

Dear Cooperativistas:



The *Cooperativa de Ahorro y Crédito Rafael Carrión Jr.*, since its founding in October 1978, has provided financial alternatives to regular and retired employees of Popular, Inc. and its subsidiaries. Subsequently, the *Cooperativa* subsequently approved providing the same services to regular and retired employees of Evertec Inc. The *Cooperativa* has been a **closed** entity in which regular and retired employees of Popular and Evertec participate, in which deposit and credit products are offered. Any regular employee of Popular and Evertec can become a member/owner of the *Cooperativa* and obtain competitive interest in the deposit account and dividends in proportion to the *Cooperativa's* earnings and each member's sponsorship.

The *Cooperativa* since its foundation has been and is a legally independent entity and separate from Popular. In addition, it is one of 100 savings and credit *Cooperativas* insured and regulated by the *Corporación Pública para la Supervisión y Seguro de Cooperativas de Puerto Rico* (COSSEC), a government agency that ensures the integrity and financial strength of the *Cooperativas* in Puerto Rico.

The *Cooperativa* since its foundation received benefits from Popular that allowed it to save operational expenses, allowing more operational earnings to be split in dividends to its members. Both, Popular and the *Cooperativa* are highly regulated entities and must comply with applicable laws, regulations and internal controls. To ensure faithful compliance with industry best practices, the following measures were taken:

- Some of Popular's employees who supported the *Cooperativa's* operations until September 30, 2019, became *Cooperativa* employees and new employees were recruited.
- The *Cooperativa* assumed the total expense of the payroll and other benefits of its employees, which was previously subsidized by Popular.
- Popular will continue to support the *Cooperativa* indefinitely with a rent subsidy for the facilities and other services. Our office will continue to offer services, as usual, on the 7th floor in the building of Stop 22 in Santurce.

These changes will not affect the services the *Cooperativa* offers its members, employees and retirees from Popular and Evertec. Automatic deductions from payroll fees for deposit, stock, and loan payments accounts, if any, will continue as usual.

The *Cooperativa* will continue to be an alternative for savings and credit services. We are sure that these changes will not affect the benefits that we offer to our members/owners.

Regards,

José S. (Joe) García Padró  
President  
Board of Directors



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La Cooperativa de Ahorro y Crédito Rafael Carrión, Jr. no está asegurada por el Gobierno Federal. En caso de insolvencia, el Gobierno Federal no asegura ni garantiza su dinero en esta institución