

CONFIDENTIAL TREATMENT REQUESTED

August 21, 2020

BY ELECTRONIC MAIL

Office of the Comptroller of the Currency
Central District
425 S. Financial Place, Suite 1700
Chicago, IL 60605
Attn: John O'Brien, Licensing Manager

Formative Bank, N.A. – Interagency Charter and Federal Deposit Insurance Application

Dear Mr. O'Brien:

On behalf of the organizers (the "Applicant") of Formative Bank, N.A., a proposed national bank, we respectfully submit the following materials to the Office of the Comptroller of the Currency (the "OCC"):

1. the public portion of, and the public exhibits to, the Interagency Charter and Federal Deposit Insurance Application;
2. the confidential exhibits to the application; and
3. a draft Community Reinvestment Act Strategic Plan.

Our submission does not include fingerprint cards for any of the proposed organizers, directors or senior executive officers, as the OCC uses an electronic fingerprinting service, Fieldprint. Due to the concerns around the spread of COVID-19, to the extent an organizer, director or senior executive officer has not yet submitted fingerprints through Fieldprint, we understand the fingerprinting process will occur as soon as possible after the application has been submitted. In addition, the submission does not include executed "Oath of the Bank Director" forms; these will be provided at a later date during the application review process.

Notice of the application will be published Monday August 24, 2020, or as soon as practicable thereafter, in the *San Francisco Chronicle*, a daily newspaper serving the

San Francisco Bay Area of northern California, in accordance with OCC rules. We will provide an affidavit of publication following the final publication.

Thank you for the time and assistance the OCC staff has provided throughout this application process. We look forward to continuing to work with the OCC throughout this process, with the goal of receiving preliminary conditional approval to establish a new safe and sound national bank this winter.

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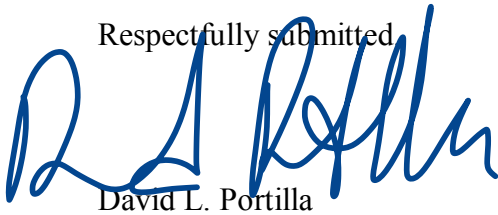
The Applicant has submitted certain materials marked "Confidential Treatment Requested" to the OCC in a separately bound confidential volume (the "Confidential Exhibits"). Pursuant to the Freedom of Information Act, 5 USC § 552, and the regulations of the OCC thereunder, 12 CFR Part 4, Subpart B, the Applicant respectfully requests confidential treatment of the Confidential Exhibits, including that the Confidential Exhibits not be made available for inspection or copying. The Confidential Exhibits contain confidential and proprietary commercial and financial information that is privileged or confidential within the meaning of 12 CFR 4.12(b)(4) of the OCC's regulations, or information that is otherwise exempt from public disclosure under 12 CFR 4.12(b). Examples of this information include detailed descriptions of the proposed business strategy and objectives of the Applicant and projected financial information. Disclosure of this information would result in negative consequences that could adversely affect the Applicant and its affiliates and cause substantial competitive harm. The Applicant has numerous competitors, and the Applicant does not possess similar information concerning these competitors. Furthermore, the Applicant believes that competitors could not otherwise obtain the information contained in the Confidential Exhibits, which is proprietary.

In addition, the Interagency Biographical and Financial Reports, which are included as part of the Confidential Exhibits, contain nonpublic personal information that is confidential within the meaning of 12 CFR 4.12(b)(6). Disclosure of this information would constitute clearly unwarranted invasions of personal privacy.

In addition, we request, pursuant to the Freedom of Information Act and applicable OCC regulations and for reasons including those set forth above, that any memoranda, notes or other writings of any kind whatsoever made by an employee, agent or any person under the control of the OCC (or any other governmental agency) that incorporate, include or relate to any of the matters referred to in the Confidential Exhibits (i) furnished by the Applicant or its respective employees or agents to the OCC (or any other governmental agency) or (ii) referred to in any conference, meeting, telephone conversation or interview between (a) employees, former employees, representatives, agents or counsel of the Applicant and (b) employees, agents or any persons under the control of the OCC, be maintained in confidence, not be made part of any public record and not be disclosed to any person.

The Applicant is submitting the Confidential Exhibits with the expectation that, pursuant to the above-cited laws, regulations and standards, the information will be treated by the receiving agency or office as, and remain, confidential. Accordingly, if the OCC receives a request for any of this information, or for any other reason considers sharing the Confidential Exhibits with any person or agency or making this public, the Applicant requests that the OCC please contact the undersigned to provide notice and a reasonable opportunity to respond prior to any such disclosure.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'David L. Portilla', is written over the text 'Respectfully submitted,'.

David L. Portilla

cc: Yoo Jin Na, Senior Licensing Analyst, OCC

Attachments

Formative Bank, N.A.

Interagency Charter and Federal Deposit Insurance Application

August 21, 2020

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PUBLIC EXHIBITS (in a separately bound volume)

[Public Exhibit 1: Articles of Association](#)

[Public Exhibit 2: Bylaws](#)

[Public Exhibit 3: Community Reinvestment Act Plan](#)

[Public Exhibit 4: Public Notification](#)

CONFIDENTIAL EXHIBITS (In a separately bound volume)

[Confidential Exhibit 1: Confidential Business Plan](#)

[Confidential Exhibit 2: Client Strategy Memo](#)

[Confidential Exhibit 3: Systems Memo](#)

[Confidential Exhibit 4: Vendor Management Memo](#)

[Confidential Exhibit 5: Market and Financial Analysis](#)

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[Confidential Exhibit 12: Master Inter-Affiliate Services Agreement](#)

[Confidential Exhibit 13: Copies of Management Policies](#)

[Confidential Exhibit 13.1: Code of Business Conduct and Ethics](#)

[Confidential Exhibit 13.2: Social Equity Policy](#)

[Confidential Exhibit 13.3: Pricing Policy](#)

[Confidential Exhibit 13.4: Delegated Authority Matrix](#)

[Confidential Exhibit 13.5: Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Compliance Policy](#)

[Confidential Exhibit 13.6: Business Continuity Policy](#)

[Confidential Exhibit 13.7: Capital Policy](#)

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[Confidential Exhibit 13.9: Compliance Risk Management Policy](#)

[Confidential Exhibit 13.10: Dividend Policy](#)

Confidential Exhibit 13.11: Fair Lending Policy

Confidential Exhibit 13.12: Information Security Policy

Confidential Exhibit 13.13: Insider Activities Policy

Confidential Exhibit 13.14: Interest Rate Risk and Asset-Liability Management Policy

Confidential Exhibit 13.15: Investment Policy

Confidential Exhibit 13.16: Lending Policy

Confidential Exhibit 13.17: Liquidity and Funds Management Policy

Confidential Exhibit 13.18: Liquidity Contingency Funding Plan Policy

Confidential Exhibit 13.19: Privacy Policy

Confidential Exhibit 13.20: Third Party Risk Management Program Policy

Confidential Exhibit 14: List of Shareholders of Hypothetico, Inc.

Confidential Exhibit 15: Stock Benefit Plan and Form Agreements

INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION

(Check all appropriate boxes.)

Type of Charter

- ☒ National Bank
☐ State Bank
☐ Federal Savings Bank or Association
☐ State Savings Association
☐ Other

Chartering Agency

- ☒ Comptroller of the Currency
☐ State

Special Focus

- ☐ Community Development
☐ Cash Management
☐ Trust
☐ Bankers' Bank
☐ Credit Card ☐ Non-CEBA ☐ CEBA
☐ Other

Type of Insurance Application

- ☒ De Novo
☐ Operating Noninsured Institution
☐ Other

Federal Reserve Status

- ☒ Member Bank
☐ Nonmember Bank

For OCC: ☐ Standard ☐ Expedited

Proposed Depository Institution (institution)

Name
Street City State Zip

Holding Company Identifying Information (if applicable)

Name
Street City State Zip

Contact Person

Dave Kochbeck
Hypothetico, Inc.
PO Box 14130
San Francisco, CA 94114
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dave@formative.com

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Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Tel.: 212 909 6041
dlportilla@debevoise.com

¹ The Bank will be headquartered in San Francisco, California, although the exact location of the Bank's main office has not yet been determined.

1. Overview

- (a) Provide a brief overview of the application. The overview should describe the institution's business and any special market niche, including the products, market, services, and any nontraditional activities.

The organizers of Formative Bank, N.A. (the "Bank") are submitting this application to the Office of the Comptroller of the Currency (the "OCC") to obtain approval to establish a national bank to be headquartered in San Francisco, California. The Bank will provide licensed bank rails to financial technology firms ("Fintechs") and to large companies who do not wish to become banks themselves.

The Bank plans to serve the needs of U.S. consumers, including those in underserved communities, through solutions delivered by Fintech clients by offering traditional banking products and services.

The Bank will offer insured deposit accounts, payment systems such as ACH and wires, credit cards and—in the future—warehouse lending. The Confidential Business Plan, attached as Confidential Exhibit 1, provides additional details on the Bank's business, market, and products and services. The organizers contemplate that the Bank will seek obtaining minority depository institution status.

- (b) Describe any issues about the permissibility of the proposal with regard to applicable state or federal laws or regulations. Identify any regulatory waiver requests and provide adequate justification.

We are not aware of any issues that would affect the permissibility of the proposed Bank and its operation relative to applicable state or federal laws or regulations. No regulatory waiver requests are made with this application. As part of the deposit insurance application process, we plan to have discussions with the Federal Deposit Insurance Corporation (the "FDIC") to determine if the Bank will file a request for a determination that the primary purpose exception to the definition of deposit broker (12 U.S.C. § 1831f(g)(2)(I); 12 C.F.R. § 337.6(a)(5)(ii)(I)) applies to certain of the Bank's proposed deposit-taking activities.

- (c) List and provide a copy of all applications filed in conjunction with this proposal, such as applications for holding company, trust powers, branch offices, service corporations, and other subsidiaries.

No other applications have been filed in conjunction with this proposal. Before the Bank opens for business, Hypothetico will file an application with the Federal Reserve Board under section 3 of the Bank Holding Company Act of 1956, as amended, to become a bank holding company. We will provide a copy of that application to the OCC and FDIC following its submission to the Federal Reserve Board. Further, shortly after filing this application with the OCC, we will file a copy of it with the FDIC as a draft deposit insurance application. We will advise the OCC when the FDIC filing has been made. Lastly, the Bank also will apply for membership in the Federal Reserve System after the Bank has received conditional approval from the OCC.

- (d) When available, provide a copy of all public or private offering materials and the proposed form of stock certificate, including any required restrictive legends.

Copies of the offering materials for Hypothetico's capital raise and the proposed form of stock certificate for the Bank will be provided to the OCC and FDIC when available. The capital raise is discussed in Section VII.A ("Financial Management Plan") of the Confidential Business Plan, attached as Confidential Exhibit 1.

