

svb Financial Group

Q4 and FY 2018

Corporate Overview and Financial Results

February 1, 2019

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Glossary

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

Non-GAAP Measures (Please see non-GAAP reconciliations at the end of this presentation for more information)

- **Core EPS –** Net income available to common stockholders less gains or losses on investment securities and equity warrant assets, net of tax; divided by diluted average common shares outstanding. Our management believes this measure to be a useful assessment of our performance as it relates to our core business because it excludes certain financial items where performance is typically subject to market or other conditions beyond our control. A reconciliation of Core EPS to the closest corresponding GAAP measure is not available with respect to future goals due to our inability to provide a quantitative reconciliation to such measure.
- **Core Fee Income –** Fees from letters of credit, client investments, credit cards, deposit service charges, foreign exchange and lending-related fees, in aggregate.
- **Core Operating Efficiency Ratio –** Non-interest expense divided by total revenue, after adjusting for gains or losses on investment securities and equity warrant assets. This ratio excludes certain financial items where performance is typically subject to market or other conditions beyond our control.
- **Gains (losses) on Investment Securities, Net of Non-Controlling Interests –** Net gains on investment securities include gains and losses from our non-marketable and other equity securities, which include public equity securities held as a result of exercised equity warrant assets, gains and losses from sales of our AFS debt securities portfolio, when applicable, and carried interest. This measure excludes amounts attributable to noncontrolling interests for which we effectively do not receive the economic benefit or cost.

Other Measures

- **Total Client Funds –** The sum of on-balance sheet deposits and off-balance sheet client investment funds.
- **Fixed Income Securities –** available-for-sale ("AFS") and held-to-maturity ("HTM") securities held on the balance sheet.

Acronyms

- **CCAR –** Comprehensive Capital Analysis & Review
- **CRM –** Customer Relationship Management (system)
- **LIHTC –** Low income housing tax credit funds
- **NCI –** Non-controlling interests
- **NCO –** Net charge-off
- **VC/PE –** Venture Capital/Private Equity

Important information regarding forward-looking statements and use of non-GAAP financial measures

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; our expected effective tax rate; and financial results, including the performance results of SVB Leerink for certain quarters in, and for 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: market and economic conditions (including the general condition of the capital and equity markets, and IPO, M&A and financing activity levels) and the associated impact on us (including effects on client demand for our commercial and investment banking and other financial services, as well as on the valuations of our investments); 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 the levels of our loans, deposits and client investment fund balances; 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; variations from our expectations as to factors impacting the timing and level of employee share-based transactions; variations from our expectations as to factors impacting our estimate of our full-year effective tax rate; 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.

Additionally, from time to time, we may make reference to the non-GAAP financial metric of Core EPS in our earnings call and other investor presentations. Non-GAAP Core EPS consists of our net income available to common stockholders less gains or losses on investment securities and equity warrant assets, net of tax, divided by our diluted weighted average common shares outstanding. Our management believes this measure to be a useful assessment of our performance as it relates to our core business because it excludes certain financial items where performance is typically subject to market or other conditions beyond our control. A reconciliation of Core EPS to the closest corresponding GAAP measure is not available with respect to future goals due to our inability to provide a quantitative reconciliation to such measure.



About SVB

SVB: A unique financial services company

Over 35 years of focus on innovation companies, investors and influencers

Strong market position

Robust client funds franchise

Diversified revenue streams

Global presence

$58B assets

$27B loans

$134B total client funds

Average balances for Q4'18

We serve the global Innovation Economy

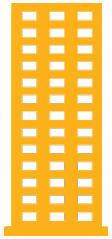
Technology + Life Sciences + Healthcare



Accelerator (Early Stage)
Revenue
<$5M



Growth
Revenue
$5M-$75M



Corp Fin
Revenue
>$75M



Investors
Private Equity
Venture Capital



Individuals
Influencers:
Entrepreneurs, Investors, Executives

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

SVB Leerink
Investment banking services focused on healthcare and life science companies

A strong, seasoned management team

- Average tenure of 13 years at SVB
- Diverse experience and skill sets to help direct our growth



Dan Beck

CHIEF FINANCIAL OFFICER
2 years at SVB



Greg Becker

PRESIDENT AND CEO
SVB FINANCIAL GROUP
26 years at SVB



Marc Cadieux

CHIEF CREDIT OFFICER
27 years at SVB



John China

HEAD OF TECHNOLOGY BANKING
23 years at SVB



Phil Cox

HEAD OF EMEA AND
PRESIDENT OF THE UK BRANCH*
10 years at SVB



Mike Descheneaux

PRESIDENT
SILICON VALLEY BANK
13 years at SVB



Michelle Draper

CHIEF MARKETING OFFICER
6 years at SVB



Mike Dreyer

CHIEF OPERATIONS OFFICER*
3 years at SVB



Chris Edmonds-Waters

CHIEF HUMAN RESOURCES
OFFICER
15 years at SVB



Laura Izurieta

CHIEF RISK OFFICER
2 years at SVB



Michael Zuckert

GENERAL COUNSEL
5 years at SVB

* On January 10, 2019, we announced the appointment of Phil Cox as the new Chief Operations Officer (effective April 1, 2019) to replace our current Chief Operations Officer, Mike Dreyer who will retire in April.



Overview of Results

Strong market tailwinds contributed to record results throughout 2018







Strong Liquidity

- Record VC investment of $131B
- Strongest pace of U.S. VC-backed, Tech/Life Science IPOs since 2014
- Healthy valuation trends in private markets

Higher Interest Rates

- Fed Funds +100 bps (Mar, Jun, Sep, Dec)
- 1M LIBOR +96 bps
- 3M LIBOR +110 bps
- 5Y Treasury +26 bps

Lower Taxes & Regulatory Relief

- Tax Cuts & Jobs Act passed December 2017
- CCAR threshold lifted June 2018

2018 takeaways

EPS: $18.11

Net Income: $974M

- **Outstanding Growth (vs. 2017)**
  - Average total client funds: +30.6%
  - Average loans: +21.1%
  - Net interest income: +33.3%
  - Core fee income: +36.1%

- **Non-interest expense: +17.6% (vs. 2017)**
  - Investments in people,
  - Infrastructure investments to support our growth
  - Enhancements to our risk and compliance infrastructure

- **Warrant gains: $89M**
- **Investment gains, net of NCI: $50M**
- **Efficiency ratio: +45.0%**
- **Return on equity: 20.57% (12.38% in 2017)**
- **Stable credit quality**
- **Bank Tier 1 Leverage ratio: 8.10% (+54 bps vs. 2017)**

Q4'18 takeaways

EPS: $4.96

Net Income: $266 million

- **Outstanding Growth (vs. Q3'18)**
  - Average total client funds: +4.3%
  - Average loans: +4.4%
  - Net interest income: +4.3%
  - Core fee income: +10.9%
- **Non-interest expense: -0.6% (vs. Q3'18)**
- **Warrant gains: $16.7M**
- **Investment gains, net of NCI: $1.8M, impacted by Q4 volatility in public markets**
- **Return on equity: 20.61%**
- **Efficiency ratio: +43.9%**
- **Stable credit quality**
- **Bank Tier 1 Leverage ratio: 8.10% (+28 bps)**
- **Leerink acquisition announced on 11/13/2018 (closed 1/4/2019)**
- **Repurchased $147M of $500M authorized share repurchase program**

Challenges

- Public market volatility
- Impact of market liquidity on valuations and technology loan growth
- Achieving right balance of on- vs. off-balance sheet client fund mix
- Market anxiety over U.S. - China trade war and weakening global economic indicators
- Competition from banks, non-banks and market liquidity

Annual highlights

	2014	2015	2016	2017	2018
Diluted earnings per share	$5.31	$6.62	$7.31	$9.20	$18.11
Net income available to common stockholders	$263.9M	$343.9M	$382.7M	$490.5M	$973.8M
Average assets	$33.0B	$40.8B	$44.0B	$48.4B	$55.2B
Change	*42.0%*	*23.9%*	*7.7%*	*10.0%*	*14.2%*
Average loans	$11.5B	$14.8B	$18.3B	$21.2B	$25.6B
Change	*23.0%*	*28.3%*	*23.8%*	*15.7%*	*21.1%*
Average deposits	$28.3B	$36.3B	$38.8B	$42.7B	$48.1B
Change	*44.4%*	*28.2%*	*6.8%*	*10.3%*	*12.5%*
Average off-balance sheet client inv. funds	$30.0B	$39.2B	$43.4B	$51.5B	$75.1B
Change	*24.0%*	*30.6%*	*10.5%*	*18.8%*	*45.7%*
Average fixed-income securities	$16.6B	$22.3B	$21.5B	$22.4B	$24.8B
Net interest margin	2.81%	2.57%	2.72%	3.05%	3.57%
Net interest income	$856.6M	$1,006.4M	$1,150.5M	$1,420.4M	$1,894.0M
GAAP non-interest income	$572.2M	$472.8M	$456.6M	$557.2M	$745.0M
Non-GAAP non-interest income, net of non-controlling interests[1]	$352.5M	$441.1M	$448.5M	$527.8M	$707.0M
Non-interest expense	$700.7M	$780.0M	$859.8M	$1,010.7M	$1,188.2M
GAAP operating efficiency ratio	49.04%	52.73%	53.50%	51.11%	45.02%
Net charge-offs / Average total gross loans	0.32%	0.30%	0.46%	0.27%	0.22%
Effective tax rate[2]	41.02%	39.95%	39.55%	42.02%	26.52%
Return on average SVBFG stockholders' equity	10.46%	11.18%	10.90%	12.38%	20.57%
Return on average assets	0.80%	0.84%	0.87%	1.01%	1.76%

1) Please see non-GAAP reconciliations at end of this presentation for more information
2) 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.

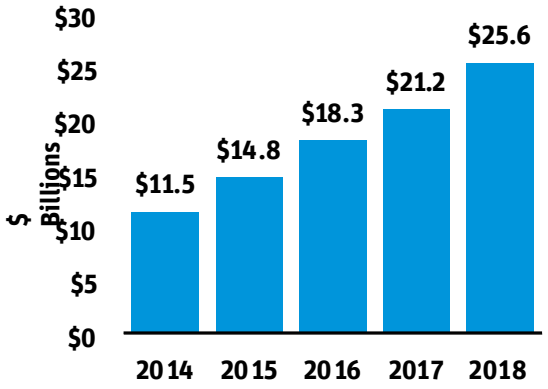
Quarterly highlights

	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18
Diluted earnings per share	$2.19	$3.63	$4.42	$5.10	$4.96
Net income available to common stockholders	$117.2M	$195.0M	$237.8M	$274.8M	$266.3M
Average assets	$50.8B	$52.4B	$54.4B	$56.5B	$57.6B
Change	*2.0%*	*3.1%*	*3.8%*	*3.9%*	*1.9%*
Average loans	$22.4B	$23.8B	$24.9B	$26.3B	$27.5B
Change	*4.0%*	*6.1%*	*4.4%*	*5.9%*	*4.4%*
Average deposits	$44.8B	$46.1B	$48.0B	$49.1B	$49.1B
Change	*1.7%*	*3.0%*	*4.0%*	*2.3%*	*–%*
Average off-balance sheet client investment funds	$57.6B	$64.4B	$71.3B	$79.6B	$85.0B
Change	*8.1%*	*11.8%*	*10.8%*	*11.6%*	*6.9%*
Average fixed income securities	$23.8B	$24.0B	$25.2B	$25.5B	$24.5B
Net interest margin	3.20%	3.38%	3.59%	3.62%	3.69%
Net interest income	$393.7M	$419.9M	$466.4M	$493.2M	$514.5M
GAAP non-interest income	$152.3M	$155.5M	$192.7M	$210.1M	$186.7M
Non-GAAP non-interest income, net of non-controlling interests[1]	$144.5M	$142.5M	$183.2M	$203.4M	$177.9M
Non-interest expense	$264.0M	$265.4M	$305.7M	$309.4M	$307.6M
Net charge-offs / Average total gross loans (annualized)	0.23%	0.15%	0.22%	0.30%	0.20%
Effective tax rate[2]	53.54%	27.50%	24.53%	25.75%	28.28%
Return on average SVBFG stockholders' equity (annualized)	11.09%	18.12%	20.82%	22.46%	20.61%
Return on average assets (annualized)	0.92%	1.51%	1.75%	1.93%	1.83%

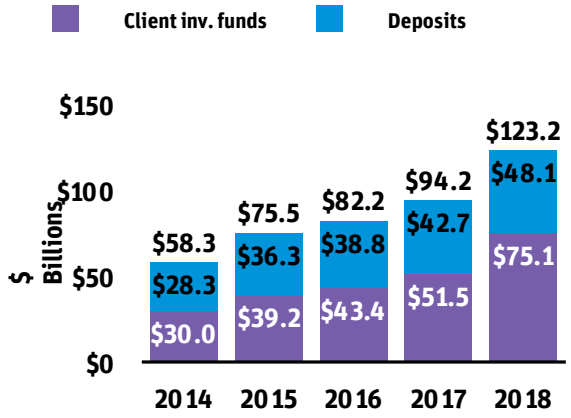
1) This is a non-GAAP measure. Please see non-GAAP reconciliations at end of this presentation for more information.
2) Our effective tax rate is calculated by dividing income tax expense by the sum of income before income tax expense and net income attributable to noncontrolling interests. Q4'17 included $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.

Key performance indicators

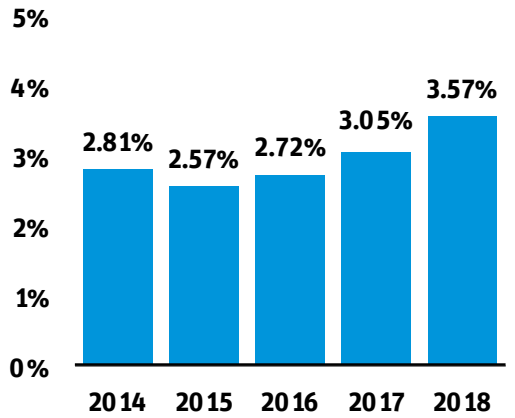
Average Loans, net of unearned income



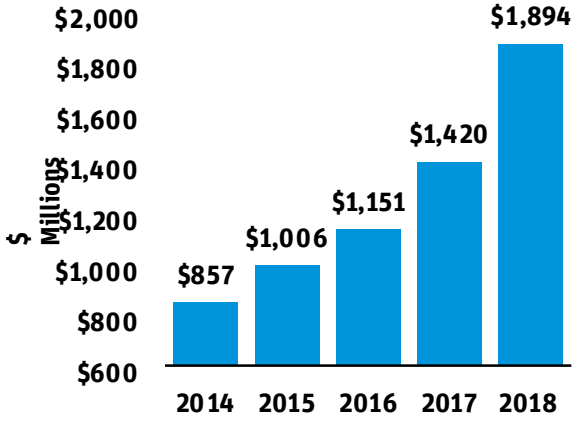
Average Total Client Funds



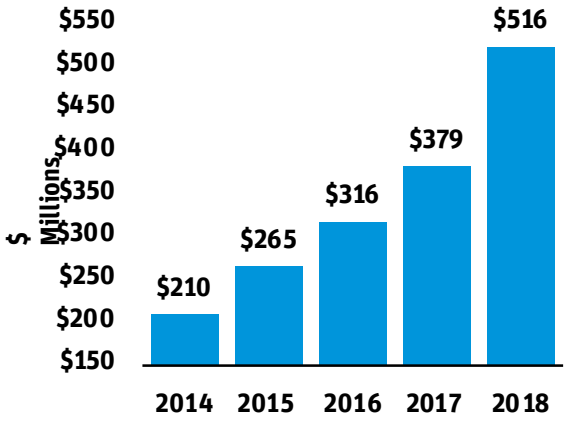
Net Interest Margin



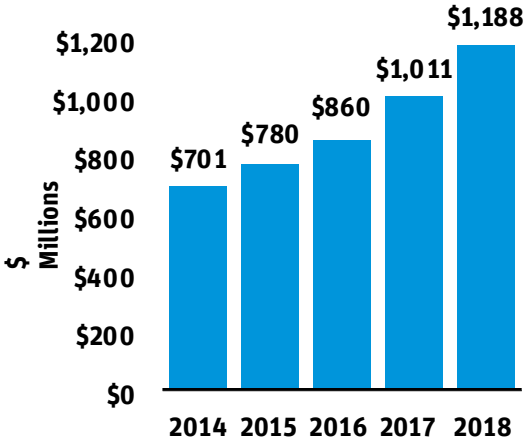
Net Interest Income



Core Fee Income



Noninterest Expense





2019 Outlook and Long-Term Financial Targets

2019 full-year outlook[1]

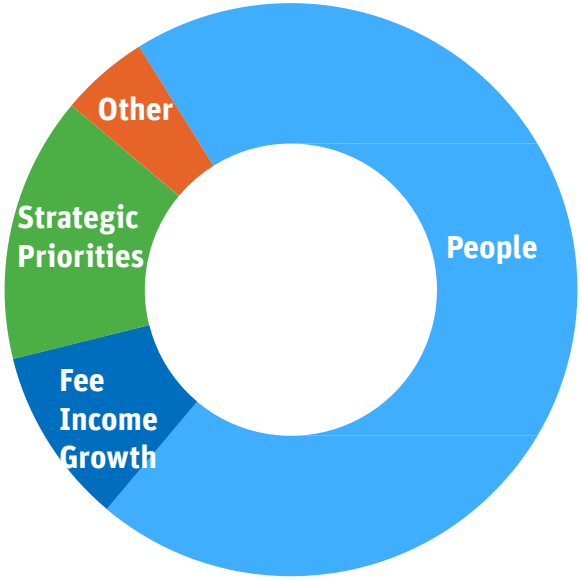
Business Driver	2019 Full Year Outlook vs. 2018 Full Year Results	Change from 10/25/18
Average loans	Increase at a percentage rate in the mid teens	No change
Average deposits	Increase at a percentage rate in the high single digits	No change
Net interest income	Increase at a percentage rate in the high teens	No change
Net interest margin	Between 3.80% and 3.90%	No preliminary outlook provided
Allowance for loan losses for total gross performing loans as a % of total gross performing loans	Comparable to 2018 levels	No preliminary outlook provided
Net loan charge-offs	Between 0.20% and 0.40% of avg. total gross loans	No change
Non-performing loans/total gross loans	Between 0.30% and 0.50% of total gross loans	No preliminary outlook provided
Core fee income[2]	Increase at a percentage rate in the high teens	**Outlook increased** to high teens from previous outlook of mid teens
Non-interest expense (excluding expenses related to non-controlling interests)[2]	Increase at a percentage rate in the mid teens	No change
Effective Tax Rate	Between 26.0% and 28.0%	No preliminary outlook provided
Current full year 2019 outlook compared to 2018 results, including expected results of SVB Leerink reflective of the completed acquisition on January 4, 2019		
Core fee income with investment banking activities[3]	Increase at a percentage rate in the high sixties	Not applicable
Non-interest expense with investment banking activities[3]	Increase at a percentage rate in the mid thirties	Not applicable

1) As of 1/24/2019; compared to full-year 2018 results; 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.
3) Current full year outlook for 2019 compared to full-year 2018 results, including expected results of SVB Leerink reflective of the completed acquisition on January 4, 2019.

