



Quarterly Results 2Q23 Conference Call

July 20, 2023

Forward Looking Statements

The information included in this document contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and involve certain risks and uncertainties that may cause actual results to differ materially from those expressed in the forward-looking statements.

Factors that might cause such a difference include but are not limited to (i) general business and economic conditions, including changes in interest rates; (ii) cybersecurity breaches; (iii) hurricanes, earthquakes, pandemics and other natural disasters; and (iv) competition in the financial services industry.

For a discussion of such factors and certain risks and uncertainties to which OFG is subject, please refer to OFG's annual report on Form 10-K for the year ended December 31, 2022, as well as its other filings with the U.S. Securities and Exchange Commission. Other than to the extent required by applicable law, including the requirements of applicable securities laws, OFG assumes no obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

Non-GAAP Financial Measures

In addition to our financial information presented in accordance with GAAP, management uses certain "non-GAAP financial measures" within the meaning of the SEC Regulation G, to clarify and enhance understanding of past performance and prospects for the future. Please refer to Tables 8-1 and 8-2 in OFG's Financial Supplement for a reconciliation of GAAP to non-GAAP measures and calculations for the quarter ended June 30, 2023 at www.ofgbancorp.com.

2Q23 Summary

Income Statement	Balance Sheet (EOP)	Capital
<ul style="list-style-type: none"> • EPS \$0.93 • Total Core Revenues \$170.5M • NIM 5.90% • Provision \$15.0M • Non-Interest Expense \$88.9M • PPNR \$80.8M 	<ul style="list-style-type: none"> • Total Assets \$10.0B • Customer Deposits \$8.5B • Loans Held for Investment \$7.1B • New Loan Production \$691.8M • Investments \$1.7B • Cash \$799.0M 	<ul style="list-style-type: none"> • CET1 14.01% • Tier 1 Risk-Based 14.01% • Total Risk-Based 15.27% • Leverage 10.85% • Acquired 565,299 shares (\$19.4M remaining buyback authorization)

Our “Digital First” Strategy at Work (comparisons are June 2023 vs. June 2022)

Digital Enrollment

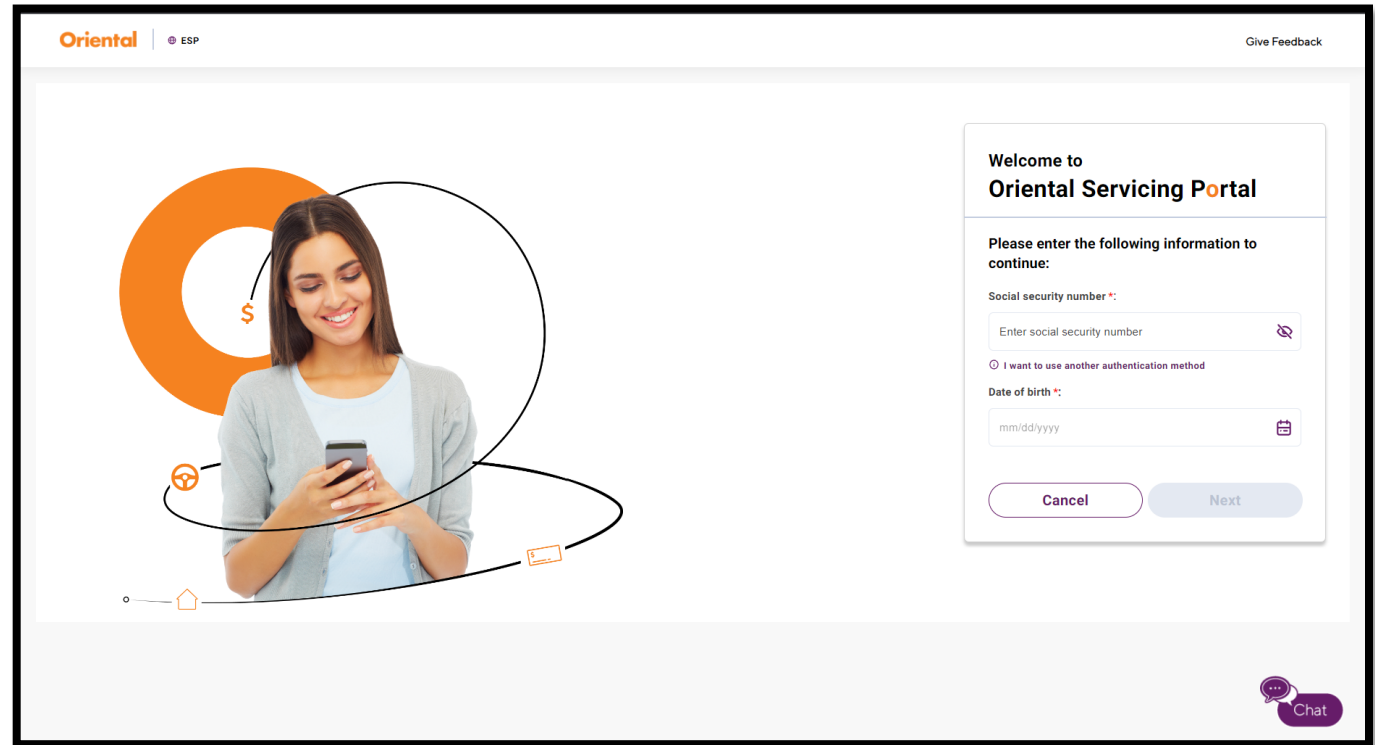
- Up 10%

Transactions

- 6% growth in digital self-service channels
- 14% growth in kiosk use
- 17% growth in digital loan payments
- 5% total overall growth

Oriental Servicing Portal

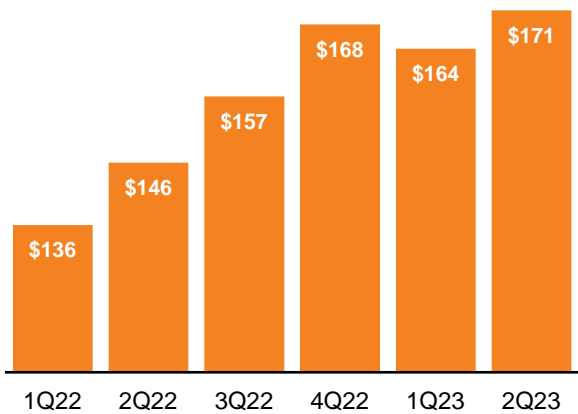
- Launched in April
- First to market self-service portal where customers can easily manage all loan and deposit accounts in one place...
- Including digital account opening capabilities
- Highly positive response



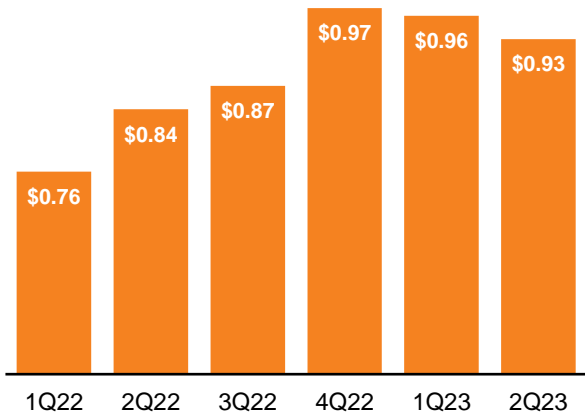
The new Oriental Servicing Portal is accessible online from any PC, tablet or mobile device

Financial Highlights

Total Core Revenues (\$M)

