



Sustainability Accounting Standards Board (SASB) Disclosures

Environmental, Social and Governance Program Overview

OFG Bancorp's mission is to help make possible the progress of our clients, employees, shareholders, and the communities we serve. In turn, this mission drives our Environmental, Social and Governance (ESG) Program.

We believe that by investing in the development of long-term, mutually beneficial relationships with our clients, employees, shareholders, and the communities we serve, we will increase our resiliency to face challenges and our ability to achieve long-term success.

OFG's Board of Directors adopted an Environmental, Social and Governance Policy directing OFG to strive to be environmentally and socially sustainable within an effective governance framework.

The ESG Policy also establishes OFG's commitment to report to its stakeholders its performance on ESG matters on an annual basis in accordance with established reporting frameworks.

Initially, OFG has decided to report to shareholders based on the standards established by the Sustainability Accounting Standards Board for its material business lines, commercial banking, mortgage finance and consumer finance.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Commercial Banks / Consumer Finance / Data Security		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	During the year ended June 30, 2020, there was one data breach event that involved the potential exposure of personally identifiable financial information for individuals that represented less than 1% of OFG’s consumer clients. The investigation did not detect unauthorized access of any clients’ personally identifiable financial information, and OFG determined that the risk of any actual exposure of such information was very low. In response to the event, OFG notified all potentially affected individuals identified and offered to provide credit monitoring services. In addition, OFG implemented additional security protocols to prevent similar breaches in the future.
FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	OFG has an Information Security Program (the “ISP”) approved by its Board of Directors that establishes a framework for managing information security risk and protecting information assets, including the privacy, confidentiality and security of confidential corporate information and non-public personal information of customers and employees. The ISP applies to all employees of OFG and its affiliates and requires them protect sensitive confidential information as a vital asset of OFG. As required by the ISP, OFG has an Information Security Officer (ISO) and a Chief Information Officer (CIO) that are responsible for implementing the ISP to protect sensitive confidential information. OFG’s ISO and CIO have established Data Governance Guidelines, Information Management Guidelines, a Cyber Security Framework, and an Incident Response Plan. Our Information Security Officer performs an annual risk assessment to identify threats and develops risk-based action plans for addressing the identified threats, oversees the process of establishing third-party service provider arrangements that have access to sensitive confidential information, develops and oversees the performance of an annual training plan and an annual testing plan. The implementation of the ISP is overseen by the Board Risk and Compliance Committee and the Executive Risk and Compliance Team, which receive regular reports in connection with the implementation of the ISP. OFG’s information security practices are also subject to audit by our Internal Audit Department and the FDIC pursuant to the Federal Financial Institutions Examination Council’s Information Technology Examination Handbook. OFG also has implemented an Identity Theft Red Flags Policy that identifies high risk factors indicative of identity theft. Pursuant to this policy, Oriental monitors potential indicators of a high risk of identity theft and implements controls to mitigate such risks.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Commercial Banks / Financial Inclusion & Capacity Building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	As of June 30, 2020, OFG had 9,399 outstanding loans qualified to programs designed to promote small business and community development with an outstanding balance of \$2.4 billion.
FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	As of June 30, 2020, the number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development were 487 and \$151.4 million, respectively.
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	<p>Our checking account, Cuenta Libre (which translates to Freedom Account), allows unbanked and underbanked consumers that sign up for electronic statements to open a deposit account with no minimum balance and no recurring monthly maintenance fees. The account permits clients to access essential account services through digital channels without incurring in any fees. With the Cuenta Libre, clients can:</p> <ul style="list-style-type: none"> • Receive their payroll automatically; • Deposit cash and checks at our ATMs; • Deposit checks through our mobile application; • Withdraw cash at our ATMs and affiliated ATM networks such as Allpoint; • Pay businesses with a debit card or through our online banking and mobile application; and • Use People Pay to pay individuals on our online banking and mobile application. <p>In addition, Cuenta Libre provides our clients with up to \$1.50 in statement credits for up to three cash withdrawal fees from non-affiliated ATMs if they maintain an average balance greater than \$1,000. Currently, we have approximately 117,000 Cuenta Libre accounts that are not charged a monthly fee because they signed up for electronic statements or qualify based on other eligibility requirements.</p>
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	OFG engages in financial literacy initiatives for its communities, which are designed to provide assistance to unbanked, underbanked or underserved customers. During the year ended June 30, 2020, OFG's staff participated in 15 community trainings for a total of 20.5 hours attended by 417 students and 35 children.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Commercial Banks / Incorporation of Environmental, Social, and Governance Factors in Credit Analysis		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	See Table on page 15
FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	<p>OFG considers social factors when determining whether to do business with certain customers or offer certain types of products and services, including loans. OFG’s Credit Policy prohibits the Bank from extending any loans that are illegal or will finance illegal enterprises and loans to minors and persons that are legally incapacitated.</p> <p>Moreover, OFG’s Bank Secrecy Act/Anti-Money Laundering Policy also establishes certain types of clients with which OFG generally does not do business and certain products and services that OFG does not offer. These prohibited businesses are generally inconsistent with OFG’s strategy of attracting consumers and small businesses in Puerto Rico and the U.S. Virgin Islands based on superior service and include shell companies, private investment companies, nominee incorporation services, offshore corporations, foreign banks, nonbanking financial institutions, embassies, individuals that are not residents of Puerto Rico or the U.S. Virgin Islands, gambling businesses, precious metal dealers, pawn shops, marijuana businesses, adult entertainment businesses and privately owned ATMs.</p> <p>OFG also does not offer products and services that present a high risk of money laundering, including payable upon proper identifications services, foreign correspondent banking accounts, international bulk shipments of currency, U.S. dollar drafts, payable through accounts, pouch activity, electronic cash, private banking services, international transportation of currency or monetary instruments, and international accounts with currency activity.</p> <p>OFG evaluates environmental risks in underwriting commercial mortgage loans and borrowers in high-risk industries. OFG’s Credit Policy seeks to ensure that Oriental does not incur in any responsibility under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”). Pursuant to the Credit Policy, OFG implements a periodic training plan for its employees, performs an environmental due diligence in the underwriting of its commercial mortgage loans and borrowers in high-risk industries, structures the credit documents to protect it from environmental liability, and performs ongoing monitoring of environmental risks during the life of the loan. OFG will refrain from extending credit to debtors that have environmental issues and from acquiring any contaminated properties through the foreclosure process.</p> <p>Pursuant to its newly adopted ESG Policy, OFG will evaluate its credit underwriting practices to consider environmental practices that should be incentivized consistent with OFG’s business strategy and as appropriate considering its size, complexity and market.</p>

