ABBOTT MEDICAL OPTICS INC
Form SC 13D/A
February 27, 2009

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934 (Amendment No. 9)

Advanced Medical Optics, Inc.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

________00763M108_________
(CUSIP Number)

Peter D. Goldstein
GAMCO Investors, Inc.
One Corporate Center
Rye, New York 10580-1435
(914) 921-7732
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

_______________________ February 25, 2009_________________________
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

1

CUSIP No. 00763M108

1 Names of reporting persons
I.R.S. identification nos. of above persons (entities only)
Gabelli Funds, LLC I.D. No. 13-4044523

2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS)(a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)
00-Funds of investment advisory clients

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization
New York

Number Of	: 7	Sole voting power
Shares	:	43,392 (Item 5)
Beneficially	: 8	Shared voting power
Owned	:	None
By Each	: 9	Sole dispositive power
Reporting	:	43,392 (Item 5)
Person	:10	Shared dispositive power
With	:	None

11 Aggregate amount beneficially owned by each reporting person

43,392 (Item 5)

12 Check box if the aggregate amount in row (11) excludes certain shares
(SEE INSTRUCTIONS)

13 Percent of class represented by amount in row (11)

0.07%

14 Type of reporting person (SEE INSTRUCTIONS)
IA

2

CUSIP No. 00763M108

1 Names of reporting persons
I.R.S. identification nos. of above persons (entities only)
GAMCO Asset Management Inc. I.D. No. 13-4044521

2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS)(a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)
00-Funds of investment advisory clients

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization
New York

Number Of	: 7	Sole voting power
Shares	:	11,758 (Item 5)
Beneficially	: 8	Shared voting power
Owned	:	None
By Each	: 9	Sole dispositive power
Reporting	:	11,758 (Item 5)
Person	:10	Shared dispositive power
With	:	None

11 Aggregate amount beneficially owned by each reporting person

11,758 (Item 5)

12 Check box if the aggregate amount in row (11) excludes certain shares
(SEE INSTRUCTIONS)

13 Percent of class represented by amount in row (11)

0.02%

14 Type of reporting person (SEE INSTRUCTIONS)
IA, CO

3

CUSIP No. 00763M108

1 Names of reporting persons
I.R.S. identification nos. of above persons (entities only)
GGCP,
Inc. I.D.
No. 13-3056041

2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS)(a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)
WC

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization
New York

Number Of	: 7	Sole voting power
Shares	:	None (Item 5)
Beneficially	: 8	Shared voting power
Owned	:	None
By Each	: 9	Sole dispositive power
Reporting	:	None (Item 5)
Person	:10	Shared dispositive power
With	:	None

11 Aggregate amount beneficially owned by each reporting person

None (Item 5)

12 Check box if the aggregate amount in row (11) excludes certain shares
(SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)

0.00%

14	Type of reporting person (SEE INSTRUCTIONS) HC, CO

4

CUSIP No. 00763M108

1 Names of reporting persons
I.R.S. identification nos. of above persons (entities only)
GAMCO Investors,
Inc. I.D.
No. 13-4007862
Check the appropriate box if a member of a group (SEE INSTRUCTIONS)(a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)
WC

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization
New York

Number Of	: 7	Sole voting power
Shares	:	None (Item 5)
Beneficially	: 8	Shared voting power
Owned	:	None
By Each	: 9	Sole dispositive power
Reporting	:	None (Item 5)
Person	:10	Shared dispositive power
With	:	None

11 Aggregate amount beneficially owned by each reporting person

None (Item 5)

12 Check box if the aggregate amount in row (11) excludes certain shares
(SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)

0.00%

14	Type of reporting person (SEE INSTRUCTIONS) HC, CO

5

CUSIP No. 00763M108

1 Names of reporting persons
I.R.S. identification nos. of above persons (entities only)
Mario J. Gabelli

2 Check the appropriate box if a member of a group (SEE INSTRUCTIONS)(a)

(b)

3 Sec use only

4 Source of funds (SEE INSTRUCTIONS)
Funds of Private Entities

5 Check box if disclosure of legal proceedings is required pursuant to items 2 (d) or 2 (e)

6 Citizenship or place of organization
USA

Number Of	: 7	Sole voting power
Shares	:	None (Item 5)
Beneficially	: 8	Shared voting power
Owned	:	None
By Each	: 9	Sole dispositive power
Reporting	:	None (Item 5)
Person	:10	Shared dispositive power
With	:	None

11 Aggregate amount beneficially owned by each reporting person

None (Item 5)

12 Check box if the aggregate amount in row (11) excludes certain shares
(SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)

0.00%

14 Type of reporting person (SEE INSTRUCTIONS)
IN

6

Item 1. Security and Issuer

This Amendment No. 9 to Schedule 13D on the Common Stock of Advanced Medical Optics, Inc. (the "Issuer") is being filed on behalf of the undersigned to amend the Schedule 13D, as amended (the "Schedule 13D") which was originally filed on August 29, 2007. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meanings as set forth in the Schedule 13D.

Item 2. Identity and Background

This statement is being filed by Mario J. Gabelli ("Mario Gabelli") and various entities which he directly or indirectly controls or for which he acts as chief investment officer. These entities engage in various aspects of the securities business, primarily as investment adviser to various institutional and individual clients, including registered investment companies and pension plans, and as general partner of various private investment partnerships. Certain of these entities may also make investments for their own accounts.

The foregoing persons in the aggregate often own beneficially more than 5% of a class of a particular issuer. Although several of the foregoing persons are treated as institutional investors for purposes of reporting their beneficial ownership on the short-form Schedule 13G, the holdings of those who do not qualify as institutional investors may exceed the 1% threshold presented for filing on Schedule 13G or implementation of their investment philosophy may from time to time require action which could be viewed as not completely passive. In order to avoid any question as to whether their beneficial ownership is being reported on the proper form and in order to provide greater investment flexibility and administrative uniformity, these persons have decided to file their beneficial ownership reports on the more detailed Schedule 13D form rather than on the short-form Schedule 13G and thereby to provide more expansive disclosure than may be necessary.

(a), (b) and (c) - This statement is being filed by one or more of the following persons: GGCP, Inc. ("GGCP"), GAMCO Investors, Inc. ("GBL"), Gabelli Funds, LLC ("Gabelli Funds"), GAMCO Asset Management Inc. ("GAMCO"), Teton Advisors, Inc. ("Teton Advisors"), Gabelli Securities, Inc. ("GSI"), Gabelli & Company, Inc. ("Gabelli & Company"), MJG Associates, Inc. ("MJG Associates"), Gabelli Foundation, Inc. ("Foundation"), and Mario Gabelli. Those of the foregoing persons signing this Schedule 13D are hereafter referred to as the "Reporting Persons".

GGCP makes investments for its own account and is the controlling shareholder of GBL. GBL, a public company listed on the New York Stock Exchange, is the parent company for a variety of companies engaged in the securities business, including those named below.

GAMCO, a wholly-owned subsidiary of GBL, is an investment adviser registered under the Investment Advisers Act of 1940, as amended ("Advisers Act"). GAMCO is an investment manager providing discretionary managed account services for employee benefit plans, private investors, endowments, foundations and others.

GSI, a majority-owned subsidiary of GBL, is an investment adviser registered under the Advisers Act and serves as a general partner or investment manager to limited partnerships and offshore investment companies. As a part of its business, GSI may purchase or sell securities for its own account. It is the immediate parent of Gabelli & Company. GSI is the general partner or investment manager of a number of funds or partnerships, including Gabelli Associates Fund, Gabelli Associates Fund II, Gabelli Associates Limited, ALCE Partners, L.P., and Gabelli Multimedia Partners, L.P. GSI and Marc Gabelli own 45% and 55%, respectively, of Gabelli Securities International Limited ("GSIL"). GSIL provides investment advisory services to offshore funds and accounts. GSIL is an investment advisor of Gabelli International Gold Fund Limited, Gabelli European Partners, Ltd., and Gabelli Global Partners, Ltd.

Gabelli & Company, a wholly-owned subsidiary of GSI, is a broker-dealer registered under the Securities Exchange Act of 1934, as amended ("1934 Act"), which as a part of its business regularly purchases and sells securities for its own account.

Gabelli Funds, a wholly owned subsidiary of GBL, is a limited liability company. Gabelli Funds is an investment adviser registered under the Advisers Act which presently provides discretionary managed account services for The Gabelli Equity Trust Inc., The Gabelli Asset Fund, The GAMCO Growth Fund, The Gabelli Convertible and Income Securities Fund Inc., The Gabelli Value Fund Inc., The Gabelli Small Cap Growth Fund, The Gabelli Equity Income Fund, The Gabelli ABC Fund, The GAMCO Global Telecommunications Fund, GAMCO Gold Fund, Inc., The Gabelli Global Multimedia Trust Inc., The GAMCO Global Convertible Securities Fund, Gabelli Capital Asset Fund, GAMCO International Growth Fund, Inc., The GAMCO Global Growth Fund, The Gabelli Utility Trust, The

GAMCO Global Opportunity Fund, The Gabelli Utilities Fund, The Gabelli Blue Chip Value Fund, The GAMCO Mathers Fund, The Gabelli Woodland Small Cap Value Fund, The Comstock Capital Value Fund, The Gabelli Dividend and Income Trust, The Gabelli Global Utility & Income Trust, The Gabelli Global Gold, Natural Resources, & Income Trust, The Gabelli Global Deal Fund, Gabelli Enterprise M&A Fund, The Gabelli SRI Fund, Inc. and The Gabelli Healthcare & Wellness Rx Trust (collectively, the "Funds"), which are registered investment companies.

GBL is the largest shareholder of Teton Advisors, an investment adviser registered under the Advisers Act, which provides discretionary advisory services to The GAMCO Westwood Mighty Mitessm Fund, The GAMCO Westwood Income Fund , The GAMCO Westwood Small Cap Fund and B.B. Micro-Cap Growth Fund.

MJG Associates provides advisory services to private investment partnerships and offshore funds. Mario Gabelli is the sole shareholder, director and employee of MJG Associates. MJG Associates is the Investment Manager of Gabelli International Limited, Gabelli International II Limited and Gabelli Fund, LDC. Mario J. Gabelli is the general partner of Gabelli Performance Partnership, LP.

The Foundation is a private foundation. Mario Gabelli is the Chairman, a Trustee and the Investment Manager of the Foundation. Elisa M. Wilson is the President of the Foundation.

Mario Gabelli is the majority stockholder, Chief Executive Officer and a director of GGCP and Chairman and Chief Executive Officer of GBL.

The Reporting Persons do not admit that they constitute a group.

GBL, GAMCO, and Gabelli & Company are New York corporations and GSI and Teton Advisors are Delaware corporations, each having its principal business office at One Corporate Center, Rye, New York 10580. GGCP is a New York corporation having its principal business office at 140 Greenwich Avenue, Greenwich, CT 06830. Gabelli Funds is a New York limited liability company having its principal business office at One Corporate Center, Rye, New York 10580. MJG Associates is a Connecticut corporation having its principal business office at 140 Greenwich Avenue, Greenwich, CT 06830. The Foundation is a Nevada corporation having its principal offices at 165 West Liberty Street, Reno, Nevada 89501.

For information required by instruction C to Schedule 13D with respect to the executive officers and directors of the foregoing entities and other related persons (collectively, "Covered Persons"), reference is made to Schedule I annexed hereto and incorporated herein by reference.

(e) - On April 24, 2008, Gabelli Funds, LLC ("Gabelli Funds") settled an administrative proceeding with the Securities and Exchange Commission ("Commission") regarding frequent trading in shares of a mutual fund it advises, without admitting or denying the findings or allegations of the Commission. The inquiry involved Gabelli Funds' treatment of one investor who had engaged in frequent trading in one fund (the prospectus of which did not at that time impose limits on frequent trading), and who had subsequently made an investment in a hedge fund managed by an affiliate of Gabelli Funds. The investor was banned from the fund in August 2002, only after certain other investors were banned. The principal terms of the settlement include an administrative cease and desist order from violating Section 206(2) of the Investment Advisers Act of 1940, Section 17(d) of the Investment Company Act of 1940 ("Company Act"), and Rule 17d-1 thereunder, and Section 12(d)(1)(B)(1) of the Company Act, and the payment of $11 million in disgorgement and prejudgment interest and $5 million in a civil monetary penalty. Gabelli Funds was also required to retain an independent distribution consultant to develop a plan and oversee distribution to shareholders of the monies paid to the Commission, and to make certain other undertakings.

On January 12, 2009, Gabelli Funds settled an administrative proceeding with the Commission involving compliance with Section 19(a) and Rule 19a-1 of the Company Act by two closed-end funds, without admitting or denying the findings or allegations of the Commission. These provisions require registered investment companies, when making a distribution in the nature of a dividend from sources other than net investment income, to contemporaneously provide written statements to shareholders that adequately disclose the source or sources of such distribution. While the two funds sent annual statements and provided other materials containing this information, the shareholders did not receive the notices required by Rule 19a-1 with any of the distributions that were made for 2002 and 2003. The terms of the settlement provide for an administrative cease and desist order from causing violations of Section 19(a) and Rule 19a-1, and a civil monetary penalty of $450,000.

(f) - Reference is made to Schedule I hereto.

Item 5. Interest In Securities Of The Issuer

Item 5 to Schedule 13D is amended, in pertinent part, as follows:

(a) The aggregate number and percentage of Securities to which this Schedule 13D relates is 55,150 shares, representing 0.09% of the 61,834,013 shares outstanding. This latter number of shares is arrived at by adding the number of shares as reported in the Issuer's most recent Form 10-K for the fiscal year ended December 31, 2008 (61,778,863) to the number of shares which would be receivable by the Reporting Persons if they were to convert all of the Issuer's 3.25% Convertible Subordinated Debentures, the 2.50% Convertible Subordinated Debentures and the 1.375% Convertible Subordination Debentures held by them into the Common Stock of the Issuer (55,150 shares). The Reporting Persons beneficially own those Securities as follows:

Name	Shares of Common Stock	% of Class of Common	Shares of Common Stock Converted	% of Common Stock Converted
Gabelli Funds	0	0.00%	43,392	0.07%
GAMCO	0	0.00%	11,758	0.02%

Mario Gabelli is deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons. GSI is deemed to have beneficial ownership of the Securities owned beneficially by Gabelli & Company. GBL and GGCP are deemed to have beneficial ownership of the Securities owned beneficially by each of the foregoing persons other than Mario Gabelli and the Foundation.

(b) Each of the Reporting Persons and Covered Persons has the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of the Securities reported for it, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, except that (i) Gabelli Funds has sole dispositive and voting power with respect to the shares of the Issuer held by the Funds so long as the aggregate voting interest of all joint filers does not exceed 25% of their total voting interest in the Issuer and, in that event, the Proxy Voting Committee of each Fund shall respectively vote that Fund's shares, (ii) at any time, the Proxy Voting Committee of each such Fund may take and exercise in its sole discretion the entire voting power with respect to the shares held by such fund under special circumstances such as regulatory considerations, and (iii) the power of Mario Gabelli, GBL, and GGCP is indirect with respect to Securities beneficially owned directly by other Reporting Persons.

