

svb Financial Group

Q3 2019

Corporate Overview and Financial Results

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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, 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 without unreasonable effort due to the inability to provide a quantitative reconciliation to such measure.



Q3 2019
Financial Highlights

Q3 2019: Solid operating environment, effective execution and robust client acquisition drove strong results

Strong balance sheet growth and profitability

EPS:	Net Income:	ROE:
$5.15	**$267M**	**18%**
YTD EPS +27% vs. 2018	**YTD Net Income +24% vs. 2018**	**Strong profitability**

Q3'19 FINANCIAL HIGHLIGHTS

$7.4B
5.2% client funds growth (Average vs. Q2)

$0.4B
1.4% loan growth (Average vs. Q2)

-1.6%
Net interest income decrease due to lower rates and other items[1] (vs. Q2)

$53M
Warrant and investment gains net of NCI[2,3]

23%
Core fee income growth[2,4] (YoY)

Solid & stable
Credit quality

1. Balance sheet growth drove an additional +$12M of NII, offset by -$11M for lower rates and -$9M for other items; see slide 11 for more details
2. Non-GAAP financial measure. See "use of non-GAAP Financial Measures" in our earnings release
3. Net gains on investment securities for Q3'19 were $29.8M
4. Excludes investment banking and commissions revenue

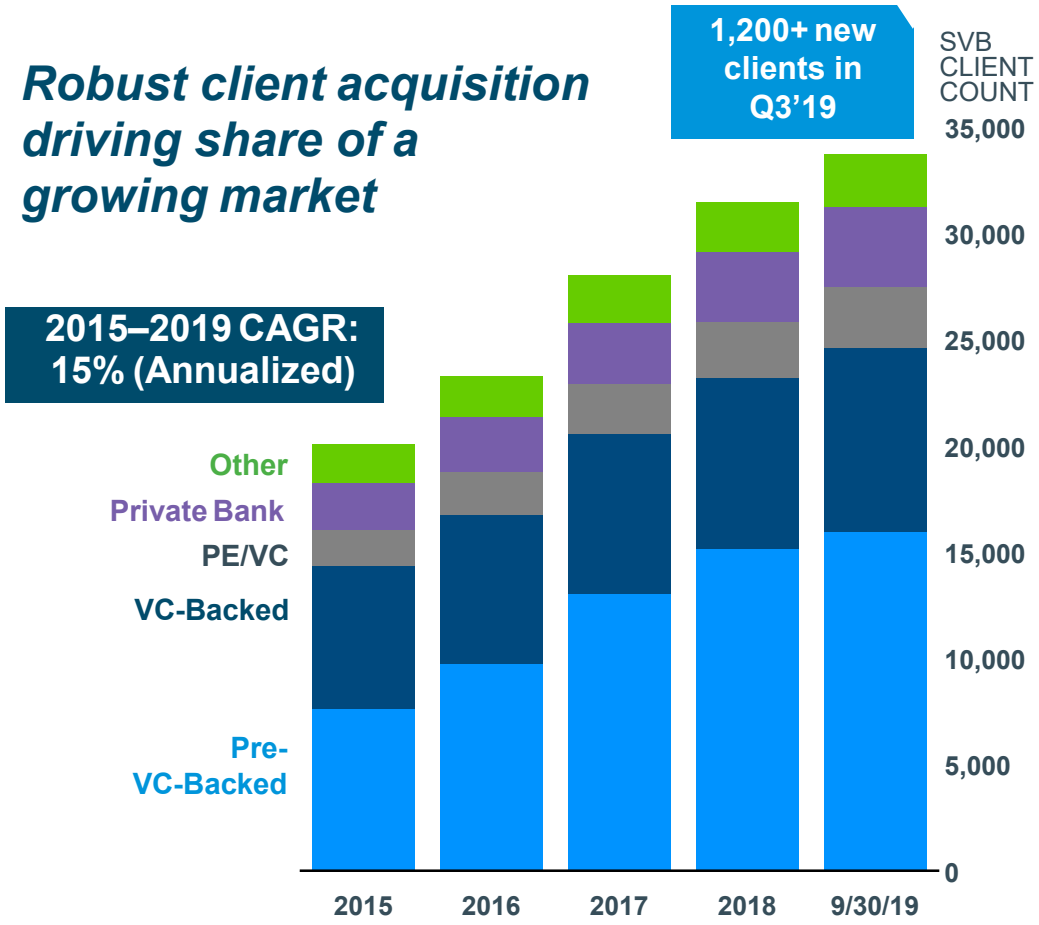
Q3'19 themes: strong performance and markets, effective execution and positive outlook

1. Healthy markets, robust client liquidity and strong execution fueling growth in our core business globally
2. Achieved target of 10% NII sensitivity[1]
3. Strong, sustained core fee income growth; solid warrant and investment securities gains
4. Continued stable credit and improving risk profile
5. Strong liquidity and capital provide flexibility; new $350 million share repurchase authorization[2]
6. Positive preliminary 2020 expectations with continued investment to drive growth

1) Estimated 12 month decline in net interest income on our static balance sheet based on a 100 bps parallel shift downward of the yield curve, all as of 9/30/19
2) Effective for 12 months

Healthy markets and strong execution continue to fuel growth in core business

Robust client acquisition driving share of a growing market



VC/PE investment driving client liquidity

- 2019 VC investment of $97B on track to easily exceed $100B for second successive year
- Continued trend toward fewer and larger VC investments
- 2019 PE investment consistent with strong 2018

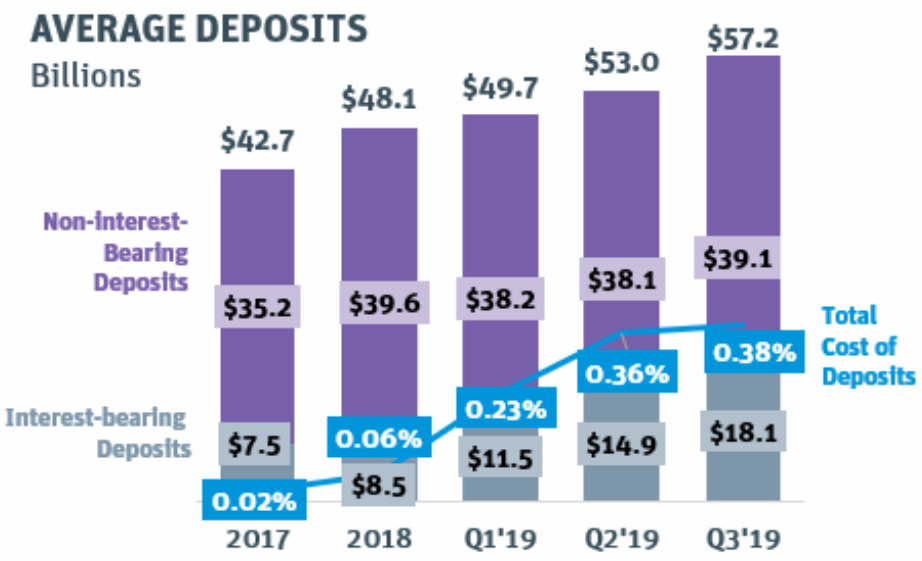
Record VC-backed exit values

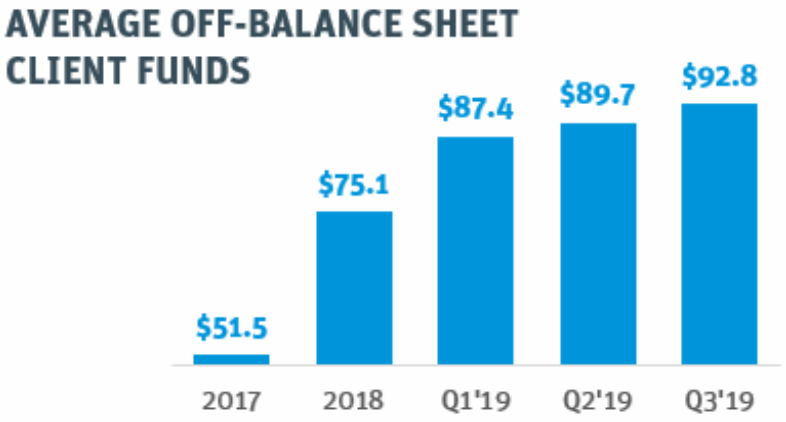
- YTD 2019 exit values exceeded $200B for the first time in a decade, driven by robust IPO market
- SVB clients have represented 70% of US VC-backed Technology and Life Science IPOs YTD

Continued robust VC/PE activity, strong client funnel and acquisition, although competition remains intense

Source for VC and PE data: Pitchbook-NVCA 3Q 2019 Venture Monitor, Pitchbook 3Q 2019 US PE Breakdown and company data

Robust client liquidity drove Q3'19 average total client funds growth of 5% to $150 billion





Strong Q3'19 deposit growth of 8% ($4.2B)

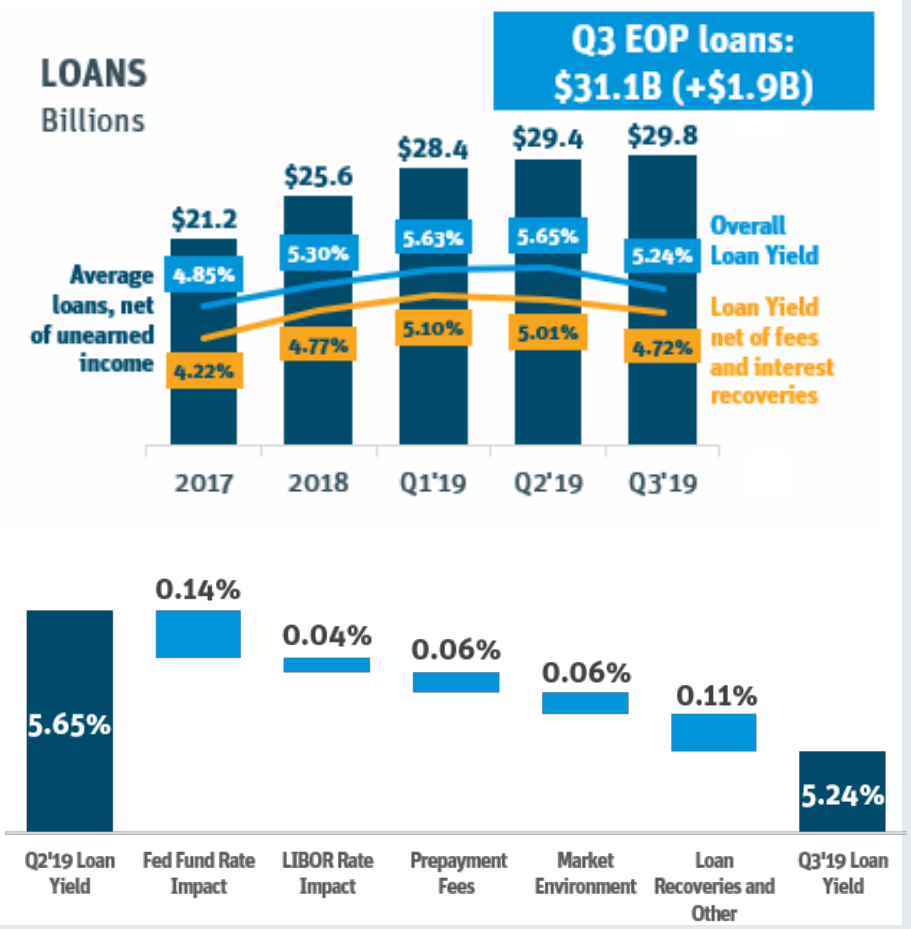
- $1.0B of growth in non-interest-bearing deposits
- Deposit growth primarily driven by equity funding activity for our technology banking clients
- Deposit beta in line with our expectations, but impact to interest-bearing deposits was partially offset by strong growth

Healthy Q3'19 off-balance sheet client funds growth of 3.5% ($3.1B)

- Maintained off-balance sheet client funds margin at 20 bps through two rate cuts
- We expect 1 bps decline with each future 25 bps Fed Funds cut

Period-end total client funds growth of 6% to $156 billion

Loans on track for full-year outlook of mid-teens growth



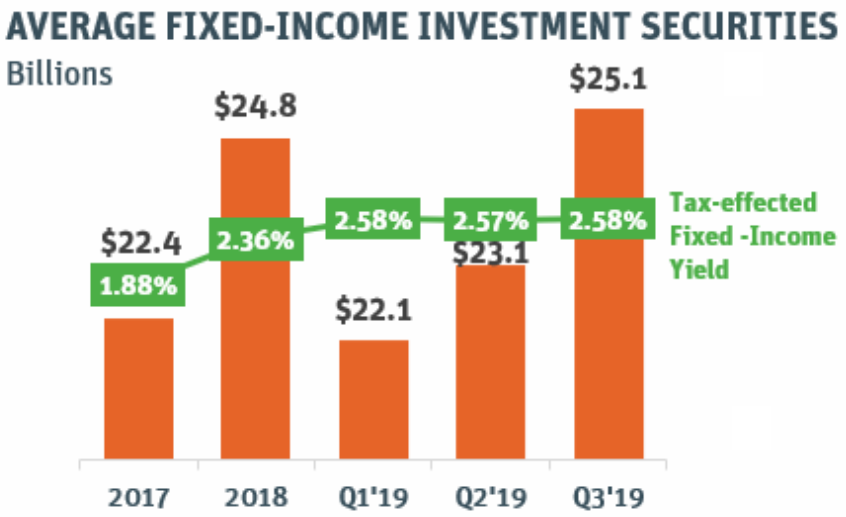
Loan growth in line with FY 2019 forecast

- Q3'19 loan growth weighted toward quarter end
- Growth primarily from Private Equity capital call lending and Private Bank
- Strong equity funding environment and out continued credit discipline have been an ongoing headwind for Technology Banking loan growth

Q3 loan margin declines driven by rate headwinds, lower prepayment fees and recoveries vs. Q2, and market environment

Loan growth and pipeline remain healthy with strong momentum going into Q4

Strong growth in fixed-income securities portfolio; yields holding steady



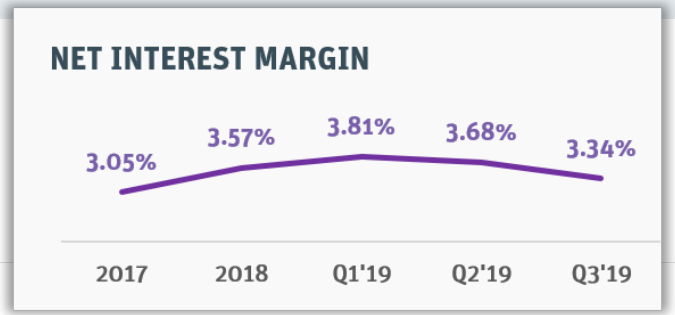
Fixed income yields flat in Q3; new purchase yields accretive to NII and driving lower asset sensitivity

