



Quarterly Results 1Q20 Conference Call

April 29, 2020

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) changes to the financial condition of 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 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; (vii) the pace and magnitude of Puerto Rico's economic recovery; (viii) the potential impact of damages from future hurricanes and natural disasters in Puerto Rico; (ix) the fiscal and monetary policies of the federal government and its agencies; (x) changes in federal bank regulatory and supervisory policies, including required levels of capital; (xi) the relative strength or weakness of the commercial and consumer credit sectors and the real estate market in Puerto Rico; (xii) the performance of the stock and bond markets; (xiii) competition in the financial services industry; (xiv) possible legislative, tax or regulatory changes; and (xv) the impact of the coronavirus pandemic.

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, 2019, 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 8-1 and 8-2 in OFG's Financial Supplement for reconciliation of GAAP to non-GAAP Measures and Calculations for the quarter ended March 31, 2020 at www.ofgbancorp.com.

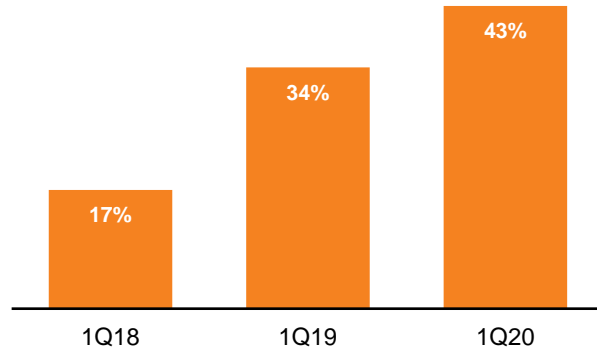
Covid-19 Response

Employees	Customers	Businesses
<ul style="list-style-type: none"> • Enhanced workplace safety. Providing protective gear. Increased sanitation. Remote access to work. Social distancing enforced. • 92% of workforce active. More than 50% working remotely. • Connectivity allowance. For those working remotely to assist them in covering data/connection expenses. • Health insurance expanded. COVID tests and related telemedicine covered. • New health services. Opened insurance network of labs, pharmacies and doctors to ease employee access. Safety kit distributed to all employees for personal or family use 	<ul style="list-style-type: none"> • Uninterrupted and superior levels of service. Achieved through all channels – phone, digital, branch appointments, ATMs, Interactive ATMs, and drive-thru tellers – while maintaining employee/customer safety/social distancing. 47 branches open. 9 inside shopping centers closed. • Consumer relief. First local bank to establish such a program accessible online offering relief solutions to clients financially affected by COVID-19. <ul style="list-style-type: none"> • https://covid.orientalbank.com/#programadealivioparaindividuos • Waived late payment charges. Eliminated fees for using ATMs outside Oriental’s network. Doubled amounts that can be withdrawn or transferred via online banking and mobile check deposit. Eliminated adverse credit reports and overdraft fees. • Online appointment scheduling. Only bank in Puerto Rico and USVI facilitating scheduling appointments at most branches. Clients can request online for dates/times/branches convenient for them. <ul style="list-style-type: none"> • https://orientalbank.com/es/citas/ 	<ul style="list-style-type: none"> • Extensive outreach. Contacted more than 90% of commercial clients by the end of March to gain insight of their financial and business needs during the lockdown. Helped those who needed to activate our online and mobile banking systems. • Business relief. First local bank to establish such a program, accessible online, offering loans to small and midsize businesses, independent contractors, and those self-employed. <ul style="list-style-type: none"> • https://covid.orientalbank.com/#programadealivioparaenegocios • PPP Loan Program. Through our online app, we granted SBA Payroll Protection Program Round 1 loans to 900 small business clients, totaling more than \$140 million and impacting more than 25,000 employees. <ul style="list-style-type: none"> • https://covid.orientalbank.com/en-us/ppp

Customer Technology & PPP Trends

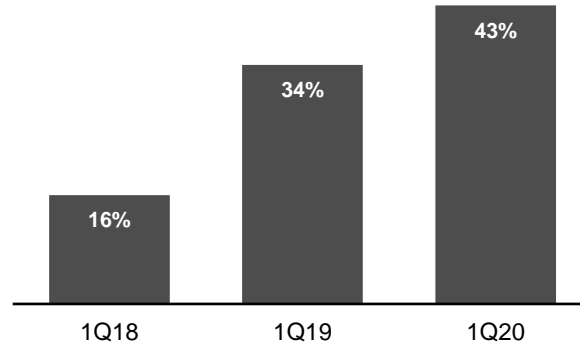
Mobile Banking Customers

Active User Growth Since 1Q17



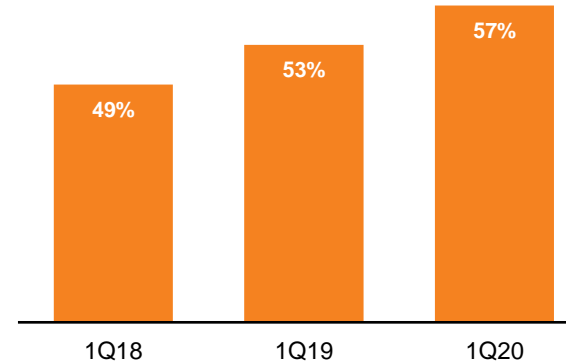
People Pay Transactions

Growth Since 1Q17



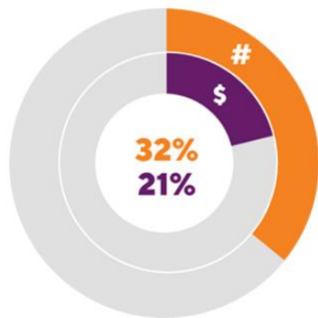
% Digital Payments

Of All Loan & Credit Card Payments



- Our teams quickly implemented unique and first to market digital tools to apply for forbearance and PPP loans
- Since mid-March, more than 1,000 clients have used our existing online appointment tool to schedule meetings
- 100% of PPP applications came through our digital app

PPP Share in Puerto Rico*



\$ = Amount given in dollars
= Quantity given in units

Employees Supported*



👤 = 1,000 employees

Average Cycle Time*



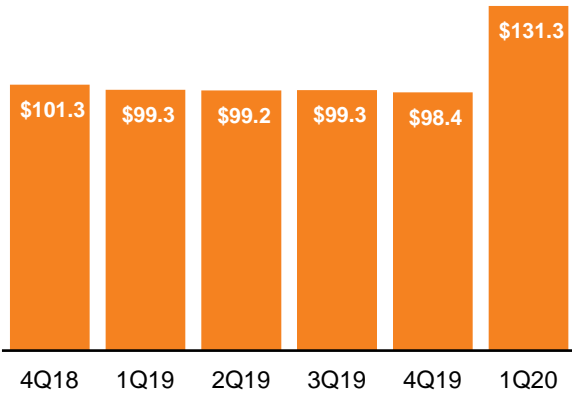
* Applies to retail banking loans
** Subject to immediate customer response

