svb Financial Group

Q4 and Full Year 2019
Financial Highlights



January 31, 2020

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

The Company's financial results for 2019 reflected in this presentation are unaudited. This document should be read in conjunction with the Company's SEC filings.

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance, and are subject to known and unknown risks and uncertainties, many of which may be beyond our control. You can identify these and other forward-looking statements by the use of words such as "becoming," "may," "will," "should," "could," "would," "predict," "potential," "continue," "anticipate," "believe," "estimate," "seek," "expect," "plan," "intend," the negative of such words, or comparable terminology. In this presentation, we make forward-looking statements discussing management's expectations about, among other things: economic conditions; opportunities in the market; outlook on our clients' performance; our financial, credit, and business performance, including potential investment gains, loan growth, loan mix, loan yields, credit quality, deposits, noninterest income, and expense levels; and financial results. 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 "Use of Non-GAAP Financial Measures" section in our latest earnings release filed as an exhibit to our Form 8-K on January 23, 2020, 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 of the earnings release for more information.

FY'19: A record year of growth and profitability

2019 FINANCIAL HIGHLIGHTS

EPS:	Net Income:	ROE:
$21.73	$1.1B	20%

GROWTH FY'19 (vs. FY'18)

+$23.5B
+19% AVERAGE CLIENT FUNDS

+$4.3B
+17% AVERAGE LOANS

+$205M
+11% NET INTEREST INCOME

+$126M
+24% CORE FEE INCOME*

OTHER 2019 HIGHLIGHTS

$224M
Warrant and investment gains net of NCI*
(vs. $139M in 2018)

$252M
SVB Leerink revenues and commissions
(Solid first year performance)

Solid & stable
Credit quality

svb

* Non-GAAP financial measure. See "use of non-GAAP Financial Measures" in our earnings release. Core Fee Income excludes SVB Leerink investment banking revenues and commissions.

Q4'19: Exceptional growth and strong profitability

Q4'19 FINANCIAL HIGHLIGHTS

EPS:	Net Income:	ROE:
$5.06	$263M	17%

Q4'19 PERFORMANCE (vs. Q3'19)

+$6.8B
+4.5% AVERAGE CLIENT FUNDS

+$2.2B
+7.3% AVERAGE LOANS

+$13.2M
+2.5% NET INTEREST INCOME

$47M
WARRANT AND INVESTMENT GAINS NET OF NCI*

+$5.9M
+3.6% CORE FEE INCOME* (YOY)

Solid & stable
CREDIT QUALITY

svb

* Non-GAAP financial measure. See "use of non-GAAP Financial Measures" in our earnings release. Core Fee Income excludes SVB Leerink investment banking revenues and commissions.

Q4'19 themes: strong performance and markets, effective execution and positive outlook

1. **Balance sheet growth** driven by robust global market activity, client acquisition and liquidity
2. **Return to NII growth** as growing balance sheet offsets impact of lower rates
3. **Strong core fees** due to effective client engagement and product penetration
4. **Healthy market-driven gains** on investments and warrants
5. **Higher expenses** from revenue-driven incentives, investments in growth, and non-routine items
6. **Continued stable credit** with solid underlying trends
7. **Positive 2020 growth outlook** and strong momentum

What makes SVB different:
Unparalleled access, connections & insights

The premier financial partner for the global innovation economy

Deep Sector Expertise

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

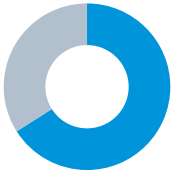
Comprehensive Solutions

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

Leading Market Share



50%
U.S. venture-backed technology and life sciences companies



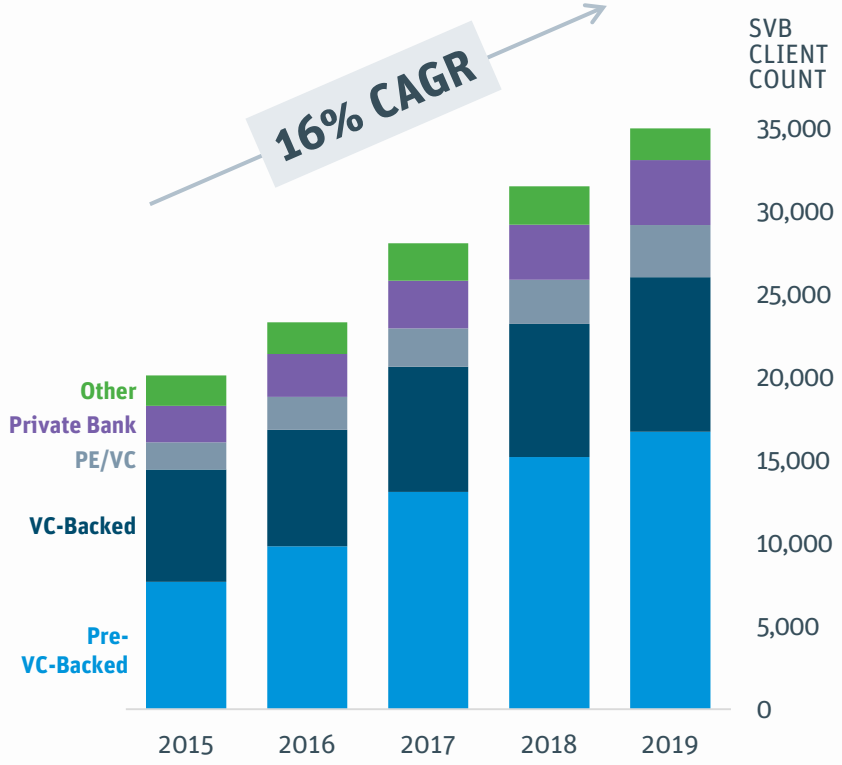
69%
U.S. venture-backed technology and healthcare companies with IPOs in 2019

The foundation for long-term, sustainable growth

Serving Key Growth Markets + Deep Sector Expertise + Comprehensive Solutions = Continued Growth

The power of SVB's platform continues to drive robust client acquisition globally

1,100+ new clients in Q4'19



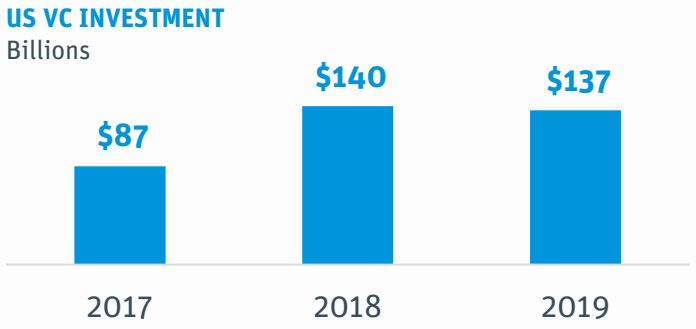


Shan-Lyn Ma (Founder and CEO, Zola)

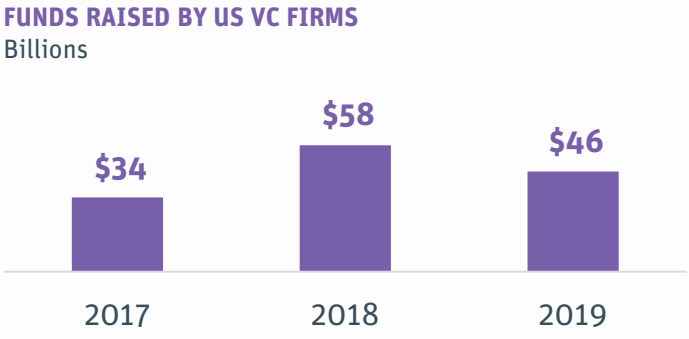
Silicon Valley Bank has helped Ma understand how Zola fits in the larger context of e-commerce, and that has allowed her to develop new strategies for growth. She adds, "We've been working with SVB for a couple of years now and I have been blown away by how they anticipate our needs."

Healthy markets provide a positive operating environment

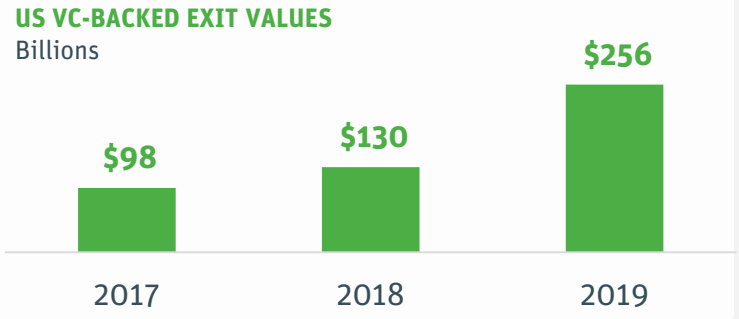
US VC investment remains robust, supporting client liquidity



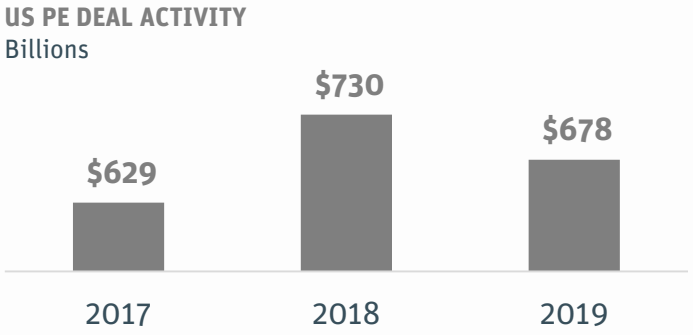
Demand for VC investment remains robust



Record VC-backed exit values, exceeding $200B for the first time in a decade



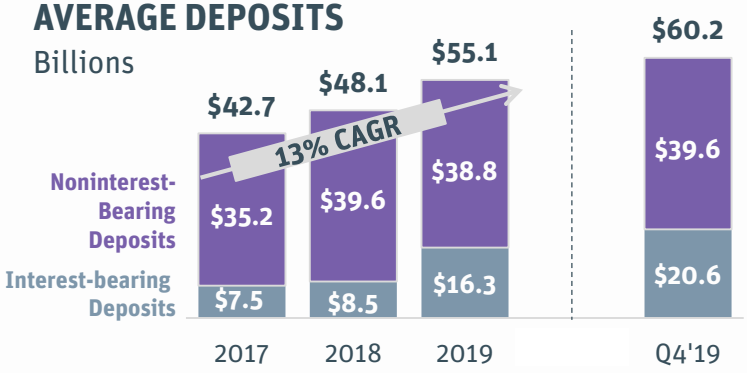
PE investment activity remains healthy



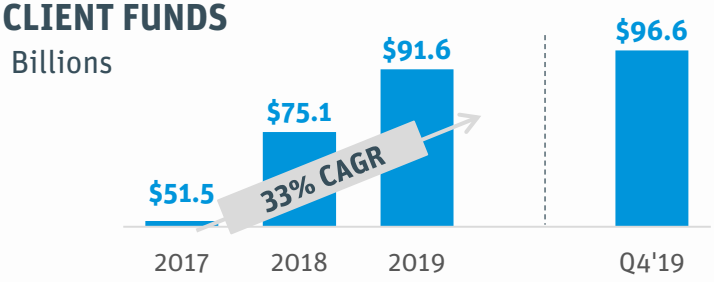
Source: VC data - Pitchbook-NVCA 4Q 2019 Venture Monitor; PE data - Pitchbook 2019 Annual US PE Breakdown

Strong liquidity franchise continues to generate low-cost deposits and drive growth