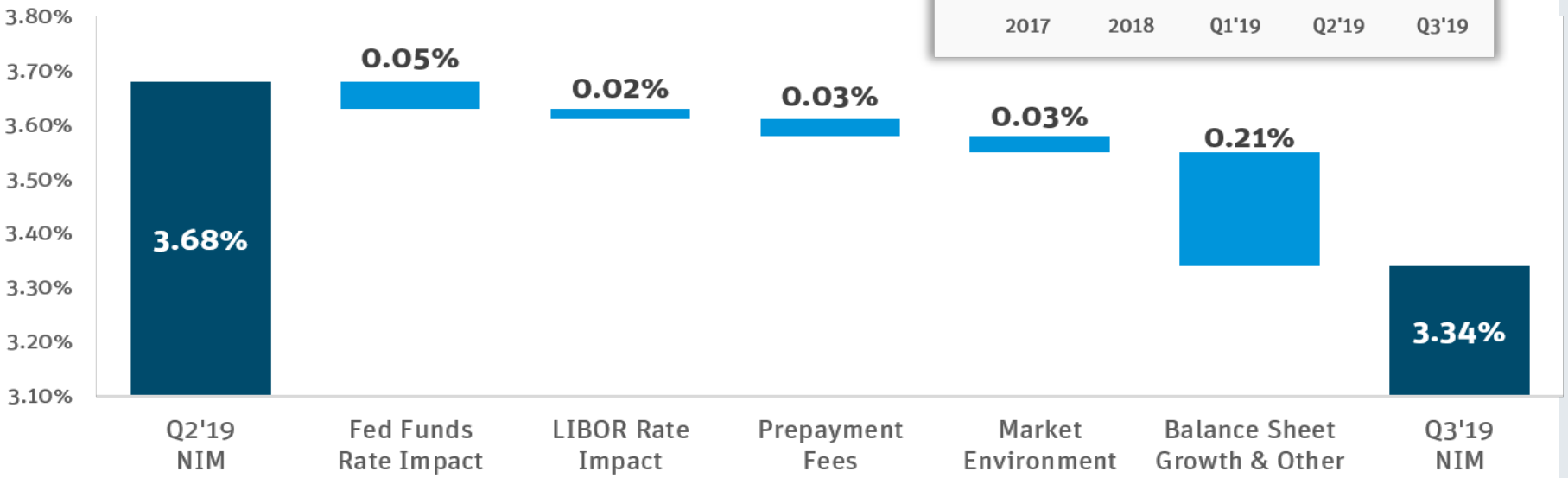
- Purchases of $5.4B at yields of 2.43%, the same as yields for bonds that matured in the quarter
- Purchases at 6.4 year life, with 5.4 years duration
- Impact of lower rates decreased duration of securities portfolio slightly to 3.4 years
- Unrealized gain on fixed-income securities approaching $460M as of 9/30/19

We expect total securities yields to remain stable through end of 2019

Q3'19 NIM compression primarily driven by strong balance sheet growth

Short-term rate decreases accounted for 7 basis points of NIM compression during the quarter





- Q4 NIM expected to be 3.25%–3.30% with stable rates (or 3.20%–3.25% with the October and December rate cuts implied by the forward curve as of 10/24/19)
- 2019 net interest income outlook lowered to low double digits, in line with previous guidance on impact of rate cuts

We reduced NII sensitivity to our ~10% target

MODEL SENSITIVITY*

Static Balance Sheet

$50M (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

$35-$45M (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
- $4.0B of notional outstandings, up from $1.2B at the end of Q2

Deposit Price Strategy

- Adapting to declining market rates (deposit beta)
- Lower rate deposit beta of 50%-70%

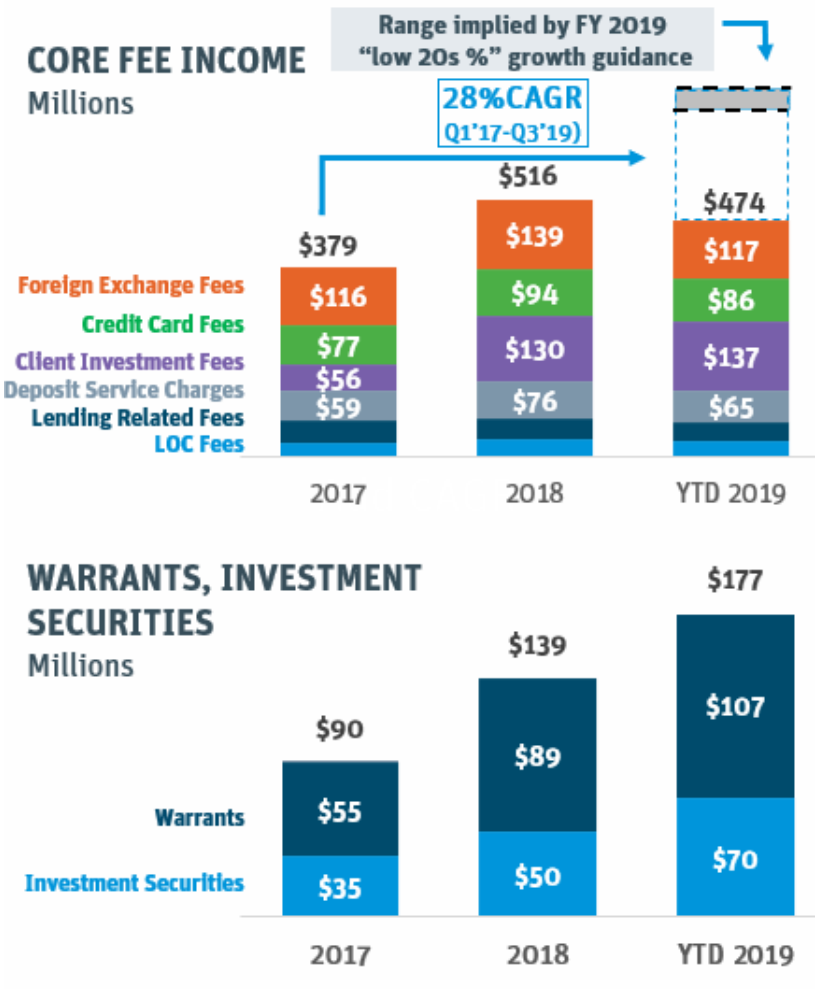
Other Strategies

- Added $5.4B of fixed income securities in Q3, average 6 years in maturity
- $1.2B of loan portfolio includes active loan floors through 2020

With the two 25 bps Fed Funds rate decreases implied by the Forward Curve as of 10/24/19, we would expect 2019 full-year NII growth to be in the low double digits and NIM to be between 3.50% and 3.60%, likely at the bottom of each of those ranges

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 September 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 competition; fluctuating business conditions and impact of strategies taken by management to mitigate these risks.

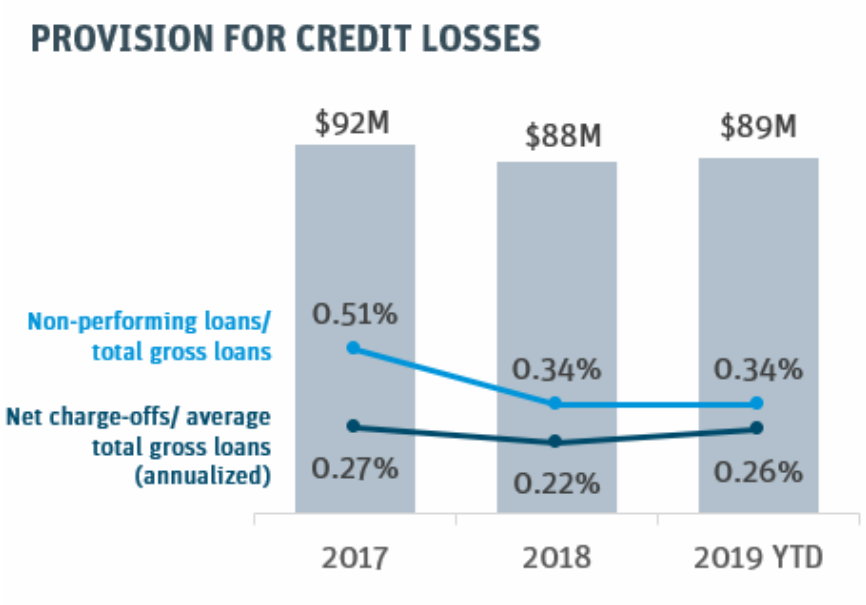
Strong core fee income growth; solid warrant and investment securities gains



Accelerating non-interest income growth provides an offset to lower rate environment

- Core fee income growth remains strong
  - Q3'19 growth of 3.1% to $162.2M driven by strong FX and Card volumes and higher client fund balances
- Strong Q3'19 warrant and investment securities gains of $53M from exits and funding events
  - YTD gains of $177M have already surpassed full year 2018 gains
- Slower SVB Leerink revenues
  - Fees and commissions of $51M in Q3'19 following outstanding Q2'19
  - Adjusting expectations for 2019 from lower M&A transaction revenue
  - Continued strong growth in market and solid market share

Credit remains stable with solid underlying trends; CECL adoption preliminary estimates



Growth in Private Equity capital call lines and Private Bank (now 63% of loan portfolio) continues to improve the risk profile of our loan portfolio

Day 1 Estimated CECL Impact (January 2020)

- Estimated increase in funded and unfunded credit commitment reserves of 7%-16% ($25-$60M pre-tax*) over current levels will be recorded to equity
- Estimated adoption adjustment driven by longer forecast horizon due to longer maturities of our technology and life science portfolios
- Partially offset by lower risk, shorter duration of Private Equity capital call lines
- Increased volatility in reserves expected going forward, depending on economic conditions and forecasts

* Preliminary estimate based on September 30, 2019 funded/unfunded credit portfolio; subject to change upon finalization of management's analyses

Levers to drive profitable growth in a changing rate environment

Leveraging Investments in Growth

- Continued investment in geographic expansion
- Enhancement of digital experience to drive client acquisition and deepen relationships
- Diversification of business (investment banking, private banking, wealth management)

+

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 and drive investment in our business in a lower rate environment

2019 full-year outlook[1]

Business Driver	2019 Full Year Outlook vs. 2018 Full Year Results (10/24/19)	Change from 7/25/19
Average loans	Increase at a percentage rate in the mid teens	No change
Average deposits	Increase at a percentage rate in the low teens	**Outlook increased** to low teens from previous outlook of low double digits
Net interest income	Increase at a percentage rate in the low double digits	**Outlook decreased** to low double digits from previous outlook of low teens
Net interest margin	Between 3.50% and 3.60%	**Outlook decreased** to between 3.50% and 3.60% from previous outlook of between 3.60% and 3.70%
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 average 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		
Core fee income with investment banking activities[2,3]	Increase at a percentage rate in the high sixties	**Outlook decreased** to high sixties from previous outlook of low seventies
Non-interest expense with investment banking activities[2,3]	Increase at a percentage rate in the mid thirties	No change

1. Outlook assumes no future changes to Fed Funds rate.
2. Non-GAAP measure.
3. Current outlook for full year 2019 compared to 2018, including expected results of SVB Leerink reflective of the completed acquisition on January 4, 2019. Changes in outlook driven by lower investment banking revenues in Q3.

2020 Preliminary full-year outlook[1]

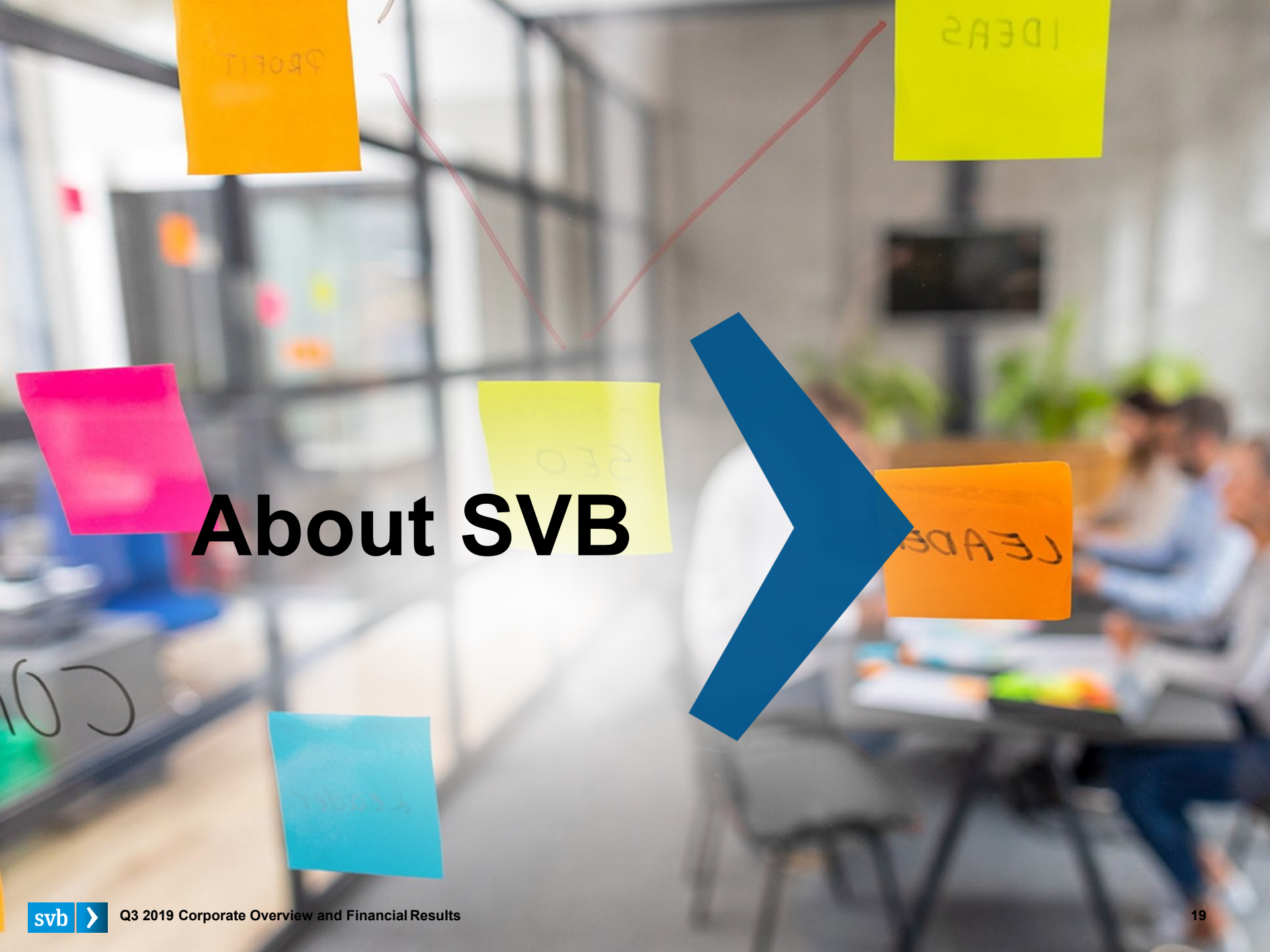
Business Driver	2020 Full Year Outlook vs. 2019 Full Year Outlook (10/24/19)
Average loans	Increase at a percentage rate in the low teens
Average deposits	Increase at a percentage rate in the low double digits
Net interest income	Increase at a percentage rate in the low single digits
Net interest margin	Between 3.20% and 3.30%
Net loan charge-offs	Between 0.20% and 0.40% of avg. total gross loans
Core fee income[2]	Increase at a percentage rate in the low teens
Non-interest expense (excluding expenses related to non-controlling interests)[2]	Increase at a percentage rate in the high single digits
Current full year 2020 outlook compared to 2019 full year outlook, including expected results of SVB Leerink	
Core fee income with investment banking activities[2]	Increase at a percentage rate in the low teens
Non-interest expense with investment banking activities[2]	Increase at a percentage rate in the high single digits

With the two 25 bps Fed Funds rate decreases implied by the Forward Curve as of 10/24/19, we would expect 2020 full-year NII to be comparable to 2019 and NIM to be between 3.10% and 3.20%.

