
svb
Financial Group
Q3 2018
Corporate Overview
and Financial Results

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The following terms are used throughout this presentation to refer to certain SVB-specific metrics:

- **Core Fee Income –** fees from letters of credit, client investments, credit cards, deposit service charges, foreign exchange and lending-related fees, in aggregate. This is a non-GAAP measure. Please see non-GAAP reconciliations at the end of this presentation for more information.
- **Total Client Funds –** the sum of on-balance sheet deposits and off-balance sheet client investment funds.
- **Fixed Income Securities –** Comprised primarily of available-for-sale ("AFS") and held-to-maturity ("HTM") securities held on the balance sheet.

Important information

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance, and are subject to known and unknown risks and uncertainties, many of which may be beyond our control. You can identify these and other forward-looking statements by the use of words such as "becoming," "may," "will," "should," "could," "would," "predict," "potential," "continue," "anticipate," "believe," "estimate," "seek," "expect," "plan," "intend," the negative of such words, or comparable terminology. In this presentation, we make forward-looking statements discussing management's expectations about, among other things: economic conditions; opportunities in the market; outlook on our clients' performance; our financial, credit, and business performance, including potential investment gains, loan growth, loan mix, loan yields, credit quality, deposits, noninterest income, and expense levels; and financial results (and the components of such results) for certain quarters in, and for the full year 2018 and the full year 2019, as well as 2020 and beyond. Although we believe that the expectations reflected in these forward- looking statements are reasonable, we have based these expectations on our current beliefs as well as our assumptions, and such expectations may prove to be incorrect.

We wish to caution you that such statements are just predictions and actual events or results may differ materially, due to changes in economic, business and regulatory factors and trends. Our actual results of operations and financial performance could differ significantly from those expressed in or implied by our management's forward-looking statements.
Important factors that could cause our actual results and financial condition to differ from the expectations stated in the forward-looking statements include, among others: deterioration, weaker than expected improvement, or other changes in the state of the economy or the markets in which we conduct business or are served by us (including the levels of IPOs and M&A activities); changes in the volume and credit quality of our loans; the impact of changes in interest rates or market levels or factors affecting or affected by them, especially on our loan and investment portfolios; changes in our deposit levels; changes in the performance or equity valuations of funds or companies in which we have invested or hold derivative instruments or equity warrant assets; variations from our expectations as to factors impacting our cost structure; changes in our assessment of the creditworthiness or liquidity of our clients or unanticipated effects of credit concentration risks which create or exacerbate deterioration of such creditworthiness or liquidity; accounting changes, as required by Generally Accepted Accounting Principles (GAAP); and regulatory, tax or legal changes or their impact on us.

We refer you to the documents the Company files from time to time with the Securities and Exchange Commission, including (i) our latest Annual Report on Form 10-K; (ii) our latest Quarterly Report on Form 10-Q; and (iii) our most recent earnings release filed on Form 8-K. These documents contain and identify important risk factors that could cause the Company's actual results to differ materially from those contained in our projections or other forward-looking statements. All forward-looking statements included in this presentation are made only as of the date of this presentation. We assume no obligation and do not intend to revise or update any forward-looking statements contained in this presentation, except as required by law.

This presentation shall not constitute an offer or solicitation in connection with any securities.

Use of Non-GAAP Financial Measures

To supplement our financial disclosures that are presented in accordance with GAAP, we use certain non-GAAP measures of financial performance (including, but not limited to, non-GAAP core fee income, non-GAAP noninterest income, non-GAAP net gains on investment securities, non-GAAP non-marketable and other securities, non-GAAP noninterest expense and non-GAAP financial ratios) of financial performance. These supplemental performance measures may vary from, and may not be comparable to, similarly titled measures by other companies in our industry. Non-GAAP financial measures are not in accordance with, or an alternative for, GAAP. Generally, a non-GAAP financial measure is a numerical measure of a company's performance that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. A non-GAAP financial measure may also be a financial metric that is not required by GAAP or other applicable requirement.

We believe that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures (as applicable), provide meaningful supplemental information regarding our performance by: (i) excluding amounts attributable to non-controlling interests for which we effectively do not receive the economic benefit or cost of, where indicated, or (ii) providing additional information used by management that is not otherwise required by GAAP or other applicable requirements. Our management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing our operating results and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate a comparison of our performance to prior periods. We believe these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. However, these non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, net income or other financial measures prepared in accordance with GAAP. Under the "Non-GAAP reconciliations" section at the end of this presentation, we have provided reconciliations of, where applicable, the most comparable GAAP financial measures to the non-GAAP financial measures used in this presentation, or a reconciliation of the non-GAAP calculation of the financial measure. Please refer to that section for more information.

SVB: A unique financial services company

35 years of focus on innovation companies, investors and influencers

Strong market position

Robust client funds franchise

Diversified revenue streams

Global presence

$56B assets

$26B loans

$129B total client funds

Average balances for Q3'18

We serve the global Innovation Economy

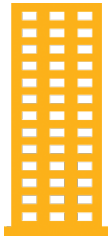
Technology + Life Sciences + Healthcare



Accelerator (Early Stage)
Revenue
<$5M



Growth
Revenue
$5M-$75M



Corp Fin
Revenue
>$75M



Investors
Private Equity
Venture Capital



Individuals
Private Bank
Wealth Management

Serving innovative companies and the investors and individuals behind them

svb Financial Group

Silicon Valley Bank
Global commercial banking for innovators, enterprises and investors

SVB Capital
Private venture investing expertise, oversight and fund management

SVB Private Bank/ Wealth Advisory
Private banking and investment strategies for influencers in the innovation ecosystem

A strong, seasoned management team

- Average tenure of 12 years at SVB
- Diverse experience and skill sets to help direct our growth



Dan Beck

CHIEF FINANCIAL OFFICER
1 year at SVB



Greg Becker

PRESIDENT AND CEO
SVB FINANCIAL GROUP
25 years at SVB



Marc Cadieux

CHIEF CREDIT OFFICER
26 years at SVB



John China

HEAD OF TECHNOLOGY BANKING
22 years at SVB



Phil Cox

HEAD OF EMEA AND
PRESIDENT OF THE UK BRANCH
9 years at SVB



Mike Descheneaux

PRESIDENT
SILICON VALLEY BANK
13 years at SVB



Michelle Draper

CHIEF MARKETING OFFICER
5 years at SVB



Mike Dreyer

CHIEF OPERATIONS OFFICER
2 years at SVB



Chris Edmonds-Waters

CHIEF HUMAN RESOURCES
OFFICER
14 years at SVB



Laura Izurieta

CHIEF RISK OFFICER
2 years at SVB



Michael Zuckert

GENERAL COUNSEL
4 years at SVB

Strong market tailwinds in 2018 year to date







Strong Liquidity

- Strong VC funding ($84B YTD)
- Improving pace of U.S. VC-backed, Tech/Life Science IPOs
- Healthy valuation trends in private markets

Higher Interest Rates

- Fed Funds +75 bps (March, June and September)
- 1M LIBOR +70 bps YTD
  3M LIBOR +70 bps YTD
- 5Y Treasury +74 bps YTD

Lower Taxes & Regulatory Relief

- SVB's effective tax rate decreased to 25.8%, (from 42.0% in FY 2017) and reflects:
  - Federal tax cuts
  - Tax benefits from share-based comp.
- CCAR threshold lifted

Q3'18 takeaways

EPS: $5.10

- **Outstanding Growth (vs. Q2'18)**
  - Average total client funds: +7.9%
  - Average loans: +5.9%
  - Net interest income: +5.9%
  - Core fee income: +7.0%
- **Non-interest expense: +1.2% (vs. Q2'18)**
- **Warrant gains: $34.1M**
- **Investment gains, net of NCI: $25.6M**

Net Income: $275 million

- **Efficiency ratio: 44.22%**
- **Return on equity: 22.46% (+164 bps)**
- **Stable credit quality**
- **Bank Tier 1 Leverage ratio: 7.82% (+10 bps)**

Challenges

- Improved momentum in exit markets, but still not back to historical levels
- Impact of market liquidity on valuations and loan growth
- Achieving right balance of total client fund mix
- Market anxiety over escalating global trade/tariff war

Q3'18 key earnings drivers

Positive earnings impact

- +$30.9M of loan and investment interest income from loan growth and higher rates
- +$8.6M of core fees due to higher client investment fees driven by higher balances and spreads
- $34.1M of equity warrant gains due to positive funding and exit environments for our clients
- $25.6M of investment securities gains, net of NCI, due to positive funding and exit environments for our clients
- Lower provision due to stable credit quality and increasing mix towards high-quality capital call lines

Negative earnings impact

- $3.7M of higher noninterest expense ($13.5M of higher compensation and benefits, offset by a $10.3M decrease in professional services expense reflective of the Q2'18 $6.0M write-off of capitalized costs related to CCAR regulatory reform)
  - Higher compensation and benefits expense consists primarily of:
    - Higher salaries and wages from increased headcount
    - Retention incentives paid for key employees
    - Higher incentive expense from strong full-year expected performance expectations and an increase in average FTEs
    - Increase in warrant incentive plan expense from strong equity warrant gains
- $5.2M of higher interest expense from an increase in short-term borrowings to fund loan growth and an increase in interest paid on money market deposits due to market rate adjustments
- $4.7M of lower loan fee interest income from decreased levels of loan prepayments

Quarterly highlights

	Q3'17	Q4'17[1]	Q1'18	Q2'18	Q3'18
Diluted earnings per share	$2.79	$2.19	$3.63	$4.42	$5.10
Net income available to common stockholders	$148.6M	$117.2M	$195.0M	$237.8M	$274.8M
Average assets	$49.8B	$50.8B	$52.4B	$54.4B	$56.5B
Change	*4.7%*	*2.0%*	*3.1%*	*3.8%*	*3.9%*
Average loans	$21.6B	$22.4B	$23.8B	$24.9B	$26.3B
Change	*5.2%*	*4.0%*	*6.1%*	*4.4%*	*5.9%*
Average deposits	$44.0B	$44.8B	$46.1B	$48.0B	$49.1B
Change	*4.5%*	*1.7%*	*3.0%*	*4.0%*	*2.3%*
Average off-balance sheet client investment funds	$53.3B	$57.6B	$64.4B	$71.3B	$79.6B
Change	*8.5%*	*8.1%*	*11.8%*	*10.8%*	*11.6%*
Average fixed income securities	$23.1B	$23.8B	$24.0B	$25.2B	$25.5B
Net interest margin	3.10%	3.20%	3.38%	3.59%	3.62%
Net interest income	$374.0M	$393.7M	$419.9M	$466.4M	$493.2M
GAAP non-interest income	$158.8M	$152.3M	$155.5M	$192.7M	$210.1M
Non-GAAP non-interest income, net of non-controlling interests[2]	$153.2M	$144.5M	$142.5M	$183.2M	$203.4M
Net charge-offs / Average total gross loans (annualized)	0.19%	0.23%	0.15%	0.22%	0.30%
Non-interest expense	$257.8M	$264.0M	$265.4M	$305.7M	$309.4M
Effective tax rate[3]	39.58%	53.54%	27.50%	24.53%	25.75%
Return on average SVBFG stockholders' equity (annualized)	14.59%	11.09%	18.12%	20.82%	22.46%
Return on average assets (annualized)	1.18%	0.92%	1.51%	1.75%	1.93%

1) EPS was impacted $0.80 due to the $37.6M of additional income tax expense due to tax reform and $8.8M of pre-tax losses on AFS security sales in connection with our treasury and tax management objectives.
2) This is a non-GAAP measure. Please see non-GAAP reconciliations at end of this presentation for more information.
3) Our effective tax rate is calculated by dividing income tax expense by the sum of income before income tax expense and net income attributable to noncontrolling interests. Q4'17 included $37.6M of additional income tax expense due to the revaluation of deferred tax assets and investments in low income housing tax credit funds following tax reform.

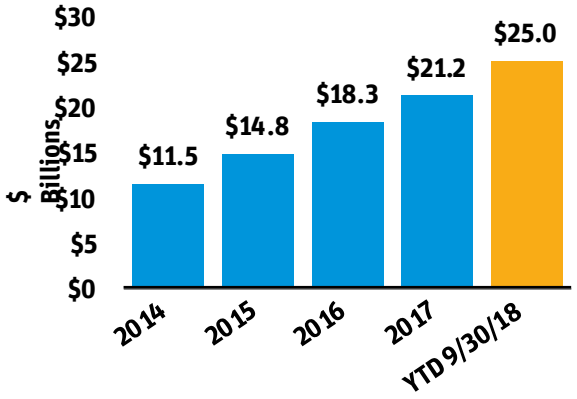
Annual highlights

	2014	2015	2016	2017[2,3]	9/30/18 YTD
Diluted earnings per share	$5.31[1]	$6.62	$7.31	$9.20[4]	$13.15
Net income available to common stockholders	$263.9M[1]	$343.9M	$382.7M	$490.5M	$707.6M
Average assets	$33.0B	$40.8B	$44.0B	$48.4B	$54.4B
Change	*42.0%*	*23.9%*	*7.7%*	*10.0%*	*12.5%*
Average loans	$11.5B	$14.8B	$18.3B	$21.2B	$25.0B
Change	*23.0%*	*28.3%*	*23.8%*	*15.7%*	*18.2%*
Average deposits	$28.3B	$36.3B	$38.8B	$42.7B	$47.7B
Change	*44.4%*	*28.2%*	*6.8%*	*10.3%*	*11.7%*
Average off-balance sheet client inv. funds	$30.0B	$39.2B	$43.4B	$51.5B	$71.8B
Change	*24.0%*	*30.6%*	*10.5%*	*18.8%*	*39.3%*
Average fixed-income securities	$16.6B	$22.3B	$21.5B	$22.4B	$24.9B
Net interest margin	2.81%	2.57%	2.72%	3.05%	3.53%
Net interest income	$856.6M	$1,006.4M	$1,150.5M	$1,420.4M	$1,379.5M
GAAP non-interest income	$572.2M	$472.8M	$456.6M	$557.2M	$558.3M
Non-GAAP non-interest income , net of non-controlling interests[5]	$352.5M	$441.1M	$448.5M	$527.8M	$529.1M
Net charge-offs / Average total gross loans (annualized)	0.32%	0.30%	0.46%	0.27%	0.22%
Non-interest expense	$700.7M	$780.0M	$859.8M	$1,010.7M	$880.6M
Effective tax rate[6]	41.02%	39.95%	39.55%	42.02%	25.84%
Return on average SVBFG stockholders' equity (annualized)	10.46%1	11.18%	10.90%	12.38%	20.56%
Return on average assets (annualized)	0.80%[1]	0.84%	0.87%	1.01%	1.74%

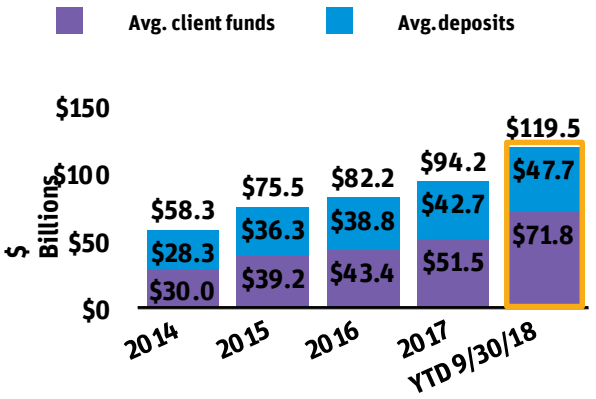
1) Includes post-tax net loss of $11.4M related to the sale of our SVBIF entity in India
2) Included in diluted earnings per common share and net income available to common stockholders in 2017 and 2018 are tax benefits recognized associated with the adoption of Accounting Standards Update 2016-09, Improvements to Employee Share-Based Payment Accounting in the first quarter of 2017. This guidance was adopted on a prospective basis with no changes to prior period amounts.
3) In Q1'17 we revised prior periods' presentation of noninterest expense to conform to the current period presentation, which reflect our provision for loan losses and provision for unfunded credit commitments together as our "provision for credit losses". In prior periods' presentation, our provision for unfunded credit commitments were reported as a component of noninterest expense. All prior periods have been revised to reflect this change.
4) EPS was impacted $0.80 due to the $37.6M of additional income tax expense due to tax reform and $8.8M of losses on AFS security sales in connection with our treasury and tax management objectives.
5) Non-GAAP noninterest income, net of non-controlling interests is a non-GAAP measure. Please see non-GAAP reconciliations at end of this presentation for more information
6) Our effective tax rate is calculated by dividing income tax expense by the sum of income before income tax expense and net income attributable to noncontrolling interests. Included in 2017 is $37.6M of additional income tax expense due to the revaluation of deferred tax assets and investments in low income housing tax credit funds following tax reform.

