

In uncertain times such as these it is natural for you to have questions about your money and to seek reassurance that your money is safe. To provide peace of mind that your money is safe and secure with us, we are pleased to announce that:

- Banco Popular of Puerto Rico is a member of the Federal Deposit Insurance Corporation (FDIC) and is participating in the FDIC's Transaction Account Guarantee Program.

What amount of insurance coverage do I have for my accounts?

Effective through December 31, 2013:

Basic Insurance. Basic FDIC insurance has been increased from \$100,000 to \$250,000 per depositor, according to the ownership categories, per insured financial institution. A customer can meet the requirements for coverage of more than \$250,000 if he has a deposit account in different ownerships categories.

Commons ownerships categories:

- Single accounts
- Joint accounts
- Certain retirement accounts
- Corporation, partnership and unincorporated association accounts
- Certain trust accounts

Effective through December 31, 2010:

Temporary Liquidity Guaranty Program. Banco Popular is participating in the FDIC's Transaction Account Guarantee (TAG) Program under which all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under this Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

What is the FDIC?

The federal Deposit Insurance Corporation (FDIC) is an independent agency of the U.S. government that protects you against the loss of your deposits if any FDIC-insured bank or savings association fails. There is not need to apply for FDIC insurance-coverage is automatic and backed by the full faith and credit of the U.S. government.

What is the Transaction Account Guarantee (TAG) Program?

On October 14, 2008, the FDIC announced its new Transaction Account Guarantee (TAG) Program as part of the Temporary Liquidity Guarantee Program. The TAG program guarantees full deposit insurance coverage of non-interest bearing deposit transaction accounts, regardless of the dollar amount.

FDIC defines a "non-interest-bearing transaction account" as a transaction account on which the

insured depository institution pays no interest and does not reserve the right to require advance notice of intended withdrawals.

What is insured by the TAG program?

For consumers: All deposits held in a non-interest bearing transactions accounts including: Acceso Popular® (transactional section), Cuenta Popular®, e-account, and MultiCuenta Popular®

For business: All type of deposits held in the non-interest bearing transactions accounts including: FlexiCuenta de Negocios® (checking module) and BSmart® (checking section)

Example 1: If you have \$100,000 in a non- interest bearing checking section, \$50,000 in an interest bearing savings account or section and \$100,000 in a certificate of deposit. The FDIC will ensure the entire \$250,000.

Example 2: If you have \$300,000 in a non- interest bearing checking account or section, \$100,000 in an interest bearing savings account or section and \$200,000 in a certificate of deposit. The FDIC will ensure up to \$250,000 from interest bearing accounts (Savings and CD) and the whole \$300,000 in checking the account or section under the TAG program.

Where can I go if I still have questions?

You can call FDIC toll-free at 1-877-ASK-FDIC (877-275-3342) from 8:00 am until 8:00 pm (Eastern Time) or contact them online at www.fdic.gov.

You can also call TeleBanco Popular® at 787-724-3659 or 1-888-724-3659 or visit one of our many convenient branches.

Banco Popular is Member FDIC, except in BVI. Member of the Federal Reserve System.