



“SVB is focused exclusively on the success of innovative companies worldwide.”

- Ken Wilcox, CEO, SVB Financial Group

Letter to our Shareholders

To our stockholders, clients, and employees, 2010 marked our 27th consecutive year of financing the innovation sector.

When the complete story of the economic recession from which we're just now emerging is finally written, it's certain my peers in the banking business will not be cast as the protagonists. The inadequate performance of the industry has rightly rendered a populace justified in its skepticism, mistrust, and anger at banks.

When we at Silicon Valley Bank reflect back on this era, however, I believe we'll be proud of what we've accomplished and will celebrate the partnerships we strengthened with innovative companies that continued to advance the entrepreneurial spirit despite such huge challenges.

During a time when many banks circled their wagons, slowed lending, and hoarded capital, we did our best to put our record level of liquidity to work for the benefit of the innovation community. Our performance this past year is indicative of this.

In 2010 we:

- Posted earnings per share of \$2.24 (vs. \$0.66 in 2009)
- Achieved period-end loan growth of \$974 million (21.4%)
- Recorded the highest net interest income in our history
- Maintained strong credit quality

Clearly, there are challenges ahead as the economy continues to right itself.



Nevertheless I'm writing today with ever-increasing optimism that recent signs of stability (and even of growth) signal that the economic recovery is in full swing. The numbers I'm seeing appear to validate that.

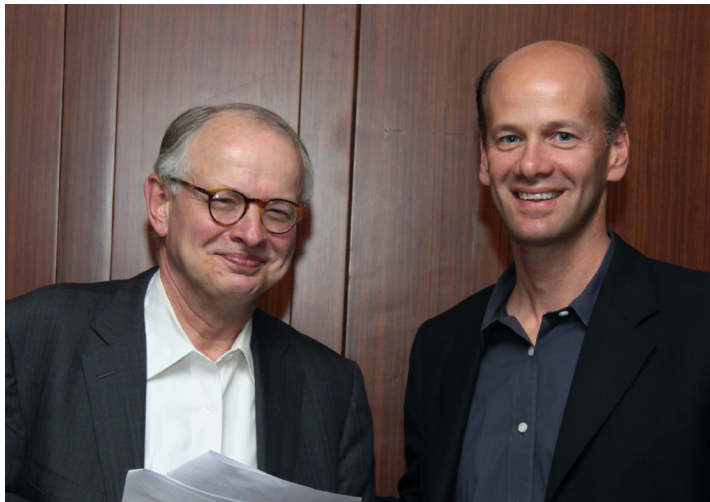
For example, we know through benchmarking data collected by SVB Analytics that the majority of our clients finished 2010 in better financial shape than they were in a year before. In fact, median revenues for our early- and growth-stage technology borrowers grew 50 percent over the prior year.

Prospects for continued growth seem positive as well. Technology spending is expected to grow by more than 5 percent in 2011, and the forecast for venture-backed exit opportunities appears much improved over previous years. This is welcome news for all.

Transition in Leadership

With the economy now on firmer footing, I have decided that it is time for me to step down from the CEO role, which I have held for 10 years. Although I am leaving my leadership post, I'm not leaving SVB altogether. I will become chairman of Silicon Valley Bank and will focus exclusively on the company's operations in China, with a priority of establishing a joint venture bank in that country.

SVB Financial Group's president, Greg Becker, will assume the role of president and CEO of SVB



Ken Wilcox and Greg Becker

Financial Group and Silicon Valley Bank on April 21 of this year.

Greg joined SVB in 1993, at a time when we were expanding rapidly into new geographies and lines of business—just as we are doing today. He started with SVB as a lender, heading the group responsible for serving what at the time was a small but growing number of clients outside of California. He later headed our venture capital group for a number of years, and we credit him with having spearheaded the development of our fund-of-funds and direct equity business. He became chief banking officer in 2002, then chief operating officer, and he has been president of the bank since 2008. He has touched almost every part of the business at one time or another and has been instrumental in helping SVB evolve into the company it is today.

