

POPULAR INC
Form DEF 14A
March 12, 2008

Table of Contents

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 14A

**PROXY STATEMENT
PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Popular, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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| (1) | Amount Previously Paid: |
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- (2) Form, Schedule or Registration Statement No:
 - (3) Filing Party:
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Table of Contents

Popular, Inc. 2008
Proxy Statement

Event Date: April 25, 2008

*Official notification of
matters to be brought
to vote at the Annual
Meeting of Stockholders*

Table of Contents

Popular, Inc.

P.O. Box 362708

San Juan, Puerto Rico 00936-2708

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Friday, April 25, 2008

To the Stockholders of Popular, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the Meeting) of Popular, Inc. (the Corporation) for the year 2008 will be held at 9:00 a.m., local time, on Friday, April 25, 2008, on the third floor of the Centro Europa Building, 1492 Ponce de León Avenue, San Juan, Puerto Rico, to consider and act upon the following matters:

(1) To elect three directors assigned to Class 3 of the Board of Directors of the Corporation for a three-year term;

(2) To ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Corporation for 2008; and

(3) To consider such other business as may be properly brought before the Meeting or any adjournments thereof. At present, management knows of no other business to be brought before the Meeting.

Only stockholders of record at the close of business on February 25, 2008 are entitled to notice of and to vote at the Meeting.

We encourage you to attend the Meeting, but even if you cannot attend, it is important that your shares be represented and voted. Whether or not you plan to attend, please sign and return the enclosed proxy card so that the Corporation may be assured of the presence of a quorum at the Meeting. A postage-paid envelope is enclosed for your convenience. Remember that you may also vote by telephone or over the Internet. For further details and instructions on how to vote your shares, please refer to the enclosed proxy statement and proxy card.

In San Juan, Puerto Rico, on March 12, 2008.

By Order of the Board of Directors,

SAMUEL T. CÉSPEDES

Secretary

POPULAR, INC. 2008 PROXY STATEMENT

TABLE OF CONTENTS

1	<u>Proxy Statement for the Annual Meeting of Stockholders to Be Held On Friday, April 25, 2008</u>
1	<u>About The Meeting</u>
3	<u>Principal Stockholders</u>
4	<u>Shares Beneficially Owned By Directors and Executive Officers of the Corporation</u>
6	<u>Section 16(A) Beneficial Ownership Reporting Compliance</u>
6	<u>Proposal 1: Election of Directors for a Three-Year Term</u>
7	<u>Nominees for Election as Directors and Other Directors</u>
10	<u>Compensation of Directors</u>
10	<u>2007 Director Summary Compensation Table</u>
11	<u>Corporate Governance</u>
11	<u>Board of Directors Independence</u>
11	<u>Stockholders Communication with the Board Of Directors</u>
11	<u>Standing Committees</u>
13	<u>Nomination of Directors</u>
13	<u>Code of Ethics</u>
14	<u>Named Executives Officers</u>
17	<u>Family Relationships</u>
17	<u>Other Relationships, Transactions and Events</u>
18	<u>Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm</u>
19	<u>Disclosure of Auditor s Fees</u>
19	<u>Audit Committee Report</u>
20	<u>Executive Compensation Program</u>
20	<u>Report of the Compensation Committee</u>

20	<u>Compensation Discussion and Analysis</u>
28	<u>Executive Compensation</u>
29	<u>Summary Compensation Table</u>
31	<u>Earned Compensation Table</u>
32	<u>Grants of Plan-Based Awards</u>
33	<u>Outstanding Equity Awards at Fiscal Year End</u>
34	<u>Option Exercises and Stock Vested Table For 2007</u>
34	<u>Post-Termination Compensation</u>
40	<u>Proposals of Stockholders to Be Presented At the 2009 Annual Meeting of Stockholders</u>
41	<u>Annex A</u>

POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents

**PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON FRIDAY, APRIL 25, 2008**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Popular, Inc. (the Corporation) for use at the Annual Meeting of Stockholders of the Corporation (the Meeting) to be held on Friday, April, 25, 2008, beginning at 9:00 a.m., local time, on the third floor of the Centro Europa Building, 1492 Ponce de León Avenue, San Juan, Puerto Rico, and at any postponements or adjournments thereof.

