

PUBLIC DISCLOSURE

July 15, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Banco Popular North America
RSSD No. 2736291**

**9600 West Bryn Mawr
Rosemont, Illinois 60018**

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

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

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INSTITUTION RATING: Banco Popular North America (“BPNA”) is rated Satisfactory.

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

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

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

The major factors supporting the institution’s rating follow:

- The overall volume of lending related to the Home Mortgage Disclosure Act (“HMDA”) and small businesses reflected adequate responsiveness to the credit needs of BPNA’s assessment areas;
- The overall geographic distribution of lending was excellent;
- BPNA made a relatively high level of community development loans;
- The overall distribution of lending among borrowers of different income levels and businesses of different sizes was adequate;
- BPNA provided a significant level of qualified community development investments and grants;
- Retail delivery systems were readily accessible to geographies and individuals of differing income levels within the assessment areas; and,
- BPNA was a leader in providing community development services throughout its assessment areas.

DESCRIPTION OF INSTITUTION

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

BPNA’s primary lines of business are commercial and retail banking. As of December 31, 2012, BPNA operated 92 branches in five states (New York, New Jersey, Illinois, Florida, and California). The bank’s largest presence is in the combined New York/New Jersey Metropolitan Area and in California, with 65% of all branches located in these states. BPNA’s assets totaled approximately \$8.7 billion and net loans and leases totaled \$5.6 billion, representing 64% of total assets. Domestic deposits totaled \$6 billion, and total real estate loans were \$4.9 billion. Of the total dollar amount of real estate loans, \$1.7 billion, or 35%, were secured by one- to four-family residential properties and \$997 million, or 20%, were secured by multi-family properties of 5 or more residential units.

Assessment Area

BPNA’s assessment area consists of four states and one multi-state Metropolitan Statistical Area (MSA) rated areas. A description of the assessment areas follow:

Multistate MSA

- **MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)**, consisting of:
 - MD 35644 (New York-White Plains-Wayne, NY-NJ), including Bronx, Kings (Brooklyn), New York, and Queens Counties in New York and Hudson and portions of Passaic Counties in New Jersey.
 - MD 35084 (Newark-Union, NJ-PA), including Essex and Union Counties in New Jersey.
 - MD 20764 (Edison-New Brunswick, NJ), including portions of Middlesex County in New Jersey.

State of California

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

State of Florida

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

State of Illinois

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

BPNA has not changed its assessment area since the prior examination. However, assessment area changes have resulted from demographic changes reported in the 2010 U.S. Department of Commerce's Bureau of the Census ("Census") compared to the 2000 Census. Based on the 2010 Census, BPNA's total combined assessment area has 8,830 census tracts, an increase of 609 census tracts from the 2000 Census. The combined assessment area contains 997, or 11%, low-income tracts and 2,401, or 27%, moderate-income tracts, proportions similar to the 2000 Census. BPNA's assessment areas are in compliance with the requirements of 12 CFR §228.41 and do not arbitrarily exclude low- and moderate-income ("LMI") geographies.

Additional assessment area data can be found in Exhibit I. A map illustrating the institution's assessment areas is located in Appendix G.

SCOPE OF EXAMINATION

Procedures

BPNA's CRA performance was reviewed using the Federal Financial Institutions Examination Council's Interagency ("FFIEC") CRA Procedures for Large Retail Financial Institutions, which consist of the lending test, investment test, and service test.

Products

Home purchase, refinance, home improvement, and multi-family loans reportable under HMDA and small business loans reportable under CRA were analyzed. Examiners verified the integrity of the 2011 and 2012 HMDA and small business loan data reported by BPNA and its affiliates. The inclusion of consumer loans is optional under the CRA regulation and BPNA chose not to report consumer loans at this exam. Small farm loans were not analyzed as the volume was insufficient. Multifamily loans qualifying as community development loans were also considered in the evaluation of community development lending.

Exhibit I					
Summary of Key Assessment Area Data					
	Multi-State MSA 35620	State of California	State of Florida	State of Illinois	Totals
Total Population⁴	10,266,675	15,088,318	6,001,593	6,257,748	37,614,334
Population % of AA population	27%	40%	16%	17%	100%
Families	2,316,786	3,376,659	1,410,459	1,474,491	8,578,395
Families % of AA families	27%	39%	16%	17%	100%
Total Census Tracts⁴	2,667	3,408	1,195	1,560	8,830
Tracts % AA tracts	30%	39%	14%	18%	100%
LMI tracts	1,160	1,083	379	635	3,257
LMI tracts % all AA LMI tracts	36%	33%	12%	19%	100%
Total Owner-Occupied Units⁴	1,322,198	2,573,527	1,335,588	1,456,623	6,687,936
Units % of AA units	20%	38%	20%	22%	100%
Business Establishments⁵	527,235	910,627	511,817	295,280	2,244,959
Bus. est. % AA bus. est.	23%	41%	23%	13%	100%
Number of Branches¹	39	21	20	12	92
Branches % all branches	42%	23%	22%	13%	100%
Branches in LMI tracts	26	7	8	5	46
LMI branches % AA LMI branches	57%	15%	17%	11%	100%
Branch Deposits (\$'000s)²	2,961,779	1,248,028	1,135,617	829,198	6,174,622
Deposits % AA deposits	48%	20%	18%	13%	100%
Deposit Market Share (%)/ Rank in Market*	.56%/19	.31%/28	.73%/23	.32%/37	.36%/29
Home Purchase Originations³	29	46	90	32	197
HP originations % AA orig.	15%	23%	46%	16%	100%
Refinance Originations³	83	287	69	81	520
Refi orig. % AA orig.	16%	55%	13%	16%	100%
Home Improvement Originations³	48	46	52	49	195
Home Improvement orig. % AA orig.	25%	24%	27%	25%	100%
Multifamily Originations³	48	149	38	78	313
Multifamily orig. % AA orig.	25%	76%	19%	40%	161%
Small Business Originations³	106	150	138	177	571
SB orig. % AA orig.	19%	26%	24%	31%	100%
Combined Loan Totals	314	678	387	417	1,796
% of AA Orig.	17%	38%	22%	23%	100%

(1) Branch numbers are as of 12/31/2012. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/12. (3) Originations are loans reported under HMDA or CRA Small Business reporting for 2011 and 2012. (4) Demographic information was obtained from the 2010 Census. (5) Business establishments information was reported by Dun & Bradstreet for 2012.

Examination Period

All HMDA-related and small business loans originated between January 1, 2011 and December 31, 2012 were used in the analysis. The integrity of BPNA's HMDA-related and small business loan data was verified by examiners. Loans, investments, philanthropic grants, and services provided between January 1, 2011 and June 30, 2013 were evaluated as qualifying community development activities.

Lending Distribution Analysis

Borrower and geographic loan distribution analyses were based on loan activity in BPNA's assessment areas. BPNA's performance in 2011 was compared to 2000 Census demographic data, while its performance in 2012 was compared to 2010 Census demographic data. To evaluate the geographic distribution, the proportion of home purchase, refinance, and home improvement loan originations was compared to the proportion of owner-occupied housing units located in LMI geographies of the assessment areas. For multi-family loans, the proportion of multi-family loan originations was compared to the proportion of rental housing units located in LMI geographies. For small business loans, the analysis compared the proportion of loan originations with the proportion of businesses located in LMI geographies. Performance in low-income and in moderate-income geographies was analyzed separately. The analysis took into account lending opportunities in low-income census tracts relative to moderate-income tracts as indicated by demographic data and aggregate lending patterns.

To analyze the distribution of home purchase, refinance, and home improvement lending by borrower characteristics, the proportion of originations to LMI borrowers was compared to the proportion of LMI families residing in the assessment area. Income estimates from the U.S. Department of Housing and Urban Development were used to categorize borrower income. Multi-family lending was not applicable for borrower characteristics analysis. For small business lending, BPNA's proportion of loans to businesses with gross annual revenues ("GAR") of \$1 million or less, based on Dun and Bradstreet data, was compared to the proportion of all such businesses located in the assessment area. The size of the small business loans was also used as a proxy to identify lending to businesses with GAR of \$1 million or less.

Borrower and geographic distribution analyses were based on BPNA's 2011 and 2012 performance compared, respectively, to the 2011 and 2012 performance data for the aggregate of all loan reporters in the assessment areas.

Deriving Overall Conclusions

Full scope reviews were conducted for MSAs except for MSA 41740 (San Diego-Carlsbad-San Marcos, CA), which was reviewed as a limited scope assessment area because BPNA has limited branches, branch deposits, and lending in that assessment area.

BPNA's performance in multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) received the most weight in determining the overall rating because of the high concentration of deposits, branches, and lending in this multi-state assessment area. The state of California had the second highest weight in determining the bank's overall rating.

In reaching a conclusion about BPNA's overall performance within an individual assessment area, products were weighted based on their volume in that area. For additional details, see Exhibit 1, which contains a summary of assessment area data for all rated areas.

Demographic and economic information also impacts BPNA's performance context and is discussed in detail within each full scope area. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census 2010, National Association of Realtors, the U.S. Department of Labor, and the U.S. Department of Housing and Urban Development ("HUD").

Community Contacts

In order to learn more about community credit needs, community contact interviews with representatives of community-based organizations were conducted throughout BPNA's assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

Lending Activity

BPNA's lending levels reflect adequate responsiveness to the credit needs of the assessment areas, given the bank's capacity to meet assessment areas credit needs and overall market conditions. This conclusion is based on good performance in the State of California, and adequate performance in the multistate MSA 35620 and in the State of Illinois. Lending activity performance in the State of Florida was considered adequate overall, although MSA 36740 (Orlando-Kissimmee-Sanford, FL) was poor.

During the examination period, BPNA made 2,542 home purchase, refinance, home improvement, multi-family, and small business loans, totaling \$1.2 billion. Comparing BPNA's prior lending activity performance to performance at this examination on an annualized basis, BPNA had an overall decrease in the number of loans originated. The comparison showed that HMDA-related lending increased, while small business lending substantially decreased. It should be noted that the prior evaluation period covered three years of lending, compared to two years for the current evaluation period.

Exhibit II Summary of Lending Activity January 1, 2011 – December 31, 2012				
Loan Type	#	%	\$(000s)	%
Home Purchase	344	14%	\$153,577	13%
Refinancing	996	39%	\$453,110	39%
Home Improvement	216	8%	\$12,221	1%
Multi-Family Housing	334	13%	\$382,379	32%
Total HMDA-related	1,890	74%	\$1,001,287	85%
Total Small Business-related	652	26%	\$175,475	15%
TOTAL LOANS	2,542	100%	\$1,176,762	100%

Assessment Area Concentration

A high percentage of loans originated by BPNA were extended in the bank's assessment areas as detailed in the chart below. The chart indicates adequate distribution of HMDA loans and excellent distribution of small business loans.

Exhibit III Lending Inside and Outside the Assessment Area January 1, 2011 – December 31, 2012								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase	197	57%	\$78,187	51%	147	43%	\$75,390	49%
Refinancing	520	52%	\$201,706	45%	476	48%	\$251,404	56%
Home Improvement	195	90%	\$10,776	88%	21	10%	\$1,445	12%
Multi-Family Housing	313	94%	\$362,029	95%	21	6%	\$20,350	5%
Total HMDA-related	1,225	65%	\$652,698	65%	665	35%	\$348,589	35%
Total Small Business-related	571	88%	\$147,031	84%	81	12%	\$28,444	16%
TOTAL LOANS	1,796	71%	\$799,729	68%	746	30%	\$377,033	32%

Geographic Distribution

The overall geographic distribution of HMDA-related and small business loans reflected excellent penetration throughout the assessment area. This conclusion is based on excellent penetration in the multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and in the State of Illinois, and good penetration in the States of California and Florida. The analysis considered performance context issues, such as the number of owner-occupied units in LMI geographies and the market aggregate's performance. Consideration was given for the very limited lending opportunities available in some assessment areas, as denoted in the low number of loans made by the aggregate.

Borrower Distribution

BPNA overall distribution of loans among borrowers of different income levels and businesses of different sizes was adequate, based on adequate distribution in the multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and in the States of California, Florida, and Illinois. In making this conclusion, consideration was given for the very limited lending opportunities available in some assessment areas, as denoted in the low number of loans made by the aggregate.

Product Innovation

BPNA made some use of innovative or flexible products that served to enhance the level of lending in LMI geographies and LMI borrowers. For example, during the examination period, BPNA offered the Credit Builder Secured Loan Product, which provides customers who have adverse or no credit history with a term loan secured by cash collateral. The product is targeted at developing the customers’ savings practices and improving their credit ratings.

Community Development Lending

BPNA made a relatively high level of community development loans, demonstrating good responsiveness to the community development needs throughout the multi-state MSA 35620 (New York-White Plains-Wayne, NY-NJ) and in the States of California, Florida, and Illinois. As shown in the table below, the bank extended 594 community development loans totaling \$596 million, over a period of 30 months. See Appendix D for details of the composition of community development loans.

On an annualized basis, community development lending increased by 42% in terms of dollar amount, compared to the last examination when the bank made \$502 million over a period of 36 months. New commitments totaled \$433 million, representing 73% of the total activity, and demonstrating BPNA’s continued efforts to fund community development initiatives.

Community Development Lending		
Purpose	#	\$(‘000s)
Affordable Housing	506	\$460,489
Community Services	65	\$100,518
Economic Development	5	\$3,738
Revitalize and Stabilize	18	\$31,053
Total	594	\$595,798

BPNA community development lending primarily targeted affordable housing initiatives, with 77% of the total dollar activity dedicated to this category. According to community contacts, financing for affordable housing, particularly rental units, is an important need in all of BPNA’s assessment areas. BPNA primarily funded affordable housing multifamily projects, with 77% of all community development loans dedicated to affordable housing. Community development lending also targeted community service initiatives, representing 17% of total activity in terms of dollar amount. Community development lending that served to revitalize and stabilize LMI

geographies represented 5% of total activity, while lending for economic development initiatives represented 1% of total activity.

INVESTMENT TEST

BPNA’s performance under the investment test is rated high satisfactory, based on a significant level of qualified investments made in the multi-state MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and in the States of California, Florida and Illinois.

Qualified investments totaled \$57 million, over a period of 30 months. In comparison, during the prior examination, the bank made \$47.5 million in qualified investments, over a period of 36 months. Qualified investments increased by 44% on an annualized basis when compared to investment activity noted at the previous examination. Of the total, \$29.9 million, or 52%, were new investments made during this examination period. Of the total new investments, \$1.5 million were grants and/or donations.

BPNA exhibited adequate responsiveness to credit and community development needs, although the bank made rare use of complex investments to support community development initiatives. Qualified investments primarily targeted

Investment Purpose	#	\$(‘000s)
Affordable Housing	51	54,873
Community Services	289	1,791
Economic Development	32	316
Revitalize & Stabilize	7	23
Total	379	57,003

affordable housing initiatives, mostly through investments in mortgage-backed securities (“MBS”). Of the total qualified investments, \$54.9 million, or 96%, were MBS, which are not considered innovative or complex. While MBS are qualified investments that provide some liquidity to the market, they are viewed qualitatively as less responsive to community development needs of LMI communities than more direct investments.

Community services activity totaled \$1.8 million or 3% of total investment activity, revitalization and stabilization activity totaled \$23 thousand or less than 1%, and economic development activity, through investments in small businesses or organizations that support small businesses, totaled \$316 thousand or approximately 1% of total activity.

Since BPNA adequately addressed the community development needs of its various assessment areas, consideration was given to qualified investments made in BPNA’s broader statewide area that includes the assessment area. As such, the review of BPNA’s performance in the various assessment areas included statewide qualified investment activity.

Details of qualified investments may be found in Appendix E.

SERVICE TEST

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

Retail Services

BPNA's branches were readily accessible to BPNA's geographies and individuals of different income levels throughout the assessment areas. As of December 31, 2012 BPNA operated 92 branches. Of the total branches, 11, or 12%, were located in low-income tracts and 34, or 37%, were in moderate-income tracts, comparing very favorably to the overall assessment area population. According to the 2010 Census, 10% of the overall population resides in low-income areas and 29% resides in moderate-income areas.

BPNA closed and relocated some branches during the evaluation period, but the changes generally did not adversely affect overall accessibility of delivery systems. During the evaluation period, BPNA closed five branches, of which three were in LMI areas. BPNA also relocated three branches, of which one was in a moderate-income tract and was moved to an upper-income tract.

Extended morning, evening, and Saturday hours were widely scheduled and tailored to the convenience and needs of the assessment areas, particularly LMI geographies and/or LMI individuals. All of BPNA's branches had extended morning, evening and/or Saturday hours.

Alternative delivery systems enhanced BPNA's performance. BPNA provides services through a web-site that is available in both English and Spanish, toll-free telephone, on-line banking, daily account reporting via email or fax, mobile check deposits, and account alert via email and text messaging. BPNA also operated three off-site ATMs and has a business relationship with a third party vendor that allows BPNA's customers to use free of charge a network of over 5,000 ATMs inside of BPNA's assessment areas, of which 34% are in LMI areas.

Community Development Services

BPNA was a leader in providing community development services throughout its assessment areas. During the evaluation period, BPNA provided approximately 1087 community development services, an increase of 117% compare to the prior examination period. Qualified services primarily consisted of sponsoring and participating in a significant number of financial literacy seminars targeting LMI individuals and providing financially-related technical services to community organizations throughout the assessment areas.

Community Development Services	
Financial Literacy Seminars	865
Technical Assistance	126
Small Business Seminars	87
Mortgage Education Seminars	9
Total	1,087

In addition, a total 73 BPNA management and staff provided 247 qualified service activities by serving as board members or acting as key committee members of 121 community development organizations that covered a wide spectrum of activities, including economic and business development, affordable housing, education, health services and numerous other activities that aid LMI individuals.

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

- BPNA offers a free checking account that has no minimum balance requirement. This account offers free access to more than 35,000 ATMs nationwide, a free debit card, and free online and mobile banking with bill pay.
- In conjunction with the New York City Department of Consumer Affairs, BPNA offers the NYC Safe Start Savings Account, which is part of NYC's program to integrate under-banked individuals into the financial system. This account is a safe and affordable starter savings account, requiring a low minimum balance, with no monthly fees provided that the minimum balance is met. Customers have unlimited free access to BPNA ATMs.
- BPNA offers a free checking account for small businesses that requires no minimum balance, has no monthly fee, and provides unlimited BPNA ATM access. The account is offered throughout BPNA's assessment areas.
- BPNA partnered with Operation HOPE, a nonprofit with a mission to serve the underserved and struggling middle class, providing financial literacy to local communities. Since 2011, BPNA employees have served as classroom volunteers at the schools within LMI communities on numerous occasions. BPNA management also served on the board of Operation HOPE.
- In partnership with NBC New York and the New York Daily News, BPNA launched a community-based financial education initiative named PopTips, which offered a series of financial educational seminars in the Greater New York City area, primarily targeting LMI individuals and communities.
- BPNA maintains a partnership with Junior Achievement across its various assessment areas. Bank employees volunteer in schools located in LMI areas or in schools where a significant majority of students are eligible for the free or reduced lunch, teaching various business subjects. BPNA management also functioned as board members at several Junior Achievement offices in various cities throughout BPNA's assessment areas.
- BPNA management and staff act as board and committee members for an alternative lending organization dedicated to providing micro-financing credit and other business services to small business owners who do not have access to traditional sources of financing.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB). In general, the Dodd-Frank Act gives the CFPB, among other things, primary supervisory authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of Federal consumer financial laws. The Federal Reserve, however, retains authority to enforce compliance with BPNA's CRA and certain other consumer compliance laws and regulations.

During the review period of this evaluation, the Federal Reserve did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve's evaluation of the bank's CRA performance. As of the date of this report, the Federal Reserve is unaware of any violations of ECOA, Regulation B or UDAAP identified by the CFPB.

MULTISTATE METROPOLITAN AREA

(FULL REVIEW)

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

CRA RATING FOR MULTISTATE MSA 35620: SATISFACTORY

The lending test is rated: Low Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: Outstanding

The major factors supporting the rating include the following:

- Lending levels reflect adequate responsiveness to assessment area credit needs;
- Excellent geographic distribution of loans in the assessment area;
- A relatively high level of community development lending;
- Adequate distribution of loans among individuals of different income levels and businesses of different revenue sizes;
- A significant level of qualified investments;
- Readily accessible retail delivery systems to geographies and individuals of different income levels; and,
- Leadership in providing community development services in the assessment area.

SCOPE OF EXAMINATION

Examiners conducted a full-scope review of multi-state MSA 35620 (New York, Northern New Jersey-Long Island, NY-NJ-PA) based on deposit concentration, lending volume, and branch office network. As shown in Exhibit I, activities in multi-state MSA made up a significant proportion of BPNA's operations, with 48% of the bank's deposits, 42% of branches, and 17% of assessment areas loans. As such, this assessment area was weighted most heavily when deriving BPNA's overall CRA ratings.

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2012, BPNA had 39 branch locations in MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA), representing over a third of the bank's total branch network. A total of 26, or 67%, of BPNA's branches in the multi-state MSA are located in LMI census tracts. Based on the Federal Deposit Insurance Corporation ("FDIC") Deposit Market Share Report, BPNA held 48% of its total deposit base in the multi-state MSA, as of June 30,

2012. Of the bank's total HMDA-related and small business originations made in the assessment areas, BPNA made 17% of lending in the multi-state MSA.

MSA 35620 is a highly competitive market, and home to some of the largest banking institutions in the United States. BPNA captured a deposit market share of 0.56%, ranking 19th in deposits among the 231 depository institutions operating in this assessment area.

PERFORMANCE CONTEXT

The following demographic and economic information was used to describe the assessment area and to evaluate the context in which BPNA operates. The information was obtained from publicly available sources, including the 2000 and 2010 Census, the U.S. Department of Labor ("DOL"), the U.S. Department of Housing and Urban Development ("HUD"), the National Association of Realtors ("NAR"), and the New York City Department of Housing Preservation and Development ("HPD").

