



Federal Reserve Bank of San Francisco

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November 9, 2021

TRANSMIT BY SECURE EMAIL

Mr. Greg Becker
Chief Executive Officer
c/o Regulatory Affairs
SVB Financial Group
3003 Tasman Drive
Santa Clara, California 95054

Dear Mr. Becker:

The Federal Reserve Bank of San Francisco completed a Capital Target Examination of SVB Financial Group (SVBFG). The review started on September 7 and concluded on October 1. The review focused on evaluating capital adequacy and capital planning practices against applicable supervisory guidance¹, as well as assessing gaps to Regulatory Capital Rules² expectations for Category IV firms as defined by the Federal Reserve Tailoring Rule³. Examiners also engaged management regarding the build-out of the capital planning program and the related project plans in process. This letter serves to formalize the supervisory findings discussed with SVBFG management on November 5, 2021.

Executive Summary

Capital planning practices meet applicable supervisory guidance. Additionally, management's planned enhancements to the capital plan structure align with the mandatory elements described in the Capital Plan Rule. Project plans to implement a functional capital planning framework are adequate and performance monitoring of plan progress is

¹ The examination used the following supervisory letter guidance in our assessment: SR 11-7, Guidance of Model Risk Management; SR 12-7, Guidance on Stress Testing for Banking Organizations with Total Consolidated Assets of More than \$10 Billion; SR 12-17, Consolidated Supervision Framework for Large Financial Institutions

² 12 CFR Parts 208, 217, and 225, Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Capital Adequacy, Transition Provisions, Prompt Corrective Action, Standardized Approach for Risk-weighted Assets, Market Discipline and Disclosure Requirements, Advanced Approaches Risk-Based Capital Rule, and Market Risk Capital Rule

³ 12 CFR Parts 217, 225, 238, and 252, Capital Planning and Stress Testing Requirements for Large Bank Holding Companies, Intermediate Holding Companies and Savings and Loan Holding Companies

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appropriate. As the firm’s capital plan submission and entrance into the Horizontal Capital Review program in April 2022 approaches, our supervisory attention now focuses on the execution of capital planning workstream elements and the reasonability and feasibility of any required planning contingencies.

Closing

No response from management is required as there are no Matters Requiring Attention resulting from the Capital Target Examination.

Please note that this letter contains confidential material and should be treated accordingly by your organization.⁴ As such, the contents of this letter are subject to the rules of the Board of Governors of the Federal Reserve System regarding disclosure of confidential supervisory information. Should you have any comments or questions regarding this letter, please feel free to contact me at **Redacted** or **Redacted**. Please send all supervisory correspondence from your institution in electronic format only, copying our centralized mailbox as a recipient at **Redacted**.

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Redacted, LFBO Dedicated Supervisory Team Lead

cc: Daniel Beck, Chief Financial Officer
Laura Izurieta, Chief Risk Officer
John Peters, Chief Auditor
Ben Jones, Head of Regulatory Affairs

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