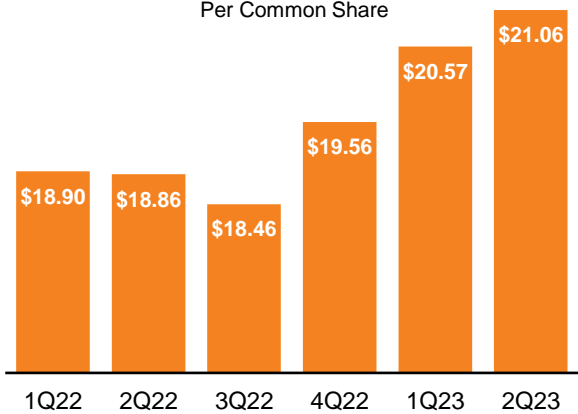


EPS

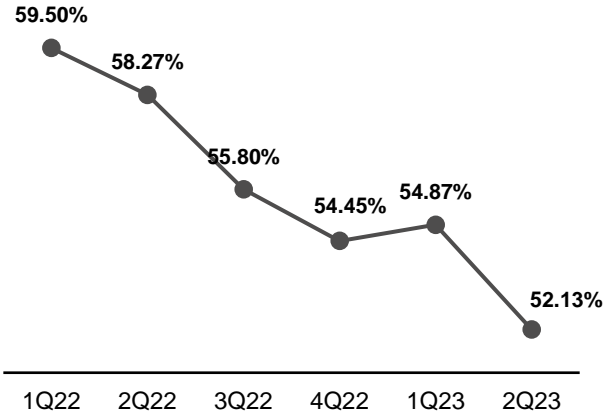


TBV

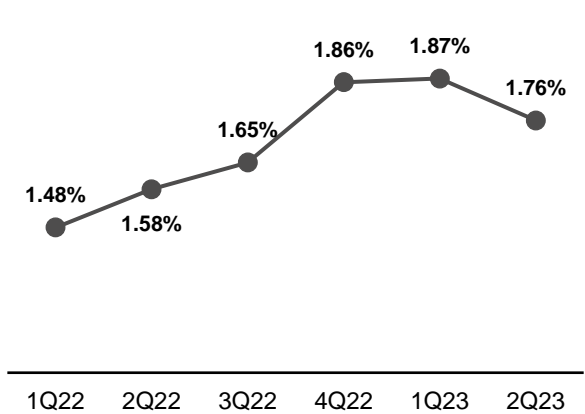
Per Common Share



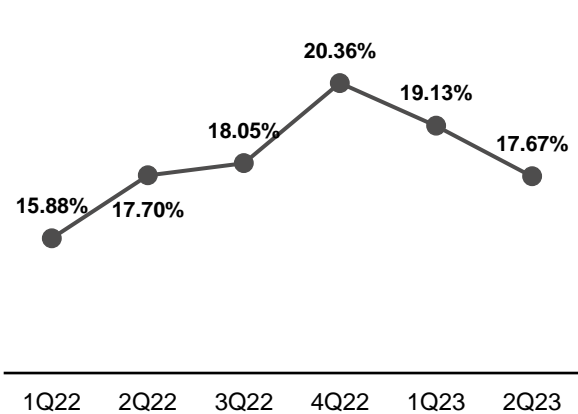
Efficiency Ratio



ROAA



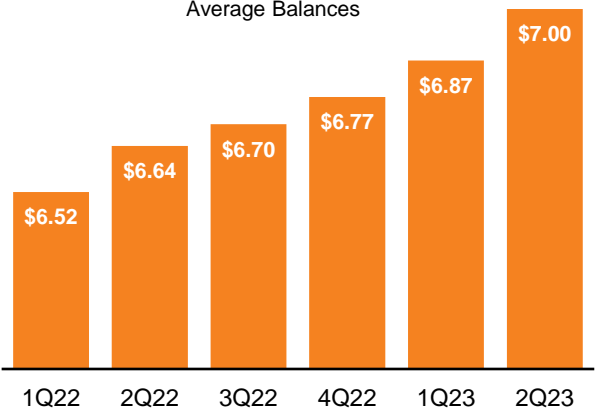
ROATCE



Operational Highlights

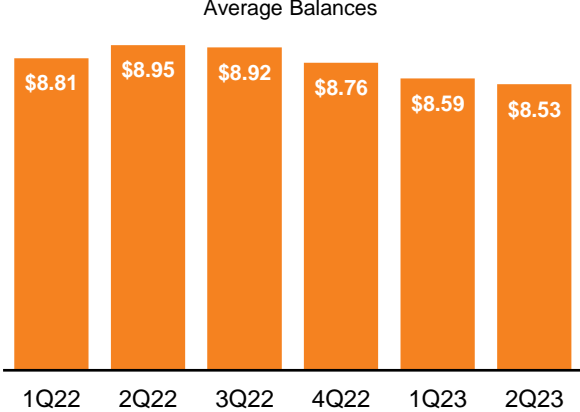
Loans (\$B)

Average Balances

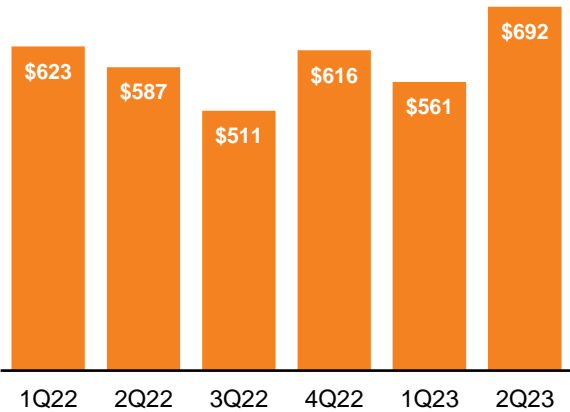


Core Deposits (\$B)

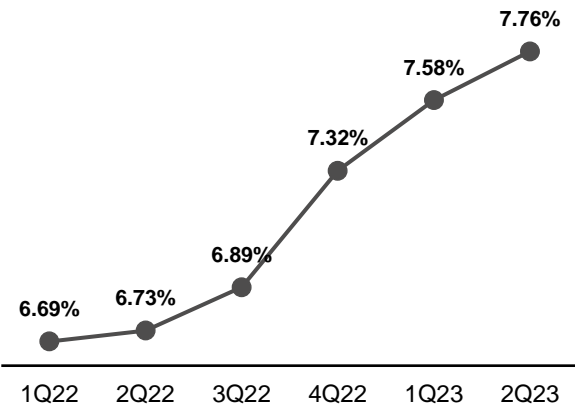
Average Balances



New Loan Origination (\$M)

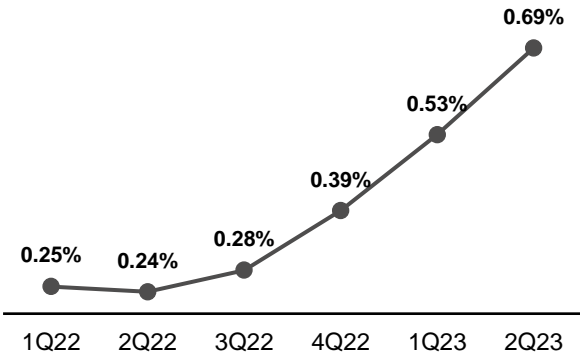


Loan Yield

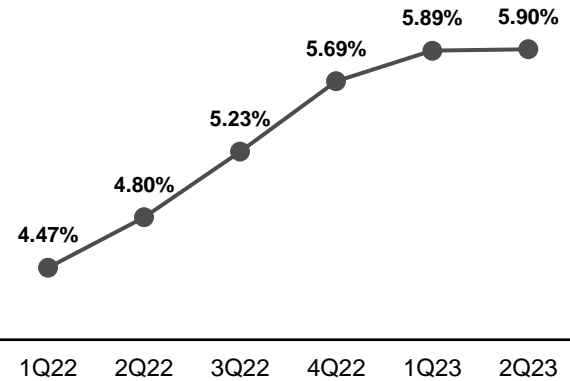


Core Deposit Cost

Includes Non-Interest-Bearing Deposits,
Before Fair Value Amortization from Scotiabank Deposits

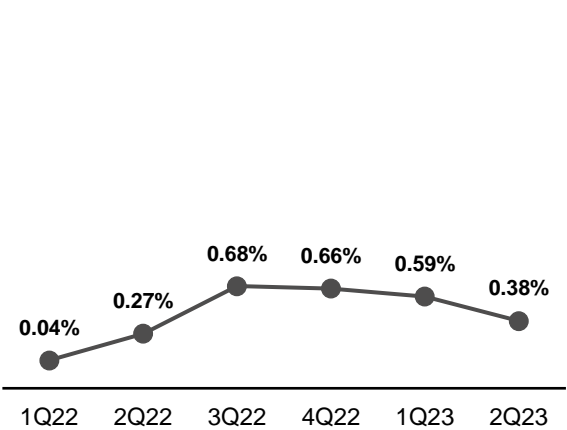


Net Interest Margin

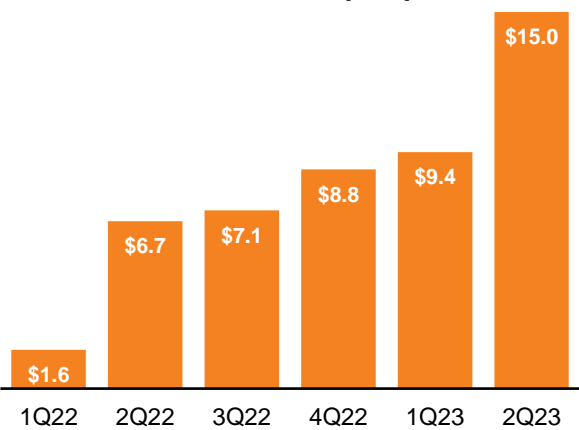


Credit Quality & Capital Strength

NCO Rate

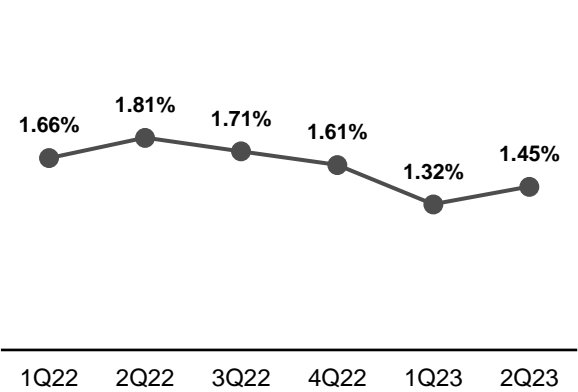


Provision (\$M)

