COMUNICADO

OFICINA DEL COMISIONADO DE INSTITUCIONES FINANCIERAS
Mónica Rodríguez Villa, Comisionada

Contact: José Luis Cedeño
787.717.2429

COMMISSIONER OF FINANCIAL INSTITUTIONS ORDERS BANEX INTERNATIONAL BANK TO CEASE OPERATIONS, REVOKES ITS LICENSE AND APPOINTS RECEIVER TO LIQUIDATE THE INSTITUTION

OCIF determined that the institution lacks the capital and liquidity necessary to sustain its operations and adequately meet its obligations to depositors

San Juan, P.R., September 22, 2026— The Office of the Commissioner of Financial Institutions ("OCIF"), through its Commissioner, Mónica Rodríguez Villa, today issued three (3) summary orders related to the operations of Banex International Bank, Inc. ("Banex"): a Summary Cease and Desist Order, Revocation of License and Administrative Complaint against Banex; an Order Appointing Receiver; and a Summary Order and Administrative Complaint against Luis A. Gasparini, individually and in his capacity as Chairman of the institution's Board of Directors.

Through its action against Banex, OCIF ordered the immediate cessation of its operations as an international financial entity and revoked its IFE-37 license. OCIF also took control of the institution by appointing Driven, P.S.C. as receiver, which will be responsible for administering Banex and conducting an orderly liquidation process, including the preservation, administration and eventual realization of its assets to address Banex's obligations, as applicable.

The actions announced today are the result of OCIF's supervisory process and, in particular, the findings of Driven, P.S.C., which OCIF had previously appointed as Banex's independent compliance monitor. The Monitor's final report concluded that Banex is insolvent and revealed serious financial, operational, accounting and control deficiencies that prevent the institution from continuing to operate safely and in compliance with the applicable regulatory framework.

The Order against Banex constitutes a summary emergency action intended to address what OCIF has determined represents an imminent danger to the safety of the international financial entity industry operating from Puerto Rico and to protect the public interest by ensuring strict compliance with the laws and regulations applicable to licenses issued by OCIF.

"According to the Monitor's findings, Banex is currently experiencing a severe lack of liquidity, and its available liquid assets are insufficient to meet its obligations to depositors. The Monitor further determined that the contributions Banex had reported as capital were made using depositor-related funds, subject to additional investigation. It also identified significant deficiencies in the institution's financial reporting and accounting processes, as well as substantial receivables from its sole shareholder, directors, officers and related entities," the Order states.

In particular, OCIF determined that more than $24 million recorded on Banex's books in an account designated as "In Transit" could not be located, traced or confirmed. The Monitor also identified more than $18 million in receivables owed by Banex's sole shareholder and entities under his control, with no repayment date, no repayment plan or, with respect to a substantial portion of those amounts, any reasonable expectation of recovery.

Banex's financial and operational condition deteriorated significantly following the intervention of Euro Exchange Securities UK Ltd., an entity related to Banex, by financial and regulatory authorities in the United Kingdom. As a result of that intervention and the ensuing insolvency proceedings, Banex funds held at that institution were frozen or rendered inaccessible, substantially affecting Banex's liquidity and operational capacity.

"In light of these findings, we have determined that Banex currently lacks the capital and liquidity necessary to sustain its operations or adequately meet its obligations to its depositors. However, the institution continues to hold assets that must be preserved, administered and, if necessary, liquidated in an orderly manner to maximize the recovery of funds for depositors and other parties entitled to them," Commissioner Rodríguez Villa said.

The Commissioner explained that OCIF's determination is based on the totality of circumstances identified during its supervisory process, including the intervention of the related entity in the United Kingdom, the resulting disruption of Banex's operations and capital flows, its insufficient capital and liquidity, and the findings contained in the Monitor's final report.

"Taken together, these circumstances demonstrate that Banex is not in a position to continue operating safely and in compliance with the applicable regulatory framework. Faced with these circumstances, our responsibility as regulator is to act with the urgency necessary to preserve available assets and protect the interests of depositors and other creditors," Rodríguez Villa added.

As part of the Order, Banex must immediately cease accepting deposits; opening, funding or servicing correspondent banking relationships; and executing transfers, payments, withdrawals or disbursements, except those expressly authorized by the receiver. The institution is also prohibited from disposing of its assets or representing to clients, financial institutions, regulators or the public that it is an international financial entity licensed by OCIF.

The receiver will be responsible for administering Banex and conducting the institution's liquidation process, including the preservation and administration of its assets. Banex, its directors, officers, employees and representatives must cooperate with the receiver and preserve all documents, records, systems and information related to its operations, assets, obligations and transactions.

The Order against Banex also includes an administrative complaint through which OCIF proposes fines totaling $534,000 for various violations identified during the supervisory process. These proposed fines will be considered as part of the corresponding administrative proceeding and have not been finally imposed.

The cease and desist measures and license revocation are effective immediately. Banex will have an opportunity to appear in the corresponding administrative proceeding to challenge those measures, as well as the proposed fines. The summary measures will remain in effect while that proceeding is pending.

"As we have done on other occasions, the actions we are taking today reflect our responsibility to protect those who entrust their funds to the institutions we supervise and to safeguard the soundness and reputation of Puerto Rico's financial system. OCIF will not allow a financial institution licensed in our jurisdiction to operate without the capital, liquidity and controls necessary to meet its obligations, nor will we permit the requirements established by our laws, regulations and orders to be disregarded. We will act decisively whenever necessary to protect depositors, the public interest and the integrity of our financial jurisdiction," Commissioner Rodríguez Villa concluded.

***