REPORT OF JOINT EXAMINATION

DEPARTMENT OF FINANCIAL
PROTECTION & INNOVATION

CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT

FEDERAL RESERVE BANK OF SAN FRANCISCO

SILICON VALLEY BANK

SANTA CLARA, CALIFORNIA

EXAMINER-IN-CHARGE : Redacted **EXAMINER-IN-CHARGE : Redacted**

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The information contained in this report is based upon the books and records of the bank, upon statements made to the examiner by directors, officers, and employees, and upon information obtained from other sources believed to be reliable and presumed by the examiner to be correct.

It is recommended that each director, in keeping with his or her responsibilities both to depositors and to shareholders, thoroughly review the report. In making this review, it should be noted that an examination is not the same as an audit, and this report should not be considered an audit report.

Bank Number:	1462	**Examination Date:**	November 30, 2020
RSSD Number:	802866	**Financial Statement Date:**	September 30, 2020

CALIFORNIA DEPARTMENT OF
FINANCIAL PROTECTION AND INNOVATION

FEDERAL RESERVE BANK OF
SAN FRANCISCO

DFPI
DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION

2101 ARENA BOULEVARD
SACRAMENTO, CALIFORNIA 95834
(916) 576-4941

101 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94105
(415) 974-2000

FEDERAL RESERVE BANK OF SAN FRANCISCO

May 3, 2021

Board of Directors
Silicon Valley Bank
3005 Tasman Drive
Santa Clara, California 95054

Members of the Board:

Enclosed for your review is the Report of Examination (Report) for the safety and soundness roll-up examination of Silicon Valley Bank (SVB or Bank) that commenced on November 30, 2020. The examination was conducted jointly by examiners from the California Department of Financial Protection and Innovation (CDFPI) and Federal Reserve Bank of San Francisco (FRBSF). The primary objective of the exam was to assign ratings based on the Uniform Financial Institutions Rating System (UFIRS). Unless otherwise noted, financial information and loan data discussed in the Report are as of September 30, 2020. In addition to discussing findings from the roll-up examination, this Report summarizes conclusions drawn from our 2020 supervisory activities and leverages offsite continuous monitoring work performed during the year. Examination results were discussed with executive management on February 4, 2021.

Summary of Examination Findings

The overall condition of SVB remains satisfactory. The Directors and executive management provide appropriate oversight over most risks, but increased oversight is needed to create an appropriate internal control environment and mitigate Information Technology (IT) risks. The February 11, 2021 letter communicated multiple IT weaknesses that must be urgently prioritized. Management is effective as evidenced by the Bank's overall satisfactory condition and by improving the Bank Secrecy Act/Anti-Money Laundering and Office of Foreign Assets Control compliance programs to adequate. As such, the Memorandum of Understanding dated January 30, 2017 was terminated in our letter dated December 1, 2020. Asset quality is satisfactory with credit risk remaining stable; however, the transferring of internal controls from the second to the first line of defense (LOD) Loan Administration department has not been completed. Additionally, to help identify, monitor, and mitigate credit risk, the third LOD Internal Credit Review department needs to strengthen the structure and formality guiding how they operate. Earnings are satisfactory to fund operations, fund loan losses, and accrete capital at a moderate pace. The Bank's capital levels are appropriate relative to the institution's overall risk profile, but a very high pace of growth has caused capital ratios to decrease and required parent company support. Management has appropriately monitored the Bank's capital position and responded appropriately with proper planning and execution. Sensitivity to market risk is adequately monitored and controlled. Liquidity remains strong with high levels of on and off-balance sheet sources of funds and adequate funds management practices.

Action Requested

After your review of the enclosed Report, and within 30 days of its receipt, please submit a written response to the CDFPI and FRBSF that includes management's plans and/or actions to address the two new Matters Requiring Attention listed on the *Matters Requiring Board Attention* page.

Upon completion of your review, each Director should sign the enclosed *Signatures of Directors/Trustees* page and retain the page with the Report in the Bank's corporate records. The Board's review of the Report shall be documented in Board minutes.

Confidentiality Notice

This copy of the Report is the property of the CDFPI and FRBSF and is furnished to the institution for its confidential use. The *Examination Conclusions and Comments* page discloses the institutions UFIRS ratings.[1] These ratings are for your confidential use only. Neither the institution, nor any of its directors, officers, or employees may disclose or make public in any manner these ratings or any other portion of this Report under any circumstances. Please refer to California Financial Code Section 452 and the regulations of the Board of Governors (12 C.F.R. Section 261.20) for additional information on confidentiality restrictions. If ay subpoena or legal process calling for production of this Report is received, both agencies must be notified immediately.

CDFPI Post-Examination Survey

A CDFPI Post-Examination Survey will be emailed separately to CEO Becker to provide feedback to the CDFPI about the examination process. We appreciate your time and attention in completing the survey and look forward to your comments.

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[1] Any institution about which the Federal Reserve makes a written material supervisory determination is eligible to utilize the appeals process as described in Internal Appeals Process for Material Supervisory Determinations and Policy Statement Regarding the Ombudsman for the Federal Reserve System, 85 Fed. Reg. 15175 (March 17, 2020). An appeal under this process may be made of any written material supervisory determination, as defined in the policy statement.

The Board's Ombudsman (Ombudsman) can provide assistance regarding questions related to the System's material supervisory determination appeals process and claims of retaliation. The Ombudsman can also provide assistance to facilitate the informal resolution of concerns prior to the filing of a formal appeal. An institution may contact the Ombudsman at any time by calling 1-800-337-0429, by sending a facsimile to 202-530-6208, by writing to the Office of the Ombudsman, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or by sending an e-mail to ombudsman@frb.gov.

Questions regarding this Report or our supervisory process should be directed to CDFPI Redacted at Redacted and FRBSF Redacted Redacted at Redacted.

Sincerely,

Redacted
Redacted
Department of Financial Protection and Innovation

By: Redacted
Redacted
Redacted

Redacted

Redacted
Redacted
Federal Reserve Bank of San Francisco

Enclosure:
Joint Report of Examination

cc: Federal Deposit Insurance Corporation
Consumer Financial Protection Bureau

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All dollar amounts are reported in thousands, unless otherwise indicated.

OVERALL CONDITION

The overall condition of Silicon Valley Bank (SVB or Bank) remains satisfactory. Management continues to effectively oversee financial risks including during the pandemic and a period of accelerated asset growth. The Bank Secrecy Act/Anti-Money Laundering (BSA/AML) and Office of Foreign Assets Control (OFAC) compliance programs have been restored to a satisfactory condition, and the Memorandum of Understanding (MOU) was terminated. Nonetheless, certain aspects of other non-financial risk management functions are lagging including SVB's control environment and information technology (IT) function. Management's development and implementation of a three lines of defense (LOD) operating model adopted in 2018 has been slow and needs improvement. IT was downgraded to less-than-satisfactory during the 2020 examination cycle, and issues in credit risk management have also surfaced.

The institution's overall financial condition and financial risk management practices remain satisfactory. Board of Director (Board) and management oversight is generally satisfactory. Capital levels and planning are adequate relative SVB's risk profile including rapid asset growth over the prior year. Asset quality is satisfactory and continues to exhibit stability despite the COVID-19 pandemic. Examiners note little fluctuation occurring in the volume of classified assets, net losses, and nonperforming assets. Earnings are at a satisfactory level, although are unable to accrete capital at a pace equal to asset growth. Liquidity is strong with sufficient sources of liquid assets capable of absorbing fluctuations in funding needs. Sensitivity to market risk and practices to measure and control market risk are satisfactory.

Listed below are two new Matters Requiring Board Attention (MRBA) and a summary of all open and recently closed Matters Requiring Immediate Attention (MRIA) and Matters Requiring Attention (MRA). The Board and management are expected to address MRIAs immediately and MRAs over the normal course of business.

NEW MATTERS REQUIRING ATTENTION

Ownership of LOD Lending Controls

Issue: In July 2019, SVB's Board Credit Committee (BCC) approved the bifurcation of the credit function into two separate segments - loan administration and credit administration. The change became effective in 2020 with both segments initially reporting to Chief Risk Officer (CRO) Laura Izurieta. In February 2021, loan administration moved into the First LOD (FLOD) under the purview of President Michael Descheneaux. While sufficient focus was applied to the separation of lending approval roles, other activities such as documenting credit related controls to reflect existing procedures was not performed nor were appropriate lines-of-ownership over the controls identification, testing, and monitoring (CITM) program established.

Despite internal frameworks being established by Business Risk Officers and Enterprise Risk Management, the FLOD and Second LOD (SLOD) credit functions were unaware of such frameworks and did not have transition or implementation plans to ensure that credit related controls were documented in accordance with LOD standards.

Required Action: Management is required to complete the following:

- FLOD and SLOD credit functions shall develop and implement an appropriate plan that includes clearly defined roles and responsibilities, timelines to ensure effective separation of duties, and implementation of the CITM program
- SLOD shall provide effective oversight over implementation of the FLOD CITM program
- SLOD shall provide relevant training and guidance to the FLOD

- SLOD shall perform periodic oversight validation monitoring (OVM) reviews
- Should any credit control activities remain in the SLOD, ensure that effective challenge including but not limited to the CITM and OVM occurs and that reviews are performed by an independent function.

Management Response: ***President Descheneaux and CRO Izurieta understand the required actions and have committed to remediate by 03/31/2022.***

Formalization and Maturity of Internal Credit Review (ICR)

Issue: While the current ICR function is independent and generally effective, the unit's maturation has not kept pace with the Bank's size, complexity, and risk management framework. The BCC and management should take the following actions to ensure ICR's effectiveness is consistent with safe and sound credit risk practices.

