

OceanFirst Financial Corp.

3Q 2021 Investor Presentation¹

October 2021

¹ The 3Q 2021 Investor Presentation is for the purpose and use in conjunction with the Earnings Release furnished as Exhibit 99.1 to Form 8-K on October 28, 2021.



Legal Disclaimer

FORWARD LOOKING STATEMENTS.

In addition to historical information, this news release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 which are based on certain assumptions and describe future plans, strategies and expectations of OceanFirst Financial Corp. (the Company) and its wholly-owned subsidiary, OceanFirst Bank N.A. (the Bank). These forward-looking statements are generally identified by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “will,” “should,” “may,” “view,” “opportunity,” “potential,” or similar expressions or expressions of confidence. The Company’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations of the Company and its subsidiaries include, but are not limited to: the impact of the COVID-19 pandemic on our operations and financial results and those of our customers, changes in interest rates, general economic conditions, levels of unemployment in the Bank’s lending area, real estate market values in the Bank’s lending area, future natural disasters and increases to flood insurance premiums, the level of prepayments on loans and mortgage-backed securities, legislative/regulatory changes, monetary and fiscal policies of the U.S. Government including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve System, the quality or composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in the Company’s market area, accounting principles and guidelines and the Bank’s ability to successfully integrate acquired operations. These risks and uncertainties are further discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, under Item 1A - Risk Factors and elsewhere, and subsequent securities filings and should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The Company does not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

NON-GAAP FINANCIAL INFORMATION.

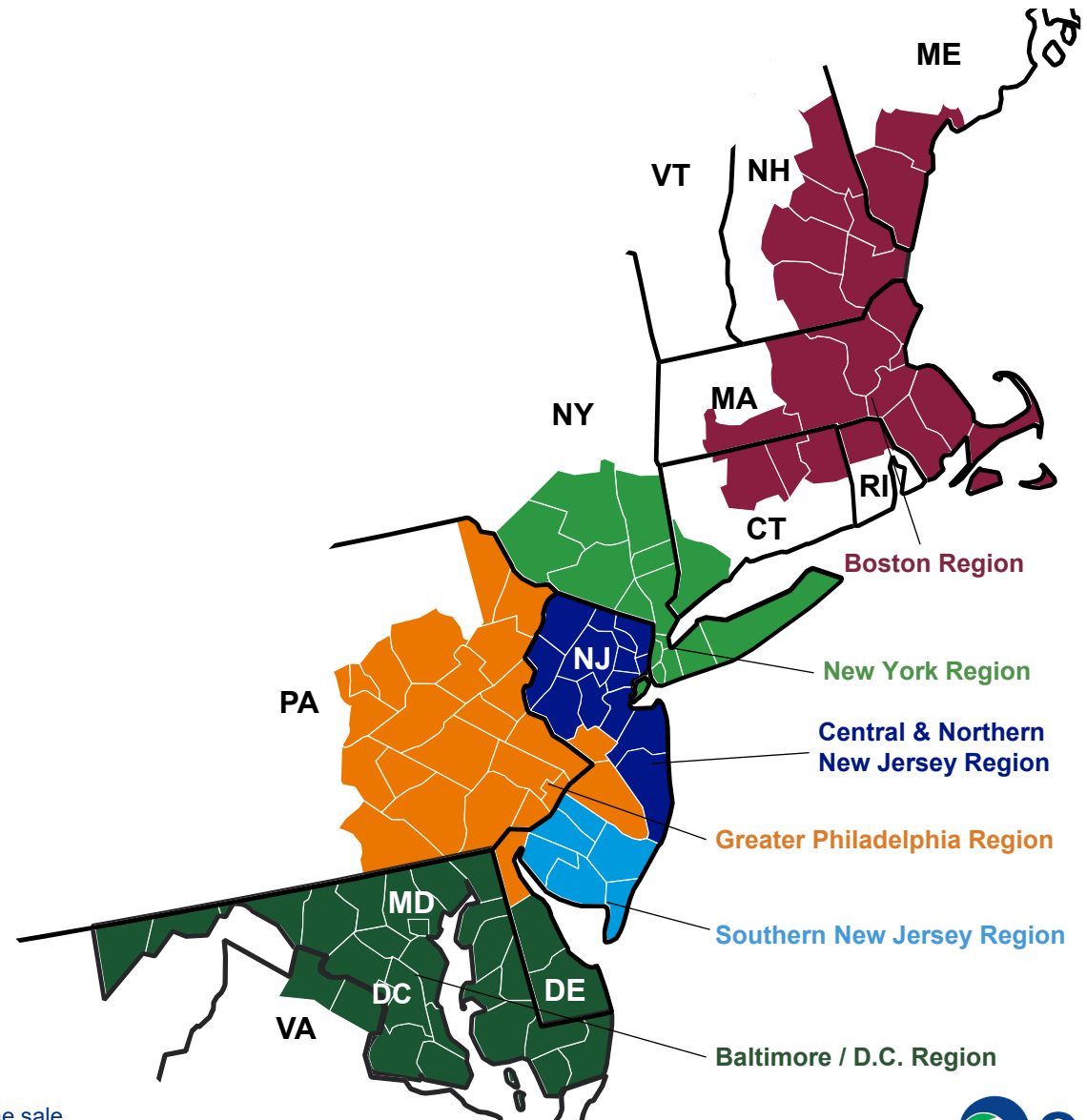
This presentation contains certain non-GAAP (generally accepted accounting principles) measures. These non-GAAP measures, as calculated by the Company, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these non-GAAP measures are not measures of financial performance or liquidity under GAAP and should not be considered alternatives to the Company’s other financial information determined under GAAP. See reconciliations of certain non-GAAP measures included at the end of this presentation.

MARKET AND INDUSTRY DATA.

This presentation references certain market, industry and demographic data, forecasts and other statistical information. We have obtained this data, forecasts and information from various independent, third-party industry sources and publications. Nothing in the data, forecasts or information used or derived from third party sources should be construed as advice. Some data and other information are also based on our good faith estimates, which are derived from our review of industry publications and surveys and independent sources. We believe that these sources and estimates are reliable but have not independently verified them. Statements as to our market position are based on market data currently available to us. These estimates involve inherent risks and uncertainties and are based on assumptions that are subject to change.

OceanFirst Financial Corp. Overview

- ❑ **Founded:** 1902
- ❑ **NASDAQ:** OCFC
- ❑ **Market Capitalization:** \$1.33 billion¹
- ❑ **Branches:** 58² Full-Service Branches in New Jersey and Metropolitan New York City
- ❑ **Guiding Principles:** Nimble, Certainty of Execution, and Access to Leadership



⁽¹⁾ Market capitalization as of October 28, 2021

⁽²⁾ OceanFirst announced the planned consolidation of 20 deposit gathering locations and the sale of 2 branches, when completed will result in an ending count of 36 branches.

Investment Thesis

Well Positioned to Generate Strong Returns



Strength of Balance Sheet

Balance sheet de-risked with executed loan sales, resolution of substantially all full forbearance loans, and extinguishment of high-cost borrowings



Low-Cost and Durable Deposit Base

Cost of deposits remain low at 22 basis points (bps) at September 30, 2021



Digital Innovation

Digital products and customer experience on par with national banks and FinTechs, outpacing regional and community banks



Disciplined and Strategic M&A

Acquired attractive and underappreciated assets in exurban markets at favorable prices



Seasoned Leadership

Deep banking, regulatory, M&A, and integration experience
Demonstrated strong pandemic response
Meaningful insider ownership aligned with shareholder interest



Conservative Risk Culture

Commitment to management of credit, interest rate and regulatory / compliance risk

Quarterly Update

Third Quarter 2021 Financial Highlights

Key Financial Metrics

\$26.7MM

Core Earnings¹

\$0.39

Diluted EPS

\$0.45

Core EPS¹

0.90%

Core ROAA¹

10.62%

Core ROATE¹

2.93%

NIM

62.22%

Core Efficiency Ratio¹

\$15.78

TBV per Share

\$10.1MM

Q3 Dividends

\$651.4MM

Loan Pipeline

\$771.8MM

Loan Originations

\$361MM

Loan Growth

\$359MM

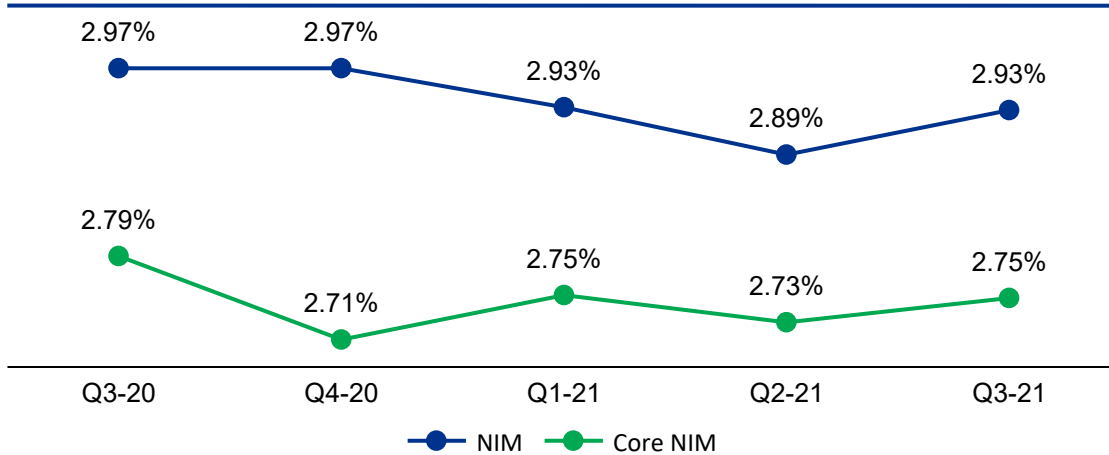
Deposit Growth

Strategic and Operational Focus

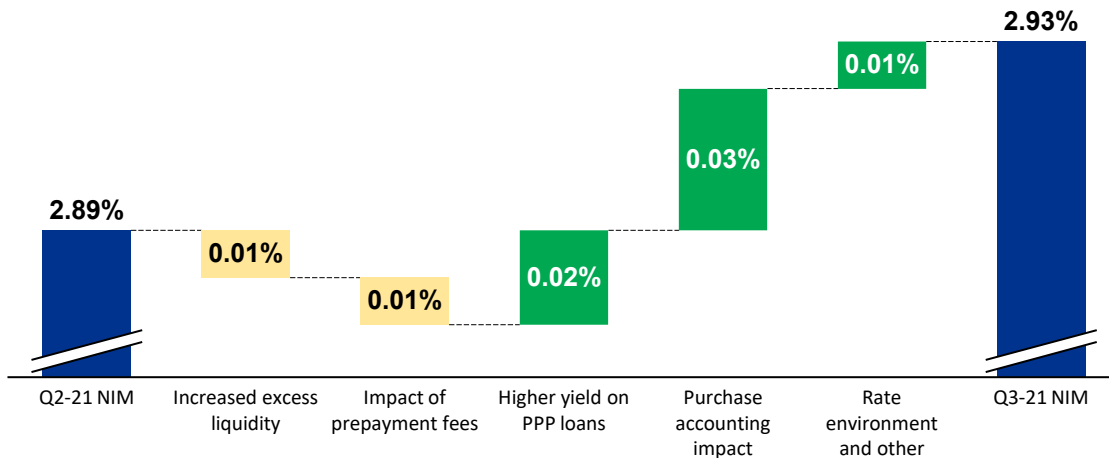
- Commercial banking team hires in 2021 supporting organic growth and helping to deploy excess liquidity
- Committing resources to core businesses, loan growth, and digital services
- Successfully completed a conversion of our core system, allowing us to better serve our customers and markets
- Optimize branch network to increase efficiencies and improve average deposits by branch to approximately \$250 million
- COVID-19 on-going initiatives for employees, customers, and community

Net Interest Margin – Quarter over Quarter

Core NIM¹ vs NIM



Q3-21 NIM Bridge



Headwinds

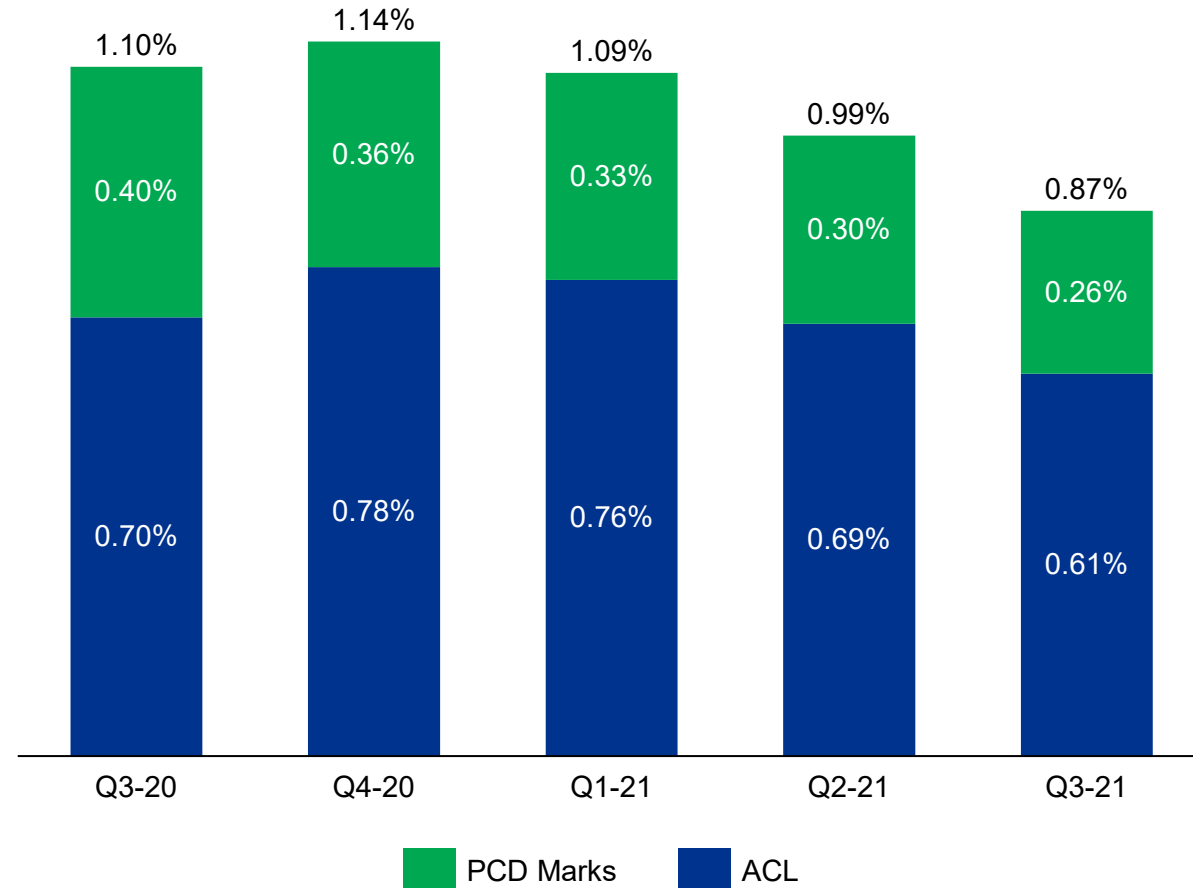
- Competitive market environment as peers with similar levels of liquidity compete on rate for quality credit.