Key performance indicators

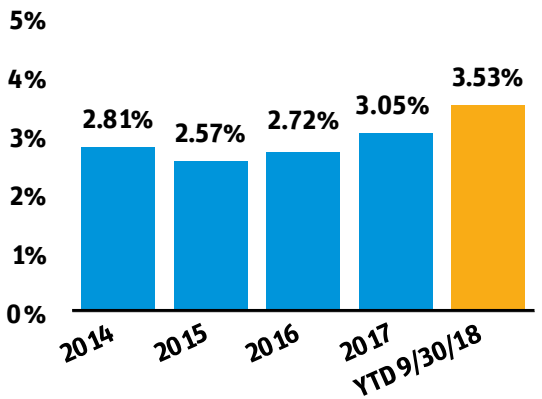
Avg. Loans, net of unearned income



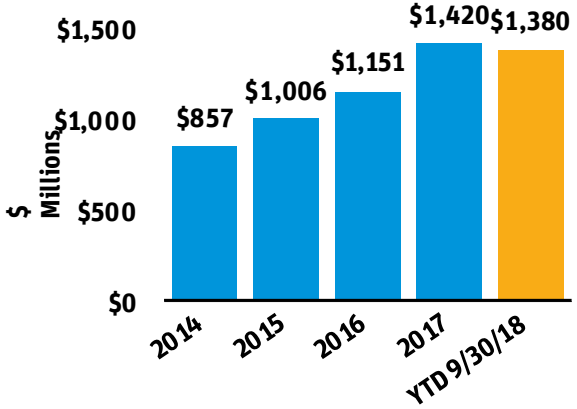
Avg. Total Client Funds



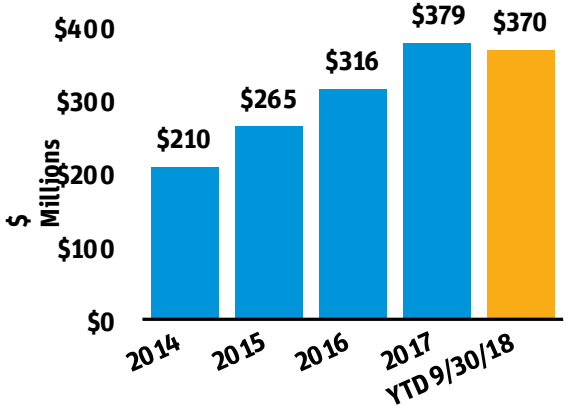
Net Interest Margin



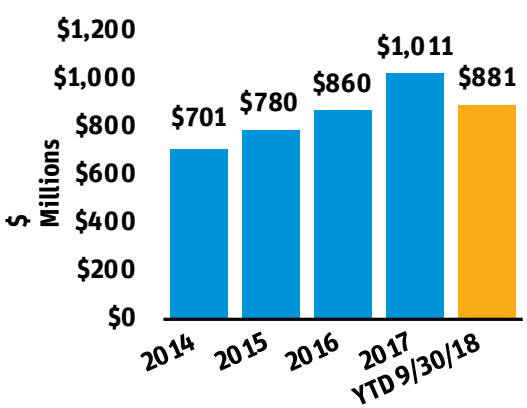
Net Interest Income



Core Fee Income



Noninterest Expense



2018 full-year outlook[1]

Business Driver	2018 Full Year Outlook vs. 2017 Full Year Results	Change from 7/26/18
Average loans	Increase at a percentage rate in the low twenties	**Outlook increased** to low twenties from previous outlook of high teens
Average deposits	Increase at a percentage rate in the low teens	No change
Net interest income	Increase at a percentage rate in the mid thirties	No change
Net interest margin	Between 3.55% and 3.65%	No change
Allowance for loan losses for total gross performing loans as a % of total gross performing loans	Comparable to 2017 levels	No change
Net loan charge-offs	Between 0.20% and 0.40% of avg. total gross loans	No change
Non-performing loans/total gross loans	Between 0.40% and 0.60% of total gross loans	No change
Core fee income[2]	Increase at a percentage rate in the mid thirties	**Outlook increased** to mid thirties from previous outlook of low thirties
Non-interest expense (excluding expenses related to non-controlling interests)[2]	Increase at a percentage rate in the mid teens	**Outlook increased** to mid teens from previous outlook of low teens
Effective Tax Rate	Between 26.0% and 28.0%	No change

1. As of 10/25/2018 assumes no rate increases, please see our most recent Financial Release and earnings call transcript for complete information on management's assumptions and forecasts regarding this outlook.
2. Non-GAAP measure

2019 preliminary outlook[1]

Business Driver	2019 Full Year Outlook vs. 2018 Full Year Expected Results
Average loans	Increase at a percentage rate in the mid teens
Average deposits	Increase at a percentage rate in the high single digits
Net interest income	Increase at a percentage rate in the high teens
Net loan charge-offs	Between 0.20% and 0.40% of avg. total gross loans
Core fee income[2]	Increase at a percentage rate in the mid teens
Non-interest expense (excluding expenses related to non-controlling interests)[2]	Increase at a percentage rate in the mid teens

Key Challenges

- Competition from banks and non-banks
- Impact of abundant market liquidity on technology loan growth
- Market anxiety (rising interest rates, slowing global economies, etc.)

1. As of 10/25/2018 (subject to change), assumes no rate increases, please see our most recent Financial Release and earnings call transcript for complete information on management's assumptions and forecasts regarding this outlook.
2. Non-GAAP measure

Investing to improve operating leverage and support our growth

Through systems, tools, processes, analytics and people

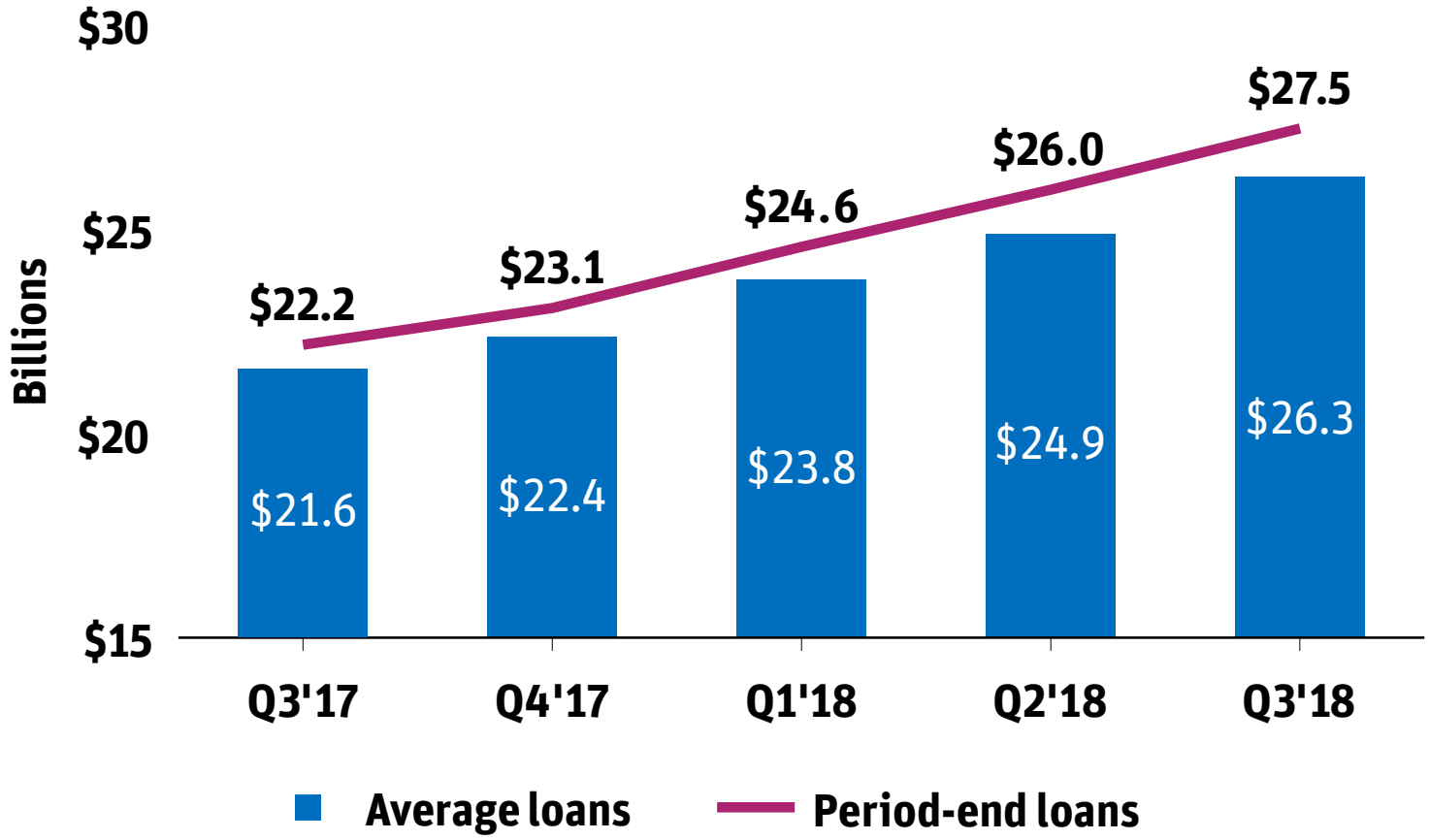
Enhance Client Experience	Improve Employee Enablement	Enhance Risk Management	Drive Scalable Long-term Growth	Drive Revenue Growth
Enable us to engage with clients in more meaningful ways Streamline and speed key processes, such as onboarding	Help employees optimize their performance Minimize time spent on non-value add activities	Support timely, effective resolution of issues across the organization Enhance data quality and governance frameworks	Optimize cost efficiencies Improve efficiency of growth over long term	Expand product offerings to address evolving client needs Improve product penetration across the platform Extend platform to Germany and Canada Expand Private Bank and Wealth Advisory

Target Outcomes

- Expanded product offerings with new opportunities for **revenue growth**
- **Improved operating leverage** through transformation of key business processes and implementation of scalable solutions
- **Lower expense growth rate in 2020 and beyond**

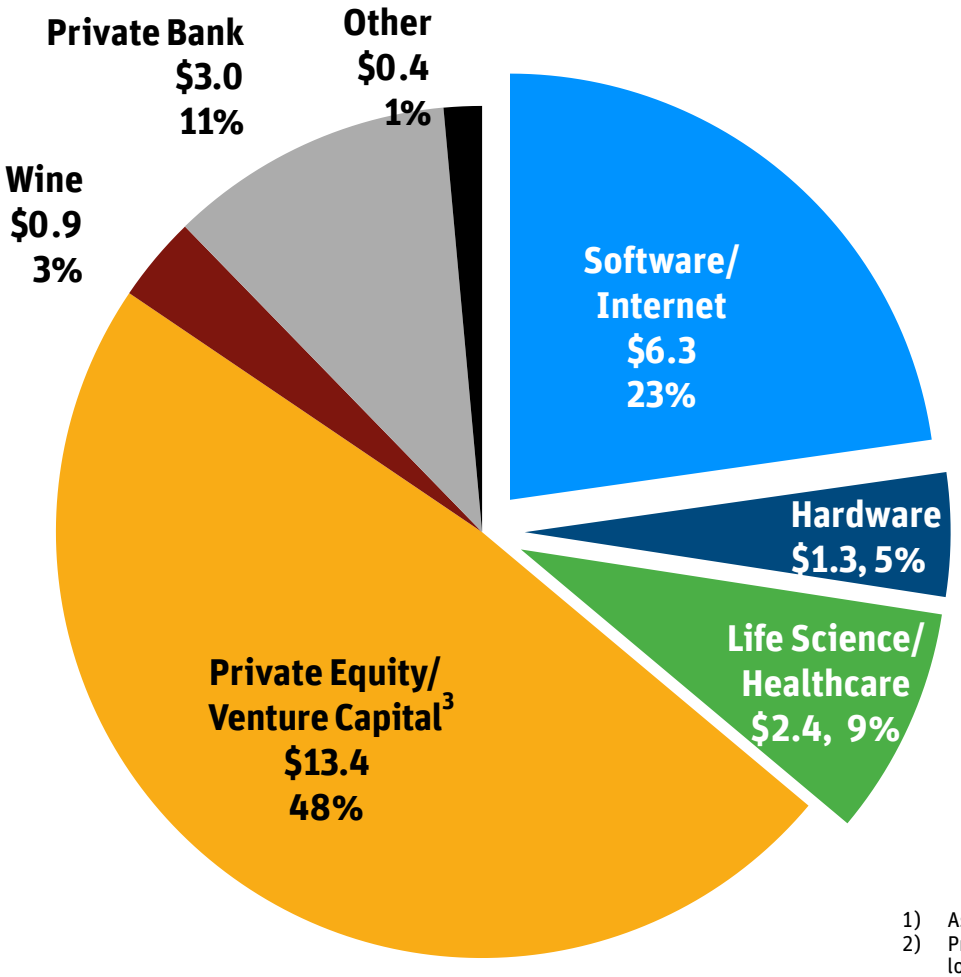
Q3'18: Average loans grew 5.9%

Growth driven primarily by Private Equity, Life Science/ Healthcare and Private Bank

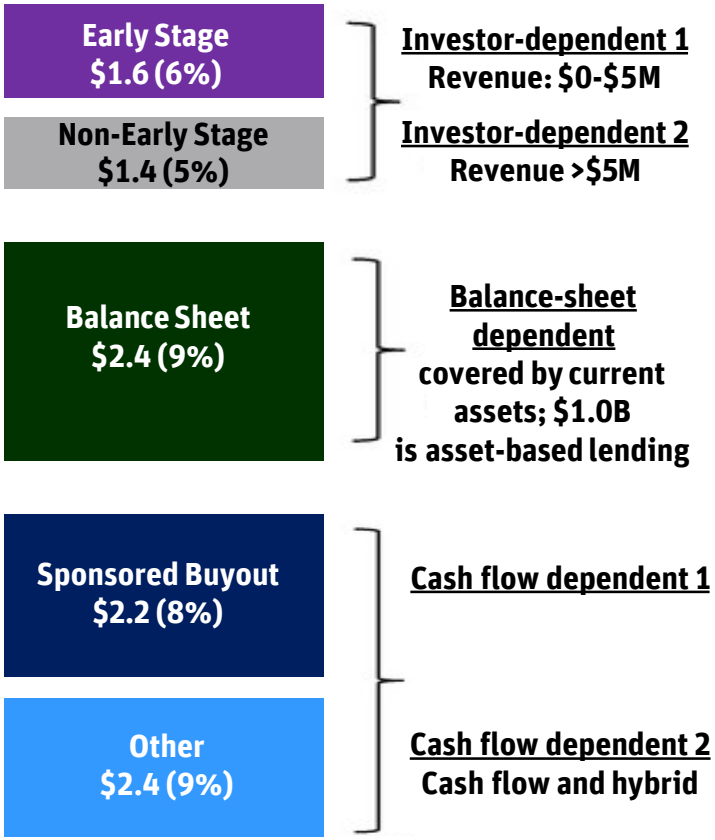


A diversified loan portfolio

Gross Loans: $27.7 billion[1,2]



