



Federal Reserve Bank of San Francisco

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ASSISTANT VICE PRESIDENT

FINANCIAL INSTITUTION FORMATIONS + TRANSACTIONS

SUPERVISION + CREDIT

January 18, 2022

Via Electronic Mail

Mr. Richard K. Kim
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019

Dear Mr. Kim:

This letter is in response to (1) the application by SoFi Technologies, Inc., San Francisco, California (“SoFi Technologies”; formerly, Social Capital Hedosophia Holdings Corp. V, Palo Alto, California), Social Finance, Inc., San Francisco, California (“SoFi, Inc.”), and Gemini Merger Sub, Inc., San Francisco, California (collectively, “SoFi”), to become bank holding companies by acquiring Golden Pacific Bancorp, Inc. and thereby indirectly acquiring Golden Pacific Bank, National Association, both of Sacramento, California (“Golden Pacific Bank”), pursuant to sections 3(a)(1) and 3(a)(3) of the Bank Holding Company Act (“BHC Act”) and section 225.15 of Regulation Y;¹ and (2) the election by SoFi Technologies and SoFi, Inc. to become financial holding companies, pursuant to section 4(l) of the BHC Act and section 225.82 of Regulation Y.²

Application Under Section 3 of the BHC Act

The Federal Reserve Bank of San Francisco (“Reserve Bank”), acting under authority delegated by the Board of Governors of the Federal Reserve System (“Board”), and having considered the relevant statutory factors, hereby approves the section 3 application by SoFi. As newly authorized bank holding companies, SoFi Technologies and SoFi, Inc. must comply with the registration requirements set forth in the Attachments to this Letter.

¹ 12 U.S.C. § 1842; 12 CFR 225.15.

² 12 U.S.C. § 1843; 12 CFR 225.82.

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Approval of the section 3 application is subject to the Board's authority to require reports by and make inspections and examinations of bank holding companies and their subsidiaries and to require such modification or termination of activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with the BHC Act. Approval of the application also is subject to receipt of all other required regulatory approvals, non-objections, or consents to this transaction.

Financial Holding Company Election

The Reserve Bank, acting under authority delegated by the Board, also has reviewed the election filed by SoFi Technologies and SoFi, Inc. to become financial holding companies pursuant to sections 4(k) and (l) of the BHC Act and section 225.82 of Regulation Y. SoFi Technologies and SoFi, Inc. have certified that they and Golden Pacific Bank, the depository institution they would control, are well capitalized and well managed and have provided all of the information required under the BHC Act and Regulation Y.

The Reserve Bank has reviewed the examination ratings received by Golden Pacific Bank under the Community Reinvestment Act ("CRA")³ and other relevant examination ratings and supervisory information. Based on all the facts of record, this Reserve Bank has determined that the election by SoFi Technologies and SoFi, Inc. to become financial holding companies shall become effective at the time SoFi Technologies and SoFi, Inc. consummate the section 3 transaction.

As financial holding companies, SoFi Technologies and SoFi, Inc. may engage in activities that are financial in nature or incidental to a financial activity. The activities permissible for a financial holding company and the applicable notice procedures are set forth in sections 225.85 through 225.89 of Regulation Y.⁴ When SoFi Technologies and/or SoFi, Inc. engages in an activity or acquires control or shares of a company engaged in an activity under section 4(k) of the BHC Act, or commences certain investment activities or makes certain large merchant banking or insurance company investments subject to sections 225.87(b)(3) and (4) of Regulation Y,⁵ SoFi Technologies and/or SoFi, Inc. must provide written notice to the appropriate Reserve Bank within 30 calendar days after commencement of the activities or the acquisition or investment. The designated form for providing such notice is the Y-10 Report.

SoFi Technologies and SoFi, Inc. may continue to claim the benefits of financial holding company status as long as they and each depository institution they control remain well

³ 12 U.S.C. § 2901 *et seq.*

⁴ 12 C.F.R. 225.85-.89.