Investment Priorities Driving 2019 Expense Growth

Strategic Priorities: ~15%

- Global onboarding (including client and loan onboarding)
- Digitizing and governing data infrastructure
- Employee enablement (CRM, mobility tools) & scalability
- Digital Bank
- Risk management



People: ~70%

Hiring initiatives to improve long-term revenue growth opportunities and better support the bank

- Germany and Canada expansion
- Private Bank/Wealth Advisory expansion
- Front office sales
- Relationship Management
- Risk management
- Competitive pay in high-cost markets
- Support volume growth

Fee Income Growth Initiatives: ~10%

- Core fee income growth initiatives drive higher transaction volumes and processing costs

Investing to improve operating leverage and support our growth

Through systems, tools, processes, analytics and people

Enhance Client Experience

Enable us to engage with clients in more meaningful ways

Streamline and speed key processes, such as onboarding

Improve Employee Enablement

Help employees optimize their performance

Minimize time spent on non-value add activities

Enhance Risk Management

Support timely, effective resolution of issues across the organization

Enhance data quality and governance frameworks

Drive Scalable Long-term Growth

Optimize cost efficiencies

Improve efficiency of growth over long term

Drive Revenue Growth

Expand product offerings to address evolving client needs

Improve product penetration across the platform

Extend platform to Germany and Canada

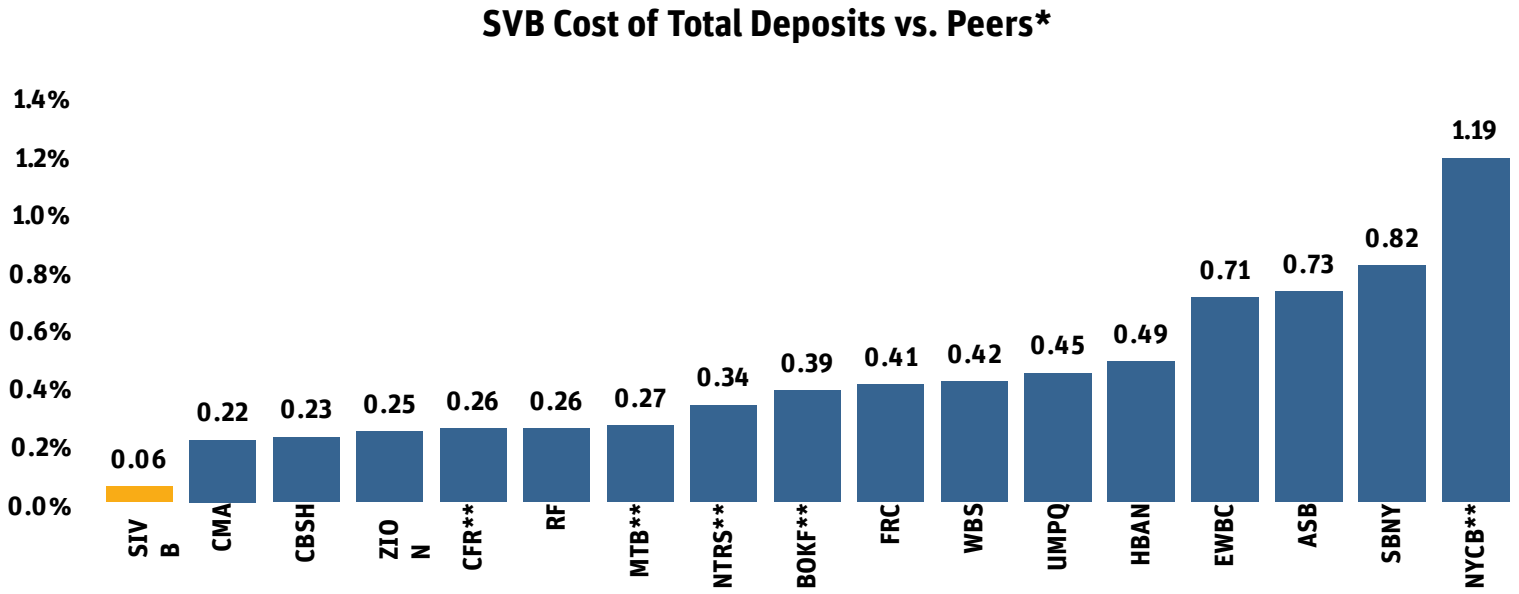
Expand Private Bank and Wealth Advisory

Target Outcomes

- Expanded product offerings with new opportunities for **revenue growth**
- **Improved future operating leverage** through transformation of key business processes and implementation of scalable solutions
- **2020 expense growth rate target: high single digits**

Deposit Franchise a Competitive Advantage

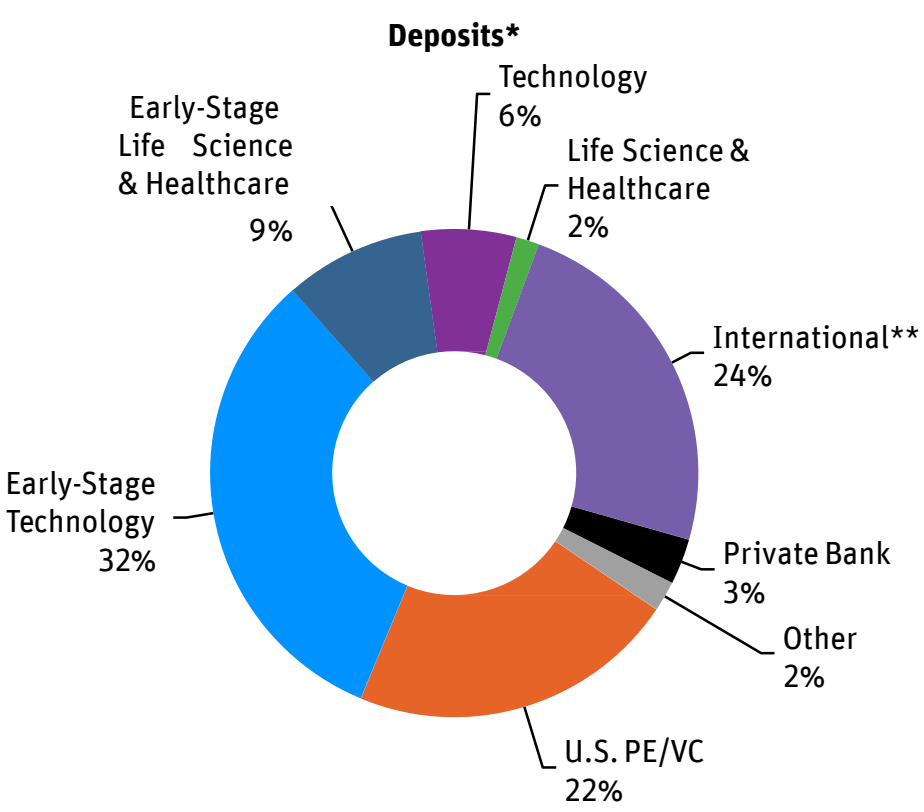
- Client operating accounts make up the majority of our deposits
- FY 2018
  - Cost of total deposits of 6 bps, materially lower than peer costs
  - Low interest-bearing deposit beta of 22%
  - Low loan-to-deposit ratio of 53.3%

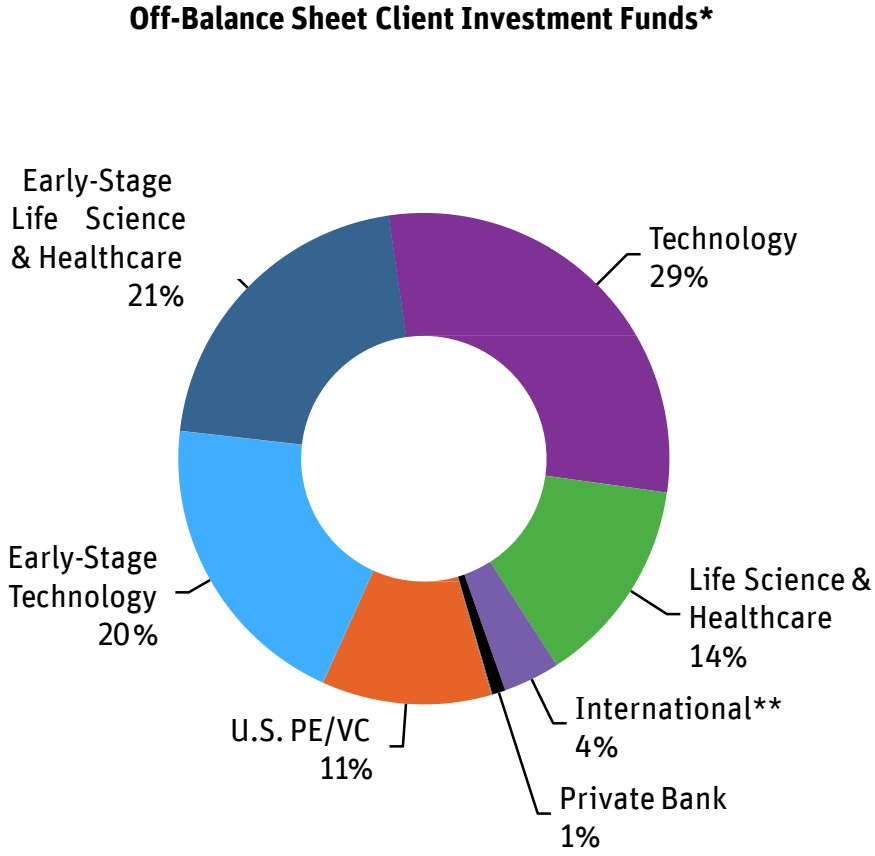


* "Peers" refers to peer group as reported in our proxy statement and are subject to change on an annual basis. Peer data is based on the most recently available full-year 2018 cost of total deposits as reported by S&P Global Market Intelligence.

** Where FY 2018 data was not available as of February 1, 2019, YTD 9/30/18 cost of total deposits was reported.

Total Client Funds Contributions by Niche
at 12/31/18





* Deposit and off-balance sheet client investment funds balances by portfolio is a management view of client niches and is subject to change.

** International balances is a management view of client niches and does not tie to regulatory definitions for foreign exposure. International balances include clients across all client niches and life-stages, with International PE/VC representing 9% of total deposits and 1% of off-balance sheet client investment funds.

Driving on-balance sheet deposit growth

New Clients

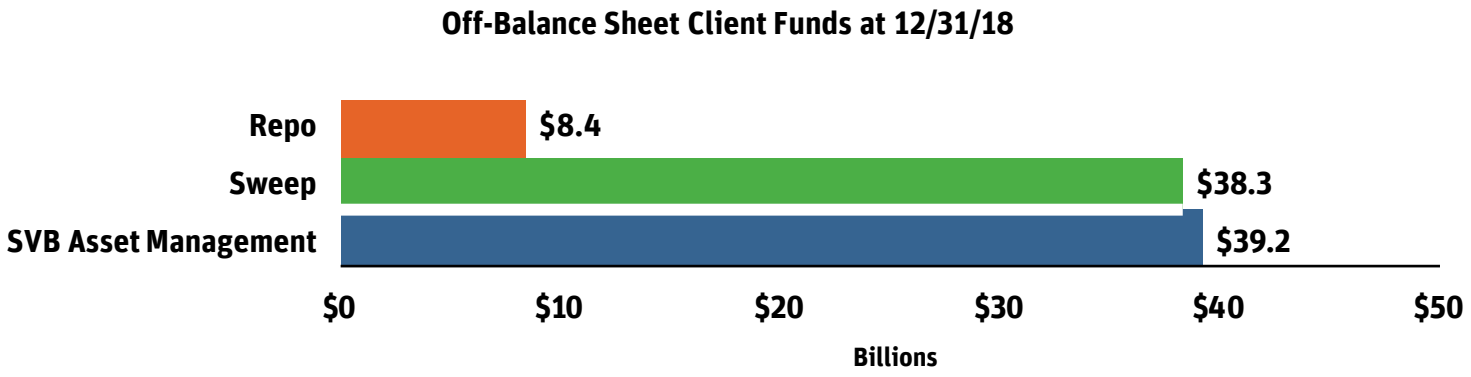
More than 1,000 core clients deposited $1.6B of new funds on the balance sheet in Q4'18

Continued on-balance sheet product development

Additional new products in development to support new and existing client needs

Opportunities to gradually move some client funds on balance sheet

Approximately 10%-20% of Repo/Sweep clients are addressable with new products over the long-term



Our market expectations for 2019

Positive influence from…

- Healthy VC investment and fundraising
- Another strong year for IPOs
- Healthy liquidity and activity among SVB clients

But with…

- Fading market tailwinds
- Macro challenges:
  - U.S. - China trade war
  - Equity market volatility
  - Potential U.S. Government closures
- Continued intense competition

Long-term financial targets[1,2]

Strong, sustainable, smart growth

ROE ~15% in *low rate* environment
~20% in a *normalized rate* environment

Core EPS[3] ~10% growth in a *flat rate* environment
~20% growth in a *rising rate* environment

Investments in growth & improved operating leverage

Normalized Rates
Mid-40% Core Efficiency Ratio[4]

Low Rates
Mid-50% Core Efficiency Ratio

Asset Sensitivity

<10% in down 100 bps scenario
>10% in up 100 bps scenario

Strong Capital & Liquidity

Bank Tier 1 Leverage ratio
~7-8%

Loan-to-Deposit ratio
<70%

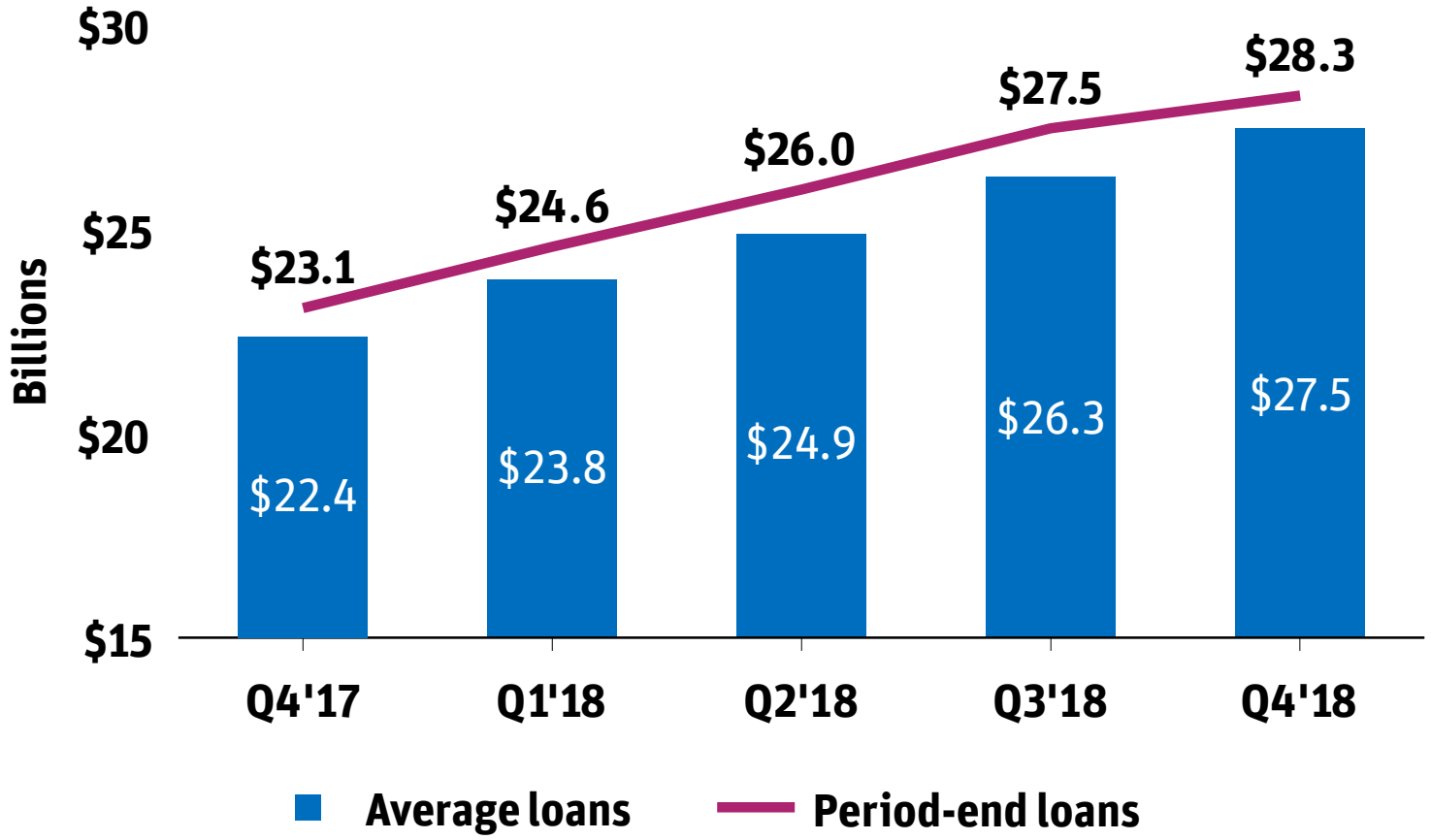
1) Excludes impact of SVB Leerink revenue and expense
2) Normalized rate environment represents Fed Funds rate above 2.5%, low rate environment represents Fed Funds at or below 2.5%
3) Non-GAAP measure
4) Non-GAAP measure.



