

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant /X/
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Check the appropriate box:
/ / Preliminary Proxy Statement
/ / Confidential, for Use of the Commission Only (as permitted by Rule
14a-6(e) (2))
/X/ Definitive Proxy Statement
/ / Definitive Additional Materials
/ / Soliciting Material Pursuant to Section 240.14a-11(c) or Section
240.14a-12

SILICON VALLEY BANCSHARES

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

/X/ No fee required.
/ / Fee computed on table below per Exchange Act Rules 14a-6(i) (1)
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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

[LOGO]

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
THURSDAY, APRIL 20, 2000
4:00 P.M.

TO THE STOCKHOLDERS:

I am pleased to invite you to attend the 2000 Annual Meeting of Stockholders of Silicon Valley Bancshares, which will be held at the Santa Clara Convention Center, Great America Ballroom, 5001 Great America Parkway, Santa Clara, California 95054, on Thursday, April 20, 2000, 4:00 p.m., local time. The purposes of the meeting are to:

1. Elect nine (9) Directors to serve for the ensuing year and until their successors are elected.

2. Approve an amendment to the Company's 1997 Equity Incentive Plan to reserve an additional 1,100,000 shares of common stock for issuance thereunder.
3. Ratify the appointment of KPMG LLP as the Company's independent auditors.
4. Transact such other business as may properly come before the meeting.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. TO ASSURE YOUR REPRESENTATION AT THE MEETING, YOU ARE ENCOURAGED TO MARK YOUR VOTES, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE. Any stockholder attending the meeting may vote in person even if such stockholder has previously returned a proxy card.

Only stockholders of record on February 22, 2000 will be entitled to vote at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Daniel J. Kelleher

Daniel J. Kelleher
Chairman of the Board

Santa Clara, California
March 17, 2000

ALTHOUGH YOU MAY PRESENTLY PLAN TO ATTEND THE MEETING, PLEASE INDICATE ON THE ENCLOSED PROXY CARD YOUR VOTE ON THE MATTERS PRESENTED AND SIGN, DATE AND RETURN THE PROXY CARD. IF YOU DO ATTEND THE MEETING AND WISH TO VOTE IN PERSON, YOU MAY WITHDRAW YOUR PROXY AT THAT TIME. WE ENCOURAGE YOU TO VOTE FOR THE ELECTION OF ALL NINE (9) NOMINEES FOR DIRECTORS, FOR THE APPROVAL OF THE AMENDMENT TO THE COMPANY'S 1997 EQUITY INCENTIVE PLAN TO RESERVE AN ADDITIONAL 1,100,000 SHARES OF COMMON STOCK FOR ISSUANCE THEREUNDER AND FOR RATIFICATION OF THE SELECTION OF KPMG LLP AS THE COMPANY'S INDEPENDENT AUDITORS.

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* Denotes items to be voted on at the Meeting

Mailed to Stockholders on or about March 17, 2000

PROXY STATEMENT
OF
SILICON VALLEY BANCSHARES
3003 TASMAN DRIVE
SANTA CLARA, CALIFORNIA 95054

INFORMATION CONCERNING THE PROXY SOLICITATION

GENERAL

This Proxy Statement is furnished in connection with the solicitation of the enclosed Proxy by, and on behalf of, the Board of Directors of Silicon Valley Bancshares, a Delaware corporation and bank holding company (the "Company") for Silicon Valley Bank (the "Bank"), for use at the 2000 Annual Meeting of Stockholders of the Company to be held in the Great America Ballroom at the Santa Clara Convention Center, 5001 Great America Parkway, Santa Clara, California 95054, ON THURSDAY, APRIL 20, 2000 AT 4:00 P.M., local time and at all postponements or adjournments thereof (the "Meeting"). Only Stockholders of record on February 22, 2000 (the "Record Date") will be entitled to vote at the Meeting and any postponements or adjournments thereof. At the close of business on the Record Date, the Company had 22,953,371 outstanding shares of its \$.001 par value Common Stock (the "Common Stock").

The Company's principal executive offices are located at 3003 Tasman Drive, Santa Clara, CA 95054 and its telephone number at that location is (408) 654-7400.

VOTING

Stockholders of the Company's Common Stock are entitled to one vote for each share held, except that in the election of directors, each stockholder has the right to invoke cumulative voting, which entitles each stockholder to as many votes as shall equal the number of shares held by such stockholder multiplied by the number of directors to be elected. A stockholder may cast all of his or her votes for a single candidate or distribute such votes among as many of the candidates he or she chooses (up to a maximum of the number of directors to be elected). However, no stockholder shall be entitled to cumulate votes (in other words, cast for any candidate a number of votes greater than the number of

shares of stock held by such stockholder) for a candidate unless such candidate's or candidates' names have been properly placed in nomination prior to the voting in accordance with Section 6 of the Certificate of Incorporation of the Company and the stockholder (or any other stockholder) has given notice at the meeting prior to the voting of the stockholder's intention to cumulate votes. If any stockholder has given such notice, all Stockholders may cumulate their votes for candidates properly placed in nomination. If cumulative voting is properly invoked, the Proxy Holders are given discretionary authority under the terms of the Proxy to cumulate votes represented by shares for which they are named Proxy Holders as they see fit among management's nominees in order to assure the election of as many of such nominees as possible.

Article Two of the Bylaws of the Company governs nominations for election of members of the Board of Directors, as follows: nominations for election of members of the Company's Board of Directors may be made by the Board of Directors or by any stockholder of any outstanding class of capital stock of the Company entitled to vote for the election of directors. Notice of intention to make any nominations shall be made in writing and shall be delivered or mailed to the Secretary of the Company no later than the close of business on the sixtieth (60th) day nor earlier than the close of business on the ninetieth (90th) day prior to the meeting; provided, however, that in the event that less than sixty-five (65) days notice of the meeting is given to Stockholders, notice by the stockholder to be timely must be so delivered not later than

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the close of business on the seventh (7th) day following the date of mailing notice of the meeting to stockholders. Such notification shall contain the following information to the extent known to the notifying stockholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of Common Stock of the Company owned by each proposed nominee; (d) the name and residence address of the notifying stockholder; and (e) the number of shares of Common Stock of the Company owned by the notifying stockholder. Nominations not made in accordance herewith may, at the discretion of the Chairman of the meeting, be disregarded and upon the Chairman's instructions, the Inspector of Election can disregard all votes cast for each such nominee.

QUORUM; ABSTENTIONS; BROKER NON-VOTES

The required quorum for the transaction of business at the Annual Meeting is a majority of the shares of Common Stock issued and outstanding on the Record Date. Shares that are voted "FOR", "AGAINST" or "WITHHELD FROM" a matter are treated as being present at the meeting for purposes of establishing a quorum and are also treated as shares "represented and voting" at the Annual Meeting (the "Votes Cast") with respect to such matter.

While there is no definitive statutory or case law authority in Delaware as to the proper treatment of abstentions, the Company believes that abstentions should be counted for purposes of determining the presence or absence of a quorum for the transaction of business, but should not be counted as Votes Cast with respect to a proposal, since the stockholder has expressly declined to vote on such proposal. In the absence of controlling precedent to the contrary, the Company intends to treat abstentions in this manner.

Similarly, broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business, but will not be counted for purposes of determining the number of Votes Cast with respect to the proposal on which the broker has expressly not voted.

Accordingly, abstentions and broker non-votes will not affect the outcome of the voting on a proposal that requires a majority of the Votes Cast (such as approval of the amendment to the 1997 Equity Incentive Plan).

REVOCABILITY OF PROXIES

Any person giving a Proxy in the form accompanying this Proxy Statement has the power to revoke the Proxy at any time prior to its use. A Proxy is revocable prior to the Meeting by delivering either a written instrument revoking it or a duly executed Proxy bearing a later date to the Secretary of the Company or to the Company's transfer agent. Such Proxy is also automatically revoked if the stockholder is present at the Meeting and votes in person.

SOLICITATION

This solicitation of Proxies is made by, and on behalf of, the Board of Directors of the Company. The Company will bear the entire cost of preparing, assembling, printing, and mailing Proxy materials furnished by the Board of Directors to stockholders. Copies of Proxy materials will be furnished to brokerage houses, fiduciaries and custodians to be forwarded to the beneficial owners of the Company's Common Stock. In addition to the solicitation of Proxies by use of the mail, some of the officers, directors and regular employees of the Company and the Bank may (without additional compensation) solicit Proxies by telephone or personal interview, the costs of which the Company will bear.

Unless otherwise instructed, each valid returned Proxy that is not revoked will be voted in the election of directors "FOR" the Company's nominees to the Board of Directors, "FOR" approval of the amendment to the Company's 1997 Equity Incentive Plan, "FOR" ratification of the appointment of KPMG LLP as the Company's independent auditors, and at the Proxy Holders' discretion on such other

matters, if any, as may properly come before the Meeting or any postponement or adjournment thereof (including any proposal to adjourn the Meeting).

PROPOSAL NO. 1
ELECTION OF DIRECTORS
THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL NOMINEES

The Company's Bylaws currently provide for a range of from eight (8) to fifteen (15) directors and permit the exact number to be fixed by the Board of Directors. Effective as of April 20, 2000, the Board of Directors has fixed the exact number of directors at nine (9).

NOMINEES FOR DIRECTOR

All Proxies will be voted "FOR" the election of the following nine (9) nominees recommended by the Board of Directors, unless authority to vote for the election of directors (or for any particular nominee) is withheld. All of the nominees have served as directors of the Company since the last Annual Meeting of Stockholders, except for Kenneth P. Wilcox. All incumbent directors are nominees for re-election to the Board. If any of the nominees should unexpectedly decline or be unable to act as a director, the Proxies may be voted for a substitute nominee designated by the Board of Directors. The Board of Directors has no reason to believe that any nominee will become unavailable and has no present intention to nominate persons in addition to or in lieu of those listed below. Directors of the Company serve until the next annual meeting of stockholders or until their successors are elected and qualified.

The names and certain information about each of the Company's nominees for director as of the Record Date are set forth below.

NAME OF DIRECTOR NOMINEE	AGE	(1) PRINCIPAL OCCUPATION OR EMPLOYMENT	DIRECTOR SINCE
		(2) OTHER BUSINESS AFFILIATIONS AND PUBLIC COMPANY DIRECTORSHIPS	
Gary K. Barr.....	55	(1) Chief Executive Officer, Pacific Coast Capital (a real estate investment and management company), Carbondale, Colorado since August 1992.	1982
		(2) Chief Executive Officer, Sports Participant Network (an internet services company), since February 1999.	
James F. Burns, Jr.....	62	(1) Trustee of CBR Liquidating Trust since October 1996, and formerly, Executive Vice President and Chief Financial Officer, CBR Information Group (a credit and mortgage reporting company), Houston, Texas from September 1993 to October 1996.	1994
		(2) Executive Vice President and Chief Financial Officer, Integratec, Inc. (a company providing credit origination, servicing and collection services, and the parent company of CBR Information Group prior to spin-off of CBR in 1993) from 1988 to 1993. Founder and Member of Board of Directors of Bank First (a New Mexico chartered state bank), Albuquerque, New Mexico, since November 1997.	
John C. Dean.....	52	(1) President and Chief Executive Officer of the Company since April 1993. From April 1993 to May 1999, he served as President of the Bank. From April 1993 to January 2000, he served as Chief Executive Officer of the Bank. He was appointed Chair of the Board of the Bank in May 1999. Also, see "Information on Executive Officers" below.	1993
		(2) Advisory Member of Board of Directors, American Central Gas Companies, Inc., Tulsa, Oklahoma since August 1994. Advisory Member of Board of Directors of eGroupTravel.com, San Luis Obispo, California since January 2000. Advisory Member of Board of Directors of Institutional Venture Partners, Menlo Park, California since January 2000. Member of Board of Directors of garage.com-TM-, Palo Alto, California since December 1997. Advisory Member of Board of Directors,	

grassroots.com, San Bruno, California since December 1999. Member of Board of Directors of startups.com, Palo Alto, California since January 1999. Member of Board of Directors, United Overseas Bank, Singapore since February 2000.

NAME OF DIRECTOR NOMINEE (CONTINUED)	AGE	(1)	PRINCIPAL OCCUPATION OR EMPLOYMENT	DIRECTOR SINCE
		(2)	OTHER BUSINESS AFFILIATIONS AND PUBLIC COMPANY DIRECTORSHIPS	
David M. deWilde.....	59	(1)	Managing Partner, L.A.I. (an executive search firm) since January 1998.	1995
		(2)	Founder and Chief Executive Officer, Chartwell Partners International, Inc. (an executive search firm) from 1989 to January 1998. Director, Berkshire Realty Company, Inc. (a real estate investment trust), Boston, Massachusetts since 1993.	
Stephen E. Jackson.....	54	(1)	President and Chief Executive Officer, American Central Gas Companies, Inc. (a gas pipeline company), Tulsa, Oklahoma since April 1996.	1998
		(2)	Founder, President and Chief Executive Officer, American Land Development Company (a developer of residential homesites), Tulsa, Oklahoma since 1988. Co-founder, director and Chairman of the Board, Bristol Resources Corporation (an oil and gas exploration and production company), since 1985.	
Daniel J. Kelleher(1).....	57	(1)	Private Investor.	1986
James R. Porter.....	64	(1)	Chairman, Firstwave Technologies (a software company) since April 1999.	1994
		(2)	Chairman, CCI/Triad (a computer services company) from February 1997 to May 1999. President, Chief Executive Officer and Director, Triad Systems Corporation (a computer software company), Livermore, California from September 1985 to February 1997. Member of Board of Directors, Firstwave Technologies, Atlanta, Georgia since April 1993. Member of the Board of Directors, Cellular Technical Services (a cellular device company), Seattle, Washington since July 1997. Member of the Board of Directors of CCI/Triad, Austin, Texas since February 1997.	
Ann R. Wells.....	56	(1)	Retired, January 1999.	1986
		(2)	Chief Executive Officer, Ann Wells Personnel Services, Inc. (a personnel agency), Sunnyvale, California from January 1980 to January 1998. President, Ann Wells Personnel Services Division, Personnel Group of America (a personnel agency) from January 1998 to December 1998.	
Kenneth P. Wilcox.....	51	(1)	President of the Bank since May 1999 and Chief Executive Officer of the Bank since January 2000. Also, see "Information on Executive Officers" below.	--

(1) Chair of the Company Board.

Henry M. Gay resigned from the Board of Directors on April 17, 1997; and Clarence J. Ferrari, Jr., Esq. on April 15, 1999. Both Messrs. Gay and Ferrari have continued to serve as advisory (non-voting) members of the Company Board and the Bank Board.

VOTE REQUIRED

The nine (9) nominees for director receiving the highest number of affirmative votes of the shares entitled to be voted for them shall be elected as directors. Votes withheld from any director are counted for purposes of determining the presence or absence of a quorum, but have no other legal effect under Delaware law.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information regarding beneficial ownership as of the Record Date of the Company's Common Stock by each of the Company's directors, by each of the executive officers named in the Summary Compensation Table and by all current directors and executive officers as a group. Unless otherwise noted, the respective nominees have sole voting and investment power with respect to the shares shown in the table as beneficially owned.

