

# Q1 2021
## Financial highlights

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This presentation should be reviewed with our Q1 2021 Earnings Release and Q1 2021 CEO Letter, as well as the company's SEC filings



# Snapshot and current environment

# Q1'21 Snapshot: Exceptional growth and profitability – best quarter on record

## FINANCIAL HIGHLIGHTS

| EPS: | Net Income: | ROE: |
|---|---|---|
| $10.03 | $532M | 27.04% |

## Q1'21 PERFORMANCE (vs. Q4'20)

**$262B**
**+16.2%**
**AVERAGE CLIENT FUNDS**
+$45.0B PERIOD-END GROWTH

**$46B**
**+11.5%**
**AVERAGE LOANS[1]**
+$2.5B PERIOD-END GROWTH

**$665M**
**+11.5%**
**NET INTEREST INCOME[1]**

**$159M**
**+1.9%**
**CORE FEE INCOME[2]**

**$167M**
**+10.5%**
**SVB LEERINK REVENUE[2, 3]**

**$364M**
**WARRANT AND INVESTMENT GAINS NET OF NCI[2]**

**$19M**
**PROVISION FOR CREDIT LOSSES**
(primarily driven by $80M charge-off related to potential GFB capital call line fraud[4], partially offset by improved model economic scenarios)

1. SBA Paycheck Protection Program ("PPP") contributed $1.6B to average loan balances and $14.1M to net interest income, including $10.1M of loan fees. Net interest income presented on a fully taxable equivalent basis.
2. Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.
3. Represents investment banking revenue and commissions.
4. Reflects potentially fraudulent client activity in connection with a GFB capital call line of credit resulting in a pre-tax charge-off of $80M ($59M net of tax). We continue to pursue all available sources of recovery, and based on our review of the GFB loan portfolio, we currently believe this incident is an isolated occurrence. See our Q1 2021 Earnings Release for more information.

# Q1'21 Highlights

## Exceptional growth and profitability – best quarter on record

1. **Robust, highly liquid innovation markets and strong execution** driving extraordinary growth
2. **Period-end assets reached $142B (+90% YoY) and total client funds reached $288B (+71% YoY)** as strong fundraising and exits continued to fuel client liquidity
3. **Exceptional balance sheet growth** drove better-than-forecast NII, despite low rate environment
4. **Substantial 11% QoQ average loan growth** buoyed by sustained high levels of PE investment and strong borrowing by technology and life science/healthcare clients
5. **Stable credit metrics** (excluding loss related to potential fraud) and improving model economic scenarios drove reserve release
6. **Record warrant and investment gains of $364M[1]** from realized and pending exits as client IPO and SPAC activity accelerated
7. **Improved core fees** as record FX and higher card and deposit fees offset the impact of low rates on client investment fees
8. **Record SVB Leerink quarterly revenues of $167M**, capitalizing on strong life science and healthcare public markets activity
9. **Expenses above Q1'21 guidance** due to higher incentive compensation from outstanding performance and SVB Leerink expansion
10. **$2.4B of debt and equity raised YTD[2]** to support our increased growth momentum and accelerated investment in our business
11. **Improved 2021 outlook** due to steepening growth trajectory

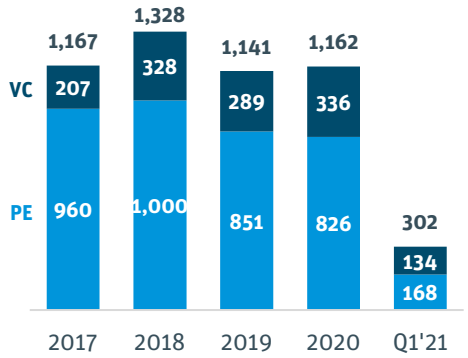
1. Net of NCI.
2. Year to date through April 22, 2021.

# Strong markets and effective execution are driving extraordinary growth

## Resilient, highly liquid markets + Strong execution = Exceptional growth & peer-leading profitability

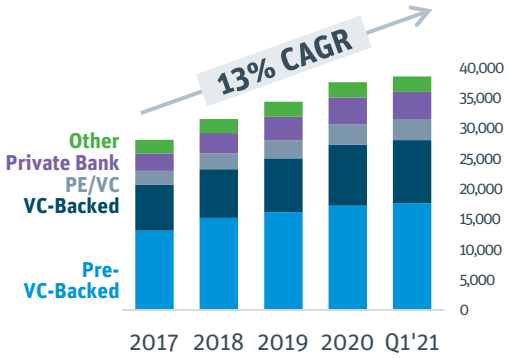
### GLOBAL PE & VC INVESTMENT

$ Billions



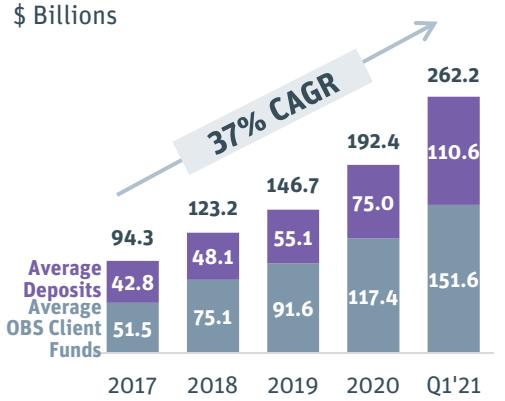

### SVB CLIENT COUNT

**Record ~1,600+ new clients in Q1'21**



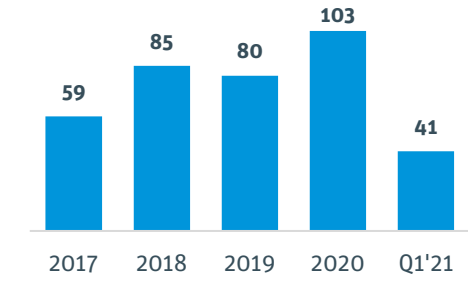

### AVERAGE CLIENT FUNDS

$ Billions




### U.S. VC-BACKED IPOS

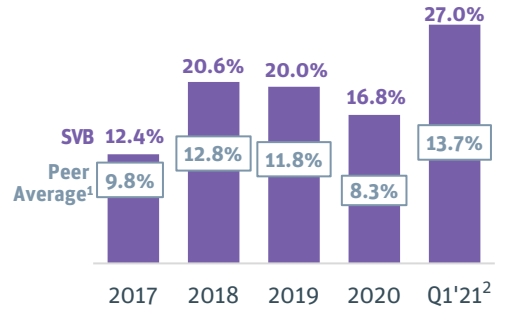
Count




### STRATEGIC GROWTH INVESTMENTS

EMPLOYEE ENABLEMENT
DIGITAL CLIENT EXPERIENCE
SVB Leerink
INTERNATIONAL
WestRiver ACQUISITION
Boston Private PLANNED ACQUISITION
NEW PRODUCTS
LARGE FINANCIAL INSTITUTION & U.K. SUBSIDIARIZATION REQUIREMENTS

### RETURN ON EQUITY




Note: VC and PE data sourced from PitchBook.

1. Source: S&P Global Market Intelligence. Represents the average of the return on equity ("ROE") for each of our peers. For each year, "peers" refers to our peer group as reported in our Proxy Statement and is subject to change on an annual basis.
2. Q1'21 represents annualized ROE. Q1'21 peer ROE includes 10 of 15 peers as of April 21, 2021.

# Robust tailwinds supporting the innovation economy

## Attractive growth opportunity...

### INDEXED PRICE
% vs. 1/1/17



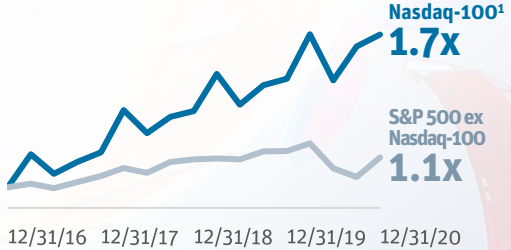

## ...amplified by historically low rates...

### 10Y U.S. TREASURY YIELD



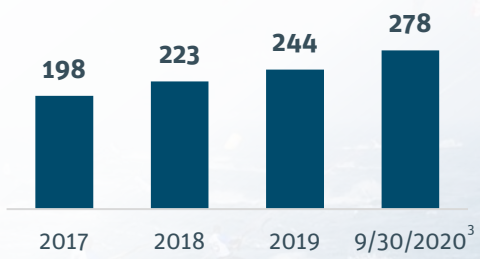

## ...and acceleration of digital

### REVENUE GROWTH[2]
% vs. 12/31/16




## Significant dry powder...

### GLOBAL VC DRY POWDER
$ Billions




## ...to support future investment

### GLOBAL PE DRY POWDER
$ Billions

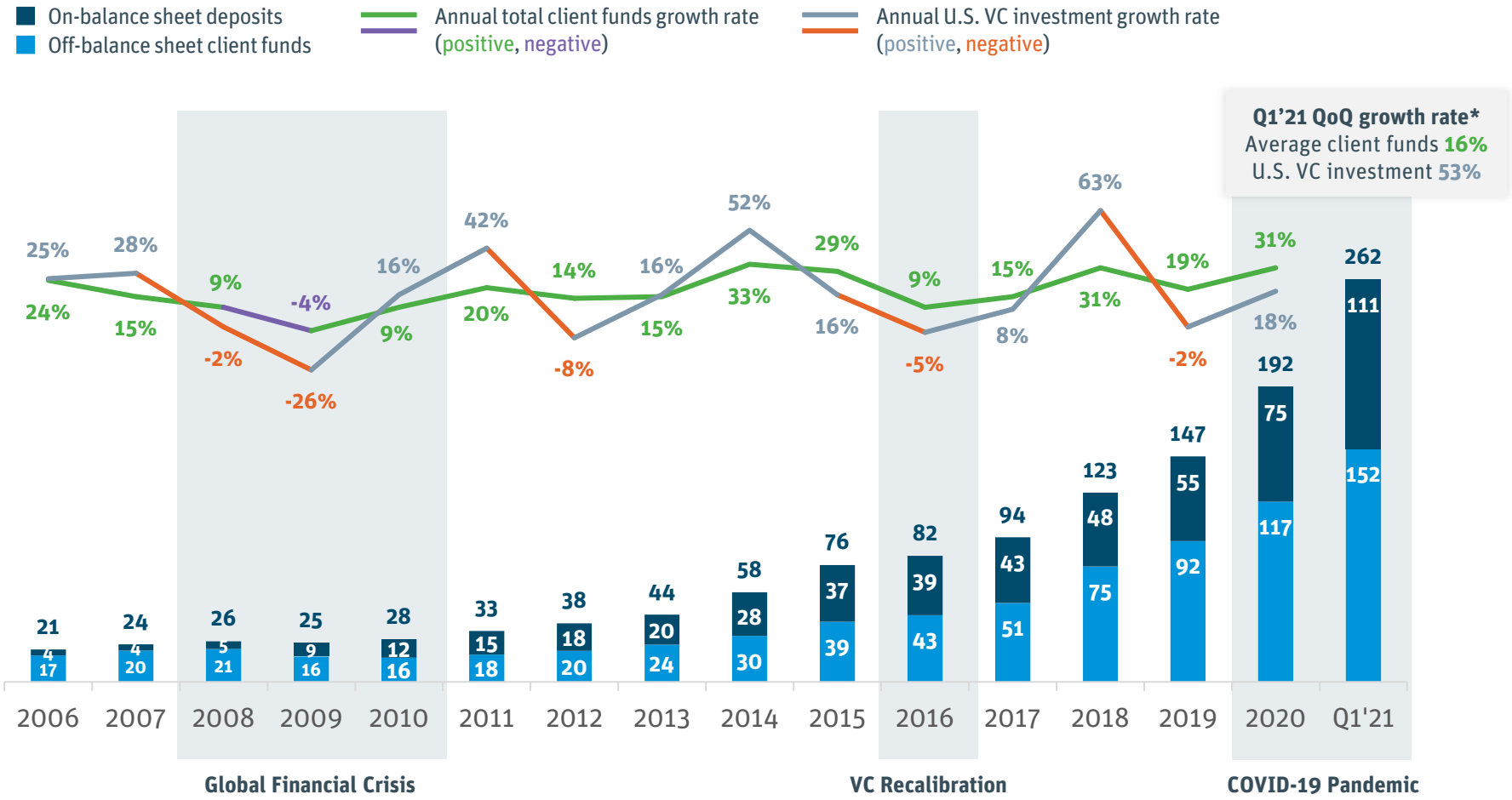



Note: Market data sourced from FactSet. VC and PE dry powder data sourced from PitchBook.
1. Nasdaq 100 Index used as a proxy for technology markets.
2. Source: Refinitiv. Historical revenue growth for companies included in the Nasdaq-100 and S&P 500 (excluding Nasdaq-100 companies) as of March 31, 2021.
3. Most recent data available.

# Robust client funds growth over time

## Strong liquidity franchise + innovation economy momentum drive resilient long-term growth

**TOTAL AVERAGE CLIENT FUNDS 15-YEAR HISTORY** ($ Billions)




Note: VC data sourced from PitchBook.
* QoQ percentage change (Q1'21 vs. Q4'20).

# Active capital management

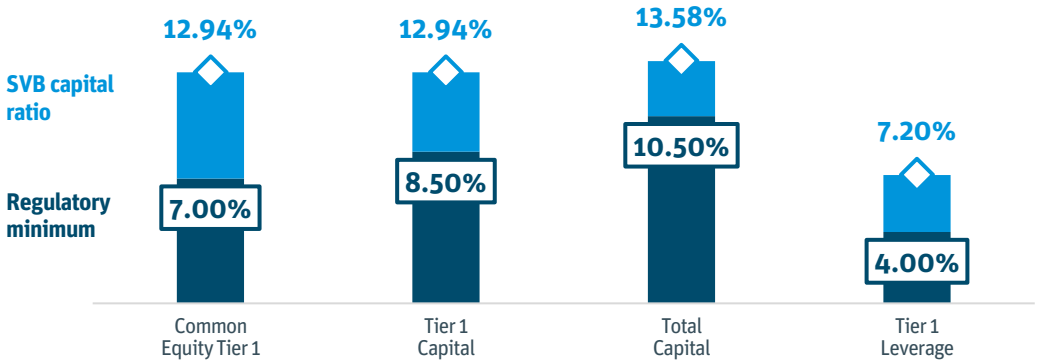
## Targeting 7-8% Bank Tier 1 Leverage

### Q1'21 Bank capital ratio drivers

- $2.0B downstream of SVBFG liquidity to Bank
- Strong earnings and robust balance sheet growth

