

POPULAR INC  
Form S-3/A  
November 23, 2005  
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As filed with the Securities and Exchange Commission on November 23, 2005

Registration No. 333-129567

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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## PRE-EFFECTIVE AMENDMENT NO. 1

TO

FORM S-3

## REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

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# POPULAR, INC.

(Exact name of registrant as specified in its charter)

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**Puerto Rico**  
*(State or other jurisdiction of  
incorporation or organization)*

**66-0416582**  
*(IRS Employer  
Identification Number)*

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209 Muñoz Rivera Avenue

Hato Rey, Puerto Rico 00918

(787) 765-9800

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jorge A. Junquera

209 Muñoz Rivera Avenue

Hato Rey, Puerto Rico 00918

(787) 765-9800

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement as determined by the Registrant on the basis of market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering. "

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. "

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**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.**

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**Explanatory note**

This Registration Statement relates to the offer and sale of up to 12,075,000 shares of common stock, par value \$6.00 per share, of Popular, Inc. The common stock will be offered initially to stockholders of Popular in a subscription offering. It is expected that shares of common stock unsubscribed for during the subscription offering will be sold to the public in an underwritten offering. This Registration Statement contains two prospectuses a prospectus to be used in connection with the subscription offering and a prospectus to be used in any underwritten offering for shares of common stock unsubscribed for in the subscription offering, if any.

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**The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell, nor does it seek an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted.**

PRELIMINARY PROSPECTUS

Subject to Completion

November 23, 2005

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## 10,500,000 Shares

## Common Stock

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We are offering up to 10,500,000 shares of our common stock to holders of record of our common stock at the close of business on November 7, 2005, which is the record date for the subscription offering, pursuant to the grant of non-transferable subscription rights to acquire our common stock. The subscription price will be the lesser of (i) \$21.00 per share, which we refer to as the initial subscription price, and (ii) the initial public offering price determined in the underwritten public offering described below, which we refer to as the adjusted subscription price. If the underwritten public offering does not occur within 30 calendar days after the expiration date of the subscription offering, the subscription price will be the lesser of (i) the initial subscription price and (ii) the average closing price at 4:00 p.m., New York City time, of our common stock for the five trading days up to and including the expiration date of the subscription offering.

Each holder of record of our common stock is entitled to a basic subscription right entitling the holder to purchase one share of our common stock for every 26 shares of our common stock held by that holder as of the close of business on the record date. We are not granting any fractional subscription rights or paying any cash in lieu thereof. The number of basic subscription rights granted to each holder will be rounded up to the next whole number.

Each holder of record of our common stock will be entitled to subscribe for all, or any portion of, the shares of our common stock underlying that holder's basic subscription rights. In addition, each holder who subscribes for the full number of shares of our common stock underlying that holder's basic subscription rights will have an oversubscription right to subscribe at the subscription price for additional shares of our common stock that are not otherwise subscribed for by other holders pursuant to their basic subscription rights, subject to certain limitations described in this prospectus. See "Subscription Offering - Oversubscription Right" herein. If an insufficient number of shares of our common stock is available to satisfy fully all elections to exercise the oversubscription right, then the available shares will be prorated among those who exercise the oversubscription right based upon their respective ownership of shares of our common stock on the record date.

**The subscription rights are non-transferable** and will not be evidenced by any certificates. No minimum amount of proceeds is required for us to consummate the subscription offering.

Holders will be able to exercise their subscription rights until the expiration date for the subscription offering, which is 5:00 p.m., New York City time, on December 19, 2005, subject to extension by us. To exercise their subscription rights, holders must return the accompanying order form along with full payment of the initial subscription price for all shares for which subscription is made by the expiration date. The exercise by a holder of that holder's subscription rights is irrevocable unless there is a material amendment to the subscription offering after such exercise.

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We expect, but we are not required, to offer all or a portion of shares of our common stock not subscribed for in the subscription offering to the public through an underwritten public offering. There can be no assurance that the underwritten offering will occur. See [Underwritten Offering](#) herein.

