NEW YORK STATE BANKING DEPARTMENT

CONSUMER SERVICES DIVISION

1 State Street
New York, NY 10006

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Date of Evaluation: December 31, 2007

Institution: Banco Popular North America
9600 W. Bryn Mawr Avenue
Rosemont, IL 60018

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

	Section
General Information	1
Overview of Institution's Performance	2
Performance Context	3
Institution's Profile	
Assessment Area	
Demographic and Economic Data	
Performance Tests and Assessment Factors	4
Lending Test	
Investment Test	
Service Test	
Additional Factors	
Glossary	5

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of Banco Popular North America's New York Operations ("BPNA") prepared by the New York State Banking Department. At the request of BPNA, affiliate lending was included in this evaluation. As appropriate, affiliate lending was added to the lending of BPNA. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on BPNA's activities within New York State as of December 31, 2007. Unless otherwise indicated, all data and analysis only reflect activities within BPNA's New York assessment area.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution's record of helping to meet the credit needs of its entire community, including low and moderate-income areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

(1) outstanding record of meeting community credit needs;

(2) satisfactory record of meeting community credit needs;

(3) needs to improve record of meeting community credit needs; and

(4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public ("Evaluation"). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall Rating

BPNA's performance was evaluated according to the lending, investment and service performance criteria of a large bank. The assessment period included calendar years 2006 and 2007. BPNA is rated "**2**," indicating a "**Satisfactory**" record of helping to meet community credit needs. This rating is unchanged from the prior rating of "2" based on the New York State Banking Department Performance Evaluation as of December 31, 2005. The current rating was based on the following factors.

Performance Levels	Banco Popular North America		
	Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding			**X**
High Satisfactory	**X**		
Low Satisfactory		**X**	
Needs to Improve			
Substantial Non-Compliance			

Lending Test: "High Satisfactory"

Lending Activity: "Low Satisfactory"
BPNA's lending activity showed an adequate responsiveness to the credit needs of its assessment area. During the evaluation period, BPNA extended 2,011 HMDA-reportable and small business loans inside its assessment area. In comparison to the prior evaluation period, BPNA's lending level increased slightly by 6%.

Assessment Area Concentration: "High Satisfactory"
An analysis of loans within BPNA's assessment area as compared to BPNA's loans within New York State showed that considering both HMDA-reportable and small business loans, a high percentage of BPNA's lending was within its assessment area. However, taken on its own, HMDA-reportable lending was only adequate. Small business lending represented the majority of lending by both number of loans and dollars lent, and hence was given more weight. BPNA lent a substantial majority of its small business loans within its assessment area.

Distribution by Borrower Characteristics: "High Satisfactory"
Taken together, the distribution of BPNA's HMDA-reportable and small business loans constituted a good penetration of lending to customers of different income levels, and to businesses of different sizes.

The distribution of 1-4 family HMDA-reportable loans reflected an excellent percentage of lending to LMI borrowers. In 2006 and 2007, BPNA's LMI penetration ratio exceeded the aggregate's penetration ratio for number of loans and dollars lent to low- and moderate-income borrowers.

The distribution of small business loans reflected a good percentage of lending to small businesses with gross annual revenues < = $1MM. In both 2006 and 2007, BPNA's lending penetration ratio to businesses with gross annual revenues < = $1MM was larger than the aggregate's penetration ratio.

Geographic Distribution of Lending: "Outstanding"
The geographic distribution of loans constituted an excellent penetration of the assessment area. During the evaluation period, BPNA's penetration ratio in LMI census tracts outperformed the aggregate's penetration ratio for both HMDA-reportable and small business lending.

Community Development Loans: "Outstanding"
BPNA was a leader in originating community development loans, primarily lending for multi-family projects.

For 2006 and 2007, BPNA's community development loans totaled $188.8 million, reflecting an increase of 48% from the prior evaluation. New community development loans totaled $157.4 million.

Innovative and Flexible Lending Practices: "Low Satisfactory"
BPNA made limited use of innovative and/or flexible lending practices in serving the credit needs of its assessment area.

Investment Test- "Low Satisfactory"

Qualified community development investments were adequate totaling $5.5 million, a 26% decrease from the prior evaluation. In addition, BPNA's investments were neither innovative nor complex.

Services Test: "Outstanding"

BPNA's delivery systems were readily accessible to all portions of its assessment area and BPNA was a leader in providing community development services within its assessment areas during the evaluation period.

Retail Banking Services: "Outstanding"
BPNA's systems of delivering retail services were readily accessible to all portions of its assessment area in New York State.

Community Development Services: "Outstanding"
BPNA was a leader in providing community development services benefiting its assessment area. Collaborating with various not-for-profit organizations and government agencies, the bank actively organized and participated in services extended to its community members, especially to LMI individuals and areas. These services included, but were not limited to, providing technical assistance to community-based organizations,

conducting seminars and presentations addressing affordable housing, small business development, financial literacy and other topics that helped to meet local credit needs.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution's Profile

BPNA, a commercial bank chartered in December 1998 by the New York State Banking Department, is the largest Hispanic bank in the United States. BPNA is a wholly owned subsidiary of Popular North America, Inc., ("PNA"), which is in turn wholly owned by Popular International Bank, Inc. ("PIBI"), and PIBI is itself owned by Popular, Inc. ("Popular"), a bank holding company headquartered in Puerto Rico.

Popular also wholly owns Popular Financial Holdings ("PFH"), which is a sub-prime mortgage lender and a third-party servicer in the United States.

