

SVB Financial Group Q3 2019 Financial Highlights

Solid operating environment, effective execution and robust client acquisition drove strong results

October 24, 2019

To our Stakeholders:

We are pleased to report strong third quarter **Earnings per Share of \$5.15, Net Income of \$267 million and Return on Equity of 18 percent**. Our performance is the result of a solid operating environment, effective execution against our strategy and robust client acquisition. Our financial results reflect excellent balance sheet growth, solid core fee income and healthy market-related gains, underpinned by continued stable credit.

What makes SVB different: unparalleled access, connections & insights

Our strong financial results demonstrate the power of SVB's place at the center of the global innovation ecosystem and the ways in which our strategy and values reinforce the foundation we've laid for long-term growth. Our long-term commitment to innovators and investors enables us to understand their businesses, give advice and solve their problems to improve the probability of their success. The networks and deep relationships we've cultivated globally over decades allow us to make meaningful connections for our clients and provide value well beyond the capabilities of a typical bank. Moving forward, our investments in digital enhancements to improve the client experience; geographic expansion; and diversification of our business into complementary areas that increase our value to clients will enable us to remain differentiated over the long term.

Q3'19 themes: strong performance and markets, effective execution and positive outlook

The following themes summarize our view of our most recent quarter and the current market environment:

1. Healthy markets, the robust liquidity of our clients and our own strong execution are fueling growth in our core business globally.
2. We have achieved our target ~10% net interest income sensitivity
3. Core fee income continues to grow strongly across the board alongside solid contributions from warrants and investment securities.
4. Credit remains stable and the risk profile of our loan portfolio has improved significantly over time.
5. We are maintaining strong capital and liquidity, which gives with the flexibility to adapt to and take advantage of opportunities in a changing environment. Our strong capital position provided the foundation for a new \$350 million share repurchase authorization, effective over the next 12 months.
6. Our preliminary 2020 growth outlook is positive, with expectations of solid performance and continued investment in products, people, systems and processes to support our growth in the future.

Healthy markets and strong execution continue to fuel growth in our core business

Venture Capital investment remained strong in the third quarter for a total of \$97 billion invested in nearly 8,000 companies year to date, easily on pace for a second successive year of investment greater than \$100 billion, given the trend toward fewer, larger investments. This healthy VC activity was reflected in our strong new client acquisition, with another quarter of more than 1,200 new core commercial clients. This robust client acquisition is consistent with Q2 and continues the trend that has resulted in net client growth of nearly 70 percent since 2015. Our access to the best innovation clients and our ability to increase the likelihood of their success and continue to add value as they grow remain key differentiators for us.

Third-quarter exit activity stabilized somewhat following the flood of pent-up IPOs in Q2, but remained strong. VC-backed exit values for 2019 year to date crossed the \$200 billion mark for the first time in a decade, with more than 80% of all exits year to date occurring via IPO, another first for the industry. Seventy percent of US venture backed companies that went public during the quarter were SVB Clients. This activity contributed to approximately \$38 million in warrant-related gains in the third quarter.

VC fundraising reached \$30 billion year to date and appears to be on track for another strong year, on top of which, the realized returns to investors from this year's IPOs will soon be flowing back into the system, ripe for reinvestment. VC net cash flows for the past eight years have been positive, meaning that VCs are receiving capital back from their investments faster than they can re-invest it. The current strong appetite of investors for venture investments and the abundance of capital raised and returned suggests continued strong investment is ahead, albeit in fewer, larger funds.

US private equity investment remained strong in the third quarter with the number of deals year to date on pace to match 2018, despite a weaker economic backdrop. As a result, 2019 PE fundraising year to date has already reached full-year 2018 levels. Demand for deals from traditional LPs as well as newer entrants such as sovereign wealth funds remains healthy.

This backdrop of continued investment, fundraising and demand provides a healthy environment for our clients and for us, as we continue to execute on our strategy of enhancing client experience, improving employee enablement, enhancing risk management, and driving revenues and scalable, long-term growth.

Strong balance sheet and total client funds growth, driven by robust client liquidity

Average total client funds growth of 5% to \$150 billion primarily reflected growth in technology, with contributions from our private equity/venture capital and international portfolios, due to healthy funding and exit markets for our clients, as well as continued robust new client acquisition.

- Average on-balance sheet deposits increased by 8.1 percent to \$57.2 billion.
- Average interest-bearing deposits grew by 22 percent to \$18.1 billion, due to the success of new products related to our deposit growth initiative.
- Total deposit costs increased by 2 basis points, as our pricing adjustments were offset by strong volume growth. Our deposit costs remain very low at 38 basis points.
- Average non-interest-bearing deposits returned to growth, increasing by \$1.0 billion to \$39.1 billion. Non-interest-bearing deposits now constitute 68 percent of total deposits, compared to 72 percent in Q2.

We are increasing our full-year deposit growth outlook from the low double digits to the low teens, as a result of our better-than-forecast deposit growth, the momentum created by our deposit growth initiatives and the continued strong liquidity of our clients. We expect the majority of deposit growth for the remainder of 2019 to occur in interest-bearing products.

Average loans grew by 1.4 percent to \$29.8 billion, on track to meet our full-year outlook. Growth was driven primarily by private equity capital call lending, which now constitutes 52 percent of the loan portfolio, and by continued growth in our Private Bank lending. At the same time, liquidity from the strong equity funding environment, and our continued credit discipline, continue to provide headwinds to growth in our technology and life science lending. Despite these pressures, the pace of loan growth for the full year remains on track with our forecast and late-quarter borrowing activity in Q3 has created strong momentum going into Q4, as evidenced by period-end loan growth of \$1.9 billion to \$31.1 billion during the quarter.

