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|  | Department Name: COMPLIANCE |
| Policy Name: Code of Business Conduct and Professional Ethics Title: "Code of Business Conduct and Professional Ethics" | Date: March 26, 2009 Version: 2.0 Page 1 of 15 |

PURPOSE

Santander BanCorp (hereinafter referred to as "Santander BanCorp" or the "Corporation") is committed to the faithful compliance of the laws by its directors, officers and employees. In particular, Santander BanCorp promotes in its directors, officers and employees a culture of honesty, accountability and ethical conduct.

Santander BanCorp acknowledges the importance of having ethical directors, officers and employees in order to preserve the integrity, trust, respect and legality in the performance of the duties and transactions.

Santander BanCorp acknowledges that failure to act under the requirements of the law exposes the Corporation, its directors, officers and employees, to substantial risks and penalties.

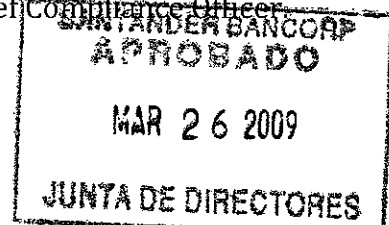
Santander BanCorp has implemented a Code of Business Conduct and Professional Ethics ("Code") so that the components of the institution have knowledge of the legal requirements applicable to their duties and level of responsibility.

SCOPE

This Code is applicable to directors ("Directors"), officers ("Officers") and employees ("Employees") of Santander BanCorp, its subsidiaries and/or affiliates, collectively referred to as "members or representatives".

Santander BanCorp shall include Santander BanCorp as well as all the subsidiaries and/or affiliates whose administration, directly or indirectly, is controlled by Banco Santander S.A. ("Santander").

Members of the Corporation shall comply with the Code and shall inform any divergence from the Code to their Supervisor or Officer designated by the Chief Compliance Officer.



Compliance Commitment

Representatives of Santander BanCorp will comply with the regulations established in this Code, which contain the principles that shall govern at all times their conduct in the services they provide within the Corporation.

As members of Santander BanCorp, in order to better conduct their inherent responsibilities, they should know, instruct, observe and endeavor in their working groups the implementation of this Code.

Compliance with law

Since the compliance and implementation of the law is a principle of the activities of Santander BanCorp, members of the Corporation will strictly adhere to all applicable laws, regulations and policies in the development of their activities in Puerto Rico and the United States.

Governance

The responsible parties in the matters referred to in this Code shall be the Compliance Committee and the Chief Compliance Officer of the Corporation.

BASIC PRINCIPLES

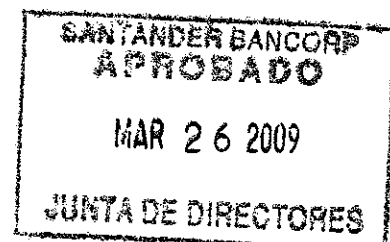
Professional ethics

Santander BanCorp expects from its members a direct, impartial and honest professional conduct in their undertaking within and outside of the organization where they render services, maintaining the social responsibility that the Corporation has as a member of the community where it operates.

Upon accepting the responsibility of the position, the members of Santander BanCorp will commit themselves to comply and enforce the policies, rules and internal procedures established by the Corporation.

Representatives of the Corporation will abstain from participating, on behalf of Santander BanCorp, where their services are rendered, in transactions that are related in some form with personal or family interests, and of influencing in the approval of credit facilities in those cases where they have such interests.

Members of Santander BanCorp must exercise good judgment in order to avoid that personal interest may influence in a trial, an action or a professional advice given on behalf of the Corporation.



In general, representatives of Santander BanCorp should abstain from having business relationships with any entity of the Corporation, other than a strict relationship as a client, except with previous written authorization of the Compliance Committee.

Members of Santander BanCorp will not try to attract business to the Corporation by means of illegal, immoral or other activities that transgress the established principles in this Code.