(c) Information with respect to all transactions in the Securities which were effected during the past sixty days or since the most recent filing on Schedule 13D, whichever is less, by each of the Reporting Persons and Covered Persons is set forth on Schedule II annexed hereto and incorporated herein by reference.

(e) The Reporting Persons ceased to be beneficial owners of 5% or more of the Issuer's common stock on February 25, 2009.

Signature
After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.
Dated: February 27, 2009

GGCP, INC.
MARIO J. GABELLI

By:/s/ Douglas R. Jamieson
Douglas R. Jamieson
Attorney-in-Fact

GABELLI FUNDS, LLC

By:/s/ Bruce N. Alpert
Bruce N. Alpert
Chief Operating Officer – Gabelli Funds, LLC

GAMCO ASSET MANAGEMENT INC.
GAMCO INVESTORS, INC.

By:/s/ Douglas R. Jamieson
Douglas R. Jamieson
President & Chief Operating Officer – GAMCO Investors, Inc.
President – GAMCO Asset Management Inc.

Schedule I

Information with Respect to Executive
Officers and Directors of the Undersigned

Schedule I to Schedule 13D is amended, in pertinent part, as follows:

The following sets forth as to each of the executive officers and directors of the undersigned: his name; his business address; his present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted. Unless otherwise specified, the principal employer of each such individual is GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli Securities, Inc., Gabelli & Company, Inc., Teton Advisors, Inc., or GAMCO Investors, Inc., the business address of each of which is One Corporate Center, Rye, New York 10580, and each such individual identified below is a citizen of the United States. To the knowledge of the undersigned, during the last five years, no such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), and no such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities law or finding any violation with respect to such laws except as reported in Item 2(d) of this Schedule 13D.

GGCP, Inc.
Directors:

Vincent J. Amabile	Business Consultant
Mario J. Gabelli	Chief Executive Officer of GGCP, Inc., and Chairman & Chief Executive Officer of GAMCO Investors, Inc.; Director/Trustee of all registered investment companies advised by Gabelli Funds, LLC.
Marc J. Gabelli	Chairman of The LGL Group, Inc.
Matthew R. Gabelli	Vice President – Trading Gabelli & Company, Inc. One Corporate Center Rye, New York 10580
Charles C. Baum	Secretary & Treasurer United Holdings Co., Inc. 2545 Wilkens Avenue Baltimore, MD 21223
Douglas R. Jamieson	See below
Joseph R. Rindler, Jr.	Account Executive for GAMCO Asset Management Inc.
Fredric V. Salerno	Chairman; Former Vice Chairman and Chief Financial Officer Verizon Communications
Vincent Capurso	Vice President Taxes, Barnes & Noble, Inc.
Vincent S. Tese	Former Director GAMCO Investors, Inc.
Michael Gabelli	Director
John Gabelli	Director

Officers:

Mario J. Gabelli	Chief Executive Officer and Chief Investment Officer
Michael G. Chieco	Chief Financial Officer, Secretary

GAMCO Investors, Inc.
Directors:

Edwin L. Artzt	Former Chairman and Chief Executive Officer Procter & Gamble Company

	900 Adams Crossing Cincinnati, OH 45202
Raymond C. Avansino	Chairman & Chief Executive Officer E.L. Wiegand Foundation Reno, NV 89501
Richard L. Bready	Chairman and Chief Executive Officer Nortek, Inc. 50 Kennedy Plaza Providence, RI 02903
Mario J. Gabelli	See above
John D. Gabelli	Senior Vice President
Elisa M. Wilson	Director
Eugene R. McGrath	Former Chairman and Chief Executive Officer Consolidated Edison, Inc.
Robert S. Prather	President & Chief Operating Officer Gray Television, Inc. 4370 Peachtree Road, NE Atlanta, GA 30319

Officers:

Mario J. Gabelli	Chairman and Chief Executive Officer
Douglas R. Jamieson	President and Chief Operating Officer
Henry G. Van der Eb	Senior Vice President
Bruce N. Alpert	Senior Vice President
Jeffrey M. Farber	Executive Vice President and Chief Financial Officer
Christopher Michailoff	Acting Secretary

GAMCO Asset Management Inc.
Directors:

Douglas R. Jamieson
Regina M. Pitaro
William S. Selby

Officers:

Mario J. Gabelli	Chief Investment Officer – Value Portfolios

Douglas R. Jamieson	President
Jeffrey M. Farber	Chief Financial Officer
Chistopher J. Michailoff	General Counsel and Secretary

Gabelli Funds, LLC
Officers:

Mario J. Gabelli	Chief Investment Officer – Value Portfolios
Bruce N. Alpert	Executive Vice President and Chief Operating Officer
Agnes Mullady	Vice President and President Closed-End Fund Division

Teton Advisors, Inc.
Directors:

Bruce N. Alpert	Chairman
Douglas R. Jamieson	See above
Nicholas F. Galluccio	Chief Executive Officer and President
Alfred W. Fiore	See below
Edward T. Tokar	Beacon Trust Senior Managing Director 333 Main Street Madison, NJ 07940

Officers:

Bruce N. Alpert	See above
Nicholas F. Galluccio	See above
Jeffrey M. Farber	Chief Financial Officer

Gabelli Securities, Inc.

Directors:

Robert W. Blake	President of W. R. Blake & Sons, Inc. 196-20 Northern Boulevard Flushing, NY 11358

Douglas G. DeVivo	General Partner of ALCE Partners, L.P. One First Street, Suite 16 Los Altos, CA 94022
Douglas R. Jamieson	President

Officers:

Douglas R. Jamieson	See above
Christopher J. Michailoff	Secretary
Kieran Caterina	Chief Financial Officer

Gabelli & Company, Inc.
Directors:

James G. Webster, III	Chairman & Interim President
Irene Smolicz	Senior Trader Gabelli & Company, Inc.

Officers:

James G. Webster, III	See Above
Bruce N. Alpert	Vice President - Mutual Funds
Diane M. LaPointe	Secretary/Treasurer

SCHEDULE II
INFORMATION WITH RESPECT TO
TRANSACTIONS EFFECTED DURING THE PAST SIXTY DAYS OR
SINCE THE MOST RECENT FILING ON SCHEDULE 13D (1)

DATE	SHARES PURCHASED SOLD(-)	AVERAGE PRICE(2)
COMMON STOCK-ADVANCED MEDICAL OPTICS INC.		
GABELLI FOUNDATION		
2/25/09	20,000-	22.0000
GABELLI SECURITIES, INC.		
2/25/09	7,000-	22.0000
2/25/09	7,500-	22.0000
2/25/09	2,000-	22.0000
2/12/09	1,500-	21.9100
GABELLI ASSOCIATES LIMITED		
2/25/09	102,000-	22.0000
GABELLI ASSOCIATES FUND II		
2/25/09	9,000-	22.0000
GABELLI ASSOCIATES FUND		
2/25/09	246,700-	22.0000
ALCE PARTNERS		
2/25/09	5,000-	22.0000
MJG ASSOCIATES, INC.		
GABELLI INTERNATIONAL LIMITED		
2/25/09	25,000-	22.0000
GABELLI FUND, LDC		
2/25/09	2,000-	22.0000
GAMCO INVESTORS, INC.		
2/25/09	50,000-	22.0000
2/25/09	19,000-	22.0000
GAMCO ASSET MANAGEMENT INC.		
2/25/09	6,207,246-	22.0000

Mortgage servicing rights purchased			(45)	(474)
Acquisition of premises and equipment	(11,983)	(12,298)		
Proceeds from sale of:				
Premises and equipment	4,205	11,946		
Foreclosed assets	71,930	25,923		

Net cash (used in) provided by investing activities		(959,558)		34,763
Cash flows from financing activities:				
Net increase (decrease) in:				
Deposits		(3,795)		(745,906)
Assets sold under agreements to repurchase		248,923		(27,541)
Other short-term borrowings		315,000		455,000
Payments of notes payable		(48,281)		(22,284)
Proceeds from issuance of notes payable		14,882		2,719
Proceeds from issuance of common stock		1,545		2,062
Dividends paid		(620)		(620)
Treasury stock acquired		(25)		(6)
Net cash provided by (used in) financing activities		527,629		(336,576)
Net decrease in cash and due from banks		(197,073)		(62,476)
Cash and due from banks at beginning of period		439,363		535,282
Cash and due from banks at end	$	242,290	$	472,806

of period

The accompanying notes are an integral part of these consolidated financial statements.

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Notes to Consolidated Financial

Statements (Unaudited)

Note 1 Organization, consolidation and basis of presentation

Nature of Operations

Popular, Inc. (the Corporation) is a diversified, publicly-owned financial holding company subject to the supervision and regulation of the Board of Governors of the Federal Reserve System. The Corporation has operations in Puerto Rico, the United States, the Caribbean and Latin America. In Puerto Rico, the Corporation provides mortgage, retail and commercial banking services through its principal banking subsidiary, Banco Popular de Puerto Rico (BPPR), as well as investment banking, broker-dealer, auto and equipment leasing and financing, and insurance services through specialized subsidiaries. In the U.S. mainland, the Corporation operates Banco Popular North America (BPNA), including its wholly-owned subsidiary E-LOAN. BPNA focuses efforts and resources on the core community banking business. BPNA operates branches in New York, California, Illinois, New Jersey and Florida. E-LOAN markets deposit accounts under its name for the benefit of BPNA. The BPNA branches operate under the name of Popular Community Bank. Note 32 to the consolidated financial statements presents information about the Corporation s business segments.

Effective December 31, 2012, Popular Mortgage, which was a wholly-owned subsidiary of BPPR prior to that date, was merged with and into BPPR as part of an internal reorganization. Popular Mortgage currently operates as a division of BPPR.

Principles of Consolidation and Basis of Presentation

The consolidated interim financial statements have been prepared without audit. The consolidated statement of financial condition data at December 31, 2012 was derived from audited financial statements. The unaudited interim financial statements are, in the opinion of management, a fair statement of the results for the periods reported and include all necessary adjustments, all of a normal recurring nature, for a fair statement of such results.

Certain reclassifications have been made to the 2012 consolidated financial statements and notes to the financial statements to conform with the 2013 presentation.

On May 29, 2012, the Corporation effected a 1-for-10 reverse split of its common stock. The reverse split is described further in Note 17 to these consolidated financial statements. All share and per share information in the consolidated financial statements and accompanying notes have been adjusted to retroactively reflect the 1-for-10 reverse stock split.

Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted from the unaudited financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these financial statements should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended December 31, 2012, included in the Corporation s 2012 Annual Report (the 2012 Annual Report). Operating results for the interim periods disclosed herein are not necessarily indicative of the results that may be expected for a full year or any future period.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Note 2 New accounting pronouncements

FASB Accounting Standards Update 2013-05, Foreign Currency Matters (Topic 830): Parent s Accounting for the Cumulative Translation Adjustment Upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (ASU 2013-05)

The FASB issued ASU 2013-05 in March 2013 which clarifies the applicable guidance for the release of the cumulative translation adjustment. When a reporting entity ceases to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity, the parent is required to apply the guidance in ASC 830-30 to release any related cumulative translation adjustment into net income. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets has resided.

For an equity method investment that is a foreign entity, the partial sale guidance in ASC 830-30-40 still applies. As such, a pro rata portion of the cumulative translation adjustment should be released into net income upon a partial sale of such equity method investment. However, this treatment does not apply to an equity method investment that is not a foreign entity. In those instances, the cumulative translation adjustment is released into net income only if the partial sale represents a complete or substantially complete liquidation of the foreign entity that contains the equity method investment.

Additionally, the amendments in this ASU clarify that the sale of an investment in a foreign entity includes both: (1) events that result in the loss of a controlling financial interest in a foreign entity and (2) events that result in an acquirer obtaining control of an acquiree in which it held an equity interest immediately before the acquisition date. Accordingly, the cumulative translation adjustment should be released into net income upon the occurrence of those events.

ASU 2013-05 is effective for fiscal years and interim periods within those years, beginning on or after December 15, 2013. The amendments should be applied prospectively to derecognition events occurring after the effective date. Prior periods should not be adjusted. Early adoption is permitted. If an entity elects to early adopt the amendments of this ASU it should apply them as of the beginning of the entity s fiscal year of adoption

The Corporation does not anticipate that the adoption of this guidance will have a material effect on its consolidated statements of condition or results of operations.

FASB Accounting Standards Update 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (ASU 2013-02)

The FASB issued ASU 2013-02 in February 2013. ASU 2013-02 requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amendments of ASU 2013-02 do not change the current requirements for reporting net income or other comprehensive income in financial statements.

ASU 2013-02 is effective for fiscal years and interim periods within those years, beginning on or after December 15, 2012. Early adoption is permitted.

The Corporation adopted the provisions of this guidance in the first quarter of 2013 and elected to present these disclosures on the notes to the financial statements. Refer to note 18 to the consolidated financial statements for the related disclosures. The adoption of this ASU did not have a material impact on the Corporation s consolidated financial statements.

FASB Accounting Standards Update 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities (ASU 2013-01)

The FASB issued ASU 2013-01 in January 2013. ASU 2013-01 clarifies that the scope of FASB Accounting Standard Update 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities (ASU 2011-11), applies only to derivatives accounted for under ASC 815, Derivatives and Hedging, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with ASC 210-20-45 or ASC 815-10-45 or subject to an enforceable master netting arrangement or similar agreement.

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ASU 2013-01 is effective for fiscal years and interim periods within those years, beginning on or after January 1, 2013. Entities should provide the required disclosures retrospectively for all comparative periods presented. The effective date is the same as the effective date of ASU 2011-11.

The Corporation adopted this guidance which impacts presentation disclosures only on the first quarter of 2013, and did not have an impact on the Corporation s consolidated financial statements. Refer to note 15 to the consolidated financial statements for the related disclosures.

FASB Accounting Standards Update 2012-06, Business Combinations (Topic 805): Subsequent Accounting for an Indemnification Asset Recognized at the Acquisition Date as a Result of a Government-Assisted Acquisition of a Financial Institution (ASU 2012-06)

The FASB issued ASU 2012-06 in October 2012. ASU 2012-06 addresses the diversity in practice about how to interpret the terms on the same basis and contractual limitations when subsequently measuring an indemnification asset recognized in a government-assisted (Federal Deposit Insurance Corporation) acquisition of a financial institution that includes a loss-sharing agreement (indemnification agreement). When a reporting entity recognizes an indemnification asset as a result of a government-assisted acquisition of a financial institution and subsequently the cash flows expected to be collected on the indemnification asset changes, as a result of a change in cash flows expected to be collected on the assets subject to indemnification, the reporting entity should subsequently account for the change in the measurement of the indemnification asset on the same basis as the change in the assets subject to indemnification. Any amortization of changes in value should be limited to the contractual term of the indemnification agreement, that is, the lesser of the term of the indemnification agreement and the remaining life of the indemnified assets.

