

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 22, 2021

SVB Financial Group
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39154
(Commission
File Number)

91-1962278
(I.R.S. Employer
Identification No.)

3003 Tasman Drive, Santa Clara, CA 95054-1191
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(408) 654-7400**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.142-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Common Stock, par value \$0.001 per share	SIVB	The Nasdaq Stock Market LLC
Depository shares, each representing a 1/40th interest in a share of 5.250% Fixed-Rate Non-Cumulative Perpetual Preferred Stock, Series A	SIVBP	The Nasdaq Stock Market LLC

Item 2.02. Results of Operations and Financial Condition.

On April 22, 2021, SVB Financial Group (the "Company") announced its financial results for the first quarter ended March 31, 2021. A copy of the release and a first quarter CEO letter and earnings slides are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference. The information in this report shall not be treated as "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933 or the Securities Act of 1934, except as expressly stated by specific reference in such filing.

Item 8.01. Other Events.

On April 22, 2021, the Company's Board of Directors declared a quarterly cash dividend of \$13.125 per share (representing \$0.328125 per depository share) on the Series A Preferred Stock. The dividend is payable on May 17, 2021 to holders of record at the close of business on May 3, 2021.

On April 22, 2021, the Company's Board of Directors declared a quarterly cash dividend of \$1,173.056 per share (representing \$11.730556 per depository share) on the Series B Preferred Stock. The dividend is payable on May 17, 2021 to holders of record at the close of business on May 3, 2021.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Earnings Release, dated April 22, 2021, announcing the Company's financial results for the first quarter ended March 31, 2021
99.2	Q1 2021 CEO Letter and Earnings Slides
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 22, 2021

SVB FINANCIAL GROUP

By: /s/ KAREN HON
Name: Karen Hon
Title: Chief Accounting Officer and Principal Accounting Officer



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www.svb.com

For release at 1:00 P.M. (Pacific Time)
April 22, 2021

NASDAQ: SIVB

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SVB FINANCIAL GROUP ANNOUNCES 2021 FIRST QUARTER FINANCIAL RESULTS

Board of Directors declared a quarterly dividend on Series A and Series B Preferred Stock

SANTA CLARA, Calif. — April 22, 2021 — SVB Financial Group (NASDAQ: SIVB) today announced financial results for the first quarter ended March 31, 2021.

Consolidated net income available to common stockholders for the first quarter of 2021 was \$532.2 million, or \$10.03 per diluted common share, compared to \$388.3 million, or \$7.40 per diluted common share, for the fourth quarter of 2020 and \$132.3 million, or \$2.55 per diluted common share, for the first quarter of 2020.

"We delivered our best quarter ever with exceptional balance sheet growth, earnings and profitability against a backdrop of continued robust liquidity for our clients and an improving economic outlook," said Greg Becker, President and CEO of SVB Financial Group. "As a result of our strong performance, effective execution and remarkable momentum, we have substantially increased our growth expectations for 2021 and are leveraging the capital markets to support our momentum and continued investment in our business."

Highlights of our first quarter 2021 results (compared to fourth quarter 2020, unless otherwise noted) included:

- Average loans of \$46.3 billion, an increase of \$4.8 billion (or 11.5 percent).
- Period-end loans of \$47.7 billion, an increase of \$2.5 billion (or 5.5 percent).
- Average fixed income investment securities of \$53.5 billion, an increase of \$12.1 billion (or 29.3 percent).
- Period-end fixed income investment securities of \$67.2 billion, an increase of \$19.6 billion (or 41.4 percent).
- Average total client funds (on-balance sheet deposits and off-balance sheet client investment funds) increased \$36.6 billion (or 16.2 percent) to \$262.2 billion, which includes an increase in average on-balance sheet deposits of \$18.2 billion (or 19.7 percent).
- Period-end total client funds increased \$45.0 billion (or 18.5 percent) to \$288.0 billion, which includes an increase in period-end on-balance sheet deposits of \$22.2 billion (or 21.7 percent).
- Issuance of \$500.0 million of 1.800% Senior Notes due February 2031.
- Issuance of \$750.0 million in depositary shares representing an ownership interest in shares of Series B Preferred Stock.
- Issuance and sale of 2,000,000 shares of common stock at an offering price of \$500.00 per share, which resulted in net proceeds of \$972.0 million, with an additional issuance of 300,000 shares on April 14, 2021 resulting in net proceeds of approximately \$146.0 million.
- Net interest income (fully taxable equivalent basis) of \$665.1 million, an increase of \$68.6 million (or 11.5 percent).
- Provision for credit losses was \$18.7 million, compared to a net reduction of \$38.4 million.
- Net loan charge-offs of \$90.2 million, or 79 basis points of average total loans (annualized), which includes an \$80.0 million pre-tax charge-off related to potentially fraudulent activity perpetrated by a Global Fund Banking client, in connection with a loan transaction funded in early February 2021, compared to \$9.7 million, or 9 basis points.
- Net gains on investment securities of \$167.1 million compared to \$150.0 million. Non-GAAP net gains on investment securities, net of noncontrolling interests, were \$142.0 million, compared to \$104.1 million. (See non-GAAP reconciliation under the section "Use of Non-GAAP Financial Measures.")
- Net gains on equity warrant assets of \$221.7 million, compared to \$143.8 million.

- Noninterest income of \$744.2 million, an increase of \$122.4 million (or 19.7 percent). Non-GAAP core fee income increased \$3.0 million (or 1.9 percent) to \$158.9 million. Non-GAAP SVB Leerink revenue increased \$15.9 million (or 10.5 percent) to \$166.7 million. (See non-GAAP reconciliation under the section "Use of Non-GAAP Financial Measures.")
- Noninterest expense of \$636.0 million, a decrease of \$28.8 million (or 4.3 percent).
- GAAP operating efficiency ratio of 45.31 percent, compared to 54.79 percent. Non-GAAP core operating efficiency ratio of 58.52 percent, compared to 62.67 percent. (See non-GAAP reconciliation under the section "Use of Non-GAAP Financial Measures.") GAAP operating efficiency ratio decreased primarily as a result of a total of \$49.3 million in non-recurring expenses related to real estate and donation expenses as well as higher SVB Leerink expenses as a percentage of SVB Leerink revenue in the fourth quarter of 2020. Non-GAAP core operating efficiency ratio decreased due primarily to the overall decrease in expenses related to our core business as a percentage of revenue attributable primarily to a decrease in SVB Leerink incentive compensation expense reflective of higher expenses in the fourth quarter of 2020 as a result of SVB Leerink's strong 2020 full year financial performance.
- Entered into pay-fixed, receive-floating interest rate swap fair value hedge contracts on agency-issued commercial and residential mortgage-backed securities in our available-for-sale portfolio with a notional balance of \$10.0 billion and re-designated \$2.9 billion of certain available-for-sale securities to held-to-maturity securities to hedge against exposure to decreases in the fair value of our available-for-sale fixed income securities resulting from increases in interest rates.

Coronavirus Disease 2019 ("COVID-19") Pandemic Update

During the first quarter of 2021, we increased our 2021 outlook as business activity and the economic environment improved with vaccine distributions and reopenings and our overall credit trends remained stable. Throughout the pandemic, our business and clients have demonstrated remarkable resilience and growth even while most of our employees and partners continue to work from home. We continue to carefully monitor the trajectory of the economic recovery, which could be impacted by the emergence of new variants and continued spread of COVID-19, delays in vaccination programs and potential government lockdowns.

We continue to support our clients, employees and communities. During the first quarter of 2021, we participated in the second round of the Paycheck Protection Program ("PPP"), originating approximately \$0.4 billion PPP loans.

First Quarter 2021 Summary

(Dollars in millions, except share data, employees and ratios)	Three months ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Income statement:					
Diluted earnings per common share	\$ 10.03	\$ 7.40	\$ 8.47	\$ 4.42	\$ 2.55
Net income available to common stockholders	532.2	388.3	441.7	228.9	132.3
Net interest income	659.6	591.5	527.7	512.9	524.1
Provision (reduction) for credit losses (1)	18.7	(38.4)	(52.0)	66.5	243.5
Noninterest income	744.2	621.8	547.6	368.8	301.9
Noninterest expense	636.0	664.8	491.0	479.6	399.6
Non-GAAP core fee income (2)	158.9	155.9	146.3	132.5	168.5
Non-GAAP core fee income plus SVB Leerink revenue (2)	325.6	306.8	254.8	290.9	231.3
Non-GAAP SVB Leerink revenue (2)	166.7	150.9	108.4	158.4	62.9
Non-GAAP noninterest income, net of noncontrolling interests (2)	719.1	575.8	519.7	354.5	303.8
Non-GAAP noninterest expense, net of noncontrolling interests (2)	635.9	664.7	490.9	479.5	399.4
Fully taxable equivalent:					
Net interest income (2) (3)	\$ 665.1	\$ 596.5	\$ 531.7	\$ 516.8	\$ 527.5
Net interest margin	2.29 %	2.40 %	2.53 %	2.80 %	3.12 %
Balance sheet:					
Average total assets	\$ 124,814.6	\$ 103,753.6	\$ 88,348.4	\$ 78,432.0	\$ 72,407.2
Average loans, amortized cost	46,281.5	41,525.0	37,318.6	36,512.2	33,660.7
Average available-for-sale securities	28,247.4	28,114.2	20,026.9	12,784.3	13,565.9
Average held-to-maturity securities	25,295.2	13,288.7	12,553.2	13,039.4	13,578.1
Average noninterest-bearing demand deposits	73,233.2	61,662.8	51,543.9	46,086.9	41,336.0
Average interest-bearing deposits	37,375.2	30,773.5	26,136.1	21,829.4	20,472.2
Average total deposits	110,608.4	92,436.4	77,680.0	67,916.4	61,808.2
Average short-term borrowings	12.1	9.8	15.3	618.1	969.9
Average long-term debt	1,162.3	843.5	843.3	489.6	348.0
Period-end total assets	142,346.6	115,511.0	96,916.8	85,731.0	75,009.6
Period-end loans, amortized cost	47,675.2	45,181.5	38,413.9	36,727.2	35,968.1
Period-end available-for-sale securities	25,986.5	30,912.4	25,904.3	18,451.9	12,648.1
Period-end held-to-maturity securities	41,164.6	16,592.2	12,982.2	12,858.8	13,574.3
Period-end non-marketable and other equity securities	1,957.8	1,802.2	1,547.4	1,270.6	1,200.8
Period-end noninterest-bearing demand deposits	84,440.0	66,519.2	57,508.2	49,160.9	42,902.2
Period-end interest-bearing deposits	39,710.1	35,462.6	27,264.8	25,344.9	19,009.8
Period-end total deposits	124,150.1	101,981.8	84,773.0	74,505.8	61,912.0
Period-end short-term borrowings	38.4	20.6	19.1	50.9	3,138.2
Period-end long-term debt	1,338.2	843.6	843.4	843.2	348.1
Off-balance sheet:					
Average client investment funds	\$ 151,578.8	\$ 133,105.4	\$ 123,563.6	\$ 109,259.4	\$ 103,590.8
Period-end client investment funds	163,881.7	141,053.1	126,780.9	115,921.0	106,951.7
Total unfunded credit commitments	33,986.6	31,982.3	30,329.8	28,127.2	24,668.3
Earnings ratios:					
Return on average assets (annualized) (4)	1.73 %	1.49 %	1.99 %	1.17 %	0.73 %
Return on average SVBFG common stockholders' equity (annualized) (5)	27.04	20.23	24.19	13.36	8.17
Asset quality ratios:					
Allowance for credit losses for loans as a % of total loans	0.82 %	0.99 %	1.34 %	1.61 %	1.53 %
Allowance for credit losses for performing loans as a % of total performing loans	0.74	0.87	1.17	1.46	1.43
Gross loan charge-offs as a % of average total loans (annualized) (1)	0.83	0.22	0.30	0.17	0.44
Net loan charge-offs as a % of average total loans (annualized) (1)	0.79	0.09	0.26	0.12	0.35
Other ratios:					
Operating efficiency ratio (6)	45.31 %	54.79 %	45.66 %	54.39 %	48.37 %
Non-GAAP core operating efficiency ratio (2)	58.52	62.67	56.86	55.70	47.71
Total cost of deposits (annualized) (7)	0.04	0.04	0.04	0.03	0.24
SVBFG CET 1 risk-based capital ratio	12.19	11.04	12.31	12.63	12.35
Bank CET 1 risk-based capital ratio	12.94	10.70	10.75	11.08	10.90
SVBFG tier 1 risk-based capital ratio	14.02	11.89	13.25	13.62	13.35
Bank tier 1 risk-based capital ratio	12.94	10.70	10.75	11.08	10.90
SVBFG total risk-based capital ratio	14.63	12.64	14.19	14.77	14.45
Bank total risk-based capital ratio	13.58	11.49	11.75	12.28	12.04

SVBFG tier 1 leverage ratio	8.01	7.45	8.26	8.68	9.00
Bank tier 1 leverage ratio	7.20	6.43	6.45	6.91	7.21
Period-end loans, amortized cost, to deposits ratio	38.40	44.30	45.31	49.29	58.10
Average loans, amortized cost, to average deposits ratio	41.84	44.92	48.04	53.76	54.46
Book value per common share (8)	\$ 163.25	\$ 151.86	\$ 143.91	\$ 134.89	\$ 130.02
Tangible book value per common share (2) (9)	159.50	147.92	140.37	131.32	126.41
Other statistics:					
Average full-time equivalent ("FTE") employees	4,601	4,419	4,216	3,855	3,672
Period-end full-time equivalent ("FTE") employees	4,656	4,461	4,336	3,984	3,710

- (1) This metric for the quarter ended March 31, 2021 includes the impact of an \$80.0 million charge-off related to potentially fraudulent activity as noted above.
- (2) To supplement our unaudited condensed consolidated financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we use certain non-GAAP measures. A reconciliation of these non-GAAP measures to the most closely related GAAP measures is provided at the end of this release under the section "Use of Non-GAAP Financial Measures."
- (3) Interest income on non-taxable investments is presented on a fully taxable equivalent basis using the federal statutory income tax rate of 21.0 percent. The taxable equivalent adjustments were \$5.6 million for the quarter ended March 31, 2021, \$5.0 million for the quarter ended December 31, 2020, \$4.0 million for the quarter ended September 30, 2020, \$3.8 million for the quarter ended June 30, 2020 and \$3.4 million for the quarter ended March 31, 2020.
- (4) Ratio represents annualized consolidated net income available to common stockholders divided by average assets.
- (5) Ratio represents annualized consolidated net income available to common stockholders divided by average SVB Financial Group ("SVBFG") common stockholders' equity.
- (6) Ratio is calculated by dividing noninterest expense by total net interest income plus noninterest income.
- (7) Ratio represents annualized total cost of deposits and is calculated by dividing interest expense from deposits by average total deposits.
- (8) Book value per common share is calculated by dividing total SVBFG common stockholders' equity by total outstanding common shares.
- (9) Tangible book value per common share is calculated by dividing tangible common equity by total outstanding common shares. Tangible common equity is a non-GAAP measure defined under the section "Use of Non-GAAP Financial Measures."

Investment Securities

Our investment securities portfolio is comprised of: (i) our available-for-sale ("AFS") and held-to-maturity ("HTM") securities portfolios, each consisting of fixed income investments which are managed to earn an appropriate portfolio yield over the long-term while maintaining sufficient liquidity and addressing our asset/liability management objectives; and (ii) our non-marketable and other equity securities portfolio, which represents investments managed as part of our funds management business as well as public equity securities held as a result of equity warrant assets exercised. Our total average fixed income investment securities portfolio increased \$12.1 billion, or 29.3 percent, to \$53.5 billion for the quarter ended March 31, 2021. Our total period-end fixed income investment securities portfolio increased \$19.6 billion, or 41.4 percent, to \$67.2 billion at March 31, 2021. Our period-end non-marketable and other equity securities portfolio increased \$0.1 billion to \$1.9 billion (\$1.6 billion net of noncontrolling interests) at March 31, 2021.

The weighted-average duration of our total fixed income securities portfolio was 4.8 years at March 31, 2021 and 3.7 years at December 31, 2020. The extension in the weighted-average duration of our fixed income securities portfolio is reflective primarily of the slowdown in prepayment estimates, partially offset by shorter duration purchases during the first quarter of 2021. In March 2021, we entered into interest rate swap contracts to hedge against our exposure to decreases in the fair value of agency-issued commercial and residential mortgage-backed securities in our AFS securities resulting from increases in interest rates. As of March 31, 2021, the notional balance of our interest rate swap contracts was \$10.0 billion. The weighted-average duration of our total fixed income securities portfolio including the impact of our fair value swaps was 4.3 years at March 31, 2021.

