

## Federal Deposit Insurance Corporation

Division of Risk Management Supervision
Division of Depositor and Consumer Protection
300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

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April 11, 2023

Board of Directors Subject: Response to Notification – Third-Party Crypto-Asset Activity Dear Members of the Board: (the Bank) notification of the intent to On May 27, 2022, we received offer Bank customers the ability to buy, sell, and hold Bitcoin through the Bank's digital and mobile banking platforms in conjunction with This notification was in response to Financial Institution Letter (FIL), FIL-16-2022, Notification of Engaging in Crypto-Related Activities. On June 27, 2022, the FDIC sent a letter to the Board requesting that the Bank delay expansion of crypto-asset services while the FDIC considered the proposed crypto-related activity. On August 22, 2022, the FDIC sent a letter to the Board requesting information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. The requested documents were received via FDIC Connect/EFX on October 14, 2022 and December 13, 2022. A live demo of the platform was performed for regulators via MS Teams on November 29, 2022. During the February 6, 2023 Safety and Soundness Visitation, additional information was requested and meetings were held with Bank management to discuss the proposed activity. In a subsequent letter sent to the FDIC and , received via FDIC Connect/EFX on February 22, 2023, Bank management stated that the Bank had decided to cease efforts to provide bitcoin services to Bank customers The letter states that the Bank will work and. via to provide time for Bank employees to unwind their positions. Once with and that is completed, the Bank would terminate all access to Bank's updated status related to this activity, and the June 27, 2022 FDIC letter to the Board has been superseded as a result of the Bank's February 22, 2023 communication to the FDIC and We request that the Bank notify this office if the status of this activity, or other cryptorelated activity, changes in the future.

Written correspondence should be addressed to Gregory P. Bottone, Regional Director, FDIC, Chicago Regional Office, and sent as a PDF document through the FDIC's Secure Email

portal (<a href="https://securemail.fdic.gov/">https://securemail.fdic.gov/</a>) using the following email address:

<a href="mailto:ChiMailRoom@FDIC.gov">ChiMailRoom@FDIC.gov</a>. Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a>.

This letter is confidential and may not be disclosed or made public in any manner under Part 309 of the FDIC Rules and Regulations (12 CFR Part 309). If you have questions, please contact Assistant Regional Director Debbie J. Bush or Assistant Regional Director of Compliance Amy T. Richardson

Sincerely,

Gregory P. Bottone Regional Director

cc.

Federal Reserve Bank of Chicago