This proxy statement and the enclosed form of the proxy were first sent to stockholders on or about March 12, 2008.

ABOUT THE MEETING

What information is contained in this proxy statement?

The information in this proxy statement relates to the proposals to be voted on at the Meeting, the voting process, the Board of Directors of the Corporation (the Board), Board committees, the compensation of directors and executive officers and other required information.

What is the purpose of the Meeting?

At the Meeting, stockholders will act upon the matters outlined in the accompanying notice of meeting, including the election of three directors and the ratification of the Corporation's independent registered public accounting firm for 2008. In addition, management will report on the affairs of the Corporation.

What should I receive?

You should receive this proxy statement, the notice of annual meeting of stockholders, the proxy card and the Corporation's 2007 annual report with the audited financial statements for the year ended December 31, 2007, duly certified by PricewaterhouseCoopers LLP, as independent registered public accounting firm.

How many votes do I have?

You will have one vote for every share of the Corporation's common stock, par value \$6 per share (Common Stock), you owned as of the close of business on February 25, 2008, the record date for the meeting (the Record Date).

How many votes can all stockholders cast?

Stockholders may cast one vote for each of the Corporation's 280,589,100 shares of Common Stock that were outstanding on the Record Date. The shares covered by any proxy that is properly executed and received before 9:00 a.m., local time, on the day of the Meeting will be voted.

How many votes must be present to hold the Meeting?

A majority of the votes that can be cast must be present either in person or by proxy to hold the Meeting. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the Meeting for purposes of determining whether the majority of the votes that can be cast are present. A broker non-vote occurs when a broker or other nominee indicates on the proxy card that it does not have discretionary authority to vote on a particular matter. Votes cast by proxy or in person at the Meeting will be counted by Broadridge Financial Solutions, Inc., an independent third party. We urge you to vote by proxy even if you plan to attend the Meeting, so that we will know as soon as possible that enough votes will be present for us to hold the Meeting.

What vote is required and how are abstentions and broker non-votes treated?

The affirmative vote of the majority of the votes cast at the Meeting is required for the election of directors. Broker non-votes will have no legal effect on the election of directors. For the ratification of the independent registered

Table of Contents

public accounting firm and any other item voted upon at the Meeting, the affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote on the item will be required for approval.

Abstentions will not be voted for any such matter. Accordingly, abstentions will have the same legal effect as a negative vote. Broker non-votes will not be counted in determining the number of shares necessary for approval.

Can I vote if I participate in an employees stock plan?

Your proxy card will serve to instruct the trustees or independent fiduciaries how to vote your shares in the Popular, Inc. Puerto Rico Savings and Investment Plan and Popular, Inc. USA 401(k) Savings and Investment Plan.

How does the Board recommend that I vote?

The Board recommends that you vote **FOR** each nominee of the Board and **FOR** the ratification of the Corporation's independent registered public accounting firm for the year 2008.

How do I vote?

You can vote either in person at the Meeting or by proxy without attending the Meeting.

To vote by proxy, you must either

fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage paid envelope;

vote by telephone (instructions are on the proxy card); or

vote over the Internet (instructions are on the proxy card).

If you want to vote in person at the Meeting, and you hold your Common Stock through a securities broker or nominee (that is, in street name), you must obtain a proxy from your broker or nominee and bring that proxy to the Meeting.

To avoid delays in ballot taking and counting, and in order to ensure that your proxy is voted in accordance with your wishes, compliance with the following instructions is respectfully requested: when signing a proxy as attorney, executor, administrator, trustee, guardian, authorized officer of a corporation, or on behalf of a minor, please give full title. If shares are in the name of more than one record holder, all record holders must sign.

Who will bear the costs of soliciting proxies for the Meeting?

The cost of soliciting proxies for the Meeting will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited personally, by telephone or otherwise. The Board has engaged the firm of Georgeson, Inc. to aid in the solicitation of proxies. The cost of solicitation will be borne by the Corporation and is estimated at \$7,500, plus reimbursement of reasonable out-of-pocket expenses. Directors, officers and employees of the Corporation may also solicit proxies but will not receive any additional compensation for their services. Proxies and proxy material will also be distributed at the expense of the Corporation by brokers, nominees, custodians and other similar parties.

