

Popular, Inc. Announces Third Quarter Financial Results

- Reports net income of \$85.6 million for the quarter
- Adjusted net income of \$93.4 million, compared to an adjusted net income of \$90.1 million for the previous quarter
- Net interest margin of 4.39% in Q3 2015 vs. 4.54% in Q2 2015
- Credit Quality (excluding covered loans):
 - Non-performing loans held-in-portfolio (NPLs) increased by \$58.9 million from Q2 2015; NPLs to loans ratio at 2.8% vs. 2.6% in Q2 2015;
 - Net charge-offs (NCOs) were 0.83% of average loans held-in-portfolio vs. 0.89% in Q2 2015; NCOs amounted to \$46.3 million, relatively flat quarter over quarter;
 - Allowance for loan losses of \$536.0 million vs. \$512.7 million in Q2 2015; Allowance for loan losses to loans held-in-portfolio at 2.38% vs. 2.29% in Q2 2015;
 - Allowance for loan losses to NPLs at 84.4% vs. 89.0% in Q2 2015.
- Common Equity Tier 1 ratio of 16.18% and Tangible Book Value per Share of \$42.71 at September 30, 2015

SAN JUAN, Puerto Rico -- (BUSINESS WIRE) -- Popular, Inc. (the "Corporation" or "Popular") (NASDAQ:BPOP) reported net income of \$85.6 million and adjusted net income of \$93.4 million for the quarter ended September 30, 2015, compared to net income of \$597.5 million and an adjusted net income of \$90.1 million for the quarter ended June 30, 2015.

Mr. Richard L. Carrión, Chairman of the Board and Chief Executive Officer, said: "We are pleased to report that the Corporation was once again able to produce strong results for the quarter, notwithstanding the increasingly challenging fiscal and economic situation in Puerto Rico. Additionally, the reinstatement of a quarterly cash dividend was an important milestone achieved this quarter."

Significant Events

During the quarter ended September 30, 2015, the Corporation:

- Reinstated the quarterly cash dividend on its outstanding common stock. A cash dividend of \$0.15 per share was paid on October 7, 2015 to shareholders of record at the close of business on September 29, 2015. This represents a quarterly payout of approximately \$15.5 million.
- Acquired mortgage servicing rights for a portfolio previously serviced by Doral Bank, with approximately \$873 million in unpaid principal balance, in connection with a pre-existing backup servicing agreement. As a result, the fair value of the Corporation's mortgage servicing rights reflected an increase of approximately \$4.4 million during the quarter. The Corporation also purchased the servicing advances related to this portfolio from the FDIC, as receiver of Doral Bank, for a price of \$46.6 million.
- Completed the information systems conversion and integration related to the assets and liabilities acquired in the Doral Bank FDIC-assisted transaction (the "Doral Transaction"). The costs associated with this conversion amounted to approximately \$3.7 million for the quarter.

Earnings Highlights

| (Unaudited) | Quarters ended | | | Nine months ended | |
|---|----------------|-----------|-----------|-------------------|-------------|
| (Dollars in thousands, except per share information) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | 30-Sep-15 | 30-Sep-14 |
| Net interest income | \$350,735 | \$362,553 | \$326,421 | \$1,056,483 | \$618,211 |
| Provision for loan losses | 69,568 | 60,468 | 68,166 | 159,747 | 172,362 |
| Provision (reversal) for loan losses - covered loans | (2,890) | 15,766 | 12,463 | 23,200 | 49,781 |
| Net interest income after provision for loan losses | 284,057 | 286,319 | 245,792 | 873,536 | 396,068 |
| FDIC loss-share income (expense) | 1,207 | 19,075 | (4,864) | 24,421 | (84,331) |
| Other non-interest income | 129,902 | 121,684 | 129,194 | 362,682 | 367,482 |
| Operating expenses | 306,897 | 363,174 | 310,640 | 982,412 | 863,678 |
| Income (loss) from continuing operations before income tax | 108,269 | 63,904 | 59,482 | 278,227 | (184,459) |
| Income tax expense (benefit) | 22,620 | (533,533) | 26,667 | (478,344) | 45,807 |
| Income (loss) from continuing operations | 85,649 | 597,437 | 32,815 | 756,571 | (230,266) |
| (Loss) income from discontinued operations, net of tax | (9) | 15 | 29,758 | 1,347 | (132,066) |
| Net income (loss) | \$85,640 | \$597,452 | \$62,573 | \$757,918 | \$(362,332) |
| Net income (loss) applicable to common stock | \$84,709 | \$596,521 | \$61,643 | \$755,126 | \$(365,124) |
| Net income (loss) per common share from continuing operations - Basic | \$0.82 | \$5.80 | \$0.31 | \$7.33 | \$(2.27) |
| Net income (loss) per common share from continuing operations - Diluted | \$0.82 | \$5.79 | \$0.31 | \$7.31 | \$(2.27) |
| Net income (loss) per common share from discontinued operations - Basic | \$- | \$- | \$0.29 | \$0.01 | \$(1.28) |
| Net income (loss) per common share from discontinued operations - Diluted | \$- | \$- | \$0.29 | \$0.01 | \$(1.28) |

[1] Covered loans represent loans acquired in the Westernbank FDIC-assisted transaction that are covered under an FDIC loss-sharing agreement.

The following tables reflect the results of operations for the third and second quarters of 2015, with adjustments to exclude the impact of certain events.

| (Unaudited) | Quarter ended | | | | | | Adjusted Results (Non-GAAP) |
|--|--------------------------|-------------------------|-----------------------|--------------------|---|-----------|-----------------------------|
| | 30-Sep-15 | | | | | | |
| (In thousands) | Actual Results (US GAAP) | BPNA Reorganization [2] | Doral Transaction [3] | MSR's Acquired [4] | Impairment of Loans Under Proposed Portfolio Sale [5] | | |
| Net interest income | \$350,735 | \$- | \$- | \$- | \$- | \$350,735 | |
| Provision for loan losses – non-covered loans | 69,568 | - | - | - | 10,126 | 59,442 | |
| Provision (reversal) for loan losses – covered loans [1] | (2,890) | - | - | - | - | (2,890) | |
| Net interest income after provision for loan losses | 284,057 | - | - | - | (10,126) | 294,183 | |
| Mortgage banking activities | 24,195 | - | 844 | 4,378 | - | 18,973 | |
| FDIC loss-share income | 1,207 | - | - | - | - | 1,207 | |
| Other non-interest income | 105,707 | - | (10) | - | - | 105,717 | |
| Total non-interest income | 131,109 | - | 834 | 4,378 | - | 125,897 | |
| Personnel costs | 120,863 | - | 806 | - | - | 120,057 | |
| Net occupancy expenses | 21,277 | - | 1,151 | - | - | 20,126 | |
| Equipment expenses | 14,739 | - | - | - | - | 14,739 | |
| Professional fees | 77,154 | - | 3,599 | - | - | 73,555 | |
| Communications | 6,058 | - | - | - | - | 6,058 | |
| Business promotion | 12,325 | - | 100 | - | - | 12,225 | |
| Other real estate owned (OREO) expenses | 7,686 | - | - | - | - | 7,686 | |
| Restructuring costs | 481 | 481 | - | - | - | - | |
| Other operating expenses | 46,314 | - | - | - | - | 46,314 | |
| Total operating expenses | 306,897 | 481 | 5,656 | - | - | 300,760 | |
| Income from continuing operations before income tax | 108,269 | (481) | (4,822) | 4,378 | (10,126) | 119,320 | |
| Income tax (benefit) expense | 22,620 | - | (1,050) | 1,707 | (3,949) | 25,912 | |
| Income from continuing operations | \$85,649 | \$(481) | \$(3,772) | \$2,671 | \$(6,177) | \$93,408 | |
| Loss from discontinued operations, net of tax | \$ (9) | \$ (9) | \$- | \$- | \$- | \$- | |
| Net income | \$85,640 | \$(490) | \$(3,772) | \$2,671 | \$(6,177) | \$93,408 | |

[1] Covered loans represent loans acquired in the Westernbank FDIC-assisted transaction that are covered under an FDIC loss-sharing agreement.

[2] Represents restructuring charges associated with the reorganization of BPNA.

[3] Includes approximately \$0.8 million of fees charged for loan servicing cost to the FDIC, personnel costs related to former Doral Bank employees retained on a temporary basis and incentive compensation for an aggregate of \$0.8 million, building rent expense of Doral Bank's administrative offices for \$1.2 million and professional fees and business promotion expenses directly associated with the Doral Transaction and systems conversion for \$3.7 million.

[4] Represents the fair value of mortgage servicing rights acquired for a portfolio previously serviced by Doral Bank, for which the Corporation acted as a backup servicer, under a pre-existing contract.

[5] Represents impairment based on the estimated fair value of loans acquired from Westernbank, that the Corporation has the intent to sell and are subject to the ongoing arbitration with the FDIC.

| (Unaudited) | Quarter ended | | | | | | | |
|---|-----------------------------|----------------------------|-----------------------------|------------|----------------------------|---|---|-----------------------------------|
| | 30-Jun-15 | | | | | | | |
| (In thousands) | Actual Results (US GAAP) | BPNA Reorganization [2] | Doral Transaction [3] | OTTI [4] | Reversal DTA - BPNA [5] | Loss on Bulk Sale of Covered OREOs [6] | Adjustment to FDIC Indemnification Asset [7] | Adjusted Results (Non-GAAP) |
| Net interest income | \$362,553 | \$- | \$- | \$- | \$- | \$- | \$- | \$362,553 |
| Provision for loan losses | 60,468 | - | - | - | - | - | - | 60,468 |
| Provision for loan losses – covered loans [1] | 15,766 | - | - | - | - | - | - | 15,766 |
| Net interest income after provision for loan losses | 286,319 | - | - | - | - | - | - | 286,319 |
| Mortgage banking activities | 21,325 | - | - | - | - | - | - | 21,325 |
| Other-than-temporary impairment losses on investment securities | (14,445) | - | - | (14,445) | - | - | - | - |
| FDIC loss-share income | 19,075 | - | - | - | - | 17,566 | (10,887) | 12,396 |
| Other non-interest income | 114,804 | - | 961 | - | - | - | - | 113,843 |
| Total non-interest income | 140,759 | - | 961 | (14,445) | - | 17,566 | (10,887) | 147,564 |
| Personnel costs | 120,977 | - | 3,865 | - | - | - | - | 117,112 |
| Net occupancy expenses | 23,286 | - | 2,309 | - | - | - | - | 20,977 |
| Equipment expenses | 15,925 | - | 725 | - | - | - | - | 15,200 |
| Professional fees | 78,449 | - | 4,885 | - | - | - | - | 73,564 |
| Communications | 6,153 | - | 70 | - | - | - | - | 6,083 |
| Business promotion | 13,776 | - | 401 | - | - | - | - | 13,375 |
| Other real estate owned (OREO) expenses | 44,816 | - | - | - | - | 21,957 | - | 22,859 |
| Restructuring costs | 6,174 | 6,174 | - | - | - | - | - | - |
| Other operating expenses | 53,618 | - | 509 | - | - | - | - | 53,109 |
| Total operating expenses | 363,174 | 6,174 | 12,764 | - | - | 21,957 | - | 322,279 |
| Income from continuing operations before income tax | 63,904 | (6,174) | (11,803) | (14,445) | - | (4,391) | (10,887) | 111,604 |
| Income tax expense | (533,533) | - | (3,744) | (2,486) | (544,927) | (1,712) | (2,177) | 21,513 |
| Income from continuing operations | \$597,437 | \$(6,174) | \$(8,059) | \$(11,959) | \$544,927 | \$(2,679) | \$(8,710) | \$90,091 |
| Income from discontinued operations, net of tax | \$15 | \$15 | \$- | \$- | \$- | \$- | \$- | \$- |
| Net income | \$597,452 | \$(6,159) | \$(8,059) | \$(11,959) | \$544,927 | \$(2,679) | \$(8,710) | \$90,091 |

[1] Covered loans represent loans acquired in the Westernbank FDIC-assisted transaction that are covered under an FDIC loss-sharing agreement.

[2] Represents restructuring charges associated with the reorganization of BPNA.

[3] Includes approximately \$1.0 million of fees charged for services provided to the alliance co-bidders, including loan servicing and other interim services, personnel costs related to former Doral Bank employees retained on a temporary basis and incentive compensation for an aggregate of \$3.9 million, building rent expense of Doral Bank's administrative offices for \$2.3 million, professional fees and business promotion expenses directly associated with the Doral Transaction and systems conversion for \$5.3 million and other expenses, including equipment, business promotions and communications, of \$1.3 million.

[4] Represents an other than temporary impairment ("OTTI") recorded on Puerto Rico government investment securities available-for-sale. These securities had an amortized cost of approximately \$41.1 million and a market value of \$26.6 million. Based on the fiscal and economic situation in Puerto Rico, together with the government's recent announcements regarding its ability to pay its debt, the Corporation determined that the unrealized loss, a portion of which had been in an unrealized loss for a period exceeding twelve months, was other than temporary.