ASU 2012-06 is effective for fiscal years and interim periods within those years, beginning on or after December 15, 2012. Early adoption is permitted.

The Corporation adopted the provisions of this guidance on the first quarter of 2013, and did not have a material effect on the Corporation s consolidated financial statements as of March 31, 2013.

FASB Accounting Standards Update 2012-02, Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment (ASU 2012-02)

The FASB issued ASU 2012-02 in July 2012. ASU 2012-02 is intended to simplify how entities test indefinite-lived intangible assets, other than goodwill, for impairment. ASU 2012-02 permits an entity the option to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test in accordance with ASC Subtopic 350-30, *Intangibles-Goodwill and Other-General Intangibles Other than Goodwill*. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. This guidance results in guidance that is similar to the goodwill impairment testing guidance in ASU 2011-08. The previous guidance under ASC Subtopic 350-30 required an entity to test indefinite-lived intangible assets for impairment on at least an annual basis by comparing an asset s fair value with its carrying amount and recording an impairment loss for an amount equal to the excess of the asset s carrying amount over its fair value. Under the amendments in this ASU, an entity is not required to calculate the fair value of an indefinite-lived intangible asset if the entity determines that it is not more likely than not that the asset is impaired. In addition the new qualitative indicators replace those currently used to determine whether indefinite-lived intangible assets should be tested for impairment on an interim basis.

ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual or interim impairment tests performed as of a date before July 27, 2012, as long as the financial statements have not yet been issued. The Corporation did not elect to adopt early the provisions of this ASU.

The provisions of this guidance simplify how entities test for indefinite-lived assets impairment and have not had an impact on the Corporation s consolidated financial statements as of March 31, 2013.

FASB Accounting Standards Update 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities (ASU 2011-11)

The FASB issued ASU 2011-11 in December 2011. The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. To meet this objective, entities with financial instruments and derivatives that are either offset on the balance sheet or subject to a master netting arrangement or similar arrangement shall disclose the following quantitative information

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separately for assets and liabilities in tabular format: a) gross amounts of recognized assets and liabilities; b) amounts offset to determine the net amount presented in the balance sheet; c) net amounts presented in the balance sheet; d) amounts subject to an enforceable master netting agreement or similar arrangement not otherwise included in (b), including: amounts related to recognized financial instruments and other derivatives instruments if either management makes an accounting election not to offset or the amounts do not meet the guidance in ASC Section 210-20-45 or ASC Section 815-10-45, and also amounts related to financial collateral (including cash collateral); and e) the net amount after deducting the amounts in (d) from the amounts in (c).

In addition to these tabular disclosures, entities are required to provide a description of the setoff rights associated with assets and liabilities subject to an enforceable master netting arrangement.

An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented.

The provisions of this guidance which impacts presentation disclosure only was adopted in the first quarter of 2013 and did not have an impact on the Corporation s financial condition or results of operations. Refer to note 15 to the consolidated financial statements for the related disclosures.

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Note 3 - Restrictions on cash and due from banks and certain securities

The Corporation s banking subsidiaries, BPPR and BPNA, are required by federal and state regulatory agencies to maintain average reserve balances with the Federal Reserve Bank of New York (the Fed) or other banks. Those required average reserve balances amounted to $962 million at March 31, 2013 (December 31, 2012 - $952 million). Cash and due from banks, as well as other short-term, highly liquid securities, are used to cover the required average reserve balances.

At March 31, 2013 and December 31, 2012, the Corporation held $41 million in restricted assets in the form of funds deposited in money market accounts, trading account securities and investment securities available for sale. The amounts held in trading account securities and investment securities available for sale consist primarily of restricted assets held for the Corporation s non-qualified retirement plans and fund deposits guaranteeing possible liens or encumbrances over the title of insured properties.

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Note 4 Pledged assets

Certain securities and loans were pledged to secure public and trust deposits, assets sold under agreements to repurchase, other borrowings and credit facilities available, derivative positions, and loan servicing agreements. The classification and carrying amount of the Corporation s pledged assets, in which the secured parties are not permitted to sell or repledge the collateral, were as follows:

(In thousands)	March 31, 2013	December 31, 2012
Investment securities available-for-sale, at fair value	$ 1,562,627	$ 1,606,683
Investment securities held-to-maturity, at amortized cost	35,000	25,000
Loans held-for-sale measured at lower of cost or fair value	3,921	132
Loans held-in-portfolio covered under loss sharing agreements with the FDIC	425,937	452,631
Loans held-in-portfolio not covered under loss sharing agreements with the FDIC	8,326,251	8,358,456
Total pledged assets	$ 10,353,736	$ 10,442,902

Pledged securities that the creditor has the right by custom or contract to repledge are presented separately on the consolidated statements of financial condition.

At March 31, 2013, the Corporation had $ 1.1 billion in investment securities available-for-sale and $ 0.3 billion in loans that served as collateral to secure public funds (December 31, 2012 - $ 1.2 billion and $ 0.3 billion, respectively).

At March 31, 2013, the Corporation s banking subsidiaries had short-term and long-term credit facilities authorized with the Federal Home Loan Bank system (the FHLB) aggregating to $2.7 billion (December 31, 2012 - $2.8 billion). Refer to Note 14 to the consolidated financial statements for borrowings outstanding under these credit facilities. At March 31, 2013 and December 31, 2012, the credit facilities authorized with the FHLB were collateralized by $ 3.8 billion in loans held-in-portfolio. Also, at March 31, 2013 and December 31, 2012, the Corporation s banking subsidiaries had a borrowing capacity at the Federal Reserve (Fed) discount window of $3.1 billion, which remained unused as of such date. The amount available under these credit facilities with the Fed is dependent upon the balance of loans and securities pledged as collateral. At March 31, 2013 and December 31, 2012, the credit facilities with the Fed discount window were collateralized by $ 4.7 billion in loans held-in-portfolio. These pledged assets are included in the above table and were not reclassified and separately reported in the consolidated statements of financial condition.

In addition, at March 31, 2013 trades receivables from brokers and counterparties amounting to $139 million were pledged to secure repurchase agreements (December 31, 2012 - $133 million).

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Note 5 Investment securities available-for-sale

The following tables present the amortized cost, gross unrealized gains and losses, approximate fair value, weighted average yield and contractual maturities of investment securities available-for-sale.

	At March 31, 2013				
(In thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Weighted average yield
U.S. Treasury securities					
After 1 to 5 years	$ 27,051	$ 2,769	$	$ 29,820	3.83 %
Total U.S. Treasury securities	27,051	2,769		29,820	3.83
Obligations of U.S. Government sponsored entities					
Within 1 year	480,407	3,873		484,280	3.70
After 1 to 5 years	167,407	1,522	7	168,922	1.35
After 5 to 10 years	546,982	2,554	1,058	548,478	1.61
After 10 years	22,990	68		23,058	3.09
Total obligations of U.S. Government sponsored entities	1,217,786	8,017	1,065	1,224,738	2.43
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	5,115	2	2	5,115	3.01
After 1 to 5 years	6,248	95	33	6,310	4.66
After 5 to 10 years	5,566		87	5,479	3.75
After 10 years	37,265	12	1,241	36,036	5.38
Total obligations of Puerto Rico, States and political subdivisions	54,194	109	1,363	52,940	4.91
Collateralized mortgage obligations - federal agencies					
After 1 to 5 years	4,800	88		4,888	1.69
After 5 to 10 years	33,294	1,517		34,811	2.88
After 10 years	2,528,866	44,108	3,410	2,569,564	2.10
Total collateralized mortgage obligations - federal agencies	2,566,960	45,713	3,410	2,609,263	2.11
Collateralized mortgage obligations - private label					
After 10 years	1,898	36		1,934	4.42
Total collateralized mortgage obligations - private label	1,898	36		1,934	4.42
Mortgage-backed securities					
Within 1 year	67	2		69	4.48
After 1 to 5 years	7,944	499		8,443	4.57
After 5 to 10 years	89,358	5,608	11	94,955	4.24
After 10 years	1,174,176	81,099	523	1,254,752	4.13
Total mortgage-backed securities	1,271,545	87,208	534	1,358,219	4.14
Equity securities (without contractual maturity)	6,506	1,715	26	8,195	3.10
Other					

After 1 to 5 years	9,904		160	9,744	1.68
After 5 to 10 years	18,032	4,725		22,757	11.00
After 10 years	3,501	120		3,621	3.63
Total other	31,437	4,845	160	36,122	7.25
Total investment securities available-for-sale	$ 5,177,377	$ 150,412	$ 6,558	$ 5,321,231	2.75 %

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(In thousands)	At December 31, 2012 Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Weighted average yield
U.S. Treasury securities					
Within 1 year	$ 7,018	$ 20	$	$ 7,038	1.67 %
After 1 to 5 years	27,236	2,964		30,200	3.83
Total U.S. Treasury securities	34,254	2,984		37,238	3.39
Obligations of U.S. Government sponsored entities					
Within 1 year	460,319	7,614		467,933	3.82
After 1 to 5 years	167,177	2,057		169,234	1.59
After 5 to 10 years	456,480	3,263	592	459,151	1.74
Total obligations of U.S. Government sponsored entities	1,083,976	12,934	592	1,096,318	2.60
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	5,220	26		5,246	3.08
After 1 to 5 years	6,254	130	39	6,345	4.65
After 5 to 10 years	5,513		36	5,477	3.79
After 10 years	37,265	648		37,913	5.38
Total obligations of Puerto Rico, States and political subdivisions	54,252	804	75	54,981	4.91
Collateralized mortgage obligations - federal agencies					
After 1 to 5 years	4,927	35		4,962	1.48
After 5 to 10 years	39,897	1,794		41,691	2.94
After 10 years	2,270,184	50,740	512	2,320,412	2.21
Total collateralized mortgage obligations - federal agencies	2,315,008	52,569	512	2,367,065	2.22
Collateralized mortgage obligations - private label					
After 10 years	2,414	59		2,473	4.59
Total collateralized mortgage obligations - private label	2,414	59		2,473	4.59
Mortgage-backed securities					
Within 1 year	288	13		301	3.47
After 1 to 5 years	3,838	191		4,029	4.12
After 5 to 10 years	81,645	6,207		87,852	4.71
After 10 years	1,297,585	93,509	129	1,390,965	4.18
Total mortgage-backed securities	1,383,356	99,920	129	1,483,147	4.21
Equity securities (without contractual maturity)	6,507	909	10	7,406	3.46
Other					
After 1 to 5 years	9,992		207	9,785	1.67
After 5 to 10 years	18,032	3,675		21,707	11.00
After 10 years	3,945	136		4,081	3.62
Total other	31,969	3,811	207	35,573	7.17
Total investment securities available-for-sale	$ 4,911,736	$ 173,990	$ 1,525	$ 5,084,201	2.94 %

The weighted average yield on investment securities available-for-sale is based on amortized cost; therefore, it does not give effect to changes in fair value.

Securities not due on a single contractual maturity date, such as mortgage-backed securities and collateralized mortgage obligations, are classified in the period of final contractual maturity. The expected maturities of collateralized mortgage obligations, mortgage-backed securities and certain other securities may differ from their contractual maturities because they may be subject to prepayments or may be called by the issuer.

There were no securities sold during the quarters ended March 31, 2013 and 2012.

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The following tables present the Corporation s fair value and gross unrealized losses of investment securities available-for-sale, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	At March 31, 2013					
	Less than 12 months		12 months or more		Total	
(In thousands)	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of U.S. Government sponsored entities	$ 261,066	$ 775	$ 6,102	$ 290	$ 267,168	$ 1,065
Obligations of Puerto Rico, States and political subdivisions	44,987	1,337	2,029	26	47,016	1,363
Collateralized mortgage obligations - federal agencies	531,117	3,410			531,117	3,410
Mortgage-backed securities	36,344	496	974	38	37,318	534
Equity securities	1,806	22	7	4	1,813	26
Other	9,744	160			9,744	160
Total investment securities available-for-sale in an unrealized loss position	$ 885,064	$ 6,200	$ 9,112	$ 358	$ 894,176	$ 6,558

	At December 31, 2012					
	Less than 12 months		12 months or more		Total	
(In thousands)	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of U.S. Government sponsored entities	$ 139,278	$ 592	$	$	$ 139,278	$ 592
Obligations of Puerto Rico, States and political subdivisions	6,229	44	2,031	31	8,260	75
Collateralized mortgage obligations - federal agencies	170,136	512			170,136	512
Mortgage-backed securities	7,411	90	983	39	8,394	129
Equity securities			51	10	51	10
Other	9,785	207			9,785	207
Total investment securities available-for-sale in an unrealized loss position	$ 332,839	$ 1,445	$ 3,065	$ 80	$ 335,904	$ 1,525

Management evaluates investment securities for other-than-temporary (OTTI) declines in fair value on a quarterly basis. Once a decline in value is determined to be other-than-temporary, the value of a debt security is reduced and a corresponding charge to earnings is recognized for anticipated credit losses. Also, for equity securities that are considered other-than-temporarily impaired, the excess of the security s carrying value over its fair value at the evaluation date is accounted for as a loss in the results of operations. The OTTI analysis requires management to consider various factors, which include, but are not limited to: (1) the length of time and the extent to which fair value has been less than the amortized cost basis, (2) the financial condition of the issuer or issuers, (3) actual collateral attributes, (4) the payment structure of the debt security and the likelihood of the issuer being able to make payments, (5) any rating changes by a rating agency, (6) adverse conditions specifically related to the security, industry, or a geographic area, and (7) management s intent to sell the debt security or whether it is more likely than not that the Corporation would be required to sell the debt security before a forecasted recovery occurs.

At March 31, 2013, management performed its quarterly analysis of all debt securities in an unrealized loss position. Based on the analyses performed, management concluded that no individual debt security was other-than-temporarily impaired as of such date. At March 31, 2013, the Corporation did not have the intent to sell debt securities in an unrealized loss position and it is not more likely than not that the Corporation will have to sell the investment securities prior to recovery of their amortized cost basis. Also, management evaluated the Corporation s portfolio of equity securities at March 31, 2013. No other-than-temporary impairment

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losses on equity securities were recorded during the quarters ended March 31, 2013 and March 31, 2012. Management has the intent and ability to hold the investments in equity securities that are at a loss position at March 31, 2013, for a reasonable period of time for a forecasted recovery of fair value up to (or beyond) the cost of these investments.