1Q20 Summary

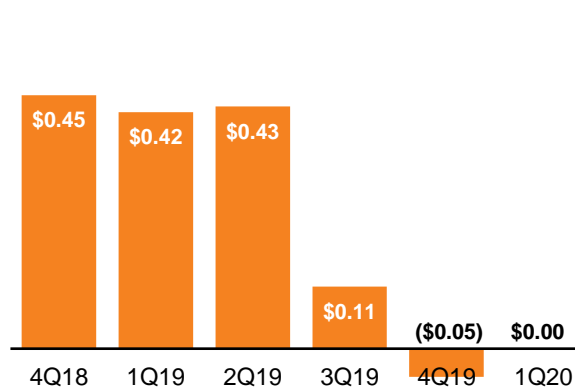
Income Statement (YoY)	Balance Sheet (YoY)	Regulatory Capital Ratios
<ul style="list-style-type: none"> • EPS of \$0.00 vs. \$0.42 • Net Core Revenues of \$131M up 33% • Net Interest Income of \$105M up 29% • NIM of 4.94% down 45 bps • Banking & Wealth Mgmt. of \$26M up 49% • Provision of \$49M up \$36M • Gain on Sale of Investment Securities of \$4.7M • Non-Interest Expenses of \$86M up 65% 	<ul style="list-style-type: none"> • Loans \$6.5B up 49% • New Production \$280M up 1% • Cash \$1.3B up 160% (total available liquidity of \$1.6B including unencumbered securities) • Core Deposits \$7.6B up 70% • Stockholders' Equity \$1.0B • Allowance coverage of 3.41% 	<ul style="list-style-type: none"> • CET1 of 11.67% • Leverage of 10.14% • Tier 1 Risk-Based of 13.34% • Total Risk-Based of 14.60%

Financial Highlights

Net Core Revenues (\$M)

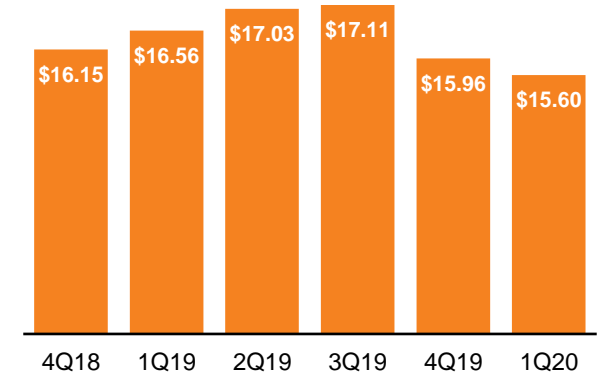


EPS

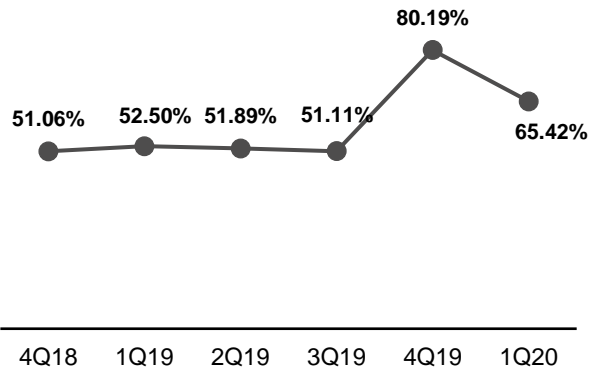


TBV

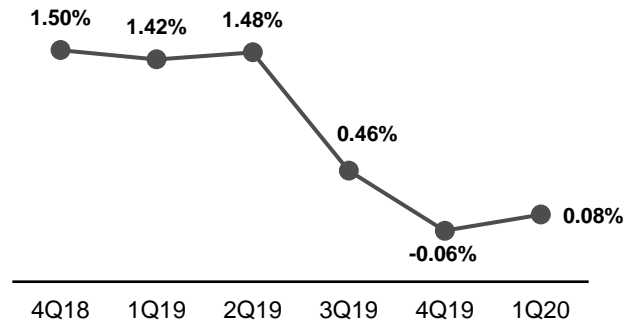
Per Common Share



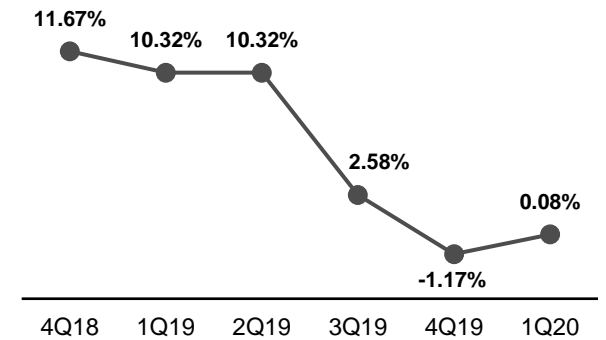
Efficiency Ratio*



ROAA*



ROATCE*

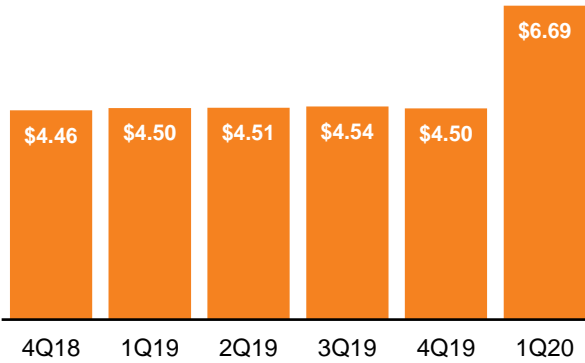


* 3Q19 and 4Q19 included acquisition related expenses. 1Q20 included provision related to Covid-19.

Operational Highlights

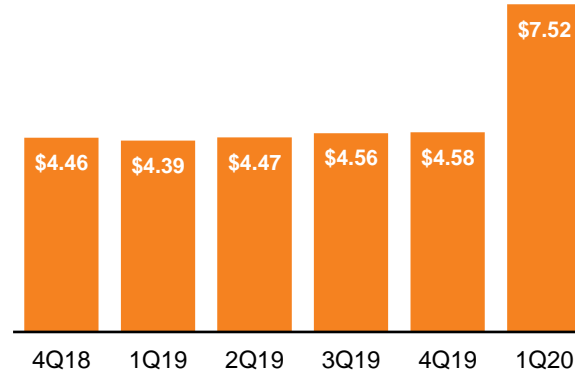
Loans (\$B)

Average Balances

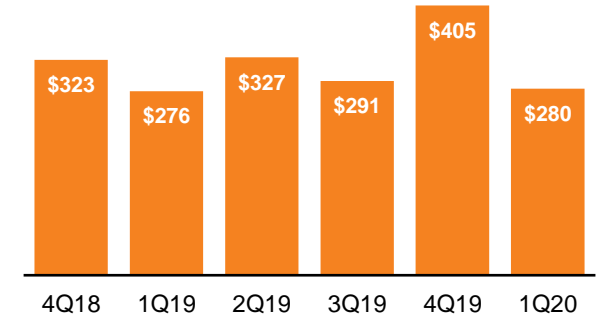


Core Deposits (\$B)

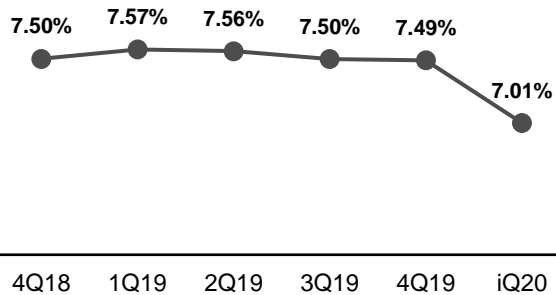
Average Balances



Loan Generation (\$M)

