Investor Presentation

December 2019

1First BanCorp

Forward-Looking Statements

This presentation may contain "forward-looking statements" concerning First BanCorp.'s (the "Corporation") future economic, operational and financial performance. "Forward-looking statements" include, without limitation, statements relating to the impact the Corporation expects its proposed acquisition of Banco Santander Puerto Rico to have on the combined entity's operations, financial condition, and financial results, and the Corporation's expectations about its ability to successfully complete the transaction and integrate the combined businesses and the amount of cost savings and overall operational efficiencies the Corporation expects to realize as a result of the proposed acquisition. The words or phrases "expect," "anticipate," "intend," "look forward," "should," "would," "believes" and similar expressions are meant to identify "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, and are subject to the safe harbor created by such sections. The Corporation cautions readers not to place undue reliance on any such "forward-looking statements," which speak only as of the date made, and advises readers that various factors, including, but not limited to, the following could cause actual results to differ materially from those expressed in, or implied by such forward-looking statements: the possibility that the proposed acquisition does not close when expected or at all or because required regulatory or other approvals (including bank regulatory approvals or antitrust clearances) and other conditions to closing are not received or satisfied on a timely basis or at all the failure to close for any other reason; that the businesses of the Corporation and Banco Santander Puerto Rico will not be integrated successfully; that the cost savings and any synergies from the proposed acquisition may not be fully realized or may take longer to realize than expected; disruption from the proposed acquisition making it more difficult to maintain relationships with employees, customers or other parties with whom the Corporation or Banco Santander Puerto Rico have business relationships; diversion of management time on merger-related issues; the reaction to the transaction of the Corporation's or Banco Santander Puerto Rico's customers, employees and counterparties and other factors, many of which are beyond the control of the Corporation and Banco Santander Puerto Rico; the actual pace and magnitude of economic recovery in the regions impacted by the two hurricanes that affected the Corporation's service areas during the third quarter of 2017 compared to management's current views on the economic recovery; uncertainties about how and when rebuilding will take place in the regions affected by the recent storms, including the rebuilding of the public infrastructure, such as Puerto Rico's power grid, what level of government, private or philanthropic funds will be invested in the affected communities; how many dislocated individuals will return to their homes in both the short- and long-term, and what other demographic changes will take place; uncertainty as to the ultimate outcomes of actions taken, or those that may have to be taken, by the Puerto Rico government, or the oversight board established by the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) to address Puerto Rico's financial problems, including the filing of a form of bankruptcy under Title III of PROMESA that provides a court debt restructuring process similar to U.S. bankruptcy protection; the ability of the Puerto Rico government or any of its public corporations or other instrumentalities to repay its respective debt obligations, including the effect of payment defaults on the Puerto Rico government general obligations, bonds of the Government Development Bank for Puerto Rico and certain bonds of government public corporations, and recent and any future downgrades of the long-term and short-term debt ratings of the Puerto Rico government, which could exacerbate Puerto Rico's adverse economic conditions and, in turn, further adversely impact the Corporation; a decrease in demand for the Corporation's products and services and lower revenues and earnings because of the continued recession in Puerto Rico; uncertainty as to the availability of certain funding sources, such as brokered CDs; the Corporation's reliance on brokered CDs to fund operations and provide liquidity; the weakness of the real estate markets and of the consumer and commercial sectors and their impact on the credit quality of the Corporation's loans and other assets, which have contributed and may continue to contribute to, among other things, high levels of non-performing assets, charge-offs and provisions for loan and lease losses, and may subject the Corporation to further risk from loan defaults and foreclosures; 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an adverse change in the Corporation's ability to attract new clients and retain existing ones; the risk that additional portions of the unrealized losses in the Corporation's investment portfolio are determined to be other-than-temporary, including additional impairments on the Puerto Rico government's obligations; uncertainty about regulatory and legislative changes for financial services companies in Puerto Rico, the U.S., and the U.S. and British Virgin Islands, which could affect the Corporation's financial condition or performance and could cause the Corporation's actual results for future periods to differ materially from prior results and anticipated or projected results; changes in the fiscal and monetary policies and regulations of the U.S. federal government and the Puerto Rico and other governments, including those determined by the Federal Reserve Board, the New York Fed, the Federal Deposit Insurance Corporation ("FDIC"), government-sponsored housing agencies, and regulators in Puerto Rico and the U.S. and British Virgin Islands; the risk of possible failure or circumvention of controls and procedures and the risk that the Corporation's risk management policies may not be adequate; the risk that the FDIC may increase the deposit insurance premium and/or require special assessments to replenish its insurance fund, causing an additional increase in the Corporation's non-interest expenses; the impact on the Corporation's results of operations and financial condition of acquisitions and dispositions; a need to recognize additional impairments on the Corporation's financial instruments, goodwill or other intangible assets relating to acquisitions; the risk that downgrades in the credit ratings of the Corporation's long-term senior debt will adversely affect the Corporation's ability to access necessary external funds; the impact on the Corporation's businesses, business practices and results of operations of a potential higher interest rate environment; uncertainty as to whether FirstBank will be able to satisfy its regulators regarding, among other things, its asset quality, liquidity plans, maintenance of capital levels and compliance with applicable laws, regulations and related requirements; and general competitive factors and industry consolidation. The Corporation does not undertake, and specifically disclaims any obligation, to update any "forward-looking statements" to reflect occurrences or unanticipated events or circumstances after the date of such statements, except as required by the federal securities laws.

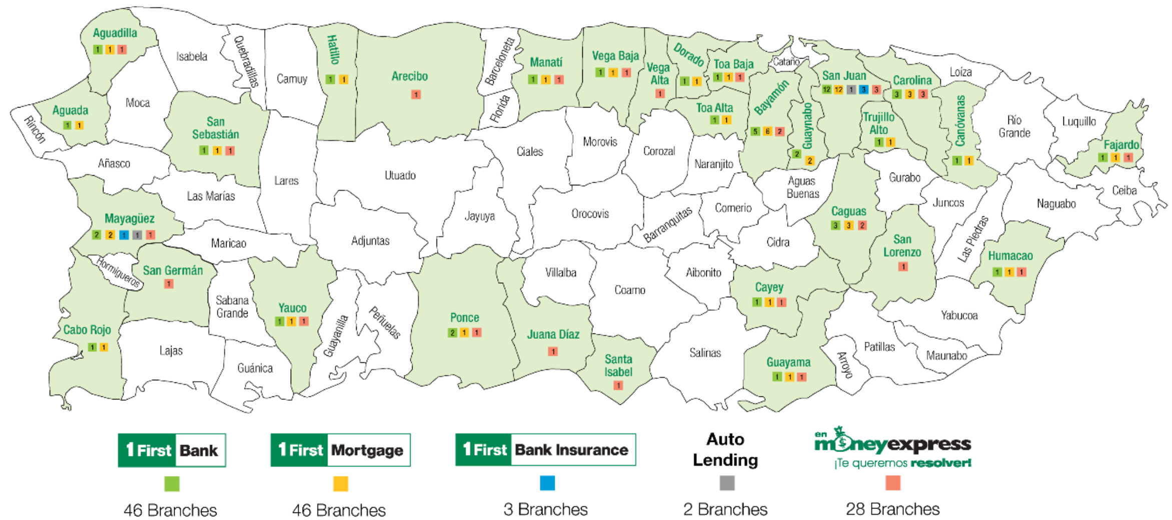
Compelling Value Proposition

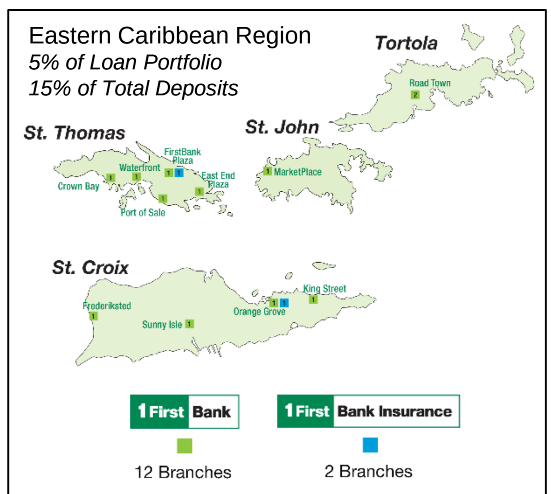
- **Our business model is diverse and scalable** by segment (commercial, residential and consumer) and by unique markets (Puerto Rico, Southeast Florida & Eastern Caribbean).
- **Our equity is valued at 108% of TBV (12/10/19)** compared to the SNL bank index (187% of TBV). Our capital ratios are among top 4% of banks above $10 billion in assets. In 4Q 2018 we reinstated our common stock dividend and on October 25th, 2019 announced 67% increase to $0.05/share.
- **Successfully navigated challenging operating environment following a decade long recession.** Recent economic data and inflow of funds are supporting post storm economic recovery in our markets.
- **Leadership team is experienced, cohesive, and credible.** Dedicated to enhancing shareholder value through superior service and products for all of our customers in all of our markets.
- **Expanding presence within our main market.** Recently announced the acquisition of Banco Santander Puerto Rico. Pro forma capital ratios at close (estimated to be mid 2020) remain significantly above "well-capitalized".

