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Investor Presentation
Fourth Quarter 2018

OFGBancorp

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) the rate of growth in the economy and employment levels, as well as general business and economic conditions; (ii) changes in interest rates, as well as the magnitude of such changes; (iii) the credit default by the government of Puerto Rico; (iv) amendments to the fiscal plan approved by the Financial Oversight and Management Board of Puerto Rico; (v) determinations in the court-supervised debt-restructuring process under Title III of PROMESA for the Puerto Rico government and all of its agencies, including some of its public corporations; (vi) the impact of property, credit and other losses in Puerto Rico as a result of hurricanes Irma and Maria; (vii) the amount of government, private and philanthropic financial assistance for the reconstruction of Puerto Rico's critical infrastructure, which suffered catastrophic damages caused by hurricane Maria; (viii) the pace and magnitude of Puerto Rico's economic recovery; (ix) the potential impact of damages from future hurricanes and natural disasters in Puerto Rico; (x) the fiscal and monetary policies of the federal government and its agencies; (xi) changes in federal bank regulatory and supervisory policies, including required levels of capital; (xii) the relative strength or weakness of the commercial and consumer credit sectors and the real estate market in Puerto Rico; (xiii) the performance of the stock and bond markets; (xiv) competition in the financial services industry; and (xv) possible legislative, tax or regulatory changes.

For a discussion of such factors and certain risks and uncertainties to which OFG is subject, see OFG's annual report on Form 10-K for the year ended December 31, 2017, 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. See Tables 9-1 and 9-2 in OFG's Financial Supplements for reconciliation of GAAP to non-GAAP Measures and Calculations at www.ofgbancorp.com.

The OFG Story

1964-1987	• Founded as small S&L in eastern Puerto Rico • Oriental means “East” in Spanish
1988-2005	• Focused on residential mortgages in lending and IRA accounts in deposits • Built large, profitable, tax-advantaged MBS portfolio
2006-2012	• Navigated PR financial crisis (2006) and industry crisis (2008) *without* defensive capitalizations, dividend cancellations or bailouts • Launched opportunistic plan to become a traditional bank o Acquired Eurobank through FDIC assisted transaction -- $1.5B in assets o Acquired local operations of BBVA -- $5.7B in assets
2013-2018	• Launched effort to differentiate Oriental’s service proposition o Began introducing leading online, mobile and ATM technology and reengineering processes o Eliminated exposure to Central Government and Public Corporations • Quickly recovered after hurricanes Irma and Maria devastated Puerto Rico • Launched U.S. Loan Program for diversification and growth

Transforming Banking in Puerto Rico

Who We Are	• **Goal:** Carve strong, growing and differentiated niche • **Positioning:** Oriental is faster, more agile, more customer responsive • **Slogan:** *Vive la Diferencia – Fácil, Rápido, Hecho* (Easy, Fast, Done)
Business Model	• **Deploy Technology:** Deliver non-value services on a high-speed, low-cost basis • **Simplify Processes:** Speed delivery to customers and reduce costs • **Free Up Personnel:** To focus on value-added services and higher-value revenues
Accomplishments	• **Phase 1 (2013-2017):** Enhanced ATMs, expanded ATM network, robust online and mobile apps • **Phase 2 (current):** Optimize branch network into (i) smaller, efficient self-service centers and (ii) larger centers of excellence
Performance (since 2Q16)	• **Operations:** Originated loans up 22%, core deposits up 12%, customers up 9% • **Financial:** EPS up 70%, ROAA up 57 bps, TBVPS up 8%, ROATCE up 424 bps
Outlook	• **Solid Growth:** Economy expected to expand multiple years with influx of ~$80B in federal disaster and private insurance funds to rebuild after Maria • **Improved Valuation:** OFG deserves to trade more in line with mainland peers

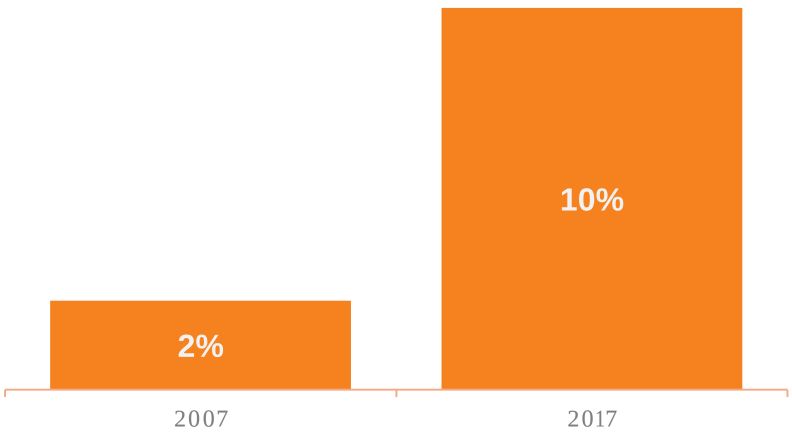
PR Bank Consolidation Helps Differentiation

Highlights

- Dramatic market change due to consolidation
- Result of organic growth and acquisition
- Fewer competitors
- Differentiated strategies can work better
- OFG's market share has increased ~4x

OFG's Market Share

Based on local deposits



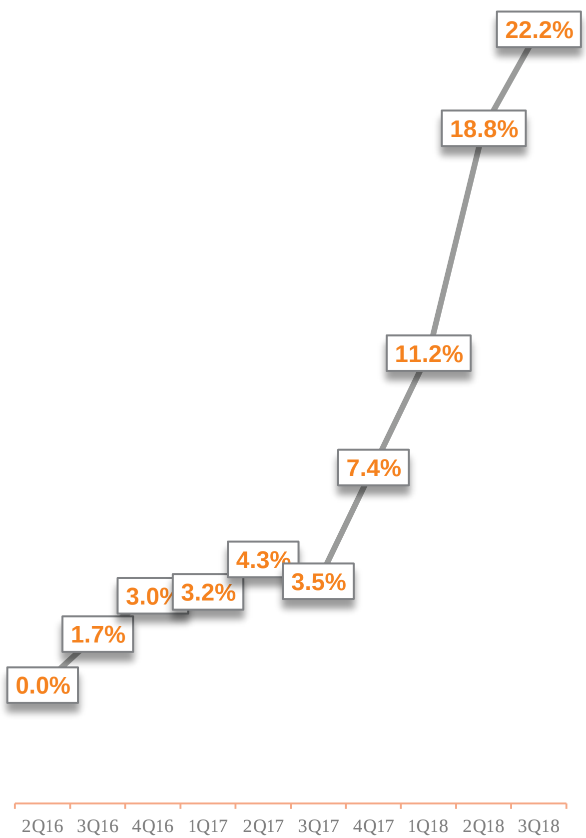
Market Share*	2017	2007	Δ
OFG	10%	2%	+329%
BPOP	59%	26%	+128%
FBP	14%	18%	-23%
All Others	17%	54%	-68%