Required Action: Management is required to address the following:

- Develops an independent credit risk assessment that can inform the loan review planning process
- Develops a formal process to assess staffing needs and expertise
- Develops guidance for assessing compliance with policy and underwriting performance that includes benchmarks
- Develops policy/procedure guidance for the issues tracking process
- Defines applicable time frames regarding completion of activities to hold staff accountable
- Develops a continuous monitoring process
- Develops efficient ICR management information systems (MIS) capabilities to report credit risk comparative trends that includes the adequacy of and adherence to internal policies and procedures
- Requires ICR to formally respond to consultant recommendations
- The Board, or its delegated committee, should develop a work plan that includes appropriate action steps, time frames, and accountability standards to address each of the issues mentioned above

Management Response: ***Chief Auditor John Peters understands the weaknesses and required actions. Mr. Peters committed to finalize an action plan to address this MRA and have all action plan steps completed by 12/31/2021.***

SUMMARY OF OUTSTANDING FINDINGS			
MRA/MRIA	**Date**	**Issue**	**Comments/Status**
MRIA	12/12/2016	Internal Controls: Customer Due Diligence and Suspicious Activity Monitoring	**Closed** in 12/01/2020 Supervisory Letter (SL)
MRA	05/24/2018	Disaster Recovery Testing	**Closed** in 06/03/2020 SL
MRA	03/06/2019	Model Risk Management	**Closed** at Roll Up
MRA	06/05/2019	Information Systems/ Cybersecurity Risk Reporting Metrics	Remains Open. Refer to 02/11/2021 IT SL
MRA	06/05/2019	Firewall Management	Remains Open. Refer to 02/11/2021 IT SL
MRA	06/05/2019	Systems/Technology Second Line of Defense	Remains Open. Refer to 02/11/2021 IT SL
MRA	06/03/2020	Audit Committee MIS	**Closed** in 02/11/2021 SL
MRIA	06/03/2020	Vulnerability Remediation	Remains Open. Refer to 02/11/2021 IT SL

MRA	06/03/2020	Risk Governance - Disaster Recovery	Remains Open. Refer to 02/11/2021 IT SL
MRA	06/03/2020	Risk Definition / Taxonomy	Remains Open. Refer to 02/11/2021 IT SL
MRA	06/03/2020	Identity Access Management	Remains Open. Refer to 02/11/2021 IT SL
MRIA	02/11/2021	Technology Risk Management	New. Refer to 02/11/2021 IT SL
MRIA	02/11/2021	IT Asset Management	New. Refer to 02/11/2021 IT SL
MRIA	02/11/2021	Vendor Management	New. Refer to 02/11/2021 IT SL
MRA	02/11/2021	Data Protection	New. Refer to 02/11/2021 IT SL
MRA	02/11/2021	Data Governance	New. Refer to 02/11/2021 IT SL
MRA	Date of this Report	Formalization and Maturity of Internal Loan Review	See above
MRA	Date of this Report	Ownership of LOD Lending Controls	See above

Uniform Financial Institutions Rating System

	Current Exam	Prior Exam	Prior Exam
Examination Start Date	11/30/2020 / J	11/29/2019	10/01/2018
Examination As Of Date	09/30/2020 / J	09/30/2019	09/30/2018
Composite Rating	**2**	**2**	**2**
Component Ratings:			
Capital	**2**	**2**	**2**
Asset Quality	**2**	**2**	**2**
Management	**2**	**2**	**2**
Earnings	**2**	**2**	**2**
Liquidity	**1**	**1**	**1**
Sensitivity to Market Risk	**2**	**2**	**2**
Compliance [1]	**2**		
Community Reinvestment Act [2]	**S**		

[1] Examination dated October 22, 2018

[2] Examination dated October 22, 2018

SCOPE

This Report of Examination (Report) presents the findings and conclusions of a roll-up safety and soundness examination of SVB. The examination was conducted jointly by examiners from the California Department of Financial Protection and Innovation (CDFPI) and the Federal Reserve Bank of San Francisco (FRBSF) utilizing financial and loan data as of 09/30/2020, unless otherwise noted. The examination began on 11/30/2020, concluded on 12/17/2020, and an exit meeting was held with management on 02/04/2021. The examination scope included a risk-focused assessment of capital adequacy, asset quality, earnings, liquidity, and sensitivity to market risk. Examiners also evaluated Board and management effectiveness as well as general risk management practices including response to risks introduced by the pandemic. Corrective actions taken to address prior examination findings were reviewed for their status and adequacy. Finally, the conclusions communicated in this Report consolidate the conclusions of other supervisory work throughout the 2020 examination cycle, including continuous monitoring and the following target examinations:

Supervisory Event*	Rating	Start Date	SL Issue Date
IT target	IT Audit was rated '2' Satisfactory, no other components were rated	02/18/2020	06/03/2020
BSA/AML/OFAC full-scope examination	Adequate	09/28/2020	12/01/2020
IT full-scope examination	2-3-2-3/3	11/30/2020	02/11/2021

*No Consumer Compliance or Community Reinvestment Act examinations were conducted during 2019 or 2020.

CDFPI and FRBSF paused SVB examination activities in March 2020 due to the pandemic. Subsequent to completing the February 2020 IT target examination, regulatory focus was placed on continuous monitoring to observe SVB's response to emerging risks. Monitoring consisted of meetings with executive management to discuss emerging risks and responses, review of Board committee packages, and review of management action plans to outstanding MRBAs. Canceled examination events included a limited-scope BSA/AML and OFAC target, two asset quality and credit risk management targets, a non-examination international discovery event, and a Silicon Valley Bank Financial Group (SVBFG) non-bank activities target. Given ongoing supervisory concerns in IT and BSA/AML/OFAC, reviews of these areas were performed in 2020 after the examination pause was lifted.

MANAGEMENT - 2

Management and Board oversight remain satisfactory, though improvements are necessary to better manage IT risks and bring the LOD risk management framework to a state of maturity appropriate for SVB's size, complexity, and risk profile. While financial risks are effectively controlled and include appropriate responses to the pandemic, the volume and significance of IT risks is high. Prior IT related weaknesses identified in 2019 and early 2020 have not been fully corrected, and new issues identified during the November 2020 IT examination have resulted in a downgrade to the IT composite rating to less-than-satisfactory. To bring residual operational risk to an acceptable level, an effective control process is needed to properly identify risks and controls, assess control effectiveness through testing, and report results throughout the organization to appropriate stakeholders. Though the lending approval process and credit quality are satisfactory, two issues were identified during the examination that need to be addressed. A detailed plan transitioning internal credit controls to the FLOD has not been established, and the ICR function has not matured appropriately.

Management has been reactive as opposed to proactive in certain risk identification aspects, but has demonstrated the ability and willingness to address supervisory matters. An independent and effective LOD framework is fundamental to the Board and management's ability to plan for and respond to risks arising from changing business conditions, new activities, accelerated growth, and increasing complexity. The Bank's LOD framework remains a work in progress, and the need to improve the controls environment is foundational to sustainably remediating IT concerns. Specifically, weaknesses in the FLOD's ability to successfully implement the CITM program, and the SLOD's ability to oversee and monitor the FLOD's control effectiveness must be improved. From a financial risk standpoint, management appropriately increased the frequency of monitoring and reporting during the pandemic and took proactive steps to conserve capital and increase liquidity.

ASSET QUALITY - 2

Asset quality remains satisfactory and has been stable during 2020 despite the continuing economic impacts from the pandemic. The volume of adversely classified asset declined slightly year-over-year to 19.15% as retained capital increased faster than classified assets. Similarly, the weighted classification ratio declined by a similar proportion to 4.36%. The volume of non-accrual loans and net credit losses remain low and manageable. Loan grading remains accurate with no regulatory downgrades made by examiners during the year, although the sample size was only 0.87% of total commitments.

Management implemented three broad payment deferral programs during 2020 in response to the pandemic with most borrowers subsequently returning to normally scheduled payment terms. The small number of borrowers granted second deferrals reflect standard underwriting and grading and do not materially deviate from historical workout practices. Borrowers receiving more than one deferral are generally classified Substandard, and workouts are guided by the capable and experienced Advisory Services team.

Risk management practices are being outpaced by the Bank's significant asset growth and require enhancement. The credit management team is experienced and long tenured. Board oversight is appropriate in relation to the current level of risk within the credit portfolios. Management was proactive in the early part of the pandemic by identifying borrowers likely to be severely impacted by shutdowns. Management also prioritized resources towards portfolio monitoring and administration, rather than focusing on new originations. Despite this strategic decision, loans continue to grow at a high pace, albeit in lower risk segments including capital call and single-family residential. While the growth may be in lower risk categories, the volume does challenge management's ability to evolve the Bank's risk management processes including the pace of separating and creating a fully independent SLOD and ICR function.

Independent Risk Management – LOD Framework

The separation of credit risk management into FLOD and SLOD segments has progressed during 2020, but work remains to have a fully independent risk function and self-contained first line. The transition to a delegated approval process has been relatively smooth with loan administration scheduled to transition to FLOD reporting in 2021. Policy and procedure parameters defining approval escalation to the SLOD appears appropriate and will be refined as knowledge is gained. However, SLOD monitoring of FLOD approvals is early in the maturity process and lacks a formalized reporting process. While management's initial focus has appropriately been on identifying errors or weaknesses and providing feedback in individual loan approvals, development of an effective SLOD is paramount for the independent reporting to the Board and senior management of the credit risk function's monitoring efforts.

The FLOD's development of a CITM process including the transition and ownership of controls has been slow to develop. The full separation of duties between the first line and the risk function is critical to ensuring independence and needs further development as discussed above in the Matters Requiring Board Attention pages of this Report.

Internal Credit Review

The ICR function is independent, and certain aspects of its activities including Board and management oversight are effective. Quarterly reports provided by ICR are sufficiently detailed in discussing results of internal loan reviews. Sarbanes-Oxley internal control activities are reasonable and appropriately formalized in the Bank's credit policy. Despite these conclusions, however, enhancements to ICR have not kept pace with the Bank's rapid loan growth. The lack of formalization of fundamental ICR activities including a comprehensive credit risk assessment, staffing methodology, and examination planning processes are notable concerns given SVB's size, rapid growth, and complexity. Accordingly, the BCC should focus management's attention on addressing ICR weaknesses detailed in the Matters Requiring Board Attention pages of this Report.

Allowance for Credit Losses (ACL)

Management accurately identifies, monitors, and reserves for credit risk. The level of the ACL is appropriate, and the methodology for determining estimates under the Current Expected Credit Loss (CECL) methodology is acceptable. Qualitative factor adjustment (QFA) considerations are well-documented and reasonably supported. Ongoing validation of the CECL methodology has been incorporated into the Bank's model risk management plan. The ACL totals $512.9 million, or 1.34% of loans held for investment, as of the exam, and is directionally consistent with key credit risk trends including levels of adversely classified, non-accrual, and past due loans. Specific reserves of $64.5 million are held in the ACL for individually assessed loans totaling $122.4 million.

The CECL transition resulted in a material ACL increase upon implementation, primarily because of volatile economic forecasts associated with the pandemic. Management provided documentation and reasonable support for QFA and model overlays to adjust for non-intuitive modeled loss rates.

CAPITAL - 2

Capital remains satisfactory relative SVB's risk profile and current economic conditions. Management appropriately assessed and responded to capital risks arising from the pandemic by enhancing monitoring and reporting and suspending bank-to-parent dividends. Nonetheless, capital ratios continue to decline as asset growth of 41.94% outpaced capital accretion of 24.10%. As a result, the Bank's ratio of tangible shareholders' equity to tangible assets declined from 7.32% at the prior exam to 6.41%, currently, while the Tier 1 Leverage (Leverage) ratio declined from 7.48% to 6.44% over the same period. Risk-based capital ratios also declined and remain well-below peer levels. Nonetheless, capital is adequate relative the Bank's risk profile which includes a balance sheet mix with 55.80% of total assets invested in interest-bearing bank balances (IBBB) and securities. It should be noted the Leverage ratio fell below the Board's approved risk limit of 6.50% beginning in the second quarter of 2020. While the breach was appropriately reported to the Asset Liability Management Committee (ALCO) and Finance Committee with reasonable action plans, operating below internal limits for a prolonged period is considered inappropriate.