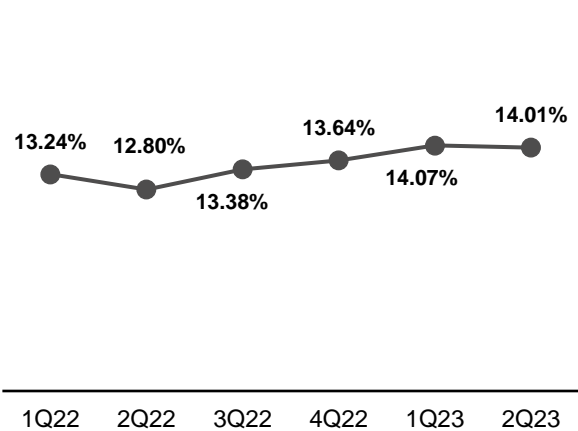


NPL Rate

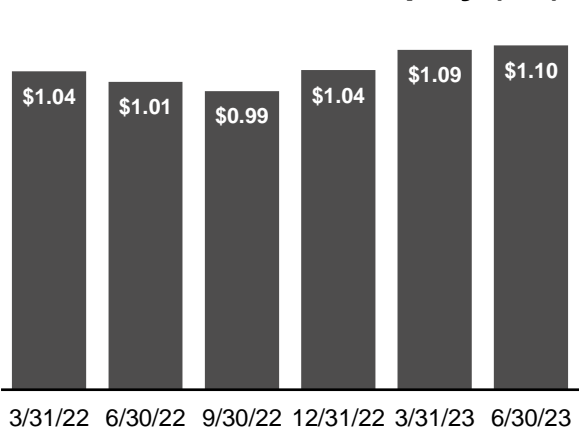
Excludes PCD Loans



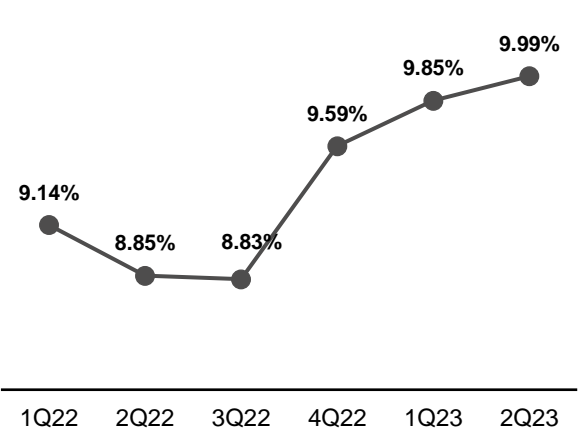
CET1 Ratio



Total Stockholder's Equity (\$B)



TCE Ratio



Outlook

Puerto Rico Macro

- Economy demonstrating resilience and growth
- Private sector expanding
- Wages rising
- Labor participation rate increasing
- Continuing flow of federal funds to rebuild infrastructure
- Keeping a watchful eye on interest rate changes, inflation, and possible mainland recession

OFG

- Excellent loan production, low cumulative deposit beta, stable core deposits, increased operating leverage
- Retail customers continue to spend down excess liquidity for home improvements, auto purchases, seasonal tax payments, and higher-yielding products
- High levels of liquidity and capital provide OFG with a strong position in today's banking environment
- Continued customer adoption and use of our "Digital First" self-service channels



Appendix

Snapshot (June 30, 2023)

Value Proposition

- Puerto Rico’s challenger bank
- Target specific retail and commercial customer segments
- “*Más Que Listo* (More than Ready) to help you achieve your financial goals”

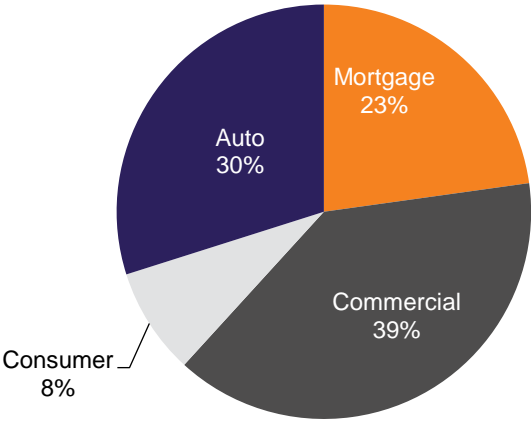
Financials

- Total Assets: \$10.0 billion
- Wealth Management: \$4.8 billion AUM
- Mortgage Loan Servicing Portfolio: \$5.6 billion
- Total Stockholders’ Equity: \$1.1 billion
- Tangible Common Equity: \$991.4 million

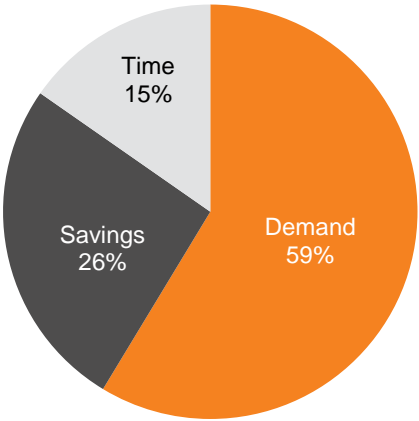
Branches, ATMs and/or ITMs in All Major PR & USVI Markets

	Puerto Rico	USVI	Total
Branches	41	2	43
Self-Service Kiosks	7	--	7
ATMs	289	15	304
ITMs	23	1	24
Total	360	18	378

Loans (\$7.1B)*



Deposits (\$8.5B)

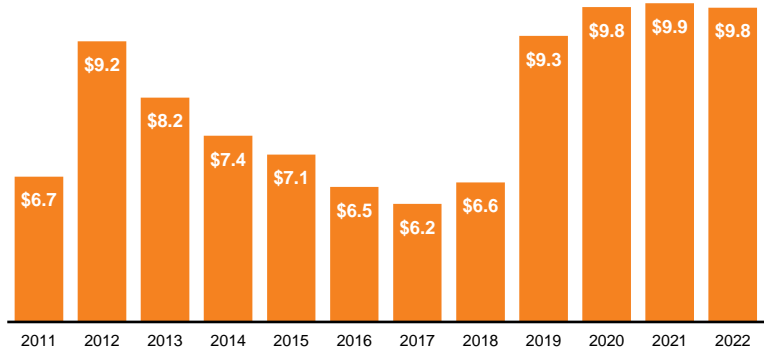


* Loans Held for Investment

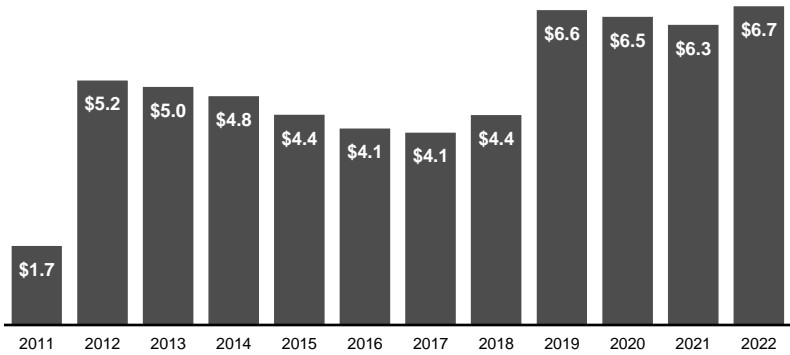
History of Capital Management & Growth

- Organic growth and acquisitions have transformed Oriental into a full-service, island-wide financial institution
- From 2002-2022, while local deposits have increased 2.2x, OFG’s market share has expanded 4.2x to 11.2%*
- Key acquisitions: Eurobank (2010), Puerto Rico operations of Banco Bilbao Vizcaya Argentaria (2012), S.A., and Puerto Rico and USVI operations of The Bank of Nova Scotia (2019)
- Chart data as of years ended 12/31

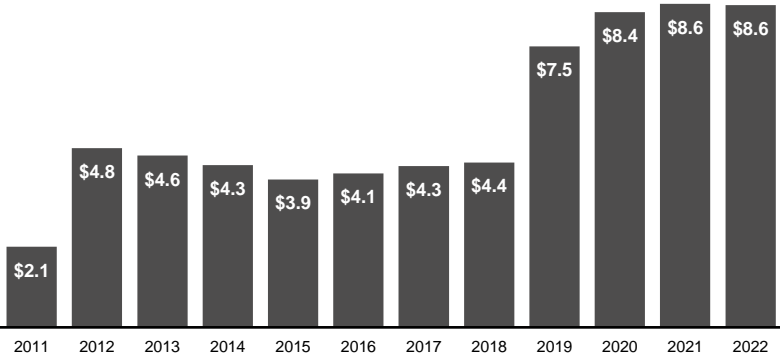
Assets (\$B)



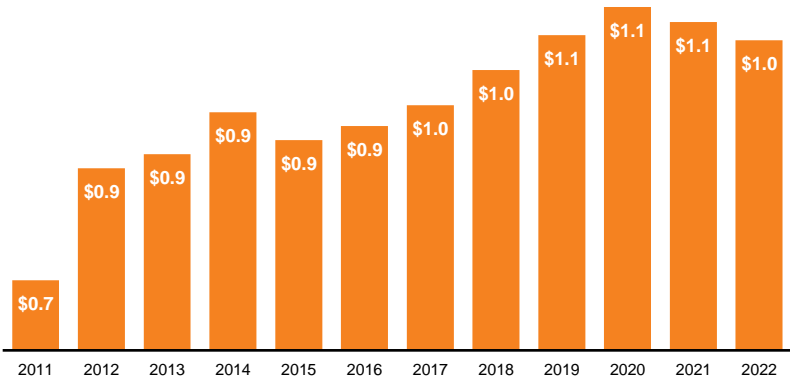
Loans (\$B)



Customer Deposits (\$B)