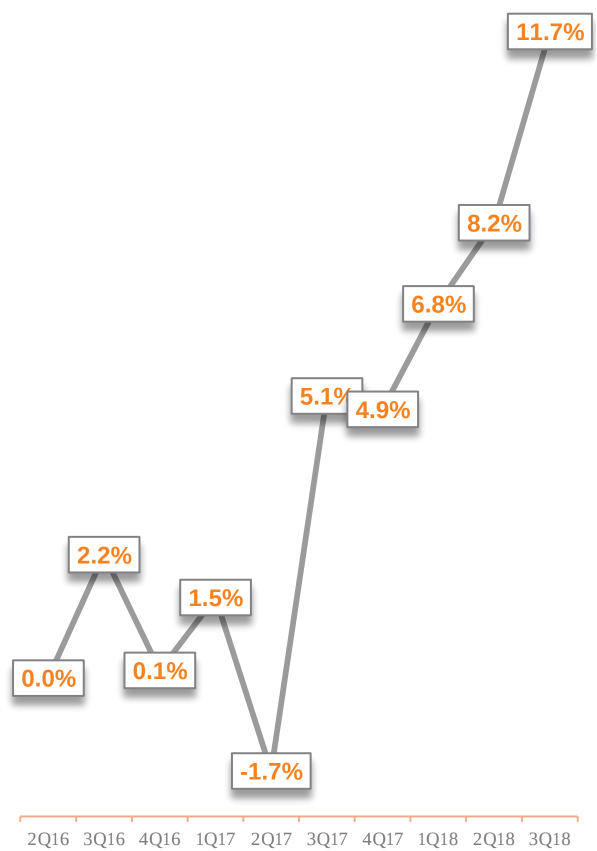
* Source: S&P SNL. Excludes Citibank and Banesco whose deposits are housed in Puerto Rico but related to clients outside the island

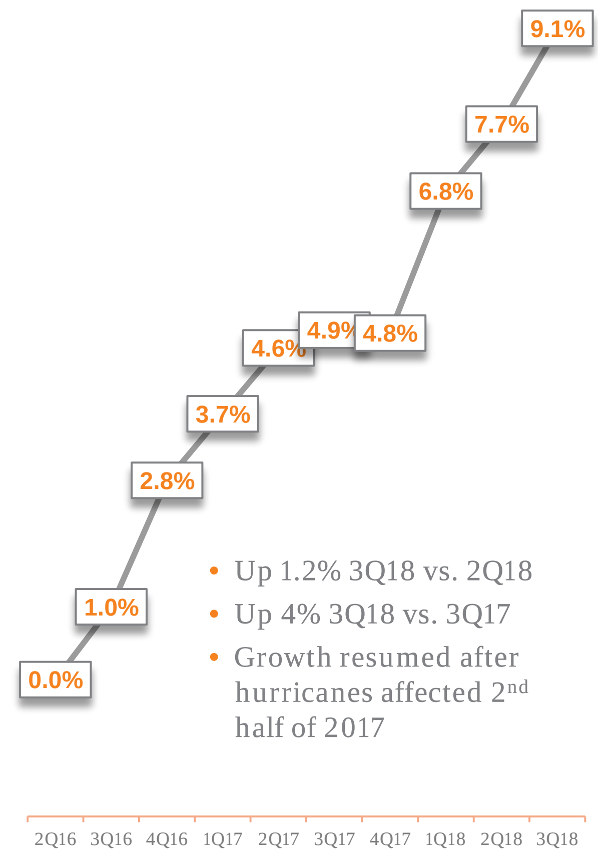
Operations Gaining Traction

Originated Loans	Core Deposits	Customers

Graphs show sequential growth since 2Q16







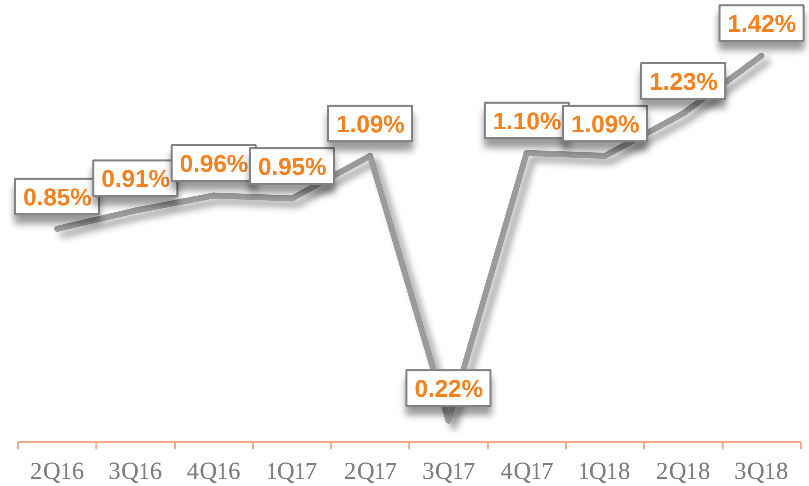
- Up 1.2% 3Q18 vs. 2Q18
- Up 4% 3Q18 vs. 3Q17
- Growth resumed after hurricanes affected 2nd half of 2017

Financial Performance Improving

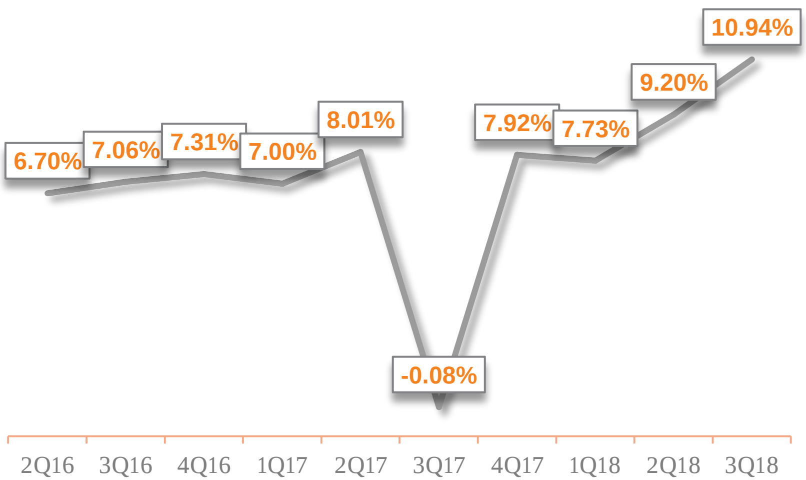
3Q17 affected by additional hurricanes-related loan provision