BPNA's wholly-owned subsidiaries include:

- E-Loan - Provides an online platform to raise deposits and offers consumer loans, including residential mortgages and auto loans. In January 2007, E-Loan was transferred from PFH to BPNA as an operating subsidiary. In November 2007, E-Loan was restructured into an originating agency for conforming first mortgages.

- Banco Popular, National Association - A national residential mortgage lender that merged into BPNA in December 2008.

- Popular Equipment Finance, Inc. - A leasing company for small to mid-sized commercial, healthcare, manufacturing and municipal equipment. This entity was sold in the first quarter of 2009.

- Popular Insurance Agency, USA - Offers investment and insurance services.

- Popular FS, LLC - Sold to Goldman Sachs' affiliates in November 2008.

- BPNA Real Estate, Inc. - An investment securities company.

BPNA has a branch network in six states: Florida, California, New York, New Jersey, Texas, and Illinois. BPNA reported total assets of $13.4 billion as of December 31, 2007. In New York, BPNA operates 33 full-service branches in five counties: New York, Bronx, Kings, Queens and Westchester. Supplementing the banking offices is an Automated Teller Machine ("ATM") network consisting of 60 machines. There is at least one ATM at each branch location.

As of December 31, 2007, BPNA reported gross loans of $10.3 billion and total deposits of $9.8 billion. The Uniform Bank Performance Report ("UBPR") reflects a loan-to-deposit ratio of 103.8%, which is slightly above its peer group average of 94.26%. BPNA is a small business and residential real estate lender. As of December 31, 2007, BPNA reported 58.3% of its loan portfolio in residential, commercial mortgage and multifamily loans and

23.5% in commercial and industrial loans.

TOTAL GROSS LOANS OUTSTANDING						
	12/31/2005		12/31/2006		12/31/2007	
LOAN TYPE	$(000)	%	$(000)	%	$(000)	%
1-4 Residential Loans	1,723,341	21.0	1,947,698	22.1	3,029,273	29.4
Commercial Mortgage Loans	1,618,400	19.8	1,910,132	21.7	2,180,299	21.1
Commercial & Industrial Loans	2,178,160	26.6	2,278,498	25.9	2,411,849	23.5
Consumer Loans	649,220	7.9	419,599	4.8	383,131	3.7
Construction Loans	391,568	4.8	690,977	7.9	869,548	8.5
Multifamily Loans	903,776	11.0	887,474	10.1	800,122	7.8
Other Loans	728,864	8.9	652,152	7.5	613,824	6.0
Total Gross Loans	**8,193,329**	**100.0**	**8,786,530**	**100.0**	**10,288,046**	**100.0**

BPNA's assessment area provides $4.6 billion in deposits, according to the latest available comparative deposit data, as of June 30, 2008. The bank has a .86% market share in the New York City assessment area, ranking it 14th among 131 other competitors.

BPNA's Distribution of Deposits In 000s as of June 30, 2008					
County	Deposits	Percentage	Market Share	Deposit Ranking	No. of Competitors
Bronx	261,050	6%	2.48	12	23
Kings	926,462	20%	2.85	10	40
Manhattan	3,147,716	68%	0.75	12	97
Queens	273,841	6%	0.68	21	51
Westchester	41,643	1%	0.11	32	41
TOTAL	4,650,712	100%	0.86	14	131

There are no legal or financial impediments that adversely impacted the bank's ability to meet credit needs within its assessment area.

Assessment Area

BPNA's assessment area consists of the Bronx, Kings, New York, and Queens Counties, in their entirety and 16 census tracts in Westchester County. The entire area, except for Westchester County, is within the geographic boundaries of the City of New York. The 16 census tracts in Westchester County comprise the City of New Rochelle. The assessment area is the same as at the previous evaluation.

The following table shows the income level distribution of census tracts by county:

Assessment Area Census Tract Characteristics													
County	Low		Moderate		Middle		Upper		N/A		Total	LMI	
	#	%	#	%	#	%	#	%	#	%	#	#	%
Bronx	132	37.2	98	27.6	65	18.3	46	13.0	14	3.9	355	230	64.8
Kings	119	15.2	297	37.9	235	30.0	117	14.9	15	1.9	783	416	53.1
Queens	12	1.8	148	22.0	310	46.1	185	27.5	18	2.7	673	160	23.8
New York	60	20.3	59	19.9	24	8.1	144	48.6	9	3.0	296	119	40.2
Westchester	0	0.0	0	0.0	7	43.8	8	50.0	1	6.3	16	0	0.0
Total	**323**	**15.2**	**602**	**28.4**	**641**	**30.2**	**500**	**23.6**	**57**	**2.6**	**2,123**	**925**	**43.6**

The assessment area appears reasonable based upon the location of BPNA's branches and lending patterns. There is no evidence that LMI areas are arbitrarily excluded.

Demographic and Economic Data

Demographic data regarding the families, owner-occupied housing units and small businesses located in LMI census tracts, as well as families that are LMI and businesses with gross annual revenues < = $1MM, are discussed in the appropriate sections of this evaluation.

BPNA's assessment area contained a population of 7.6 million, of which 11.8% were age 65 and over and 21.5% were 16 and under. The median family income for the assessment area was $47.4 thousand and the updated HUD median family income was $59.5 thousand for 2007.