Demographic Characteristics

BPNA's assessment area in multistate MSA 35620 consists of portions of three metropolitan divisions: MD 35644 (New York, White Plains, Wayne NY-NJ), MD 35084 (Newark-Union, NJ-PA), and MD 20764 (Edison-New Brunswick, NJ). According to the 2010 Census, the population of the assessment area was approximately 10.1 million, with 86% located in MD 35644 (New York, White Plains, Wayne, NY-NJ), which primarily consists of the city of New York.

New York City is the most populous city in the United States, with an estimated 2010 population of 8.2 million. According to the 2010 Census, the population of New York City slightly increased by 2% compared to the 2000 Census population data. New York City population alone accounts for about 40% of the total population of the state of New York. New York City is a very diverse area, resulting from the city historically serving as a primary point of entry into the U.S. for immigrants, who tend to have lower incomes. The 2010 Census reports the number of foreign born people residing in New York City at slightly less than 3 million or 37% of the area's total population. Additionally, about 40% of New York City's three million households are non-family households, which also tend to have lower incomes.

Approximately, 49% of the assessment area population resides in LMI geographies, which are concentrated in New York City. According to the 2010 Census, LMI census tracts are concentrated in western Queens, northern Brooklyn, upper Manhattan, and Bronx County in New York, as well as the eastern portions of Passaic, Essex, Union and Hudson Counties in New Jersey. The 2010 Census data reported that assessment area demographic characteristics were unchanged, when compared to the 2000 Census data. According to the 2010 Census, there are 2,667 census tracts located in MSA 35620, of which 1,164 or 44% are LMI tracts; whereas, under the 2000 Census, there were 2,700 census tracts, of which 1,207 or 45% were LMI tracts.

Assessment Area Demographics
Assessment Area: MSA 35620

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	403	15.1	381,859	16.5	135,261	35.4	698,698	30.2
Moderate-income	761	28.5	718,670	31.0	138,222	19.2	402,082	17.4
Middle-income	777	29.1	647,396	27.9	59,175	9.1	395,460	17.1
Upper-income	661	24.8	568,728	24.5	21,515	3.8	820,546	35.4
Unknown-income	65	2.4	133	0.0	44	33.1	0	0.0
Total Assessment Area	2,667	100.0	2,316,786	100.0	354,217	15.3	2,316,786	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	%
Low-income	635,581	60,020	4.5	9.4	515,078	81.0	60,483	9.5
Moderate-income	1,214,253	258,087	19.5	21.3	849,708	70.0	106,458	8.8
Middle-income	1,098,022	451,793	34.2	41.1	563,199	51.3	83,030	7.6
Upper-income	1,206,825	552,246	41.8	45.8	528,978	43.8	125,601	10.4
Unknown-income	518	52	0.0	10.0	375	72.4	91	17.6
Total Assessment Area	4,155,199	1,322,198	100.0	31.8	2,457,338	59.1	375,663	9.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	%
Low-income	56,207	10.7	48,694	10.6	3,649	9.1	3,864	14.7
Moderate-income	115,322	21.9	102,316	22.2	6,077	15.1	6,929	26.4
Middle-income	123,116	23.4	109,384	23.7	7,820	19.5	5,912	22.6
Upper-income	218,091	41.4	189,053	41.0	19,997	49.7	9,041	34.5
Unknown-income	14,499	2.8	11,396	2.5	2,652	6.6	451	1.7
Total Assessment Area	527,235	100.0	460,843	100.0	40,195	100.0	26,197	100.0
Percentage of Total Businesses:				87.4		7.6		5.0

Based on 2010 ACS Information and 2012 Dun and Bradstreet data.

Income Characteristics

Of the 2.3 million families in the assessment area, 30% are considered low-income, 17% are moderate-income, and 15% have incomes below the poverty level. According to HUD data, median family incomes (“MFI”) throughout this assessment area increased from 2011 to 2012. As shown in the table to the right, there is a wide disparity in income levels across the MSA. For example, in MD 20764, the MFI was \$105,000 in 2012 compared to a MFI of \$65,000 in New York City in 2012.

HUD MEDIAN FAMILY INCOMES		
Area	2011	2012
MD 35644 (New York City)	\$64,200	\$65,000
Bergen, Passaic Counties, NJ	\$93,300	\$94,600
MD 35084	\$89,500	\$90,700
MD 20764	\$103,600	\$105,000
<i>State of New York</i>	<i>\$70,400</i>	<i>\$71,400</i>
<i>State of New Jersey</i>	<i>\$88,200</i>	<i>\$89,400</i>

According to the 2010 Census, 19% of all persons residing in New York City are living below the poverty level, compared to the national average of 15% of all Americans living below the poverty. Poverty in the Bronx County is even more concentrated, with 26% of families living below the poverty level. Therefore, community development activities that target LMI individuals and families are particularly important in New York City.

Housing Characteristics

According to the 2010 Census, the multistate-MSA assessment area contains 4.2 million housing units, of which 1.3 million, or 32%, are owner-occupied. Of the available owner-occupied housing units, 24% are located in LMI areas. During the examination period, housing prices increased slightly. According to NAR, the median sales price for existing single-family homes in MD 35644 was \$442,600 in 2011 and \$445,600 in 2012.

Low-income and high poverty in New York City, particularly outside of Manhattan, make it difficult for LMI families and many middle-income families in the assessment area families to afford homes. In 2012, the median housing cost in MD 35644 was nearly 14 times the MFI for low-income borrowers and about 9 times the MFI for moderate-income borrowers. In MD 35084 (Newark-Union, NJ-PA), the median housing cost was nearly eight times the MFI for low-income borrowers and 5 times the MFI for moderate-income borrowers. In MD 20764 (Edison-New Brunswick, NJ), the median housing cost was nearly 6 times the MFI for low-income borrowers and 4 times the MFI for moderate-income borrowers.

MSA 35620 has a shortage of affordable rental housing. Community contacts identified affordable rental housing as a pressing need in this assessment area, particularly as an aftermath of the housing crisis that suppressed the home purchase market. There is an increasing gap between renter incomes and the cost of rental housing. About 48% of rental stock is rent stabilized and 2% is subject to rent control. In addition, nearly one in five residential units are either subsidized under one of the major government construction or rehabilitation programs or located in public housing.

Labor, Employment and Economic Characteristics

New York City is the main economic center of MSA 35620, and is a global hub of international business and commerce. The city is a major center for finance, insurance, and real estate in the U.S. Many major corporations are headquartered in New York City, including 43 Fortune 500 companies. New York City is also unique among U.S. cities for its large number of foreign corporations. The city is home to the world's largest international community, including the United Nations, and almost 2,000 foreign-based companies. More Fortune 500 financial services companies are headquartered in New York City than in any other U.S. city, and 18 of the top 20 foreign-owned banks have their U.S. headquarters in this city.

As summarized in the chart at right, overall unemployment rates remain high as the area comes out of the recession brought on by the 2008 financial crisis. Unemployment levels varied within the assessment area, with higher unemployment rates in Essex and Passaic Counties, NJ.

Annual Unemployment Rates		
Area	2011	2012
MD 35644 (New York City)	9.1%	8.8%
Essex County, NJ	10.9%	10.8%
Union County, NJ	9.7%	9.7%
Bergen County, NJ	8.0%	8.1%
Middlesex County, NJ	8.4%	8.5%
Passaic County, NJ	11.2%	11.3%
<i>State of New York</i>	8.2%	8.2%
<i>State of New Jersey</i>	9.1%	9.5%
<i>Source: Bureau of Labor Statistics</i>		

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

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

LENDING TEST

BPNA’s performance under the lending test in MSA 35620 is rated low satisfactory. This conclusion is based on adequate lending activity performance, excellent geographic distribution performance, adequate borrower distribution performance, and a relatively high level of community development loans. Some of the data used to evaluate BPNA’s performance in this MSA assessment area appears in Exhibit IV.

Lending Activity

BPNA’s lending levels in MSA 35620 reflect adequate responsiveness to assessment area credit needs. This conclusion was based on consideration of the bank’s lending levels, market share, and performance compared to peer banks and market aggregate. For the two-year evaluation period, BPNA made 314 loans in MSA 35620 consisting of 29 home purchase, 83 refinance, 48 home improvement, 48 multi-family, and 106 small business loans. BPNA lending volumes declined by 21% compared to the prior two-year period, when lending activity totaled 397 loans consisting of 35 home purchase, 110 refinance, 53 home improvement, 2 multi-family, and 197 small business loans. Comparison to the aggregate of all lenders in the assessment area indicated that while BPNA’s lending activity decreased, the aggregate’s lending activity increased.

Since the prior examination period, BPNA’s market share of deposits in the assessment area decreased, while its market share of lending was relatively stable, with the exception of home improvement lending, which increased. In 2012, BPNA had a deposit market share of 0.56%, and lending market share of 0.05% in home purchase lending, 0.06% in refinance lending, 1.02% in home improvement lending, 0.90% in multi-family lending, and 0.02% in small business lending. In comparison, in 2010, the deposit market share was 0.74% and lending market share was 0.04% in home purchase lending, 0.06% in refinance lending, 0.23% in home improvement lending, and 0.06% in small business lending. Peer comparisons of the number of loans

originated per million dollars of deposits indicated that BPNA’s performance is generally consistent with the lending volume of similarly-situated banks in the assessment area.

Geographic Distribution

BPNA’s overall geographic distribution of loans reflects excellent penetration throughout the MSA 35620 assessment area. This lending performance is based on the bank’s excellent lending penetration in LMI geographies. The table below summarizes the lending performance in LMI geographies by loan product.

Low-Income Geographies

BPNA’s performance in low-income geographies in MSA 35620 was excellent. In 2012, BPNA made 9% of its home purchase, 7% of its refinance, 24% of its home improvement, and 22% of its multi-family loans in low-income geographies, exceeding the aggregate’s performance of 6% of its home purchase loans, 3% of its refinance loans, 4% of home improvement loans, and 15% of its multi-family loans. The bank’s HMDA lending also compares favorably to the demographics of the assessment area, which indicate that 5% of the available owner-occupied housing units and 21% of rental properties are located within low-income geographies.

MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Adequate	Significantly Above	Poor	Significantly Below
Refinance	Good	Significantly Above	Excellent	Significantly Above
Home Improvement	Excellent	Significantly Above	Excellent	Significantly Above
Multi-family	Excellent	Above	Excellent	Above
Small Business	Excellent	Significantly Above	Excellent	Significantly Above

In 2012, BPNA originated 23% of its small business loans in low-income geographies, which was significantly above the aggregate’s performance of 8% of small business loans in low-income geographies. Small business lending also exceeded the demographics, with 11% of small businesses operating in low-income areas.

Overall HMDA performance in 2011 was less favorable compared to 2012 performance, as BPNA did not make any home purchase or refinance loans and only three home improvement

Exhibit IV
2012 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 35620

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	2	8.7%	3.7%	5.6%	4.1%	0	0.0%	0.0%	2.1%	0.8%
Moderate	2	8.7%	1.8%	17.9%	13.8%	0	0.0%	0.0%	10.9%	5.1%
Middle	2	8.7%	2.9%	29.6%	23.5%	3	13.0%	2.2%	20.6%	13.5%
Upper	17	73.9%	91.6%	46.7%	58.1%	1	4.3%	0.3%	55.2%	68.6%
Unknown	0	0.0%	0.0%	0.3%	0.6%	19	82.6%	97.5%	11.1%	12.0%
Total	23	100.0%	100.0%	100.0%	100.0%	23	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	4	7.0%	2.6%	3.0%	2.5%	4	7.0%	1.4%	2.7%	1.4%
Moderate	12	21.1%	8.3%	12.3%	9.4%	10	17.5%	4.6%	7.6%	4.0%
Middle	12	21.1%	10.2%	26.3%	20.2%	7	12.3%	4.5%	16.3%	10.8%
Upper	29	50.9%	78.9%	58.2%	67.3%	11	19.3%	8.8%	60.4%	70.7%
Unknown	0	0.0%	0.0%	0.2%	0.5%	25	43.9%	80.7%	13.0%	13.1%
Total	57	100.0%	100.0%	100.0%	100.0%	57	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	8	23.5%	24.2%	4.3%	2.4%	5	14.7%	5.7%	5.1%	0.8%
Moderate	16	47.1%	64.8%	17.8%	9.4%	8	23.5%	5.7%	13.0%	3.8%
Middle	7	20.6%	4.5%	30.2%	22.8%	9	26.5%	18.9%	21.0%	8.7%
Upper	3	8.8%	6.5%	47.6%	65.3%	10	29.4%	45.2%	51.7%	49.9%
Unknown	0	0.0%	0.0%	0.1%	0.1%	2	5.9%	24.6%	9.2%	36.8%
Total	34	100.0%	100.0%	100.0%	100.0%	34	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	7	21.9%	26.2%	15.3%	13.3%	0	0.0%	0.0%	0.0%	0.0%
Moderate	15	46.9%	37.0%	33.0%	23.6%	0	0.0%	0.0%	0.0%	0.0%
Middle	9	28.1%	15.8%	20.3%	17.5%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	3.1%	21.0%	31.3%	45.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.1%	0.1%	32	100.0%	100.0%	100.0%	100.0%
Total	32	100.0%	100.0%	100.0%	100.0%	32	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	21	14.4%	15.5%	4.2%	4.7%	9	6.2%	0.5%	2.5%	1.0%
Moderate	45	30.8%	23.1%	14.9%	13.1%	18	12.3%	1.3%	8.7%	3.7%
Middle	30	20.5%	11.6%	27.4%	21.0%	19	13.0%	2.0%	17.5%	10.0%
Upper	50	34.2%	49.7%	53.3%	60.8%	22	15.1%	3.2%	57.0%	58.6%
Unknown	0	0.0%	0.0%	0.2%	0.5%	78	53.4%	93.0%	14.3%	26.7%
Total	146	100.0%	100.0%	100.0%	100.0%	146	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	10	22.7%	21.1%		8.1%	8.6%				
Moderate	14	31.8%	30.8%		17.8%	16.8%				
Middle	13	29.5%	30.3%		23.4%	23.4%				
Upper	6	13.6%	13.1%		46.4%	45.8%				
Unknown	1	2.3%	4.8%		3.0%	4.5%				
Tract Unknown	0	0.0%	0.0%		1.4%	1.0%				
Total	44	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	10	22.7%	8.1%		38.6%	30.3%				
By Loan Size										
\$100,000 or less	16	36.4%	7.9%		95.5%	39.6%				
\$100,001-\$250,000	15	34.1%	23.1%		2.0%	12.0%				
\$250,001-\$1 Million	13	29.5%	69.0%		2.5%	48.4%				
Total	44	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

loans in low-income tracts. However, multi-family lending and small business lending in 2011 was comparable to 2012.

Moderate-Income Geographies

BPNA's performance in moderate-income geographies was excellent, despite poor home purchase performance. In 2012, BPNA made 9% of its home purchase, 21% of its refinance, 47% of its home improvement, and 47% of its multi-family loans in moderate-income geographies. BPNA's home purchase lending in moderate-income geographies was significantly below the aggregate's home purchase lending of 18%, but its refinance, home improvement, and multi-family lending exceeded the aggregate's lending of 12% for refinance loans, 18% for home improvement loans, and 33% for multi-family loans. BPNA's refinance, home improvement, and multi-family loan performance also compares favorably to the demographics of the assessment area, which indicate that 20% of the available owner-occupied housing units and 35% of rental properties are located within moderate-income geographies.

BPNA originated 32% of its small business loans in moderate-income geographies, which was significantly above the aggregate's performance of 18%. The bank's small business performance in moderate-income geographies also exceeded the demographics, with 22% of all small businesses operating in moderate-income areas. Performance in HMDA and small business lending in 2011 was comparable to 2012 performance.

Distribution by Borrower Income and Revenue Size of the Business

BPNA's distribution of lending among customers of different income levels and businesses of different sizes in the MSA 35620 assessment area reflects adequate penetration. Overall, HMDA lending to low-income borrowers and lending to small businesses was adequate, while HMDA lending to moderate-income borrowers was excellent. Multi-family lending performance was not applicable for the borrower characteristics analysis. The table on the next page summarizes the lending performance by loan product.

Low-Income Borrowers

BPNA's HMDA lending to low-income borrowers in MSA 35620 was adequate. In 2012, BPNA made no home purchase loans, and 7% of its refinance loans and 15% of its home improvement loans to low-income borrowers, compared to the demographic of 30% of low-income families in the assessment area. BPNA's home purchase lending was significantly below the aggregate's lending, while its refinance and home improvement lending was significantly above the aggregate's lending. The aggregate made 2% of its home purchase loans, 3% of its refinance loans, and 5% of its home improvement loans to low-income borrowers.

HMDA lending performance to low-income borrowers in 2011 was comparable to performance in 2012.

MSA 35620 (NY-Northern NJ-Long Island, NY-NJ-PA)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Very Poor	Significantly Below	Adequate	Significantly Below
Refinance	Adequate	Significantly Above	Excellent	Significantly Above
Home Improvement	Good	Significantly Above	Excellent	Significantly Above
	Lending to Businesses with GAR <= \$1 million		2012 Aggregate Comparison	
Small Business	Adequate		Below	

Moderate-Income Borrowers

BPNA’s HMDA lending to moderate-income borrowers in the MSA 35620 assessment area was excellent. In 2012, the bank made no home purchase loans, and 18% of its refinance loans and 24% of its home improvement loans to moderate-income borrowers, compared to the demographic of 17% of moderate-income families in the assessment area. BPNA’s home purchase lending was significantly below the aggregate’s lending, while its refinance and home improvement lending was significantly above. The aggregate made 11% of its home purchase, 8% of its refinance loans, and 13% of its home improvement loans to moderate-income borrowers.

HMDA lending performance to moderate-income borrowers in 2011 was comparable to 2012 performance.

Small Business Lending

BPNA provided an adequate level of lending to small business borrowers with GAR of \$1 million or less. In 2012, the bank made 23% of its small business loans to these businesses, compared to the 87% of business establishments in the MSA with GAR of \$1 million or less. Small business lending was below the aggregate, which made 39% of its small business loans to businesses with GAR of \$1 million or less. The bank made 36% of its small business loans in amounts of \$100,000 or less, which was significantly below the aggregate, which made 96% of its small business loans in amounts of \$100,000 or less. The average loan size was \$239,000.

Small business lending performance in 2011 was less favorable than performance in 2012.

Community Development Lending

BPNA made a relatively high level of community development loans in MSA 35620. In this assessment area, BPNA extended 103 community development loans, totaling \$148 million or 25% of the bank’s total community development lending. New commitments totaled \$109 million or 74% of community development lending in the multistate MSA. Of the total community development lending in the multi-state MSA, 92% were made in New York State, while 8% were made in New Jersey. The assessment area also benefitted from \$226 thousand of community development loans made in the broader statewide or regional area that includes the assessment area. Community development lending in MSA 35620 increased by 16% on an annualized basis compared to the last examination.

Community Development Lending		
Purpose	#	\$(‘000s)
Affordable Housing	52	90,025
Community Services	43	49,407
Revitalize and Stabilize	6	8,020
Economic Development	2	100
Total	103	147,552

BPNA’s community development lending was slightly less favorable when compared to similarly-situated retail banks operating in the assessment area. BPNA’s level of community development lending as a percentage of assessment area deposits ranked 5th among seven peer banks.

Community development lending in the MSA 35620 assessment area targeted affordable housing and community service activities with 61% and 34% of community development lending, respectively. The following are examples of community development loans that met critical needs in the assessment area:

- 27 multifamily loans, totaling \$53 million, for properties that are considered affordable housing within the MSA. The properties provided 760 units of housing. Rents from these properties are affordable to LMI individuals.
- Three commercial mortgage loans, totaling \$6.2 million, to acquire and renovate a warehouse building in Brooklyn, NY, converting it into a 206 bed shelter for the homeless.
- A \$1 million line of credit to a nonprofit corporation that provides home health care services to LMI individuals. The majority of clients receive funding from Medicaid. The line of credit provides temporary funding for working capital needs until funding is received from the NY State Department of Human Resources.
- A \$1.6 million loan to acquire an 8,500 square foot commercial building. The building will be renovated and converted into a supermarket serving a moderate-income area of Queens County, NY. There is currently no other supermarket within a ten block radius.

The supermarket will help revitalize the moderate-income area by providing jobs and needed services for the LMI residents.

INVESTMENT TEST

BPNA’s performance in MSA 35620 under the investment test is rated high satisfactory. The bank made a significant level of qualified community development investments and grants in MSA 35620, with \$18 million of qualified investments dedicated to activities inside MSA 35620 and \$4.5 million to the broader statewide area that includes the assessment area. Total qualified investments made in MSA 35620 plus the broader statewide area accounted for 40% of BPNA’s total qualified investments.

On an annualized basis, qualified investments increased by 38% compared to the last examination, when BPNA made \$19.5 million in investments.

Qualified Investments MSA 35620		
Purpose	#	\$(‘000s)
Affordable Housing	12	17,348
Community Services	88	555
Economic Development	6	107
Revitalize & Stabilize	5	10
Total	111	18,020

BPNA’s level of qualified investments was comparable to that of similarly-situated retail banks operating in the assessment area. BPNA’s level of qualified investments as a percentage of assessment area deposits ranked 3rd among eight peer banks.

BPNA exhibited adequate responsiveness to the credit and community development needs in the assessment area. Investment activities primarily targeted affordable housing through investments in MBS. Of the total qualified investments made in this assessment area, \$674 thousand consisted of charitable donations made to community development organizations. The following are examples of qualified investments that met critical needs in the assessment area:

- A \$100 thousand certificate of deposit in a community development financial institution located in a moderate-income census tract.
- A \$10 million MBS to provide subsidized housing to moderate-income workers who receive government subsidies.
- \$84 thousand in donations to a community organization that supports education, housing and economic development for LMI individuals.

SERVICE TEST

BPNA’s overall performance on the service test in multistate MSA 35620 is rated outstanding, based on readily accessible delivery systems and an excellent level of community development services in the assessment area.

