

PUBLIC DISCLOSURE

August 23, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Banco Popular de Puerto Rico
RSSD No. 940311

209 Munoz Rivera Avenue
San Juan, Puerto Rico 00918

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

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

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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	<u>BANCO POPULAR DE PUERTO RICO</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors supporting the institution’s rating follow:

- The number of home purchase, refinance, home improvement, and small business loan originations showed excellent responsiveness to credit needs in the assessment areas.
- The bank had an excellent level of community development loans, totaling over \$244 million in its assessment areas.
- The bank had an excellent level of qualified investments, totaling \$197 million.
- The bank’s service delivery systems were readily accessible to geographies and individuals of different income levels in its assessment areas.
- The overall distribution of loans among geographies of different income levels was good.
- The distribution of loans to individuals of different income levels and businesses of different sizes was good.

INSTITUTION

DESCRIPTION OF INSTITUTION*

Total assets	\$22.1 billion
Net loans & leases	\$10.9 billion
Total domestic deposits	\$8.7 billion
Number of branches	200
Headquarters	San Juan, PR
Bank holding company	Popular Inc.

* As of December 31, 2003

Headquartered in San Juan, Puerto Rico, Banco Popular de Puerto Rico (“BPPR”) is a full-service commercial bank focusing on consumer financial services and commercial services to small and middle-market businesses. The bank is a wholly owned subsidiary of Popular Inc., the 29th largest bank holding company in the U.S.

As of December 31, 2003, BPPR operated 200 retail branches in its assessment areas, including 193 in Puerto Rico and 7 in the United States Virgin Islands (“USVI”). Approximately \$8 billion or 92% of deposits were in Puerto Rico with the remainder in the USVI.

The bank has ten assessment areas, eight in Puerto Rico and two in the USVI. All of Puerto Rico except the island of Culebra is included in the assessment area. The bank’s only branch on Culebra was sold to Banco Popular, National Association, effective January 1, 2001.

BPPR’s assessment areas include:

PUERTO RICO

- Consolidated Metropolitan Statistical Area (“CMSA”) 7442 (San Juan-Caguas-Arecibo);
- Metropolitan Statistical Area (“MSA”) 6360 (Ponce, PR);
- MSA 4840 (Mayaguez, PR);
- MSA 0060 (Aguadilla, PR);
- Non-MSA Group 1, consisting of the contiguous non-MSA municipalities of Adjuntas, Aibonito, Arroyo, Barranquitas, Ciales, Coamo, Guayama, Isabela, Jayuya, Lares, Las Marias, Maunabo, Maricao, Orocovis, Patillas, Quebradillas, Salinas, San Sebastian, Santa Isabel, and Utuado;
- Non-MSA Group 2, consisting of the contiguous non-MSA municipalities of Guanica and Lajas;
- Non-MSA Group 3, consisting of the non-MSA municipality of Rincon; and

- Non-MSA Group 4, consisting of the non-MSA island of Vieques.

UNITED STATES VIRGIN ISLANDS

- The non-MSA island of St. Thomas, and
- The non-MSA island of St. Croix.

BPPR'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 assessment area appears on page BB79.

SCOPE OF EXAMINATION

BPPR's assessment areas were evaluated using the *Interagency Procedures and Guidelines for Large Retail Institutions*.

Products

The evaluation of BPPR's performance included home purchase loans, refinancings of such loans, and home improvement loans as reported under Regulation C—Home Mortgage Disclosure Act ("HMDA") and small business loans reported under CRA. HMDA-related loans were reported for Puerto Rico only. Reporting requirements under Regulation C are not applicable with respect to dwellings in U.S. territories, which include the USVI. Bank management supplied data for mortgage loans BPPR originated in the USVI. Other loans qualifying as community development loans also were reviewed.

BPPR also extends small farm and multifamily loans. These products were excluded from the analysis during this examination because they are not significant product lines as evidenced by the low volume of such loans. Multifamily loans qualifying as community development loans were considered in the evaluation of community development lending.

As part of the CRA examination, examiners verified the integrity of HMDA and small business loan data the bank reported in 2002 and 2003. The review indicated that the HMDA information submitted was in compliance with the reporting requirements of Regulation C and the small business data was reported correctly under CRA.

Affiliates

At the request of management, the activities of the following consumer-related BPPR affiliates were considered during the examination:

- Popular Finance, Inc., a small loan and secondary mortgage company;
- Popular Mortgage Inc., a mortgage origination and secondary marketing

subsidiary;

- Levitt Mortgage Corporation, a mortgage origination subsidiary of Popular Mortgage;
- Popular Auto Inc., an automobile financing and leasing company; and
- Popular Securities, Inc., a registered broker-dealer.

Of BPPR's total number of HMDA-related loans, the bank accounted for 49% of activity while the combined affiliates accounted for 51%. Affiliate activity was concentrated in home purchase and refinance lending. As of June 1998, the bank merged its mortgage department into Popular Mortgage and began marketing home purchase and refinance loans through that subsidiary.

Examination Period

HMDA-related and small business loans originated or purchased between January 1, 2002, and December 31, 2003, were evaluated. Examiners also reviewed activities pertaining to the service test, community development loans, and qualified investments for the same period.

Overall conclusions regarding the bank's CRA performance were based primarily on performance in Puerto Rico. As the Puerto Rico assessment areas contain 97% of the branches and 95% of deposits, performance in the USVI is not significantly weighted in the overall CRA evaluation. For details, see Exhibit 1 on page BB5.

Within Puerto Rico, examiners conducted a full review of BPPR's performance in CMSA 7442 (San Juan-Caguas-Arecibo, PR), MSA 6360 (Ponce, PR), and non-MSA Group 1 (20 contiguous non-MSA municipalities). Within the USVI, a full review was conducted of the non-MSA island of St. Thomas. Overall conclusions about performance in Puerto Rico were primarily influenced by performance in CMSA 7442 (San Juan-Caguas-Arecibo, PR), which represents 73% of the total lending, 67% of branches, and 82% of deposits in the combined Puerto Rico assessment areas. For details, see Exhibit 4 on page BB12.

This evaluation also included limited reviews of the bank's performance in MSA 4840 (Mayaguez, PR), MSA 0060 (Aguadilla, PR) as well as Non-MSA Groups 2, 3, and 4 in Puerto Rico and St. Croix in the USVI. Limited review areas did not impact the overall conclusion.

Lending Distribution Analysis

Because of a change in CRA and HMDA reporting requirements, examiners performed a separate analysis for the period of January 1, 2002, through December 31, 2002, using 1990 Census data, and a separate analysis for January 1, 2003, through December 31, 2003, using 2000 Census data.

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 LMI and non-LMI geographies. For small business loans, the

EXHIBIT 1

Summary of Key Assessment Area Data for All Rated Areas

	Puerto Rico	Virgin Islands	TOTALS
Total Population*	3,806,742	104,415	3,911,157
Population % of AA population	97%	3%	100%
Families	1,008,067	13,250	1,021,317
Families % of AA families	99%	1%	100%
Total Census Tracts*	822	30	852
Tracts % AA tracts	96%	4%	100%
LMI tracts	220	7	227
LMI tracts % all AA LMI tracts	97%	3%	100%
Total Owner-Occupied Units*	919,182	17,850	937,032
Units % of AA units	98%	2%	100%
Business Establishments**	16,041	1,176	17,217
Bus. est. % AA bus. est.	93%	7%	100%
Number of Branches ***	193	7	200
Branches % all branches	97%	3%	100%
Branches in LMI tracts	39	7	46
LMI branches % AA LMI branches	85%	15%	100%
Branch Deposits (\$'000s)***	12,707,304	648,065	13,355,369
Deposits % AA deposits	95%	5%	100%
Deposit Market Share (%)/ Rank in Market	32%/1	48%/1	NA
Home Purchase Originations****	6,581	56	6,637
HP originations % AA orig.	99%	1%	100%
Refinance Originations****	8,311	270	8,581
Refi orig. % AA orig.	97%	3%	100%
Home Improvement Originations****	8,635	49	8,684
Home Improvement orig. % AA orig.	99%	1%	100%
Small Business Originations****	21,427	160	21,587
SB orig. % AA orig.	99%	1%	100%
Combined Loan Totals	44,954	535	45,489
% of AA Orig.	99%	1%	100%

* Data drawn from 2000 Census.

** Source: 2003 D&B for Puerto Rico. 2001 D&B for USVI.

*** Source: Federal Deposit Insurance Corporation ("FDIC") Summary of Deposit Data as of June 30, 2003.

**** Originations include originations and loans purchased between January 1, 2003, and December 31, 2003.

analysis compared the proportion of loan originations in LMI and non-LMI geographies with the proportion of businesses in LMI and non-LMI geographies.

In evaluating the borrower characteristics of HMDA-related loans, the analysis compared the proportion of LMI loan originations with the proportion of LMI families in the assessment area. The analysis of small business loans compared the proportion of loan originations extended to businesses having gross annual revenues (“GAR”) of \$1 million or less with the proportion of businesses with GAR of \$1 million or less. For small business loans, the amount of the loan was also used as a proxy to identify lending to businesses with GAR of \$1 million or less.

BPPR’s HMDA-related and small business loan performance was compared with the market aggregate of all institutions reporting such loans in each full-review assessment area for 2002 and 2003. 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 an overall conclusion.

Community Contacts

Examiners conducted interviews with four entities in Puerto Rico, including one government unit and three private organizations engaged in community development activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

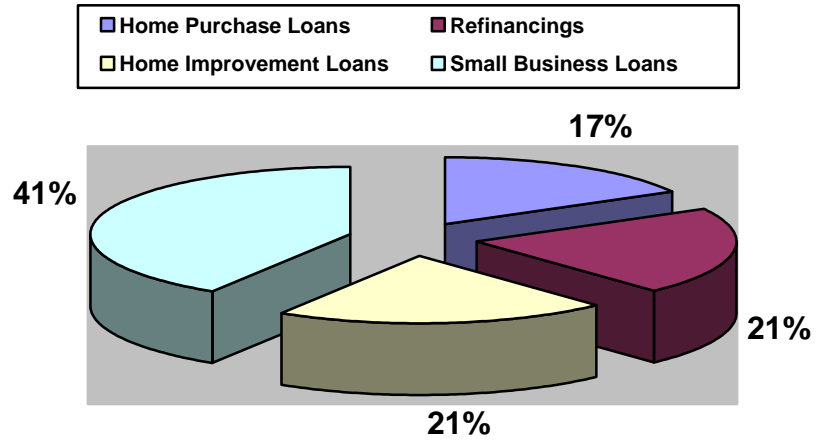
Banco Popular’s record of meeting the credit needs of its assessment areas through its lending activities is rated outstanding based on outstanding performance in Puerto Rico and high satisfactory performance in the USVI.

The data used to evaluate the bank’s lending test performance in its various assessment areas appear in the Appendix D tables. Lending activity is depicted in Table 1, geographic distribution in Tables 2-7, and borrower characteristics are depicted in Tables 8-12. There are separate tables for 2002 and 2003 lending in the Puerto Rico and USVI assessment areas.

Lending Activity: BPPR’s lending activity showed excellent responsiveness to retail credit needs in the bank’s assessment areas when measured in terms of the number and dollar amount of home purchase, refinance, home improvement and small business loans originated or purchased during the examination period. This conclusion is primarily based on excellent lending activity in Puerto Rico.

The bank originated 77,937 home purchase, refinance, home improvement, and small business loans totaling approximately \$7.3 billion during the examination period. The chart at right shows the breakdown of the lending by product.

EXHIBIT 2
Summary of BPPR's
Lending Activity



Assessment Area Concentration: Substantially all the bank's lending was made in its assessment areas as shown in Exhibit 3 below. As discussed previously in the Scope of Examination section, BPPR's mortgage company affiliate

originated or purchased most of the bank's home purchase loans and refinancings, and therefore they are not included in the analysis of assessment area concentration. Most home improvement and small business loans are originated or purchased by the bank and are part of the analysis of assessment area concentration.

EXHIBIT 3								
Lending Inside and Outside the Assessment Area								
	Inside				Outside			
	#	%	\$('000s)	%	#	%	\$('000s)	%
HMDA Home Purchase	988	100	106,208	100	1	<1	150	<1
HMDA Refinancings	3,125	100	303,237	100	12	<1	2,420	<1
HMDA Home Improvement	16,247	100	172,492	100	6	<1	52	<1
Total HMDA-related	20,360	100	581,937	100	19	<1	2,622	<1
Small Business	32,205	100	3,110,328	100	107	<1	8,929	<1
TOTAL LOANS	52,565	100	3,692,265	100	126	<1	11,551	<1

Note: Affiliate loans not included in Exhibit 3.

Geographic and Borrower Distribution: Based on good performance in both Puerto Rico and the USVI, the bank exhibited satisfactory geographic distribution of loans considering the level of lending opportunities available in LMI geographies. For HMDA-related loans, conclusions were based primarily on performance in moderate-income geographies. Very low levels of income and owner-occupied housing units make it difficult to extend housing-related credit in low-income areas.

Based primarily on good distribution in Puerto Rico, the overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. This is despite the wide disparity between housing prices and incomes, which generally places owner-occupied housing beyond the reach of LMI families in the bank’s assessment areas. This disparity also sharply limits the available market for refinancings to LMI families. Performance relative to moderate-income borrowers was given the most weight because the income level of low-income borrowers precludes them from home purchase opportunities.

Community Development Lending: BPPR’s community development lending performance overall was outstanding based on the level of lending activity. Performance was excellent in Puerto Rico and adequate in the USVI. This lending was responsive to the credit needs identified by community contacts. As shown in the accompanying table, the bank’s loan dollars primarily targeted affordable housing and community services for LMI individuals.

Community Development Lending		
Purpose	#	\$(millions)
Affordable Housing	38	117
Community Services	210	83
Economic Development	25	23
Revitalize/Stabilization	2	21
Totals	275	244

For example, the bank provided funding for government-sponsored initiatives to revitalize areas of San Juan by emphasizing economic development and affordable housing. Ninety-nine percent of community development loans were in Puerto Rico, where the greatest opportunity for such lending exists.

INVESTMENT TEST

BPPR’s investment performance is rated outstanding based on outstanding performance in Puerto Rico and low satisfactory performance in the USVI. The bank’s investments exhibited excellent responsiveness to credit and community development needs in its assessment areas.

At this examination, the bank’s volume of qualified investments totaled \$197 million, which included \$175 million carried forward from the prior examination. Qualified investments consisted of \$195 million in investments in various agencies engaged in community development activities and \$3 million in charitable grants and contributions. Almost all the qualified investments were in Puerto Rico as investment opportunities in the USVI were limited.

Qualified Investments	
Purpose	\$(millions)
Affordable Housing	131
Community Services	61
Economic Development	5
Totals	197

As shown in the table at left, 66% or \$131 million of the total investments were directed to agencies supporting the development of affordable housing, and 31% or \$61 million targeted community services. Three percent or \$5 million targeted economic development activities.