- (e) Provide a copy of the proposed articles of association, articles of incorporation, or charter, and proposed bylaws.

Copies of the Bank's proposed Articles of Association and Bylaws are provided as Public Exhibits 1 and 2, respectively.

- (f) Provide a copy of the business plan. The business plan should address, at a minimum, the topics contained in the appropriate regulatory agency's Business Plan Guidelines.

The Confidential Business Plan, which addresses the topics contained in the Interagency Business Plan Guidelines, is attached as Confidential Exhibit 1.

2. Management

- (a) Provide a list of the organizers, proposed directors, senior executive officers, and any individual, or group of proposed shareholders acting in concert, that will own or control 10 percent or more of the institution's stock. For each person listed, attach an Interagency Biographical and Financial Report, a fingerprint card, and indicate all positions and offices currently held or to be held with the institution's holding company and its affiliates, if applicable. Include the signed "Oath of Director" for each proposed director. For an OTS filing, provide a RB 20a Certification for each person listed.

The organizers of the Bank at the time of submission of the application are:

- David Kochbeck
- Jeff Schnitz
- Scott Case
- Duane Good
- Justin Maples
- Michelle Peralta
- Adam Schlesinger

The proposed directors of the Bank at the time of submission of the application are:

- David Kochbeck (Mr. Kochbeck also will serve as Chief Executive Officer of the Bank and Hypothetico.)
- Jeff Schnitz (Mr. Schnitz also will serve as President of the Bank.)
- Scott Case
- Duane Good

- Lisa Nelson
- Adam Schlesinger (Mr. Schlesinger also will serve as President of the Software Company.)

Prior to final approval of this application, the Bank may seek to add organizers and make changes to the composition of the Board of Directors of the Bank (the “Board”) as it continues to evaluate the composition of the Board and additional director candidates, and to facilitate structuring investors’ investments in order to ensure that no investor is deemed to “control” the Bank for purposes of federal banking laws. Any proposed modifications to the Board will accord with regulatory requirements and supervisory expectations with respect to independence, expertise and experience and other best practices for Board effectiveness. The Bank will notify the OCC and FDIC of any proposed changes to the organizers or to the Board size or composition and will submit all required documents.

The proposed senior executive officers of the Bank at the time of submission of the application are:

- David Kochbeck, Chief Executive Officer
- Jeff Schnitz, President
- Robert Hartinger, Chief Banking Officer
- Justin Maples, Chief Operating Officer (Mr. Maples also will serve as Chief Operating Officer of Hypothetico.)
- Michelle Peralta, Chief Product Officer
- Adam Schlesinger, President of the Software Company
- [Confidential], Chief Compliance Officer

The list above does not identify senior executive officer positions, such as the Chief Risk Officer role, that are currently vacant. Please refer to Section V.B (“Management Plan – Directors and Officers”) of the Confidential Business Plan, attached as Confidential Exhibit 1, for a complete list of the Bank’s proposed senior executive officers.

Attached as Confidential Exhibit 9 is an Interagency Biographical and Financial Report for each organizer, director and senior executive officer listed above. Fingerprints and executed “Oath of Director” forms, as applicable, will be provided later in the application process.

Hypothetico will be the sole stockholder of the Bank. Hypothetico’s common stockholders are identified in Section III.D (“Description of Business”) of the Confidential Business Plan. The current stockholders will remain stockholders upon completion of the capital fundraising but will own less than 10% of Hypothetico’s common stock.

- (b) Describe each proposed director’s qualifications and experience to serve and oversee management’s implementation of the business plan. Describe the extent, if any, to which directors or major stockholders are or will be involved in the day- to-day management of the institution. Also list the forms of compensation, if any.

A description of each proposed director’s qualifications and experience is set forth in Section V.A of the Confidential Business Plan. The majority of the directors will be independent

directors. The independent directors will be independent of Bank management in accordance with the FDIC's guidance set forth in Appendix A to 12 C.F.R. Part 363. The Chief Executive Officer and President are proposed directors and will be involved in the day-to-day management of the Bank. Major stockholders of Hypothetico who will be involved in the day-to-day management of the Bank are identified in Section III.D of the Confidential Business Plan.

Information regarding incentive compensation for directors can be found in Sections VII.A.6 ("Financial Management Plan") and X.A.1 ("Financial Projections") of the Confidential Business Plan.

(c) Provide a list of board committees and members.

The Board will establish an Audit Committee, Compliance & Risk Management Committee, Compensation Committee, and Executive Committee. Descriptions of the proposed committees are set forth in Section V.A of the Confidential Business Plan.

(d) Describe any plans to provide ongoing director education or training.

The Bank will maintain a training and education program that provides for trainings at the outset of directors' tenures and on an ongoing basis. Trainings and educational sessions will place particular emphasis on topics in the following areas: the duties and expectations of directors, including fiduciary duties and management oversight; bank regulatory requirements and expectations applicable to the Bank, its products and its services (*e.g.*, Bank Secrecy Act/anti-money laundering rules, information security/cybersecurity, credit); compliance and risk management practices; market risks and emerging trends. New directors will participate in a comprehensive orientation that includes an introduction to, among other matters, the Bank's business plan, business model and activities, organization structure, standard operating rules and policies, and risk management programs.

(e) Describe each proposed senior executive officer's duties and responsibilities and qualifications and experience to serve in his/her position. If a person has not yet been selected for a key position, list the criteria that will be required in the selection process. Discuss the proposed terms of employment, including compensation and benefits, and attach a copy of all pertinent documents, including an employment contract or compensation arrangement. Provide the aggregate compensation of all officers.

The duties and responsibilities, as well as qualifications and experience, of each of the Bank's senior executive officers are described in Section V.B of the Confidential Business Plan. The duties and responsibilities of vacant senior executive positions and the criteria we are using in screening candidates also are described in Section V.B of the Confidential Business Plan.

Refer to Section X.A.1 of the Confidential Business Plan for aggregate compensation information. Employment contracts and other documented compensation arrangements will be submitted once available.

(f) Describe any potential management interlocking relationships (12 U.S.C. 1467a(h)(2), 3201-3208, or applicable state law) that could occur with the establishment or ownership

of the institution. Include a discussion of the permissibility of the interlock with regard to relevant law and regulations or include a request for an exemption.

At this time, there are no known management interlocking relationships that exist with the establishment and ownership of the proposed Bank.

(g) Describe any potential conflicts of interest.

There are no known conflicts of interest in connection with the formation of the Bank. The Board will adopt a Code of Business Conduct and Ethics, substantially in the form attached as Confidential Exhibit 13.1.

(h) Describe any transaction, contract, professional fees, or any other type of business relationship involving the institution, the holding company, and its affiliates (if applicable), and any organizer, director, senior executive officer, shareholder owning or controlling 10 percent or more, and other insiders. Include professional services or goods with respect to organizational expenses and bank premises and fixed asset transactions. (Transactions between affiliates of the holding company that do not involve the institution need not be described.)

- 1) State whether the business relationship is made in the ordinary course of business, is made on substantially the same terms as those prevailing at the time for comparable transactions with non-insiders, and does not present more than the normal risk of such transaction or present other unfavorable features.
- 2) Specify those organizers that approved each transaction and whether the transaction was disclosed to proposed directors and prospective shareholders.
- 3) Provide all relevant documentation, including contracts, independent appraisals, market valuations, and comparisons.

The organizational costs and expenses for the Bank are being paid by Hypothetico. As described in Sections III.D and VII.A.6 of the Confidential Business Plan, certain organizers are currently shareholders of Hypothetico and organizers generally may receive certain grants of options and warrants as compensation for their services. Draft form stock award agreements are attached as Confidential Exhibit 15. Employment contracts and other documented compensation arrangements will be submitted to the OCC and FDIC once available.

All business relationships with organizers, directors, senior executive officers and other insiders will be approved by the Board and/or Hypothetico's Board of Directors (as appropriate) and will be made in the ordinary course of business, on substantially the same terms as those prevailing at the time for comparable transactions with non-insiders, and will not present to the Bank more than the normal risk associated with such transactions or other unfavorable features. As discussed in Section III.C of the Confidential Business Plan, the Bank will have service arrangements with Hypothetico and the Software Company that accord with applicable law, regulation and guidance, including the Federal Reserve Board's Regulation W and the OCC's Third-Party Relationships: Risk Management Guidance.

- (i) Describe all stock benefit plans of the institution and holding company, including stock options, stock warrants, and other similar stock-based compensation plans, for senior executive officers, organizers, directors, and other insiders. Include in the description:
- 1) The duration limits.
 - 2) The vesting requirements.
 - 3) Transferability restrictions.
 - 4) Exercise price requirements.
 - 5) Rights upon termination.
 - 6) Any “exercise or forfeiture” clause.
 - 7) Number of shares to be issued or covered by the plans.

Provide a list of participants, allocation of benefits to each participant, and a copy of each proposed plan. (Plans must conform to applicable regulatory guidelines.)

Hypothetico will be the sole direct shareholder of the Bank, and there will be no stock benefit plan with respect to the stock of the Bank.

Hypothetico will have a Stock Option and Grant Plan (the “Plan”), a draft of which is attached as Confidential Exhibit 15. The purpose of the Plan will be to attract and encourage the continued involvement of key employees and serve as an incentive to employees, directors and consultants for the successful, long-term operation of the Bank. Options granted under the Plan to directors and officers will be reviewed as a part of the total compensation package offered to such individuals. The Plan will contain no feature that would encourage speculative or high-risk activities or serve as an obstacle to or otherwise impede the sale of additional common stock of Hypothetico. The Plan will be approved by Hypothetico’s Board of Directors and will be fully disclosed in Hypothetico’s offering materials.

The Plan will have an exercise period of 10 years. Vesting arrangements will encourage the recipient to remain involved in the Bank and be determined by Hypothetico’s Board of Directors. Hypothetico’s Board of Directors currently plans to grant awards with a standard 4-year cliff vesting schedule (meaning that 25% of the shares subject to an award vest on the 1-year anniversary of that award’s vesting commencement date, and thereafter, 1/48th of the award vests on each monthly anniversary of the vesting commencement date). The exercise price of the stock rights issued under the Plan will not be less than the fair market value of the stock at the time that the rights are granted by Hypothetico’s Board of Directors. The forms of stock option and restricted stock agreements under the Plan will contain transfer restrictions and offer Hypothetico a right of first refusal, subject to customary exceptions for family transfers and for estate planning purposes. Copies of the draft form agreements are included in Confidential Exhibit 15. Following termination, plan participants will have three months to exercise their awards, unless a participant’s service was terminated in connection with death or a disability, in

which case his or her reward remains exercisable for 12 months. No awards have been allocated under the Plan at the time of submission of this application.

