

**ORIENTAL FINANCIAL SERVICES LLC**  
**CUSTOMER RELATIONSHIP SUMMARY**  
**Dual Registrant**

**I. WHAT IS ORIENTAL FINANCIAL SERVICES LLC?**

Oriental Financial Services, LLC (hereinafter, “OFS”, “our firm” or “we”) is a Puerto Rico limited liability company. OFS is a wholly owned subsidiary of OFG Bancorp, a publicly held financial holding company. We are registered with the Securities and Exchange Commission (“SEC”) as a *securities broker-dealer* and as an *investment adviser*. Talk to your registered representative about whether your accounts are handled by an investment adviser, a broker, or someone who is registered as both, since there are important differences in the services and fees you may receive, and the types of accounts each one can offer. We are a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

Free and simple tools are available to research firms and registered representatives on the SEC’s investment education website: [Investor.gov/CRS](http://Investor.gov/CRS), which provides educational materials about broker-dealers, investment advisers, and investing.

**II. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?**

There are different ways OFS can help you with your investments. You should carefully consider which types of accounts and services are right for you. Depending on your needs and investment objectives, we can provide you with services in a brokerage account, investment advisory account, or both at the same time. Your registered representative is available at your convenience to help you decide which type of account is best for you and the costs and fees associated with each service. **[Please note that not all registered representatives are licensed to offer investment advisory services. Please ask your registered representative if he or she has the necessary licenses and registrations to provide advisory services, or if he or she can only provide you brokerage services. This is a material limitation to the services your registered representative may provide to you.]**

*Our brokerage services* include the recommendation and sale of securities, such as stocks, mutual funds, corporate securities, government securities, municipal securities, variable annuities, options, private placements, mortgage-backed securities, individual retirement accounts (IRA) under US and/or Puerto Rico law, and others. Although we may review your accounts to make recommendations from time to time, our brokerage services do not include ongoing monitoring of your investments or your accounts. You are responsible for monitoring your investments over time.

We may *recommend* that you open or maintain certain types of accounts, that you make investments in securities, and that you follow investment strategies involving securities if each one of these recommendations is in your best interest. You may select the investments you want to purchase, sell or hold based on these recommendations or on your own. It is you who makes the ultimate decisions regarding the investments and the strategies pursued in your accounts. In other words, you do not give us discretion to manage your accounts and we do not make investment decisions for you.

*The minimum investment amount* for establishing an account is \$25,000, except for Keogh, Retirement Plans, and Trusts. Exceptions to this minimum may be granted at our discretion. For more details, please review the New Account documents.

*Our investment advisory services* provide access to the Envestnet Private Wealth Management Program, which offers a series of wrap fee programs. As part of our investment advisory services, we monitor your investments over time, based on the frequency and manner that we agree with you. The third-party investment adviser exercises discretion in your account (not OFS).

*Minimum Account balance for advisory services* may range from \$10,000 to \$100,000, depending on the program selected. Your registered representative is available at your convenience to help you decide which type of account is best for you and the costs associated with those services. Ask your registered representative to explain to you the differences between investment advisory and brokerage services.

***Additional Information: For further details please ask your registered representative for our ADV Part 2A Brochure, Envestnet ADV Part 2A Brochure, Appendix 1 Wrap Fee Program and Regulation Best Interest Disclosure.***

***When considering our services, ask our registered representative:*** Given my financial situation, should I choose a brokerage, an investment advisory service, or both? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### **III. WHAT FEES WILL I PAY?**

Your costs and fees may depend on the types of accounts, the frequency and amount of your transactions, the amount of assets in your investment accounts, and the type of services we offer you. You should further consider each cost, charge, and fee by reviewing our Disclosure Statement, which must be provided to you together with this Customer Relationship Summary, and by discussing with your registered representative.

*Transaction based fees.* For brokerage accounts, you may pay OFS a fee every time you buy or sell an investment. This fee, commonly known as a *commission*, is based on a specific transaction and not on the value of your account. The more transactions in brokerage accounts, the more commissions you will pay. With stocks or exchange traded funds, this fee is usually separate from the price you pay for the investment. *You would be charged more when there are more trades in your account, and that may create an incentive to encourage a retail investor to trade often.* From a cost perspective, you may prefer a transaction-based fee if you do not trade often or if you plan to buy and hold investments for longer periods of time. With investments such as bonds, this fee might be part of the price you pay for the security. That is called a *mark-up or mark-down*. With mutual funds, this fee is typically called a *load*. Mutual funds and variable annuities may also require paying fees when these products are sold, which are called *surrender charges*. Brokerage accounts also charge *annual maintenance fees, service fees, custodial, and/or inactive fees*. Your registered representative is always available to help you understand how fees and costs may affect the value of your accounts.

*Fee based accounts.* For investment advisory accounts, in which we monitor your accounts, and you authorize a third-party investment adviser to have discretion over your investments, you pay a *percentage fee* each quarter, in advance, based on the value of the cash and investments. The amount paid to OFS and your registered representative generally does not vary based on the type of investments selected on your behalf by the third-party investment adviser. The asset-based percentage fee will be deducted from your account.