Our common stock is traded on the Nasdaq Stock Market under the symbol [BPOP](#) . At 4:00 p.m., New York City time, on November 22, 2005, the last reported sale price of our common stock was \$22.59 per share. See [Dividends and Price Range of Our Common Stock](#) herein.

**Investing in our common stock involves a high degree of risk. Before buying any shares, you should carefully read the discussion of material risks of investing in our common stock under the heading [Risk factors](#) beginning on page 10 of this prospectus.**

**THE SECURITIES WILL NOT BE DEPOSITS, SAVINGS ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND WILL NOT BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND, OR ANY OTHER GOVERNMENTAL AGENCY.**

**Neither the Securities and Exchange Commission nor any state or Commonwealth of Puerto Rico securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>Per Share</b>	<b>Total</b>
Initial subscription price(1)	\$ 21.000	\$ 220,500,000
Dealer manager fee(2)(3)	\$ 0.525	\$ 5,512,500
Estimated proceeds to us(4)	\$ 20.475	\$ 214,987,500

- (1) The initial subscription price is the amount to be paid initially for each share subscribed for in the subscription offering. If the adjusted subscription price is lower, the difference will be refunded to the holder.
- (2) In connection with the subscription offering, UBS Securities LLC and Popular Securities, Inc. will act as dealer managers and receive a fee for their soliciting services equal to 2.5% of the subscription price per share issued. See also [Underwritten Offering](#) for information with respect to certain fees payable by us in connection with any underwritten public offering of shares not subscribed for in the subscription offering.
- (3) Assumes that all shares of our common stock offered hereby are subscribed for in the subscription offering and that the subscription price will be the initial subscription price.
- (4) Before deducting expenses payable by us estimated at \$1,100,000.

Our common stock is being offered directly to holders of record on the record date by us and is not the subject of any underwriting agreement. See [Subscription Offering Plan of Distribution](#) . It is expected that delivery of our common stock will be made as soon as practicable after the completion date of the subscription offering, as defined herein.

*Dealer managers*

**UBS Investment Bank**

**Popular Securities**

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You should rely only on the information contained in this prospectus. We have not, and the dealer managers have not, authorized anyone to provide you with additional information or information different from that contained in this prospectus. We are soliciting subscriptions for the right to purchase shares of our common stock only in jurisdictions where solicitations and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of shares of our common stock.

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Popular and Banco Popular are registered service marks of Popular, Inc.

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## Prospectus summary

*While this summary highlights what we consider to be the most important information about us, you should carefully read this prospectus and the registration statement of which this prospectus is a part in their entirety before investing in our common stock, especially the risks of investing in our common stock, which we discuss under the heading "Risk factors" beginning on page 10.*

*Unless the context requires otherwise, the words "Popular," "we," "company," "us" and "our" refer to Popular, Inc. and its subsidiaries.*

### **POPULAR, INC.**

Popular, Inc. is a diversified, publicly owned bank holding company, registered under the Bank Holding Company Act of 1956, as amended (the BHC Act), and, accordingly, subject to the supervision and regulation of the Board of Governors of the Federal Reserve System. Our executive offices are located at 209 Muñoz Rivera Avenue, Hato Rey, Puerto Rico 00918, and our telephone number is (787) 765-9800.

We are a full service financial services provider with operations in Puerto Rico, the United States, the Caribbean and Latin America. As the leading financial institution in Puerto Rico with over 280 branches and offices, we offer retail and commercial banking services through our banking subsidiary, Banco Popular de Puerto Rico, as well as investment banking, auto and equipment leasing and financing, mortgage loans, consumer lending, insurance and information processing through specialized subsidiaries. In the United States, we have established the largest Hispanic-owned financial services franchise, providing complete financial solutions to all the communities we serve. Banco Popular North America operates over 135 branches in California, Texas, Illinois, New York, New Jersey and Florida. Our finance subsidiary in the United States, Popular Financial Holdings, operates nearly 200 retail lending locations offering mortgage and personal loans, and also maintains a substantial wholesale broker network, a warehouse lending division, loan servicing, and an assets acquisition unit. We continue to use our expertise in technology and electronic banking as a competitive advantage in our Caribbean and Latin America expansion, through our financial transaction processing company, EVERTEC, Inc. We are exporting our 112 years of experience through the region while continuing our commitment to meet the needs of retail and business clients through innovation, and fostering growth in the communities we serve. We are ranked among FORTUNE magazine's 2005 100 Best Companies to Work For. We are the largest financial institution based in Puerto Rico and the 27<sup>th</sup> largest bank holding company in the United States as of June 30, 2005. We had consolidated total assets of \$47.1 billion, total deposits of \$22.6 billion and stockholders' equity of \$3.2 billion at September 30, 2005.