AFS Securities

Average AFS securities were \$28.2 billion for the first quarter of 2021 compared to \$28.1 billion for the fourth quarter of 2020. Period-end AFS securities were \$26.0 billion at March 31, 2021 compared to \$30.9 billion at December 31, 2020. The slight increase in average AFS securities from the fourth quarter of 2020 to the first quarter of 2021 was driven by purchases late in the fourth quarter of 2020, partially offset by a re-designation of AFS securities to HTM securities late in the first quarter of 2021. The decrease in period-end AFS securities was driven by a \$2.9 billion re-designation of AFS securities to HTM securities, paydowns and maturities of \$1.7 billion, and a decrease in fair value of \$0.8 billion due to the increase in interest rates, partially offset by purchases of \$0.5 billion during the quarter. The weighted-average duration of our AFS securities portfolio was 5.1 years at March 31, 2021 and 3.7 years at December 31, 2020. The weighted-average duration of our AFS securities portfolio including the impact of our fair value swaps was 3.7 years at March 31, 2021.

HTM Securities

Average HTM securities were \$25.3 billion for the first quarter of 2021, compared to \$13.3 billion for the fourth quarter of 2020. Period-end HTM securities were \$41.2 billion at March 31, 2021 compared to \$16.6 billion at December 31, 2020. The increases in average and period-end HTM securities from the fourth quarter of 2020 to the first quarter of 2021 were driven by purchases of \$23.5 billion and the re-designation of \$2.9 billion as mentioned above, partially offset by \$1.8 billion in paydowns and maturities during the quarter. The weighted-average duration of our HTM securities portfolio was 4.6 years at March 31, 2021 and 3.7 years at December 31, 2020.

Non-Marketable and Other Equity Securities

Our non-marketable and other equity securities portfolio increased \$0.1 billion to \$1.9 billion (\$1.6 billion net of noncontrolling interests) at March 31, 2021, compared to \$1.8 billion (\$1.6 billion net of noncontrolling interests) at December 31, 2020. Reconciliations of our non-GAAP non-marketable and other equity securities, net of noncontrolling interests, are provided under the section "Use of Non-GAAP Financial Measures."

Loans

Average loans increased by \$4.8 billion to \$46.3 billion for the first quarter of 2021, compared to \$41.5 billion for the fourth quarter of 2020. Period-end loans increased \$2.5 billion to \$47.7 billion at March 31, 2021, compared to \$45.2 billion at December 31, 2020. Average and period-end loan growth came primarily from our Global Fund Banking and Technology and Life Science/Healthcare portfolios as well as Private Bank.

The following table provides a summary of our loans at amortized cost basis broken out by risk-based segment:

(Dollars in thousands)	March 31, 2021	December 31, 2020	March 31, 2020
Global fund banking	\$ 27,306,926	\$ 25,543,198	\$ 18,868,875
Investor dependent			
Early stage	1,523,208	1,485,866	1,806,011
Mid stage	1,588,185	1,564,870	1,399,209
Later stage	2,055,676	1,921,082	2,031,490
Total investor dependent	5,167,069	4,971,818	5,236,710
Cash flow dependent			
Sponsor led buyout	1,984,567	1,989,173	2,121,007
Other	2,959,609	2,945,360	2,756,295
Total cash flow dependent	4,944,176	4,934,533	4,877,302
Private bank (1)	5,063,827	4,901,056	3,669,295
Balance sheet dependent	2,501,524	2,191,023	1,850,941
Premium wine (1)	1,040,223	1,052,643	1,056,927
Other (1)	45,688	27,687	408,035
SBA loans	1,605,733	1,559,530	—
Total loans	\$ 47,675,166	\$ 45,181,488	\$ 35,968,085

(1) As of March 31, 2021 and December 31, 2020, as a result of enhanced portfolio characteristic definitions for our risk-based segments, loans in the amounts of \$492.9 million and \$80.1 million and \$426.6 million and \$52.5 million, respectively, that would have been reported in Other under historical definitions, are now being reported in our Private Bank and Premium Wine risk-based segments, respectively.

Net Interest Income and Margin

Net interest income, on a fully taxable equivalent basis, was \$665.1 million for the first quarter of 2021, compared to \$596.5 million for the fourth quarter of 2020. The \$68.6 million increase from the fourth quarter of 2020 to the first quarter of 2021 was attributable primarily to the following:

- An increase of \$44.2 million in interest income from our fixed income investment securities reflective primarily of a \$12.1 billion increase in average fixed income securities, partially offset by lower yields.
 - Overall we had a decrease in fixed income investment securities yields of nine basis points due primarily to lower purchase yields reflective of the continued low market rate environment as well as a reduction in discount accretion due to slowing prepayments in the first quarter of 2021 reflective of rising interest rates. In addition, we saw higher yields in the fourth quarter of 2020 due to an

acceleration of discount accretion reflective of higher than estimated prepayments for our fixed-rate commercial mortgage-backed securities in our held-to-maturity portfolio for the 2020 year end.

- An increase in interest income from loans of \$27.1 million to \$430.4 million for the first quarter of 2021 was due primarily to a \$39.0 million increase in loan interest reflective of \$4.8 billion in average loan growth, partially offset by a \$7.2 million decrease from lower gross loan yields and a \$6.9 million decrease due to the impact of two less business days in the first quarter of 2021.
 - Overall loan yields decreased nine basis points to 3.77 percent, reflective primarily of lower gross loan yields due to growth in our higher credit quality Global Fund Banking portfolio as well as a decrease in loan fee yields due primarily to a decrease in early payoffs in the first quarter of 2021 as compared to the fourth quarter of 2020.

Net interest margin, on a fully taxable equivalent basis, was 2.29 percent for the first quarter of 2021, compared to 2.40 percent for the fourth quarter of 2020. The 11 basis point decrease in our net interest margin was due primarily to overall balance sheet growth resulting in a shift in the mix of interest earning assets from higher yielding loans to lower yielding cash and investments as a percentage of total interest earning assets.

For the first quarter of 2021, approximately 92 percent, or \$42.6 billion, of our average loans were variable-rate loans that adjust at prescribed measurement dates. Of our variable-rate loans, approximately 65 percent are tied to prime-lending rates and 35 percent are tied to LIBOR. As a result of the discontinuation of LIBOR at the end of 2021, we are preparing for the transition to an alternate reference rate and expect the percent of LIBOR loans to decrease over time.

Credit Quality

Potential Fraudulent Client Activity

During the three months ended March 31, 2021, we became aware of potentially fraudulent activity conducted by JES Global Capital, Inc., a client of Silicon Valley Bank, our principal banking subsidiary, and certain of its affiliates, in connection with a loan transaction funded in early February 2021. Our investigation into this incident to determine the potential credit exposure resulted in a pre-tax charge-off of \$80.0 million, or \$59.2 million net of tax, relating to a Global Fund Banking capital call line of credit.

We are working with the appropriate law enforcement authorities in connection with this matter and intend to pursue all available sources of recovery and other measures to mitigate the extent of the loss.

Based on our review of the potentially fraudulent activity, as well as our risk assessment review of the Global Fund Banking loan portfolio conducted in light of the incident, we currently believe this incident to be an isolated occurrence involving a single business relationship.

The following table provides a summary of our allowance for credit losses for loans, unfunded credit commitments and HTM securities:

(Dollars in thousands, except ratios)	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Allowance for credit losses for loans, beginning balance	\$ 447,765	\$ 512,958	\$ 304,924
Day one impact of adopting CECL	—	—	25,464
Provision (reduction) for loans	34,026	(57,468)	248,901
Gross loan charge-offs (1)	(95,005)	(22,504)	(36,896)
Loan recoveries	4,853	12,836	7,755
Foreign currency translation adjustments	112	1,943	(1,185)
Allowance for credit losses for loans, ending balance	<u>\$ 391,751</u>	<u>\$ 447,765</u>	<u>\$ 548,963</u>
Allowance for credit losses for unfunded credit commitments, beginning balance	120,796	101,515	67,656
Day one impact of adopting CECL	—	—	22,826
(Reduction) provision for unfunded credit commitments	(16,067)	18,934	(5,477)
Foreign currency translation adjustments	21	347	(315)
Allowance for credit losses for unfunded credit commitments, ending balance (2)	<u>\$ 104,750</u>	<u>\$ 120,796</u>	<u>\$ 84,690</u>
Allowance for credit losses for HTM securities, beginning balance	392	291	—
Day one impact of adopting CECL	—	—	174
Provision for HTM securities	720	101	56
Allowance for credit losses for HTM securities, ending balance (3)	<u>\$ 1,112</u>	<u>\$ 392</u>	<u>\$ 230</u>
Ratios and other information:			
Provision (reduction) for loans as a percentage of period-end total loans (annualized)	0.29 %	(0.51)%	2.78 %
Gross loan charge-offs as a percentage of average total loans (annualized)	0.83	0.22	0.44
Net loan charge-offs as a percentage of average total loans (annualized)	0.79	0.09	0.35
Allowance for credit losses for loans as a percentage of period-end total loans	0.82	0.99	1.53
Provision (reduction) for credit losses	\$ 18,679	\$ (38,433)	\$ 243,480
Period-end total loans	47,675,166	45,181,488	35,968,085
Average total loans	46,281,476	41,525,036	33,660,728
Allowance for credit losses for nonaccrual loans	41,851	54,029	34,876
Nonaccrual loans	90,247	104,244	50,607

(1) Gross loan charge-offs for the quarter ended March 31, 2021 includes the impact of an \$80.0 million charge-off related to potentially fraudulent activity as noted above.

(2) The "allowance for credit losses for unfunded credit commitments" is included as a component of "other liabilities."

(3) The "allowance for credit losses for HTM securities" is included as a component of HTM securities and presented net in our consolidated financial statements.

Our allowance for credit losses for loans decreased \$56.0 million to \$391.8 million at March 31, 2021, compared to \$447.8 million at December 31, 2020. The \$56.0 million decrease was driven primarily by a decrease of \$61.7 million related to the reduction of expected credit losses for our performing loans reflective of improved economic scenarios in our forecast models and a \$12.2 million decrease in reserves for nonaccrual loans, partially offset by a \$17.9 million increase in our performing reserves for loan growth. As a percentage of total loans, our allowance for credit losses for loans decreased 17 basis points to 0.82 percent at March 31, 2021, compared to 0.99 percent at December 31, 2020. The 17 basis point decrease, due primarily to the factors described above, was driven by a 14 basis point decrease for our performing loans reserve as a percentage of total loans and a 3 basis point decrease for our nonaccrual individually assessed loans.

The provision for credit losses was \$18.7 million for the first quarter of 2021, consisting primarily of the following:

- A provision for credit loss for loans of \$34.0 million, driven primarily by \$85.8 million in charge-offs not specifically reserved for at December 31, 2020, of which \$80.0 million was related to the potentially fraudulent activity discussed above, and a \$17.9 million increase for loan growth, partially offset by a \$61.7 million reduction in performing reserves and \$4.9 million of recoveries; and
- A reduction of our credit loss estimate for unfunded credit commitments of \$16.1 million, driven primarily by improved economic scenarios in our forecast models, partially offset by changes in the unfunded credit commitments' composition within our portfolio segments.

Gross loan charge-offs were \$95.0 million for the first quarter of 2021, of which \$80.0 million relates to the potentially fraudulent Global Fund Banking activity discussed above, and an additional \$5.8 million that was not

specifically reserved for at December 31, 2020. The remaining \$15.0 million gross loan charge-offs were driven primarily by our Investor Dependent loan portfolio.

Nonaccrual loans were \$90.2 million at March 31, 2021, compared to \$104.2 million at December 31, 2020. Our nonaccrual loan balance decreased \$14.0 million driven primarily by \$9.5 million in repayments and \$10.1 million in charge-offs, partially offset by new nonaccrual loans of \$5.6 million. Repayments were driven primarily by clients in our Investor Dependent loan portfolio. New nonaccrual loans were driven primarily by \$2.9 million for one Private Bank client. Nonaccrual loans as a percentage of total loans decreased to 0.20 percent for the first quarter of 2021 compared to 0.23 percent for the fourth quarter of 2020.

The allowance for credit losses for nonaccrual loans decreased \$12.2 million to \$41.9 million in the first quarter of 2021. The decrease was due primarily to \$8.2 million in repayments and \$9.1 million in charge-offs, partially offset by \$5.1 million in reserves for new nonaccrual loans as noted above. Charge-offs and repayments were driven primarily by clients in our Investor Dependent loan portfolio. New nonaccrual reserves were driven primarily by reserves of \$2.9 million for one Private Bank client.

We recorded an allowance for credit losses for HTM securities of \$1.1 million at March 31, 2021, compared to \$0.4 million at December 31, 2020. Our provision for HTM securities was driven primarily by the purchase of corporate bonds in the first quarter of 2021.

Client Funds

Our Total Client Funds consist of the sum of both our on-balance sheet deposits and off-balance sheet client investment funds. The following tables provide a summary of our average and period-end on-balance sheet deposits and off-balance sheet client investment funds:

Average On-Balance Sheet Deposits and Off-Balance Sheet Client Investment Funds ⁽¹⁾

(Dollars in millions)	Average balances for the		
	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Interest-bearing deposits	\$ 37,375	\$ 30,774	\$ 20,472
Noninterest bearing demand deposits	73,233	61,663	41,336
Total average on-balance sheet deposits	<u>\$ 110,608</u>	<u>\$ 92,437</u>	<u>\$ 61,808</u>
Sweep money market funds	\$ 67,138	\$ 58,212	\$ 43,045
Client investment assets under management (2)	72,478	64,006	50,746
Repurchase agreements	11,963	10,887	9,799
Total average off-balance sheet client investment funds	<u>\$ 151,579</u>	<u>\$ 133,105</u>	<u>\$ 103,590</u>

Period-end On-Balance Sheet Deposits and Off-Balance Sheet Client Investment Funds ⁽¹⁾

(Dollars in millions)	Period-end balances at				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Interest-bearing deposits	\$ 39,710	\$ 35,463	\$ 27,265	\$ 25,345	\$ 19,010
Noninterest-bearing demand deposits	84,440	66,519	57,508	49,161	42,902
Total period-end on-balance sheet deposits	<u>\$ 124,150</u>	<u>\$ 101,982</u>	<u>\$ 84,773</u>	<u>\$ 74,506</u>	<u>\$ 61,912</u>
Sweep money market funds	\$ 75,328	\$ 59,844	\$ 56,395	\$ 49,388	\$ 44,833
Client investment assets under management (2)	75,970	70,671	60,773	56,023	51,020
Repurchase agreements	12,584	10,538	9,613	10,510	11,099
Total period-end off-balance sheet client investment funds	<u>\$ 163,882</u>	<u>\$ 141,053</u>	<u>\$ 126,781</u>	<u>\$ 115,921</u>	<u>\$ 106,952</u>

(1) Off-Balance sheet client investment funds are maintained at third-party financial institutions.

(2) These funds represent investments in third-party money market mutual funds and fixed income securities managed by SVB Asset Management.

The increases in our average and period-end Total Client Funds from the fourth quarter of 2020 to the first quarter of 2021 reflect growth in both on-balance sheet deposits and off-balance sheet client investments. We saw Total Client Funds growth across all portfolios with the primary contributors coming from our Technology and Life Science/Healthcare portfolios driven by strong public and private fundraising.

Long-term Debt

Long-term debt increased by \$0.5 billion to \$1.3 billion for the first quarter of 2021 compared to \$0.8 billion for the fourth quarter of 2020. The increase in long term debt was driven by the issuance of \$500.0 million of 1.800% Senior Notes on February 2, 2021 with interest payments starting August 2, 2021, and payable every February 2nd and August 2nd. We received net proceeds from this offering of approximately \$494.3 million after deducting underwriting discounts, commissions and issuance costs. The balance of our 1.800% Senior Notes at March 31, 2021 was \$494.4 million, which reflects a \$5.6 million of discounts and issuance costs.

Noninterest Income

Noninterest income was \$744.2 million for the first quarter of 2021, compared to \$621.8 million for the fourth quarter of 2020. Non-GAAP noninterest income, net of noncontrolling interests, was \$719.1 million for the first quarter of 2021, compared to \$575.8 million for the fourth quarter of 2020. (See reconciliations of non-GAAP measures used under the section "Use of Non-GAAP Financial Measures.")

