



January 10, 2008

Dear Popular Service Provider:

The communities we serve recognize that Popular is a respected institution that has always been an example of professional conduct in business practice. The exacting standards of ethics, integrity and responsibility that have defined our corporate culture throughout the years have allowed us to become a respected and renowned financial services organization. Integrity is – and has always been – at the core of our institutional values, and we constantly strive to convey its importance and our commitment to it to our employees, shareholders, clients and service providers.

As a Popular Service Provider, you have the responsibility to serve Popular, its employees and/or customers while employing the highest standards of compliance and ethics. To assist you in this endeavor, we have established a Code of Ethics for Popular Service Providers. The Code provides guidelines to help you recognize and understand what constitutes ethical and unethical, illegal or inappropriate behavior. It is not, however, intended to establish rules governing every possible situation that could potentially affect the reputation of Popular. When it comes to ethics, your best guide will often be your own common sense, prudence and clarity of intention.

The Code of Ethics for Popular Service Providers reaffirms our corporate culture and provides the general rules that you must follow in order to achieve a conduct that reflects our ethical principles. It is your responsibility to become familiar with the Code, as by reading it you will gain greater insight into our institutional values and such insight will undoubtedly allow you to better understand the parameters that guide and restrict the way we do business. When providing services to Popular, always consider the following 9 principles, which represent the essence of the conduct we expect you to abide by:

1. The tangible and intangible assets of Popular, its employees, customers or suppliers must be protected and used only for proper business purposes.
2. You are personally responsible for the integrity of the information, reports and records of Popular under your control.
3. You must always avoid any real or potential conflict of interest.
4. You must never use or attempt to use your relationship with Popular to obtain improper personal benefit.

5. You must neither accept nor offer gifts or other articles of value if by accepting or offering them you may create the impression that your business judgment has been or could be compromised.
6. You should endeavor to deal fairly with fellow Popular customers, service providers, suppliers, competitors and employees.
7. In carrying out your responsibilities, you might learn of confidential or proprietary information about Popular, its customers, suppliers or employees. You must always protect all confidential or proprietary information entrusted to you and use it appropriately.
8. Popular is committed to comply with all applicable laws, rules and regulations and you must adhere to such standards.
9. You are expected to report any ethical issues on a timely and complete basis.

To access our Code of Ethics, please refer to the Corporate Governance section of our website at [www.popular.com](http://www.popular.com). If you have any questions, please contact our Corporate Ethics Officer, Beatriz Rodriguez-Burgos, at (787) 723-0077, x. 3534 or by e-mail at [ethicsofficer@bppr.com](mailto:ethicsofficer@bppr.com).

We trust that you will read, enforce and adhere to this Code, and ensure that the people who work for you do the same. As a Popular Service Provider, you have greatly contributed to making Popular an institution worthy of our customers' and employees' trust. Our challenge now is to continue to work together to meet the highest professional standards of integrity.

Sincerely,



Richard L. Carrión



## **Code of Ethics for Popular Service Providers**

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*"We are guided by the highest standards of ethics, integrity and morality. Our customers' trust is of utmost importance to our institution."*

Integrity - Institutional Value

### **Compliance with Laws, Rules and Regulations**

Popular, Inc. ("the Corporation") and its subsidiaries (collectively, "Popular") are committed to complying with all applicable laws, rules and regulations. You must therefore, adhere to the standards and restrictions imposed by the laws, rules and regulations applicable to your business. Portions of this Code may be supplemented or superseded as required by the laws or regulations of any relevant jurisdiction.

### **Waivers of this Code**

From time to time, Popular may waive some provisions of this Code. If you believe that a waiver may be called for, you must communicate your request to the Corporate Ethics Officer immediately.

### **Observance of this Code**

Observance of this Code is extremely important to us. A violation of this Code will be regarded as a serious offense and may result in termination of your business relationship with us.