Retail Services

BPNA's delivery systems were readily accessible to geographies and individuals of different income levels in the assessment area. As December 31, 2012, BPNA operated 39 branches in this multi-state MSA, of which 10, or 26%, were located in low-income areas and 16, or 41%, were in moderate-income areas. This compares very favorably to 17% and 31% of the MSA population residing in low- and moderate-income areas, respectively. Alternative delivery systems enhanced BPNA performance. The bank had one off-site ATM in a low-income census tract in this assessment area.

While changes in branch locations during the evaluation period did not adversely affect the accessibility of its delivery systems, BPNA closed one branch that was located in a low-income tract and relocated another branch from a moderate-income area to an upper income area. No branches were opened in this assessment area during the evaluation period.

BPNA's business hours and services are tailored to the convenience and needs of the assessment area, particularly to LMI geographies and/or LMI individuals. All of the total 39 branches in the MSA have extended late evening and Saturday hours.

Community Development Services

BPNA was a leader in providing community development services throughout multistate MSA 35620. BPNA provided 404 qualified services, compared to 253 qualified services during the prior examination. Community development services primarily consisted of financial literacy seminars to LMI individuals. In 2012, BPNA, in partnership with NBC New York and the New York Daily News, launched a community-based financial education initiative that offered a series of financial educational seminars in the Greater New York City area.

Additionally, 20 BPNA management and staff, provided 70 qualified service activities. BPNA staff provided financial management expertise and technical assistance by serving as board or committee members to 36 community development organizations. Examples of community development services include:

Community Development Services	
Financial Literacy Seminars	357
Technical Assistance	2
Small Business Seminars	45
Total	404

- A BPNA Senior Vice President served as a board member of an alternative lending organization dedicated to providing credit and other business services to small business owners who do not have access to traditional sources of financing.
- A BPNA Vice President served as a board member of a community-based organization located an area of Brooklyn, NY that has high unemployment, under-employment, and poverty. The organization offers anti-hunger and education programs to the community.

- A BPNA Senior Vice President served as board chairman of an organization that provides affordable housing in Staten Island, NY. The organization owns and operates a HUD financed multifamily housing project for the elderly.

STATE OF CALIFORNIA

CRA RATING FOR CALIFORNIA: SATISFACTORY

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: Outstanding

The major factors supporting the rating include:

- Lending levels reflect good responsiveness to assessment areas credit needs;
- Good geographic distribution of loans in the assessment areas;
- Adequate distribution of loans among individuals of different income levels and businesses of different revenue sizes;
- A relatively high level of community development lending;
- A significant level of qualified investments;
- Readily accessible retail delivery systems to geographies and individuals of different income levels; and,
- Leadership in providing community development services in the State of California.

SCOPE OF EXAMINATION

Performance ratings for the State of California were based on performance in MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA), the only full scope assessment area based on deposit concentration, lending volume, and branch office network. As shown in Exhibit V, BPNA's activities in MSA 31100 comprise of 99% of deposits, 88% of loans, and 95% of branches in the State of California. A limited scope review was conducted of MSA 41740 (San Diego-Carlsbad-San Marcos, CA), which includes portions of San Diego County.

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPNA maintains its second largest branch presence and deposit base in the State of California. As detailed in Exhibit I, as of December 31, 2012, BPNA operated 21, or 23%, of its branches in California. Seven, or 33%, of branches in California are located in LMI census tracts. The FDIC reported that as of June 30, 2012, 20% of all BPNA deposits were held in the California assessment areas. BPNA had 0.31% of the deposit market share, ranking 28th in the State. California also accounted for the largest proportion of BPNA's lending activity, with 38% of all loans being originated within the State during the review period.

EXHIBIT V: Summary of Key Assessment Area Data: State of California			
	MSA 31100	MSA 41740	TOTALS
Total Population⁴	12,828,837	2,259,481	15,088,318
Population % of AA population	85%	15%	100%
Families	2,869,560	507,099	3,376,659
Families % of AA families	85%	15%	100%
Total Census Tracts⁴	2,929	479	3,408
Tracts % AA tracts	86%	14%	100%
LMI tracts	1,070	150	1,220
LMI tracts % all AA LMI tracts	88%	12%	100%
Total Owner-Occupied Units⁴	2,151,123	422,404	2,573,527
Units % of AA units	84%	16%	100%
Business Establishments⁵	769,127	141,500	910,627
Bus. est. % AA bus. est.	84%	16%	100%
Number of Branches¹	20	1	21
Branches % all branches	95%	5%	100%
Branches in LMI tracts	7	0	7
LMI branches % AA LMI branches	100%	0%	100%
Branch Deposits (\$'000s)²	1,234,965	13,063	1,248,028
Deposits % AA deposits	99%	1%	100%
Deposit Market Share (%) / Rank in Market	.36% /27	.02% /54	.31% /28
Home Purchase Originations³	41	5	46
HP originations % AA orig.	89%	11%	100%
Refinance Originations³	258	29	287
Refi orig. % AA orig.	90%	10%	100%
Home Improvement Originations³	45	1	46
Home Improvement orig. % AA orig.	98%	2%	100%
Multifamily Originations³	116	33	149
Multifamily orig. % AA orig.	78%	22%	100%
Small Business Originations³	139	11	150
SB orig. % AA orig.	93%	7%	100%
Combined Loan Totals	599	79	678
% of AA Orig.	88%	12%	100%

(1) Branch numbers are as of 12/31/2012. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/12. (3) Originations are loans reported under HMDA or CRA Small Business reporting for 2011 and 2012. (4) Demographic information was obtained from the 2010 Census. (5) Business establishments information was reported by Dun & Bradstreet for 2012.

METROPOLITAN AREA

(FULL REVIEW)

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

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2012, BPNA maintains its most significant presence in California in MSA 31100, with 20 branches operating in this assessment area. Seven, or 35%, of branches in the MSA, are located in LMI geographies. The area has many large and regional financial institutions that provide significant competition within the MSA, limiting BPNA's market share. The top five institutions operating in the MSA account for approximately 59% of the deposit market share. As of June 30, 2012, BPNA's offices within this MSA held \$1.2 billion in deposits, representing 0.36% of the market share of total deposits and ranking 27th in deposit among 150 depository institutions in the MSA.

BPNA reduced its branch presence in the MSA by closing three branches during the review period, all of which were located in Los Angeles County. Two of the three closed branches were located in LMI geographies.

PERFORMANCE CONTEXT

The following demographic and economic information was used to describe the assessment area and to evaluate the context in which BPNA operates. The information was obtained from publicly available sources, including the 2000 and 2010 Census, DOL, HUD, and the California Association of Realtors.

Demographic Characteristics

MSA 31100 encompasses a large geographic area in Southern California, and includes Los Angeles and Orange Counties. The MSA is the second largest by population in the nation and includes the cities of Los Angeles, Long Beach, Santa Ana, Anaheim, Irvine, and Glendale. According to the 2010 Census, there are 2,929 census tracts located in MSA 31100, of which 1,070 or 37% are LMI tracts.

The MSA population is approximately 13 million, accounting for 34% of the State of California's population. Approximately, 37% of the assessment area population resides in LMI geographies. Los Angeles County is ranked the most populous county in the nation, and Orange County ranked sixth nationwide, in population by county. The population of the MSA continues to grow and was ranked third nationwide in numeric population increase for the period of July 2011 through July 2012.

The MSA is culturally diverse with approximately 36% of residents, who are foreign-born. Residents from Latin America and Asia comprise the two largest groups within the foreign-born

population. About 57% of residents speak a language other than English, with Spanish being the most common second language in the region.

Income Characteristics

According to HUD, the 2012 estimated MFI was \$64,800 in Los Angeles County and \$85,300 in Orange County. There are 2.9 million families in the assessment area, of which 24% are considered low-income, 17% are considered moderate-income, and 11% have incomes below the poverty level. The percentage of families with incomes below the poverty level has decreased from 13% as reported under the 2000 Census.

Assessment Area Demographics Assessment Area: MSA 31100

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	245	8.4	193,207	6.7	65,411	33.9	675,997	23.6	
Moderate-income	825	28.2	785,939	27.4	146,904	18.7	477,723	16.6	
Middle-income	819	28.0	830,882	29.0	71,840	8.6	519,167	18.1	
Upper-income	999	34.1	1,059,442	36.9	39,314	3.7	1,196,673	41.7	
Unknown-income	41	1.4	90	0.0	0	0.0	0	0.0	
Total Assessment Area	2,929	100.0	2,869,560	100.0	323,469	11.3	2,869,560	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied		Rental		Vacant			
		#	%	%	#	%	#	%	
Low-income	312,119	51,041	2.4	16.4	236,450	75.8	24,628	7.9	
Moderate-income	1,176,711	375,226	17.4	31.9	728,339	61.9	73,146	6.2	
Middle-income	1,274,794	643,494	29.9	50.5	561,706	44.1	69,594	5.5	
Upper-income	1,702,078	1,081,220	50.3	63.5	522,935	30.7	97,923	5.8	
Unknown-income	2,288	142	0.0	6.2	1,839	80.4	307	13.4	
Total Assessment Area	4,467,990	2,151,123	100.0	48.1	2,051,269	45.9	265,598	5.9	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	48,880	6.4	42,424	6.1	4,290	8.4	2,166	8.0	
Moderate-income	166,398	21.6	147,835	21.4	11,850	23.3	6,713	24.9	
Middle-income	214,257	27.9	191,146	27.7	15,268	30.0	7,843	29.1	
Upper-income	331,068	43.0	303,428	43.9	17,860	35.0	9,780	36.3	
Unknown-income	8,524	1.1	6,391	0.9	1,691	3.3	442	1.6	
Total Assessment Area	769,127	100.0	691,224	100.0	50,959	100.0	26,944	100.0	
	Percentage of Total Businesses:			89.9		6.6		3.5	

Based on 2010 ACS Information and 2012 Dun and Bradstreet data.

Housing Characteristics

MSA 31100 has 4.5 million housing units, of which 2.1 million units, or 48%, are owner-occupied. Approximately 19% of all owner-occupied units in the MSA are located in LMI census tracts. During the review period, the median price for an existing single family home in Los Angeles County increased from \$271,540 in January 2011 to \$367,400 in December 2012. Housing prices in Orange County remained relatively stable with a slight increase from \$544,700 in January 2011 to \$582,930 in December 2012.

In 2012, the median housing cost in Los Angeles County was 11 times the MFI for low-income borrowers and seven times the MFI for moderate-income borrowers. In Orange County, the median housing cost was nearly 14 times the MFI for low-income borrowers and 9 times the MFI for moderate-income borrowers. According to the California Association of Realtors Traditional Housing Affordability Index, which measures the proportion of households that can afford to purchase the median priced home in the area, 44% of households in Los Angeles County and 28% of households in Orange County can afford to purchase a home, as of the end of 2012. As such, LMI families face significant challenges in purchasing a home.

Interviews with community contacts indicated that investors are purchasing a significant number of foreclosed properties in the area to use as rental properties, which is creating additional barriers for LMI families to negotiate and purchase a home. Affordability is nonetheless not only a concern for homeowners, but also a concern for renters. According to the Census, there are approximately 2 million rental units in the MSA. Of the households occupying these units, about 51% are paying gross rents exceeding 35% of their household income. Therefore, affordable rental housing is also a community development need in this assessment area.

Labor, Employment and Economic Characteristics

MSA 31100 has a very diverse local economy. Major sectors include international trade, which is supported by two of the nation's largest ports, as well as tourism, education, entertainment, healthcare, and professional and business services. These sectors are supported by large employers that include the University of California-Los Angeles, Kaiser Permanente, University of California-Irvine, Northrop Grumman, and Walt Disney Company.

During the review period, Los Angeles County experienced unemployment rates that at times exceeded the national average. In January 2011, Los Angeles County unemployment rate was 12.8%. The county was threatened by a potential double-dip recession in mid-2011, as the unemployment rate rose to 13.2%. However, unemployment steadily declined since then, resulting in an unemployment rate of 10.2% at the end of 2012. Tourism was one of the primary sectors leading this recovery as the demand for hotel accommodations in Los Angeles has led to additional hotel construction and employment opportunities.

Orange County has held a much lower unemployment rate when compared to Los Angeles County and to other counties located in Southern California. In January 2011, Orange County unemployment rate was 9.2%. Similar to Los Angeles County, Orange County unemployment experienced a slight increase in mid-2011 but steadily declined to 6.8% at the end of 2012. Orange County's unemployment rate represented the lowest unemployment rate among Southern California counties, and ranked fourth overall in the State.

Despite some improvement in the economy and increased loan demand during the review period, community contacts indicated that financial institutions in the local economy appear to be more inclined to make loans to larger companies. Therefore, small- and medium-sized businesses are continuing to struggle to obtain financing. Community contacts stated that small commercial loan amounts, as little as \$50,000, are needed.

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

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

LENDING TEST

BPNA's performance under the lending test in MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA) is rated high satisfactory. This conclusion is based on good lending activity performance, good geographic distribution performance, adequate borrower distribution performance, and a relatively high level of community development loans. Some of the data used to evaluate BPNA's performance in this MSA assessment area appears in Exhibit VI.

Lending Activity

BPNA's lending levels in MSA 31100 reflect good responsiveness to assessment area credit needs. This conclusion was based on consideration of the bank's lending levels, market share, and performance compared to peer banks and market aggregate. For the two-year evaluation period, BPNA made 599 loans consisting of 41 home purchase, 258 refinance, 45 home improvement, 116 multi-family, and 139 small business loans. BPNA lending volumes increased by 91% compared to the prior two-year period, when lending activity totaled 314 loans consisting of 22 home purchase, 78 refinance, 35 home improvement, 1 multi-family, and 178 small business loans. Comparison to the aggregate of all lenders in the assessment area indicated that BPNA's lending activity increased at a higher rate than did the activity of the aggregate lenders.

Since the prior examination period, BPNA's market share of deposits in the assessment area decreased, while its market share of lending increased. In 2012, BPNA had a deposit market share of 0.36%, and a lending market share of 0.03% in home purchase lending, 0.05% in refinance lending, 0.24% in home improvement lending, 1.50% in multi-family lending, and

0.03% in small business lending. In comparison, in 2010, the deposit market share was 0.44% and lending market share was 0.01% in home purchase lending, 0.02% in refinance lending, 0.47% in home improvement lending, and 0.04% in small business lending. Peer comparisons of the number of loans originated per million dollars of deposits indicated that BPNA's performance was generally consistent with the lending volume of similarly-situated banks in the assessment area.

Geographic Distribution

BPNA's geographic distribution of loans reflects good penetration throughout the MSA 31100 assessment area. This lending performance is based on the bank's adequate lending penetration in low-income geographies and good lending penetration in moderate-income geographies. The table below summarizes the lending performance in LMI geographies by loan product.

MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Very Poor	Significantly Below	Very Poor	Significantly Below
Refinance	Very Poor	Significantly Below	Good	Similar
Home Improvement	Adequate	Significantly Below	Excellent	Significantly Above
Multi-family	Excellent	Above	Excellent	Significantly Above
Small Business	Excellent	Above	Excellent	Above

Low-Income Geographies

BPNA's performance in low-income geographies in MSA 31100 was adequate. BPNA did not make any home purchase or home improvement loans in low-income geographies, which was significantly below the aggregate's 3% of home purchase lending and 2% of home improvement lending. Consideration was given to the aggregate's home purchase lending in low-income geographies, which indicated that opportunities to lend existed. However, the market aggregate made only 157 home improvement loans in low-income geographies, indicating limited lending opportunities for that product.

BPNA made 1 or 0.5% of its refinance loans in low-income geographies, which was significantly below the aggregate's 1% of refinance loans. BPNA's refinance lending is also below the demographics of the assessment area, which indicate that 2% of the available owner-occupied housing units are located within low-income geographies.

BPNA made 17% of its multi-family loans in low-income geographies, exceeding the demographic of 12% of rental properties and the performance of the aggregate, which made 14% of its multi-family loans in low-income geographies.

BPNA originated 7% of its small business loans in low-income geographies, which was above the aggregate's performance of 5% of small business loans in low-income geographies. The bank's small business performance in low-income geographies exceeded the demographics, where 6% of small businesses operated.

BPNA's HMDA and small business lending in low-income geographies in 2011 was comparable to 2012.

Moderate-Income Geographies

BPNA's performance in moderate-income geographies in MSA 31100 was good. BPNA made 12% of its refinance, 24% of its home improvement, and 59% of its multi-family loans in moderate-income geographies. Performance was similar to the aggregate's 12% for refinance loans, significantly above the aggregate's 12% for home improvement loans, and above the aggregate's 39% for multi-family loans. BPNA did not make any home purchase loans in moderate-income geographies in 2012.

Home improvement and multi-family performance compares well to the demographics of the assessment area, which indicate that 17% of the available owner-occupied housing units and 17% of rental properties are located within moderate-income geographies.

BPNA originated 26% of its small business loans in moderate-income geographies, which was above the aggregate's 18%. BPNA's performance in moderate-income geographies was above the demographics of the assessment area, where 22% of small businesses operated.

Refinance performance in 2011 was more favorable than 2012, while home purchase, home improvement and multi-family performance in 2011 was comparable to 2012. BPNA's 2011 small business performance was similar to 2012 performance.

Distribution by Borrower Income and Revenue Size of the Business:

BPNA's distribution of lending among customers of different income levels and businesses of different sizes in the MSA 31100 assessment area reflects adequate penetration. Overall, HMDA lending to low-income borrowers and moderate-income borrowers was adequate, while lending to small businesses was poor. Multi-family lending was not applicable for borrower characteristics analysis. The table below summarizes the lending performance by loan product.

Exhibit VI
2012 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 31100

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	2.8%	1.8%	0	0.0%	0.0%	3.2%	1.2%
Moderate	0	0.0%	0.0%	18.8%	12.5%	1	2.9%	0.7%	14.0%	7.7%
Middle	3	8.6%	3.0%	30.5%	23.9%	1	2.9%	1.1%	23.7%	17.4%
Upper	32	91.4%	97.0%	47.9%	61.7%	6	17.1%	14.7%	51.6%	65.9%
Unknown	0	0.0%	0.0%	0.1%	0.1%	27	77.1%	83.5%	7.6%	7.8%
Total	35	100.0%	100.0%	100.0%	100.0%	35	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	1	0.5%	0.1%	1.2%	0.8%	20	10.1%	3.2%	3.9%	1.9%
Moderate	24	12.1%	4.3%	11.7%	8.2%	16	8.1%	3.2%	9.3%	5.5%
Middle	28	14.1%	5.8%	26.2%	21.0%	13	6.6%	2.3%	18.0%	13.5%
Upper	145	73.2%	89.8%	60.8%	69.9%	31	15.7%	9.8%	58.8%	68.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	118	59.6%	81.4%	10.0%	10.3%
Total	198	100.0%	100.0%	100.0%	100.0%	198	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	1.5%	1.1%	5	20.0%	7.0%	4.7%	2.0%
Moderate	6	24.0%	9.3%	12.4%	8.6%	3	12.0%	8.9%	12.8%	8.1%
Middle	11	44.0%	24.9%	27.3%	21.7%	7	28.0%	35.9%	22.5%	18.2%
Upper	8	32.0%	65.8%	58.8%	68.6%	10	40.0%	48.2%	57.0%	68.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.0%	3.2%
Total	25	100.0%	100.0%	100.0%	100.0%	25	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	16	17.4%	12.2%	13.7%	14.3%	0	0.0%	0.0%	0.0%	0.0%
Moderate	54	58.7%	48.4%	39.2%	34.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	11	12.0%	13.0%	23.8%	23.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	11	12.0%	26.4%	23.1%	28.1%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.1%	92	100.0%	100.0%	100.0%	100.0%
Total	92	100.0%	100.0%	100.0%	100.0%	92	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	17	4.9%	5.1%	1.7%	1.8%	25	7.1%	1.5%	3.7%	1.7%
Moderate	84	24.0%	22.1%	13.5%	10.5%	20	5.7%	1.6%	10.3%	5.7%
Middle	53	15.1%	8.6%	27.1%	21.8%	21	6.0%	1.6%	19.1%	13.7%
Upper	196	56.0%	64.1%	57.6%	65.9%	47	13.4%	6.8%	56.6%	64.5%
Unknown	0	0.0%	0.0%	0.0%	0.1%	237	67.7%	88.5%	10.3%	14.3%
Total	350	100.0%	100.0%	100.0%	100.0%	350	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	% \$(000s)
Low	6	7.4%	12.6%	5.2%	8.1%					
Moderate	21	25.9%	26.8%	17.7%	20.9%					
Middle	31	38.3%	38.3%	26.0%	27.3%					
Upper	19	23.5%	19.3%	48.4%	40.5%					
Unknown	4	4.9%	2.9%	1.1%	2.0%					
Tract Unknown	0	0.0%	0.0%	1.6%	1.1%					
Total	81	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	19	23.5%	14.0%	45.4%	32.2%					
By Loan Size										
\$100,000 or less	31	38.3%	8.2%	95.1%	39.3%					
\$100,001-\$250,000	20	24.7%	17.9%	2.2%	12.3%					
\$250,001-\$1 Million	30	37.0%	73.9%	2.6%	48.4%					
Total	81	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

Low-Income Borrowers

BPNA’s HMDA lending to low-income borrowers in MSA 31100 was adequate, overall. In 2012, BPNA made no home purchase loans, and 10% of its refinance loans and 20% of its home improvement loans to low-income borrowers, compared to the demographic of 24% of low-income families in the assessment area. BPNA’s home purchase lending was significantly below the aggregate’s lending, while its refinance and home improvement lending was significantly above the aggregate. The aggregate made 3% of its home purchase loans, 4% of its refinance loans, and 5% of its home improvement loans to low-income borrowers.

HMDA lending performance to low-income borrowers in 2011 was comparable to performance in 2012.

MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Poor	Significantly Below	Poor	Significantly Below
Refinance	Adequate	Significantly Above	Adequate	Slightly Below
Home Improvement	Good	Significantly Above	Adequate	Similar To
	Lending to Businesses with GAR ≤ \$1 million		2012 Aggregate Comparison	
Small Business	Poor		Below	

Moderate-Income Borrowers

BPNA’s HMDA lending to moderate-income borrowers was adequate. In 2012, BPNA made 3% of its home purchase loans, 8% of its refinance loans, and 12% of its home improvement loans to moderate-income borrowers, compared to the demographics of 17% of moderate-income families in the assessment area. BPNA’s home purchase lending was significantly below the aggregate’s lending, while its refinance lending was slightly below and its home improvement lending was similar to the aggregate. The aggregate made 14% of its home purchase, 9% of its refinance loans, and 13% of its home improvement loans to moderate-income borrowers.

HMDA lending performance to moderate-income borrowers in 2011 was comparable to 2012 performance.

Small Business Lending

BPNA provided a poor level of lending to small business borrowers with GAR of \$1 million or less. In 2012, the bank made 24% of its small business loans to these businesses, compared to the 90% of business establishments in the MSA with GAR of \$1 million or less. Small business lending was below the aggregate, which made 45% of its small business loans to businesses with GAR of \$1 million or less. The bank made 38% of its small business loans in amounts of \$100,000 or less, which was significantly below the aggregate, which made 95% of its small business loans in amounts of \$100,000 or less. The average loan size was \$271,000.

Small business lending performance in 2011 was comparable to the bank’s performance in 2012.

Community Development Lending

BPNA made a relatively high level of community development loans in MSA 31100. In this assessment area, BPNA extended 195 community development loans, totaling \$154 million or 26% of the bank’s total community development lending. Community development lending in this MSA increased by 25% on an annualized basis compared to the last examination. The assessment area also benefitted from \$7.6 million of community development loans made in the broader statewide or regional area that includes the assessment area. New assessment area commitments totaled \$91 million or 59% of community development lending activity.

Community Development Lending		
Purpose	#	\$(‘000s)
Affordable Housing	187	134,480
Community Services	6	17,510
Economic Development	1	1,116
Revitalize and Stabilize	1	1,388
Total	195	154,494

BPNA’s community development lending compared favorably to similarly-situated retail banks operating in the assessment area, where BPNA’s level of community development lending as a percentage of assessment area deposits ranked 1st among six peer banks.

Community development lending in MSA 31100 primarily targeted affordable housing through multifamily lending, with 87% of community development lending activity dedicated to affordable housing projects. The following are examples of community development loans that met critical needs in the assessment area:

- BPNA originated 106 new multifamily loans totaling \$78 million that provided 1,274 units of housing at rents affordable to LMI individuals.
- A \$10 million term loan to refinance existing mortgages and renovate a 231 bed skilled nursing home that provides a variety of services to its residents. Ninety percent of all revenues come from Medicaid, indicating that the majority of residents are LMI.
- Renewal of a \$1 million line of credit to a non-profit fund that facilitates the development of affordable housing throughout California.

- A \$1.2 million SBA 504 loan to purchase and renovate a foreclosed commercial property in a moderate-income tract in Los Angeles County.

INVESTMENT TEST

BPNA’s performance in MSA 31100 under the investment test is rated high satisfactory. The bank made a significant level of qualified community development investments and grants in MSA 31100, with \$7.8 million in investments dedicated to activities inside the assessment area and \$4.5 million to the broader statewide area that includes the assessment area. Assessment area qualified investments represents 14% of BPNA’s total qualified investments. BPNA’s total qualified investment activity in the state of California totaled \$12.4 million, which represents 22% of BPNA’s total qualified investments.

On an annualized basis, qualified investments in the state of California increased by 35% compared to the last examination, when BPNA made \$11 million of qualified investments throughout the state.

In addition, BPNA’s qualified investments level was comparable to similarly-situated retail banks operating in the assessment area. BPNA’s level of qualified investments as a percentage of assessment area deposits ranked 3rd among seven peer banks.

Qualified Investments MSA 31100		
Investment Purpose	#	\$(‘000s)
Affordable Housing	5	7,312
Community Services	62	401
Revitalize & Stabilize	1	13
Economic Development	10	31
Total	78	7,756

BPNA exhibited adequate responsiveness to credit and community development needs in the assessment area. In terms of dollar volume, investment activities primarily targeted affordable housing, through investments in MBS. Of the total qualified investments made in this assessment area, charitable donations totaled \$444 thousand. The following are examples of qualified investments that met critical needs in the assessment area:

- \$200 thousand in deposits with a community development bank, which serves the real estate, business, and financial needs of customers in underserved urban communities.
- A \$2.8 million MBS that provides affordable housing to LMI people.
- \$30 thousand in grants to an organization in a moderate-income geography that provides medical services to LMI individuals.

SERVICE TEST

BPNA’s performance on the service test in MSA 31100 is rated outstanding, based on readily accessibility delivery systems and an excellent level of community development services in the assessment area.

Retail Services

BPNA’s retail delivery systems were readily accessible to geographies and individuals of different income levels in the assessment area. BPNA operated 20 branches in this assessment area. Of the total branches, one, or 5%, was located in a low-income area and 6, or 30%, were in moderate-income areas, compared to 8% of the assessment area population residing in low-income areas and 30% residing in moderate-income areas. Alternative delivery systems slightly enhanced BPNA’s performance in this assessment area. The bank did not have any off-site ATMs in MSA 31100.

Changes in branch locations during the evaluation period generally did not adversely affect the accessibility of BPNA’s delivery systems. BPNA closed three branches, of which two were located in LMI census tracts. BPNA continued to meet the needs of its assessment area with its existing branch network. During the evaluation period, BPNA did not open any branches in MSA 31100.

BPNA’s business hours and services are tailored to the convenience and needs of the assessment area, particularly to LMI geographies and/or LMI individuals. Of the total 20 branches in the MSA, all have extended late weekday evening hours and 18 have Saturday hours. Two branches in moderate-income areas, however, do not offer Saturday hours.

Community Development Services

BPNA was a leader in providing community development services in MSA 31100. BPNA provided 353 qualified services, compared to 39 qualified services provided during the prior examination. Community development services primarily consisted of financial literacy seminars to LMI individuals.

Community Development Services	
Financial Literacy Seminars	336
Technical Assistance	15
Mortgage Education	2
Total	353

Additionally, 10 BPNA management and staff provided 26 qualified service activities by serving as board or committee members to 15 community development organizations. BPNA staff provided financial management expertise and technical assistance to these organizations. Examples of community development services include:

- A BPNA Assistant Vice President served as a board member of a workforce initiative located in a low-income area of Orange County, CA. The organization offers training to youth and adult jobseekers.
- A bank Officer served as a board member of an organization that provides community health services in a moderate-income area in Orange County, CA. Services include youth programs, counseling, education programs, a dental clinic, and food distribution.

- A BPNA Vice President served as a Fundraising Committee Member of an organization that provides health care services to children and families at low or no cost in Los Angeles, County.

METROPOLITAN AND NONMETROPOLITAN AREA (LIMITED REVIEW)

MSA 41740 (SAN DIEGO-CARLSBAD-SAN MARCOS, CA)

A limited evaluation of the BPNA’s performance in MSA 41740 (San Diego-Carlsbad-San Marcos, CA) was completed. BPNA had limited lending activity in this assessment area, reflective of its limited presence. During the evaluation period, BPNA made 5 home purchase, 29 refinance, one home improvement, 33 multi-family, and 11 small business loans in MSA 41740, which in total represented 12% of the bank’s lending in the state of California. Of the 21 branches operating in the State of California, one was located in MSA 41740. This branch generated 5% of deposits in the State, as of June 30, 2012. See Exhibit V for additional assessment area data.

Under the lending and service tests, BPNA performance in MSA 41740 was consistent with overall performance in the State of California, which was based on the full-scope assessment area performance. However, performance under the investment test was below overall performance in the State of California.

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

In 2012, BPNA originated 38% of its HMDA loans in LMI geographies, compared to the aggregate which made 13% of its HMDA loans in LMI geographies. BPNA also made three small business loans in this MSA in 2012, of which two or 68% were originated in low-income geographies. In comparison, the aggregate made 81% of small business loans in low-income geographies. BPNA’s HMDA lending in 2011 was less favorable than lending in 2012, while small business lending in 2011 was more favorable. See Exhibit VII below for additional details on lending activity in MSA 41740.

In addition, BPNA made 56 community development loans, totaling \$46 million and representing 22% of community development lending in the State of California. BPNA also made eight qualified investments, totaling \$211 thousand dedicated to activities inside the assessment area. The assessment area also benefitted from \$4.5 million in qualified investments made to the broader statewide area that includes the assessment area. In terms of community development services, BPNA provided a financial literacy and a small business seminar in the assessment area. In addition, a senior manager of BPNA provided ongoing financial

management expertise and technical assistance to two community development organizations in the area.

Exhibit VII
2012 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 41740

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank		Aggregate		#	Bank		Aggregate	
	%	% \$(000s)	%	% \$(000s)	%	%	% \$(000s)	%	% \$(000s)	
Home Purchase										
Low	0	0.0%	0.0%	3.7%	2.4%	0	0.0%	0.0%	2.7%	1.1%
Moderate	0	0.0%	0.0%	12.6%	8.7%	0	0.0%	0.0%	14.4%	8.4%
Middle	1	20.0%	9.0%	34.7%	28.5%	0	0.0%	0.0%	25.1%	20.1%
Upper	4	80.0%	91.0%	48.9%	60.4%	1	20.0%	16.4%	51.9%	64.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	80.0%	83.6%	5.9%	5.8%
Total	5	100.0%	100.0%	100.0%	100.0%	5	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	2.3%	1.5%	0	0.0%	0.0%	3.5%	1.8%
Moderate	0	0.0%	0.0%	8.8%	6.2%	1	3.4%	0.8%	9.3%	5.7%
Middle	5	17.2%	5.8%	31.7%	25.9%	0	0.0%	0.0%	18.0%	14.0%
Upper	24	82.8%	94.2%	57.3%	66.4%	4	13.8%	12.0%	54.2%	63.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	24	82.8%	87.2%	15.0%	15.3%
Total	29	100.0%	100.0%	100.0%	100.0%	29	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	2.3%	1.3%	0	0.0%	0.0%	5.2%	2.2%
Moderate	1	100.0%	100.0%	10.9%	7.1%	1	100.0%	100.0%	13.8%	7.7%
Middle	0	0.0%	0.0%	34.9%	25.8%	0	0.0%	0.0%	24.3%	18.6%
Upper	0	0.0%	0.0%	51.9%	65.8%	0	0.0%	0.0%	51.7%	64.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.0%	7.1%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	18	54.5%	45.4%	29.6%	14.8%	0	0.0%	0.0%	0.0%	0.0%
Moderate	7	21.2%	17.3%	28.4%	25.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	4	12.1%	21.3%	26.3%	38.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	4	12.1%	16.0%	15.7%	21.4%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	33	100.0%	100.0%	100.0%	100.0%
Total	33	100.0%	100.0%	100.0%	100.0%	33	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	18	26.5%	28.6%	2.8%	2.2%	0	0.0%	0.0%	3.3%	1.6%
Moderate	8	11.8%	11.0%	9.8%	7.6%	2	2.9%	0.3%	10.5%	6.1%
Middle	10	14.7%	15.7%	32.4%	27.0%	0	0.0%	0.0%	19.6%	14.9%
Upper	32	47.1%	44.6%	55.0%	63.1%	5	7.4%	4.7%	53.3%	61.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	61	89.7%	95.0%	13.2%	16.4%
Total	68	100.0%	100.0%	100.0%	100.0%	68	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate			Bank		Aggregate	
		%	% \$(000s)	%	% \$(000s)	%	%	% \$(000s)	%	% \$(000s)
Low	2	66.7%	81.2%	5.2%	5.9%					
Moderate	0	0.0%	0.0%	11.9%	12.3%					
Middle	1	33.3%	18.8%	32.6%	33.0%					
Upper	0	0.0%	0.0%	50.2%	48.7%					
Unknown	0	0.0%	0.0%	0.1%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%					
Total	3	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	0	0.0%	0.0%	44.6%	32.3%					
By Loan Size										
\$100,000 or less	0	0.0%	0.0%	95.2%	41.2%					
\$100,001-\$250,000	2	66.7%	37.3%	2.3%	13.5%					
\$250,001-\$1 Million	1	33.3%	62.7%	2.5%	45.3%					
Total	3	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

STATE OF FLORIDA

CRA RATING FLORIDA: SATISFACTORY

The lending test is rated: Low Satisfactory
The investment test is rated: High Satisfactory
The service test is rated: Outstanding

The major factors supporting the rating include:

- Lending levels reflect adequate responsiveness to assessment area credit needs;
- Good geographic distribution of loans in BPNA's assessment areas;
- Adequate distribution of loans among individuals of different income levels and businesses of different sizes;
- A relatively high level of community development lending;
- A significant level of qualified investments;
- Readily accessible retail delivery systems to geographies and individuals of different income levels; and,
- A relatively high level of community development services.

SCOPE OF EXAMINATION

Examiners conducted full-scope reviews of both MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL) and MSA 36740 (Orlando-Kissimmee-Sanford, FL). Based on deposit concentration, lending volumes, and branch office networks, these assessment areas had sufficient activity to warrant full-scope reviews. MSA 33100 was given the greatest weight in the overall rating for the state of Florida. This MSA contained 79% of the deposits, 66% of loan originations, and 55% of branches in the Florida assessment areas.

DESCRIPTION OF INSTITUTION'S OPERATIONS

The Florida assessment areas have the third largest branch presence and deposit base. As detailed in Exhibit I, as of December 31, 2012, BPNA operated 20, or 22%, of its branches in the Florida assessment areas. Eight, or 40%, of branches in Florida are located in LMI census tracts. The FDIC reported that as of June 30, 2012, 18% of all BPNA deposits were held in the Florida assessment areas. Lending in the state of Florida also generated approximately 22% of BPNA's combined HMDA-related and small business loans during the examination period.

Additional details on the Florida assessment areas are noted in Exhibit VIII on the next page.

Exhibit VIII: Summary of Key Assessment Area Data: Florida

	MSA 33100	MSA 36740	TOTAL
Total Population⁴	4,244,501	1,757,092	6,001,593
Population % of AA population	71%	29%	100%
Families	992,528	417,931	1,410,459
Families % of AA families	71%	29%	100%
Total Census Tracts⁴	879	316	1,195
Tracts % AA tracts	74%	26%	100%
LMI tracts	281	98	379
LMI tracts % all AA LMI tracts	74%	26%	100%
Total Owner-Occupied Units⁴	944,043	391,545	1,335,588
Units % of AA units	71%	29%	100%
Business Establishments⁵	367,434	144,383	511,817
Bus. est. % AA bus. est.	72%	28%	100%
Number of Branches¹	11	9	20
Branches % all branches	55%	45%	100%
Branches in LMI tracts	4	4	8
LMI branches % AA LMI branches	50%	50%	100%
Branch Deposits (\$'000s)²	900,522	235,095	1,135,617
Deposits % AA deposits	79%	21%	100%
Deposit Market Share (%) / Rank in Market	.69% / 24	.75% / 19	.70% / 23
Home Purchase Originations³	26	64	90
HP originations % AA orig.	0%	70%	100%
Refinance Originations³	45	24	69
Refi orig. % AA orig.	67%	33%	100%
Home Improvement Originations³	37	15	52
Home Improvement orig. % AA orig.	71%	29%	100%
Multifamily Originations³	37	1	38
Multifamily orig. % AA orig.			
Small Business Originations³	111	27	138
SB orig. % AA orig.	80%	20%	100%
Combined Loan Totals	256	131	387
% of AA Orig.	66%	34%	100%

(1) Branch numbers are as of 12/31/2012. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/12. (3) Originations are loans reported under HMDA or CRA Small Business reporting for 2011 and 2012. (4) Demographic information was obtained from the 2010 Census. (5) Business establishments information was reported by Dun & Bradstreet for 2012.

CONCLUSIONS WITH RESPECT TO PERFORMANCE IN FLORIDA

LENDING TEST

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

Lending Activity

BPNA lending levels reflect adequate responsiveness to retail credit needs in MSA 33100 and poor responsiveness in MSA 36740, when measured in terms of number and dollar amount of HMDA-related and small business loans originated and purchased in each assessment area.

Geographic Distribution

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

Borrower Distribution

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

Community Development Loans

BPNA made a relatively high level of community development loans in the State of Florida. This conclusion is based on an excellent level of community development lending in MSA 33100 and an adequate level in MSA 36740. BPNA's total community development lending in the state of Florida totaled \$108 million, which represents 18% of BPNA's total community development lending.

Since BPNA adequately addressed the community development needs of its Florida assessment areas, consideration was given to community development loans made in the broader statewide area that includes the assessment areas. As such, the review of BPNA's performance in the State of Florida included \$11 million in statewide community development loan activity.

INVESTMENT TEST

BPNA's lending performance in the state of Florida is rated high satisfactory, based on good performance in MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL) and MSA 36740 (Orlando-Kissimmee-Sanford, FL). BPNA's total qualified investment activity in the state of Florida totaled \$11 million, which represents 19% of BPNA's total qualified investments. On an annualized basis, qualified investments in the State of Florida increased by 85% compared to the

last examination, when BPNA had \$7.2 million in qualified investments. In addition, 74% of BPNA's Florida investments were new investments, made in the current examination period.

SERVICE TEST

BPNA's overall performance under the service test in the state of Florida was rated outstanding. This conclusion was based primarily on retail delivery systems that were readily accessible to all portions of the BPNA's assessment areas in the state and a good level of community development services provided in MSA 33100 and an adequate level provided in MSA 36740.

METROPOLITAN AREA

(FULL REVIEW)

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

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2012, BPNA operated 11 branches in MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL). Four, or 36%, of the MSA branches were located in LMI geographies. Based on FDIC deposit data as of June 30, 2012, BPNA held \$901 million in deposits in MSA 33100, which represents 79% of the bank's deposits in the state of Florida. BPNA deposits in the MSA represent a 0.69% market share, ranking 24th among 95 depository institutions in the area. Of the total combined HMDA-related and small business originations extended in Florida, BPNA made 66% of its loans in this assessment area.

The Miami MSA is dominated by large regional institutions competing with BPNA for retail lending and deposit activity. The top five institutions account for 53% of overall deposits in the MSA.

PERFORMANCE CONTEXT

The following demographic and economic information was used to describe the assessment area and to evaluate the context in which BPNA operates. The information was obtained from publicly available sources, including the 2000 and 2010 Census, the U.S. Department of Labor, the National Association of Realtors ("NAR"), and HUD.

Demographic Characteristics

MSA 33100 is located in the southeast part of the State of Florida and consists of Broward County and Miami-Dade County. The assessment area includes the cities of Miami, Miami Beach, Fort Lauderdale, Pompano Beach, Deerfield Beach and Kendall. According to the 2010 Census, the assessment area population is approximately 4.2 million, representing 22.6% of the state's population. The population of assessment area grew by 9.5% from 2000 to 2010, compared to a statewide growth rate of 17.6%. Miami-Dade County and Broward County are

the two most populated counties in the state with 13.3% and 9.3% of Florida's population, respectively.

The assessment area continues to grow in diversity and provides a multi-ethnic, multi-lingual workforce and culturally diverse environment, with a significant proportion of the population born outside of the U.S. Miami-Dade County has the highest number of foreign born residents at over 50%, while Broward County has 31% of foreign born residents. Immigrants generally tend to have lower incomes and a greater need for community development services.

Approximately, 32% of the assessment area population resides in LMI geographies. According to the 2010 census, there are 879 census tracts in the assessment area, of which 32% are LMI. Similarly, there were 626 tracts in the assessment area according to the 2000 census, of which 34% were LMI.

Income Characteristics

According to 2010 Census data, 23% of families in the MSA are considered low-income, 17% are moderate-income, and 12% have incomes below the poverty level. Poverty levels were higher in the Miami-Dade, as 14% of all families have incomes below the poverty level, while in Broward County, 9% of all families had incomes below the poverty level.

According to HUD data, the MFI in Miami-Dade County was \$51,900 in 2011 and \$52,600 in 2012. Income levels in Broward County were higher, at \$61,800 in 2011 and \$62,600 in 2012.

HUD Median Family Incomes		
Area	2011	2012
Miami-Dade County	\$51,900	\$52,600
Broward County	\$61,800	\$62,600

Housing Characteristics

The 2010 Census reports that the MSA 33100 has approximately 1.8 million housing units, of which 53% are owner-occupied and 31% are rental. Of the available owner-occupied units, about 25% are in LMI geographies.

The assessment area housing market experienced significant distress in recent years due to the nationwide recession and housing market collapse. In Miami-Dade County, the median price for a single family home peaked at \$365,000 in 2007, and then tumbled by 45% to \$199,000 in 2011. The situation was similar for condos, which fell by 44% from their peak price of \$296,900 in 2008 to \$165,000 in 2011. In Broward County, the declines were even more dramatic in both single family homes and condos, with median prices declining by more than 84%. The market, however, appears to have stabilized, as NAR reports that the 2012 median price of a single family home was \$203,100 for the entire MSA.

Housing remains unaffordable for most LMI borrowers in the assessment area. In 2012, the median housing cost in the MSA was about eight times the MFI for low-income borrowers and five times the MFI for moderate-income borrowers. Foreclosures and mortgage delinquencies continue to hamper a rebound for the area's housing market. While the percentage of seriously

delinquent mortgages, which includes loans more than 90 days past due, decreased from 18% in January 2011 to 14% in December 2012, this percentage is still high relative to many metro areas across the country. From September to November 2012, Florida led the nation in foreclosure activity and seven of the top 10 metropolitan areas with the highest foreclosure rates are in Florida. The Miami MSA ranked number five among cities with the highest incidence of foreclosure with one in every 260 residents recording some sort of foreclosure activity. According to HUD report, the strong demand for distressed properties and faster processing by financial institutions of real estate owned property sales caused properties to appreciate across the region from 2011 to 2012.

