

BOSTON SCIENTIFIC CORP

Form 424B3

June 22, 2004

Table of Contents

The information in this prospectus supplement is not complete and may be changed. We are not using this prospectus supplement or the accompanying prospectus to offer to sell these securities or to solicit offers to buy these securities in any place where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-64887

Subject to Completion, dated June 22, 2004

Prospectus Supplement
(To Prospectus dated June 3, 1999)

Boston Scientific Corporation

\$500,000,000

% Notes due 2014

Interest payable and

Issue price: %

The notes will mature on , 2014. Interest will accrue from , 2004 and will be payable each and , beginning , 2004. We may redeem the notes in whole or in part at any time at the redemption price described herein.

The notes will be senior unsecured obligations and will rank equally with all of our other senior unsecured indebtedness from time to time outstanding.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement and the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts	Proceeds to Us
Per Note	%	%	%
Total	\$	\$	\$

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made to investors through the book-entry delivery system of The Depository Trust Company on or about , 2004.

Joint Bookrunners

JPMorgan

Banc of America Securities LLC

, 2004

Deutsche Bank Securities

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with other information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement is accurate only as of the date on the front cover of this prospectus supplement and the information in the accompanying prospectus is accurate only as of the date on the first page of the accompanying prospectus. Our business, financial condition, results of operations and prospects may have changed since these dates.

TABLE OF CONTENTS

Prospectus Supplement

	<u>Page</u>
<u>Forward Looking Statements</u>	S-3
<u>Summary</u>	S-6
<u>Use of Proceeds</u>	S-10
<u>Capitalization</u>	S-11
<u>Ratios of Earnings to Fixed Charges</u>	S-12
<u>Selected Consolidated Financial Information</u>	S-13
<u>Description of the Notes</u>	S-15
<u>Underwriting</u>	S-19
<u>Legal Matters</u>	S-20
<u>Experts</u>	S-20
<u>Where You Can Find More Information</u>	S-20

Prospectus

	<u>Page</u>
<u>Available Information</u>	4
<u>Incorporation of Certain Documents by Reference</u>	5
<u>Certain Forward-Looking Statements</u>	5
<u>The Company</u>	7
<u>Trusts</u>	7
<u>Use of Proceeds</u>	9
<u>Ratio of Earnings to Fixed Charges</u>	9
<u>Description of Debt Securities</u>	10
<u>Description of Preferred Stock</u>	19
<u>Description of Depositary Shares</u>	22
<u>Description of Common Stock</u>	25
<u>Description of Warrants</u>	28
<u>Description of Stock Purchase Contracts and Stock Purchase Units</u>	29
<u>Description of Trust Preferred Securities</u>	29
<u>Description of Trust Guarantee</u>	31
<u>Plan of Distribution</u>	34
<u>Legal Matters</u>	35
<u>Experts</u>	36

Table of Contents

FORWARD LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the documents incorporated herein and therein by reference include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in these provisions. These forward-looking statements include, without limitation, statements about our market opportunity, strategies, competition, expected activities, expected profitability and investments as we pursue our business plan, and the adequacy of our available cash resources. These forward-looking statements are usually accompanied by words such as believe, anticipate, plan, seek, expect, intend and similar expressions. The forward-looking information is based on various factors and was derived using numerous assumptions.

Forward-looking statements necessarily involve risks and uncertainties, and our actual results could differ materially from those anticipated in the forward-looking statements due to a number of factors, including those set forth below and elsewhere in this prospectus supplement and the accompanying prospectus. The factors set forth below and other cautionary statements made in this prospectus supplement and the accompanying prospectus should be read and understood as being applicable to all related forward-looking statements wherever they appear in this prospectus supplement and the accompanying prospectus (including the documents incorporated by reference herein and therein). The forward-looking statements contained in this prospectus supplement and the accompanying prospectus (including the documents incorporated by reference herein and therein) represent our judgment as of the dates of this prospectus supplement, the accompanying prospectus or the documents incorporated by reference, as the case may be. We caution readers not to place undue reliance on such statements. We undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