Capital planning and risk management practices are adequate. Planning and stress testing are completed annually and are appropriately aligned with the budgeting process. Stress testing scenarios are reasonable, and current modeling suggests capital ratios will remain above regulatory thresholds for well-capitalized. Further, the ALCO and Finance Committee have been meeting frequently to determine appropriate capital actions. Management is projecting further asset growth and ratio declines going forward and is committed to raising additional capital through 2021 as needed. Budgeting forecasts a Leverage ratio of 7.00% for year-end 2021.

By indefinitely suspended its common stock share repurchase program at the onset of the pandemic and down streaming $1.45 billion through January 2021, the Bank's parent company has provided financial support to SVB.

EARNINGS - 2

Although earnings remain satisfactory and sufficient under normalized economic and growth conditions to fund operations and accrete capital, current levels are unable to fully keep pace with the Bank's accelerated growth. For the nine months ended 09/30/2020, net income was $583.1 million, or a return on average assets (ROAA) of 1.00 percent, which is down from 1.75% one year prior.

Management appropriately responded to the pandemic, and profitability risk is manageable. Earnings were adversely impacted by multiple factors brought on by the pandemic including a low interest rate environment and composition of growth into assets of lower risk and yield which caused compression in the Bank's net interest margin (NIM). Also, the CECL methodology adoption and economic uncertainty caused by the pandemic resulted in higher reserve requirements.

Budgeting practices and strategic planning, including financial management information systems, are adequate and appropriately provide the Board and management with necessary information to make informed decisions. Management has engaged **Redacted** to help perform an investment portfolio review and provide recommendations to alleviate NIM compression and deploy cash. Budget assumptions are reasonable and project net income for 2021 of $827.0 million, an ROAA of 0.75 percent, and NIM of 2.36 percent.

LIQUIDITY - 1

Liquidity levels and funds management practices remain strong. On-balance sheet liquidity is more than sufficient to meet current and prospective operational funding needs. Liquid assets are ample at 51.40% of total assets, as levels notably increased since the prior examination due to deposit growth. Deposit growth of $25.8 billion was deployed into IBBB and investment securities that grew year-over-year by $8.5 billion and $11.7 billion, respectively, while net loans and leases grew by a less significant $7.2 billion. Management responded swiftly to pandemic liquidity risk by monitoring fund flows and the level of IBBB. Secondary sources of funding are diverse and provide sufficient capacity with $9.7 billion in excess secured borrowing capacity. Reliance on noncore funding sources is immaterial.

Risk management practices and Board oversight remain appropriate. Policies, procedures, and limits are routinely reviewed and updated. The Liquidity Contingency Funding Plan is sound and provides for appropriate management of liquidity stress events, along with early warning indicators tracked and monitored to define liquidity events. Liquidity stress testing includes appropriate scenario analysis. While the institution has ample liquidity over stressed periods, liquidity stress test time horizons do not currently provide short term insight into the interim of one to 30 days. Management is encouraged to reassess the Bank's measurement needs, particularly as record levels of IBBB are potentially deployed into the investment or loan portfolio.

SENSITIVITY TO MARKET RISK - 2

Sensitivity to market risk remains satisfactory and adequately controlled. The balance sheet is asset sensitive, driven by the variable rate loan portfolio and significant volume of short-term liquid assets. Management exited and realized a substantial gain on a notional $5.0 billion of pay floating and received fixed interest rate swaps at the end of March 2020 when market rates were very low. Derivative activities increased since the prior examination and mainly consist of foreign exchange client contracts. Exposure to falling rates is nominal in the current interest rate environment; however, pricing risk in a rising rate environment is moderate and increasing given changes in deposit model assumptions, growth in the deposit base, and growth in the size and duration of the investment portfolio.

Risk management practices over the market risk function are acceptable. Board and senior management oversight are adequate and includes sufficiently detailed MIS that is accurate and timely. Internal controls are adequate, and the SLOD provides independent risk oversight and monitoring. As of 09/30/2020, the **Redacted** asset liability management model reports earnings would benefit in a rising rate environment as net interest income is expected to increase in upward 100 and 200 basis point instantaneous rate shocks. Conversely, economic value of equity (EVE) decreases in the same rate shock scenario, and the exposure now exceeds the outer policy limit. Although management appropriately reported the EVE breach to the ALCO where it is actively being monitored, management is encouraged to formalize the process of monitoring, tracking, and escalating action plans.

OTHER MATTERS

Information Technology - 3

SVB's overall IT function is less-than-satisfactory. Given the high volume of supervisory concerns noted at the 11/30/2020 full scope IT examination, SVB's Uniform Rating System for Information Technology (URSIT) composite rating and component rating for Support and Delivery were both downgraded to less-than-satisfactory while the Management component was downgraded at the 2019 full scope review. Several new and outstanding MRIAs and MRAs spanning cybersecurity, asset management, identity access management, data protection and governance, vendor management, and SLOD technology risk need to be addressed to improve the IT function and decrease operational risk to an acceptable level. Conclusions from the 2020 examination were communicated via a SL dated 02/11/2021.

Bank Secrecy Act/ Anti-Money Laundering and Office of Foreign Assets Control - Adequate

The MOU entered into by SVB, FRBSF, and CDFPI on 01/30/2017 to address deficiencies in the BSA/AML and OFAC program was officially terminated in a SL transmitted on 12/01/2020. The letter communicated that overall compliance with BSA/AML and OFAC programs had returned to a satisfactory condition based on the results from the 09/28/2020 examination. After several years of rebuilding an inadequate program, risks are now adequately identified, monitored, and mitigated. Refer to the SL for additional details.

EXIT MEETING WITH MANAGEMENT

An exit meeting was held on 02/04/2021. Attending on behalf of Bank management were Chief Executive Officer (CEO) Greg Becker, Chief Operating Officer (COO) Phil Cox, Chief Financial Officer Dan Beck, CRO Izurieta, Chief Credit Officer Marc Cadieux, Chief Auditor Peters, and Head of Regulatory Affairs Ben Jones. Representing the CDFPI were Examiner-in-Charge (EIC) **Redacted** and **Redacted** Representing the FRBSF were EIC **Redacted** **Redacted** **Redacted** **Redacted** , and **Redacted** .

Examiners communicated findings, conclusions, and ratings. Management was receptive to examiner comments, and CEO Becker committed to addressing IT weaknesses, fully implementing the LOD framework, and creating an enterprise-wide internal controls process in the FLOD and SLOD suitable for SVB's size and complexity.

DIRECTORATE RESPONSIBILITY

Each member of the Board is responsible for thoroughly reviewing this Report. Each Director must sign the Signature of Directors page, which affirms they have reviewed the Report in its entirety.

CDFPI Examiner (Signature) **Redacted**	FRBSF Examiner (Sign **Redacted**
CDFPI Authority (Signature) **Redacted**	FRBSF Authority (Si **Redacted**

ASSET QUALITY		ADVERSELY CLASSIFIED			
		Substandard	Doubtful	Loss	Total
Loans and Leases		803,874	98,472		902,346
Securities					
Other Real Estate Owned		1,179			1,179
Other Assets					
Other Transfer Risk					
Subtotal		805,053	98,472		903,525
Contingent Liabilities		269,209	11,177		280,386
Totals at Exam Date	09/30/2020 / J	1,074,262	109,649		1,183,911
Totals at Prior Exam	09/30/2019	934,211	93,710		1,027,921
Totals at Prior Exam	09/30/2018	979,416	100,892		1,080,308

	Exam Date 09/30/2020 / J	Prior Exam 09/30/2019	Prior Exam 09/30/2018
Total Special Mention	601,438	171,591	185,881
Adversely Classified Items Coverage Ratio	19.15	20.24	23.23
Total Adversely Classified Assets/Total Assets	0.95	1.53	1.62
Past Due and Nonaccrual Loans and Leases/Gross Loans and Leases	0.36	0.51	0.60
Adversely Classified Loans and Leases/Total Loans	2.35	3.31	3.37
ALLL/Total Loans and Leases	1.34	0.98	1.04

CAPITAL	Exam Date 09/30/2020 / J	Prior Exam 09/30/2019	Prior Exam 09/30/2018
Tier 1 Capital/Average Total Assets	6.44	7.48	7.82
Common Equity Tier 1 Capital/Risk-Weighted Assets[(1)]	10.75	11.48	11.98
Tier 1 Capital/Risk-Weighted Assets[(1)]	10.75	11.48	11.98
Total Capital/Risk-Weighted Assets[(1)]	11.75	12.21	12.77
Prompt Corrective Action Capital Category	W	W	W
W - Well capitalized, A - Adequately capitalized, U - Undercapitalized, S - Significantly undercapitalized, C - Critically undercapitalized			

	Period Ended 09/30/2020	Peer 09/30/2020	Period Ended 12/31/2019	Period Ended 12/31/2018
Retained Earnings/Average Total Equity	12.59	1.77	6.29	19.31
Asset Growth Rate	41.94	19.69	24.59	11.41
Cash Dividends/Net Income	8.57	59.74	70.71	15.00

EARNINGS	Period Ended 09/30/2020	Peer 09/30/2020	Period Ended 12/31/2019	Period Ended 12/31/2018
Net Income (After Tax)/Average Assets	1.00	0.78	1.68	1.71
Net Interest Income (TE)/Average Earning Assets	2.79	3.14	3.54	3.61
Total Noninterest Expense/Average Assets	1.82	2.22	2.05	2.04

LIQUIDITY	Period Ended 09/30/2020	Peer 09/30/2020	Period Ended 12/31/2019	Period Ended 12/31/2018
Net Non-Core Funding Dependence	(10.08)	4.58	(2.23)	(0.23)
Net Loans and Leases/Assets	39.81	66.39	46.96	49.98

[(1)] Institutions under the CBLR framework do not calculate Risk-Weighted Assets or Tier 2 Capital. For such institutions, Tier 1 Capital equals Total Capital under Part 324.

