POPULAR INC
Form 11-K
June 26, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

Or

¨ **TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 001-34084

POPULAR, INC. U.S.A. 401 (K) SAVINGS AND INVESTMENT PLAN

(Full title of the Plan and address of the Plan, if different from that of the issuer named below)

POPULAR, INC.

209 MUÑOZ RIVERA AVENUE

HATO REY, PUERTO RICO 00918

(Name of issuer of the securities held pursuant to the plan and the address of principal executive office)

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Financial Statements and

Supplemental Schedule

December 31, 2014 and 2013

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Index

December 31, 2014 and 2013

* Other supplementary schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted as they are not applicable or not required.

Report of Independent Registered Public Accounting Firm

To the Administrator of

Popular, Inc. U.S.A 401(k) Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Popular, Inc. U.S.A 401(k) Savings and Investment Plan (the Plan) at December 31, 2014 and 2013, and the changes in net assets available for benefits for the year ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan s financial statements. The supplemental schedule is the responsibility of the Plan s management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the Schedule H, Line 4i Schedule of Assets (Held at End of Year) is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ PricewaterhouseCoopers LLP

San Juan, Puerto Rico

June 26, 2015

CERTIFIED PUBLIC ACCOUNTANTS

(OF PUERTO RICO)

License No. LLP-216 Expires Dec. 1, 2016

Stamp E170446 of the P.R. Society of

Certified Public Accountants has been

affixed to the file copy of this report

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Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

	2014	**2013**
Assets		
Investments, at fair value (see Note 5)	$ 86,685,047	$ 88,547,234
Receivables:		
Employer Contributions	34,390	
Participants Contributions	128,285	
Interest and other receivables	23,698	129
Notes receivable from participants	1,826,633	2,425,132
Total receivables	2,013,006	2,425,261
Total assets	88,698,053	90,972,495
Liabilities		
Participants refundable contribution	21,009	65,493
Total liabilities	21,009	65,493
Net assets available for benefits at fair value	88,677,044	90,907,002
Adjustment from fair value to contract value for fully benefit -responsive investment contract	769,573	819,026
Net assets available for benefits	$ 89,446,617	$ 91,726,028

The accompanying notes are an integral part of the financial statements.

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2014

Additions to assets available for benefits:	
Investment income:	
Net appreciation in fair value of investments (See Note 5)	$ 5,920,544
Dividends	219,422
Interest income, investments	327,376
Total investment income	6,467,342
Interest income on notes receivable from participants	92,682
Total income on investments and notes receivable from participants	6,560,024
Contributions:	
Employer	1,514,682
Participant (net of refundable contributions)	5,007,916
Rollovers from qualified plans	510,886
Total contributions	7,033,484
Total additions	13,593,508
Deductions from assets available for benefits attributed to:	
Benefits paid to participants	15,690,013
Administrative expenses	182,906
Total deductions	15,872,919
Net decrease in assets available for benefits	(2,279,411)
Net assets available for benefits:	
Beginning of year	91,726,028
End of year	$ 89,446,617

The accompanying notes are an integral part of the financial statements.

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Notes to Financial Statements

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1. Description of the Plan

The following brief description of the Popular, Inc. U.S.A. 401(k) Savings & Investment Plan (the Plan) provides only general information. Popular, Inc. (the Corporation) is the Plan Sponsor . Participants should refer to the Plan document for a more complete description of the Plan s provisions. The Plan is effective as of March 1, 1997.

General

The Plan is a defined contribution plan covering any United States (excluding Puerto Rico), United States Virgin Islands and British Virgin Islands employees of the Plan Sponsor who have completed 30 days of service. The Plan covers employees of the Plan Sponsor and Adopting Employers consisting of the following entities and their subsidiaries: Banco Popular North America (BPNA) and Banco Popular de Puerto Rico (BPPR). The Principal Financial Group (PFG) is the record keeper for the Plan and Principal Trust Company, a subsidiary of PFG, is the trustee. Principal Life Insurance Company (PLIC), a member of PFG, manages the pooled separate accounts and the single annuity contract.