⁵ 12 CFR 225.87(b)(3) and (4)

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capitalized and well managed. SoFi Technologies and SoFi, Inc. must provide written notice to this Reserve Bank when they become aware that they or any depository institution they control cease to be well capitalized or well managed.⁶ In addition, SoFi Technologies and SoFi, Inc. may not commence any additional activities under sections 4(k) or 4(n) of the BHC Act, or acquire control of a company engaged in activities under those sections, if any insured depository institution controlled by SoFi Technologies or SoFi, Inc. receives a rating of less than “satisfactory” under the CRA.⁷

Impermissible Activities

SoFi is currently engaged in crypto-asset related activities that the Board has not found to be permissible for a bank holding company or a financial holding company.⁸ Section 4(a)(2) of the BHC Act⁹ provides an automatic two-year delay in applying the nonbanking prohibitions of the BHC Act to the existing impermissible investments and activities of SoFi Technologies and SoFi, Inc., beginning from the date the companies become bank holding companies. Section 4(a)(2) specifically authorizes the Board to approve up to three one-year extensions of this two-year conformance period if it determines that the extension would not be detrimental to the public interest. At the end of the two-year period and any extensions authorized by the Board, the bank holding company must either divest the impermissible investments and activities or conform them to the requirements of section 4 of the BHC Act.

SoFi has specifically committed to divest or conform to the requirements of the BHC Act its existing impermissible investments and activities within two years of the date of consummation of the section 3 proposal (or such extended period as the Board, in its discretion, may authorize). SoFi also has committed that, during the conformance period, SoFi will not, except as specifically authorized by the BHC Act and Regulation Y, expand any impermissible investments and activities in which SoFi was engaged as of the date SoFi Technologies and SoFi, Inc. became bank holding companies. SoFi has committed to provide regular reports to the

⁶ See 12 CFR 225.83(b).

⁷ See 12 CFR 225.84.

⁸ On November 23, 2021, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency issued a Joint Statement on Crypto-Asset Policy Sprint Initiative and Next Steps. It summarizes the agencies’ plans to provide greater clarity throughout 2022 on whether certain crypto-related assets conducted by banking organizations are legally permissible, and related expectations for safety and soundness, consumer protection, and compliance with existing law and regulations. SoFi understands and agrees that their current provision of crypto-asset related services to customers is subject to any determinations made by the agencies in this regard as well as to the attached commitments.

⁹ 12 U.S.C. § 1843(a)(2).

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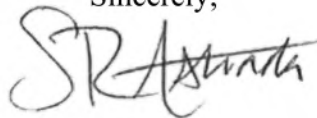
Federal Reserve on its compliance with the commitments and its efforts to divest or conform to the requirements of the BHC Act and Regulation Y the impermissible investments and activities. The Federal Reserve will monitor SoFi's compliance with the attached commitments throughout the conformance period.

Conclusion

In acting on the section 3 application and financial holding company election, the Reserve Bank relied upon all the representations and the commitments made by or on behalf of SoFi as part and in support of the application. Any material change in the representations should be reported to Reserve Bank staff promptly to determine if any further approval or action by the Reserve Bank is required. The commitments are deemed to be conditions imposed by the Federal Reserve in writing in connection with this decision and, as such, may be enforced in proceedings under applicable law.

The proposed transaction may not be consummated before the 15th calendar day or after three months from the date of this letter unless such period is extended by the Federal Reserve in writing. Please notify the undersigned in writing when the section 3 transaction is consummated. Any questions other than those related to the registration requirements set forth in the Attachments may be directed to Supervisory Analyst Megan Lau, at (415) 977-3801, or to the undersigned.

Sincerely,

A handwritten signature in dark ink, appearing to be 'SR' followed by a stylized flourish.

