

FIRST BANCORP /PR/
Form 424B4
February 03, 2017
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**Filed Pursuant to Rule 424(b)(4)
Registration No. 333-209516**

PROSPECTUS SUPPLEMENT

(To Prospectus dated February 29, 2016)

20,000,000 Shares of Common Stock

The selling stockholders identified in this prospectus supplement are offering 20,000,000 shares of the common stock, \$0.10 par value per share (Common Stock), of First BanCorp. First BanCorp. will not receive any proceeds from the sale of the Common Stock by the Selling Stockholders. See Selling Stockholders.

Our Common Stock trades on the New York Stock Exchange (NYSE) under the symbol FBP. As of January 30, 2017, the closing sales price for our Common Stock on the NYSE was \$6.62 per share.

Before making a decision regarding this offering, you are encouraged to read the risk factors section beginning on page S-5 of this prospectus supplement.

The underwriters have agreed to purchase the shares of Common Stock from the Selling Stockholders at a price equal to \$6.36 per share, which will result in \$127,200,000 of proceeds to the Selling Stockholders (assuming no exercise of the underwriters' option to purchase additional shares) before expenses, subject to the terms and conditions in the underwriting agreement among the underwriters, the Selling Stockholders and us.

The underwriters propose to offer the shares of Common Stock from time to time for sale in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or negotiated prices, subject to their right to reject any order in whole or in part. See Underwriting.

The underwriters have the option to purchase up to an additional 3,000,000 shares of Common Stock from the Selling Stockholders at the public offering price less the underwriting discount, within 30 days from the date of this prospectus.

None of the U.S. Securities and Exchange Commission (the SEC), or any securities regulatory authority of any state or the Commonwealth of Puerto Rico, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other regulatory body has approved or disapproved of this offering or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about February 7, 2017.

Joint Book-Running Managers

Citigroup

UBS Investment Bank

The date of this prospectus supplement is February 1, 2017.

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ABOUT THIS DOCUMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, provides more general information. Generally, when we refer to the prospectus, we are referring to both parts combined.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to First BanCorp. or we, us, our or similar references mean First BanCorp. together with its consolidated subsidiaries; references to the Corporation mean solely First BanCorp. and not its subsidiaries and references to the Bank or FirstBank mean FirstBank Puerto Rico.

We have not authorized anyone to provide you with information other than that contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any free writing prospectus relating to this offering of Common Stock. Neither we, nor the Selling Stockholders nor the underwriters, take any responsibility for, or provide any assurance as to the reliability of, any other information that others may give you. The Selling Stockholders are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus, or the information we previously filed with the SEC that is incorporated by reference herein, is accurate as of any date other than its respective date.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. Any statement contained in a document incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, or in any subsequently filed document, which also is incorporated by reference herein, modifies or supersedes such earlier statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We hereby incorporate by reference into this prospectus the following documents that we have filed with the SEC:

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2015;

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016;

Our Current Reports on Form 8-K filed with the SEC on March 22, 2016, May 25, 2016, September 22, 2016, October 5, 2016 (as amended December 20, 2016), and December 1, 2016;

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Our Definitive Proxy Statement on Schedule 14A for the year ended December 31, 2015, filed with the SEC on April 12, 2016, but only to the extent incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2015; and

The description of our capital stock as set forth in our Registration Statement on Form 8-A/A filed with the SEC on May 4, 2012.

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All documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the date of this prospectus and prior to the termination of the offering, are incorporated by reference in this prospectus from the date of filing of the documents. Information that we file with the SEC will automatically update and may replace information previously filed with the SEC.