The Plan is administered by Popular, Inc. s Benefits Committee (the Committee) which, in turn, may delegate certain administrative functions to other committees and/or officers of the Corporation. The Committee has overall responsibility for the operations and administration of the Plan. The named fiduciary of the Plan for purposes of investment related matters is the Popular, Inc. Corporate Investment Committee.

The Plan is subject to the provisions of ERISA.

Eligibility and vesting

All employees are eligible to participate in the Plan on the first day of the month, following 30 days of service. Newly hired employees are automatically enrolled in the Plan and are subject to have 4% of eligible compensation contributed to the Plan on a before-tax basis, unless they make a different contribution election or elect not to make a contribution. Participants are immediately vested in their voluntary contributions and earnings thereon. Vesting in the Employer s matching and discretionary contribution portion of their account plan plus actual earnings thereon is based on years of credited service since commencement of employment. A participant vests in the Plan according to the following table:

Years of credited service	Vesting percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%

5 or more	100%

Participant accounts

Each participant s account is credited with the participant s contributions and allocations of the Employer s contributions and Plan earnings. Allocations are based on participant account balances

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Notes to Financial Statements

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as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account. The Plan currently offers 21 investments options for participants that include mutual funds, single group annuity contract, pooled separate accounts and common stock in Popular, Inc.

Contributions

Each year, employees may contribute a percentage of their annual compensation up to a maximum based on IRS limitations (maximum $17,500 in 2014), as defined in the Plan. Participants direct the investment of Plan contributions into various investment options offered by the Plan.

Effective April 1, 2013, the Plan Sponsor contributes a matching percentage of 50% for each elective deferral contribution made by an employee up to 4% of annual compensation.

In addition, the Corporation may make discretionary contributions to its own employees out of its net profits in such amount as each subsidiary s Board of Directors may determine. There was no profit sharing contribution during the year ended December 31, 2014.

Notes receivable from participants

Participants may borrow against their fund accounts a minimum of $1,000 up to a maximum of the lesser of $50,000 or 50% of the vested portion of the participant s equity in the Plan. Loan transactions are treated as a transfer to (from) the investment fund from (to) notes receivable from participants. Loan terms range from one to five years or longer if used to acquire a principal residence. Loans are collateralized by the balance in the participant s account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. As of December 31, 2014, and 2013 interest rates ranged from 4.25% to 9.25%. Principal and interest are paid ratably through bi-weekly payroll deductions.

Distributions

Distributions may occur for termination, retirement, disability, or death. The Plan provides that benefits be distributed in one single sum payment with the exception of those participants that are required to receive required minimum distributions.

Plan termination

Although it has not expressed any intent to do so, the Sponsor may terminate the Plan for any reason at any time, in which event there shall be no employer duty to make contributions. In the event of termination, all participants become fully vested and have a non-forfeitable right to their full account balance.

On April 23, 2014, the Corporation announced the restructuring of Popular Community Bank (PCB), involving the sale of its regional operations in California, Illinois and Central Florida and the centralization of certain back office operations in Puerto Rico and New York. As the restructuring required the involuntary termination of greater than 20% of plan participants, the Plan Administrator determined that a partial plan termination would occur. Consequently, the affected plan participants were granted full vesting of their Plan accounts as of the date of their respective termination of employment.

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Notes to Financial Statements

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2. Summary of Significant Accounting Policies
Basis of presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. A description of the most significant accounting policies follows.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ significantly from these estimates.

Investment Valuation and Income Recognition

Plan investments are presented at fair value. Shares of registered investment companies are presented at published market prices which represent the net asset value (NAV) of shares held by the Plan at the reporting date. Popular, Inc. common stock is presented at the quoted closing market price at the reporting date. Non-registered pooled separate accounts managed by PLIC are valued daily based on the market value of the underlying assets in each separate account. The single group annuity contract is presented at contract value which is the aggregation of contributions, plus interest, less withdrawals, if any. The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments. Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date and interest is recorded under the accrual basis and credited to each participant s account, as defined by the Plan document. Realized gains and losses from security transactions are reported on an average cost basis.

The Plan determines the fair values of its investments based on the fair value framework established in the Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) 820 Fair Value Measurement , which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurements date. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Refer to Note 3 to these financial statements for the ASC 820 disclosures required as of December 31, 2014 and 2013.

