6%	14.5%	18.6%
Total	239	100.0%	100.0%	100.0%	100.0%	239	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	0	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	
Moderate	45	25.6%	30.8%		23.8%	34.0%		23.8%	34.0%	
Middle	127	72.2%	68.0%		72.3%	64.7%		72.3%	64.7%	
Upper	4	2.3%	1.2%		2.5%	1.1%		2.5%	1.1%	
Unknown	0	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	
Tract Unknown	0	0.0%	0.0%		1.5%	0.1%		1.5%	0.1%	
Total	176	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
			By Revenue							
\$1 Million or Less	152	86.4%	66.0%		82.2%	69.5%		82.2%	69.5%	
			By Loan Size							
\$100,000 or less	163	92.6%	53.6%		92.1%	50.7%		92.1%	50.7%	
\$100,001-\$250,000	5	2.8%	9.4%		3.5%	10.4%		3.5%	10.4%	
\$250,001-\$1 Million	8	4.5%	37.0%		4.5%	38.9%		4.5%	38.9%	
Total	176	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	

Originations and Purchases

Appendix F (Continued)
2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: Non-MSA B

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.2%	0.2%
Moderate	0	0.0%	0.0%	0.0%	0.0%	1	0.4%	0.2%	0.5%	0.3%
Middle	173	74.9%	76.8%	74.8%	75.2%	20	8.7%	5.9%	13.9%	11.2%
Upper	58	25.1%	23.2%	24.8%	24.5%	114	49.4%	51.4%	69.3%	72.3%
Unknown	0	0.0%	0.0%	0.3%	0.2%	96	41.6%	42.6%	16.1%	16.0%
Total	231	100.0%	100.0%	100.0%	100.0%	231	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.0%	0.8%
Moderate	0	0.0%	0.0%	0.0%	0.0%	2	3.1%	2.0%	3.4%	2.2%
Middle	38	59.4%	59.7%	67.8%	65.9%	4	6.3%	3.1%	10.2%	7.0%
Upper	26	40.6%	40.3%	32.2%	34.1%	27	42.2%	44.9%	61.0%	66.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	31	48.4%	49.9%	24.4%	23.2%
Total	64	100.0%	100.0%	100.0%	100.0%	64	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.6%	0.1%	0.5%	0.1%
Moderate	0	0.0%	0.0%	0.0%	0.0%	14	8.5%	3.9%	7.7%	3.2%
Middle	133	80.6%	81.0%	78.9%	73.8%	32	19.4%	10.0%	18.2%	9.4%
Upper	32	19.4%	19.0%	21.1%	26.2%	107	64.8%	60.3%	68.4%	71.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	11	6.7%	25.7%	5.3%	16.1%
Total	165	100.0%	100.0%	100.0%	100.0%	165	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	1	0.2%	0.0%	0.4%	0.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	17	3.7%	0.9%	2.6%	1.0%
Middle	344	74.8%	74.1%	73.8%	72.5%	56	12.2%	5.8%	13.7%	9.9%
Upper	116	25.2%	25.9%	26.1%	27.3%	248	53.9%	51.1%	67.0%	70.7%
Unknown	0	0.0%	0.0%	0.2%	0.2%	138	30.0%	42.2%	16.3%	18.1%
Total	460	100.0%	100.0%	100.0%	100.0%	460	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	0	0.0%	0.0%		0.0%	0.0%				
Moderate	0	0.0%	0.0%		0.0%	0.0%				
Middle	109	74.7%	80.4%		74.6%	81.0%				
Upper	37	25.3%	19.6%		25.4%	19.0%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		0.0%	0.0%				
Total	146	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	121	82.9%			60.6%	75.7%			56.9%	
By Loan Size										
\$100,000 or less	137	93.8%			61.0%	92.1%			49.1%	
\$100,001-\$250,000	4	2.7%			10.2%	3.2%			11.1%	
\$250,001-\$1 Million	5	3.4%			28.8%	4.8%			39.8%	
Total	146	100.0%			100.0%	100.0%			100.0%	

Originations and Purchases:

Appendix F (Continued)