Financial Performance (Balance Sheet)

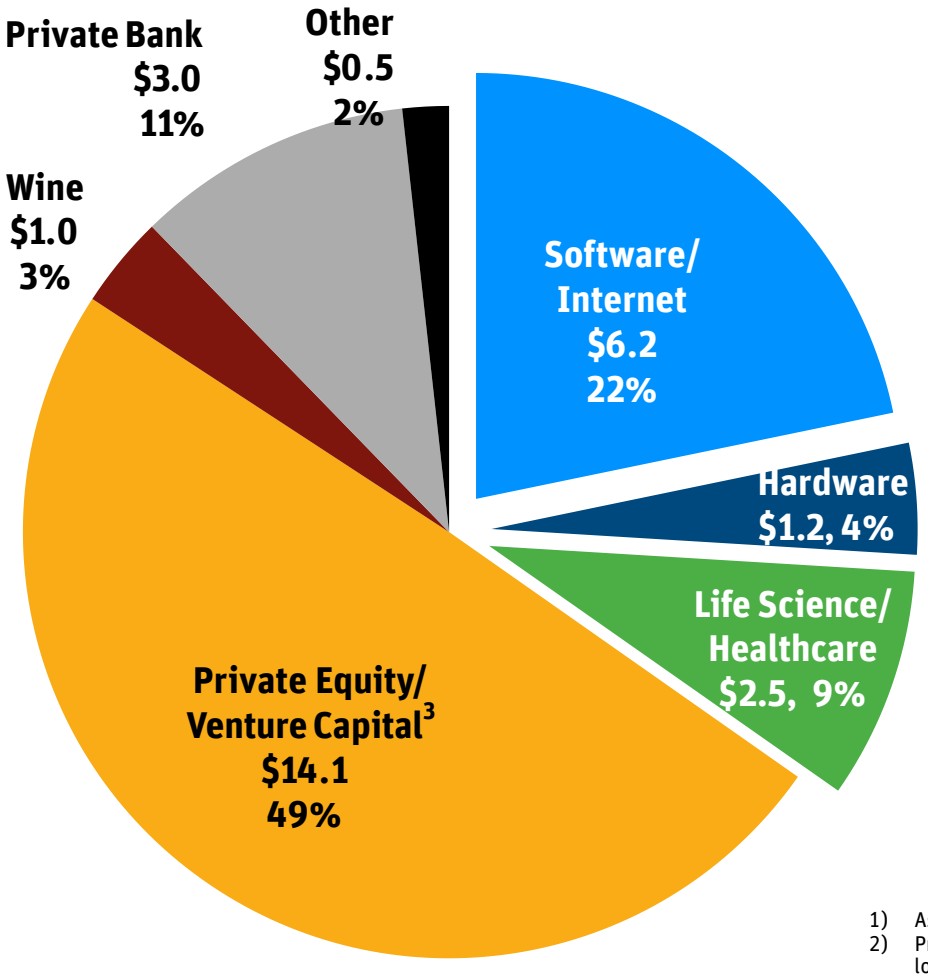
Q4'18: average loans grew 4.4%

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

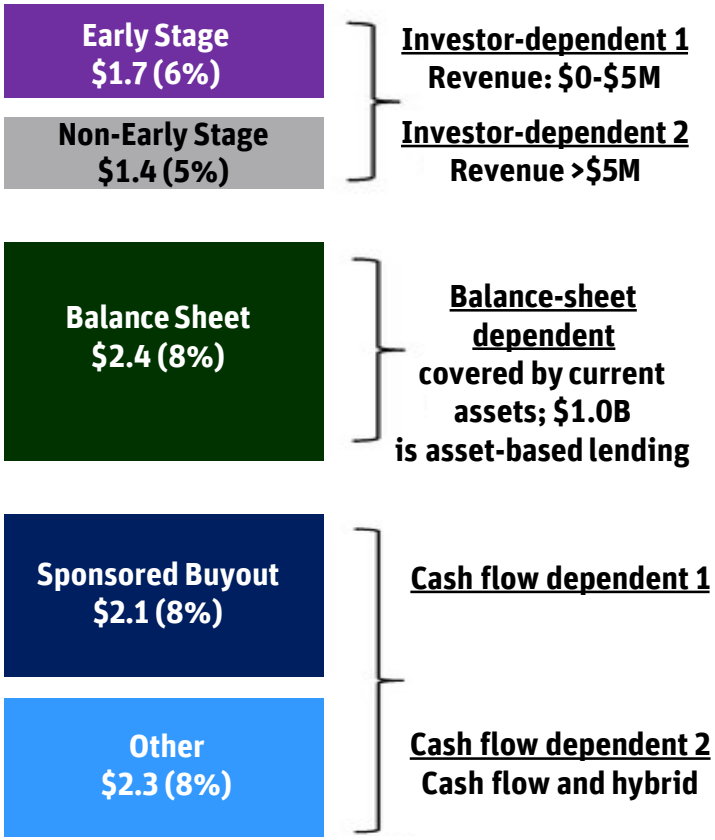


Q4'18: A diversified loan portfolio

Gross Loans: $28.5 billion[1,2]



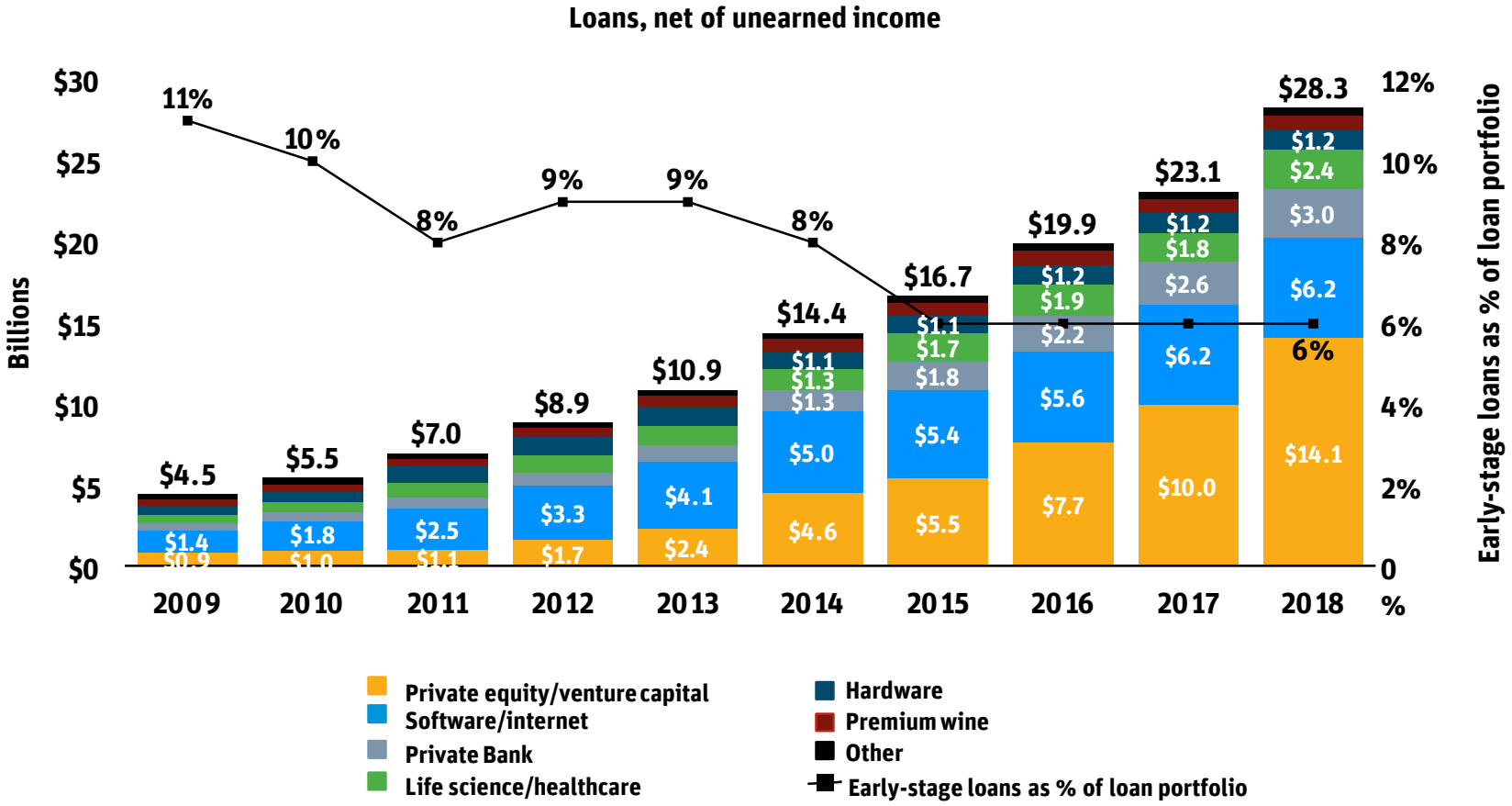
Technology and Life Science/Healthcare Only[1]
$9.9 billion (35% of Gross Loans)



1) As of 12/31/2018; 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

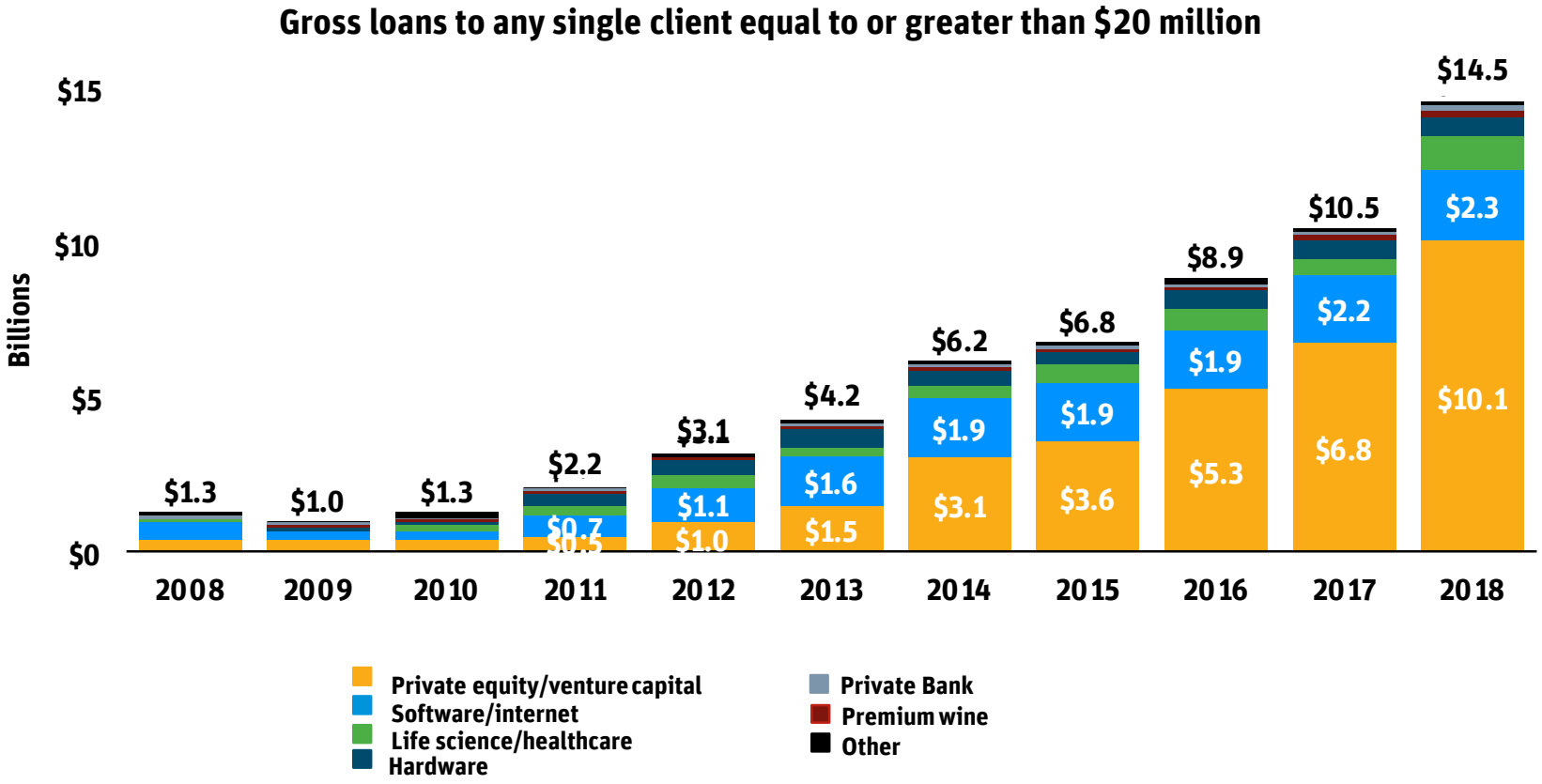
Our loan portfolio has evolved over time

- 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



Loans larger than $20M are primarily Private Equity capital call lines, which have a history of no credit losses

Capital call lines have maturities of <1 year and are secured by contractual capital commitments and the invested assets of the fund borrowers.