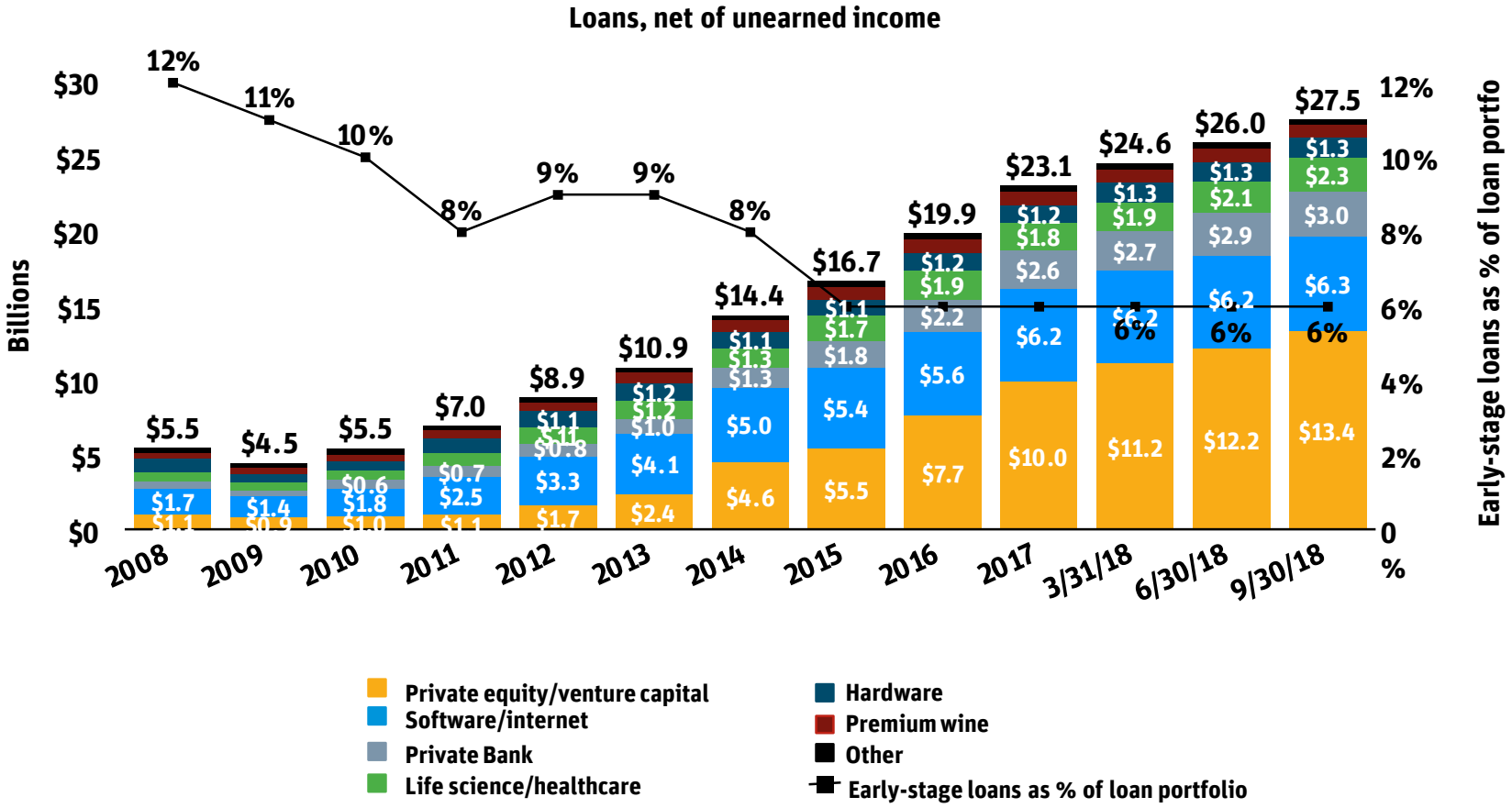
Technology and Life Science/Healthcare Only[1]
$10.0 billion (37% of Gross Loans)



1) As of 9/30/2018; gross loans do not include deferred fees and costs.
2) Private Bank includes loans designated as Consumer Loans (including real estate secured loans) in our earnings releases and our Form 10-K and 10-Q reports.
3) Primarily capital call lines of credit

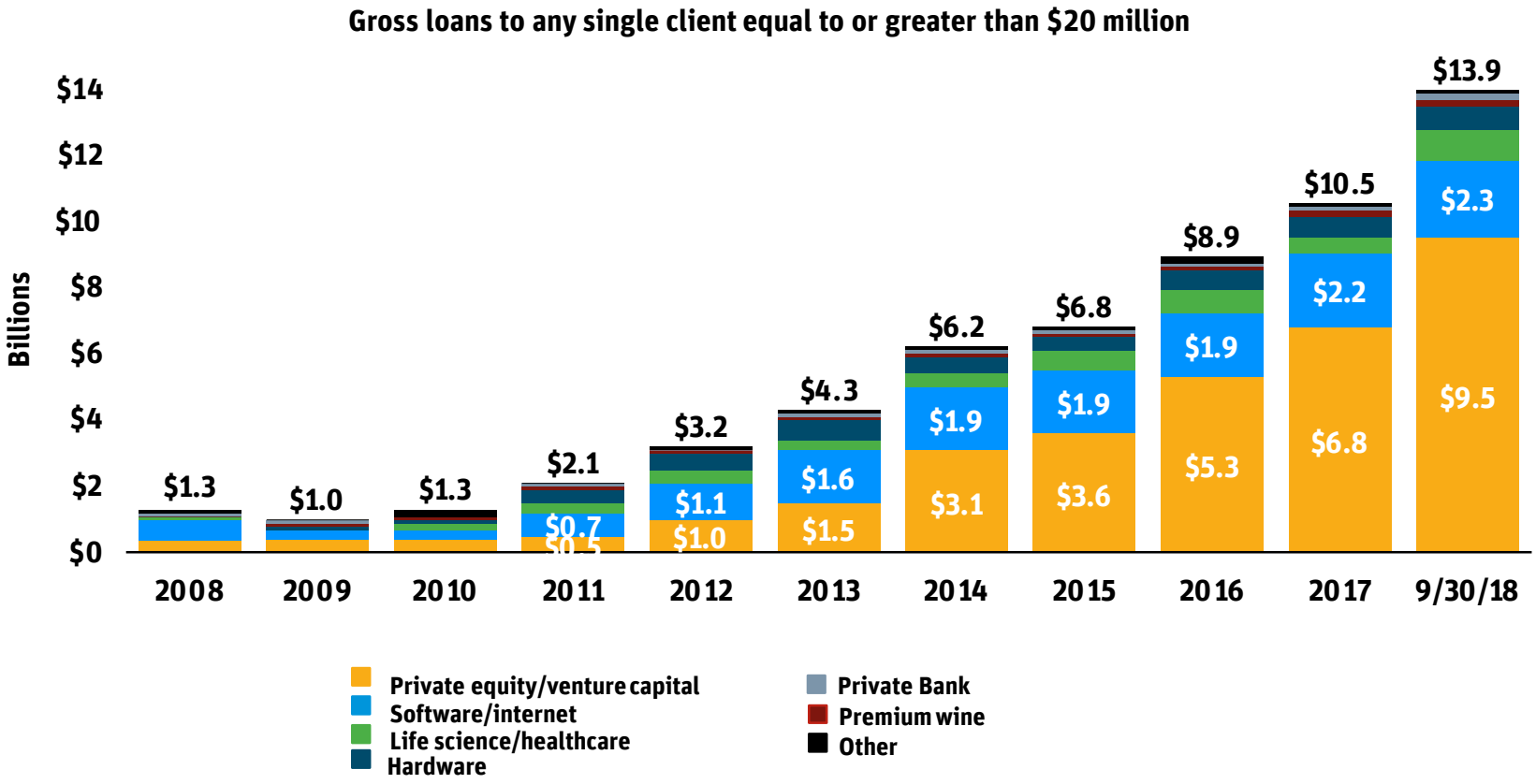
Our loan portfolio has evolved over time

- Private Equity has driven the majority of recent growth, although we have seen growth in all niches
- Our Private Equity portfolio has historically been characterized by lower yields (relative to the rest of our portfolio) and high credit quality



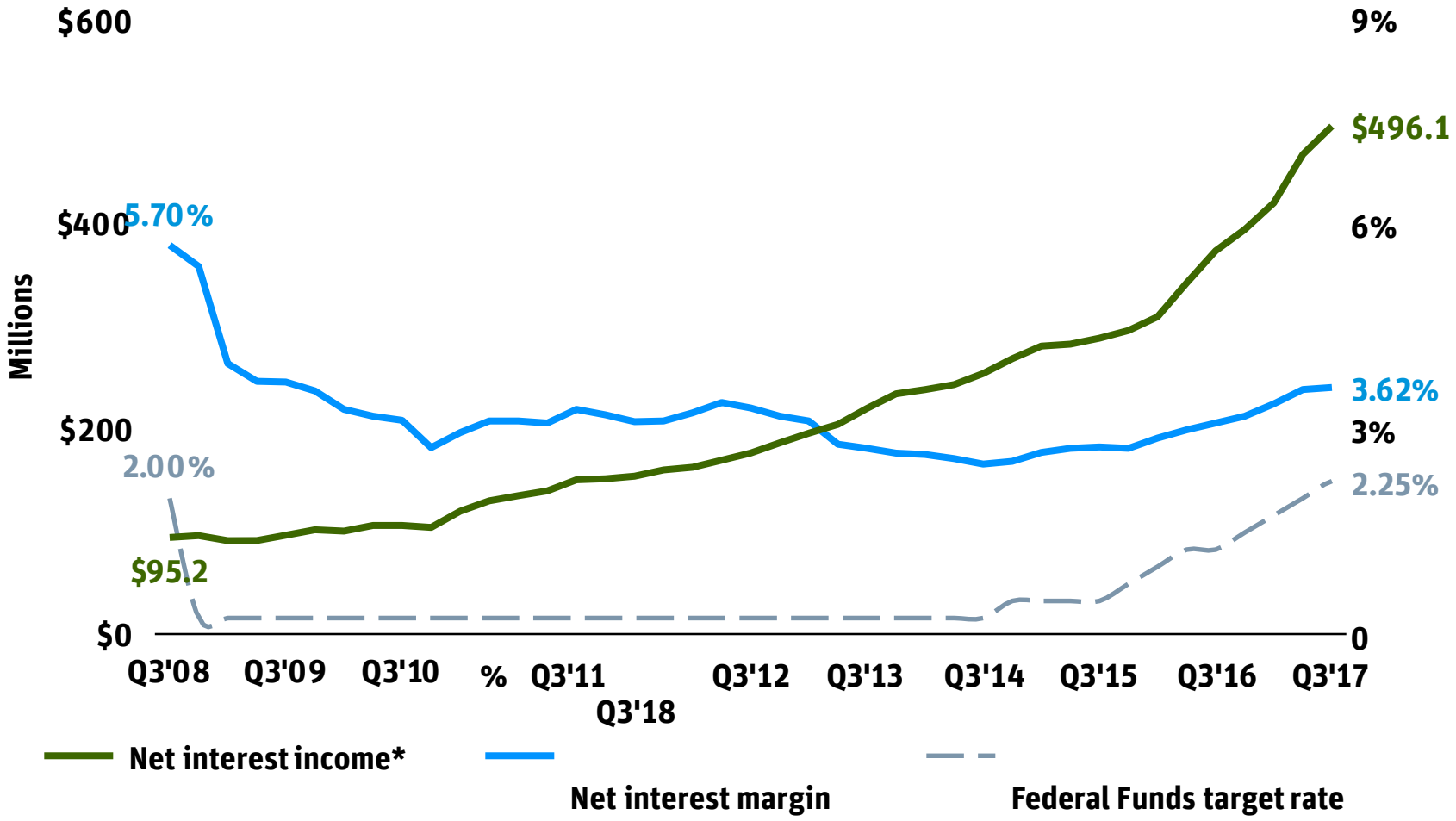
Large loan concentration in Private Equity capital call lines, which have a history of zero credit losses

Capital call lines have maturities of less than a year and are secured by contractual capital commitments and the invested assets of the fund borrowers.



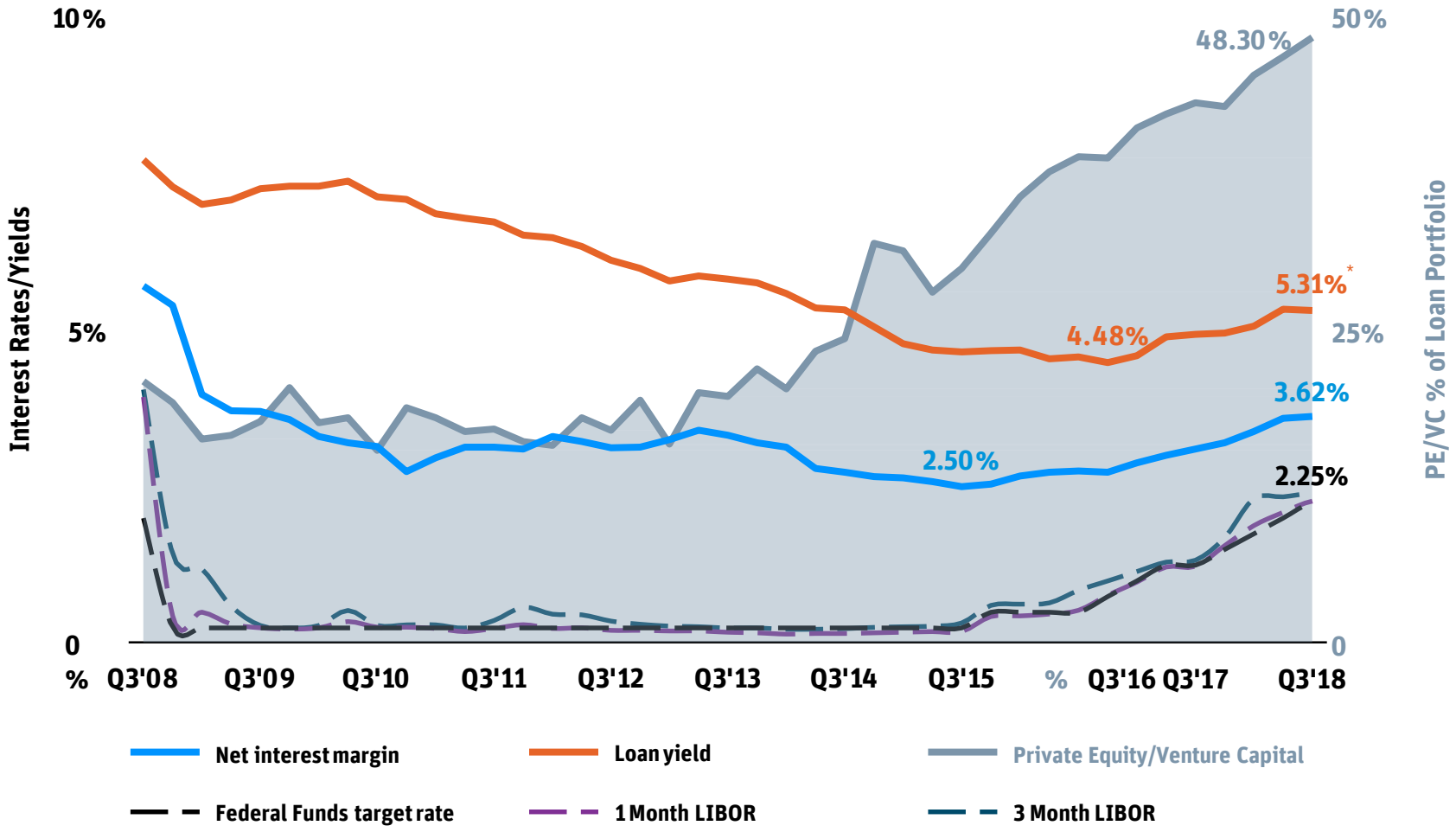
Q3'18: Net interest income grew 5.9%

Higher average loan and investment balances and higher interest rates drove net interest income increase



