PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF POPULAR BANK

AS OF DECEMBER 31, 2024

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

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I. - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of Popular Bank ("Popular" or the "Bank") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This Evaluation represents the Department's current assessment and rating of the Bank's CRA performance based on an evaluation conducted as of December 31, 2024.

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

Part 76 of the General Regulations of the Superintendent ("GRS") implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions' performance. Section 76.5 further provides that the 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 in meeting community credit needs; and

(4) Substantial noncompliance in meeting community credit needs.

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

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the end of this Evaluation.

II. - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated Popular according to the large banking institutions performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2022, 2023, and 2024 for lending activities and the period from October 1, 2022 to December 31, 2024 for community development activities. The Department assigned Popular a rating of "**2**," indicating a "**Satisfactory**" record of meeting community credit needs.

This rating is based on the following factors:

A. Lending Test: High Satisfactory

Popular's HMDA-reportable and small business lending activities were good considering the Bank's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

1. Lending Activity:

Popular's lending levels were good considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

Popular's average LTD ratio of 97.7% for the evaluation period was above the peer's average LTD ratio of 80.3%. The Bank's LTD ratio outperformed the peer group for all quarters in the three-year evaluation period.

2. Assessment Area Concentration:

During the evaluation period, Popular originated 80.5% by number and 93.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a good concentration of lending.

3. Geographic Distribution of Loans:

Popular's origination of loans in census tracts of varying income levels demonstrated a good distribution of lending.

The Bank's HMDA-reportable lending in LMI census tracts demonstrated a good distribution of lending, while its small business lending in LMI census tracts demonstrated an excellent distribution of lending.

4. Distribution by Borrower Characteristics:

Popular's HMDA-reportable and small business lending demonstrated an adequate distribution of loans among individuals of different income levels and businesses of different revenue sizes.

The Bank's one-to-four HMDA-reportable lending demonstrated an adequate distribution of loans among individuals of different income levels, while small business lending demonstrated a poor distribution of loans among businesses of different revenue sizes.

5. Community Development Lending:

During the evaluation period, Popular originated $605.2 million in new community development loans and had $123.0 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period. Nevertheless, one community development loan for $1.8 million submitted for CRA credit, , was disqualified pursuant to the Department's "Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act," issued December 4, 2014.

Flexible and/or Innovative Lending Practices

Popular made significant use of flexible or innovative lending practices to support community development.

B. Investment Test: High Satisfactory

1. Qualified Investments

During the evaluation period, Popular made $57.9 million in new qualified investments and had $58.8 million outstanding from prior evaluation periods. In addition, Popular made $978,626 in qualified grants. This demonstrated a significant level of qualified investments and grants over the course of the evaluation period.

2. Innovativeness of Qualified Investments:

Popular made no use of innovative investments to support community development.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

Popular's qualified investments exhibited good responsiveness to the assessment area's credit and community development needs.

C. Service Test: High Satisfactory

1. Retail Banking Services:

Popular has a good branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

2. Community Development Services:

Popular provided a relatively high level of community development services, with 124 instances during the evaluation period

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.

III. - PERFORMANCE CONTEXT

A. Institution Profile

Popular is a New York State-chartered, commercial bank headquartered in New York, New York. The Bank is a wholly owned subsidiary of Popular North America, Inc. ("PNAI"), and in turn, PNAI is a wholly owned subsidiary of Popular Inc., a publicly traded and multi-regional diversified financial holding company. The Bank has three subsidiaries: Popular Equipment Finance, LLC, Popular Insurance Agency, USA., and E-LOAN, Inc.

Popular is a designated Minority Depositary Institution ("MDI") that operates several banking offices in New York, New Jersey, and Florida. In the Bank's New York State assessment area, operations include a main office and 23 full-service branches, with 10 of those branches situated in LMI census tracts. During the evaluation period, six branches were in designated Banking Development Districts ("BDD") providing banking services and supporting growth and development in areas with demonstrated need for banking services. The Bank provides an ATM network of 61 terminals across its banking offices to supplement its in-person banking services. Every Popular banking office is equipped with at least one deposit-taking ATM. Additionally, Popular's debit card customers have surcharge-free access to the Allpoint ATM network.

Popular offers several banking products and services including personal loans, residential mortgages, home equity lines of credit, and credit cards for retail customers. The Bank offers commercial mortgages, construction loans, equipment financing, business lines of credit, U.S. Small Business Administration ("SBA") loans and business term loans for commercial clients. The Bank offers traditional checking, savings, money market accounts, certificate of deposit accounts, safe deposit boxes, and wire transfers; and mobile, online, telephone and mail banking serve as alternative delivery systems. Through its subsidiaries and affiliates, the Bank offers investments, retirement, and insurance products.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2024, filed with the Federal Deposit Insurance Corporation ("FDIC"), Popular reported total assets of $14.3 billion, of which $10.9 billion were net loans and lease financing receivables. It also reported total deposits of $11.7 billion, resulting in an LTD ratio of 92.8%. According to the latest available comparative deposit data as of June 30, 2024, Popular obtained a market share of 0.43%, or $7.8 billion in a market of $1.8 trillion, ranking it 19th among 106 deposit-taking institutions in the assessment area.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's Decembers 31, 2022, 2023, and 2024 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
	12/31/2022		12/31/2023		12/31/2024	
Loan Type	**$000's**	**%**	**$000's**	**%**	**$000's**	**%**
1-4 Family Residential Mortgage Loans	1,390,416	14.6	1,399,002	13.3	1,401,639	12.8
Commercial & Industrial Loans	452,859	4.8	548,096	5.2	355,504	3.3
Commercial Mortgage Loans	3,193,402	33.5	3,726,661	35.3	3,860,145	35.3
Multifamily Mortgages	2,040,328	21.4	2,123,666	20.1	2,091,615	19.1
Consumer Loans	249,030	2.6	182,343	1.7	125,254	1.1
Construction Loans	624,700	6.6	803,553	7.6	1,076,264	9.8
Loans to Non-Depository Financial Institutions	9,577	0.1	9,532	0.1	57,455	0.5
Other Loans	1,475,234	15.5	1,632,979	15.5	1,813,230	16.6
Lease financing	95,318	1.0	128,219	1.2	152,235	1.4
Total Gross Loans	**9,530,864**		**10,554,051**		**10,933,341**	

As illustrated in the above table, Popular is primarily a commercial lender, with 57.7% of its loan portfolio in commercial mortgage loans (35.3%), multi-family mortgages (19.1%), and commercial and industrial loans (3.3%) as of December 31, 2024.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on Popular's ability to meet the credit needs of its community.