The increase was attributable primarily to increased net gains on investment securities, gains on equity warrant assets and SVB Leerink revenue. Items impacting noninterest income for the first quarter of 2021 were as follows:

Net gains on investment securities

Net gains on investment securities were \$167.1 million for the first quarter of 2021, compared to \$150.0 million for the fourth quarter of 2020. The following tables provide a summary of non-GAAP net gains (losses) on investment securities, net of noncontrolling interests, for the three months ended March 31, 2021 and December 31, 2020, respectively:

Three months ended March 31, 2021								
(Dollars in thousands)	Managed Funds of Funds	Managed Direct Venture Funds	Managed Credit Funds	Public Equity Securities	Debt Funds	Strategic and Other Investments	SVB Leerink	Total
GAAP gains on investment securities, net	\$ 30,692	\$ 18,487	\$ 7,048	\$ 76,321	\$ 414	\$ 30,367	\$ 3,749	\$ 167,078
Less: income attributable to noncontrolling interests, including carried interest allocation	13,165	8,668	868	—	—	—	2,330	25,031
Non-GAAP gains on investment securities, net of noncontrolling interests	<u>\$ 17,527</u>	<u>\$ 9,819</u>	<u>\$ 6,180</u>	<u>\$ 76,321</u>	<u>\$ 414</u>	<u>\$ 30,367</u>	<u>\$ 1,419</u>	<u>\$ 142,047</u>

Three months ended December 31, 2020								
(Dollars in thousands)	Managed Funds of Funds	Managed Direct Venture Funds	Managed Credit Funds	Public Equity Securities	Debt Funds	Strategic and Other Investments	SVB Leerink	Total
GAAP gains (losses) on investment securities, net	\$ 62,336	\$ 28,949	\$ 19,127	\$ (17,986)	\$ (150)	\$ 56,527	\$ 1,189	\$ 149,992
Less: income attributable to noncontrolling interests, including carried interest allocation	28,493	13,843	3,150	—	—	—	405	45,891
Non-GAAP gains (losses) on investment securities, net of noncontrolling interests	<u>\$ 33,843</u>	<u>\$ 15,106</u>	<u>\$ 15,977</u>	<u>\$ (17,986)</u>	<u>\$ (150)</u>	<u>\$ 56,527</u>	<u>\$ 784</u>	<u>\$ 104,101</u>

Non-GAAP net gains, net of noncontrolling interests, of \$142.0 million for the first quarter of 2021 were primarily attributable to realized gains on sales of public equity securities, as well as valuation increases in both public and private investments held in our strategic and other investments and managed fund of funds portfolios.

The gains in public equity securities were driven primarily by realized gains on common stock shares sold during the three months ending March 31, 2021, which includes \$43.3 million from the sale of BigCommerce Holdings, Inc. common stock shares, as well as gains from other public equity securities held in our portfolio.

Net gains on equity warrant assets

The following table provides a summary of our net gains on equity warrant assets:

(Dollars in thousands)	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Equity warrant assets:			
Gains on exercises, net	\$ 159,637	\$ 95,554	\$ 19,193
Terminations	(249)	(419)	(326)
Changes in fair value, net	62,297	48,626	(5,472)
Total net gains on equity warrant assets	<u>\$ 221,685</u>	<u>\$ 143,761</u>	<u>\$ 13,395</u>

Net gains on equity warrant assets for the first quarter of 2021 were attributable primarily to net gains from exercises of \$159.6 million reflective of \$115.8 million in gains related to Coinbase Global, Inc.'s ("Coinbase") announcement to enter the public markets via a direct listing with remaining gains driven primarily by IPO activity. The \$62.3 million of net valuation increases were driven by our private company portfolio reflective primarily of pending special purpose acquisition company ("SPAC") activity as well as pending M&A and IPO activity.

At March 31, 2021, we held warrants in 2,670 companies with a total fair value of \$244.3 million. Warrants in 42 companies each had fair values greater than \$1.0 million and collectively represented \$113.7 million, or 46.5 percent, of the fair value of the total warrant portfolio at March 31, 2021.

The gains (or losses) from investment securities from our non-marketable and other equity securities portfolio as well as our equity warrant assets resulting from changes in valuations (fair values) are currently unrealized, and the extent to which such gains (or losses) 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.

Investment in Coinbase

As of the date of this filing, we have sold all of our common stock shares of Coinbase resulting in pre-tax gains on investment securities of approximately \$38.2 million to be recorded in the second quarter of 2021.

Non-GAAP core fee income plus non-GAAP SVB Leerink revenue

The following table provides a summary of our non-GAAP core fee income, non-GAAP SVB Leerink revenue and non-GAAP core fee income plus SVB Leerink revenue:

(Dollars in thousands)	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Non-GAAP core fee income:			
Client investment fees	\$ 20,065	\$ 25,008	\$ 43,393
Foreign exchange fees	57,393	51,091	47,505
Credit card fees	27,567	25,389	28,304
Deposit service charges	25,151	23,221	24,589
Lending related fees	15,657	19,682	13,125
Letters of credit and standby letters of credit fees	13,051	11,504	11,542
Total non-GAAP core fee income	<u>\$ 158,884</u>	<u>\$ 155,895</u>	<u>\$ 168,458</u>
Investment banking revenue	142,302	133,434	46,867
Commissions	24,439	17,443	16,022
Total non-GAAP SVB Leerink revenue	<u>\$ 166,741</u>	<u>\$ 150,877</u>	<u>\$ 62,889</u>
Total non-GAAP core fee income plus SVB Leerink revenue	<u>\$ 325,625</u>	<u>\$ 306,772</u>	<u>\$ 231,347</u>

Non-GAAP core fee income increased from the fourth quarter of 2020 to the first quarter of 2021 reflective primarily by increases in foreign exchange fees and credit card fees, partially offset by a decrease in client investment fees. Foreign exchange fees increased \$6.3 million driven primarily by increased foreign currency risk hedging activity as well as private equity activity. Credit card fees increased \$2.2 million primarily due to new client growth, relationship

expansion and higher utilization. The \$4.9 million decrease in client investment fees is reflective of a reduction in fee margin resulting from lower short-term market rates.

Non-GAAP SVB Leerink revenue increased from the fourth quarter of 2020 to the first quarter of 2021 as SVB Leerink continues to capitalize on strong markets. Investment banking revenue was \$142.3 million, driven primarily by \$132.2 million from public equity capital raising in the first quarter of 2021.

Reconciliations of our non-GAAP noninterest income, non-GAAP net gains on investment securities, non-GAAP core fee income, non-GAAP SVB Leerink revenue and non-GAAP core fee income plus SVB Leerink revenue are provided under the section "Use of Non-GAAP Financial Measures."

Noninterest Expense

Noninterest expense was \$636.0 million for the first quarter of 2021, compared to \$664.8 million for the fourth quarter of 2020. The decrease of \$28.8 million in noninterest expense consisted primarily of decreases in our net occupancy expense, premises and equipment and other noninterest expense, partially offset by an increase in our compensation and benefits expense in the first quarter of 2021 compared to the fourth quarter of 2020.

Net occupancy and premises and equipment expenses decreased \$27.1 million and \$8.9 million, respectively, due primarily to higher expenses in the fourth quarter of 2020 reflective of impairment, and accelerated depreciation, of right-of-use assets and other fixed assets related to vacating leased office space in several locations during the fourth quarter of 2020.

Other noninterest expense decreased \$26.8 million, due primarily to higher expenses in the fourth quarter reflective of the \$20.0 million charitable donation of net PPP fees received from the Small Business Administration ("SBA") during the fourth quarter of 2020.

The following table provides a summary of our compensation and benefits expense:

(Dollars in thousands, except employees)	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Compensation and benefits:			
Salaries and wages	\$ 163,558	\$ 140,377	\$ 115,614
Incentive compensation plans	149,645	172,730	66,674
Other employee incentives and benefits (1)	132,222	102,598	73,298
Total compensation and benefits	<u>\$ 445,425</u>	<u>\$ 415,705</u>	<u>\$ 255,586</u>
Period-end full-time equivalent employees	4,656	4,461	3,710
Average full-time equivalent employees	4,601	4,419	3,672

(1) Other employee incentives and benefits expense includes employer payroll taxes, group health and life insurance, share-based compensation, 401(k), ESOP, warrant incentive and retention plans, agency fees and other employee-related expenses.

The \$29.7 million increase in total compensation and benefits expense consists primarily of the following:

- An increase of \$29.6 million in other employee incentives and benefits due primarily to an increase in warrant incentive plan expense reflective of higher gains on equity warrant assets in the first quarter of 2021 compared to the fourth quarter of 2020 and first quarter seasonal expense items relating to additional 401(k) matching contributions and employer-related payroll taxes as a result of the 2020 annual incentive compensation plan payments, and
- An increase of \$23.2 million in salaries and wages expense related primarily to strategic hires for SVB Leerink as well as the increase in the number of average FTEs by 182 to 4,601, partially offset by
- A decrease of \$23.1 million in incentive compensation plans expense attributable primarily to a decrease in SVB Leerink incentive compensation expense reflective of higher expenses in the fourth quarter of 2020 as a result of SVB Leerink's strong 2020 full year financial performance.

Income Tax Expense

Our effective tax rate was 25.9 percent for the first quarter of 2021, compared to 27.4 percent for the fourth quarter of 2020. Our effective tax rate is calculated by dividing income tax expense by the sum of income before income tax expense and net income attributable to noncontrolling interests. The decrease in our effective tax rate was driven

primarily by an increase in the recognition of excess tax benefits from share-based compensation in the first quarter of 2021 which is reflective of a higher number of stock option exercises due to the increase in our stock price and the annual vesting of our performance-based restricted stock units and SVB Leerink restricted stock units.

Noncontrolling Interests

Included in net income is income and expense related to noncontrolling interests. The relevant amounts allocated to investors in our consolidated subsidiaries, other than us, are reflected under "Net Income Attributable to Noncontrolling Interests" in our statements of income. The following table provides a summary of net income attributable to noncontrolling interests:

(Dollars in thousands)	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Net interest income (1)	\$ —	\$ —	\$ (21)
Noninterest (income) loss (1)	(15,796)	(17,408)	2,491
Noninterest expense (1)	117	91	140
Carried interest allocation (2)	(9,271)	(28,574)	(637)
Net (income) loss attributable to noncontrolling interests	<u>\$ (24,950)</u>	<u>\$ (45,891)</u>	<u>\$ 1,973</u>

(1) Represents noncontrolling interests' share in net interest income, noninterest income and noninterest expense.

(2) Represents the preferred allocation of income (or change in income) earned by us as the general partner of certain consolidated funds.

Net income attributable to noncontrolling interests of \$25.0 million for the first quarter of 2021 was driven primarily by net gains on investment securities (including carried interest allocation) from our managed funds of funds and our managed direct venture funds portfolios.

SVBFG Stockholders' Equity

Total SVBFG stockholders' equity increased by \$1.7 billion to \$9.9 billion at March 31, 2021, compared to \$8.2 billion at December 31, 2020, primarily due to \$1.7 billion of capital raised related to our common stock equity offering and preferred stock issuance during the first quarter of 2021. Additionally, net income of \$532 million during the first quarter of 2021 was more than offset by a decrease in the net balance of accumulated other comprehensive income to \$21 million from a balance of \$623 million at December 31, 2020, driven primarily by a decrease in the fair value of our AFS securities portfolio reflective of increases in market rates.

Common Stock

On March 22, 2021, to support the continued growth of our balance sheet, we issued and sold 2,000,000 shares of common stock at a price of \$500.00 per share. We received net proceeds of \$972.0 million after deducting underwriting discounts and commissions. On April 14, 2021, we issued and sold an additional 300,000 shares of common stock under the full exercise of the underwriter's over-allotment option resulting in additional net proceeds of approximately \$146.0 million after deducting discounts and commissions.

Preferred Stock

Series A Preferred Stock

On February 16, 2021, SVB Financial Group paid a quarterly cash dividend of \$13.125 per share on the Company's 5.250% fixed-rate non-cumulative perpetual Series A Preferred Stock, liquidation amount \$1,000 per share, which are represented by depositary shares (NASDAQ: SIVBP), each representing a 1/40th interest in a share of preferred stock, with a total dividend paid of \$4.6 million.

On April 22, 2021, the Company's Board of Directors declared a quarterly cash dividend of \$13.125 per share (representing \$0.328125 per depositary share) on the Series A Preferred Stock. The dividend is payable on May 17, 2021 to holders of record at the close of business on May 3, 2021.

Series B Preferred Stock

On February 2, 2021, SVB Financial Group issued 750,000 depositary shares each representing a 1/100th ownership interest in a share of Series B Preferred Stock with a \$0.001 par value and a liquidation preference of \$100,000 per share, or \$1,000 per depositary share. The Series B Preferred Stock is perpetual and has no stated maturity. Dividends are approved by the Board of Directors and, if declared, are payable quarterly, in arrears, at a rate per annum equal to (i) 4.10 percent from the original issue date to, but excluding, February 15, 2031 and (ii) for

the February 15, 2031 dividend date and during each subsequent ten year period, the ten-year treasury rate (calculated three business days prior to each reset date as the five day average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for ten-year maturities) plus 3.064 percent. As of March 31, 2021, 750,000 depositary shares were issued and outstanding, had a carrying value of \$739.2 million and a liquidation preference of \$750.0 million.

On April 22, 2021, the Company's Board of Directors declared a quarterly cash dividend of \$1,173.056 per share (representing \$11.730556 per depositary share) on the Series B Preferred Stock. The dividend is payable on May 17, 2021 to holders of record at the close of business on May 3, 2021.

SVB Financial and Bank Capital Ratios⁽¹⁾

	March 31, 2021	December 31, 2020	March 31, 2020
SVB Financial:			
CET 1 risk-based capital ratio (2)	12.19 %	11.04 %	12.35 %
Tier 1 risk-based capital ratio (2)	14.02	11.89	13.35
Total risk-based capital ratio (2)	14.63	12.64	14.45
Tier 1 leverage ratio (2)	8.01	7.45	9.00
Tangible common equity to tangible assets ratio (3)	6.06	6.66	8.70
Tangible common equity to risk-weighted assets ratio (3)	12.12	11.87	13.40
Silicon Valley Bank:			
CET 1 risk-based capital ratio (2)	12.94 %	10.70 %	10.90 %
Tier 1 risk-based capital ratio (2)	12.94	10.70	10.90
Total risk-based capital ratio (2)	13.58	11.49	12.04
Tier 1 leverage ratio (2)	7.20	6.43	7.21
Tangible common equity to tangible assets ratio (3)	6.25	6.24	7.63
Tangible common equity to risk-weighted assets ratio (3)	12.88	11.58	11.99

(1) Regulatory capital ratios as of March 31, 2021 are preliminary.

(2) Capital ratios include regulatory capital phase-in of the allowance for credit losses under the 2020 CECL Interim Final Rule ("IFR") for periods beginning March 31, 2020.

(3) These are non-GAAP measures. A reconciliation of non-GAAP measures to GAAP is provided at the end of this release under the section "Use of Non-GAAP Financial Measures."

March 31, 2021 Preliminary Results

Our risk-based capital ratios, tier 1 capital ratios and leverage ratios increased for both SVB Financial and Silicon Valley Bank as of March 31, 2021, compared to December 31, 2020. The increase in capital ratios was driven primarily by increases in our capital, partially offset by increases in our risk-weighted and average assets. The increase in capital for SVB Financial was driven by the issuance of common and preferred stock and net income. The increase in capital for Silicon Valley Bank was driven by a \$2.0 billion downstream capital infusion from our bank holding company during the first quarter of 2021. The increase in average assets was driven by increases in our fixed income investments and loan portfolios.

All of our reported capital ratios remain above the levels considered to be "well capitalized" under applicable banking regulations.

Financial Outlook

Our outlook for the year ending December 31, 2021, is provided below on a GAAP basis, unless otherwise noted. We have provided our current outlook for the expected full year results of our significant forecasted activities. Except for the items noted below, we do not provide an outlook for certain items (such as gains or losses from warrants and investment securities) where the timing or financial impact are particularly uncertain and/or subject to market or other conditions beyond our control (such as the level of IPO, M&A or general financing activity), or for potential unusual or non-recurring items. The outlook and the underlying assumptions presented are, by their nature, forward-looking statements and are subject to substantial risks and uncertainties, including risks and uncertainties related to the COVID-19 pandemic and related government orders, which are discussed below under the section "Forward-Looking Statements." Actual results may differ. (For additional information about our financial outlook, please refer to Q1 2021 Earnings Slides. See "Additional Information" below.)

