

OFG Bancorp



Quarterly Results 2Q24 Conference Call

July 18, 2024

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, 2023, 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

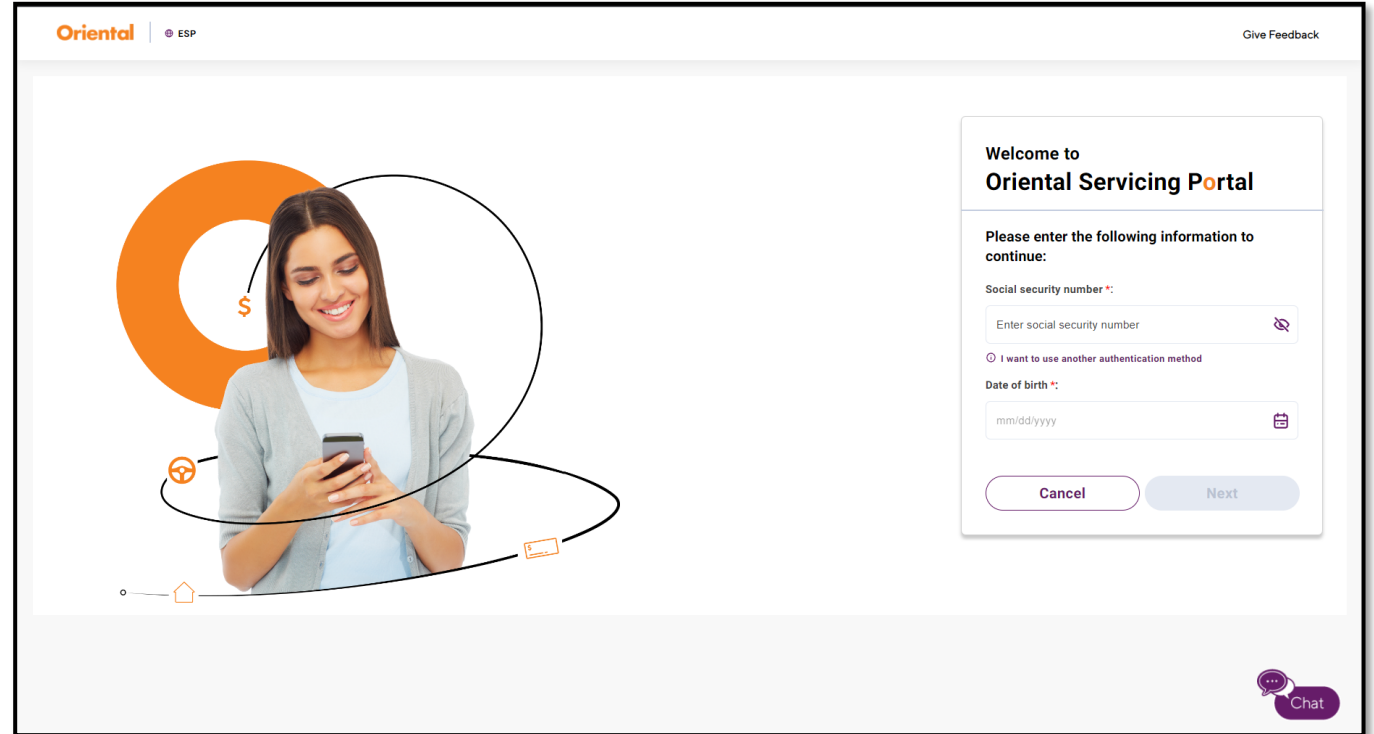
In addition to our financial information presented in accordance with GAAP, management uses certain "non-GAAP financial measures" within the meaning of the SEC Regulation G, to clarify and enhance understanding of past performance and prospects for the future. Please refer to Tables 8-1 and 8-2 in OFG's Financial Supplement for a reconciliation of GAAP to non-GAAP measures and calculations for the quarter ended June 30, 2024 at www.ofgbancorp.com.

2Q24 Summary

Income Statement	Balance Sheet (EOP)	Capital	Capital Actions
<ul style="list-style-type: none"> • EPS \$1.08 • Total Core Revenues \$179.4M • NIM 5.51% • Provision \$15.6M • Non-Interest Expense \$93.0M • PPNR \$86.8M 	<ul style="list-style-type: none"> • Total Assets \$11.3B • Customer Deposits \$9.6B • Loans Held for Investment \$7.6B • New Loan Production \$589.0M • Investments \$2.5B • Cash \$740.4M 	<ul style="list-style-type: none"> • CET1 14.29% • Tier 1 Risk-Based 14.29% • Total Risk-Based 15.54% • Leverage 10.86% 	<ul style="list-style-type: none"> • Acquired \$24.3M of shares in the open market

Our “Digital First” Strategy at Work

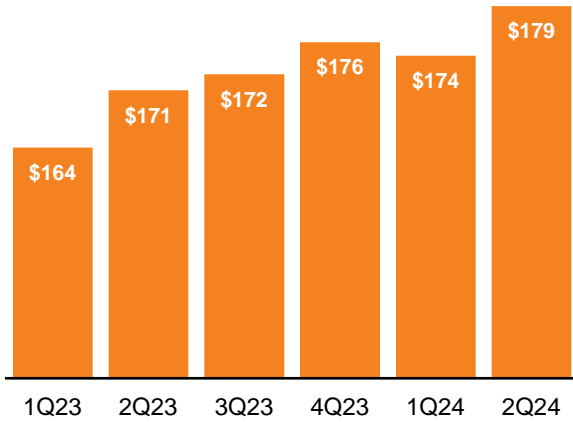
- **Retail Digital/Self-Service Channel Use (2Q24)**
 - 94% of all routine transactions
 - 96% of all deposit transactions
 - 66% of all loan payments
- **Key Drivers (2Q24 vs. 2Q23)**
 - 13% growth in digital enrollment
 - 69% growth in digital loan payments
 - 26% growth in virtual teller utilization
 - 4% net overall customer growth
- **Oriental Servicing Portal**
 - First to market customer self-service portal with expanding capabilities
 - 2Q24: Used by 24% of total retail clients
- **New & Upgraded Services**
 - 2Q24: New Elite Account for retail customers
 - 2Q24: Upgraded Oriental Biz Account for commercial clients



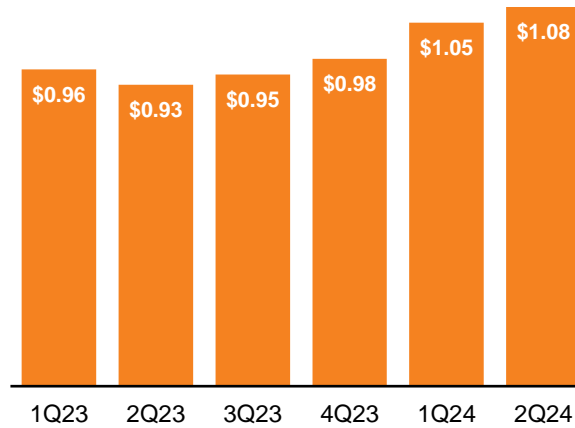
Accessible online from any PC, tablet or mobile device

Financial Highlights

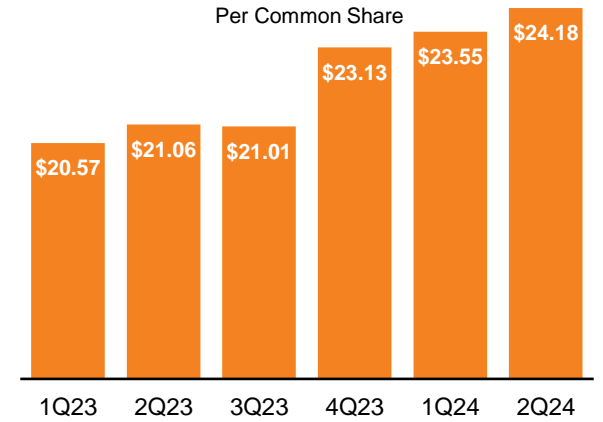
Total Core Revenues (\$M)



