

Republic of Panama Superintendency of Banks of Panama

RESOLUTION SBP-BAN-R-2024-00093
29th February 2024

THE SUPERINTENDENT OF BANKS,
In exercise of his legal powers, and

WHEREAS:

ATLAS BANK (PANAMÁ), S.A. is a corporation organized and existing under the laws of the Republic of Panama. It is registered in the Mercantile Section of the Public Registry under Folio 155634281.

ATLAS BANK (PANAMÁ), S.A. holds a General Banking License granted by means of Resolution SBP 0214-2016, dated 7th December 2016, issued by the Superintendency.

By Resolution **SBP-BAN-R-2023-01296**, dated 15th September 2023, the **SEIZURE OF ADMINISTRATIVE AND OPERATING CONTROL** of **ATLAS BANK (PANAMÁ), S.A.** was ordered for a period of thirty (30) days. This period was extended by means of **Resolution SBP-BAN-R-2023-01341**, dated 13th October 2023, based on the grounds stipulated in Article 132(1), (2), and (7) of the Banking Law, with the consequent suspension of all banking operations, among other provisions.

By Resolution **SBP-BAN-R-2023-01430**, dated 30th November 2023, and in accordance with the provisions of Article 141 et seq. of the Banking Law, the Superintendency of Banks ordered the **REORGANIZATION** of **ATLAS BANK (PANAMÁ), S.A.**, for a period of sixty (60) calendar days, effective from 1st December 2023. This order entails the suspension of all banking operations and the appointment of JAIME DE GAMBOA GAMBOA as the Reorganizer and Legal Representative of the bank, among other provisions.

Through a letter signed by the Reorganizer of **ATLAS BANK (PANAMÁ), S.A.**, submitted to the Superintendency on 26th December 2023, the Reorganization Plan was presented, mandatory for all stockholders and creditors of **ATLAS BANK (PANAMÁ), S.A.** It was published in a newspaper with nationwide circulation on the 8th, 10th, 11th, 12th, and 15th of January 2024, containing the following guidelines:

1. Preliminary proposal by the bank's stockholders to acquire deposits from depositors.
2. Four letters of intent to acquire the bank's stocks.
3. The deadline for the execution of the reorganization plan was set, based on a 60-calendar day chronogram, pursuant to specific phases (Phase 1, Phase 2, Phase 3, and Phase 4).
4. Prior strategy for repayment to depositors.

To date, the bank's situation remains consistent with the information provided to **ATLAS BANK (PANAMA) S.A.**, through Letter SBP-2023-05903, dated 6th September 2023, concerning the high concentration of the entity's productive assets held in custody by **National Advisors Corporation**, amounting to USD 43.3 million (USD 27.4 million in cash and USD 15.9 million in securities).

Through Communiqué No. 19 issued by the Superintendency of the Securities Market, dated 8th September 2023, the Superintendency of Banks became aware that by means of Resolution No. SMV-354, dated 7th September 2023, the Superintendency of the Securities Market ordered the Intervention process of **National Advisors Corporation**, an entity holding a Brokerage House license granted by the National Securities Commission (now the Superintendency of the Securities Market) through Resolution No. CNV-084-01, dated 5th April 2001, for a period of thirty (30) calendar days. The text of the Resolution highlights the information reported by **National Advisors Corporation** as of 30th June 2023. Ninety-three percent (93%) of the assets under the management of the brokerage house are held in custody by RBC DIRECT INVESTING. It was determined that the Brokerage House had not maintained

the custody relationship with RBC DIRECT INVESTING since October 2019, pursuant to information received in August 2023. Therefore, possibly the assets in custody of the Brokerage House were not sufficient to fully satisfy its liabilities.

Through Letter SMV-1471-DS-06, dated 11th December 2023, the Superintendency of the Securities Market reported that, through Resolution No. SMV-470-23, dated 7th December 2023, it ordered the Compulsory Liquidation process of **National Advisors Corporation**, an entity holding a Brokerage House license. This decision was supported by the Intervention Report dated 27th November 2023, wherein such a measure was recommended based on the following:

1. *The assets of the Brokerage House are not sufficient to fully satisfy its liabilities.*
2. *The Brokerage House cannot comply with the minimum liquidity requirements set out by the Superintendency, putting investors' assets at risk.*

By virtue of the eighth clause of the operative part of the aforementioned Resolution, wherein the appearance of investors and other creditors of **National Advisors Corporation** was required to lodge their claims, a document was received on 18th January 2024, submitting the pertinent credits of **ATLAS BANK (PANAMA), S.A.** before the Compulsory Liquidation of said Brokerage House, in accordance with the provisions of Article 307 of the Consolidated Text of Decree Law No. 1 of 1999, pending the issuance of the Preliminary Report by the appointed liquidator.

