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Paraguay’s Bank Collapse Puts Peña Under Criminal Scrutiny

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Original editorial illustration of interrupted bank access; not a photograph or depiction of an actual location or person.

A bank failure turns political ASUNCIÓN — President Santiago Peña is under criminal investigation following Ueno Bank’s collapse, AP reports.

The lower house voted unanimously to impeach him after he offered to resign Thursday; both chambers declined that offer as the Senate moved toward a trial. [1]

An announced resignation is not a completed transfer of power. AP says Vice President Pedro Alliana would succeed Peña if he is removed. [1]

The capital cushion gives way Regulators found poorly documented lending and expenses wrongly counted as assets, according to the central bank account reported by AP. Correcting the books pushed capital below half the legal minimum. Authorities seized the lender Tuesday. [1]

The bank’s app, cards and transfers stopped working. AP reports that a rush to open accounts elsewhere also crashed other banks’ apps Wednesday—a disruption, not proof those banks were insolvent. [1]

Public funds, private exposure Ueno reported about $800 million in public deposits last month, roughly a quarter of its total deposits, AP says.

These were funds at risk or disrupted—not a confirmed final loss. [1]

The guarantee fund covers about $36,000 per customer; authorities say that would cover full balances for an estimated 97% of clients. Coverage does not mean immediate payment or a final recovery estimate for everyone. [1]

Inside the Ueno Breakdown

AP’s reporting traces rapid expansion, insider-lending concerns and an extraordinary political reversal.

How the lender grew Ueno obtained its banking license in 2023 after operating as a finance company. AP reports that it grew to more than 70 locations, attracted customers with cash-back offers and sponsored Paraguay’s national soccer team. [1]

The bank claimed more than 60% of Paraguayan adults as customers. This measures customer reach, not its share of the country’s assets or confirmed depositor losses. [1]

Peña appointed Carlos Carvallo, previously president of Financiera Ueno, to lead the central bank responsible for supervising the lender, AP reports.

Peña held a stake in a linked company until last year.

Those connections are relevant context, not findings of criminal liability. [1]

AP attributes to Paraguayan newspaper ABC Color a report that central-bank inspectors identified risky insider lending in June, including lending beyond legal limits and inadequate collateral. That is a nested attribution, not an independent audit by Valor. [1]

Public exposure: AP identifies the state pension and health fund and operators of Paraguay’s hydroelectric dams among sources of public deposits. The approximately $800 million figure is the bank’s reported public-deposit exposure, not money conclusively lost. [1]

Investigations and arrests Attorney General Emiliano Rolón Fernández ordered three investigations, according to the prosecutor’s office as reported by AP. They concern supervision, handling of the failure and placement of public funds.

Peña said he would cooperate. [1]

AP reports that a judge ordered six Ueno executives, including founder Miguel Vázquez and bank president Juan Manuel Gustale, jailed pending trial; two others were placed under house arrest.

Prosecutors charged 27 officials and associates with breach of trust and attempted fraud. [1]

Gustale’s lawyer disputed responsibility, arguing that senior executives relied on staff for lending decisions.

Arrests and charges are not convictions. The supplied photograph documents executives arriving in custody; it does not establish guilt. [1]

Congress declined Peña’s resignation offer and pursued impeachment. AP reports that opposition senators argued resignation could preserve lifetime-senator status and legal protections, whereas removal could affect those protections. This is the reported political argument, not a legal opinion from Valor. [1]

Status discipline: This edition does not assert the outcome of Friday’s Senate proceedings or report a successor already sworn in.

Depositor protection & jobs AP reports that legislation rushed through Congress Wednesday requires the guarantee fund to repay stranded depositors within five business days. The process was to begin Thursday with small accounts of up to approximately $1,600. [1]

That first-payment amount is not the full guarantee ceiling. AP reports coverage up to roughly $36,000 per customer, expected by the central bank to cover full balances for 97% of customers. Dollar figures are approximate, as reported; legal eligibility and payment mechanics remain important. [1]

The remaining customers are not necessarily facing total losses. The final recovery depends on guarantees, transferred deposits, recoverable assets and liquidation proceeds. AP’s account does not establish the eventual recovery percentage. [1]

The Labor Ministry estimates approximately 7,000 direct and indirect jobs were affected across the bank and related businesses. AP describes employees protesting for unpaid wages and severance. [1]

Unresolved questions: final losses; the recovery of uninsured balances; the fiscal cost, if any; individual criminal liability; and the completed constitutional outcome. Do not substitute assumptions for later verified reporting.

Access, Custody and Preservation

Valor analysis: a practical framework—not a forecast of global contagion or guaranteed gains in precious metals.

What investors can review A deposit is a claim on an institution. Access can be interrupted even when a guarantee ultimately limits loss. Review concentration by legal bank, the applicable protection rules and a practical source of independent liquidity.

Physical bullion held outright is a different exposure from a bank deposit. But it is not operating cash: resale requires a buyer and settlement, and access depends on possession or custody arrangements. Review ownership, allocation, insurance and withdrawal rights.

Gold and silver can fluctuate materially. Acquisition premiums, resale spreads, storage, insurance and taxes can affect outcomes. A collectible coin’s premium is a separate risk; this crisis does not demonstrate that bullion or numismatic prices must rise.

Ask for written acquisition and buyback quotations, and avoid concentration or rushed purchasing based solely on a headline. No global bank run, systemwide Paraguayan insolvency or measured gold-price effect is established by the AP article.

Source record [1] Associated Press. “Paraguay’s Peña under criminal probe as Ueno Bank collapse sparks impeachment trial.” Article supplied by the client and retrieved for this revision. All event reporting and figures in this edition are attributed to that article.

Read the source article on AP News Illustration: Original symbolic bank-access illustration prepared for this public edition; no AP photograph is reproduced. Brand: Official Valor website logo asset, img/vpm-hexagon.svg.

Editorial: Prepared November 6, 2026. News developments can change. Charges remain allegations unless proven. Original newspaper-inspired design; no affiliation with The New York Times.

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