Financial Results
3Q 2015

1 First BanCorp

Forward-Looking Statements

1 First BanCorp

This presentation contains "forward-looking statements" concerning First BanCorp's (the "Corporation") future economic performance. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "expect," "anticipate," "look forward," "should," "believes" and similar expressions are meant to identify "forward-looking statements" within the meaning of Section 27A of the Private Securities Litigation Reform Act of 1995, and are subject to the safe harbor created by such section. The Corporation wishes to caution readers not to place undue reliance on any such "forward-looking statements," which speak only as of the date made, and to advise readers that various factors, including, but not limited to, uncertainty about whether the Corporation and FirstBank Puerto Rico ("FirstBank" or "the Bank") will be able to fully comply with the written agreement dated June 3, 2010 that the Corporation entered into with the Federal Reserve Bank of New York (the "FED") and the order dated June 2, 2010 (the "Order")that FirstBank entered into with the FDIC and the Office of the Commissioner of Financial Institutions of Puerto Rico that, among other things, require FirstBank to maintain certain capital levels and reduce its special mention, classified, delinquent and non-performing assets; the risk of being subject to possible additional regulatory actions; uncertainty as to the availability of certain funding sources, such as retail brokered CDs; the Corporation's reliance on brokered CDs and its ability to obtain, on a periodic basis, approval from the FDIC to issue brokered CDs to fund operations and provide liquidity in accordance with the terms of the Order; the risk of not being able to fulfill the Corporation's cash obligations or resume paying dividends to the Corporation's stockholders in the future due to the Corporation's inability to receive approval from the FED to receive dividends from FirstBank or FirstBank's failure to generate sufficient cash flow to make a dividend payment to the Corporation; the strength or weakness of the real estate markets and of the consumer and commercial credit sectors and their impact on the credit quality of the Corporation's loans and other assets, including the Corporation's construction and commercial real estate loan portfolios, which have contributed and may continue to contribute to, among other things, the high levels of non-performing assets, charge-offs and the provision expense and may subject the Corporation to further risk from loan defaults and foreclosures; adverse changes in general economic conditions in the United States and in Puerto Rico, including the interest rate scenario, market liquidity, housing absorption rates, real estate prices and disruptions in the U.S. capital markets, which may reduce interest margins, impact funding sources and affect demand for all of the Corporation's products and services and the value of the Corporation's assets; an adverse change in the Corporation's ability to attract new clients and retain existing ones; a decrease in demand for the Corporation's products and services and lower revenues and earnings because of the continued recession in Puerto Rico and the current fiscal problems and budget deficit of the Puerto Rico government; uncertainty about regulatory and legislative changes for financial services companies in Puerto Rico, the United States and the U.S. and British Virgin Islands, which could affect the Corporation's financial performance and could cause the Corporation's actual results for future periods to differ materially from prior results and anticipated or projected results; uncertainty about the effectiveness of the various actions undertaken to stimulate the United States economy and stabilize the United States' financial markets, and the impact such actions may have on the Corporation's business, financial condition and results of operations; changes in the fiscal and monetary policies and regulations of the federal government, including those determined by the Federal Reserve System, the 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 further 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 expense; risks of not being able to recover the assets pledged to Lehman Brothers Special Financing, Inc.; the impact on the Corporation's results of operations and financial condition associated with acquisitions and dispositions; a need to recognize additional impairments on financial instruments or goodwill relating to acquisitions; risks 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 of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the Corporation's businesses, business practices and cost of operations; 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. Investors should refer to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2013 for a discussion of such factors and certain risks and uncertainties to which the Corporation is subject.

Agenda

1 First BanCorp

- **Third Quarter 2015 Highlights**
  Aurelio Alemán, President & Chief Executive Officer

- **Third Quarter 2015 Results of Operations**
  Orlando Berges, Executive Vice President & Chief Financial Officer

- **Questions & Answers**

Key Highlights

Third Quarter 2015 Highlights

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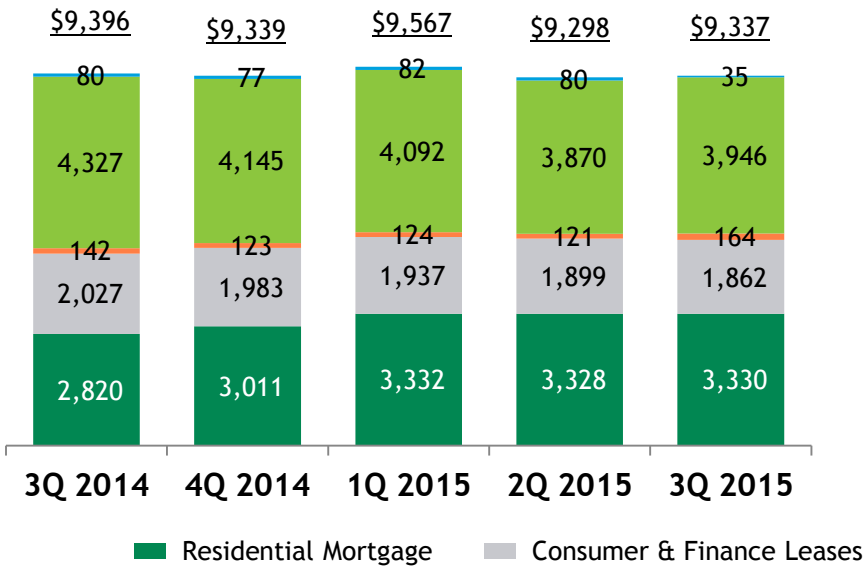
Profitability	▪ Net income of $14.8 million, or $0.07 per diluted share. ▪ Pre-tax income for 3Q 2015 was $19.2 million compared to adjusted pre-tax income of $20.2 million for 2Q 2015, excluding the bulk sale, OTTI adjustments and some interim servicing costs from the Doral transaction. ▪ During 3Q 2015 net interest margin increased 1 basis point to 4.19%. ▪ Adjusted pre-tax, pre-provision income of $50.5 million, compared to $47.7 million for 2Q 2015.
Asset Quality	▪ Total NPAs declined by $27.3 million, or 4%; NPAs/assets 4.81% as of September 30, 2015. ▪ Inflows to nonperforming of $50.8 million compared to $44.9 million in 2Q 2015. ▪ Provision for loan and lease losses of $31.2 million. Excluding the 2Q 2015 charge related to the bulk sale, the provision increased $3.9 million.
Core Deposits	▪ Deposits, net of government and brokered, increased by $26.4 million to $6.7 billion. ▪ Total cost of deposits, net of brokered, remained at 0.61%. ▪ Brokered certificates of deposit (CDs) decreased by $62.7 million in 3Q 2015.
Capital	▪ 3Q 2015 capital position: – Total Risk Based Capital Ratio of 19.7%; – Tier 1 Ratio Risk Based Capital Ratio of 16.6%; and – Leverage Ratio of 12.4%. ▪ Book value per common share of $7.74 compared to $7.60 in 2Q 2015. ▪ Tangible book value per common share of $7.50 compared to $7.35 in 2Q 2015.