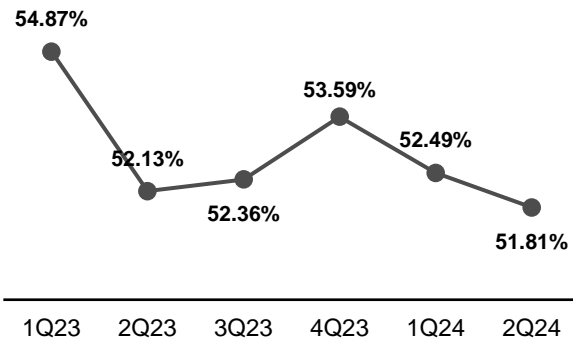
EPS



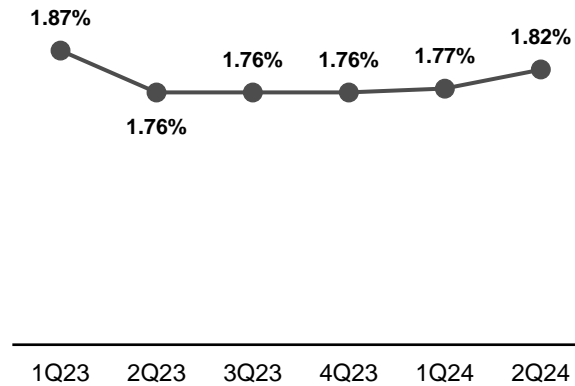
TBV



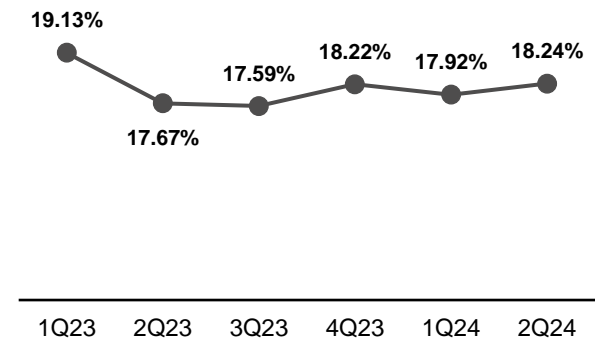
Efficiency Ratio



ROAA



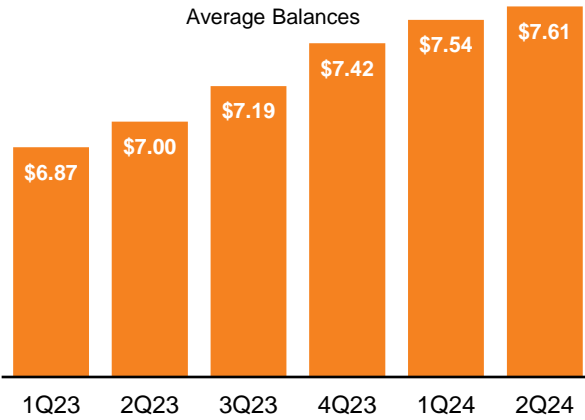
ROATCE



Operational Highlights

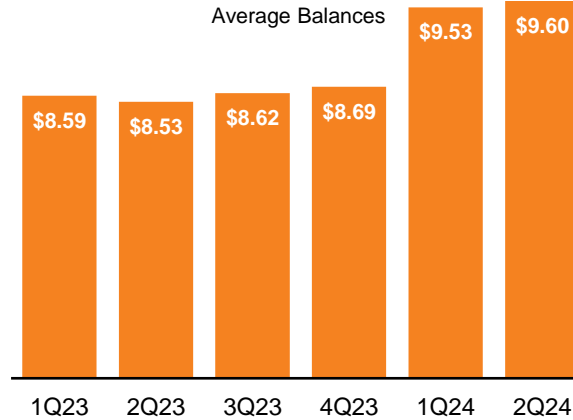
Loans (\$B)

Average Balances

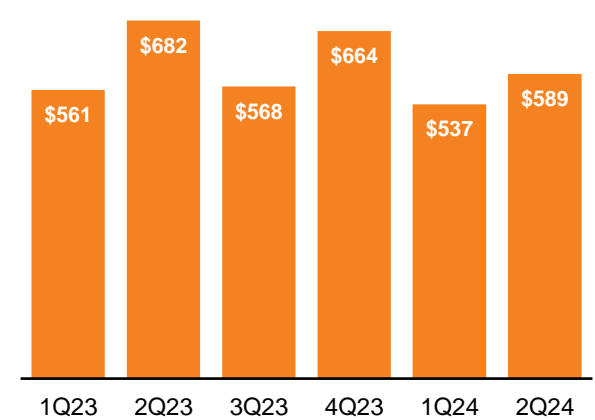


Core Deposits (\$B)

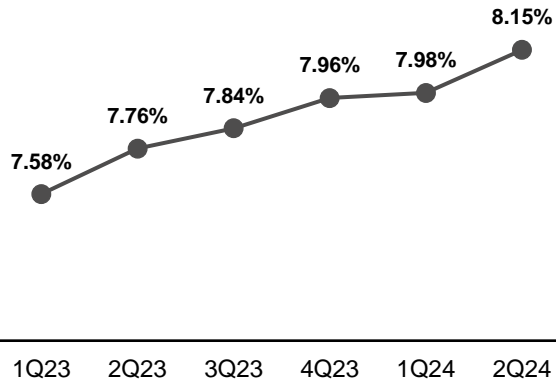
Average Balances



New Loan Origination (\$M)

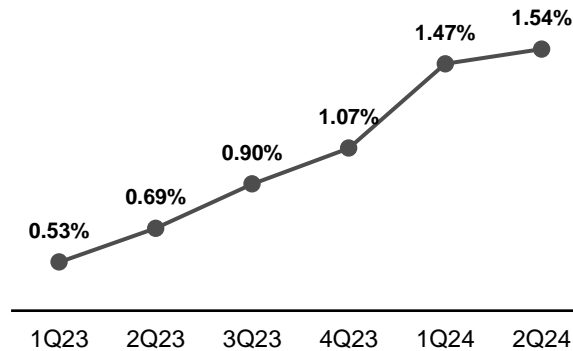


Loan Yield

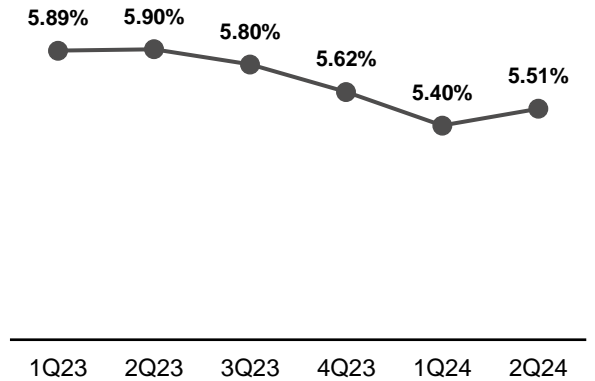


Core Deposit Cost

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

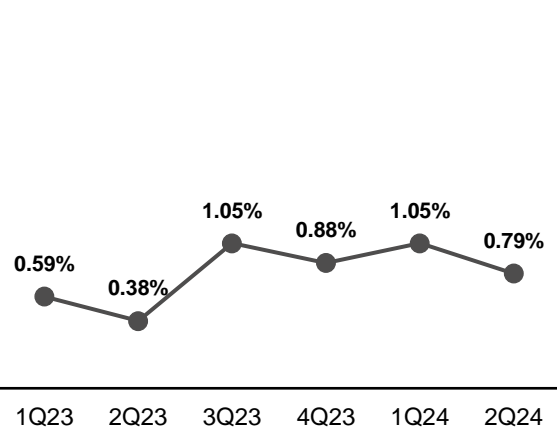


Net Interest Margin

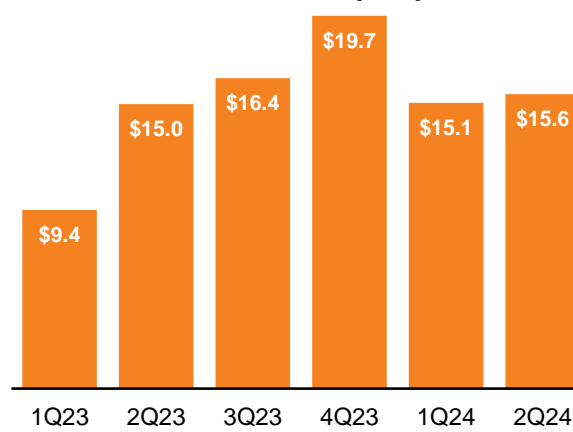


Credit Quality & Capital Strength

NCO Rate

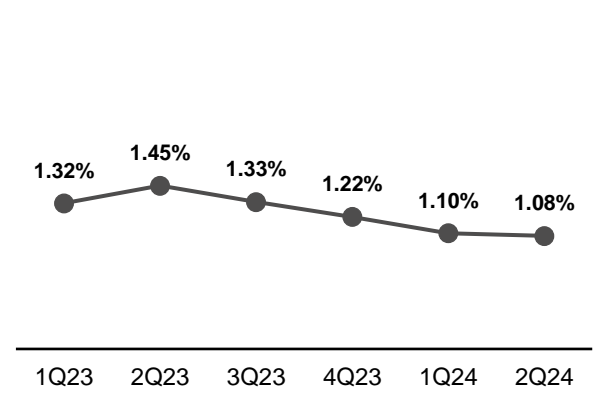


Provision (\$M)