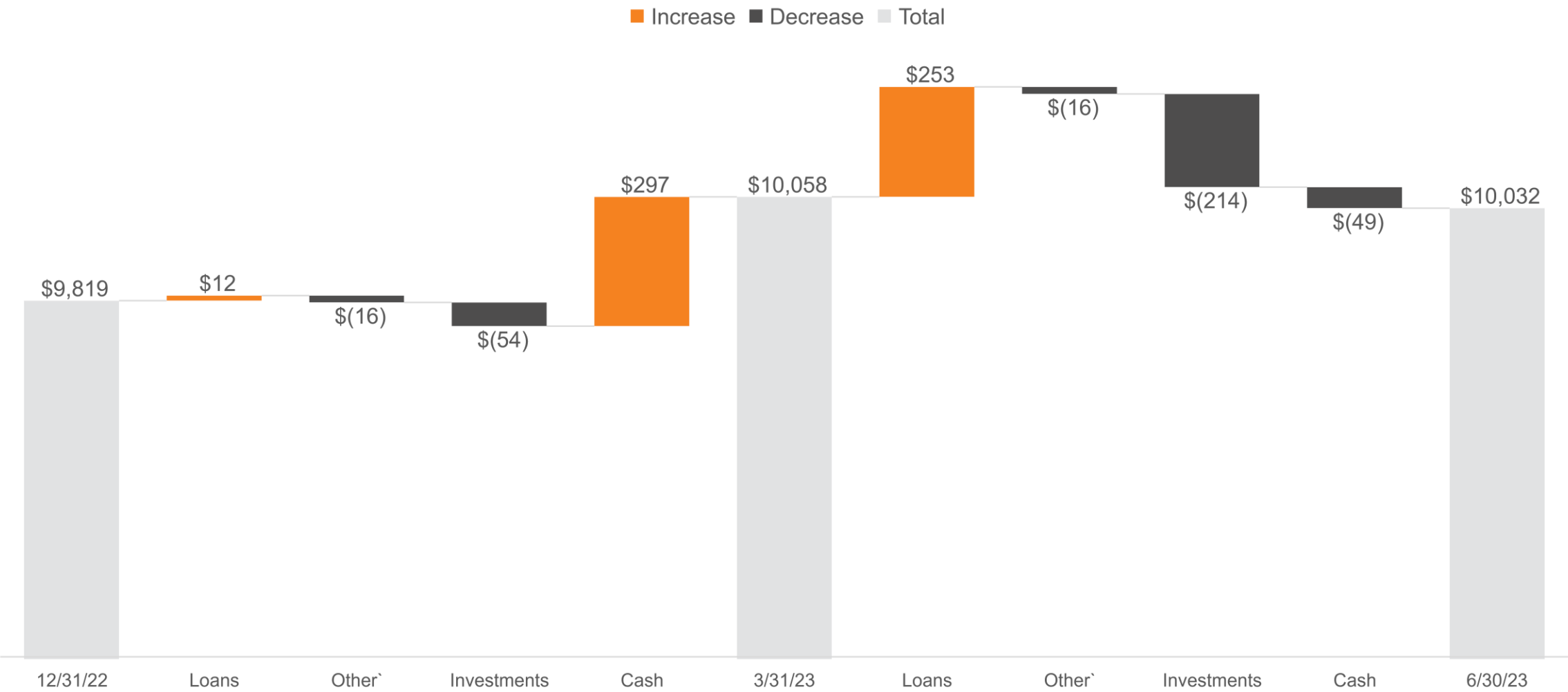


Stockholders’ Equity (\$B)

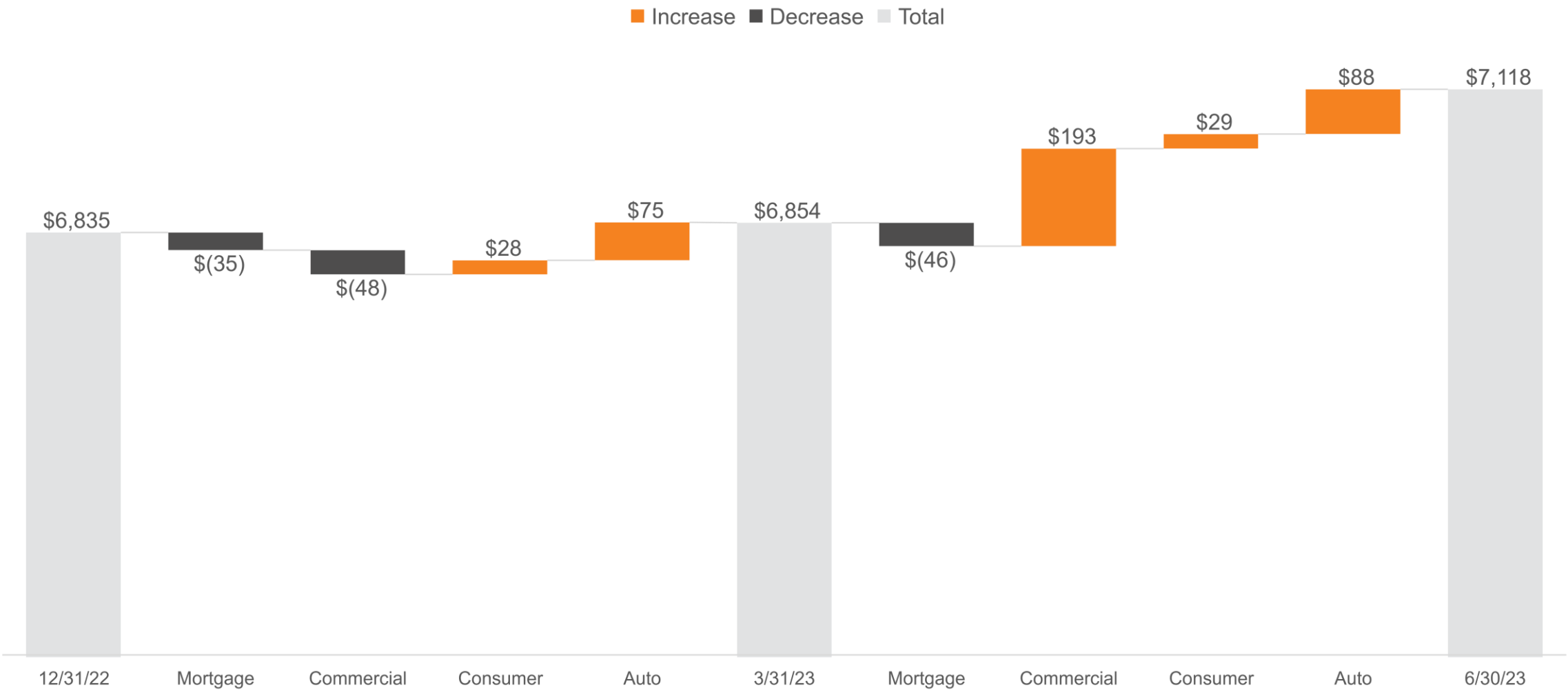


* Source: S&P Capital IQ April 14, 2023

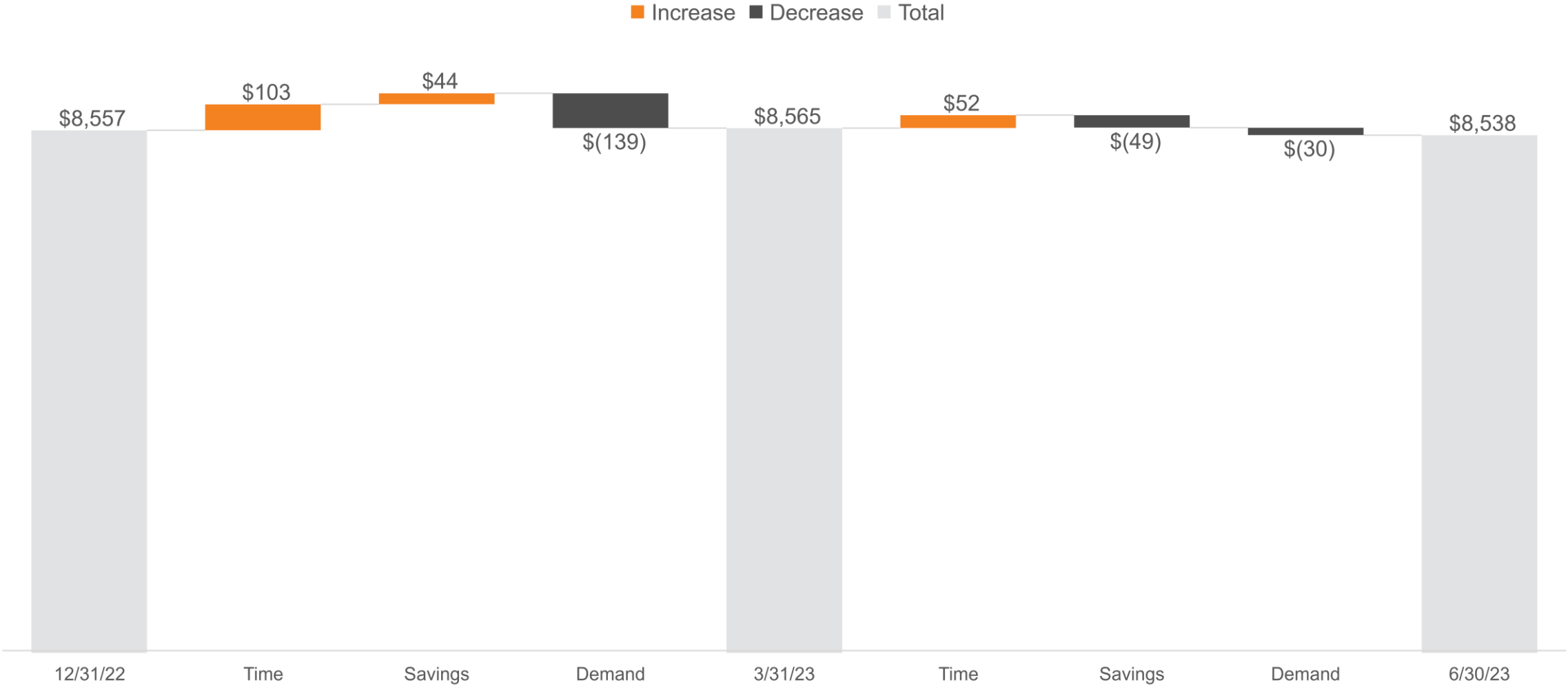
2Q23 Asset Balance Evolution (\$M)