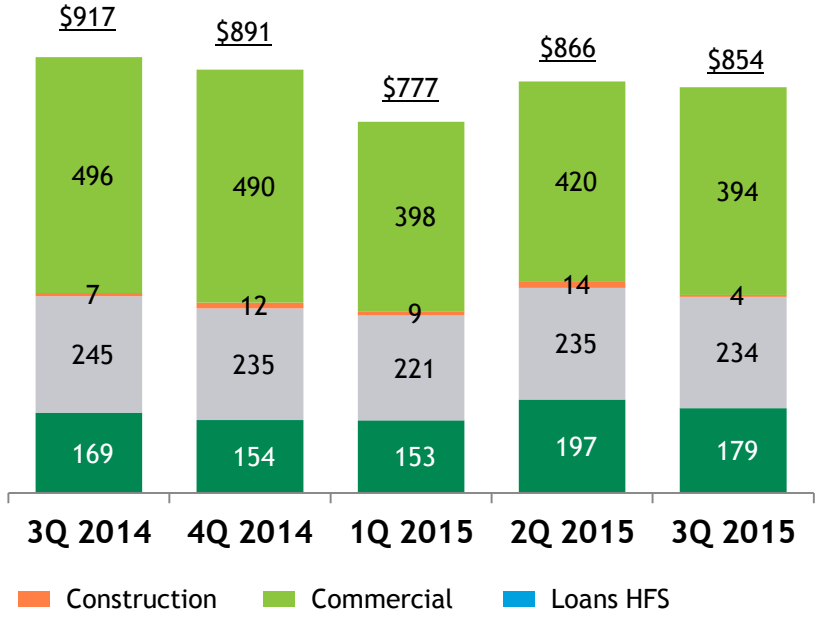
Third Quarter 2015 Highlights: LOAN PORTFOLIO

1 First BanCorp

Loan Portfolio ($ millions)



Loan Originations* ($ millions)



Despite a challenging market environment, we continue to achieve results through our regional diversification:

- Growth in commercial portfolio supported by Florida and the Eastern Caribbean.
  - Florida and the Eastern Caribbean contributed approximately $100 million in commercial origination volume in 3Q 2015.
- Focus remains on growth opportunities within our markets.
- Origination and renewal activity continues to sustain our loan portfolio levels.
- Increased distribution channels are supporting our origination volume.
- The commercial new business pipelines for Puerto Rico remains stable while Florida is improving.

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

Third Quarter 2015 Highlights: DEPOSIT MIX

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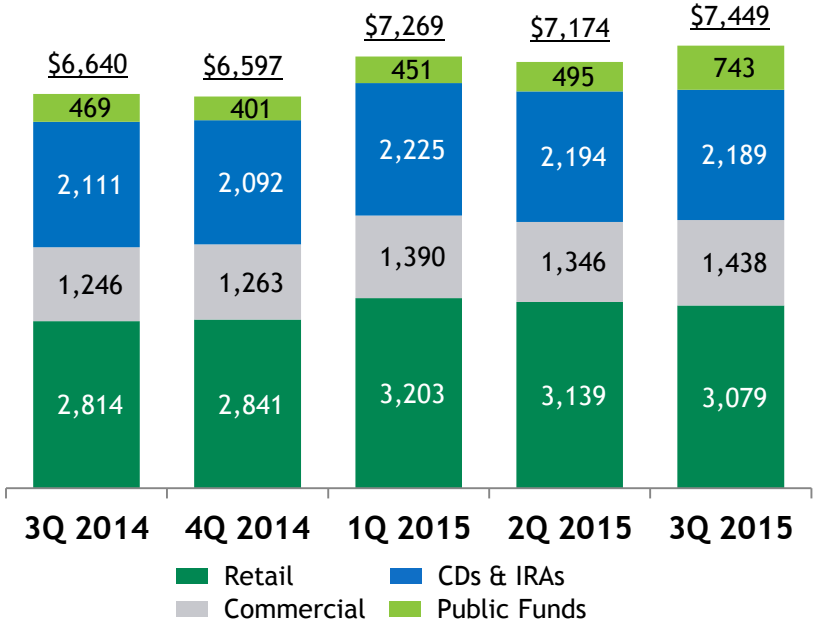
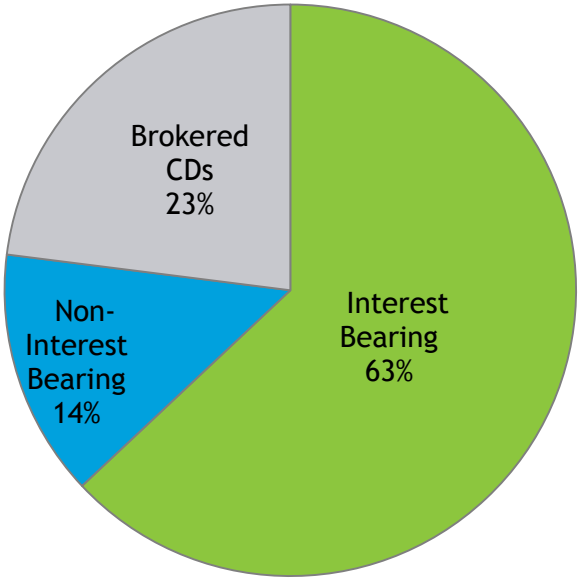
Core Deposits* ($ millions)