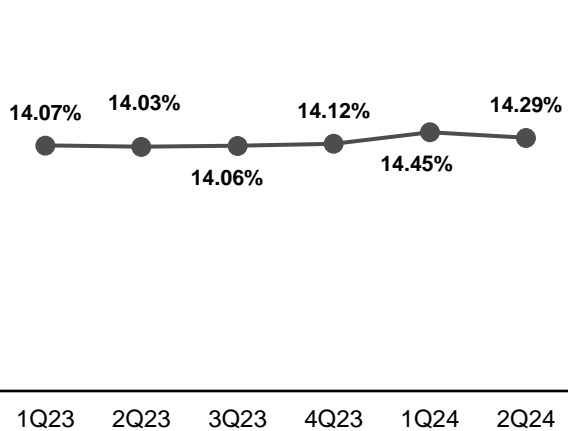


NPL Rate

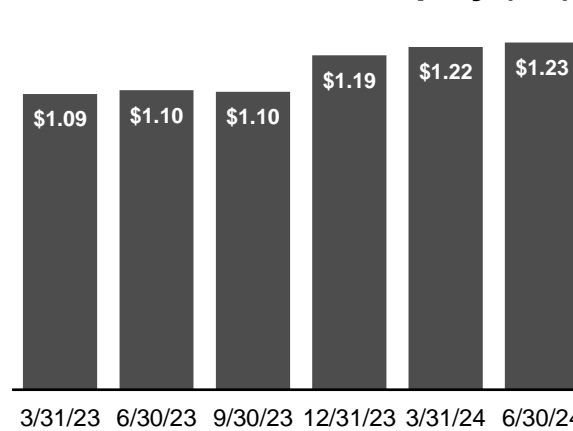
Excludes PCD Loans



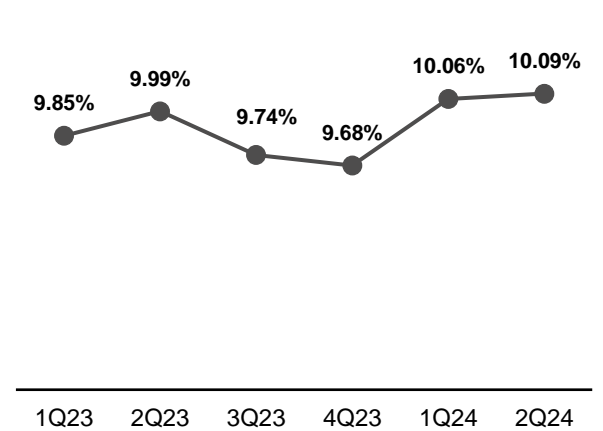
CET1 Ratio



Total Stockholder's Equity (\$B)



TCE Ratio



Outlook

Puerto Rico Macro

- PR's economy growing and steadily decoupling from mainland economic uncertainties
- Island's infrastructure projects and business investments continue to expand
- Keeping watchful eye on interest rate changes, inflation trends, possible mainland recession, and global conflicts

OFG

- Well-positioned to continue benefitting from growth of loans, deposits and customers
- Consumer credit trends to continue at current levels
- Digital adoption and client acquisition growing
- Continuing to invest in and deploy customer innovations to build our differentiated business model



Appendix

Snapshot (June 30, 2024)

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”
- Our mission is to make progress possible for our customers, employees, shareholders, and the communities we serve

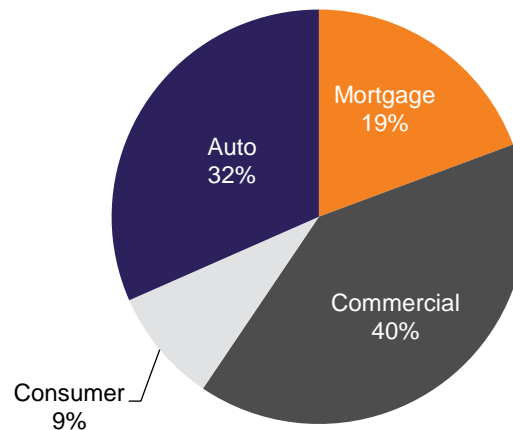
Financials

- Total Assets: \$11.3B
- Wealth Management: \$4.4B AUM
- Mortgage Loan Servicing Portfolio: \$5.6B
- Total Stockholders’ Equity: \$1.2B
- Tangible Common Equity: \$1.1B

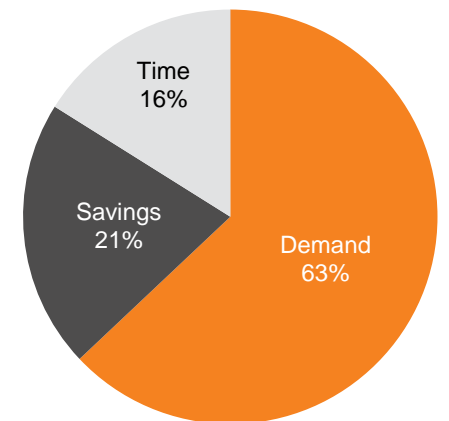
Branches, Kiosks, ATMs & ITMs in All Major PR & USVI Markets

	Puerto Rico	USVI	Total
Branches	42	2	44
Self-Service Kiosks	10	0	10
ATMs	299	12	311
ITMs	31	2	33
Total	382	16	398

Loans (\$7.6B)*



Deposits (\$9.6B)

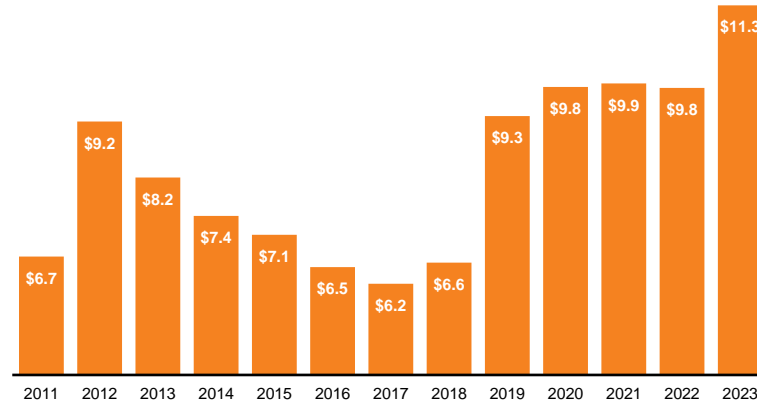


* Loans Held for Investment

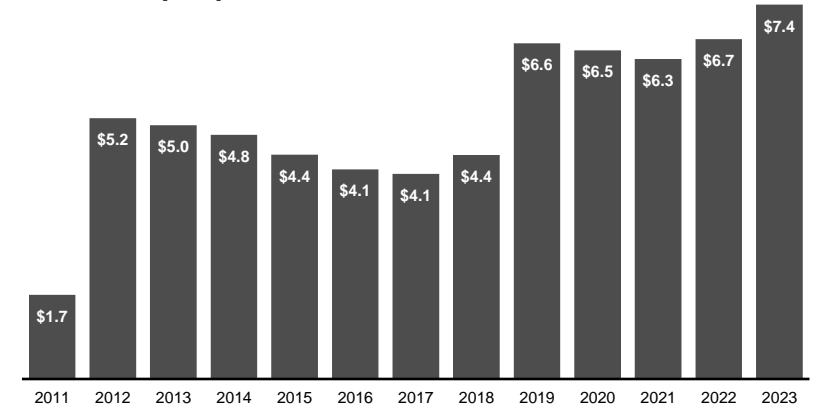
History of Capital Management & Growth

- Organic growth and acquisitions have transformed Oriental into a full-service, island-wide financial institution
- From 2002-2023, OFG’s local deposits have expanded 8.5x while the local deposit market has grown 2.1x*
- Key acquisitions: Eurobank (2010), Puerto Rico operations of Banco Bilbao Vizcaya Argentaria (2012), and Puerto Rico and USVI operations of The Bank of Nova Scotia (2019)
- Chart data as of years ended 12/31

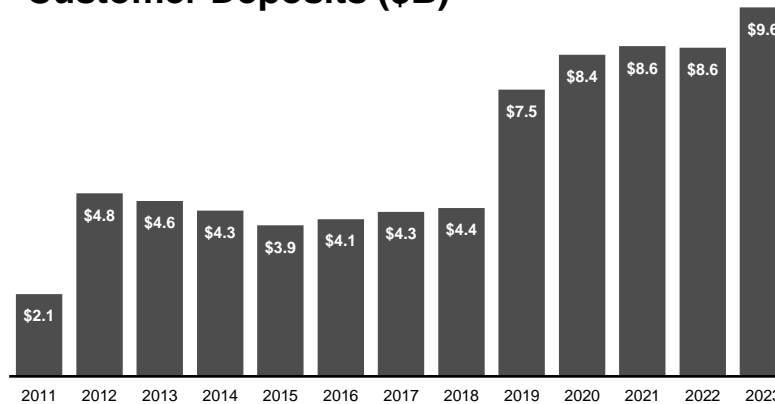
Assets (\$B)



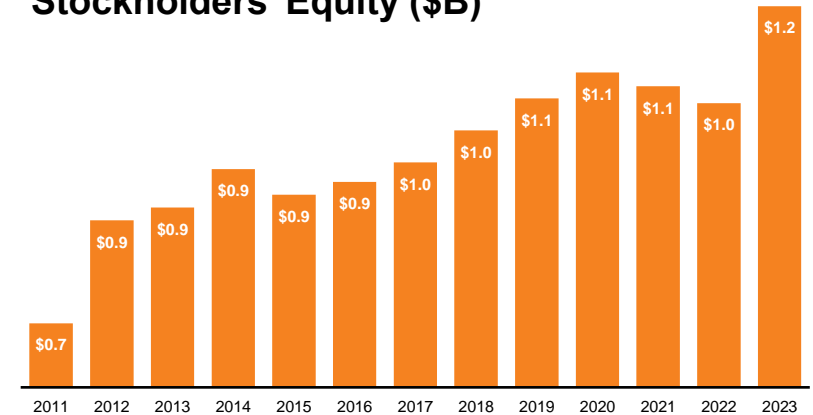
Loans (\$B)