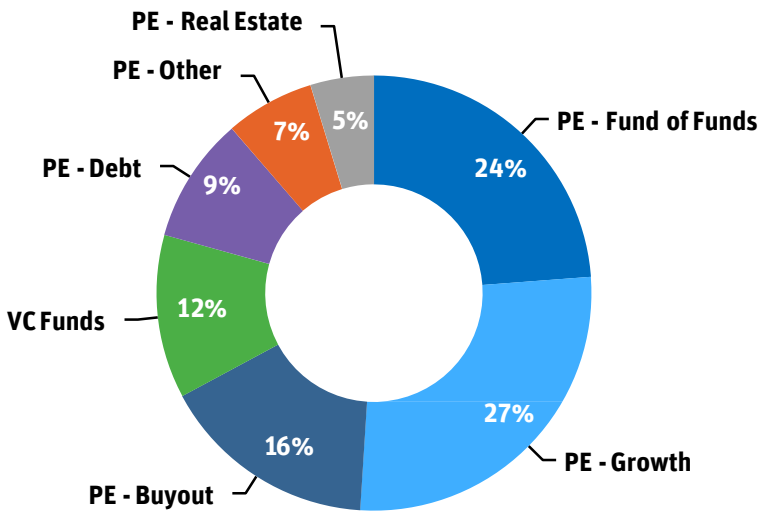


Private Equity capital call lines: High growth, diversification, low credit risk

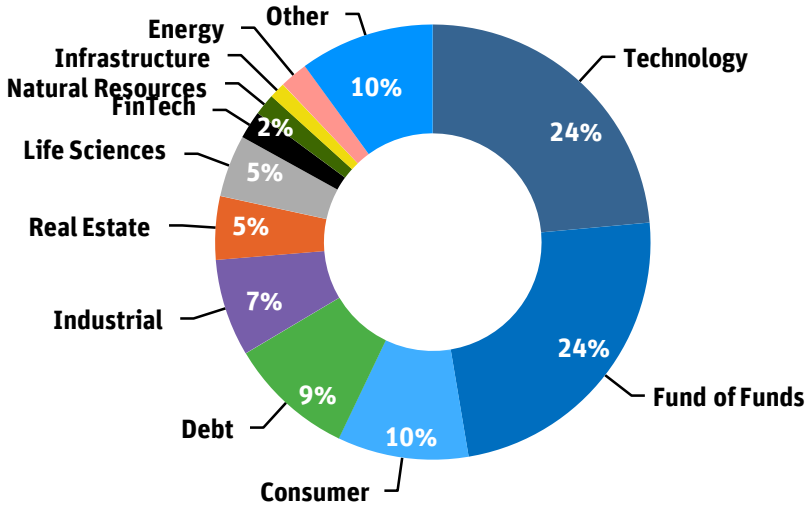
- High-quality, strong underwriting
- Strong secondary markets
- No credit losses in history of product

PE/VC Fund Commitments by Investment Style and Industry*

Investment Style



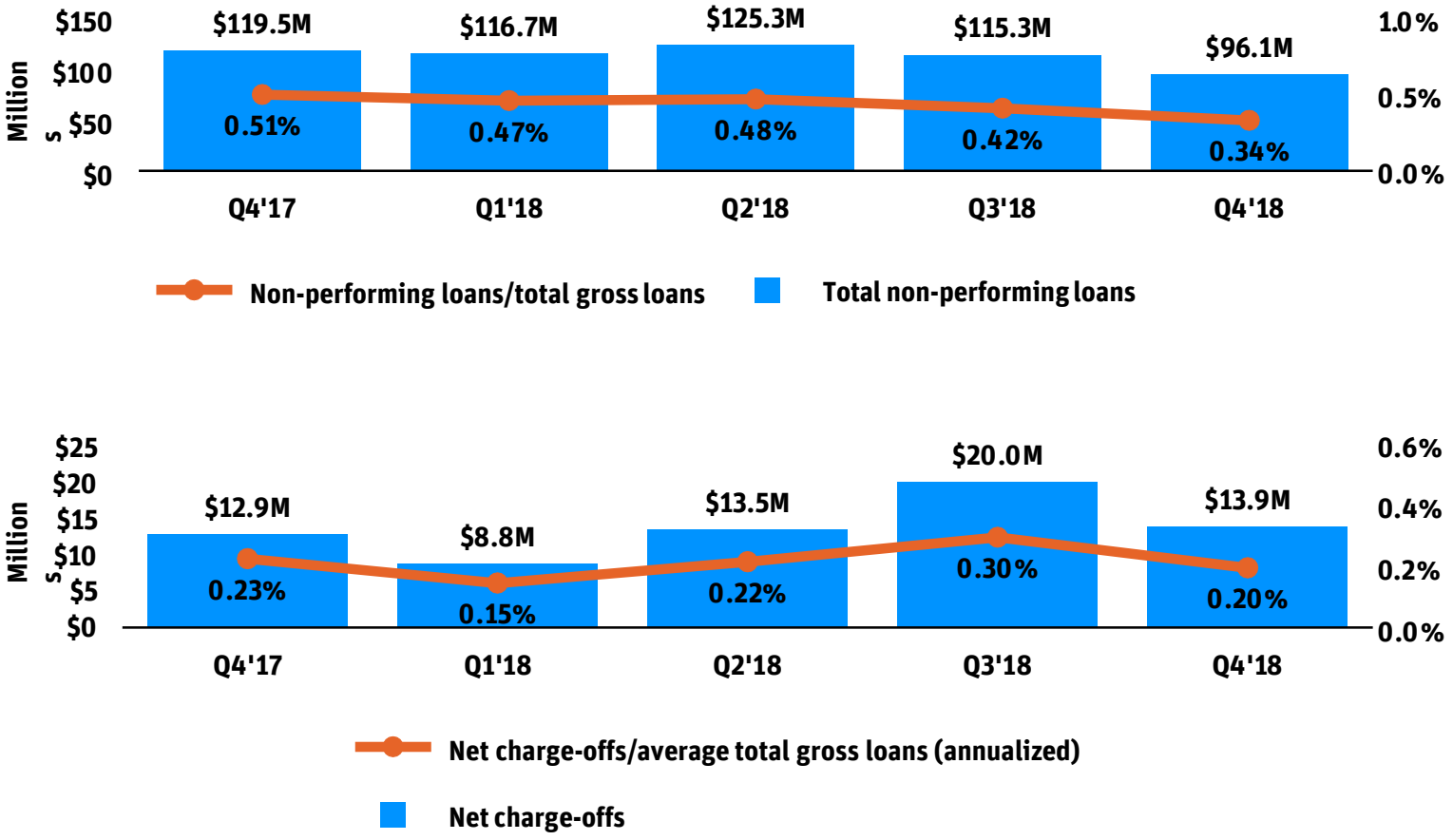
Industry



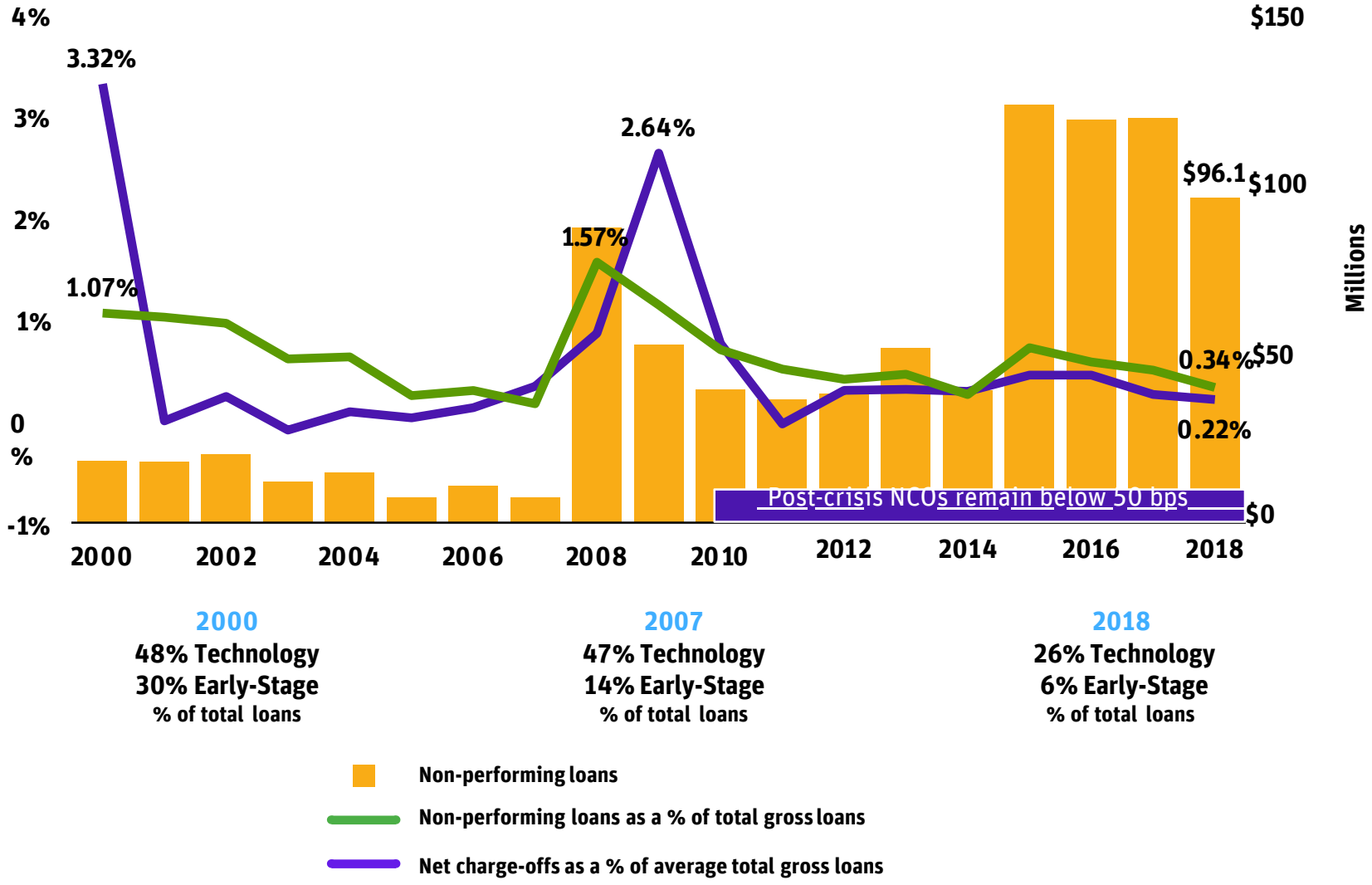
* PE/VC portfolio by investment style and industry is based on fund commitments as of 9/30/18

Q4'18: Credit quality remained stable

- Provision for credit losses of $13.6M (vs. 17.2M in Q3)
- Allowance for loan losses/total gross loans: at 0.99% (vs. 1.03% in Q3)

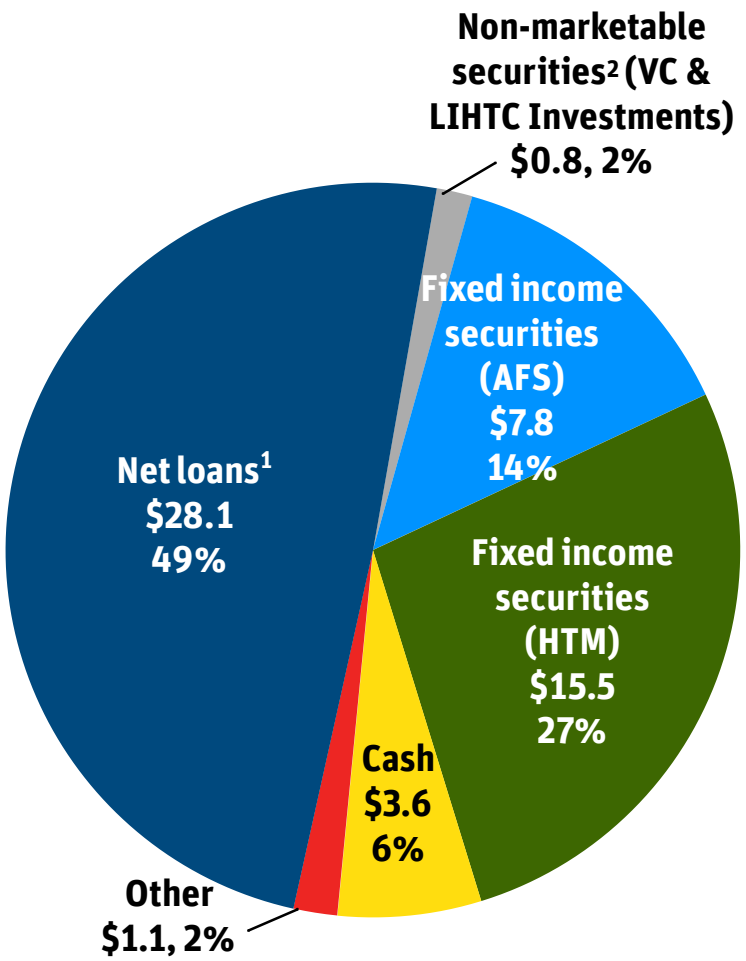


History of high credit quality and resilience through market cycles

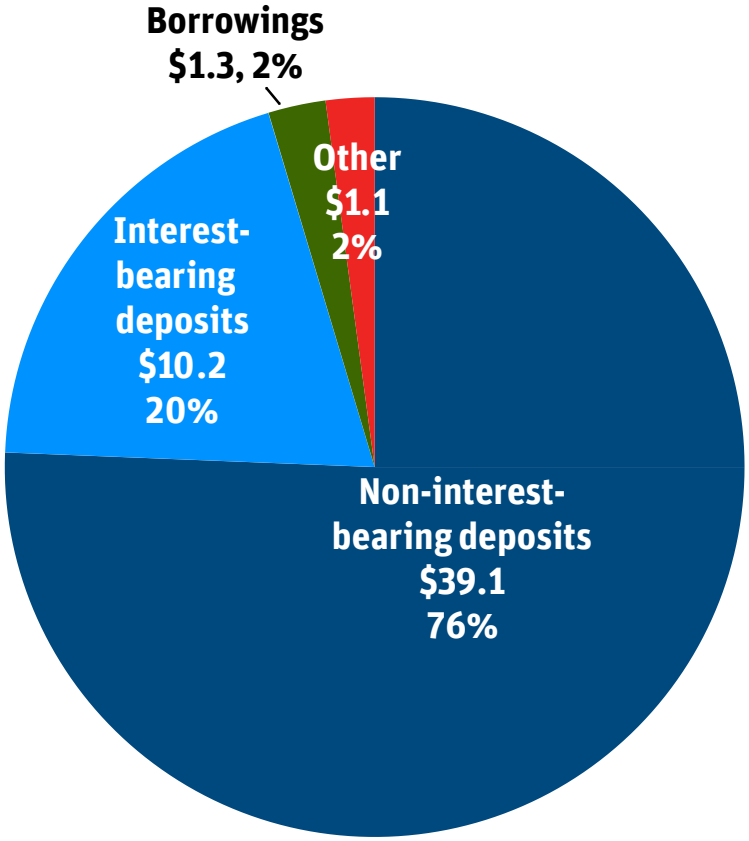


A high quality balance sheet

At 12/31/18



Period-end assets: $56.9B

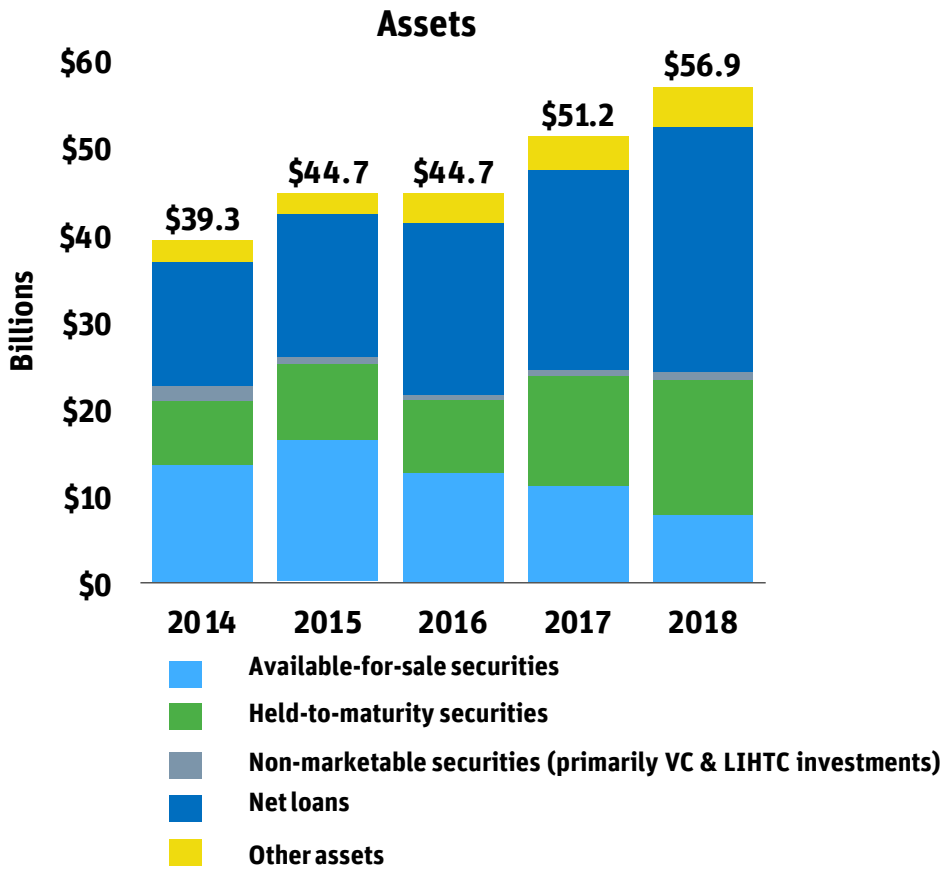


Period-end liabilities: $51.7B

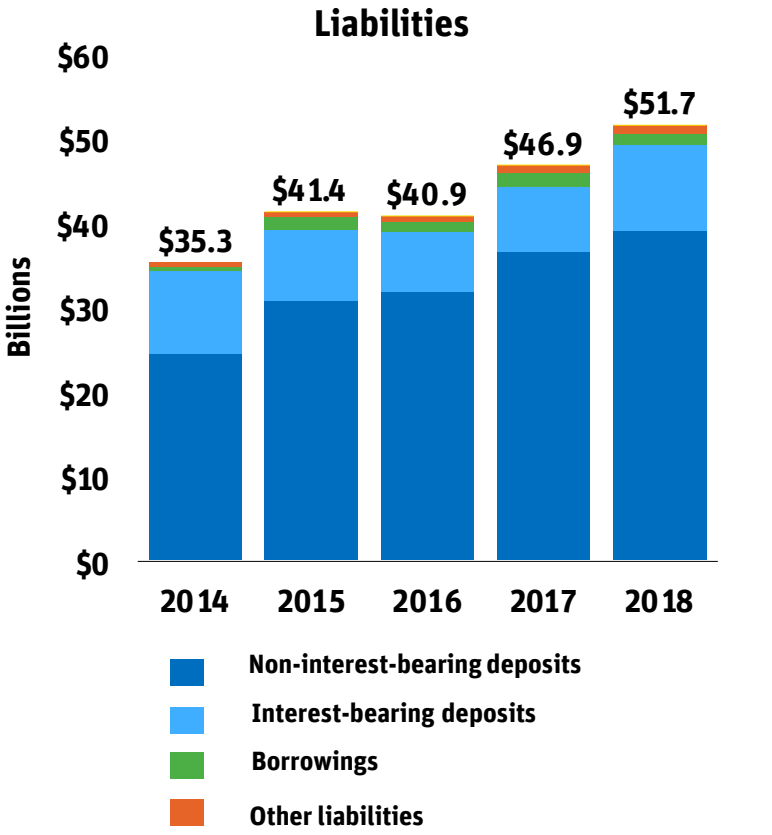
1) Net loans represents gross loans net of the allowance for loan losses and unearned interest income. Gross loans at 12/31/2018 were $28.5B
2) Non-marketable securities net of non-controlling interests were $806 million. This is a non-GAAP measure.