NAME	AGGREGATE NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT OF OUTSTANDING SHARES
----	-----	-----

DIRECTORS

Gary K. Barr.....	71,500 (a)	0.31%
James F. Burns, Jr.....	39,500 (a)	0.17%
John C. Dean*.....	357,052 (b), (i)	1.56%
David M. deWilde.....	39,868 (a)	0.17%
Stephen E. Jackson.....	81,740 (c)	0.36%
Daniel J. Kelleher.....	176,542 (a)	0.77%
James R. Porter.....	35,750 (a)	0.16%
Ann R. Wells.....	149,360 (a)	0.65%

EXECUTIVE OFFICERS**

L. Blake Baldwin.....	46,033 (d), (j)	0.20%
John C. Dean.....	(See listing above under "Directors")	
Barbara B. Kamm.....	121,168 (e), (k)	0.53%
Harry W. Kellogg, Jr.....	130,843 (f), (l)	0.57%
Marc J. Verissimo.....	64,317 (g), (m)	0.28%
Kenneth P. Wilcox.....	86,962 (h), (n)	0.38%
All current directors and executive officers as a group (16 persons).....	1,508,887***	6.46%

Share numbers shown in the table include (1) the following number of shares subject to options where the options are exercisable within 60 days after the Record Date and (2) the following number of shares under the Company's employee retirement plans:

(1)	(2)
	(i)
(a) 19,000 shares	96,265 shares
	(j)
(b) 37,500 shares	14,712 shares
	(k)
(c) 9,090 shares	10,453 shares
	(l)
(d) 28,125 shares	21,659 shares
	(m)
(e) 60,379 shares	5,317 shares
	(n)
(f) 26,250 shares	14,308 shares
(g) 40,000 shares	
(h) 45,750 shares	

* Share ownership shown does not include 7,000 shares held by Mr. Dean's youngest daughter, for which shares Mr. Dean disclaims beneficial ownership. Ms. Dean is a full time college student not living in Mr. Dean's household on a full time basis. Ms. Dean has sole voting and investment power of these shares.

** Ownership shown includes dispositive share equivalents beneficially owned by executive officers under the Company's employee retirement plans. Actual voting shares will be slightly less due to cash liquidity in such retirement plans. The difference between dispositive share equivalents and actual voting shares is not deemed material.

*** Includes (i) 413,671 shares subject to options where the options are exercisable within 60 days after the Record Date and (ii) 169,731 shares held for the benefit of current executive officers under the Company's employee retirement plans.

INFORMATION ON EXECUTIVE OFFICERS(1)

The positions and ages as of the Record Date of the executive officers of the Company are as set forth below. There are no family relationships among directors or executive officers of the Company.

NAME AND POSITION -----	AGE -----	BUSINESS EXPERIENCE -----	EMPLOYEE SINCE -----
JOHN C. DEAN President, Chief Executive Officer and Director of the Company, and Director of the Bank	52	Prior to joining the Company and the Bank in April 1993, Mr. Dean served as President and Chief Executive Officer of Pacific First Bank, a \$6.5 billion federal savings bank headquartered in Seattle, Washington from December 1991 until April 1993. From 1990 to 1991, Mr. Dean served as Chairman and Chief Executive Officer of First Interstate Bank of Washington and from 1986 to 1990, Chairman and Chief Executive Officer of First Interstate Bank of Oklahoma.	1993
L. BLAKE BALDWIN Executive Vice President of the Bank and Manager of the Bank's Client and Corporate Resources Group	48	Mr. Baldwin joined the Bank in July 1988 as Vice President of the Bank's Real Estate Division. Mr. Baldwin was promoted to Senior Vice President and Division Manager of the Real Estate Group in December 1992. In March 1996, Mr. Baldwin was appointed Executive Vice President and Manager of the Bank's Special Industries Group. In September 1998, Mr. Baldwin was appointed Manager of the Human Resources Group and in November 1998 was appointed Manager of the Client and Corporate Resources Group.	1988
DAVID A. JONES Executive Vice President and Chief Credit Officer of the Bank	42	Mr. Jones joined the Bank in August 1997 as Executive Vice President and Chief Credit Officer. Prior to joining the Bank, Mr. Jones served as Senior Vice President of Wells Fargo Bank in Portland, Oregon from April 1996 to August 1997. From January 1982 to April 1996, Mr. Jones was a Senior Vice President with First Interstate Bank in Oklahoma, Texas, and Oregon.	1997
BARBARA B. KAMM Executive Vice President of the Company and the Bank and Manager of the Bank's Angels and Incubators Group	48	Ms. Kamm joined the Bank in January 1991 as Vice President and Senior Loan Officer of the Bank's Southern California Technology Group. Ms. Kamm served as Senior Vice President and Manager of the Bank's Southern California Group from August 1993 to September 1996 (having been promoted to Executive Vice President in November 1995). Ms. Kamm served as Chief Administrative Officer from September 1996 to November 1998 and Manager of the Bank's Products and Services group from November 1998 to January 2000. She was appointed Manager of the Angels and Incubators Group in January 2000.	1991

(1) Executive Officers include members of the Bank's Office of the Chair and any other officer who performs a policy-making function for the Company within the meaning of the Securities and Exchange Commission's rules.

NAME AND POSITION -----	AGE -----	BUSINESS EXPERIENCE -----	EMPLOYEE SINCE -----
HARRY W. KELLOGG, JR. Executive Vice President of the Company, and Executive Vice President and Manager of the Strategic Initiatives Group and Director of the Bank	56	Mr. Kellogg joined the Bank in October 1986 as Senior Vice President of the Bank's Technology Division. Mr. Kellogg served as Executive Vice President and Chief Marketing Officer from September 1993 to April 1994 (when he left the Bank for ten months, during which time, he served as Executive Vice President for the Emerging Growth Industries Division of Cupertino Bank). Mr. Kellogg returned to the Bank in February 1995 as Executive Vice President and Chief Marketing Officer. From December 1997 to November 1998, he served as the Manager of the Bank's Products and	1986

Services Group. Mr. Kellogg was appointed Manager of the Bank's Strategic Initiatives Group in November 1998, and as Vice Chairman of the Board of the Bank in May 1999.

CHRISTOPHER T. LUTES Executive Vice President and Chief Financial Officer of the Company and the Bank	32	Mr. Lutes joined the Bank's Treasury Department in November 1994 as a Senior Treasury Analyst. In June 1995, he was named Senior Vice President and Controller. Mr. Lutes was appointed Executive Vice President and Chief Financial Officer in May 1998. Prior to joining the Bank, Mr. Lutes served in various positions within the Finance Department of Household Credit Services, a banking services company, in Salinas, California from March 1993 to November 1994. Prior to that he served as an auditor with Coopers & Lybrand LLP in Phoenix, Arizona.	1994
A. CATHERINE NGO Executive Vice President and General Counsel of the Company and the Bank, and Manager of the Bank's Legal and Loan Services Group	39	Ms. Ngo joined the Bank in April 1993 as Vice President and was appointed Manager of the Legal Department in November 1993. Ms. Ngo held increasingly responsible positions with the Bank from November 1993 to February 1997, when she was appointed Executive Vice President. Prior to joining the Bank, Ms. Ngo served as a senior associate for Hopkins & Carley, a law corporation, from June 1989 to April 1993.	1993
MARC J. VERISSIMO Executive Vice President of the Bank and Manager of the Bank's Corporate Finance Group	44	Mr. Verissimo joined the Bank in May 1993 as Team Leader in the Northern California Technology Division. Mr. Verissimo was named Manager of the Silicon Valley Lending Division in September 1993. Mr. Verissimo was appointed Manager of the Bank's Corporate Finance Group in January 2000. Prior to joining the Bank, Mr. Verissimo served as Vice President in the High Technology Division in the High Technology Group of Bank of America.	1993

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NAME AND POSITION -----	AGE -----	BUSINESS EXPERIENCE -----	EMPLOYEE SINCE -----
KENNETH P. WILCOX Executive Vice President of the Company, and President, Chief Executive Officer and Director of the Bank	51	Mr. Wilcox joined the Bank in April 1990 as Regional Vice President of the Bank's East Coast Technology Group. Prior to becoming Executive Vice President and Manager of the East Coast Technology Group in November 1995, Mr. Wilcox held increasingly responsible positions with the Bank (having served as Manager of the East Coast Technology Group since June 1993). Mr. Wilcox was appointed Chief Banking Officer in December 1997. Mr. Wilcox was named President and Chief Operating Officer of the Bank in May 1999 and was appointed Chief Executive Officer of the Bank in January 2000.	1990

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REPORT OF THE EXECUTIVE COMMITTEE OF THE BOARD
ON EXECUTIVE COMPENSATION

THE REPORT OF THE EXECUTIVE COMMITTEE (THE "COMMITTEE") SHALL NOT BE DEEMED INCORPORATED BY REFERENCE BY ANY GENERAL STATEMENT INCORPORATING BY REFERENCE THIS PROXY STATEMENT INTO ANY FILING UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT"), EXCEPT TO THE EXTENT THAT THE COMPANY SPECIFICALLY INCORPORATES THE INFORMATION CONTAINED IN THE REPORT BY REFERENCE, AND SHALL NOT OTHERWISE BE DEEMED FILED UNDER SUCH ACTS.

Decisions regarding compensation of the Company's executive officers, including those related to stock and stock options, are considered by the full Board of Directors, based upon the recommendations and analysis performed by the Executive Committee (the "Committee"), currently composed of Mr. Kelleher,

Chair, and Directors Burns, Dean and Wells. Since the Committee is responsible for setting the Chief Executive Officer's compensation (subject to approval by the full Board), Mr. Dean refrains from participating in any discussions of the Committee relating to his performance or compensation. During 1999, the Board of Directors did not modify or reject in any material way any action or recommendation by the Committee.

KEY PRINCIPLES

The Committee has adopted the following principles to use for guidance in setting compensation:

- PAY COMPETITIVELY
 - The Committee maintains a philosophy that executive compensation levels should be competitive relative to those found in other financial institutions of comparable asset size. In that way, the Company can attract and retain highly-qualified executives critical to the Company's long-term success.
 - Consistent with this philosophy, the Committee regularly obtains information regarding executive salary levels in the financial institutions industry through various sources, including compensation surveys conducted by banking industry associations and independent compensation consultants.
 - The Committee attempts to set base compensation in the 75(th) to 115(th) percentile range of market pay targets which are established through research of comparable positions in related industries in the marketplace. An executive's actual base compensation within the percentile range depends on the executive's proficiency level for the particular position.
 - The Committee strives to reward performance that creates value for the Company's stockholders.
- TIE INCENTIVE COMPENSATION TO COMPANY FINANCIAL PERFORMANCE
 - Total incentive compensation (the "incentive compensation pool") paid to the Company's officers under the 1999 incentive compensation program, as in the prior year, was calculated using a customized version of a financial model called Economic Value Added-Registered Trademark-, or EVA-Registered Trademark-(1). EVA-Registered Trademark- is a more accurate measure of true economic profit than net income, as it takes into account how effectively capital is being used to produce the profit. By using EVA-Registered Trademark- to calculate the incentive compensation pool, sustained, continuous improvement in the Company's financial performance is rewarded, as the incentive compensation pool increases with improvement in the Company's performance from the prior year to the then-current year.

(1) EVA-Registered Trademark- is a registered trademark of Stern Stewart & Co.

- Once the amount in the incentive compensation pool was determined (based on the Company's 1999 EVA-Registered Trademark- performance), the Company allocated such amount among eligible officers in the Company. The method for allocation involved:
 - (1) determining a "target" incentive amount (based on the Company's 1999 EVA-Registered Trademark- performance), tied to officer level in the Company,
 - (2) determining any additional "discretionary" amount that should be paid to each officer, and
 - (3) ensuring on a Company-wide basis, that the aggregate of all bonuses paid to eligible officers does not exceed the incentive compensation pool amount.
- Individual performance is based on attainment of goals set at the

beginning of the year. Generally, the goals of officers in the Company are tied to their respective divisions' results, including generation of income (for the lending divisions) and client service levels (for the support divisions).

1999 MARKET SURVEYS

- EXECUTIVE OFFICERS

- A review of the Company's executive compensation was completed by an independent compensation consultant (CompAnalysis) in July 1999. In reviewing the 1999 base salary program, the compensation consultant reviewed compensation data from fifteen data sources covering the financial services industry. Included among the data sources were the "1998 Executive Compensation Database--Financial Services Report" from Towers Perrin, the "1998 Financial Institutions Benchmark Survey" from Watson Wyatt, and the "1998 Job Pricing Survey--Banking Industry" from the Hay Compensation Report. The competitive market data was updated to reflect projected July 1, 1999 compensation levels, assuming a 4% annualized increase for base salary. The compensation consultant "matched" specific Bank officers as closely as possible with officers from the data sources with similar functional responsibilities. Also, where possible, the compensation consultant "matched" Bank officers with their counterparts in institutions of similar asset size (as the Bank) and institutions located in the same geographic area as the Bank's. The compensation consultant concluded that the annual base compensation for executive officers Baldwin, Kamm, Kellogg, Verissimo and Wilcox was significantly below that for related positions included in the surveyed job descriptions. Based on this information, base salaries for these individuals were increased to \$157,500, \$175,000, \$202,500, \$157,500, and \$215,002, respectively, effective July 1, 1999.

- CHIEF EXECUTIVE OFFICER OF THE COMPANY

- The July 1999 compensation consultant review (described above in "1999 Market Surveys--Executive Officers") included data on chief executive officer compensation. The compensation consultant concluded that Mr. Dean's target cash compensation for 1999 was below that of chief executive officers included in the competitive market data. Based on this information, Mr. Dean's base salary was increased from \$350,000 to \$400,000, effective July 1, 1999.

INCENTIVE COMPENSATION PAID BASED ON 1999 COMPANY PERFORMANCE

- ACTUAL INCENTIVE COMPENSATION PAYMENTS

- EXECUTIVE OFFICERS. In allocating the incentive compensation pool among eligible officers in the Company, the Committee reviewed the Company's consolidated EVA-Registered Trademark- results, as well as actual performance for such officers in 1999. As to Messrs. Baldwin, Verissimo, and Kellogg and Ms. Kamm, the Committee reviewed their respective divisions' financial performance, as

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well as other significant contributions made by such divisions (such as development of new financial products or expansion into other geographic regions). In regard to setting Mr. Wilcox's cash incentive amount, the Committee considered the Bank's strong financial performance in 1999 (exceeding target goals set in the first quarter of 1999).

- CHIEF EXECUTIVE OFFICER OF THE COMPANY. In determining Mr. Dean's 1999 cash incentive compensation, the Committee reviewed his actual performance in 1999 in comparison to his performance plan set in the first quarter of 1999. The Committee reviewed the Company's strong financial performance in 1999 (exceeding target goals set in the first quarter of 1999), in setting Mr. Dean's incentive compensation.

- RETENTION PROGRAMS

- EXECUTIVE OFFICERS. In addition to cash incentive payments made to executive officers for 1999 performance, in the first quarter of 2000, the Company allocated interests in the Company's 2000 retention program to certain executive officers. Under the 2000 retention

program, the Company allocates interests in future distributions from the Company's investments in selected venture capital funds and direct equity investments, and in warrant income the Company realizes from the exercise and sale of all warrants taken in 1999. Specifically, the 2000 retention program allocates interests in distributions from 20% of the Company's existing direct equity investment program (\$400,000 in the aggregate), 20% of the existing commitments under the Company's venture capital investment program (\$3,100,000 in the aggregate), and 8% of all income the Company realizes from the exercise and sale of warrants taken in 1999. In short, the interests to be allocated are derived from 20% of the distributions received by the Company in selected venture capital fund investments and direct equity investments, and 8% of income realized from warrants taken in 1999. Under this program, the Company granted executive officers the following interests: Mr. Wilcox, a \$155,000 interest; Mr. Kellogg, a \$135,000 interest; Mr. Verissimo, a \$90,000 interest; Mr. Baldwin, a \$90,000 interest, and Ms. Kamm a \$80,000 interest.