The acceptance of any type of income and commissions originated in transactions made on behalf of Santander BanCorp is prohibited, as well as obtaining profit from the rank and job position in their own benefit.

Members of the Corporation will not give improper special treatment or work conditions based on personal or family relationships. All the professional decisions that concern personnel will be adopted impartially and objectively, always acting on behalf of Santander BanCorp.

The frequent attendance to the casinos and, in general, gambling is discouraged. In any event, they should not be conducted with clients, suppliers, intermediaries or associates of the Corporation.

Any representative of Santander BanCorp that is arrested or accused in a legal process shall inform the same, within seven days following the receipt of the notification, to his immediate superior who in turn will timely inform the Chief Compliance Officer.

Dedication

Members of Santander BanCorp should dedicate to the Corporation all the necessary efforts and capacity for the best exercise of their functions, participating in the additional responsibilities that the institution may assign to them, according to their abilities.

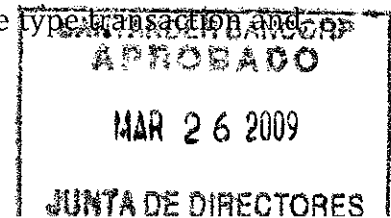
Compensated or non-compensated professional services to clients of Santander BanCorp or to other financial entities or companies or persons that perform activities which compete with Santander BanCorp are prohibited, except with express authorization of the Chief Compliance Officer.

Professionalism

No activities will be performed that can predictably harm the interests or the image of the Corporation, or affect the independence of the officer.

Representatives of Santander BanCorp will endeavor to advance the Corporation's legitimate interests when the opportunities to do so arise.

In the determination of the prices of the transactions that they intervene in, members of Santander BanCorp will conform to applicable rules according to the type of transaction and/or



if applicable, to the rules and rates established by the Corporation. In any event, any exceptions will be within the limits that the corresponding unit director has authorized each employee.

Representatives of Santander BanCorp will carry out the accounting of any transactions with accuracy and will rigorously adhere to the rules and procedures in effect in the Corporation, especially those involving authorized limits.

Members of Santander BanCorp should endeavor to deal fairly with the Corporation's customers, suppliers, contractors, competitors and regulators. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Representatives of Santander BanCorp will put special emphasis and attention to the protection, care and safeguard of the assets of the Corporation or those deposited with the institution, abstaining from acquiring, using, taking or disposing of assets without the proper authorization. Representatives should ensure the efficient use of the assets for legitimate business purposes.

Members of Santander BanCorp will give special protection to the information systems and operational records, complying with and assuring compliance with the established rules of security and control, and adopting necessary precautions for the continuity of the normal operation of the Corporation.

The representative's use of the assets, facilities and means at their disposition, as well as the expenses incurred by Santander BanCorp, should be adjusted to the needs for the progress of the duties assigned to them. The principle of austerity should always be present. Expenses shall be properly authorized and justified in each case, according to the respective rules established by Santander BanCorp.

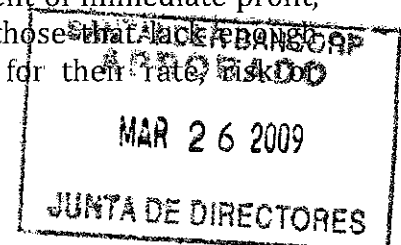
Members of Santander BanCorp will observe the rules related to job safety, in order to prevent and minimize labor risks.

Members of the Corporation will observe the rules contained in the Money Laundering Prevention Manual of Santander BanCorp.

Personal investments

Officers and Employees may perform as a general rule, investments in negotiable instruments in liquid markets, as well as in any other investments in which the information is public, provided these investments are not of high speculation level. In case of doubt, they should consult with the Chief Compliance Officer.

Transactions of high speculation level are those made with the intent of immediate profit, those that are carried out in a recurrent or repetitive manner, those that lack BANCORP justification in the ordinary course of business and those that, for their rate, risk or



volatility, require a continuous or frequent monitoring of the market which interferes or could affect the work activity of the Officers and Employees of the Corporation.