Total Deposit Composition (%)



Core deposits stable; continue reducing reliance on brokered deposits

- Non-brokered deposits, excluding government deposits, increased $26.4 million in 3Q 2015 and $509 million YTD 2015.
- Total cost of deposits, net of brokered, remained at 0.61%.
- Government deposits increased $248.2 million in 3Q 2015, a significant portion of this increase is considered temporary.
- Continue to reduce reliance on brokered deposits which declined $62.7 million compared to 2Q 2015 and $619 million YTD 2015.

** Core deposits are total deposits excluding brokered CDs.*

Third Quarter 2015 Highlights: PR Government Exposure

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($ in millions)

- Total outstanding exposure to the Puerto Rico Government was $402 million with a book value of $371 million as of September 30, 2015, down from $378 million as of June 30, 2015.
  - Investment portfolio outstanding principal of $65.6 million, being carried on books at $34.1 million.
  - Loan exposure is diversified among all sectors with the largest public company exposure to PREPA on nonaccrual status. PREPA UPB of $75.0 million.
  - Largest government exposure to municipalities supported by assigned tax revenues.
- In addition, there is $130 million of indirect exposure to the Tourism Development Fund supporting hotel projects.
  - Any inability of the TDF to honor its payment guaranty, for which it has been making payments since 2012, may result in an adverse impact to asset quality metrics.
  - Government tax revenues generated on these projects continue to substantially exceed payments made by the TDF.
- Total Government Deposits as of September 30, 2015 were $524.5 million.

Government Unit	Source of Repayment		Total Outstanding
Investment Portfolio			$ 52.7
Central Government:			$ 21.0
2 loans	Commonwealth Appropriations	14.0	
	CRE & Commonwealth Appropriations	7.0	
Public Corporations:			$ 97.9
3 loans	PREPA Fuel Line	72.6	
	CRE - Operating Revenues	21.5	
	Rental Income	3.8	
Municipalities:			$ 199.5
10 loans	Property Tax Revenues	199.5	
Total Direct Government Exposure			**$ 371.1**

Government Unit	Time Deposits	Transaction Accounts	Total
Municipalities	$ 19.1	$ 138.1	$ 157.2
Municipal Agency	-	183.5	183.5
Public Agencies	30.7	151.6	182.3
Public Corporations	-	1.5	1.5
Total Deposits	**$ 49.8**	**$ 474.7**	**$ 524.5**

Results of Operations

Results of Operations: Third Quarter Financial Highlights

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($ in thousands, except per share data)

	3Q 2015	2Q 2015	Variance	3Q 2014
Interest income	$ 149,812	$ 151,632	$ *(1,820)*	$ 156,662
Interest expense	24,883	25,155	*(272)*	28,968
Net interest income	124,929	126,477	*(1,548)*	127,694
Provision for loan and lease losses	31,176	74,266	*(43,090)*	26,999
Non-interest income	18,989	19,767	*(778)*	16,419
Loss on investments & impairments	(231)	(13,097)	*12,866*	(245)
Bargain purchase gain	-	-	-	-
Total non-interest income	18,758	6,670	*12,088*	16,174
Personnel expense	37,284	37,841	*(557)*	33,877
Occupancy and equipment expense	15,248	15,059	*189*	14,727
Insurance and supervisory fees	6,590	6,796	*(206)*	9,493
REO expense	4,345	4,874	*(529)*	4,326
Other operating expenses	29,810	38,229	*(8,419)*	31,181
Total non-interest expense	93,277	102,799	*(9,522)*	93,604
Pre-tax income (loss)	19,234	(43,918)	*63,152*	23,265
Income tax (expense) benefit	(4,476)	9,844	*(14,320)*	(64)
Net income (loss)	**$ 14,758**	**$ (34,074)**	***$ 48,832***	**$ 23,201**

Select Financial Information				
Adjusted Pre-tax, pre-provision income	$ 50,497	$ 47,727	$ *2,770*	$ 50,750
Fully diluted EPS	$ 0.07	$ (0.16)	$ *0.23*	$ 0.11
Book value per share	$ 7.74	$ 7.60	$ *0.14*	$ 6.05
Tangible book value per share	$ 7.50	$ 7.35	$ *0.15*	$ 5.81
Common stock price	$ 3.56	$ 4.82	$ *(1.26)*	$ 4.75
Net Interest Margin (GAAP)	4.19%	4.18%	*0.01%*	4.14%
Efficiency ratio	64.9%	77.2%	*(12.3%)*	65.1%