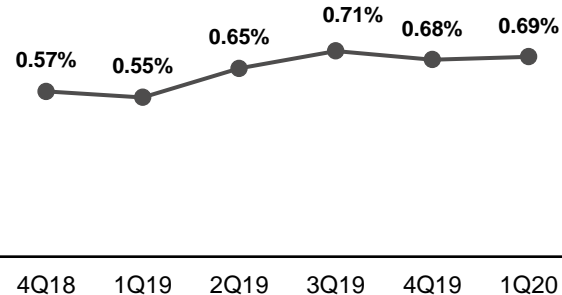


Loan Yield

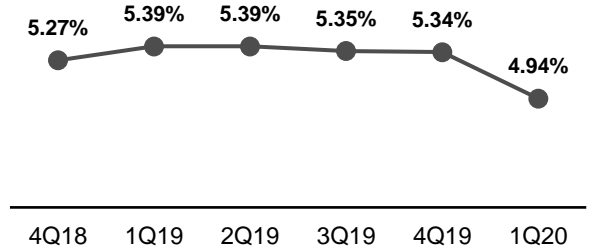


Core Deposit Cost

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

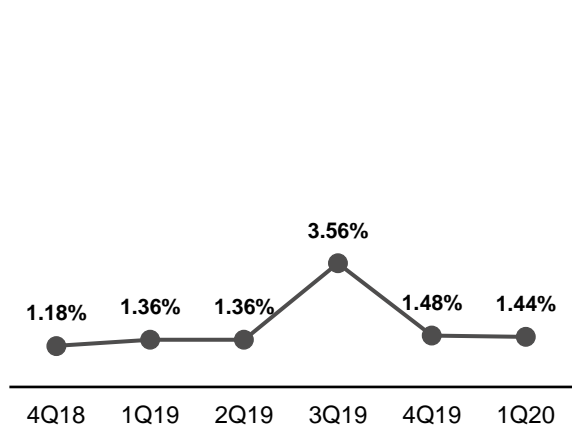


Net Interest Margin

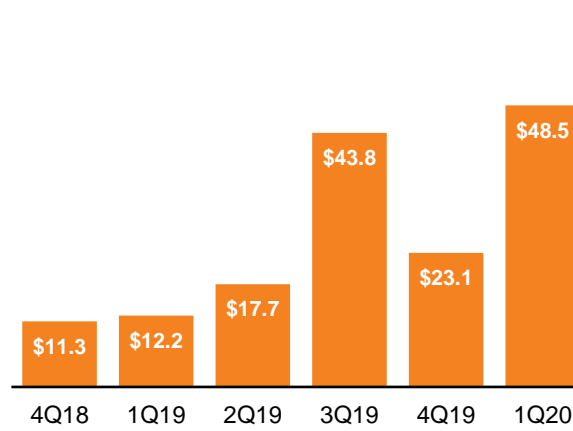


Credit Quality & Capital Strength

NCO Rate

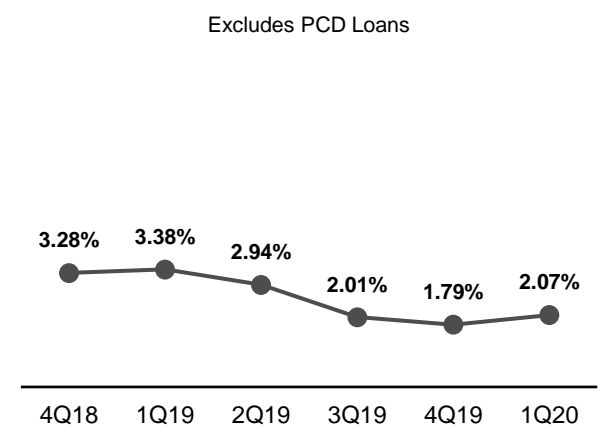


Provision (\$M)

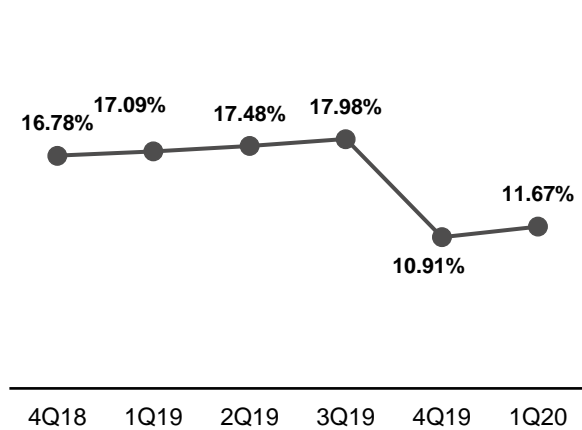


NPL Rate

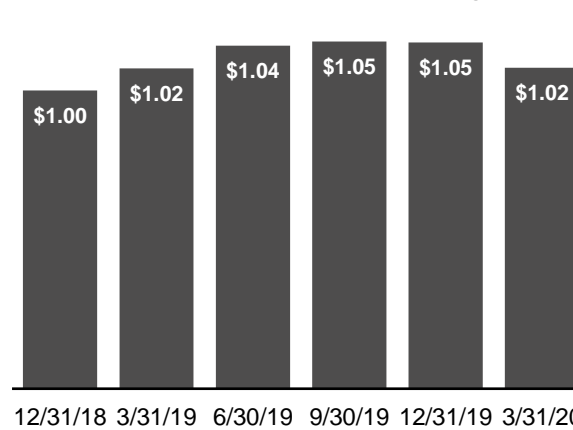
Excludes PCD Loans



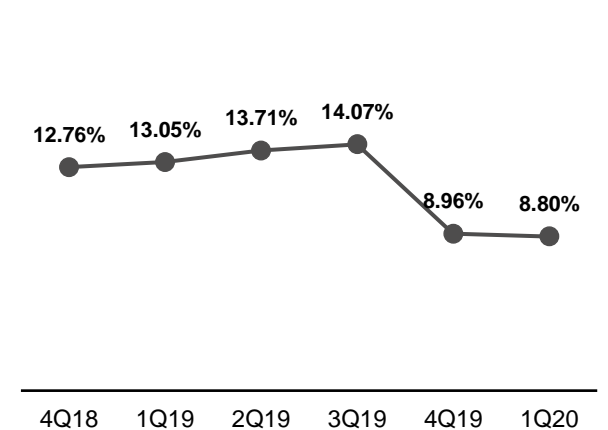
CET1 Ratio



Total Stockholder's Equity (\$B)