There were 2.9 million households in the assessment area, of which, 20.1% were living below the poverty level. There were 1.8 million families inside the assessment area, of which 31.6% were low-income, 16.9% were moderate-income, 17% were middle-income and 34.5% were upper-income.

BPNA's assessment area contained approximately 3 million housing units, of which, approximately 36.9% were 1-4 family units and 63.1% were multifamily units. Owner-occupied units constituted approximately 27% of the units. Of the owner-occupied units, 3.6% were located in low-income, 18.7% in moderate-income, 36.2% in middle-income and 41.5% in upper-income census tracts.

The largest industry in the assessment area was retail trade, consisting of 29% of the total businesses. Transportation and communication were the second largest industries, comprising 13.4% of the total businesses. Service providers and public administration were the third, each comprising 12.1%.

According to the New York State Department of Labor, the assessment area's average unemployment rate was 4.9% in 2006 and 5.0% in 2007. Statewide rates are included for comparison on the following table:

Assessment Area Unemployment Rate							
	New York State	Bronx	Kings	New York	Queens	Westchester*	Average
2006	4.6	6.7	5.4	4.3	4.5	3.8	4.9
2007	4.5	6.9	5.5	4.4	4.5	3.7	5.0
* Partial County							

PERFORMANCE TESTS AND ASSESSMENT FACTORS

The Banking Department assesses a large bank's CRA performance by evaluating its lending, investment and service activities within the assessment area in accordance with Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board.

BPNA's performance was evaluated according to the large bank performance criteria, which include lending, investment and service tests. The following factors were also considered in assessing BPNA's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; and process factors such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

The evaluation covers the years 2006 and 2007. BPNA reports both HMDA-reportable and small business loans. At the request of BPNA, affiliate lending was included in this evaluation. As appropriate, affiliate lending was added to the lending of BPNA; tables and text that refer to BPNA include this lending. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on BPNA's activities within New York State as of December 31, 2007. Unless otherwise indicated, all data and analysis only reflect activities within BPNA's New York assessment area.

Statistics used in this evaluation were derived from various sources. In addition to specific loan information provided by the bank, aggregate data for HMDA-reportable and small business loans were obtained from the Federal Financial Institution Examination Council ("FFIEC"). The demographic data referred to in this report were derived from the 2000 US Census Data, with the updated median family income figures provided by the US Department of Housing and Urban Development ("HUD"). Business demographic data used in this report provide information on US businesses, enhanced by Dun & Bradstreet and updated annually.

BPNA received a rating of "2" reflecting a "Satisfactory" record of helping to meet community credit needs at its **prior** Performance Evaluation conducted by the New York State Banking Department as of December 31, 2005.

CRA Rating on This Evaluation: "Satisfactory"

I. Lending Test: "High Satisfactory"

BPNA's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity; (2) Assessment Area Concentration; (3) Distribution by Borrower Characteristics; (4) Geographic Distribution of Lending; (5) Community Development Lending; and

(6) Innovative or Flexible Lending Practices.

The analysis of factors (2) through (4) above focused primarily on the bank's HMDA-reportable and small business loans.

Lending Activity: "Low Satisfactory"

BPNA's lending activity showed an adequate responsiveness to the credit needs of its assessment area.

During the evaluation period, BPNA extended 2,011 HMDA-reportable and small business loans inside its assessment area. In comparison to the prior evaluation period, BPNA's lending level increased slightly by 6%.

BPNA and Affiliates	2006		2007	
Type of Loan	#	%	#	%
HMDA	300	31.4%	273	25.9%
Small Business	655	68.6%	783	74.1%
Totals	955	100.0%	1,056	100.0%

<u>HMDA-Reportable Lending</u>: "Low Satisfactory"

The following table shows various types of HMDA-reportable loans originated in the assessment area during the evaluation period:

BPNA and affiliates HMDA-Reportable Loan Distribution Based on Loan Purpose								
Year	**Total**		**Loan Purpose**					
			Home purchase		**Home Improvement**		**Refinance**	
	#	$(000)	#	$(000)	#	$(000)	#	$(000)
2006	300	76,366	64	19,530	104	10,462	132	46,374
2007	273	61,151	67	21,168	68	4,858	138	35,125
Total	573	137,517	131	40,698	172	15,320	270	81,499

The table above indicates that most HMDA-reportable loans were made to refinance an existing mortgage. The number of loans for home purchases was roughly half the number for refinancing.

BPNA improved its market share based on the number of HMDA-reportable loans it made as compared with other competing banks within its assessment area during the evaluation period. Although the volume and dollar amount of HMDA-reportable loans decreased from 2006 to 2007, BPNA and its affiliates' market share, based on number of loans, increased to .26% from .17% in 2006. The bank ranked 54th among the 285 lenders in its assessment area.

Small Business Loans: "Low Satisfactory"

An analysis of small business lending by county revealed that most of the bank's lending activity occurred in Kings County where the loans totaled 36.2% by number and 35.3% by dollar value. New York County received another 28% of BPNA's lending, both by number and by dollar value.

BPNA's Small Business Lending Activity by County								
	2006		2007		Total			
County	#	$(000)	#	$(000)	#	%	$(000)	%
Bronx	88	9,265	101	3,361	189	13.1%	12,626	13.1%
Kings	252	20,100	269	13,973	521	36.2%	34,073	35.3%
New York	189	14,252	213	12,720	402	28.0%	26,972	28.0%
Queens	118	11,681	191	9,807	309	21.5%	21,488	22.3%
Westchester	8	819	9	481	17	1.2%	1,300	1.3%
Total	**655**	**56,117**	**783**	**40,342**	**1,438**	**100.0%**	**96,459**	**100.0%**

BPNA maintained its market share based on the number of small business loans it made as compared with other competing banks in its assessment area during the evaluation period. Although the volume and the dollar amount of its small business loans decreased from 2006 to 2007, BPNA's market share within its assessment area, based on the number of loans made, increased slightly to .18% in 2007 from .15% in 2006.