[5] Represents the partial reversal of the valuation allowance of a portion of the deferred tax asset amounting to approximately \$1.2 billion, at the U.S. operations. Refer to additional details on the Income Taxes section of this earnings release.

[6] Represents the loss on a bulk sale of covered OREOs completed in the second quarter and the related mirror accounting of the 80% reimbursable from the FDIC.

[7] The quarter's negative amortization of the FDIC's indemnification asset included a \$10.9 million expense related to losses incurred by the Corporation that were not claimed to the FDIC before the expiration of the loss-share portion of the agreement on June 30, 2015, and that are not subject to the ongoing arbitrations.

| (Unaudited) (In thousands) | Quarters ended | | |
|--|---------------------------|----------------|-----------------|
| | Adjusted Results Non-GAAP | | |
| | 30-Sep-15 | 30-Jun-15 | Variance |
| Net interest income | \$350,735 | \$362,553 | \$(11,818) |
| Provision for loan losses – non-covered loans | 59,442 | 60,468 | (1,026) |
| Provision (reversal) for loan losses – covered loans [1] | (2,890) | 15,766 | (18,656) |
| Net interest income after provision for loan losses | 294,183 | 286,319 | 7,864 |
| Mortgage banking activities | 18,973 | 21,325 | (2,352) |
| FDIC loss-share income (expense) | 1,207 | 12,396 | (11,189) |
| Other non-interest income | 105,717 | 113,843 | (8,126) |
| <u>Total non-interest income</u> | <u>125,897</u> | <u>147,564</u> | <u>(21,667)</u> |
| Personnel costs | 120,057 | 117,112 | 2,945 |
| Net occupancy expenses | 20,126 | 20,977 | (851) |
| Equipment expenses | 14,739 | 15,200 | (461) |
| Professional fees | 73,555 | 73,564 | (9) |
| Communications | 6,058 | 6,083 | (25) |
| Business promotion | 12,225 | 13,375 | (1,150) |
| Other real estate owned (OREO) expenses | 7,686 | 22,859 | (15,173) |
| Other operating expenses | 46,314 | 53,109 | (6,795) |
| <u>Total operating expenses</u> | <u>300,760</u> | <u>322,279</u> | <u>(21,519)</u> |
| Income from continuing operations before income tax | 119,320 | 111,604 | 7,716 |
| Income tax expense | 25,912 | 21,513 | 4,399 |
| Income from continuing operations | \$93,408 | \$90,091 | \$3,317 |
| Net income | \$93,408 | \$90,091 | \$3,317 |

[1] Covered loans represent loans acquired in the Westernbank FDIC-assisted transaction that are covered under FDIC loss-sharing agreements.

Net interest income

- For the quarter ended September 30 2015, the Corporation had net interest income of \$350.7 million, compared to net interest income of \$362.6 million for the previous quarter. Net interest margin was 4.39%, lower by 15 basis points when compared to the previous quarter's net interest margin of 4.54%.

The decrease of \$11.9 million in the net interest income is mainly related to:

- Lower income from loans acquired in the Westernbank FDIC-assisted transaction ("WB Loans") by \$7.3 million due mainly to lower volume, as the portfolio continues its normal run-off, as well as lower yields. Refer to Table O for a schedule of the accretable yield for WB Loans accounted for under ASC 310-30.
- Lower income from mortgage loans by \$4.6 million due to the reversal of \$3.8 million of income from FHA-guaranteed loans at BPPR as part of the Corporation's review of its interest income accrual policy for this portfolio.
- Higher expense on deposits by \$2.2 million mainly due to higher cost on equity indexed IRA accounts and lower purchase accounting yield adjustment on time deposits acquired in the Doral Transaction.

These negative variances in net interest income were offset in part by:

- Higher income from commercial loans by \$1.6 million due to higher volume of loans at BPNA.
- The impact of one additional day for the quarter ended September 30, 2015, which resulted in an increase of \$2.6 million.

BPPR's net interest income amounted to \$303.8 million for the quarter ended September 30, 2015 compared with \$316.1 million for the previous quarter. The decrease in net interest income was mainly due to lower income from WB Loans as part of the portfolio run-off and lower income from mortgage loans due to the adjustment to income from FHA loans, as mentioned above, as well as lower volume of commercial loans. Net interest margin for the quarter was 4.75%, a decrease of 17 basis points from the previous quarter. Cost of interest bearing deposits in Puerto Rico was relatively flat at 52 basis points.

BPNA's net interest income was \$62.4 million, compared with \$61.9 million for the previous quarter. The increase in the net interest income is mainly driven by commercial loan origination, partially offset by higher cost of time deposits. Net interest margin was 3.91%, compared to 4.03% for the previous quarter, a decrease of 12 basis points mostly due to higher cost of time deposits from lower amortization impact of deposit premium from the Doral Transaction.

Non-interest income

Non-interest income was \$131.1 million for the third quarter of 2015, a decrease of \$9.7 million when compared with the second quarter of 2015. Excluding the impact of the significant events detailed in the Adjusted Results (Non-GAAP) tables above, non-interest income decreased by \$21.7 million when compared to the second quarter of 2015, driven primarily by the following:

- Unfavorable variance in the FDIC loss-share income by \$11.2 million due mainly to lower mirror accounting on reimbursable expenses, partially offset by lower amortization of the indemnification asset in the quarter.
- Unfavorable variance in adjustments to indemnity reserves by \$6.3 million is mostly due to higher provision for representations and warranties and credit recourse reserves for loans previously sold and the reversal during the second quarter of \$1.8 million of the reserve established during the quarter ended March 31, 2013 for certain specific representation and warranties made in connection with BPPR's bulk sale of commercial and construction loans, and commercial single family real estate owned.
- Lower income from mortgage banking activities by \$2.4 million mainly due to higher realized losses on closed derivatives positions, partially offset by higher gain on sale of loans.

Refer to Table B for further details.

Financial Impact of the 2010 FDIC-Assisted Transaction

| (Unaudited) | Quarters ended | | | Nine months ended | |
|---|----------------|-----------|-------------|-------------------|-----------|
| (In thousands) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | 30-Sep-15 | 30-Sep-14 |
| <u>Income Statement</u> | | | | | |
| Interest income on WB loans | \$47,982 | \$55,335 | \$68,251 | \$160,909 | \$232,324 |
| Total FDIC loss-share income (expense) | 1,207 | 19,075 | (4,864) | 24,421 | (84,331) |
| Provision for loan losses ^[1] | 20,206 | 15,766 | 12,463 | 46,296 | 49,781 |
| Total revenues less provision for loan losses | \$28,983 | \$58,644 | \$50,924 | \$139,034 | \$98,212 |
| <u>Balance Sheet</u> | | | | | |
| Loans covered under loss-sharing agreements with FDIC | \$665,428 | \$689,650 | \$2,654,263 | | |
| FDIC loss-share asset | 311,946 | 392,947 | 681,106 | | |
| FDIC true-up payment obligation | 122,527 | 121,469 | 126,473 | | |

[1] For the quarter ended September 30, 2015, the Corporation recorded a reserve release of \$2.9 million for the covered loans portfolio.

See additional details on accounting for the 2010 FDIC-Assisted transaction in Table O.

Operating expenses

Operating expenses decreased by \$56.3 million when compared with the second quarter of 2015. Excluding the impact of the significant events detailed in the Adjusted Results (Non-GAAP) tables above, operating expenses decreased by \$21.5 million compared to the second quarter of 2015, driven primarily by:

- Lower other real estate owned expense by \$15.2 million mainly at BPPR as a result of lower write-downs on commercial, construction and mortgage properties and lower losses on sales when compared to the second quarter.
- Lower other operating expenses by \$6.8 million mainly due to property tax payments during the second quarter at BPPR by \$6.0 million, most of which was related to loss-sharing expense reimbursable by the FDIC; lower provision for unused commitments by \$3.9 million; partially offset by an increase in the reserve for mortgage servicing claims of \$5.3 million.
- Lower business promotion by \$1.2 million mainly due to lower customer affinity program expense at BPPR.

These decreases were partially offset by:

- Higher personnel cost by \$2.9 million mainly due to a decrease in the reserve for employee medical expense at BPPR during the second quarter.

Non-personnel credit-related costs, which include collections, appraisals, credit related fees, and OREO expenses, amounted to \$12.7 million for the third quarter of 2015, compared with \$52.5 million for the second quarter of 2015. The decrease was principally due to write-downs of \$22.0 million related to the bulk sale of OREO completed during the second quarter. Excluding the impact of the bulk sale, non-personnel credit related costs declined by \$17.8 million mainly due to lower OREO expenses.

Full-time equivalent employees, including discontinued operations, were 7,840 as of September 30, 2015, compared with 7,980 as of June 30, 2015, and 7,848 as of September 30, 2014.

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

Income taxes

For the quarter ended September 30, 2015, the Corporation recorded an income tax expense of \$22.6 million, compared to an income tax benefit of \$533.5 million for the previous quarter. During the quarter ended June 30, 2015, the Corporation recorded a partial reversal of the valuation allowance on its deferred tax assets from the U.S. operations for approximately \$544.9 million. On an adjusted basis, the income tax expense for the third quarter of 2015 was \$25.9 million, compared to \$21.5 million for the previous quarter.

The effective income tax rate for the third quarter of 2015, on an adjusted basis, was 22%, compared to 19% for the previous quarter. The impact of the reversal of the valuation allowance for the 2015 fiscal year is reflected in the effective tax rate of this year, with income tax expense being reduced by the benefit of the reversal each quarter of 2015.

The effective tax rate is impacted by the composition and source of the taxable income. In 2016, the Corporation expects that the effective tax rate for the U.S. operations will be approximately 44%. Adjusting to an effective tax rate of 44% for the U.S. operations, and assuming the same earnings composition of this quarter, the adjusted effective income tax rate for the Corporation's consolidated results for the third quarter of 2015 would have been 29%.

Credit Quality

Despite challenging economic and fiscal conditions that persist in Puerto Rico, overall asset quality for non-covered loans remained stable in the third quarter of 2015, with moderate quarter-to-quarter volatility in certain credit metrics mostly associated with a small number of large commercial loans.

- Inflows of NPLs held-in-portfolio, excluding consumer loans, increased by \$81.6 million from the second quarter of 2015, mainly driven by a small number of large commercial loans in the BPPR segment, including a single \$49.2 million credit relationship.
- Non-performing loans held-in-portfolio increased by \$58.9 million during the quarter ended September 30, 2015, mainly driven by higher commercial and mortgage NPLs of \$49.1 million and \$12.6 million, respectively. At September 30, 2015, NPLs represented 2.8% of total loans held-in-portfolio, compared to 2.6% in June 30, 2015.
- Net charge-offs amounted to \$46.3 million, relatively flat when compared to the second quarter of 2015. The prior quarter included a \$5.0 million recovery from the sale of a portfolio of previously charged-off credit cards and auto loans. Excluding this impact in the prior quarter, net charge-offs decreased by \$5.1 million, mostly driven by lower commercial NCOs in BPPR. The ratio of net charge-offs to average non-covered loans held-in-portfolio decreased to 0.83% on an annualized basis from 0.89% in the second quarter of 2015. The NCO ratio decline was due to the impact of loans reclassified from the covered portfolio in the prior quarter in the average loan base. Refer to Table J for further information on net charge-offs and related ratios.
- The allowance for loan losses increased by \$23.3 million from the second quarter of 2015 to \$536.0 million, primarily as a result of higher reserves for commercial loans. The general and specific reserves related to non-covered loans totaled \$379.2 million and \$156.8 million, respectively, at quarter-end, compared with \$373.7 million and \$139.0 million, respectively, as of June 30, 2015. The ratio of the allowance for loan losses to loans held-in-portfolio was 2.38% in the third quarter of 2015, compared to 2.29% in the previous quarter.
- The ratio of the allowance for loan losses to NPLs held-in-portfolio stood at 84.4%, compared to 89.0% in the previous quarter.
- The provision for loan losses for the third quarter amounted to \$69.6 million, increasing by \$9.1 million from the previous quarter. Excluding the impact of the \$10.1 million impairment on the WB loans that the Corporation has the intent to sell, the provision for the third quarter amounted to \$59.5 million, relatively flat to the previous quarter. The provision for the third quarter of 2015 represented 150.2% of net charge-offs, or 128.4% on an adjusted basis, compared to 130.2% in the second quarter of 2015.

Non-Performing Assets

(Unaudited)

| (In thousands) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 |
|---|-----------|-----------|-----------|
| Total non-performing loans held-in-portfolio, excluding covered loans | \$634,902 | \$575,997 | \$621,945 |
| Non-performing loans held-for-sale | 47,681 | 50,875 | 19,728 |
| Other real estate owned ("OREO"), excluding covered OREO | 155,826 | 142,255 | 135,256 |
| Total non-performing assets, excluding covered assets | 838,409 | 769,127 | 776,929 |
| Covered loans and OREO | 39,888 | 37,367 | 166,533 |
| Total non-performing assets | \$878,297 | \$806,494 | \$943,462 |
| Net charge-offs for the quarter (excluding covered loans) | \$46,302 | \$46,442 | \$40,469 |

Ratios (excluding covered loans):

| | | | |
|--|--------------|--------------|--------------|
| Non-covered loans held-in-portfolio | \$22,498,066 | \$22,435,145 | \$19,359,216 |
| Non-performing loans held-in-portfolio to loans held-in-portfolio | 2.82% | 2.57% | 3.21% |
| Allowance for loan losses to loans held-in-portfolio | 2.38 | 2.29 | 2.69 |
| Allowance for loan losses to non-performing loans, excluding loans held-for-sale | 84.42 | 89.02 | 83.88 |

Refer to Table H for additional information.

