SVB Financial Group

Silicon Valley Bancshares Announces Final Fourth Quarter Results

SANTA CLARA, Calif., Feb. 17 /PRNewswire-FirstCall/ -- On January 29, 2004, Silicon Valley Bancshares (Nasdaq: SIVB) announced preliminary results that excluded the impact of a Statement of Financial Accounting Standards (SFAS) No. 142 goodwill impairment test on its investment-banking subsidiary, Alliant Partners, which was in process at the time of the announcement. Alliant Partners' actual results of operations for the latter half of 2003 were substantially below the financial projections used as the basis for a valuation analysis performed as of June 30, 2003. Additionally, the President and CEO of Alliant Partners stepped down, and the company is currently seeking his replacement. Consequently, the company prepared revised projections of Alliant's expected performance, which were used as the basis of the current impairment test. This impairment test has now been completed and resulted in a $46.0 million pre-tax charge. Net of tax, the charge was $27.7 million, or $0.76 per share on a fully diluted basis. After reflecting the impact of this impairment of goodwill charge, the company realized a net loss of $(0.42) per diluted common share for the fourth quarter of 2003. For the year 2003, pre-tax impairment of goodwill charges totaled $63.0 million. Net of tax, the charges totaled $38.7 million, or $1.04 per diluted common share. Condensed financial statements reflecting the impact of the impairment of goodwill charge are included as part of this release.

"While general accounting standards required us to reassess Alliant's carrying value, its strategic value to Silicon Valley Bancshares is as compelling today as it was when we purchased it," said Kenneth Wilcox, president and CEO of Silicon Valley Bancshares.

"Because of the unpredictability of the M&A market, we can't forecast financial performance with certainty on a quarterly basis. What we can do is continue to focus on closing the transactions in Alliant's ever-growing pipeline and put our energy into ensuring its long-term contribution to the success of Silicon Valley Bancshares."

Earnings Conference Call
On February 17, 2004, the company will host a conference call at 2:00 p.m. (PST) to discuss this announcement. The conference call can be accessed by dialing 877-630-8512 and referencing the passcode "Silicon Valley Bank." A live Webcast can be accessed at www.svb.com. A digitized replay of this conference call will be available beginning at approximately 4:30 p.m. (PST), on Tuesday, February 17, 2004, through 5:00 p.m. (PST), on Thursday, March 18, 2004, by dialing (800) 337-6558. A replay of the Webcast will also be available on www.svb.com beginning Tuesday, February 17, 2004.

About Silicon Valley Bancshares
For 20 years, Silicon Valley Bancshares, a financial holding company offering diversified financial services, has provided innovative solutions to help entrepreneurs succeed. The company's principal subsidiary, Silicon Valley Bank, serves emerging growth and mature companies in the technology and life sciences markets, as well as the private equity and premium wine industries. Headquartered in Santa Clara, Calif., and with 26 offices across the country, the company offers clients commercial, investment, merchant and personal banking, as well as private equity and value-added services, using its knowledge and networks. Merger, acquisition, private placement and corporate partnering services are provided through the company's investment banking subsidiary, Alliant Partners. More information on the company can be found at www.svb.com.