For the full year ending December 31, 2021, compared to our full year 2020 results, we currently expect the following outlook (please note that the outlook below does not include and/or take into account: (i) changes in interest rates, (ii) material deterioration in the overall economy, (iii) changes to the federal corporate tax rate and (iv) the completion of the pending acquisition of Boston Private Financial Holdings, Inc. ("Boston Private"), and includes management's updates to certain 2021 outlook metrics we previously disclosed on January 21, 2021):

	Current full year 2021 outlook compared to 2020 results (as of April 22, 2021)
Average loan balances	Increase at a percentage rate in the mid-thirties
Average deposit balances	Increase at a percentage rate in the high sixties
Net interest income (1)	Increase at a percentage rate in the mid-thirties
Net interest margin (1)	Between 2.10% and 2.20%
Net loan charge-offs (2)	Between 0.20% and 0.40% of average total loans
Core fee income (client investment fees, foreign exchange fees, credit card fees, deposit service charges, lending related fees and letters of credit fees) (3)	Increase at a percentage rate in the mid-single digits
SVB Leerink revenue (3)	Between \$420 million and \$450 million
Noninterest expense (4) (5)	Increase at a percentage rate in the high teens
Effective tax rate (6)	Between 26% and 28%

- (1) Our outlook for net interest income and net interest margin is based primarily on management's current forecast of average deposit and loan balances and deployment of surplus cash into investment securities. Such forecasts are subject to change, and actual results may differ, based on market conditions, the COVID-19 pandemic and its effects on the economic and business environments in which we operate, actual prepayment rates and other factors described under the section "Forward-Looking Statements" below.
- (2) Our outlook for loan charge-offs includes the impact of an \$80.0 million charge-off related to potentially fraudulent activity as noted above.
- (3) Core fee income and SVB Leerink revenue are each non-GAAP measures, which collectively represent noninterest income, but exclude certain line items where performance is typically subject to market or other conditions beyond our control. 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 non-GAAP core fee income and non-GAAP SVB Leerink revenue to GAAP noninterest income for fiscal year ending 2021 is included in this release, as we believe such reconciliation would imply a degree of precision that would be confusing or misleading to investors. See "Use of Non-GAAP Financial Measures" at the end of this release for further information regarding the calculation and limitations of this measure. Core fee income does not include SVB Leerink revenue. SVB Leerink revenue represents investment banking revenue and commissions.
- (4) Noninterest expense is a non-GAAP measure, which 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 non-GAAP noninterest expense to GAAP noninterest expense for the fiscal year ending 2021 is included in this release, as we believe such reconciliation would imply a degree of precision that would be confusing or misleading to investors. See "Use of Non-GAAP Financial Measures" at the end of this release for further information regarding the calculation and limitations of this measure.
- (5) Our outlook for noninterest expense is partly based on management's current forecast of performance-based incentive compensation expenses. Such forecasts are subject to change, and actual results may differ, based on our performance relative to our internal performance targets.
- (6) Our outlook for our effective tax rate is based on management's current assumptions with respect to, among other things, SVB Financial Group's earnings, state income tax levels, tax deductions and estimated performance-based compensation activity and does not include assumptions for potential future tax rate changes.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. Forward-looking statements are statements that are not historical facts, such as forecasts of our future financial results and condition, expectations for our operations and business, and our underlying assumptions of such forecasts and expectations. In addition, forward-looking statements generally can be identified by the use of such words as "becoming," "may," "will," "should," "could," "would," "predict," "potential," "continue," "anticipate," "believe," "estimate," "assume," "seek," "expect," "plan," "intend," the negative of such words or comparable terminology. In this release, including our CEO's statement and in the section "Financial Outlook," we make forward-looking statements discussing management's expectations for 2021 about, among other things, economic conditions; the continuing and potential effects of the COVID-19 pandemic; opportunities in the market; the outlook on our clients' performance; our financial, credit, and business performance, including loan growth, loan mix and loan yields; deposit growth; expense levels; our expected effective tax rate; accounting impact; financial results (and the components of such results) and the proposed acquisition of Boston Private.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, we have based these expectations on our current beliefs as well as our assumptions, and such expectations may not prove to be correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside our control. 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, secondary offering, SPAC fundraising, 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, and its effects on our operations, including, as a result of, prolonged work-from-home arrangements;
- the impact of changes from the Biden-Harris administration and the new 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;
- the adequacy of our allowance for credit losses and the need to make provisions for credit losses for any period;
- the sufficiency of our capital and liquidity positions;
- 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;
- the occurrence of fraudulent activity, including breaches of our information security or cyber security-related incidents;
- business disruptions and interruptions due to natural disasters and other external events;
- the impact on our reputation and business from our interactions with business partners, counterparties, service providers and other third parties;
- the expansion of our business internationally, and the impact of international market and economic events on us;
- the effectiveness of our risk management framework and quantitative models;
- our ability to maintain or increase our market share, including through successfully implementing our business strategy and undertaking new business initiatives, including through the integration of Boston Private;

- an inability to complete the acquisition of Boston Private, or changes in the currently anticipated timeframe, terms or manner of such acquisition;
- the occurrence of any event, change or other circumstance that could give rise to the right of one or both parties to terminate the merger agreement between us and Boston Private;
- 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;
- the inability to retain existing Boston Private clients and employees following the closing of the Boston Private acquisition;
- unfavorable resolution of legal proceedings or claims, as well as legal or regulatory proceedings or 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 and their impact on us.

The operating and economic environment during the first quarter continued to be impacted by the COVID-19 pandemic and related government orders. 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, potential variations of the virus, 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.

For additional information about these and other factors, please refer to our public reports filed with the U.S. Securities and Exchange Commission, including under the caption "Risk Factors" in our most recent Annual Report filed on Form 10-K. The forward-looking statements included in this release are made only as of the date of this release. We do not intend, and undertake no obligation, to update these forward-looking statements.

Earnings Conference Call

On Thursday, April 22, 2021, we will host a conference call at 3:00 p.m. (Pacific Time) to discuss the financial results for the quarter ended March 31, 2021. The conference call can be accessed by dialing (833) 494-1484 or (236) 714-2618 and entering the confirmation number "4158465". A live webcast of the audio portion of the call can be accessed on the Investor Relations section of our website at www.svb.com. A replay of the audio webcast will also be available on www.svb.com for 12 months beginning on April 22, 2021.

Additional Information

For additional information about our business, financial results for the first quarter 2021 and financial outlook, please refer to our Q1 2021 Earnings Slides and Q1 2021 CEO Letter, which are available on the Investor Relations section of our website at www.svb.com. These materials should be read together with this release, and include important supplemental information including key considerations that may impact our financial outlook.

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.

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SVB FINANCIAL GROUP AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Dollars in thousands, except share data)	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Interest income:			
Loans	\$ 430,422	\$ 403,361	\$ 382,569
Investment securities:			
Taxable	224,162	182,543	154,385
Non-taxable	20,897	18,855	12,824
Federal funds sold, securities purchased under agreements to resell and other short-term investment securities	3,265	2,799	17,624
Total interest income	678,746	607,558	567,402
Interest expense:			
Deposits	10,437	8,909	37,398
Borrowings	8,730	7,169	5,867
Total interest expense	19,167	16,078	43,265
Net interest income	659,579	591,480	524,137
Provision (reduction) for credit losses	18,679	(38,433)	243,480
Net interest income after provision for credit losses	640,900	629,913	280,657
Noninterest income:			
Gains on investment securities, net	167,078	149,992	46,055
Gains on equity warrant assets, net	221,685	143,761	13,395
Client investment fees	20,065	25,008	43,393
Foreign exchange fees	57,393	51,091	47,595
Credit card fees	27,567	25,389	28,304
Deposit service charges	25,151	23,221	24,589
Lending related fees	15,657	19,682	13,125
Letters of credit and standby letters of credit fees	13,051	11,504	11,542
Investment banking revenue	142,302	133,434	46,867
Commissions	24,439	17,443	16,022
Other	29,792	21,258	11,137
Total noninterest income	744,180	621,783	301,934
Noninterest expense:			
Compensation and benefits	445,425	415,705	255,586
Professional services	81,343	77,336	38,705
Premises and equipment	32,822	41,705	26,940
Net occupancy	17,681	44,733	18,346
Business development and travel	3,811	4,447	14,071
FDIC and state assessments	9,463	8,601	5,234
Other	45,456	72,272	40,703
Total noninterest expense	636,001	664,799	399,585
Income before income tax expense	749,079	586,897	183,006
Income tax expense	187,315	148,096	49,357
Net income before noncontrolling interests and dividends	561,764	438,801	133,649
Net (income) loss attributable to noncontrolling interests	(24,950)	(45,891)	1,973
Preferred stock dividends	(4,594)	(4,594)	(3,369)
Net income available to common stockholders	\$ 532,220	\$ 388,316	\$ 132,253
Earnings per common share—basic	\$ 10.20	\$ 7.49	\$ 2.56
Earnings per common share—diluted	10.03	7.40	2.55
Weighted average common shares outstanding—basic	52,180,045	51,817,077	51,565,499
Weighted average common shares outstanding—diluted	53,075,690	52,466,389	51,944,091

SVB FINANCIAL GROUP AND SUBSIDIARIES
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Dollars in thousands, except par value and share data)	March 31, 2021	December 31, 2020	March 31, 2020
Assets:			
Cash and cash equivalents	\$ 21,254,859	\$ 17,674,763	\$ 9,561,448
Available-for-sale securities, at fair value (cost \$26,159,161, \$30,244,896 and \$12,044,717, respectively)	25,986,471	30,912,438	12,648,064
Held-to-maturity securities, at amortized cost and net of allowance for credit losses of \$1,112, \$392 and \$230 (fair value of \$41,186,735, \$17,216,871, and \$14,131,154), respectively	41,164,620	16,592,153	13,574,289
Non-marketable and other equity securities	1,857,761	1,802,235	1,200,595
Investment securities	69,008,852	49,306,826	27,422,948
Loans, amortized cost	47,675,166	45,181,488	35,968,085
Allowance for credit losses: loans	(391,751)	(447,765)	(548,963)
Net loans	47,283,415	44,733,723	35,419,122
Premises and equipment, net of accumulated depreciation and amortization	179,674	175,818	154,780
Goodwill	142,685	142,685	137,823
Other intangible assets, net	59,325	61,435	48,072
Lease right-of-use assets	233,696	209,932	206,392
Accrued interest receivable and other assets	4,184,114	3,205,825	2,059,055
Total assets	\$ 142,346,620	\$ 115,511,007	\$ 75,009,640
Liabilities and total equity:			
Liabilities:			
Noninterest-bearing demand deposits	\$ 84,439,997	\$ 66,519,240	\$ 42,902,200
Interest-bearing deposits	39,710,109	35,462,567	19,009,757
Total deposits	124,150,106	101,981,807	61,911,957
Short-term borrowings	38,434	20,553	3,138,162
Lease liabilities	287,413	259,554	227,271
Other liabilities	6,411,705	3,971,974	2,200,953
Long-term debt	1,338,183	843,628	348,076
Total liabilities	132,225,841	107,077,516	67,826,419
SVBFG stockholders' equity:			
Preferred stock, \$0.001 par value, 20,000,000 shares authorized; 1,100,000, 350,000 and 350,000 shares issued and outstanding, respectively	1,079,333	340,138	340,138
Common stock, \$0.001 par value, 150,000,000 shares authorized; 54,001,797 shares, 51,888,463 shares, and 51,490,342 shares issued and outstanding, respectively	54	52	52
Additional paid-in capital	2,590,576	1,585,244	1,489,240
Retained earnings	6,203,969	5,671,749	4,612,785
Accumulated other comprehensive income	20,960	622,517	592,534
Total SVBFG stockholders' equity	9,894,892	8,219,700	7,034,749
Noncontrolling interests	225,887	213,791	148,472
Total equity	10,120,779	8,433,491	7,183,221
Total liabilities and total equity	\$ 142,346,620	\$ 115,511,007	\$ 75,009,640

SVB FINANCIAL GROUP AND SUBSIDIARIES
INTERIM AVERAGE BALANCES, RATES AND YIELDS
(Unaudited)

	Three months ended								
	March 31, 2021			December 31, 2020			March 31, 2020		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
(Dollars in thousands, except yield/rate and ratios)									
Interest-earning assets:									
Federal reserve deposits, federal funds sold, securities purchased under agreements to resell and other short-term investment securities (1)	\$ 18,174,315	\$ 3,265	0.07 %	\$ 15,903,802	\$ 2,799	0.07 %	\$ 7,308,705	\$ 17,624	0.97 %
Investment securities: (2)									
Available-for-sale securities:									
Taxable	28,247,436	124,512	1.79	28,114,199	102,666	1.45	13,565,908	77,024	2.28
Held-to-maturity securities:									
Taxable	21,590,350	99,650	1.87	10,075,470	79,877	3.15	11,675,421	77,361	2.66
Non-taxable (3)	3,704,855	26,452	2.90	3,213,270	23,867	2.95	1,900,640	16,233	3.44
Total loans, amortized cost (4) (5)	46,281,476	430,422	3.77	41,525,035	403,361	3.86	33,680,728	382,569	4.57
Total interest-earning assets	117,998,432	684,301	2.35	98,831,777	612,570	2.46	68,111,402	570,811	3.37
Cash and due from banks	1,546,539			1,228,092			797,462		
Allowance for credit losses: loans	(484,476)			(535,067)			(327,812)		
Other assets (6)	5,754,113			4,228,797			3,826,116		
Total assets	\$ 124,814,608			\$ 103,753,599			\$ 72,407,168		
Funding sources:									
Interest-bearing liabilities:									
Interest-bearing checking and savings accounts	\$ 3,661,903	\$ 866	0.10 %	\$ 4,442,350	\$ 1,966	0.18 %	\$ 546,428	\$ 108	0.08 %
Money market deposits	30,959,253	8,744	0.11	23,943,177	5,983	0.10	17,613,578	33,013	0.75
Money market deposits in foreign offices	873,090	132	0.06	501,978	225	0.18	266,045	24	0.04
Time deposits	657,534	626	0.39	608,608	648	0.42	163,343	429	1.06
Sweep deposits in foreign offices	1,223,440	69	0.02	1,277,421	87	0.03	1,882,853	3,824	0.82
Total interest-bearing deposits	37,375,220	10,437	0.11	30,773,534	8,909	0.12	20,472,247	37,398	0.73
Short-term borrowings	12,137	2	0.07	9,847	2	0.08	969,896	2,716	1.13
1.800% Senior Notes	318,569	1,559	1.98	—	—	—	—	—	—
3.125% Senior Notes	495,317	4,014	3.29	495,210	4,013	3.22	—	—	—
3.50% Senior Notes	348,380	3,155	3.67	348,288	3,154	3.60	348,018	3,151	3.64
Total interest-bearing liabilities	38,549,623	19,167	0.20	31,626,879	16,078	0.20	21,790,161	43,265	0.80
Portion of noninterest-bearing funding sources	79,448,809			67,204,898			46,321,241		
Total funding sources	117,998,432	19,167	0.06	98,831,777	16,078	0.06	68,111,402	43,265	0.25
Noninterest-bearing funding sources:									
Demand deposits	73,233,194			61,662,840			41,335,984		
Other liabilities	4,020,492			2,316,085			2,277,031		
Preferred stock	817,057			340,138			340,169		
SVBFG common stockholders' equity	7,983,451			7,636,451			6,512,946		
Noncontrolling interests	210,791			171,226			150,877		
Portion used to fund interest-earning assets	(79,448,809)			(67,204,898)			(46,321,241)		
Total liabilities and total equity	\$ 124,814,608			\$ 103,753,599			\$ 72,407,168		
Net interest income and margin	\$	\$ 665,134	2.29 %	\$	\$ 596,492	2.40 %	\$	\$ 527,546	3.12 %
Total deposits	\$ 110,608,414			\$ 92,436,374			\$ 61,808,231		
Average SVBFG common stockholders' equity as a percentage of average assets			6.40 %			7.36 %			8.99 %
Reconciliation to reported net interest income:									
Adjustments for taxable equivalent basis		(5,555)			(5,012)			(3,409)	
Net interest income, as reported	\$	\$ 659,579		\$	\$ 591,480		\$	\$ 524,137	

- (1) Includes average interest-earning deposits in other financial institutions of \$1.6 billion, \$1.5 billion and \$0.9 billion; and \$14.8 billion, \$12.7 billion and \$5.5 billion deposited at the Federal Reserve Bank, earning interest at the Federal Funds target rate, for the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020, respectively.
- (2) Yields on interest-earning investment securities do not give effect to changes in fair value that are reflected in other comprehensive income or loss.
- (3) Interest income on non-taxable investment securities is presented on a fully taxable equivalent basis using the federal statutory tax rate of 21.0 percent for all periods presented.
- (4) Nonaccrual loans are reflected in the average balances of loans.
- (5) Interest income includes loan fees of \$57.7 million, \$55.1 million and \$36.7 million for the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020, respectively.
- (6) Average investment securities of \$3.4 billion, \$2.3 billion and \$1.6 billion for the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020, respectively, were classified as other assets as they are noninterest-earning assets. These investments consist primarily of non-marketable and other equity securities.

