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Puerto Rico's Financial Sector Flourishes with Birling's PR Stock Index 32.63% Return for 2023

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From Crisis of Confidence to Superb Success

In the grand narrative of the Birling Capital Puerto Rico Stock Index, we find ourselves traversing the financial landscape akin to the sweeping tales spun against the backdrop of Puerto Rico; this Index unfolds as a story of triumph, resilience, and the indomitable spirit of its economic entities.

Consider, if you will, a canvas painted with the hues of NYSE and NASDAQ, where the Birling Capital Puerto Rico Stock Index stands as a testament to the island's financial mettle. Our storytelling presents a curated ensemble of companies deeply rooted in Puerto Rico's fertile economic soil, emphasizing bank-holding behemoths and a lone tech trailblazer.

Transport yourself back to the turbulent days of March 2023, a chapter marked by a crisis of confidence that shook our protagonists – Popular, First Bankcorp, and OFG Bancorp. The dramatic turn as they collectively weathered the storm, witnessing a staggering \$2.537 billion market cap decline. The Birling Capital Puerto Rico Stock Index, mirroring the uncertainty, plummeted from 2,520.76 to 2,273.19 points, echoing a poignant -18.97% negative return. Individual tales unfolded, with Popular, Inc. leading the charge with a compelling -28.71% decrease, followed by First Bank with -22.57% and Oriental with -15.23%.

Fast forward to the present, and the Birling Capital Puerto Rico Stock Index emerged as the phoenix of 2023, boasting a resounding 32.63% return for 2023. The Birling Capital Puerto Rico Stock Index began its journey at 2,520.74 points; it concluded on December 29, 2023, at a triumphant 3,343.32 points, a growth of 822.58 points, and had anyone made a \$25,000 investment in the Index at the beginning of 2023 it would have netted a gain of \$8,157.50.

Despite the challenges faced in 2023, the Puerto Rico banks demonstrated resilience, with impressive results in total revenues and net income, suggesting a promising outlook for 2024. As we approach the new year amidst uncertainties, comprehensive data analysis becomes pivotal in guiding financial goals. Signals of averting a potential recession, as reflected in the U.S. delivering a 3.30% GDP growth for Q4 2023, also the latest GDPNow has a 4.20% GDP Forecast for the first quarter of 2024 and a PCE falling to 2.60%, emphasize the importance of informed decision-making in navigating the financial landscape.

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The journey of the top three banks encountered formidable challenges in 2023, marked by significant downturns reminiscent of the Great Financial Crisis. Silicon Valley Bank and Signature Bank faced collapses in March, ranking second and third-largest bank failures in U.S. history. This unsettling trend continued with the subsequent fall of Credit Suisse, a massive "Too Big To Fail Institution" with assets totaling \$1.4 trillion. Three additional bank failures unfolded during the year, underscoring the gravity of economic challenges and unprecedented disruptions in the banking sector.

The returns of the top five indices for 2023, ranked by returns, were as follows:

- Nasdaq Composite: **43.42%**
- Birling Puerto Rico Stock Index: **32.63%**
- S&P 500: **24.23%**
- Dow Jones Industrial Average: **13.70%**
- Birling Capital U.S. Bank Index: **18.23%**

Examining the top three banks provides insights into their performance in 2023:

- **OFG Bancorp. (OFG):** Reported 4Q23 revenues of \$175.6 million, up 4.33%, and Net Income of \$46.597 million, up 0.49%. With a stock price objective of \$41.25, OFG surpassed estimates, closing 2/2/24 at \$36.69 and with a Tier 1 Capital of 14.12%. **Oriental achieved a total return of 35.99%**, beating the Dow Jones, S&P 500, Birling P.R. Stock Index, and Birling U.S. Bank Index while lagging the Nasdaq. Full Year 2023 Net Income Reached \$181,872. However, we must consider that at the height of the bank crisis, Oriental had a -15.23 % return, and the stock has improved 336.60% since then.
- **First Bancorp (FBP):** It reported 4Q23 revenues of \$196.7 million and net income of \$79.5 million, down 3.04%. Surpassing estimates, First Bancorp closed 2/2/24 at \$16.65, with Tier1 Capital of 16.10%. **FirstBank achieved a total return of 29.32%**, beating the Dow Jones, S&P 500, Birling PR Stock Index, and Birling U.S. Bank Index while lagging the Nasdaq. Full Year 2023 Net Income Reached \$302,864. However, we must consider that at the height of the bank crisis, First had a -22.57 % return, and the stock has improved by 229.79% since then.
- **Popular, Inc. (BPOP):** Reported 4Q23 revenues of \$455.517 million and net income of \$94.594 million, down 63.21%, topping estimates adjusted for non-recurring items and Tier 1 Capital 16.36% and the stock **closed** on 2/2/24 at \$86.20. **Popular delivered a total return for 2023 of 23.75%**, which underperformed the S&P, Nasdaq, and Birling PR Stock Index, beating the Dow Jones and the Birling U.S. Bank Index. Full Year 2023 Net Income Reached \$541,342. However, at the height of the bank crisis, Popular had a -28.71 % return, and the stock has improved by 182.73% since then.



