



Popular, Inc. is pleased to offer POPULAR DIRECT. This plan allows investors to purchase the company's stock, BPOP, which currently trades in NASDAQ.

Direct Stock Purchases

The POPULAR DIRECT stock purchase plan is designed for individual investors who wish to invest minimum amounts in our stock to build ownership over time. This service is free of charge so it does not result in investors paying high brokerage fees for small investments.

Purchasing BPOP Stock

If you do not already own Popular, Inc.'s stock, or if the stock you own is in a brokerage account, you may use POPULAR DIRECT to buy your first shares directly from the company free of commissions. There is a minimum initial investment of \$100 and \$25 for every purchase thereafter.

Once you own the stock, you may reinvest its dividends at a 5% discount from its market price. In addition, you can make optional cash purchases as often as you like. The maximum allowable investment through this plan is \$10,000 per month.*

How do I send the money?

You may purchase BPOP stock by having us debit your account (from any bank) directly, or you may send payments (checks or money orders, no cash please) as often as you wish.

Where are my shares?

Banco Popular's Trust Division will be the program administrator and hold your certificates free of charge. Nevertheless, you are in full control of all your shares. You may elect to have a certificate issued in your name or ask the administrator to sell your shares.

Notification

You will be mailed a confirmation statement every time you reinvest, purchase and sell shares.

Enrollment

To enroll in our Dividend Reinvestment Plan you need to read carefully the enclosed **prospectus** and fill out the information below. This prospectus is not an offer to sell securities and it is not soliciting an offer to buy securities in any state or country where the offer or sale is not permitted. To the extent required by applicable law in certain jurisdictions, shares offered through POPULAR DIRECT are offered only through a registered broker-dealer in those jurisdictions.

Dividend Payment

If you sign and return an **Authorization Form** with no investment alternative designated, you will be enrolled in the Full Dividend Reinvestment option. (Your dividends will be reinvested in more BPOP shares). If you do not wish to reinvest all of your dividends you can request **Direct Deposit**, please fill out the enclosed authorization form (2 form). No postage is needed. For more information, call the Trust Division at our toll free number 1-877-764-1893.

* Please read questions 8 through 13 on the prospectus for more details.

POPULAR INC.

Welcome to our **Dividend Reinvestment Plan (DRIP)**. Please print, complete and return the information requested to:

BANCO POPULAR DE PUERTO RICO
Trust Division (724)
Dividend Reinvestment Plan (DRIP)
PO BOX 362708
San Juan, PR 00939 - 2708



What type of account would you like to open?

Individual Joint Trust Custodian Other _____

PERSONAL INFORMATION:

Primary Shareholder:

Mr./Mrs./Ms.: _____

First Name: _____ Middle Initial: _____

Last Name: _____ Jr./Sr./III: _____

Social Security Number: ____ - ____ - ____ Date of Birth: _____ (MM/DD/YR)

Additional Shareholder: (if selected Joint above)

Mr./Mrs./Ms.: _____

First Name: _____ Middle Initial: _____

Last Name: _____ Jr./Sr./III: _____

Social Security Number: ____ - ____ - ____ Date of Birth: _____ (MM/DD/YR)

Home Address: _____

City: _____ State: _____ Zip Code: _____

(If necessary) Country: _____ Country Code: _____

Home Phone: (____) ____ - ____

E-mail address: _____

DATED

ALL JOINT OWNERS MUST SIGN

INVESTMENT INFORMATION

Please read our prospectus before you invest.

**Initial Investment**

Your shares will be purchased on the 15th day of the month. Please enter the amount you wish to invest.

- Minimum: \$100
- Maximum: \$10,000

Amount of desired purchase in whole dollars: _____ .00

In addition to your Initial Investment above, you may select to have your account debited directly every month (beginning one month after your initial purchase). You may also elect to postpone this automatic investment option for a later time.

Would you like to invest monthly ? Yes No.

Amount of desired purchase in whole dollars: _____ .00

- Minimum: \$25
- Maximum: \$10,000

First

M.I.

