



Popular, Inc. Announces Second Quarter 2021 Financial Results

- Net income of \$218.1 million in Q2 2021, compared to net income of \$262.6 million in Q1 2021.
- Net interest margin of 2.91% in Q2 2021, compared to 3.07% in Q1 2021; net interest margin on a taxable equivalent basis of 3.22% in Q2 2021, compared to 3.39% in Q1 2021.
- Credit Quality:
 - Non-performing loans held-in-portfolio (“NPLs”) decreased by \$13.0 million from Q1 2021; NPLs to loans ratio at 2.4% flat from Q1 2021;
 - Net charge-offs (“NCOs”) was a net recovery of \$1.3 million, a favorable variance by \$22.3 million from Q1 2021; NCOs at (0.02)% of average loans held-in-portfolio vs. 0.29% in Q1 2021;
 - Allowance for credit losses (“ACL”) to loans held-in-portfolio at 2.70% vs. 2.75% in Q1 2021; and
 - ACL to NPLs at 114.7% flat from Q1 2021.
- Common Equity Tier 1 ratio of 16.55%, Common Equity per Share of \$71.82 and Tangible Book Value per Share of \$63.24 at June 30, 2021.

SAN JUAN, Puerto Rico -- (BUSINESS WIRE) -- Popular, Inc. (the “Corporation,” “Popular,” “we,” “us,” “our”) (NASDAQ:BPOP) reported net income of \$218.1 million for the quarter ended June 30, 2021, compared to net income of \$262.6 million for the quarter ended March 31, 2021.

Ignacio Alvarez, President and Chief Executive Officer, said: “We had another strong quarter with net income of \$218 million. These results reflect improving macro-economic conditions and credit quality as well as our diversified sources of revenue. Consumer spending in P.R. has increased and it is reflected in higher revenues from credit and debit card spending. Deposit balances grew by \$5.9 billion and excluding forgiveness of PPP loans, we saw a small increase in our period end loans, led by strong auto loan originations in P.R. During the quarter we also continued to return capital to our shareholders, increased our common stock dividend, while maintaining a CET1 ratio of 16.6% at quarter end. While we are extremely pleased with the results for the first half of the year, we remain attentive on how the evolving health situation may impact the economic recovery.

We also continued to support the communities we serve. During the quarter we released our annual Corporate Sustainability Report, which summarizes our program, takes into account widely accepted sustainability reporting standards and highlights our commitment, progress and achievements in our efforts to operate as a responsible, ethical and sustainable company.”

Significant Events

Financial Highlights

For the second quarter of 2021, the Corporation recorded net income of \$218.1 million, compared to a net income of \$262.6 million for the previous quarter. The second quarter's results include a release of the allowance for credit losses of \$17.0 million driven by improving credit quality and the improved macroeconomic outlook. Net Interest income was \$487.8 million, an increase of \$8.7 million compared to the previous quarter, mainly due to additional funds invested from the increase in deposits. The net interest margin decreased 16 basis points to 2.91%. Total assets grew by \$5.8 billion from the previous quarter, reflecting an increase in deposits across various sectors, principally from the Puerto Rico public sector.

Capital Actions

On May 3, 2021, the Corporation announced that it had entered into an accelerated share repurchase agreement (the "ASR Agreement") to repurchase an aggregate of \$350 million of Popular's common stock. Under the terms of the ASR Agreement, on May 4, 2021 the Corporation made an initial payment of \$350 million and received an initial delivery of 3,785,831 shares of Popular's Common Stock (the "Initial Shares"). The transaction was accounted for as a treasury stock transaction. Furthermore, as a result of the receipt of the Initial Shares, the Corporation recognized in shareholders' equity approximately \$280 million in treasury stock and \$70 million as a reduction in capital surplus. Upon the final settlement of the ASR Agreement, the Corporation expects to further adjust its treasury stock and capital surplus accounts to reflect the final delivery or receipt of cash or shares, which will depend on the volume-weighted average price of the Corporation's common stock during the term of the ASR Agreement, less a discount. The final settlement of the ASR Agreement is expected to occur no later than the third quarter of 2021.

On May 6, 2021, the Corporation's Board of Directors approved a quarterly cash dividend of \$0.45 per share, an increase from the previous \$0.40 per share quarterly dividend, on its outstanding common stock. The dividend was paid on July 1, 2021 to shareholders of record at the close of business on May 26, 2021.

Earnings Highlights

| (Unaudited) | Quarters ended | | | Six months ended | |
|---|----------------|-----------|-----------|------------------|-----------|
| (Dollars in thousands, except per share information) | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| Net interest income | \$487,802 | \$479,112 | \$450,881 | \$966,914 | \$923,976 |
| Provision for credit losses (benefit) | (17,015) | (82,226) | 62,449 | (99,241) | 252,180 |
| Net interest income after provision for credit losses (benefit) | 504,817 | 561,338 | 388,432 | 1,066,155 | 671,796 |
| Other non-interest income | 154,540 | 153,653 | 112,055 | 308,193 | 238,698 |
| Operating expenses | 368,185 | 375,528 | 348,231 | 743,713 | 720,839 |
| Income before income tax | 291,172 | 339,463 | 152,256 | 630,635 | 189,655 |
| Income tax expense | 73,093 | 76,831 | 24,628 | 149,924 | 27,725 |
| Net income | \$218,079 | \$262,632 | \$127,628 | \$480,711 | \$161,930 |
| Net income applicable to common stock | \$217,726 | \$262,279 | \$127,275 | \$480,005 | \$160,877 |
| Net income per common share-basic | \$2.67 | \$3.13 | \$1.49 | \$5.80 | \$1.83 |
| Net income per common share-diluted | \$2.66 | \$3.12 | \$1.49 | \$5.79 | \$1.83 |

Net interest income on a taxable equivalent basis – Non-GAAP financial measure

Net interest income, on a taxable equivalent basis, is presented with its different components in Table D and E for the quarter and six months ended June 30, 2021 and comparable periods. Net interest income on a taxable equivalent basis is a non-GAAP financial measure. Management believes that this presentation provides meaningful information since it facilitates the comparison of revenues arising from taxable and tax-exempt sources.

Non-GAAP financial measures used by the Corporation may not be comparable to similarly named non-GAAP financial measures used by other companies.

Net interest income for the quarter ended June 30, 2021 was \$487.8 million compared to \$479.1 million in the previous quarter, an increase of \$8.7 million. The total net impact on net interest income of one more day in the quarter when compared to the first quarter of 2021 is estimated at \$3.7 million. Net interest income, on a taxable equivalent basis, for the second quarter of 2021 was \$541.2 million, an increase of \$11.4 million when compared to \$529.8 million in the first quarter of 2021. On a taxable equivalent basis, the total net impact on net interest income of one more day in the quarter when compared to the first quarter of 2021 is estimated at \$4.0 million.

Net interest margin decreased 16 basis points to 2.91% compared to 3.07% in the previous quarter. The decrease in the net interest margin is due to a higher proportion of money market and investment securities, which carry a low yield, resulting from a higher volume of deposits in the quarter, lower interest and fees related to loans issued under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"), partially offset by higher discount amortization on purchased credit deteriorated ("PCD") loans repaid during the quarter and a lower cost of deposits. On a taxable equivalent basis, net interest margin for the second quarter of 2021 was 3.22 % compared to 3.39% in the first quarter of 2021, a decrease of 17 basis points. The main variances in net interest income on a taxable equivalent basis were:

- Higher interest income from money market investments, trading and investment securities by \$9.7 million due to higher volume by \$4.4 billion driven by deposit increases across all business lines, mainly government deposits. The taxable equivalent yield on these assets was 1.44%, compared to 1.52% the previous quarter; and
- Lower interest expense on deposits by \$2.1 million resulting from lower deposit cost by 4 basis points driven by a higher volume of low yielding deposits, reduction of costs in several non-maturity deposit products and renewals of time deposits in a lower interest rate environment. These positive variances in deposit costs were partially offset by higher volume of interest-bearing deposits by \$3.3 billion.

Partially offset by:

- Lower interest income from loans by \$0.6 million mainly due to the following:
 - Lower interest income from commercial loans by \$2.1 million resulting from lower SBA PPP interest income and fees of \$9.2 million, partially offset by higher interest income by \$7.2 million from PCD loans due to the accelerated discount amortization from several repaid loans and interest for one more day in the quarter of \$1.9 million; and
 - Auto and lease financing increasing \$124 million in average balances resulting an increase in interest income of \$2.5 million.

The Corporation recognized interest income of \$13.9 million related to loans issued under the SBA PPP program, compared to \$23.1 million in the previous quarter. These loans carried a yield of approximately 4.45% in this quarter, including the amortization of fees received under the program, compared to 7.21% last quarter.

Net interest income for the Banco Popular de Puerto Rico ("BPPR") segment amounted to \$419.2 million for the quarter ended June 30, 2021, compared to \$410.3 million in the previous quarter. Net interest margin for the second quarter of 2021 was 2.91%, a decrease of 19 basis points when compared to 3.10% for the previous quarter. As discussed above, the net interest margin was negatively impacted by a higher volume of money market and investment securities, lower fees from the cancellation and amortization of PPP loans of approximately \$8.8 million, partially offset by a higher amortization of discount on PCD loans. The cost of interest-bearing deposits was 0.18%, down 3 basis points from the 0.21% reported in the previous quarter. Total cost of deposits for the quarter was 0.14%, compared to 0.16% reported in the first quarter of 2021.

Net interest income for Popular Bank ("PB") was \$78.7 million for the quarter ended June 30, 2021, compared to \$79.2 million during the previous quarter. Net interest margin for the quarter was 3.33% lower than the 3.35% the previous quarter. The cost of interest-

bearing deposits was 0.60%, compared to 0.66% in the previous quarter, decreasing for the seventh consecutive quarter. Total cost of deposits for the quarter, including demand deposits, was 0.47%, compared to 0.54% reported in the first quarter of 2021.

Non-interest income

Non-interest income increased by \$0.9 million to \$154.6 million for the quarter ended June 30, 2021, compared to \$153.7 million for the quarter ended March 31, 2021. The variance in non-interest income was primarily driven by:

- higher other service fees by \$5.8 million, principally at the BPPR segment, due to higher credit card fees by \$4.0 million, mainly in interchange income resulting from higher transactional volumes;
- an increase in net gain on equity securities of \$1.1 million mainly related to employee deferred compensation plans that have an offsetting expense on personnel related expenses;
- a favorable variance in adjustments to indemnity reserves on previously sold loans of \$2.4 million mainly due to a reserve release related to loans previously sold with credit recourse; and
- higher other operating income by \$1.1 million mainly due to higher net earnings from the combined portfolio of investments under the equity method by \$2.4 million, partially offset by a lower gain on sale of daily auto rental units by \$1.4 million;

partially offset by:

- lower income from mortgage banking activities by \$9.9 million mainly due to an unfavorable variance in fair value adjustments on mortgage servicing rights (“MSRs”) of \$6.8 million due to the negative adjustment in the second quarter mainly related to a reduction in estimated cash flows related to portfolio amortization and higher losses on closed derivative positions by \$3.4 million.

Refer to Table B for further details.

Operating expenses

Operating expenses for the second quarter of 2021 totaled \$368.2 million, a decrease of \$7.3 million from the first quarter of 2021. The variance in operating expenses was driven primarily by:

- lower personnel cost by \$5.3 million due to \$6.8 million of lower commission, incentives, and other bonuses, including lower performance shares and restricted stock expenses by \$5.5 million, partially offset by higher pension, postretirement and medical insurance by \$2.4 million due to higher premiums accruals;
- lower net occupancy expense by \$1.5 million due lower rent and electricity expenses;
- lower credit and debit card processing, volume, interchange and other expenses by \$1.5 million mainly due to transaction volume rebates and incentives; and
- lower other operating expenses by \$4.1 million due to a release of \$4.5 million of mortgage servicing reserves related to claims and foreclosed loans, higher gain on sale of assets by \$1.8 million and lower subsequent write-down of foreclosed auto units by \$1.2 million; partially offset by higher sundry losses by \$3.0 million due to higher legal reserves.