Tailwinds

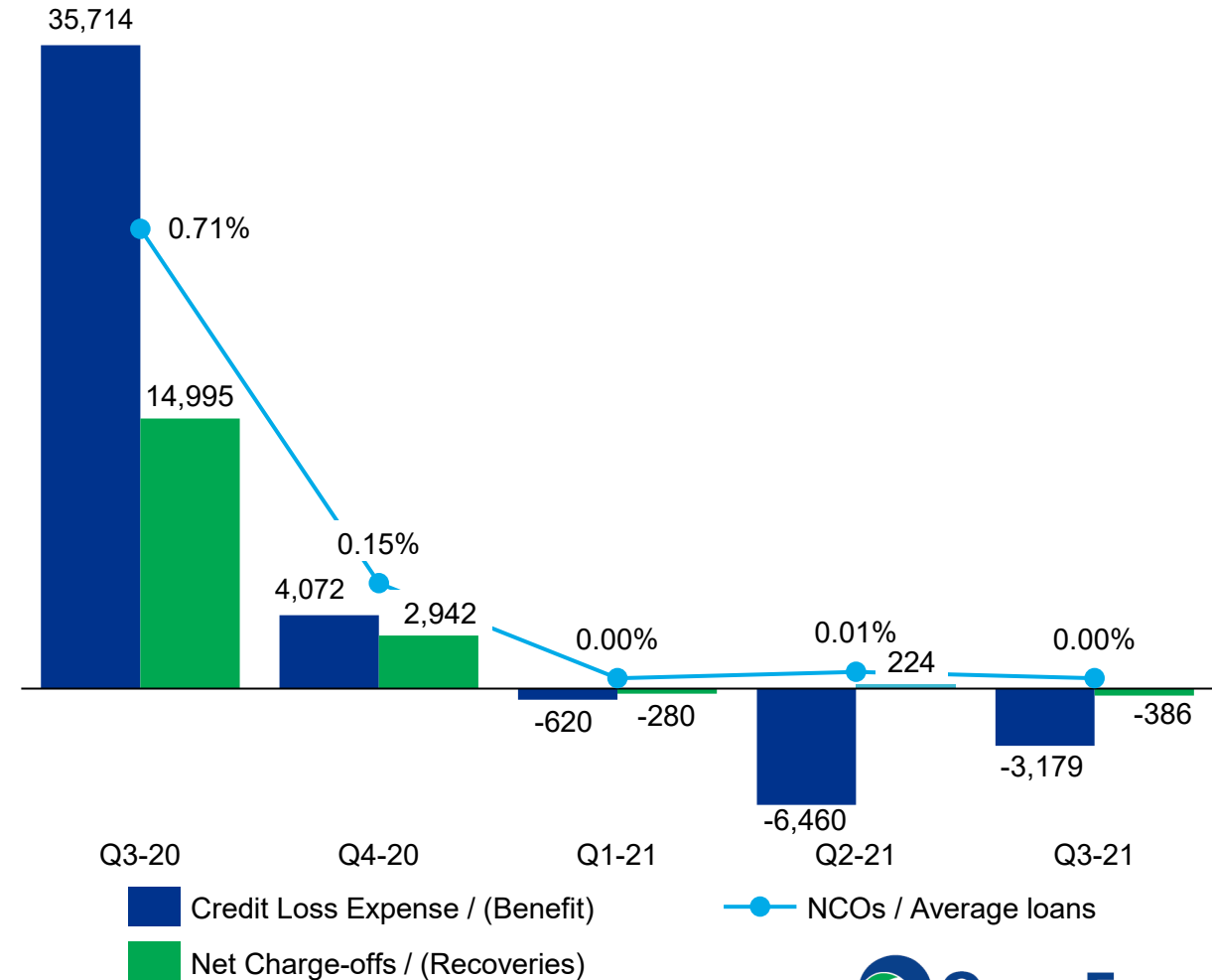
- Executing strategies to deploy excess liquidity into loans and securities.
- Strong loan-to-deposit position.
- Opportunity to lower deposit costs.

Credit Quality (1 of 3)

Loan Allowance for Credit Losses (ACL) Plus PCD Marks / Total Loans



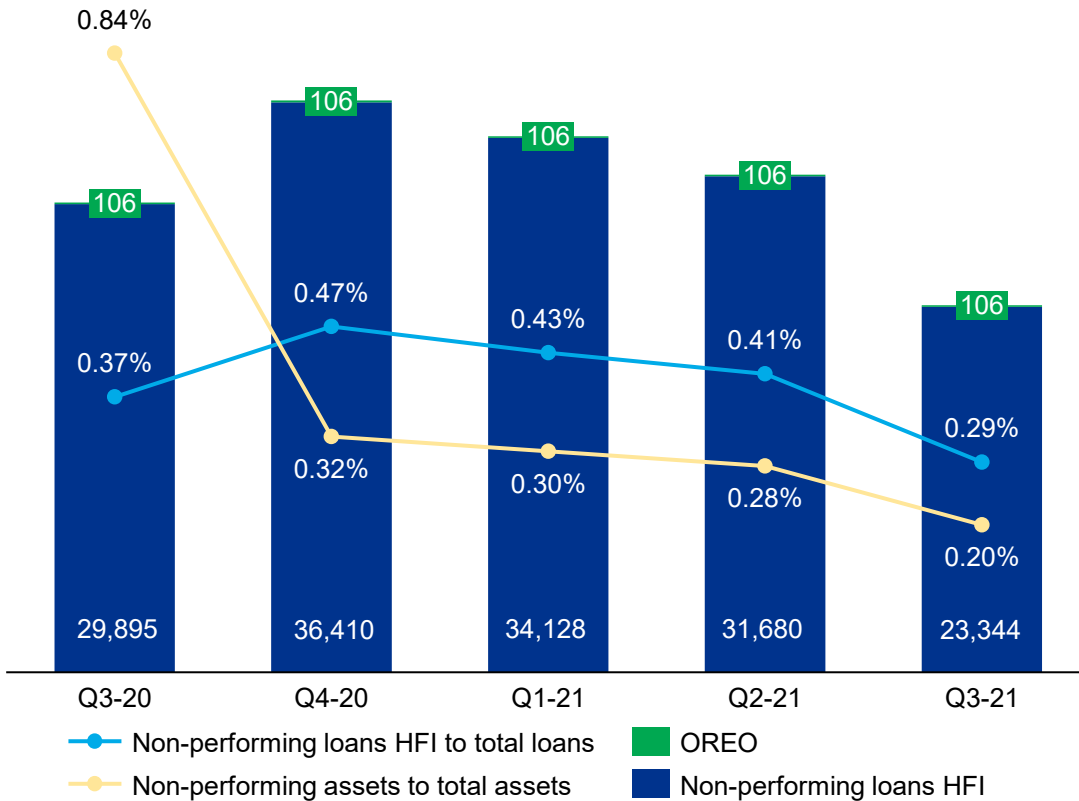
Net Charge-offs (NCOs) / (Recoveries) and Credit Loss Expense (Benefit) (\$'000)



Credit Quality (2 of 3)

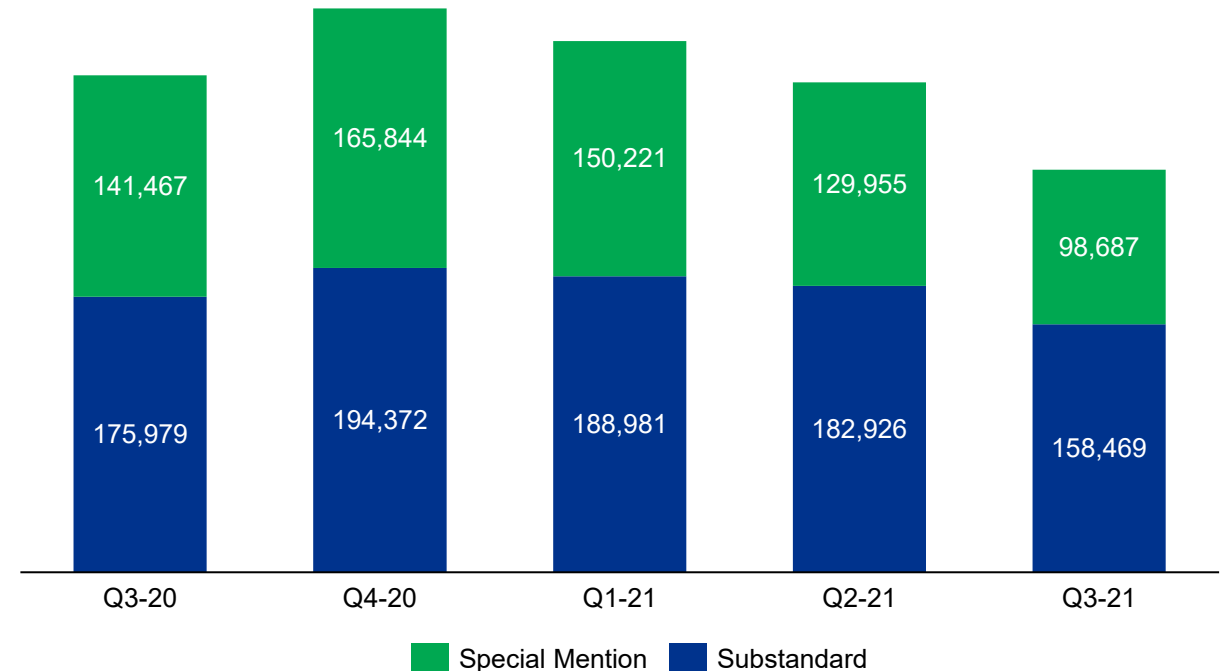
Stabilizing asset quality trends align with improving economic outlook.

Non-Performing Loans Held-for-Investment (HFI) and Assets (\$'000)



Note: At 9/30/20 the Bank had an additional \$67.5 million in non-performing loans held-for-sale driving an elevated non-performing assets to total assets ratio. Loan sales were completed in Q4-20 at pricing consistent with their holding valuations.

Special Mention and Substandard Loans (\$'000)

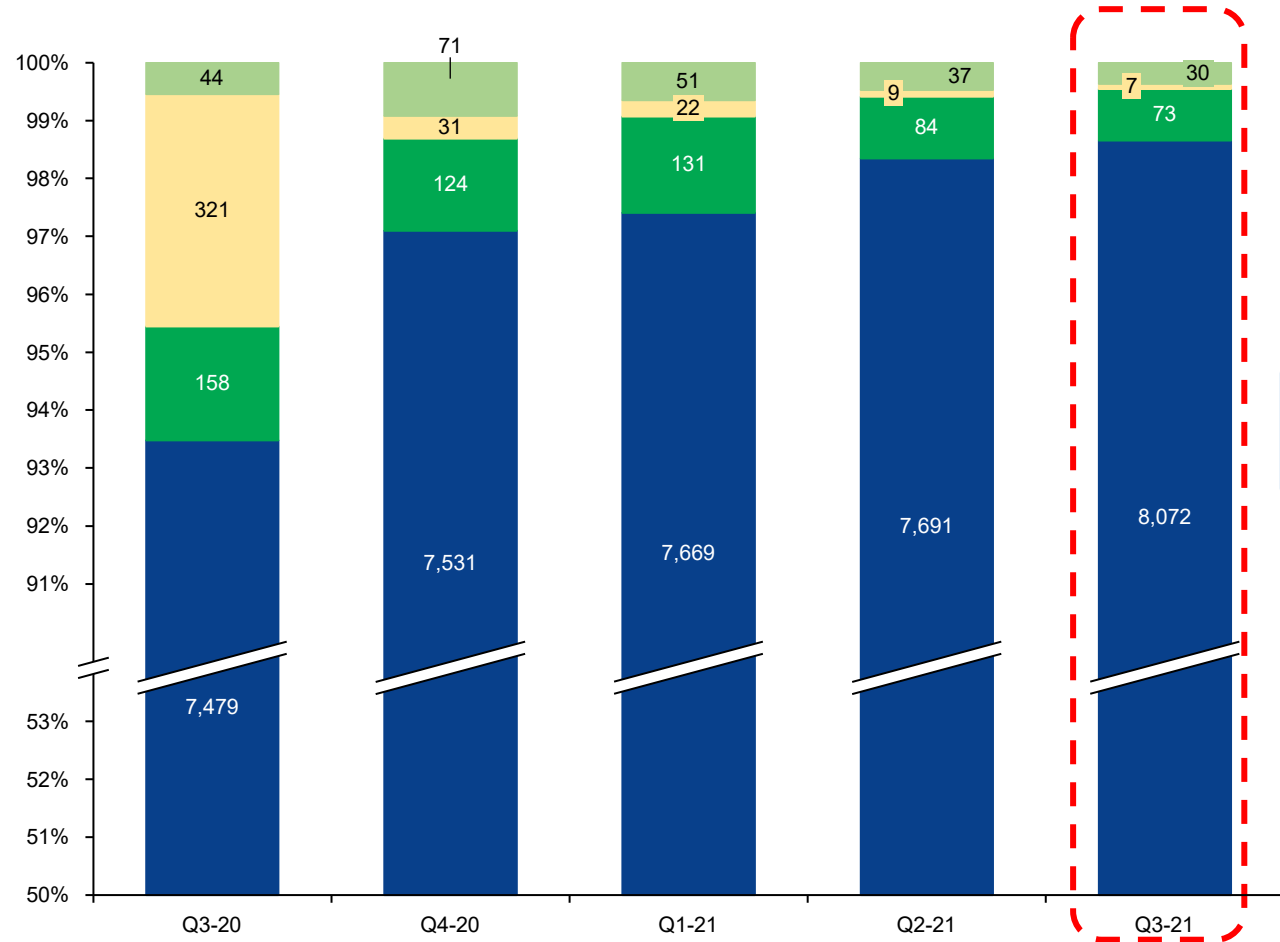


Note: Of the \$98.7 million in Special Mention loans and \$158.5 million of Substandard loans, \$95.0 million (or 96.3%) and \$137.3 million (or 86.6%) are current on payments, respectively.