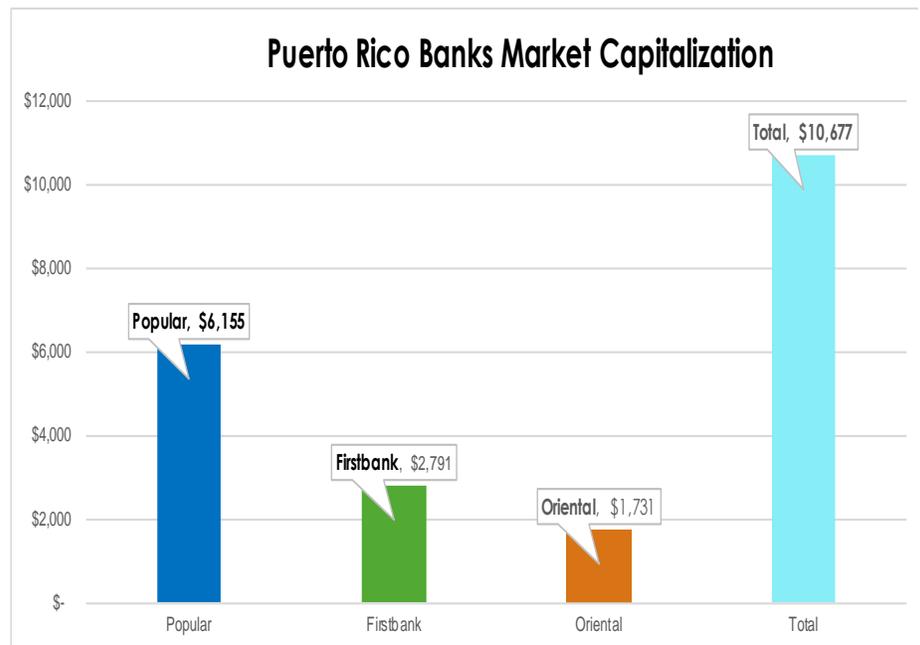
Birling Puerto Rico Stock Index Bank Holding Companies Returns for 2023



The Last Word: Puerto Rico Banks Primed for Growth with Total Assets of \$101.012 Billion

In conclusion, evaluating Puerto Rico's public bank holding companies and constituents of the Birling Capital Puerto Rico Stock Index unveils a compelling narrative marked by strength, stability, and growth amidst the global challenges that have impacted financial institutions. Undaunted by external uncertainties, these companies showcase remarkable resilience, which is evident in their robust financial indicators and positive trajectory.

According to the latest report, the collective performance of The Birling Capital Puerto Rico Stock Index bank holding companies reveals an impressive Consolidated Total Assets of \$101.012 billion. This substantial financial foundation is the cornerstone of their operations, providing a sturdy platform to navigate the intricate dynamics of the global economic landscape. Furthermore, the Consolidated Net Income of \$1,026,082 billion indicates profitability and a strategic, practical business model that consistently generates sustainable returns.



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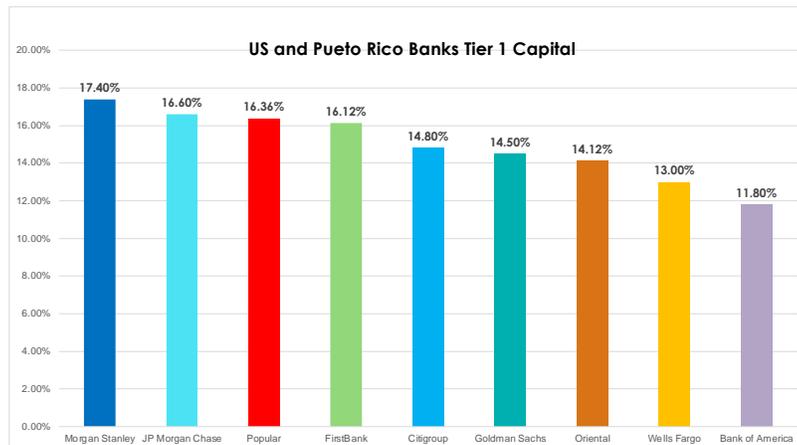
A particularly noteworthy highlight is the Consolidated Market Capitalization, which stands at an impressive \$10,676 billion. Birling Puerto Rico Stock Index returned a whopping 32.63%, which underscores the market's confidence in these companies and signals their prominence and influence within Puerto Rico's economic ecosystem.

Puerto Rico Banks' Tier 1 Capital in Focus

A highly relevant data is our comparison of Tier 1 Capital among the top six U.S. banks including Bank of America, Citigroup, Goldman Sachs, JP Morgan Chase, Morgan Stanley and Wells Fargo compared to Popular, Firstbank and Oriental, note that Popular ranks #3, Firstbank #4 and Oriental #7, surpassing banks considered "Too Big to Fail".



US and Puerto Rico Banks Ranked By Tier 1 Capital



The Birling Capital Puerto Rico Stock Index Companies Report provides more than just financial figures; it tells a story of adaptability, foresight, and strategic prowess.

“Impossible is not a fact; it’s an opinion. Impossible is not a declaration; It’s a Dare. Impossible is potential, Impossible is temporary, Impossible is nothing”. Muhammad Ali



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