

Federal Deposit Insurance Corporation

Division of Risk Management Supervision San Francisco Regional Office 25 Jessie Street at Ecker Square, Suite 2300 San Francisco, California 94105 (415) 546-0160

Sent via secure email

May 5, 2023

Board of Directors
Subject: Transmittal of Safety and Soundness Report of Examination
Members of the Board:
Enclosed is a copy of the February 27, 2023 Joint FDIC Report of Examination (Report). In addition to our safety and soundness findings, the Report includes the results of Anti-Money Laundering /Countering the Financing of Terrorism (AML/CFT) review and Information Technology (IT) review. The Bank's Digital Banking Division was also reviewed during this examination. Regulatory comments regarding the Digital Banking Division will be provided to the Board under a separate letter.
Summary of Examination Findings
The bank's overall financial condition remains
The Board approved Business Plan (Plan) describes traditional bank activities as well as proposals for new digital bank activities. a significant source of growth may arise from expanding the digital bank
division.
Our review found the Bank's future digital bank activities remain under development, and, we acknowledge and appreciate management's commitment to the FDIC and to pause all digital bank activities until obtaining regulatory feedback.

This letter is confidential and may not be disclosed or made public in any manner. Additional information regarding these confidentiality restrictions may be found in Part 309 of the FDIC Rules and Regulations. Please notify us immediately if you receive a subpoena or other legal process calling for the production of this letter or a description of its content.

Board of Directors



Action Requested

- Each member should thoroughly review the Report and acknowledge their review by signing the Signatures of Directors/Trustees page included as the last page of the Report. Please retain this page with the Report.
- Record the Board's review of the Report in the Board minutes.
- Please respond to the findings contained in the Report to both of our offices. We request your reply within 45 days of the date of this letter.

Confidentiality Notice

This copy of the Report is the property of the FDIC and the and is furnished to the institution examined for its confidential use. Neither the institution, nor any of its directors, officers, or employees, may disclose or make public in any manner any portion of this Report under any circumstances. Refer to Part 309 of the FDIC Rules and Regulations for additional information on confidentiality restrictions. If any subpoena or legal process calling for production of this Report is received, both agencies should be notified immediately.

ost-Examination Survey	
addition to the Report, we have enclosed a request from FDIC Office of the Ombudsman for feedback on the examination process. Please take a few oments to review the enclosed letter and complete the survey.	
destions should be directed to Assistant Regional Director Jaclyn Valderrama or Senior Ca anager at an and and respectively, or aminations Managers	ase
ncerely,	
Jaclyn Valderrama	
clyn M. Valderrama ssistant Regional Director	
nclosures	
: Federal Reserve Bank of San Francisco	