Investor Presentation

September 2023



FORWARD LOOKING STATEMENTS

This presentation contains "forward-looking statements" concerning the Corporation's future economic, operational and financial performance. The words or phrases "expect," "anticipate," "intend," "should," "would," "will," "plans," "forecast," "believe" 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 hereof, and advises readers that any such forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties, estimates and assumptions by us that are difficult to predict. Various factors, some of which are beyond our control, including, but not limited to, the uncertainties more fully discussed in Part I, Item 1A, "Risk Factors" of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2022, Part II Item 1A, "Risk Factors" of the Corporation's Quarterly Report on Form 10Q for the quarterly period ended March 31, 2023, and the following, could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements: the impacts of rising interest rates and inflation on the Corporation, including a decrease in demand for new loan originations and refinancings, increased competition for borrowers, attrition in deposits, a reduction in the fair value of the Corporation's debt securities portfolio, and an increase in non-interest expenses; volatility in the financial services industry, which could result in, among other things, bank deposit runoffs and liquidity constraints; uncertainty as to the ability of FirstBank to retain its core deposits and generate sufficient cash flow through its wholesale funding sources; adverse changes in general economic conditions in Puerto Rico, the U.S., and the U.S. and British Virgin Islands, including in the interest rate environment, unemployment rates, market liquidity, housing absorption rates, real estate markets and U.S. capital markets; general competitive factors, as well as the implementation of strategic growth opportunities and ability to continue to invest in capital projects; uncertainty as to the implementation of the debt restructuring plan of Puerto Rico and the Fiscal Plan for Puerto Rico as certified on April 3,2023 by the Financial Oversight and Management Board for Puerto Rico, or any revisions to it, on our clients and loan portfolios, and any potential impact from future economic or political developments and tax regulations in Puerto Rico; the impact of government financial assistance for hurricane recovery and other disaster relief on economic activity in Puerto Rico; the timing of sales of properties from our other real estate owned ("OREO") portfolio; any adverse change in the Corporation's ability to attract and retain clients and gain acceptance from current and prospective customers for new products and services, including those related to the offering of digital banking and financial services; the impacts of applicable legislative, tax or regulatory changes on the Corporation's financial condition or performance; and the effect of continued changes in the fiscal and monetary policies and regulations of the U.S. federal government and the Puerto Rico and other governments. 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.

Non-GAAP Financial Measures

In addition to the Corporation's financial information presented in accordance with GAAP, management uses certain "non-GAAP" financial measures" within the meaning of Regulation G promulgated by the SEC, to clarify and enhance understanding of past performance and prospects for the future. Please refer to pages 21-22 for a reconciliation of GAAP to non-GAAP measures and calculations.

First BanCorp

Franchise Highlights and Investment Merits

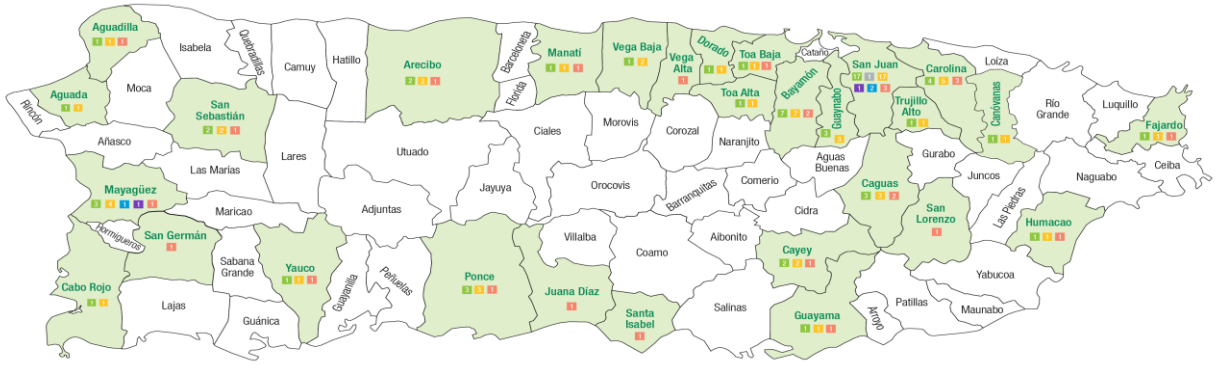
Franchise Overview

- Founded in Puerto Rico in 1948
- Headquartered in San Juan, Puerto Rico with operations in Eastern Caribbean and Florida
- Second largest financial company in PR, with an attractive business mix and substantial loan market share in retail and commercial lending segments
- Florida presence with focus on serving southeast Florida region (Miami-Dade and Broward counties)
- One of the largest depository institution in the US Virgin Islands with over 30% deposit market share (net of government deposits)

Full-Service Banking Franchise Across Three Operating Regions

Puerto Rico Region

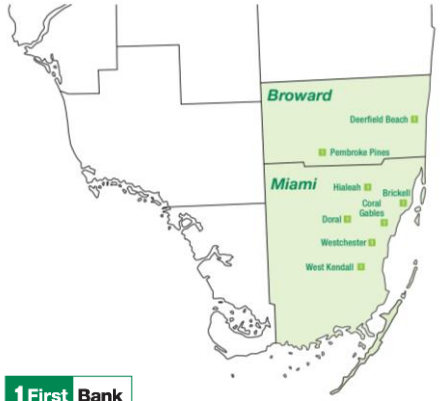
Revenue: 87%
Loan Portfolio: 80%
Total Deposits: 81%



1First Bank — 59 Branches
1First Bank Platinum — 1 Branch
1First Mortgage — 61 Branches
1First Bank Insurance — 3 Branches
Auto Lending — 2 Branches
en moneyexpress ¡Te queremos resolver! — 27 Branches

Florida Region

Revenue: 10%
Loan Portfolio: 17%
Total Deposits: 9%



1First Bank — 8 Branches

Eastern Caribbean Region

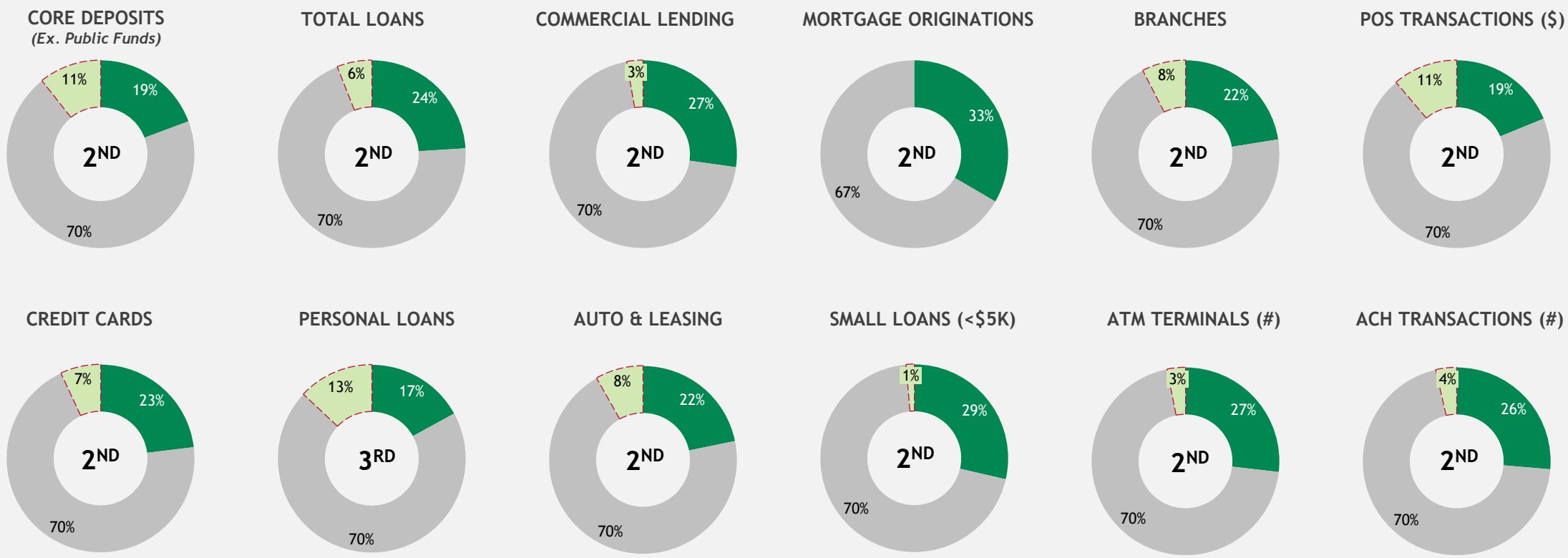
Revenue:3%
Loan Portfolio: 3%
Total Deposits: 10%



1First Bank — 8 Branches
1First Bank Insurance — 2 Branches

Puerto Rico Market Share*

Leading Banking Institution in Puerto Rico Across All Business Segments and Services / Channels

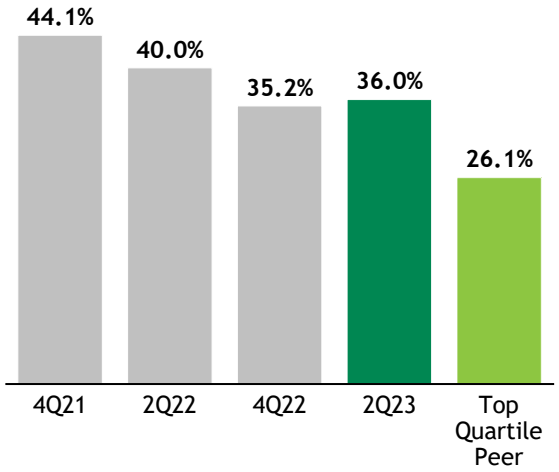


** Market share data as of 1Q 2023 and excludes balances/transactions related to credit unions. "Auto & Leases" and "Small Loans (<$5K)" segments include loans related to other non-depository institutions.*