The executive officers' interests are not in the venture capital funds or direct equity investments themselves, but rather, in future distributions to the Company from such funds or investments. The Company's original investment in the subject funds and direct equity investments (the distributions from which the executive officers have an interest) generally have been made in the last couple of years. Accordingly, and given historical data (for example, where distributions from the venture capital funds typically are made in the fifth to tenth years after origination of the funds), the Committee views the retention program as a long-term retention program for executives. The 2000 retention program is similar to the 1998 venture capital retention program (where the Company granted executive officers interests in distributions from a \$850,000 pool of venture capital investments earmarked for the 1998 program) and the 1999 retention program (where the Company granted executive officers interests in distributions from a \$1,600,000 pool of venture capital investments earmarked for the 1999 program). Together with other compensation benefits that vest over a stated period of time (such as Company stock options), the Committee believes the retention programs serve to retain key executives, while at the same time serve to provide some diversification to executives' investment portfolios.

- CHIEF EXECUTIVE OFFICER OF THE COMPANY. In the first quarter of 2000, the Company allocated to Mr. Dean a \$265,000 interest in the Company's 2000 retention program described above.

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- EMPLOYEE STOCK OWNERSHIP PLAN

- The Company also made payments to employees under its employee retirement plans, including to executive officers. See discussion in "Retirement Plans" below regarding payments to executives under the Company's qualified defined contribution plans.

TAX CONSEQUENCES

To the extent determinable and as one of the factors in its consideration of compensation matters, the Committee considers the anticipated tax treatment to the Company and to the executives of various payments and benefits. The Committee will consider various alternatives to preserving the deductibility of compensation payments (in particular, pursuant to Section 162(m) of the Internal Revenue Code) to the extent reasonably practicable and to the extent consistent with its other compensation objectives. No executive officer received cash compensation in excess of \$1 million during 1999. The Committee adopted limitations on the number of shares that may be subject to awards granted under the 1989 Stock Option Plan and the 1997 Equity Incentive Plan during any one calendar year to an individual so that compensation derived from stock options granted under such plans would qualify as "performance-based" compensation within the meaning of Section 162(m) and would therefore be deductible by the Company without regard to the \$1 million limitation.

EXECUTIVE COMMITTEE
DANIEL J. KELLEHER, CHAIR
JAMES F. BURNS, JR.
JOHN C. DEAN
ANN R. WELLS

EXECUTIVE COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

In 1999, the Executive Committee performed all compensation functions of the Board of Directors, including administration of the Company's stock-based employee benefit plans. (See discussion below under "Board Committees and Meeting Attendance" for additional information on the Executive Committee.) The Executive Committee is currently chaired by Mr. Daniel J. Kelleher, with Directors Wells, Burns, and Dean serving as members. With the exception of Mr. Dean, none of the aforementioned persons has ever been an officer or employee of the Company or the Bank. Mr. Dean refrains from participating in any Committee discussions related to his performance or compensation.

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RETURN TO STOCKHOLDERS PERFORMANCE GRAPH

The following graph compares, for the period from December 31, 1994 through December 31, 1999, the cumulative total stockholder return on the Common Stock of the Company with (i) the cumulative total return of the Standard and Poor's 500 ("S&P 500") market index, (ii) the cumulative total return of the Nasdaq Stock Market-U.S. index, and (iii) the cumulative total return of the Nasdaq Banks index. The graph assumes an initial investment of \$100 and reinvestment of dividends. The graph is not necessarily indicative of future stock price performance.

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

AMONG SILICON VALLEY BANCSHARES, THE S&P 500 INDEX,
THE NASDAQ STOCK MARKET (U.S.) INDEX
AND THE NASDAQ BANK INDEX

	SILICON VALLEY BANCSHARES	S&P 500	NASDAQ STOCK MARKET (U.S.)	NASDAQ BANKS
12/94	\$100	\$100	\$100	\$100
12/95	\$178	\$138	\$141	\$149
12/96	\$239	\$169	\$174	\$197
12/97	\$417	\$226	\$213	\$329
12/98	\$252	\$290	\$300	\$327
12/99	\$733	\$351	\$542	\$314

*\$100 INVESTED ON 12/31/94 IN STOCK OR INDEX.
INCLUDING REINVESTMENT OF DIVIDENDS.
FISCAL YEAR ENDING DECEMBER 31.

	DECEMBER 31,					
	1994	1995	1996	1997	1998	1999
Silicon Valley Bancshares.....	100.00	177.78	238.89	416.67	252.31	733.33
S&P 500.....	100.00	137.58	169.17	225.61	290.09	351.13
Nasdaq Stock Market--U.S.....	100.00	141.33	173.89	213.07	300.25	542.43
Nasdaq Banks.....	100.00	149.00	196.73	329.39	327.11	314.42

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TABLE 1--SUMMARY COMPENSATION TABLE

The following table sets forth certain information for each of the last three (3) fiscal years concerning the compensation of the Chief Executive Officer and the five other most highly compensated executive officers of the Company and of the Bank ("Named Officers") (based on salary plus bonus for 1999):

LONG-TERM COMPENSATION

AWARDS

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			RESTRICTED STOCK AWARDS (3)	SECURITIES UNDERLYING OPTIONS (4)
		SALARY (1)	BONUS (1)	OTHER ANNUAL COMPENSATION (2)		
		(\$)	(\$)	(\$)	(\$)	(#)
L. BLAKE BALDWIN	1999	\$157,500	\$170,000	\$ --	\$ --	12,500
Executive Vice President	1998	\$145,000	\$ --	\$ --	\$ --	--
and Manager of Client	1997	\$140,683	\$85,000	\$ --	\$ --	50,000
and Corporate Resources Group						
JOHN C. DEAN	1999	\$374,997	\$345,000	\$ --	\$125,625	--
President and Chief	1998	\$349,992	\$ --	\$ --	\$ --	--
Executive Officer of	1997	\$349,998	\$250,000	\$ --	\$ --	50,000
the Company						
BARBARA B. KAMM	1999	\$175,000	\$165,000	\$ --	\$ --	12,500
Executive Vice President	1998	\$170,000	\$ --	\$ --	\$ --	--
Manager of Angels and	1997	\$170,000	\$100,000	\$ --	\$ --	15,000
Incubators Group						
HARRY W. KELLOGG, JR.	1999	\$202,500	\$215,000	\$ --	\$ --	15,000
Executive Vice President	1998	\$170,000	\$ --	\$ --	\$ --	--
and Manager of Strategic	1997	\$170,000	\$100,000	\$ --	\$ --	30,000
Initiatives Group						
MARC J. VERISSIMO	1999	\$157,500	\$170,000	\$ --	\$ --	10,000
Executive Vice President	1998	\$145,000	\$ --	\$ --	\$ --	--
and Manager of Corporate	1997	\$140,683	\$97,500	\$ --	\$ --	50,000
Finance Group						
KENNETH P. WILCOX	1999	\$215,002	\$285,000	\$ 47,750	\$ --	15,000
President and Chief	1998	\$170,000	\$ --	\$135,052	\$ --	--
Executive Officer of	1997	\$147,349	\$100,000	\$ --	\$ --	40,000
the Bank						

LONG-TERM COMPENSATION

PAYOUTS

NAME AND PRINCIPAL POSITION	PAYOUTS	
	LTIP PAYOUTS (\$)	ALL OTHER COMPENSATION (5) (\$)
L. BLAKE BALDWIN	--	\$44,442
Executive Vice President	--	\$11,000
and Manager of Client	--	\$21,091
and Corporate Resources Group		
JOHN C. DEAN	--	\$98,764
President and Chief	--	\$19,292
Executive Officer of	--	\$25,000
the Company		
BARBARA B. KAMM	--	\$56,244
Executive Vice President	--	\$13,497
Manager of Angels and	--	\$25,000
Incubators Group		
HARRY W. KELLOGG, JR.	--	\$58,266
Executive Vice President	--	\$13,631
and Manager of Strategic	--	\$25,000
Initiatives Group		
MARC J. VERISSIMO	--	\$43,281
Executive Vice President	--	\$10,529
and Manager of Corporate	--	\$19,976
Finance Group		
KENNETH P. WILCOX	--	\$58,555
President and Chief	--	\$13,534
Executive Officer of	--	\$21,659
the Bank		

(1) Includes amounts deferred at the election of the executive officer.

- (2) Amounts in this column represent (a) relocation costs incurred by the executive officer and reimbursed by the Bank, as well as (b) premiums for supplemental long-term disability coverage provided by the Bank. Amounts for the years shown are not reflected if the total value of perquisites paid to the executive officer during a fiscal year did not exceed, in the aggregate, the lesser of \$50,000 or 10% of the individual's salary plus bonus in the subject year. Amount reflected for Mr. Wilcox in 1998 represents relocation costs in the amount of \$84,302, as well as \$50,750 for uncharged interest by the Company in connection with two interest-free relocation loans made by the Company to Mr. Wilcox (see discussion in "Certain Relations and Related Transactions"). Amounts reflected for Mr. Wilcox in 1999 represents \$47,750 for uncharged interest by the Company in connection with such loans. The uncharged interest was calculated by assuming an interest rate of 6.00%.
- (3) As of December 31, 1999, Mr. Dean held 12,500 unvested restricted shares of the Company's Common Stock (10,000 granted on January 18, 1996, and 5,000 granted on August 16, 1999 of which 2,500 vested immediately), with a market value of \$618,750. Market value is based on the \$49.50 per share closing market price of the Company's Common Stock on the National Association of Securities Dealers Automated Quotation/National Market on December 31, 1999, the last trading day of 1999. Holders of restricted stock have rights equivalent to those of other stockholders, including voting rights and rights to dividends. 10,000 of Mr. Dean's shares vested on January 17, 2000, and 2,500 will vest on August 14, 2000, subject to earlier termination on a "Covered Termination" following a "Change in Control" (as defined). See "Termination Agreements" below. Amount reflected for Mr. Dean represents the value of the 5,000 shares (granted on August 16, 1999), based on the market price on the date of grant (\$25.125).

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- (4) The numbers in this column reflect shares of Common Stock underlying options. The numbers have been adjusted to reflect shares following a two-for-one stock split (effected in May 1998). No Stock Appreciation Rights ("SARs") were awarded during the years 1997 through 1999.
- (5) Amounts in this column include employer contributions to the Bank's combined 401(k) and Employee Stock Ownership Plan, and Money Purchase Pension Plan (see discussion under "Retirement Plans"). Amounts in this column also include distributions received under the Company's retention plans. Under the 1998 and 1999 retention plans, the Company granted to executives, interests in the venture capital investment program (under which the Company invests in venture capital funds for its own account). Interests are not in the venture capital funds themselves, but rather, in future distributions from such funds. The 2000 retention plan includes not only interests in the Company's venture capital investments, but also in the Company's direct equity investments and warrant income realized on warrants taken in 1999.

The following charts breakdown the amounts in this column, and also shows the allocations made under the retention plans during each of the following years:

1999

OFFICER	CONTRIBUTION TO RETIREMENT PLANS	DISTRIBUTIONS RECEIVED UNDER 1998 AND 1999 RETENTION PLAN	JANUARY 2000 ALLOCATION OF INTEREST IN 2000 RETENTION PLAN
Baldwin.....	\$23,613	\$20,829	\$ 90,000
Dean.....	\$25,000	\$73,764	\$265,000
Kamm.....	\$25,000	\$31,244	\$ 80,000
Kellogg.....	\$25,000	\$33,266	\$135,000
Verissimo.....	\$22,452	\$20,829	\$ 90,000
Wilcox.....	\$25,000	\$33,555	\$155,000

1998

OFFICER	CONTRIBUTIONS TO RETIREMENT PLANS	DISTRIBUTIONS RECEIVED UNDER 1998 RETENTION PLAN	JANUARY 1999 ALLOCATION OF INTEREST IN 1999 RETENTION PLANS
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Baldwin.....	\$7,913	\$ 3,087	\$ 60,000
Dean.....	\$9,000	\$10,292	\$275,000
Kamm.....	\$8,866	\$ 4,631	\$ 90,000
Kellogg.....	\$9,000	\$ 4,631	\$125,000
Verissimo.....	\$7,442	\$ 3,087	\$ 60,000
Wilcox.....	\$8,903	\$ 4,631	\$130,000

1997

OFFICER -----	CONTRIBUTIONS TO RETIREMENT PLANS -----	JANUARY 1998 ALLOCATION OF INTEREST IN 1998 RETENTION PLAN -----
Baldwin.....	\$21,091	\$ 30,000
Dean.....	\$25,000	\$100,000
Kamm.....	\$25,000	\$ 45,000
Kellogg.....	\$25,000	\$ 45,000
Verissimo.....	\$19,976	\$ 30,000
Wilcox.....	\$21,659	\$ 45,000

For example, amounts for Mr. Dean in the 1998 Chart under the heading "January 1999 Allocation of Interest in 1999 Retention Plan" include a \$275,000 interest in the venture capital investment program, which represents a 17.3% interest in the \$1,590,000 pool of venture capital investments earmarked for the Company's officers. Also, in the same chart (for 1998), under the heading "Distributions Received under 1998 Retention Plan" the \$10,292 amount for Mr. Dean includes distributions received under the Company's 1998 Retention Plan.

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TABLE 2--OPTION GRANTS IN LAST FISCAL YEAR

The following table sets forth information concerning the grant of options to purchase the Company's Common Stock to the Named Officers during 1999:

INDIVIDUAL GRANTS IN 1999

NAME -----	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#) (1)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR(2)	EXERCISE PRICE (\$/SHARE)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(3)	
					5% (\$)	10% (\$)
L. Blake Baldwin.....	12,500	2.40%	\$17.875	1/21/09	\$140,519	\$356,102
John C. Dean.....	0	0.00%	\$ --	--	\$ --	\$ --
Barbara B. Kamm.....	12,500	2.40%	\$17.875	1/21/09	\$140,519	\$356,102
Harry W. Kellogg, Jr.....	15,000	2.88%	\$17.875	1/21/09	\$168,622	\$427,322
Marc J. Verissimo.....	10,000	1.92%	\$17.875	1/21/09	\$112,415	\$284,881
Kenneth P. Wilcox.....	15,000	2.88%	\$17.875	1/21/09	\$168,622	\$427,322

(1) Consists entirely of options granted pursuant to the Company's 1997 Equity Incentive Plan (the "Plan"). The Plan provides for administration of the Plan by the Board of Directors of the Company, or by a committee thereof to which the Board of Directors has delegated authority to administer the Plan (the "Administrator"). The Administrator designates the persons to be granted options, the type of option, the number of underlying shares, the exercise price, the date of grant and the date options become exercisable. The Administrator also has broad discretion to amend outstanding options or to effect repricings. These options were granted at 100% of the fair market value of the Company's Common Stock on the date of grant. The option grants vest ratably over four years and expire ten years from the date of grant. Upon a "Change in Control" of the Company or the Bank, the options will become fully exercisable. See "Termination Agreements" below. In October 1997, the Board of Directors voted to permit assignability of non-qualified stock options granted under the Plan to immediate family

members, family trusts, and similar entities. Any options so assigned will continue to be reported in this table and in the option exercises table (see "Table 3" below) as if still held by the Named Officer.