It is recommended that the Officers and Employees of Santander BanCorp conduct their transactions in the stock markets through the Corporation's broker-dealer subsidiary.

The purchase as well as the sale of stock and other instruments of Santander BanCorp and Santander for which the Officer and Employee of Santander BanCorp reports to, must be notified prior to the transaction to the Chief Compliance Officer.

Santander shall mean, in addition to Santander BanCorp, all the affiliates, at national and international level, whose direct or indirect administration is controlled by Santander.

Members of Santander BanCorp will not conduct any transaction for their own benefit when they have Reserved and/or Privileged Information (defined below) as a consequence of the job position that they have with the Corporation.

Reserved Information shall mean any information related to the stock market which is of confidential nature, that is not public, and of which members of the Corporation have knowledge due to their own position or function and that, based on its content and significance in connection with the stock price could, at any given moment, constitute Privileged Information.

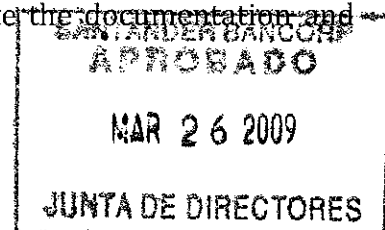
Privileged Information shall mean any factual information that refers to one or several stocks and one or several stock issuers, that is not public and that, if it had been made a public fact, could influence or could have influenced in a substantial way on the price of such stock.

Members of Santander BanCorp subject to the Corporation's Code of Conduct in the Stock Markets will conduct their personal investments in accordance to the policies set forth in the aforementioned code.

Members of the Corporation should avoid incurring excessive indebtedness to finance short-term stock market transactions, since it could lead to a detriment of their professional activity. Representatives of Santander BanCorp are not allowed to conduct overdraft transactions or transactions without the sufficient funds.

Members of Santander BanCorp will not be able to acquire, under their name or the name of related persons, assets or goods belonging to the Corporation, except when acquisition results from a transparent offer process and of non-limiting nature, in which objective adjudication criteria is applied.

For purposes of the provisions mentioned in this section, the Chief Compliance Officer has the faculty and authority to oversee the approvals and information requests that are deemed necessary, and the Officer or Employee should facilitate the documentation and information requested from him.



Conflicts of Interest

In the course of their service, Members of Santander BanCorp will place the interests of the Corporation and its clients above their own private interests, or the interests of their relatives or related third parties.

Representatives of Santander BanCorp, specifically those with decision-making authority regarding the acquisition of suppliers of goods and services, or establishing the economic terms of the transactions carried out on behalf of the Corporation, will avoid any type of interference with clients, suppliers, intermediaries, associates or third parties that can affect their impartiality and objectivity.

The engaging of external suppliers and services will be made according to the established procedures in each case. In the event that there are no established procedures, a transparent process should be conducted attuned to the criteria of objectivity, publicity and concurrence.

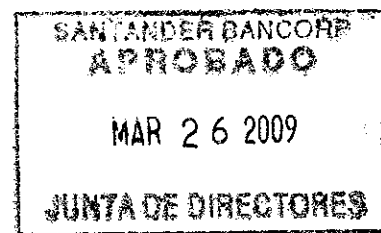
Representatives of Santander BanCorp will not accept, without previous written authorization of the Compliance Committee, fiduciary obligations, agency or powers of attorney from clients, (except those related to family relationships), suppliers, intermediaries or associates of the Corporation. Retention of clients' correspondence by the Corporation will be allowed only when there is expressed and authenticated authorization from the client.

Representatives of the Corporation will avoid relationships of exclusivity as a result of the Corporation's relation with certain clients that may hinder the relationship of other members of Santander BanCorp with another client, or may affect the free and direct use by clients of other channels within the Corporation.

Members of Santander BanCorp should not, personally or through a second party, accept gifts, invitations, favors or any other type of compensation, in cash or of any other nature, from clients, suppliers, intermediaries, associates, political parties or associations, or professional, non-profit or civic associations or organizations.