Assessment Area Concentration: "High Satisfactory"

An analysis of loans within BPNA's assessment area as compared to BPNA's loans within New York State showed that considering both HMDA-reportable and small business loans, a high percentage of BPNA's lending was made within its assessment area. HMDA-reportable lending by itself was only adequate. Small business lending however, represented the majority of lending by both number of loans and dollars lent, and hence was given more weight. BPNA lent a substantial majority of its small business loans within its assessment area. The analysis of assessment area concentration did not include loans reported by BPNA's affiliates. Per Section 76.8(c)(3) of the General Regulations of the Banking Board, affiliate lending is not considered in this factor.

Distribution of Loans Inside and Outside of the Assessment Area										
	Number of Loans					Dollars in Loans (000)				
Loan Category or Type	Inside		Outside AA but within NYS		Total	Inside		Outside AA but within NYS		Total
	#	%	#	%		$(000)	%	$(000)	%	
HMDA-Reportable										
2006	156	55.3	126	44.7	282	34,181	51.4	32,272	48.6	66,453
2007	76	74.5	26	25.5	102	7,001	58.0	5,061	42.0	12,062
Subtotal	**232**	**60.4**	**152**	**39.6**	**384**	**41,182**	**52.5**	**37,333**	**47.5**	**78,515**
Small Business										
2006	655	93.3	47	6.7	702	56,117	85.8	9,270	14.2	65,387
2007	783	84.8	140	15.2	923	40,342	76.7	12,275	23.3	52,617
Subtotal	**1,438**	**88.5**	**187**	**11.5**	**1,625**	**96,459**	**81.7**	**21,545**	**18.3**	**118,004**
Total	**1,670**	**83.1**	**339**	**16.9**	**2,009**	**137,641**	**70.0**	**58,878**	**30.0**	**196,519**

As illustrated in the above chart, of the total HMDA–reportable loans originated in 2006 and 2007, 60.4% (by number) were made in the assessment area. Based on HMDA loans originated by dollar amount, only 52.5% were in the assessment area during 2006 and 2007.

During the evaluation period, of the total small business loans made, 88.5% (based on number) were made within the assessment area. Based on dollar amount, 81.7% of BPNA's small business loans made during 2006 and 2007 were made within the assessment area.

Distribution by Borrower Characteristics: "High Satisfactory"

Overall, the distribution of BPNA's HMDA-reportable and small business loans constituted a good penetration of lending to customers of different income levels, and to businesses of different sizes.

1-4 Family HMDA-Reportable Loans: "Outstanding"

The distribution of 1-4 family loans reflected an excellent percentage of lending to LMI borrowers. In 2006 and 2007, BPNA's LMI penetration ratio exceeded the aggregate's penetration ratio for number of loans and dollars lent to low- and moderate-income borrowers.

In 2006, of all 1-4 family loans made, the bank extended 16.2% of its loans to LMI borrowers as compared to the aggregate's 4.9%. Based on dollar amount, the bank extended 4.6% of its loans to LMI borrowers as compared to the aggregate's penetration rate of 2%.

In 2007, the bank extended 13.3% of its 1-4 family loans to LMI borrowers as compared to the aggregate's 4.7%. Based on dollar amount, the bank made 4.9% of its 1-4 family loans to LMI borrowers as compared to the aggregate's penetration rate of 1.5%.

^Distribution of HMDA-reportable 1-4 Family Mortgage Loans by Borrower Income Level									
2006									
Borrower	**Bank**				**Aggregate**				**Family Demographics**
Income Level	#	%	$000's	%	#	%	$000's	%	%
Low	16	5.4	430	0.6	1,033	0.8	141,675	0.3	31.6
Moderate	32	10.8	2,866	4.0	5,416	4.1	761,290	1.7	16.9
Middle	50	16.9	6,846	9.5	15,695	12.0	3,197,083	7.1	17.0
Upper	131	44.3	36,617	50.8	99,910	76.4	37,926,889	84.0	34.5
N/A	67	22.6	25,335	35.1	8,710	6.7	3,120,098	6.9	
Total	**296**	**100.0**	**72,094**	**100.0**	**130,764**	**100.0**	**45,147,035**	**100.0**	**100.0**
2007									
Borrower	**Bank**				**Aggregate**				
Income Level	#	%	$000's	%	#	%	$000's	%	
Low	9	3.3	507	0.8	532	0.6	63,671	0.6	31.6
Moderate	27	10.0	2,511	4.1	3,447	4.1	431,909	4.0	16.9
Middle	44	16.2	5,862	9.6	9,880	11.9	1,918,775	12.1	17.0
Upper	176	64.9	48,038	78.6	63,884	76.9	27,686,498	67.6	34.5
N/A	15	5.5	4,168	6.8	5,331	6.4	2,420,593	15.7	
Total	**271**	**100.0**	**61,086**	**100.0**	**83,074**	**100.0**	**32,521,446**	**100.0**	**100.0**
^ Chart does not include multi-family lending, which is included in HMDA chart for income of geography.									