Administrative expenses

Administrative expenses reflected in the statement of changes in net assets available for benefits included member service fees and loan expenses. Recordkeeping Service Fees are paid with funds from the forfeitures of non-vested accounts or paid by the Plan Sponsor, to the extent that forfeited balances are not sufficient.

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Contributions

Employee and employer matching contributions are recorded on an accrual basis in the period in which the payroll is earned.

Discretionary contributions are recorded in the period in which they are earned by the participant as determined by the Corporation s Board of Directors.

Refundable contributions

Refundable contributions totaled $21,009 and $65,493 at December 31, 2014 and 2013, respectively, which was the result of a failed non-discrimination test pursuant to IRS Regulations. These amounts are netted against the participant contributions in the statement of changes in net assets available for benefits.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Principal and interest is paid ratably through bi-weekly payroll deductions. Principal portion of the loan payments are considered as investment transfers which do not impact the statement of changes in net assets available for benefits. Notes receivable from participants in default are recorded as a distribution based upon the terms of the plan document when they are deemed uncollectible.

Payment of benefits

Benefits are recorded when paid.

Forfeited accounts

Forfeitures of non-vested accounts that result because of terminations or withdrawals are usually used to pay recordkeeping service fees. During 2014, recordkeeping service fees totaled $57,626, out of which $50,556 was paid out of forfeitures. Forfeited non-vested accounts amounted to $159,045 and $40,814 at December 31, 2014 and 2013, respectively.

Recently Issued Accounting Pronouncements

On May 2015, the Financial Accounting Standards Board issued ASU 2015-07, Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent). The amendments in this Update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient.

Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient.

The amendments in this update are effective for public entities for fiscal years beginning after December 15, 2015 and should be applied retrospectively for all periods presented. Earlier application is permitted.

The Plan is currently evaluating the impact that the adoption of this pronouncement will have on its financial statements.

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3. Fair Value Measurements

The Plan measures fair value as required by ASC 820, Fair Value Measurement , which provides a framework for measuring fair value under accounting principles generally accepted in the United States. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs and valuation techniques used to measure fair value into three levels in order to increase consistency and comparability in fair value measurements and disclosures. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for the fair value measurement are observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect the Plan s estimates about assumptions that market participants would use in pricing the asset or liability based on the best information available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets that the Plan has the ability to access at the measurement date. Valuation on these instruments does not require a significant degree of judgment since valuations are based on quoted prices that are readily available in an active market.

Level 2 Quoted prices other than those included in Level 1 that are observable either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or that can be corroborated by observable market data for substantially the full term of the financial instrument.

Level 3 Inputs are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Plan s own assumptions about assumptions that market participants would use in pricing the asset or liability.

Following is a description of the Plan s valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Mutual Funds: Valued at the daily closing NAV price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. These securities are classified as Level 2. Investments in mutual funds generally may be redeemed daily.

Pooled Separate Accounts (PSA): Valued daily based on the market value of the underlying net assets in each separate account. The majority of the underlying net assets have observable Level 1 and/or 2 quoted pricing inputs which are used to determine the unit value of the PSA which is not publicly quoted. These securities are classified as

Level 2. The redemption frequency of each of these PSA is daily, and there are no redemption restrictions. There are no unfunded commitments related to the Plan s investment in PSAs.

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Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

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Popular, Inc. Common Stock: Valued at the closing price reported in the active market in which the individual securities are traded. This security is classified as Level 1.

Single Group Annuity: Fair value is considered to be the amount the plan sponsor would receive currently if they were to terminate the single group annuity contract and withdraw or transfer funds within the Plan prior to their maturity. This fair value includes consideration of any termination fees or penalties as well as the credit worthiness of the issuer. There are no unfunded commitments. This security is classified as Level 3.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan s assets at fair value as of December 31, 2014 and 2013.