### **BANCO POPULAR DE PUERTO RICO**

Our principal bank subsidiary, Banco Popular de Puerto Rico ("Banco Popular" or the "Bank"), was organized in 1893 and is Puerto Rico's largest bank with consolidated total assets of \$25.4 billion, deposits of \$14.2 billion and stockholders' equity of \$1.6 billion at September 30, 2005. The Bank accounted for 54% of our total consolidated assets at September 30, 2005. Banco Popular has the largest retail franchise in Puerto Rico, with 192 branches and over 570 automated teller machines. The Bank has the largest trust operation in Puerto Rico. The Bank also operates seven branches in the U.S. Virgin Islands, one branch in the British Virgin Islands and one branch in New York. Banco Popular's deposits are insured under the Bank Insurance Fund ("BIF") of the Federal Deposit Insurance Corporation (the "FDIC"). Banco Popular has three subsidiaries, Popular Auto, Inc., Puerto Rico's largest vehicle





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financing, leasing and daily rental company, Popular Finance, Inc., a small personal loan and mortgage company with 38 offices and seven mortgage centers in Puerto Rico, and Popular Mortgage, Inc., a mortgage loan company with 31 offices in Puerto Rico.

**OTHER PRINCIPAL SUBSIDIARIES**

We have three other principal subsidiaries: Popular Securities, Inc., Popular International Bank, Inc. ( PIB ) and EVERTEC, Inc. Popular Securities, Inc. is a securities broker-dealer in Puerto Rico with financial advisory, investment and security brokerage operations for institutional and retail customers. EVERTEC, Inc. conducts our electronic transaction and processing services, as well as the operational and programming services of Banco Popular. This initiative is part of our strategic objective to provide added value to our customers by offering integrated technological solutions and financial transaction processing.

**PIB**

PIB is our wholly-owned subsidiary organized in 1992 that operates as an international banking entity under the International Banking Center Regulatory Act of Puerto Rico (the IBC Act ). PIB is a registered bank holding company under the BHC Act and is principally engaged in providing managerial services to its subsidiaries. PIB owns the outstanding stock of Popular North America, Inc. ( PNA ), ATH Costa Rica, S.A., CreST, S.A. and Popular Insurance V.I., Inc., an insurance agency. ATH Costa Rica, S.A. and CreST, S.A. provide ATM switching and driving services in San José, Costa Rica. In addition, PIB has equity investments in Consorcio de Tarjetas Dominicanas (CONTADO), the largest payment network in the Dominican Republic, in Banco Hipotecario Dominicano ( BHD ) also in the Dominican Republic and in Servicios Financieros S.A. de C.V. ( Serfinsa ), the largest ATM network in El Salvador.

**PNA**

PNA, a wholly-owned subsidiary of PIB and our indirect wholly-owned subsidiary, was organized in 1991 under the laws of the State of Delaware and is a registered bank holding company under the BHC Act. PNA functions as a holding company for our mainland U.S. operations. Banco Popular North America ( BPNA ), a direct subsidiary of PNA, in the mainland United States is based in six states. In New York, BPNA operates 32 branches, which accounted for aggregate assets of \$3.0 billion and total deposits of \$2.7 billion at September 30, 2005. BPNA also operates 20 branches in Illinois and 45 in California with total assets of \$2.0 billion and \$3.1 billion, respectively, and deposits of \$1.7 billion and \$1.9 billion, respectively. In addition, BPNA has 14 branches in New Jersey with total assets of \$936 million and deposits of \$881 million as of September 30, 2005, and 18 branches in Florida with total assets of \$1.9 billion and deposits of \$1.3 billion. In Texas, BPNA operates seven branches with aggregate assets of \$1.2 billion and total deposits of \$203 million at the same date. The deposits of BPNA are insured under the BIF by the FDIC.