1. As of 10/24/2019; compared to 2019 full year outlook; assumes no future changes to Fed Funds rate; please see our most recent earnings release for complete information on management's assumptions and forecasts regarding this outlook.
2. Non-GAAP measure.

What we're watching

CONCERN	*OUR PERSPECTIVE*
Impact of Interest Rate Declines	**We have reduced our asset sensitivity to our target ~10%; we have flexibility on costs to manage profitability**
Competition	**We believe our access, networks and insights will continue to differentiate us, while our investments in products and capabilities will strengthen our competitive position globally**
Credit	**We have the lowest risk loan portfolio in our history with low-credit-content capital call and mortgage lending representing 63% of all loans**


About SVB

SVB: a unique financial services company

More than 35 years of focus on innovation companies, investors and influencers

Robust client funds franchise

Strong market position

Diversified revenue

Global presence

$65B assets

$30B loans

$150B total client funds

Average balances for Q3'19

We serve the global Innovation Economy

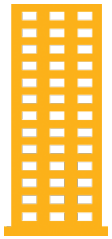
Technology + Life Science & Healthcare



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

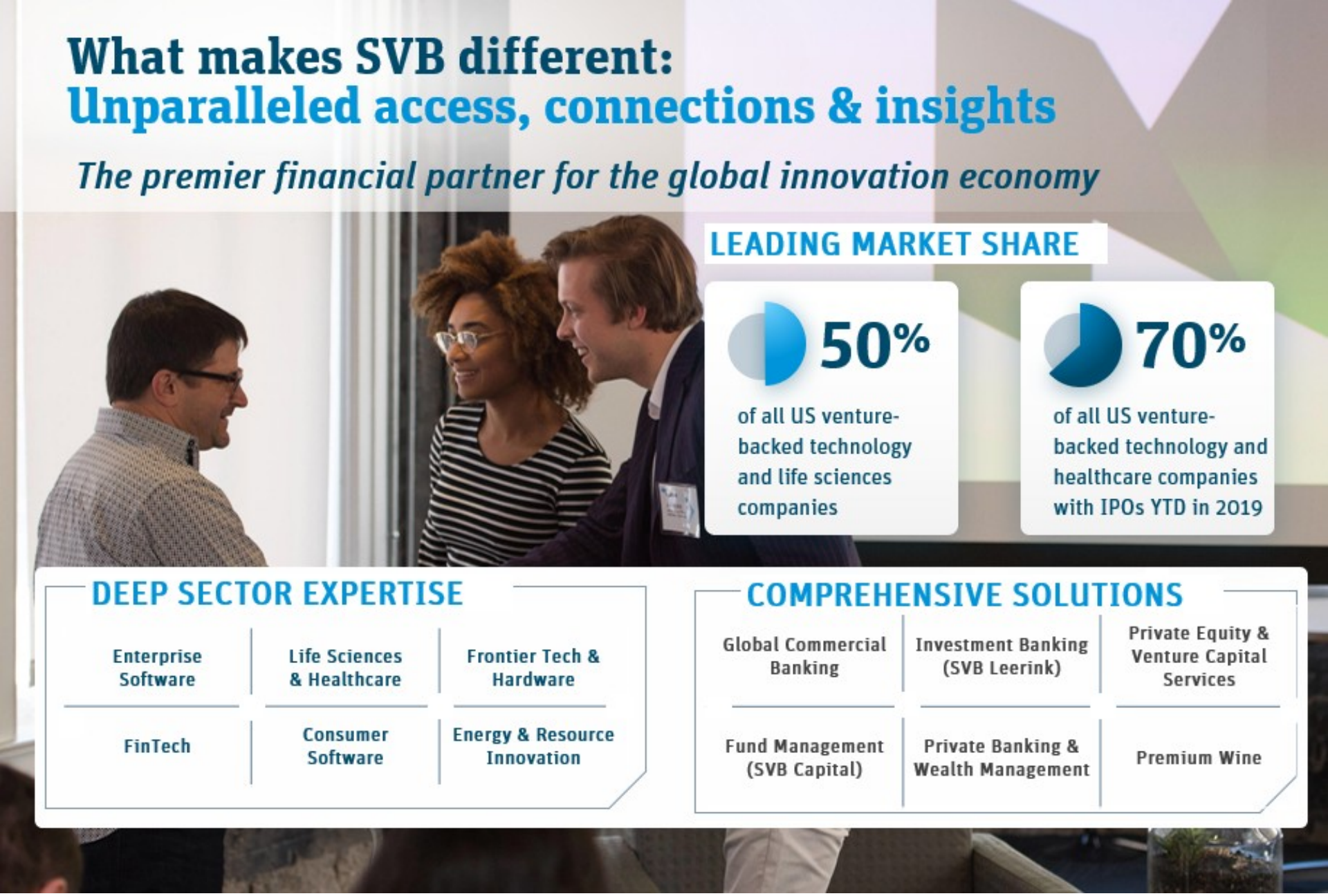
SVB Capital
Private venture investing expertise, oversight and fund management

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

What makes SVB different:
Unparalleled access, connections & insights

The premier financial partner for the global innovation economy



LEADING MARKET SHARE

50%

of all US venture-backed technology and life sciences companies

70%

of all US venture-backed technology and healthcare companies with IPOs YTD in 2019

DEEP SECTOR EXPERTISE

Enterprise Software	Life Sciences & Healthcare	Frontier Tech & Hardware
FinTech	Consumer Software	Energy & Resource Innovation

COMPREHENSIVE SOLUTIONS

Global Commercial Banking	Investment Banking (SVB Leerink)	Private Equity & Venture Capital Services
Fund Management (SVB Capital)	Private Banking & Wealth Management	Premium Wine

The power of the SVB platform

MISSION

Increase our clients' probability of success



VALUES

We start with EMPATHY for others.
We speak and act with INTEGRITY.
We embrace DIVERSE perspectives.
We take RESPONSIBILITY.
We keep LEARNING AND 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 and Enablement
Strengthen Risk Management
Drive Business Unit Growth
Propel Business Transformation

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

A strong, seasoned management team

- Average tenure of 14 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
27 years at SVB



Marc Cadieux
CHIEF CREDIT OFFICER
27 years at SVB



John China
PRESIDENT OF SVB CAPITAL
24 years at SVB



Phil Cox
CHIEF OPERATIONS OFFICER
10 years at SVB



Mike Descheneaux
PRESIDENT
SILICON VALVEY BANK
14 years at SVB



Michelle Draper
CHIEF MARKETING OFFICER
6 years at SVB



Chris Edmonds-Waters
CHIEF HUMAN RESOURCES OFFICER
16 years at SVB



Laura Izurieta
CHIEF RISK OFFICER
3 years at SVB

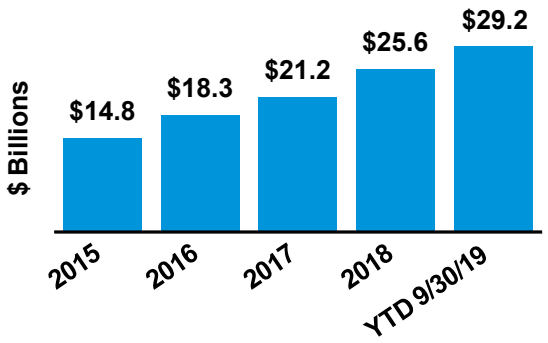


Michael Zuckert
GENERAL COUNSEL
6 years at SVB

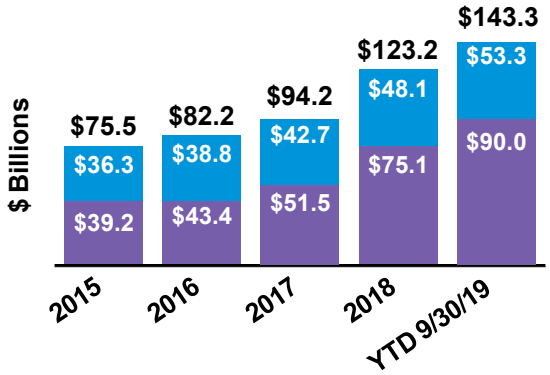

Overview of Results

Key performance indicators

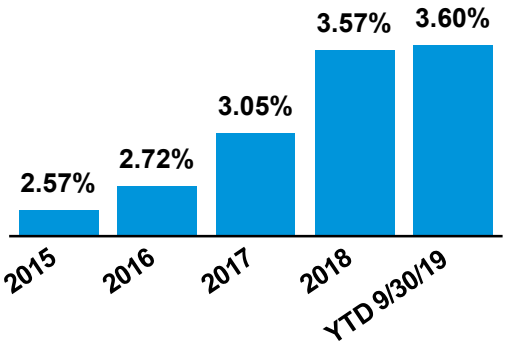
Average Loans, net of unearned income



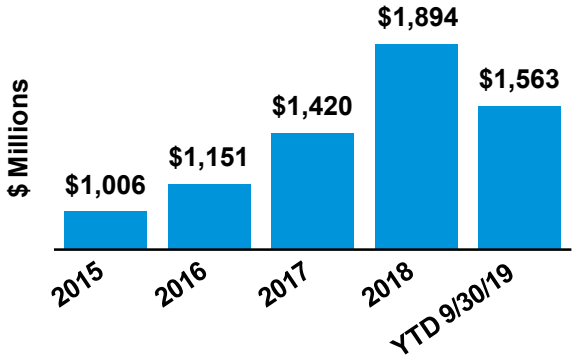
Average Total Client Funds



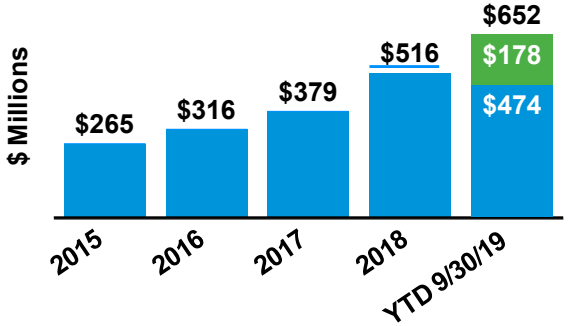
Net Interest Margin



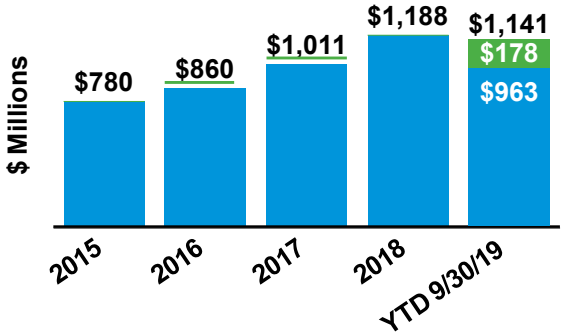
Net Interest Income



Core Fees



Noninterest Expense



Quarterly highlights

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
Diluted earnings per share	**$5.10**	**$4.96**	**$5.44**	**$6.08**	**$5.15**
Net income available to common stockholders	**$274.8M**	**$266.3M**	**$288.7M**	**$318.0M**	**$267.3M**
Average assets	**$56.5B**	**$57.6B**	**$57.5B**	**$60.7B**	**$65.3B**
Change	***3.9%***	***1.9%***	***(0.2)%***	***5.5%***	***7.6%***
Average loans	**$26.3B**	**$27.5B**	**$28.4B**	**$29.4B**	**$29.8B**
Change	***5.9%***	***4.4%***	***3.3%***	***3.6%***	***1.4%***
Average deposits	**$49.1B**	**$49.1B**	**$49.7B**	**$53.0B**	**$57.2B**
Change	***2.3%***	***—%***	***1.3%***	***6.5%***	***8.1%***
Average off-balance sheet client investment funds	**$79.6B**	**$85.0B**	**$87.4B**	**$89.7B**	**$92.8B**
Change	***11.6%***	***6.9%***	***2.8%***	***2.6%***	***3.5%***
Average fixed income securities	**$25.5B**	**$24.5B**	**$22.1B**	**$23.1B**	**$25.1B**
Net interest margin	**3.62%**	**3.69%**	**3.81%**	**3.68%**	**3.34%**
Net interest income	**$493.2M**	**$514.5M**	**$512.9M**	**$529.4M**	**$520.6M**
GAAP non-interest income	**$210.1M**	**$186.7M**	**$280.4M**	**$333.8M**	**$294.0M**
Non-GAAP non-interest income, net of non-controlling interests[1]	**$203.4M**	**$177.9M**	**$277.1M**	**$315.0M**	**$279.4M**
Non-interest expense	**$309.4M**	**$307.6M**	**$365.7M**	**$383.5M**	**$391.3M**
Net charge-offs / Average total gross loans (annualized)	**0.30%**	**0.20%**	**0.11%**	**0.23%**	**0.44%**
Effective tax rate[2]	**25.75%**	**28.28%**	**27.12%**	**27.25%**	**28.22%**
Return on average SVBFG stockholders' equity (annualized)	**22.46%**	**20.61%**	**22.16%**	**23.29%**	**18.27%**
Return on average assets (annualized)	**1.93%**	**1.83%**	**2.04%**	**2.10%**	**1.62%**

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 9/30/19
Diluted earnings per share	$6.62	$7.31	$9.20	$18.11	$16.67
Net income available to common stockholders	$343.9M	$382.7M	$490.5M	$973.8M	$874.0M
Average assets	$40.8B	$44.0B	$48.4B	$55.2B	$61.2B
Change	*23.9%*	*7.7%*	*10.0%*	*14.2%*	*10.8%*
Average loans	$14.8B	$18.3B	$21.2B	$25.6B	$29.2B
Change	*28.3%*	*23.8%*	*15.7%*	*21.1%*	*14.0%*
Average deposits	$36.3B	$38.8B	$42.7B	$48.1B	$53.3B
Change	*28.2%*	*6.8%*	*10.3%*	*12.5%*	*10.9%*
Average off-balance sheet client investment funds	$39.2B	$43.4B	$51.5B	$75.1B	$90.0B
Change	*30.6%*	*10.5%*	*18.8%*	*45.7%*	*19.8%*
Average fixed-income securities	$22.3B	$21.5B	$22.4B	$24.8B	$23.5B
Net interest margin	2.57%	2.72%	3.05%	3.57%	3.60%
Net interest income	$1,006.4M	$1,150.5M	$1,420.4M	$1,894.0M	$1,562.9M
GAAP non-interest income	$472.8M	$456.6M	$557.2M	$745.0M	$908.1M
Non-GAAP non-interest income, net of non-controlling interests[1]	$441.1M	$448.5M	$527.8M	$707.0M	$871.6M
Non-interest expense	$780.0M	$859.8M	$1,010.7M	$1,188.2M	$1,140.5M
GAAP operating efficiency ratio	53.50%	51.11%	45.02%	45.02%	46.15%
Net charge-offs / Average total gross loans	0.30%	0.46%	0.27%	0.22%	0.26%
Effective tax rate[2]	39.95%	39.55%	42.02%	26.52%	27.51%
Return on average SVBFG stockholders' equity	11.18%	10.90%	12.38%	20.57%	21.16%
Return on average assets	0.84%	0.87%	1.01%	1.76%	1.91%

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.

