

svb Financial Group

Q2 2019

Corporate Overview and Financial Results

Contents

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

4 Glossary

5 Q2 2019 Financial Highlights

18 About SVB

27 2019 Outlook and Long-Term Financial Objectives

35 Financial Performance: Balance Sheet

48 Financial Performance: Income Statement

57 Capital

60 Non-GAAP Reconciliations

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 equity 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 and SVB Leerink, 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 cannot be provided without unreasonable effort due to the inherent inability to provide a quantitative reconciliation to such measure.

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 and SVB Leerink, 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. In 2019, core fee income includes investment banking revenue and commissions from the acquisition of SVB Leerink, except otherwise noted.
- **Core Operating Efficiency Ratio –** Calculated by dividing non-interest expense after adjusting for noninterest expense from SVB Leerink and NCI by total revenue, after adjusting for gains or losses on investment securities and equity warrant assets, SVB Leerink investment banking revenue and commissions and NCI. This ratio excludes income and expenses related to SVB Leerink and 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

- **LIHTC –** Low income housing tax credit funds
- **NCI –** Non-controlling interests
- **NCO –** Net charge-off
- **VC/PE –** Venture Capital/Private Equity
- **NII –** Net interest income
- **NIM –** Net interest margin



Q2 2019 Financial Highlights

Q2 2019: Record quarterly earnings and profitability

Strong Q2 growth driven by healthy markets and continued strong execution of our long-term strategy

EPS:	Net Income:	ROE:
$6.08	$318M	23%

Q2'19 FINANCIAL HIGHLIGHTS

Record earnings and profitability

$77M
Warrant gains; investment gains net of NCI[1]

$1.0B
Loan growth
(Average vs. Q1)

$5.5B
Client funds growth
(Average vs. Q1)

3%
Net interest income growth
(vs. Q1)

28%
Core fee income growth[1,2]
(YoY)

Strong & stable
Credit quality

1. This is a non-GAAP measure. Please see non-GAAP reconciliations at end of this presentation for more information.
2. Excludes investment banking revenue and commissions

The power of the SVB platform

MISSION

Increase our clients' probability of success



VALUES

We start with EMPATHY for others.
We speak & act with INTEGRITY.
We embrace DIVERSE perspectives.
We take RESPONSIBILITY.
We keep LEARNING & IMPROVING.

VISION

Be the most sought-after financial partner helping innovators, enterprises, and investors move bold ideas forward, fast.

STRATEGY

Deliver critical solutions, insights and connections to fast-growth innovation enterprises, investors and market influencers to accelerate their growth.

STRATEGIC PRIORITIES

Enhance Client Experience
Improve Employee Engagement & Enablement
Strengthen Risk Management
Drive Business Unit Growth
Propel Business Transformation

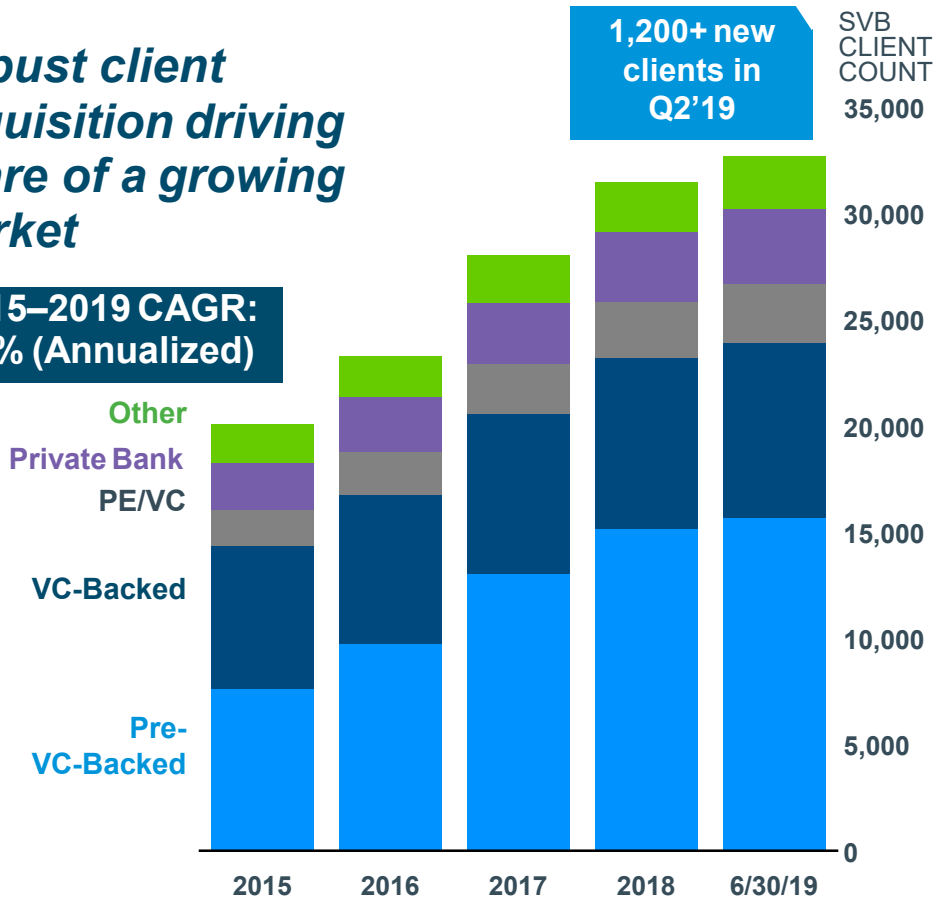
Focus on what matters

1. Healthy markets and strong execution driving growth
2. Strong balance sheet growth with NIM headwinds
3. Power of liquidity franchise provides engine for NII growth
4. Proactively managing the impact of a declining rate environment
5. Stable credit and improving risk profile
6. Levers to drive long-term profitability
7. Strategic execution and investment in growth and operating leverage

Healthy markets and strong execution set stage for continued growth

Robust client acquisition driving share of a growing market

2015–2019 CAGR: 15% (Annualized)



VC/PE investment fueling strong liquidity

- 2019 VC investment of $66B on track for 2nd highest year on record
- 2019 PE deal values consistent with strong 2018

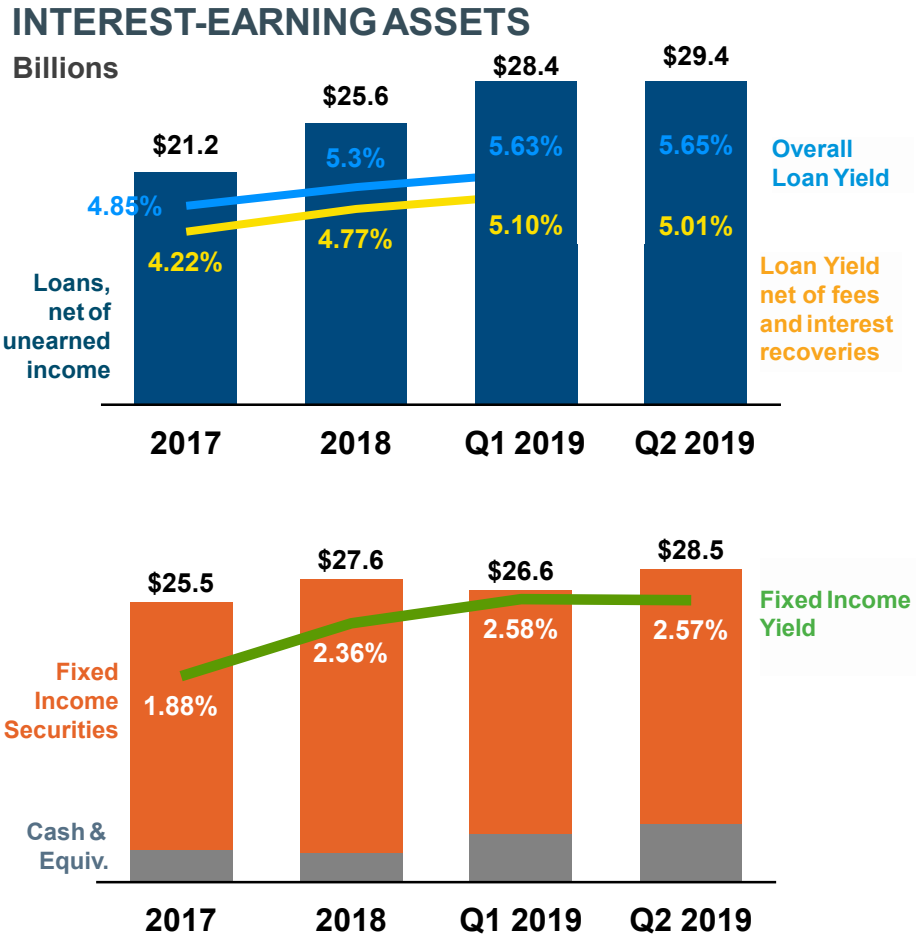
Record VC-backed exit values

- $138B Q2 VC exits driven by robust IPO market
- SVB clients represented 69% of Q2 US VC-backed IPOs

Source: 2Q 2019 Pitchbook-NVCA Venture Monitor and Pitchbook 2Q 2019 US PE Breakdown

Strong client funnel and acquisition, although competition remains intense

Strong balance sheet growth driving NII with NIM headwinds (1 of 2)



Strong loan growth although mix and competition compressing loan yields

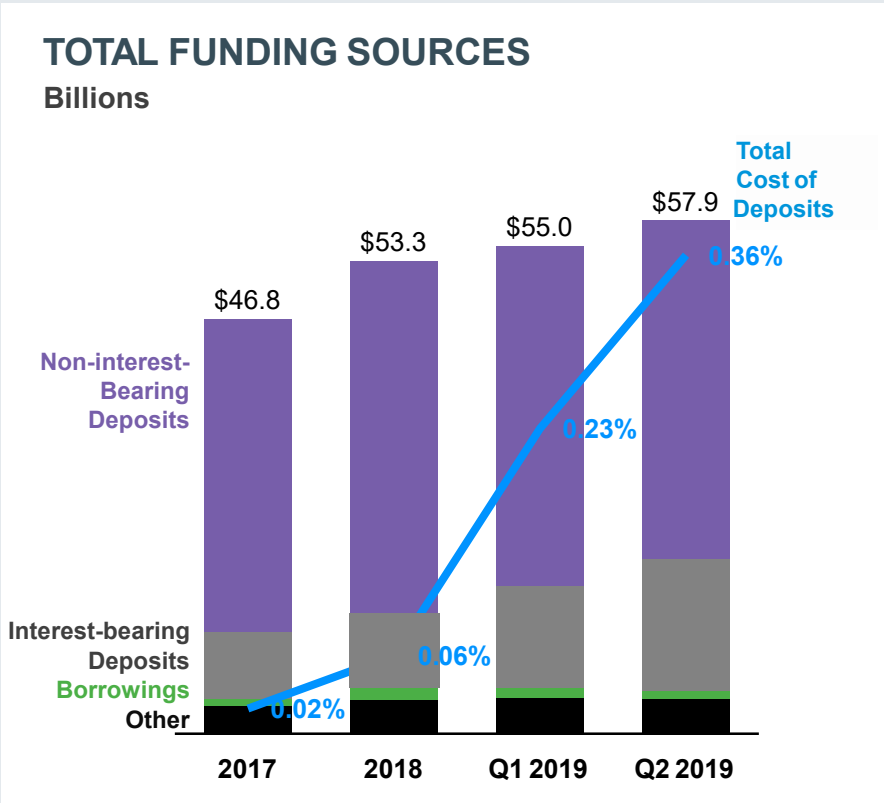
- $0.9B growth in capital call lending (now 50% of loan portfolio vs. soft limit of 55%) and $132M of growth from our Private Bank lending
- Competition driving lower pricing on capital call lines, reducing gross loan yield by 9 bps

Fixed income yields slightly lower in Q2, with expectation for flat to slightly increasing yields for remainder of 2019

- Q2 new purchases of $2.6 billion at 2.79% vs. cash-flow maturity yields of 2.25%
- New purchase yield assumptions for the rest of 2019 declined by approximately 40 bps

Strong asset generation, funded by robust client liquidity, but market rates and competition impact asset yields

Strong balance sheet growth driving NII with NIM headwinds (2 of 2)



Strong deposit growth but higher mix of interest-bearing deposits drove increase in cost of deposits

- Majority of deposit growth driven by new and deepening relationships with Tech and Life Science clients
- Expect limited growth in average non-interest bearing balances for rest of 2019 and potential impact from PE fund distributions in Q3/Q4
- Total cost of deposits remains low at 36 bps
- Flexibility to adjust deposit rates down in a lower rate environment

Net interest income outlook* lowered to low teens and net interest margin outlook to 3.60%-3.70% as deposit mix and lower market rates not fully offset by stronger balance sheet growth

* Outlook as of 7/25/19 and does not reflect change in Fed Funds rate on 7/31/19

Proactively managing the impact of a declining rate environment

MODEL SENSITIVITY

Static Balance Sheet

$63M (annualized)

Decline in pre-tax net interest income from -25 bps parallel shift

Assumption Differences

- Expectation of stable re-investment rates on investment securities
- Managing cash balances lower than period-end levels
- Expected performance consistent with our 2019 outlook

EXPECTED OUTCOME

Forecasted Scenario

$40-$50M (annualized)

Decline in pre-tax net interest income from 25 bps Fed Funds rate decrease

STRATEGIES IMPLEMENTED TO MANAGE SENSITIVITY:

Interest Rate Swaps

- Converting variable rate loans to fixed
- $2.0B of notional outstandings as of July 19, 2019, with ability to increase

Deposit Price Strategy

- Adapting to declining market rates (deposit beta)
- Expectation for higher deposit beta (50%-70%)

Other Strategies

- Extending maturity on our investment portfolio
- Loan floors

With the two 25 bps Fed Funds rate decreases in July and September implied by the Forward Curve as of 7/23/19, we would expect 2019 NII growth to be in the low double digits and NIM to be between 3.50% and 3.60%

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 June 30, 2019. 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 [illegible] and impact of strategies taken by management to mitigate these risks.

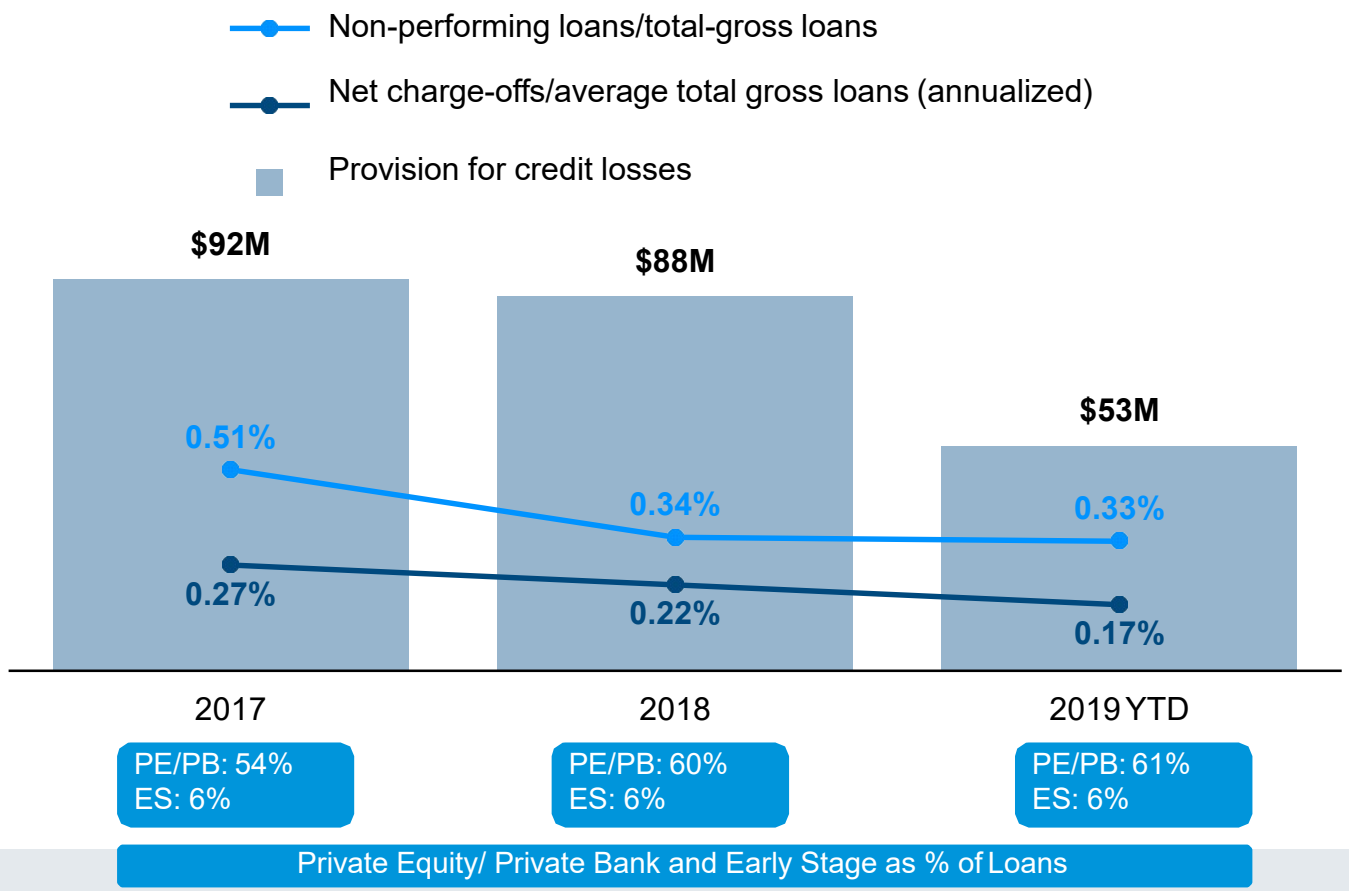
Power of liquidity franchise provides engine for net interest income growth



