

Second Quarter 2021

INVESTOR PRESENTATION

Cautionary Note Regarding Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance, are based on the current expectations of Popular, Inc.’s (the “Corporation”) management and, by their nature, involve risks, uncertainties, estimates and assumptions. Potential factors, some of which are beyond the Corporation’s control, could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. Such factors include, but are not limited to, the scope and duration of the COVID-19 pandemic (including the appearance of new strains of the virus), actions taken by governmental authorities in response thereto, and the direct and indirect impact of the pandemic on the Corporation, our customers, service providers and third parties. Information on the risks and important factors that could affect the Corporation’s future results and financial condition is included in our Annual Report on Form 10-K for the year ended December 31, 2020 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021 as filed with the Securities and Exchange Commission. Our filings are available on the Corporation’s website (www.popular.com) and on the Securities and Exchange Commission website (www.sec.gov). The Corporation assumes no obligation to update or revise any forward-looking statements which speak as of their respective dates.

Q2 2021 Highlights

Earnings

- Net income of \$218.1 million
- Net interest margin: Popular, Inc. 2.91%, BPPR 2.91%
- Provision for credit losses resulted in a benefit of \$17.0 million

Credit Metrics

- NPLs decreased \$13.0 million QoQ; ratio at 2.4%, flat from prior quarter
- NCO ratio at (0.02%) compared to 0.29% the previous quarter
- ACL to loans of 2.70% compared to 2.75% in Q1 2021

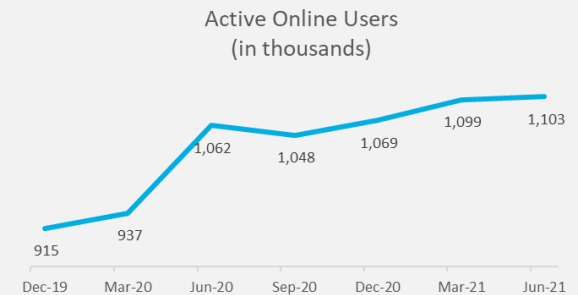
Capital

- Common Equity Tier 1 Capital ratio of 16.6%
- Tangible book value per share of \$63.24 compared to \$61.42 in Q1 2021
- Increased quarterly dividend to \$0.45 per share
- Entered into an ASR to repurchase \$350 million in common stock

Business Highlights

BPPR Customer Engagement

- 1.9 million customers as of June 2021 (increased by 129,000 since March 2020 and 17,000 QoQ)
- 18% growth in active online users¹ since March 2020
- Captured 66% of Q2 2021 deposits through digital channels, compared to 56% in Q1 2020



Paycheck Protection Program (PPP)

- Issued \$2.1 billion or 49,700 loans (\$1.4 billion in Round 1 and \$678 million in Round 2)
- \$965 million from Round 1 forgiven as of June 30, 2021
- BPPR originated 62% of the total PPP loans in P.R.

BPPR Business Metrics

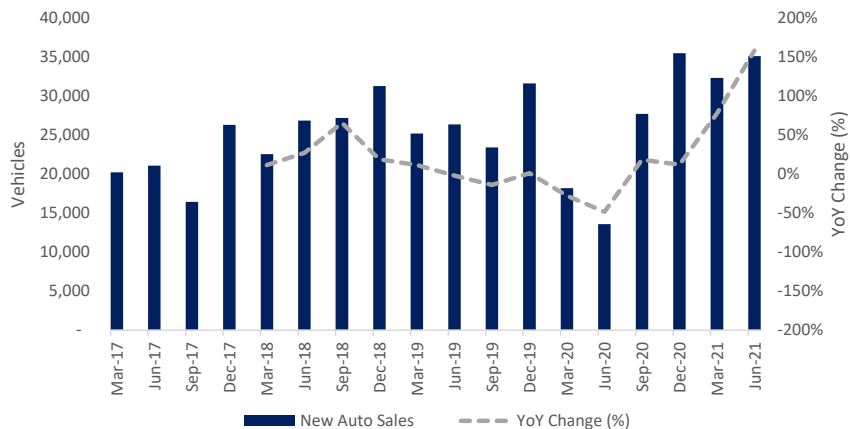
- Mortgage originations were higher than Q2 2020 by 213%; up 63% from Q2 2019
- Auto loans and lease originations increased 159% compared to Q2 2020; 32% higher than Q2 2019
- Credit and debit card sales (in dollars) grew 52% versus Q2 2020; up 45% from Q2 2019
- Deposits, excluding P.R. public funds, increased 18% from Q2 2020; 49% higher than Q2 2019

Puerto Rico – Key Indicators

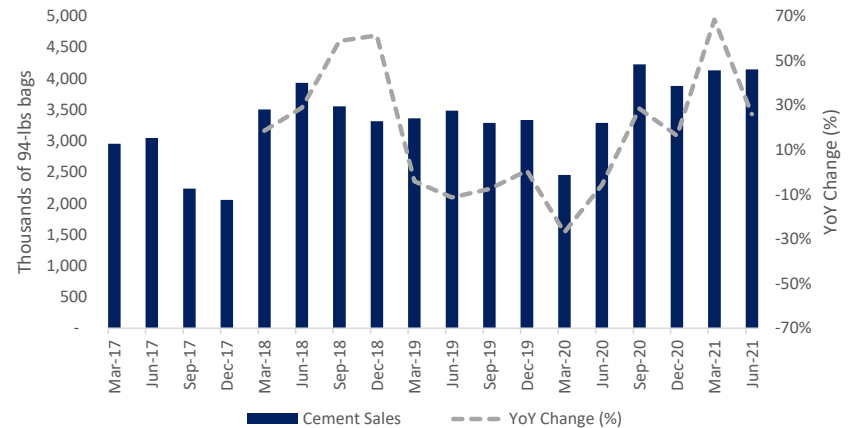
Economy

- New auto sales continue to demonstrate strong consumer demand
- Total nonfarm employment in June 2021 was 56,000 jobs above June 2020, but continues to be lower than the pre-pandemic levels