Long-term financial objectives[1,2]

Strong, sustainable, smart growth

ROE ~15% in a *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%

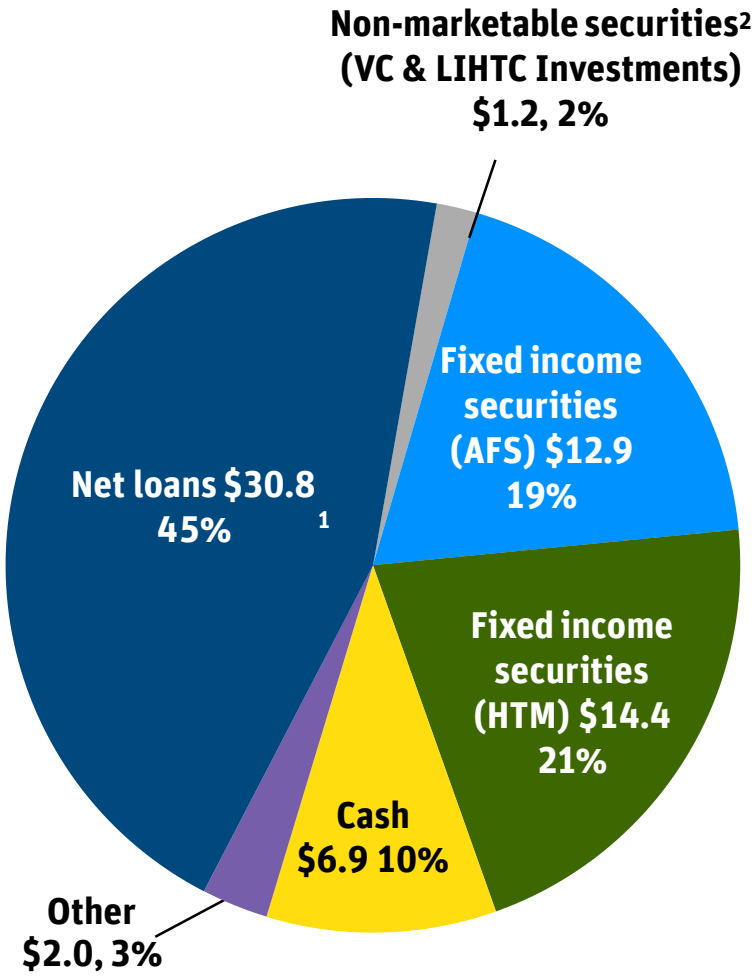
1. Excludes impact of SVB Leerink revenue and expense
2. Normalized rate environment represents Fed Funds rate above 2.5%, low rate environment represents Fed Funds at or below 2.5%
3. Non-GAAP measure



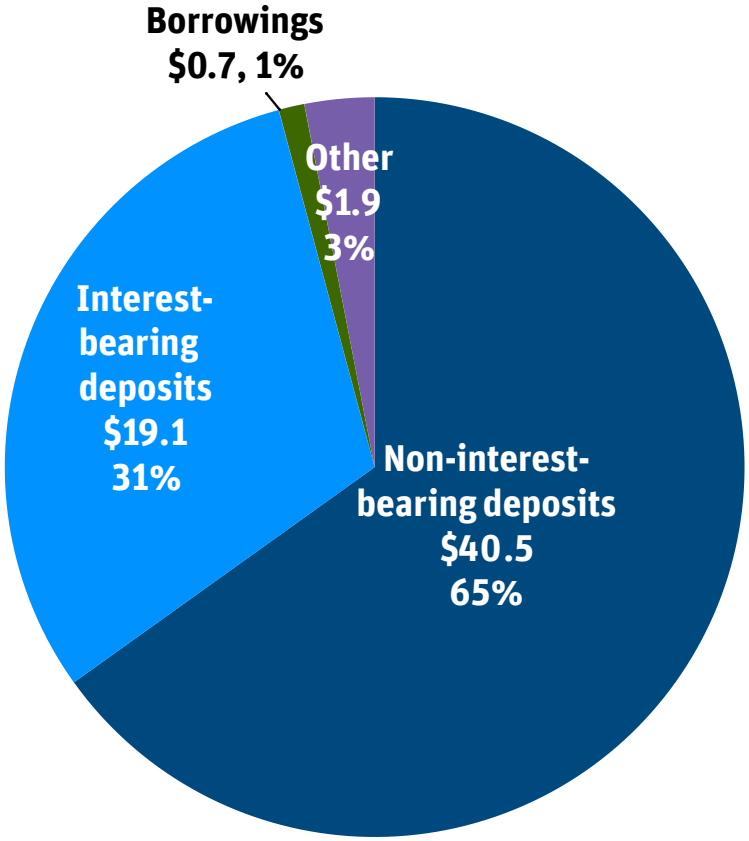
Financial Performance (Balance Sheet)

A high quality balance sheet

At 9/30/2019



Period-end assets: $68.2B

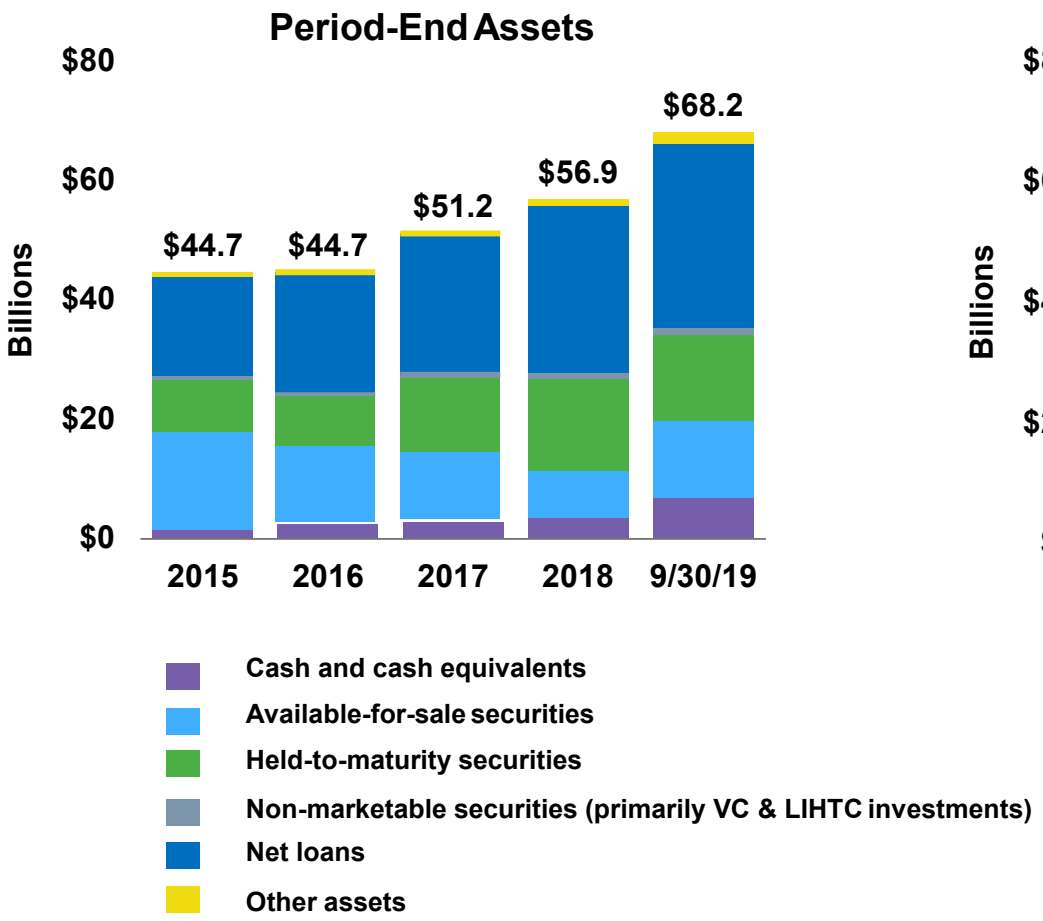


Period-end liabilities: $62.2B

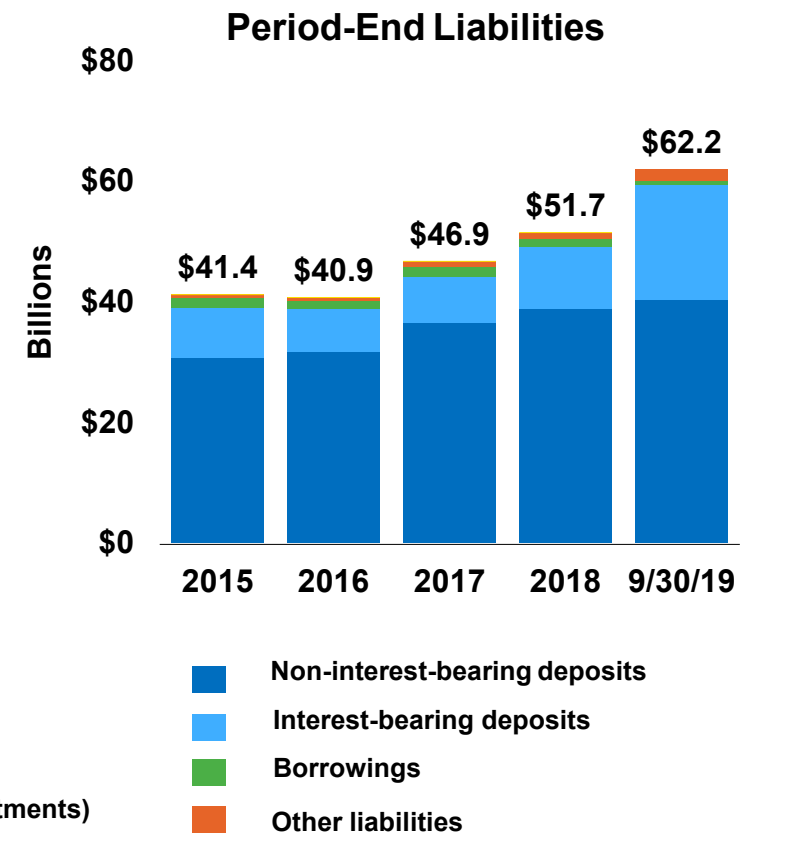
1. Net loans represents gross loans net of the allowance for loan losses and unearned interest income. Gross loans at 9/30/2019 were $31.2B
2. Non-marketable securities net of non-controlling interests were $1 billion. Please see non-GAAP reconciliations at end of this presentation for more information.

Robust balance sheet growth

Strong growth in loans and securities



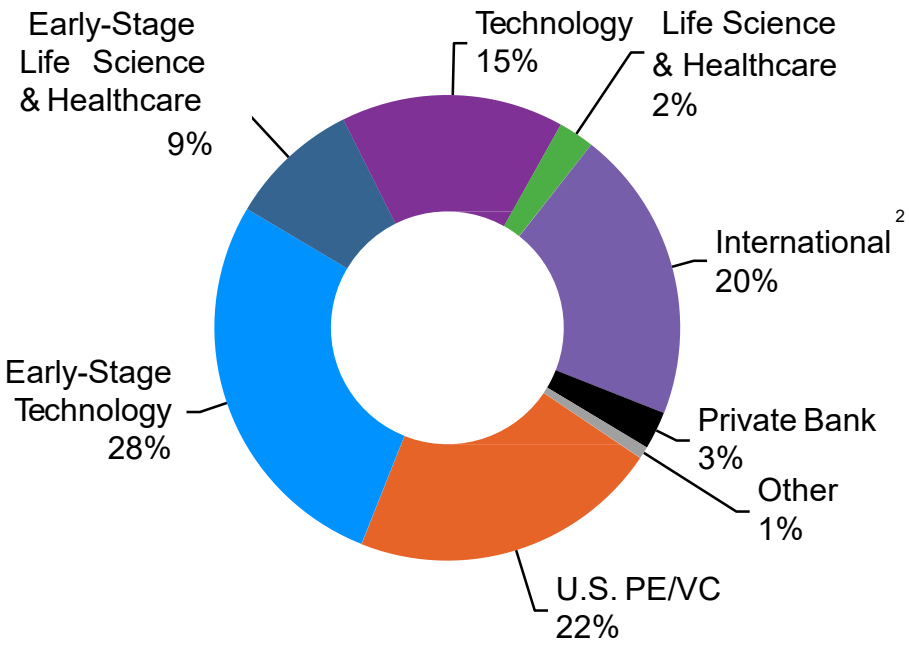
Non-interest-bearing deposits 68% of total deposits



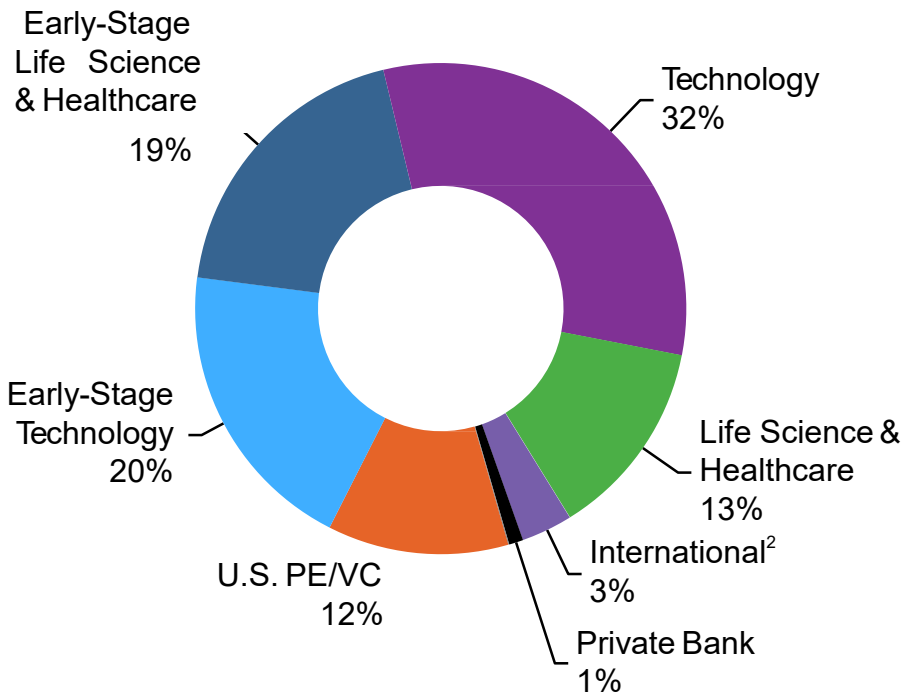
Total Client Funds Contributions by Niche[1]