- Strong deposit franchise and deep relationships provide low-cost client liquidity to support balance sheet growth
- Proven flexibility to drive funding on and off balance sheet to meet short-term needs
- New products to meet client needs and provide additional levers to optimize deposit mix
- Long-term focus on ROE and EPS

Stable credit and improving risk profile

Continued growth in and mix shift towards high-quality assets with historically low losses



Levers to drive profitable growth in a changing rate environment

Expectations for Continued Strong Growth

- Continued investment in geographic expansion
- Enhancement of digital experience to drive client acquisition and deepen relationships
- Diversification of business (SVB Leerink)

+

Deposit Pricing

Use of products and pricing to reprice and shift excess deposits on or off balance sheet over time

+

Strong Capital and Liquidity Position

Continued capital accretion provides optionality to invest or return capital to investors

+

Leveraging Investments in Scalability

Investments in people and systems to enable continued growth at lower cost

We believe we can continue to deliver strong profitability, improve operating efficiency and drive investment in our business in a lower rate environment

Continued execution on our strategy through investment in growth and operating leverage



KEY INVESTMENTS



New opportunities for revenue growth

- Expanding product offerings
- Improving product penetration
- Extending platform globally
- Expanding Private Bank and Wealth Advisory



Transformation of business processes and implementation of scalable solutions

- Enhance client experience
- Improve employee enablement
- Enhance risk management
- Optimizing cost efficiencies
- Improving long-term growth efficiency

Q2 summary: continued strong performance, positive outlook and long-term growth

- Strong performance driven by healthy markets and effective execution
- Exceptional client liquidity provides the foundation for continued long-term growth
- Proactive balance sheet management to adapt to changing rates
- Stable credit with disciplined credit risk management
- Continued investment in revenue growth and operating leverage will drive long-term growth

Outlook* Changes	Prior (April 2019)	New (July 2019)
Average Deposit Growth %	High single digits	Low double digits
Net Interest Income Growth %	Mid-teens	Low teens
Net Interest Margin	3.70% - 3.80%	3.60% - 3.70%

* Outlook as of 7/25/19 and does not reflect change in Fed Funds rate on 7/31/19



About SVB

SVB: A unique financial services company

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

Robust client funds franchise

Strong market position

$61B assets

Diversified revenue streams

$29B loans

Global presence

$143B total client funds

Average balances for Q2'19

We serve the global Innovation Economy

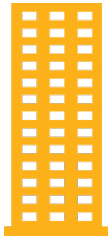
Technology + Life Science & Healthcare



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

PRESIDENT OF SVB CAPITAL*
23 years at SVB



Phil Cox

CHIEF OPERATIONS OFFICER
10 years at SVB



Mike Descheneaux

PRESIDENT
SILICON VALVEY BANK
13 years at SVB



Michelle Draper

CHIEF MARKETING OFFICER
6 years at SVB



Chris Edmonds-Waters

CHIEF HUMAN RESOURCES OFFICER
15 years at SVB



Laura Izurieta

CHIEF RISK OFFICER
3 years at SVB



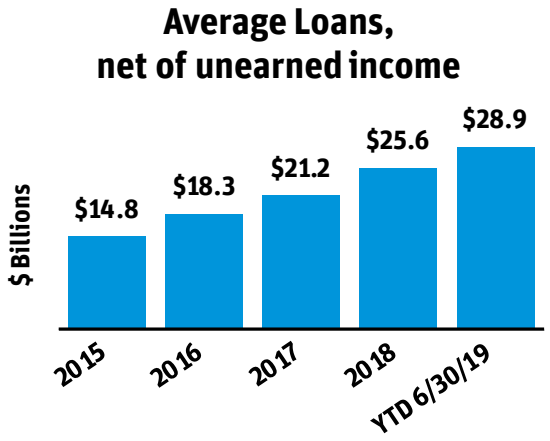
Michael Zuckert

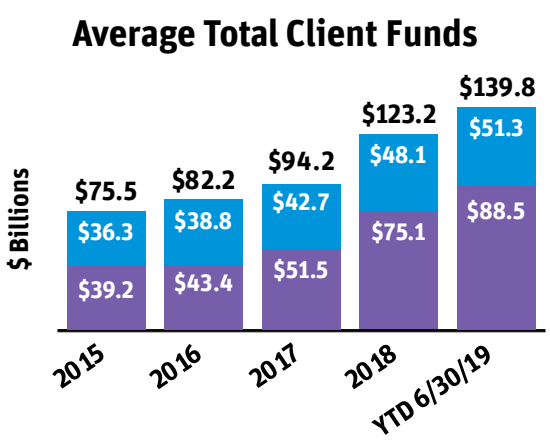
GENERAL COUNSEL
5 years at SVB

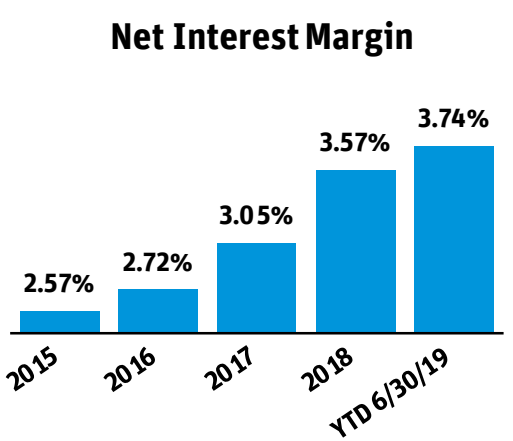
* Effective May 1, 2019


Overview of Results

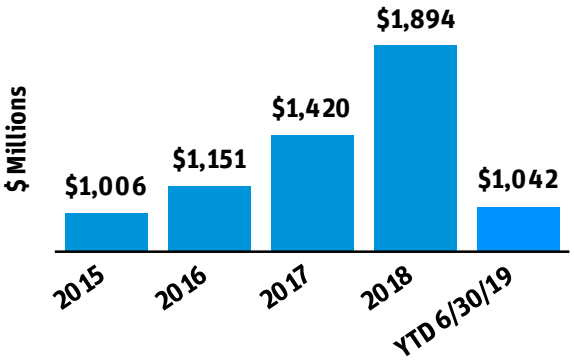
Key performance indicators

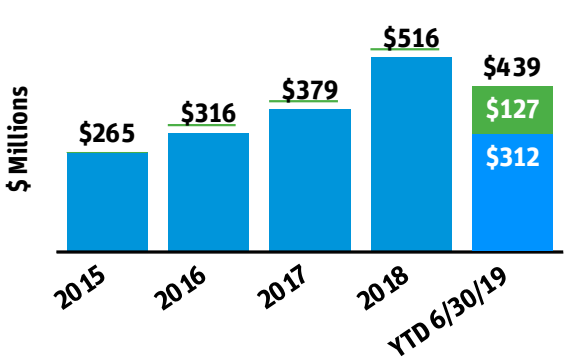


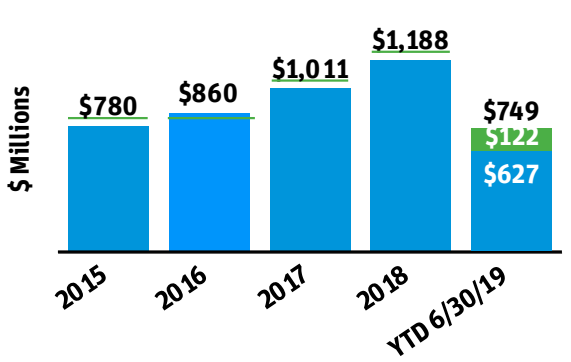




Avg. Deposits
Avg. Client Investment Funds







Investment Banking & Commissions (SVB Leerink)
Core Fee Income, excluding SVB Leerink

SVB Leerink Expenses
SVB Expenses, excluding SVB Leerink

*SVB Leerink includes total revenue of $135.8M consisting of interest income, noninterest income from investment banking and commissions and investment security gains from SVB Leerink Capital business. SVB Leerink pre-tax income, net of NCI, of $13.3M was recognized through June 30, 2019.

Quarterly highlights

	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
Diluted earnings per share	$4.42	$5.10	$4.96	$5.44	$6.08
Net income available to common stockholders	$237.8M	$274.8M	$266.3M	$288.7M	$318.0M
Average assets	$54.4B	$56.5B	$57.6B	$57.5B	$60.7B
Change	*3.8%*	*3.9%*	*1.9%*	*(0.2)%*	*5.5%*
Average loans	$24.9B	$26.3B	$27.5B	$28.4B	$29.4B
Change	*4.4%*	*5.9%*	*4.4%*	*3.3%*	*3.6%*
Average deposits	$48.0B	$49.1B	$49.1B	$49.7B	$53.0B
Change	*4.0%*	*2.3%*	*–%*	*1.3%*	*6.5%*
Average off-balance sheet client investment funds	$71.3B	$79.6B	$85.0B	$87.4B	$89.7B
Change	*10.8%*	*11.6%*	*6.9%*	*2.8%*	*2.6%*
Average fixed income securities	$25.2B	$25.5B	$24.5B	$22.1B	$23.1B
Net interest margin	3.59%	3.62%	3.69%	3.81%	3.68%
Net interest income	$466.4M	$493.2M	$514.5M	$512.9M	$529.4M
GAAP non-interest income	$192.7M	$210.1M	$186.7M	$280.4M	$333.8M
Non-GAAP non-interest income, net of non-controlling interests[1]	$183.2M	$203.4M	$177.9M	$277.1M	$315.0M
Non-interest expense	$305.7M	$309.4M	$307.6M	$365.7M	$383.5M
Net charge-offs / Average total gross loans (annualized)	0.22%	0.30%	0.20%	0.11%	0.23%
Effective tax rate[2]	24.53%	25.75%	28.28%	27.12%	27.25%
Return on average SVBFG stockholders' equity (annualized)	20.82%	22.46%	20.61%	22.16%	23.29%
Return on average assets (annualized)	1.75%	1.93%	1.83%	2.04%	2.10%

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.

Annual highlights

	2015	2016	2017	2018	YTD 6/30/19
Diluted earnings per share	$6.62	$7.31	$9.20	$18.11	$11.51
Net income available to common stockholders	$343.9M	$382.7M	$490.5M	$973.8M	$606.7M
Average assets	$40.8B	$44.0B	$48.4B	$55.2B	$59.1B
Change	*23.9%*	*7.7%*	*10.0%*	*14.2%*	*7.1%*
Average loans	$14.8B	$18.3B	$21.2B	$25.6B	$28.9B
Change	*28.3%*	*23.8%*	*15.7%*	*21.1%*	*12.9%*
Average deposits	$36.3B	$38.8B	$42.7B	$48.1B	$51.3B
Change	*28.2%*	*6.8%*	*10.3%*	*12.5%*	*6.7%*
Average off-balance sheet client investment funds	$39.2B	$43.4B	$51.5B	$75.1B	$88.5B
Change	*30.6%*	*10.5%*	*18.8%*	*45.7%*	*17.8%*
Average fixed-income securities	$22.3B	$21.5B	$22.4B	$24.8B	$22.6B
Net interest margin	2.57%	2.72%	3.05%	3.57%	3.74%
Net interest income	$1,006.4M	$1,150.5M	$1,420.4M	$1,894.0M	$1,042.3M
GAAP non-interest income	$472.8M	$456.6M	$557.2M	$745.0M	$614.1M
Non-GAAP non-interest income, net of non-controlling interests[1]	$441.1M	$448.5M	$527.8M	$707.0M	$592.1M
Non-interest expense	$780.0M	$859.8M	$1,010.7M	$1,188.2M	$749.2M
GAAP operating efficiency ratio	53.50%	51.11%	45.02%	45.02%	45.23%
Net charge-offs / Average total gross loans	0.30%	0.46%	0.27%	0.22%	0.17%
Effective tax rate[2]	39.95%	39.55%	42.02%	26.52%	27.19%
Return on average SVBFG stockholders' equity	11.18%	10.90%	12.38%	20.57%	22.74%
Return on average assets	0.84%	0.87%	1.01%	1.76%	2.07%

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.



2019 Outlook and Long-Term Financial Targets

2019 full-year outlook[1]

Business Driver	2019 Full Year Outlook vs. 2018 Full Year Results (7/25/19)	Change from 4/25/19
Average loans	Increase at a percentage rate in the mid teens	No change
Average deposits	Increase at a percentage rate in the low double digits	**Outlook increased** to low double digits from previous outlook of high single digits
Net interest income	Increase at a percentage rate in the low teens	**Outlook decreased** to low teens from previous outlook of mid teens
Net interest margin	Between 3.60% and 3.70%	**Outlook decreased** to between 3.60% and 3.70% from previous outlook of between 3.70% and 3.80%
Allowance for loan losses for total gross performing loans as a % of total gross performing loans	Comparable to 2018 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 0.30% and 0.50% of total gross loans	No change
Core fee income[2]	Increase at a percentage rate in the low twenties	No change
Non-interest expense (excluding expenses related to non-controlling interests)[2]	Increase at a percentage rate in the low teens	No change
Effective Tax Rate	Between 26.0% and 28.0%	No change
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[2,3]	Increase at a percentage rate in the low seventies	No change
Non-interest expense with investment banking activities[2,3]	Increase at a percentage rate in the mid thirties	No change

1) As of 7/25/2019; compared to full-year 2018 results; assumes no rate changes and non-inclusive of rate decrease announced by the Fed on 7/31/19; please see our most recent earnings release 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.

Focus Area: Ongoing investments in growth and efficiency 1 of 1

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
Engage with clients in more meaningful ways Streamline and speed key processes	Help employees optimize their performance Minimize time spent on non-value add activities	Support timely, resolution of issues Enhance data quality and governance frameworks	Optimize cost efficiencies Improve long-term growth efficiency	Expand product offerings to address evolving client needs Improve product penetration Extend platform to Germany and Canada Expand Private Bank and Wealth Advisory

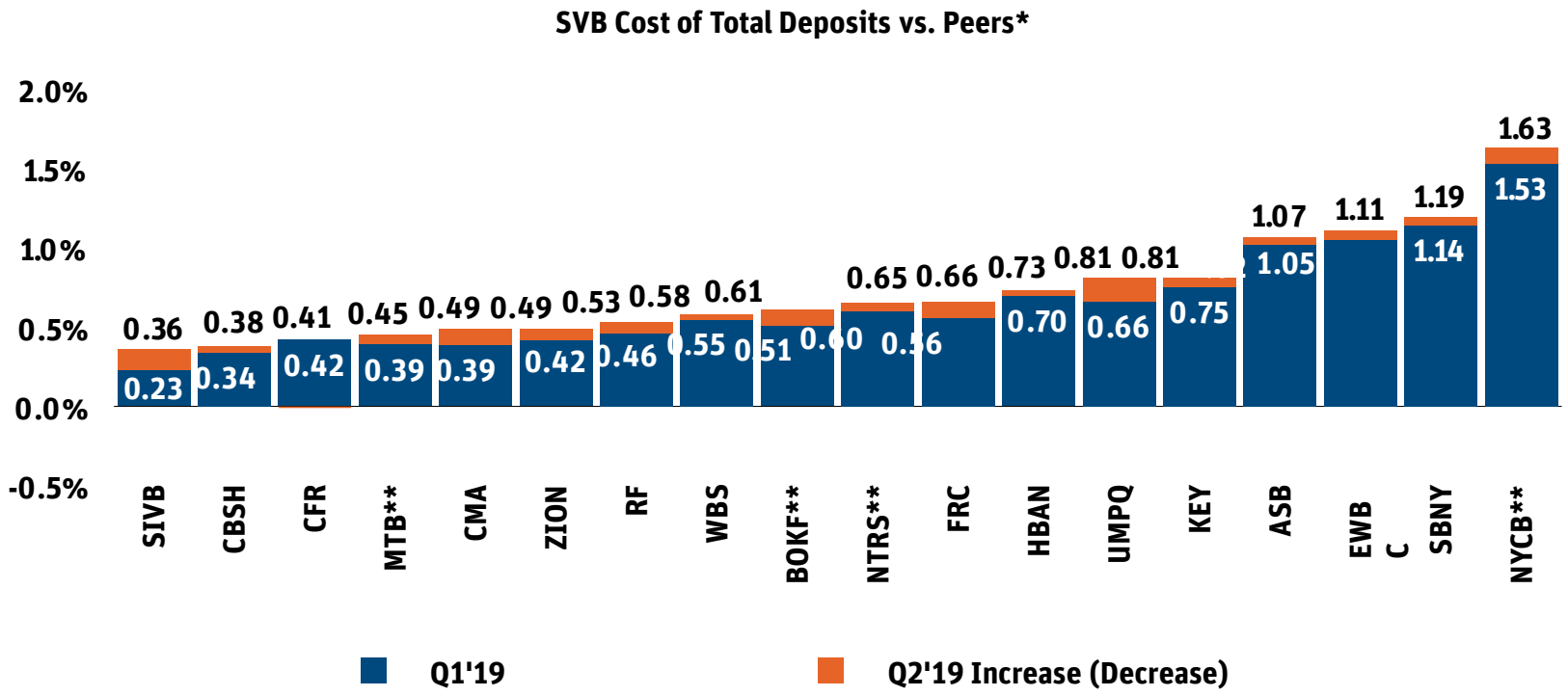
Target Outcomes

- **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**

Focus Area: Leveraging client liquidity

SVB's deposit franchise is a competitive advantage

- Client operating accounts make up the majority of our deposits (noninterest bearing deposits 71% of period-end total deposits)
- Deposit costs rising but remain meaningfully lower than peer costs
- Low loan-to-deposit ratio of 55.5%



