POPULAR INC
Form 424B2
June 26, 2014
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-182213

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus do not constitute an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED June 26, 2014

Preliminary Prospectus Supplement to Prospectus dated June 19, 2012

$

% Senior Notes due 20

Popular, Inc. is offering $ in aggregate principal amount of its % Senior Notes due 20 (the notes). The notes will mature on , 20 . Interest on the notes is payable on and of each year, beginning on , 20 . Popular, Inc. may redeem the notes, in whole or in part, at any time or from time to time prior to their maturity at a price set forth under Description of the Notes Optional Redemption in this prospectus supplement.

The notes will be unsecured and will rank equally and ratably with all of Popular, Inc. s other unsecured senior indebtedness. The notes will not be guaranteed by any of our subsidiaries.

See Risk Factors beginning on page S-6 of this prospectus supplement, Part II. Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and Part I. Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2013 for a discussion of risks that you should consider in connection with an investment in the notes.

The notes will not be listed on any securities exchange. Currently there is no public market for the notes.

The notes are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

None of the Securities and Exchange Commission, any state or Commonwealth of Puerto Rico securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other regulatory body has approved or disapproved of these securities or the adequacy or accuracy of this prospectus supplement and the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per note(1)	Total
Price to investors	%	$
Underwriting discount	%	$
Proceeds, before expenses, to Popular, Inc.	%	$

(1) Interest will accrue on the notes from July , 2014 to the date of settlement.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company and its participants Clearstream Banking S.A. and Euroclear Bank S.A./N.V. on or about July , 2014.

J.P. Morgan

Goldman, Sachs & Co.

Barclays **BofA Merrill Lynch** **Credit Suisse** **Deutsche Bank Securities**

Drexel Hamilton **Guggenheim Securities** **Keefe, Bruyette & Woods** **Nomura** **Popular Securities**

RBC Capital Markets **Sandler O Neill + Partners, L.P.** **Sterne Agee** **Wells Fargo Securities**

Prospectus Supplement dated June , 2014

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Prospectus Supplement

Prospectus

We have not authorized anyone to provide you with any information or to make any representation other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus issued by us. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference or any related free writing prospectus issued by us is accurate as of any date other than the respective dates thereof. Our business, financial condition, liquidity,

results of operations or prospects may have changed since those dates. We are not making an offer of these securities in any jurisdiction where such offer is not permitted.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering.

If the description of this offering or the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference into this prospectus supplement. You should also read and consider the additional information under the captions Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus supplement.

In this prospectus supplement, unless otherwise stated or the context otherwise requires, Company, Popular, we, us and our refer to Popular, Inc. and its subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). Our SEC filings are available to the public over the Internet at the SEC s website at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the following documents:

Our Annual Report on Form 10-K for the year ended December 31, 2013.

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.

Our Current Reports on Form 8-K filed on March 4, 2014, April 25, 2014, May 15, 2014 and June 19, 2014.

All documents that we file subsequent to the date of this prospectus supplement and prior to the termination of this offering pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, shall be deemed to be incorporated by reference into this prospectus supplement and to be a part hereof from the date of filing of such documents. Information in documents that is deemed, in accordance with SEC rules, to be furnished and not filed shall not be deemed to be incorporated by reference into this prospectus supplement. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to us at the following address: Enrique Martel, Corporate Communications, Popular, Inc., P.O. Box 362708, San Juan, Puerto Rico 00936-2708. Telephone requests may also be directed to: (787) 765-9800. You may also access this information at our website at http://www.popularinc.com. No information on our website is deemed to be part of or incorporated by reference in this prospectus supplement or the accompanying prospectus.

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FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein are forward-looking statements within the meaning of the federal securities laws. These forward-looking statements may relate to Popular s financial condition, results of operations, plans, objectives, future performance and business, including, but not limited to, statements with respect to the adequacy of the allowance for loan losses, delinquency trends, market risk and the impact of interest rate changes, capital markets conditions, capital adequacy and liquidity, and the effect of legal proceedings and new accounting standards on Popular s financial condition and results of operations. All statements contained herein that are not clearly historical in nature are forward-looking, and the words anticipate, believe, continues, expect, estimate, intend, project and similar and future or conditional verbs such as will, would, should, could, might, can, may, or similar expressions generally intended to identify forward-looking statements.