Loan yields declined by 41 basis points during the quarter, driven by lower rates, portfolio mix, lower loan prepayment fees and interest recoveries vs. Q2, as well as the market environment.

Average fixed income investment securities grew strongly by 8.7 percent to \$25.1 billion and yields remained stable at 2.58 percent. New purchases totaled \$5.4 billion at 2.43 percent. This represented a decrease of 36 bps from the prior quarter, but was nevertheless accretive to NII and helped to drive our asset sensitivity lower. Maturity yields were 2.43 percent (versus 2.25 percent in the prior quarter). Based on the current level of interest rates, the average tax-effected yield on new investments for the remainder of 2019 could be between 2.15 and 2.25 percent and overall, we expect the yield on the investment portfolio to remain flat.

Q3'19 NIM compression driven primarily by strong balance sheet growth

Net interest margin and Net interest income declined during the quarter, primarily reflecting strong balance sheet growth, as well as the impact of market rate declines and a number of non-rate related items.

Net Interest margin declined by 34 basis points to 3.34 percent. The majority of this decrease – 21 basis points – was due to growth in earning assets. This included growth in interest-bearing deposits and high-quality but lower yielding loan categories, as well as higher cash balances related to our strong client liquidity. Seven basis points were directly related to the impact of lower Prime and LIBOR rates. Another six basis points of decline came from the market environment, including competitive loan yield compression and the impact of interest recoveries in Q2. The majority of our loans tied to LIBOR reset during the quarter, limiting the impact of LIBOR in future quarters, assuming no additional changes in the forward curve.

We expect Q4 NIM to be between 3.25% and 3.30%.

Net interest income decreased by 1.6 percent to \$523.6 million, primarily due to the impact of lower interest rates. Two thirds of this decrease (\$11.4 million) was related to the impact of lower Fed Funds rates on prime based loans, cash balances and interest rate swaps and lower rates on LIBOR-indexed loans. The remainder (\$9.1 million) was from two non-rate-related items including lower interest recoveries versus Q2. These decreases were partially offset by the impact of strong balance sheet growth during the quarter which contributed an \$11.8 million increase in interest income.

Consistent with the comments we made in Q2'19, we are reducing our full year 2019 outlook for NII and NIM following two additional decreases in the Fed Funds rate in July and September.

- We expect full-year 2019 Net Interest Income growth in the low double digits, versus our prior outlook of the low teens.
- We expect full year average 2019 NIM of 3.50% to 3.60%, 10 basis points lower than our prior outlook.

We reduced our net interest income sensitivity to our ~10% target

We are succeeding in our efforts to manage the impact of rate decreases on our net interest income sensitivity to no more than 10% in a 100 basis point shock scenario. Our primary strategies underlying this effort are interest rate swaps, continued extension of our fixed-income securities portfolio, and adapting our deposit pricing to market rates. We will continue to actively manage asset sensitivity to the 10% target.

Based on our expectations for the impact of our balance sheet strategies through the rest of 2019, we are forecasting a \$35 to \$45 million annualized, pre-tax reduction in NII for each 25 basis point Fed Funds decrease, which equates to approximately 2 percent of our net interest income. This estimate assumes deposit beta on lower rates of between 50 and 70 percent, and continued deposit growth, primarily in interest-bearing accounts.

Strong core fee income growth; solid warrant and investment securities gains

We continue to see strong growth in our core fee income lines as well as gains from warrants, investment securities and our investment banking business.

Our core fee income has grown 28 percent year to date compared to the same period last year, particularly driven by client investment fees, credit cards and foreign exchange. This continued growth in core fee income provides a welcome offset to downward pressure from rates.

While our market-driven income streams are harder to predict, we've seen very good warrant and investment securities gains year to date, thanks to healthy funding and exit environments for our clients. And while we expect our client markets to remain healthy, we do not anticipate that 2020 warrant and investment securities gains will match 2019 levels.

Income from SVB Leerink was slower in the third quarter. Expectations for SVB Leerink revenues are slightly lower for the year as M&A revenues have been weaker than anticipated. However, the market for SVB Leerink continues to grow and they are maintaining consistent market share. We have solid expectations for that business in 2020, assuming the markets remain healthy.

Credit remains stable with solid underlying trends; CECL impact manageable

Credit quality remained solid in the third quarter, with strong underlying metrics and no change in our outlook for 2019. Our credit performance reflects continued growth in high-quality loan categories, such as Private Equity and Private Bank, as well as the gradual improvement of our risk profile, including the decrease over the years of early stage loans to only 5 percent of our loan portfolio.

Based on the high quality and short duration of our loan portfolio, we are expecting the impact of CECL adoption to be primarily reflected in an adjustment to our reserves for funded and unfunded credit commitments related to the requirement to reserve for the life of our Technology and Healthcare loans, versus the one-year reserve horizon in place in the current standard.

We estimate that day-one CECL adoption implementation will increase combined reserves by 7 to 16 percent, due to the higher lifetime inherent risk in our technology and life science portfolios. This increase will be reflected in equity. We expect increased volatility in reserves going forward, depending on economic conditions and forecasts. We will continue to refine our estimates in Q4 and are on track for implementation on January 1, 2020.

Positive preliminary 2020 outlook; expecting solid growth while continuing to invest in the future

In 2020, we expect continued solid performance and opportunities for growth, even without help from interest rates. Our preliminary outlook is based on our expectations for healthy client liquidity and activity, although potentially less robust than in 2019; and stable credit, barring a significant deterioration in the economy. In addition to strong balance sheet and core fee income growth, low single digit net interest income growth, a stabilizing NIM, and credit quality consistent with 2019, we are forecasting non-interest expense growth in the high-single digits. These expectations assume no future interest rate decreases.