Robust balance sheet growth

Strong growth in loans and securities

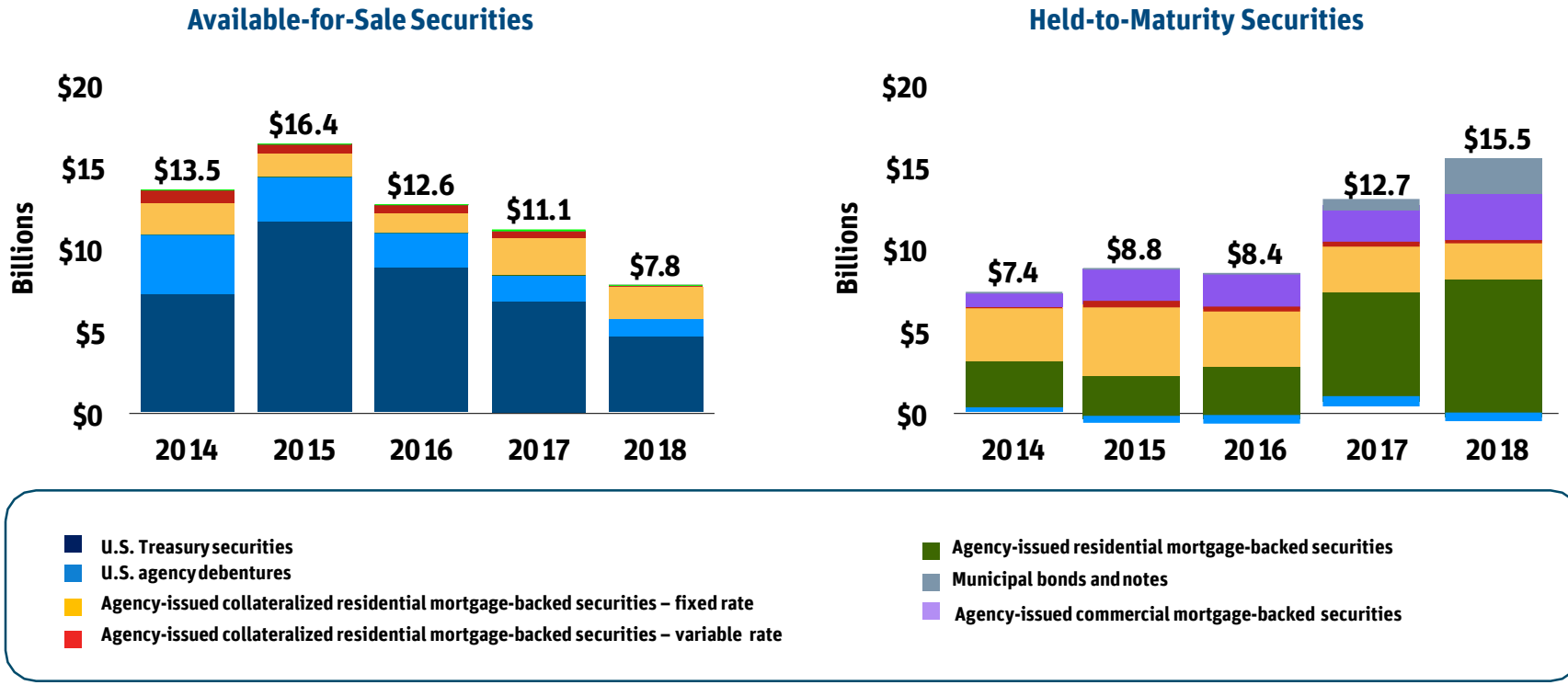


Non-interest-bearing deposits = 79% of total deposits



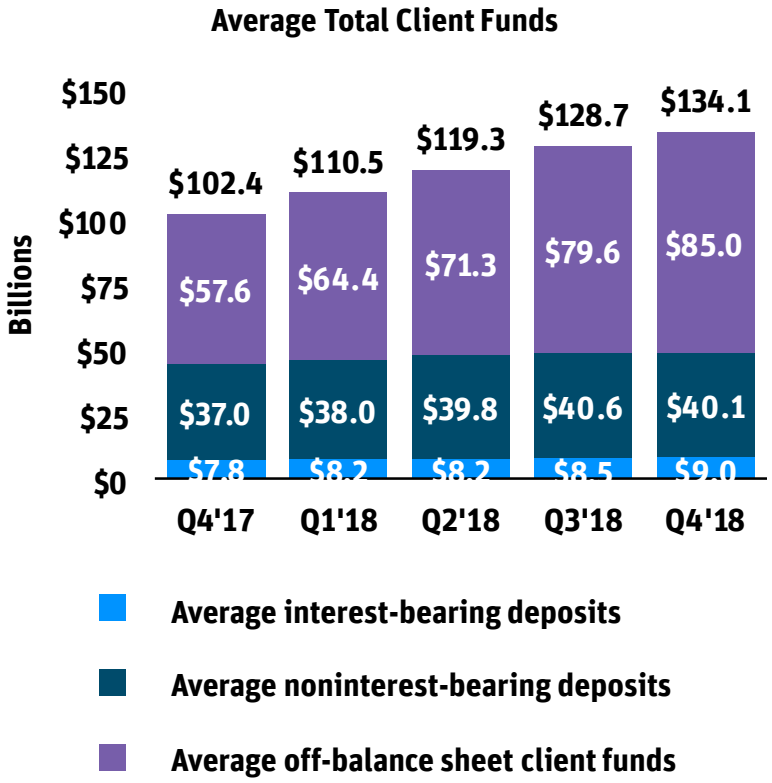
Q4'18: A high-quality investment portfolio

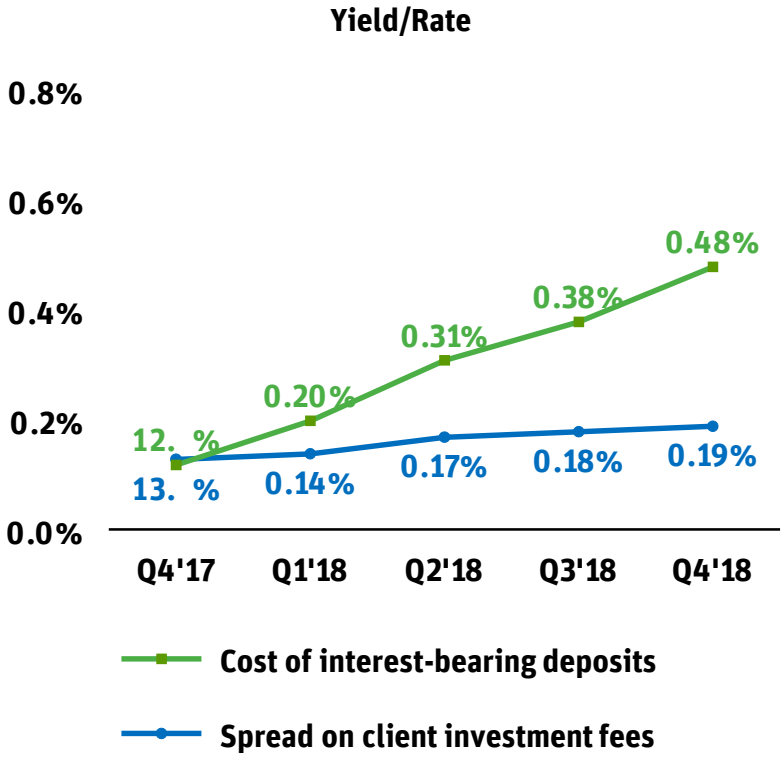
- Liquid, primarily fixed-income portfolio with a duration of 3.8 years
- U.S. Treasuries make up 20% of investment portfolio
- Available lines of credit in place to provide short-term liquidity



Q4'18: Average total client funds grew 4.3%

- Healthy funding and exit activity for our clients drove client funds growth
- Client investment funds grew (6.9%), while average deposits remained flat
- Deposit beta remained low at 22%
- Interest bearing deposit costs increased 10 bps due to deposit growth initiatives, representing $3 million in additional interest expense

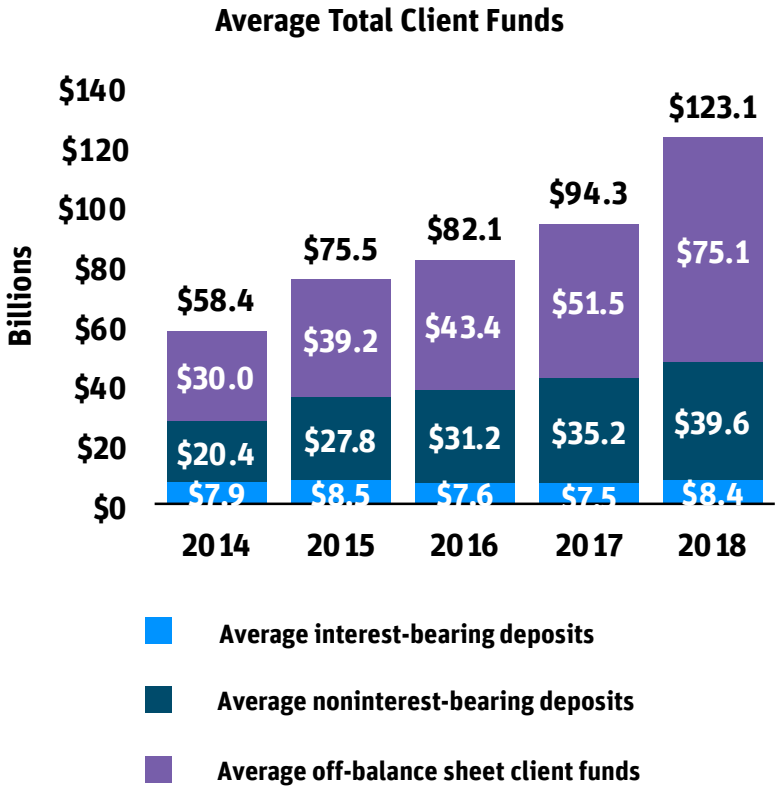


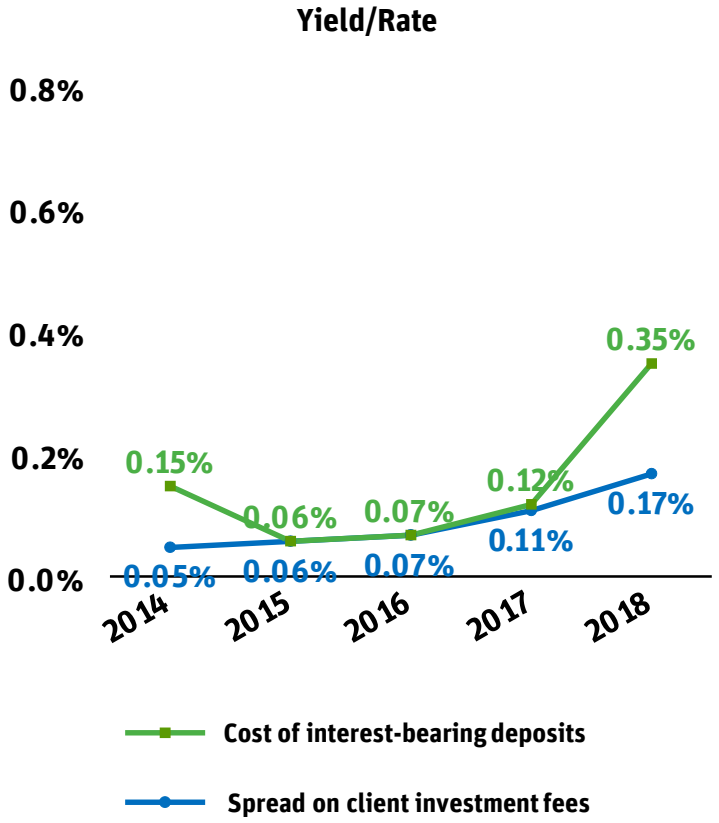


A history of robust client liquidity

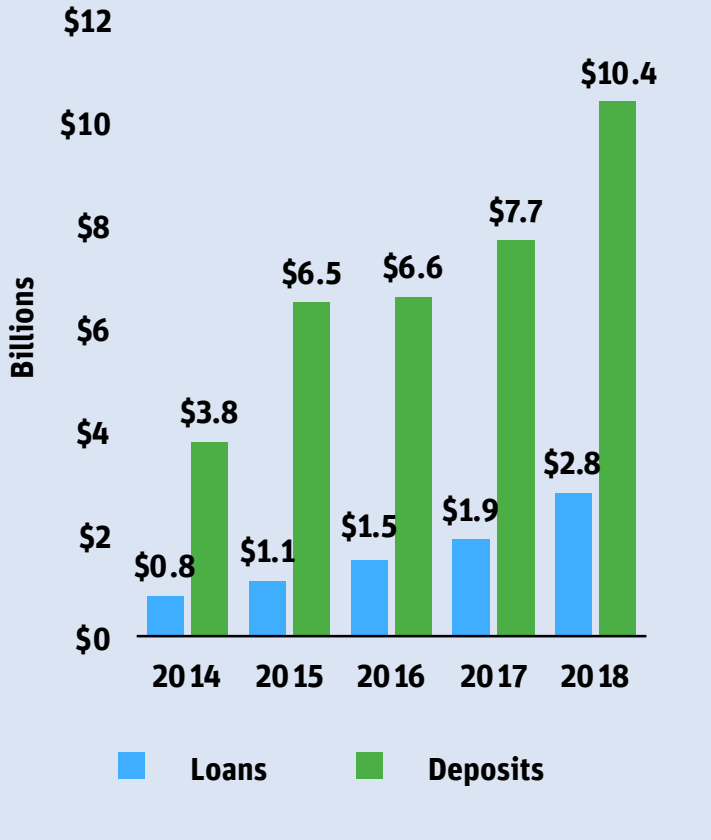
Recent client funds growth drivers:

- Robust venture capital/private equity funding
- Strong exit activity for our clients
- Healthy pace of new core client acquisition





Expanding international business activity



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	Branch (lending)	2018
Canada	Branch application in progress	TBD