B. Assessment Area

The Bank's assessment area consists of Bronx, Kings, New York, and Queens counties.

There are 2,201 census tracts in the Bank's assessment area, of which 282 are low-income, 557 are moderate-income, 685 are middle-income, 535 are upper-income, and 142 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	**N/A**	**Low**	**Mod**	**Middle**	**Upper**	**Total**	**LMI %**
Bronx	21	129	121	65	25	361	69.3
Kings	46	91	235	263	170	805	40.5
New York	23	36	44	32	175	310	25.8
Queens	52	26	157	325	165	725	25.2
Total	**142**	**282**	**557**	**685**	**535**	**2,201**	**38.1**

C. Demographic & Economic Data

The assessment area had a population of 8,308,443 during the evaluation period. Approximately 14.1% of the population were over the age of 65 and 22.5% were under the age of 16.

Of the 1,779,604 families in the assessment area 30.6% were low-income, 16.1% were moderate-income, 16.2% were middle-income and 37.1% were upper-income. There were 3,024,531 households in the assessment area, of which 17.5% had income below the poverty level and 4.7% were on public assistance.

The weighted average median family income in the assessment area was $86,982.

There were 3,338,712 housing units within the assessment area, of which 35.9% were one-to-four family units and 63.9% were multifamily units. A majority (62.6%) of the housing units were rental-occupied units, while 28% were owner-occupied units.

Of the total 2,091,244 rental-occupied units, 50% were in LMI census tracts while 48.5% were in middle- and upper-income census tracts. Average monthly gross rent was $1,597.

Of the 933,287 owner-occupied housing units, 22.5% were in LMI census tracts while 76.7% were in middle- and upper-income census tracts. The median age of the housing stock was 74 years, and the median home value in the assessment area was $684,398.

There were 1,413,491 non-farm businesses in the assessment area. Of these, 93.8% were businesses with reported revenues of less than or equal to $1 million, 2.5% reported revenues of more than $1 million and 3.7% did not report their revenues. Of all the businesses in the assessment area, 98.2% were businesses with less than fifty employees while 96.2% operated from a single location. The largest industries in the area were services (31.1%), retail trade (10.7%) and finance, insurance and real estate (10.1%); 35.3% of businesses in the assessment area were not classified.

According to the New York State Department of Labor the average unemployment rate for New York State saw minimal fluctuation during the evaluation period. The counties in the assessment area experienced higher than average annual unemployment rates than New York State in each year of the evaluation period. In 2022, New York City's economy had not fully recovered and continued to lag, leading to a slower return to pre-COVID-19 pandemic employment levels. While there were declines in the average unemployment rate statewide and for each county in the assessment area in 2023, there were slight increases for all counties in 2024, with each county's average unemployment rate still higher than the statewide rate in both 2023 and 2024.

Assessment Area Unemployment Rate					
	Statewide	**Bronx**	**Kings**	**New York**	**Queens**
2022	4.3	8.0	5.7	4.8	5.3
2023	4.1	6.7	5.1	4.5	4.5
2024	4.3	6.9	5.4	4.8	4.7
Average	**4.2**	**7.2**	**5.4**	**4.7**	**4.8**

D. Community Information

As part of the evaluation, DFS examiners conducted community contact interviews with representatives from two nonprofit organizations located within the Bank's assessment area to obtain additional insight into the credit and banking needs of the assessment area.

The first organization serves high school students from low-income neighborhoods across New York City by providing education and resources to promote financial literacy and responsible financial management. The representative reported an increase in student engagement across all boroughs and emphasized challenges related to limited financial knowledge among youth. The organization partners with multiple high schools to deliver financial education programs. The representative stated that certain neighborhoods lack access to banking services and financial literacy resources and financial institutions have not made significant progress in addressing these gaps. Additional bank engagement in underserved areas remains necessary.

The second organization provides recreational, social, educational, and vocational services to individuals with special needs and their families. The representative noted the presence of financial literacy offerings in the community, but indicated a need for expanded efforts, particularly related to estate planning and long-term financial management for families of individuals with special needs. The representative highlighted the importance of guidance on establishing trusts, preserving state and federal benefits (including Medicaid, Medicare, Social Security Income and the Supplemental Nutrition Assistance Program), and managing finances to avoid jeopardizing eligibility. Additionally, the representative stated there is limited retail banking presence in the surrounding area, noting that the nearest bank branch is located several miles away, resulting in accessibility challenges for community members.

IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated Popular under the large banking institutions performance criteria in accordance with Sections 76.7, 76.8, 76.9 and 76.10 of the GRS, which consist of the lending, investment and service tests. DFS also considered the following factors in assessing the Bank's record of performance:

1. The extent of participation by the Board of Directors or Board of Trustees in formulating CRA policies and reviewing CRA performance;
2. Any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. 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 New York Banking Law that reasonably bear upon the extent to which Popular helps to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. Popular submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from call report data.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2022, 2023, and 2024 for lending activities and the period from October 1, 2022 to December 31, 2024 for community development activities.

Examiners considered Popular's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) of the lending test noted below.