* Net interest income is presented on a fully taxable equivalent basis to consistently reflect income from taxable loans and securities and tax-exempt securities based on the federal statutory tax rate of 35 percent for periods prior to 2018 and 21 percent for 2018

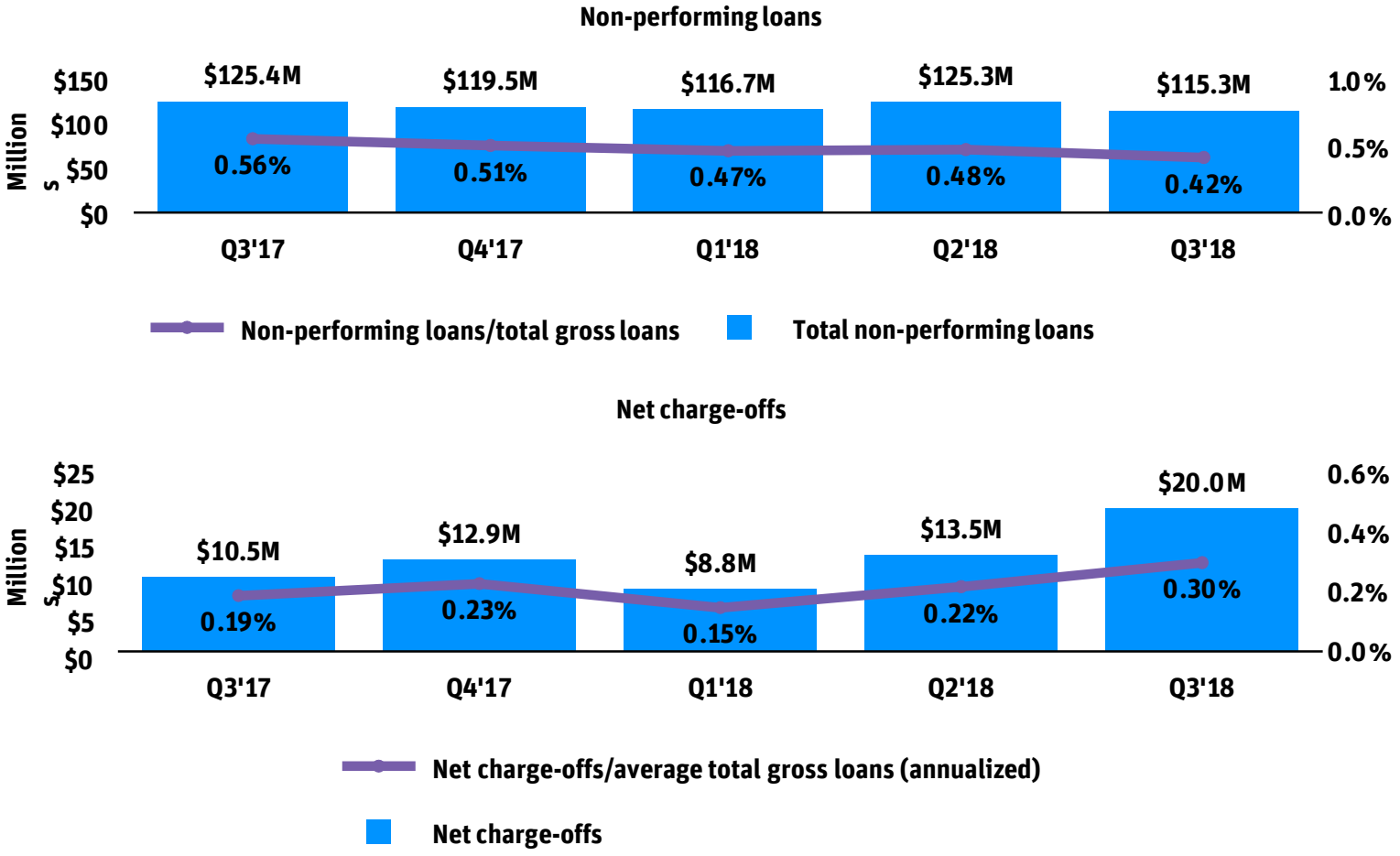
Higher rates driving continued margin improvement



* Consolidated loan yields have been impacted by the change in the mix of our loan portfolio to PE/VC loans, which have lower loan yields in comparison to Technology and Life Science lending.

Q3'18: Credit quality remained stable

- Provision for credit losses of $17.2M (vs. $29.1M in Q2)
- Allowance for loan losses/total gross loans: at 1.03% (vs. 1.10% in Q2)

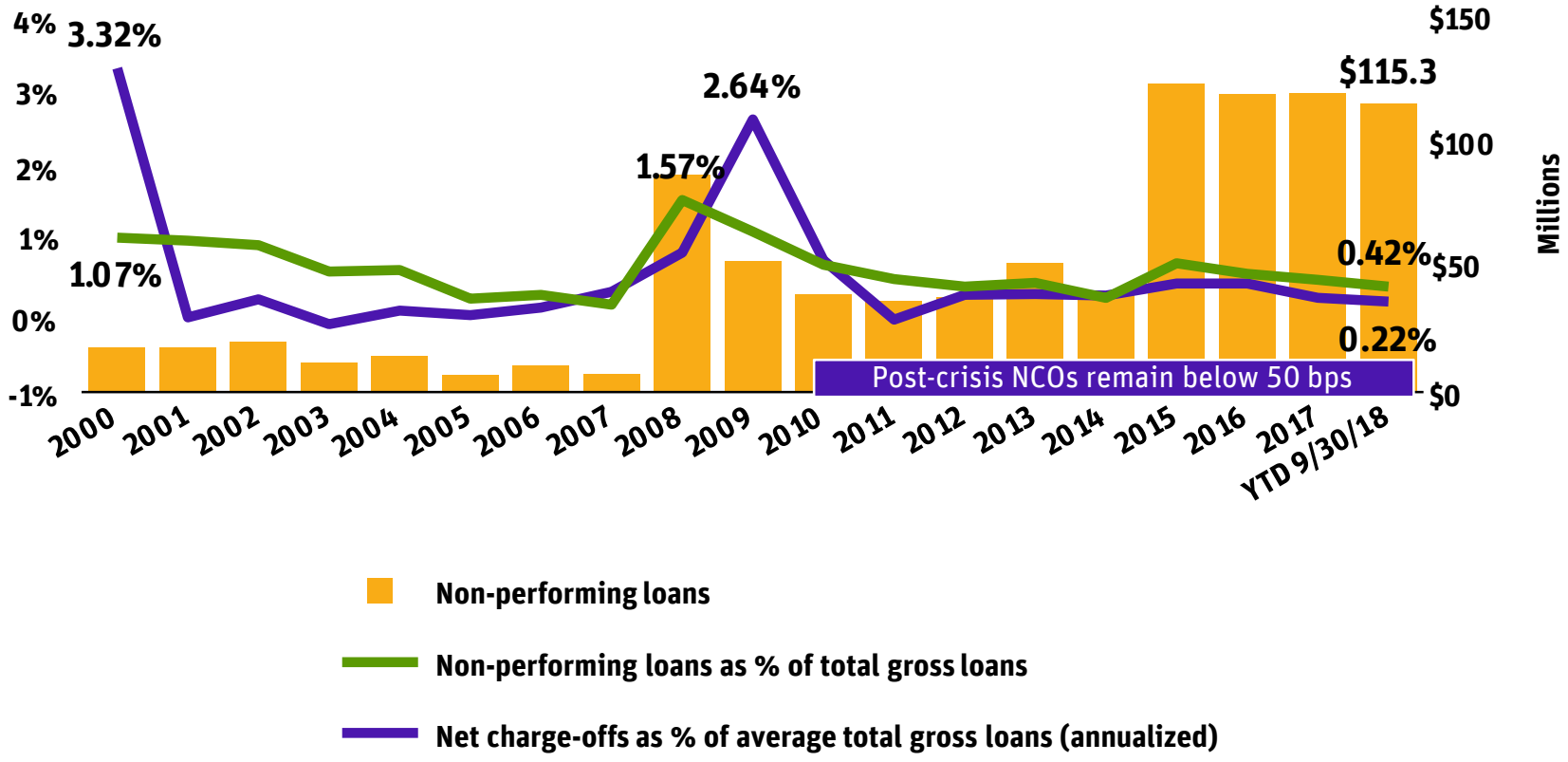


History of high credit quality; resilience through market cycles

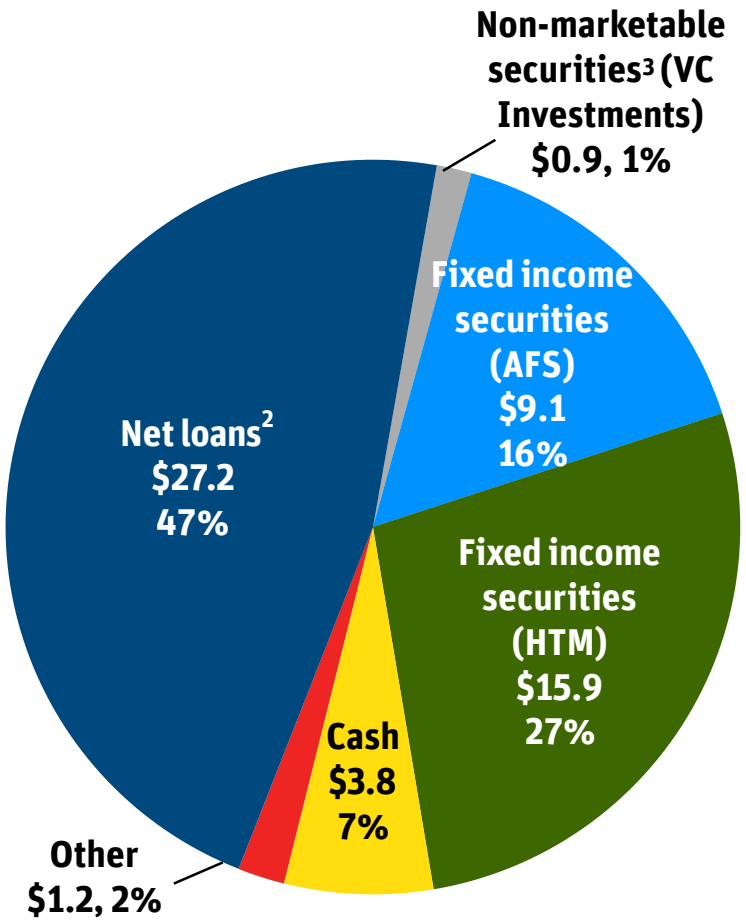
(2000: Dot-com bust)
Five non-dot-com loans drove increase in NCOs

(2008-2009: Financial Crisis)
Five problem loans drove short-lived spike in NPLs and NCOs

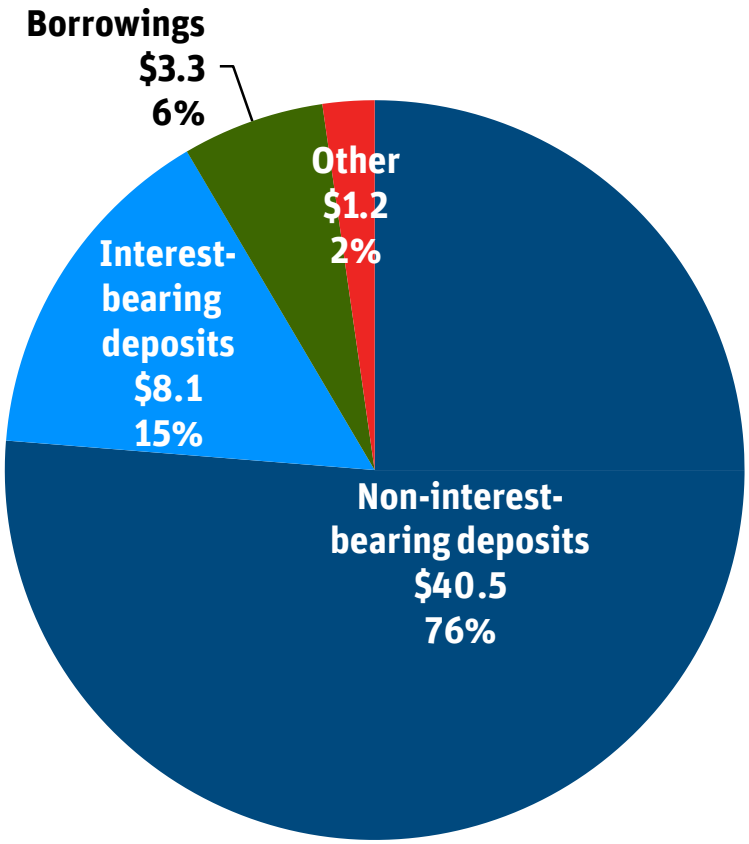
NPLs elevated since Q2'15 primarily due to four Sponsored Buyout loans (two were resolved in 2016), one new Corporate Finance loan added in 2016 and two Growth practice loans added in 2017



A high quality balance sheet[1]