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Commercial Banks / Business Ethics		
FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	For the year ended June 30, 2020, OFG's commercial bank business did not have any significant monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations.
FN-CB-510a.2	Description of whistleblower policies and procedures	OFG's Whistleblower Policy, which is publicly available through our investor relations website, www.ofgbancorp.com , provides that any interested party may submit any good faith complaint concerning accounting, auditing, securities law compliance and other related matters without fear of dismissal or retaliation of any kind. Such complaints may be submitted directly to management or to the independent members of the Board of Directors, including the Chairman of the Audit Committee, and may also be submitted anonymously through a whistleblower hotline, Ethics Point. All complaints are investigated under the supervision of the Audit Committee.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Commercial Banks / Systemic Risk Management		
FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	<p>OFG's bank subsidiary is a community bank operating almost exclusively in Puerto Rico and the U.S. Virgin Islands with less than \$10 billion in total assets. This metric is not applicable to OFG, which is not a Global Systemically Important Bank.</p>
FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	<p>We make sure we have adequate capital and liquidity to operate safely. OFG has a capital planning policies and procedures that govern capital management under the supervision of our Chief Financial Officer. These policies and procedures require OFG to maintain a capital plan that takes into consideration the risk profile and risk appetite established by the Board, regulatory capital requirements, the expected return on equity, and the cost of capital among other factors, baseline and stress scenarios, anticipated future activities that may require capital, and expected capital distributions. The capital plan is intended to identify any anticipated capital needs and establish contingency plans to meet any such needs.</p> <p>OFG and its bank subsidiary are both subject to and fully comply with regulatory capital requirements. As a bank with less than \$10 billion in total assets, OFG is not required by the Dodd Frank Act to perform annual stress test. Notwithstanding the foregoing, OFG performs an annual evaluation of the sufficiency of its capital and liquidity taking into consideration various possible adverse scenarios.</p> <p>The Board approved Capital Distributions Policy requires that the Board review and consider compliance with OFG's capital plan prior to approving any capital distribution.</p>
Commercial Banks / Activity Metric		
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	See Table on page 16
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	See Table on page 17