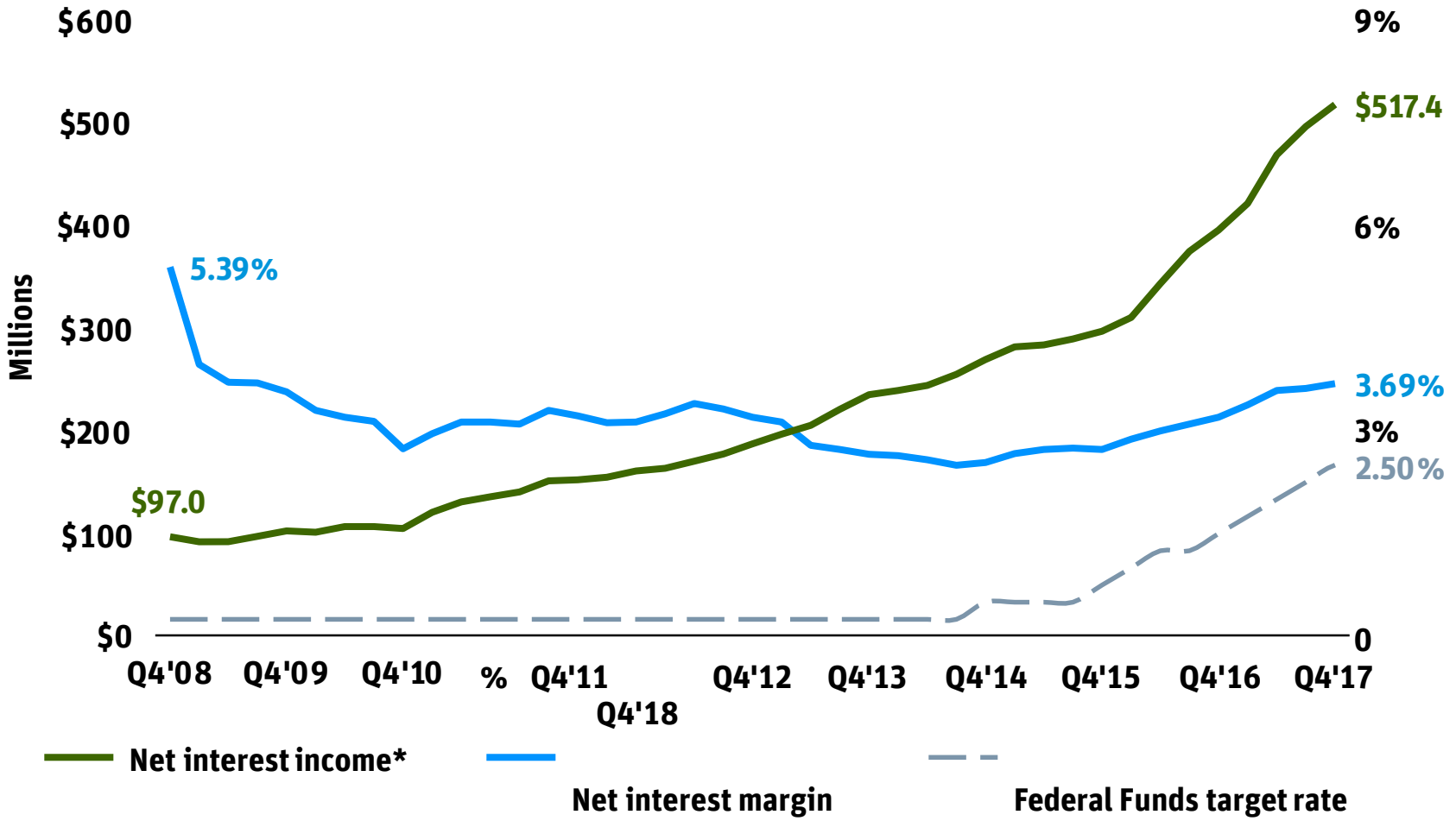
* Includes full-year average loan and deposit balances for international operations in U.K., Israel, Asia and Global Gateway; this is a management segment view and does not tie to regulatory definitions for foreign exposure



Financial Performance (Income Statement)

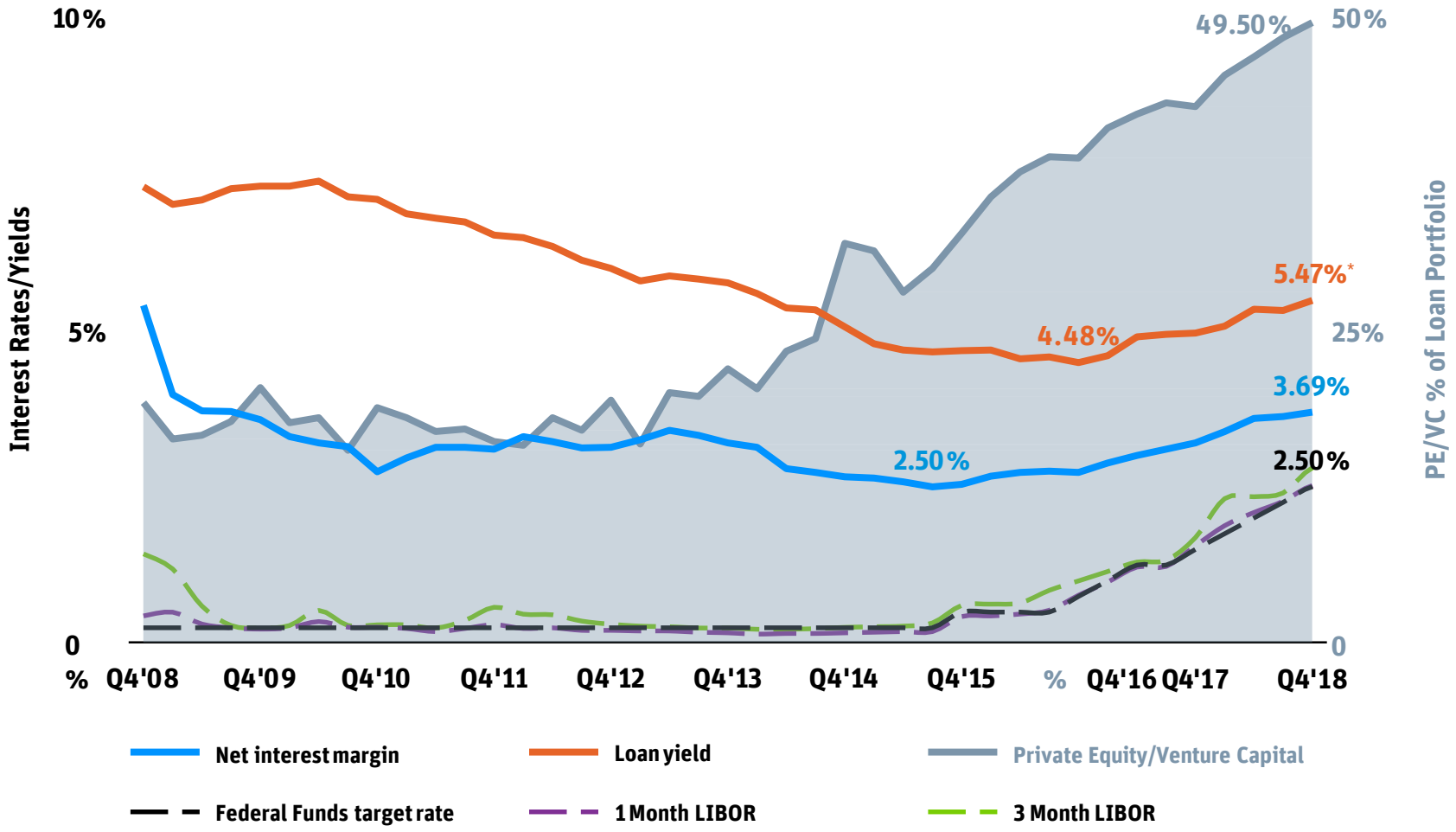
Q4'18: Net interest income grew 4.3%

Higher average loan and investment balances and higher interest rates drove Q4'18 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 have driven 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.

We maintain the benefits of asset sensitivity, with strategies to mitigate the downside

Estimated net interest income could change as follows if short-term rates move
+25 bps could increase net interest income by $68 million
-25 bps could decrease net interest income by $69 million

Changes in market interest rates (basis points)	% Change in Base Case Net Interest Income as of	
	12/31/2017	12/31/2018
+100	13.3%	13.1%
-100	(15.7)%	(13.3)%

Primary benchmark indices:

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

Drivers

1)Impact of interest rate changes on:

- Reinvestment of fixed income portfolio cash flows
- Variable rate loans and LIBOR-based investments

2)Balance sheet growth and asset/ liability composition:

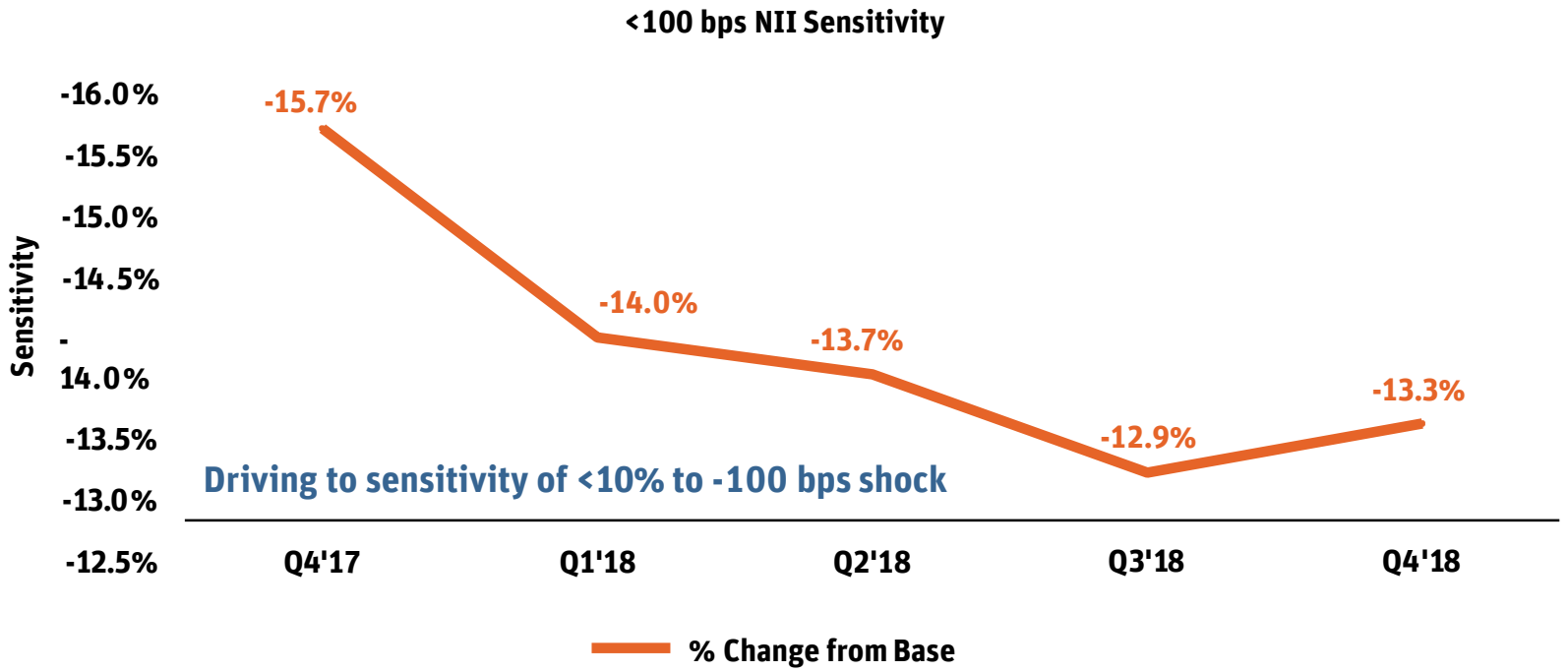
- Large non-interest bearing deposit funding base
- Loan portfolio primarily variable rate

* For more information, please refer to our sensitivity analysis included in our most recently filed quarterly 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 December 31, 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.

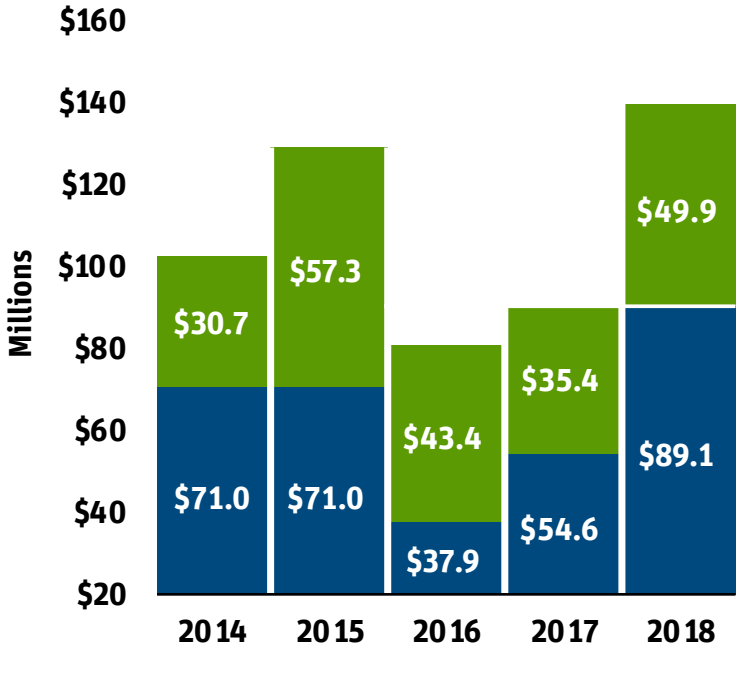
Reducing the downside of rate sensitivity while preserving the benefits

2019 Strategies

- Loan Rate Floors - Preserve income when rates fall
- Portfolio Cash Flows - Reduce sensitivity by reducing near-term cash flows
- "Receive Fixed" Rate Swaps - Convert variable-rate loans to fixed

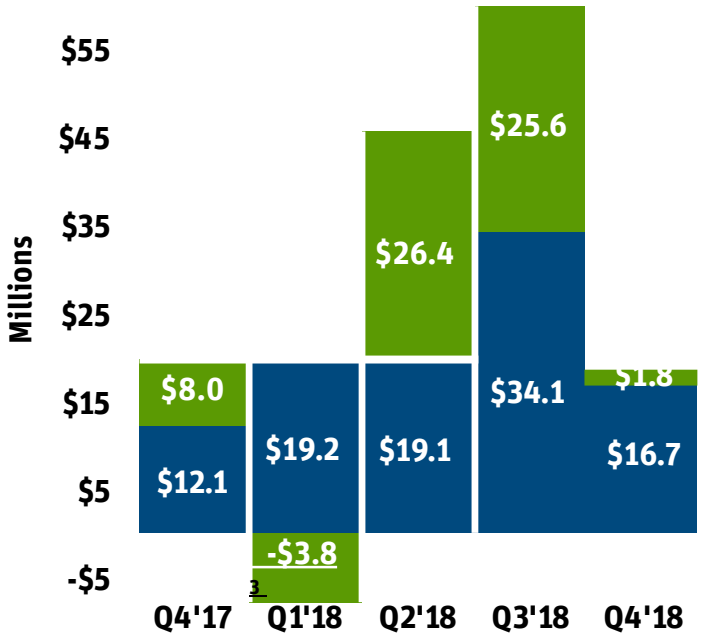


Investment securities and warrant gains[1]



Net gains on equity warrant assets

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



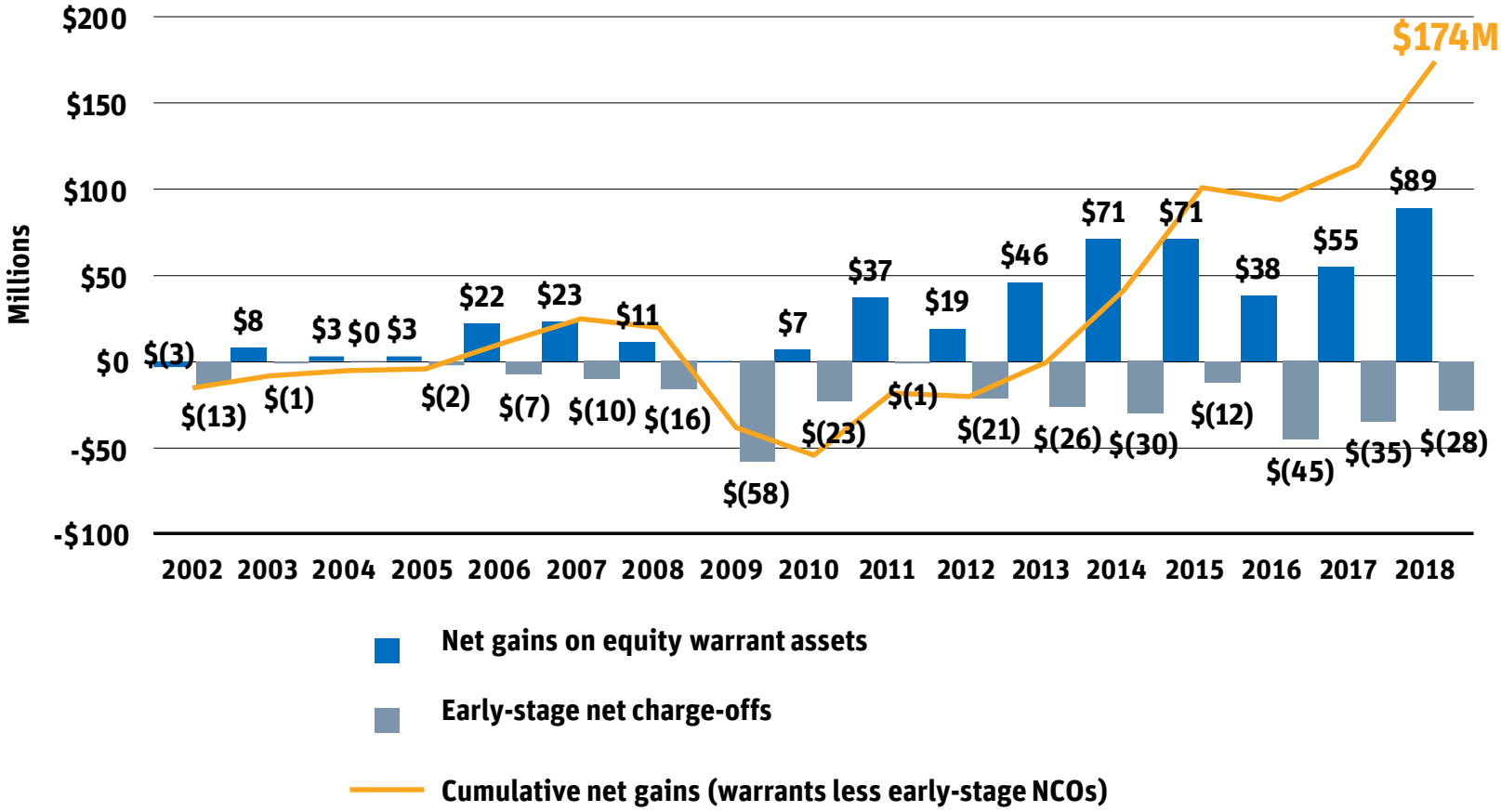
Net gains on equity warrant assets

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

1. The gains (or losses) resulting from changes in valuations (fair values) of investment securities within our nonmarketable and other equity securities portfolio and equity warrant assets are currently unrealized. The extent to which such gains (or losses) will become realized are 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.
3. In Q1'18, losses on investment securities net of non-controlling interests included $22.2 million of losses from the sale of shares from exercised equity warrants in a single company that went public in the prior quarter. Despite the loss in Q1'18, total net gains from this investment were approximately $46 million.