AVERAGE DEPOSITS

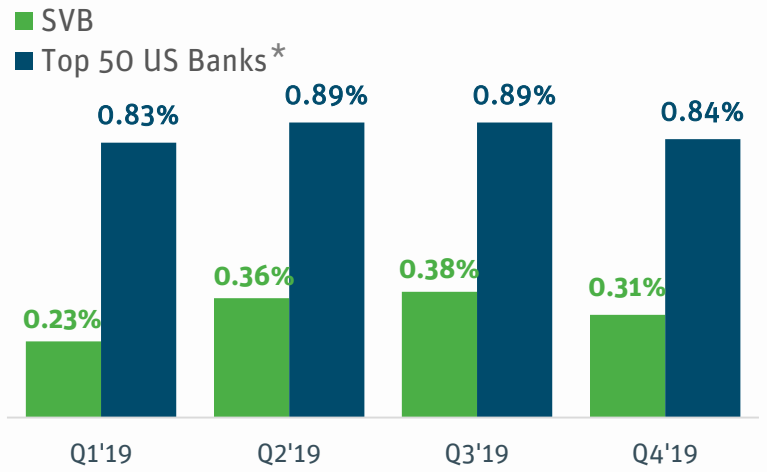


AVERAGE OFF-BALANCE SHEET CLIENT FUNDS



Q4'19 cost of deposits declined 7 bps QoQ

TOTAL COST OF DEPOSITS



Uniquely positioned to support balance sheet growth

Client Relationships	Flexibility	New Products
Technology and Life Science & Healthcare client liquidity drove **88%** of client funds growth in 2019	Proven ability to drive funding on and off balance sheet	Evolving product set to meet client needs and optimize mix

* Source: S&P Global Market Intelligence average for the top 50 US banks by asset size, as of each quarter end; 41 of the top 50 banks have reported cost of deposits for Q4'19 as of 1/31/20

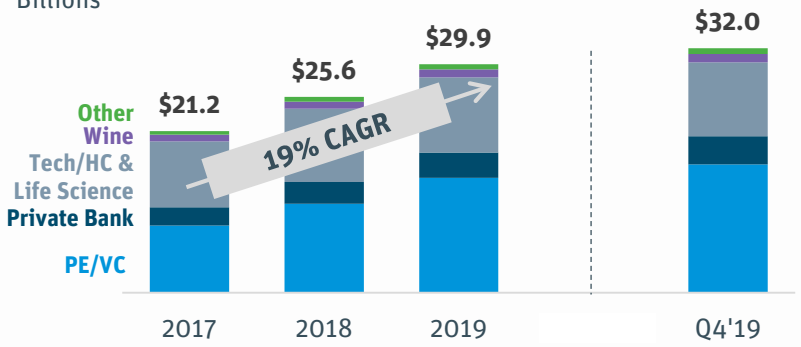
Continued strong loan growth from highest-quality loan categories is improving our risk profile

Capital call and private bank lending driving loan growth – now 65% of total loans

Commitments for technology, life science & healthcare +6% QoQ

AVERAGE LOAN BALANCES

Billions



TOTAL NET LOSSES SINCE INCEPTION

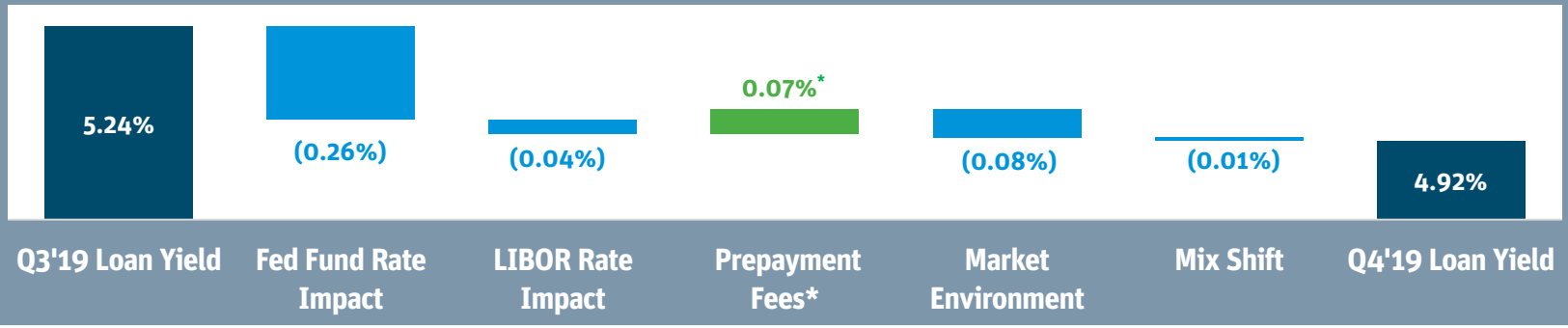
$0

PRIVATE EQUITY CAPITAL CALL LINES

$17M

PRIVATE BANK LOANS

Q4 loan yields impacted by lower rates, market environment and mix shift



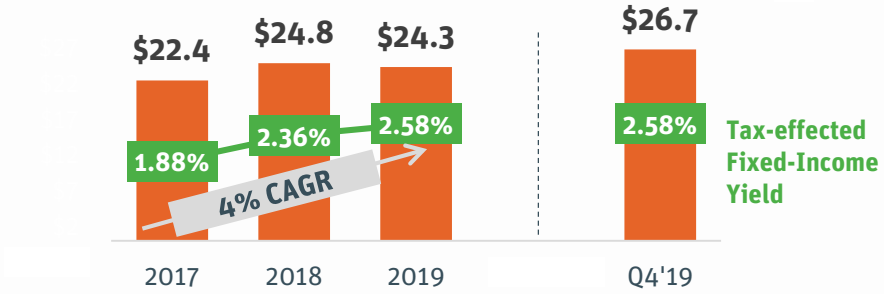
* $8M increase in loan prepayment fees from early-payoffs

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

Growing NII and managing asset sensitivity lower while preserving capital and liquidity

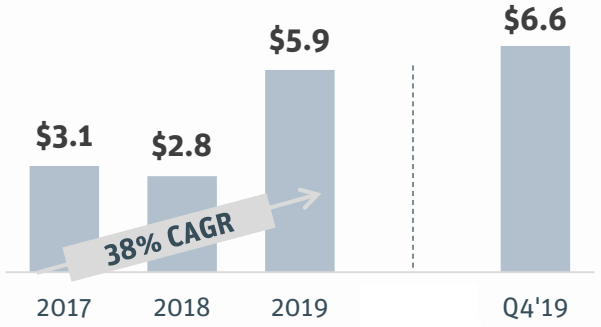
AVERAGE FIXED-INCOME INVESTMENT SECURITIES

Billions



AVERAGE CASH & EQUIVALENTS

Billions



Target average cash balances of $3.5-$5.0B,
Actual balances dependent on timing of fund flows

Q4 ACTIVITY

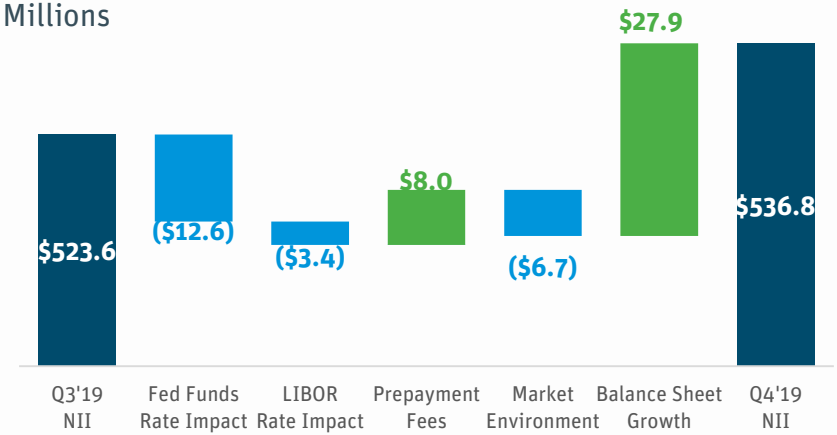
$2.1B	2.08%	3.9 years	$393M	-$562M
NEW PURCHASES	NEW PURCHASE YIELDS	PORTFOLIO DURATION	UNREALIZED GAIN	REDUCTION IN AVERAGE CASH
US Treasuries & Agency MBS	Accretive to NII	+0.5 years QoQ		

2020 portfolio yields expected to remain relatively stable

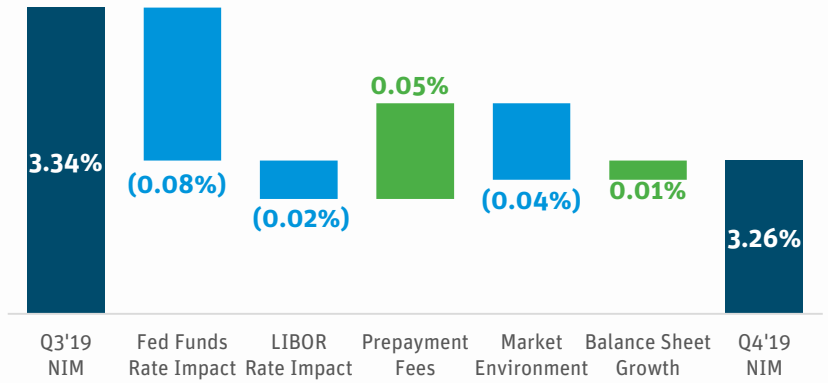
Outstanding balance sheet growth offset the impact of rate declines on NII in Q4'19

NET INTEREST INCOME

Millions



NET INTEREST MARGIN



LEVERS TO MITIGATE DECLINING RATES

GROWTH	REDUCED ASSET SENSITIVITY*	DEPOSIT PRICING STRATEGY
13%	**8.5%**	**50-70%**
Average interest earning asset growth (2019 vs. 2018)	Asset sensitivity as of 12/31/19	Deposit beta

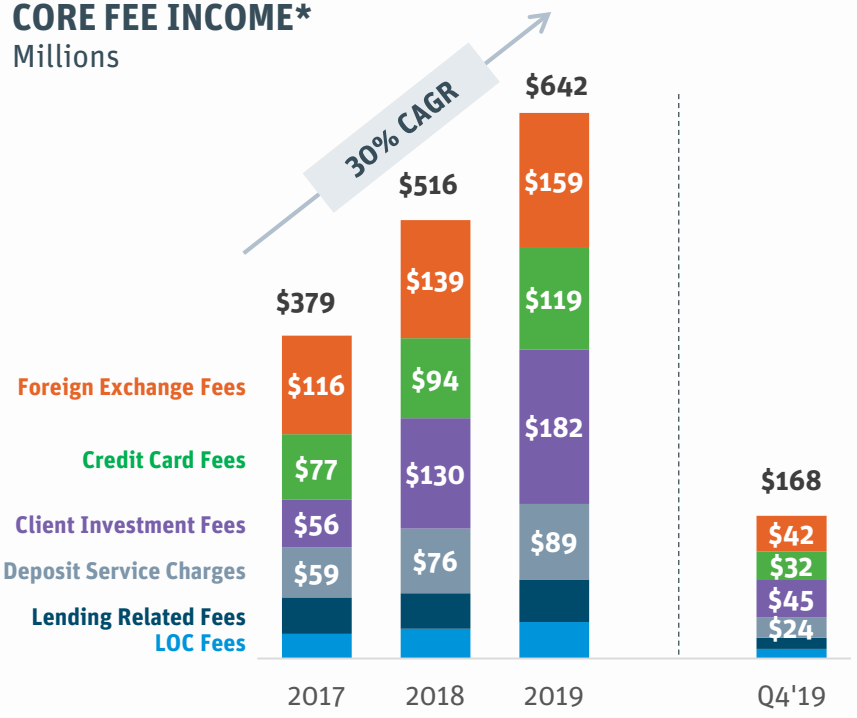
*Our target for asset sensitivity is ~10%. Management's sensitivity analysis is based on the expected 12-month impact of a 100 basis point rate shock on net interest income. This is an estimate and is subject to assumptions; actual results may differ. Additional information will be included in our 2019 Form 10-K report.