SERVICE TEST

The overall BPPR rating on the service test is outstanding based on outstanding performance in Puerto Rico and high satisfactory performance in the USVI assessment areas. For details, see Appendix D Table 15 for both Puerto Rico and the USVI in the 2003 set of tables.

Retail Services: The bank's delivery systems were readily accessible to all portions of its assessment areas, and its record of opening and closing branches did not adversely affect the overall accessibility of the delivery systems. Of BPPR's 200 branches, 40 were located in LMI geographies. Products and services did not vary in a way that inconveniences portions of the assessment areas. Business hours were reasonable and did not vary in a way that inconveniences certain portions of the assessment areas. Extended and weekend business hours were provided.

BPPR employed several alternative delivery systems that enhanced the distribution of banking services throughout its assessment areas. These systems included a network of 272 off-site automated teller machines ("ATMs"), with 42 or 15% in LMI census tracts. The bank also operated 86 loan origination offices for its mortgage and finance company subsidiaries, with 26 or 30% in LMI tracts. BPPR also conducts banking-by-phone services ("Telebanco"), telephone bill payment ("Telepago"), and Internet services such as no-fee access to account information and loan application processing.

Community Development Services: Overall, BPPR was a leader in providing community development services. The bank sponsored or participated in several thousand workshops and seminars in cooperation with nonprofit and governmental community development organizations. Bank employees provided technical assistance to over 40 community development organizations. Moreover, the bank offers multiple deposit and loan products with the primary purpose of assisting LMI individuals.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No credit practices were identified that violated the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B), the Fair Housing Act, and the Home Mortgage Disclosure Act (Regulation C).

COMMONWEALTH OF PUERTO RICO

CRA RATING FOR THE COMMONWEALTH OF PUERTO RICO: “OUTSTANDING.”

The lending test is rated: Outstanding.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

The major factors supporting the rating follow:

- The number of home purchase, refinance, home improvement, and small business loans that BPPR originated showed excellent responsiveness to credit needs in the bank’s assessment areas.
- The bank had an excellent level of community development loans in its assessment areas, totaling nearly \$244 million.
- The bank had an excellent level of community development investments, totaling \$197 million.
- The bank’s service delivery systems were readily accessible to geographies and individuals of different income levels in its assessment areas.
- The overall distribution of loans among geographies of different income levels was good.
- The distribution of loans to individuals of different income levels and businesses of different sizes was good.

SCOPE OF EXAMINATION

For the Puerto Rico rating, examiners conducted a full review of performance in the assessment areas of CMSA 7442 (San Juan-Caguas-Arecibo, PR), MSA 6360 (Ponce, PR), and non-MSA Group 1. A limited review of the bank’s performance in the other Puerto Rico assessment areas was conducted.

DESCRIPTION OF INSTITUTION’S OPERATIONS

BPPR operates in the following eight assessment areas in the commonwealth:

- CMSA 7442 (San Juan-Caguas-Arecibo);
- MSA 6360 (Ponce, PR);
- MSA 4840 (Mayaguez, PR);
- MSA 0060 (Aguadilla, PR);
- Non-MSA Group 1, consisting of the contiguous non-MSA municipalities of

Adjuntas, Aibonito, Arroyo, Barranquitas, Ciales, Coamo, Guayama, Isabela, Jayuya, Lares, Las Marias, Maunabo, Maricao, Orocovis, Patillas, Quebradillas, Salinas, San Sebastian, Santa Isabel, and Utuado;

- Non-MSA Group 2, consisting of the contiguous non-MSA municipalities of Guanica and Lajas;
- Non-MSA Group 3, consisting of the non-MSA municipality of Rincon; and
- Non-MSA Group 4, consisting of the non-MSA island of Vieques.

As of December 31, 2003, BPPR operated the largest retail bank network in Puerto Rico with 193 branches and 273 off-site ATMs. The Puerto Rico branches accounted for approximately \$13 billion in deposits, or 95% of the bank's total branch deposits. Based on deposits reported to the Federal Deposit Insurance Corporation ("FDIC") as of June 30, 2003, BPPR's branch network represented 32% of all bank deposits in Puerto Rico. The bank's affiliates maintain loan origination offices in Puerto Rico as well. Popular Mortgage has 32 offices, and Popular Finance has 54 offices located throughout the island.

Of BPPR's total number of branches in Puerto Rico, 130 or 67% were in the CMSA 7442 (San Juan-Caguas-Arecibo, PR) assessment area. These branches account for \$10.4 billion or 82% of the bank's deposits in Puerto Rico.

During the examination period, BPPR and its affiliates originated or purchased 12,863 home purchase loans, 15,764 refinancings, 16,567 home improvement loans, and 31,928 small business loans in the overall Puerto Rico assessment area. This activity accounted for 99% of all HMDA-related activity and small business loans analyzed at this examination in the bank's combined Puerto Rico and Virgin Islands assessment areas. Of the HMDA-related and small business activity in the Puerto Rico assessment area, 73% was in the CMSA 7442 (San Juan-Caguas-Arecibo, PR) assessment area. For additional details, see Exhibit 1 on page BB5 and Exhibit 4 on page BB12.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PUERTO RICO

LENDING TEST

BPPR's record of meeting the lending needs of its assessment areas through its lending activities was outstanding based on excellent performance in the CMSA 7442 and non-MSA Group 1 assessment areas. Performance in MSA 6360 (Ponce, PR) was good.

The tables in Appendix D contain the data used to evaluate the bank's performance under the lending test in its various assessment areas. Lending activity is depicted in Table 1, geographic distribution in Tables 2-6, and borrower characteristics are depicted in Tables 8-11. There are separate sets of tables for 2002 and 2003 data.

Lending Activity: BPPR's lending activity showed excellent responsiveness to retail credit

needs in the bank's assessment areas when measured in terms of the number and dollar amount of HMDA-related and small business loans originated or purchased in each assessment area.

This conclusion was based on excellent lending activity in CMSA 7442 and non-MSA Group 1, which had 73% and 11%, respectively, of the lending at this examination. The finding is also

EXHIBIT 4									
Summary of Key Assessment Area Data for Puerto Rico									
	CMSA 7442	MSA 6360	Non-MSA Group 1	MSA 0060	MSA 4840	Non-MSA Group 2	Non-MSA Group 3	Non-MSA Group 4	TOTALS
Total Population***	2,450,292	361,094	523,563	146,424	253,347	48,149	14,767	9,106	3,806,742
Population % of AA population	64%	9%	14%	4%	7%	1%	0%	0%	100%
Families	651,877	91,833	137,751	39,420	67,732	13,001	4,056	2,397	1,008,067
Families % of AA families	65%	9%	14%	4%	7%	1%	0%	0%	100%
Total Census Tracts***	524	82	112	28	57	12	3	4	822
Tracts % AA tracts	64%	10%	14%	3%	7%	1%	0%	0%	100%
LMI tracts	171	20	9	5	13	1	0	1	220
LMI tracts % all AA LMI tracts	78%	9%	4%	2%	6%	0%	0%	0%	100%
Total Owner-Occupied Units***	592,910	83,447	124,736	35,498	63,281	12,608	4,043	2,659	919,182
Units % of AA units	65%	9%	14%	4%	7%	1%	0%	0%	100%
Business Establishments****	12,361	1,060	1,048	435	978	83	38	38	16,041
Bus. est. % AA bus. est.	77%	7%	7%	3%	6%	1%	0%	0%	100%
Number of Branches **	130	16	25	6	13	1	1	1	193
Branches % all branches	67%	8%	13%	3%	7%	1%	1%	1%	100%
Branches in LMI tracts	30	4	3	1	1	0	0	0	39
LMI branches % AA LMI branches	77%	10%	8%	3%	3%	0%	0%	0%	100%
Branch Deposits (\$'000s)**	10,431,272	611,773	798,688	279,152	500,033	15,040	38,573	32,773	12,707,304
Deposits % AA deposits	82%	5%	6%	2%	4%	0%	0%	0%	100%
Deposit Market Share (%) Rank	30%/1	36%/1	64%/1	50%/1	32%/2	16%/3	69%/1	100%	32%/1
Home Purchase Originations*	5,058	376	631	122	342	18	30	4	6,581
HP originations % AA orig.	77%	6%	10%	2%	5%	0%	0%	0%	100%
Refinance Originations*	6,567	301	673	259	428	39	37	7	8,311
Refi orig. % AA orig.	79%	4%	8%	3%	5%	0%	0%	0%	100%
Home Improvement Originations*	5,903	530	1,037	531	491	73	24	46	8,635
HI orig. % AA orig.	68%	6%	12%	6%	6%	1%	0%	1%	100%
Small Business Originations*	15,204	1,468	2,390	837	1,180	171	95	82	21,427
SB orig. % AA orig.	71%	7%	11%	4%	6%	1%	0%	0%	100%
Combined Loan Totals*	32,732	2,675	4,731	1,749	2,441	301	186	139	44,954
% of AA Orig.	73%	6%	11%	4%	5%	1%	0%	0%	100%

* Originations include originations and loans purchased between January 1, 2003, and December 31, 2003.

** Source: FDIC Summary of Deposit and Branch Data as of June 30, 2003.

*** 2000 Census data.

****Source: 2003 D&B for Puerto Rico.

based on good performance in MSA 6360 (Ponce, PR), which had 6% of the lending.

In Puerto Rico, BPPR had 17% of the market for home purchase lending, 13% of the refinance lending market, 53% of home improvement lending, and 69% of the small business lending market in 2003. That year, the bank reported the largest number of home improvement, small business and small farm loans in Puerto Rico.

Geographic Distribution: Based on good distribution in CMSA 7442 (San Juan-Caguas-Arecibo, PR) and non-MSA Group 1, and adequate distribution in MSA 6360 (Ponce, PR), the overall analysis showed good geographic distribution of loans considering the level of lending opportunities available in specific geographies. 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. Very low levels of owner-occupied housing units make it difficult to extend HMDA-related loans in low-income areas.

Borrower Distribution: The distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good distribution in CMSA 7442 (San Juan-Caguas-Arecibo, PR), MSA 6360 (Ponce, PR), and non-MSA Group 1 given the wide disparity between housing prices and incomes. Generally, this disparity places housing beyond the reach of LMI families and sharply limits the available market for refinancings to LMI families. Performance relative to moderate-income borrowers was given the most weight because the income level of low-income borrowers (\$10,750 a year at most) precludes them from most housing-related loans.

The availability of flexible programs, such as the Law 124 Home Ownership Program and the Spot Loan Program (both administered by the Puerto Rico Housing Finance Corporation), enhanced lending to LMI borrowers. Act 124 loans offer down payment and mortgage rate subsidies for qualified LMI homeowners. During the examination period, the bank originated 978 Act 124 loans in 20 housing projects throughout Puerto Rico. In addition, the bank originated 80 loans totaling \$11 million under the Spot Loan Program. The bank also made extensive use of Federal Housing Administration and Veterans Administration loan products, which provide for flexible underwriting and enhance the availability of loan products to address the needs of LMI borrowers.

Community Development Lending: BPPR's community development lending performance was outstanding based on excellent performance in CMSA 7442 (San Juan-Caguas-Arecibo, PR) and non-MSA Group 1 and good performance in MSA 6360 (Ponce, PR). Opportunities for community development lending are more limited in MSA 6360.

Community development lending was responsive to the credit needs various sources have identified in Puerto Rico. Affordable housing initiatives provided for the construction and/or rehabilitation of at

Community Development Lending		
Purpose	#	\$(millions)
Affordable Housing	37	117
Community Services	210	83
Economic Development	25	23
Revitalization/Stabilization	2	21
Totals	274	244

least 3,325 affordable housing units throughout the bank's assessment areas.

INVESTMENT TEST

In the Puerto Rico assessment areas, BPPR's investment test performance was outstanding based on excellent performance in CMSA 7742 (San Juan-Caguas-Arecibo, PR), and adequate performance in MSA 6360 (Ponce, PR) and non-MSA Group 1. Performance was enhanced by \$194 million in island-wide investments that did not target a specific MSA but rather benefited the island on a broader regional basis.

Opportunities for qualified investments in specific MSAs, such as MSA 6360, are limited. Qualified investments in Puerto Rico totaled nearly \$197 million and indicated excellent responsiveness to the credit and community development needs in BPPR's assessment areas. Of the total amount of investments, approximately \$19 million were new investments made since the previous examination. In addition, \$2.7 million of the total investments were community development grants and in-kind contributions to organizations primarily targeting community services.

The bank's qualified investment activity exhibited excellent responsiveness to assessment credit needs. Agencies supporting development of affordable housing received 66% or \$131 million of the investments. These housing investments consisted primarily of collateralized mortgage obligations issued by the Government National Mortgage Association ("GNMA"), Federal National Mortgage Association ("FNMA"), and the Puerto Rico Housing Finance Corporation, which supported the development of affordable housing throughout the island. Community service activities received 31% or \$61 million of qualified investments targeted, and 3% or \$5 million of BPPR's qualified investments targeted economic development.

SERVICE TEST

In Puerto Rico, BPPR's performance under the service test was outstanding based on an excellent level of retail delivery systems and community development services. The conclusions are based on excellent performance in CMSA 7442 (San Juan-Caguas-Arecibo, PR), MSA 6360 (Ponce, PR), and Non-MSA Group 1.

Retail Services: The bank's branch delivery systems were readily accessible to geographies and individuals of different income levels in the assessment area as branches are located in virtually every municipality on the island of Puerto Rico. In addition, BPPR effectively used alternative delivery systems, including off-site ATMs and mortgage and personal loan origination affiliates, to enhance delivery of its products and services.

To the extent that changes were made, the bank's record of opening and closing branches did not adversely affect the accessibility of its delivery systems, especially in LMI areas. With regard to alternative delivery systems, 39 new off-site ATMs were installed during the examination period, and 6 or 15% were located in LMI geographies. Of 12 off-site ATMs closed, only 1 was in an

LMI census tract. The bank's extended and weekend hours did not vary in a way that inconveniences certain portions of the assessment areas.

Community Development Services: The bank is a leader in providing community development services throughout the assessment area. BPPR staff conducted or participated in several thousand seminars and workshops providing instruction on financial literacy, community services and affordable housing. Technical support was provided to numerous organizations and included the following:

- Popular Mortgage continued its work with Rural Opportunities, Inc., Local Initiatives Service Corporation, the U.S. Department of Agriculture, the Rural Development Program, and six municipalities in organizing a project to construct 300 rental units in the central mountain region of Puerto Rico.
- The bank and its mortgage affiliate also helped implement the Federal Home Loan Bank of New York's grant programs, financing 24 units of low-income rental housing and 30 units for low-income homeownership.
- BPPR's Vivienda Popular program facilitates the conversion of multifamily housing to affordable owner-occupied housing. Two projects were converted during the examination period.
- The bank provided technical briefings and acted as advisor to the Senate of Puerto Rico on the creation of the Puerto Rico Housing and Human Development Trust to develop, rehabilitate and preserve adequate, affordable and accessible housing for LMI individuals.