Customer Deposits (\$B)

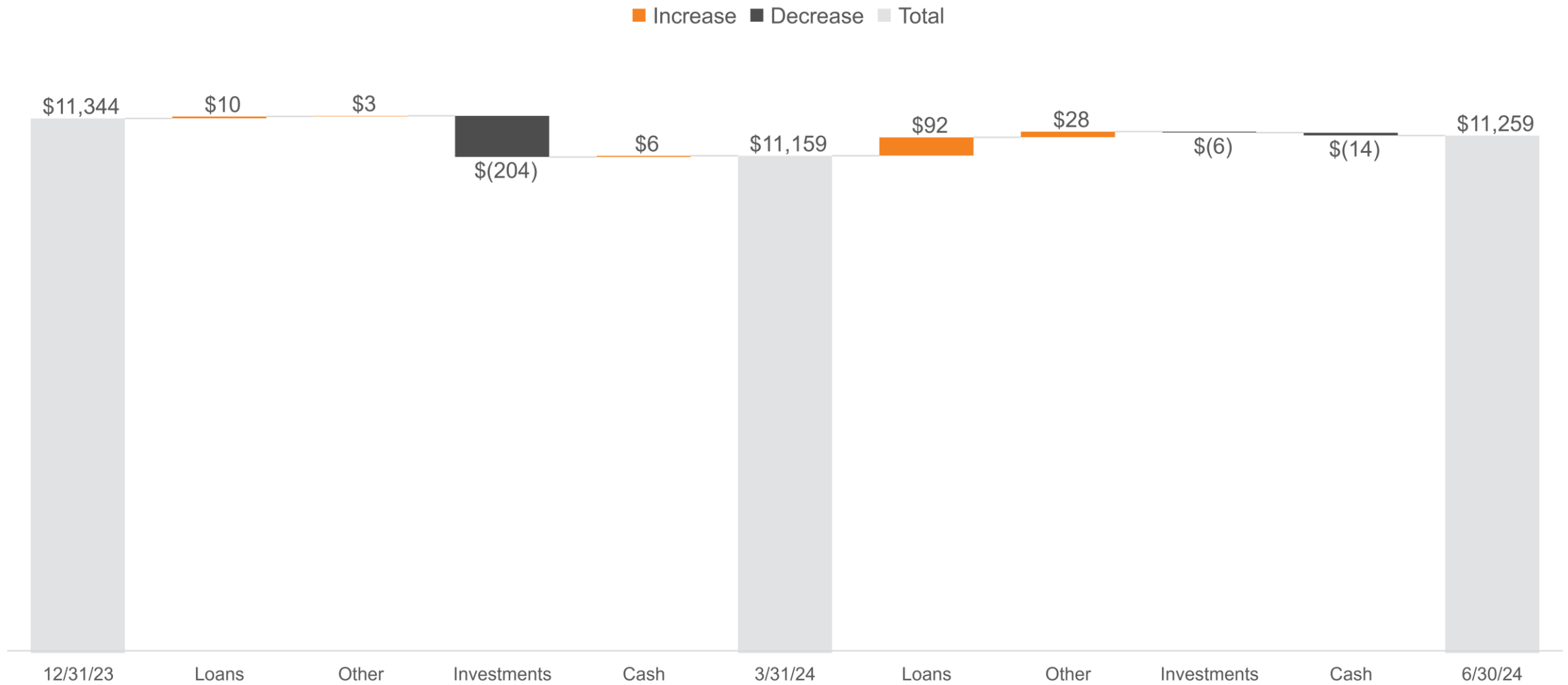


Stockholders’ Equity (\$B)

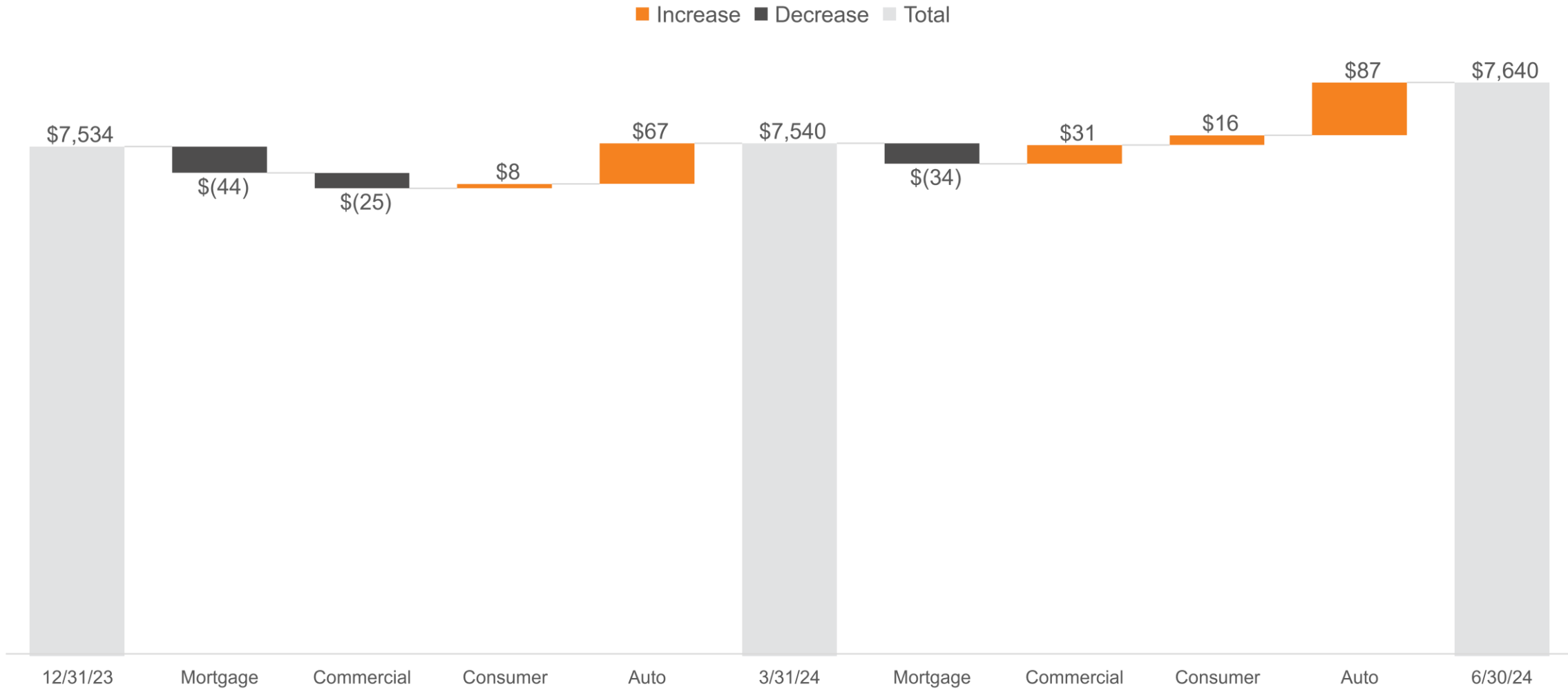


* Source: S&P Capital IQ July 17, 2024

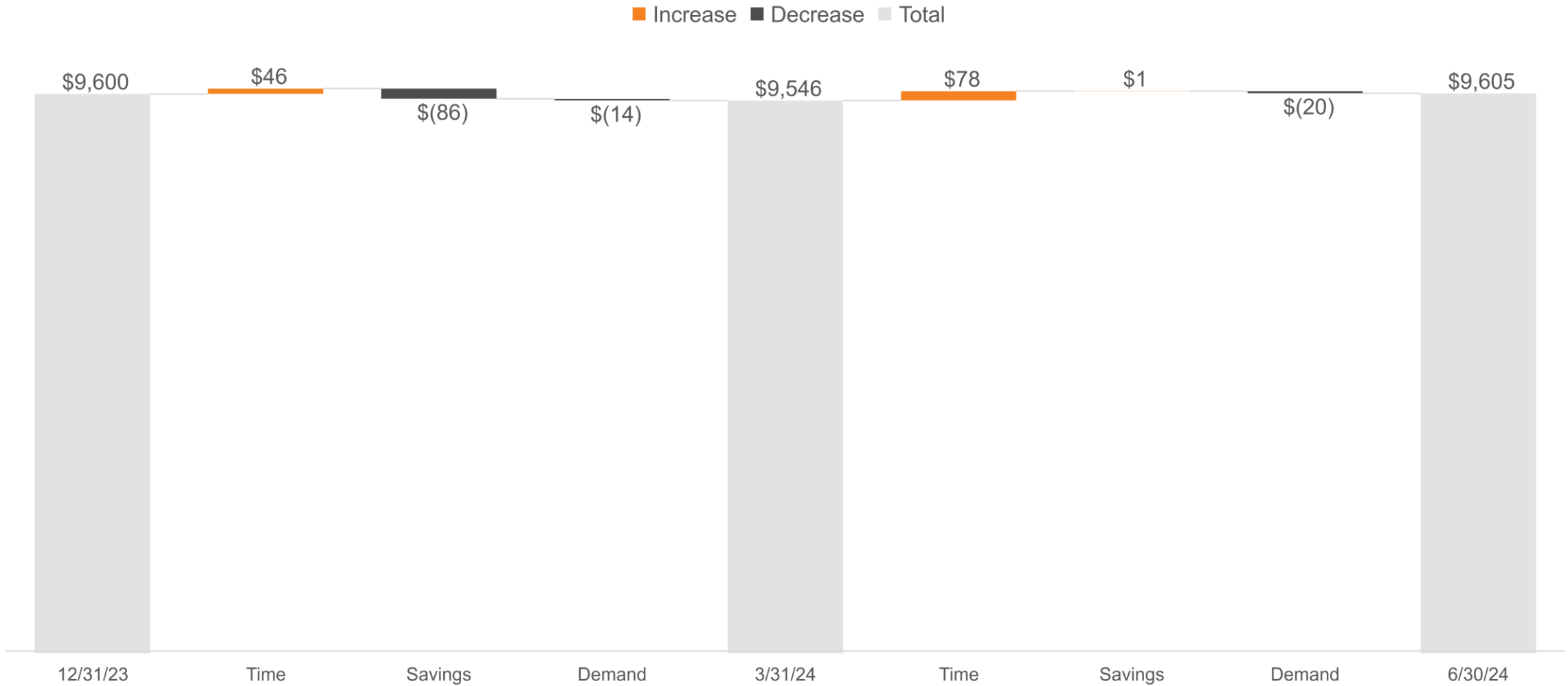
2Q24 Asset Balance Evolution (\$M)



