

FIRST BANCORP /PR/
Form 11-K
June 29, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

Or

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-14793

**THE FIRSTBANK 401(K) RETIREMENT PLAN FOR RESIDENTS OF THE U.S. VIRGIN ISLANDS AND
THE UNITED STATES OF AMERICA**

(Full title of the Plan and address of the Plan, if different from that of the issuer named below)

Edgar Filing: FIRST BANCORP /PR/ - Form 11-K

FIRST BANCORP.

1519 Ponce de León Avenue, Stop 23

Santurce, Puerto Rico 00908-0146

(Name of issuer of the securities held pursuant to the plan and the address of principal executive office)

Table of Contents

The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin

Islands and the United States of America

Financial Statements and Supplemental Schedules

December 31, 2014 and 2013

Index

TABLE OF CONTENTS

	PAGE
<u>Report of Independent Registered Public Accounting Firm</u>	1
Financial Statements:	
<u>Statements of Net Assets Available for Benefits at December 31, 2014 and 2013</u>	2
<u>Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2014</u>	3
<u>Notes to the Financial Statements</u>	4
Supplemental Schedule: ¹	
<u>Schedule H, Line 4i Schedule of Assets (Held at End of Year) December 31, 2014</u>	11
<u>Schedule H, Line 4a Schedule of Delinquent Participant Contributions for the year ended December 31, 2014</u>	12
<u>Signatures</u>	13
EX 23.1 Consent of KPMG LLP	

¹ Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

Table of Contents

Report of Independent Registered Public Accounting Firm

The Participants and Administrator of The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin Islands and the United States of America:

We have audited the accompanying statements of net assets available for benefits of The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin Islands and the United States of America (the Plan) as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the year ended December 31, 2014, in conformity with U.S. generally accepted accounting principles.

The supplemental information in the accompanying schedules, Schedule H Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2014 and Schedule H, Line 4a Schedule of Delinquent Participant Contributions for the year then ended, has been subjected to audit procedures performed in conjunction with the audit of the Plan's 2014 financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedules, Schedule H Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2014 and Schedule H, Line 4a Schedule of Delinquent Participant Contributions for the year then ended, is fairly stated in all material respects in relation to the 2014 financial statements as a whole.

/s/ KPMG LLP

San Juan, Puerto Rico

June 29, 2015

Stamp No. E161604 of the Puerto Rico Society of Certified

Public Accountants was affixed to the

Table of Contents

record copy of this report.

Table of Contents**The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin****Islands and the United States of America****Statements of Net Assets Available for Benefits****December 31, 2014 and 2013**

	As of December 31,	
	2014	2013
Assets		
Investments		
Investments, at fair value	\$ 10,345,866	\$ 9,518,368
Receivables		
Contributions receivable from participants	27,460	27,014
Contributions receivable from employer	4,104	4,010
Other contributions receivable from employer	313,669	
Notes receivable from participants	629,505	515,516
Total receivables	974,738	546,540
Cash and cash equivalents	15,524	25,048
Net assets available for benefits	\$ 11,336,128	\$ 10,089,956

The accompanying notes are an integral part of these financial statements.

Table of Contents**The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin****Islands and the United States of America****Statement of Changes in Net Assets Available for Benefits****Year ended December 31, 2014**

	Year ended December 31, 2014
Additions to assets attributed to:	
Investment income	
Net appreciation in fair value of investments	\$ 27,682
Dividends and interest income	377,438
Total investment income	405,120
Interest income on notes receivable from participants	26,709
Contributions	
Participants	837,798
Employer	127,210
Other contributions from employer	313,669
Rollovers from other qualified plans	19,705
Total contributions	1,298,382
Total additions	1,730,211
Deductions from assets attributed to:	
Benefits and withdrawals paid to participants, including rollover distributions	481,879
Administrative expenses	2,160
Total deductions	484,039
Increase in assets available for benefits	1,246,172
Net assets available for benefits	
Beginning of year	10,089,956
End of year	\$ 11,336,128

The accompanying notes are an integral part of these financial statements.

Table of Contents

The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin

Islands and the United States of America

Notes to the Financial Statements

December 31, 2014 and 2013

**1. Description of the Plan
Reporting Entity**

The accompanying financial statements include the assets of The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin Islands and the United States of America (the Plan) sponsored by FirstBank Puerto Rico (the Bank) for its U.S. Virgin Islands and United States of America employees. Participants should refer to the Plan agreement for a complete description of the Plan s provisions.