BPPR initiated numerous community development programs and activities, including the following:

- Under the bank's Financial Education Training Program, BPPR employees use the FDIC's Money Smart training modules to help LMI individuals develop basic financial skills. BPPR employees use their knowledge and experience to equip LMI individuals with the tools needed for effective financial decision-making.
- The First Home Club, funded by a grant from the Federal Home Loan Bank of New York, is a 3:1 matched savings program to cover the expense of down payment and/or closing costs. The bank created a special savings account ("Pronto Popular"), a deposit product enabling customers to save money for their first home's down payment.
- The Banco en la Comunidad program informs persons who lack banking relationships about budgeting and available financial services. This program offers various products that BPPR has developed, including Pronto Popular and Acceso Popular, a combined electronic account tailored to unbanked individuals.

In addition, BPPR offered various community development products and services, including low-cost check-cashing for non-customers. With its free in-branch payment services, the bank accepts

payments on behalf of more than 50 agencies and companies, such as telephone, electric and cable companies. Through its ATM network, BPPR has a reduced-fee service for transferring funds between customers in Puerto Rico and residents of the Dominican Republic.

In order to provide financial services to those with limited resources, BPPR created Acceso Popular, a low-cost account with both checking and savings programs. Account holders can access their account and all the bank's electronic services through the bank's ATM and point-of-service ("POS") networks or on the Internet. In addition, Acceso Popular customers can purchase money orders at a reduced fee and make unlimited ATM transactions for a monthly \$1 fee.

The bank regularly provides local nonprofit community development organizations free use of its facilities for meetings, conferences and fund-raisers. BPPR also donates furniture and equipment, including computers, to local community development organizations.

METROPOLITAN AREA

(FULL REVIEW)

CMSA 7442 (SAN JUAN-CAGUAS-ARECIBO, PR)

DESCRIPTION OF INSTITUTION'S OPERATIONS

This CMSA contained the largest portion of BPPR's retail operations and CRA-related lending, giving this assessment area significant weighting in the bank's overall rating. CMSA 7442 contains 64% of the total assessment area population, 67% of the bank's branches, 82% of branch deposits, and 73% of HMDA-related and small business loans.

Within the CMSA, PMSA 7440 (San Juan-Bayamon, PR) contained the largest number of branches, with 85% of the bank's branches. Popular Finance operated 29 loan origination offices in the CMSA while Popular Mortgage maintained 25 loan offices. In terms of CMSA lending activity, 79% of HMDA-related loans and 83% of small business loans were extended in PMSA 7440 (San Juan-Bayamon, PR). For details, see Exhibit 5 on the following page.

PERFORMANCE CONTEXT

The financial services market is highly competitive in the CMSA assessment area. BPPR had approximately 30% of deposits in the CMSA assessment area as of June 30, 2003. Primary competitors include Banco Santander, FirstBank of Puerto Rico and Citibank, N.A. In addition, nonbank competitors, including mortgage corporations such as Doral Financial Corporation and R&G Mortgage Corporation, are major providers of retail credit services.

Demographic Characteristics

The CMSA assessment area encompasses most of eastern Puerto Rico and includes three PMSAs and 38 municipalities. The three PMSAs are PMSA 7440 (San Juan-Bayamon, PR), PMSA 1310 (Caguas, PR), and PMSA 0470 (Arecibo, PR). Based on the 2000 Census, the population of CMSA 7442 is 2.5 million, or approximately 64% of the total population of Puerto Rico. Of the total population in the CMSA, 2 million or 80% resides in PMSA 7440, which has 30 municipalities. San Juan is the island's capital and center of finance, commerce and government, and the municipality has the highest concentration of population in Puerto Rico with approximately 434 thousand residents.

Income Characteristics

The 2000 Census revealed that 41% of families in the CMSA have incomes below the poverty level and 17% of all households receive public assistance. Low incomes and poverty are evident in all three PMSAs. Of the 524 census tracts in the CMSA, 171 or 33% are LMI. Most LMI tracts

EXHIBIT 5

**Summary of Key Assessment Area Data:
CMSA 7442 (San Juan-Caguas-Arecibo, PR)**

	PMSA 7440 (San Juan- Bayamon, PR)	PMSA 0470 (Arecibo, PR)	PMSA 1310 (Caguas, PR)	TOTALS
Total Population***	1,967,627	174,300	308,365	2,450,292
Population % of AA population	80%	7%	13%	100%
Families	521,089	47,507	83,281	651,877
Families % of AA families	80%	7%	13%	100%
Total Census Tracts***	426	33	65	524
Tracts % AA tracts	81%	6%	12%	100%
LMI tracts	146	5	20	171
LMI tracts % all AA LMI tracts	85%	3%	12%	100%
Total Owner-Occupied Units***	472,965	44,640	75,305	592,910
Units % of AA units	80%	8%	13%	100%
Business Establishments****	10,801	432	1,128	12,361
Bus. est. % AA bus. est.	87%	3%	9%	100%
Number of Branches **	110	7	13	130
Branches % all branches	85%	5%	10%	100%
Branches in LMI tracts	25	1	4	30
LMI branches % AA LMI branches	83%	3%	13%	100%
Branch Deposits (\$'000s)**	9,481,171	282,026	668,075	10,431,272
Deposits % AA deposits	91%	3%	6%	100%
Deposit Market Share (%)/ Rank	29%/1	45%/1	45%/1	32%/1
Home Purchase Originations*	3,844	355	859	5,058
HP originations % AA orig.	76%	7%	17%	100%
Refinance Originations*	5,440	290	837	6,567
Refi orig. % AA orig.	83%	4%	13%	100%
Home Improvement Originations*	4,472	393	1,038	5,903
HI orig. % AA orig.	76%	7%	18%	100%
Small Business Originations*	12,544	852	1,808	15,204
SB orig. % AA orig.	83%	6%	12%	100%
Combined Loan Totals*	26,300	1,890	4,542	32,732
% of AA Orig.	80%	6%	14%	100%

* Originations include originations and loans purchased between January 1, 2003, and December 31, 2003.

** Source: FDIC Summary of Deposit and Branch Data as of June 30, 2003.

*** 2000 Census data.

**** Source: 2003 D&B for Puerto Rico.

are found in the San Juan-Bayamon PMSA, primarily in the municipality of San Juan. Only 16 census tracts are low-income, and all but one are in the municipality of San Juan. San Juan contains 32% of all census tracts in the PMSA and 35% of the LMI tracts. The 2002 and 2003 median family incomes for the CMSA, according to the U.S. Department of Housing and Urban Development (“HUD”), are low, as shown in the table at right.

HUD MEDIAN FAMILY INCOMES		
PMSA	2002	2003
7440 (San Juan-Bayamon, PR)	\$18,800	\$21,500
1310 (Caguas, PR)	\$17,400	\$20,100
0470 (Arecibo, PR)	\$14,200	\$16,700

Housing Characteristics

The CMSA contains approximately 914 thousand housing units, of which 65% are owner-occupied. About 25% of housing units are rentals, with the remainder vacant. While the level of owner-occupancy among moderate-, middle-, and upper-income census tracts is consistent with the overall figure, the level of owner-occupancy in low-income census tracts is 28%, while rentals represent 63% of housing units. Owner-occupancy levels in low-income tracts have increased since the 1990 Census when only 18% of all housing units were owner-occupied.

HUD has designated nearly all the CMSA assessment area, except the Arecibo PMSA, as a “Difficult Development Area” because of the high cost of construction compared with incomes. Furthermore, the Municipality of San Juan designated 52 communities as needing special economic assistance, where as many as 60% of homeowners do not have title to the property their homes are built on. These factors limit housing-related lending opportunities.

Housing costs in the San Juan-Bayamon PMSA are the highest in Puerto Rico. In 2001, the last year for available data, the average median cost of a home ranged from \$150 thousand in Bayamon to more than \$300 thousand in San Juan. In the municipalities of Dorado and Guaynabo, the median cost is \$125 thousand and over \$300 thousand, respectively. The more rural municipalities with median housing costs of \$90 thousand are the lowest.

Labor, Employment and Economic Characteristics

As in all of Puerto Rico, unemployment levels are high in the CMSA. The Arecibo PMSA and areas that are farther away from the city of San Juan have the highest jobless rates.

UNEMPLOYMENT RATES		
PMSA	2002	2003
7440 (San Juan-Bayamon, PR)	9.6%	9.7%
1310 (Caguas, PR)	11.5%	11.3%
0470 (Arecibo, PR)	15.7%	14.9%
Puerto Rico	12.3%	12.0%

The San Juan-Bayamon PMSA has the lowest unemployment in Puerto Rico because of pharmaceutical companies that relocated to San Juan under Section 936 incentives. Under this program, which expires in 2006, companies in Puerto Rico receive tax incentives and other benefits.

EXHIBIT 6
Assessment Area Demographics
CMSA 7442 (San Juan-Caguas-Arecibo, PR)

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	16,017	2.5	12,229	76.4	170,471	26.2
Moderate-income	153	29.2	183,405	28.1	99,021	54.0	100,491	15.4
Middle-income	199	38.0	260,440	40.0	108,970	41.8	101,080	15.5
Upper-income	154	29.4	192,015	29.5	44,594	23.2	279,835	42.9
Total Assessment Area	524	100.0	651,877	100.0	264,814	40.6	651,877	100.0
Housing Units by Tract	Housing Types by Tract							
	Owner-occupied		Rental		Vacant			
	#	%	%	#	%	#	%	%
Low-income	22,740	6,394	1.1	28.1	14,349	63.1	1,997	8.8
Moderate-income	258,078	161,722	27.3	62.7	67,103	26.0	29,253	11.3
Middle-income	358,361	239,039	40.3	66.7	82,358	23.0	36,964	10.3
Upper-income	274,739	185,755	31.3	67.6	63,041	22.9	25,943	9.4
Total Assessment Area	913,918	592,910	100.0	64.9	226,851	24.8	94,157	10.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	165	1.3	116	1.4	45	1.2	4	1.8
Moderate-income	2,444	19.8	1,703	20.4	696	18.4	45	20.4
Middle-income	3,714	30.0	2,559	30.6	1,090	28.8	65	29.4
Upper-income	6,038	48.8	3,972	47.6	1,959	51.7	107	48.4
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	12,361	100.0	8,350	100.0	3,790	100.0	221	100.0
Percentage of Total Businesses:				67.6	30.7		1.8	

Note: Data in Exhibit 6 are drawn from the 2000 Census.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 7442 (SAN JUAN-CAGUAS-ARECIBO, PR)

LENDING TEST

BPPR's performance with respect to the lending test in CMSA 7442 was excellent. Levels of overall lending and community development lending were excellent. Geographic distribution and borrower distribution were good. The Appendix D tables display the data used to evaluate the bank's performance in the assessment areas, with lending activity depicted in Table 1, geographic distribution in Tables 2-6, and borrower distribution in Tables 8-11. There are separate tables for 2002 and 2003.

Lending Activity: BPPR’s responsiveness to credit needs in CMSA 7442 was excellent, reflecting its significant presence in the area. The bank’s rank and market share of small business lending exceeded its deposit market share position. BPPR ranks first out of 13 banks in terms of deposits in the CMSA, and first in small business lending with 71% of the market share in 2003.

Regarding HMDA-related lending, the bank ranked third in both home purchase lending and refinance lending in 2003 with market shares of 16% and 13%, respectively. The bank ranks first in market share for home improvement lending with 51%.

Geographic Distribution: Overall, the geographic distribution of HMDA-related and small business loans resulted in good penetration of lending when compared with the numbers of owner-occupied housing units and small business establishments. Still, performance varied between HMDA-related products and small loans to businesses. Overall distribution of small business and home improvement loans was outstanding, while home purchase and refinance lending performance was adequate.

For HMDA-related loans, examiners based conclusions on performance in moderate-income geographies. Of the owner-occupied units located in LMI census tracts, 96% are located in moderate-income census tracts. As noted in the Performance Context, the low number of owner-occupied housing units generally makes it difficult to extend housing-related credit in low-income areas. Moreover, in the LMI areas of the CMSA’s San Juan portion, where most of the island’s low-income tracts are located, many residents do not hold title to the property. This limits mobility and precludes normal mortgage financing.

In the CMSA in 2003, BPPR ranked third in both home purchase and refinance lending in LMI tracts. The following table summarizes the bank’s performance in moderate-income tracts with respect to each loan product.

Lending in Moderate-income Tracts CMSA 7442 (San Juan-Caguas-Arecibo, PR)				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Home Purchase	Adequate	Similar	Adequate	Slightly below
Refinance	Adequate	Similar	Adequate	Slightly below
Home Improvement	Outstanding	Slightly above	Outstanding	Similar
Small Business	Outstanding	Slightly above	Outstanding	Slightly above

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes in the CMSA was good. HMDA-related performance was based primarily on lending to moderate-

income borrowers. Lending to low-income families was not heavily weighted in the analysis because of the large gap between their income level and housing costs, sharply limiting opportunities for all lenders in the assessment area. Lending to moderate-income borrowers was also challenging for similar reasons.

Lending performance in connection with HMDA-related products varied. The levels of home purchase and refinance lending were weak when compared with the number of moderate-income families and the performance of the aggregate and similarly situated banks, but performance in home improvement lending was outstanding.

In 2002, the bank ranked third in market share for home purchase originations to moderate-income borrowers with 22%, and it ranks fourth in refinance lending with 11% of the market. In 2003, BPPR ranked third in home purchase originations and fourth in refinance originations to moderate-income borrowers with market shares of 10% and 9%, respectively.

The bank ranks first in home improvement lending to moderate-income borrowers in both 2002 and 2003 with market shares of 45% and 52%, respectively. The following table summarizes the bank's performance with respect to these borrowers.

Lending to Moderate-income Borrowers CMSA 7442 (San Juan, Caguas, Arecibo, PR)				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Home Purchase	Poor	Slightly above	Poor	Below
Refinance	Poor	Below	Poor	Below
Home Improvement	Good	Slightly below	Excellent	Similar

Overall distribution of small business loans to businesses with GAR of \$1 million or less was excellent based on excellent performance in 2002 and 2003. In addition, 68% of small business loans were in amounts of \$100 thousand or less in 2002 and 79% of loans were in amounts of \$100 thousand or less in 2003. In contrast, 77% of aggregate loans in both 2002 and 2003 were for \$100 thousand or less. The following table summarizes the bank's performance with respect to lending to businesses.

Lending to Businesses of Different Sizes CMSA 7442 (San Juan, Caguas, Arecibo, PR)				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Small Business	Good	Similar	Excellent	Similar

Community Development Lending: BPPR’s community development lending performance was excellent in this assessment area. During the examination period, the bank’s community development activity in CMSA 7442 totaled \$188 million and primarily targeted affordable housing and community services. Examples of these loans follow:

- The bank extended a \$9.3 million term loan to a federally funded organization providing affordable housing to LMI individuals in San Juan.
- The bank provided a \$1.2 million line of credit to an organization that provides physical therapy to disabled children in low-income families.
- BPPR was the lead bank in a \$50 million line of credit to a government agency engaged in the revitalization and economic development of parts of San Juan. BPPR’s share of the line of credit was \$20 million.

