

CORPORATE
SOCIAL RESPONSIBILITY
REPORT
2016







MESSAGE

FROM THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF POPULAR

Since our foundation 124 years ago, our mission has been to be a force of transformation in all the communities we serve. With this in mind, we are today, more than ever, aware that our community work is essential for the social well-being of Puerto Rico, the Virgin Islands and the U.S. mainland and every area that, in one way or another, we have the ability to impact.

Our community programs are aimed to support strategies that contribute to the socio-economic development of the communities we serve. In the case of Puerto Rico, we do it by supporting self-management and education.

To this purpose, we have a variety of educational, musical studies and financial education programs. One important achievement in 2016 was the inauguration of the Popular Children's House (*Casa de Niños Popular*), a preschool based on the Montessori methodology for the children of our employees and those of nearby communities.

In the Virgin Islands and mainland United States, we have different initiatives, but they are all aligned with the same goal of achieving a positive social impact.

There is no question that the greatest strength of our community efforts comes from the work and commitment of our employees. They represent us in

each and every one of the areas we support and they are a key part of our social transformation objectives. Their participation in Make a Difference Day (*Día de Hacer la Diferencia*), in the 5K, in our volunteering programs and their voluntary financial donations to the Foundation, make the success of our community programs possible.

In order to continue strengthening volunteerism among our employees, in 2016 we approved a new community work license paid for by the corporation. This allows our colleagues to enjoy a paid day of volunteer work to support the social project of their preference.

Another important objective in our social responsibility efforts is to promote diversity. To advance our initiatives in this area, in 2016 we appointed a corporate diversity officer. Our commitment is to continue implementing strategies that promote diversity among our employees, clients and suppliers.

We are deeply grateful for the trust and support of non-profit organizations, communities, customers and suppliers. We are fortunate to have them as part of our family and of our efforts to improve the quality of life in the communities we serve.

Richard L. Carrión

ORGANIZATIONAL EXCELLENCE

Popular = more than 8,000 employees engaged with our communities

We actively seek the well-being and professional development of our people because it is they who are responsible for the progress, innovation and meeting our goals.

EMPLOYEE PROFILE

Puerto Rico, Virgin Islands, Tortola and U.S.	
Full time	7,460
Short week	34
Part time	532
Temporary	30
Total	8,056

	Puerto Rico, Virgin Islands and Tortola	U.S. Mainland
Women	5,020	429
Average age	39.54	40.12
Men	2,359	248
Average age	40.77	40.85



THE PATH TO HEALTH AND WELL-BEING

During 2016 the Internal Center of Health and Wellbeing placed special emphasis on promoting among our employees the attention to preventative primary care and guided them to adopt healthier life styles through various free incentives and initiatives directed toward health care.



Annual Preventive Exam

5,904 participants of which 1,906 were attended by **Wellness on Wheels (WoW)** across various regions of the island

Mammograms or sonograms

366 participants

Influenza (flu) vaccination

1,021 participants

Blood donation

297 donors

Nutritionist services

174 participants

Physical Quality and Sports

- > Our two gymnasiums in Señorial Center and Calle Popular received 29,604 visits, including those from active and retired employees as well as their eligible dependents.
- > 12,653 people enjoyed all the services we offer in our gyms and centers participating in the sports offer which includes: spinning classes, Zumba, pilates, boot camp, yoga, circuits and XCO.
- > In 2016 we saw an increase in participation by our active, retired and employee dependents employees in the various sports leagues and special activities:
 - » Basketball
 - » Volleyball
 - » Bowling
 - » Swimming
 - » Tennis
 - » Golf

Family

- > **Leaders Institute:** Every year we celebrate this activity with the participation of the sons and daughters of our active and retired employees. The Institute contributes to the development of leadership skills, interpersonal relationships, conflict management, group pressure, decision making and values, also self-esteem. During 2016, a total of 36 teenagers participated.
- > **Leader Pop @ the Museum of Art:** The design of a new camp for children between the ages of 10 and 14 with the idea of stimulating their creativity, innovation and team work within the arts had a total of 41 participants during 2016.
- > **Summer and Christmas Camp:** These initiatives, directed to the children of our active and retired employees, is dedicated to strengthening creativity and sports. In 2016 we had 118 participants in the summer and 56 at Christmas.



Initiatives of Recognition and Assistance for Employees

- > **Years of Service:** As is our tradition, each year we celebrate the sense of belonging, responsibility, commitment and loyalty to our employees. On this occasion we honored 537 employees for their years of dedication and effort.
- > **Rafael Carrión Jr. Scholarship Fund:** Through this scholarship fund we provide supplementary aid to the children of our active and retired employees for post-secondary studies. In 2016 we granted 233 scholarships that totaled \$323,100. In the past 25 years, the scholarship has helped 1,411 students representing an investment of more than \$5 million in the development of our professionals and citizens of the future.
- > **Emergency Fund:** During 2016 this fund benefitted three of our employees via an investment of \$12,000. Since its inception in 2004, we have helped 101 employees with a total of \$244,380.



DIVERSITY

Popular has a strong commitment to strengthen the culture of diversity and inclusion at all levels. During 2016 we took affirmative steps to strengthen the policies and practice of diversity.

Popular is committed to achieve and maintain equal pay among our employees who perform work that requires similar skills, effort and responsibilities. With this in mind, we have implemented different action plans that have allowed us to achieve greater pay equality. As part of our commitment and further to applicable law, we continue to evaluate our compensation practices for the benefit of all our colleagues.