### **Your Responsibilities to Popular**

#### **Popular's Assets**

You must protect Popular's assets, as well as the assets of Popular's employees, customers, suppliers and distributors that are under your control. Popular's assets may be used only for proper corporate purposes. Misappropriation of these assets is a breach of your duties to Popular and may constitute an act punishable by law. Carelessness in managing Popular's assets is also a breach of your responsibilities to Popular.

## **Popular's Records and Reports**

The records, data and information that Popular owns, collects, uses and manages must be precise and complete. You are responsible for the integrity of the information, reports and records under your control. Records must be preserved in sufficient detail so as to accurately reflect all of Popular's transactions.

When creating business records and other documents (including e-mails) that could be retained by Popular or a third party, use common sense and observe standards of good taste regarding content and language. Remember that in the future, Popular or a third party may have to rely on or interpret such records or documents.

## **Presenting Ethical Issues**

This Code addresses many different business practices and procedures. We cannot, however, anticipate every issue that may arise. If at any time you are unsure of what to do in any situation, use your judgment and common sense, and seek additional guidance and information before you act. Questions concerning the best course of action in a particular situation, as well as all reports of a suspected or actual possible violation of a law, regulation or Popular ethical standard, must be immediately addressed to our Corporate Ethics Officer. You may also contact our *EthicsPoint* line directly, as discussed below.

You are strongly encouraged to disclose or report possible ethical issues on a timely and complete basis. Failure to report any such violation or potential violation is in itself a violation of this Code. Rest assured that Popular will not retaliate nor allow retaliation, harassment or any manner of discrimination against any individual or entity for reports made hereunder in good faith or for providing information or assisting in a lawful investigation by any law enforcement or regulatory agency, or other governmental body.

## **Whistleblowing**

Popular's Audit Committee has established procedures for the confidential, anonymous submission, receipt, retention and treatment of complaints regarding accounting, internal accounting controls and other auditing matters, as well as suspicious or illegal activities, compliance and ethics violations, or employee-related matters. If you have a complaint or concern regarding any of these matters, you should promptly contact the *EthicsPoint* line at [www.popular.com/ethicspoint-en](http://www.popular.com/ethicspoint-en) for the English version or [www.popular.com/ethicspoint](http://www.popular.com/ethicspoint) for the Spanish version, or call 1-866-737-6813 in Puerto Rico, the United States and U.S. Virgin Islands or 866-737-6850 (preceded by the country's long distance code) if you are elsewhere. All contacts with the *EthicsPoint* line will be anonymous, unless you elect otherwise.

## **Investigations Concerning Ethical Issues and Other Matters**

Popular needs your full cooperation with all authorized internal or external investigations related, but not limited to those involving ethical issues or complaints. You must never withhold or fail to communicate information that raises ethical questions.

## **Employment Practices**

At Popular, we are committed to providing equal employment opportunities and complying with the full range of fair employment practices and non-discrimination laws, and expect our service providers to do the same.

Popular values and respects diversity. We will not tolerate discrimination, harassment or intimidation, whether based on a person's race, color, religion, sex, sexual preference, age, national origin, political affiliation or beliefs, social condition, marital status, disability or any other legally protected status, by or against our supervisors, workers, customers, service providers or visitors, and we expect our service providers to have a no tolerance policy against such discrimination and harassment as well.

## **Conflicts of Interest**

A "conflict of interest" occurs when an individual's personal interest affects his/her impartiality or interferes or appears to interfere with the interests of Popular. Conflicts of interest are prohibited as a matter of corporate policy. You should never use or attempt to use your status as a Popular service provider to obtain any improper personal benefit for yourself, your family or any other person.

Because it is impossible to describe every potential conflict, Popular must rely on your commitment to exercise sound judgment. Should you become aware of a conflict of interest or if you are concerned that a conflict might develop, bring the matter to the attention of the Corporate Ethics Officer promptly. Furthermore, you must disclose to the Corporate Ethics Officer any material transaction or relationship that could reasonably be expected to give rise to such a conflict.

With certain exceptions, such as the exchange of token gifts during traditional gift-giving occasions, you may not provide or allow your close family members to provide gifts, services, loans or other things of value to Popular employees, customers, suppliers or others in exchange for a past, current or future business relationship with Popular. If you are unsure whether a particular gift or service is allowable, please contact the Corporate Ethics Officer.