Assessment Area Demographics
Assessment Area : MSA 33100

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	50	5.7	43,317	4.4	15,554	35.9	225,515	22.7
Moderate-income	231	26.3	267,021	26.9	48,384	18.1	170,594	17.2
Middle-income	299	34.0	345,556	34.8	36,101	10.4	187,854	18.9
Upper-income	281	32.0	336,540	33.9	16,765	5.0	408,565	41.2
Unknown-income	18	2.0	94	0.0	33	35.1	0	0.0
Total Assessment Area	879	100.0	992,528	100.0	116,837	11.8	992,528	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	89,719	16,036	1.7	17.9	57,477	64.1	16,206	18.1
Moderate-income	503,104	222,094	23.5	44.1	204,507	40.6	76,503	15.2
Middle-income	630,899	342,873	36.3	54.3	185,342	29.4	102,684	16.3
Upper-income	563,176	362,995	38.5	64.5	104,892	18.6	95,289	16.9
Unknown-income	540	45	0.0	8.3	193	35.7	302	55.9
Total Assessment Area	1,787,438	944,043	100.0	52.8	552,411	30.9	290,984	16.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
	#	%	Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	12,840	3.5	11,323	3.4	956	5.3	561	4.4
Moderate-income	89,698	24.4	80,837	24.0	5,412	29.9	3,449	27.1
Middle-income	110,861	30.2	102,485	30.4	4,337	24.0	4,039	31.8
Upper-income	150,818	41.0	139,498	41.4	6,798	37.5	4,522	35.6
Unknown-income	3,217	0.9	2,470	0.7	604	3.3	143	1.1
Total Assessment Area	367,434	100.0	336,613	100.0	18,107	100.0	12,714	100.0
	Percentage of Total Businesses:			91.6		4.9		3.5

Based on 2010 ACS Information and 2012 Dun and Bradstreet data.

Labor, Employment and Economic Characteristics

MSA 33100 assessment area is located at the southern end of the Florida peninsula. Tourism and transportation are primary economic drivers for the area, with major commercial and cruise ports in both Miami-Dade County and Broward County.

Unemployment rates have declined in the Miami MSA and throughout the state of Florida. The MSA had unemployment rates of 10.2% in 2011 and 8.5% in 2012, while the State of Florida had similar declines in unemployment from 10.3% in 2011 to 8.6% in 2012.

Miami-Dade County is known for its diverse population, tropical climate, and the South Beach area, which attracts an estimated 13 million visitors. The international trade industry is a top contributor to the economy and has aided in the area's recovery during the past 2 years. The Port of Miami, which serves as a major cruise terminal and gateway for commercial trade, contributes more than \$17 billion annually and provides more than 176,000 jobs. During the past 3 years, more than 4 million cruise ship passengers have traveled through the Port of Miami annually, leading to gains in jobs in the leisure and hospitality sector. Miami International Airport ("MIA") ranked 1st in the country and 10th in the world in 2010 for volume of international freight. MIA and the general aviation airports in Miami-Dade County have an annual economic impact of \$26.7 billion and contribute more than 282,000 jobs.

Broward County, home to Fort Lauderdale, is also a travel destination for many tourists. Port Everglades, the county's seaport for cruise ships, cargo and petroleum, has an economic impact of more than \$15 billion annually and supports 160,000 jobs. Cruise traffic in this county increased to record levels in 2011, with the nearly 3.7 million cruise passengers travelling through this port. The Fort Lauderdale-Hollywood International Airport, which has an annual economic impact of more than \$2.7 billion, supports 37,000 jobs countywide.

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

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

LENDING TEST

BPNA's performance under the lending test in MSA 33100 is rated low satisfactory. This conclusion is based on adequate lending activity performance, good geographic distribution performance, adequate borrower distribution performance, and an excellent level of community development loans. Some of the data used to evaluate BPNA's performance in this MSA assessment area appears in Exhibit IX.

Lending Activity

BPNA’s lending levels in MSA 33100 reflect adequate responsiveness to assessment area credit needs. This conclusion was based on consideration of the bank’s lending levels and market shares, compared to that of peer banks and the market aggregate. For the two-year evaluation period, BPNA made 256 loans consisting of 26 home purchase, 45 refinance, 37 home improvement, 37 multi-family, and 111 small business loans. BPNA lending volumes declined slightly by 3% compared to the prior two-year period, when lending activity totaled 265 loans consisting of 23 home purchase, 22 refinance, 22 home improvement, 1 multi-family, and 197 small business loans. Comparison to the aggregate of all lenders in the assessment area indicated that while BPNA’s lending activity decreased, the aggregate’s lending increased.

BPNA’s market share of deposits in the assessment area increased, while its market share of lending was relatively stable, since the prior examination period. In 2012, the bank had a deposit market share of 0.69%, compared to a market share of 0.04% in home purchase lending, 0.06% in refinance lending, 1.6% in home improvement lending, 10.5% in multi-family lending, and 0.05% in small business lending. Peer comparisons of the number of loans originated per million dollars of deposits indicated that BPNA’s performance was generally consistent with the lending volume of similarly-situated banks in the assessment area.

Geographic Distribution

BPNA’s geographic distribution of loans reflects good penetration throughout the MSA 33100 assessment area. This lending performance is based on the bank’s adequate lending penetration in low-income geographies and good lending penetration in moderate-income geographies. The table below summarizes the lending performance in LMI geographies by loan product.

MSA 33100 (Miami-Fort Lauderdale-Pompano Beach, FL)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Very Poor	Significantly Below	Good	Similar
Refinance	Very Poor	Significantly Below	Adequate	Similar
Home Improvement	Adequate	Significantly Below	Adequate	Below
Multi-family	Good	Above	Excellent	Similar
Small Business	Good	Significantly Above	Excellent	Slightly Above

Low-Income Geographies

BPNA's performance in low-income geographies in MSA 33100 was adequate. BPNA did not make any home purchase, refinance, or home improvement loans in low-income geographies in 2012, which was significantly below the aggregate. The aggregate made 1% of its home purchase and refinance loans, and 2% of its home improvement loans in low-income geographies. Consideration was given to the aggregate's number of home purchase and refinance loans made in low-income geographies, which indicated that some opportunities to make home purchase and refinance loans exist. However, the aggregate made only 25 home improvement loans in low-income geographies, indicating limited opportunities for home improvement lending.

BPNA made 24% of its multi-family loans in low-income geographies, which compared favorably to the demographic of 10% of rental properties in low-income geographies. Performance was above the aggregate which made 16% of its multi-family loans in low-income geographies.

BPNA made 6% of its small business loans in low-income geographies, compared to the demographic of 4% of business establishments located in low-income geographies. Performance exceeded the aggregate, which made 3% of its small business loans in low-income geographies.

HMDA lending performance in low-income geographies for 2011 was comparable to 2012 performance. BPNA, however, did not make any multi-family loans in low-income geographies in 2011. Small business performance in 2011 was also comparable to 2012.

Moderate-Income Geographies

BPNA's performance in moderate-income geographies in MSA 33100 was good. In 2012, BPNA made 14% of its home purchase loans, 12% of its refinance loans, 12% of its home improvement loans, and 42% of its multi-family loans in moderate-income geographies. BPNA's home purchase, refinance, and multi-family lending performance was similar to the aggregate, which made 15% of home purchase, 13% of its refinance, and 42% of its multi-family loans in moderate-income geographies. However, home improvement lending was below that of the aggregate, which made 17% of its home-improvement loans in moderate-income geographies. BPNA's HMDA-related lending was below the demographics of 23% of owner-occupied housing units and 37% of rental properties in moderate-income geographies in the assessment area.

BPNA made 24% of its small business loans in moderate-income geographies comparable to the 24% of business establishments located in moderate-income tracts. The bank's performance slightly exceeded the aggregate, which made 22% of its small business loans in moderate-income geographies.

BPNA's HMDA and small business lending performance in 2011 was comparable to performance in 2012.

Exhibit IX
2012 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 33100

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	1.0%	0.6%	0	0.0%	0.0%	4.8%	1.8%
Moderate	2	14.3%	12.6%	15.4%	9.4%	0	0.0%	0.0%	16.5%	8.9%
Middle	2	14.3%	13.0%	35.8%	27.7%	2	14.3%	17.0%	19.7%	14.6%
Upper	10	71.4%	74.5%	47.6%	62.1%	6	42.9%	38.0%	46.3%	61.7%
Unknown	0	0.0%	0.0%	0.1%	0.2%	6	42.9%	45.0%	12.6%	13.0%
Total	14	100.0%	100.0%	100.0%	100.0%	14	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.7%	0.5%	1	2.9%	0.7%	6.0%	3.3%
Moderate	4	11.8%	8.6%	12.6%	8.7%	2	5.9%	2.6%	9.5%	5.7%
Middle	6	17.6%	10.0%	31.3%	25.0%	5	14.7%	10.8%	15.4%	11.1%
Upper	24	70.6%	81.4%	55.4%	65.7%	12	35.3%	42.0%	56.3%	66.6%
Unknown	0	0.0%	0.0%	0.1%	0.1%	14	41.2%	44.0%	12.8%	13.3%
Total	34	100.0%	100.0%	100.0%	100.0%	34	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	1.6%	0.5%	4	16.0%	6.4%	9.0%	2.0%
Moderate	3	12.0%	12.3%	16.5%	5.2%	7	28.0%	12.0%	13.4%	3.6%
Middle	9	36.0%	27.2%	33.0%	18.3%	2	8.0%	1.6%	20.0%	9.2%
Upper	13	52.0%	60.5%	49.0%	76.1%	11	44.0%	58.7%	52.4%	69.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	4.0%	21.4%	5.2%	15.9%
Total	25	100.0%	100.0%	100.0%	100.0%	25	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	8	24.2%	9.1%	16.2%	13.1%	0	0.0%	0.0%	0.0%	0.0%
Moderate	14	42.4%	54.9%	39.0%	37.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	8	24.2%	28.5%	25.7%	23.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	3	9.1%	7.5%	18.7%	25.1%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.3%	1.2%	33	100.0%	100.0%	100.0%	100.0%
Total	33	100.0%	100.0%	100.0%	100.0%	33	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	8	7.5%	7.2%	0.9%	1.1%	5	4.7%	0.2%	5.6%	2.6%
Moderate	23	21.7%	45.4%	13.9%	10.1%	9	8.5%	0.6%	12.4%	6.8%
Middle	25	23.6%	25.1%	33.2%	26.0%	9	8.5%	2.4%	17.2%	12.0%
Upper	50	47.2%	22.2%	52.0%	62.7%	29	27.4%	8.9%	51.9%	61.9%
Unknown	0	0.0%	0.0%	0.1%	0.2%	54	50.9%	87.9%	12.9%	16.8%
Total	106	100.0%	100.0%	100.0%	100.0%	106	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)					
Low	3	5.6%	1.8%	3.0%	4.4%					
Moderate	13	24.1%	30.5%	21.7%	25.5%					
Middle	9	16.7%	21.3%	26.0%	22.9%					
Upper	29	53.7%	46.4%	46.3%	44.1%					
Unknown	0	0.0%	0.0%	1.3%	2.3%					
Tract Unknown	0	0.0%	0.0%	1.7%	0.8%					
Total	54	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	13	24.1%	7.8%	43.0%	29.9%					
By Loan Size										
\$100,000 or less	25	46.3%	13.2%	96.2%	42.0%					
\$100,001-\$250,000	13	24.1%	18.4%	1.8%	13.5%					
\$250,001-\$1 Million	16	29.6%	68.4%	2.0%	44.5%					
Total	54	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

Distribution by Borrower Income and Revenue Size of Business

BPNA’s distribution of lending among customers of different income levels and businesses of different sizes in the MSA 33100 assessment area reflects adequate penetration. Overall, lending to low-income borrowers, to moderate-income borrowers, and to small businesses was adequate. Multi-family lending was not applicable for borrower characteristics analysis. The table below summarizes the lending performance by loan product.

Low-Income Borrowers

BPNA’s HMDA lending to low-income borrowers in MSA 33100 was adequate. In 2012, BPNA made no home purchase loans, 3% of its refinance loans, and 16% of its home improvement loans to low-income borrowers, compared to the demographic of 23% of low-income families in the assessment area. BPNA’s home purchase and refinance lending was significantly below the aggregate’s lending, while its home improvement lending was significantly above the aggregate. The aggregate made 5% of its home purchase loans, 6% of its refinance loans, and 9% of its home improvement loans to low-income borrowers.

HMDA lending performance to low-income borrowers in 2011 was comparable to performance 2012.

MSA 33100 (Miami-Ft Lauderdale-Miami Beach, FL)				
Product	Low-Income Borrowers		Moderate-Income Borrowers	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Poor	Significantly Below	Poor	Significantly Below
Refinance	Poor	Significantly Below	Poor	Below
Home Improvement	Good	Significantly Above	Good	Significantly Above
	Lending to Businesses with GAR <= \$1 million		2012 Aggregate Comparison	
Small Business	Adequate		Below	

Moderate-Income Borrowers

BPNA’s HMDA lending to moderate-income borrowers in MSA 33100 was adequate. In 2012, the bank made no home purchase loans, 6% of its refinance loans, and 28% of its home improvement loans to moderate-income borrowers, compared to the demographic of 17% of moderate-income families in the assessment area. BPNA’s home purchase lending was significantly below the aggregate’s lending, while its refinance lending was below and its home improvement lending was significantly above the aggregate’s. The aggregate made 17% of its

home purchase, 10% of its refinance loans, and 13% of its home improvement loans to moderate-income borrowers.

HMDA lending performance to moderate-income borrowers in 2011 was comparable to 2012 performance.

Small Business Lending

BPNA provided an adequate level of lending to small business borrowers with GAR of \$1 million or less. In 2012, the bank made 24% of its small business loans to these businesses, compared to the 92% of business establishments in the MSA with GAR of \$1 million or less. Small business lending was below the aggregate, which made 43% of its small business loans to businesses with GAR of \$1 million or less. The bank made 46% of its small business loans in amounts of \$100,000 or less, which was significantly below the aggregate, which made 96% of its small business loans in amounts of \$100,000 or less. The average loan size was \$226,000.

Small business lending performance in 2011 was less favorable than the bank’s performance in 2012.

Community Development Lending

BPNA was a leader in making community development loans in MSA 33100. In this assessment area, BPNA extended 78 community development loans, totaling \$89 million or 82% of BPNA’s community development lending in Florida. Community development lending in this MSA increased by 140% on an annualized basis compared to the last examination. New commitments totaled \$75 million or 84% of MSA community development lending. The assessment area also benefitted from \$11 million of community development loans made in the broader statewide or regional area that includes the assessment area.

Community Development Lending		
Purpose	#	\$('000s)
Affordable Housing	73	71,795
Community Services	3	2,253
Revitalize and Stabilize	2	14,600
Total	78	88,648

BPNA’s community development lending was comparable to that of similarly-situated retail banks operating in the assessment area. BPNA’s level of community development lending as a percentage of assessment area deposits ranked 2nd among five peer banks.

Community development lending in MSA 33100 primarily targeted affordable housing initiatives with 81% of community development lending by dollar amount dedicated to affordable housing projects. The following are examples of community development loans that met critical needs in the assessment area:

- 46 new multifamily loans, totaling \$62 million, which provided 1,433 units of affordable housing.

- A \$2.2 million commercial mortgage to finance roof repairs for a charter school serving a moderate-income area of Broward County. Seventy-eight percent of students in the charter school are eligible for the free lunch program.
- A \$2 million commercial loan to revitalize a shopping center located in a low-income census tract in Miami. The shopping center has 32 tenants including Walgreens, McDonalds, Presidente Supermarkets, Dollar Tree Stores, and Payless Shoes. The shopping center employs many LMI residents of the area.
- A \$3 million participation in the Affordable Housing Loan Pool with First Housing Development Corp. of Florida that provides financing and technical assistance to facilitate the development of affordable housing throughout Florida.

INVESTMENT TEST

BPNA’s performance in MSA 33100 under the investment test is rated high satisfactory. The bank made a significant level of qualified community development investments and grants in MSA 33100, with \$6 million in investments dedicated to activities inside the assessment area and \$2.8 million to the broader statewide area that includes the assessment area. Assessment area qualified investments represents 54% of qualified investments made in the state of Florida.

Qualified Investments MSA 33100		
Investment Purpose	#	\$('000s)
Affordable Housing	6	5,822
Community Services	34	187
Total	40	6,009

In addition, BPNA’s qualified investments level was comparable to similarly-situated retail banks operating in the assessment area. BPNA’s level of qualified investments as a percentage of assessment area deposits ranked 3rd among five peer banks.

BPNA exhibited adequate responsive to credit and community development needs in the assessment area. Investment activities primarily targeted affordable housing through investments in MBSs. The assessment area also benefited from 34 donations totaling \$187,000. The following are examples of qualified investments that met critical needs in the assessment area:

- A \$50 thousand in-kind donation to an organization located in a moderate-income geography in Miami-Dade County that promotes economic and physical revitalization of the local community.
- A \$1.8 million mortgage-backed security that provides affordable housing for LMI individuals.
- A \$10 thousand donation to an organization located in a moderate-income geography in Miami that provides job training for LMI individuals.

SERVICE TEST

BPNA's performance on the service test in MSA 33100 is considered outstanding, based on readily accessibility delivery systems and a relatively high level of community development services provided in the assessment area.

Retail Services

BPNA's retail delivery systems were readily accessible to geographies and individuals of different income levels in the assessment area. BPNA operated 11 branches in this MSA, of which 4, or 36%, were located in moderate-income areas. There are no branches in low-income areas. This compares very favorably to 32% of the MSA population residing in LMI areas. Alternative delivery systems slightly enhanced BPNA performance in this assessment area. The bank did not have any off-site ATMs in MSA 33100.

Changes in branch locations during the evaluation period did not adversely affect the accessibility of its delivery systems. BPNA did not open or close any branches in this assessment area during the evaluation period.

BPNA's business hours and services are tailored to the convenience and needs of the assessment area, particularly to LMI geographies and/or LMI individuals. Of the total 11 branches in the MSA, all branches have extended late evening hours and 10 have Saturday hours. One branch in an upper-income area does not offer Saturday hours.

Community Development Services

BPNA provided a relatively high level of community development services throughout MSA 33100. BPNA provided 48 qualified services, compared to 29 qualified services provided during the prior examination. Community development services primarily consisted of financial literacy seminars to LMI individuals.

Additionally, 10 BPNA management and staff provided 42 qualified service activities by serving as board or committee members to 16 community development organizations. BPNA staff provided financial management expertise and technical assistance to these organizations. Examples of community development services include:

Community Development Services	
Financial Literacy Seminars	39
Small Business Services	7
Technical Assistance	2
Total	48

- A BPNA staff served as a board member of a non-profit rural development organization serving seasonal farmworkers and other low-income families. The organization provides programs addressing affordable housing, financial literacy, foreclosure assistance, and disaster relief.

- A Vice President served as Treasurer and Board Member to an economic development organization operating in a low-income area in Miami-Dade County, FL.
- An Assistance Vice President served as a board member of an organization that provides technical assistance to Hispanic entrepreneurs and small businesses.

METROPOLITAN AREA

(FULL REVIEW)

MSA 36740 (ORLANDO-KISSIMMEE-SANFORD, FL)

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPNA operates nine branches in MSA 36740 (Orlando-Kissimmee-Sanford, FL) as of December 31, 2012. Based on the 2010 Census, four branches are located in LMI geographies. BPNA held \$235 million in deposits in MSA 36740, which represented 21% of BPNA's deposits in the state of Florida, as of June 30, 2012.

BPNA held 0.75% of the market share of deposits in the assessment area, ranking 19th among 44 depository institutions in the MSA. Of the combined HMDA-related and small business originations in the State of Florida, 34% were extended in MSA 36740.

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

PERFORMANCE CONTEXT

The following demographic and economic information was used to describe the assessment area and to evaluate the context in which BPNA operates. The information was obtained from publicly available sources, including the 2000 and 2010 Census, the U.S. Department of Labor ("DOL"), the National Association of Realtors ("NAR"), and HUD.

Demographic Characteristics

MSA 36740 is Florida's third-largest metropolitan area. This assessment area includes Lake, Orange, Osceola, and Seminole Counties. The assessment area experienced significant growth from 2000 to 2010. According to the 2010 Census, the MSA has a population of 1,757,092, representing over 9% of the state's population. The MSA experienced significant population growth with an increase of 21% since the 2000 Census.

The City of Orlando, located in Orange County, is the fifth largest city in Florida and is the primary city of MSA 36740. As of the 2010 census, the population of Orlando was 238,300 and

is estimated to be 249,562 as of the July 2012 estimated Census population count. The city of Orlando is best known for the many tourist attractions in the area, particularly the nearby Walt Disney World Resort.

Approximately, 30% of the assessment area's population resides in LMI geographies. According to the 2010 Census, there are 316 census tracts in the assessment area, of which 31% are LMI. In comparison, there were 288 tracts in the assessment area under the 2000 Census, of which 26% were LMI.

Income Characteristics

According to the 2010 Census, there are 414,972 families residing in the MSA, of which 20% are considered low-income, 18% are moderate-income, and 9% live below the poverty level. Based on the 2010 Census, the proportion of families living in poverty in the city of Orlando is 17%, compared to 15% of families living below the poverty level in the state of Florida. The MFI in the assessment area was \$57,400 in 2011 and \$58,200 in 2012.

Housing Characteristics

According to the 2010 Census, there are 728,550 total housing units in the assessment area, of which 53% are owner-occupied, and 32% are rental units. Of the available owner-occupied units, about 21% are located in LMI areas.

Housing prices are on the rise in the Orlando assessment area. NAR reported the 2012 median sales price of an existing single-family home in the MSA was \$134,000, an increase from \$124,900 in 2011. Homeownership nonetheless remains a challenge for LMI borrowers as the median housing price for 2012 was nearly three times the highest income range of a moderate-income family and over four times the highest income range of a low-income family. From September to November 2012, Florida led the nation in foreclosure activity with seven of the top ten metropolitan areas with the highest foreclosure rates located in Florida.