For 2020, assuming all of our preliminary guidance and the impact of two additional Fed rate decreases in 2019, we expect full year net interest margin between 3.10% and 3.20% and net interest income comparable to 2019 levels. Our actual results will be impacted by a variety of factors, including the mix of interest-bearing to non-interest-bearing deposits, the mix of deposits to off-balance-sheet client funds and certain market-related factors.

Summary: solid Q3 performance, positive outlook and long-term growth catalysts

Our continued strong performance and the health and liquidity of our clients make us positive about our business and growth prospects.

As always, we are keeping a close eye on any challenges that might arise from the health of our markets and the broader markets. Interest rates remain an area of focus but we believe our lower asset sensitivity and flexibility with regard to expense growth will enable us to better manage the impact of a declining rate environment.

Competition is as challenging as it has ever been – from banks, non-bank financial service providers and liquidity in the markets. While we continue to take every opportunity to raise our game in the face of competition, in the long run, we believe our unique approach, networks and insights will continue to differentiate us with clients, while our ongoing investments in products and capabilities will enhance our ability compete globally.

While the potential impact of an economic downturn on credit is on many people's minds, in this respect we believe we are better positioned than we have ever been, with fully 79 percent of our assets in high-quality investments and low-credit-loss-experience lending.

In addition to these advantages, we have a high-quality, highly liquid balance sheet and a client base that has demonstrated resilience during downturns. We believe the investments we're making in geographic expansion, enhancement of the digital client experience and diversification of our business, and in with people and systems will provide the foundation for long-term profitable growth and operating leverage.

In the meantime, we are enjoying the growth and flexibility enabled by our strong capital and liquidity and are confident in our diversified, high-quality balance sheet. We remain focused on being the most valuable partner to innovators and their investors, ensuring we remain at the heart of the innovation economy globally so that we can continue to see and support the best new companies year after year, and forge deep and lasting bonds with our clients as they grow. We believe this focus on our clients' success and our ongoing investments in clients, employees, products and revenue growth will enable us to make the most of a cycle, when it comes, further differentiate ourselves as a true value-add partner to our clients, and more deeply entrench our position as the bank of the global innovation economy.

A handwritten signature in dark ink, appearing to read "G. Becker", with a long horizontal line extending to the right.

Greg Becker
President and CEO



Financial Group

Q3 2019 Financial Highlights

October 24, 2019



Contents

- **Q3 2019 overview:**
Solid operating environment, effective execution and robust client acquisition driving strong results
- **What makes SVB different**
- **Q3 key themes**
- **Q3 summary**
- **Outlook: 2019 changes and 2020 preliminary**

This presentation should be reviewed with our Q3 2019 earnings release and CEO letter, as well as the company's SEC filings

Q3 2019: Solid operating environment, effective execution and robust client acquisition drove strong results

Strong balance sheet growth and profitability

EPS:
\$5.15

YTD EPS +27%
vs. 2018

Net Income:
\$267M

YTD Net Income +24%
vs. 2018

ROE:
18%

Strong profitability

Q3'19 FINANCIAL HIGHLIGHTS

\$7.4B

5.2% client funds growth
(Average vs. Q2)

\$0.4B

1.4% loan growth
(Average vs. Q2)

-1.6%

Net interest income
decrease due to lower rates
and other items¹ (vs. Q2)

\$53M

Warrant and investment
gains net of NCI^{2,3}

23%

Core fee income
growth^{2,4} (YoY)

Solid & stable

Credit quality



1. Balance sheet growth drove an additional +\$12M of NII, offset by -\$11M for lower rates and -\$9M for other items; see slide 10 for more details
2. Non-GAAP financial measure. See "use of non-GAAP Financial Measures" in our earnings release
3. Net gains on investment securities for Q3'19 were \$29.8M
4. Excludes investment banking and commissions revenue

What makes SVB different: Unparalleled access, connections & insights

The premier financial partner for the global innovation economy

LEADING MARKET SHARE



of all US venture-backed technology and life sciences companies



of all US venture-backed technology and healthcare companies with IPOs YTD in 2019

DEEP SECTOR EXPERTISE

Enterprise Software

Life Sciences & Healthcare

Frontier Tech & Hardware

FinTech

Consumer Software

Energy & Resource Innovation

COMPREHENSIVE SOLUTIONS

Global Commercial Banking

Investment Banking (SVB Leerink)

Private Equity & Venture Capital Services

Fund Management (SVB Capital)

Private Banking & Wealth Management

Premium Wine

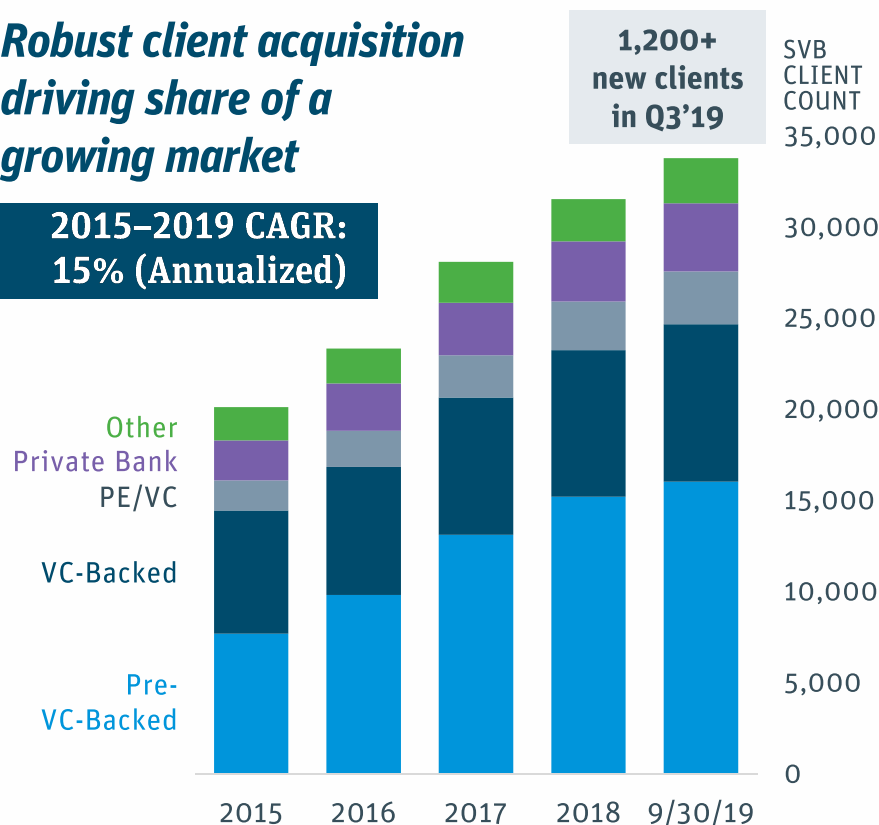
Q3'19 themes: strong performance and markets, effective execution and positive outlook

