

POPULAR INC
Form 424B2
December 09, 2005

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Registration No. 333-111007
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PRICING SUPPLEMENT TO PROSPECTUS SUPPLEMENT DATED JUNE 23, 2004
 TO PROSPECTUS DATED DECEMBER 29, 2003
 \$400,000,000

Popular North America, Inc.
 Medium-Term Notes, Series F
 \$250,000,000 5.20% Notes due December 12, 2007
 \$150,000,000 Floating Rate Notes due December 12, 2007
 Unconditionally Guaranteed as to
 Payment of Principal and Interest by
Popular, Inc.

Popular North America, Inc. is offering two tranches of its Series F Medium-Term Notes. The 5.20% Notes, which we call the Fixed Rate Notes, will pay interest on each June 12 and December 12, commencing on June 12, 2006, and at maturity or earlier redemption. The Floating Rate Notes will pay interest on March 12, June 12, September 12 and December 12, commencing on March 12, 2006, and at maturity or earlier redemption. The notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The information in the accompanying prospectus and prospectus supplement under Description of Debt Securities We May Offer and Description of Notes We May Offer and so specified in this pricing supplement is applicable to the notes.

	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds to Popular North America, Inc., Before Expenses(1)
Per Fixed Rate Note	99.94%	0.25%	99.69%
Total	\$ 249,850,000	\$ 625,000	\$ 249,225,000
Per Floating Rate Note	100%	0.25%	99.75%
Total	\$ 150,000,000	\$ 375,000	\$ 149,625,000

(1) Plus accrued interest, if any, from December 12, 2005.

Delivery of the notes, in book-entry form only, will be made on or about December 12, 2005.

Neither the Securities and Exchange Commission nor any state or Commonwealth of Puerto Rico securities commission has approved or disapproved of these securities or determined if this pricing supplement, the accompanying prospectus supplement or the accompanying prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

Sole Book-Running Manager
Credit Suisse First Boston
 Co-Managers

Banc of America Securities LLC

Cohen Bros. & Company, LLC

The date of this pricing supplement is December 7, 2005.

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You should rely only on the information contained in this document or incorporated in this document by reference. We have not authorized anyone to provide you with different or additional information. This document may be used only where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

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USE OF PROCEEDS

Popular North America, Inc. will use the net proceeds of this offering for the repayment of \$300,000,000 in commercial paper due on or before December 13, 2005 bearing interest at an average weighted rate of 4.5%, which was incurred in connection with the acquisition of E-LOAN, Inc., and \$100,000,000 in short-term borrowings bearing interest at an average weighted rate of 4.10%, and for general corporate purposes.

DESCRIPTION OF THE NOTES

The following description of the terms of the notes adds information to the descriptions of the general terms and provisions of notes in the accompanying prospectus supplement and of debt securities in the accompanying prospectus. If this description differs in any way from the description in the accompanying prospectus supplement and prospectus, you should rely on this description.

The aggregate principal amount of the Fixed Rate Notes is \$250,000,000 and the aggregate principal amount of the Floating Rate Notes is \$150,000,000, subject in each case to further issuances as described below under Further Issuances. The Fixed Rate Notes will mature on December 12, 2007. The Floating Rate Notes will mature on December 12, 2007. The notes are unsecured senior debt securities of Popular North America, Inc. and will rank equally with all other unsecured and unsubordinated indebtedness of Popular North America, Inc. The guarantees of the notes are unsecured senior obligations of Popular, Inc. and will rank equally with all other unsecured and unsubordinated obligations of Popular, Inc. The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The notes may not be redeemed, in whole or in part, before maturity, except as described in the last paragraph under Description of Debt Securities We May Offer Redemption and Repayment in the accompanying prospectus. In addition, the notes do not provide for any sinking fund that is, we will not set aside money on a regular basis in a separate custodial account to repay the notes.

We will issue the notes under an indenture dated as of October 1, 1991, as supplemented, with JPMorgan Chase Bank, National Association, formerly known as Bank One, NA, as trustee. For more information about the indenture, see Description of Debt Securities We May Offer in the accompanying prospectus. The paying agent and agent for registration and transfer of the notes will initially be JPMorgan Chase Bank, National Association, 227 W. Monroe/ Suite 2600, Chicago, Illinois 60607, Attention: Institutional Trust Services.

The indenture does not limit the amount of other debt that Popular, Inc. or any of its subsidiaries may issue except for certain secured debt of Popular, Inc. or any material banking subsidiary of Popular, Inc., as described in the accompanying prospectus under Description of Debt Securities We May Offer Restrictive Covenants.

Interest

The Fixed Rate Notes will bear interest from December 12, 2005 or from the most recent interest payment date on which Popular North America, Inc. has paid or provided for interest thereon, at the annual rate of 5.20%, payable semiannually on June 12 and December 12 of each year, commencing on June 12, 2006, to the person in whose name the notes are registered at the close of business on May 28 or November 27, as the case may be, immediately preceding that June 12 or December 12; *provided, however*, that interest payable at maturity or earlier redemption will be paid to the person to whom principal is payable.