Provision for Loan Losses

(Unaudited)

| (In thousands) | Quarters ended | | | Nine months ended | |
|--|----------------|-----------|-----------|-------------------|-----------|
| | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | 30-Sep-15 | 30-Sep-14 |
| Provision (reversal) for loan losses: | | | | | |
| BPPR | \$68,755 | \$60,529 | \$61,868 | \$161,197 | \$190,643 |
| BPNA | 813 | (61) | 6,298 | (1,450) | (18,281) |
| Total provision for loan losses | \$69,568 | \$60,468 | \$68,166 | \$159,747 | \$172,362 |
| Provision (reversal) for loan losses - covered loans | (2,890) | 15,766 | 12,463 | 23,200 | 49,781 |
| Total provision for loan losses | \$66,678 | \$76,234 | \$80,629 | \$182,947 | \$222,143 |

Credit Quality by Segment

(Unaudited)

(In thousands)

| BPPR | Quarters ended | | |
|---|----------------|-----------|-----------|
| | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 |
| Provision for loan losses | \$68,755 | \$60,529 | \$61,868 |
| Net charge-offs | 47,245 | 45,146 | 38,682 |
| Total non-performing loans held-in-portfolio, excluding covered loans | 609,469 | 541,767 | 592,229 |
| Allowance / non-covered loans held-in-portfolio | 2.83% | 2.69% | 3.09% |

| BPNA | Quarters ended | | |
|---|----------------|-----------|-----------|
| | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 |
| Provision (reversal) for loan losses | \$813 | \$(61) | \$6,298 |
| Net charge-offs (recoveries) | (943) | 1,296 | 1,787 |
| Total non-performing loans held-in-portfolio | 25,433 | 34,230 | 29,716 |
| Allowance / non-covered loans held-in-portfolio | 0.68% | 0.66% | 0.91% |

Financial Condition Highlights

(Unaudited)

| (In thousands) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 |
|---|-------------|-------------|-------------|
| Money market, trading and investment securities | \$8,321,397 | \$9,248,978 | \$7,200,291 |
| Loans not covered under loss-sharing agreements with the FDIC | 22,498,066 | 22,435,145 | 19,359,216 |
| Loans covered under loss-sharing agreements with the FDIC | 665,428 | 689,650 | 2,654,263 |
| Assets from discontinued operations | - | - | 1,129,053 |
| Total assets | 35,530,794 | 36,750,113 | 34,099,095 |
| Deposits | 26,713,206 | 27,750,694 | 24,466,105 |
| Borrowings | 2,761,476 | 3,026,472 | 3,375,485 |
| Liabilities from discontinued operations | 1,800 | 1,754 | 1,106,762 |
| Total liabilities | 30,481,158 | 31,800,460 | 29,800,703 |
| Stockholders' equity | 5,049,636 | 4,949,653 | 4,298,392 |

Total assets decreased by \$1.2 billion from the second quarter of 2015 driven by:

- A decrease of \$1.1 billion in cash and money market investments mainly at BPPR aligned with the decline in deposits and repayment of borrowings during the quarter.
- A net decrease of \$84.1 million in investment securities available-for-sale mainly at BPNA due to a reduction in US agencies by \$58.3 million mostly due to maturities and calls and principal pay-downs of agency securities by \$46.4 million, partially offset by an increase of \$21.4 million of US Treasury securities at BPNA.
- A decrease of \$81.0 million in the indemnification asset mainly due to net payments received from the FDIC.

These decreases were partially offset by:

- An increase of \$66.3 million in non-covered loans held-in-portfolio due mainly to the origination of commercial loans in the US.

Total liabilities decreased by \$1.3 billion from the second quarter of 2015, driven by:

- A decrease of \$1.0 billion in deposits reflecting a reduction of \$496.4 million in time deposits, mainly due to the use by the Puerto Rico Government of funds held in trust by BPPR at June 30, 2015 for the payment of Puerto Rico General Obligation bonds in July 2015. Brokered certificates of deposit and demand deposits declined by \$244.5 million and \$234.5 million, respectively, mainly at BPPR. Average deposits declined by \$225.4 million when compared with the previous quarter. Refer to Table G for additional information on deposits.
- A decrease of \$229.5 million in borrowings mainly due to the maturity of a \$300.0 million long-term FHLB advance at BPPR, partially offset by an increase of \$70.5 million in FHLB advances at BPNA.

Stockholders' equity increased by approximately \$100.0 million from the second quarter of 2015, mainly as a result of an increase of \$69.2 million in retained earnings due to net income for the quarter of \$85.6 million, net of a reduction of \$15.5 million related to the quarterly cash dividend of \$0.15 per share declared on the outstanding common stock and preferred dividends of \$0.93 million, and an increase in accumulated other comprehensive income of \$29.2 million, principally due to higher unrealized gains on securities available-for-sale.

Common equity tier-1 ratio and tangible book value per share were 16.18% and \$42.71, respectively, at September 30, 2015 compared to 15.93% and \$41.73 at June 30, 2015. Refer to Table A for capital ratios.

Forward-Looking Statements

The information contained in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that may cause the Corporation's actual results to differ materially from any future results expressed or implied by such forward-looking statements. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2014, the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015 and June 30, 2015 and our other filings with the SEC for a discussion of those factors that could impact our future results. Other than to the extent required by applicable law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of such statements.

Founded in 1893, Popular, Inc. is the leading banking institution by both assets and deposits in Puerto Rico and ranks among the top 50 U.S. banks by assets. In the United States, Popular has established a community-banking franchise providing a broad range of financial services and products with branches in New York, New Jersey and Florida.

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

Popular will hold a conference call to discuss the financial results today Friday, October 23, 2015 at 10:00 a.m. Eastern Standard Time. The call will be broadcast 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 a dial-in telephone number 1-866-235-1201 or 1-412-902-4127.

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 Monday, November 23, 2015. The replay dial in is 1-877-344-7529 or 1-412-317-0088. The replay passcode is 10073041.

Popular, Inc.
Financial Supplement to Third Quarter 2015 Earnings Release

Table A - Selected Ratios and Other Information

Table B - Consolidated Statement of Operations

Table C - Consolidated Statement of Financial Condition

Table D - Consolidated Average Balances and Yield / Rate Analysis - QUARTER

Table E - Consolidated Average Balances and Yield / Rate Analysis - YEAR-TO-DATE

Table F - Mortgage Banking Activities and Other Service Fees

Table G - Loans and Deposits

Table H - Non-Performing Assets

Table I - Activity in Non-Performing Loans

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

Table K - Allowance for Loan Losses - Breakdown of General and Specific Reserves - CONSOLIDATED

Table L - Allowance for Loan Losses - Breakdown of General and Specific Reserves - PUERTO RICO OPERATIONS

Table M - Allowance for Loan Losses - Breakdown of General and Specific Reserves - U.S. MAINLAND OPERATIONS

Table N - Reconciliation to GAAP Financial Measures

Table O - Financial Information - Westernbank Loans

Table P - Restructuring Charges

POPULAR, INC.

Financial Supplement to Third Quarter 2015 Earnings Release

Table A - Selected Ratios and Other Information

(Unaudited)

| | Quarters ended | | | Nine months ended | |
|--|----------------|-------------|-------------|-------------------|-------------|
| | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | 30-Sep-15 | 30-Sep-14 |
| Basic EPS from continuing operations | \$0.82 | \$5.80 | \$0.31 | \$7.33 | \$(2.27) |
| Basic EPS from discontinued operations | \$- | \$- | \$0.29 | \$0.01 | \$(1.28) |
| Total Basic EPS | \$0.82 | \$5.80 | \$0.60 | \$7.34 | \$(3.55) |
| Diluted EPS from continuing operations | \$0.82 | \$5.79 | \$0.31 | \$7.31 | \$(2.27) |
| Diluted EPS from discontinued operations | \$- | \$- | \$0.29 | \$0.01 | \$(1.28) |
| Total Diluted EPS | \$0.82 | \$5.79 | \$0.60 | \$7.32 | \$(3.55) |
| Average common shares outstanding | 102,969,214 | 102,859,591 | 102,953,328 | 102,923,018 | 102,845,402 |
| Average common shares outstanding - assuming dilution | 103,150,482 | 103,102,718 | 103,152,916 | 103,137,762 | 102,845,402 |
| Common shares outstanding at end of period | 103,556,285 | 103,503,014 | 103,448,206 | 103,556,285 | 103,448,206 |
| Market value per common share | \$30.23 | \$28.86 | \$29.44 | \$30.23 | \$29.44 |
| Market capitalization - (In millions) | \$3,131 | \$2,987 | \$3,046 | \$3,131 | \$3,046 |
| Return on average assets | 0.95% | 6.74% | 0.71% | 2.89% | (1.35)% |
| Return on average common equity | 6.79% | 54.93% | 5.75% | 22.29% | (10.68)% |
| Net interest margin [1] | 4.39% | 4.54% | 4.64% | 4.50% | 4.67% |
| Common equity per share | \$48.28 | \$47.34 | \$41.07 | \$48.28 | \$41.07 |
| Tangible common book value per common share (non-GAAP) | \$42.71 | \$41.73 | \$36.24 | \$42.71 | \$36.24 |
| Tangible common equity to tangible assets (non-GAAP) | 12.65% | 11.94% | 11.16% | 12.65% | 11.16% |
| Tier 1 capital [2] | 16.18% | 15.93% | 16.86% | 16.18% | 16.86% |
| Total capital [2] | 18.74% | 18.50% | 18.14% | 18.74% | 18.14% |
| Tier 1 leverage [2] | 11.75% | 11.59% | 11.14% | 11.75% | 11.14% |
| Common equity to Tier 1 capital [2] | 16.18% | 15.93% | 14.74% | 16.18% | 14.74% |

[1] Not on a taxable equivalent basis.

[2] Ratios for the quarters ending September 30, 2015 and June 30, 2015 were calculated based on Basel III Rules, while ratios for the previous periods were calculated based on the then applicable Basel I rules. Capital ratios for the current quarter are preliminary.

POPULAR, INC.

Financial Supplement to Third Quarter 2015 Earnings Release

Table B - Consolidated Statement of Operations

(Unaudited)