Reconciliation of Basic and Diluted Weighted Average Common Shares Outstanding

(Shares in thousands)	Three months ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Weighted average common shares outstanding—basic	52,180	51,817	51,565
Effect of dilutive securities:			
Stock options and employee stock purchase plan	294	195	217
Restricted stock units	602	454	162
Total effect of dilutive securities	896	649	379
Weighted average common shares outstanding—diluted	53,076	52,466	51,944

Credit Quality

(Dollars in thousands, except ratios)	March 31, 2021	December 31, 2020	March 31, 2020
Nonaccrual, past due and restructured loans:			
Nonaccrual loans	\$ 90,247	\$ 104,244	\$ 50,607
Loans past due 90 days or more still accruing interest	4,491	—	4,918
Total nonperforming loans	94,738	104,244	55,525
OREO and other foreclosed assets	1,179	1,179	—
Total nonperforming assets	\$ 95,917	\$ 105,423	\$ 55,525
Nonperforming loans as a percentage of total loans	0.20 %	0.23 %	0.15 %
Nonperforming assets as a percentage of total assets	0.07	0.09	0.07
Allowance for credit losses for loans	\$ 391,751	\$ 447,765	\$ 548,963
As a percentage of total loans	0.82 %	0.99 %	1.53 %
As a percentage of total nonperforming loans	413.51	429.54	988.68
Allowance for credit losses for nonaccrual loans	\$ 41,851	\$ 54,029	\$ 34,876
As a percentage of total loans	0.09 %	0.12 %	0.10 %
As a percentage of total nonperforming loans	44.18	51.83	62.81
Allowance for credit losses for total performing loans	\$ 349,900	\$ 393,736	\$ 514,087
As a percentage of total loans	0.73 %	0.87 %	1.43 %
As a percentage of total performing loans	0.74	0.87	1.43
Total loans	\$ 47,675,166	\$ 45,181,488	\$ 35,968,085
Total performing loans	47,580,428	45,077,244	35,912,560
Allowance for credit losses for unfunded credit commitments (1)	104,750	120,796	84,690
As a percentage of total unfunded credit commitments	0.31 %	0.38 %	0.34 %
Total unfunded credit commitments (2)	\$ 33,986,627	\$ 31,982,251	\$ 24,668,310

(1) The "allowance for credit losses for unfunded credit commitments" is included as a component of "other liabilities."

(2) Includes unfunded loan commitments and letters of credit.

Use of Non-GAAP Financial Measures

To supplement our unaudited condensed consolidated financial statements presented in accordance with GAAP, we use certain non-GAAP measures (including, but not limited to, non-GAAP core fee income, non-GAAP SVB Leerink revenue, non-GAAP core fee income plus non-GAAP SVB Leerink revenue, 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 noncontrolling 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. In the financial tables below, we have provided a reconciliation of, where applicable, the most comparable GAAP financial measures to the non-GAAP financial measures used in this press release, or a reconciliation of the non-GAAP calculation of the financial measure.

Additionally, from time to time, we may make reference to the non-GAAP financial metric of Core EPS in our earnings call and other investor presentations. Non-GAAP Core EPS consists of our net income available to common stockholders less gains or losses on investment securities, equity warrant assets and income and expenses related to SVB Leerink, net of tax, divided by our diluted weighted average common shares outstanding. Our management believes this measure to be a useful assessment of our performance as it relates to our core business because it excludes certain financial items where performance is typically subject to market or other conditions beyond our control. A reconciliation of Core EPS to the closest corresponding GAAP measure is not available with respect to future goals due to our inability to provide a quantitative reconciliation to such measure.

In particular, in this press release, we use certain non-GAAP measures that exclude the following from net income and certain other financial line items in certain periods:

- Income and expense attributable to noncontrolling interests — As part of our funds management business, we recognize the entire income or loss from certain funds where we own less than 100 percent. We are required under GAAP to consolidate 100 percent of the results of certain SVB Capital funds. The relevant amounts attributable to investors other than us are reflected under "Net Income Attributable to Noncontrolling Interests." Our net income available to common stockholders/certain financial line items include only the portion of income or loss related to our ownership interest.

In addition, in this press release, we use certain non-GAAP financial ratios and measures that are not required by GAAP or exclude certain financial items from calculations that are otherwise required under GAAP, including:

- Non-GAAP core fee income plus SVB Leerink revenue — This measure represents noninterest income but excludes certain line items where performance is typically subject to market or other conditions beyond our control. We do not provide our outlook for the expected full year results for these excluded items, which include net gains or losses on investment securities, net gains or losses on equity warrant assets and other noninterest income items.
- Non-GAAP core fee income — This measure represents noninterest income but excludes certain line items where performance is typically subject to market or other conditions beyond our control, as well as our non-GAAP SVB Leerink revenue, and represents client investment fees, foreign exchange fees, credit card fees,

deposit service charges, lending related fees and letters of credit and standby letters of credit fees. We do not provide our outlook for the expected full year results for these excluded items, which include net gains or losses on investment securities, net gains or losses on equity warrant assets and other noninterest income items.

- Non-GAAP SVB Leerink revenue — This measure represents noninterest income but excludes certain line items where performance is typically subject to market or other conditions beyond our control, as well as our non-GAAP core fee income, and represents investment banking revenue and commissions. We do not provide our outlook for the expected full year results for these excluded items, which include net gains or losses on investment securities, net gains or losses on equity warrant assets and other noninterest income items.
- Non-GAAP core operating efficiency ratio — 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 as well as other non-recurring expenses. It is calculated by dividing noninterest expense after adjusting for noninterest expense attributable to SVB Leerink and other non-recurring expenses by total revenue after adjusting for net interest income attributable to SVB Leerink, net gains or losses on investment securities and equity warrant assets, investment banking revenue and commissions. Additionally, noninterest expense and total revenue are adjusted for income or losses and expenses attributable to noncontrolling interests and adjustments to net interest income for a taxable equivalent basis. This ratio is used by management to evaluate the operating efficiency of our core banking business.
- Tangible common equity, or tangible book value, to tangible assets ratio; tangible common equity to risk-weighted assets ratio — These ratios are not required by GAAP or applicable bank regulatory requirements and are used by management to evaluate the adequacy of our capital levels. Risk-based capital guidelines require a minimum level of capital as a percentage of risk-weighted assets. Risk-weighted assets are calculated by assigning assets and off-balance sheet items to broad risk categories. Our ratios are calculated by dividing total SVBFG stockholders' equity, by total assets or total risk-weighted assets, as applicable, after reducing amounts by acquired intangibles, if any.

Non-GAAP core fee income plus SVB Leerink revenue, non-GAAP SVB Leerink revenue and non-GAAP core fee income (Dollars in thousands)	Three months ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
GAAP noninterest income	\$ 744,180	\$ 621,783	\$ 547,583	\$ 368,848	\$ 301,934
Less: gains on investment securities, net	167,078	149,992	189,837	34,868	46,055
Less: net gains on equity warrant assets	221,685	143,761	53,766	26,506	13,395
Less: other noninterest income	29,792	21,258	49,222	16,528	11,137
Non-GAAP core fee income plus SVB Leerink revenue	\$ 325,625	\$ 306,772	\$ 254,758	\$ 290,946	\$ 231,347
Investment banking revenue	142,302	133,434	92,181	141,503	46,867
Commissions	24,439	17,443	16,257	16,918	16,022
Less: non-GAAP SVB Leerink revenue	\$ 166,741	\$ 150,877	\$ 108,438	\$ 158,421	\$ 62,889
Non-GAAP core fee income	\$ 158,884	\$ 155,895	\$ 146,320	\$ 132,525	\$ 168,458

Non-GAAP net gains on investment securities, net of noncontrolling interests (Dollars in thousands)	Three months ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
GAAP net gains on investment securities	\$ 167,078	\$ 149,992	\$ 189,837	\$ 34,868	\$ 46,055
Less: income (loss) attributable to noncontrolling interests, including carried interest allocation	25,031	45,891	27,785	14,328	(1,535)
Non-GAAP net gains on investment securities, net of noncontrolling interests	\$ 142,047	\$ 104,101	\$ 162,052	\$ 20,540	\$ 47,590

Non-GAAP core operating efficiency ratio (Dollars in thousands, except ratios)	Three months ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
GAAP noninterest expense	\$ 636,001	\$ 664,799	\$ 491,021	\$ 479,636	\$ 399,585
Less: expense attributable to noncontrolling interests	117	91	114	130	140
Non-GAAP noninterest expense, net of noncontrolling interests	635,884	664,708	490,907	479,506	399,445
Less: expense attributable to SVB Leerink	136,351	130,716	77,567	108,650	62,037
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	\$ 499,533	\$ 484,675	\$ 413,340	\$ 370,856	\$ 337,408
GAAP net interest income	\$ 659,579	\$ 591,480	\$ 527,740	\$ 512,927	\$ 524,137
Adjustments for taxable equivalent basis	5,555	5,012	3,964	3,844	3,409
Non-GAAP taxable equivalent net interest income	665,134	596,492	531,704	516,771	527,546
Less: income attributable to noncontrolling interests	—	—	—	5	21
Non-GAAP taxable equivalent net interest income, net of noncontrolling interests	665,134	596,492	531,704	516,766	527,525
Less: net interest income (expense) attributable to SVB Leerink	166	205	175	(3)	201
Non-GAAP taxable equivalent net interest income, net of noncontrolling interests and SVB Leerink	\$ 664,968	\$ 596,287	\$ 531,529	\$ 516,769	\$ 527,324
GAAP noninterest income	\$ 744,180	\$ 621,783	\$ 547,583	\$ 368,848	\$ 301,934
Less: income (loss) attributable to noncontrolling interests, including carried interest allocation	25,067	45,982	27,862	14,385	(1,854)
Non-GAAP noninterest income, net of noncontrolling interests	719,113	575,801	519,721	354,463	303,788
Less: Non-GAAP net gains on investment securities, net of noncontrolling interests	142,047	104,101	162,052	20,540	47,590
Less: net gains on equity warrant assets	221,885	143,761	53,796	26,506	13,395
Less: investment banking revenue	142,302	133,434	92,181	141,503	46,867
Less: commissions	24,439	17,443	16,257	16,918	16,022
Non-GAAP noninterest income, net of noncontrolling interests and net of net gains on investment securities, net gains on equity warrant assets, investment banking revenue and commissions	\$ 188,640	\$ 177,062	\$ 195,465	\$ 148,996	\$ 179,914
GAAP total revenue	\$ 1,403,759	\$ 1,213,263	\$ 1,075,323	\$ 881,775	\$ 826,071
Non-GAAP taxable equivalent revenue, net of noncontrolling interests, SVB Leerink, net of net gains on investment securities, net gains on equity warrant assets, investment banking revenue and commissions	\$ 853,608	\$ 773,349	\$ 726,994	\$ 665,765	\$ 707,238
Operating efficiency ratio	45.31 %	54.79 %	45.66 %	54.39 %	48.37 %
Non-GAAP core operating efficiency ratio	58.52	62.67	56.86	55.70	47.71

Non-GAAP non-marketable and other equity securities, net of noncontrolling interests (Dollars in thousands)	Period-end balances at				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
GAAP non-marketable and other equity securities	\$ 1,857,761	\$ 1,802,235	\$ 1,547,363	\$ 1,270,578	\$ 1,200,595
Less: amounts attributable to noncontrolling interests	225,835	213,442	168,329	146,945	144,279
Non-GAAP non-marketable and other equity securities, net of noncontrolling interests	<u>\$ 1,631,926</u>	<u>\$ 1,588,793</u>	<u>\$ 1,379,034</u>	<u>\$ 1,123,633</u>	<u>\$ 1,056,316</u>

SVB Financial Group tangible common equity, tangible assets and risk-weighted assets (Dollars in thousands, except ratios)	Period-end balances at				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
GAAP SVBFG stockholders' equity	\$ 9,894,892	\$ 8,219,700	\$ 7,792,935	\$ 7,319,373	\$ 7,034,749
Less: preferred stock	1,079,333	340,138	340,138	340,138	340,138
Less: intangible assets	202,010	204,120	183,203	184,549	185,895
Tangible common equity	<u>\$ 8,613,549</u>	<u>\$ 7,675,442</u>	<u>\$ 7,269,594</u>	<u>\$ 6,794,686</u>	<u>\$ 6,508,716</u>
GAAP total assets	\$ 142,346,620	\$ 115,511,007	\$ 96,916,771	\$ 85,730,985	\$ 75,009,640
Less: intangible assets	202,010	204,120	183,203	184,549	185,895
Tangible assets	<u>\$ 142,144,610</u>	<u>\$ 115,306,887</u>	<u>\$ 96,733,568</u>	<u>\$ 85,546,436</u>	<u>\$ 74,823,745</u>
Risk-weighted assets	<u>\$ 71,058,786</u>	<u>\$ 64,680,666</u>	<u>\$ 54,738,028</u>	<u>\$ 49,682,026</u>	<u>\$ 48,578,473</u>
Tangible common equity to tangible assets	6.06 %	6.66 %	7.52 %	7.94 %	8.70 %
Tangible common equity to risk-weighted assets	12.12	11.87	13.26	13.68	13.40

Silicon Valley Bank tangible common equity, tangible assets and risk-weighted assets (Dollars in thousands, except ratios)	Period-end balances at				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Tangible common equity	\$ 8,765,837	\$ 7,068,964	\$ 6,104,361	\$ 5,821,224	\$ 5,617,402
Tangible assets	\$ 140,231,319	\$ 113,303,370	\$ 95,012,287	\$ 84,214,926	\$ 73,630,526
Risk-weighted assets	<u>\$ 68,058,341</u>	<u>\$ 61,023,462</u>	<u>\$ 51,792,822</u>	<u>\$ 47,838,181</u>	<u>\$ 46,839,951</u>
Tangible common equity to tangible assets	6.25 %	6.24 %	6.42 %	6.91 %	7.63 %
Tangible common equity to risk-weighted assets	12.88	11.58	11.79	12.17	11.99

SVB Financial Group Q1 2021 CEO Letter

April 22, 2021

To our Stakeholders:

SVB's first quarter of 2021 was the best in our history, with **Earnings Per Share of \$10.03, Net Income of \$532 million and Return on Equity of 27 percent.**

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

Our quarterly results were marked by exceptional balance sheet growth due to continued robust client liquidity in the thriving innovation markets we serve. Period-end assets reached \$142 billion, a 90% increase year-over-year; and total client funds reached \$288 billion, a 71% year-over-year increase. Our exceptional balance sheet growth drove better-than-forecast quarterly net interest income of \$665 million, despite the low rate environment.

Our quarterly performance reflected average loan growth of 11% driven by sustained high levels of private equity investment and strong borrowing by technology and healthcare/life science companies. Credit metrics remained stable, excluding a loss related to potential fraud, and improving economic forecasts drove a reserve release.

We had record warrant and investment gains of \$364 million, net of non-controlling interests, from an acceleration of client IPOs and SPAC activity.

Core fee income improved as record foreign exchange and higher card and deposit fee revenues offset the impact of low interest rates in client investment fees. SVB Leerink booked record quarterly revenues of \$167 million, due to strong public market activity in healthcare and life sciences.

Given our better-than forecast performance, expenses were higher than our previous Q1'21 guidance. Our capital and liquidity remained strong, and we have raised \$2.4 billion of debt and equity through April 22, 2021, to support our increased growth momentum – as indicated in our improved 2021 outlook -- and accelerated investment in our business.

Strong markets and effective execution are driving extraordinary growth

Liquidity continues to flow into the innovation markets, due to robust venture capital and private equity activity, vibrant funding and exit markets, and the acceleration of digital adoption and activity in healthcare.

We are executing strongly across the business and continue to gain new clients at a rapid pace, adding more than 1,600 new clients in Q1 (an all-time high). Through consistent focus on client engagement and deepening and expanding our solutions to better meet clients' needs, we are growing and lengthening our client relationships. The investments we've made in people, technology and infrastructure have been essential to supporting and driving our growth, and the success of our strategy is evident in our exceptional balance sheet growth and peer-leading profitability.