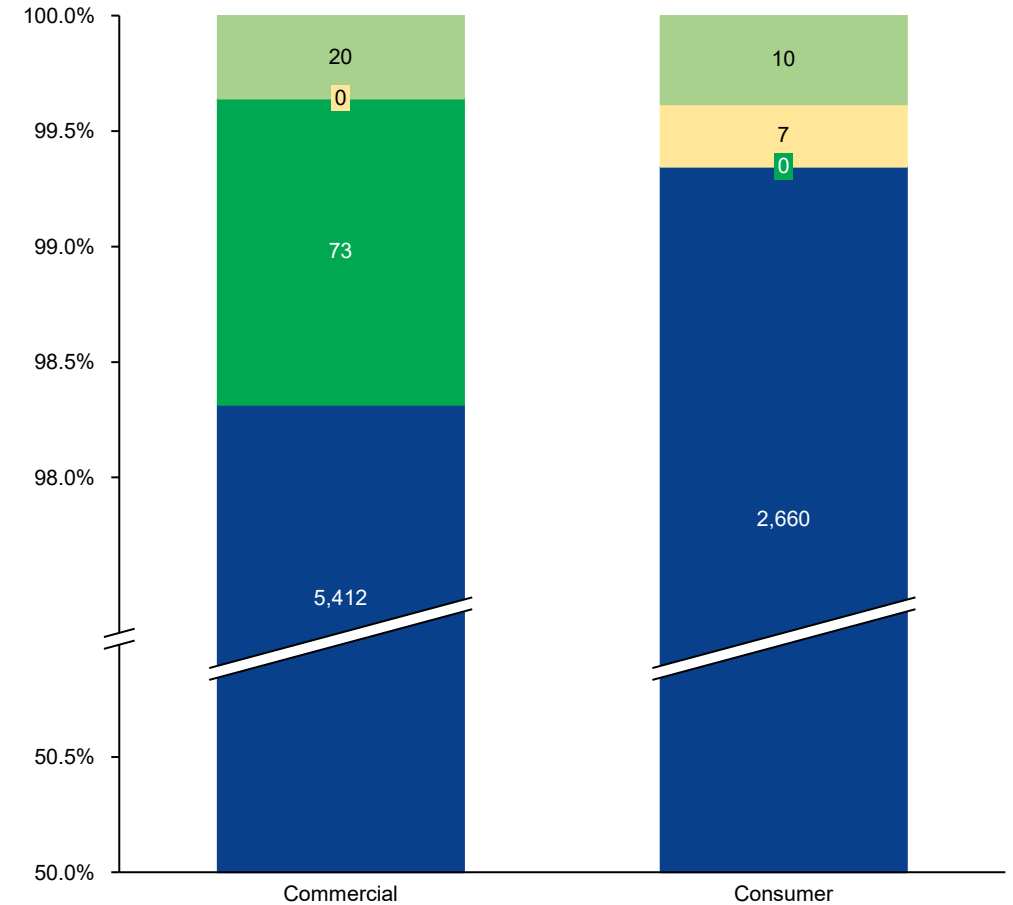
Credit Quality (3 of 3)

~ 98.7% of total loans comply with pre-COVID terms as of 9/30/21.

Loans Held-for-Investment by Payment Structure (\$'million)

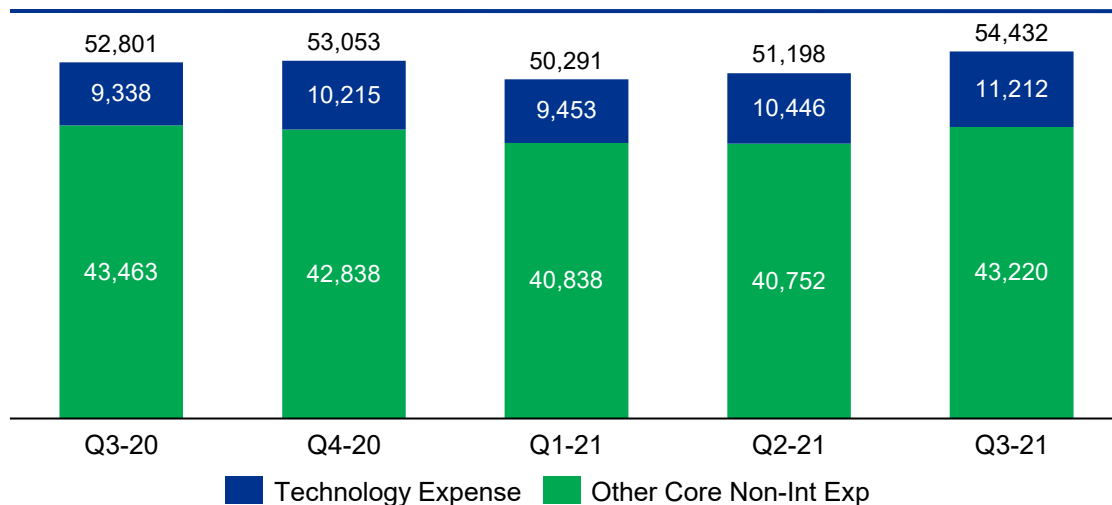


Commercial vs Consumer (\$'million)

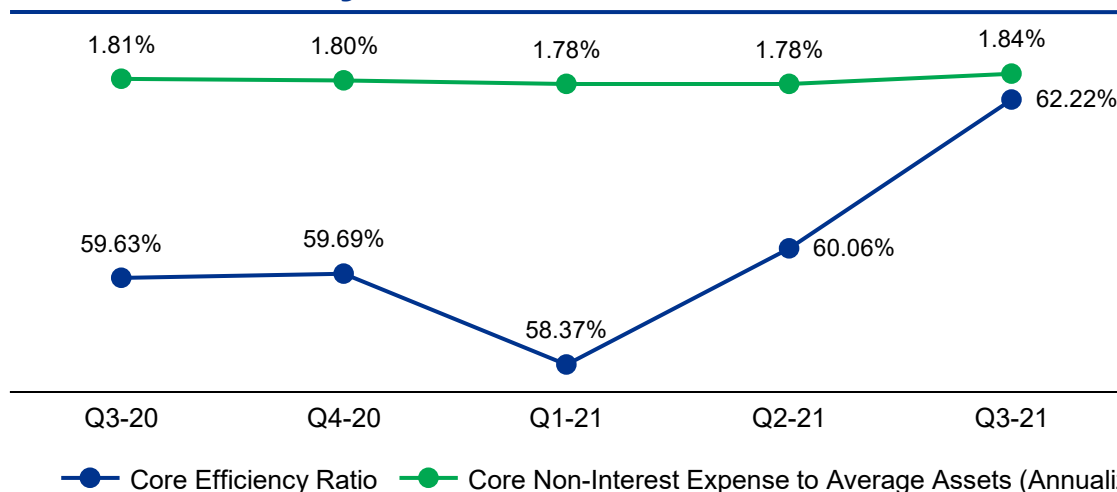


Expense Discipline and Focused Investment

Core Non-Interest Expense¹ (\$'000)



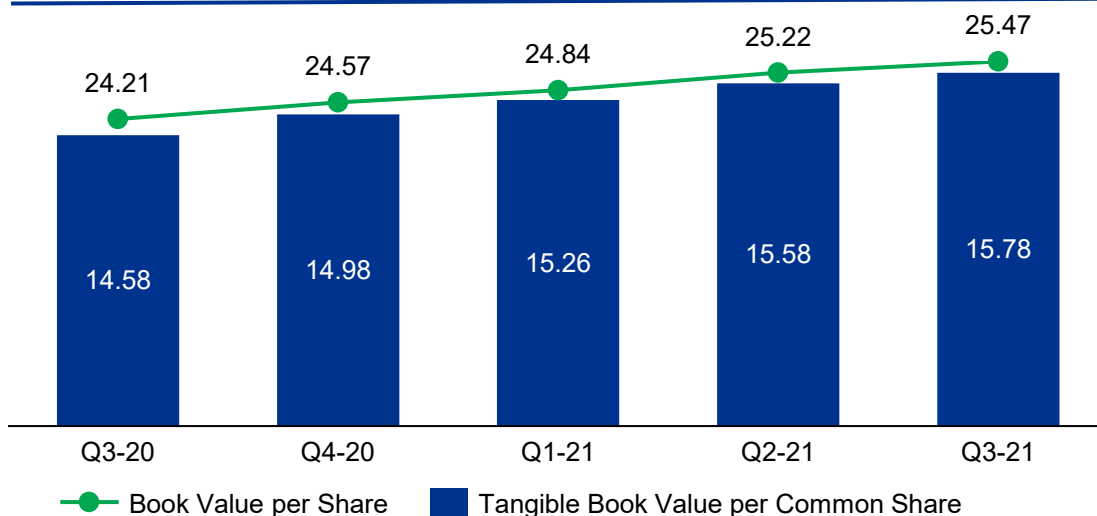
Core Efficiency Ratio¹



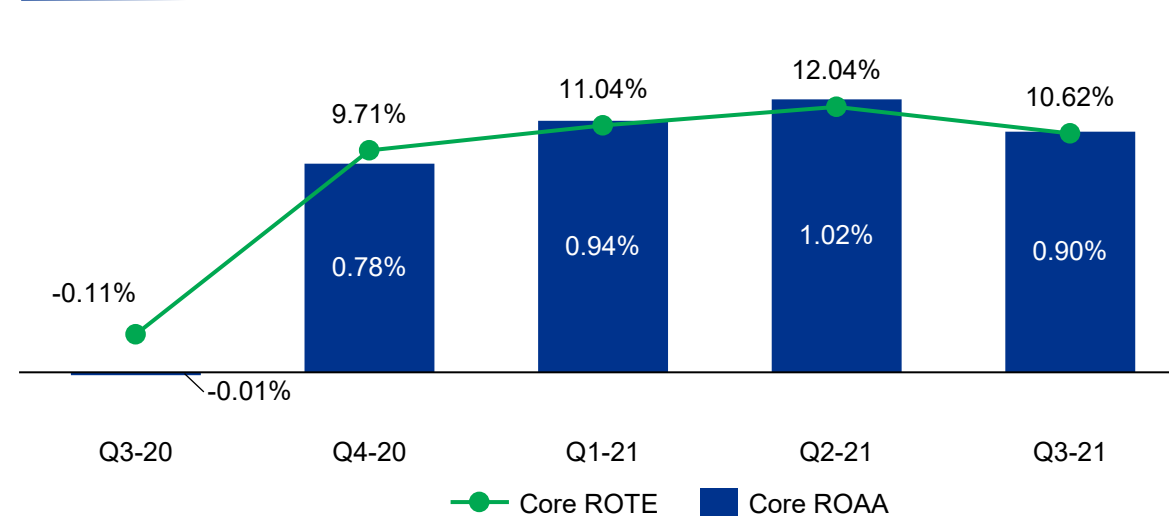
- Core non-interest expense in Q3-21 excludes branch consolidation and merger related expenses.
- Technology expense, which represents data processing, communications, and digitally focused departments, accounted for 20.0% of total core non-interest expense for YTD Q3-21. For the full year 2020, these costs accounted for 17.8% of core non-interest expense.
- Technology expenses are expected to increase as a percentage of core non-interest expense driven by a continued investment in digital products and services.
- Announced branch optimization strategy (20 deposit gathering consolidations and 2 branch sales) is expected to have a material impact on non-interest expense run-rate.

Generating Consistent and Attractive Returns

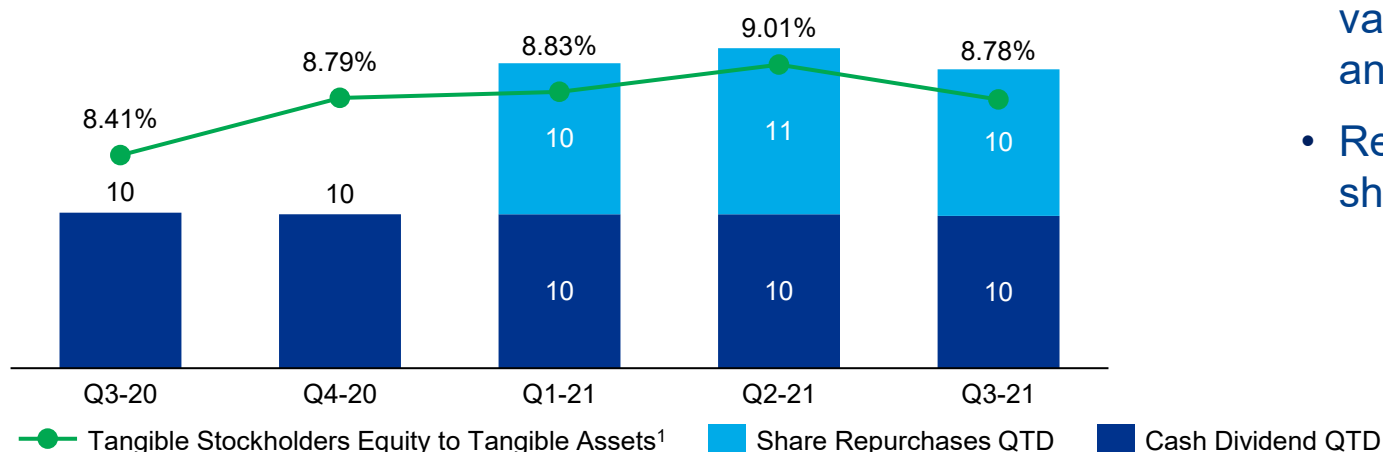
Book Value and Tangible Book Value per Common Share¹



Core ROAA and ROTE¹



Capital Management (\$ in millions)



- Strengthened balance sheet and increased tangible book value per common share by 1.3% versus linked quarter and 8.2% (or \$1.20 per share) versus Q3-20.
- Repurchased 1.5 million shares YTD 2021; 3.6 million shares remain available for repurchase.