Strong execution, client engagement and product penetration drove strong fee income growth

Q4'19 growth across most core fee products

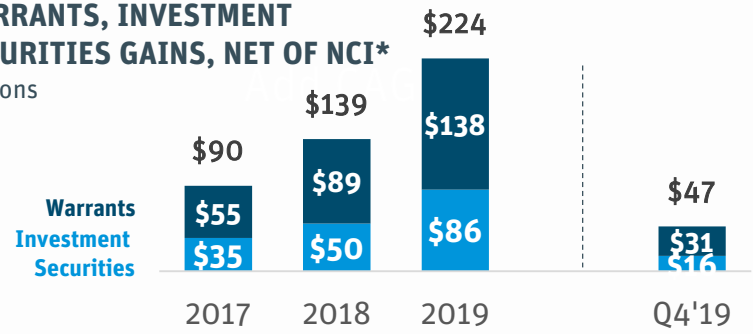
- Record quarters for FX and credit cards
- Client investment fees impacted by lower interest rates

CORE FEE INCOME*
Millions



Exits and fundraising driving warrants and investment securities gains

WARRANTS, INVESTMENT SECURITIES GAINS, NET OF NCI*
Millions



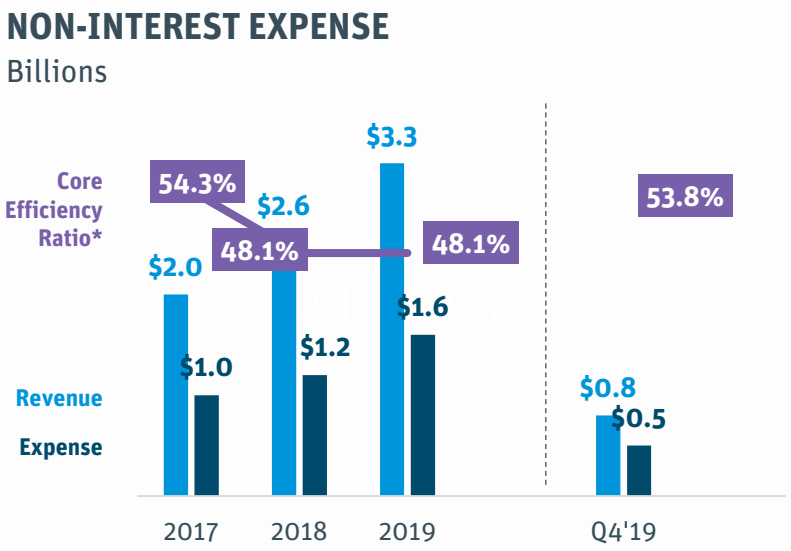
FY'19 SVB Leerink revenues exceeded our expectations

$74M
Q4'19 LEERINK REVENUES
(vs. $51M in Q3'19)

$252M
FY 2019 LEERINK REVENUES

* Non-GAAP financial measure. See "use of non-GAAP Financial Measures" in our earnings release for more information.

Revenue-driven incentives, continued investments for growth and non-routine items drove higher costs



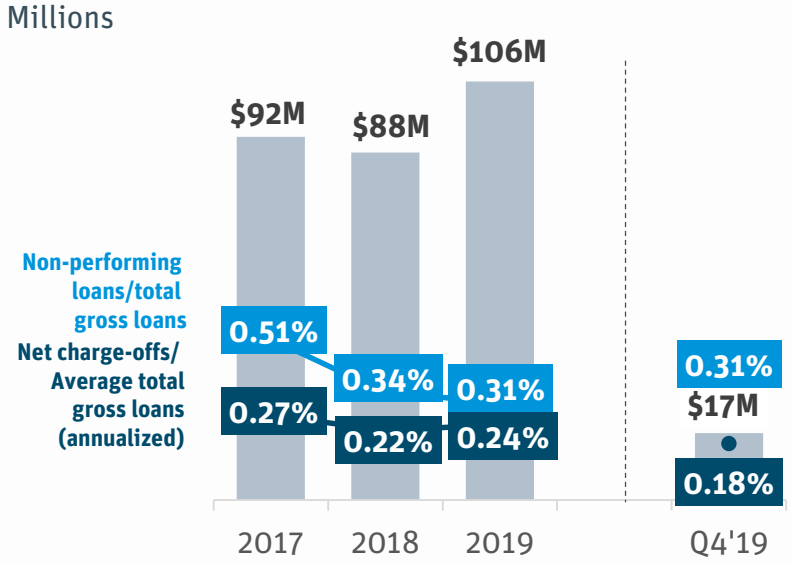
- Q4'19 expense increased by $69M (18%) driven primarily by:
  - $28M in higher incentive compensation expense, mostly related to strong SVB Leerink revenues
  - $14M in increased spend to support our digital banking and scalability efforts
  - $13M related to higher non-routine compensation costs and software impairment
- Q1 2020 expenses expected to decline to $430-$450M range, and to decline further in Q2 2020 without the impact of seasonal Q1 expenses
- 2020 expense growth guidance of high single digits

- We expect current investments will drive improved efficiency over time
- We will continue to invest in the digital client experience, geographic expansion, diversification of our business, and people and systems to better meet our clients' needs for speed, efficiency and agility
- Core efficiency ratio remains below long-term target range of mid-50s%

* Core efficiency ratio excludes the impact of SVB Leerink and Net gains or losses from investment securities and equity warrant assets. This is a non-GAAP measure. See "use of non-GAAP Financial Measures" in our earnings release for more information.

Credit remains stable with solid underlying trends

PROVISION FOR CREDIT LOSSES



Growth in Private Equity capital call lines and Private Bank continues to improve the risk profile of our loan portfolio

- Q4'19 provision for credit losses of $17M driven primarily by reserves for period-end loan growth
- ALLL decline to 0.91% due to improved credit quality of performing and non-performing portfolios
- Estimated CECL Impact
  - Estimated increase in ALLL and unfunded credit commitment reserves of 11% - 16% ($40-$60M pre-tax) over current levels, which will be recorded to equity
    - Expected increase to ALLL of 6-10 bps
  - Estimated adoption adjustment driven by longer forecast horizon due to longer technology and life science loan maturities, partially offset by lower risk, shorter duration of Private Equity capital call lines
  - Assuming stable economic conditions, we expect 2020 ALLL levels (post CECL adoption) to be between 0.95% and 1.05%
  - If economic conditions were to change, we would expect increased volatility in reserves going forward

We have levers to continue driving 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

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 expect to deliver continued profitability and drive investment in our business in a lower rate environment

Positive 2020 outlook: expecting solid growth with continued investment in the future

ASSUMPTIONS:

- Continued healthy client liquidity and activity, although not as strong as in 2019
- Continued strong competition
- Stable credit overall
- Stable economic conditions
- No changes to Fed Funds rate
- We would not expect our estimates for 2020 full-year NII growth or NIM to be materially impacted by the 2020 rate decrease implied by the Forward Curve as of 1/23/20

BUSINESS DRIVER	OUTLOOK (%): 2020 vs. 2019
Average loans	Low teens
Average deposits	Mid-teens
Net interest income	Low single digits
Net interest margin	Between 3.10% – 3.20%
ALLL/gross loans	Between 0.95% – 1.05% [1]
Net loan charge-offs	Between 0.20% – 0.40%
Non-performing loans/gross loans	Between 0.30% – 0.50%
Core fee income [2]	Low double digits
Non-interest expense [2,3]	High single digits
Core fee income [2] with investment banking	High single digits
Tax rate	Between 26% and 28%

1. This range reflects the adoption of CECL in Q1 2020.
2. This is a non-GAAP measure. See "use of non-GAAP Financial Measures" in our earnings release for more information.
3. This excludes expenses related to NCI.

Final thoughts

1. We believe our **global access, networks and insights** will continue to differentiate us
2. We have **strong capital and liquidity**, the fuel for growth and flexibility
3. We have a **diversified balance sheet**, with 79% of assets* in high-quality investments and low credit loss experience lending
4. We have **managed asset sensitivity to ~10% target** with the ability to take further action
5. We must **continue to invest** to serve clients in an intensely competitive market
6. We expect **continued strong growth in 2020**

* Based on cash, fixed income investment portfolio and PE/VC and Private Bank loan portfolios as of 12/31/19


About SVB

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

We serve the global innovation economy

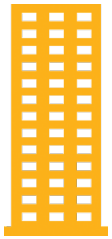
Technology + Life Science & Healthcare



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 life science and healthcare companies