INVESTMENT TEST

BPPR’s investment performance was excellent. The bank’s volume of qualified investments totaled nearly \$2 million in the CMSA. All the qualified investments were in form of community development grants and in-kind contributions to organizations primarily targeting community services. In addition, the CMSA benefited from \$194 million of island-wide investments in collateralized mortgage obligations that targeted affordable housing development across Puerto Rico.

SERVICE TEST

The bank’s performance under the service test in CMSA 7442 was excellent based on outstanding delivery of retail services and BPPR’s leadership role in providing community development services.

Retail Services: Overall, BPPR’s delivery systems were readily accessible to all portions of the bank’s assessment areas when compared with the percentage of population residing in LMI geographies. For details, see Appendix D Table 15 for in the 2003 set of tables for Puerto Rico.

Of the 130 branches in the CMSA assessment area, 30 or 23% are located in LMI geographies

compared with the 31% of the population that is LMI. BPPR's branch presence in tracts adjacent to LMI census tracts enhanced retail service to the LMI population. Specifically, six non-LMI branches also serve residents of adjacent LMI tracts. Most of the non-LMI branches are located in shopping centers that are generally accessible as many shopping centers in Puerto Rico are adjacent to public housing projects.

BPPR used multiple alternative delivery systems that also enhanced the distribution of banking services throughout the CMSA 7442 assessment area. The bank maintained 206 off-site ATMs in the CMSA, and 34 or 17% of them were located in LMI geographies. Of the 29 off-site ATMs installed since the previous examination, 6 or 21% were in LMI areas.

In addition, Popular Mortgage operated 24 offices, 8 of which or 33% are located in LMI geographies. In addition, Popular Finance maintained 22 offices, with 11 or 50% located in LMI areas. While many Popular Mortgage offices are located at BPPR branches, mortgage office services are available outside of branch hours.

Changes in branch locations, as detailed in Puerto Rico Table 15 for 2003, have not adversely affected the accessibility of the bank's delivery systems, particularly in LMI geographies and to LMI individuals. Four branches, three in LMI geographies, were opened in the CMSA, and five branches were closed, including three in LMI geographies. In addition, Popular Mortgage opened eight offices, three or 38% in LMI geographies. Five Popular Finance offices were opened; two or 40% were opened in moderate-income tracts.

Branch hours were reasonable and did not vary in a way that inconvenienced certain portions of the community. Seventy-three or 56% of branches provided extended or weekend hours. Of the 30 branches in LMI tracts, 14 or 47% have extended or weekend hours.

Community Development Services: The bank's level of community development services was excellent. BPPR participated in or sponsored more than 3,800 seminars and workshops on topics ranging from financial education to informing nonprofit groups about government programs.

More than 20 officers and employees represented the bank on the boards and financial committees of community organizations such as the Jane Stern Dorado Community Library, the National Committee for Puerto Rico's Development, the Chamber of Commerce of Puerto Rico, the Puerto Rico Community Foundation, and San Juan Neighborhood Housing Services.

METROPOLITAN AREA

(FULL REVIEW)

MSA 6360 (PONCE, PR)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2003, BPPR maintained 16 branches in the Ponce MSA or 8% of its branch total. The MSA's branches held approximately \$612 million or 5% of the bank's deposits in Puerto Rico. Most branches were concentrated in the municipality of Ponce where ten branches, or 63% of all branches in the MSA, were located.

In addition, Popular Mortgage operates two loan offices and Popular Finance operates five loan offices in the MSA. During the examination period, 5% of all HMDA-related lending and 7% of all small business loan activity in Puerto Rico originated in this MSA.

PERFORMANCE CONTEXT

The bank's performance was evaluated in terms of the demographic and economic context in which BPPR operates. The competition for financial services is high in the MSA. With a 36% market share, BPPR is the market leader in terms of deposits based on data reported to the FDIC as of June 30, 2003. Primary BPPR competitors include Banco Bilbao Vizcaya and Banco Santander. Other mortgage loan competitors dominate the market and include Doral Financial Corporation and R&G Mortgage Corporation.

Encompassing the southwestern portion of the island of Puerto Rico, MSA 6360 contains six municipalities, with Ponce the largest in both size and population. Ponce is also the second most populous municipality on the island. Approximately 65% of the MSA's LMI census tracts are located in Ponce. The HUD-estimated median family income was \$13,900 in 2002, increasing to \$16,700 the following year. For more details, see Exhibit 4 on page BB12.

As in the rest of Puerto Rico, the level of owner-occupancy is high, with 67% of the housing units in the MSA owner-occupied. Housing costs in the Ponce MSA are high in relation to the MSA's median family income. The median range of home prices was approximately \$125 thousand in 2000 and \$105 thousand in 2001, the latest available housing information. Accordingly, housing prices are unaffordable to most LMI individuals.

Most job opportunities are found in Ponce, which is considered the business and commercial center of southern Puerto Rico. The economies of the other municipalities are generally

agricultural. As indicated in the accompanying chart, the annual unemployment rate in the Ponce MSA has remained one of the highest in Puerto Rico.

UNEMPLOYMENT RATES		
PMSA	2002	2003
6360 (Ponce, PR)	15.4%	15.4%

EXHIBIT 7
Assessment Area Demographics

MSA 6360 (Ponce, PR)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	1.2	823	0.9	655	79.6	23,838	26.0
Moderate-income	19	23.2	18,278	19.9	12,215	66.8	13,610	14.8
Middle-income	40	48.8	47,928	52.2	25,641	53.5	14,608	15.9
Upper-income	21	25.6	24,804	27.0	8,238	33.2	39,777	43.3
Tract not reported	1	1.2	0	0.0	0	0.0	0	0.0
Total Assessment Area	82	100.0	91,833	100.0	46,749	50.9	91,833	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,053	129	0.2	12.3	881	83.7	43	4.1
Moderate-income	26,931	14,615	17.5	54.3	8,668	32.2	3,648	13.5
Middle-income	63,795	44,754	53.6	70.2	12,457	19.5	6,584	10.3
Upper-income	33,589	23,949	28.7	71.3	6,749	20.1	2,891	8.6
Tract not reported	2	0	0.0	0.0	0	0.0	2	100.0
Total Assessment Area	125,370	83,447	100.0	66.6	28,755	22.9	13,168	10.5
	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	244	23.0	163	22.1	75	24.4	6	40.0
Middle-income	534	50.4	371	50.3	158	51.3	5	33.3
Upper-income	282	26.6	203	27.5	75	24.4	4	26.7
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,060	100.0	737	100.0	308	100.0	15	100.0
Percentage of Total Businesses:				69.5	29.1		1.4	

Note: Data in Exhibit 7 are drawn from the 2000 Census.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 6360 (PONCE, PR)

LENDING TEST

BPPR's performance with respect to the lending test in the MSA was good. Lending activity, borrower distribution and community development lending were good while geographic distribution was adequate. The tables in Appendix D show the data used to evaluate the bank's performance in the assessment areas, with lending activity depicted in Table 1, geographic distribution in Tables 2-6, and borrower distribution in Tables 8-11. There are separate tables for 2002 and 2003 data.

Lending Activity: BPPR’s responsiveness to credit needs in MSA 6360 was good. The bank’s rank and market share of small business lending were consistent with the bank’s deposit market position. The bank ranks first in small business lending with 66% of the market in 2003. HMDA-related lending was slightly less consistent as the bank operates in a highly competitive mortgage market. In 2003 the bank improved its market share position in home purchase lending and now ranks second. In refinance lending it ranks fourth, but its home improvement lending continues to rank first with 53% of the market.

Geographic Distribution: The geographic distribution of HMDA-related and small business loans reflects adequate penetration, although performance varied between HMDA-related products and small loans to businesses. Conclusions were based primarily on performance in moderate-income geographies. This MSA has only one low-income census tract, which has a very low number of owner-occupied housing units and no business establishments, making it difficult to extend HMDA-related credit in the low-income tract.

BPPR’s lending performance in moderate-income tracts in terms of home purchase and refinance lending was poor in 2003 compared with the market aggregate and similarly situated banks. The following table summarizes the bank’s performance with respect to loan products in moderate-income tracts.

Lending in Moderate-income Tracts MSA 6360 (Ponce PR)				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Home Purchase	Adequate	Similar	Poor	Significantly below
Refinance	Poor	Below	Poor	Below
Home Improvement	Adequate	Slightly below	Outstanding	Similar
Small Business	Adequate	Slightly above	Adequate	Similar

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes in the MSA was good. Overall HMDA-related lending was considered adequate in light of the performance context issues noted on page BB25, while the level of business lending was good.

HMDA-related performance was based primarily on lending to moderate-income borrowers. Low-income families were not significantly weighted in the analysis because of the large gap between their incomes and housing costs. Similar housing affordability challenges affected lending to moderate-income individuals in MSA 6360 and significantly reduced lending opportunities.

Accordingly, lending to moderate-income borrowers in this assessment area reflected low volume overall for the bank and market aggregate. Still, BPPR ranked second in home purchase and refinance lending to moderate-income borrowers in 2002, but the bank's ranking fell to fourth in home purchase and refinance lending the following year. BPPR was the leader in home improvement lending to moderate-income borrowers in both 2002 and 2003.

Overall distribution of small business loans to businesses with GAR of \$1 million or less was good based on good performance in 2002 and 2003. In addition, 75% of loans were in amounts of \$100 thousand or less in 2002 and 76% of loans were in amounts of \$100 thousand or less in 2003. In contrast, 77% of 2002 loans and 83% of 2003 aggregate loans were in amounts of \$100 thousand or less. The following table summarizes the bank's performance with respect to lending to businesses.

Lending to Businesses of Different Sizes MSA 6360 (Ponce, PR)				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Small Business	Good	Slightly below	Good	Similar

Community Development Lending: BPPR's community development lending performance was good. During the examination period, loans benefiting the assessment area totaled \$15 million. Most of the funding targeted community services, with an additional amount allotted to affordable housing. Examples of the bank's community development loans included:

- A \$1.3 million loan to construct rental housing for LMI individuals.
- A \$200 thousand line of credit to an organization that provides services to LMI individuals, such as an educational training program for high school dropouts, a homeless shelter, and alcohol and drug treatment programs.

INVESTMENT TEST

Given the opportunities in the assessment area, the level of qualified investments in the Ponce MSA was adequate, totaling \$110 thousand. Qualified investments consisted of community development grants to organizations that primarily targeted community services. This MSA also benefited from \$194 million in island-wide investments in collateralized mortgage obligations that targeted affordable housing development across Puerto Rico.

SERVICE TEST

Performance under the service test was excellent based on BPPR's excellent delivery of retail and community development services in the MSA.

Retail Services: The bank's delivery systems were readily accessible to geographies and individuals of different income levels in MSA 6360 (Ponce, PR). As of December 31, 2003, 4 branches or 25% of the 16 branches were in LMI areas compared with the 21% of the population that resides in LMI census tracts. For details, see Puerto Rico Table 15 for 2003.

Alternative delivery systems such as ATMs slightly enhanced the bank's performance. Of the bank's 21 off-site ATMs, BPPR maintained 4 or 19% in LMI locations. Three ATMs were installed and three were removed during the examination period, one in an LMI area.

Popular Mortgage maintained two offices in the MSA, both in non-LMI areas, but Popular Finance operated seven offices, four in moderate-income tracts.

One retail branch in a non-LMI tract was opened during the examination period. Products and services did not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies and LMI individuals. Branch hours were tailored to the needs of the community. Seven or 44% of the MSA's 16 branches had weekend or extended hours. Two of four or 50% of LMI branches also had weekend or extended hours.

Community Development Services: BPPR provided an excellent level of community development services. The bank participated in over 500 seminars and workshops on topics ranging from financial education to information about starting up a business. Also, a bank executive served as a board member at Ponce Neighborhood Housing Services.

NONMETROPOLITAN AREAS

(FULL REVIEW)

NON-MSA GROUP 1

(MUNICIPALITIES OF ADJUNTAS, AIBONITO, ARROYO, BARRANQUITAS, CIALES, COAMO, GUAYAMA, ISABELA, JAYUYA, LARES, LAS MARIAS, MAUNABO, MARICAO, OROCOVIS, PATILLAS, QUEBRADILLAS, SALINAS, SAN SEBASTIAN, SANTA ISABEL, AND UTUADO)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2003, Non-MSA Group 1 had 25 or 13% of the total number of BPPR's branches in Puerto Rico. The bank had at least one office in each of the 20 municipalities that make up Non-MSA Group 1. The branches contained approximately \$799 million in deposits or 6% of the bank's deposits in Puerto Rico.

In addition, Popular Mortgage operated three loan offices in Non-MSA Group 1, and Popular Finance operated 12 loan offices. During the examination period, 10% of all HMDA-related loans and 11% of all small business loans in Puerto Rico during the examination period were originated in Non-MSA Group 1.

PERFORMANCE CONTEXT

BPPR's performance was evaluated in terms of the economic and demographic context in which the bank operates. The competition for financial services is high in this assessment area. Based on data reported to the FDIC as of June 30, 2003, BPPR is the market leader in terms of deposits with a 64% market share. Primary BPPR competitors include Banco Santander, Westernbank, and Banco Bilbao Vizcaya. Other mortgage loan competitors include Doral Financial Corporation and R&G Mortgage Corporation.

Non-MSA Group 1 encompasses 20 contiguous municipalities located mainly in central Puerto Rico. According to the 2000 Census, the population of Non-MSA Group 1 totals 523,563, or about 14% of the total population of Puerto Rico. As in the rest of Puerto Rico, the level of owner-occupancy is high, with 66% of the housing units owner-occupied.

The HUD-estimated median family income was \$13,800 in 2002, increasing to \$14,600 the following year. Fifty-five percent of families in this assessment area have incomes below the poverty level. Accordingly, the opportunities for lending to LMI individuals are very limited. For more details on performance context, see Exhibit 4 on page BB12 and Exhibit 8 on the following page.

