

POPULAR INC
Form 8-K
March 04, 2014

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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d)

of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 27, 2014

POPULAR, INC.

(Exact name of registrant as specified in its charter)

Puerto Rico
(State or other jurisdiction of
incorporation or organization)

001-34084
(Commission
File Number)

66-0667416
(IRS Employer
Identification Number)

209 Munoz Rivera Avenue

Hato Rey, Puerto Rico
(Address of principal executive offices)

(787) 765-9800

00918
(Zip code)

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Compensatory Arrangements for Named Executive Officers

On February 27, 2014, the Compensation Committee (the Committee) of the Board of Directors of Popular, Inc. (the Corporation) granted restricted stock to its named executive officers (NEOs). The actions taken were consistent with the requirements of the Interim Final Rule on TARP Standards for Compensation and Corporate Governance issued by the U.S. Department of the Treasury in June 2009 (the TARP Interim Final Rule). The TARP Interim Final Rule imposes certain restrictions on compensation paid by the Corporation to its senior executive officers and certain other employees as a participant in the TARP Capital Purchase Program (CPP).

In light of the CPP-related restrictions, the Corporation's incentive program for NEOs is solely in the form of restricted stock, thereby aligning our executives' compensation with the Corporation's long-term profitability and the optimal use of shareholder capital. Consistent with the requirements of the CPP, the shares will vest (i.e., no longer be subject to forfeiture) on the second anniversary of the grant date and will be transferable in 25% increments as the Corporation repays each 25% portion of the aggregate financial assistance received under TARP, or in its totality upon completion of repayment of the TARP funds. However, in addition to the above CPP requirements, in order for the shares to be transferable the Corporation must also have achieved profitability for at least one fiscal year after the date of grant. The Committee added profitability as a condition for transferability in order to enhance the alignment of the Corporation's executive compensation with shareholder interests. The awards are subject to clawback if they are found to have been based on materially inaccurate financial statements or performance criteria.

Each NEO was granted the following shares of restricted stock upon consideration of the Corporation's financial performance during 2013, as well as individual financial and nonfinancial achievements. The grants are equivalent to 50% of prior-year earned base pay. In addition to base salary, equity grants represent the only other means for compensating the Corporation's NEOs.

| NEO | Number of Shares of Restricted Stock Awarded |
|--|--|
| Richard L. Carrión Chairman, President and Chief Executive Officer | 25,253 |
| Carlos J. Vázquez Executive Vice President and CFO; President, Banco Popular North America | 11,481 |
| Ignacio Alvarez Executive Vice President and Chief Legal Officer | 10,802 |
| Eli S. Sepúlveda Executive Vice President, Commercial Credit | 7,576 |
| Jorge A. Junquera Vice Chairman and former CFO | 10,927 |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

POPULAR, INC.

(Registrant)

Date: February 27, 2014

By: /s/ **Jorge J. García**

Jorge J. García

Senior Vice President and Corporate Comptroller