Period-end assets: $58.1B

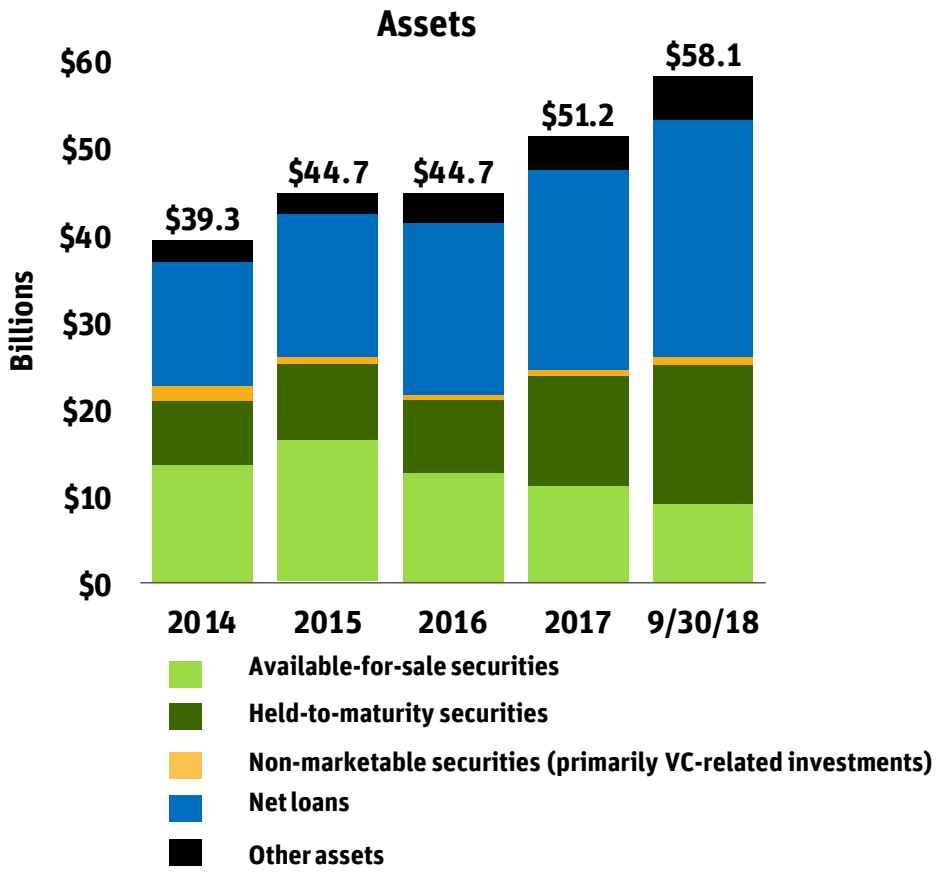


Period-end liabilities: $53.1B

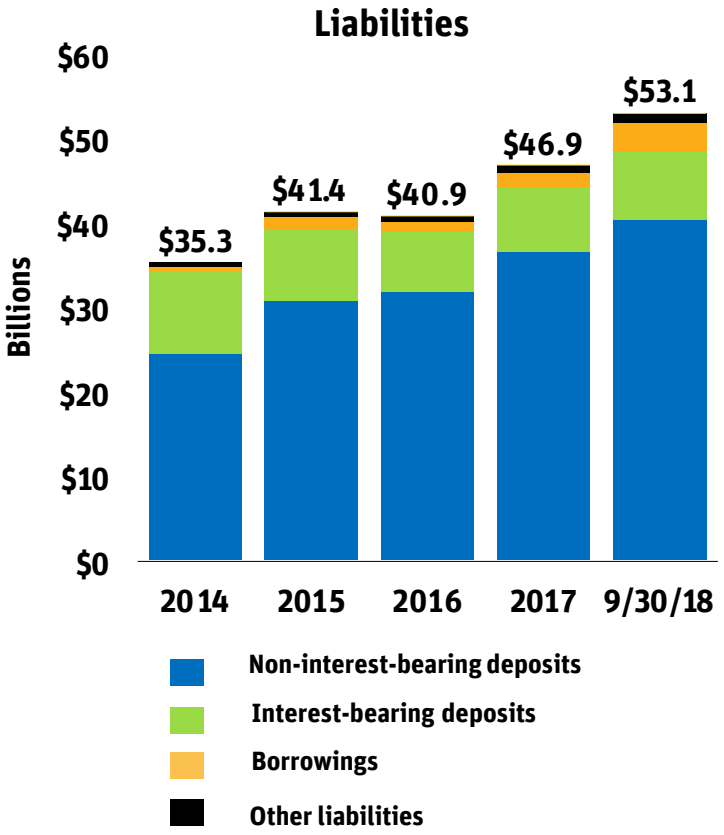
1) Balances as of 9/30/2018
2) Net loans represents gross loans net of the allowance for loan losses and unearned interest income. Gross loans at 9/30/2018 were $27.7B
3) Non-marketable securities net of non-controlling interests were $765 million. This is a non-GAAP measure. Please see non-GAAP reconciliations at end of presentation for more information.

Robust balance sheet growth

Strong growth in loans and securities

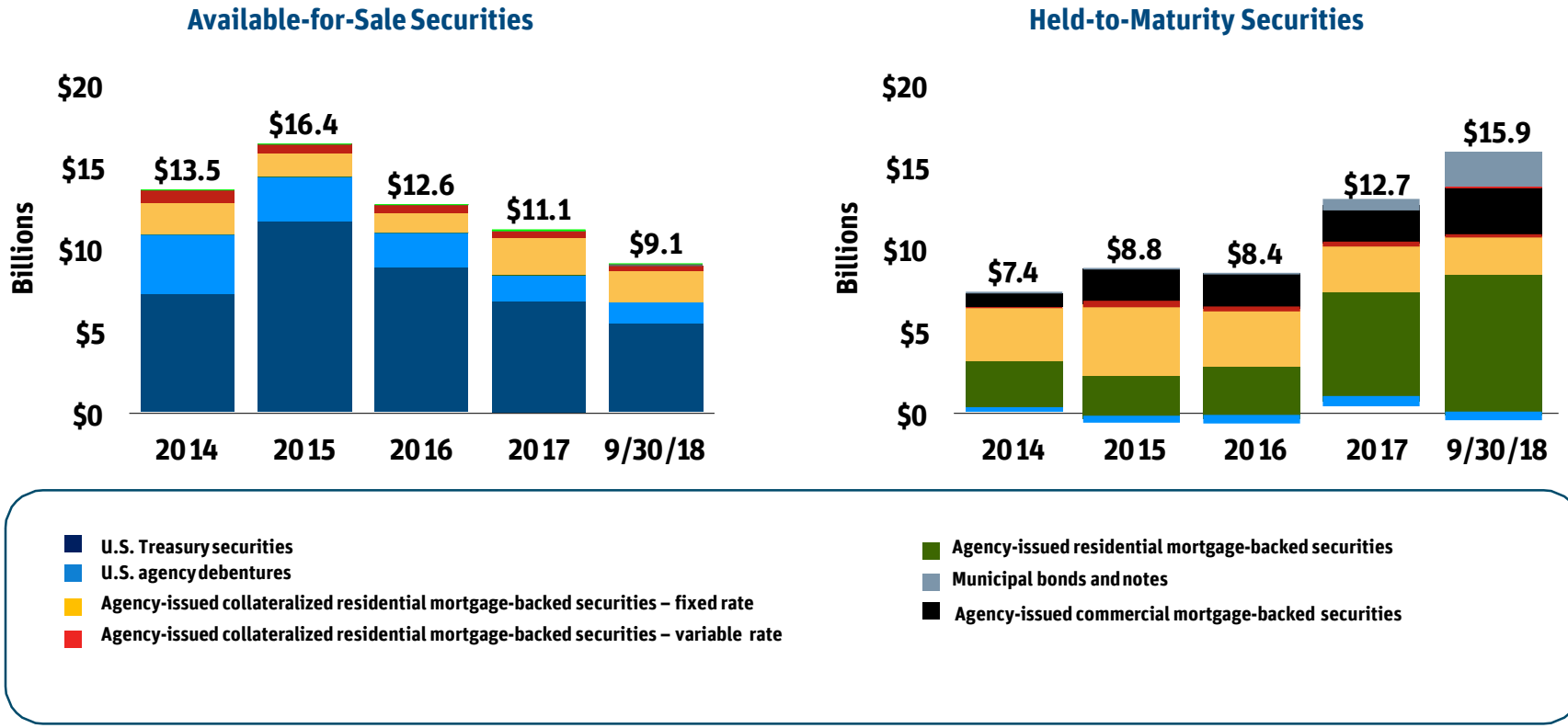


Non-interest-bearing deposits = 83% of total deposits



A high quality investment portfolio

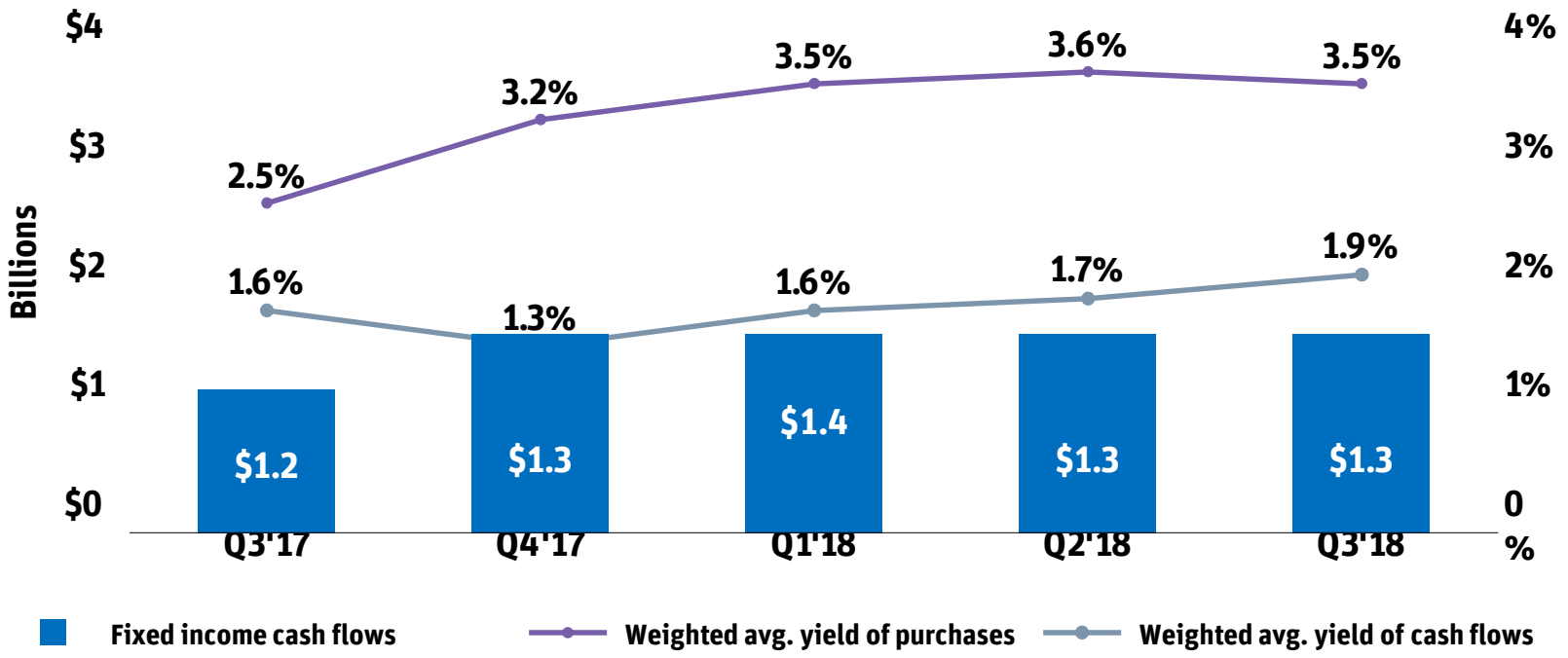
- Liquid, primarily fixed-income portfolio with a duration of 3.9 years
- U.S. Treasuries make up 22% of investment portfolio
- Available lines of credit in place to provide short-term liquidity



Benefits of a liquid, fixed-income portfolio in a rising rate environment

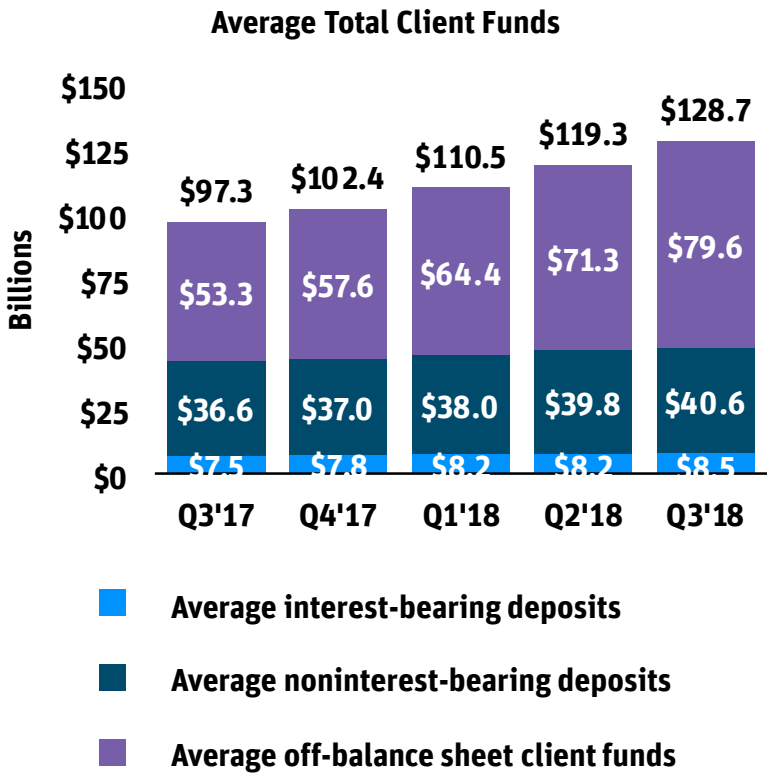
- Since Q3'17, average portfolio cash flows of $1.3B per quarter
- Reinvestment yields significantly higher than portfolio run-off yields
- Excess cash flows reinvested in mortgage-backed securities and municipal bonds

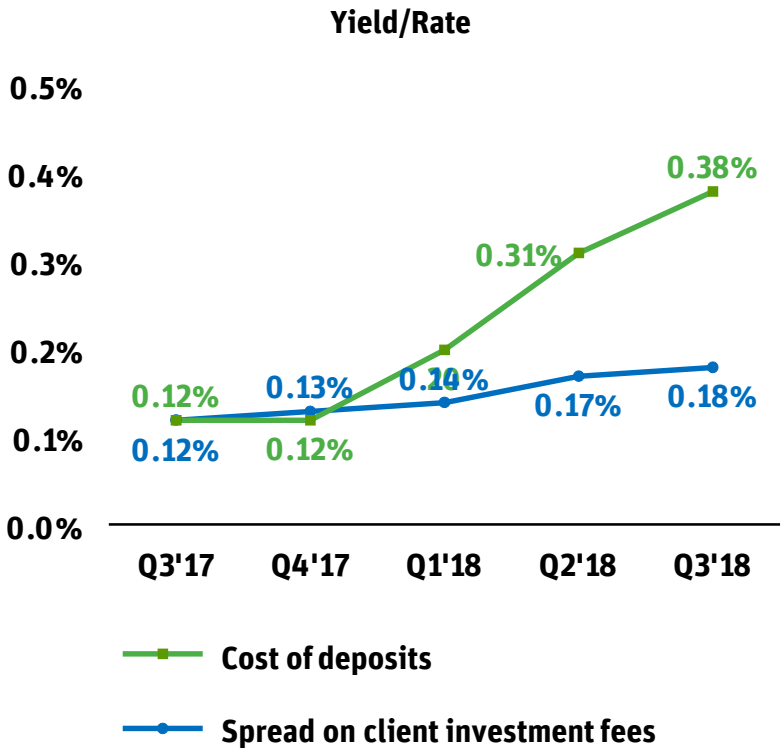
Fixed income portfolio cash flows, run-off yields and reinvestment yields by quarter