| (In thousands, except per share information) | Quarters ended | | Variance | Quarter ended | Variance | Nine months ended | |
|---|----------------|----------------|------------------------|----------------|------------------------|-------------------|------------------|
| | 30-Sep-15 | 30-Jun-15 | Q3 2015 vs. Q2 2015 | 30-Sep-14 | Q3 2015 vs. Q3 2014 | 30-Sep-15 | 30-Sep-14 |
| Interest income: | | | | | | | |
| Loans | \$364,458 | \$374,133 | \$(9,675) | \$362,592 | \$1,866 | \$1,094,222 | \$1,121,180 |
| Money market investments | 2,003 | 1,845 | 158 | 1,007 | 996 | 5,294 | 3,111 |
| Investment securities | 31,671 | 31,297 | 374 | 33,154 | (1,483) | 93,269 | 102,270 |
| Trading account securities | 3,150 | 3,026 | 124 | 4,446 | (1,296) | 8,872 | 15,047 |
| Total interest income | 401,282 | 410,301 | (9,019) | 401,199 | 83 | 1,201,657 | 1,241,608 |
| Interest expense: | | | | | | | |
| Deposits | 28,357 | 26,258 | 2,099 | 26,533 | 1,824 | 80,479 | 79,614 |
| Short-term borrowings | 2,222 | 1,863 | 359 | 28,955 | (26,733) | 5,819 | 46,887 |
| Long-term debt | 19,968 | 19,627 | 341 | 19,290 | 678 | 58,876 | 496,896 |
| Total interest expense | 50,547 | 47,748 | 2,799 | 74,778 | (24,231) | 145,174 | 623,397 |
| Net interest income | 350,735 | 362,553 | (11,818) | 326,421 | 24,314 | 1,056,483 | 618,211 |
| Provision for loan losses - non-covered loans | 69,568 | 60,468 | 9,100 | 68,166 | 1,402 | 159,747 | 172,362 |
| Provision (reversal) for loan losses - covered loans | (2,890) | 15,766 | (18,656) | 12,463 | (15,353) | 23,200 | 49,781 |
| Net interest income after provision for loan losses | 284,057 | 286,319 | (2,262) | 245,792 | 38,265 | 873,536 | 396,068 |
| Service charges on deposit accounts | 40,960 | 40,138 | 822 | 40,585 | 375 | 120,115 | 119,181 |
| Other service fees | 56,115 | 59,421 | (3,306) | 54,839 | 1,276 | 169,162 | 164,125 |
| Mortgage banking activities | 24,195 | 21,325 | 2,870 | 14,402 | 9,793 | 58,372 | 21,868 |
| Net gain (loss) and valuation adjustments on investment securities | 136 | 5 | 131 | (1,763) | 1,899 | 141 | (1,763) |
| Other-than-temporary impairment losses on investment securities | - | (14,445) | 14,445 | - | - | (14,445) | - |
| Trading account (loss) profit | (398) | (3,108) | 2,710 | 740 | (1,138) | (3,092) | 3,772 |
| Net gain on sale of loans, including valuation adjustments on loans held-for-sale | - | 681 | (681) | 15,593 | (15,593) | 602 | 29,645 |
| Adjustments (expense) to indemnity reserves on loans sold | (5,874) | 419 | (6,293) | (9,480) | 3,606 | (9,981) | (27,281) |
| FDIC loss-share income (expense) | 1,207 | 19,075 | (17,868) | (4,864) | 6,071 | 24,421 | (84,331) |
| Other operating income | 14,768 | 17,248 | (2,480) | 14,278 | 490 | 41,808 | 57,935 |
| Total non-interest income | 131,109 | 140,759 | (9,650) | 124,330 | 6,779 | 387,103 | 283,151 |
| Operating expenses: | | | | | | | |
| Personnel costs | | | | | | | |
| Salaries | 78,193 | 76,453 | 1,740 | 71,166 | 7,027 | 227,040 | 209,353 |
| Commissions, incentives and other bonuses | 18,618 | 24,214 | (5,596) | 14,738 | 3,880 | 61,290 | 40,699 |
| Pension, postretirement and medical insurance | 12,578 | 9,075 | 3,503 | 9,282 | 3,296 | 33,666 | 25,515 |
| Other personnel costs, including payroll taxes | 11,474 | 11,235 | 239 | 9,356 | 2,118 | 36,302 | 32,376 |
| Total personnel costs | 120,863 | 120,977 | (114) | 104,542 | 16,321 | 358,298 | 307,943 |
| Net occupancy expenses | 21,277 | 23,286 | (2,009) | 21,203 | 74 | 66,272 | 62,830 |
| Equipment expenses | 14,739 | 15,925 | (1,186) | 12,370 | 2,369 | 44,075 | 35,826 |
| Other taxes | 9,951 | 11,113 | (1,162) | 15,369 | (5,418) | 29,638 | 42,575 |
| Professional fees | 77,154 | 78,449 | (1,295) | 67,649 | 9,505 | 231,131 | 201,672 |
| Communications | 6,058 | 6,153 | (95) | 6,455 | (397) | 18,387 | 19,565 |
| Business promotion | 12,325 | 13,776 | (1,451) | 13,062 | (737) | 36,914 | 40,486 |
| FDIC deposit insurance | 7,300 | 8,542 | (1,242) | 9,511 | (2,211) | 22,240 | 30,969 |
| Other real estate owned (OREO) expenses | 7,686 | 44,816 | (37,130) | 19,745 | (12,059) | 75,571 | 29,595 |
| Credit and debit card processing, volume, interchange and other expenses | 6,449 | 5,762 | 687 | 5,659 | 790 | 17,032 | 16,495 |
| Other operating expenses | 19,102 | 25,320 | (6,218) | 24,759 | (5,657) | 56,949 | 56,781 |
| Amortization of intangibles | 3,512 | 2,881 | 631 | 2,026 | 1,486 | 8,497 | 6,077 |

| | | | | | | | |
|--|-----------------|------------------|--------------------|-----------------|-----------------|------------------|--------------------|
| Restructuring costs | 481 | 6,174 | (5,693) | 8,290 | (7,809) | 17,408 | 12,864 |
| Total operating expenses | 306,897 | 363,174 | (56,277) | 310,640 | (3,743) | 982,412 | 863,678 |
| Income (loss) from continuing operations before income tax | 108,269 | 63,904 | 44,365 | 59,482 | 48,787 | 278,227 | (184,459) |
| Income tax expense (benefit) | 22,620 | (533,533) | 556,153 | 26,667 | (4,047) | (478,344) | 45,807 |
| Income (loss) from continuing operations | 85,649 | 597,437 | (511,788) | 32,815 | 52,834 | 756,571 | (230,266) |
| (Loss) income from discontinued operations, net of tax | (9) | 15 | (24) | 29,758 | (29,767) | 1,347 | (132,066) |
| Net income (loss) | \$85,640 | \$597,452 | \$(511,812) | \$62,573 | \$23,067 | \$757,918 | \$(362,332) |
| Net income (loss) applicable to common stock | \$84,709 | \$596,521 | \$(511,812) | \$61,643 | \$23,066 | \$755,126 | \$(365,124) |
| Net income (loss) per common share - basic: | | | | | | | |
| Net income (loss) from continuing operations | \$0.82 | \$5.80 | \$(4.98) | \$0.31 | \$0.51 | \$7.33 | \$(2.27) |
| Net income (loss) from discontinued operations | - | - | - | 0.29 | (0.29) | 0.01 | (1.28) |
| Net income (loss) per common share - basic | \$0.82 | \$5.80 | \$(4.98) | \$0.60 | \$0.22 | \$7.34 | \$(3.55) |
| Net income (loss) per common share - diluted: | | | | | | | |
| Net income (loss) from continuing operations | \$0.82 | \$5.79 | \$(4.97) | \$0.31 | \$0.51 | \$7.31 | \$(2.27) |
| Net income (loss) from discontinued operations | - | - | - | 0.29 | (0.29) | 0.01 | (1.28) |
| Net income (loss) per common share - diluted | \$0.82 | \$5.79 | \$(4.97) | \$0.60 | \$0.22 | \$7.32 | \$(3.55) |
| Dividends Declared per Common Share | \$0.15 | \$- | \$0.15 | \$- | \$0.15 | \$0.15 | \$- |

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table C - Consolidated Statement of Financial Condition

(Unaudited)

| (In thousands) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | Variance Q3 2015 vs. Q2 2015 |
|---|---------------------|---------------------|---------------------|------------------------------------|
| Assets: | | | | |
| Cash and due from banks | \$320,555 | \$557,248 | \$321,914 | \$(236,693) |
| Money market investments | 2,408,571 | 3,254,939 | 1,053,121 | (846,368) |
| Trading account securities, at fair value | 137,943 | 141,595 | 145,343 | (3,652) |
| Investment securities available-for-sale, at fair value | 5,500,931 | 5,585,078 | 5,727,766 | (84,147) |
| Investment securities held-to-maturity, at amortized cost | 100,295 | 101,861 | 112,893 | (1,566) |
| Other investment securities, at lower of cost or realizable value | 173,657 | 165,505 | 161,168 | 8,152 |
| Loans held-for-sale, at lower of cost or fair value | 171,019 | 202,287 | 178,008 | (31,268) |
| Loans held-in-portfolio: | | | | |
| Loans not covered under loss-sharing agreements with the FDIC | 22,601,271 | 22,535,008 | 19,450,677 | 66,263 |
| Loans covered under loss-sharing agreements with the FDIC | 665,428 | 689,650 | 2,654,263 | (24,222) |
| Less: Unearned income | 103,205 | 99,863 | 91,461 | 3,342 |
| Allowance for loan losses | 570,514 | 550,813 | 611,375 | 19,701 |
| Total loans held-in-portfolio, net | 22,592,980 | 22,573,982 | 21,402,104 | 18,998 |
| FDIC loss-share asset | 311,946 | 392,947 | 681,106 | (81,001) |
| Premises and equipment, net | 495,103 | 497,078 | 497,111 | (1,975) |
| Other real estate not covered under loss-sharing agreements with the FDIC | 155,826 | 142,255 | 135,256 | 13,571 |
| Other real estate covered under loss-sharing agreements with the FDIC | 35,701 | 33,504 | 151,382 | 2,197 |
| Accrued income receivable | 118,044 | 130,281 | 116,746 | (12,237) |
| Mortgage servicing assets, at fair value | 210,851 | 206,357 | 152,282 | 4,494 |
| Other assets | 2,221,054 | 2,184,907 | 1,634,819 | 36,147 |
| Goodwill | 504,925 | 505,435 | 461,246 | (510) |
| Other intangible assets | 71,393 | 74,854 | 37,777 | (3,461) |
| Assets from discontinued operations | - | - | 1,129,053 | - |
| Total assets | \$35,530,794 | \$36,750,113 | \$34,099,095 | \$(1,219,319) |
| Liabilities and Stockholders' Equity: | | | | |
| Liabilities: | | | | |
| Deposits: | | | | |
| Non-interest bearing | \$6,070,719 | \$6,305,986 | \$5,521,415 | \$(235,267) |
| Interest bearing | 20,642,487 | 21,444,708 | 18,944,690 | (802,221) |
| Total deposits | 26,713,206 | 27,750,694 | 24,466,105 | (1,037,488) |
| Federal funds purchased and assets sold under agreements to repurchase | 1,085,765 | 1,121,244 | 1,650,712 | (35,479) |
| Other short-term borrowings | 1,200 | 101,200 | 1,200 | (100,000) |
| Notes payable | 1,674,511 | 1,804,028 | 1,723,573 | (129,517) |
| Other liabilities | 1,004,676 | 1,021,540 | 852,351 | (16,864) |
| Liabilities from discontinued operations | 1,800 | 1,754 | 1,106,762 | 46 |
| Total liabilities | 30,481,158 | 31,800,460 | 29,800,703 | (1,319,302) |
| Stockholders' equity: | | | | |
| Preferred stock | 50,160 | 50,160 | 50,160 | - |
| Common stock | 1,037 | 1,037 | 1,036 | - |
| Surplus | 4,200,805 | 4,199,165 | 4,171,890 | 1,640 |
| Retained earnings | 993,309 | 924,134 | 229,306 | 69,175 |
| Treasury stock | (5,869) | (5,812) | (3,933) | (57) |
| Accumulated other comprehensive loss | (189,806) | (219,031) | (150,067) | 29,225 |
| Total stockholders' equity | 5,049,636 | 4,949,653 | 4,298,392 | 99,983 |
| Total liabilities and stockholders' equity | \$35,530,794 | \$36,750,113 | \$34,099,095 | \$(1,219,319) |

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table D - Consolidated Average Balances and Yield / Rate Analysis - QUARTER

(Unaudited)