- (2) Based on options to purchase an aggregate of 520,000 shares of the Company's Common Stock granted to certain employees during 1999 under the 1997 Equity Incentive Plan and the 1989 Stock Option Plan.
- (3) Represents the potential net realizable dollar value of the option grants, i.e., the market price of the underlying shares (adjusted for the assumed annual stock appreciation rates of 5% and 10%, respectively, with the assumed rates compounded annually over the ten-year term of the options), minus the aggregate exercise price of the options. The stock price appreciation rates are mandated by SEC rules and do not represent the Company's estimate of future stock prices.

TABLE 3--AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES(1)

The following table sets forth information concerning the exercise of options during 1999 and the options held at 1999 fiscal year-end by Named Officers:

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (2) (\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END (3) (\$)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
L. Blake Baldwin.....	1,650	\$ 49,706	12,500	37,500	\$ 412,500	\$1,220,313
John C. Dean.....	--	\$ --	25,000	25,000	\$ 825,000	\$ 825,000
Barbara B. Kamm.....	--	\$ --	70,878	20,000	\$2,624,437	\$ 642,813
Harry W. Kellogg, Jr.....	15,000	\$321,475	60,000	30,000	\$2,404,575	\$ 969,375
Marc. J. Verissimo.....	8,000	\$103,480	35,000	35,000	\$1,245,925	\$1,141,250
Kenneth P. Wilcox.....	12,000	\$332,592	32,000	35,000	\$1,158,000	\$1,134,375

- (1) Consists entirely of stock options. No stock appreciation rights ("SARs") have been awarded to date. In October 1997, the Board of Directors voted to permit assignability of non-qualified stock options granted under the 1997 Equity Incentive Plan to immediate family members, family trusts and similar entities. Any options so assigned will continue to be reported in this table as if still held by the Named Officer, and exercises by or on behalf of such assignees are also reflected as exercises by the Named Officer.
- (2) Represents the market price of the underlying securities on the date of the option exercise, minus the exercise price.
- (3) Represents the market value of the underlying securities at 1999 fiscal year-end, based on the \$49.50 per share closing market price of the Company's Common Stock on the National Association of Securities Dealers Automated Quotation/National Market on December 31, 1999, less the exercise price.

RETIREMENT PLANS

The Bank has two defined contribution plans: (1) the Silicon Valley Bank 401(k) and Employee Stock Ownership Plan (the "401(k)" and "ESOP") (a qualified profit sharing plan under the Internal Revenue Code [the "IRC"]) and (2) the Silicon Valley Bank Money Purchase Pension Plan (the "MPP") (a qualified money purchase pension plan under the IRC). The Company matches 100% of employee-deferred salary contributions to the 401(k), up to a maximum contribution of \$1,000 per year per employee. The Company makes contributions to the ESOP and MPP using a compensation-based formula (subject to certain limitations on compensation under the IRC). ESOP contributions are discretionary based on the profitability of the Company, are invested primarily in the Company's Common Stock and may not exceed 10% of eligible employees' base compensation. In 1999, the ESOP contribution was 10% of eligible compensation as a result of the Company's surpassing its stretch performance goal. MPP contributions are guaranteed at 5% of eligible compensation and are invested at the participant's direction.

TERMINATION ARRANGEMENTS

The Bank entered into Termination Agreements ("Termination Agreements") with certain executive officers, including Named Officers Baldwin, Dean, Kamm, Kellogg, Verissimo, and Wilcox on August 12, 1998. These Termination Agreements superseded other agreements then in effect (with those agreements having expired on August 11, 1998). The Termination Agreements provide for severance pay and continuation of certain benefits if the executive's employment is terminated following a "Change in

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Control" (defined below). The Termination Agreements were approved by disinterested members of the Boards of Directors of the Company and the Bank during 1997 (but effective August 1998 following expiration of the then-operative Agreements).

TERMINATION FOLLOWING A CHANGE IN CONTROL. In order for an executive to receive benefits under the Termination Agreements following a Change in Control, the executive must be terminated involuntarily without cause or constructively terminated within 24 months following the Change in Control (a "Covered Termination"). Also, benefits will be given to executives only following a Change in Control that involves payments to stockholders in excess of two times the then book value of the Company. (This reflects a change from the agreements that expired in August 1998, where benefits would be paid for sales over one times book value.)

Under the Termination Agreements, a "Change in Control" will be deemed to have occurred in any of the following circumstances:

- (1) the acquisition of 50% or more of the outstanding voting stock of the Company by any person or entity, with certain exceptions for employee benefit plans of the Company or the Bank;
- (2) the acquisition of 25% or more of the outstanding voting stock of the Company by any person or entity and a change in the composition of the Board during the following 12 months such that those persons serving as directors immediately prior to the share acquisition, and those new directors elected by a vote of at least two-thirds of the directors of the Company, cease to make up at least 60% of the directors of the Company;
- (3) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation in which the stockholders of the Company immediately prior thereto continue to own more than 50% of the outstanding voting stock of the surviving entity; or
- (4) the complete liquidation of the Company or the Bank, or disposition of all or substantially all of the Company's or the Bank's assets.

A constructive termination is deemed to have occurred if the executive resigns in writing following a reduction in the executive's then annual base salary, upon a 15% reduction in the executive's annual compensation (base salary plus bonus), upon a material reduction in the executive's responsibilities, or upon a relocation by more than 50 miles of the principal place at which the executive works.

Under the Termination Agreements, the amount of severance benefits payable to an executive whose employment is terminated during the 24 months following a Change in Control is dependent upon the "transaction price multiple" of the then book value of the Company or the Bank. As the transaction price multiple of book value increases above 2.0, the severance benefit (the "Severance Benefit") (represented as a multiple of the executive's annual base salary) increases. (Under the agreements that expired in August 1998, the severance benefit was tied to the executive's total annual compensation [base salary plus bonus] and the Severance Benefit increased as the transaction price multiple of book value increased above 1.0.)

The percentage payout of the Severance Benefit is on a sliding scale tied to termination date. If the termination date is within 12 months following the Change in Control, then 100% of the Severance Benefit will be paid. However, between 12 months and 24 months following a Change in Control, a declining percentage will be paid, with 75% of the Severance Benefit being payable for terminations 15 months following a Change in Control and 0% being payable for terminations 24 months following a Change in Control. Finally, all outstanding

options (representing interests in the Company's Common Stock) will become immediately and fully vested (and may be exercised) upon a Change in Control, and all restrictions upon any restricted Company stock will lapse immediately and all such shares will become fully vested, generally (upon a Covered Termination following a Change in Control).

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In linking the amount of termination payments within 24 months following a Change in Control to the transaction price multiple of book value, the Boards of Directors of the Company and the Bank underscored their view that management should be rewarded correspondingly for increased stockholder value. Therefore, the amount of severance payments to executives under the Termination Agreements increases in direct proportion to increases in value realized through a Change in Control of the Company or the Bank. Conversely, sale of the Company or the Bank for less than 2.0 times book value would result in no cash payout to executives under the Termination Agreements, although they would still be entitled to acceleration of vesting.

The severance program approved by the Boards of Directors of the Company and the Bank includes certain non-executive Bank officers as well. The amount of severance benefits payable to officers below the executive level is likewise dependent upon the "transaction price multiple" described above. However, non-executive bank officers receive severance payments for any sale of the Company or Bank for one times book value and above. Under the program for non-executive officers, as the grade level of the officer in the Bank increases, the multiple of the officer's base salary used in determining the severance benefit increases.

LIMITATION ON SEVERANCE PAYMENTS. To the extent that the severance payments otherwise called for by the Termination Agreements would trigger "golden parachute" tax treatment pursuant to Section 280(g) and/or Section 4999 of the Internal Revenue Code, the payments will be reduced (including by executive officers' electing to make payment to third-party charitable organizations) to the largest amount that the employee determines would result in maximizing the employee's net proceeds (after taking into account the payment of any applicable taxes, including excise taxes).

DEAN AND KELLOGG AGREEMENTS RELATING TO GARAGE.COM-TM-

INTRODUCTION. In March 1998, the Company made an equity investment (the "Initial Investment") in garage.com-TM-, an internet company that matches entrepreneurs with investors. To further strengthen relationships between the founders, advisors and investors in garage.com-TM-, on the one hand, and the Bank, on the other, Mr. Dean agreed to serve as a director for garage.com-TM-.

As a director for garage.com-TM-, Mr. Dean was offered the right to purchase shares of common stock in garage.com-TM-. Mr. Dean assigned the right to the Company. The Company exercised this stock purchase right (the "Subsequent Investment").

MESSRS. DEAN AND KELLOGG'S GARAGE.COM-TM- AGREEMENTS. The Board of Directors believes that Mr. Dean's service as a director for garage.com-TM- indirectly will provide value to the Company. Accordingly, the Company entered into an agreement with Mr. Dean relating to garage.com-TM- on August 12, 1998. The Company entered into a similar agreement with Mr. Kellogg, in recognition of Mr. Kellogg's support of Mr. Dean in garage.com-TM- board matters. Under these two agreements, as amended, Messrs. Dean and Kellogg each hold a twenty-five percent (25%) interest in the Subsequent Investment.

FORRESTER CONSULTING AGREEMENT

James F. Forrester resigned as Executive Vice President of the Company and the Bank, effective February 28, 1999. The Bank and Mr. Forrester entered into a consulting agreement, effective March 1, 1999, pursuant to which Mr. Forrester served as a consultant to the Bank until February 28, 2000. Under the consulting agreement, Mr. Forrester received \$8,500 a month for his services as a consultant. All stock options held by Mr. Forrester continued to be outstanding and vested in accordance with their respective terms until expiration of the consulting term.

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The Company and the Bank have Audit and Finance, Executive, Loan and Regulatory Compliance Committees of their respective Boards of Directors. Members as of the Record Date were as follows:

AUDIT AND FINANCE -----	EXECUTIVE -----	LOAN ----	REGULATORY COMPLIANCE -----
James F. Burns, Jr., Chair Gary K. Barr Ann R. Wells	Daniel J. Kelleher, Chair James F. Burns, Jr. John C. Dean Ann R. Wells	James R. Porter, Chair David M. deWilde Stephen E. Jackson	Gary K. Barr, Chair James F. Burns, Jr. James R. Porter

AUDIT AND FINANCE COMMITTEE (JOINT COMPANY/BANK COMMITTEE) 9 meetings in fiscal year 1999

- Approves the selection and termination of the Company's independent auditors;
- Reviews the scope and results of the audit plans of the independent auditors;
- Reviews the adequacy of the Company's internal accounting controls;
- Oversees the Bank's regulatory compliance;
- Reviews with management and with the independent auditors, reports filed with banking regulatory agencies and the Securities and Exchange Commission;
- Evaluates the activities and utilization of the Company's and the Bank's internal audit relationship;
- Oversees the Bank's investment and funds management policies, which include the following five policies: investment policy, liquidity management policy, interest rate risk management policy, hedging policy, and capital management policy;
- Reviews and approves the Company's and the Bank's insurance policies; and
- Oversees management's efforts in ensuring that the Company is complying with accounting standards and with federal and state banking laws.

EXECUTIVE COMMITTEE (SEPARATE COMPANY/BANK COMMITTEES) 10 meetings (Company Executive Committee) in fiscal year 1999
10 meetings (Bank Executive Committee) in fiscal year 1999

- Works with management in developing long-term strategic plans;
- Has the authority of the Board between Board meetings, except as otherwise provided by Delaware or California law;
- Serves as the nominating committee for directors as well as Board and Board committee chairs. (The Executive Committee will consider nominees for director who are recommended by stockholders. Stockholders that wish to submit names of prospective director-nominees for consideration by the Executive Committee should do so in writing to the Secretary of Silicon Valley Bancshares, 3003 Tasman Drive, Santa Clara, CA 95054.);
- Works with management in ensuring that the Bank's long-term and short-term compensation programs are competitive and effective in attracting, retaining, and motivating highly-skilled personnel;

- Reviews and recommends the compensation for the Chief Executive Officer of the Company and the Chief Executive Officer of the Bank (with the Company's Chief Executive Officer refraining from participating in any Committee discussions related to the Chief Executive Officer's performance or compensation); and
- Reviews and approves compensation and administers stock-based employee benefit plans (including approving individual option and stock grants under the 1989 Option Plan and the 1997 Equity Incentive Plan).

LOAN COMMITTEE (BANK COMMITTEE) 12 meetings in fiscal year 1999

- Works with management in seeking to ensure that the Bank maintains and enforces the Bank's credit policy and credit procedures;
- Works with management in ensuring compliance with lending limit restrictions and with established portfolio constraints and limitations;
- Works with management in ensuring problem credits are identified on a timely basis;
- Has lending authority and establishes lending authority levels for Bank committees and respective officer levels in the Bank;
- Reviews the Bank's community delineations to ensure that they meet the purposes of the Community Reinvestment Act; and
- Works with management in monitoring the loan portfolio, including reviewing proposed corrective action plans when pre-determined portfolio credit quality levels are reached.

REGULATORY COMPLIANCE COMMITTEE (BANK AD HOC COMMITTEE) 333333 meetings in fiscal year 1999

- The Bank Compliance Committee is an ad hoc committee established to monitor the resolution of each of the items noted in the Memorandum of Understanding between the Bank and the Federal Reserve Bank of San Francisco and the California Department of Financial Institutions

Actions taken by the above-described Board Committees are reported to the Company or Bank Board of Directors, as appropriate, following the Committee meetings.

During fiscal year 1999 (ended December 31, 1999), the Company Board of Directors met 12 times: 10 regular meetings and 2 special meetings. During fiscal year 1999 (ended December 31, 1999), the Bank Board of Directors met 12 times: 10 regular meetings and 2 special meetings. All Company directors attended at least 75% of the aggregate of all Company Board meetings and meetings held by Committees of the Company's Board of which they were members.

DIRECTOR COMPENSATION(1)

In August 1998, the Board approved the director compensation program for outside directors for 1999-2000 service, as well as 2000-2001 service, on the Board. The program provides for a grant to each outside director of options to purchase 6,000 shares of the Company's Common Stock (made on August 4, 1998 at an exercise price of \$30.063 per share), with the first 3,000 shares subject to the option scheduled to vest on the date immediately following the Company's 1999 Annual Meeting (subject to the director's re-election to the Board) and the remaining 3,000 shares subject to the option scheduled to vest on the date immediately following the Company's 2000 Annual Meeting (subject to the director's re-election to the Board). On September 17, 1998, outside director Jackson, who was appointed to the Board in August 1998, was granted an option to purchase 6,000 shares (and on such terms, including exercise price) as granted to the other directors the previous month.