Q3'18: Average total client funds grew 7.9%

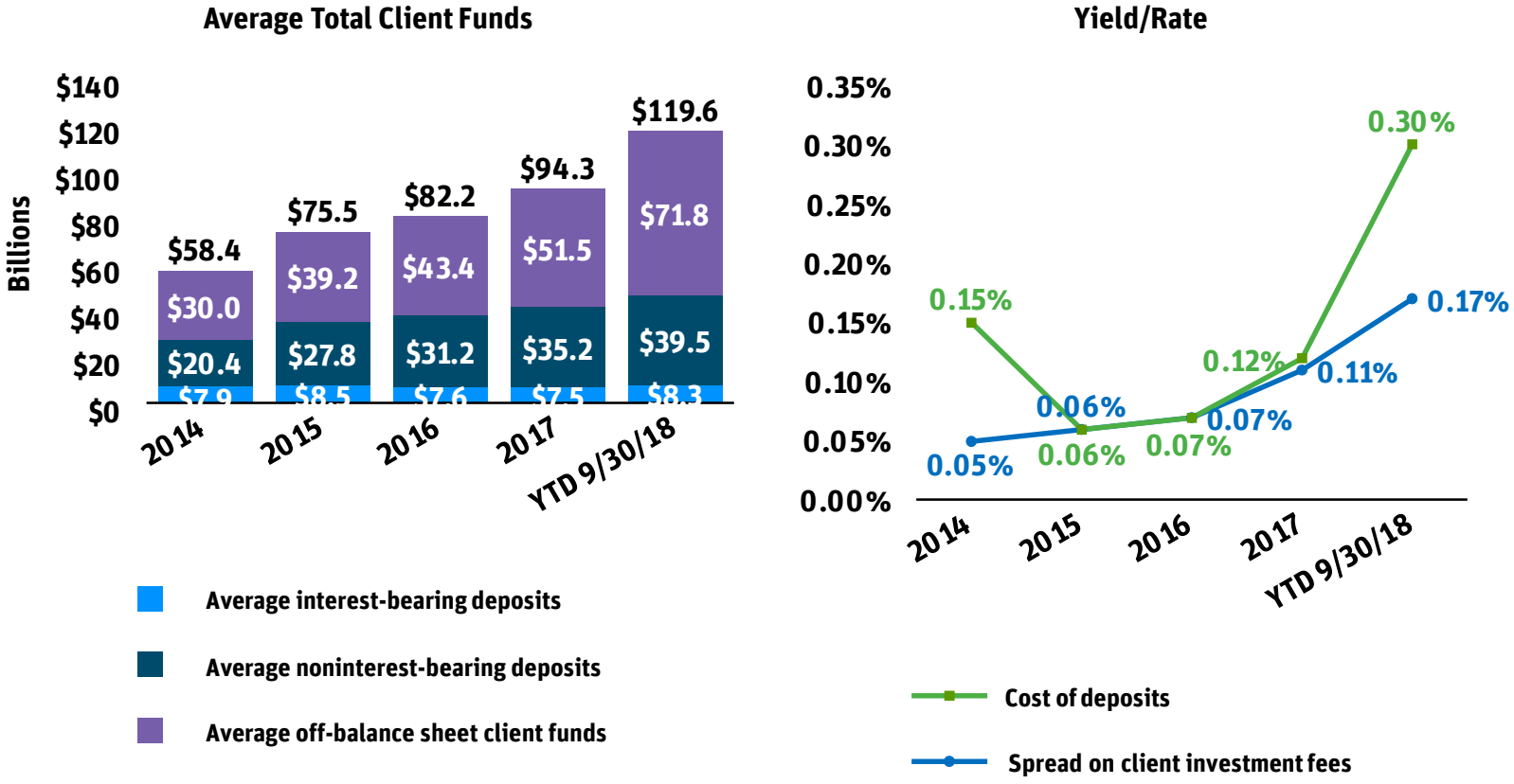
- Healthy funding and exit activity for our clients drove client funds growth
- Client investment funds growth (11.6%) outstripped deposit growth (2.3%)
- Deposit beta remained low at 25 percent
- Total deposit costs increased 7 bps due to deposit growth initiatives, representing $1.8 million in additional interest expense





Robust client liquidity over past 5 years

Strong venture-capital and private equity funding, solid exit activity for our clients, and healthy pace of new core client acquisition (especially early-stage and private equity clients), have driven client funds growth



Expanding international business activity

$3.0B
international loans*

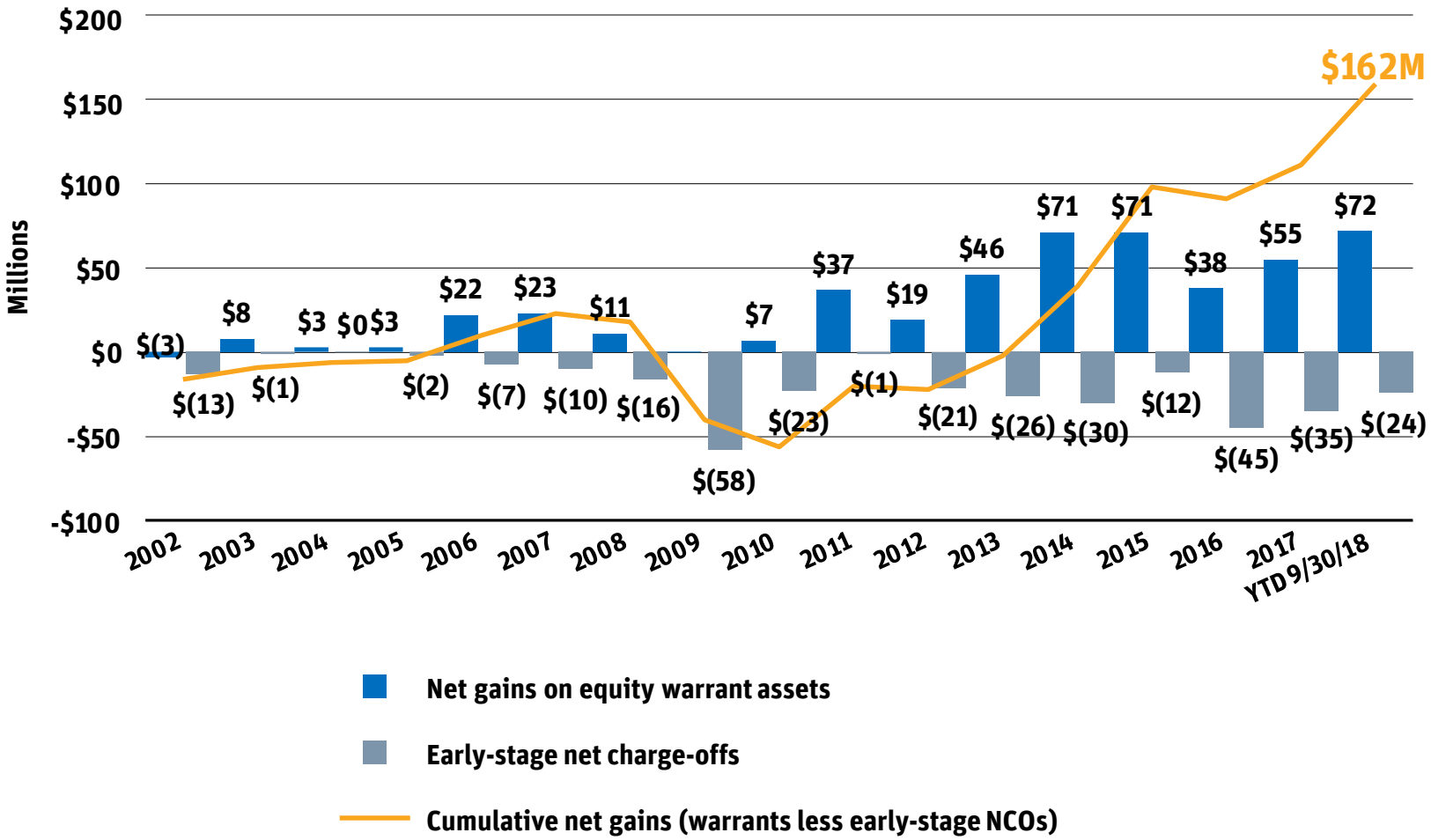
$11.5B
international deposits*

Location	Description	Year opened
U.K.	Full service branch	2012
Israel	Business development and representative office	2008
China	Business development office (Beijing)	2005
	SPD Silicon Valley Bank (joint venture, offices in Beijing, Shanghai, Shenzhen)	2012
Hong Kong	Representative office	2013
Germany	Business development and representative office	2018
Canada	Branch application in progress	TBD

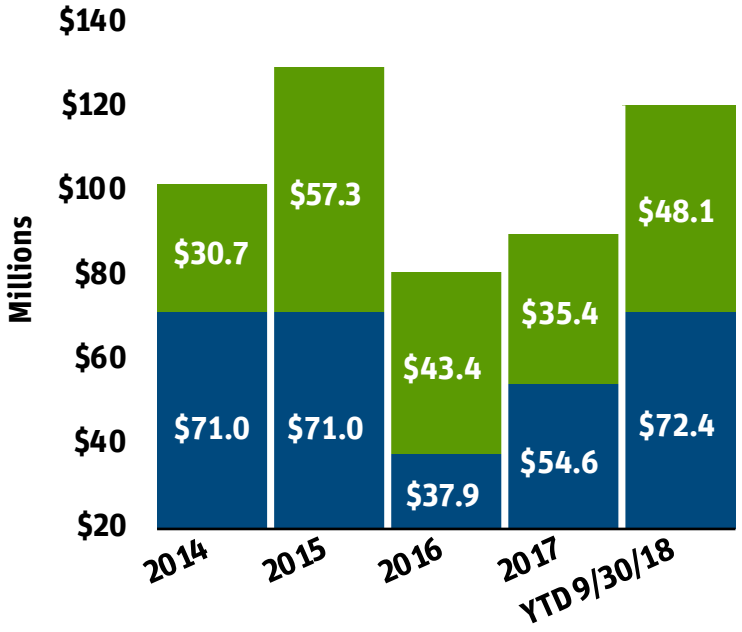
* Includes average loan and deposit balances for international operations in U.K., Israel and Asia for Q3'18; this is a management segment view and does not tie to regulatory definitions for foreign exposure

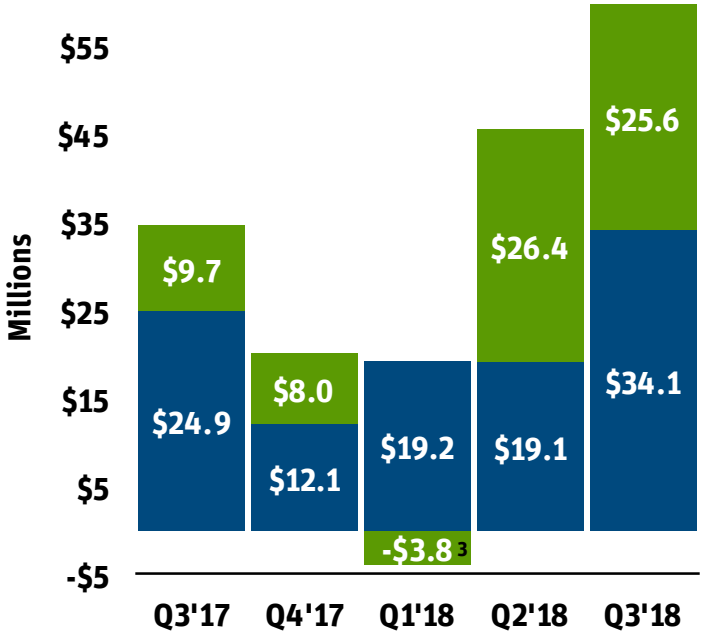
Net warrant gains have more than offset early-stage charge-offs over time

Aggregate warrant gains net of early-stage losses (2002 - 2018)



Investment securities and warrant gains[1]





Net gains on equity warrant assets

Non-GAAP net gains on investment securities net of non-controlling interests[2]

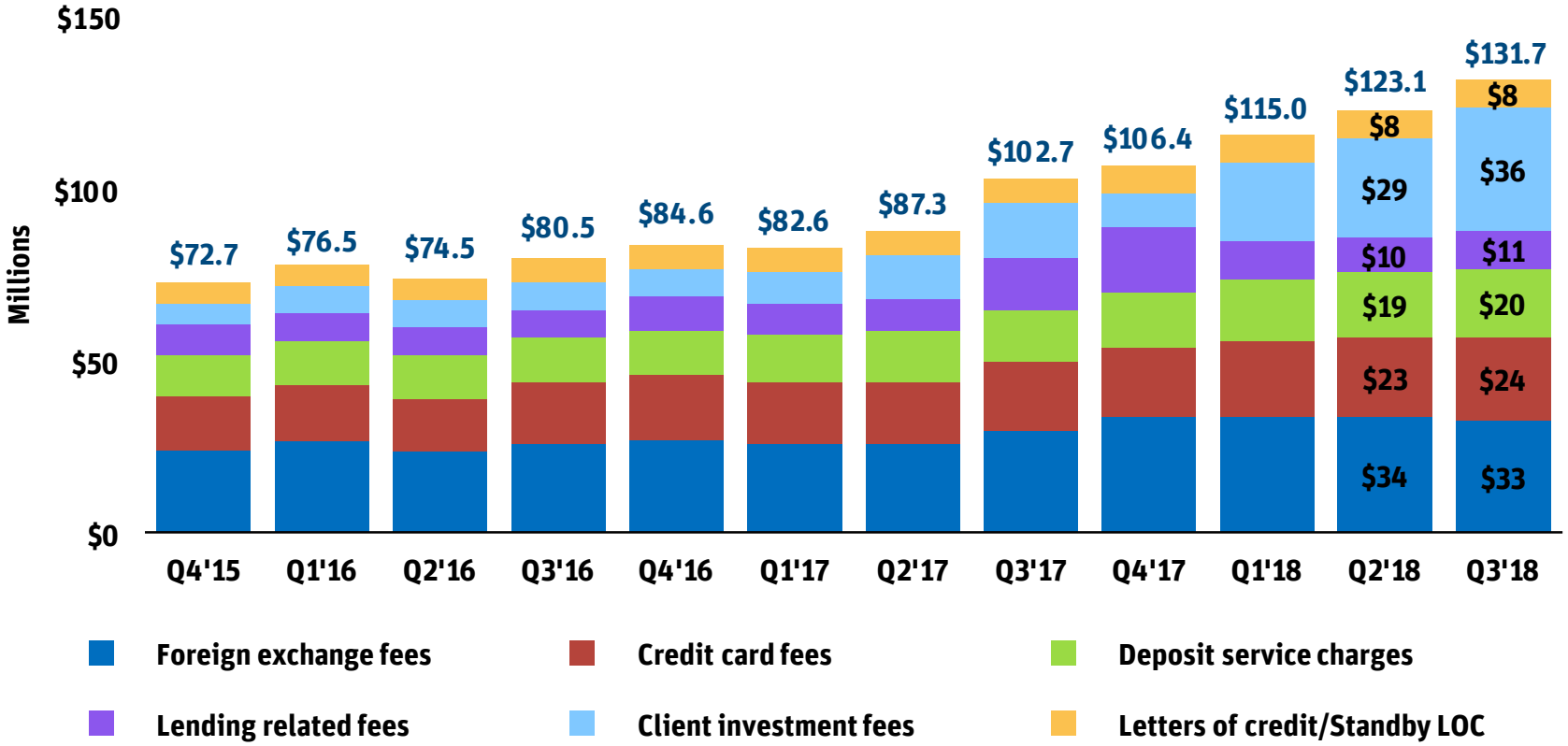
Net gains on equity warrant assets

Non-GAAP net gains (losses) on investment securities net of non-controlling interests[2]

1. The gains (or losses) from investment securities from our nonmarketable and other equity securities portfolio as well as our equity warrant assets resulting from changes in valuations (fair values) are currently unrealized, and the extent to which such gains (or losses) will become realized is subject to a variety of factors, including among other things, performance of the underlying portfolio companies, investor demand for IPOs, fluctuations in the underlying valuation of these companies, levels of M&A activity, and legal and contractual restrictions on our ability to sell the underlying securities.
2. This is a non-GAAP measure. Please see non-GAAP reconciliations at end of presentation for more information.
3. During the first quarter of 2018 losses on investment securities net of non-controlling interests included $22.2 million of losses from the sales of shares from our exercised Roku equity warrants. The total net gains from our investment in Roku were nearly $46 million.