The following table states the name of issuers, and the aggregate amortized cost and fair value of the securities of such issuer (includes available-for-sale and held-to-maturity securities), in which the aggregate amortized cost of such securities exceeds 10% of stockholders equity. This information excludes securities backed by the full faith and credit of the U.S. Government. Investments in obligations issued by a state of the U.S. and its political subdivisions and agencies, which are payable and secured by the same source of revenue or taxing authority, other than the U.S. Government, are considered securities of a single issuer.

	March 31, 2013		December 31, 2012	
(In thousands)	Amortized cost	Fair value	Amortized cost	Fair value
FNMA	$ 1,841,366	$ 1,874,855	$ 1,594,933	$ 1,634,927
FHLB	632,090	636,406	520,127	528,287
Freddie Mac	1,246,159	1,265,197	1,198,969	1,221,863

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Note 6 Investment securities held-to-maturity

The following tables present the amortized cost, gross unrealized gains and losses, approximate fair value, weighted average yield and contractual maturities of investment securities held-to-maturity.

(In thousands)	At March 31, 2013 Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Weighted average yield
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	$ 2,525	$ 28	$	$ 2,553	5.74%
After 1 to 5 years	21,835	554		22,389	3.70
After 5 to 10 years	19,640	359	73	19,926	6.05
After 10 years	70,892	57	574	70,375	2.49
Total obligations of Puerto Rico, States and political subdivisions	114,892	998	647	115,243	3.40
Collateralized mortgage obligations - federal agencies					
After 10 years	126	7		133	5.30
Total collateralized mortgage obligations - federal agencies	126	7		133	5.30
Other					
Within 1 year	250			250	0.86
After 1 to 5 years	26,250	1		26,251	3.40
Total other	26,500	1		26,501	3.38
Total investment securities held-to-maturity	$ 141,518	$ 1,006	$ 647	$ 141,877	3.40%

(In thousands)	At December 31, 2012 Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Weighted average yield
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	$ 2,420	$ 8	$	$ 2,428	5.74%
After 1 to 5 years	21,335	520	19	21,836	3.63
After 5 to 10 years	18,780	866	5	19,641	6.03
After 10 years	73,642	449	438	73,653	5.35
Total obligations of Puerto Rico, States and political subdivisions	116,177	1,843	462	117,558	5.15
Collateralized mortgage obligations - federal agencies					
After 10 years	140	4		144	5.00
Total collateralized mortgage obligations - federal agencies	140	4		144	5.00
Other					
Within 1 year	250			250	0.86
After 1 to 5 years	26,250	31		26,281	3.40
Total other	26,500	31		26,531	3.38

Total investment securities held-to-maturity	$ 142,817	$ 1,878	$ 462	$ 144,233	4.82%

Securities not due on a single contractual maturity date, such as collateralized mortgage obligations, are classified in the period of final contractual maturity. The expected maturities of collateralized mortgage obligations and certain other securities may differ from their contractual maturities because they may be subject to prepayments or may be called by the issuer.

The following tables present the Corporation s fair value and gross unrealized losses of investment securities held-to-maturity, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2013 and December 31, 2012.

	At March 31, 2013					
	Less than 12 months		12 months or more		Total	
(In thousands)	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of Puerto Rico, States and political subdivisions	$ 11,159	$ 141	$ 19,039	$ 506	$ 30,198	$ 647
Total investment securities held-to-maturity in an unrealized loss position	$ 11,159	$ 141	$ 19,039	$ 506	$ 30,198	$ 647

	At December 31, 2012					
	Less than 12 months		12 months or more		Total	
(In thousands)	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of Puerto Rico, States and political subdivisions	$ 2,365	$ 35	$ 19,118	$ 427	$ 21,483	$ 462
Total investment securities held-to-maturity in an unrealized loss position	$ 2,365	$ 35	$ 19,118	$ 427	$ 21,483	$ 462

As indicated in Note 5 to these consolidated financial statements, management evaluates investment securities for OTTI declines in fair value on a quarterly basis.

The Obligations of Puerto Rico, States and political subdivisions classified as held-to-maturity at March 31, 2013 are primarily associated with securities issued by municipalities of Puerto Rico and are generally not rated by a credit rating agency. The Corporation performs periodic credit quality reviews on these issuers. The Corporation does not have the intent to sell securities held-to-maturity and it is not more likely than not that the Corporation will have to sell these investment securities prior to recovery of their amortized cost basis.

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Note 7 Loans

Covered loans acquired in the Westernbank FDIC-assisted transaction, except for lines of credit with revolving privileges, are accounted for by the Corporation in accordance with ASC Subtopic 310-30. Under ASC Subtopic 310-30, the acquired loans were aggregated into pools based on similar characteristics. Each loan pool is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. The covered loans which are accounted for under ASC Subtopic 310-30 by the Corporation are not considered non-performing and will continue to have an accretable yield as long as there is a reasonable expectation about the timing and amount of cash flows expected to be collected. The Corporation measures additional losses for this portfolio when it is probable the Corporation will be unable to collect all cash flows expected at acquisition plus additional cash flows expected to be collected arising from changes in estimates after acquisition. Lines of credit with revolving privileges that were acquired as part of the Westernbank FDIC-assisted transaction are accounted for under the guidance of ASC Subtopic 310-20, which requires that any differences between the contractually required loan payment receivable in excess of the Corporation s initial investment in the loans be accreted into interest income. Loans accounted for under ASC Subtopic 310-20 are placed in non-accrual status when past due in accordance with the Corporation s non-accruing policy and any accretion of discount is discontinued.

The risks on loans acquired in the FDIC-assisted transaction are significantly different from the risks on loans not covered under the FDIC loss sharing agreements because of the loss protection provided by the FDIC. Accordingly, the Corporation presents loans subject to the loss sharing agreements as covered loans in the information below and loans that are not subject to the FDIC loss sharing agreements as non-covered loans .

For a summary of the accounting policy related to loans, interest recognition and allowance for loan losses refer to the summary of significant accounting policies included in Note 2 to the consolidated financial statements included in 2012 Annual Report.

The following table presents the composition of non-covered loans held-in-portfolio (HIP), net of unearned income, at March 31, 2013 and December 31, 2012.

(In thousands)	March 31, 2013	December 31, 2012
Commercial multi-family	$ 1,034,289	$ 1,021,780
Commercial real estate non-owner occupied	2,946,541	2,634,432
Commercial real estate owner occupied	2,285,328	2,608,450
Commercial and industrial	3,484,270	3,593,540
Construction	271,498	252,857
Mortgage	6,873,910	6,078,507
Leasing	543,572	540,523
Legacy[2]	352,512	384,217
Consumer:		
Credit cards	1,169,572	1,198,213
Home equity lines of credit	478,788	491,035
Personal	1,369,666	1,388,911
Auto	593,125	561,084
Other	230,674	229,643
Total loans held-in-portfolio[1]	$ 21,633,745	$ 20,983,192

[1] Non-covered loans held-in-portfolio at March 31, 2013 are net of $96 million in unearned income and exclude $201 million in loans held-for-sale (December 31, 2012 - $97 million in unearned income and $354 million in loans held-for-sale).

[2] 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.

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The following table presents the composition of covered loans at March 31, 2013 and December 31, 2012.

(In thousands)	March 31, 2013	December 31, 2012
Commercial real estate	$ 1,828,620	$ 2,077,411
Commercial and industrial	116,189	167,236
Construction	306,550	361,396
Mortgage	1,045,564	1,076,730
Consumer	65,523	73,199
Total loans held-in-portfolio	$ 3,362,446	$ 3,755,972

The following table provides a breakdown of loans held-for-sale (LHFS) at March 31, 2013 and December 31, 2012 by main categories.

(In thousands)	March 31, 2013	December 31, 2012
Commercial	$	$ 16,047
Construction		78,140
Legacy	1,681	2,080
Mortgage	199,814	258,201
Total loans held-for-sale	$ 201,495	$ 354,468

During the quarter ended March 31, 2013, the Corporation recorded purchases (including repurchases) of mortgage loans amounting to $1.0 billion (March 31, 2012 - $215 million). The purchases of mortgage loans during the quarter ended March 31, 2013, included $133 million of impaired loans accounted pursuant to ASC subtopic 310-30. In addition, during the quarter ended March 31, 2013, there were no purchases of construction loans (March 31, 2012 - $1 million). There were no purchases of commercial and consumer loans during the quarters ended March 31, 2013 and 2012.

The Corporation performed whole-loan sales involving approximately $50 million of residential mortgage loans during the quarter ended March 31, 2013 (March 31, 2012 - $62 million). Also, the Corporation securitized approximately $ 285 million of mortgage loans into Government National Mortgage Association (GNMA) mortgage-backed securities during the quarter ended March 31, 2013 (March 31, 2012 - $ 190 million). Furthermore, the Corporation securitized approximately $ 128 million of mortgage loans into Federal National Mortgage Association (FNMA) mortgage-backed securities during the quarter ended March 31, 2013 (March 31, 2012 - $ 60 million). There were no securitizations into FHLMC for the quarters ended March 31, 2013 and 2012. The Corporation sold commercial and construction loans with a book value of approximately $401 million during the quarter ended March 31, 2013 (March 31, 2012 - $20 million).

Non-covered loans

The following tables present non-covered loans held-in-portfolio by loan class that are in non-performing status or are accruing interest but are past due 90 days or more at March 31, 2013 and December 31, 2012. Accruing loans past due 90 days or more consist primarily of credit cards, FHA / VA and other insured mortgage loans, and delinquent mortgage loans which are included in the Corporation s financial statements pursuant to GNMA s buy-back option program. Servicers of loans underlying GNMA mortgage-backed securities must report as their own assets the defaulted loans that they have the option (but not the obligation) to repurchase, even when they elect not to exercise that option. Also, accruing loans past due 90 days or more include residential conventional loans purchased from another financial institution that, although delinquent, the Corporation has received timely payment from the seller / servicer, and, in some instances, have partial guarantees under recourse agreements. However, residential conventional loans purchased from another financial institution, which are in the process of foreclosure, are classified as non-performing mortgage loans.

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	At March 31, 2013					
	Puerto Rico		U.S. mainland		Popular, Inc.	
(In thousands)	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more
Commercial multi-family	$ 8,386	$	$ 18,850	$	$ 27,236	$
Commercial real estate non-owner occupied	29,742		74,471		104,213	
Commercial real estate owner occupied	88,386		31,170		119,556	
Commercial and industrial	60,294	451	9,488		69,782	451
Construction	45,036		5,884		50,920	
Mortgage[2]	572,731	386,656	27,993		600,724	386,656
Leasing	4,005				4,005	
Legacy			35,830		35,830	
Consumer:						
Credit cards		21,969	526		526	21,969
Home equity lines of credit		405	7,562		7,562	405
Personal	17,797	27	860		18,657	27
Auto	8,404		4		8,408	
Other	3,162	557	27		3,189	557
Total[1]	$ 837,943	$ 410,065	$ 212,665	$	$ 1,050,608	$ 410,065

[1] For purposes of this table non-performing loans exclude $ 17 million in non-performing loans held-for-sale.

[2] Non-covered loans accounted for under ASC Subtopic 310-30 are excluded from the above table as they are considered to be performing due to the application of the accretion method, in which these loans will accrete interest income over the remaining life of the loans using estimated cash flow analysis.

	At December 31, 2012					
	Puerto Rico		U.S. mainland		Popular, Inc.	
(In thousands)	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more
Commercial multi-family	$ 15,816	$	$ 18,435	$	$ 34,251	$
Commercial real estate non-owner occupied	66,665		78,140		144,805	
Commercial real estate owner occupied	315,534		31,931		347,465	
Commercial and industrial	124,717	529	14,051		138,768	529
Construction	37,390		5,960		43,350	
Mortgage	596,105	364,387	34,025		630,130	364,387
Leasing	4,865				4,865	
Legacy			40,741		40,741	
Consumer:						
Credit cards		22,184	505		505	22,184
Home equity lines of credit		312	7,454		7,454	312
Personal	19,300	23	1,905		21,205	23
Auto	8,551		4		8,555	
Other	3,036	469	3		3,039	469
Total[1]	$ 1,191,979	$ 387,904	$ 233,154	$	$ 1,425,133	$ 387,904

[1] For purposes of this table non-performing loans exclude $ 96 million in non-performing loans held-for-sale.

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The following tables present loans by past due status at March 31, 2013 and December 31, 2012 for non-covered loans held-in-portfolio (net of unearned income).

March 31, 2013
Puerto Rico

(In thousands)	Past due 30-59 days	60-89 days	90 days or more	Total past due	Current	Non - covered loans HIP Puerto Rico
Commercial multi-family	$ 127	$ 348	$ 8,386	$ 8,861	$ 105,736	$ 114,597
Commercial real estate non-owner occupied	4,585	7,487	29,742	41,814	1,624,876	1,666,690
Commercial real estate owner occupied	25,884	2,327	88,386	116,597	1,611,474	1,728,071
Commercial and industrial	37,504	3,032	60,745	101,281	2,589,951	2,691,232
Construction	68		45,036	45,104	196,183	241,287
Mortgage	318,537	146,054	992,016	1,456,607	4,279,986	5,736,593
Leasing	7,180	1,600	4,005	12,785	530,787	543,572
Consumer:						
Credit cards	13,289	8,081	21,969	43,339	1,111,666	1,155,005
Home equity lines of credit	75		405	480	15,735	16,215
Personal	12,471	6,697	17,824	36,992	1,193,506	1,230,498
Auto	26,483	7,444	8,404	42,331	550,160	592,491
Other	1,918	1,121	3,719	6,758	222,567	229,325
Total	$ 448,121	$ 184,191	$ 1,280,637	$ 1,912,949	$ 14,032,627	$ 15,945,576

March 31, 2013
U.S. mainland

(In thousands)	Past due 30-59 days	60-89 days	90 days or more	Total past due	Current	Loans HIP U.S. mainland
Commercial multi-family	$ 17,302	$	$ 18,850	$ 36,152	$ 883,540	$ 919,692
Commercial real estate non-owner occupied	12,206	274	74,471	86,951	1,192,900	1,279,851
Commercial real estate owner occupied	22,596		31,170	53,766	503,491	557,257
Commercial and industrial	12,488	1,650	9,488	23,626	769,412	793,038
Construction			5,884	5,884	24,327	30,211
Mortgage	33,838	3,226	27,993	65,057	1,072,260	1,137,317
Legacy	29,209	1,998	35,830	67,037	285,475	352,512
Consumer:						
Credit cards	255	127	526	908	13,659	14,567
Home equity lines of credit	4,580	3,195	7,562	15,337	447,236	462,573
Personal	2,990	843	860	4,693	134,475	139,168
Auto	18		4	22	612	634
Other	5		27	32	1,317	1,349
Total	$ 135,487	$ 11,313	$ 212,665	$ 359,465	$ 5,328,704	$ 5,688,169