These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties, estimates and assumptions by management that are difficult to predict. Various factors, some of which are beyond Popular s control, could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. Factors that might cause such a difference include, but are not limited to:

the rate of growth in the economy and employment levels, as well as general business and economic conditions;

changes in interest rates, as well as the magnitude of such changes;

the fiscal and monetary policies of the federal government and its agencies;

changes in federal bank regulatory and supervisory policies, including required levels of capital and the impact of proposed capital standards on our capital ratios;

the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act on our businesses, business practices and cost of operations;

regulatory approvals that may be necessary to undertake certain actions or consummate strategic transactions such as acquisitions and dispositions;

the relative strength or weakness of the consumer and commercial credit sectors and of the real estate markets in Puerto Rico and the other markets in which borrowers are located;

the performance of the stock and bond markets;

- competition in the financial services industry;
- additional Federal Deposit Insurance Corporation (FDIC) assessments;
- the resolution of our dispute with the FDIC under our loss share agreement entered into in connection with the Westernbank-FDIC assisted transaction; and
- possible legislative, tax or regulatory changes.

Other possible events or factors that could cause results or performance to differ materially from those expressed in these forward-looking statements include the following: negative economic conditions that adversely affect the general economy, housing prices, the job market, consumer confidence and spending habits which may affect, among other things, the level of non-performing assets, charge-offs and provision expense; changes in interest rates and market liquidity which may reduce interest margins, impact funding sources and affect our ability to originate and distribute financial products in the primary and secondary markets; adverse movements and volatility in debt and equity capital markets; changes in market rates and prices which may adversely impact the value of financial assets and liabilities; liabilities resulting from litigation and regulatory

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investigations; changes in accounting standards, rules and interpretations; increased competition; our ability to grow our core businesses; decisions to downsize, sell or close units or otherwise change our business mix; and management s ability to identify and manage these and other risks. Moreover, the outcome of legal proceedings, as discussed in Part II, Item I. Legal Proceedings of the Company s Form 10-Q for the quarter ended March 31, 2014 and in Part I, Item 3. Legal Proceedings of the Company s Form 10-K for the year ended December 31, 2013, is inherently uncertain and depends on judicial interpretations of law and the findings of regulators, judges and juries. Investors should refer to the Risk Factors in the Company s Annual Report on Form 10-K for the year ended December 31, 2013 as well as to Part II. Item 1A. Risk Factors of the Company s Form 10-Q for the quarter ended March 31, 2014 for a discussion of such factors and certain risks and uncertainties to which the Company is subject.

All forward-looking statements included in this prospectus supplement are based upon information available to Popular as of the date of this prospectus supplement, and other than as required by law, including the requirements of applicable securities laws, we assume no obligation to update or revise any such forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

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SUMMARY

The following summary highlights selected information about us and the offering. It may not contain all of the information that is important to you and is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making an investment decision, you should carefully consider the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information set forth under the heading Risk Factors on page S-6 of this prospectus supplement, in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and in our Annual Report on Form 10-K for the year ended December 31, 2013 as well as our consolidated financial statements and the notes to those statements.

The Company

Popular is a diversified, publicly-owned financial holding company, registered under the Bank Holding Company Act of 1956, as amended, and subject to supervision and regulation by the Board of Governors of the Federal Reserve System (the Federal Reserve). Popular has operations in Puerto Rico, the United States (U.S.) mainland and the U.S. and British Virgin Islands.

In Puerto Rico, Popular provides retail, including residential mortgage loan origination, and commercial banking services through its principal banking subsidiary, Banco Popular de Puerto Rico (BPPR), as well as auto and equipment leasing and financing, investment banking, broker-dealer and insurance services through specialized subsidiaries. In the U.S. mainland, Popular operates Banco Popular North America (BPNA), including its wholly-owned subsidiary E-LOAN. BPNA focuses efforts and resources on the core community banking business. BPNA, under the name Popular Community Bank, operates branches in New York, California, Illinois, New Jersey and Florida. See Recent Developments below. E-LOAN markets deposit accounts under its name for the benefit of BPNA.

Popular is a holding company and services its obligations, including the notes sold in this offering, primarily with dividends and advances that it receives from subsidiaries and from dividends received from certain of its equity method investments. Popular s subsidiaries that operate in the banking business are required to obtain approval from the Federal Reserve and their respective applicable state banking regulator prior to declaring or paying dividends to the Company. Furthermore, Popular s subsidiaries can only pay dividends if they are in compliance with the applicable regulatory requirements imposed on them by federal and state bank regulatory authorities and regulators. Popular s subsidiaries may be party to credit agreements that also may restrict their ability to pay dividends. The notes will not be guaranteed by our subsidiaries and will be structurally subordinated to the existing and future indebtedness of our subsidiaries.