In the process of achieving the objectives outlined in the Reorganization Plan, on 26th December 2023, the Reorganizer sent letters to the proponents to acquire and capitalize **ATLAS BANK (PANAMA), S.A.** These letters advised them that their proposals had to be submitted directly by the stockholders themselves and that all proposals submitted must comply fully with the regulations set forth in the Rules of the Superintendency of Banks regarding the subject.

During the Reorganization process, the actions ordered by the Office of the Commissioner of Financial Institutions of Puerto Rico (OCIF) on 3rd October 2023, regarding a client of **ATLAS BANK (PANAMA) S.A.**, were informed on 22nd December 2023. A Complaint and Provisional and Permanent Order for the Appointment of a Receiver and Revocation of License are maintained against said client. The order identified that a letter dated 7th August 2023 was submitted, wherein **ATLAS BANK (PANAMA) S.A.** proposed "to acquire the client portfolio" for an amount of up to around thirty million dollars." Despite the efforts to complete the liquidation plan and the sale of accounts to **ATLAS BANK (PANAMA) S.A.**, given the expenses incurred, coupled with the issuance of Resolution **SBP-BAN-R-2023-01296**, dated 15th September 2023, the liquidation period before the OCIF was not financially viable.

For its part, Moody's Local Panama Rating Agency sent a Rating Report dated 29th December 2023, derived from the facts described in the Resolution that ordered the **REORGANIZATION** of **ATLAS BANK (PANAMA) S.A.**, downgrading the Bank's Rating to **E.pa**. The rating is described as follows:

"Issuers or debt rated as E.pa are entities whose credit quality cannot be assessed due to a lack of up-to-date financial information."

Pursuant to the guidelines of the Reorganizer, the Top Management of Atlas Fintech Holdings Corporation, a shareholder corporation of **ATLAS BANK (PANAMA) S.A.**, submitted on 4th January 2024 the outline that the bank's purchase proposals should address. This outline stated, among other things, that proposals had to be submitted before 15th January 2024, specifying a minimum contribution of new capital for the bank of at least 25 million dollars. Additionally, it required written proof of availability of funds as of 20th January 2024, and submissions were subject to the due diligence process required by the Reorganizer, in compliance with the Reorganization Plan.

Through the Management and Recommendations Report dated 30th January 2024, the Reorganizer of **ATLAS BANK (PANAMA) S.A.** requested an extension of the Reorganization for thirty days. This request was made to allow sufficient time to assess the feasibility and objectivity of the proposals submitted, as the approved Reorganization Plan covered a period

of sixty days. These assessments would be subject to the consideration of the Superintendency of Banks.

Based on the foregoing, through Resolution SBP-BAN-R-2024-00046, dated 31st January 2024, the Reorganization process of **ATLAS BANK (PANAMA), S.A.** was extended for an additional period of thirty calendar days.

The proposal submitted on 29th January 2024, as outlined in the Reorganization Plan, did not meet the parameters identified for its valuation.

Subsequently, by letter dated 15th February 2024, the Top Management of Atlas Fintech Holding Corporation, acting as representatives of the stockholders of **ATLAS BANK (PANAMA), S.A.**, requested that a new proposal from a potential buyer of the bank be considered. If this is not feasible, they would be advised to submit the next best alternative for letters of intent. This proposal stated, among other aspects, the following:

- Fresh capital would be contributed to the bank in the amount of thirty million United States dollars.
- Once the transaction is approved by the Superintendency, the final sales contract would be signed, and payment and delivery of stocks would be made.
- A trust was established in which the rights of 1,750,000 shares of QFTA (Quantum Fintech Acquisition Corporation) were transferred. These shares would be definitively transferred to **ATLAS BANK (PANAMA), S.A.**, and used for the capitalization of **ATLAS BANK (PANAMA), S.A.**, or to acquire bank balances.