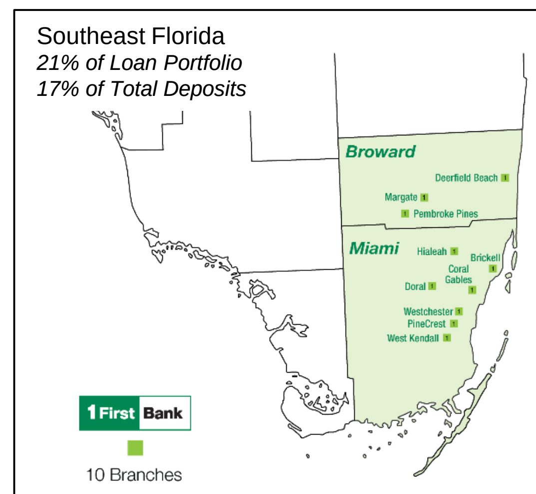
Franchise Overview

Well-diversified with significant competitive strengths

- Founded in Puerto Rico in 1948
- Headquartered in San Juan, Puerto Rico with operations in PR, Eastern Caribbean (Virgin Islands) and Florida
  - ~2,700 FTE employees[1]
- 2nd largest financial holding company in Puerto Rico with attractive business mix and substantial loan market share
- Florida presence with focus on serving southeast Florida region
- One of the largest depository institution in the US Virgin Islands with over 30% deposit market share
- Over 200 ATM machines and the largest ATM network in the Eastern Caribbean Region[2]
- A well-diversified operation with over 650,000 retail & commercial customers







As September 30, 2019.
[1] *FTE = Full Time Equivalent.*
[2] *Eastern Caribbean Region or ECR includes United States and British Virgin Islands.*

Diversified Business Model Across Regions

1First BanCorp

Consumer Banking

- *Attractive branch network across densely populated regions in Puerto Rico, south Florida and the Eastern Caribbean Region*
- *Full suite of leading edge deposit products. Increased emphasis on transaction banking, mobile and remote channels*
- *Well-diversified, high-yielding consumer portfolio: auto; personal loans; and credit card portfolio*
- *Earnings growth focused on ongoing market share gains and product penetration via cross-selling activities — notably tied to mortgage, credit cards, personal loans and auto finance*
- *Average last four quarter origination[1] volume of $340 million vs. $242 million in 4 quarters prior to the hurricanes*

Mortgage Banking

- *Originate, sale & servicing model. Target majority conforming originations*
- *Production channels centered on expanding branch network vs. correspondents/brokers*
- *Fannie, Freddie and FHA Servicer*
- *Expanded mortgage origination capabilities focused on conforming and sales to secondary market*
- *Solidified 2nd position in Puerto Rico with over 33% mortgage origination market share during 2Q 2019*
- *Average last four quarter origination[1] volume of $122 million vs. $184 million in 4 quarters prior to hurricanes*

Commercial Lending

- *Focus on small to middle market commercial and corporate borrowers across footprint. Complimented by full suite of deposit and business products*
- *Growth opportunities through rebuilding efforts in Puerto Rico following impact of 2017 hurricanes*
- *Building stronger transaction banking services to target market share opportunities*
- *Emphasis on cross-sell and core deposit gathering with recent launch of new products and services*
- *Average last four quarter origination[1] volume of $590 million vs. $496 in 4 quarters prior to the hurricanes*

Strong Capital and Operational Foundation to Support Growth

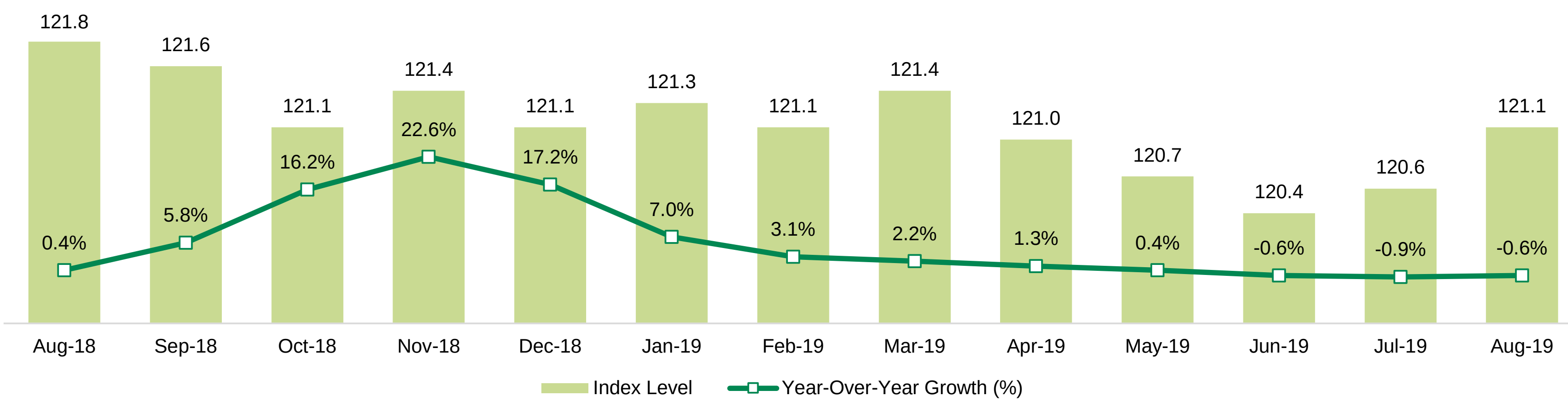
[1] *Originations include purchases, refinancings, and draws from existing revolving and non-revolving commitments.*

Main Market Showing Signs of Economic Recovery

- Economic activity in the aftermath of both Hurricanes Irma and Maria has recovered.
- Several drivers of economic activity in Puerto Rico continue to show signs of stabilization, with employment levels improving each month and gas consumption/cement sales registering significant growth when compared to 2017.
  - Moreover, improvement in consumer confidence is evidenced by recent increases in Retail Sales by 12.1% when compared to 2017 and Sales and Use Tax (SUT) collections by 13.6% for the same period

Drivers of Economic Activity	June 2017	August 2019
Unemployment Rate	10.3%	7.7%
Electric Power Generation (mm kWh)	1,731	1,735
	Calendar 2017	Last 12 months
Gasoline Consumption (MM of Gallons)	983	927
Cement Sales (94 lb. bags & bulk)	10,295	13,440
SUT Collections ($ billions)	2,417	2,746
Retail Sales ($ in billions)	29,458	33,037

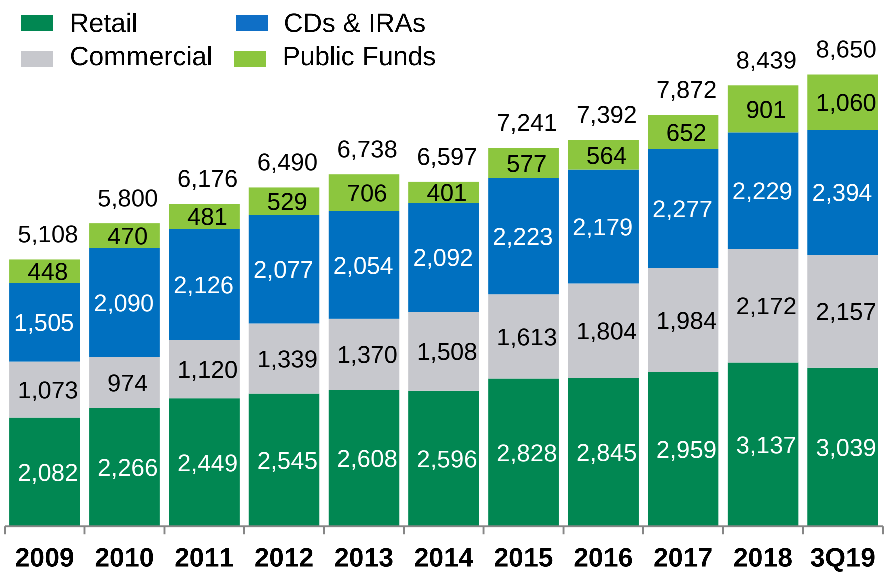
Economic Performance Over the Last 12 Months



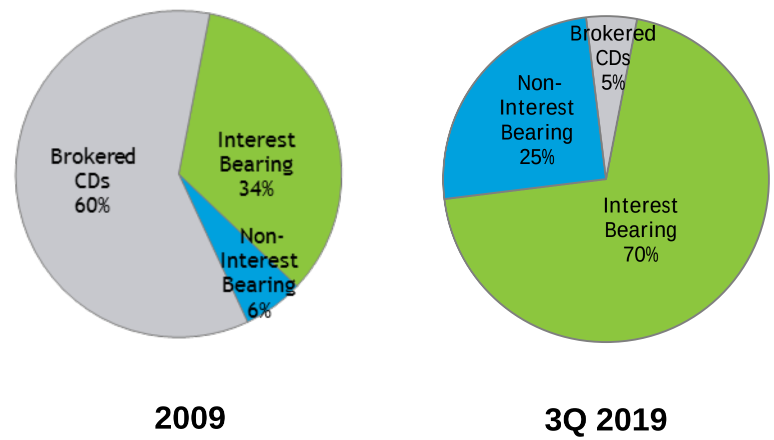
Source: Puerto Rico Economic Development Bank (Calendar Year Numbers); July 2019 SUT Collections info Departamento de Hacienda (Treasury Department).

Favorable Funding Mix

Core Deposits[1] ($ millions)



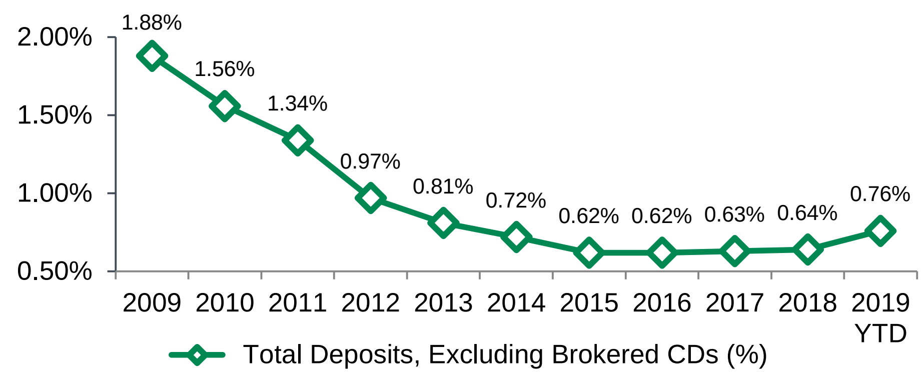
Total Deposit Composition (%)



Multi-regional strategy to continue driving successful core deposit growth

- Core deposits increased $211 million during 2019.
- Reliance on brokered CDs declined $73 million during 2019 and now represent 5% of total deposits.
- Non-interest bearing deposits continue to grow and now represent 25% of total deposits
- Cost of deposits, excluding brokered CDs, were 0.76% YTD 2019.