## **Representing Popular**

### **Fair Dealing**

Popular has a history of success through honest business competition. We do not seek competitive advantages through illegal or unethical business practices. You should endeavor to deal fairly with Popular's customers, fellow service providers, suppliers, competitors and employees. You may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

### **Publishing, Public Appearances and Media**

At the outset, we will expect you to advise Popular's Corporate Communications Division of any positions you may have taken in the past or are presently taking on issues which to your knowledge may be adverse, harmful or otherwise prejudicial to the interests of Popular. Any media inquiry relating to Popular, including Popular's relationship with you, should be referred to Popular's Corporate Communications Division immediately. You should not make public appearances or statements on behalf of Popular, or publish any material that relates to Popular, without securing the Corporate Communications Division's advance approval.

## **Privacy and Confidentiality**

In carrying out Popular's business, you often learn confidential or proprietary information about Popular, its employees, customers, suppliers or joint venture parties. Keeping such information secure and using it appropriately is a top priority for Popular. Confidential or proprietary information may only be used for the reasons for which it was gathered, unless further use is authorized or allowed by law. You must use particular care to protect any confidential and proprietary information you obtain in connection with your activities at Popular at all times. Note that this responsibility continues after you cease your association with Popular.

Your contract with Popular provides details with respect to the proper handling of confidential and proprietary information belonging to Popular or such related parties, such as: (a) what the term "confidential information" includes; (b) what the relevant privacy laws require you to do as a Popular service provider; and (c) what Popular expects you to do with respect to securing such information. It is your responsibility to make sure that you understand and comply with the terms and conditions of your contract, particularly those related to privacy and confidentiality.

## **Anti-Money Laundering/Know Your Customer**

Popular is committed to assisting governments, international organizations and other members of the financial services industry in the struggle to close the channels used by money launderers to legitimize the fruits of their crimes. Therefore, Popular requires its businesses to develop and implement effective anti-money laundering programs to comply with applicable laws and to shield Popular from being used as a money laundering conduit. You must know and comply with our anti-money laundering policies and procedures. No business opportunity is worth compromising our commitment to combat money laundering.

You may direct any questions regarding Popular's anti-money laundering and know-your-customer efforts and any unusual activities regarding money laundering or terrorist financing to Popular's Corporate Compliance Officer and/or the compliance officer for the subsidiary to which you provide services. Should you wish to make your report anonymously, use the *EthicsPoint* line.

## **Conclusion**

At Popular, we have always been distinguished by our great sense of professionalism and our excellent reputation. Integrity is the value that describes the essence of our professional conduct and serves as the foundation for the execution of our business practices and the strengthening of our clients' trust. Our Code of Ethics for Popular Service Providers reaffirms this commitment.

Each one of us must represent the high levels of ethics, integrity and morality that define Popular's corporate culture. Help us assure that our actions and performance always reaffirm our commitment to this Code.

# Appendix

## **Contact Information for Service Providers**

### **Corporate Ethics Officer**

Beatriz Rodríguez-Burgos, Esq.  
1500 Ponce de León Ave.  
BPPR Bldg, 5th Fl.  
San Juan, PR 00909  
(787) 723-0077 ext. 3534  
[berodriguez@bppr.com](mailto:berodriguez@bppr.com)  
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### **Chief Legal Officer**

Brunilda Santos de Alvarez, Esq.  
209 Muñoz Rivera Ave.  
Popular Center, 3rd Fl.  
San Juan, PR 00918  
(787) 765-9800 ext. 6472, 6470  
[bsantos@bppr.com](mailto:bsantos@bppr.com)

### **SVP, Corporate Communications**

Teruca Rullán-Alvarez  
209 Muñoz Rivera Ave.  
Popular Center, 7<sup>th</sup> Fl.  
San Juan, PR 00918  
(787) 765-9800 ext. 5965  
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### **Corporate Compliance Officer**

María de L. Jiménez, Esq.  
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