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

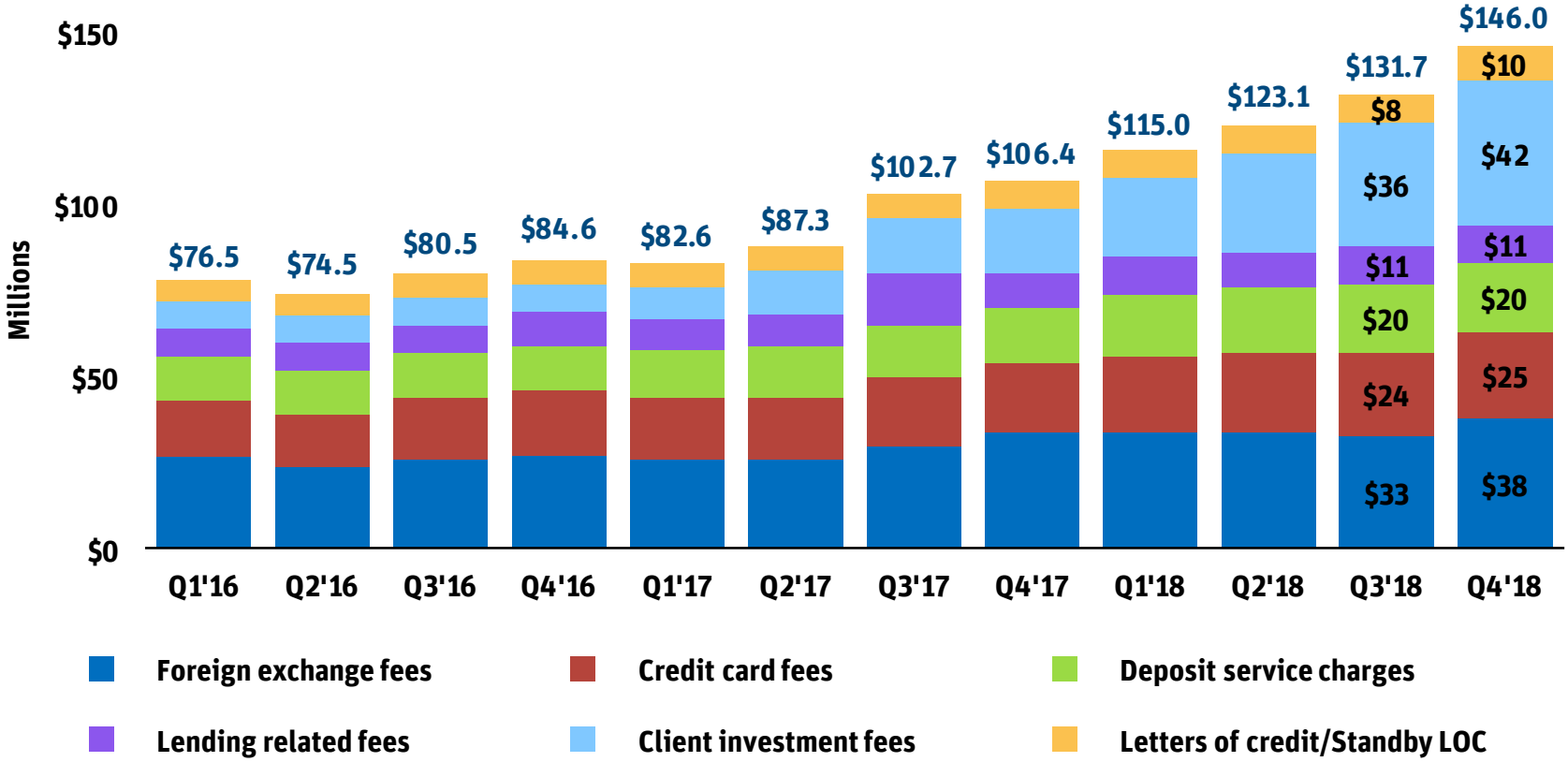
Aggregate warrant gains net of early-stage losses (2002 - 2018)



Q4'18: Core fee income grew 10.9%

Growth drivers:

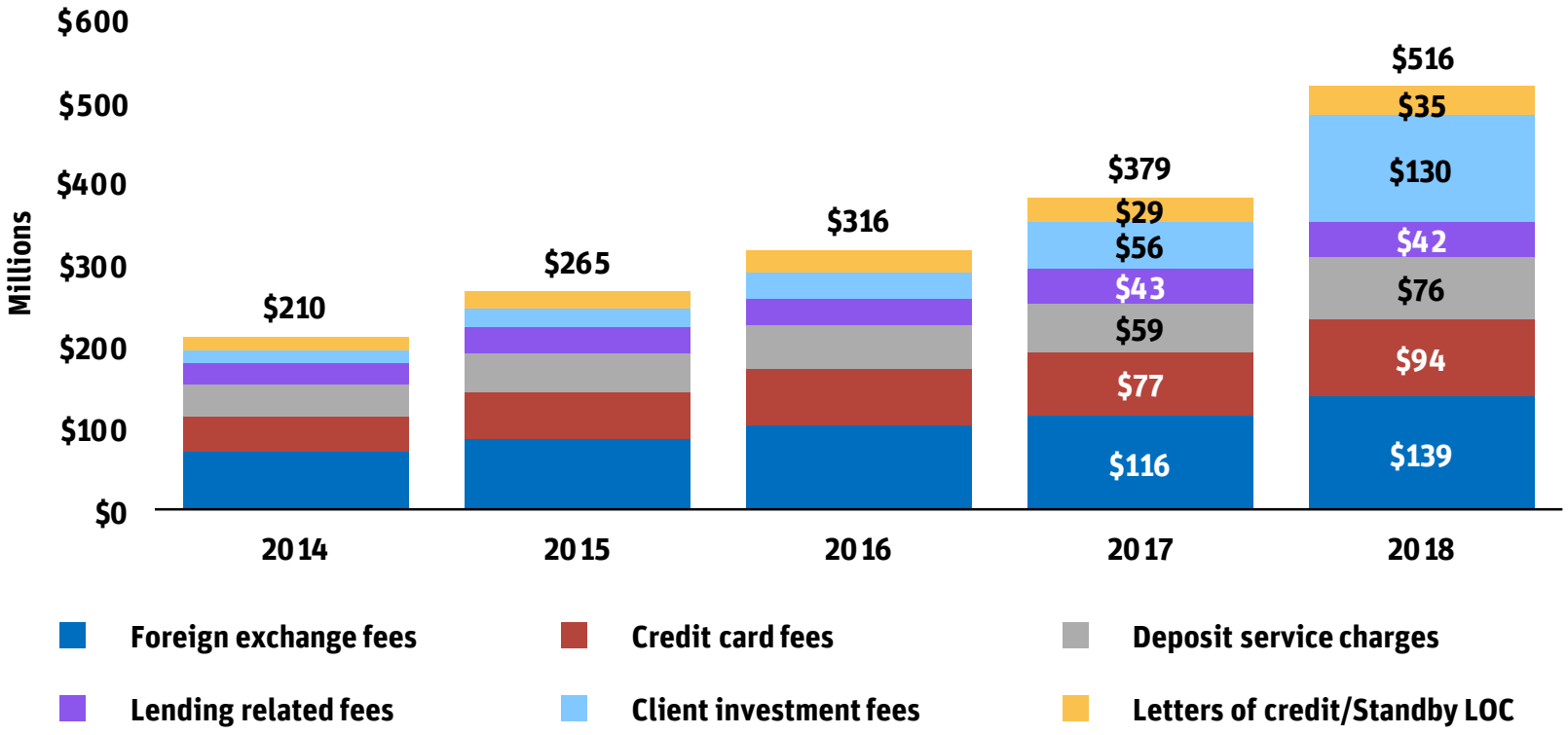
- Higher client investment fees from higher fund balances and rate increases
- Larger foreign exchange spreads from market price volatility



A history of strong core fee income growth

Recent core fee income growth has been driven by strong transaction volumes across core fee banking products:

- Client investment fee growth from higher fund balances and rate increases
- Foreign exchange and credit card volume growth, partially offset by lower competitive spreads

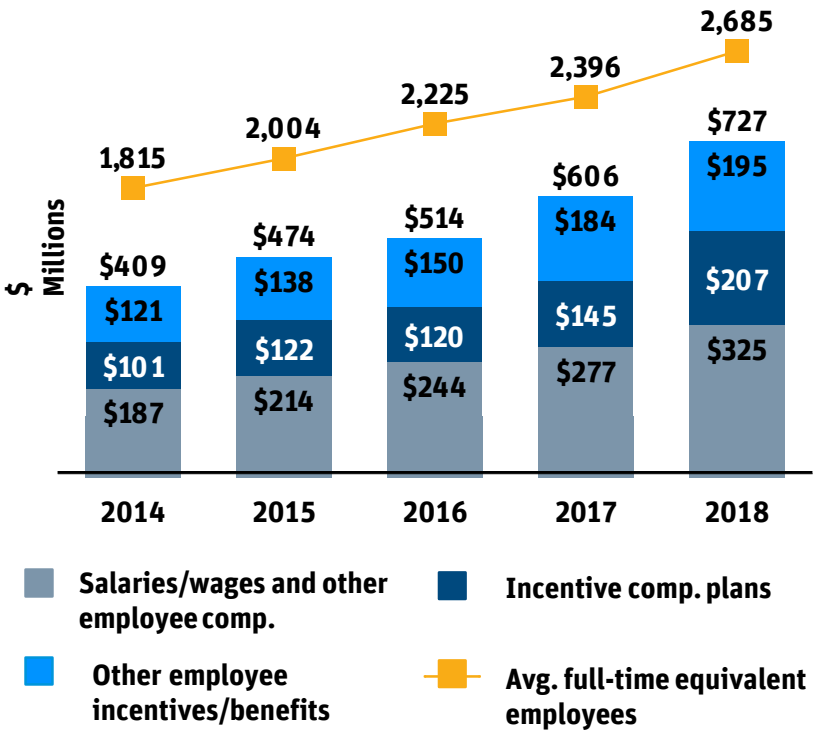


Performance and growth driving non-interest expense

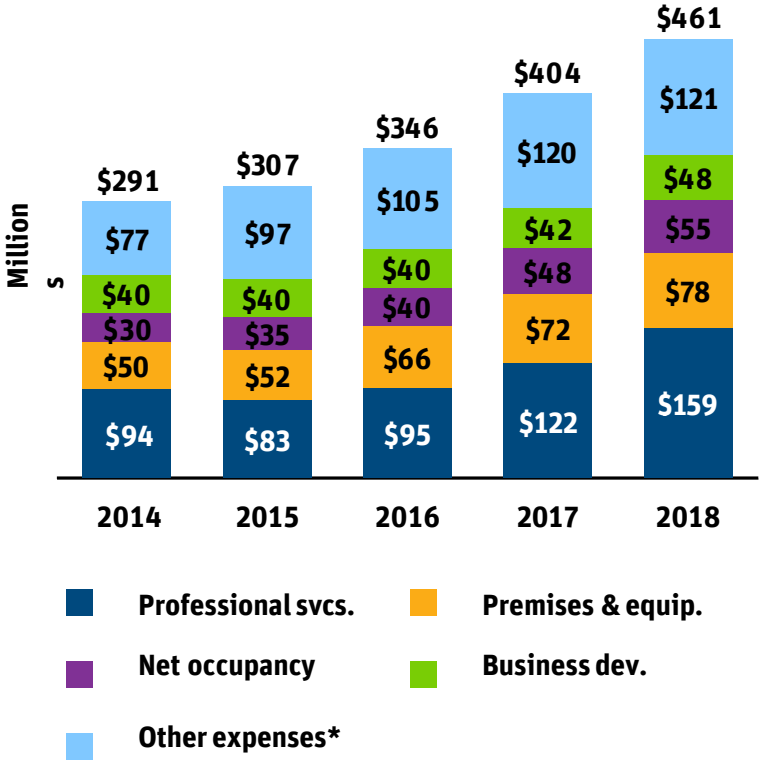
Revenue and growth investment initiatives:

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

Compensation and Benefits Expense

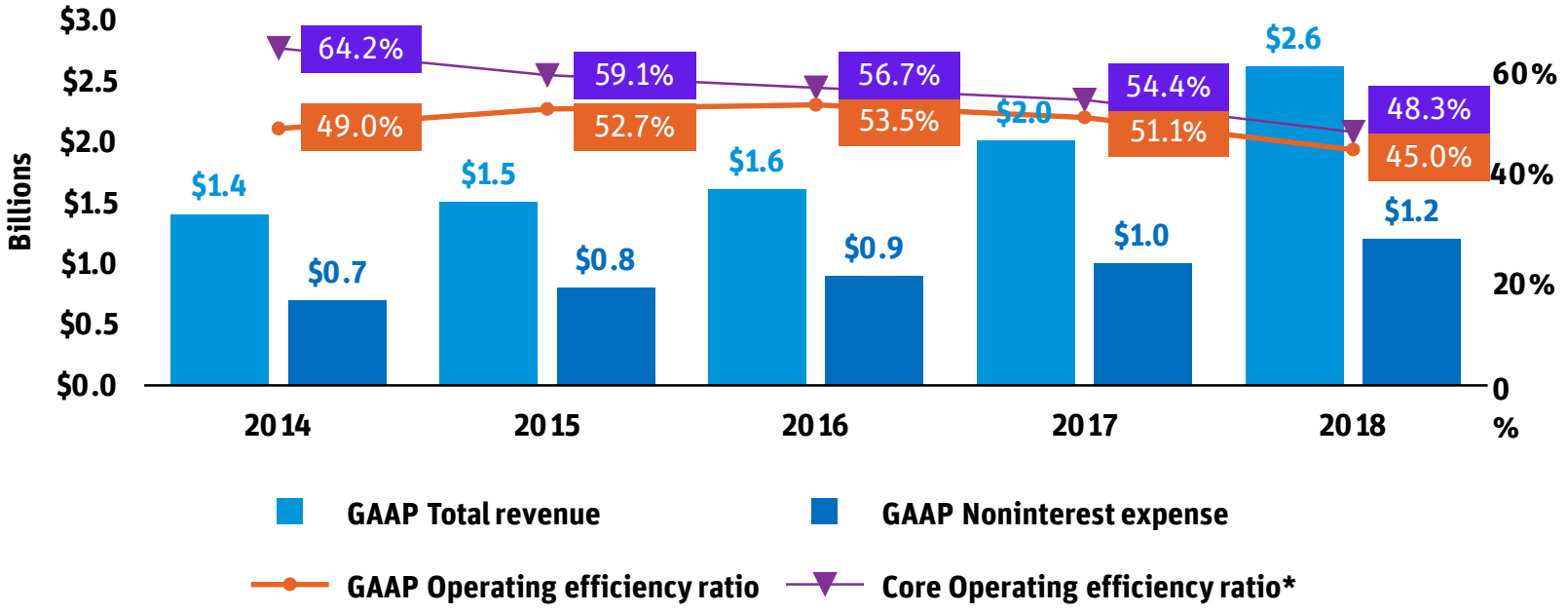


Other Noninterest Expenses



* 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.

