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Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

Division of Risk Management Supervision Division of Depositor and Consumer Protection San Francisco Regional Office (415) 546-0160

Sent via secure email

November 2, 2023

TNOVCHIOCI 2, 2025
Board of Directors
Subject: Crypto-Related Activities Supervisory Feedback Letter (Letter)
Dear Members of the Board:
The FDIC acknowledges the notification provided by regarding the bank's plan to offer deposit customers the ability to buy, sell, and hold bitcoin using the directly through the bank's online banking services. The notification was provided pursuant to Financial Institution Letter (FIL), FIL-16-2022 Notification of Engaging in Crypto-Related Activities. FIL-16-2022 requested that all FDIC supervised institutions that intend to engage in, or that are currently engaged in, any activities involving or related to crypto-assets (also referred to as "digital assets") promptly notify the appropriate FDIC Regional Director. We also acknowledge that prior to that, on March 22, 2022, the bank notified the FDIC of its crypto-related activity proposal The FDIC requested information necessary for us to assess the safety and soundness, consumer protection, and financial stability implications of the proposed activities as part of the May 31, 2022, FDIC and joint examination. On July 27, 2022, the FDIC sent a letter to the bank's Board of Directors asking them to refrain from expanding the service to its customers until we completed our review. On August 10, 2023, the FDIC provided supervisory feedback to the bank relative to the activities your institution was considering to pursue.
In a letter dated October 4, 2023, President and Chief Executive Officer stated that the bank has decided not to pursue the crypto-related initiative at this time. The FDIC acknowledges the bank's updated status related to this activity. As a result of the bank's October 4, 2023 communication to the FDIC, the July 27, 2022 FDIC letter to the Board has been superseded. We request that the bank notify our office if the status of this activity, or other crypto-related activity, changes in the future.
If you have any questions, please contact Risk Management Supervision (RMS) Assistant
Regional Director Jaclyn V. Valderrama at (RMS Case Manager

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

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Board of Directors Crypto-Related Activity Page 2

Matthew Sheeren at the consumer Protection (DCP) Assistant Regional Director or DCP Compliance Technology Specialist

Sincerely,

18/ Louis C.C. Cheng

Louis C.C. Cheng RMS Acting Deputy Regional Director 18/ Dana Crutchfield

Dana Crutchfield DCP Deputy Regional Director