You may request a copy of these filings, other than an exhibit to a filing (unless that exhibit is specifically incorporated by reference into that filing), at no cost, by writing to us at the following address: First BanCorp., Attention: Lawrence Odell, Secretary, P.O. Box 9146, San Juan, Puerto Rico, 00908-0146. Telephone requests may be directed to (787) 729-8109. E-mail requests may be directed to lawrence.odell@firstbankpr.com. You may also access this information on our website at www.firstbankpr.com by viewing the SEC Filings subsection of the Investor Relations menu. No information on our website is deemed to be part of or incorporated by reference into this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

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FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this prospectus, the word or phrases would be, will allow, intends to, will likely result, expected to, should, anticipate, and similar expressions are meant to identify forward-looking statements. Such forward-looking statements speak only as of the date made, and 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 :

the ability of the Puerto Rico government or any of its public corporations or other instrumentalities to repay its respective debt obligations, including as a result of payment defaults on the Puerto Rico government general obligations, bonds of the Government Development Bank for Puerto Rico and certain bonds of government public corporations, and recent and any future downgrades of the long-term and short-term debt ratings of the Puerto Rico government, which could exacerbate Puerto Rico's adverse economic conditions and, in turn, further adversely impact the Corporation;

uncertainty as to the ultimate outcomes of actions resulting from the enactment by the U.S. government of the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) to address Puerto Rico's financial problems;

uncertainty about whether the Corporation will be able to continue 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 New York Fed), that, among other things, requires the Corporation to serve as a source of strength to FirstBank and that, except with the consent generally of the New York Fed and the Board of Governors of the Federal Reserve System (the Federal Reserve Board), prohibits the Corporation from paying dividends to stockholders or receiving dividends from FirstBank, making payments on trust preferred securities or subordinated debt and incurring, increasing or guaranteeing debt or repurchasing any capital securities and uncertainty whether such consent will be provided for future interest payments on the subordinated debt, despite the consents that enabled the Corporation to pay all the accrued but deferred interest payments plus the interest for the second, third and fourth quarters of 2016 on the Corporation's subordinated debentures associated with its trust preferred securities, and for future monthly dividends payments on its non-cumulative perpetual preferred stock, despite the consent that enabled the Corporation to pay monthly dividends on its non-cumulative perpetual preferred stock for December and January;

a decrease in demand for the Corporation's products and services and lower revenues and earnings because of the continued recession in Puerto Rico;

uncertainty as to the availability of certain funding sources, such as brokered CDs;

the Corporation's reliance on brokered CDs to fund operations and provide liquidity;

the risk of not being able to fulfill the Corporation's cash obligations or resume paying dividends to the holders of the Corporation's Common Stock in the future due to the Corporation's need to receive approval from regulators to declare or pay any dividends and to take dividends or any other form of payment representing a reduction in capital from FirstBank or FirstBank's failure to generate sufficient cash flow to make a dividend payment to the Corporation;

the weakness of the real estate markets and of the consumer and commercial sectors and their impact on the credit quality of the Corporation's loans and other assets, which have contributed and may continue to contribute to, among other things, high levels of non-performing assets, charge-offs and provisions for loan and lease losses and may subject the Corporation to further risk from loan defaults and foreclosures;

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the ability of FirstBank to realize the benefits of its deferred tax assets subject to the remaining valuation allowance;

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 reduced interest margins and affected funding sources, and has affected demand for all of the Corporation's products and services and reduced the Corporation's revenues and earnings, and the value of the Corporation's assets, and may continue to have these effects;

an adverse change in the Corporation's ability to attract new clients and retain existing ones;

the risk that additional portions of the unrealized losses in the Corporation's investment portfolio are determined to be other-than-temporary, including additional impairments on the Puerto Rico government's obligations;

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;

changes in the fiscal and monetary policies and regulations of the U.S. federal government and the Puerto Rico and other governments, including those determined by the Federal Reserve Board, the New York Fed, 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 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 impact on the Corporation's results of operations and financial condition of acquisitions and dispositions;

a need to recognize additional impairments on the Corporation's financial instruments, goodwill or other intangible assets relating to acquisitions;

the risk 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 on the Corporation's businesses, business practices and results of operations of a potential higher interest rate environment; and

general competitive factors and industry consolidation.

We do not undertake, and specifically disclaim any obligation, to update any of the 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 Risk Factors section of this prospectus supplement for a discussion of factors and certain risks and uncertainties to which we are subject.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary does not contain all of the information you should consider before investing in our Common Stock. This prospectus includes or incorporates by reference information about the shares of Common Stock being offered hereby as well as information regarding our business and detailed financial data. Before you decide to invest in our Common Stock, you should read the entire prospectus carefully, including the Risk Factors section and any information incorporated by reference herein.