At 9/30/2019

Deposits



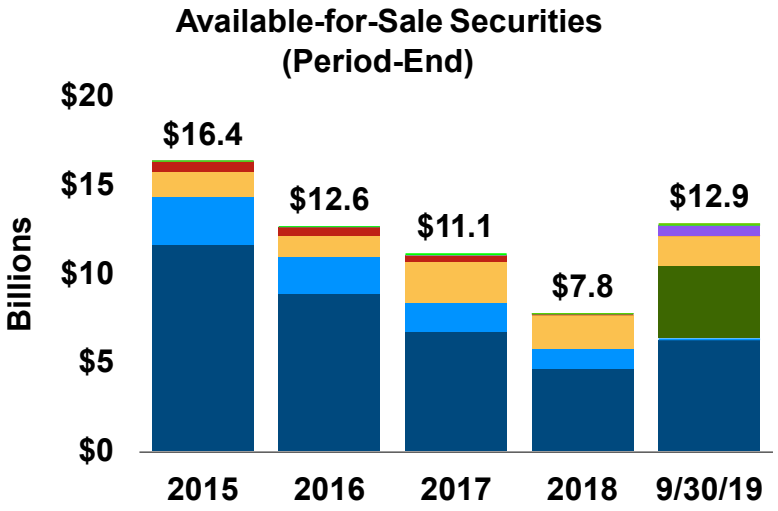
Off-Balance Sheet Client Investment Funds

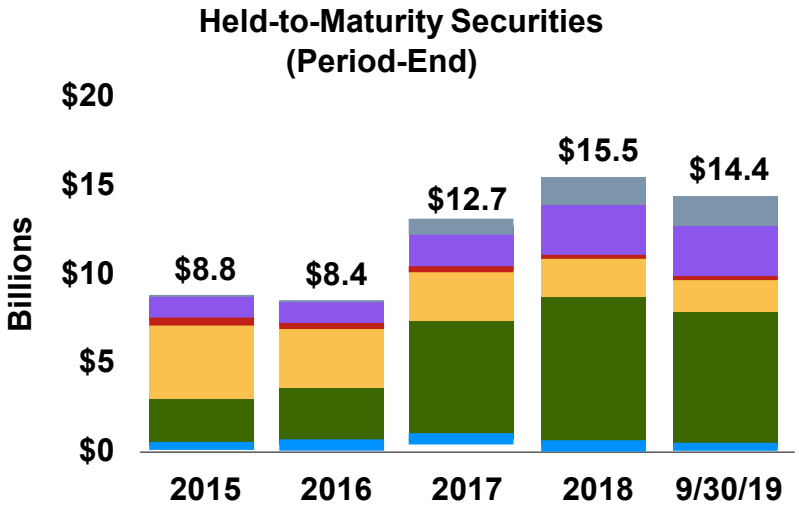


1. Deposit and off-balance sheet client investment funds balances by portfolio is a management view of client niches.
2. International balances is a management view of client niches and does not tie to regulatory definitions for foreign exposure. International balances include clients across all client niches and life-stages, with International PE/VC representing 7% of total deposits and 2% of off-balance sheet client investment funds.

Q3'19: A high-quality investment portfolio

- Liquid, primarily fixed-income portfolio, with a duration of 3.4 years
- U.S. Treasuries make up 23% of investment portfolio

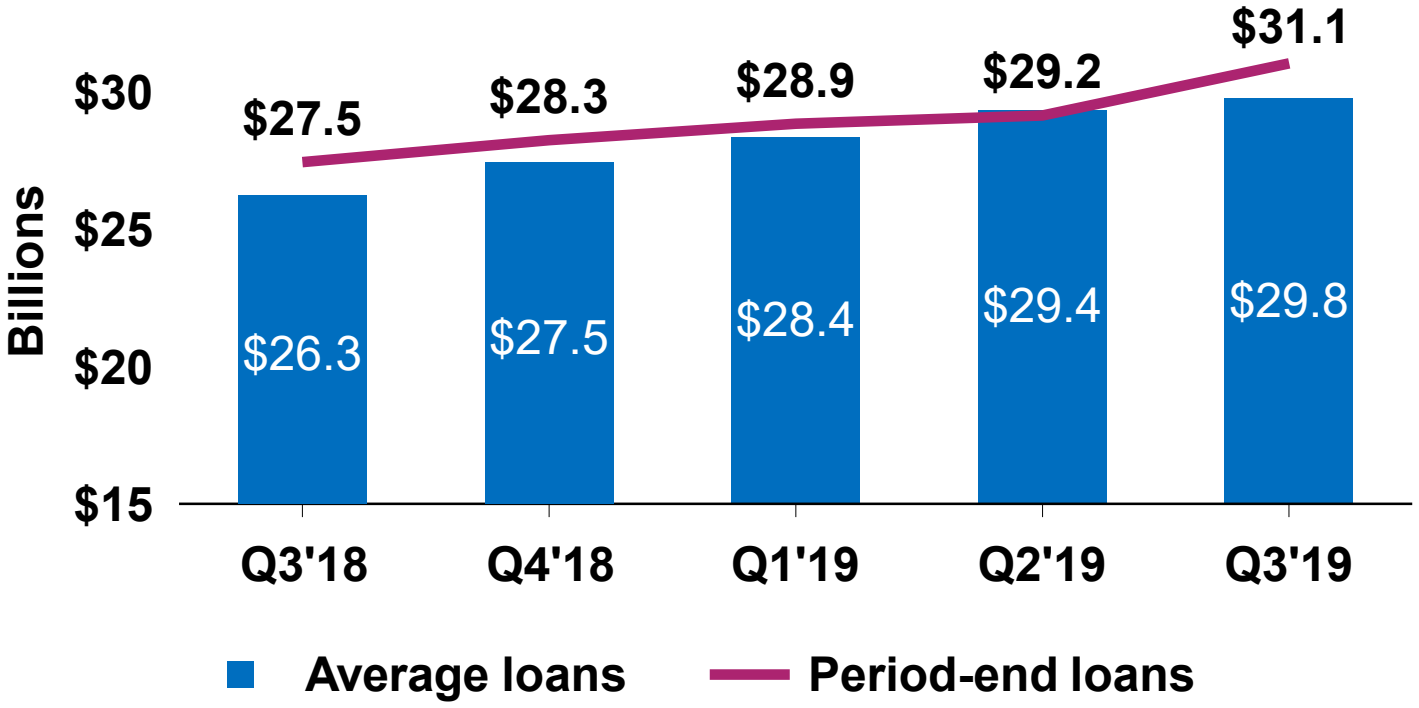




- U.S. Treasury securities
- U.S. agency debentures
- Agency-issued collateralized residential mortgage-backed securities – fixed rate
- Agency-issued collateralized residential mortgage-backed securities – variable rate
- Agency-issued residential mortgage-backed securities
- Municipal bonds and notes
- Agency-issued commercial mortgage-backed securities

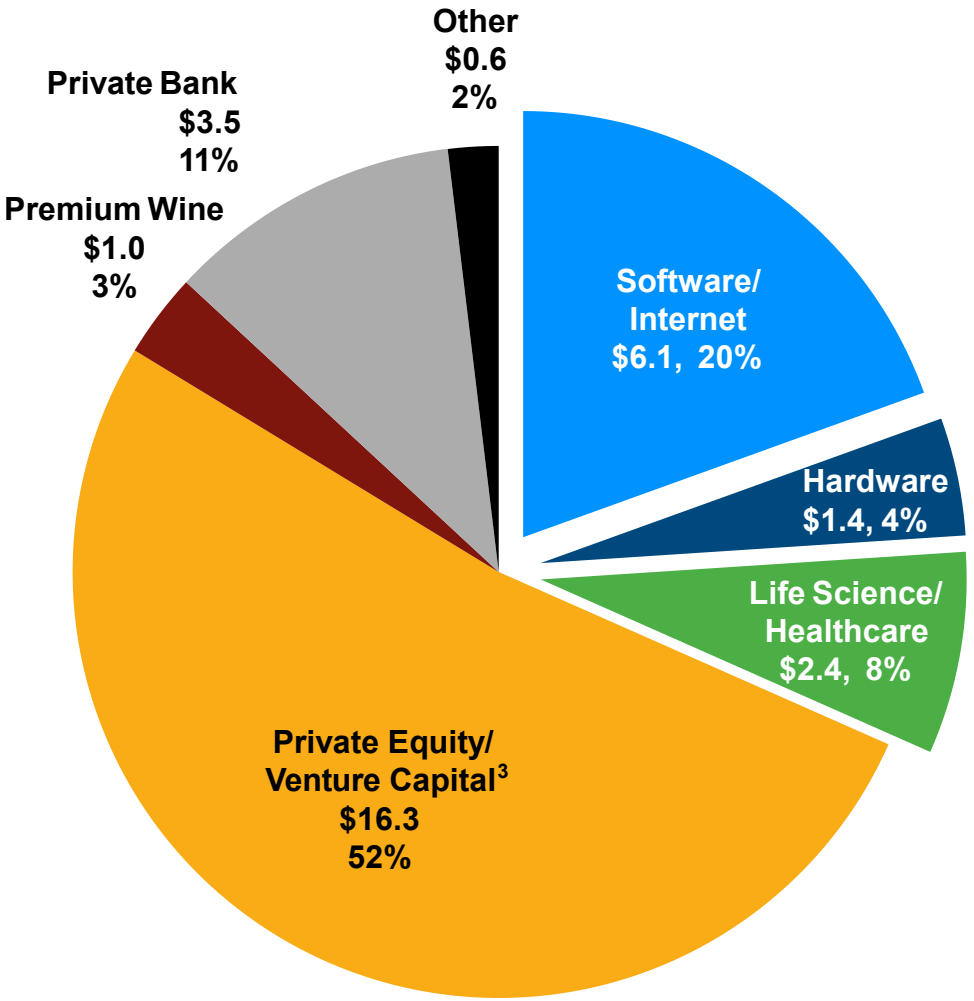
Q3'19: average loans grew 1.4%

Growth driven primarily by Private Equity capital call and Private Bank mortgage lending



A diversified loan portfolio (as of 9/30/2019)

Gross Loans: $31.2 billion[1,2]



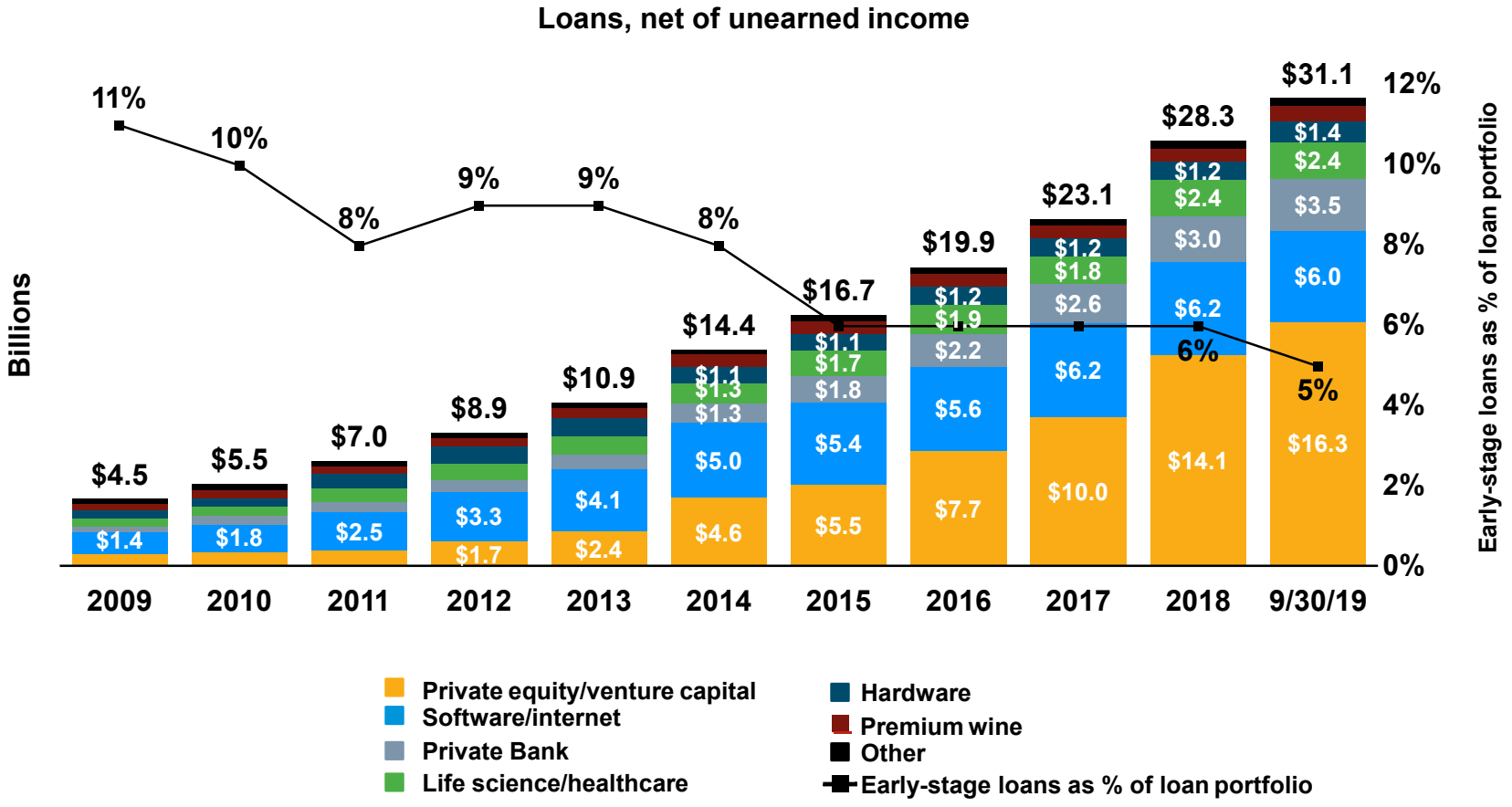
Technology and Life Science/Healthcare Only $9.9 billion (32% of Gross Loans)

Early Stage $1.6 (5%)	Investor-dependent 1 Revenue: $0-$5M
Non-Early Stage $1.9 (6%)	Investor-dependent 2 Revenue >$5M
Balance Sheet $2.4 (8%)	Balance-sheet dependent covered by current assets; $0.8B is asset-based lending
Sponsored Buyout $1.9 (6%)	Cash flow dependent 1
Other $2.1 (7%)	Cash flow dependent 2 Cash flow and hybrid

1. As of 9/30/2019; 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

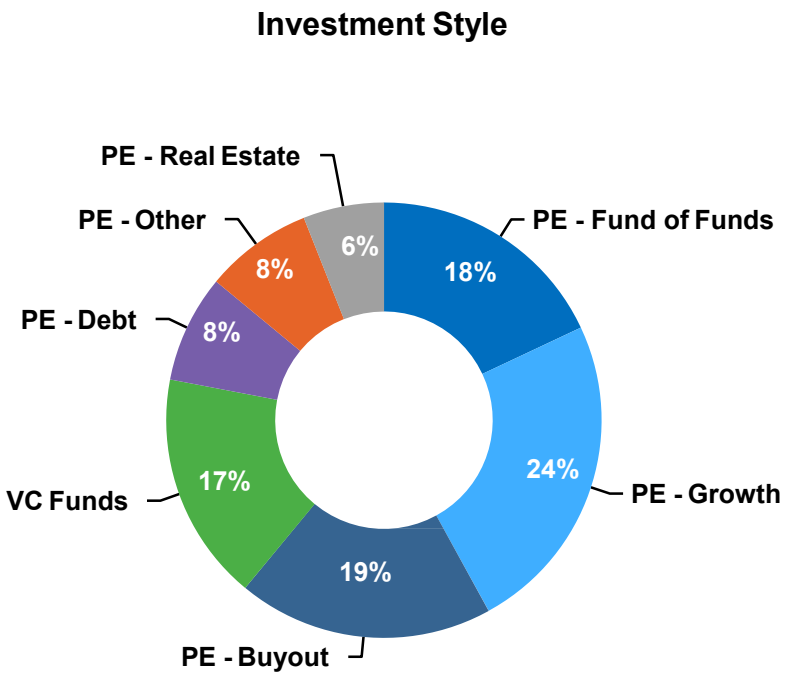
- Private Equity capital call lending has driven the majority of recent growth
- This portfolio has historically been characterized by lower relative yields and exceptional credit quality