Small Business Loans: "High Satisfactory"

The distribution of small business loans reflected a good percentage of lending to small businesses with gross annual revenues < = $1MM. In both 2006 and 2007, BPNA's lending penetration ratio to businesses with gross annual revenues < = $1MM was larger than the aggregate's penetration ratio.

In 2006, 64.4% of the small business loans went to businesses with gross annual revenues < = $1MM. This rate of lending was more than double the aggregate's penetration ratio of 29.7%.

In 2007, 74.5% of the small business loans went to entities with gross annual revenues < = $1MM. This ratio of lending was also more than double the aggregate's penetration ratio of 31.1%.

Distribution of Small Business Loans by Business Revenue Size									
2006									
Business Revenue Level	**Bank**				**Aggregate**				**Bus. Demo-graphics**
	#	%	$(000)	%	#	%	$(000)	%	
<=$1 million	422	64.4	21,390	38.1	107,679	29.7	2,631,315	40.4	65.9%
> $1 million	185	28.2	25,424	45.3	255,022	65.5	3,881,519	52.0	7.0%
Unknown	48	7.3	9,303	16.6		-		-	27.1%
Total	655	100.0	56,117	100.0	362,701	100.0	6,512,834	100.0	100.0%
2007									
Business Revenue Level	**Bank**				**Aggregate**				
	#	%	$(000)	%	#	%	$(000)	%	
<=$1 million	583	74.5	19,011	47.1	121,234	31.1	2,891,743	38.8	68.6%
>$1 million	182	23.2	20,919	51.9	268,277	68.9	4,568,431	61.2	6.7%
Unknown	18	2.3	412	1.0		-		-	24.7%
Total	783	100.0	40,342	100.0	389,511	100.0	7,460,174	100.0	100.0%

Geographic Distribution of Lending: "Outstanding"

The geographic distribution of loans constituted an excellent penetration of the assessment area. During the evaluation period, BPNA's penetration ratio in LMI census tracts outperformed the aggregate's penetration ratio for both HMDA-reportable and small business lending.

HMDA-Reportable Loans: "High Satisfactory"

During the evaluation period, BPNA's HMDA-reportable lending penetration ratio in LMI areas was higher than the aggregate's lending penetration ratio. .

In 2006, BPNA originated 48%, by number, of its HMDA-reportable loans in LMI areas as compared to the aggregate's origination penetration ratio of 32.4%. Based on dollar amount, the bank's LMI penetration ratio was 46.8%, which outperformed the aggregate's penetration ratio of 31%.

In 2007, BPNA had an LMI penetration ratio of 33% (by number), which outperformed the aggregate's penetration ratio of 29.2%. Based on dollar amount in 2007, the bank originated 30.9% of its HMDA-reportable loans in LMI areas compared to the aggregate's penetration ratio of 28.8% for originations.

Distribution of HMDA-reportable Loans by Geographic Income Level									
	2006								
Geography	Bank				Aggregate				Owner-Occupied Housing
Income Level	#	%	$(000)	%	#	%	$(000)	%	%
Low	35	11.7	12,001	15.7	10,001	7.5	3,818,999	7.5	3.6
Moderate	109	36.3	23,744	31.1	33,338	24.9	11,995,857	23.5	18.7
Middle	106	35.3	23,995	31.4	49,708	37.1	15,674,828	30.7	36.2
Upper	50	16.7	16,626	21.8	40,869	30.5	19,462,448	38.2	41.5
NA	0	0.0	0	0.0	84	0.1	58,910	0.1	
Total	**300**	**100.0**	**76,366**	**100.0**	**134,000**	**100.0**	**51,011,042**	**100.0**	**100.0**
	2007								
Geography	Bank				Aggregate				
Income Level	#	%	$(000)	%	#	%	$(000)	%	
Low	25	9.2	5,339	8.7	6,473	6.4	3,393,083	7.5	3.6
Moderate	65	23.8	13,670	22.2	23,124	22.8	9,679,625	21.3	18.7
Middle	116	42.5	25,141	40.8	34,725	34.2	11,880,996	26.2	36.2
Upper	67	24.5	17,001	27.6	37,065	36.5	20,346,602	44.8	41.5
NA	0	0.0	405	0.7	76	0.1	94,630	0.2	
Total	**273**	**100.0**	**61,556**	**100.0**	**101,463**	**100.0**	**45,394,936**	**100.0**	**100.0**

Small Business Loans: "Outstanding"

The distribution of small business loans constituted an excellent penetration ratio in LMI census tracts in the assessment area.

In 2006, 18.6% of BPNA's small business loans were made in low-income census tracts, almost triple the aggregate's penetration ratio of 6.4%. In moderate-income tracts, the bank had a penetration ratio of 38.5%, double that of the aggregate's penetration ratio of 19.3%.

In 2007, BPNA's 16.3% LMI penetration rate was more than double the aggregate's penetration rate of 6.8%. In moderate-income areas, BPNA had a penetration ratio of 38.1% compared to the aggregate's penetration ratio of 20.3%.

The following table illustrates the geographic distribution of small business lending inside the bank's assessment area.