Our Company

First BanCorp. is a publicly owned financial holding company that is subject to regulation, supervision and examination by the Federal Reserve Board. The Corporation was incorporated under the laws of the Commonwealth of Puerto Rico to serve as the bank holding company for FirstBank. The Corporation is a full service provider of financial services and products with operations in Puerto Rico, the United States and the United States Virgin Islands (USVI) and the British Virgin Islands (BVI). As of December 31, 2016, the Corporation had total assets of \$11.9 billion, total deposits of \$8.8 billion and total stockholders' equity of \$1.8 billion.

The Corporation provides a wide range of financial services for retail, commercial and institutional clients. As of December 31, 2016, the Corporation controlled two wholly owned subsidiaries: FirstBank and FirstBank Insurance Agency, Inc. (FirstBank Insurance Agency). FirstBank is a Puerto Rico-chartered commercial bank, and FirstBank Insurance Agency is a Puerto Rico-chartered insurance agency.

FirstBank is subject to the supervision, examination and regulation of both the Office of the Commissioner of Financial Institutions and the FDIC. Deposits are insured through the FDIC Deposit Insurance Fund. In addition, within FirstBank, the Bank's USVI operations are subject to regulation and examination by the United States Virgin Islands Banking Board; its BVI operations are subject to regulation by the British Virgin Islands Financial Services Commission; and its operations in the state of Florida are subject to regulation and examination by the Florida Office of Financial Regulation and the FDIC. FirstBank is required to maintain capital at specified levels pursuant to applicable law and its agreement with its regulators and currently exceeds all minimum capital requirements. The Consumer Financial Protection Bureau regulates FirstBank's consumer financial products and services. FirstBank Insurance Agency is subject to the supervision, examination and regulation of the Office of the Insurance Commissioner of the Commonwealth of Puerto Rico and operates three offices in Puerto Rico, and two offices in the USVI and BVI.

FirstBank conducts its business through its main office located in San Juan, Puerto Rico, 48 banking branches in Puerto Rico as of December 31, 2016, 12 branches in the USVI and BVI, and 11 branches in the state of Florida (USA). As of December 31, 2016, FirstBank has 6 wholly owned subsidiaries with operations in Puerto Rico: First Federal Finance Corp. (d/b/a Money Express La Financiera), a finance company specializing in the origination of small loans with 28 offices in Puerto Rico; First Management of Puerto Rico, a domestic corporation, which holds tax-exempt assets; FirstBank Puerto Rico Securities Corp., a broker-dealer subsidiary engaged in municipal securities underwriting and selling for local Puerto Rico municipal bond issuers and other investment bearing activities, such as advisory services, capital raise efforts on behalf of clients and assist in financial transaction structuring; FirstBank Overseas Corporation, an international banking entity organized under the International Banking Entity Act of Puerto Rico; and two other companies that hold and operate certain other real estate owned properties.

Our principal executive offices are located at 1519 Ponce de Leon Avenue, Stop 23, Santurce, Puerto Rico, and our telephone number is (787) 729-8200.

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Recent Developments

Although the audit for the year ended December 31, 2016 is not yet finalized, certain unaudited financial information as of and for the quarter ended December 31, 2016 (the fourth quarter) is set forth below compared to the quarter ended September 30, 2016 (the third quarter):

Net income of \$23.9 million, or \$0.11 per diluted share, compared to \$24.1 million, or \$0.11 per diluted share, for the third quarter of 2016.

Net interest income increased by \$2.9 million to \$121.1 million, compared to \$118.2 million for the third quarter of 2016, primarily due to interest income recovery from certain non-accrual commercial loans that were fully paid off during the fourth quarter and the maturity of certain high cost repurchase agreements.

Net interest margin increased 24 basis points to 4.30%.

Provision for loan and lease losses increased by \$1.7 million to \$23.2 million, compared to \$21.5 million for the third quarter of 2016, primarily reflecting a \$1.8 million charge related to the sale of a \$16.3 million pool of non-performing assets completed in the fourth quarter of 2016, mostly comprised of non-performing commercial loans.