Investor Presentation

Investment Thesis

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Strength of Balance Sheet

Balance sheet de-risked with executed loan sales, resolution of substantially all full forbearance loans, and extinguishment of high-cost borrowings



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Digital Innovation

Digital products and customer experience on par with national banks and FinTechs, outpacing regional and community banks



Disciplined and Strategic M&A

Acquired attractive and underappreciated assets in exurban markets at favorable prices



Seasoned Leadership

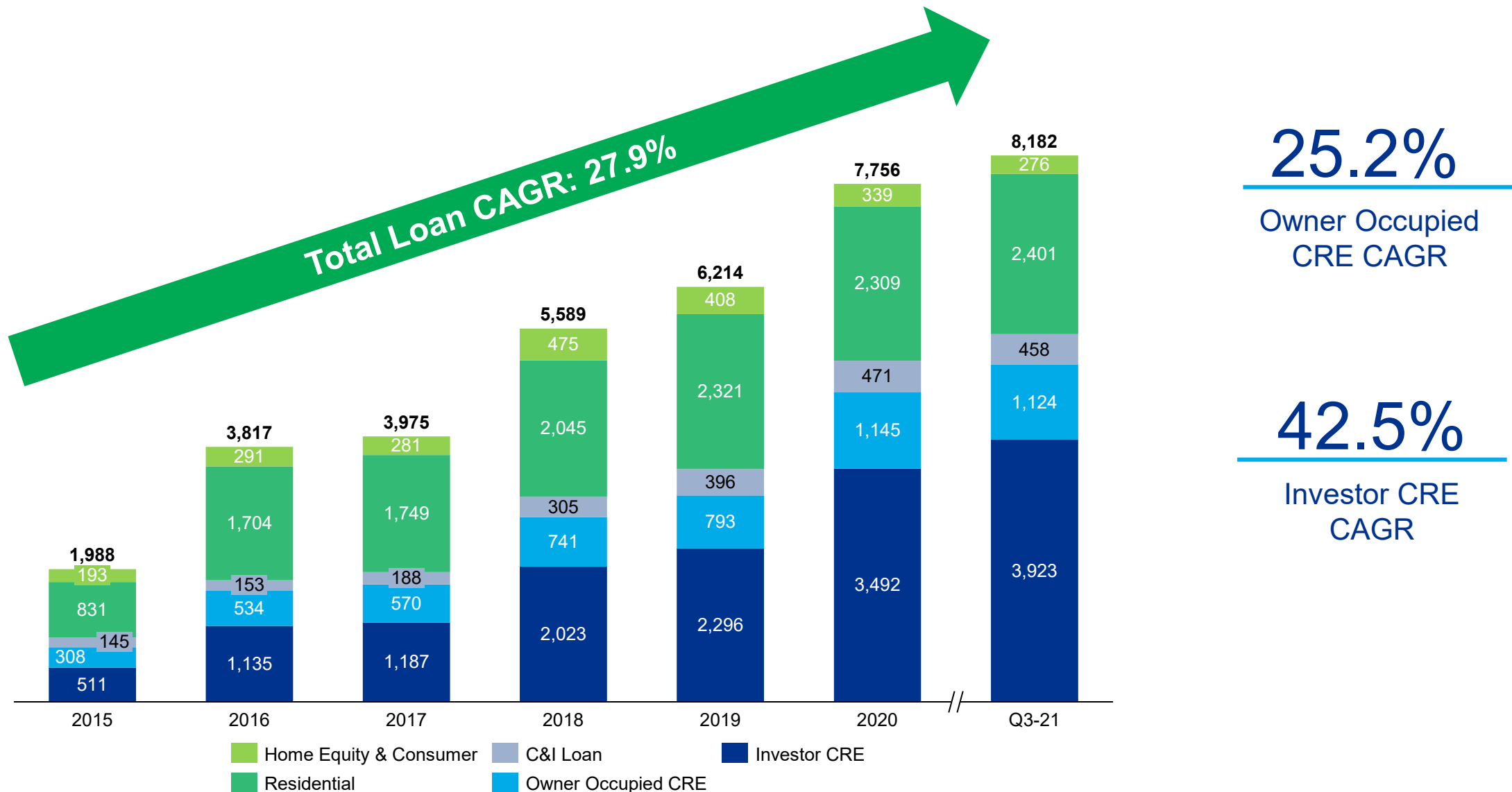
Deep banking, regulatory, M&A, and integration experience
Demonstrated strong pandemic response
Meaningful insider ownership aligned with shareholder interest



Conservative Risk Culture

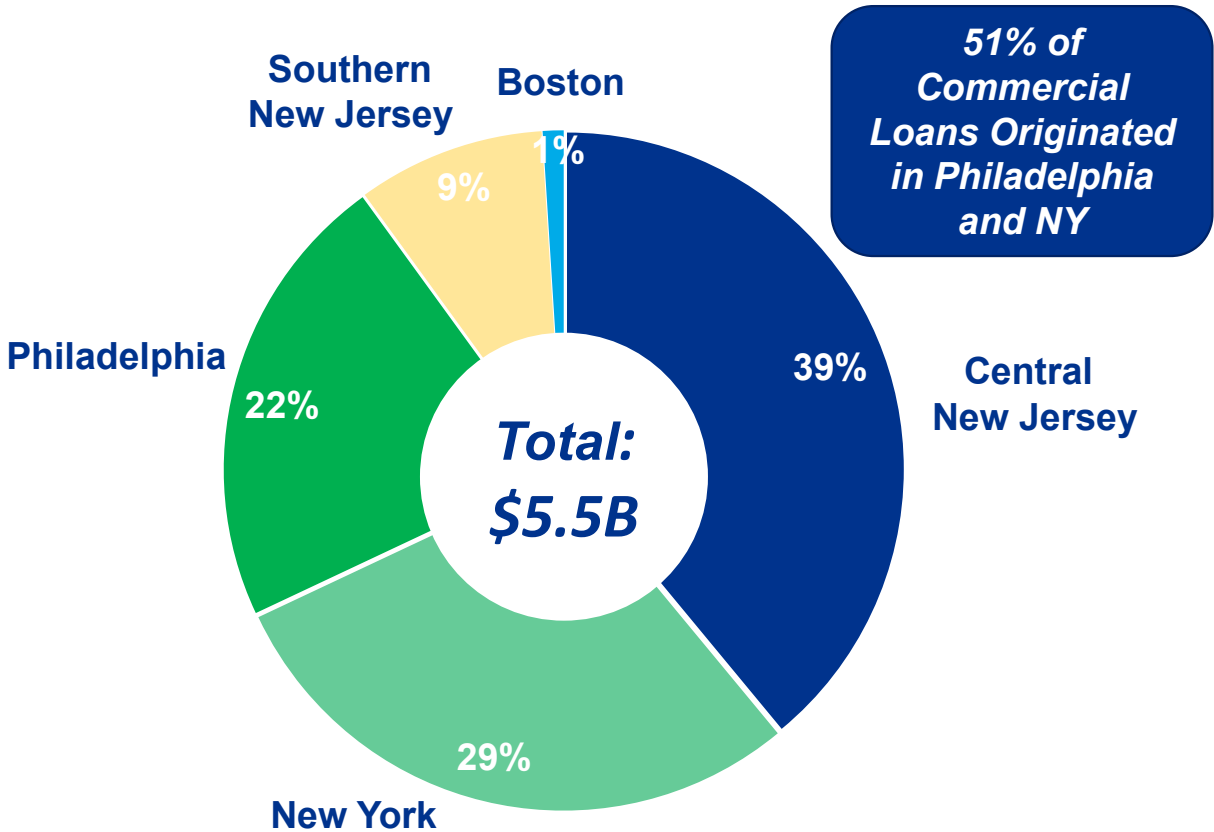
Commitment to management of credit, interest rate and regulatory / compliance risk

Significant Growth in Commercial Loan Portfolio (\$ in millions)



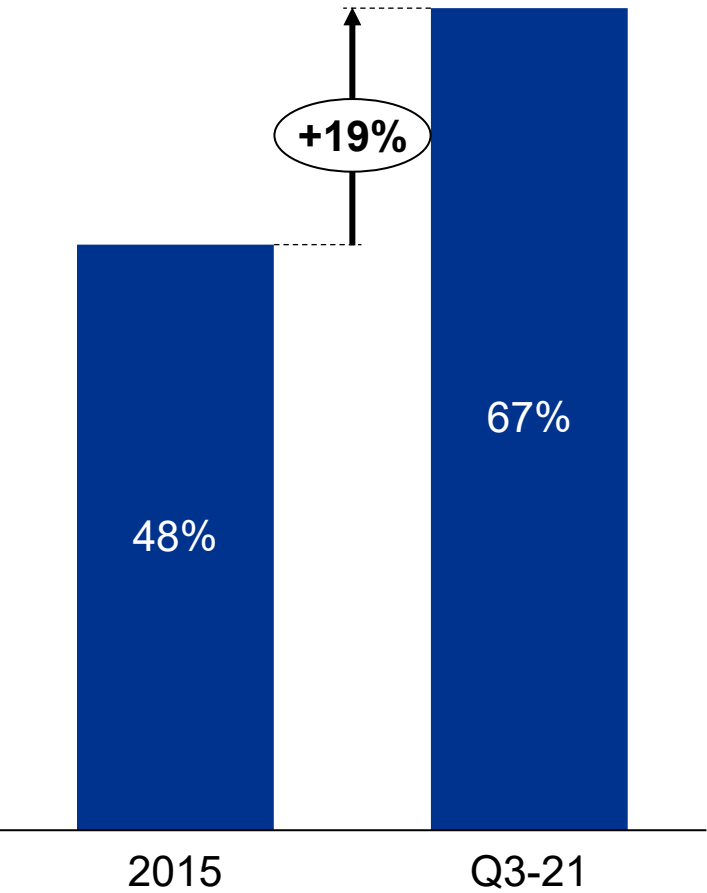
Successful Commercial Loan Growth in Philadelphia and NY

Commercial Loans by Geography as of 3Q-21¹



Emphasis on Commercial

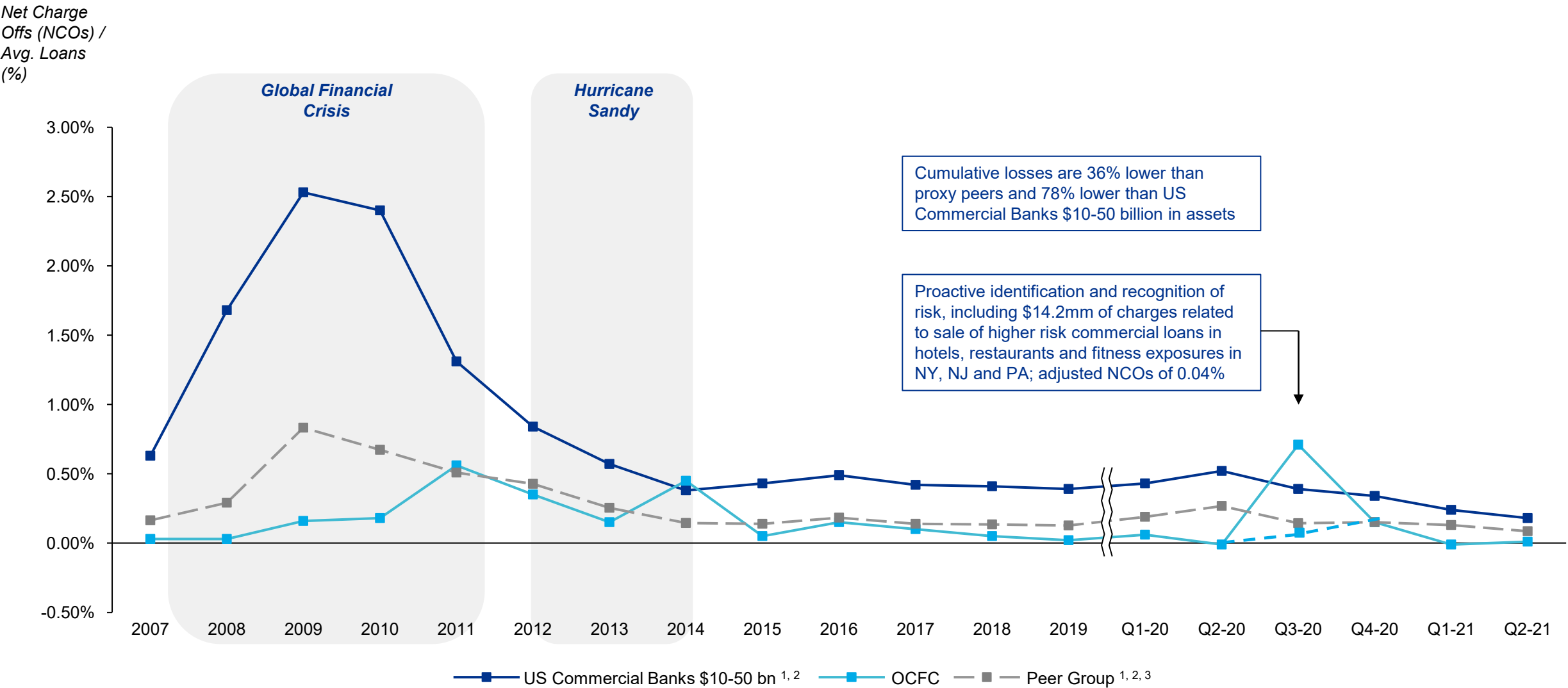
(Commercial % of Loan Portfolio)