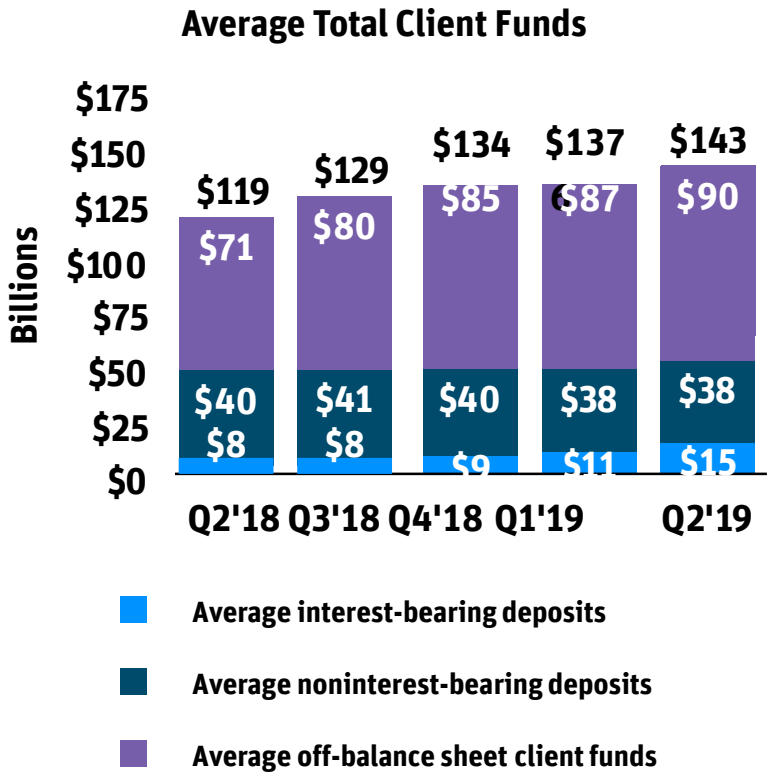
* "Peers" refers to peer group as reported in our proxy statement and are subject to change on an annual basis. Peer data is based on the most recently available Q2'19 and Q1'19 cost of total deposits as reported by S&P Global Market Intelligence.

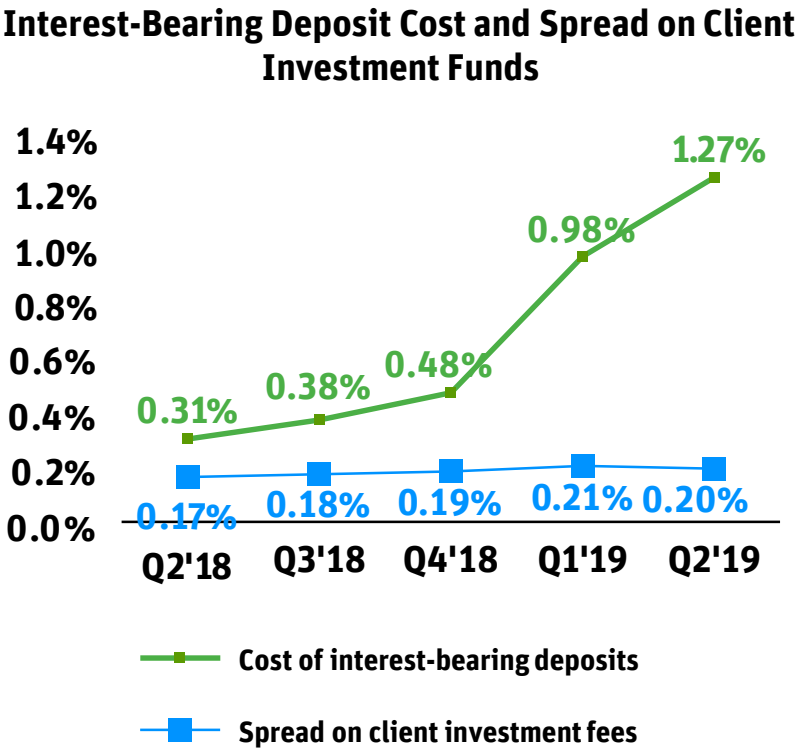
** Where Q2'19 data was not available as of July 29, 2019, Q1'19 compared to Q4'18 cost of total deposits was reported.

Focus Area: Leveraging client liquidity

2 of 3

- Market demands and competition driving higher deposit costs
- Strategic deposit initiatives driving on-balance sheet deposit growth
- Interest-bearing deposit costs increased 29 bps in Q2'19, driven by deposit growth initiatives, representing $19 million in additional interest expense
- Full year average deposit costs expected between 30 and 40 bps, subject to market demand for our interest-bearing products

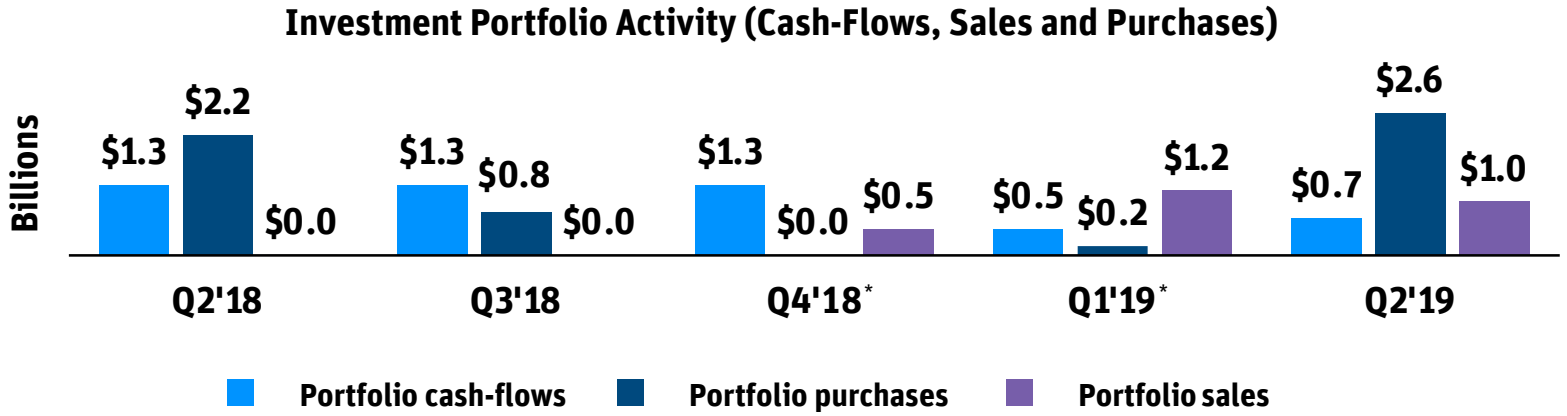




Focus Area: Leveraging client liquidity

Liquidity strategy for 2019

- Fund loan growth
- Capture higher investment portfolio yields through reinvestment of portfolio cash flows and new investments
- Anticipated investment portfolio purchases of $1.5B - $2.0B per quarter
- Purchase yields estimated at 2.30% - 2.40%, with roll-off yields of 2.00% - 2.10% (assuming rates as of July 25, 2019)



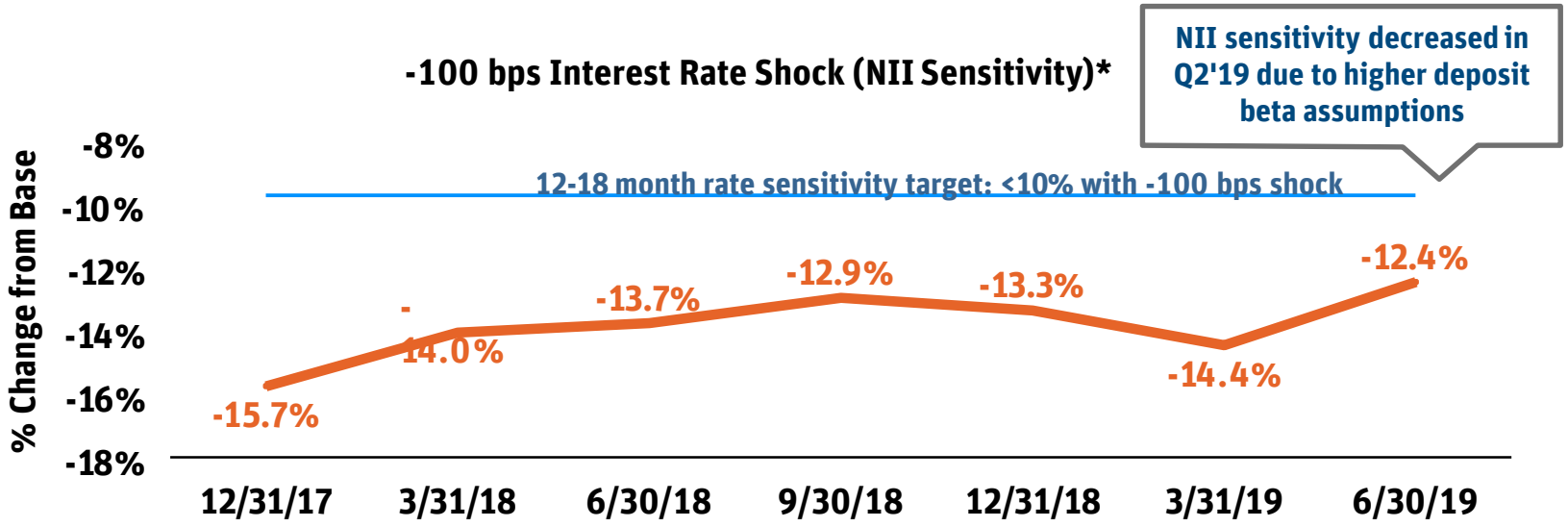
We are refining our approach over time to balance client liquidity needs and market demand with anticipated returns on short- and medium-term investments.

* During Q4'18 and Q1'19 the majority of portfolio cash flows were used to fund loan growth and repay short-term borrowings.

Focus Area: Reducing interest rate sensitivity 1 of 1

What we're doing

- Adding "Receive Fixed" interest rate swaps to convert variable-rate loans to fixed
- Adapting to declining market rates (deposit beta)
- Gradually extending maturity in our investment securities portfolio
- Implementing loan rate floors to preserve income when rates fall



* These sensitivity estimates are reported on a pre-tax basis and are based on a static balance sheet and assumptions as of each period presented. For June 30, 2019 beta assumptions were increased from 35 percent to 60 percent, reflective of our higher realized beta on deposit rates paid to our clients. 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.

Long-term financial objectives[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[3]

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%

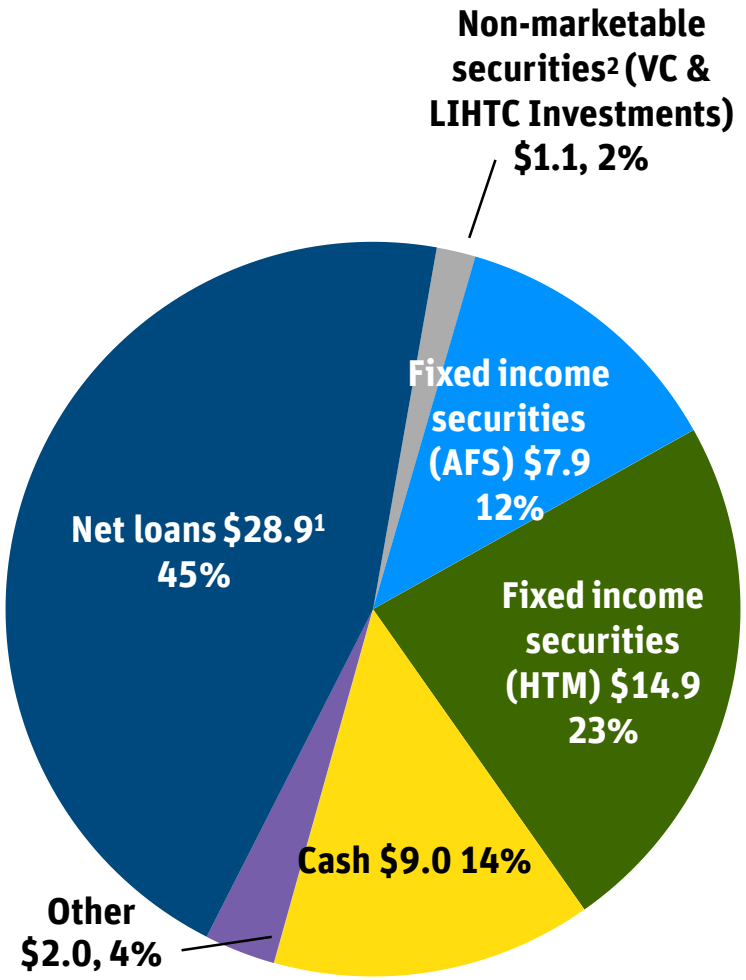
1) Excludes impact of SVB Leerink revenue and expense
2) Normalized rate environment represents Fed Funds rate above 2.5%, low rate environment represents Fed Funds at or below 2.5%
3) Non-GAAP measure



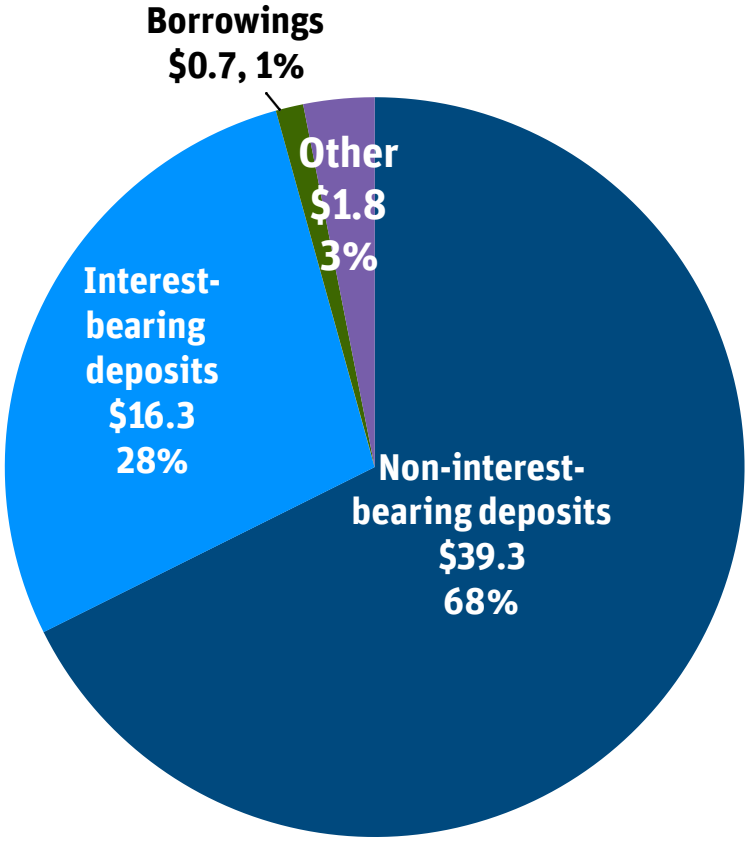
Financial Performance (Balance Sheet)