Robust tailwinds supporting the innovation economy

Coming out of the first quarter of 2021, we see significant tailwinds for growth in the innovation economy. The outperformance of innovation companies relative to the broader economy is attracting strong new liquidity, on top of the already significant levels of venture capital and private equity dry powder available for investment globally. At the same time, the acceleration of digital adoption and healthcare activity is increasing the number of opportunities for deploying this liquidity. Although the positive momentum we're seeing could be affected by a rise in COVID-19 infection rates or global economic or geopolitical events, given the substantial liquidity in our markets, current low interest rates and the expectation that short-term rates will remain low until at least 2023, we expect the innovation economy to continue to attract investment.

Robust client funds growth over time

Robust funding and exit trends have fueled client liquidity in the past year, while our business diversification, client engagement and client acquisition strategies have positioned us to capture this liquidity over time. The dynamism of the venture capital and private equity industries is essential to our growth, but our unique liquidity franchise and long-term momentum in the innovation economy have created a resilience in our client funds, which have typically grown strongly during times of peak VC and PE investment and recovered relatively quickly following periods of pullback. While the growth is significant, over time our business model has shown the increase in liquidity to be sustainable.

That said, we are always mindful of the risk of deposit outflows and continue to manage our securities portfolio to support our liquidity needs.

Active capital management

Our exceptional balance sheet growth in the last two quarters has outpaced our forecasts and we have significantly raised our growth outlook as a result. Our high-quality balance sheet; off-balance sheet solutions; and robust and highly profitable earnings power have historically provided enough support for our capital and liquidity. While our risk-based capital ratios remain very healthy, in the first quarter, we raised \$1.0 billion in common stock, \$750 million in preferred stock and \$500 million in senior notes and down-streamed \$2.0 billion of the proceeds to Silicon Valley Bank. On April 14th, we issued an additional \$150 million of common stock following the full exercise of the underwriters' over-allotment option.

Raising common equity raise provides high quality capital to support our growth and gives us additional capacity to utilize preferred equity and senior debt, as we have done previously, to support our growth. These issuances enable us to sustain our growth momentum, maintain our strong client acquisition and retention, and support our capital targets – particularly the tier 1 leverage ratio at the Bank.

We have also taken actions, through the addition of \$10 billion of receive floating interest rate swaps, to position the securities portfolio for higher rates, along with the designating \$3 billion in investment securities from available-for-sale (AFS) to held-to-maturity (HTM). This also has the benefit of protecting tangible book value against fluctuations in other comprehensive income and provides additional balance sheet flexibility.

We are focused on seizing the opportunity we see in our markets and expect to continue to optimize our capital composition as appropriate to support our current growth, drive future growth and advance our strategic priorities.

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

Our long-term focus on a small number of dynamic markets has allowed us to develop differentiated expertise in working with our clients through challenging periods – providing tailored products, critical solutions, insights, and connections to accelerate their growth and increase the probability of their success. Over the years, we’ve built a network of relationships that would be difficult for any other company to replicate, and we have demonstrated our ability to stick with and provide value to our clients through good times and bad. Our unique platform and specialized approach have translated into deep relationships in a growing market that have driven strong levels of client liquidity and profitability.

We are focused on deepening and expanding our platform, both organically and via strategic investments and acquisitions. Together, our four business lines (Silicon Valley Bank, SVB Private Bank, SVB Capital and SVB Leerink) form a powerful platform for increasing our clients’ probability of success and meeting their needs as they grow.

We’ve recently made several key announcements to this end. In 2020, we acquired WestRiver Group’s debt investment business to establish a credit platform at SVB Capital that provides investors with additional investment opportunities in the innovation economy and commercial banking clients with new debt options. In January 2021, we announced our agreement to acquire Boston Private Financial Holdings, which we expect to close in mid-2021, subject to customary closing conditions. We expect this acquisition to significantly accelerate and scale the growth of our private bank and wealth management strategy, enabling us to capture a larger portion of this estimated \$400 billion* opportunity among our clients. And we have recently made a significant number of strategic hires at SVB Leerink, to build or expand our equity capital markets, structured finance, leveraged finance and healthcare investment banking capabilities.

Accelerating investments in our strategic priorities to extend our competitive advantage

We are executing strongly on our vision to drive growth and profitability, without sacrificing our credit discipline and philosophy. We’ve supported these efforts by investing in our strategic priorities of enhancing client experience, improving employee enablement, driving revenue growth and enhancing risk management. Our investments have enabled us to accelerate our client acquisition by onboarding and delivering products more efficiently and deepen our client relationships by introducing products to better meet client needs at all life stages. They have also allowed us to develop or acquire critical leadership and skill sets that we need to expand our leadership position and continue growing.

Investment in our strategic priorities is critical to our future growth, and we expect to continue expanding our business organically through geographic, client and product expansion, while pursuing

* Estimated Total Client Position (TCP) of SVB’s current clients based SVB management estimates (2020). TCP includes potential wealth management assets, deposits and lending.

opportunities to grow and differentiate our business through targeted acquisitions and the hiring of teams with special skills, if the right opportunities arise.

We continue to actively identify and evaluate potential opportunities for targeted investment in key areas not already included in our outlook and any such investments could increase our expense outlook in 2021. In addition, we continue to invest in the enhancements to our regulatory infrastructure and processes as part of our Large Financial Institution compliance and UK subsidiarization.

Overall stable credit metrics and improving macroeconomic environment

We saw solid performance and stable credit across our client base during the quarter, despite an isolated charge-off related to a potential instance of client fraud. Positive underlying credit trends and improving macroeconomic forecasts drove a reserve release during the quarter. As of March 31, 2021, only 1.3% of our loans remained in deferral and we have seen most clients resume payments with very few extension requests.

In late February, we identified and disclosed potentially fraudulent client activity in connection with a single loan in our Global Fund Banking portfolio. This activity resulted in a pre-tax charge-off of \$80 million (\$59 million net of tax) in the first quarter. Based on our review of the loan in question and our overall portfolio, we believe this was an isolated incident in approximately 30 years of pristine credit quality in this portfolio. We have a long history of strong underwriting and diligence that has served us well, and we remain focused on training and awareness to prevent similar occurrences in the future.

We are maintaining our positive expectations for credit in 2021. Should market conditions deteriorate, we believe we are strongly reserved to manage that change.

Diversified earnings power

Our robust balance sheet growth continued to offset the impact of low rates in the first quarter to drive strong net interest income of \$665 million. In addition, our efforts to diversify our business lines, deepen our client relationships, and grow internationally generated strong non-interest income.

Well-positioned for rising rates

We continue to take a proactive approach to interest rate risk management. In recent years, we have successfully deployed strategies to provide protection against low rates – including receive-fixed interest rate swaps and loan floors – that have helped to sustain our net interest income. As the economic environment continues to evolve, we are well-positioned for rising rates, with an asset-sensitive balance sheet. More than 90 percent of our loans are tied to short-term rates and two thirds of our deposits are non-interest bearing. We also have approximately \$3.0 billion to \$3.5 billion in securities rolling off our investment portfolio each quarter and we will take advantage of opportunities to deploy liquidity at higher rates.

While our asset sensitivity calculations are based on a static model, we expect robust balance sheet growth in 2021, which we will magnify the positive impact of our asset sensitivity and provide meaningful NII upside.

Our off-balance sheet funds are also growing rapidly and, although they are not as sensitive to short-term rate increases, even modest spread improvements on these large volumes can drive significant fee income increases. These increases are not reflected in our asset-sensitivity analysis.

Finally, as our view shifts from protecting against lower rates to managing to a potential higher rate environment, we have implemented new strategies to mitigate “other comprehensive income” risk as long-term rates rise, including shortening the duration of our securities purchases, transferring investments designated as AFS to HTM, and putting in place \$10 billion of fair value hedges, representing 38% of our AFS portfolio. We are targeting a duration of <2 years in the AFS portfolio to maintain balance sheet flexibility, and we are opportunistically buying strong credit-quality municipal and corporate bonds.

Improving Outlook and Final Thoughts

Our excellent performance in the first quarter and the incredible momentum we’re seeing in our markets has improved our expectations for balance sheet and revenue growth for the full-year 2021. While a rise in COVID-19 infections, or negative global economic or geopolitical events could, of course, change our outlook, the current strong tailwinds, ample liquidity, and meaningful opportunity we’re seeing in the innovation economy make us optimistic, and we further expect our growth to be underpinned by continued stable credit quality, assuming no deterioration in economic forecasts.

Importantly, we plan to support our accelerated growth through increased investment in our strategic priorities, extending our competitive advantage, and continued enhancement of our infrastructure to enable our growth and meet increasing regulatory requirements. We may also make opportunistic investments that are not reflected in our current guidance.

We continue to perform well and are operating from a stronger position than at any other time in our history. We are executing on our strategic vision, advancing and expanding our platform, and further strengthening our position as the best and most valuable partner to innovators and investors in the most dynamic segment of the global economy. We have a world class team to help us realize our vision and we are honored to have our clients’ trust and partnership as we work together to help them realize theirs.



Greg Becker
President and CEO

A woman with glasses and a blue denim shirt is sitting on a blue cushioned sofa in a modern office lounge. She is working on a laptop. The lounge has large windows in the background, and there are other blue and orange chairs and tables visible. The text "Q1 2021 Financial highlights" is overlaid on the image.

Q1 2021

Financial highlights

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Snapshot and current environment

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Outlook and performance detail

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Non-GAAP reconciliations

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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:
\$10.03

Net Income:
\$532M

ROE:
27.04%

Q1'21 PERFORMANCE (vs. Q4'20)

\$262B

+16.2%

AVERAGE CLIENT FUNDS

+\$45.0B PERIOD-END GROWTH

\$46B

+11.5%

AVERAGE LOANS¹

+\$2.5B PERIOD-END GROWTH

\$665M

+11.5%

NET INTEREST INCOME¹

\$159M

+1.9%

CORE FEE INCOME²

\$167M

+10.5%

SVB LEERINK REVENUE^{2, 3}

\$364M

WARRANT AND
INVESTMENT GAINS
NET OF NCI²

\$19M

PROVISION FOR
CREDIT LOSSES

(primarily driven by \$80M charge-off related to potential GFB capital call line fraud⁴, 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 \$364M¹** 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 YTD²** to support our increased growth momentum and accelerated investment in our business
11. **Improved 2021 outlook** due to steepening growth trajectory

svb



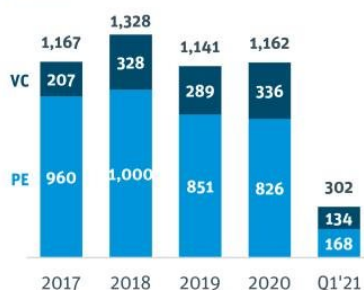
1. Net of NCI.
2. Year to date through April 22, 2021.

Strong markets and effective execution are driving extraordinary growth

Resilient, highly liquid markets

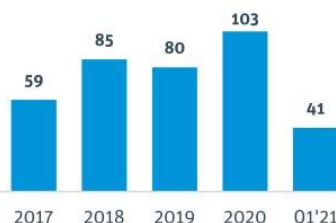
GLOBAL PE & VC INVESTMENT

\$ Billions



U.S. VC-BACKED IPOs

Count



Strong execution

SVB CLIENT COUNT

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



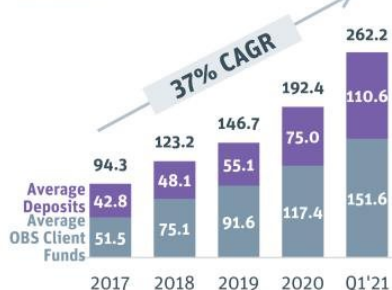
STRATEGIC GROWTH INVESTMENTS

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

Exceptional growth & peer-leading profitability

AVERAGE CLIENT FUNDS

\$ Billions



RETURN ON EQUITY



Note: VC and PE data sourced from PitchBook.

- 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.
- 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 GROWTH²

% vs. 12/31/16



Significant dry powder...

GLOBAL VC DRY POWDER

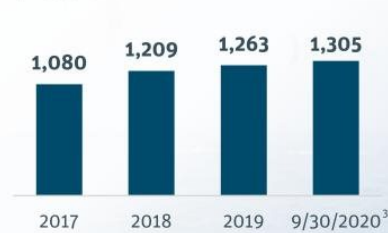
\$ Billions



...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.

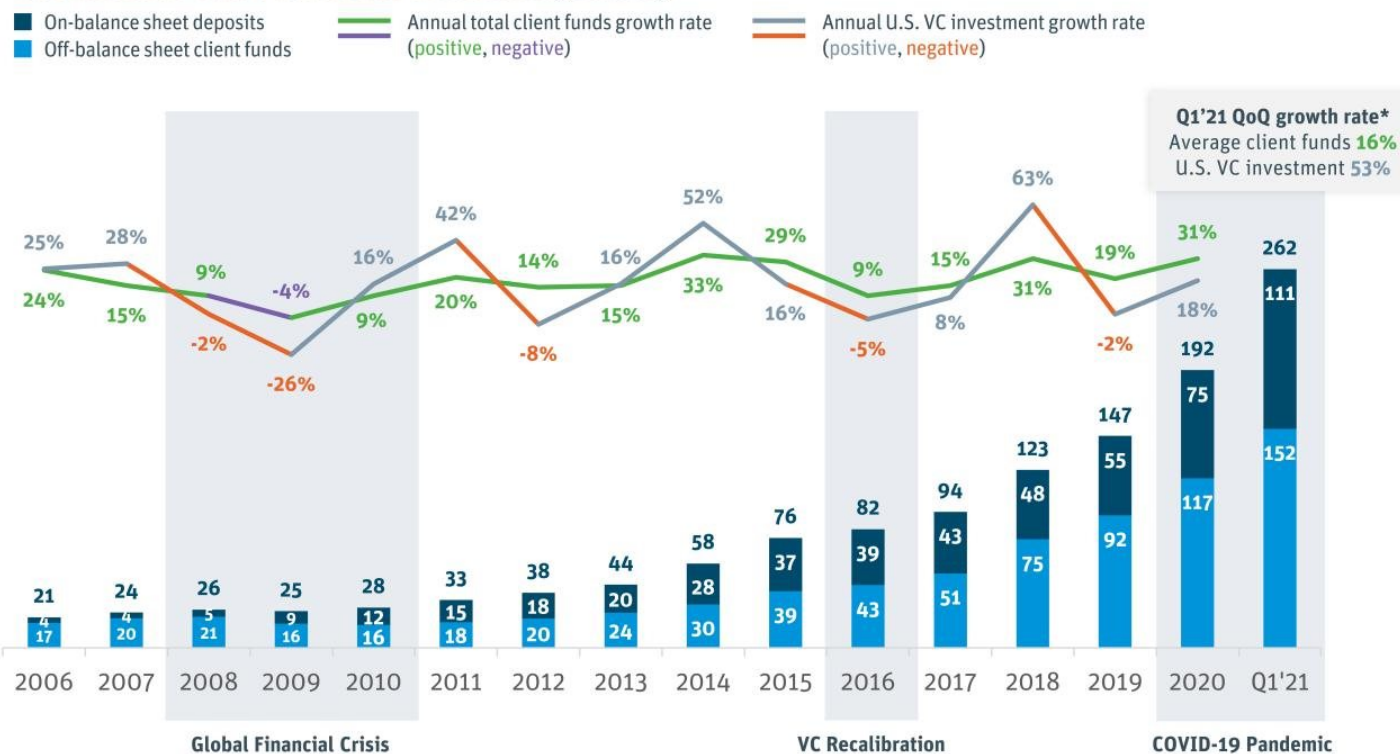
2. Source: Refinitiv. Historical revenue growth for companies included in the Nasdaq-100 and S&P 500 (excluding Nasdaq-100 companies) as of March 31, 2021.

