SVB Financial Group

SVB Financial Group Announces Expiration and Final Results of Its Debt Tender Offers

SANTA CLARA, Calif., May 3, 2011 /PRNewswire/ -- SVB Financial Group (Nasdaq: SIVB) today announced the expiration and final results of the previously announced tender offers by its wholly-owned subsidiary, Silicon Valley Bank ("SVB"), to purchase for cash (i) any and all of its 5.700% Senior Notes due 2012 (the "Senior Notes") and (ii) any and all of its 6.050% Subordinated Notes due 2017 (the "Subordinated Notes" and together with the Senior Notes, the "Notes"). The tender offers expired at 5:00 p.m., New York City Time, on May 2, 2011 (the "Expiration Time"). The complete terms and conditions of the tender offers are set forth in the Offer to Purchase dated April 21, 2011 and the accompanying Letter of Transmittal sent to holders of the Notes.

According to information provided by the Information and Tender Agent for the tender offers, $108.6 million aggregate principal amount of Senior Notes and $204.0 million aggregate principal amount of Subordinated Notes were validly tendered and not validly withdrawn on or before the Expiration Time. SVB has accepted all of these Notes. The repurchase of the Notes will be funded by cash on hand.

As previously announced on May 2, 2011, the Senior Notes purchase price will be an amount equal to $1,052.24 per $1,000 principal amount of Senior Notes and the Subordinated Notes purchase price will be an amount equal to $1,124.80 per $1,000 principal amount of Subordinated Notes. In addition, SVB will pay accrued and unpaid interest from the last interest payment date to, but excluding, the date of purchase, which is expected to be May 3, 2011.

In connection with this repurchase transaction, SVB terminated a corresponding amount of the two interest rate swaps associated with the Notes, resulting in a gain. The impact of the repurchase transaction and the termination of the swaps is a one-time net gain (after taking into account the gain on the swap terminations and the payment of repurchase premiums and estimated transaction fees and expenses relating to the repurchase), which will be recognized in the second quarter of 2011. Based on the tender amounts provided by the Information and Tender Agent, such net gain is expected to be approximately $3.0 million (on a pre-tax basis).

Goldman, Sachs & Co. served as the Dealer Manager for the tender offers.

This press release is neither an offer to purchase nor a solicitation of an offer to sell any securities.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, and can be identified by the use of words such as "may," "will," "believes," and "expects," or comparable terminology. In this release, management makes forward-looking statements about a one-time gain resulting from the repurchase and the termination of the swaps. Although management believes that the expectations reflected in these forward-looking statements are reasonable and has based these expectations on its beliefs and assumptions, such expectations may prove to be incorrect. Actual results may differ. Factors that could cause actual results to differ include changes in accounting analyses and changes in the tender information provided to the company. For information about factors that could cause actual results to differ from the expectations stated in forward-looking statements, please refer to SVB Financial Group's Annual Report on Form 10-K for the year ended December 31, 2010. All subsequent written or oral forward-looking statements attributable to the company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included in this release are made only as of the date hereof. The company does not intend, and undertake no obligation, to update these forward-looking statements.

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