



AUDIT COMMITTEE CHARTER

I. PURPOSE:

The Audit Committee (the "Committee") is designated to assist the Board of Directors (the "Board") of OFG Bancorp (the "Company") and Oriental Bank (the "Bank", and collectively with the Company, the "Company") in fulfilling their oversight responsibilities by monitoring: (a) the integrity of the financial reports and other financial information provided by the Company to any governmental or regulatory body or to the public; (b) the Company's systems of internal controls regarding finance, accounting, risk, ethical and legal matters that management, the Board, and the regulatory authorities have established; and (c) the Company's auditing, accounting and financial reporting processes generally.

The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm employed by the Company (including resolution of disagreements between management and such firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Such registered public accounting firm or firms are hereinafter referred to as the "independent auditors." The independent auditors shall report directly to the Committee.

The Committee shall encourage the continuous improvement of, and shall foster adherence to, the Company's policies, procedures and practices at all levels. The Committee shall serve as an independent and objective party to monitor the Company's financial reporting processes and internal control system, and to provide an open way of communication among the independent auditors, financial and senior management, the Company's internal audit department, and the Board.

The Committee shall primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

II. COMPOSITION:

The Committee shall be comprised of three or more independent directors as determined by the Board. The members of the Committee shall meet the independence and expertise requirements of the New York Stock Exchange (the "NYSE") as provided in NYSE Rules 303.01(B)(2)(a) and 303.01(B)(3), and of the Securities and Exchange Commission (the "SEC") as provided in SEC Rule 10A-3(b) under the Securities Exchange Act of 1934 (the "Exchange Act"), including the requirement that (i) such directors not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company other than in their capacity as members of the Board, the Committee, or any other Board committee, and that (ii) such directors not be affiliated persons of the Company. Notwithstanding the

generality of the foregoing, all members of the Committee shall be financially literate and shall have a working familiarity with basic finance and accounting practices. At least one member of the Committee shall qualify as a “financial expert” (as defined in Item 407(d)(5)(ii) of SEC Regulation S-K). Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

The Committee’s members will be appointed by the Board of Directors. Unless a chairperson and vice chairperson are named by the Board, the members of the Committee may designate a chairperson and/or vice chairperson by a majority vote of all Committee members.

III. MEETINGS:

The Committee shall meet as often as it deems necessary to fulfill its responsibilities. In addition to its executive sessions and as part of its obligation to foster open communication, the Committee shall meet separately and on a regular basis with management, the director of the internal auditing department, and the independent auditors to discuss any matters that the Committee considers necessary.

IV. RESPONSIBILITIES AND DUTIES:

Documents/Reports Review

1. Review and update this Charter annually or as conditions dictate.
2. Review and discuss with management and the independent auditors the Company’s audited financial statements and any reports or other financial information submitted to or received from any governmental authority or to the public, including any certification, report, opinion or review rendered by the independent auditors, and to ascertain that the internal controls related thereto are effective.
3. Review and discuss with management the Company’s press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
4. Review and discuss with management the periodic internal reports prepared by the Company’s internal audit department, as well as the various examination reports prepared by regulators, and management’s response thereto.
5. Review and discuss with management and the independent auditors the Company’s annual and quarterly financial statements, including the

Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to their filing with the SEC or prior to the release of the Company's earnings.

6. Review and discuss annually with management and the independent auditors the basis for disclosures made in the annual report to stockholders regarding the internal control environment of the Company.
7. Review certifications signed by the Chief Executive Officer and the Chief Financial Officer in connection with any periodic reports filed by the Company with the SEC and discuss with such individuals significant deficiencies, if any, in the design or operation of the Company's system of internal control over financial reporting and any fraud or potential fraud, if any, involving management or employees in connection with any internal control function.