Can I change my vote?

Yes, you may change your vote. To do so, just send in a new proxy card with a later date, or cast a new vote by telephone or over the Internet, or send a written notice of revocation to the President or Secretary of Popular, Inc., P.O. Box 362708, San Juan, Puerto Rico 00936-2708, delivered before the proxy is exercised. If you attend the Meeting and want to vote in person, you may request that your previously submitted proxy not be used.

2 POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents**What should I do if I receive more than one set of voting materials?**

You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate proxy card for each brokerage account in which you hold shares. Please complete, sign, date and return each proxy card that you receive.

Could other matters be decided at the Meeting?

The Board does not intend to present any business at the Meeting other than that described in the notice of meeting. The Board at this time knows of no other matters which may come before the Meeting. However, if any new matter requiring the vote of the stockholders is properly presented before the Meeting, proxies may be voted with respect thereto in accordance with the best judgment of proxy holders, under the discretionary power granted by stockholders to their proxies in connection with general matters.

What happens if the Meeting is postponed or adjourned?

Your proxy will still be valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

Electronic Delivery of Annual Meeting Materials

You can save the Corporation postage and printing expenses in future years by consenting to receive the annual report and proxy materials via Internet. You may sign up for this service after voting on the Internet at www.proxyvote.com.

PRINCIPAL STOCKHOLDERS

Following is the information with respect to any person, including any group as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, (the 1934 Act) who is known to the Corporation to beneficially own more than five percent (5%) of the outstanding Common Stock.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP ⁽¹⁾	PERCENT OF CLASS ⁽²⁾
State Farm Mutual Automobile Insurance Company (and related entities) - One State Farm Plaza, Bloomington, IL 61701	18,265,553 ⁽³⁾	6.5097%

⁽¹⁾ For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the 1934 Act.

⁽²⁾ Based on 280,589,100 shares of Common Stock outstanding as of February 28, 2008.

(3) On January 30, 2008, State Farm Mutual Automobile Insurance Company (State Farm) and affiliated entities filed a Schedule 13G/A with the Securities and Exchange Commission (the SEC) reflecting their Common Stock holdings as of December 31, 2007. According to this statement, State Farm and its affiliates may be deemed to constitute a group within the meaning of Section 13(d)(3) of the 1934 Act and could also be deemed to be the beneficial owners of 18,265,553 shares of Common Stock. However, State Farm and each such affiliate disclaims beneficial ownership as to all shares as to which such person has no right to receive the proceeds of sale of the shares, and also disclaims that it is part of a group.

3 POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents**SHARES BENEFICIALLY OWNED BY DIRECTORS AND EXECUTIVE OFFICERS OF THE CORPORATION**

Effective January 1, 2005, the Corporation adopted an Executive Stock Ownership Requirements Policy, which establishes Common Stock ownership requirements for the Named Executive Officers (NEOs), defined as the Chief Executive Officer (CEO) and Chairman of the Board and the members of the Corporate Leadership Circle (CLC). For additional information regarding this policy, refer to the Executive Compensation Program - Compensation Discussion and Analysis - Stock Ownership/Retention Requirements section in this proxy statement.

Effective June 9, 2004, each director not employed by the Corporation must own Common Stock with a dollar value equal to five times his or her annual retainer. Such ownership level should have been achieved by June 9, 2007 for directors serving on June 9, 2004 and within three years of being named or elected as a director for directors named or elected after June 9, 2004. Each director is currently in compliance with his or her Common Stock ownership requirements.

The following table sets forth the beneficial ownership of the Corporation's Common Stock and preferred stock as of February 28, 2008, for each director and nominee for director and each NEO and by all directors (including nominees), NEOs, the Corporation's Secretary and the Principal Accounting Officer as a group.