The Floating Rate Notes will bear interest from December 12, 2005 or from the most recent interest payment date on which Popular North America, Inc. has paid or provided for interest thereon, at a rate equal to the base rate plus the spread, as determined by the calculation agent. JPMorgan Chase Bank, National Association, will initially act as calculation agent. The interest rate on the Floating Rate Notes will reset quarterly and will be an annual rate equal to three-month LIBOR plus 35 basis points (0.35%). The index currency will be U.S. dollars; the reference page will be the Moneyline Telerate LIBOR Page; the interest reset dates will be each March 12, June 12, September 12 and December 12, commencing on

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December 12, 2005, subject to adjustment as specified under **Description of Notes We May Offer Interest Rates Floating Rate Notes Interest Reset Dates** in the accompanying prospectus supplement; the interest determination date relating to each interest reset date will be the second London banking day preceding the interest reset date; the regular record dates for interest will be the close of business on February 25, May 28, August 28 and November 27, as the case may be, immediately preceding the applicable interest payment date; *provided, however*, that interest payable at maturity or earlier redemption will be paid to the person to whom principal is payable; and the interest payment dates will be each March 12, June 12, September 12 and December 12, commencing on March 12, 2006, subject to adjustment as specified in the next succeeding paragraph. By London banking day, we mean any day on which commercial banks are open for business (including dealings in U.S. dollars) in London. No minimum or maximum rate of interest will apply to the Floating Rate Notes. See **Description of Notes We May Offer Interest Rates Floating Rate Notes LIBOR Notes** in the accompanying prospectus supplement for more information about how interest on the Floating Rate Notes will be calculated.

If any payment date for either tranche of notes is not a business day, we will make the payment on the next business day, but without any additional interest as a result of the delay in payment, except in the case of an interest payment date on the Floating Rate Notes, in which case such interest payment date will be postponed to the next succeeding business day unless the next succeeding business day falls in the next calendar month, in which case the interest payment date will be advanced to the immediately preceding day that is a business day. In all cases, an interest payment date that falls on the maturity or earlier redemption date will not be changed. By business day, we mean a Monday, Tuesday, Wednesday, Thursday or Friday that is neither a legal holiday nor a day on which commercial banking institutions generally are authorized or required by law, regulation or executive order to close in the City of New York, and, in the case of Floating Rate Notes, is also a London banking day.

Further Issuances

We may, without the consent of the holders of either tranche, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes of either tranche offered by this pricing supplement. Any additional notes will, together with the notes offered by this pricing supplement and any other medium-term notes, Series F, issued by Popular North America, Inc., constitute a single series of notes under the indenture.

Global Notes

The notes of either tranche will be represented by one or more global notes. All interests in the global debt securities will be subject to the operations and procedures of DTC (the **Depository**), Euroclear Bank S.A./ N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). For information about the Depository and procedures applicable to the global notes, see **Description of Debt Securities We May Offer Legal Ownership of Securities, What Is a Global Debt Security?** and **Special Considerations for Global Debt Securities** in the accompanying prospectus.

Clearstream, Luxembourg and Euroclear hold interests on behalf of their participating organizations through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries, which hold those interests in customers' securities accounts in the depositaries' names on the books of the Depository. At the present time, Citibank, N.A. acts as U.S. depository for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. acts as U.S. depository for Euroclear (the **U.S. Depositaries**). Except as set forth below, the global debt securities may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee. Beneficial interests in the global debt securities must be held in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Clearstream, Luxembourg holds securities for its participating organizations (**Clearstream Participants**) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to

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Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries.

Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the Commission de Surveillance du Secteur Financier, and the Banque Centrale du Luxembourg, which supervise and oversee the activities of Luxembourg banks. Clearstream, Luxembourg participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the underwriters or their affiliates. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear as the operator of the Euroclear System (the Euroclear Operator) in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear Operator.

Distributions with respect to notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

Euroclear holds securities and book-entry interests in securities for participating organizations (Euroclear Participants) and facilitates the clearance and settlement of securities transactions between Euroclear Participants, and between Euroclear Participants and participants of certain other securities intermediaries, through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear Participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear Participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the underwriters or their affiliates. Non-participants in Euroclear may hold and transfer beneficial interests in a global debt security through accounts with a participant in the Euroclear System or any other securities intermediary that holds a book-entry interest in a global debt security through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Transfers between Euroclear Participants and Clearstream Participants will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the global debt securities described herein, cross-market transfers between Direct Participants in the Depository, on the one hand, and Euroclear Participants or Clearstream Participants, on the other hand, will be effected through the Depository in accordance with the Depository's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (European time) of such system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final

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settlement on its behalf by delivering or receiving interests in the Global Note in the Depositary, and making or receiving payment in accordance with normal procedures for same-day fund settlement applicable to the Depositary. Euroclear Participants and Clearstream Participants may not deliver instructions directly to their respective U.S. Depositaries.