ASSETS	09/30/2020	12/31/2019
Total Loans and Leases	38,403,417	33,149,303
Less: Allowance for Credit Losses on Loans and Leases	512,958	304,803
Loans and Leases (net)	37,890,459	32,844,500
Interest-Bearing Balances	14,286,389	5,520,226
Federal Funds Sold and Securities Purchased Under Agreements to Resell	439,516	281,123
Trading Account Assets	220,778	167,341
Securities: Held-to-Maturity (at Amortized Cost)	12,982,223	13,842,946
Available-for-Sale (at Fair Value)	25,823,665	13,909,810
Equity Securities with readily determinable fair values not held for trading		
Total Earning Assets	**91,643,030**	**66,565,946**
Cash and Noninterest-Bearing Balances	633,778	658,563
Premises and Fixed Assets	137,802	143,397
Other Real Estate Owned	1,179	
Direct and indirect investments in real estate ventures		
Intangible Assets		
Other Assets	2,766,581	2,575,023
TOTAL ASSETS	**95,182,370**	**69,942,929**

LIABILITIES		
Deposits	86,264,581	62,943,752
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase		
Other Borrowed Money	156,571	241,010
Other Liabilities	2,656,856	1,724,072
Subordinated Notes and Debentures		
Total Liabilities	**89,078,008**	**64,908,834**

EQUITY CAPITAL		
Perpetual Preferred Stock		
Common Equity Capital	6,104,362	5,034,095
Includes net unrealized holding gains (losses) on available-for-sale securities.		
Other Equity Capital		
Total Bank Equity Capital	**6,104,362**	**5,034,095**
Minority Interest in Consolidated Subsidiaries		
Total Equity Capital	**6,104,362**	**5,034,095**
TOTAL LIABILITIES AND EQUITY CAPITAL	**95,182,370**	**69,942,929**

DERIVATIVES AND OFF-BALANCE SHEET ITEMS		
Unused Commitments	27,266,129	21,873,429
Letters of Credit	3,053,589	2,763,379
Other Off-Balance Sheet Items	1,409,590	954,421
Notional Amount of Derivative Contracts	14,296,930	15,917,465

Footnotes:

Includes assets and off-balance sheet items which are detailed in the following categories:

Substandard Assets - A Substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful Assets - An asset classified Doubtful has all the weaknesses inherent in one classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loss Assets - An asset classified Loss is considered uncollectable and of such little value that continuance as a bankable asset is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be effected in the future.

	CATEGORY		
AMOUNT, DESCRIPTION AND COMMENTS	Substandard	Doubtful	Loss
LOANS			
98,472 DOUBTFUL		98,472	
803,874 SUBSTANDARD Both of the above represent the funded balance of internally classified assets, net of SBA PPP debt. No individual classified asset represents more than 1% of Tier 1 Capital and the ACL.	803,874		
TOTAL ADVERSELY CLASSIFIED LOANS	803,874	98,472	
OTHER REAL ESTATE OWNED			
1,179 OTHER REAL ESTATE OWNED One unit of residential real estate acquired from the Redacted relationship.	1,179		
TOTAL ADVERSELY CLASSIFIED OTHER REAL ESTATE OWNED	1,179		
CONTINGENT LIABILITIES			
21,693 UNFUNDED LETTERS OF CREDIT	20,050	1,643	
258,693 UNFUNDED LOAN COMMITMENTS	249,159	9,534	
TOTAL ADVERSELY CLASSIFIED CONTINGENT LIABILITIES	269,209	11,177	
TOTAL ADVERSELY CLASSIFIED ITEMS	1,074,262	109,649	

Listed below are material direct and indirect asset and funding concentrations, according to the following guidelines: 1) asset concentrations of 25% or more of Total Capital (loan related) or Tier 1 capital (non-loan related) by individual borrower, small interrelated group of individuals, single repayment source or individual project; 2) asset concentrations of 100% or more of Total Capital (loan related) or Tier 1 capital (non-loan related) by industry, product line, type of collateral, or short term obligations of one financial institution or affiliated group; 3) funding concentrations from a single source representing 10% or more of Total Assets; and 4) potentially volatile funding sources that when combined represent 25% or more of Total Assets (these sources may include brokered, large, high-rate, uninsured, Internet-listing-service deposits, Federal funds purchased or other potentially volatile deposits or borrowings.) Any other concentrations may be listed in the 25% category if desired. An appropriate percentage of total assets is used when a bank's capital is so low as to make its use meaningless. U.S. Treasury securities, obligations of U.S. Government agencies and corporations, and any assets collateralized by same are not scheduled.

Description of Underwriting Method in order of Risk based on 09/30/2020 CECL ACL %	Funded Balance at 09/30/2020 in $1,000,000's	% of Total Capital at 09/30/2020	CECL ACL at 09/30/2020
Early-Stage Investor Dependent	$2,369	38.90%	6.97%
Late-Stage Investor Dependent	$2,113	34.70%	4.85%
Mid-Stage Investor Dependent	$1,895	31.10%	3.84%
Cash Flow Dependent: Sponsor Led Buyout	$2,054	33.80%	2.51%
Private Bank	$4,423	72.70%	1.73%
Balance Sheet Dependent	$1,755	28.90%	1.71%
Cash Flow Dependent: Other	$3,032	49.80%	1.55%
Premium Wine	$1,117	18.40%	0.96%
Global Fund Banking (Capital Call Lines of Credit)	$19,598	322.00%	0.20%
Other	$73	1.20%	0.18%
Total Capital $6.086 billion			

Credit concentration risk remains stable. In the last year, loan growth has primarily occurred in capital call lines of credit (CCLOC), residential mortgages in the private bank, and the paycheck protection program. Credit risk in CCLOC lending has been very low with zero net losses in SVB's history. Despite the 1.73% reserve factor for the private bank, that portfolio is also considered low risk, albeit a higher risk than CCLOC, with an insignificant net loss history. Comprehensive policies establish appropriate credit concentration limits across the loan portfolio including the borrower life stage and niche segments and down to individual borrowers. Policies also constrain growth of new lending products until experience demonstrates seasoned performance and acceptable risk metrics. Concentration policies are reviewed annually and align with the Board's risk appetite statement. Board reporting and governance is appropriate with quarterly reporting to the BCC and well-defined planning for threshold breaches. The economic capital model used by management is run monthly to provide additional detail to help explain short term trends and developments.

Comparative Statement of Income

	Period Ended 09/30/2020	Period Ended 12/31/2019	Period Ended 12/31/2018
Interest Income	1,632,231	2,305,949	1,969,360
Interest Expense	54,427	181,263	43,884
Net Interest Income	1,577,804	2,124,686	1,925,476
Noninterest Income	463,266	661,163	541,488
Noninterest Expense	1,059,984	1,266,253	1,111,586
Provision for Credit Losses	247,040	94,062	84,291
Securities Gains (Losses)	61,165	(3,905)	(692)
Net Operating Income (Pre-Tax)	795,211	1,421,629	1,270,395
Applicable Income Taxes	212,066	385,011	336,754
Net Operating Income (After-Tax)	583,145	1,036,618	933,641
Discontinued Operations Net of Applicable Income Taxes			
Net Income (Loss) Attributable to Noncontrolling (Minority) Interests	583,145	1,036,618	933,641
Net Income	583,145	1,036,618	933,641
Other Increases/Decreases	572,092	176,246	(1,369)
Includes changes in the net unrealized holding gains (losses) on Available-For-Sale Securities			
Cash Dividends	50,000	733,000	140,000
Net Change in Equity Accounts	1,105,237	479,864	792,272

Reconcilement of Allowance for Credit Losses on Loans and Leases

	Period Ended 09/30/2020	Period Ended 12/31/2019	Period Ended 12/31/2018
Beginning Balance	304,803	280,903	255,024
Gross Loan and Lease Losses	80,400	92,602	67,917
Recoveries	16,182	21,037	11,443
Provision for Credit Losses on Loans and Leases	246,924	94,062	84,291
Other Increases (Decreases)	25,449	1,403	(1,938)
Ending Balance	512,958	304,803	280,903

Other Component Ratios and Trends

<u>Ratio</u>	Period Ended 09/30/2020	Period Ended 12/31/2019	Period Ended 12/31/2018
Net Interest Income (TE)/Average Earning Assets	2.79	3.54	3.61
Total Noninterest Expense/Average Assets	1.82	2.05	2.04
Net Income/Average Total Equity	13.78	21.47	22.72
Net Losses on Loans and Leases/Average Total Loans and Leases	0.24	0.24	0.22
Earnings Coverage of Net Losses (X)	15.28	21.23	24.00
ACL on Loans and Leases/Total Loans and Leases	1.34	0.92	0.99
Noncurrent Loans and Leases/ACL on Loans and Leases	20.61	33.80	34.21

Footnotes:

Safety & Soundness

Composite 2. Financial institutions in this group are fundamentally sound. For a financial institution to receive this rating, generally no component rating should be more severe than 3. Only moderate weaknesses are present and are well within the board of directors' and management's capabilities and willingness to correct. These financial institutions are stable and are capable of withstanding business fluctuations. These financial institutions are in substantial compliance with laws and regulations. Overall risk management practices are satisfactory relative to the institution's size, complexity, and risk profile. There are no material supervisory concerns and, as a result, the supervisory response is informal and limited.

Compliance

Composite 2. An institution in this category maintains a CMS that is satisfactory at managing consumer compliance risk in the institution's products and services and at substantially limiting violations of law and consumer harm.

Community Reinvestment Act

A CRA rating of **Satisfactory** is assigned. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate income neighborhoods, in a manner consistent with its resources and capabilities.

Refer to *http://www.fdic.gov/regulations/examinations/ratings/index.html* for definitions of all composite ratings.

We the undersigned directors/trustees of Silicon Valley Bank, Santa Clara, California, have personally reviewed the contents of the Report of Examination dated September 30, 2020.

Signatures of Directors/Trustees	Date
Gregory W. Becker	
Eric A. Benhamou	
John S. Clendening	
Richard D. Daniels	
Alison Davis	
Roger F. Dunbar	
Joel P. Friedman	
Jeffrey N. Maggioncalda	
Kay D. Matthews	
Mary J. Miller	
Kate D. Mitchell	
John F. Robinson	
Garen K. Staglin	

NOTE: This form should remain attached to the Report of Examination and be retained in the institution's file for review during subsequent examinations. The signatures of committee members will suffice only if the committee includes outside directors and a resolution has been passed by the full board delegating the review to such committee.