General

The Plan is a defined contribution plan, which became effective on May 15, 1977. Effective September 1, 1991, the Plan was further amended to become a savings plan under the provisions of the U.S. Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Plan Amendments

There were no plan amendments during plan year 2014.

Eligibility

All full-time employees are eligible to participate in the Plan after completion of three months of service for purposes of making elective deferral contributions and one year of service for purposes of sharing in the Company s matching, qualified matching and qualified non-elective contributions. Furthermore, regular part time employees are also eligible if the criteria of 1,000 hours of service is met.

Employees hired on or after September 1, 2007 will be automatically enrolled in the Plan after completion of three months of services unless the employee makes an election to waive participation in the Plan by completing an Election Form at least 30 days before the enrollment date. If the employee does not complete the Election Form within the mentioned period, the employee will be automatically enrolled in the Plan with an initial pre-tax contribution equivalent to 2% of his/her period eligible compensation and the contribution will be invested in a predetermined fund until subsequent election is made by the participant.

Contributions

Participants are permitted to contribute up to an amount not to exceed the maximum deferral amount specified by the Internal Revenue Service of \$17,500 for the tax year ended December 31, 2014. Also, the participant may make

voluntary contributions to the Plan on an after-tax basis up to 8% of their annual compensation. The Bank is required to make a matching contribution of twenty-five cents for every dollar on the first 4% of the participant's compensation that a participant eligible contributes to the Plan on a pre-tax basis.

In addition, the Bank may voluntarily make additional discretionary contributions to the Plan at the end of the year to be distributed among the participants' accounts as established in the Plan. Investment of participants' and employer's contributions are directed by participants into various investment options, which include several mutual funds and the common stock of First BanCorp., the Bank's parent company. The Plan allows for rollover contributions from other qualified plans.

Participants over age 50 are permitted to make an additional \$5,500 pre-tax contribution after contributing the Plan limit of \$17,500 of their pre-tax annual compensation.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Bank's contributions and (b) Plan earnings. Allocations are based on (a) the participant's contribution in the case of matching contributions, (b) a discretionary percentage of the participant's contribution in the case of discretionary contributions, and (c) account balances in each investment option in the case of plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Table of Contents**The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin****Islands and the United States of America****Notes to the Financial Statements****December 31, 2014 and 2013****Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Bank's contribution portion of their account is based on years of continuous service. A participant is 100% vested after five years of credited service.

Vesting schedule for the Bank's matching and additional contribution is as follows:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5 or more	100%

Notes receivable from participants

Under the terms of the Plan, participants are allowed to borrow from their accounts up to 50% of their vested account balance or \$50,000, whichever is less. Loan transactions are treated as a transfer to (from) the investment funds from (to) the Participants Loan account. Loans are secured by the balance in the participants' accounts and bear interest at the rate determined by the Plan administrator at the time the loan is granted. As of December 31, 2014 substantially all of the loans have an interest rate of 5.25% (weighted average of 5.64% as of December 31, 2013), and are due at various maturity dates through November 2019. Principal and interest is paid ratably through biweekly payroll deductions.

Payment of Benefits

Plan participants are permitted to make withdrawals from the Plan, subject to provisions in the Plan agreement. If a participant suffers financial hardship, as defined in the Plan agreement, the participant may request a withdrawal from his or her contributions. In the case of participant termination because of death, the entire vested amount is paid to the person or persons legally entitled thereto.

All distributions from the Plan will be made in a single lump-sum payment. If the value of the vested account is more than \$5,000, the participant may elect to defer any benefit payable under the Plan until a specified future date.

Plan Expenses and Administration

Bank and participant contributions were held by Charles Schwab as custodian and managed by Milliman USA, Inc. as plan recordkeeper, both of which were appointed by the Board of Directors of the Bank. The custodian invests cash received in accordance with participant s directions, interest and dividend income and makes distributions to participants.

Administrative expenses for the custodian s and recordkeeper s fees are paid by the Bank unless there are forfeitures available to offset such expenses. For the year ended December 31, 2014 the Bank paid \$37,668 in administrative fees and other services rendered by the plan recordkeeper on behalf of the Plan.