HMDA-reportable and small business loan data evaluated in this Evaluation represented actual originations and purchased loans. DFS's small business analyses were based on the Bank's small business lending only, as Popular did not make any small farm loans.

Examiners placed greater weight on Popular's HMDA-reportable lending as HMDA-reportable loans represented a substantial majority or 95.5% by dollar value, of its total HMDA-reportable and small business lending inside the assessment area during the evaluation period.

In its prior Community Reinvestment Act Performance Evaluation as of September 30, 2022, DFS assigned Popular a rating of "2," or a "Satisfactory" compliance with regulatory standards.

Current CRA Rating: Satisfactory

A. Lending Test: High Satisfactory

The Bank's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity;
(2) Assessment Area Concentration;
(3) Geographic Distribution of Loans;
(4) Borrower Characteristics;
(5) Community Development Lending; and
(6) Flexible and/or Innovative Lending Practices.

Popular's HMDA-reportable and small business lending activities were good considering its size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area. Popular's level of community development lending was excellent and demonstrates the Bank's commitment to meet its community credit needs.

1. Lending Activity:

Popular's lending levels were good considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

During the evaluation period, the Bank's average LTD ratio of 97.7% exceeded its peer group average of 80.3% . The Bank's LTD ratio ranged from a low of 87.4% to a high of 108.8%. The Bank's average LTD ratio not only exceeded its peer group average for the evaluation period but for each quarter of the evaluation period as well.

The table below shows Popular's LTD ratios in comparison with the peer group's ratios for the 12 quarters of this evaluation period.

Loan-to-Deposit Ratios

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Avg.
Bank	104.1	103.7	108.1	108.8	98.0	97.9	98.8	92.9	92.2	87.4	87.4	92.8	97.7
Peer	72.0	75.3	78.0	80.5	83.1	83.0	82.4	82.0	81.9	82.7	81.6	80.9	80.3

2. Assessment Area Concentration:

During the evaluation period, Popular originated 80.5% by number and 93.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a good concentration of lending.

a. HMDA-Reportable Loans:

During the evaluation period, Popular originated 81.3% by number and 94.9% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of its assessment area reflects a good concentration of lending.

b. Small Business Loans:

Popular originated 78.6% by number and 70.4% by dollar value of its small business loans within the assessment area during the evaluation period. This majority of lending inside of its assessment area reflects an adequate concentration of lending.

The following table shows the percentages of Popular's HMDA-reportable and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
HMDA-Reportable										
2022	187	81.0%	44	19.0%	231	619,945	95.5%	29,253	4.5%	649,198
2023	89	88.1%	12	11.9%	101	200,072	95.2%	10,158	4.8%	210,230
2024	45	71.4%	18	28.6%	63	151,989	92.4%	12,571	7.6%	164,560
Subtotal	321	81.3%	74	18.7%	395	972,006	94.9%	51,982	5.1%	1,023,988
Small Business										
2022	31	72.1%	12	27.9%	43	12,870	66.0%	6,625	34.0%	19,495
2023	41	73.2%	15	26.8%	56	12,946	62.6%	7,724	37.4%	20,670
2024	60	87.0%	9	13.0%	69	19,970	80.3%	4,895	19.7%	24,865
Subtotal	132	78.6%	36	21.4%	168	45,786	70.4%	19,244	29.6%	65,030
Grand Total	453	80.5%	110	19.5%	563	1,017,792	93.5%	71,226	6.5%	1,089,018

3. Geographic Distribution of Loans:

Popular's origination of loans in census tracts of varying income levels demonstrated a good distribution of lending, with HMDA-reportable lending being good and small business lending being excellent.

a. HMDA-Reportable Loans:

The distribution of Popular's HMDA-reportable loans by the income level of the geography was good.

During the evaluation period, Popular's HMDA-reportable lending rate in LMI census tracts were 23.7% by number of loans and 34.1% by dollar value. This exceeded the aggregate lending rate of 25.3% by number and 25.0% by dollar value of loans.

Popular's HMDA-reportable lending trended downward during the three-year evaluation period - from 187 loans totaling $619,945 in 2022 to only 45 loans totaling $151,989 in 2024. The Bank attributed the decline to challenging economic conditions (higher interest rates, unemployment and high cost of housing) and change in lending strategy.

The following table provides a summary of the distribution of Popular's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2022									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	12	6.4%	123,407	19.9%	3,191	5.1%	4,566,095	6.6%	4.0%
Moderate	28	15.0%	112,075	18.1%	11,101	17.7%	12,051,955	17.4%	18.5%
LMI	40	21.4%	235,482	38.0%	14,292	22.8%	16,618,050	24.0%	22.5%
Middle	46	24.6%	235,714	38.0%	19,520	31.1%	14,452,530	20.9%	36.9%
Upper	99	52.9%	135,699	21.9%	28,269	45.0%	37,321,485	53.9%	39.8%
Unknown	2	1.1%	13,050	2.1%	695	1.1%	872,755	1.3%	0.8%
Total	**187**		**619,945**		**62,776**		**69,264,820**		
2023									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	8	9.0%	26,048	13.0%	1,674	5.0%	3,134,570	9.5%	4.0%
Moderate	16	18.0%	12,652	6.3%	6,218	18.6%	5,896,810	17.9%	18.5%
LMI	24	27.0%	38,700	19.3%	7,892	23.7%	9,031,380	27.4%	22.5%
Middle	19	21.3%	76,094	38.0%	11,232	33.7%	7,747,220	23.5%	36.9%
Upper	46	51.7%	85,278	42.6%	13,896	41.6%	15,868,370	48.1%	39.8%
Unknown	0	0.0%	0	0.0%	345	1.0%	359,485	1.1%	0.8%
Total	**89**		**200,072**		**33,365**		**33,006,455**		
2024									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	5	11.1%	26,524	17.5%	1,901	5.6%	3,267,715	9.1%	4.0%
Moderate	7	15.6%	30,486	20.1%	6,397	19.0%	5,568,215	15.5%	18.5%
LMI	12	26.7%	57,010	37.5%	8,298	24.6%	8,835,930	24.6%	22.5%
Middle	6	13.3%	4,851	3.2%	11,519	34.2%	7,269,285	20.2%	36.9%
Upper	27	60.0%	90,128	59.3%	13,506	40.1%	19,208,510	53.5%	39.8%
Unknown	0	0.0%	0	0.0%	342	1.0%	589,400	1.6%	0.8%
Total	**45**		**151,989**		**33,665**		**35,903,125**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	25	7.8%	175,979	18.1%	6,766	5.2%	10,968,380	7.9%	
Moderate	51	15.9%	155,213	16.0%	23,716	18.3%	23,516,980	17.0%	
LMI	76	23.7%	331,192	34.1%	30,482	23.5%	34,485,360	25.0%	
Middle	71	22.1%	316,659	32.6%	42,271	32.6%	29,469,035	21.3%	
Upper	172	53.6%	311,105	32.0%	55,671	42.9%	72,398,365	52.4%	
Unknown	2	0.6%	13,050	1.3%	1,382	1.1%	1,821,640	1.3%	
Total	**321**		**972,006**		**129,806**		**138,174,400**		