Under the regulations of the Federal Reserve, a bank holding company is expected to act as a source of financial strength for its subsidiary banks. As a result of this regulatory policy, the Federal Reserve might require Popular to commit resources to its subsidiary banks when doing so is not otherwise in the interests of Popular or its shareholders or creditors.

Popular s principal executive offices are located at 209 Muñoz Rivera Avenue, Hato Rey, Puerto Rico 00918, and our telephone number is (787) 765-9800.

Recent Developments

On April 22, 2014, Popular entered into definitive agreements to sell its regional operations in California, Illinois and central Florida to three different buyers. In connection with these transactions, Popular intends to

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centralize certain back office operations previously conducted on these regions in Puerto Rico and New York. The transactions are expected to be completed during the second half of 2014.

On June 18, 2014, Popular announced that it had received regulatory approval to repay $935 million in Troubled Asset Relief Program (TARP) Capital Purchase Program funds to the U.S. Treasury. Popular intends to redeem $936 million of its Fixed Rate Perpetual Junior Subordinated Debentures, Series A (the Junior Subordinated Debentures) currently held by Popular Capital Trust III, an affiliated trust, and consequently redeem $935 million of Popular Capital Trust III Fixed Rate Capital Securities (the Capital Securities) currently held by the United States Department of the Treasury (the U.S. Treasury) under the TARP.

After the redemption, Popular intends to repurchase the outstanding warrant initially issued to the U.S. Treasury under the TARP Capital Purchase Program in 2008. The warrant represents the right to purchase 2,093,284 shares of Popular s common stock at an exercise price of $67 per share with an original term of 10 years. Popular has notified the U.S. Treasury of its intention to redeem the Capital Securities and repurchase the warrant, both of which are subject to the authorization of the U.S. Treasury.

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The Offering

The following summary of the offering contains basic information about the offering and the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, you should read the section of this prospectus supplement entitled Description of the Notes and the section of the accompanying prospectus entitled Description of Debt Securities We May Offer.

Issuer	Popular, Inc.
Securities offered	$ in aggregate principal amount of % Senior Notes due 20
Issue date	July , 2014
Issue price	%
Stated maturity date	, 20
Interest rate	% per annum
Interest payment dates	and of each year, beginning on , 20
No guarantees	The notes are not guaranteed by any of our subsidiaries.
Security and ranking	The notes will be unsecured and will rank equally and ratably with the existing and future unsecured senior indebtedness of Popular, Inc. The notes will be effectively subordinated to Popular, Inc. s existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness, and will be structurally subordinated to the existing and future indebtedness and other liabilities and preferred equity of our subsidiaries.
	As of March 31, 2014:
	Popular, Inc. and its subsidiaries on a consolidated basis had approximately $32.0 billion of indebtedness and other liabilities (including deposits) outstanding;

Popular, Inc. had approximately $861.3 million of indebtedness and other liabilities outstanding; and

Subsidiaries of Popular, Inc. had approximately $31.1 billion of indebtedness and other liabilities (including deposits) outstanding.

The indenture under which the notes will be issued does not limit the amount of additional indebtedness we may incur.

Optional redemption	We may redeem the notes, in whole or in part, at any time or from time to time prior to their maturity as described under Description of the Notes Optional Redemption in this prospectus supplement.
Covenant	The indenture under which the notes will be issued contains a limitation on the sale or issuance of voting shares of BPPR. This covenant is subject to important qualifications and limitations.