Increase of \$4.5B in Commercial Loans since 2015

⁽¹⁾ Baltimore balances included in the \$5.5 billion total, representing less than 1% of the commercial portfolio

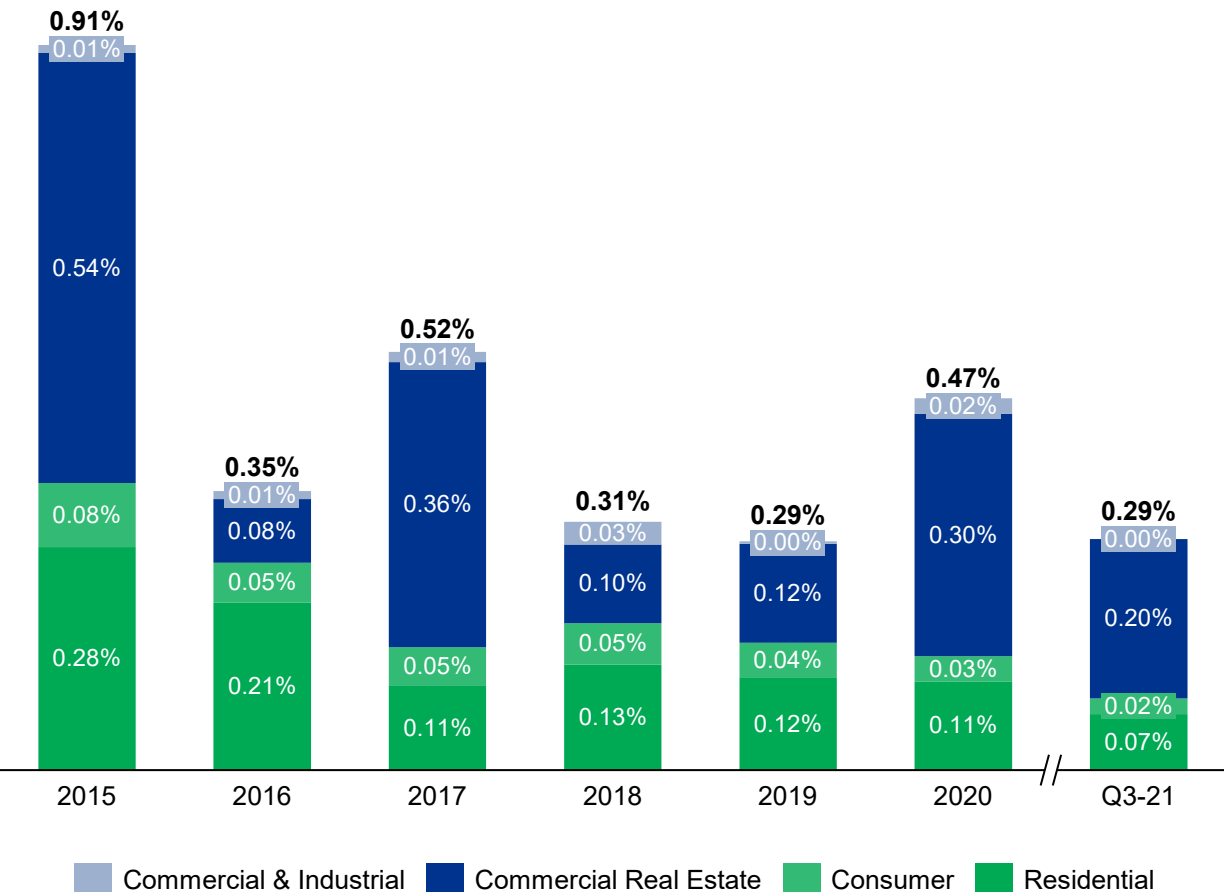
OCFC's Strong History of Credit Discipline



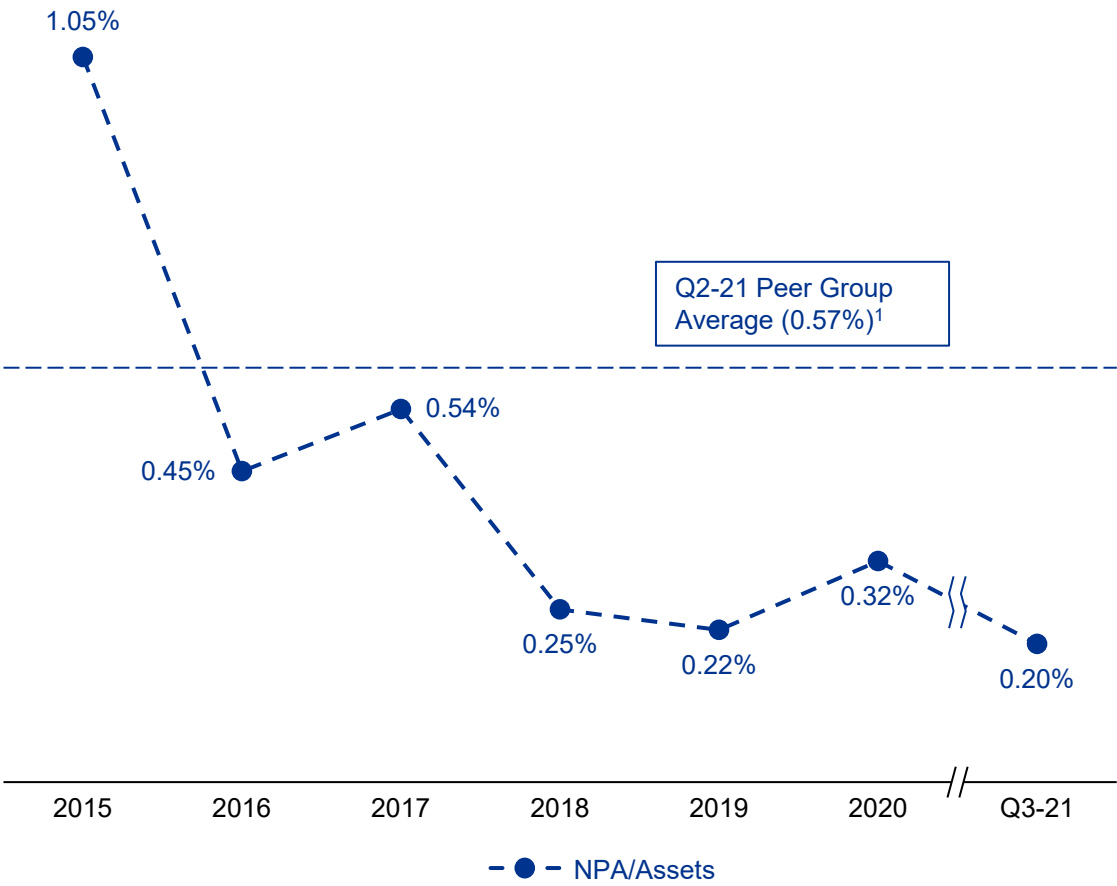
(1) Source: S&P Global
(2) Proxy and US Bank industry reporting is on a one quarter lag
(3) Peer group in OCFC's DEF-14 Proxy Statement. This excludes UBNK due to the sale to People's United and BPFH due to merger with SBV Financial Group.

Conservative Credit Risk Profile

Non-performing Loans by Source as % of Loans



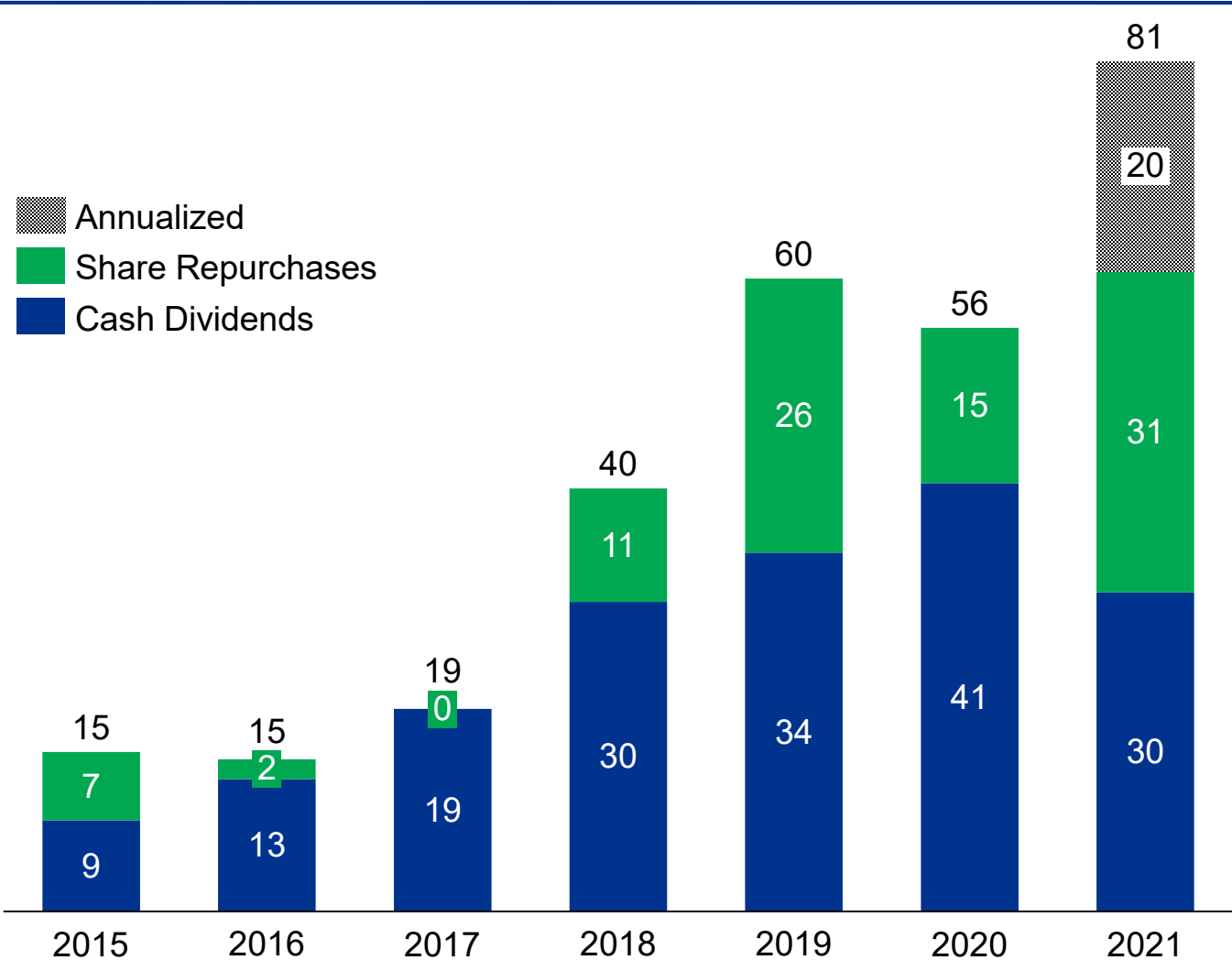
Continued Focus on Improving Credit Risk



(1) Source: S&P Global

Strategic Capital Allocation Generates Shareholder Returns

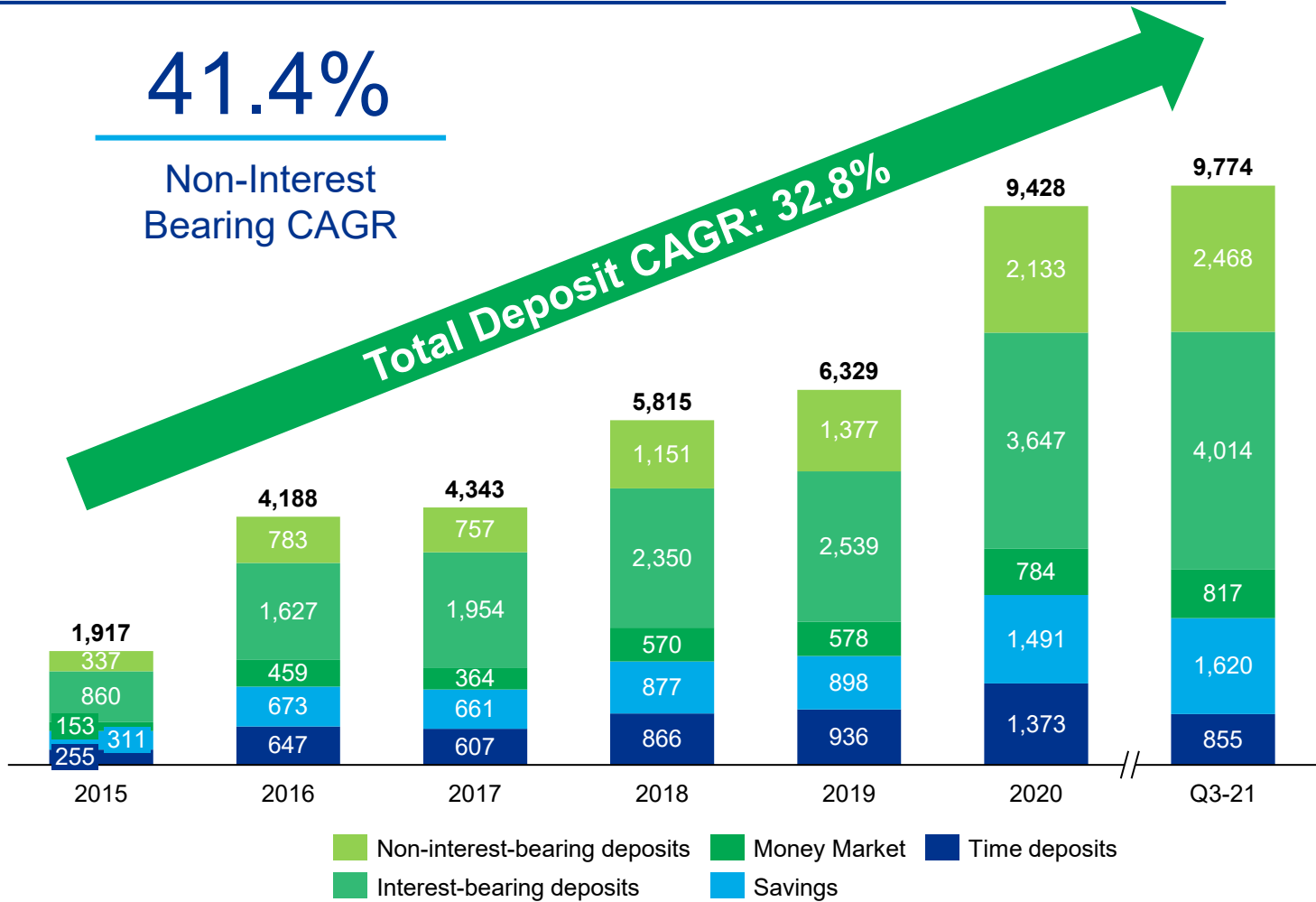
Annual Return of Capital (\$ in millions)