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	March 31, 2013 Popular, Inc.					
			Past due			Non-covered
	30-59	60-89	90 days	Total		loans HIP
(In thousands)	days	days	or more	past due	Current	Popular, Inc.
Commercial multi-family	$ 17,429	$ 348	$ 27,236	$ 45,013	$ 989,276	$ 1,034,289
Commercial real estate non-owner occupied	16,791	7,761	104,213	128,765	2,817,776	2,946,541
Commercial real estate owner occupied	48,480	2,327	119,556	170,363	2,114,965	2,285,328
Commercial and industrial	49,992	4,682	70,233	124,907	3,359,363	3,484,270
Construction	68		50,920	50,988	220,510	271,498
Mortgage	352,375	149,280	1,020,009	1,521,664	5,352,246	6,873,910
Leasing	7,180	1,600	4,005	12,785	530,787	543,572
Legacy	29,209	1,998	35,830	67,037	285,475	352,512
Consumer:						
Credit cards	13,544	8,208	22,495	44,247	1,125,325	1,169,572
Home equity lines of credit	4,655	3,195	7,967	15,817	462,971	478,788
Personal	15,461	7,540	18,684	41,685	1,327,981	1,369,666
Auto	26,501	7,444	8,408	42,353	550,772	593,125
Other	1,923	1,121	3,746	6,790	223,884	230,674
Total	$ 583,608	$ 195,504	$ 1,493,302	$ 2,272,414	$ 19,361,331	$ 21,633,745

	December 31, 2012 Puerto Rico					
			Past due			Non-covered
	30-59	60-89	90 days	Total		loans HIP
(In thousands)	days	days	or more	past due	Current	Puerto Rico
Commercial multi-family	$ 1,005	$	$ 15,816	$ 16,821	$ 98,272	$ 115,093
Commercial real estate non-owner occupied	10,580	4,454	66,665	81,699	1,268,734	1,350,433
Commercial real estate owner occupied	28,240	13,319	315,534	357,093	1,685,393	2,042,486
Commercial and industrial	27,977	5,922	125,246	159,145	2,629,127	2,788,272
Construction	1,243		37,390	38,633	173,634	212,267
Mortgage	241,930	121,175	960,492	1,323,597	3,625,327	4,948,924
Leasing	6,493	1,555	4,865	12,913	527,610	540,523
Consumer:						
Credit cards	14,521	10,614	22,184	47,319	1,135,753	1,183,072
Home equity lines of credit	124		312	436	16,370	16,806
Personal	13,208	7,392	19,323	39,923	1,205,859	1,245,782
Auto	24,128	6,518	8,551	39,197	521,119	560,316
Other	2,120	536	3,505	6,161	222,192	228,353
Total	$ 371,569	$ 171,485	$ 1,579,883	$ 2,122,937	$ 13,109,390	$ 15,232,327

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(In thousands)	December 31, 2012 U.S. mainland Past due 30-59 days	60-89 days	90 days or more	Total past due	Current	Loans HIP U.S. mainland
Commercial multi-family	$ 6,828	$ 5,067	$ 18,435	$ 30,330	$ 876,357	$ 906,687
Commercial real estate non-owner occupied	19,032	1,309	78,140	98,481	1,185,518	1,283,999
Commercial real estate owner occupied	9,979	100	31,931	42,010	523,954	565,964
Commercial and industrial	12,885	1,975	14,051	28,911	776,357	805,268
Construction	5,268		5,960	11,228	29,362	40,590
Mortgage	29,909	10,267	34,025	74,201	1,055,382	1,129,583
Legacy	15,765	20,112	40,741	76,618	307,599	384,217
Consumer:						
Credit cards	305	210	505	1,020	14,121	15,141
Home equity lines of credit	3,937	2,506	7,454	13,897	460,332	474,229
Personal	2,757	1,585	1,905	6,247	136,882	143,129
Auto	38	3	4	45	723	768
Other	41	9	3	53	1,237	1,290
Total	$ 106,744	$ 43,143	$ 233,154	$ 383,041	$ 5,367,824	$ 5,750,865

(In thousands)	December 31, 2012 Popular, Inc. Past due 30-59 days	60-89 days	90 days or more	Total past due	Current	Non-covered loans HIP Popular, Inc.
Commercial multi-family	$ 7,833	$ 5,067	$ 34,251	$ 47,151	$ 974,629	$ 1,021,780
Commercial real estate non-owner occupied	29,612	5,763	144,805	180,180	2,454,252	2,634,432
Commercial real estate owner occupied	38,219	13,419	347,465	399,103	2,209,347	2,608,450
Commercial and industrial	40,862	7,897	139,297	188,056	3,405,484	3,593,540
Construction	6,511		43,350	49,861	202,996	252,857
Mortgage	271,839	131,442	994,517	1,397,798	4,680,709	6,078,507
Leasing	6,493	1,555	4,865	12,913	527,610	540,523
Legacy	15,765	20,112	40,741	76,618	307,599	384,217
Consumer:						
Credit cards	14,826	10,824	22,689	48,339	1,149,874	1,198,213
Home equity lines of credit	4,061	2,506	7,766	14,333	476,702	491,035
Personal	15,965	8,977	21,228	46,170	1,342,741	1,388,911
Auto	24,166	6,521	8,555	39,242	521,842	561,084
Other	2,161	545	3,508	6,214	223,429	229,643
Total	$ 478,313	$ 214,628	$ 1,813,037	$ 2,505,978	$ 18,477,214	$ 20,983,192

The following table provides a breakdown of loans held-for-sale (LHFS) in non-performing status at March 31, 2013 and December 31, 2012 by main categories.

(In thousands)	March 31, 2013	December 31, 2012
Commercial	$	$ 16,047
Construction		78,140
Legacy	1,680	2,080
Mortgage	15,783	53
Total	$ 17,463	$ 96,320

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The outstanding principal balance of non-covered loans accounted pursuant to ASC Subtopic 310-30, including amounts charged off by the Corporation, amounted to $148 million at March 31, 2013. At March 31, 2013, none of the acquired non-covered loans accounted under ASC Subtopic 310-30 were considered non-performing loans. Therefore, interest income, through accretion of the difference between the carrying amount of the loans and the expected cash flows, was recognized on all acquired loans.

Changes in the carrying amount and the accretable yield for the non-covered loans accounted pursuant to the ASC Subtopic 310-30, for the quarter ended March 31, 2013 were as follows:

Activity in the accretable discount - Non-covered loans ASC 310-30

(In thousands)	For the quarter ended March 31, 2013	
Beginning balance	$	
Additions		37,235
Accretion		(608)
Ending balance	$	36,627

Carrying amount of non-covered loans accounted for pursuant to ASC 310-30

(In thousands)	For the quarter ended March 31, 2013	
Beginning balance	$	
Additions		133,412
Accretion		608
Collections and charge-offs		(979)
Ending balance	$	133,041
Allowance for loan losses ASC 310-30 non-covered loans		
	$	133,041

Covered loans

The following table presents covered loans in non-performing status and accruing loans past-due 90 days or more by loan class at March 31, 2013 and December 31, 2012.

	March 31, 2013			December 31, 2012		
(In thousands)	Non-accrual loans	Accruing loans past due 90 days or more		Non-accrual loans	Accruing loans past due 90 days or more	
Commercial real estate	$ 7,372	$		$ 14,628	$	
Commercial and industrial	9,081		200	48,743		504
Construction	5,917			8,363		
Mortgage	1,575			2,133		
Consumer	394		347	543		265
Total[1]	$ 24,339	$	547	$ 74,410	$	769

[1]

Covered loans accounted for under ASC Subtopic 310-30 are excluded from the above table as they are considered to be performing due to the application of the accretion method, in which these loans will accrete interest income over the remaining life of the loans using estimated cash flow analyses.

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The following tables present loans by past due status at March 31, 2013 and December 31, 2012 for covered loans held-in-portfolio. The information considers covered loans accounted for under ASC Subtopic 310-20 and ASC Subtopic 310-30.

	March 31, 2013					
	Past due					
(In thousands)	30-59 days	60-89 days	90 days or more	Total past due	Current	Covered loans HIP
Commercial real estate	$ 18,618	$ 7,711	$ 491,897	$ 518,226	$ 1,310,394	$ 1,828,620
Commercial and industrial	2,154	483	17,086	19,723	96,466	116,189
Construction	241	2,704	267,210	270,155	36,395	306,550
Mortgage	26,475	18,867	174,151	219,493	826,071	1,045,564
Consumer	1,676	1,370	6,362	9,408	56,115	65,523
Total covered loans	$ 49,164	$ 31,135	$ 956,706	$ 1,037,005	$ 2,325,441	$ 3,362,446

	December 31, 2012					
	Past due					
(In thousands)	30-59 days	60-89 days	90 days or more	Total past due	Current	Covered loans HIP
Commercial real estate	$ 81,386	$ 41,256	$ 545,241	$ 667,883	$ 1,409,528	$ 2,077,411
Commercial and industrial	3,242	551	59,554	63,347	103,889	167,236
Construction	13		296,837	296,850	64,546	361,396
Mortgage	38,307	28,206	182,376	248,889	827,841	1,076,730
Consumer	1,382	1,311	11,094	13,787	59,412	73,199
Total covered loans	$ 124,330	$ 71,324	$ 1,095,102	$ 1,290,756	$ 2,465,216	$ 3,755,972

The carrying amount of the covered loans consisted of loans determined to be impaired at the time of acquisition, which are accounted for in accordance with ASC Subtopic 310-30 (credit impaired loans), and loans that were considered to be performing at the acquisition date, accounted for by analogy to ASC Subtopic 310-30 (non-credit impaired loans), as detailed in the following table.

	March 31, 2013			December 31, 2012		
	Carrying amount			Carrying amount		
(In thousands)	Non-credit impaired loans	Credit impaired loans	Total	Non-credit impaired loans	Credit impaired loans	Total
Commercial real estate	$ 1,559,803	$ 167,981	$ 1,727,784	$ 1,778,594	$ 185,386	$ 1,963,980
Commercial and industrial	48,047	4,279	52,326	55,396	4,379	59,775
Construction	142,251	153,822	296,073	174,054	174,093	348,147
Mortgage	957,693	68,497	1,026,190	988,158	69,654	1,057,812
Consumer	51,150	4,140	55,290	55,762	6,283	62,045
Carrying amount	2,758,944	398,719	3,157,663	3,051,964	439,795	3,491,759
Allowance for loan losses	(52,542)	(39,031)	(91,573)	(48,365)	(47,042)	(95,407)
Carrying amount, net of allowance	$ 2,706,402	$ 359,688	$ 3,066,090	$ 3,003,599	$ 392,753	$ 3,396,352

The outstanding principal balance of covered loans accounted pursuant to ASC Subtopic 310-30, including amounts charged off by the Corporation, amounted to $4.4 billion at March 31, 2013 (December 31, 2012 - $4.8 billion). At March 31, 2013, none of the acquired loans from the Westernbank FDIC-assisted transaction accounted for under ASC Subtopic 310-30 were considered non-performing loans. Therefore, interest income, through accretion of the difference between the carrying amount of the loans and the expected cash flows, was recognized on all acquired loans.

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Changes in the carrying amount and the accretable yield for the covered loans accounted pursuant to the ASC Subtopic 310-30, for the quarters ended March 31, 2013 and 2012, were as follows:

	Activity in the accretable discount Covered loans ASC 310-30 For the quarters ended					
	March 31, 2013			March 31, 2012		
(In thousands)	Non-credit impaired loans	Credit impaired loans	Total	Non-credit impaired loans	Credit impaired loans	Total
Beginning balance	$ 1,446,381	$ 5,288	$ 1,451,669	$ 1,428,764	$ 41,495	$ 1,470,259
Accretion	(61,177)	(3,813)	(64,990)	(62,467)	(6,870)	(69,337)
Change in expected cash flows	(12,829)	(1,715)	(14,544)	148,422	(6,825)	141,597
Ending balance	$ 1,372,375	$ (240)	$ 1,372,135	$ 1,514,719	$ 27,800	$ 1,542,519

	Carrying amount of covered loans accounted for pursuant to ASC 310-30 For the quarters ended					
	March 31, 2013			March 31, 2012		
(In thousands)	Non-credit impaired loans	Credit impaired loans	Total	Non-credit impaired loans	Credit impaired loans	Total
Beginning balance	$ 3,051,964	$ 439,795	$ 3,491,759	$ 3,446,451	$ 590,020	$ 4,036,471
Accretion	61,177	3,813	64,990	62,467	6,870	69,337
Collections and charge-offs	(354,197)	(44,889)	(399,086)	(163,607)	(47,296)	(210,903)
Ending balance	$ 2,758,944	$ 398,719	$ 3,157,663	$ 3,345,311	$ 549,594	$ 3,894,905
Allowance for loan losses						
ASC 310-30 covered loans	(52,542)	(39,031)	(91,573)	(63,240)	(31,319)	(94,559)
	$ 2,706,402	$ 359,688	$ 3,066,090	$ 3,282,071	$ 518,275	$ 3,800,346

The Corporation accounts for lines of credit with revolving privileges under the accounting guidance of ASC Subtopic 310-20, which requires that any differences between the contractually required loans payment receivable in excess of the initial investment in the loans be accreted into interest income over the life of the loans, if the loan is accruing interest. Covered loans accounted for under ASC Subtopic 310-20 amounted to $0.2 billion at March 31, 2013 (March 31, 2012 - $0.3 billion).

Note 8 Allowance for loan losses

The following tables present the changes in the allowance for loan losses for the quarters ended March 31, 2013 and 2012.

	For the quarter ended March 31, 2013 Puerto Rico - Non-covered loans					
(In thousands)	Commercial	Construction	Mortgage	Leasing	Consumer	Total
Allowance for credit losses:						
Beginning balance	$ 217,615	$ 5,862	$ 119,027	$ 2,894	$ 99,899	$ 445,297
Provision (reversal of provision)	128,877	2,742	28,212	1,985	42,476	204,292
Charge-offs	(32,446)	(1,629)	(17,759)	(1,543)	(27,360)	(80,737)
Recoveries	8,134	1,274	986	559	7,359	18,312
Net write-down related to loans sold	(161,297)	(1,846)				(163,143)
Ending balance	$ 160,883	$ 6,403	$ 130,466	$ 3,895	$ 122,374	$ 424,021

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For the quarter ended March 31, 2013
Puerto Rico - Covered loans

(In thousands)	Commercial	Construction	Mortgage	Leasing	Consumer	Total
Allowance for credit losses:						
Beginning balance	$ 72,060	$ 9,946	$ 20,914	$	$ 5,986	$ 108,906
Provision (reversal of provision)	6,156	5,792	1,810		3,798	17,556
Charge-offs	(10,565)	(9,759)	(2,062)		(4,567)	(26,953)
Recoveries	30	314	11		3	358
Ending balance	$ 67,681	$ 6,293	$ 20,673	$	$ 5,220	$ 99,867

For the quarter ended March 31, 2013
U.S. Mainland

(In thousands)	Commercial	Construction	Mortgage	Legacy	Consumer	Total
Allowance for credit losses:						
Beginning balance	$ 80,067	$ 1,567	$ 30,348	$ 33,102	$ 31,320	$ 176,404
Provision (reversal of provision)	(3,977)	(531)	3,921	(439)	3,034	2,008
Charge-offs	(12,382)		(4,017)	(7,099)	(7,197)	(30,695)
Recoveries	4,279		1,227	5,213	1,044	11,763
Ending balance	$ 67,987	$ 1,036	$ 31,479	$ 30,777	$ 28,201	$ 159,480

For the quarter ended March 31, 2013
Popular, Inc.