Labor, Employment and Economic Characteristics

The central economy of MSA 36740 relies heavily on the service and tourism industries. The DOL reports that approximately 20% of total employment in the MSA is in the leisure and hospitality industry, much of which is tied to tourism. Tourism is the primary industry of the Orlando area economy, due to the city's wide range of attractions, which includes Disney World, Universal Studios Orlando, and Sea World Orlando. The Disney World Company is the largest employer in the area. Other major employment sectors include the accommodation and food service industry, retail trade, government and government enterprises, and health care and social assistance.

The unemployment rate for this assessment area has improved since the prior examination and over the course of this evaluation period. The MSA reported unemployment of 8.4% in 2012 and 10.2% in 2011, compared to 11.3% at the end of the prior examination period.

Recent community contact interviews conducted in the assessment area noted that the Orlando economy is improving, although the commercial real estate market is severely strained. Community contacts nonetheless reported that families are leaving the area to find work elsewhere, as the unemployment rate remains high.

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

Assessment Area Demographics
Assessment Area: MSA 36740

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	7	2.2	4,272	1.0	1,431	33.5	84,384	20.3
Moderate-income	91	28.9	115,551	27.8	18,589	16.1	75,544	18.2
Middle-income	105	33.3	145,177	35.0	11,848	8.2	84,211	20.3
Upper-income	112	35.6	149,972	36.1	6,950	4.6	170,833	41.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	315	100.0	414,972	100.0	38,818	9.4	414,972	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	9,023	2,090	0.5	23.2	5,370	59.5	1,563	17.3
Moderate-income	218,168	81,309	20.9	37.3	97,728	44.8	39,131	17.9
Middle-income	262,539	140,691	36.2	53.6	82,459	31.4	39,389	15.0
Upper-income	238,820	164,567	42.3	68.9	44,034	18.4	30,219	12.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	728,550	388,657	100.0	53.3	229,591	31.5	110,302	15.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1,061	0.7	965	0.7	53	0.9	43	0.9
Moderate-income	36,122	25.2	32,711	24.7	2,003	32.2	1,408	30.5
Middle-income	47,581	33.1	43,891	33.1	2,116	34.0	1,574	34.0
Upper-income	58,775	40.9	55,120	41.5	2,057	33.0	1,598	34.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	143,539	100.0	132,687	100.0	6,229	100.0	4,623	100.0
Percentage of Total Businesses:			92.4		4.3		3.2	

Based on 2010 ACS Information and 2012 Dun and Bradstreet data.

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

LENDING TEST

BPNA's performance under the lending test in MSA 36740 is rated low satisfactory. This conclusion is based on poor lending activity performance, good geographic distribution performance, good borrower distribution performance, and an adequate level of community development loans. Some of the data used to evaluate BPNA's performance in this MSA assessment area appears in Exhibit X.

Lending Activity

BPNA's lending levels in MSA 36740 reflect poor responsiveness to assessment area credit needs. This conclusion was based on consideration of the bank's lending levels, market share, and performance compared to peer banks and market aggregate. For the two-year evaluation period, BPNA made 131 loans consisting of 64 home purchase, 24 refinance, 15 home improvement, one multi-family, and 27 small business loans. BPNA's lending volumes declined by 42% compared to the prior two-year period, when lending activity totaled 227 loans consisting of 36 home purchase, 16 refinance, 12 home improvement, and 163 small business loans. There were no multi-family loans made in this assessment area during the prior two-year period. Comparison to the aggregate of all lenders in the assessment area indicated while BPNA's lending activity decreased, the aggregate's lending increased.

BPNA's deposit market share in the assessment area decreased, while its market share of lending was relatively stable, since the prior examination period. In 2012, the bank had a deposit market share of 0.75%, compared to a market share of 0.06% in home purchase lending, 0.06% in refinance lending, 1.24% in home improvement lending, 1.96% in multi-family lending, and 0.05% in small business lending. Peer comparisons of the number of loans originated per million dollars of deposits indicated that BPNA's performance was below the lending volume of similarly-situated banks in the assessment area.

Geographic Distribution

BPNA's geographic distribute of loans reflects good penetration throughout the MSA 36740 assessment area. This lending performance is based on the bank's adequate lending penetration in low-income geographies and good lending penetration in moderate-income geographies. The table below summarizes the lending performance in LMI geographies by loan product.

Low-Income Geographies

BPNA's performance in low-income geographies in MSA 36740 was adequate. BPNA did not make any HMDA-related loans in low-income geographies in 2012, which was significantly below the aggregate. The aggregate made 93 home purchase, 100 refinance, 4 home

improvements, and 3 multi-family loans in low-income geographies. Lending in low-income geographies, however, was considered adequate given the limited lending opportunities, as indicated by the low number of HMDA-related loans made by the aggregate. The assessment area also has less than 1% of owner-occupied housing units in low-income geographies, also indicating that limited opportunities to lend exist.

MSA 36740 (Orlando-Kissimmee-Sanford, FL)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Adequate	Significantly Below	Excellent	Significantly Above
Refinance	Adequate	Significantly Below	Good	Significantly Above
Home Improvement	Adequate	Significantly Below	Good	Significantly Above
Multi-family	Adequate	Significantly Below	Poor	Significantly Below
Small Business	Poor	Significantly Below	Excellent	Significantly Above

BPNA did not originate any small business loans in low-income geographies in 2012. The assessment area had less than 1% of all business establishments located in low-income geographies. However, the aggregate made 210 loans in low-income geographies in 2012, indicating that some opportunities to lend exist.

BPNA also had similarly limited HMDA-related and small business lending in low-income geographies in 2011.

Moderate-Income Geographies

BPNA's performance in moderate-income geographies in MSA 36740 was good. BPNA made 5, or 31%, of its home purchase loans, 4 or 19% of its refinance, and 6, or 60%, of its home improvement loans in moderate-income geographies, which compares favorably to the assessment area demographics of 21% of owner-occupied housing units located in moderate-income geographies. HMDA-related performance was significantly above the aggregate, which originated 15% of its home purchase loans, 12% of its refinance loans, and 18% of its home improvement loans in moderate-income geographies. BPNA did not originate any multi-family loans in moderate-income geographies in 2012.

Exhibit X
2012 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 36740

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.4%	0.2%	4	25.0%	9.3%	7.4%	3.5%
Moderate	5	31.3%	10.3%	14.8%	9.7%	3	18.8%	11.0%	18.4%	12.2%
Middle	7	43.8%	36.5%	36.8%	30.6%	2	12.5%	7.3%	20.5%	17.8%
Upper	4	25.0%	53.2%	48.0%	59.5%	6	37.5%	63.5%	41.9%	55.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	6.3%	8.9%	11.8%	10.7%
Total	16	100.0%	100.0%	100.0%	100.0%	16	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.3%	0.2%	5	23.8%	13.4%	5.6%	3.4%
Moderate	4	19.0%	12.7%	11.9%	8.4%	6	28.6%	22.9%	10.4%	7.1%
Middle	10	47.6%	46.6%	32.5%	28.2%	0	0.0%	0.0%	16.7%	13.3%
Upper	7	33.3%	40.7%	55.3%	63.2%	10	47.6%	63.8%	52.9%	61.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.4%	15.1%
Total	21	100.0%	100.0%	100.0%	100.0%	21	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.5%	0.3%	4	40.0%	22.2%	11.5%	2.6%
Moderate	6	60.0%	40.7%	17.6%	6.6%	1	10.0%	5.9%	20.1%	9.0%
Middle	1	10.0%	5.9%	34.8%	21.0%	2	20.0%	29.6%	21.9%	16.7%
Upper	3	30.0%	53.3%	47.1%	72.1%	2	20.0%	33.3%	42.4%	66.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	10.0%	8.9%	4.1%	5.6%
Total	10	100.0%	100.0%	100.0%	100.0%	10	100.0%	100.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	5.9%	2.4%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	52.9%	49.5%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	100.0%	100.0%	29.4%	25.7%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	11.8%	22.4%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.3%	0.3%	13	27.1%	10.6%	6.4%	3.3%
Moderate	15	31.3%	11.0%	13.2%	10.6%	10	20.8%	15.6%	13.7%	8.7%
Middle	19	39.6%	48.0%	34.3%	29.0%	4	8.3%	3.3%	18.3%	14.5%
Upper	14	29.2%	41.0%	52.3%	60.2%	18	37.5%	55.9%	48.3%	56.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	6.3%	14.6%	13.3%	16.9%
Total	48	100.0%	100.0%	100.0%	100.0%	48	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
	#	Bank			Aggregate					
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)			
Low	0	0.0%	0.0%	0.0%	0.0%	0.6%	0.7%			
Moderate	9	52.9%	47.2%	47.2%	21.8%	21.8%	26.4%			
Middle	6	35.3%	43.3%	43.3%	31.6%	31.6%	32.0%			
Upper	2	11.8%	9.6%	9.6%	43.6%	43.6%	39.7%			
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	2.3%	1.3%			
Total	17	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
		By Revenue								
\$1 Million or Less	3	17.6%	8.3%	8.3%	38.5%	29.8%				
		By Loan Size								
\$100,000 or less	7	41.2%	12.9%	12.9%	95.7%	40.5%				
\$100,001-\$250,000	3	17.6%	16.1%	16.1%	2.1%	13.9%				
\$250,001-\$1 Million	7	41.2%	71.0%	71.0%	2.3%	45.6%				
Total	17	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			

Originations and Purchases

BPNA originated 53% of its small business loans in moderate-income tracts in 2012, which was significantly above the aggregate's 22% of small business lending in moderate-income tracts.

BPNA’s performance in moderate-income geographies was also above the demographics of 25% of all small businesses operating in the assessment area.

BPNA’s refinance, home improvement, and small business lending in 2011 was less favorable than in 2012. However, home purchase lending in 2011 was more favorable than in 2012.

Distribution by Borrower Income and Revenue Size of the Business

BPNA’s distribution of lending among customers of different income levels and businesses of different sizes in the MSA 36740 assessment area reflects good penetration. Overall, lending to low-income borrowers was excellent, while lending to moderate-income borrowers was good. Small business lending, however, was poor. The table below summarizes the lending performance by loan product.

MSA 36740 (Orlando-Kissimmee, FL)				
Product	Low-income Borrowers		Moderate-income Borrowers	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Good	Significantly Above	Good	Similar To
Refinance	Excellent	Significantly Above	Good	Significantly Above
Home Improvement	Excellent	Significantly Above	Adequate	Significantly Below
	Lending to Businesses with GAR <= \$1 million		2012 Aggregate Comparison	
Small Business	Poor		Significantly Below	

Low-Income Borrowers

BPNA’s HMDA lending to low-income borrowers in MSA 36740 was excellent. In 2012, BPNA made 25% of its home purchase loans, 24% of its refinance loans, and 40% of its home improvement loans to low-income borrowers, compared to demographic of 20% of low-income families in the assessment area. BPNA’s home purchase, refinance, and home improvement lending was significantly above the aggregate’s lending. The aggregate made 7% of its home purchase loans, 6% of its refinance loans, and 12% of its home improvement loans to low-income borrowers.

HMDA lending performance to low-income borrowers in 2011 was comparable to performance 2012.

Moderate-Income Borrowers

BPNA’s HMDA lending to moderate-income borrowers in MSA 36740 was adequate. In 2012, BPNA made 19% of its home purchase loans, 29% of its refinance loans, and 10% of its home improvement loans to moderate-income borrowers, compared to the demographic of 18% of moderate-income families in the assessment area. BPNA’s home purchase lending was similar the aggregate’s lending, while its refinance lending was significantly above. Home improvement lending, however, was significantly below the aggregate. The aggregate made 18% of its home purchase, 10% of its refinance loans, and 20% of its home improvement loans to moderate-income borrowers.

BPNA’s 2011 HMDA lending performance to moderate-income borrowers was less favorable than 2012 performance.

Small Business Lending

BPNA provided a poor level of lending to small business borrowers with GAR of \$1 million or less. In 2012, the bank made 18% of its small business loans to these businesses, compared to the 92% of business establishments in the MSA with GAR of \$1 million or less. Small business lending was significantly below the aggregate, which made 39% of its small business loans to businesses with GAR of \$1 million or less. The bank made 41% of its small business loans in amounts of \$100,000 or less, which was significantly below the aggregate, which made 96% of its small business loans in amounts of \$100,000 or less. The average loan size was \$221,000.

Small business lending performance in 2011 was comparable to the bank’s performance in 2012.

Community Development Lending

BPNA made an adequate level of community development loans in MSA 36740. In this assessment area, BPNA extended 7 community development loans, totaling \$9 million or 8% of BPNA’s community development lending in the state of Florida. Performance in the MSA

Community Development Lending		
Purpose	#	\$(‘000s)
Affordable Housing	6	8,474
Community Services	1	370
Total	7	8,844

declined by 50% on an annualized basis compared to the last examination. New community development lending totaled \$6.7 million or 76% of MSA community development lending. The assessment area also benefitted from \$11 million of community development loans made in the broader statewide or regional area that includes the assessment area. Community contacts, however, noted a need for more community development lending in the assessment area.

BPNA’s community development lending compared favorably to that of similarly-situated retail banks operating in the assessment area. BPNA’s level of community development lending as a percentage of assessment area deposits ranked 1st among four peer banks.

Performance in the MSA primarily targeted affordable housing initiatives with 96% of community development lending by dollar amount dedicated to affordable housing projects. The following are examples of community development loans that met critical needs in the assessment area:

- A \$3.2 million commercial mortgage to a non-profit organization that is refinancing a 192-unit apartment complex in Kissimmee, Florida. The apartment complex follows LIHTC guidelines, whereby 80% of the rents are restricted to LMI individuals and 20% are unrestricted.
- A \$688 thousand loan to refinance and make renovations to a 16-unit multifamily property in Orlando. All rents are affordable to LMI individuals.
- A \$2.4 million loan to a non-profit organization that is seeking to refinance and provide capital to repair to a 130-unit apartment complex. All rents are affordable to LMI individuals.

INVESTMENT TEST

BPNA’s performance in MSA 36740 under the investment test is rated high satisfactory. The bank made a significant level of qualified community development investments and grants in MSA 36740, with \$2.3 million in investments dedicated to activities inside the assessment area and \$2.8 million to the broader statewide area that includes the assessment area. Assessment area qualified investments represents 22% of qualified investments made in the state of Florida.

Qualified Investments MSA 36740		
Investment Purpose	#	\$('000s)
Affordable Housing	3	2,196
Community Services	16	46
Economic Development	6	63
Revitalize & Stabilize	1	1
Total	26	2,306

In addition, BPNA’s qualified investments level was comparable to similarly-situated retail banks operating in the assessment area. BPNA’s level of qualified investments as a percentage of assessment area deposits ranked 3rd among five peer banks.

BPNA exhibited adequate responsive to credit and community development needs in the assessment area. Investment activities primarily targeted affordable housing, through investments in mortgage-backed securities. The assessment area also benefited from 23 donations totaling \$109,000. The following are examples of qualified investments that met critical needs in the assessment area:

- A \$33 thousand donation to an organization that provides technical assistance to start-up minority-owned small businesses.

- A \$1.1 million mortgage-backed security that provides affordable housing to LMI persons.
- A \$3 thousand grant to a community organization that constructs affordable housing for LMI individuals.

SERVICE TEST

BPNA's performance on the service test in MSA 36740 is considered outstanding, based on readily accessibility delivery systems and an adequate level of community development services provided in the assessment area.

Retail Services

BPNA's retail delivery systems were readily accessible to geographies and individuals of different income levels in the assessment area. BPNA operated nine branches in this MSA, of which 4, or 44%, were located in moderate-income areas. There are no branches in low-income areas. This compares very favorably to 30% of the MSA population residing in LMI areas. Alternative delivery systems slightly enhanced BPNA performance in this assessment area. The bank had one off-site ATM in a moderate-income area in this assessment area.

Changes in branch locations did not adversely affect the accessibility of BPNA's delivery systems in this assessment area. BPNA did not open or close any branches in this assessment area during the evaluation period.

BPNA's business hours and services do not vary in a way that inconveniences its assessment area, particularly to LMI geographies and/or LMI individuals. Of the nine branches in the MSA, all branches have extended late evening hours and eight have Saturday hours. One branch in a moderate-income area does not offer Saturday hours.

Community Development Services

BPNA provided an adequate level of community development services throughout MSA 36740. BPNA provided 40 qualified services, compared to 65 qualified services provided during the prior examination. Community development services during this examination consisted of financial literary seminars to LMI individuals and business development workshops for small businesses.

Additionally, 10 BPNA management and staff provided 34 qualified service activities by serving as board or committee members to 16 community development organizations. BPNA staff provided financial management expertise and technical assistance to these organizations. Examples of community development services include:

Community Development Services	
Financial Literacy Seminars	22
Small Business Services	16
Technical Assistance	2
Total	40

- A BPNA Vice President served as a board member of an organization that offers hunger relief, crisis care, transformative education, and employment training in Orlando, FL.
- A BPNA Senior Vice President served as a board member of Habitat for Humanity of Orlando, which provides affordable housing for LMI families in the assessment area.
- A BPNA Vice President served as a board member of a non-profit organization dedicated to providing services for the elderly, disabled adults and disadvantaged families.

STATE OF ILLINOIS

CRA RATING FOR ILLINOIS SATISFACTORY

The lending test is rated: Low Satisfactory
The investment test is rated: High Satisfactory
The service test is rated: Outstanding

The major factors supporting the rating include:

- Lending levels reflect adequate responsiveness to assessment area credit needs;
- Excellent geographic distribution of loans in the assessment area;
- Adequate distribution of loans among individuals of different income levels and businesses of different sizes;
- A relatively high level of community development lending;
- A significant level of qualified investments;
- Readily accessible retail delivery systems to geographies and individuals of different income levels; and,
- Leadership in providing community development services.

SCOPE OF EXAMINATION

Examiners conducted a full-scope review of MSA 16980 (Chicago-Joliet-Naperville, IL, IN, WI) based on deposit concentration, lending volume, and branch office network. This multi-state MSA assessment area consists only of counties in the state of Illinois. Therefore, ratings for the state of Illinois were based solely on performance in this MSA. BPNA's activities in the multi-state MSA make up 13% percent of BPNA's total deposits and were weighted accordingly when deriving overall ratings.

METROPOLITAN AREA

(FULL REVIEW)

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

DESCRIPTION OF INSTITUTION'S OPERATIONS

BPNA operates 12 branches in the MSA 16980 assessment area, representing 13% of total branch network. Five branches, or 42%, of BPNA's branches in the assessment area are located in LMI census tracts. A majority of the branches and, accordingly, the majority of BPNA's business are derived from its operations in Cook County.

As of June 30, 2012, BPNA held \$829 million in deposits in this assessment area, capturing a deposit market share of 0.32% and ranking 37th in deposits among the 177 depository institutions operating in this assessment area. BPNA originated 23% of its HMDA-related and small business loans in this assessment area, making it the assessment area with the second largest number of originations among BPNA's assessment areas.

BPNA competes with a significant number of banks in the Chicago MSA, including large regional banking organizations.

The assessment area is dominated by large regional institutions competing with BPNA for retail lending and deposit activity. The top five institutions account for 56% of overall deposits in the MSA.

PERFORMANCE CONTEXT

The following demographic and economic information was used to describe the assessment area and to evaluate the context in which BPNA operates. The information was obtained from publicly available sources, including the 2000 and 2010 Census, the U.S. Department of Labor ("DOL"), the National Association of Realtors ("NAR"), and HUD.

Demographic Characteristics

MSA 16980 includes the counties of Cook, DuPage, and Kane, with the city of Chicago as the main metropolitan center. According to 2010 Census data, the assessment area population is approximately 6.3 million, representing 49% of the state's population. The city of Chicago is the most populous city in the state with 43% of the assessment area population and 21% of the state's overall population.

Approximately, 38% of the assessment area population resides in LMI geographies. There are 1,560 census tracts in the assessment area, of which 41% are LMI. In comparison, the 2000 census reported 1,513 census tracts in the assessment area and 42% as LMI tracts.

Income Characteristics

MSA16980 assessment area has 1.5 million families, of which 25% are considered low-income, 17% moderate-income, and 11% have incomes below the poverty level. According to HUD, the estimated MFI for the assessment area was \$76,200 in 2011 and \$77,300 in 2012.

Housing Characteristics

MSA 16980 assessment area contains 2.6 million housing units, of which 1.5 million, or 57%, are owner-occupied. Of the available owner-occupied housing units, 26% are located in LMI tracts.

The median sales price for homes in the greater Chicago MSA was \$176,500 in 2011 and \$175,300 in 2012. Median home sales prices reflect a downward trend, having declined from \$191,400 in 2010. Homes were unaffordable to LMI persons, with home prices almost five times the income of a low-income person and three times the income of a moderate-income person.

Community contacts noted that the housing market continues to be challenged with high foreclosure rates. According to community representatives, even multi-family properties in the area are being foreclosed upon and rental residents are displaced, indicative of a need for affordable rental units. The foreclosure inventory rate, which measures the number of residential properties in some stage of foreclosure against the number of outstanding loans, show a rise for the State of Illinois through 2011 and early 2012, but a drop in 2013. The rate peaked in April 2012 with 6.3% for MSA 16980 (Chicago-Joliet-Naperville, IL-IN-WI) and 5.3% for the State of Illinois, but dropped in April 2013 to 5.1% for the MSA and 4.3% for the State.

Labor, Employment and Economic Characteristics

The City of Chicago is the business and financial center of assessment area. Major employers in the area include federal, state, and local governments, schools, retail chains, and the healthcare industry. The area is home to many of the country's largest employers, including McDonald's Corporation, The Boeing Company, Sears Holding Corporation, Kraft Foods, Walgreens Company and Allstate Corporation.