- > A Diversity and Inclusion Council has been established, comprised of leaders from different areas such as Human Resources, Marketing, Corporate Communications, Technology, Legal and Purchasing, among others.
- > Guidelines have been designed for the management of suppliers to reinforce diversity in contracting.
- > We orient our employees and outside or potential suppliers about the importance of promoting the establishment of a diverse supplier base.

Women in Popular

During 2016 we coordinated three Development Activities and one Women's Forum for the development of our leaders, that had 228 participants.

Workshop for Persons of the Third Age

Through an open and free-of-cost convocation we held the **Discover Tools** workshop where areas such as budget management, protection against fraud, maximizing the use of technology and how to connect with other people through social media were taught.



PROFESSIONAL DEVELOPMENT

At Popular we strive to develop our employees by offering opportunities that provide them with the tools to increase the efficiency of their performances.

- > **Leadership Academy:** During 2016 we offered our executives, leaders and professionals 1,096 sessions in professional development programs that, in total, had 15,962 participants and a level of satisfaction of 94%.
- > **Lean Six Sigma Academy:** In collaboration with the Strategic Planning Unit, we completed the third section of this program which impacted the development of 182 employees.



GREAT PLACE TO WORK SURVEY

- > We hold an annual survey among our employees to identify the areas of strength and opportunity within the organization. In 2016 we changed the tools from *Pulso* to **Great Place to Work**®.
- > This survey provided more detailed information on a variety of categories that facilitated the development of more specific action plans to improve the working environment. In addition, it allowed us to compare our results with other companies that distinguish themselves as a **Great Place to Work**®.

RECYCLING AND COMMITMENT WITH THE ENVIRONMENT PROGRAMS

At Popular we recognize the importance of protecting our environment as part of the social responsibility that we have with current and future generations.

We recycled 1,566 tons of paper with a positive impact on several different areas:



CARBON FOOTPRINT

2,267,801 lbs
of CO₂ emissions
avoided = 219 cars
off the road per year



ENERGY

3,539,523 kWh of
electricity saved
= 9,396 years of
energy demand for
a laptop computer



WATER

43,000 gallons
of water saved
= 4,700 pools
full of water



TREES

26,280
trees
preserved



LANDFILL

7,830 cubic
yards of
landfill space
conserved

Electronic recycling: 6,597 units (PCs, printers, photocopiers, monitors, telephones, televisions, heaters and other types of electronic equipment) totaling 56,869 pounds.

All calculations for metrics in this report were calculated by an independent third party specializing in supporting companies to measure, understand and manage the environment impacts of their products, services and operations.

COMMITMENT WITH THE COMMUNITY



EDUCATION

For more than 37 years Popular has been present in the area of education in Puerto Rico impacting thousands of teenagers, young persons and adults each year through our Banco Popular Foundation, the financial education program *Finanzas en Tus Manos* (Money in your hands) and the multi-sector alliance *Echar Pa'lante* (Moving Forward).

Popular believes in education as a source of knowledge and an important tool that helps us transform living conditions in the communities most in need of it, minimize poverty, achieve sustainable community development, and reach more sustainable and prosperous socioeconomic levels. But most of all, we are guided by our commitment and conviction that Puerto Rico students have the right to receive an education of excellence and to develop their maximum potential to be competitive on a world level.

Because of this, we center our objectives on impacting our children and youth with educational programs that form a part of the organized forces that we carry out through strategic alliances. In addition to the Banco Popular Foundation we support nonprofit organizations in offering academic tools and skill development to the most disadvantaged and high risk communities. In 2016 alone we invested \$1.6 million in 71 education projects broken up into the following categories:

- » Education Innovation
- » Extended School Hours Programs
- » Special Education
- » Education in the Arts
- » Economic Development
- » Musical Education Programs

ECONOMIC DEVELOPMENT

It is imperative to integrate forces that promote entrepreneurship in a new economic ecosystem capable of maximizing the existing resources and initiatives, accelerating the growth of this sector in a way that responds to the actual economic and fiscal reality of Puerto Rico.

Aware of this, the Banco Popular Foundation supports business initiatives as alternatives to generate employment and develop local capital. Due to this, in 2016 the Foundation sponsored nine projects of self-management or business development with an investment of \$309,000.

In addition, Popular served as integrator, facilitator and motor of the collective impact initiative *Echar Pa'lante* (Moving Forward) that is implementing a strategic, multi-sector plan to strengthen the ecosystem of business support and develop new systems that stimulate business activity among the segments most in need and with the most potential.

INNOVATION AND COLLABORATION

For Popular, the practices of Innovation and Collaboration are strategies aimed at achieving the changes we aspire to in education and economic development through our commitment to innovative projects and fostering collaboration between various sectors that contribute to the progress of Puerto Rico.

Our institution is a facilitator and propeller of tools that help social and economic development through community, commercial and environmental initiatives. Now, we lead several programs and initiatives focused on contributing to the development and common welfare, working together with the interest groups of the communities where we are present.

OUR FOUNDATIONS AND SOCIAL COMMITMENT PROGRAMS

BANCO POPULAR FOUNDATION

Since its inception 38 years ago, this has been the philanthropic arm of Popular in Puerto Rico which concentrates its efforts on supporting nonprofit organizations and developing proprietary programs with the objective of creating an impact in the communities.