Due to time zone differences, the securities accounts of a Euroclear or Clearstream Participant purchasing an interest in a global debt security from a Direct Participant in the Depositary will be credited, and any such crediting will be reported to the relevant Euroclear Participant or Clearstream Participant, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, Luxembourg) immediately following the settlement date of the Depositary. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a global debt security by or through a Euroclear or Clearstream Participant to a Direct Participant in the Depositary will be received with value on the settlement date of the Depositary but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following the Depositary's settlement date.

The information in this section concerning Euroclear and Clearstream, Luxembourg and their book-entry systems has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy of that information.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the global debt securities among Euroclear Participants and Clearstream Participants, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of us, any of the underwriters or the trustee will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants of their respective obligations under the rules and procedures governing their operations.

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Under the terms and subject to the conditions contained in a terms agreement dated as of December 7, 2005, which supplements the distribution agreement described in the attached prospectus supplement under the heading

Supplemental Plan of Distribution, we have agreed to sell to the underwriters named below, and the underwriters have severally but not jointly agreed to purchase from us, the following respective principal amounts of the Fixed Rate Notes and Floating Rate Notes:

Underwriters	Principal Amount of Fixed Rate Notes	Principal Amount of Floating Rate Notes
Credit Suisse First Boston LLC	\$ 125,000,000	\$ 75,000,000
Banc of America Securities LLC	109,375,000	65,625,000
Cohen Bros. & Company, LLC	15,625,000	9,375,000
Total	\$ 250,000,000	\$ 150,000,000

The terms agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The terms agreement provides that the underwriters are obligated to purchase all of the notes, if they purchase any of the notes.

The underwriters propose to offer the notes initially at the public offering price stated on the cover page of this pricing supplement. The underwriters may offer the Floating Rate Notes to selling group members at that price less a concession of 0.15% of the principal amount and the underwriters and selling group members may allow a discount of 0.075% of the principal amount thereof on sales to other dealers. After the initial public offering, the underwriters may change the public offering price and concessions and discount to dealers.

The notes are a new issue of securities with no established trading market. One or more of the underwriters have advised us that they intend to make a secondary market for the notes. However, they are not obligated to do so and may discontinue making a secondary market for the notes at any time without notice. We do not know if there will be any trading market for the notes or if any trading market will be liquid.

We have agreed to indemnify the underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended, or contribute to payments which the underwriters may be required to make in respect of these liabilities.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934, as amended.

Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. The underwriters will close outstanding short position by purchasing notes in the open market.

Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions.

Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the notes originally sold by the syndicate member are purchased in a syndicate or stabilizing transaction.

Any of these transactions may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than it would otherwise be in the

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absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

The underwriters will make securities available for distribution on the Internet through a proprietary web site and/or a third-party system operated by Market Axess Inc., an Internet-based communications technology provider. Market Axess Inc. is providing the system as a conduit for communications between the underwriters and their respective customers and is not a party to any transactions. We do not believe that Market Axess Inc. will function as an underwriter or agent of us, nor do we believe that Market Axess Inc. will act as a broker for any customer of any of the underwriters. Market Axess Inc., a registered broker-dealer, will receive compensation from the underwriters based on the transactions each of them conducts through the system. The underwriters will make securities available to their respective customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

We estimate that our out-of-pocket expenses for this offering will be approximately \$100,000.

Credit Suisse First Boston LLC, Banc of America Securities LLC and Cohen Bros. & Company, LLC and certain of their affiliates and associates are customers of, including borrowers from, engage in transactions with and/or perform services for, Popular North America, Inc. and its affiliates in the ordinary course of business. Also, in the ordinary course of their respective businesses, affiliates of these underwriters engage, and may in the future engage, in commercial banking and investment banking transactions with Popular North America, Inc. and its affiliates. Credit Suisse First Boston LLC and Banc of America Securities LLC have performed investment banking services for Popular North America, Inc. and its affiliates and have received fees for those services.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has severally represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

(a) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than EUR43,000,000 and (3) an annual net turnover of more than EUR50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances that do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the note, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

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United Kingdom

Each underwriter has severally represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act (the FSMA)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us or to Popular, Inc. as guarantor of the notes; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the notes in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of notes are made. Any resale of the notes in Canada must be made under applicable securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the notes.

Representations of Purchasers

By purchasing notes in Canada and accepting a purchase confirmation a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

the purchaser is entitled under applicable provincial securities laws to purchase the notes without the benefit of a prospectus qualified under those securities laws,

where required by law, that the purchaser is purchasing as principal and not as agent, and

the purchaser has reviewed the text above under Resale Restrictions.