2011 Aggregate Comparison Loan Distribution Table
Assessment Area/Group: Non-MSA C

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	3	23.1%	19.5%	16.7%	13.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	4	30.8%	20.9%	50.0%	46.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	6	46.2%	59.6%	33.3%	40.2%	8	61.5%	66.1%	72.2%	77.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	38.5%	33.9%	27.8%	22.9%
Total	13	100.0%	100.0%	100.0%	100.0%	13	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	16.7%	22.5%	5.7%	5.1%	0	0.0%	0.0%	0.0%	0.0%
Middle	4	66.7%	62.7%	82.9%	87.9%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	16.7%	14.9%	11.4%	7.1%	3	50.0%	49.8%	62.9%	76.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	50.0%	50.2%	37.1%	23.6%
Total	6	100.0%	100.0%	100.0%	100.0%	6	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	8	26.7%	21.8%	25.8%	19.1%	1	3.3%	0.3%	3.2%	0.2%
Middle	18	60.0%	61.6%	58.1%	53.8%	5	16.7%	6.5%	16.1%	5.7%
Upper	4	13.3%	16.5%	16.1%	27.1%	22	73.3%	59.4%	74.2%	64.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	6.7%	33.9%	6.5%	29.6%
Total	30	100.0%	100.0%	100.0%	100.0%	30	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	12	24.0%	20.3%	15.3%	8.8%	1	2.0%	0.0%	1.2%	0.0%
Middle	27	54.0%	37.1%	67.1%	71.7%	5	10.0%	1.1%	5.9%	0.4%
Upper	11	22.0%	42.6%	17.6%	19.6%	33	66.0%	61.1%	68.2%	75.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	11	22.0%	37.8%	24.7%	24.0%
Total	50	100.0%	100.0%	100.0%	100.0%	50	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate						
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	
Low	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Moderate	1	1.9%	0.7%	1.2%	0.5%	1.2%	0.5%	1.2%	0.5%	
Middle	43	79.6%	82.4%	70.4%	56.2%	70.4%	56.2%	70.4%	56.2%	
Upper	10	18.5%	16.9%	19.8%	42.4%	19.8%	42.4%	19.8%	42.4%	
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total	54	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
By Revenue										
\$1 Million or Less	45	83.3%	64.2%	61.7%	57.3%	61.7%	57.3%	61.7%	57.3%	
By Loan Size										
\$100,000 or less	49	90.7%	45.7%	91.4%	33.4%	91.4%	33.4%	91.4%	33.4%	
\$100,001-\$250,000	3	5.6%	16.7%	3.7%	11.0%	3.7%	11.0%	3.7%	11.0%	
\$250,001-\$1 Million	2	3.7%	37.6%	4.9%	55.6%	4.9%	55.6%	4.9%	55.6%	
Total	54	100.0%	100.0%	100.0%	100.0%	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.

GLOSSARY (Continued)

- (iv) activities that revitalize or stabilize low- or moderate-income geographies; or loans, investments or services that (i) Support, enable or facilitate projects or activities that meet eligible uses" criteria described in Section 2301c of the Housing and Economic Recovery Act of 2008 ("HERA"), Public Law 11 0-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Urban and Development in accordance with the Neighborhood Stabilization program ("NSP"); (ii) Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by the grantees; (iii) Benefit low-, moderate- and middle-income individuals and geographies in the bank's assessment area(s) or geographies outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 Scope 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.

GLOSSARY (Continued)

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.

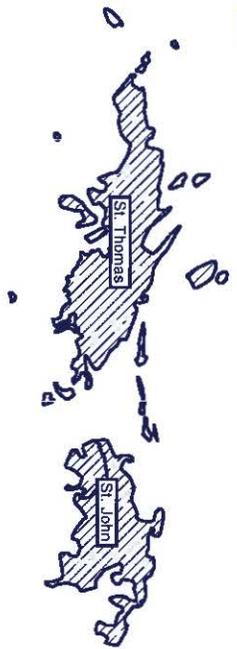
Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution’s CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each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

GLOSSARY (Continued)

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

Banco Popular de Puerto Rico
United States Virgin Islands Assessment Area
January 1, 2010 - December 31, 2011



Legend

-  Assessment Area
-  U.S. Virgin Islands