(In thousands)	Commercial	Construction	Mortgage	Legacy	Leasing	Consumer	Total
Allowance for credit losses:							
Beginning balance	$ 369,742	$ 17,375	$ 170,289	$ 33,102	$ 2,894	$ 137,205	$ 730,607
Provision (reversal of provision)	131,056	8,003	33,943	(439)	1,985	49,308	223,856
Charge-offs	(55,393)	(11,388)	(23,838)	(7,099)	(1,543)	(39,124)	(138,385)
Recoveries	12,443	1,588	2,224	5,213	559	8,406	30,433
Net write-down related to loans sold	(161,297)	(1,846)					(163,143)
Ending balance	$ 296,551	$ 13,732	$ 182,618	$ 30,777	$ 3,895	$ 155,795	$ 683,368

For the quarter ended March 31, 2012
Puerto Rico - Non-covered loans

(In thousands)	Commercial	Construction	Mortgage	Leasing	Consumer	Total
Allowance for credit losses:						
Beginning balance	$ 255,453	$ 5,850	$ 72,322	$ 4,651	$ 115,126	$ 453,402
Provision (reversal of provision)	3,394	450	36,411	470	27,067	67,792
Charge-offs	(47,644)	(280)	(13,491)	(1,217)	(32,238)	(94,870)
Recoveries	10,126	651	1,265	1,063	8,107	21,212
Ending balance	$ 221,329	$ 6,671	$ 96,507	$ 4,967	$ 118,062	$ 447,536

For the quarter ended March 31, 2012
Puerto Rico - Covered Loans

(In thousands)	Commercial	Construction	Mortgage	Leasing	Consumer	Total
Allowance for credit losses:						
Beginning balance	$ 94,472	$ 20,435	$ 5,310	$	$ 4,728	$ 124,945
Provision (reversal of provision)	(300)	9,556	5,410		3,543	18,209

Charge-offs	(4,102)	(264)	(203)		(89)	(4,658)
Recoveries						
Ending balance	$ 90,070	$ 29,727	$ 10,517	$	$ 8,182	$ 138,496

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(In thousands)	For the quarter ended March 31, 2012 U.S. Mainland Commercial	Construction	Mortgage	Legacy	Consumer	Total
Allowance for credit losses:						
Beginning balance	$ 113,979	$ 2,631	$ 29,939	$ 46,228	$ 44,184	$ 236,961
Provision (reversal of provision)	(4,864)	(3)	4,261	12,055	3,273	14,722
Charge-offs	(19,602)	(1,396)	(5,332)	(8,473)	(10,358)	(45,161)
Recoveries	2,737	1,230	104	4,915	1,724	10,710
Ending balance	$ 92,250	$ 2,462	$ 28,972	$ 54,725	$ 38,823	$ 217,232

(In thousands)	Commercial	For the quarter ended March 31, 2012 Popular, Inc. Construction	Mortgage	Legacy	Leasing	Consumer	Total
Allowance for credit losses:							
Beginning balance	$ 463,904	$ 28,916	$ 107,571	$ 46,228	$ 4,651	$ 164,038	$ 815,308
Provision (reversal of provision)	(1,770)	10,003	46,082	12,055	470	33,883	100,723
Charge-offs	(71,348)	(1,940)	(19,026)	(8,473)	(1,217)	(42,685)	(144,689)
Recoveries	12,863	1,881	1,369	4,915	1,063	9,831	31,922
Ending balance	$ 403,649	$ 38,860	$ 135,996	$ 54,725	$ 4,967	$ 165,067	$ 803,264

The following table provides the activity in the allowance for loan losses related to covered loans accounted for pursuant to ASC Subtopic 310-30.

(In thousands)	ASC 310-30 Covered loans For the quarters ended March 31, 2013	March 31, 2012
Balance at beginning of period	$ 95,407	$ 83,477
Provision for loan losses	14,041	11,370
Net charge-offs	(17,875)	(288)
Balance at end of period	$ 91,573	$ 94,559

The following tables present information at March 31, 2013 and December 31, 2012 regarding loan ending balances and the allowance for loan losses by portfolio segment and whether such loans and the allowance pertains to loans individually or collectively evaluated for impairment.

(In thousands)	Commercial	At March 31, 2013 Puerto Rico Construction	Mortgage	Leasing	Consumer	Total
Allowance for credit losses:						
Specific ALLL non-covered loans	$ 21,770	$ 135	$ 58,206	$ 1,662	$ 24,379	$ 106,152
General ALLL non-covered loans	139,113	6,268	72,260	2,233	97,995	317,869
ALLL - non-covered loans	160,883	6,403	130,466	3,895	122,374	424,021
Specific ALLL covered loans	1,417					1,417
General ALLL covered loans	66,264	6,293	20,673		5,220	98,450

ALLL - covered loans	67,681	6,293	20,673		5,220	99,867
Total ALLL	$ 228,564	$ 12,696	$ 151,139	$ 3,895	$ 127,594	$ 523,888
Loans held-in-portfolio:						
Impaired non-covered loans	$ 231,986	$ 43,514	$ 578,471	$ 4,358	$ 109,718	$ 968,047
Non-covered loans held-in-portfolio excluding impaired loans	5,968,604	197,773	5,158,122	539,214	3,113,816	14,977,529
Non-covered loans held-in-portfolio	6,200,590	241,287	5,736,593	543,572	3,223,534	15,945,576
Impaired covered loans	23,412					23,412
Covered loans held-in-portfolio excluding impaired loans	1,921,397	306,550	1,045,564		65,523	3,339,034
Covered loans held-in-portfolio	1,944,809	306,550	1,045,564		65,523	3,362,446
Total loans held-in-portfolio	$ 8,145,399	$ 547,837	$ 6,782,157	$ 543,572	$ 3,289,057	$ 19,308,022

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At March 31, 2013
U.S. Mainland

(In thousands)	Commercial	Construction	Mortgage	Legacy	Consumer	Total
Allowance for credit losses:						
Specific ALLL	$ 6	$	$ 17,491	$	$ 93	$ 17,590
General ALLL	67,981	1,036	13,988	30,777	28,108	141,890
Total ALLL	$ 67,987	$ 1,036	$ 31,479	$ 30,777	$ 28,201	$ 159,480
Loans held-in-portfolio:						
Impaired loans	$ 69,953	$ 5,884	$ 53,192	$ 15,031	$ 2,676	$ 146,736
Loans held-in-portfolio,excluding impaired loans	3,479,885	24,327	1,084,125	337,481	615,615	5,541,433
Total loans held-in-portfolio	$ 3,549,838	$ 30,211	$ 1,137,317	$ 352,512	$ 618,291	$ 5,688,169

At March 31, 2013
Popular, Inc.

(In thousands)	Commercial	Construction	Mortgage	Legacy	Leasing	Consumer	Total
Allowance for credit losses:							
Specific ALLL non-covered loans	$ 21,776	$ 135	$ 75,697	$	$ 1,662	$ 24,472	$ 123,742
General ALLL non-covered loans	207,094	7,304	86,248	30,777	2,233	126,103	459,759
ALLL - non-covered loans	228,870	7,439	161,945	30,777	3,895	150,575	583,501
Specific ALLL covered loans	1,417						1,417
General ALLL covered loans	66,264	6,293	20,673			5,220	98,450
ALLL - covered loans	67,681	6,293	20,673			5,220	99,867
Total ALLL	$ 296,551	$ 13,732	$ 182,618	$ 30,777	$ 3,895	$ 155,795	$ 683,368
Loans held-in-portfolio:							
Impaired non-covered loans	$ 301,939	$ 49,398	$ 631,663	$ 15,031	$ 4,358	$ 112,394	$ 1,114,783
Non-covered loans held-in-portfolio excluding impaired loans	9,448,489	222,100	6,242,247	337,481	539,214	3,729,431	20,518,962
Non-covered loans held-in-portfolio	9,750,428	271,498	6,873,910	352,512	543,572	3,841,825	21,633,745
Impaired covered loans	23,412						23,412
Covered loans held-in-portfolio excluding impaired loans	1,921,397	306,550	1,045,564			65,523	3,339,034
Covered loans held-in-portfolio	1,944,809	306,550	1,045,564			65,523	3,362,446
Total loans held-in-portfolio	$ 11,695,237	$ 578,048	$ 7,919,474	$ 352,512	$ 543,572	$ 3,907,348	$ 24,996,191

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At December 31, 2012 Puerto Rico (In thousands)	Commercial	Construction	Mortgage	Leasing	Consumer	Total
Allowance for credit losses:						
Specific ALLL non-covered loans	$ 17,323	$ 120	$ 58,572	$ 1,066	$ 17,779	$ 94,860
General ALLL non-covered loans	200,292	5,742	60,455	1,828	82,120	350,437
ALLL - non-covered loans	217,615	5,862	119,027	2,894	99,899	445,297
Specific ALLL covered loans	8,505					8,505
General ALLL covered loans	63,555	9,946	20,914		5,986	100,401
ALLL - covered loans	72,060	9,946	20,914		5,986	108,906
Total ALLL	$ 289,675	$ 15,808	$ 139,941	$ 2,894	$ 105,885	$ 554,203
Loans held-in-portfolio:						
Impaired non-covered loans	$ 447,779	$ 35,849	$ 557,137	$ 4,881	$ 130,663	$ 1,176,309
Non-covered loans held-in-portfolio excluding impaired loans	5,848,505	176,418	4,391,787	535,642	3,103,666	14,056,018
Non-covered loans held-in-portfolio	6,296,284	212,267	4,948,924	540,523	3,234,329	15,232,327
Impaired covered loans	109,241					109,241
Covered loans held-in-portfolio excluding impaired loans	2,135,406	361,396	1,076,730		73,199	3,646,731
Covered loans held-in-portfolio	2,244,647	361,396	1,076,730		73,199	3,755,972
Total loans held-in-portfolio	$ 8,540,931	$ 573,663	$ 6,025,654	$ 540,523	$ 3,307,528	$ 18,988,299

At December 31, 2012 U.S. Mainland (In thousands)	Commercial	Construction	Mortgage	Legacy	Consumer	Total
Allowance for credit losses:						
Specific ALLL	$ 25	$	$ 16,095	$	$ 107	$ 16,227
General ALLL	80,042	1,567	14,253	33,102	31,213	160,177
Total ALLL	$ 80,067	$ 1,567	$ 30,348	$ 33,102	$ 31,320	$ 176,404
Loans held-in-portfolio:						
Impaired loans	$ 79,885	$ 5,960	$ 54,093	$ 18,744	$ 2,714	$ 161,396
Loans held-in-portfolio, excluding impaired loans	3,482,033	34,630	1,075,490	365,473	631,843	5,589,469
Total loans held-in-portfolio	$ 3,561,918	$ 40,590	$ 1,129,583	$ 384,217	$ 634,557	$ 5,750,865

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(In thousands)	Commercial	Construction	Mortgage	Legacy	Leasing	Consumer	Total
	At December 31, 2012 Popular, Inc.						
Allowance for credit losses:							
Specific ALLL non-covered loans	$ 17,348	$ 120	$ 74,667	$	$ 1,066	$ 17,886	$ 111,087
General ALLL non-covered loans	280,334	7,309	74,708	33,102	1,828	113,333	510,614
ALLL - non-covered loans	297,682	7,429	149,375	33,102	2,894	131,219	621,701
Specific ALLL covered loans	8,505						8,505
General ALLL covered loans	63,555	9,946	20,914			5,986	100,401
ALLL - covered loans	72,060	9,946	20,914			5,986	108,906
Total ALLL	$ 369,742	$ 17,375	$ 170,289	$ 33,102	$ 2,894	$ 137,205	$ 730,607
Loans held-in-portfolio:							
Impaired non-covered loans	$ 527,664	$ 41,809	$ 611,230	$ 18,744	$ 4,881	$ 133,377	$ 1,337,705
Non-covered loans held-in-portfolio excluding impaired loans	9,330,538	211,048	5,467,277	365,473	535,642	3,735,509	19,645,487
Non-covered loans held-in-portfolio	9,858,202	252,857	6,078,507	384,217	540,523	3,868,886	20,983,192
Impaired covered loans	109,241						109,241
Covered loans held-in-portfolio excluding impaired loans	2,135,406	361,396	1,076,730			73,199	3,646,731
Covered loans held-in-portfolio	2,244,647	361,396	1,076,730			73,199	3,755,972
Total loans held-in-portfolio	$ 12,102,849	$ 614,253	$ 7,155,237	$ 384,217	$ 540,523	$ 3,942,085	$ 24,739,164

Impaired loans

The following tables present loans individually evaluated for impairment at March 31, 2013 and December 31, 2012.

	March 31, 2013 Puerto Rico							
	Impaired Loans With an Allowance			Impaired Loans With No Allowance		Impaired Loans - Total		
(In thousands)	Recorded investment	Unpaid principal balance	Related allowance	Recorded investment	Unpaid principal balance	Recorded investment	Unpaid principal balance	Related allowance
Commercial multi-family	$	$	$	$ 8,503	$ 8,503	$ 8,503	$ 8,503	$
Commercial real estate non-owner occupied	18,352	21,975	499	23,341	24,126	41,693	46,101	499
Commercial real estate owner occupied	44,210	60,295	6,405	41,445	51,194	85,655	111,489	6,405
Commercial and industrial	48,686	52,961	14,866	47,449	50,030	96,135	102,991	14,866
Construction	5,028	12,193	135	38,486	88,166	43,514	100,359	135
Mortgage	491,679	513,829	58,206	86,792	97,259	578,471	611,088	58,206
Leasing	4,358	4,358	1,662			4,358	4,358	1,662
Consumer:								
Credit cards	24,149	24,149	959			24,149	24,149	959
Personal	84,708	84,708	23,264			84,708	84,708	23,264
Auto	861	861	156			861	861	156

Covered loans	17,163	17,163	1,417	6,249	6,249	23,412	23,412	1,417
Total Puerto Rico	$ 739,194	$ 792,492	$ 107,569	$ 252,265	$ 325,527	$ 991,459	$ 1,118,019	$ 107,569

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March 31, 2013
U.S. mainland

	Impaired Loans With an Allowance			Impaired Loans With No Allowance		Impaired Loans - Total		
(In thousands)	Recorded investment	Unpaid principal balance	Related allowance	Recorded investment	Unpaid principal balance	Recorded investment	Unpaid principal balance	Related allowance
Commercial multi-family	$	$	$	$ 7,072	$ 10,542	$ 7,072	$ 10,542	$
Commercial real estate non-owner occupied	402	447	6	40,634	59,679	41,036	60,126	6
Commercial real estate owner occupied				19,846	25,078	19,846	25,078	
Commercial and industrial				1,999	1,999	1,999	1,999	
Construction				5,884	5,884	5,884	5,884	
Mortgage	47,405	51,765	17,491	5,787	6,793	53,192	58,558	17,491
Legacy				15,031	25,526	15,031	25,526	
Consumer:								
HELOCs	200	200	9			200	200	9
Auto	90	90	1			90	90	1
Other	2,386	2,386	83			2,386	2,386	83
Total U.S. mainland	$ 50,483	$ 54,888	$ 17,590	$ 96,253	$ 135,501	$ 146,736	$ 190,389	$ 17,590

March 31, 2013
Popular, Inc.