During the examination period, the unemployment rate for the area has been decreasing steadily indicating some economic improvements in the area. The annual average unemployment rate for the Chicago MSA was 9.8% in 2011 and 8.9% in 2012, which was comparable to unemployment rates for the state at 9.7% in 2011 and 8.7% in 2012.

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

Assessment Area Demographics
Assessment Area : MSA 16980

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	235	15.1	145,390	9.9	48,883	33.6	367,353	24.9
Moderate-income	400	25.6	378,851	25.7	61,037	16.1	256,267	17.4
Middle-income	472	30.3	501,659	34.0	33,818	6.7	278,119	18.9
Upper-income	449	28.8	448,591	30.4	12,887	2.9	572,752	38.8
Unknown-income	4	0.3	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,560	100.0	1,474,491	100.0	156,625	10.6	1,474,491	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	291,418	71,432	4.9	24.5	159,003	54.6	60,983	20.9
Moderate-income	649,168	304,533	20.9	46.9	267,889	41.3	76,746	11.8
Middle-income	848,713	540,193	37.1	63.6	245,379	28.9	63,141	7.4
Upper-income	789,914	540,465	37.1	68.4	189,386	24.0	60,063	7.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	2,579,213	1,456,623	100.0	56.5	861,657	33.4	260,933	10.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
	#	%	Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	17,574	6.0	15,446	5.9	1,170	5.0	958	8.1
Moderate-income	54,284	18.4	47,322	18.2	4,389	18.7	2,573	21.6
Middle-income	94,479	32.0	83,299	32.1	7,414	31.5	3,766	31.6
Upper-income	128,598	43.6	113,526	43.7	10,497	44.6	4,575	38.4
Unknown-income	345	0.1	261	0.1	56	0.2	28	0.2
Total Assessment Area	295,280	100.0	259,854	100.0	23,526	100.0	11,900	100.0
	Percentage of Total Businesses:			88.0		8.0		4.0

Based on 2010 ACS Information and 2012 Dun and Bradstreet data.

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

LENDING TEST

BPNA's performance under the lending test in MSA 16980 is rated low satisfactory. This conclusion is based on adequate lending activity performance, excellent geographic distribution performance, adequate borrower distribution performance, and a relatively high level of community development loans. Some of the data used to evaluate BPNA's performance in this MSA assessment area appears in Exhibit XI.

Lending Activity

BPNA’s lending levels in MSA 16980 reflect adequate responsiveness to assessment area credit needs. This conclusion was based on consideration of the bank’s lending levels, market share, and performance compared to peer banks and market aggregate. For the two-year evaluation period, BPNA made 417 loans consisting of 32 home purchase, 81 refinance, 49 home improvement, 78 multi-family, and 177 small business loans. BPNA lending volumes increased by 26% compared to the prior two-year period, when lending activity totaled 330 loans consisting of 43 home purchase, 49 refinance, 27 home improvement, 8 multi-family, and 203 small business loans. Comparison to the aggregate of all lenders in the assessment area indicated that while BPNA lending activity increased, the aggregate’s lending decreased.

BPNA’s market share of deposits in the assessment area decreased, while its market share of lending was relatively stable, since the prior examination period. In 2012, the bank had a deposit market share of 0.32%, compared to a market share of 0.03% in home purchase lending, 0.03% in refinance lending, 0.71% in home improvement lending, 3.39% in multi-family lending, and 0.07% in small business lending. Peer comparisons of the number of loans originated per million dollars of deposits indicated that BPNA’s performance was generally consistent with the lending volume of similarly-situated banks in the assessment area.

Geographic Distribution

BPNA’s geographic distribution of loans reflects excellent penetration throughout the MSA 16980 assessment area. This lending performance is based on the bank’s adequate lending penetration in low-income geographies and excellent lending penetration in moderate-income geographies. The table below summarizes the lending performance in LMI geographies by loan product.

MSA 16980 (Chicago-Joliet-Naperville, IL-IN-WI)				
Product	Low-Income Census Tracts		Moderate-Income Census Tracts	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Adequate	Significantly Above	Excellent	Significantly Above
Refinance	Adequate	Significantly Below	Excellent	Significantly Above
Home Improvement	Adequate	Above	Excellent	Significantly Above
Multi-family	Adequate	Below	Excellent	Slightly Above
Small Business	Excellent	Significantly Above	Excellent	Significantly Above

Low-Income Geographies

BPNA's performance in low-income geographies in MSA 16980 was adequate. BPNA made 6% of its home purchase loans, 8% of its home improvement loans, and 7% of its multi-family loans in low-income geographies, exceeding the aggregate's 4% of home purchase loans and 6% of home improvement loans, but below the aggregate's 12% of its multi-family loans made in low-income geographies. BPNA did not make any refinance loans in low-income geographies, while the aggregate made 4% of its refinance loans in low-income geographies. The demographics of the assessment area indicate that 5% of the available owner-occupied housing units and 19% of rental properties are located within low-income geographies.

BPNA made 10% of its small business loans in low-income geographies compared to 6% of business establishments. Performance exceeded the aggregate, which made 4% of its small business loans in low-income geographies.

BPNA's HMDA and small business lending performance in 2011 was comparable to its 2012 performance.

Moderate-Income Geographies

BPNA's performance in moderate-income geographies in MSA 16980 was excellent. BPNA originated 25% of its home purchase loans, 17% of its refinance loans, 36% of its home improvement loans, and 36% of its multi-family loans in moderate-income geographies. The aggregate had 16% of its home purchase, 11% of its refinance, 20% of its home improvement loans, and 31% of its multi-family loans in moderate-income geographies. The demographics of the assessment area indicate that 21% of owner occupied housing units and 31% of rental properties are located in moderate-income geographies.

BPNA made 35% of its small business loans in moderate-income geographies, compared to 18% of business establishments. Performance exceeded the aggregate, which made 16% of its small business loans in moderate-income geographies.

BPNA's 2011 HMDA and small business lending performance was comparable to 2012.

Distribution by Borrower Income and Revenue Size of Business

BPNA's distribution of lending among customers of different income levels and businesses of different sizes in the MSA 16980 assessment area reflects adequate penetration. Overall, lending to low-income borrowers and to moderate-income borrowers was good, while lending to small businesses was adequate. Multi-family lending was not applicable for borrower characteristics analysis. The table below summarizes the lending performance by loan product.

MSA 16980 (Chicago-Naperville-Joliet, IL-IN-WI)				
Product	Low-income Borrowers		Moderate-income Borrowers	
	BPNA Performance	2012 Aggregate Comparison	BPNA Performance	2012 Aggregate Comparison
Home Purchase	Adequate	Below	Good	Similar To
Refinance	Excellent	Significantly Above	Adequate	Significantly Below
Home Improvement	Good	Significantly Above	Good	Below
	Lending to Businesses with GAR <= \$1 million		2012 Aggregate Comparison	
Small Business	Adequate		Similar To	

Low-Income Borrowers

BPNA’s HMDA lending to low-income borrowers was good. In 2012, BPNA made 6% of its home purchase loans, 19% of its refinance loans, and 16% of its home improvement loans to low-income borrowers overall, compared to the demographic of 25% of low-income families in the assessment area. BPNA’s home purchase lending was below the aggregate’s lending, while its refinance and home improvement lending was significantly above the aggregate. The aggregate made 10% of its home purchase loans, 5% of its refinance loans, and 10% of its home improvement loans to low-income borrowers.

HMDA lending performance to low-income borrowers in 2011 was more favorable compared to the 2012 performance.

Moderate-Income Borrowers

BPNA’s HMDA lending performance to moderate-income borrowers was good. In 2012, BPNA made 19% of its home purchase loans, 2% of its refinance loans, and 12% of its home improvement loans to moderate-income borrowers, compared to the demographic of 17% of moderate-income families in the assessment area. BPNA’s home purchase lending was similar to the aggregate’s lending, while its refinance lending was significantly below and its home improvement lending was below the aggregate. The aggregate made 21% of its home purchase, 12% of its refinance loans, and 18% of its home improvement loans to moderate-income borrowers.

HMDA lending performance to moderate-income borrowers in 2011 was comparable to 2012 performance.

Exhibit XI
2012 Aggregate Comparison Loan Distribution Table
Assessment Area: MD 16980

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	1	6.3%	2.7%	3.5%	2.6%	1	6.3%	2.6%	9.9%	4.2%
Moderate	4	25.0%	16.2%	15.6%	9.8%	3	18.8%	9.1%	20.8%	12.9%
Middle	5	31.3%	17.2%	35.6%	27.2%	3	18.8%	17.6%	20.3%	17.0%
Upper	6	37.5%	63.9%	45.3%	60.5%	4	25.0%	8.2%	38.0%	56.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	31.3%	62.4%	11.0%	9.1%
Total	16	100.0%	100.0%	100.0%	100.0%	16	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	2.4%	1.8%	10	18.9%	5.8%	5.2%	2.6%
Moderate	9	17.0%	6.4%	11.1%	7.6%	1	1.9%	0.5%	11.7%	7.0%
Middle	12	22.6%	17.0%	30.9%	24.7%	2	3.8%	2.0%	19.6%	15.0%
Upper	32	60.4%	76.6%	55.6%	65.9%	14	26.4%	24.5%	51.3%	63.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	26	49.1%	67.1%	12.2%	11.5%
Total	53	100.0%	100.0%	100.0%	100.0%	53	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	2	8.0%	6.2%	5.9%	2.7%	4	16.0%	7.3%	9.7%	2.7%
Moderate	9	36.0%	11.9%	20.1%	9.8%	3	12.0%	7.6%	17.7%	8.7%
Middle	5	20.0%	23.6%	32.0%	23.3%	6	24.0%	13.9%	21.8%	16.5%
Upper	9	36.0%	58.3%	42.1%	64.2%	11	44.0%	70.8%	38.5%	57.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	4.0%	0.3%	12.3%	14.5%
Total	25	100.0%	100.0%	100.0%	100.0%	25	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	4	6.9%	10.5%	12.4%	7.7%	0	0.0%	0.0%	0.0%	0.0%
Moderate	21	36.2%	31.1%	31.1%	20.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	15	25.9%	27.0%	32.6%	32.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	18	31.0%	31.4%	23.8%	39.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	58	100.0%	100.0%	100.0%	100.0%
Total	58	100.0%	100.0%	100.0%	100.0%	58	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	7	4.6%	7.0%	2.7%	2.2%	15	9.9%	1.9%	6.4%	2.9%
Moderate	43	28.3%	23.0%	12.4%	8.6%	7	4.6%	0.7%	13.9%	8.1%
Middle	37	24.3%	23.6%	32.1%	25.5%	11	7.2%	1.7%	19.7%	15.0%
Upper	65	42.8%	46.3%	52.7%	63.7%	29	19.1%	8.6%	47.5%	59.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	90	59.2%	87.1%	12.5%	14.1%
Total	152	100.0%	100.0%	100.0%	100.0%	152	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)			
Low	9	10.1%	16.6%	3.7%	4.5%					
Moderate	32	36.0%	31.4%	16.0%	18.2%					
Middle	33	37.1%	35.9%	33.1%	32.4%					
Upper	13	14.6%	15.0%	44.3%	44.1%					
Unknown	2	2.2%	1.1%	0.1%	0.1%					
Tract Unknown	0	0.0%	0.0%	2.7%	0.7%					
Total	89	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	28	31.5%	21.2%	31.4%	29.2%					
By Loan Size										
\$100,000 or less	23	25.8%	6.1%	92.5%	24.6%					
\$100,001-\$250,000	35	39.3%	27.6%	3.1%	13.8%					
\$250,001-\$1 Million	31	34.8%	66.3%	4.4%	61.5%					
Total	89	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

Small Business Lending

BPNA provided an adequate level of lending to small business borrowers with GAR of \$1 million or less. In 2012, the bank made 32% of its small business loans to these businesses, compared to the 88% of business establishments in the MSA with GAR of \$1 million or less. Small business lending was similar to the aggregate, which made 31% of its small business loans to businesses with GAR of \$1 million or less. The bank made 26% of its small business loans in amounts of \$100,000 or less, which was significantly below the aggregate, which made 93% of its small business loans in amounts of \$100,000 or less. The average loan size was \$260,000.

Small business lending performance in 2011 was comparable to the bank’s performance in 2012.

Community Development Loans

BPNA made a relatively high level of community development loans in MSA 16980. In this assessment area, BPNA extended 137 community development loan, totaling \$131 million or 22% of BPNA’s total community development lending. Performance in the MSA increased 117% on an annualized basis compared to the last examination. The assessment area also benefitted from \$619 thousand of community development loans made in the broader statewide or regional area that includes the assessment area. New commitments totaled \$110 million or 84% of community development lending activity.

Community Development Lending		
Purpose	#	\$(’000s)
Affordable Housing	117	91,103
Community Services	10	30,728
Revitalize and Stabilize	9	7,045
Economic Development	1	2,400
Total	137	131,276

BPNA’s community development lending compared favorably to that of similarly-situated retail banks operating in the assessment area. BPNA’s level of community development lending as a percentage of assessment area deposits ranked 1st among five peer banks.

Performance in the MSA primarily targeted affordable housing initiatives, which had been identified by community contacts as a critical need in the assessment area. Affordable housing initiatives represented 69% of community development lending activity. The following are examples of community development loans that met critical needs in the assessment area:

- 77 new multifamily loans totaling \$69 million that provided 1,447 units of affordable housing.
- A \$ 1 million participation in a community investment mortgage pool that invests in LMI property mortgages in and around Chicago.
- A \$1.9 million line of credit to a non-profit corporation that provides special education, vocational training, job placement, and residential facilities to the mentally handicapped residents of Cook County.

- A \$2.4 million commercial mortgage to purchase an industrial building located in an enterprise zone. The building will house the main operations of a food distributor.
- An \$8.4 million term loan to a 208 bed skilled nursing facility. Over 74% of revenues of the facility are from Medicaid, indicating it is serving an LMI population.

INVESTMENT TEST

BPNA’s performance in MSA 16980 under the investment test is rated high satisfactory. The bank made a significant level of qualified community development investments and grants in MSA 16980. BPNA’s total qualified investments in the state of Illinois totaled \$10.9 million, consisting of \$5.9 million of investments dedicated to activities inside the MSA 16980 assessment area and \$5 million to the broader statewide area that includes the assessment area. BPNA’s total qualified investment activity in the state of Illinois represents 19% of BPNA’s total qualified investments.

Qualified Investments MSA 16980		
Investment Purpose	#	\$(‘000s)
Affordable Housing	4	5,513
Community Services	62	277
Economic Development	7	112
Total	73	5,902

On an annualized basis, qualified investments in the state of Illinois increased by 66% compared to the last examination, when BPNA made \$7.9 million of qualified investments throughout the state.

In addition, BPNA’s qualified investments level was comparable to similarly-situated retail banks operating in the assessment area. BPNA’s level of qualified investments as a percentage of assessment area deposits ranked 3rd of five peer banks.

BPNA exhibited adequate responsive to credit and community development needs in the assessment area. Investment activities primarily targeted affordable housing through investments in mortgage-backed securities. The assessment area also benefited from 69 donations totaling \$389,000. The following are examples of qualified investments that met critical needs in the assessment area:

- A \$97,300 equity investment in a Small Business Investment Corporation that promotes economic development for small businesses.
- \$36 thousand in donations to provide job training to LMI adults with developmental disabilities.
- \$23 thousand in donations to an organization in a moderate-income geography that provides funding and guidance for start-up small business operated by LMI individuals.

SERVICE TEST

BPNA's performance on the service test in MSA 16980 is considered outstanding, based on readily accessibility delivery systems and an excellent level of community development services in the assessment area.

Retail Services

BPNA's retail delivery systems were readily accessible to geographies and individuals of different income levels in the assessment area. BPNA operated 12 branches in this MSA, of which one, or 8%, was located in a low-income area, and four, or 33%, were in moderate-income areas. The proportion of branches in low-income areas compares less favorably to 11% of the MSA population residing in low-income areas. However, BPNA's proportion of branches in moderate-income areas compared favorably to 27% of the MSA population residing in moderate-income areas. Alternative delivery systems enhanced BPNA performance. The bank had one off-site ATM in a middle-income census tract in this assessment area.

Changes in branch locations did not adversely affect the accessibility of BPNA's delivery systems in this assessment area. During the evaluation period, BPNA closed one branch in a middle-income area. BPNA did not open any branches in this assessment area during the evaluation period.

BPNA's business hours and services are tailored to the convenience and needs of the assessment area, particularly to LMI geographies and/or LMI individuals. Of the total 12 branches in the MSA, all branches have extended late evening and Saturday hours

Community Development Services

BPNA was a leader in providing community development services in MSA 16980. BPNA provided 221 qualified services, compared to 200 qualified services provided during the prior examination. Community development services consisted of financial literary seminars to LMI individuals and technical assistance to community development organizations throughout the assessment area.

Community Development Services	
Financial Literacy Seminars	109
Technical Assistance	107
Small Business Services	3
Mortgage Education Seminars	2
Total	221

Additionally, 17 BPNA management and staff provided 58 qualified service activities by serving as board or committee members to 28 community development organizations. BPNA staff provided financial management expertise and technical assistance to these organizations. Examples of community development services include:

- A BPNA Senior Vice President served as a board member and as a member of the approval committee of an alternative lending organization dedicated to providing credit

and other business services to small business owners who do not have access to traditional sources of financing.

- A Senior Vice President served as a board member of an organization that provides after-school programs for children in need, summer day camp, and mentoring opportunities in a moderate-income area of Chicago, IL.
- An Assistant Vice President served as an officer of Neighborhood Housing Services of Chicago, an affordable housing organization.
- An Assistant Vice President served as a board member and finance committee member of a non-profit organization that provides educational and supportive resources to youth and families in a moderate-income community in Chicago, IL.

CRA APPENDIX A
SCOPE OF EXAMINATION

BANCO POPULAR NORTH AMERICA		
EXAMINATION PERIOD REVIEWED	January 1, 2011 – June 30, 2013	
FINANCIAL INSTITUTION Banco Popular North America 9600 West Bryn Mawr Rosemont, Illinois 60018	PRODUCTS REVIEWED <ul style="list-style-type: none"> • Home purchase loans • Refinancing loans • Home Improvement loans • Multifamily loans • Small business loans • Community Development Loans • Community Development Investments 	
AFFILIATE(S)	AFFILIATE RELATIONS	PRODUCTS REVIEWED
E Loan Inc.	Bank subsidiary	<ul style="list-style-type: none"> • Home purchase loans • Refinancing loans • Home Improvement loans

CRA APPENDIX B

Summary of States and Multistate MSA Ratings

State or Multi-state Metropolitan Area	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
MSA 35620	Low Satisfactory	High Satisfactory	Outstanding	Satisfactory
California	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
Florida	Low Satisfactory	High Satisfactory	Outstanding	Satisfactory
Illinois	Low Satisfactory	High Satisfactory	Outstanding	Satisfactory

CRA APPENDIX C

BANCO POPULAR NORTH AMERICA SUMMARY OF BRANCH LOCATIONS <i>As of December 31, 2012</i>				
	Total Branches	Total Branches in LMI Tracts	% of Branches in LMI Tracts	% of Pop. in LMI Tract
ASSESSMENT AREA				
STATE OF NEW YORK				
MSA 35620	39	26	67%	48%
STATE OF CALIFORNIA				
MSA 31100	20	7	35%	37%
MSA 41740	1	0	0%	31%
STATE OF FLORIDA				
MSA 33100	11	4	36%	32%
MSA 36740	9	4	44%	30%
STATE OF ILLINIOS				
MSA 16980	12	5	42%	38%
TOTAL	92	46	50%	39%

CRA APPENDIX D

BANCO POPULAR NORTH AMERICA										
Community Development Lending										
January 1, 2011 - June 30, 2013										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize and Stabilize		Combined Totals	
	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)
NEW YORK - NORTHERN NEW JERSEY - LONG ISLAND										
MULTISTATE MSA 35620 (NEW-YORK-WHITE PLAINS-WAYNE, NY-NJ-PA)	52	90,025	43	49,407	2	100	6	8,020	103	147,552
Statewide / Regional	1	104	0	0	1	122	0	0	2	226
Total MSA 35620	53	90,129	43	49,407	3	222	6	8,020	105	147,778
STATE OF CALIFORNIA										
MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA)	187	134,480	6	17,510	1	1,116	1	1,388	195	154,494
MSA 41740 (San Diego-Carlsbad-San Marcos, CA), a portion of San Diego County	54	45,646	2	250	0	0	0	0	56	45,896
Statewide / Regional	9	7,612	0	0	0	0	0	0	9	7,612
Total California	250	187,738	8	17,760	1	1,116	1	1,388	260	208,002
STATE OF FLORIDA										
MSA 36740 (Orlando-Kissimmee, FL)	6	8,474	1	370	0	0	0	0	7	8,844
MSA 33100 (Miami-Fort Lauderdale-Miami Beach, FL)	73	71,795	3	2,253	0	0	2	14,600	78	88,648
Statewide / Regional	6	10,631	0	0	0	0	0	0	6	10,631
Total Florida	85	90,900	4	2,623	0	0	2	14,600	91	108,123
STATE OF ILLINOIS										
MSA 16980 (Chicago-Naperville-Joliet, IL)	117	91,103	10	30,728	1	2,400	9	7,045	137	131,276
Statewide / Regional	1	619	0	0	0	0	0	0	0	619
Total Illinois	118	91,722	10	30,728	1	2,400	9	7,045	138	131,895
Total Community Development Loans	506	460,489	65	100,518	5	3,738	18	31,053	594	595,798