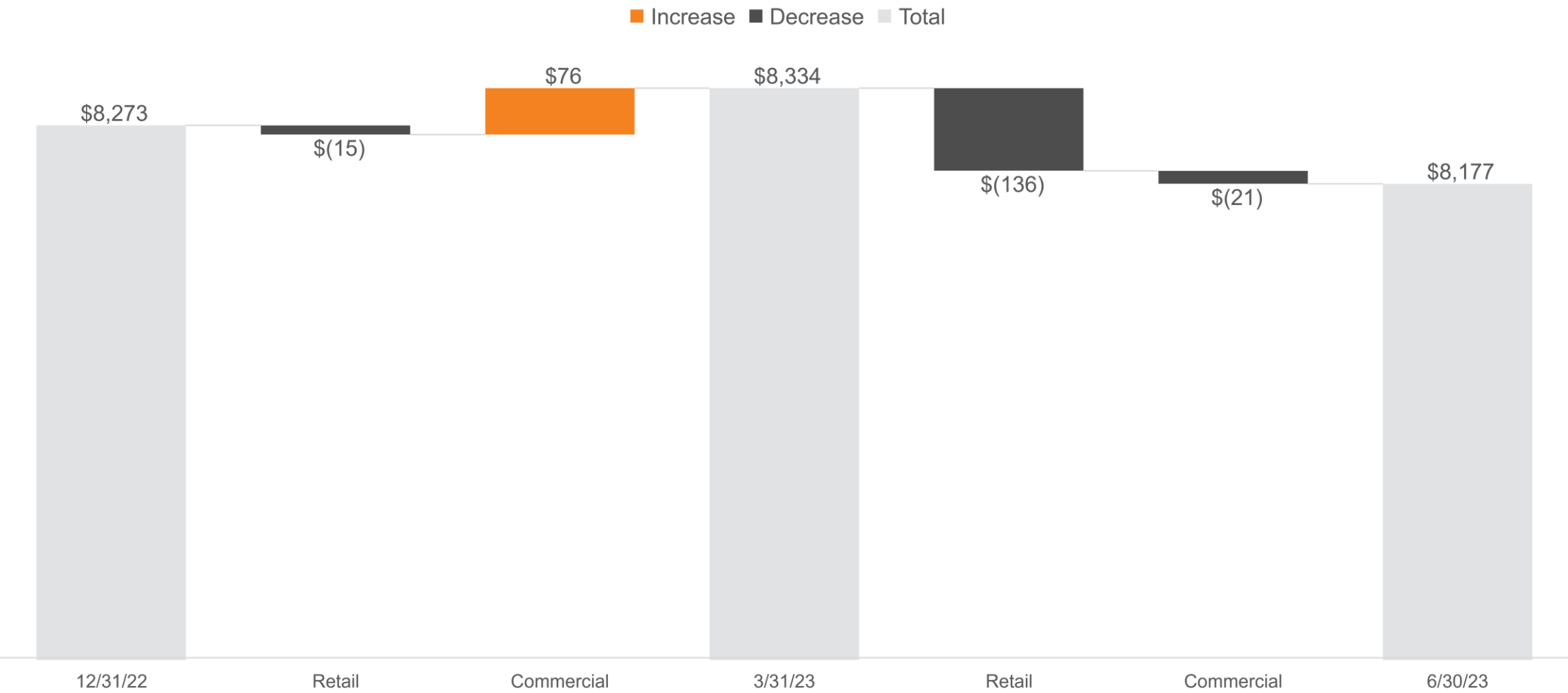
2Q23 Loan Balance Evolution (\$M)



2Q23 Core Deposit Balance Evolution (\$M)

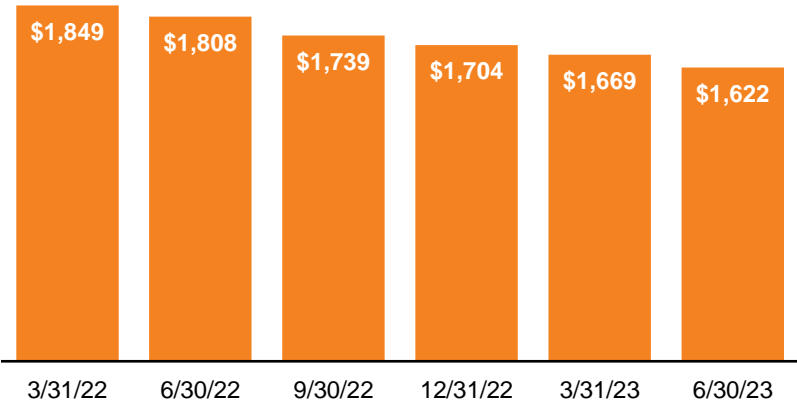


2Q23 Deposit Balance Evolution: Retail vs. Commercial, Ex-Public Funds (\$M)

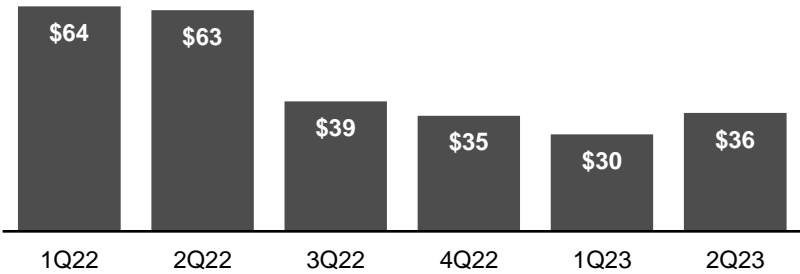


Residential Mortgage Loans (\$M)

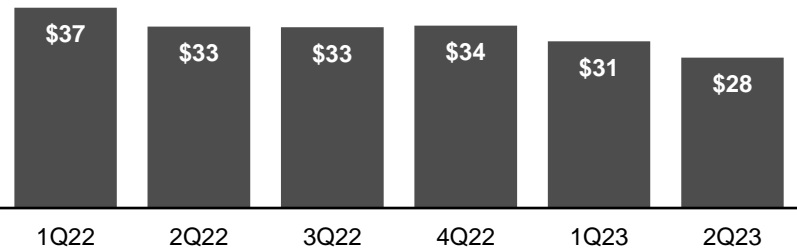
Portfolio



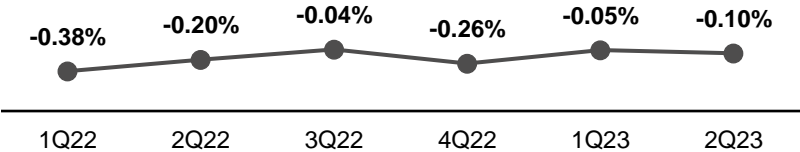
New Loan Origination



NPLs (excludes PCD)

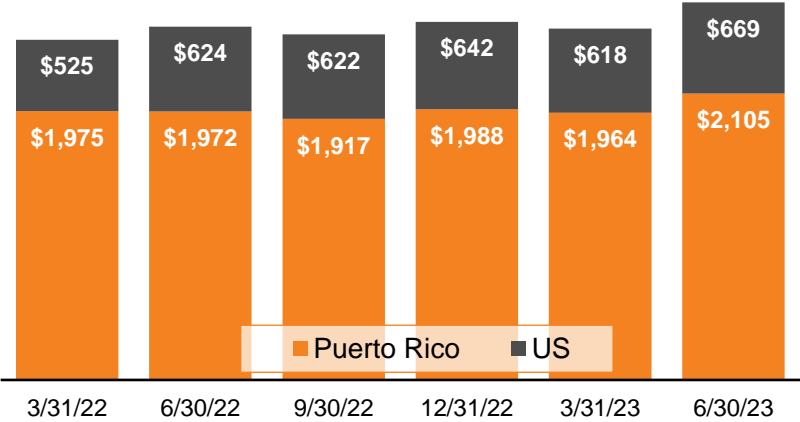


NCO Rate

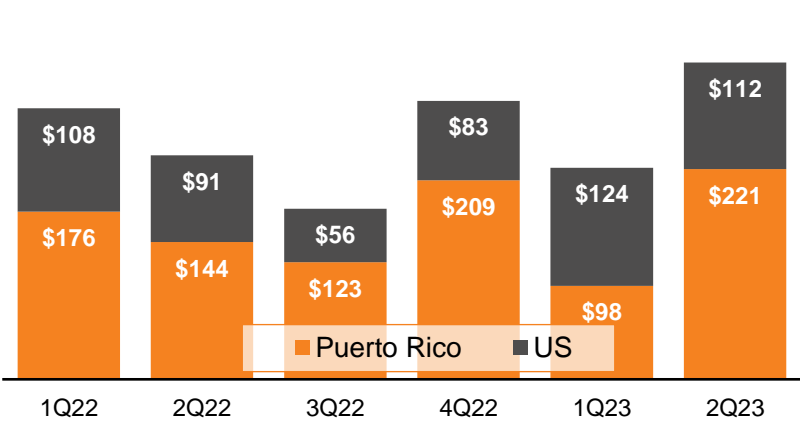


Commercial Loans (\$M)