Strong Balance Sheet

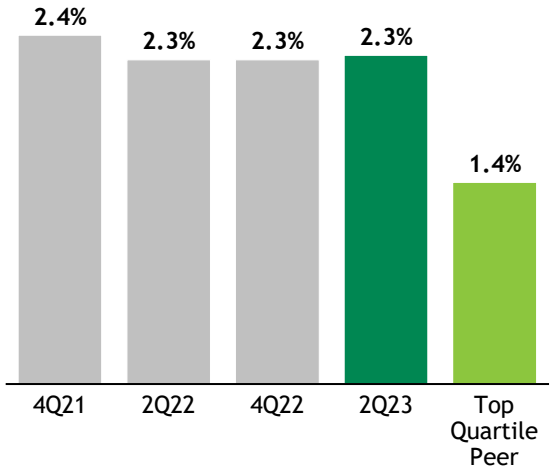
1 First BanCorp

1 Cash & Investments to Assets



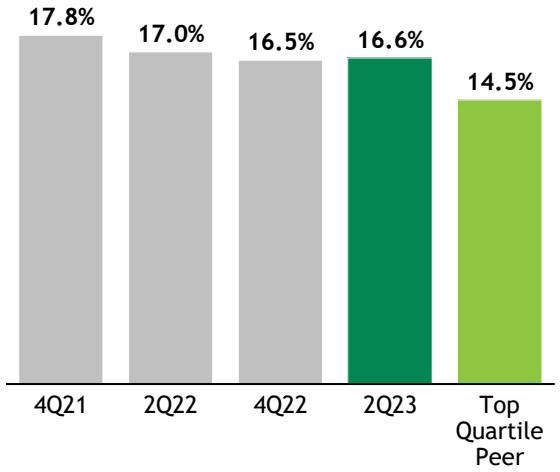
Ample liquidity to drive loan demand as economy continues reopening efforts

2 ACL to Total Loans HFI



Strong reserve coverage on a well-diversified loan portfolio

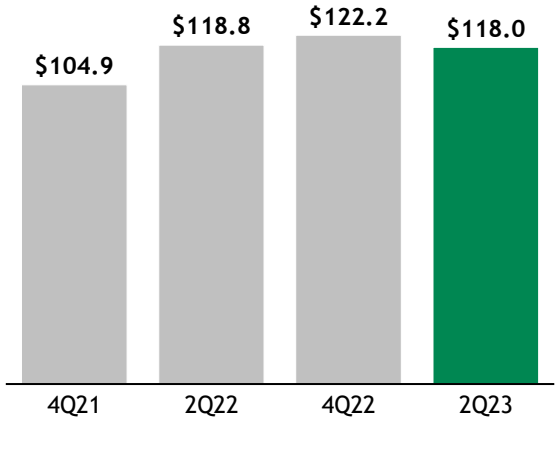
3 Common Equity Tier-1 Ratio



Capital ratios among the highest in the banking sector and above regulatory "Well-Capitalized" guidelines

4 Pre-Tax Pre-Provision Income

$ millions



Strong pre-tax pre-provision income generating capacity

Note: Peer group consists of U.S. banks with assets between $15 billion and $40 billion. Top quartile as of 2Q 2023 as per S&P Global Market Intelligence.

Investment Merits

1 **Strong Market Position & Scalable Platform** Fully integrated and expanded franchise with a strong market position in a consolidated market with opportunities for enhanced market penetration while serving over 625,000 customers

2 **Economic Recovery Underway** Puerto Rico will continue to benefit from both pandemic relief and disaster recovery funding; over $50 billion in obligated funds are still pending to be disbursed over the next years

3 **Fortress Balance Sheet** Liquidity, reserve coverage, and capital levels remain among the highest in the banking industry with ample coverage to weather the impact of disruptions caused by the pandemic

4 **Strong Core Performance** Pre-tax, pre-provision income increased by 21% to $475 million during 2022; lowest efficiency ratio and nonperforming assets ratio among local peers

5 **Value Driving Capital Allocator** Capital ratios remain among the highest in the banking industry

- Increased quarterly common dividend to $0.14 per share in February 2023
- Two consecutive years returning over 100% of annual earnings through the execution of common share repurchases and the payment of common stock dividends to shareholders

Financial Review

Second Quarter Financial Results

Profitability

- Net income of $70.7 million ($0.39 per diluted share), compared to $70.7 million ($0.39 per diluted share) in 1Q 2023
  - Adjusted net income of $66.8 million ($0.37 per share) after excluding non-recurring items
- Return on average assets (“ROAA”) remains strong at 1.51%
- On a non-GAAP basis, adjusted pre-tax, pre-provision income of $118.0 million, compared to $118.1 million in 1Q 2023
- Net interest income of $199.8 million, compared to $200.9 million in 1Q 2023; margin decreased by 11 bps to 4.23%
- Provision for credit losses of $22.2 million compared to $15.5 million registered in 1Q 2023

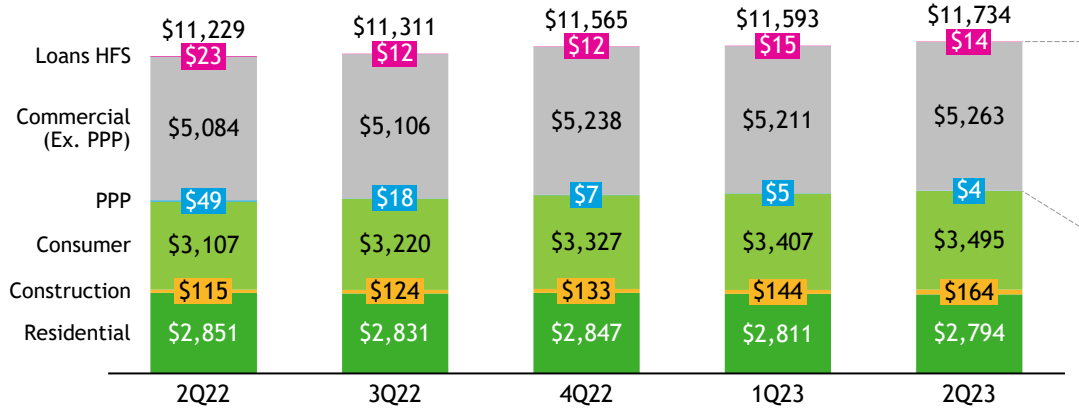
Asset Quality

- Non-performing assets ("NPA”) decreased to $121.1 million, a $7.9 million reduction when compared to 1Q 2023; NPAs stand at 0.63% of total assets
- The ratio of the ACL for loans and finance leases to total loans held for investment was 2.28% as of 2Q 2023 compared to 2.29% as of 1Q 2023

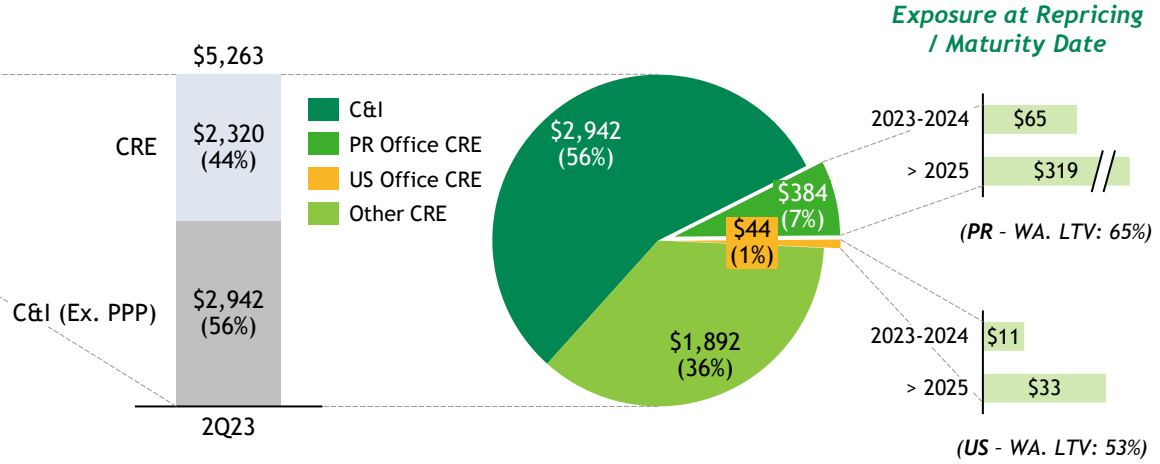
Liquidity and Capital

- Total unused available liquidity of approximately $5.6 billion or 1.17x of uninsured deposits as of 2Q 2023
- Resumed previously announced share repurchase program in July 2023; $75 million pending under current authorization
- Approved new share repurchase program of up to $225 million in outstanding common stock
- Strong capital position with a Common Equity Tier-1 ratio of 16.6% in 2Q 2023

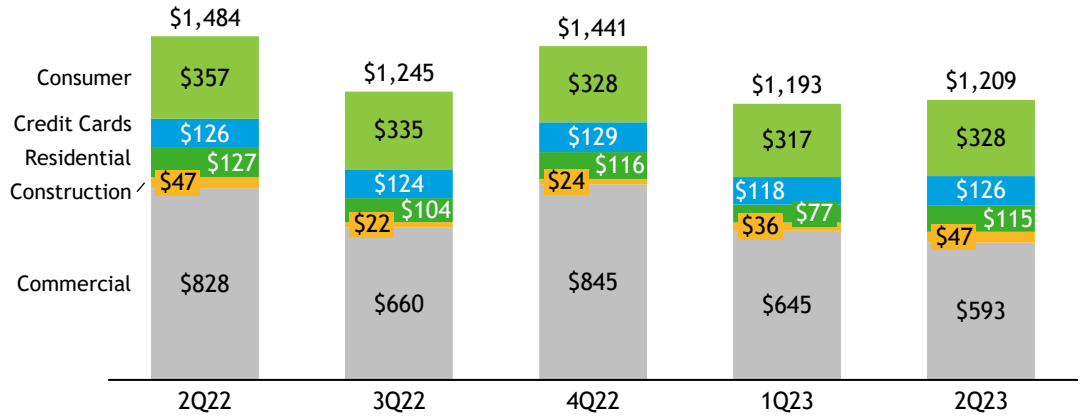
Loan Portfolio - $MM



Commercial Loan Portfolio Distribution - $MM



Loan Originations - $MM(1)

