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What banks can learn from Oriental Bank's top performance

By Maria Volkova | August 21, 2026

More and cheaper deposits. More commercial loans. More digital banking. That's how OFG Bancorp, the parent company of Oriental Bank, has steadily climbed the rankings of the country's top-performing banks.

In 2023, the San Juan, Puerto Rico-based bank ranked No. 10 on American Banker's list of top-performing banks with $10 billion to $50 billion in assets. It moved up to No. 7 the following year and reached No. 5 on the 2025 list.

Oriental Bank CFO Maritza Arizmendi said the company's continued success is driven in part by efforts to grow and strengthen its deposit franchise.

"We have been adding capabilities to our products to make sure that we help our clients grow," she said. "The deposit franchise is critical, and, as you can see, the level of cost in our deposit base is relatively low compared with U.S. peers on the mainland. I think that has been critical for Oriental, allowing us to benefit from a very strong economy here in Puerto Rico."

The $12.5 billion-asset bank also has expanded its commercial lending business, helping it attract a broader customer base.

"Historically, we have been a more retail type of bank, but in the last five years, we've been working on developing the relationship with the commercial side," Arizmendi said. "We have a lot of activity in the manufacturing sector, the hospitality sector, and we've also been active in lending to the health care industry."

"The commercial side of the business has been very important for us, and strategically, in the future, we will continue to focus on building commercial relationships," she added.

The bank's loan and deposit mix has helped support its profitability. In 2025, Oriental posted a 5.40% net interest margin, the highest among the top 10 institutions. Core deposits grew 4.78%, while net loans increased 5%.

ORIENTAL BANK

Maritza Arizmendi, CFO of Oriental Bank

Commercial loans account for about 44% of the loan book, while auto loans make up about 30%. Arizmendi said auto loans are a high-yielding asset for the bank, generating yields of about 8.59%. On the funding side, about 28% of the bank's deposits are noninterest-bearing, largely because they are tied to transactional accounts.

“I think that combination is what makes our net interest margin higher,” Arizmendi said. “And, as a second layer, we have been very disciplined in our balance sheet management.”

That discipline has been paired with a push to expand the bank’s customer base through digital banking. Arizmendi said the company grew its customer base by about 5% during the year, exceeding expectations in part because of increased digital adoption.

“The customer growth was better than expected, and I think it’s because of our firm’s digital adoption,” she said. “The population continues to be more engaged on the digital side. The engagement with the new technology that we have been able to deploy, including the virtual tellers — because we are the only one here in Puerto Rico with virtual tellers — has significantly increased adoption and allowed us to generate savings that we were able to allocate to other initiatives.”

Despite its growth, Oriental remains focused primarily on Puerto Rico and the communities it serves.

“This is a market that we know better,” Arizmendi said. “We need to take advantage of the tailwinds that the Puerto Rico economy has right now. I think the banking sector in Puerto Rico has become stronger, more competitive and innovative.”

Arizmendi said the bank’s familiarity with the local market gives it an advantage in managing credit risk and developing customer relationships.

Regarding developments on the mainland, Arizmendi said the overhaul of banking regulations is a positive development for the industry. She said some of the proposed changes to the Basel capital rules would boost Oriental’s CET1 ratio, giving the bank more flexibility to deploy capital.

“I have been in the banking sector for 32 years, and every cycle ends with some adjustments in regulation. The banking sector, after all the crises, has been doing pretty well,” she said. “I think it was time for regulators to start to adjust to the new strengths that the banking sector is having.”

Arizmendi said cybersecurity is the one issue that keeps her up at night, particularly as the threat landscape evolves with the proliferation of new technologies such as artificial intelligence.

The bank is working closely with its chief risk officer, César Ortiz-Marcano, to strengthen its cybersecurity capabilities and ensure its vendors are keeping pace with emerging threats.

“I think everybody should be thinking about how we do things digitally, how we add AI in our processes,” she said.