Results of Operations: Net Interest Income

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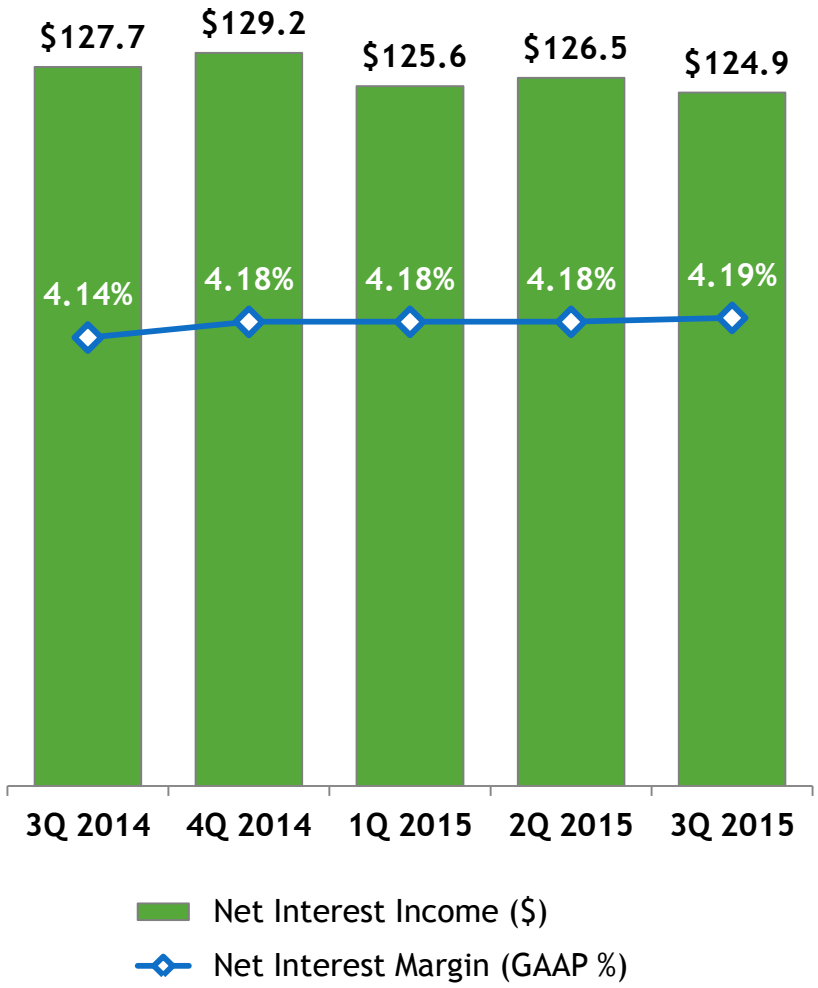
Net Interest Income ($ millions)



Key Highlights

- Net interest income decreased $1.6 million in 3Q 2015. This decrease was mainly due to:
  - A $0.8 million decrease in interest income on commercial and construction loans;
  - A $0.5 million decline in interest income on consumer loans (primarily auto) driven by lower volumes;
  - A $0.3 million decrease in interest income on securities due to lower volume; and
  - A $0.3 million decrease in interest income on residential mortgage loans.
- This decrease was partially offset by:
  - A $0.3 million decrease in interest expense primarily driven by the full quarter impact of interest income earned on a reverse repurchase agreement entered into in mid-April 2015.
- GAAP NIM increased 1 basis point to 4.19%.

Results of Operations: Cost of Funds

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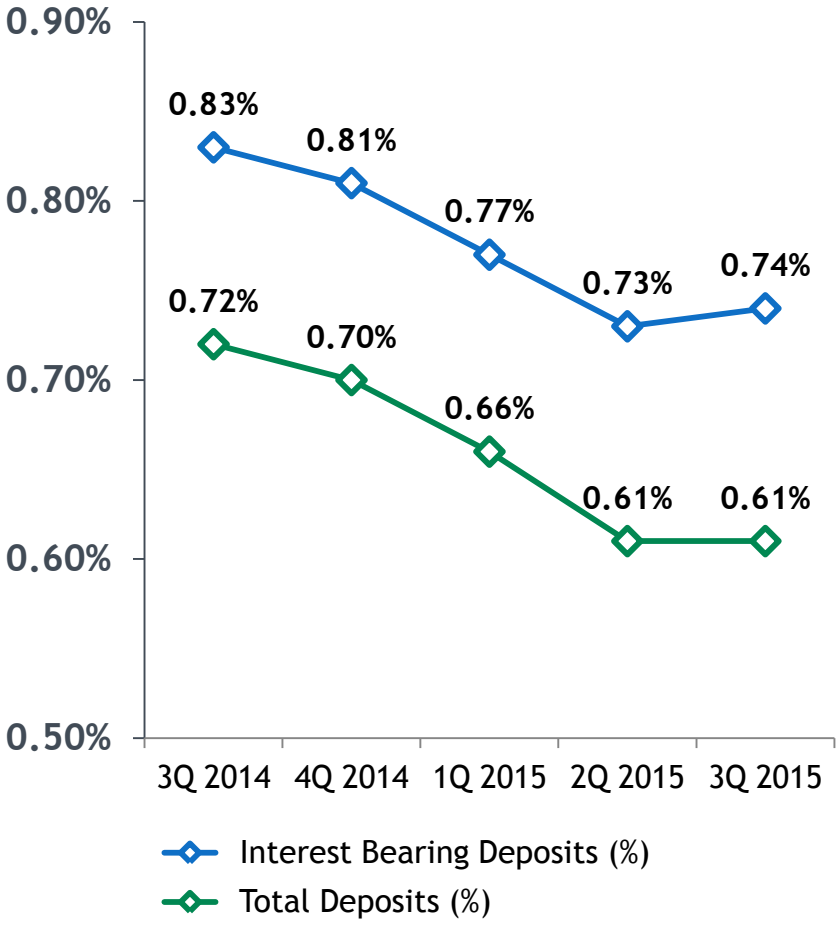
Cost of Deposits (%)



Key Highlights

- Cost of total deposits, excluding brokered CDs, remained flat at 0.61%.
- The average rate paid on non-brokered interest-bearing deposits increased by 1 basis point to 0.74% during the third quarter.
- Brokered CDs declined by $62.7 million during 3Q 2015.