Examples of forward-looking statements discussed in this prospectus supplement and the accompanying prospectus (including the documents incorporated by reference herein and therein) include, but are not limited to, statements with respect to, and our performance may be affected by:

volatility in the coronary stent market, competitive offerings and the timing of receipt of regulatory approvals to market existing and anticipated drug-eluting stent technology and other coronary and peripheral stent platforms;

our ability to achieve significant growth in revenue, gross profit, earnings and cash flow throughout 2004 following the launch of the TAXUS drug-eluting stent system in the United States, and to launch the TAXUS stent system in Japan in late 2005 or early 2006;

our ability to prevent disruptions to our TAXUS manufacturing processes and to maintain inventory levels consistent with forecasted demand around the world;

the overall rate of physician conversion to drug-eluting stents and the expected slow but steady increase in drug-eluting stent adoption rates in Europe;

the impact of the introduction of drug-eluting stents and third-party alliances on the size of the coronary stent market and distribution of share within the coronary stent market in the United States and around the world;

the overall performance of drug-eluting stents and the results of drug-eluting stent clinical trials undertaken by us or our competitors;

Table of Contents

our ability to capitalize on the opportunity in the drug-eluting stent market for significant growth in revenue and earnings and to achieve sustained worldwide market leadership positions through reinvestment in our drug-eluting stent program;

our ability to take advantage of our position as one of two early entrants in the United States drug-eluting stent market, to anticipate competitor products as they enter the market and to take advantage of opportunities that exist in the markets we serve;

our ability to manage research and development and other operating expenses, including royalty obligations, in light of significant expected revenue growth;

our ability to manage inventory levels, accounts receivables and gross margins relating to our TAXUS stent system and other products and to react effectively to worldwide economic and political conditions;

our ability to achieve benefits from our increased focus on internal research and development and our ability to capitalize on opportunities across our businesses;

our ability to integrate the acquisitions and other strategic alliances consummated since early 2001;

our ability to successfully complete planned clinical trials, to obtain and maintain regulatory approvals and to develop and launch products on a timely basis within cost estimates, including products resulting from purchased research and development;

the timing, size and nature of strategic initiatives, market opportunities and research and development platforms available to us and the ultimate cost and success of these initiatives;

our ability to maintain a 24 percent effective tax rate, excluding net special charges, during 2004;

our ability to meet our projected cash needs over the next twelve months, to maintain borrowing flexibility and to refinance our borrowings beyond the next twelve months;

risks associated with international operations including compliance with local legal and regulatory requirements;

the potential effect of foreign currency fluctuations on revenues, expenses and resulting margins;

the effect of litigation, risk management practices and compliance activities on our loss contingency, legal provision and cash flow;

the impact of stockholder, patent, product liability, Medinol Ltd. and other litigation, as well as the ultimate outcome of the United States Department of Justice investigation; and

the actual amount of future contingent consideration payments associated with and the actual future revenue for our acquisition of Advanced Bionics Corporation.

Several other important factors, in addition to the specific factors discussed in connection with each forward-looking statement individually, could affect our future results and growth rates and could cause those results and rates to differ materially from those expressed in the forward-looking statements contained in this prospectus supplement and the accompanying prospectus (including the documents incorporated by reference herein). These additional factors include, among other things, future economic, competitive, reimbursement and regulatory conditions, new product introductions, demographic trends, third-party intellectual property, financial market conditions, our future business decisions and those of our competitors, all of which are difficult or impossible to predict accurately and many of which

Table of Contents

are beyond our control. Therefore, we wish to caution each reader of this prospectus supplement and the accompanying prospectus (including the documents incorporated by reference herein) to consider carefully these factors as well as the specific factors discussed with each forward-looking statement in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and as disclosed in our filings with the Securities and Exchange Commission, or SEC. These factors, in some cases, have affected, and in the future (together with other factors) could affect, our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this prospectus supplement and the accompanying prospectus.