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Consumer Finance / Customer Privacy		
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	For the year ended June 30, 2020, the number of account holders whose information was used for secondary purposes, that is for cross-selling OFG's products and services, was 37,876.
FN-CF-220a.2	Number of account holders whose information is used for secondary purposes	For the year ended June 30, 2020, there were no losses identified as a result of legal proceedings associated with customer privacy.
Consumer Finance / Data Security		
FN-CF-230a.2	Card-related fraud losses from (1) card-not present fraud and (2) card-present and other fraud	For the year ended June 30, 2020, card-related fraud losses from card-not present fraud and card-present fraud were \$210,255 and \$238,902, respectively.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Consumer Finance / Selling Practices		
FN-CF-270a.1	Percentage of total remuneration for covered employees (sales employees) that is variable and linked to the amount of products and services sold	OFG's compensation of its sales employees does not promote unfair sales practices. OFG has both branch and outbound calling staff dedicated to selling its personal loans, auto loans, credit cards and personal lines of credit. OFG has over 30 incentive plans based on the position of the sales personnel. Sales employees have fixed salaries and receive incentive compensation on a monthly or quarterly basis based on their accomplishment of the established sales targets within each product category. Incentive compensation for such employees amounts to approximately 16.4% of their total compensation.
FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	OFG is in the process of implementing reporting in connection with this metric.
FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	OFG is in the process of implementing reporting in connection with this metric.
FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	OFG is not subject to examination or supervision by the CFPB. OFG's compliance with federal consumer financial compliance laws is subject to examination and supervision by the Federal Deposit Insurance Corporation (FDIC). During the year ended June 30, 2020, 24 complaints were filed with the FDIC, 16.7% received monetary or nonmonetary relief, 4.2% were disputed by a consumer, and 0% resulted in an investigation by the FDIC.
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	For the year ended June 30, 2020, there were no losses identified as a result of legal proceedings associated with consumer finance customer privacy.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Consumer Finance / Activity Metric		
FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	<p>OFG currently does not have information on the number of unique consumers with an active credit card account. OFG is in the process of implementing reporting on this metric.</p> <p>There were no consumers with an active pre-paid debit card account. Oriental Bank does not offer pre-paid debit card accounts.</p>
FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	As of June 30, 2020, the number of credit card account were 27,975, and there were no pre-paid debit card account. Oriental Bank does not offer pre-paid debit card accounts

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Mortgage Finance / Lending Practices		
FN-MF-270a.1	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	See Table on page 18
FN-MF-270a.2	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	See Table on page 19 . OFG currently does not have the information broken down by FICO scores. OFG is in the process of implementing reporting of the information by FICO scores for reporting starting on January 1, 2021.
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	For the year ended June 30, 2020, there were no significant losses identified associated with communications to mortgage finance customers or remuneration of mortgage finance loan originators.
FN-MF-270a.4	Description of remuneration structure of loan originators	Similarly, residential mortgage loan originators are paid a fixed salary and monthly or quarterly incentives based on the number and/or dollar amount of residential mortgage loans closed, with larger payouts based on greater production. There are seven different incentive plans depending on the position of the sales employee.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Mortgage Finance / Discriminatory Lending		
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	OFG is in the process of implementing reporting for this metric.
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	For the year ended June 30, 2020, there were no losses identified as a result of legal proceedings associated with discriminatory mortgage lending.
FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	OFG makes its commercial and consumer credit decisions based on the creditworthiness of its applicants pursuant to its Credit Policy approved by its Board of Directors. Both the Credit Policy and OFG's Regulatory Compliance Policy, also approved by its Board of Directors, prohibit discrimination based on impermissible bases in the loan production and underwriting process. As such, OFG does not discriminate based on a person's gender, race, ethnicity, national origin and other impermissible factors. These requirements are embedded in operational procedures and subject to audit by a Regulatory Consumer Compliance Department, Internal Audit, and OFG's federal and local bank regulators.