ABBREVIATIONS

The following are the principal abbreviations used in this Report of Examination.

et al	And Others
et ux	And Spouse
a/k/a	Also Known As
AA	Average Assets
AGI	Adjusted Gross Income
AL	Acres of Land
ALLL	Allowance for Loan and Lease Losses
AP	Accounts Payable
APBO	Accounting Principles Board of Opinion
AR	Accounts Receivable
ARM	Adjustable Rate Mortgage
AV	Appraised Value
BHC	Bank Holding Company
BSA	Bank Secrecy Act
BV	Book Value
CA	Current Assets
CD	Certificate of Deposit
CL	Current Liabilities
CLOC	Commercial Letter of Credit
CPA	Certified Public Accountant
CRE	Commercial Real Estate
CT	Certificate of Title
d/b/a	Doing Business As
DPC	Debts Previously Contracted
DT	Deed of Trust
EDP	Electronic Data Processing
End	Endorser or Endorsed
EV	Estimated Value
F&F	Furniture & Fixtures
FA	Fixed Assets
FASB	Financial Accounting Standards Board
FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
FS	Financial Statement
GP	General Partner
GNMA	Government National Mortgage Association
Gty	Guarantor or Guaranteed
Inc	Incorporated
ISF	In-Substance Foreclosure
JM	Joint Maker
JV	Joint Venture
LOC	Line of Credit
LP	Limited Partner
LS	Livestock
M	Thousands
M&E	Machinery & Equipment
MDB	Mortgage Backed Security
Mdse	Merchandise
MM	Millions
MMDA	Money Market Deposit Account
Mtge	Mortgage
MV	Market Value
NI	Net Income
NIM	Net Interest Margin
NOI	Net Operating Income
NOW	Negotiable Order of Withdrawal
NP	Notes Payable
NR	Notes Receivable
NW	Net Worth
OA	Other Assets
OD	Overdraft
OH	Overhead
OL	Other Liabilities
ORE	Other Real Estate
OS	Operating Statement
PL	Prior Lien
PLLL	Provision for Loan and Lease Losses
PORE	Potential Other Real Estate
PPD	Prepaid
PV	Par Value
ROA	Return on Assets
RBC	Risk-Based Capital
REM	Real Estate Mortgage
RSA	Rate-Sensitive Assets
RSL	Rate-Sensitive Liabilities
RE	Real Estate
SA	Security Agreement
SBA	Small Business Administration
SFAS	Statement of Financial Acct. Standards
SFR	Single-Family Residence
SLOC	Standby Letter of Credit
TA	Total Assets
TE	Tax Equivalent Basis
TL	Total Liabilities
UBPR	Uniform Bank Performance Report
UCC	Uniform Commercial Code
VA	Veteran's Readjustment Act
WC	Working Capital

EXAMINATION SCOPE

No significant variances occurred between actual and projected examination hours, scope, or procedures for this roll-up examination. However, the pandemic caused a significant scaling back of planned SVB examination activities at both the FRBSF and CDFPI. After completing the IT examination that began 02/18/2020, the FRB implemented an examination pause in order to risk focus continuous monitoring efforts to institutions experiencing the most significant pandemic caused stresses. The CDFPI took the same approach with SVB. Canceled examination events included a limited-scope BSA/AML and OFAC target scheduled to start 04/20/2020, an Asset Quality/Credit Risk Management target scheduled to start 05/04/2020, a non-examination International Discovery event planned for 06/29/2020, a SVBFG Non-bank Activities target scheduled for 09/21/2020, and a 2nd Credit Risk target planned for 10/05/2020. Because of weaknesses in IT and the MOU that was in place for BSA/AML, two events were prioritized for late in 2020 after the examination pause was lifted, both are noted below.

LOAN PENETRATION

As a result of the exam pause, the loan review scope in 2020 was dramatically scaled back from the original plan which entailed a penetration ratio of 13% split between two examination events. The May target examination was canceled and a limited loan review was performed during this roll up examination. Because the sample was limited, we focused on the Investor Dependent (ID) portfolio. Within the ID portfolio we reviewed 61 relationships totaling $308.4 million of commitments, or 3.45% of the ID portfolio.

Asset Review Date	09/30/2020
Number of Relationships Reviewed	69
Total Size of Commitments Reviewed	$571.0 million; 0.87% of total commitments

IT EXAM SCOPE

Two IT targets took place in the 2020 examination cycle. The first, beginning 02/18/2020, was a targeted scope and only assigned an Audit rating under URSIT. Although no other ratings were assigned, the examination focused on management, cybersecurity, identity and access management, enterprise risk management, business continuity planning, disaster recovery testing, operational controls, and areas identified by SVB IA as needs improvement. The second target examination, beginning 11/30/2020, assigned the remaining URSIT ratings including Acquisition and Development, Support and Delivery, Management, and the composite. Particular focus was placed on technology risk management, data governance, cloud management, cybersecurity, IT asset management, change management, vendor management, operational controls, and areas identified by SVB IA as 'Needs Improvement' or 'Needs Significant Improvement'. All IT related MRAs or MRIAs were followed up on at each target to assess management's progress.

IT RISK

The IT function continues to deteriorate and is now a supervisory concern. Four MRIAs and six MRAs were identified in the 2020 examination cycle. Not only has management been challenged to remediate issues regarding vulnerability management and disaster recovery capability, but new matters regarding IT asset management and data protection aggravate existing concerns and question SVB's cybersecurity preparedness. Since COO Cox was transferred from Head of Europe, Middle East, and Asia (EMEA) effective April 2019, he has hired new a new Chief Information Officer, Chief Technology Officer, and Head of Global Operations. As of now, the technology management leadership is not sufficiently seasoned at SVB to prove their ability to self-identify and remediate weaknesses. That being said, and while the list of IT issues is long and significant, the FRBSF and CDFPI have confidence the new leadership has the skills, knowledge, experience, willingness, and capability to remediate deficiencies. Furthermore, the Board, CEO Becker, and COO Cox have assured us they take the matters seriously and will commit the necessary quantity and quality of human talent, tools, and Board/executive oversight to decrease risk in the IT environment.

BSA/AML/OFAC EXAM SCOPE

Due to the pandemic, our original plan of a limited scope target examination in April 2020 and a target examination in October 2020 was scaled back to only one target exam occurring. The target examination began 09/28/2020. Internal SVB SAR data from the first quarter of 2020 was compared to FinCEN data for the entirety of the first quarter of 2020 and no discrepancies were noted. Preliminary conclusions and feedback were shared in detail with leaders of the Financial Crimes Risk Management organization led by Chief Compliance/BSA Officer Bob Neitz on 10/14/2020. Summary conclusions were shared with CEO Becker, CRO Izurieta, Chief Auditor Peters, and BSA Officer Neitz on 11/05/2020. The examination evaluated actions to remediate an outstanding MRIA and assessed MOU compliance. Also assessed were the overall BSA/AML compliance program, the four statutory BSA pillars, and internal controls to prevent OFAC violations. Lastly, examiners assessed governance and oversight for global operations.

CANNABIS EXAM SCOPE

SVB's board approved a policy to bank indirect cannabis businesses, primarily through venture capital firms holding minority investments in tech and life science companies with a nexus to cannabis. Bank management identified 22 Cannabis Related Business (CRB) accounts as of the prior examination in November 2019. As of the October 2020 BSA examination, over 200 accounts were identified, primarily venture capital and private equity firms holding minority investments in technology and life science companies with a nexus to cannabis. BSA Officer Neitz stated that SVB does not accept Tier 1 CRB clients. Examiners did not perform any transaction testing partly because of limited hours, but also because client information did not raise any red flags indicating the potential of being high-risk Tier 1.

CDFPI - CA COMPLIANCE WORK PROGRAM

No examination procedures were completed pertaining to compliance with State of California laws typically scoped into full-scope examinations for multiple reasons. The pandemic significantly impacted CDFPI staffing/ resource availability for the examination with only an EIC and AM available, and an OM available for limited hours. The previous two CDFPI processed full-scope examinations included scope procedures and zero exceptions noted for the California Unclaimed Property Law, Division 1.4 - Consumer Information Privacy, Division 1.7 - Predatory Lending, and the Local Agency Security Program (public agency deposits). SVB's inherent risk related to each of these laws is considered low given their lack of a consumer banking presence (with the exception of high-net worth clients who SVB provides banking services to due to their nexus to commercial SVB clients), the narrow focus of residential real estate lending SVB provides to a generally high-net worth clientele, and the fact SVB does not accept deposits from state or local municipalities.

OTHER MATTERS

CDFPI DEIC Transition and IT EIC Transition

CDFPI DEIC **Redacted** has been the DEIC since January 2017, and the 2021 examination cycle will be his last. In July 2021, a transition to a new DEIC will begin with duties officially transferred for any examination activities beginning in January 2022. Similarly, CDFPI IT EIC **Redacted** has been in his role since April 2017 and the 11/30/2020 IT examination was his last EIC assignment at SVB in the immediate future. **Redacted** has been named the new DEIC and will also serve as the IT EIC in the short term interim until a full time replacement can be identified.

FRB Transition Into Large Banking Organization (LBO) Portfolio

As SVB/SVBFG's total assets reach a quarterly average of $100 billion, the Bank will transfer into the Federal Reserve System's LBO portfolio. Recent rapid growth caused the company to reach $113.8 billion in total assets as of 12/31/2020. In mid-2021, the four quarter trailing average assets is anticipated to cross $100 billion and soon after will formally enter the FRB's LBO regulatory program and become subject to the Large Financial Institutions (LFI) rating system. Management has been steadily working through 2020 in anticipation of the transition and is holding regular meetings with the FRBSF to discuss key milestones.

Acquisition - Boston Private Bank and Trust (BPBT)

On 01/04/2021, SVBFG announced a definitive merger agreement to acquire Boston Private Financial Holdings, Inc. (BPFH) and their subsidiary, BPBT. Negotiations and due dilligence had been ongoing throughout most of 2020. Pending regulatory approvals, the transaction is anticipated to close in mid-2021. The acquisition of BPFH would accelerate SVB's private bank and wealth management offering, strengthening SVB's overall platform and ability to fully meet the financial needs of its clients. As of 12/31/2020, BPBT had total assets of $10.02 billion, and reported $1.37 billion of fiduciary assets on Call Report Schedule RC-T.

UK Branch Subsidiarization

SVB opened their UK branch in 2012. In November 2019, SVB informed the CDFPI and FRBSF that the UK regulator, the Prudential Regulation Authority (PRA), will be requiring SVB's UK branch to become a wholly owned bank subsidiary of SVB by approximately late 2021. The UK PRA requirement is based on the SVB UK branch passing 100 million pounds of insured deposits. In more recent conversations, SVB's UK leadership has indicated applications will be submitted to FRBSF and DFPI in April 2021, and the planned subsidiary go-live date is 03/31/2022.

EXAMINATION INFORMATION	S&S	IT	TRUST
Examination Entry Date	11/30/2020		
Field Completion Date	12/18/2020		
Exit Meeting Date	02/04/2021		
Submitted for Review Date	03/18/2021		
Quarter-end Call Report Date	09/30/2020	XXXXXXX	
Trial Balance Date	09/30/2020	XXXXXXX	
Entry Date of Last Federal Exam	11/29/2020		
Entry Date of Last DBO Exam	10/01/2018		
Type of Examination (I, C, J)	J		
Processor (DBO, Federal, Other State)	DFPI		
IT Complexity (C,B,A)	XXXXXXX		XXXXXXX
Billable (Yes, No) (S&S FC 501, Trust FC 408)	No		

EXAMINER	ASSIGNMENT	S&S		IT		TRUST	
		Training	Net Hrs.	Training	Net Hrs.	Training	Net Hrs.
Redacted	EIC		400				
Redacted	AM		200				
Redacted	OM		48				
Total Training / Net Hours			648				
Budgeted Hours			720				
Variance			-72				
Federal Hours			1532				

List alphabetically all directors/trustees, senior officers, and principal stockholders. Also indicate their titles. Number of shares owned is not rounded. (J - indicates stock jointly owned; P - indicates preferred stock owned; H - indicates holding company stock owned; C - indicates stock controlled but not owned)

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					

DIRECTORS/TRUSTEES

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
Becker, Gregory W.			1993	Redacted		78,117 (H)	995 1,320(B)

Mr. Gregory W. Becker, (Greg), has been the President of SVBFG and CEO of both SVB and SVBFG since April 2011. Since joining SVBFG in 1993, Greg has served in numerous roles, including: Vice President of the Northern California Technology Division; Managing Director and Investment Manager of various funds domiciled at SVB Capital; Chief Operating Officer of Commercial Banking; and Chief Banking Officer and Head of Commercial Banking for SVB.