The board of directors and I believe that Greg is exactly the right person to lead SVB into its next period of expansion, having contributed so significantly to our growth in the past 18 years.

A Decade of Historic Change

Before I step aside, I want to take a moment to reflect on what we accomplished at SVB over this past decade, especially in light of the context in which we've operated.

It was a tumultuous 10 years for the world around us, a span of time marked by two economic recessions, September 11, two wars, and a U.S. economic system whose health is increasingly being questioned by world leaders.

Despite the magnitude of these challenges, innovators continued to innovate. Entrepreneurs continued to think and act entrepreneurially. Advancements in technology and life sciences continued to permeate both the broader economy and our daily lives. Ten years ago, there were no cleantech or social media sectors. Today these two industries are seen as important future drivers of the global economy. The entrepreneurial spirit remains resilient.



SVB Financial Group Board of Directors and Executive Steering Committee, Board of Director's Meeting 2010, Beijing, China

We continued to innovate at SVB Financial Group as well.

We entered the past decade primarily as a commercial bank serving early-stage clients across the United States, and we emerged from it a diverse financial services provider serving growth companies of all sizes around the world. We accomplished this by executing on a strategy focused on five primary objectives.

First, we expanded our product set to ensure that we could meet the needs of our clients, no matter their size or the scope of their business. Today our product set, relative to the kinds of companies we work with, is almost as complete as that of any money center bank.

With the product set in place, we went upstream to ensure that we could support technology and life science companies at all stages of growth. At the beginning of 2001, we had only a handful of clients with more than \$25,000,000 in revenues. Today hundreds of our clients fall into that category.

While most of our new business development involves start-up companies, most of our revenues today come from our larger clients.

Next, we expanded our global reach and opened offices in London, Bangalore, Tel Aviv, Mumbai, Shanghai and Beijing to support the innovation happening around the world. Today we are making great progress on getting our full

banking licenses in the United Kingdom, China and—we believe—India as well.

We also focused on building the necessary infrastructure to support our global business. We have almost completed the replacement of our entire information technology (IT) backbone that we embarked on three years ago. A sophisticated, integrated global IT platform will let us continue to deliver an exceptional experience for our clients in today's global environment.

Finally, we undertook a reorganization of our commercial banking practice and realigned our approach to the markets in a way that addresses the specific needs of each of our clients, no matter the stage of their life cycle. We now have dedicated teams focusing exclusively on early-stage, mid-stage and more mature companies around the world. By segmenting our approach to the market, we enable our lenders to look at the world through our clients' eyes, better preparing them to assist with each client's specific needs.

Along the way, we have grown in size and value and have built a tremendous franchise for shareholders.

Between 2000 and 2010, we grew loans by \$3.8 billion, or 220 percent, to \$5.5 billion; total client funds (including both client investment funds and deposits) by \$15.6 billion, or 99 percent, to \$31.2 billion; deposits by \$9.5 billion, or 195 percent, to \$14.3 billion; and more than doubled our book value per share to \$30.15. We are proud of these results.

Thank You

The numbers I just referenced would not have been possible without the support of many constituencies. I would like to extend my sincere thanks to our

shareholders for their confidence and to our clients for their support. Finally, I am honored to have led such a fine group of SVBers, whose passion for our clients and dedication to one another I believe are unmatched in this industry. I'm incredibly confident that SVB's best days lie ahead, thanks to their drive and enterprising spirit.

Sincerely,



Kenneth P. Wilcox

Chief Executive Officer, SVB Financial Group

SVB *Find a way*

SVB Financial Group

Corporate Headquarters

3005 Tasman Drive Santa Clara, California 95054 U.S.A.
Phone 408.654.7400 svb.com

This letter contains forward looking statements within the meaning of applicable federal securities laws. Such statements are predictions and actual results may differ materially. Information about factors that could cause actual results to differ materially from our forward looking statements is provided in our 2009 Annual Report on Form 10-K.

©2011 SVB Financial Group. ® All rights reserved. Member Federal Reserve System. SVB, SVB> and SVB>Find a way are all trademarks of SVB Financial Group. Rev 03-01-11.