Partially offset by:

- higher business promotion expenses by \$4.0 million due higher customer reward program expense in our credit card business by \$2.5 million and higher advertising expense by \$0.8 million.

Full-time equivalent employees were 8,439 as of June 30, 2021, compared to 8,469 as of March 31, 2021.

For a breakdown of operating expenses by category refer to Table B.

Income taxes

For the quarter ended June 30, 2021, the Corporation recorded an income tax expense of \$73.1 million, compared to \$76.8 million for the previous quarter. The decrease in income tax expense was mainly attributable to lower income before tax during the second quarter of 2021, partially offset by higher effective income tax rate in the P.R. operations and an increase in the blended state income tax rate for the U.S. operations during the second quarter of 2021. The effective tax rate (“ETR”) for the second quarter of 2021 was 25%, compared to 23% for the previous quarter. The ETR of the Corporation is impacted by the composition and source of its taxable income. The increase in the ETR rate for the second quarter of 2021 was primarily attributed to higher income at the Puerto Rico marginal tax rate.

Credit Quality

During the second quarter of 2021, the Corporation continued to exhibit favorable credit quality and low credit costs, outperforming pandemic trends. These improvements have been aided by the significant government stimulus and the rebound in the economy. We will continue to closely monitor COVID-19 related risks and the effects of the receding stimulus on macroeconomic conditions and on borrower performance. However, management believes that the improvement over the last few years in the risk profile of the Corporation’s loan portfolios positions Popular to operate successfully under the current environment.

The following presents credit quality results for the second quarter of 2021:

- At June 30, 2021, total non-performing loans held-in-portfolio decreased by \$13.0 million from March 31, 2021. BPPR’s NPLs decreased by \$9.2 million, driven by lower mortgage NPLs by \$20.1 million, due to lower inflows for the quarter and lower consumer NPLs by \$5.1 million, mostly driven by auto loans. This decrease was in part offset by higher commercial NPLs by \$16.8 million mostly due to a single \$32.4 million inflow, partially offset by the resolution of an \$8.8 million relationship. PB’s NPLs decreased by \$3.8 million, mostly related to a construction loan transferred to loans-held-for-sale. At June 30, 2021, the ratio of NPLs to total loans held-in-portfolio remained flat at 2.4% when compared to the first quarter of 2021.
- Inflows of NPLs held-in-portfolio, excluding consumer loans, increased by \$11.2 million quarter-over-quarter. In BPPR, total inflows increased by \$17.0 million, mostly driven by higher commercial inflows of \$31.9 million related to the abovementioned \$32.4 million relationship. This increase was partly offset by lower mortgage inflows of \$15.0 million, mostly due to improvements in early delinquencies. The NPL inflows at PB decreased by \$5.8 million during the quarter.
- NCOs decreased by \$22.3 million from the first quarter of 2021 to net recoveries of \$1.3 million. BPPR’s NCOs decreased by \$21.0 million, primarily driven by lower commercial, mortgage and construction NCOs by \$8.4 million, \$7.4 million and \$6.4 million, respectively. The decrease reflected in the commercial NCOs was mostly due to recoveries of \$7.9 million related to the resolution of the abovementioned non-performing relationship. During the second quarter of 2021, the Corporation’s ratio of annualized net charge-offs to average loans held-in-portfolio was (0.02)%, compared to 0.29% in the first quarter of 2021. Refer to Table M for further information on net charge-offs and related ratios.
- At June 30, 2021, the allowance for credit losses (“ACL”) decreased by \$15.0 million from the first quarter of 2021 to \$785.8 million. The ACL incorporated updated economic scenarios for the United States and Puerto Rico, which continued to show a positive outlook of the economy. In BPPR, the ACL decreased by \$19.8 million, led by improvements in commercial and mortgage loans. The decrease in the allowance for commercial loans was mainly prompted by the release of a qualitative reserve for the hotel and hospitality portfolio due to the favorable economic environment and improvements in borrower performance. The reduction in the allowance for mortgage loans was led by a combination of improvements in economic scenarios and other assumptions used to estimate the reserve, as well as lower volumes. The allowance for the PB segment increased by \$4.8 million. The ratio of the allowance for credit losses to loans held-in-portfolio was 2.70% in the second quarter of 2021, compared to 2.75% in the previous quarter. The ratio of the allowance for credit losses to NPLs held-in-portfolio stood at 114.7%, flat from the previous quarter.
- Given that any one economic outlook is inherently uncertain, the Corporation leverages multiple scenarios to estimate its ACL. The ACL is estimated by weighting the outputs of optimistic, baseline and pessimistic scenarios. Among the three scenarios used to estimate the ACL, the baseline is assigned the highest probability, followed by the pessimistic scenario given the uncertainties in the economic outlook and downside risk. The current baseline forecast continues to show a favorable economic scenario. The 2021 forecasted GDP growth is now at 6.8% for U.S. and 3.8% for P.R., compared to 4.9% and 3.4%, respectively, in the previous 2021 forecast. The forecasted U.S. unemployment rate average for 2021 is now

5.43%. This is an improvement over the previous estimate of 6.09%. In the case of P.R., the forecasted unemployment rate average for 2021 of 8.43% was slightly higher than the previous forecast of 7.98%. However, unemployment rate levels in P.R. are expected to continue declining through 2022. The P.R. forecasted average unemployment rate for 2022 of 7.25%, is lower than the previous forecast of 7.52%.

- The provision for credit losses for the loans portfolios for the second quarter of 2021 reflected a benefit of \$17.5 million, compared to a benefit of \$75.8 million in the previous quarter. The provision for the BPPR segment was a benefit of \$22.5 million, an unfavorable variance of \$17.5 million compared to the previous quarter, while the provision expense for the PB segment was \$5.0 million, an unfavorable variance of \$40.8 million from the previous quarter. In the prior quarter, improvements in the economic forecasts prompted substantial reductions in reserves.
- The provision for unfunded commitments for the second quarter of 2021 reflected an expense of \$0.4 million, compared to a benefit of \$6.2 million during the previous quarter. The provision for credit losses in our investment portfolio was an expense of \$0.1 million, compared to a benefit of \$0.2 million in the first quarter of 2021. The provision for unfunded loan commitments, provision for credit losses on our loan and lease portfolios and provision for credit losses on our investment portfolio are aggregated and presented in the provision for credit losses caption in our Statement of Operations.

Non-Performing Assets

(Unaudited)

| (In thousands) | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 |
|--|------------------|------------------|------------------|
| Non-performing loans held-in-portfolio | \$685,183 | \$698,142 | \$760,204 |
| Non-performing loans held-for-sale | 8,700 | 3,549 | 6,778 |
| Other real estate owned ("OREO") | 73,272 | 72,060 | 113,940 |
| Total non-performing assets | \$767,155 | \$773,751 | \$880,922 |
| Net (recoveries) charge-offs for the quarter | \$(1,291) | \$21,030 | \$64,953 |

Ratios:

| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 |
|--|--------------|--------------|--------------|
| Loans held-in-portfolio | \$29,062,617 | \$29,131,628 | \$29,070,553 |
| Non-performing loans held-in-portfolio to loans held-in-portfolio | 2.36% | 2.40% | 2.62% |
| Allowance for credit losses to loans held-in-portfolio | 2.70 | 2.75 | 3.16 |
| Allowance for credit losses to non-performing loans, excluding loans held-for-sale | 114.68 | 114.70 | 120.81 |

Refer to Table K for additional information.

Provision for Credit Losses (Benefit) - Loan Portfolios

(Unaudited)

| (In thousands) | Quarters ended | | | Six months ended | |
|--|-------------------|-------------------|-----------------|-------------------|------------------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| Provision for credit losses (benefit) - loan portfolios: | | | | | |
| BPPR | \$(22,488) | \$(39,976) | \$60,423 | \$(62,464) | \$173,427 |
| Popular U.S. | 4,988 | (35,803) | 2,681 | (30,815) | 78,672 |
| Total provision for credit losses (benefit) - loan portfolios | \$(17,500) | \$(75,779) | \$63,104 | \$(93,279) | \$252,099 |

Credit Quality by Segment

(Unaudited)

(In thousands)

| | Quarters ended | | |
|---|----------------|------------|-----------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 |
| BPPR | | | |
| Provision for credit losses (benefit) - loan portfolios | \$(22,488) | \$(39,976) | \$60,423 |
| Net charge-offs | (1,483) | 19,474 | 62,143 |
| Total non-performing loans held-in-portfolio | 656,789 | 665,978 | 726,603 |
| Allowance / loans held-in-portfolio | 3.13% | 3.20% | 3.53% |

| | Quarters ended | | |
|---|----------------|------------|-----------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 |
| Popular U.S. | | | |
| Provision for credit losses (benefit) - loan portfolios | \$4,988 | \$(35,803) | \$2,681 |
| Net charge-offs | 192 | 1,556 | 2,810 |
| Total non-performing loans held-in-portfolio | 28,394 | 32,164 | 33,601 |
| Allowance / loans held-in-portfolio | 1.57% | 1.53% | 2.13% |

Financial Condition Highlights

(Unaudited)

| (In thousands) | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 |
|-----------------------------------|--------------|--------------|--------------|
| Cash and money market investments | \$18,333,650 | \$12,064,592 | \$10,060,358 |
| Investment securities | 22,647,401 | 23,076,488 | 21,058,918 |
| Loans | 29,062,617 | 29,131,628 | 29,070,553 |
| Total assets | 72,657,293 | 66,870,268 | 62,845,352 |
| Deposits | 64,641,776 | 58,742,801 | 53,844,300 |
| Borrowings | 1,267,545 | 1,311,064 | 1,339,339 |
| Total liabilities | 66,842,679 | 60,972,709 | 57,065,187 |
| Stockholders' equity | 5,814,614 | 5,897,559 | 5,780,165 |

Total assets increased by \$5.8 billion from the first quarter of 2021, driven by:

- an increase of \$6.3 billion in cash and money market investments mainly due to an increase in deposits; partially offset by:
- a decrease of \$0.4 billion in debt securities available-for-sale, mainly due to paydowns of agency mortgage-backed securities, partially offset by an increase of \$0.1 billion in net unrealized gains in the portfolio and purchases of U.S. treasury securities.

Total liabilities increased by \$5.9 billion from the first quarter of 2021, mainly due to an increase of \$5.9 billion in deposits due to higher Puerto Rico public sector deposits by \$4.3 billion and higher retail and commercial demand deposits by \$1.5 billion at BPPR.

Stockholders' equity decreased by approximately \$82.9 million from the first quarter of 2021, principally due to the impact of the \$350.0 million accelerated share repurchase transaction, offset by higher accumulated unrealized gains on debt securities available-for-sale by \$73.0 million and net income for the quarter of \$218.1 million, less declared dividends of \$36.3 million on common stock and \$0.4 million in dividends on preferred stock.

Common equity tier-1 ratio ("CET1"), common equity per share and tangible book value per share were 16.55%, \$71.82 and \$63.24, respectively, at June 30, 2021, compared to 17.08%, \$69.63 and \$61.42 at March 31, 2021. Refer to Table A for capital ratios.

Cautionary Note Regarding Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including without limitation those about Popular’s business, financial condition, results of operations, plans, objectives and future performance. These statements are not guarantees of future performance, are based on management’s current expectations 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. Risks and uncertainties include, without limitation, the effect of competitive and economic factors, and our reaction to those factors, the adequacy of the allowance for loan losses, delinquency trends, market risk and the impact of interest rate changes, capital market conditions, capital adequacy and liquidity, the effect of legal and regulatory proceedings (including as a result of any participation in and execution of government programs related to the COVID-19 pandemic), new accounting standards on the Corporation’s financial condition and results of operations, 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 Popular, our customers, service providers and third parties. All statements contained herein that are not clearly historical in nature, are forward-looking, and the words “anticipate,” “believe,” “continues,” “expect,” “estimate,” “intend,” “project” and similar expressions, and future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” “may” or similar expressions, are generally intended to identify forward-looking statements.