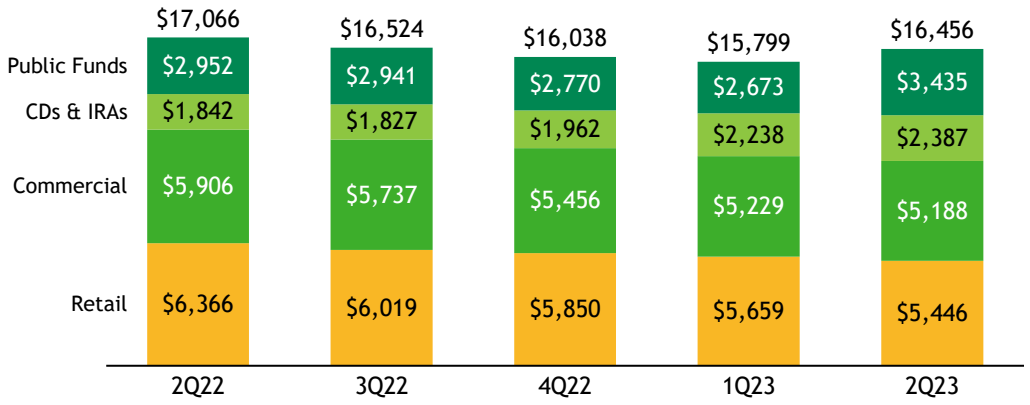


(1) Loan Originations include refinancing and renewals, as well as credit card utilization activity

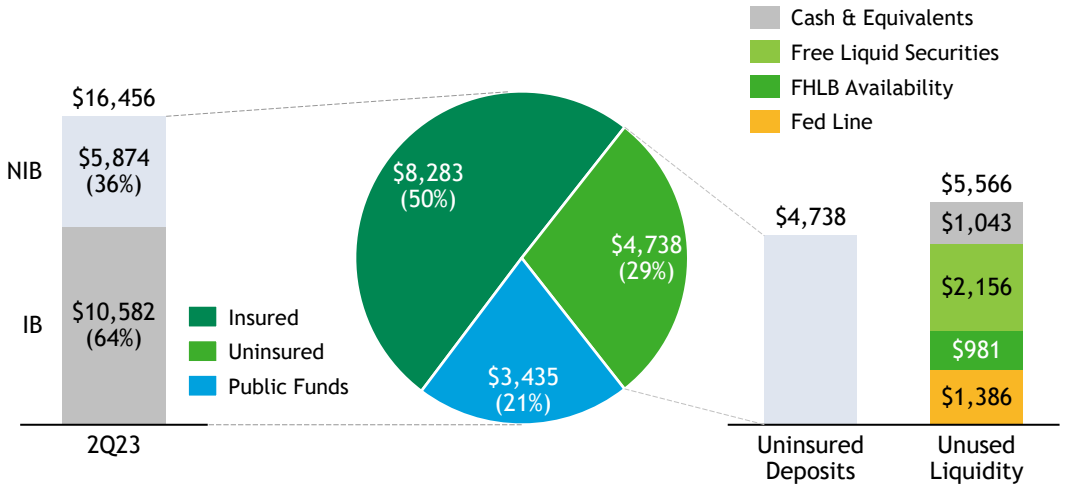
Loan Portfolio Highlights

- Total loan portfolio grew by $140.4 million to $11.7 billion driven by an $88.2 million increase in consumer loans and $70.8 million in commercial loans, partially offset by a reduction of $18.6 million in residential mortgage loans
  - Total loan portfolio grew by $79.3 million in Puerto Rico, $42.5 million in the Virgin Islands, and $18.6 million in Florida
  - Linked quarter (annualized) growth in line with mid-single digit guidance
- Loan originations (other than credit card utilization activity) amounted to $1.1 billion, slightly above 1Q 2023 originations
- Well diversified commercial loan portfolio across multiple industries with manageable exposure to "Office" commercial real estate in the US and minimal refinancing risk over the next two (2) years

Total Deposits (excluding Brokered CDs) - $MM



Composition of Deposit Portfolio vs. Unused Liquidity - $MM[2]



Deposit Portfolio Highlights

- Core deposits[1], excluding brokered CDs and government deposits, decreased by $104.3 million to $13.0 billion, mainly reflecting a:
  - $77.3 million reduction in Puerto Rico,
  - $22.5 million reduction in Florida, and
  - $4.5 million reduction in the Virgin Islands
- Government deposits, which are fully collateralized, increased by $761.3 million reaching $3.4 billion in 2Q 2023 mostly related to a $698.0 million increase registered in Puerto Rico

Liquidity Highlights

- Strength of deposit franchise evidenced by composition of deposit base:
  - Approximately 71% of deposit portfolio insured (including fully collateralized public funds)
  - Attractive mix of commercial and retail accounts; average deposit balance per account of $25.7K
  - Strong non-interest-bearing (NIB) ratio of 36% as of end of quarter
- Unused liquidity of approximately $5.6 billion or 117% of uninsured deposits as of 2Q 2023

(1) Core Deposits exclude brokered CDs and government deposits
(2) Uninsured deposits exclude public funds which are fully collateralized

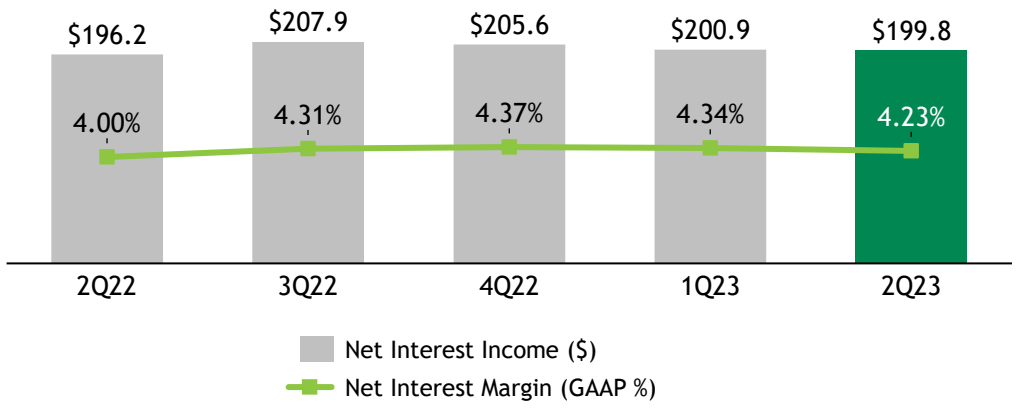
Income Statement

($ in thousands)	2Q 2023	1Q 2023	Variance	2Q 2022
Interest income	$252,204	$242,396	$ 9,808	$208,625
Interest expense	52,389	41,511	10,878	12,439
Net interest income	**199,815**	**200,885**	**(1,070)**	**196,186**
Provision for credit losses	**22,230**	**15,502**	**6,728**	**10,003**
Total non-interest income	**36,271**	**32,518**	**3,753**	**30,941**
Personnel expense	54,314	56,422	(2,108)	51,304
Occupancy and equipment expense	21,097	21,186	(89)	21,505
Insurance and supervisory fees	4,495	4,501	(6)	3,769
Net gain of OREO operations	(1,984)	(1,996)	12	(1,485)
Other non-interest expenses	34,995	35,155	(160)	33,233
Total non-interest expenses	**112,917**	**115,268**	**(2,351)**	**108,326**
Pre-tax income	100,939	102,633	(1,694)	108,798
Income tax expense	30,284	31,935	(1,651)	34,103
Net income	**$ 70,655**	**$ 70,698**	**$ (43)**	**$ 74,695**

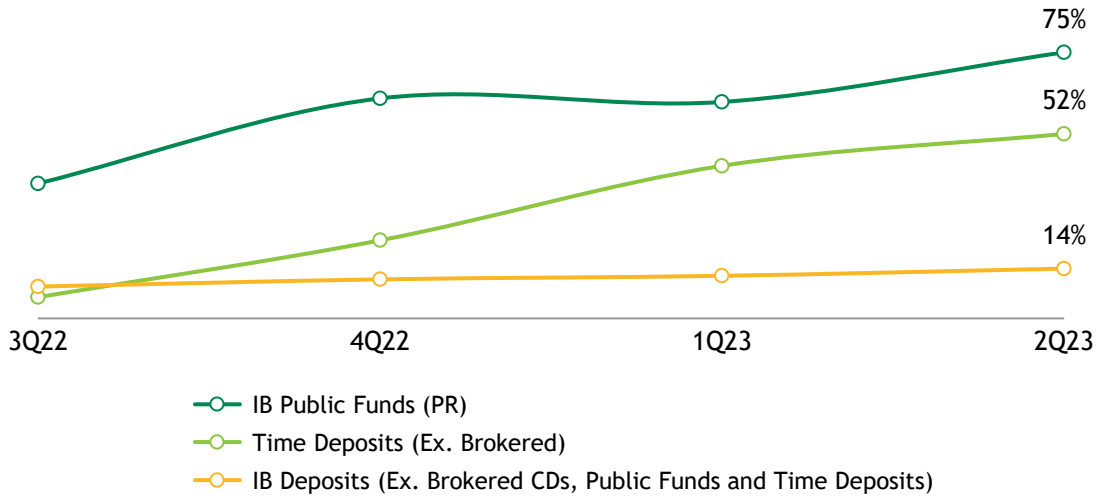
Selected Financial Data

($ in thousands, except per share data and financial ratios)	2Q 2023	1Q 2023	Variance	2Q 2022
Adjusted pre-tax, pre-provision income	117,964	118,135	(171)	118,801
Fully diluted EPS (GAAP)	0.39	0.39	-	0.38
Fully diluted Adjusted EPS (Non-GAAP)	0.37	0.39	(0.02)	0.38
Cash dividend declared	0.14	0.14	-	0.12
Book value per share	7.78	7.82	(0.04)	8.13
Tangible book value per share	7.47	7.50	(0.03)	7.80
Common stock price as of end of quarter	12.22	11.42	0.80	12.91
Net Interest Margin (GAAP)	4.23%	4.34%	-0.11%	4.00%
Efficiency ratio	47.83%	49.39%	-1.56%	47.69%