In January 1999, the Board approved a grant to each outside director, except for Mr. Jackson, of options to purchase 1,000 shares of the Company's Common Stock (made on January 21, 1999 at an exercise price of \$17.875 a share), with the shares scheduled to vest immediately following the Company's 1999 Annual Meeting (subject to the director's re-election to the Board). Mr. Jackson was

granted options to purchase 1,500 shares with the same terms as those described immediately above. The Board believed that Mr. Jackson should be awarded the additional options to compensate for the exercise price of the options to purchase 6,000 shares granted in September 1998 (as described above) being set at a higher price than the then market price of the Company's stock, to keep Mr. Jackson's grant consistent with the 1999-2000 compensation program.

In January 2000, the Board approved an amendment to the director compensation program for outside directors for 2000-2001 service on the Board. The program provides each director with two alternatives for compensation for 2000-2001 service. Under the first alternative, the director may choose to retain the 3,000 options which will vest on the date immediately following the Company's April 2000 Annual Meeting. Under the second alternative, the director may choose that one-half of the options vesting in 2000 (e.g., 1,500 options) be cancelled, and in exchange for the cancelled options, the director receives a \$16,500 interest in the Company's 2000 Director Compensation Program (which is part of the 2000 Retention Program pool described above under "Report of the Executive Committee of the Board on Executive Compensation"). On or before the date of the March 2000 Board meeting, each director must elect the first or second alternative for compensation.

Mr. Gay and Mr. Ferrari, both former directors, served as advisory directors to the Board during the 1999-2000 term. In recognition of their advisory role, the Company paid Mr. Gay and Mr. Ferrari \$3,750 per meeting attended during the 1999-2000 term.

Additionally, outside directors are reimbursed for travel expenses. For 1999-2000 service, the Chair of the Board (who also serves as the Chair of the Executive Committee) received an annual fee of \$15,000. The Chairs of the respective Board committees each received an annual fee of \$7,500. For 2000-2001 service, the Chair of the Board (who also serves as the Chair of the Executive Committee) will have the option of receiving an annual fee of \$15,000 (cash) or a \$15,000 interest in the Company's 2000 Directors Compensation Program (as described above). Additionally, other Board Committee Chairs will have the option of receiving an annual fee of \$7,500 (cash) or a \$7,500 interest in the 2000 Directors Compensation Program. Each Committee Chair must elect the form of compensation on or before the date of the March Board meeting.

 (1) The share numbers in this section have been adjusted to reflect the two-for-one stock split of the Company's shares in May 1998.

SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS

Information concerning each person known by the Company to own more than 5% of the outstanding Common Stock of the Company (as of the Record Date) follows. The Company knows of no persons other than those entities described below who beneficially own more than 5% of the outstanding Common Stock of the Company.

NAME OF BENEFICIAL OWNER -----	SHARES BENEFICIALLY OWNED	
	NUMBER OF SHARES -----	PERCENT OF TOTAL -----
Entities affiliated with Franklin Resources, Inc..... 777 Mariners Island Boulevard San Mateo, CA 94404	2,066,974 (1)	9.3%
Reich and Tang Asset Management LP..... 600 Fifth Avenue New York, New York 10020	1,730,450 (2)	7.8%
T. Rowe Price Associates, Inc..... 100 E. Pratt Street Baltimore, Maryland 21202	1,268,700 (3)	5.6%

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- (1) The number of shares in this table and the information in this footnote have been derived from the Schedule 13G dated as of January 31, 2000 filed with the Securities and Exchange Commission ("SEC") by Franklin Resources, Inc. ("FRI"), a parent holding company; Charles B. Johnson and Rupert H. Johnson, Jr., principal shareholders of FRI (collectively, the "Principal Shareholders"); and Franklin Advisers, Inc. ("FAI"), an investment adviser and subsidiary of FRI. Franklin Management, Inc. ("FMI") is a subsidiary of FRI. The shares are beneficially owned by one or more open or closed-end investment companies or other managed accounts that are advised by direct and indirect investment subsidiaries of FRI. The advisory contracts grant to the adviser subsidiaries all investment and/or voting power over the securities owned by such advisory clients. FAI has the sole dispositive and voting power with respect to 2,011,800 shares. FMI has the sole power to dispose or direct the disposition of 55,174 shares, but has no power to vote or direct the vote of any shares. The Principal Shareholders each own in excess of 10% of the outstanding Common Stock of FRI. With respect to securities owned by FAI and FMI, their clients have the right to receive dividends paid with respect to, as well as the proceeds from the sale of, such securities.
 - (2) The number of shares in this table and the information in this footnote have been derived from the Schedule 13G dated as of February 15, 2000 filed with the SEC by Reich and Tang Asset Management L.P. ("Reich and Tang"), an investment adviser. Reich and Tang has shared dispositive and voting power with respect to 1,730,450 shares. Reich and Tang disclaims beneficial ownership interest in 124,300 shares which are owned or controlled by H. Axel Schupf, a Managing Director of the H.A. Schupf & Co. division of Reich and Tang. The shares beneficially owned by Reich and Tang were purchased on behalf of certain accounts for which Reich and Tang provides investment advice on a fully discretionary basis. Reich and Tang has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares. No individual client has an interest that relates to more than five percent of the class.
 - (3) The number of shares in this table and the information in this footnote have been derived from the Schedule 13G dated as of February 14, 2000 filed with the SEC by T. Rowe Price Associates, Inc. ("TRP Associates"), an investment adviser, and T. Rowe Price Small-Cap Value Fund, Inc. ("TRP Fund"). TRP Associates has sole voting power with respect to 294,700 shares and sole dispositive power with respect to 1,268,700 shares. TRP Fund has sole voting power with respect to 905,000

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shares (which number of shares is included in the number of shares reported by TRP Associates) and sole dispositive power as to no shares. The ultimate power to receive dividends paid with respect to, and the proceeds from the sale of, the shares held by TRP Associates are vested in the individual and institutional clients to which TRP Associates serves as an investment adviser. No client has an interest that relates to more than five (5) percent of the class. With respect to securities owned by the TRP Fund, only State Street Bank and Trust Company, as custodian for the TRP Fund, has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. The stockholders of the TRP Fund participate proportionately in any dividends and distributions so paid. TRP Associates expressly disclaims beneficial ownership of the shares shown in the table.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company believes that, during fiscal year 1999, its officers (as defined in the rules under Section 16 of the Exchange Act) and directors have complied with all Section 16(a) filing requirements in a timely manner, except that there was a late filing in connection with the purchase of shares by James Anderson. The Company is not aware of any 10% stockholders.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Certain directors of the Company and Bank and the entities with which they are affiliated are customers of the Bank and have had banking transactions with the Bank in the ordinary course of business. The Board of Directors of the Bank adopted a policy during 1992 to prohibit new loans or the renewal of existing loans to insiders after December 31, 1993 (other than on an exception basis).

Term loans existing at December 31, 1992 were permitted to remain outstanding until scheduled maturity. The Company believes that all extensions of credit included in such transactions were made in compliance with applicable laws and on substantially the same terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with other persons of similar creditworthiness and, in the opinion of the Board of Directors of the Bank, did not involve more than a normal risk of collectibility or default or present any other unfavorable features.

In December 1997 and in conjunction with Mr. Wilcox's promotion to Chief Banking Officer (and corresponding relocation from Massachusetts to California), the Company agreed to make two interest-free relocation loans to Mr. Wilcox. The first loan in the amount of \$250,000 (funded in December 1997) is payable in five annual installments, with the final \$50,000 installment due on December 1, 2002. The second loan in the amount of \$600,000 (funded in January 1998) is due in full on December 1, 2002. Both loans are secured by a lien on Mr. Wilcox's principal residence in California. The largest principal amount outstanding during 1999 was \$800,000 and the principal amount outstanding on December 31, 1999 was \$750,000.

Also, in conjunction with Mr. Wilcox's promotion and pursuant to a separate agreement (separate from the above-described loan documents), the Bank has agreed to pay Mr. Wilcox a guaranteed \$50,000 annual bonus for the next five years (subject to his continued employment by the Bank), with the first such bonus paid in December 1998 and the final bonus payable in December 2002.

In June 1998 and in conjunction with Mr. Lutes' promotion to Chief Financial Officer, the Company made a loan in the amount of \$75,000 to Mr. Lutes. The loan accrues interest at the rate of 5.50% per annum and is payable in three equal annual installments, with the final \$25,000 installment due on March 1, 2001. The loan is unsecured. The largest principal amount outstanding during 1999 was \$75,000 and the principal amount outstanding on December 31, 1999 was \$50,000.

In January 1999 and in conjunction with recruiting James Anderson to the Bank as Executive Vice President and Manager of the Corporate Finance Group, the Company agreed to make an interest-free loan in the amount of \$100,000 to Mr. Anderson. The loan (funded in January 1999) is payable in five equal annual installments, with the final \$20,000 installment due on March 1, 2004. The loan is unsecured.

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The largest principal amount outstanding during 1999 (and the principal amount outstanding on December 31, 1999) was \$100,000.

In April 1999, the Company made a loan in the amount of \$150,000 to Ms. Kamm to assist her in the payment of taxes. The loan (funded in April 1999) accrues interest at the rate of 4.75% per annum and is payable in five equal annual installments, with the final \$30,000 installment due on March 1, 2004. The loan is unsecured. The largest principal amount outstanding during 1999 (and the principal amount outstanding on December 31, 1999) was \$150,000.

See also "Compensation Committee Interlocks and Insider Participation."

PROPOSAL NO. 2
APPROVAL OF THE AMENDMENT TO THE SILICON VALLEY BANCSHARES 1997 EQUITY INCENTIVE
PLAN

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF
THE AMENDMENT TO THE 1997 EQUITY INCENTIVE PLAN

INTRODUCTION

The stockholders are being asked to approve an amendment to the 1997 Equity Incentive Plan (the "Incentive Plan") in order to reserve an additional 1,100,000 shares of Common Stock for issuance thereunder. The Incentive Plan was adopted by the Board of Directors on December 19, 1996 and approved by the stockholders on April 17, 1997. The Incentive Plan as adopted had 1,800,000 shares(1) reserved for issuance thereunder.

As of February 22, 2000, 67,121 shares of Common Stock were available for issuance under the Incentive Plan (exclusive of the increase in shares subject to stockholder approval at the 2000 Annual Meeting of Stockholders). Options to purchase 1,347,023 shares were outstanding and since the inception of the Incentive Plan, 385,856 shares of Common Stock have been issued upon the

exercise of options granted under the Incentive Plan at an average exercise price per share of \$33.769.

The Incentive Plan provides for the grant of incentive stock options to employees and nonstatutory stock options, stock appreciation rights, restricted stock purchase awards and stock bonuses (collectively "Stock Awards") to employees, directors and consultants. Incentive stock options granted under the Incentive Plan are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Nonstatutory stock options granted under the Incentive Plan are not intended to qualify as incentive stock options under the Code. See "Federal Income Tax Information" for a discussion of the tax treatment of the various awards included in the Incentive Plan.

VOTE REQUIRED

At the Annual Meeting, stockholders are requested in this Proposal Two to approve the amendment to the Incentive Plan. The affirmative vote of the Votes Cast on this proposal will be required to approve the amendment. For purposes of this vote, abstention and broker non-votes will not be counted for any purpose in determining whether this matter has been approved. The Board of Directors recommends a vote "FOR" approval of the amendment to the Incentive Plan.

A summary of the features of the Incentive Plan are outlined below.

(1) Adjusted for the Company's two-for-one stock split in May 1998.

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SUMMARY OF THE INCENTIVE PLAN

PURPOSE

The Incentive Plan provides a means by which selected employees and directors of, and consultants to, the Company, and its affiliates, may be given an opportunity to purchase Common Stock of the Company or receive cash based on stock appreciation. The Company, by means of the Incentive Plan, seeks to retain the services of persons who are now employees and directors of, or consultants to, the Company or its affiliates, to secure and retain the services of new employees, directors and consultants, and to provide incentives for such persons to exert maximum efforts for the success of the Company and its affiliates.

ADMINISTRATION

The Incentive Plan is administered by the Board unless and until the Board delegates administration to a committee composed of not fewer than two Board members. All of the members of any such committee must be non-employee directors (unless the Board expressly declares that such requirement shall not apply) and may also be, in the discretion of the Board, outside directors. If administration is delegated to a committee, such committee will have, in connection with the administration of the Incentive Plan, the powers possessed by the Board, subject, however, to such resolutions, not inconsistent with the provisions of the Incentive Plan, as may be adopted from time to time by the Board.

The Board may abolish such committee at any time and re-vest in the Board the administration of the Incentive Plan. The Board has delegated the administration of the Incentive Plan to the Executive Committee (the "Administrator").

The Administrator has the power to determine from time to time which of the persons eligible under the Incentive Plan shall be granted awards, the type of awards to be granted, when and how each award shall be granted, to construe and interpret the Incentive Plan and awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Administrator may correct any defect in the Incentive Plan or in any award agreement to make the Incentive Plan fully effective.

ELIGIBILITY

Incentive stock options and stock appreciation rights appurtenant thereto may be granted only to employees. Nonstatutory stock options, restricted stock purchase awards, stock appreciation rights, and stock bonuses may be granted to employees, directors or consultants. As of the record date, the Company and Bank

had seven-hundred-thirty (730) employees, and seven (7) non-employee directors eligible for awards under the plan.

No person is eligible for the grant of an incentive stock option if, at the time of grant, such person owns stock constituting more than ten percent (10%) of the total combined voting power of all classes of stock of the Company unless the exercise price of such option is at least one hundred ten percent (110%) of the fair market value of such Common Stock subject to the option at the date of grant and the option is not exercisable after the expiration of five (5) years from the date of grant, or in the case of a restricted stock purchase award, the purchase price is at least one hundred percent (100%) of the fair market value of Common Stock subject to the award at date of grant. In addition, no person shall be eligible to be granted options and stock appreciation rights covering more than two hundred fifty thousand (250,000) shares of the Company's Common Stock in any calendar year.

TERM AND TERMINATION OF STOCK OPTIONS

No option is exercisable after the expiration of ten (10) years from the date it was granted.

In the event an optionee's continuous status as an employee, director or consultant is terminated, the optionee may exercise his or her option (to the extent that the optionee was entitled to exercise it at the

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time of termination) but only within the earlier of (i) the date three (3) months after the termination of the optionee's continuous status as an employee, director or consultant, or (ii) the expiration of the term of the option as set forth in the option agreement.

An optionee's option agreement may also provide that if the exercise of the option following the termination of the optionee's continuous status as an employee, director or consultant would result in liability under Section 16(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), then the option shall terminate on the earlier of (i) the expiration of the term of the option, or (ii) the expiration of a period three (3) months after the termination of the optionee's continuous status as an employee, director or consultant during which the exercise of the option would not be in violation of such registration requirements.

In the event an optionee's continuous status as an employee, director or consultant terminates as a result of the optionee's death or disability, the optionee (or such optionee's estate, heirs or beneficiaries) may exercise his or her option, but only within the period ending on the earlier of (i) twelve (12) months following such termination (or such longer or shorter period as specified in the option agreement) or (ii) the expiration of the term of the option as set forth in the option agreement.

In the event a stock bonus or restricted stock recipient's continuous status as an employee, director or consultant terminates, the Company may repurchase or otherwise reacquire any or all of the shares of stock held by that person that have not vested as of the date of termination under the terms of the stock bonus or restricted stock purchase agreement between the Company and such person.