Table of Contents

The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin

Islands and the United States of America

Notes to the Financial Statements

December 31, 2014 and 2013

Forfeitures

Forfeited balances of terminated participants' nonvested accounts are used to reduce future Bank contributions or used to cover administrative expenses of the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting policies generally accepted in the United States of America. A description of the significant accounting policies of the plan follows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and changes therein at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Employee contributions are recorded in the period in which the Bank makes payroll deductions from the participants' compensation. Matching employer's contributions are recorded in the same period. Discretionary contributions are recorded in the period they are earned by the participant, as determined by the Bank's Board of Directors.

Transfer of Assets to Other Plans

Terminated employees or retirees may elect to transfer their savings to other plans qualified by the U.S. Internal Revenue Code.

Investments Valuation and Income Recognition

The Plan's investments in mutual funds and common stock of First BanCorp. are stated at fair value. See Note 4 for further information regarding valuation of the Plan's investments. The Plan presents in the statement of changes in net

assets available for benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Notes receivable from participants

Under the terms of the Plan, the participants are allowed to borrow from their accounts up to 50% of their vested account balance or \$50,000, whichever is less. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan account at the time the employee signs for the loan. The outstanding loan amount is reduced with payroll retentions made by the employer. Loans bear interest at the rate determined by the Plan administrator at the time the loan is granted. Any terminated employee is required to liquidate his loan before his resignation.

Payment of Benefits

Benefits are recorded when paid.

Table of Contents**The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin****Islands and the United States of America****Notes to the Financial Statements****December 31, 2014 and 2013****3. Plan Investments**

The following presents the Plan's investments:

	2014		2013	
	Value	# of shares	Value	# of shares
First BanCorp. Common stock	\$ 284,884	48,532	\$ 388,578	62,775
Blackrock Equity Dividend	626,994*	25,130	395,060	16,237
Fidelity Spartan Extended Mkt. Index	659,635*	11,954	592,940*	11,100
MainStay Large Cap Growth A Fund	667,554*	66,489	575,423*	57,256
Harbor Bond Institutional Class Fund	1,090,447*	90,419	1,038,278*	86,885
Harbor Bond Institutional International Class Fund	748,824*	11,559	747,305*	10,524
Royce Pennsylvania Mutual Fund	526,716	40,517	609,792*	41,398
Schwab Value Advantage Money Fund	2,611,663*	2,611,663	2,774,093*	2,774,093
Vanguard S&P 500 Index Fund Signal**			990,634*	7,040
Vanguard S&P 500 Index Admiral**	1,105,291*	5,821		
Vanguard Wellington Inv. Fund	2,023,858*	51,695	1,406,265*	37,065
	\$ 10,345,866		\$ 9,518,368	

* Investment exceeds five percent of net assets available for benefits.

** Effective June 3, 2014, the Vanguard S&P 500 Index Fund Signal was converted to the Vanguard S&P 500 Index Admiral.

During 2014, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$27,682 as follows:

	2013
Mutual funds	\$ 51,876
Common stock - First BanCorp.	(24,194)

\$ 27,682

4. Fair Value Measurements

The Financial Accounting Standards Board (FASB) authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This guidance also establishes a fair value hierarchy for classifying financial instruments. The hierarchy is based on whether the inputs to the valuation techniques used to measure fair value are observable or unobservable. Three levels of inputs may be used to measure fair value:

- Level 1** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Table of Contents

The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin

Islands and the United States of America

Notes to the Financial Statements

December 31, 2014 and 2013

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Valuations are observed from unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of December 31 2014 and 2013, the Plan's investments measured at fair value consisted of the following instruments and classifications within the fair value hierarchy.

As of December 31, 2014				
Fair Value Measurements Using				
	Level 1	Level 2	Level 3	Assets at Fair Value
Investments in mutual funds:				
Large Cap	\$ 2,399,839	\$	\$	\$ 2,399,839
Mid Cap	659,635			659,635
Small Cap	526,716			526,716
International	748,824			748,824
Fixed Income	3,702,110			3,702,110
Balanced	2,023,858			2,023,858
Investment in First BanCorp.	284,884			284,884
Investcash Money Market	11,120			11,120
	\$ 10,356,986	\$	\$	\$ 10,356,986

As of December 31, 2013				
Fair Value Measurements Using				
	Level 1	Level 2	Level 3	Assets at Fair Value
Investments in mutual funds:				

Edgar Filing: FIRST BANCORP /PR/ - Form 11-K

Large Cap	\$ 1,961,117	\$	\$	\$ 1,961,117
Mid Cap	592,940			592,940
Small Cap	609,792			609,792
International	747,305			747,305
Fixed Income	3,812,371			3,812,371
Balanced	1,406,265			1,406,265
Investment in First BanCorp.	388,578			388,578
Investcash Money Market	16,185			16,185
	\$ 9,534,553	\$	\$	\$ 9,534,553

Following is a description of the Plan's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Equity securities: Investment in First BanCorp. consists of common stock of First BanCorp. and is valued at its quoted market price obtained from an active exchange market. These securities are classified as Level 1.