Rights of Action Ontario Purchasers Only

Under Ontario securities legislation, a purchaser who purchases a note offered by this pricing supplement during the period of distribution will have a statutory right of action for damages, or while still the owner of the notes, for rescission against us in the event that this pricing supplement, prospectus supplement and prospectus contains a misrepresentation. A purchaser will be deemed to have relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the notes. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the notes. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us. In no case will the amount recoverable in any action exceed the price at which the notes were offered to the purchaser and if the purchaser is shown to have purchased the notes with knowledge of the misrepresentation, we will have no liability. In the case of an action for damages, we will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the notes as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

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Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the notes in their particular circumstances and about the eligibility of the notes for investment by the purchaser under relevant Canadian legislation.

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VALIDITY OF THE NOTES

The validity of the notes and guarantees will be passed upon for Popular North America, Inc. by Sullivan & Cromwell LLP, New York, New York. Sidley Austin Brown & Wood llp, New York, New York will act as counsel for the underwriters. Brunilda Santos de Álvarez, Esq., counsel to Popular, Inc., will pass upon the validity of the guarantees as to matters of Puerto Rico law for Popular, Inc. Sullivan & Cromwell LLP and Sidley Austin Brown & Wood llp will rely as to all matters of the laws of the Commonwealth of Puerto Rico upon the opinion of Brunilda Santos de Álvarez, Esq. Brunilda Santos de Álvarez, Esq. owns, directly or indirectly, 11,698 shares of common stock of Popular, Inc. pursuant to Popular, Inc.'s employee stock ownership plan and otherwise. The employee stock ownership plan is open to all employees of Popular, Inc.

EXPERTS

The financial statements and management's assessment of the effectiveness of the internal control over financial reporting as of December 31, 2004 incorporated in this pricing supplement and the accompanying prospectus and prospectus supplement by reference to Popular's Annual Report on Form 10-K for the year ended December 31, 2004 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

**CAUTIONARY STATEMENT PURSUANT TO THE PRIVATE
SECURITIES LITIGATION REFORM ACT OF 1995**

We have included or incorporated by reference in this pricing supplement and the accompanying prospectus statements that may constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. It is possible that our actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements.

Information regarding important factors that could cause actual results to differ, perhaps materially, from those in our forward-looking statements is contained under the caption Item 1: Business Forward-Looking Statements in Popular, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004, which is incorporated by reference in this pricing supplement and the accompanying prospectus. See Where You Can Find More Information in the accompanying prospectus for information about how to obtain a copy of this document.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated December 29, 2003)

Popular North America, Inc.

Medium-Term Notes, Series F

Due Nine Months or More From Date of Issue
Unconditionally Guaranteed as to Payment of
Principal, Premium, if Any, and Interest by
Popular, Inc.

THE COMPANY: Popular North America, Inc. Our principal executive office is located at Popular Center, 209 Muñoz Rivera Avenue, San Juan, Puerto Rico 00918, and our telephone number is (787) 765-9800.

TERMS: We plan to offer and sell notes with various terms, including the following:

Ranking as senior or subordinated indebtedness of Popular North America, Inc.

Stated maturities of 9 months or more from date of issue

Redemption and/or repayment provisions, if applicable, whether mandatory or at the option of Popular North America, Inc. or holders of the notes

Payments in U.S. dollars or one or more foreign currencies

Minimum denomination of \$1,000, increasing in integral multiples of \$1,000, or other specified denominations for foreign currencies

Book-entry (through The Depository Trust Company) or certificated form

Interest at fixed or floating rates, or no interest at all. The floating interest rate may be based on one or more of the following indices plus or minus a spread and/or multiplied by a spread multiplier:

commercial paper rate

prime rate

LIBOR

treasury rate

CMT rate

CD rate

federal funds rate

11th district cost of funds rate

any other base rate or interest rate formula as may be specified in your pricing supplement

Interest payments on fixed rate notes on each June 15 and December 15

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Interest payments on floating rate notes on a monthly, quarterly, semiannual or annual basis

The notes will be unconditionally guaranteed as to payment of principal, premium, if any, and interest by Popular, Inc. We will specify the final terms for each note, which may be different from the terms described in this prospectus supplement, in the applicable pricing supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be unsecured obligations of Popular North America, Inc. and the guarantor and will not be savings accounts, deposits or other obligations of any bank or nonbank subsidiary of Popular North America, Inc. or the guarantor and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other government agency.

	Public Offering Price	Agents' Discounts and Commissions	Proceeds to Popular North America, Inc.
Per note	100%	.125% .750%	99.250% 99.875%

We may sell notes to the agents referred to below as principal for resale at varying or fixed offering prices or through the agents as agent using their reasonable efforts on our behalf. We may also sell notes without the assistance of the agents, whether acting as principal or as agent.

If we or Popular, Inc. or Popular International Bank, Inc. sells our securities referred to in the accompanying prospectus other than pursuant to this prospectus supplement, the aggregate initial offering price of notes that we may offer and sell under this prospectus supplement will be reduced.