Common Stock

Name	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class
Juan J. Bermúdez	1,503,900 ⁽²⁾	.5360
Richard L. Carrión	3,238,754 ⁽³⁾	1.1543
María Luisa Ferré	6,515,270 ⁽⁴⁾	2.3220
Michael J. Masin	18,044	.0064
Manuel Morales Jr.	1,053,866 ⁽⁵⁾	.3756
Francisco M. Rexach Jr.	383,412 ⁽⁶⁾	.1366
Frederic V. Salerno	33,275	.0119
William J. Teuber Jr.	20,357	.0073
José R. Vizcarrondo	357,486 ⁽⁷⁾	.1274
David H. Chafey Jr.	560,663	.1998
Jorge A. Junquera	635,383 ⁽⁸⁾	.2264
Roberto R. Herencia	263,589 ⁽⁹⁾	.0939
Amílcar L. Jordán	124,802	.0445

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Tere Loubriel	217,198	.0774
Brunilda Santos de Álvarez	146,613	.0523
Félix M. Villamil	136,760	.0487
All directors, NEOs, Corporation s Secretary and the Principal Accounting Officer as a group (18 persons as a group)	15,272,738	5.4431

4 POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents**Preferred Stock**

Name	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class
Richard L. Carrión	7,156 ⁽¹⁰⁾	.0957
All directors, NEOs, Corporation's Secretary and the Principal Accounting Officer as a group (18 persons as a group)	7,156	.0957

⁽¹⁾ For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the 1934 Act, pursuant to which a person or group of persons is deemed to have beneficial ownership of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Therefore, it includes the number of shares of Common Stock that could be purchased by exercising stock options that were exercisable as of February 28, 2008 or within 60 days after that date, as follows: Mr. Bermúdez, 14,654; Mrs. Ferré, 14,654; Mr. Morales, 14,654; Mr. Rexach, 14,654; Mr. Salerno, 4,592; Mr. Vizcarrondo, 764; Mr. Chafey, 190,644; Mr. Junquera, 167,767; Mr. Herencia, 152,518; Mr. Jordán, 36,220; Mrs. Loubriel, 85,790; Mrs. Santos de Álvarez, 85,789; and Mr. Villamil, 74,388; which represent 869,258 shares for all directors, NEOs, the Corporation's Secretary, and the Principal Accounting Officer as a group. Also, it includes restricted stock awards granted under the Popular, Inc. 2004 Omnibus Incentive Plan, subject to forfeiture upon failure to meet vesting conditions, as follows: Mr. Bermúdez, 7,779; Mr. Carrión, 129,997; Mrs. Ferré, 10,042; Mr. Masin, 6,567; Mr. Morales, 12,465; Mr. Rexach, 6,390; Mr. Salerno, 15,148; Mr. Teuber, 12,557; Mr. Vizcarrondo, 9,397; Mr. Chafey, 55,186; Mr. Junquera, 40,470; Mr. Herencia, 36,791; Mr. Jordán, 22,074; Mrs. Loubriel, 23,914; Mrs. Santos de Álvarez, 22,074; Mr. Villamil, 22,074; which represent 435,400 shares for all directors, NEOs, the Corporation's Secretary, and the Principal Accounting Officer as a group. As of February 28, 2008, there were 280,589,100 shares of Common Stock outstanding and 7,475,000 shares of preferred stock outstanding.

⁽²⁾ This amount includes 36,417 shares owned by his wife, as to which Mr. Bermúdez disclaims beneficial ownership. Mr. Bermúdez has 29,000 shares pledged as collateral.

⁽³⁾ Mr. Carrión owns 1,426,214 shares and also has indirect investment power over 56,191 shares owned by his children and 2,077 shares owned by his wife. Mr. Carrión has 1,070,774 shares pledged as collateral. Mr. Carrión's has a 17.89% ownership interest in Junior Investment Corporation, which owns 9,805,882 shares of which 1,754,272 are included in the table as part of Mr. Carrión's holdings. Junior Investment Corporation has 1,154,976 shares pledged as collateral.

⁽⁴⁾ Mrs. Ferré has direct or indirect investment and voting power over 6,515,270 shares. Mrs. Ferré owns 17,517 shares and has indirect investment and voting power over 3,081,082 shares owned by FRG, Inc., 437,401 shares owned by the Luis A. Ferré Foundation, and 2,970 shares owned by RANFE, Inc. Ferré Investment Fund, Inc. owns 90% of El Día, Inc., which in turn owns 2,961,646 shares, all of which have been pledged as collateral.