### SILICON VALLEY BANK CAPITAL RATIOS[1]

As of 3/31/21




## Levers to support capital

**Strong profitability**
builds capital

**27%**
Q1'21 ROE

**Off-balance sheet solutions**
help optimize growth

**50%**
OF Q1'21 AVERAGE CLIENT FUNDS GROWTH IN OBS CLIENT FUNDS

**SVBFG liquidity**
a portion of which can be downstreamed to Bank

**$1B**
3/31/21 SVBFG LIQUIDITY

**Capital markets activity**
to support growth

2021 YTD NEW ISSUANCES[2]
$750M PREFERRED STOCK
$500M SENIOR NOTES
$1.15B COMMON STOCK

**Interest rate risk management**
to mitigate OCI risk

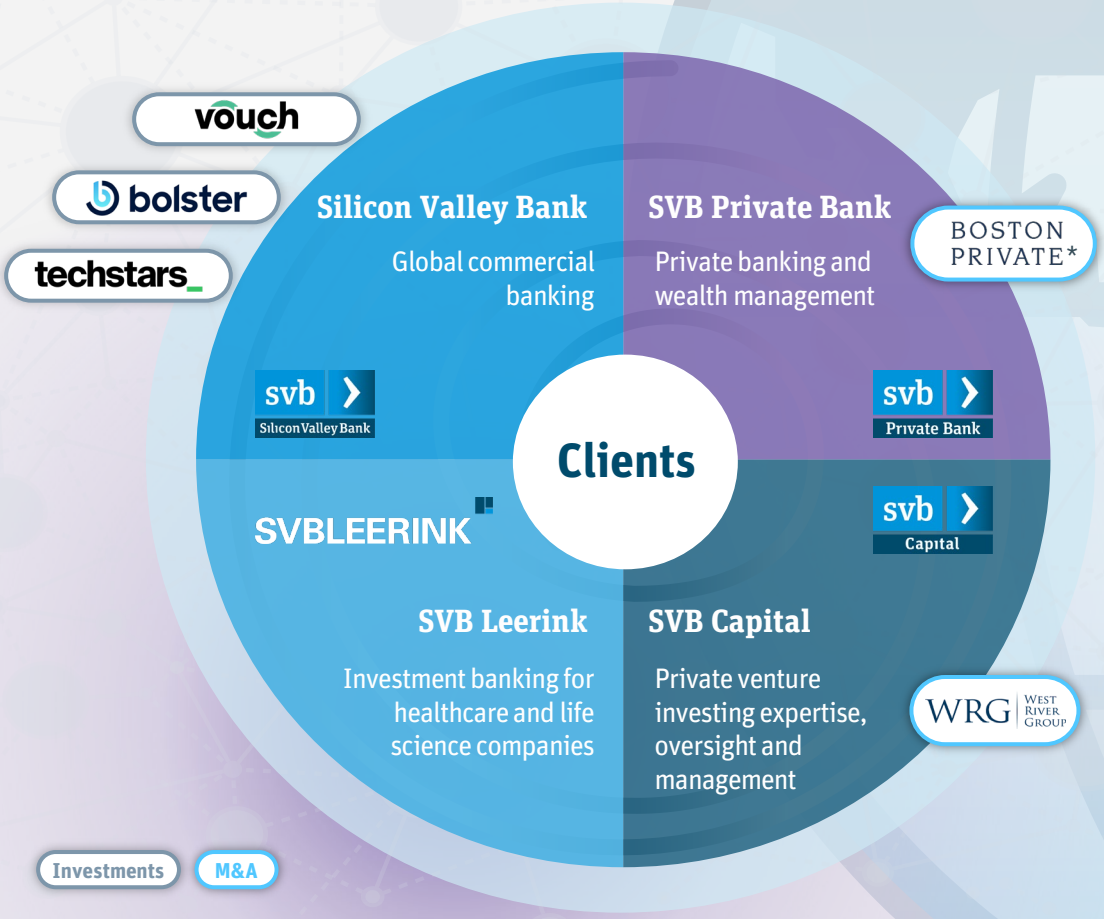
$10B FAIR VALUE HEDGES AS OF 3/31/21 (38% OF AFS)
$3B TRANSFERRED FROM AFS TO HTM IN Q1'21

**Shortening duration**
OF AFS PORTFOLIO TO <2 YEARS (HEDGE-ADJUSTED TARGET)

1. Ratios as of March 31, 2021 are preliminary.
2. On February 2, 2021, SVBFG issued $750M 4.100% Fixed-to-Reset Series B Non-Cumulative Perpetual Preferred Stock and $500M 1.800% Senior Notes due 2031. On March 25, 2021, SVBFG issued $1B Common Stock – additional $150M greenshoe was exercised on April 14, 2021.

# Our vision: Be the most sought-after digital-age partner helping innovators, enterprises and investors move bold ideas forward fast

SVB Financial Group




**Expanding and deepening our global platform organically and via investments and opportunistic M&A to meet clients' needs at all stages**

svb

* On January 4, 2021, SVB Financial Group announced its planned acquisition of Boston Private Financial Holdings, Inc. The acquisition is expected to close in mid-2021 subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals and approvals by the shareholders of Boston Private. See SEC filings for more information.

# Accelerating investments in our strategic priorities to extend our competitive advantage

## Enhance client experience

- End-to-end digital banking
- APIs and payment enablement
- Strategic partnerships to accelerate product delivery
- Technology platform upgrades

+

## Improve employee enablement

- Mobile and collaboration tools
- nCino credit onboarding platform
- Client and industry insights
- Global Delivery Centers
- Agile ways of working
- Talent attraction, retention and development
- Diversity, Equity & Inclusion initiatives

+

## Drive revenue growth

- Global expansion
- SVB Leerink
- Boston Private acquisition (expected closing mid-2021*)
- SVB Capital debt fund (WestRiver acquisition) and life science strategy
- Client acquisition
- New products (cards, liquidity and lending)
- Product penetration
- Strategic investments
- Fintech strategy

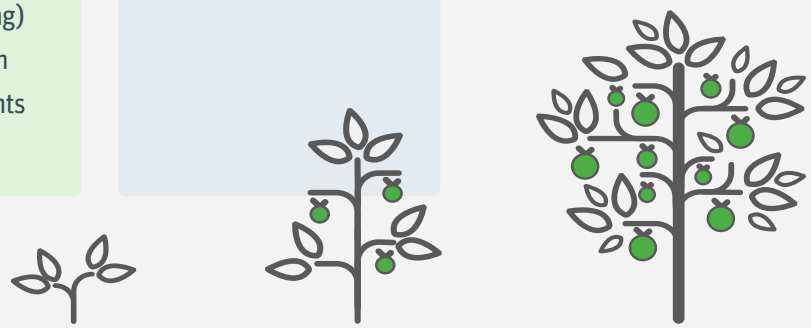
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## Enhance risk management

- Data foundation
- Large Financial Institution regulatory requirements (>$100B in average total consolidated assets)
- U.K. subsidiarization
- Cybersecurity

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## Long-term scalable growth

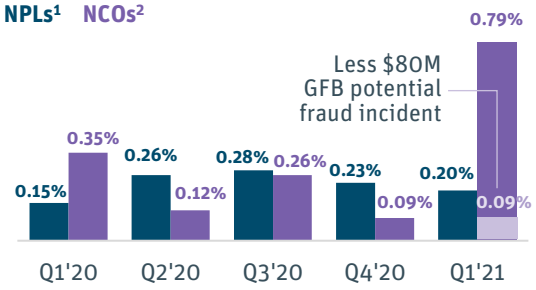


* Subject to regulatory approvals and customary closing conditions.

# Overall stable credit metrics and improving economic environment

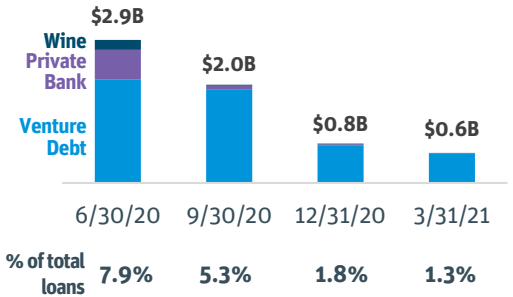
## Stable credit metrics
(excluding isolated GFB potential fraud incident)

### NON-PERFORMING LOANS & NET CHARGE-OFFS



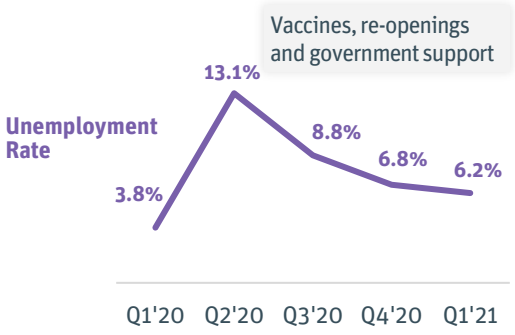

## Only 1.3% of loans on deferral

### DEFERRAL PROGRAM PARTICIPATION[3]




## Strengthening economy

### U.S. UNEMPLOYMENT RATE[4]




## Improving economic environment

**Monitoring COVID-19 spread**

Figures as of 3/31/21

**19%** of total assets

### Global Fund Banking

- Primarily consists of capital call lines of credit to PE/VC funds (well-diversified, low risk loans with strong sources of repayment)
- Recent potential fraud loss is an isolated event in our ~30 years of capital call lending

**9%** of total assets

### Technology and Life Science/Healthcare

- Robust VC investment activity providing strong support
- Credit quality continuing to improve as impact of COVID-19 subsides
- Continue to monitor Investor Dependent (primarily Early-Stage), Cash Flow Dependent and other COVID-19-impacted clients

**4%** of total assets

### Private Bank

- Only $19M of net losses since inception (1990s)
- Primarily mortgages located in CA (63%) with 66% median LTV

**1%** of total assets

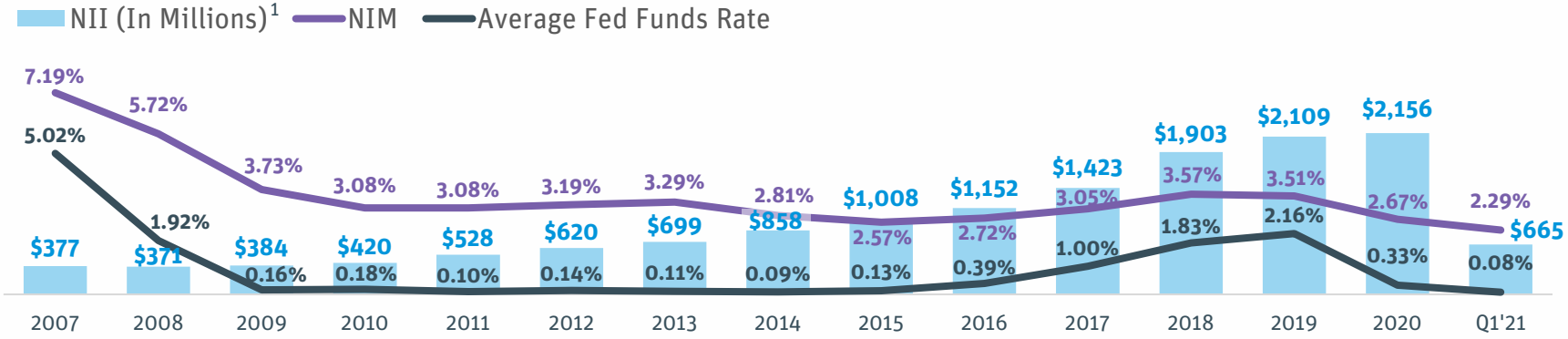
### Wine

- Sales improving with re-openings
- 77% of portfolio secured by high-quality real estate with median LTV of 50%
- Limited physical damage from recent California wildfires

1. Non-performing loans as a percentage of period-end total loans.
2. Net loan charge-offs as a percentage of average total loans (annualized).
3. Remaining Venture Debt deferrals were not driven by additional extensions (at time of deferral, loans had remaining interest-only periods which were extended via the program; principal payments commencing throughout 2021).
4. Source: U.S. Bureau of Labor Statistics. Quarterly unemployment rate represents an average of monthly unemployment rates for each period.

# Diversified earnings power

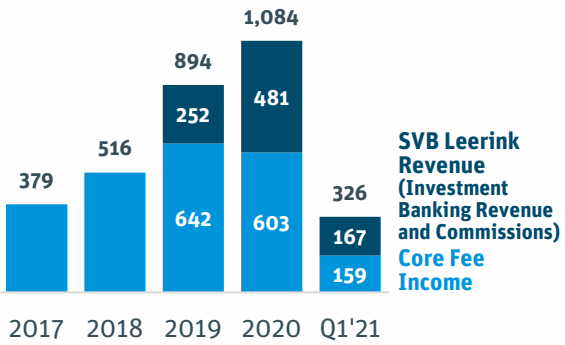
## Strong balance sheet growth has historically offset low rates to fuel NII




## Business diversification to drive earnings and profitability

### CORE FEES AND SVB LEERINK REVENUE[2]

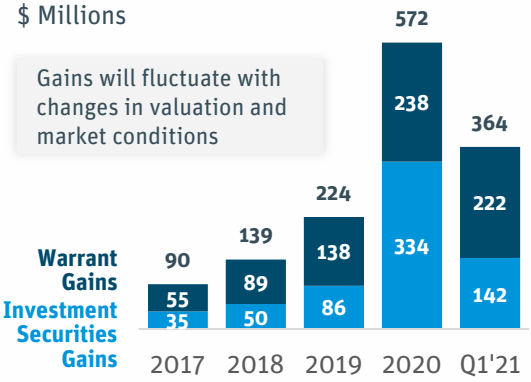
$ Millions




### WARRANT AND INVESTMENT GAINS NET OF NCI[2]

$ Millions

Gains will fluctuate with changes in valuation and market conditions




### INTERNATIONAL EXPANSION[3]

**$25.0B**
**Average deposits**
**44%** 2017-Q1'21 CAGR

**$3.5B**
**Average OBS client funds**
**32%** 2017-Q1'21 CAGR

**$7.1B**
**Average loans**
**50%** 2017-Q1'21 CAGR

**$24.5M**
**Q1'21 Core fee income[2]**
**31%** 2017-2020 CAGR

1. Net interest income presented on a fully taxable equivalent basis.
2. Non-GAAP financial measure. Please see the Appendix for more information.
3. Reflects Q1'21 figures for our international operations in the U.K., Europe, Israel and Asia (Canada is included in our U.S. Technology Banking segment). This management segment view does not tie to regulatory definitions for foreign exposure.

# Well-positioned for rising rates

## Asset sensitive balance sheet...

**~$100M**
MODELED INCREASE IN ANNUALIZED PRETAX NII FOR EACH 25 BP INCREASE IN RATES[1]

**66%**
OF Q1 AVERAGE DEPOSITS ARE NONINTEREST-BEARING

**92%**
OF Q1 AVERAGE LOANS ARE VARIABLE RATE

**~$3.0-3.5B**
ESTIMATED SECURITIES PAYDOWNS/QUARTER

## ...magnified by robust growth...

Mid **30s%**
EXPECTED FY'21 AVERAGE LOAN GROWTH[2]

High **60s%**
EXPECTED FY'21 AVERAGE DEPOSIT GROWTH[2]

Excess liquidity invested in 3-5 year duration securities (primarily classified as HTM)

## ...and substantial off-balance sheet client funds

**$152B**
Q1 AVERAGE OBS CLIENT FUNDS

**~$90-120M**
EXPECTED INCREASE IN ANNUALIZED CLIENT INVESTMENT FEES FOR INITIAL 25 BP INCREASE IN RATES*

* Equivalent to 6-8 bp increase in client investment fee margin based on Q1'21 average balance. Expect client investment fee margin to increase by 1-2 bps for each subsequent 25 bp increase in short-term rates

## Proactive interest rate risk management

### Still benefitting from strategies to protect against low rates:



**$163M**
REMAINING LOCKED-IN SWAP GAINS[3]

**$25B**
ACTIVE LOAN FLOORS[4]



### Positioning securities portfolio to create flexibility and mitigate OCI risk from potential rising long-term rates:



**$3B**
TRANSFERRED FROM AFS TO HTM

**$10B**
FAIR VALUE HEDGES (38% OF AFS PORTFOLIO)

SHORTENING AFS PORTFOLIO DURATION TO **<2y** (HEDGE-ADJUSTED TARGET)

Note: Average balances represent Q1'21 averages. All other figures as of March 31, 2021 .

1. Equivalent to +15% NII sensitivity for the expected 12-month impact of a +100 bp rate shock on net interest income. Management's sensitivity analysis is based on a static balance sheet and is subject to assumptions; actual results may differ. See Q1'21 Form 10-Q report for more information.
2. See page 17 for more information.
3. Unwound $5B swaps in Q1'20 resulting in $227M pretax fair value gains in OCI to be reclassified to loan interest income over ~5 years based on the timing of cash flows from hedged variable-rate loans.
4. $216M mark-to-market value. 3.49% weighted average floor rate, 1.6-year weighted average duration.

# Long-term growth opportunity

| | |
|---|---|
| **Thriving, high-growth markets**  | Innovation is driving economic growth, and digital adoption and activity in healthcare are accelerating |
| **Unique liquidity franchise**  | Powerful client funds franchise with low cost of on-balance sheet deposits |
| **Robust earnings power**  | • Industry-leading growth and profitability<br>• Diversified revenue streams to drive earnings through rate and economic cycles |
| **Growth investments**  | • Expanding and deepening platform to meet innovation clients' needs at all stages<br>• Enhancing our systems, structure and processes to support our continued growth |
| **High-quality balance sheet**  | 85% of assets in high-quality investments and low credit loss experience lending* |
| **Strong credit quality**  | Long track record of strong underwriting and resilient credit performance |
| **Strong capital management and ample liquidity**  | Ability to support growth and manage shifting economic conditions while investing in our business |
| **Proven leadership**  | Deep bench of recession-tested leaders supported by strong global team |

* Based on cash, fixed income investment portfolio and Global Fund Banking and Private Bank loan portfolios as of March 31, 2021.