Non-interest income of \$23.6 million compared to \$26.1 million for the third quarter of 2016, a decrease driven by the effect in the previous quarter of a \$6.1 million gain on sales of U.S. agency mortgage-backed securities (MBS), partially offset by a \$1.7 million increase in brokerage and insurance commissions and a \$1.5 million gain from recovery of a residual private label collateralized mortgage obligation (CMO) previously written off.

Non-interest expenses decreased by \$4.1 million to \$84.2 million, compared to \$88.3 million for the third quarter of 2016, primarily due to lower costs associated with credit card and deposit reward programs.

Income tax expense of \$13.3 million compared to \$10.4 million for the third quarter of 2016, an increase mainly driven by a higher than expected proportion of income from taxable sources compared to income from exempt sources.

Credit quality variances:

Non-performing assets decreased in the quarter by \$9.5 million, to \$734.5 million as of December 31, 2016, mainly attributable to the sale of the \$16.3 million pool of non-performing

assets as well as commercial loan charge-offs and collections, partially offset by non-performing loan inflows in the quarter.

Non-performing loan inflows amounted to \$67.9 million, an increase of \$17.5 million, compared to inflows of \$50.4 million in the third quarter of 2016.

A net charge-off rate of 1.43% (1.22% excluding net charge-offs associated with the sale of the \$16.3 million pool of non-performing assets) compared to 1.90% for the third quarter of 2016. The decrease reflects the impact of four large commercial loan charge-offs recorded in the previous quarter totaling \$22.9 million.

Total deposits, excluding brokered certificates of deposit (CDs) and government deposits, increased in the quarter by \$29.5 million to \$6.8 billion as of December 31, 2016, reflecting

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increases of \$30.3 million and \$16.9 million in the Puerto Rico and the Virgin Islands regions, respectively, partially offset by a \$17.7 million reduction in the Florida region.

Brokered CDs decreased in the quarter by \$118.8 million to \$1.4 billion as of December 31, 2016.

Government deposits decreased in the quarter by \$60.8 million to \$563.7 million as of December 31, 2016, a decrease primarily reflected in the Puerto Rico region.

Total loans increased in the quarter by \$16.4 million to \$8.9 billion as of December 31, 2016, primarily due to a \$75.4 million growth in the Florida region reflected in all major loan categories and a \$16.4 million increase in the commercial loan portfolio in the Virgin Islands, partially offset by lower loan balances in Puerto Rico including the effect of the sale of the \$16.3 million pool of non-performing assets completed in the fourth quarter.

Total loan originations, including refinancings, renewals and draws from existing commitments (excluding credit card utilization activity), of \$757.1 million for the fourth quarter of 2016, compared to \$803.6 million for the third quarter of 2016.

As of December 31, 2016, the Corporation had \$323.3 million of direct exposure to loans and obligations of the Commonwealth of Puerto Rico government and instrumentalities, of which \$191.9 million, or 59%, represented exposure to municipalities, which is supported by assigned property tax revenues, compared to total exposure of \$325.9 million as of September 30, 2016.

Total capital, common equity Tier 1 capital, Tier 1 capital, and leverage ratios calculated under the transition provisions of Basel III rules of 21.37%, 17.77%, 17.77%, and 13.70%, respectively, as of December 31, 2016. Tangible common equity ratio of 14.34% as of December 31, 2016.

The information above is unaudited, is the responsibility of management, and reflects management's good faith estimates based solely upon information available to us as of the date hereof. Our independent registered public accounting firm, KPMG LLP, has not audited this unaudited information. Accordingly, KPMG LLP does not express an opinion or any other form of assurance with respect to the unaudited information. Therefore, you should not place undue reliance upon this unaudited information. The information presented above should not be considered a substitute for full audited financial statements prepared in accordance with generally accepted accounting principles.