GAAP EPS Fully Diluted

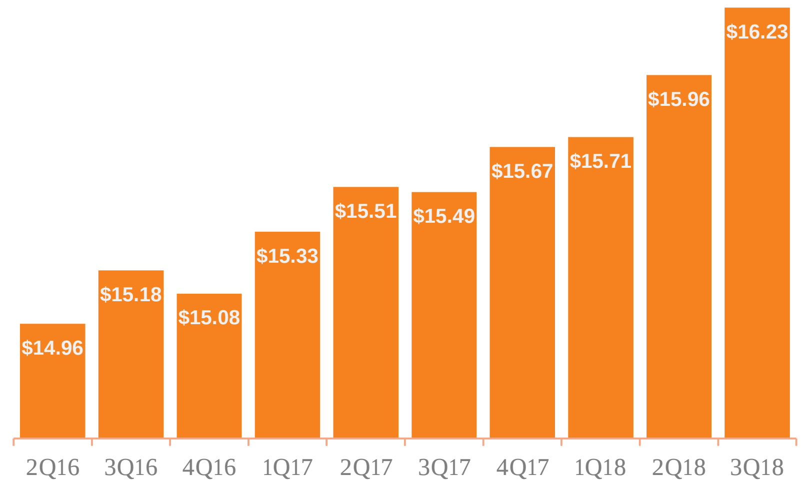
Return on Average Assets



Return on Average Tangible Common Equity



TBV Per Common Share



Appendix

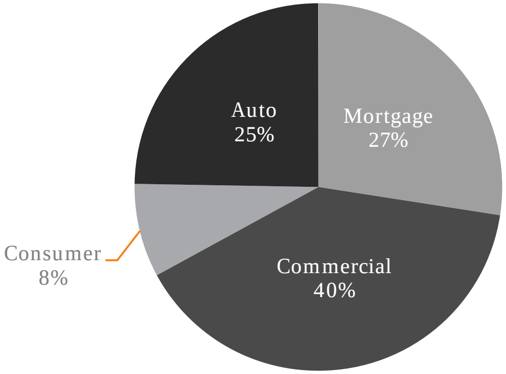
Financial Snapshot

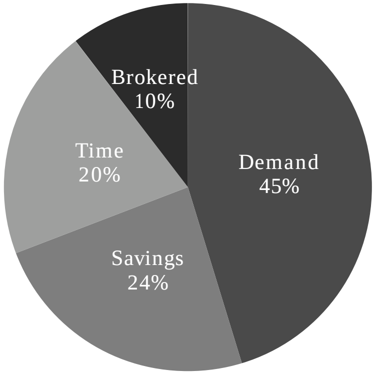
At September 30, 2018

- Assets: $6.7 billion
- Loans: $4.4 billion
- Deposits: $5.1 billion
  - $1.1 billion non-interest bearing
- Wealth Management: $5.3 billion AUM
- Market Cap: ~$710 million compared to:
  - Tangible Common Equity: $714 million
- Shares outstanding 51.3M as of 10/22/18 from 44.0M as of 9/30/18
  - Reflects conversion of Series C
  - No EPS effect because shares had been reported on fully diluted basis

37 Branches, 277 ATMs in All Major Markets

Loans | **Deposits**





Experienced Executive Team

José Rafael Fernández

President, CEO,
Vice Chairman

Joined OFG in 1991

Ganesh Kumar

SEVP - Chief Operating Officer, Head of Retail Banking & Business Development

Joined OFG in 2004

Maritza Arizmendi

EVP - Chief Financial Officer

Joined OFG in 2012 with acquisition of BBVA Puerto Rico operations

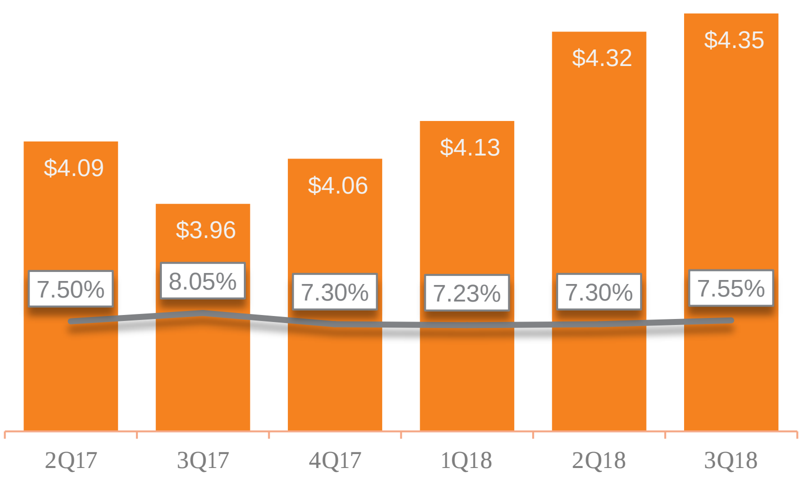
Joined BBVA PR in 1998 with its acquisition of Poncebank

Carlos Souffront

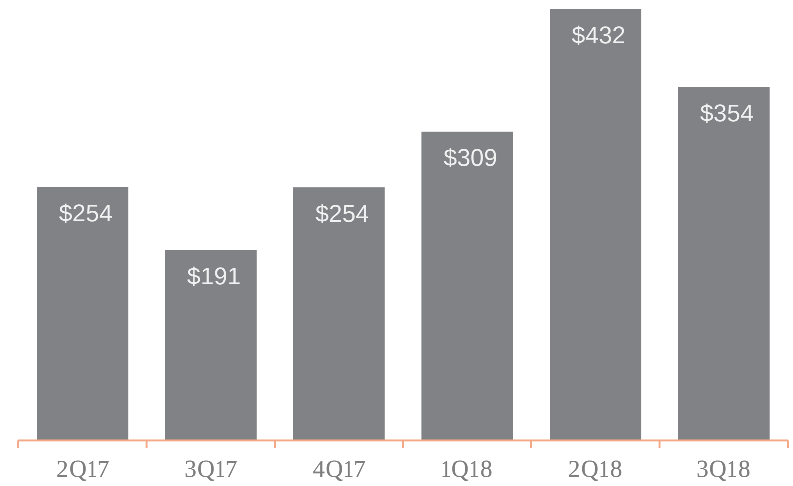
General Counsel (since 2008) & Secretary Board of Directors (since 1996)

Originated Loans Outpacing Acquired Loan Runoff

Total Loans, Net ($B) & Yield



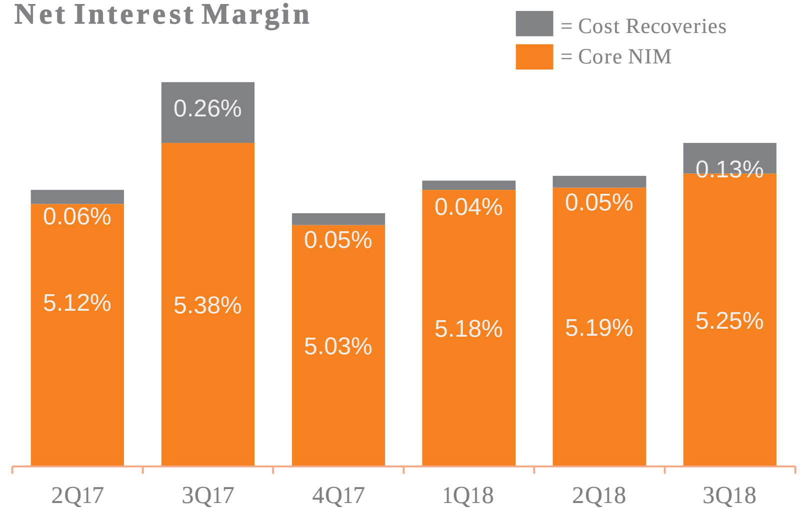
New Production ($M)