The following are not included within the previous categories:

- a) Inexpensive promotional objects from suppliers.
- b) Gifts of reasonable value given in commonly celebrated events or occasions such as: promotions, weddings, new positions, and retirements, Christmas, amongst others. The Corporation has established a limit of two hundred fifty dollars (\$250.00) for this purpose, never in cash.



c) Bonuses, compensations or reimbursements from civic or non-profit organizations, of which the Employee has been a member or collaborator and has been previously authorized by the Chief Compliance Officer.

d) The normal invitations that do not exceed the limits considered reasonable in social events. Food, refreshments, accommodations or lodging in trips, entertainment, all of reasonable value. These will be incurred in the course of a meeting or other occasion, which purpose is to carry out a business deal and they will be paid by the Corporation or a member of Santander BanCorp as a reasonable business expense, if they are not paid by another institution or another person. The Corporation has established the amount of two hundred fifty dollars (\$250.00) for these purposes.

e) Loans from other financial institutions or banks at the normal terms to finance normal needs such as mortgage loans at market terms, except when prohibited by law.

f) Discounts or refunds in goods or services that do not exceed those offered to other clients.

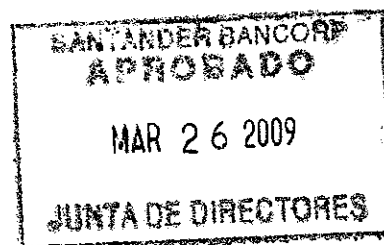
g) Awards from civic, non-profit, educational, religious organizations in recognition of services or achievements. Santander BanCorp has established a limit of five hundred dollars (\$500.00) for these purpose, but never in cash. The Chief Compliance Officer will previously authorize any gifts of this nature.

h) Advertising or promotional material which value is reasonable such as: pens, pencils, key rings, and calendars, among other similar articles, that are given away to other clients.

Any invitation or gift of any type that, because of its quality, frequency or nature, may be interpreted by a member of Santander BanCorp as a deliberate form of affecting his self-determination, impartiality or objective criteria, will be communicated to the Chief Compliance Officer.

Any other gift that has a higher value than two hundred fifty dollars (\$250.00) must be previously authorized by the Chief Compliance Officer. A gift that does not exceed the previous quantity should not be accepted if to a reasonable observer it appears to influence in the decision making of the employee to whom it is offered.

Except with the authorization of the Chief Compliance Officer, members of Santander BanCorp will not, personally or through another party, borrow money from suppliers, clients, intermediaries, associates or other professionals. Borrowing is only authorized with financial institutions of recognized status, engaged in the granting of loans to the public as part of its customary activities.



All doubts related to situations and transactions that could bear possible conflicts of interest will be consulted by the Representative of Santander BanCorp with the Chief Compliance Officer.

Potential conflicts of interest identified by a member shall be notified to the member's immediate superior for appropriate action. In case of doubt by the immediate superior as to whether a conflict of interest exists, the immediate superior will notify the Chief Compliance Officer, who will make a final determination as to whether in fact the conflict exists.

Any potential or actual conflict of interest related with investments must be addressed according to the policies set forth in the Corporation's Code of Conduct in the Stock Markets.

Confidentiality

Without limiting the provisions of any stricter applicable code of duties, representatives of Santander BanCorp shall keep absolute secrecy regarding all the data, news, reports, accounts, balances, objectives and other information of the Corporation that has not been previously made public by the Corporation, not providing it to third parties unrelated to the normal operation of the business, neither use it for profit or personal advantage or of their relatives.

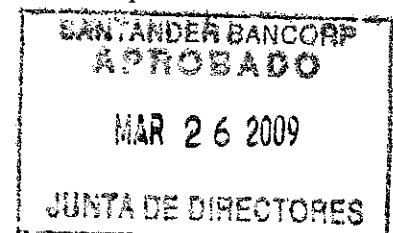
In accordance with this Code, Confidential Information shall be considered the non public information, acquired as a consequence of the functions entrusted to members of Santander BanCorp including, among other matters, strategies, business, launching plans for new products and their characteristics, information systems, procedures manuals, clients' lists and data.