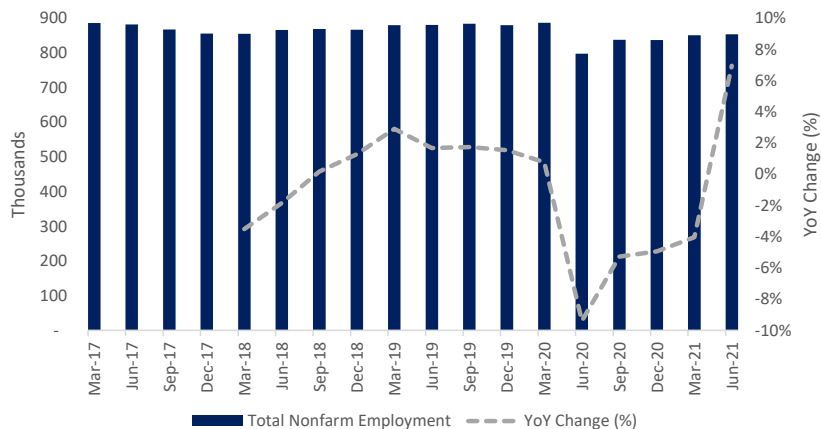
Quarterly New Auto Sales ¹



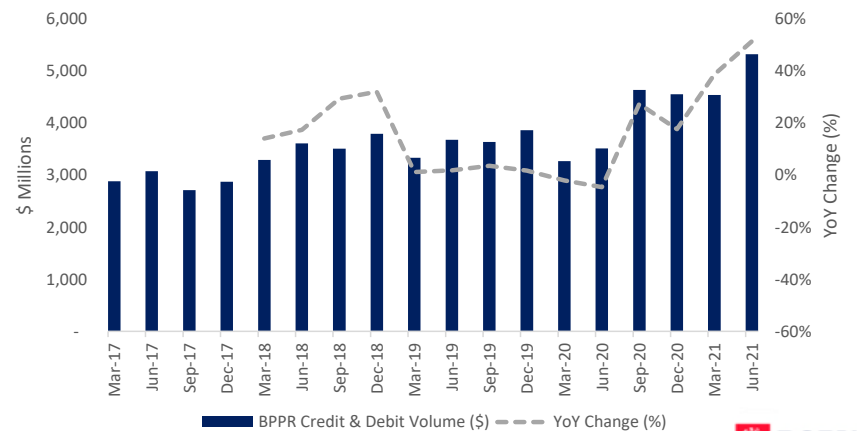
Quarterly Cement Sales ²



Total Nonfarm Employment ³



Quarterly BPPR Credit & Debit Volume (\$) ⁴



¹ Source: United Automobile Importers Group (based on units) as of June 2021; ² Source: Puerto Rico Economic Development Bank, Q2 2021 estimated based on April and May 2021 Actuals; ³ Source: U.S. Bureau of Labor Statistics (Seasonally Adjusted) as of June 2021; ⁴ Credit and debit card sales pertain to BPPR customers only as of June 2021

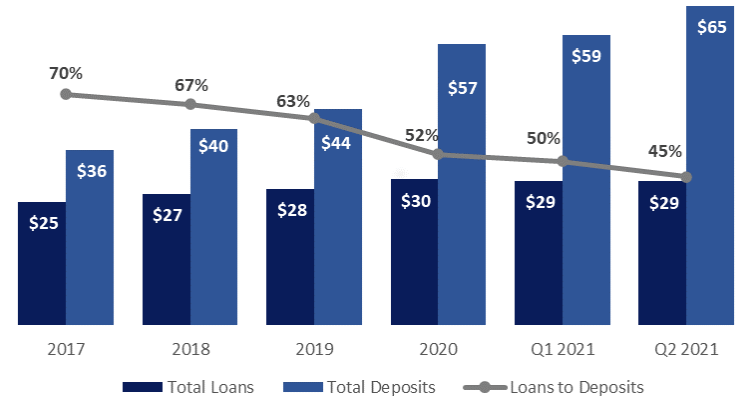
Financial Summary

<i>(Unaudited)</i>			
<i>(\$ in thousands)</i>	Q2 2021	Q1 2021	Variance
Net interest income	\$ 487,802	\$ 479,112	\$ 8,690
Service charges on deposits	40,153	39,620	533
Other service fees	76,382	70,628	5,754
Mortgage banking activities	7,448	17,343	(9,895)
Other non-interest income	30,557	26,062	4,495
Gross revenues	642,342	632,765	9,577
Provision for credit losses (benefit)	(17,015)	(82,226)	65,211
Net revenues	659,357	714,991	(55,634)
Personnel costs	154,204	159,479	(5,275)
Net occupancy expenses	24,562	26,013	(1,451)
Programming, processing and other technology services	67,152	66,366	786
Other professional fees	34,001	33,582	419
Business promotion	16,511	12,521	3,990
Other operating expenses	71,755	77,567	(5,812)
Total operating expenses	368,185	375,528	(7,343)
Income before income tax	291,172	339,463	(48,291)
Income tax expense	73,093	76,831	(3,738)
Net income	\$ 218,079	\$ 262,632	\$ (44,553)