TCE Ratio



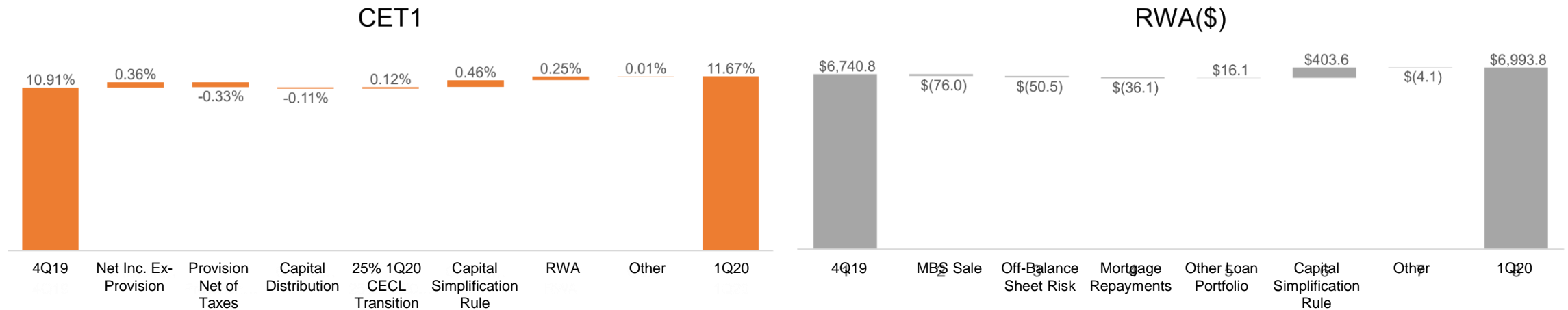
Reserve Build

\$ in millions	Auto	Consumer	Mortgage	Commercial	Total
Allowance 12/31/2019	\$32.8	\$18.4	\$30.4	\$34.9	\$116.5
CECL Impact	16.6	8.6	18.8	45.7	89.7
Allowance 1/1/2020	49.4	27.0	49.2	80.6	206.2
Build Reserves 1Q20 (net of provision, NCOs and recoveries)	5.1	1.0	1.1	17.4	24.6
Allowance 3/31/2020	\$54.5	\$28.0	\$50.3	\$98.0	\$230.8
Allowance as a % of loans held for investment	3.56%	5.76%	2.05%	4.26%	3.41%

- CECL January 1, 2020 or “Day 1” impact:
 - Non-PCD loans (70% of loan portfolio): \$39.4M allowance recorded, resulting in a charge against retained earnings of \$25.5M net of tax
 - PCD loans (includes Eurobank, BBVA and Scotiabank acquired loans and represents 30% of loan portfolio): \$50.5M adjustment made through the allowance and loan balances with no impact in capital
- March 31, 2020 provision includes \$34.1M reflecting changes in the macro-economic outlook and qualitative adjustments to the allowance for credit losses as a result of Covid-19 situation
- 3.41% allowance at 3/31/2020 vs. 1.73% at 12/31/2019

Capital: Fortress Balance Sheet

Basel III Standardized (\$ in millions except per share)	1Q19	4Q19	1Q20	Delta (1Q20 vs. 4Q19)
CET1 Capital	\$832.9	\$735.4	\$816.4	
CET1 Capital Ratio	17.09%	10.91%	11.67%	0.76%
Tier 1 Capital	949.8	852.3	933.2	
Tier 1 Capital Ratio	19.49%	12.64%	13.34%	0.70%
Total Capital	1,012.1	939.0	1,020.9	
Total Capital Ratio	20.77%	13.91%	14.60%	0.69%
Risk-Weighted Assets	4,872.8	6,740.8	6,993.8	
Leverage Ratio	14.64%	9.24%	10.14%	0.90%
Total Assets (EOP)	6,603.2	9,297.7	9,236.2	
Tangible Common Equity (EOP)	850.2	820.6	800.5	
Tangible Book Value Per Share	\$16.56	\$15.96	\$15.60	



Loan Moratoriums & Escalated Monitoring

Moratoriums

- Retail: Moratoriums granted on 29,948 loans, totaling \$721M, equal to 16.9% of the combined portfolio (as of 4/27/20)
- Commercial: Moratoriums granted on \$204M of loans, equal to 8.8% the portfolio (as of 4/23/20)

Retail Moratoriums	Loan Amounts (\$M)	# Loans	% of Portfolio
Auto	\$455.8	21,937	29.9%
Consumer & Credit Cards	\$84.0	6,595	16.9%
Residential Mortgage	\$181.3	1,416	8.1%
Total	\$721.1	29,948	16.9%

Escalated Monitoring of Commercial Portfolio

- Closely monitoring industrial sectors in our commercial portfolio now considered to be more economically sensitive:
 - Hotels and restaurants – \$224M (9.7% of commercial portfolio)
 - Hospitals – \$103M (4.5%)
 - Retail shopping centers– \$74M (3.2%)

Conclusion

Managed Challenging Environment Well

- First and only bank in Puerto Rico to provide Covid-19 related digital solutions to help individual and business customers bank online
- Uninterrupted and superior levels of service through all channels while maintaining employee/customer safety/social distancing
- Close and early communication with customers, enabling us to provide financial advice and resources needed to navigate this challenging time
- Continued investments in our digital capabilities and new features paying off and helping customers continue to do their banking

Strong capital, liquidity and provisioning

- CET1 Capital Ratio of 11.67%
- Available liquidity of \$1.6 billion in cash and unencumbered securities
- Allowance of 3.41% at 3/31/2020 almost double from 1.73% at 12/31/2019

Priorities in this uncertain environment

- Remain committed to protecting employees and serving clients and thereby supporting the communities we serve
- Finish operational and technology integration of Scotiabank acquisition
- Continue investing in technology to digitize our business faster than we anticipated

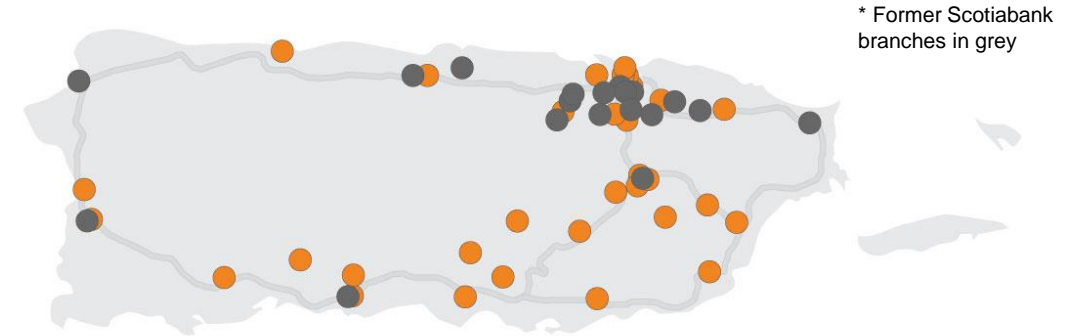


Appendix

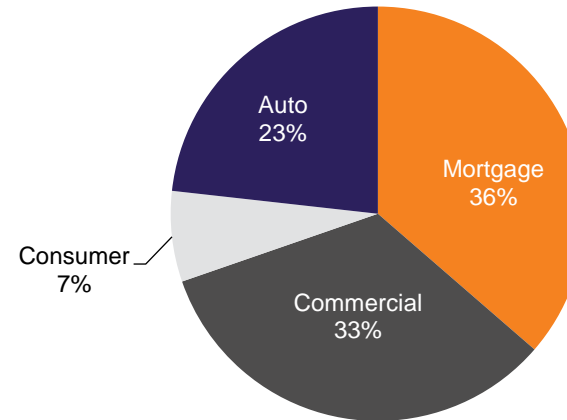
Financial Snapshot (March 31, 2020)