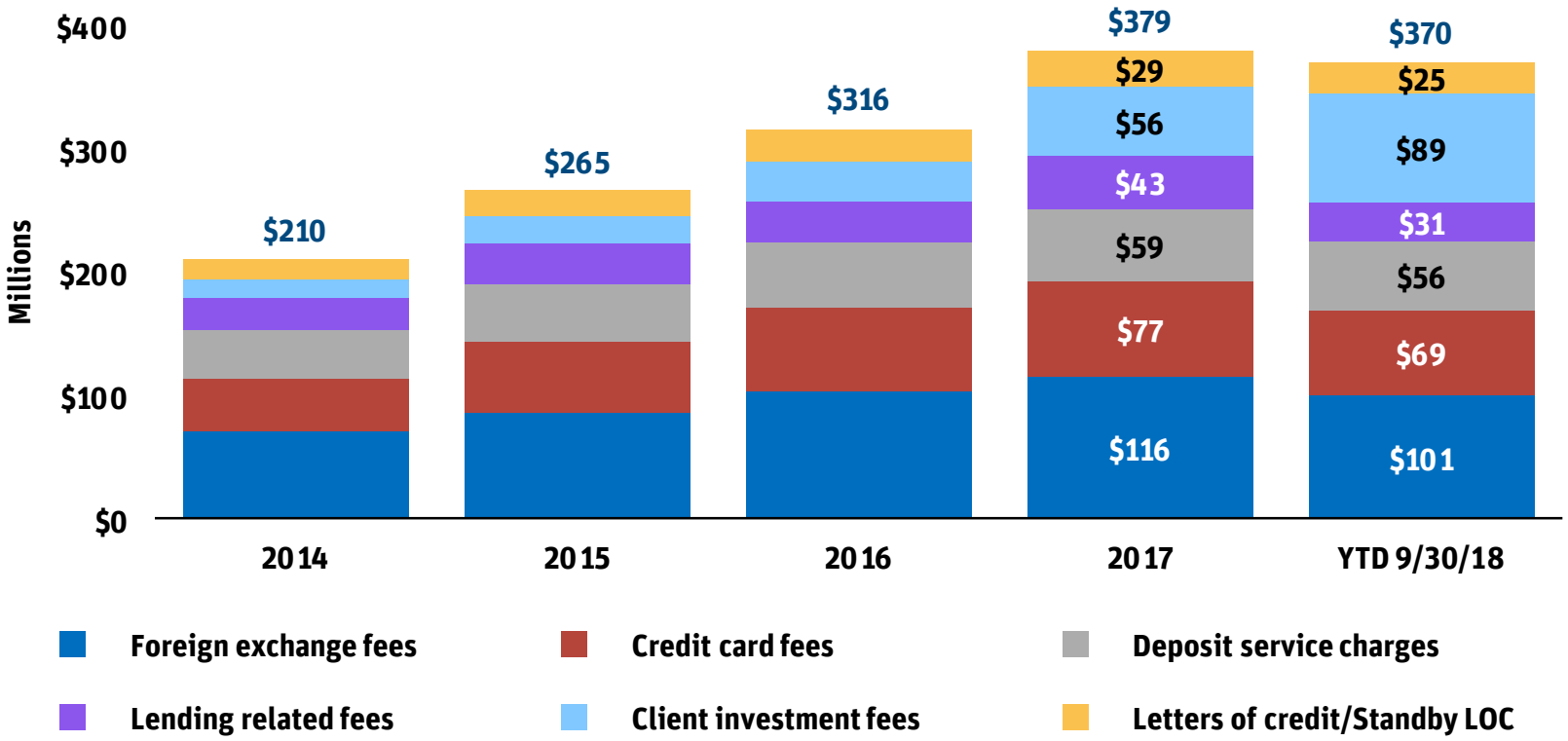
Q3'18: Core fee income grew 7.0%

Strong growth driven primarily by higher client investment fees due to higher client fund balances and rate increases



A history of strong core fee income growth

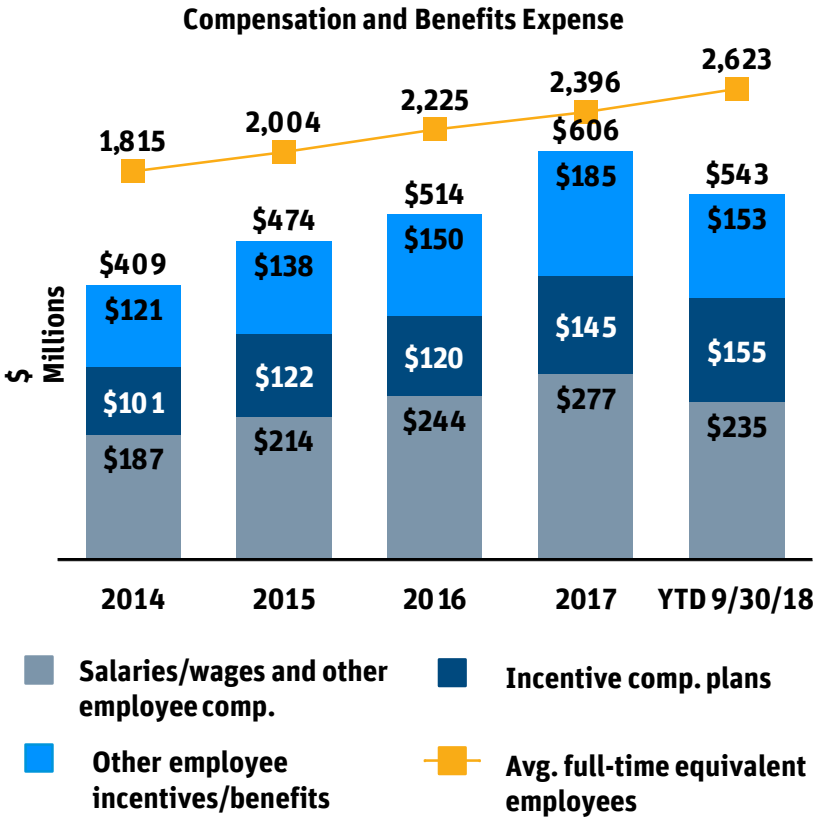
- Strong FX volume growth in 2017 partially offset by lower competitive spreads
- Higher client investment fee growth in recent quarters due to higher client investment fund balances and rate increases

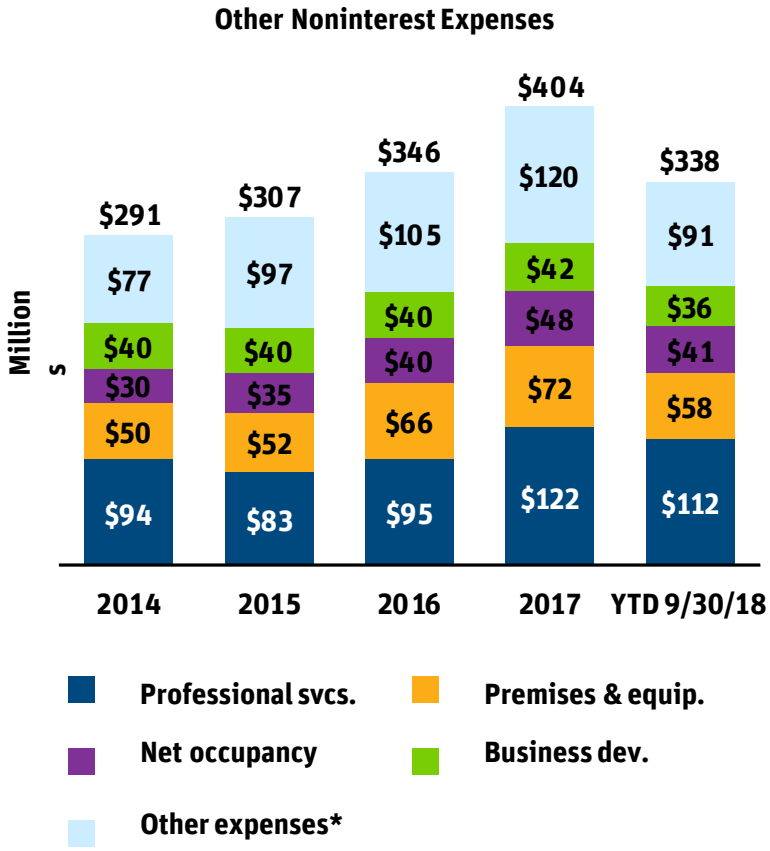


Performance and growth driving non-interest expense

Revenue and growth investment initiatives:

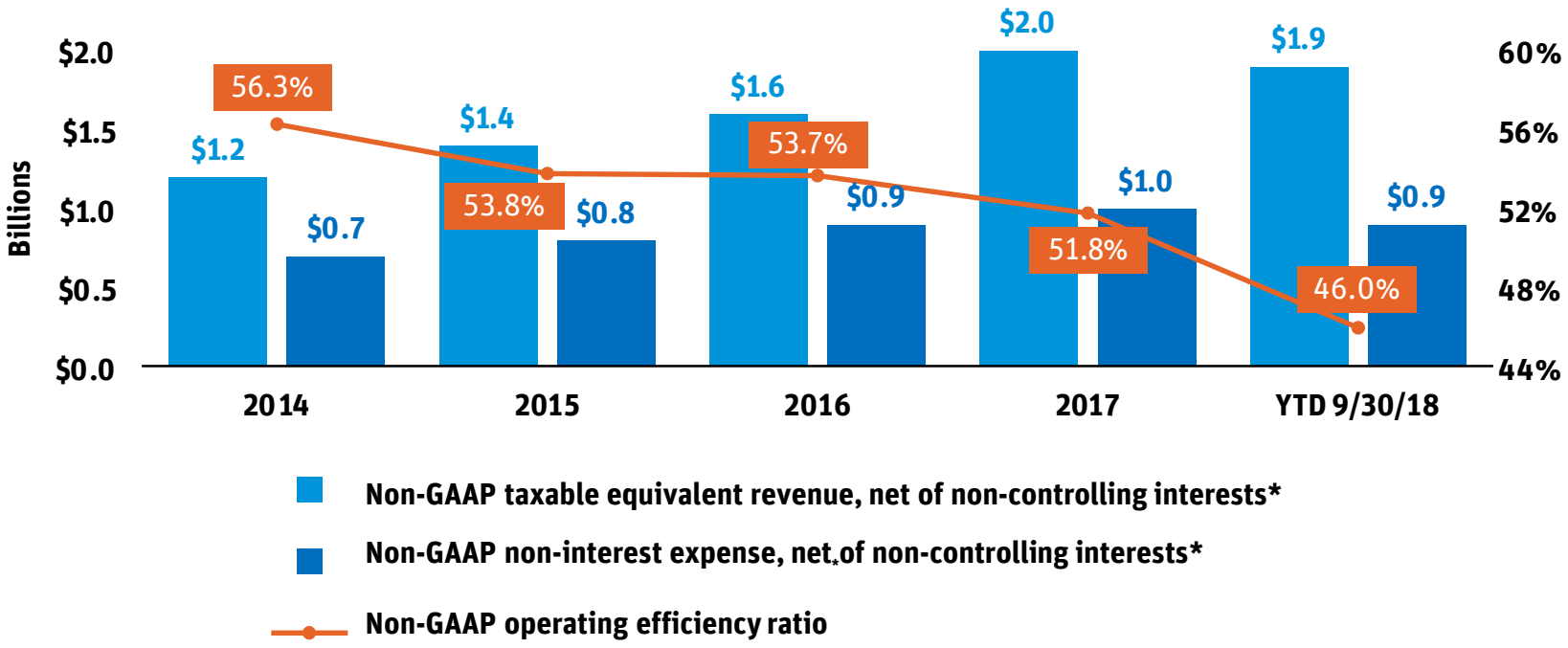
- Client experience
- People (staffing, enablement, performance-based incentive compensation)
- Infrastructure improvements (banking, risk & compliance)





* Includes costs for FDIC and state assessments, correspondent bank fees, lending and other client-related processing, telephone, data processing and other expenses; please see our quarterly filings for more information.

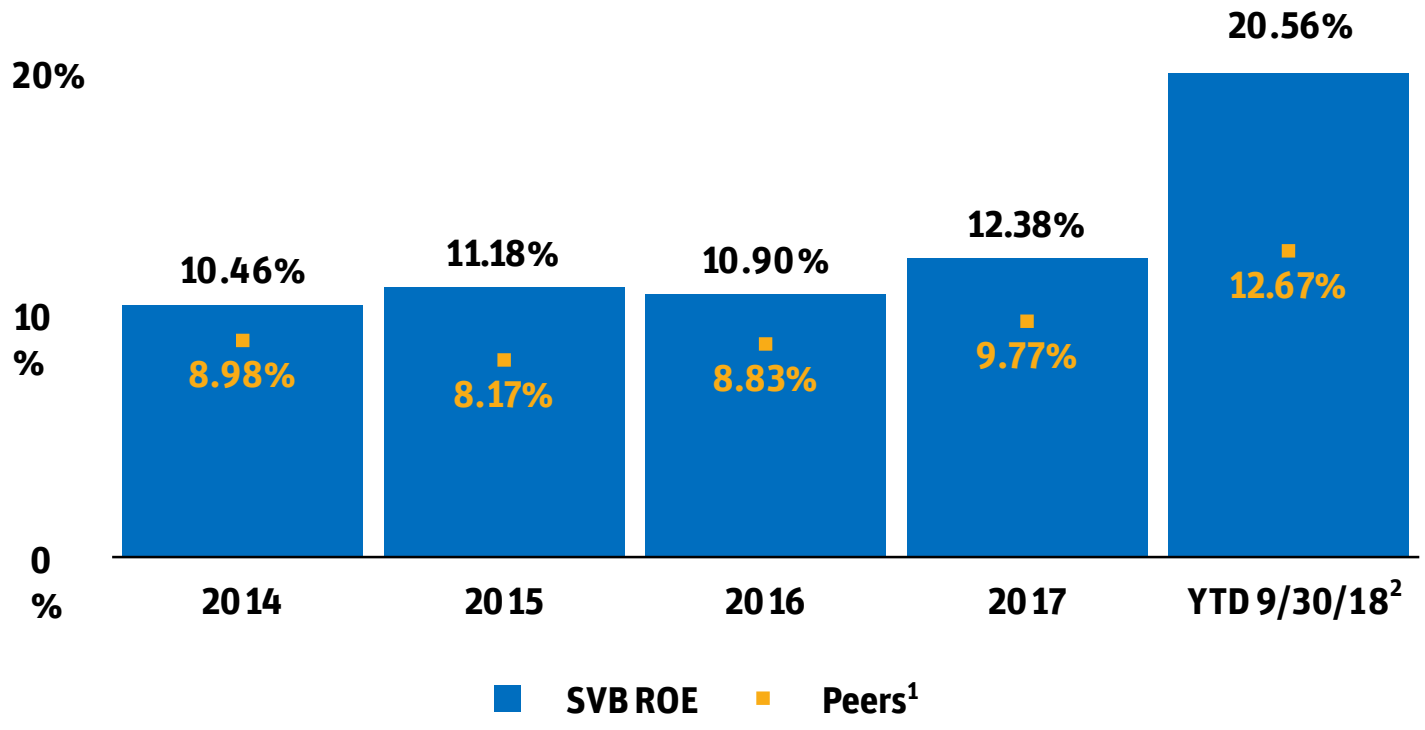
Efficiency ratio has trended down over time, driven by strong revenue growth



* These are non-GAAP measures. Please see non-GAAP reconciliations at end of this presentation for more information. Non-GAAP non-interest expense net of non- controlling interests and non-GAAP efficiency ratio exclude the impact of non-controlling interests.

