

**Conditional Approval #1320
May 2024**

April 26, 2024

Mark A. Crowe
Senior Vice President and Deputy General Counsel
Fulton Bank, N.A.
One Penn Square
Lancaster, PA 17602

sent via email to: mcrowe@fultonbank.com

Re: Application by Fulton Bank, N.A., Lancaster, Pennsylvania to purchase certain assets and assume certain liabilities of Republic First Bank dba Republic Bank, Philadelphia, Pennsylvania
OCC Control No.: 2024-FailureAcq-336515

Dear Mr. Crowe:

The Office of the Comptroller of the Currency (“OCC”) hereby conditionally approves the application of Fulton Bank, N.A., Lancaster, Pennsylvania (“Acquirer”) to purchase certain assets of and assume certain liabilities of Republic First Bank dba Republic Bank, Philadelphia, Pennsylvania (“Failed Entity”). This approval is subject to the conditions set forth below. The transaction may be consummated immediately following appointment of the Federal Deposit Insurance Corporation as receiver.¹

The OCC understands that the Pennsylvania Department of Banking and Securities intends to appoint the Federal Deposit Insurance Corporation as receiver for Failed Entity, a state-chartered bank with deposits insured by the FDIC, on April 26, 2024. The Failed Entity had total assets of approximately \$5.9 billion and total deposits of approximately \$4.4 billion as of December 31, 2023.² Acquirer will purchase substantially all of the Failed Entity’s assets and assume substantially all of the Failed Entity’s deposits. The OCC has been asked to grant its written approval of the proposed agreement negotiated between the FDIC and Acquirer by which the latter would purchase certain assets and assume certain liabilities of Failed Entity.

This approval is based upon the information contained in the Acquirer’s application and other information and representations made to the OCC during its processing of the application.

¹ See 12 U.S.C. § 1828(c)(6).

² See Republic First Bank dba Republic Bank, December 31, 2023 Consolidated Report of Condition and Income (updated April 12, 2024).

The Purchase and Assumption

Acquirer applied to the OCC for approval to purchase certain assets of and assume certain liabilities of Failed Entity under 12 U.S.C. §§ 24(Seventh) and 1828(c) (the “Transaction”). A national bank may acquire all or part of a depository institution through a purchase and assumption transaction as incidental to the business of banking under 12 U.S.C. § 24(Seventh).³ Thus, the Transaction is legally authorized, and the OCC approves the Transaction.

Acquirer, which has its main office in Pennsylvania and branches in several states including Pennsylvania and New Jersey, also requested OCC approval to retain the branches and main office of Failed Entity, located in Pennsylvania, New Jersey, and New York, upon consummation of the Transaction as branches of the Acquirer. As authorized under 12 U.S.C. § 36(c) and (g), the OCC approves the Acquirer's retention of Failed Entity's branches and main office as branches of Acquirer.

To the extent that, as a result of the Transaction, Acquirer holds nonconforming assets or engages in nonconforming activities, either directly or through a subsidiary, Acquirer has up to two years from the date of the purchase and assumption Transaction to divest or conform the asset or discontinue or conform the activity. Acquirer has represented that it will not assume any crypto-related assets, deposits, or liabilities, if any, of the Failed Entity.

Bank Merger Act

The OCC reviewed the proposed purchase and assumption Transaction under the criteria of the Bank Merger Act, 12 U.S.C § 1828(c), and applicable OCC regulations and policies. The OCC considered the risk of this Transaction to the stability of the U.S. banking or financial system, the financial and managerial resources and future prospects of the existing and proposed institutions, the competitive impact of the Transaction, and the convenience and needs of the communities to be served. In addition, the OCC considered “the effectiveness of any insured depository institution involved in the proposed merger transaction in combatting money laundering activities, including overseas branches” as required by the Bank Merger Act.⁴ The OCC has considered these factors and found them consistent with approval under the statutory provisions.

In addition, the OCC also finds, under the standards set forth in the Bank Merger Act, that it must act on the application immediately.⁵ Consequently, there is no requirement for publication of notice of the Transaction, for a request by the OCC of a competitive factors report from the Attorney General, or for a post-approval waiting period prior to consummation of the Transaction.

³ See, e.g., *City National Bank of Huron v. Fuller*, 52 F.2d 870, 872-73 (8th Cir., 1931); *In re Cleveland Savings Society*, 192 N.E.2d 518, 523-24 (Ohio Com. Pl. 1961); Conditional Approval #1039 (August 2012).

⁴ 12 U.S.C. § 1828(c)(11).

⁵ 12 U.S.C. § 1828(c)(3), (4)(C)(i), and (6).

Community Reinvestment Act

The Community Reinvestment Act (“CRA”) requires the OCC to take into account the applicant’s record of helping to meet the credit needs of the community, including low- and-moderate-income (“LMI”) neighborhoods, when evaluating certain applications, including transactions that are subject to the Bank Merger Act.⁶ A review of the CRA record and other information available to the OCC under its regulatory responsibilities revealed no evidence that the applicant’s record of helping to meet the credit needs of its communities, including LMI neighborhoods, is less than satisfactory.

Conditions

This approval is subject to the following conditions. The conditions of this approval are conditions “imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

1. To ensure Acquirer has sufficiently allocated resources to address any supervisory concerns that arise post-acquisition, for a period of two years from the purchase and assumption consummation date, Acquirer shall not declare or pay any dividend without receiving a prior written determination of no supervisory objection from the OCC. Any request submitted pursuant to this condition shall occur at least 30 days prior to the declaration date and certify that the proposed dividend complies with applicable capital distribution requirements.
2. The Acquirer will not acquire any crypto-asset-related assets, assume any crypto-asset-related liabilities, and will not engage in any crypto-asset-related activities or services including, but not limited to, any activity or service addressed in OCC Interpretive Letters 1170, 1172, 1174, and 1179, unless it has received prior written determination of no supervisory objection from the OCC. To the extent any assets, liabilities, activities, or services are acquired as a result of this transaction, the Acquirer represents it will immediately divest.
3. Acquirer shall comply with the representations contained in the letter from Curtis J. Myers, Chairman and Chief Executive Officers [sic], to [], Examiner in Charge, dated April 24, 2024.

Consummation Guidance

This approval is granted based on the understanding of the OCC that other applicable regulatory approvals, non-objections, or waivers with respect to the proposed Transaction will have been received prior to the consummation of the Transaction. In addition, this approval is contingent upon the FDIC being appointed receiver for the Failed Entity.

⁶ 12 U.S.C. § 2903; 12 C.F.R. § 25.29.

Within seven days of consummation of the Transaction, please submit copies of the following documents:

- An executed purchase and assumption agreement.
- Documentation that all other OCC imposed conditions have been met.

This conditional approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

This approval is based on the Acquirer's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains.

If you have questions regarding this letter, please contact Director for Licensing Sebastian Astrada at sebastian.astrada@occ.treas.gov. Please reference the application control number in any correspondence.

Sincerely,

/s/

Stephen A. Lybarger
Deputy Comptroller, Licensing