1. Healthy markets, robust client liquidity and strong execution fueling growth in our core business globally
2. Achieved target of 10% NII sensitivity¹
3. Strong, sustained core fee income growth; solid warrant and investment securities gains
4. Continued stable credit and improving risk profile
5. Strong liquidity and capital provide flexibility; new \$350 million share repurchase authorization²
6. Positive preliminary 2020 expectations with continued investment to drive growth

Healthy markets and strong execution continue to fuel growth in core business

Robust client acquisition driving share of a growing market

2015–2019 CAGR: 15% (Annualized)



VC/PE investment driving client liquidity

- 2019 VC investment of \$97B on track to easily exceed \$100B for second successive year
- Continued trend toward fewer and larger VC investments
- 2019 PE investment consistent with strong 2018

Record VC-backed exit values

- YTD 2019 exit values exceeded \$200B for the first time in a decade, driven by robust IPO market
- SVB clients have represented 70% of US VC-backed Technology and Life Science IPOs YTD

Continued robust VC/PE activity, strong client funnel and acquisition, although competition remains intense

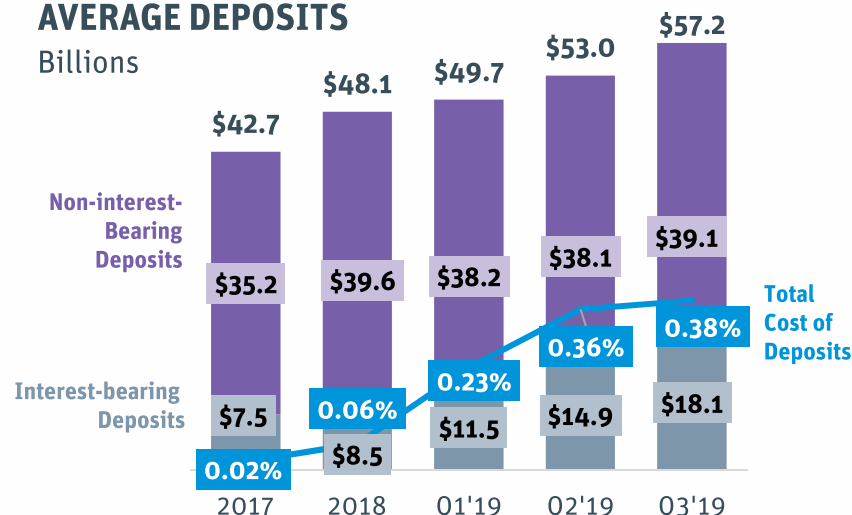


Source for VC and PE data: Pitchbook-NVCA 3Q 2019 Venture Monitor, Pitchbook 3Q 2019 US PE Breakdown and company data

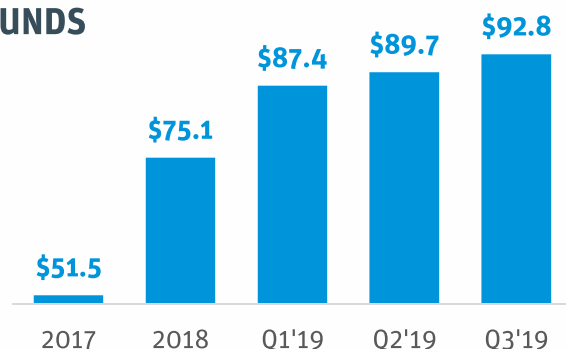
Robust client liquidity drove Q3'19 average total client funds growth of 5% to \$150 billion

AVERAGE DEPOSITS

Billions



AVERAGE OFF-BALANCE SHEET CLIENT FUNDS



Strong Q3'19 deposit growth of 8% (\$4.2B)