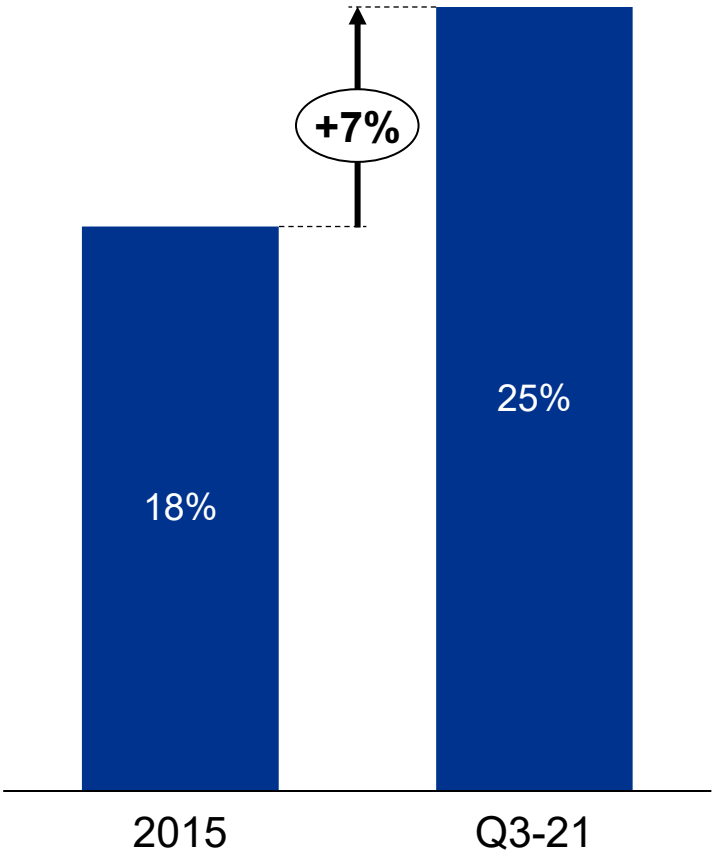
- Stable & competitive dividend
 - 99th consecutive quarter
 - Historical Payout Ratio of 30% to 40%
- Repurchased 1.5 million shares YTD 2021; 3.6 million shares remain available for repurchase
- Strategic acquisitions in critical new markets

Continued Focus on Growing Core Deposits¹

Shift Toward Non-Interest Bearing Deposits

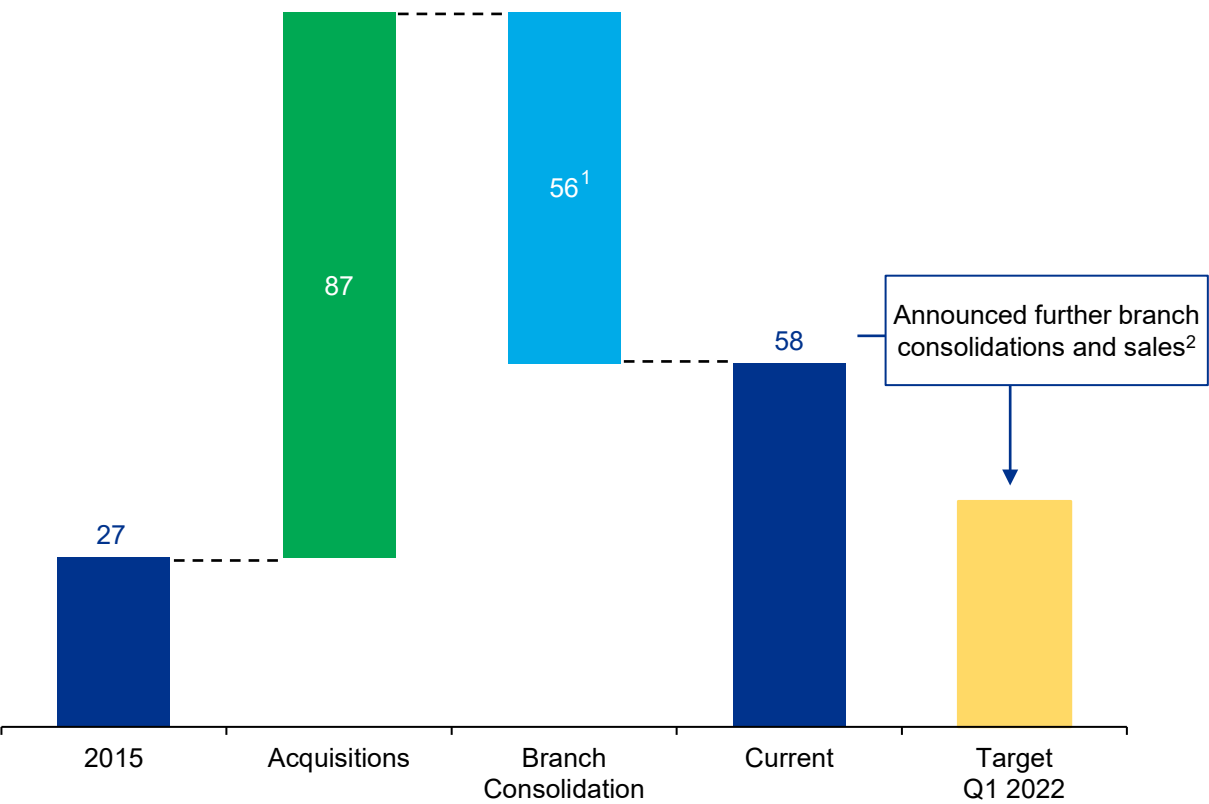


Growth in Non-Interest Bearing

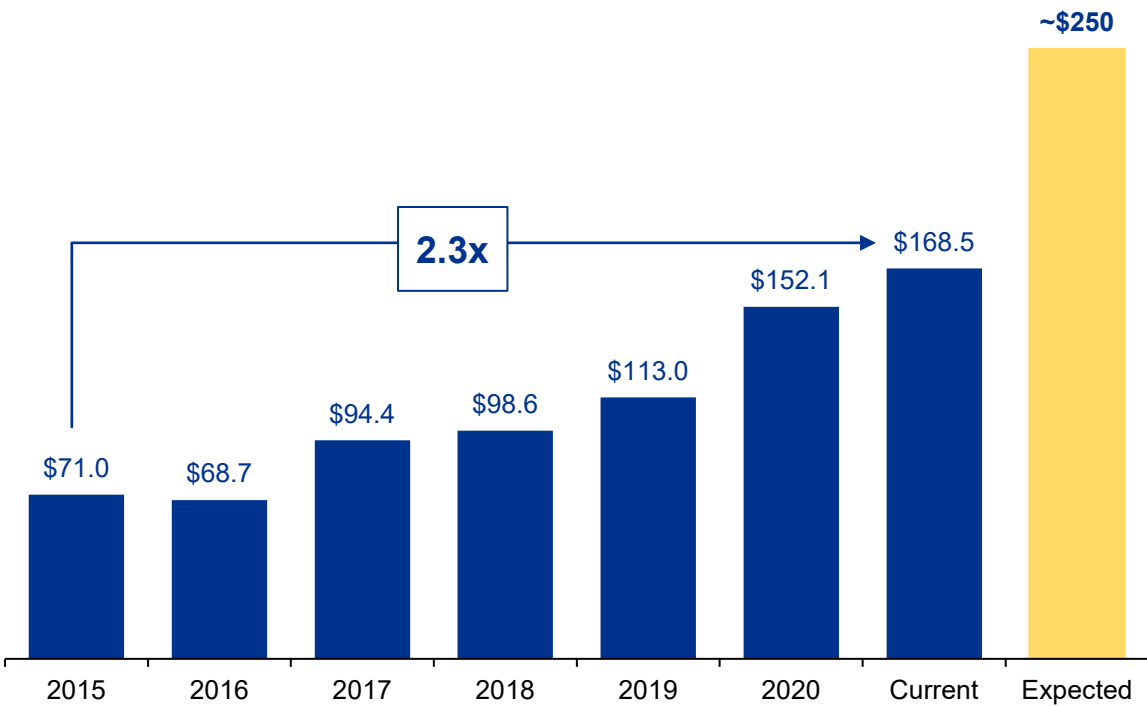


Deposit Growth with Branch Optimization Strategy

Active Branch Evolution



Deposits per Branch (\$ in millions)



Core Non-interest Expense³ to Total Avg. Assets



(1) Closed 2 additional branches in 2013.
(2) 2 branches to be sold in late 2021 and 20 deposit gathering locations to be consolidated in late 2021 and early 2022 further improving average branch size to approximately \$250 million.
(3) Core metrics exclude merger related expenses, branch consolidation expenses, and net loss on equity investments. Refer to the Non-GAAP reconciliation in the Earnings Release for additional information.

Treasury Management Services

Accounts
Over 36,500

Balances
Over \$5.0 billion

Digital Acceptance

Promote digital solutions and demonstrate operational efficiencies for our commercial customers.

Continuous Improvement

Commercial check volume continues to decrease as our customers initiate more ACH transactions through online banking.

Treasury Innovation

Investments in technology to enhance our Treasury Solutions and provide a robust online experience for our commercial customers.

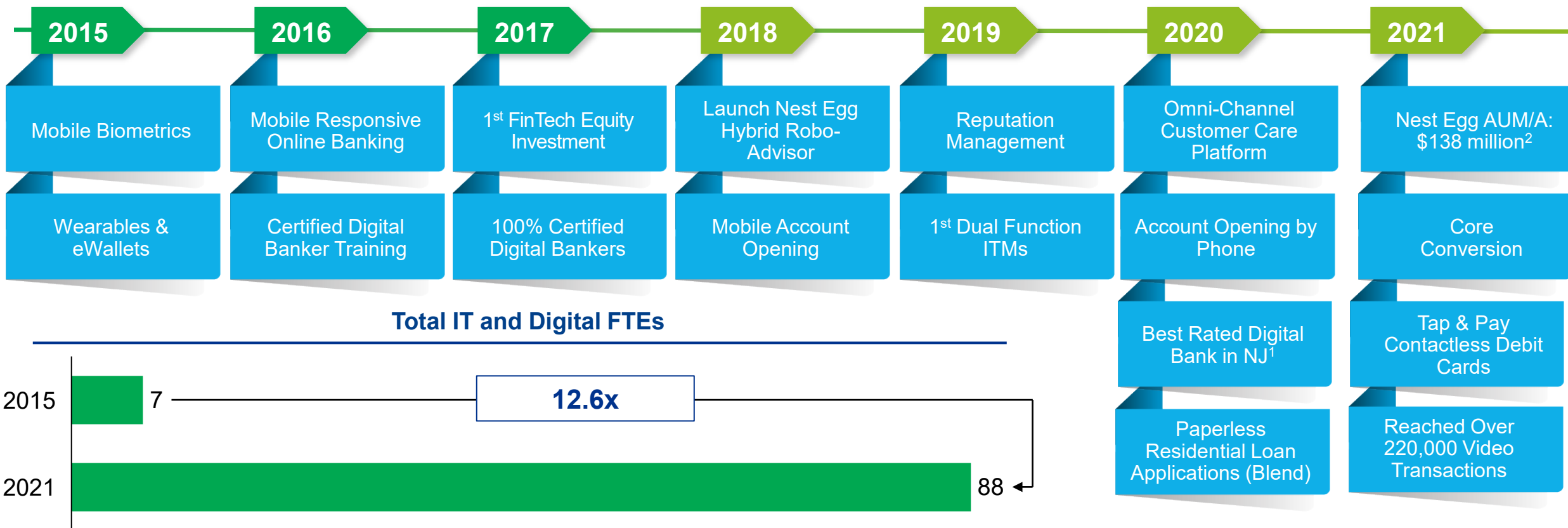
Treasury Management Solutions:

- ACH Origination, Receipts, Addenda Reporting and Debit Blocking
- Digital Account Opening
- Accept Multiple Forms of Payment
- Account Analysis Statements
- Business Online Banking
- Coin & Currency Ordering
- Commercial Card
- Investment Sweep
- Bill Pay
- Insured Cash Sweep (ICS)
- Escrow
- Foreign Wire
- Global Trade
- Initiate ACH and Wires Online
- Lockbox
- Merchant
- Remote Deposit Capture
- Payroll
- Positive Pay
- Zero Balance Accounts

Digital Transformation Has Been a Multi-Year Effort...

