OFG Bancorp Reports 2Q26 Results

SAN JUAN, Puerto Rico, July 21, 2026 – OFG Bancorp (NYSE: OFG), the financial holding company for Oriental Bank, today reported results for the second quarter ended June 30, 2026. EPS diluted of $1.39 compared to $1.26 in 1Q26 and $1.15 in 2Q25. Total core revenues of $190.3 million compared to $185.8 million in 1Q26 and $182.2 million in 2Q25.

CEO Comment

José Rafael Fernández, Chief Executive Officer, said: "With year-over-year increases of 20.9% in EPS and 4.5% in core revenues, second quarter results reflected continued momentum across all our businesses, supported by disciplined execution, excellent customer engagement, and our differentiated operating model. We continue to show core deposit strength, consistent loan growth, stable credit trends, and effective balance sheet management."

"During 2Q26, Oriental launched a branding-marketing campaign reflecting our evolution to a digital bank with a human touch. The campaign highlights our market-leading banking and customer communication technologies in Puerto Rico combined with our people and intensely customer-focused culture. This sets us apart and reinforces our mission to help customers achieve progress. They are the point of everything we do."

"On a macro level, the Puerto Rico economy remains stable, with federal reconstruction funds continuing to flow, a strong labor market, and private sector manufacturing and onshoring investment. With the economy as a tailwind, our operational strength, disciplined execution, and focus on the customer experience positions us well to capitalize on long-term growth opportunities."

2Q26 Highlights

Performance Metrics: Net interest margin of 5.45%, return on average assets of 1.93%, return on average tangible common stockholders' equity of 17.94%, and efficiency ratio of 54.04%.

Total Interest Income of $197.2 million compared to $194.1 million in 1Q26 and $194.3 million in 2Q25. 2Q26 increased $3.0 million sequentially, primarily reflecting higher average balances of loans at higher average rates, $4.1 million from three paid in full commercial loans compared to $3.3 million from another paid in full commercial loan in 1Q26, and one additional business day, which increased interest income by approximately $1.6 million.

Total Interest Expense of $39.9 million compared to $40.3 million in 1Q26 and $42.4 million in 2Q25. 2Q26 decreased $0.5 million sequentially, primarily reflecting lower average balances of borrowings and brokered deposits, which more than offset the additional expense of higher average balances of core deposits, and one additional business day, which increased interest expense by approximately $0.4 million.

Total Banking & Financial Service Revenues of $33.0 million compared to $32.0 million in 1Q26 and $30.2 million in 2Q25. 2Q26 increased $1.0 million sequentially, reflecting higher banking service and wealth management revenues, which included $1.1 million in insurance and annuity fees, and lower mortgage banking revenues.

Pre-Provision Net Revenues of $87.5 million compared to $91.3 million in 1Q26 and $87.6 million in 2Q25.

Total Provision for Credit Losses of $13.0 million compared to $22.5 million in 1Q26 and $21.7 million in 2Q25. 2Q26 primarily reflected $14.7 million for increased loan volume and $1.9 million in commercial loan recoveries, while 1Q26 included $17.5 million for increased loan volume and increased allowance of $3.7 million for a previously reserved telecom loan and $1.0 million for newly classified small commercial loans.

Credit Quality: Net charge-offs of $28.8 million (1.40% of average loans) compared to $21.4 million (1.05%) in 1Q26 and $12.8 million (0.64%) in 2Q25, and non-performing loans of $67.3 million (0.81% of average loans) compared to $120.9 million (1.47%) in 1Q26 and $97.4 million (1.19%) in 2Q25. The changes in 2Q26 NCOs and NPLs primarily reflected the sales of the above-mentioned telecom loan and a U.S. commercial loan.

Total Non-Interest Expense of $102.8 million compared to $94.7 million in 1Q26 and $94.8 million in 2Q25. 2Q26 included $5.8 million in business related operational charges, while 1Q26 included $1.0 million in capital markets readiness and registration expenses and the benefit of $3.6 million in a business related volume incentive payment.

Income Tax Expense was $15.7 million compared to $14.9 million in 1Q26 and $14.1 million in 2Q25. 2Q26 ETR reflected an anticipated rate of 22.64% for the year plus the benefit of some discrete items.

Loans Held for Investment (EOP) of $8.30 billion compared to $8.24 billion in 1Q26 and $8.18 billion in 2Q25. 2Q26 balances grew $62.4 million or 0.8% sequentially, reflecting increases in Puerto Rico commercial and consumer loans.

New Loan Production of $755.0 million compared to $608.9 million in 1Q26 and $783.7 million in 2Q25. 2Q26 production grew $146.2 million or 24.0% sequentially, reflecting increases in Puerto Rico commercial, residential mortgage, and consumer loans. Production declined 3.7% year-over-year, reflecting unusually strong auto sales in 2Q25 due to the threat of tariffs.

Total Investments (EOP) of $2.70 billion compared to $2.79 billion in 1Q26 and $2.78 billion in 2Q25. 2Q26 primarily reflected principal paydowns in mortgage backed securities.

Customer Deposits (EOP) of $9.74 billion compared to $9.66 billion in 1Q26 and $9.90 billion in 2Q25. 2Q26 deposits increased $84.9 million or 0.9% sequentially, reflecting government, commercial and retail deposit growth.

Total Borrowings & Brokered Deposits (EOP) of $795.5 million compared to $746.6 million in 1Q26 and $732.3 million in 2Q25. 2Q26 total borrowings and brokered deposits increased $48.9 million sequentially for liquidity management purposes.

Cash & Cash Equivalents (EOP) of $745.7 million compared to $636.5 million in 1Q26 and $851.8 million in 2Q25. 2Q26 cash increased $109.2 million sequentially primarily due to deposit growth and repayments from the investment portfolio.

Capital: CET1 ratio was 14.07% compared to 13.75% in 1Q26 and 13.99% in 2Q25. Tangible Common Equity ratio was 10.90% compared to 10.66% in 1Q26 and 10.20% in 2Q25. Tangible Book Value per share was $31.12 compared to $30.14 in 1Q26 and $27.67 in 2Q25.

Conference Call, Financial Supplement & Presentation

A conference call to discuss 2Q26 results, outlook and related matters will be held today at 10:00 AM ET. Phone (800) 579-2543 or (785) 424-1789. Conference ID: OFGQ226. The call can also be accessed live on www.ofgbancorp.com with webcast replay shortly thereafter. OFG's Financial Supplement, with full financial tables for the quarter ended June 30, 2026, and the 2Q26 Conference

Call Presentation, can be found on the Quarterly Results page on OFG's Investor Relations website at 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, 2025, 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 62nd 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. Our mission is to make progress possible for our customers, employees, shareholders, and the communities we serve. Visit us at www.ofgbancorp.com.

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