A high quality balance sheet

At 6/30/2019



Period-end assets: $63.8B

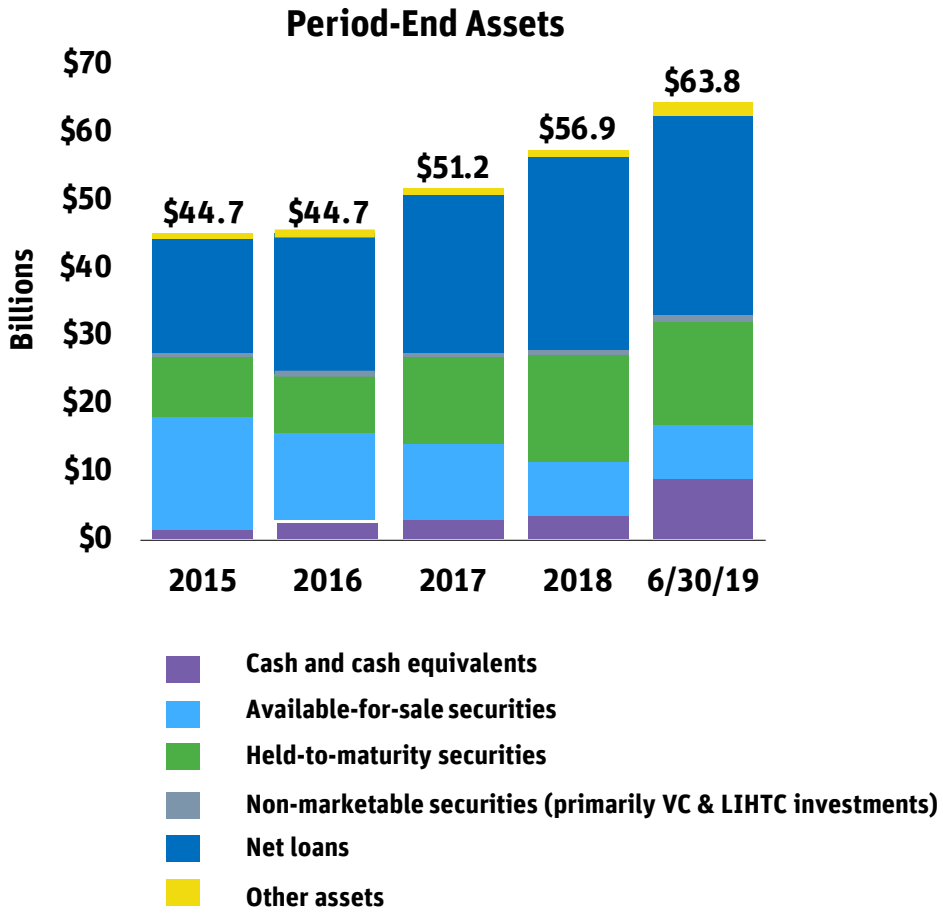


Period-end liabilities: $58.1B

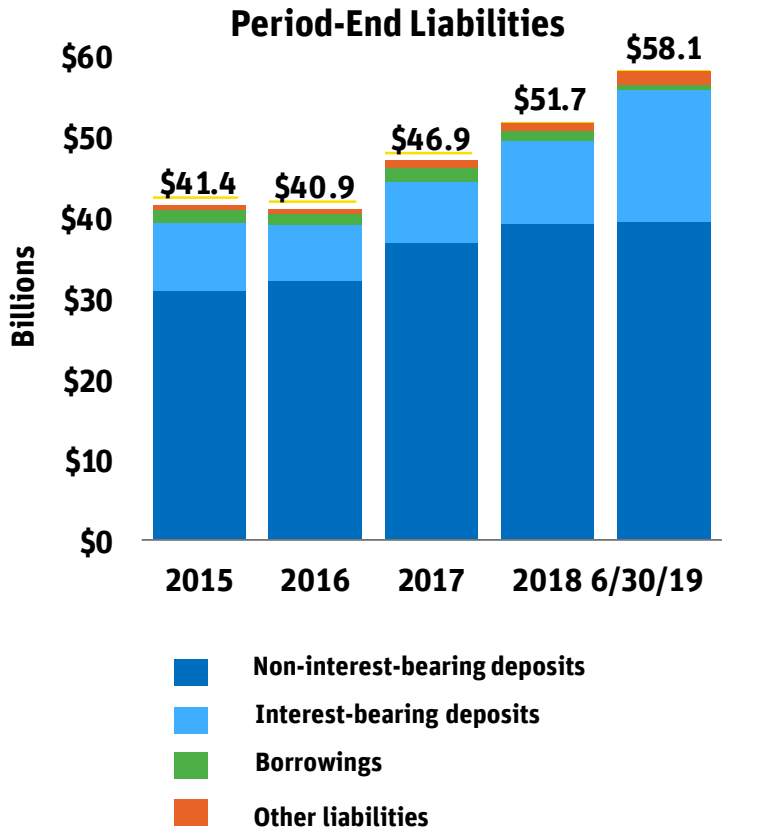
1) Net loans represents gross loans net of the allowance for loan losses and unearned interest income. Gross loans at 6/30/2019 were $29.4B
2) Non-marketable securities net of non-controlling interests were $931 million. Please see non-GAAP reconciliations at end of this presentation for more information.

Robust balance sheet growth

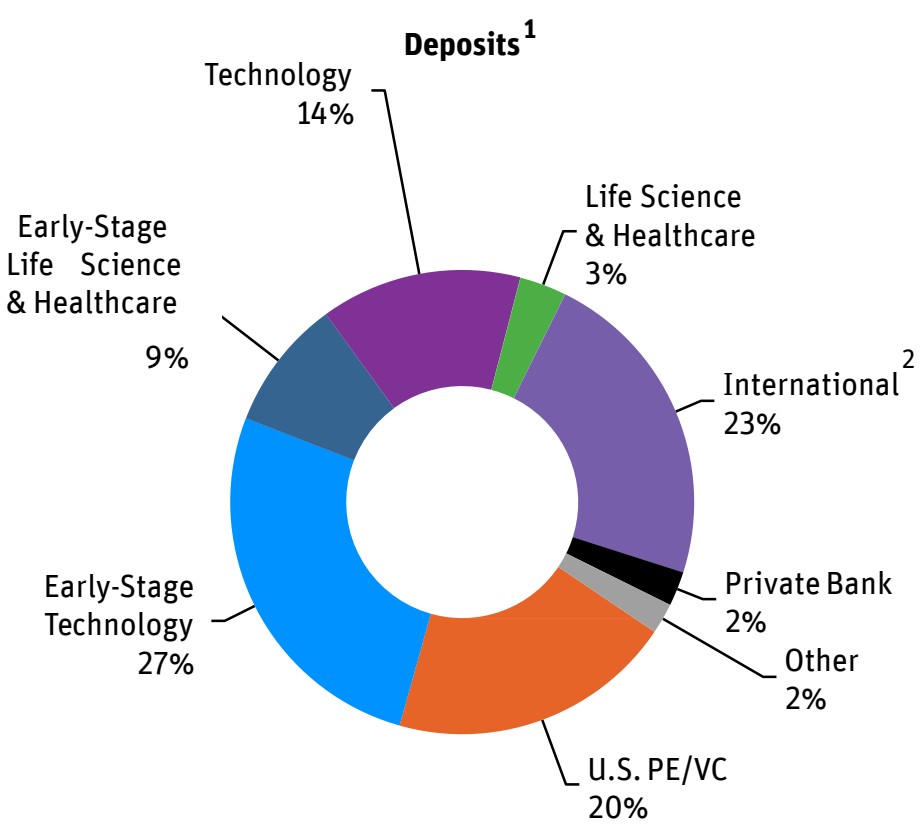
Strong growth in loans and securities

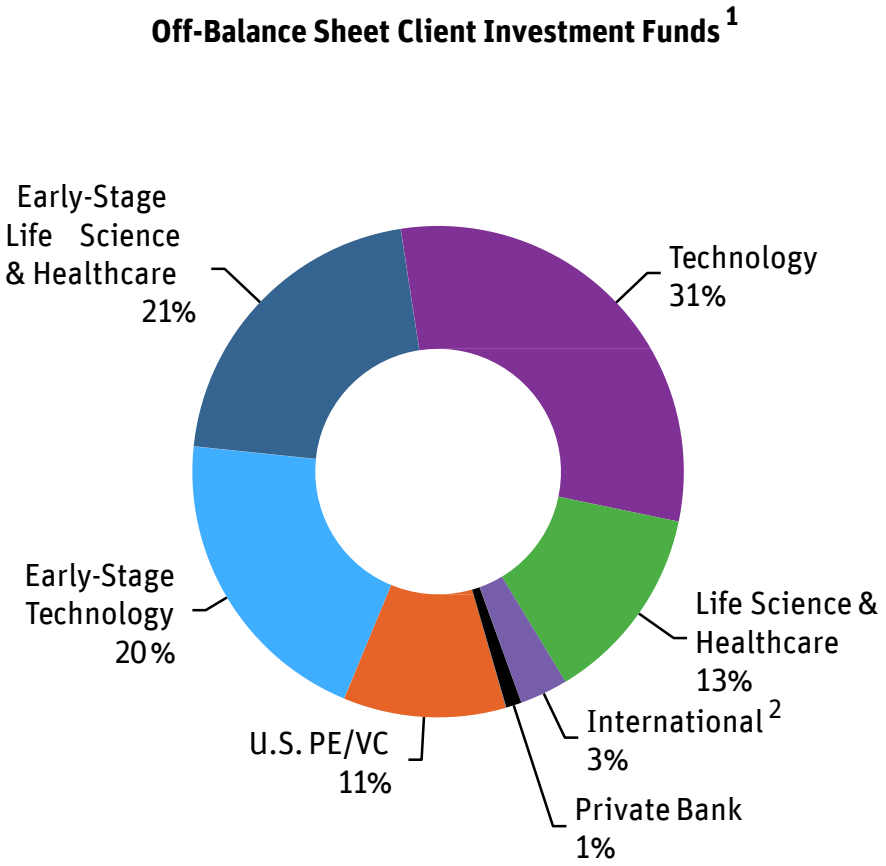


Non-interest-bearing deposits 71% of total deposits



Total Client Funds Contributions by Niche
at 6/30/19

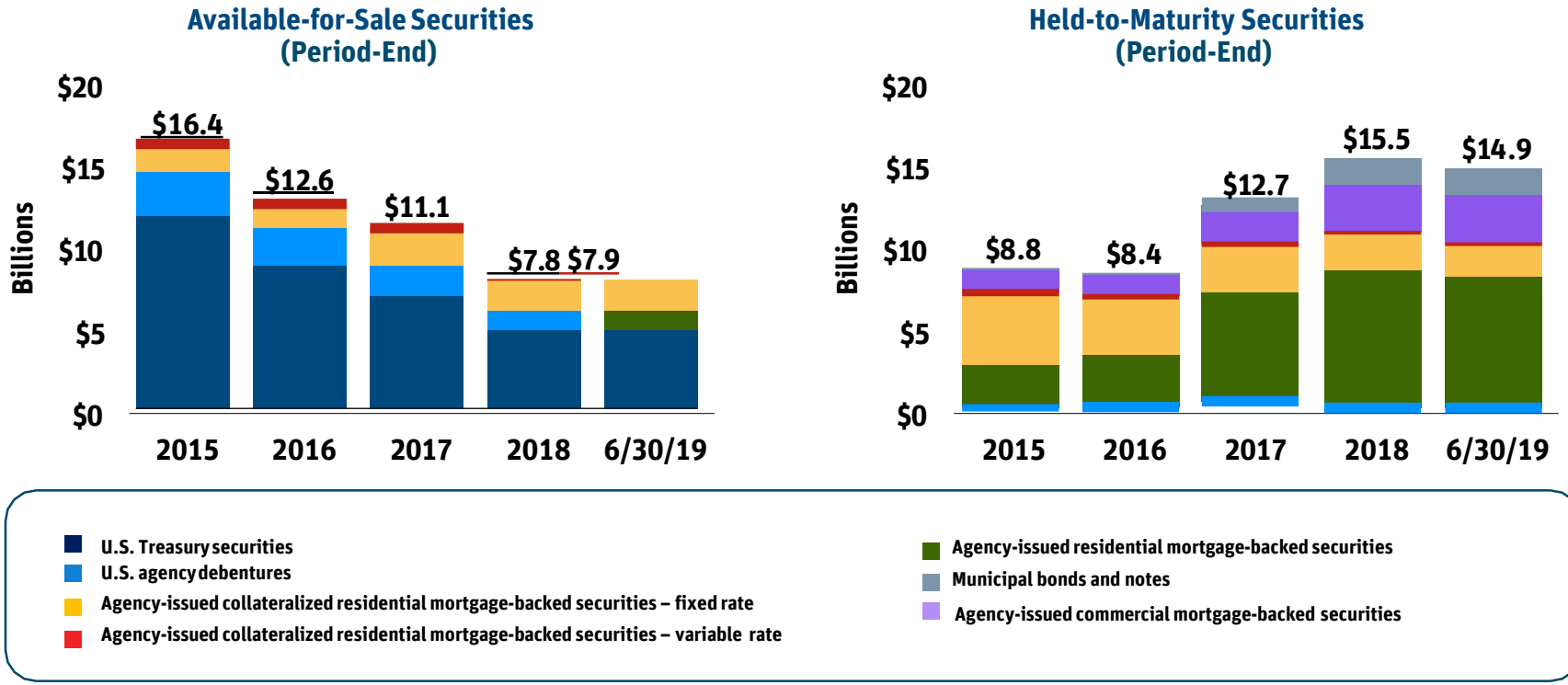




1. Deposit and off-balance sheet client investment funds balances by portfolio is a management view of client niches.
2. International balances is a management view of client niches and does not tie to regulatory definitions for foreign exposure. International balances include clients across all client niches and life-stages, with International PE/VC representing 9% of total deposits and 2% of off-balance sheet client investment funds.

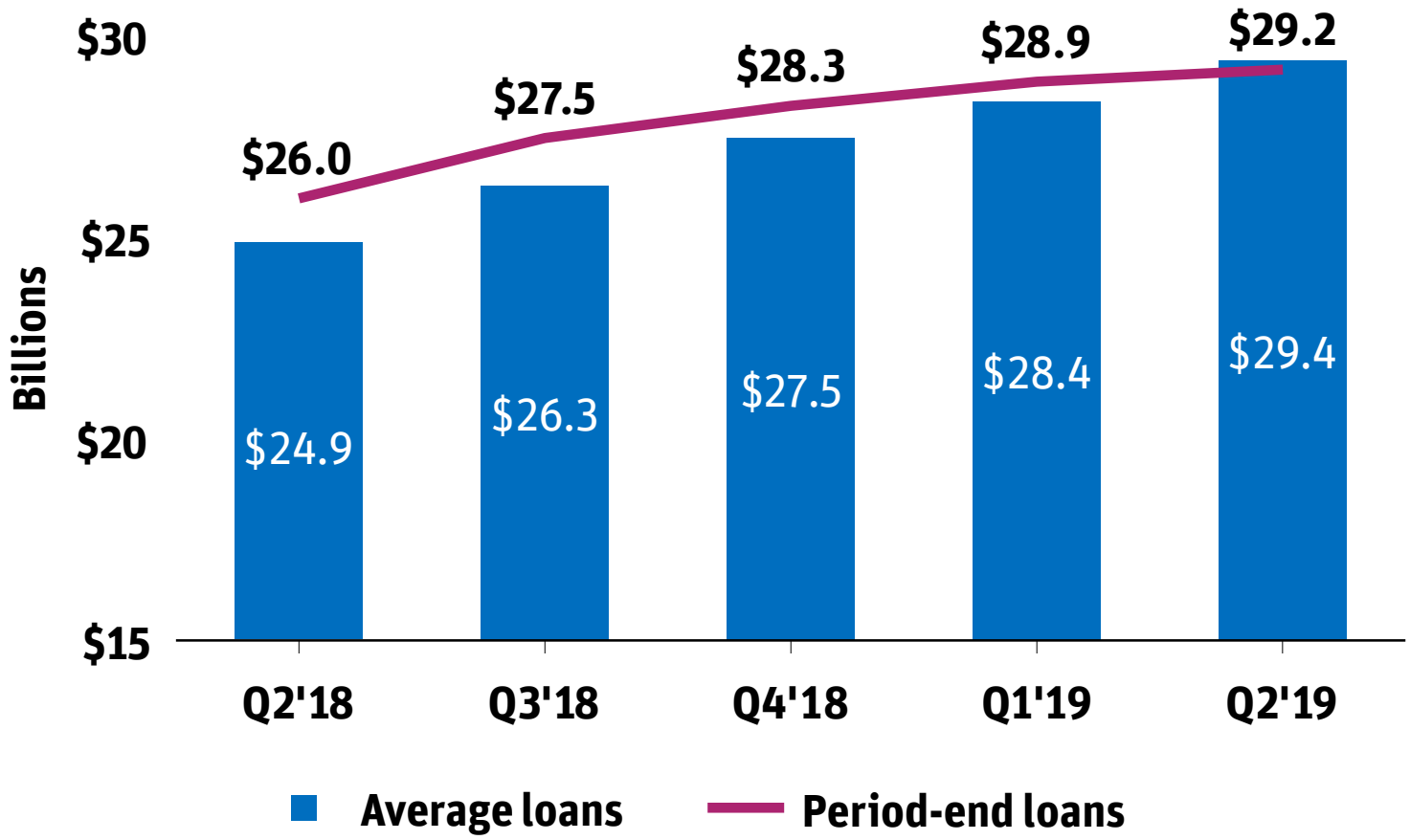
Q2'19: A high-quality investment portfolio