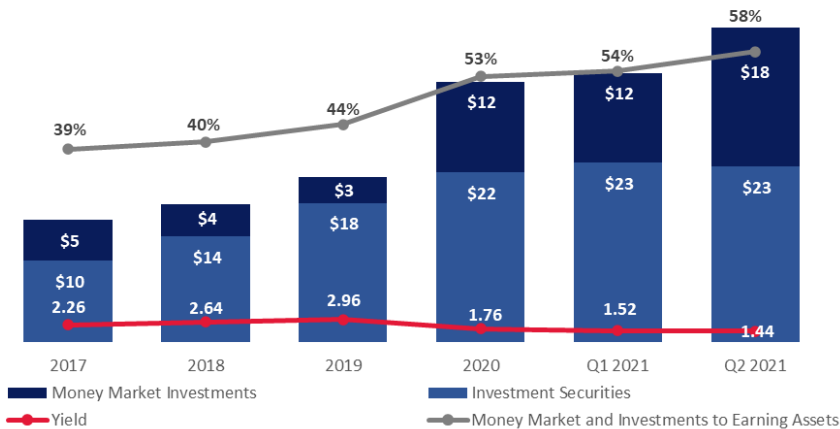
Net Interest Margin Dynamics

- Q2 2021 net interest margin at 2.91%; FTE¹ net interest margin at 3.22%
- Money market and investment securities to earning assets ratio at 58%
- FTE loan yield decreased 2 basis points QoQ to 6.13%
- Total deposit cost for the quarter down 3 basis points to 0.18%; decreased 7 basis points in the U.S. and 2 basis points in P.R.

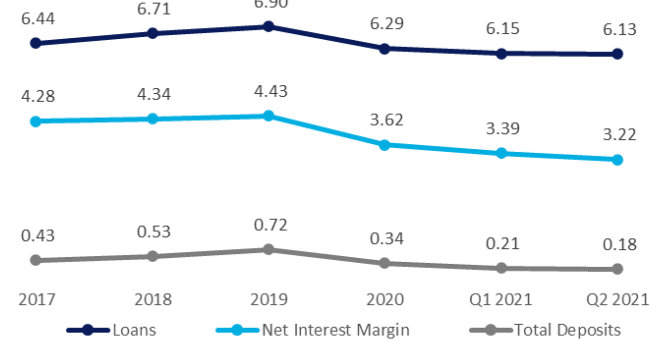
Total Loans and Deposits (\$ in billions)²



Money Market and Investment Securities (\$ in billions)²



Loan Yield, Deposit Cost and NIM (FTE)

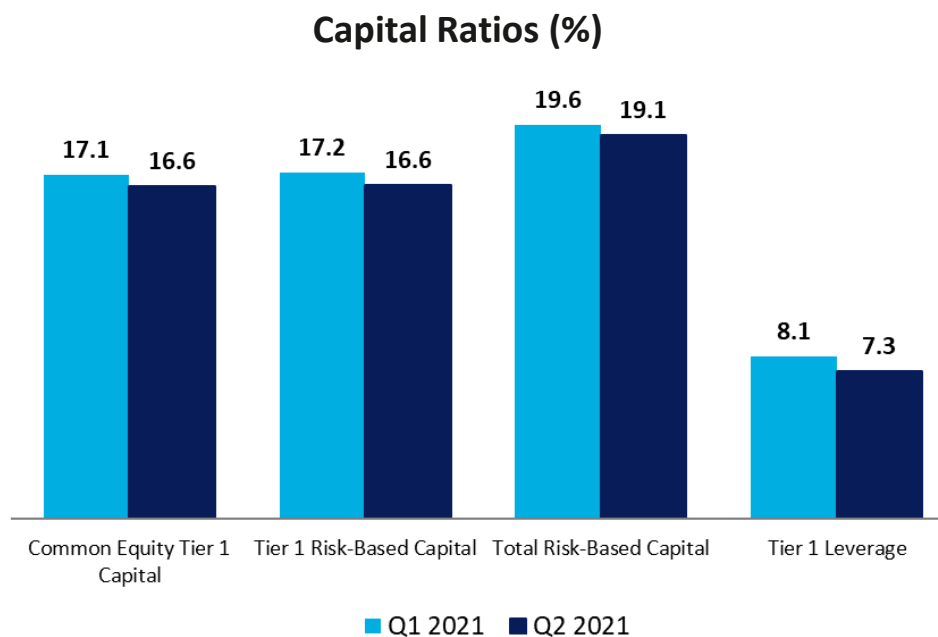


¹ FTE stands for fully taxable-equivalent basis. Represents a non-GAAP financial measure. See the Corporation's earnings press release, Form 10Q and Form 10K filed with the Securities and Exchange Commission for the applicable periods, for a GAAP to non-GAAP reconciliation

² Balances are at end of period
Differences due to rounding

Capital

- Robust capital levels; Common Equity Tier 1 of 16.6%
- Leverage ratio of 7.3% impacted by the high proportion of zero-risk weighted assets on the balance sheet, which represented 42% of total average assets
- Tangible book value per share of \$63.24 compared to \$61.42 in Q1 2021
- Capital actions implemented in Q2 2021
 - Increased quarterly dividend to \$0.45 per share
 - Entered into an ASR to repurchase \$350 million in common stock

