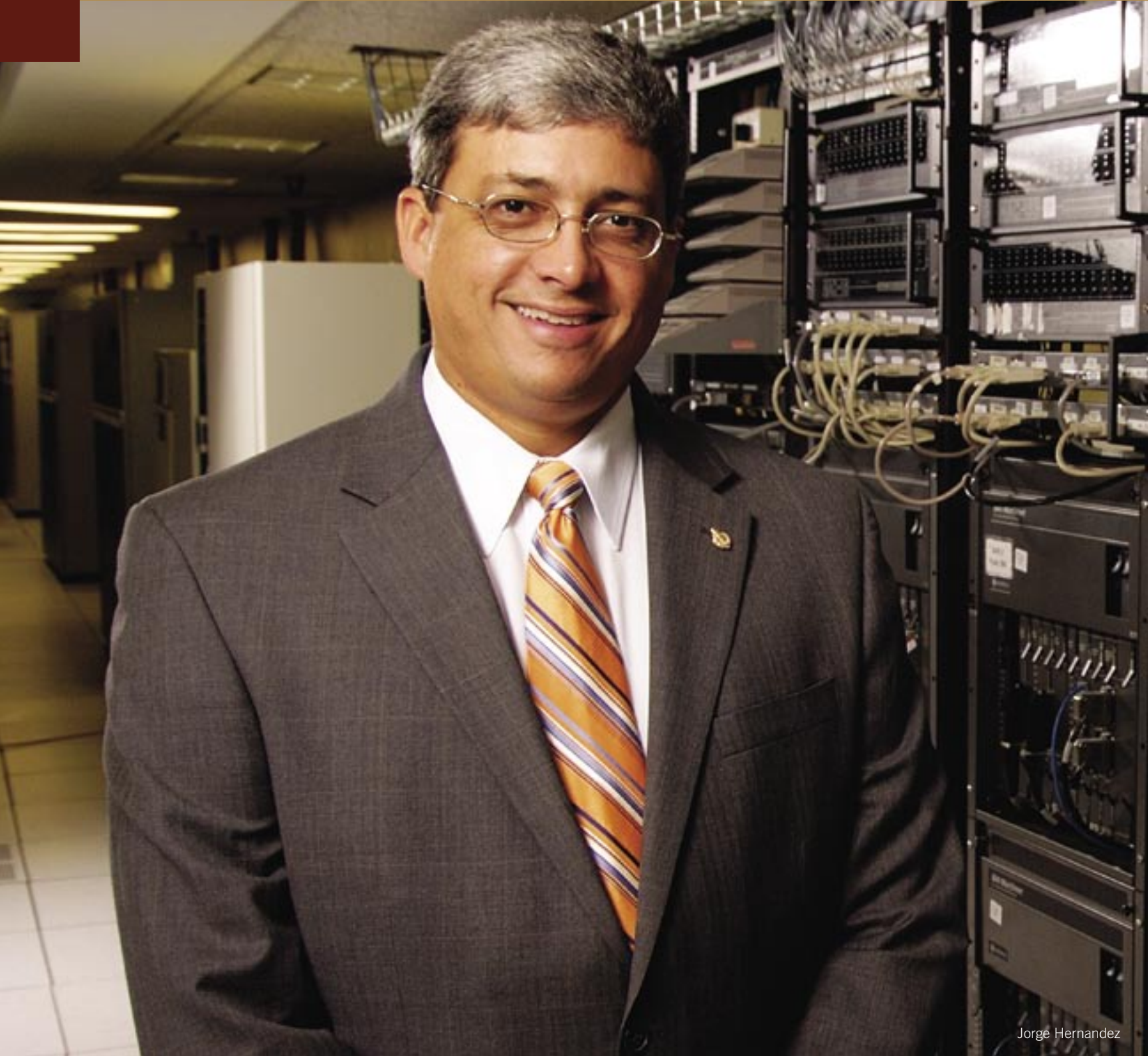


EVERTEC BUILDS ON 20 YEARS OF SUCCESS



Jorge Hernandez

From its base in Puerto Rico, EVERTEC delivers state-of-the-art transaction processing services in the Caribbean and Latin America. The company was launched in 2004 to consolidate the well-established processing business begun by Banco Popular de Puerto Rico (BPPR) in the 1980s, combining it with GM Group Information Technology and processing functions. Today EVERTEC's ATH debit network provides ATM and point-of-sale services for BPPR and 170 other banks and credit unions in Puerto Rico, Costa Rica, Venezuela, the Dominican Republic, El Salvador and Bermuda.

EVERTEC is one of 13 subsidiaries owned by Popular, Inc., the 22nd largest bank holding company in the U.S. Popular is also the parent company of BPPR, an ACI customer since 1984, and Banco Popular North America (BPNA).