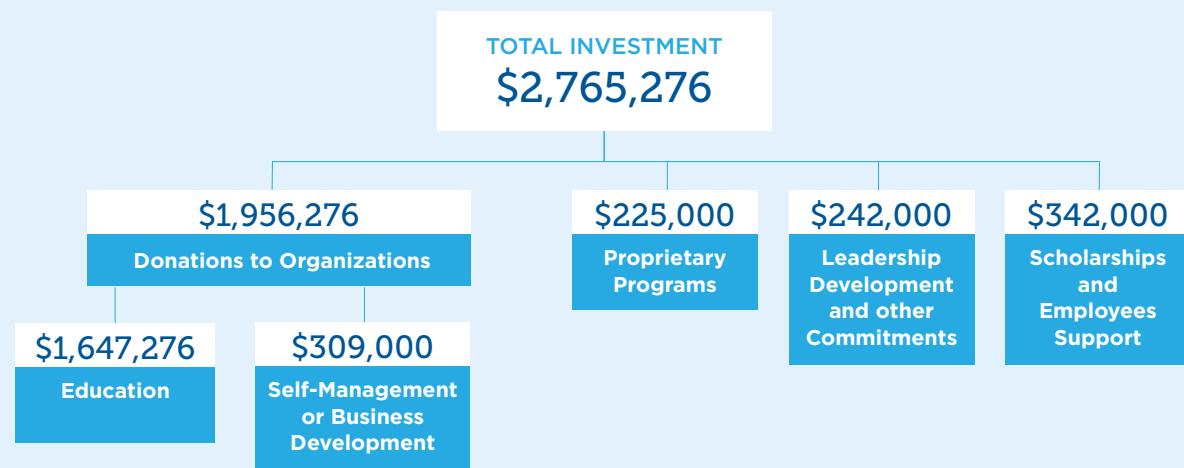
The essential services and programs of the Foundation are achieved, in great part, thanks to the voluntary contribution of our employees at Popular. During 2016:

- > A total of 79% of our employees made a voluntary biweekly contribution of \$4.04 in average. Their contribution totaled \$662,871 which was matched dollar-by-dollar by Popular.
- > We re-launched a volunteer corporate program under the name Voluntarios de Corazón.
- > Our most important annual event for corporate volunteers, Make a Difference Day, registered an increase in participation among employees from 19% to 31%.



Total Investment

In 2016 the Foundation invested \$2.7 million in donations directed toward supporting social impact projects in the areas of education and social development through economic support to nonprofit organizations, alliances with other entities and carrying out our own programs.



Investment Category	Organization	Percentage of Total Donation	Amount per Participant
Extended School Hours	24	19%	\$40
Education in the Arts	14	21%	\$90
Special Education	10	11%	\$460
Alternative Education	8	15%	\$274
Self-management and Business Development	9	16%	\$402
Mentoring	4	7%	\$209
Teacher Preparation	5	8%	\$56
Scholarships	6	3%	\$774
Total	80	100%	

Average donation of \$24,453 per Organization



DONATIONS PROGRAM

We support 80 nonprofit organizations. With this investment we impacted a total of 19,493, people, most of them are children and young people of whom 451 receive special education.

Because we believe education is the base of knowledge and social and economic development of society, we impact children and young people with educational programs that form part of the organized efforts for development and community service.

In 2016 we supported 71 educational projects with a total investment of \$1.6 million. These projects are broken up into the following investment categories:

Educational Innovation

We support organizations that incorporate nontraditional methods of teaching to improve academic output, close the gaps in benefits and lower the rates of school desertion. Some examples of these projects are:

- > **Our School:** This organization offers nontraditional educational services to young people, especially those from poor families and communities, aware that the abandonment of school is associated in the adult life with such things as a higher rate of

unemployment, less income and poverty. Since its beginnings in 2000, more than 1,400 students have been helped with a retention rate of 98%.

- > **New School Institute** (INE, by its acronym in Spanish): This institute prepares teachers in the public school system by using the Montessori method of teaching and promotes learning in a peaceful atmosphere focused on the student's needs. During 2016 INE transformed 50 schools into Montessori environments.

Extended School Hours Programs

The Foundation supports the education and supervision of children and young adults in Puerto Rico outside regular school hours. The programs supported by the Foundation seek to help in academic areas so the students receive better grades and pass on to the next level, but also works toward attitude improvement towards school, decreasing conduct problems and strengthening self-esteem.

- > 24 Extended Hours Programs were supported
- > 9,142 children, young persons and adults benefitted
- > 19% of the total of Banco Popular Foundation donations granted in 2016

Special Education

We support the service and education initiatives directed toward the student with special needs. These projects received 11% of the total of donations granted and resulted in a large impact among the participants.

- > 459 developed physical and motor skills
- > 243 improved the quality of their social interactions
- > 143 developed sports or artistic skills
- > 77 strengthened positive social behavior
- > 35 developed vocational interests

Education in the Arts

These are initiatives that help students be more open to appreciate the different expressions of fine arts. At the same time, develop teamwork skills and expand their sense of responsibility. Last year we supported 14 organizations in this category.

- > **Puerto Rico Mío Program in La Carmen School in Maricao:** Since 2013 through the Banco Popular Foundation we have supported this educational project of the Ponce Museum of Art and impacted 70 participants in nine artistic workshops. These participants achieved the expected results, maintaining continued growth in all subject-matters including the strengthening of positive social conducts.

Last year, the school reached the category of Excellence. The parents or those in charge also portrayed a greater commitment with their childrens' studies and, during the four days of the standardized tests, there was 100% attendance.

Economic Development

Conscious of the current economic situation in Puerto Rico, we support alternative business initiatives to generate employment and develop local capital. In 2016 we sponsored nine self-management or business development projects with an investment of \$309,000.