By electronic communication dated 23rd February 2024, the Reorganizer advised the attorneys-at-law who would act on behalf of Atlas Fintech Holding Corp. that it was necessary to demonstrate the economic capacity of the transaction and the origin of the resources, ideally certified by a leading bank. This certification could be confirmed via Swift or another equivalent method. Subsequently, on 27th February 2024, a new letter was submitted, to report the financing of the transaction based on an issuance of "registered bonds" with code 68245W AA9 from a corporation in Delaware, United States. A portion of these funds would be used, as stated, to capitalize the bank. They provided a copy of the document called prospectus and requested an additional thirty days to complete the bank's capitalization.

After a joint review between the Reorganizer and the Superintendency of the information provided as a third option, the Reorganizer explained to the solicitors that the analysis of the data submitted led to the following conclusions:

- The offer date exceeds the deadline set out in the terms of the process designed by the stockholders acting as sellers.
- The collateral mentioned in said terms was not established.
- Proof of existence of funds was not submitted, and only a copy of a prospectus for the private issuance of medium-term notes was received on 26th February, submitted by One World Bancorp Inc for HCI Mercantile Holdings (UK) Ltd. In said prospectus, there is no causal relationship with the funds required for the capitalization of the Bank, and neither their existence nor their origin can be inferred, as required to Atlas Bank stockholders, and documented in the Reorganization Plan, as well as in different notifications, especially in an email addressed to its attorney-in-fact on Friday, February 23, 2024. Nor was there any document attached, evidencing a commitment to subscribe to these "securities," nor a supplement to the so-called prospectus stating what part of those funds would be allocated to a specific purpose, such as the objective of one of the phases of the Reorganization Plan.
- The proposal does not contain the key elements required by Rule 1-2004, such as a business plan, identification of directors, dignitaries, and top management, among other elements.
- The bank remains in a state of illiquidity and insolvency.

Consequently, the Reorganization informed the stockholders that it is no longer feasible to initiate a process such as the one defined in the terms developed by them, in accordance with the provisions of Rule 1-2004.

In addition to the foregoing, by letter dated 22nd February 2022, a client of **ATLAS BANK (PANAMA), S.A.** informed the Reorganizer that they declined their participation in the acquisition of bank stocks, implicit in the proposal submitted. The client listed in said letter the reasons that motivated their decline.

The United States Securities and Exchange Commission has posted on its website, https://www.sec.gov/Archives/edgar/data/1830795/000121390024016167/ea0200454-1512g_quantum.htm that Quantum FinTech Acquisition Corporation, registered in Delaware, submitted Form 15. This form certifies and notifies the termination of its registration under section 12(g) of the Securities Exchange Act of 1934 or the suspension duty to file reports under sections 13 and 15(d) of the Act. The document was signed on 22nd February 2024 by the Chief Executive Officer of said corporation. Furthermore, the merger of companies, whereby Atlas Clear Holdings Corporation (code ATCH) is the surviving entity, is pending its public listing on the NYSE American LLC on 6th March 2024. Notably, said corporation, Atlas Clear Holdings, has not been identified in the proposal letters previously submitted by **ATLAS BANK (PANAMA), S.A.**

In verification of the data previously reviewed, Form D of the United States Securities and Exchange Commission, dated 19th October 2022, was incorporated into the file. From this document, it follows that the aforementioned corporation does not maintain registered securities https://www.sec.gov/Archives/edgar/data/1951263/000195126322000001/xslFormDX01/primary_doc.xml. Furthermore, the reporting does not meet the requirements that the proposals had to meet, as set out from the beginning of the Reorganization process.

The **Final Report** of the **Reorganizer** dated 29th February 2024 concludes as follows:

Given the illiquidity and insolvency situation resulting from the non-availability of the assets placed under administration with National Advisors and the perspectives of the assessment of said liquidation, as communicated by the liquidator, the Bank is not viable because it lacks the economic fundamentals necessary to meet the minimum regulatory levels of solvency and liquidity. Therefore, the best scenario is to proceed with its compulsory liquidation as soon as possible to optimize asset recovery and minimize expenses. It is evident that the options for the sale and capitalization of the bank failed.