- Liquid, primarily fixed-income portfolio, with a duration of 3.5 years
- U.S. Treasuries make up 21% of investment portfolio
- Available lines of credit in place to provide short-term liquidity



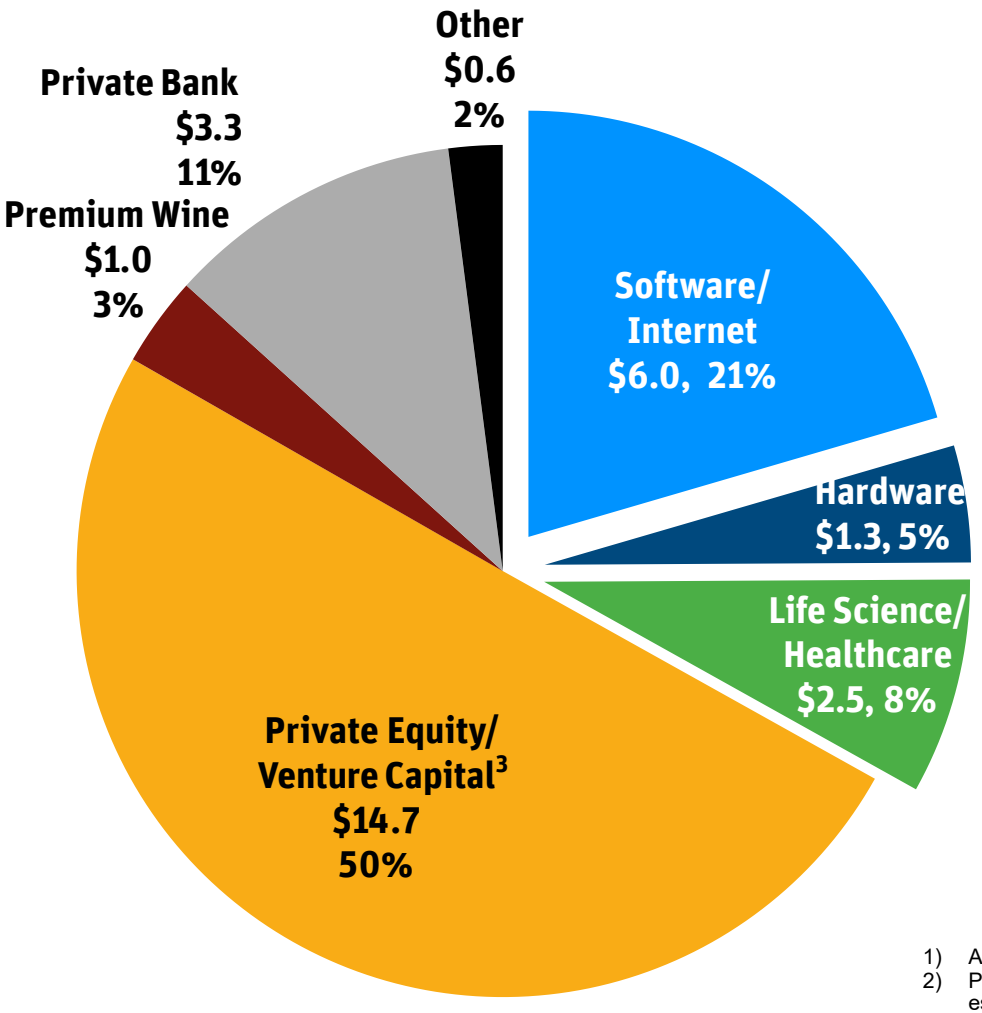
Q2'19: average loans grew 3.6%

Growth driven primarily by Private Equity and Private Bank



Q2'19: A diversified loan portfolio

Gross Loans: $29.4 billion[1,2]



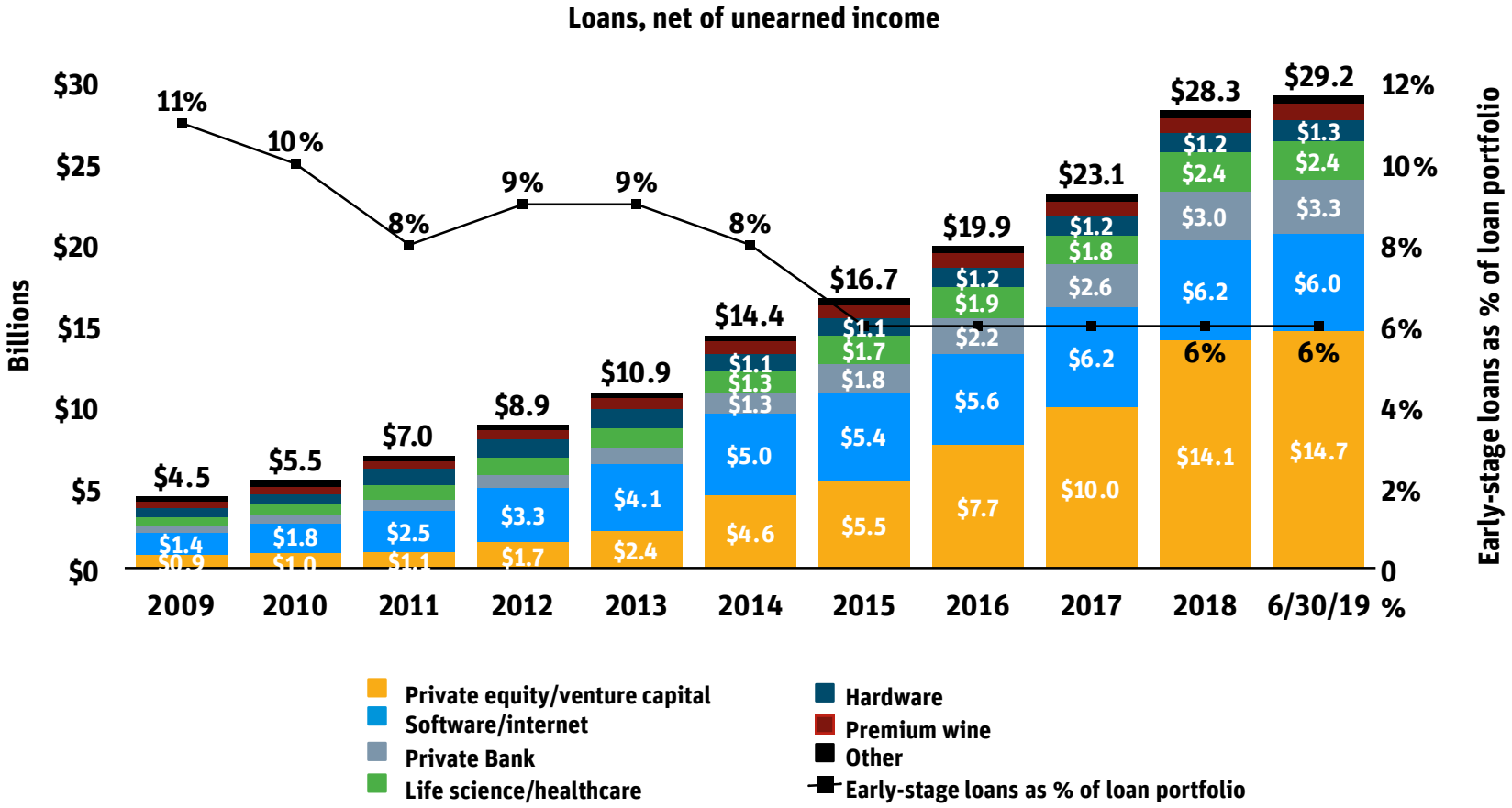
Technology and Life Science/Healthcare Only $9.8 billion (34% of Gross Loans)

- **Early Stage** $1.7 (6%) — **Investor-dependent 1** Revenue: $0-$5M
- **Non-Early Stage** $1.7 (5%) — **Investor-dependent 2** Revenue >$5M
- **Balance Sheet** $2.2 (8%) — **Balance-sheet dependent** covered by current assets; $0.9B is asset-based lending
- **Sponsored Buyout** $1.9 (7%) — **Cash flow dependent 1**
- **Other** $2.3 (8%) — **Cash flow dependent 2** Cash flow and hybrid

1) As of 6/30/2019; 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

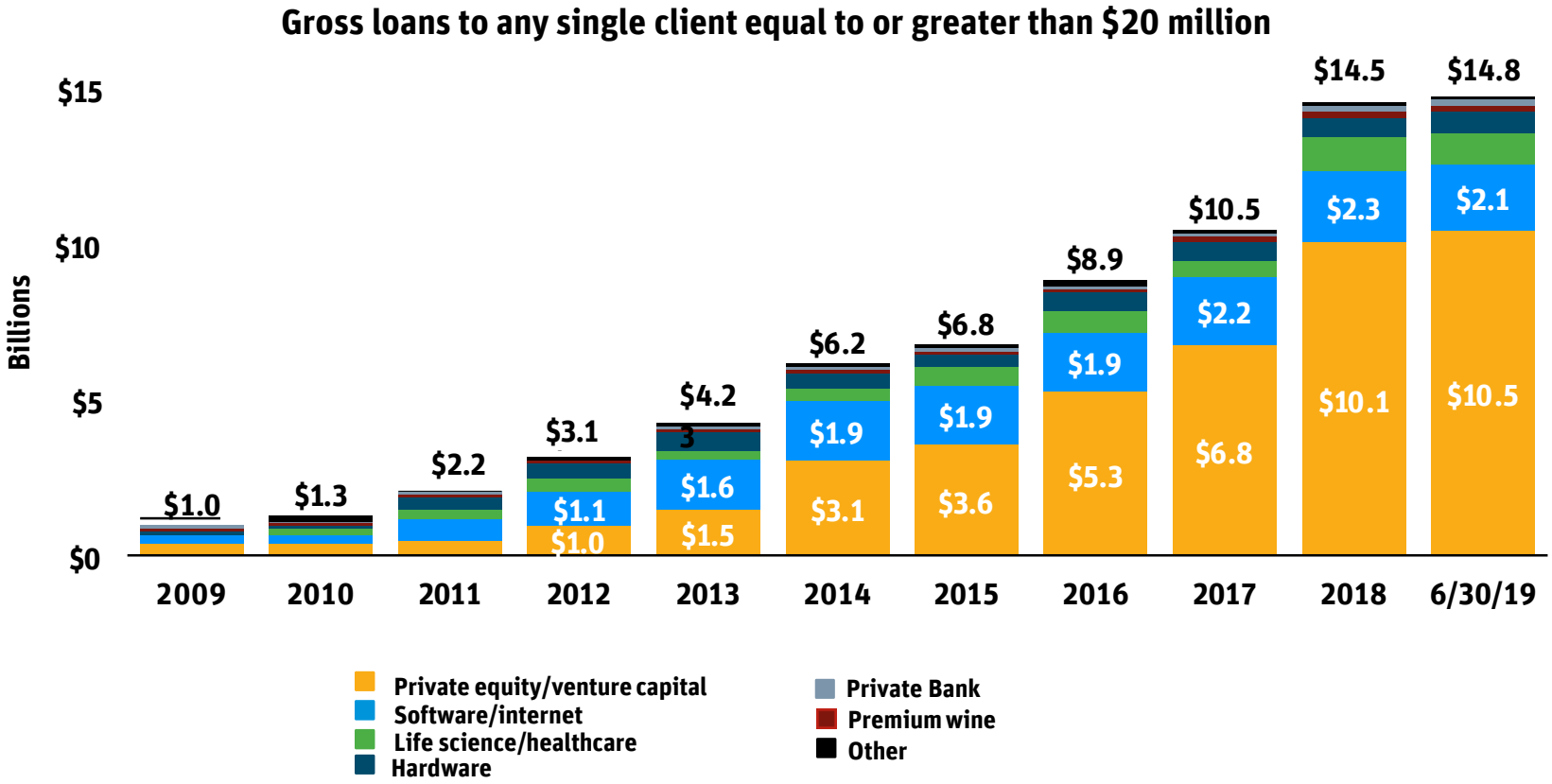
Our loan portfolio has evolved over time

- Private Equity has driven the majority of recent growth
- Our Private Equity portfolio has historically been characterized by lower yields, relative to the rest of our portfolio, and exceptional credit quality



Loans >$20M are primarily Private Equity capital call lines, which have a history of exceptional credit quality

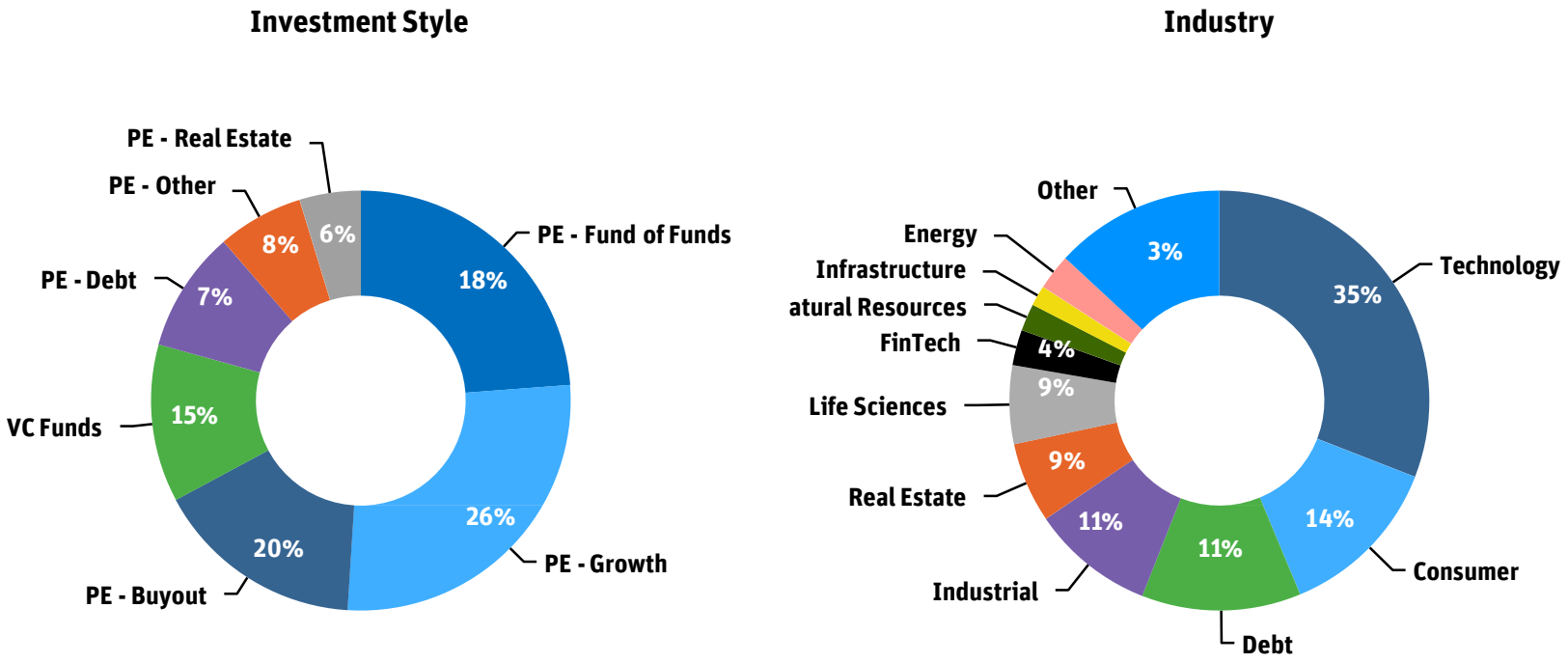
Capital call lines have maturities of <1 year and are secured by contractual capital commitments and the invested assets of the fund borrowers