Continuous Investment in Talent and Technology

- Funded from ongoing earnings and branch consolidations



¹ Source: ratings from Google My Business, Google App Store, and Apple App Store

² As of Sept 30, 2021

...And is Preparing OceanFirst for 2022 and Beyond

Digitally Agile Bank



Google My Business Ownership
Targeted Digital Marketing
COVID Communications



Certified Digital Banker 2.0 (LMS)
CRM (CCC, TCS, OLB & OAO)
Digital LMS (OFB University)
Concur Invoice & Expense Mgmt.
Microsoft Teams

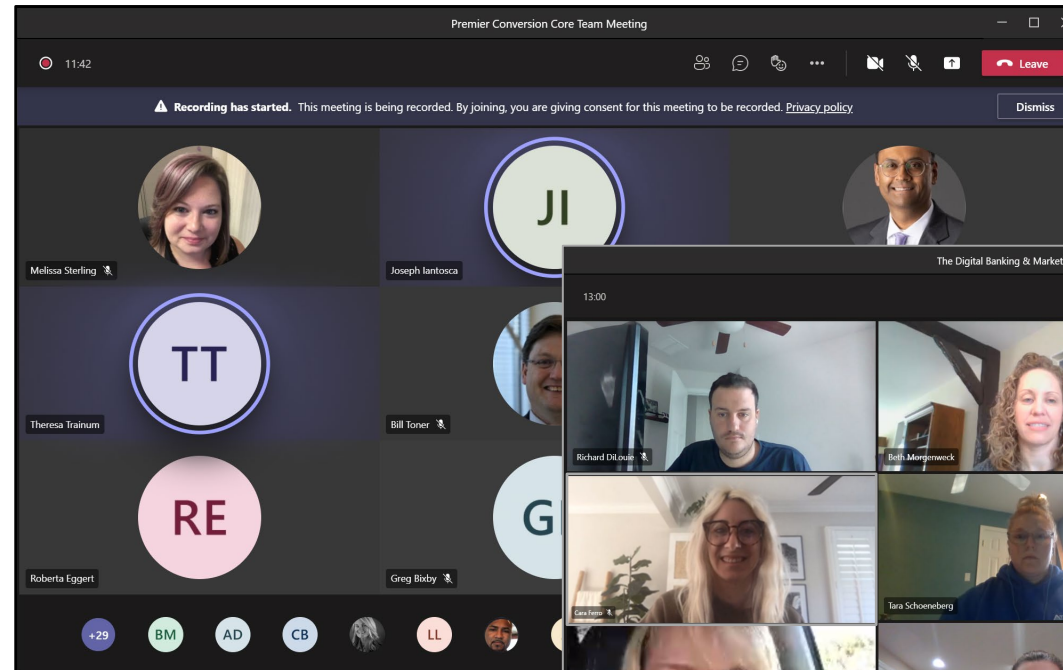


AIS Data Science
Monthly KPI Dashboards (OPS)
Site Monitoring & Response Plans
Cyber/Fraud Prevention
Data Classification



Nest Egg
Auxilior
JAM FINTOP

664 employees now able to work remotely*



58 Branches Successfully Consolidated



Positive Customer Response to our Digital Capabilities

Mobile Capabilities Survey¹

(# of Features, Out of 18)

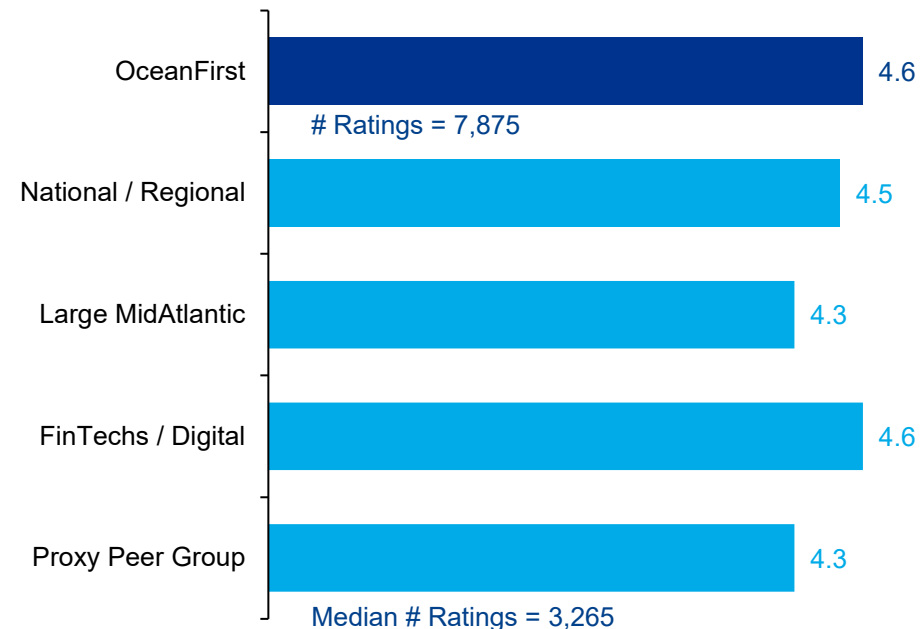


• A few notables include:

- BofA 17
- Chase 16
- USAA 14
- TD 8

Mobile App Customer Ratings²

(Apple & Google)



• A few notables include:

- USAA 4.8
- Chime 4.7
- Chase 4.7
- M&T 4.5

Digital Customer Acquisition

Attaining Scale...

- Online application commenced¹ rate of 51% vs our peers at 37%.
- Retail Checking opened in 3Q 2021:
 - Online account openings (OAO) exceeded average branch openings by 7x (338 OAO vs 50 branch average).
 - Accounts opened online exceed the number of accounts opened in 18 of 58 (31%) branches.

... And Attracting Valuable Customers

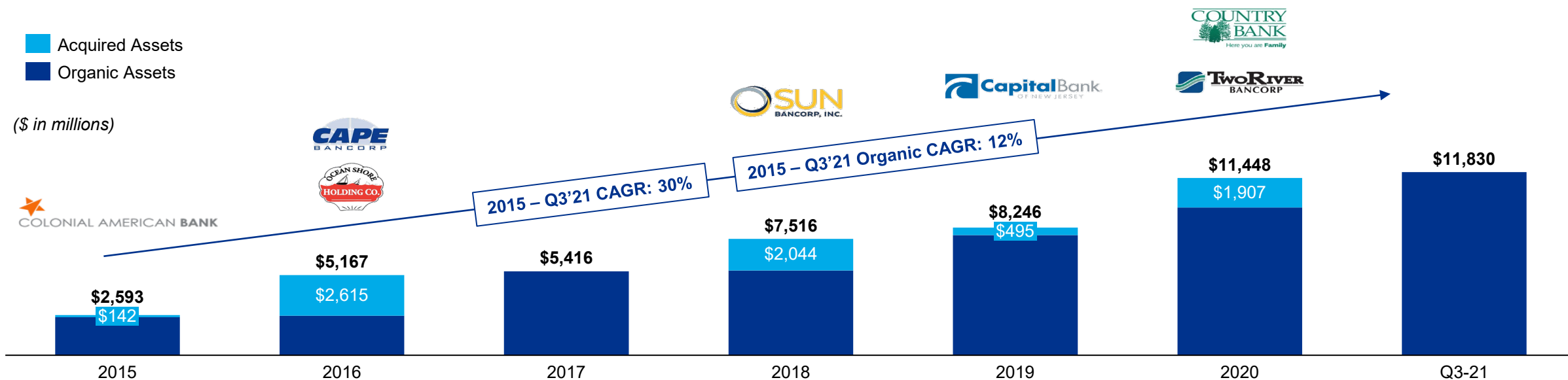
Customer Usage Statistics	Online	Branch
Digital Usage	93% ²	76% ²
Mobile Usage	90% ²	59% ²
Direct Deposits / Month	2.66 ³	1.91 ³
Mobile Deposits / Month	0.40 ³	0.27 ³
Debit Card Transactions / Month	23.48 ³	21.50 ³
Average Balance	\$10,312 ²	\$37,306 ²

⁽¹⁾ Accounts successfully opened.

⁽²⁾ Retail checking accounts opened January through June 2021 as of September 30, 2021.

⁽³⁾ Retail checking accounts opened January through March 2021 as of June 30, 2021.

Asset Growth Supplemented by Strategic M&A



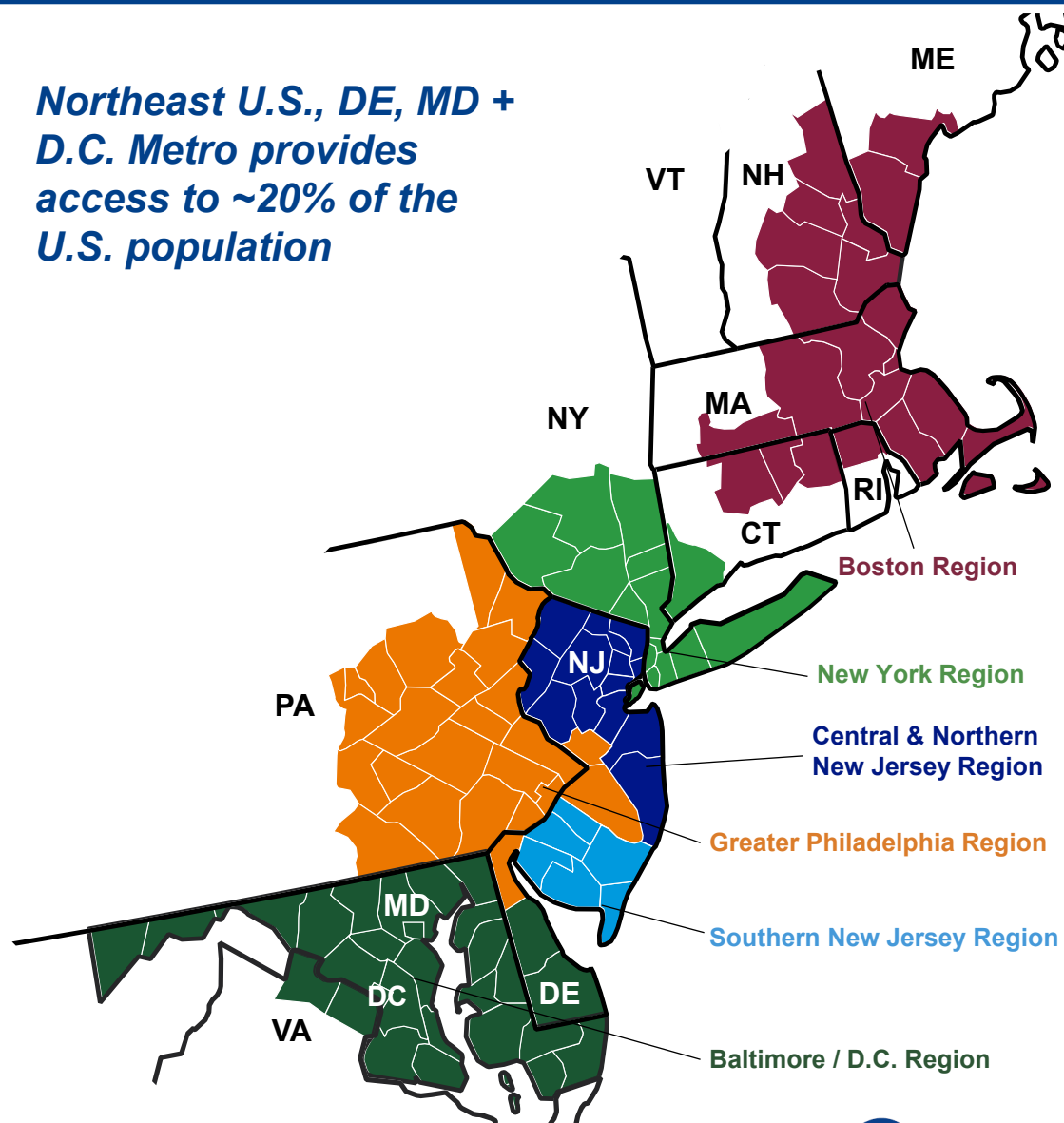
Target	Closing Date	Transaction Value	Total Assets
Colonial American Bank	July 31, 2015	~\$12 million	\$142 million
Cape Bancorp	May 2, 2016	~\$196 million	\$1,518 million
Ocean Shore Holding Co.	November 30, 2016	~\$146 million	\$1,097 million
Sun Bancorp, Inc.	January 31, 2018	~\$475 million	\$2,044 million
Capital Bank of New Jersey	January 31, 2019	~\$77 million	\$495 million
Two River Bancorp	January 1, 2020	~\$197 million	\$1,109 million
Country Bank Holding Company Inc.	January 1, 2020	~\$113 million	\$798 million

Weighted average¹: Price/Tangible Book Value 158%; Core Deposit Premium 9.0%

Northeast and Mid-Atlantic Expansion Opportunities¹

- New Jersey is an attractive market
 - Statewide total population of 9.3 million
 - Most densely populated state
 - 11th most populous state
 - Median household income of \$82,545
- Significant opportunities for acquisitions to build customer base
- Support expansion in Pennsylvania, Metropolitan New York, Boston, Baltimore, and Washington D.C.

Northeast U.S., DE, MD + D.C. Metro provides access to ~20% of the U.S. population



⁽¹⁾ Figures below are based on the U.S. Census Bureau

Experienced Management Team with Banking Expertise

Executive	Title	Years Experience ¹	Select Experience
Christopher D. Maher	Chairman & Chief Executive Officer	8	<ul style="list-style-type: none"> • Director of the Federal Reserve Bank of Philadelphia • Former President and CEO of Patriot National Bancorp • Former EVP at Dime Community Bancshares, Inc.
Joseph J. Lebel III	President & Chief Operating Officer	15	<ul style="list-style-type: none"> • Previously worked at Wachovia Bank for 22 years • Additionally, serves as a Member of the Board for the New Jersey Chamber of Commerce
Michael J. Fitzpatrick	Executive Vice President & Chief Financial Officer	29	<ul style="list-style-type: none"> • Prior to joining OceanFirst, served as a Senior Audit Manager - Banking Industry Specialist for KPMG
Steven J. Tsimbinos	Executive Vice President, General Counsel & Corporate Secretary	11	<ul style="list-style-type: none"> • Thacher Proffit & Wood • Lowenstein Sandler PC
Grace M. Vallacchi	Executive Vice President & Chief Risk Officer	4	<ul style="list-style-type: none"> • Office of the Comptroller of the Currency • First Fidelity
Michele Estep	Executive Vice President & Chief Administrative Officer	13	<ul style="list-style-type: none"> • Sun National Bancorp • Key Bank
Karthik Sridharan	Executive Vice President & Chief Information Officer	2	<ul style="list-style-type: none"> • Citigroup • JP Morgan Chase • Bank of America

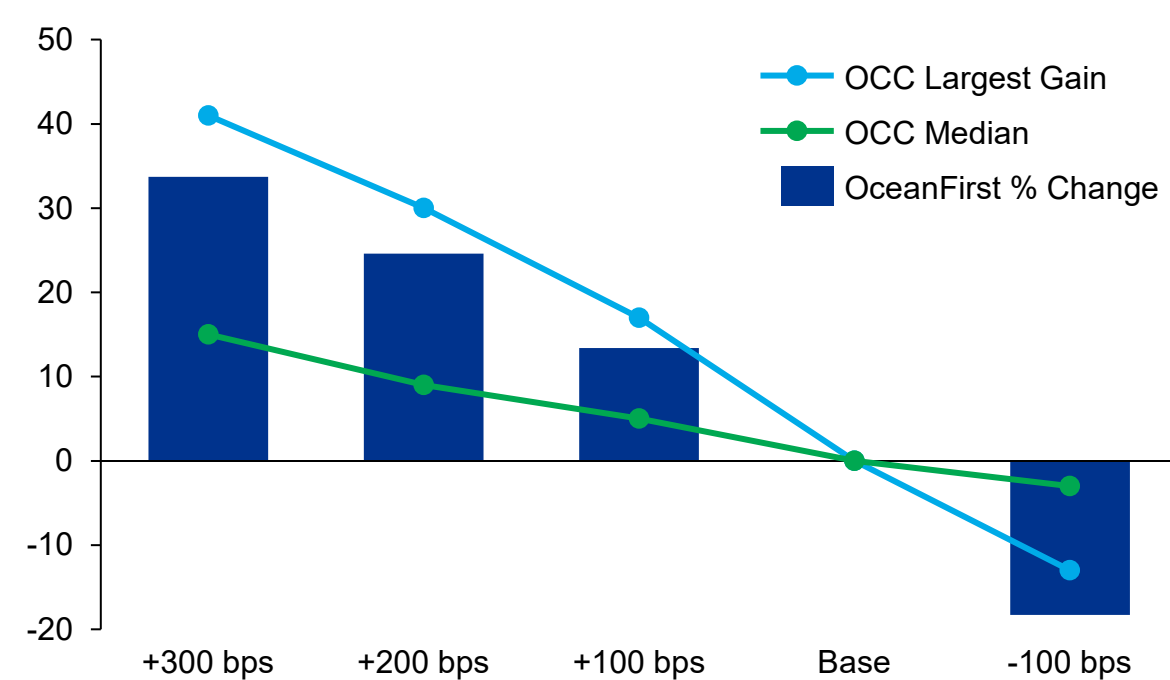
Substantial insider ownership of 9%, including Directors, Executive Officers, ESOP and OceanFirst Foundation.