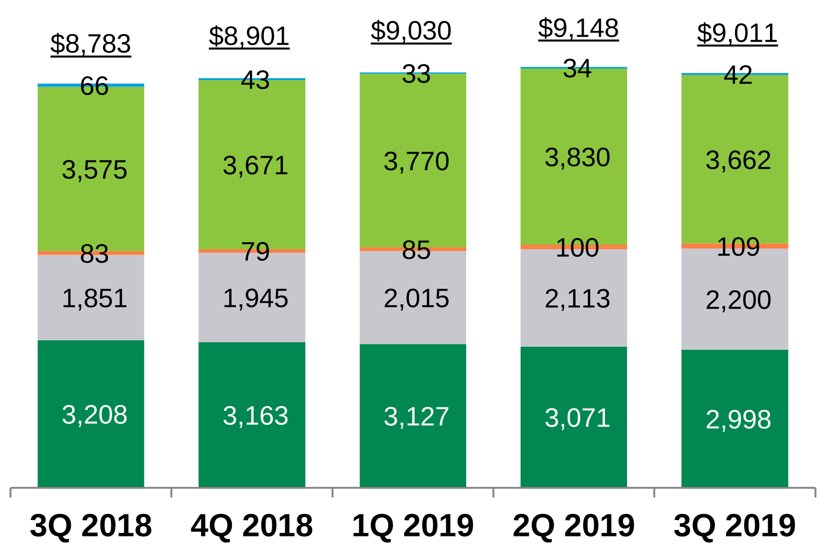
Cost of Deposits



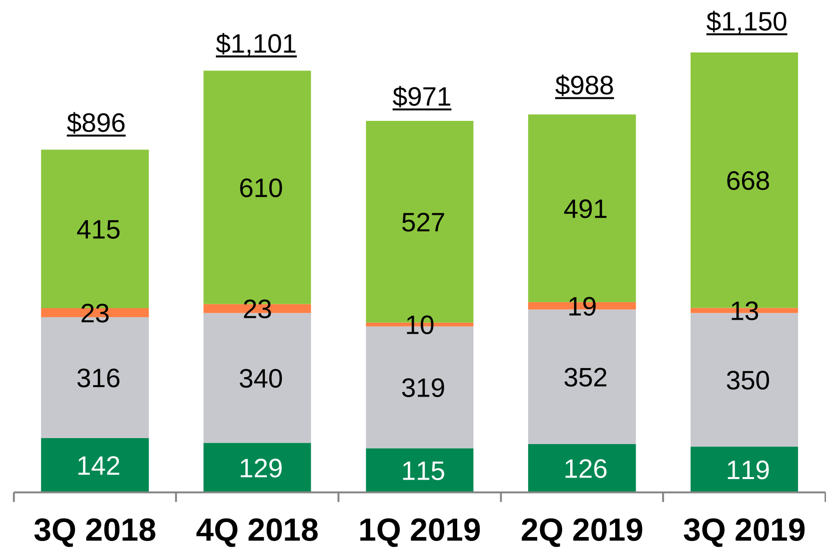
[1] *Core deposits are total deposits excluding brokered CDs.*

Geographic Diverse Business Model Sustains Portfolio

Loan Portfolio ($ millions)



Loan Originations[1] ($ millions)



Residential Mortgage   Consumer   Construction   Commercial   Loans HFS

Our island is beginning to show signs of growth and we continue relying on our regional diversification:

3Q 2019 Loan Portfolio:

- The loan portfolio decreased $136.7 million due to early payoffs of $120.4 million of two commercial mortgage loans, repayment of a $32 million nonperforming loan and the strategic reduction of the residential mortgage portfolio through origination and sale of conforming.
- The consumer portfolio grew $86.8 million.

Origination Activity:

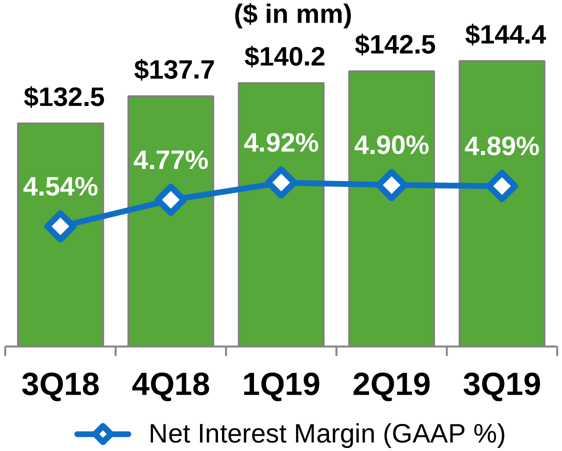
- Healthy loan originations of $1.15 billion.
- Last four quarter average $1.05 billion compared to prior year four quarter average of $751 million.
- Consumer origination activity averaging $340 million per quarter (last four quarters) compared to $248 million last year.

[1] *Including refinancing and draws from existing revolving and non-revolving commitments.*

Consistently Improving Core Performance Metrics

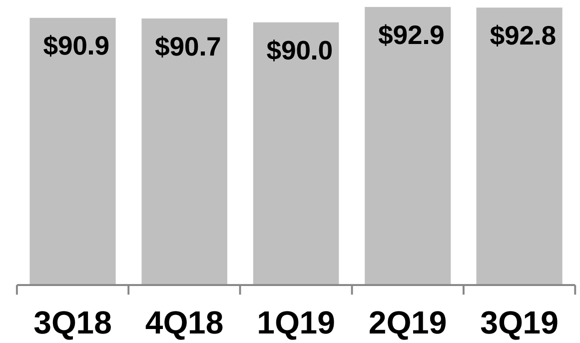
Strong pre-tax pre-provision income with opportunities for additional efficiencies

Net Interest Income
($ in mm)

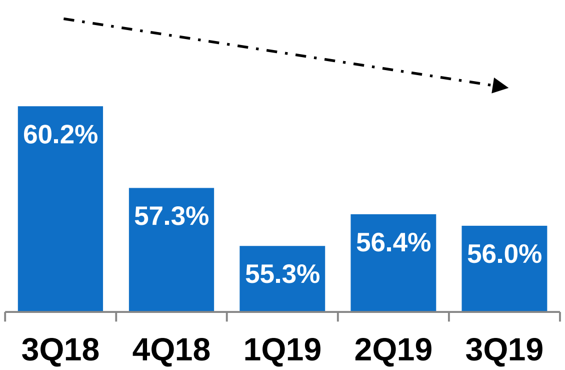


Adjusted PTPP Income[1]
($ in mm)

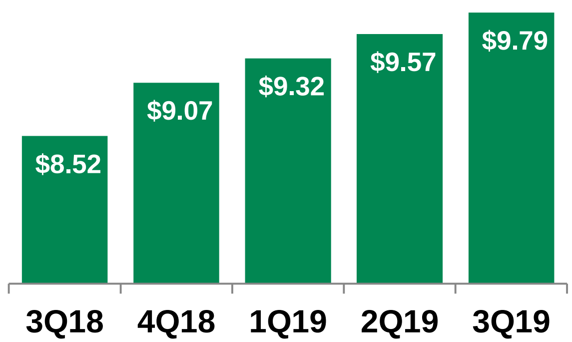
Noninterest Expense
($ in mm)



Efficiency Ratio



Tangible Book Value
(per common share)



Key Highlights

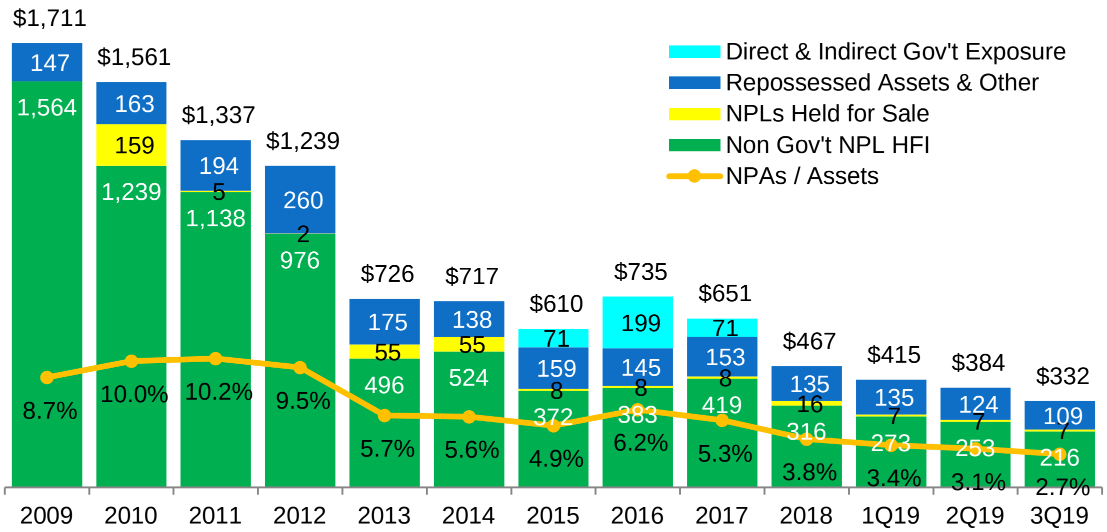
- Pre-tax pre-provision income of $70.2 million; four quarter average of $69.6 million
- Replacement of NPLs with performing loans has reduced provisioning needs
- Potential for additional loan growth opportunities; while changing the mix to higher yielding loans

