

Federal Deposit Insurance Corporation

Division of Risk Management Supervision Division of Depositor and Consumer Protection 300 South Riverside Plaza, Suite 1700, Chicago, IL 60606 Chicago Regional Office Phone (312) 382-7500 Fax (312) 382-6901

April 24, 2023

Board of Directors
Subject: Third-Party Crypto-Asset Activity
Dear Members of the Board:
On June 30, 2022, (the Bank) notified the Federal Deposit Insurance Corporation (FDIC) of the intent to offer crypto-asset services to customers. This notification was in response to Financial Institution Letter (FIL), FIL-16-2022, Notification of Engaging in Crypto-Related Activities. Acting Case Manager held a phone discussion with Head of Digital Assets on July 15, 2022, to discuss the Bank's crypto-asset plans.
On September 9, 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. Furthermore, the letter provided a crypto-asset activity request list and requested the information by October 18, 2022. On October 11, 2022, the Bank informed the FDIC that, due to prioritization of other projects, more time was needed to assemble the information. The letter stated that the request list should be completed by the first part of 2023.
On March 15, 2023, Case Manager and Review Examiner held a phone discussion with Bank management to discuss the status of crypto-asset initiatives. On March 28, 2023, Chairman and CEO submitted a letter updating the FDIC and on the status of the Bank's crypto-asset activities in response to FIL-16-2022. CEO stated that, due to other projects, including the consummation of a merger, the Bank does not expect to launch crypto-related activities before the fourth quarter of 2023; however, no clear proposed timeline for the activity has been provided. To date, the FDIC also has not received any of the items requested in it letter to the Bank dated September 9, 2022.

Please keep the FDIC and updated as to the timeline for the Bank's crypto-asset plans and when the previously requested items will be received. The FDIC's September 9, 2022 letter included a request list and requested that the Bank not proceed with planned activities until the FDIC had completed its review and provided supervisory feedback.

If you have any questions, p	lease contact Case Manager
Review Examiner	. Written correspondence should be addressed to
my attention at the Chicago Regiona	al Office, and sent as a PDF document through the FDIC's
Secure Email portal (securemail.fdi	c.gov) using the following e-mail address:
CHIMailRoom@FDIC.gov.	

Sincerely, Gregory P. Bottone Regional Director

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Federal Reserve Bank of Chicago