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Sinking fund	None
Form and denominations	The notes will be issued in the form of one or more fully registered global securities, without coupons, in denominations of $2,000 in principal amount and integral multiples of $1,000 in excess thereof. These global securities will be deposited with or on behalf of The Depository Trust Company (DTC) and registered in the name of a nominee of DTC. Except in the limited circumstances described in the accompanying prospectus under Description of Debt Securities We May Offer Special Considerations for Global Debt Securities Special Situations When a Global Debt Security Will Be Terminated, notes in non-global form will not be issued or exchanged for interests in global securities.
Listing	The notes are a new issue of securities with no established trading market. We do not intend to list the notes for trading on any securities exchange or quotation system.
Future issuances	The notes will initially be limited to an aggregate principal amount of $. We may from time to time, without notice to or consent of holders, increase the aggregate principal amount of the notes outstanding by issuing additional notes in the future with the same terms as the notes, except for the issue date and offering price and, if applicable, the initial interest payment date and the initial interest accrual date, and such additional notes shall form a single series with the notes.
Use of proceeds	We intend to use the proceeds of this offering and available cash to redeem $936 million of our Junior Subordinated Debentures currently held by Popular Capital Trust III, an affiliated trust, and consequently redeem $935 million of Capital Securities currently held by the U.S. Treasury under the TARP. See Use of Proceeds.
Governing law	The notes and the indenture pursuant to which we will issue the notes will be governed by the laws of the State of New York.
Trustee	The Bank of New York Mellon
Risk factors	See Risk Factors beginning on page S-6 of this prospectus supplement, in Part II. Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and in Part I. Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2013,

	for a discussion of factors you should carefully consider before deciding to invest in the notes.
Conflict of interest	Popular Securities, Inc., a wholly owned subsidiary of Popular, Inc. and a broker-dealer registered with the Financial Industry Regulatory Authority (FINRA), will participate in the distribution of notes in connection with this offering. The distribution arrangements for this

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offering comply with the requirements of FINRA Rule 5121, regarding a FINRA member firm s participation in the distribution of securities of an affiliate. In accordance with that rule, no FINRA member firm that has a conflict of interest, as defined therein, may make sales in this offering to any discretionary account without the prior approval of the customer.

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RISK FACTORS

An investment in our notes involves certain risks. You should carefully consider the risks described below as well as the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2013 as updated in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, and all of the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, liquidity or results of operations.

The notes are not insured or guaranteed by the Federal Deposit Insurance Corporation.

The notes are not a savings account, deposit or other obligation of any of our bank or nonbank subsidiaries. The notes are not insured by the FDIC or any other governmental agency or instrumentality or public or private insurer.

Our access to funds from our subsidiaries may become limited, thereby restricting our ability to make payments on our obligations, including the notes.

We are a bank holding company and depend primarily on dividends and advances from our banking and other operating subsidiaries to fund our cash needs. These obligations and needs include capitalizing subsidiaries, repaying maturing indebtedness and paying debt service on outstanding indebtedness. Our banking subsidiaries, BPPR and BPNA, are subject to regulatory limitations on their ability to make dividend payments and other distributions to us based on their earnings and capital position. In July 2011, BPPR entered into a Memorandum of Understanding with the Federal Reserve Bank of New York and the Office of the Commissioner of Financial Institutions of Puerto Rico that requires the approval of these entities prior to the payment of any dividends by BPPR. Further, BPNA cannot declare any dividends without the approval of the Federal Reserve. A failure by our banking subsidiaries to generate sufficient cash flow to make dividend payments to us may have a negative impact on our results of operations and financial position and consequently our ability to service our debt obligations, such as the notes.

The notes will be junior to all of our secured indebtedness and structurally subordinated to all of our subsidiaries indebtedness.

The notes will be effectively subordinated to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. In the event that we are declared bankrupt, become insolvent or are liquidated or reorganized, any indebtedness that ranks ahead of the notes will be entitled to be paid in full from our assets before any payment may be made with respect to the notes. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same ranking as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we may not have sufficient assets to pay amounts due on the notes. As a result, if holders of the notes receive any payments, they may receive less, ratably, than holders of secured indebtedness. As of March 31, 2014, Popular, Inc. had no outstanding secured indebtedness.

In addition, because the notes will not be guaranteed by any of our subsidiaries, the notes will be structurally subordinated to the existing and future indebtedness and other liabilities and preferred equity of our subsidiaries, including the indebtedness and other liabilities of Popular, Inc. that are guaranteed by subsidiaries. In any liquidation, dissolution, bankruptcy or other similar proceeding involving one of our subsidiaries, any right we or any holders of the notes have to participate in the assets of the subsidiary will effectively be subordinated to the claims of creditors of the subsidiary, and following payment by the subsidiary of its liabilities, the subsidiary

may not have sufficient assets remaining to make payments to us as a stockholder or otherwise. As of March 31, 2014, our subsidiaries had, in the aggregate, outstanding indebtedness and other liabilities, including deposits, of approximately $31.1 billion. As of that date, Popular, Inc. had no outstanding indebtedness or other liabilities guaranteed by subsidiaries.