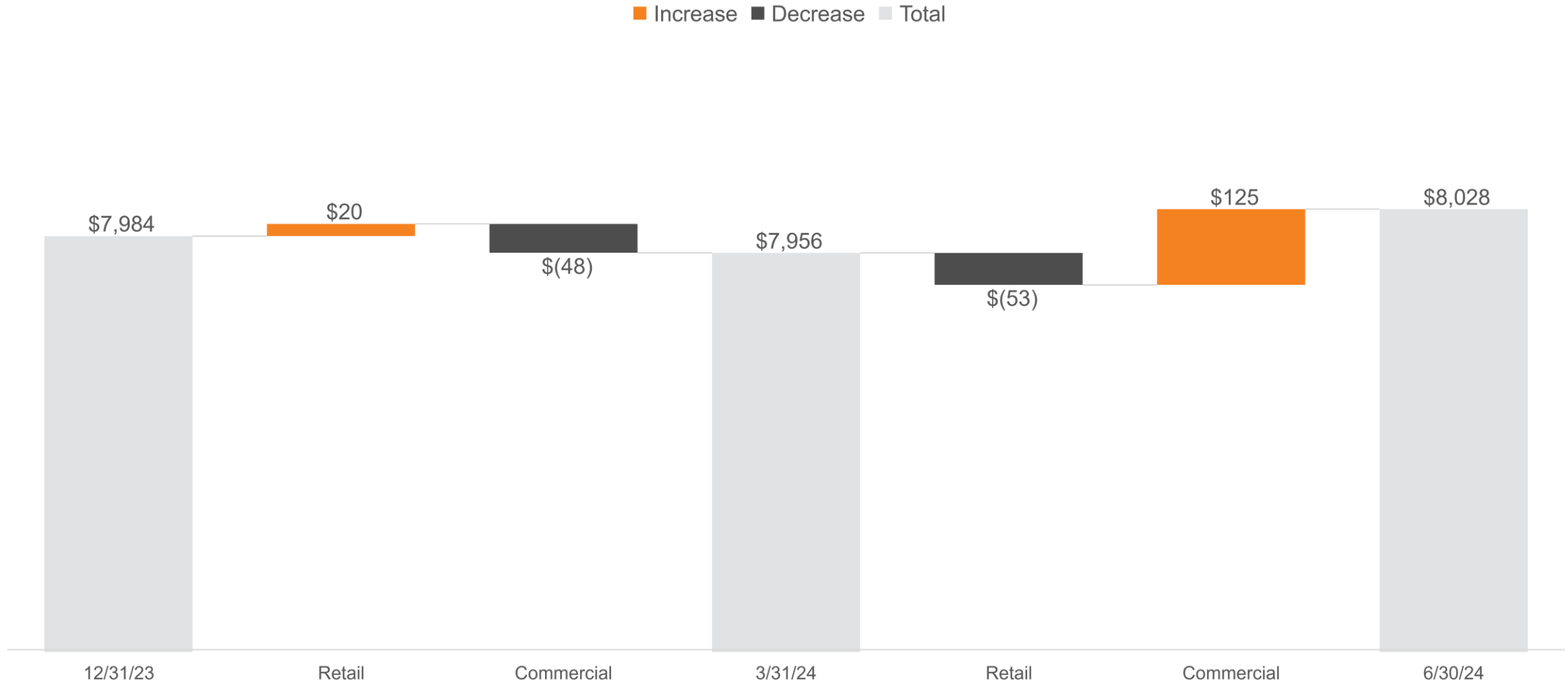
2Q24 Loan Balance Evolution (\$M)



2Q24 Core Deposit Balance Evolution (\$M)

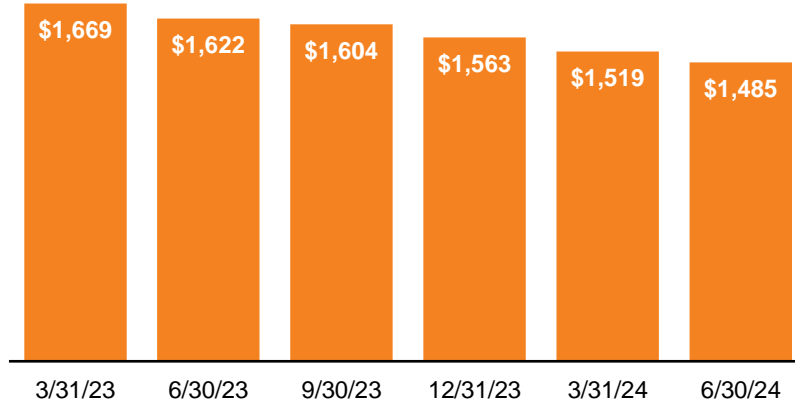


2Q24 Deposit Balance Evolution: Retail vs. Commercial, Ex-Public Funds (\$M)

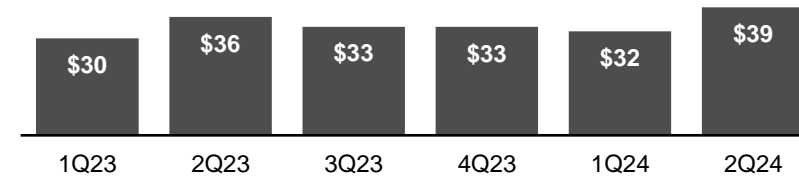


Residential Mortgage Loans (\$M)

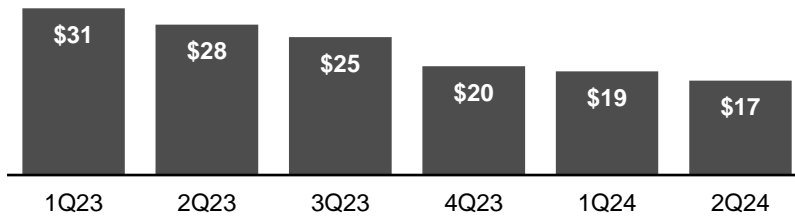
Portfolio



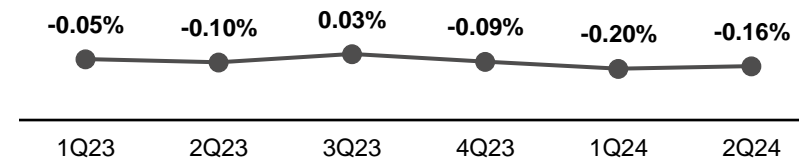
New Loan Origination



NPLs (excludes PCD)