b. Small Business Loans:

The distribution of Popular's small business loans among census tracts of varying income levels was excellent.

For the evaluation period, Popular's average lending rates in LMI census tracts of 67.4% by number and 56.5% were well above the aggregate rates of 31.5% and 28.2%, respectively. Additionally, the Bank's rates of lending in LMI census tracts exceeded the aggregate rates and the assessment area business demographics for each year of the evaluation period.

The following table provides a summary of the distribution of Popular's small business loans by the income level of the geography where the business was located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2022									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	8	25.8%	4,025	31.3%	25,559	9.5%	633,479	9.3%	10.0%
Moderate	15	48.4%	5,445	42.3%	55,856	20.7%	1,266,262	18.5%	20.7%
LMI	23	74.2%	9,470	73.6%	81,415	30.2%	1,899,741	27.8%	30.7%
Middle	4	12.9%	1,675	13.0%	64,824	24.1%	1,309,098	19.2%	22.9%
Upper	3	9.7%	1,125	8.7%	109,551	40.7%	3,074,705	45.0%	41.4%
Unknown	1	3.2%	600	4.7%	13,563	5.0%	551,919	8.1%	5.0%
Total	**31**		**12,870**		**269,353**		**6,835,463**		
2023									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	15	36.6%	4,340	33.5%	28,819	10.4%	633,713	9.9%	10.2%
Moderate	14	34.1%	3,819	29.5%	60,301	21.8%	1,218,923	19.0%	20.8%
LMI	29	70.7%	8,159	63.0%	89,120	32.2%	1,852,636	28.9%	31.0%
Middle	9	22.0%	3,882	30.0%	67,027	24.2%	1,265,527	19.7%	22.9%
Upper	3	7.3%	905	7.0%	108,171	39.1%	2,794,218	43.5%	41.1%
Unknown		0.0%		0.0%	12,618	4.6%	505,441	7.9%	5.0%
Total	**41**		**12,946**		**276,936**		**6,417,822**		
2024									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	17	28.3%	3,570	17.9%	32,938	10.7%	660,777	9.4%	10.4%
Moderate	20	33.3%	4,668	23.4%	65,146	21.3%	1,318,334	18.7%	21.1%
LMI	37	61.7%	8,238	41.3%	98,084	32.0%	1,979,111	28.1%	31.5%
Middle	13	21.7%	6,367	31.9%	73,497	24.0%	1,401,077	19.9%	23.1%
Upper	8	13.3%	5,295	26.5%	121,312	39.6%	3,112,173	44.2%	40.6%
Unknown	2	3.3%	70	0.4%	13,627	4.4%	554,417	7.9%	4.9%
Total	**60**		**19,970**		**306,520**		**7,046,778**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	40	30.3%	11,935	26.1%	87,316	10.2%	1,927,969	9.5%	
Moderate	49	37.1%	13,932	30.4%	181,303	21.3%	3,803,519	18.7%	
LMI	89	67.4%	25,867	56.5%	268,619	31.5%	5,731,488	28.2%	
Middle	26	19.7%	11,924	26.0%	205,348	24.1%	3,975,702	19.6%	
Upper	14	10.6%	7,325	16.0%	339,034	39.8%	8,981,096	44.2%	
Unknown	3	2.3%	670	1.5%	39,808	4.7%	1,611,777	7.9%	
Total	**132**		**45,786**		**852,809**		**20,300,063**		

4. Distribution by Borrower Characteristics:

Popular's HMDA-reportable and small business lending demonstrated an adequate distribution of loans among individuals of different income levels and businesses of different revenue sizes.

The Bank's HMDA-reportable lending rates to LMI borrowers demonstrated an adequate distribution of loans among individuals of different income levels, while Popular's small business lending rates demonstrated a poor distribution of loans among businesses of different revenue sizes.

a. One-to-four Family HMDA-Reportable Loans:

Popular's one-to-four family HMDA-reportable lending demonstrated an adequate distribution of loans among individuals of different income levels.

During the evaluation period, Popular's HMDA-reportable lending rate to LMI borrowers by dollar value of 3.3% was consistent with the aggregate rate of 3.5%.By number of loans, the Bank's lending rate to LMI borrowers of 11.6% exceeded the aggregate rate of 9.2%.

The assessment area's LMI family demographics remained consistent at 46.7% in all years of the evaluation period.

