

The SVB logo consists of the lowercase letters 'svb' in white, set against a blue rectangular background.

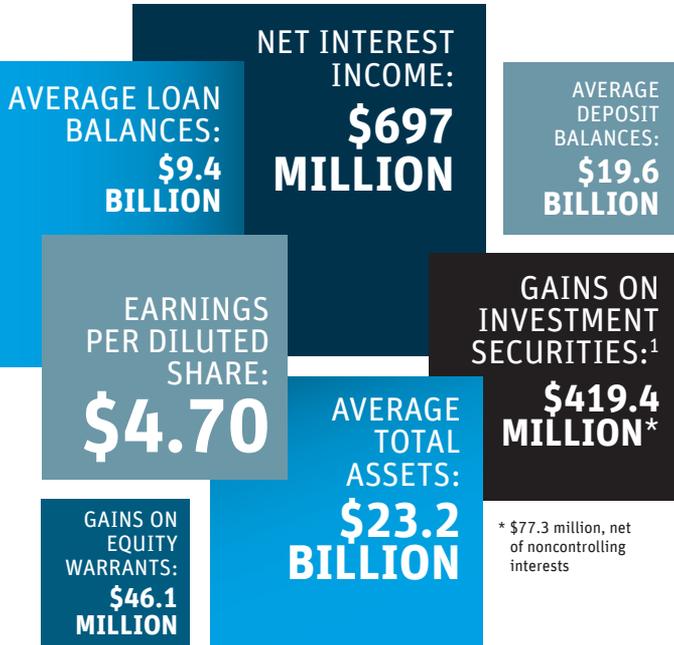
**Financial Group**

YEAR IN REVIEW: 2013

# Letter to our stockholders and partners

SVB Financial Group made 2013 — our 30th year — our most successful ever, with record earnings, strong growth across the business and continued global expansion. We delivered exceptional financial results while significantly expanding our relationships and deepening our market position as the bank of choice for the world's most innovative companies.

## 2013 financial highlights



SVB sustained growth and profitability through another year of low interest rates and intensifying competition. We grew average loans by 24% and average total client funds<sup>2</sup> by 15% in 2013, while also maintaining high credit quality.

We experienced strong performance in our stock price, which increased 87% from 2012 year-end to 2013 year-end. We are also proud of the recognition we received this year, which included earning a place among *Forbes* Magazine's "Best Banks in America."<sup>3</sup>

Our strong performance was driven by a single-minded pursuit of one goal: to be **the** bank of the global innovation economy. To achieve our goal, we start by forging strong connections with the most innovative companies early in their development, as well as their investors, and deepen those relationships by providing expertise, networks and solutions that support their long-term growth.

For our success, we owe thanks to our employees, whose exceptional client focus, enterprising spirit and drive enable us to maintain our position as the premier financial partner for innovators worldwide.

## Quarterly highlights



## Connect

### Connecting an innovation economy across borders

For three decades, we've served clients whose ideas and inventions are literally changing the world. Our reputation and relationships give us unique opportunities to help forge new and stronger links among leading players in the global innovation economy, and our ability to help them grow continues to drive significant revenue for SVB. In 2013, we added more than 2,000 new early-stage clients, continuing to fuel our pipeline of growing companies we can serve as they expand. We also increased our investments in products and services designed to meet the needs of larger companies, which are typically 10 to 20 times more profitable than early-stage companies. As a result, we grew our ranks of new larger clients (those with more than \$75 million in annual revenue) and drove \$600 million in new loans outstanding in 2013 from this group alone.<sup>4</sup>

Innovation is a global phenomenon. More than ever, we are connecting entrepreneurs, multinational companies, investors and partners across borders as a normal course of our business. Our global expansion efforts to date have garnered new, non-U.S. clients that contributed \$800 million in loans from our international locations. More than 700 of these companies also leverage our U.S. banking services.

The London branch of Silicon Valley Bank, which celebrated its first full year of operation in June, was named service provider of the year for the second year in a row by investors at the annual Investor AllStars awards in the United Kingdom.<sup>5</sup> This year also marked the first anniversary of SPD-Silicon Valley Bank, our joint-venture bank in China, where we are forming relationships to support innovation and our long-term growth in Asia.