More 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, in our Form 10-Q for the quarter ended March 31, 2021 and in our Form 10-Q for the quarter ended June 30, 2021 to be 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 or information which speak as of their respective dates.

About Popular, Inc.

Popular, Inc. (NASDAQ: BPOP) is the leading financial institution in Puerto Rico, by both assets and deposits, and ranks among the top 50 U.S. bank holding companies by assets. Founded in 1893, Banco Popular de Puerto Rico, Popular’s principal subsidiary, provides retail, mortgage and commercial banking services in Puerto Rico and the U.S. Virgin Islands. Popular also offers in Puerto Rico auto and equipment leasing and financing, investment banking, broker-dealer and insurance services through specialized subsidiaries. In the mainland United States, Popular provides retail, mortgage and commercial banking services through its New York-chartered banking subsidiary, Popular Bank, which has branches located in New York, New Jersey and Florida.

Conference Call

Popular will hold a conference call to discuss its financial results today Thursday, July 22, 2021 at 11:00 a.m. Eastern Time. The call will be open to the public and broadcasted live over the Internet and can be accessed through the Investor Relations section of the Corporation’s website: www.popular.com.

Listeners are recommended to go to the website at least 15 minutes prior to the call to download and install any necessary audio software. The call may also be accessed through the dial-in telephone number 1-866-235-1201 or 1-412-902-4127. There is no charge to access the call.

A replay of the webcast will be archived in Popular’s website. A telephone replay will be available one hour after the end of the conference call through Sunday, August 22, 2021. The replay dial-in is: 1-877-344-7529 or 1-412-317-0088. The replay passcode is 10158030.

An electronic version of this press release can be found at the Corporation’s website: www.popular.com.

Popular, Inc.
Financial Supplement to Second Quarter 2021 Earnings Release

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POPULAR, INC.

Financial Supplement to Second Quarter 2021 Earnings Release

Table A - Selected Ratios and Other Information

(Unaudited)

| | Quarters ended | | | Six months ended | |
|--|----------------|------------|------------|------------------|------------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| Basic EPS | \$2.67 | \$3.13 | \$1.49 | \$5.80 | \$1.83 |
| Diluted EPS | \$2.66 | \$3.12 | \$1.49 | \$5.79 | \$1.83 |
| Average common shares outstanding | 81,609,435 | 83,899,769 | 85,135,522 | 82,748,275 | 87,962,040 |
| Average common shares outstanding - assuming dilution | 81,772,789 | 84,051,935 | 85,161,661 | 82,888,378 | 88,039,712 |
| Common shares outstanding at end of period | 80,656,480 | 84,379,180 | 84,184,927 | 80,656,480 | 84,184,927 |
| Market value per common share | \$75.05 | \$70.32 | \$37.17 | \$75.05 | \$37.17 |
| Market capitalization - (In millions) | \$6,053 | \$5,934 | \$3,129 | \$6,053 | \$3,129 |
| Return on average assets | 1.24% | 1.61% | 0.87% | 1.42% | 0.59% |
| Return on average common equity | 15.43% | 18.76% | 9.74% | 17.08% | 6.06% |
| Net interest margin (non-taxable equivalent basis) | 2.91% | 3.07% | 3.25% | 2.99% | 3.58% |
| Net interest margin (taxable equivalent basis) -non-GAAP | 3.22% | 3.39% | 3.56% | 3.31% | 3.93% |
| Common equity per share | \$71.82 | \$69.63 | \$68.40 | \$71.82 | \$68.40 |
| Tangible common book value per common share (non-GAAP) [1] | \$63.24 | \$61.42 | \$60.13 | \$63.24 | \$60.13 |
| Tangible common equity to tangible assets (non-GAAP) [1] | 7.09% | 7.83% | 8.15% | 7.09% | 8.15% |
| Return on average tangible common equity [1] | 17.58% | 21.37% | 11.23% | 19.46% | 6.97% |
| Tier 1 capital | 16.62% | 17.15% | 15.78% | 16.62% | 15.78% |
| Total capital | 19.09% | 19.62% | 18.29% | 19.09% | 18.29% |
| Tier 1 leverage | 7.34% | 8.06% | 8.13% | 7.34% | 8.13% |
| Common Equity Tier 1 capital | 16.55% | 17.08% | 15.71% | 16.55% | 15.71% |

[1] Refer to Table Q for reconciliation to GAAP financial measures.

POPULAR, INC.

Financial Supplement to Second Quarter 2021 Earnings Release

Table B - Consolidated Statement of Operations

(Unaudited)

| | Quarters ended | | Variance | Quarter ended | Variance | Six months ended | |
|--|----------------|----------------|-----------------|----------------|-----------------|------------------|------------------|
| (In thousands, except per share information) | 30-Jun-21 | 31-Mar-21 | vs. Q1 2021 | 30-Jun-20 | vs. Q2 2020 | 30-Jun-21 | 30-Jun-20 |
| Interest income: | | | | | | | |
| Loans | \$433,781 | \$434,649 | \$(868) | \$429,670 | \$4,111 | \$868,430 | \$880,116 |
| Money market investments | 4,274 | 3,112 | 1,162 | 2,015 | 2,259 | 7,386 | 14,015 |
| Investment securities | 91,706 | 85,690 | 6,016 | 76,884 | 14,822 | 177,396 | 164,796 |
| Total interest income | 529,761 | 523,451 | 6,310 | 508,569 | 21,192 | 1,053,212 | 1,058,927 |
| Interest expense: | | | | | | | |
| Deposits | 28,060 | 30,201 | (2,141) | 42,780 | (14,720) | 58,261 | 104,881 |
| Short-term borrowings | 62 | 143 | (81) | 645 | (583) | 205 | 1,693 |
| Long-term debt | 13,837 | 13,995 | (158) | 14,263 | (426) | 27,832 | 28,377 |
| Total interest expense | 41,959 | 44,339 | (2,380) | 57,688 | (15,729) | 86,298 | 134,951 |
| Net interest income | 487,802 | 479,112 | 8,690 | 450,881 | 36,921 | 966,914 | 923,976 |
| Provision for credit losses (benefit) | (17,015) | (82,226) | 65,211 | 62,449 | (79,464) | (99,241) | 252,180 |
| Net interest income after provision for credit losses (benefit) | 504,817 | 561,338 | (56,521) | 388,432 | 116,385 | 1,066,155 | 671,796 |
| Service charges on deposit accounts | 40,153 | 39,620 | 533 | 30,163 | 9,990 | 79,773 | 71,822 |
| Other service fees | 76,382 | 70,628 | 5,754 | 52,084 | 24,298 | 147,010 | 116,857 |
| Mortgage banking activities | 7,448 | 17,343 | (9,895) | 3,777 | 3,671 | 24,791 | 10,197 |
| Net gain (loss), including impairment, on equity securities | 1,565 | 421 | 1,144 | 2,447 | (882) | 1,986 | (281) |
| Net (loss) profit on trading account debt securities | (47) | (45) | (2) | 82 | (129) | (92) | 573 |
| Net (loss) gain on sale of loans, including valuation adjustments on loans held-for-sale | (73) | - | (73) | 2,222 | (2,295) | (73) | 3,179 |
| Adjustments (expense) to indemnity reserves on loans sold | 1,668 | (698) | 2,366 | (1,160) | 2,828 | 970 | (5,953) |
| Other operating income | 27,444 | 26,384 | 1,060 | 22,440 | 5,004 | 53,828 | 42,304 |
| Total non-interest income | 154,540 | 153,653 | 887 | 112,055 | 42,485 | 308,193 | 238,698 |
| Operating expenses: | | | | | | | |
| Personnel costs | | | | | | | |
| Salaries | 90,294 | 89,335 | 959 | 93,969 | (3,675) | 179,629 | 186,225 |
| Commissions, incentives and other bonuses | 26,374 | 33,218 | (6,844) | 16,076 | 10,298 | 59,592 | 41,334 |
| Pension, postretirement and medical insurance | 13,289 | 10,924 | 2,365 | 11,392 | 1,897 | 24,213 | 21,030 |
| Other personnel costs, including payroll taxes | 24,247 | 26,002 | (1,755) | 17,729 | 6,518 | 50,249 | 37,408 |
| Total personnel costs | 154,204 | 159,479 | (5,275) | 139,166 | 15,038 | 313,683 | 285,997 |
| Net occupancy expenses | 24,562 | 26,013 | (1,451) | 25,487 | (925) | 50,575 | 50,645 |
| Equipment expenses | 22,805 | 21,575 | 1,230 | 20,844 | 1,961 | 44,380 | 42,449 |
| Other taxes | 13,205 | 13,959 | (754) | 13,323 | (118) | 27,164 | 27,004 |
| Professional fees | | | | | | | |
| Collections, appraisals and other credit related fees | 3,486 | 3,320 | 166 | 2,897 | 589 | 6,806 | 6,778 |
| Programming, processing and other technology services | 67,152 | 66,366 | 786 | 59,387 | 7,765 | 133,518 | 122,206 |
| Legal fees, excluding collections | 2,367 | 2,365 | 2 | 2,184 | 183 | 4,732 | 5,170 |
| Other professional fees | 28,148 | 27,897 | 251 | 28,079 | 69 | 56,045 | 59,464 |
| Total professional fees | 101,153 | 99,948 | 1,205 | 92,547 | 8,606 | 201,101 | 193,618 |
| Communications | 6,005 | 6,833 | (828) | 5,574 | 431 | 12,838 | 11,528 |
| Business promotion | 16,511 | 12,521 | 3,990 | 12,281 | 4,230 | 29,032 | 26,478 |
| FDIC deposit insurance | 5,742 | 5,968 | (226) | 5,340 | 402 | 11,710 | 10,420 |
| Other real estate owned (OREO) (income) expenses | (4,299) | (4,533) | 234 | (344) | (3,955) | (8,832) | 2,135 |
| Credit and debit card processing, volume, interchange and other expenses | 10,917 | 12,454 | (1,537) | 9,873 | 1,044 | 23,371 | 20,155 |
| Other operating expenses | | | | | | | |
| Operational losses | 6,528 | 7,896 | (1,368) | 4,128 | 2,400 | 14,424 | 12,502 |

| | | | | | | | |
|--|------------------|------------------|-------------------|------------------|-----------------|------------------|------------------|
| All other | 9,597 | 12,364 | (2,767) | 18,217 | (8,620) | 21,961 | 33,640 |
| Total other operating expenses | 16,125 | 20,260 | (4,135) | 22,345 | (6,220) | 36,385 | 46,142 |
| Amortization of intangibles | 1,255 | 1,051 | 204 | 1,795 | (540) | 2,306 | 4,268 |
| Total operating expenses | 368,185 | 375,528 | (7,343) | 348,231 | 19,954 | 743,713 | 720,839 |
| Income before income tax | 291,172 | 339,463 | (48,291) | 152,256 | 138,916 | 630,635 | 189,655 |
| Income tax expense | 73,093 | 76,831 | (3,738) | 24,628 | 48,465 | 149,924 | 27,725 |
| Net income | \$218,079 | \$262,632 | \$(44,553) | \$127,628 | \$90,451 | \$480,711 | \$161,930 |
| Net income applicable to common stock | \$217,726 | \$262,279 | \$(44,553) | \$127,275 | \$90,451 | \$480,005 | \$160,877 |
| Net income per common share - basic | \$2.67 | \$3.13 | \$(0.46) | \$1.49 | \$1.18 | \$5.80 | \$1.83 |
| Net income per common share - diluted | \$2.66 | \$3.12 | \$(0.46) | \$1.49 | \$1.17 | \$5.79 | \$1.83 |
| Dividends Declared per Common Share | \$0.45 | \$0.40 | \$0.05 | \$0.40 | \$0.05 | \$0.85 | \$0.80 |