Copies of documentation to support the reasonableness of the Bank's compensation packages, including the methodology used to value any stock options (such as a stock option pricing model or discounted cash flow analyses and relevant comparable data) will be made available to the OCC and the FDIC once it becomes available. The Bank's proposed stock benefit plans are described in greater detail in Section VII.A.6 of the Confidential Business Plan.

3. Capital

- (a) For each class of stock, provide the number of authorized shares, the number of shares to be issued, par value, voting rights, convertibility features, liquidation rights, and the projected sales price per share. Indicate the amount of net proceeds to be allocated to common stock, paid-in surplus, and other capital segregations.

The Bank's proposed Articles of Association, attached as Public Exhibit 1, provide for authorized capital stock of up to 1000 shares of common stock, with a par value per share of \$1. These shares will have customary voting and liquidation rights associated with common stock and will not be convertible. The net proceeds from issuance of common stock will be allocated to the Bank's equity accounts. It is not contemplated that the Bank will issue any preferred stock.

Hypothetico's offering materials for its common stock will provide substantial information about shareholders' voting and other rights. We will share the offering materials with the OCC and the FDIC when they are available.

- (b) Describe any noncash contributions to capital, and provide supporting documents for assigned values, including an independent evaluation or appraisal.

There will be no noncash contribution to capital.

- (c) Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, including technology, branching, and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including any off- balance-sheet activities contemplated. Describe any plans for the payment of dividends.

As described in Section VII ("Financial Management Plan") of the Confidential Business Plan, attached as Confidential Exhibit 1, Hypothetico intends to raise a sufficient amount of capital that will be contributed to the Bank and will allow the proposed Bank to remain well-capitalized through the first three years of operation, taking into account the risks and planned operational and financial expenses of a *de novo* bank. As noted in the Confidential Business Plan, the Bank conducted extensive stress testing and sensitivity analyses to arrive at its capital plan. The organizers are committed to ensuring the Bank's overarching mission to create a profitable national bank that will help address the needs of U.S. consumers and enhance their financial well-being in a safe and sound manner.

As a digital bank, the Bank has no plans to open or operate any branches. The Bank also has no plans to declare any cash dividends during the three-year period of the Confidential Business Plan.

- (d) List all known subscribers to stock. For organizers, directors, 10 percent shareholders, senior executive officers, and other insiders, include the number of shares and anticipated investment and the amount of direct and indirect borrowings to finance the investment. Discuss how any debt will be serviced.

Hypothetico will be the sole owner of the Bank's common stock. Current holders of Hypothetico's common stock are identified in Section III.D ("Description of Business") of the Confidential Business Plan. There are no plans for the Bank to borrow money or issue debt.

- (e) List recipients and amounts of any fees, commissions, or other considerations in connection with the sale of stock.

Please refer to Section VII.A.1 of the Confidential Business Plan for information on engagements in connection with the sale of Hypothetico's common stock and Confidential Exhibit 11 ("Vendor Agreements") for any relevant vendor agreements.

- (f) Indicate whether the institution plans to file for S Corporation tax status.

The Bank does not intend to file for S Corporation tax status.

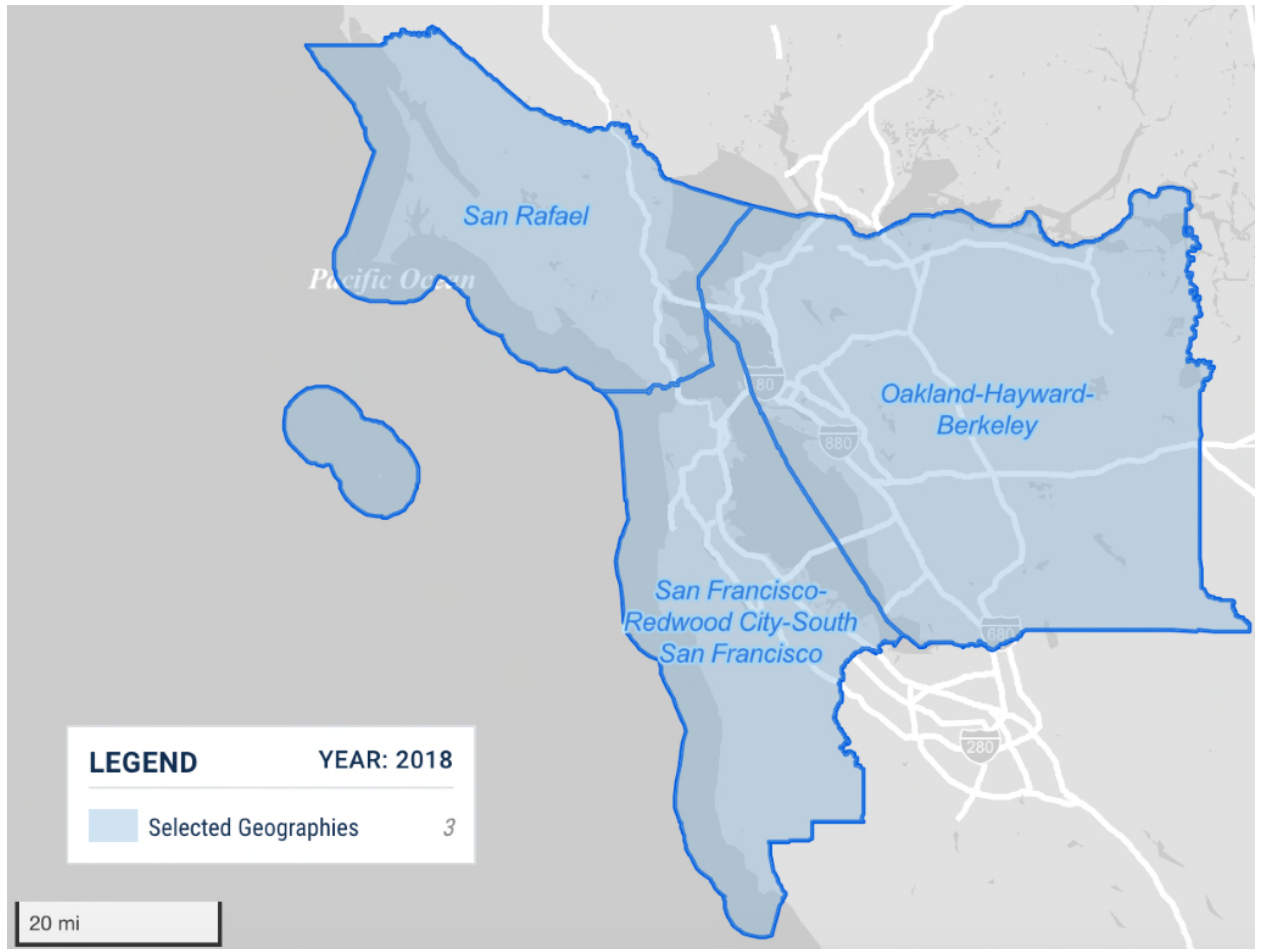
4. Convenience and Needs of the Community

NOTE: This information must be consistent with the proposed business plan.

- (a) Market Characteristics

- 1) Define the intended geographical market area(s). Include a map of the market area, pinpointing the location of proposed bank's offices and offices of competing depository institutions.

As a digital bank with no branch offices, the Bank will offer its products and services nationwide, but will provide outreach to the local surrounding communities of San Francisco. Below is a map of the Bank's anticipated Community Reinvestment Act assessment area – the San Francisco-Oakland-Berkeley Metropolitan Statistical Area ("MSA"), previously known as the San Francisco-Oakland-Hayward MSA. The San Francisco-Oakland-Berkeley MSA is composed of three Metropolitan Divisions: San Francisco-Redwood-South San Francisco, San Rafael, and Oakland-Hayward-Berkeley.



- 2) Describe the competitive factors the institution faces in the proposed market and how the institution will address the convenience and needs of that market to maintain its long-term viability.

For a description of the Bank’s competitive landscape and the Banks target markets, please see Section IV (“Marketing Plan”) of the Confidential Business Plan, attached as Confidential Exhibit 1, and the Feasibility Study, attached as Confidential Exhibit 7. Please also refer to the discussion of market convenience and needs in the Community Reinvestment Act Plan, attached as Public Exhibit 3.

- 3) Discuss the economic environment and the need for the institution in terms of population trends, income, and industry and housing patterns.

For information on the market need and economic viability, please refer to the Feasibility Study, attached as Confidential Exhibit 7.

(b) Community Reinvestment Act (CRA) Plan

NOTE: The CRA Plan must be bound separately.

- 1) Identify the assessment area(s) according to the CRA regulations.
- 2) Summarize the performance context for the institution based on the factors discussed in the CRA regulations.
- 3) Summarize the credit needs of the institution's proposed assessment area(s).
- 4) Identify the CRA evaluation test⁴ under which the institution proposes to be assessed.
- 5) Discuss the institution's programs, products, and activities that will help meet the existing or anticipated needs of its community(ies) under the applicable criteria of the CRA regulation, including the needs of low- and moderate-income geographies and individuals.

Please refer to the Community Reinvestment Act Plan attached as Public Exhibit 3.

5. Premises and Fixed Assets

- (a) Provide a physical description for permanent premises and discuss whether they will be publicly and handicapped accessible. Indicate the level and type of property insurance to be carried.

The Bank has not confirmed the exact location of its headquarters within the city of San Francisco. The Bank intends to lease office space that will be handicapped accessible. The premises will not be open to the public; instead, access will be restricted to the Bank's employees and authorized guests. The Bank will obtain insurance coverage that is customary in the banking business for its leased facility. The Bank will update the OCC and FDIC when the lease is finalized.

- (b) If the permanent premises are to be purchased, provide name of seller, purchase price, cost and description of necessary repairs and alterations, and annual depreciation. If the premises are to be constructed, provide the name of the seller, the cost of the land, and the construction costs. Indicate the percentage of the building that will be occupied by the bank. Provide a copy of the appraisal.

There are no current plans to purchase or construct the permanent premises.

- (c) If the permanent premises are to be leased, provide name of owner, terms of the lease, and cost and description of leasehold improvements. Provide a copy of the proposed lease when available.

The Bank has not yet confirmed the exact location for its initial headquarters. The Bank will update the OCC and FDIC when the lease is finalized.

- (d) If temporary quarters are planned, provide a description of interim facility, length of use, lease terms, and other associated commitments and costs.

Not applicable; no temporary quarters are planned.

- (e) State whether proposed premises and fixed asset expenditures conform to applicable statutory limitations.

The proposed expenditures on premises and fixed assets are not expected to be material and will conform to the applicable statutory limitations.

- (f) Outline the security program that will be developed and implemented, including the security devices.