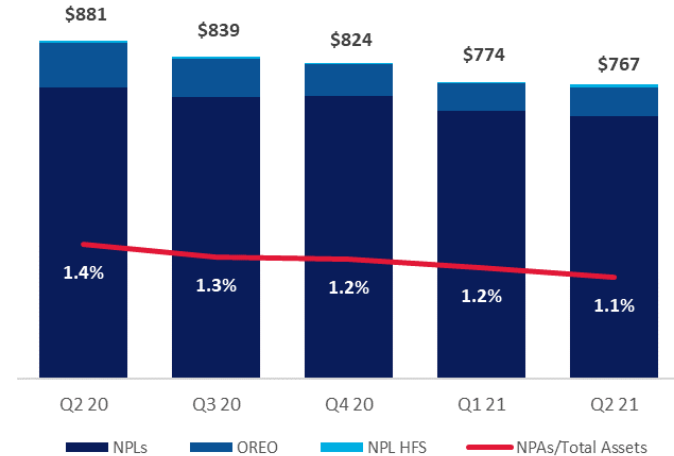


Non-Performing Assets

- NPAs decreased by \$7 million QoQ
- NPLs decreased by \$13 million QoQ
 - P.R. NPLs at \$657 million, or 3.1% of loans, down by \$9 million, driven by:
 - Lower mortgage NPLs by \$20 million
 - Lower consumer NPLs by \$5 million, mainly driven by the auto loan portfolio
 - Partially offset by higher commercial NPLs by \$17 million, mostly due to a single \$32 million inflow
 - U.S. NPLs at \$28 million, or 0.4% of loans, down by \$4 million, mostly related to a construction loan that was transferred to held-for-sale during the quarter

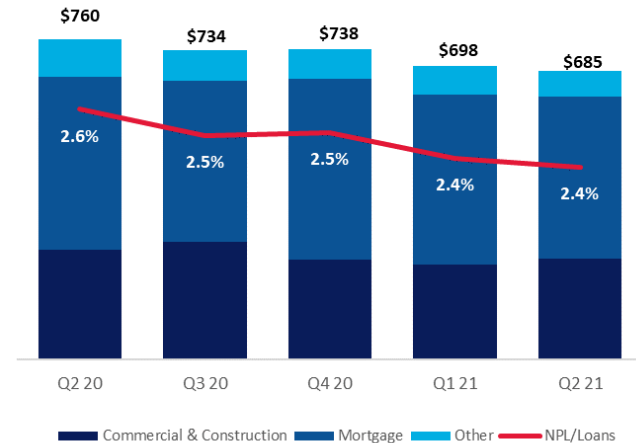
Non-Performing Assets

(\$ in millions)



Non-Performing Loans

(\$ in millions)

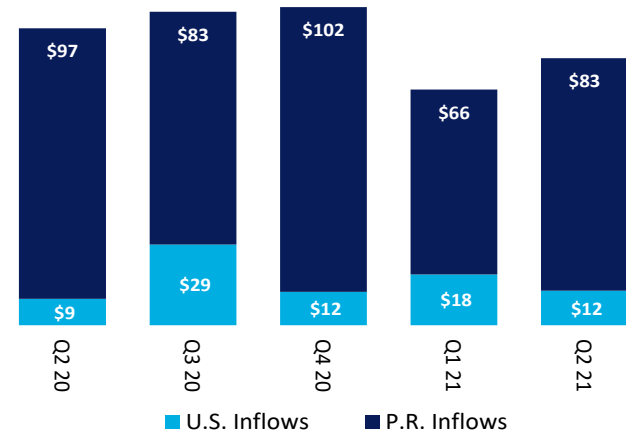


NPL Inflows

- Total NPL inflows increased by \$11 million QoQ
- P.R. inflows increased by \$17 million QoQ, primarily driven by a \$32 million relationship, offset in part by \$15 million lower mortgage inflows
- U.S. inflows decreased by \$6 million QoQ

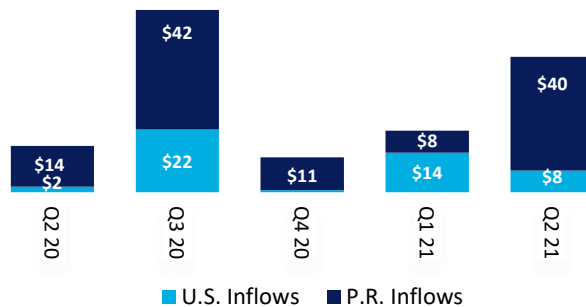
Total NPL Inflows

(\$ in millions)



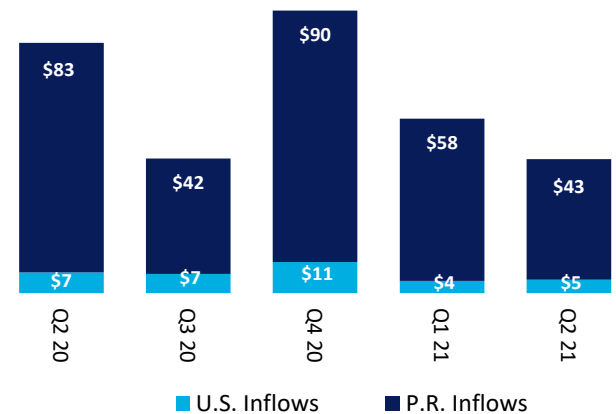
Commercial and Construction NPL Inflows

(\$ in millions)



Mortgage NPL Inflows

(\$ in millions)