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Table C - Consolidated Statement of Financial Condition

(Unaudited)

| (In thousands) | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | Variance Q2 2021 vs. Q1 2021 |
|---|---------------------|---------------------|---------------------|------------------------------------|
| Assets: | | | | |
| Cash and due from banks | \$530,849 | \$495,915 | \$435,080 | \$34,934 |
| Money market investments | 17,802,801 | 11,568,677 | 9,625,278 | 6,234,124 |
| Trading account debt securities, at fair value | 35,931 | 36,504 | 33,560 | (573) |
| Debt securities available-for-sale, at fair value | 22,335,167 | 22,771,609 | 20,763,453 | (436,442) |
| Debt securities held-to-maturity, at amortized cost | 88,801 | 89,725 | 95,429 | (924) |
| Less: Allowance for credit losses | 10,214 | 10,096 | 12,735 | 118 |
| Total debt securities held-to-maturity, net | 78,587 | 79,629 | 82,694 | (1,042) |
| Equity securities | 187,502 | 178,650 | 166,476 | 8,852 |
| Loans held-for-sale, at lower of cost or fair value | 85,315 | 84,214 | 68,725 | 1,101 |
| Loans held-in-portfolio | 29,286,225 | 29,344,620 | 29,250,076 | (58,395) |
| Less: Unearned income | 223,608 | 212,992 | 179,523 | 10,616 |
| Allowance for credit losses | 785,790 | 800,797 | 918,434 | (15,007) |
| Total loans held-in-portfolio, net | 28,276,827 | 28,330,831 | 28,152,119 | (54,004) |
| Premises and equipment, net | 486,443 | 508,023 | 513,680 | (21,580) |
| Other real estate | 73,272 | 72,060 | 113,940 | 1,212 |
| Accrued income receivable | 203,419 | 215,993 | 220,126 | (12,574) |
| Mortgage servicing rights, at fair value | 119,467 | 122,543 | 141,144 | (3,076) |
| Other assets | 1,750,151 | 1,713,083 | 1,833,444 | 37,068 |
| Goodwill | 671,122 | 671,122 | 671,122 | - |
| Other intangible assets | 20,440 | 21,415 | 24,511 | (975) |
| Total assets | \$72,657,293 | \$66,870,268 | \$62,845,352 | \$5,787,025 |
| Liabilities and Stockholders' Equity: | | | | |
| Liabilities: | | | | |
| Deposits: | | | | |
| Non-interest bearing | \$14,920,887 | \$14,263,548 | \$12,520,510 | \$657,339 |
| Interest bearing | 49,720,889 | 44,479,253 | 41,323,790 | 5,241,636 |
| Total deposits | 64,641,776 | 58,742,801 | 53,844,300 | 5,898,975 |
| Assets sold under agreements to repurchase | 90,925 | 86,834 | 153,065 | 4,091 |
| Notes payable | 1,176,620 | 1,224,230 | 1,186,274 | (47,610) |
| Other liabilities | 933,358 | 918,844 | 1,881,548 | 14,514 |
| Total liabilities | 66,842,679 | 60,972,709 | 57,065,187 | 5,869,970 |
| Stockholders' equity: | | | | |
| Preferred stock | 22,143 | 22,143 | 22,143 | - |
| Common stock | 1,045 | 1,045 | 1,044 | - |
| Surplus | 4,506,659 | 4,571,919 | 4,520,333 | (65,260) |
| Retained earnings | 2,670,885 | 2,489,453 | 2,033,782 | 181,432 |
| Treasury stock | (1,290,427) | (1,012,263) | (1,016,486) | (278,164) |
| Accumulated other comprehensive (loss) income, net of tax | (95,691) | (174,738) | 219,349 | 79,047 |
| Total stockholders' equity | 5,814,614 | 5,897,559 | 5,780,165 | (82,945) |
| Total liabilities and stockholders' equity | \$72,657,293 | \$66,870,268 | \$62,845,352 | \$5,787,025 |

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Table D - Analysis of Levels and Yields on a Taxable Equivalent Basis (Non-GAAP) - QUARTER

(Unaudited)

| | Quarters ended | | | | | | | | | Variance | | | | | |
|---|-----------------|------------------|--------------|-----------------|------------------|--------------|-----------------|------------------|--------------|---------------------|------------------|--------------|---------------------|------------------|--------------|
| | 30-Jun-21 | | | 31-Mar-21 | | | 30-Jun-20 | | | Q2 2021 vs. Q1 2021 | | | Q2 2021 vs. Q2 2020 | | |
| (\$ amounts in millions) | Average balance | Income / Expense | Yield / Rate | Average balance | Income / Expense | Yield / Rate | Average balance | Income / Expense | Yield / Rate | Average balance | Income / Expense | Yield / Rate | Average balance | Income / Expense | Yield / Rate |
| Assets: | | | | | | | | | | | | | | | |
| Interest earning assets: | | | | | | | | | | | | | | | |
| Money market, trading and investment securities | \$38,136 | \$137.5 | 1.44% | \$33,756 | \$127.8 | 1.52% | \$27,356 | \$111.5 | 1.64% | \$4,380 | \$9.7 | (0.08)% | \$10,780 | \$26.0 | (0.20)% |
| Loans: | | | | | | | | | | | | | | | |
| Commercial | 13,539 | 176.9 | 5.24 | 13,624 | 179.0 | 5.33 | 13,350 | 168.8 | 5.09 | (85) | (2.1) | (0.09) | 189 | 8.1 | 0.15 |
| Construction | 858 | 11.6 | 5.43 | 911 | 11.9 | 5.30 | 935 | 13.2 | 5.69 | (53) | (0.3) | 0.13 | (77) | (1.6) | (0.26) |
| Mortgage | 7,765 | 99.4 | 5.12 | 7,869 | 98.4 | 5.00 | 7,038 | 92.2 | 5.24 | (104) | 1.0 | 0.12 | 727 | 7.2 | (0.12) |
| Consumer | 2,431 | 68.7 | 11.34 | 2,513 | 70.4 | 11.36 | 2,918 | 82.9 | 11.43 | (82) | (1.7) | (0.02) | (487) | (14.2) | (0.09) |
| Auto | 3,280 | 70.1 | 8.58 | 3,203 | 68.2 | 8.63 | 2,957 | 66.0 | 8.98 | 77 | 1.9 | (0.05) | 323 | 4.1 | (0.40) |
| Lease financing | 1,262 | 19.0 | 6.01 | 1,215 | 18.4 | 6.04 | 1,082 | 16.1 | 5.97 | 47 | 0.6 | (0.03) | 180 | 2.9 | 0.04 |
| Total loans | 29,135 | 445.7 | 6.13 | 29,335 | 446.3 | 6.15 | 28,280 | 439.2 | 6.24 | (200) | (0.6) | (0.02) | 855 | 6.5 | (0.11) |
| Total interest earning assets | \$67,271 | \$583.2 | 3.47% | \$63,091 | \$574.1 | 3.67% | \$55,636 | \$550.7 | 3.98% | \$4,180 | \$9.1 | (0.20)% | \$11,635 | \$32.5 | (0.51)% |
| Allowance for credit losses - loan portfolio | (801) | | | (890) | | | (926) | | | 89 | | | 125 | | |
| Allowance for credit losses - investment securities | (10) | | | (10) | | | (13) | | | - | | | 3 | | |
| Other non-interest earning assets | 3,906 | | | 3,895 | | | 4,100 | | | 11 | | | (194) | | |
| Total average assets | \$70,366 | | | \$66,086 | | | \$58,797 | | | \$4,280 | | | \$11,569 | | |
| Liabilities and Stockholders' Equity: | | | | | | | | | | | | | | | |
| Interest bearing deposits: | | | | | | | | | | | | | | | |
| NOW and money market | \$25,102 | \$8.0 | 0.13% | \$22,674 | \$8.3 | 0.15% | \$19,392 | \$11.6 | 0.24% | \$2,428 | \$(0.3) | (0.02)% | \$5,710 | \$(3.6) | (0.11)% |
| Savings | 15,384 | 6.9 | 0.18 | 14,364 | 7.0 | 0.20 | 11,856 | 10.2 | 0.35 | 1,020 | (0.1) | (0.02) | 3,528 | (3.3) | (0.17) |
| Time deposits | 7,104 | 13.2 | 0.74 | 7,265 | 14.9 | 0.83 | 8,730 | 21.0 | 0.97 | (161) | (1.7) | (0.09) | (1,626) | (7.8) | (0.23) |
| Total interest-bearing deposits | 47,590 | 28.1 | 0.24 | 44,303 | 30.2 | 0.28 | 39,978 | 42.8 | 0.43 | 3,287 | (2.1) | (0.04) | 7,612 | (14.7) | (0.19) |
| Borrowings | 1,316 | 13.9 | 4.24 | 1,344 | 14.1 | 4.23 | 1,336 | 14.9 | 4.48 | (28) | (0.2) | 0.01 | (20) | (1.0) | (0.24) |
| Total interest-bearing liabilities | 48,906 | 42.0 | 0.34 | 45,647 | 44.3 | 0.39 | 41,314 | 57.7 | 0.56 | 3,259 | (2.3) | (0.05) | 7,592 | (15.7) | (0.22) |
| Net interest spread | | | 3.13% | | | 3.28% | | | 3.42% | | | (0.15)% | | | (0.29)% |
| Non-interest bearing deposits | 14,920 | | | 13,394 | | | 11,006 | | | 1,526 | | | 3,914 | | |
| Other liabilities | 857 | | | 1,351 | | | 1,203 | | | (494) | | | (346) | | |
| Stockholders' equity | 5,683 | | | 5,694 | | | 5,274 | | | (11) | | | 409 | | |
| Total average liabilities and stockholders' equity | \$70,366 | | | \$66,086 | | | \$58,797 | | | \$4,280 | | | \$11,569 | | |
| Net interest income / margin on a taxable equivalent basis (Non-GAAP) | \$541.2 | 3.22% | | \$529.8 | 3.39% | | \$493.0 | 3.56% | | \$11.4 | (0.17)% | | \$48.2 | (0.34)% | |
| Taxable equivalent adjustment | 53.4 | | | 50.7 | | | 42.1 | | | 2.7 | | | 11.3 | | |
| Net interest income / margin non-taxable equivalent basis (GAAP) | \$487.8 | 2.91% | | \$479.1 | 3.07% | | \$450.9 | 3.25% | | \$8.7 | (0.16)% | | \$36.9 | (0.34)% | |

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Table E - Analysis of Levels and Yields on a Taxable Equivalent Basis (Non-GAAP) - YEAR-TO-DATE