| | Quarter ended | | | Quarter ended | | | Quarter ended | | | Variance | | | Variance | | |
|---|-----------------|------------------|--------------|-----------------|------------------|--------------|-----------------|------------------|--------------|---------------------|------------------|--------------|---------------------|------------------|--------------|
| | 30-Sep-15 | | | 30-Jun-15 | | | 30-Sep-14 | | | Q3 2015 vs. Q2 2015 | | | Q3 2015 vs. Q3 2014 | | |
| (\$ amounts in millions; yields not on a taxable equivalent basis) | 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 | \$8,667 | \$36.8 | 1.70% | \$8,575 | \$36.2 | 1.69% | \$7,501 | \$38.6 | 2.06% | \$92 | \$0.6 | 0.01% | \$1,166 | (\$1.8) | (0.36)% |
| Loans not covered under loss-sharing agreements with the FDIC: | | | | | | | | | | | | | | | |
| Commercial | 8,769 | 109.6 | 4.96 | 8,776 | 108.0 | 4.93 | 8,239 | 99.6 | 4.80 | (7) | 1.6 | 0.03 | 530 | 10.0 | 0.16 |
| Construction | 681 | 10.8 | 6.30 | 682 | 10.2 | 6.02 | 201 | 2.5 | 4.86 | (1) | 0.6 | 0.28 | 480 | 8.3 | 1.44 |
| Mortgage | 7,072 | 88.8 | 5.02 | 7,175 | 93.4 | 5.21 | 6,646 | 84.0 | 5.05 | (103) | (4.6) | (0.19) | 426 | 4.8 | (0.03) |
| Consumer | 3,811 | 97.2 | 10.12 | 3,823 | 97.1 | 10.19 | 3,905 | 98.4 | 10.00 | (12) | 0.1 | (0.07) | (94) | (1.2) | 0.12 |
| Lease financing | 594 | 10.0 | 6.75 | 583 | 10.1 | 6.93 | 545 | 9.8 | 7.20 | 11 | (0.1) | (0.18) | 49 | 0.2 | (0.45) |
| Total loans (excluding WB loans) | 20,927 | 316.4 | 6.02 | 21,039 | 318.8 | 6.07 | 19,536 | 294.3 | 5.99 | (112) | (2.4) | (0.05) | 1,391 | 22.1 | 0.03 |
| WB loans | 2,221 | 48.0 | 8.59 | 2,350 | 55.3 | 9.44 | 2,727 | 68.3 | 9.95 | (129) | (7.3) | (0.85) | (506) | (20.3) | (1.36) |
| Total loans | 23,148 | 364.4 | 6.26 | 23,389 | 374.1 | 6.41 | 22,263 | 362.6 | 6.48 | (241) | (9.7) | (0.15) | 885 | 1.8 | (0.22) |
| Total interest earning assets | 31,815 | \$401.2 | 5.02% | 31,964 | \$410.3 | 5.14% | 29,764 | \$401.2 | 5.36% | (149) | (\$9.1) | (0.12)% | 2,051 | - | (0.34)% |
| Allowance for loan losses | (559) | | | (599) | | | (629) | | | 40 | | | 70 | | |
| Other non-interest earning assets | 4,584 | | | 4,212 | | | 4,416 | | | 372 | | | 168 | | |
| Assets from discontinued operations | - | | | - | | | 1,473 | | | - | | | (1,473) | | |
| Total average assets | \$35,840 | | | \$35,577 | | | \$35,024 | | | \$263 | | | \$816 | | |
| Liabilities and Stockholders' Equity: | | | | | | | | | | | | | | | |
| Interest bearing deposits: | | | | | | | | | | | | | | | |
| NOW and money market | \$5,742 | \$4.9 | 0.34% | \$5,507 | \$4.9 | 0.36% | \$4,876 | \$3.9 | 0.32% | \$235 | \$- | (0.02)% | \$866 | \$1.0 | 0.02% |
| Savings | 7,055 | 4.1 | 0.23 | 7,040 | 4.1 | 0.23 | 6,740 | 3.7 | 0.22 | 15 | - | - | 315 | 0.4 | 0.01 |
| Time deposits | 8,158 | 19.4 | 0.94 | 8,530 | 17.2 | 0.81 | 7,569 | 18.9 | 0.99 | (372) | 2.2 | 0.13 | 589 | 0.5 | (0.05) |
| Total interest bearing deposits | 20,955 | 28.4 | 0.54 | 21,077 | 26.2 | 0.50 | 19,185 | 26.5 | 0.55 | (122) | 2.2 | 0.04 | 1,770 | 1.9 | (0.01) |
| Borrowings ⁽¹⁾ | 2,861 | 22.1 | 3.09 | 2,855 | 21.5 | 3.01 | 3,591 | 27.6 | 3.06 | 6 | 0.6 | 0.08 | (730) | (5.5) | 0.03 |
| Total interest bearing liabilities | 23,816 | 50.5 | 0.84 | 23,932 | 47.7 | 0.80 | 22,776 | 54.1 | 0.94 | (116) | 2.8 | 0.04 | 1,040 | (3.6) | (0.10) |
| Net interest spread | | | 4.18% | | | 4.34% | | | 4.42% | | | (0.16)% | | | (0.24)% |
| Non-interest bearing deposits | 6,144 | | | 6,247 | | | 5,464 | | | (103) | | | 680 | | |
| Other liabilities | 876 | | | 991 | | | 860 | | | (115) | | | 16 | | |
| Liabilities from discontinued operations | 2 | | | 2 | | | 1,618 | | | - | | | (1,616) | | |
| Stockholders' equity | 5,002 | | | 4,405 | | | 4,306 | | | 597 | | | 696 | | |
| Total average liabilities and stockholders' equity | \$35,840 | | | \$35,577 | | | \$35,024 | | | \$263 | | | \$816 | | |
| Adjusted net interest income / margin non-taxable equivalent basis | \$350.7 | 4.39% | | \$362.6 | 4.54% | | \$347.1 | 4.64% | | (\$11.9) | (0.15)% | | \$3.6 | (0.25)% | |
| Impact of fees related to repos refinancing | - | | | - | | | 20.7 | | | - | | | (20.7) | | |

| | | | | | |
|---|-----------------------|-----------------------|-----------------------|-------------------------|----------------------|
| Net interest income / margin non-taxable equivalent basis | <u>\$350.7</u> 4.39 % | <u>\$362.6</u> 4.54 % | <u>\$326.4</u> 4.36 % | <u>(\$11.9)</u> (0.15)% | <u>\$24.3</u> 0.03 % |
|---|-----------------------|-----------------------|-----------------------|-------------------------|----------------------|

(1) Borrowing expense for the third quarter of 2014, including the fees related to repos refinancing, was 5.34%.

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table E - Consolidated Average Balances and Yield / Rate Analysis - YEAR-TO-DATE

(Unaudited)

| | Nine months ended | | | Nine months ended | | | Variance | | |
|--|-------------------|-----------|---------|-------------------|-----------|---------|----------|----------|---------|
| | 30-Sep-15 | | | 30-Sep-14 | | | | | |
| | Average | Income / | Yield / | Average | Income / | Yield / | Average | Income / | Yield / |
| (\$ amounts in millions; yields not on a taxable equivalent basis) | balance | Expense | Rate | balance | Expense | Rate | balance | Expense | Rate |
| Assets: | | | | | | | | | |
| Interest earning assets: | | | | | | | | | |
| Money market, trading and investment securities | \$8,340 | \$107.4 | 1.72 % | \$7,635 | \$120.4 | 2.10 % | \$705 | (\$13.0) | (0.38)% |
| Loans not covered under loss-sharing agreements with the FDIC: | | | | | | | | | |
| Commercial | 8,627 | 318.5 | 4.93 | 8,390 | 302.6 | 4.82 | 237 | 15.9 | 0.11 |
| Construction | 600 | 27.1 | 6.05 | 187 | 9.7 | 6.93 | 413 | 17.4 | (0.88) |
| Mortgage | 6,989 | 267.9 | 5.11 | 6,676 | 256.2 | 5.12 | 313 | 11.7 | (0.01) |
| Consumer | 3,826 | 289.8 | 10.13 | 3,854 | 290.1 | 10.07 | (28) | (0.3) | 0.06 |
| Lease financing | 582 | 30.1 | 6.89 | 545 | 30.3 | 7.40 | 37 | (0.2) | (0.51) |
| Total loans (excluding WB loans) | 20,624 | 933.4 | 6.05 | 19,652 | 888.9 | 6.04 | 972 | 44.5 | 0.01 |
| WB loans | 2,392 | 160.9 | 8.99 | 2,823 | 232.3 | 11.00 | (431) | (71.4) | (2.01) |
| Total loans | 23,016 | 1,094.3 | 6.35 | 22,475 | 1,121.2 | 6.66 | 541 | (26.9) | (0.31) |
| Total interest earning assets | 31,356 | \$1,201.7 | 5.12% | 30,110 | \$1,241.6 | 5.51% | 1,246 | (\$39.9) | (0.39)% |
| Allowance for loan losses | (589) | | | (624) | | | 35 | | |
| Other non-interest earning assets | 4,288 | | | 4,566 | | | (278) | | |
| Assets from discontinued operations | - | | | 1,762 | | | (1,762) | | |
| Total average assets | \$35,055 | | | \$35,814 | | | (\$759) | | |
| Liabilities and Stockholders' Equity: | | | | | | | | | |
| Interest bearing deposits: | | | | | | | | | |
| NOW and money market | \$5,413 | \$14.0 | 0.35% | \$4,837 | \$11.5 | 0.32% | \$576 | \$2.5 | 0.03 % |
| Savings | 6,996 | 12.1 | 0.23 | 6,715 | 10.9 | 0.22 | 281 | 1.2 | 0.01 |
| Time deposits | 8,146 | 54.4 | 0.89 | 7,605 | 57.2 | 1.01 | 541 | (2.8) | (0.12) |
| Total interest bearing deposits | 20,555 | 80.5 | 0.52 | 19,157 | 79.6 | 0.56 | 1,398 | 0.9 | (0.04) |
| Borrowings ⁽¹⁾ | 2,865 | 64.7 | 3.01 | 3,690 | 109.0 | 3.94 | (825) | (44.3) | (0.93) |
| Total interest bearing liabilities | 23,420 | 145.2 | 0.83 | 22,847 | 188.6 | 1.10 | 573 | (43.4) | (0.27) |
| Net interest spread | | | 4.29% | | | 4.41% | | | (0.12)% |
| Non-interest bearing deposits | 6,113 | | | 5,499 | | | 614 | | |
| Other liabilities | 942 | | | 889 | | | 53 | | |
| Liabilities from discontinued operations | 2 | | | 1,957 | | | (1,955) | | |
| Stockholders' equity | 4,578 | | | 4,622 | | | (44) | | |
| Total average liabilities and stockholders' equity | \$35,055 | | | \$35,814 | | | (\$759) | | |
| Adjusted net interest income / margin non-taxable equivalent basis | \$1,056.5 | 4.50% | | \$1,053.0 | 4.67% | | \$3.5 | (0.17)% | |
| Impact of fees related to repos refinancing | | - | | 20.7 | | | (20.7) | | |
| Accelerated amortization of TARP discount and related deferred costs | | - | | 414.1 | | | (414.1) | | |
| Net interest income/margin non-taxable equivalent basis | \$1,056.5 | 4.50% | | \$618.2 | 2.75% | | \$438.3 | 1.75% | |

(1) Borrowing expense for 2014 including the fees related to repos refinancing and the impact of the accelerated TARP amortization was 19.65%.

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table F - Mortgage Banking Activities and Other Service Fees

(Unaudited)

Mortgage Banking Activities

| (In thousands) | Quarters ended | | | Variance | | Nine months ended | | Variance 2015 vs. 2014 |
|---|---|-----------------|-----------------|---------------------------|---------------------------|-------------------|-----------------|------------------------------|
| | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | Q3 2015 vs. Q2 2015 | Q3 2015 vs. Q3 2014 | 30-Sep-15 | 30-Sep-14 | |
| | Mortgage servicing fees, net of fair value adjustments: | | | | | | | |
| Mortgage servicing fees | \$17,020 | \$14,689 | \$11,091 | \$2,331 | \$5,929 | \$43,957 | \$32,397 | \$11,560 |
| Mortgage servicing rights fair value adjustments | 1,038 | (1,917) | (2,588) | 2,955 | 3,626 | (5,808) | (18,424) | 12,616 |
| Total mortgage servicing fees, net of fair value adjustments | 18,058 | 12,772 | 8,503 | 5,286 | 9,555 | 38,149 | 13,973 | 24,176 |
| Net gain on sale of loans, including valuation on loans held-for-sale | 9,698 | 8,022 | 7,466 | 1,676 | 2,232 | 24,999 | 22,831 | 2,168 |
| Trading account (loss) profit: | | | | | | | | |
| Unrealized (losses) gains on outstanding derivative positions | (69) | 42 | 13 | (111) | (82) | (10) | (725) | 715 |
| Realized (losses) gains on closed derivative positions | (3,492) | 489 | (1,580) | (3,981) | (1,912) | (4,766) | (14,211) | 9,445 |
| Total trading account (loss) profit | (3,561) | 531 | (1,567) | (4,092) | (1,994) | (4,776) | (14,936) | 10,160 |
| Total mortgage banking activities | \$24,195 | \$21,325 | \$14,402 | \$2,870 | \$9,793 | \$58,372 | \$21,868 | \$36,504 |

Other Service Fees

| (In thousands) | Quarters ended | | | Variance | | Nine months ended | | Variance 2015 vs. 2014 |
|--|---------------------|-----------------|-----------------|---------------------|---------------------|-------------------|------------------|------------------------------|
| | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | Q3 2015 vs. Q2 2015 | Q3 2015 vs. Q3 2014 | 30-Sep-15 | 30-Sep-14 | |
| | Other service fees: | | | | | | | |
| Debit card fees | \$11,288 | \$11,995 | \$10,673 | \$(707) | \$615 | \$34,408 | \$32,217 | \$2,191 |
| Insurance fees | 14,517 | 13,606 | 12,322 | 911 | 2,195 | 40,163 | 36,447 | 3,716 |
| Credit card fees | 16,879 | 17,611 | 17,078 | (732) | (199) | 50,639 | 50,146 | 493 |
| Sale and administration of investment products | 5,737 | 6,601 | 6,605 | (864) | (868) | 18,269 | 20,518 | (2,249) |
| Trust fees | 4,403 | 4,914 | 4,711 | (511) | (308) | 13,919 | 13,740 | 179 |
| Other fees | 3,291 | 4,694 | 3,450 | (1,403) | (159) | 11,764 | 11,057 | 707 |
| Total other service fees | \$56,115 | \$59,421 | \$54,839 | \$(3,306) | \$1,276 | \$169,162 | \$164,125 | \$5,037 |

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table G - Loans and Deposits

(Unaudited)

Loans - Ending Balances

| (In thousands) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | Variance | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | Q3 2015 vs. Q2 2015 | Q3 2015 vs. Q3 2014 |
| Loans not covered under FDIC loss-sharing agreements: | | | | | |
| Commercial | \$10,130,424 | \$10,004,716 | \$8,058,714 | \$125,708 | \$2,071,710 |
| Construction | 692,492 | 696,010 | 211,850 | (3,518) | 480,642 |
| Legacy [1] | 67,974 | 72,502 | 91,015 | (4,528) | (23,041) |
| Lease financing | 606,927 | 592,816 | 550,514 | 14,111 | 56,413 |
| Mortgage | 7,165,479 | 7,225,823 | 6,555,337 | (60,344) | 610,142 |
| Consumer | 3,834,770 | 3,843,278 | 3,891,786 | (8,508) | (57,016) |
| Total non-covered loans held-in-portfolio | \$22,498,066 | \$22,435,145 | \$19,359,216 | \$62,921 | \$3,138,850 |
| Loans covered under FDIC loss-sharing agreements | 665,428 | 689,650 | 2,654,263 | (24,222) | (1,988,835) |
| Total loans held-in-portfolio | \$23,163,494 | \$23,124,795 | \$22,013,479 | \$38,699 | \$1,150,015 |
| Loans held-for-sale: | | | | | |
| Commercial | \$47,447 | \$48,969 | \$38,072 | \$(1,522) | \$9,375 |
| Construction | 10 | 1,681 | - | (1,671) | 10 |
| Legacy [1] | - | - | 27,409 | - | (27,409) |
| Mortgage | 123,562 | 151,637 | 106,832 | (28,075) | 16,730 |
| Consumer | - | - | 5,695 | - | (5,695) |
| Total loans held-for-sale | \$171,019 | \$202,287 | \$178,008 | \$(31,268) | \$(6,989) |
| Total loans | \$23,334,513 | \$23,327,082 | \$22,191,487 | \$7,431 | \$1,143,026 |

[1] The legacy portfolio is comprised of commercial loans, construction loans and lease financings related to certain lending products exited by the Corporation as part of restructuring efforts carried out in prior years at the BPNA segment.