- Total Assets: \$9.2 billion
- Loans: \$6.8 billion
- Deposits: \$7.6 billion
 - \$1.7 billion non-interest bearing
- Wealth Management: \$4.9 billion AUM
- Total Stockholders' Equity: \$1.02 billion
 - Tangible Common Equity: \$800.5 million

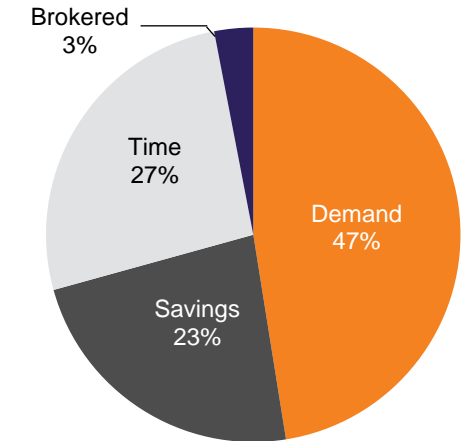
Branches and/or ATMs in All Major Puerto Rico Markets*



Loans

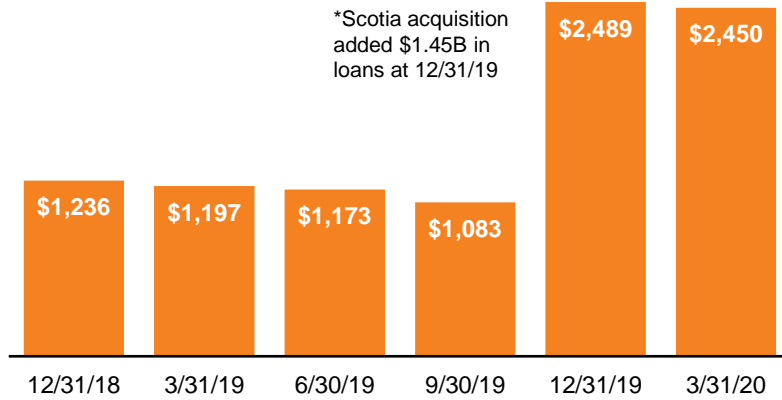


Deposits

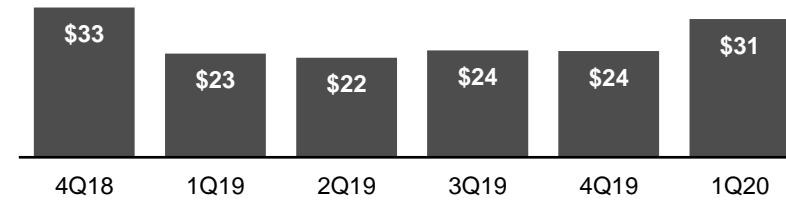


Residential Mortgage Loans (\$M)

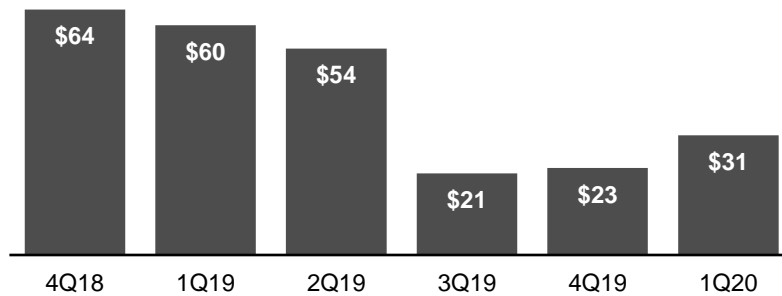
Portfolio



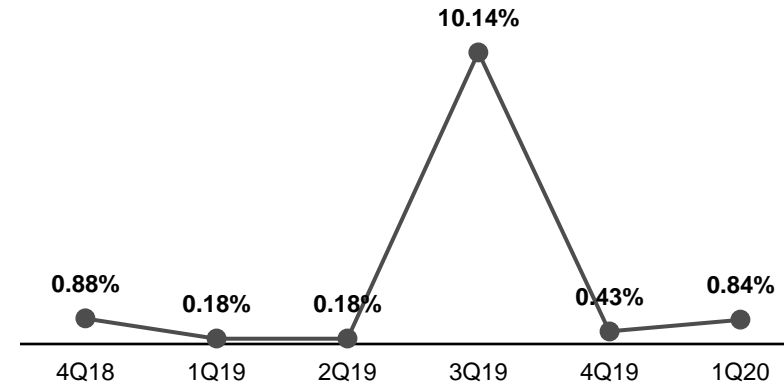
New Production



Non-Performing Loans (excludes PCD)



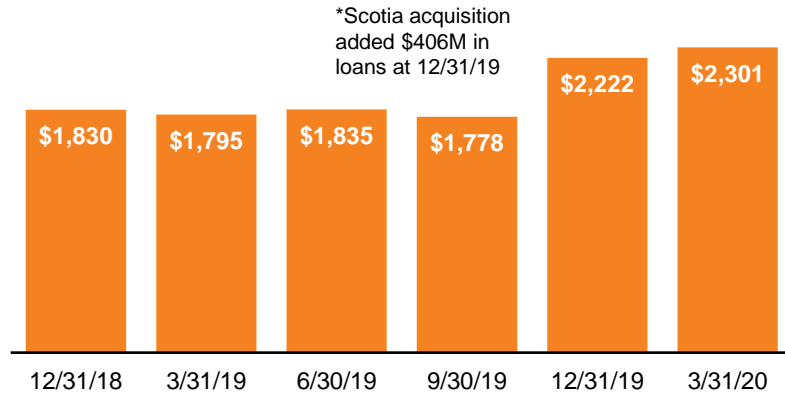
NCO Rate*



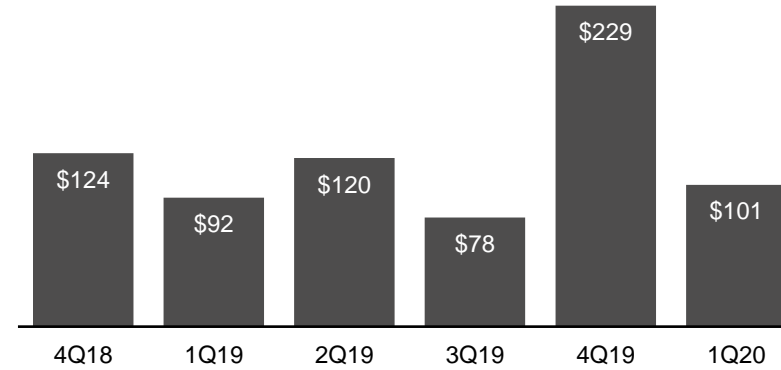
* Starting 1Q20, includes PCD. 3Q19 reflects sale of large amount of NPLs.