Table of Contents

The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin

Islands and the United States of America

Notes to the Financial Statements

December 31, 2014 and 2013

Money Market: Cash equivalent that represent funds temporarily invested in a Money Market Fund to provide liquidity for fund reallocations and distributions.

Mutual Funds: Investments in mutual funds consists of open-end mutual funds and the value is based on the published mutual fund Net Asset Value at the reporting date. These investments are classified as Level 1.

There were no transfers into or out of Level 3 for financial instruments measured at fair value on a recurring basis during the years ended December 31, 2014 and 2013. There were no transfers in and/or out of Level 1 and Level 2 during the years ended December 31, 2014 and 2013.

5. Party In-Interest Transactions

Certain Plan investments are shares of a mutual fund with market value of \$2,611,663 (2013 \$2,774,093) and cash equivalents of \$11,120 (2013 \$16,185) managed by The Charles Schwab Trust Company, which is also a provider of custodial services as defined by the Plan since April 1, 2005. In addition, at December 31, 2014 and 2013, the Plan held 48,532 and 62,775 units, with a quoted market value of \$284,884 and \$388,578, respectively, of First BanCorp. common stock, the Parent Company of the Plan Sponsor. For the year ended December 31, 2014, the net depreciation in the fair value of the investment in First BanCorp. common stock amounted to \$24,194, no dividends were received. Plan assets include notes receivable from participants of \$629,505 and \$515,516 as of December 31, 2014 and 2013, respectively. For the year ended December 31, 2014 interest income related to notes receivable from participants amounted to \$26,709. These transactions qualify as party in-interest transactions permitted under provisions of ERISA.

6. Tax Status

The Internal Revenue Service has determined and informed the Bank under letter dated June 23, 2010 that the Plan is designed in accordance with the applicable sections of the U.S. Internal Revenue Code (IRC) and, therefore, exempt from income taxes. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by federal, state and/ or local taxing authorities. The plan administrator has analyzed the tax positions by the plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or

disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

During 2012, the plan administrator discovered an operational compliance issue affecting the Plan for years through 2012. The Plan Sponsor modified its procedures prospectively to correct the operational matter beginning with 2013. In addition, the Plan Sponsor determined that an additional contribution of \$313,669 is necessary to resolve this matter. The estimated impact of this correction, including lost income, has been recorded as other contribution receivable from employer in the accompanying statement of net assets available for benefits as of December 31, 2014 and as other contribution from employer in the accompanying statement of changes in net assets available for benefits.

7. Plan Termination

Although it has not expressed any intent to do so, the Bank has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts and such termination shall not reduce the interest of any participating employee or their beneficiaries accrued under the Plan up to the date of such termination.

Table of Contents

The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin

Islands and the United States of America

Notes to the Financial Statements

December 31, 2014 and 2013

8. Forfeited Amount

As of December 31, 2014, there were no forfeited non-vested accounts (\$1 at December 31, 2013). These accounts are transferred by the Plan administrator to an unallocated account to be used to cover administrative expenses of the plan or reduce the Bank's future contributions. Forfeitures amounting to \$230 were used to cover administrative expenses during 2014.

9. Risks and Uncertainties

The Plan's investments are exposed to various risks, such as interest rate, market and credit risks. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in default and credit rating downgrades. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in these factors in the near term would materially affect participant's account balances and the amounts reported in the statement of assets available for benefits and the statement of changes in assets available for benefits.

The Plan is subject to legal proceedings and claims which might arise in the ordinary course of its activities. At this time, there are no legal proceedings against the Plan that might impact the financial statements.

