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Welcome to the OceanFirst Financial Corp. 2018 Annual Stockholder Meeting

MAY 31, 2018



OceanFirst Financial Corp.

2018 Annual Stockholder Meeting

Christopher D. Maher

Chairman, President & CEO

MAY 31, 2018

Forward Looking Statements



In addition to historical information, this presentation 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 the Company. 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: 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, 2017, 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. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.



Discussion Topics

- A Look Back
 - Strategic Initiatives 2013-2018
 - Performance Metrics 2013-2018
- Current Results
 - First Quarter 2018 Highlights
 - Generating Attractive Returns
- A Look Forward
 - Strategic Focus 2018-2023
 - Data Driven Digital Strategy
 - Strategic Objectives 2018-2023
- Foundation Update
- Questions & Answers

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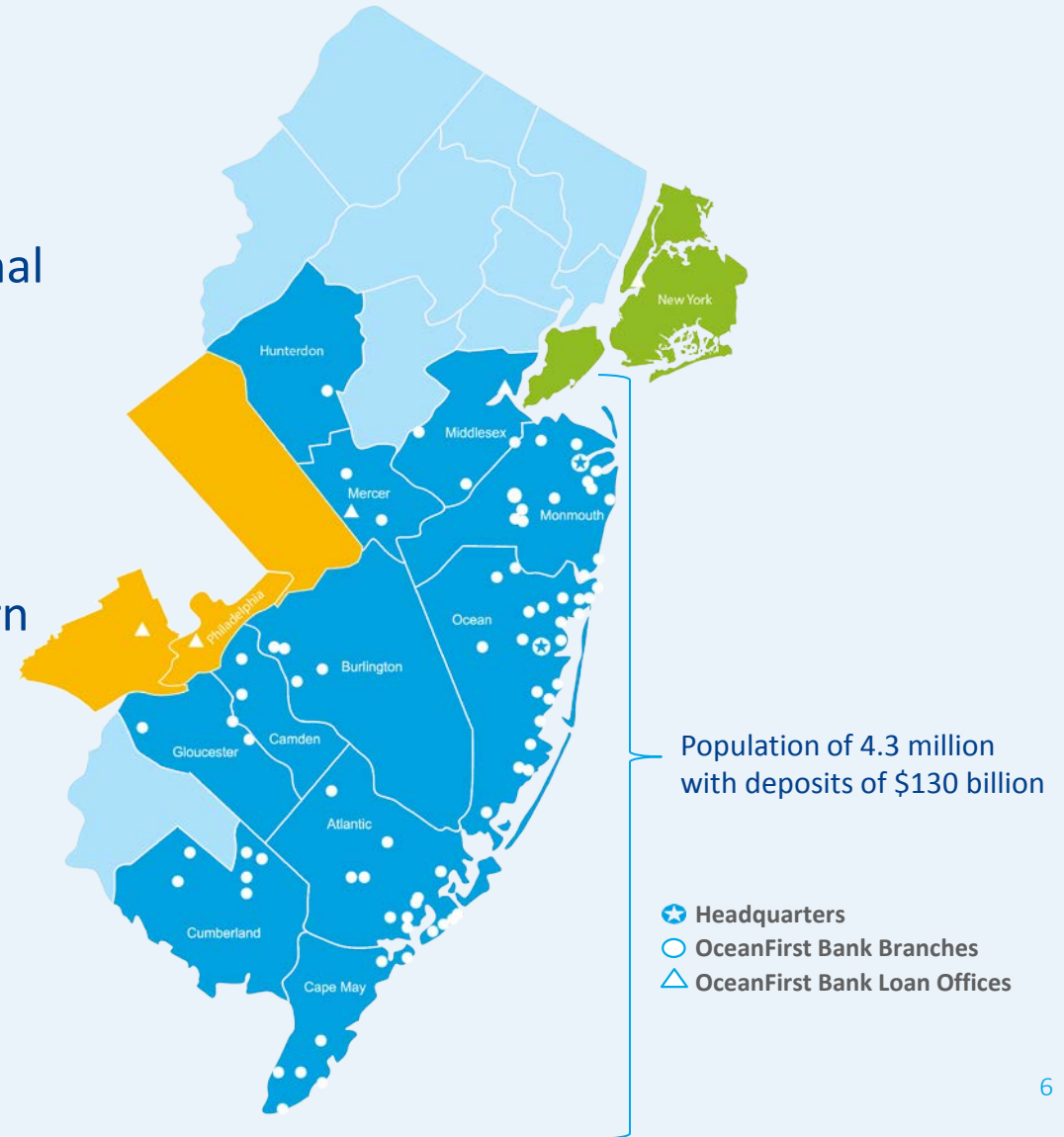


A Look Back



OceanFirst Financial Corp.