Our strategic priorities:
Investing in growth, scalability and efficiency



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
3 years at SVB



Greg Becker
PRESIDENT AND CEO
SVB FINANCIAL GROUP
27 years at SVB



Marc Cadieux
CHIEF CREDIT OFFICER
28 years at SVB



John China
PRESIDENT OF SVB CAPITAL
24 years at SVB



Phil Cox
CHIEF OPERATIONS OFFICER
11 years at SVB



Mike Descheneaux
PRESIDENT
SILICON VALLEY BANK
14 years at SVB



Michelle Draper
CHIEF MARKETING OFFICER
7 years at SVB



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



Laura Izurieta
CHIEF RISK OFFICER
3 years at SVB

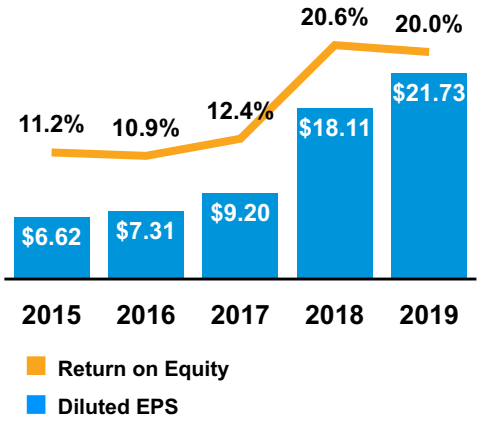


Michael Zuckert
GENERAL COUNSEL
6 years at SVB

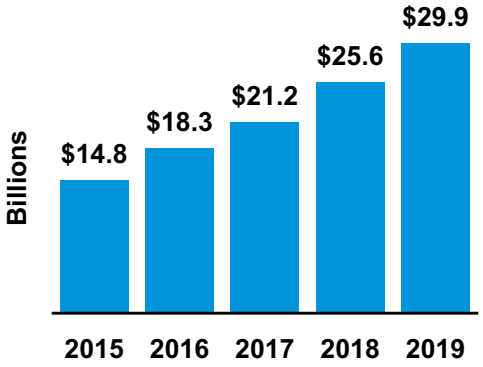

Financial
Overview

Key performance indicators

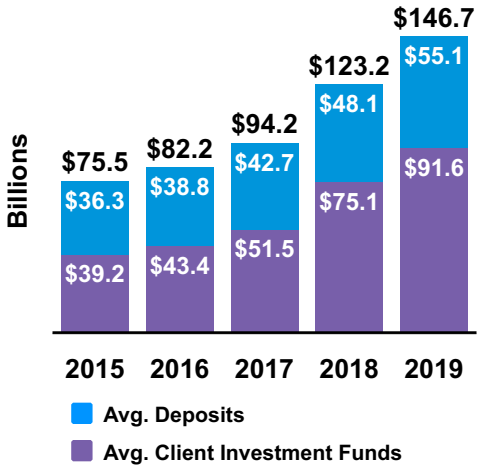
ROE and EPS



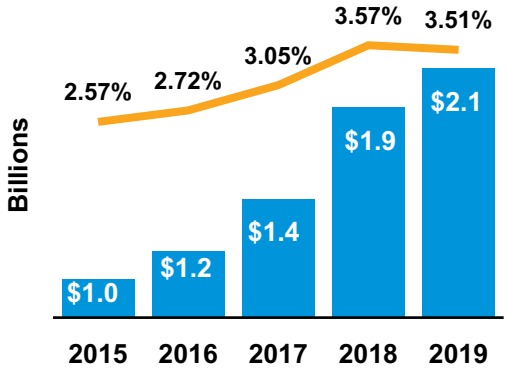
Average Loans, net of unearned income



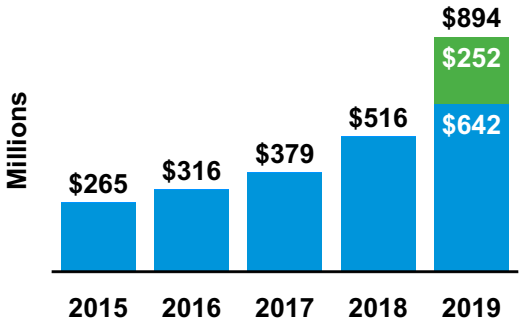
Average Total Client Funds



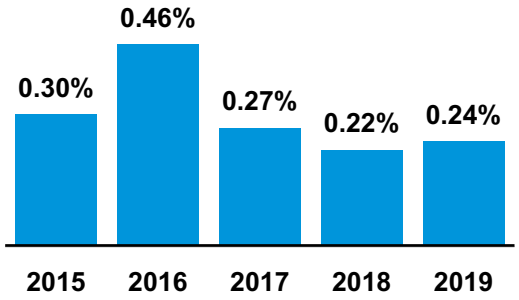
Net Interest Income and NIM



Core Fees and Investment Banking Activities



Net Charge-Offs as % of loans



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%

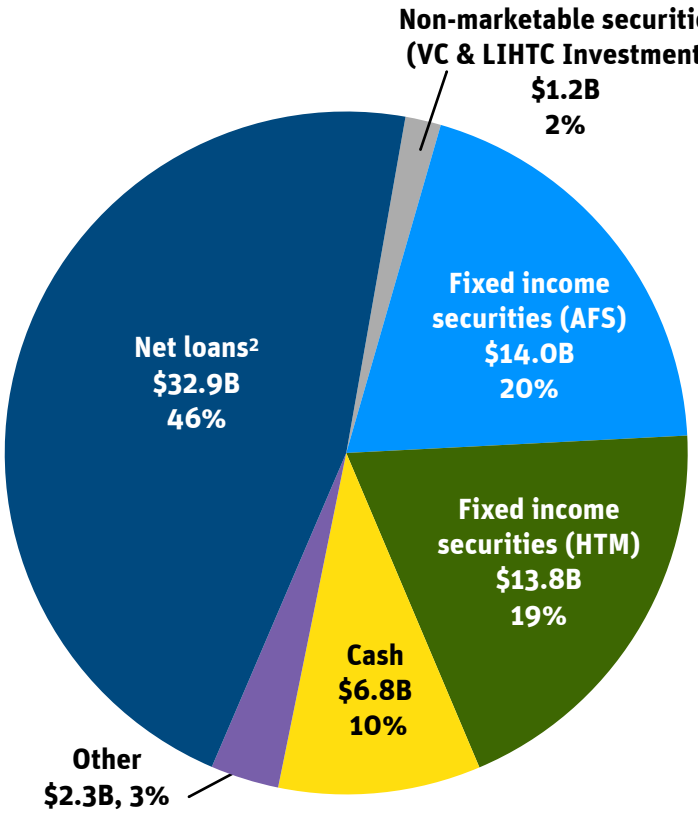
Loan-to-Deposit ratio <70%

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

A high quality balance sheet

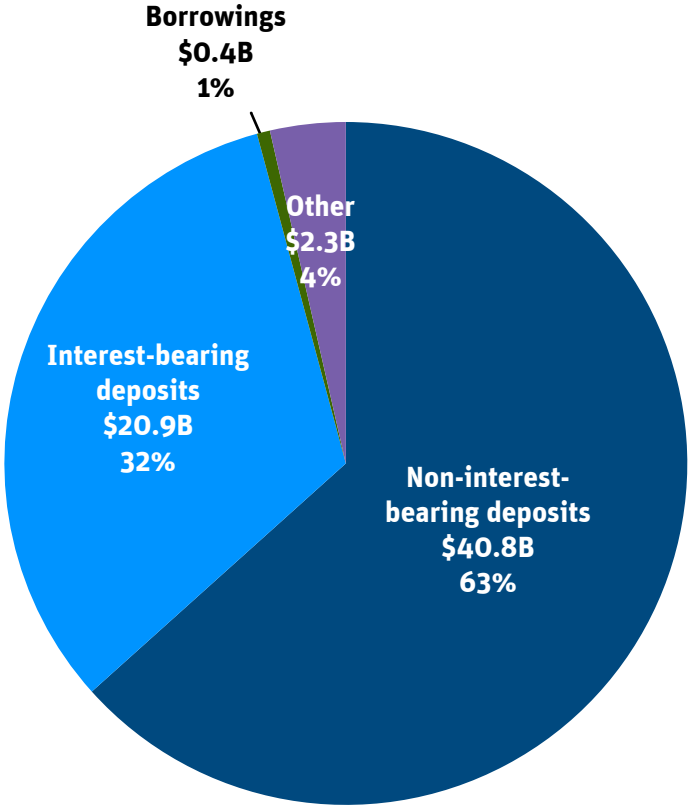
At 12/31/2019

79% of assets[1] in high-quality investments and low credit loss experience lending



Period-end assets: $71.0B

Deposits are 95% of liabilities



Period-end liabilities: $64.4B

1. Based on cash, fixed income investment portfolio and PE/VC and Private Bank loan portfolios as of 12/31/2019
2. Net loans represents gross loans net of the allowance for loan losses and unearned interest income. Gross loans at 12/31/2019 were $33.3B
3. Non-marketable securities net of non-controlling interests were $1.1B. Please see non-GAAP reconciliations at end of this presentation for more information.

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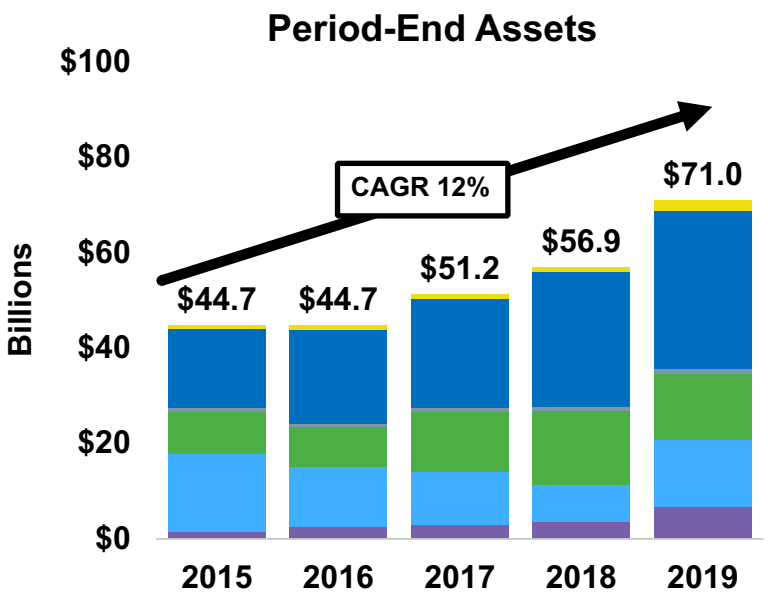
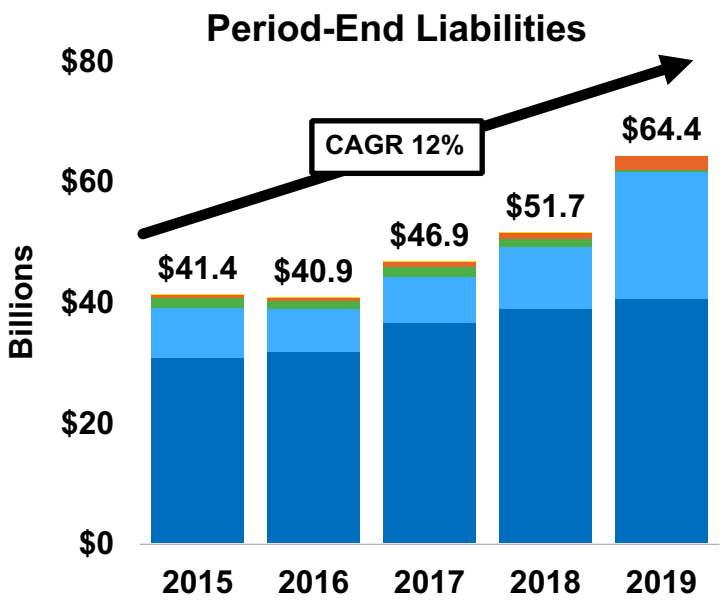
Robust balance sheet growth

Strong growth in loans and securities



- Cash and cash equivalents
- Available-for-sale securities
- Held-to-maturity securities
- Non-marketable securities (primarily VC & LIHTC investments)
- Net loans
- Other assets

Non-interest-bearing deposits 66% of total deposits

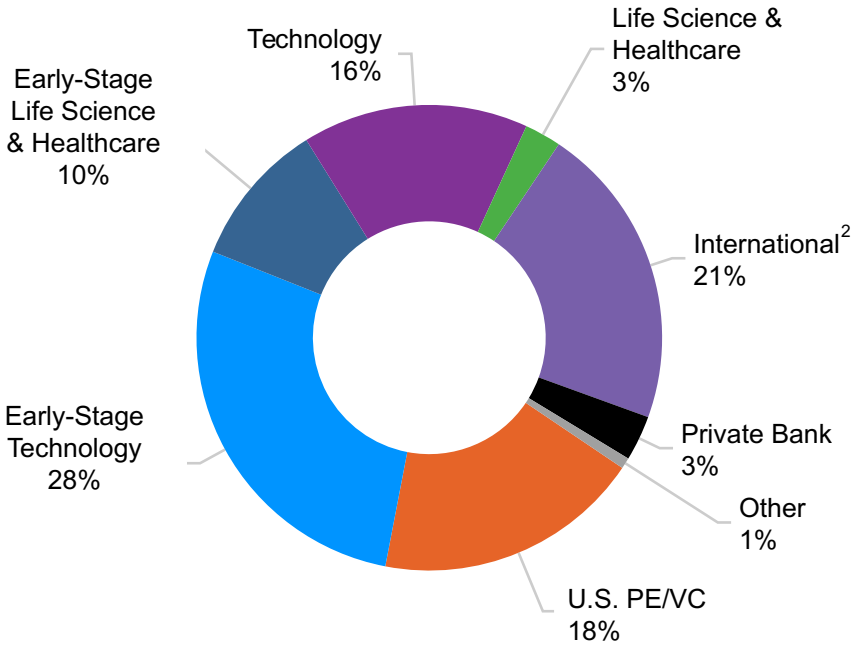


- Non-interest-bearing deposits
- Interest-bearing deposits
- Borrowings
- Other liabilities

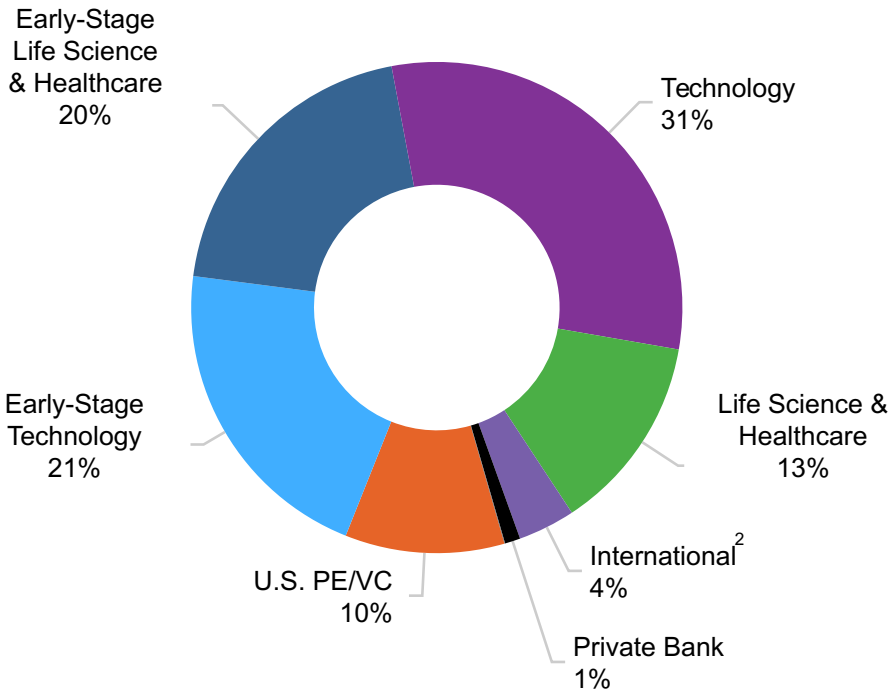
Diversified sources of liquidity

Total client funds contributions by niche[1]

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 as of 12/31/2019
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 8% of total deposits and 2% of off-balance sheet client investment funds.