SASB Disclosure	Accounting Metric	2020 Location/Disclosure
Mortgage Finance / Environmental Risk to Mortgaged Properties		
FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	As of June 30, 2020, the number and value of mortgage loans in 100-year flood zones are 7,113 and \$728.0 million, respectively, excluding loans serviced by a sub servicer.
FN-MF-450a.2	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather related natural catastrophes, by geographic region	OFG does not perform this evaluation.
FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	<p>OFG evaluates environmental risks in underwriting commercial mortgage loans and borrowers in high-risk industries. OFG's Credit Policy seeks to ensure that OFG does not incur in any responsibility under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). Pursuant to the Credit Policy, OFG implements a periodic training plan for its employees, performs an environmental due diligence in the underwriting of its commercial mortgage loans and borrowers in high-risk industries, structures the credit documents to protect it from environmental liability, and performs ongoing monitoring of environmental risks during the life of the loan. OFG will refrain from extending credit to debtors that have environmental issues and from acquiring any contaminated properties through the foreclosure process.</p> <p>Pursuant to its newly adopted ESG Policy, OFG will evaluate its credit underwriting practices to consider environmental practices that should be incentivized consistent with OFG's business strategy and as appropriate considering its size, complexity and market.</p>
Mortgage Finance / Activity Metric		
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	See Table on page 20
FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	See Table on page 20

 **Tables**

FN-CB-410a.1	Table
--------------	-------

Commercial Banks / Incorporation of Environmental, Social, and Governance Factors in Credit Analysis

Commercial and Industrial Credit Exposure by Industry at June 30, 2020 (\$ in 000s)	Reporting Balance	Available Commitment	Consolidated	% of Total
Manufacturing	\$138,425	\$85,580	\$224,005	15%
Wholesale Trade	153,169	47,722	200,891	13%
Retail Trade	123,641	57,231	180,872	12%
Construction Services	73,905	98,279	172,184	11%
Finance and Insurance	114,656	47,884	162,540	11%
Health Care and Social Assistance	129,712	18,102	147,815	10%
Professional, Scientific, and Technical Services	87,092	18,480	105,572	7%
Accommodation & Food Services	96,292	3,039	99,332	7%
Real Estate and Rental and Leasing	47,207	8,413	55,620	4%
Information	47,438	2,243	49,681	3%
Administrative and Support and Waste Management	38,548	9,605	48,153	3%
Educational Services	22,449	13,173	35,621	2%
Utilities	20,736	11,116	31,852	2%
Total	\$1,093,271	\$420,867	\$1,514,138	100%

FN-CB-000.A	Table		
Commercial Banks / Activity Metric			

Deposit Accounts at June 30, 2020	Number	Value
Checking:		
Personal	254,362	\$1,978,159,921
Small Business	25,262	\$1,382,304,847
Savings:		
Personal	122,927	\$1,182,502,449
Small Business	2,092	\$378,432,903
Total	404,643	\$4,921,400,120

FN-CB-000.B	Table	
-------------	-------	--

Commercial Banks / Activity Metric

Loans at June 30, 2020	Number	Value
Personal	155,879	\$1,944,184,332
Small Business	12,806	\$380,806,672
Corporate	5,355	\$2,182,009,663
Total	174,040	\$4,507,000,667

FN-MF-270b.1 **Table**

Mortgage Finance / Lending Practices

Residential Mortgages (\$ in 000s) at June 30, 2020	Number		Loan Value	
	FICO ≤ 660	FICO > 660	FICO ≤ 660	FICO > 660
Hybrid or Option ARM	0	0	\$0	\$0
Higher Rate	2,301	11,556	\$85,407	\$324,719
Prepayment Penalty	0	0	\$0	\$0
Total	2,301	11,556	\$85,407	\$324,719

Notes

- FICO is divided by Reporting Balance
- Higher Price Loan = Rate > APOR + 1.5%
- Loans with missing maturity date information are considered 30-year term loans
- Loans with Origination Dates prior to the year 2000 are applied the same APOR Origination Date yield as loans originated in 1/3/2000; based on the earliest information concerning APOR

FN-MF-270a.2	Table		
Mortgage Finance / Lending Practices			

12 Months Ended June 30, 2020	Number	Value
Residential Mortgage Modifications	166	\$25,574,303
Foreclosures	76	\$6,920,844
Short Sales or Deeds in Lieu of Foreclosure	27	\$5,503,662

Notes

- Oriental currently does not have the information broken down by FICO scores
- Oriental expects to start gathering the information by FICO scores for reporting starting on January 1, 2021
- Data from SBPR servicing pending

FN-CB-000.A & B	Table	
-----------------	-------	--

Mortgage Finance / Activity Metric

12 Months Ended June 30, 2020	Number	Value
Originated by Category:		
Residential	755	\$98,045,428
Commercial	142	\$148,039,269
Purchased by Category:		
Residential	40	\$4,171,681
Commercial	--	--

Thank you.

Contact:

IR Coordinator

Gary Fishman

gfishman@ofgbancorp.com
212-532-3232

Steven Anreder

sanreder@ofgbancorp.com
212-532-3232