Popular Financial Holdings, Inc., a direct subsidiary of PNA, is the holding company of Equity One, Inc. Equity One, Inc. is engaged in the business of granting personal and mortgage loans and providing dealer financing through 211 offices in 34 states. Popular Financial Services, LLC, a direct subsidiary of Equity One, Inc., is the wholesale operation which both acquires pools of non-prime loans from mortgage bankers and originates individual mortgage loans through a network of over 2,000 approved mortgage brokers and bankers throughout the U.S. In addition, Popular Warehouse Lending, LLC, a direct subsidiary of Equity One, Inc., provides revolving credit lines ranging from \$2 million to \$15 million to small and mid-size mortgage bankers. Popular Financial Holdings, Inc. had total assets of \$8.6 billion as of September 30, 2005.



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## The subscription offering

Shares offered hereby	Up to 10,500,000 shares of our common stock.
Initial subscription price	\$21.00 per share of our common stock.
Subscription price per share of common stock	Lesser of (i) the Initial Subscription Price, which is \$21.00 per share, and (ii) the Adjusted Subscription Price, which is the initial public offering price determined in the Underwritten Offering. If the Underwritten Offering does not occur within 30 calendar days after the Expiration Date for the Subscription Offering, the Subscription Price will be the lesser of (i) the Initial Subscription Price and (ii) the average closing price at 4:00 p.m., New York City time, of our common stock for the five trading days up to and including the Expiration Date.
Record date	Subscription Rights have been granted to the holders of record, or Holders, at the close of business on November 7, 2005.
Basic subscription right	Each Holder of our common stock on the Record Date will be entitled to one non-transferable subscription right for every 26 shares of our common stock held on the Record Date. Each Holder will have the right to purchase one share of our common stock for each Basic Subscription Right. Holders are entitled to subscribe for all, or any portion of, the shares of our common stock underlying their Basic Subscription Rights.
Beneficial owners	In the case of beneficial owners of our common stock who are persons that hold shares of our common stock through a depository, bank, trust company, securities broker or dealer, administrator, trustee or other nominee (an Intermediary), the Basic Subscription Right or Rights of a beneficial owner will be rounded up to the next whole number as described above if that Intermediary shows, to the satisfaction of the Subscription Agent, that such beneficial owner's Basic Subscription Right or Rights would be so rounded if that beneficial owner were a record holder. Beneficial owners that wish to subscribe for shares of our common stock offered by this prospectus should contact the appropriate Intermediary and request it to exercise the Subscription Rights on their behalf. See Subscription Offering Method of Exercising Subscription Rights .

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Oversubscription right	Each Holder who subscribes for the full number of shares of our common stock underlying that Holder's Basic Subscription Rights will have the right to subscribe for additional shares of our common stock that are not subscribed for by other Holders pursuant to their Basic Subscription Rights. We reserve the right to review and not accept any subscription pursuant to the exercise of the Oversubscription Right for more than 200,000 shares. There can be no assurance that any shares of our common stock will be available to satisfy in whole or in part a Holder's request to subscribe for shares in excess of the shares underlying a Holder's Basic Subscription Rights.
Proration of oversubscription rights	If there are insufficient shares to satisfy in full all exercises of Oversubscription Rights, the available shares of our common stock will be allocated among the Holders who exercise Oversubscription Rights <i>pro rata</i> based upon the number of shares owned by each Holder who exercises Oversubscription Rights on the Record Date.
Fractional shares	No fractional shares will be issued. The number of Subscription Rights that we grant to each Holder will be rounded up to the next whole number. If, as a result of rounding up, the shares subscribed for by all Holders exceed the total number of shares of our common stock offered by this prospectus, all or a portion of the subscriptions pursuant to the rounding up may be cancelled as we shall determine, in our sole discretion.
Method of exercising subscription rights; Payment for common stock	The Basic Subscription Rights and Oversubscription Rights may be exercised by properly completing, signing and delivering to the Subscription Agent the Subscription Rights Order Form accompanying this prospectus together with payment in full of the aggregate Initial Subscription Price by either a cashier's check or official check. Once a Holder has exercised a Subscription Right, the exercise is irrevocable absent a material amendment to the Subscription Offering after such exercise. An extension of the Expiration Date for the Subscription Offering of fewer than seven calendar days will not constitute such a material amendment. The Subscription Agent will honor the use of guaranteed delivery procedures as an alternative to payment of the Subscription Price to exercise Subscription Rights. See Subscription Offering Method of Exercising Subscription Rights .