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

- High-quality, strong underwriting
- Strong secondary markets

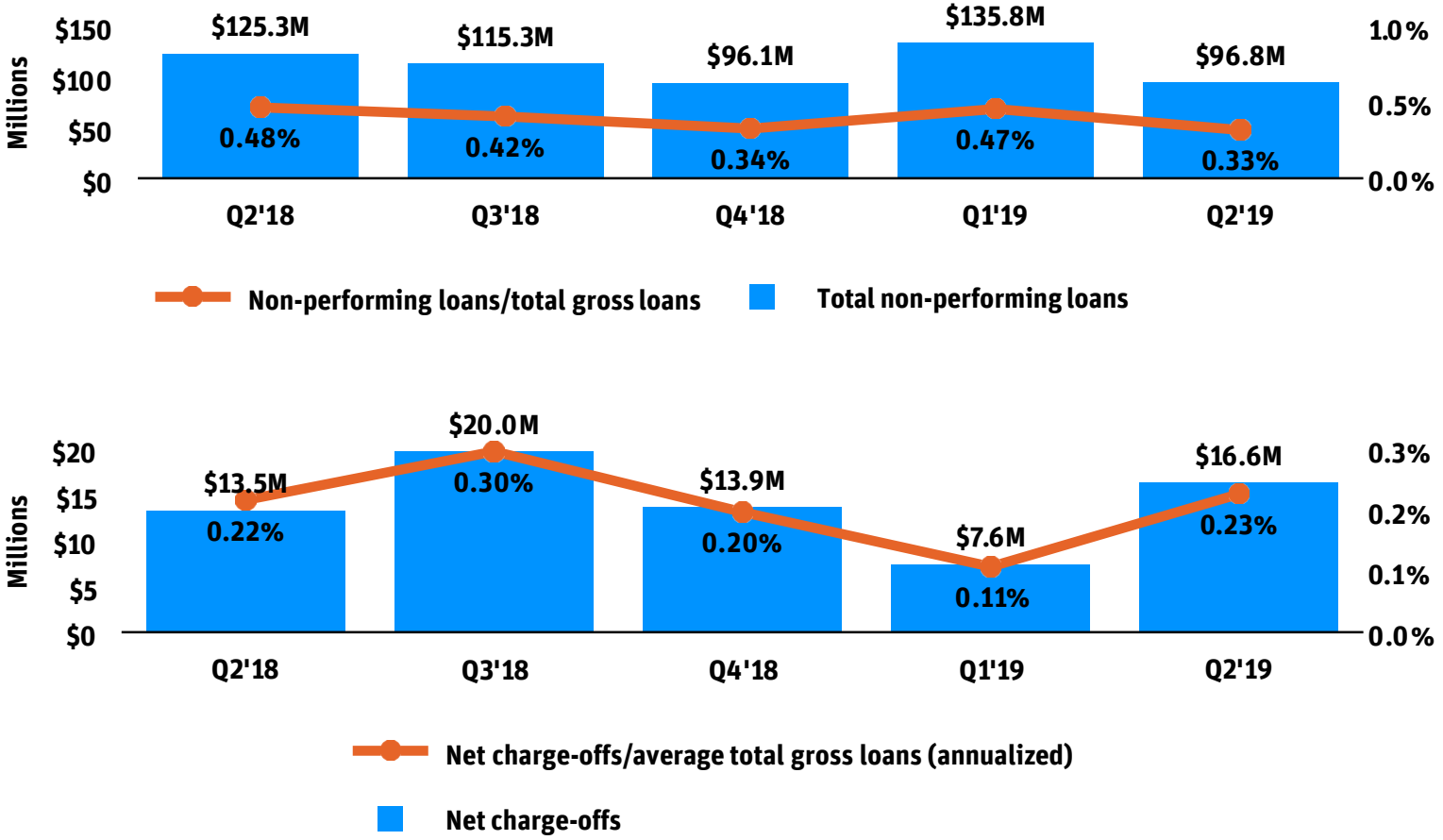
PE/VC Fund Commitments by Investment Style and Industry*



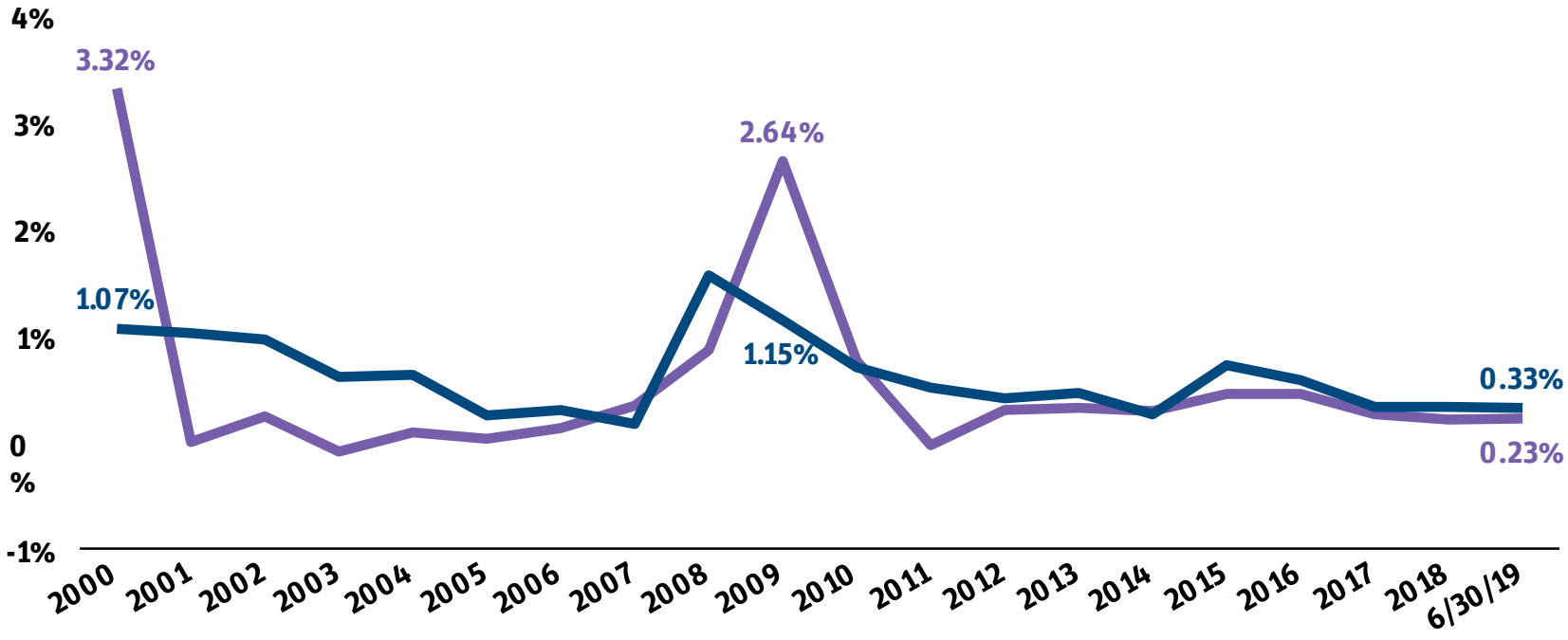
* PE/VC portfolio by investment style and industry is based on fund commitments as of 6/30/2019

Q2'19: Credit quality remained stable

- Provision for credit losses of $23.9M (vs. 28.6M in Q1)
- Allowance for loan losses/total gross loans: 1.03% (vs. 1.03% in Q1)
- Non-performing loans decreased following full repayment of our two largest non-performing loans



History of high credit quality and resilience through market cycles



Loan Portfolio Statistics

2000
48% Technology
30% Early-Stage
% of total loans

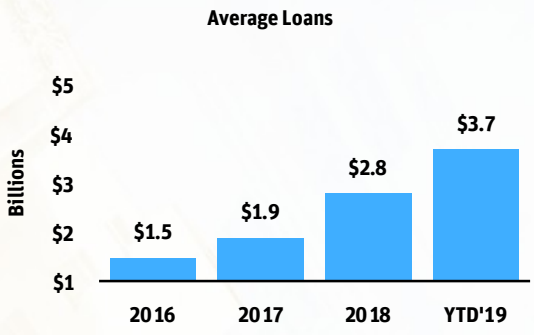
2007
47% Technology
14% Early-Stage
% of total loans

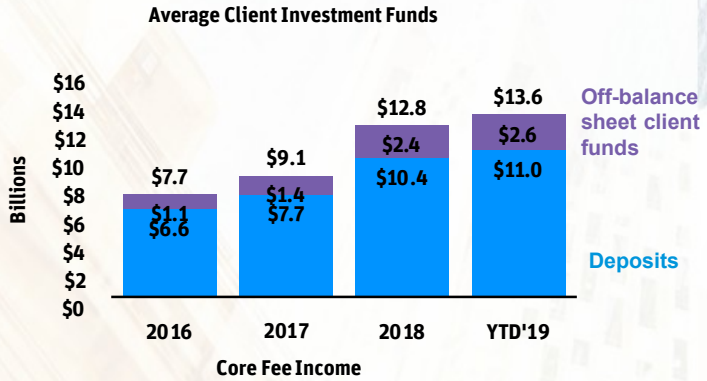
2018
26% Technology
6% Early-Stage
% of total loans

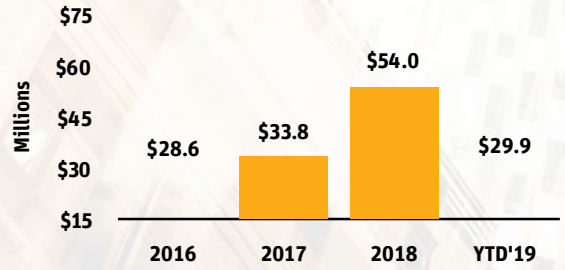
Nonperforming loans as a % of total gross loans

Net charge-offs as a % of average total gross loans

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 Shanghai, Beijing, Shenzhen)	2012
Hong Kong	Representative office	2013
Germany	Branch (lending)	2018
Canada	Branch (lending)	2019

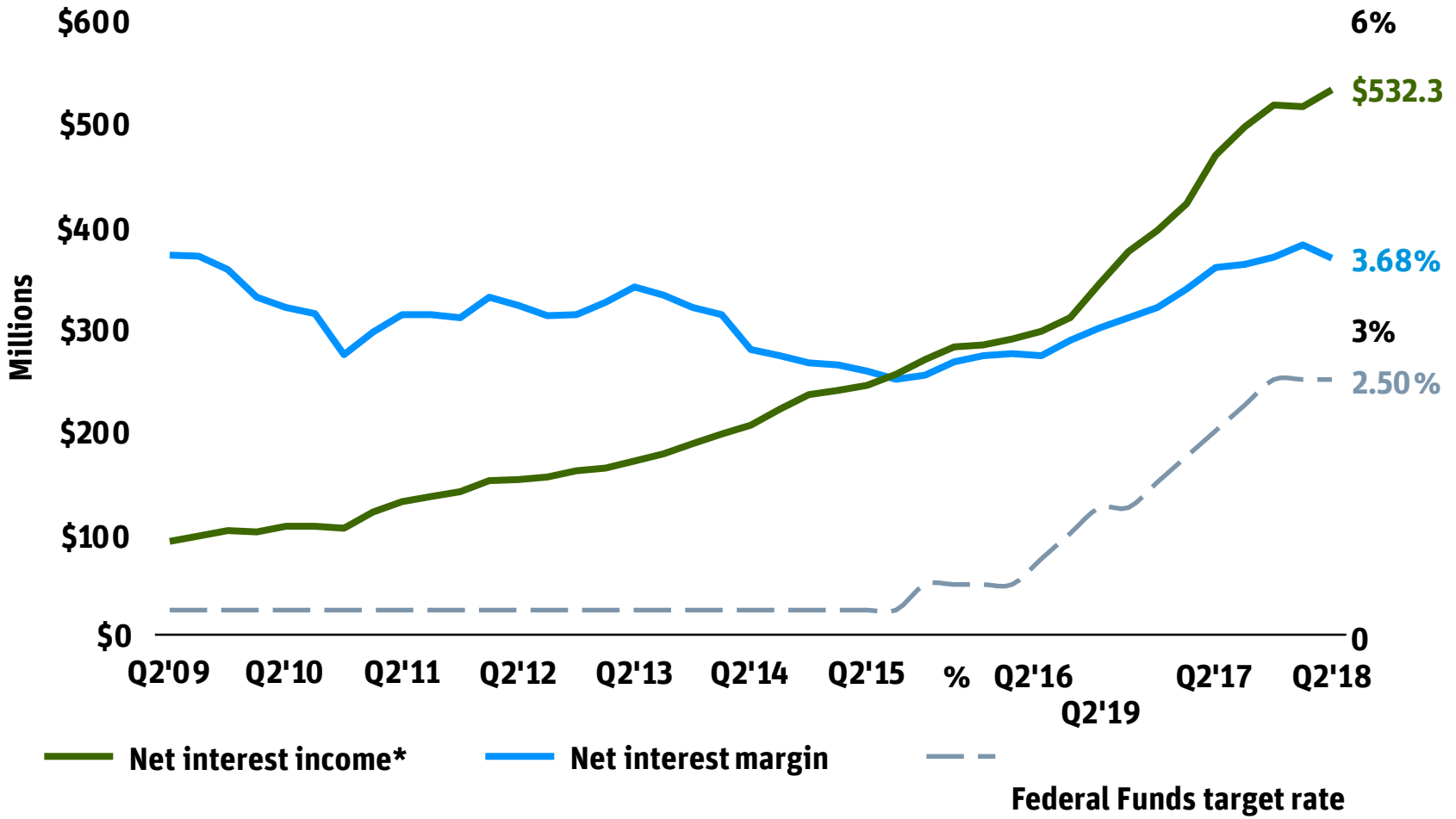
This slide reflects balances for international operations in U.K., Europe, Israel and Asia; Canada balances are reflected in our U.S. Technology Banking segmentation. The above is a management segment view and does not tie to regulatory definitions of foreign exposure



Financial Performance (Income Statement)

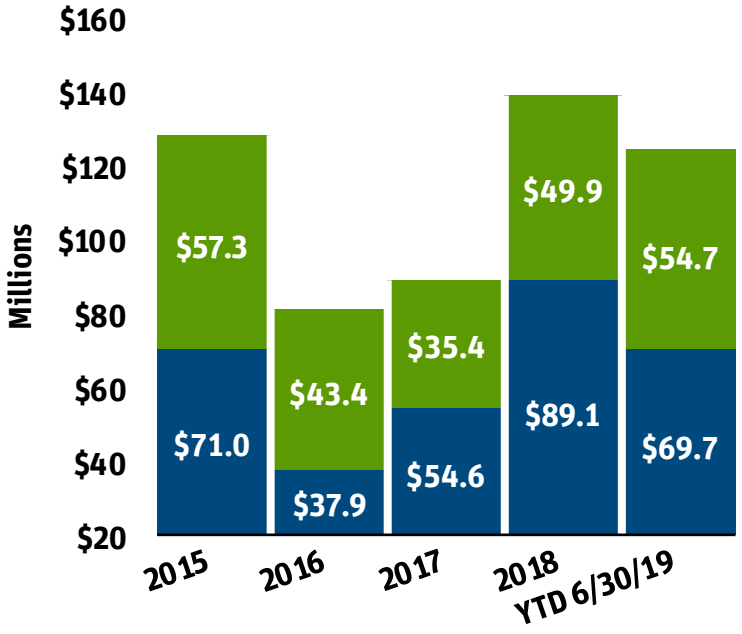
Q2'19: Net interest income increased 3.2%

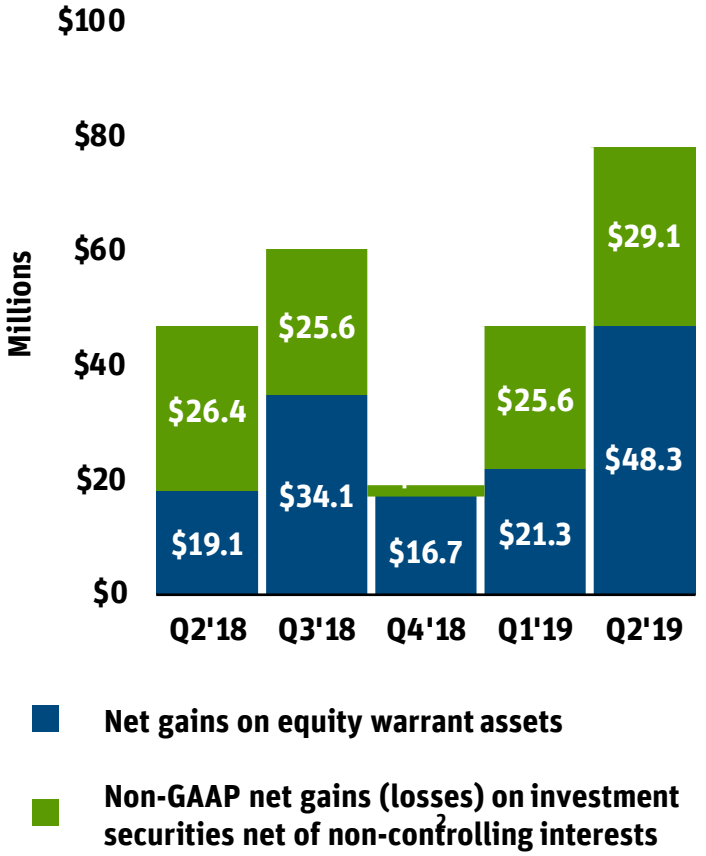
Higher average loans and yields were offset by higher deposit costs



* 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 (35 percent for periods prior to 2018 and 21 percent after 12/31/17)

Strong funding and exit markets driving recent strong investment securities and warrant gains[1]