## Champion

### Championing innovation through insights and influence

Using the knowledge, networks and solutions we have built by being the banking partner of choice for technology and life science companies of all sizes, we can truly help innovators grow and succeed.

As a champion of innovation, we have made strides in helping our high-growth clients get an audience with some of the world's largest companies as a result of our relationships with corporate venture funds, corporate development teams and innovation groups. For example, early in 2013, we hosted an event that brought together a large educational toy company and several online gaming startup clients to explore partnership opportunities. Another of our events gave emerging media clients the chance to meet with a global broadcasting entity and discuss the future of media. Our deep portfolio of clients and our understanding of their offerings helped facilitate these meetings, resulting in new, valuable relationships for both established corporations and startups. This is exactly what we mean when we say we help increase our clients' probability of success.

We also strive to increase our clients' chances of success by speaking out on issues that significantly influence innovation companies' growth,

including immigration reform, science/technology/engineering/math (STEM) education and the medical-device tax provision of the Affordable Care Act in the United States. We have an opportunity to ensure our government representatives consider the impact of their decisions on high-growth, innovative companies in particular and on the future of business overall. To that end, we conduct annual research to share with the public and government officials, and in 2013 led delegations of CEOs to speak directly with policymakers in Washington, D.C.

## Guide

### Guiding clients from idea to innovation

As a valued partner to the global innovation ecosystem, we must innovate ourselves — continually working to anticipate and resolve our clients' challenges more effectively and to make it easy for companies to do business with us. We expanded our products and services in 2013 as part of our long-term strategy to be the bank of choice for innovation companies of all sizes worldwide. Simplicity and scalability remain high priorities as we continue to invest in expertise, technology and solutions that improve our clients' experience.

These efforts included improving our digital and mobile banking systems so clients can bank with us from any platform. We also introduced a digital client onboarding system that improved a historically painful process. We now provide single-point entry of client information and have reduced the time required to open accounts from weeks to days.

Our investments in products that growing companies require, such as trade finance and foreign exchange, has fueled our success in retaining early-stage clients and winning the business of larger companies. Today, we have a wide range of solutions to serve high-performance companies wherever they do business, and we are continually developing new products and services. For example, we are creating new solutions that meet the needs of emerging payments businesses, generate high payment volumes and in turn deliver new revenue streams for SVB.

## Achieve

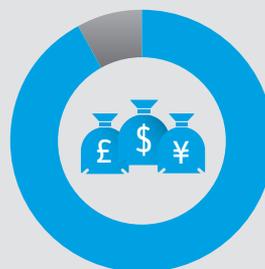
### Realizing success when our clients succeed

The global innovation economy is growing, and we are growing with it. Our performance is directly tied to the success of our clients, who seek us out for our decades of experience, extensive connections and proven ability to increase their chances of success.

Our long-standing commitment to these companies has allowed us to increase our share of the most promising and best performers among them. In 2013, 64% of U.S.-based venture capital-backed technology and life science companies that went public were SVB clients.

The success of our clients creates additional long-term growth opportunities for us and solidifies our market position as the banking partner of choice for high-growth companies.

## 2013 accomplishments



# 92%

We continued our global expansion in 2013, **growing global loans outstanding** by 92%.



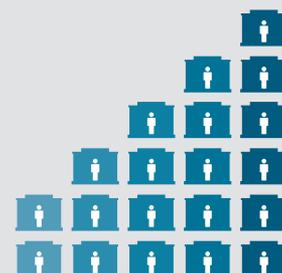
# 600M

We increased the number of new larger clients (those with more than \$75 million in annual revenue) and drove \$600 million in **new loans outstanding** from this group alone.



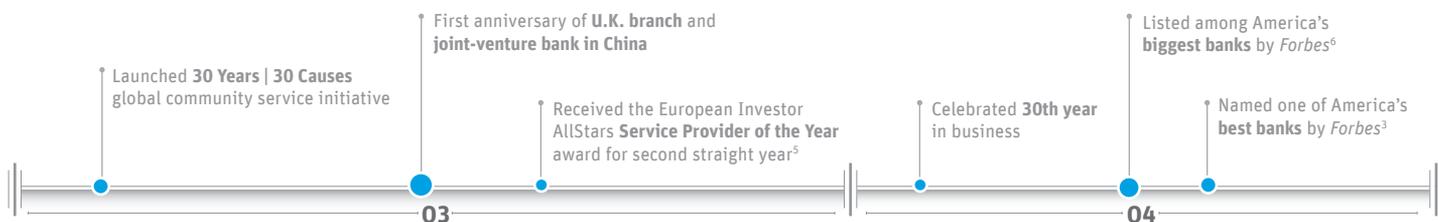
# 64%

64% of **U.S.-based venture capital-backed technology and life science companies that went public** were SVB clients.



