

MORALES MANUEL JR
Form 4
December 27, 2005

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
MORALES MANUEL JR

(Last) (First) (Middle)
PO 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)
12/22/2005

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	12/22/2005	12/22/2005	X ⁽¹⁾		10,000	A	\$ 21 347,414	D
Common Stock Par Value \$6 per share	12/22/2005	12/22/2005	X ⁽¹⁾		10,000	A	\$ 21 671,740	I

By parents
(2)

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

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

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 Underlying Security (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	
Common Stock Subscription Right (Right to Buy)	\$ 21	12/22/2005	12/22/2005	A ⁽³⁾		10,000 ⁽⁴⁾	12/22/2005	12/19/2005	Common Stock Par Value \$6 per share
Common Stock Subscription Right (Right to Buy)	\$ 21	12/22/2005	12/22/2005	X ⁽¹⁾		10,000 ⁽⁴⁾	12/22/2005	12/19/2005	Common Stock Par Value \$6 per share
Common Stock Subscription Right (Right to Buy)	\$ 21	12/22/2005	12/22/2005	A ⁽³⁾		10,000 ⁽⁴⁾	12/22/2005	12/19/2005	Common Stock Par Value \$6 per share
Common Stock Subscription Right (Right to Buy)	\$ 21	12/22/2005	12/22/2005	X ⁽¹⁾		10,000 ⁽⁴⁾	12/22/2005	12/19/2005	Common Stock Par Value \$6 per share

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORALES MANUEL JR PO BOX 362708 SAN JUAN, PR 00936-2708	X			

Signatures

Manuel
Morales, Jr.

12/27/2005

__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) Mr. Manuel Morales has voting power over 671,740 common shares owned by Mr. and Mrs. Manuel Morales Davila, his parents, as attorney in fact. Indirectly owns 2,000 of Preferred Stock owned by wife.

(3) Represents the acquisition of subscription rights pursuant to a pro rata grant to shareholders of Popular, Inc.

(4) Represents rights to acquire additional shares in excess of the reporting person's basic subscription rights pursuant to an oversubscription right.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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