Popular's lending rate to LMI borrowers improved during the evaluation period. In 2022, Popular's LMI lending rate was lower than the aggregate family demographic benchmark. And while the Bank's LMI performance rebounded in 2023, surpassing aggregate lending levels, this growth was concentrated in HMDA-reportable purchased loans.

Distribution of One-to-Four Family Loans by Borrower Income									
2022									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	2	1.4%	229	0.2%	1,308	2.2%	456,570	1.0%	30.6%
Moderate	6	4.1%	1,833	1.4%	4,908	8.3%	1,403,130	3.1%	16.1%
LMI	8	5.5%	2,062	1.6%	6,216	10.6%	1,859,700	4.1%	46.7%
Middle	8	5.5%	3,680	2.8%	10,427	17.7%	4,104,635	9.1%	16.2%
Upper	124	85.5%	116,128	88.3%	36,329	61.7%	32,319,495	71.7%	37.1%
Unknown	5	3.4%	9,645	7.3%	5,928	10.1%	6,792,660	15.1%	0.0%
Total	**145**		**131,515**		**58,900**		**45,076,490**		
2023									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	7	9.7%	1,697	3.0%	524	1.7%	151,850	0.7%	30.6%
Moderate	11	15.3%	2,833	5.0%	1,921	6.1%	413,105	1.9%	16.1%
LMI	18	25.0%	4,530	8.1%	2,445	7.7%	564,955	2.6%	46.7%
Middle	5	6.9%	2,183	3.9%	4,991	15.7%	1,628,835	7.4%	16.2%
Upper	46	63.9%	46,642	82.9%	20,243	63.8%	15,850,125	72.2%	37.1%
Unknown	3	4.2%	2,893	5.1%	4,065	12.8%	3,904,605	17.8%	0.0%
Total	**72**		**56,248**		**31,744**		**21,948,520**		
2024									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	1	3.0%	85	0.3%	733	2.3%	303,945	1.4%	30.6%
Moderate	2	6.1%	369	1.4%	1,860	5.8%	426,610	1.9%	16.1%
LMI	3	9.1%	454	1.7%	2,593	8.0%	730,555	3.3%	46.7%
Middle	1	3.0%	368	1.4%	4,828	15.0%	1,560,150	7.1%	16.2%
Upper	28	84.8%	25,661	96.0%	20,750	64.3%	15,825,630	72.0%	37.1%
Unknown	1	3.0%	250	0.9%	4,111	12.7%	3,872,115	17.6%	0.0%
Total	**33**		**26,733**		**32,282**		**21,988,450**		
GRAND TOTAL									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	10	4.0%	2,011	0.9%	2,565	2.1%	912,365	1.0%	
Moderate	19	7.6%	5,035	2.3%	8,689	7.1%	2,242,845	2.5%	
LMI	29	11.6%	7,046	3.3%	11,254	9.2%	3,155,210	3.5%	
Middle	14	5.6%	6,231	2.9%	20,246	16.5%	7,293,620	8.2%	
Upper	198	79.2%	188,431	87.8%	77,322	62.9%	63,995,250	71.9%	
Unknown	9	3.6%	12,788	6.0%	14,104	11.5%	14,569,380	16.4%	
Total	**250**		**214,496**		**122,926**		**89,013,460**		

b. Small Business Loans:

Popular's small business lending demonstrated a poor distribution of loans among businesses of different revenue sizes.

Of the total small business loans originated by the Bank during the evaluation period, 26.5% by number and 18.8% by dollar value, were to businesses with gross annual revenues ("GAR") of $1 million or less; these average rates of lending trailed the aggregate average rates of 52.2% and

32.6%, respectively.

The assessment area's business demographics of businesses with GAR of $1 million or less ranged from 92.8% to 93.8% in all years of the evaluation period.

The following table provides a summary of the distribution of Popular's small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2022									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. <= $1MM	10	32.3%	3,820	29.7%	130,857	48.6%	2,132,910	31.2%	91.8%
Rev. > $1MM	21	67.7%	9,050	70.3%					3.2%
Rev. Unknown		0.0%		0.0%					5.0%
Total	**31**		**12,870**		**269,353**		**6,835,463**		
2023									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. <= $1MM	6	14.6%	841	6.5%	148,663	53.7%	2,137,840	33.3%	93.6%
Rev. > $1MM	27	65.9%	9,455	73.0%					2.6%
Rev. Unknown	8	19.5%	2,650	20.5%					3.9%
Total	**41**		**12,946**		**276,936**		**6,417,822**		
2024									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. <= $1MM	19	31.7%	3,968	19.9%	165,805	54.1%	2,348,081	33.3%	93.8%
Rev. > $1MM	26	43.3%	7,550	37.8%					2.5%
Rev. Unknown	15	25.0%	8,452	42.3%					3.7%
Total	**60**		**19,970**		**306,520**		**7,046,778**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. <= $1MM	35	26.5%	8,629	18.8%	**445,325**	52.2%	**6,618,831**	32.6%	
Rev. > $1MM	74	56.1%	26,055	56.9%	-				
Rev. Unknown	23	17.4%	11,102	24.2%					
Total	**132**		**45,786**		**852,809**		**20,300,063**		

5. Community Development Lending:

During the evaluation period, Popular originated $605.2 million in new community development loans and had $123.0 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending, over the course of the evaluation period.[1]

The Bank's total community development loans increased this period, reaching $728.2 million, a

[1]For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the time period of the evaluation.

considerable increase from the $344.3 million in the previous evaluation. Additionally, Popular's annualized ratio of community development loans to average total assets increased from 1.5% in the previous evaluation to 2.5% for the current evaluation period.

Pursuant to the Department's Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act, issued December 4, 2014, DFS considers whether a bank has met its responsibility to ensure that a multifamily loan submitted for affordable housing or neighborhood revitalization credit under CRA contributes to, and does not undermine, the availability of affordable housing or neighborhood conditions. As a result, DFS disqualified a $1.8 million multifamily loan that financed a property with unacceptably high number of housing code violations, as reported by the New York City's Department of Housing, Preservation and Development ("HPD"), and had high scores in the University Neighborhood Housing Program's Building Indicator Project database. These sources indicated that the property financed was in significant physical distress and thus did not promote or provide affordable housing.