Deposits - Ending Balances

| (In thousands) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | Variance | |
|---|---------------------|---------------------|---------------------|----------------------|---------------------|
| | | | | Q3 2015 vs. Q2 2015 | Q3 2015 vs. Q3 2014 |
| Demand deposits [1] | \$7,027,672 | \$7,262,176 | \$6,326,220 | \$(234,504) | \$701,452 |
| Savings, NOW and money market deposits (non-brokered) | 11,178,357 | 11,177,288 | 10,251,602 | 1,069 | 926,755 |
| Savings, NOW and money market deposits (brokered) | 405,903 | 468,973 | 386,573 | (63,070) | 19,330 |
| Time deposits (non-brokered) | 6,870,816 | 7,367,256 | 5,636,443 | (496,440) | 1,234,373 |
| Time deposits (brokered CDs) | 1,230,458 | 1,475,001 | 1,865,267 | (244,543) | (634,809) |
| Total deposits | \$26,713,206 | \$27,750,694 | \$24,466,105 | \$(1,037,488) | \$2,247,101 |

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

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table H - Non-Performing Assets

(Unaudited)

| (Dollars in thousands) | 30-Sep-15 | As a % of loans HIP by category | 30-Jun-15 | As a % of loans HIP by category | 30-Sep-14 | As a % of loans HIP by category | Variance | |
|---|-----------|---------------------------------------|-----------|---------------------------------------|-----------|---------------------------------------|------------------------|------------------------|
| | | | | | | | Q3 2015 vs. Q2 2015 | Q3 2015 vs. Q3 2014 |
| Non-accrual loans: | | | | | | | | |
| Commercial | \$239,397 | 2.4 % | \$190,294 | 1.9 % | \$252,331 | 3.1 % | \$49,103 | \$(12,934) |
| Construction | 3,605 | 0.5 | 5,427 | 0.8 | 19,148 | 9.0 | (1,822) | (15,543) |
| Legacy [1] | 4,059 | 6.0 | 4,686 | 6.5 | 5,648 | 6.2 | (627) | (1,589) |
| Lease financing | 3,091 | 0.5 | 2,328 | 0.4 | 3,168 | 0.6 | 763 | (77) |
| Mortgage | 343,410 | 4.8 | 330,821 | 4.6 | 295,125 | 4.5 | 12,589 | 48,285 |
| Consumer | 41,340 | 1.1 | 42,441 | 1.1 | 46,525 | 1.2 | (1,101) | (5,185) |
| Total non-performing loans held-in-portfolio, excluding covered loans | | | | | | | | |
| | 634,902 | 2.8 % | 575,997 | 2.6 % | 621,945 | 3.2 % | 58,905 | 12,957 |
| Non-performing loans held-for-sale [2] | | | | | | | | |
| | 47,681 | | 50,875 | | 19,728 | | (3,194) | 27,953 |
| Other real estate owned ("OREO"), excluding covered OREO | | | | | | | | |
| | 155,826 | | 142,255 | | 135,256 | | 13,571 | 20,570 |
| Total non-performing assets, excluding covered assets | | | | | | | | |
| | 838,409 | | 769,127 | | 776,929 | | 69,282 | 61,480 |
| Covered loans and OREO | | | | | | | | |
| | 39,888 | | 37,367 | | 166,533 | | 2,521 | (126,645) |
| Total non-performing assets | | | | | | | | |
| | \$878,297 | | \$806,494 | | \$943,462 | | \$71,803 | \$(65,165) |
| Accruing loans past due 90 days or more [3] | | | | | | | | |
| | \$443,497 | | \$435,775 | | \$426,549 | | \$7,722 | \$16,948 |
| Ratios excluding covered loans: | | | | | | | | |
| Non-performing loans held-in-portfolio | | | | | | | | |
| to loans held-in-portfolio | 2.82 % | | 2.57 % | | 3.21 % | | | |
| Allowance for loan losses to loans held-in-portfolio | | | | | | | | |
| | 2.38 | | 2.29 | | 2.69 | | | |
| Allowance for loan losses to non-performing loans, excluding loans held-for-sale | | | | | | | | |
| | 84.42 | | 89.02 | | 83.88 | | | |
| Ratios including covered loans: | | | | | | | | |
| Non-performing assets to total assets | | | | | | | | |
| | 2.47% | | 2.19% | | 2.77% | | | |
| Non-performing loans held-in-portfolio to loans held-in-portfolio | | | | | | | | |
| | 2.76 | | 2.51 | | 2.89 | | | |
| Allowance for loan losses to loans held-in-portfolio | | | | | | | | |
| | 2.46 | | 2.38 | | 2.78 | | | |
| Allowance for loan losses to non-performing loans, excluding loans held-for-sale | | | | | | | | |
| | 89.27 | | 94.99 | | 95.96 | | | |

[1] The legacy portfolio is comprised of commercial loans, construction loans and lease financings related to certain lending products exited by the Corporation as part of restructuring efforts carried out in prior years at the BPNA segment.

[2] Non-performing loans held-for-sale as of September 30, 2015 consisted of \$47 million in commercial loans, \$10 thousand in construction loan and \$224 thousand in mortgage loans (June 30, 2015 - \$49 million in commercial loans, \$2 million in construction loan and \$225 thousand in mortgage loans; September 30, 2014 - \$14.7 million in mortgage loans, \$427 thousand in commercial loans, \$4.6 million in consumer loans and \$10 thousand in legacy loans).

[3] 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. These balances include \$159 million of residential mortgage loans insured by FHA or guaranteed by the VA that are no longer accruing interest as of September 30, 2015 (June 30, 2015 - \$133 million; September 30, 2014 - \$125 million). Furthermore, the Corporation has approximately \$71 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 (June 30, 2015 - \$72 million; September 30, 2014 - \$64 million).

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table I - Activity in Non-Performing Loans

(Unaudited)

Commercial loans held-in-portfolio:

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|----------|---------------|---------------|----------|---------------|
| | 30-Sep-15 | | | 30-Jun-15 | | |
| | BPPR | BPNA | Popular, Inc. | BPPR | BPNA | Popular, Inc. |
| Beginning balance NPLs | \$179,399 | \$10,895 | \$190,294 | \$264,631 | \$9,807 | \$274,438 |
| Plus: | | | | | | |
| New non-performing loans | 91,393 | 2,125 | 93,518 | 17,092 | 1,386 | 18,478 |
| Advances on existing non-performing loans | - | 6 | 6 | - | 383 | 383 |
| Reclass from covered loans | - | - | - | 7,395 | - | 7,395 |
| Less: | | | | | | |
| Non-performing loans transferred to OREO | (853) | - | (853) | (3,568) | - | (3,568) |
| Non-performing loans charged-off | (13,999) | (229) | (14,228) | (51,804) | (399) | (52,203) |
| Loans returned to accrual status / loan collections | (20,045) | (1,525) | (21,570) | (9,351) | (282) | (9,633) |
| Loans transferred to held-for-sale | - | - | - | (44,996) | - | (44,996) |
| Other transfers out of non-performing | - | (7,770) | (7,770) | - | - | - |
| Ending balance NPLs | \$235,895 | \$3,502 | \$239,397 | \$179,399 | \$10,895 | \$190,294 |

Construction loans held-in-portfolio:

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|---------|---------------|---------------|-------|---------------|
| | 30-Sep-15 | | | 30-Jun-15 | | |
| | BPPR | BPNA | Popular, Inc. | BPPR | BPNA | Popular, Inc. |
| Beginning balance NPLs | \$4,756 | \$671 | \$5,427 | \$13,214 | \$- | \$13,214 |
| Plus: | | | | | | |
| New non-performing loans | - | 7,745 | 7,745 | - | 671 | 671 |
| Reclass from covered loans | - | - | - | 112 | - | 112 |
| Less: | | | | | | |
| Non-performing loans transferred to OREO | - | - | - | (2,194) | - | (2,194) |
| Non-performing loans charged-off | (91) | - | (91) | - | - | - |
| Loans returned to accrual status / loan collections | (1,060) | (8,416) | (9,476) | (6,376) | - | (6,376) |
| Ending balance NPLs | \$3,605 | \$- | \$3,605 | \$4,756 | \$671 | \$5,427 |

Mortgage loans held-in-portfolio:

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|----------|---------------|---------------|----------|---------------|
| | 30-Sep-15 | | | 30-Jun-15 | | |
| | BPPR | BPNA | Popular, Inc. | BPPR | BPNA | Popular, Inc. |
| Beginning balance NPLs | \$318,773 | \$12,048 | \$330,821 | \$320,154 | \$8,461 | \$328,615 |
| Plus: | | | | | | |
| New non-performing loans | 93,768 | 5,816 | 99,584 | 85,555 | 11,857 | 97,412 |
| Reclass from covered loans | - | - | - | 568 | - | 568 |
| Less: | | | | | | |
| Non-performing loans transferred to OREO | (8,450) | - | (8,450) | (6,103) | (314) | (6,417) |
| Non-performing loans charged-off | (15,212) | (517) | (15,729) | (7,998) | (319) | (8,317) |
| Loans returned to accrual status / loan collections | (57,857) | (4,959) | (62,816) | (73,403) | (7,637) | (81,040) |
| Ending balance NPLs | \$331,022 | \$12,388 | \$343,410 | \$318,773 | \$12,048 | \$330,821 |

Legacy loans held-in-portfolio:

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|---------|---------------|---------------|---------|---------------|
| | 30-Sep-15 | | | 30-Jun-15 | | |
| | BPPR | BPNA | Popular, Inc. | BPPR | BPNA | Popular, Inc. |
| Beginning balance NPLs | \$- | \$4,686 | \$4,686 | \$- | \$2,288 | \$2,288 |
| Plus: | | | | | | |
| New non-performing loans | - | 649 | 649 | - | 3,077 | 3,077 |
| Advances on existing non-performing loans | - | 89 | 89 | - | 14 | 14 |
| Less: | | | | | | |
| Non-performing loans charged-off | - | (721) | (721) | - | (433) | (433) |
| Loans returned to accrual status / loan collections | - | (644) | (644) | - | (260) | (260) |
| Ending balance NPLs | \$- | \$4,059 | \$4,059 | \$- | \$4,686 | \$4,686 |

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

| (In thousands) | Quarter ended | | | Quarter ended | | |
|---|---------------|----------|---------------|---------------|----------|---------------|
| | 30-Sep-15 | | | 30-Jun-15 | | |
| | BPPR | BPNA | Popular, Inc. | BPPR | BPNA | Popular, Inc. |
| Beginning balance NPLs | \$502,928 | \$28,300 | \$531,228 | \$597,999 | \$20,556 | \$618,555 |
| Plus: | | | | | | |
| New non-performing loans | 185,161 | 16,335 | 201,496 | 102,647 | 16,991 | 119,638 |
| Advances on existing non-performing loans | - | 95 | 95 | - | 397 | 397 |
| Reclass from covered loans | - | - | - | 8,075 | - | 8,075 |
| Less: | | | | | | |
| Non-performing loans transferred to OREO | (9,303) | - | (9,303) | (11,865) | (314) | (12,179) |
| Non-performing loans charged-off | (29,302) | (1,467) | (30,769) | (59,802) | (1,151) | (60,953) |
| Loans returned to accrual status / loan collections | (78,962) | (15,544) | (94,506) | (89,130) | (8,179) | (97,309) |
| Loans transferred to held-for-sale | - | - | - | (44,996) | - | (44,996) |
| Other transfers out of non-performing | - | (7,770) | (7,770) | - | - | - |
| Ending balance NPLs | \$570,522 | \$19,949 | \$590,471 | \$502,928 | \$28,300 | \$531,228 |

