

In re R&G Financial Corporation Securities Litigation
Proposed Plan of Allocation

COMMON STOCK

- A. For shares of R&G common stock purchased between January 21, 2003 and March 15, 2005 inclusive:
1. And sold between January 21, 2003 and March 15, 2005, the Recognized Loss shall be zero.
 2. And sold between March 16, 2005 and April 25, 2005, the Recognized Loss shall be the lesser of \$0.885 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 3. And sold between April 26, 2005 and July 26, 2005, the Recognized Loss shall be the lesser of \$8.613 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 4. And sold between July 27, 2005 and October 25, 2005, the Recognized Loss shall be the lesser of \$10.047 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 5. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be the lesser of \$11.368 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 6. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of \$13.408 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 7. And retained at the end of trading on February 1, 2008, the Recognized Loss shall be the lesser of \$13.523 per share, or the difference between the purchase price per share and \$0.986.¹
 8. And sold between November 5, 2007 and February 1, 2008, the Recognized Loss shall be the lesser of (i) \$13.523 per share; (ii) the difference between the purchase price per share and the sales price per share for each share sold; or (iii) the difference between the purchase price per share and the average closing price of R&G common stock between November 5, 2007 and the date of sale.²
- B. For shares of common stock purchased between March 16, 2005 and April 25, 2005 inclusive:
1. And sold between March 16, 2005 and April 25, 2005, the Recognized Loss shall be zero.
 2. And sold between April 26, 2005 and July 26, 2005, the Recognized Loss shall be the lesser of \$7.728 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 3. And sold between July 27, 2005 and October 25, 2005, the Recognized Loss shall be the lesser of \$9.163 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 4. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be the lesser of \$10.483 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 5. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of \$12.523 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 6. And retained at the end of trading on February 1, 2008, the Recognized Loss shall be the lesser of \$12.638 per share, or the difference between the purchase price per share and \$0.986.
 7. And sold between November 5, 2007 and February 1, 2008, the Recognized Loss shall be the lesser of (i) \$12.638 per share; (ii) the difference between the purchase price per share and the sales price per share for each share sold; or (iii) the difference between the purchase price per share and the average closing price of R&G common stock between November 5, 2007 and the date of sale.

¹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." \$0.986 was the mean (average) daily closing trading price of R&G Financial Corporation common stock during the 90-day period beginning on November 5, 2007 and ending on February 1, 2008.

² Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security."

- C. For shares of common stock purchased between April 26, 2005 and July 26, 2005:
1. And sold between April 26, 2005 and July 26, 2005, the Recognized Loss shall be zero.
 2. And sold between July 27, 2005 and October 25, 2005, the Recognized Loss shall be the lesser of 50% of \$1.434 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 3. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be the lesser of 50% of \$2.755 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 4. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of 50% of \$4.795 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 5. And retained at the end of trading on February 1, 2008, the Recognized Loss shall be the lesser of 50% of \$4.910 per share, or the difference between the purchase price per share and \$0.986.
 6. And sold between November 5, 2007 and February 1, 2008, the Recognized Loss shall be the lesser of (i) 50% of \$4.910 per share; (ii) the difference between the purchase price per share and the sales price per share for each share sold; or (iii) the difference between the purchase price per share and the average closing price of R&G common stock between November 5, 2007 and the date of sale.
- D. For shares of common stock purchased between July 27, 2005 and October 25, 2005 inclusive:
1. And sold between July 27, 2005 and October 25, 2005, the Recognized Loss shall be zero.
 2. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be the lesser of 25% of \$1.320 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 3. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of 25% of \$3.361 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 4. And retained at the end of trading on February 1, 2008, the Recognized Loss shall be the lesser of 25% of \$3.476 per share, or the difference between the purchase price per share and \$0.986.
 5. And sold between November 5, 2007 and February 1, 2008, the Recognized Loss shall be the lesser of (i) 25% of \$3.476 per share; (ii) the difference between the purchase price per share and the sales price per share for each share sold; or (iii) the difference between the purchase price per share and the average closing price of R&G common stock between November 5, 2007 and the date of sale.
- E. For shares of common stock purchased between October 26, 2005 and February 12, 2007:
1. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be zero.
 2. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of 25% of \$2.040 per share, or the difference between the purchase price per share and the sales price per share for each share sold.
 3. And retained at the end of trading on February 1, 2008, the Recognized Loss shall be the lesser of 25% of \$2.155 per share, or the difference between the purchase price per share and \$0.986.
 4. And sold between November 5, 2007 and February 1, 2008, the Recognized Loss shall be the lesser of (i) 25% of \$2.155 per share; (ii) the difference between the purchase price per share and the sales price per share for each share sold; or (iii) the difference between the purchase price per share and the average closing price of R&G common stock between November 5, 2007 and the date of sale.
- F. For shares of common stock purchased between February 13, 2007 and November 2, 2007:
1. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be zero.
 2. And retained at the end of trading on February 1, 2008, the Recognized Loss shall be the lesser of 10% of \$0.115 per share, or the difference between the purchase price per share and \$0.986.
 3. And sold between November 5, 2007 and February 1, 2008, the Recognized Loss shall be the lesser of (i) 10% of \$0.115 per share; (ii) the difference between the purchase price per share and the sales price per share for each share sold; or (iii) the difference between the purchase price per share and the average closing price of R&G common stock between November 5, 2007 and the date of sale.