Results of Operations: Non-Interest Income

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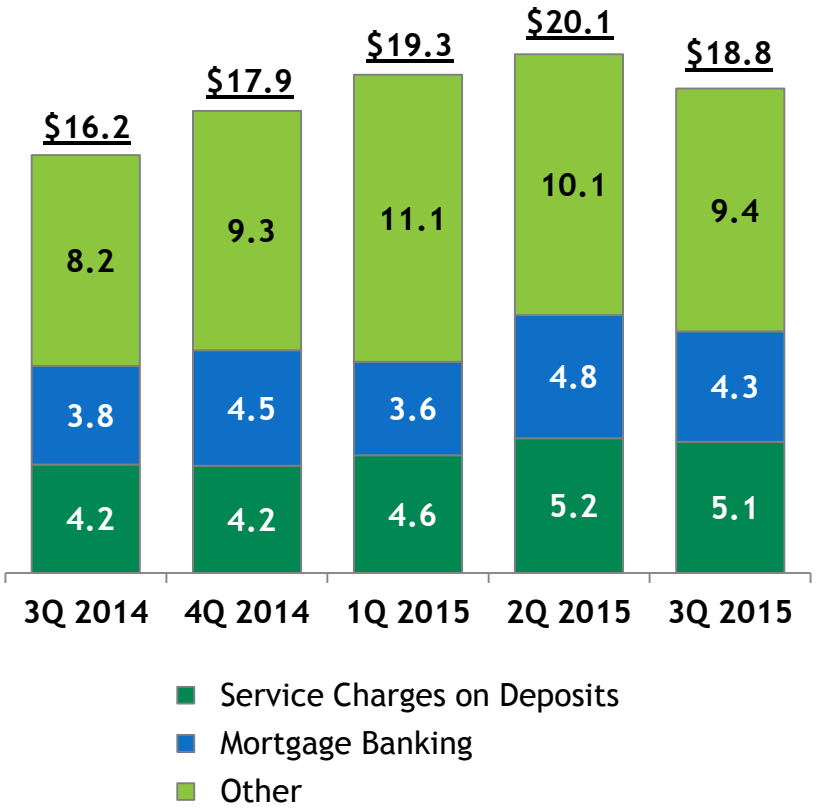
Non-Interest Income* ($ millions)



Key Highlights

- Excluding the $12.9 million OTTI charge on Puerto Rico Government debt securities and the $0.6 million pre-tax loss on a commercial loan HFS and sold in the bulk sale in 2Q 2015, adjusted non-interest income decreased $1.3 million, due to:
  - A $0.5 million decrease in revenues on mortgage banking;
  - A $0.3 million decrease in insurance commissions; and
  - A $0.3 million decline due to a gain on the exchange of trust preferred securities in 2Q 2015.

** Non interest income excludes equity losses of unconsolidated entities, OTTI, HFS bulk sale impact and bargain purchase gain.*

Results of Operations: OPERATING EXPENSES

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($ in millions)	3Q 2015	2Q 2015	% Change
Credit related expenses	$ 6.6	$ 8.4	-21%
Compensation & benefits	37.3	37.8	-1%
Occupancy & equipment	15.2	15.1	1%
Credit & debit card processing expenses	4.3	3.9	9%
Taxes other than income	3.1	3.1	-2%
Deposit insurance prem & supervisory	6.6	6.8	-3%
Other professional fees	3.9	6.0	-35%
Excess interim servicing costs - Doral	-	1.6	
Business promotion	4.1	3.7	12%
All other expenses	12.2	12.7	-4%
Non-GAAP operating expenses	**$ 93.3**	**$ 99.1**	**-6%**
Doral acquisition & conversion	-	2.6	
Bulk sale of assets & related loss on OREO	-	1.2	
Total operating expenses, as reported	**$ 93.3**	**$ 102.8**	**-9%**

- Non-interest expenses decreased by $9.5 million in 3Q 2015 to $93.3 million. 2Q 2015 expenses included:
  - $2.6 million acquisition and conversion costs related to the Doral transaction; and
  - $1.2 million of expenses and losses directly associated with the bulk sale transaction.
- Excluding these items, non-interest expense declined $5.8 million due to:
  - A $1.8 million decrease in credit related expenses due to lower legal, appraisal and OREO operating expenses;
  - A $0.6 million decrease in adjusted employees' compensation and benefit expenses mainly due to a decrease in payroll taxes and incentive compensation;
  - $1.3 million in consulting and legal fees during 2Q for special projects as well as strategic, stress testing, and capital planning; and
  - $1.6 million of excess interim servicing costs in 2Q 2015 on Doral accounts over internal processing costs
- This reduction was partially offset by higher business promotion expenses and credit & debit card processing related to post-conversion costs on accounts acquired from Doral.