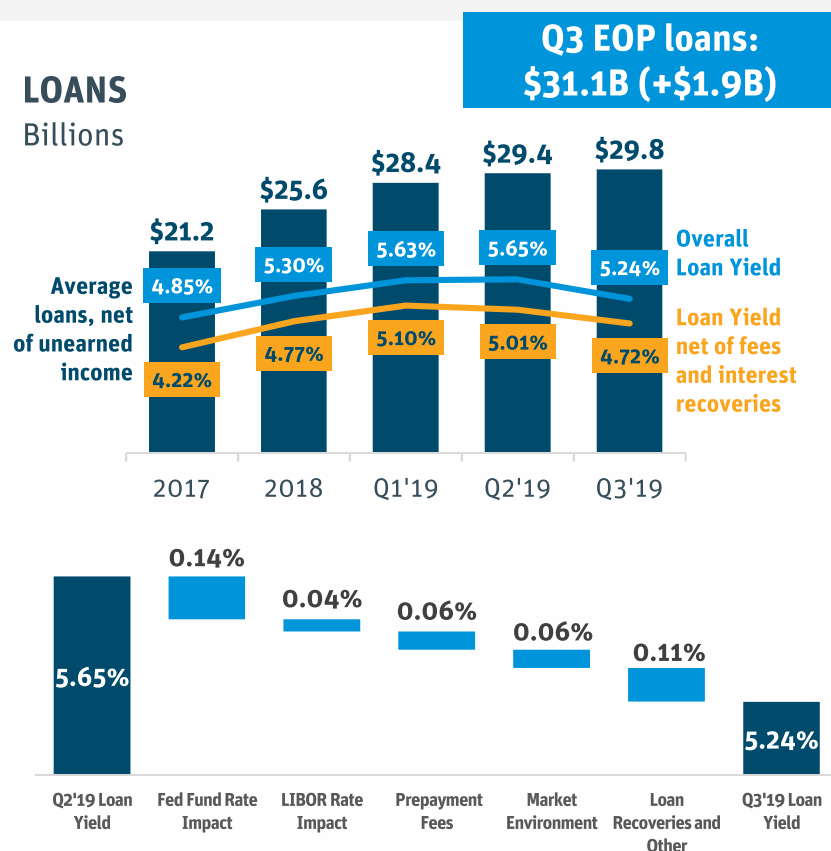
- \$1.0B of growth in non-interest-bearing deposits
- Deposit growth primarily driven by equity funding activity for our technology banking clients
- Deposit beta in line with our expectations, but impact to interest-bearing deposits was partially offset by strong growth

Healthy Q3'19 off-balance sheet client funds growth of 3.5% (\$3.1B)

- Maintained off-balance sheet client funds margin at 20 bps through two rate cuts
- We expect 1 bps decline with each future 25 bps Fed Funds cut

Period-end total client funds growth of 6% to \$156 billion

Loans on track for full-year outlook of mid-teens growth



Loan growth in line with FY 2019 forecast

- Q3'19 loan growth weighted toward quarter end
- Growth primarily from Private Equity capital call lending and Private Bank
- Strong equity funding environment and our continued credit discipline have been an ongoing headwind for Technology Banking loan growth

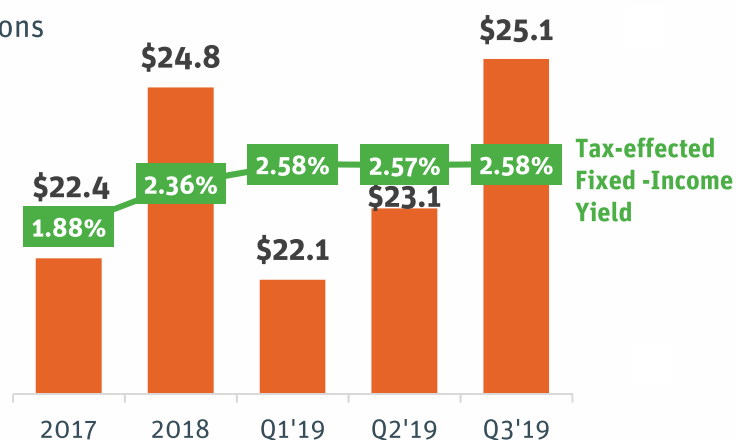
Q3 loan margin declines driven by rate headwinds, lower prepayment fees and recoveries vs.Q2, and market environment

Loan growth and pipeline remain healthy with strong momentum going into Q4

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

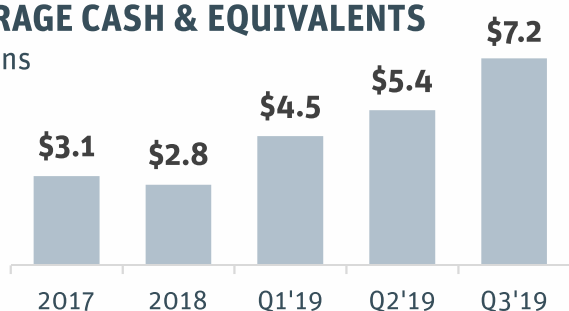
AVERAGE FIXED-INCOME INVESTMENT SECURITIES