EXHIBIT 8
Assessment Area Demographics

Non-MSA Group 1

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	37,549	24.9
Moderate-income	10	8.1	8,674	5.8	5,916	68.2	22,464	14.9
Middle-income	96	77.4	117,735	78.1	66,910	56.8	25,936	17.2
Upper-income	18	14.5	24,343	16.1	10,498	43.1	64,803	43.0
Total Assessment Area	124	100.0	150,752	100.0	83,324	55.3	150,752	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	12,284	7,161	5.2	58.3	3,597	29.3	1,526	12.4
Middle-income	163,274	107,654	78.4	65.9	35,238	21.6	20,382	12.5
Upper-income	32,657	22,529	16.4	69.0	6,951	21.3	3,177	9.7
Total Assessment Area	208,215	137,344	100.0	66.0	45,786	22.0	25,085	12.0
	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
Moderate-income	88	7.8	77	8.6	8	3.9	3	10.0
Middle-income	904	79.9	704	78.7	179	86.9	21	70.0
Upper-income	139	12.3	114	12.7	19	9.2	6	20.0
Tract not reported	0	0.0	0	0.0	0	0.0	0	0
Total Assessment Area	1,131	100.0	895	100.0	206	100.0	30	100.0
Percentage of Total Businesses:				79.1		18.2		2.7

Note: Data in this Exhibit 8 are drawn from the 2000 Census.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA GROUP 1

LENDING TEST

BPPR's performance under the lending test in Non-MSA Group 1 was excellent. The levels of overall lending and community development lending were outstanding, while geographic and borrower distribution of lending was good. The tables in Appendix D display the data used to evaluate BPPR's performance in the assessment areas. Lending activity is depicted in Table 1, geographic distribution in Tables 2-6, and borrower distribution in Tables 8-11. There are separate tables for 2002 and 2003 data.

Lending Activity: BPPR’s responsiveness to credit needs in Non-MSA Group 1 was good. The bank’s rank and market share of small business lending was consistent with the bank’s position in the market in terms of deposits.

HMDA-related lending was slightly less consistent with the bank’s deposit market position as the bank operates in a highly competitive mortgage market. In 2003, the bank improved its market share position in home purchase lending and now ranks second, and in refinance lending it ranks fourth. In home improvement lending, BPPR continues to rank first with 53% of the market. The bank ranks first in small business lending with 66% of the market for 2003.

Geographic Distribution: The geographic distribution of HMDA-related and small business loans reflected good penetration, although performance varied between HMDA-related products and small loans to businesses. Conclusions were based on performance in moderate-income geographies as the assessment area has no low-income census tracts. The very small number of business establishments located in the moderate-income tracts sharply limited opportunities to originate loans to businesses. The following table summarizes the bank’s performance in moderate-income tracts with respect to each loan product.

Lending in Moderate-income Tracts Non-MSA Group 1				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Home Purchase	Good	Significantly above	Adequate	Slightly above
Refinance	Adequate	Above	Good	Slightly above
Home Improvement	Outstanding	Slightly above	Outstanding	Slightly above
Small Business	Adequate	Below	Good	Similar

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes in Non-MSA Group 1 was good based on adequate performance in HMDA-related lending to moderate-income borrowers and good performance in lending to small businesses of different sizes.

Lending to low-income individuals was not heavily weighted because of the issues noted in the Performance Context section and supported by the market aggregate’s lending performance. These performance context issues also were considered when evaluating the bank’s performance regarding lending to moderate-income individuals. The following table summarizes the bank’s lending with respect moderate-income borrowers.

Lending to Moderate-income Borrowers Non-MSA Group 1				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Home Purchase	Poor	Significantly below	Poor	Below
Refinance	Adequate	Slightly below	Adequate	Slightly above
Home Improvement	Adequate	Below	Adequate	Similar

Overall distribution of small business loans to businesses with GAR of \$1 million or less was good based on good performance in 2002 and 2003. In addition, 81% of loans were in amounts of \$100 thousand or less in 2002 and 2003. In contrast, 83% of the 2002 aggregate loans and 87% of 2003 aggregate loans were in amounts of \$100 thousand or less. The following table summarizes the bank’s performance with respect to lending to businesses.

Lending to Businesses of Different Sizes Non-MSA Group 1				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2002
Small Business	Good	Similar	Good	Similar

Community Development Lending: BPPR’s performance with respect to community development lending was outstanding. During the examination period, loans benefiting the assessment area totaled \$34 million and mainly targeted affordable housing. As affordable housing is a critical problem in Puerto Rico, this is considered responsive to the credit needs of the assessment area. Additional initiatives targeted economic development and community services. Examples of community development loans included:

- A \$7 million loan for the construction of 151 affordable housing units under the Law 124 Home Ownership Program.
- A \$2.1 term loan for the construction of a hotel that will bring 29 new jobs to LMI individuals in the municipality of Jayuya.

INVESTMENT TEST

BPPR's investment performance was adequate. Qualified investments totaled \$35 thousand and consisted entirely of community development grants to organizations primarily involved in community services to LMI individuals. This assessment area also benefited from \$194 million in island-wide investments in collateralized mortgage obligations that developed affordable housing throughout Puerto Rico.

SERVICE TEST

Performance under the service test was excellent based on BPPR's excellent delivery of retail and community development services in the Non-MSA Group 1 assessment area.

Retail Services: The bank's delivery systems were readily accessible to geographies and individuals of different income levels in this non-MSA. As of December 31, 2003, 3 of 25 branches or 12% were located in LMI geographies compared with 6% of the population residing in the assessment area's LMI tracts. For details, see Puerto Rico Table 15 for 2003.

Two retail branches were opened and two were closed during the examination period, and none of them were in LMI census tracts. Products, services and branch hours did not vary in a way that inconvenienced certain portions of the assessment area, particularly LMI geographies and LMI individuals. Twelve or 48% of the total number of branches offered extended or weekend hours, and one or 33% of the LMI branches offered extended or weekend hours, too.

Community Development Services: BPPR provided an excellent level of community development services. The bank participated in more than 750 seminars and workshops in the assessment area on topics ranging from financial education to information about starting a business.

METROPOLITAN AND NONMETROPOLITAN AREAS

(LIMITED REVIEW)

MSA 4840 (MAYAGUEZ, PR)

MSA 0060 (AGUADILLA, PR)

NON-MSA GROUP 2 (MUNICIPALITIES OF GUANICA AND LAJAS)

NON-MSA GROUP 3 (MUNICIPALITY OF RINCON)

NON-MSA GROUP 4 (ISLAND OF VIEQUES)

Facts and data reviewed, including performance and demographic information, can be found in the Appendix D tables. There are separate sets of tables for 2002 data and 2003 data. 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 4840	Consistent	Consistent	Consistent
MSA 0060	Consistent	Consistent	Consistent
Non-MSA Group 2	Consistent	Consistent	Consistent
Non-MSA Group 3	Consistent	Consistent	Consistent
Non-MSA Group 4	Consistent	Consistent	Consistent

U.S. VIRGIN ISLANDS

CRA RATING FOR THE U.S. VIRGIN ISLANDS: "SATISFACTORY."

The lending test is rated: Low satisfactory.

The investment test is rated: Low satisfactory.

The service test is rated: High satisfactory.

The major factors supporting the rating follow:

- The number of home purchase, refinance, home improvement, and small business loans BPPR originated displayed excellent responsiveness to credit needs in the bank's assessment areas.
- The bank's service delivery systems were accessible to geographies and individuals of different income levels in its assessment areas.
- The bank provided an adequate level of community development loans in its USVI assessment areas.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was adequate.
- The level of qualified investments was adequate.

SCOPE OF EXAMINATION

For the USVI assessment areas, examiners conducted a full review of BPPR's performance in the non-MSA area of St. Thomas and a limited review for the non-MSA area of St. Croix. Non-MSA St. Thomas contains 71% of the bank's retail branches and 19% of its deposits in the USVI.

In addition, the majority of HMDA-related and small business lending that BPPR originated in the USVI was made in St. Thomas. For details, see Exhibit 9 on the following page. Accordingly, the overall conclusions regarding the bank's USVI performance are primarily based on its performance in the non-MSA area of St. Thomas.

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2003, BPPR operated the largest branch network in the USVI with seven retail branches containing \$648 million in deposits. The branches represent 3% of the bank's total number of branches and 5% of the total amount of branch deposits in BPPR's combined Puerto Rico and USVI assessment areas. For details, see Exhibit 1 on page BB5.

DESCRIPTION OF ASSESSMENT AREAS

BPPR's two assessment areas in the USVI are the islands of St. Thomas and St. Croix. FirstBank of Puerto Rico is the other major bank with operations in the islands. Based on deposits reported to the FDIC as of June 30, 2003, BPPR had 48% of deposits in the USVI while First Bank of

EXHIBIT 9
Summary of Key Assessment Area Data for U.S. Virgin Islands

	St. Thomas	St. Croix	TOTALS
Total Population*	51,181	53,234	104,415
Population % of AA population	49%	51%	100%
Families	12,373	13,250	25,623
Families % of AA families	48%	52%	100%
Total Census Tracts*	15	15	30
Tracts % AA tracts	50%	50%	100%
LMI tracts	0	7	7
LMI tracts % all AA LMI tracts	0%	100%	100%
Total Owner-Occupied Units*	8,048	9,802	17,850
Units % of AA units	45%	55%	100%
Business Establishments**	684	492	1,176
Bus. est. % AA bus. est.	58%	42%	100%
Number of Branches***	5	2	7
Branches % all branches	71%	29%	100%
Branches in LMI tracts	0	0	0
LMI branches % AA LMI branches	NA	NA	NA
Branch Deposits (\$'000s)***	512,175	135,890	648,065
Deposits % AA deposits	79%	21%	100%
Deposit Market Share (%)/ Rank in Market	56%/1	35%/1	48%/1
Home Purchase Originations****	24	32	56
HP originations % AA orig.	43%	57%	100%
Refinance Originations****	143	127	270
Refi orig. % AA orig.	53%	47%	100%
Home Improvement Originations****	29	20	49
Home Improvement orig. % AA orig.	59%	41%	100%
Small Business Originations****	116	44	160
SB orig. % AA orig.	73%	28%	100%
Combined Loan Totals****	283	203	486
% of AA Orig.	58%	42%	100%

* 2000 Census data.

** Source: 2001 D&B USVI.

*** Source: FDIC Summary of Deposit Data as of June 30, 2003.

**** Originations include originations and loans purchased between January 1, 2003, and December 31, 2003.

Puerto Rico had 43%. St. Croix has two other single-branch banks.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 2000 Census, the total population of the bank's USVI assessment areas is approximately 104 thousand, about evenly divided between St. Thomas and St. Croix. The population in the USVI assessment areas represents less than 1% of the total population residing in BPPR's assessment areas evaluated at this examination.

Income Characteristics

Income levels in the USVI are higher than in Puerto Rico. As indicated in the accompanying table, St. Thomas's median income is somewhat higher than St. Croix's. St. Thomas has no LMI census tracts while St. Croix has seven.

HUD MEDIAN FAMILY INCOMES		
	2002	2003
St. Thomas, USVI	\$42,500	\$35,600
St. Croix, USVI	\$32,500	\$28,400

Housing Characteristics

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

High housing and insurance costs and low income levels cause the low level of owner-occupancy in the USVI. According to the USVI Bureau of Economic Research, the 2003 average housing price in St. Thomas is \$546 thousand and in St. Croix, \$331 thousand. Comparing these prices with median income levels, owner-occupied housing is generally beyond the reach of most LMI families.

In order to provide homeownership opportunities to LMI families, the Virgin Island Housing Finance Authority ("VIHFA") administers a HOME Program that uses HUD funds to subsidize the cost of the home and the down payment. The housing authority may provide mortgage assistance in lieu of a rental subsidy or offer families a one-time down payment grant equaling up to one year's worth of their rental assistance.

Representatives of community organizations contacted by examiners cited hazard insurance costs as a barrier to homeownership for LMI families. The monthly cost of such insurance can be more than the required monthly mortgage loan principal and interest payment. And insurance costs generally escalate following large losses on the islands.

These issues illustrate the need for new, innovative and affordable home purchase lending programs in the USVI. Home improvement loans also are needed to repair deteriorated housing

EXHIBIT 10								
Assessment Area Demographics								
U.S. Virgin Islands								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	10	2,798	11	1,481	20	7,264	28
Moderate-income	4	13	3,547	14	1,537	20	3,526	14
Middle-income	15	50	12,319	48	3,275	44	3,991	16
Upper-income	8	27	6,959	27	1,192	16	10,842	42
N/A	0	0	0	0	0	0	0	0
Total Assessment Area	30	100.0	25,623	100.0	7,485	100	25,623	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	5,182	1,183	7	23	2,893	56	1,106	21
Moderate-income	5,968	2,310	14	39	2,702	45	956	16
Middle-income	22,840	8,288	49	36	10,609	46	3,943	17
Upper-income	13,822	4,985	30	36	4,859	35	2,894	21
Total Assessment Area	47,812	16,766	100.0	35	21,063	44	8,899	19
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0	0	0	0	0	0	0
Moderate-income	467	40	348	41	104	37	15	28
Middle-income	684	58	478	57	168	60	38	72
Upper-income	25	2	16	2	9	3	0	0
Tract not reported	0	0	0	0	0	0	0	0
Total Assessment Area	1,176	100.0	842	100.0	281	100.0	53	100.0
	Percentage of Total Businesses		71.6		23.9		4.5	

Note: In Exhibit 10, demographic data are drawn from the 2000 Census, and business data are according to D&B 2001 based on the 1990 Census.

and expand housing units to include rentals. In the USVI, these needs are usually met through refinance loans.

Labor, Employment and Economic Characteristics

The service sector, primarily tourism, accounts for 80% of the USVI's gross domestic product ("GDP"). Tourism alone employs about 80% of the workforce. The contributions of agriculture to the economy are small as most food is imported. The manufacturing sector consists of petroleum refining, textiles, electronics, pharmaceuticals, and watch assembly. One of the world's largest refineries is Hess Oil in St. Croix, which is the territory's single largest employer. As indicated in the table above, unemployment is high by U.S. standards.

UNEMPLOYMENT RATES		
	2002	2003
USVI	8.7%	9.3%

NONMETROPOLITAN AREA

(FULL REVIEW)

NON-MSA ST. THOMAS

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BPPR's record of meeting the credit needs of its assessment area through its lending activity in St. Thomas was good. Lending activity was good while borrower distribution and community development lending was adequate.

The USVI tables in Appendix D present the facts and data used to evaluate the bank's lending test performance in its various assessment areas. Lending activity is depicted in USVI Table 1, geographic distribution in Tables 2-6, and borrower characteristics are depicted in Tables 8-11. There are separate tables for 2002 and 2003 data.

Lending Activity: BPPR's lending activity showed excellent responsiveness to retail credit needs in St. Thomas. During the examination period, 277 HMDA-related loans and 210 small business loans were issued. Lending volume increased 42% compared with the previous examination.

Geographic Distribution: Geographic distribution of loans in St. Thomas was not evaluated because of the lack of LMI tracts. However, the bank did make loans in both middle- and upper-income census tracts.

Distribution by Borrower Income and Revenue Size of the Business: Performance in St. Thomas was adequate based on adequate lending to moderate-income borrowers. The level of lending to small businesses also was adequate.

Lending to low-income borrowers was not given significant weight in the analysis because of the housing affordability issues noted in the USVI Performance Context section. These issues were also considered in the evaluation of the bank's performance regarding lending to moderate-income borrowers, which is affected by similarly limited lending opportunities. The following table summarizes the bank's performance with respect to moderate-income borrowers.

