

SALERNO FREDERIC V
 Form 4
 December 20, 2005

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SALERNO FREDERIC V

(Last) (First) (Middle)
 P.O. BOX 362708
 (Street)
 SAN JUAN, PR 00936-2708
 (City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 POPULAR INC [BPOP]

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/19/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|--------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (D) Price | | | |
| Common Stock Par Value \$6 per share | 12/19/2005 | 12/19/2005 | M ⁽¹⁾ | 5,221 A \$ 21 | 13,354 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Common Stock Subscription Right (Right to Buy) | \$ 21 | 12/19/2005 | 12/19/2005 | A ⁽²⁾ | 5,221 ⁽³⁾ | 12/19/2005 12/19/2005 | Common Stock Par Value \$6 per share |
| Common Stock Subscription Right (Right to Buy) | \$ 21 | 12/19/2005 | 12/19/2005 | M | 5,221 ⁽³⁾ | 12/19/2005 12/19/2005 | Common Stock Par Value \$6 per share |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SALERNO FREDERIC V P.O. BOX 362708 SAN JUAN, PR 00936-2708 | | X | | |

Signatures

Frederic V.
Salerno
Date: 12/20/2005

Signature of Reporting Person: _____ Date: _____

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Exercise of Common Stock Subscription Rights.
- (2) Represents the acquisition of subscription rights pursuant to a pro rata grant to shareholders of Popular, Inc.
- (3) Includes rights to acquire additional shares in excess of the reporting person's basic subscription rights pursuant to an oversub scription right.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.