Billions



AVERAGE CASH & EQUIVALENTS

Billions



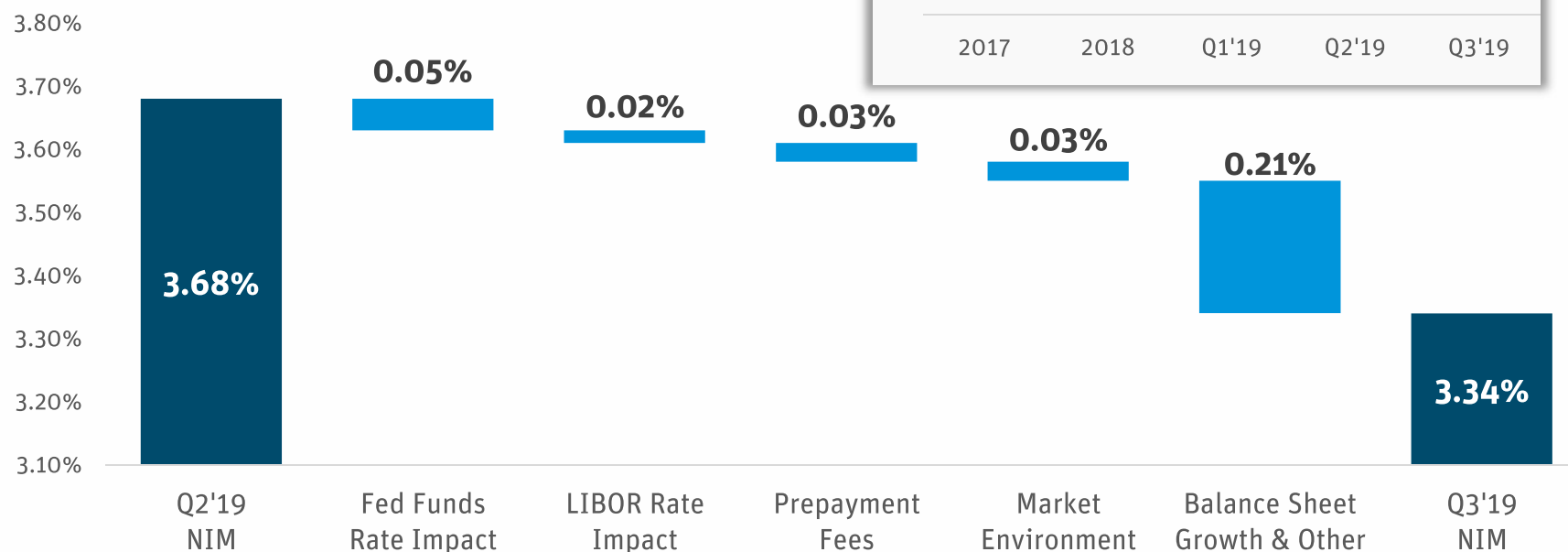
Fixed income yields flat in Q3; new purchase yields accretive to NII and driving lower asset sensitivity

- Purchases of \$5.4B at yields of 2.43%, the same as yields for bonds that matured in the quarter
- Purchases at 6.4 year life, with 5.4 years duration
- Impact of lower rates decreased duration of securities portfolio slightly to 3.4 years
- Unrealized gain on fixed-income securities approaching \$460M as of 9/30/19

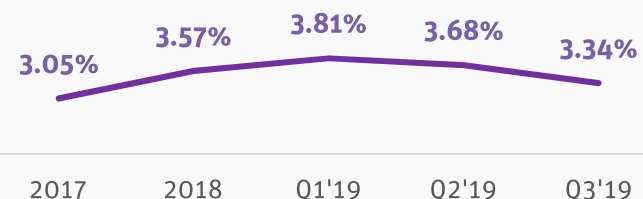
We expect total securities yields to hold steady through end of 2019

Q3'19 NIM compression primarily driven by strong balance sheet growth

Short-term rate decreases accounted for 7 basis points of NIM compression during the quarter



NET INTEREST MARGIN



- Q4 NIM expected to be 3.25%–3.30% with stable rates (or 3.20%–3.25% with the October and December rate cuts implied by the forward curve as of 10/24/19)
- 2019 net interest income outlook lowered to low double digits, in line with previous guidance on impact of rate cuts

We reduced NII sensitivity to our ~10% target

MODEL SENSITIVITY*

Static Balance Sheet

\$50M
(annualized)

Decline in pre-tax net interest income from -25 bps parallel shift

Assumption Differences

- Expectation of stable re-investment rates on investment securities
- Managing cash balances lower than period-end levels
- Expected performance consistent with our 2019 outlook

EXPECTED OUTCOME

Forecasted Scenario

\$35–\$45M
(annualized)

Decline in pre-tax net interest income from 25 bps Fed Funds rate decrease

STRATEGIES IMPLEMENTED TO MANAGE SENSITIVITY:

Interest Rate Swaps

- Converting variable rate loans to fixed
- \$4.0B of notional outstandings, up from \$1.2B at the end of Q2

Deposit Price Strategy

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

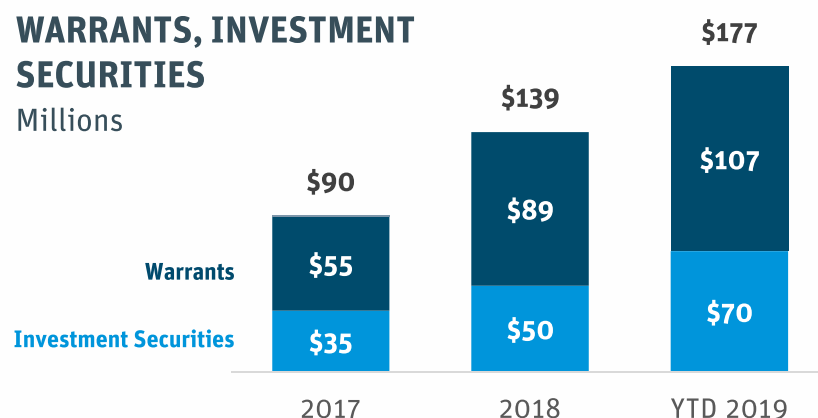
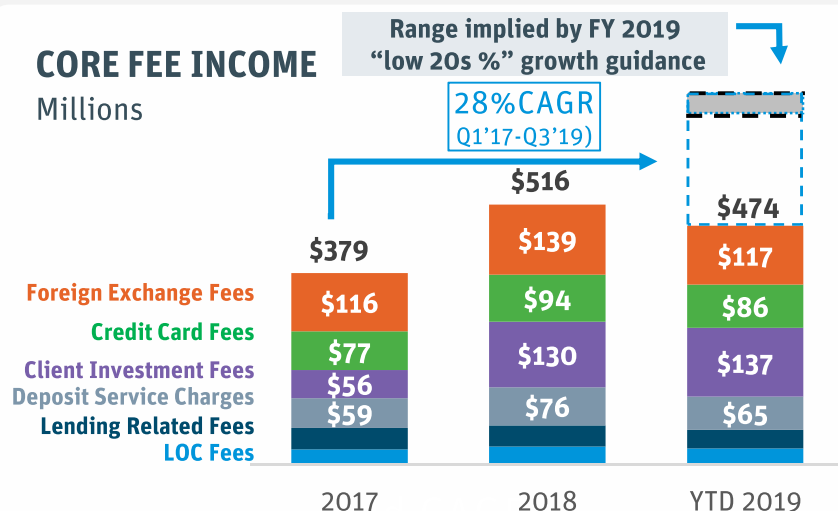
Other Strategies