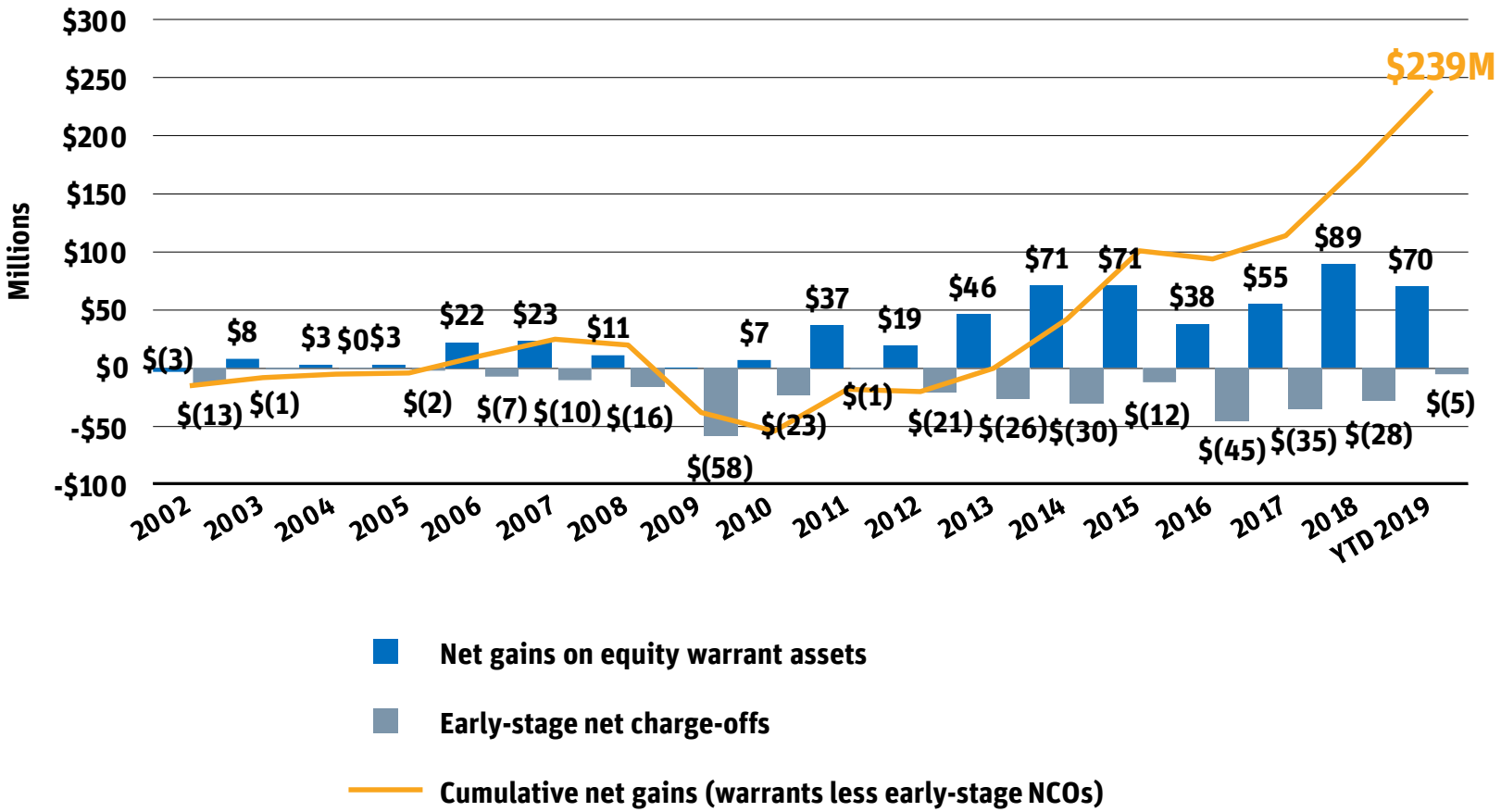




1. The gains (or losses) resulting from changes in valuations (fair values) of investment securities within our nonmarketable and other equity securities portfolio and equity warrant assets are currently unrealized. The extent to which such gains (or losses) will become realized are subject to a variety 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. Please see non-GAAP reconciliations at end of this presentation for more information.

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

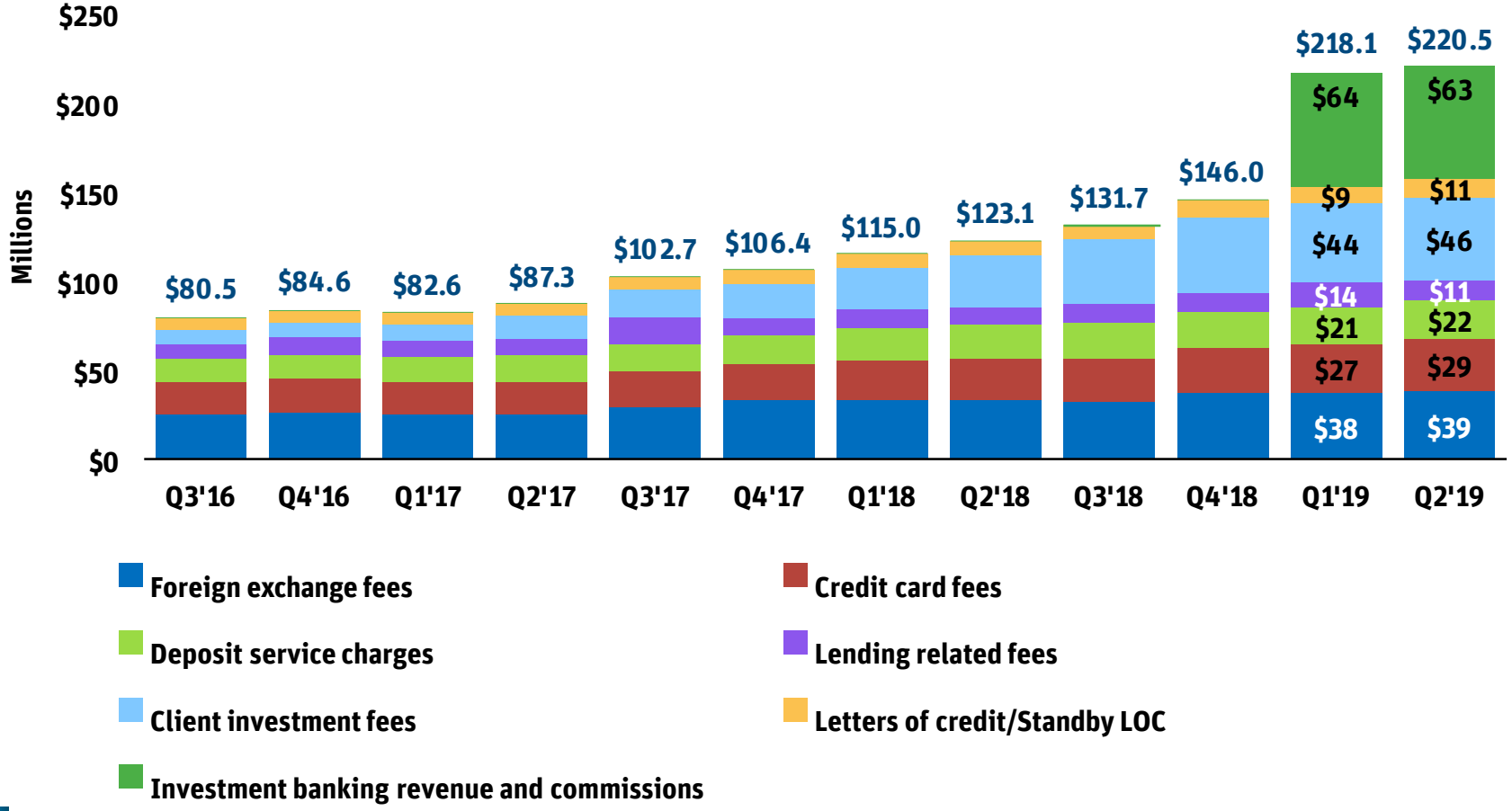
Aggregate warrant gains net of early-stage losses (2002 - YTD 6/30/19)



Q2'19 core fee income grew 2.0% (excluding investment banking income) and is up 28% YoY

Growth drivers:

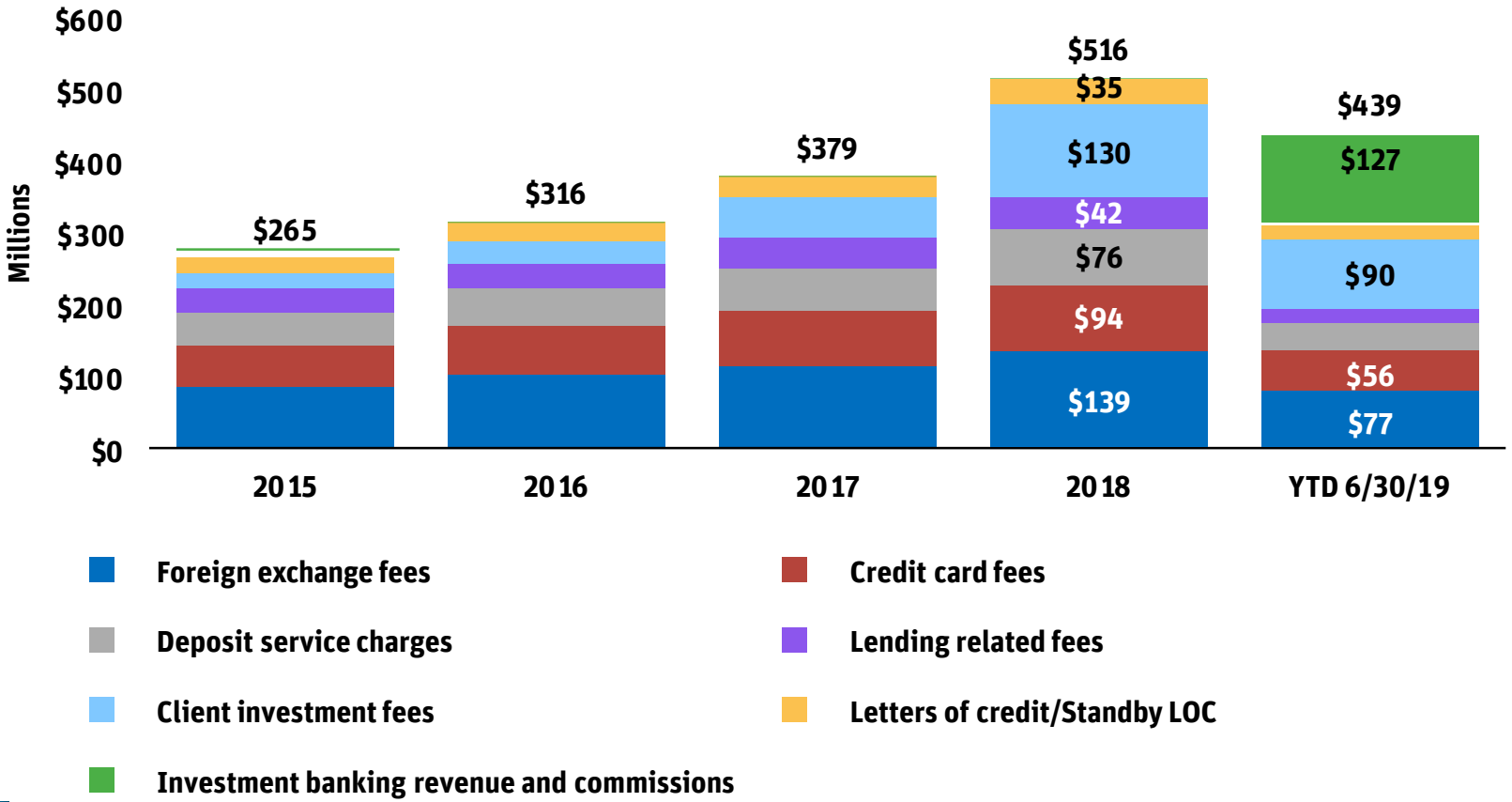
- Higher client investment fees from higher fund balances and rate increases
- Fee growth from strong transaction volumes and client engagement across products
- Includes investment banking revenue and commissions from 2019 Leerink acquisition



A history of strong core fee income growth

Broad based growth across core fee income products:

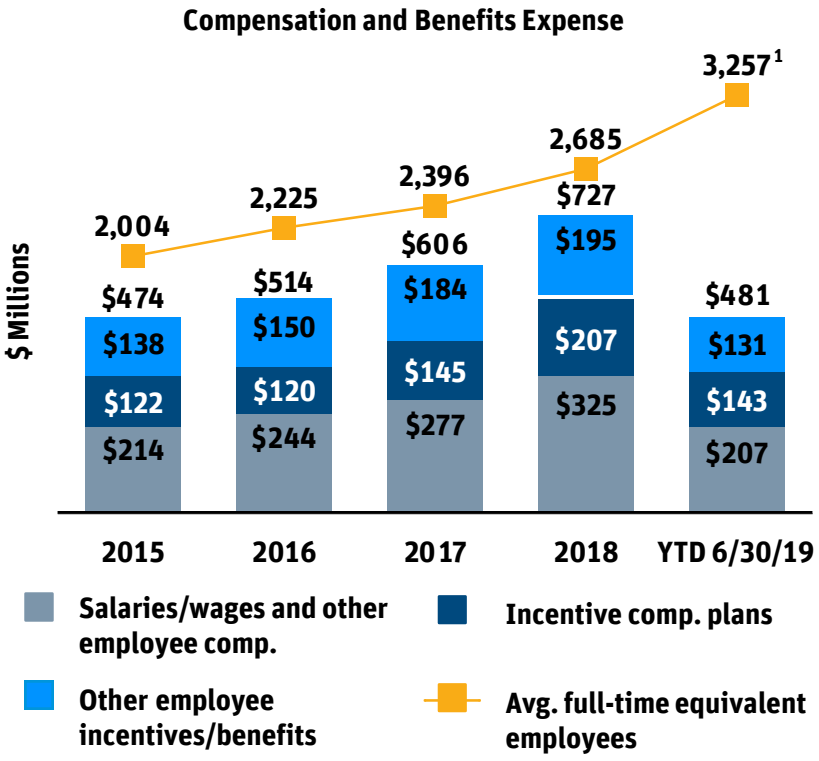
- Client investment fee growth from higher fund balances and rate increases
- F/X and credit card volume growth, partially offset by lower competitive spreads
- Investment banking revenue and commissions from Leerink acquisition

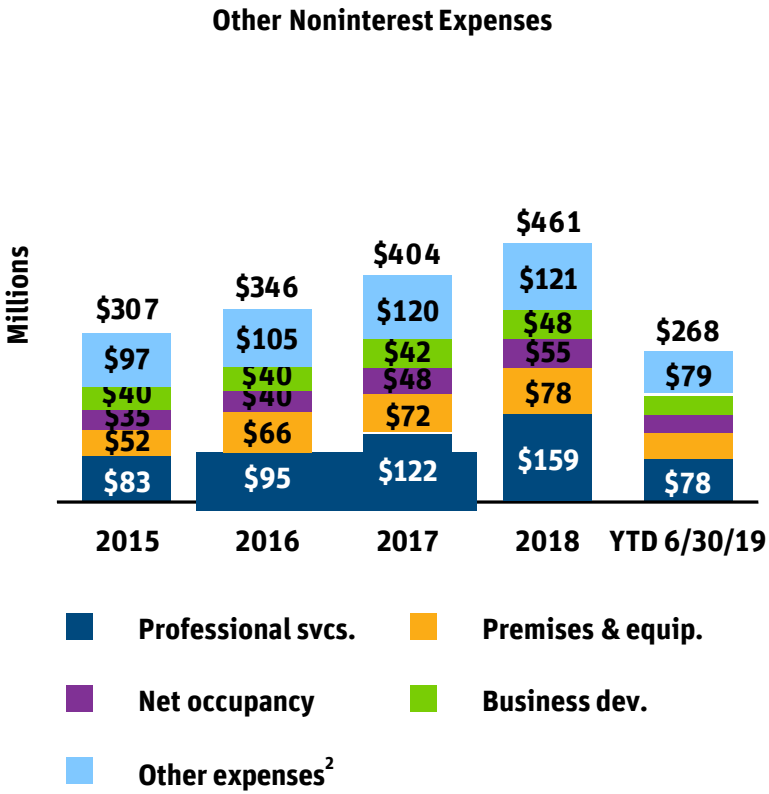


Investment in growth and operating leverage driving non-interest expense

Revenue and growth investment initiatives:

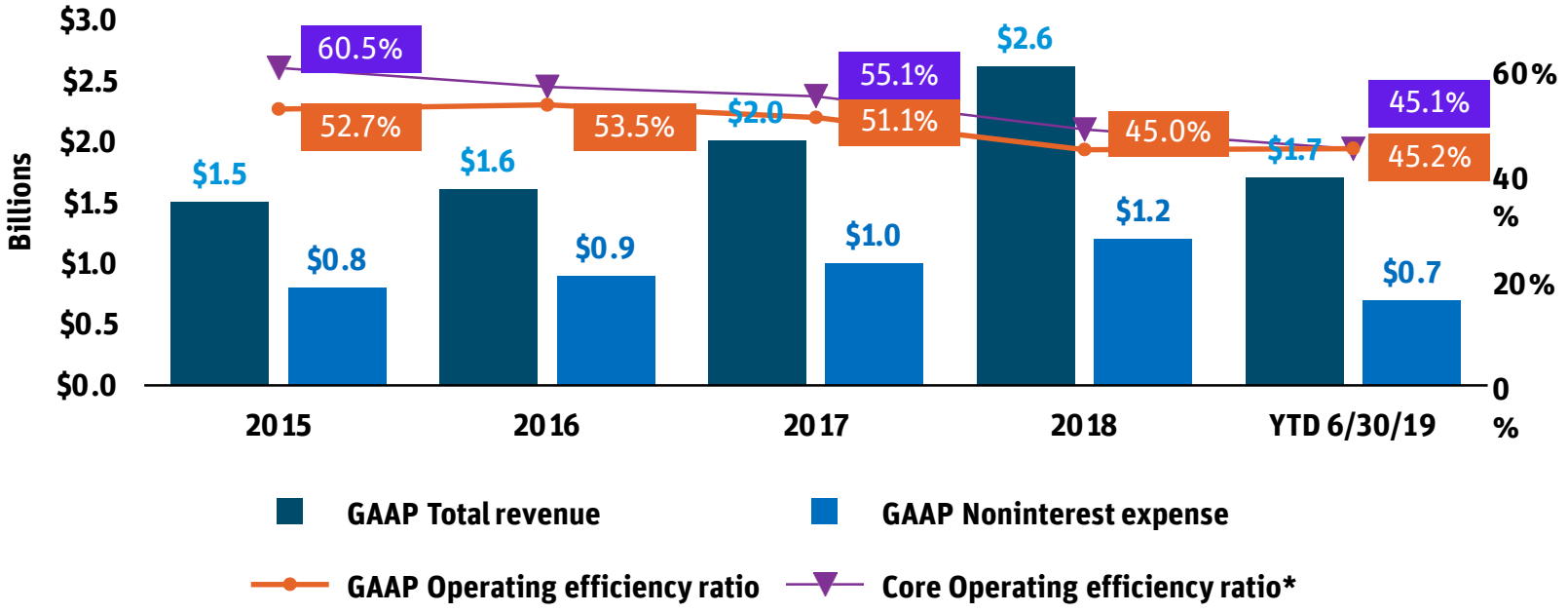
- Client experience
- People (staffing, enablement, performance-based incentive compensation)
- Infrastructure improvements (banking, risk & compliance)





1. 2019 includes 231 full-time equivalent employees from SVB Leerink
2. 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.