10. Additional Contributions

No additional contributions were made for the year ended December 31, 2014 or 2013, except for lost earnings payments related to unintentional delays in remittances as described in Note 12 below. Refer to Note 6 for additional information about estimated additional contribution of \$313,669 necessary for the correction of an operational compliance issue reflected as other contribution receivable from employer in the accompanying statement of net assets available for benefits as of December 31, 2014 and as other contributions from employer in the accompanying statement of changes in net assets available for benefits.

11. Reconciliation of Financial Statements to Form 5500

For purposes of Form 5500, interest-bearing cash equivalents are classified as plan investments. The amount of interest-bearing cash equivalents classified as investment on the Form 5500 was \$11,120 and \$16,185 as of December 31, 2014 and 2013, respectively. In addition, non-interest bearing cash held by the Plan as of December 31, 2014 and 2013 amounted to \$4,404 and \$8,863, respectively.

12. Prohibited Transactions Participants Contributions Remittances

In accordance with the U.S. Department of Labor's Rules and Regulations 2510.3-102, an employer is required to segregate participants' contributions from its general assets as soon as practical when amounts are contributed by participants or withheld from their wages. During the year ended December 31, 2014, there were unintentional delays in the remittance of some participants' contributions withheld. During 2014, the Bank remitted to the plan \$158 related to lost earnings pertaining to years 2013 and 2012. The Plan Sponsor will absorb any costs incurred by the Plan as a result of the untimely remittances of the participants' contributions.

13. Subsequent Events

The Plan has evaluated subsequent events through June 29, 2015, the date that the financial statements were available to be issued. The Plan has determined that there are no events occurring in this period that required disclosure in or adjustment to the accompanying financial statements.

Table of Contents**The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin****Islands and the United States of America****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****December 31, 2014**

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of Investment including maturity date, rate of interest, par value		(d) Cost	(e) Current value	
Money Market and Interest Bearing Cash						
*	Investcash Money Market Account	Money Market		**	\$ 11,120	
	Total Money Market and Interest Bearing Cash				11,120	
Common Stocks						
*	First BanCorp. Common Stock	Common Stock	48,532 shares	**	284,884	
	Total Common Stocks				284,884	
Mutual Funds						
	Blackrock Equity Dividend	Mutual Fund	25,130 shares	**	626,994	
	Fidelity Spartan Extended Mkt Index	Mutual Fund	11,954 shares	**	659,635	
	MainStay Large Cap Growth A Fund	Mutual Fund	66,489 shares	**	667,554	
	Harbor Bond Institutional Class Fund	Mutual Fund	90,419 shares	**	1,090,447	
	Harbor Bond Institutional International Class Fund	Mutual Fund	11,559 shares	**	748,824	
	Royce Pennsylvania Mutual Fund	Mutual Fund	40,517 shares	**	526,716	
*	Schwab Value Advantage Money Fund	Mutual Fund	2,611,663 shares	**	2,611,663	
	Vanguard S&P 500 Index Admiral	Mutual Fund	5,821 shares	**	1,105,291	
	Vanguard Wellington Inv . Fund	Mutual Fund	51,695 shares	**	2,023,858	
	Total mutual funds				10,060,982	
Other Investments						
*	Notes receivable from participants	Interest rates ranging from 5.25% to 10.25%, maturity dates January 2015 to November 2019			**	629,505
	Total Other Investments				629,505	

Total

\$ 10,986,491

* Party in-interest

** Historical cost is not required for participant directed investment.

See accompanying report of Independent Registered Public Accounting Firm

Table of Contents

The FirstBank 401(k) Retirement Plan for Residents of the U.S. Virgin

Islands and the United States of America

Schedule H, Line 4a Schedule of Delinquent Participant Contributions

Year Ended December 31, 2014

Year	Participant contributions transferred late to the plan	Contributions not corrected	Contributions not corrected outside VFCP	Contributions pending corrections in VFCP	Total fully corrected under VFCP and PTE 2001-51	Lost earnings
2014	\$ 119,148	\$	\$ 119,148	\$	\$	\$ 20
2013	\$ 219,622	\$	\$ 219,622	\$	\$	\$ 104
2012	\$ 165,363	\$	\$ 165,363	\$	\$	\$ 54

See accompanying report of Independent Registered Public Accounting Firm.

Table of Contents

Signatures

The Plan. Pursuant to the requirement of the Securities Exchange Act of 1934, the Board of Trustees (or the persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

FIRST BANCORP.

(Name of Plan)

Date: 6/29/2015

By: /s/ Pedro A. Romero
Authorized Representative