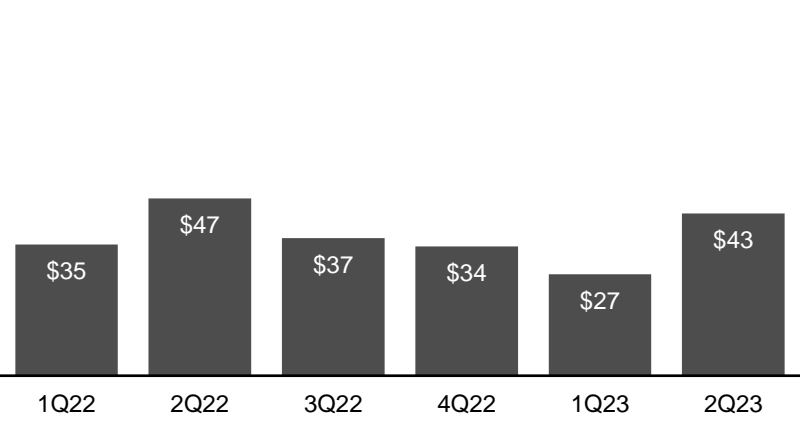
Portfolio



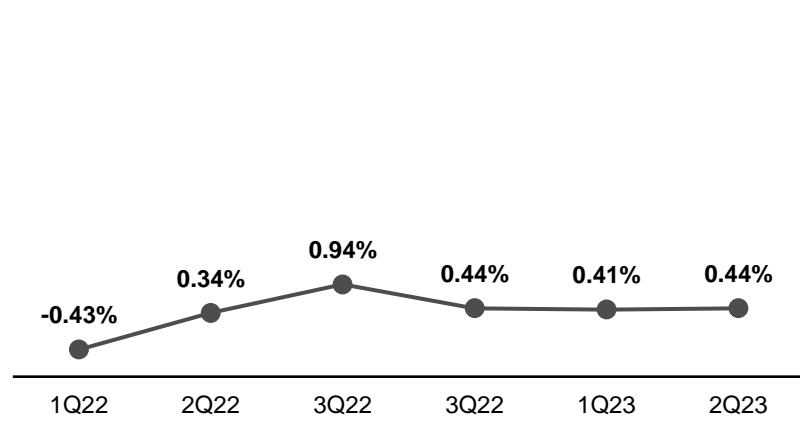
New Loan Origination



NPLs (excludes PCD)

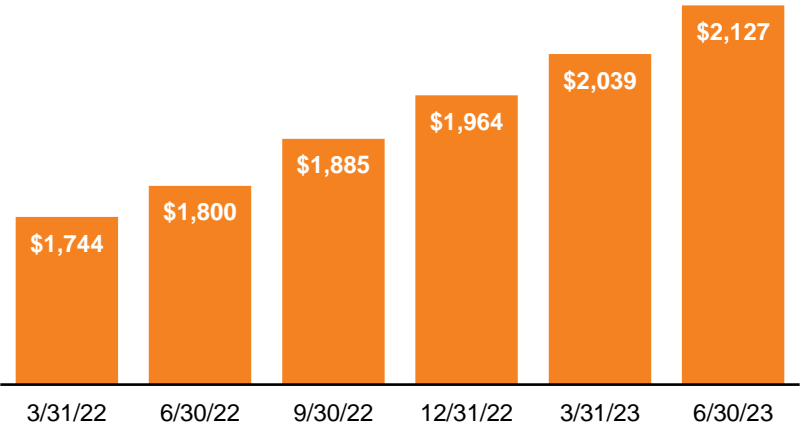


NCO Rate

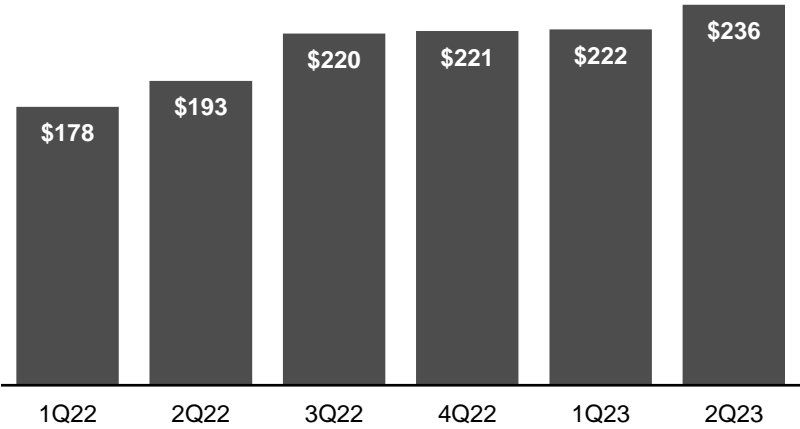


Auto Loans (\$M)

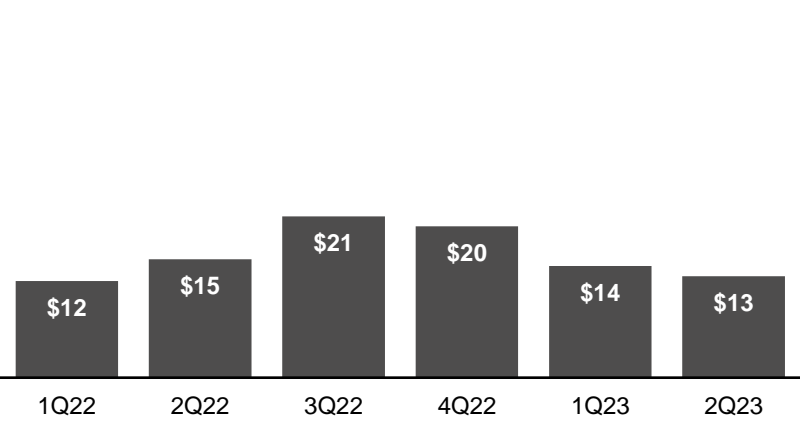
Portfolio



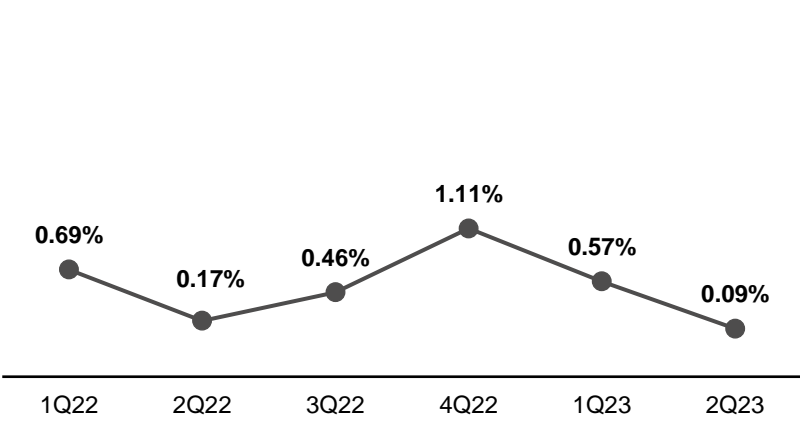
New Loan Origination



NPLs (excludes PCD)

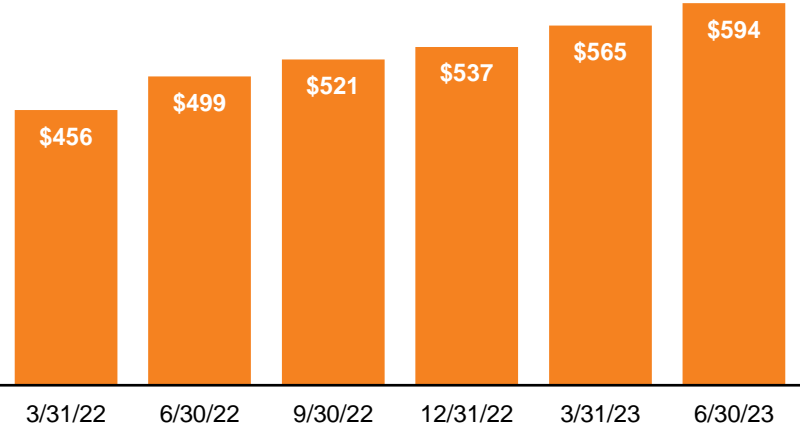


NCO Rate

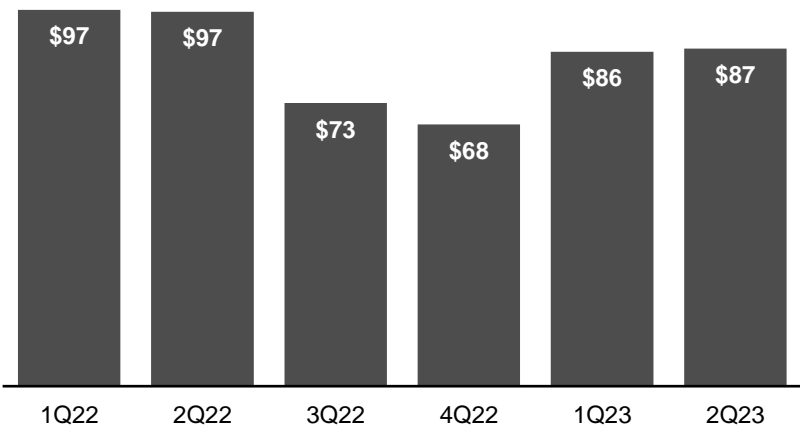


Consumer Loans (\$M)