Assets at Fair Value as of December 31, 2014

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large U.S. Equity		$ 11,538,726		$ 11,538,726
Small/Mid U.S. Equity		10,667,488		10,667,488
Fixed Income		5,751,902		5,751,902
Balanced/Asset Allocation		88,240		88,240
Total mutual funds		28,046,356		28,046,356
Pooled Separate Accounts				
Large U.S. Equity		8,877,864		8,877,864
Fixed Income		1,315,228		1,315,228
Balanced/Asset Allocation		21,879,161		21,879,161
International Equity		4,032,198		4,032,198
Total pooled separate accounts		36,104,451		36,104,451
Popular, Inc. Common Stock	$ 7,912,354			7,912,354
Annuity contract with insurance company			$ 14,621,887	14,621,887

Total assets at fair value	$ 7,912,354	$ 64,150,807	$ 14,621,887	$ 86,685,048

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Notes to Financial Statements

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Assets at Fair Value as of December 31, 2013

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large U.S. Equity		$ 11,634,101		$ 11,634,101
Small/Mid U.S. Equity		11,150,310		11,150,310
Fixed Income		6,142,526		6,142,526
Balanced/Asset Allocation		66,903		66,903
Total mutual funds		28,993,840		28,993,840
Pooled Separate Accounts				
Large U.S. Equity		7,922,196		7,922,196
Fixed Income		1,256,651		1,256,651
Balanced/Asset Allocation		22,663,290		22,663,290
International Equity		4,695,204		4,695,204
Total pooled separate accounts		36,537,341		36,537,341
Popular, Inc. Common Stock	$ 7,454,552			7,454,552
Annuity contract with insurance company			$ 15,561,501	15,561,501
Total assets at fair value	$ 7,454,552	$ 65,531,181	$ 15,561,501	$ 88,547,234

Investments in shares of mutual funds previously classified as Level 1 in the December 31, 2013 financial statements are classified as Level 2 in the December 31, 2014 financial statements, in accordance with management s policies for ASC 820 disclosures.

There were no transfers in and/or out of Level 3 for financial instruments measured at fair value on a recurring basis for the year ended December 31, 2014. There were no transfers in and/or out of Level 1 and Level 2 for the year ended December 31, 2014.

Transfers in and out of Level 3 are related to the availability and the observability of significant inputs. All transfers during the year are calculated at the time of the transfer.

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Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

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Level 3 Roll forward

The following table sets forth a summary of changes in the fair value of the Plan s Level 3 asset for the year ended December 31, 2014 and 2013:

	Level 3 Asset	
	Year Ended December 31, 2014 Annuity Contract	**Year Ended December 31, 2013 Annuity Contract**
Balance, beginning of year	$ 15,561,501	$ 16,964,847
Unrealized gains/(losses) relating to instruments still held at the reporting date	49,453	73,861
Interest credited	327,377	383,797
Purchases	3,303,485	8,910,368
Sales	(4,619,929)	(10,771,372)
Balance, end of year	$ 14,621,887	$ 15,561,501

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table includes quantitative information about significant unobservable inputs used to derive the fair value of the Level 3 asset as of December 31, 2014 and December 31, 2013.

Significant Unobservable Inputs Used in Level 3 Fair Value Measurements as of December 31, 2014:

Instrument	**Fair Value**	**Principal Valuation Technique**	**Unobservable Inputs**	**Range**
Single group annuity contract	$ 14,621,887	Assumed proceeds at discontinuance*	Composite Interest Rate	**

Significant Unobservable Inputs Used in Level 3 Fair Value Measurements as of December 31, 2013:

Instrument	**Fair Value**		**Unobservable**	**Range**

		Principal Valuation Technique	Inputs	
Single group annuity contract	$ 15,561,501	Assumed proceeds at discontinuance*	Composite Interest Rate	**

* Fair Value is considered contract value less early withdrawal charge. The single group annuity contract has a 5% early withdrawal charge should the plan discontinue the contract without proper notifications as prescribed in the contract. The contract cannot be sold or pledged to third parties per the contract. Proceeds from discontinuation of the contract cannot be higher than the fair value amount reflected here.