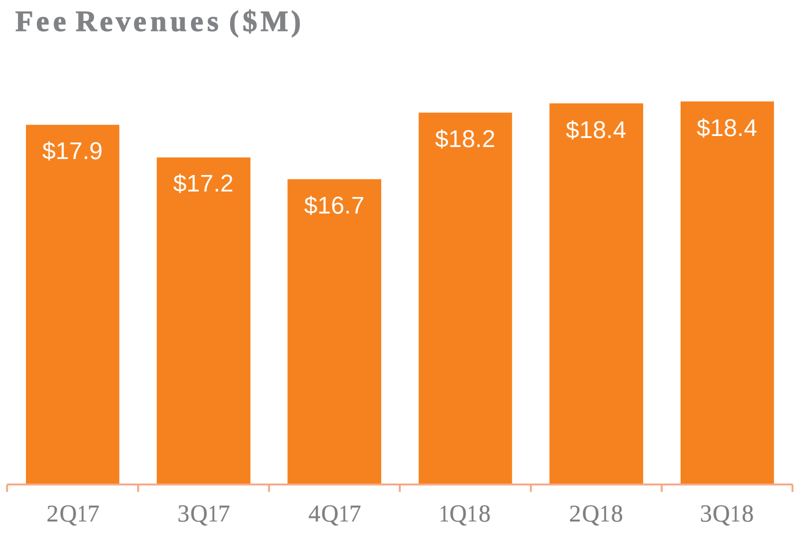
3Q18 Highlights

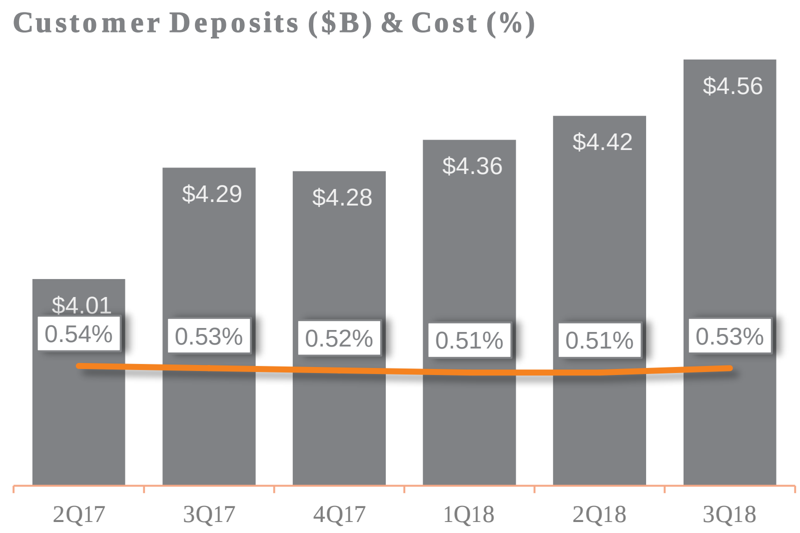
- Net loans grew 10% or $388M year over year
- Originated loans grew 18% or $543M year over year
- New production 2nd highest level for recent quarters
- Core NIM up due to general effect of Fed rate hikes plus higher yield on originated loans

Net Interest Margin



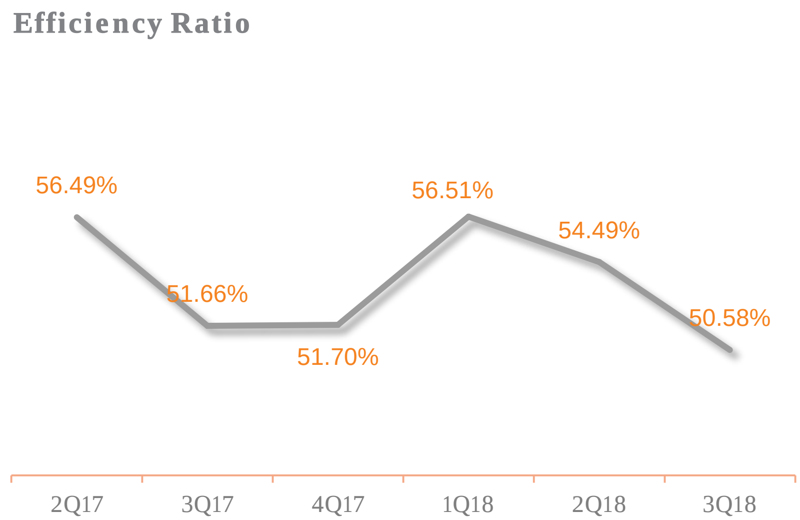
Other Business Trends Strong





3Q18 Highlights

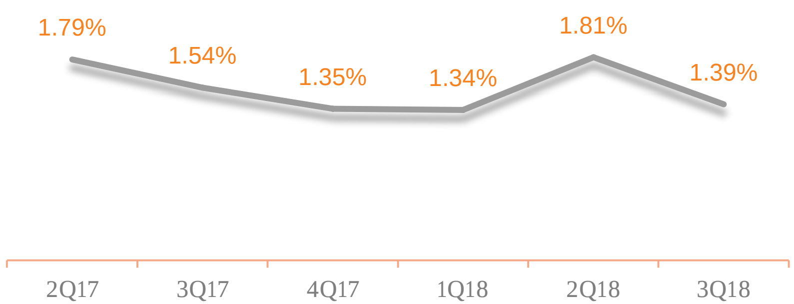
- Fee revenues remained high
- Customer deposits (ex-brokered) up 3.2% sequentially with non-interest bearing continuing at $1.1B
- Efficiency ratio lowest in five trailing quarters



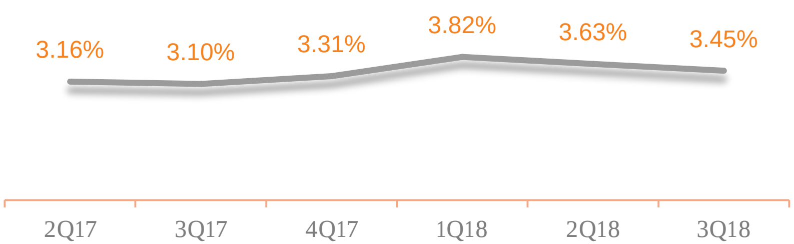
Credit Quality Remains Stable

(Excludes acquired loans)

Net Charge Off Rate



Non-Performing Loan Rate

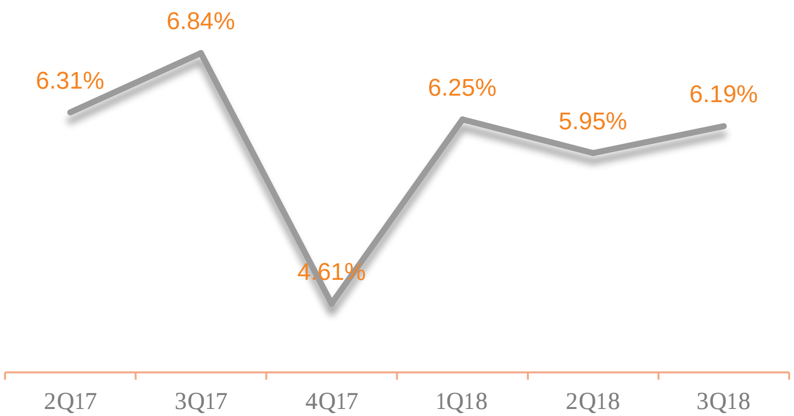


3Q18 Highlights

- NCO: Decreased from 2Q18 when hurricanes-related auto lending losses were charged off
- NPL: Declined primarily reflecting drop in the commercial NPL rate
- Delinquency Rates: Both Early and Total rates up from 2Q18 but in line with pre-hurricanes levels