# Outlook and performance detail

# Improved 2021 outlook

## Outlook considerations

- Increasing 2021 growth outlook as strong tailwinds continue to support the innovation economy:
  - Acceleration of digital adoption and activity in healthcare
  - Ample PE & VC dry powder for future investment and new liquidity sources
  - Historically low rates and compelling growth opportunity will continue to drive demand for alternative assets
- Net charge-offs guidance unchanged despite Q1'21 isolated potential fraud as economic environment improves – continue to monitor COVID-19 developments
- Increasing investment in 2021 to extend our competitive advantage and support our accelerated growth
- Outlook excludes impact of changes in interest rates, material deterioration in the overall economy, the completion of the pending Boston Private acquisition[1] and potential corporate tax rate or other changes under the new U.S. government administration

| Business driver | FY'20 results | FY'21 outlook vs. FY'20 |
|---|---|---|
| Average loans | $37.3B | Mid 30s % growth |
| Average deposits | $75.0B | High 60s % growth |
| Net interest income[2] | $2,156M | Mid 30s % growth |
| Net interest margin | 2.67% | 2.10%–2.20% |
| Net loan charge-offs | 0.20% | 0.20%–0.40% |
| Core fee income[3, 4] | $603M | Mid single digit % growth |
| SVB Leerink revenue[3, 5] | $481M | $420M–$450M |
| Noninterest expense[3, 6] | $2,035M | High teens % growth |
| Effective tax rate | 27.0% | 26%–28% |

Note: Actual results may differ. For additional information about our financial outlook, please refer to our Q1 2021 Earnings Release and Q1 2021 CEO Letter.

1. Expected to close mid-2021, subject to regulatory approvals and customary closing conditions.
2. Excludes fully taxable equivalent adjustments.
3. Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.
4. Excludes SVB Leerink.
5. Represents investment banking revenue and commissions.
6. Excludes expenses related to NCI. Includes SVB Leerink expenses.

# Key variables to our forecast

## Our guidance requires clarity around certain variables, including but not limited to:

| | |
|---|---|
| **VC fundraising and investment** | • Promotes new company formation which helps support client acquisition<br>• Source of client liquidity which helps drive total client funds growth |
| **PE fundraising and investment** | • Primary driver of capital call line demand which has been the largest source of loan growth over the past 7 years |
| **Exit activity** | • Ability for companies to exit via public markets or M&A affects VC/PE fundraising and investment<br>• Deal proceeds support client liquidity<br>• Impacts investment banking revenue and value of warrants and investment securities |
| **Economic environment** | • Affects health of clients which determines credit quality<br>• Level of business activity drives client liquidity and demand for our products and services |
| **Capital markets** | • Performance and volatility of public, private and fixed income markets impact exit activity and market-driven revenues (FX, investment banking revenue and commissions and warrant and investment gains) |
| **Competitive landscape** | • Affects margins and client acquisition |
| **Shape of yield curve** | • Directly impacts NIM via lending and reinvestment yields vs. funding costs<br>• Client investment fees move with short-term rates |
| **Political environment** | • New administration and Congress will influence economic policy and stimulus, business and market sentiment, global trade relationships, bank regulations and corporate taxes |

# Continued momentum in fundraising and exits drove surge in client funds

## Expect FY'21 average deposit % growth in the high 60s

### Q1'21 activity

- Average client funds +$37B (period-end +$45B) as strong technology and life science public and private fundraising and exits continued to flood clients with liquidity
- Growth further amplified by robust client acquisition over past year as newer clients experienced liquidity events
- 50% of average client funds growth was off-balance sheet (up from 39% in Q4'20)
- Stable deposit mix (66% noninterest-bearing) and cost of deposits (4 bps)

### FY'21 outlook key drivers

- Strong average client funds growth, both on and off-balance sheet
- Deposit growth may be impacted by:

**+ Strong PE/VC investment and public markets activity**
Increases technology and life science/healthcare clients' liquidity

**+ New client growth**
Continued strong client acquisition

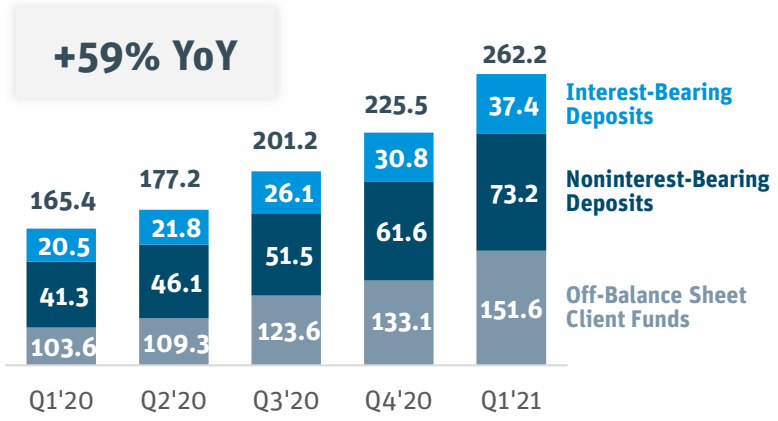
**– Normalizing client spending**
As business activity recovers

**– Demand for off-balance sheet solutions**
May attract increasing share of client liquidity off-balance sheet

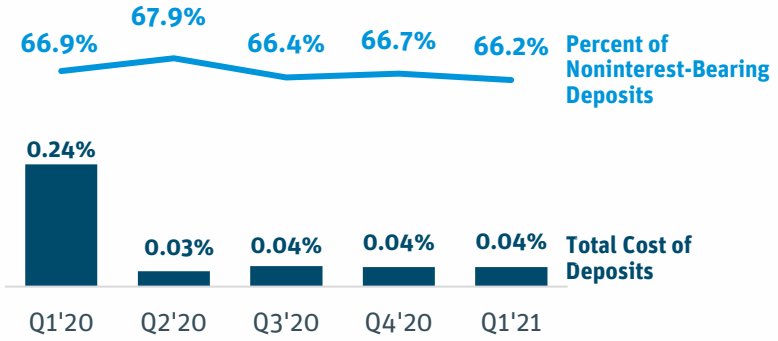
- Total cost of deposits and share of noninterest-bearing deposits expected to remain steady

### AVERAGE CLIENT FUNDS

$ Billions




### AVERAGE DEPOSIT MIX AND PRICING



# Accelerated securities purchases as significant deposit inflows continued

## Q1'21 activity

- Purchased $24.0B securities (1.49% weighted average yield, 4.26y duration) vs. roll-offs of $3.4B at 2.02%
- Purchases included agency-issued MBS/CMOs/CMBS, high-quality munis and a small amount of AA and A corporate bonds
- Despite significant purchase activity, exceeded average cash target due to surge in deposits
- Began positioning AFS portfolio for higher rates by executing $10B receive floating swaps and transferring $3B of AFS securities to HTM

## FY'21 key drivers

- Focused on shortening AFS portfolio duration to <2y to mitigate OCI risk while buying 3-5y duration HTM securities to support portfolio yields
- Continue to invest excess on-balance sheet liquidity in high-quality securities (agency MBS/CMOs/CMBS, munis), primarily classified as HTM
- Managing average Fed cash balances to $8-10B target by end of 2021[1]
- Expect average FY'21 fixed income portfolio yield to be ~1.60-1.70%:

**– Low (but improved) new purchase yields**
Expect new purchase yields ~1.35-1.45%
Estimated ~$3.0-$3.5B paydowns per quarter through 2021

**– Rate protections**
Targeting <2y AFS portfolio duration (hedge-adjusted)
Added $10B receive floating swaps in Q1 at 35 bps cost (as of 3/31/21) – expect to execute additional swaps to reach AFS duration target

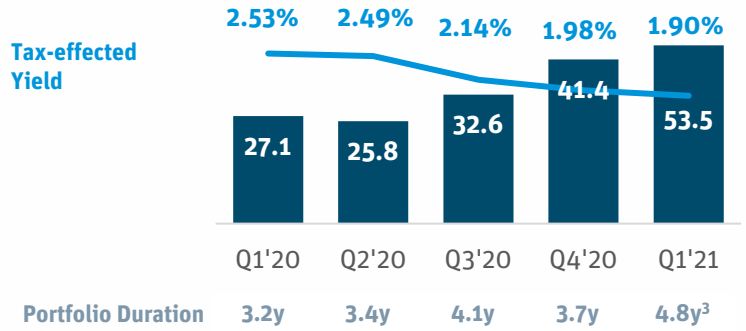
**+ High-quality alternative investments**
Opportunistically buying strong credit-quality munis and corporate bonds to support portfolio yields

### AVERAGE FIXED INCOME INVESTMENT SECURITIES

$ Billions

Low (but improved) new purchase yields and net premium amortization expense ($47M[2]) pressured Q1'21 yields

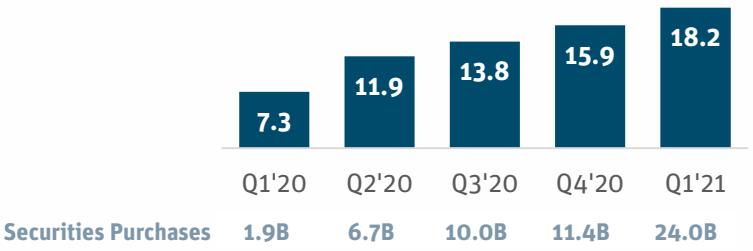
Q1'21 portfolio duration increased due to impact of rising rates on mortgage securities[3]




### AVERAGE CASH AND EQUIVALENTS

$ Billions

Outsized deposit growth continued to drive elevated cash balances and significant securities purchases in Q1'21




1. Actual balances depend on timing of fund flows.
2. Increase in net premium amortization expense QoQ primarily driven by a reduction in discount accretion due to slowing prepayments in Q1'21 from rising rates. In addition, Q4'20 benefitted from an acceleration of discount accretion reflective of higher than estimated prepayments for our agency CMBS securities held in our HTM portfolio at December 31, 2020.
3. Q1'21 portfolio duration was 4.3 years including the impact of interest rate swaps on AFS securities.

# Flexible liquidity management strategy supports strong, profitable growth

## Robust liquidity solutions to meet clients' needs

**40+**
LIQUIDITY MANAGEMENT PRODUCTS

**$111B**
Q1'21 AVERAGE ON-BALANCE SHEET DEPOSITS

**$152B**
Q1'21 AVERAGE OFF-BALANCE SHEET CLIENT FUNDS

**Continued product development**
TO BETTER SERVE CLIENTS

## Ability to support client funds growth on and off-balance sheet, while optimizing pricing and mix

| On vs. off-balance sheet considerations | Target range | Flexibility |
|---|---|---|
| **Bank tier 1 leverage ratio** | **7-8%** internal target | **$1B** SVBFG liquidity as of 3/31/21, a portion of which can be downstreamed to Bank |
| **Profitable spread income** | **75-100 bps** minimum target spread between new purchase yields and deposit costs | **~1.35-1.45%** expected new purchase yields<br>**4 bps** cost of deposits enables healthy margins<br>Focused on **supporting yields** and **mitigating OCI risk** from potential rising rates |
| **Liquidity** | **$8-10B** average Fed cash target* | **~$3.0-$3.5B** expected portfolio cash flows per quarter through 2021<br>**$72.0B** borrowing capacity as of 3/31/21 ($4B repo, $1.9B Fed Lines, $6.7B FHLB & FRB and $59.4B of unpledged securities) |

svb

* Actual balances depend on timing of fund flows.

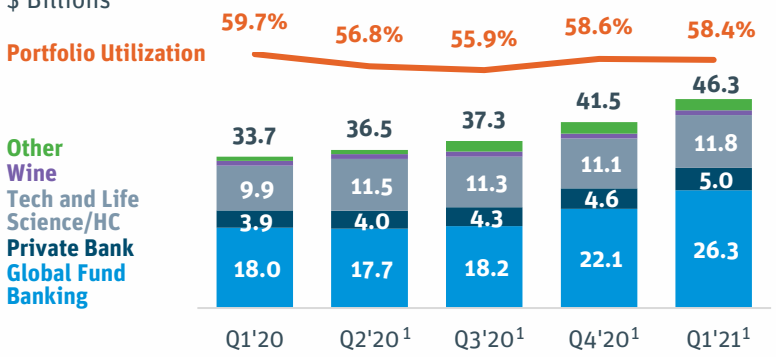
# Strong PE investment and borrowing by technology and life science/healthcare clients drove robust loan growth; Expect FY'21 average loan % growth in the mid 30s

## Q1'21 activity

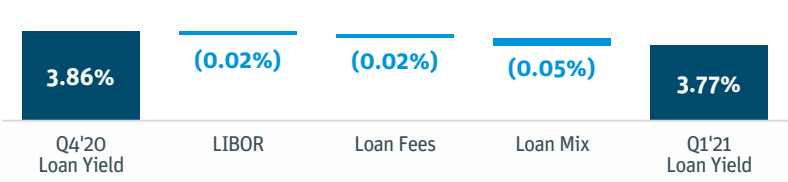
- Q1 average loans +11% QoQ (period-end loans +6%)[1] as PE investment drove strong GFB capital call lending activity
- Strong Tech and Life Science/Healthcare loan growth, partially offset by paydowns as client fundraising activity remained robust
- Low rates continued to fuel strong Private Bank mortgage growth
- $445M SBA PPP 2.0 loans funded vs. $587M SBA PPP 1.0 loans forgiven
- $16M interest rate swap gains[2] and $23.8B average active loan floors in Q1 continued to benefit loan yields

### AVERAGE LOANS

$ Billions




### AVERAGE LOAN YIELD[3]




## FY'21 outlook key drivers

- Loan growth may be impacted by:

**+ Strong PE/VC investment activity**
Expected to drive robust capital call line growth for FY'21 despite loan repayments in Q2'21

**+ Solid Private Bank mortgage origination**
Expect solid growth driven by strong purchase activity, even as refinances may slow with rising rates

**+ Strong tech and life science/HC lending pipelines**
Expected to offset paydowns from abundance of liquidity

**– SBA PPP forgiveness**
~$1.6B SBA PPP loans outstanding as of 3/31/21 – estimate ~$1B PPP 1.0 loans to be forgiven throughout 2021 (primarily in Q3 and Q4)[4]

- Loan yields expected to be impacted by:

**+ Rate protections**
$163M remaining locked-in swap gains as of 3/31/21[2]
$25.4B active loan floors as of 3/31/21[5], however loan renewals may pressure ability to maintain floor rates

**+ SBA PPP forgiveness**
~$1.6B SBA PPP loans outstanding as of 3/31/21 – estimate ~$1B PPP 1.0 loans to be forgiven throughout 2021 (primarily in Q3 and Q4)[4]

**– Shifting loan mix**
Towards lower yielding Global Fund Banking capital call lines

**– Spread compression**
Increasing competition as economy recovers

1. Q1'21 loan growth excluding SBA PPP was 12% (average) and 6% (period-end). SBA PPP loans contributed ~$1.6B to Q1'21 average loans, ~$1.7B to Q4'20 average loans, ~$1.8B to Q3'20 average loans and ~$1.4B to Q2'20 average loans.
2. Unwound $5B swaps in Q1'20 resulting in $227M pretax fair value gains in OCI to be reclassified to loan interest income over ~5 years based on the timing of cash flows from hedged variable-rate loans.
3. SBA PPP contributed $14.1M to Q1'21 NII, including $10.1M of loan fees.
4. Estimate only, subject to SBA PPP terms; amounts actually forgiven and timing of forgiveness may differ.
5. $216M mark-to-market value. 3.49% weighted average floor rate, 1.6-year weighted average duration.