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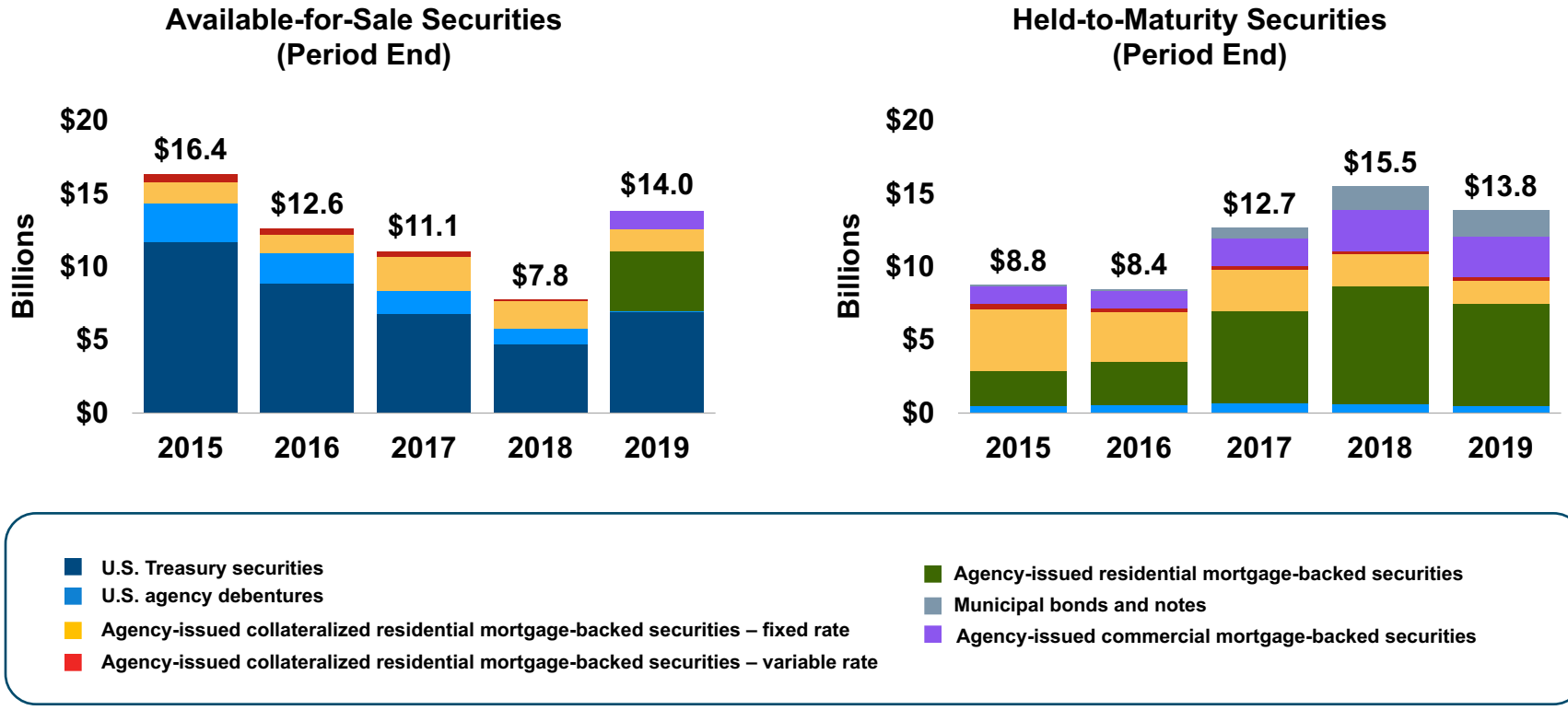
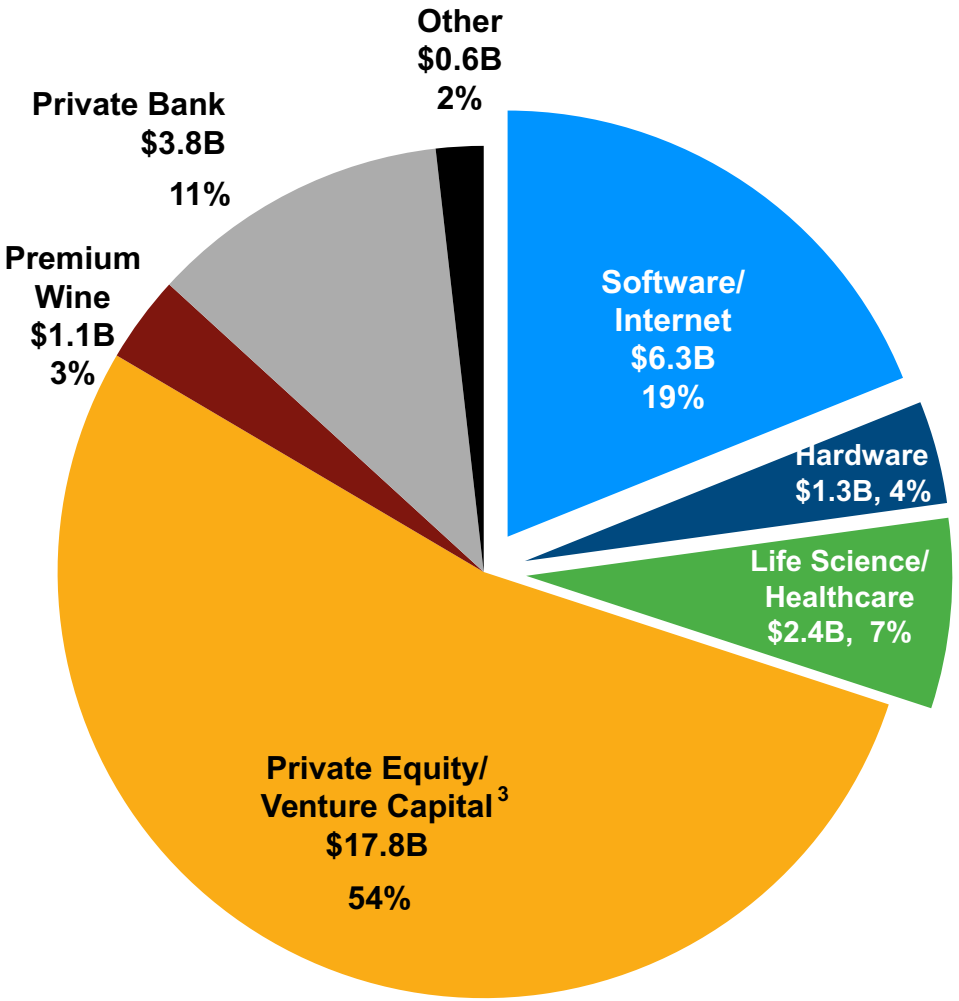
Q4'19: A high-quality investment portfolio

- Liquid, primarily fixed-income portfolio, with a duration of 3.9 years
- U.S. Treasuries make up 25% of fixed income investment portfolio



A diversified loan portfolio (as of 12/31/2019)

Gross Loans: $33.3 billion[1,2]



Technology and Life Science/Healthcare Only $10 billion (30% of Gross Loans)

Early Stage $1.7 (5%)	Investor-dependent 1 Revenue: $0-$5M
Non-Early Stage $1.6 (5%)	Investor-dependent 2 Revenue >$5M
Balance Sheet $2.2 (7%)	Balance-sheet dependent covered by current assets; $0.8B is asset-based lending
Sponsored Buyout $2.1 (6%)	Cash flow dependent 1
Other $2.5 (7%)	Cash flow dependent 2 Cash flow and hybrid

1. As of 12/31/2019; 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

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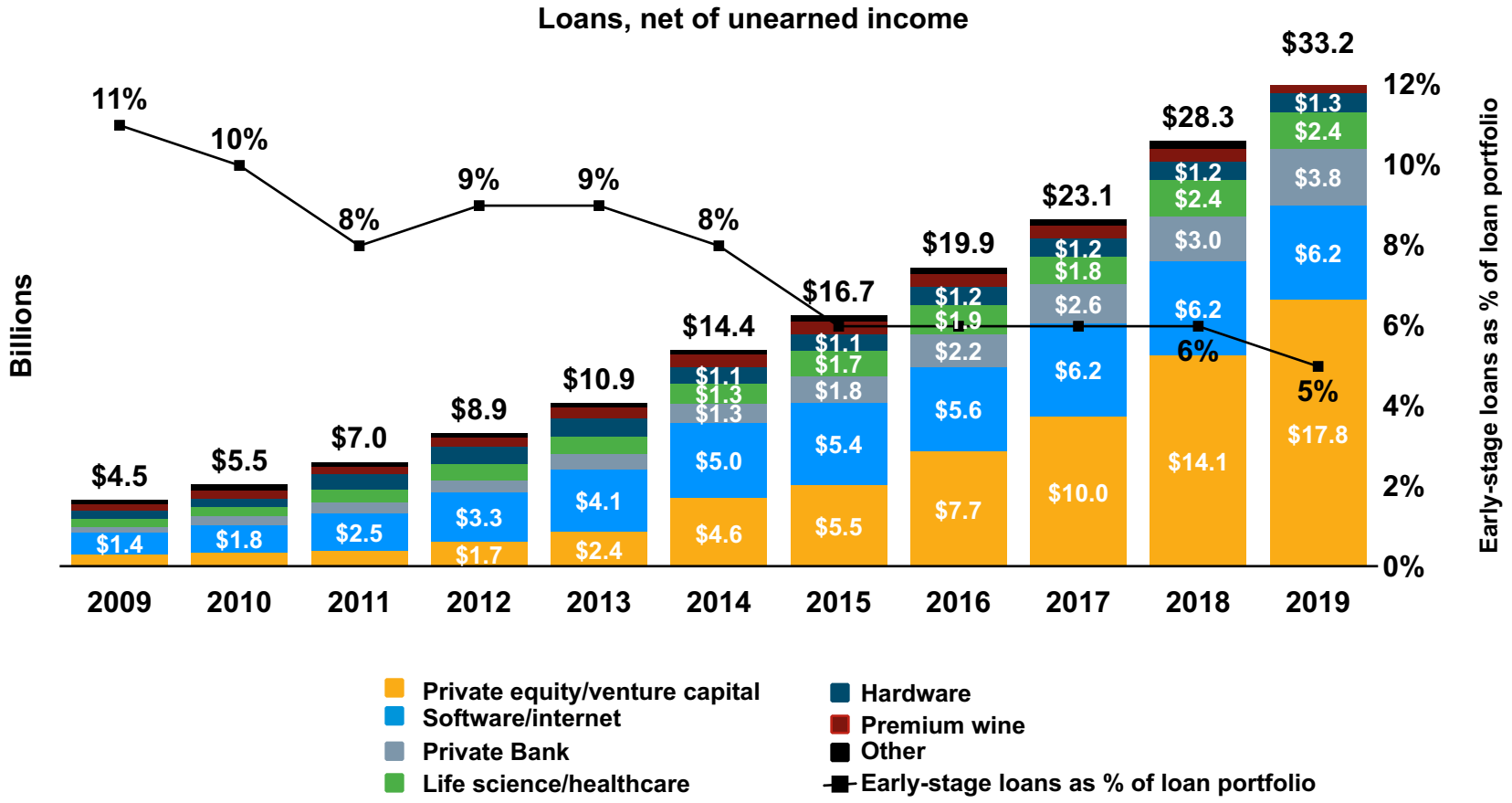
Our loan portfolio has evolved over time

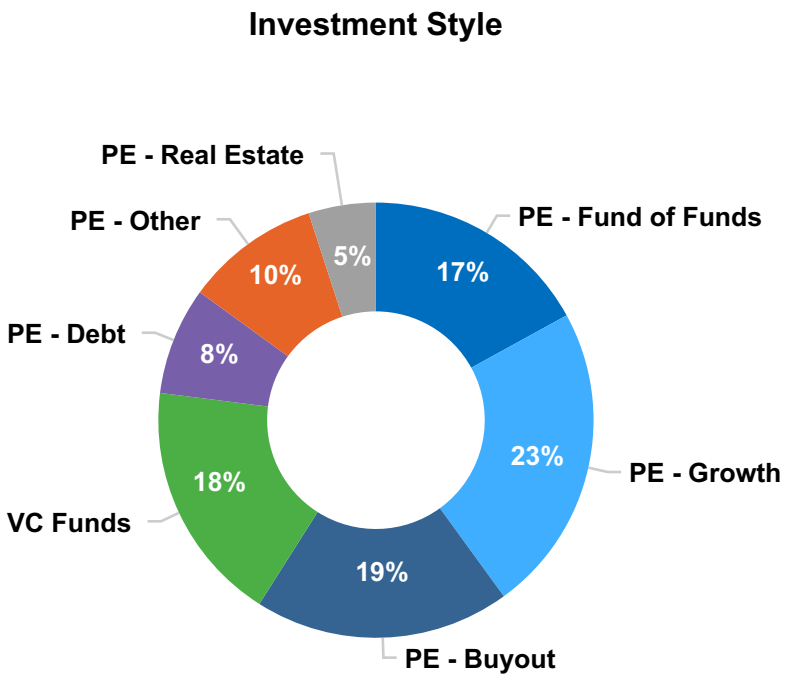
Private Equity capital call lending has driven the majority of recent growth, with no net losses since inception