The Bank's security program will comply fully with the standards prescribed by OCC and FDIC regulations in 12 C.F.R. Parts 21 and 326, respectively. The Bank's security program will:

- Establish procedures for opening and closing for business and for the safekeeping of any currency, negotiable securities, and similar valuables at all times;
- Establish procedures that will assist in identifying persons committing crimes against the Bank and that will preserve evidence that may aid in their identification and prosecution;
- Provide for initial and periodic training of officers and employees in their responsibilities under the security program and in proper employee conduct during and after a robbery, burglary or larceny; and
- Provide for selecting, testing, operating and maintaining appropriate security devices.

We note that, as a digital bank, the Bank will not have any branches nor will its offices be open for public access. Only Bank personnel and authorized guests will be able to access the Bank's premises. The Bank will not hold any cash deposits nor have ATMs onsite for customers at its offices. See Section VI.A. of the Confidential Business Plan, attached as Confidential Exhibit 1, for additional information.

- (g) Discuss any significant effect the proposal will have on the quality of the human environment. Include in the discussion changes in air and/or water quality, noise levels, energy consumption, congestion of population, solid waste disposal, or environmental integrity of private land within the meaning of the National Environmental Policy Act, 42 U.S.C. 4321, et seq.

The Bank expects to lease permanent premises from an office of an existing commercial provider and thus it is not anticipated that the establishment of the Bank will materially impact the quality of the human environment. The Bank will update the OCC and FDIC once a final office location is chosen.

- (h) Describe any plan to establish branches or relocate the main office within the first three years. Any acquisition or operating expenses should be reflected in the financial projections.

Not applicable. As a digital bank, the Bank has no plans to establish branches. The Bank intends to establish the main office in San Francisco, California and does not intend to relocate within the first three years of operation.

- (i) Indicate if the establishment of the proposed main office and/or any branch site may affect any district, site, building, structure, or object listed in, or eligible for listing in, the National Register of Historic Places pursuant to the National Historic Preservation Act, 16 U.S.C. 470f. (See the Advisory Council on Historic Preservation at www.achp.gov for the Act and implementing regulations.) Specify how such determination was made:
- 1) Consultation with the State Historic Preservation Officer (SHPO) and/or Tribal Historic Preservation Officer (THPO) (when tribal lands or historic properties of significance to a tribe are involved).
 - 2) Reviewed National Register of Historic Places (see www.cr.nps.gov/nr).
 - 3) Applied National Register criteria to unlisted properties.
 - 4) Reviewed historical records.
 - 5) Contact with preservation organizations.
 - 6) Other (describe).

As appropriate, provide a copy of any documentation of consultation with the SHPO and/or THPO. You are reminded that if a historic property may be affected, no site preparation, demolition, alterations, construction or renovation may occur without the appropriate regulatory agency's authorization.

The Bank does not currently anticipate that the establishment of its main office will affect any district site, building, structure, or object listed or eligible to be listed in the National Register of Historic Places. Once an office location is selected, the Bank will execute a search of the National Register of Historic Places (www.cr.nps.gov/nr) for confirmation and update the OCC and FDIC.

6. Information Systems

- (a) State whether the institution plans to market its products and services (the ability to do transactions or account maintenance) via electronic means. If yes, specifically state the products and services that will be offered via electronic banking or the Internet.

All origination and servicing of Bank products is expected to be done through electronic means via the Bank's banking platform. The Bank will be a digital bank with no physical branches. The Bank will distribute its deposit and credit card products on a "white label" basis in partnership with established Fintech companies. Additional information can be found in Sections IV.A ("Marketing Plan") of the Confidential Business Plan, attached as Confidential Exhibit 1.

- (b) Outline the proposed or existing information systems architecture and any proposed changes or upgrades. The information should describe how: (1) the information system will work within existing technology; (2) the information system is suitable to the type of business in which the institution will engage; (3) the security hardware, software, and procedures will be sufficient to protect the institution from unauthorized tampering or access; and (4) the organizers and directors will allocate sufficient resources to the entire technology plan.

Section VI.A. (“Records, Systems, and Controls”) of the Confidential Business Plan includes a detailed description of the Bank’s overall information technology strategy and proposed systems architecture. This includes information regarding the Bank’s core banking system and physical and cloud-based infrastructure.

- (c) Provide lists or descriptions of the primary systems and flowcharts of the general processes related to the products and services. The level of detail in these system descriptions should be sufficient to enable verification of the cost projections in the *pro formas*.

Please refer to Section VI.A of the Confidential Business Plan.

- (d) Estimate the start-up budget for the information systems related to the products and services and the expected annual operating and maintenance costs (including telecommunications, hardware, software, and personnel).

Please refer to Section X (“Financial Projections”) of the Confidential Business Plan.

- (e) Describe the physical and logical components of security. Describe the security system and discuss the technologies used and key elements for the security controls, internal controls, and audit procedures. Discuss the types of independent testing the institution will conduct to ensure the integrity of the system and its controls.

Please refer to Section VI.A and B of the Confidential Business Plan for further information on data protection and the Bank’s approach to audit.

- (f) Describe the information security program that will be in place to comply with the “Interagency Guidelines Establishing Standards for Safeguarding Customer Information.”

The Bank’s information security program is designed to ensure the security and confidentiality of customer information consistent with the Interagency Guidelines Establishing Standards for Safeguarding Customer Information. For additional information, please see Section VI.A of the Confidential Business Plan and the draft Information Security Policy, attached as Confidential Exhibit 13.12.

7. Other Information

- (a) List activities and functions, including data processing, that will be outsourced to third parties, identifying the parties and noting any affiliations. Describe all terms and conditions of the vendor management activities and provide a copy of the proposed

agreement when available. Describe the due diligence conducted and the planned oversight and management program of the vendors' or service providers' relationships (for general vendor management guidance, see the Appendix of the FFIEC's guidance, Risk Management of Outsourced Technology Services).

A description of the Bank's outsourced functions is included in Section VI.E ("Records, Systems, and Controls") of the Confidential Business Plan, attached as Confidential Exhibit 1.

Outsourced activities will be managed in accordance with the Bank's draft Third Party Risk Management Program Policy, attached as Confidential Exhibit 13.20, and Federal Financial Institutions Examination Council and OCC outsourcing guidance. As part of its third-party risk management program, the Bank will perform vendor risk assessments, conduct due diligence on a range of areas including financial stability and regulatory compliance, maintain contracts that align with industry best practices, and provide ongoing oversight through a series of monitoring and testing processes.

A copy of the Bank's draft Master Inter-Affiliate Services Agreement for services outsourced to the Bank's affiliates is included in Confidential Exhibit 12. Existing vendor agreements are also included in Confidential Exhibit 11. Copies of other outsourcing agreements for services outsourced to unaffiliated third parties will be provided to the OCC and FDIC when available.

- (b) List all planned expenses related to the organization of the institution and include the name of recipient, type of professional service or goods, and amount. Describe how organization expenses will be paid.

All expenses related to the organization of the Bank will be paid by Hypothetico. Please see Sections VII.A.4 ("Financial Management Plan") and X ("Financial Projections") of the Confidential Business Plan for descriptions of the expenses.

- (c) Provide evidence that the institution will obtain sufficient fidelity coverage on its officers and employees to conform with generally accepted banking practices.

The Bank will obtain adequate insurance coverage for its officers and employees, including blanket bond, director and officer insurance and surety bond coverage, in conformance with generally accepted banking practices. Proof of coverage will be provided to the OCC and FDIC when available.

- (d) If applicable, list names and addresses of all correspondent depository institutions that have been established or are planned.

The Bank is currently evaluating correspondent banking relationships, and no arrangements have yet been established. The Bank is likely to use the correspondent banking services of traditional providers.

- (e) Provide a copy of management's policies for loans, investments, liquidity, funds management, interest rate risk, and other relevant policies. Provide a copy of the Bank Secrecy Act program. Contact the appropriate regulatory agencies to discuss the specific timing for submission.

Copies of the following draft Bank policies are attached as Confidential Exhibits 13.1 through 13.20.

- Code of Business Conduct and Ethics
- Social Equity Policy
- Pricing Policy
- Delegated Authority Matrix
- Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Compliance Policy
- Business Continuity Policy
- Capital Policy
- Credit Policy
- Compliance Risk Management Policy
- Dividend Policy
- Fair Lending Policy
- Information Security Policy
- Insider Activities Policy
- Interest Rate Risk and Asset-Liability Management Policy
- Investment Policy
- Lending Policy
- Liquidity and Funds Management Policy
- Liquidity Contingency Funding Plan Policy
- Privacy Policy
- Third Party Risk Management Program Policy

These policies will continue to be revised and additional draft policies will be completed during the organization phase. All policies will be reviewed and approved by the Board prior to the launch of the Bank and made available to the OCC and FDIC as requested.

- (f) For Federal Savings Banks or Associations, include information addressing the proposed institution's compliance with qualified thrift lender requirements.

Not applicable; the Bank is not a Federal Savings Bank or Association.

- (g) If the institution is, or will be, affiliated with a company engaged in insurance activities that are subject to supervision by a state insurance regulator, provide:


- 1) The name of insurance company.
- 2) A description of the insurance activity that the company is engaged in and has plans to conduct.
- 3) A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

Not applicable; the Bank will not be affiliated with any company engaged in insurance activities and will not be engaged in insurance activities that would cause it to be subject to supervision by a state insurance regulator.

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

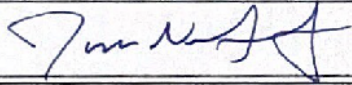
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	Signature	Date	Typed Name
X		8/21/2020	David Kochbeck
X			Jeff Schnitz
X			Adam Schlesinger
X			
X			Justin Maples
X			Michelle Peralta
X			Scott Case
X			Duane Good
Add Signature Line			

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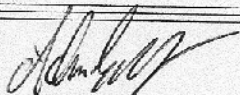
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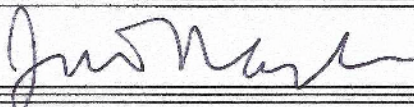
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X			Jeff Schnitz
X		08/18/2020	Adam Schlesinger
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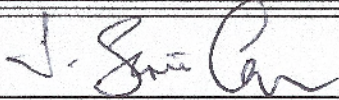
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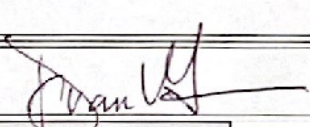
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X			David Kochbeck
X			Jeff Schnitz
X			Adam Schlesinger
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X			Justin Maples
X			Michelle Peralta
X			Scott Case
X		August 19, 2020	Duane Good
	Add Signature Line		

EXHIBITS (check all that apply)

- ☒ Business Plan
 - ☒ Financial Projections
- ☒ CRA Plan
- ☒ Articles of Association, Articles of Incorporation, or Charter
- ☒ Bylaws
- ☐ Oath of Director
- ☒ Interagency Biographical and Financial Reports
- ☐ Fingerprint cards (appropriate regulatory agency)
- ☒ Publication Certification / Affidavit / Notice of Publication
- ☒ Copies of contracts / agreements
 - ☐ Employment / compensation
 - ☒ Service providers
 - ☐ Other
- ☒ Stock Benefit Plans
- ☒ Economic survey or market feasibility study
 - ☐ Market Area Map
- ☐ Waiver request, specify:
- ☐ Offering Materials
- ☐ Proposed stock certificate
- ☐ Corporate or holding company audited statements or financial reports
- ☒ Copy of policies, specify:

FSA ONLY:

- ☐ RB 20a Certification

Formative Bank, N.A.