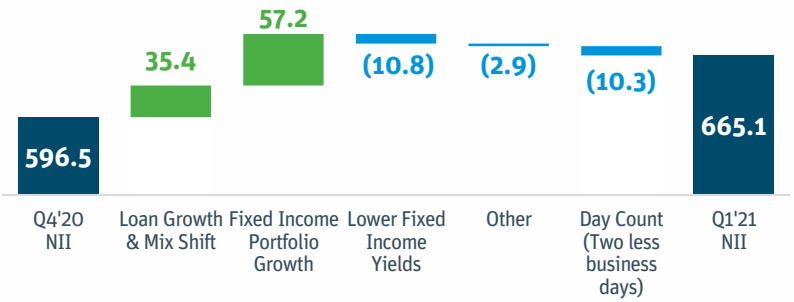
# Exceptional balance sheet growth drove better-than-forecast NII despite low rates

## Expect FY'21 NII % growth in the mid 30s[1] and FY'21 NIM between 2.10-2.20%

### Q1'21 activity

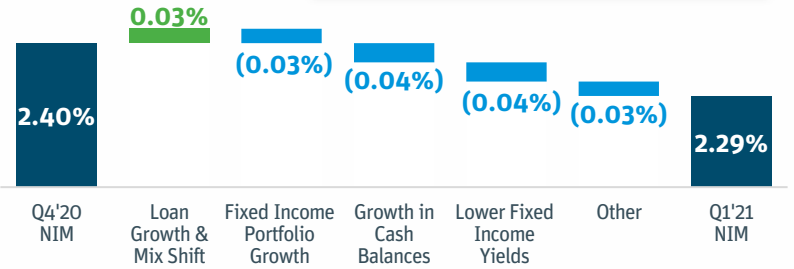
**NET INTEREST INCOME[1]**

$ Millions




**NET INTEREST MARGIN**

**Surge in deposits** drove significant securities purchases and high cash balances, pressuring NIM




### FY'21 outlook key drivers

- NII and NIM expected to be impacted by:

**Balance sheet growth**
**(positive for NII, negative for NIM)**
Driven by strong client liquidity

**Rate protections**
**(positive for loan yields, negative for securities yields)**

~5 bps of NIM protection in 2021 from locked-in swap gains[2]
$25.4B active loan floors as of 3/31/21[3], however loan renewals may pressure ability to maintain floor rates

Targeting <2y AFS portfolio duration (hedge-adjusted)
Added $10B receive floating swaps in Q1 at 35 bps cost (as of 3/31/21) – expect to execute additional swaps to reach AFS duration target

**SBA PPP program**
FY'21 includes ~$35-40M of estimated SBA PPP loan interest and fees, net of deferred loan origination costs (+1 bp impact to NIM)[4]

**Reduction in average Fed cash balances**
To $8-10B target by end of 2021 (actual balances depend on timing of fund flows)

**Low (but improved) new purchase yields**
Expect new purchase yields ~1.35-1.45%
Estimated ~$3.0-$3.5B paydowns per quarter through 2021

**Shifting loan mix**
Towards lower yielding Global Fund Banking capital call lines

**Spread compression**
Increasing competition as economy recovers

1. NII is presented on a fully taxable equivalent basis, while NII guidance excludes fully taxable equivalent adjustments. SBA PPP contributed $14.1M to Q1'21 NII, including $10.1M of loan fees.
2. Unwound $5B swaps in Q1'20 resulting in $227M pretax fair value gains in OCI to be reclassified to loan interest income over ~5 years based on the timing of cash flows from hedged variable-rate loans. $163M locked-in gains remain as of March 31, 2021.
3. $216M mark-to-market value. 3.49% weighted average floor rate, 1.6-year weighted average duration.
4. Based on SBA PPP forgiveness expectations. Estimate only, subject to SBA PPP terms; amounts actually forgiven and timing of forgiveness may differ.

# Overall stable credit trends and improving economic environment

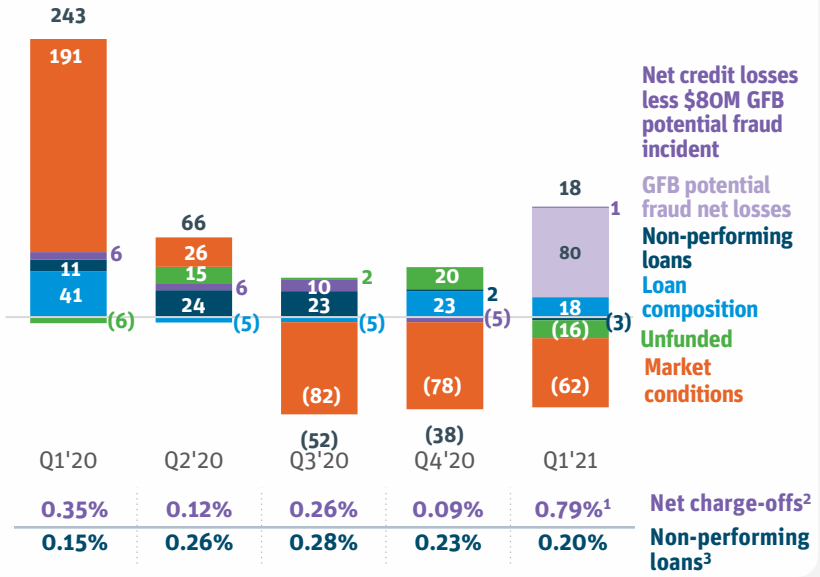
## Expect 2021 NCOs to be between 20-40 bps

### Q1'21 activity

- Provision driven by $80M net charge-off related to isolated GFB potential fraud and $62M release of performing reserves based on improved model economic scenarios
- Stable credit metrics excluding isolated GFB potential fraud:
  - Low gross charge-offs ($15M), consisting primarily of Investor Dependent loans, and strong recoveries ($5M)
  - NPLs decreased to $95M vs. $104M in Q4'20
  - Criticized loans declined $12M QoQ to $1.2B (3% of Q1 EOP loans)
- Only 1.3% of loans remain on deferral as of 3/31/21

**PROVISION FOR CREDIT LOSSES**

$ Millions




### FY'21 outlook key drivers

- Changes in model economic scenarios could drive volatility in provision:

**Moody's March economic scenarios**

| 40% | 30% | 30% |
|---|---|---|
| baseline | downside | upside |

- Credit performance drivers:

**+ Vaccine distributions and re-openings**
Support business activity of our clients

**+ Continued investor support**
Robust VC investment activity providing strong support

**+ Improved risk profile of loan portfolio**
Early-Stage – most vulnerable segment of Investor Dependent portfolio that historically has produced the most losses – now only 3% of loans
68% of loans in low credit loss experience segments (GFB and Private Bank)

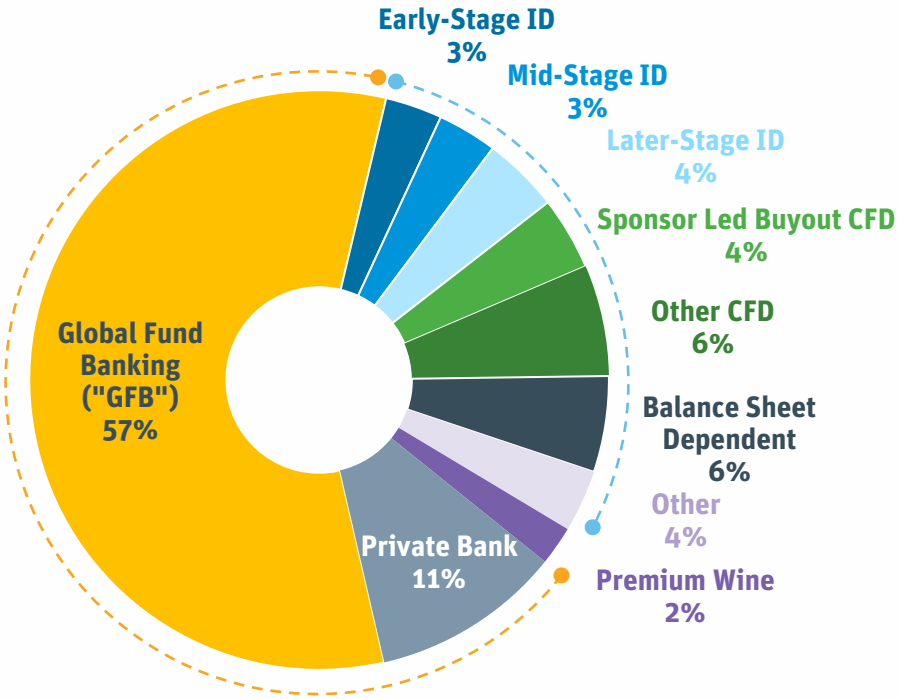
**+ Limited exposure to industries most severely impacted by COVID-19**
No direct exposure to oil and gas
Limited indirect exposure to retail, travel and hospitality
Wine sales improving with re-openings

**– New COVID-19 variants and continued spread**
Reinstated or extended lockdowns may lead to higher Tech and Life Science/Healthcare NPLs and losses, particularly among Investor Dependent (primarily Early-Stage and some Mid- or Later-Stage) and Cash Flow Dependent portfolios

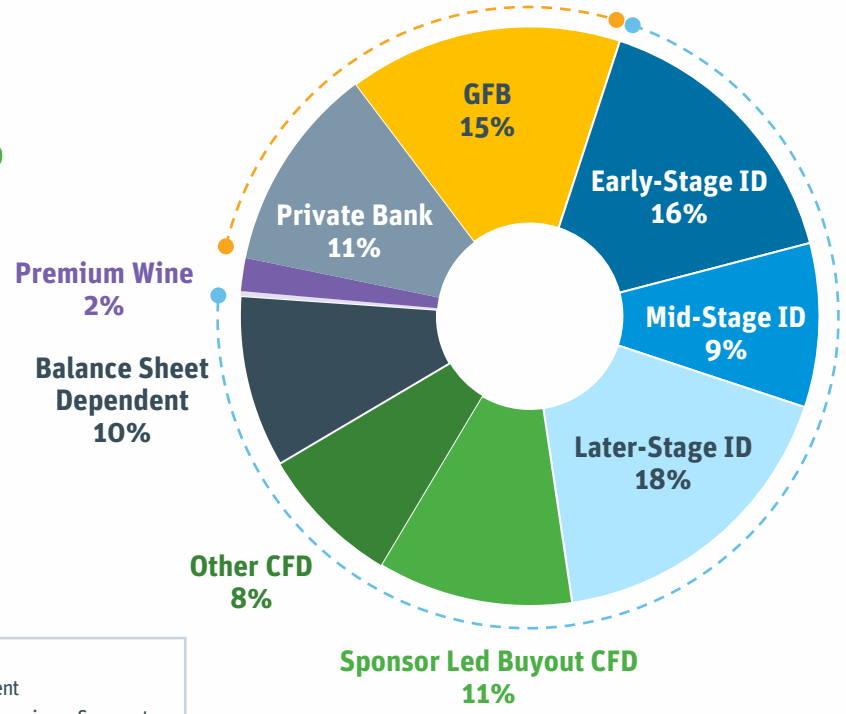
1. Net loan charge-offs less $80M net charge-off related to GFB potential fraud incident were 0.09%.
2. Net loan charge-offs as a percentage of average total loans (annualized).
3. Non-performing loans as a percentage of period-end total loans.

# 68% of loan portfolio in low credit loss experience Global Fund Banking and Private Bank segments

**TOTAL LOANS**
**$48B at 3/31/21**




**ALLOWANCE FOR CREDIT LOSSES FOR LOANS**
**$392M at 3/31/21**




ID = Investor Dependent
CFD = Cash Flow Dependent
Low Credit Loss Experience Segments
Technology & Life Science /Healthcare

# Improved model economic scenarios drove reserve release

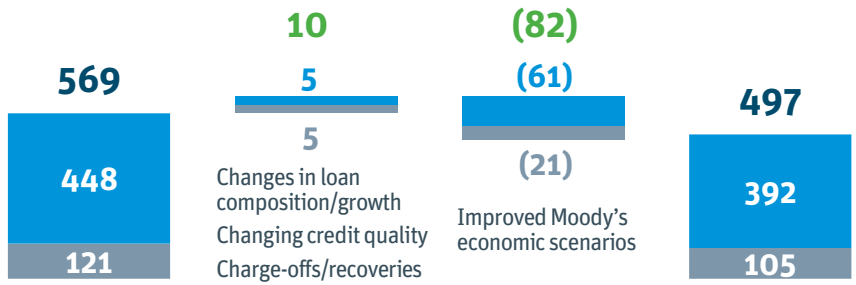
Moody's March forecasts (40% baseline, 30% downside, 30% upside)

Improved model economic scenarios (Baseline: Peak unemployment of ~6% in Q1'21 and 1 year GDP growth of 5%)

Loss modeling does not include impact of fiscal stimulus or relief programs

## ALLOWANCE FOR CREDIT LOSSES FOR LOANS AND UNFUNDED CREDIT COMMITMENTS

$ Millions




Tech & LS / HC

| $ Thousands | ACL 12/31/20 (%) | ACL 12/31/20 | Portfolio Changes | Model Assumptions | ACL 3/31/21 | ACL 3/31/21 (%) |
|---|---|---|---|---|---|---|
| Early-Stage Investor Dependent | 5.83% | 86,674 | (8,774) | (15,653) | 62,247 | 4.09% |
| Mid-Stage Investor Dependent | 3.08% | 48,164 | 56 | (12,368) | 35,852 | 2.26% |
| Later-Stage Investor Dependent | 4.09% | 78,519 | 3,087 | (12,772) | 68,834 | 3.35% |
| Balance Sheet Dependent | 1.63% | 35,651 | 4,670 | (2,698) | 37,623 | 1.50% |
| Cash Flow Dep: Sponsor Led Buyout | 2.47% | 49,098 | (1,443) | (4,873) | 42,782 | 2.16% |
| Cash Flow Dep: Other | 1.34% | 39,500 | (1,559) | (6,853) | 31,088 | 1.05% |
| Private Bank | 1.09% | 53,629 | 4,147 | (12,712) | 45,064 | 0.89% |
| Global Fund Banking | 0.18% | 45,584 | 3,770 | 10,647 | 60,001 | 0.22% |
| Premium Wine | 0.83% | 8,747 | 58 | (1,604) | 7,201 | 0.69% |
| Other | 0.14% | 2,199 | 1,667 | (2,807) | 1,059 | 0.06% |
| **ACL for loans** | **0.99%** | **447,765** | **5,679** | **(61,693)** | **391,751** | **0.82%** |
| ACL for unfunded credit commitments | 0.38% | 120,796 | 4,685 | (20,731) | 104,750 | 0.31% |
| ACL for loans and unfunded credit commitments | 0.74%* | 568,561 | 10,364 | (82,424) | 496,501 | 0.61%* |

◀ vs. **~6%** average Early-Stage NCOs over 2008-2010

* Weighted average ACL ratio for loans outstanding and unfunded credit commitments.

# Increased business activity drove core fees higher despite low rate impact on client investment fees; Expect FY'21 core fees % growth in the mid single digits

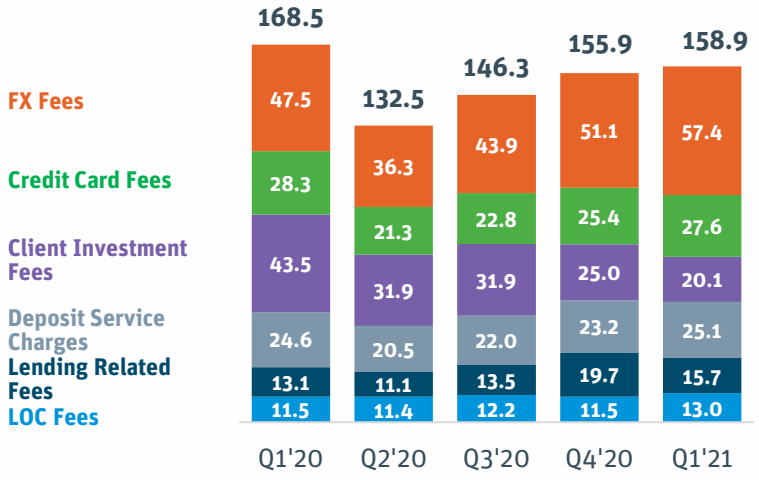
## Q1'21 activity

- Record FX fees (+12% QoQ) driven primarily by hedging and PE deal activity
- New clients, deepening penetration and higher utilization drove Card fees +9%
- Client investment fees declined 20% QoQ despite surge in balances as fee margin, which adjusts with short-term rates, decreased by 2 bps to 5 bps

### CORE FEE INCOME*

$ Millions

**+11%** YoY rebound in core fee income less client investment fees (which have been impacted by near-zero rates)




## FY'21 outlook key drivers

- Core fees to be impacted by:

**+ Recovering business activity**
Gradual improvement, though watching pace of vaccine distributions, COVID-19 spread and shutdowns

**+ New client growth**
Continued strong client acquisition

**+ Deepening client engagement**
From investments in new products and client experience

**– Lower client investment fees**
Despite strong growth in balances as fee margin bottoms at mid-single digits in Q2'21 due to near-zero rates

### RECENT ENHANCEMENTS

**FX**

Simplified user experience

Trading and platform automation

80% target straight through processing

**Cards**

Automated underwriting

Rewards and rebates

Expense management and controls

Full online experience

**Liquidity**

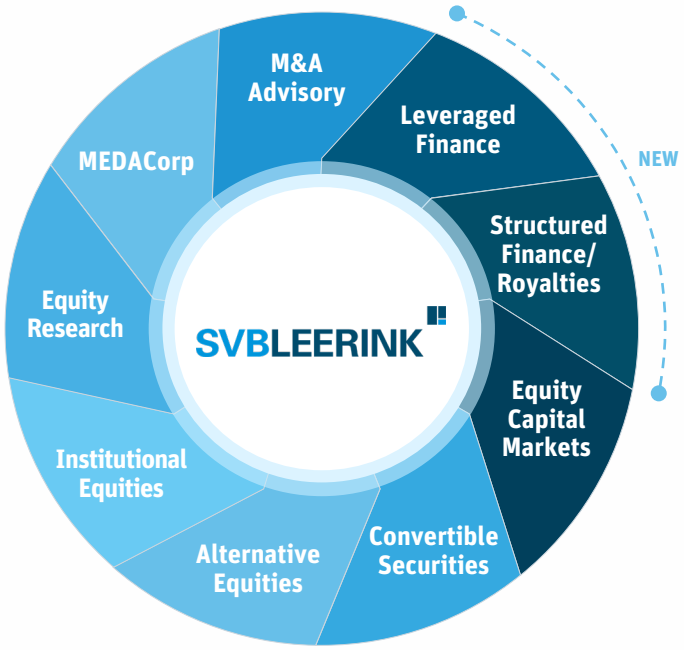
Custom solutions

40+ liquidity management products

* Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.