	Impaired Loans With an Allowance			Impaired Loans With No Allowance		Impaired Loans - Total		
(In thousands)	Recorded investment	Unpaid principal balance	Related allowance	Recorded investment	Unpaid principal balance	Recorded investment	Unpaid principal balance	Related allowance
Commercial multi-family	$	$	$	$ 15,575	$ 19,045	$ 15,575	$ 19,045	$
Commercial real estate non-owner occupied	18,754	22,422	505	63,975	83,805	82,729	106,227	505
Commercial real estate owner occupied	44,210	60,295	6,405	61,291	76,272	105,501	136,567	6,405
Commercial and industrial	48,686	52,961	14,866	49,448	52,029	98,134	104,990	14,866
Construction	5,028	12,193	135	44,370	94,050	49,398	106,243	135
Mortgage	539,084	565,594	75,697	92,579	104,052	631,663	669,646	75,697
Legacy				15,031	25,526	15,031	25,526	
Leasing	4,358	4,358	1,662			4,358	4,358	1,662
Consumer:								
Credit cards	24,149	24,149	959			24,149	24,149	959
HELOCs	200	200	9			200	200	9
Personal	84,708	84,708	23,264			84,708	84,708	23,264
Auto	951	951	157			951	951	157
Other	2,386	2,386	83			2,386	2,386	83
Covered loans	17,163	17,163	1,417	6,249	6,249	23,412	23,412	1,417
Total Popular, Inc.	$ 789,677	$ 847,380	$ 125,159	$ 348,518	$ 461,028	$ 1,138,195	$ 1,308,408	$ 125,159

December 31, 2012
Puerto Rico

	Impaired Loans With an Allowance			Impaired Loans With No Allowance		Impaired Loans - Total		
(In thousands)	Recorded investment	Unpaid principal balance	Related allowance	Recorded investment	Unpaid principal balance	Recorded investment	Unpaid principal balance	Related allowance

Commercial multi-family	$ 271	$ 288	$ 6	$ 13,080	$ 19,969	$ 13,351	$ 20,257	$ 6
Commercial real estate non-owner occupied	22,332	25,671	1,354	55,320	63,041	77,652	88,712	1,354
Commercial real estate owner occupied	100,685	149,342	12,614	121,476	167,639	222,161	316,981	12,614
Commercial and industrial	70,216	85,508	3,349	64,399	99,608	134,615	185,116	3,349
Construction	1,865	3,931	120	33,984	70,572	35,849	74,503	120
Mortgage	517,341	539,171	58,572	39,796	42,913	557,137	582,084	58,572
Leasing	4,881	4,881	1,066			4,881	4,881	1,066
Consumer:								
Credit cards	42,514	42,514	1,666			42,514	42,514	1,666
Personal	86,884	86,884	16,022			86,884	86,884	16,022
Auto	772	772	79			772	772	79
Other	493	493	12			493	493	12
Covered loans	64,762	64,762	8,505	44,479	44,479	109,241	109,241	8,505
Total Puerto Rico	$ 913,016	$ 1,004,217	$ 103,365	$ 372,534	$ 508,221	$ 1,285,550	$ 1,512,438	$ 103,365

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December 31, 2012
U.S. mainland

(In thousands)	Impaired Loans With an Allowance Recorded investment	Impaired Loans With an Allowance Unpaid principal balance	Impaired Loans With an Allowance Related allowance	Impaired Loans With No Allowance Recorded investment	Impaired Loans With No Allowance Unpaid principal balance	Impaired Loans - Total Recorded investment	Impaired Loans - Total Unpaid principal balance	Impaired Loans - Total Related allowance
Commercial multi-family	$ 1,327	$ 1,479	$ 25	$ 6,316	$ 9,898	$ 7,643	$ 11,377	$ 25
Commercial real estate non-owner occupied				45,815	64,783	45,815	64,783	
Commercial real estate owner occupied				20,369	22,968	20,369	22,968	
Commercial and industrial				6,058	8,026	6,058	8,026	
Construction				5,960	5,960	5,960	5,960	
Mortgage	45,319	46,484	16,095	8,774	10,328	54,093	56,812	16,095
Legacy				18,744	29,972	18,744	29,972	
Consumer:								
HELOCs	201	201	11			201	201	11
Auto	91	91	2			91	91	2
Other	2,422	2,422	94			2,422	2,422	94
Total U.S. mainland	$ 49,360	$ 50,677	$ 16,227	$ 112,036	$ 151,935	$ 161,396	$ 202,612	$ 16,227

December 31, 2012
Popular, Inc.

(In thousands)	Impaired Loans With an Allowance Recorded investment	Impaired Loans With an Allowance Unpaid principal balance	Impaired Loans With an Allowance Related allowance	Impaired Loans With No Allowance Recorded investment	Impaired Loans With No Allowance Unpaid principal balance	Impaired Loans - Total Recorded investment	Impaired Loans - Total Unpaid principal balance	Impaired Loans - Total Related allowance
Commercial multi-family	$ 1,598	$ 1,767	$ 31	$ 19,396	$ 29,867	$ 20,994	$ 31,634	$ 31
Commercial real estate non-owner occupied	22,332	25,671	1,354	101,135	127,824	123,467	153,495	1,354
Commercial real estate owner occupied	100,685	149,342	12,614	141,845	190,607	242,530	339,949	12,614
Commercial and industrial	70,216	85,508	3,349	70,457	107,634	140,673	193,142	3,349
Construction	1,865	3,931	120	39,944	76,532	41,809	80,463	120
Mortgage	562,660	585,655	74,667	48,570	53,241	611,230	638,896	74,667
Legacy				18,744	29,972	18,744	29,972	
Leasing	4,881	4,881	1,066			4,881	4,881	1,066
Consumer:								
Credit cards	42,514	42,514	1,666			42,514	42,514	1,666
HELOCs	201	201	11			201	201	11
Personal	86,884	86,884	16,022			86,884	86,884	16,022
Auto	863	863	81			863	863	81
Other	2,915	2,915	106			2,915	2,915	106
Covered loans	64,762	64,762	8,505	44,479	44,479	109,241	109,241	8,505
Total Popular, Inc.	$ 962,376	$ 1,054,894	$ 119,592	$ 484,570	$ 660,156	$ 1,446,946	$ 1,715,050	$ 119,592

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The following table presents the average recorded investment and interest income recognized on impaired loans for the quarters ended March 31, 2013 and 2012.

For the quarter ended March 31, 2013	Puerto Rico		U.S. Mainland		Popular, Inc.	
(In thousands)	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized
Commercial multi-family	$ 10,927	$ 64	$ 7,358	$ 39	$ 18,285	$ 103
Commercial real estate non-owner occupied	59,673	400	43,426	35	103,099	435
Commercial real estate owner occupied	153,908	528	20,108	26	174,016	554
Commercial and industrial	115,375	584	4,029	15	119,404	599
Construction	39,682	391	5,922		45,604	391
Mortgage	567,804	7,734	53,643	502	621,447	8,236
Legacy			16,888		16,888	
Leasing	4,620				4,620	
Consumer:						
Credit cards	33,332				33,332	
Helocs			201		201	
Personal	85,796				85,796	
Auto	817		91		908	
Other	247		2,404		2,651	
Covered loans	66,327	59			66,327	59
Total Popular, Inc.	$ 1,138,508	$ 9,760	$ 154,070	$ 617	$ 1,292,578	$ 10,377

For the quarter ended March 31, 2012	Puerto Rico		U.S. Mainland		Popular, Inc.	
(In thousands)	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized
Commercial multi-family	$ 15,721	$	$ 10,187	$ 90	$ 25,908	$ 90
Commercial real estate non-owner occupied	56,977	181	63,881	487	120,858	668
Commercial real estate owner occupied	201,750	576	44,604		246,354	576
Commercial and industrial	128,146	483	32,976	37	161,122	520
Construction	50,385	16	27,545		77,930	16
Mortgage	365,100	5,573	51,717	482	416,817	6,055
Legacy			48,311	46	48,311	46
Leasing	5,758				5,758	
Consumer:						
Credit cards	38,959				38,959	
Personal	92,901				92,901	
Auto			46		46	
Other	4,803		2,444		7,247	
Covered loans	81,327				81,327	
Total Popular, Inc.	$ 1,041,827	$ 6,829	$ 281,711	$ 1,142	$ 1,323,538	$ 7,971

Modifications

Troubled debt restructurings related to non-covered loan portfolios amounted to $1.0 billion at March 31, 2013 (December 31, 2012 - $1.2 billion). The amount of outstanding commitments to lend additional funds to debtors owing receivables whose terms have been modified in troubled debt restructurings amounted to $127 thousand related to the construction loan portfolio and $3 million related to the commercial loan portfolio at March 31, 2013 (December 31, 2012 - $120 thousand and $4 million, respectively).

A modification of a loan constitutes a troubled debt restructuring (TDR) when a borrower is experiencing financial difficulty and the modification constitutes a concession.

Commercial and industrial loans modified in a TDR often involve temporary interest-only payments, term extensions, and converting evergreen revolving credit lines to long-term loans. Commercial real estate (CRE), which includes multifamily, owner-occupied and non-owner occupied CRE, and construction loans modified in a TDR often involve reducing the interest rate for a limited period of time or the remaining term of the loan, extending the maturity date at an interest rate lower than the current market rate for new debt with similar risk, or reductions in the payment plan. Construction loans modified in a TDR may also involve extending the interest-only payment period.

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Residential mortgage loans modified in a TDR are primarily comprised of loans where monthly payments are lowered to accommodate the borrowers financial needs for a period of time, normally five years to ten years. After the lowered monthly payment period ends, the borrower reverts back to paying principal and interest per the original terms with the maturity date adjusted accordingly.

Home equity loans modifications are made infrequently and are not offered if the Corporation also holds the first mortgage. Home equity loans modifications are uniquely designed to meet the specific needs of each borrower. Automobile loans modified in a TDR are primarily comprised of loans where the Corporation has lowered monthly payments by extending the term. Credit cards modified in a TDR are primarily comprised of loans where monthly payments are lowered to accommodate the borrowers financial needs for a period of time, normally up to 24 months.

As part of its NPL reduction strategy and in order to expedite the resolution of delinquent construction and commercial loans, commencing in 2012, the Corporation routinely enters into liquidation agreements with borrowers and guarantors through the regular legal process, bankruptcy procedures and in certain occasions, out of Court transactions. These liquidation agreements, in general, contemplate the following conditions: (1) consent to judgment by the borrowers and guarantors; (2) acknowledgement by the borrower of the debt, its liquidity and maturity; (3) acknowledgment of the default in payments. The contractual interest rate is not reduced and continues to accrue during the term of the agreement. At the end of the period, borrower is obligated to remit all amounts due or be subject to the Corporation s exercise of its foreclosure rights and further collection efforts. Likewise, the borrower s failure to make stipulated payments will grant the Corporation the ability to exercise its foreclosure rights. This strategy procures to expedite the foreclosure process, resulting in a more effective and efficient collection process. Although in general, these liquidation agreements do not contemplate the forgiveness of principal or interest as debtor is required to cover all outstanding amounts when the agreement becomes due, it could be construed that the Corporation has granted a concession by temporarily accepting a payment schedule that is different from the contractual payment schedule. Accordingly, loans under these program agreements are considered TDRs.

Loans modified in a TDR that are not accounted pursuant to ASC 310-30 are typically already in non-accrual status at the time of the modification and partial charge-offs have in some cases already been taken against the outstanding loan balance. The TDR loan continues in non-accrual status until the borrower has demonstrated a willingness and ability to make the restructured loan payments (generally at least six months of sustained performance after the modification (or one year for loans providing for quarterly or semi-annual payments)) and management has concluded that it is probable that the borrower would not be in payment default in the foreseeable future.

Loans modified in a TDR may have the financial effect to the Corporation of increasing the specific allowance for loan losses associated with the loan. Consumer and residential mortgage loans modified under the Corporation s loss mitigation programs that are determined to be TDRs are individually evaluated for impairment based on an analysis of discounted cash flows.

For consumer and mortgage loans that are modified with regard to payment terms and which constitute TDRs, the discounted cash flow value method is used as the impairment valuation is more appropriately calculated based on the ongoing cash flow from the individuals rather than the liquidation of the asset. The computations give consideration to probability of defaults and loss-given-foreclosure on the related estimated cash flows.

Commercial and construction loans that have been modified as part of loss mitigation efforts are evaluated individually for impairment. The vast majority of the Corporation s modified commercial loans are measured for impairment using the estimated fair value of the collateral, as these are normally considered as collateral dependent loans. In very few instances, the Corporation measures modified commercial loans at their estimated realizable values determined by discounting the expected future cash flows. Construction loans that have been modified are also accounted for as collateral dependent loans. The Corporation determines the fair value measurement dependent upon its exit strategy for the particular asset(s) acquired in foreclosure.

The following tables present the loan count by type of modification for those loans modified in a TDR during the quarters ended March 31, 2013 and 2012.