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

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

(Unaudited)

| (Dollars in thousands) | Quarter ended 30-Sep-15 | | | Quarter ended 30-Jun-15 | | | Quarter ended 30-Sep-14 | | |
|---|----------------------------|------------------|-----------|----------------------------|------------------|-----------|----------------------------|------------------|-----------|
| | Non-covered loans | Covered loans | Total | Non-covered loans | Covered loans | Total | Non-covered loans | Covered loans | Total |
| Balance at beginning of period | \$512,739 | \$38,074 | \$550,813 | \$516,224 | \$72,473 | \$588,697 | \$526,246 | \$98,665 | \$624,911 |
| Provision for loan losses - Continuing operations | 69,568 | (2,890) | 66,678 | 60,468 | 15,766 | 76,234 | 68,166 | 12,463 | 80,629 |
| | 582,307 | 35,184 | 617,491 | 576,692 | 88,239 | 664,931 | 594,412 | 111,128 | 705,540 |
| Net loans charged-off (recovered): | | | | | | | | | |
| BPPR | | | | | | | | | |
| Commercial | 9,172 | - | 9,172 | 17,059 | 19,833 | 36,892 | 1,011 | 16,590 | 17,601 |
| Construction | (2,648) | - | (2,648) | 1,721 | 14,615 | 16,336 | (1,237) | 4,066 | 2,829 |
| Lease financing | 894 | - | 894 | 973 | - | 973 | 1,410 | (1) | 1,409 |
| Mortgage | 15,524 | 601 | 16,125 | 10,739 | 178 | 10,917 | 13,330 | 1,809 | 15,139 |
| Consumer | 24,303 | 74 | 24,377 | 14,654 | 679 | 15,333 | 24,168 | (1,024) | 23,144 |
| Total BPPR | 47,245 | 675 | 47,920 | 45,146 | 35,305 | 80,451 | 38,682 | 21,440 | 60,122 |
| BPNA | | | | | | | | | |
| Commercial | (1,959) | - | (1,959) | (879) | - | (879) | (893) | - | (893) |
| Construction | - | - | - | - | - | - | (59) | - | (59) |
| Legacy [1] | (603) | - | (603) | 30 | - | 30 | 221 | - | 221 |
| Mortgage | 787 | - | 787 | 176 | - | 176 | 26 | - | 26 |
| Consumer | 832 | - | 832 | 1,969 | - | 1,969 | 2,492 | - | 2,492 |
| Total BPNA | (943) | - | (943) | 1,296 | - | 1,296 | 1,787 | - | 1,787 |
| Total loans charged-off - Popular, Inc. | 46,302 | 675 | 46,977 | 46,442 | 35,305 | 81,747 | 40,469 | 21,440 | 61,909 |
| Balance transferred from covered to non-covered loans [2] | - | - | - | 13,037 | (13,037) | - | - | - | - |
| Net (write-downs) recoveries [3] | - | - | - | (30,548) | (1,823) | (32,371) | (32,256) | - | (32,256) |
| Balance at end of period | \$536,005 | \$34,509 | \$570,514 | \$512,739 | \$38,074 | \$550,813 | \$521,687 | \$89,688 | \$611,375 |

POPULAR, INC.

| | | | | | | |
|--|--------|---------|--------|--------|--------|--------|
| Annualized net charge-offs to average loans held-in-portfolio | 0.83% | 0.82% | 0.89% | 1.41% | 0.83% | 1.12% |
| Provision for loan losses to net charge-offs [4] | 1.50 x | 1.42 x | 1.28 x | 0.92 x | 1.39 x | 1.11 x |
| BPPR | | | | | | |
| Annualized net charge-offs to average loans held-in-portfolio | 1.07% | 1.04% | 1.10% | 1.71% | 0.98% | 1.30% |
| Provision for loan losses to net charge-offs [4] | 1.46 x | 1.37 x | 1.32 x | 0.94 x | 1.60 x | 1.24 x |
| BPNA | | | | | | |
| Annualized net charge-offs (recoveries) to average loans held-in-portfolio | | (0.08)% | | 0.12 % | | 0.19 % |
| Provision for loan losses to net charge-offs | | N.M. | | N.M. | | N.M. |

[1] The legacy portfolio is comprised of commercial loans, construction loans and lease financings related to certain lending products exited by the Corporation as part of restructuring efforts carried out in prior years at the BPNA segment.

[2] Represents the transfer of covered to non-covered loans at June 30, 2015.

[3] Net write-downs are related to loans sold or reclassified to held-for-sale.

[4] Excluding provision for loan losses and net write-down related to loans sold or reclassified to held-for-sale.

N.M. - Not meaningful.

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table K - Allowance for Loan Losses - Breakdown of General and Specific Reserves - CONSOLIDATED

(Unaudited)

| 30-Sep-15 | | | | | | | | |
|---|-----|--------------|--------------|------------|-------------|-----------------|-------------|--------------|
| (Dollars in thousands) | | Commercial | Construction | Legacy [3] | Mortgage | Lease financing | Consumer | Total[2] |
| Specific ALLL | | \$83,615 | \$358 | \$- | \$47,545 | \$634 | \$24,696 | \$156,848 |
| Impaired loans | [1] | \$391,066 | \$2,536 | \$1,188 | \$462,806 | \$2,645 | \$113,865 | \$974,106 |
| Specific ALLL to impaired loans | [1] | 21.38 % | 14.12 % | - % | 10.27 % | 23.97 % | 21.69 % | 16.10 % |
| General ALLL | | \$146,846 | \$14,393 | \$2,805 | \$86,955 | \$8,457 | \$119,701 | \$379,157 |
| Loans held-in-portfolio, excluding impaired loans | [1] | \$9,739,358 | \$689,956 | \$66,786 | \$6,702,673 | \$604,282 | \$3,720,905 | \$21,523,960 |
| General ALLL to loans held-in-portfolio, excluding impaired loans | [1] | 1.51 % | 2.09 % | 4.20 % | 1.30 % | 1.40 % | 3.22 % | 1.76 % |
| Total ALLL | | \$230,461 | \$14,751 | \$2,805 | \$134,500 | \$9,091 | \$144,397 | \$536,005 |
| Total non-covered loans held-in-portfolio | [1] | \$10,130,424 | \$692,492 | \$67,974 | \$7,165,479 | \$606,927 | \$3,834,770 | \$22,498,066 |
| ALLL to loans held-in-portfolio | [1] | 2.27 % | 2.13 % | 4.13 % | 1.88 % | 1.50 % | 3.77 % | 2.38 % |

[1] Excludes covered loans acquired on the Westernbank FDIC-assisted transaction.

[2] Excludes covered loans acquired on the Westernbank FDIC-assisted transaction. As of September 30, 2015 the general allowance on the covered loans amounted to \$34.5 million.

[3] The legacy portfolio is comprised of commercial loans, construction loans and lease financings related to certain lending products exited by the Corporation as part of restructuring efforts carried out in prior years at the BPNA reportable segment.

| 30-Jun-15 | | | | | | | | |
|---|-----|--------------|--------------|------------|-------------|-----------------|-------------|--------------|
| (Dollars in thousands) | | Commercial | Construction | Legacy [3] | Mortgage | Lease financing | Consumer | Total[2] |
| Specific ALLL | | \$68,456 | \$725 | \$34 | \$44,162 | \$607 | \$25,027 | \$139,011 |
| Impaired loans | [1] | \$337,577 | \$3,627 | \$1,357 | \$455,834 | \$2,554 | \$114,877 | \$915,826 |
| Specific ALLL to impaired loans | [1] | 20.28 % | 19.99 % | 2.51 % | 9.69 % | 23.77 % | 21.79 % | 15.18 % |
| General ALLL | | \$147,264 | \$8,262 | \$3,281 | \$85,785 | \$8,553 | \$120,583 | \$373,728 |
| Loans held-in-portfolio, excluding impaired loans | [1] | \$9,667,139 | \$692,383 | \$71,145 | \$6,769,989 | \$590,262 | \$3,728,401 | \$21,519,319 |
| General ALLL to loans held-in-portfolio, excluding impaired loans | [1] | 1.52 % | 1.19 % | 4.61 % | 1.27 % | 1.45 % | 3.23 % | 1.74 % |
| Total ALLL | | \$215,720 | \$8,987 | \$3,315 | \$129,947 | \$9,160 | \$145,610 | \$512,739 |
| Total non-covered loans held-in-portfolio | [1] | \$10,004,716 | \$696,010 | \$72,502 | \$7,225,823 | \$592,816 | \$3,843,278 | \$22,435,145 |
| ALLL to loans held-in-portfolio | [1] | 2.16 % | 1.29 % | 4.57 % | 1.80 % | 1.55 % | 3.79 % | 2.29 % |

[1] Excludes covered loans acquired on the Westernbank FDIC-assisted transaction.

[2] Excludes covered loans acquired on the Westernbank FDIC-assisted transaction. As of June 30, 2015 the general allowance on the covered loans amounted to \$38.1 million.

[3] The legacy portfolio is comprised of commercial loans, construction loans and lease financings related to certain lending products exited by the Corporation as part of restructuring efforts carried out in prior years at the BPNA reportable segment.

| Variance | | | | | | | | |
|---|--|------------|--------------|-----------|------------|-----------------|-----------|----------|
| (Dollars in thousands) | | Commercial | Construction | Legacy | Mortgage | Lease financing | Consumer | Total |
| Specific ALLL | | \$15,159 | \$(367) | \$(34) | \$3,383 | \$27 | \$(331) | \$17,837 |
| Impaired loans | | \$53,489 | \$(1,091) | \$(169) | \$6,972 | \$91 | \$(1,012) | \$58,280 |
| General ALLL | | \$(418) | \$6,131 | \$(476) | \$1,170 | \$(96) | \$(882) | \$5,429 |
| Loans held-in-portfolio, excluding impaired loans | | \$72,219 | \$(2,427) | \$(4,359) | \$(67,316) | \$14,020 | \$(7,496) | \$4,641 |
| Total ALLL | | \$14,741 | \$5,764 | \$(510) | \$4,553 | \$(69) | \$(1,213) | \$23,266 |
| Total non-covered loans held-in-portfolio | | \$125,708 | \$(3,518) | \$(4,528) | \$(60,344) | \$14,111 | \$(8,508) | \$62,921 |

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table L - Allowance for Loan Losses - Breakdown of General and Specific Reserves - PUERTO RICO OPERATIONS

(Unaudited)

| 30-Sep-15 | | | | | | |
|---|-------------|--------------|-------------|-----------------|-------------|--------------|
| Puerto Rico | | | | | | |
| (In thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| Allowance for credit losses: | | | | | | |
| Specific ALLL non-covered loans | \$83,615 | \$358 | \$46,956 | \$634 | \$24,221 | \$155,784 |
| General ALLL non-covered loans | 137,352 | 11,223 | 83,109 | 8,457 | 108,285 | 348,426 |
| ALLL - non-covered loans | 220,967 | 11,581 | 130,065 | 9,091 | 132,506 | 504,210 |
| Specific ALLL covered loans | - | - | - | - | - | - |
| General ALLL covered loans | - | - | 34,334 | - | 175 | 34,509 |
| ALLL - covered loans | - | - | 34,334 | - | 175 | 34,509 |
| Total ALLL | \$220,967 | \$11,581 | \$164,399 | \$9,091 | \$132,681 | \$538,719 |
| Loans held-in-portfolio: | | | | | | |
| Impaired non-covered loans | \$391,066 | \$2,536 | \$457,631 | \$2,645 | \$111,683 | \$965,561 |
| Non-covered loans held-in-portfolio, excluding impaired loans | 7,130,678 | 106,142 | 5,762,764 | 604,282 | 3,249,213 | 16,853,079 |
| Non-covered loans held-in-portfolio | 7,521,744 | 108,678 | 6,220,395 | 606,927 | 3,360,896 | 17,818,640 |
| Impaired covered loans | - | - | - | - | - | - |
| Covered loans held-in-portfolio, excluding impaired loans | - | - | 645,663 | - | 19,765 | 665,428 |
| Covered loans held-in-portfolio | - | - | 645,663 | - | 19,765 | 665,428 |
| Total loans held-in-portfolio | \$7,521,744 | \$108,678 | \$6,866,058 | \$606,927 | \$3,380,661 | \$18,484,068 |

| 30-Jun-15 | | | | | | |
|---|-------------|--------------|-------------|-----------------|-------------|--------------|
| Puerto Rico | | | | | | |
| (In thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| Allowance for credit losses: | | | | | | |
| Specific ALLL non-covered loans | \$68,456 | \$725 | \$43,749 | \$607 | \$24,615 | \$138,152 |
| General ALLL non-covered loans | 138,639 | 5,833 | 82,428 | 8,553 | 109,095 | 344,548 |
| ALLL - non-covered loans | 207,095 | 6,558 | 126,177 | 9,160 | 133,710 | 482,700 |
| Specific ALLL covered loans | - | - | - | - | - | - |
| General ALLL covered loans | - | - | 37,815 | - | 259 | 38,074 |
| ALLL - covered loans | - | - | 37,815 | - | 259 | 38,074 |
| Total ALLL | \$207,095 | \$6,558 | \$163,992 | \$9,160 | \$133,969 | \$520,774 |
| Loans held-in-portfolio: | | | | | | |
| Impaired non-covered loans | \$337,577 | \$3,627 | \$450,789 | \$2,554 | \$112,733 | \$907,280 |
| Non-covered loans held-in-portfolio, excluding impaired loans | 7,231,433 | 109,819 | 5,793,594 | 590,262 | 3,282,292 | 17,007,400 |
| Non-covered loans held-in-portfolio | 7,569,010 | 113,446 | 6,244,383 | 592,816 | 3,395,025 | 17,914,680 |
| Impaired covered loans | - | - | - | - | - | - |
| Covered loans held-in-portfolio, excluding impaired loans | 3 | - | 671,074 | - | 18,573 | 689,650 |
| Covered loans held-in-portfolio | 3 | - | 671,074 | - | 18,573 | 689,650 |
| Total loans held-in-portfolio | \$7,569,013 | \$113,446 | \$6,915,457 | \$592,816 | \$3,413,598 | \$18,604,330 |