Banc of America Securities LLC
Popular Securities, Inc.

Keefe, Bruyette & Woods
UBS Investment Bank

The date of this Prospectus Supplement is June 23, 2004.

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DESCRIPTION OF NOTES WE MAY OFFER

This description of the terms of the notes supplements the description of the general terms and provisions of the notes and replaces any inconsistent terms and provisions contained in *Description of Debt Securities We May Offer* in the accompanying prospectus. Each pricing supplement will describe the particular terms of the notes it offers. Unless the pricing supplement applicable to a note provides otherwise, however, each note will have the following terms. In this prospectus supplement, *we* means Popular North America, Inc.

Popular North America, Inc. will issue the notes under the Popular North America senior indenture, which is described in the accompanying prospectus. The Popular North America senior indenture is subject to, and governed by, the Trust Indenture Act of 1939, as amended. The following description of some provisions of the Popular North America senior indenture and the notes is only a summary and is qualified by reference to the provisions of the Popular North America senior indenture and the notes. The terms and conditions below will apply to each note unless the applicable pricing supplement or foreign currency, multi-currency and indexed note supplement to the applicable pricing supplement specifies otherwise.

Under the Popular North America senior indenture, Popular North America, Inc. may issue any amount of debt securities in one or more series. From time to time, Popular North America, Inc. may, without the consent of the holders, issue debt securities, including medium-term notes, under the Popular North America senior indenture in addition to the up to \$2,500,000,000 principal amount of notes to which this prospectus supplement relates. The notes will be denominated in and payable in United States dollars unless the applicable pricing supplement provides otherwise.

The notes will be unconditionally guaranteed as to payment of principal, premium, if any, and interest by Popular, Inc., as described in the accompanying prospectus under *Description of Debt Securities We May Offer* Popular, Inc.'s *Guarantee*.

The applicable pricing supplement will specify the interest rate or interest rate formula and other variable terms of each note. Popular North America, Inc. may change interest rates and interest rate formulae, but no change will affect any note already issued or for which Popular North America, Inc. has accepted an offer to purchase. Unless the applicable pricing supplement indicates otherwise, *fixed rate notes* will bear interest at fixed rates and *floating rate notes* will bear interest at floating rates determined by reference to one or more *base rates* adjusted by any *spread* and/or *spread multiplier* applicable to these notes. These terms are defined below in *Interest Rates* *Floating Rate Notes*. Original issue discount notes may be issued at significant discounts from their principal amount payable at maturity, and some original issue discount notes may not bear interest.

Popular North America, Inc. may offer interest rates on notes that differ depending upon, among other factors, the principal amount of notes purchased in any single transaction. Popular North America, Inc. may also offer notes with variable terms other than interest rates concurrently to different investors. Popular North America, Inc. may change the terms of notes from time to time, but no change will affect any note that has been issued or as to which Popular North America, Inc. has accepted an offer to purchase.

Each interest payment will equal the amount of interest that accrues from and includes the next preceding interest payment date on which interest has been paid (or from and including the date the note was issued, if no interest has been paid since then) up to and excluding the applicable interest payment date or at maturity.

Unless otherwise indicated in a pricing supplement, the notes will be issued in book-entry, *i.e.*, global, form or fully registered certificated form. Book-entry notes may be transferred or exchanged through the depositary. *Description of Debt Securities We May Offer* *Legal Ownership of Securities* and *Special Considerations for Global Debt Securities* in the accompanying prospectus describe the procedures for transferring or exchanging book-entry notes. No service charge will be made for the registration of transfer or exchange of notes issued in certificated form, but Popular North America, Inc.

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may require the holder to pay any tax or other governmental charge in connection with a transfer or exchange.

Information in the Pricing Supplement

Your pricing supplement will describe one or more of the following terms of your note:

the stated maturity;

the specified currency or currencies for principal and interest, if not U.S. dollars;

the price at which we originally issue your note, expressed as a percentage of the principal amount, and the original issue date;

whether your note is a fixed rate note, a floating rate note or an indexed note and also whether it is an original issue discount note;

if your note is a fixed rate note, the yearly rate at which your note will bear interest, if any, and the interest payment dates, if different from those stated below under **Interest Rates – Fixed Rate Notes** ;

if your note is a floating rate note, the interest rate basis, which may be one or more of the base rates described in **Interest Rates – Floating Rate Notes** below; any applicable index currency or maturity, spread or spread multiplier or initial, maximum or minimum rate, if any; the interest reset, determination, calculation and payment dates; and the calculation agent, all of which we describe under **Interest Rates – Floating Rate Notes** below;

if your note is an original issue discount note, the yield to maturity;

if your note is an indexed note, the principal amount, if any, we will pay you at maturity, the amount of interest, if any, we will pay you on an interest payment date or the formula we will use to calculate these amounts, if any, and whether your note will be exchangeable for or payable in stock of an issuer other than us or other property;

whether your note may be redeemed at our option or repaid at your option before the stated maturity and, if so, other relevant terms such as the redemption or repayment commencement date, specific redemption or repayment date(s), redemption or repayment period(s) and redemption or repayment price(s), all of which we describe under **Redemption and Repayment** below;

whether we will issue or make available your note in non-book-entry form; and

any other terms of your note that are consistent with the provisions of the indenture, which other terms could be different from those described in this prospectus supplement.