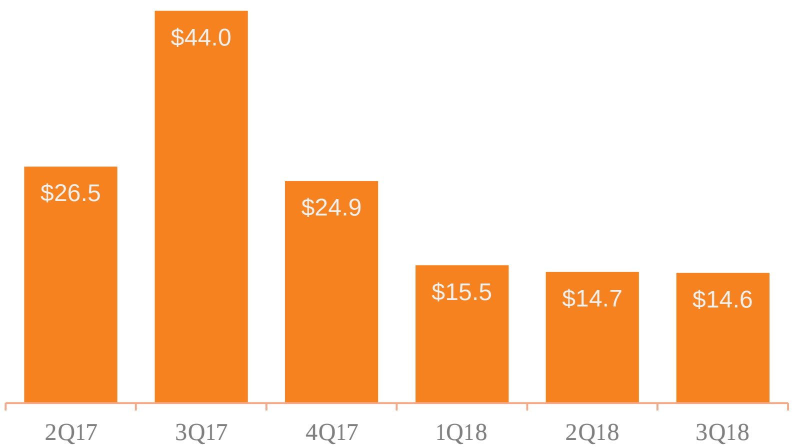
Total Delinquency Rate

4Q17 affected by hurricanes-related loan moratoriums

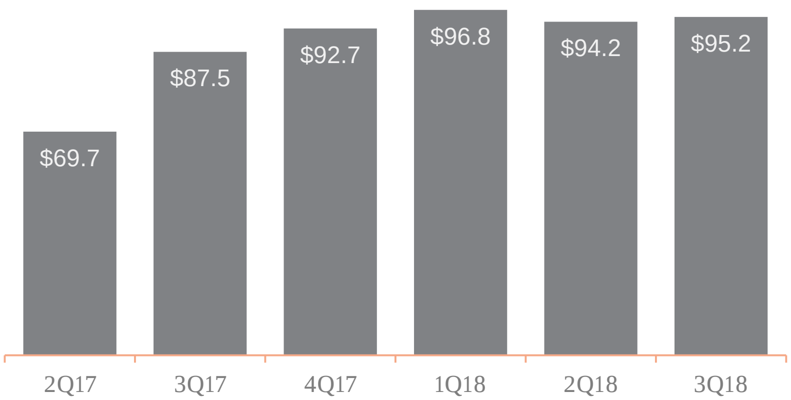


Loan Loss Provision Stable

Provision for Loan Losses ($M)



Allowance for Loan Losses (ex-acquired) ($M)



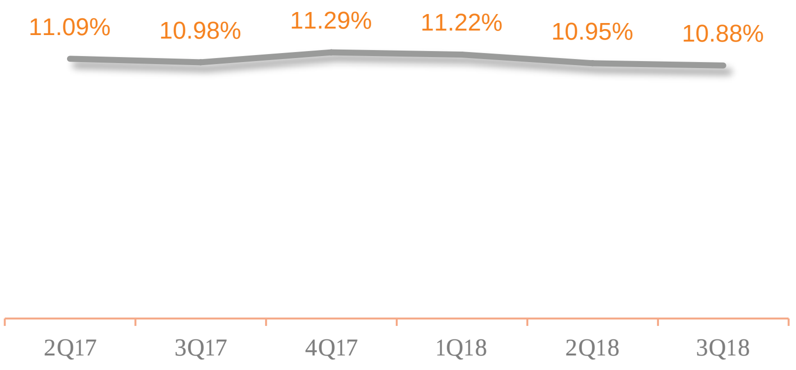
Notes

- Virtually all loan hurricanes-related moratoriums ended early 2Q18
  - 3Q17-4Q17 included incremental provisions to increase the allowance for hurricanes-related impact on loans
- 3Q18 Provision declined 1.0% or $0.1M from 2Q18
  - Provision for originated loans increased $0.6M due to portfolio growth
  - Provision for acquired loans declined
- 3Q18 Allowance for Loan and Lease Losses increased 1.1% or $1.0M from 2Q18
  - Primarily reflects growth of originated loans

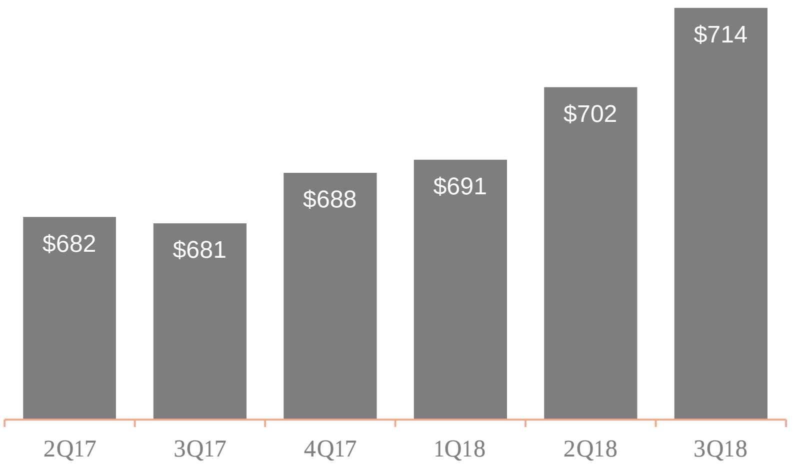
Tangible Common Equity Growing

TBV Per Common Share

TCE Ratio



Tangible Common Equity ($M)



Capital Ratios Strong

	3Q18	2Q18	1Q18	2017	2016	2015	2014	2013
Leverage Ratio	13.93%	13.92%	14.07%	13.92%	12.99%	11.18%	10.61%	9.06%
Common Equity Tier 1 Capital Ratio	14.38%	14.14%	14.52%	14.59%	14.05%	12.14%	N/A	N/A
Tier 1 Risk-Based Capital Ratio	18.55%	18.38%	19.00%	19.05%	18.35%	15.99%	16.02%	14.38%
Total Risk-Based Capital Ratio	19.84%	19.67%	20.29%	20.34%	19.62%	17.29%	17.57%	16.16%
Tangible Common Equity Ratio	10.88%	10.95%	11.22%	11.29%	10.33%	9.10%	9.25%	7.71%

- Regulatory capital benefited by $84.0M from the mandatory conversion on October 22, 2018 of Series C 8.750% Non-Cumulative Convertible Perpetual Preferred Stock
- 3Q18 Pro Forma Ratios for Series C Conversion
  - Leverage 14.03%
  - CET1 16.24%
  - Tier 1 Risked-Based 18.67%
  - Total Risked-Based 19.95%