For additional information relating to these and other risks, uncertainties and assumptions, see Management's Discussion and Analysis of Financial Condition and Results of Operations and Boston Scientific Corporation in our Form 10-K for the year ended December 31, 2003 (the 2003 Form 10-K), as filed with the SEC on March 15, 2004, and our Form 10-Q for the quarter ended March 31, 2004 (the March 2004 Form 10-Q), as filed with the SEC on May 7, 2004, each incorporated by reference herein.

Table of Contents

SUMMARY

This summary description of our business may not contain all the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus, including the financial data and related notes included or incorporated by reference herein, before making an investment decision. The terms Boston Scientific, our company and we as used in this prospectus supplement refer to Boston Scientific Corporation and its subsidiaries and predecessors as a combined entity, except where it is made clear that such term means only the parent company.

Boston Scientific Corporation

Business

We are a worldwide developer, manufacturer and marketer of medical devices whose products are used in a broad range of interventional medical specialties, including interventional cardiology, peripheral interventions, neurovascular intervention, electrophysiology, vascular surgery, endoscopy, oncology, urology and gynecology. Since we were formed in 1979, we have advanced the practice of less-invasive medicine by providing a broad portfolio of innovative products, technologies and services across a wide range of medical specialties. Our products are generally inserted into the human body through natural openings or small incisions in the skin and can be guided to most areas of the anatomy to diagnose and treat a wide range of medical problems. These products help physicians and other medical professionals improve their patients quality of life by providing alternatives to surgery. We recorded net sales of \$3.5 billion in 2003 and \$1.1 billion in the first quarter of 2004.

Since 1995, we have undertaken a strategic acquisition program to assemble the lines of business necessary to achieve the critical mass that allows us to continue to be a leader in the medical industry. In 2003, we invested more than \$350 million in approximately 25 strategic initiatives. These initiatives are each intended to further expand our product offerings by adding new or complementary technologies to our already diverse technology portfolio. As the health care environment continues to undergo rapid change, we expect that we will continue to focus on strategic acquisitions and alliances in order to provide new products and technology platforms to our customers. In addition, we expect to make additional investments in several of our existing relationships.

We operate through four business segments divided among the geographic regions of the United States, Europe, Japan and Inter-Continental. Maintaining and expanding our international presence is an important component of our long-term growth plan. Through our international presence, we seek to increase net sales and market share, leverage relationships with leading physicians and their clinical research programs, accelerate the time within which new products can be brought to market and gain access to worldwide technological developments that may be implemented across our product lines. Sales outside of the United States accounted for approximately 45 percent of our net sales in 2003 and in the first quarter of 2004.

Products

Our products are offered for sale by two dedicated business groups: Cardiovascular and Endosurgery. The Cardiovascular organization focuses on products and technologies for use in interventional cardiology, peripheral interventions, vascular surgery, electrophysiology, and neurovascular procedures. The Endosurgery organization focuses on products and technologies for use in oncology, endoscopy, urology and gynecology procedures. During 2003, approximately 72 percent of our net sales were derived from the Cardiovascular business and approximately 28 percent from the Endosurgery business. For the three months ended

Table of Contents

March 31, 2004, approximately 76 percent of our net sales were derived from the Cardiovascular business and approximately 24 percent from the Endosurgery business.

Cardiovascular. Our principal Cardiovascular products are offered in the following medical areas:

Coronary Stents	Peripheral Interventions
Coronary Revascularization	Caval Interruption Systems
Embolic Protection	Electrophysiology
Intraluminal Ultrasound Imaging	Neurovascular Intervention
Fluid Management	Vascular Surgery

Endosurgery. Our principal Endosurgery products are offered in the following medical areas:

Esophageal, Gastric and Duodenal (Small Intestine) Intervention	Prostate Intervention
Colorectal Intervention	Urinary Incontinence
Pancreatico-Biliary Intervention	Gynecology
Pulmonary Intervention	Oncology Intervention
Urinary Tract Intervention and Bladder Disease	Central Venous Access

Strategy

Our mission is to improve the quality of patient care and the productivity of health care delivery through the development and advocacy of less-invasive medical devices and procedures. This is accomplished through the continuing refinement of existing products and procedures and the investigation and development of new technologies that can reduce risk, trauma, cost, procedure time and the need for aftercare. Our approach to innovation combines internally developed products and technologies with those obtained externally through strategic acquisitions and alliances. Building relationships with development companies and inventors helps us enrich our current franchises as well as expand into complementary businesses.