Your pricing supplement will summarize specific financial and other terms of your note, while this prospectus supplement describes terms that apply generally to the notes as a series. Consequently, the terms described in your pricing supplement will supplement those described in this prospectus supplement and, if the terms described there are inconsistent with those described here, the terms described there will be controlling. The terms used in your pricing supplement have the meaning described in this prospectus supplement, unless otherwise specified.

Payment Mechanics

Who Receives Payment?

If interest is due on a note on an interest payment date, we will pay the interest to the person or entity in whose name the note is registered at the close of business on the regular record date relating to the interest payment date. See **Regular Record Dates for Interest** below for more information about the regular record dates. If interest is due at the maturity, we will pay the interest to the person or entity

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entitled to receive the principal of the note. If principal or another amount is payable on a note at the maturity, we will pay the amount to the holder of the note against surrender of the note at the *designated agency office* of the paying agent in the Borough of Manhattan, New York City, which is located at J.P. Morgan Chase Bank, 4 New York Plaza/1st Floor, New York, NY 10004, Attention: Institutional Trust Services, or, in the case of a global note, in accordance with the applicable policies of the depository.

Regular Record Dates for Interest

Unless we specify otherwise in the applicable pricing supplement, the regular record date relating to an interest payment date for any fixed rate note will be the June 1 or December 1 next preceding that interest payment date, and for any floating rate note will be the 15th calendar day before that interest payment date, in each case whether or not the record date is a business day. For the purpose of determining the holder at the close of business on a regular record date when business is not being conducted, the close of business will mean 5:00 P.M., New York City time, on that day.

How We Will Make Payments Due in U.S. Dollars

We will follow the practice described in this subsection when paying amounts payable in U.S. dollars. Payments of amounts payable in other currencies will be made as described in the next subsection.

Payments on Global Notes

We will make payments on a global note in accordance with the applicable policies of the depository as in effect from time to time. Under those policies, we will pay directly to the depository, or its nominee, and not to any indirect owners who own beneficial interests in the global note. An indirect owner's right to receive those payments will be governed by the rules and practices of the depository and its participants, as described in the accompanying prospectus under *Description of Debt Securities We May Offer* *What Is a Global Debt Security?* .

Payments on Non-Global Notes

We will make payments on a note in non-global form as follows.

We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee's records as of the close of business on the regular record date.

We will make all other payments by check at the paying agent described below, against surrender of the note.

All payments by check will be made in *next-day funds* *i.e.*, funds that become available on the day after the check is cashed.

A holder of notes in certificated form with a principal amount of \$10,000,000 or more may ask the paying agent in writing before a regular record date to pay interest due on the next interest payment date by transferring immediately available funds to an account at any bank in The City of New York or, with Popular North America, Inc.'s approval, to another bank. The holder must file this request with J.P. Morgan Trust Company, National Association, the paying agent, at its designated agency office. Unless the paying agent receives written notice that the holder is revoking these wire transfer instructions on or before the regular record date immediately preceding an interest payment date or the fifteenth day before maturity, these instructions will apply to any further payment to the holder.

How We Will Make Payments Due in Other Currencies

We will follow the practice described in this subsection when paying amounts that are payable in a specified currency other than U.S. dollars.

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Payments on Global Notes

We will make payments on global notes in accordance with the applicable policies of the depository as in effect from time to time. We understand that these policies, as currently in effect at DTC, are as follows.

Unless otherwise indicated in your pricing supplement, if you are an indirect owner of global notes denominated in a specified currency other than U.S. dollars and if you elect to receive payments in a specified currency other than U.S. dollars, you must notify the participant through which your interest in the global note is held of your election:

on or before the applicable regular record date, in the case of a payment of interest; or

on or before the 16th day before the stated maturity, or any redemption or repayment date, in the case of a payment of principal or any premium.

You may elect to receive all or only a portion of any interest, principal or premium payment in a specified currency other than U.S. dollars.

Your participant must, in turn, notify DTC of your election on or before the third DTC business day after that regular record date, in the case of a payment of interest, and on or before the 12th business day before stated maturity, or on the redemption or repayment date if your note is redeemed or repaid earlier, in the case of a payment of principal or any premium.

DTC, in turn, will notify the paying agent of your election in accordance with DTC's procedures.