Income Statement Highlights

$ in millions	3Q18	2Q18	Δ	Comment
Interest Income:				
• Originated Loans	$66.8	$61.2	$5.6	• Continued growth of originated loans
• Acquired Loans	17.2	17.3	(0.1)	• Continued pay down of acquired loans mostly offset by cost recoveries
• Investment Securities	10.1	9.6	0.5	• Higher average cash balances and higher yields
Interest Expense	11.9	10.4	1.5	• Higher average balances of deposits and borrowings • Higher rate primarily on borrowings
Total Provision for Loan & Lease Losses	14.6	14.7	(0.1)	• Provision for originated loans increased $0.6M due to portfolio growth • Provision for acquired loans declined
Total Banking & Financial Service Revenues	18.4	18.4	0.0	• Increases in Mortgage Banking and Wealth Management more than offset a small decline in Banking Services
Total Non-Interest Expenses	50.9	52.3	(1.4)	• Primarily reflects absence of 2Q18 lease cancellation expenses to bring more offices into Oriental Center and reduce occupancy costs in 2019
Income Tax Expense	12.3	9.6	2.7	• 3Q18 ETR of 34.7% in line with ~33.7% rate now expected for 2018 due to increased proportion of profits from lending vs. securities

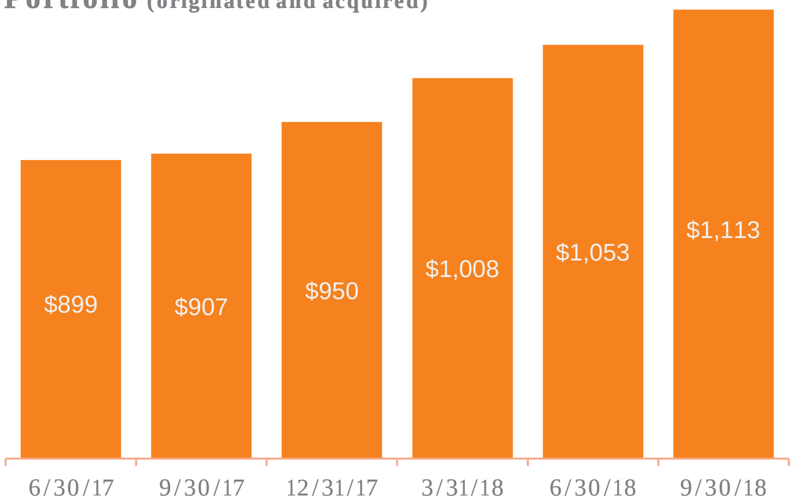
6-Quarter Trend

$ in thousands, except per share data	3Q18	2Q18	1Q18	4Q17[1]	3Q17[2]	2Q17
Average interest earning assets	$6,066,821	$5,933,775	$5,751,783	$5,735,593	$5,658,953	$5,848,525
Average loans	$4,414,583	$4,310,206	$4,183,775	$4,081,427	$4,062,042	$4,129,550
Net interest income	$82,277	$77,588	$73,994	$ 73,513	$80,478	$75,563
Net interest margin	5.38%	5.24%	5.22%	5.08%	5.64%	5.18%
Total provision for loan and lease losses, net	$14,601	$14,747	$15,460	$24,907	$44,042	$26,536
Non-interest income, net (core)	$18,446	$18,394	$18,239	$16,734	$17,213	$17,933
Non-interest expense	$50,941	$52,300	$52,121	$46,662	$50,469	$52,816
Operating Efficiency ratio	50.58%	54.49%	56.51%	51.70%	51.66%	56.49%
Net income (loss) available to common stockholders	$19,634	$16,184	$13,452	$13,608	($146)	$13,638
Diluted EPS	$0.42	$0.35	$0.30	$0.30	$0.00	$0.30

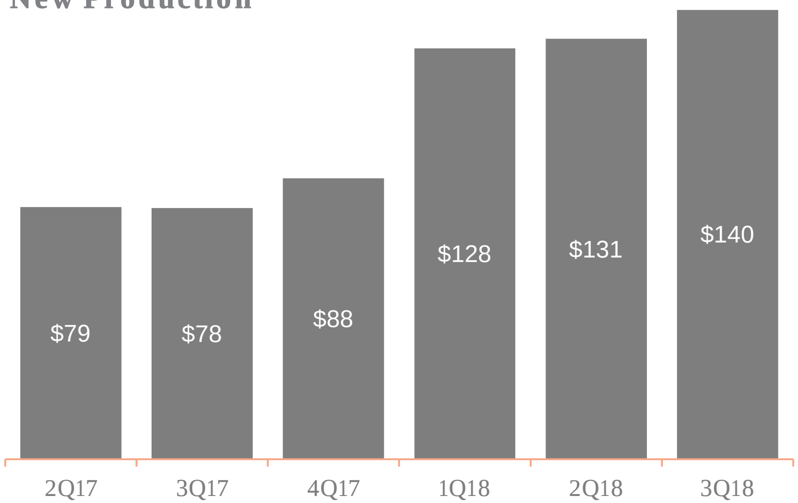
(1) Includes additional $5.4 million provision due to Hurricanes Irma and Maria
(2) Includes additional $27.0 million provision due to Hurricanes Irma and Maria

Auto Loans ($ in millions)

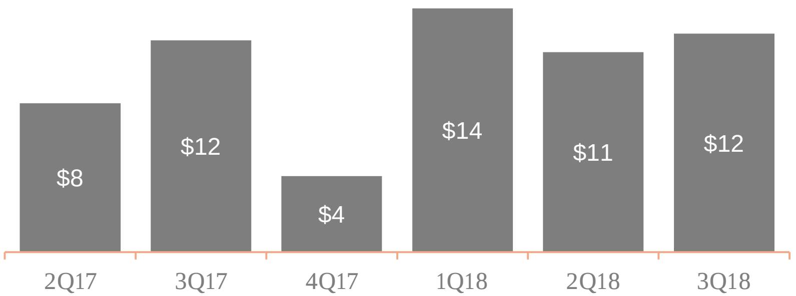
Portfolio (originated and acquired)



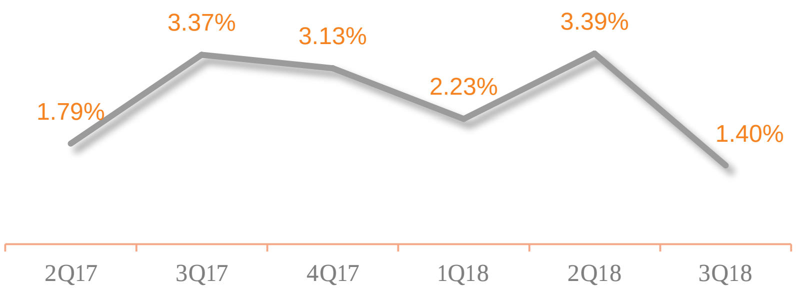
New Production



Non-Performing Loans (originated)

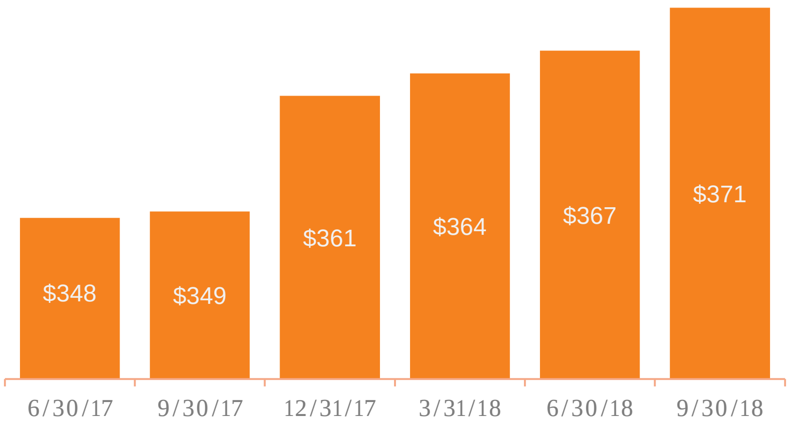


NCO Rate (originated)