Results of Operations: ASSET QUALITY

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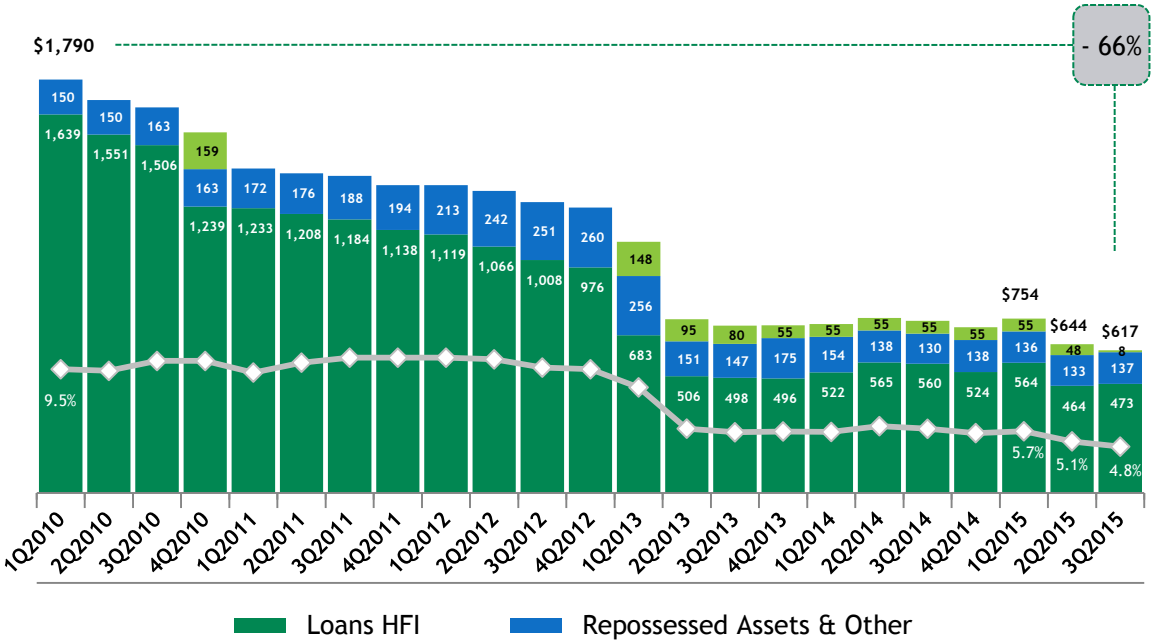
Non-Performing Assets ($ millions)



Q-o-Q Change in NPAs

Loan Portfolio	3Q 2015	2Q 2015	$ Change	% Change
Residential	$175	$175	($0)	(0%)
Consumer	$31	$33	($2)	(6%)
C&I and CRE	$211	$239	($28)	(12%)
Construction	$56	$16	$40	247%
Loans HFS	$8	$48	($40)	(83%)
Total NPLs	**$481**	**$512**	**($31)**	**(6%)**
REO & Repo	$137	$133	$4	3%
Total NPAs	**$617**	**$644**	**($27)**	**(4%)**

Migration Trend ($ millions)

Loan Portfolio	3Q 2015	2Q 2015	$ Change	% Change
Residential	$27	$25	$2	9%
Consumer	$13	$13	($0)	(0%)
Commercial & Construction	$10	$7	$4	53%
Total Migration	**$51**	**$45**	**$6**	**13%**

NPAs decreased by $27.3 million to $617 million or 4.8% of assets:

- Total non-performing loans, including non-performing loans held for sale, decreased by $30.9 million, or 6%.
- NPAs declined $27.3 million in 3Q 2015.
- New non-performing loan inflows amounted to $50.8 million compared to inflows of $44.9 million in 2Q 2015.

Results of Operations: NET CHARGE-OFFS

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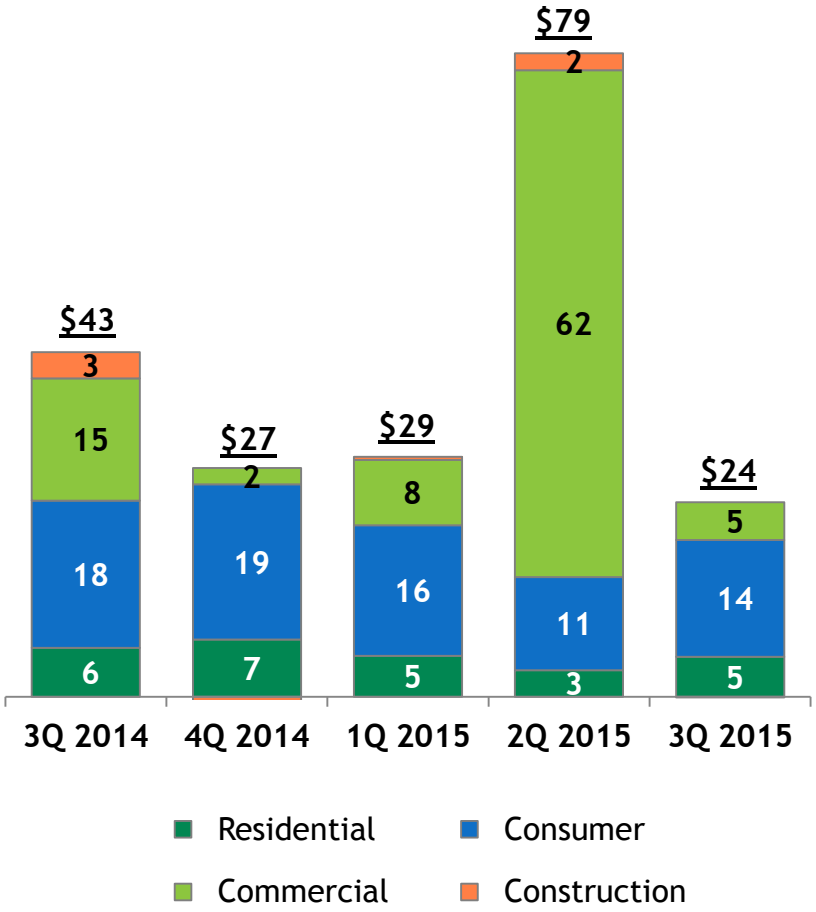
Net Charge-Offs ($ millions)



Key Highlights

- Total net charge-offs for 3Q 2015 were $24 million, or 1.02% of average loans, compared to $79 million in 2Q 2015. Excluding the impact of charge-offs related to the bulk sale ($61.4 million), total net charge-offs were $6.4 million higher in 3Q 2015.
- Allowance coverage ratio of 2.46% as of September 30, 2015 compared to 2.40% as of June 30, 2015.
- The ratio of the allowance to NPLs held for investment was 48.44% as of September 30, 2015 compared to 47.79% as of June 30, 2015.