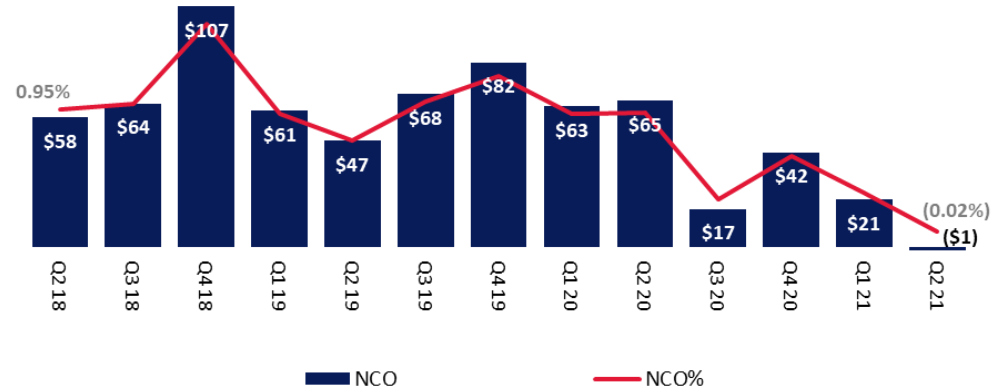


NCOs and Allowance for Credit Losses

- NCOs decreased by \$22 million QoQ to net recoveries of \$1 million in Q2 2021, mostly driven by:
 - Lower commercial NCOs by \$9 million, mostly due to recoveries of \$8 million related to the resolution of a non-performing relationship
 - Lower mortgage NCOs by \$8 million
 - Lower construction NCOs by \$6 million
- NCO ratio at (0.02%) vs. 0.29% in Q1 2021
- ACL decreased by \$15 million QoQ
- ACL-to-Loans ratio at 2.70% vs. 2.75% in Q1 2021
- ACL-to-NPLs at 115%, flat QoQ

NCOs and NCO-to-Loan Ratio

(\$ in millions)



	Balance		Reserve Build		Balance		Reserve Build		Balance		ACL/Loans Ratio
	(\$ in millions)	12/31/2020	(Release)	3/31/2021	(Release)	6/30/2021	(Release)	6/30/2021			
Commercial	\$	348	\$ (62)	\$ 285	\$ (3)	\$ 282				1.97%	
Mortgage		216	(14)	202	(20)	183				2.38%	
Leases		17	(4)	13	5	18				1.35%	
Consumer:											
Credit Cards		46	(2)	44	(3)	41				4.62%	
Personal Loans		105	(14)	91	(1)	91				6.09%	
Auto		150	1	151	5	156				4.74%	
Other		15	(0)	14	2	16				12.73%	
Total Consumer		316	(15)	301	3	303				5.24%	
Total ACL	\$	896	\$ (95)	\$ 801	\$ (15)	\$ 786				2.70%	

Allowance for Credit Losses – Q2 2021 Movement

ACL Movement:

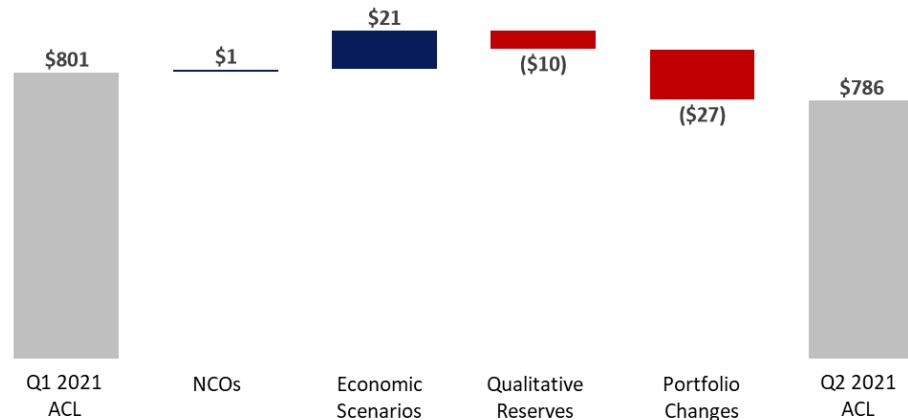
- Moody's May vintage continues to show a favorable economic scenario. However, revisions to historical observations by the P.R. Planning Board resulted in an increase in ACL
- Improvements in borrower performance and a continued positive economic outlook contributed to the reductions in qualitative reserves
- Portfolio changes include changes in volume mix and credit quality

Economic Scenario:

- Probability weighted Moody's scenarios
- Baseline scenario is assigned the highest probability, followed by the S3 scenario
- Shows improvements in the expected 2021 P.R. and U.S. GDP growth
- The unemployment rate in U.S. and P.R. shows improvement through 2022

ACL Movement

(in millions)



Economic Activity				Unemployment Rates (UR)		
U.S.		Annual GDP Growth		U.S.		
Projections at:	Scenario Description	2021	2022	Projections at:	2021	2022
Q1 2021	Baseline	4.9%	5.2%	Q1 2021 Baseline	6.1%	4.9%
	S1 - Stronger Near-Term Growth	5.9%	6.4%	S1	5.4%	3.7%
	S3 - Double Dip Recession	1.7%	1.0%	S3	7.6%	8.7%
Q2 2021	Baseline	6.8%	4.8%	Q2 2021 Baseline	5.4%	3.7%
	S1 - Stronger Near-Term Growth	7.3%	6.5%	S1	5.3%	3.0%
	S3 - Double Dip Recession	4.9%	-0.2%	S3	6.9%	8.9%
P.R.				P.R.		
Q1 2021	Baseline	3.4%	3.9%	Q1 2021 Baseline	8.0%	7.5%
	S1 - Stronger Near-Term Growth	4.1%	4.7%	S1	7.7%	6.8%
	S3 - Double Dip Recession	1.4%	1.0%	S3	8.7%	9.5%
Q2 2021	Baseline	3.8%	4.2%	Q2 2021 Baseline	8.4%	7.2%
	S1 - Stronger Near-Term Growth	4.2%	5.3%	S1	8.3%	6.7%
	S3 - Double Dip Recession	2.6%	0.8%	S3	9.2%	10.2%