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The Offering

Common Stock offered to the public by the Selling Stockholders	10,000,000 shares by THL and 10,000,000 shares by Oaktree (each as defined below).
Selling Stockholders	Certain entities affiliated with Thomas H. Lee Partners, L.P. (THL), and certain funds managed by Oaktree Capital Management, L.P. (Oaktree and, together with THL, the Selling Stockholders). See Selling Stockholders.
Dividend Policy	The Corporation does not currently pay dividends on its Common Stock.
Common Stock outstanding after this Offering ⁽¹⁾	217,469,601 shares
Option to Purchase Additional Shares of Common Stock	3,000,000 shares, if the option to purchase from the Selling Stockholders is exercised in full.
Common Stock to be held by the Selling Stockholders after this Offering ⁽¹⁾	THL and Oaktree will each own 9.9% (9.2% if the underwriters exercise in full their option to purchase additional shares) of our outstanding shares of Common Stock.
Risk Factors	See Risk Factors beginning on page S-5 of this prospectus supplement.
Use of Proceeds	We will not receive any proceeds from the sale of shares of Common Stock by the Selling Stockholders.
U.S. Federal Income Tax Consequences	See U.S. Federal and Puerto Rico Income Tax Consequences U.S. Federal Income Tax Consequences beginning on page S-11.
Certain Puerto Rico Income Tax Considerations	See U.S. Federal and Puerto Rico Income Tax Consequences Certain Puerto Rico Tax Considerations beginning on page S-14.
New York Stock Exchange symbol	FBP

- 1 The number of shares of Common Stock that will be outstanding after this offering is the number of shares of our Common Stock outstanding as of January 18, 2017.

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RISK FACTORS

Investing in our Common Stock involves certain risks. You should carefully consider the risks described in our annual, quarterly and current reports filed with the SEC under the Exchange Act, which are incorporated by reference into this prospectus supplement, before you decide to acquire any of the shares of Common Stock being offered by the Selling Stockholders. Before making an investment decision, you should carefully consider these risks as well as other information that we include or incorporate by reference in this prospectus supplement and the accompanying prospectus. You should also be aware that new risks may emerge in the future at any time, and we cannot predict such risks or estimate the extent to which they may affect our financial condition or performance. If any of such risks actually occur, our business, financial condition, results of operations and future growth prospects would likely be materially and adversely affected. In these circumstances, the market price of our Common Stock could decline, and you could lose all or part of your investment.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares of Common Stock by the Selling Stockholders.

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SELLING STOCKHOLDERS

The table below sets forth beneficial ownership information for the Selling Stockholders immediately prior to this offering and after giving effect to this offering. Except as described below, the Selling Stockholders have not held any position or office or had any other material relationship with us or any of our predecessors or affiliates within the past three years. As of January 18, 2017, and including the shares offered hereby, THL beneficially owns an aggregate of 31,551,734 shares of our Common Stock and Oaktree beneficially owns an aggregate of 31,551,733 shares of our Common Stock and each of THL and Oaktree has designated one director to serve on our Board of Directors (the Board).

As noted in footnotes to the table below, two of the Oaktree entities are affiliates of broker-dealers. Each Selling Stockholder that is an affiliate of a broker-dealer purchased the shares being registered for resale in the ordinary course of business and at the time of the purchase had no agreements or understandings, directly or indirectly, with any person to distribute the securities.

The following is a description of key provisions of and actions taken pursuant to our investment agreements with THL and Oaktree, as amended:

In October 2011, we reimbursed THL and an affiliate of Oaktree Capital Management, L.P. \$4 million each for expenses incurred in connection with their purchase of shares of Common Stock in our \$525 million capital raise, completed in October 2011 (the capital raise).

Each of THL and Oaktree has the right to designate a person to serve on our Board for as long as each of them owns at least 25% of the number of shares each acquired in connection with the capital raise, or 12,671,121 shares. Consistent with our agreements with THL and Oaktree, respectively, we appointed Thomas M. Hagerty and Michael P. Harmon as directors in October 2011.

We agreed to use our best efforts to nominate two additional directors to the Board so that a majority of our directors will be either investor designees or independent directors with banking or related financial management expertise. In this regard, in October 2012, the Board elected Robert T. Gormley to serve as a director until the next annual meeting of stockholders and Mr. Gormley continues to serve as a director. In September 2013, the Board elected David I. Matson to serve as a director until the next annual meeting of stockholders and Mr. Matson continues to serve as a director.