- Added \$5.4B of fixed income securities in Q3, averaging 6 years in maturity
- \$1.2B of loan portfolio includes active loan floors through 2020

With the two 25 bps Fed Funds rate decreases implied by the Forward Curve as of 10/24/19, we would expect 2019 full-year NII growth to be in the low double digits and NIM to be between 3.50% and 3.60%, likely at the bottom of each of those ranges

- Management's sensitivity analysis is based on the expected 12-month impact of a 100 basis point rate shock on net interest income. This is an estimate and is subject to assumptions; actual results may differ. Additional information will be included in our Q3'19 Form 10-Q report.

Strong core fee income growth; solid warrant and investment securities gains

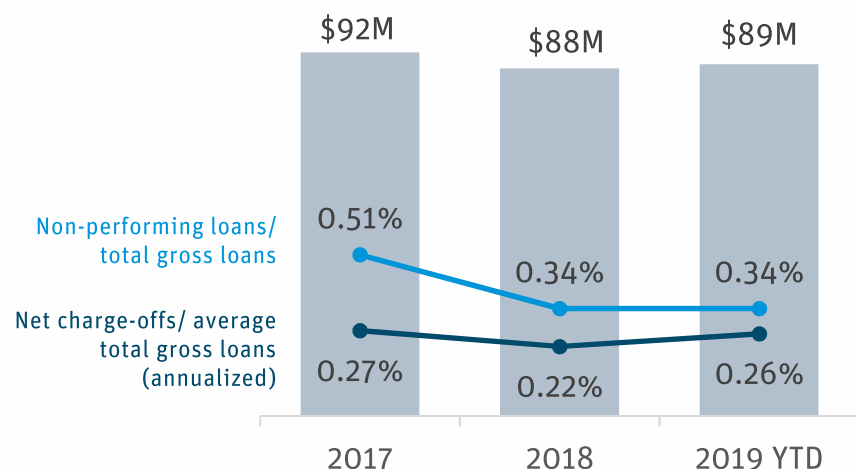


Accelerating non-interest income growth provides an offset to lower rate environment

- Core fee income growth remains strong
 - Q3'19 growth of 3.1% to \$162.2M driven by strong FX and Card volumes and higher client fund balances
- Strong Q3'19 warrant and investment securities gains of \$53M from exits and funding events
 - YTD gains of \$177M have already surpassed full year 2018 gains
- Slower SVB Leerink revenues
 - Fees and commissions of \$51M in Q3'19 following outstanding Q2'19
 - Adjusting expectations for 2019 from lower M&A transaction revenue
 - Continued strong growth in market and solid market share

Credit remains stable with solid underlying trends; CECL adoption preliminary estimates

PROVISION FOR CREDIT LOSSES



Growth in Private Equity capital call lines and Private Bank (now 63% of loan portfolio) continues to improve the risk profile of our loan portfolio

Day 1 Estimated CECL Impact (January 2020):

- Estimated increase in funded and unfunded credit commitment reserves of 7%-16% (\$25-\$60M pre-tax) over current levels will be recorded to equity
- Estimated adoption adjustment driven by longer forecast horizon due to longer maturities of our technology and life science portfolios
- Partially offset by lower risk, shorter duration of Private Equity capital call lines
- Increased volatility in reserves expected going forward, depending on economic conditions and forecasts

Q3 summary: solid performance, positive outlook and long-term growth catalysts

- Strong performance fueled by healthy markets and effective execution
- Robust client liquidity driving strong balance sheet growth, laying foundation for future growth
- Proactive balance sheet management enabling us to successfully adapt to changing rates
- Stable credit with disciplined credit risk management
- Rate-driven NII and NIM adjustments consistent with our expectations

2019 OUTLOOK CHANGES ¹	PRIOR (JULY 2019)	NEW (OCTOBER 2019)
Deposit Growth %	Low double digits	Low teens
Net Interest Income Growth %	Low teens	Low double digits
Net Interest Margin	3.60% – 3.70%	3.50% – 3.60%
Core Fee Income with Investment Banking Activities Growth %	Low seventies	High sixties ²



1) Outlook assumes no future changes to Fed Funds rate
 2) Change in outlook driven by lower investment banking revenues in Q3

Positive preliminary 2020 outlook: expecting solid growth while continuing to invest in the future

ASSUMPTIONS:

- Continued healthy client liquidity and activity, although not as strong as in 2019
- Assumes continued strong competition, no further Fed Funds rate declines
- Stable credit overall, assuming no significant economic deterioration

BUSINESS DRIVER	OUTLOOK (%): 2020 vs. 2019 ¹
Average loans	Low teens
Average deposits	Low double digits
Net interest income	Low single digits
Net interest margin	Between 3.20% – 3.30%
Net loan charge-offs	Between 0.20% – 0.40%
Core fee income ²	Low teens
Non-interest expense ^{2,3}	High single digits

With the two 25 bps Fed Funds rate decreases implied by the Forward Curve as of 10/23/19, we would expect 2020 full-year NII to be comparable to 2019 and NIM to be between 3.10% and 3.20%.