We intend to use the proceeds of this offering to redeem our Junior Subordinated Debentures and the Capital Securities, which are both subordinated to our long-term debt.

We intend to use the proceeds of this offering and available cash to redeem $936 million aggregate principal amount of our Junior Subordinated Debentures and consequently redeem $935 million aggregate principal amount of the Capital Securities, which were issued by Popular Capital Trust III, an affiliated trust, to the U.S. Treasury in connection with the TARP. The Junior Subordinated Debentures were issued to Popular Capital Trust III and are its source of funds to make payments on the Capital Securities. The Junior Subordinated Debentures and the Capital Securities currently accrue interest payable at an annual rate of 9%. As a result of this redemption, a non-cash charge to earnings will be recorded for the unamortized portion of the discount and deferred costs associated with this debt which at March 31, 2014 had a balance of $414.3 million.

In addition, in connection with the issuance of the Capital Securities, the Company agreed not to increase its common stock dividend rate or to repurchase shares of its common stock without the consent of the U.S. Treasury. These restrictions would terminate once the Capital Securities are no longer outstanding.

You may be subject to adverse tax consequences as a result of proposed withholding tax legislation in Puerto Rico.

If the House Version of the Proposed Legislation (as defined in Certain Tax Considerations Puerto Rico Taxation) is approved, interest payments on the notes generally will be subject to withholding tax by Puerto Rico at a 10% rate unless a different specific procedure is authorized by the PR Treasury. As described in Description of the Notes Additional Amounts, Popular, Inc. will pay additional amounts to the holders of the notes in respect of any such withholding tax. A U.S. Holder (as defined in Certain Tax Considerations United States Taxation), other than a Puerto Rico U.S. Holder (as defined in Certain Tax Considerations United States Taxation), will be required to include any tax withheld as well as any additional amounts paid in respect of such tax as ordinary income for U.S. federal income tax purposes. Thus, a U.S. Holder, other than a Puerto Rico U.S. Holder, may be subject to U.S. federal income tax on amounts in excess of the amount of interest such U.S. Holder actually receives in respect of the notes. In addition there can be no assurance that such U.S. Holder will be entitled to claim a foreign tax credit or deduction in respect of any tax withheld from a payment on the notes. In addition, in the case of U.S. Holders, other than Puerto Rico U.S. Holders, which are U.S. citizens, such Puerto Rico withholding tax may not be claimed as a foreign tax credit or deduction against their U.S. federal income tax responsibility on the interest on the notes since such U.S. citizens are entitled to request a refund from the PR Treasury for the full amount of the Puerto Rico withholding tax. See Certain Tax Considerations United States Taxation Taxation of Interest Paid or Accrued on the Notes U.S. Holders other than Puerto Rico U.S. Holders. You are urged to consult with your own tax advisors regarding the potential U.S. federal income tax consequences arising from any withholding tax or payments of additional amounts in respect of the notes.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

The notes are a new issue of securities for which there is no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for quotation of the notes on any automated dealer quotation system. The underwriters have advised us that they intend to make a market in the notes, as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in the notes and they may discontinue their market-making activities at any time without notice. Therefore, an active market for the notes may not develop or, if developed, may not continue. The liquidity of any market for the notes will depend upon, among other things, the number of holders of the notes, our performance, the market

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for similar securities, the interest of securities dealers in making a market in the notes and other factors. If a market develops, the notes could trade at prices that may be lower than the initial offering price of the notes. Historically, the market for non-investment grade debt securities has been subject to disruptions that have caused substantial price volatility. The market, if any, for the notes may not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your notes.

We may incur additional indebtedness in the future; the limited covenants in the indenture for the notes do not restrict our ability to do so.

We are not restricted from incurring additional indebtedness or other liabilities, including additional senior indebtedness, under the indenture pursuant to which we will issue the notes. If we incur additional indebtedness or liabilities, our ability to pay our obligations on the notes could be adversely affected. We expect to incur, from time to time, additional indebtedness and other liabilities.

In addition, there are no financial covenants in the indenture. You are not protected under the indenture in the event of a highly leveraged transaction, reorganization, a default under our existing indebtedness, restructuring, merger or similar transaction that may adversely affect you, except to the extent described under Description of Notes Mergers and Similar Transactions, Description of Notes Events of Default and Description of Notes Restrictive Covenant included in this prospectus supplement and the accompanying prospectus.