Last

Name on Account: _____

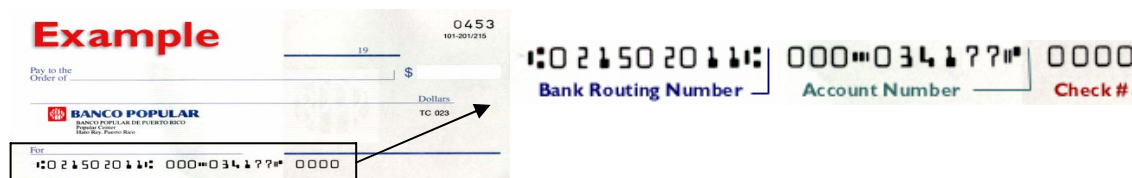
Name of your Financial Institution: _____

Account Type: Checking Savings

Bank Address: _____

Bank Routing Number: _____

Your Account Number: _____



DATE

ALL JOINT OWNERS MUST SIGN

Note: Your buy order will be executed on the business day following the 15th calendar day of each month or as soon as practicable thereafter. If your instructions with the corresponding payment are received after the 12th, it will be executed on the following month. Automatic investments will be debited on the 12th of each month.*

* Please read questions 8 through 13 on your prospectus for more details.

Banco Popular's Trust Division will withhold 10% of all dividend payments for U.S. citizens living in Puerto Rico for tax purposes.

ADDITIONAL INFORMATION NEEDED

Instructions:

THIS STATEMENTS SHOULD BE FILED BY THE TAXPAYER WITH WITHHOLDING AGENT

Total exemption from withholding of Commonwealth income tax is awarded by this certificate to a citizen of the United States not resident of Puerto Rico, whose total gross income such as salaries, wages, compensations, rents, interest, dividends, participation in partnership profits, premiums, annuities and other fixed or determinable annual or periodical income from sources within Puerto Rico for the taxable year will not exceed \$1,300, if single, or married and not living with the spouse; or \$3,000 if married and living with the spouse.

In any case in which the individual subscribing this certificate states that his income from the above source will exceed \$1,300 or 3,000 (as the case may be), the withholding agent is authorized to withhold a tax of 20 per cent only from the excess of the income paid over the applicable tax exempt amount (\$1,300 or \$3,000). If the payment is made quarterly, semiannually, or on any other basis, such amount may be deducted accordingly, in determining the tax to be withheld. For example, if payments are made quarterly, \$325 of the amount paid shall be reduced in the case of a single person, or in the case of a married person not living with the spouse; in the case of a married person living with the spouse, or head of family, the amount to be deducted is \$750.

If you are an **U.S. citizen** not residing in Puerto Rico and do not wish to have your dividends withheld, please fill out the information below. Otherwise, continue to the next form below.

Commonwealth of Puerto Rico
Department of the Treasury
Internal Revenue and Collections Area
Bureau of Income Tax

WITHHOLDING TAX EXEMPTION CERTIFICATE FOR THE PURPOSE OF SECTION 143

I hereby declare under penalties of perjury that to the best of my knowledge and belief the following statements and additional information are true and correct.