1. Outlook assumes no future changes to Fed Funds rate
2. Excludes investment banking activities
3. Excludes non-controlling interests

What we're watching

CONCERN

Impact of interest rate declines



We have reduced our asset sensitivity to our target ~10%; we have flexibility on costs to manage profitability

Competition



We believe our access, networks and insights will continue to differentiate us, while our investments in products and capabilities will strengthen our competitive position globally

Credit



We have the lowest risk loan portfolio in our history with low-credit-content capital call and mortgage lending representing 63% of all loans

Levers to drive profitable growth in a changing rate environment

Leveraging Investments in Growth

- Continued investment in geographic expansion
- Enhancement of digital experience to drive client acquisition and deepen relationships
- Diversification of business (investment banking, private banking, wealth management)



Deposit Pricing

Use of products and pricing to reprice and shift excess deposits on or off balance sheet over time



Strong Capital and Liquidity Position

Continued capital accretion provides optionality to invest or return capital to investors



Leveraging Investments in Scalability

Investments in people and systems to enable continued growth at lower cost

We believe we can continue to deliver strong profitability and drive investment in our business in a lower rate environment

Final thoughts

1. We have strong capital and liquidity, the fuel for growth and flexibility
2. Our balance sheet is diversified, with 79% of assets* in high-quality investments and low credit loss experience lending
3. We are actively managing our asset sensitivity, meeting our 10% target with the ability to take further action
4. We are differentiated and are investing for growth and scalability

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

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

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance, and are subject to known and unknown risks and uncertainties, many of which may be beyond our control. You can identify these and other forward-looking statements by the use of words such as “becoming,” “may,” “will,” “should,” “could,” “would,” “predict,” “potential,” “continue,” “anticipate,” “believe,” “estimate,” “seek,” “expect,” “plan,” “intend,” the negative of such words, or comparable terminology. In this presentation, we make forward-looking statements discussing management’s expectations about, among other things: economic conditions; opportunities in the market; outlook on our clients’ performance; our financial, credit, and business performance, including potential investment gains, loan growth, loan mix, loan yields, credit quality, deposits, noninterest income, and expense levels; and financial results. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we have based these expectations on our current beliefs as well as our assumptions, and such expectations may prove to be incorrect.

We wish to caution you that such statements are just predictions and actual events or results may differ materially, due to changes in economic, business and regulatory factors and trends. Our actual results of operations and financial performance could differ significantly from those expressed in or implied by our management’s forward-looking statements. Important factors that could cause our actual results and financial condition to differ from the expectations stated in the forward-looking statements include, among others: market and economic conditions (including the general condition of the capital and equity markets, and IPO, M&A and financing activity levels) and the associated impact on us (including effects on client demand for our commercial and investment banking and other financial services, as well as on the valuations of our investments); changes in the volume and credit quality of our loans; the impact of changes in interest rates or market levels or factors affecting or affected by them, especially on our loan and investment portfolios; changes in the levels of our loans, deposits and client investment fund balances; changes in the performance or equity valuations of funds or companies in which we have invested or hold derivative instruments or equity warrant assets; variations from our expectations as to factors impacting our cost structure; changes in our assessment of the creditworthiness or liquidity of our clients or unanticipated effects of credit concentration risks which create or exacerbate deterioration of such creditworthiness or liquidity; variations from our expectations as to factors impacting the timing and level of employee share-based transactions; variations from our expectations as to factors impacting our estimate of our full-year effective tax rate; accounting changes, as required by Generally Accepted Accounting Principles (GAAP); and regulatory, tax or legal changes or their impact on us.

We refer you to the documents the Company files from time to time with the Securities and Exchange Commission, including (i) our latest Annual Report on Form 10-K; (ii) our latest Quarterly Report on Form 10-Q; and (iii) our most recent earnings release filed on Form 8-K. These documents contain and identify important risk factors that could cause the Company’s actual results to differ materially from those contained in our projections or other forward-looking statements. All forward-looking statements included in this presentation are made only as of the date of this presentation. We assume no obligation and do not intend to revise or update any forward-looking statements contained in this presentation, except as required by law. This presentation shall not constitute an offer or solicitation in connection with any securities.

Use of Non-GAAP Financial Measures

To supplement our financial disclosures that are presented in accordance with GAAP, we use certain non-GAAP measures of financial performance (including, but not limited to, non-GAAP core fee income, non-GAAP noninterest income, non-GAAP net gains on investment securities, non-GAAP non-marketable and other equity securities, non-GAAP noninterest expense and non-GAAP financial ratios) of financial performance. These supplemental performance measures may vary from, and may not be comparable to, similarly titled measures by other companies in our industry. Non-GAAP financial measures are not in accordance with, or an alternative for, GAAP. Generally, a non-GAAP financial measure is a numerical measure of a company’s performance that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. A non-GAAP financial measure may also be a financial metric that is not required by GAAP or other applicable requirement.

We believe that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures (as applicable), provide meaningful supplemental information regarding our performance by: (i) excluding amounts attributable to non-controlling interests for which we effectively do not receive the economic benefit or cost of, where indicated, or (ii) providing additional information used by management that is not otherwise required by GAAP or other applicable requirements. Our management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing our operating results and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate a comparison of our performance to prior periods. We believe these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. However, these non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, net income or other financial measures prepared in accordance with GAAP. Under the “Use of Non-GAAP Financial Measures” section in our latest earnings release filed as an exhibit to our Form 8-K on October 24, 2019, 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

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

SVB Financial Group is the holding company for all business units and groups © 2019 SVB Financial Group. All rights reserved. SVB, SVB FINANCIAL GROUP, SILICON VALLEY BANK, SVB LEERINK, MAKE NEXT HAPPEN NOW and the chevron device are trademarks of SVB Financial Group, used under license. Silicon Valley Bank is a member of the FDIC and the Federal Reserve System. Silicon Valley Bank is the California bank subsidiary of SVB Financial Group.