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Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

MAR 31 2015  
FRB RICHMOND

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

I, Douglas H. Bowers

Name of the Holding Company Director and Official

President & Chief Executive Officer

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

*Douglas H. Bowers*

Signature of Holding Company Director and Official

03/30/2015

Date of Signature

For holding companies not registered with the SEC—

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID 3345430  
C.I. \_\_\_\_\_

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2014

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Square 1 Financial, Inc.

Legal Title of Holding Company

406 Blackwell Street, Suite 240

(Mailing Address of the Holding Company) Street / P.O. Box

Durham

NC

27701

City

State

Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Leah Webb

SVP/General Counsel

Name

Title

9195977469

Area Code / Phone Number / Extension

Area Code / FAX Number

lwebb@square1bank.com

E-mail Address

www.square1financial.com

Address (URL) for the Holding Company's web page

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

- In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
- The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

FORM FR Y-6

Square 1 Financial, Inc.  
Durham, NC  
Fiscal Year Ending December 31, 2014

Report Item

1: Square 1's audited financial statements for the year ending December 31, 2014 are included in its Annual Report on Form 10-K filed with the SEC on March 20, 2015.

2: Organizational Chart (List Format)

- Square 1 Financial, Inc. is a Delaware corporation.
- Square 1 Financial, Inc. owns 100% of the bank subsidiary Square 1 Bank, a North Carolina banking corporation. The address of Square 1 Bank is 406 Blackwell Street, Suite 240, Durham, NC 27701.
- Square 1 Financial, Inc. owns 100% of the non-bank subsidiary Square 1 Ventures, LLC, a Delaware limited liability company, and is the LLC's managing member. The address of Square 1 Ventures, LLC is 406 Blackwell Street, Suite 240, Durham, NC 27701.
- Square 1 Ventures, LLC serves as the General Partner of Square 1 Venture Management 1, L.P., a Delaware limited partnership. The ownership interest of the direct holder Square 1 Ventures, LLC is 89%. The address of Square 1 Venture Management 1, L.P. is 406 Blackwell Street, Suite 240, Durham, NC 27701.
- Square 1 Venture Management 1, L.P., a Delaware limited partnership, serves as the General Partner of Square 1 Venture 1, L.P., a Delaware limited partnership and venture capital fund-of-funds. The ownership interest of the direct holder Square 1 Venture Management 1, L.P. is 2.74%. The address of Square 1 Venture 1, L.P. is 406 Blackwell Street, Suite 240, Durham, NC 27701.
- Square 1 Bank owns 100% of the common stock of Square 1 Asset Management, Inc., a North Carolina corporation which is an SEC-registered investment advisor. Square 1 Asset Management, Inc. provides cash management and investment advisory services to the Bank's clients. The address of Square 1 Asset Management, Inc. is 406 Blackwell Street, Suite 240, Durham, NC 27701.

2b: Domestic Branch Information – see attached

3: Securities holders – see attached

4: Insiders – see attached

**Results:** A list of branches for your holding company: SQUARE 1 FINANCIAL, INC. (3345430) of DURHAM, NC.  
 The data are as of 12/31/2014. Data reflects information that was received and processed through 01/07/2015.

**Reconciliation and Verification Steps**

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the **Effective Date** column.

**Actions**

**OK:** If the branch information is correct, enter 'OK' in the **Data Action** column.  
**Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.  
**Close:** If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.  
**Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.  
**Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

**Submission Procedure**

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.  
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

**Note:**

To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.  
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

\* FDIC UNINUM, Office Number, and ID\_RSSD columns are for reference only. Verification of these values is not required.

Data Action*	Effective Date*	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK	12/31/2014	Full Service (Head Office)	3345449	SQUARE 1 BANK	406 BLACKWELL STREET, SUITE 240	DURHAM	NC	27701	DURHAM	UNITED STATES	433914	0	SQUARE 1 BANK	3345449	

**Form FR Y-6**  
**Square 1 Financial, Inc.**  
**Fiscal Year Ending December 31, 2014**

Report Item 3: Shareholders  
(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2014

Shareholders not listed in (3)(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2014

(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities
Patriot Financial Partners Philadelphia, PA	USA	3,964,438 – 15.11% Common Stock (share number includes warrants for 750,000 shares of Common Stock)
Castle Creek Capital Partners IV, L.P. Rancho Santa Fe, CA	USA	1,898,842 – 7.45% Common Stock
Endicott Opportunity Partners New York, NY	USA	1,898,842 – 7.45% Common Stock
Northaven Management, Inc. New York, NY	USA	1,448,208 – 5.68% Common Stock
Basswood Opportunity Partners White Plains, NY	USA	2,213,275 – 8.68% Common Stock