# Continued momentum from SVB Leerink – record quarterly revenue
# Expect 2021 SVB Leerink revenue to be between $420M-$450M

## SVB Leerink expands our solutions for life science/healthcare clients



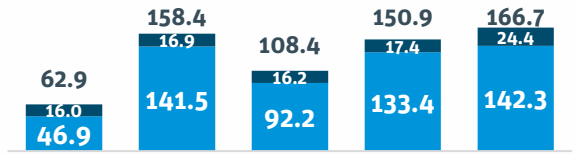

BIOPHARMA | TOOLS & DIAGNOSTICS | MEDICAL DEVICES | HEALTHCARE SERVICES

## Q1'21 activity

- SVB Leerink continues to capitalize on strong public markets: 32 book-run transactions in Q1 ($6.5B in aggregate deal value)
- Expanded team and leadership; new Leveraged Finance and Structured Finance practices

### SVB LEERINK REVENUE*

$ Millions




| SVB Leerink expenses* | Q1'20 | Q2'20 | Q3'20 | Q4'20 | Q1'21 |
|---|---|---|---|---|---|
| | $62.0M | $108.7M | $77.6M | $130.7M | $136.4M |

## FY'21 outlook key drivers

- Shifting conditions may create volatility for market-sensitive revenues:

**– Investment banking revenue**
Strong, but lower expected revenue relative to 2020's record

**+ New hires and expertise**
Deepening Healthcare Investment Banking practice and expanding into Leveraged Finance and Structured Finance

**+ Strengthening collaboration**
Between Silicon Valley Bank and SVB Leerink

**+ Commissions revenue**
Sales and trading may benefit from market volatility

* Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.

# Record warrant and investment gains as client exit activity accelerated
## Gains will fluctuate with changes in valuation and market conditions

### Q1'21 activity

- Robust client exit activity drove sales of public equity securities, warrant exercises and improved valuations
- $116M realized warrant gains from exercises related to Coinbase Global, Inc.'s direct listing
- Sold remaining BigCommerce, Inc. shares for $182M, realizing $43M investment gains in Q1
- $64M investment gains from improved valuations of SVB Capital funds and strategic investments
- $62M warrant gains from valuation increases of private company portfolio driven primarily by pending SPAC activity, as well as pending M&A and IPO activity

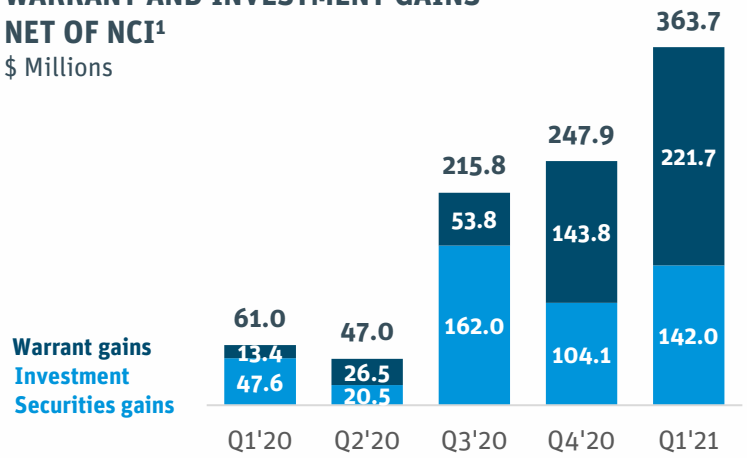
### FY'21 key drivers

- Shifting conditions may create volatility for market-sensitive revenues:

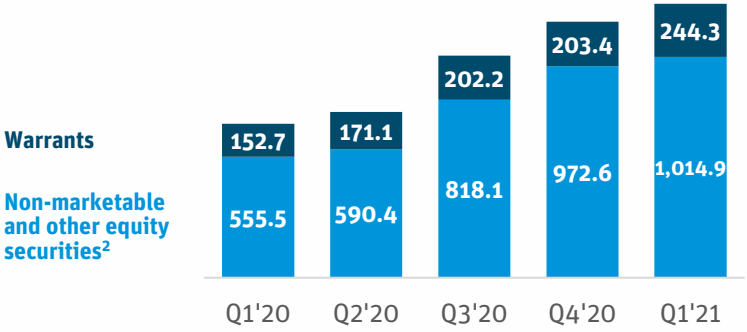
**Valuations of warrants and non-marketable and other equity securities**
Fluctuate with market conditions and public and private fundraising and exit activity, but offer meaningful long-term earnings support

**Realized gains from sale of Coinbase shares**
Sold all Coinbase shares in April – recording additional $38M pretax gains in Q2'21

**WARRANT AND INVESTMENT GAINS NET OF NCI[1]**
$ Millions




**WARRANTS & NON-MARKETABLE AND OTHER EQUITY SECURITIES[2]**
$ Millions



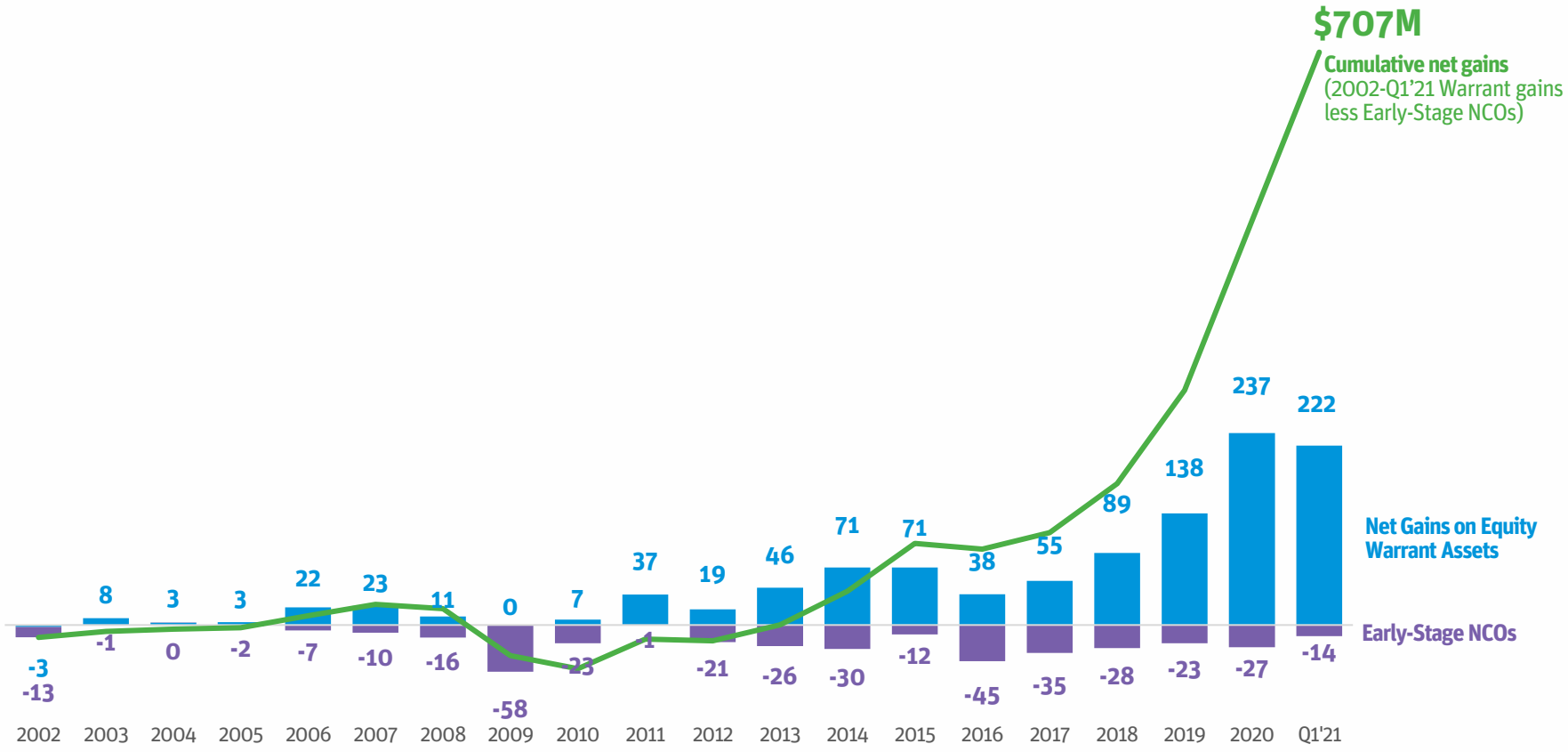

Note: The extent to which unrealized gains (or losses) from investment securities from our non-marketable and other equity securities portfolio as well as our equity warrant assets will become realized is subject to a variety of factors, including, among other things, performance of the underlying portfolio companies, investor demand for IPOs and SPACs, 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.

1. Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.
2. Net of investments in qualified affordable housing projects and noncontrolling interests.

# Net warrant gains more than offset Early-Stage charge-offs over time and offer meaningful earnings support

**WARRANT GAINS NET OF EARLY-STAGE LOSSES**

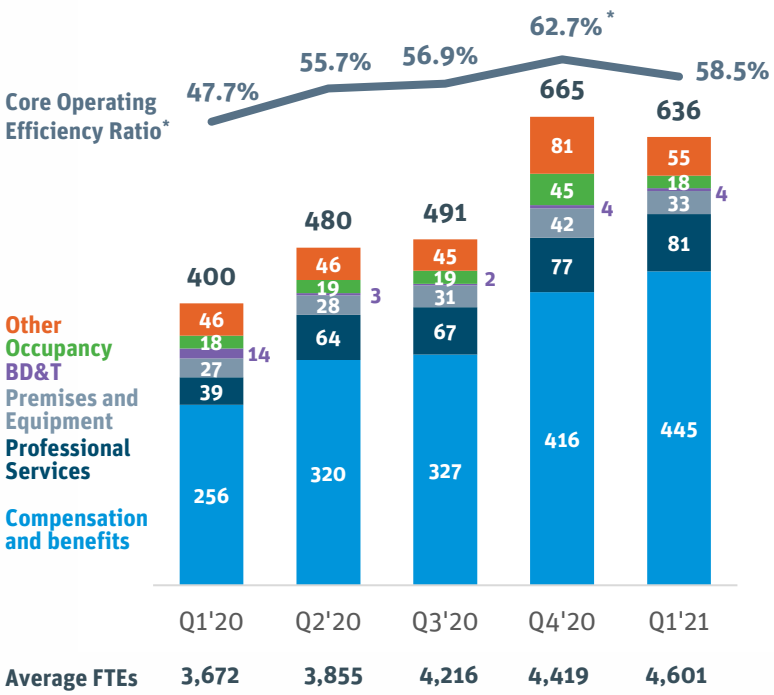
$ Millions



# Outstanding performance and SVB Leerink expansion drove Q1'21 expenses higher than guidance; Expect FY'21 expense % growth in the high teens

## Q1'21 activity

- QoQ decline in expenses driven by one-time $29M real estate charges and $20M PPP donation in Q4'20
- Higher than forecast compensation expenses from record SVB Leerink revenue and warrant gains, strong firmwide performance and hiring related to SVB Leerink expansion initiatives




## FY'21 outlook key drivers

- FY'21 performance (and related incentive compensation) will be key driver of expense growth
- Accelerating investments in our strategic priorities to capture compelling long-term growth opportunity of our markets:

### Key 2021 investment focus areas
**(included in guidance, see page 11 for more information)**

**Silicon Valley Bank**
- Digital banking and client experience
- Grow sponsor led buyout lending (collaboration with SVB Leerink)
- New product development

**SVB Private Bank**
- Boston Private planning (costs incurred ahead of close)
- Diversify products and grow mortgages

**SVB Leerink**
- Deepen Equity Capital Markets franchise
- New Leveraged Finance and Structured Finance practices

**SVB Capital**
- Debt platform
- Life science strategy

**Regulatory**
- Large Financial Institution requirements
- UK subsidiarization

**Scalability**
- Technology to enhance employee enablement
- Data foundation

**People**
- Talent attraction, retention and development

*Note: Opportunistic investments to advance our strategy could result in expenses not included in current FY'21 guidance*

* Core operating 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 Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation. Q4'20 core operating efficiency ratio also excludes $29M real estate expenses and $20M SBA PPP donation.

# Summary



| | |
|---|---|
| **Thriving markets** | Innovation is driving economic growth, and digital adoption and activity in healthcare are accelerating |
| **Executing on our vision** | Consistent progress and bold steps to advance and expand our platform to be the go-to financial partner of the innovation economy |
| **Robust liquidity** | Substantial PE/VC dry powder and strong demand for alternative assets provide fuel for long-term growth |
| **Improving economic environment** | Increased business activity with vaccine distributions and re-openings – monitoring new COVID-19 variants and continued spread |
| **Long-term focus** | Continue to invest to drive and support scalable long-term growth |
| **Well-positioned for long-term growth** | Robust earnings power with diverse revenue streams to drive earnings throughout cycles; coiled-spring potential of eventual rate increases as economy improves |



# Appendix

# The bank of the global innovation economy

## For over 35 years, we have helped innovators, enterprises and their investors move bold ideas forward, fast.

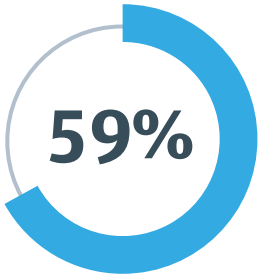
**Technology & Life Sciences/Healthcare**

| Accelerator (Early-Stage) | Growth | Corp Fin | Investors | Individuals |
|---|---|---|---|---|
| Revenue <$5M | Revenue $5M–$75M | Revenue >$75M | Private Equity Venture Capital | Influencers: Entrepreneurs, Investors, Executives |

## Our mission is to increase clients' probability of success. We bank:




**U.S. venture-backed technology and life science companies**




**U.S. venture-backed technology and healthcare companies with IPOs in Q1'21**

# Differentiated business model

**Unparalleled access, connections and insights to make NEXT happen NOW**

## Deep sector expertise

- ENERGY & RESOURCE INNOVATION
- FINTECH
- HARDWARE & FRONTIER TECH
- INVESTORS
- LIFE SCIENCE & HEALTHCARE
- SOFTWARE & INTERNET
- PREMIUM WINE BANKING

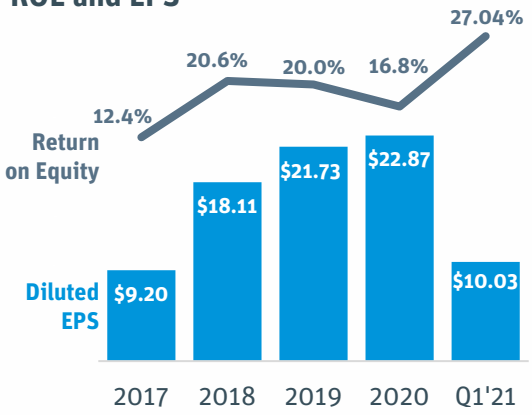
## Comprehensive solutions

- GLOBAL COMMERCIAL BANKING
- INVESTMENT SOLUTIONS
- RESEARCH & INSIGHTS
- FUNDS MANAGEMENT
- PRIVATE BANKING & WEALTH MANAGEMENT
- INVESTMENT BANKING