On September 16, 2016, THL notified the Corporation that, pursuant to the terms of the Corporation's investment agreement with THL and subject to required regulatory approvals, it had designated Joshua D. Bresler to replace Thomas M. Hagerty as THL's representative on the Corporation's Board. On September 29, 2016, the Board elected Mr. Bresler to serve as an independent member of the Corporation's Board, subject to regulatory approval. On December 16, 2016, the Corporation received the requisite regulatory approval and Mr. Bresler began serving as an independent member of the Board. Mr. Hagerty resigned from the Board as of December 19, 2016

THL and Oaktree have certain indemnification rights.

Each of THL and Oaktree may acquire additional shares of Common Stock in the following circumstances: (a) for as long as each of THL and Oaktree, as applicable, owns at least 25% of the number of shares of Common Stock that it acquired in connection with the capital raise, each such investor will have the right to acquire from us at such time as we sell (i) any Common Stock or securities that are convertible into or exchangeable for Common Stock, or include a Common Stock

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component, an amount of securities up to the amount of the new securities required to maintain its percentage Common Stock-equivalent interest in us at the same level as it was before the issuance of those securities and (ii) any Common Stock or securities that are convertible into or exchangeable for Common Stock, or include a Common Stock component, to any investor to which we sold Common Stock in the capital raise an amount of securities up to the amount of new securities equal to the aggregate amount of new securities that we offer to sell to such other investor or its affiliates for the same price and on the same terms as such other offer or sale to such other investor or its affiliates; and (b) for as long as each of THL and Oaktree, as applicable, owns in the aggregate at least as many shares of Common Stock as any other entity or group of affiliated entities, if we offer to sell to any entity or group of affiliated entities Common Stock or securities that are convertible into or exchangeable for Common Stock, or include a Common Stock component, that would cause that entity or group of affiliated entities to own more shares of Common Stock than THL or Oaktree, as applicable, we will offer to sell to each of THL and Oaktree, for the same price and on the same terms, a number of new securities such that THL or Oaktree, as applicable, will own an amount of shares of Common Stock, after giving effect to the conversion or exercise of such new securities into Common Stock, equal to the number of shares of Common Stock owned by such other entity or group of affiliated entities.

Name of Selling Stockholder	Beneficial Ownership Prior to the Offering		Number of Shares Registered Number of Shares (1)	Number of Shares Being Offered Number of Shares	Beneficial Ownership After the Offering	
	Number of Shares (1)	Percent (2)			Number of Shares (1)	Percent (2)(3)
Thomas H. Lee (Alternative) Fund VI, L.P. (3)	17,319,410	7.96%	17,319,410	5,499,396	11,820,064	5.44%
Thomas H. Lee (Alternative) Parallel Fund VI, L.P. (3)	11,727,783	5.39%	11,727,783	3,723,864	8,003,919	3.68%
Thomas H. Lee (Alternative) Parallel (DT) Fund VI, L.P. (3)	2,048,609	*	2,048,609	650,485	1,398,124	*
THL FBC Equity Investors, L.P. (3)	397,780	*	397,780	126,305	271,475	*
Oaktree Principal Fund V (Delaware), L.P. (4)	26,054,639	11.98%	26,054,639	8,273,000	17,781,639	8.18%
Oaktree FF Investment Fund AIF (Delaware), L.P. (4)	5,438,942	2.50%	5,438,942	1,727,000	3,711,942	1.71%

* Less than 1 percent

(1) In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any Common Stock over which such person has voting or investment power or of which such person has the right to acquire beneficial ownership within 60 days of January 18, 2017.

(2)

The percentage of shares beneficially owned is calculated based on the number of shares outstanding as of January 18, 2017, which was 217,469,601 shares. In computing the percentage of shares beneficially owned, any shares which the person has a right to acquire within 60 days after January 18, 2017 are deemed outstanding for the purpose of computing the percentage of Common Stock beneficially owned by that person but are not deemed outstanding for the purpose of computing the percentage of shares beneficially owned by any other person.