This obligation of confidentiality will be of indefinite nature, even after the Employee is no longer employed with the Corporation.

When the Confidential Information is relevant to the value of any securities or negotiable instrument in the stock market, the applicable rule will be set forth in the Corporation's Code of Conduct in the Stock Markets, in which the principles and actions are established with regards to the Reserved and Privileged Information. Any doubt regarding this matter will be consulted with the Chief Compliance Officer.

The confidentiality and the correct use of clients' Confidential Information is a basic principle of the financial business.

The obligation is to ensure the most rigorous secrecy on all the positions, operations, balances, financial information, previous knowledge of personnel changes and, in general, about all information that is known by reason of the work relationship and as a consequence of it and not accessible to the general public.



Disclosure to third parties of client's Confidential Information can only be executed with their previous authorization or by virtue of a legal requirement.

The obtaining and use of clients' Confidential Information shall respond to criteria of maximum security, truthfulness and accuracy, guaranteeing the right to privacy and observing the established regulations on protection of personal data without being used for any purpose not related to Santander BanCorp.

Also of confidential nature is the information regarding private data of any member of the Corporation, as well as that related to their accounts and positions within the Corporation's compensation, evaluation and medical records. The access to this information or its disclosure, as long as it is allowed by the applicable legislation, must be in accordance with this Code or of other regulations, being absolutely forbidden in any other case.

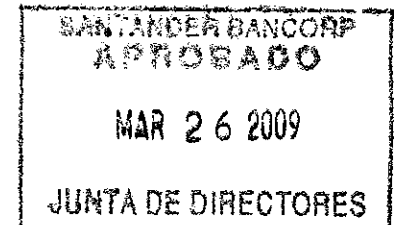
Santander BanCorp has and preserves the ownership of the property, use rights and intellectual property of the courses, projects, programs and computer systems, equipment, manuals, videos and other devices and rights created, developed, or received by members of the Corporation in the fulfillment of their position. Members shall not use them for other purposes not related to Santander BanCorp. In the event of termination of service or employment with the Corporation, the representatives of Santander BanCorp will return all the material in their possession.

Members of Santander BanCorp will abstain from disclosing any information related to the rights, licenses, programs, systems, applications, procedures, knowledge and, in general, technology and "know-how" which ownership or use rights corresponds to any entity of the Corporation.

It is absolutely forbidden to make photocopies, give or allow access to Confidential Information or to disclose or to allow the disclosure of Confidential Information to members of Santander BanCorp that are not properly authorized to receive this information or to people or institutions outside of the Corporation, unless they are forced by a Court order, required by a regulatory or administrative agency or by a legal representative with previous authorization from the account holder or debtor, in which case, it will be channeled through the Legal Department of Santander BanCorp.

It is absolutely disallowed to inform to clients or third parties, except entities and persons specifically designated internally and to the pertinent Government agency, the fact that information has been forwarded, or that the Government agency has requested information or that they are being investigated for money laundering.

It is an essential condition in order to obtain employment, the knowledge and acceptance of the confidentiality provisions of this section and a condition to continue as a member of Santander BanCorp, not to use under any circumstances the Confidential Information for their own benefit or of a third party, but only and exclusively for the benefit of the Corporation.



Santander BanCorp will request any temporary or permanent court orders that may be necessary to avoid or to correct a violation to this section; in addition, it will request payment for any damages caused by a violation to the same. Furthermore, any violation to this section constitutes just cause for termination.

EXTERNAL AND GOVERNMENTAL RELATIONS

External Relations

In the relationship with clients, consultants and management of other institutions that provide similar services as the Corporation, the confidentiality provisions set forth herein shall be obeyed, and the conduct that members of Santander BanCorp display should prevent any appearance of disloyal competition.

In the relationships and personal contacts with clients, suppliers, intermediaries or associates of the Corporation, members of Santander BanCorp will act prudently, informing the respective Department Director in the Corporation in order to optimize the service or business to be conducted.

