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## Press Release

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### SANTANDER ASSET MANAGEMENT SIGNS AGREEMENT TO ACQUIRE LEGG MASON'S PUERTO RICO MUTUAL FUNDS

**San Juan, Puerto Rico, Tuesday, October 31st, 2006** – Santander Asset Management Corporation (“SAM”), a subsidiary of Santander Securities Corporation, and Smith Barney Fund Management, LLC (“SBFM”), a subsidiary of Legg Mason, Inc., have entered into a definitive agreement which contemplates that Smith Barney Puerto Rico Daily Liquidity Fund, Inc., (with assets of \$111.8 million<sup>1</sup>), Smith Barney Puerto Rico Income and Capital Fund, Inc. (with assets of \$22.8 million<sup>1</sup>) and Smith Barney Puerto Rico U.S. Core Equity Fund, Inc (with assets of \$14.4 million<sup>1</sup>) will be integrated into the First Puerto Rico Family of Funds.

Legg Mason acquired SBFM, the investment adviser of these three funds, from Citigroup on December 1, 2005. These three funds, with approximately \$149 million in assets, will join the First Puerto Rico Family of Funds, which currently consists of 15 open and closed-end investment companies with \$2.8<sup>1</sup> billion in assets under management by SAM.

“We are pleased to have reached this agreement with SBFM, and look forward to welcoming the Smith Barney Puerto Rico Funds’ shareholders into the First Puerto Rico Family of Funds”, said Juan Carlos Batlle, President and CEO of SAM. “Our commitment to the Puerto Rico capital markets and to the Puerto Rican investor is evident and we will continue growing our product offerings by focusing on innovative and convenient investment alternatives for our shareholders and the Puerto Rican investor”, said Batlle.

The closing of the transaction is subject to the satisfaction of certain conditions, including the approval of the shareholders of the Smith Barney Puerto Rico Funds.

As a result of the agreement with SBFM, Smith Barney and Primerica Financial Services financial advisors will now have the alternative of offering products from the First Puerto Rico Family of Funds to their clients.

Shareholders of the Smith Barney Puerto Rico Funds will become shareholders of funds of the First Puerto Rico Family of Funds and will be able to maintain their fund shares in their own investment accounts at Citigroup. Shareholders also will benefit from the wide array of services and products currently offered by the First Puerto Rico Family of Funds.

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<sup>1</sup> As of September 30, 2006.

Since its creation in 1999, SAM has grown to become the second largest asset manager in Puerto Rico with a market share of approximately 22%. In addition to the investment advisory services provided to the First Puerto Rico Family of Funds, SAM manages over \$415<sup>1</sup> million in institutional managed accounts.

*For more information about the First Puerto Rico Family of Funds, please visit: [http://www.santandernet.com/es/personas/inversiones/securities/sec\\_family\\_funds.aspx](http://www.santandernet.com/es/personas/inversiones/securities/sec_family_funds.aspx). Investment objectives, risks, charges, expenses and other important information about the funds are contained in the prospectus for each fund, which you should read and consider carefully before investing.*

**Santander BanCorp** is a publicly held financial holding company that is traded on the New York Stock Exchange (SBP) and on Latibex (Madrid Stock Exchange) (XSBP). 91% of the outstanding common stock of Santander BanCorp is owned by Banco Santander Central Hispano, S.A (Santander). The Company has five wholly owned subsidiaries, Banco Santander Puerto Rico, Santander Securities Corporation, Santander Financial Services, Santander Insurance Agency and Island Insurance Corporation. Banco Santander Puerto Rico has been operating in Puerto Rico for nearly three decades. It offers a full array of services through 63 branches in the areas of commercial, mortgage and consumer banking, supported by a team of over 1,400 employees. Santander Securities offers securities brokerage services and provides portfolio management services through its wholly owned subsidiary Santander Asset Management Corporation. Santander Financial Services offers consumer finance products through its network of 70 branches throughout the Island. Santander Insurance Agency offers life, health and disability coverage as a corporate agent and also operates as a general agent. For more information, visit the Company's website at [www.santandernet.com](http://www.santandernet.com).

**Santander (SAN.MC, STD.N)** is the largest bank in the Euro Zone by market capitalization and one of the largest worldwide. Founded in 1857, Santander has €798,540 million in assets and €961,093 million in managed funds, 67 million customers, 10,583 offices and a presence in 40 countries. It is the largest financial group in Spain and Latin America, and is a major player elsewhere in Europe, including the United Kingdom through its Abbey subsidiary and Portugal, where it is the third largest banking group. Through Santander Consumer Finance, it also operates a leading consumer finance franchise in Germany, Italy, Spain and nine other European countries. In the first nine months of 2006, Santander recorded €4,947 million in net attributable profit, 28% more than in the same period of the previous year.

In Latin America, Santander manages over US\$200 billion in banking business volumes (loans, deposits, mutual funds, pension funds and managed funds) through 4,200 offices. In the first nine months of 2006, Santander recorded in Latin America US\$2,237 million in net attributable income, 31% higher than in the prior year

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