Interagency Charter and Federal Deposit Insurance Application

Public Exhibits

August 21, 2020

PUBLIC EXHIBITS

Public Exhibit 1
Articles of Association

**ARTICLES OF ASSOCIATION
OF
FORMATIVE BANK, NATIONAL ASSOCIATION**

(Effective as of [Date])

ARTICLE I - NAME

For organizing an association to perform any lawful activities of national banks, the undersigned enter into the following Articles of Association:

ARTICLE I – NAME

The title of this association shall be Formative Bank, N.A. (the “Bank”).

ARTICLE II - OFFICES

1. Main Office. The main office of the Bank shall be in the City and County of San Francisco, State of California.
2. Conduct of Business. The general business of the Bank shall be conducted at its main office.

ARTICLE III - BOARD OF DIRECTORS

1. Number. The Board of Directors of the Bank (the “Board”) shall consist of not less than five nor more than 25 persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full Board or by resolution of the shareholders at any annual or special meeting thereof.
2. Qualification. Each director shall own common or preferred stock of the Bank or of a holding company owning the Bank, with either an aggregate par, fair market, or equity value of \$1,000. Determination of these values may be based as of either (A) the date of purchase, or (B) the date the person became a director, whichever value is greater. Any combination of common or preferred stock of the Bank or holding company may be used.
3. Vacancy and Increase. Any vacancy in the Board may be filled by action of a majority of the remaining directors between meetings of shareholders. By the vote of a majority of the full Board, the Board may also, between annual meetings of shareholders, increase the number of directors, provided that the Board may not increase the number of directors to a number which: (A) exceeds by more than two the number of directors last elected by shareholders when the number was 15 or less; or (B) exceeds by more than four the number of directors last elected by shareholders where the number was 16 or more, but in no event shall the number of directors exceed 25.

4. Term. Directors shall be elected for terms of one year and until their successors are elected and qualified. Terms of directors, including terms of directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless they resign, are removed from office. Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualifies or until there is a decrease in the number of directors and his or her position is eliminated.

5. Director Resignation. A director may resign at any time by delivering written notice to the Board, Chairperson, or to the Bank, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

6. Honorary or Advisory Directors. Honorary or advisory members of the Board, without voting power or power of final decision in matters concerning the business of the Bank, may be appointed by resolution of a majority of the full Board, or by resolution of shareholders at any annual or special meeting. Honorary or advisory directors shall not be counted to determine the number of directors of the Bank or the presence of a quorum for any Board action and shall not be required to own qualifying shares.

7. Appointment of Officers. The Board shall appoint one of its members President of The Bank, and one of its members Chairperson of the Board and shall have the power to appoint one or more vice presidents, a secretary who shall keep minutes of the directors and shareholders' meetings and be responsible for authenticating the records of the Bank, and such other officers and employees as may be required to transact the business of the Bank. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board according to the Bylaws.

8. Powers. The Board shall have the power to: (A) define the duties of the officers, employees, and agents of the Bank; (B) delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the Bank; (C) fix the compensation and enter into employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law; (D) dismiss officers and employees; (E) require bonds from officers and employees and to fix the penalty thereof; (F) ratify written policies authorized by the Bank's management or committees of the Board; (G) regulate the manner in which any increase or decrease of the capital of the Bank shall be made, provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the Bank according to law, and nothing shall raise or lower from two-thirds the percentage required for shareholder approval to increase or reduce the capital; (H) manage and administer the business and affairs of the Bank; (I) adopt initial Bylaws for managing the business and regulating the affairs of the Bank that are not inconsistent with law or the Articles of Association; (K) make contracts; and (L) generally perform all acts that are legal for a board of directors to perform.

9. Branch Offices. The Board shall have the power to change the location of the main office to any authorized branch within the limits of the city of San Francisco, California without the approval of the shareholders, or with a vote of shareholders owning two-thirds of

the stock of the Bank for a relocation outside such limits and upon receipt of a certificate of approval from the Comptroller of the Currency, to any other location within or outside the limits of San Francisco, California, but not more than 30 miles beyond such limits. The Board shall have the power to establish or change the location of any branch or branches of the Bank to any other location permitted under applicable law, without approval of shareholders, subject to approval by the Comptroller of the Currency.

ARTICLE IV - MEETINGS OF SHAREHOLDERS

1. Annual Meeting. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the Board may designate, on the day of each year specified therefore in the Bylaws, or if that day falls on a legal holiday in the state in which the Bank is located, on the next following banking day. If no election is held on the day fixed or in the event of a legal holiday on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the Board, or, if the directors fail to fix the day, by shareholders representing two-thirds of the shares issued and outstanding.

2. Special Meetings. The Board or any one or more shareholders owning, in the aggregate, not less than 25 percent of the stock of the Bank, may call a special meeting of shareholders at any time.

3. Notice of Meetings. Notice shall be mailed to each shareholder of record specifying the time, place, and purpose of all shareholders' meetings at least 10 days prior to the meeting by first class mail, unless notice of such meeting is waived in accordance with section 1.4 of the Bylaws or the Office of the Comptroller of the Currency determines that an emergency circumstance exists.

4. Written Consents. Unless otherwise provided by applicable law, any action required or permitted to be taken at an annual or special meeting of the shareholders of the Bank may be taken without prior written notice and without any meeting if such action is taken by written action, containing a waiver of notice, signed by all of the shareholders entitled to vote on that action.

5. Director Elections. In all elections of directors, the number of votes cast by each common shareholder will be determined by multiplying the number of shares he or she owns by the number of directors to be elected. On all other questions, each common shareholder shall be entitled to one vote for each share of stock held by him or her.

6. Director Removal. A director may be removed by shareholders at a meeting called to remove him or her, when notice of the meeting states that the purpose or one of the purposes is to remove him or her, if there is a failure to fulfill one of the affirmative requirements for qualification, or for cause, provided, however, that a director may not be removed if the number

of votes sufficient to elect him or her under cumulative voting is voted against his or her removal.

7. Voting Rights. Unless required by law, (1) shareholders owning a majority voting interest in the outstanding voting stock must approve all matters requiring shareholder action, including amendments to the Articles of Association, and (2) each shareholder shall be entitled to one vote per share. Unless otherwise specified in the Articles of Association or required by law, all shares of voting stock shall be voted together as a class, on any matters requiring shareholder approval. If a proposed amendment would affect two or more classes or series in the same or a substantially similar way, all the classes or series so affected, must vote together as a single voting group on the proposed amendment.

8. Record Date. Unless otherwise provided in the Bylaws, the record date for determining shareholders entitled to notice of and to vote at any meeting is the close of business on the day before the first notice is mailed or otherwise sent to the shareholders, provided that in no event may a record date be more than 70 days before the meeting.

ARTICLE V - CAPITAL

1. Capitalization. The amount of authorized capital stock of this Bank shall be \$1,000, divided into 1,000 shares of common stock of the par value of \$1 each; but said capital stock may be increased or decreased from time to time, in accordance with the provisions of the laws of the United States.

2. Preemptive Rights. No holder of shares of the capital stock of any class of the Bank shall have any preemptive or preferential right of subscription to any shares of any class of stock of the Bank, whether now or hereafter authorized, or to any obligations convertible into stock of the Bank, issued or sold, nor any right of subscription to any thereof other than such, if any, as the Board, in its discretion, may from time to time determine and at such price as the Board may from time to time fix. Preemptive rights also must be approved by a vote of holders of two-thirds of the Bank's outstanding voting shares.

3. Debt Obligations. The Bank, at any time and from time to time, may authorize and issue debt obligations, whether or not subordinated, without the approval of the shareholders.

ARTICLE VI - PERPETUAL EXISTENCE

The corporate existence of the Bank shall continue until terminated in accordance with the laws of the United States.

ARTICLE VII - INDEMNIFICATION

To the extent permitted by 12 CFR 7.2014 and consistent with the requirements of 12 USC 1828(k) and the implementing regulations thereunder:

1. Right to Indemnification. Each person who was or is made a party to or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he or she is or was a director or an officer of the Bank or is or was serving at the request of the Bank as a director or officer of another corporation or of a partnership, joint venture, or other enterprise, including service with respect to an employee benefit plan (hereinafter an “indemnitee”), whether the basis of such proceeding is alleged action in an official capacity as a director or officer, or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Bank to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Bank to provide broader indemnification rights than such law permitted the Bank to provide prior to such amendment) against all expense, liability and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; *provided, however*, that the Bank shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 1 of this Article VII, an indemnitee shall also have the right to be paid by the Bank the expenses (including attorney’s fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an “advancement of expenses”); *provided, however*, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Bank of an undertaking (hereinafter an “undertaking”), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a “final adjudication”) that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise.

3. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

4. Insurance. The Bank may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Bank or another corporation, partnership, joint venture or other enterprise against any expense, liability or loss, whether or not the Bank would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law; *provided, however*, no such insurance shall include coverage for the cost of any judgment or civil money penalty ultimately assessed against such persons by a federal banking agency after a finding of a violation of law, regulation, or other fiduciary duty.

5. Indemnification of Employees and Agents of the Bank. The Bank may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Bank to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Bank.

6. Nature of Rights. The rights conferred upon indemnitees in this Article VII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, alteration or repeal.

ARTICLE VIII - AMENDMENT

These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of the Bank, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of holders of such greater amount. The Board may propose one or more amendments to the Articles of Association for submission to the shareholders.

Public Exhibit 2
Bylaws

**BYLAWS
OF
FORMATIVE BANK, NATIONAL ASSOCIATION**

Article I

MEETINGS OF SHAREHOLDERS

Section 1.1. Annual Meeting. The regular annual meeting of the shareholders to elect directors and transact such other business as may properly come before the meeting, shall be held at the main office of Formative Bank, N.A., San Francisco, California (the “Bank”), or such other place as the Board of Directors (the “Board”) may designate, and at 1:00 pm Pacific time on the first of May each year, or if that date falls on a legal holiday in the state in which the Bank is located on the next following banking day. Notice of the meeting shall be mailed by first class mail, postage prepaid, at least 10 days and no more than 60 days prior to the date thereof, addressed to each shareholder at his or her address appearing on the books of the Bank. If, for any cause, an election of directors is not made on that date, or in the event of a legal holiday, on the next following banking day, an election may be held on any subsequent day within 60 days of the date fixed, to be designated by the Board, or, if the directors fail to fix the date, by shareholders representing two-thirds of the shares. In these circumstances, at least 10 days’ notice must be given by first class mail to the shareholders.