(Unaudited)

| (\$ amounts in millions) | Six months ended | | | | | | | | |
|---|--------------------|---------------------|-----------------|--------------------|---------------------|-----------------|--------------------|---------------------|-----------------|
| | 30-Jun-21 | | | 30-Jun-20 | | | Variance | | |
| | Average balance | Income / Expense | Yield / Rate | Average balance | Income / Expense | Yield / Rate | Average balance | Income / Expense | Yield / Rate |
| Assets: | | | | | | | | | |
| Interest earning assets: | | | | | | | | | |
| Money market, trading and investment securities | \$35,958 | \$267.0 | 1.49 % | \$24,050 | \$247.2 | 2.06 % | \$11,908 | \$19.8 | (0.57)% |
| Loans: | | | | | | | | | |
| Commercial | 13,582 | 355.9 | 5.30 | 12,846 | 352.0 | 5.51 | 736 | 3.9 | (0.21) |
| Construction | 884 | 23.5 | 5.38 | 898 | 26.4 | 5.91 | (14) | (2.9) | (0.53) |
| Mortgage | 7,816 | 197.8 | 5.06 | 7,033 | 185.4 | 5.27 | 783 | 12.4 | (0.21) |
| Consumer | 2,472 | 139.1 | 11.35 | 3,014 | 172.2 | 11.49 | (542) | (33.1) | (0.14) |
| Auto | 3,241 | 138.3 | 8.63 | 2,975 | 133.8 | 9.04 | 266 | 4.5 | (0.41) |
| Lease financing | 1,239 | 37.3 | 6.02 | 1,077 | 32.4 | 6.02 | 162 | 4.9 | - |
| Total loans | 29,234 | 891.9 | 6.15 | 27,843 | 902.2 | 6.51 | 1,391 | (10.3) | (0.36) |
| Total interest earning assets | \$65,192 | \$1,158.9 | 3.58% | \$51,893 | \$1,149.4 | 4.45% | \$13,299 | \$9.5 | (0.87)% |
| Allowance for credit losses - loan portfolio | (845) | | | (867) | | | 22 | | |
| Allowance for credit losses - investment securities | (10) | | | (13) | | | 3 | | |
| Other non-interest earning assets | 3,900 | | | 4,064 | | | (164) | | |
| Total average assets | \$68,237 | | | \$55,077 | | | \$13,160 | | |
| Liabilities and Stockholders' Equity: | | | | | | | | | |
| Interest bearing deposits: | | | | | | | | | |
| NOW and money market | \$23,895 | \$16.2 | 0.14% | \$17,811 | \$36.8 | 0.42% | \$6,084 | (\$20.6) | (0.28)% |
| Savings | 14,876 | 14.0 | 0.19 | 11,290 | 21.9 | 0.39 | 3,586 | (7.9) | (0.20) |
| Time deposits | 7,184 | 28.1 | 0.79 | 8,211 | 46.1 | 1.13 | (1,027) | (18.0) | (0.34) |
| Total interest-bearing deposits | 45,955 | 58.3 | 0.26 | 37,312 | 104.8 | 0.57 | 8,643 | (46.5) | (0.31) |
| Borrowings | 1,330 | 28.0 | 4.24 | 1,331 | 30.1 | 4.53 | (1) | (2.1) | (0.29) |
| Total interest-bearing liabilities | 47,285 | 86.3 | 0.37 | 38,643 | 134.9 | 0.70 | 8,642 | (48.6) | (0.33) |
| Net interest spread | | | 3.21% | | | 3.75% | | | (0.54)% |
| Non-interest bearing deposits | 14,161 | | | 10,004 | | | 4,157 | | |
| Other liabilities | 1,103 | | | 1,052 | | | 51 | | |
| Stockholders' equity | 5,688 | | | 5,378 | | | 310 | | |
| Total average liabilities and stockholders' equity | \$68,237 | | | \$55,077 | | | \$13,160 | | |
| Net interest income / margin on a taxable equivalent basis (Non-GAAP) | | \$1,072.6 | 3.31% | | \$1,014.5 | 3.93% | | \$58.1 | (0.62)% |
| Taxable equivalent adjustment | | 105.7 | | | 90.5 | | | 15.2 | |
| Net interest income / margin non-taxable equivalent basis (GAAP) | | \$966.9 | 2.99% | | \$924.0 | 3.58% | | \$42.9 | (0.59)% |

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Table F - Mortgage Banking Activities and Other Service Fees

(Unaudited)

Mortgage Banking Activities

| (In thousands) | Quarters ended | | | Variance | | Six months ended | | Variance |
|---|----------------|-----------------|----------------|------------------|----------------|------------------|-----------------|-----------------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | vs.Q1 2021 | vs.Q2 2020 | 30-Jun-21 | 30-Jun-20 | 2021 vs. 2020 |
| Mortgage servicing fees, net of fair value adjustments: | | | | | | | | |
| Mortgage servicing fees | \$9,522 | \$9,715 | \$9,058 | \$(193) | \$464 | \$19,237 | \$20,026 | \$(789) |
| Mortgage servicing rights fair value adjustments | (6,239) | 512 | (7,640) | (6,751) | 1,401 | (5,727) | (12,869) | 7,142 |
| Total mortgage servicing fees, net of fair value adjustments | 3,283 | 10,227 | 1,418 | (6,944) | 1,865 | 13,510 | 7,157 | 6,353 |
| Net gain on sale of loans, including valuation on loans held-for-sale | 5,197 | 4,975 | 5,487 | 222 | (290) | 10,172 | 9,473 | 699 |
| Trading account (loss) profit: | | | | | | | | |
| Unrealized gains (losses) on outstanding derivative positions | - | - | 1,695 | - | (1,695) | - | - | - |
| Realized (losses) gains on closed derivative positions | (866) | 2,502 | (4,823) | (3,368) | 3,957 | 1,636 | (6,433) | 8,069 |
| Total trading account (loss) profit | (866) | 2,502 | (3,128) | (3,368) | 2,262 | 1,636 | (6,433) | 8,069 |
| Losses on repurchased loans, including interest advances ^[1] | (166) | (361) | - | 195 | (166) | (527) | - | (527) |
| Total mortgage banking activities | \$7,448 | \$17,343 | \$3,777 | \$(9,895) | \$3,671 | \$24,791 | \$10,197 | \$14,594 |

[1] The Corporation, from time to time, repurchases delinquent loans from its GNMA servicing portfolio, in compliance with Guarantor guidelines, and may incur in losses related to previously advanced interest on delinquent loans. Effective for the quarter ended September 30, 2020, the Corporation has determined to present these losses as part of its Mortgage Banking Activities, which were previously presented with the indemnity reserves on loans sold component of non-interest income. The amount of these losses for prior years were considered immaterial for reclassification.

Other Service Fees

| (In thousands) | Quarters ended | | | Variance | | Six months ended | | Variance |
|--|-----------------|-----------------|-----------------|----------------|-----------------|------------------|------------------|-----------------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | vs.Q1 2021 | vs.Q2 2020 | 30-Jun-21 | 30-Jun-20 | 2021 vs. 2020 |
| Other service fees: | | | | | | | | |
| Debit card fees | \$12,458 | \$11,577 | \$7,082 | \$881 | \$5,376 | \$24,035 | \$17,319 | \$6,716 |
| Insurance fees | 12,773 | 12,828 | 11,301 | (55) | 1,472 | 25,601 | 24,270 | 1,331 |
| Credit card fees | 32,726 | 28,691 | 17,762 | 4,035 | 14,964 | 61,417 | 40,948 | 20,469 |
| Sale and administration of investment products | 5,970 | 5,540 | 4,910 | 430 | 1,060 | 11,510 | 11,173 | 337 |
| Trust fees | 6,165 | 5,842 | 5,546 | 323 | 619 | 12,007 | 10,806 | 1,201 |
| Other fees | 6,290 | 6,150 | 5,483 | 140 | 807 | 12,440 | 12,341 | 99 |
| Total other service fees | \$76,382 | \$70,628 | \$52,084 | \$5,754 | \$24,298 | \$147,010 | \$116,857 | \$30,153 |

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Table G - Loans and Deposits

(Unaudited)

Loans - Ending Balances

| (In thousands) | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | Variance | |
|--------------------------------------|---------------------|---------------------|---------------------|--------------------|--------------------|
| | | | | Q2 2021 vs.Q1 2021 | Q2 2021 vs.Q2 2020 |
| Loans held-in-portfolio: | | | | | |
| Commercial | \$13,437,932 | \$13,442,486 | \$13,744,579 | \$(4,554) | \$(306,647) |
| Construction | 865,113 | 907,736 | 936,010 | (42,623) | (70,897) |
| Lease financing | 1,297,928 | 1,244,956 | 1,098,188 | 52,972 | 199,740 |
| Mortgage | 7,678,478 | 7,808,852 | 7,521,795 | (130,374) | 156,683 |
| Auto | 3,289,027 | 3,203,137 | 2,904,324 | 85,890 | 384,703 |
| Consumer | 2,494,139 | 2,524,461 | 2,865,657 | (30,322) | (371,518) |
| Total loans held-in-portfolio | \$29,062,617 | \$29,131,628 | \$29,070,553 | \$(69,011) | \$(7,936) |
| Loans held-for-sale: | | | | | |
| Commercial | \$1,700 | \$3,549 | \$6,778 | \$(1,849) | \$(5,078) |
| Construction | 7,000 | - | - | 7,000 | 7,000 |
| Mortgage | 76,615 | 80,665 | 61,947 | (4,050) | 14,668 |
| Total loans held-for-sale | \$85,315 | \$84,214 | \$68,725 | \$1,101 | \$16,590 |
| Total loans | \$29,147,932 | \$29,215,842 | \$29,139,278 | \$(67,910) | \$8,654 |

Deposits - Ending Balances

| (In thousands) | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 | Variance | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | Q2 2021 vs. Q1 2021 | Q2 2021 vs.Q2 2020 |
| Demand deposits [1] | \$24,497,918 | \$23,450,312 | \$22,731,726 | \$1,047,606 | \$1,766,192 |
| Savings, NOW and money market deposits (non-brokered) | 32,452,829 | 27,356,136 | 22,457,951 | 5,096,693 | 9,994,878 |
| Savings, NOW and money market deposits (brokered) | 683,021 | 679,832 | 522,929 | 3,189 | 160,092 |
| Time deposits (non-brokered) | 6,979,349 | 7,143,221 | 7,919,265 | (163,872) | (939,916) |
| Time deposits (brokered CDs) | 28,659 | 113,300 | 212,429 | (84,641) | (183,770) |
| Total deposits | \$64,641,776 | \$58,742,801 | \$53,844,300 | \$5,898,975 | \$10,797,476 |

[1] Includes interest and non-interest bearing demand deposits.

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Table H - Loan Delinquency - Puerto Rico Operations

(Unaudited)

| 30-Jun-21 | | | | | | | | |
|-----------------------------|-------------------|------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|-------------------|
| Puerto Rico | | | | | | | | |
| (In thousands) | Past due | | | | Current | Loans HIP | Past due 90 days or more | |
| | 30-59 days | 60-89 days | 90 days or more | Total past due | | | Non-accrual loans | Accruing loans |
| Commercial multi-family | \$ 128 | \$ - | \$ 397 | \$ 525 | \$ 151,258 | \$ 151,783 | \$ 397 | \$ - |
| Commercial real estate: | | | | | | | | |
| Non-owner occupied | 32,749 | - | 72,378 | 105,127 | 1,888,302 | 1,993,429 | 72,378 | - |
| Owner occupied | 3,995 | 604 | 79,808 | 84,407 | 1,380,022 | 1,464,429 | 79,808 | - |
| Commercial and industrial | 2,314 | 682 | 65,727 | 68,723 | 3,952,675 | 4,021,398 | 65,120 | 607 |
| Construction | - | 3,080 | 14,877 | 17,957 | 124,990 | 142,947 | 14,877 | - |
| Mortgage | 164,779 | 73,492 | 995,175 | 1,233,446 | 5,281,711 | 6,515,157 | 370,653 | 624,522 |
| Leasing | 6,054 | 2,103 | 2,286 | 10,443 | 1,287,485 | 1,297,928 | 2,286 | - |
| Consumer: | | | | | | | | |
| Credit cards | 4,371 | 2,826 | 8,021 | 15,218 | 864,912 | 880,130 | - | 8,021 |
| Home equity lines of credit | - | - | - | - | 3,489 | 3,489 | - | - |
| Personal | 9,405 | 4,444 | 23,861 | 37,710 | 1,227,582 | 1,265,292 | 23,861 | - |
| Auto | 39,032 | 7,405 | 13,286 | 59,723 | 3,229,304 | 3,289,027 | 13,286 | - |
| Other | 214 | 97 | 14,288 | 14,599 | 108,427 | 123,026 | 14,123 | 165 |
| Total | \$ 263,041 | \$ 94,733 | \$ 1,290,104 | \$ 1,647,878 | \$ 19,500,157 | \$ 21,148,035 | \$ 656,789 | \$ 633,315 |