Community Development Loans				
	This Evaluation Period		Outstanding from Prior Evaluation Periods	
Purpose	**#**	**$000**	**#**	**$000**
Affordable Housing	27	278,667	8	46,246
Economic Development			1	1,111
Community Services	31	326,491	12	68,712
Revitalization/Stabilizati			1	6,933
Total	**58**	**605,158**	**22**	**123,002**

Below are highlights of Popular's community development lending:

Affordable Housing

- Popular originated a total of $36.2 million in construction loans to finance the development of a 13-story apartment building, consisting of 111 residential units and 7,688 square feet of community facility space. The project qualifies for a 35-year tax abatement and all apartments will have rents subsidized through the City Fighting Homelessness and Eviction Prevention Supplement ("CityFHEPS") voucher rental assistance program, that matches households currently residing in New York City shelters to available affordable apartments, and pays up to 130% area median income rents.

- Popular refinanced a $31 million commercial mortgage, loan collateralized by a newly constructed seven-story elevatored multifamily building with 98 residential units in a low-income census tract, Norwood neighborhood in the Bronx. The property qualifies for a 35-year tax abatement and 68 units are funded with Section 8 housing vouchers. The rents for the remaining 30 units are subsidized through NYC's CityFHEPS voucher program.

- Popular originated a total of $14 million first mortgage construction loans to partially fund the development of seven-story rental apartment building containing 42 units in a low-income census tract Kingsbridge section in the Bronx. The project qualifies for the 35-year 421-a tax exemption and 100% of the units have been placed with the Augmented CityFHEPS program, augmented from the existing CityFHEPS program designed to overcome the high rental costs in New York City and help more people in the shelter system find affordable and permanent housing.

Community Services

- Popular renewed a $25 million revolving line of credit for s the working capital needs of a nonprofit organization that provides transitional housing and support services for individuals and families experiencing homelessness. The facility will provide interim funding for homeless services across 28 NYC hotels.

- Popular originated a total of $11.1 million of construction loans to finance the conversion of an e office building into a 159-bed homeless shelter in a low-income census tract, Mott Haven section in the Bronx. The subject facility will be operated by a nonprofit organization that addresses homelessness through various prevention programs including transitional housing, emergency shelters, and other supportive services.

- Popular originated a 12-month $5 million working capital line of credit to a nonprofit organization formed in 1972. The organization provides assistance and services to LMI individuals and communities in LMI areas in Bronx County. Services provided included but not limited to housing, healthcare, workforce development, and immigration and legal services.

- Popular renewed a $450,000 line of credit to a homeless and low-income family housing not-for-profit organization. The funds will be used for temporary working capital support. The organization develops, owns, manages and provides housing for LMI individuals in New York County and surrounding neighborhoods..

a. Flexible and/or Innovative Lending Practices:

Popular made significant use of flexible or innovative lending practices to support community development, as follows:

- During the evaluation period, the Bank originated 51 conventional Federal National Mortgage Association ("FNMA") mortgage loans totaling $18 million and one FNMA Home Ready Mortgage for $252,000. The Bank originated five Federal Home Loan Mortgage Corporation mortgage loans totaling $2 million.

- Popular introduced its proprietary "Affordable Mortgage" program in May 2024 for applicants who earned less than 80% of the AMI or intended property to be purchased in an LMI geographic income tract. From May to December 2024, the Bank originated four loans totaling $1 million under the program.

- In September 2024, Popular introduced a "Special Purpose Credit Program" that targets LMI borrowers and residents of majority-minority census tracts in New York. Under the program, the Bank originated a total of $3.8 million in loans with six waived origination fees. The origination fee waivers averaged $1,595 per loan.

- Popular continued to offer the "Credit Builder" product which allows customers with poor or no credit history an opportunity to build or improve their credit standing. The Bank opened 795 credit builder accounts totaling $1.8 million during the evaluation period.

- Popular offered SBA 7A loan program, which is SBA's primary business loan program for providing financial assistance to small businesses. The Bank also offered SBA's 504 loan program that provides long-term, fixed rate financing for major fixed assets that promote business growth and job creation. The Bank originated three SBA 504 loans for a total of $2.3 million and one SBA 7A loan for $20,000, during the evaluation period.

B. Investment Test: High Satisfactory

The Department evaluated Popular's investment performance pursuant to the following criteria:
(1) The dollar amount of qualified investments;
(2) The innovativeness or complexity of qualified investments; and
(3) The responsiveness of qualified investments to the credit and community development needs of the assessment area.

1. Qualified Investments

During the evaluation period, Popular made $57.9 million in new qualified investments and had $58.8 million outstanding from prior evaluation periods. In addition, Popular made $978,626 in qualified grants. This demonstrated a significant level of qualified investments and grants over the course of the evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing	5	56,870	8	42,478
Economic Development			2	16,320
Community Services				
Revitalization and Stabilization	1	1,000		
Total	**6**	**57,870**	**10**	**58,798**
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	7	26		
Economic Development	1	4		
Community Services	57	949		
Revitalization and Stabilization				
Total	**65**	**979**		

Below are highlights of Popular's qualified investments and grants.

Investments:

- During the evaluation period, Popular invested a total of $56.9 million in five mortgage-backed securities secured by multifamily properties rented to majority LMI tenants receiving Section 8 rental assistance.

- Popular deposited $1 million into a certificate of deposit with a financial institution that is designated both as a MDI and a Community Development Financial Institution. The financial institution operates multiple locations within the Bank's assessment area.