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 RATIOS¹ 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
ISSUANCES² **\$750M**
\$500M PREFERRED
STOCK
SENIOR
NOTES **\$1.15B**
COMMON
STOCK

Interest rate risk management
to mitigate OCI risk

\$1.0B 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)

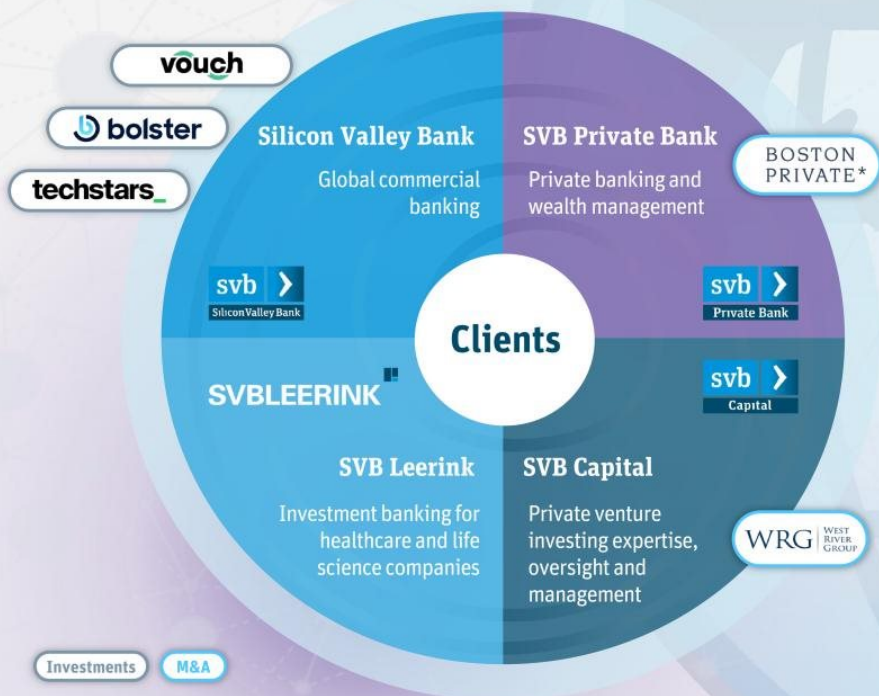


1. Ratios as of March 31, 2021 are preliminary.
2. On February 2, 2021, SVBFG issued \$750M 4.100% Fixed-to-Reset Series B Non-Cumulative Perpetual Preferred Stock and \$500M 1.800% Senior Notes due 2031. On March 25, 2021, SVBFG issued \$1B Common Stock – additional \$150M greenshoe was exercised on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

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



Financial Group



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



* 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



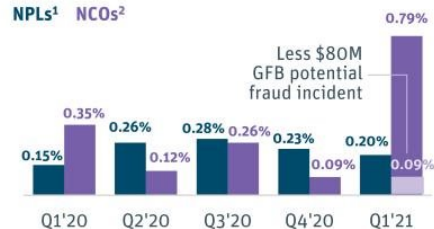
Overall stable credit metrics and improving economic environment

Stable credit metrics

(excluding isolated GFB potential fraud incident)

NON-PERFORMING LOANS & NET CHARGE-OFFS

NPLs¹ NCOs²



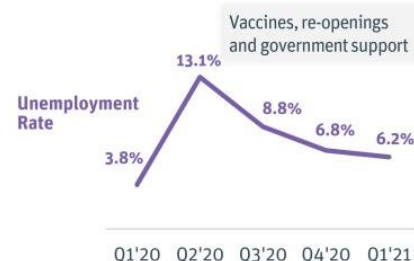
Only 1.3% of loans on deferral

DEFERRAL PROGRAM PARTICIPATION³



Strengthening economy

U.S. UNEMPLOYMENT RATE⁴



Improving economic environment

Monitoring COVID-19 spread

19%
of total assets



Global Fund Banking

- Primarily consists of capital call lines of credit to PE/VC firms (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

Figures as of 3/31/21

1. Non-performing loans as a percentage of period-end total loans.

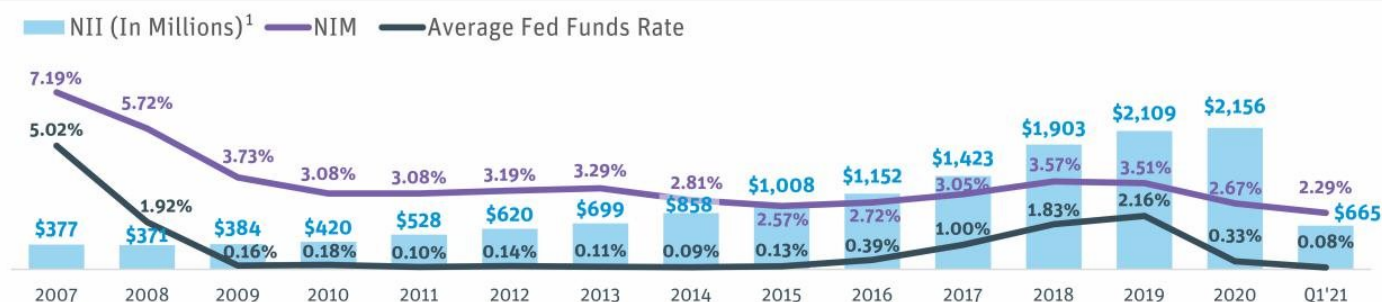
2. Net loan charge-offs as a percentage of average total loans (annualized).

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

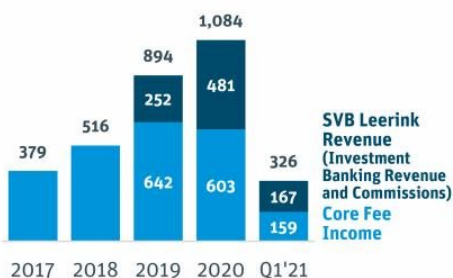
Strong balance sheet growth has historically offset low rates to fuel NII



Business diversification to drive earnings and profitability

CORE FEES AND SVB LEERINK REVENUE²

\$ Millions



WARRANT AND INVESTMENT GAINS NET OF NCI²

\$ Millions

Gains will fluctuate with changes in valuation and market conditions



INTERNATIONAL EXPANSION³

\$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 income²
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 66%

MODELED INCREASE IN ANNUALIZED PRETAX NII FOR EACH 25 BP INCREASE IN RATES¹ OF Q1 AVERAGE DEPOSITS ARE NONINTEREST-BEARING

92% ~\$3.0-3.5B

OF Q1 AVERAGE LOANS ARE VARIABLE RATE ESTIMATED SECURITIES PAYDOWNS/QUARTER

...magnified by robust growth...

Mid **30s%** High **60s%**
 EXPECTED FY'21 AVERAGE LOAN GROWTH² EXPECTED FY'21 AVERAGE DEPOSIT GROWTH²

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

...and substantial off-balance sheet client funds

\$152B ~\$90-120M
 Q1 AVERAGE OBS CLIENT FUNDS 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 \$25B

REMAINING LOCKED-IN SWAP GAINS³

ACTIVE LOAN FLOORS⁴

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

\$3B \$10B
 TRANSFERRED FROM AFS TO HTM 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
- 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
- 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.

Q1 2021 Financial Highlights

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Outlook and performance detail

Improved 2021 outlook

Outlook considerations	Business driver	FY'20 results	FY'21 outlook vs. FY'20
<ul style="list-style-type: none"> Increasing 2021 growth outlook as strong tailwinds continue to support the innovation economy: <ul style="list-style-type: none"> 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 acquisition¹ and potential corporate tax rate or other changes under the new U.S. government administration 	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
- 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
- Deal proceeds support client liquidity
- Impacts investment banking revenue and value of warrants and investment securities

Economic environment



- Affects health of clients which determines credit quality
- 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
- 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

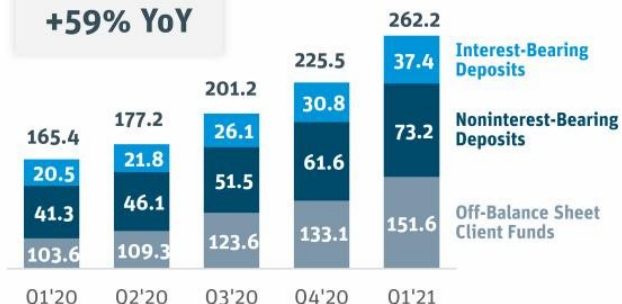
- Demand for off-balance sheet solutions
May attract increasing share of client liquidity off-balance sheet

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

AVERAGE CLIENT FUNDS

\$ Billions

+59% YoY



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 2021¹
- 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 (\$47M²) pressured Q1'21 yields

Q1'21 portfolio duration increased due to impact of rising rates on mortgage securities³



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 4 bps cost of deposits enables healthy margins 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 \$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)



* Actual balances depend on timing of fund flows.

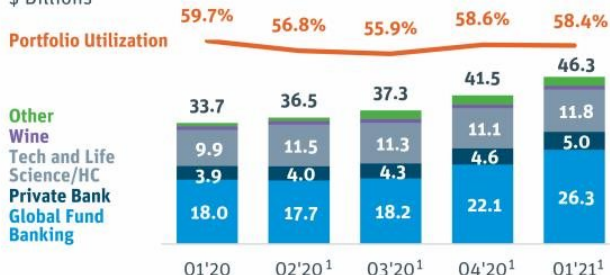
Strong PE investment and borrowing by technology and life science/healthcare clients drove robust loan growth; Expect FY'21 average loan % growth in the mid 30s

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 gains² and \$23.8B average active loan floors in Q1 continued to benefit loan yields

AVERAGE LOANS

\$ Billions



AVERAGE LOAN YIELD³



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 3/31/21²
\$25.4B active loan floors as of 3/31/21⁵, 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 30s¹ and FY'21 NIM between 2.10-2.20%

Q1'21 activity

NET INTEREST INCOME¹

\$ 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 gains²
\$25.4B active loan floors as of 3/31/21³, 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

- 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.
- 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.
- \$216M mark-to-market value. 3.49% weighted average floor rate, 1.6-year weighted average duration.
- 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

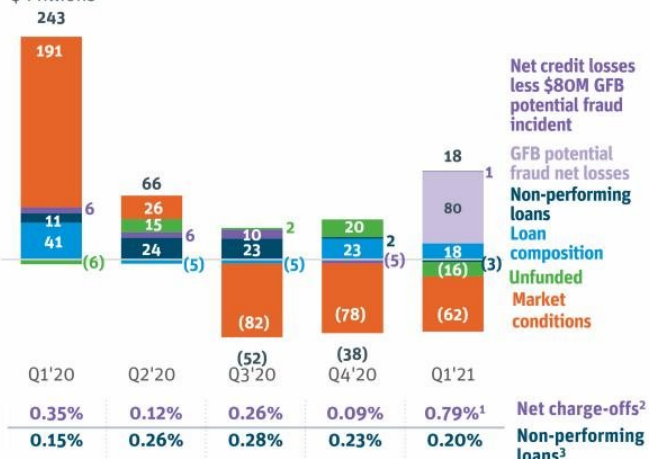
Expect 2021 NCOs to be between 20-40 bps

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%
baseline

30%
downside

30%
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

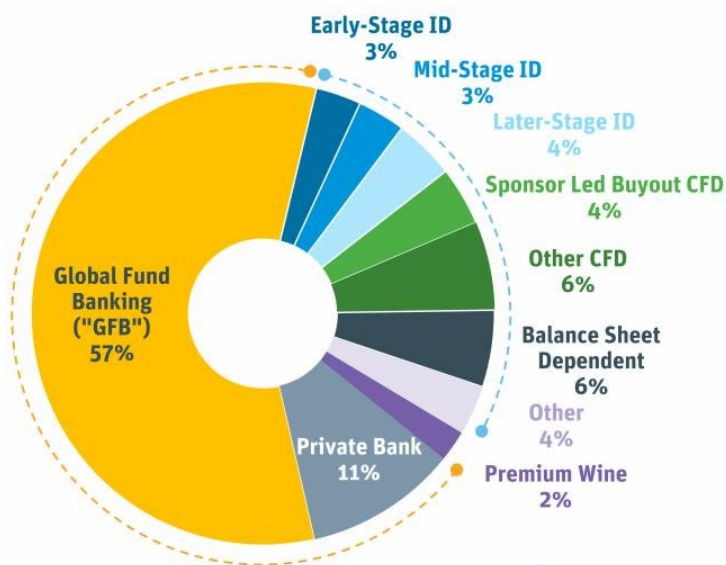
Reinstated or extended lockdowns may lead to higher Tech and Life Science/Healthcare NPLs and losses, particularly among Investor Dependent (primarily Early-Stage and some Mid- or Later-Stage) and Cash Flow Dependent portfolios



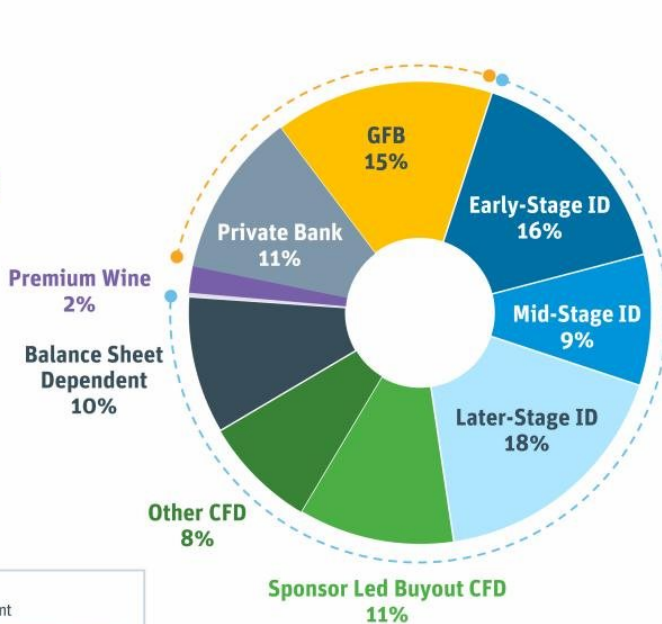
- Net loan charge-offs less \$80M net charge-off related to GFB potential fraud incident were 0.09%.
- Net loan charge-offs as a percentage of average total loans (annualized).
- Non-performing loans as a percentage of period-end total loans.

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



\$ in thousands

Tech & LS / HC

	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.

Q1 2021 Financial Highlights

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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

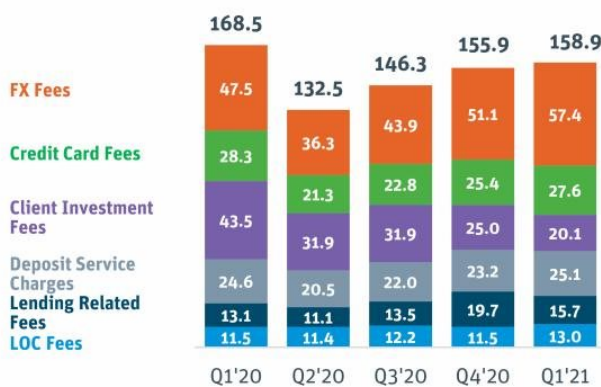
Q1'21 activity

- 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

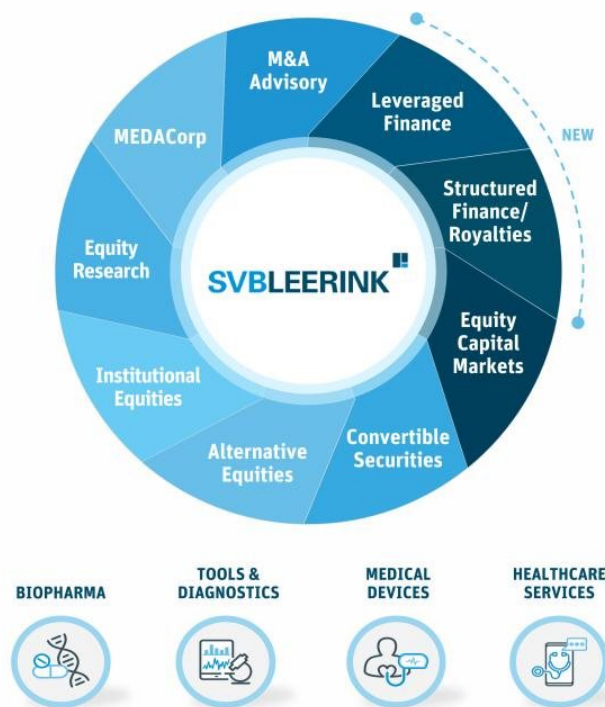


* Non-GAAP financial measure. See "Use of non-GAAP Financial Measures" in our Q1 2021 Earnings Release and our non-GAAP reconciliations at the end of this presentation.

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



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

Commissions

Investment Banking

	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Commissions	62.9	158.4	108.4	150.9	166.7
Investment Banking	16.0	141.5	16.2	133.4	142.3
SVB Leerink expenses*	\$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

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 NCI¹

\$ Millions



WARRANTS & NON-MARKETABLE AND OTHER EQUITY SECURITIES²

\$ 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.