Net Interest Income ($MM)



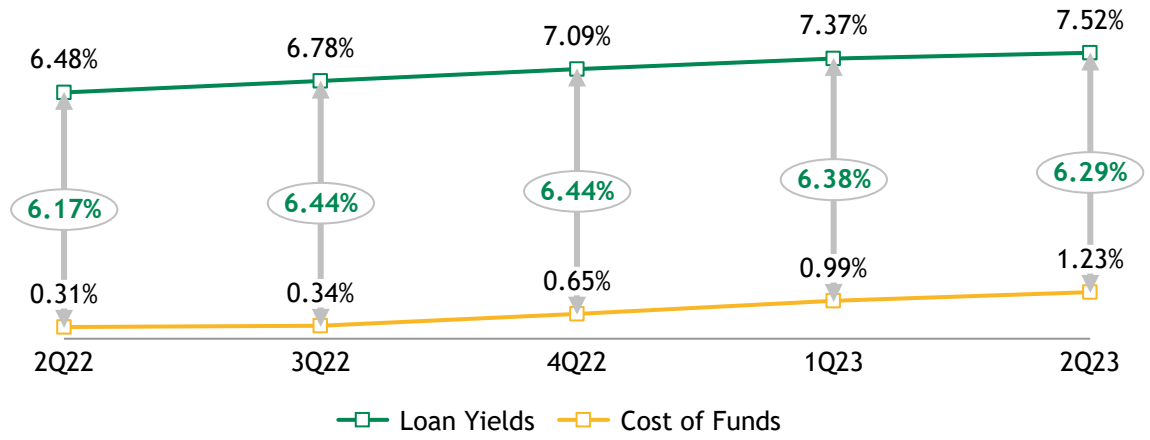
Cumulative Deposit Betas by Deposit Type[1]



Key Highlights

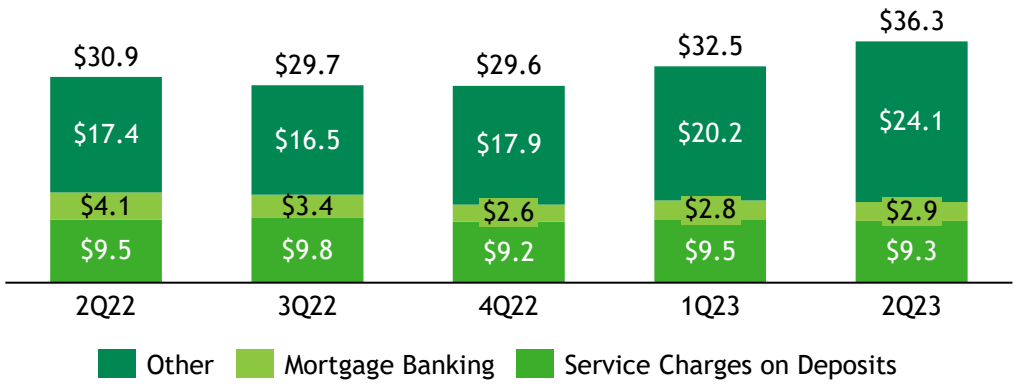
- Net interest income of $199.8 million, a decrease of $1.1 million during the quarter driven by a:
  - $11.7 million increase in interest expense on interest-bearing deposits
  - Partially offset by a $3.9 million increase in interest income on consumer loans due to higher balances and yields on new loans, a $3.4 million increase in interest income on commercial loans mainly due to the repricing of variable-rate loans and new loan originations, and a $2.4 million increase in income from interest-bearing cash balances and investment securities
- Net interest margin contracted by 11 bps to 4.23% resulting from an increase of 40 bps in the average cost of interest-bearing deposits (primarily public funds) and an increasing migration from non-interest-bearing and other low-cost deposits to higher cost time deposits

Evolution of Loan Yields and Cost of Funds[2]

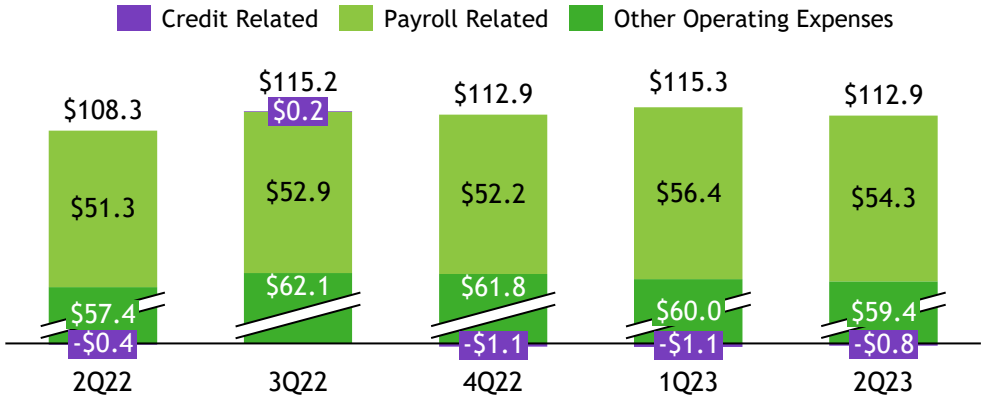


[1] Cumulative deposit betas on interest-bearing deposits (based on end of quarter figures)
[2] Cost of funds include cost of all interest-bearing deposits, non-interest-bearing deposits, and wholesale funding.

Non-Interest Income ($MM)



Non-Interest Expenses ($MM)



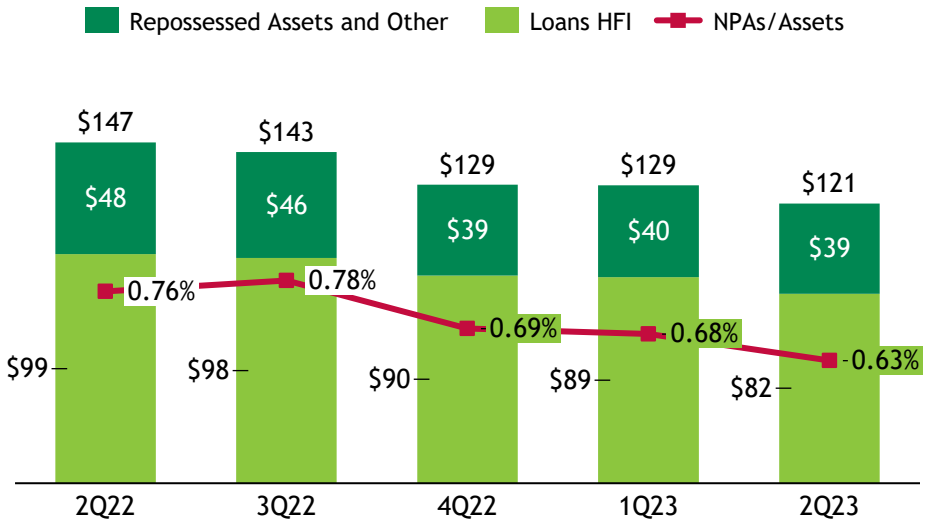
Key Highlights

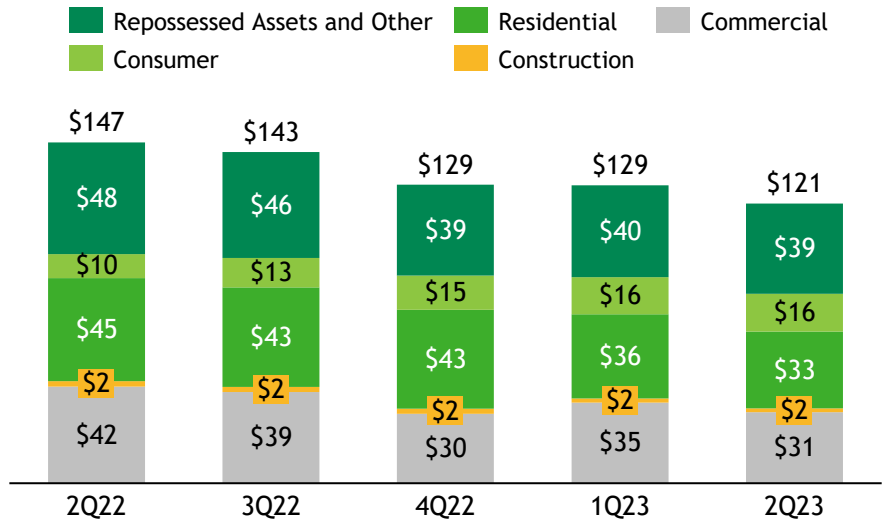
- Non-interest income of $36.3 million, a $3.8 million increase when compared to prior quarter mainly driven by:
  - $3.6 million gain recognized from a legal settlement
  - $1.6 million gain on the repurchase of $21.4 million in junior subordinated debentures
  - Partially offset by $2.3 million in seasonal contingent insurance commissions recorded in 1Q 2023

Key Highlights

- Non-interest expenses of $112.9 million, $2.4 million reduction vs. 1Q 2023 reflecting among other things:
  - $2.1 million decrease in employees' compensation and benefits expense
  - $1.0 million decrease in other non-interest expenses, mainly due to release of legal and operational reserves recorded during 2Q 2023
  - Partially offset by a $1.2 million increase in credit and debit card processing expenses, mainly as a result of incentives received during 1Q 2023
- Efficiency ratio decreased during the quarter to 47.83% from 49.39% in 1Q 2023