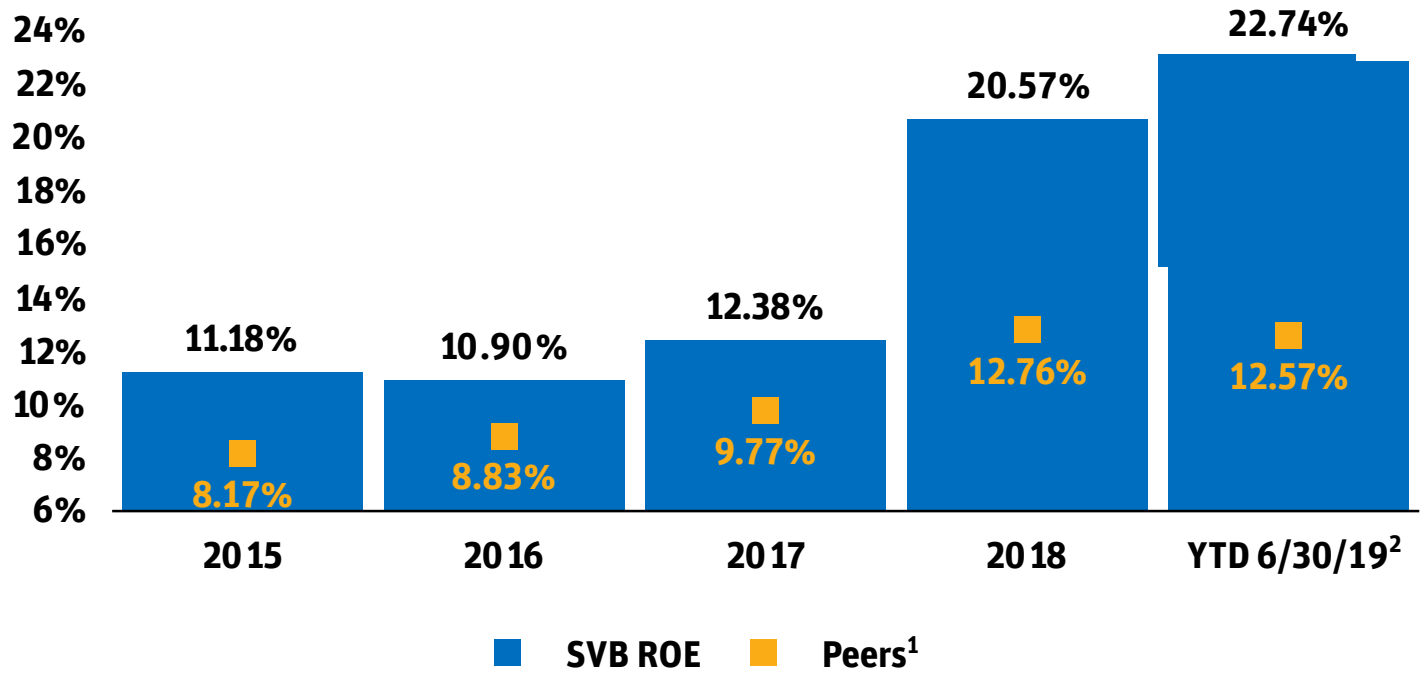
Core operating efficiency ratio* has trended down over time, driven by strong revenue growth



* Non-GAAP measure

Industry-leading ROE

Increase in 2019 ROE primarily from strong balance sheet growth and market activity resulting in higher earnings



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 using data from S&P Global Market Intelligence.
2. Annualized


Capital

We are well capitalized - Holding Company

$500M Share Repurchase Program authorized in November 2018 and completed on July 1, 2019

SVB Financial Group[1]	2015	2016	2017	2018	6/30/19
CET 1 risk-based capital	12.28%	12.80%	12.78%	13.41%	12.92%
Tier 1 risk-based capital	12.83	13.26	12.97	13.58	13.08
Total risk-based capital	13.84	14.21	13.96	14.45	13.97
Tier 1 leverage	7.63	8.34	8.34	9.06	8.82
Tangible common equity to tangible assets[2]	7.16	8.15	8.16	8.99	8.43
Tangible common equity to risk-weighted assets[2]	12.34	12.89	12.77	13.28	13.13

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 2015
- Bank capital ratios reflect dividends of $297M from Bank to SVBFG during the first six months of 2019, $140M in 2018, $90M in 2017 and $40M in 2016

Silicon Valley Bank[1]	2015	2016	2017	2018	6/30/19
CET 1 risk-based capital	12.52%	12.65%	12.06%	12.41%	12.50%
Tier 1 risk-based capital	12.52	12.65	12.06	12.41	12.50
Total risk-based capital	13.60	13.66	13.04	13.32	13.44
Tier 1 leverage	7.09	7.67	7.56	8.10	8.17
Tangible common equity to tangible assets[2]	6.95	7.77	7.47	8.13	7.91
Tangible common equity to risk-weighted assets[2]	12.59	12.75	11.98	12.28	12.72

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.



Non-GAAP Reconciliations

Non-GAAP reconciliation*

Core fee income

Non-GAAP core fee income (dollars in thousands)	Quarter ended Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017
GAAP noninterest income	$144,140	$113,502	$117,659	$128,528	$158,778	$152,266
Less: gains on investment securities, net	23,178	9,976	15,970	17,630	15,238	15,765
Less: net gains on equity warrant assets	21,558	4,639	6,690	10,820	24,922	12,123
Less: other noninterest income	18,878	14,239	12,421	12,811	15,896	17,982
Non-GAAP core fee income	$80,526	$84,648	$82,578	$87,267	$102,722	$106,396

Non-GAAP core fee income (dollars in thousands)	Quarter ended Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
GAAP noninterest income	$155,518	$192,689	$210,070	$186,707	$280,376	$333,750
Less: gains on investment securities, net	9,058	36,114	32,193	10,729	29,028	47,698
Less: net gains on equity warrant assets	19,191	19,061	34,141	16,749	21,305	48,347
Less: other noninterest income						
Non-GAAP core fee income including investment banking revenue and commissions	$115,010	$123,124	$131,714	$146,042	$218,146	$220,460
Less: investment banking revenue	—	—	—	—	49,795	48,694
Less: commissions	—	—	—	—	14,108	14,429
Non-GAAP core fee income	$115,010	$123,124	$131,714	$146,042	$154,243	$157,337

Non-GAAP core fee income (dollars in thousands)	Year ended December 31, 2015	2016	2017	2018	YTD Jun 30, 2019
GAAP noninterest income	$472,794	$456,552	$557,231	$744,984	$614,126
Less: gains on investment securities, net	89,445	51,740	64,603	88,094	76,726
Less: net gains on equity warrant assets	70,963	37,892	54,555	89,142	69,652
Less: other noninterest income	47,004	50,750	59,110	51,858	29,142
Non-GAAP core fee income including investment banking revenue and commissions	$265,382	$316,170	$378,963	$515,890	$438,606
Less: investment banking revenue	—	—	—	—	98,489
Less: commissions	—	—	—	—	28,537
Non-GAAP core fee income	$265,382	$316,170	$378,963	$515,890	$311,580

* 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-marketable and other equity securities

Non-GAAP non-marketable and other equity securities, net of non-controlling interests (dollars in thousands)	Jun 30, 2019
GAAP non-marketable and other equity securities	$1,079,749
Less: amounts attributable to non-controlling interests	148,270
Non-GAAP non-marketable and other equity securities, net of non-controlling interests	$931,479

Composition of non-GAAP non-marketable and other equity securities, net of non-controlling interests (dollars in thousands)	Jun 30, 2019
Non-marketable and other equity securities (fair value accounting):	
Consolidated venture capital and private equity fund investments	$28,631
Unconsolidated venture capital and private equity fund investments	193,206
Investments without a readily determinable fair value	42,419
Other equity securities in public companies	37,156
Non-marketable securities (equity method accounting):	
Venture capital and private equity fund investments	105,056
Debt funds	7,168
China Joint Venture Investment	76,544
Other investments	47,253
Investments in qualified affordable housing projects, net	394,046
Total non-marketable and other equity securities	$931,479

* 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*

Net gains on investment securities

Non-GAAP net gains (losses) on investment securities (dollars in thousands)	Quarter ended Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
GAAP net gains on investment securities	$36,114	$32,193	$10,729	$29,028	$47,698
Less: income attributable to noncontrolling interests, including carried interest	9,672	6,641	8,965	3,436	18,598
Non-GAAP net gains on investment securities, net of noncontrolling interests	$26,442	$25,552	$1,764	$25,592	$29,100

Non-GAAP net gains (losses) on investment securities (dollars in thousands)	Year ended December 31, 2015	2016	2017	2018	YTD Jun 30, 2019
GAAP net gains on investment securities	$89,445	$51,740	$64,603	$88,094	$76,726
Less: income attributable to noncontrolling interests, including carried interest	32,115	8,312	29,187	38,183	22,034
Non-GAAP net gains on investment securities, net of noncontrolling interests	$57,330	$43,428	$35,416	$49,911	$54,692

* 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*

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, 2015	2016	2017	2018	Jun 30, 2019
GAAP SVBFG stockholders' equity	$3,198,134	$3,642,554	$4,179,795	$5,116,209	$5,554,043
Less: Intangible assets	—	—	—	—	192,981
Tangible common equity (TCE)	$3,198,134	$3,642,554	$4,179,795	$5,116,209	$5,361,062
GAAP Total assets	$44,686,703	$44,683,660	$51,214,467	$56,927,979	$63,773,739
Less: Intangible assets	—	—	—	—	192,981
Tangible assets (TA)	$44,686,703	$44,683,660	$51,214,467	$56,927,979	$63,580,758
Risk-weighted assets (RWA)	$25,919,594	$28,248,750	$32,736,959	$38,527,853	$40,843,334
Tangible common equity to tangible assets	7.16%	8.15%	8.16%	8.99%	8.43%
Tangible common equity to risk-weighted assets	12.34%	12.89%	12.77%	13.28%	13.13%

Bank only TCE/TA and TCE/RWA

Non-GAAP tangible common equity and tangible assets (dollars in thousands, except ratios)	Year ended December 31, 2015	2016	2017	2018	Jun 30, 2019
Tangible common equity (TCE)	$3,059,045	$3,423,427	$3,762,542	$4,554,814	$4,936,520
Tangible assets (TA)	$44,045,967	$44,059,340	$50,383,774	$56,047,134	$62,380,814
Risk-weighted assets (RWA)	$24,301,043	$26,856,850	$31,403,489	$37,104,080	$38,821,244
Tangible common equity to tangible assets	6.95%	7.77%	7.47%	8.13%	7.91%
Tangible common equity to risk-weighted assets	12.59%	12.75%	11.98%	12.28%	12.72%

* 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*

Noninterest income

Non-GAAP non-interest income, net of non-controlling interests (dollars in thousands)	Quarter ended				
	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
GAAP noninterest income	$192,689	$210,070	$186,707	$280,376	$333,750
Less: income attributable to noncontrolling interests, including carried interest	9,445	6,692	8,839	3,248	18,736
Non-GAAP noninterest income, net of noncontrolling interests	$183,244	$203,378	$177,868	$277,128	$315,014

Non-GAAP Non-interest income, net of non-controlling interests (dollars in thousands)	Year ended December 31,				YTD
	2015	2016	2017	2018	Jun 30, 2019
GAAP noninterest income	$472,794	$456,552	$557,231	$744,984	$614,126
Less: income attributable to noncontrolling interests, including carried interest	31,736	8,039	29,452	38,000	21,984
Non-GAAP noninterest income, net of noncontrolling interests	$441,058	$448,513	$527,779	$706,984	$592,142

* 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*

Non-GAAP core operating efficiency ratio

(Dollars in thousands, except ratios)		Year ended December 31, 2015	2016	2017	2018	YTD Jun 30, 2019
GAAP noninterest expense	**A**	**$ 779,962**	**$ 859,797**	**$1,010,655**	**$1,188,193**	**$ 749,186**
Less: amounts attributable to noncontrolling interests		828	524	813	522	547
Non-GAAP noninterest expense, net of noncontrolling interests		$ 779,134	$ 859,273	$1,009,842	$1,187,671	$ 748,639
Less: expense attributable to SVB Leerink		—	—	—	—	122,475
Non-GAAP noninterest expense, net of noncontrolling interests and SVB Leerink	**B**	**$ 779,134**	**$ 859,273**	**$1,009,842**	**$1,187,671**	**$ 626,164**
GAAP net interest income		$1,006,425	$1,150,523	$1,420,369	$1,893,988	$ 1,042,289
Adjustments for taxable equivalent basis		1,564	1,203	3,076	9,201	5,812
Non-GAAP taxable equivalent net interest income		$1,007,989	$1,151,726	$1,423,445	$1,903,189	$ 1,048,101
Less: income attributable to noncontrolling interests		8	66	33	30	27
Non-GAAP taxable equivalent net interest income, net of noncontrolling		$1,007,981	$1,151,660	$1,423,412	$1,903,159	$ 1,048,074
interests Less: net interest income attributable to SVB Leerink		—	—	—	—	684
Non-GAAP taxable equivalent net interest income, net of noncontrolling interests and SVB Leerink		$1,007,981	$1,151,660	$1,423,412	$1,903,159	$ 1,047,390
GAAP noninterest income		$ 472,794	$ 456,552	$ 557,231	$ 744,984	$ 614,126
Less: income attributable to noncontrolling interests		31,736	8,039	29,452	38,000	21,984
Non-GAAP noninterest income, net of noncontrolling interests		$ 441,058	$ 448,513	$ 527,779	$ 706,984	$ 592,142
Less: Non-GAAP net gains on investment securities, net of noncontrolling		89,445	51,740	64,603	88,094	54,692
interests Less: net gains on equity warrant assets		70,963	37,892	54,555	89,142	69,652
Less: investment banking revenue		—	—	—	—	98,489
Less: commissions		—	—	—	—	28,537
Non-GAAP noninterest income, net of noncontrolling interests and net of net gains on investments securities, net gains on equity warrants assets, investment banking revenue and commissions		$ 280,650	$ 358,881	$ 408,621	$ 529,748	$ 340,772
GAAP total revenue	**C**	**$1,479,219**	**$1,607,075**	**$1,977,600**	**$2,638,972**	**$ 1,656,415**
Non-GAAP taxable equivalent revenue, net of noncontrolling interests and SVB Leerink, net of net gains on investments securities, net gains on equity warrants assets, investment banking revenue and commissions	**D**	**$1,288,631**	**$1,510,541**	**$1,832,033**	**$2,432,907**	**$ 1,388,162**
GAAP operating efficiency ratio (A/C)		**52.73%**	**53.50%**	**51.11%**		**45.23%**
Non-GAAP core operating efficiency ratio (B/D)		**60.46%**	**45.02% 56.89% 48.82%**	**55.12%**		**45.11%**

* 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.



Meghan O'Leary
Head of Investor Relations

3005 Tasman Drive Santa Clara, CA 95054
T 408 654 6364 M 650 255 9934
moleary@svb.com

Find **SVB** on LinkedIn, Facebook and Twitter