Key elements of our overall business strategy include the following:

Innovation. We are committed to harnessing technological innovation and our approach to technology innovation includes a mixture of tactical and strategic initiatives that are designed to offer sustainable growth in the near and long term. Combining internally developed products and technologies with those obtained through acquisition and alliances allows us to focus on and deliver products currently in our pipeline as well as strengthen our technology portfolio by accessing third party technologies.

Clinical Excellence. Our commitment to innovation is further demonstrated by our rapidly expanding clinical capabilities. Our clinical teams are organized by therapeutic specialty to better support our research and development pipeline and marketing and sales efforts.

Product Diversity. We offer products in numerous product categories, which are used by physicians throughout the world in a broad range of diagnostic and therapeutic procedures. The breadth and diversity of our product lines permit medical specialists and purchasing organizations to satisfy many of their less-invasive medical device requirements from a single source.

Operational Excellence. We are focused on continuously improving our supply chain effectiveness, strengthening our manufacturing processes and optimizing our plant network in

Table of Contents

order to increase operational efficiencies within the organization. By centralizing operations at the corporate level and shifting global manufacturing along product lines, we believe we are able to leverage our existing resources and concentrate on new product development, including enhancement of existing products, and their commercial launch.

Focused Marketing. Each of our business groups maintain dedicated sales forces and marketing teams focusing on physicians who specialize in the diagnosis and treatment of different medical conditions. We believe that this focused disease state management enables us to develop highly knowledgeable and dedicated sales representatives and to foster close professional relationships with physicians.

Active Participation In The Medical Community. We believe that we have excellent working relationships with physicians and others in the medical industry, which enable us to gain a detailed understanding of new therapeutic and diagnostic alternatives, and to respond quickly to the changing needs of physicians and patients. Active participation in the medical community contributes to physician understanding and adoption of less-invasive techniques and the expansion of these techniques into new therapeutic and diagnostic areas.

Corporate Culture. Our management believes that success and leadership evolve from a motivating corporate culture which rewards achievement, respects and values individual employees and customers, and focuses on quality, technology, integrity and service. We believe that our success is attributable in large part to the high caliber of our employees and our commitment to respecting the values on which our success has been based.

Recent Developments

On June 1, 2004, we acquired 100 percent of the fully diluted equity of Advanced Bionics Corporation, a privately-held company located in Valencia, California, for an initial payment of approximately \$740 million in cash, plus earn out payments tied to future performance milestones. The initial purchase price was funded by the issuance of commercial paper.

The acquisition will expand our technology portfolio into the rapidly growing implantable microelectronic device market. Advanced Bionics has developed implantable microelectronics for treating numerous neurological disorders. Its neuromodulation technology includes a range of neurostimulators (or implantable pulse generators), programmable drug pumps and cochlear implants.

The acquisition has been structured to include a substantial earnout mechanism. Performance milestones are primarily based on the achievement of net sales, with certain milestone payments also tied to profitability. The milestones are segmented by the four principal technology platforms (cochlear implants, implantable pulse generators, drug pumps and bion microstimulators), each with a 72-month earnout horizon. Base earnout payments on these performance milestones approximate two and a quarter times incremental sales for each annual period. There are also bonus earnout payments available based on the attainment of certain aggregate sales performance targets and a certain gross margin level.

Our best estimate of future contingent consideration (undiscounted) that we would be required to make associated with our acquisition of Advanced Bionics is approximately \$2.0 billion. The estimated cumulative specified revenue level associated with our best estimate is approximately \$4.5 billion during the period from 2004 through 2013.

Our principal executives offices are located at One Boston Scientific Place, Natick, MA 01760-1537. Our telephone number is (508) 650-8000. Our website is located at www.bostonscientific.com. Information contained on our website is not incorporated in this prospectus supplement or the accompanying prospectus.