Mr. Becker served as President of the Board of Trustees for the Silicon Valley and Monterey Bay Area Chapter of the Leukemia & Lymphoma Society from 2004 to 2011. He is a Board Member of the Silicon Valley Leadership Group and is the Director & Executive Committee for the Bay Area Council. He serves as the Executive Council of TechNet since 2016. He is the Advisory Council Member of Alliance for Southern California Innovation since 2017. He serves on the Board of Advisors of Pacific Community Ventures and San Jose Chapter of the Leukemia & Lymphoma Society. Mr. Becker serves as a Director at Federal Reserve Bank of San Francisco since 2019. Mr. Becker holds a Bachelor's degree in Finance from Indiana University.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
Benhamou, Eric A. Chair & CEO Benhamou Global Ventures LLC (4)(5)(6)			2005	Redacted		4,449 (H)	

Mr. Benhamou is chairman and CEO of Benhamou Global Ventures, LLC (BGV). He has over 40 years of experience in the innovation VC industry, including 16 years of active VC experience. He founded BGV in 2004 and made active investments in early stage information technology Silicon Valley firms focused on global enterprise and telecommunications markets. In fund I, he lead investments in Swan Labs (F5), Dasient (TWTR), Voltaire (MLNX), Finjan (FNJN), Contextream (HPE) and Load Dynamix. Eric currently serves on the boards of Grid Dynamics (GDYN), Virtana, Ayehu, Totango, Secret Double Octopus and 6d bytes, which are portfolio companies of BGV funds.

Eric Benhamou has extensive corporate governance experience, having served on more than 25 corporate boards, including 11 publicly traded companies such as 3Com, Palm, Netscape, Legato Real Networks and Cypress Semiconductors (CY). He continues to serve on the boards of Finjan Holdings (FNJN) and Grid Dynamics (GDYN). Through his career, Eric Benhamou participated in 8 IPO's and 37 M&A's.

Prior to his venture capital career, Eric Benhamou built and operated several IT companies and experienced all the stages of growth from start-up to Global Fortune 500. Principally, he served as CEO of 3Com from 1990 to 2000 and as Chairman until 2010. Revenues grew 25-fold during his tenure. In his last year as CEO, 3Com was ranked 294 in the Global Fortune 500 rankings. He was the first 3Com CEO to formalize a corporate venture investment strategy and started 3Com Ventures, a $250 million corporate venture fund in 1998. He also served as CEO of Palm until 2003, and subsequently as Chairman of the Board. Both 3Com and Palm were sold to HP in 2010. Prior

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					

to 3Com, Eric Benhamou was a founder of Bridge Communications, an early networking pioneer which he helped take public on NASDAQ in 1985. He started his career as a software engineer at Zilog in 1977.

Eric Benhamou has been teaching entrepreneurship in various business schools around the world for the past 10 years, principally at INSEAD, Stanford and IDC's Herzliya's Arison School of Business, where he was a visiting professor. He also served on the Advisory Board of Stanford's school of Engineering and the Board of Governors of Ben Gurion University of the Negev in Israel. He is also active in several non-profit organizations, chairs the Israel Venture Network and the American Friends of Arts et Métiers.

Eric Benhamou has an MS from Stanford University's School of Engineering, a Diplôme d'Ingénieur and a Doctorate from Ecole Nationale Supérieure d'Arts et Métiers, Paris. He also holds several honorary doctorates and international awards.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Clendening, John S. (2)(3)			2017	Redacted		1,729 (H)	

Mr. John S. Clendening serves as the Chief Executive Officer of TaxACT, Inc. Mr. Clendening served as a director and CEO of Blucora, Inc. from April 2016 until January 2020. He served in numerous roles for The Charles Schwab Corporation from 2004 to 2014. He served as President and Founder of Restaurant Business Services at eMac Digital from 2001 to 2004. He served as Senior Vice President of Web, Marketing and Technology at Living.com in 2000. Mr. Clendening was also Chief Marketing Officer and Senior Vice President, Consumer Banking Group and Senior Vice President, Marketing and Strategy, Credit Card Division for First Union Corporation from 1998 to 2000. He served as a Director of Betterment LLC from 2016 to 2017. Mr. Clendening earned a Bachelor of Arts degree in economics, with highest distinction, from Northwestern University. He received his Master of Business Administration degree, with honors, from the Harvard Graduate School of Business Administration.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Daniels, Richard D. (1)			2020	Redacted			

Mr. Richard D. Daniels, also known as Dick, has been a Director of Silicon Valley Bank and SVB Financial Group since October 22, 2020. He brings experience of technology, manufacturing and healthcare to this board position. He served as Executive Vice President and Chief Information Officer at Kaiser Permanente. He joined Kaiser in 2008 as a Senior Vice President and Business Information Officer. Prior to his roles at Kaiser Permanente, Daniels was Senior Vice President and Divisional Chief Information Officer of the Auto Finance Division of Capital One. He also held leadership roles at JPMorgan Chase and Netserv, Inc., after beginning his career in manufacturing at Datapoint Corporation. He serves on the board of the Parkland Center for Clinical Innovation, an advanced nonprofit healthcare analytics R&D organization based in Dallas, Texas, and he is the Board Chair of Playworks, a national nonprofit that supports the learning and physical health of low-income students in urban schools. In 2007, Computerworld honored him as one of the Premier 100 IT Leaders. In 2019, he was inducted into the CIO Magazine Hall of Fame. He earned a Bachelor of Arts and Applied Science degree in business management from from Southwest Texas State University (now Texas State University). He served in the United States Air Force in active service for seven years.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Davis, Alison Venture Capitalist			2020	Redacted		100 (H)	

Mrs. Davis, a co-founder and managing director of Fifth Era and a seasoned investor joined the SVBFG and SVB

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					

boards on May 11, 2020. Davis brings more than 30 years of finance and management experience to her board position. In 2011, she co-founded Fifth Era, a family office and venture capital firm specializing in early-stage investments based in Tiburon, California, where she is a Managing Partner. Prior to starting Fifth Era, she was General Partner and Managing Partner at Belvedere Capital Partners and Chief Financial Officer and Head of Strategy at Barclays Global Investors. She also held leadership roles at A.T. Kearney and McKinsey & Company.

As an experienced director, Davis currently serves on the boards of Fiserv, and Collibra, and chairs the advisory board of Blockchain Capital. She is a former director of Royal Bank of Scotland, Unisys, Diamond Foods, Ooma, First Data Corporation and several other public and private companies.

Davis earned her Bachelor and Master of Arts degrees in economics from the University of Cambridge. She earned her Master of Business Administration from the Stanford University Graduate School of Business.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Dunbar, Roger F. Retired (1)(4)(5)(6)			2004	Redacted		19,727 (H)	

Mr. Dunbar retired from Ernst & Young in October of 2004 where he held the position of Global Vice Chairman. He has taught at Santa Clara University's Graduate School of Business and in Ernst & Young National Education Program. He holds a bachelor's degree in Business from San Francisco State University and holds a master's degree in Business Administration from Santa Clara University.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Friedman, Joel P. Retired (4)(5)(6)			2004	Redacted		22,258 (H)	

Mr. Joel P. Friedman has been an Independent Director of SVB Financial Group and Director of Silicon Valley Bank, Inc. since October 20, 2004. He currently also serves as a Director of The Brain Technologies LP. Mr. Friedman served as an Independent Director of Neustar, Inc. from 2006 to 2017. He served as the President of Accenture Ltd until 2005. Mr. Friedman served as the Chief Operating Officer of Business Process Outsourcing at Accenture plc from March 2003 to August 2004. He was responsible for overseeing Accenture's portfolio of BPO businesses as well as fueling new innovation and growth in BPO. He had a 34 year career with Accenture in various leadership roles overseeing Corporate Development, Business Process Management, and Technology Ventures. Mr. Friedman holds a bachelor's degree in Economics from Yale University and a master's degree in Business Administration from Stanford Graduate School of Business.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Maggioncalda, Jeffrey N. Financal Engines (2)(3)			2012	Redacted		7,253 (H)	

Mr. Maggioncalda is the Chief Executive Officer of Coursera, a global online learning platform that connects individuals with access to online courses and degrees from world-class universities. He previously served as CEO of Financial Engines, an independent investment advisory firm from 1996 to 2014. He was a consultant at both McKinsey & Company and Cornerstone Research from 1991 to 1994. He holds a bachelor's degree in Economics and English and a master's degree in Business Administration both from Stanford University.

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					
Matthews, Kay D (1)(2)			2019	Redacted		692 (H)	

Ms. Kay Matthews retired after a successful 36-year career at Ernst & Young where she held several leadership roles for the global organization, which operates in more than 150 countries and has revenues of more than $36 billion globally and $16.7 billion in the Americas. Most recently, Matthews served as a Vice Chair of the EY Americas Board, a member of the EY Global Practice Group, and the Managing Partner of EY's West Region, with responsibility for all services delivered to clients in the region.

Matthews is a Certified Public Accountant and earned a Bachelor of Accounting degree, cum laude, from Texas Tech University. She currently serves on the board of directors for Coherent, Inc., and was the 2013 Texas Tech School of Accounting Distinguished Alumni, as well as a board member and member of the finance and retirement committees for KQED, the Northern California public television and radio station, through 2018.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Miller, Mary J. (1)(4)(6)			2015	Redacted		4,289 (H)	

Ms. Miller is the former Under Secretary for Domestic Finance for the U.S. Department of the Treasury ("U.S. Treasury"), a position that she held following her confirmation by the U.S. Senate from March 2012 until September 2014. Ms. Miller also served as Assistant Secretary of the Treasury for Financial Markets following her confirmation by the U.S. Senate in February 2010 until June 2014. Prior to joining the U.S. Treasury, Ms. Miller held various positions with T. Rowe Price Group, Inc. from 1983 to 2009. She received her Bachelor's degree in Government from Cornell University, Master's degree in City and Regional Planning from the University of North Carolina at Chapel Hill, and is a Chartered Financial Analyst.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Mitchell, Kate D. Co-Founder Scale Venture Partners (1)(3)(5)(6)			2010	Redacted		7,949 (H)	

Ms. Mitchell is a co-founder of Scale, a Silicon Valley-based firm that invests in early-in-revenue technology companies that are looking to scale. She and the Scale team have backed successful, high growth companies including ExactTarget (Salesforce), RingCentral (NYSE:RNG), HubSpot (NYSE:HUBS), Box (NYSE: BOX), DocuSign, and Omniture (Adobe).