- > **Alliance with Grupo Guayacán - Puerto Rico IDEA Seed Funds:** We collaborated with *Grupo Guayacán*, the Georgia Institute of Technology and a group of private investors to support the launch of a new investment vehicle that pushes innovation throughout Puerto Rico. With an investment of \$485,000 the Foundation invested in projects providing access to capital for innovators and enterprises. The initiative, managed by *Grupo Guayacán*, is subsidized by the U.S. Economic Development Administration's Strategic Regional Innovations Program.

PROPRIETARY PROGRAMS OF BANCO POPULAR FOUNDATION

Educational Innovation Programs

- > **Popular Casa de Niños (Preschool):** Inaugurated last August, this preschool center provides education for children from three-to-six years of age who are children of our employees and residents of surrounding communities. This model project, guided by the Montessori philosophy, began with 12 students.



Musical Education Programs

Through education in the arts we discover new ways to see the world, develop habits of working as a team, discipline and manners of self expression.

- > **Berklee in Puerto Rico:** 211 students participated in the Berklee workshops conducted by professors from the Berklee College of Music. Of these, 23 received scholarships for this university.
- > **Musical Laboratories:** As part of this project, established since 1998, we worked on the remodeling of the laboratory of the *Coro de Niños of San Juan*. In addition, we donated the equipment to begin the **Percussion Program at the San Gabriel School for the Deaf** where we were able to include the music class as part of the school curriculum.
- > **Revive la Música:** In 2016 the *Revive la Música Concert* included the participation of the singer Sie7e and united 136 students from the schools and organizations that have benefitted from this program. More than 100 new and restored instruments were donated to 18 musical programs from the public school system and nonprofit organizations.



Since its foundation, *Revive la Música*, a collaborative force that we developed along with the Luis A. Ferré Foundation, has donated more than 1,400 instruments to more than 110 public schools and nonprofit organizations to strengthen their musical education programs. Over 500 hundred teenagers have participated in *Revive la Música* Concerts.

Community of Collaboration

As part of our efforts to achieve an enterprising community we promote innovation and collaboration.

- > **Fomentando Alianzas (Fostering Alliances):** This program promotes the efficient collaboration on multiple levels with the nonprofits that Banco Popular Foundation supports.
 - » More than 90 nonprofit organizations participated in the 6th annual meeting of **Fostering Alliances**.
 - » We have seven active alliances working on collaborative, innovative projects.
 - » The Puerto Rico Alliance for the Arts won the competitive subsidy **Any Given Child** from the **Kennedy Center for Scenic Arts** in 2016. The project is aimed at guaranteeing the inclusion of the arts in academic curricula of the public elementary schools in the eight communities along the Martín Peña Canal.
- > **Collaborative and Social Innovation Community (CCIS):** In this space, located in the Banco Popular Foundation headquarters, we promote the collaboration between incipient businesses and nonprofit organizations.
 - » 20 nonprofit organizations and startups occupy 43 work areas collaborating and developing new projects.
 - » We offered more than 100 seminars, meetings and workshops that cover more than 75 hours of training for leaders of nonprofit organizations.
 - » We organized six bazaars with local businesspeople to promote social impact.
 - » With the participation of 14 collaboration centers, we headed the **First Meeting of Collaboration Centers** in Puerto Rico and formed the **Centers for Collaboration/Co-working Spaces in Puerto Rico** network.



Special Campaigns

United for Haiti

We collected \$199,620.77 to support our Haitian brothers and sisters who suffered the destruction caused by Hurricane Matthew. For this campaign we used, for the first time, the tool of *ATH Móvil*.

Of the total collected, Banco Popular Foundation matched the first \$50,000 and the Carvajal Foundation donated an additional \$50,000 to the organization Pro Misiones Sor Ileana.

The collections were provided to Puerto Rican organizations doing social work in Haiti for several years such as the *Alianza Puertorriqueña Solidaria con Haití* (APSH), *Alianza de Médicos al Rescate* (AMAR), *Haití se Pone de Pie*, *Iniciativa Comunitaria* and *Pro Misiones Sor Ileana*.

POPULAR COMMUNITY BANK FOUNDATION

During 2016 the Popular Community Bank Foundation supported 32 organizations in the two regions where we do business in the mainland. This was possible thanks to the donations and generosity of Popular Community Bank's (PCB) employees who donated \$94,472 to the Foundation through voluntary contributions which came from 81% of the employees.

The average biweekly contribution of \$6.46 made it possible for the Donation Program to support 32 organizations with a total investment of \$151,368 including one-to-one matching by PCB.

In addition, Popular Community Bank Foundation invested \$171,000 in strategic alliances with **Operation Hope** and **Cristo Rey New York High School** for the development of two specific projects in New York:

- > **Operation Hope**, through its **Hope Inside** initiative, impacted a total of 1,919 people of which:
 - » 1,381 participated in financial planning workshop groups
 - » 515 received individual guidance in the Bronx, Brooklyn and Harlem branches
 - » 659 participants completed the credit and money-management workshops
 - » 310 participated in workshops directed to small businesses
 - » 80 finished the business readiness program
- > The Foundation also sponsored three students from the financial educational model at **Cristo Rey New York High School** that allowed them to receive a university preparatory education while completing a work and study program. This initiative allowed students to pay 50% of their education cost.



In total, Popular Community Bank Foundation paid out \$322,368 to 32 organizations during 2016.