[1] *Adjusted pre-tax pre-provision income reconciliation on page 31.*

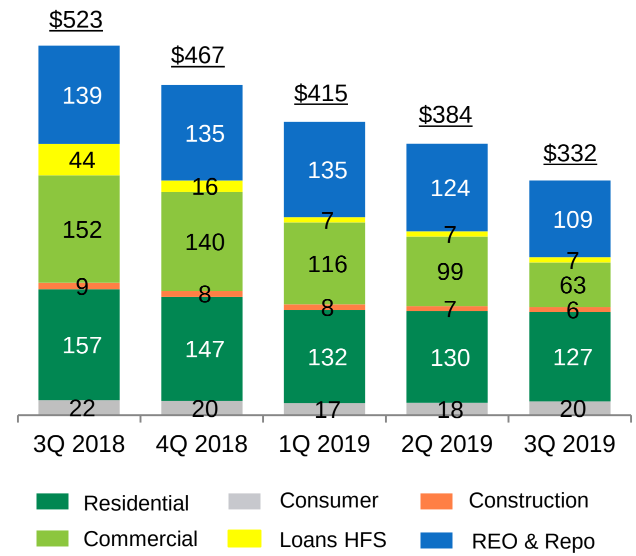
Proactively Managing Asset Quality

1 First BanCorp

Non-Performing Assets ($ millions)



NPA Composition



NPAs decreased by $135 million YTD to $332 million or 2.7% of assets:

- Focus remains on disposition of approximately $116 million of REO and loans HFS driven by increasing investor demand for assets in Puerto Rico
- Reductions were the result of diligently addressing organic improvement through restructurings, sales, charge-offs, collections and foreclosures
- YTD Inflows to nonperforming of $79.2 million decreased $107.8 million compared to YTD 3Q 2018 inflows of $187.0 million.
- Commercial NPLs now carried at 41% of UPB

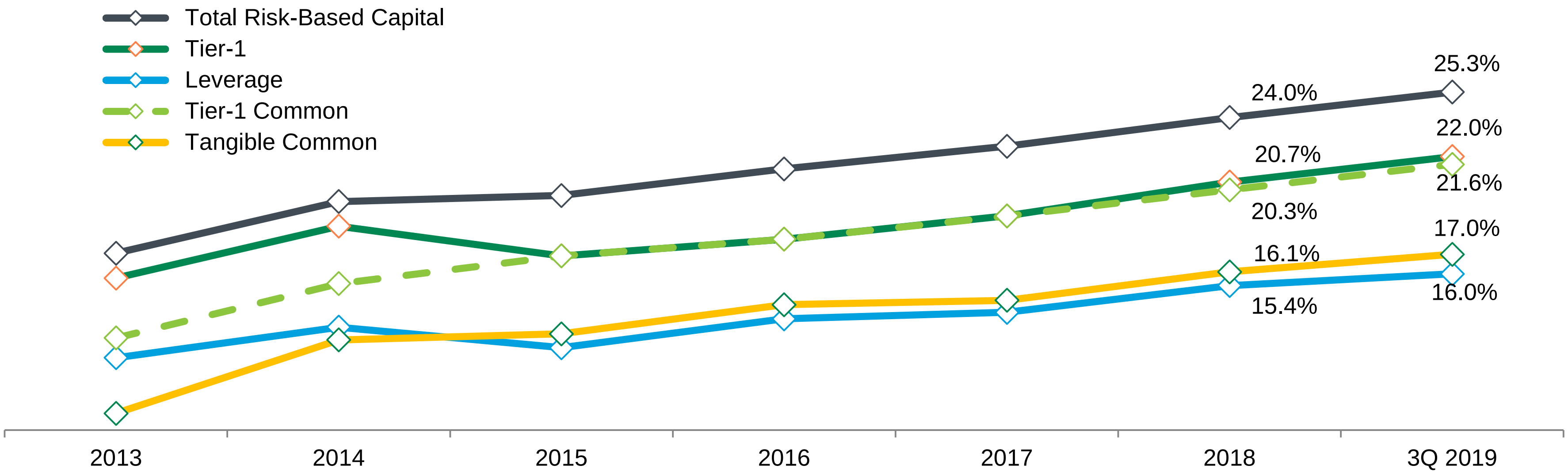
Commercial NPLs (Includes HFS)

Product	Book Value	Accum. Charge-offs	Reserves	Net Carrying Amount[1]
C&I	$19.4	$43.0	$6.5	20.8%
Const.	6.4	5.0	0.9	48.3%
CRE	50.7	27.1	7.2	55.9%
Total	**$76.5**	**$75.1**	**$14.6**	**40.9%**

[1] Net Carrying Value = % of unpaid principal balance net of reserves and accumulated charge-offs.

Earnings Continue to Drive Significant Capital Formation

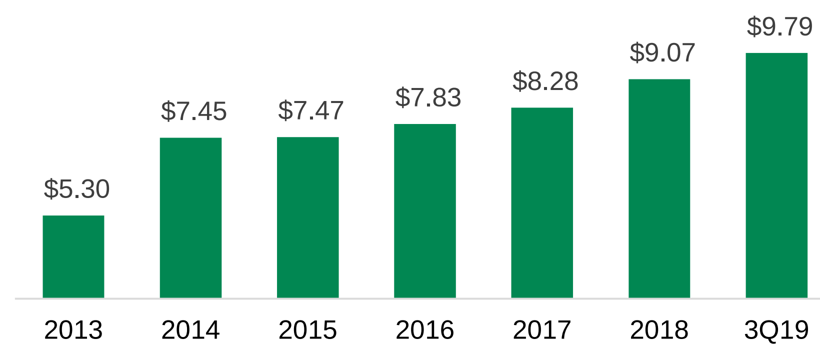
Capital Ratios (%)



Capital return for shareholders is a top priority

- Equity is valued at 108% of TBV (12/10/19) compared to the SNL bank index (187% of TBV)
- Capital ratios are among top 4% of banks above $10 billion in assets
- Capital ratios are approximately 1,000 basis points above regulatory "Well Capitalized" ratios
- Reinstated common dividend in 4Q 2018 and raised 67% to $0.05/share in 4Q 2019.

Tangible Book Value per Share



Executing for Earnings Growth

Puerto Rico

- **Opportunities for ongoing market share gains**
  - Largest opportunity on deposit products, electronic banking & transaction services
  - Growth in selected loan products for balanced risk/return to manage risk concentration and diversify income sources
  - Dislocation in Puerto Rico auto lending market providing opportunities for market share growth.

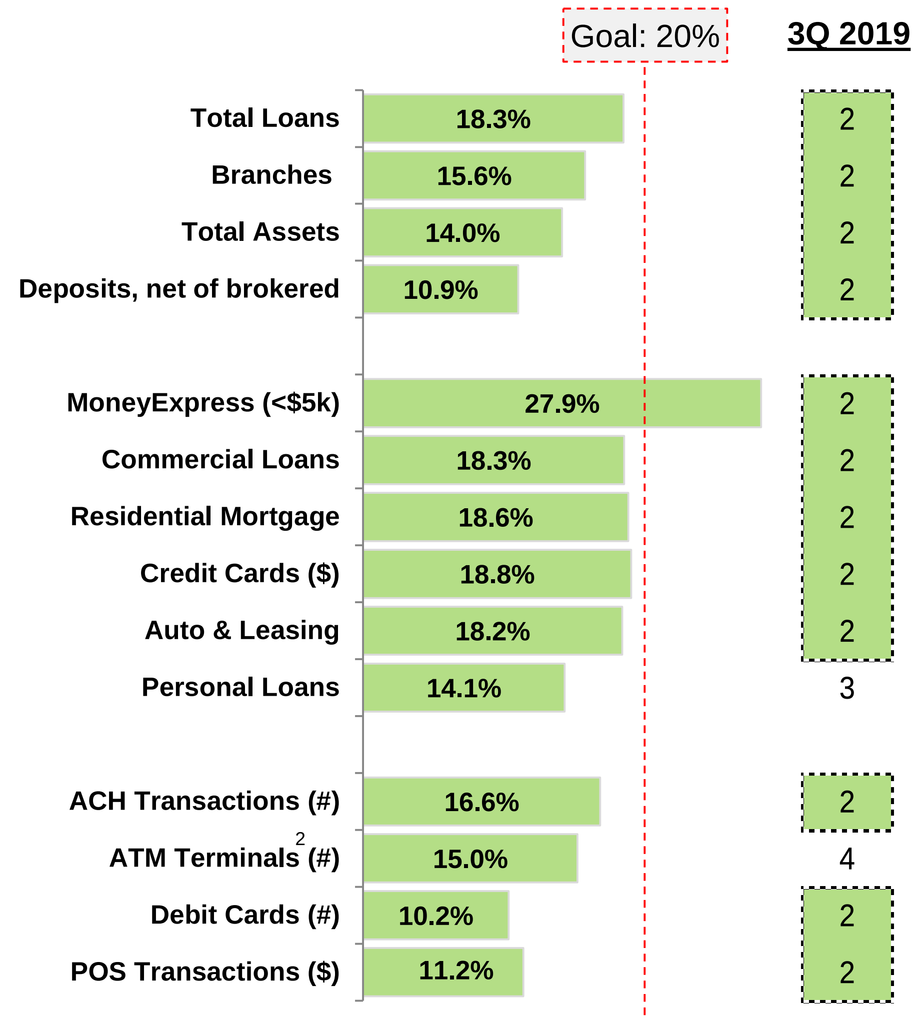
SE Florida

- **Long-term demographic trends tailwind for growth**
  - Community banking focus on core deposit growth, commercial and transaction banking with the support of a $12.5 billion balance sheet
  - Lending teams generating growth in loan portfolio

Virgin Islands

- **Solidify leadership position by further increasing customer share of wallet**

Puerto Rico Market Share[1]



[1] Source: PR Market Share Report prepared with data provided by the Commissioner of Financial Institutions of Puerto Rico as of 9/30/2019.
[2] ATM Terminals include bank owned terminals and third-party alliances.