Internal Audit Department

8. Review and approve the Charter of the Internal Audit Department (the "IAD").
9. Review and approve the IAD risk assessment.
10. Review and approve the annual IAD Plan (the "Plan") and any significant changes made to the Plan during the year.
11. Approve the appointment and dismissal of the General Auditor (the "GA").
12. Evaluate, at least annually, the performance of the GA.
13. Review and ratify the administration of the IAD human resources, including the annual base compensation, bonus compensation and salary adjustments of the GA proposed by management and approved by the Compensation Committee.
14. Make appropriate inquiries of management and the GA to evaluate whether there are scopes or budgetary limitations that hamper the ability of the IAD to perform its responsibilities.

Independent Auditors

15. Appoint the independent auditors and oversee their work in connection with the preparation and issuance of any audit report or related work.
16. At least annually, obtain and review a report by the independent auditors describing the firm's internal quality-control procedures; any material issues

raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and, to assess the auditors' independence, all relationships between the independent auditors and the Company.

17. Serve as the channel of communication between the independent auditors and the Board.
18. Review and approve any proposed replacement of the independent auditors and terminate the engagement of the independent auditors as the Committee deems necessary or appropriate.
19. Review the qualifications and independence of the independent auditors and evaluate any potential conflicts of interest that may exist between management and the independent auditors.
20. Review and approve the independent auditors' fees and the proposed terms of their engagement for the annual audit of the Company's financial statements.
21. Review with the independent auditors the proposed scope of services and plan for the annual audit.
22. Evaluate the performance of the independent auditors and make inquiries to determine that no improper influence was exerted on the conduct of the audit by directors, officers or employees of the Company.
23. Pre-approve all audit and non-audit services (including the fees and terms thereof) to be performed for the Company by the independent auditors to the extent required by and in a manner consistent with Section 10A(i) of the Exchange Act.
24. Review any non-audit services performed by the independent auditors that meet the *de minimus* exception under Section 10A(i)(1)(B) of the Exchange Act.
25. Oversee the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit (i.e., the concurring or reviewing partner) at least once every five years, and oversee the rotation of other audit partners, as required by Section 10A(j) of the Exchange Act and Rule 2-01(c)(6) of SEC Regulation S-X.
26. Periodically consult with the independent auditors, out of the presence of management, regarding the Company's internal control over financial

reporting and the fullness and accuracy of the Company's financial statements.

27. Set clear hiring policies for employees or former employees of the independent auditors.

Financial Reporting Processes

28. In consultation with the independent auditors and internal auditors, review the integrity of the Company's financial reporting processes, both internal and external.
29. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
30. Consider and approve, if appropriate, major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditors, management or the internal auditors.

Process Changes, Improvements and Difficulties

31. Following completion of the annual external audit, review separately with management, the independent auditors, and the internal auditors any problems or difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, and management's response thereto.
32. Review and discuss any significant disagreement among management, the independent auditors and the internal auditors in connection with the preparation of the financial statements.
33. Review and discuss with management, the independent auditors, and the internal auditors the extent to which changes or improvements in financial or accounting practices have been implemented. This review shall be conducted at an appropriate time subsequent to the implementation of any such changes or improvements, as decided by the Committee.

Ethical and Legal Compliance

34. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable

accounting or auditing matters, as required by Section 10A(m)(4) of the Exchange Act.

35. Obtain from the independent auditors the reports required to be furnished to the Committee under Section 10A(k) of the Exchange Act and obtain from the independent auditors any information with respect to illegal acts in accordance with Section 10A(b)(1) of the Exchange Act.
36. Ensure that management has the proper review system in place to assure that the Company's financial statements, reports and other financial information disseminated to governmental and/or regulatory organizations, and to the public, satisfy applicable legal and/or regulatory requirements.
37. Review activities, organizational structure, budget, annual plan and qualifications of the internal audit department.
38. Review with the Company's counsel, any legal matter that could have a material effect on the Company's financial statements.
39. Perform from time to time any such other activities consistent with this Charter, the Company's Certificate of Incorporation and By-laws, and applicable laws, rules or regulations, as the Committee or the Board deems necessary or appropriate, and report regularly to the Board.

Authority to Engage Advisors

40. The Committee shall have the authority to engage independent counsel and other advisors, as it deems necessary to carry out its duties. This authority shall not preclude the Committee from having access to, or obtaining advice from, the Company's regular outside counsel.