*Wrap fee programs.* We offer advisory accounts called *wrap fee programs*. In a wrap fee program, the asset-based percentage fee will include most transactions costs and fees to a broker-dealer or bank that will hold your assets (in *custody*), and, as a result, wrap fees are typically higher than non-wrap advisory fees. The more assets you have in the advisory account, including cash, the more you may pay, although the percentage will not vary. Although transactions fees are usually covered by the wrap program fee, sometimes you will pay an additional transaction fee for investments bought and sold outside the wrap fee program. An asset-based percentage fee may cost you more than a transaction-based fee and may incentivize our representatives to encourage you to increase the assets in your account. Minimum annual fees may range from \$75 to \$350, depending on the wrap program selected.

*Description of Other Fees and Costs.* Here are some of the fees you may commonly see applied to your account. Your registered representative is available to discuss with you the fees, costs, and charges you will see in your account.

Inactive account fee	\$175.00	Register, Transfer and ship	\$100.00
Administrative fee	\$125.00	Gold Account Fee	\$175.00
Clearance fee ACATS	\$125.00	Confirm Paper Surcharge	\$1.50
Safekeeping (physical certificates)	\$2.00	Year End Account Report	\$5.00

***Additional Information: You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees, charges, and costs you are paying. For further details about our fees, please ask your registered representative for our ADV Part 2A Brochure, Envestnet ADV Part 2A Brochure, Appendix 1 Wrap Fee Program and Regulation Best Interest Disclosure.***

**When considering our services, ask our registered representative** Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

*What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?*

***When we provide you with a recommendation as your broker-dealer or act as your investment adviser***, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. As in any business, OFS has a financial incentive to offer or recommend certain products because they are sponsored by us, an affiliate of ours or third parties who compensate us or the registered representatives when you purchase those products. For example:

- 1) OFS receives 12-b1 fees from the sale of mutual funds from different sponsors. *(Only in brokerage accounts.)*
- 2) OFS may act as principal by buying from a retail investor and selling to another retail investor, earning a profit in these trades. *(Only in brokerage accounts.)*
- 3) OFG Bancorp, our parent company, trades its own common and preferred stock, which we may recommend to you.
- 4) Oriental Bank, a Puerto Rico depository institution, is our affiliate and we may have an interest to sell their bank CD's or IRAs for which the bank pays a referral fee.
- 5) **OFS only offers IRA accounts to Puerto Rico residents. Oriental Trust, a division of our affiliate Oriental Bank, receives compensation when serving as trustee or advisor of some of the products offered. OFS may also earn fees from executing the trades for some of the products offered. In addition, associates of OFS may receive as compensation securities of OFG Bancorp, the holding company of OFS and Oriental Bank. Employees or agents of OFS may also serve as employees or agents of Oriental Bank and, specifically, of Oriental Trust.]**
- 6) We may recommend mutual funds or products that offer classes of shares that carry different fees. You should understand why your registered representative recommends one class of shares instead of a different one in the same product.
- 7) Our registered representatives may offer insurance products of our affiliate Oriental Insurance, LLC.

When OFS acts as your broker, consider that our registered representatives will receive compensation from the sale of investments and services. If the registered representative's compensation based on transactional commissions is higher than what they would receive if you participated in an investment advisory program, they could potentially have a financial incentive to recommend a strategy or investment that results in higher fees. Similarly, keep in mind that some of our registered representatives are also insurance agents. As insurance agents, they may recommend insurance-related products for you, for which they will receive separate and additional compensation.

When OFS provides any service to you, we must treat you fairly and disclose to you all material information regarding our recommendations and your transactions. Unless, we agree otherwise, OFS is not required to monitor your accounts or investments on an ongoing basis.

However, when OFS acts as an investment adviser, we are required to monitor your accounts, investment strategies and investments on an ongoing basis, and the third-party investment adviser you select executes transactions on your behalf exercising discretion.

We seek to identify, address, manage, and eliminate to the extent possible any conflicts.

**When considering our services, ask our registered representative:** How might your conflicts of interest affect me, and how will you address them?

***Additional Information: For further details on our conflicts, please ask your registered representative for our ADV Part 2A Brochure, Envestnet ADV Part 2A Brochure, Appendix 1 Wrap Fee Program and Regulation Best Interest Disclosure.***

*How do your registered representatives make money?*

Our registered representatives earn compensation based on trades or the amounts in your accounts. Registered representatives may have an interest to sell investment products that result in higher commissions or fees, or to promote that you open accounts and deposit funds from which they may earn a percentage fee. The registered representatives are cash compensated based on a percentage of the total production.

#### **IV. DO YOU OR YOUR REGISTERED REPRESENTATIVES HAVE A LEGAL OR DISCIPLINARY HISTORY?**

Yes. You may visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our registered representatives. Please also review OFS Investment Adviser ADV Part 2A brochure.

**When considering our services, ask our registered representative:** As a registered representative do you have any disciplinary history? For what type of conduct?

#### **V. ADDITIONAL INFORMATION**

You may visit [Investor.gov/CRS](https://investor.gov/CRS). If you would like up to date information about our services or would like to request a copy of this Relationship Summary, **PLEASE CALL US** at 787-474-1993 or write to our main office: 254 Munoz Rivera Avenue, 2<sup>nd</sup> Floor, San Juan, PR 00919.

**When considering our services, ask our registered representative:** Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

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