Non-Performing Assets - $MM

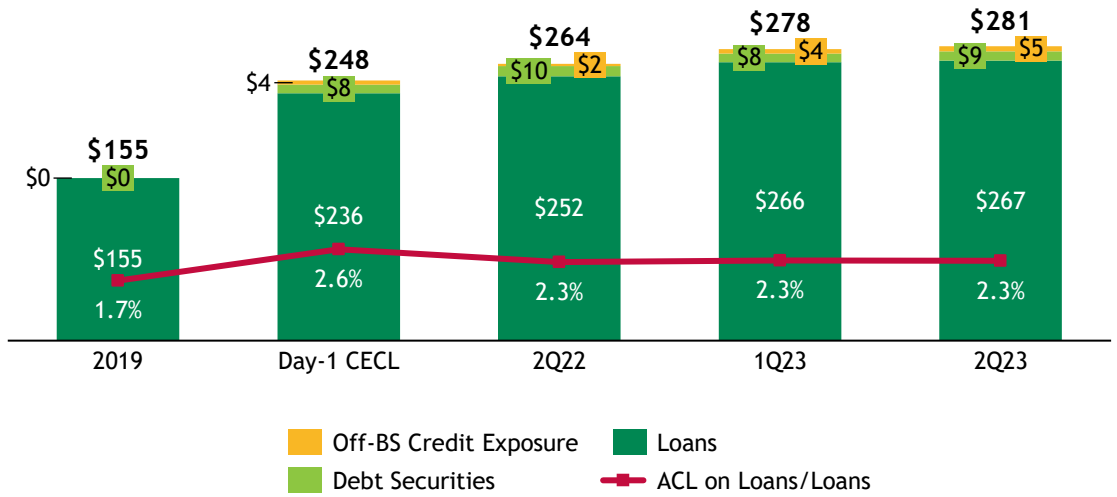




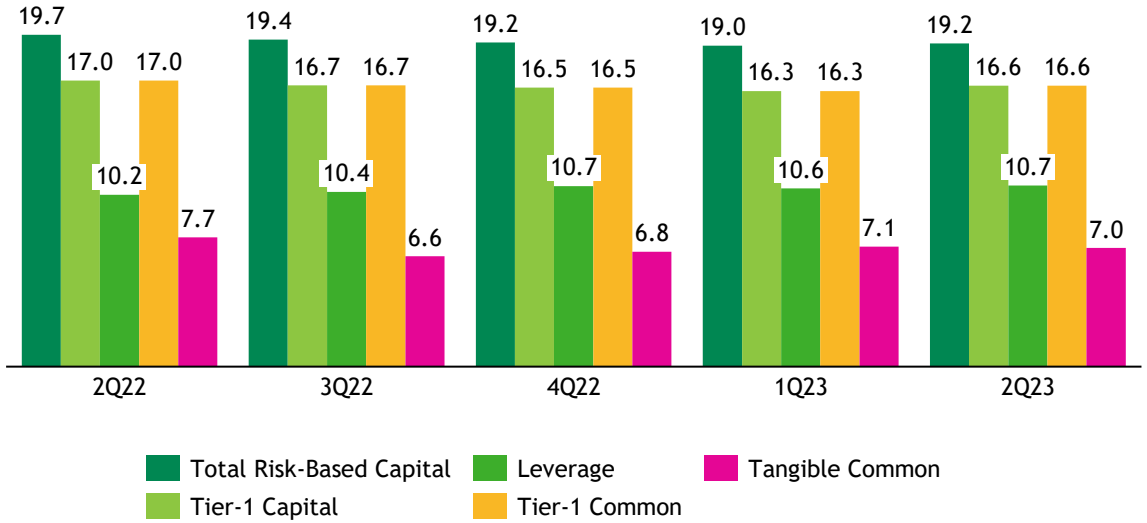
Total non-performing assets decreased by $7.9 million to $121.1 million as of 2Q 2023 or 0.63% of total assets

- Decrease in non-performing assets (NPAs) primarily driven by a $4.4 million decrease in nonaccrual commercial loans mainly related to a $6.2 million charge-off recorded during 2Q 2023, partially offset by the inflow of a $1.5 million commercial and industrial loan in the Puerto Rico region; a $3.1 million decrease in nonaccrual residential mortgage loans, mainly related to $2.7 million of loans restored to accrual status; and a $1.3 million decrease in the other real estate owned portfolio balance, mainly attributable to the sale of residential properties in the Puerto Rico region
  - Partially offset by $0.7 million increase in repossessed property and a $0.4 million increase in nonaccrual consumer loans
- Inflows to nonaccrual loans held for investment were $24.9 million in 2Q 2023, a decrease of $4.8 million when compared to inflows of $29.7 million in 1Q 2023

Evolution of ACL ($ in Millions) and ACL on Loans to Total Loans (%)



Capital Ratios (%)



Key Highlights

- The allowance for credit losses (ACL) on loans and leases was $267.1 million as of 2Q 2023, an increase of $1.5 million when compared to 1Q 2023
- The ratio of the ACL for loans and finance leases to total loans held for investment was 2.28% as of 2Q 2023, compared to 2.29% as of 1Q 2023

Key Highlights

- Total stockholders' equity decreased by $7.6 million to $1.4 billion as of 2Q 2023 driven by the $54.8 million decrease in the fair value of available-for-sale debt securities due to changes in market rates recognized as part of accumulated other comprehensive loss and $25.3 million in cash dividends declared in the second quarter
  - Partially offset by the earnings generated in 2Q 2023

EXHIBITS AND NON-GAAP FINANCIAL MEASURES

Government Loans

Government Unit	Source of Repayment		Total Outstanding
PR Securities			$ 3.3
Municipalities:			$ 299.4
Securities	Property Tax Revenues or	166.1	
Loans	Municipal Revenues	133.3	
Public Corporations:			$ 41.6
3 Loans	CRE - Operating Revenues	35.4	
1 Loan	Low Income Housing Programs	6.2	
Total Direct Government Exposure			**$ 344.3**

Government Deposits

Government Unit	Time Deposits	Transaction Accounts	Total
Municipalities	$ 42.2	$ 562.2	$ 604.4
Municipal Agency	-	-	-
Public Agencies	68.2	847.1	915.3
Public Corporations	28.5	1,302.9	1,331.5
U.S. Federal Government	1.2	45.6	46.8
Total Deposits	**$ 140.1**	**$ 2,757.8**	**$ 2,897.9**

Key Highlights

- As of 2Q 2023, the Corporation had $344.3 million of direct exposure to the Puerto Rico government, its municipalities and public corporations, compared to $340.0 million as of 1Q 2023
  - 87% of direct government exposure is to municipalities in Puerto Rico, which are supported by assigned property tax revenues or by one or more specific sources of municipal revenues

Key Highlights

- As of 2Q 2023, the Corporation had $2.9 billion of public sector deposits in Puerto Rico, compared to $2.2 billion as of 1Q 2023
  - Approximately 21% were from municipalities and municipal agencies in Puerto Rico and 79% were from public corporations, the Puerto Rico central government and agencies, and U.S. federal government agencies in Puerto Rico

	June 30, 2023					
	Residential Mortgage	Commercial Mortgage	Commercial & Industrial	Construction	Consumer	Total
Beginning balance	**$ 36,410**	**$ 21,598**	**$ 13,404**	**$ 1,794**	**$ 15,936**	**$ 89,142**
Plus:						
Additions to non-performing	3,009	439	2,691	-	18,790	24,929
Less:						
Non-performing loans transferred to OREO	(1,549)	(61)	-	-	(3,394)	(5,004)
Non-performing loans charged-off	(401)	(88)	(6,350)	-	(9,119)	(15,958)
Loans returned to accrual status / collections / paid-offs	(4,217)	(352)	(551)	(117)	(5,851)	(11,088)
Ending balance	**$ 33,252**	**$ 21,536**	**$ 9,194**	**$ 1,677**	**$ 16,362**	**$ 82,021**

	March 31, 2023					
	Residential Mortgage	Commercial Mortgage	Commercial & Industrial	Construction	Consumer	Total
Beginning balance	**$ 42,772**	**$ 22,319**	**$ 7,830**	**$ 2,208**	**$ 14,806**	**$ 89,935**
Plus:						
Additions to non-performing	2,081	544	7,470	127	19,524	29,746
Less:						
Non-performing loans transferred to OREO	(2,710)	(162)	(183)	(332)	(2,410)	(5,797)
Non-performing loans charged-off	(178)	(18)	(118)	(42)	(9,573)	(9,929)
Loans returned to accrual status / collections / paid-offs	(5,549)	(1,091)	(1,595)	(167)	(6,411)	(14,813)
Reclassification	(6)	6	-	-	-	-
Ending balance	**$ 36,410**	**$ 21,598**	**$ 13,404**	**$ 1,794**	**$ 15,936**	**$ 89,142**

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 that the presentation of these non-GAAP financial measures enhances the ability of analysts and investors to analyze trends in the Corporation's business and understand the performance of the Corporation. Where non-GAAP financial measures are used, the most comparable GAAP financial measure, as well as the reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure, can be found in the text or in the attached tables to this earnings presentation. 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 that management believes are generally used by the financial community to evaluate capital adequacy. Tangible common equity is total common equity less goodwill and other intangibles. Tangible assets are total assets less goodwill and other intangibles. 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 disclosure of these financial measures may be useful 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 way 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)	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022
Tangible Equity:					
Total common equity - GAAP	$ 1,397,999	$ 1,405,593	$ 1,325,540	$ 1,265,333	$ 1,557,916
Goodwill	(38,611)	(38,611)	(38,611)	(38,611)	(38,611)
Purchased credit card relationship intangible	(17)	(86)	(205)	(376)	(599)
Core deposit intangible	(17,075)	(18,987)	(20,900)	(22,818)	(24,736)
Insurance customer relationship intangible	-	-	(13)	(51)	(89)
Tangible common equity (Non-GAAP)	**$ 1,342,296**	**$ 1,347,909**	**$ 1,265,811**	**$ 1,203,477**	**$ 1,493,881**
Tangible Assets:					
Total assets - GAAP	19,152,455	18,977,114	18,634,484	18,442,034	19,531,635
Goodwill	(38,611)	(38,611)	(38,611)	(38,611)	(38,611)
Purchased credit card relationship intangible	(17)	(86)	(205)	(376)	(599)
Core deposit intangible	(17,075)	(18,987)	(20,900)	(22,818)	(24,736)
Insurance customer relationship intangible	-	-	(13)	(51)	(89)
Tangible assets (Non-GAAP)	**$ 19,096,752**	**$ 18,919,430**	**$ 18,574,755**	**$ 18,380,178**	**$ 19,467,600**
Common shares outstanding	**179,757**	**179,789**	**182,709**	**186,258**	**191,626**
Tangible common equity ratio (Non-GAAP)	**7.03%**	**7.12%**	**6.81%**	**6.55%**	**7.67%**
Tangible book value per common share (Non-GAAP)	**$ 7.47**	**$ 7.50**	**$ 6.93**	**$ 6.46**	**$ 7.80**

Non-GAAP Disclosures

Use of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Non-GAAP financial measures are used when management believes that the presentation of these non-GAAP financial measures enhances the ability of analysts and investors to analyze trends in the Corporation's business and understand the performance of the Corporation. Where non-GAAP financial measures are used, the most comparable GAAP financial measure, as well as the reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure, can be found in the text or in the attached tables to this earnings presentation. Any analysis of these non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP.