Distribution of Small Business Loans by Geographic Income Level									
	2006								
Geography	Bank				Aggregate				Business Demographics
Income Level	#	%	$(000)	%	#	%	$(000)	%	%
Low	122	18.6	11,647	20.8	23,192	6.4	468,393	7.2	9.2
Moderate	252	38.5	17,001	30.3	69,898	19.3	1,204,798	18.5	21.8
Middle	154	23.5	11,638	20.7	87,028	24.0	1,439,264	22.1	22.1
Upper	118	18.0	13,738	24.5	178,791	49.3	3,283,339	50.4	45.6
NA	9	1.4	2,093	3.7	3,792	1.0	117,040	1.8	1.3
Total	**655**	**100.0**	**56,117**	**100.0**	**362,701**	**100.0**	**6,512,834**	**100.0**	**100.0**
	2007								
Geography	Bank				Aggregate				
Income Level	#	%	$(000)	%	#	%	$(000)	%	
Low	128	16.3	4,564	11.3	26,344	6.8	495,894	6.6	9.3
Moderate	298	38.1	12,345	30.6	78,969	20.3	1,367,765	18.3	21.8
Middle	199	25.4	11,867	29.4	97,299	25.0	1,657,522	22.2	22.1
Upper	143	18.3	10,616	26.3	183,168	47.0	3,796,949	50.9	45.5
NA	15	1.9	950	2.4	3,731	1.0	142,044	1.9	1.3
Total	**783**	**100.0**	**40,342**	**100.0**	**389,511**	**100.0**	**7,460,174**	**100.0**	**100.0**

Community Development Loans: "Outstanding"

BPNA was a leader in originating community development loans, primarily lending for multi-family projects.

For 2006 and 2007, BPNA's community development loans totaled $188.8 million, reflecting an increase of 48% from the prior evaluation. New community development loans totaled $157.4 million.

Community Development Loans				
	Prior Period Loans	New Loans	Total Loans	
LOAN TYPE	$(000)	$(000)	$(000)	%
Affordable Housing	4,429	104,224	108,653	57.6
Community Service	22,514	38,052	60,566	32.1
Economic Development	2,046	2,750	4,796	2.5
Revitalization/Stabilization	2,409	12,327	14,736	7.8
Total	31,398	157,353	188,751	100.0

BPNA community development lending supported various initiatives in the assessment area. Of the total community development loans, 57.6% supported affordable housing, 32.1% were used for community services, 2.5% for economic development and 7.8% for neighborhood revitalization and stabilization efforts.

The following is a description of a sample of the community development loans made

during the evaluation period:

Pacific Dean Streets, LLC
A construction loan for $9.99 million was granted to this borrower to build 22 three-family affordable homes in moderate-income tracts in the Ocean Hill section of Brooklyn. These houses will be sold to moderate- and middle-income households as part of the NYC Department of Housing Preservation and Development's "New Foundations Program." For this project, subsidy financing was obtained from NYC - Capital Funds (CAA) and NYS - Affordable Housing Corporation. Financing on the land was provided by NYC.

Weiher Court LLC
A $9 million construction loan was made to Heritage Health and Housing, Inc. (HHH) to build a 6-story building with 43,000 square feet in the Bronx that will contain 60 single apartments and community space for mental health patients, as well as office space for HHH. HHH is a not-for- profit organization which will own and operate this facility. HHH's clients are primarily homeless individuals and include mentally ill individuals, substance abusers, AIDS patients, ex-offenders, the elderly and adults on public assistance. Permanent financing will be provided by the NYS Office of Mental Health.

1085 Washington Partnership, LP
The bank gave a commitment of $13.7 million in a standby letter of credit as a credit enhancement of bonds issued by the NYC Housing Development Corporation. These bond proceeds will be used to construct a nine-story building with 90 LMI units to be rented to LMI families.

10 Equities, LLC
BPNA had a $10 million participation in a $35.7 million facility to construct a 12-story building in a low-income area. The building will have 93 condominiums, including 40 reserved for LMI households, and 31,000 square feet of community and commercial space. This construction project is in the NYC Department of Housing Preservation and Development's "Cornerstone Program."

Innovative and Flexible Lending Practices: "Low Satisfactory"

BPNA made limited use of innovative and/or flexible lending practices in serving the credit needs of its assessment area. However, this factor was not given significant weight in the overall rating of the lending test, because the volume of community development lending was "Outstanding," and the other lending factors were all "Satisfactory" or better.

The Popular Patriots Loan Program was offered by BPNA to veterans to start small businesses. The bank paid the guarantee fee on all Small Business Express loans up to $250,000 and half the guarantee fee on all SBA 7a loans up to $500,000 for veterans. In addition, the bank partnered with the SBA's New York District Office to provide veterans with preferred pricing on SBA-guaranteed loans. Unfortunately, no loans were made within the bank's assessment area, but one loan was made in upstate New York.

Flexible lending practices were reflected in the loans made for multifamily construction projects in the New York assessment area. Compared to BPNA's conventional lending, these loans had maximum loan to value as high as 90%, with no payment guarantee required.

II. Investment Test: "Low Satisfactory"

BPNA's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; 4) the degree to which the qualified investments are not routinely provided by private investors.

Qualified community development investments were adequate totaling $5.5 million, a 26% decrease from the prior evaluation. In addition, BPNA's investments were neither innovative nor complex.

BPNA made $569.1 thousand in new investments during the evaluation period including $469.1 thousand in grants to numerous community development organizations. A two-year certificate of deposit for $100 thousand was opened with the Lower East Side People's Federal Credit Union, a community development credit union which primarily serves LMI people on the lower east side of New York City.

Existing investments totaling $5.0 million from the prior evaluation included mortgage backed securities totaling $2.9 million, a two-year certificate of deposit for $100 thousand with Union Settlement FCU, and AIG Sun America's tax credits of $2 million.