⁽¹⁾ Includes years at acquired banks.

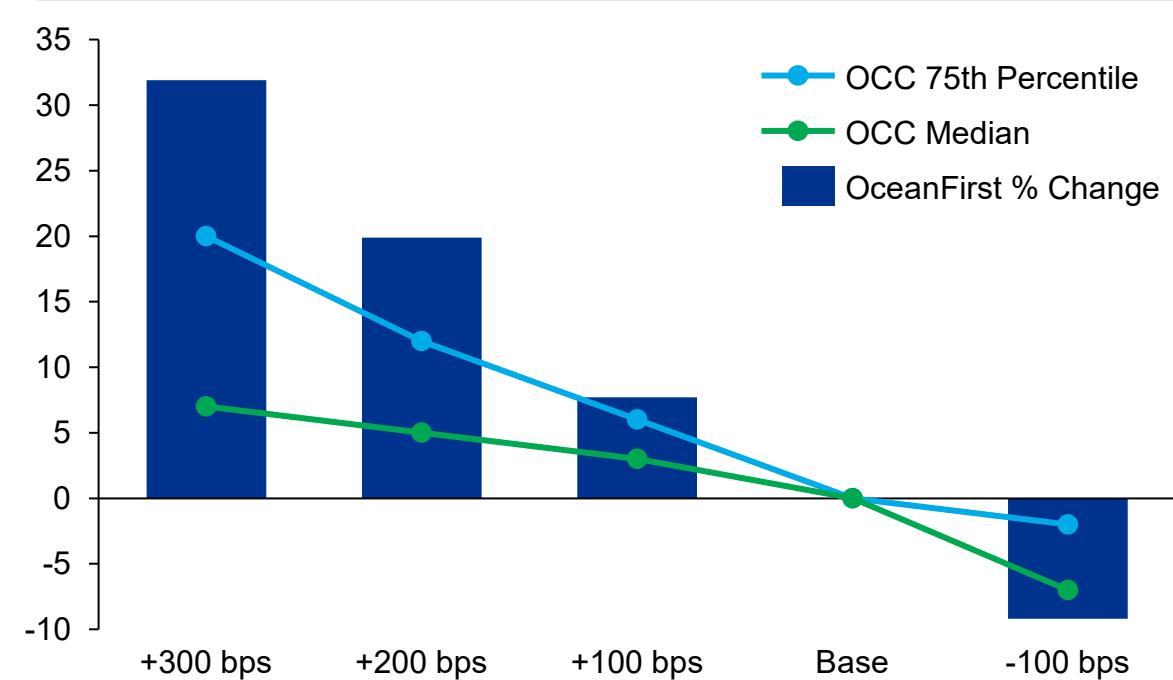
Appendix

Interest Rate Sensitivity (1 of 2)

Change in Economic Value of Equity (EVE)¹



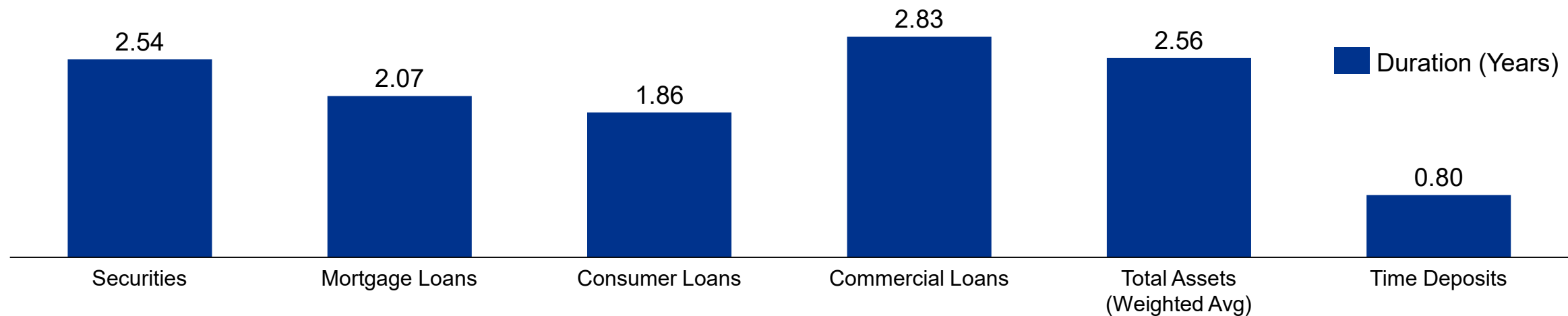
Earnings at Risk (EAR)¹



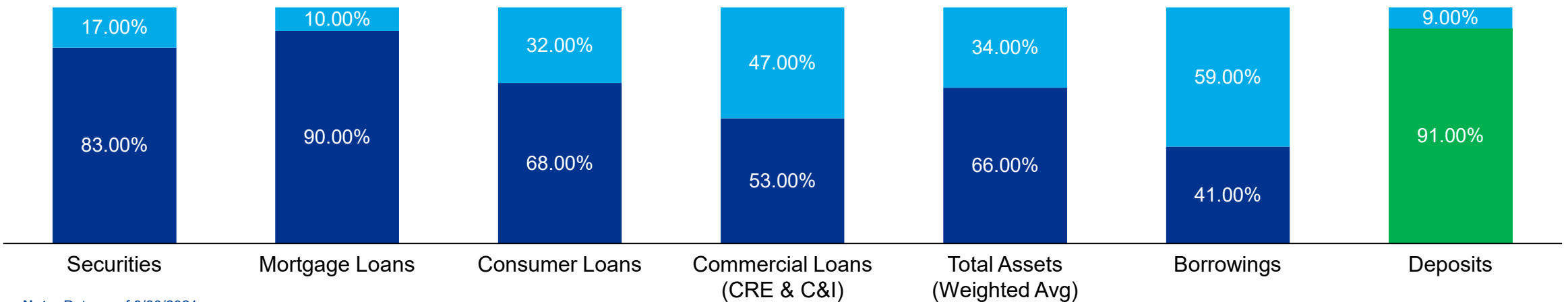
- OceanFirst Bank balance sheet is highly interest rate sensitive relative to other banks >\$10 billion in assets. Any upward change in the rate environment would have a significant impact to our performance going forward.
- EVE change ranks among the highest percentile of OCC examined banks with assets >\$10 billion.
- EAR (or 1 year change in NII) ranked among the 75th percentile of OCC examined banks with assets >\$10 billion.

Interest Rate Sensitivity (2 of 2)

Asset and Liability Duration (Years)

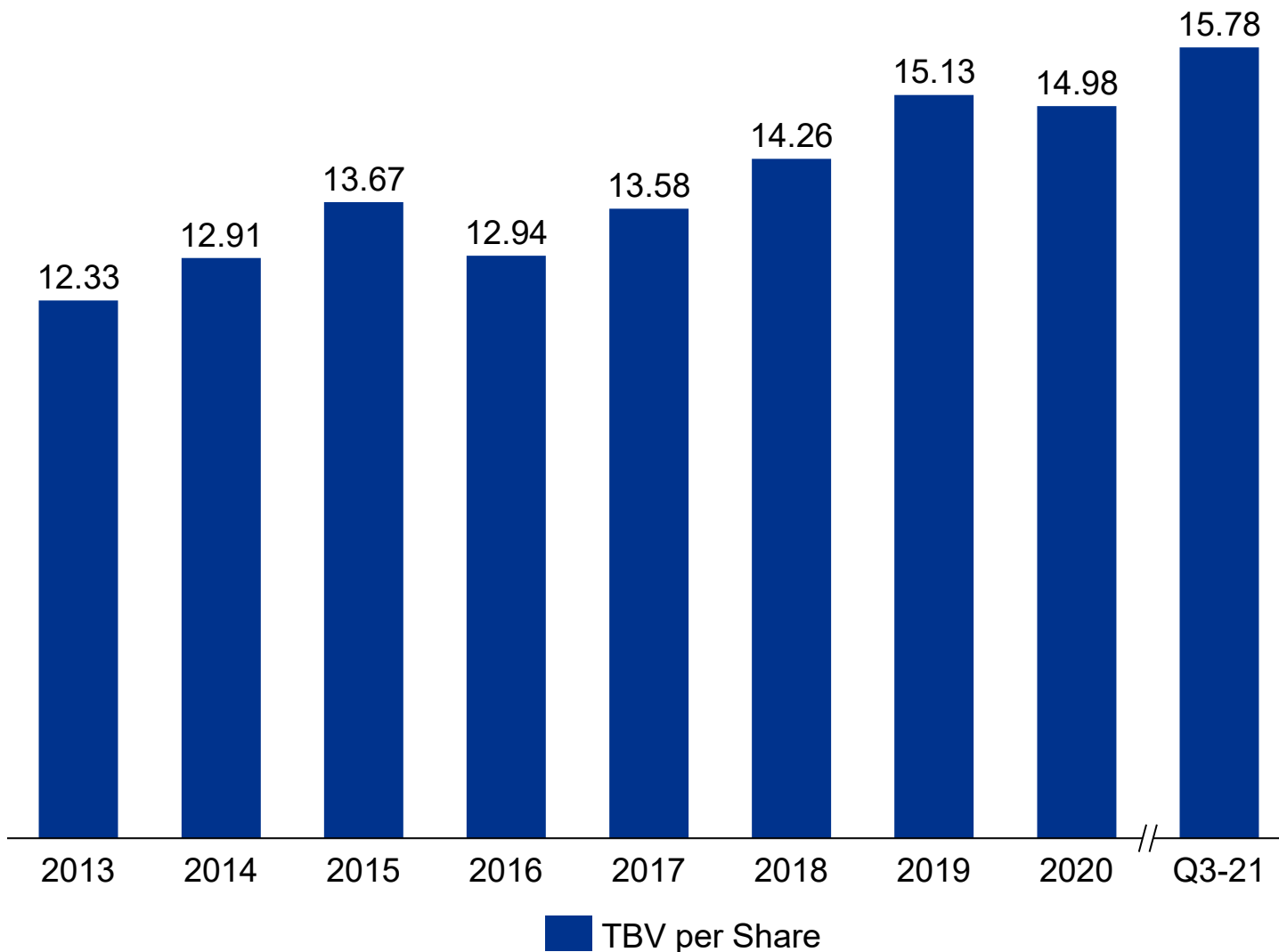


Rate Characteristics



Note: Data as of 9/30/2021

Tangible Book Value (TBV) per Common Share¹ Trajectory



- TBV per share growth totaled 26.4% since 2013. The modest growth in TBV/share can be attributed to: (i) minimally dilutive acquisitions; (ii) stock buybacks; and (iii) a healthy and consistent dividend.

⁽¹⁾ Tangible book value per common share excludes goodwill, core deposit intangible, and preferred equity. Refer to the Non-GAAP reconciliation in the Earnings Release for additional information.

Quarterly Non-GAAP / Adjusted to GAAP Disclosure

Reported amounts are presented in accordance with generally accepted accounting principles in the United States (“GAAP”). The Company’s management believes that the supplemental Non-GAAP information, which consists of reported net income excluding non-core operations, which can vary from period to period, provides a better comparison of period to period operating performance. Additionally, the Company believes this information is utilized by regulators and market analysts to evaluate a company’s financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for financial results in accordance with GAAP, nor are they necessarily comparable to Non-GAAP performance measures which may be presented by other companies.

Non-GAAP Financial Information

Non-GAAP Reconciliation

\$'000	For the Three Months Ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Core Earnings:					
Net income (loss) available to common stockholders (GAAP)	23,163	29,551	31,693	32,060	(6,019)
Add (less) non-recurring and non-core items:					
Merger related expenses	225	446	381	1,194	3,156
Branch consolidation expenses	4,014	26	1,011	3,336	830
Net loss (gain) on equity investments	466	(576)	(8,287)	(24,487)	3,576
FHLB advance prepayment fees	-	-	-	13,333	-
Gain on sale of PPP loans	-	-	-	(5,101)	-
Income tax (benefit) / expense on items	(1,138)	26	1,666	2,832	(1,809)
Core earnings (loss) (Non-GAAP)	26,730	29,473	26,464	23,167	(266)

- [Refer to the Earnings Release for additional information.](#)