Once the terms of the Seizure of Administrative and Operating Control and Reorganization processes of **ATLAS BANK (PANAMA), S.A.** have elapsed, the Superintendency observes that the Reorganization Plan, accepted by this banking regulator, has not succeeded in terms of the proposals for the sale and capitalization of the bank, with the clear identification of the origin of the funds. In addition to the foregoing, the bank's state of insolvency and illiquidity has not changed.

Additionally, duly documented elements that exacerbate the situation detected by the Superintendency have been included. This situation is further aggravated by the statement from the audit firm BDO, which indicates a lack of access to timely and relevant information necessary to form an opinion on the reasonableness of the financial statements as of 31st December 2022. This statement was issued and subsequently withdrawn regarding **ATLAS BANK (PANAMA), S.A.**, as outlined in Resolution SBP-BAN-R-2023-01430, dated 30th November 2023, which initiated the Reorganization process.

The severity of the bank's financial situation is further evidenced by the measure adopted by the Securities Market Regulator, which ordered the Compulsory Liquidation of National Advisors Corporation.

As indicated in Article 153 of the Banking Law, if the Reorganization has not been completed satisfactorily or if deemed appropriate by the Superintendent, particularly when the Bank is insolvent, the reorganization may be terminated, and the Compulsory Liquidation may be ordered as outlined in Articles 154 et seq. of the legal excerpt. This circumstance is concurrent in the current case, as reflected in the Report submitted by the appointed Reorganizer.

Based on the preceding recitals, it is an obligation of this banking regulator, through the appointed **LIQUIDATOR**, to send, at the proper time, the actions pertinent to the Public Prosecutor's Office. This is to initiate the corresponding investigation and, if applicable, to seek reimbursement of assets belonging to **ATLAS BANK (PANAMA), S.A.**, which must become part of the assets subject to liquidation. Additionally, compensation or reparation for damages caused by the punishable act should be pursued. This obligation stands regardless of any actions that the bank's creditors may individually exercise in **COMPULSORY LIQUIDATION**.

In view of the foregoing, the Superintendent of Banks

RESOLVES:

ONE: Based on the provisions of Article 154 et seq. of Chapter XVIII, Title III of the Banking Law, we **ORDER** the **COMPULSORY LIQUIDATION** of **ATLAS BANK (PANAMÁ), S.A.**, a corporation organized and existing under the laws of the Republic of Panama, registered in the Mercantile Section of the Public Registry under Folio 155634281. **ATLAS BANK (PANAMÁ), S.A.** holds a General Banking License granted by Resolution SBP 0214-2016, dated 7th December 2016.

TWO: APPOINT JAIME DE GAMBOA GAMBOA, holder of personal identification card No. N-21-2195, as the **LIQUIDATOR**. The Liquidator is hereby authorized to exclusively exercise the **LEGAL REPRESENTATION** of **ATLAS BANK (PANAMÁ), S.A.** before its clients, authorities, and third parties, and will report directly to the Superintendent of Banks.

The **LIQUIDATOR** must assume the assigned position.

THREE: ORDER the **SUSPENSION** of all banking operations of **ATLAS BANK (PANAMÁ), S.A.**

FOUR: AUTHORIZE the **LIQUIDATOR** to perform the following:

1. Report his actions to the Board of Directors of the Superintendency of Banks, through the Superintendent.
2. Keep an orderly and verified account of his management.
3. Guide the progress of the compulsory liquidation process, considering the following criteria:
 - a. The speed at which the process must be conducted to liquidate the assets of **ATLAS BANK (PANAMA) S.A.**, as quickly as possible, in compliance with the regulations developed by the Superintendency, to satisfy any existing debts.
 - b. Diligence, simplicity, and transparency in the process.
 - c. Respect for the rights and precedence recognized by the Banking Law.
4. Prepare the Preliminary Report as outlined in by Article 163, in accordance with the terms expressed in Article 162 of the Banking Law.
5. Stop or limit the payment of **ATLAS BANK (PANAMA) S.A.'s** obligations and debts of the assets subject to liquidation according to the availability of resources.
6. Employ necessary personnel and dismiss those employees whose fraudulent or negligent behavior has led to the liquidation, as well as those employees no longer needed due to reduction in the activities of **ATLAS BANK (PANAMA) S.A.**
7. Manage **ATLAS BANK (PANAMA) S.A.'s** correspondence and issue any document on its behalf.
8. Manage, control, and safeguard **ATLAS BANK (PANAMA) S.A.'s** present and future assets.
9. Transfer or sell assets according to their marketable value, net of provisions, reserves, and any other adjustment required by the Superintendency, according to the existing prudential rules and regulations.
10. Transfer totally or partially the assets and liabilities of **ATLAS BANK (PANAMA) S.A.** to an entity licensed to engage in the trust business in Panama, with the prior authorization from the Superintendency.