- (3) Thomas H. Lee Advisors (Alternative) VI, Ltd. is the general partner of Thomas H. Lee Advisors (Alternative) VI, L.P., which is the general partner of each of: Thomas H. Lee (Alternative) Fund VI, L.P.; Thomas H. Lee (Alternative) Parallel Fund VI, L.P.; Thomas H. Lee (Alternative) Parallel (DT) Fund VI, L.P.; and THL FBC Equity Investors, L.P. (collectively, the THL Funds). Voting and investment determinations with respect to the securities held by the THL Funds are made by a private equity

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management committee (the THL Committee) consisting of Todd M. Abbrecht, Anthony J. DiNovi, Thomas M. Hagerty, Soren L. Oberg, Scott M. Sperling and Kent R. Weldon, and, such persons may be deemed to share beneficial ownership of the securities held or controlled by the THL Funds. The above share numbers do not include the amount of shares of Common Stock and shares of restricted stock held by THL's Board representative and THL Managers VI, LLC, which amount represents less than 1% of the outstanding shares. The THL Funds and each member of the THL Committee disclaim beneficial ownership of all shares reported herein except to the extent of their respective pecuniary interest therein.

- (4) Each of Oaktree Principal Fund V (Delaware), L.P. (the PF V Fund) and Oaktree FF Investment Fund AIF (Delaware), L.P. (the AIF Fund) has indicated that it is an affiliate of a broker-dealer. Each of the PF V Fund and the AIF Fund may be deemed to share voting and investment power with several other affiliated entities of Oaktree. The above share numbers do not include the amount of shares of Common Stock and shares of restricted stock held by Oaktree's Board representative, which amount represents less than 1% of the outstanding shares. Oaktree's Board representative holds such shares for the benefit of OCM FIE, LLC.

The PF V Fund may share voting and investment power with Oaktree Capital Group Holdings GP, LLC (OCGH GP), in its capacity as the manager of Oaktree Capital Group, LLC (OCG), OCG, in its capacity as managing member of Oaktree Holdings, LLC (Oaktree Holdings), Oaktree Holdings, in its capacity as managing member of OCM Holdings I, LLC (Oaktree Holdings I), Oaktree Holdings I, in its capacity as general partner of Oaktree Capital I, L.P. (Oaktree Capital I), Oaktree Capital I, in its capacity as general partner of Oaktree Fund GP I, L.P. (Oaktree Fund GP I), Oaktree Fund GP I, in its capacity as managing member of Oaktree Fund GP, LLC (Oaktree Fund GP), and Oaktree Fund GP, in its capacity as general partner of the PF V Fund.

The AIF Fund may share voting and investment power with OCGH GP, in its capacity as the general partner of Oaktree Capital Group Holdings, L. P. (OCGH LP), OCGH LP in its capacity as the controlling shareholder of Oaktree AIF Holdings, Inc. (Oaktree AIF Holdings), Oaktree AIF Holdings, in its capacity as general partner of Oaktree AIF Investments, L.P. (Oaktree AIF Investments), Oaktree AIF Investments, in its capacity as general partner of Oaktree Fund GP III, L.P. (Oaktree GP III), Oaktree GP III, in its capacity as managing member of Oaktree Fund GP AIF, LLC (Oaktree GP AIF), Oaktree GP AIF, in its capacity as general partner of Oaktree Fund AIF Series, L.P. Series I (Oaktree AIF and, together with OCGH GP, OCGH LP, OCG, Oaktree Holdings, Oaktree Holdings I, Oaktree Capital I, Oaktree Fund GP I, Oaktree Fund GP, Oaktree AIF Holdings, Oaktree AIF Investments, Oaktree GP III and Oaktree GP AIF, collectively, the Oaktree Entities), and Oaktree AIF, in its capacity as general partner of the AIF Fund.

OCGH GP is managed by an executive committee, the members of which are Howard S. Marks, Bruce A. Karsh, Jay S. Wintrob, John B. Frank, David M. Kirchheimer and Sheldon M. Stone (the OCGH GP Members). The OCGH GP Members make investment and voting decisions with respect to the shares reported herein. Michael P. Harmon, the Board representative for Oaktree, may be deemed to share voting and investment power with respect to the shares owned by the PF V Fund and the AIF Fund. Each Oaktree Entity, each OCGH GP Member, and Mr. Harmon disclaim beneficial ownership of all shares reported herein except to the extent of their respective pecuniary interest therein.

