



Asset/Liability Committee Charter (Annual review on March 19, 2026)

This Asset/Liability Committee Charter was adopted by the Board of Directors (the “Board”) of First BanCorp. (the “Corporation”) on February 6, 2014 (this charter supersedes any previous Asset/Liability Committee Charter approved by the Board).

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

I. PURPOSE

The Asset/Liability Committee (the “Committee”) of the Corporation is appointed by the Board of the Corporation to assist the Board in its oversight of the Corporation’s policies related to asset and liability management (the “ALM”) relating to (i) funds management, (ii) investment management, (iii) liquidity, (iv) interest rate risk management, and (v) the use of derivatives. In doing so, the Committee’s primary functions involve the oversight of:

- The establishment of a process to enable the identification, assessment, and management of risks that could affect the Corporation’s ALM;
- The identification of the Corporation’s risk tolerance levels for yield maximization related to its ALM; and
- The evaluation of the adequacy, effectiveness and compliance with the Corporation’s risk management process related to the Corporation’s ALM, including management’s role in that process.
- Oversight of alignment between ALM practices and the Corporation’s Risk Appetite Statement, and regulatory expectations related to liquidity and interest rate risk.
- Oversight of contingency funding planning and stress-testing assumptions as they relate to ALM.

The Board, with the assistance of the Committee, the Risk Committee, the Credit Committee, and the Audit Committee of the Corporation, oversees the Corporation’s overall risk management process as detailed in their respective Committee charters.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to be “independent” in accordance with applicable listing standards of the New York Stock Exchange and the Corporation’s Independence Principles for Directors, and the Corporation’s Chief Executive Officer, Chief Financial Officer, Treasurer, and Chief Risk Officer.

Each member of the Committee shall, in the judgment of the Board, have the experience and understanding necessary to evaluate the reports and other information presented to the Committee commensurate to fulfilling his/her responsibilities.

The members of the Committee shall be nominated by the Corporate Governance and Nominating Committee and appointed by the Board; and shall serve for such term as the Board determines or until their successors are elected or appointed or until their death, resignation or removal. Committee members may be replaced by a majority vote of the Board. The Corporate Governance and Nominating Committee of the Corporation will recommend, and the Board will designate one member of the Committee to serve as the Chairman of the Committee.

III. COMMITTEE MEETINGS

The Committee shall meet as often as it may deem necessary and appropriate to carry out its roles and responsibilities, but in no event less than four (4) times per year. Meetings may be called out by the Chairman of the Committee or the Chairman of the Board. All meetings of and other actions by the Committee shall be held or otherwise taken pursuant to the Corporation's bylaws, including bylaw provisions governing notices of meetings, waivers thereof, and other related matters.

Only non-management members of the Committee shall have the right to vote on matters that require the Committee's approval. Management directors and other attendees may participate in discussion but shall not have voting rights.

The Chairman of the Committee shall be responsible for scheduling all meetings of the Committee and, together with other members of the Committee and management as appropriate, developing a written agenda for each meeting. The Chairman shall preside at the meetings of the Committee. In the absence of the Chairman, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting. The Committee may from time to time delegate to its Chair or form and delegate to subcommittees certain powers or responsibilities that the Committee itself may have hereunder, but such delegation shall not be permitted if the authority is required by law, regulation, or listing standard to be exercised by the Committee as a whole.

The Committee shall keep written minutes of meetings, which shall be maintained in the books and records of the Corporation.

The Committee may request that any director, officer, or employee of the Corporation, or other persons whose advice and counsel are or have been sought by the Committee or the Corporation, attend any meeting to provide such information as the Committee requests.

The Committee has the authority to conduct any investigation and access any officer, employee or agent of the Corporation appropriate to fulfilling its duties and responsibilities. The Committee shall have full access to any relevant records of the Corporation and have the power and authority to obtain, at its discretion, advice and assistance from internal or external financial, legal, accounting or other advisors, and to hire and compensate external advisors at the Corporation's expense. The Corporation shall provide appropriate funding for the Committee to retain any such advisors without requiring the Committee to seek Board approval.

IV. DUTIES AND RESPONSIBILITIES

A. Relationship with the Risk Committee of the Board

The Committee shall work with the Risk Committee as requested by the Board to ensure that the Corporation's risk management process related to ALM is of the proper scope and functioning effectively.

B. Policies

The Committee shall oversee management's establishment of the Treasury and Investment Policies governing the Corporation's risk management process related to the Corporation's ALM and recommend to the Board the approval of the following policies:

- Investment Portfolio Management;
- Liquidity Risk Management;
- Liquidity and Funds Management Plan;
- Interest Rate Risk Management;
- Derivatives; and
- Mortgage Secondary Markets Hedging;

Management shall be responsible for the establishment of procedures for implementing, and monitoring, and enforcing compliance with the Corporation's above policies.

C. General Oversight Functions

The Committee shall meet periodically with the Corporation's management, to assess and manage the Corporation's risks management process related to the Corporation's ALM. Corporate management committees for such processes include:

- Management Investments & Asset-Liability Committee
- The Risk Management Executive Council (together, the "Management Committees").

These meetings shall be held to discuss and review the Corporation's policies related to ALM and the Corporation's compliance with such policies.

The Committee shall regularly obtain from the Corporation's management and the Management Committees information and reports concerning the following matters related to ALM:

- The Corporation's policies on asset and liability management;
- The Corporation's liquidity position and liquidity stress testing;
- The Corporation's deposit concentration risks;
- The forecasted sensitivity of the Corporation's earnings under various interest rate scenarios;
- The status of the securities portfolio and end-user derivatives portfolio, including performance, appreciation or depreciation, quality, maturity, and actions taken;
- Trends in the general economy and interest rate scenarios, including their impact on the Corporation's earnings; and
- Information related to compliance with both external regulations and internal policies regarding ALM.

The Committee shall periodically obtain from the Corporation's management and the Management Committees information and reports, as deemed appropriate, concerning the following matters related to market risk:

- The Corporation's policies related to market risk management;
- Market risk resulting from the Corporation's trading activity, if any;
- Trends affecting the various markets and products to which the Corporation has exposure; and
- Information related to compliance with both external regulations and internal policies regarding market risk management.

The Committee shall provide status reports to the Board related to risk management consistent with the provisions of this charter and take such actions as it deems necessary to encourage improvement and adherence to the Corporation's risk management processes related to ALM at all levels of the Corporation.

V. EVALUATIONS AND REPORTS

The Committee shall evaluate its own performance on an annual basis, including reviewing the Committee's compliance with this charter, and develop criteria for such evaluation. The performance evaluation should also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee may be conducted in any manner that the Committee deems appropriate but shall address, at a minimum, the adequacy, appropriateness, and quality of the information and recommendations provided by the Committee to the Board, the manner in which it was discussed, and whether the Committee was able to complete its work in an effective manner. Results of this evaluation will be reported to the Board and such reports may be made orally by the Chairman of the Committee or any other member of the Committee designated by the Committee.

Reports of actions taken at meetings or approved by consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee Chairman or his/her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by any recommendations from the Committee to the Board.

The Committee shall annually review and assess the adequacy of its charter and recommend any proposed changes to the Board for its approval. The Committee may recommend amendments to this Charter at any time and submit amendments for approval to the Board.