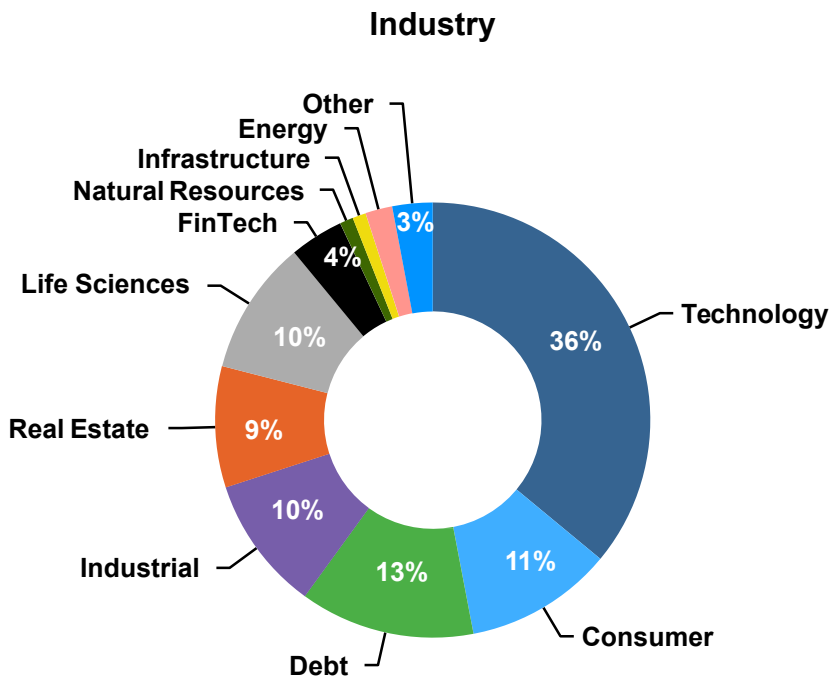


Private Equity capital call lines: High growth, diversification, low credit risk

- High-quality, strong underwriting
- Strong secondary markets

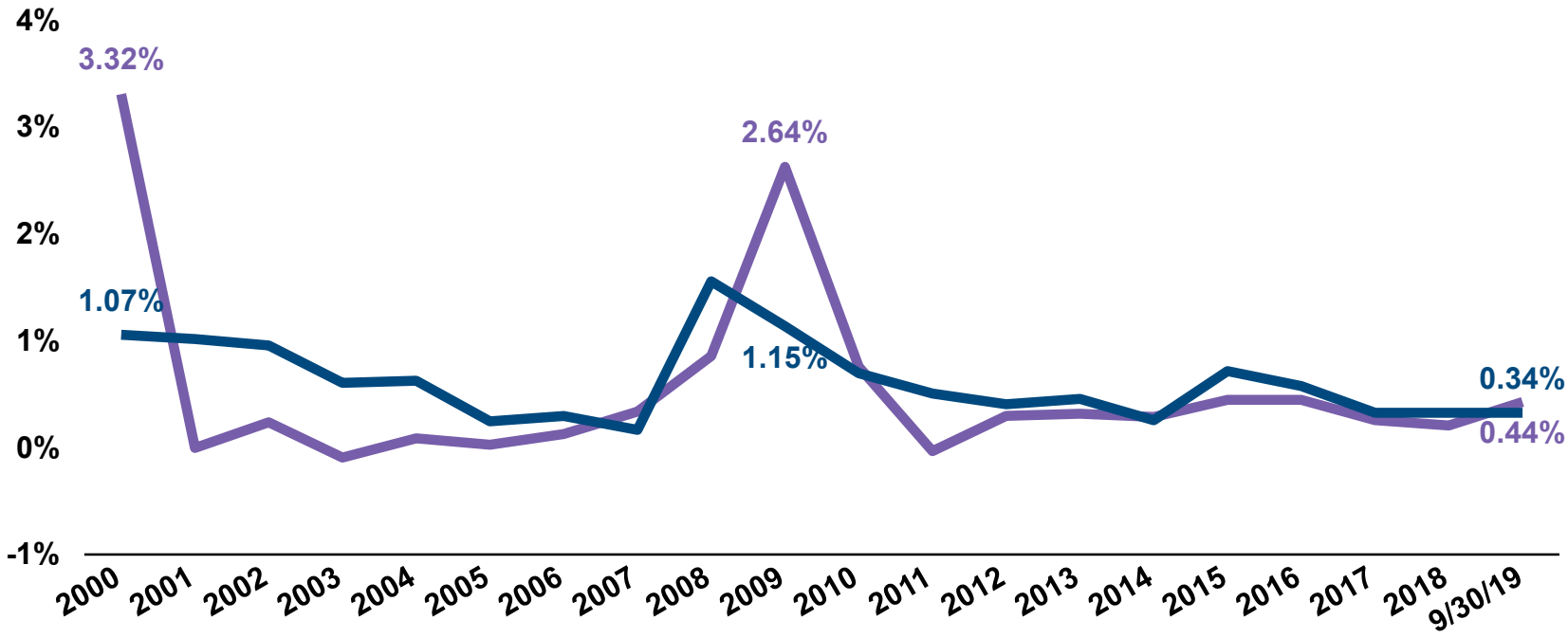
PE/VC Fund Commitments by Investment Style and Industry*





* PE/VC portfolio by investment style and industry is based on fund commitments as of 9/30/2019

A history of high credit quality and resilience through market cycles

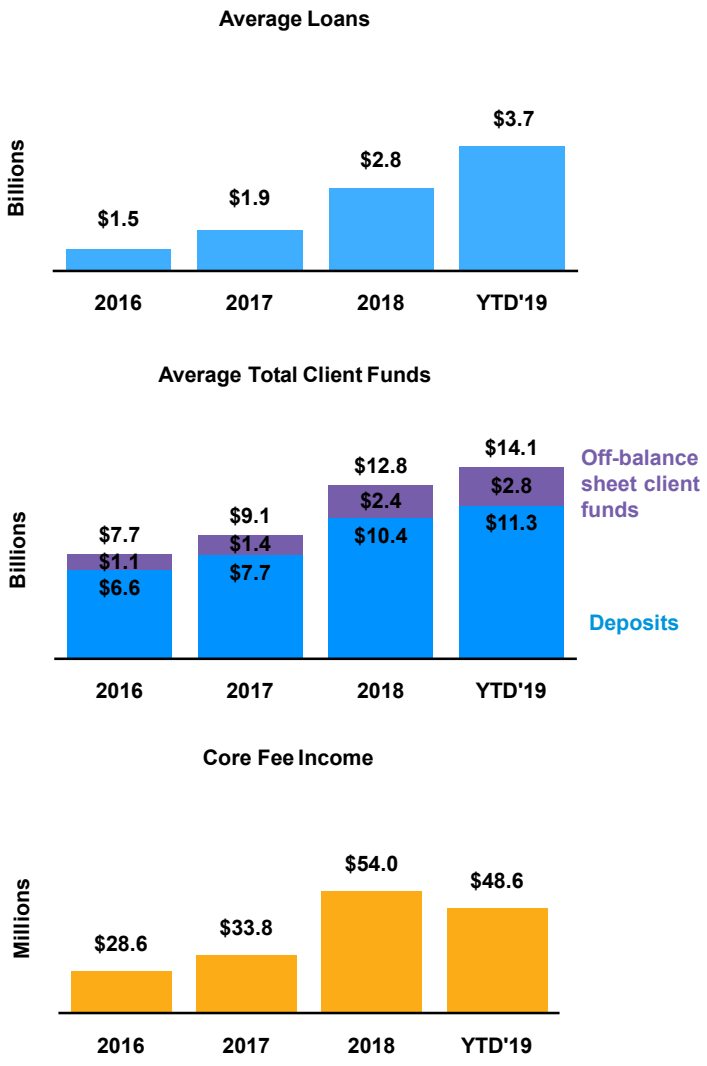


Loan Portfolio Statistics	2000	2007	2018
	48% Technology 30% Early-Stage % of total loans	47% Technology 14% Early-Stage % of total loans	26% Technology 6% Early-Stage % of total loans

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

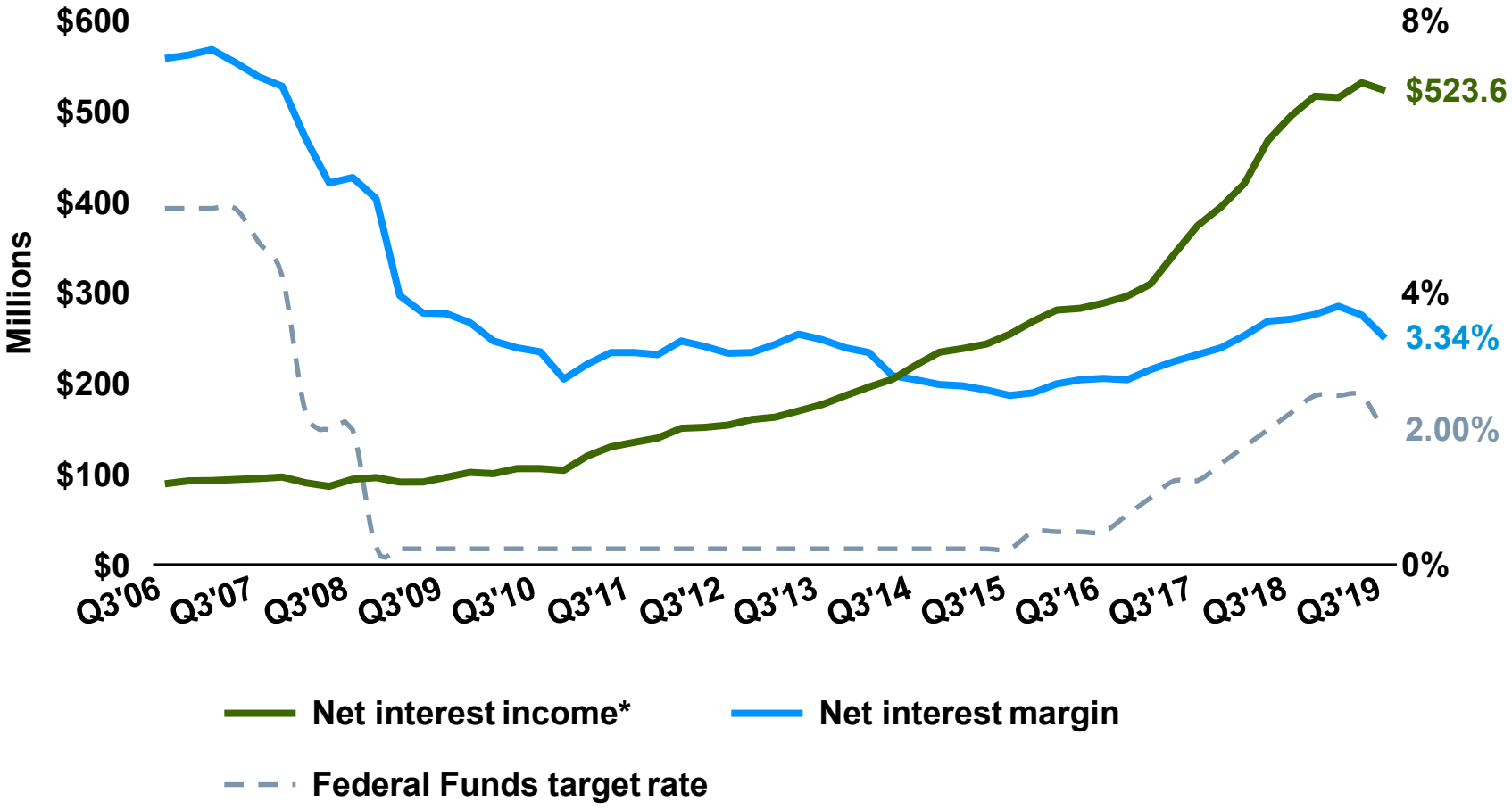
This slide reflects balances for international operations in U.K., Europe, Israel and Asia; Canada balances are reflected in our U.S. Technology Banking segmentation. The above is a management segment view and does not tie to regulatory definitions of foreign exposure



Financial Performance (Income Statement)

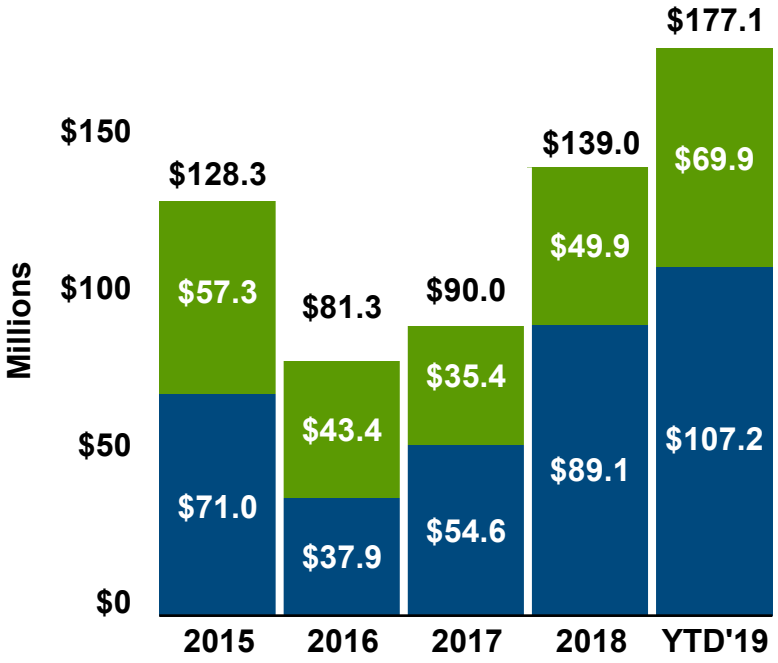
Q3'19: Net interest income decreased 1.6%