** Refer to Note 4 for the composite interest rate history.

The Corporate Investment Committee is responsible for providing oversight over investment related matters including the valuation process. PFG is the investment sponsor for proprietary

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

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investment options in the plan which includes the guaranteed single group annuity contract. They provide support to the Corporate Investment Committee with regard to determination of where plan assets should be disclosed in the fair value hierarchy and the value of proprietary investment options. Investment contracts issued by PLIC are backed by PFG s general account. Due to the nature of these contracts, they do not have specific underlying assets assigned. For defined contribution investment contracts, fair value represents the amount the plan sponsors would receive if they terminated the contract at the reporting date which is contract value less any early withdrawal charge.

4. Investment Contract with PLIC

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributed to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in a single group annuity contract with a fixed rate of interest. The statement of net assets available for benefits presents the fair value of the investment in the annuity contract as well as the adjustment of the fully benefit-responsive investment in the annuity contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The Plan offered the Principal Fixed Income Option 401(A)(K) (PFIO) as a single group annuity contract investment option to plan participants starting in 2006. The PFIO is a benefit-responsive group annuity contract issued by PLIC. The methodology for calculating the interest crediting rate is defined in the contract under the term Composite Crediting Rate. The Composite Crediting Rate is determined by solving for the rate that, when used to accrue interest from the first day of such Deposit Period to the end of such Deposit Period, including expected Net Cash Flows, will result in a value equal to the sum of (a), (b), and (c) below, rounded to the nearest 5 basis points:

(a) The aggregate of the values of each Guaranteed Interest Fund for which the Deposit Period have closed. This value will be determined by accumulating the value immediately prior to the first day of the Deposit Period for which the Composite Crediting Rate is determined, with interest at the effective annual Guaranteed Interest Rate for each such Guaranteed Interest Fund for the Deposit Period.

(b) The expected value of any Guaranteed Interest Fund for which the Deposit Period has not closed. This value will be determined based on expected Net Cash Flow accumulated with interest at the effective annual Guaranteed Interest Rate for the Guaranteed Interest Fund for the Deposit Period.

(c)

The expected value of any Guaranteed Interest Fund for the Deposit Period the Composite Crediting Rate is being determined. This value will be determined based on expected Net Cash flow accumulated with interest at the effective annual Guaranteed Interest Rate for the Guaranteed Interest Fund for the Deposit Period.

Under the terms of the existing contract, the crediting rate is currently reset on a semiannual basis. There was no minimum crediting rate. Changes in future interest crediting rates will not affect the amount reported on the statements of net assets available for benefits representing the adjustment for the portion of net assets attributable to fully benefit-responsive investment contracts from fair value to contract value.

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The PFIO is a single group annuity contract with a fixed rate of interest. It is not a portfolio of contracts whose yields are based on changes in fair value of underlying assets as would be found in a stable value fund. As a result, the average yield earned by the Plan is the yield earned (i.e. interest credited) on the group annuity contract. The interest rate history for the contract is as follows:

Time Period	2014	2013
January 1- June 30	2.05%	2.35%
July 1 - December 31	2.00%	2.25%

By definition, the PFIO group annuity contract is an insurance contract. As a result, the Plan may transact according to the terms defined in the contract at any time. Deposits received prior to 3:00 P.M. Central Time on a business day are accepted and credited to the relevant Guaranteed Interest Fund. Interest is credited to the Guaranteed Interest Fund on a daily basis from the date deposits are accepted until paid, transferred or applied in full. Fees may be paid in one of the following three ways:

By being netted from the effective annual interest rate;

By being paid separately by the Plan sponsors; or

By being deducted from the Guaranteed Interest Fund.

Benefit payments are deducted from the value of the Guaranteed Interest Fund, to the extent that the Composite Value is sufficient to make such payments. Payments and transfers are made in full within 3 business days after the date payment or transfer has been requested. In the event that market conditions are such that it is determined that they will not allow for the orderly transfer or sale of financial instruments, up to an additional 30 days may be required to make such payments or transfers.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) termination of a Plan s interest, if the Plan Sponsor wishes to terminate the Plan s interest, the value of the Plan s interest will be paid out twelve months after the record keeper receives notification. In lieu of the twelve (12) month delay, the record keeper may request immediate payment of the amounts requested subject to a 5% surrender fee and (2) termination of the contract, the Plan s contract shall be terminated on the date when both no current deposit arrangements have been made between the record keeper and Plan Sponsor and there are no Guaranteed Interest Funds with a value greater than zero. The plan administrator does not believe that any events which would limit the Plan s ability to transact at contract value with participants are probable of occurring.