III. Service Test: "Outstanding"

The service test evaluates a banking institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of a banking institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

BPNA's delivery systems were readily accessible to all portions of its assessment area and BPNA was a leader in providing community development services within its assessment areas during the evaluation period.

Retail Banking Services: "Outstanding"

Accessibility of Delivery Systems: "Outstanding"

BPNA's systems of delivering retail services were readily accessible to all portions of its assessment area in New York State. As of the evaluation date, the bank had 33 branches within its assessment area, of which 22 (66.7%) were located in LMI geographies and three (9.1%) were adjacent to LMI tracts. Taken together, approximately 75.8% of its branches

were either in or adjacent to an LMI area. BPNA also maintained mortgage centers at two branches, one of which was located in a moderate-income geography and the other was adjacent to LMI areas.

The following table illustrates the distribution of the bank's branches and Automated-Teller-Machines (ATMs) during the evaluation period:

County	# of Branches	Low	Mod.	Branch LMI %	Adj. to LMI	Adj. %	# of ATMs	Low	Mod.	ATM LMI %	Adj. to LMI	Adj. %
Bronx	5	4	0	80.0	1	20.0	14	12	0	85.7	2	14.3
Kings	10	1	5	60.0	1	10.0	15	2	9	73.3	1	6.7
New York	12	5	3	66.7	1	8.3	22	11	5	72.7	2	9.1
Queens	5	0	4	80.0	0	0.0	8	0	7	87.5	0	0.0
Westchester*	1	0	0	0.0	0	0.0	1	0	0	0.0	0	0.0
Total	**33**	**10**	**12**	**66.7**	**3**	**9.1**	**60**	**25**	**21**	**76.7**	**5**	**8.3**

*Partial county

Alternative Delivery Systems: "Outstanding"

BPNA used several alternative delivery systems to enhance the accessibility of its services. Overall, these systems were effective and readily available to all portions of its assessment area. The following are brief examples:

ATMs: BPNA had a network of 60 on-site ATMs and each branch had at least one ATM machine. BPNA closed its only offsite ATM during the evaluation period. There were 46 (76.7%) ATMs in LMI areas and five (8.3%) were adjacent to LMI census tracts.

On-line Banking (Popular Net Banking): Popular Net Banking allows both personal and business account holders to perform transactions on-line with their own computers, including bill payments, account inquiries, fund transfers between accounts, and the download of account information into Quicken® and Microsoft Money® programs. For example, customers of Totally Free Business Checking can access their business account information and their personal checking, savings, CD, IRA or personal loan account information on-line.

Telephone Banking – This touch-tone telephone banking service enables customers to check their account information 24 hours a day, 7 days a week.

Direct Deposit - Customers can have their payroll, social security or other recurring income checks automatically and directly deposited into their accounts with BPNA.

Image Remote Deposit – This service allows business customers to deposit their checks electronically at their places of business. BPNA equips them with a check scanner and software to capture copies of checks so check images are delivered to BPNA over a secure internet connection. This service also benefits customers by providing faster fund

availability.

Change in Branch Locations: "Outstanding"

BPNA's record of opening and closing branches improved the accessibility of its delivery systems, particularly to LMI geographies or individuals. In 2007, BPNA opened one branch in a moderate-income geography in New York County.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs: "Outstanding"

BPNA's business hours and services were tailored to the convenience and needs of its assessment area, particularly of LMI geographies and individuals.

Among BPNA's 33 branches, 27 provided extended hours one day a week during weekdays and 19 were open on Saturdays. Only two branches did not offer extended hours on weekdays and were not open on weekends. Both of these branches were located in middle- or upper-income areas.

BPNA offered a wide variety of products and services to meet the needs of its community. Examples are listed below:

Totally Free Checking: To benefit LMI individuals, the bank offers the "Totally Free Checking" account, which provides more favorable terms than those required under the Basic Banking Account pursuant to the New York State Banking regulations. This account features no minimum opening deposit, no minimum balance requirement, no monthly maintenance fee, unlimited check writing, free and unlimited usage of BPNA owned ATMs, a free MasterCard debit card, free access to online banking and other free services. BPNA also offered this account to small businesses. For a $50 initial opening deposit by a small business, this account requires no minimum balance requirement, or monthly maintenance fee, free BPNA owned ATM transactions, free online banking and other features that provide free services.

Populoso Savings: BPNA marketed this product to children aged 17 or younger, to encourage them to start saving at a young age. The account can be opened with only $10 and offers many advantageous features, such as no minimum balance requirement, no monthly service charge, free telephone banking and free automatic transfers between accounts.

Community Development Services: "Outstanding"

BPNA was a leader in providing community development services benefiting its assessment area. Collaborating with various not-for-profit organizations and government agencies, the bank actively organized and participated in services extended to its community members, especially to LMI individuals and areas. These services included, but were not limited to, providing technical assistance to community-based organizations,

conducting seminars and presentations addressing affordable housing, small business development, financial literacy and other topics that helped to meet local credit needs.