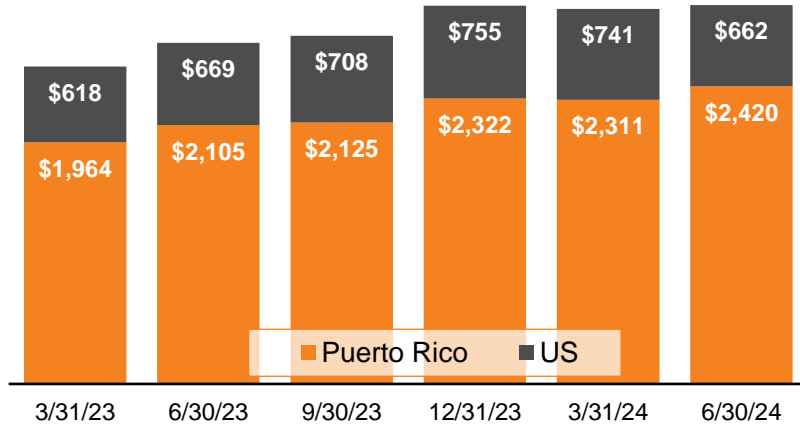


NCO Rate

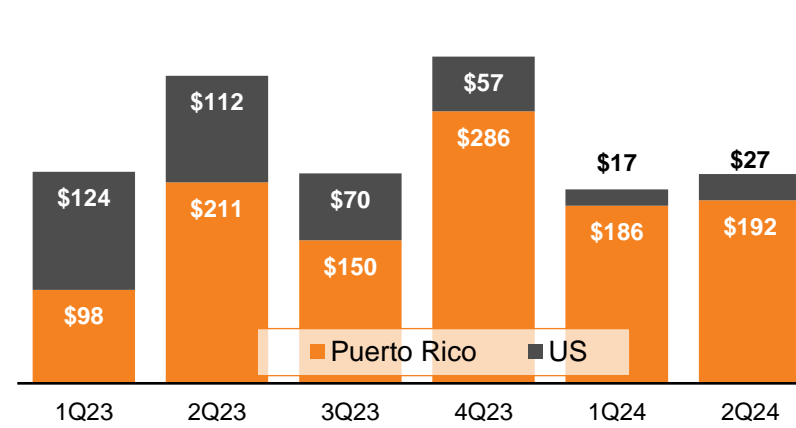


Commercial Loans (\$M)

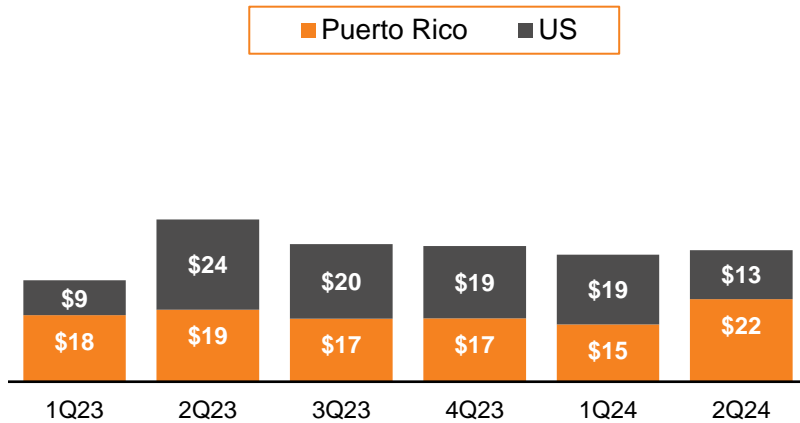
Portfolio



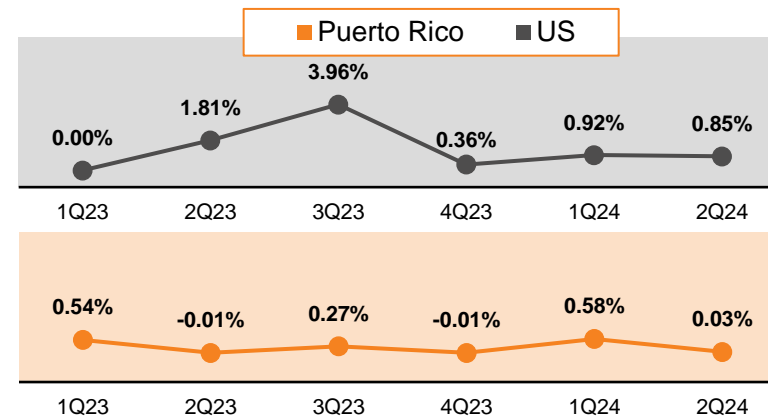
New Loan Origination



NPLs (excludes PCD)

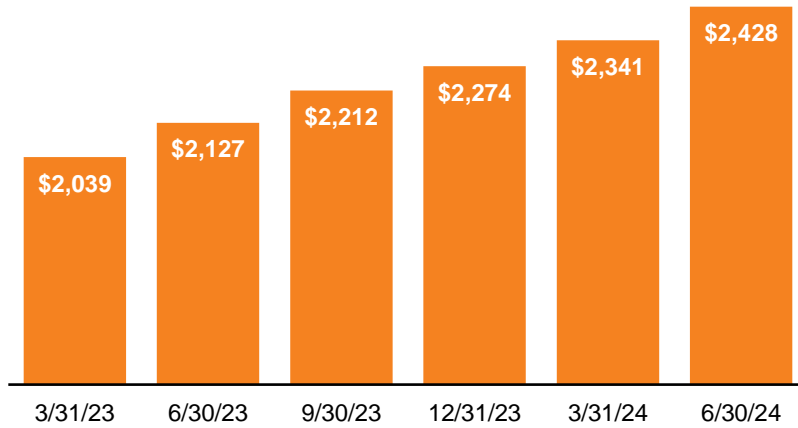


NCO Rate

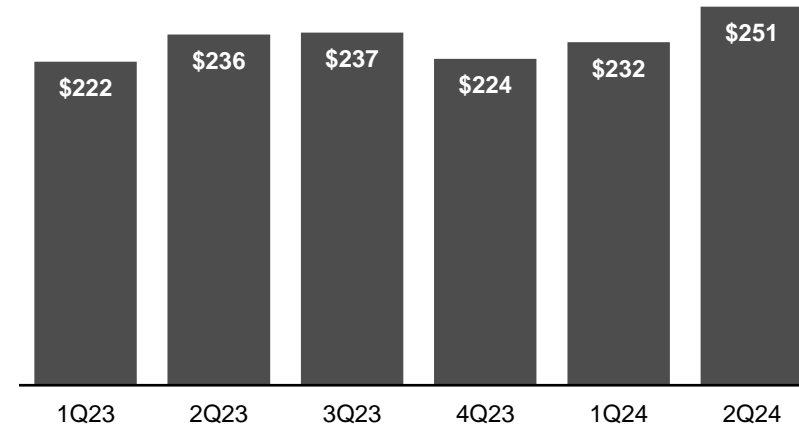


Auto Loans (\$M)

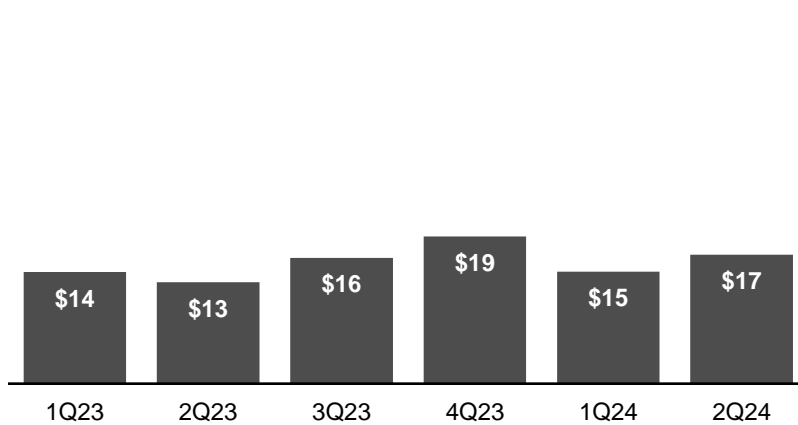
Portfolio



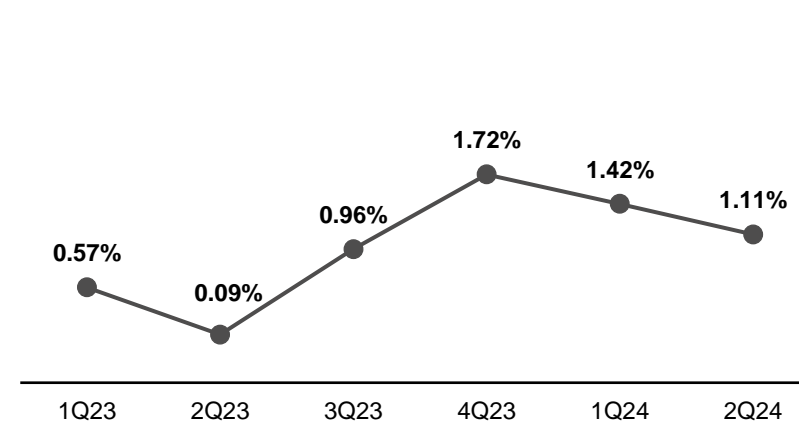
New Loan Origination



NPLs (excludes PCD)