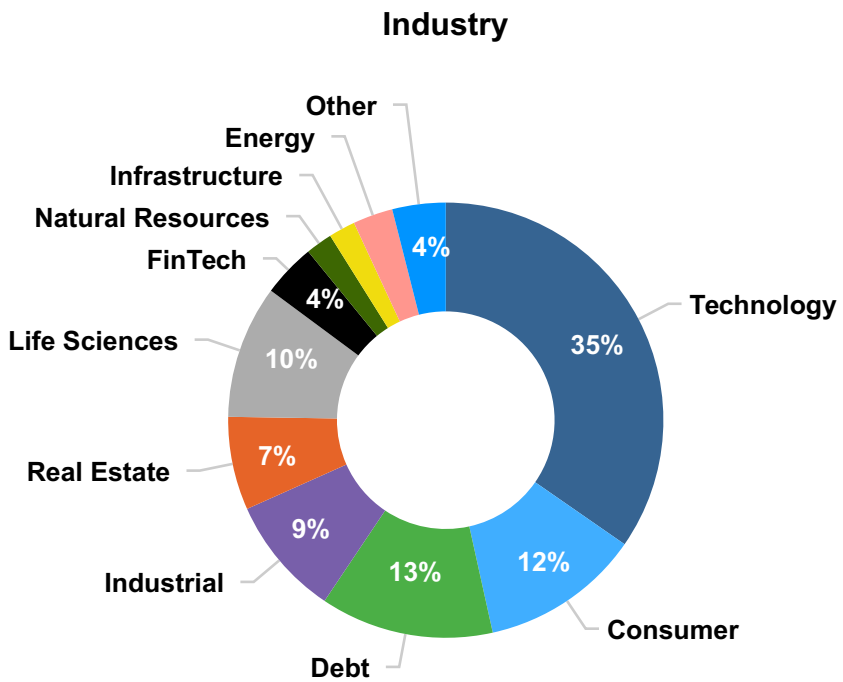


Capital call lines of credit: High growth, diversification, low credit risk

- 54% of loan portfolio
- 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 12/31/2019

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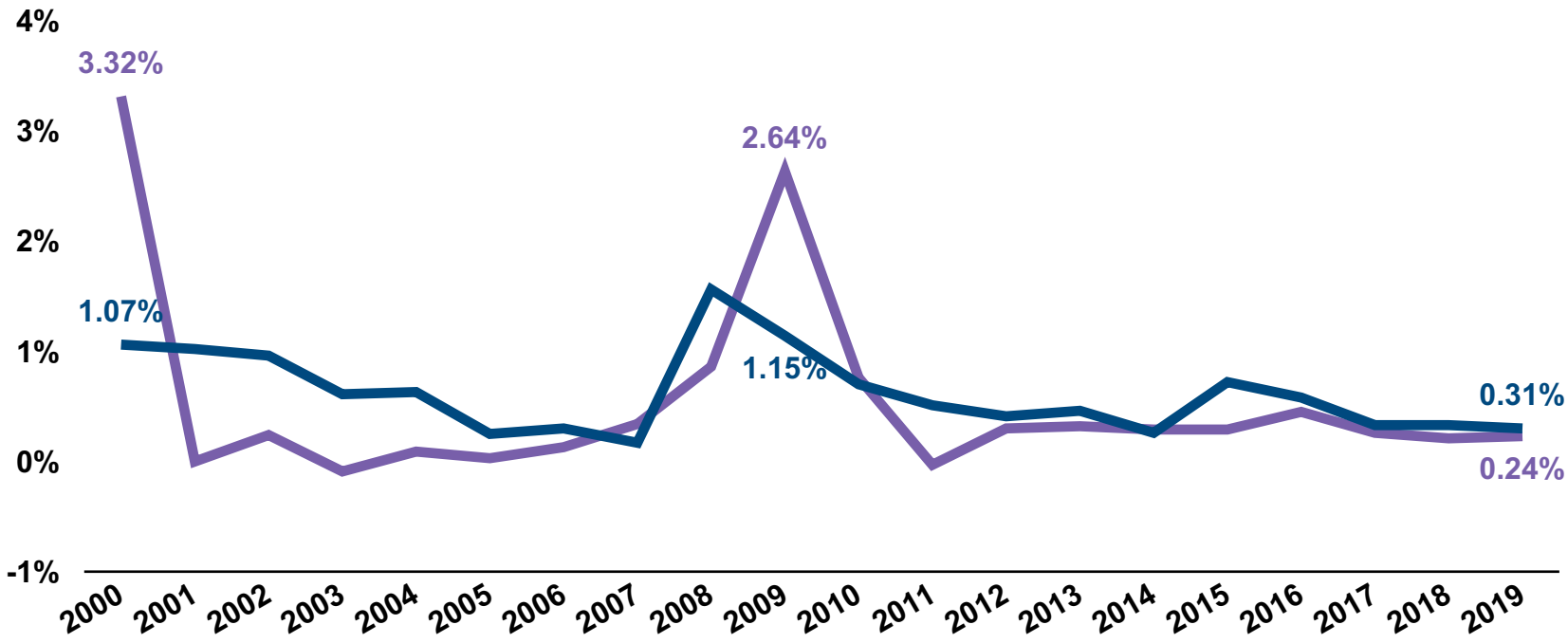
A history of high credit quality and resilience through market cycles



Loan Portfolio Statistics	2000	2007	2019
	48% Technology 30% Early-Stage % of total loans	47% Technology 14% Early-Stage % of total loans	30% Technology 5% Early-Stage % of total loans

Nonperforming loans as a % of total gross loans

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

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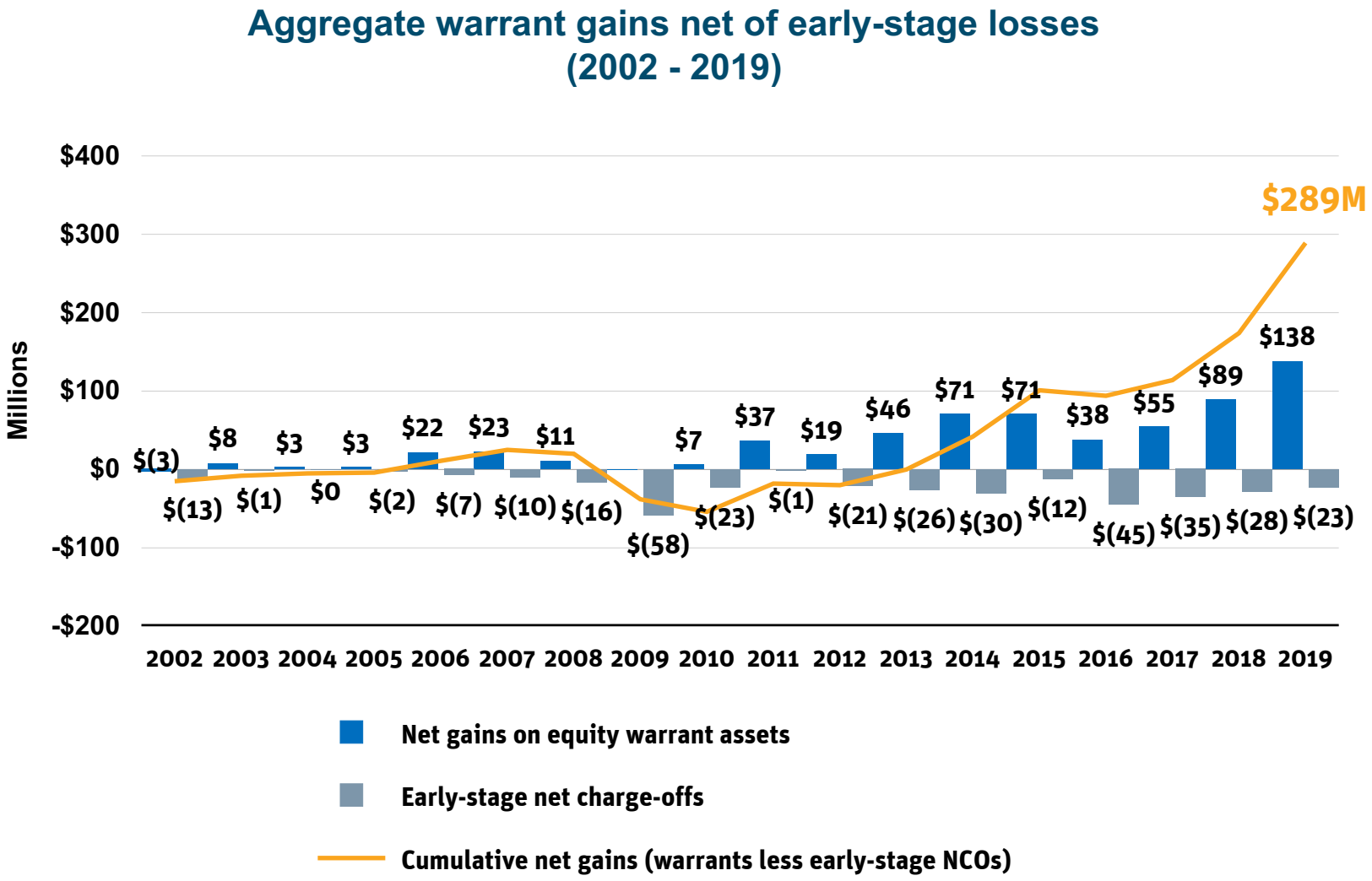
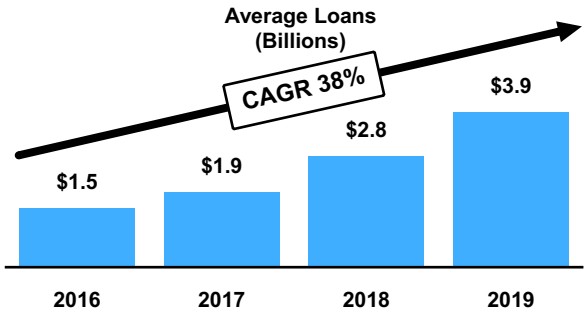
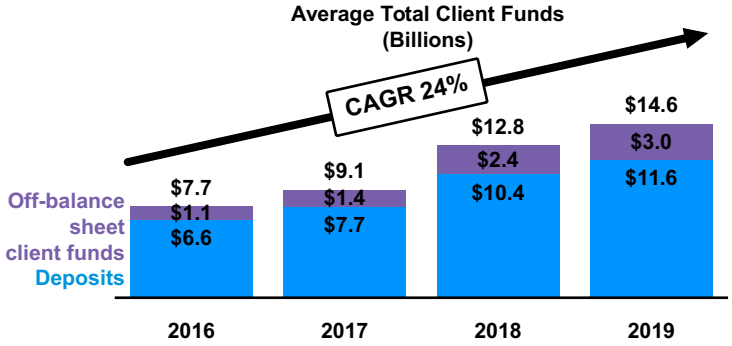
Net warrant gains have more than offset early-stage charge-offs over time



Expanding international business activity

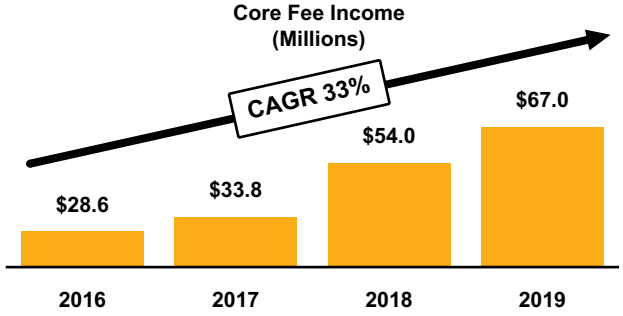


13% of total loans



3% of total OBS

21% of total deposits



10% of total core fees

Location	Description	Year Opened
U.K.	Full service branch	2012
Europe	Lending branch (Germany), Business development offices (Denmark, Ireland)	2018
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
Canada	Lending branch	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.