11. Execute the acts and enter into agreements within the scope of his responsibilities that permit the initiation, fulfillment, and execution of the liquidation by transferring assets and liabilities and the trust fund.
12. Establish mandates, terms, and conditions for the proper liquidation of transferred assets and liabilities in the trust contract.
13. Maintain documentary evidence in hardcopy and/or electronically of the actions of **COMPULSORY LIQUIDATION**, including, among others, a separate notebook with the description of the assets excluded from the assets subject to liquidation and those containing objections formulated to the Preliminary Report, necessary to provide transparency in his actions.
14. Any other power, authorized by the Superintendent upon substantiated request of the Liquidator, for a specific purpose.

FIFTH: NOTIFY that the following are considered debts included in the assets subject to the process of **COMPULSORY LIQUIDATION** of **ATLAS BANK (PANAMA), S.A.**:

1. Judicial expenses or extrajudicial expenses incurred in the common interest of creditors for substantiating and liquidating the assets and liabilities of the liquidation; for the management, conservation, and sale of the bank's assets, and for the distribution of the proceeds, including the fees of the liquidator and trustee referred to in Articles 168 and 169, the salaries of the employees hired for the liquidation, and the operating expenses of the bank.
2. All debts resulting from acts or contracts legally executed or entered by the liquidator or board of liquidators, or the trustee.
3. Sums that the bank must return due to the termination of any act or contract of the bank and indemnities due to bona fide holders of assets claimed by the liquidation.
4. Credits arising in favor of the system's banks due to the bank's inability to cover funds at the Clearing House.
5. Current national and municipal taxes.

SIXTH: ORDER that a complaint or respective action be submitted to the Public Prosecutor's Office if there is knowledge of possible acts that may constitute a felony as depicted in the Criminal Code, as stipulated in Article 51 of Law 82 of 2013, in accordance with Article 86 of Law 38 of 2000.

SEVENTH: ORDER the posting of a **NOTICE** for **FIVE (5) business days**. The publication shall contain a transcription of the resolution ordering the **COMPULSORY LIQUIDATION** of the bank, in a public and visible place at the main establishment of **ATLAS BANK (PANAMA), S.A.** and its branch offices.

The time of posting the **NOTICE** indicated herein will correspond to the time the **COMPULSORY LIQUIDATION** comes into force, as set out in this Resolution.

Upon the expiration of five (5) business days from the posting of the NOTICE at the bank's main establishment, the notification will be deemed to have occurred.

EIGHTH: ORDER the **publication** of this Resolution in a newspaper with nationwide circulation for **FIVE (5) BUSINESS DAYS**, once the **NOTICE** indicated in the previous clause has been posted.

NINTH: SUSPEND, for up to **SIX (6) MONTHS**, the statutes of limitation of any right or action of which **ATLAS BANK (PANAMA) S.A.** is the holder, and the terms in the judicial or administrative processes in which **ATLAS BANK (PANAMA) S.A.** is a party, except for those that pursue the execution of a pledge, mortgage, or other property rights. **ATLAS BANK**

(PANAMA) S.A., through its **LIQUIDATOR**, may waive this right in cases where it considers it advantageous for the liquidation, pursuant to Article 159 of the Banking Law.

TENTH: ORDER, as of the issuance of this Resolution for the **COMPULSORY LIQUIDATION** of **ATLAS BANK (PANAMA) S.A.**, the **CESSATION OF INTEREST CALCULATION** on the obligations of **ATLAS BANK (PANAMA) S.A.**, under liquidation, except for obligations secured by a pledge or mortgage on the assets of **ATLAS BANK (PANAMA) S.A.** In such cases, creditors may demand the current interest on their debt up to the extent of the encumbered asset, as outlined in Article 160 of the Banking Law.