There are no circumstances that would allow PFG to terminate the contract and settle at a value other than the contract value.

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5. Investments Held

Investments held by the Plan are summarized below. Those investments that represent 5 percent or more of the Plan s net assets available for benefits at the end of the year are noted with an asterisk (*).

	December 31, 2014			December 31, 2013		
	Shares/Unit	Fair Value		Shares/Unit	Fair Value	
PIMCO Total Return ADM Fund	11	$ 116		565,493	$ 6,045,122	*
American Funds AMCAP R3 Fund	21,551	5,906,890	*	227,450	6,113,856	*
Prudential JENN SM CO R Fund				188,239	5,073,046	*
Legg Mason BW Gbl Opp Bd A Fd	2,517	27,688				
Lord Abbett Value OPP R3 Fund	296,641	5,707,367	*	298,931	6,077,264	*
MFS Value R2 Fund	162,582	5,631,836	*	167,636	5,520,245	*
Franklin US Govt Sedc R Fd	18,908	122,903		15,101	97,404	
Goldman Sachs Assets Mgt	96,257	4,960,121	*			
Manning & Napier PB EXT TRM S Fund	5,246	88,240		3,827	66,903	
Metropolitan WT TL Rtn Bd M Fd	513,400	5,601,195	*			
Principal Lifetime 2010 SEP Account	85,159	1,761,440		96,412	1,903,287	
Principal Lifetime 2020 SEP Account	342,847	7,756,623	*	378,504	8,121,399	*
Principal Lifetime 2030 SEP Account	207,485	4,763,442	*	217,827	4,729,695	*
Principal Lifetime 2040 SEP Account	127,153	2,995,715		158,763	3,530,672	
Principal Lifetime 2050 SEP Account	169,496	3,888,865		179,700	3,885,136	
Principal Lifetime 2060 SEP Account	23,266	294,310				
Principal Lifetime STR INC SEP Account	22,101	418,765		27,175	493,101	
Principal Large Cap Stock Index SEP Account	93,998	8,877,864	*	95,102	7,922,196	*
Principal Diversified International SEP Account	57,402	4,032,198		64,762	4,695,204	*
Principal US Property SEP Account	1,613	1,315,228		1,735	1,256,651	
Principal Fixed Income Option 401(A)/(K)	909,440	14,621,887	*	986,650	15,561,501	*
Popular, Inc. Common Stock	232,375	7,912,354	*	259,469	7,454,552	*
		$ 86,685,047			$ 88,547,234	

During 2014, the Plan s investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $5,920,544 as follows:

Mutual Funds	$ 2,272,741
Pooled Separate Accounts	2,332,168
Common Stock	1,315,635
	$ 5,920,544

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

6. Income Taxes

The Plan received a favorable determination letter from the IRS, dated October 11, 2012, indicating that it qualified under Section 401(a) of the Internal Revenue Code (IRC).

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by federal, state and/or local taxing authorities. The plan administrator has analyzed the tax positions by the Plan, and has concluded that as of December 31, 2014 and December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. At December 31, 2014, the years 2011 and thereafter remained subject to examination; however, there are currently no audits for any tax periods in progress.

7. Risks and uncertainties

The Plan provides for various investment options in any combination of stocks, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, foreign currency and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the statement of net assets available for benefits. Individual participants accounts bear the risk of loss resulting from fluctuations in investment values.

8. Related Party Transactions

At December 31, 2014 and 2013, the Plan held 232,785 and 259,496 common shares of Popular, Inc., with a quoted market value of $7,912,354 and $7,454,552, respectively. During the year ended December 31, 2014, the Plan purchased 37,019 common shares of Popular, Inc. at a cost of $1,114,548 and sold 63,730 shares which had a carrying value of $851,590, resulting in a realized gain of $1,073,743. These transactions are permitted party-in-interest transactions under provisions of ERISA and the regulations promulgated thereunder.