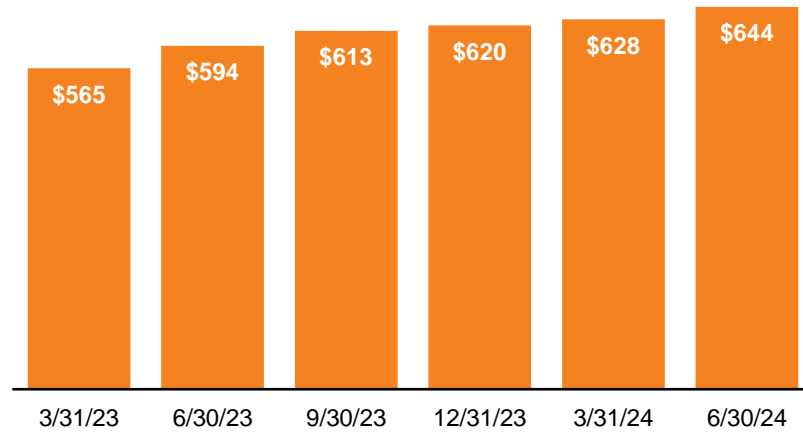


NCO Rate

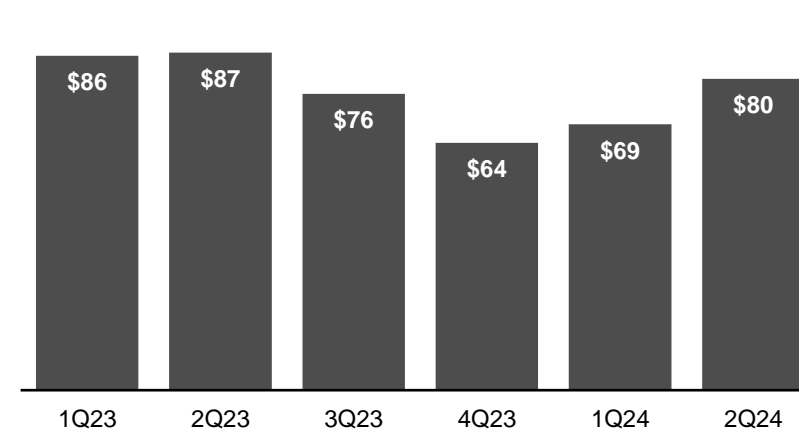


Consumer Loans (\$M)

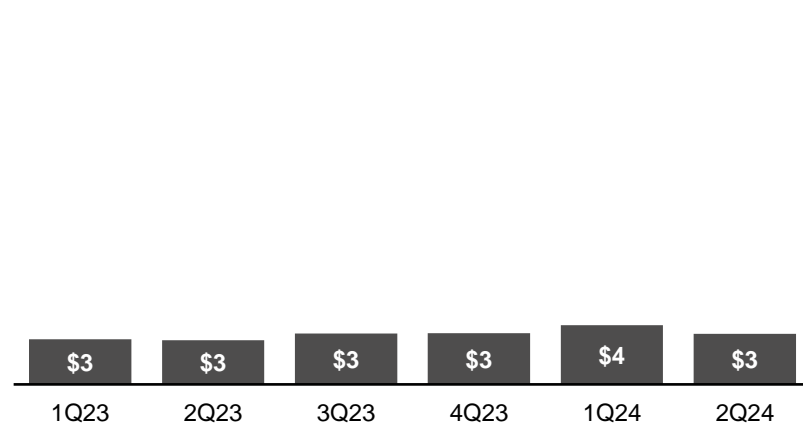
Portfolio



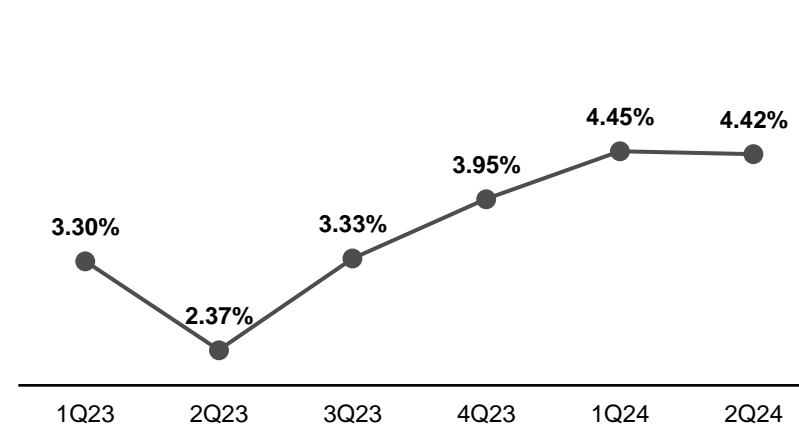
New Loan Origination



NPLs (excludes PCD)

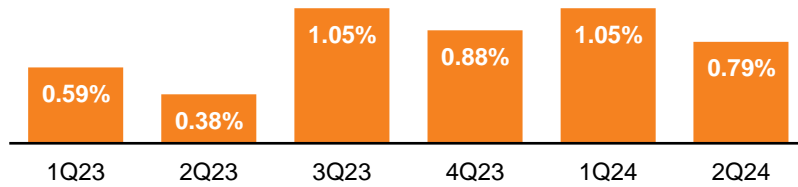


NCO Rate

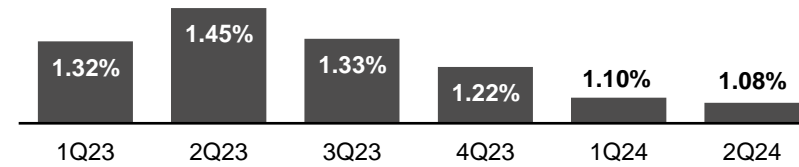


Credit Quality

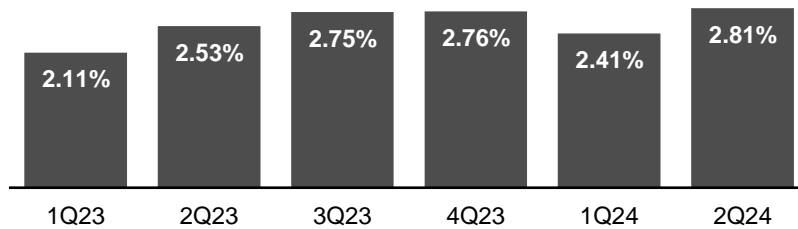
NCO Rate



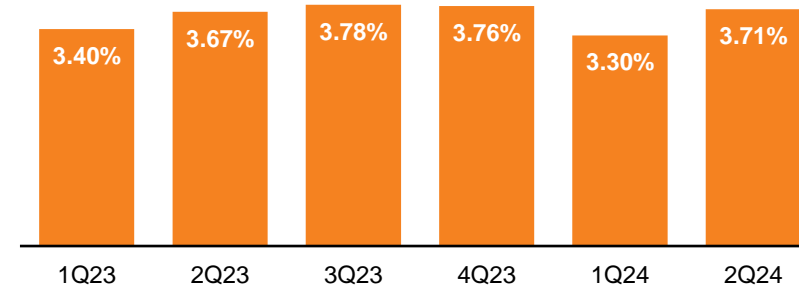
NPL Rate (excludes PCD)