| | Variance | | | | | |
|---|------------|--------------|------------|-----------------|------------|-------------|
| (In thousands) | Commercial | Construction | Mortgage | Lease financing | Consumer | Total |
| Allowance for credit losses: | | | | | | |
| Specific ALLL non-covered loans | \$15,159 | \$(367) | \$3,207 | \$27 | \$(394) | \$17,632 |
| General ALLL non-covered loans | (1,287) | 5,390 | 681 | (96) | (810) | 3,878 |
| ALLL - non-covered loans | 13,872 | 5,023 | 3,888 | (69) | (1,204) | 21,510 |
| General ALLL covered loans | - | - | (3,481) | - | (84) | (3,565) |
| ALLL - covered loans | - | - | (3,481) | - | (84) | (3,565) |
| Total ALLL | \$13,872 | \$5,023 | \$407 | \$(69) | \$(1,288) | \$17,945 |
| Loans held-in-portfolio: | | | | | | |
| Impaired non-covered loans | \$53,489 | \$(1,091) | \$6,842 | \$91 | \$(1,050) | \$58,281 |
| Non-covered loans held-in-portfolio, excluding impaired loans | (100,755) | (3,677) | (30,830) | 14,020 | (33,079) | (154,321) |
| Non-covered loans held-in-portfolio | (47,266) | (4,768) | (23,988) | 14,111 | (34,129) | (96,040) |
| Covered loans held-in-portfolio, excluding impaired loans | (3) | - | (25,411) | - | 1,192 | (24,222) |
| Covered loans held-in-portfolio | (3) | - | (25,411) | - | 1,192 | (24,222) |
| Total loans held-in-portfolio | \$(47,269) | \$(4,768) | \$(49,399) | \$14,111 | \$(32,937) | \$(120,262) |

Popular, Inc.

Financial Supplement to Third Quarter 2015 Earnings Release

Table M - Allowance for Loan Losses - Breakdown of General and Specific Reserves - U.S. MAINLAND OPERATIONS

(Unaudited)

| 30-Sep-15 | | | | | | |
|---|--------------------|------------------|-----------------|------------------|------------------|--------------------|
| U.S. Mainland | | | | | | |
| (In thousands) | Commercial | Construction | Legacy | Mortgage | Consumer | Total |
| Allowance for credit losses: | | | | | | |
| Specific ALLL | \$- | \$- | \$- | \$589 | \$475 | \$1,064 |
| General ALLL | 9,494 | 3,170 | 2,805 | 3,846 | 11,416 | 30,731 |
| Total ALLL | \$9,494 | \$3,170 | \$2,805 | \$4,435 | \$11,891 | \$31,795 |
| Loans held-in-portfolio: | | | | | | |
| Impaired loans | \$- | \$- | \$1,188 | \$5,175 | \$2,182 | \$8,545 |
| Loans held-in-portfolio, excluding impaired loans | 2,608,680 | 583,814 | 66,786 | 939,909 | 471,692 | 4,670,881 |
| Total loans held-in-portfolio | \$2,608,680 | \$583,814 | \$67,974 | \$945,084 | \$473,874 | \$4,679,426 |

| 30-Jun-15 | | | | | | |
|---|--------------------|------------------|-----------------|------------------|------------------|--------------------|
| U.S. Mainland | | | | | | |
| (In thousands) | Commercial | Construction | Legacy | Mortgage | Consumer | Total |
| Allowance for credit losses: | | | | | | |
| Specific ALLL | \$- | \$- | \$34 | \$413 | \$412 | \$859 |
| General ALLL | 8,625 | 2,429 | 3,281 | 3,357 | 11,488 | 29,180 |
| Total ALLL | \$8,625 | \$2,429 | \$3,315 | \$3,770 | \$11,900 | \$30,039 |
| Loans held-in-portfolio: | | | | | | |
| Impaired loans | \$- | \$- | \$1,357 | \$5,045 | \$2,144 | \$8,546 |
| Loans held-in-portfolio, excluding impaired loans | 2,435,706 | 582,564 | 71,145 | 976,395 | 446,109 | 4,511,919 |
| Total loans held-in-portfolio | \$2,435,706 | \$582,564 | \$72,502 | \$981,440 | \$448,253 | \$4,520,465 |

| Variance | | | | | | |
|---|------------------|----------------|------------------|-------------------|-----------------|------------------|
| (In thousands) | Commercial | Construction | Legacy | Mortgage | Consumer | Total |
| Allowance for credit losses: | | | | | | |
| Specific ALLL | \$- | \$- | \$(34) | \$176 | \$63 | \$205 |
| General ALLL | 869 | 741 | (476) | 489 | (72) | 1,551 |
| Total ALLL | \$869 | \$741 | \$(510) | \$665 | \$(9) | \$1,756 |
| Loans held-in-portfolio: | | | | | | |
| Impaired loans | \$- | \$- | \$(169) | \$130 | \$38 | \$(1) |
| Loans held-in-portfolio, excluding impaired loans | 172,974 | 1,250 | (4,359) | (36,486) | 25,583 | 158,962 |
| Total loans held-in-portfolio | \$172,974 | \$1,250 | \$(4,528) | \$(36,356) | \$25,621 | \$158,961 |

Popular, Inc.**Financial Supplement to Third Quarter 2015 Earnings Release****Table N - Reconciliation to GAAP Financial Measures****(Unaudited)**

| (In thousands, except share or per share information) | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 |
|---|--------------|--------------|--------------|
| Total stockholders' equity | \$5,049,636 | \$4,949,653 | \$4,298,392 |
| Less: Preferred stock | (50,160) | (50,160) | (50,160) |
| Less: Goodwill | (504,925) | (505,435) | (461,246) |
| Less: Other intangibles | (71,393) | (74,854) | (37,777) |
| Total tangible common equity | \$4,423,158 | \$4,319,204 | \$3,749,209 |
| Total assets | \$35,530,794 | \$36,750,113 | \$34,099,095 |
| Less: Goodwill | (504,925) | (505,435) | (461,246) |
| Less: Other intangibles | (71,393) | (74,854) | (37,777) |
| Total tangible assets | \$34,954,476 | \$36,169,824 | \$33,600,072 |
| Tangible common equity to tangible assets | 12.65 % | 11.94 % | 11.16 % |
| Common shares outstanding at end of period | 103,556,285 | 103,503,014 | 103,448,206 |
| Tangible book value per common share | \$42.71 | \$41.73 | \$36.24 |

Popular, Inc.**Financial Supplement to Third Quarter 2015 Earnings Release****Table O - Financial Information - Westernbank Loans****(Unaudited)****Revenues**

| (In thousands) | Quarters ended | | Variance |
|--|----------------|-----------|------------|
| | 30-Sep-15 | 30-Jun-15 | |
| Interest income on WB loans | \$47,982 | \$55,335 | \$(7,353) |
| FDIC loss-share income (expense): | | | |
| Amortization of indemnification asset | (3,931) | (31,065) | 27,134 |
| 80% mirror accounting on credit impairment losses (reversal) [1] | (183) | 7,647 | (7,830) |
| 80% mirror accounting on reimbursable expenses | 6,276 | 42,730 | (36,454) |
| 80% mirror accounting on recoveries on covered assets, including rental income on OREOs, subject to reimbursement to the FDIC | - | (5,203) | 5,203 |
| Change in true-up payment obligation | (1,058) | 3,672 | (4,730) |
| Other | 103 | 1,294 | (1,191) |
| Total FDIC loss-share income (expense) | 1,207 | 19,075 | (17,868) |
| Total revenues | 49,189 | 74,410 | (25,221) |
| Provision for loan losses[2] | 20,206 | 15,766 | 4,440 |
| Total revenues less provision for loan losses | \$28,983 | \$58,644 | \$(29,661) |

[1] Reductions in expected cash flows for ASC 310-30 loans, which may impact the provision for loan losses, may consider reductions in both principal and interest cash flow expectations. The amount covered under the FDIC loss-sharing agreements for interest not collected from borrowers is limited under the agreements (approximately 90 days); accordingly, these amounts are not subject fully to the 80% mirror accounting.

[2] For the quarter ended September 30, 2015, the Corporation recorded a reserve release of \$2.9 million for the covered loans portfolio.

Non-personnel operating expenses

| (In thousands) | Quarters ended [2] | | Variance |
|--------------------------|--------------------|-----------|------------|
| | [1] 30-Sep-15 | 30-Jun-15 | |
| Professional fees | \$4,606 | \$5,701 | \$(1,095) |
| OREO expenses | 2,033 | 34,262 | (32,229) |
| Other operating expenses | 3,842 | 10,125 | (6,283) |
| Total operating expenses | \$10,481 | \$50,088 | \$(39,607) |

[1] Includes expenses related to loans subject to the FDIC loss-sharing agreement and loans not subject to the FDIC loss-sharing agreement.

[2] Expense reimbursements from the FDIC may be recorded with a time lag, since these are claimed upon the event of loss or charge-off of the loans which may occur in a subsequent period.

Quarterly average assets

| (In millions) | Quarters ended | | Variance |
|-----------------------|----------------|-----------|----------|
| | 30-Sep-15 | 30-Jun-15 | |
| Loans | \$2,221 | \$2,350 | \$(129) |
| FDIC loss-share asset | 330 | 391 | (61) |

Activity in the carrying amount and accretable yield of loans accounted for under ASC 310-30

| (In thousands) | Quarters ended | | | |
|--|------------------|--------------------------|------------------|--------------------------|
| | 30-Sep-15 | | 30-Jun-15 | |
| | Accretable yield | Carrying amount of loans | Accretable yield | Carrying amount of loans |
| Beginning balance | \$1,245,924 | \$2,137,078 | \$1,258,948 | \$2,367,096 |
| Accretion | (46,693) | 46,693 | (53,994) | 53,994 |
| Changes in expected cash flows | (53,782) | - | 40,970 | - |
| Collections / charge-offs | - | (107,759) | - | (284,012) |
| Ending balance | 1,145,449 | 2,076,012 | 1,245,924 | 2,137,078 |
| Allowance for loan losses - ASC 310-30 loans | - | (64,583) | - | (47,049) |
| Ending balance, net of allowance for loan losses | \$1,145,449 | \$2,011,429 | \$1,245,924 | \$2,090,029 |

The carrying amount of loans acquired from Westernbank and accounted for under ASC 310-30 which remain subject to the loss-sharing agreement with the FDIC amounted to approximately \$655 million as of September 30, 2015.

Activity in the carrying amount of the FDIC indemnity asset

| (In thousands) | Quarters ended | |
|---|----------------|-----------|
| | 30-Sep-15 | 30-Jun-15 |
| Balance at beginning of period | \$392,947 | \$409,844 |
| Amortization | (3,931) | (31,065) |
| Credit impairment losses (reversal) to be covered under loss-sharing agreements | (183) | 7,647 |
| Reimbursable expenses to be covered under loss-sharing agreements | 6,276 | 42,730 |
| Net payments from FDIC under loss-sharing agreements | (80,993) | (32,158) |
| Other adjustments attributable to FDIC loss-sharing agreements | (2,170) | (4,051) |
| Balance at end of period | \$311,946 | \$392,947 |

Activity in the remaining FDIC loss-share asset amortization

| (In thousands) | Quarters ended | |
|----------------------------------|----------------|-----------|
| | 30-Sep-15 | 30-Jun-15 |
| Balance at beginning of period | \$28,493 | \$38,687 |
| Amortization | (3,931) | (31,065) |
| Impact of lower projected losses | 2,805 | 20,871 |
| Balance at end of period | \$27,367 | \$28,493 |

POPULAR, INC.

Financial Supplement to Third Quarter 2015 Earnings Release

Table P - Restructuring Charges

(Unaudited)

Restructuring Charges

| (In thousands) | Quarters ended | | Variance |
|---------------------------|----------------|-----------|------------|
| | 30-Sep-15 | 30-Jun-15 | |
| Personnel costs | \$ 496 | \$ 2,866 | \$ (2,370) |
| Net occupancy expenses | 208 | 2,660 | (2,452) |
| Equipment expenses | 15 | 66 | (51) |
| Professional fees | (406) | 315 | (721) |
| Other operating expenses | 168 | 267 | (99) |
| Total restructuring costs | \$ 481 | \$ 6,174 | \$ (5,693) |

CONTACT:

Popular, Inc.

Investor Relations:

Brett Scheiner, 212-417-6721

Investor Relations Officer

or

Media Relations:

Teruca Rullán, 787-281-5170

Mobile: 917-679-3596

Senior Vice President, Corporate Communications