Above-peer return on average equity

Increase in 2018 ROE YTD primarily due to strong balance sheet growth, higher interest rates and lower taxes



1."Peers" refers to peer group as reported in our proxy statements specific to the years reported and are subject to change on an annual basis. Peer ROE is the average of our peer group based on the most recent data from SNL Financial.

2. Annualized

We expect rising rates to benefit us significantly, with less downside rate sensitivity

We estimate that each 25 bps increase in short-term rates to contribute approximately $65 million to Net Interest Income*

Changes in market interest rates (basis points)	% Change in Base Case Net Interest Income as of	
	12/31/2017	9/30/2018
+100	13.3%	12.7%
-100	(15.7)%	(12.9)%

Primary benchmark indices:

- Federal Funds target rate
- 1-month LIBOR
- 3-month LIBOR

Drivers

1)Impact of short-term rate changes on:

- Reinvestment cash flow from fixed income securities
- Variable rate loans and investments

2)Balance sheet growth and composition:

- Large non-interest bearing deposit funding base
- Strong loan growth in 2018

* As reported in our sensitivity analysis included in our Q3'18 Form 10-Q reports pursuant to applicable SEC requirements; these estimates are reported on a pre-tax basis and are based on a static balance sheet and assumptions as of September 30, 2018. Actual results may differ. Simulations used to analyze interest rate sensitivity may differ from actual results due to, among other things: differences in timing, frequency, and magnitude of changes in market rates; impact of competition; fluctuating business conditions and impact of strategies taken by management to mitigate these risks.

Complex regulatory environment

As a growing global, commercial bank with a holding company structure, we face a complex regulatory landscape. We have ongoing investments in regulatory and compliance infrastructure -- people, processes and systems -- with focus on the following areas:

- **Program enhancements in areas including**
  - **Risk Management**
  - **BSA/AML**
  - **Compliance**
- **Current Expected Credit Loss (CECL) implementation**

We are well capitalized: SVBFG capital ratios[1]

	2014	2015	2016	2017	Q1'18	Q2'18	Q3'18
CET 1 risk-based capital	-	12.28%	12.80%	12.78%	12.87%	12.92%	13.28%
Tier 1 risk-based capital	12.91%	12.83	13.26	12.97	13.06	13.10	13.45
Total risk-based capital	13.92	13.84	14.21	13.96	13.99	14.03	14.34
Tier 1 leverage	7.74	7.63	8.34	8.34	8.67	8.81	8.99
Tangible common equity to tangible assets[2]	7.15	7.16	8.15	8.16	8.25	8.34	8.47
Tangible common equity to risk-	12.93	12.34	12.89	12.77	12.65	12.68	13.00

1) All ratios, except TCE/TA and TCE/RWA, are as reported in our most recent bank holding company consolidated reports on Form FR Y-9C. TCE/TA and TCE/RWA ratios are as reported in our most recent quarterly earnings releases.
2) These are non-GAAP measures. Please see non-GAAP reconciliations at end of this presentation for more information.

We are well capitalized: bank capital ratios[1]

- Pressure on Tier 1 Leverage ratio from exceptional deposit and total asset growth in 2014 and 2015
- Down-streaming of capital from holding company (Q2'14 $435M common equity raise and Q1'15 $350M debt raise) increased bank capital ratios across the board
- Strong Bank earnings resulted in $40M of dividends from Bank to SVBFG in Q3'18, $30M in Q2'18, $25M in Q1'18, $90M in 2017 and $40M in 2016

	2014	2015	2016	2017	Q1'18	Q2'18	Q3'18
CET 1 risk-based capital[2]	-	12.52%	12.65%	12.06%	11.90%	11.76%	11.98%
Tier 1 risk-based capital	11.09%	12.52	12.65	12.06	11.90	11.76	11.98
Total risk-based capital	12.12	13.60	13.66	13.04	12.88	12.72	12.91
Tier 1 leverage	6.64	7.09	7.67	7.56	7.69	7.72	7.82
Tangible common equity to tangible assets[3]	6.38	6.95	7.77	7.47	7.41	7.39	7.44
Tangible common equity to risk-	11.19	12.59	12.75	11.98	11.68	11.52	11.70

1) All ratios, except TCE/TA and TCE/RWA, are as reported in our most recent bank holding company consolidated reports on Form FR Y-9C. TCE/TA and TCE/RWA ratios are as reported in our most recent quarterly earnings releases.
2) Basel III adopted in January 2015
3) These are non-GAAP measures. Please see non-GAAP reconciliations at end of this presentation for more information.



Non-GAAP Reconciliations

Non-GAAP reconciliation

Core fee income[1]

Non-GAAP core fee income (dollars in thousands)	Quarter ended Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017
GAAP noninterest income	$114,506	$86,134	$112,776	$144,140	$113,502	$117,659
Less: gains on investment securities, net	12,439	(4,684)	23,270	23,178	9,976	15,970
Less: net gains on equity warrant assets	16,384	6,606	5,089	21,558	4,639	6,690
Less: other noninterest income	12,978	7,670	9,963	18,878	14,239	12,421
Non-GAAP core fee income	$72,705	$76,542	$74,454	$80,526	$84,648	$82,578

Non-GAAP core fee income (dollars in thousands)	Quarter ended Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018
GAAP noninterest income	$128,528	$158,778	$152,266	$155,518	$192,689	$210,070
Less: gains on investment securities, net	17,630	15,238	15,765	9,058	36,114	32,193
Less: net gains on equity warrant assets	10,820	24,922	12,123	19,191	19,061	34,141
Less: other noninterest income	12,811	15,896	17,982	12,259	14,390	12,022
Non-GAAP core fee income	$87,267	$102,722	$106,396	$115,010	$123,124	$131,714

Non-GAAP core fee income (dollars in thousands)	Year ended December 31, 2014	2015[2]	2016	2017	YTD Sep 30, 2018
GAAP noninterest income	$572,239	$472,794	$456,552	$557,231	$558,277
Less: gains on investment securities, net	267,023	89,445	51,740	64,603	77,365
Less: net gains on equity warrant assets	71,012	70,963	37,892	54,555	72,393
Less: other noninterest income (loss)	24,573	47,004	50,750	59,110	38,671
Non-GAAP core fee income	$209,631	$265,382	$316,170	$378,963	$369,848

1) This is a non-GAAP measure. See "Use of Non-GAAP Financial Measures" at the end of our most recent quarterly earnings release for further information regarding the calculation and limitations of this measure.
2) Amounts prior to December 31, 2015 have not been revised to reflect the retrospective application of new accounting guidance adopted in the second quarter of 2015 related to deconsolidation of our investments in VC- and PE-related funds (ASU 2015-02).

Non-GAAP reconciliation*

Non-marketable and other equity securities

Non-GAAP non-marketable and other equity securities, net of non-controlling interests (dollars in thousands)	Sep 30, 2018
GAAP non-marketable and other equity securities	$896,249
Less: amounts attributable to non-controlling interests	130,995
Non-GAAP non-marketable and other equity securities, net of non-controlling interests	$765,254

Composition of non-GAAP non-marketable and other equity securities, net of non-controlling interests (dollars in thousands)	Sep 30, 2018
Non-marketable and other equity securities (fair value accounting):	
Consolidated venture capital and private equity fund investments	$32,609
Unconsolidated venture capital and private equity fund investments	208,953
Investments without a readily determinable fair value	25,253
Other equity securities in public companies	29,825
Non-marketable securities (equity method accounting):	
Venture capital and private equity fund investments	76,035
Debt funds	5,241
China Joint Venture Investment	75,314
Other investments	50,318
Investments in qualified affordable housing projects, net	261,706
Total non-marketable and other equity securities	$765,254

* See “Use of Non-GAAP Financial Measures” at the end of our most recent quarterly earnings release for further information regarding the calculation and limitations of this measure.

Non-GAAP reconciliation[1]

Net gains (losses) on investment securities

Non-GAAP net gains (losses) on investment securities (dollars in thousands)	Quarter ended Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018
GAAP net gains on investment securities	$15,238	$15,765	$9,058	$36,114	$32,193
Less: income attributable to noncontrolling interests, including carried interest	5,496	7,764	12,905	9,672	6,641
Non-GAAP net gains on investment securities, net of noncontrolling interests	$9,742	$8,001	$(3,847)	$26,442	$25,552

Non-GAAP net gains (losses) on investment securities (dollars in thousands)	Year ended December 31, 2014	2015[2]	2016	2017	YTD Sep 30, 2018
GAAP net gains on investment securities	$267,023	$89,445	$51,740	$64,603	$77,365
Less: income attributable to noncontrolling interests, including carried interest	236,294	32,115	8,312	29,187	29,218
Non-GAAP net gains on investment securities, net of noncontrolling interests	30,729	57,330	43,428	35,416	$48,147

1) This is a non-GAAP measure. See "Use of Non-GAAP Financial Measures" at the end of our most recent quarterly earnings release for further information regarding the calculation and limitations of this measure.
2) Amounts prior to December 31, 2015 have not been revised to reflect the retrospective application of new accounting guidance adopted in the second quarter of 2015 related to deconsolidation of our investments in VC- and PE-related funds (ASU 2015-02).

Non-GAAP reconciliation*

Capital ratios

Consolidated (SVBFG) TCE/TA and TCE/RWA

Non-GAAP tangible common equity and tangible assets (dollars in thousands, except ratios)	Year ended December 31,				Mar 31,	Jun 30,	Sep 30,
	2014	2015	2016	2017	2018	2018	2018
GAAP SVBFG stockholders' equity	$2,813,072	$3,198,134	$3,642,554	$4,179,795	$4,415,446	$4,657,653	$4,924,369
Less: Intangible assets	—	—	—	—	—	—	—
Tangible common equity (TCE)	$2,813,072	$3,198,134	$3,642,554	$4,179,795	$4,415,446	$4,657,653	$4,924,369
GAAP Total assets	$39,337,869	$44,686,703	$44,683,660	$51,214,467	$53,500,787	$55,867,745	$58,139,734
Less: Intangible assets	—	—	—	—	—	—	—
Tangible assets (TA)	$39,337,869	$44,686,703	$44,683,660	$51,214,467	$53,500,787	$55,867,745	$58,139,734
Risk-weighted assets (RWA)	$21,755,091	$25,919,594	$28,248,750	$32,736,959	$34,903,720	$36,727,118	$37,889,139
Tangible common equity to tangible	7.15%	7.16%	8.15%	8.16%	8.25%	8.34%	8.47%
Tangible common equity to risk-weighted	12.93%	12.34%	12.89%	12.77%	12.65%	12.68%	13.00%

Bank only TCE/TA and TCE/RWA

Non-GAAP tangible common equity and tangible assets (dollars in thousands, except ratios)	Year ended December 31,				Mar 31,	Jun 30,	Sep 30,
	2014	2015	2016	2017	2018	2018	2018
Tangible common equity (TCE)	$2,399,411	$3,059,045	$3,423,427	$3,762,542	$3,900,094	$4,068,918	$4,260,685
Tangible assets (TA)	$37,607,973	$44,045,967	$44,059,340	$50,383,774	$52,622,450	$55,035,371	$57,245,029
Risk-weighted assets (RWA)	$21,450,480	$24,301,043	$26,856,850	$31,403,489	$33,396,675	$35,326,564	$36,424,091
Tangible common equity to tangible	6.38%	6.95%	7.77%	7.47%	7.41%	7.39%	7.44%
Tangible common equity to risk-weighted	11.19%	12.59%	12.75%	11.98%	11.68%	11.52%	11.70%

* See "Use of Non-GAAP Financial Measures" at the end of our most recent quarterly earnings release for further information regarding the calculation and limitations of this measure.

Non-GAAP reconciliation

Non-interest income[1]

Non-GAAP non-interest income, net of non-controlling interests (dollars in thousands)	Quarter ended				
	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018
GAAP non-interest income	$158,778	$152,266	$155,518	$192,689	$210,070
Less: income attributable to non-controlling interests, including carried interests	5,614	7,743	13,024	9,445	6,692
Non-GAAP non-interest income, net of non-controlling interests	153,164	144,523	142,494	183,244	203,378

Non-GAAP Non-interest income, net of non-controlling interests (dollars in thousands)	Year ended				YTD
	2014	2015[2]	2016	2017	Sep 30, 2018
GAAP noninterest income	$572,239	$472,794	$456,552	$557,231	$558,277
Less: income attributable to noncontrolling interests, including carried interest	233,624	31,736	8,039	29,452	29,161
Non-GAAP noninterest income, net of noncontrolling interests	$338,615	$441,058	$448,513	$527,779	$529,116
Less: net (losses) on the SVBIF sale transaction	(13,934)	—	—	—	—
Non-GAAP noninterest income, net of noncontrolling interests and excluding one time adjustments	$352,549	$441,058	$448,513	$527,779	$529,116

1) See “Use of Non-GAAP Financial Measures” at the end of our most recent quarterly earnings release for further information regarding the calculation and limitations of this measure.
2) Amounts prior to December 31, 2015 have not been revised for the adoption of accounting guidance related to our investments in VC- and PE-related funds (ASU 2015-02 Deconsolidation).

Non-GAAP reconciliation

Non-GAAP operating efficiency ratio, net of non-controlling interests[1]

(Dollars in thousands, except ratios)	Year ended December 31, 2014	2015	2016	2017	YTD Jun 30, 2018
GAAP noninterest expense[2]	$ 700,669	$ 779,962	$ 859,797	$ 1,010,655	$ 880,601
Less: amounts attributable to noncontrolling interests	18,867	828	524	813	349
Non-GAAP noninterest expense, net of noncontrolling interests	$ 681,802	$ 779,134	$ 859,273	$ 1,009,842	$ 880,252
GAAP net interest income	$ 856,595	$ 1,006,425	$ 1,150,523	$ 1,420,369	$ 1,379,528
Adjustments for taxable equivalent basis	1,689	1,564	1,203	3,076	6,249
Non-GAAP taxable equivalent net interest income	$ 858,284	$ 1,007,989	$ 1,151,726	$ 1,423,445	$ 1,385,777
Less: income attributable to noncontrolling interests	33	8	66	33	29
Non-GAAP taxable equivalent net interest income, net of noncontrolling interests	$ 858,251	$ 1,007,981	$ 1,151,660	$ 1,423,412	$ 1,385,748
GAAP noninterest income	$ 572,239	$ 472,794	$ 456,552	$ 557,231	$ 558,277
Non-GAAP noninterest income, net of noncontrolling interests and excluding one time adjustments	$ 352,549	$ 441,058	$ 448,513	$ 527,779	$ 529,116
GAAP total revenue	$ 1,428,834	$ 1,479,219	$ 1,607,075	$ 1,977,600	$ 1,937,805
Non-GAAP taxable equivalent revenue, net of noncontrolling interests	$ 1,210,800	$ 1,449,039	$ 1,600,173	$ 1,951,191	$ 1,914,864
GAAP operating efficiency ratio	49.04%	52.73%	53.50%	51.11%	45.44%
Non-GAAP operating efficiency ratio	56.31%	53.77%	53.70%	51.76%	45.97%

1) See “Use of Non-GAAP Financial Measures” at the end of our most recent quarterly earnings release for further information regarding the calculation and limitations of this measure.
2) Our consolidated GAAP noninterest expenses were modified from prior periods’ presentation to conform to the current period's presentation, which reflects our provision for loan losses and provision for unfunded credit commitments together as our “provision for credit losses”. In prior periods, our provision for unfunded credit commitments were reported separately as a component of noninterest expense.



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