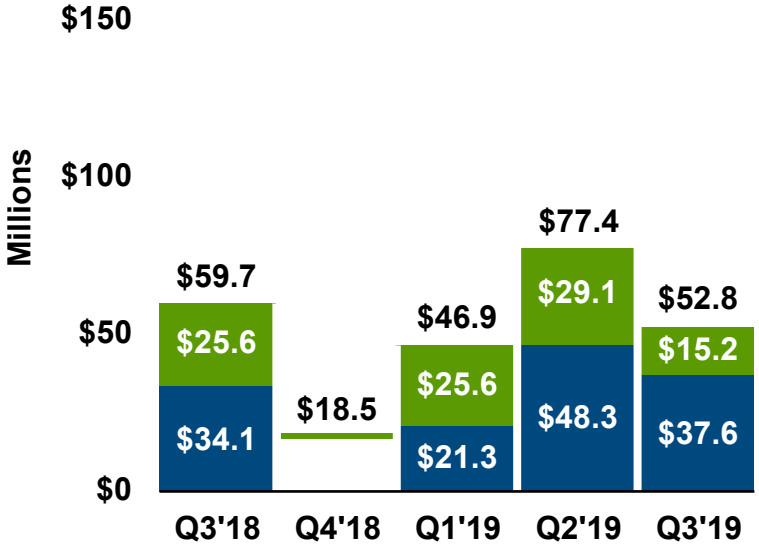
Higher average earning assets, offset by lower yields



* 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]





Net gains on equity warrant assets

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

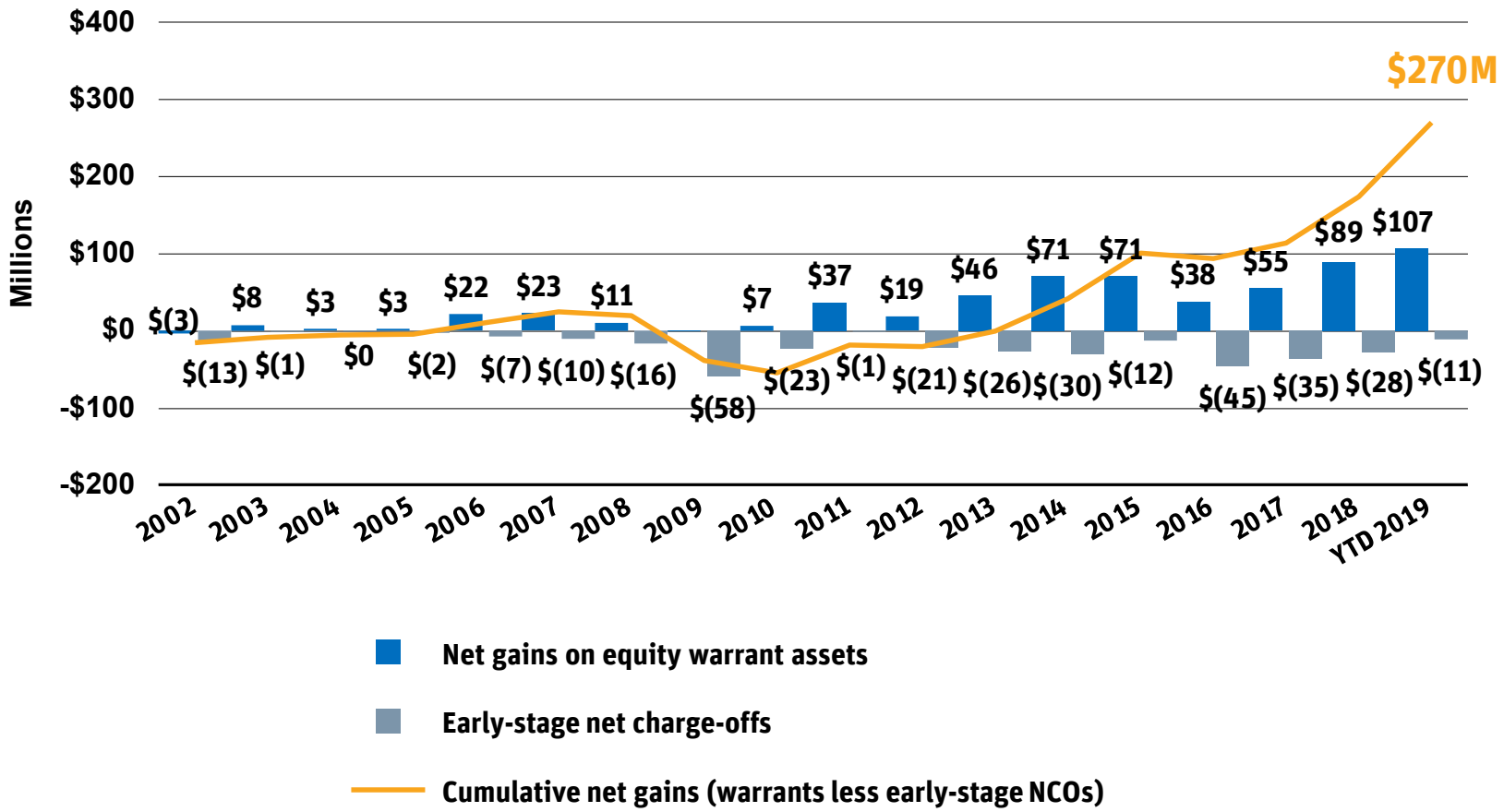
Net gains on equity warrant assets

Non-GAAP net gains 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. Please see non-GAAP reconciliations at end of this presentation for more information.

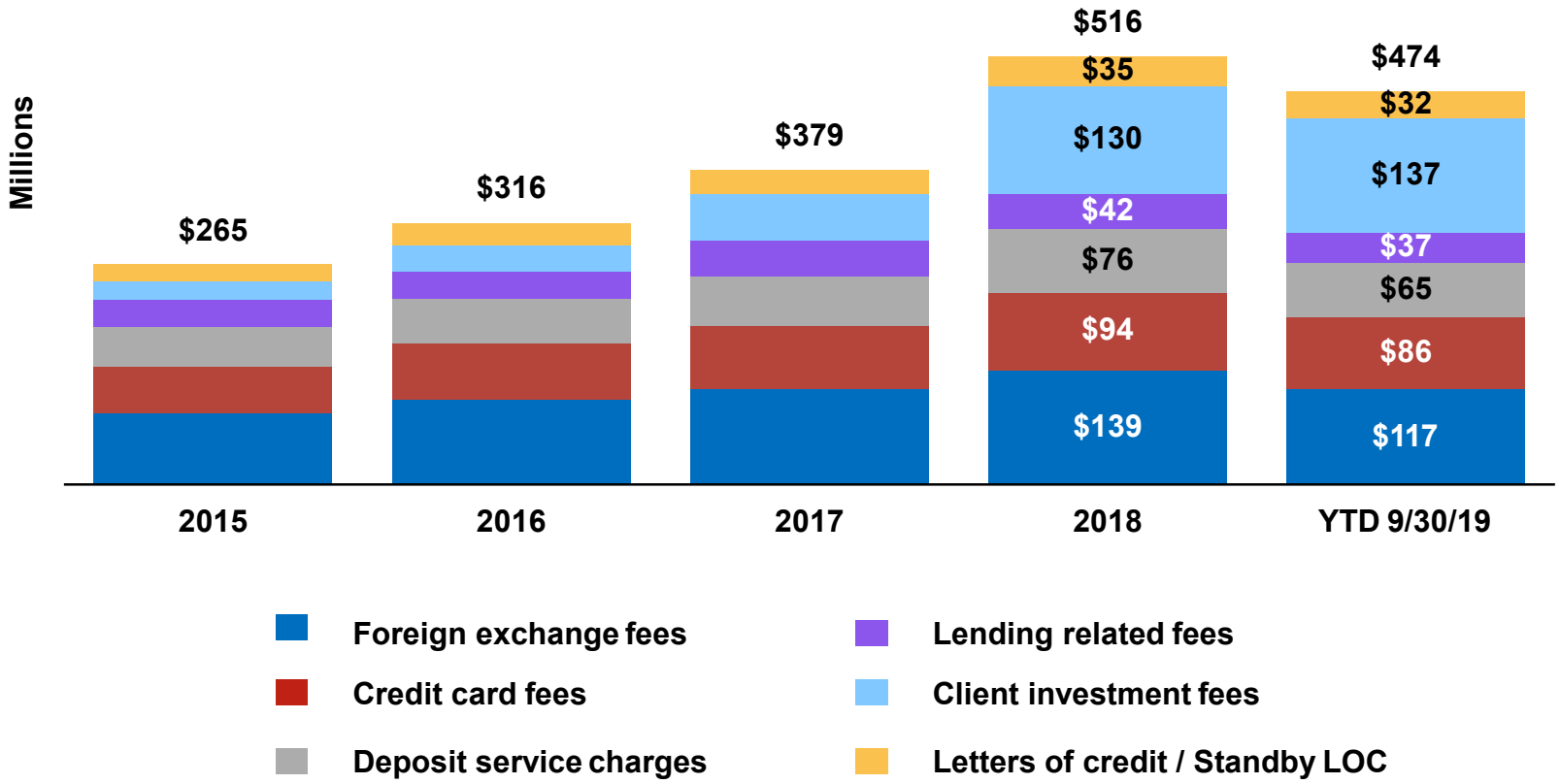
Net warrant gains have more than offset early-stage charge-offs over time

Aggregate warrant gains net of early-stage losses (2002 - YTD 9/30/19)



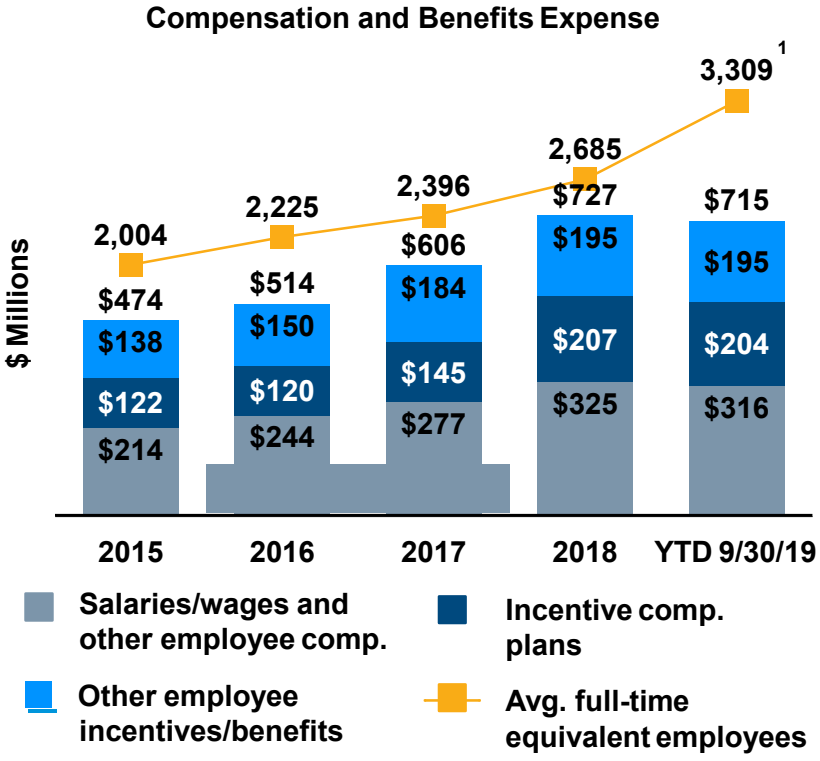
A history of strong core fee income growth

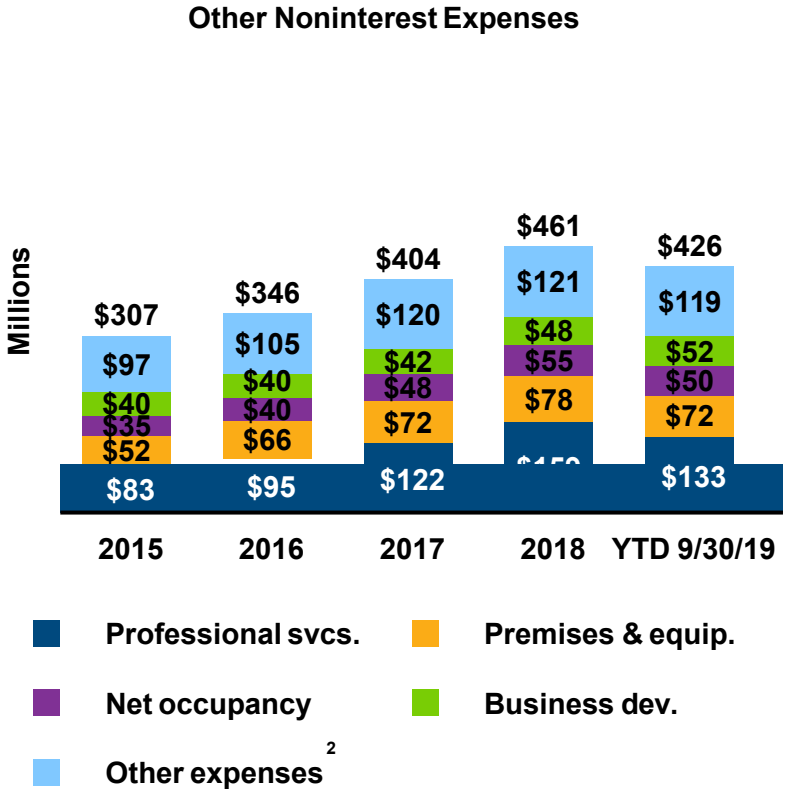
- Broad based growth across core fee income products
  - Client investment fee growth from higher fund balances and rate increases
  - FX and credit card volume growth, partially offset by lower competitive spreads
- Investment banking revenue and commissions from SVB Leerink (not included in Core Fee income) totaled $178 million year to date



Investment in growth and operating leverage driving non-interest expense

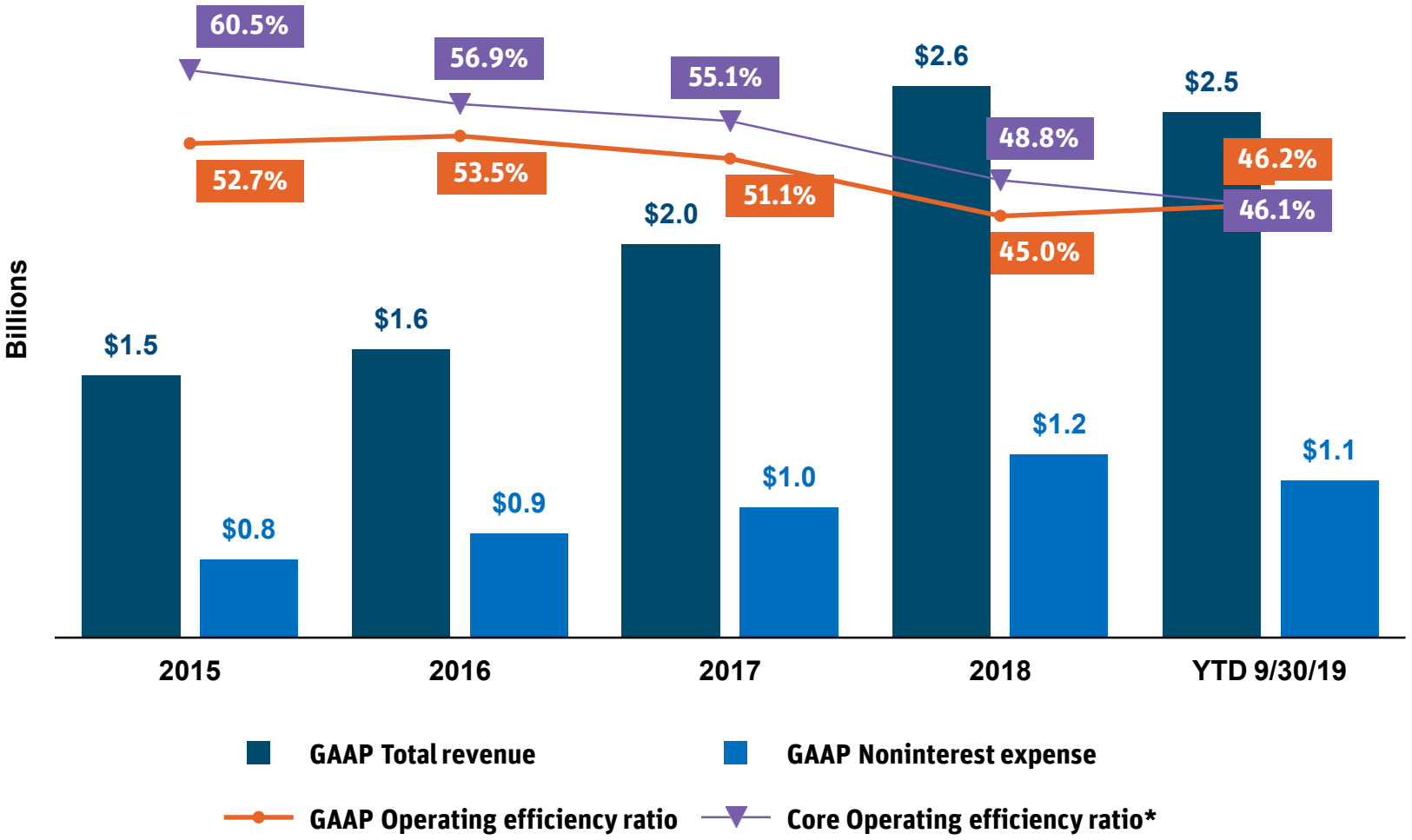
- Client experience
- People (staffing, employee enablement, performance-based incentive compensation)
- Infrastructure improvements (banking, risk & compliance)





1. 2019 includes 230 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.