NONCUMULATIVE PERPETUAL MONTHLY INCOME PREFERRED STOCK - SERIES A, B, C AND D

- A. For Preferred Shares purchased between January 21, 2003 and April 25, 2005:
1. And sold between January 21, 2003 and April 25, 2005, the Recognized Loss shall be zero.¹
 2. And sold between April 26, 2005 and October 25, 2005, the Recognized Loss shall be the lesser of \$0.61 per Preferred Share;² or the difference between the purchase price per Preferred Share and the sales price per Preferred Share for each Preferred Share sold.
 3. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be the lesser of \$2.35 per Preferred Share; or the difference between the purchase price per Preferred Share and the sales price per Preferred Share for each Preferred Share sold.
 4. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of \$3.87 per Preferred Share; or the difference between the purchase price per Preferred Share and the sales price per Preferred Share for each Preferred Share sold.
 5. And retained at the end of trading on November 2, 2007, the Recognized Loss shall be the lesser of \$3.87 per Preferred Share; or the difference between the purchase price per Preferred Share and \$15.00.
- B. For Preferred Shares purchased between April 26, 2005 and October 25, 2005:
1. And sold between April 26, 2005 and October 25, 2005, the Recognized Loss shall be zero.
 2. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be the lesser of \$1.74 per Preferred Share; or the difference between the purchase price per Preferred Share and the sales price per Preferred Share for each Preferred Share sold.
 3. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of \$3.26 per Preferred Share; or the difference between the purchase price per Preferred Share and the sales price per Preferred Share for each Preferred Share sold.
 4. And retained at the end of trading on November 2, 2007, the Recognized Loss shall be the lesser of \$3.26 per Preferred Share; or the difference between the purchase price per Preferred Share and \$15.00.
- C. For Preferred Shares purchased between October 26, 2005 and February 12, 2007:
1. And sold between October 26, 2005 and February 12, 2007, the Recognized Loss shall be zero.
 2. And sold between February 13, 2007 and November 2, 2007, the Recognized Loss shall be the lesser of \$1.52 per Preferred share; or the difference between the purchase price per Preferred Share and the sales price per Preferred Share for each Preferred Share sold.
 3. And retained at the end of trading on November 2, 2007, the Recognized Loss shall be the lesser of \$1.52 per Preferred Share; or the difference between the purchase price per Preferred Share and \$15.00.
- D. For Preferred Shares purchased between February 13, 2007 and November 2, 2007, the Recognized Loss shall be zero. This determination is based upon Lead Plaintiffs' damages expert's conclusion that based on publicly available trade price data, the Company's November 2, 2007 corrective disclosure did not cause a significant, sustained decline in the market prices of the Preferred Shares.

¹ Lead Plaintiffs' damages expert has determined that there were no declines in the market prices of the Preferred Shares on March 16, 2005 and July 27, 2005. Accordingly, these two disclosures are not included in the Plan of Allocation for the Preferred Shares.

² The amount of Recognized Loss was determined by Lead Plaintiffs' damages expert based on the average declines of the four different Preferred Shares as a result of the corrective disclosures.