Table of Contents

The Offering

Notes Offered	\$500 million initial principal amount of percent notes due 2014.
Maturity Date	, 2014.
Interest Payment Dates	and of each year, commencing , 2004.
Redemption	At our option, we may redeem any or all of the notes, in whole or in part, at any time, as described on pages S-16 and S-17 under the heading "Description of the Notes - Optional Redemption" in this prospectus supplement.
Ranking	The notes: are unsecured; rank equally with all of our other unsecured and unsubordinated debt; are senior to any existing or future subordinated debt; are effectively junior to any existing or future secured debt; and are effectively junior to any existing and future liabilities of our subsidiaries.
Covenants	We will issue the notes under an indenture containing covenants for your benefit. These covenants restrict our ability, with certain exceptions, to: merge or consolidate with another entity or transfer all or substantially all of our property and assets; and incur liens.
Additional Notes	We may create and issue further notes ranking equally and ratably with the notes in all respects, so that such further notes will be consolidated and form a single series with the notes and will have the same terms as to status, redemption or otherwise as the notes.

S-9

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds to us from this notes offering will be approximately \$ million after deducting estimated underwriting discounts and commissions, and estimated expenses. A significant portion of the net proceeds from this notes offering will be used to repay commercial paper borrowings. The amount outstanding under our commercial paper program as of March 31, 2004 was approximately \$946 million, at a weighted average interest rate of 1.13 percent per year, which rate is subject to change over time. Our commercial paper borrowings financed strategic alliances and acquisitions, facility expansions, common stock repurchases and other general corporate purposes. Approximately \$740 million of commercial paper borrowings were incurred after March 31, 2004 to finance our recent acquisition of Advanced Bionics Corporation. See Summary Recent Developments. We expect to use the remainder of the net proceeds of this offering, if any, principally for general corporate purposes.

To the extent that the net proceeds are not used immediately for the above purposes, these funds will be invested in short- and/or medium-term investment grade securities.

S-10

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization as of March 31, 2004 and as adjusted to reflect the issuance of the notes offered hereby and application of the net proceeds of the offering as described above under Use of Proceeds. For further discussion of our capitalization, see the March 2004 Form 10-Q, incorporated by reference herein.

	March 31, 2004	
	Actual	As Adjusted
	(in millions)	
Commercial paper short-term ⁽¹⁾	\$ 546	\$ 546
Notes payable and current maturities of long-term debt	518	518
Total short-term debt	1,064	1,064
Notes offered hereby		500
Long-term debt, net of current portion ⁽²⁾	611	111
Total debt	1,675	1,675
Stockholders' equity:		
Preferred stock, \$.01 par value authorized 50,000,000 shares, none issued and outstanding		
Common stock, \$.01 par value authorized 1,200,000,000 shares, 835,084,057 shares issued and outstanding	8	8
Additional paid-in capital	1,355	1,355
Retained earnings	1,928	1,928
Accumulated other comprehensive loss	(72)	(72)
Total stockholders' equity	3,219	3,219
Total capitalization	\$4,894	\$4,894

(1) Amounts shown do not reflect commercial paper issued after March 31, 2004, including approximately \$740 million of commercial paper issued to finance our acquisition of Advanced Bionics Corporation in June 2004. See Summary Recent Developments.

(2) At March 31, 2004, we expected that a minimum of \$600 million of our short-term obligations would remain outstanding beyond the twelve month period following such date and accordingly, we classified this portion of our obligations as long-term debt.

Table of Contents**RATIOS OF EARNINGS TO FIXED CHARGES**

Our ratios of earnings to fixed charges on a consolidated basis for the periods indicated were as follows (unaudited):

	Three Months Ended March 31,		Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
(in millions)							
Fixed charges:							
Interest expense and debt issuance costs	\$ 11	\$ 11	\$ 46	\$ 43	\$ 59	\$ 70	\$ 122
Interest portion of rental expense	2	2	10	11	12	15	15
Total fixed charges	\$ 13	\$ 13	\$ 56	\$ 54	\$ 71	\$ 85	\$ 137
Earnings:							
Income before income taxes	\$ 255	\$ 140	\$ 643	\$ 549	\$ 44	\$ 527	\$ 562
Fixed charges per above	13	13	56	54	71	85	137
Net distributed/(undistributed) equity in earnings of equity investees					(13)	13	(1)
Less: capitalized interest							1
Total earnings, as adjusted	\$ 268	\$ 153	\$ 699	\$ 603	\$ 102	\$ 625	\$ 697
Ratio of earnings to fixed charges	20.62	11.77	12.48	11.17	1.44	7.35	5.09