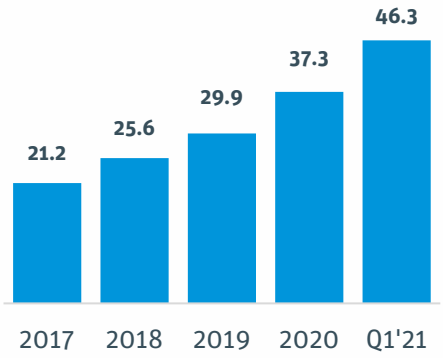
# Key performance indicators

## ROE and EPS



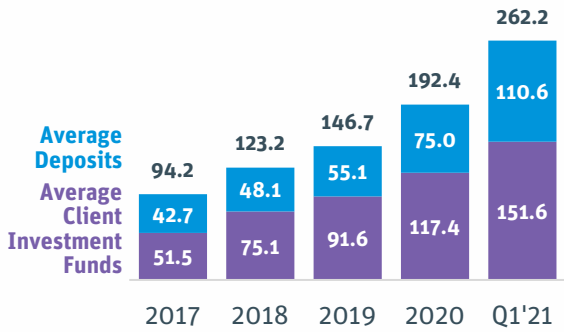

## AVERAGE TOTAL LOANS

$ Billions



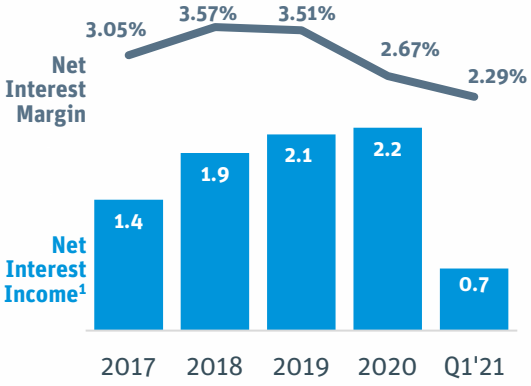

## AVERAGE TOTAL CLIENT FUNDS

$ Billions



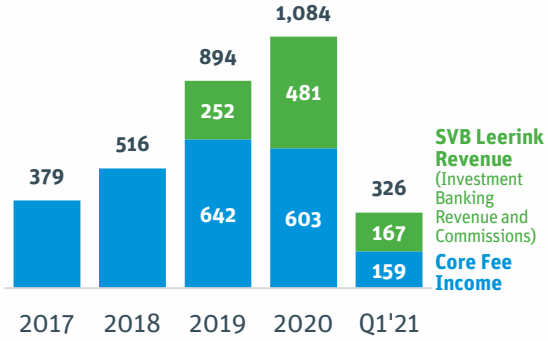

## NET INTEREST INCOME AND NIM

$ Billions

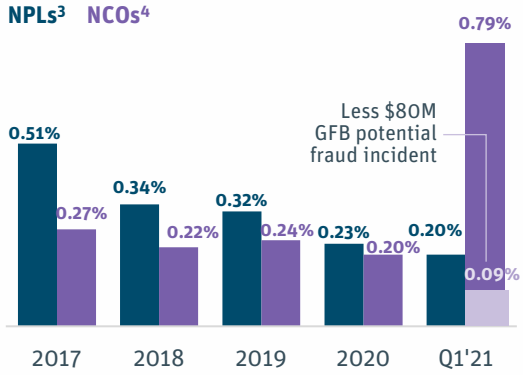



## CORE FEES AND SVB LEERINK REVENUE[2]

$ Millions




## NET CHARGE-OFFS AND NON-PERFORMING LOANS




1. Net interest income presented on a fully taxable equivalent basis.
2. Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.
3. Non-performing loans as a percentage of period-end total loans.
4. Net loan charge-offs as a percentage of average total loans.

# Strong liquidity franchise

## Uniquely positioned to drive balance sheet growth

### 1 On and off- balance sheet liquidity solutions

**Q1'21 AVERAGE BALANCES**

**$262.2B**
TOTAL CLIENT FUNDS

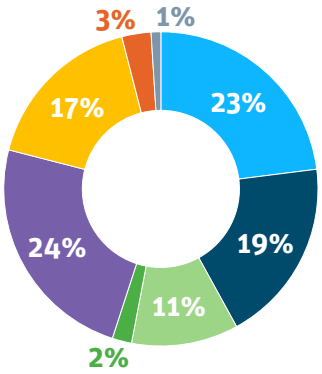
**$110.6B**
ON-BALANCE SHEET DEPOSITS

**$151.6B**
OFF-BALANCE SHEET CLIENT FUNDS

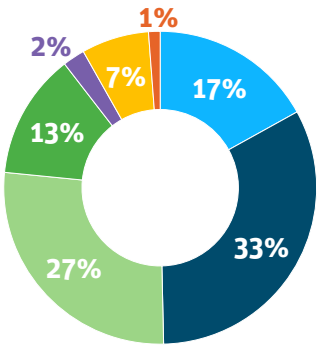
**40+** liquidity management products to meet clients' needs and optimize pricing and mix

### 2 Diversified sources of liquidity from high-growth markets

**DEPOSITS**




**OBS CLIENT FUNDS**

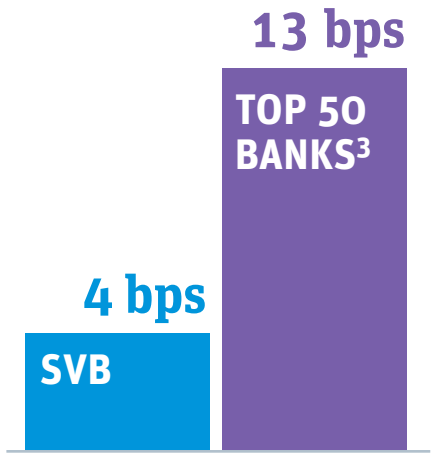



**CLIENT NICHE[1]:**

- Early-Stage Technology
- Technology
- Early-Stage Life Science/ Healthcare
- Life Science/ Healthcare
- International[2]
- U.S. Global Fund Banking
- Private Bank
- Other

### 3 Low cost deposits

**Q1'21 AVERAGE COST OF DEPOSITS**



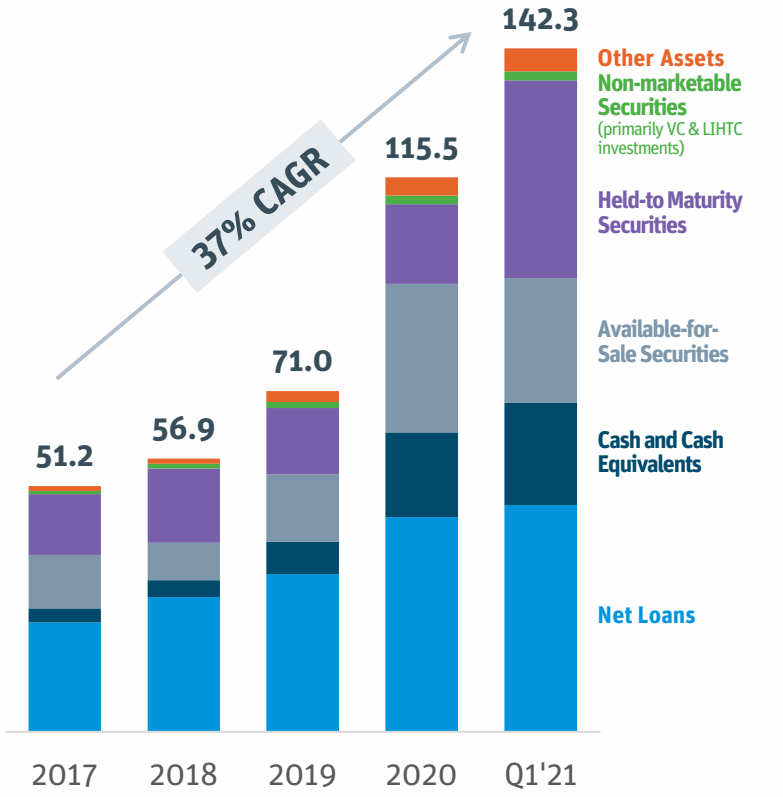

**66%** of total Q1'21 average deposits are noninterest-bearing

1. As of March 31, 2021. Represents management view of client niches.
2. International balances do not tie to regulatory definitions for foreign exposure. Includes clients across all client niches and life-stages, with International Global Fund Banking representing 4% of total client funds.
3. Source: S&P Global Market Intelligence average for 24 of the top 50 US banks by asset size as of April 21, 2021.

# High-quality balance sheet growth driven by deposits

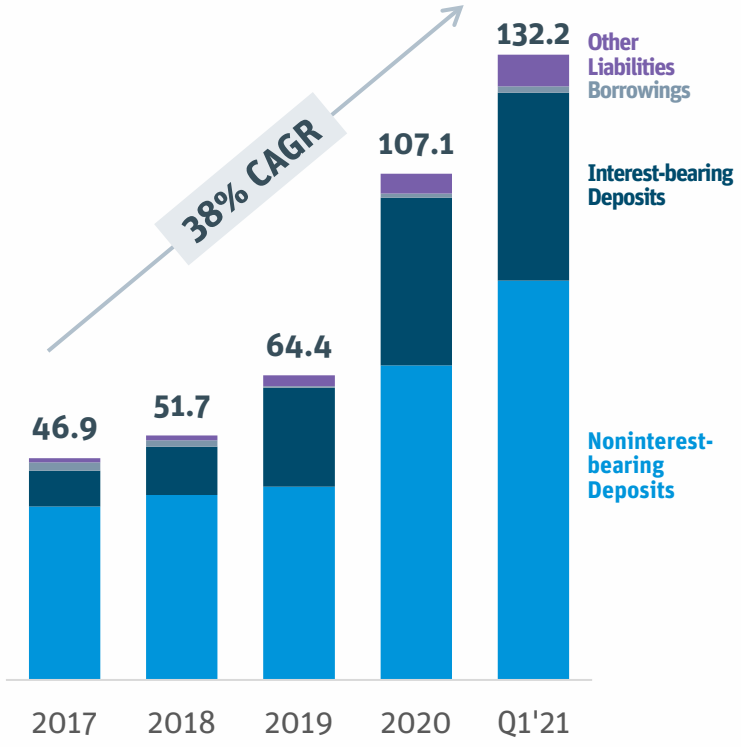
## PERIOD-END ASSETS
$ Billions

**85%** of assets in high-quality investments and low credit loss experience lending*




## PERIOD-END LIABILITIES
$ Billions

Noninterest-bearing deposits **64%** of total liabilities



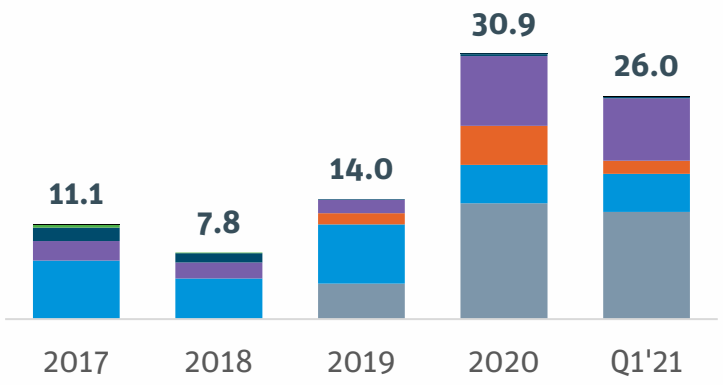

* Based on cash, fixed income investment portfolio and Global Fund Banking and Private Bank loan portfolios as of March 31, 2021.

# High-quality and liquid investment portfolio

## U.S. Treasuries and agency-backed securities make up 93% of fixed income portfolio

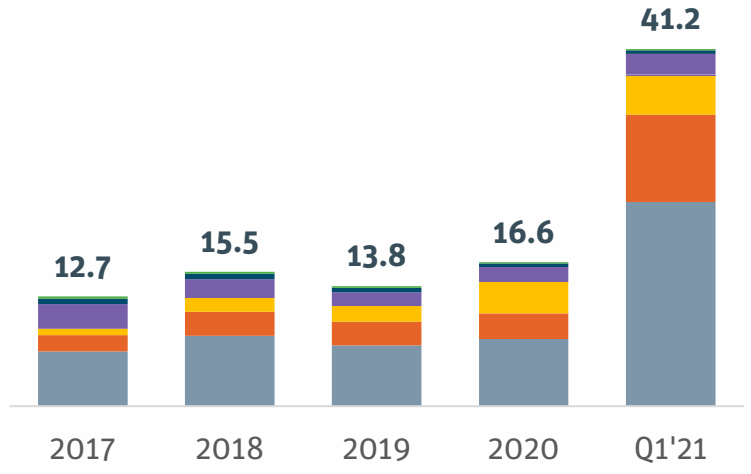
**PERIOD-END AVAILABLE-FOR-SALE SECURITIES**
$ Billions

Managing for flexibility and positioning for higher rates through hedging activity (targeting <2y hedge-adjusted AFS portfolio duration)




**PERIOD-END HELD-TO-MATURITY SECURITIES**
$ Billions

Opportunistically buying strong credit-quality munis and corporate bonds to support portfolio yields




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

svb

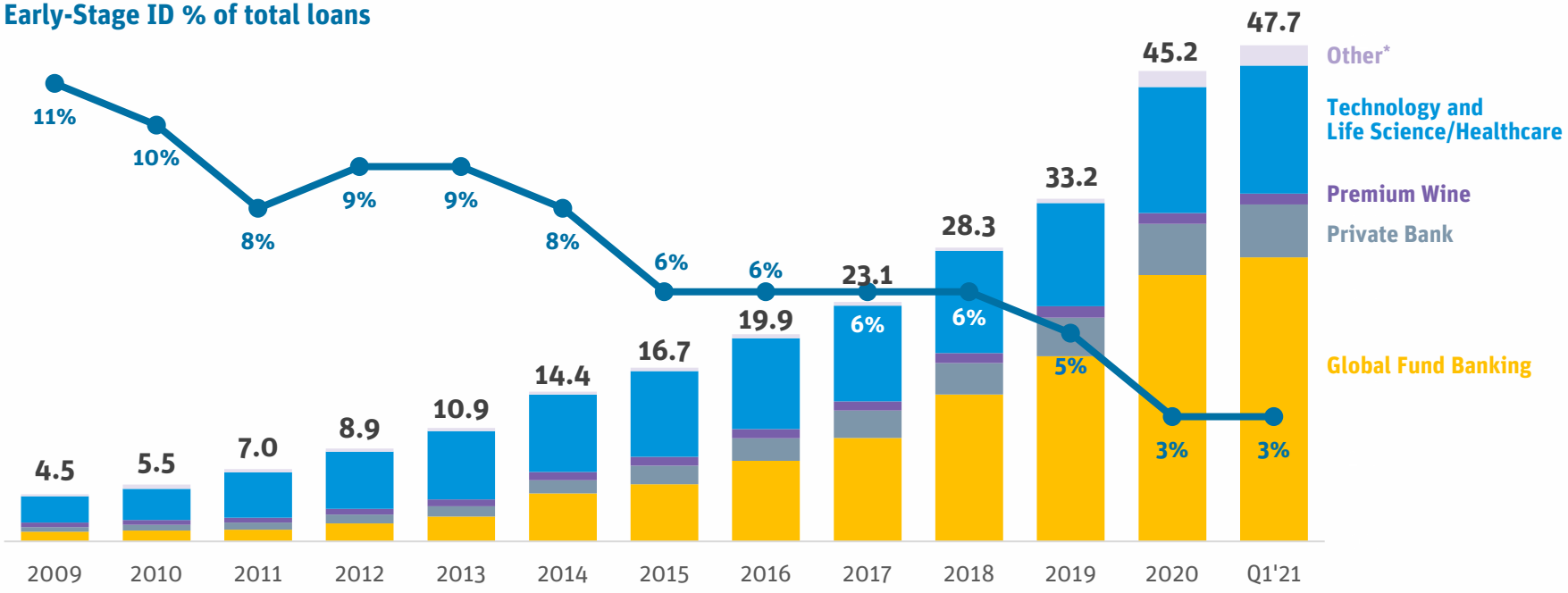
* Equity securities in public companies are reported in available-for-sale securities in 2017. Upon the adoption of ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, on January 1, 2018, these equity securities are reported in non-marketable and other equity securities.