Commercial Loans (\$M)

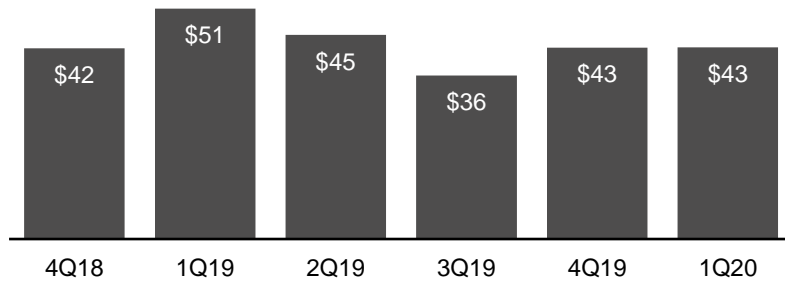
Portfolio



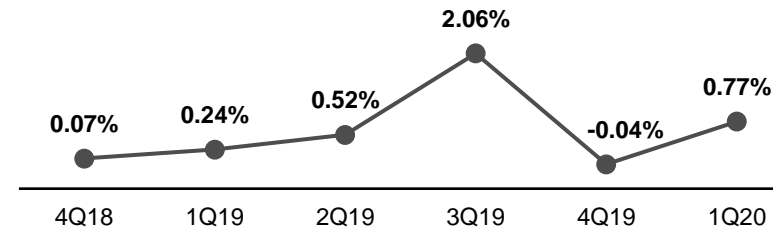
New Production



Non-Performing Loans (excludes PCD)



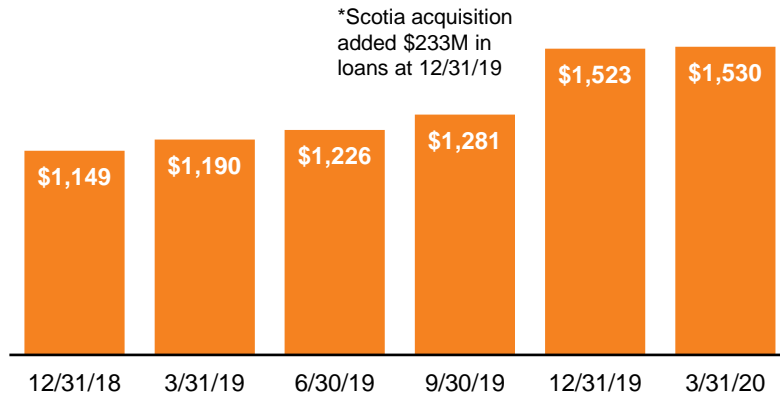
NCO Rate*



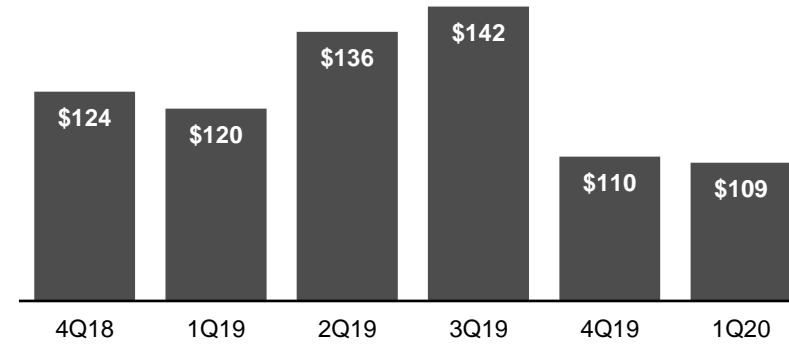
* Starting 1Q20, includes PCD

Auto Loans (\$M)

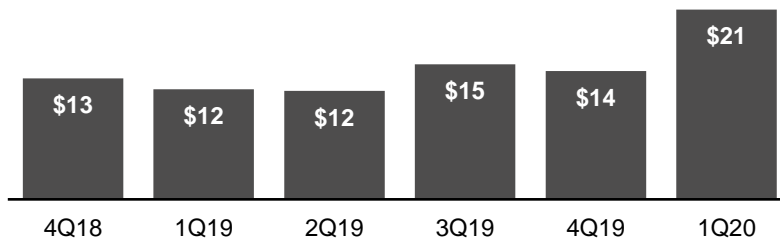
Portfolio



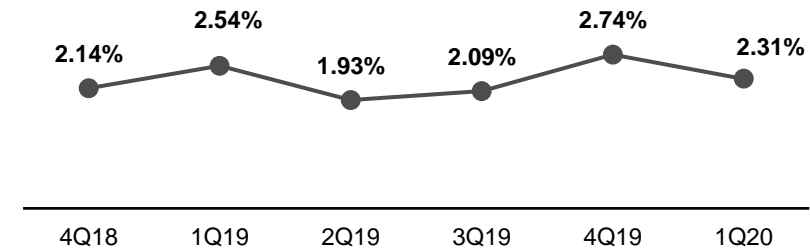
New Production



Non-Performing Loans (excludes PCD)



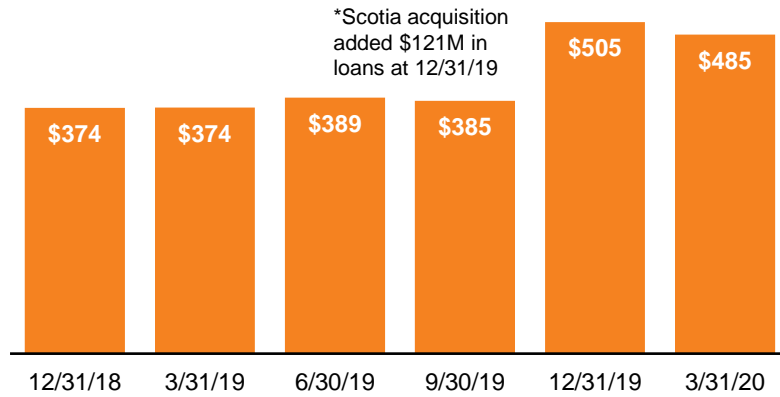
NCO Rate*



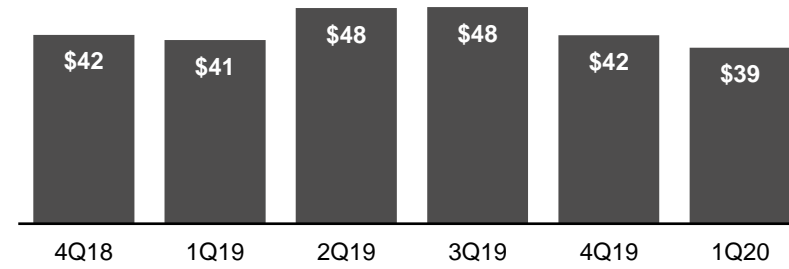
* Starting 1Q20, includes PCD

Consumer Loans (\$M)

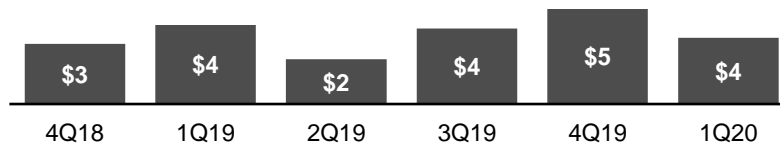
Portfolio



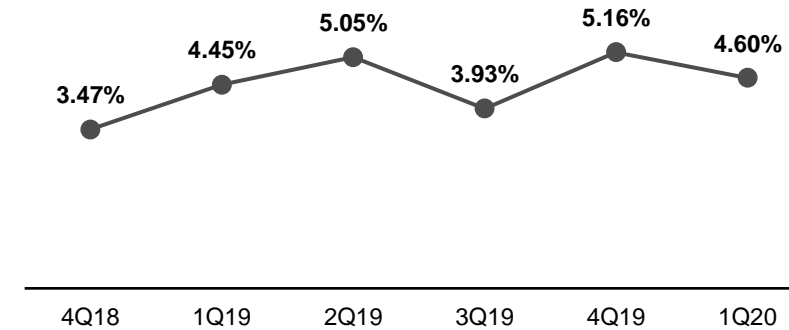
New Production



Non-Performing Loans (excludes PCD)