Section 1.2. Special Meetings. Unless otherwise provided by applicable law, special meetings of the shareholders may be called for any purpose at any time by the Board or by any one or more shareholders owning, in the aggregate, not less than 25 percent of the stock of the Bank. Every such special meeting, unless otherwise provided by law, shall be called by mailing, postage prepaid, not less than 10 days nor more than 60 days prior to the date fixed for the meeting, to each shareholder at the address appearing on the books of the Bank a notice stating the purpose of the meeting. Shareholders or the Board may call a special meeting to amend the Articles of Association or Bylaws, regardless of whether the Board may amend the Bylaws in the absence of shareholder approval.

Section 1.3. Record Date. The Board may fix a record date for determining shareholders entitled to notice and to vote at any meeting, in reasonable proximity to the date of giving notice to the shareholders of such meeting. The record date for determining shareholders entitled to demand a special meeting is the date the first shareholder signs a demand for the meeting describing the purpose or purposes for which it is to be held.

If an annual or special shareholders’ meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, place, or means of remote communication, if the new date, time, place, or means of remote communication is announced at the meeting before adjournment, unless any additional items of business are to be considered, or the Bank becomes aware of an intervening event materially affecting any matter to be voted on more than 10 days prior to the date to which the meeting is

adjourned. If a new record date for the adjourned meeting is fixed, however, notice of the adjourned meeting must be given to persons who are shareholders as of the new record date. If, however, the meeting to elect the directors is adjourned before the election takes place, at least 10 days' notice of the new election must be given to the shareholders by first class mail.

Section 1.4. Notice of Meetings. Unless otherwise provided by applicable law, notwithstanding anything in these Bylaws to the contrary, a valid shareholders' meeting may be held without notice whenever notice thereof shall be waived in writing by all shareholders, or whenever all shareholders shall be present or represented at the meeting.

Section 1.5. Nominations of Directors. Nominations for election to the Board may be made by the Board or by any shareholder of any outstanding class of capital stock of the Bank entitled to vote for the election of directors.

Section 1.6. Proxies. Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing, but no officer or employee of this Bank shall act as proxy. Proxies shall be valid only for one meeting, to be specified therein, and any adjournments of such meeting. Proxies shall be dated and filed with the records of the meeting. Proxies with facsimile signatures may be used and unexecuted proxies may be counted upon receipt of a written confirmation from the shareholder. Proxies meeting the above requirements submitted at any time during a meeting shall be accepted.

Section 1.7. Quorum. A majority of the outstanding capital stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association. If a meeting for the election of directors is not held on the fixed date, at least 10 days' notice must be given by mail or by electronic transmission in accordance with applicable law to the shareholders.

Section 1.8. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of any such corporate action without a meeting by less than unanimous written consent shall be given to those shareholders who have not consented in writing.

Article II

DIRECTORS

Section 2.1. Board of Directors. The Board shall have the power to manage and administer the business and affairs of the Bank. Except as expressly limited by law, all corporate powers of the Bank shall be vested in and may be exercised by the Board.

Section 2.2. Number. The Board shall consist of no less than five nor more than 25 persons, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board or by resolution of a majority of the shareholders at any annual or special meeting thereof.

Section 2.3. Organization Meeting. The Secretary shall notify the directors-elect of their election and of the time at which they are required to meet at the main office of the Bank to organize the new Board and elect and appoint officers of the Bank for the succeeding year. Such meeting shall be held on the day of the election or as soon thereafter as practicable, and, in any event, within 30 days thereof. If, at the time fixed for such meeting, there shall not be a quorum, the directors present may adjourn the meeting, from time to time, until a quorum is obtained.

Section 2.4. Regular Meetings. The regular meetings of the Board shall be held, without notice, at such times and at the main office or other such places as the Board may designate. When any regular meeting of the Board falls upon a holiday, the meeting shall be held on the next banking business day unless the Board shall designate another day.

Section 2.5. Special Meetings. Special meetings of the Board may be called by the Chairperson, the President or the Secretary, or at the request of one-third or more of the directors. Each member of the Board shall be given notice stating the time and place by first class mail, electronic mail, or in person, of each special meeting. Notice of any special meeting of the Board need not, however, be given to any director if waived by such director in writing or if such director shall be present at the meeting, except when a director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened; and any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all the members shall be present thereat.

Section 2.6. Quorum. A majority of the entire Board then in office on the Board shall constitute a quorum at any meeting, but a lesser number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. If the number of directors is reduced below the number that would constitute a quorum, no business may be transacted, except selection of directors to fill vacancies in conformance with Section 2.7. Except as otherwise expressly required by these Bylaws, the Articles of Association, or by applicable law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. A director may not vote by proxy.

Section 2.7. Vacancies. When any vacancy occurs among the directors, a majority of the remaining members of the Board, according to the laws of the United States, may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose at which a quorum is present, or, if the directors remaining in office constitute fewer than a quorum, by the affirmative vote of a majority of all the directors remaining in office, or by shareholders at a special meeting called for that purpose, in conformance with Section 2.2.

A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 2.8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or of such committee, as the case may be, consent thereto in writing, and the writings are filed with the minutes of proceedings of the Board in accordance with applicable law.

Section 2.9. Telephone Meetings. Board or committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other and be heard. Participation by a director in a meeting pursuant to this Section 2.9 shall constitute presence in person at such meeting.

Article III

COMMITTEES OF THE BOARD

Section 3.1. Delegation to Committees. The Board has power over and is solely responsible for the management, supervision, and administration of the Bank. The Board may delegate its power, but none of its responsibilities, to such persons or committees as the Board may determine.

The Board must formally ratify written policies authorized by committees of the Board before they become effective. Each committee must have one or more member(s), who serve at the pleasure of the Board. Provisions of the Articles of Association and Bylaws governing place of meetings, notice of meeting, quorum, and voting requirements of the Board, apply to committees and their members as well. The creation of a committee and appointment of members to it must be approved by the Board.

Section 3.2. Audit Committee. There shall be an audit committee composed of no less than three directors, exclusive of any active officers, appointed by the Board annually or more often. The duty of that committee shall be to examine at least once during each calendar year and within 15 months of the last examination the affairs of the Bank or cause suitable examinations to be made by auditors responsible only to the Board and to report the result of such examination in writing to the Board at the next regular meeting thereafter. Such report shall state whether the Bank is in a sound condition, and

whether adequate internal controls and procedures are being maintained and shall recommend to the board of directors such changes in the manner of conducting the affairs of the Bank as shall be deemed advisable.

Section 3.3. Other Committees. The Board may appoint, from time to time, from its own members, executive, compliance, risk management, loan, investment, compensation, special litigation and other committees of one or more persons, for such purposes and with such powers as the Board may determine.

However, a committee may not:

- (1) Authorize distributions of assets or dividends.
- (2) Approve action that the shareholders must approve.
- (3) Fill vacancies on the Board or any of its committees.
- (4) Amend the Articles of Association.
- (5) Adopt, amend, or repeal the Bylaws.
- (6) Authorize or approve the issuance or sale, or contract for sale, of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares.

Article IV

OFFICERS AND EMPLOYEES

Section 4.1. Chairperson of the Board. The Board shall appoint one of its members to be the Chairperson of the Board to serve at its pleasure. Such person shall preside at all meetings of the Board. The Chairperson shall:

- (1) Supervise the carrying out of the policies adopted or approved by the Board;
- (2) Have general executive powers, as well as the specific powers conferred by these Bylaws; and
- (3) Have and may exercise such further powers and duties as from time to time may be conferred upon, or assigned by the Board.

Section 4.2. Chief Executive Officer. The Board may appoint a Chief Executive Officer of the Bank. The Chief Executive Officer shall have general executive powers, and shall have and may exercise any and all other powers and duties pertaining by law, regulation, or practice, to such office, or imposed by these Bylaws. The Chief Executive Officer shall also have and may exercise such further powers and duties as from time-to-time may be conferred, or assigned by the Board.

Section 4.3. President. The Board shall appoint one of its members to be the President of the Bank. In the absence of the Chairperson, the President shall preside at

any meeting of the Board. The President shall have general executive powers, and shall have and may exercise any and all other powers and duties pertaining by law, regulation, or practice, to such office, or imposed by these Bylaws. The President shall also have and may exercise such further powers and duties as from time-to-time may be conferred, or assigned by the Board.

Section 4.4. Vice President. The Board may appoint one or more Vice Presidents. Each Vice President shall have such powers and duties as may be assigned by the Board. The Board shall designate one Vice President, in the absence of the President, to perform all the duties of the President.

Section 4.5. Secretary. The Board shall appoint a Secretary or other designated officer who shall be Secretary of the Board and of the Bank, and shall keep accurate minutes of all meetings. The Secretary shall:

- (1) Attend to the giving of all notices required by these Bylaws;
- (2) Be custodian of the corporate seal, records, documents, and papers of the Bank;
- (3) Provide for the keeping of proper records of all transactions of the Bank;
- (4) Have and may exercise any and all other powers and duties pertaining by law, regulation, or practice, to the office of Secretary, or imposed by these Bylaws; and
- (5) Perform such other duties as may be assigned from time-to-time, by the Board.

Section 4.6. Proceedings of the Board of Directors. In the absence of the Chairperson and the President any director appointed by the Board as Chairperson of the meeting *pro tempore*, shall preside at meetings of the directors.

Section 4.7. Other Officers. The Board may appoint one or more assistant vice presidents, one or more trust officers, one or more assistant secretaries, one or more managers and assistant managers of branches and such other officers and attorneys in fact as from time to time may appear to the Board to be required or desirable to transact the business of the Bank. Such officers shall respectively exercise such powers and perform such duties as pertain to their several offices, or as may be conferred upon, or assigned to, them by the Board, the Chairperson of the Board, or the President. The Board may authorize an officer to appoint one or more officers or assistant officers.

Section 4.8. Tenure of Office. All officers shall hold office for the current year for which the Board was elected, unless they shall resign, become disqualified, or be removed; and any vacancy occurring in the office of Chief Executive Officer or President shall be filled promptly by the Board of Directors.

Section 4.9. Resignation. An officer may resign at any time by delivering notice to the Bank. A resignation is effective when the notice is given unless the notice specifies a later effective date.

Article V

STOCK AND STOCK CERTIFICATES

Section 5.1. Transfers. Shares of stock shall be transferable on the books of the Bank, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to his or her shares, succeed to all rights of the prior holder of such shares. The Board may impose conditions upon the transfer of the stock reasonably calculated to simplify the work of the Bank for stock transfers, voting at shareholder meetings, and related matters, and to protect it against fraudulent transfers.