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Expiration date	Holder s may exercise their Subscription Rights until 5:00 p.m., New York City time, on December 19, 2005 unless we extend that date, at our option. After the Expiration Date, the Subscription Rights will expire with no value.
Amendments; Termination	We reserve the right to amend the terms and conditions of the Subscription Offering or to terminate the Subscription Offering at any time prior to delivery of the shares of our common stock offered hereby. See Subscription Offering Amendments and Waivers; Termination .
Non-transferability of subscription rights	<b>The Subscription Rights being granted are not transferable.</b>
Regulatory limitation on subscription	We will not be required to issue shares of our common stock pursuant to the Basic Subscription Rights or the Oversubscription Rights to any Holder who, in our opinion, would be required to obtain prior clearance or approval from any bank regulatory authority of the U.S. federal government, the Commonwealth of Puerto Rico or any state to own or control such shares if, at the expiration of the Subscription Offering, that clearance or approval has not been obtained or any required waiting period has not expired. See also Subscription Offering Certain Legal Matters .
Preferential rights	Subject to certain exceptions, Holder s of our common stock are entitled to preference for the subscription for our common stock unless our Board of Directors in connection with an issuance of our common stock unanimously resolves otherwise. Holder s who exercise Subscription Rights offered by this prospectus will be entitled to such preferential rights by virtue of the common stock purchased upon such exercise. See Description of Capital Stock Common Stock .
Subscription agent	The Subscription Agent is Mellon Bank, N.A. See Subscription Offering Subscription Agent for addresses and information relating to the payment of the aggregate Subscription Price. The Subscription Agent s toll-free telephone number is 1-888-451-6209.
Information agent	The Information Agent is Mellon Investor Services LLC. The Information Agent may be reached by calling toll-free 1-888-451-6209.

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Dealer managers	We have agreed to pay UBS Securities LLC and Popular Securities, Inc., as dealer managers, a fee for their soliciting services equal to 2.5% of the aggregate Subscription Price for shares issued pursuant to the exercise of Subscription Rights. In addition, we have agreed to reimburse the dealer managers up to \$25,000 for their expenses incurred in connection with the Subscription Offering.
Unsubscribed shares; Underwritten offering	We expect, but are not required, to offer the shares of our common stock that are not subscribed for by Holders in the Subscription Offering to the public in an underwritten public offering to be managed by UBS Securities LLC and Popular Securities, Inc. Such underwriting would be subject to certain conditions, including, without limitation, the execution of an underwriting agreement satisfactory to the underwriters and us. There can be no assurance that the Underwritten Offering will occur or as to the initial public offering price if an Underwritten Offering does occur.
Issuance of common stock	Certificates representing shares of our common stock purchased pursuant to the Subscription Rights will be delivered to subscribers as soon as practicable after completion of the Underwritten Offering, if any, or if that offering does not occur within 30 calendar days after the Expiration Date, as soon as practicable thereafter (the Completion Date ). See Subscription Offering Method of Exercising Subscription Rights; Payment for Common Stock .
Use of proceeds	The net proceeds from the sale of our common stock will be used for general corporate purposes, including funding future acquisitions.
Shares outstanding	267,427,050 shares of our common stock were outstanding at the Record Date. At November 21, 2005, 267,427,050 shares of our common stock were outstanding.
Nasdaq Stock Market symbol	BPOP .