Kate is past chairman and board member of the National Venture Capital Association (NVCA) and is active in policy matters that impact entrepreneurship, start-ups, innovation and inclusion. She co-authored the IPO section of the 2012 JOBS Act and is currently working on additional legislation to help small company IPOs. In 2014, Kate co-founded the NVCA Inclusion & Diversity Task Force (now called VentureForward), which focuses on advancing opportunities for women and minorities across the venture ecosystem. Mitchell received the NVCA Outstanding Service Award in 2013 for her policy work on behalf of the venture industry.

She currently serves on the boards of SVB Financial Group, Fortive Corporation (NYSE:FTV) and the Silicon Valley Community Foundation, and she is a charter member of Environmental Entrepreneurs (Silicon Valley). Kate is also a Kauffman Fellows mentor, a member of the NASDAQ Private Market Advisory Board, and a commentator on technology trends for CNBC Squawk Alley.

Ms. Mitchell holds a bachelor degree in Political Science from Stanford University and a master's degree in

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					

Business Administration from Golden Gate University.

Robinson, John F. 2011 Redacted 3,023 (H)
Retired
(1)(3)(6)

Mr. Robinson is a former financial services industry professional and banking regulator. His education background includes a Bachelors in Business Administration from Washington University in 1968 and an MBA from Harvard Business School in 1973. He became a Charted Financial Analyst in 1994. Mr. Robinson was a regulator with the Office of Thrift Supervision from 1987-1997 and the Office of the Comptroller of Currency from 1997-2002. More recently he was an EVP, Corporate Risk Management for Washington Mutual from 2002-2008.

Staglin, Garen K. 2011 Redacted 11,958 (H)
Co-Founder Scale Venture Partners
(2)(5)(6)

Mr. Staglin is the founder and proprietor of Staglin Family Vineyard, founded in 1985 in the Rutherford region of Napa Valley. Over his career, Staglin has been involved in the technology and financial services industries as an investor, banker, CEO and board member. In addition to his board seat at SVB, Staglin has held director or advisory positions with Bottomline Technologies, ExL Services, Freerun Technologies (chairman), FTV Capital, NVoice Payments, Profit Velocity Solutions (vice chairman), and Specialized Bicycle Corporation. Staglin founded an International Mental Health Research Organization in 1995 and has been involved with Bring Change 2 Mind, and One Mind for Brain Research Campaign. Mr. Staglin holds a bachelor's degree in Engineering-Electrical and Nuclear from the University of California, Los Angeles and masters degree in Business Administration, Finance and Systems Analysis from Stanford University Graduate School of Business.

OFFICERS, NOT DIRECTORS/TRUSTEES

Beck, Daniel 2017 Redacted 2,587 (H) 600
Chief Financial Officer 576(B)

Mr. Beck is responsible for SVB's finance, treasury and accounting functions. Before joining the Company in 2017, Mr. Beck served as the Chief Financial Officer for Bank of the West, a subsidiary of BNP Paribas Group, from June 2015 to May 2017 and as Executive Vice President and Corporate Controller from June 2008 to June 2015. Prior to his tenure at Bank of the West, Mr. Beck held various finance and accounting roles with Wells Fargo Bank, the Federal Home Loan Mortgage Corporation, E*TRADE Financial Corporation and Deloitte & Touche LLP. Mr. Beck holds a B.S. in Accounting from Virginia Commonwealth University and a B.S. in Biology from Virginia Polytechnic Institute and State University.

Cadieux, Marc 1992 Redacted 17,667 (H) 625
Chief Credit Officer 451(B)

Marc Cadieux is the Chief Credit Officer of Silicon Valley Bank. He is responsible for loan quality, monitored through frequent interactions with account officers and senior credit officers. In this position, Marc coordinates training programs, establishes credit policy and manages the overall credit approval process. Marc joined SVB in 1992 as an Assistant Vice President, and has held positions of increasing responsibility in the area of credit administration, business development, and relationship management during his tenure with the company. He

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					

assumed the position of CCO in September 2013. Marc was the Division Risk Manager for SVB's Eastern Division where he was overseeing SVB's commercial lending activities on the East Coast, Canada, the United Kingdom, and Israel. Prior to joining SVB, Marc held several positions with Pacific Western Bank and Bank of New England. Marc earned a bachelor's degree in economics from Colby College.

China, John 1998 Redacted 26,879 (H) 625
President, SVB Capital 651(B)

Since joining SVB in 1996, John has been a partner to entrepreneurs and their investors, providing financial solutions, insights and connections to accelerate their growth. John has led Technology Banking teams across the US specializing in software, internet, hardware, infrastructure, private equity, venture capital, and premium wine. John is currently President of SVB Capital, SVB's funds management business with $4.5 billion under management across venture capital funds of funds and direct funds. In this role, he is responsible for growing the funds business as well as SVB's Early Stage Practice supporting entrepreneurs and startups at their earliest stages, and SVB's Family Office practice. John holds a bachelor degree in Industrial Engineering from Stanford University. He currently serves on the advisory board for H2 Global, Alpha Club, and York Butter Factory, and he is on the board of BUILD and an LPAC member of Founders Circle.

Cox, Phil 2009 Redacted 7,595 (H) 600
Chief Operating Officer 576(B)

Phil Cox is the Chief Operations Officer of Silicon Valley Bank (SVB) and is responsible for SVB's core operations, enterprise project management, client service and information technology teams. Since joining SVB in 2009, Phil has led the establishment of SVB's UK Branch banking business, as well as its operations in Ireland, Israel, and Germany.

Phil brings a wealth of experience and leadership to SVB. Previously, he was the Head of Commercial Banking at Bank of Scotland in London, a division of Lloyds Banking Group. In this role, Phil was responsible for relationship management, origination and operational aspects of the business.

Prior to that, Phil was with the NatWest/RBS Group for 23 years and held a variety of positions, including Managing Director of Transport and Infrastructure Finance, Regional Managing Director of the North of England Region and the same position for the South West and Wales business.

Descheneaux, Michael 2006 Redacted 18,814 (H) 750
President, Silicon Valley Bank 901(B)

Mr. Descheneaux is the President of Silicon Valley Bank, and oversees the global commercial bank, private bank, credit administration, and business analytics, as well as SVB Financial Group's venture capital investment arm, SVB Capital. Mr. Descheneaux joined the company in 2006 as Managing Director of Accounting and Financial Reporting and was appointed as Chief Financial Officer in 2007. He was promoted to President of SVB in 2017. He is a certified public accountant, as well as a member of the Texas State Board of Public Accountancy and the American Institute of CPA's, and an associate member of the Association of Certified Fraud Examiners. Mr. Descheneaux holds a bachelor degree in Business Administration from Texas A&M University.

Draper, Michelle 2013 Redacted 3,936 (H) 500

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					
Chief Marketing Officer							381(B)

Michelle Draper joined Silicon Valley Bank in July 2013. Ms. Draper is responsible for the strategy and execution of SVB's global marketing initiatives, designed to reach innovative companies of all sizes. Previously, Ms. Draper was at Charles Schwab for nearly 20 years and most recently served as the senior vice president of Institutional Services Marketing. Ms. Draper also served as a director of Investor Services Segment Marketing, and vice president of Advisor Services Marketing Programs, developing marketing strategies for both the retail side of the business as well as the institutional side. Draper earned a bachelor's degree in Journalism for California Polytechnic State University-San Luis Obispo, and has completed NASD licensing for Series 7 and is a brokerage principal under Series 24.

Edmonds-Waters, Christopher D Head of Human Resources			2003	Redacted		7,021 (H)	450 371(B)

Mr. Edmonds-Waters joined the company in 2003 as the Director of Organization Effectiveness, and was appointed Head of Human Resources in 2007. Prior to joining the company, held numerous senior human resources positions at Charles Schwab & Co. where he specialized in management learning and development and launched the company's online training system. Mr. Edmonds-Waters holds a bachelor degree in Intercultural Communications from Arizona State University and a master's degree in Human Resources and Organization Development from the University of San Francisco.

Izurieta, Laura Chief Risk Officer			2016	Redacted		4,880 (H)	625 551(B)

Laura H. Izurieta. Chief Risk Officer. is responsible for leading enterprise-wide risk management, corporate compliance and regulatory functions. From 2000 until joining the Company, Ms. Izurieta held various roles of increasing responsibility at Capital One, including Vice President of Corporate Reputation and Governance, Vice President of Capital One Home Loans and Vice President of Information Technology, and most recently as the Executive Vice President and Chief Risk Officer, Retail and Direct Bank. Prior to her tenure at Capital One, Ms. Izurieta also held positions at Freddie Mac and Bank of America. Ms. Izurieta holds a bachelor's degree in Business Administration from Towson University and a Master's degree in Applied Behavioral Science from John Hopkins School of Business.

Leerink, Jeffrey A CEO, SVB Leerink			2019	Redacted			650 4,350(B)

Jeffrey A. Leerink is the Chief Executive Officer of SVB Leerink. Mr. Leerink is charged with defining, leading and executing the firm's overarching business strategy and driving clarity, alignment and profitability across the entire business. Mr. Leerink founded Leerink Partners in 1995 and in 2019 merged the firm with SVB Financial Group, to become SVB's investment banking platform. The firm is focused on providing differentiated healthcare knowledge and equity capital markets, equity research and mergers and acquisitions expertise to help its clients define and achieve their strategic and capital markets objectives. In 2008, Mr. Leerink co-founded and was a member of the Board of Directors of Humedica, Inc., a clinical intelligence company that was incubated at Leerink Partners. In 2013 the company was acquired by Optum, a subsidiary of UnitedHealth Group. Mr. Leerink currently serves on the Board of Fog Pharmaceuticals. Additionally, he is a Board Director and the former Chairman of the Board at Big Brothers Big Sisters of Eastern Massachusetts. Mr. Leerink is a member of the Harvard Medical School Board of Fellows and is the Vice Chair of the New England Chapter of CEO's Against Cancer. Mr. Leerink

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					

holds a B.A. in Economics from Union College.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Peters, John Chief Audit Executive			2006	Redacted			425 422(B)

Mr. Peters has served as the bank's Chief Audit Executive since 2006. He holds more than 40 years of audit, operational, and consulting experience, including more than nine years with KPMG in its external audit group. Immediately prior to joining SVB, he worked at HP-Mercury Interactive as its Director of Internal Audit where he was responsible for the development and execution of their internal audit plan. Mr. Peters is a CPA and a member of the American Institute of CPAs.