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, including as a result of natural catastrophes or health epidemies. Adjusted pre-tax, pre-provision income, as defined by management, represents income before the provision for credit losses expense (benefit), as well as certain items that management believes are not reflective of core operating performance.

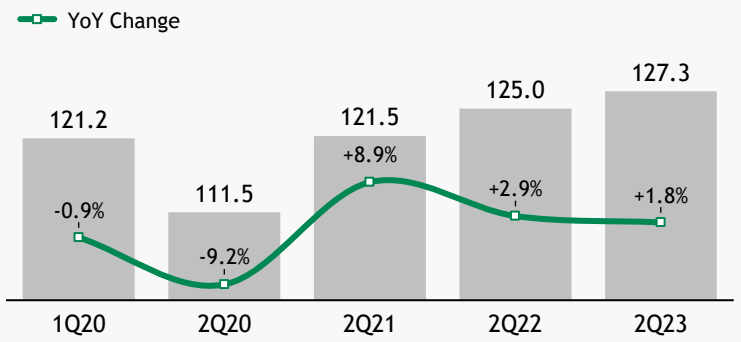
	Quarter Ended					Year-to-Date	
($ in thousands)	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	2Q 2023	2Q 2022
Income before income taxes	$ 100,939	$ 102,633	$ 106,530	$ 106,631	$ 108,798	$ 203,572	$ 234,423
Add/Less: Provision for credit losses expense (benefit)	22,230	15,502	15,712	15,783	10,003	37,732	(3,799)
Less: Gain recognized from legal settlement	(3,600)	-	-	-	-	(3,600)	-
Less: Gain on early extinguishment of debt	(1,605)	-	-	-	-	(1,605)	-
Adjusted pre-tax, pre-provision income	***$ 117,964***	***$ 118,135***	***$ 122,242***	***$ 122,414***	***$ 118,801***	***$ 236,099***	***$ 230,624***
Change from most recent prior period (amount)	$ (171)	$ (4,107)	$ (172)	$ 3,613	$ 6,978	$ 5,475	$ 47,581
Change from most recent prior period (percentage)	-0.1%	-3.4%	-0.1%	3.0%	6.2%	2.4%	26.0%

APPENDIX

Operating Environment and Franchise Highlights

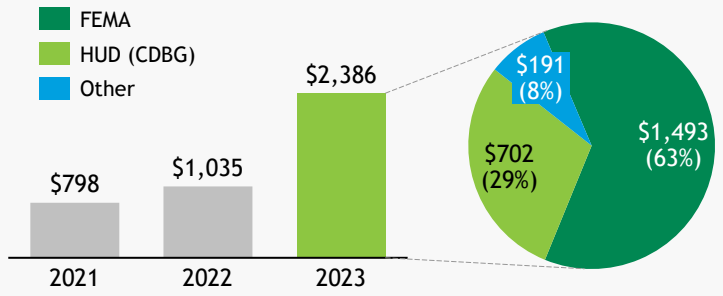
Stable operating environment in our main market

PR Economic Activity Index (EAI)[1]



Disaster Relief Funds Disbursed Per Year[2]

Year-to-date as of June of each year *$ in millions*



- Economic Activity Index continues to show a recovery trend; June 2023 registered highest reading since June 2015
- Record passenger activity at SJU airport; June 2023 traffic up 22% vs. June 2022
- Stable labor market trends, July 2023 payroll employment up 2.6% vs. July 2022; unemployment rate at record lows
- Year-to-date retail sales (April) up 3.5% when compared to same period in 2022
- May 2023 auto sales up 8.1% vs. May 2022
- Over $2.4 billion in disaster relief funds have been disbursed during first half of 2023 (131% above the same period in 2022)
- Ongoing investment and expansion of manufacturing sector
- Improved government fiscal position to support economic growth initiatives

Franchise Highlights

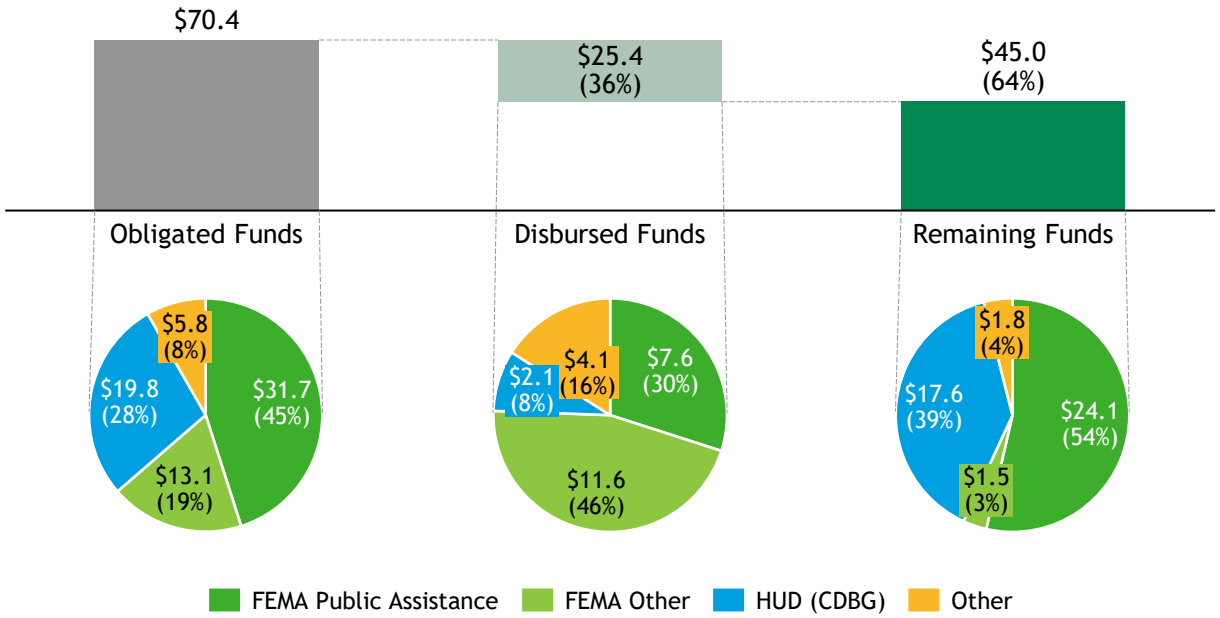
- Well-diversified and granular deposit franchise
- Strong earnings generation capacity and strong expense management culture with lowest efficiency ratio among peers
- Robust capital position allows us to return 100% of earnings to shareholders through buybacks and the payment of common stock dividends while strategically investing in the organization
- Reached over 414K registered users in Retail Digital Banking application, up 3.2% during the quarter and 14.6% year-over year
- Continue to capture over 41% of all deposit transactions through digital and self-service channels
- Relaunched corporate portal (www.1firstbank.com) focused on expanding self-service distribution channels while enhancing digital experience for customers
- Released second annual Corporate Sustainability Report which highlights firm-wide ESG efforts while demonstrating commitment to all stakeholders

[1] Sources: Puerto Rico Economic Development Bank (EDB); 2Q23 data is based on preliminary results for April and May (average)
[2] Recovery Support Function Leadership Group (RSFLG) - https://recovery.fema.gov/rsflg-monthly-data. Data presented for May 2023 (YTD) includes $335.8 million related to Hurricane Fiona

Puerto Rico Disaster Recovery & Pandemic Relief
Funding Overview

Disaster Recovery Funding[1]

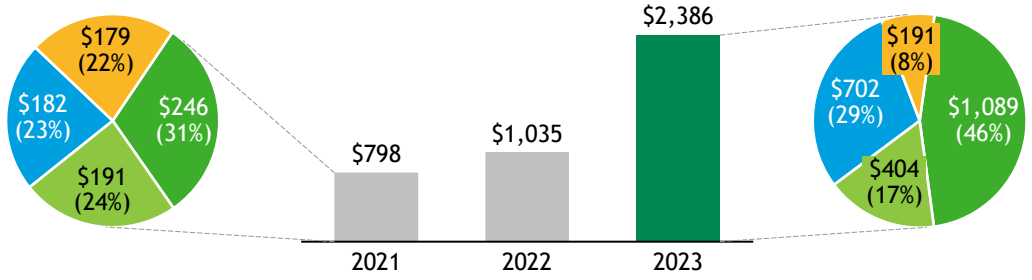
$ in billions



Progress on Disbursements[2]