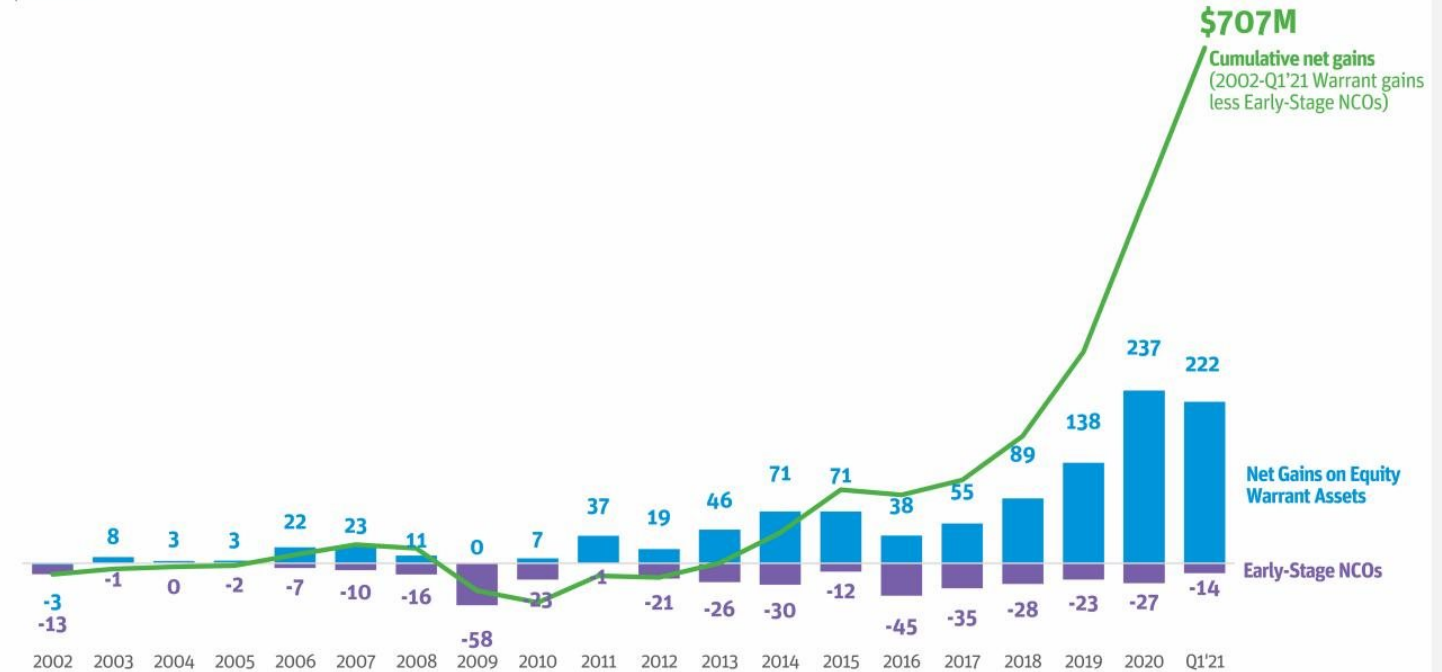
2. Net of investments in qualified affordable housing projects and noncontrolling interests.



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



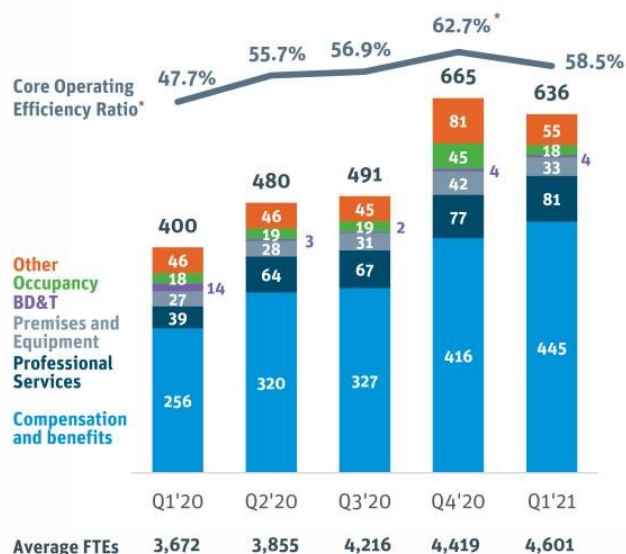
Outstanding performance and SVB Leerink expansion drove Q1'21 expenses higher than guidance; Expect FY'21 expense % growth in the high teens

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

NONINTEREST EXPENSES

\$ Millions



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.



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



Comprehensive solutions



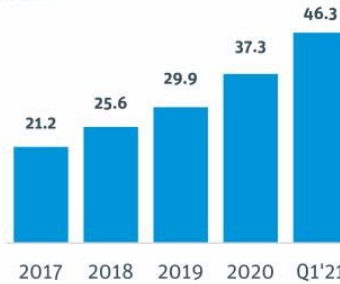
Key performance indicators

ROE and EPS



AVERAGE TOTAL LOANS

\$ Billions



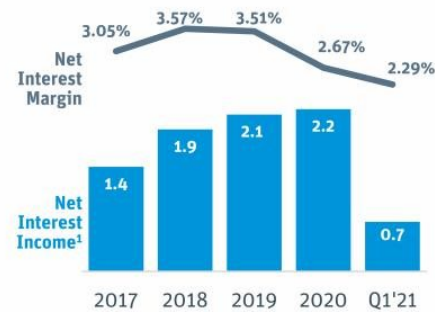
AVERAGE TOTAL CLIENT FUNDS

\$ Billions



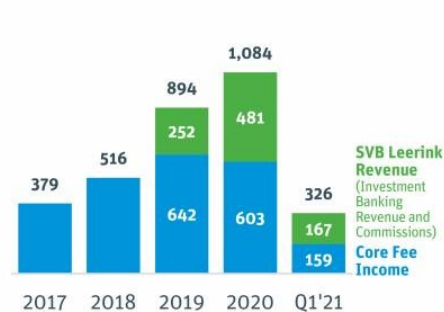
NET INTEREST INCOME AND NIM

\$ Billions



CORE FEES AND SVB LEERINK REVENUE²

\$ Millions



NET CHARGE-OFFS AND NON-PERFORMING LOANS

NPLs³ NCOs⁴



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

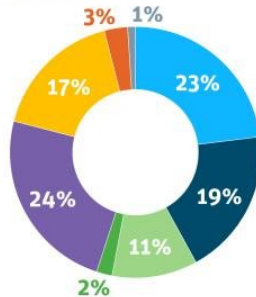
\$151.6B

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



CLIENT NICHE¹:

Early-Stage Technology

Technology

Early-Stage Life Science/Healthcare

Life Science/Healthcare

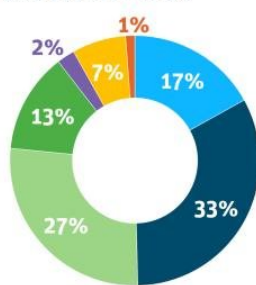
International²

U.S. Global Fund Banking

Private Bank

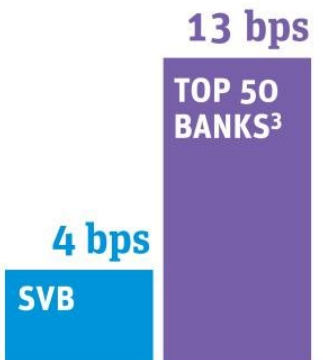
Other

OBS CLIENT FUNDS



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.

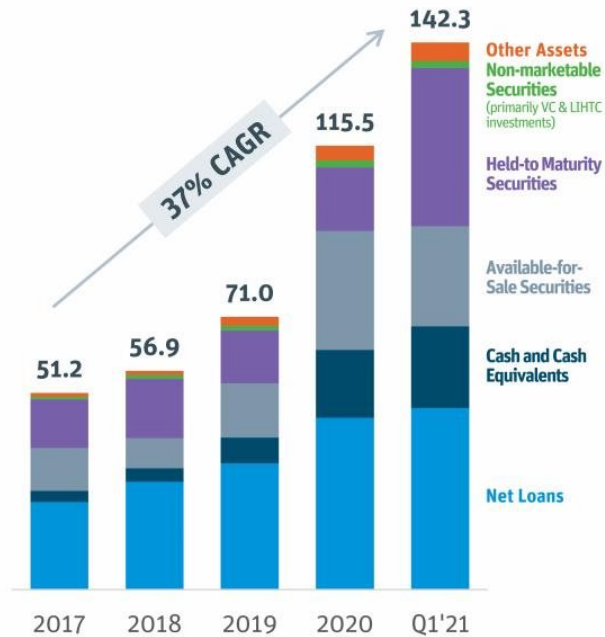
3. Source: S&P Global Market Intelligence average for 24 of the top 50 US banks by asset size as of April 21, 2021.

High-quality balance sheet growth driven by deposits

PERIOD-END ASSETS

\$ Billions

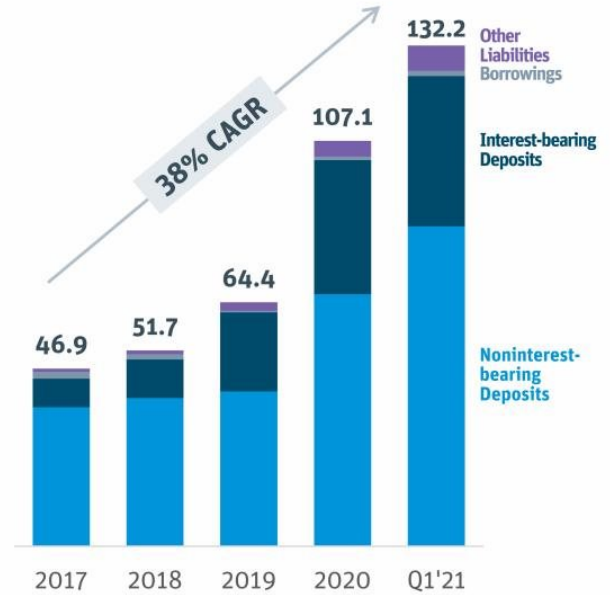
85% of assets in high-quality investments and low credit loss experience lending*



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.

Q1 2021 Financial Highlights

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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)



- 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

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

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



- Municipal bonds and notes
- Agency-issued commercial mortgage-backed securities
- Equity securities*
- Corporate bonds



* 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

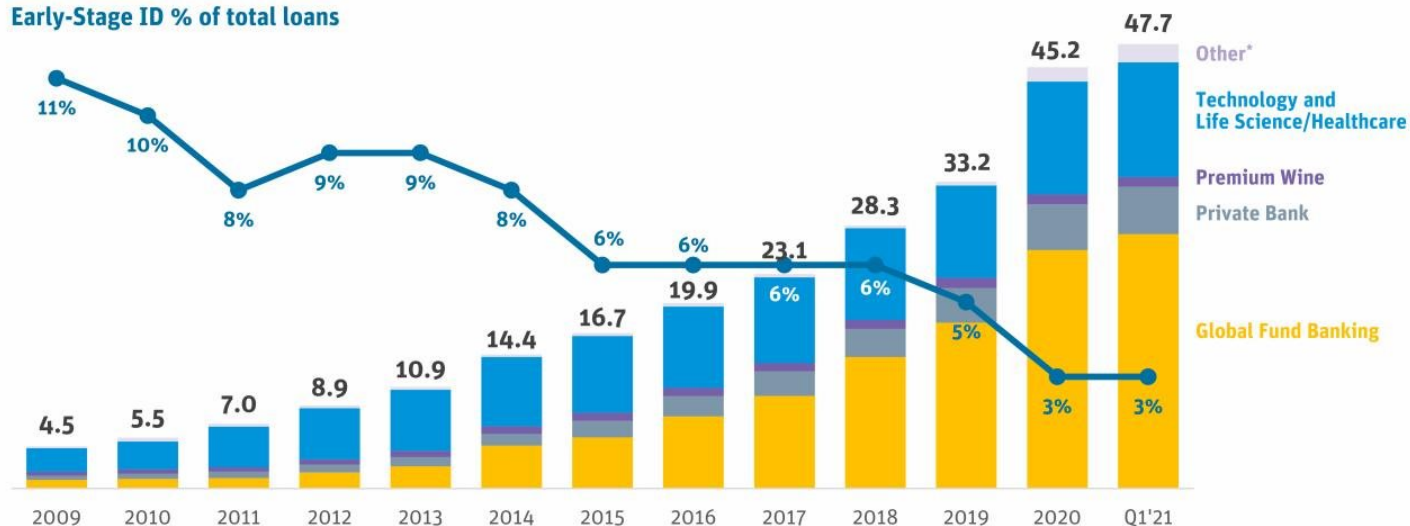
68% of loans in Global Fund Banking and Private Bank, segments with lowest historical credit losses

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

Early-Stage ID % of total loans



* 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

NPLs¹ NCOs²



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

2000
30% Early-Stage
5% GFB + Private Bank

2009
11% Early-Stage
30% GFB + Private Bank

Q1'21
3% Early-Stage
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**

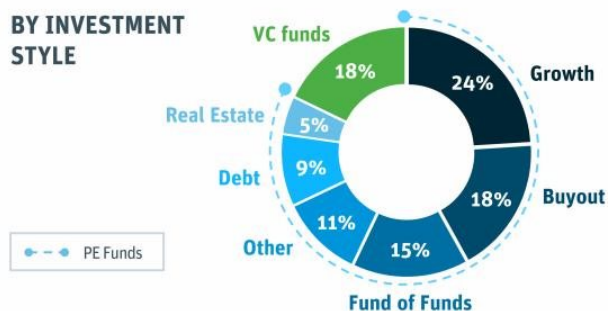


**VALUE OF FUND
INVESTMENTS
with solid
asset coverage**

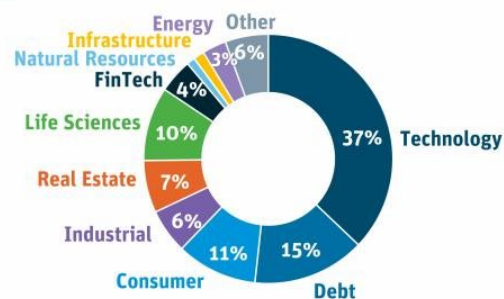
Recent potential fraud loss is an isolated event in our ~30 years of capital call lending

Global Fund Banking portfolio²

BY INVESTMENT STYLE



BY INDUSTRY

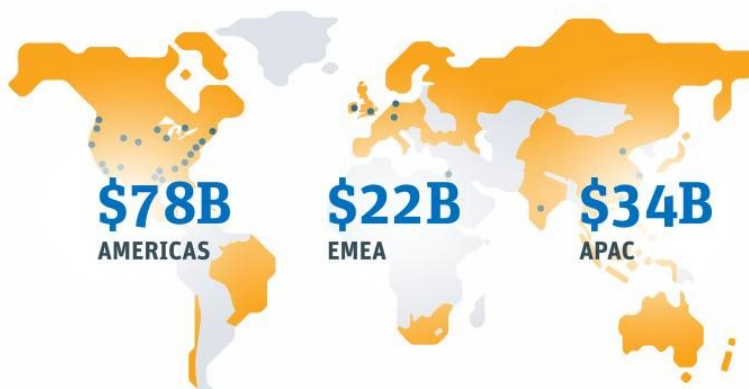


1. Capital call lines represent 97% of GFB portfolio.
2. Based on total GFB loan commitments (funded + unfunded) as of March 31, 2021.

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



* 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 INCOME¹
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

RETURN ON EQUITY



Strong total shareholder return

TOTAL SHAREHOLDER RETURN³ 1/1/16-3/31/21



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



Financial Group



Accelerates growth of private banking and wealth management business

- **Adds immediate scale** to private banking and wealth management business (\$18.7B combined AUM¹)
- **Expands capabilities and capacity** to help deepen client relationships and capture **~\$400B opportunity** among current clients²
- 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 economy²

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**

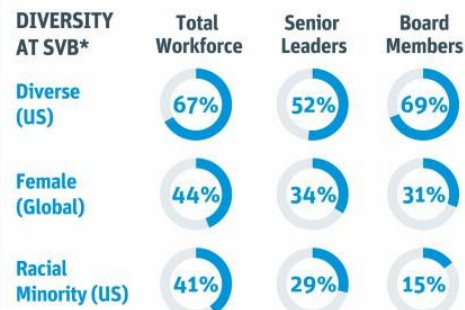
Leadership development

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



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



Non-GAAP reconciliations

Non-GAAP reconciliation

Core Fee Income

Non-GAAP core fee income (dollars in thousands)	Year ended December 31,				Q1'21
	2017	2018	2019	2020	
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,				Q1'21
		2017	2018	2019	2020	
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.

Q1 2021 Financial Highlights

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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.



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