The participation of members of Santander BanCorp in courses, seminars or similar activities, due to their functions in the Corporation, will require the previous authorization of their Area Director.

Relations with the Media

Public statements or communications of members of Santander BanCorp with the media will be conducted through the Marketing and Corporate Communications Department.

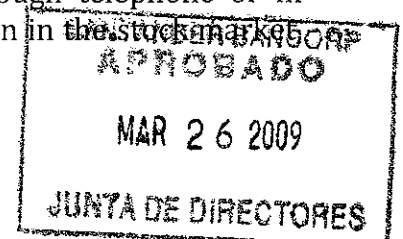
Representatives of Santander BanCorp will prevent that comments be made or rumors spread that can damage the image of the Corporation, of the unit where they work and/or of their competitors or of their clients.

Governmental Relations

Members of Santander BanCorp will maintain an attitude of respect and full collaboration with the government representatives.

Any information requests, as well as the execution orders that are received from the Government in the exercise of their functions, will be timely directed to the Legal Department. The employee will seek the necessary legal advice by the Legal Department to answer or execute the request in a timely manner. The Legal Department will keep a copy of the information provided properly stamped by the agency requesting it.

In case the agency contacts members of Santander BanCorp, through telephone or in writing, in connection with any activity conducted by the Corporation in the stock market, the Chief Compliance Officer must be notified immediately.



It is prohibited to offer any benefit, favor or personal compensation to a public officer that can be deemed as an offer with the purpose of obtaining or retaining business for Santander BanCorp, or of obtaining an unfair resolution to the benefit of the Corporation.

Any invitations or other social event that may have government officials as the beneficiary shall be performed cautiously and shall never give rise to an interpretation of impropriety, in the sense of questioning the morality or integrity of any member of Santander BanCorp.

Political activities

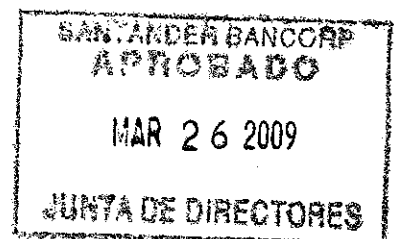
Members of Santander BanCorp who in their practice of their legitimate rights and public freedom belong or collaborate with a political party shall take special care of not involving, relate or affect the name and the image of the Corporation.

Prior to the acceptance of any appointment of political nature, members of Santander BanCorp shall send a communication to the Chief Compliance Officer indicating the nature of the position, as well as any incompatibility that the position may have with respect to the exercise of their functions as a representative of the Corporation.

In the contributions or services of any type that a member of Santander BanCorp may render to political parties, associations or candidates, it shall be clear at all times that they correspond to their personal and exclusive circumstances, without any relationship or professional relation with the Corporation and always subject to principles set forth in this Code.

Corporate Activities with Government Officers

The Federal Law on Contributions to Political Campaigns and the Electoral Law of Puerto Rico prohibit financial institutions to make political contributions for electoral purposes. This means: contributions for purposes of the Electoral Law of Puerto Rico, any contract, promise or agreement of carrying out, being or not legally executable, or the realization of a contribution in money or in any other form; subscription, loan, advance, transfer or deposit of money or of any other thing of value, or the fact of guaranteeing jointly a loan or obligation of any nature. Also, it means any donation made by the Corporation to any person, including the candidates themselves and their relatives, in any kind of fund-raising activity conducted by a political party or candidate, including, but without limiting: banquets, raffles, marathons and others in Puerto Rico. Under no circumstances, members of Santander BanCorp will request from other employees political contributions or force them to contribute to any political organization. The conduct of our employees cannot give the appearance that they are trying to obtain benefits or connections for the Corporation.