Attachments

cc: Board of Governors
Department of Justice
Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation
Joe Sciacca, Federal Reserve Bank of San Francisco
Evelyn Gani, Federal Reserve Bank of San Francisco

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Attachments

Bank Holding Company Registration Requirements

In order to fulfill the registration requirements of section 5(a) of the BHC Act,¹⁰ SoFi must provide the following information to the Reserve Bank within 30 days of consummation of the proposed transaction:

1. Mailing address of SoFi Technologies and SoFi, Inc. to be used in the future.
2. Date of the fiscal year-end of SoFi Technologies and SoFi, Inc.
3. Parent-only (non-consolidated) balance sheet of SoFi Technologies and SoFi, Inc. as of the close of business on the date of consummation, as prepared in accordance with generally accepted accounting principles.
4. List of changes, if any, in directors, executive officers and shareholders of SoFi Technologies and SoFi, Inc. since the BHC application was filed.

In addition, SoFi must file an FR Y-6 Annual Report of Bank Holding Companies ("Y-6 Report")¹¹ with the Reserve Bank within three months of the fiscal year-end in which SoFi Technologies and SoFi, Inc. become BHCs. SoFi also must file an FR Y-10 Report of Changes in Organizational Structure ("Y-10 Report")¹² with the Reserve Bank within 30 calendar days following consummation.

Any questions related to the completion of the Y-6 Report or Y-10 Report should be addressed to Assistant Manager Evelyn Gani in the Statistics Department of the Reserve Bank, at (415) 974-2311.

¹⁰ 12 U.S.C. § 1844.

¹¹ The Y-6 Reporting Form and Instructions are available online at the following link: <https://www.federalreserve.gov/apps/reportforms/default.aspx>.

¹² The Y-10 Form and Instructions are available online at the following link: <https://y10online.federalreserve.gov>.

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IMPERMISSIBLE ACTIVITIES AND INVESTMENTS COMMITMENTS

In connection with the application filed by SoFi Technologies, Inc., Social Finance, Inc., and Gemini Merger Sub, Inc. (collectively, the “SoFi Companies”), all of San Francisco, California, to become bank holding companies by acquiring 100 percent of Golden Pacific Bancorp, Inc., and thereby indirectly acquire Golden Pacific Bank, National Association, all of Sacramento, California (“Application”), the SoFi Companies hereby make the following commitments to the Board of Governors of the Federal Reserve System (“Board”).

1. As required by section 4(a)(2) of the Bank Holding Company Act of 1956 (“BHC Act”), within two years of the date the SoFi Companies become bank holding companies (“Conformance Period”), the SoFi Companies will either:
 - i. Terminate, including by divestiture if necessary, all activities and investments of the SoFi Companies and their subsidiaries, including the SoFi Companies’ current provision of crypto-asset services to customers, that are not permissible for the SoFi Companies under section 4 of the BHC Act (“Impermissible Activities and Investments”); or
 - ii. Conform the Impermissible Activities and Investments to the requirements of the BHC Act and the Board’s Regulation Y.
2. During the Conformance Period, SoFi will not, except as authorized by the BHC Act and Regulation Y, expand the Impermissible Activities and Investments in which the SoFi Companies and its subsidiaries were engaged as of the date the SoFi Companies became bank holding companies by, directly or indirectly, acquiring shares or assets of a company, or increasing the types of products and services offered [REDACTED]
[REDACTED]
3. [REDACTED]
[REDACTED]
4. The SoFi Companies will provide reports acceptable to the Federal Reserve System on a quarterly basis, or more frequently at the request of Federal Reserve System staff, that (i) identify all of the SoFi Companies’ remaining Impermissible Assets and Activities and (ii) explain the SoFi Companies’ plans and progress in terminating or conforming those activities and investments to the requirements of the BHC Act and Regulation Y. The initial report will be due 30 days after the date the SoFi Companies become bank holding companies.

The SoFi Companies understand that the Board may, in its discretion, extend the Conformance Period for a total of up to three additional years, with no extension lasting more than one year. The Board has established a procedure for requesting an extension in its Regulation Y (12 C.F.R. § 225.22(f) and 225.138). In order to request an extension, the SoFi Companies must file a request with the Federal Reserve Bank of San Francisco.

The SoFi Companies understand that these commitments are considered to be conditions imposed in writing in connection with the findings and decision made on the Application, and as such, may be enforced in proceedings under applicable law.