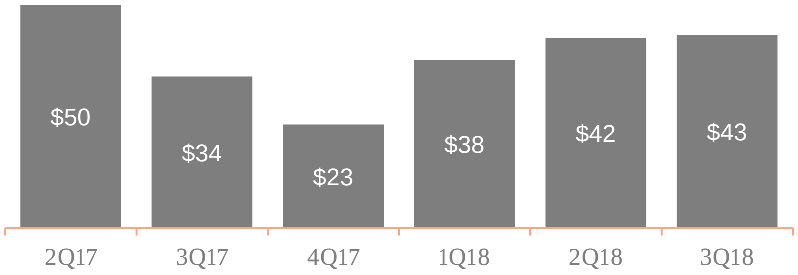


Consumer Loans ($ in millions)

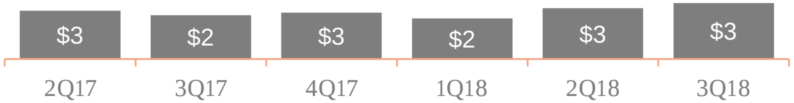
Portfolio (originated and acquired)



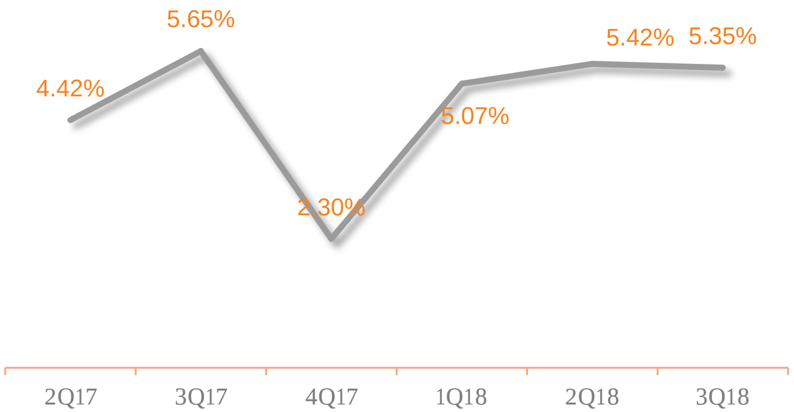
New Production



Non-Performing Loans (originated)

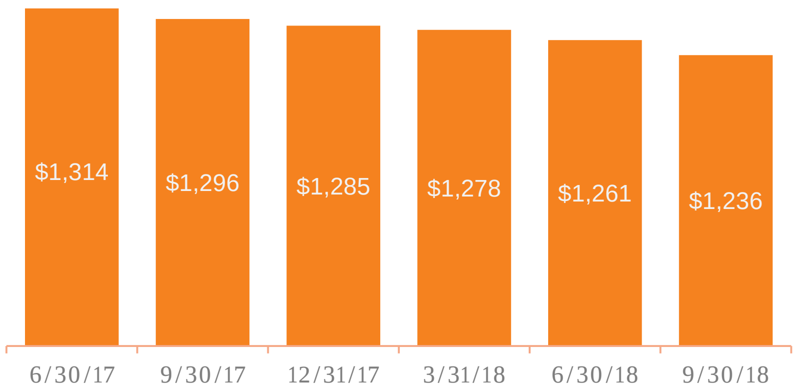


NCO Rate (originated)



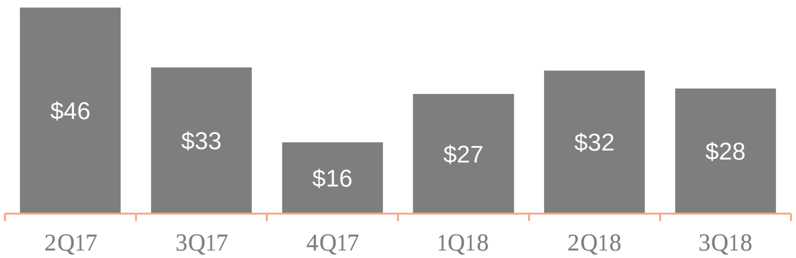
Residential Mortgages ($ in millions)

Portfolio (originated and acquired)

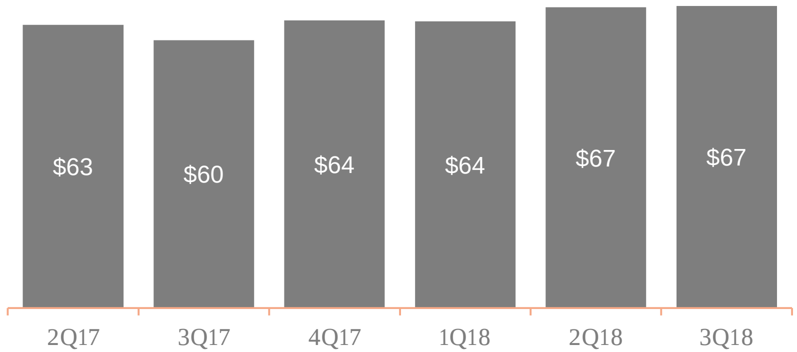


New Production

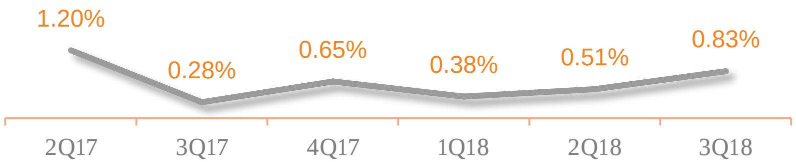
Since 2007, most production, which focuses on conforming product, is sold into the secondary market



Non-Performing Loans (originated)

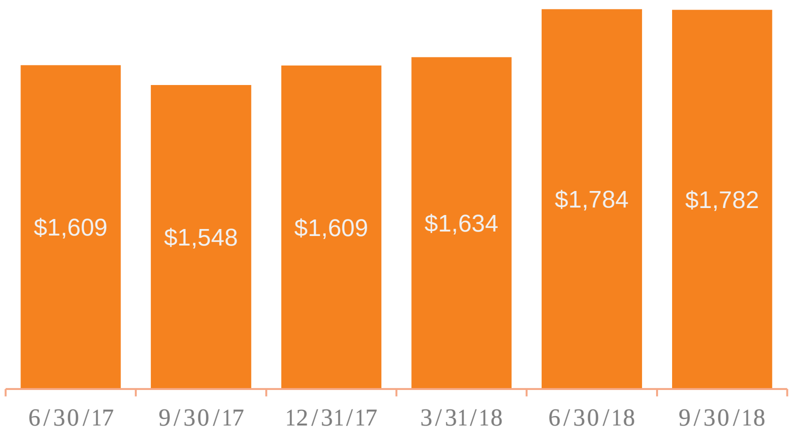


NCO Rate (originated)