The ratios of earnings to fixed charges for the three months ended March 31, 2004 are not necessarily indicative of the results that may be expected for the entire year. The data above include merger-related and special charges (credits) recorded in conjunction with acquisitions, strategic alliances and litigation. The ratios above should be read in conjunction with our consolidated financial statements (including the notes thereto) included in the 2003 Form 10-K and the March 2004 Form 10-Q, which are incorporated by reference herein.

Table of Contents**SELECTED CONSOLIDATED FINANCIAL INFORMATION**

The following table sets forth certain of our financial information and other operating information. The consolidated financial information for each of the five years ended December 31, 2003, set forth below, has been derived from our audited consolidated financial statements. The consolidated financial statements for the three years ended December 31, 2003 have been audited by Ernst & Young LLP, independent auditors. The selected financial information for the three month periods ended March 31, 2004 and 2003 has been derived from unaudited consolidated financial statements included in the March 2004 Form 10-Q, incorporated by reference herein, which, in the opinion of our management, include all adjustments (consisting of normal recurring accruals) that are necessary for a fair presentation of the financial position and the results of operations for such periods. The operating results for the three months ended March 31, 2004 are not necessarily indicative of the financial position and the results that may be expected for the entire year. As shown below, operating data includes merger-related and special charges (credits) recorded in conjunction with acquisitions, strategic alliances and litigation. The following information should be read in conjunction with our consolidated financial statements (including the notes thereto) included in the 2003 Form 10-K and our unaudited condensed consolidated financial statements (including the notes thereto) included in the March 2004 Form 10-Q, each of which is incorporated by reference herein.

	Three Months Ended March 31,		Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
(in millions, except per share data)							
Operating Data:							
Net sales	\$1,082	\$807	\$3,476	\$2,919	\$2,673	\$2,664	\$2,842
Cost of products sold	292	226	961	870	919	832	986
Gross profit	790	581	2,515	2,049	1,754	1,832	1,856
Selling, general and administrative expenses	348	271	1,171	1,002	926	867	842
Amortization expense	22	20	89	72	136	91	92
Royalties	22	12	54	36	35	37	46
Research and development expenses	134	103	452	343	275	199	197
Purchased research and development		13	37	85	282		
Litigation-related charges (credits), net		7	15	(99)			
Restructuring and merger-related charges (credits)						58	(10)
Total operating expenses	526	426	1,818	1,439	1,654	Mutual Fund 236,597 1,654 shares	

** 3,359,672

Principal Diversified International Fund

Mutual Fund 579,133 shares

** 8,049,944

Vanguard Institutional Index Fund

Mutual Fund 104,844 shares

** 25,527,392

Vanguard Total Bond Market Index Fund

Mutual Fund 40,432 shares

** 434,644

Vanguard Extended Market Index Fund

Mutual Fund 8,987 shares

** 761,774

Vanguard Total International Stock Index Fund

Mutual Fund 31,052 shares

** 947,702

Total Mutual Funds

** 251,651,074

*

BPPR Bank Deposit Open Account

Open Deposit Account

** 30,609,897

Table of Contents

*

BPPR Time Deposit Open Account

Open Deposit Account

** 105,941

Total Interest Bearing Deposits

30,715,838

*

Popular, Inc.

Common Stock 1,475,039 shares

** 52,355,271

*

Participant loans

Participant loans with maturities of 12/31/2017 and interest rate of 5%

** 84,314

Table of Contents

\$334,806,497

- * Party in-interest
- ** Cost is not required to be presented for participant directed investments

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 29, 2018

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

Chairperson

Popular, Inc. Benefits Committee

(Plan Administrator)