Stronger Franchise: Proven Success Implementing Strategic Plan

- **Our business model is diverse and scalable** by segment (commercial, residential and consumer) and by unique markets (Puerto Rico, Southeast Florida & Eastern Caribbean).
- **Our equity is valued at 108% of TBV (12/10/19)** compared to the SNL bank index (187% of TBV). Our capital ratios are among top 4% of banks above $10 billion in assets. In 4Q 2018 we reinstated our common stock dividend and on October 25th, 2019 announced 67% increase to $0.05/share.
- **Successfully navigated challenging operating environment following a decade long recession.** Recent economic data and inflow of funds are supporting post storm economic recovery in our markets.
- **Leadership team is experienced, cohesive, and credible.** Dedicated to enhancing shareholder value through superior service and products for all of our customers in all of our markets.
- **Expanding presence within our main market.** Recently announced the acquisition of Banco Santander Puerto Rico. Pro forma capital ratios at close (estimated to be mid 2020) remain significantly above “well-capitalized”.

First BanCorp.

Acquisition of

Banco Santander Puerto Rico

October 21, 2019

Transaction Highlights

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- Creates a stronger competitor in Puerto Rico with the scale and breadth to better serve retail and commercial customers
- Enhances funding profile through the addition of a low-cost core deposit funding base and reduction of wholesale funding
- Deploys capital efficiently, acquiring a strong and stable earnings stream
- Expands talent bench across retail, commercial, business banking, and risk management functions and allows for increased investment in technological innovation and talent development
- Positions FirstBank for future growth supporting economic recovery and redevelopment in Puerto Rico

Overview of Banco Santander Puerto Rico ("BSPR")

BSPR Overview

- Leading full-service franchise with ~1,000 employees serving businesses and consumers across Puerto Rico
- Established in 1976 and headquartered in San Juan
- Branch network of 27 locations spanning 15 municipalities across the Island
- Full product suite across retail, commercial and business banking
- Ranked #4 in Puerto Rico across assets and deposits[1,2]

Financial Highlights ($ millions)

Balance Sheet	Assets	$ 6,173
	Gross Loans	$ 3,075
	Deposits	$ 5,041
	Common Equity	$ 1,006
	Loans / Deposits	61.0 %
Performance (Q2'19 Annualized)	ROAA	1.29 %
	ROAE	7.7 %
	Net Interest Margin	3.89 %
	Efficiency Ratio	56.1 %
Capital	TCE/TA Ratio	16.3 %
	CET1 Ratio	35.1 %
	Tier 1 Capital Ratio	35.1 %
	Total Capital Ratio	36.4 %
	Tier 1 Leverage Ratio	17.3 %

Source: S&P Global Market Intelligence, Company Filings, Commissioner of Financial Institutions of Puerto Rico.
[1] Balances as of June 30, 2019.
[2] Net of brokered deposits.

Stronger Combined Franchise

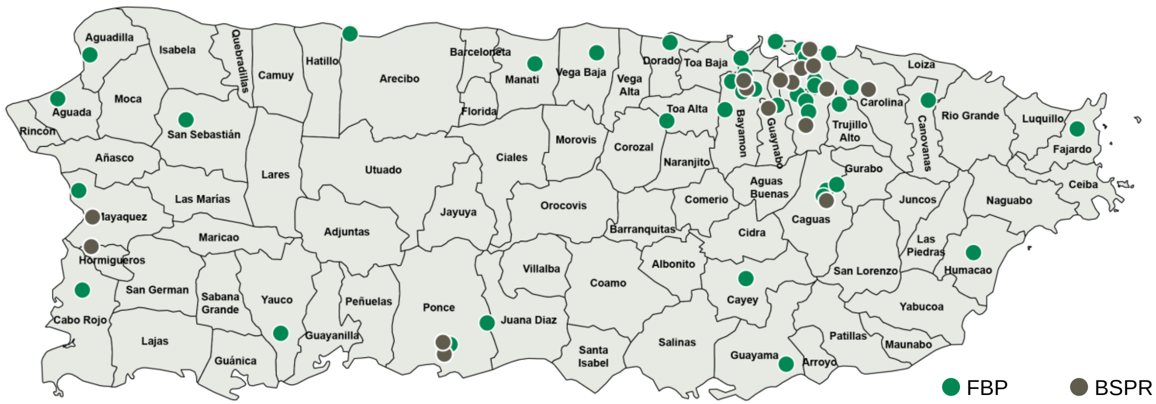
1 First BanCorp

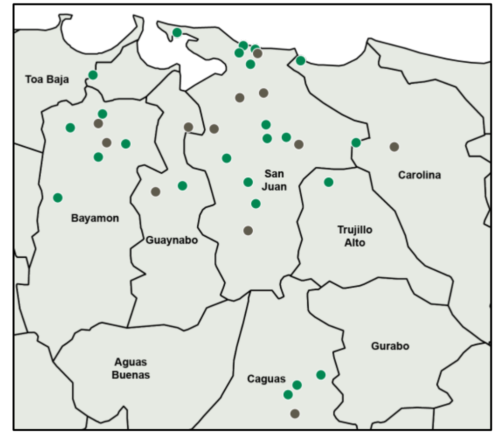
Increased Scale	$17.6bn Total Assets[1]	$12.0bn Loans[2]	#2 Rank in Puerto Rico
Enhanced Funding Profile	$14.2bn Deposits	84% Loans / Deposits[2]	$13.6bn Deposits Excluding Brokered
Improved Asset Quality	No Non-Performing Assets Acquired	2.2% NPA / Assets[1,3]	2.2% NPL / Loans[2]
Attractive Capital Deployment / Pro Forma Capital Ratios at Close (mid 2020)	~11.2% Tier 1 Leverage Ratio[4]	~15.3% CET1 Ratio[4]	~18.0% Total Risk Based Capital Ratio[4]

Source: S&P Global Market Intelligence. Financial data as of or for the quarter ending June 30, 2019, except as otherwise noted.
[1] Excludes $1.1 billion of cash to be used in transaction.
[2] Includes the impact of not acquiring: $171 million of nonaccrual loans; and $75 million JetBlue portfolio in transaction.
[3] Includes the impact of not acquiring $46 million of OREO in transaction.
[4] Pro forma capital ratios include transaction adjustments at close (middle of 2020).

Franchise Positioning

Creates a stronger competitor in Puerto Rico with over $11bn in deposits in Puerto Rico and the scale and breadth to better serve retail and commercial customers





Puerto Rico Total Assets[1] ($ billions)

	Institutions	Portfolio Balance	Market Share
1	Banco Popular	$38.8	56.6%
2	PF FirstBank (PR Only)[3]	15.0	21.8%
3	PF Oriental (PR Only)	10.6	15.4%
	FirstBank	9.9	14.5%
	Oriental Bank	6.3	9.2%
	Santander	6.2	9.0%
	Scotiabank	4.3	6.2%
4	Citibank	3.8	5.5%
5	Banco Cooperativo	0.5	0.8%
6	Banesco	0.1	0.2%
	Total	**$68.8**	**100.0%**

Puerto Rico Total Loans[1] ($ billions)

	Institutions	Portfolio Balance	Market Share
1	Banco Popular	$17.9	49.0%
2	PF FirstBank (PR Only)[4]	9.8	26.8%
	FirstBank	6.9	18.8%
3	PF Oriental (PR Only)	6.6	18.1%
	Oriental Bank	4.3	11.9%
	Santander	3.1	8.4%
	Scotiabank	2.3	6.3%
4	Citibank	0.4	1.1%
5	Banco Cooperativo	0.1	0.4%
6	Others	1.8	4.8%
	Total	**$36.6**	**100.0%**

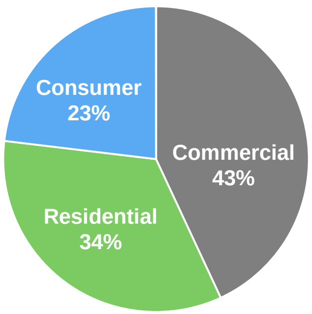
Puerto Rico Deposits[1,2] ($ billions)

	Institutions	Portfolio Balance	Market Share
1	Banco Popular	$33.8	59.6%
2	PF FirstBank (PR Only)	11.3	20.0%
3	PF Oriental (PR Only)	7.4	13.0%
	FirstBank	6.3	11.1%
	Santander	5.0	8.9%
	Oriental Bank	4.6	8.0%
4	Citibank	3.7	6.5%
	Scotiabank	2.8	5.0%
5	Banco Cooperativo	0.4	0.8%
6	Banesco	0.1	0.2%
	Total	**$56.7**	**100.0%**

Source: S&P Global Market Intelligence, Commissioner of Financial Institutions of Puerto Rico.
[1] Balances as of June 30, 2019.
[2] Net of brokered deposits.
[3] Pro forma FirstBank excludes cash to be used for the transaction.
[4] Pro forma FirstBank excludes $171 million of nonaccrual loans and $75 million JetBlue portfolio not acquired in transaction.