Jorge Hernandez is the senior vice president who oversees the ATH network.

He enjoys the competitive nature of the processing business. "It's a complex environment with new things happening every day," Hernandez said. "We're a leading company, and I have to provide new services with the latest technology."

EVERTEC's core business includes ATM driving, merchant processing, transaction switching, processing of electronic benefits transfer (EBT) transactions, and check and payment processing. They use BASE24 software to drive more than 3,500 ATMs and manage more than 72,000 POS devices. Hernandez said the ATH network processed over 450 million transactions during 2004.

"Volumes are trending up in double digits," he noted, with debit POS driving much of the growth. BASE24 also switches transactions and provides authorization services for some customers.

"BASE24 brings a seal of guarantee about the quality of services we provide," Hernandez said. "When we

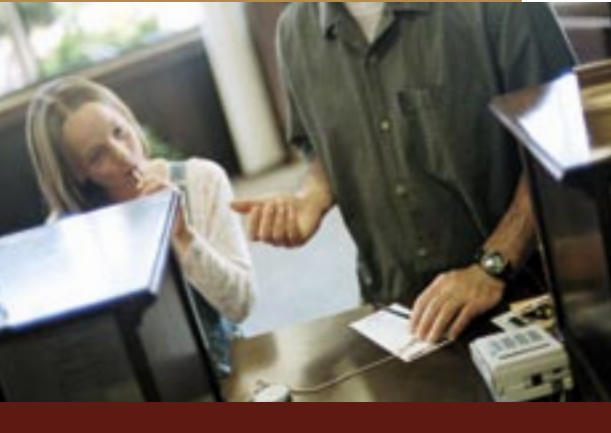
mention that we use BASE24, people in the industry know what that means; it gives us more credibility when we're competing for a new customer. It also guarantees that we're working with a company that has been in business for many years and will back up its products."

SUPPORTING GROWTH

EVERTEC's business reaches northward into the U.S., where they drive more than 165 ATMs for BPNA. Not-on-us transactions are routed through another processor and then on to the issuing bank. Since the other processor is also a BASE24 user, "that made it easier to integrate BPNA" into the EVERTEC system, Hernandez said.

ATH differentiates its network with a combination of high-quality service and affordable cost. "Our focus has been on keeping interchange rates and merchant fees low," Hernandez said. How does he satisfy the diverse needs of 170 customers? Hernandez assigns

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In Puerto Rico, Banco Popular uses the branch teller component of the BASE24 product family.

As part of an integrated retail delivery system, BASE24-teller uses the same messaging middleware and the same command and control system as BASE24-atm and BASE24-pos. It also shares customer files with the applications to streamline operating efficiency and act as a platform for multi-channel integration. By using BASE24 across delivery channels, BPPR ensures consistency of information and service levels regardless of where their customers choose to do business with them. In addition, their BASE24 platform can scale up to support growth in transaction volume and can be leveraged to support additional channels such as PC or phone banking in the future.

teams to monitor their requirements and holds formal user meetings four times a year to talk about service levels and potential new offerings. He also chairs an executive committee that meets twice a year to discuss and approve strategic plans. "In Puerto Rico we have a mature market for our basic services," he said, "so growth must come from new technologies or new ways of doing business. I'm continually looking for new transaction types that we could run through our switch such as fleet cards, gift cards and other prepaid cards."

Hernandez said that while most of their growth in the past few years has come from POS transactions, "With banks now making investments in Web-enabled ATMs, we will see more opportunities on that side, for example, allowing people to top up their prepaid mobile phone time at the ATM. We're also trying to build a health switch that would facilitate the integration of POS devices in physicians' offices." EVERTEC already operates the Puerto Rico EBT program that allows benefit recipients to withdraw cash at ATMs and make purchases in stores. An estimated 80 to 90 percent of the EBT transactions go through the ATH switch that runs on BASE24.

TRACKING SUCCESS

Hernandez measures success of the ATH network in terms of end-to-end availability. "We don't just measure based on availability of the online host," he said. "We measure all the way down to the ATM, with a view of the end user perspective." If a member bank ATM or host experiences difficulties in maintaining availability, EVERTEC representatives meet with them to diagnose the root cause and recommend methods for improvement.

EVERTEC is in the process of upgrading their BASE24 system to the latest version available. "The software has worked very well for us since the 1980s, and our end users - our programmers - are very satisfied with it," Hernandez said. Longer term, the BASE24 roadmap includes an open systems architecture based on object-oriented techniques. "That should give us even more flexibility to offer new products and services," Hernandez said. "As ATMs move from older operating systems to something more flexible, it should be easier for us to launch new products, and the time required to develop them will be shorter." Flexibility will be a key requirement for a fast-growing processor like EVERTEC.▲

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