If complete instructions are received by the participant and forwarded by the participant to DTC, and by DTC to the paying agent, on or before the dates noted above, the paying agent, in accordance with DTC's instructions, will make the payments to you or your participant by wire transfer of immediately available funds to an account maintained by the payee with a bank located in the country issuing the specified currency or in another jurisdiction outside the United States acceptable to us and the paying agent.

If the steps described above are not properly completed, you will receive payments in U.S. dollars.

Indirect owners of a global note denominated in a currency other than U.S. dollars should consult their banks or brokers for information on how to request payment in the specified currency.

Payments on Non-Global Notes

Except as described in the last paragraph under this heading, we will make payments on notes in non-global form in the applicable specified currency. We will make these payments by wire transfer of immediately available funds to any account requested by the holder, *provided* the account is at a bank located in the country issuing the specified currency or is in another jurisdiction outside the United States acceptable to us and the trustee. To designate an account for wire payment, the holder must give the paying agent appropriate wire instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the regular record date. In the case of any other payment, the payment will be made only after the notes are surrendered to the paying agent. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, we will notify the holder at the address in the trustee's records and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the indenture as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

Although a payment on a note in non-global form may be due in a specified currency other than U.S. dollars, we will make the payment in U.S. dollars if the holder asks us to do so. To request

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U.S. dollar payment, the holder must provide appropriate written notice to the trustee at least five business days before the next due date for which payment in U.S. dollars is requested. In the case of any interest payment due on an interest payment date, the request must be made by the person or entity who is the holder on the regular record date. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Book-entry and other indirect owners of a note with a specified currency other than U.S. dollars should contact their banks or brokers for information about how to receive payments in the specified currency or in U.S. dollars.

Conversion to U.S. Dollars

When we are asked by a holder to make payments in U.S. dollars of an amount due in another currency, either on a global note or a non-global note as described above, we will determine the U.S. dollar amount the holder receives as follows. The exchange rate agent described below will request currency bid quotations expressed in U.S. dollars from three or, if three are not available, then two, recognized foreign exchange dealers in New York City, any of which may be the exchange rate agent, as of 11:00 A.M., New York City time, on the second business day before the payment date. Currency bid quotations will be requested on an aggregate basis, for all holders of notes and other debt securities, if any, requesting U.S. dollar payments of amounts due on the same date in the same specified currency. The U.S. dollar amount the holder receives will be based on the highest acceptable currency bid quotation received by the exchange rate agent. If the exchange rate agent determines that at least two acceptable currency bid quotations are not available on that second business day, the payment will be made in the specified currency.

To be acceptable, a quotation must be given as of 11:00 A.M., New York City time, on the second business day before the due date and the quoting dealer must commit to execute a contract at the quotation. If some but not all of the relevant notes are LIBOR notes, the second preceding business day will be determined for this purpose as if none of those notes were LIBOR notes.

A holder that requests payment in U.S. dollars will bear all associated currency exchange costs, which will be deducted from the payment.

When the Specified Currency Is Not Available

If we are obligated to make any payment in a specified currency other than U.S. dollars, and the specified currency or any successor currency is not available to us due to circumstances beyond our control such as the imposition of exchange controls or a disruption in the currency markets we will be entitled to satisfy our obligation to make the payment in that specified currency by making the payment in U.S. dollars, on the basis of the exchange rate, computed by the exchange rate agent, on the second business day before the particular payment or, if that rate is not then available, on the basis of the most recently available market exchange rate.

For a specified currency other than U.S. dollars, the exchange rate will be the noon buying rate for cable transfers of the specified currency in The City of New York as certified for customs purposes (or, if not certified, as otherwise determined) by the Federal Reserve Bank of New York.

The procedures described above will apply to any note, whether in global or non-global form, and to any payment, including a payment at maturity. Any payment made under the circumstances and in a manner described above will not result in a default under any note or the indenture.

Exchange Rate Agent

If we issue a note in a specified currency other than U.S. dollars, we will appoint a financial institution to act as the exchange rate agent and will name the institution initially appointed when the note is originally issued in the applicable pricing supplement. We may select one of our affiliates or one of the

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agents or their affiliates to perform this role. We may change the exchange rate agent from time to time after the original issue date of the note without your consent and without notifying you of this change.

All determinations made by the exchange rate agent will be at its sole discretion unless we state in the applicable pricing supplement that any determination requires our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and binding on you and us, without any liability on the part of the exchange rate agent.

Denomination of Notes

Unless we specify differently in the pricing supplement relating to your note, the denomination of your note will be \$100,000 or integral multiples of \$1,000 above that. If your note is denominated in a specified currency other than U.S. dollars, the denomination of the note will be in an amount of the specified currency for the note equivalent to \$100,000 and integral multiples of \$1,000 above that, using an exchange rate equal to the noon buying rate in New York City for cable transfers for the specified currency on the first business day immediately before the date on which we accept the offer to buy the note.

