

## OFG Bancorp Reports 3Q23 Results

SAN JUAN, Puerto Rico, October 20, 2023 – OFG Bancorp (NYSE: OFG), the financial holding company for Oriental Bank, reported results for the third quarter ended September 30, 2023. EPS diluted of \$0.95 compared to \$0.93 in 2Q23 and \$0.87 in 3Q22. Total core revenues of \$172.2 million compared to \$170.5 million in 2Q23 and \$156.8 million in 3Q22.

### CEO Comment

José Rafael Fernández, Chief Executive Officer, said: “Third quarter results reflected year-over-year increases of 10% in core revenues and 9% in EPS. Highlights include continued loan growth, stable core deposits, low cumulative deposit beta of 19%, increased operating leverage, and strong performance metrics. We also benefited from overall higher interest rates and benign credit conditions as economic activity in Puerto Rico continues to do well.”

“Oriental’s self-service portal, launched earlier this year as part of our ‘Digital First’ strategy, has been expanded to include more features and is rapidly being adopted by our customers. This is resulting in a growing number of digital transactions, enabling us to better meet the needs of the customers and communities we serve.”

“Our results could not have been possible without the hard work and commitment of all our team members. We are thankful to them for executing our corporate vision.”

### 3Q23 Highlights

**Performance Metrics:** Net interest margin of 5.80%, return on average assets of 1.76%, return on average tangible common stockholders’ equity of 17.59%, and efficiency ratio of 52.36%.

**Net Interest Income** of \$141.8 million compared to \$139.6 million in 2Q23 and \$126.5 million in 3Q22. 3Q23 reflected the full effect of 2Q23’s 25 basis point increase in the Federal Reserve Board’s funds rate and a partial effect of 3Q23’s 25 bps increase.

**Total Interest Income** of \$165.7 million compared to \$158.0 million in 2Q23 and \$134.7 million in 3Q22. Compared to 2Q23, 3Q23 primarily reflected higher yields (7.84% vs. 7.76%) on increased average balances of loans and higher yields on variable rate loans.

**Total Interest Expense** of \$23.9 million compared to \$18.3 million in 2Q23 and \$8.2 million in 3Q22. Compared to 2Q23, 3Q23 reflected higher cost of funds (1.07% vs. 0.84%) on increased average balances of deposits and borrowings.

**Total Banking & Financial Service Revenues** of \$30.4 million compared to \$30.9 million in 2Q23 and \$30.3 million in 3Q22.

**Pre-Provision Net Revenues** of \$82.3 million compared to \$80.8 million in 2Q23 and \$69.6 million in 3Q22.

**Total Provision for Credit Losses** of \$16.4 million compared to \$15.0 million in 2Q23 and \$7.1 million in 3Q22. 3Q23 included \$11.4 million due to increased loan volume, \$4.1 million in qualitative adjustment, and \$0.7 million for a specific reserve for the sale of a small portfolio of non-performing Puerto Rico small business commercial loans.

**Credit Quality:** Net Charge-offs of \$18.8 million compared to \$6.6 million in 2Q23 and \$11.3 million in 3Q22. 3Q23 included \$6.9 million for two loans previously and substantially reserved. 2Q23 included a recovery of \$3.7 million from the sale of older, fully charged off auto and consumer loans. Early and total delinquency rates were 2.75% and 3.78%, respectively, and the nonperforming loan rate of 1.33% was in the lower ranges seen over the last five quarters.

**Total Non-Interest Expense** of \$90.2 million compared to \$88.9 million in 2Q23 and \$87.5 million in 3Q22. Compared to 2Q23, 3Q23 operating expense decreased \$1.3 million, due to a lower gain on sale of foreclosed real estate partially offset by lower general and administrative expenses.

**Loans Held for Investment (EOP)** of \$7.26 billion compared to \$7.12 billion in 2Q23 and \$6.68 billion in 3Q22. Loans increased 2.0% from 2Q23 and 8.6% year-over-year, reflecting increases in Puerto Rico and US commercial loans and retail auto and consumer loans. This was partially offset by regular paydowns of residential mortgages.

**New Loan Production** of \$562.5 million compared to \$691.8 million in 2Q23 and \$511.3 million in 3Q22. 3Q23 reflected continued high levels of auto, commercial and consumer lending.

**Total Investments (EOP)** of \$2.07 billion compared to \$1.70 billion in 2Q23 and \$2.04 billion in 3Q22. 3Q23 investments increased from 2Q23 reflecting the purchase of \$450 million fixed-rate mortgage-backed securities partly offset by regular repayments.

**Customer Deposits (EOP)** of \$8.54 billion compared to \$8.54 billion in 2Q23 and \$8.84 billion in 3Q22.

**Total Borrowings (EOP)** of \$451.5 million compared to \$226.5 million in 2Q23 and \$27.3 million in 3Q22.

**Cash & Cash Equivalents (EOP)** of \$532.7 million compared to \$799.0 million in 2Q23 and \$815.4 million in 3Q22. Compared to 2Q23, 3Q23 cash reflected new purchases of MBS.

**Total Assets (EOP)** of \$10.26 billion compared to \$10.03 billion in 2Q23 and \$10.06 billion in 3Q22.

**Capital:** CET1 ratio of 14.03% level with 2Q23 and 13.38% in 3Q22. The Tangible Common Equity ratio was 9.74% compared to 9.99% in 2Q23 and 8.83% in 3Q22. Tangible Book Value per share of \$21.01 compared to \$21.06 in 2Q23 and \$18.46 in 3Q22.

## Conference Call, Financial Supplement & Presentation

A conference call to discuss 3Q23 results, outlook and related matters will be held today at 10:00 AM ET. Phone (800) 579-2543 or (785) 424-1789. Conference ID: OFGQ323. The call can also be accessed live on [www.ofgbancorp.com](http://www.ofgbancorp.com) with webcast replay shortly thereafter.

OFG's Financial Supplement, with full financial tables for the quarter ended September 30, 2023, and the 3Q23 Conference Call Presentation, can be found on the Quarterly Results page on OFG's Investor Relations website at [www.ofgbancorp.com](http://www.ofgbancorp.com).

## 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 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 above-mentioned Financial Supplement for a reconciliation of GAAP to non-GAAP measures and calculations.

## 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.

## About OFG Bancorp

Now in its 59<sup>th</sup> year in business, OFG Bancorp is a diversified financial holding company that operates under U.S., Puerto Rico and U.S. Virgin Islands banking laws and regulations. Its three principal subsidiaries, Oriental Bank, Oriental Financial Services, and Oriental Insurance, provide a wide range of retail and commercial banking, lending and wealth management products, services, and technology, primarily in Puerto Rico and U.S. Virgin Islands. Visit us at [www.ofgbancorp.com](http://www.ofgbancorp.com).

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