BANCO POPULAR FOUNDATION DONATIONS



Organization	Focus Area	Town	Donation
EDUCATION			
Alianza para un Puerto Rico Sin Drogas	Education in the Arts	San Juan	\$20,000
Andanza	Education in the Arts	San Juan	\$30,000
Asamblea Familiar Virgilio Dávila	Extended School Hours	Bayamón	\$17,000
Asociación de Padres y Amigos Orquestas Juveniles Secundarias y Superiores	Education in the Arts	San Juan	\$20,000
Asociación Hijas de María Auxiliadora	Extended School Hours	San Juan	\$25,000
Asociación Mayagüezana de Personas con Impedimentos	Special Education	Mayagüez	\$20,000
Asociación Pro Juventud y Comunidad de Barrio Palmas	Extended School Hours and Tutoring	Cataño	\$15,000
ASPIRA de Puerto Rico	Alternative Education	San Juan	\$25,000
Berklee en Puerto Rico	Education in the Arts	San Juan	\$25,000
Beta-Local	Education in the Arts	San Juan	\$15,000
Boy Scouts of America, Concilio de PR	Extended School Hours and Tutoring	San Juan	\$10,000
Boys & Girls Clubs de Puerto Rico	Extended School Hours and Tutoring	Loíza	\$20,000
Caras de Las Américas	Extended School Hours and Tutoring	Cataño	\$10,000
Casa de Niños Manuel Fernández Juncos	Extended School Hours and Tutoring	San Juan	\$25,000
Casa de Niños Popular	Alternative Education	San Juan	\$40,000
Casa Juan Bosco	Extended School Hours and Tutoring	Aguadilla	\$10,000
Centro Comunitario Rvda. Inés J Figueroa	Extended School Hours and Tutoring	San Juan	\$10,000
Centro Criollo de Ciencia y Tecnología del Caribe, C3TEC	Teachers Preparation	Caguas	\$10,000
Centro Cultural y de Servicios de Cantera	Extended School Hours and Tutoring	San Juan	\$20,000
Centro de Adiestramiento para Personas con Impedimentos	Extended School Hours and Tutoring	San Juan	\$10,000
Centro de Apoyo a la Familia	Extended School Hours and Tutoring	Culebra	\$10,000
Centro de Ayuda y Terapia al Niño con Impedimento Inc (AYANI)	Special Education	Moca	\$15,000
Centro de Enseñanza para la Familia	Extended School Hours and Tutoring	Humacao	\$15,000
Centro de Servicios a la Comunidad (CESECO)	Extended School Hours and Tutoring	Quebradillas	\$10,000
Centro de Servicios Ferrán	Extended School Hours and Tutoring	Ponce	\$15,000
Centro Educativo Joaquina de Vedruna	Alternative Education	Guaynabo	\$10,000
Centro Esperanza	Teachers Preparation	Loíza	\$30,000
Centro Margarita	Special Education	Cidra	\$15,000
Club Sparta	Education in the Arts	San Juan	\$23,147
Colegio de Educación Especial y Rehabilitación Integral Inc (CODERI)	Special Education	San Juan	\$29,000
Colegio San Ignacio	Scholarships	San Juan	\$6,104
Colegio San José Marianist Corp.	Scholarships	San Juan	\$4,025
Colegio San Juan Bosco / Salesian Society	Extended School Hours and Tutoring	San Juan	\$15,000
Conservatorio de Música - Música 100x35	Education in the Arts	San Juan	\$27,000
Conservatorio de Música de Puerto Rico	Education in the Arts	San Juan	\$100,000
Coro de Niños de San Juan	Education in the Arts	San Juan	\$20,000
Corporación de las Artes Musicales	Education in the Arts	San Juan	\$35,000
Crearte	Alternative Education	San Juan	\$30,000
Fundación de Desarrollo Comunal de Puerto Rico	Extended School Hours and Tutoring	Trujillo Alto	\$15,000
Fundación Educativa CAF	Extended School Hours and Tutoring	San Juan	\$10,000
Fundación Hogar Niño Jesús	Special Education	Guaynabo	\$5,000
Fundación Música y País	Education in the Arts	San Juan	\$20,000