“FOREIGN CORRUPT PRACTICES ACT” (FCPA)

The “Foreign Corrupt Practices Act” (FCPA) prohibits institutions, employees and agents of institutions that issue investment instruments of the United States to use directly or indirectly the interstate trade with the purpose of offering, promising, or authorizing the delivery of valuable items to a foreign officer, foreign political party, officer or candidate of a foreign political party, with the purpose of obtaining or engaging in business. 15 U.S.C. SEC. 78dd-1. The FCPA provisions are applicable to the Corporation because investment instruments are issued in the United States.

The FCPA also prohibits the deliberate use of agents to obtain the same result, by means of delivery of a valuable item to the agent so that they send it or deliver it, 15 U.S.C. Sec. 78dd-1(to) (3), and additionally, prohibits payments designed with the purpose of inducing a foreign public officer to make a discretionary decision (i.e. the granting of a contract). To facilitate the transactions in foreign countries, the FCPA excludes from the prohibited list of acts the payments made to process or to assure carrying out a routine government action (i.e., to obtain permits or municipal services).

It is not a defense against a violation of FCPA that the foreign officer demands a payment. However, it is a defense if that payment is considered legitimate according to the laws or regulations of the foreign country, or that it responded to a reasonable expense related to the promotion of a product or the completion of a contract between the issuer and the foreign country.

All parties subject to compliance with the FCPA are required to maintain internal systems of accounting and records that can demonstrate that they don't make “undue” payments that are not reflected in these records.

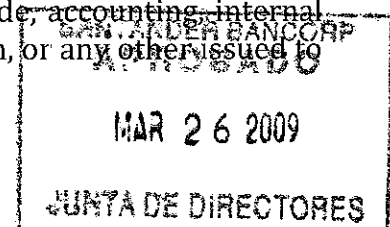
Santander BanCorp does not allow its members to get involved in activities that could be deemed as trying to infringe the FCPA. It will be the responsibility of the representative of Santander BanCorp assigned to make payments abroad in the course of the Corporation's operations, to abstain from making such payment and to obtain authorization from the Chief Compliance Officer if he understands that the payment that is demanded is of questionable nature.

The member of Santander BanCorp in charge of any transaction should make sure that the payments that are made in favor of a foreign officer, a foreign political party or a foreign candidate are identified as such and keep a record of these payments.

REPORTING VIOLATIONS AND FINANCIAL INTEGRITY

Reporting Violations

Members of Santander BanCorp are encouraged to submit any concerns or complaints anonymously and/or confidentially regarding violations of this Code, accounting, internal accounting controls or auditing matters, harassment, discrimination, or any other issued to



Santander BanCorp Audit Committee's e-mail available in Corporation's Intranet or mail to Santander BanCorp Audit Committee P.O. Box 195363 San Juan, PR 00919-5363.

The values and responsibilities outlined in this Code are important to the Corporation and must be taken seriously by its representatives. As a result, violations of these values and responsibilities will not be tolerated. Members of Santander BanCorp are encouraged to speak to Directors, Officers, or other appropriate personnel when in doubt about the best course of action in a particular situation.

Members of Santander BanCorp are also encouraged to promptly report information or knowledge of any act in violation of the laws, rules, regulations or this Code, or which they believe to be unethical.

In no event will any action be taken against a member of Santander BanCorp for making a complaint or reporting, in good faith, known or suspected violations of this Code or any Santander BanCorp policy.

Any report by a member of the Corporation will be kept confidential to the extent permitted by law and regulation and Santander BanCorp's liability to address these concerns.

Financial Integrity

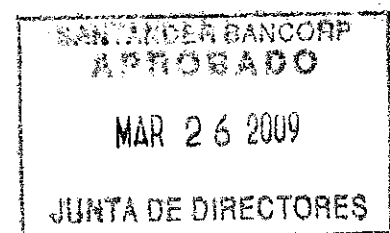
If the Corporation is required to prepare an accounting restatement due to a material noncompliance, as a result of misconduct, with any financial reporting requirement under the Securities Laws, any member of Santander BanCorp responsible for such noncompliance, including the Chief Executive Officer and Chief Accounting Officer shall reimburse the Corporation for—

(1) any bonus or other incentive-based compensation received by that person from Santander BanCorp during the 12-month period following the first public issuance or filing with the Securities and Exchange Commission or any other regulator (whichever first occurs) of the financial document embodying such financial reporting requirement; and

(2) any profits realized from the sale of securities of the issuer during that 12-month period.