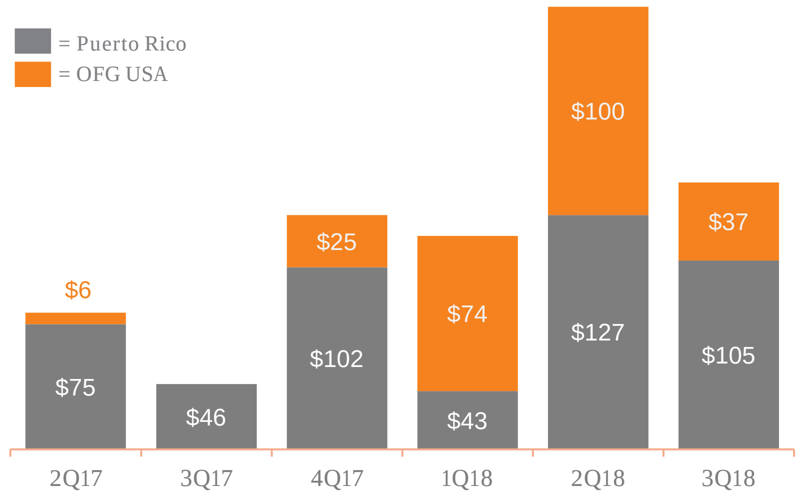


Commercial Loans ($ in millions)

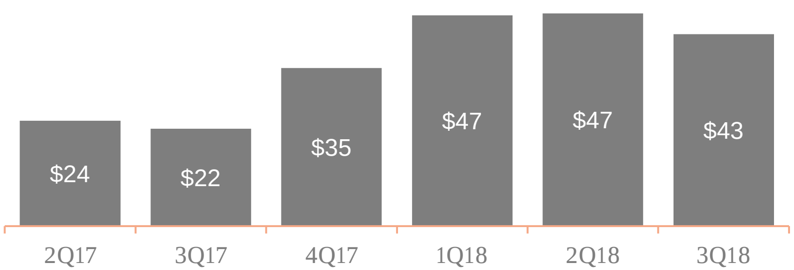
Portfolio (originated and acquired)



New Production

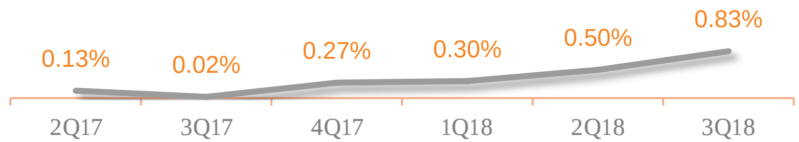


Non-Performing Loans (originated)



NCO Rate (originated)*

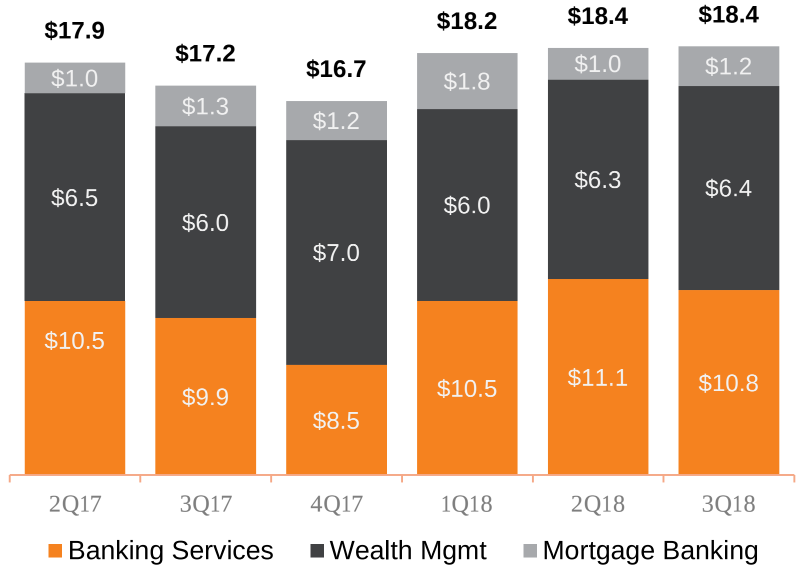
** Excludes impact of 2Q17 sale of municipality loan that made GAAP NCO Rate 1.50%*



Core Non-Interest Income ($ in millions)

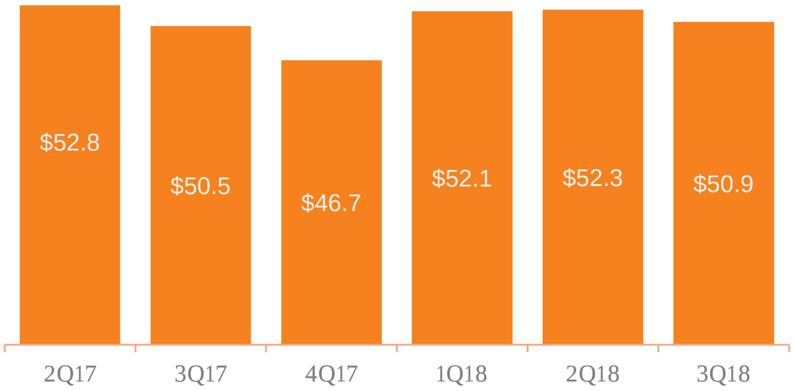
Notes

- Banking services enhanced through financial technology offerings
- Wealth management reflects decline in brokerage offset by increase in insurance
- Mortgage banking reflects production levels and amounts sold into the secondary market

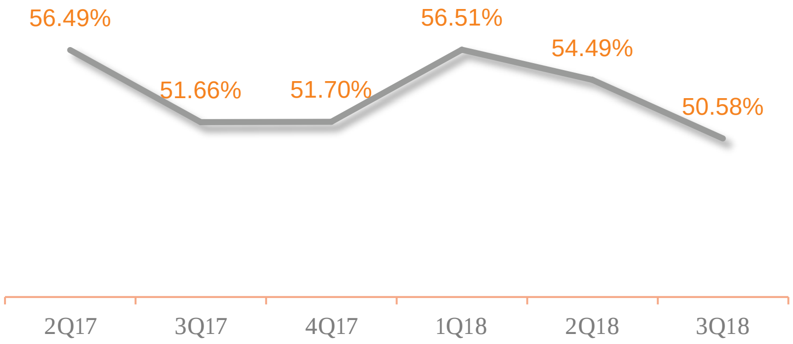


Non-Interest Expenses ($ in millions)

Non-Interest Expenses



Efficiency Ratio



Notes

- Continuing to invest in branding, customer facing capabilities, service innovation
- ER target 51-55% with higher level typically in 1Q due to higher seasonal compensation expenses
- 4Q17 included non-recurring items that lowered expenses ~$4.0M
- 2Q18 included non-recurring lease cancellation expense to consolidate offices in 2019 ~$1.5M

Contacts

- IR Coordinator: Gary Fishman (gfishman@ofgbancorp.com) at 212-532-3232
- IR Coordinator: Steven Anreder (sanreder@ofgbancorp.com) at 212-532-3232