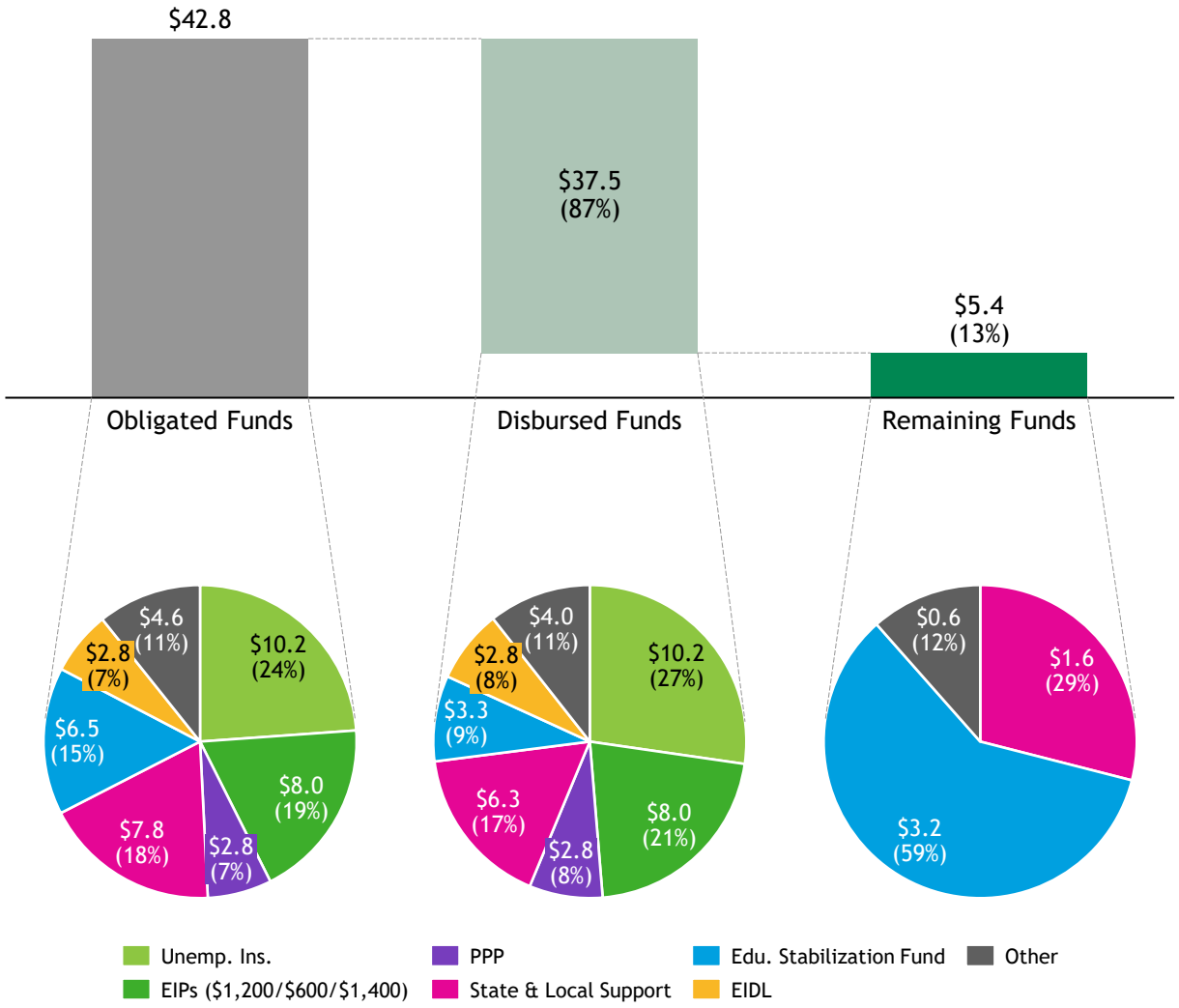
Year-to-date as of June of each year

$ in millions



Pandemic Relief Funding[3][4][5]

$ in billions



[1] *Sources: Recovery Support Function Leadership Group (RSFLG), https://recovery.fema.gov/rsflg-monthly-data & COR3, Puerto Rico Disaster Recovery Transparency Portal - COR3 (pr.gov); (data subject to revisions by sources)*

[2] *Data presented for 2023 includes $414.6 million related to Hurricane Fiona (September 2022)*

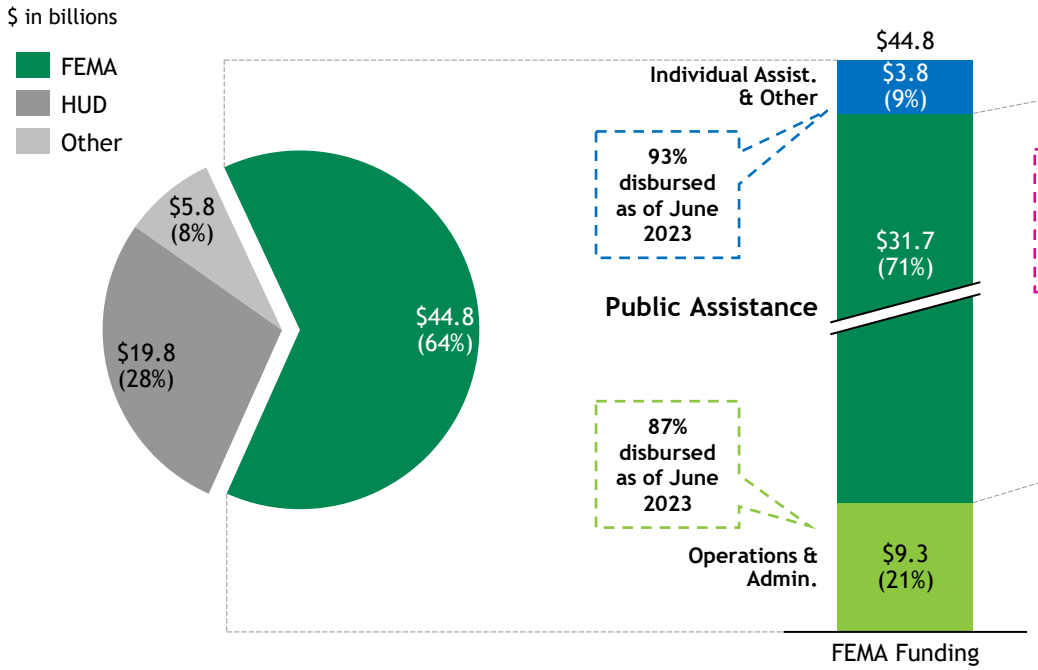
[3] *Sources: COR3, USASpending.gov, SBA, U.S. Department of Labor, HHS' TAGGS, and AAFAF (data subject to revisions by sources)*

[4] *Unemployment insurance includes $1.39 billion in regular UI benefits*

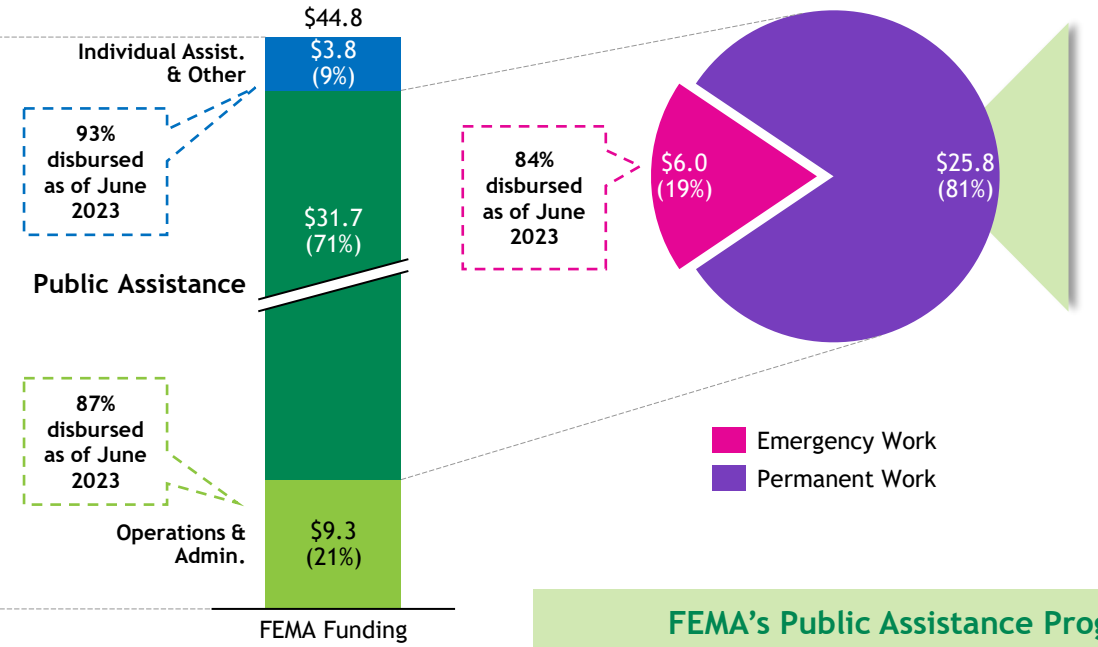
[5] *Economic Injury Disaster Loan (EIDL) data is based on approved amounts*

Puerto Rico Disaster Recovery
Funding Overview | FEMA Funds[1]