Grants:

- Popular contributed a total of $109,360 to a nonprofit network which funds and supports programs and services for underserved youth, homeless individuals and families experiencing homelessness in all areas of New York State .

- Popular contributed $5,000 to support a nonprofit that provides essential services to LMI communities in the Bronx. From housing assistance and youth programs to senior support and workforce development, their work helps neighbors build stronger, more stable lives. This contribution supports their mission to uplift families and foster long-term opportunity.

- Popular contributed a total of $132,000 to support a nonprofit health center serving communities in the Bronx . The organization provides essential care through school-based clinics, maternal health programs, and comprehensive medical services for families. This funding helps expand access to quality healthcare where it is needed most.

- Popular contributed $313,166 to a nonprofit organization dedicated to supporting minority families and communities through initiatives in education, health, immigration, civic engagement, and economic empowerment.

- Popular contributed a total of $22,000 to a nonprofit organization that provides free legal services and educational resources to unrepresented LMI individuals in New York City family courts.

2. Innovativeness of Qualified Investments:

Popular made no use of innovative investments to support community development.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

Popular qualified investments exhibited good responsiveness to the assessment area's credit and community development needs.

C. Service Test: High Satisfactory

The Department evaluated Popular's retail service performance pursuant to the following criteria:
(1) The current distribution of the banking institution's branches;
(2) The institution's record of opening and closing branches;
(3) The availability and effectiveness of alternative systems for delivering retail services; and
(4) The range of services provided.

The Department evaluated Popular's community development service performance pursuant to the following criteria:
(1) The extent to which the banking institution provides community development services; and
(2) The innovativeness and responsiveness of community development services.

1. Retail Banking Services:

Popular has a good branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

a. Current distribution of the banking institution's branches:

Popular has a good distribution of branches within its assessment area.

The Bank operates 23 full-service branches: 10 branches or 43% are in LMI census tracts, and 13 branches are in middle- and upper-income tracts. All branches are accessible by public transportation.. During the evaluation period, Popular maintained six branches located in a designated BDD to support banking in underserved areas and provide affordable financial products to residents and small businesses

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Bronx	0	2	1	0	0	3	100%
Kings	0	1	2	3	1	7	43%
New York	0	1	2	2	4	9	33%
Queens	0	0	1	1	2	4	25%
Total	**-**	**4**	**6**	**6**	**7**	**23**	**43%**

b. Record of opening and closing branches:

Popular's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, including LMI geographies and/or LMI individuals.

During the evaluation period, Popular did not open or close any branches in its New York State assessment area.

The Bank relocated two full-service branches. One branch in New York County relocated from an unknown census tract to a moderate-income tract and a branch in Kings County relocated from an upper-income tract to a moderate-income tract.

c. Availability and effectiveness of alternative systems for delivering retail services:

Popular's delivery systems are readily accessible to significant portions of the bank's assessment area, including LMI geographies and individuals.

Popular's alternate delivery systems include mobile and online banking, available 24 hours a day. Additionally, Popular replaced its "People Pay" service with "Zelle" in November 2024, which allows customers to transmit money using an email address or mobile phone number through the Popular Mobile Banking application.

All branches have at least one deposit-taking ATM.. As of the date of the report, the Bank has one stand-alone withdrawal only ATM in a low-income census tract in Bronx County. Additionally, Popular belongs to the Allpoint Network that provides Bank's customers with free ATM usage to more than 55,000 ATMs worldwide.

Popular offers 24-hour, seven day a week automated telephone banking and live agent assistance available Monday through Friday from 7:30 A.M. to 12:00 A.M. and Saturday and Sunday from 9:00 A.M. to 6:00 P.M.

d. Range of services provided:

Popular's services meet the convenience and accessibility needs of its assessment area, including LMI geographies and individuals.

Of the 23 full-service branches of Popular, 11 branches operate from Monday to Friday from 9:00 A.M. to 4:00 P.M. while 12 branches operate on Mondays from 9:00 A.M. to 6:00 P.M., Tuesdays to Fridays from 9:00 A.M. to 4:00 P.M., and on Saturdays from 9:00 A.M. to 2:00 P.M. All branches offer Spanish speaking representatives. Popular's branch and assistant managers can assist and accept small business and consumer loan applications in-person. The Bank's senior and junior mortgage loan officers periodically visit various branches.

Popular participates in the Department's BDD Program, which promotes the establishment of bank branches in areas with demonstrated need for banking services. The Bank has six branches located in areas designated as BDDs reflecting the Bank's efforts to provide needed banking services in communities within its assessment area with a demonstrated need. In January 2023, DFS approved and designated one BDD branch location of the Bank: the Fifth Avenue branch in Kings County.

During the evaluation period, Popular offered the following retail deposit accounts and loan products that benefit LMI individuals and households, and small businesses:

- An alternative account in lieu of the New York State's mandated Basic Banking Account entitled "Easy Access Checking NY" - this non-interest-bearing account requires a $25 minimum deposit to open and charges a $3 monthly service fee with $250/month in direct deposit or a $4 monthly service fee for unlimited monthly transactions. The account is certified by the national nonprofit Cities for Financial Empowerment Fund (CFE Fund) as meeting the Bank On National Account Standards. Bank On certified accounts are designed to promote financial inclusion for the underbanked and unbanked consumers through required account features that ensure low cost while providing robust transaction capabilities.

- Safe Start Savings NY Account Program in partnership with the New York City's Department of Consumer Affairs - this account functions as a starter savings account with features including no overdraft fees, no monthly service fee (if minimum balances are met), minimum balance requirements of $25 or less, and an ATM card.

- FNMA HomeReady Mortgage loan program - this loan program is designed for LMI borrowers particularly those with income that is less than 80% of the HUD Median Area Income. HomeReady loans provide affordable conventional financing with low down payments, flexible source of funds, and innovative underwriting including expanded eligibility (up to 97 percent loan-to-value) for financing homes in low-income communities.