NCO Rate*

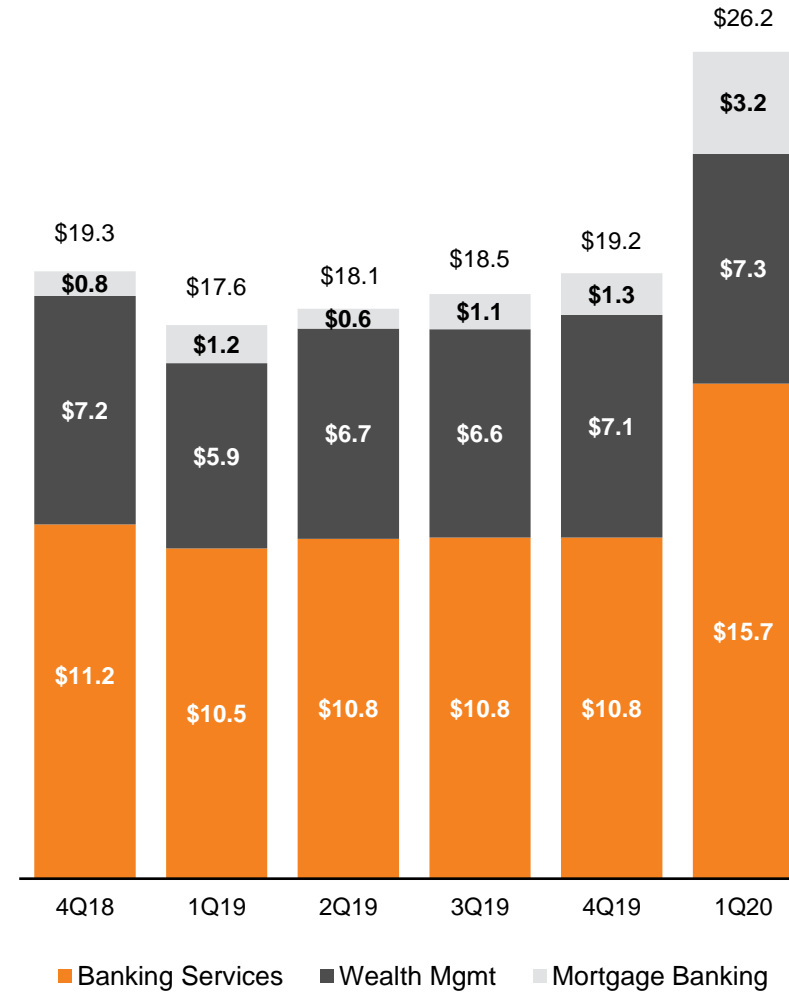


* Starting 1Q20, includes PCD

Core Non-Interest Income (\$M)

Notes

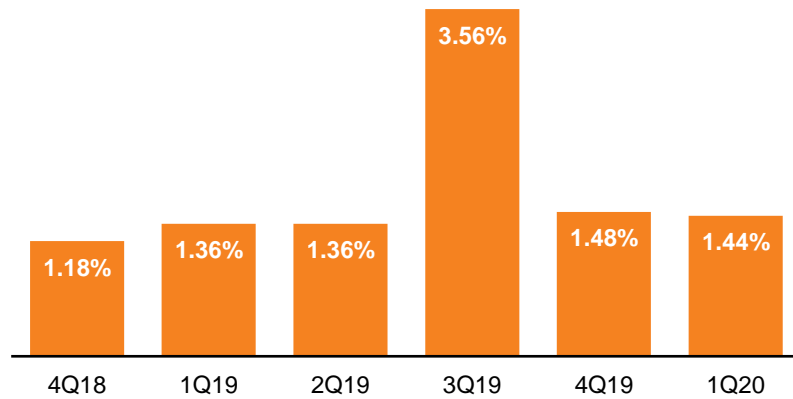
- Banking services enhanced through financial technology offerings
- Mortgage banking reflects production levels, amounts sold into the secondary market, servicing fees, and MSR valuation
- 1Q20 growth due to benefits of the Scotiabank acquisition
 - Banking service revenues higher with larger customer base
 - Mortgage banking revenues reflected increased servicing fees
 - Scotiabank’s insurance brokerage added to Oriental’s wealth management business



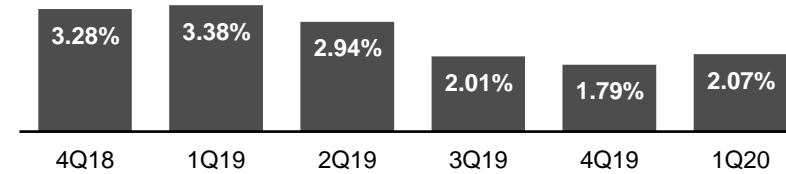
Credit Quality

Excludes acquired loans

Net Charge Off Rate*



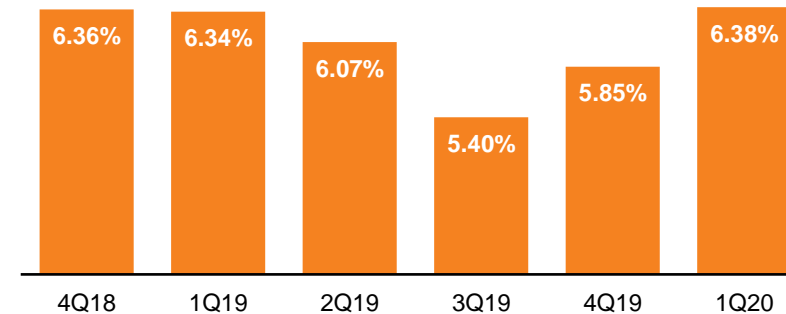
Non-Performing Loan Rate (excludes PCD)



Notes

- 1Q20 did not experience much of an affect from the coronavirus pandemic
- 3Q19 NCO, NPL and Total Delinquency Rates all reflect different effects of sale of large amount of remaining NPLs