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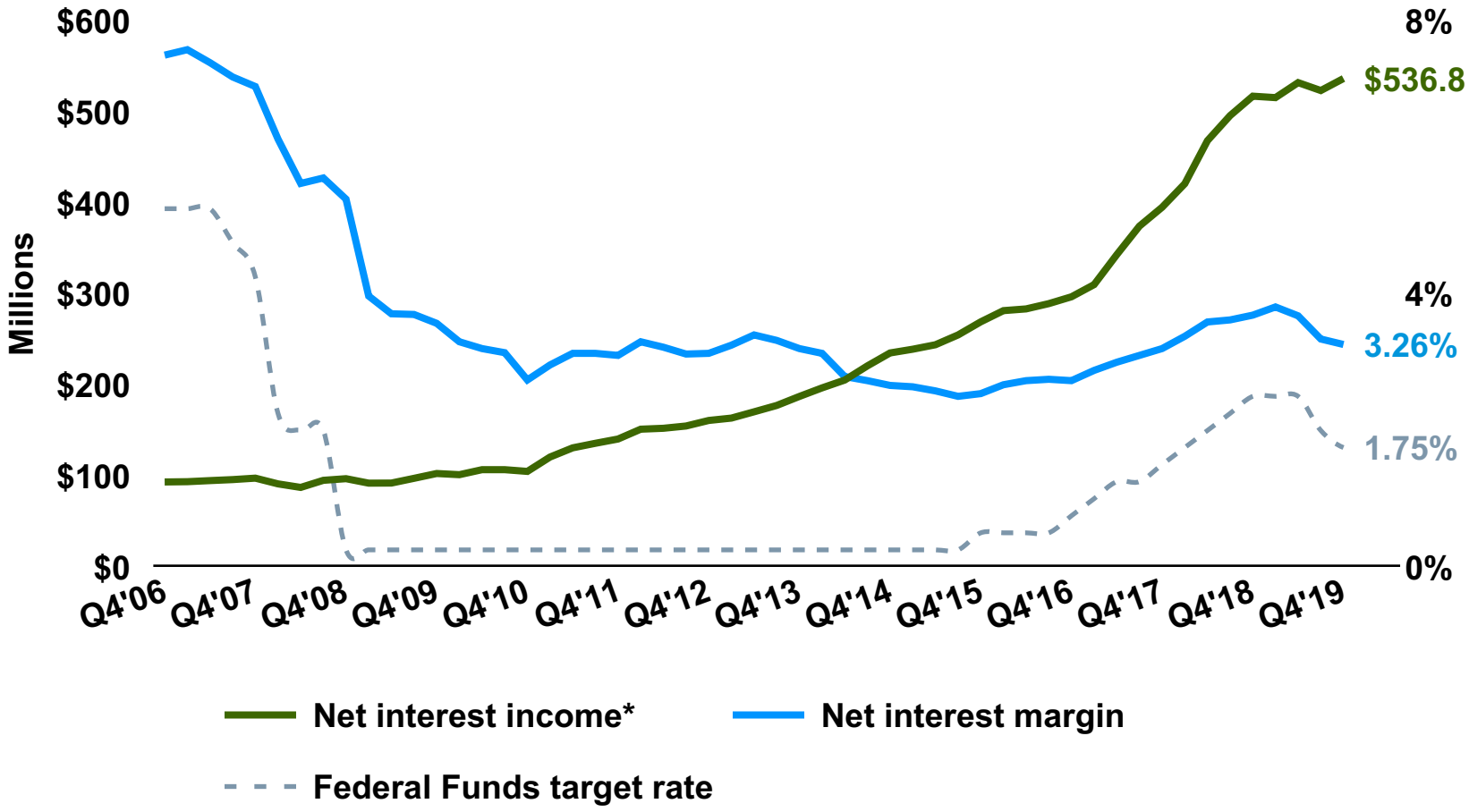
Q4'19: Net interest income increased 2.5%

Strong growth in average earning assets offset 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)

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We are managing NII sensitivity to our ~10% target

MODEL SENSITIVITY*

Static Balance Sheet

$45M (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

$30–$40M (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
- $5.0B of notional outstandings, up from $4.0B at the end of Q3

Deposit Price Strategy

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

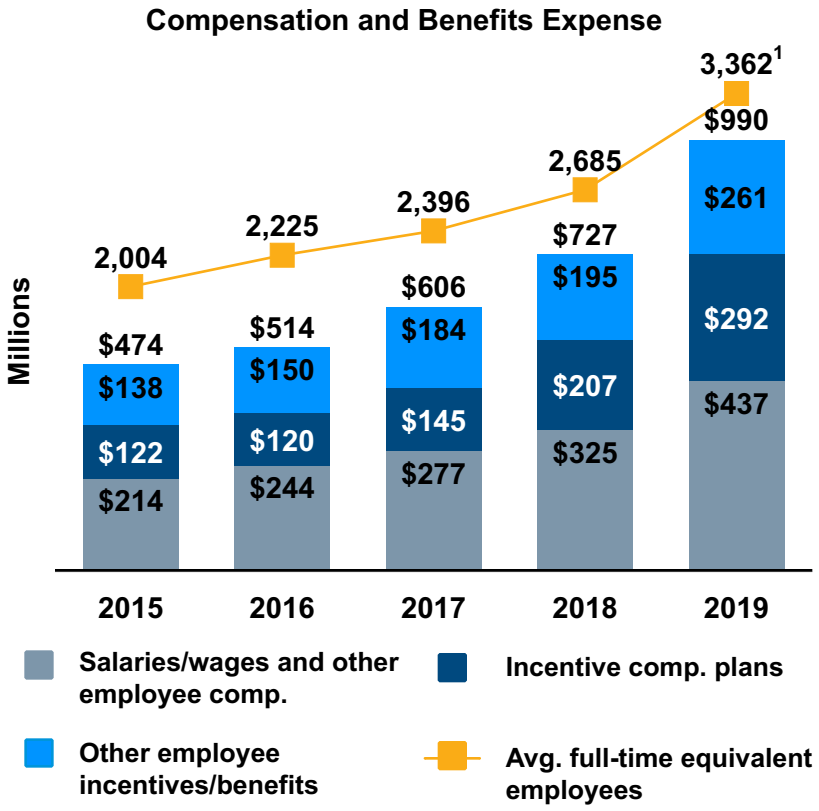
Other Strategies

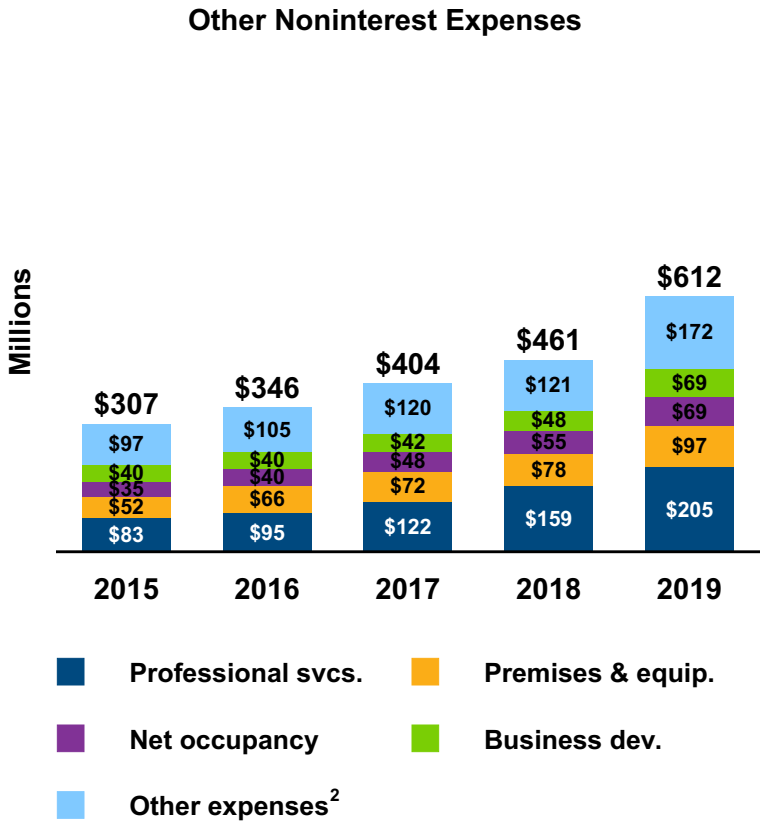
- Added $2.1B of fixed income securities in Q4, averaging six years in maturity
- $1.9B of loan portfolio includes active loan floors through 2020

* Management's sensitivity analysis is based on the expected 12-month impact of a 100 basis point rate shock on net interest income. This is an estimate and is subject to assumptions; actual results may differ. Additional information will be included in our 2019 Form 10-K report.

Investments in growth and efficiency driving non-interest expense

- New opportunities for revenue growth
- Transformation of business processes and implementation of scalable solutions

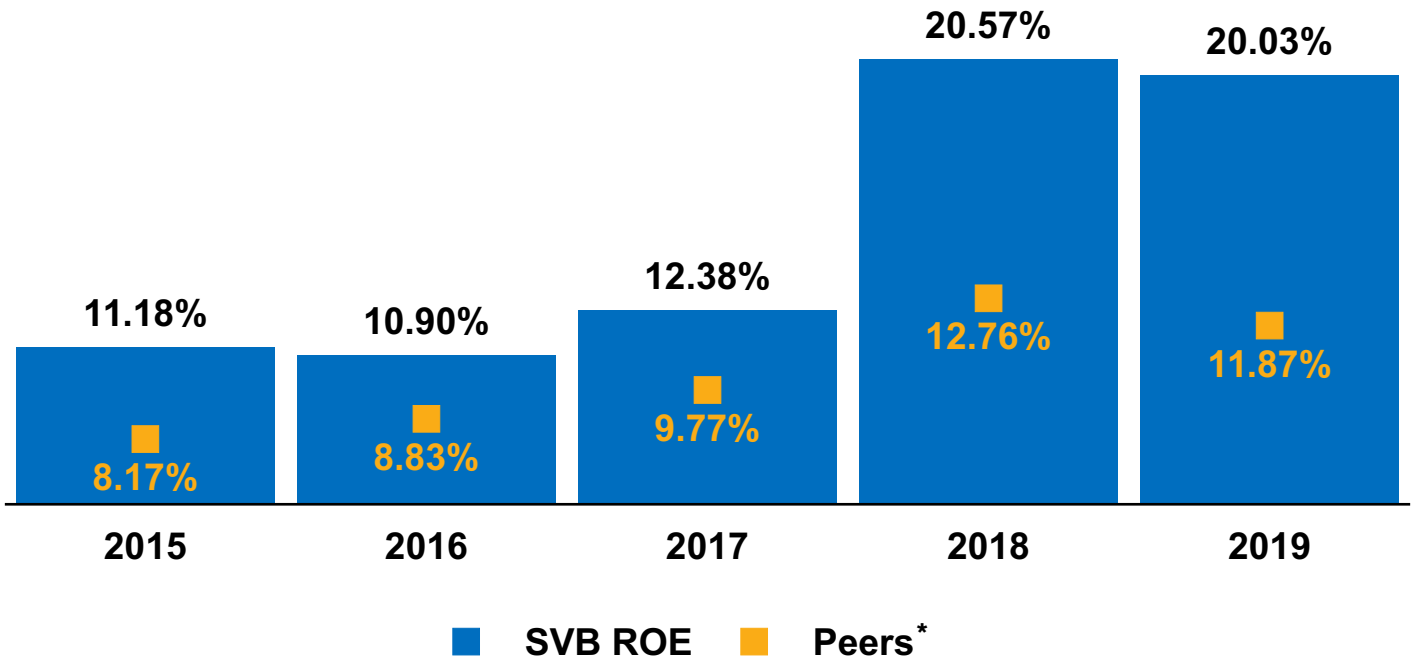




1. 2019 includes 230 full-time equivalent employees from SVB Leerink
2. Includes costs for FDIC and state assessments, correspondent bank fees, lending and other client-related processing, telephone, data processing and other expenses; please see our quarterly filings for more information.