The following are examples of BPNA's community development activities during the evaluation period:

Affordable Housing Activities: BPNA conducted seminars and presentations relating to mortgage loans at its branches and on the premises of community-based entities located within its assessment area. For example, BPNA held "Mortgage Day" at some of its branches located in LMI areas. During the "Mortgage Day" presentation, attendees joined group discussions and were assisted on a one-on-one basis in learning how to apply and qualify for a mortgage loan. BPNA also conducted several seminars on the premises of various local not-for-profit organizations, including Neighborhood Housing Services of New York City ("NHS"), Harlem Commonwealth Council, Inc. ("HCC"), and Latin America Integration Center ('LAIC"). NHS revitalizes underserved neighborhoods through creating and preserving affordable housing. HCC's mission is to improve the economic conditions of Harlem through land ownership and expansion. LAIC serves as a vehicle for the revitalization of low-income immigrant communities in Queens and Staten Island.

Community Services: In 2006, the bank held a presentation of its product, "Free Checking with Direct Deposit" at The Spanish Speaking Elderly Council-RAICES ("RAICES") in Queens County. RAICES serves to improve the quality of life for Hispanic, Black, and low-income families with a particular emphasis on the needs of senior citizens.

Small Business Development: In partnership with economic development entities, BPNA regularly sponsored and participated in activities to provide guidance to small business owners. For example, in 2006 together with ACCION, BPNA co-sponsored ten seminars in New York City titled "How to Grow Your Business." ACCION is a not-for-profit organization that provides loans and advisory services to individuals and small businesses that do not have access to traditional sources of credit. In 2007, in collaboration with the Daily News and New York University, BPNA sponsored a free "Small Business, Big Impact Forum" for entrepreneurs and small business owners to learn how to create and improve small businesses. Approximately 100 people attended the event which included panel discussions with business leaders.

Financial/Banking Literacy: In partnership with local community groups, BPNA hosted seminars and workshops providing basic financial and banking education to consumers. For example, in 2007, BPNA held a workshop providing basic banking information on products/services at the Dorothy Bennett Mercy Center Inc., located in Kings County. This center offers programs to families in LMI communities to overcome negative influences, such as violence, drugs, unemployment, discrimination, illiteracy, and lack of affordable housing. During the same year, the bank conducted two banking workshops in a high school in Kings County. A total of 240 students attended.

Technical Assistance: BPNA's officers and employees offered their technical expertise to community development organizations by serving on the board of directors and committees and in other capacities. Some examples are listed below:

- A business banking specialist of BPNA served on a loan committee of the Bedford Stuyvesant Revolving Loan Fund Committee, a not-for-profit organization located in Brooklyn. This organization operates a loan fund that makes loans to small businesses that otherwise would not qualify for conventional lending. It also conducts educational sessions for new and existing business owners.

- A branch manager sat on the board of directors of the Bronx Council for Economic Development. This organization promotes business and economic development by improving job opportunities and the quality of life in the neighborhood.

- The CRA officer of BPNA was a board member of the Bronx Initiative Corporation, a not-for-profit lending institution established to give businesses access to U.S. Small Business Administration loans. The institution supports economic development in LMI communities of New York City by providing low-cost and long-term SBA loans. This officer also served on the fundraising committee and helped to raise additional funds for the institution's small business programs.

- A branch manager is a board member of the Northern Manhattan Coalition for Economic Development, a not-for-profit entity located in Washington Heights in New York County. This entity's mission is to promote local economic development and self-sufficiency through an array of services to small business owners, the unemployed, welfare recipients and low-income residents.

IV. Additional Factors

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

The board reviewed and approved the CRA statement annually. A CRA officer had been appointed by the board to oversee the CRA function and reported to management on a quarterly basis.

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

There were no practices noted that were intended to discourage applications for the type of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices

The most recent regulatory compliance report indicated a "Satisfactory" performance in terms of the bank's adherence to anti-discrimination or other applicable laws and regulations. No evidence of prohibited discrimination or other illegal credit practices was

noted.

Process Factors

-Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

BPNA was actively involved with community development groups, local civic associations, housing groups and other community-based organizations.

BPNA had thirteen officers serving on twenty community organizations. Examples include a business banking specialist on the board of an affordable health care center and a non-conventional small business revolving loan fund. A branch manager was a board member for the Bronx Council for Economic Development. Another branch manager was a board member of the Northern Manhattan Coalition for Economic Development. A regional executive was a board member for both the NY Metro Better Business Bureau and Junior Achievement of New York.

The CRA officer was both a board member and past chairman of the fundraising committee in 2006 of a community services entity which helps the underserved in healthcare, education, employment, and housing. This CRA officer also was a board member and member of the fundraising committee of an economic development organization.

-The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

BPNA's branch managers hold small business seminars at their branches to teach business owners about the credit services offered by the bank. BPNA offers Mortgage Day at its branches to counsel customers individually on buying a home. In partnership with local community groups, BPNA held seminars and workshops providing basic banking information.

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

None noted.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

The term "community development" is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income ("LMI") individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration ("SBA") Development Company or Small Business Investment Company programs, or have gross annual incomes of $1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

A "community development loan" is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income ("LMI") persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A "qualified investment" is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A "community development service" is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
  - ❖ Serving on a loan review committee;
  - ❖ Developing loan application and underwriting standards;
  - ❖ Developing loan processing systems;

- Developing secondary market vehicles or programs;
- Assisting in marketing financial services, including the development of
- advertising and promotions, publications, workshops and conferences;
- Furnishing financial services training for staff and management;
- Contributing accounting/bookkeeping services; and
- Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act ("HMDA")

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level of the person, family or household is based on the income of person, family or household. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues ("GAR") of $1 million or less ("< = $ 1MM").

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas ("BNAs"), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would

relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of < = $1MM.