EXERCISE PRICE

The exercise price of each incentive stock option will not be less than one hundred percent (100%) of the fair market value of the Company's Common Stock on the date of grant. The exercise price of each nonstatutory stock option will not be less than eight-five percent (85%) of the fair market value on the date of grant. The purchase price of restricted stock will not be less than eighty-five percent (85%) of the fair market value of the Company's Common Stock on the date such award is made. Stock bonuses may be awarded in consideration for past services rendered to the Company or for its benefit. The closing price for the Company's Common Stock on the record date was \$64.938 per share, as reported by National Association of Securities Dealers Automated Quotation/National Market.

CONSIDERATION

The purchase price of stock acquired pursuant to a Stock Award is paid either in cash at the time of exercise or purchase, or (if determined by the Administrator at the time of grant for an option) by deferred payment or other arrangement or in any other form of legal consideration that may be acceptable

to the Administrator. Additionally, in the case of an option and in the discretion of the Administrator at the time of the grant of an option, consideration may be paid by delivery to the Company of other Common Stock of the Company. In the case of any deferred payment arrangement, interest will be payable at least annually and will be charged at the minimum rate of interest necessary to avoid the treatment as interest of amounts that are not stated to be interest.

TRANSFERABILITY

An incentive stock option shall not be transferable except by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of the person to whom the incentive stock option is granted only by such person. A nonstatutory stock option, stock bonus, or restricted stock award shall only be transferable upon such terms and conditions as the Administrator shall determine in its sole discretion at the time of grant. An optionee may designate a beneficiary who may exercise his or her option after death.

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VESTING

The total number of shares of stock subject to an option may, but need not, be allotted in periodic installments. The option agreement may provide that from time to time during each of such installment periods, the option may become exercisable ("vest") with respect to some or all of the shares allotted to that period. The option agreement may also provide that an optionee may exercise an option prior to full vesting, provided that the Company has a repurchase right with respect to any unvested shares.

Restricted stock purchase awards and stock bonuses granted under the Incentive Plan may be granted subject to a repurchase option in favor of the Company in accordance with a vesting schedule determined by the Administrator.

ADJUSTMENTS UPON CHANGE IN STOCK

If any change is made in the Common Stock, without receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, stock dividend, dividend in property other than cash, stock split, liquidation dividend, combination of shares, exchange of shares, change in corporate structure, or otherwise), the class(es) and maximum number of shares subject to the Incentive Plan, the maximum annual award applicable under the Incentive Plan and the class(es) and number of shares and price per share of stock subject to outstanding Stock Awards will be appropriately adjusted.

In the event of a "Change in Control" (defined below), holders of outstanding stock options shall have the right to exercise, and shall be vested as to, all outstanding stock options, including stock options that would not otherwise be exercisable or vested. If outstanding stock options become fully vested in the event of a Change in Control, the Administrator shall notify all participants that their outstanding stock options shall be fully exercisable for a period of three (3) months (or such other period of time not exceeding six (6) months as is determined by the Administrator at the time of the grant) from the date of such notice, and any unexercised options shall terminate upon the expiration of such period.

In the event of a "Covered Termination" (defined above under "Termination Arrangements") following a Change in Control, holders of outstanding restricted stock shares shall be vested as to all shares, including shares which otherwise were not then vested.

For purposes of the Incentive Plan, "Change in Control" means:

(1) the acquisition of 50% or more of the outstanding voting stock of the Company by any person or entity, with certain exceptions for employee benefit plans of the Company or the Bank;

(2) the acquisition of 25% or more of the outstanding voting stock of the Company by any person or entity and a change in the composition of the Board during the following 12 months such that those persons serving as directors immediately prior to the share acquisition, and those new directors elected by a vote or at least two-thirds of the directors of the Company, cease to make up at least 60% of the directors of the Company;

(3) a merger or consolidation of the Company with any other corporation,

other than a merger or consolidation in which the stockholders of the Company immediately prior thereto continue to own more than 50% of the outstanding voting stock of the Company; or

(4) the complete liquidation of the Company, or disposition of all or substantially all of the Company's assets.

AMENDMENT OF THE INCENTIVE PLAN

The Administrator at any time, and from time to time, may amend the Incentive Plan. However, no amendment shall be effective unless approved by the stockholders of the Company if stockholder approval is required in order for the Incentive Plan to satisfy the requirements of Section 422 of the Code, or to

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comply with the requirements of Rule 16b-3 or the Nasdaq National Market listing requirements. The Administrator may in its sole discretion submit any other amendment to the Incentive Plan for stockholder approval.

TERMINATION OR SUSPENSION OF THE INCENTIVE PLAN

The Administrator may suspend or terminate the Incentive Plan at any time. Unless sooner terminated, the Incentive Plan shall terminate on December 18, 2006. No Stock Awards may be granted under the Incentive Plan while the Incentive Plan is suspended or after it is terminated.

FEDERAL INCOME TAX INFORMATION

INCENTIVE STOCK OPTIONS. Incentive stock options under the Incentive Plan are intended to be eligible for the favorable federal income tax treatment accorded "incentive stock options" under the Code.

There generally are no federal income tax consequences to the optionee of the Company by reason of the grant or exercise of an incentive stock option. However, the exercise of an incentive stock option may increase the optionee's alternative minimum tax liability, if any.

If an optionee holds stock acquired through exercise of an incentive stock option for at least two years from the date on which the option is granted and at least one year from the date on which the shares are transferred to the optionee upon exercise of the option, any gain or loss on a disposition of such stock will be long-term capital gain or loss. Generally, if the optionee disposes of the stock before the expiration of either of these holding periods (a "disqualifying disposition"), at the time of disposition, the optionee will realize taxable ordinary income equal to the lesser of (a) the excess of the stock's fair market value on the date of exercise over the exercise price, or (b) the optionee's actual gain, if any, on the purchase and sale. The optionee's additional gain, or any loss, upon the disqualifying disposition will be a capital gain or loss, which will be long-term or short-term depending on whether the stock was held for more than one year. Capital gains currently are generally subject to lower tax rates than ordinary income. The maximum long-term capital gains rate for federal income tax purposes is currently 20% while the maximum federal ordinary income rate is effectively 39.6% at the present time. Slightly different rules may apply to optionees who acquire stock subject to certain repurchase options.

To the extent the optionee recognizes ordinary income by reason of a disqualifying disposition, the Company will generally be entitled (subject to the requirement of reasonableness and the satisfaction of a tax reporting obligation) to a corresponding business expense deduction in the tax year in which the disqualifying disposition occurs.

NONSTATUTORY STOCK OPTIONS. Nonstatutory stock options granted under the Incentive Plan generally have the following federal income tax consequences:

There are no tax consequences to the optionee or the Company by reason of the grant of a nonstatutory stock option. Upon exercise of a nonstatutory stock option, the optionee normally will recognize taxable ordinary income equal to the excess of the stock's fair market value on the date of exercise over the option exercise price. Generally, with respect to employees, the Company is required to withhold taxes from regular wages or supplemental wage payments an amount based on the ordinary income recognized. Subject to the requirement of reasonableness and the satisfaction of a reporting obligation, the Company will generally be entitled to a business expense deduction equal to the taxable

ordinary income realized by the optionee. Upon disposition of the stock, the optionee will recognize a capital gain or loss equal to the difference between the selling price and the purchase price (to the extent not recognized as taxable income as described above) which will be deemed long or short-term depending on whether the stock was held for more than one year. Slightly different rules may apply to optionees who acquire stock subject to certain repurchase options or who are subject to Section 16(b) of the Exchange Act.

STOCK BONUS AWARDS. A recipient who receives restricted stock pursuant to a Stock Bonus Award will recognize ordinary income equal to the fair market value of the stock at the time or times the restrictions lapse (unless a Code Section 83(b) election is timely filed at the time of grant). Different rules may apply if the recipient is subject to Section 16(b) of the Exchange Act. Generally, the Company will be entitled to a tax deduction in the amount and at the time the recipient recognizes ordinary income.

PARTICIPATION IN INCENTIVE PLAN

The grant of Stock Awards under the Incentive Plan to employees, including the executive officers named in the Summary Compensation Table, is subject to the discretion of the Board. As of the date of this proxy statement, there has been no determination made by the Administrator with respect to future discretionary awards to employees or consultants under the Incentive Plan. Accordingly, future awards to employees and consultants are not determinable. Non-employee directors also are eligible to participate in the Incentive Plan. See "Director Compensation" above for a discussion of grants made to directors to date (subject to the stockholders' approval of the Incentive Plan).

The following table sets forth information with respect to the grant of options/stock bonuses under the 1997 Equity Incentive Plan during the last fiscal year to the executive officers named in the Summary Compensation Table, to all current executive officers as a group and to all other employees as a group:

TABLE 4--1997 PLAN BENEFITS TABLE
STOCK OPTION PLAN

NAME OR IDENTITY OF GROUP	POSITION	DOLLAR VALUE OF OPTIONS (1)	NUMBER OF SHARES SUBJECT TO OPTIONS GRANTED
L. Blake Baldwin.....	Executive Vice President and Manager of Client and Corporate Resources Group	\$ 223,438	12,500
John C. Dean.....	President and Chief Executive Officer of the Company	\$ --	--
Barbara B. Kamm.....	Executive Vice President	\$ 223,438	12,500
Harry W. Kellogg, Jr.....	Executive Vice President and Manager of Strategic Initiatives Group	\$ 268,125	15,000
Marc J. Verissimo.....	Executive Vice President and Manager of the Corporate Finance Group	\$ 178,750	10,000
Kenneth P. Wilcox.....	President and Chief Executive Officer of the Bank	\$ 268,125	15,000
All Current Executive Officers as a Group.....		\$1,519,375	85,000
All Other Employees as a Group.....		\$8,179,916	435,000
All Outside Directors as a Group.....		\$ 134,063	7,500

(1) In the case of options, dollar value does not represent potential realizable value to the optionee, but was computed by multiplying the number of shares by the closing market price of the Company's Common Stock on the date grants were approved by the Board of Directors of the Company, as quoted in the National Association of Securities Dealers Automated Quotation/National Market. The average exercise price of the options was \$18.638.

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PROPOSAL NO. 3
RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF AUDITORS

The firm of KPMG LLP has been approved by the Audit and Finance Committee and the Board of Directors of the Company to be the independent auditor of the Company for the 2000 fiscal year. KPMG LLP has audited the Company's financial statements since November 1994. The stockholders are being asked to ratify the selection of KPMG LLP. If the stockholders do not ratify such selection by the affirmative vote of a majority of the Votes Cast, the Board will reconsider its selection.

Representatives from the firm of KPMG LLP will be present at the Annual Meeting of Stockholders and afforded the opportunity to make a statement if they desire to do so, and will be available to respond to stockholders' questions.

STOCKHOLDER PROPOSALS

Stockholders are entitled to present proposals for action at a forthcoming Annual Meeting of Stockholders only if they comply with the applicable requirements of corporate law, the proxy rules and the Company's Bylaws. Any stockholder proposal intended to be presented at the 2001 Annual Meeting of Stockholders of the Company that a stockholder desires to have included in the Company's Proxy Statement relating to such meeting must be received at the Company's principal executive office on or before November 16, 2000 in order to be considered for possible inclusion in the Company's Proxy Statement and form of proxy relating to such annual meeting.

Under the Company's bylaws, in order for a stockholder proposal to be deemed properly presented, notice must be delivered to the Secretary of the Company, not less than 60 days nor more than 90 days prior to the Annual Meeting; provided, however, if less than 65 days' notice of the date of the Annual Meeting has been given, notice by the stockholder to be timely must be received by the Company no later than the close of business on the seventh (7th) day following the day on which such notice of the Annual Meeting was mailed. The deadline computed in accordance with the foregoing is referred to as the "Bylaw Deadline." The stockholder's notice must set forth, as to each proposed matter: (a) a brief description of the business and reason for conducting such business at the meeting; (b) the name and address as they appear on the Company's books of the stockholder proposing such business, or the name of the beneficial holder or other party on whose behalf the proposal is made; (c) the class and number of shares of the Company owned by the stockholder or beneficial holder or other party on whose behalf the proposal is made; and (d) any material interest of the stockholder or beneficial holder or other party on whose behalf the proposal is made in such business. The presiding officer of the meeting may refuse to acknowledge any matter not made in compliance with the foregoing procedure.

If stockholder wishes to present a proposal at the Company's annual meeting in the year 2000 and the proposal is not intended to be included in the Company's proxy statement relating to that meeting, the stockholder must give advance notice to the Company prior to the Bylaw Deadline for such meeting determined in accordance with the Bylaws, as described above. If a stockholder gives notice of such a proposal after the Bylaw Deadline, the stockholder will not be permitted to present the proposal to the stockholders for a vote at the meeting.

SEC rules also establish a different deadline for submission of stockholder proposals that are not intended to be included in the Company's proxy statement with respect to discretionary voting (the "Discretionary Vote Deadline"). The Discretionary Vote Deadline for the year 2001 annual meeting is January 31, 2001 (45 calendar days prior to the anniversary of the mailing date of this proxy statement). If a stockholder gives notice of such a proposal after the Discretionary Vote Deadline, the Company's proxy holders will be allowed to use

their discretionary voting authority to vote against the stockholder proposal when and if the proposal is raised at the Company's year 2001 annual meeting. Because the Bylaw

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Deadline is not capable of being determined until the Company publicly announces the date for its next annual meeting, it is possible that the Bylaw Deadline may occur after the Discretionary Vote Deadline. In such a case, a proposal received after the Discretionary Vote Deadline but before the Bylaw Deadline would be eligible to be presented at next year's annual meeting and the Company believes that its proxy holders would be allowed to use the discretionary authority granted by the proxy card to vote against the proposal at the meeting without including any disclosure of the proposal in the proxy statement relating to such meeting.

The Company has not been notified by any stockholder of his or her intent to present a stockholder proposal from the floor at this year's Annual Meeting. The enclosed proxy card grants the proxy holders discretionary authority to vote on any matter properly brought before the Annual Meeting, including any stockholder proposals received between the date of this proxy statement and the Bylaw Deadline for this year's Annual Meeting, which is March 24, 2000.

1999 ANNUAL REPORT

Enclosed is a copy of the Company's 1999 Annual Report to Stockholders, including financial statements for the year ended December 31, 1999. Also enclosed is a copy of the Company's Annual Report on Form 10-K (without exhibits) for the year ended December 31, 1999 as filed with the Securities and Exchange Commission. Stockholders who wish to obtain additional copies of the Annual Report to Stockholders or the Annual Report on Form 10-K should address a written request to Investor Relations, Silicon Valley Bancshares, 3003 Tasman Drive, Santa Clara, California 95054.

OTHER MATTERS

As of the date of this Proxy Statement, there are no other matters that Management intends to present or has reason to believe others will present at the Annual Meeting. If other matters properly come before the Annual Meeting, those who act as Proxy Holders will vote in accordance with their best judgment.

THE BOARD OF DIRECTORS

/s/ A. Catherine Ngo

A. Catherine Ngo
CORPORATE SECRETARY

Santa Clara, California
March 17, 2000

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EXHIBIT A
SILICON VALLEY BANCSHARES
1997 EQUITY INCENTIVE PLAN
ADOPTED DECEMBER 19, 1996
APPROVED BY SHAREHOLDERS APRIL 17, 1997
AMENDED AS OF SEPTEMBER 8, 1997

1. PURPOSES.

(A) The purpose of the Plan is to provide a means by which selected Employees and Directors of and Consultants to the Company, and its Affiliates, may be given an opportunity to benefit from increases in value of the stock of the Company through the granting of (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) stock bonuses, (iv) rights to purchase restricted stock, and (v) stock appreciation rights, all as defined below.