# Improved risk profile, with growth driven by lowest risk portfolio segments

## 68% of loans in Global Fund Banking and Private Bank, segments with lowest historical credit losses

**PERIOD-END TOTAL LOANS**
$ Billions

**Early-Stage** Investor Dependent ("ID") loans, **our highest risk segment**, now **only 3%** of total loans, **down from 11%** in 2009 and **30%** in 2000



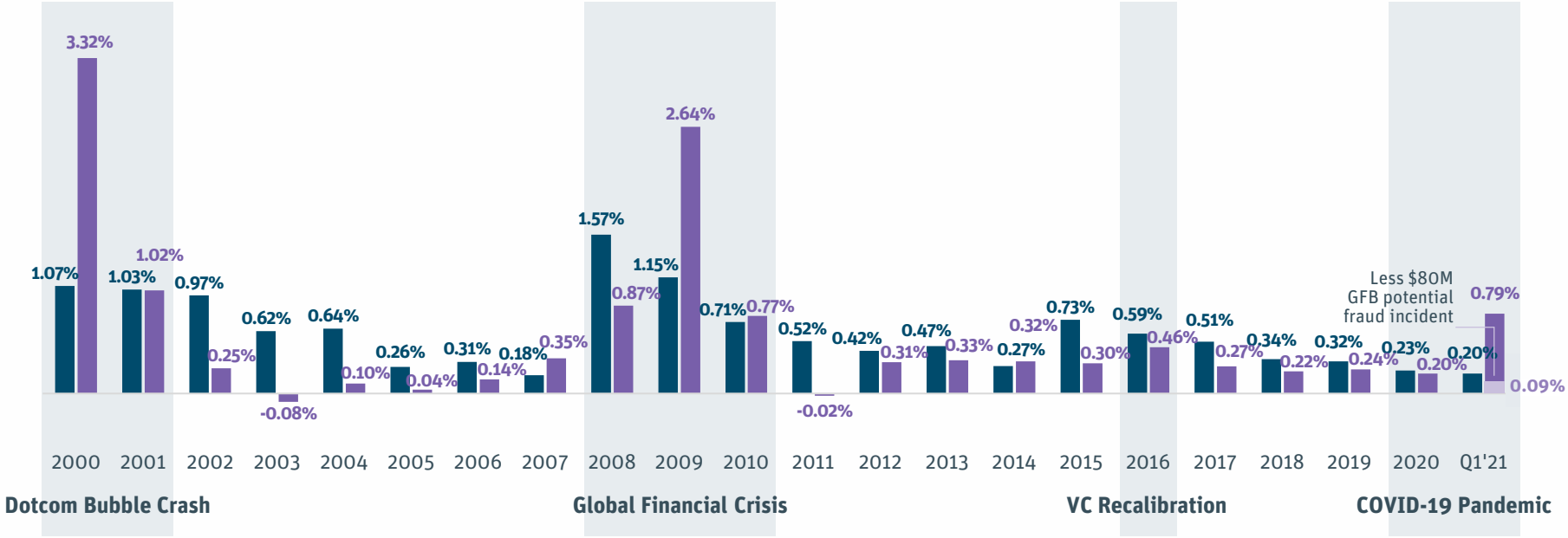

* Includes $1.6B of SBA PPP loans in 2020 and in Q1'21.

# Long history of strong, resilient credit

## We've successfully navigated economic cycles before and our risk profile has improved

### NON-PERFORMING LOANS & NET CHARGE-OFFS

NPLs[1] NCOs[2]




**IMPROVED LOAN MIX**
% of period-end total loans

| 2000 | 2009 | Q1'21 |
|---|---|---|
| 30% Early-Stage | 11% Early-Stage | 3% Early-Stage |
| 5% GFB + Private Bank | 30% GFB + Private Bank | 68% GFB + Private Bank |

1. Non-performing loans as a percentage of period-end total loans.
2. Net loan charge-offs as a percentage of average total loans.

# Low credit risk capital call lines of credit

## Largest driver of loan growth over past 7 years; strong underwriting and well-diversified

### Global Fund Banking capital call lending

Short-term lines of credit used by PE and VC funds to support investment activity prior to the receipt of Limited Partner capital contributions

**55%**[1] **of total loans**

**Strong** **sources of repayment**

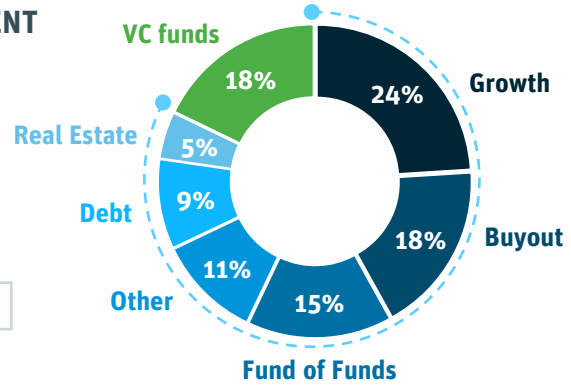
**LIMITED PARTNER COMMITMENTS and robust secondary markets**

**VALUE OF FUND INVESTMENTS with solid asset coverage**

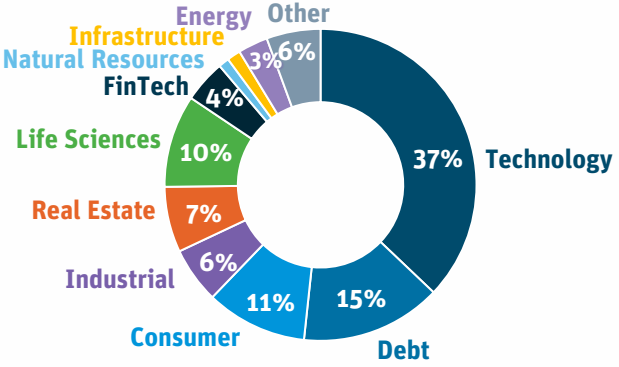
**Recent potential fraud loss is an isolated event in our ~30 years of capital call lending**

### Global Fund Banking portfolio[2]

**BY INVESTMENT STYLE**




**BY INDUSTRY**

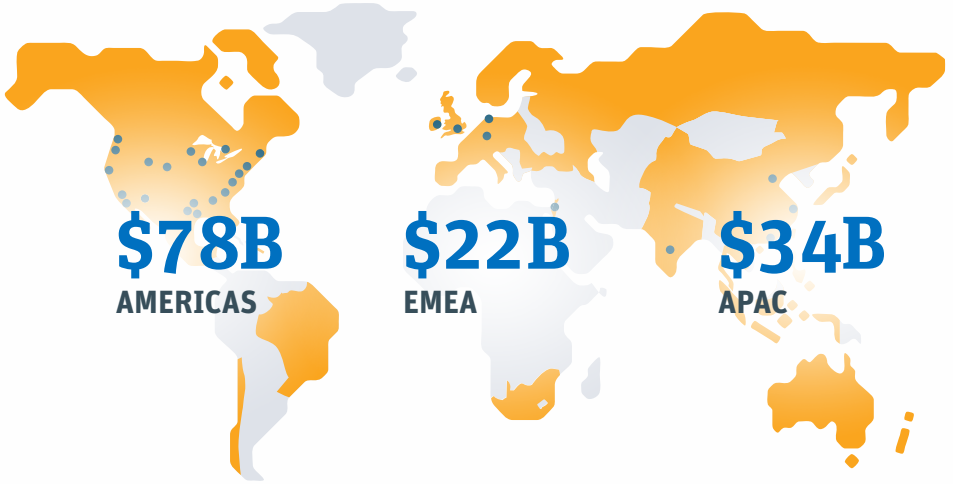



1. Capital call lines represent 97% of GFB portfolio.
2. Based on total GFB loan commitments (funded + unfunded) as of March 31, 2021.

# Supporting innovation around the world

## *Q1 '21 VC investment by market**

- SVB Financial Group's offices
- SVB Financial Group's international banking network




## *Expanding our platform globally*

**U.K.** — 2004
**London**
Full-service branch (2012)

**China** — 2005
**Shanghai**
**Beijing (2010)**
Business development

**Israel** — 2008
**Tel Aviv**
Business development

**Hong Kong** — 2009
**Business development**

**China** — 2012
**SPD Silicon Valley Bank (JV)**
Shanghai

**Additional JV branches**
Beijing (2017)
Shenzhen (2018)

**Europe** — 2016
**Ireland (2016)**
Business development

**Germany (2018)**
Lending branch

**Denmark (2019)**
Business development

**Canada** — 2019
**Toronto (2019)**
Lending branch

**Vancouver (2020)**
Business development

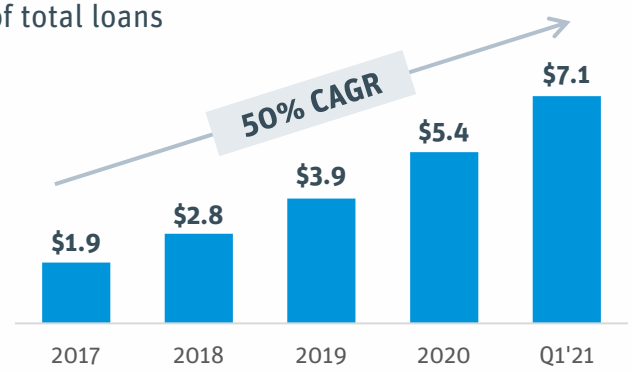
* As of March 31, 2021. Source: PitchBook.

# Growing international activity

## $7.1B

**INTERNATIONAL AVERAGE LOANS**

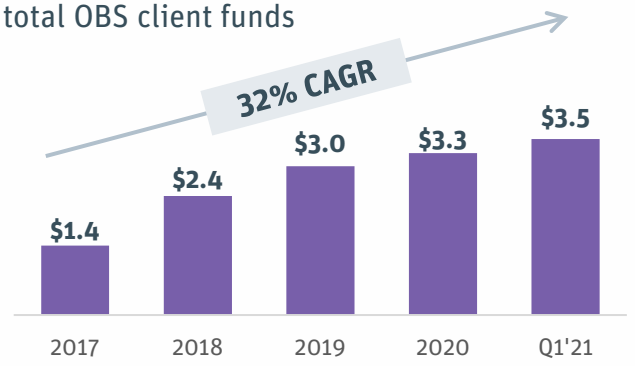
**15%** of total loans




## $3.5B

**INTERNATIONAL AVERAGE OBS CLIENT FUNDS**

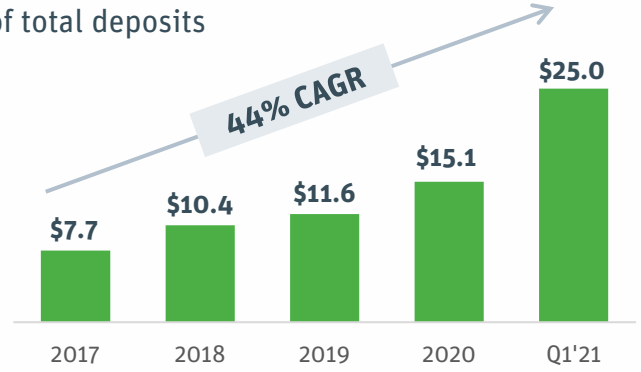
**2%** of total OBS client funds




## $25B

**INTERNATIONAL AVERAGE DEPOSITS**

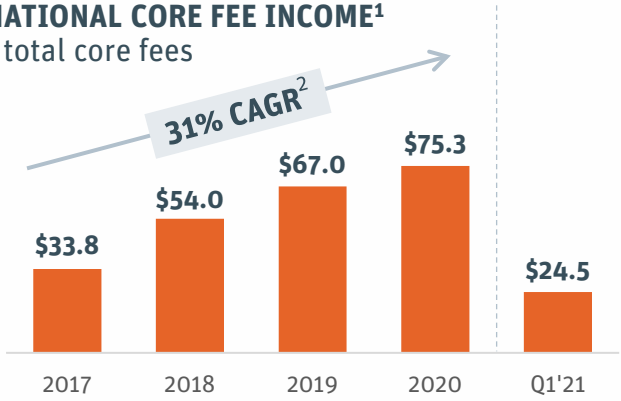
**23%** of total deposits




## $24.5M

**INTERNATIONAL CORE FEE INCOME[1]**

**15%** of total core fees

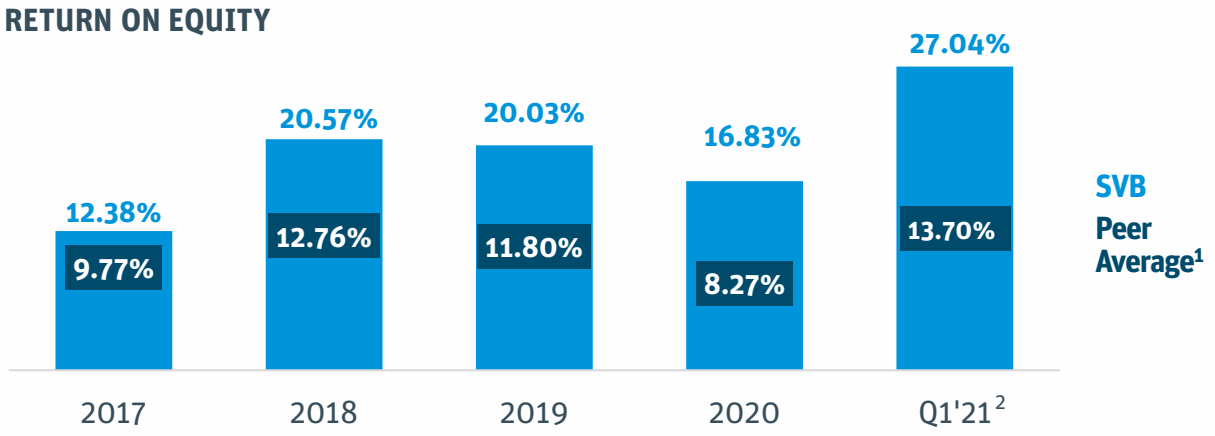



Note: Reflects figures for international operations in U.K., Europe, Israel and Asia (Canada is included in our U.S. Technology Banking segment). This management segment view does not tie to regulatory definitions for foreign exposure.

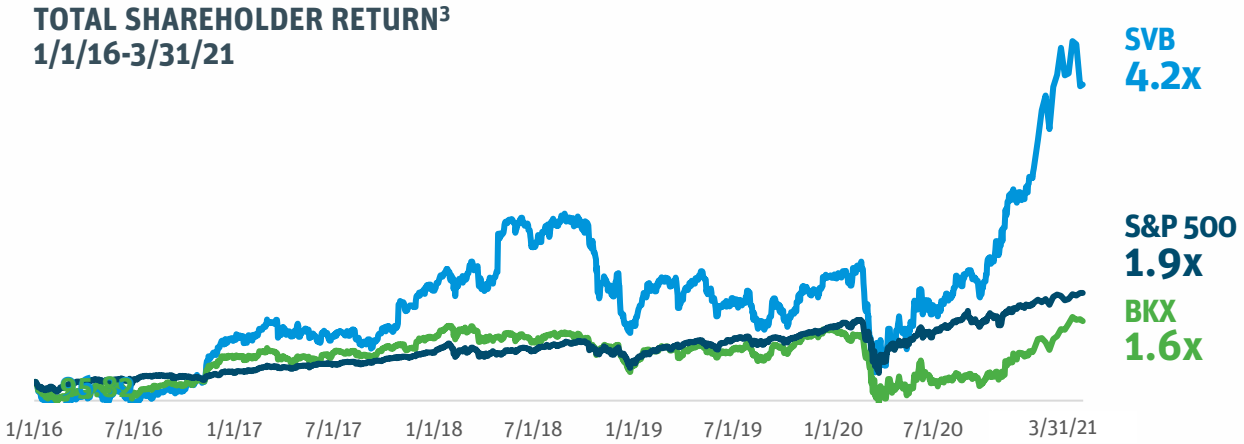
1. Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.
2. 2017-2020 CAGR.

# Industry-leading performance

## Strong return on equity




## Strong total shareholder return




1. Source: S&P Global Market Intelligence. "Peers" refers to peer group as reported in our Proxy Statement for each year and is subject to change on an annual basis.
2. Q1'21 represents annualized ROE. Q1'21 peer ROE includes 10 of 15 peers as of April 21, 2021.
3. Cumulative total return on $100 invested on 1/1/16 in stock or index. Includes reinvestment of dividends.