Puerto Rico
For the quarter ended March 31, 2013

	Reduction in interest rate	Extension of maturity date	Combination of reduction in interest rate and extension of maturity date	Other
Commercial real estate non-owner occupied		1		
Commercial real estate owner occupied	1	1		
Commercial and industrial	2	2		
Mortgage	4	13	130	6
Leasing		10	8	
Consumer:				
Credit cards	288			236
Personal	232	8		
Other	19			
Total	546	35	138	242

U.S. mainland
For the quarter ended March 31, 2013

	Reduction in interest rate	Extension of maturity date	Combination of reduction in interest rate and extension of maturity date	Other
Commercial real estate non-owner occupied		2		
Commercial real estate owner occupied			1	
Mortgage			3	
Total		2	4	

Popular, Inc.
For the quarter ended March 31, 2013

	Reduction in interest rate	Extension of maturity date	Combination of reduction in interest rate and extension of maturity date	Other
Commercial real estate non-owner occupied		3		
Commercial real estate owner occupied	1	1	1	
Commercial and industrial	2	2		
Mortgage	4	13	133	6
Leasing		10	8	
Consumer:				
Credit cards	288			236
Personal	232	8		
Other	19			

Total	546	37	142	242

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Puerto Rico
For the quarter ended March 31, 2012

	Reduction in interest rate	Extension of maturity date	Combination of reduction in interest rate and extension of maturity date	Other
Commercial real estate non-owner occupied	1	3		
Commercial real estate owner occupied	2	8		
Commercial and industrial	17	31		
Construction	1	1		
Mortgage	36	41	335	45
Leasing		28		
Consumer:				
Credit cards	547			340
Personal	388	9		
Auto			2	
Other	11			
Total	1,003	121	337	385

U.S. mainland
For the quarter ended March 31, 2012

	Reduction in interest rate	Extension of maturity date	Combination of reduction in interest rate and extension of maturity date	Other
Commercial real estate non-owner occupied				1
Construction				1
Mortgage	2		25	
Legacy				2
Total	2		25	4

Popular, Inc.
For the quarter ended March 31, 2012

	Reduction in interest rate	Extension of maturity date	Combination of reduction in interest rate and extension of maturity date	Other
Commercial real estate non-owner occupied	1	3		1
Commercial real estate owner occupied	2	8		
Commercial and industrial	17	31		
Construction	1	1		1
Mortgage	38	41	360	45
Legacy				2
Leasing		28		
Consumer:				
Credit cards	547			340
Personal	388	9		
Auto			2	
Other	11			

Total	1,005	121	362	389

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The following tables present by class, quantitative information related to loans modified as TDRs during the quarters ended March 31, 2013 and 2012.

Puerto Rico
For the quarter ended March 31, 2013

(Dollars in thousands)	Loan count	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment	Increase (decrease) in the allowance for loan losses as a result of modification
Commercial real estate non-owner occupied	1	$ 1,248	$ 741	$ (10)
Commercial real estate owner occupied	2	4,566	4,586	(340)
Commercial and industrial	4	160	161	(1)
Mortgage	153	24,898	26,789	3,427
Leasing	18	327	315	103
Consumer:				
Credit cards	524	4,265	5,146	37
Personal	240	3,832	3,846	993
Other	19	49	48	
Total	961	$ 39,345	$ 41,632	$ 4,209

U.S. Mainland
For the quarter ended March 31, 2013

(Dollars in thousands)	Loan count	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment	Increase (decrease) in the allowance for loan losses as a result of modification
Commercial real estate non-owner occupied	2	$ 1,594	$ 1,559	$ (2)
Commercial real estate owner occupied	1	381	287	(10)
Mortgage	3	226	228	23
Total	6	$ 2,201	$ 2,074	$ 11

Popular, Inc.
For the quarter ended March 31, 2013

(Dollars in thousands)	Loan count	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment	Increase (decrease) in the allowance for loan losses as a result of modification
Commercial real estate non-owner occupied	3	$ 2,842	$ 2,300	$ (12)
Commercial real estate owner occupied	3	4,947	4,873	(350)
Commercial and industrial	4	160	161	(1)
Mortgage	156	25,124	27,017	3,450
Leasing	18	327	315	103
Consumer:				
Credit cards	524	4,265	5,146	37
Personal	240	3,832	3,846	993

Other	19		49		48		
Total	967	$	41,546	$	43,706	$	4,220

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Puerto Rico
For the quarter ended March 31, 2012

(Dollars in thousands)	Loan count	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment	Increase (decrease) in the allowance for loan losses as a result of modification
Commercial real estate non-owner occupied	4	$ 878	$ 878	$ (38)
Commercial real estate owner occupied	10	3,212	3,212	(37)
Commercial and industrial	48	6,373	6,373	21
Construction	2	1,097	1,097	52
Mortgage	457	61,916	62,510	4,644
Leasing	28	510	486	50
Consumer:				
Credit cards	887	7,225	8,366	40
Personal	397	4,782	4,788	720
Auto	2	45	24	(1)
Other	11	41	41	
Total	1,846	$ 86,079	$ 87,775	$ 5,451

U.S. Mainland
For the quarter ended March 31, 2012

(Dollars in thousands)	Loan count	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment	Increase (decrease) in the allowance for loan losses as a result of modification
Commercial real estate non-owner occupied	1	$ 3,545	$ 3,545	$
Construction	1	1,573	1,573	
Mortgage	27	3,021	3,111	478
Legacy	2	951	951	
Total	31	$ 9,090	$ 9,180	$ 478

Popular, Inc.
For the quarter ended March 31, 2012

(Dollars in thousands)	Loan count	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment	Increase (decrease) in the allowance for loan losses as a result of modification
Commercial real estate non-owner occupied	5	$ 4,423	$ 4,423	$ (38)
Commercial real estate owner occupied	10	3,212	3,212	(37)
Commercial and industrial	48	6,373	6,373	21
Construction	3	2,670	2,670	52
Mortgage	484	64,937	65,621	5,122
Legacy	2	951	951	
Leasing	28	510	486	50
Consumer:				
Credit cards	887	7,225	8,366	40
Personal	397	4,782	4,788	720
Auto	2	45	24	(1)

Other	11		41		41		
Total	1,877	$	95,169	$	96,955	$	5,929

One loan comprising a recorded investment of approximately $1.2 million was restructured into multiple notes (Note A / B split) during the quarter ended March 31, 2013. The Corporation recorded approximately $0.5 million in loan charge-offs as part of the loan restructuring. The renegotiations of this loan were made after analyzing the borrowers   capacity to repay the debt, collateral and ability to perform under the modified terms. The recorded investment on these commercial TDRs amounted to approximately $0.7 million at March 31, 2013 with a related allowance for loan losses amounting to approximately $21 thousand.

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The following tables present by class, TDRs that were subject to payment default and that had been modified as a TDR during the twelve months preceding the default date. Payment default is defined as a restructured loan becoming 90 days past due after being modified, foreclosed or charged-off, whichever occurs first. The recorded investment at March 31, 2013 is inclusive of all partial paydowns and charge-offs since the modification date. Loans modified as a TDR that were fully paid down, charged-off or foreclosed upon by period end are not reported.

Puerto Rico
Defaulted during the quarter ended March 31, 2013

(Dollars In thousands)	Loan count	Recorded investment as of first default date	
Commercial and industrial	1	$	932
Mortgage	63		8,871
Leasing	7		44
Consumer:			
Credit cards	131		1,120
Personal	41		577
Total [1]	243	$	11,544

[1] Excludes loans for which the Corporation has entered into liquidation agreements with borrowers and guarantors and is accepting payments which differ from the contractual payment schedule. The Corporation considers these as defaulted loans and does not intent to return them to accrual status.

U.S. mainland
Defaulted during the quarter ended March 31, 2013

(Dollars In thousands)	Loan count	Recorded investment as of first default date	
Commercial real estate non-owner occupied	1	$	1,139
Total	1	$	1,139

Popular, Inc.
Defaulted during the quarter ended March 31, 2013

(Dollars In thousands)	Loan count	Recorded investment as of first default date	
Commercial real estate non-owner occupied	1	$	1,139
Commercial and industrial	1		932
Mortgage	63		8,871
Leasing	7		44
Consumer:			
Credit cards	131		1,120
Personal	41		577
Total	244	$	12,683

Puerto Rico
Defaulted during the quarter ended March 31, 2012

(Dollars In thousands)	Loan count	Recorded investment as of first default date	
Commercial real estate non-owner occupied	1	$	1,770
Commercial real estate owner occupied	7		1,746
Commercial and industrial	7		1,070

Mortgage	159		23,088
Leasing	9		369
Consumer:			
Credit cards	240		2,046
Personal	96		739
Other	1		1
Total	520	$	30,829

	U.S. mainland		
	Defaulted during the quarter ended March 31, 2012		
(Dollars In thousands)	Loan count	Recorded investment as of first default date	
Commercial real estate non-owner occupied	1	$	1,935
Mortgage	3		413
Total	4	$	2,348

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Popular, Inc.
Defaulted during the quarter ended March 31, 2012

(Dollars In thousands)	Loan count	Recorded investment as of first default date
Commercial real estate non-owner occupied	2	$ 3,705
Commercial real estate owner occupied	7	1,746
Commercial and industrial	7	1,070
Mortgage	162	23,501
Leasing	9	369
Consumer:		
Credit cards	240	2,046
Personal	96	739
Other	1	1
Total	524	$ 33,177

Commercial, consumer and mortgage loans modified in a TDR are closely monitored for delinquency as an early indicator of possible future default. If loans modified in a TDR subsequently default, the Corporation evaluates the loan for possible further impairment. The allowance for loan losses may be increased or partial charge-offs may be taken to further write-down the carrying value of the loan.

Credit Quality

The following table presents the outstanding balance, net of unearned income, of non-covered loans held-in-portfolio based on the Corporation s assignment of obligor risk ratings as defined at March 31, 2013 and December 31, 2012.

March 31, 2013

(In thousands)	Watch	Special Mention	Substandard	Doubtful	Loss	Sub-total	Pass/ Unrated	Total
Puerto Rico[1]								
Commercial multi-family	$ 1,565	$ 144	$ 9,302	$	$	$ 11,011	$ 103,586	$ 114,597
Commercial real estate non-owner occupied	107,148	133,658	404,352			645,158	1,021,532	1,666,690
Commercial real estate owner occupied	195,629	116,309	413,218	1,239		726,395	1,001,676	1,728,071
Commercial and industrial	440,078	187,972	328,605	4,281	634	961,570	1,729,662	2,691,232
Total Commercial	744,420	438,083	1,155,477	5,520	634	2,344,134	3,856,456	6,200,590
Construction	1,091	33,915	40,034	10,416		85,456	155,831	241,287
Mortgage			572,359			572,359	5,164,234	5,736,593
Leasing			2,477		1,528	4,005	539,567	543,572
Consumer:								
Credit cards			22,930			22,930	1,132,075	1,155,005
Home equity lines of credit			1,184		2,875	4,059	12,156	16,215
Personal			7,847		161	8,008	1,222,490	1,230,498
Auto			8,404			8,404	584,087	592,491
Other			3,162			3,162	226,163	229,325
Total Consumer			43,527		3,036	46,563	3,176,971	3,223,534
Total Puerto Rico	$ 745,511	$ 471,998	$ 1,813,874	$ 15,936	$ 5,198	$ 3,052,517	$ 12,893,059	$ 15,945,576
U.S. mainland								
Commercial multi-family	$ 79,121	$ 27,807	$ 63,194	$	$	$ 170,122	$ 749,570	$ 919,692
Commercial real estate non-owner occupied	123,885	31,089	190,414			345,388	934,463	1,279,851

Commercial real estate owner occupied	14,864	8,699	107,535			131,098	426,159	557,257
Commercial and industrial	25,310	7,654	58,968			91,932	701,106	793,038
Total Commercial	243,180	75,249	420,111			738,540	2,811,298	3,549,838
Construction			21,106			21,106	9,105	30,211
Mortgage			28,046			28,046	1,109,271	1,137,317
Legacy	21,226	12,551	103,026			136,803	215,709	352,512
Consumer:								
Credit cards			505		21	526	14,041	14,567
Home equity lines of credit			3,177		4,385	7,562	455,011	462,573
Personal			110		575	685	138,483	139,168
Auto					4	4	630	634
Other			27			27	1,322	1,349
Total Consumer			3,819		4,985	8,804	609,487	618,291
Total U.S. mainland	$ 264,406	$ 87,800	$ 576,108	$	$ 4,985	$ 933,299	$ 4,754,870	$ 5,688,169
Popular, Inc.								
Commercial multi-family	$ 80,686	$ 27,951	$ 72,496	$	$	$ 181,133	$ 853,156	$ 1,034,289
Commercial real estate non-owner occupied	231,033	164,747	594,766			990,546	1,955,995	2,946,541
Commercial real estate owner occupied	210,493	125,008	520,753	1,239		857,493	1,427,835	2,285,328
Commercial and industrial	465,388	195,626	387,573	4,281	634	1,053,502	2,430,768	3,484,270
Total Commercial	987,600	513,332	1,575,588	5,520	634	3,082,674	6,667,754	9,750,428
Construction	1,091	33,915	61,140	10,416		106,562	164,936	271,498
Mortgage			600,405			600,405	6,273,505	6,873,910
Legacy	21,226	12,551	103,026			136,803	215,709	352,512
Leasing			2,477		1,528	4,005	539,567	543,572
Consumer:								
Credit cards			23,435		21	23,456	1,146,116	1,169,572
Home equity lines of credit			4,361		7,260	11,621	467,167	478,788
Personal			7,957		736	8,693	1,360,973	1,369,666
Auto			8,404		4	8,408	584,717	593,125
Other			3,189			3,189	227,485	230,674
Total Consumer			47,346		8,021	55,367	3,786,458	3,841,825
Total Popular, Inc.	$ 1,009,917	$ 559,798	$ 2,389,982	$ 15,936	$ 10,183	$ 3,985,816	$ 17,647,929	$ 21,633,745

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The following table presents the weighted average obligor risk rating at March 31, 2013 for those classifications that consider a range of rating scales.

Weighted average obligor risk rating	(Scales 11 and 12) Substandard	(Scales 1 through 8) Pass
Puerto Rico:[1]		
Commercial multi-family	11.90	5.57
Commercial real estate non-owner occupied	11.08	6.56
Commercial real estate owner occupied	11.25	6.93
Commercial and industrial	11.22	6.66
Total Commercial	11.19	6.69
Construction	11.94	7.85

	Substandard	Pass
U.S. mainland:		
Commercial multi-family	11.30	7.11
Commercial real estate non-owner occupied	11.39	7.01
Commercial real estate owner occupied	11.29	6.72
Commercial and industrial	11.15	6.71
Total Commercial	11.32	6.69
Construction	11.28	7.91
Legacy	11.28	7.51

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

December 31, 2012

(In thousands)	Watch	Special Mention	Substandard	Doubtful	Loss	Sub-total	Pass/ Unrated	Total
Puerto Rico[1]								
Commercial multi-family	$ 978	$ 255	$ 16,736	$	$	$ 17,969	$ 97,124	$ 115,093
Commercial real estate non-owner occupied	120,608	156,853	252,068			529,529	820,904	1,350,433
Commercial real estate owner occupied	195,876	140,788	647,458	1,242		985,364	1,057,122	2,042,486
Commercial and industrial	438,758	201,660	410,026	4,162	682	1,055,288	1,732,984	2,788,272
Total Commercial	756,220	499,556	1,326,288	5,404	682	2,588,150	3,708,134	6,296,284
Construction	645	31,789	41,278			73,712	138,555	212,267
Mortgage			569,334			569,334	4,379,590	4,948,924
Leasing			4,742		123	4,865	535,658	540,523
Consumer:								
Credit cards			22,965					