(B) The Company, by means of the Plan, seeks to retain the services of persons who are now Employees or Directors of or Consultants to the Company or its Affiliates, to secure and retain the services of new Employees, Directors and Consultants, and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Affiliates.

(C) The Company intends that the Stock Awards issued under the Plan shall, in the discretion of the Board or any Committee to which responsibility for administration of the Plan has been delegated pursuant to subsection 3(c), be either (i) Options granted pursuant to Section 6 hereof, including Incentive Stock Options and Nonstatutory Stock Options, (ii) stock bonuses or rights to purchase restricted stock granted pursuant to Section 7 hereof, or (iii) stock appreciation rights granted pursuant to Section 8 hereof. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and in such form as issued pursuant to Section 6, and a separate certificate or certificates will be issued for shares purchased on exercise of each type of Option.

2. DEFINITIONS.

(A) "AFFILIATE" means any parent corporation or subsidiary corporation, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f) respectively, of the Code.

(B) "BOARD" means the Board of Directors of the Company.

(C) "CODE" means the Internal Revenue Code of 1986, as amended.

(D) "COMMITTEE" means a Committee appointed by the Board in accordance with subsection 3(c) of the Plan.

(E) "COMPANY" means Silicon Valley Bancshares, a California corporation.

(F) "CONCURRENT STOCK APPRECIATION RIGHT" or "CONCURRENT RIGHT" means a right granted pursuant to subsection 8(b)(2) of the Plan.

(G) "CONSULTANT" means any person, including an advisor, engaged by the Company or an Affiliate to render consulting services and who is compensated for such services, provided that the term "Consultant" shall not include Directors who are paid only a director's fee by the Company or who are not compensated by the Company for their services as Directors.

(H) "CONTINUOUS STATUS AS AN EMPLOYEE, DIRECTOR OR CONSULTANT" means that the service of an individual to the Company, whether as an Employee, Director or Consultant, is not interrupted or terminated. The Board or the chief executive officer of the Company may determine, in that party's sole discretion, whether Continuous Status as an Employee, Director or Consultant shall be considered interrupted in the case of:

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(i) any leave of absence approved by the Board or the chief executive officer of the Company, including sick leave, military leave, or any other personal leave; or (ii) transfers between the Company, Affiliates or their successors.

(I) "COVERED EMPLOYEE" means the chief executive officer and the four (4) other highest compensated officers of the Company for whom total compensation is required to be reported to shareholders under the Exchange Act, as determined for purposes of Section 162(m) of the Code.

(J) "DIRECTOR" means a member of the Board.

(K) "EMPLOYEE" means any person, including Officers and Directors, employed by the Company or any Affiliate of the Company. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(L) "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

(M) "FAIR MARKET VALUE" means, as of any date, the value of the common stock of the Company determined as follows:

(1) If the common stock is listed on any established stock exchange or traded on the Nasdaq National Market or the Nasdaq SmallCap Market, the Fair Market Value of a share of common stock shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Company's common stock) on the day of determination, as reported in THE WALL STREET JOURNAL or such other source as the Board deems reliable.

(2) In the absence of such markets for the common stock, the Fair Market Value shall be determined in good faith by the Board.

(N) "INCENTIVE STOCK OPTION" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(O) "INDEPENDENT STOCK APPRECIATION RIGHT" or "INDEPENDENT RIGHT" means a right granted pursuant to subsection 8(b)(3) of the Plan.

(P) "NON-EMPLOYEE DIRECTOR" means a Director who either (i) is not a current Employee or Officer of the Company or its parent or subsidiary, does not receive compensation (directly or indirectly) from the Company or its parent or subsidiary for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("Regulation S-K")), does not possess an interest in any other transaction as to which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship as to which disclosure would be required under Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(Q) "NONSTATUTORY STOCK OPTION" means an Option not intended to qualify as an Incentive Stock Option.

(R) "OFFICER" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(S) "OPTION" means a stock option granted pursuant to the Plan.

(T) "OPTION AGREEMENT" means a written agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

(U) "OPTIONEE" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

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(V) "OUTSIDE DIRECTOR" means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of the Treasury regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" receiving compensation for prior services (other than benefits under a tax qualified pension plan), was not an officer of the Company or an "affiliated corporation" at any time, and is not currently receiving direct or indirect remuneration from the Company or an "affiliated corporation" for services in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

(W) "PLAN" means this 1997 Equity Incentive Plan.

(X) "RULE 16B-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect with respect to the Company at the time discretion is being exercised regarding the Plan.

(Y) "SECURITIES ACT" means the Securities Act of 1933, as amended.

(Z) "STOCK APPRECIATION RIGHT" means any of the various types of rights which may be granted under Section 8 of the Plan.

(AA) "STOCK AWARD" means any right granted under the Plan, including any Option, any stock bonus, any right to purchase restricted stock, and any Stock Appreciation Right.

(BB) "STOCK AWARD AGREEMENT" means a written agreement between the Company and a holder of a Stock Award evidencing the terms and conditions of an individual Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(CC) "TANDEM STOCK APPRECIATION RIGHT" or "TANDEM RIGHT" means a right granted pursuant to subsection 8(b)(1) of the Plan.

3. ADMINISTRATION.

(A) The Plan shall be administered by the Board unless and until the Board delegates administration to a Committee, as provided in subsection 3(c).

(B) The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(1) To determine from time to time which of the persons eligible under the Plan shall be granted Stock Awards; when and how each Stock Award shall be granted; whether a Stock Award will be an Incentive Stock Option, a Nonstatutory Stock Option, a stock bonus, a right to purchase restricted stock, a Stock Appreciation Right, or a combination of the foregoing; the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to receive stock pursuant to a Stock Award; whether a person shall be permitted to receive stock upon exercise of an Independent Stock Appreciation Right; and the number of shares with respect to which a Stock Award shall be granted to each such person.

(2) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(3) To amend the Plan or a Stock Award as provided in Section 14.

(4) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company which are not in conflict with the provisions of the Plan.

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(C) The Board may delegate administration of the Plan to a committee or committees of the Board composed of one (1) or more members (the "Committee"). In the discretion of the Board, the Committee may be composed of two (2) or more Non-Employee Directors and/or Outside Directors. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, (and references in this Plan to the Board shall thereafter be to the Committee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revert in the Board the administration of the Plan.

4. SHARES SUBJECT TO THE PLAN.

(A) Subject to the provisions of Section 13 relating to adjustments upon changes in stock, the stock that may be issued pursuant to Stock Awards shall not exceed in the aggregate nine hundred thousand (900,000) shares of the Company's common stock. If any Stock Award shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, the stock not acquired under such Stock Award shall revert to and again become available for issuance under the Plan. Shares subject to Stock Appreciation Rights exercised in accordance with Section 8 of the Plan shall not be available for subsequent issuance under the Plan.

(B) The stock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

5. ELIGIBILITY.

(A) Incentive Stock Options and Stock Appreciation Rights appurtenant thereto may be granted only to Employees. Stock Awards other than Incentive Stock Options and Stock Appreciation Rights appurtenant thereto may be granted only to Employees, Directors or Consultants.

(B) No person shall be eligible for the grant of an Incentive Stock Option if, at the time of grant, such person owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of such stock at the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(C) Subject to the provisions of Section 13 relating to adjustments upon changes in stock, no person shall be eligible to be granted Options and Stock Appreciation Rights covering more than two hundred fifty thousand (250,000) shares of the Company's common stock in any calendar year.

6. OPTION PROVISIONS.

Each Option shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(A) TERM. No Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(B) PRICE. The exercise price of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the stock subject to the Option on the date the Option is granted; the exercise price of each Nonstatutory Stock Option shall be not less than eighty-five percent (85%) the Fair Market Value of the stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than that set forth in the preceding sentence if such

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Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

(C) CONSIDERATION. The purchase price of stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash at the time the Option is exercised, or (ii) at the discretion of the Board or the Committee, at the time of the grant of the Option, (A) by delivery to the Company of other common stock of the Company, (B) according to a deferred payment or other arrangement (which may include, without limiting the generality of the foregoing, the use of other common stock of the Company) with the person to whom the Option is granted or to whom the Option is transferred pursuant to subsection 6(d), or (C) in any other form of legal consideration acceptable to the Board. In the case of any deferred payment arrangement, interest shall be compounded at least annually and shall be charged at the minimum rate of interest necessary to avoid the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement.

(D) TRANSFERABILITY. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of the person to whom the Incentive Stock Option is granted only by such person. A Nonstatutory Stock Option shall only be transferable by the Optionee upon such terms and conditions as are set forth in the Option Agreement for such Nonstatutory Stock Option, as the Board or the Committee shall determine in its sole discretion. The person to whom the Option is granted may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionee, shall thereafter be entitled to exercise the Option.

(E) VESTING. The total number of shares of stock subject to an Option may, but need not, be allotted in periodic installments (which may, but need not, be equal). The Option Agreement may provide that from time to time during each of such installment periods, the Option may become exercisable ("vest") with respect to some or all of the shares allotted to that period, and may be exercised with respect to some or all of the shares allotted to such period and/or any prior period as to which the Option became vested but was not fully exercised. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Board may deem appropriate. The provisions of this subsection 6(e) are subject to any Option provisions governing the minimum number of shares as to which an Option may be exercised.

(F) TERMINATION OF EMPLOYMENT OR RELATIONSHIP AS A DIRECTOR OR CONSULTANT. In the event an Optionee's Continuous Status as an Employee, Director or Consultant terminates (other than upon the Optionee's death or disability or for Cause), the Optionee may exercise his or her Option (to the extent that the Optionee was entitled to exercise it as of the date of

termination) but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Optionee's Continuous Status as an Employee, Director or Consultant (or such longer or shorter period specified in the Option Agreement), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, at the date of termination, the Optionee is not entitled to exercise his or her entire Option, the shares covered by the unexercisable portion of the Option shall revert to and again become available for issuance under the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified in the Option Agreement, the Option shall terminate, and the shares covered by such Option shall revert to and again become available for issuance under the Plan.

In the event an Optionee's Continuous Status as an Employee, Director or Consultant terminates for Cause, then the Option shall immediately terminate, and the shares covered by such Option shall revert to and again become available for issuance under the Plan. "Cause" shall be defined as an act of embezzlement, fraud, dishonesty, or breach of fiduciary duty to the Company, a deliberate disregard of the rules of the Company which results in loss, damage or injury to the Company, any unauthorized disclosure of any of the secrets or confidential information of the Company, inducing any client or customer of the

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Company to break any contract with the Company or inducing any principal for whom the Company acts as agent to terminate such agency relations, or engaging in any conduct which constitutes unfair competition with the Company, or any act which results in Optionee being removed from any office of the Company by any bank regulatory agency.

An Optionee's Option Agreement may also provide that if the exercise of the Option following the termination of the Optionee's Continuous Status as an Employee, Director, or Consultant (other than upon the Optionee's death or disability) would result in liability under Section 16(b) of the Exchange Act, then the Option shall terminate on the earlier of (i) the expiration of the term of the Option set forth in the Option Agreement, or (ii) the tenth (10th) day after the last date on which such exercise would result in such liability under Section 16(b) of the Exchange Act. Finally, an Optionee's Option Agreement may also provide that if the exercise of the Option following the termination of the Optionee's Continuous Status as an Employee, Director or Consultant (other than upon the Optionee's death or disability) would be prohibited at any time solely because the issuance of shares would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of (i) the expiration of the term of the Option, or (ii) the expiration of a period of three (3) months after the termination of the Optionee's Continuous Status as an Employee, Director or Consultant during which the exercise of the Option would not be in violation of such registration requirements.

(G) DISABILITY OF OPTIONEE. In the event an Optionee's Continuous Status as an Employee, Director or Consultant terminates as a result of the Optionee's disability, the Optionee may exercise his or her Option (to the extent that the Optionee was entitled to exercise it as of the date of termination), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination (or such longer or shorter period specified in the Option Agreement), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, at the date of termination, the Optionee is not entitled to exercise his or her entire Option, the shares covered by the unexercisable portion of the Option shall revert to and again become available for issuance under the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the shares covered by such Option shall revert to and again become available for issuance under the Plan.

(H) DEATH OF OPTIONEE. In the event an Optionee's Continuous Status as an Employee, Director or Consultant terminates as a result of Optionee's death, the Option may be exercised (to the extent the Optionee was entitled to exercise the Option as of the date of death) by the Optionee's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the option upon the Optionee's death pursuant to subsection 6(d), but only within the period ending on the earlier of (i) the date twelve (12) months following the date of death (or such longer or shorter period specified in the Option Agreement), or (ii) the expiration of the term of such Option as set forth in the Option Agreement. If, at the time of death, the Optionee was not entitled to exercise his or her entire Option, the shares covered by the unexercisable portion of the Option shall revert to and again become available for issuance under the Plan. If, after death, the Option is not

exercised within the time specified herein, the Option shall terminate, and the shares covered by such Option shall revert to and again become available for issuance under the Plan.

(I) EARLY EXERCISE. The Option may, but need not, include a provision whereby the Optionee may elect at any time while an Employee, Director or Consultant to exercise the Option as to any part or all of the shares subject to the Option prior to the full vesting of the Option. Any unvested shares so purchased may be subject to a repurchase right in favor of the Company or to any other restriction the Board determines to be appropriate.

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7. TERMS OF STOCK BONUSES AND PURCHASES OF RESTRICTED STOCK.

Each stock bonus or restricted stock purchase agreement shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The terms and conditions of stock bonus or restricted stock purchase agreements may change from time to time, and the terms and conditions of separate agreements need not be identical, but each stock bonus or restricted stock purchase agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions as appropriate:

(A) PURCHASE PRICE. The purchase price under each restricted stock purchase agreement shall be such amount as the Board or Committee shall determine and designate in such Stock Award Agreement, but in no event shall the purchase price be less than eighty-five percent (85%) of the stock's Fair Market Value on the date such award is made. Notwithstanding the foregoing, the Board or the Committee may determine that eligible participants in the Plan may be awarded stock pursuant to a stock bonus agreement in consideration for past services actually rendered to the Company or for its benefit.

(B) TRANSFERABILITY. Rights under a stock bonus or restricted stock purchase agreement shall be transferable by the grantee only upon such terms and conditions as are set forth in the applicable Stock Award Agreement, as the Board or the Committee shall determine in its discretion, so long as stock awarded under such Stock Award Agreement remains subject to the terms of the agreement.

(C) CONSIDERATION. The purchase price of stock acquired pursuant to a stock purchase agreement shall be paid either: (i) in cash at the time of purchase; (ii) at the discretion of the Board or the Committee, according to a deferred payment or other arrangement with the person to whom the stock is sold; or (iii) in any other form of legal consideration that may be acceptable to the Board or the Committee in its discretion. Notwithstanding the foregoing, the Board or the Committee to which administration of the Plan has been delegated may award stock pursuant to a stock bonus agreement in consideration for past services actually rendered to the Company or for its benefit.

(D) VESTING. Shares of stock sold or awarded under the Plan may, but need not, be subject to a repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board or the Committee.