Changes in our credit ratings may adversely affect your investment in the notes.

The credit ratings of our indebtedness are an assessment by rating agencies of our ability to pay our indebtedness when due. These ratings are not recommendations to purchase, hold or sell the notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor, are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. The ratings are based on current information furnished to the ratings agencies by us and information obtained by the ratings agencies from other sources. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency s judgment, circumstances so warrant.

An investment in the notes involves other significant risks, as described in our incorporated documents.

Investing in the notes involves significant risks in addition to those described above, including risks relating to our business environment and industry, financial position and results of operations. These risks are described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, which you should read carefully before investing in the notes.

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USE OF PROCEEDS

The net proceeds to us from the sale of notes will be approximately $ (after deducting estimated underwriting discounts and estimated offering expenses). We intend to use these proceeds plus available cash to redeem $936 million aggregate principal amount of our Junior Subordinated Debentures and consequently redeem $935 million aggregate principal amount of the Capital Securities. The redemption of these securities was approved by the Federal Reserve Bank of New York on June 17, 2014.

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CAPITALIZATION

The following table sets forth our consolidated capitalization as of March 31, 2014 on an actual basis and on an as adjusted basis reflecting the offering of the notes and the application of the estimated net proceeds of the offering specified in Use of Proceeds. This table should be read in conjunction with our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013 as well as our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014. See Where You Can Find More Information in this prospectus supplement.

	As of March 31, 2014	
(In thousands, except share information)	**Actual**	**As Adjusted**
Debt		
Federal funds purchased and assets sold under agreements to repurchase	$ 2,208,213	$ 2,208,213
Other short-term borrowings	1,200	1,200
Advances with the Federal Home Loan Bank system	510,825	510,825
Term notes	685	685
Junior subordinated deferrable interest debentures (related to trust preferred securities)	971,604	439,800
Others	23,294	23,294
Notes offered hereby		
Total debt	$ 3,715,821	
Stockholders equity		
Preferred stock ($25 liquidation value) 30,000,000 shares authorized; 2,006,391 shares issued and outstanding	50,160	50,160
Common stock ($0.01 par value per share) 170,000,000 shares authorized; 103,494,430 shares issued and 103,455,535 outstanding	1,035	1,035
Surplus	4,171,817	4,171,817
Retained earnings	679,908	265,559
Accumulated other comprehensive loss, net of tax	(156,275)	(156,275)
Treasury stock, at cost, 38,895 shares	(898)	(898)
Total stockholders equity	4,745,747	4,331,398
Total capitalization	$ 8,461,568	$

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RATIO OF EARNINGS TO FIXED CHARGES

The following table shows the consolidated ratio of earning to fixed charges of Popular for each of the five most recent fiscal years and the three months ended March 31, 2014.

	Three months ended	Year ended December 31,				
	March 31, 2014	2013	2012	2011	2010	2009
Including Interest on Deposits	2.3	2.0	1.4	1.5	1.4	(A)
Excluding Interest on Deposits	3.1	2.7	1.8	2.0	1.7	(A)

(A) During 2009, earnings were not sufficient to cover fixed charges or preferred stock dividends and the ratios were less than 1:1. Popular would have had to generate additional earnings of approximately $625 million to achieve ratios of 1:1 in 2009.

DESCRIPTION OF THE NOTES

Because this is a summary, it does not contain all the information that may be important to you. The following description of specific terms of the notes is qualified in its entirety by reference to the provisions of the indenture pursuant to which the notes will be issued, including the definitions of certain terms contained therein and those terms made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). Capitalized and other terms not otherwise defined in this prospectus supplement shall have the meanings given to them in the indenture. The indenture is an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus are part.

Popular, Inc. will issue the notes under a senior indenture, dated as of February 15, 1995, as supplemented by the First Supplemental Indenture dated as of May 8, 1997 and as further supplemented by the Second Supplemental Indenture dated as of August 5, 1999, the Third Supplemental Indenture dated as of September 10, 2008, the Fourth Supplemental Indenture, dated as of September 25, 2008, the Fifth Supplemental Indenture, dated as of September 25, 2008, the Sixth Supplemental Indenture, dated as of March 15, 2010 and the Seventh Supplemental Indenture, dated as of March 15, 2010, and as further supplemented by a supplemental indenture setting forth the terms of the notes, in each case between Popular, Inc., as issuer, and The Bank of New York Mellon, as trustee.