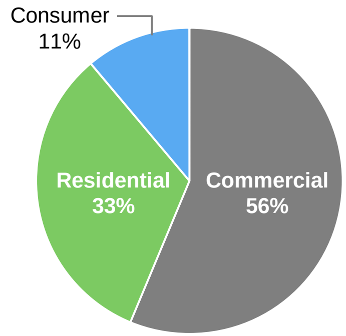
Pro Forma Loan and Deposit Composition

FBP Loan Portfolio



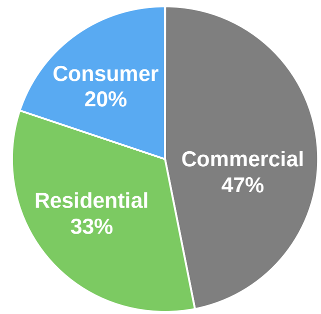
$9.2bn

BSPR Loan Portfolio



$3.1bn

Pro Forma FBP Loan Portfolio[1]

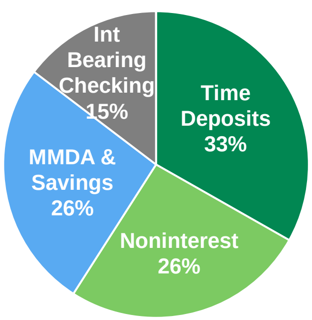


$12.0bn

Commentary

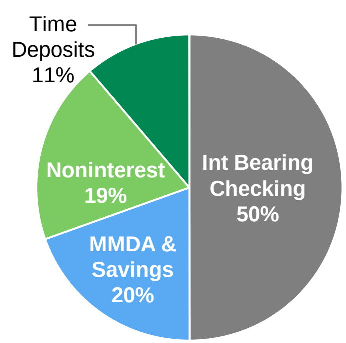
- Pro forma loan portfolio will exclude nonperforming BSPR loans (and assets) as well as the JetBlue credit card portfolio
- **Pro forma NPA/Assets ratio would fall from 3.1% to 2.2%[2]**
- Pro forma NPL/Loans ratio would fall from 2.8% to 2.2%[1]

FBP Deposit Mix



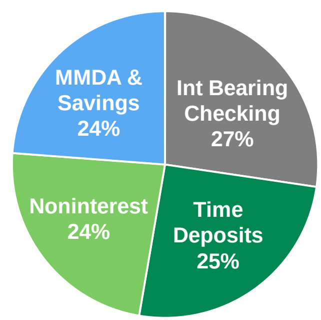
$9.2bn

BSPR Deposit Mix



$5.0bn

Pro Forma FBP Deposit Mix



$14.2bn

- **Pro forma loan to deposit ratio reduced from 100% to 84%**
- Pro forma slightly lower cost of interest-bearing deposits and improved funding mix
- Greatly expands and enhances FBP's customer base

Source: S&P Global Market Intelligence, Company Filings. Financial data as of or for the quarter ending June 30, 2019.
[1] Includes the impact of not acquiring $75 million JetBlue credit card portfolio and $171 million of non-accrual loans in transaction.
[2] Excludes $1.1 billion of cash to be used for transaction, $75 million JetBlue credit card portfolio, $171 million of nonaccrual loans, and $46 million of OREO.

Transaction Summary

Consideration	▪ 100% cash consideration
Transaction Value	▪ $425 million base purchase price, comprised of $63 million premium on $362 million of BSPR's core tangible common equity[1] ▪ $638 million excess capital[1] paid to Santander at par ▪ Purchase price subject to adjustment based on BSPR's balance sheet as of the closing date
Transaction Structure	▪ No nonaccrual loans ($171 million) or OREO ($46 million) acquired in transaction[1] ▪ JetBlue credit card portfolio ($75 million) excluded from transaction[1]
Transaction Multiples	▪ 1.175x base purchase price / core tangible common equity ▪ 7.2x base purchase price / adjusted LTM June 30, 2019 net income[2]
Earnings Per Share (EPS) Accretion	▪ ~35% accretion to 2020 consensus EPS estimate of $0.81/share (assuming fully-phased in BSPR earnings, cost savings and transaction adjustments)
Tangible Book Value Per Share (TBVPS) Dilution	▪ ~(7)% dilutive to TBV/share ▪ ~2.6 year earnback using the crossover method
Internal Rate of Return	▪ ~20% IRR
Closing	▪ Expected middle of 2020 (pending receipt of all necessary regulatory approvals)

[1] *As of June 30, 2019.*
[2] *Assumed pre-tax yield of 2.0% on excess capital of $638 million for an adjusted LTM net income of $59 million (30% tax rate).*

Transaction Assumptions

1 First BanCorp

Cost Saves	▪ ~$48 million (pre-tax) or ~35% of BSPR's LTM 6/30/19 non-interest expense excluding OREO expense ▪ 25% realized in 2020, 100% thereafter
Durbin Amendment	▪ ~$(4) million (pre-tax)
Loan Mark	▪ Gross loan mark of 5.9%
Goodwill and Intangibles	▪ Core Deposit Intangible: 1.5% of core deposits amortized over 7 years using sum-of-the-years digits ("SYD") ▪ Purchased Credit Card Relationships intangible of 3.0% of credit card portfolio amortized over 7 years SYD
Restructuring Expenses	▪ ~$76 million (pre-tax) ▪ 50% phased in at close, 50% phased in during 2021
Due Diligence	▪ Comprehensive review of BSPR operations completed across ten separate due diligence tracks led by senior leadership at FBP ▪ Key functions covered included finance and accounting, legal, compliance, IT and banking operations, enterprise risk management, deposits, credit quality, human resources, real estate, and audit ▪ Conducted detailed loan file review resulting in approximately 80% coverage of commercial portfolios

Potential Financial Impact of CECL

1First BanCorp

Overview

- General purchase accounting rules for business combinations require that all loans be marked at fair value
- Under CECL, the loan portfolio will be separated into Purchase Credit Deteriorated (“PCD”) loans and Non-Purchase Credit Deteriorated (“Non-PCD”) loans
- PCD loans will be marked at fair value with no additional allowance for credit losses established on day one
- Non-PCD loans will also be marked at fair value. In addition, an allowance for credit losses will be established which results in a duplicate impact on day one. The Non-PCD mark will be accreted back through income over the life of loan

Estimated Impact of CECL on Transaction

- Using as a basis the results of the fair market value assessment of the loan portfolios, the following is the estimated impact of CECL:

Non-PCD Allowance Impact	**$45-55 million pre-tax impact;** **$28-34 million after-tax impact**
EPS Impact	**Double impact of the marks on Non-PCD loans will be accreted to income over the life of the loans (estimated 3-5 years)**
TBVPS Dilution	**(1.6)-(1.9)% change to TBVPS dilution**

Exhibits

Third Quarter 2019 Highlights

Profitability	▪ 3Q 2019 net income of \$46.3 million, or \$0.21 per diluted share. Adjusted 3Q 2019 net income of \$44.7 million, or \$0.20 per diluted share, compared to 2Q 2019 adjusted net income of \$40.8 million, or \$0.18 per diluted share. ▪ Adjusted pre-tax, pre-provision income of \$70.2 million, compared to \$71.0 million for 2Q 2019. ▪ Net interest income increased \$1.9 million compared to 2Q 2019 and our margin is 4.89%.
Loan Portfolio	▪ Loan originations and renewals were strong at \$1.15 billion this quarter. ▪ Loan portfolio decreased by \$136.7 million, to \$9.0 billion, due in large part to the payoffs of two large criticized commercial mortgage loans and a large \$32 million nonperforming loan repayment. ▪ Consumer portfolio grew \$86.8 million, primarily in auto loans, finance leases and personal loans in Puerto Rico.
Asset Quality	▪ Total NPAs decreased by \$52.0 million to \$332.1 million, or 2.65% of assets, in 3Q 2019. ▪ Provision for loan and lease losses decreased by \$5.1 million to \$7.4 million compared to 2Q 2019. ▪ Credit quality improved in almost every asset class in 3Q 2019.
Core Deposits	▪ Deposits, net of government and brokered certificates of deposits (CDs), decreased \$38.2 million to \$7.6 billion as of 3Q 2019. ▪ Government deposits increased by \$21.6 million to \$1.1 billion as of 3Q 2019, reflecting an increase of \$38.8 million in the ECR offset by a decrease of \$17.2 million in Puerto Rico. ▪ Brokered CDs decreased by \$32.7 million to \$483.0 million in 3Q 2019.
Capital	▪ 3Q 2019 capital position: – Total Risk Based Capital Ratio of 25.27%; – Common Equity Tier 1 Capital Ratio of 21.61% – Tier 1 Ratio Risk Based Capital Ratio of 22.02%; and – Leverage Ratio of 16.04%. ▪ Tangible book value per common share of \$9.79 compared to \$9.57 in 2Q 2019.

Franchise History

1 First BanCorp

Our turnaround story

June 2010: Written Agreement with the FED and Consent Order with FDIC.

August 2010: Exchange of 89% Perpetual Preferred Stock for Common.

October 2011: Private placement of $525 million in common stock. Lead investors included Thomas H. Lee & Oaktree.

May 2012: Acquisition of a $406 million portfolio of FirstBank-branded credit cards from FIA.

August 2013: Completed secondary offering reducing ownership interest of US Treasury & PE Investors.

Sept 2014: UST on 9/9 announced its written trading plan, which it will be selling its position in FBP.

April 2015: FDIC lifted Consent Order.

During 1Q UST sold 5.0 mm shares. Ownership at 4.8%.

Jan 2016: Repurch. $10 million of trust preferred securities resulting in a $4.2 mm gain.

June 2016: Brought current interest on trust pref. secs.

Oct 2016: DFAST results; exceed well-cap ratios.

Aug 2017: Completed secondary offering reducing PE ownership to 4.6% each.

Oct 2017: Written Agreement with Federal Reserve lifted.

Nov 2018: Re-instated Common Dividend

2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018

July 2010: The U.S. Treasury exchanged TARP preferred for convertible preferred.

Feb 2011: Sale of NPLs with book value of $269 million.

Feb-April 2011: Sale of $330 million of MBS and $518 mm of performing residential mortgages.

October 2011: Conversion of the preferred held by the U.S. Treasury into 32.9 mm shares of common stock.

March 2013: Sale of NPLs w/ BV of $218 mm & entered separate agreements for sale of NPLs with a book value of $99mm.

June 2013: Write-off of $66.6 mm collateral pledged to Lehman, sale of NPLs with book value of $203.8 mm and $19.2 mm of OREO.

Dec 2014: Partial recapture of DTA Valuation Allowance of $303 mm.

UST sold 4.4 mm shares. Ownership at 7.7%.