Lending to Moderate-income Borrowers St. Thomas, VI				
Product	BPPR Performance			
	1990 Census 1/1/02 – 12/31/02	Aggregate Comparison 2002	2000 Census 1/1/03 – 12/31/03	Aggregate Comparison 2003
Home Purchase	Excellent	Not available	Poor	Not available
Refinance	Poor	Not available	Adequate	Not available
Home Improvement	Excellent	Not available	Excellent	Not available

Overall distribution of small business loans to businesses with GAR of \$1 million or less was adequate in both 2002 and 2003. In addition, 63% of loans were in amounts of \$100 thousand or less in 2002 and 64% of loans were in amounts of \$100 thousand or less in 2003.

Community Development Lending: BPPR’s community development lending performance was adequate. During the examination period, the bank made one loan in St. Thomas for \$273 thousand, which targeted affordable housing.

INVESTMENT TEST

The bank’s level of qualified investments in St. Thomas was adequate, totaling \$28 thousand. All the investments involved community development grants to organizations that primarily targeted community services. St. Thomas also benefited from a portion of a \$10 million HUD bond to develop affordable housing. The bond was issued on a regional basis, and USVI’s share was approximately \$200 thousand.

SERVICE TEST

Performance under the service test was good based primarily on good delivery of retail services.

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

Services did not vary in a way that inconveniences certain portions of the assessment area. Deposit and credit services are available at all branches as well as via telephone and Internet. All branches offer extended or weekend hours. BPPR’s employees participated as officers in 15 community organizations providing services to LMI individuals. In addition, home buyer and financial education programs as well as technical assistance were provided to LMI individuals and community-based organizations on the island of St. Thomas.

NONMETROPOLITAN AREAS

(LIMITED REVIEW)

NON-MSA ST. CROIX

The facts and data reviewed, including performance and demographic information, can be found in the USVI tables in Appendix D, which include separate sets of tables for 2002 and 2003 data. Lending information is depicted in Tables 1-11. Information regarding investments is in Table 14, and information about the service test is in Table 15.

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

Assessment Area	Lending Test	Investment Test	Service Test
St. Croix	Consistent	Consistent	Consistent

APPENDIX A

SCOPE OF EXAMINATION

BANCO POPULAR DE PUERTO RICO			
TIME PERIOD REVIEWED		1/1/2002 TO 12/31/2003	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Banco Popular de Puerto Rico, 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 • Refinancings
Levitt Mortgage		Bank subsidiary	
Popular Finance, Inc.		Bank subsidiary	<ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement
Popular Auto, Inc.			

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
CMSA 7442 (San Juan-Caguas-Arecibo, PR)	On-site	209 Munoz Rivera Avenue San Juan, PR	Loan and investment information was stored at the bank's administrative offices at 268 Ponce de Leon, Hato Rey, PR.
MSA 6360 (Ponce, PR) MSA 4840 (Mayaguez, PR) MSA 0060 (Aguadilla, PR) Non-Metropolitan Statistical Areas	Off-site		
U.S. Virgin Islands Non-MSA St. Croix Non-MSA St. Thomas	Off-site		

CRA APPENDIX B

Summary of Ratings

BANCO POPULAR DE PUERTO RICO CRA Performance August 23, 2004				
State or Multistate Metropolitan Area	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Puerto Rico	Outstanding	Outstanding	Outstanding	Outstanding
United States Virgin Islands	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

CRA APPENDIX C

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.

Block numbering area (“BNA”): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full review: Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract or a block numbering area delineated by the U.S. 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 data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, 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: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100% tabulations, the count of households always equals the count of occupied housing units.

Limited review: Performance under the lending, investment and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (“MA”): Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan statistical area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 containing five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such

activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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 non-mortgage, commercial loans.

Small loan(s) to farm(s): A loan included in "loans to small farms" as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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.

CRA APPENDIX D
FEDERAL FINANCIAL INSTITUTION EXAMINATIONS COUNCIL
INTERAGENCY CORE CRA PUBLIC EVALUATION TABLES

Table 1. Lending Volume

2002 Puerto Rico

LENDING VOLUME		State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002								
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA**	Home Mortgage***		Small Loans to Businesses		Small Loans to Farms		Community Development Loans *		Total Reported Loans		
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full-Review:												
A - CMSA 7442	73.56	16,467	1,677,159	7,319	959,376	253	34,394	0	0	24,039	2,670,929	
B - MSA 6360	5.54	994	50,704	792	76,059	26	1,206	0	0	1,812	127,969	
C - Non-MSA Group 1	10.21	1,962	90,619	1,177	93,622	199	11,456	0	0	3,338	195,697	
Limited-Review:												
D - MSA 0060	3.93	807	37,749	469	47,085	8	191	0	0	1,284	85,025	
E - MSA 4840	5.45	1,156	81,140	607	78,651	18	982	0	0	1,781	160,773	
F - Non-MSA Group 2	0.64	137	6,438	67	6,013	6	549	0	0	210	13,000	
G - Non-MSA Group 3	0.31	64	8,700	38	2,441	0	0	0	0	102	11,141	
H - Non-MSA Group 4	0.35	81	1,721	32	2,504	2	60	0	0	115	4,285	

(*) The evaluation period for Community Development Loans is January 1, 2002, to December 31, 2003, and totals are noted on 2003 Table 1 (Lending Volume).

(**) Loan data as of 2002. Rated area refers to either the state or multistate MSA ratings area.

(***) Loan data includes 1 multifamily loan in MSA 6360 (Ponce, PR).

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002											
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid
Full-Review:															
A - CMSA 7442	5,189	82.60	0.71	0.71	25.21	14.57	43.37	41.90	30.71	42.80	0.76	15.76	40.60	42.59	
B - MSA 6360	172	2.74	0.64	0.00	15.14	7.56	50.39	40.12	33.83	52.33	0.00	7.03	55.40	37.40	
C - Non-MSA Group 1	371	5.91	0.00	0.00	4.76	1.89	84.90	88.41	10.34	9.70	0.00	0.93	83.37	15.11	
Limited-Review:															
D - MSA 0060	114	1.81	0.00	0.00	6.47	0.88	83.19	75.44	10.33	23.68	0.00	0.91	79.32	19.77	
E - MSA 4840	368	5.86	1.61	0.54	11.37	7.07	64.17	66.58	22.85	25.82	0.42	11.39	63.98	23.97	
F - Non-MSA Group 2	28	0.45	0.00	0.00	10.29	7.14	79.12	82.14	10.59	10.71	0.00	8.09	71.32	19.12	
G - Non-MSA Group 3	36	0.57	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	99.67	0.00	
H - Non-MSA Group 4	4	0.06	0.00	0.00	30.44	25.00	69.56	75.00	0.00	0.00	0.00	37.50	50.00	0.00	

(*) Based on 2002 Aggregate HMDA Data only.

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT														State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper					
Full-Review:																			
A - CMSA 7442	5,445	68.65	0.71	0.55	25.21	28.82	43.37	42.42	30.71	28.21	0.55	25.88	43.54	30.02					
B - MSA 6360	516	6.51	0.64	1.36	15.14	10.66	50.39	44.96	33.83	43.02	0.66	12.58	41.03	45.73					
C - Non-MSA Group 1	939	11.84	0.00	0.00	4.76	5.11	84.90	86.26	10.34	8.63	0.00	4.28	86.54	9.18					
Limited-Review:																			
D - MSA 0060	461	5.81	0.00	0.00	6.47	3.47	83.19	81.34	10.33	15.18	0.00	4.79	80.14	15.07					
E - MSA 4840	435	5.48	1.61	0.69	11.37	11.26	64.17	64.83	22.85	23.22	3.21	10.62	64.13	22.04					
F - Non-MSA Group 2	59	0.74	0.00	0.00	10.29	5.08	79.12	79.66	10.59	15.25	0.00	14.89	64.54	20.57					
G - Non-MSA Group 3	12	0.15	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00					
H - Non-MSA Group 4	65	0.82	0.00	0.00	30.44	20.00	69.56	46.15	0.00	0.00	0.00	22.86	45.71	0.00					

(*) Based on 2002 Aggregate HMDA Data only.

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: REFINANCINGS														State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper					
Full-Review:																			
A - CMSA 7442	5,833	78.26	0.71	0.98	25.21	14.73	43.37	36.14	30.71	48.14	0.86	15.52	37.90	45.60					
B - MSA 6360	305	4.09	0.64	0.33	15.14	6.56	50.39	43.93	33.83	49.18	0.36	10.08	37.97	51.58					
C - Non-MSA Group 1	652	8.75	0.00	0.00	4.76	2.61	84.90	88.65	10.34	8.74	0.00	1.91	86.45	11.10					
Limited-Review:																			
D - MSA 0060	232	3.11	0.00	0.00	6.47	1.72	83.19	74.57	10.33	23.71	0.00	1.08	80.32	18.60					
E - MSA 4840	353	4.74	1.61	0.57	11.37	11.33	64.17	50.99	22.85	37.11	0.69	11.32	57.44	30.56					
F - Non-MSA Group 2	50	0.67	0.00	0.00	10.29	2.00	79.12	88.00	10.59	10.00	0.00	8.33	81.02	10.19					
G - Non-MSA Group 3	16	0.21	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00					
H - Non-MSA Group 4	12	0.16	0.00	0.00	30.44	16.67	69.56	33.33	0.00	0.00	0.00	23.40	53.19	0.00					

(*) Based on 2002 Aggregate HMDA Data only.

(**) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper					
Full-Review:																			
A - CMSA 7442	7,319	69.70	3.71	2.55	19.65	22.33	28.80	36.45	47.84	38.67	2.58	18.05	33.39	39.97					
B - MSA 6360	792	7.54	2.39	0.13	24.18	10.48	41.31	46.84	32.12	42.55	0.33	8.57	41.24	46.05					
C - Non-MSA Group 1	1,177	11.21	0.00	0.00	2.75	0.93	86.61	88.95	10.64	10.11	0.00	1.36	82.91	11.27					
Limited-Review:																			
D - MSA 0060	469	4.47	0.00	0.00	10.29	8.74	74.71	76.55	15.00	14.71	0.00	9.83	68.70	16.90					
E - MSA 4840	607	5.78	12.92	5.77	16.78	9.72	43.28	47.94	27.03	36.57	3.89	8.57	49.03	34.56					
F - Non-MSA Group 2	67	0.64	0.00	0.00	1.43	17.91	61.43	55.22	37.14	26.87	0.00	11.38	57.49	28.14					
G - Non-MSA Group 3	38	0.36	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	94.20	0.00					
H - Non-MSA Group 4	32	0.30	0.00	0.00	53.85	53.13	46.15	21.88	0.00	0.00	0.00	47.62	21.43	0.00					

(*) Based on 2002 Aggregate Small Business Data only.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(***) Source of data-D&B.

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: Puerto Rico					Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002							
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper
Full-Review:														
A - CMSA 7442	5,189	82.60	25.18	0.06	15.35	1.87	17.00	8.71	42.47	61.38	0.09	1.57	7.07	80.91
B - MSA 6360	172	2.74	25.83	0.00	13.91	0.58	17.43	1.74	42.83	70.35	2.87	2.53	3.60	76.55
C - Non-MSA Group 1	371	5.91	24.24	0.00	14.32	0.00	18.79	8.36	42.65	60.92	0.07	1.11	9.11	80.07
Limited-Review:														
D - MSA 0060	114	1.81	24.05	0.88	14.42	0.88	19.22	4.39	42.31	82.46	0.23	1.82	6.82	83.64
E - MSA 4840	368	5.86	24.30	0.00	15.23	1.09	18.50	4.08	41.96	64.40	0.12	2.27	9.60	74.54
F - Non-MSA Group 2	28	0.45	23.26	0.00	14.18	0.00	19.16	3.57	43.40	60.71	0.00	0.74	2.94	80.15
G - Non-MSA Group 3	36	0.57	22.01	0.00	13.63	0.00	18.63	0.00	45.73	88.89	0.00	0.99	8.91	81.19
H - Non-MSA Group 4	4	0.06	30.51	0.00	15.66	0.00	17.36	0.00	36.47	75.00	0.00	0.00	0.00	87.50

(*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2002 Aggregate HMDA Data only.

(***) Percentage of Families is based on 1990 Census information.

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002										
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper
Full-Review:														
A - CMSA 7442	5,445	68.65	25.18	4.83	15.35	14.25	17.00	17.98	42.47	57.23	6.55	16.90	17.07	53.15
B - MSA 6360	516	6.51	25.83	1.55	13.91	8.91	17.43	19.19	42.83	69.19	3.57	11.64	19.15	61.31
C - Non-MSA Group 1	939	11.84	24.24	0.43	14.32	9.27	18.79	18.74	42.65	68.58	1.63	12.51	18.97	64.58
Limited-Review:														
D - MSA 0060	461	5.81	24.05	2.60	14.42	8.03	19.22	21.91	42.31	67.25	3.52	9.58	21.69	64.93
E - MSA 4840	435	5.48	24.30	1.84	15.23	10.11	18.50	24.37	41.96	62.30	4.51	14.43	21.94	55.71
F - Non-MSA Group 2	59	0.74	23.26	0.00	14.18	13.56	19.16	20.34	43.40	64.41	1.42	17.02	24.11	56.03
G - Non-MSA Group 3	12	0.15	22.01	0.00	13.63	0.00	18.63	16.67	45.73	83.33	0.00	8.70	23.91	67.39
H - Non-MSA Group 4	65	0.82	30.51	3.08	15.66	20.00	17.36	18.46	36.47	58.46	2.86	20.00	20.00	57.14

(*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(**) Based on 2002 Aggregate HMDA Data only.

(***) Percentage of Families is based on the 1990 Census information.

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE														State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **								
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans***	Low	Mod	Mid	Upper					
Full-Review:																			
A - CMSA 7442	5,833	78.26	25.18	0.34	15.35	2.13	17.00	4.82	42.47	60.59	0.37	3.22	7.63	79.15					
B - MSA 6360	305	4.09	25.83	0.33	13.91	3.28	17.43	6.23	42.83	62.62	0.27	2.85	6.74	81.69					
C - Non-MSA Group 1	652	8.75	24.24	0.77	14.32	3.22	18.79	6.29	42.65	62.88	0.28	3.76	9.25	78.03					
Limited-Review:																			
D - MSA 0060	232	3.11	24.05	0.43	14.42	1.29	19.22	11.21	42.31	75.86	0.43	2.37	10.86	79.25					
E - MSA 4840	353	4.74	24.30	0.28	15.23	3.12	18.50	5.10	41.96	77.34	0.11	4.14	9.25	78.35					
F - Non-MSA Group 2	50	0.67	23.26	0.00	14.18	6.00	19.16	6.00	43.40	82.00	0.46	6.94	8.33	78.24					
G - Non-MSA Group 3	16	0.21	22.01	0.00	13.63	0.00	18.63	18.75	45.73	68.75	0.00	1.32	7.95	86.75					
H - Non-MSA Group 4	12	0.16	30.51	0.00	15.66	0.00	17.36	0.00	36.47	66.67	0.00	2.13	2.13	80.85					

(*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2002 Aggregate HMDA Data only.