(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
N/A		

**Form FR Y-6**  
**Square 1 Financial, Inc.**  
**Fiscal Year Ending December 31, 2014**

Report Item 4: Insiders  
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)a Title & Position with Bank Holding Company	(3)b Title & Position with Subsidiaries (include names of subsidiaries)	(3)c Title & Position with Other Businesses (include names of other businesses)	(4)a Percentage of Voting Shares in Bank Holding Company	(4)b Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)c List Names of Other Companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities)
Douglas H. Bowers Chapel Hill, NC USA	N/A	President and Chief Executive Officer, Director	President and Chief Executive Officer, and Director, Square 1 Bank	N/A	C	D	N/A
Paul Burke Bronxville, NY USA	VP and Director, Investment Management	Director	B	VP & Director, Northaven Management, Inc. Director, Northaven Offshore, Ltd. Director, Kinloch Holdings, Inc.	C	D	50% - Northaven Management, Inc. 33% - Northaven Associates, LLC, which in turn is the GP of the following LP's: Northaven Partners, L.P. Northaven Partners II, L.P. Northaven Partners III, L.P. Northaven Capital Partners, L.P. Northaven Associates, LLC also owns management shares in Northaven Offshore Ltd. 44% - Kinloch Holdings, as member of the GP that indirectly controls LP's holding 44% of Kinloch's voting stock
Susan G. Casey Pinehurst, NC USA	N/A	Director	N/A	N/A	1.05%	D	N/A
Norman P. Creighton Scottsdale, AZ USA	N/A	Director	B	Director, Kennedy-Wilson Holdings, Inc.	C	D	N/A
William F. Grant, III Alexandria, VA USA	Financial Consulting	Director	B	President and Sole Proprietor - WM. Franklin Group Director, FSG, Bank, NA and FSG, Inc.	C	D	N/A
Jason Kranack Apex, NC USA	N/A	Executive Vice President, Head of Human Resources	Executive Vice President, Head of Human Resources, Square 1 Bank	N/A	C	D	N/A
Daniel R. Mathis Carlsbad, CA USA	N/A	Director	B		C	D	N/A
Robert S. Muehlenbeck Coronado, CA USA	N/A	Director	B	N/A	C	D	N/A
Patrick Oakes Raleigh, NC USA	N/A	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer, Square 1 Bank	N/A	C	D	N/A
Patriot Financial Partners L.P. and Patriot Financial Partners Parallel LP Philadelphia, PA USA	N/A	N/A	N/A	N/A	15.11%	D	N/A
John T. Pietrzak San Diego, CA USA	Principal - Investment Management	Director	B	Principal - Castle Creek Capital Director, Intermountain Community Bancorp, Panhandle State Bank, Community Trust Financial Corporation	0.00%	D	100% - Pietrzak Advisory Corp
Seth Rudnick Pinehurst, NC USA	N/A	Director	B	Director: Pozen, Liquidia, Inc., Envisia, G1 Therapeutics, Vaxinnate and Meryx.	C	D	N/A
Robert H. Scott Westford, MA USA	CEO - Clique Intelligence	Director	B	CEO - Clique Intelligence	C	D	N/A
Robert I. Uadan New York, NY	Principal - Investment Management	Director	B	Director, American Business Bank and TGR Financial, Inc.	0.00%	D	40% - W.R. Endicott, LLC 40% - Endicott Management Group 50% - Endicott Financial Advisors, LLC 40% - W.R. Endicott II, LLC 40% - W.R.D. Endicott, LLC 50% - W.R. Endicott IIP, LLC 50% - W.R. Investments, LLC 48% - W.R. Endicott III, LLC 50% - W.R. Endicott IV, LLC
W. Kirk Wycoff Fort Washington, PA USA	Managing Partner of financial services focused private equity firm	Director	B	Director, Guaranty Bancorp, Porter Bancorp, and Heritage Commerce Corp. CEO, Partner, Director - G.W. Realty Investment Committee - NewSpring Ventures President - Skippack Pike Associates President - Three Diamond Farms Managing Partner - Patriot Financial Managers, L.P.	0.00%	D	49% - G.W. Realty, Inc. 32% - G.W. Realty Associates, L.P. 32% - G.W. Realty Associates II, L.P. 25% - Patriot Financial Managers 25% - Patriot Financial Partners, LLC

**Footnotes**  
1.) B - Director of Square 1 Bank  
2.) C - Does not exceed 1.0% of the Company's voting securities  
3.) D - Square 1 Bank is 100% owned by Square 1 Financial, Inc.