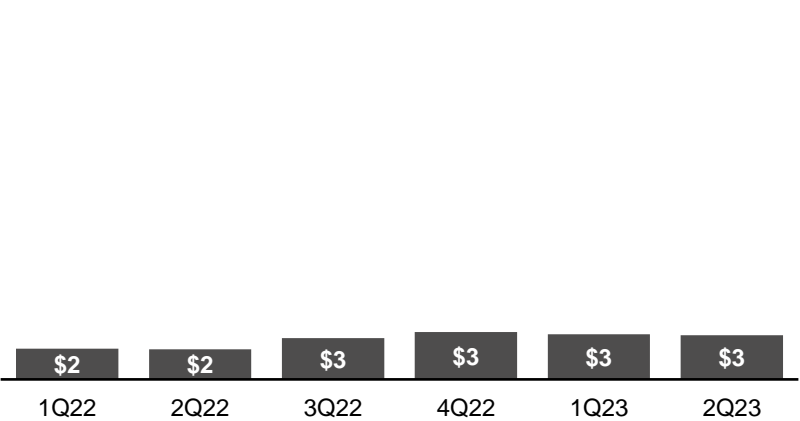
Portfolio



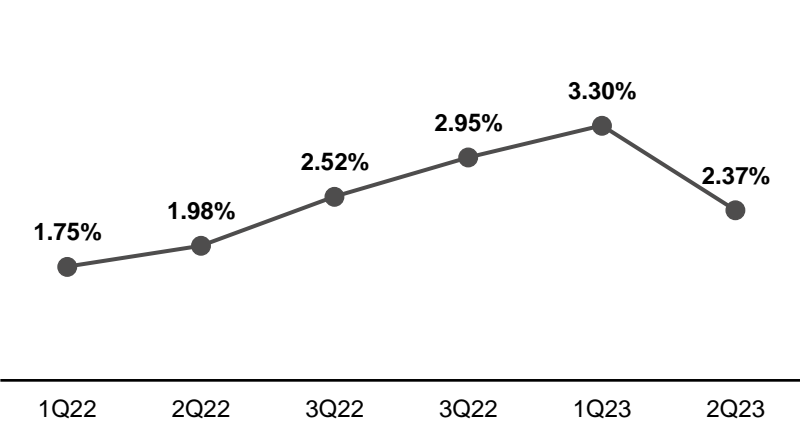
New Loan Origination



NPLs (excludes PCD)

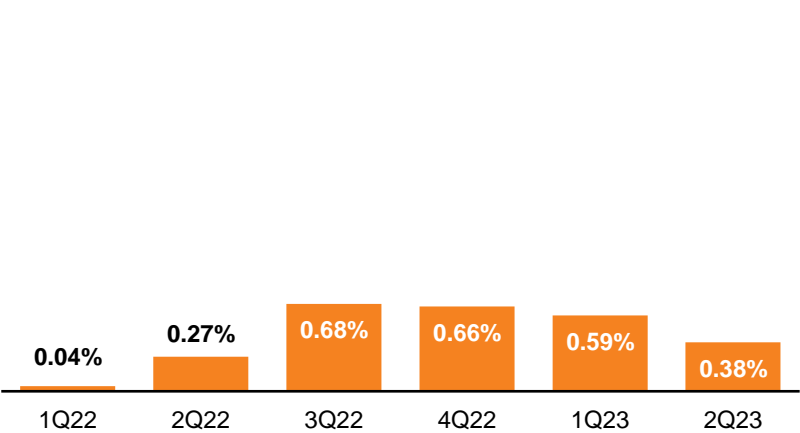


NCO Rate

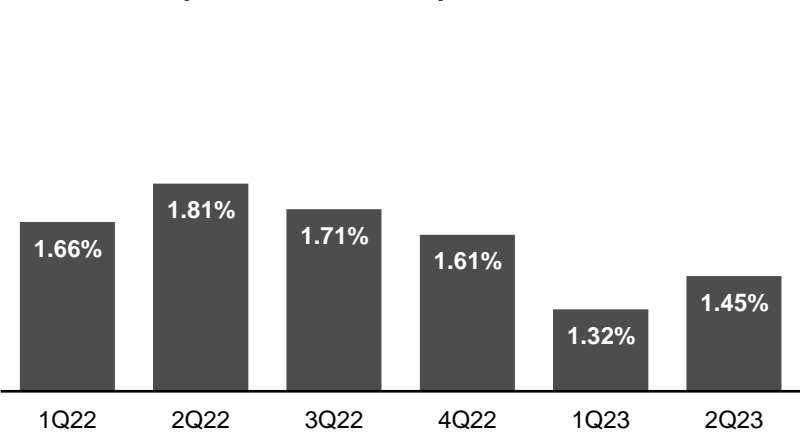


Credit Quality

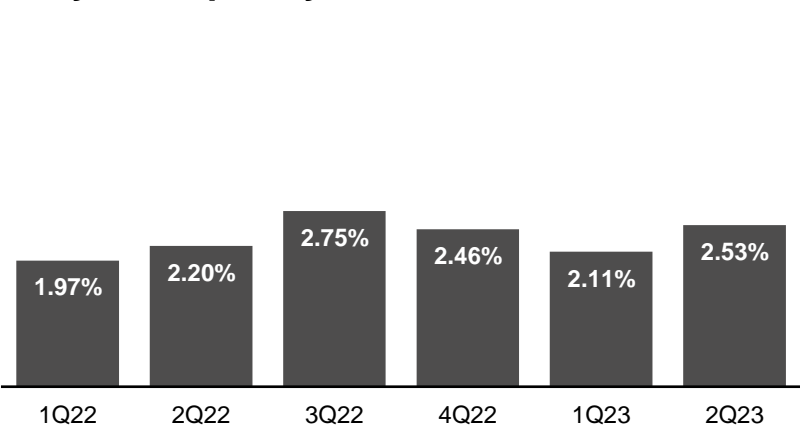
NCO Rate



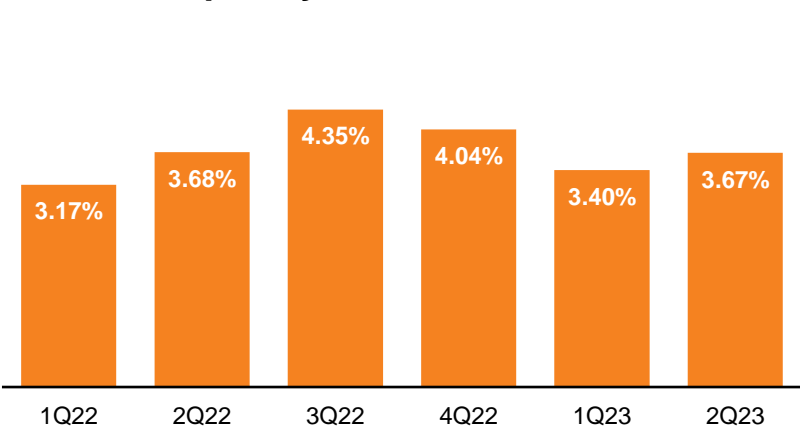
NPL Rate (excludes PCD)