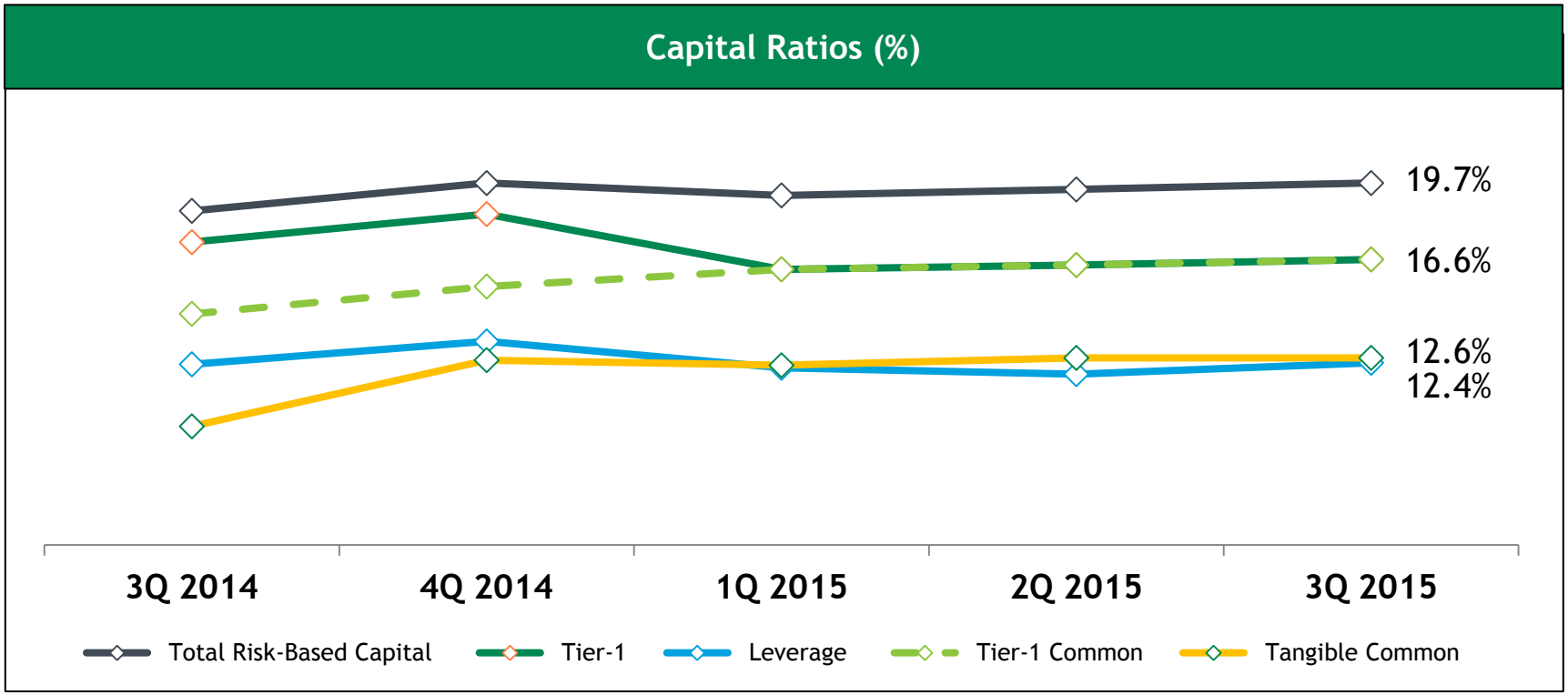
Commercial NPLs (Includes HFS)

Product	Book Value	Accum. Charge-offs	Reserves	Net Carrying Amount*
C&I	$141.9	$33.4	$16.3	71.6%
Const.	63.8	89.6	2.1	40.2%
CRE	69.2	21.8	5.4	70.1%
Total	**$274.8**	**$144.8**	**$23.9**	**59.8%**

**Net Carrying Amount = % of unpaid principal balance net of reserves and accumulated charge-offs.*

Results of Operations: Capital Position

- Total stockholders' equity amounted to $1.7 billion as of September 30, 2015, an increase of $32.7 million from June 30, 2015, mainly driven by net income of $14.8 million and an increase of $16.7 million in other comprehensive income due to the fair value of U.S. agency MBS and U.S. agency debt obligations.



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Q & A

Exhibits

Results of Operations: KEY MARGIN DRIVERS

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Q3 vs. Q2 Change in Average Interest Earning Assets & Interest Bearing Liabilities

	$ Δ in Average Volume	% Δ in Average Rate	Net Interest Income Changes
Average total investments	$ (174,829)	0.06%	$ (315)
Average loans & leases:			
Residential mortgage loans	(4,751)	(0.09%)	(321)
Construction loans	67	0.14%	79
C&I and commercial mortgage loans	(108,879)	(0.05%)	(1,214)
Finance leases	(837)	0.07%	75
Consumer loans	(35,273)	(0.02%)	(540)
Total average loans	(149,673)	(0.05%)	(1,921)
Average total interest-earning assets	(324,502)	0.01%	(2,236)
Interest-bearing liabilities:			
Brokered CDs	(157,628)	0.04%	96
Other interest-bearing deposits	(152,153)	0.01%	33
Other borrowed funds	(44,702)	0.04%	154
Average total interest-bearing liabilities	(354,483)	0.02%	272
Increase (decrease) in net interest income *			$ (1,964)