# Acquisition of Boston Private: Financially attractive transaction with large growth opportunity




**Accelerates growth** of private banking and wealth management business

- **Adds immediate scale** to private banking and wealth management business ($18.7B combined AUM[1])
- **Expands capabilities and capacity** to help deepen client relationships and capture **~$400B opportunity** among current clients[2]
- Harnesses complementary offerings to deliver **unique insights and solutions**
- **Advances digital client experience**
- **Immediately accretive** to TBV per share at close
- **Low single digit** earnings per share accretion
- **Diversifies revenues** and **enhances profitability** to **support long-term growth**

**Reinforces our vision** to be the most sought-after financial partner helping innovators, enterprises, and investors ***move bold ideas forward, fast***

Note: On January 4, 2021, SVB Financial Group announced its planned acquisition of Boston Private Financial Holdings, Inc. The acquisition is expected to close in mid-2021 subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals and approvals by the shareholders of Boston Private. See SEC filings for more information.

1. Combined assets under management ("AUM") based on SVB Private Bank's AUM and Boston Private's AUM as of March 31, 2021.
2. Estimated potential "total client position" ("TCP") through SVB's current commercial clients based on SVB management analysis (2020). TCP includes potential wealth management assets, lending and deposits.

# Combined platform well-positioned to capture compelling market opportunity

+ SVB's leadership position in the innovation economy and large balance sheet
+ Boston Private's broad product set and advanced technology
+ Complementary talent and offerings

| | SVB Private Bank | BOSTON PRIVATE | *Combined* |
|---|---|---|---|
| **Advisory solutions** | | | |
| HNW/UHNW advisory[1] | ✓ | ✓ | ✓ |
| Tax planning | | ✓ | ✓ |
| Philanthropy | | ✓ | ✓ |
| Trust services | | ✓ | ✓ |
| Estate planning | *Partial* | ✓ | ✓ |
| **Investment solutions** | | | |
| Impact investing | | ✓ | ✓ |
| Investments focused on the innovation economy[2] | ✓ | | ✓ |
| Broker-dealer | ✓ | | ✓ |
| **Banking solutions** | | | |
| Mortgages | ✓ | ✓ | ✓ |
| Securities-based lending | ✓ | ✓ | ✓ |
| Private stock lending | ✓ | | ✓ |
| Specialty commercial lending | | ✓ | ✓ |
| Full private banking payment solutions | ✓ | ✓ | ✓ |

## Combined → Premier private banking and wealth platform

| | |
|---|---|
| **Trusted advisor** | with deep wealth management and innovation economy expertise |
| **Comprehensive planning** | to prepare for liquidity and life events |
| **Exclusive access** | to events, insights and investment opportunities in the innovation economy[2] |
| **Sophisticated solutions** | to address equity compensation, concentrated stock positions and non-liquid assets |
| **Next generation digital platform** | "Always on" digitally enabled interactions and improved efficiencies |
| **Large balance sheet** | to support clients' borrowing needs |

1. High net worth ("HNW") and ultra high net worth ("UHNW").
2. E.g., fund of funds, venture capital and direct investments in private innovation companies.

# Increasing diversity, equity and inclusion ("DEI") at SVB, with our partners and across the innovation economy

## Embracing diverse perspectives and fostering a culture of belonging

### 1 Start with values and culture

We start with **EMPATHY** for others.

We speak & act with **INTEGRITY**.

We embrace **DIVERSE** perspectives.

We take **RESPONSIBILITY**.

We keep **LEARNING & IMPROVING**.

### 2 Take a multipronged approach with measurable goals

Chief Diversity Officer & executive-led DEI Steering Committee

Employee advocacy network

Employee awareness programs, regular training & educational opportunities

Fair pay analysis

Full-time Diversity Recruiting Director

Leadership development

Hiring outreach programs & strategic partnerships

Increase diversity of senior leaders to **56%** by 2025

Reach senior leadership gender parity **50/50** by 2030

### 3 Measure and communicate progress

| DIVERSITY AT SVB* | Total Workforce | Senior Leaders | Board Members |
|---|---|---|---|
| Diverse (US) | 67% | 52% | 69% |
| Female (Global) | 44% | 34% | 31% |
| Racial Minority (US) | 41% | 29% | 15% |

## Championing causes that impact access to and diversity in the innovation economy

### Access to Innovation

Our signature program to increase funding for startups founded by women, Black, Latinx or other underrepresented groups and to advance diversity and gender parity in leadership of innovation companies

**2020 CONTRIBUTIONS**

**34** Partner organizations focused on furthering DEI in innovation

**$1.0M** Donated to causes supporting gender parity in innovation

**$3.1M** Support for diverse, emerging talent in innovation

**$20M** Donated SBA PPP fees (net of costs incurred) to diversity and community efforts (donations will be managed through the SVB Foundation)

Note: Refer to www.svb.com/living-our-values/inclusion-diversity for more information. Website content/links are not a part of this presentation.
* Metrics as of March 31, 2021. Diverse includes (as disclosed to us) any woman, any person of color, veteran or person with disability. Person of color refers to anyone who self identifies as Hispanic/Latino, Black or African American, Asian, American Indian or Native Alaskan, Native Hawaiian or Other Pacific Islander or Two or More Races/Other. We utilize this blended measure to include different backgrounds and social categorizations. Senior leader includes the following job levels: Executive Committee (includes our executive officers) and leaders from certain top levels of SVB's two highest bands of management.

# Strong, seasoned management team

## Diverse experience and skills to help direct our growth



**Dan Beck**
CHIEF FINANCIAL OFFICER
**4 years at SVB**



**Greg Becker**
PRESIDENT AND CEO
SVB FINANCIAL GROUP
**28 years at SVB**



**Yvette Butler**
PRESIDENT OF SVB PRIVATE BANK
& WEALTH MANAGEMENT
**3 years at SVB**



**Marc Cadieux**
CHIEF CREDIT OFFICER
**29 years at SVB**



**John China**
PRESIDENT OF SVB CAPITAL
**25 years at SVB**



**Phil Cox**
CHIEF OPERATIONS OFFICER
**12 years at SVB**



**Mike Descheneaux**
PRESIDENT
SILICON VALLEY BANK
**15 years at SVB**



**Michelle Draper**
CHIEF MARKETING OFFICER
**8 years at SVB**



**Chris Edmonds-Waters**
CHIEF HUMAN RESOURCES OFFICER
**17 years at SVB**



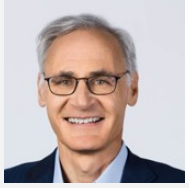
**Laura Izurieta**
CHIEF RISK OFFICER
**5 years at SVB**



**Jeffrey A. Leerink**
CHIEF EXECUTIVE OFFICER
SVB LEERINK
**2 years at SVB**



**John Peters**
CHIEF AUDITOR
**14 years at SVB**



**Michael Zuckert**
GENERAL COUNSEL
**7 years at SVB**

**13 years** **average tenure at SVB**

# Glossary

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

**Non-GAAP Measures**

(Please see "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and non-GAAP reconciliations at the end of this presentation)

**Core Fee Income** – Fees from letters of credit, client investments, credit cards, deposit service charges, foreign exchange and lending-related fees, in aggregate.

**Core Fee Income plus SVB Leerink Revenue** – Core fee income, from above, plus investment banking revenue and commissions.

**SVB Leerink Revenue and Expenses** – SVB Leerink revenue defined as investment banking revenue and commissions and excludes other income earned by SVB Leerink. SVB Leerink expenses represents all SVB Leerink operating and acquisition related expenses.

**Core Operating Efficiency Ratio** – Calculated by dividing noninterest 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 revenue 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.

*Note regarding Q1'21 expectations presented and non-GAAP measures – Non-GAAP Core Fee Income and SVB Leerink Revenue collectively represent noninterest income, but exclude certain line items where performance is typically subject to market or other conditions beyond our control. Non-GAAP Noninterest Expense represents noninterest expense, but excludes expenses attributable to noncontrolling interests. As we are unable to quantify such line items that would be required to be included in the comparable GAAP financial measure for the future period presented without unreasonable efforts, no reconciliation for the outlook of these non-GAAP measures to the comparable GAAP financial measures for Q1'21 is included in this presentation, as we believe such reconciliation would imply a degree of precision that would be confusing or misleading to investors.*

**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 and abbreviations

**ACL** – Allowance for credit losses
**AFS –** Available-for-sale
**API** – Application programming interface
**AUM** – Assets under management
**Bp** – Basis point
**BD&T –** Business development & travel
**CAGR** – Compound annual growth rate
**CFD** – Cash-flow dependent
**CMO** – Collateralized mortgage obligation
**CMBS** – Commercial mortgage-backed security
**Corp Fin** – Corporate Finance
**DEI** – Diversity, equity and inclusion
**Dep** – Dependent
**EOP** – End of period
**Ex** – Excluding
**EPS** – Earnings per share
**FHLB** – Federal Home Loan Bank
**FRB** – Federal Reserve Board
**FTE** – Full-time employee
**FX** – Foreign exchange
**GFB** – Global Fund Banking
**HC** – Healthcare
**HNW/UHNW** – High net worth, ultra high net worth
**HTM** – Held-to-maturity
**ID** – Investor dependent
**LIHTC** – Low income housing tax credit funds
**LOC** – Letter of credit
**LTV** – Loan-to-value
**LS** – Life science
**M&A** – Merger & acquisition
**MBS** – Mortgage-backed security
**Munis** – Municipal bonds
**NCI** – Non-controlling interests
**NCO** – Net charge-off
**NII** – Net interest income
**NIM** – Net interest margin
**NPL** – Non-performing loan
**OBS** – Off-balance sheet
**OCI** – Other comprehensive income
**PE** – Private equity
**QoQ** – Quarter over quarter
**Repo** – Repurchase agreement
**RMBS** – Residential mortgage-backed security
**ROE** – Return on equity
**SEC** – Securities & Exchange Commission
**SBA PPP** – Small Business Administration Paycheck Protection Program
**SPAC** – Special purpose acquisition company
**TBV** – Tangible book value
**TCP** – Total client position
**Tech** – Technology
**VC** – Venture capital
**YoY** – Year over year
**YTD** – Year to date



# Non-GAAP reconciliations

## Non-GAAP reconciliation

# Core Fee Income

| Non-GAAP core fee income (dollars in thousands) | Year ended December 31, 2017 | 2018 | 2019 | 2020 | Q1'21 |
|---|---|---|---|---|---|
| GAAP noninterest income | $557,231 | $744,984 | $1,221,479 | $1,840,148 | $744,180 |
| Less: gains on investment securities, net of NCI | 64,603 | 88,094 | 134,670 | 420,752 | 167,078 |
| Less: net gains on equity warrant assets | 54,555 | 89,142 | 138,078 | 237,428 | 221,685 |
| Less: other noninterest income | 59,110 | 51,858 | 55,370 | 98,145 | 29,792 |
| Non-GAAP core fee income plus SVB Leerink revenue | $378,963 | $515,890 | $893,361 | $1,083,823 | $325,625 |
| Investment banking revenue | — | — | 195,177 | 413,985 | 142,302 |
| Commissions | — | — | 56,346 | 66,640 | 24,439 |
| Less: total non-GAAP SVB Leerink revenue | — | — | 251,523 | 480,625 | 166,741 |
| Non-GAAP core fee income | $378,963 | $515,890 | $641,838 | $603,198 | $158,884 |

See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release for more information.

## Non-GAAP reconciliation

# Core Operating Efficiency Ratio

| (Dollars in thousands, except ratios) | | Year ended December 31, 2017 | 2018 | 2019 | 2020 | Q1'21 |
|---|---|---|---|---|---|---|
| **GAAP noninterest expense** | **A** | **1,010,655** | **1,188,193** | **1,601,262** | **2,035,041** | **636,001** |
| Less: expense attributable to noncontrolling interests | | 813 | 522 | 835 | 475 | 117 |
| Non-GAAP noninterest expense, net of noncontrolling interests | | 1,009,842 | 1,187,671 | 1,600,427 | 2,034,566 | 635,884 |
| Less: expense attributable to SVB Leerink | | — | — | 252,677 | 378,970 | 136,351 |
| Less: real estate expenses | | — | — | — | 29,317 | — |
| Less: charitable donation of net PPP loan origination fees | | — | — | — | 20,000 | — |
| **Non-GAAP noninterest expense, net of noncontrolling interests, SVB Leerink and other non-recurring expenses** | **B** | **1,009,842** | **1,187,671** | **1,347,750** | **1,606,279** | **499,533** |
| GAAP net interest income | | 1,420,369 | 1,893,988 | 2,096,601 | 2,156,284 | 659,579 |
| Adjustments for taxable equivalent basis | | 3,076 | 9,201 | 11,949 | 16,230 | 5,555 |
| Non-GAAP taxable equivalent net interest income | | 1,423,445 | 1,903,189 | 2,108,550 | 2,172,514 | 665,134 |
| Less: income attributable to noncontrolling interests | | 33 | 30 | 72 | 26 | — |
| Non-GAAP taxable equivalent net interest income, net of noncontrolling interests | | 1,423,412 | 1,903,159 | 2,108,478 | 2,172,488 | 665,134 |
| Less: net interest income attributable to SVB Leerink | | — | — | 1,252 | 578 | 166 |
| Non-GAAP taxable equivalent net interest income, net of noncontrolling interests and SVB Leerink | | 1,423,412 | 1,903,159 | 2,107,226 | 2,171,910 | 664,968 |
| GAAP noninterest income | | 557,231 | 744,984 | 1,221,479 | 1,840,148 | 744,180 |
| Less: income attributable to noncontrolling interests | | 29,452 | 38,000 | 48,624 | 86,375 | 25,067 |
| Non-GAAP noninterest income, net of noncontrolling interests | | 527,779 | 706,984 | 1,172,855 | 1,753,773 | 719,113 |
| Less: Non-GAAP net gains on investment securities, net of noncontrolling interests | | 35,416 | 49,911 | 86,169 | 334,283 | 142,047 |
| Less: net gains on equity warrant assets | | 54,555 | 89,142 | 138,078 | 237,428 | 221,685 |
| Less: investment banking revenue | | — | — | 195,177 | 413,985 | 142,302 |
| Less: commissions | | — | — | 56,346 | 66,640 | 24,439 |
| 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 | | 437,808 | 567,931 | 697,085 | 701,437 | 188,640 |
| **GAAP total revenue** | **C** | **1,977,600** | **2,638,972** | **3,318,080** | **3,996,432** | **1,403,759** |
| **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** | **1,861,220** | **2,471,090** | **2,804,311** | **2,873,347** | **853,608** |
| **GAAP operating efficiency ratio (A/C)** | | **51.11%** | **45.02%** | **48.26%** | **50.92%** | **45.31%** |
| **Non-GAAP core operating efficiency ratio (B/D)** | | **54.26%** | **48.06%** | **48.06%** | **55.90%** | **58.52%** |

See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release for more information.

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

*The Company's financial results for 2020 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; the potential effects of the COVID-19 pandemic; 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; financial results; and the proposed acquisition of Boston Private. 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); the COVID-19 pandemic and its effects on the economic and business environments in which we operate; the impact of changes in the U.S. presidential administration and the U.S. Congress on the economic environment, capital markets and regulatory landscape, including monetary, tax and other trade policies; changes in the volume and credit quality of our loans as well as volatility of our levels of nonperforming assets and charge-offs; 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; an inability to complete the acquisition of Boston Private, or changes in the currently anticipated timeframe, terms or manner of such acquisition; greater than expected costs or other difficulties related to the integration of our business and that of Boston Private; variations from our expectations as to the amount and timing of business opportunities, growth prospects and cost savings associated with completing the acquisition of Boston Private; unfavorable resolution of legal proceedings/claims or regulatory/governmental actions; variations from our expectations as to factors impacting our estimate of our full-year effective tax rate; changes in applicable accounting standards and tax laws; and regulatory or legal changes or their impact on us.

The COVID-19 pandemic has created economic and financial disruptions that have adversely affected, and may continue to adversely affect, our business, operations, financial performance and prospects. Even after the COVID-19 pandemic subsides, it is possible that the U.S. and other major economies experience or continue to experience a prolonged recession, which could materially and adversely affect our business, operations, financial performance and prospects. Statements about the effects of the COVID-19 pandemic on our business, operations, financial performance and prospects may constitute forward-looking statements and are subject to the risk that the actual impacts may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and 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 most recent 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 SVB Leerink revenue and expenses, 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 April 22, 2021, 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.



## About SVB Financial Group

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