Section 5.2. Stock Certificates. Certificates of stock shall bear the signature of the Chief Executive Officer or President (which may be engraved, printed, or impressed), and shall be signed manually or by facsimile process, including electronic means of signature, by the Secretary, assistant secretary, or any other officer appointed by the Board for that purpose, to be known as an authorized officer, and the seal of the Bank shall be engraved thereon. Each certificate shall recite on its face that the stock represented thereby is transferable only upon the books of the Bank properly endorsed.

The Board may adopt or use procedures for replacing lost, stolen, or destroyed stock certificates as permitted by law.

The Bank may establish a procedure through which the beneficial owner of shares that are registered in the name of a nominee may be recognized by the Bank as the shareholder. The procedure may set forth:

- (1) The types of nominees to which it applies.
- (2) The rights or privileges that the Bank recognizes in a beneficial owner.
- (3) How the nominee may request the Bank to recognize the beneficial owner as the shareholder.
- (4) The information that must be provided when the procedure is selected.
- (5) The period over which the Bank will continue to recognize the beneficial owner as the shareholder.
- (6) Other aspects of the rights and duties created.

Article VI

CORPORATE SEAL

The Chief Executive Officer, the President, the Secretary, or any assistant secretary, or other officer thereunto designated by the Board, shall have authority to affix the corporate seal to any document requiring such seal and to attest the same. Such seal shall be substantially in the following form:

(Impression)
(of)
(Seal)

Article VII

MISCELLANEOUS PROVISIONS

Section 7.1. Fiscal Year. The fiscal year of the Bank shall be the calendar year.

Section 7.2. Execution of Instruments. All agreements, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted on behalf of the Bank by the Chairperson of the Board, the Chief Executive Officer or the President, or any Vice President, or the Secretary.

Any such instruments may also be executed, acknowledged, verified, delivered or accepted on behalf of the Bank in such other manner and by such other officers as the Board may from time to time direct. The provisions of this Section 7.2 are supplementary to any other provision of these Bylaws.

Section 7.3. Records. The Articles of Association, the Bylaws, and the proceedings of all meetings of the shareholders, the Board, and standing committees of the Board, shall be recorded in appropriate minute books provided for that purpose. The minutes of each meeting shall be signed by the Secretary or other officer appointed to act as Secretary of the meeting.

Section 7.4. Corporate Governance Procedures. To the extent not inconsistent with applicable federal banking statutes or regulations or bank safety and soundness, the corporate governance procedures of Delaware General Corporation Law, Del. Code Ann. tit. 8 (1991, as amended 1994, and as amended thereafter) will be followed.

Section 7.5. Indemnification. The bank may make or agree to make indemnification payments to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), for an administrative proceeding or civil action initiated by any federal banking agency, that are reasonable and consistent with the requirements of 12 U.S.C § 1828(k) and its implementing regulations.

The bank may indemnify an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), for damages and expenses, including the advancement of expenses and legal fees, in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, in accordance with the provisions set forth in the Articles of Association, which provisions are in accordance with Delaware General Corporation Law, Del. Code Ann. tit. 8 (1991, as amended 1994, and as amended thereafter), provided such payments are consistent with safe and sound banking practices.

Article VIII

BYLAWS

Section 8.1. Inspection. A copy of the Bylaws, and all amendments shall at all times be kept in a convenient place at the main office of the Bank, and may be inspected by all shareholders during banking hours.

Section 8.2. Amendments. The Bylaws may be amended, altered, or repealed, at any regular meeting of the Board, by a vote of a majority of the total number of the directors, provided that the following language accompanying any such change.

I, _____, certify that: (1) I am the duly constituted corporate Secretary of _____ and Secretary of its Board of Directors, and as such officer am the official custodian of its records; (2) the foregoing Bylaws are the Bylaws of the Bank, and all of them are now lawfully in force and effect.

I have hereunto affixed my official signature and the seal of the Bank, in the city of _____, on this _____ day of _____, 2020.

(Secretary)

(Seal of Bank, if customary)

Public Exhibit 3
Community Reinvestment Act Plan

1. Introduction

1.1. Overview

Formative Bank, N.A. (the Bank) is committed to serving the unmet need for traditional banking products, including to businesses and individuals in underserved communities, by partnering with customer-facing clients. The Bank will provide bank rails to financial technology partners and other companies who offer financial service products. The Bank's initial products will be limited to deposit accounts, payment systems such as automated clearing house (ACH) transactions and wires, and credit cards and warehouse lending.

1.2. Submission of Strategic Plan

The Bank aims to serve its entire community and to develop a program of community development activities that will improve the lives of those in its community. As an insured depository institution subject to OCC oversight, the Bank is subject to the Community Reinvestment Act of 1977 ("CRA"), which requires FDIC-insured banks to help meet the credit needs of their entire community, including low- and moderate-income households and neighborhoods. Given that the Bank does not anticipate operating branches, deposit-taking ATMs, or otherwise directly marketing its products to consumers, the Bank believes that the strategic plan option, as described in 12 CFR 25.27, will provide the best platform for the bank to meet the needs of its assessment area and community.

The Bank will submit a Strategic Plan to address how the Bank will comply with CRA during the first two full calendar years of its three-year de novo period. The Bank's de novo period is anticipated to begin in late 2020 and to include all of 2021 and 2022 and part of 2023. The Strategic Plan will establish methods of compliance and performance criteria for 2021 and 2022. The Strategic Plan will be reevaluated and updated prior to the beginning of 2023 to take into account the bank's operations and to comply with the recent changes to the OCC's CRA regulations as described below.

1.3. CRA Modernization

On May 20, 2020, the OCC published a final rule (Final Rule) intended to strengthen and modernize the OCC's regulations under the CRA. The Bank recognizes the efforts made by the OCC to modernize its regulations to better address today's market for financial services, and especially to address the role of branchless banks in promoting the well-being of the communities they serve. As the Bank does not plan to operate any branches, deposit-taking ATMs, or otherwise maintain a physical footprint beyond its head office, the Bank views its community to be the United States as whole. The Bank anticipates that the opportunity to designate assessment areas outside of the Bank's facility-based area in San Francisco will allow the bank to magnify its impact on the well-being of its community. In order to evaluate the Bank's potential deposit-based assessment areas under the Final Rule, the bank will monitor and evaluate the geographic concentrations of its deposit and other products throughout its de novo period, and particularly in the period leading up to the potential compliance dates, depending on

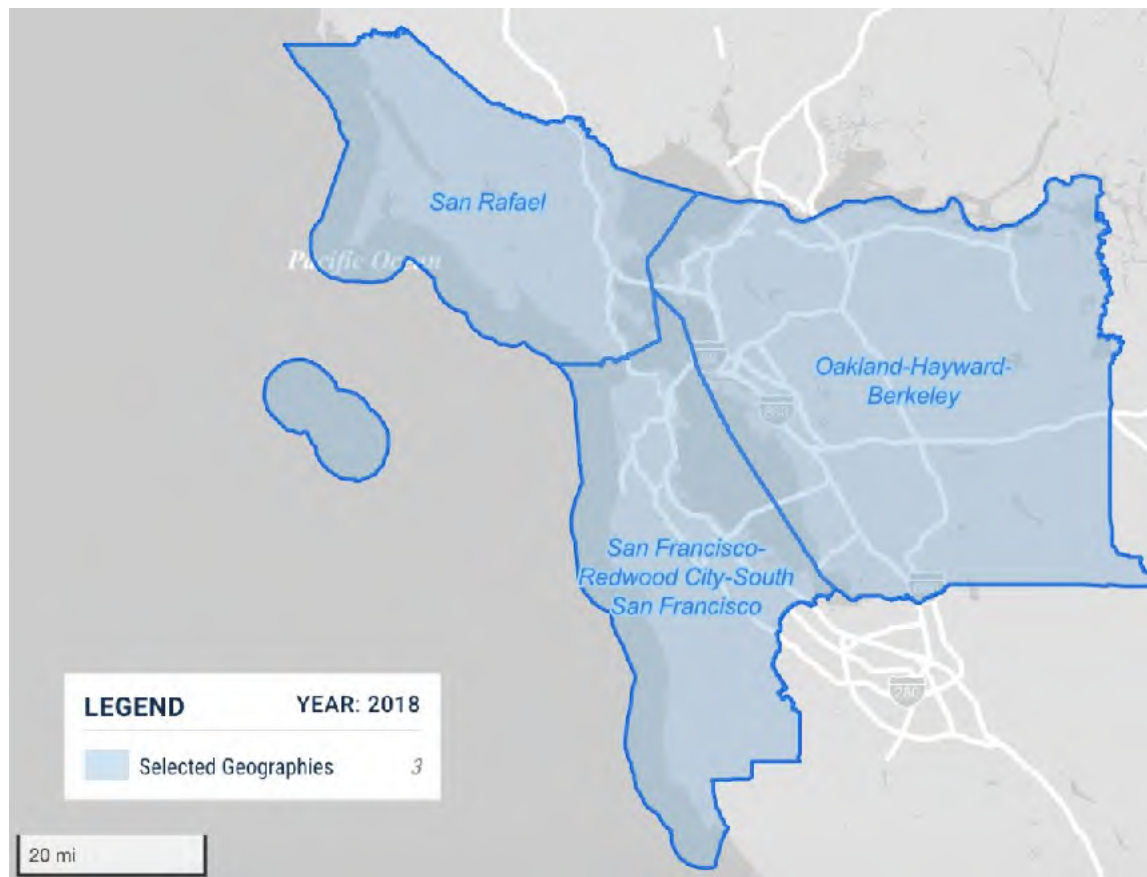
the Bank's size, of January 1, 2023, or January 1, 2024, at which time banks that have been approved for a Strategic Plan must comply with the Final Rule.

2. Assessment Area

The CRA requires each financial institution to define one or more facilities-based assessment areas. The Bank will not operate branches or deposit-taking ATMs; accordingly, the Bank's initial, facility-based assessment area will consist of the area surrounding the Bank's head office. The Bank's head office will be located in San Francisco, California, and its facility-based assessment area will be the surrounding San Francisco-Oakland-Berkeley Metropolitan Statistical Area ("MSA"), previously known as the San Francisco-Oakland-Hayward MSA. The San Francisco-Oakland-Berkeley MSA is composed of three Metropolitan Divisions, San Francisco-Redwood-South San Francisco, San Rafael, and Oakland-Hayward-Berkeley. These are shown in the map below.

The Bank may receive more than 50% of its retail deposits from customers outside its facilities-based assessment areas which would require a deposit-based assessment area under the Final Rule. The Bank will evaluate whether such circumstances exist as the potential compliance dates, depending on the Bank's size, of January 1, 2023, or January 1, 2024 approaches, and will submit a new or revised strategic plan, as may be appropriate.