Organization	Focus Area	Town	Donation
Fundación Puertorriqueña Síndrome Down	Special Education	Guaynabo	\$20,000
Hogar Colegio La Milagrosa	Scholarships	Arecibo	\$15,000
Hogar Cuna San Cristóbal	Teachers Preparation	Caguas	\$14,000
Hogar de Niñas de Cupey	Extended School Hours and Tutoring	San Juan	\$25,000
Hogares Teresa Toda	Scholarships	Canóvanas	\$15,000
Iniciativa Comunitaria de Investigación	Mentoring for populations at risk or neglected by other programs	San Juan	\$60,000
Iniciativa Tecnológica Centro Oriental, Inc. - CIMATEC	Scholarships	Caguas	\$15,000
Instituto Desarrollo Integral del Individuo la Familia y la Comunidad - Guánica	Extended School Hours and Tutoring	Guánica	\$15,000
Instituto Nueva Escuela	Teachers Preparation	San Juan	\$80,000
Instituto Psicopedagógico de Puerto Rico	Special Education	San Juan	\$10,000
Instituto Santa Ana	Scholarships	Adjuntas	\$13,000
Jóvenes de Puerto Rico en Riesgo	Mentoring for populations at risk or neglected by other programs	San Juan	\$50,000
Juan Domingo en Acción	Extended School Hours and Tutoring	Guaynabo	\$20,000
Mis Amigos de Síndrome de Down	Special Education	Carolina	\$20,000
Multisensory Reading Centers of Puerto Rico	Special Education	San Juan	\$20,000
Museo de Arte Contemporáneo	Education in the Arts	San Juan	\$20,000
Museo de Arte de Ponce	Education in the Arts	Ponce	\$40,000
Museo de Arte de Puerto Rico	Education in the Arts	San Juan	\$25,000
Niños de Nueva Esperanza	Extended School Hours and Tutoring	Toa Alta	\$15,000
Nuestra Escuela	Alternative Education	Caguas	\$60,000
Politécnico Amigó	Alternative Education	San Juan	\$40,000
Programa de Apoyo y Enlace Comunitario	Mentoring for populations at risk or neglected by other programs	Aguada	\$17,000
Proyecto de Educación Comunal de Entrega y Servicio	Alternative Education	Humacao	\$60,000
Proyecto Educativo Descubriendo Juntos	Alternative Education	Humacao	\$10,000
Ricky Martin Foundation	Teachers Preparation	San Juan	\$17,000
San Jorge Children's Foundation	Special Education	San Juan	\$20,000
SER de Puerto Rico	Special Education	San Juan	\$60,000
Taller Folklórico Central	Education in the Arts	Orocovis	\$15,000
Taller Salud	Mentoring for populations at risk or neglected by other programs	Loíza	\$20,000

COMMUNITY DEVELOPMENT

Centros Sor Isolina Ferré	Business Development	San Juan	\$25,000
Fideicomiso de la Tierra del Caño Martín Peña	Self-management and Business Development	San Juan	\$100,000
Grupo Guayacán	Business Development	San Juan	\$85,000
Hogar del Buen Pastor	Business Development	San Juan	\$15,000
Instituto Desarrollo Integral del Individuo la Familia y la Comunidad - Maricao	Self-management and Business Development	Maricao	\$10,000
Instituto Desarrollo Integral del Individuo la Familia y la Comunidad - Yauco	Business Development	Yauco	\$17,000
La Fondita de Jesús	Community Self-management	San Juan	\$30,000
Proyecto Matria	Business Development	Caguas	\$17,000
Vitrina Solidaria	Business Development	San Juan	\$10,000



POPULAR COMMUNITY BANK FOUNDATION DONATIONS



Organization	Focus Area	Town	Donation
Bronx Community Cable Programming Corporation (BronxNet)	Arts and Culture	Bronx	\$3,316.00
Publicolor, Inc.	Arts and Culture	New York	\$8,000.00
Cove-Rincón, Corp.	Arts and Culture	Miami	\$2,016.00
GRACE International	Economic Development	Brooklyn	\$8,000.00
Greater Jamaica Development Corp.	Economic Development	Jamaica	\$3,316.00
Opportunities For a Better Tomorrow (OBT)	Economic Development	Brooklyn	\$3,316.00
Search and Care	Economic Development	New York	\$3,316.00
ACCIÓN Chicago	Economic Development	Illinois	\$9,158.00
ACCIÓN East	Economic Development	Miami	\$4,000.00
Chapman Partnership	Economic Development	Miami	\$2,016.00
Consumer Credit Counseling Service of Greater Atlanta, Inc. dba as Clear Point Counseling Solutions	Economic Development	Miami	\$4,000.00
Hispanic Business Initiative Fund	Economic Development	Miami	\$4,000.00
South Florida Center For Financial Training, Inc.	Economic Development	Miami	\$2,016.00
Thelma Gibson Health Initiative	Economic Development	Miami	\$7,200.00
Battery Conservancy	Education	New York	\$8,000.00
Classroom Champions	Education	Brooklyn	\$3,316.00
Harlem Educational Activities Fund, Inc.	Education	New York	\$8,000.00
Northside Center for Child Development	Education	New York	\$8,000.00
Boys and Girls Club of Miami Dade	Education	Miami	\$2,016.00
John Hopkins University	Education	Miami	\$4,000.00
Violence Intervention Program	Financial Education	New York	\$8,000.00
Bronx Works	Financial Education	Bronx	\$3,316.00
Junior Achievement Miami	Financial Education	North Miami	\$2,016.00
Brooklyn Bureau of Community Service	Health Services	Brooklyn	\$3,316.00
Local Initiatives Support Corporation	Health Services	New York	\$3,316.00
Miami Children's Health System Foundation	Health Services	Miami	\$4,000.00
United Cerebral Palsy Association of Miami	Health Services	Miami	\$7,200.00
Legal Information for Families Today	Social Services	New York	\$8,000.00
Union Settlement Association, Inc.	Social Services	New York	\$8,000.00
Neat Stuff, Inc.	Social Services/Education	Miami	\$7,200.00

To the members of the Board of Trustees of both foundations:

For Fundación Banco Popular: Ignacio Alvarez, Esq. Ernesto Mayoral, Esq., Francisco Carreras, Louis Christiansen, Manuel Morales, Jr., Maria I. Burckhart, Mariano Cobo, Dr. Pedro Subirats and Eduardo J. Negrón, Esq.

In Popular Community Bank Foundation to Mathew Ford, Manuel Chinae, Pam Kulnis, Carlos Vázquez, and Eduardo J. Negrón, Esq.

Also to Richard L. Carrión, Chairman of the Board for the Foundations, to all our gratefulness for your willingness to support the efforts and initiatives in which our Foundations in Puerto Rico and the United States collaborate. Thank you!

