
SAMPLE OPERATING EXPENSES OR AN OFFSHORE BANK IN PUERTO RICO

These 2025 sample operating costs are taken from our previous projects and other International Financial Entities currently running in Puerto Rico. They are for business planning and estimating only.

I should note that each client's business case has been very different. While one spent over \$3 million on IT, another spent \$50,000. While one has 4 employees, another has 25 (as of 25, the minimum is 10). One is a private bank with high dollar clients, another is engaged in trade finance and another is focused on high volume transactions. Each of these has very different operating costs.

With that said, here are the expenses of clients in Puerto Rico. I used a range to indicate the amounts different clients were paying. Each IFE's business model is different, so this document is meant as a sample only.

New License Application: As of 2024, the non-refundable application fee for a new international banking license has increased significantly from \$5,000 to \$50,000. This fee must be submitted at the time of application.

Change of Control Fee for a Purchase: For any transfer of 10% or more of voting shares, a \$50,000 non-refundable fee applies, along with an additional \$25,000 research fee, totaling \$75,000.

Annual Government Fees: \$25,000 license renewal fee

Payroll: Most IFEs use ADP or an automated system for payroll, which is \$600 per month. We have one client that handles payroll in-house and one with an outside accountant providing payroll and bookkeeping services (non-bank accounting).

Auditing: \$10,000 to \$50,000 per year based on transaction volume.

Office for 10 persons (including utilities): a budget of \$8,000+ per month. Most clients plan on adding employees and want a quality office in the financial district.

Tenant improvements (build out) costs are at your discretion. The building will pay \$10 per sq ft of these costs on a 5-year lease. The average cost is \$60 per sq ft and the most expensive was \$150 (Bancredito). The above does not include furniture or fixtures.

Suggested Building 1: <https://aippuertorico.com/>
Suggested Building 2: <https://270puertorico.com/>

Core banking systems go from \$30,000 – \$1,500,000 depending on the amount of work you give them (customization and training), plus a monthly fee. Some offer cloud storage & risk assessment tools which are \$20,000 to \$75,000 per year. High end systems like Teminos can reach \$3 million and new providers like Mambu are interesting but high cost.

Lower cost systems include NexorONE (starting at \$15,500) and Bansoft, which is the preferred provider for most clients. NexorOne is the light version of Bansoft. Bansoft runs on AWS and other platforms.

Most new banks focus on cloud based US platforms like FIS, Fiserv and Jack Henry. You should look at those who already have Puerto Rico and/or US installs.

Compliance Package: \$30,000 setup and \$24,000 per year.

Due Diligence Packages: \$20,000 Most clients use Dow Jones and some use WorldCheck or Global Radar.

Employees (Per Year)

CEO: \$200,000 to \$350,000

Chief Compliance Officer: \$80,000 to \$200,000

CFO: \$90,000 to \$235,000

COO: \$85,000 – \$220,000

Compliance Officer: \$40,000 to \$85,000 x 2

IT: \$35,000 to \$85,000 (all our clients outsource this, but wanted to give you a point of reference)

Office Manager: \$65,000

Accounting: \$75,000

New Accounts: \$45,000 x 2

2025 Note: 10 employees are required. Your Chief Compliance Officer and compliance team must be in Puerto Rico. A local CEO and CFO are not required under the law. They can be in the US or your home country.

Payroll and other taxes as a percentage of salary: 7.5%

Health Insurance: all officers expect it so for 4 people, \$1,000 per month