⁽⁵⁾ This amount includes 678,665 shares owned by Mr. Morales's parents over which he has voting power as their attorney-in-fact.

⁽⁶⁾ This amount includes 45,762 shares held by Capital Assets, Inc., over which Mr. Rexach has indirect voting power as President and shareholder.

⁽⁷⁾ This amount includes 273,029 shares owned by DMI Pension Trust and 4,228 owned by Forever Dependent, LLC, where Mr. Vizcarrondo serves as trustee and member of the investment committee and over which he disclaims beneficial ownership.

⁽⁸⁾ This number includes 24,062 shares owned by Mr. Junquera's son and daughter over which he has voting power and disclaims beneficial ownership. Mr. Junquera has 78,054 shares pledged as collateral.

⁽⁹⁾ Mr. Herencia has 20,564 shares pledged as collateral.

⁽¹⁰⁾ Junior Investment Corporation owns 40,000 preferred shares of the Corporation. The amount shown in the table reflects Mr. Carrión's ownership of 17.89% of Junior Investment Corporation.

5 POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the 1934 Act requires the Corporation's directors and executive officers to file with the SEC reports of ownership and changes in ownership of Common Stock. Officers and directors are required by SEC regulations to furnish the Corporation with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such reports furnished to the Corporation or written representations that no other reports were required, the Corporation believes that, with respect to 2007, all filing requirements applicable to its officers and directors were satisfied, except for two reports, covering one transaction each by Mr. Juan J. Bermúdez and Mr. Samuel T. Céspedes, which were filed late.

PROPOSAL 1: ELECTION OF DIRECTORS FOR A THREE-YEAR TERM

The Certificate of Incorporation and the By-laws of the Corporation establish a classified Board pursuant to which the Board is divided into three classes as nearly equal in number as possible, with each class having at least three members and with the term of office of one class expiring each year. Each director serves for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which such director was elected or until his or her successor has been duly elected and qualified.

At the Meeting, three directors assigned to Class 3 are to be elected to serve until the 2011 annual meeting of stockholders or until their respective successors shall have been duly elected and qualified. The remaining six directors of the Corporation will continue to serve as directors, as follows: until the 2009 annual meeting of stockholders of the Corporation, in the case of those three directors assigned to Class 1, and until the 2010 annual meeting of stockholders, in the case of those three directors assigned to Class 2, or in each case until their successors are duly elected and qualified. Under the Corporation's Corporate Governance Guidelines no person shall be nominated for election or reelection as a director of the Board if at the date of the annual meeting or during the term to be served such person attains 72 years of age.

The persons named as proxies in the accompanying proxy card have advised the Corporation that, unless otherwise instructed, they intend to vote at the Meeting the shares covered by the proxies FOR the election of the three nominees named below, and that if any one or more of such nominees should become unavailable for election they intend to vote such shares FOR the election of such substitute nominees as the Board may propose. The Corporation has no knowledge that any nominee will become unavailable for election.

The Board met 18 times during 2007. All directors attended 75% or more meetings of the Board and the committees of the Board on which such directors served.

While the Corporation has not adopted a formal policy with respect to directors' attendance at the meetings of stockholders, the Corporation encourages directors to attend such meetings. All of the Corporation's directors attended the 2007 annual meeting of stockholders.

Information relating to participation in the Corporation's committees, principal occupation, business experience and directorship during the past five years (including positions held with the Corporation or its subsidiaries, age and the period during which each director has served in such capacity) is set forth below. Since January 2007, all of the Corporation's directors are also directors of the Corporation's following subsidiaries: Banco Popular de Puerto Rico (the Bank), Popular International Bank, Inc., Popular North America, Inc. and Banco Popular North America.