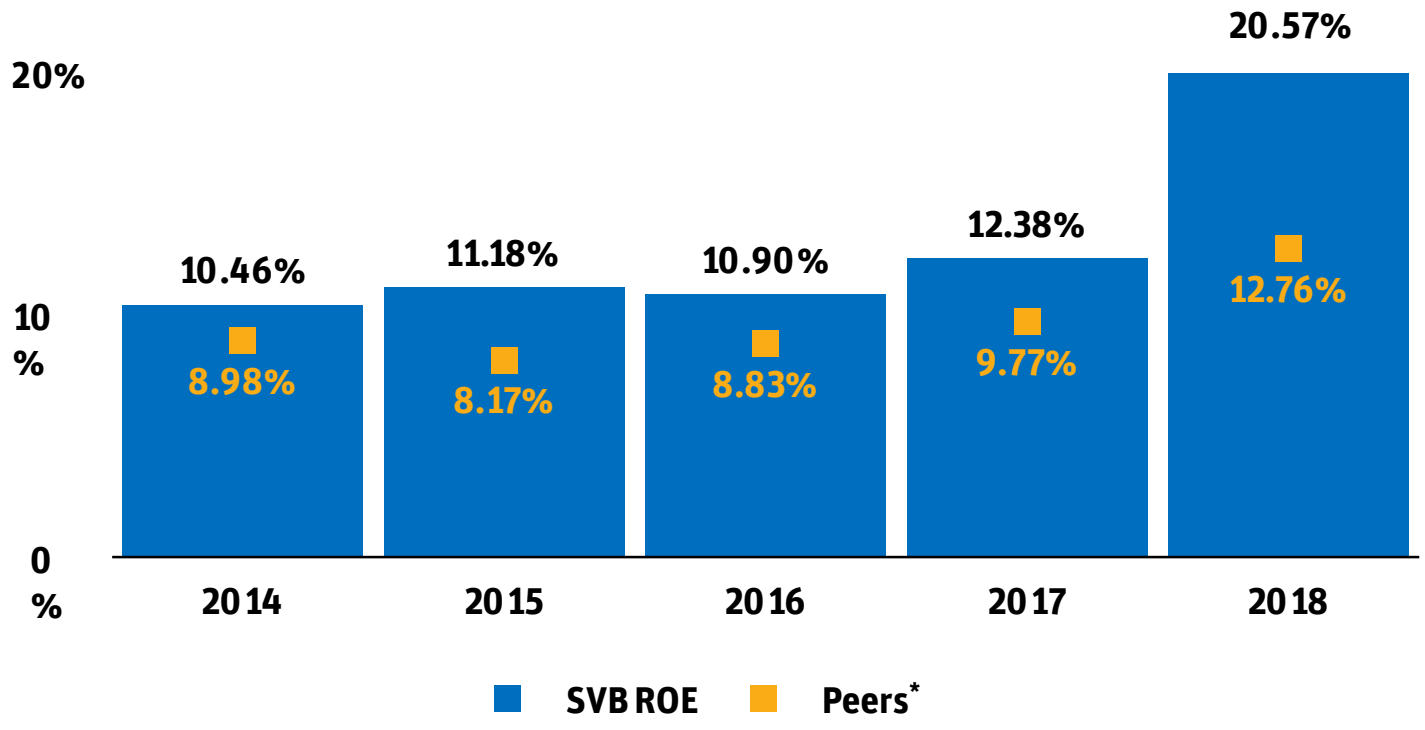
Core operating efficiency ratio* has trended down over time, driven by strong revenue growth



* Non-GAAP measure

Above-peer return on average equity

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



* "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 using data from S&P Global Market Intelligence.



Capital

We are well capitalized - Holding Company

- **$500M Share Repurchase Program authorized in November 2018**
- **$147M of shares repurchased in Q4'18**

SVB Financial Group[1]	2014	2015	2016	2017	2018
CET 1 risk-based capital	-	12.28%	12.80%	12.78%	13.41%
Tier 1 risk-based capital	12.91 %	12.83	13.26	12.97	13.58
Total risk-based capital	13.92	13.84	14.21	13.96	14.45
Tier 1 leverage	7.74	7.63	8.34	8.34	9.06
Tangible common equity to tangible assets[2]	7.15	7.16	8.15	8.16	8.99
Tangible common equity to risk-weighted	12.93	12.34	12.89	12.77	13.28

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

- Pressure on Tier 1 Leverage ratio from exceptional deposit and total asset growth in 2014 and 2015
- Downstreaming 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 $140M of dividends from Bank to SVBFG in 2018, $90M in 2017 and $40M in 2016

Silicon Valley Bank[1]	2014	2015	2016	2017	2018
CET 1 risk-based capital[2]	-	12.52%	12.65%	12.06%	12.41%
Tier 1 risk-based capital	11.09 %	12.52	12.65	12.06	12.41
Total risk-based capital	12.12	13.60	13.66	13.04	13.32
Tier 1 leverage	6.64	7.09	7.67	7.56	8.10
Tangible common equity to tangible assets[3]	6.38	6.95	7.77	7.47	8.13
Tangible common equity to risk-weighted	11.19	12.59	12.75	11.98	12.28

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.


Regulatory

Complex regulatory environment

As a growing, global bank with a holding company structure, we face a complex regulatory landscape.

- **Key areas of Focus**
  - **Risk Management**
  - **Bank Secrecy Act/Anti-Money Laundering (BSA/AML)**
  - **Compliance**
  - **General Data Protection Regulation (GDPR)/Privacy**
  - **Cybersecurity**
- **Current Expected Credit Loss (CECL) implementation**
- **Ongoing investments in regulatory and compliance infrastructure**



Non-GAAP Reconciliations

Non-GAAP reconciliation

Core fee income[1]

Non-GAAP core fee income (dollars in thousands)	Quarter ended Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017
GAAP noninterest income	$86,134	$112,776	$144,140	$113,502	$117,659	$128,528
Less: gains on investment securities, net	(4,684)	23,270	23,178	9,976	15,970	17,630
Less: net gains on equity warrant assets	6,606	5,089	21,558	4,639	6,690	10,820
Less: other noninterest income	7,670	9,963	18,878	14,239	12,421	12,811
Non-GAAP core fee income	$76,542	$74,454	$80,526	$84,648	$82,578	$87,267

Non-GAAP core fee income (dollars in thousands)	Quarter ended Sep 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018
GAAP noninterest income	$158,778	$152,266	$155,518	$192,689	$210,070	$186,707
Less: gains on investment securities, net	15,238	15,765	9,058	36,114	32,193	10,729
Less: net gains on equity warrant assets	24,922	12,123	19,191	19,061	34,141	16,749
Less: other noninterest income	15,896	17,982	12,259	14,390	12,022	13,187
Non-GAAP core fee income	$102,722	$106,396	$115,010	$123,124	$131,714	$146,042

Non-GAAP core fee income (dollars in thousands)	Year ended December 31, 2014	2015[2]	20 6 1	2017	2018
GAAP noninterest income	$572,239	$472,794	$456,552	$557,231	$744,984
Less: gains on investment securities, net	267,023	89,445	51,740	64,603	88,094
Less: net gains on equity warrant assets	71,012	70,963	37,892	54,555	89,142
Less: other noninterest income	24,573	47,004	50,750	59,110	51,858
Non-GAAP core fee income	$209,631	$265,382	$316,170	$378,963	$515,890

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)	Dec 31, 2018
GAAP non-marketable and other equity securities	$941,104
Less: amounts attributable to non-controlling interests	134,962
Non-GAAP non-marketable and other equity securities, net of non-controlling interests	$806,142

Composition of non-GAAP non-marketable and other equity securities, net of non-controlling interests (dollars in thousands)	Dec 31, 2018
Non-marketable and other equity securities (fair value accounting):	
Consolidated venture capital and private equity fund investments	$30,235
Unconsolidated venture capital and private equity fund investments	201,098
Investments without a readily determinable fair value	25,668
Other equity securities in public companies	20,098
Non-marketable securities (equity method accounting):	
Venture capital and private equity fund investments	82,921
Debt funds	5,826
China Joint Venture Investment	76,412
Other investments	45,309
Investments in qualified affordable housing projects, net	318,575
Total non-marketable and other equity securities	$806,142

* 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 Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018
GAAP net gains on investment securities	$15,765	$9,058	$36,114	$32,193	$10,729
Less: income attributable to noncontrolling interests, including carried interest	7,764	12,905	9,672	6,641	8,965
Non-GAAP net gains (losses) on investment securities, net of noncontrolling interests	$8,001	$(3,847)	$26,442	$25,552	$1,764

Non-GAAP net gains (losses) on investment securities (dollars in thousands)	Year ended December 31, 2014	2015[2]	2016	2017	2018
GAAP net gains on investment securities	$267,023	$89,445	$51,740	$64,603	$88,094
Less: income attributable to noncontrolling interests, including carried interest	236,294	32,115	8,312	29,187	38,183
Non-GAAP net gains on investment securities, net of noncontrolling interests	$30,729	$57,330	$43,428	$35,416	$49,911

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,				
	2014	2015	2016	2017	2018
GAAP SVBFG stockholders' equity	$2,813,072	$3,198,134	$3,642,554	$4,179,795	$5,116,209
Less: Intangible assets	—	—	—	—	—
Tangible common equity (TCE)	$2,813,072	$3,198,134	$3,642,554	$4,179,795	$5,116,209
GAAP Total assets	$39,337,869	$44,686,703	$44,683,660	$51,214,467	$56,927,979
Less: Intangible assets	—	—	—	—	—
Tangible assets (TA)	$39,337,869	$44,686,703	$44,683,660	$51,214,467	$56,927,979
Risk-weighted assets (RWA)	$21,755,091	$25,919,594	$28,248,750	$32,736,959	$38,527,853
Tangible common equity to tangible assets	7.15%	7.16%	8.15%	8.16%	8.99%
Tangible common equity to risk-weighted assets	12.93%	12.34%	12.89%	12.77%	13.28%

Bank only TCE/TA and TCE/RWA

Non-GAAP tangible common equity and tangible assets (dollars in thousands, except ratios)	Year ended December 31,				
	2014	2015	2016	2017	2018
Tangible common equity (TCE)	$2,399,411	$3,059,045	$3,423,427	$3,762,542	$4,554,814
Tangible assets (TA)	$37,607,973	$44,045,967	$44,059,340	$50,383,774	$56,047,134
Risk-weighted assets (RWA)	$21,450,480	$24,301,043	$26,856,850	$31,403,489	$37,104,080
Tangible common equity to tangible assets	6.38%	6.95%	7.77%	7.47%	8.13%
Tangible common equity to risk-weighted assets	11.19%	12.59%	12.75%	11.98%	12.28%

* 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				
	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018
GAAP non-interest income	$152,266	$155,518	$192,689	$210,070	$186,707
Less: income attributable to non-controlling interests, including carried interests	7,743	13,024	9,445	6,692	8,839
Non-GAAP non-interest income, net of non-controlling interests	144,523	142,494	183,244	203,378	177,868

Non-GAAP Non-interest income, net of non-controlling interests (dollars in thousands)	Year ended December 31,				
	2014	2015[2]	2016	2017	2018
GAAP noninterest income	$572,239	$472,794	$456,552	$557,231	$744,984
Less: income attributable to noncontrolling interests, including carried interest	233,624	31,736	8,039	29,452	38,000
Non-GAAP noninterest income, net of noncontrolling interests	$338,615	$441,058	$448,513	$527,779	$706,984
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	$706,984

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	2018
GAAP noninterest expense[2]	**A**	**$ 700,669**	**$ 779,962**	**$ 859,797**	**$ 1,010,655**	**$ 1,188,193**
Less: amounts attributable to noncontrolling interests		18,867	828	524	813	522
Non-GAAP noninterest expense, net of noncontrolling interests	**B**	**$ 681,802**	**$ 779,134**	**$ 859,273**	**$ 1,009,842**	**$ 1,187,671**
GAAP net interest income		$ 856,595	$ 1,006,425	$ 1,150,523	$ 1,420,369	$ 1,893,988
Adjustments for taxable equivalent basis		1,689	1,564	1,203	3,076	9,201
Non-GAAP taxable equivalent net interest income		$ 858,284	$ 1,007,989	$ 1,151,726	$ 1,423,445	$ 1,903,189
Less: income attributable to noncontrolling interests		33	8	66	33	30
Non-GAAP taxable equivalent net interest income, net of noncontrolling interests		$ 858,251	$ 1,007,981	$ 1,151,660	$ 1,423,412	$ 1,903,159
GAAP noninterest income		$ 572,239	$ 472,794	$ 456,552	$ 557,231	$ 744,984
Less: income attributable to noncontrolling interests and excluding one time adjustments		219,690	31,736	8,039	29,452	38,000
Non-GAAP noninterest income, net of noncontrolling interests and excluding one time adjustments		$ 352,549	$ 441,058	$ 448,513	$ 527,779	$ 706,984
GAAP total revenue	**C**	**$ 1,428,834**	**$ 1,479,219**	**$ 1,607,075**	**$ 1,977,600**	**$ 2,638,972**
Non-GAAP taxable equivalent revenue, net of noncontrolling interests	**D**	**$ 1,210,800**	**$ 1,449,039**	**$ 1,600,173**	**$ 1,951,191**	**$ 2,610,143**
Core operating efficiency ratio adjustment[3]:						
GAAP total revenue		$ 1,428,834	$ 1,479,219	$ 1,607,075	$ 1,977,600	$ 2,638,972
Less: gains on investment securities, net		267,023	89,445	51,740	64,603	88,094
Less: net gains on equity warrant assets		71,012	70,963	37,892	54,555	89,142
Non-GAAP total revenue, net of gains on investment securities and equity warrant assets	**E**	**$ 1,090,799**	**$ 1,318,811**	**$ 1,517,443**	**$ 1,858,442**	**$ 2,461,736**
GAAP operating efficiency ratio (A/C)		**49.04%**	**52.73%**	**53.50%**	**51.11%**	**45.02%**
Non-GAAP operating efficiency ratio (B/D)		**56.31%**	**53.77%**	**53.70%**	**51.76%**	**45.50%**
Non-GAAP core operating efficiency ratio (A/E)		**64.23%**	**59.14%**	**56.66%**	**54.38%**	**48.27%**

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.
3) This ratio excludes certain financial items where performance is typically subject to market or other conditions beyond our control. It is calculated by dividing noninterest expense by total revenue, after adjusting for gains or losses on investment securities and equity warrant assets.



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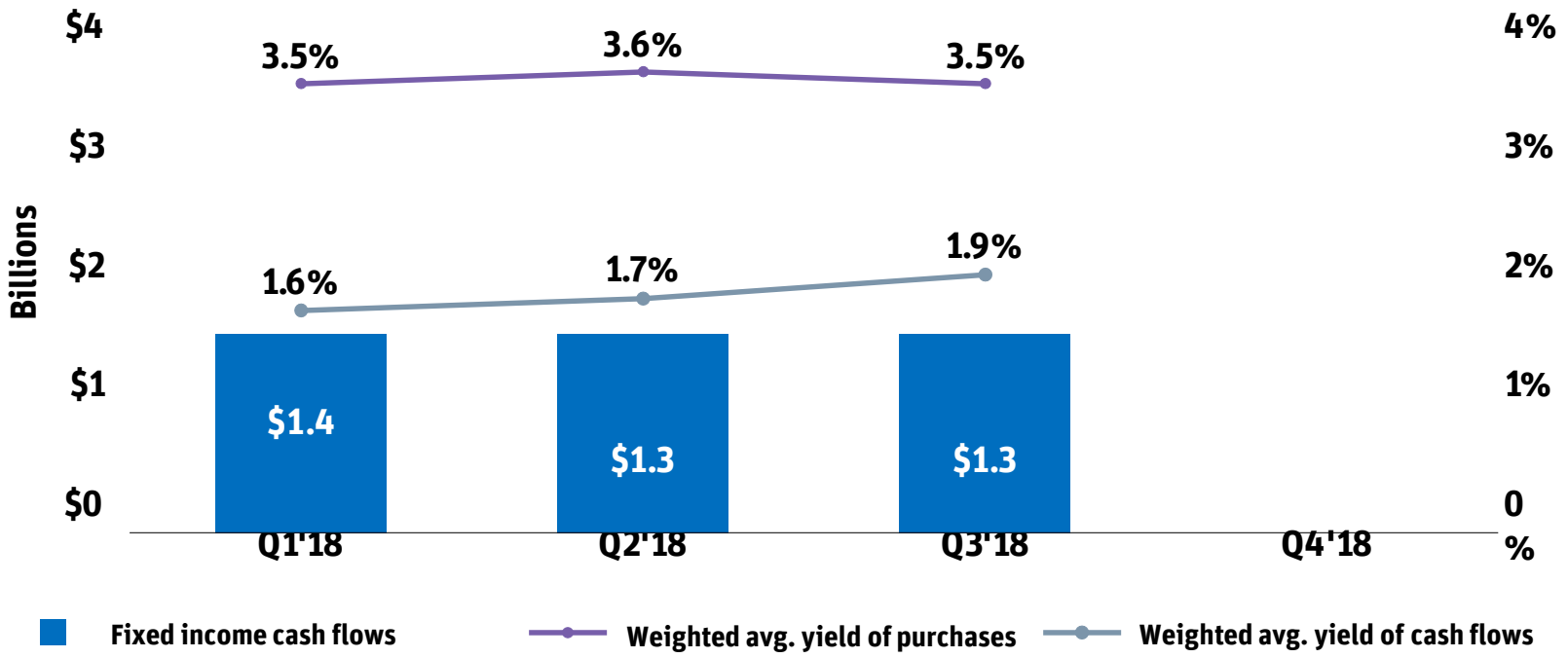
Benefits of a liquid, fixed-income portfolio in a rising rate environment

Average portfolio cash flows of $___B per quarter over the last four quarters

- 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





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