The notes will be issued in an initial aggregate principal amount of $. The notes will not be guaranteed by any of Popular, Inc. s subsidiaries. The notes will be issued only in registered form, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The notes will be Popular, Inc. s unsecured senior obligations and, as such, will rank equally in right of payment with all its other existing and future unsecured senior indebtedness and senior in right of payment to all its existing and future subordinated indebtedness. As of March 31, 2014, Popular, Inc. does not have any debt outstanding at the holding company level that would rank equal in right of payment with the notes. However, the notes would be structurally subordinated to approximately $31.1 billion of secured and unsecured indebtedness of our subsidiaries. See Capitalization and Risk Factors Our access to funds from our subsidiaries may become limited, thereby restricting our ability to make payments on our obligations, including the notes in this prospectus supplement.

General

The specific terms of the notes are set forth below:

Issuer: Popular, Inc.

Title: % Senior Notes due

Initial principal amount being issued: $

Stated maturity date: , 20

Interest rate: % per annum

Date interest starts accruing: July , 2014

Interest payment dates: and of each year

First interest payment date: , 20

Regular record dates for interest payments: The or (whether or not a business day) immediately preceding the applicable interest payment date.

Computation of interest: Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Original issue date: July , 2014

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Optional redemption: We may redeem the notes, in whole at any time or in part from time to time, in each case at the redemption price described below under Optional Redemption.

Form of notes: The notes will be in the form of one or more global notes that we will deposit with or on behalf of DTC.

Sinking fund: The notes will not be subject to any sinking fund.

Ranking: The notes will constitute a series of our unsecured senior debt securities.

Optional Redemption

Prior to , 20 (the date that is one month prior to the stated maturity date), the notes will be redeemable at Popular, Inc. s option, in whole at any time or in part from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed that would be due after the related redemption date and on or prior to the Early Call Date (as defined below) (exclusive of any interest accrued to such redemption date), discounted to such redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus basis points, plus in each case unpaid interest, if any, accrued to, but not including, such redemption date.

If Popular, Inc. redeems the notes on or after , 20 (the Early Call Date), the notes will be redeemed at a redemption price equal to 100% of the principal amount of the notes to be so redeemed, plus accrued and unpaid interest to the redemption date.

Notwithstanding the foregoing, interest will be payable to holders of the notes on the record date applicable to an interest payment date falling on or before a date of redemption.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to the Early Call Date that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes to the Early Call Date.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of three Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of five Reference Treasury Dealer Quotations obtained, or (2) if Popular, Inc. obtains fewer than five such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations obtained.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by Popular, Inc.

Reference Treasury Dealer means: (i) J.P. Morgan Securities LLC; provided, however, that if J.P. Morgan Securities LLC shall cease to be a primary U.S. Government securities dealer in the United States (a Primary Treasury Dealer), Popular, Inc. will substitute therefor another Primary Treasury Dealer; and (ii) any four other Primary Treasury Dealers selected by Popular, Inc.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by Popular, Inc., of the bid and asked prices for the Comparable Treasury Issue (expressed as a percentage of its principal amount) quoted in writing to Popular, Inc. (and provided to the trustee) by such Reference Treasury Dealer as of 3:30 p.m., New York City time, on the third New York business day immediately preceding such redemption date.

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Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity (computed as of the third New York business day immediately preceding such redemption date) of the Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

In order to exercise its right of optional redemption, Popular, Inc. (or, at Popular, Inc. s request, the trustee on its behalf) must deliver a notice of redemption to each holder of notes to be redeemed at least 30 days but not more than 60 days prior to the redemption date. Such notice of redemption shall specify the principal amount of notes to be redeemed, the CUSIP and ISIN numbers of the notes to be redeemed, the redemption date, the redemption price, or, if not then ascertainable, the manner of calculation thereof, the place or places of payment and that payment will be made upon presentation and surrender of such notes. Once notice of redemption is delivered to holders, the notes called for redemption will become due and payable on the redemption date at the redemption price. Prior to the redemption date, Popular, Inc. will deposit with the trustee or with one or more paying agents an amount of money sufficient to redeem on the redemption date all the notes so called for redemption at the redemption price. Unless Popular, Inc. defaults in payment of the redemption price, commencing on the redemption date interest on notes called for redemption will cease to accrue and holders of such notes will have no rights with respect to such notes except the right to receive the redemption price.