* On a tax equivalent basis and excluding valuations

NPLs Held for Investment - Migration

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	September 30, 2015					
	Residential Mortgage	Commercial Mortgage	Commercial & Industrial	Construction	Consumer	Total
Beginning balance	**$ 175,035**	**$ 95,088**	**$ 143,935**	**$ 16,118**	**$ 33,397**	**$ 463,573**
Plus:						
Additions to non-performing	27,392	4,530	5,756	57	13,055	50,790
Less:						
Non-performing loans transferred to OREO	(10,833)	(866)	(2,531)	(102)	-	(14,332)
Non-performing loans charged-off	(2,790)	(3,522)	(805)	(70)	(11,759)	(18,946)
Loans returned to accrual status / collections	(14,249)	(26,123)	(4,324)	(37)	(3,418)	(48,151)
Transfer from Loans Held for Sale	-	-	-	40,005	-	40,005
Non-performing loans sold	-	(128)	(176)	-	-	(304)
Ending balance	**$ 174,555**	**$ 68,979**	**$ 141,855**	**$ 55,971**	**$ 31,275**	**$ 472,635**

	June 30, 2015					
	Residential Mortgage	Commercial Mortgage	Commercial & Industrial	Construction	Consumer	Total
Beginning balance	**$ 172,583**	**$ 142,385**	**$ 186,500**	**$ 27,163**	**$ 34,913**	**$ 563,544**
Plus:						
Additions to non-performing	25,058	3,902	2,576	280	13,070	44,886
Less:						
Non-performing loans transferred to OREO	(5,630)	(6,826)	(513)	(120)	(556)	(13,644)
Non-performing loans charged-off	(2,388)	(2,777)	(647)	-	(8,759)	(14,571)
Loans returned to accrual status / collections	(14,588)	(7,253)	(4,061)	(151)	(5,271)	(31,324)
Bulk sale transaction	-	(34,343)	(39,921)	(11,054)	-	(85,318)
Ending balance	**$ 175,035**	**$ 95,088**	**$ 143,935**	**$ 16,118**	**$ 33,397**	**$ 463,573**

Use of Non-GAAP Financial Measures

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Basis of Presentation

Use of Non-GAAP Financial Measures

This presentation may contain non-GAAP financial measures. Non-GAAP financial measures are set forth 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 to the comparable GAAP financial measure, can be found in the text or in the attached tables to the earnings release.

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. Tangible assets are total assets less goodwill, core deposit intangibles, and other intangibles, such as the purchased credit card 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. 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, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Tangible Equity:					
Total equity - GAAP	$ 1,700,950	$ 1,668,220	$ 1,705,750	$ 1,671,743	$ 1,324,157
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	(14,087)	(14,854)	(15,622)	(16,389)	(17,235)
Core deposit intangible	(9,725)	(10,283)	(10,914)	(5,420)	(5,810)
Tangible common equity	**$ 1,612,936**	**$ 1,578,881**	**$ 1,615,012**	**$ 1,585,732**	**$ 1,236,910**
Tangible Assets:					
Total assets - GAAP	$ 12,820,989	$ 12,578,813	$ 13,147,919	$ 12,727,835	$ 12,643,280
Goodwill	(28,098)	(28,098)	(28,098)	(28,098)	(28,098)
Purchased credit card relationship	(14,087)	(14,854)	(15,622)	(16,389)	(17,235)
Core deposit intangible	(9,725)	(10,283)	(10,914)	(5,420)	(5,810)
Tangible assets	**$ 12,769,079**	**$ 12,525,578**	**$ 13,093,285**	**$ 12,677,928**	**$ 12,592,137**
Common shares outstanding	**214,982**	**214,694**	**213,827**	**212,985**	**212,978**
Tangible common equity ratio	**12.63%**	**12.61%**	**12.33%**	**12.51%**	**9.82%**
Tangible book value per common share	**$ 7.50**	**$ 7.35**	**$ 7.55**	**$ 7.45**	**$ 5.81**

Use of Non-GAAP Financial Measures

1 First BanCorp

Basis of Presentation

Use of Non-GAAP Financial Measures

This presentation may contain non-GAAP financial measures. Non-GAAP financial measures are set forth 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 to the comparable GAAP financial measure, can be found in the text or in the attached tables to the earnings release.

Adjusted Pre-Tax, Pre-Provision Income

Adjusted pre-tax, pre-provision income is a non-GAAP performance metric that management believes is 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, gains on sale and OTTI of investment securities, fair value adjustments on derivatives, equity in earnings or loss of unconsolidated entity up until the second quarter of 2014 when the value of the investment became zero as well as certain items identified as unusual, non-recurring or non-operating.

In addition, from time to time, adjusted pre-tax, pre-provision income will reflect the omission of revenue or expense items that management judges to be outside of ordinary banking activities or of items that, while they may be associated with ordinary banking activities, are so unusually large that management believes that a complete analysis of the Corporation's performance requires consideration also of adjusted pre-tax, pre-provision income that excludes such amounts.

Pre-Tax, Pre-Provision Income

(Dollars in thousands)

	Quarter Ended				
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Income (loss) before income taxes	$ 19,234	$ (43,918)	$ 33,678	$ 29,454	$ 23,265
Add: Provision for loan and lease losses	31,176	74,266	32,970	23,872	26,999
Add/Less: Net loss (gain) on investments and impairments	231	13,097	156	172	245
Less: Unrealized gain on derivative instruments	(144)	-	-	(265)	(418)
Less: Prepayment penalty collected on a commercial mortgage loan	-	-	-	(2,546)	-
Less: Bargain purchase gain on assets acquired/deposits assumed from Doral	-	-	(13,443)	-	-
Add: Non-recurring expenses for acquisition of loans/assumption of deposits from Doral	-	2,562	2,084	-	659
Add: Loss on a commercial mortgage loan held for sale and certain OREOs included in the bulk sale of assets	-	802	-	-	-
Add: Bulk sale of assets related expenses	-	918	-	-	-
Adjusted pre-tax, pre-provision income	$ 50,497	$ 47,727	$ 55,445	$ 50,687	$ 50,750
Change from most recent prior quarter-amount	$ 2,770	$ (7,718)	$ 4,758	$ (63)	$ 2,128
Change from most recent prior quarter-percentage	5.8%	-13.9%	9.4%	-0.1%	4.4%