Figure 1: San Francisco-Oakland-Berkeley MSA¹



2.1. Economy

As of 2018, the San Francisco-Oakland-Berkeley MSA has the 4th largest MSA economy in the United States², despite being only the 12th largest by population³. The largest industries are: finance, insurance, real estate rental, and leasing; professional and business services; and information technology, together composing 53% of the MSA economy⁴.

2.2. Unemployment

Through early 2020, the unemployment rate in the San Francisco-Oakland-Berkeley MSA was considerably below the national average, at 2.2% in December of 2019 and 3.5% in March

¹ United States Census Bureau, retrieved from data.census.gov on July 13th, 2020

² Bureau of Economic Analysis, GDP by County, Metro, and Other Areas, Retrieved from www.bea.gov on July 13th, 2020

³ US Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Totals and Components of Change: 2010-2019, Retrieved from www.census.gov on July 13th, 2020

⁴ Bureau of Economic Analysis, GDP by County, Metro, and Other Areas, Retrieved from www.bea.gov on July 13th, 2020

of 2020, compared with 3.5% and 4.4% respectively for the nation as a whole. Unemployment in the MSA has been sharply affected by the COVID-19 pandemic, jumping to 13.2% in April of 2020, compared with 14.7% for the nation during the same period⁵.

2.3. Income

The MSA's real *per capita* income in 2018, the latest figure available from the Bureau of Economic Analysis, was \$70,399, compared to \$50,346 for the nation as a whole⁶. However, there is considerable variation in income level between census tracts in the MSA. The three metropolitan divisions that compose the MSA contain 980 census tracts, identified by median household income as shown below.

Table 1: Count of Census Tracts by Income Level⁷

Metropolitan Division	Count of Census Tract by Income Level					Total
	Low	Moderate	Middle	Upper	Unknown	
San Rafael	3	10	24	17	2	56
San Francisco-Redwood-South San Francisco	38	64	110	132	11	355
Oakland-Hayward-Berkeley	75	134	166	190	4	569
Total	116	208	300	339	17	980

Note that "Unknown" Tract Income Level in the table above identifies those tracts for which no or insufficient income data was collected.

2.4. Needs of the Community

Outreach to community stakeholders identified a handful of themes in the credit needs of the community. Financial inclusion, characterized by access to consumer credit, and funding for low income housing emerged as pressing financial services needs for the community. Financial education and job preparation were identified as related areas of focus.

The COVID-19 crisis has only deepened these and other needs, as industries employing many low- and middle-income people in the community have pulled back.

⁵ Bureau of Labor Statistics, Local Area Unemployment Statistics, retrieved from data.bls.gov on July 13th, 2020

⁶ Bureau of Economic Analysis, GDP by County, Metro, and Other Areas, Retrieved from www.bea.gov on July 13th, 2020

⁷ FFIEC Online Census Data System, Retrieved from <https://www.ffiec.gov/census/default.aspx> on July 13th, 2020

3. Performance Context

3.1. Business Model

The Bank will provide bank rails to financial technology partners and other companies who offer financial service products. The Bank's initial products will be limited to deposit accounts, payment systems such as automated clearing house (ACH) transactions and wires, credit cards, and warehouse lending. The Bank is committed to creating a profitable national bank that will help address the needs of U.S. consumers, including businesses and those in underserved communities, through solutions delivered by our fintech clients. Our mission is to promote fair access and fair treatment of all customers through efficiency and better service and to do so in a safe and sound manner, while ensuring compliance with all laws and regulations.

3.2. Competition

The San Francisco-Oakland-Berkeley MSA is a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2019, 70 institutions operate 1,107 locations within the assessment area. Two institutions, Bank of America, N.A., and Wells Fargo, N.A., constitute greater than 50% of market share, while the top 10 institutions make up 89% of market share. Given the saturation of banks operating branches in the assessment area, it is likely a competitive market for community development loans, investments, and services.

3.3. Bank Lending Capacity

The Bank's Business Plan envisions the Bank being well-capitalized at inception and profitable by the end of its initial three-year Business Plan term. Thus, the Bank will have immediate capacity to pursue its CRA program goals.

4. Program Governance

The Bank's President will designate a CRA Officer who will bear responsibility for managing community reinvestment activities. The CRA Officer will be tasked with:

- Developing and refining future iterations of the Bank's CRA Strategic Plan.
- Monitoring the bank's compliance with the CRA and performance against the CRA Strategic Plan on an ongoing basis.
- Reporting quarterly on CRA performance to the Board of Directors.
- Managing the bank's relationships with third party community development organizations.
- Ensuring compliance with all internal policies and procedures while performing community reinvestment services.
- Facilitating the efforts of OCC examiners during CRA evaluations.

5. Strategy and Tactics

5.1. Overview

The Bank is committed to serving the communities in which it operates, including low- and moderate-income persons and census tracts within its assessment area. The Bank's mission and values reflect a desire to build a bank that enables the creation of differentiated services that help its customers better control and manage their money while providing public transparency. The Bank plans to pursue certain strategies outlined below to expand the Bank's community development investments and services.

5.2. Performance Criteria

The Bank will be assessed on its record of helping the needs of its assessment area under the Lending, Investment, and Service tests. Specifically, the Lending test will assess the Bank's lending activity, the geographic distribution of its lending, its borrower characteristics, its community development lending, and its innovative or flexible lending practices. The Investment Test will evaluate the dollar amount of the Bank's qualified investments, the innovativeness or complexity of its qualified investments, the responsiveness of its qualified investments to credit and community development needs, and the degree to which the qualified investments are not routinely provided by private investors. Finally, the Service Test will evaluate the extent to which the Bank provides community development services and the innovativeness and responsiveness of those community development services.

While some of the bank's community development activity may benefit areas outside of its assessment area, the Bank's management is committed to addressing the needs of its assessment area.

5.3. Formative Bank, N.A. Approach

Based on the Bank's initial assessment, the most pressing community development needs of the San Francisco-Oakland-Berkeley MSA concern financial inclusion, financial literacy, and access to affordable housing. The Bank's President and CRA Officer will design and implement an investment- and services-driven strategy to address these needs.

The Bank anticipates that its community development approach may incorporate community development loans to:

- Financial intermediaries (such as Community Development Financial Institutions ("CDFIs"), New Markets Tax Credit ("NMTC") Community Development Entities ("CDEs"), Community Development Corporations ("CDCs"), community loan funds, and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development.

The Bank anticipates that its community development approach may incorporate qualified investments (direct investments, grants, deposits, or shares) in or to:

- Projects eligible for low-income housing tax credits.
- State and municipal obligations (such as revenue bonds) that specifically support affordable housing or other community development.
- Financial intermediaries (such as CDFIs, NMTC CDEs, CDCs, minority- and women-owned financial institutions, community loan funds, and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development.

The Bank anticipates that its community development strategy may incorporate the contribution of time, technical assistance, or funding to or of community development services in the following way:

- Providing technical assistance on financial matters to nonprofit or government organizations serving LMI housing or economic revitalization and development needs.

5.4. Ratings and Expected Result

The Bank aims to achieve a CRA Performance Evaluation rating of **Outstanding** or **Satisfactory**. To that end, the Bank is committed to meeting the following criteria:

- A **high** or **adequate** level of community development loans, community development services, or qualified investments, with a focus on investments that are not routinely provided by private investors
- **Extensive** or **occasional** use of innovative or complex qualified investments, community development loans, or community development services; and
- **Excellent** or **adequate** responsiveness to credit and community development needs in the San Francisco-Oakland-Berkeley MSA and any subsequently designated assessment area or areas.

Quantitative thresholds for achieving Outstanding and Satisfactory ratings against these criteria are discussed in Section 6 below.

6. Community Development Goals

The Bank's Strategic Plan will set forth measurable lending, investment, and service goals within the Bank's assessment area, including defined thresholds for achieving Outstanding and Satisfactory ratings in each category. Pursuant to the Plan, the bank will endeavor to increase or enhance:

- The amount of loans and qualified investments that support community and economic development; and
- The amount and range of community development services provided annually by executives, senior officers, and other bank employees.

6.1. Alternative Evaluation Method

The Bank is committed, at the very minimum, to meeting this Strategic Plan's measurable goals for a "Satisfactory" rating. Based on Bank's business model, Bank would not elect to be evaluated under an alternative assessment method if it fails to achieve a Satisfactory rating under this strategic plan. It is the intent and expectation of management that the Bank will meet or exceed all goals established in this Plan.

7. Input into the Development of the Plan

The Bank has sought and received input from a number of community stakeholders regarding the needs of the community and the potential activities of the Bank to address them. This outreach and community feedback has guided the Bank's development of a community reinvestment strategy and tactics for implementation, and will be central to the crafting of the Bank's Strategic Plan.

Summaries of these contacts are included as an appendix to this document.

8. Public Comments on the Strategic Plan

The Bank will publish notice of the availability of its proposed draft Plan as soon as practicable following the date hereof in a daily newspaper of general circulation headquartered within Bank's established AA. Bank will amend the draft Plan to (i) summarize the public comment letters received and (ii) address any concerns identified therein, where permissible under current CRA rules and regulations. All comments received will be taken seriously when finalizing the Plan. All comment letters will be provided to the OCC as a part of the draft submission. The letters will become part of the Bank's Public file and can be obtained upon request.

Public Exhibit 4
Public Notification

An Application to Organize a National Bank
Has Been Filed on the Date of this Publication
with the Comptroller of the Currency

We, the undersigned, intending to organize and operate an insured national bank according to the provisions of the National Bank Act, as amended, submit an application to the Comptroller of the Currency for permission to organize an insured national bank, and propose as follows:

1. That the main office of the national bank be located at a location to be determined in San Francisco, California.
2. That the national bank will have the following title: Formative Bank, N.A.
3. That David Kochbeck of San Francisco, California 94114 will act as sole and exclusive correspondent to represent and appear for the undersigned before the Comptroller of the Currency, and to receive all correspondence and documents for this application. In witness whereof, the undersigned have signed this document on the date set forth above.

Organizers:

David Kochbeck, San Francisco, California
Jeff Schnitz, San Francisco, California
Adam Schlesinger, Miami, Florida
Justin Maples, Cupertino, California
Michelle Peralta, Lafayette, California
Scott Case, San Francisco, California
Duane Good, Pebble Beach, California

The holding company of the national bank will be Hypothetico, Inc., PO Box 14130, San Francisco, CA 94114.

Any person desiring to comment on this application may do so by submitting written comments within 30 days of the date of publication of this notice to Director for District Licensing of the Central District of the Office of the Comptroller of the Currency, 425 South Financial Place, Suite 2700 Chicago, IL 60605 or CE.Licensing@occ.treas.gov. The Office of the Comptroller of the Currency strongly recommends the use of electronic methods during the Coronavirus Disease 2019 (COVID-19) pandemic. Submission of comments in paper form may result in delays in processing. A person who wishes to view the public file should submit a written request to the district licensing office.