(***) Percentage of Families is based on 1990 Census Information.

2002 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: Puerto Rico			Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data***		
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 or Less	>\$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	
Full-Review:										
A - CMSA 7442	7,319	69.70	67.85	54.46	4,944	1,296	1,079	14,707	8,094	
B - MSA 6360	792	7.54	69.14	55.68	593	125	74	1,809	1,155	
C - Non-MSA Group 1	1,177	11.21	78.35	69.50	952	140	85	1,908	1,219	
Limited-Review:										
D - MSA 0060	469	4.47	79.12	64.61	352	68	49	722	470	
E - MSA 4840	607	5.78	77.36	55.52	413	102	92	1,389	901	
F - Non-MSA Group 2	67	0.64	77.14	61.19	52	9	6	167	112	
G - Non-MSA Group 3	38	0.36	73.08	65.79	33	3	2	69	43	
H - Non-MSA Group 4	32	0.30	73.08	56.25	24	6	2	42	19	

(*) Businesses with revenue of \$1 million or less as a percentage of all businesses. Data-D&B 2002.

(**) Small loans to businesses with revenue of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 2002 Aggregate Small Business Data only.

(****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 1. Lending Volume

LENDING VOLUME		State: Puerto Rico				Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003						
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA**	Home Mortgage***		Small Loans to Businesses		Small Loans to Farms		Community Development Loans *		Total Reported Loans		
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full-Review:												
A - CMSA 7442	72.40	17,536	1,883,899	15,204	1,370,596	393	35,115	200	188,208	33,333	3,477,818	
B - MSA 6360	5.96	1,209	71,059	1,468	95,646	48	3,124	20	14,644	2,745	184,473	
C - Non-MSA Group 1	10.98	2,341	113,610	2,390	141,650	287	16,041	38	34,553	5,056	305,854	
Limited-Review:												
D - MSA 0060	3.84	912	42,137	837	61,653	18	869	3	3,155	1,770	107,814	
E - MSA 4840	5.40	1,262	85,466	1,180	107,593	29	1,511	13	3,323	2,484	197,893	
F - Non-MSA Group 2	0.69	130	6,565	171	11,858	15	1,293	0	0	316	19,716	
G - Non-MSA Group 3	0.42	91	9,547	95	5,452	9	620	0	0	195	15,619	
H - Non-MSA Group 4	0.31	57	1,283	82	4,981	3	55	0	0	142	6,319	

(*) The evaluation period for Community Development Loans is January 1, 2002, to December 31, 2003.

(**) Loan data as of 2003. Rated area refers to either the state or multistate MSA ratings area.

(***) Includes 8 multifamily loans in CMSA 7442 (San Juan-Caguas-Arecibo, PR), 2 in MSA 6360 (Ponce, PR), and 1 in MSA 4840 (Mayaguez, PR).

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE														State: Puerto Rico		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper					
Full-Review:																			
A - CMSA 7442	5,058	76.86	1.08	0.43	27.28	17.40	40.32	44.72	31.33	37.45	0.84	20.51	35.69	42.89					
B - MSA 6360	376	5.71	0.15	0.53	17.51	7.98	53.63	59.57	28.70	31.91	0.72	17.38	35.63	46.08					
C - Non-MSA Group 1	631	9.59	0.00	0.00	5.38	2.06	77.58	75.44	17.04	22.50	0.00	1.80	79.54	18.53					
Limited-Review:																			
D - MSA 0060	122	1.85	0.00	0.00	10.16	9.84	76.18	63.11	13.66	27.05	0.00	8.17	63.30	28.52					
E - MSA 4840	342	5.20	0.60	0.58	16.30	7.02	61.83	66.37	21.28	26.02	0.21	15.16	60.48	23.85					
F - Non-MSA Group 2	18	0.27	0.00	0.00	3.61	0.00	86.28	83.33	10.11	16.67	0.00	0.59	76.47	22.94					
G - Non-MSA Group 3	30	0.46	0.00	0.00	0.00	0.00	79.97	46.67	20.03	53.33	0.00	0.00	61.99	37.43					
H - Non-MSA Group 4	4	0.06	0.00	0.00	6.32	25.00	93.68	75.00	0.00	0.00	0.00	7.41	88.89	0.00					

(*) Based on 2003 Aggregate HMDA Data only.

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		State: Puerto Rico				Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003								
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper
Full-Review:														
A - CMSA 7442	5,903	68.36	1.08	0.71	27.28	26.70	40.32	42.11	31.33	30.48	0.96	24.85	40.09	34.09
B - MSA 6360	530	6.14	0.15	0.75	17.51	18.11	53.63	47.74	28.70	33.40	0.40	18.58	46.25	34.77
C - Non-MSA Group 1	1,037	12.01	0.00	0.00	5.38	6.17	77.58	80.04	17.04	13.79	0.00	5.56	80.04	14.35
Limited-Review:														
D - MSA 0060	531	6.15	0.00	0.00	10.16	10.36	76.18	68.55	13.66	21.09	0.00	10.34	72.27	17.39
E - MSA 4840	491	5.69	0.60	0.41	16.30	13.03	61.83	60.90	21.28	25.66	0.60	16.35	58.17	24.87
F - Non-MSA Group 2	73	0.85	0.00	0.00	3.61	2.74	86.28	79.45	10.11	17.81	0.00	5.65	77.97	16.38
G - Non-MSA Group 3	24	0.28	0.00	0.00	0.00	0.00	79.97	83.33	20.03	16.67	0.00	0.00	86.05	13.95
H - Non-MSA Group 4	46	0.53	0.00	0.00	6.32	15.22	93.68	84.78	0.00	0.00	0.00	12.90	87.10	0.00

(*) Based on 2003 Aggregate HMDA Data only.

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE State: Puerto Rico Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003														
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper
Full-Review:														
A - CMSA 7442	6,567	79.02	1.08	0.47	27.28	12.93	40.32	31.73	31.33	54.87	0.74	16.50	31.59	51.17
B - MSA 6360	301	3.62	0.15	0.66	17.51	5.98	53.63	40.86	28.70	52.49	1.03	11.50	44.78	42.67
C - Non-MSA Group 1	673	8.10	0.00	0.00	5.38	4.31	77.58	78.16	17.04	17.53	0.00	3.82	77.35	18.75
Limited-Review:														
D - MSA 0060	259	3.12	0.00	0.00	10.16	8.88	76.18	67.18	13.66	23.94	0.00	8.21	71.66	20.14
E - MSA 4840	428	5.15	0.60	0.00	16.30	8.18	61.83	57.24	21.28	34.58	0.00	13.39	54.86	31.64
F - Non-MSA Group 2	39	0.47	0.00	0.00	3.61	0.00	86.28	87.18	10.11	12.82	0.00	1.64	84.21	14.14
G - Non-MSA Group 3	37	0.45	0.00	0.00	0.00	0.00	79.97	67.57	20.03	32.43	0.00	0.00	65.29	34.12
H - Non-MSA Group 4	7	0.08	0.00	0.00	6.32	0.00	93.68	100.00	0.00	0.00	0.00	8.33	91.67	0.00

(*) Based on 2003 Aggregate HMDA Data only.

(**) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														State: Puerto Rico		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper			
Full-Review:																			
A - CMSA 7442	15,204	70.96	1.33	1.07	19.77	25.27	30.05	32.47	48.85	41.19	1.13	22.70	31.02	42.95					
B - MSA 6360	1,468	6.85	0.00	0.07	23.02	13.08	50.38	49.05	26.60	37.81	0.31	13.40	45.03	39.53					
C - Non-MSA Group 1	2,390	11.15	0.00	0.00	8.30	7.03	80.06	75.31	11.64	17.66	0.00	6.69	73.41	18.86					
Limited-Review:																			
D - MSA 0060	837	3.91	0.00	0.00	14.71	10.87	76.09	61.17	9.20	27.96	0.00	10.72	56.86	31.18					
E - MSA 4840	1,180	5.51	1.64	0.93	29.55	17.63	58.08	56.27	10.74	25.17	1.07	15.86	55.09	26.45					
F - Non-MSA Group 2	171	0.80	0.00	0.00	1.20	7.60	78.31	70.18	20.48	22.22	0.00	7.73	66.09	25.32					
G - Non-MSA Group 3	95	0.44	0.00	0.00	0.00	0.00	78.95	38.95	21.05	61.05	0.00	0.00	45.67	53.54					
H - Non-MSA Group 4	82	0.38	0.00	0.00	0.00	6.10	100.00	93.90	0.00	0.00	0.00	5.49	94.51	0.00					

(*) Based on 2003 Aggregate Small Business Data only.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(***) Source of data-D&B.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: Puerto Rico				Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003								
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper
Full-Review:														
A - CMSA 7442	5,058	76.86	26.15	0.14	15.42	2.53	15.51	6.70	42.93	62.24	0.17	4.30	10.01	73.45
B - MSA 6360	376	5.71	25.96	0.00	14.82	2.13	15.91	8.78	43.31	39.10	0.18	3.03	13.54	66.46
C - Non-MSA Group 1	631	9.59	24.81	0.00	14.85	1.27	17.18	13.15	43.16	51.66	0.08	2.38	16.10	70.25
Limited-Review:														
D - MSA 0060	122	1.85	25.06	0.00	14.84	1.64	16.65	7.38	43.44	74.59	0.17	2.09	10.78	75.65
E - MSA 4840	342	5.20	24.95	0.00	15.24	2.05	17.29	4.97	42.52	57.60	0.31	2.95	11.69	68.75
F - Non-MSA Group 2	18	0.27	25.90	0.00	15.49	0.00	17.46	16.67	41.15	50.00	0.00	3.53	13.53	72.94
G - Non-MSA Group 3	30	0.46	23.87	0.00	14.28	0.00	16.89	0.00	44.97	90.00	0.00	0.58	0.00	74.27
H - Non-MSA Group 4	4	0.06	29.58	0.00	17.65	0.00	14.89	0.00	37.88	100.00	0.00	0.00	0.00	92.59

(*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2003 Aggregate HMDA Data only.

(***) Percentage of Families is based on the 2000 Census information.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT														State: Puerto Rico		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **								
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper					
Full-Review:																			
A - CMSA 7442	5,903	68.36	26.15	4.57	15.42	15.65	15.51	18.67	42.93	58.09	5.75	15.30	17.88	56.23					
B - MSA 6360	530	6.14	25.96	2.83	14.82	13.21	15.91	20.19	43.31	62.64	5.00	14.19	21.08	58.24					
C - Non-MSA Group 1	1,037	12.01	24.81	2.31	14.85	6.27	17.18	17.26	43.16	72.90	3.17	6.96	17.58	69.84					
Limited-Review:																			
D - MSA 0060	531	6.15	25.06	0.38	14.84	10.17	16.65	21.85	43.44	66.67	1.06	13.04	20.56	64.28					
E - MSA 4840	491	5.69	24.95	1.02	15.24	11.61	17.29	18.94	42.52	68.43	4.11	14.44	19.76	59.88					
F - Non-MSA Group 2	73	0.85	25.90	1.37	15.49	6.85	17.46	13.70	41.15	78.08	4.52	9.04	16.38	69.49					
G - Non-MSA Group 3	24	0.28	23.87	4.17	14.28	0.00	16.89	16.67	44.97	79.17	4.65	2.33	27.91	65.12					
H - Non-MSA Group 4	46	0.53	29.58	2.17	17.65	10.87	14.89	13.04	37.88	71.74	1.61	9.68	14.52	70.97					

(*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(**) Based on 2003 Aggregate HMDA Data only.

(***) Percentage of Families is based on the 2000 Census information.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE														State: Puerto Rico		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **								
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans***	Low	Mod	Mid	Upper					
Full-Review:																			
A - CMSA 7442	6,567	79.02	26.15	0.41	15.42	2.59	15.51	5.91	42.93	61.34	0.57	3.95	9.33	74.64					
B - MSA 6360	301	3.62	25.96	0.33	14.82	2.99	15.91	7.31	43.31	67.44	0.30	3.41	9.32	73.20					
C - Non-MSA Group 1	673	8.10	24.81	0.15	14.85	2.53	17.18	8.77	43.16	59.14	0.23	2.18	9.32	74.54					
Limited-Review:																			
D - MSA 0060	259	3.12	25.06	0.00	14.84	2.32	16.65	9.27	43.44	71.04	0.25	2.96	9.05	74.28					
E - MSA 4840	428	5.15	24.95	0.70	15.24	1.87	17.29	6.54	42.52	69.63	0.56	3.44	9.42	73.04					
F - Non-MSA Group 2	39	0.47	25.90	0.00	15.49	0.00	17.46	0.00	41.15	71.79	0.33	4.61	13.16	69.41					
G - Non-MSA Group 3	37	0.45	23.87	0.00	14.28	0.00	16.89	0.00	44.97	91.89	0.00	0.59	4.12	85.88					
H - Non-MSA Group 4	7	0.08	29.58	0.00	17.65	0.00	14.89	0.00	37.88	100.00	2.08	2.08	14.58	75.00					

(*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2003 Aggregate HMDA Data only.

(***) Percentage of Families is based on 2000 Census Information.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
			State: Puerto Rico		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003				
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data***	
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 or Less	>\$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less
Full-Review:									
A - CMSA 7442	15,204	70.96	67.55	65.94	12,084	1,908	1,212	22,021	14,035
B - MSA 6360	1,468	6.85	69.53	66.62	1,263	139	66	2,254	1,559
C - Non-MSA Group 1	2,390	11.15	79.20	77.82	2,096	200	94	3,065	2,221
Limited-Review:									
D - MSA 0060	837	3.91	78.39	71.57	690	89	58	1,129	745
E - MSA 4840	1,180	5.51	75.97	66.02	930	163	87	1,955	1,343
F - Non-MSA Group 2	171	0.80	78.31	73.68	145	19	7	233	177
G - Non-MSA Group 3	95	0.44	73.68	72.63	84	6	5	127	86
H - Non-MSA Group 4	82	0.38	76.32	84.15	71	8	3	91	75

(*) Businesses with revenue of \$1 million or less as a percentage of all businesses. Data-D&B 2003

(**) Small loans to businesses with revenue of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 2003 Aggregate Small Business Data only.

(****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
			State: Puerto Rico		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2003				
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Review:									
A - CMSA 7442	0	0	275	1,982	275	1,982	84.74	0	0
B - MSA 6360	0	0	18	110	18	110	4.70	0	0
C - Non-MSA Group 1	0	0	2	35	2	35	1.50	0	0
Limited-Review:									
D - MSA 0060	0	0	4	29	4	29	1.24	0	0
E - MSA 4840	1	100	16	83	17	183	7.82	0	0
F - Non-MSA Group 2	0	0	0	0	0	0	0.00	0	0
G - Non-MSA Group 3	0	0	0	0	0	0	0.00	0	0
H - Non-MSA Group 4	0	0	0	0	0	0	0.00	0	0
PR/USVI – Island/Regional	119	174,993	64	19,319	183	194,312	0.00	0	0

(*) Prior Period Investments are investments made in a previous evaluation period that are outstanding as of the examination date.