Disaster Recovery Obligated Funds

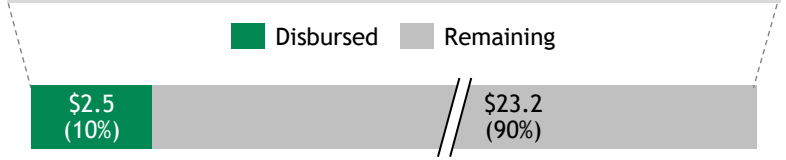


FEMA's Obligated Funds



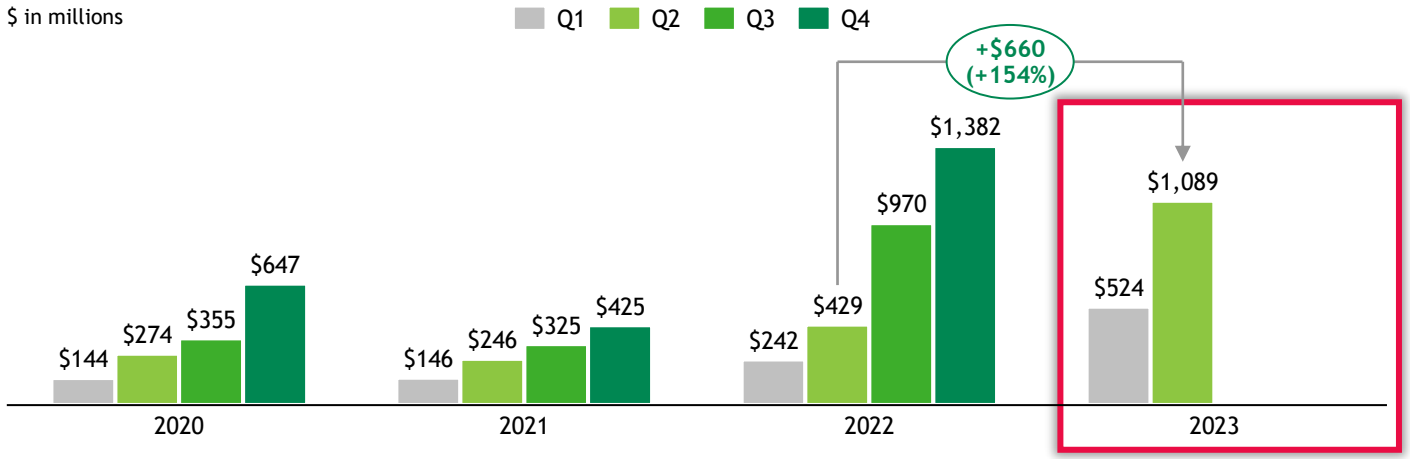
FEMA's Permanent Work Overview

Permanent Work by Category	Obligated Funds	% of Total
Category C - Roads and Bridges	$2,022,206,083	8%
Category D - Water Control Facilities	54,943,840	0%
Category E - Buildings and Equipment	7,014,171,678	27%
Category F - Utilities	13,207,936,080	51%
Category G - Parks, Recreational, Others	1,196,889,215	5%
Category Z - Direct Administrative Cost	1,515,372,522	6%
Category Z - State Management Cost	746,842,895	3%
Total	**$25,758,362,313**	**100%**



- There are two major federal agencies that combined are expected to provide over 90% of the Disaster Relief Funding currently obligated to Puerto Rico: FEMA & HUD
- FEMA's recovery framework can be segregated into two major programs:
  - Public Assistance (PA) programs: this is FEMA's largest program as it covers a wide spectrum of areas, which can be divided into two major categories, Emergency Work and Permanent Work (most of the programs under the former have already been completed)
  - Individual Assistance (IA) programs: this is FEMA's second largest program and its primarily geared towards immediate needs and housing assistance in the aftermath of the disaster
- As of June 2023, there were $25.8 billion in *Obligated* funding under the PA's Permanent Work programs of which only $2.5 billion (10%) had been disbursed

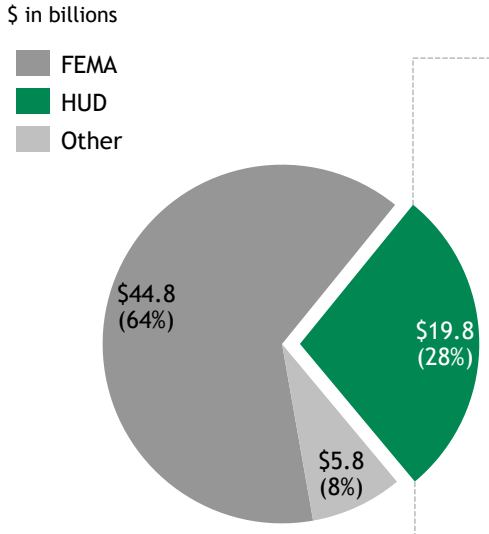
FEMA's Public Assistance Programs[2] | Cumulative Disbursements per Year



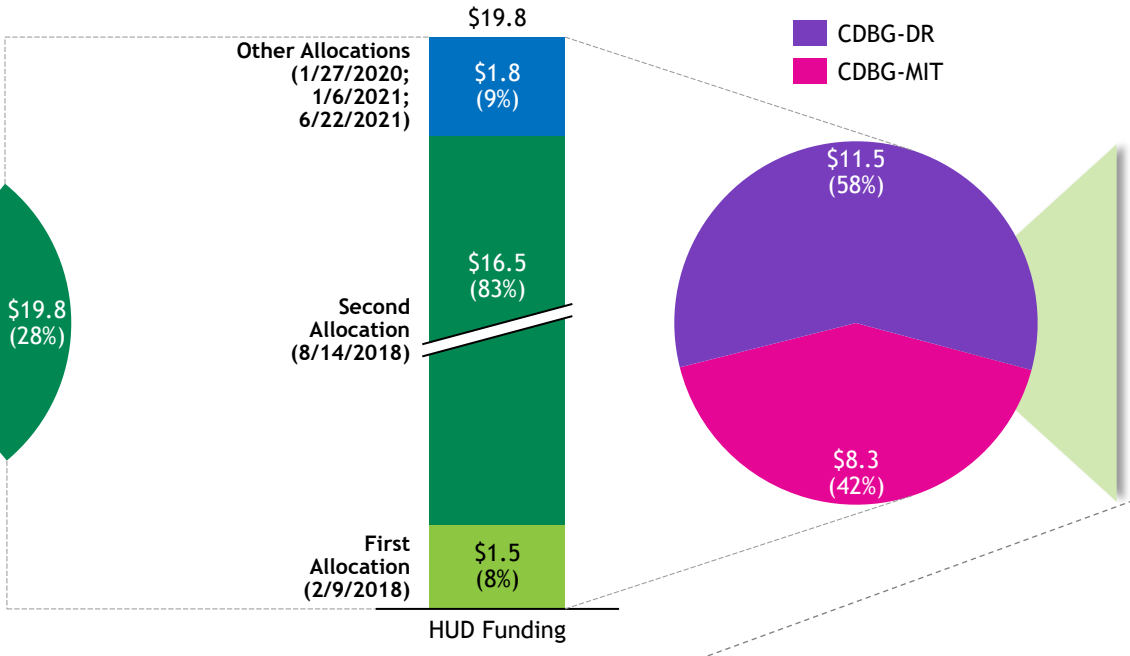
[1] Source: COR3 & RSFLG (data subject to revision by sources) | [2] Includes both Emergency Work and Permanent work funds |

Puerto Rico Disaster Recovery
Funding Overview | HUD's CDBG Funds[1]

Disaster Recovery Obligated Funds

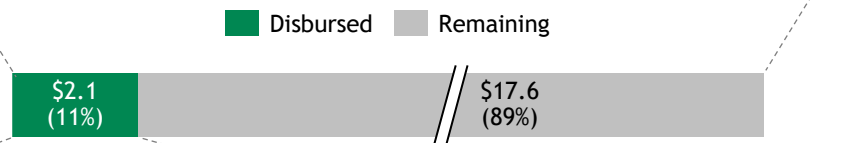


HUD's Obligated Funds



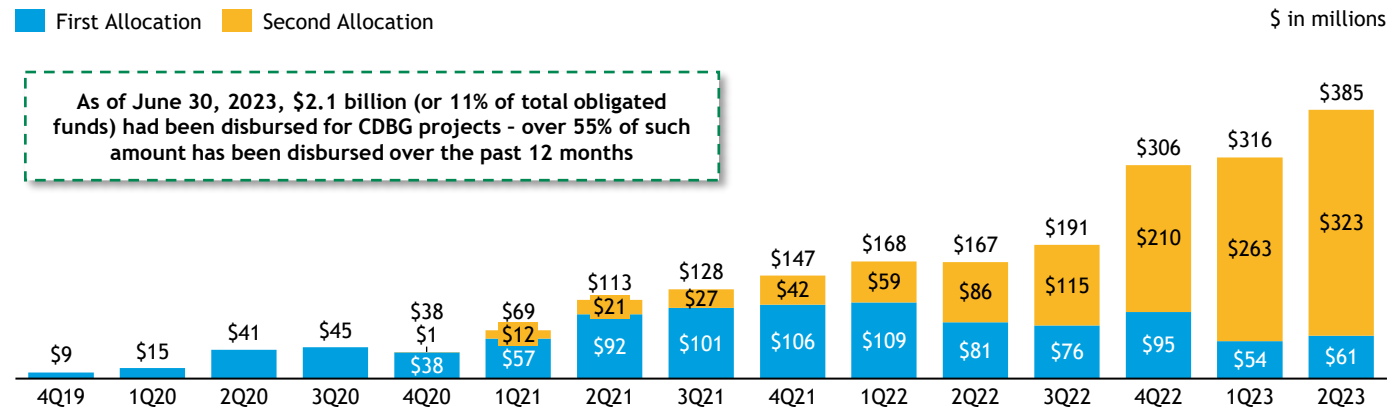
HUD's CDBG Overview

Sector	CDBG-DR	CDBG-MIT	Total CDBG	% of Total
Housing	$5,127,701,299	$2,000,896,086	$7,128,597,385	36%
Economic Recovery	1,317,500,000	-	1,317,500,000	7%
Infrastructure & Energy	2,816,406,180	4,566,451,166	7,382,857,346	37%
Multi-Sector	1,298,000,000	1,128,816,696	2,426,816,696	12%
Planning	316,249,440	174,855,852	491,105,292	2%
Administrative	607,960,611	414,264,200	1,022,224,811	5%
Total	**$11,483,817,530**	**$8,285,284,000**	**$19,769,101,530**	**100%**



- There are two major federal agencies that combined are expected to provide over 90% of the Disaster Relief Funding currently obligated to Puerto Rico: FEMA & HUD
- HUD's Community Development Block Grant (CDBG) programs include the Disaster Recovery program (CDBG-DR) and the Mitigation program (CDBG-MIT)
  - The CDBG-DR grants provide housing, infrastructure, and economic revitalization assistance to impacted areas
  - The CDBG-MIT program provides additional funding to increase resilience to disasters by lessening the impact of future disasters
- As of June 30, 2023, there were $19.8 billion in *Obligated* funding under the CDBG programs of which only $2.1 billion (11%) had been disbursed

HUD's Quarterly Disbursements Trend | CDBG[2]



[1] *Source: RSFLG (data subject to revision by sources)*