Driving Value

Franchise

- Market leader in Puerto Rico
 - Well positioned to take advantage of economic recovery
 - Focus on customer service supported by broad branch network
 - Differentiated digital offering for retail and commercial customers
 - Diversified fee income driven by unmatched product breadth and depth
 - Strong risk-adjusted loan margins driven by a well-diversified portfolio
 - Substantial liquidity with low deposit beta
- Mainland U.S. banking operation provides geographic diversification
 - Commercial led strategy focused on small and medium-sized businesses
 - Branch footprint in South Florida and New York Metro
 - National niche banking focus in homeowners' associations, healthcare and non-profit organizations

Capital

- Capital actions implemented in Q2 2021
 - Increased quarterly dividend to \$0.45 per share
 - Entered into an ASR to repurchase \$350 million in common stock

Environmental, Social and Governance (ESG)

- Enhanced disclosure of our environmental, social, human capital and business efforts in our Corporate Sustainability Report on our website at www.popular.com/en/corporate-sustainability/
- Expanded efforts to promote financial inclusion through an investment in Greenwood, a digital banking platform designed to address the financial needs of Afro-American and Latinx consumers

Additional Value

- Investments in Evertec and Banco BHD León

Second Quarter 2021

INVESTOR PRESENTATION

Appendix

Corporate Structure – Popular, Inc.

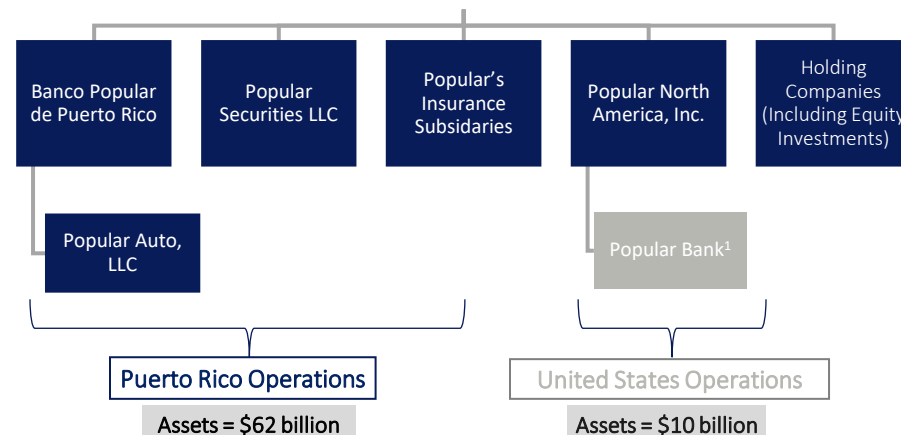
Franchise

Industry	Financial services
Headquarters	San Juan, Puerto Rico
Assets	\$73 billion (among top 50 BHCs in the U.S.)
Loans	\$29 billion
Deposits	\$65 billion
Banking branches	159 in Puerto Rico, 39 in the U.S. (28 in New York and New Jersey and 11 in Florida) and 10 in the U.S. and British Virgin Islands
NASDAQ ticker symbol	BPOP
Market Cap	\$6 billion

Summary Corporate Structure



Assets = \$73 billion



Selected equity investments

EVERTEC and Banco BHD León under Corporate segment



- Transaction processing, business processes outsourcing
- 16.15% stake
- Adjusted EBITDA of \$64 million for the quarter ended March 31, 2021



- Dominican Republic bank
- 15.84% stake
- 2020 net income of \$163 million

Business Segments

<i>(Unaudited)</i>	BPPR		
<i>(\$ in millions)</i> Financial Results	Q2 2021	Q1 2021	Variance
Net interest income	\$ 419	\$ 410	\$ 9
Non-interest income	136	135	1
Gross revenues	555	545	10
Provision for credit losses (benefit)	(22)	(46)	24
Operating expenses	320	320	-
Income before income tax	257	271	(14)
Income tax expense	64	59	5
Net income	\$ 193	\$ 212	\$ (19)

Popular U.S.		
Q2 2021	Q1 2021	Variance
\$ 79	\$ 79	\$ -
5	6	(1)
84	85	(1)
5	(37)	42
50	56	(6)
29	66	(37)
10	18	(8)
\$ 19	\$ 48	\$ (29)

<i>(\$ in millions)</i>	Q2 2021	Q1 2021	Variance
Balance Sheet Highlights			
Total assets	\$62,105	\$55,991	\$ 6,114
Total loans	21,188	21,378	(190)
Total deposits	57,260	50,833	6,427

Q2 2021	Q1 2021	Variance
\$10,197	\$10,558	\$ (361)
7,923	7,801	122
7,739	8,097	(358)

Asset Quality	Q2 2021	Q1 2021	Variance
Non-performing loans held-in-portfolio / Total loans	3.10%	3.12%	(0.02)%
Non-performing assets / Total assets	1.17%	1.32%	(0.15)%
Allowance for credit losses / Total loans	3.12%	3.19%	(0.07)%

Q2 2021	Q1 2021	Variance
0.36%	0.41%	(0.05)%
0.38%	0.35%	0.03%
1.56%	1.53%	0.03%

Net interest margin	2.91%	3.10%	(0.19)%
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3.33%	3.35%	(0.02)%
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P.R. Public Sector Exposure

The Corporation does not own any loans issued by the P.R. central government or its public corporations. As of June 30, 2021 our direct exposure to P.R. municipalities was \$375 million, flat QoQ.