| 31-Mar-21 | | | | | | | | |
|-----------------------------|-------------------|-------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|-------------------|
| Puerto Rico | | | | | | | | |
| (In thousands) | Past due | | | | Current | Loans HIP | Past due 90 days or more | |
| | 30-59 days | 60-89 days | 90 days or more | Total past due | | | Non-accrual loans | Accruing loans |
| Commercial multi-family | \$ 196 | \$ - | \$ 814 | \$ 1,010 | \$ 137,097 | \$ 138,107 | \$ 814 | \$ - |
| Commercial real estate: | | | | | | | | |
| Non-owner occupied | 939 | 25,406 | 76,524 | 102,869 | 1,958,129 | 2,060,998 | 76,524 | - |
| Owner occupied | 6,749 | 2,114 | 89,752 | 98,615 | 1,413,356 | 1,511,971 | 89,752 | - |
| Commercial and industrial | 3,870 | 650 | 34,333 | 38,853 | 4,032,359 | 4,071,212 | 33,773 | 560 |
| Construction | 639 | - | 14,877 | 15,516 | 145,081 | 160,597 | 14,877 | - |
| Mortgage | 175,930 | 83,770 | 1,211,935 | 1,471,635 | 5,204,344 | 6,675,979 | 390,781 | 821,154 |
| Leasing | 7,564 | 1,408 | 3,040 | 12,012 | 1,232,944 | 1,244,956 | 3,040 | - |
| Consumer: | | | | | | | | |
| Credit cards | 4,824 | 3,883 | 10,779 | 19,486 | 858,255 | 877,741 | - | 10,779 |
| Home equity lines of credit | - | - | 46 | 46 | 3,498 | 3,544 | - | 46 |
| Personal | 10,216 | 6,250 | 25,731 | 42,197 | 1,219,094 | 1,261,291 | 25,731 | - |
| Auto | 47,396 | 8,783 | 15,405 | 71,584 | 3,131,553 | 3,203,137 | 15,405 | - |
| Other | 360 | 375 | 15,489 | 16,224 | 108,508 | 124,732 | 15,281 | 208 |
| Total | \$ 258,683 | \$ 132,639 | \$ 1,498,725 | \$ 1,890,047 | \$ 19,444,218 | \$ 21,334,265 | \$ 665,978 | \$ 832,747 |

| (In thousands) | Variance | | | | | | | Past due 90 days or more | |
|-----------------------------|-----------------|--------------------|---------------------|---------------------|------------------|---------------------|----------------------|--------------------------|--|
| | Past due | | | | Current | Loans HIP | Non-accrual loans | Accruing loans | |
| | 30-59 days | 60-89 days | 90 days or more | Total past due | | | | | |
| Commercial multi-family | \$ (68) | \$ - | \$ (417) | \$ (485) | \$ 14,161 | \$ 13,676 | \$ (417) | \$ - | |
| Commercial real estate: | | | | | | | | | |
| Non-owner occupied | 31,810 | (25,406) | (4,146) | 2,258 | (69,827) | (67,569) | (4,146) | - | |
| Owner occupied | (2,754) | (1,510) | (9,944) | (14,208) | (33,334) | (47,542) | (9,944) | - | |
| Commercial and industrial | (1,556) | 32 | 31,394 | 29,870 | (79,684) | (49,814) | 31,347 | 47 | |
| Construction | (639) | 3,080 | - | 2,441 | (20,091) | (17,650) | - | - | |
| Mortgage | (11,151) | (10,278) | (216,760) | (238,189) | 77,367 | (160,822) | (20,128) | (196,632) | |
| Leasing | (1,510) | 695 | (754) | (1,569) | 54,541 | 52,972 | (754) | - | |
| Consumer: | | | | | | | | | |
| Credit cards | (453) | (1,057) | (2,758) | (4,268) | 6,657 | 2,389 | - | (2,758) | |
| Home equity lines of credit | - | - | (46) | (46) | (9) | (55) | - | (46) | |
| Personal | (811) | (1,806) | (1,870) | (4,487) | 8,488 | 4,001 | (1,870) | - | |
| Auto | (8,364) | (1,378) | (2,119) | (11,861) | 97,751 | 85,890 | (2,119) | - | |
| Other | (146) | (278) | (1,201) | (1,625) | (81) | (1,706) | (1,158) | (43) | |
| Total | \$ 4,358 | \$ (37,906) | \$ (208,621) | \$ (242,169) | \$ 55,939 | \$ (186,230) | \$ (9,189) | \$ (199,432) | |

Popular, Inc.

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Table I - Loan Delinquency - Popular U.S. Operations

(Unaudited)

| June 30, 2021 | | | | | | | | | |
|-----------------------------|-----------------|-----------------|------------------|------------------|---------------------|---------------------|--------------------------|----------------|--|
| Popular U.S. | | | | | | | | | |
| (In thousands) | Past due | | | | Current | Loans HIP | Past due 90 days or more | | |
| | 30-59 days | 60-89 days | 90 days or more | Total past due | | | Non-accrual loans | Accruing loans | |
| Commercial multi-family | \$ - | \$ - | \$ 5,949 | \$ 5,949 | \$ 1,733,104 | \$ 1,739,053 | \$ 5,949 | \$ - | |
| Commercial real estate: | | | | | | | | | |
| Non-owner occupied | - | - | 374 | 374 | 2,131,860 | 2,132,234 | 374 | - | |
| Owner occupied | 907 | 639 | 193 | 1,739 | 338,445 | 340,184 | 193 | - | |
| Commercial and industrial | 3,070 | 509 | 1,346 | 4,925 | 1,590,497 | 1,595,422 | 1,346 | - | |
| Construction | - | - | - | - | 722,166 | 722,166 | - | - | |
| Mortgage | 2,498 | 5,005 | 13,323 | 20,826 | 1,142,495 | 1,163,321 | 13,323 | - | |
| Consumer: | | | | | | | | | |
| Credit cards | - | - | - | - | 31 | 31 | - | - | |
| Home equity lines of credit | 501 | 210 | 6,377 | 7,088 | 74,850 | 81,938 | 6,377 | - | |
| Personal | 572 | 579 | 832 | 1,983 | 135,014 | 136,997 | 832 | - | |
| Other | - | - | - | - | 3,236 | 3,236 | - | - | |
| Total | \$ 7,548 | \$ 6,942 | \$ 28,394 | \$ 42,884 | \$ 7,871,698 | \$ 7,914,582 | \$ 28,394 | \$ - | |

| March 31, 2021 | | | | | | | | | |
|-----------------------------|------------------|-----------------|------------------|-------------------|---------------------|---------------------|--------------------------|----------------|--|
| Popular U.S. | | | | | | | | | |
| (In thousands) | Past due | | | | Current | Loans HIP | Past due 90 days or more | | |
| | 30-59 days | 60-89 days | 90 days or more | Total past due | | | Non-accrual loans | Accruing loans | |
| Commercial multi-family | \$ 30,185 | \$ - | \$ - | \$ 30,185 | \$ 1,724,802 | \$ 1,754,987 | \$ - | \$ - | |
| Commercial real estate: | | | | | | | | | |
| Non-owner occupied | 8,280 | - | 392 | 8,672 | 2,034,383 | 2,043,055 | 392 | - | |
| Owner occupied | 5,437 | 644 | 323 | 6,404 | 323,541 | 329,945 | 323 | - | |
| Commercial and industrial | 7,226 | 1,321 | 1,201 | 9,748 | 1,522,463 | 1,532,211 | 1,192 | 9 | |
| Construction | 11,110 | - | 7,523 | 18,633 | 728,506 | 747,139 | 7,523 | - | |
| Mortgage | 13,032 | 1,762 | 14,793 | 29,587 | 1,103,286 | 1,132,873 | 14,793 | - | |
| Consumer: | | | | | | | | | |
| Credit cards | - | - | - | - | 22 | 22 | - | - | |
| Home equity lines of credit | 121 | 10 | 6,855 | 6,986 | 82,631 | 89,617 | 6,855 | - | |
| Personal | 1,156 | 666 | 1,086 | 2,908 | 162,540 | 165,448 | 1,086 | - | |
| Other | - | - | - | - | 2,066 | 2,066 | - | - | |
| Total | \$ 76,547 | \$ 4,403 | \$ 32,173 | \$ 113,123 | \$ 7,684,240 | \$ 7,797,363 | \$ 32,164 | \$ 9 | |

Variance

| (In thousands) | Past due | | | | Current | Loans HIP | Past due 90 days or more | |
|-----------------------------|--------------------|-----------------|-------------------|--------------------|-------------------|-------------------|--------------------------|----------------|
| | 30-59 days | 60-89 days | 90 days or more | Total past due | | | Non-accrual loans | Accruing loans |
| Commercial multi-family | \$ (30,185) | \$ - | \$ 5,949 | \$ (24,236) | \$ 8,302 | \$ (15,934) | \$ 5,949 | \$ - |
| Commercial real estate: | | | | | | | | |
| Non-owner occupied | (8,280) | - | (18) | (8,298) | 97,477 | 89,179 | (18) | - |
| Owner occupied | (4,530) | (5) | (130) | (4,665) | 14,904 | 10,239 | (130) | - |
| Commercial and industrial | (4,156) | (812) | 145 | (4,823) | 68,034 | 63,211 | 154 | (9) |
| Construction | (11,110) | - | (7,523) | (18,633) | (6,340) | (24,973) | (7,523) | - |
| Mortgage | (10,534) | 3,243 | (1,470) | (8,761) | 39,209 | 30,448 | (1,470) | - |
| Consumer: | | | | | | | | |
| Credit cards | - | - | - | - | 9 | 9 | - | - |
| Home equity lines of credit | 380 | 200 | (478) | 102 | (7,781) | (7,679) | (478) | - |
| Personal | (584) | (87) | (254) | (925) | (27,526) | (28,451) | (254) | - |
| Other | - | - | - | - | 1,170 | 1,170 | - | - |
| Total | \$ (68,999) | \$ 2,539 | \$ (3,779) | \$ (70,239) | \$ 187,458 | \$ 117,219 | \$ (3,770) | \$ (9) |

Popular, Inc.

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Table J - Loan Delinquency - Consolidated

(Unaudited)

| 30-Jun-21 | | | | | | | | | |
|-----------------------------|-------------------|-------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|-------------------|--|
| Popular, Inc. | | | | | | | | | |
| (In thousands) | Past due | | | | | | Past due 90 days or more | | |
| | 30-59 days | 60-89 days | 90 days or more | Total past due | Current | Loans HIP | Non-accrual loans | Accruing loans | |
| Commercial multi-family | \$ 128 | \$ - | \$ 6,346 | \$ 6,474 | \$ 1,884,362 | \$ 1,890,836 | \$ 6,346 | \$ - | |
| Commercial real estate: | | | | | | | | | |
| Non-owner occupied | 32,749 | - | 72,752 | 105,501 | 4,020,162 | 4,125,663 | 72,752 | - | |
| Owner occupied | 4,902 | 1,243 | 80,001 | 86,146 | 1,718,467 | 1,804,613 | 80,001 | - | |
| Commercial and industrial | 5,384 | 1,191 | 67,073 | 73,648 | 5,543,172 | 5,616,820 | 66,466 | 607 | |
| Construction | - | 3,080 | 14,877 | 17,957 | 847,156 | 865,113 | 14,877 | - | |
| Mortgage | 167,277 | 78,497 | 1,008,498 | 1,254,272 | 6,424,206 | 7,678,478 | 383,976 | 624,522 | |
| Leasing | 6,054 | 2,103 | 2,286 | 10,443 | 1,287,485 | 1,297,928 | 2,286 | - | |
| Consumer: | | | | | | | | | |
| Credit cards | 4,371 | 2,826 | 8,021 | 15,218 | 864,943 | 880,161 | - | 8,021 | |
| Home equity lines of credit | 501 | 210 | 6,377 | 7,088 | 78,339 | 85,427 | 6,377 | - | |
| Personal | 9,977 | 5,023 | 24,693 | 39,693 | 1,362,596 | 1,402,289 | 24,693 | - | |
| Auto | 39,032 | 7,405 | 13,286 | 59,723 | 3,229,304 | 3,289,027 | 13,286 | - | |
| Other | 214 | 97 | 14,288 | 14,599 | 111,663 | 126,262 | 14,123 | 165 | |
| Total | \$ 270,589 | \$ 101,675 | \$ 1,318,498 | \$ 1,690,762 | \$ 27,371,855 | \$ 29,062,617 | \$ 685,183 | \$ 633,315 | |