Feb 2015: Acquired 10 branches, over $500 mm in deposits & $325 mm of resi. mort. loans from FDIC as receiver for Doral.

May 2015: Sold $150 mm classified assets.

June 2015: DFAST results; severely-adv. scenario FBP exceeds well-capitalized threshold.

Dec 2016: Completed secondary offering reducing PE ownership to 14.5% each.

Feb 2017: Secondary offering reducing PE ownership to 9.2% each.

May 2017: UST sold remaining shares FBP.

Feb 2018: $2.3 mm gain on the repurchase and cancellation of $23.8 million in trust preferred securities.

($ in millions)

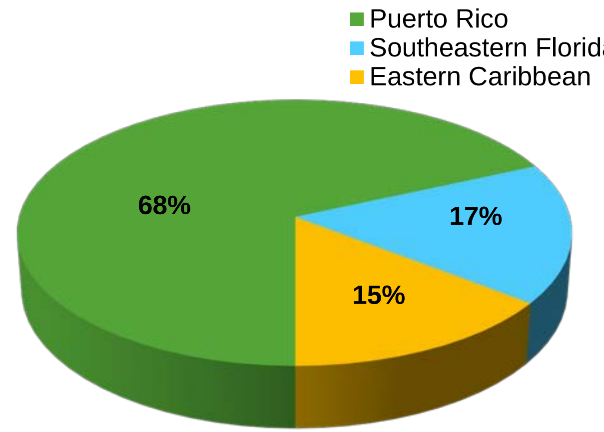
		2009	3Q 2019	Change ('09-'19)	% improvement
De-Risking of Balance Sheet	NPAs	$1,711	$332	$1,379	81%
	NPAs/assets	8.7%	2.7%	606 bps	
	Government exposure	$1,364	$205	$1,159	85%
Building Capital	Tier 1 Common Ratio	4.1%	21.6%	1751 bps	162%
	TCE / TA	3.2%	17.0%	1383 bps	152%
Enhanced Franchise Value	Core deposits	$5,108	$8,650	$3,542	69%
	Brokered deposits	$7,561	$483	$7,078	94%
	NIM	2.69%	4.89%	220 bps	

Diversity in Core Franchise

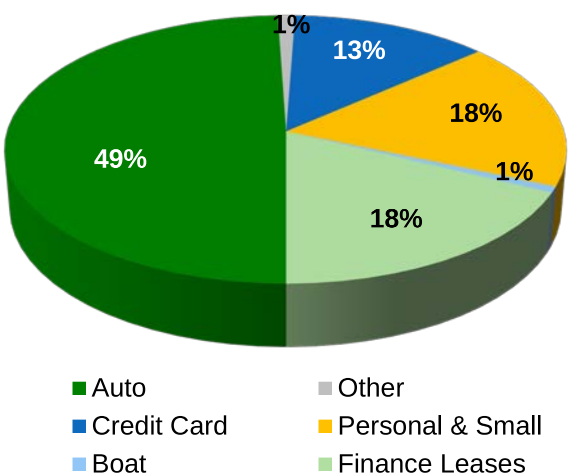
Strengthening geographic and line of business diversification

- Our well-diversified business model within commercial, consumer and residential across three unique regions allows us to be agile when responding to growth opportunities
- Line of business diversification: Commercial represents 42%, residential represents 33% and consumer represents 25% of the total loan portfolio
- Geographic diversification:
  - Revenue[1]: 84% Puerto Rico; 10% Florida; and 6% ECR
  - Loan Portfolio: 74% Puerto Rico; 21% Florida; and 5% ECR
  - Total Deposits: 68% Puerto Rico; 17% Florida; and 15% ECR

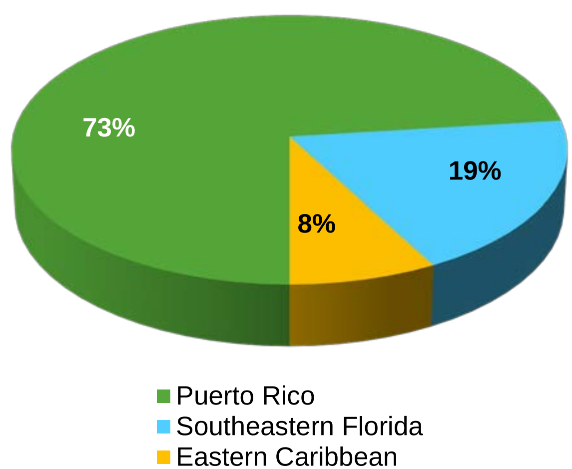
3Q 2019 Total Deposits by Geography



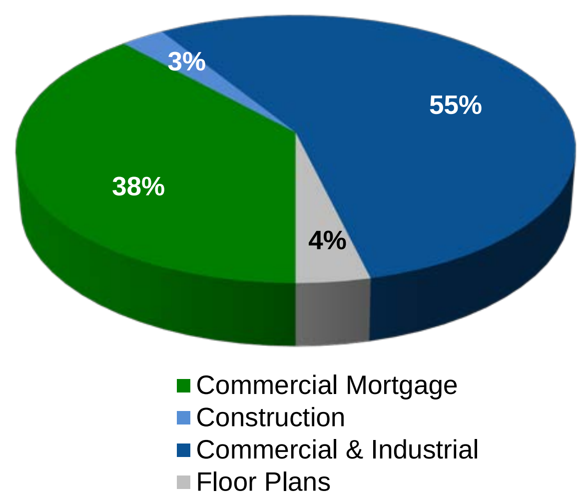
3Q 2019 Consumer Loan Composition



3Q 2019 Residential Loans by Geography



3Q 2019 Commercial Loan Composition



[1] *YTD June 30, 2019. Revenue includes interest income and non interest income 6/30/19 10-Q Note 24.*

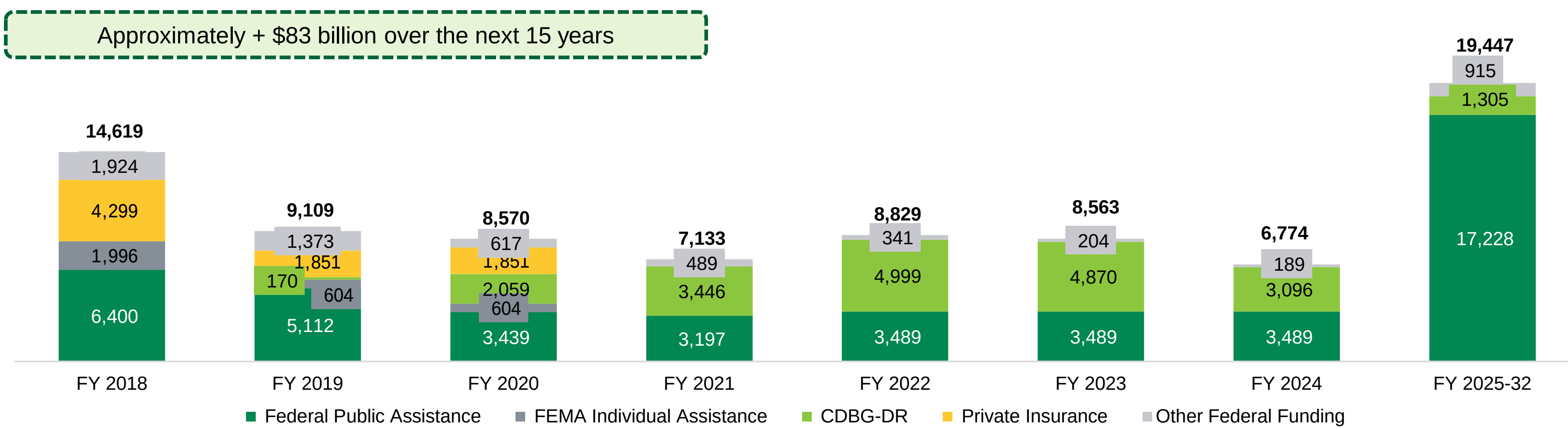
Significant Projected Inflow of Disaster-related Funds

1 First BanCorp

- New Fiscal Plan certified by the Financial Oversight and Management Board for Puerto Rico on May 9, 2019.
  - Recent government reports suggest that approximately $83 billion in federal aid and private insurance disbursements will impact the Puerto Rico economy over the next 15 years.
  - The 2019 Fiscal Plan prioritizes ongoing improvements in various sectors such as healthcare, education, firefighters, and forensics institute, which they will invest $1.5 billion in the foreseeable future. Moreover, it aims to improve public safety by investing more than $512 million in Police compensation and equipment.
  - Changes over the Certified October 23, 2018 Fiscal Plan include:
    - Updating various macroeconomic fields, such as population, GNP, expenses, and revenues as well as a slower disaster funding recovery disbursement
    - Updates on implementation processes such as power reform, ease of doing business, among others
    - Security investments including revised pension expenditures
    - Updated Medicaid enrollments
    - Provides perspective on surplus potentially inaccessible to the Commonwealth

Federal Aid and Private Insurance Disbursements

($ in millions)



Source: New Fiscal Plan for Puerto Rico "Restoring Growth and Prosperity" – As certified by the Financial Oversight and Management Board for Puerto Rico – May 9, 2019

Third Quarter 2019 Highlights: PR GOVERNMENT EXPOSURE

1 First BanCorp

($ in millions)

- As of September 30, 2019, the Corporation had $204.8 million of direct exposure to the Puerto Rico Government, compared to $213.5 million as of June 30, 2019.
  - 89% of direct government exposure is to municipalities, which are supported by assigned property tax revenues.

Government Unit	Source of Repayment		Total Outstanding
PR Securities			$ 8.3
Municipalities:			$ 182.5
Securities	Property Tax Revenues	138.7	
Loans		43.8	
Public Corporations:			$ 14.0
1 Loan	CRE - Operating Revenues	14.0	
Total Direct Government Exposure			**$ 204.8**

- As of September 30, 2019, the Corporation had $768.2 million of public sector deposits in Puerto Rico, compared to $785.4 million as of June 30, 2019.
  - Approximately 39% is from municipalities in Puerto Rico and 61% is from public corporations and the central government and agencies in Puerto Rico.