ELEVENTH: ORDER THE LIQUIDATOR TO PAY all deposits and other obligations described in Article 167(1) and (2) of the Banking Law within fifteen (15) days following the enforcement date of the Resolution ordering the **COMPULSORY LIQUIDATION**.

Such payment will be made from available liquid assets up to the available amount and must precede the acknowledgment procedures referred to in Articles 162 and 163 of the Banking Law, in accordance with the information recorded in the bank's accounting books or records, as specified in Article 161 of the Banking Law.

TWELFTH: ORDER the **APPEARANCE** of depositors and other creditors at the **LIQUIDATION** of **ATLAS BANK (PANAMA) S.A.**, to lodge their claims.

Said depositors and creditors may appear at any time before the **LIQUIDATOR** issues the Preliminary Report referred to in Article 163 of the Banking Law. In no case will this term be less than thirty (30) days or more than sixty (60) days from the last publication in a newspaper with nationwide circulation as stipulated in the **SEVENTH** clause of this resolution. However, failure to appear will not affect the obligations duly verified in the bank's records.

The **LIQUIDATOR** will publish a list of debtors and creditors so that they can appear at the **LIQUIDATION** for a period of three (3) business days in a newspaper with nationwide circulation and on the websites of **ATLAS BANK (PANAMA) S.A.** and of the Superintendency of Banks, where the information must remain accessible during the **LIQUIDATION** period. Creditors will have a term of thirty (30) days from the last publication to request clarifications or make any objections they wish, which will be resolved by the **LIQUIDATOR** through a grounded Resolution.

THIRTEENTH: ORDER the Public Registry to make the relevant marginal notations to register the resolution ordering the **COMPULSORY LIQUIDATION** of **ATLAS BANK (PANAMA), S.A.**, a corporation registered in the Mercantile Section under Folio 155634281, as well as the appointment of **JAIME DE GAMBOA GAMBOA**, holder of personal identification card No. N-21-2195, as the Legal Representative of the Bank, serving as the **LIQUIDATOR**.

FOURTEENTH: Once the Resolution ordering the **LIQUIDATION** of **ATLAS BANK (PANAMA), S.A.** has been enforced, the bank may not be sued or summoned to participated in an arbitration process, as stipulated in Article 175 of the Banking Law.

FIFTEENTH: Once the Resolution ordering the **LIQUIDATION** of **ATLAS BANK (PANAMA), S.A.** has been enforced, obligations secured by a pledge, mortgage, or other property rights will take precedence over any other obligations concerning the encumbered assets, up to their marketable value, except for sums owed to the Treasury as property tax on the encumbered assets.

Creditors may submit such credits in the **COMPULSORY LIQUIDATION** or pursue them separately through the appropriate judicial or extrajudicial process.

SIXTEENTH: Pursuant to Article 179 of the Banking Law, the assets of **ATLAS BANK (PANAMA), S.A.**, registered in the Mercantile Section of the Public Registry under Folio 155634281, are not subject to precautionary measures or seizures unless they are based on a real right.

Precautionary or seizure measures already enacted will be lifted in favor of **ATLAS BANK (PANAMA), S.A.**

SEVENTEENTH: This Resolution shall become effective at 2:00 p.m. on the twenty-ninth (29th) of February, twenty twenty-four (2024).

EIGHTEENTH: As stated in Article 158 of the Banking Law, the Resolution ordering the **COMPULSORY LIQUIDATION** of **ATLAS BANK (PANAMA), S.A.** may be challenged by whoever is affected through a contentious-administrative appeal with full jurisdiction before the Third Chamber of the Supreme Court of Justice, pursuant to the law, within fifteen (15) business days following the last publication of the notice set forth in Article 157 of the Banking Law. The filing of an appeal against the Resolution of the Superintendent ordering the **COMPULSORY LIQUIDATION** of **ATLAS BANK (PANAMA), S.A.** does not suspend the administrative act because the liquidation protects a public interest.

LEGAL GROUNDS: Article 16(I)(4); Article 154 et seq. of the Consolidated Text of Decree Law 9 of 1998, amended by Decree Law 2 of 2008, and adopted by means of Executive Decree 52 of 2008 (Banking Law).

Given in Panama City this twenty-ninth (29th) day of February, twenty twenty-four (2024).

FOR COMMUNICATION, NOTIFICATION, PUBLICATION, AND ENFORCEMENT.