- "Homebuyer Dream Program" - provides grants from the Federal Home Loan Bank of New York to be used toward down payment and closing cost assistance to eligible first-time homebuyers earning at or below 80% of the area median income.

  "Popular Primary Business Package" and "Popular Preferred Business Package" checking accounts for small businesses - these accounts have no minimum opening deposit requirement, low monthly service fee of $15 and $30 or $0 if $5,000 and $20,000 if average checking balance is maintained, respectively. These accounts are offered at all branches and advertised on the website, bank brochures, and in-branch marketing materials.

2. Community Development Services:

Popular provided a relatively high level of community development services.

During the evaluation period, Popular participated in 124 instances of community development services. A significant number of Popular Bank employees were involved in providing financial literacy seminars and eight different employees served on the boards of various organizations that provide services to LMI people within the Bank's assessment area. Financial literacy seminars provided information relating to bank products, credit building, basic banking, credit reports, budgeting, elder abuse, fraud and identity theft.

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	14
Technical Assistance	
Seminars	110
Credit Counseling	
Other Services	
Total Community Development Services	124

Below are highlights of Popular's community development services.

- A branch manager of Popular provided two financial literacy seminars at a school in an LMI area of Bronx County. 95% of students at the school were economically disadvantaged.

- An executive officer served on the board of a nonprofit organization that supports Hispanic families and communities through programs focusing on education, health, immigration, civic engagement and economic empowerment.

- A branch manager serves as a board member for a not-for-profit organization that provides emergency food access, and other social services that benefit LMI people including food stamp screenings, and assistance with enrollment in publicly supported health insurance.

- Popular hosted financial literacy seminars at its own branches. Most of the seminars were held at branches located in LMI census tracts. Bank employees participated in these seminars throughout the evaluation period.

- Bank employees provided financial literacy seminars together with an organization that provides financial literacy to students in New York. These seminars were held at schools where more than 50% of students were economically disadvantaged.

D. Additional Factors

The following factors were also considered in assessing Popular's record of performance.

1. The extent of participation by the banking institution's board of directors or board of trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

Popular's board of directors ("Board") conducts reviews to ensure the Bank is complying with its Fair and Responsible Banking Policy, which governs Popular's risk management and CRA activities. The Board's oversight includes analyzing reports from regulatory agencies, reviewing self-assessments, and receiving performance updates from management. Day-to-day oversight of the policy is delegated to the Fair and Responsible Banking Unit within the Regulatory and Financial Compliance Division ("RFCD"). This unit convenes quarterly meetings of specialized working groups to examine business areas pertinent to fair and responsible banking, including CRA. Significant findings from these working groups are elevated by the RFCD to management-level committees, including the Corporate Compliance Committee ("CCC") and the Enterprise Risk Management Committee. Information from the CCC is ultimately presented to the Board's Risk Management Committee for its consideration on a quarterly basis.

2. Discrimination and other illegal practices

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

DFS examiners did not note practices by Popular intended to discourage applications for the types of credit offered by Popular.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS examiners did not note evidence of prohibited discriminatory or other illegal practices.

3. 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.*

To ascertain and meet the credit needs of LMI communities, Popular engages with the community and uses data reports including demographic studies, CRA performance context, HMDA data, and stakeholder feedbacks. The Bank evaluates its peers' product offerings, benchmarking against available loan products, public assistance programs, and tracks policy shifts. This approach helps the Bank tailor its community outreach efforts, enhance affordability for LMI borrowers, and build strategic partnerships to broaden access to credit and homeownership.

Additionally, through its Popular Foundation, the Bank fosters relationships with community-based organizations using employee-driven models that help identify barriers to credit access and respond to emerging needs. The Foundation supports initiatives in education, community development, and financial literacy, with staff members actively involved in connecting the Bank to local efforts. Leadership at Popular Bank also contributes expertise to local housing and Hispanic organizations in support of affordable housing and assistance to Hispanic communities..

- *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*

Popular has a marketing plan for consumer, mortgage, and small business products within its assessment area. The plan includes email outreach, in-branch materials like flyers and digital displays, and consistent access to product information online on the Bank's website and social media digital platforms. .

- *Action Taken in Response to Written Complaints with Respect to CRA*

Neither Popular nor DFS received any written complaints regarding Popular's CRA performance during the evaluation period.

4. <u>Other factors that in the judgment of the Superintendent bear upon the extent to which Popular is helping to meet the credit needs of its entire community</u>

DFS examiners noted no other factors.

V - GLOSSARY

Aggregate Lending

"Aggregate lending" means 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.

Banking Development District ("BDD") Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program may be found at https://www.dfs.ny.gov and search for the BDD Program.

Community Development

"Community development" means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- 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;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

"Community development loan" means a loan that has 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 LMI persons (DFS multifamily industry letter www.dfs.ny.gov/industry_guidance/industry_letters/il20141204_guidelines_bank_lending_multifamily_properties_cra_updated);

- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are 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.

Community Development Service

"Community development service" means a service that has community development as its *primary purpose*, 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.

Community Development Financial Institution ("CDFI")

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department's CDFI Fund.

Fair Market Rents ("FMRs")

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development ("HUD") and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas ("MSAs") nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

"Geography" means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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 for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area ("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

LMI Geographies

"LMI geographies" means those census tracts or block numbering areas where, according to the most current U.S. 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 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 Block Numbering Areas ("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

"LMI borrowers" means 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 cases where the residential property is in an 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 Federal Financial Institutions Examination Council ("FFIEC").

LMI Individuals/Persons

"LMI individuals" or "LMI persons" means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in an 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 the FFIEC.

LMI Penetration Rate

"LMI penetration rate" means the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit ("LIHTC")

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all the taxpayer’s investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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 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.

Small Business Loan

A small business loan is a loan less than or equal to $1 million.