| 31-Mar-21 | | | | | | | | | |
|-----------------------------|-------------------|-------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|-------------------|--|
| Popular, Inc. | | | | | | | | | |
| (In thousands) | Past due | | | | | | Past due 90 days or more | | |
| | 30-59 days | 60-89 days | 90 days or more | Total past due | Current | Loans HIP | Non-accrual loans | Accruing loans | |
| Commercial multi-family | \$ 30,381 | \$ - | \$ 814 | \$ 31,195 | \$ 1,861,899 | \$ 1,893,094 | \$ 814 | \$ - | |
| Commercial real estate: | | | | | | | | | |
| Non-owner occupied | 9,219 | 25,406 | 76,916 | 111,541 | 3,992,512 | 4,104,053 | 76,916 | - | |
| Owner occupied | 12,186 | 2,758 | 90,075 | 105,019 | 1,736,897 | 1,841,916 | 90,075 | - | |
| Commercial and industrial | 11,096 | 1,971 | 35,534 | 48,601 | 5,554,822 | 5,603,423 | 34,965 | 569 | |
| Construction | 11,749 | - | 22,400 | 34,149 | 873,587 | 907,736 | 22,400 | - | |
| Mortgage | 188,962 | 85,532 | 1,226,728 | 1,501,222 | 6,307,630 | 7,808,852 | 405,574 | 821,154 | |
| Leasing | 7,564 | 1,408 | 3,040 | 12,012 | 1,232,944 | 1,244,956 | 3,040 | - | |
| Consumer: | | | | | | | | | |
| Credit cards | 4,824 | 3,883 | 10,779 | 19,486 | 858,277 | 877,763 | - | 10,779 | |
| Home equity lines of credit | 121 | 10 | 6,901 | 7,032 | 86,129 | 93,161 | 6,855 | 46 | |
| Personal | 11,372 | 6,916 | 26,817 | 45,105 | 1,381,634 | 1,426,739 | 26,817 | - | |
| Auto | 47,396 | 8,783 | 15,405 | 71,584 | 3,131,553 | 3,203,137 | 15,405 | - | |
| Other | 360 | 375 | 15,489 | 16,224 | 110,574 | 126,798 | 15,281 | 208 | |
| Total | \$ 335,230 | \$ 137,042 | \$ 1,530,898 | \$ 2,003,170 | \$ 27,128,458 | \$ 29,131,628 | \$ 698,142 | \$ 832,756 | |

Variance

| (In thousands) | Past due | | | | Current | Loans HIP | Past due 90 days or more | |
|-----------------------------|--------------------|--------------------|---------------------|---------------------|-------------------|--------------------|--------------------------|---------------------|
| | 30-59 days | 60-89 days | 90 days or more | Total past due | | | Non-accrual loans | Accruing loans |
| Commercial multi-family | \$ (30,253) | \$ - | \$ 5,532 | \$ (24,721) | \$ 22,463 | \$ (2,258) | \$ 5,532 | \$ - |
| Commercial real estate: | | | | | | | | |
| Non-owner occupied | 23,530 | (25,406) | (4,164) | (6,040) | 27,650 | 21,610 | (4,164) | - |
| Owner occupied | (7,284) | (1,515) | (10,074) | (18,873) | (18,430) | (37,303) | (10,074) | - |
| Commercial and industrial | (5,712) | (780) | 31,539 | 25,047 | (11,650) | 13,397 | 31,501 | 38 |
| Construction | (11,749) | 3,080 | (7,523) | (16,192) | (26,431) | (42,623) | (7,523) | - |
| Mortgage | (21,685) | (7,035) | (218,230) | (246,950) | 116,576 | (130,374) | (21,598) | (196,632) |
| Leasing | (1,510) | 695 | (754) | (1,569) | 54,541 | 52,972 | (754) | - |
| Consumer: | | | | | | | | |
| Credit cards | (453) | (1,057) | (2,758) | (4,268) | 6,666 | 2,398 | - | (2,758) |
| Home equity lines of credit | 380 | 200 | (524) | 56 | (7,790) | (7,734) | (478) | (46) |
| Personal | (1,395) | (1,893) | (2,124) | (5,412) | (19,038) | (24,450) | (2,124) | - |
| Auto | (8,364) | (1,378) | (2,119) | (11,861) | 97,751 | 85,890 | (2,119) | - |
| Other | (146) | (278) | (1,201) | (1,625) | 1,089 | (536) | (1,158) | (43) |
| Total | \$ (64,641) | \$ (35,367) | \$ (212,400) | \$ (312,408) | \$ 243,397 | \$ (69,011) | \$ (12,959) | \$ (199,441) |

Popular, Inc.
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Table K - Non-Performing Assets
(Unaudited)

| (Dollars in thousands) | 30-Jun-21 | As a % of loans HIP by category | 31-Mar-21 | As a % of loans HIP by category | 30-Jun-20 | As a % of loans HIP by category | Variance | |
|--|------------------|---------------------------------------|------------------|---------------------------------------|------------------|---------------------------------------|------------------------|------------------------|
| | | | | | | | Q2 2021 vs. Q1 2021 | Q2 2021 vs. Q2 2020 |
| Non-accrual loans: | | | | | | | | |
| Commercial | \$225,565 | 1.7 % | \$202,770 | 1.5 % | \$263,129 | 1.9 % | \$22,795 | \$(37,564) |
| Construction | 14,877 | 1.7 | 22,400 | 2.5 | - | - | (7,523) | 14,877 |
| Lease financing | 2,286 | 0.2 | 3,040 | 0.2 | 4,751 | 0.4 | (754) | (2,465) |
| Mortgage | 383,976 | 5.0 | 405,574 | 5.2 | 411,406 | 5.5 | (21,598) | (27,430) |
| Auto | 13,286 | 0.4 | 15,405 | 0.5 | 22,111 | 0.8 | (2,119) | (8,825) |
| Consumer | 45,193 | 1.8 | 48,953 | 1.9 | 58,807 | 2.1 | (3,760) | (13,614) |
| Total non-performing loans held-in-portfolio | 685,183 | 2.4 % | 698,142 | 2.4 % | 760,204 | 2.6 % | (12,959) | (75,021) |
| Non-performing loans held-for-sale [1] | 8,700 | | 3,549 | | 6,778 | | 5,151 | 1,922 |
| Other real estate owned ("OREO") | 73,272 | | 72,060 | | 113,940 | | 1,212 | (40,668) |
| Total non-performing assets | \$767,155 | | \$773,751 | | \$880,922 | | \$(6,596) | \$(113,767) |
| Accruing loans past due 90 days or more [2] | \$633,315 | | \$832,756 | | \$878,776 | | \$(199,441) | \$(245,461) |
| Ratios: | | | | | | | | |
| Non-performing assets to total assets | 1.06% | | 1.16% | | 1.40% | | | |
| Non-performing loans held-in-portfolio to loans held-in-portfolio | 2.36 | | 2.40 | | 2.62 | | | |
| Allowance for credit losses to loans held-in-portfolio | 2.70 | | 2.75 | | 3.16 | | | |
| Allowance for credit losses to non-performing loans, excluding loans held-for-sale | 114.68 | | 114.70 | | 120.81 | | | |

[1] Non-performing loans held-for-sale as of June 30, 2021, were \$7 million in construction loans and \$2 million commercial loans (March 31, 2021 - \$4 million in commercial loans; June 30, 2020 - \$7 million in commercial loans).

[2] It is the Corporation's policy to report delinquent residential mortgage loans insured by FHA or guaranteed by the VA as accruing loans past due 90 days or more as opposed to non-performing since the principal repayment is insured. The balance of these loans includes \$15 million at June 30, 2021, related to the rebooking of loans previously pooled into GNMA securities, in which the Corporation had a buy-back option as further described below (March 31, 2021 - \$29 million; June 30, 2020 - \$522 million). Under the GNMA program, issuers such as BPPR have the option but not the obligation to repurchase loans that are 90 days or more past due. For accounting purposes, these loans subject to the repurchase option are required to be reflected (rebooked) on the financial statements of BPPR with an offsetting liability. While the borrowers for our serviced GNMA portfolio benefited from the moratorium, the delinquency status of these loans continued to be reported to GNMA without considering the moratorium. These balances include \$363 million of residential mortgage loans insured by FHA or guaranteed by the VA that are no longer accruing interest as of June 30, 2021 (March 31, 2021 - \$341 million; June 30, 2020 - \$234 million). Furthermore, the Corporation has approximately \$56 million in reverse mortgage loans which are guaranteed by FHA, but which are currently not accruing interest. Due to the guaranteed nature of the loans, it is the Corporation's policy to exclude these balances from non-performing assets (March 31, 2021 - \$58 million; June 30, 2020 - \$62 million).

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Table L - Activity in Non-Performing Loans
(Unaudited)

Commercial loans held-in-portfolio:

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|--------------|---------------|---------------|--------------|---------------|
| | 30-Jun-21 | | | 31-Mar-21 | | |
| | BPPR | Popular U.S. | Popular, Inc. | BPPR | Popular U.S. | Popular, Inc. |
| Beginning balance NPLs | \$200,863 | \$1,907 | \$202,770 | \$204,092 | \$5,988 | \$210,080 |
| Plus: | | | | | | |
| New non-performing loans | 39,657 | 7,570 | 47,227 | 7,724 | 1,693 | 9,417 |
| Advances on existing non-performing loans | - | 1 | 1 | - | 6 | 6 |
| Less: | | | | | | |
| Non-performing loans transferred to OREO | (2,346) | - | (2,346) | (3,850) | - | (3,850) |
| Non-performing loans charged-off | (1,515) | (624) | (2,139) | (2,391) | (352) | (2,743) |
| Loans returned to accrual status / loan collections | (18,956) | (992) | (19,948) | (4,712) | (3,655) | (8,367) |
| Loans transferred to held-for-sale | - | - | - | - | (1,773) | (1,773) |
| Ending balance NPLs | \$217,703 | \$7,862 | \$225,565 | \$200,863 | \$1,907 | \$202,770 |

Construction loans held-in-portfolio:

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|--------------|---------------|---------------|--------------|---------------|
| | 30-Jun-21 | | | 31-Mar-21 | | |
| | BPPR | Popular U.S. | Popular, Inc. | BPPR | Popular U.S. | Popular, Inc. |
| Beginning balance NPLs | \$14,877 | \$7,523 | \$22,400 | \$21,497 | \$7,560 | \$29,057 |
| Plus: | | | | | | |
| New non-performing loans | - | - | - | - | 12,141 | 12,141 |
| Less: | | | | | | |
| Non-performing loans charged-off | - | (523) | (523) | (6,620) | - | (6,620) |
| Loans returned to accrual status / loan collections | - | - | - | - | (12,178) | (12,178) |
| Loans transferred to held-for-sale | - | (7,000) | (7,000) | - | - | - |
| Ending balance NPLs | \$14,877 | \$- | \$14,877 | \$14,877 | \$7,523 | \$22,400 |

Mortgage loans held-in-portfolio:

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|--------------|---------------|---------------|--------------|---------------|
| | 30-Jun-21 | | | 31-Mar-21 | | |
| | BPPR | Popular U.S. | Popular, Inc. | BPPR | Popular U.S. | Popular, Inc. |
| Beginning balance NPLs | \$390,781 | \$14,793 | \$405,574 | \$414,343 | \$14,864 | \$429,207 |
| Plus: | | | | | | |
| New non-performing loans | 43,432 | 4,774 | 48,206 | 58,397 | 4,323 | 62,720 |
| Advances on existing non-performing loans | - | 11 | 11 | - | 5 | 5 |
| Less: | | | | | | |
| Non-performing loans transferred to OREO | (8,257) | - | (8,257) | (801) | - | (801) |
| Non-performing loans charged-off | (4,297) | - | (4,297) | (8,722) | (1) | (8,723) |
| Loans returned to accrual status / loan collections | (51,006) | (6,255) | (57,261) | (72,436) | (4,398) | (76,834) |
| Ending balance NPLs | \$370,653 | \$13,323 | \$383,976 | \$390,781 | \$14,793 | \$405,574 |

Total non-performing loans held-in-portfolio (excluding consumer):

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|
| | 30-Jun-21 | | | 31-Mar-21 | | |
| | BPPR | Popular U.S. | Popular, Inc. | BPPR | Popular U.S. | Popular, Inc. |
| Beginning balance NPLs | \$606,521 | \$24,223 | \$630,744 | \$639,932 | \$28,412 | \$668,344 |
| Plus: | | | | | | |
| New non-performing loans | 83,089 | 12,344 | 95,433 | 66,121 | 18,157 | 84,278 |
| Advances on existing non-performing loans | - | 12 | 12 | - | 11 | 11 |
| Less: | | | | | | |
| Non-performing loans transferred to OREO | (10,603) | - | (10,603) | (4,651) | - | (4,651) |
| Non-performing loans charged-off | (5,812) | (1,147) | (6,959) | (17,733) | (353) | (18,086) |
| Loans returned to accrual status / loan collections | (69,962) | (7,247) | (77,209) | (77,148) | (20,231) | (97,379) |
| Loans transferred to held-for-sale | - | (7,000) | (7,000) | - | (1,773) | (1,773) |
| Ending balance NPLs | \$603,233 | \$21,185 | \$624,418 | \$606,521 | \$24,223 | \$630,744 |

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Table M - Allowance for Credit Losses, Net Charge-offs and Related Ratios

(Unaudited)

| (Dollars in thousands) | Quarters ended | | |
|--|------------------|------------------|------------------|
| | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 |
| Balance at beginning of period - loans held-in-portfolio | \$800,797 | \$896,250 | \$919,716 |
| Provision for credit losses (benefit) | (17,500) | (75,779) | 63,104 |
| Initial allowance for credit losses - PCD Loans | 1,202 | 1,356 | 567 |
| | <u>784,499</u> | <u>821,827</u> | <u>983,387</u> |
| Net loans charged-off (recovered): | | | |
| BPPR | | | |
| Commercial | (9,877) | (1,434) | 1,097 |
| Construction | (479) | 5,917 | (195) |
| Lease financing | 393 | 118 | 3,390 |
| Mortgage | 935 | 8,303 | 7,554 |
| Consumer | 7,545 | 6,570 | 50,297 |
| Total BPPR | <u>(1,483)</u> | <u>19,474</u> | <u>62,143</u> |
| Popular U.S. | | | |
| Commercial | (413) | 16 | (784) |
| Construction | 93 | - | - |
| Mortgage | (423) | (80) | (19) |
| Consumer | 935 | 1,620 | 3,613 |
| Total Popular U.S. | <u>192</u> | <u>1,556</u> | <u>2,810</u> |
| Total loans charged-off (recovered) - Popular, Inc. | <u>(1,291)</u> | <u>21,030</u> | <u>64,953</u> |
| Balance at end of period - loans held-in-portfolio | <u>\$785,790</u> | <u>\$800,797</u> | <u>\$918,434</u> |
| Balance at beginning of period - unfunded commitments | \$9,569 | \$15,851 | \$4,466 |
| Provision for credit losses (benefit) | 367 | (6,282) | 2,251 |
| Balance at end of period - unfunded commitments [1] | <u>\$9,936</u> | <u>\$9,569</u> | <u>\$6,717</u> |
| POPULAR, INC. | | | |
| Annualized net charge-offs (recoveries) to average loans held-in-portfolio | (0.02)% | 0.29% | 0.92% |
| Provision for credit losses (benefit) - loan portfolios to net charge-offs | N.M. | -360.34% | 97.15% |
| BPPR | | | |
| Annualized net charge-offs (recoveries) to average loans held-in-portfolio | (0.03)% | 0.36% | 1.20% |
| Provision for credit losses (benefit) - loan portfolios to net charge-offs | N.M. | -205.28% | 97.23% |
| Popular U.S. | | | |
| Annualized net charge-offs to average loans held-in-portfolio | 0.01 % | 0.08% | 0.15% |
| Provision for credit losses (benefit) - loan portfolios to net charge-offs | N.M. | N.M. | 95.41 % |
| N.M. - Not meaningful. | | | |
| [1] Allowance for credit losses of unfunded commitments is presented as part of Other Liabilities in the Consolidated Statements of Financial Condition. | | | |

Popular, Inc.

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Table N - Allowance for Credit Losses "ACL"- Loan Portfolios - CONSOLIDATED

(Unaudited)

| 30-Jun-21 | | | | | | |
|--------------------------------|--------------|--------------|-------------|-----------------|-------------|--------------|
| (Dollars in thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| Total ACL | \$271,144 | \$11,256 | \$182,619 | \$17,551 | \$303,220 | \$785,790 |
| Total loans held-in-portfolio | \$13,437,932 | \$865,113 | \$7,678,478 | \$1,297,928 | \$5,783,166 | \$29,062,617 |
| ACL to loans held-in-portfolio | 2.02 % | 1.30 % | 2.38 % | 1.35 % | 5.24 % | 2.70 % |

| 31-Mar-21 | | | | | | |
|--------------------------------|--------------|--------------|-------------|-----------------|-------------|--------------|
| (Dollars in thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| Total ACL | \$276,219 | \$9,195 | \$202,126 | \$12,687 | \$300,570 | \$800,797 |
| Total loans held-in-portfolio | \$13,442,486 | \$907,736 | \$7,808,852 | \$1,244,956 | \$5,727,598 | \$29,131,628 |
| ACL to loans held-in-portfolio | 2.05 % | 1.01 % | 2.59 % | 1.02 % | 5.25 % | 2.75 % |

| Variance | | | | | | |
|-------------------------------|------------|--------------|-------------|-----------------|----------|------------|
| (Dollars in thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| Total ACL | \$(5,075) | \$2,061 | \$(19,507) | \$4,864 | \$2,650 | \$(15,007) |
| Total loans held-in-portfolio | \$(4,554) | \$(42,623) | \$(130,374) | \$52,972 | \$55,568 | \$(69,011) |

Popular, Inc.

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Table O - Allowance for Credit Losses "ACL"- Loan Portfolios - PUERTO RICO OPERATIONS

(Unaudited)

| 30-Jun-21 | | | | | | |
|--------------------------------|-------------|--------------|-------------|-----------------|-------------|--------------|
| Puerto Rico | | | | | | |
| (In thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| ACL | \$186,784 | \$1,220 | \$166,808 | \$17,551 | \$289,490 | \$661,853 |
| Loans held-in-portfolio | \$7,631,039 | \$142,947 | \$6,515,157 | \$1,297,928 | \$5,560,964 | \$21,148,035 |
| ACL to loans held-in-portfolio | 2.45 % | 0.85 % | 2.56 % | 1.35 % | 5.21 % | 3.13 % |

| 31-Mar-21 | | | | | | |
|--------------------------------|-------------|--------------|-------------|-----------------|-------------|--------------|
| Puerto Rico | | | | | | |
| (In thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| ACL | \$197,111 | \$260 | \$185,805 | \$12,687 | \$285,793 | \$681,656 |
| Loans held-in-portfolio | \$7,782,288 | \$160,597 | \$6,675,979 | \$1,244,956 | \$5,470,445 | \$21,334,265 |
| ACL to loans held-in-portfolio | 2.53 % | 0.16 % | 2.78 % | 1.02 % | 5.22 % | 3.20 % |

| Variance | | | | | | |
|-------------------------|-------------|--------------|-------------|-----------------|----------|-------------|
| (In thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| ACL | \$(10,327) | \$960 | \$(18,997) | \$4,864 | \$3,697 | \$(19,803) |
| Loans held-in-portfolio | \$(151,249) | \$(17,650) | \$(160,822) | \$52,972 | \$90,519 | \$(186,230) |

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Table P - Allowance for Credit Losses "ACL"- Loan Portfolios - POPULAR U.S. OPERATIONS

(Unaudited)

| 30-Jun-21 | | | | | |
|--------------------------------|-------------|--------------|-------------|-----------|-------------|
| Popular U.S. | | | | | |
| (In thousands) | Commercial | Construction | Mortgage | Consumer | Total |
| ACL | \$84,360 | \$10,036 | \$15,811 | \$13,730 | \$123,937 |
| Loans held-in-portfolio | \$5,806,893 | \$722,166 | \$1,163,321 | \$222,202 | \$7,914,582 |
| ACL to loans held-in-portfolio | 1.45 % | 1.39 % | 1.36 % | 6.18 % | 1.57 % |

| 31-Mar-21 | | | | | |
|--------------------------------|-------------|--------------|-------------|-----------|-------------|
| Popular U.S. | | | | | |
| (In thousands) | Commercial | Construction | Mortgage | Consumer | Total |
| ACL | \$79,108 | \$8,935 | \$16,321 | \$14,777 | \$119,141 |
| Loans held-in-portfolio | \$5,660,198 | \$747,139 | \$1,132,873 | \$257,153 | \$7,797,363 |
| ACL to loans held-in-portfolio | 1.40 % | 1.20 % | 1.44 % | 5.75 % | 1.53 % |

| Variance | | | | | |
|-------------------------|------------|--------------|----------|------------|-----------|
| (In thousands) | Commercial | Construction | Mortgage | Consumer | Total |
| ACL | \$5,252 | \$1,101 | \$(510) | \$(1,047) | \$4,796 |
| Loans held-in-portfolio | \$146,695 | \$(24,973) | \$30,448 | \$(34,951) | \$117,219 |

Popular, Inc.**Financial Supplement to Second Quarter 2021 Earnings Release****Table Q - Reconciliation to GAAP Financial Measures****(Unaudited)**

| (In thousands, except share or per share information) | 30-Jun-21 | 31-Mar-21 | 30-Jun-20 |
|---|---------------------|---------------------|---------------------|
| Total stockholders' equity | \$5,814,614 | \$5,897,559 | \$5,780,165 |
| Less: Preferred stock | (22,143) | (22,143) | (22,143) |
| Less: Goodwill | (671,122) | (671,122) | (671,122) |
| Less: Other intangibles | (20,440) | (21,415) | (24,511) |
| Total tangible common equity | \$5,100,909 | \$5,182,879 | \$5,062,389 |
| Total assets | \$72,657,293 | \$66,870,268 | \$62,845,352 |
| Less: Goodwill | (671,122) | (671,122) | (671,122) |
| Less: Other intangibles | (20,440) | (21,415) | (24,511) |
| Total tangible assets | \$71,965,731 | \$66,177,731 | \$62,149,719 |
| Tangible common equity to tangible assets | 7.09 % | 7.83 % | 8.15 % |
| Common shares outstanding at end of period | 80,656,480 | 84,379,180 | 84,184,927 |
| Tangible book value per common share | \$63.24 | \$61.42 | \$60.13 |

Quarterly average

| | | | |
|---|--------------------|--------------------|--------------------|
| Total stockholders' equity [1] | \$5,683,325 | \$5,693,672 | \$5,274,071 |
| Less: Preferred Stock | (22,143) | (22,143) | (22,143) |
| Less: Goodwill | (671,121) | (671,121) | (671,121) |
| Less: Other intangibles | (21,350) | (22,104) | (25,497) |
| Total tangible equity | \$4,968,711 | \$4,978,304 | \$4,555,310 |
| Return on average tangible common equity | 17.58 % | 21.37 % | 11.23 % |

[1] Average balances exclude unrealized gains or losses on debt securities available-for-sale.

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