Municipalities

Obligations of municipalities are backed by real and personal property taxes, municipal excise taxes, and/or a percentage of the sales and use tax

Indirect Exposure

Indirect exposure includes loans or securities that are payable by non-governmental entities, but which carry a government guarantee to cover any shortfall in collateral in the event of borrower default. Majority are single-family mortgage related

Outstanding P.R. government exposure

(\$ in millions)

Loans

Securities

Total

Municipalities

\$

342

\$

33

\$

375

Indirect Exposure

\$

258

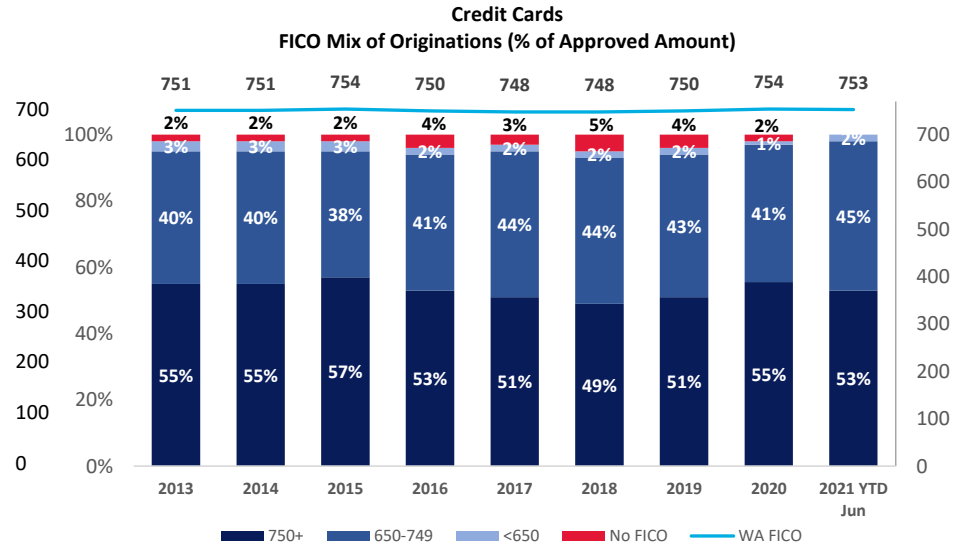
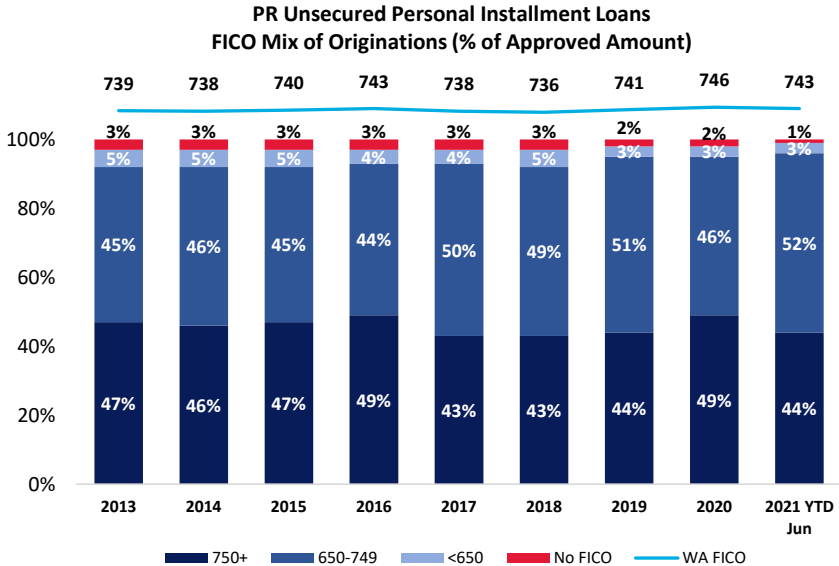
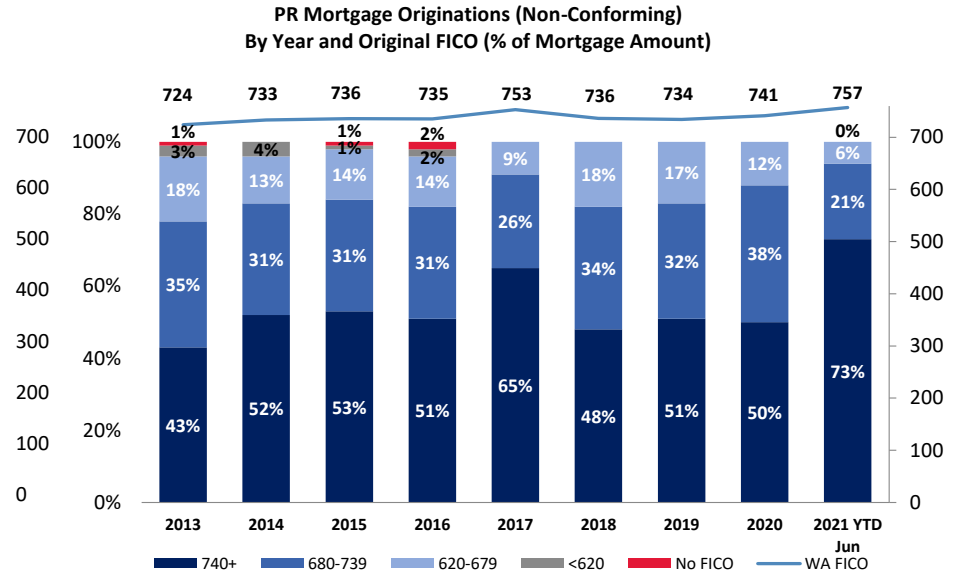
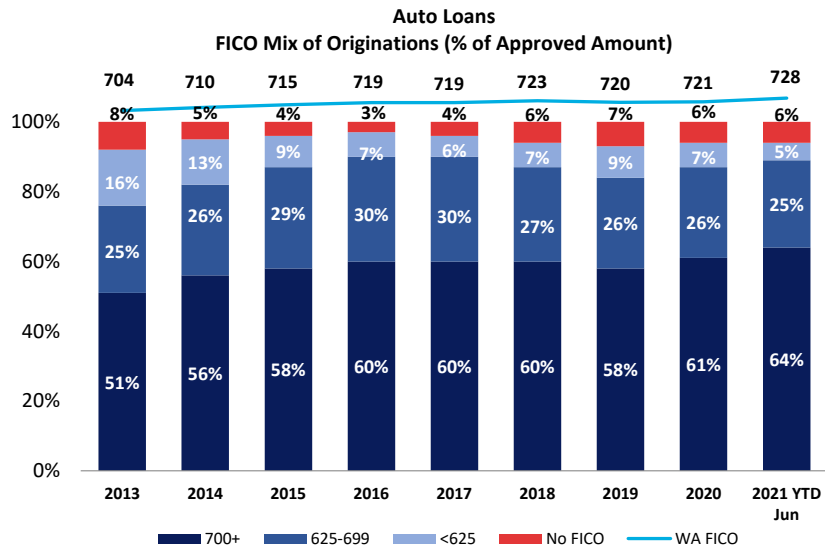
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\$