Table of Contents**MARKET PRICE OF AND DIVIDENDS ON THE COMMON STOCK**

Our Common Stock is currently listed on the NYSE under the symbol **FBP**. As of January 18, 2017, we had 217,469,601 shares of our Common Stock outstanding, held by approximately 393 holders of record. On January 31, 2017, the closing sale price of our Common Stock on the NYSE was \$6.72 per share.

The following table sets forth, for the periods indicated, the high and low sales prices per share of the Common Stock. Cash dividends on our Common Stock have been suspended since August 2009. The following table sets forth the quarterly high and low sales prices of our Common Stock on the NYSE for the periods indicated:

	Share prices	
	High	Low
<i>2017</i>		
First Quarter through January 31, 2017	\$ 7.00	\$ 6.46
<i>2016</i>		
Fourth Quarter ended December 31, 2016	\$ 7.05	\$ 4.78
Third Quarter ended September 30, 2016	\$ 5.26	\$ 3.82
Second Quarter ended June 30, 2016	\$ 4.62	\$ 2.52
First Quarter ended March 31, 2016	\$ 3.23	\$ 2.06
<i>2015</i>		
Fourth Quarter ended December 31, 2015	\$ 4.49	\$ 3.06
Third Quarter ended September 30, 2015	\$ 4.89	\$ 3.15
Second Quarter ended June 30, 2015	\$ 6.74	\$ 4.82
First Quarter ended March 31, 2015	\$ 6.74	\$ 5.27
<i>2014</i>		
Fourth Quarter ended December 31, 2014	\$ 5.89	\$ 4.56
Third Quarter ended September 30, 2014	\$ 5.57	\$ 4.75
Second Quarter ended June 30, 2014	\$ 5.66	\$ 4.87
First Quarter ended March 31, 2014	\$ 6.04	\$ 4.42

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U.S. FEDERAL AND PUERTO RICO INCOME TAX CONSEQUENCES

The following discussion describes the material United States federal income and Puerto Rico tax consequences of the ownership and disposition of shares of our Common Stock.

U.S. Federal Income Tax Consequences

The following discussion describes the material United States federal income tax consequences to U.S. Holders (as defined below), Puerto Rico Holders (as defined below), and Puerto Rico corporations (as defined below), collectively, the Holders of the ownership and disposition of shares of Common Stock.

You are a U.S. Holder if you are a beneficial owner of shares of Common Stock and you are:

an individual citizen or resident of the United States;

a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate whose income is subject to United States federal income tax regardless of its source; or

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons, as defined in the U.S. Internal Revenue Code of 1986, as amended (the U.S. Code), have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

The term U.S. Holder does not include Puerto Rico Holders nor does it include Puerto Rico corporations. As used herein, the term Puerto Rico Holder means an individual holder who is a bona fide resident of Puerto Rico during the entire taxable year within the meaning of Sections 933 and 937 of the U.S. Code. Puerto Rico corporations are corporations created or organized in or under the laws of Puerto Rico.

The following discussion is based upon the provisions of the U.S. Code, regulations promulgated by Treasury thereunder, and administrative rulings and judicial decisions, in each case as of the date hereof. These authorities are subject to differing interpretations and may be changed, perhaps retroactively, resulting in United States federal income tax consequences different from those discussed below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with such statements and conclusions. We believe that we are not a passive foreign investment company (PFIC) for U.S. federal income tax purposes and we do not expect to become a PFIC in the foreseeable future, and the remainder of the discussion assumes this treatment. Further, this discussion also assumes that the shares of Common Stock are held as capital assets within the meaning of Section 1221 of the U.S. Code. In addition, this discussion does not address all tax considerations that may be applicable to your particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

banks, insurance companies or other financial institutions;

regulated investment companies;

real estate investment trusts;

dealers in securities or commodities;

Puerto Rico corporations that are controlled foreign corporations;

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Puerto Rico corporations that are passive foreign investment companies;

U.S. expatriates;

persons deemed to own 10% or more of our voting stock;

traders in securities that elect to use a mark-to-market method of accounting for securities holdings;