Industry-leading ROE

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



* "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. 2019 average peer ROE is based on reporting from 17 of 18 peers.

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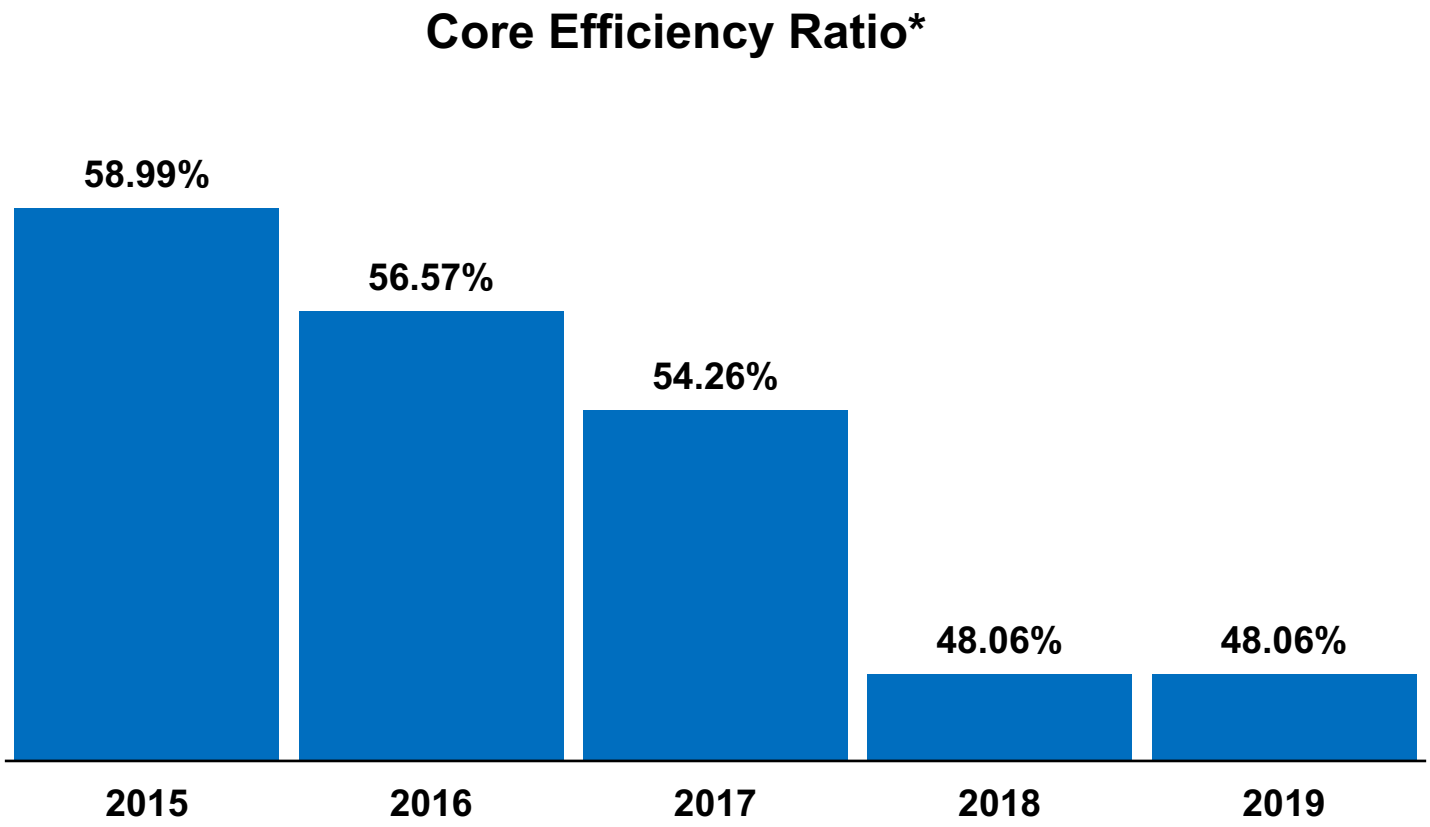
Low efficiency ratio with continued investment in growth, scalability and efficiency



* Non GAAP measure, please see non-GAAP reconciliations at end of this presentation for more information

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
- $350M 5.25% Preferred Stock issued in December 2019
- $350M 5.375% Senior Notes early redemption in December 2019

SVB Financial Group[1]	2015	2016	2017	2018	2019
CET 1 risk-based capital	12.28%	12.80%	12.78%	13.41%	12.64%
Tier 1 risk-based capital	12.83	13.26	12.97	13.58	13.50
Total risk-based capital	13.84	14.21	13.96	14.45	14.30
Tier 1 leverage	7.63	8.34	8.34	9.06	9.06
Tangible common equity to tangible assets[2]	7.16	8.15	8.16	8.99	8.39
Tangible common equity to risk-weighted assets[2]	12.34	12.89	12.77	13.28	12.82

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.

We are well capitalized - Bank

- Tier 1 leverage decreased in 2019 from an increase in risk-weighted assets driven by loan growth, partially offset by the increase in capital from net income
- Bank capital ratios reflect dividends of $733M from Bank to SVBFG during 2019, $140M in 2018, $90M in 2017 and $40M in 2016

Silicon Valley Bank[1]	2015	2016	2017	2018	2019
CET 1 risk-based capital	12.52%	12.65%	12.06%	12.41%	11.18%
Tier 1 risk-based capital	12.52	12.65	12.06	12.41	11.18
Total risk-based capital	13.60	13.66	13.04	13.32	12.02
Tier 1 leverage	7.09	7.67	7.56	8.10	7.30
Tangible common equity to tangible assets[2]	6.95	7.77	7.47	8.13	7.24
Tangible common equity to risk-weighted assets[2]	12.59	12.75	11.98	12.28	11.37

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, equity warrant assets, and income and expenses related to SVB Leerink, 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



About SVB Financial Group

For more than 35 years, SVB Financial Group (NASDAQ: SIVB) and its subsidiaries have helped innovative companies and their investors move bold ideas forward, fast. SVB Financial Group's businesses, including Silicon Valley Bank, offer commercial, investment and private banking, asset management, private wealth management, brokerage and investment services and funds management services to companies in the technology, life science and healthcare, private equity and venture capital, and premium wine industries. Headquartered in Santa Clara, California, SVB Financial Group operates in centers of innovation around the world. Learn more at www.svb.com.

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Non-GAAP Reconciliations

Non-GAAP reconciliation*

Core fee income

Non-GAAP core fee income (dollars in thousands)	Year ended December 31, 2015	2016	2017	2018	2019
GAAP noninterest income	$472,794	$456,552	$557,231	$744,984	$1,221,479
Less: gains on investment securities, net	89,445	51,740	64,603	88,094	134,670
Less: net gains on equity warrant assets	70,963	37,892	54,555	89,142	138,078
Less: other noninterest income	47,004	50,750	59,110	51,858	55,370
Non-GAAP core fee income including investment banking revenue and commissions	$265,382	$316,170	$378,963	$515,890	$893,361
Less: investment banking revenue	—	—	—	—	195,177
Less: commissions	—	—	—	—	56,346
Non-GAAP core fee income	$265,382	$316,170	$378,963	$515,890	$641,838

* 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)	Dec 31, 2019
GAAP non-marketable and other equity securities	$1,213,829
Less: amounts attributable to non-controlling interests	(148,806)
Non-GAAP non-marketable and other equity securities, net of non-controlling interests	$1,065,023

Composition of non-GAAP non-marketable and other equity securities, net of non-controlling interests (dollars in thousands)	Dec 31, 2019
Non-marketable and other equity securities (fair value accounting):	
Consolidated venture capital and private equity fund investments	$22,482
Unconsolidated venture capital and private equity fund investments	178,217
Investments without a readily determinable fair value	55,255
Other equity securities in public companies	59,056
Non-marketable securities (equity method accounting):	
Venture capital and private equity fund investments	131,403
Debt funds	7,271
China Joint Venture Investment	74,190
Other investments	78,673
Investments in qualified affordable housing projects, net	458,476
Total non-marketable and other equity securities	$1,065,023

* 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	2019
GAAP SVBFG stockholders' equity	$3,198,134	$3,642,554	$4,179,795	$5,116,209	$6,470,307
Less: Intangible assets	—	—	—	—	187,240
Less: Preferred stock	—	—	—	—	340,138
Tangible common equity (TCE)	$3,198,134	$3,642,554	$4,179,795	$5,116,209	$5,942,929
GAAP Total assets	$44,686,703	$44,683,660	$51,214,467	$56,927,979	$71,004,903
Less: Intangible assets	—	—	—	—	$187,240
Tangible assets (TA)	$44,686,703	$44,683,660	$51,214,467	$56,927,979	$70,817,663
Risk-weighted assets (RWA)	$25,919,594	$28,248,750	$32,736,959	$38,527,853	$46,358,878
Tangible common equity to tangible assets	7.16%	8.15%	8.16%	8.99%	8.39%
Tangible common equity to risk-weighted assets	12.34%	12.89%	12.77%	13.28%	12.82%

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	2019
Tangible common equity (TCE)	$3,059,045	$3,423,427	$3,762,542	$4,554,814	$5,034,095
Tangible assets (TA)	$44,045,967	$44,059,340	$50,383,774	$56,047,134	$69,563,817
Risk-weighted assets (RWA)	$24,301,043	$26,856,850	$31,403,489	$37,104,080	$44,283,544
Tangible common equity to tangible assets	6.95%	7.77%	7.47%	8.13%	7.24%
Tangible common equity to risk-weighted assets	12.59%	12.75%	11.98%	12.28%	11.37%

* 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	2019
GAAP noninterest expense	**A**	**$ 779,962**	**$ 859,797**	**$1,010,655**	**$1,188,193**	**$ 1,601,262**
Less: amounts attributable to noncontrolling interests		828	524	813	522	835
Non-GAAP noninterest expense, net of noncontrolling interests		$ 779,134	$ 859,273	$1,009,842	$1,187,671	$ 1,600,427
Less: expense attributable to SVB Leerink		—	—	—	—	252,677
Non-GAAP noninterest expense, net of noncontrolling interests and SVB Leerink	**B**	**$ 779,134**	**$ 859,273**	**$1,009,842**	**$1,187,671**	**$ 1,347,750**
GAAP net interest income		$1,006,425	$1,150,523	$1,420,369	$1,893,988	$ 2,096,601
Adjustments for taxable equivalent basis		1,564	1,203	3,076	9,201	11,949
Non-GAAP taxable equivalent net interest income		$1,007,989	$1,151,726	$1,423,445	$1,903,189	$ 2,108,550
Less: income attributable to noncontrolling interests		8	66	33	30	72
Non-GAAP taxable equivalent net interest income, net of noncontrolling interests		$1,007,981	$1,151,660	$1,423,412	$1,903,159	$ 2,108,478
Less: net interest income attributable to SVB Leerink		—	—	—	—	1,252
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	$ 2,107,226
GAAP noninterest income		$ 472,794	$ 456,552	$ 557,231	$ 744,984	$ 1,221,479
Less: income attributable to noncontrolling interests		31,736	8,039	29,452	38,000	48,624
Non-GAAP noninterest income, net of noncontrolling interests		$ 441,058	$ 448,513	$ 527,779	$ 706,984	$ 1,172,855
Less: Non-GAAP net gains on investment securities, net of noncontrolling interests		57,330	43,428	35,416	49,911	86,169
Less: net gains on equity warrant assets		70,963	37,892	54,555	89,142	138,078
Less: investment banking revenue		—	—	—	—	195,177
Less: commissions		—	—	—	—	56,346
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		$ 312,765	$ 367,193	$ 437,808	$ 567,931	$ 697,085
GAAP total revenue	**C**	**$1,479,219**	**$1,607,075**	**$1,977,600**	**$2,638,972**	**$ 3,318,080**
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**	**$1,320,746**	**$1,518,853**	**$1,861,220**	**$2,471,090**	**$ 2,804,311**
GAAP operating efficiency ratio (A/C)		**52.73%**	**53.50%**	**51.11%**	**45.02%**	**48.26%**
Non-GAAP core operating efficiency ratio (B/D)		**58.99%**	**56.57%**	**54.26%**	**48.06%**	**48.06%**

* 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

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