cr

FEDERAL DEPOSIT INSURANCE CORPORATION
10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

Atlanta Regional Office
Divisions of Risk Management Supervision
And Depositor and Consumer Protection
(678) 916-2200

March 13, 2023

Via Secure Email
Board of Directors
[redacted]

Subject: Response to Notification of Engagement in Crypto-Related Activities

Dear Members of the Board:

On March 15, 2022, the FDIC sent a letter to President [redacted] requesting that [redacted] Bank (Bank) notify this office of any material change in the Bank's plans with respect to the internal, closed-loop payment service provided by [redacted] New York, New York, [redacted] including, but not limited to, expanding the service to include clients, transactions, or activities outside of the bank, such as through [redacted] The March 15th letter also noted that the FDIC might have additional questions to clarify the bank's proposed activities prior to expanding the service to ensure the bank is operating in a safe and sound manner. The FDIC acknowledges the email notification provided by the Bank dated August 24, 2022, regarding the Bank's plans to participate in the October 1, 2022 testing of [redacted] The [redacted] will operate as a technology provider that, principally through a messaging service, allows FDIC-insured banks to offer instant payments and other payment solutions to their customers. The notification was provided pursuant to Financial Institution Letter (FIL), FIL-16-2022 Notification of Engaging in Crypto-Related Activities and to the FDIC's March 15, 2022 letter. 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

While the Bank participated in the October 1, 2022 testing of the Network, during a November 4, 2022 videoconference, President [redacted] informed the FDIC that the Bank has no plans to utilize The Network at this time. The FDIC acknowledges the Bank's updated status related to this activity, and the March 15, 2022, FDIC letter to President [redacted] has been superseded as a result of the August 24, 2022, communication to the FDIC. We request that the Bank notify this office if the status of this activity, or other crypto-related activity, changes in the future, including, but not limited to, any proposed material changes in the internal [redacted] service described to the FDIC or planned expansion of the service to include any clients, transactions, or activities outside the Bank.

---

1 [redacted]

2 [redacted]

Board of Directors
[redacted]

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 any questions, please contact Case Manager [redacted] or Senior Review Examiner [redacted] Written correspondence should be addressed to my attention at the Atlanta Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (securemail.fdic.gov) using the following e-mail address: ATLMailRoom@FDIC.gov.

Sincerely,

John F. Vogel
Acting Regional Director

cc: [redacted]