Early Delinquency Rate

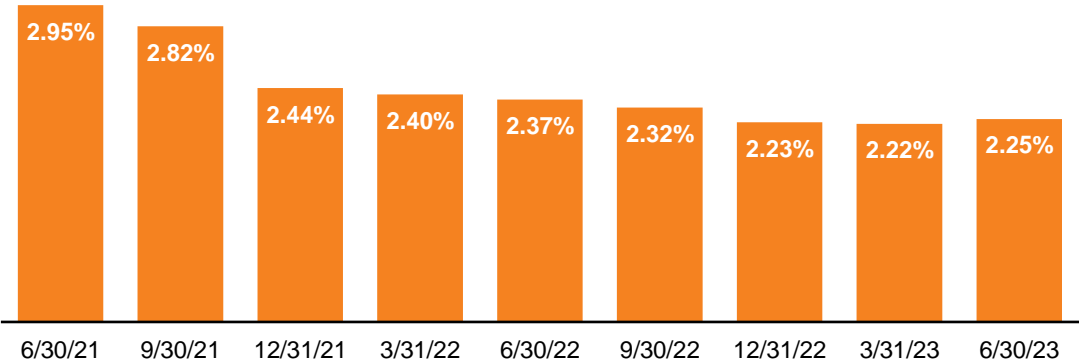


Total Delinquency Rate



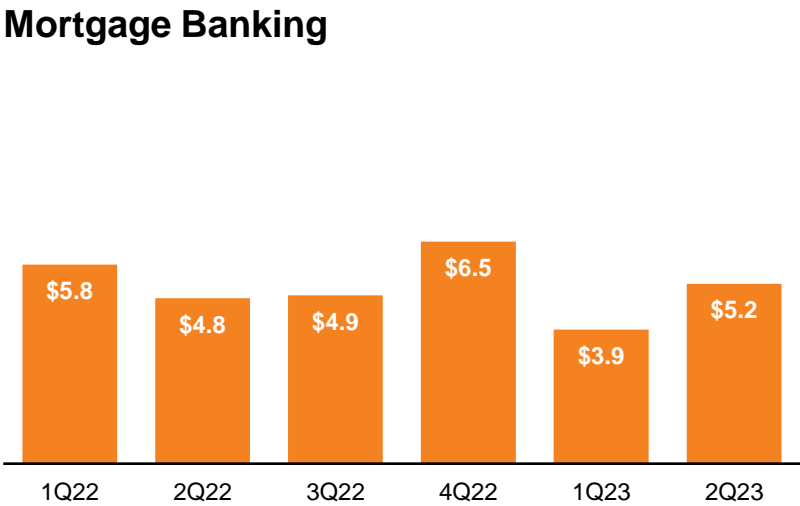
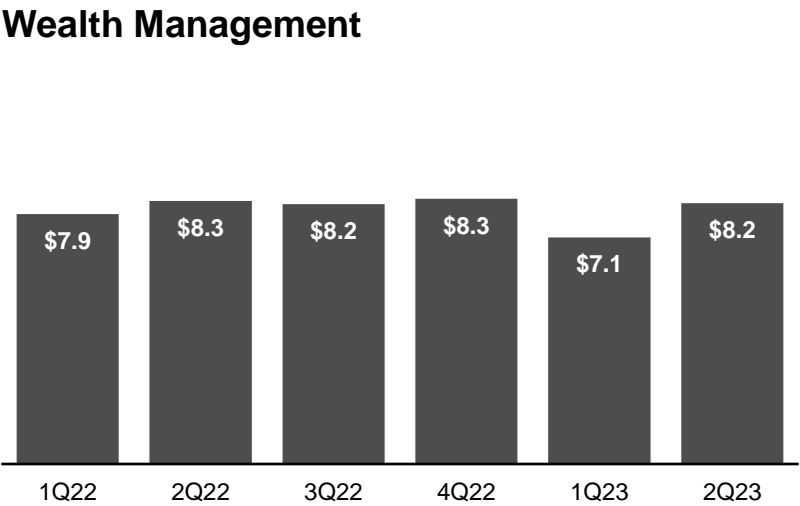
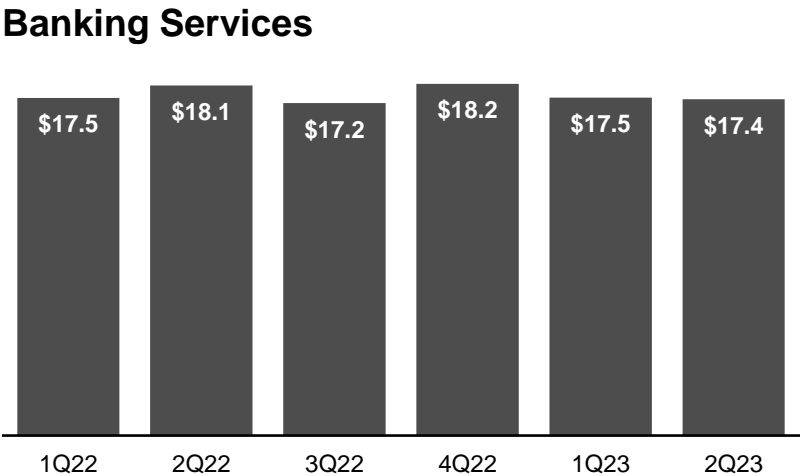
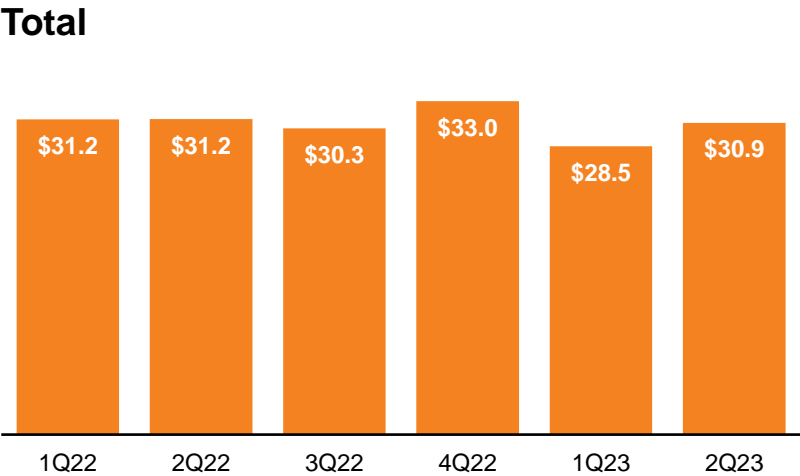
Reserve

ACL / Total Loans Held for Investment



ACL by % of Portfolio	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
Auto	4.26	4.24	3.85	3.69	3.72	3.66	3.56	3.43	3.16
Commercial	2.35	1.90	1.55	1.63	1.71	1.60	1.54	1.53	1.80
Residential Mortgages	2.23	2.34	1.80	1.67	1.35	1.22	1.11	1.07	1.05
Consumer	4.99	4.77	4.68	4.64	4.63	4.66	4.33	4.37	4.32
Total	2.95%	2.82%	2.44%	2.40%	2.37%	2.32%	2.23%	2.22%	2.25%

Core Non-Interest Income (\$M)



Capital: Fortress Balance Sheet

Basel III Standardized (\$ in millions except per share)	2Q23	1Q23	4Q22	3Q22	2Q22
CET1 Capital	\$ 1,086.6	\$1,063.9	\$1,037.4	\$995.3	\$960.0
CET1 Capital Ratio	14.01%	14.07%	13.64%	13.38%	12.80%
Tier 1 Capital	\$1,086.6	\$1,063.9	\$1,037.4	\$995.3	\$960.0
Tier 1 Capital Ratio	14.01%	14.07%	13.64%	13.38%	12.80%
Total Capital	\$1,183.9	\$1,158.7	\$1,132.7	\$1,088.6	\$1,053.8
Total Capital Ratio	15.27%	15.33%	14.89%	14.63%	14.05%
Risk-Weighted Assets	\$7,753.9	\$7,559.2	\$7,605.5	\$7,440.5	\$7,499.2
Leverage Ratio	10.85%	10.75%	10.36%	9.82%	9.46%
Total Assets (EOP)	\$10,031.5	\$10,057.6	\$9,818.8	\$10,058.2	\$10,247.8
Tangible Common Equity (EOP)	\$991.4	\$979.4	\$930.6	\$878.1	\$896.9
Tangible Book Value Per Share	\$21.06	\$20.57	\$19.56	\$18.46	\$18.86

Income Statement Highlights: 2Q23 vs. 1Q23

\$ in millions	2Q23	1Q23	Δ	Comment
Total Interest Income				
• Cash	\$9.0	\$6.4	\$2.6	• 25% higher average balance and 49 bps higher yield
• Investment Securities	13.4	14.2	(0.8)	• 7% lower average balance and 6 bps higher yield
• Loans	135.5	128.3	7.2	• 2% higher average balance and 18 bps higher yield
Total Interest Expense				
• Core Deposits	14.6	11.2	(3.4)	• 1% lower average balance and 16 bps higher rate
• Borrowings	2.4	0.6	(1.8)	• 253% higher average balances and 56 bps higher rate
Total Provision for Credit Losses	15.0	9.4	(5.6)	• 2Q23 included \$9.1M for a specific reserve for three US commercial loans and \$6.3M due to increased loan volume
Total Banking & Financial Service Revenues	30.9	28.5	2.4	• 2Q23 primarily reflected increased wealth management and mortgage servicing revenues
Other Income (loss)	(0.8)	0.4	(1.2)	• 2Q23 loss primarily due to the sale of a short-term Treasury note
Total Non-Interest Expenses	88.9	90.2	1.3	• 2Q23 operating expenses increased \$1.8M, which was more than offset by \$3.1M from (i) higher gain on foreclosed real estate and (ii) lower credit expenses
Income Tax Expense	21.6	18.9	(2.7)	• ETR of 33% vs. 29% • 2023 ETR anticipated at 33%
Net Income Available to Common Shareholders	\$44.2	\$46.2	(\$2.0)	

Income Statement Highlights: 2Q23 vs. 2Q22

\$ in millions	2Q23	2Q22	Δ	Comment
Total Interest Income				
• Cash	\$9.0	\$3.0	\$6.0	• 55% lower average balances and 445 bps higher yield
• Investment Securities	13.4	7.9	5.5	• 26% higher average balances and 78 bps higher yield
• Loans	135.5	111.4	24.1	• 6% higher average balances and 103 bps higher yield
Total Interest Expense				
• Core Deposits	14.6	5.3	(9.3)	• 5% lower average balances and 45 bps higher rate
• Deposit intangible amortization	1.3	1.6	0.3	
• Borrowings	2.4	0.2	(2.2)	• 716% higher average balances and 165 bps higher rate
Total Provision for Credit Losses	15.0	6.7	(8.3)	• 2Q23 included \$9.1M for a specific reserve for three US commercial loans and \$6.3M due to increased loan volume
Total Banking & Financial Service Revenues	30.9	31.2	(0.3)	• Small decline in banking service revenues partially offset by small increase in mortgage banking service revenues
Other Income	(0.8)	5.0	(5.8)	• 2Q23 loss primarily due to the sale of a short-term Treasury note
Total Non-Interest Expenses	88.9	85.3	(3.6)	• 2Q23 reflected hourly salary increases, added tech staffing, and increased amortization related to new digital projects
Income Tax Expense	21.6	18.9	(2.7)	• ETR of 33% vs. 32%
Net Income Available to Common Shareholders	\$44.2	\$40.4	\$3.8	

Thank you.

Contact:

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