FINANZAS EN TUS MANOS

Has as its mission the transformation and improvement of individual and family financial health through education. We provide educational experiences about finances and promote a change of customs, consumer habits, life styles and attitude toward money with the aim of creating a culture of savings.

This program is nourished by the Popular labor force, based on a proprietary model. As part of the financial education program we impact:

- > 15,597 people through 309 workshops about financial education focused on the four stages on our life cycle
- > 18,477 people took part in 253 presentations we held aimed at teaching children to save
- > 982 people benefitted from the 25 conferences we offered on effective credit management

YOUNG ADULTS	EDUCATION	ADULTS	HOME
Entrepreneurs Technicians Professionals Displaced/ Looking for work	School: from 7 th to 12 th grade Technical College	Entrepreneurs Technicians Professionals Displaced/ Looking for work	Individuals Family - Couples without children - Couples with children - Special needs
STAGE 1: UP TO 25 YEARS OF AGE		STAGE 2: 26-45 YEARS OF AGE	
ADULTS	HOME	RETIRED	HOME
Entrepreneurs Technicians Professionals Displaced/ Looking for work	Individuals Family - Couples without children - Couples with children - Special needs	Fixed/mixed income	Individuals Family - Couples without children - Couples with children - Special needs
STAGE 3: 46-65 YEARS OF AGE		STAGE 4: OVER 65 YEARS OF AGE	



Entrepreneurship Training

This is our educational initiative in the area of entrepreneurship and educational innovation directed to the leaders of the academic sector.

- > 318 university professors received the initial entrepreneurship certificate and formed a new community of educators in entrepreneurship and innovation.
- > 107 university professors joined the program **Emprende 100 x 100** with the promise of training in entrepreneurship and supporting 100 school teachers in the next three years to reach 10,000 educators.
- > 187 professionals were active in the **Echar Pa'lante Support Network** to support entrepreneurs.
- > 67 of the 134 school directors with occupational, vocational and technical offerings were trained in the new transformation model of the occupational education content.
- > 1,654 teachers participated in occupational programs.
- > 1,014 teachers began the Economy, Finance, Training and Creativity (EFEC) certification.
- > 254 teachers and facilitators trained in reinforcement of mathematics through exercises in Economy, Finance, Entrepreneurship and Creativity (EFEC).



ECHAR PA'LANTE MULTI-SECTORAL ALLIANCE

In the face of the challenges of making progress, the initiative of collective impact **Echar Pa'lante** (Moving Forward) an initiative that started in 2011 with an innovative social campaign, has grown to convert itself into a multi-sector social alliance that unites businesses and community forces and individuals with the strong goal of pushing economic and business development on the island.

Through this multi-sector group we see education as the principal axis of change and are seeking to stimulate the accelerated growth of entrepreneurs on the island.

In 2016 the alliance continued helping to promote the development of a culture of entrepreneurship and innovation with emphasis on occupational education, retraining of our human capital and strengthening the business ecosystem through the **Support Network for Entrepreneurs**. Following are our most outstanding achievements:



Public Policy

The Secretary of Education signed **Circular Letter 11-2016-2017 of Entrepreneurship and Innovation** which adopted the model for the transformation of the contents of occupational education with the objective of developing world-level competitive citizens.

Pact for the Education

During the **Vocational Education Conference** the participants were shown a model for transforming the contents of occupational education and signed a collaboration agreement between the Department of Education, the Department of State, Citizen Agenda, Together for Puerto Rico and *Echar Pa'lante* to support their respective educational programs.

Commitment of Action with the Universities

Presidents of the country's seven major universities signed an **Action Commitment** to work together for the promotion of the entrepreneurship philosophy within their respective academic curricula and develop efforts that stimulate entrepreneurship for the schools and communities surrounding the university campuses.



EXPO Emprende

The second edition of **EXPO Emprende** at the metropolitan campus of Interamerican University:

- > Impacted more than 4,000 middle and high school students from the island that were exposed to competitions of micro businesses and large challenges, workshops for the development of entrepreneurship skills and support programs for the young entrepreneurs.
- > Offered internship orientations for local businesses, as well as pre-university orientations and guided visits to university campuses.

Beacon Schools

We continue the development of the prototype for the implementation of the occupational education transformation model including the first vocational school that began a pilot project for the development of **MakerSpaces** scholars, and the first **Youth Start-Up Experience** based on the concept of **Start-Up Weekends**.

Action Commitments with the Private Sector Coalition

Members of the **Private Sector Coalition** signed an agreement to integrate a plan of action in their organizations that includes the stimulation of entrepreneurship.

Business Support Network

With this initiative we are looking to empower individuals and organizations that support the development of local businesspeople, identify synergies among the organizations and stimulate collaboration.

- > 187 participants in the Support Network
- > 121 completed the Georgia Tech certificate

CORPORATE DONATION PROGRAMS

Grameen America in Puerto Rico

Thanks to Popular's \$150,00 contribution, Grammen Bank, a financial institution that provides micro-loans to women who do not qualify in traditional banks, reached a critical mass of 2,403 entrepreneurs, achieving an increase of more than 60% compared with 2015.

Members (cumulative)	2,403
Total Disbursements	\$5,705,000
Loan Disbursements	4,921

Corporate Initiatives with Community Reach

One of the missions of Popular is to contribute in the development of education, the arts, sports, culture and economic development. Our Corporate Donation Program impacted the following investment categories:

Art	\$598,464
Education	\$287,208
Economic Development	\$888,827
Others	\$170,742
Total	\$1,945,241



Musical Production

In 2016 the 24th edition of the musical production was dedicated to the Puerto Rican diaspora. The production, *De Puerto Rico para el mundo* (From Puerto Rico to the World), outlined and reviewed migratory movements that have occurred since the 19th century to the present.