CRA APPENDIX E

BANCO POPULAR NORTH AMERICA										
Community Development Investments										
January 1, 2011 - June 30, 2013										
Assessment Area	Affordable Housing		Economic Development		Community Services		Revitalize and Stabilize		Combined Totals	
	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)	#	(\$000s)
NEW YORK - NORTHERN NEW JERSEY - LONG ISLAND										
MULTISTATE MSA 35620 (NEW-YORK-WHITE PLAINS-WAYNE, NY-NJ-PA)	12	17,348	6	107	88	555	5	10	111	18,020
Statewide / Regional	5	4,450	1	2	14	83	0	0	20	4,535
Total MSA 35620	17	21,798	7	109	102	638	5	10	131	22,555
STATE OF CALIFORNIA										
MSA 31100 (Los Angeles-Long Beach-Santa Ana, CA)	5	7,312	10	31	62	401	1	13	78	7,756
MSA 41740 (San Diego-Carlsbad-San Marcos, CA), a portion of San Diego County	1	176	0	0	7	35	0	0	8	211
Statewide / Regional	5	4,261	0	0	5	206	0	0	10	4,467
Total California	11	11,749	10	31	74	641	1	13	96	12,433
STATE OF FLORIDA										
MSA 36740 (Orlando-Kissimmee, FL)	3	2,196	6	63	16	46	1	0.5	26	2,306
MSA 33100 (Miami-Fort Lauderdale-Miami Beach, FL)	6	5,822	0	0	34	187	0	0	40	6,009
Statewide / Regional	5	2,800	0	0	1	1	0	0	6	2,801
Total Florida	14	10,818	6	63	51	234	1	1	72	11,116
STATE OF ILLINOIS										
MSA 16980 (Chicago-Naperville-Joliet, IL)	4	5,513	7	112	62	277	0	0	73	5,902
Statewide	5	4,995	2	1	0	0	0	0	7	4,995
Total Illinois	9	10,508	9	113	62	277	0	0	80	10,898
Total Community Development Investments	51	54,873	32	316	289	1,791	7	23	379	57,002

CRA APPENDIX F

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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








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

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

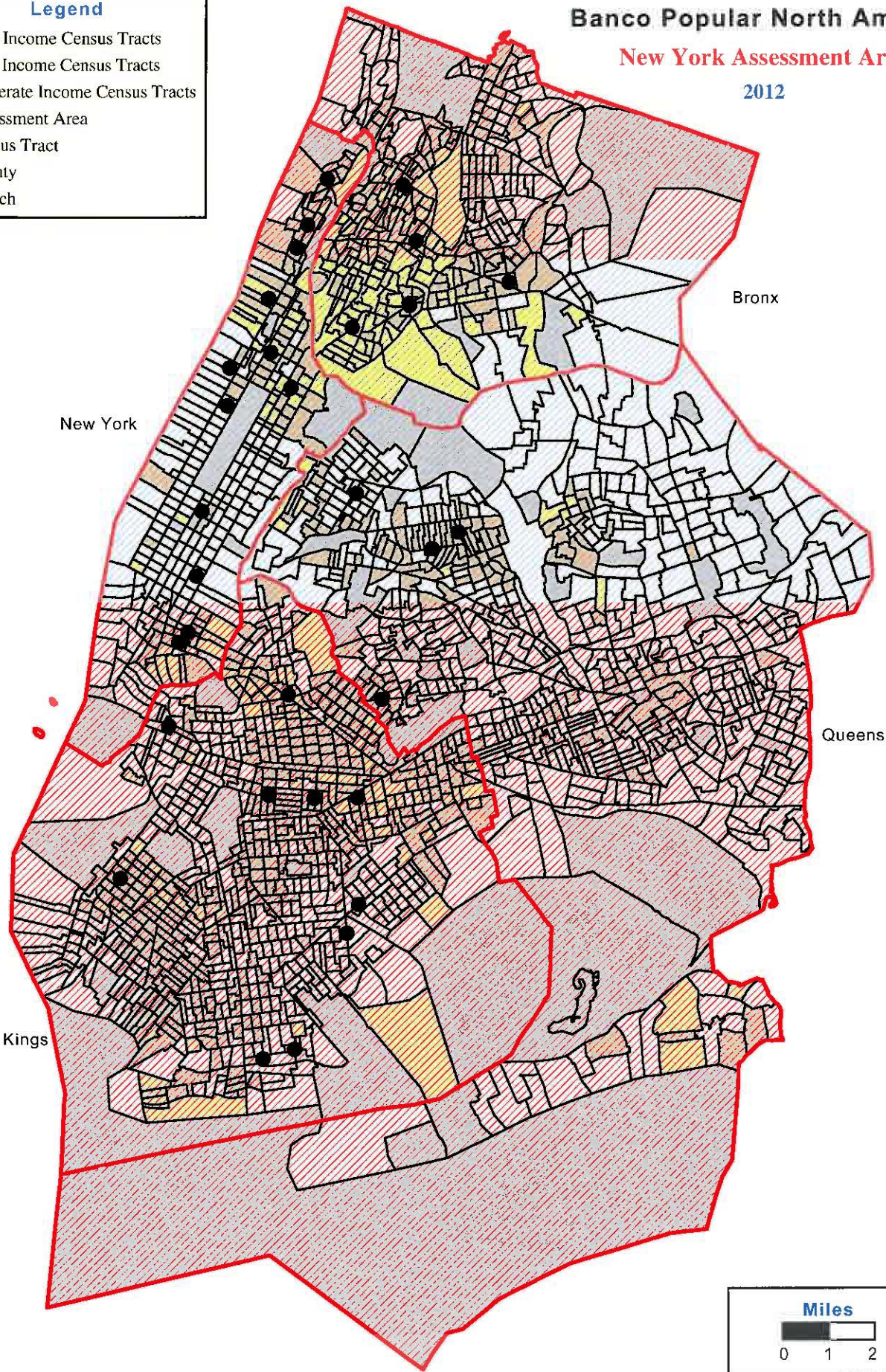
Small loan(s) to business(es): A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report") and the Thrift Financial Reporting ("TFR") instructions. These loans have original amounts of \$1 million or less and typically are either secured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

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

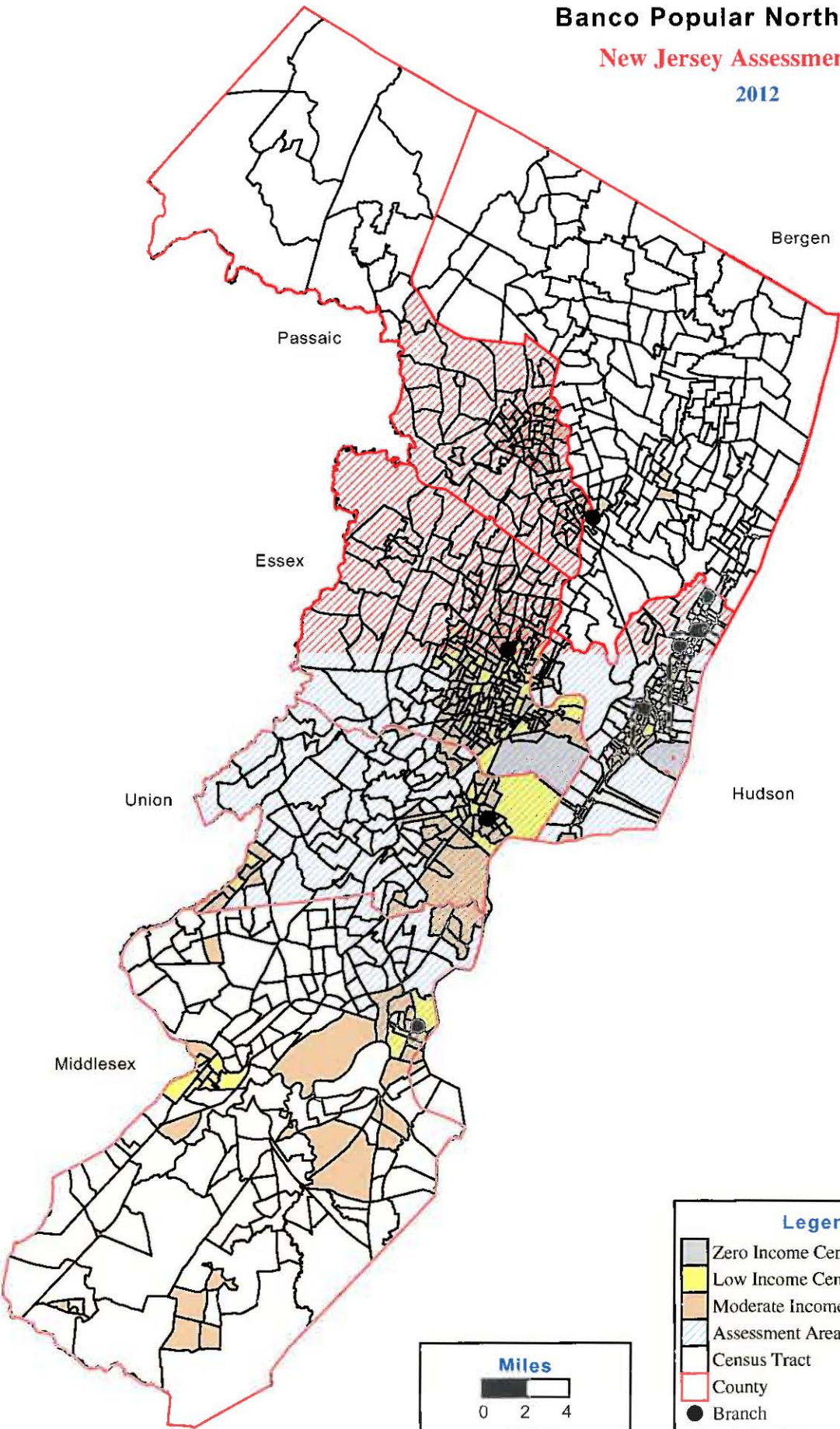
Legend

-  Zero Income Census Tracts
-  Low Income Census Tracts
-  Moderate Income Census Tracts
-  Assessment Area
-  Census Tract
-  County
-  Branch

Banco Popular North America
New York Assessment Area
2012



Banco Popular North America
New Jersey Assessment Area
2012



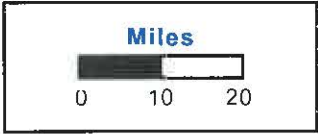
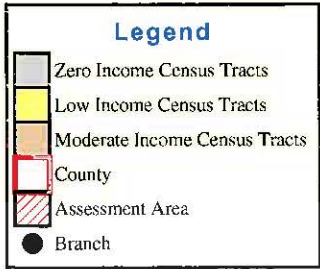
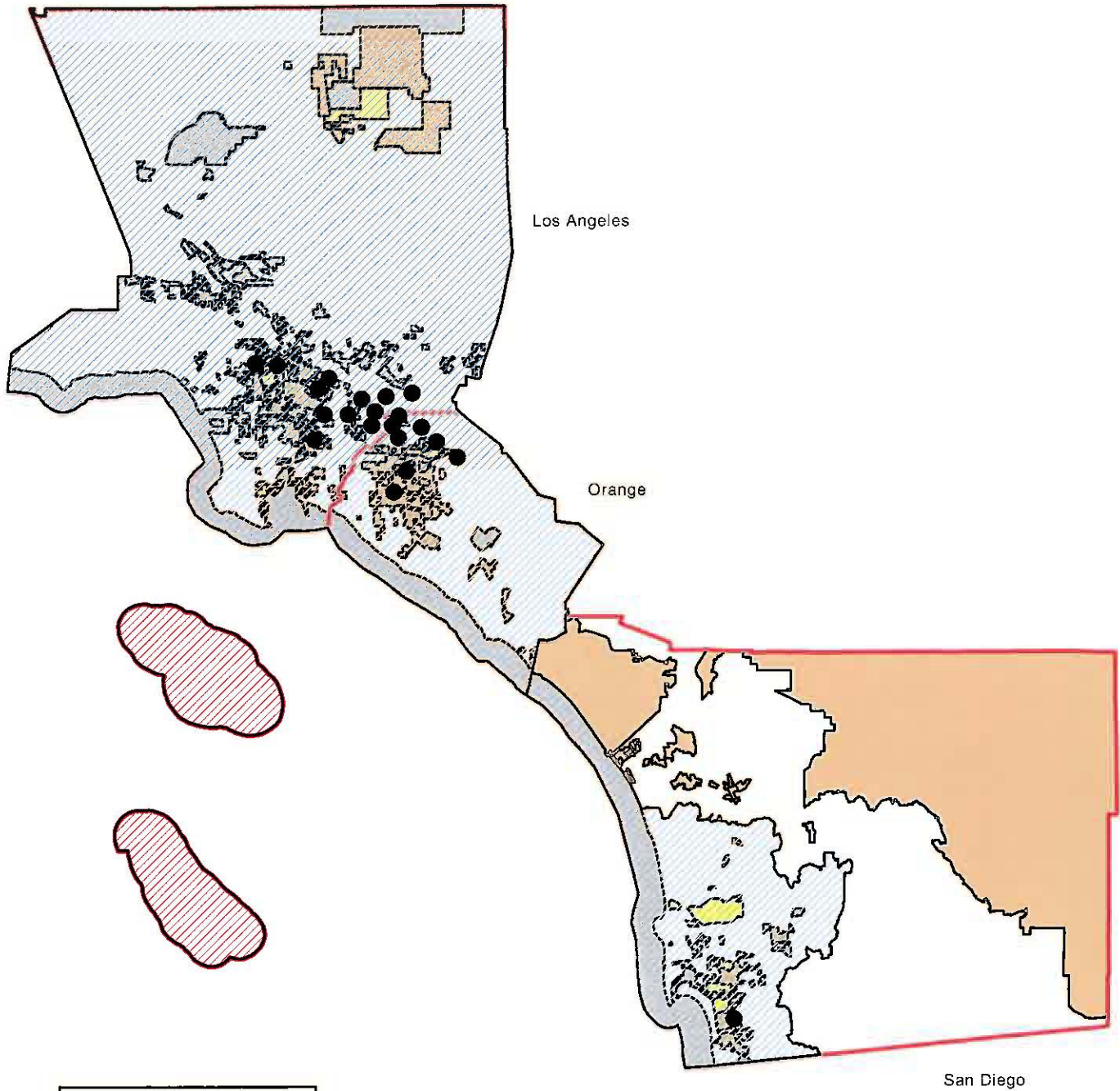
Legend

- Zero Income Census Tracts
- Low Income Census Tracts
- Moderate Income Census Tracts
- Assessment Area
- Census Tract
- County
- Branch

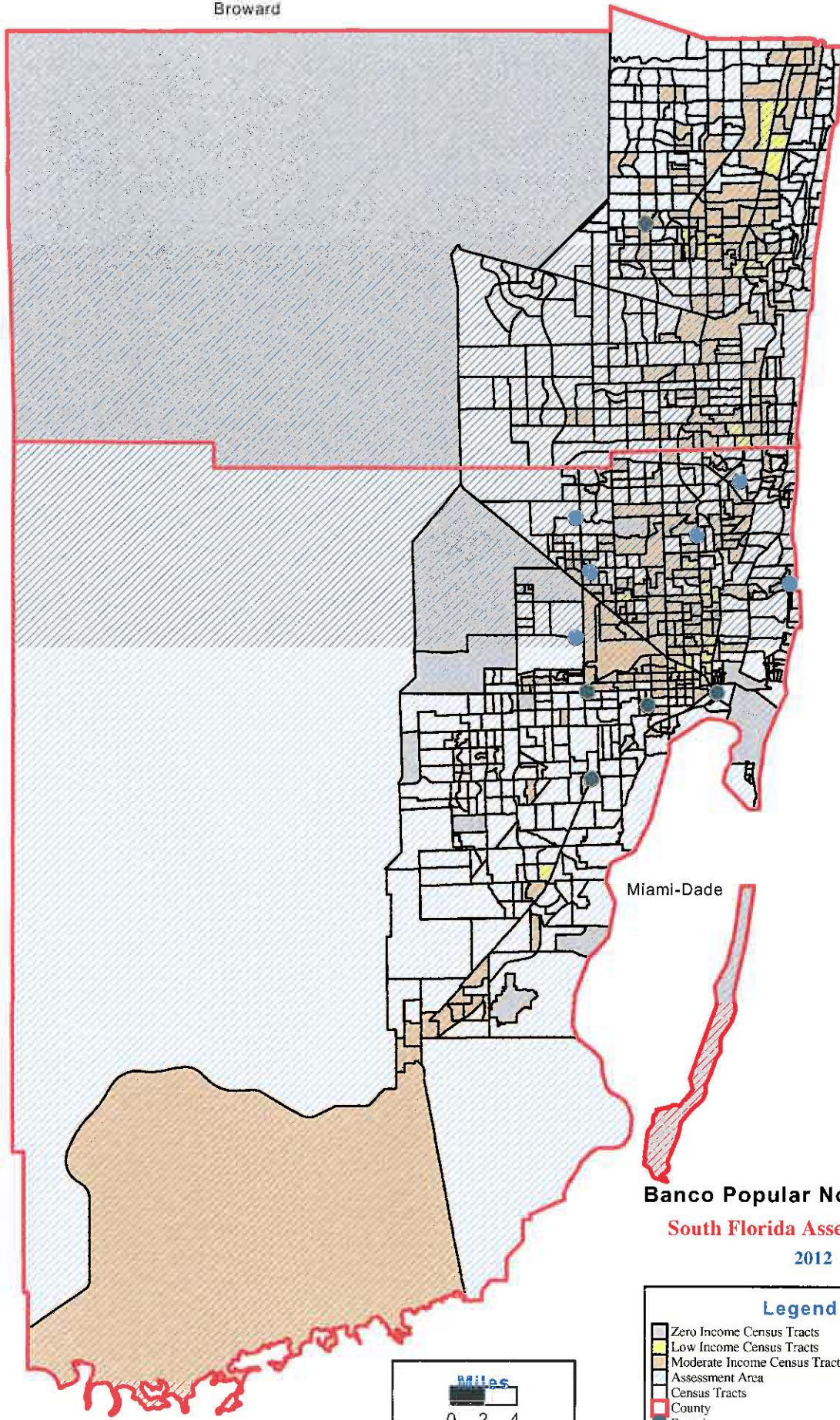
Banco Popular North America

California Assessment Area

2012



Broward



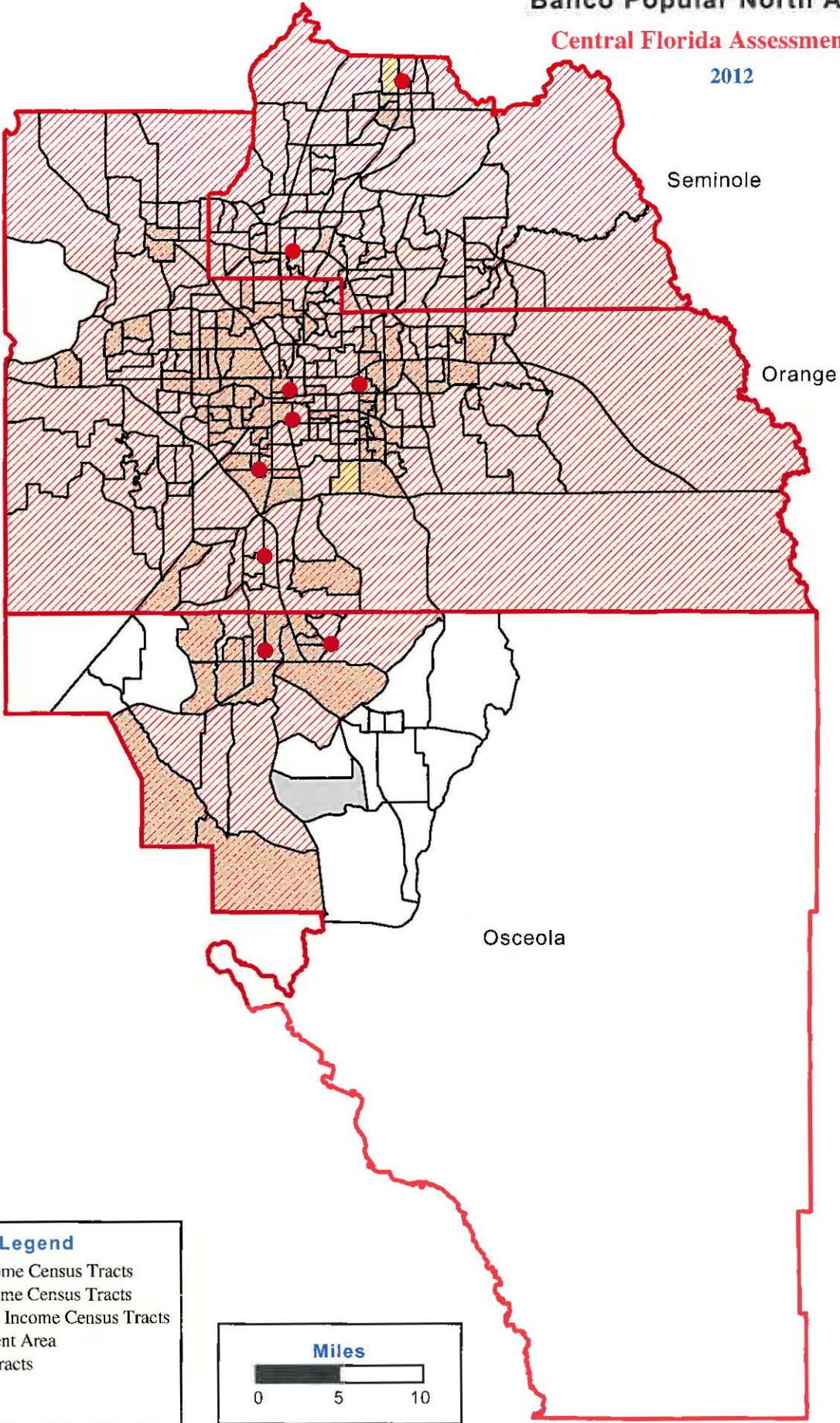
Miami-Dade

Banco Popular North America
South Florida Assessment Area
2012

Legend

- Zero Income Census Tracts
- Low Income Census Tracts
- Moderate Income Census Tracts
- Assessment Area
- Census Tracts
- County
- Branch

Banco Popular North America
Central Florida Assessment Area
2012



Legend

- Zero Income Census Tracts
- Low Income Census Tracts
- Moderate Income Census Tracts
- Assessment Area
- Census Tracts
- County
- Branch