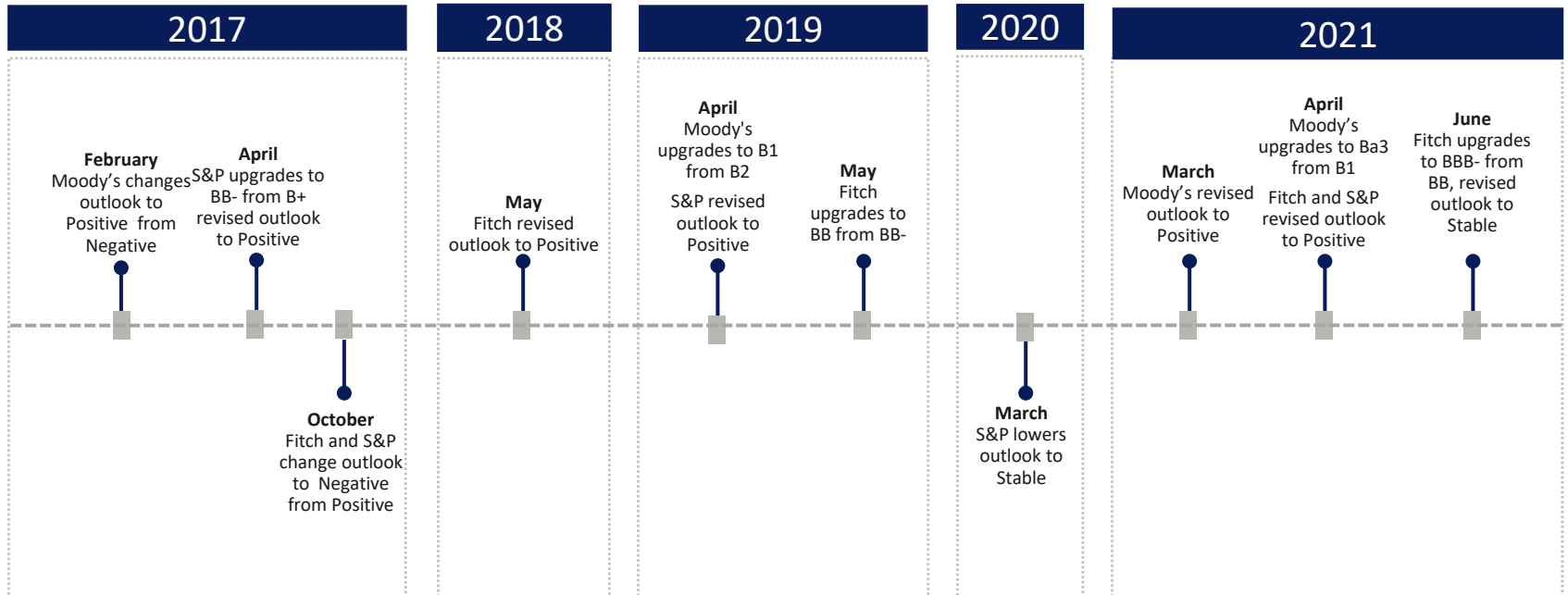
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FICO Mix of Consumer Originations



Popular, Inc. Credit Ratings

Senior Unsecured Ratings		
Moody's	Ba3	Stable Outlook
Fitch	BBB-	Stable Outlook
S&P	BB-	Positive Outlook



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