

FIRST BANCORP /PR/
Form DEFA14A
March 26, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

FIRST BANCORP.
(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

1) Title of each class of securities to which transaction applies:

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- 2) Aggregate number of securities to which transaction applies:

- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- 4) Proposed maximum aggregate value of transaction:

- 5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:

- 2) Form, Schedule or Registration Statement No.:

- 3) Filing Party:

- 4) Date Filed:

The following press release was issued by First BanCorp. on March 26, 2013:

News Release

First BanCorp. Announces Extension of the Expiration Date and Increase in the Exchange Value for Preferred Stock Accepted in the Exchange Offer

SAN JUAN, Puerto Rico March 26, 2013 First BanCorp. (the Corporation) (NYSE: FBP), the bank holding company for FirstBank Puerto Rico (FirstBank or the Bank), announced today that it has extended the expiration date for its offer to issue shares of its common stock, par value \$0.10 per share (Common Stock), in exchange (the Exchange Offer) for any and all of the issued and outstanding shares of Non-Cumulative Perpetual Monthly Income Preferred Stock, Series A through E (collectively, Preferred Stock) until midnight on Tuesday, April 9, 2013, unless the Corporation further extends the Exchange Offer or terminates it prior to such date. Proxies related to the consent on the amendments to the certificates of designation for the Preferred Stock will be accepted until the new expiration date.

The Corporation has fixed the Exchange Ratio for the issuance of shares of Common Stock in exchange for shares of Preferred Stock at 3.57 shares of Common Stock for each share of each series of Preferred Stock (the Exchange Ratio) validly tendered and not withdrawn that are accepted by the Corporation pursuant to the terms of the Exchange Offer. The Exchange Ratio is based on an increased Exchange Value of \$22 per share of Preferred Stock divided by \$6.1593, which was the average Volume Weighted Average Price of a share of Common Stock during the five trading-day period that ended on Thursday, March 21, 2013. The Exchange Value will change based upon the price of the Common Stock. As stated in the press release issued by the Corporation on March 22, 2013, the original Exchange Value was \$20 and the original Exchange Ratio was 3.24 shares of Common Stock for each share of Preferred Stock.

As of midnight, New York City time, on March 25, 2013, 61,076 shares of Series A Preferred Stock, 31,187 shares of Series B Preferred Stock, 33,516 shares of Series C Preferred Stock, 35,886 shares of Series D Preferred Stock, and 109,137 shares of Series E Preferred Stock have been validly tendered and not withdrawn.

Except as otherwise stated in this release, all of the terms and conditions of the Exchange Offer, as set forth in the Corporation's Prospectus dated February 14, 2013, which was filed with the U.S. Securities and Exchange Commission (the SEC) on February 15, 2013, and the related letter of transmittal, are unchanged.

Sandler O'Neill + Partners, L.P. is acting as the sole dealer manager, Computershare is acting as exchange agent, and Georgeson Inc. is acting as information agent for the Exchange Offer. For further details, please contact Sandler O'Neill + Partners, L.P. at 866-805-4128 (toll-free) or 212-466-7807 (collect), or Georgeson Inc. at 866-856-6388 (toll-free) or 212-440-9800 (collect).

This press release is neither an offer to exchange nor a solicitation of an offer to sell or purchase Common Stock or Preferred Stock. The Exchange Offer is only being made pursuant to the Prospectus dated February 14, 2013, which was filed with the SEC on February 15, 2013, and the related letter of transmittal, which are available without charge on the SEC's website site at www.sec.gov or can be obtained, without charge, upon written or oral request to: First BanCorp., Attention: Lawrence Odell, Secretary, P.O. Box 9146, San Juan, Puerto Rico, 00908-0146; telephone: (787) 729-8109, or Georgeson Inc., 199 Water Street, 26th Floor, New York, NY 10038; telephone: 866-856-6388 (toll-free) or 212-440-9800 (collect). Investors should read the Prospectus for more complete information about the Corporation and the Exchange Offer. None of the Corporation, the dealer manager, the exchange agent, the information agent or any other person is making any recommendation as to whether holders of Preferred Stock should tender their shares of Preferred Stock for exchange in the Exchange Offer.

About First BanCorp.

First BanCorp. is the parent corporation of FirstBank, a state-chartered commercial bank with operations in Puerto Rico, the Virgin Islands and Florida, and of FirstBank Insurance Agency. First BanCorp. and FirstBank operate within U.S. banking laws and regulations. The Corporation operates a total of 154 branches, stand-alone offices, and in-branch service centers throughout Puerto Rico, the U.S. and British Virgin Islands, and Florida. Among the subsidiaries of FirstBank are First Federal Finance Corp., a small loan company; FirstBank Puerto Rico

Securities Corp., a broker-dealer subsidiary; First Management of Puerto Rico; and FirstMortgage, Inc., a mortgage origination company. In the U.S. Virgin Islands, FirstBank operates First Express, a small loan company. First BanCorp's Common Stock trades on the New York Stock Exchange under the symbol FBP.

Safe Harbor

This press release may contain forward-looking statements concerning the Corporation's future economic performance. The words or phrases expect, anticipate, look forward, should, believes and similar expressions are meant to identify forward-looking statements. 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, the following could cause actual results to differ materially from those expressed in, or implied by such forward-looking statements: uncertainty about whether the Corporation and FirstBank 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 Federal Reserve) and the order dated June 2, 2010 that FirstBank entered into with the FDIC and the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico (the FDIC Order) 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 FDIC 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 Federal Reserve 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 Puerto Rico, the U.S., and the U.S. Virgin Islands and British Virgin Islands, including the interest rate environment, 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 reduce the Corporation's revenues, earnings, 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, the current fiscal problems, and budget deficit of the Puerto Rico government and recent credit downgrades of the Puerto Rico government; 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; uncertainty regarding the timing and final substance of any capital or liquidity standards, including the Final Basel III requirements and their implementation through rulemaking by the Federal Reserve, including anticipated requirements to hold higher levels of regulatory capital and liquidity and meet higher regulatory capital ratios as a result of Final Basel III or other capital or liquidity standards; uncertainty about the effectiveness of the various actions undertaken to stimulate the U.S. economy and stabilize the U.S. 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, 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 expenses; the 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 of acquisitions and disposition transactions; a need to recognize

additional impairments on financial instruments, goodwill, or other intangible assets relating to acquisitions; the 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.

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First BanCorp.

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Investor Relations Officer

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