Names and Comments	Amount	Date of Statement	Year Joined Bank	Year of Birth	Attendance	Number of Shares Owned	Salary and Bonus (B)
Zuckert, Mchael S General Councel			2014	Redacted		6,568 (H)	600 476(B)

Michael Zuckert was hired as general counsel in March of 2014. Zuckert was previously Deputy General Counsel at Citigroup, where he served as general counsel for Citi Holdings as well as general counsel for Finance and Capital Markets. Before joining Citigroup, Zuckert worked at Morgan Stanley in both legal and business roles. He was also General Counsel of TheStreet from 1999-2000, when the company went public. Zuckert is a graduate of Brown University and the New York University of Law. Zuckert started his career as a corporate associate at Wilkie Farr & Gallagher LLP in New York. He has served on resiliency committee of the New York region of the American Red Cross and was a board member of The Picture House in Pelham, New York.

PRINCIPAL SHAREHOLDERS, NOT DIRECTORS/TRUSTEES OR OFFICERS

SVB Financial Group (SVBFG) — 475,000

SVBFG is the bank holding company owning 100% of SVB.

HOLDING COMPANIES - OTHER TIERS

BlackRock, Inc. — 4,252,565
New York, NY — (CH)

Beneficial ownership represents 8.20% of SVBFG common stock as of 12/31/2020 according to SVBFG's 03/04/2021 proxy statement.

State Street Corporation — 2,627,368
Boston, MA — (CH)

Beneficial ownership represents 5.06% of SVBFG common stock as of 12/31/2020 according to SVBFG's 03/04/2021 proxy statement.

The Vanguard Group — 5,476,337
Malvern, PA — (CH)

Beneficial ownership represents 10.55% of SVBFG common stock as of 12/31/2020 according to SVBFG's 03/04/2021 proxy statement.

Names and Comments	Net Worth		Year Joined Bank	Year of Birth	Atten-dance	Number of Shares Owned	Salary and Bonus (B)
	Amount	Date of Statement					

(1)-Audit; (2)-Compensation; (3)-Credit; (4)-Finance; (5)-Governance; (6)-Risk

Director Compensation
Compensation for non-employee Directors reflects a combination of cash (annual retainer fees and committee retainer fees) and equity (annual restricted stock unit awards). Retainer fees and equity awards are additive and are as follows:

- Director Fee $70,000
- Chairperson Fees
  - Board Chair $90,000
  - Audit Chair $20,000
  - Compensation, Finance, and Risk Chairs $15,000
  - Credit and Governance Chairs $12,000
- Committee Member Fees
  - Audit $25,000
  - Compensation and Finance $12,000
  - Credit, Governance, and Risk $8,000
- Equity Award is $200,000 for the Board Chair, and $100,000 for all other Directors in restricted stock units.

Equity Ownership
All Directors and executive officers reporting directly to Mr. Becker are required to own minimum specific amounts of SIVB Common Stock. Each non-employee member of the Board of Directors is expected to hold, within five years of becoming a director, shares of SIVB with a minimum vlaue equivalent to 600% of his or her annual retainer fee. Executive officers also have five years to meet their minimum ownership expectation with percentages aligned to their respective base salary. For the CEO, this is 600%; the President of SVB is set at 400%; the CCO, CFO, COO, CRO, and President of SVB Capital are set at 300%; and the Chief of HR, Chief Marketing Officer, and General Counsel are set at 200%. All individuals beyond the five year threshold have met the expection, and all under five years are on pace to meet the expectation.

BANK

1.	Name of individual or group with a controlling interest:	SVB Financial Group
	a. Number and percentage owned in own name(s):	475,000 shares / 100%
	b. Number and percentage controlled:	NA
	c. Date control acquired:	04/23/1982
	d. Was approval or exemption obtained pursuant to F.C. Section 1250 et seq.?	Yes
2.	Were proxies solicited by anyone other than the management group?	No
3.	Are there any formal shareholder's agreements or voting trust agreements for the purpose of voting shares of the bank?	No
4.	Date of annual shareholders' meeting:	April
5.	Date of most recent annual shareholders' meeting:	04/23/2020
6.	Is the number of directors in conformance with FC 1171 and the bylaws or articles of incorporation?	Yes

HOLDING COMPANY

1.	Name of individual or group with a controlling interest:	None
	a. Number and percentage owned in own name(s):	NA
	b. Number and percentage controlled:	NA
	c. Date control acquired:	NA
	d. Was approval or exemption obtained pursuant to F.C. Section 1250 et seq.?	NA
2.	Were proxies solicited by anyone other than the management group?	No
3.	Are there any formal shareholder's agreements or voting trust agreements for the purpose of voting shares of the bank?	No
4.	Date of annual shareholders' meeting:	April
5.	Date of most recent annual shareholders' meeting:	04/23/2020
6.	Is the number of directors in conformance with FC 1171 and the bylaws or articles of incorporation?	Yes

1. What is the date of the most recent examination of holding company by the Federal Reserve Bank (FRB) and their rating of the holding company?

The most recent FRB Roll-Up Inspection of SVBFG commenced on 12/30/2019 and was completed on 01/17/2020. Financial information used in the inspection report was as of 09/30/2019. The Report was dated 05/08/2020. The overall condition of SVBFG remains satisfactory, which primarily reflects the satisfactory condition of the depository institution. Risk management is satisfactory and supported by satisfactory ratings in Board and senior management oversight, policies and procedures, and internal controls. However, risk monitoring and MIS remains fair due to weaknesses in management's ability to effectively identify and monitor key risks and vulnerabilities. The financial condition of the company remains satisfactory. All subcomponents are rated satisfactory except for liquidity, which remains strong. The BHC and its nonbank subsidiaries pose a limited likelihood of significant negative impact to SVB.

2. Comment on actions taken to correct any significant deficiencies noted in the most recent FRB examination report

The 05/08/2020 Report noted above identified a new MRA in relation to model risk management (MRM) governance practices and ERM controls monitoring. According to the report, management's action plans appear appropriate for remediation of the MRM MRA, with plans to clarify assumptions used to support results in the areas of credit risk, earnings, and capital. The additional transparency should be reflected in SVBFG's setting of capital limits and buffers. Action plans to establish a formal program supporting functional management's development and strengthening of its CITM program also appear reasonable, but implementation to date has been slow and this remains a subject of high supervisory priority both at SVBFG and SVB. The program was designed to provide the SLOD oversight, validation, and monitoring to ensure that the front line is meeting program standards including control-testing requirements, managing issues, and action plans, and reporting control testing and monitoring results to the SLOD.

3. List principal affiliated companies and their principal activity. (Attach most recent consolidated FS and FS of holding company only.)

SVBFG is the financial holding company which owns 100% of SVB, and provides diversified financial services to corporate clients in the technology, life sciences, venture capital/private equity and premium wine industries. SVBFG offers these services through four principal reportable segments: Global Commercial Bank, SVB Capital, SVB Leerink, and SVB Private Bank. Global Commercial Bank houses SVB, SVB Global, and Sponsored Debt Funds and Strategic Investments (SVBFG-owned funds). SVB Capital, which is the VC investment arm of SVBFG, focuses primarily on funds management. SVB Leerink is an investment bank specializing in healthcare and life sciences. SVB Private Bank is the private client services division. Bank subsidiaries formed to provide off-balance sheet investment products for bank clients include SVB Securities, a broker/dealer; SVB Asset Management, a registered investment advisor; and SVB Wealth Advisory, a registered investment advisor that provides investment advisory services for private bank clients. SVB Global houses the company's international expansion initiatives, manages the international VC client portfolio, and oversees the operations of international offices in the United Kingdom, Israel, and China. These operating entities work together to meet the needs of clients at all stages of their business life cycles, and support each other through a vigorous circle of referrals and interlocking relationships.

HOLDING COMPANY NAME: SVB Financial Group
PARENT ONLY AND CONSOLIDATED BALANCE SHEETS
AS OF 09/30/2020 (In Thousands)

	Parent Only	Consolidated
Assets		
Cash and due from banks	1,309,650	15,687,776
Federal funds sold		
Investment in securities	283,303	40,433,910
Loans and leases, net		37,900,933
Other Real Estate Owned		
Investments in subsidiaries	6,687,348	
Premises and equipment, net	127,490	173,477
Goodwill and other intangible assets	-13,089	183,203
Other assets	530,969	2,537,472
Total Assets	**8,925,671**	**96,916,771**
Liabilities		
Deposits	0	84,773,020
Other borrowed money	845,725	19,068
Balance due to non-bank subsidiaries	2,273	
Other liabilities	284,738	4,157,303
Total Liabilities	1,132,736	88,949,391
Stockholders' Equity		
Perpetual preferred stock	340,138	340,138
Common stock	1,548,970	1,548,970
Stock options fair value		
Retained earnings	5,283,433	5,283,433
Accumulated other comprehensive income	620,394	620,394
Total Stockholders' Equity	7,792,935	7,967,380
Total Liabilities and Stockholders' Equity	**8,925,671**	**96,916,771**

HOLDING COMPANY NAME: SVB Financial Group
PARENT ONLY AND CONSOLIDATED BALANCE SHEETS
AS OF 09/30/2020 (In Thousands)

	Parent Only	Consolidated
Interest Income		
Interest and fees on loans		1,116,660
Interest income on balances due from depository institutions		21,695
Interest and dividend income on securities		494,842
Interest on federal funds sold		428
Interest and dividends from bank subsidiaries	50,000	
Interest and dividends from nonbank subsidiaries	22,416	
Other interest income		1,203
Total Interest Income	**72,416**	**1,634,828**
Interest Expense		
Interest on deposits		51,310
Interest on borrowed funds		17,938
Interest paid to subsidiaries		
Total Interest Expense	**14,628**	**69,248**
Net Interest Income		
Provision (negative) for loan and lease losses	-231	246,810
Net Interest Income After Provision	**58,019**	**1,318,770**
Non-Interest Income		
Service charges and fees on deposits		63,371
Other Income	214,106	1,093,031
Gain / (loss) on sale of assets	44,057	61,165
Total non-interest income	**258,163**	**1,217,567**
Non-Interest Expense		
Salaries and employee benefits	27,090	900,057
Occupancy expense		73,255
Furniture, fixtures, and equipment		
Other Operating Expenses	47,977	408,064
Total non-interest expense	**75,067**	**1,381,376**
Unrealized Gain/(Loss) on Equity Securities	**-4,016**	**23**
Income before income taxes	**237,099**	**1,154,984**
Income tax (expense) benefit	86,056	299,491
Income (loss) before undistributed income of subsidiaries and associated companies	151,043	855,493
Equity in undistributed income of bank and non bank	664,415	40,035
Net Income (Loss)	**815,458**	**815,458**