- 1) I am a United States citizen, not residing in Puerto Rico.
 - 2) My personal status is that of:
 - married person living with spouse
 - single person
 - married person not living with spouse
 - Head of family.
 - 3) I understand that the maximum amount of gross income that a non-resident United States citizen may receive exempt from withholding is \$3,000 if his status is that of a married person living with the spouse or head of family; and \$1,300 if the status is that of a single person or a married person not living with the spouse.
 - 4) My expected gross income from sources within Puerto Rico, such as salaries, wages, compensations, rents, interest, dividends, participation in partnerships profits, premiums, annuities and other fixed or determinable annual or periodical income for the calendar year will will not exceed \$_____. (Please indicate the applicable exempt amount)
 - 5) I will not file a similar exemption certificate with any other withholding agent if I expect my gross income from sources within Puerto Rico for the year stated above to exceed the amount indicated in paragraph 4.
 - 6) I bind myself to notify the withholding agent of any change in my personal status.
 - 7) My tax ID number : _____
 - 8) **Definition of the term "dependent"**
 - (1) The term "dependent" means any of the following persons (other than the spouse of the taxpayer) over half of whose support, for the calendar year in which the taxable year of the taxpayer begins, was received from the taxpayer: (A) a person under 21 years of age; (B) a person incapable of self-support because of mental or physical disability; (C) a person pursuing university studies until he/she obtains a university degree, provided the age of the student does not exceed 25 years; (D) the father or mother of the taxpayer.
 - (2) The term "head of family" means an individual who actually supports and maintains in one household one or more dependants closely connected with him by blood relationship, relationship by marriage, or by adoption, over whom he exercises family control, and whose duty to provide for such dependants is based upon some moral or legal obligation. For the purposes of this paragraph, relationship by marriage shall not be considered as terminated because of the death or divorce of the spouse.
- (a) To be furnished by affiant:
1. If married, name of spouse: _____
 2. If head of family, person who entitles you to the status: _____
 3. Number of dependents (see definition above): _____
- (b) To be furnished by the withholding Agent:
1. Amount of income paid: _____
 2. Amount of tax withheld: _____
 3. Name and address of withholding Agent:
 - Name _____
 - Address _____
 4. If payment is made through an agent or other depository, state his name and address here:
 - Name _____
 - Address _____

ALL JOINT OWNERS MUST SIGN

DATE

Puerto Rico Residents: That do not wish to have your dividends withheld, please fill out the information below:

**POPULAR, INC.
FORM TO ELECT THE NO APPLICATION
OF SECTION 1012(E) OF THE PUERTO RICO
INCOME TAX CODE OF 1994**

SHAREHOLDER NAME _____

SHAREHOLDER ADDRESS _____

TAX ID NUMBER _____

ACCOUNT NUMBER _____

(If you already have an existing account)

I hereby elect the No Application of Section 1012(e) of the Puerto Rico Income Tax Code of 1994 on dividend payments **as declared by the Board of Directors of Popular, Inc.** This election is effective upon receipt of this notification. It is understood that dividend payments not subject to the withholding provisions of the Code constitute ordinary income and will be taxed at the ordinary income tax rates.

It is also understood that if I am a non-resident of the Commonwealth of Puerto Rico, dividend payments might be subject to other provisions of the Code.

SHAREHOLDER SIGNATURE

ELECTION DATE

POPULAR, INC.

If you have any questions, please contact our Trust Division at 1 (877) 764-1893 or (787) 764-1893, by e-mail at DRIPadministrator@bppr.com, or by mail at:

**BANCO POPULAR DE PUERTO RICO
Trust Division (724)
Dividend Reinvestment Plan (DRIP)
PO BOX 362708
San Juan, PR 00939 – 2708**





POPULAR INC.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

Banco Popular de Puerto Rico
Dividend Reinvestment Services (724)
P.O. Box 362708
San Juan PR 00936-2708

I wish to participate in the Dividend Reinvestment and Stock Purchase Plan (the Plan) for the purchase of whole and fractional shares of common stock (shares) of Popular, Inc. (the Company) as follows:

FULL DIVIDEND REINVESTMENT

I want to reinvest dividends on all Shares now or hereafter register in my name. I may also make optional cash deposit.

PARTIAL DIVIDEND REINVESTMENT

I want to reinvest dividends on only _____ Shares registered in my name. I may also make optional cash deposit.

OPTIONAL CASH DEPOSIT ONLY.

I want to make only optional cash deposits. I do not want to reinvest dividends on Shares register in my name.

My participation is subject to the provisions of the Plan as set forth in the Prospectus relating to the Shares offered pursuant to the Plan. Receipt by me of such Prospectus is hereby acknowledged. I hereby authorize the Company to take all action provided for in the Plan.

THIS IS NOT A PROXY

Date

Social Security Number (one per account)

Telephone No.

If address is not properly shown, please correct before returning.

Address:

Signature of all Registered Owners:

(In case of joint owners, each owner should sign. Please sign exactly as your name appers above.)

THIS IS NOT A PROXY

O DIVIDEND PAYMENTS:

O Electronic payment to you account

To request Direct Deposit, fill out the enclosed authorization form. This service is offered at no cost to you.

O Check sent to your address