



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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## **FDIC Approves the Deposit Insurance Application for Square Financial Services, Inc., Salt Lake City, Utah**

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) approved the deposit insurance application submitted by Square, Inc., San Francisco, California, to create a *de novo* industrial bank.

The bank, Square Financial Services, Inc., will originate commercial loans to merchants that process card transactions through Square, Inc.'s payments system. Square Financial Services, Inc. will operate from a main office located in the Salt Lake City, Utah.

Square, Inc., was formed in 2009 as a payment services provider to enable businesses to accept card payments. The platform has been expanded to include point-of-sale payments, financing, and other services.

Applications for deposit insurance are evaluated under a framework of seven factors that include: the financial history and condition of the institution; the adequacy of the institution's capital structure; the future earnings prospects of the institution; the general character and fitness of the management of the institution; the risk presented by the institution to the Deposit Insurance Fund; the convenience and needs of the community to be served by the institution; and whether the institution's corporate powers are consistent with the purposes of the Federal Deposit Insurance Act.

Square Financial Services, Inc. is awaiting approval from the Utah Department of Financial Institutions. The approval for deposit insurance requires the bank to be established within 12 months.

### **Attachments:**



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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## Approval Order for Deposit Insurance

### Chairman McWilliams' Statement



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