(**) Unfunded Commitments mean legally binding investment commitments tracked and recorded by the bank's financial reporting system.

2003 FFIEC Interagency Core CRA PE Tables

Puerto Rico

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				State: Puerto Rico				Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2003									
Metropolitan Area/ Assessment Area		Branches						Branch Openings/ Closings				Population					
		# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Review:																	
A - CMSA 7442		130	67.36	1	29	44	56	5	4	0	0	+2	-3	2.58	28.63	39.65	29.14
B - MSA 6360		16	8.29	0	4	6	6	0	1	0	0	+1	0	0.92	20.68	52.85	25.56
C - Non-MSA Group 1		25	12.95	0	3	16	6	2	2	0	0	0	0	0.00	6.08	77.72	16.20
Limited-Review:																	
D - MSA 0060		6	3.11	0	1	3	2	1	1	0	0	0	0	0.00	11.09	74.43	14.48
E - MSA 4840		13	6.73	0	1	7	5	0	0	0	0	0	0	2.83	16.56	59.60	21.01
F - Non-MSA Group 2		1	0.52	0	0	0	1	0	0	0	0	0	0	0.00	4.01	84.95	11.04
G - Non-MSA Group 3		1	0.52	0	0	0	1	0	0	0	0	0	0	0.00	0.00	76.54	23.46
H - Non-MSA Group 4		1	0.52	0	0	1	0	0	0	0	0	0	0	0.00	6.48	93.52	0.00

2002 FFIEC Interagency Core CRA PE Tables

U.S. Virgin Islands

Table 1. Lending Volume

LENDING VOLUME		State: Virgin Islands				Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA**	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans *		Total Reported Loans		
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full-Review:												
St. Thomas	62.50	81	9,658	94	14,852	0	0	0	0	175	24,510	
Limited-Review:												
St. Croix	37.50	82	8,505	23	2,722	0	0	0	0	105	11,227	

(*) The evaluation period for Community Development Loans is January 1, 2002 to December 31, 2003, and totals are noted in 2003 Table 1 (Lending Volume).

(**) Loan data as of 2002. Rated area refers to either the state or multistate MSA ratings area.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		State: Virgin Islands				Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002								
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper
Full-Review:														
St. Thomas	23	60.53	0.00	0.00	0.84	0.00	65.59	13.04	33.57	86.96	0.00	0.00	0.00	0.00
Limited-Review:														
St. Croix	15	39.47	0.94	0.00	27.55	20.00	27.47	20.00	44.05	60.00	0.00	0.00	0.00	0.00

(*) Based on 2002 Aggregate HMDA Data only.

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		State: Virgin Islands				Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002									
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper	
Full-Review:															
St. Thomas	22	53.66	0.00	0.00	0.84	0.00	65.59	13.04	33.57	86.96	0.00	0.00	0.00	0.00	
Limited-Review:															
St. Croix	19	46.34	0.94	0.00	27.55	20.00	27.47	20.00	44.05	60.00	0.00	0.00	0.00	0.00	

(*) Based on 2002 Aggregate HMDA Data only.

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: REFINANCINGS		State: Virgin Islands				Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002									
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper	
Full-Review:															
St. Thomas	36	42.86	0.00	0.00	0.84	0.00	65.59	27.78	33.57	72.22	0.00	0.00	0.00	0.00	
Limited-Review:															
St. Croix	48	57.14	0.94	0.00	27.55	22.92	27.47	250.00	44.05	52.08	0.00	0.00	0.00	0.00	

(*) Based on 2002 Aggregate HMDA Data only.

(**) Home mortgage refinancings originated and purchased in the MSA/AA as a percentage of all refinancings originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														State: Virgin Islands		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper			
Full-Review:																			
St. Thomas	94	80.34	Not Avail.	0.00	Not Avail.	1.06	Not Avail.	54.26	Not Avail.	44.68	0.00	0.00	0.00	0.00					
Limited-Review:																			
St. Croix	23	19.66	Not Avail.	0.00	Not Avail.	43.48	Not Avail.	17.39	Not Avail.	39.13	0.00	0.00	0.00	0.00					

(*) Based on 2002 Aggregate Small Business Data only.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(***) Source of data-D&B.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE														State: Virgin Islands		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **								
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper			
Full-Review:																			
St. Thomas	22	60.53	18.94	9.09	15.79	18.18	19.00	9.09	46.27	63.64	0.00	0.00	0.00	0.00					
Limited-Review:																			
St. Croix	15	39.47	30.12	0.00	16.56	0.00	16.78	13.33	36.54	86.67	0.00	0.00	0.00	0.00					

(*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2002 Aggregate HMDA Data only.

(***) Percentage of Families is based on the 1990 Census information.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT														State: Virgin Islands		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **								
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper					
Full-Review:																			
VI - St. Thomas	22	53.66	18.94	13.64	15.79	27.27	19.00	31.82	46.27	27.27	0.00	0.00	0.00	0.00					
Limited-Review:																			
VI - St. Croix	19	46.34	30.12	5.26	16.56	21.05	16.78	21.05	36.54	52.63	0.00	0.00	0.00	0.00					

(*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(**) Based on 2002 Aggregate HMDA Data only.

(***) Percentage of Families is based on the 1990 Census information.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE														State: Virgin Islands		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **								
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans***	Low	Mod	Mid	Upper					
Full-Review:																			
St. Thomas	36	42.86	18.94	0.00	15.79	0.00	19.00	8.33	46.27	91.67	0.00	0.00	0.00	0.00					
Limited-Review:																			
St. Croix	48	57.14	30.12	0.00	16.56	6.25	16.78	8.33	36.54	85.42	0.00	0.00	0.00	0.00					

(*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2002 Aggregate HMDA Data only.

(***) Percentage of Families is based on 1990 Census Information.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: Virgin Islands			Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data***	
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 or Less	>\$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less
Full-Review:									
St. Thomas	94	80.34	Not Avail.	60.64	59	17	18	225	119
Limited-Review:									
St. Croix	23	19.66	Not Avail.	78.26	18	1	4	85	54

(*) Businesses with revenue of \$1 million or less as a percentage of all businesses. Data-D&B 2002.

(**) Small loans to businesses with revenue of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 2002 Aggregate Small Business Data only.

(****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

2003 FFIEC Interagency Core CRA PE Tables

U.S. Virgin Islands

Table 1. Lending Volume

LENDING VOLUME		State: Virgin Islands				Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003						
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA**	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans *		Total Reported Loans		
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full-Review:												
St. Thomas	58.39	196	27,216	116	19,610	0	0	1	273	313	47,099	
Limited-Review:												
St. Croix	41.60	179	19,717	44	7,784	0	0	0	0	223	27,501	

(*) The evaluation period for Community Development Loans is January 1, 2002, to December 31, 2003.

(**) Loan data as of 2003. Rated area refers to either the state or multistate MSA ratings area.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE														State: Virgin Islands		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper					
Full-Review:																			
St. Thomas	24	42.86	0.00	0.00	0.00	0.00	62.10	41.67	37.90	58.33	0.00	0.00	0.00	0.00					
Limited-Review:																			
St. Croix	32	57.14	12.07	3.13	23.57	21.88	33.56	40.63	30.80	34.38	0.00	0.00	0.00	0.00					

(*) Based on 2003 Aggregate HMDA Data only.

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT														State: Virgin Islands		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper					
Full-Review:																			
St. Thomas	29	59.18	0.00	0.00	0.00	0.00	62.10	65.52	37.90	34.48	0.00	0.00	0.00	0.00					
Limited-Review:																			
St. Croix	20	40.82	12.07	20.00	23.57	25.00	33.56	15.00	30.80	40.00	0.00	0.00	0.00	0.00					

(*) Based on 2003 Aggregate HMDA Data only.

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE State: Virgin Islands Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003														
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Low	Mod	Mid	Upper
Full-Review:														
St. Thomas	143	52.96	0.00	0.00	0.00	0.00	62.10	36.36	37.90	63.64	0.00	0.00	0.00	0.00
Limited-Review:														
St. Croix	127	47.04	12.07	5.51	23.57	16.54	33.56	36.22	30.80	41.73	0.00	0.00	0.00	0.00

(*) Based on 2003 Aggregate HMDA Data only.

(**) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

(***) Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES State: Virgin Islands Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003														
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper
Full-Review:														
St. Thomas	116	72.50	Not Avail.	0.00	Not Avail.	0.00	Not Avail.	49.91	Not Avail.	50.09	0.00	0.00	0.00	0.00
Limited-Review:														
St. Croix	44	27.50	Not Avail.	0.00	Not Avail.	14.47	Not Avail.	52.81	Not Avail.	32.72	0.00	0.00	0.00	0.00

(*) Based on 2003 Aggregate Small Business Data only.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(***) Source of data-D&B.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: Virgin Islands				Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003								
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper
Full-Review:														
St. Thomas	24	42.86	22.29	0.00	13.77	0.00	16.79	4.17	47.14	95.83	0.00	0.00	0.00	0.00
Limited-Review:														
St. Croix	32	57.14	34.01	0.00	13.75	0.00	14.44	15.63	37.80	84.38	0.00	0.00	0.00	0.00

(*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2003 Aggregate HMDA Data only.

(***) Percentage of Families is based on the 2000 Census information.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		State: Virgin Islands				Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003								
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	Low	Mod	Mid	Upper
Full-Review:														
St. Thomas	29	59.18	22.29	6.90	13.77	13.79	16.79	27.59	47.14	51.72	0.00	0.00	0.00	0.00
Limited-Review:														
St. Croix	20	40.82	34.01	5.00	13.75	15.00	14.44	30.00	37.80	50.00	0.00	0.00	0.00	0.00

(*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(**) Based on 2003 Aggregate HMDA Data only.

(***) Percentage of Families is based on the 2000 Census information.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE														State: Virgin Islands		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data (%) **								
	#	% of Total*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans*	% of Families***	% Bank Loans***	Low	Mod	Mid	Upper					
Full-Review:																			
St. Thomas	143	52.96	22.29	0.00	13.77	1.40	16.79	6.29	47.14	92.31	0.00	0.00	0.00	0.00					
Limited-Review:																			
St. Croix	127	47.04	34.01	0.79	13.75	1.57	14.44	8.66	37.80	88.98	0.00	0.00	0.00	0.00					

(*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(**) Based on 2003 Aggregate HMDA Data only.

(***) Percentage of Families is based on 2000 Census Information.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES										State: Virgin Islands		Evaluation Period: JANUARY 01, 2003 TO DECEMBER 31, 2003			
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data***							
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 or Less	>\$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less						
Full-Review:															
St. Thomas	116	72.50	Not Avail.	52.59	74	19	23	172	81						
Limited-Review:															
St. Croix	44	27.50	Not Avail.	56.82	29	6	9	55	28						

(*) Businesses with revenue of \$1 million or less as a percentage of all businesses. Data-D&B 2003.

(**) Small loans to businesses with revenue of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 2003 Aggregate Small Business Data only.

(****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS										State: Virgin Islands		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2003							
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**											
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)										
Full-Review:																			
St. Thomas	0	0	30	28	30	28	66.67	0	0										
Limited-Review:																			
St. Croix	0	0	12	14	12	14	33.33	0	0										

(*) Prior Period Investments mean investments made in a previous evaluation period that are outstanding as of the examination date.

(**) Unfunded Commitments mean legally binding investment commitments tracked and recorded by the bank's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		State: Virgin Islands		Evaluation Period: JANUARY 01, 2002 TO DECEMBER 31, 2003													
Metropolitan Area/ Assessment Area	[REDACTED]	Branches						Branch Openings/ Closings						Population																			
		# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography																			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp																
Full-Review:																																	
St. Thomas	[REDACTED]	5	71.43	0	0	4	1	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00															
Limited-Review:																																	
St. Croix	[REDACTED]	2	28.57	0	1	1	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00																

Banco Popular de Puerto Rico

Assessment Area

January 1, 2002 - December 31, 2003

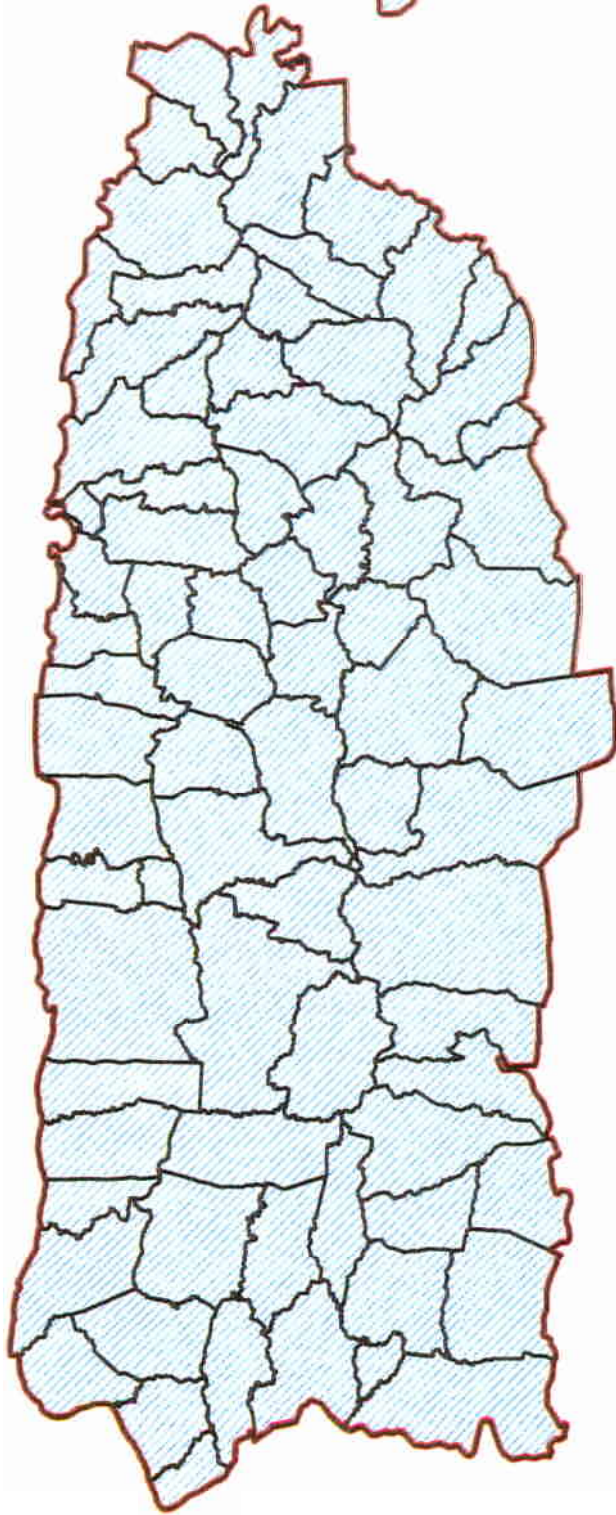
Legend



Assessment Area



Municipios



Miles

0 10 20