- NASDAQ: OCFC
- Market Cap: \$1.3 billion¹
- Bank Holding Company with National Bank Subsidiary
- Founded in 1902
- Asset Value of \$7.5 billion
- 76 Branches in Central and Southern New Jersey



¹ As of April 30, 2018

Strategic Initiatives: 2013-2018



- Reduced emphasis in non-strategic businesses
 - Consolidated branches
 - Exited agency loan servicing (Fannie Mae and Freddie Mac)
 - Improved residential lending efficiency – paperless origination
- Invested in commercial lending
 - Commercial lending staff additions
 - Salesforce & nCino Lending Systems
- Improved asset quality
 - Accelerated residential resolutions
- Used acquisitions to improve operating scale
 - Colonial American Bank
 - Cape Bank
 - Ocean City Home Bank
 - Sun National Bank

Performance Results: 2013-2018



	Q1 2013	Q1 2018 ¹	% of Change
Core EPS	\$0.26	\$0.45	↑73.1%
Share Price ²	\$14.42	\$26.75	↑85.5%
P/TBVPS	116%	198%	↑70.7%
Net Interest Margin	3.16%	3.70%	↑17.1%
Core Efficiency Ratio	61.49%	59.59%	↓3.1%
Core Return on Assets	0.77%	1.19%	↑54.5%
Core Return on Tangible Common Equity	8.06%	14.07%	↑74.6%
Non-Performing Loans/Total Loans	3.11%	0.34%	↓89.1%
	OCFC³	S&P 500³	PEERS³
Total Shareholder Returns – 5-year average	17.1%	15.8%	13.7%

¹2018 results reflect core performance figures which exclude the after-tax impact of merger related and branch consolidation expenses.

²As of 3/31.

³As reported by Glass Lewis. Peers are based on the industry segmentation of the global industrial classification systems (GICS).





Current Results



First Quarter 2018 Highlights



Financial Highlights

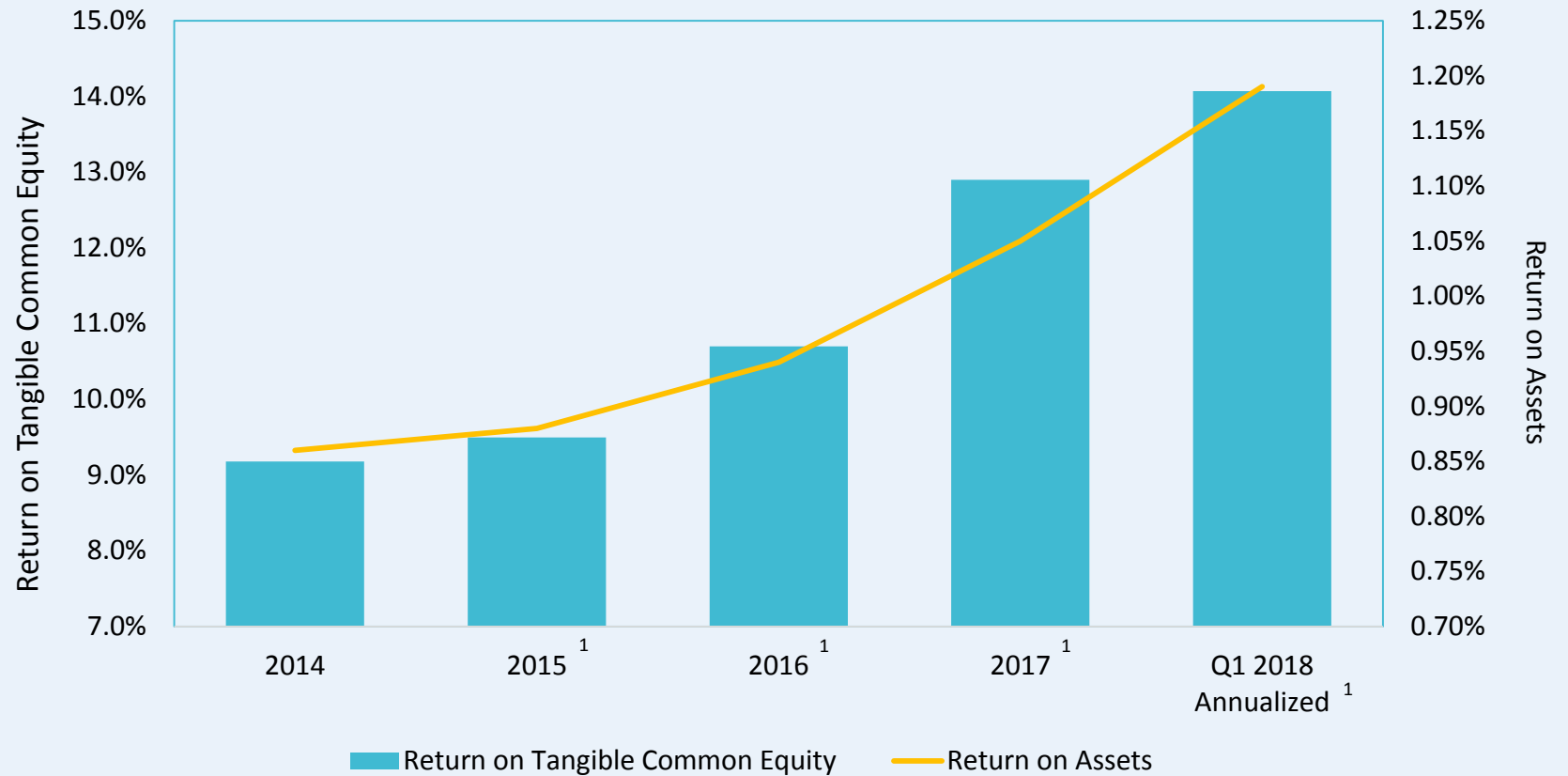
- Core Net Income of \$20 million
 - Up 53% y/y
- Core Diluted EPS of \$0.45
 - Up 13% y/y
- Net Interest Margin of 3.70%
 - Up 14 basis points y/y
- Core Efficiency Ratio of 59.6%
 - Down from 61.6% y/y
- Quarterly Dividend \$0.15 per share
 - 85th consecutive quarter
 - 33% payout on core earnings