Interest Rates

Fixed Rate Notes

Each fixed rate note, except any zero coupon note, will bear interest from its original issue date or from the most recent date to which interest on the note has been paid or made available for payment. Interest will accrue on the principal of a fixed rate note at the fixed yearly rate stated in the applicable pricing supplement, until the principal is paid or made available for payment. Unless otherwise specified in the applicable pricing supplement, interest on a fixed rate note will be payable semiannually each June 15 and December 15, which will be the interest payment dates for a fixed rate note, and at maturity. Each payment of interest due on an interest payment date or the date of maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date if none has been paid or made available for payment, to but excluding the interest payment date or the date of maturity. If, however, an interest payment date or the maturity date of a fixed rate note falls on a day that is not a business day, we will make the required payment of principal, premium, if any, and/or interest on the next succeeding business day, and no additional interest will accrue with respect to the payment made on that next succeeding business day. We will compute interest on fixed rate notes on the basis of a 360-day year of twelve 30-day months. We will pay interest on each interest payment date and at maturity as described above under **Payment Mechanics**. If the original issue date of a note is between a regular record date and the corresponding interest payment date, the initial interest payment will be made to the holder of record on the next interest payment date after the next regular record date.

Floating Rate Notes

*In this subsection, we use several specialized terms relating to the manner in which floating interest rates are calculated. These terms appear in **bold, italicized** type the first time they appear, and we define these terms in **Special Rate Calculation Terms** at the end of this subsection.*

Also, please remember that the specific terms of your note as described in your pricing supplement will supplement and may modify or replace the general terms regarding the floating rates of interest described in this subsection. The statements we make in this subsection may not apply to your note.

Each floating rate note will bear interest from its original issue date or from the most recent date to which interest on the note has been paid or made available for payment. Interest will accrue on the principal of a floating rate note at the yearly rate determined according to the interest rate formula stated in the applicable pricing supplement, until the principal is paid or made available for payment. We will

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pay interest on each interest payment date and at maturity as described above under Payment Mechanics .

Base Rates

We currently expect to issue floating rate notes that bear interest at rates based on one or more of the following base rates:

commercial paper rate;

prime rate;

LIBOR;

treasury rate;

CMT rate;

CD rate;

federal funds rate;

11th district rate; and/or

any other base rate or interest rate formula as may be specified in your pricing supplement.

If you purchase a floating rate note, your pricing supplement will specify the type or types of base rates applicable to your note.

Initial Base Rate

For any floating rate note, the base rate in effect from the original issue date to the first interest reset date will be the initial base rate. We will specify the initial base rate in the applicable pricing supplement.

Spread or Spread Multiplier

In some cases, the base rate for a floating rate note may be adjusted:

by adding or subtracting a specified number of basis points, called the spread, with one basis point being 0.01%; or

by multiplying the base rate by a specified percentage, called the spread multiplier.

If you purchase a floating rate note, your pricing supplement will specify whether a spread or spread multiplier will apply to your note and, if so, the amount of the spread or spread multiplier. We may change the spread, spread multiplier, *index maturity* and other variable terms of the floating rate notes from time to time, but no change will affect any floating rate note previously issued or as to which we have accepted an offer.

Your pricing supplement will also specify whether the floating rate note is a regular floating rate note, a floating rate/fixed rate note or an inverse floating rate note. Unless you purchase a floating rate note that is designated a floating rate/fixed rate note or an inverse floating rate note, your particular floating rate note will be a regular floating rate note. A regular floating rate note will bear interest at a rate determined by reference to the applicable rate as specified in your pricing supplement and as adjusted by the spread and/or spread multiplier, if applicable. Commencing on the first interest reset date, the rate at which interest on a regular floating rate note is payable will be reset as of each interest reset date. The interest rate in effect for the period, if any, from the date of issue to the first interest reset date will be the initial interest rate.

A floating rate/fixed rate note will bear interest at a rate determined by reference to the applicable rate as specified in your pricing supplement and as adjusted by the spread and/or spread multiplier, if applicable. Commencing on the first interest reset date, the rate at which interest on a floating rate/fixed

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rate note is payable will be reset as of each interest reset date. The interest rate in effect for the period, if any, from the date of issue to the first interest reset date will be the initial interest rate, and the interest rate in effect commencing on the fixed rate commencement date will be the fixed interest rate, if specified in your pricing supplement, or, if not so specified, the interest rate in effect on the day immediately preceding the fixed rate commencement date.

An inverse floating rate note will bear interest at a fixed rate minus the applicable interest rate as specified in your pricing supplement and as adjusted by the spread and/or spread multiplier, if applicable, *provided, however*, that interest on an inverse floating rate note will not be less than zero. Commencing on the first interest reset date, the rate at which interest on an inverse floating rate note is payable will be reset as of each interest reset date. The interest rate in effect for the period, if any, from the date of issue to the first interest reset date will be the initial interest rate.

Your pricing supplement will also specify, if applicable, the fixed rate commencement date and the fixed interest rate, as those rates may apply to some f