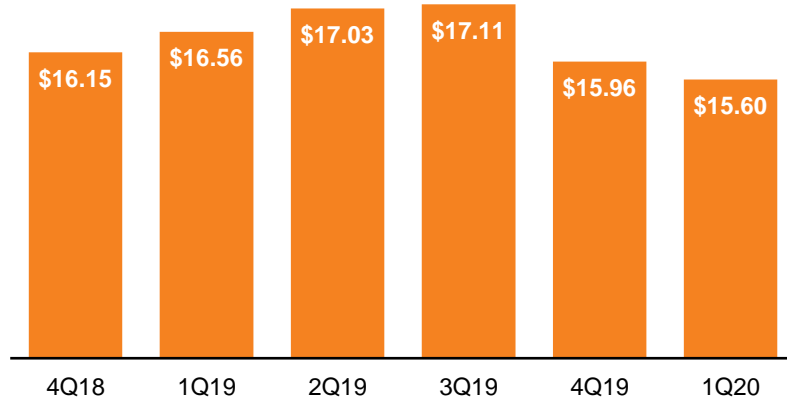
Total Delinquency Rate



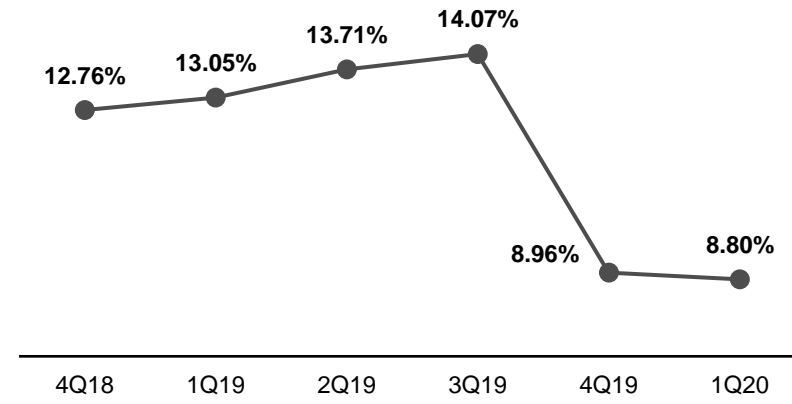
* Starting 1Q20, includes PCD

Tangible Common Equity

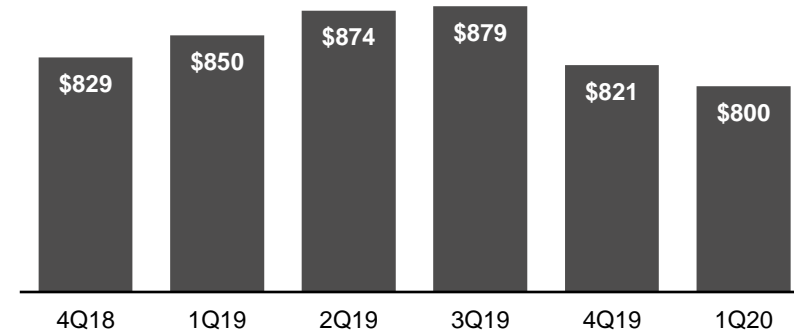
TBV Per Common Share



TCE Ratio



Tangible Common Equity (\$M)



Income Statement Highlights: 1Q20 vs. 1Q19

\$ in millions	1Q20	1Q19	Δ	Comment
Total Interest Income				
• Loans	\$116.5	\$84.2	+\$32.3	• Scotiabank loans partially offset by impact of rate cuts on variable commercial loans
• Cash	2.8	2.4	+0.4	• Higher balances partially offset by rate cuts
• Investment Securities	4.5	8.2	-3.7	• Lower balances
Total Interest Expense				
• Core Deposits	15.0	6.2	-8.8	• Addition of Scotiabank core deposits
• Brokered Deposits	1.6	2.8	+1.2	• Lower balances due to higher level of core deposits and excess liquidity position
• Borrowings	2.0	3.9	+1.9	• Lower balances due to higher level of core deposits and excess liquidity position
Total Provision for Loan & Lease Losses	48.5	12.2	-36.3	• \$34.1M provision to incorporate changes in the macro-economic scenario and qualitative adjustments as a result of the Covid-19 situation
Total Banking & Financial Service Revenues	26.2	17.6	+8.6	• Higher banking activity, insurance business, and mortgage servicing from Scotiabank acquisition
Other Income	5.2	0.1	+5.1	• \$4.7M gain on sale of \$316M MBS
Total Non-Interest Expenses	85.9	52.2	-33.7	• Addition of Scotiabank expenses
Income Tax Expense	0.3	11.6	+11.3	• 1Q20 ETR of 14.2% based on 2020 ETR of 26% partially offset by quarter specific items
Net Income Available to Common Shareholders	\$0.2	\$21.8	-\$21.6	

Income Statement Highlights: 1Q20 vs. 4Q19

\$ in millions	1Q20	4Q19	Δ	Comment
Total Interest Income				
• Loans	\$116.5	\$84.9	+\$31.6	• Scotiabank loans partially offset by impact of rate cuts on variable commercial loans
• Cash	2.8	3.7	-0.9	• Higher balances partially offset by rate cuts
• Investment Securities	4.5	2.6	1.9	• Higher balances from Scotiabank acquisition
Total Interest Expense				
• Core Deposits	15.0	8.0	-7.0	• Addition of Scotiabank core deposits
• Brokered Deposits	1.6	1.8	+0.2	• Lower balances due to higher level of core deposits and excess liquidity position
• Borrowings	2.0	2.2	+0.2	• Lower balances due to higher level of core deposits and excess liquidity position
Total Provision for Loan & Lease Losses	48.5	23.1	-25.4	• 1Q20 included \$34.1M provision to incorporate changes in the macro-economic scenario and qualitative adjustments as a result of the Covid-19 situation • 4Q19 included \$6.6M for additional provision for NPL loan sales and \$3.6M allowance for balance of commercial loan, pending insurance recoveries, on a property destroyed in a fire
Total Banking & Financial Service Revenues	26.2	19.2	+7.0	• Higher banking activity, insurance business, and mortgage servicing from Scotiabank acquisition
Other Income	5.2	0.5	+4.7	• \$4.7M gain on sale of \$316M MBS
Total Non-Interest Expenses	85.9	78.9	-7.0	• Addition of Scotiabank expenses
Income Tax Expense (benefit)	0.3	(2.1)	-2.4	• 1Q20 ETR of 14.2% based on 2020 ETR of 26% partially offset by quarter specific items
Net Income Available to Common Shareholders	\$0.2	(\$2.7)	+\$2.9	

6 Quarter Trend

\$ in thousands, except per share data	1Q20 ¹	4Q19 ²	3Q19 ³	2Q19	1Q19	4Q18
Loans (average balances)	\$6,687,987	\$4,500,075	\$4,539,045	\$4,514,030	\$4,504,725	\$4,460,002
Interest-earning assets (average balances)	\$8,556,533	\$5,886,383	\$5,981,756	\$6,034,338	\$6,152,202	\$6,170,455
Net interest income	\$105,168	\$79,209	\$80,711	\$81,085	\$81,789	\$82,035
Net interest margin	4.94%	5.34%	5.35%	5.39%	5.39%	5.27%
Total provision for loan and lease losses, net	\$48,530	\$23,068	\$43,770	\$17,705	\$12,249	\$11,300
Non-interest income, net (core)	\$26,166	\$19,196	\$18,542	\$18,074	\$17,553	\$19,260
Non-interest expense	\$85,923	\$78,913	\$50,728	\$51,452	\$52,152	\$51,719
Efficiency ratio	65.42%	80.19%	51.11%	51.89%	52.50%	51.06%
Net income available to common stockholders	\$173	(\$2,619)	\$5,755	\$22,351	\$21,842	\$23,116
Diluted EPS	\$0.00	(\$0.05)	\$0.11	\$0.43	\$0.42	\$0.45

1) Includes \$34.1M provision to incorporate changes in the macro-economic scenario and qualitative adjustments as a result of the Covid-19 situation

2) Operations and average balances are pre-acquisition but include \$21.5M pre-tax in merger and restructuring charges

3) The Company decided to sell mostly non-performing loans, increasing the provision by \$37.2M. The sale closed in 4Q19 resulting in an additional increase in the provision of \$6.6M.

Thank you.

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