Disciplinary Measures

Non-compliance with the regulations of this Code could, in any event, result in the adoption of disciplinary measures, which may include the dismissal of the Officer and/or Employee of Santander BanCorp.



The Compliance Committee will be responsible to examine and recommend to the Human Resources Department any actions that may be necessary for any violation or potential violation of this Code.

The Audit Department will facilitate to the Compliance Committee the necessary information to review and recommend to the Human Resources Department, who will be in charge of taking any action.

The Chief Compliance Officer will have the authority to review and propose the measures to be taken for any violations to this Code. These proposals will not be of binding nature. In these cases, the Human Resources Director will issue the necessary response and provide for its implementation.

When it pertains to violations to this Code perpetrated by Directors of Santander BanCorp, the Compliance Committee will be authorized to review and recommend to the Board of Directors the corresponding resolution.

COMPLIANCE COMMITTEE

Composition

The Compliance Committee will be constituted by sixteen regular members, which shall include the President and Chief Executive Officer the Chief Accounting Officer, the Chief Compliance Officer, the Human Resources Director, the General Counsel, the Chief Credit Officer, the Executive Vice President in charge of Operations and IT, the President of the different subsidiaries of Santander BanCorp and the Internal Auditor of the Corporation. The President and Chief Executive Officer of Santander BanCorp will be the Chairman of this Committee and will also be entrusted for instituting and implementing the compliance structure of the Corporation and its subsidiaries.

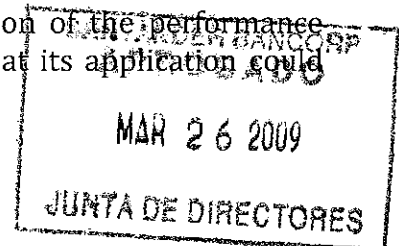
The term of the appointment as member of the Compliance Committee will be indefinite.

The Compliance Committee will name a Secretary whose function will be to convene the meetings of the Compliance Committee, to keep records of the meetings, as well as to maintain custody of the minutes.

The Compliance Committee, through the Secretary of Santander BanCorp, will inform the Board of Directors of Santander BanCorp or its Audit Committee.

Functions

It is the responsibility of the Compliance Committee to implement and enforce compliance of this Code and other corresponding regulations, current or forthcoming, the establishment and development of the necessary procedures for the observance of this Code, as well as the interpretation, administration and supervision of the performance rules contained in this Code and the resolution of the conflicts that its application could



represent. This will be performed without infringement on the specific functions that correspond to the Human Resources Director.

The Compliance Committee will establish the appropriate coordination of the provisions in this Code with other entities of Santander located outside of Puerto Rico and may issue policies and instructions for its development, compliance and interpretation.

The Chief Compliance Officer will exercise the executive functions of the Compliance Committee within the guidelines issued by the Committee.

In the conduct of their functions, the Compliance Committee and the Chief Compliance Officer will have ample authority and, to this effect, they will have access to all documentation and information they may gather from the persons, subject entities, organizations and members of Santander BanCorp.

Meetings

The Compliance Committee shall meet at least once every quarter, at the request of its President and Chief Executive Officer and, in any event, at the request of any of its members.

Validity and Derogation

This Code will be mandatory for all members of Santander BanCorp commencing on the date of publication. Until then, the current Code of Conduct will continue in effect.

Without prejudice to the above-mentioned, the references in this Code that may be made regarding any control organization will be understood as performed in accordance to any measures approved by the Compliance Committee.

Waivers

As required by rules of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002, any waiver of this Code for any Director, Executive Officer, or Senior Financial Officer of Santander BanCorp may be made only by the Board of Directors or a Board Committee and will be promptly disclosed to the public.