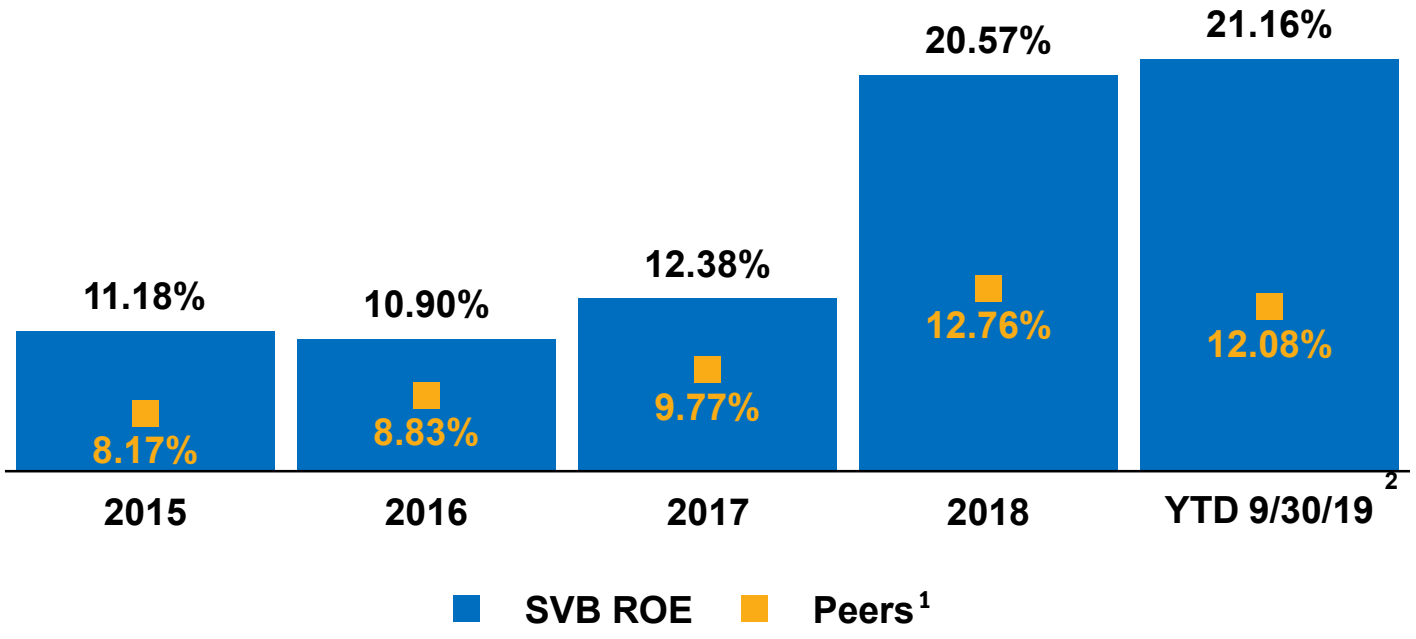
Core operating efficiency ratio has trended down over time, driven by strong revenue growth



* Please see non-GAAP reconciliations at end of this presentation for more information

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**
- **$350M Share Repurchase Program authorized in October 2019, effective for 12 months**

SVB Financial Group[1]	2015	2016	2017	2018	9/30/19
CET 1 risk-based capital	12.28%	12.80%	12.78%	13.41%	12.71%
Tier 1 risk-based capital	12.83	13.26	12.97	13.58	12.86
Total risk-based capital	13.84	14.21	13.96	14.45	13.70
Tier 1 leverage	7.63	8.34	8.34	9.06	8.64
Tangible common equity to tangible assets[2]	7.16	8.15	8.16	8.99	8.38
Tangible common equity to risk-weighted assets[2]	12.34	12.89	12.77	13.28	13.04

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 $633M from Bank to SVBFG during the first nine months of 2019, $140M in 2018, $90M in 2017 and $40M in 2016**

Silicon Valley Bank[1]	2015	2016	2017	2018	9/30/19
CET 1 risk-based capital	12.52%	12.65%	12.06%	12.41%	11.48%
Tier 1 risk-based capital	12.52	12.65	12.06	12.41	11.48
Total risk-based capital	13.60	13.66	13.04	13.32	12.36
Tier 1 leverage	7.09	7.67	7.56	8.10	7.48
Tangible common equity to tangible assets[2]	6.95	7.77	7.47	8.13	7.36
Tangible common equity to risk-weighted assets[2]	12.59	12.75	11.98	12.28	11.82

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.

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 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.
- **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 –** 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 Available-For-Sale 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



Non-GAAP Reconciliations

Non-GAAP reconciliation*

Core fee income

Non-GAAP core fee income (dollars in thousands)	Quarter ended Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
GAAP noninterest income	$113,502	$117,659	$128,528	$158,778	$152,266	$155,518
Less: gains on investment securities, net	9,976	15,970	17,630	15,238	15,765	9,058
Less: net gains on equity warrant assets	4,639	6,690	10,820	24,922	12,123	19,191
Less: other noninterest income	14,239	12,421	12,811	15,896	17,982	12,259
Non-GAAP core fee income	$84,648	$82,578	$87,267	$102,722	$106,396	$115,010

Non-GAAP core fee income (dollars in thousands)	Quarter ended Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
GAAP noninterest income	$192,689	$210,070	$186,707	$280,376	$333,750	$294,009
Less: gains on investment securities, net	36,114	32,193	10,729	29,028	47,698	29,849
Less: net gains on equity warrant assets	19,061	34,141	16,749	21,305	48,347	37,561
Less: other noninterest income	14,390	12,022	13,187	11,897	17,245	13,631
Non-GAAP core fee income including investment banking revenue and commissions	$123,124	$131,714	$146,042	$218,146	$220,460	$212,968
Less: investment banking revenue	—	—	—	49,795	48,694	38,516
Less: commissions	—	—	—	14,108	14,429	12,275
Non-GAAP core fee income	$123,124	$131,714	$146,042	$154,243	$157,337	$162,177

Non-GAAP core fee income (dollars in thousands)	Year ended December 31, 2015	2016	2017	2018	YTD Sep 30, 2019
GAAP noninterest income	$472,794	$456,552	$557,231	$744,984	$908,135
Less: gains on investment securities, net	89,445	51,740	64,603	88,094	106,575
Less: net gains on equity warrant assets	70,963	37,892	54,555	89,142	107,213
Less: other noninterest income	47,004	50,750	59,110	51,858	42,773
Non-GAAP core fee income including investment banking revenue and commissions	$265,382	$316,170	$378,963	$515,890	$651,574
Less: investment banking revenue	—	—	—	—	137,005
Less: commissions	—	—	—	—	40,812
Non-GAAP core fee income	$265,382	$316,170	$378,963	$515,890	$473,757

* 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)	Sep 30, 2019
GAAP non-marketable and other equity securities	$1,150,094
Less: amounts attributable to non-controlling interests	(142,182)
Non-GAAP non-marketable and other equity securities, net of non-controlling interests	$1,007,912

Composition of non-GAAP non-marketable and other equity securities, net of non-controlling interests (dollars in thousands)	Sep 30, 2019
Non-marketable and other equity securities (fair value accounting):	
Consolidated venture capital and private equity fund investments	$23,704
Unconsolidated venture capital and private equity fund investments	181,550
Investments without a readily determinable fair value	43,523
Other equity securities in public companies	56,081
Non-marketable securities (equity method accounting):	
Venture capital and private equity fund investments	122,550
Debt funds	7,153
China Joint Venture Investment	73,918
Other investments	80,405
Investments in qualified affordable housing projects, net	419,028
Total non-marketable and other equity securities	$1,007,912

* 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 Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
GAAP net gains on investment securities	$32,193	$10,729	$29,028	$47,698	$29,849
Less: income attributable to noncontrolling interests, including carried interest	6,641	8,965	3,436	18,598	14,640
Non-GAAP net gains on investment securities, net of noncontrolling interests	$25,552	$1,764	$25,592	$29,100	$15,209

Non-GAAP net gains (losses) on investment securities (dollars in thousands)	Year ended December 31, 2015	2016	2017	2018	YTD Sep 30, 2019
GAAP net gains on investment securities	$89,445	$51,740	$64,603	$88,094	$106,575
Less: income attributable to noncontrolling interests, including carried interest	32,115	8,312	29,187	38,183	36,674
Non-GAAP net gains on investment securities, net of noncontrolling interests	$57,330	$43,428	$35,416	$49,911	$69,901

* 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	Sept 30, 2019
GAAP SVBFG stockholders' equity	$3,198,134	$3,642,554	$4,179,795	$5,116,209	$5,890,680
Less: Intangible assets	—	—	—	—	190,111
Tangible common equity (TCE)	$3,198,134	$3,642,554	$4,179,795	$5,116,209	$5,700,569
GAAP Total assets	$44,686,703	$44,683,660	$51,214,467	$56,927,979	$68,231,233
Less: Intangible assets	—	—	—	—	190,111
Tangible assets (TA)	$44,686,703	$44,683,660	$51,214,467	$56,927,979	$68,041,122
Risk-weighted assets (RWA)	$25,919,594	$28,248,750	$32,736,959	$38,527,853	$43,712,495
Tangible common equity to tangible assets	7.16%	8.15%	8.16%	8.99%	8.38%
Tangible common equity to risk-weighted assets	12.34%	12.89%	12.77%	13.28%	13.04%

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	Sept 30, 2019
Tangible common equity (TCE)	$3,059,045	$3,423,427	$3,762,542	$4,554,814	$4,918,767
Tangible assets (TA)	$44,045,967	$44,059,340	$50,383,774	$56,047,134	$66,824,088
Risk-weighted assets (RWA)	$24,301,043	$26,856,850	$31,403,489	$37,104,080	$41,597,959
Tangible common equity to tangible assets	6.95%	7.77%	7.47%	8.13%	7.36%
Tangible common equity to risk-weighted assets	12.59%	12.75%	11.98%	12.28%	11.82%

* 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				
	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
GAAP noninterest income	$210,070	$186,707	$280,376	$333,750	$294,009
Less: income attributable to noncontrolling interests, including carried interest	6,692	8,839	3,248	18,736	14,568
Non-GAAP noninterest income, net of noncontrolling interests	$203,378	$177,868	$277,128	$315,014	$279,441

Non-GAAP Non-interest income, net of non-controlling interests (dollars in thousands)	Year ended December 31,				YTD
	2015	2016	2017	2018	Sep 30, 2019
GAAP noninterest income	$472,794	$456,552	$557,231	$744,984	$908,135
Less: income attributable to noncontrolling interests, including carried interest	31,736	8,039	29,452	38,000	36,552
Non-GAAP noninterest income, net of noncontrolling interests	$441,058	$448,513	$527,779	$706,984	$871,583

* 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 Sep 30, 2019
GAAP noninterest expense	**A**	**$ 779,962**	**$ 859,797**	**$1,010,655**	**$1,188,193**	**$ 1,140,510**
Less: amounts attributable to noncontrolling interests		828	524	813	522	692
Non-GAAP noninterest expense, net of noncontrolling interests		$ 779,134	$ 859,273	$1,009,842	$1,187,671	$ 1,139,818
Less: expense attributable to SVB Leerink		—	—	—	—	177,675
Non-GAAP noninterest expense, net of noncontrolling interests and SVB Leerink	**B**	**$ 779,134**	**$ 859,273**	**$1,009,842**	**$1,187,671**	**$ 962,143**
GAAP net interest income		$1,006,425	$1,150,523	$1,420,369	$1,893,988	$ 1,562,933
Adjustments for taxable equivalent basis		1,564	1,203	3,076	9,201	8,769
Non-GAAP taxable equivalent net interest income		$1,007,989	$1,151,726	$1,423,445	$1,903,189	$ 1,571,702
Less: income attributable to noncontrolling interests		8	66	33	30	41
Non-GAAP taxable equivalent net interest income, net of noncontrolling		$1,007,981	$1,151,660	$1,423,412	$1,903,159	$ 1,571,661
interests Less: net interest income attributable to SVB Leerink		—	—	—	—	961
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	$ 1,570,700
GAAP noninterest income		$ 472,794	$ 456,552	$ 557,231	$ 744,984	$ 908,135
Less: income attributable to noncontrolling interests		31,736	8,039	29,452	38,000	36,552
Non-GAAP noninterest income, net of noncontrolling interests		$ 441,058	$ 448,513	$ 527,779	$ 706,984	$ 871,583
Less: Non-GAAP net gains on investment securities, net of noncontrolling		89,445	51,740	64,603	88,094	69,901
interests Less: net gains on equity warrant assets		70,963	37,892	54,555	89,142	107,213
Less: investment banking revenue		—	—	—	—	137,005
Less: commissions		—	—	—	—	40,812
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	$ 516,652
GAAP total revenue	**C**	**$1,479,219**	**$1,607,075**	**$1,977,600**	**$2,638,972**	**$ 2,471,068**
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**	**$2,432,907**	**$ 2,087,352**
GAAP operating efficiency ratio (A/C)		**52.73%**	**53.50%**	**51.11%**		**46.15%**
Non-GAAP core operating efficiency ratio (B/D)		**60.46%**	**45.02% 56.89% 48.82%**	**55.12%**		**46.09%**

* 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.



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