



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First BanCorp.

Person to be contacted regarding this report:	Sara Alvarez
CPP Funds Received:	\$400,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	1/16/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	2744894
Holding Company Docket Number: (For Thrift Holding Companies)	N/A
FDIC Certificate Number: (For Depository Institutions)	30387
City:	San Juan
State:	Puerto Rico

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Please refer to Attachment No. 1.
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<input checked="" type="checkbox"/> To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Please refer to Attachment No. 1.
<input type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/> Make other investments	
<input checked="" type="checkbox"/> Increase reserves for non-performing assets	Please refer to Attachment No. 1.

<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

Please refer to responses included below with respect to actions taken as a result the capital infusion of CPP funds.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The Corporation used TARP Capital Purchase Program funds to support loan modifications and loss mitigation initiatives; these include the Corporation's loss mitigation mortgage refinance program, the Corporation's program to stimulate sales of property inventory on new construction projects and the Corporation's workout initiatives.

The TARP Capital Purchase Program funds also enabled the Corporation to maintain capital ratios well above the amount necessary for it to qualify as "well capitalized" for regulatory purposes. Total Capital, Tier 1 Capital and Leverage ratios increased from 12.80%, 11.55% and 8.30%, respectively, as of December 31, 2008, to 15.29%, 14.03% and 10.38%, respectively, as of March 31, 2010. Please refer to Attachment No. 2 for further details on the Corporation's and its banking subsidiary's regulatory capital positions for the years ended December 31, 2008 and 2009.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

Please refer to responses provided above, there are no further actions to be described herein.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.