**Table of Contents****Summary consolidated financial data**

We have derived our financial summary data for the year ended December 31, 2004, from our audited consolidated financial statements incorporated by reference in this prospectus. We have derived our financial summary data for each of the nine-month periods ended September 30, 2005, and September 30, 2004, and each of the three-month periods ended September 30, 2005, and September 30, 2004, from our unaudited consolidated financial statements incorporated by reference in this prospectus. The unaudited consolidated financial statement data include, in our opinion, all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair presentation of our financial position and results of operations for these periods. Operating results for the three- and nine-month periods ended September 30, 2005, are not necessarily indicative of the results that may be expected for the year ending December 31, 2005. You should read the financial summary data set forth below in conjunction with Management's discussion and analysis of financial condition and results of operations and with our consolidated financial statements and related notes included in our annual report for the year ended December 31, 2004, filed with the SEC on Form 10-K on March 16, 2005, and incorporated by reference in this prospectus.

**POPULAR, INC.****Financial Summary**

(in thousands, except share data)

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2005	2004 (unaudited)	2005	2004	2004 (audited)
<b>Summary of Operations</b>					
Interest income	\$ 666,088	\$ 563,767	\$ 1,946,464	\$ 1,614,779	\$ 2,216,265
Interest expense	317,978	215,575	883,638	595,170	840,754
Net interest income	348,110	348,192	1,062,826	1,019,609	1,375,511
Provision for loan losses	49,960	46,614	144,232	132,641	178,657
Net interest income after provision for loan losses	298,150	301,578	918,594	886,968	1,196,854
Other income	171,261	143,753	492,066	436,074	596,193
Net (loss) gain on sale and valuation adjustment of investment securities	(920)		50,891	13,435	12,737
Trading account profit (loss)	4,707	803	28,138	(748)	(159)
Total non-interest income	175,048	144,556	571,095	448,761	608,771
Salaries and benefits	149,792	137,569	448,045	408,372	548,936
Profit sharing	4,890	5,083	16,805	16,404	22,082
Amortization of intangibles	2,387	1,984	6,770	5,586	7,844
Other operating expenses	172,344	153,237	498,826	438,909	592,150
Total operating expenses	329,413	297,873	970,446	869,271	1,171,012
Income before income tax and cumulative effect of accounting changes	143,785	148,261	519,243	466,458	634,613



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Income tax	<u>28,569</u>	<u>32,880</u>	<u>112,395</u>	<u>104,774</u>	<u>144,705</u>
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**Table of Contents****POPULAR, INC.****Financial Summary**

(in thousands, except share data)

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2005	2004 (unaudited)	2005	2004	2004 (audited)
Income before cumulative effect of accounting changes	115,216	115,381	406,848	361,684	489,908
Cumulative effect of accounting changes			3,607		
Net income	\$ 115,216	\$ 115,381	\$ 410,455	\$ 361,684	\$ 489,908
Net income applicable to common stock	\$ 112,237	\$ 112,402	\$ 401,520	\$ 352,749	\$ 477,995
Basic and diluted EPS before cumulative effect of accounting change(1)			\$ 1.49	\$ 1.32	
Basic and diluted EPS after cumulative effect of accounting change			\$ 1.50	\$ 1.32	
Basic and diluted earnings per share	\$ 0.42	\$ 0.42			\$ 1.79
Dividends declared per common share	\$ 0.16	\$ 0.16	\$ 0.48	\$ 0.46	\$ 0.62
Average common shares outstanding	267,244,997	266,414,016	267,043,298	266,197,350	266,302,105
Average common shares outstanding assuming dilution	267,835,364	266,818,378	267,583,122	266,507,936	266,674,856
Common shares outstanding at end of period	267,152,969	266,345,324	267,152,969	266,345,324	266,582,103

**Selected Average Balances**