Early Delinquency Rate

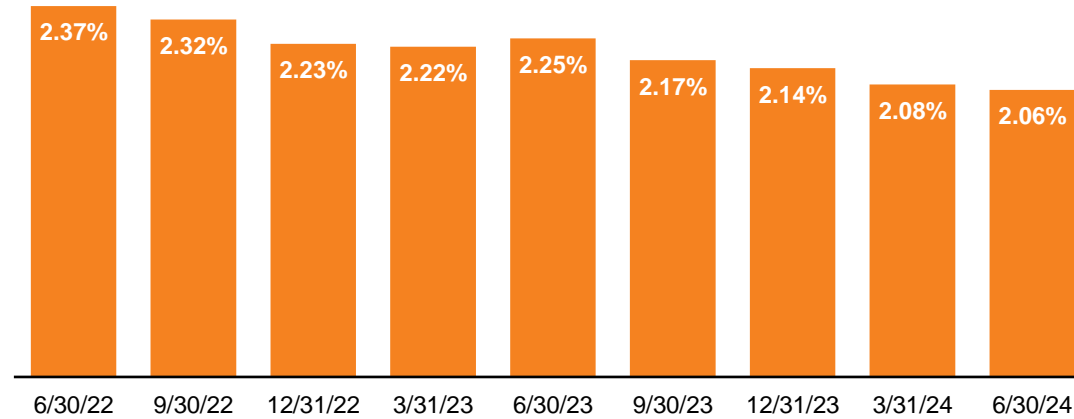


Total Delinquency Rate



Reserve

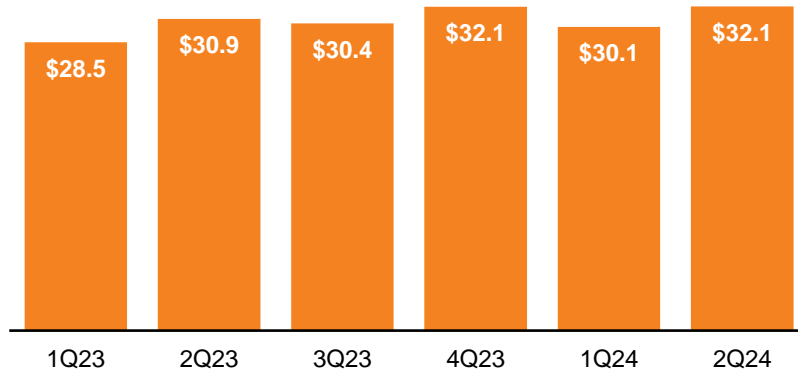
ACL / Total Loans Held for Investment



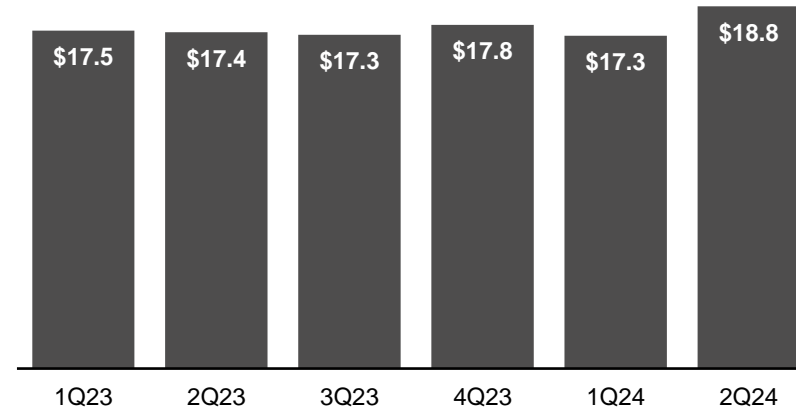
ACL by % of Portfolio	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24
Auto	3.72	3.66	3.56	3.43	3.16	3.25	3.23	3.26	3.33 %
Commercial	1.71	1.60	1.54	1.53	1.80	1.51	1.47	1.26	1.12 %
Residential Mortgages	1.35	1.22	1.11	1.07	1.05	1.02	0.98	0.94	0.84 %
Consumer	4.63	4.66	4.33	4.37	4.32	4.32	4.37	4.37	4.57 %
Total	2.37%	2.32%	2.23%	2.22%	2.25%	2.17%	2.14%	2.08%	2.06 %

Core Non-Interest Income (\$M)

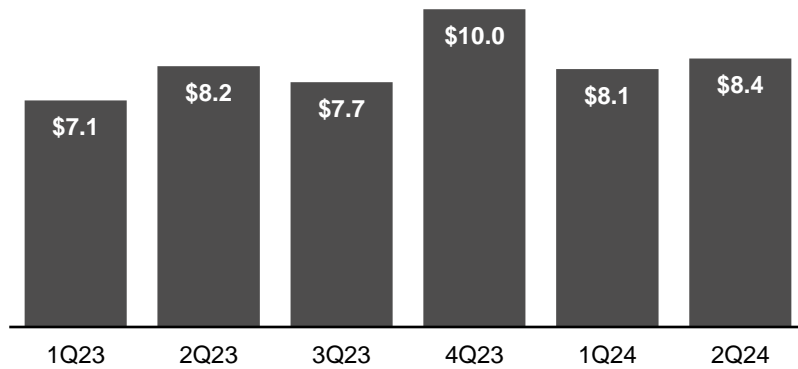
Total



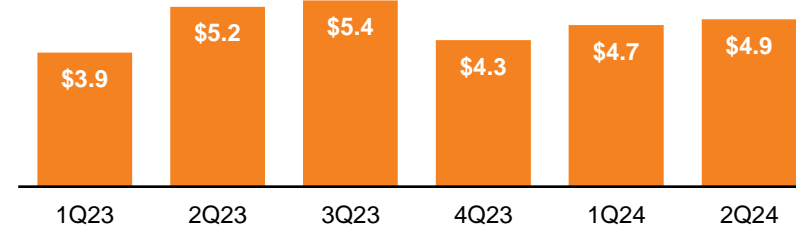
Banking Services



Wealth Management



Mortgage Banking



Capital: Fortress Balance Sheet

Basel III Standardized (\$ in millions except per share)	2Q23	3Q23	4Q23	1Q24	2Q24
CET1 Capital	\$1,086.6	\$1,124.6	\$1,174.2	\$1,205.2	\$1,223.0
CET1 Capital Ratio	14.03%	14.06%	14.12%	14.45%	14.29%
Tier 1 Capital	\$1,086.6	\$1,124.6	\$1,174.2	\$1,205.2	\$1,223.0
Tier 1 Capital Ratio	14.03%	14.06%	14.12%	14.45%	14.29%
Total Capital	\$1,183.8	\$1,225.0	\$1,278.5	\$1,309.9	\$1,330.5
Total Capital Ratio	15.29%	15.31%	15.37%	15.71%	15.54%
Risk-Weighted Assets	\$7,742.9	\$8,000.7	\$8,317.8	\$8,338.2	\$8,561.5
Leverage Ratio	10.85%	11.03%	11.03%	10.76%	10.86%
Total Assets (EOP)	\$10,031.5	\$10,257.1	\$11,344.5	\$11,159.2	\$11,259.1
Tangible Common Equity (EOP)	\$991.4	\$988.8	\$1,088.5	\$1,112.2	\$1,125.7
Tangible Book Value Per Share	\$21.06	\$21.01	\$23.13	\$23.55	\$24.18

Income Statement Highlights: 2Q24 vs. 1Q24

\$ in millions	2Q24	1Q24	Δ	Comment
Total Interest Income				
• Cash	\$8.7	\$8.0	\$0.7	• 9% higher average balance & 1 bp lower yield
• Investment Securities	24.7	25.8	-1.1	• 4% lower average balance & 2 bps lower yield
• Loans	154.3	149.6	4.7	• 1% higher average balance & 17 bps higher yield • 2Q24 loan interest income included \$2.1M from recovery of a fully-reserved & charged-off US loan paid in full
Total Interest Expense				
• Core Deposits	36.7	34.9	-1.8	• 1% higher average balances & 7 bps higher rate
• Deposit Intangible Amortization	1.1	1.1	0.0	
• Borrowings & Brokered Deposits	2.5	3.3	0.8	• 21% lower average balance & 18 bps lower rate
Total Provision for Credit Losses	15.6	15.1	-0.5	• 2Q24 primarily reflected increased loan volume
Total Banking & Financial Service Revenues	32.1	30.1	2.0	• 2Q24 reflected higher banking service, mortgage banking & wealth management fees • 2Q24 banking services included \$0.6M prepayment fees on US loans • 2Q24 wealth management included \$0.5M from annual recognition of certain commercial insurance policies
Other Income	0.4	0.3	0.1	
Total Non-Interest Expenses	93.0	91.4	-1.6	• 2Q24 reflected \$1.3M in higher electronic banking fees due to increased business activity, \$1.1M in legal and technology consulting fees, & \$0.4M higher FDIC insurance now that Oriental exceeds \$10B in assets, partially offset by \$1.4M lower foreclosed real estate and other repossessed assets expenses, net & reduced FICA costs
Income Tax Expense	20.1	18.2	-1.9	• 2Q24 ETR of 28.2% vs. 26.8% in 1Q24 • 2Q24 reflected (1) expected full year ETR of 29.0% & (2) benefit of \$0.8M vs.\$1.1M in 1Q24
Net Income Available to Common Shareholders	\$51.1	\$49.7	\$1.4	

Income Statement Highlights: 2Q24 vs. 2Q23

\$ in millions	2Q24	2Q23	Δ	Comment
Total Interest Income				
• Cash	\$8.7	\$9.0	-\$0.3	<ul style="list-style-type: none"> • 5% lower average balance & 13 bps higher yield • 39% higher average balance & 97 bps higher yield • 9% higher average balance & 39 bps higher yield • 2Q24 loan interest income included \$2.1M from recovery of a fully-reserved & charged-off US loan paid in full
• Investment Securities	24.7	13.4	11.3	
• Loans	154.3	135.5	18.8	
Total Interest Expense				
• Core Deposits	36.7	14.6	-22.1	<ul style="list-style-type: none"> • 13% higher average balance & 85 bps higher rate, primarily reflecting \$1.2B in new indexed public deposits in 4Q23 • 2% lower average balance & 31 bps higher rate
• Deposit Intangible Amortization	1.1	1.3	0.2	
• Borrowings & Brokered Deposits	2.5	2.4	-0.1	
Total Provision for Credit Losses	15.6	15.0	-0.6	• 2Q24 primarily reflected increased loan volume
Total Banking & Financial Service Revenues	32.1	30.9	1.2	<ul style="list-style-type: none"> • 2Q24 reflected higher banking service and wealth management fees & lower mortgage banking revenues • 2Q24 banking services included \$0.6M prepayment fees on US loans • 2Q24 wealth management included \$0.5M from annual recognition of certain commercial insurance policies
Other Income	0.4	(0.8)	1.2	• 2Q23 reflected a loss of \$0.8M due primarily to the early sale of a short-term Treasury note.
Total Non-Interest Expenses	93.0	88.9	-4.1	• 2Q23 included \$3.1M from a gain on foreclosed real estate and lower credit expenses
Income Tax Expense	20.1	21.6	1.5	<ul style="list-style-type: none"> • 2Q24 ETR of 28.2% vs. 32.9% in 2Q23 • 2Q24 reflected (1) expected full year ETR of 29.0% due to forecasted business activities with preferential tax treatment under the PR tax code than 2023 & (2) benefit of \$0.8M
Net Income Available to Common Shareholders	\$51.1	\$44.2	\$6.9	

Thank you.

Contact:

IR Coordinator

Gary Fishman

gfishman@ofgbancorp.com
212-532-3232

Steven Anreder

sanreder@ofgbancorp.com
212-532-3232