Included in the Plan assets are notes receivable from participants. At December 31, 2014 and 2013, notes receivable from participants amounted to $1,826,633 and $2,425,132, respectively. For the year ended December 31, 2014, interest income related to notes receivable from participants amounted to $92,682. These transactions qualify as party-in-interest transactions permitted under provision of ERISA.

PLIC, a member of PFG, manages the pooled separate accounts and the single annuity contract. PFG is the trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions.

The Plan Sponsor pays certain costs on behalf of the Plan. Fees paid by the Plan Sponsor for recordkeeping services amounted to $57,626 for the year ended December 31, 2014 out of which $50,556 was paid out of forfeitures.

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

9. Subsequent Events

The Plan has evaluated subsequent events through the date the financial statements were issued.

On May 5, 2015, the Plan was amended to increase the employer s matching contribution to 50% of the employee s contribution up to 6% of total compensation, effective on July 17, 2015. The amendment to the plan also provided an automatic increase by 1% each plan year, in before tax contributions for participants deferring less than 6%, at the Plan Administrator s discretion. Participants shall be given written notice of the automatic increase no less than 30 days or more than 90 days before the increase is to be effective. Participants, upon receipt of the notice of automatic increase, may elect to change their percentage of before-tax contributions to a different amount, including zero (0%), by the deadline established by the Plan Administrator to avoid the automatic increase.

Popular, Inc. U.S.A. 401(k) Savings & Investment Plan

Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

December 31, 2014

Supplemental Schedule

Exhibit I

(a)	(b) Identity of Issue	(c) Description of investment	(d) Cost **	(e) Current Value
	PIMCO Total Return ADM Fund	mutual fund		$ 116
	American Funds AMCAP R3 Fund	mutual fund		5,906,890
	Legg Mason BW Gbl Opp Bd A Fd	mutual fund		27,688
	Lord Abbett Value Opp R3 Fund	mutual fund		5,707,367
	MFS Value R2 Fund	mutual fund		5,631,836
	Franklin US GOVT SEC R FD	mutual fund		122,903
	Goldman Sachs Assets Mgt	mutual fund		4,960,121
	Manning & Napier PB Ext TRM S Fd	mutual fund		88,240
	Metropolitan WT TL Rtn Bd M Fd	mutual fund		5,601,195
*	Principal Lifetime 2010 SEP Account	pooled separate account		1,761,440
*	Principal Lifetime 2020 SEP Account	pooled separate account		7,756,623
*	Principal Lifetime 2030 SEP Account	pooled separate account		4,763,442
*	Principal Lifetime 2040 SEP Account	pooled separate account		2,995,715
*	Principal Lifetime 2050 SEP Account	pooled separate account		3,888,865
*	Principal Lifetime 2060 SEP Account	pooled separate account		294,310
*	Principal Lifetime STR INC SEP Account	pooled separate account		418,765
*	Principal Large Cap Stock Index SEP Account	pooled separate account		8,877,864
*	Principal Diversified International SEP Account	pooled separate account		4,032,198
*	Principal US Property SEP Account	pooled separate account		1,315,228
*	Principal Fixed Income Option 401(A)/(K) ***	single group annuity contract		15,391,460
*	Popular, Inc. Common Stock	common stock		7,912,354
	Total			87,454,620
*	Notes receivable from participants	Participant loans with maturities ranging from 1/13/2015 to 3/18/2044 and interest ranging from 4.25% to 9.25%		1,826,633

	$	89,281,253

* Party in interest to the Plan.
** Cost information is not required for participant directed funds.
*** The Principal Fixed Income Option 401 (A)/(K) fund is presented at contract value. The fair value at December 31, 2014 is $14,621,887.

SIGNATURE

Pursuant to the requirement of the Securities Exchange Act of 1934, the persons who administer the employee benefit plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

POPULAR, INC. PUERTO RICO SAVINGS & INVESTMENT PLAN
(Registrant)

Date: June 26, 2015

By: **/s/ Eduardo J. Negrón**
Eduardo J. Negrón

Chairperson

Popular, Inc. Benefits Committee

(Plan Administrator)