Operational Highlights

- Acquisition of Sun Bancorp, Inc. completed on January 31, 2018 with full integration planned for Q2 2018
- Branch consolidation
 - 17 scheduled for Q2 2018
- Core deposits¹ represent 84% of total deposits, an effective hedge against rising interest rates, with cost of deposits rising 1 bps from Q4 2017

¹All deposits except certificates of deposit

Generating Consistent Attractive Returns



- Continued focus on improving efficiencies through acquisition synergies and branch consolidations

¹ For 2015, 2016, 2017 and 2018, excludes merger related expenses. For 2016, also excludes Federal Home Loan Bank prepayment fee and loss on sale of investment securities. For 2017, also excludes the effect of accelerated stock award expense and branch consolidation expense. For 2018, also excludes effect of branch consolidation expense.



A Look Forward



Strategic Focus: 2018-2023



- Continue to Invest in Commercial Banking
 - Corporate cash management
 - Interest rate swaps
- Develop Digital Banking Competition Advantage
 - Launch multi-channel contact center
 - Improve staff competencies and incentive structures
 - Deploy low-cost mass market products
- Improve Operating Efficiency and Risk Management
 - Back office consolidation
 - Reposition retail network
 - Adopt intelligent technologies



Data Driven Digital Strategy



Mobile Deposits
Up 56% y/y

Mobile Activations
Up 21% y/y

Retail Online
Banking
Registration up
45% y/y

68,000+ Monthly
Bills Paid Digitally

Certified Digital
Banker Training
Launched in 4Q17

154 Certified
Digital Bankers

Digital Offerings

- Online Banking
- Mobile Banking Apps
- Biometric ID Verification
- Remote Check Deposit
- Bill Pay
- Pop Money P2P
- Money Management
- Online Account Opening
- Apple Pay, Samsung Pay and Google Pay
- Digital Loyalty Programs
- CardValet Fraud Mitigation
- Video Banking

- **Delivering results that are measurable, repeatable, and scalable, which:**

- Increase customer retention
- Increase share of wallet
- Reduce cost to serve
- Anticipate and support evolving customer needs

Strategic Objectives: 2018-2023

- Expand Human Capital – Breadth & Depth
- Demonstrate consistent and broad top quality performance
 - ROA
 - ROTCE
 - Net interest margin
 - Efficiency ratio
 - Asset quality
 - Regulatory compliance
- Develop product line
 - Consumer banking
 - Commercial banking
- Use direct bank platform to extract market leadership in core markets
- Improve operating scale with organic growth and acquisitions
 - Focus on existing geography (PA/NJ/NY) with expansion into contiguous areas
- Maintain record of risk management and regulatory compliance





Foundation Update



OceanFirst Foundation: Serving Our Communities



- Over \$35.2 million has been granted to organizations serving OceanFirst's market
- Provided \$500,000 in grants dedicated to assisting our neighbors after Superstorm Sandy devastated the Jersey Shore in 2012
- First foundation established in the country during a mutual conversion to IPO (July 1996)
- Completed merger of Cape Foundation into OceanFirst Foundation in 2016 and merger of Ocean City Home Foundation in 2017
- OceanFirst Foundation has assets of \$35.7 million



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Questions and Answer Session

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Thank You