This Christmas special received a large reception both within and outside the island, reaching record audiences in places as close as Florida and as far away as Spain. Funds raised from this production went to the Banco Popular Foundation with \$100,000 donated to support its musical programs.

CORPORATE INITIATIVES WITH COMMUNITY REACH

Dr. Isaac González Martínez Oncology Hospital

Recognizing the need to educate ourselves about how cancer can affect us all, in 2016 Popular held two main events to benefit the Cancer Hospital:

- > **Popular 5K 2016:** The 12th edition of this event attracted more than 3,500 participants resulting in a \$50,000 donation to the hospital.
- > **Popular Auto Golf Classic:** The 2016 edition of the Popular Auto Golf tournament also was held on behalf of the Oncology Hospital and resulted in a \$50,000 donation. In addition, the hospital received a truck to help its Oncology on Wheels initiative.

School of Special Education and Integrated Rehabilitation (CODERI)

As part of its Christmas initiative Popular, through its Popular One group, made a donation of \$20,000 to this organization.

Ultimate Flavors of the Island - Culinary Education

Committed to education, for the fourth consecutive year we held this event that combines the talent of some of the most recognized chefs from the Virgin Islands, Puerto Rico and the United States. The event provides the opportunity for students from Virgin Islands culinary schools to participate in the **Jr. Chefs Competition**. This year six culinary schools participated with the Virgin Islands Montessori School chosen as the winner.

BPOP Musical

The Popular Music Special kicks off the Christmas celebration in Puerto Rico. With this in mind we produced our fourth edition of *BPOP Musical* with an afternoon of family entertainment. As a closing to this event, thousands of people in Puerto Rico and off the island simultaneously enjoyed the transmission of *De Puerto Rico para el mundo* on local channels and via Internet.

Fútbol Financiero (Financial Soccer)

With the participation of 15 schools and more than 200 students, for the second consecutive year we celebrated this initiative that integrates sports and finances into the school curricula.

Teach Children to Save

Through this effort, which brings together volunteers from diverse areas of the bank, more than 200 talks were carried out for **Teach Children to Save** week impacting 18,477 children around the island.

D-Coding

For the second year in a row Popular offered a workshop about technology management to public and private school students around the island.

- > 877 students from 13 island municipalities participated in the **D-Coding** workshop where they learned aspects related to programming, design, idea development and codes of technological applications.
- > Three of these workshops were broadcasted live through the Livestream platform reaching an audience of 1,537 people.

Populoso

Our mascot, Populoso, remained active during the year taking his educational message to Puerto Rico's children. Besides participating in **Teach Children to Save** activities, he also took part in 269 activities carrying his teachings to children on topics such as the Route to Savings, Cooperation, Values and Commitment. More than 98,000 children around the island participated.

Financial Education Center Student Money Solution

Established at the University of Puerto Rico (UPR), Río Piedras and Mayagüez campuses, with the purpose of educating about the importance of financial planning. It offers for free, orientation and counseling sessions on topics such as credit, budget and effective handling of finances.

First Industrial Engineering Student Summit

The idea behind this summit was to educate students on the topics of operational efficiencies in high impact projects, the client and service experience from the point of view of the industrial engineer and customer analytics & big data and quality systems. In addition, we also oriented students on professional certifications and growth and development opportunities in banking.

First Technology Students Summit

With the participation of more than 80 university students, as well as deans and professors from different campuses of the UPR system and private universities, the aim of this summit was to educate students on themes such as: *Cloud: When is the Right Time?*, *AGILE = More Work in Less Time?*, *Content vs. User Experience* and *How to Generate an Idea Engine?*. This, in addition to talking with them about the certifications and development opportunities and growth within the area of technology.

Second Student Finance Summit

With the participation of students from various universities in Puerto Rico the summit was held with the aim of educating students about the certifications and professional development opportunities in the areas of financial planning, international investment, cyber security and others.

Progreso Económico Bulletin

For more than 50 years, the **Economic Progress** bulletin has offered economic and business information in a brief and simple manner addressed for the entrepreneurial, academic and general public sectors.

With some 80,000 subscribers, during 2016 we shared various topics of interest from tourism to agriculture.

CONSUMER CREDIT SERVICES

Act for your Home Program

With the main interest of clients with economic problems being able to hold on to their homes or find a solution to their situation, the Loss Mitigation Division closed up to 7,000 mitigation alternatives through its Act for your Home program. Mitigation options include payment adjustments, extensions and payment plans among other alternatives that may be temporary or permanent.



BUSINESS BANKING

StartUp Popular

We promote entrepreneurship through collaboration with an entrepreneurial ecosystem composed of a series of initiatives supported by Popular resources that guide entrepreneurs to success and strengthen Puerto Rico's economic development.

- > **Financial Alternatives:** We created a \$1.6 million fund to finance the program with loans of up to \$50,000; business coaching free of cost; 12 months free of charges in commercial accounts and services of *Mi Banco Comercial*, and networking events with other entrepreneurs.
- > **Support Program:** We facilitate orientations and counseling free of cost to the members of the StartUp program and with a 25% discount to regular commercial clients.
- > **Education:** We offer access to an online portal that contains articles, videos and webcasts with content relevant to startups as well as information about entrepreneurship and businesses.