6 POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents

NOMINEES FOR ELECTION AS DIRECTORS AND OTHER DIRECTORS

*Nominees for Election
Class 3 Directors
(terms expiring 2011)*

NAME AND AGE	PRINCIPAL OCCUPATION, BUSINESS EXPERIENCE AND DIRECTORSHIPS	Since	Audit	Compensation	Corporate Governance & Nominating	Risk
María Luisa Ferré, age 44	President and CEO of Grupo Ferré Rangel since 1999 and FRG, Inc. since 2001, holding companies for El Día, Inc. and Editorial Primera Hora, Inc., Puerto Rico newspapers. Publisher and Chairman of the Board of Directors of El Día, Inc. and Editorial Primera Hora, Inc., since 2006. Member of the Trust Committee of the Bank since 2004. President and Trustee of the Luis A. Ferré Foundation since 2003. Director and Vice- President of the Ferré Rangel Foundation since 1999.	2004		t	t	
Frederic V. Salerno, age 64	Director of Land National Fuel Gas Company since February 2008, CBS Corporation since 2007, Intercontinental Exchange, Inc. and Akamai Technologies, Inc. since 2001, Viacom, Inc. since 1994, Bear Stearns & Co., Inc. since 1993. Vice Chairman and Chief Financial Officer of Verizon Communications, Inc. until 2002, when he retired. Trustee of the Inner City Scholarship Fund since 1989.	2003	*		t	t
William J. Teuber Jr,	Vice Chairman of EMC Corporation since 2006, Executive	2004	t	t		*

age 56

Vice President since 2001 and
Chief Financial Officer from 1997
to 2006. Trustee of Babson College
since 2004.

* Chairman

7 POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents***Class I Directors
(terms expiring in 2009)***

NAME AND AGE	PRINCIPAL OCCUPATION, BUSINESS EXPERIENCE AND DIRECTORSHIPS	Since	Audit	Compensation	Corporate Governance & Nominating	Risk
Juan J. Bermúdez, age 70	Partner of Bermúdez and Longo, S.E., electromechanical contractors, from 1962 to 2006. Chairman of the Trust Committee of the Bank since 1996.	1990	t	t	*	
Richard L. Carrión, age 55	Chairman, President and CEO of the Corporation since 1993, 1991, and 1994, respectively. Chairman of the Bank since 1993 and CEO since 1989. President of the Bank from 1985 to 2004. Chairman and CEO of Popular North America, Inc. and other direct and indirect wholly- owned subsidiaries of the Corporation. Director of the Federal Reserve Bank of New York since January 2008. Chairman of the Board of Trustees of Fundación Banco Popular, Inc. since 1982. Chairman and Director of Banco Popular Foundation, Inc. since 2005. Member of the Board of Directors of Verizon Communications, Inc. since 1995.	1990				
Francisco M. Rexach Jr., age 70	President of Capital Assets, Inc. and Rexach Consulting Group, entities engaged in investment and consulting activities, since 1995.	1990	t	*	t	

* Chairman

8 POPULAR, INC. 2008 PROXY STATEMENT

Table of Contents***Class 2 Directors
(terms expiring in 2010)***

NAME AND AGE	PRINCIPAL OCCUPATION, BUSINESS EXPERIENCE AND DIRECTORSHIPS	Since	Audit	Compensation	Corporate Governance & Nominating	Risk
Michael J. Masin, age 63	Private investor since February 2008. Senior Partner of O Melveny & Myers, a law firm, until February 2008. Vice Chairman and Chief Operating Officer of Citigroup from 2002 to 2004. Vice Chairman and President of Verizon Communications, Inc. from 2000 to 2002. Trustee and member of the Executive Committee of Carnegie Hall since 1995. Trustee and member of the Executive Committee of Weill Cornell Medical School since 2003. Trustee and member of the Executive Committee of W.M. Keck Foundation since 1995. Trustee of the Weill Family Foundation since 2002.	2007			t	t
Manuel Morales Jr, age 62	President of Parkview Realty, Inc. since 1985, the Atrium Office Center, Inc. since 1996, HQ Business Center P.R., Inc. since 1995, entities engaged in real estate leasing. Member of the Board of Trustees of Fundación Banco Popular, Inc. since 1981. Member of the Board of Trustees of the Caribbean Environmental Development Institute since 1994 and of Fundación Angel Ramos, Inc. since 1998.	1990				t

José R.
Vizcarrondo,