Government Unit	Time Deposits	Transaction Accounts	Total
Municipalities	$ 59.5	$ 243.9	$ 303.4
Municipal Agency	-	-	-
Public Agencies	70.6	393.5	464.1
Public Corporations	-	0.7	0.7
Total Deposits	**$ 130.1**	**$ 638.1**	**$ 768.2**

NPL MIGRATION

($ in 000)

	September 30, 2019					
	Residential Mortgage	Commercial Mortgage	Commercial & Industrial	Construction	Consumer	Total
Beginning balance	**$ 129,501**	**$ 84,639**	**$ 21,327**	**$ 6,936**	**$ 17,846**	**$ 260,249**
Plus:						
Additions to non-performing	14,771	522	1,473	221	14,862	31,849
Less:						
Non-performing loans transferred to OREO	(5,689)	(235)	-	(359)	-	(6,283)
Non-performing loans charged-off	(2,990)	(462)	(367)	(30)	(10,051)	(13,900)
Loans returned to accrual status / collections / paid-off	(8,553)	(33,743)	(2,998)	(410)	(3,078)	(48,782)
Reclassification	-	(1,290)	1,290	-	-	-
Ending balance	**$ 127,040**	**$ 49,431**	**$ 20,725**	**$ 6,358**	**$ 19,579**	**$ 223,133**

	June 30, 2019					
	Residential Mortgage	Commercial Mortgage	Commercial & Industrial	Construction	Consumer	Total
Beginning balance	**$ 132,049**	**$ 100,573**	**$ 22,507**	**$ 7,700**	**$ 17,330**	**$ 280,159**
Plus:						
Additions to non-performing	11,709	231	598	76	10,607	23,221
Less:						
Non-performing loans transferred to OREO	(4,445)	(180)	(13)	(151)	(30)	(4,819)
Non-performing loans charged-off	(2,507)	(11,672)	(339)	(15)	(8,032)	(22,565)
Loans returned to accrual status / collections / paid-off	(7,305)	(4,313)	(1,426)	(674)	(2,029)	(15,747)
Ending balance	**$ 129,501**	**$ 84,639**	**$ 21,327**	**$ 6,936**	**$ 17,846**	**$ 260,249**

Use of Non-GAAP Financial Measures

Basis of Presentation

Use of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Non-GAAP financial measures are used when management believes they will be helpful to an understanding of the Corporation's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation of the non-GAAP financial measure to the comparable GAAP financial measure, can be found in the text or in the attached tables to this earnings release. Any analysis of these non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP.

Tangible Common Equity Ratio and Tangible Book Value per Common Share

The tangible common equity ratio and tangible book value per common share are non-GAAP financial measures generally used by the financial community to evaluate capital adequacy. Tangible common equity is total equity less preferred equity, goodwill, core deposit intangibles, and other intangibles, such as the purchased credit card relationship intangible and the insurance customer relationship intangible. Tangible assets are total assets less goodwill, core deposit intangibles, and other intangibles, such as the purchased credit card relationship intangible and the insurance customer relationship intangible. Management and many stock analysts use the tangible common equity ratio and tangible book value per common share in conjunction with more traditional bank capital ratios to compare the capital adequacy of banking organizations with significant amounts of goodwill or other intangible assets, typically stemming from the use of the purchase method of accounting for mergers and acquisitions. Accordingly, the Corporation believes that disclosures of these financial measures may be useful also to investors. Neither tangible common equity nor tangible assets, or the related measures should be considered in isolation or as a substitute for stockholders' equity, total assets, or any other measure calculated in accordance with GAAP. Moreover, the manner in which the Corporation calculates its tangible common equity, tangible assets, and any other related measures may differ from that of other companies reporting measures with similar names.

(In thousands, except ratios and per share information)	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Tangible Equity:					
Total equity - GAAP	$ 2,200,595	$ 2,152,976	$ 2,100,457	$ 2,044,704	$ 1,927,415
Preferred equity	(36,104)	(36,104)	(36,104)	(36,104)	(36,104)
Goodwill	(28,098)	(28,098)	(28,098)	(28,098)	(28,098)
Purchased credit card relationship intangible	(4,137)	(4,659)	(5,180)	(5,702)	(6,276)
Core deposit intangible	(3,695)	(3,903)	(4,096)	(4,335)	(4,585)
Insurance customer relationship intangible	(508)	(546)	(584)	(622)	(661)
Tangible common equity	**$ 2,128,053**	**$ 2,079,666**	**$ 2,026,395**	**$ 1,969,843**	**$ 1,851,691**
Common shares outstanding	**217,361**	**217,328**	**217,332**	**217,235**	**217,241**
Tangible common equity ratio	**17.03%**	**16.64%**	**16.42%**	**16.14%**	**15.22%**
Tangible book value per common share	**$ 9.79**	**$ 9.57**	**$ 9.32**	**$ 9.07**	**$ 8.52**

Use of Non-GAAP Financial Measures

1 First BanCorp

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Adjusted Pre-Tax, Pre-Provision Income

Adjusted pre-tax, pre-provision income is a non-GAAP performance metric that management uses and believes that investors may find useful in analyzing underlying performance trends, particularly in times of economic stress. Adjusted pre-tax, pre-provision income, as defined by management, represents net income (loss) excluding income tax expense (benefit), the provision for loan and lease losses, as well as certain items that management believes are not reflective of core operating performance or that are not expected to reoccur with any regularity or reoccur at uncertain times and amounts. This metric is income before income taxes adjusted to exclude the provision for loan and lease losses, gains or losses on sales of investment securities and impairments, and fair value adjustments on derivatives. In addition, from time to time, earnings are adjusted also for items that management believes are not reflective of core operating performance or that are not expected to reoccur with any regularity or reoccur at uncertain times and amounts.

Pre-Tax, Pre-Provision Income

(Dollars in thousands)

	Quarter Ended				
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Income before income taxes	$ 65,595	$ 59,298	$ 60,932	$ 59,886	$ 48,655
Add: Provision for loan and lease losses	7,398	12,534	11,820	7,649	11,524
Add/(Less): Net loss (gain) on investments and impairments	497	-	-	84	-
Less: Accelerated discount accretion due to early payoff of acquired loan	(2,953)	-	-	-	-
Less: Employee retention benefit - Disasater Tax Relief and Airport Extension Act of 2017	-	-	(2,317)	-	-
Less: Benefit from hurricane-related insurance recoveries	(379)	(820)	-	-	(478)
Add: Hurricane-related expenses	-	-	-	-	533
Adjusted pre-tax, pre-provision income	$ 70,158	$ 71,012	$ 70,435	$ 67,619	$ 60,234
Change from most recent prior quarter (amount)	$ (854)	$ 577	$ 2,816	$ 7,385	$ (1,147)
Change from most recent prior quarter (percentage)	-1.2%	0.8%	4.2%	12.3%	-1.9%

Use of Non-GAAP Financial Measures

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The financial results include the following significant items that management believes are not reflective of core operating performance, are not expected to reoccur with any regularity or may reoccur at uncertain times and in uncertain amounts (the "Special Items"):

Quarter ended September 30, 2019

A $3.0 million ($1.8 million after-tax) positive effect in earnings related to the accelerated discount accretion from the payoff of a commercial mortgage loan.

A $0.4 million ($0.2 million after-tax) benefit resulting from hurricane-related insurance recoveries related to repairs and maintenance costs incurred on facilities in the U.S. Virgin Islands.

A $0.5 million OTTI charge on private label MBS recorded in the tax-exempt international banking entity subsidiary.

Quarter ended June 30, 2019

A $0.8 million ($0.5 million after-tax) benefit resulting from hurricane-related insurance recoveries related to impairments, repairs and maintenance costs incurred on facilities in the British Virgin Islands.

Quarter ended September 30, 2018

A $2.7 million ($1.7 million after-tax) positive effect in earnings related to a $2.8 million net loan loss reserve release resulting from revised estimates of the hurricane-related qualitative reserves associated with the effects of Hurricanes Irma and Maria, primarily related to consumer loans, and a $0.5 million gain from hurricane-related insurance proceeds resulting from insurance recoveries in excess of fixed assets impairment charges, partially offset by $0.5 million of hurricane-related expenses recorded in the third quarter of 2018.

Use of Non-GAAP Financial Measures

Basis of Presentation

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The following table the reported net income to adjusted net income, a non-GAAP financial measure that excludes the Special Items identified on page 32 as well as gains or losses on sales of investment securities and impairments:

Adjusted net income (Non-GAAP)

(In thousands, except per share information)	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended September 30, 2018
Net income, as reported (GAAP)	**$ 46,327**	**$ 41,287**	**$ 36,323**
Adjustments:			
Accelerated discount accretion due to early payoff of acquired loan	(2,953)	-	-
OTTI on debt securities	497	-	-
Hurricane-related loan loss reserve release	-	-	(2,781)
Hurricane-related expenses	-	-	533
Benefit from hurricane-related insurance recoveries	(379)	(820)	(478)
Income tax impact of adjustments (1)	1,250	308	1,063
Adjusted net income (Non-GAAP)	**$ 44,742**	**$ 40,775**	**$ 34,660**
Preferred stock dividends	(669)	(669)	(669)
Adjusted net income attributable to common stockholders (Non-GAAP)	$ 44,073	$ 40,106	$ 33,991
Weighted-average diluted shares outstanding	$ 217,227	216,978	216,775
Earnings Per Share - diluted (GAAP)	**$ 0.21**	**$ 0.19**	**$ 0.16**
Adjusted Earnings Per Share - diluted (Non-GAAP)	**$ 0.20**	**$ 0.18**	**$ 0.16**