# 2K+

We added more than 2,000 **early-stage companies**.



## Share

### Sharing our success

Our continued success and dedicated employees afford us greater opportunities to give back to the communities in which we operate.

To celebrate our 30th anniversary, we launched the “30 Years | 30 Causes” initiative, which united our employees around the world in performing volunteer projects to benefit local not-for-profit organizations. In all, nearly 1,400 employees and their families gave more than 6,000 hours of volunteer service at events in five countries. The initiative was the brainchild of our employees, reflecting the same dedication and spirit of service they bring to our clients.

Our employees support many other fundraising and community service projects annually. In 2013, SVB was selected yet again as one of the top corporate philanthropists in the San Francisco Bay Area. Our employees worldwide raised \$42,000 for men’s health during the global Movember campaign, \$140,000 for the Leukemia and Lymphoma Society and \$830,000 for Best Buddies International. Also, the SVB Foundation awarded grants totaling nearly \$200,000 to 85 organizations for which our employees volunteer.

### Outlook for 2014 and beyond

After years of strong performance, we see abundant opportunities ahead and believe we are well positioned for continued growth. The pace of new company formation remains strong, and startups and established companies alike are bringing exceptional products and intellectual property to market at a healthy pace. With new industries and technologies emerging every day, the pie is getting bigger for the innovation sector.

We remain committed to supporting our clients of all sizes, especially early-stage companies and their investors. We will continue to nurture and maintain those relationships to help our startup clients grow. At the same time, we will cultivate new relationships with larger innovation companies, private equity firms and the people who drive them. And we will support our clients wherever they are by continuing to expand our global presence and international capabilities.

Like all businesses, we face some familiar challenges. More banks are competing to do business with the best companies, and interest rates are expected to remain low in the near term despite an improving economic outlook.

SVB is well positioned to meet these challenges. Our focus and commitment to the innovation sector, and our history of helping clients succeed, give us a significant competitive advantage with companies at all stages. We are off to a strong start in 2014. Moreover, the stellar performance we achieved in 2013, and the dedication of our outstanding employees to advance our strategic plans, make us even more optimistic for the long term.

Sincerely,



**Roger F. Dunbar**  
Chairman of the Board of Directors



**Greg Becker**  
President and CEO

- 1 For the year ended December 31, 2013, we had net gains on investment securities of \$419.4 million with \$342.1 million of net gains attributable to noncontrolling interests, including carried interests, resulting in non-GAAP net gains on investment securities, net of noncontrolling interests, of \$77.3 million.
- 2 Total client funds consist of on-balance sheet deposits and off-balance sheet client investment funds.
- 3 “Full List: America’s Best and Worst Banks 2014,” December 19, 2013, [www.forbes.com/sites/kurtbadenhausen/2013/12/19/full-list-americas-best-and-worst-banks-2014](http://www.forbes.com/sites/kurtbadenhausen/2013/12/19/full-list-americas-best-and-worst-banks-2014).
- 4 All monetary figures are U.S. dollars.
- 5 “Investor AllStars 2013,” September 2013, [www.investorallstars.com/IAS/winners.html](http://www.investorallstars.com/IAS/winners.html).
- 6 “America’s Biggest Banks,” November 21, 2013, [www.forbes.com/sites/halahtouryalai/2013/11/21/americas-biggest-banks-jpmorgan-wells-fargo-keep-growing-while-bofa-citi-shrink](http://www.forbes.com/sites/halahtouryalai/2013/11/21/americas-biggest-banks-jpmorgan-wells-fargo-keep-growing-while-bofa-citi-shrink).



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This letter contains forward-looking statements within the meaning of applicable federal securities laws. Such statements are predictions and actual results may differ materially. Information about factors that could cause actual results to differ materially from our forward-looking statements is provided in our 2013 Annual Report on Form 10-K.

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