(E) TERMINATION OF EMPLOYMENT OR RELATIONSHIP AS A DIRECTOR OR CONSULTANT. In the event a Participant's Continuous Status as an Employee, Director or Consultant terminates, the Company may repurchase or otherwise reacquire any or all of the shares of stock held by that person which have not vested as of the date of termination under the terms of the stock bonus or restricted stock purchase agreement between the Company and such person.

8. STOCK APPRECIATION RIGHTS.

(A) The Board or Committee shall have full power and authority, exercisable in its sole discretion, to grant Stock Appreciation Rights under the Plan to Employees or Directors of or Consultants to, the Company or its Affiliates. To exercise any outstanding Stock Appreciation Right, the holder must provide written notice of exercise to the Company in compliance with the provisions of the Stock Award Agreement evidencing such right. Except as provided in subsection 5(c), no limitation shall exist on the aggregate amount of cash payments the Company may make under the Plan in connection with the exercise of a Stock Appreciation Right.

(B) Three types of Stock Appreciation Rights shall be authorized for issuance under the Plan:

(1) TANDEM STOCK APPRECIATION RIGHTS. Tandem Stock Appreciation Rights will be granted appurtenant to an Option, and shall, except as specifically set forth in this Section 8, be subject to the same terms and conditions applicable to the particular Option grant to which it pertains. Tandem Stock Appreciation Rights will require the holder to elect between the exercise of the underlying

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Option for shares of stock and the surrender, in whole or in part, of such Option for an appreciation distribution. The appreciation distribution payable on the exercised Tandem Right shall be in cash (or, if so provided, in an equivalent number of shares of stock based on Fair Market Value on the date of the Option surrender) in an amount up to the excess of (A) the Fair Market Value (on the date of the Option surrender) of the number of shares of stock covered by that portion of the surrendered Option in which the Optionee is vested over (B) the aggregate exercise price payable for such vested shares.

(2) CONCURRENT STOCK APPRECIATION RIGHTS. Concurrent Rights will be granted appurtenant to an Option and may apply to all or any portion of the shares of stock subject to the underlying Option and shall, except as specifically set forth in this Section 8, be subject to the same terms and conditions applicable to the particular Option grant to which it pertains. A Concurrent Right shall be exercised automatically at the same time the underlying Option is exercised with respect to the particular shares of stock to which the Concurrent Right pertains. The appreciation distribution payable on an exercised Concurrent Right shall be in cash (or, if so provided, in an equivalent number of shares of stock based on Fair Market Value on the date of the exercise of the Concurrent Right) in an amount equal to such portion as shall be determined by the Board or the Committee at the time of the grant of the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the Concurrent Right) of the vested shares of stock purchased under the underlying Option which have Concurrent Rights appurtenant to them over (B) the aggregate exercise price paid for such shares.

(3) INDEPENDENT STOCK APPRECIATION RIGHTS. Independent Rights will be granted independently of any Option and shall, except as specifically set forth in this Section 8, be subject to the same terms and conditions applicable to Nonstatutory Stock Options as set forth in Section 6. They shall be denominated in share equivalents. The appreciation distribution payable on the exercised Independent Right shall be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the Independent Right) of a number of shares of Company stock equal to the number of share equivalents in which the holder is vested under such Independent Right, and with respect to which the holder is exercising the Independent Right on such date, over (B) the aggregate Fair Market Value (on the date of the grant of the Independent Right) of such number of shares of Company stock. The appreciation distribution payable on the exercised Independent Right shall be in cash or, if so provided, in an equivalent number of shares of stock based on Fair Market Value on the date of the exercise of the Independent Right.

9. CANCELLATION AND RE-GRANT OF OPTIONS.

(A) The Board or the Committee shall have the authority to effect, at any time and from time to time, (i) the repricing of any outstanding Options and/or any Stock Appreciation Rights under the Plan and/or (ii) with the consent of the affected holders of Options and/or Stock Appreciation Rights, the cancellation of any outstanding Options and/or any Stock Appreciation Rights under the Plan and the grant in substitution therefor of new Options and/or Stock Appreciation Rights under the Plan covering the same or different numbers of shares of stock, but having an exercise price per share not less than eighty-five percent (85%) of the Fair Market Value (one hundred percent (100%) of the Fair Market Value in the case of an Incentive Stock Option) or, in the case of a 10% shareholder (as described in subsection 5(b)) receiving a new grant of an Incentive Stock Option, not less than one hundred ten percent (110%) of the Fair Market Value) per share of stock on the new grant date. Notwithstanding the foregoing, the Board or the Committee may grant an Option and/or Stock Appreciation Right with an exercise price lower than that set forth above if such Option and/or Stock Appreciation Right is granted as part of a transaction to which section 424(a) of the Code applies.

(B) Shares subject to an Option or Stock Appreciation Right canceled under this Section 9 shall continue to be counted against the maximum award of Options and Stock Appreciation Rights permitted to be granted pursuant to subsection 5(c) of the Plan. The repricing of an Option and/or Stock Appreciation Right under this Section 9, resulting in a reduction of the exercise price, shall be deemed to

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be a cancellation of the original Option and/or Stock Appreciation Right and the grant of a substitute Option and/or Stock Appreciation Right; in the event of such repricing, both the original and the substituted Options and Stock Appreciation Rights shall be counted against the maximum awards of Options and Stock Appreciation Rights permitted to be granted pursuant to subsection 5(c) of the Plan. The provisions of this subsection 9(b) shall be applicable only to the extent required by Section 162(m) of the Code.

10. COVENANTS OF THE COMPANY.

(A) During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of stock required to satisfy such Stock Awards.

(B) The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to issue and sell shares of stock upon exercise of the Stock Award; provided, however, that this undertaking shall not require the Company to register under the Securities Act either the Plan, any Stock Award or any stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell stock upon exercise of such Stock Awards unless and until such authority is obtained.

11. USE OF PROCEEDS FROM STOCK.

Proceeds from the sale of stock pursuant to Stock Awards shall constitute general funds of the Company.

12. MISCELLANEOUS.

(A) The Board shall have the power to accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest pursuant to subsection 6(e), 7(d) or 8(b), notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

(B) Neither an Employee, Director or Consultant nor any person to whom a Stock Award is transferred under subsection 6(d), 7(b), or 8(b) shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares subject to such Stock Award unless and until such person has satisfied all requirements for exercise of the Stock Award pursuant to its terms.

(C) Nothing in the Plan or any instrument executed or Stock Award granted pursuant thereto shall confer upon any Employee, Director, Consultant or other holder of Stock Awards any right to continue in the employ of the Company or any Affiliate (or to continue acting as a Director or Consultant) or shall affect the right of the Company or any Affiliate to terminate the employment of any Employee with or without cause the right of the Company's Board of Directors and/or the Company's shareholders to remove any Director as provided in the Company's Bylaws and the provisions of the California Corporations Code, or the right to terminate the relationship of any Consultant subject to the terms of such Consultant's agreement with the Company or Affiliate.

(D) To the extent that the aggregate Fair Market Value (determined at the time of grant) of stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year under all plans of the Company and its Affiliates exceeds one hundred thousand dollars (\$100,000), the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

(E) The Company may require any person to whom a Stock Award is granted, or

any person to whom a Stock Award is transferred pursuant to subsection 6(d), 7(b) or 8(b), as a condition of exercising or

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acquiring stock under any Stock Award, (1) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters, and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (2) to give written assurances satisfactory to the Company stating that such person is acquiring the stock subject to the Stock Award for such person's own account and not with any present intention of selling or otherwise distributing the stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise or acquisition of stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (ii) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the stock.

(F) To the extent provided by the terms of a Stock Award Agreement, the person to whom a Stock Award is granted may satisfy any federal, state or local tax withholding obligation relating to the exercise or acquisition of stock under a Stock Award by any of the following means or by a combination of such means: (1) tendering a cash payment; (2) authorizing the Company to withhold shares from the shares of the common stock otherwise issuable to the participant as a result of the exercise or acquisition of stock under the Stock Award; or (3) delivering to the Company owned and unencumbered shares of the common stock of the Company.

13. ADJUSTMENTS UPON CHANGES IN STOCK.

(A) If any change is made in the stock subject to the Plan, or subject to any Stock Award (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), the Plan will be appropriately adjusted in the type(s) and maximum number of securities subject to the Plan pursuant to subsection 4(a) and the maximum number of securities subject to award to any person during any calendar year pursuant to subsection 5(c), and the outstanding Stock Awards will be appropriately adjusted in the type(s) and number of securities and price per share of stock subject to such outstanding Stock Awards. Such adjustments shall be made by the Board or the Committee, the determination of which shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a "transaction not involving the receipt of consideration by the Company.")

(B) In the event of "Change in Control," unless otherwise determined by the Board or Committee at the time of grant, all outstanding Stock Awards shall immediately become one hundred percent (100%) vested, and the Board shall notify all participants that their outstanding Stock Awards shall be fully exercisable for a period of three (3) months (or such other period of time not exceeding six (6) months as is determined by the Board at the time of grant) from the date of such notice, and any unexercised Stock Awards shall terminate upon the expiration of such period.

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"Change in Control" means the occurrence of any of the following events:

(1) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in beneficial owners of the total voting power in the election of directors represented by the voting securities ("Voting Securities") of the Company outstanding immediately prior thereto continuing to beneficially own securities representing (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total Voting Securities of the Company, or

of such surviving entity, outstanding immediately after such merger or consolidation;

(2) the shareholders of the Company approve a plan of liquidation or dissolution of the Company or approve an agreement for the sale, lease, exchange or other transfer or disposition by the Company of all or substantially all of the Company's assets;

(3) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than (A) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or (B) a corporation owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their beneficial ownership of stock in the Company, is or becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act), directly or indirectly, of the securities of the Company representing fifty percent (50%) or more of the Voting Securities; or

(4) (A) (1) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in beneficial owners of Voting Securities of the Company outstanding immediately prior thereto continuing to beneficially own securities representing (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than twenty-five percent (25%) of the total Voting Securities of the Company, or of such surviving entity, outstanding immediately after such merger or consolidation, or (2) any person (as such term is used in Sections 13(d) or 14(d) of the Exchange Act), other than (a) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or (b) a corporation owned directly or indirectly by the shareholders of Company in substantially the same proportions as their ownership of stock in the Company, is or becomes the beneficial owner (within the meaning or Rule 13d-3 under the Exchange Act), directly or indirectly, of the securities of the Company representing twenty-five percent (25%) or more of the Voting Securities of such corporation, and

(B) within twelve (12) months of the occurrence of such event, a change in the composition of the Company's Board occurs as a result of which sixty percent (60%) or fewer of the directors are Incumbent Directors.

"Incumbent Directors" shall mean directors who either

(A) are directors of the Company as of the date hereof;

(B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the directors of the Company who are Incumbent Directors described in (A) above at the time of such election or nomination; or

(C) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the directors of the Company who are Incumbent Directors described in (A) or (B) above at the time of such election or nomination.

Notwithstanding the foregoing, "Incumbent Directors" shall not include an individual whose election or nomination to the Board occurs in order to provide representation for a person or group of related persons who have initiated or encouraged an actual or threatened proxy contest relating to the election of directors of the Company.

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14. AMENDMENT OF THE PLAN AND STOCK AWARDS.

(A) The Board at any time, and from time to time, may amend the Plan and/or some or all outstanding Stock Awards granted under the Plan. However, except as provided in paragraph 13 relating to adjustments upon changes in stock, no amendment shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary for the Plan to satisfy the requirements of Section 422 of the Code, Rule 16b-3 or any Nasdaq or securities exchange listing requirements.

(B) The Board may in its sole discretion submit any other amendment to the Plan for shareholder approval, including, but not limited to, amendments to the

Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations promulgated thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to certain executive officers.

(C) It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring the Plan and/or Incentive Stock Options granted under it into compliance therewith.

(D) Rights and obligations under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the person to whom the Stock Award was granted and (ii) such person consents in writing.

(E) The Board at any time, and from time to time, may amend the terms of any one or more Stock Award; provided, however, that the rights and obligations under any Stock Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the person to whom the Stock Award was granted and (ii) such person consents in writing.

15. TERMINATION OR SUSPENSION OF THE PLAN.

(A) The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on December 18, 2006 which shall be within ten (10) years from the date the Plan is adopted by the Board or approved by the shareholders of the Company, whichever is earlier. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(B) Rights and obligations under any Stock Award granted while the Plan is in effect shall not be impaired by suspension or termination of the Plan, except with the written consent of the person to whom the Stock Award was granted.

16. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as determined by the Board, but no Stock Awards granted under the Plan shall be exercised unless and until the Plan has been approved by the shareholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board, and, if required, an appropriate permit has been issued by the Commissioner of Corporations of the State of California.

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COMPANY #
CONTROL #

THERE ARE TWO ALTERNATIVE WAYS TO VOTE YOUR PROXY

YOU MAY VOTE EITHER BY TELEPHONE OR BY MAIL.

TO VOTE BY TELEPHONE--TOLL FREE--1-800-240-6326--QUICK *** EASY *** IMMEDIATE

YOUR TELEPHONE VOTE AUTHORIZES THE NAMED PROXIES TO VOTE YOUR SHARES IN THE SAME MANNER AS IF YOU MARKED, SIGNED AND RETURNED YOUR PROXY CARD.

- USE ANY TOUCH-TONE TELEPHONE TO VOTE YOUR PROXY 24 HOURS A DAY, 7 DAYS A WEEK.
- YOU WILL BE PROMPTED TO ENTER YOUR 3-DIGIT COMPANY NUMBER AND YOUR 7-DIGIT CONTROL NUMBER WHICH APPEAR IN THE BOX IN THE UPPER RIGHT HAND CORNER.
- FOLLOW THE SIMPLE INSTRUCTIONS PROVIDED.

-OR-

TO VOTE BY MAIL

IF YOU DO NOT VOTE BY TELEPHONE, MARK, SIGN AND DATE YOUR PROXY CARD AND RETURN IT IN THE POSTAGE-PAID ENVELOPE PROVIDED (SILICON VALLEY BANCSHARES, C/O SHAREOWNER SERVICES, P.O. BOX 64873, ST. PAUL, MN 55164-0873).

IF YOU VOTE BY TELEPHONE, PLEASE DO NOT MAIL YOUR PROXY CARD
[LOGO] SILICON VALLEY BANCSHARES 3003 Tasman Drive Santa Clara, CA 95054

- Please detach here -

1. To elect directors to serve for the ensuing year and until their successors are elected.

// FOR all nominees listed below, with // WITHHOLD AUTHORITY to vote
the discretionary authority to for all nominees listed below
cumulate votes, except votes withheld

If you wish to withhold authority to vote for any individual nominee,
strike a line through that nominee's name appearing in the list below:

Gary K. Barr, James F. Burns, Jr., John C. Dean, David M. deWilde,
Stephen E. Jackson, Daniel J. Kelleher, James R. Porter, Ann R. Wells,
Kenneth P. Wilcox

2. Approve an amendment to the Silicon Valley // For // Against // Abstain
Bancshares' 1997 Equity Incentive Plan
to reserve an additional 1,100,000 shares
of common stock for issuance thereunder.
3. To ratify the appointment of KPMG LLP as // For // Against // Abstain
the Company's independent auditors.
4. To vote or otherwise represent the shares // For // Against // Abstain
on any other business that may properly
come before the meeting and any
postponements or adjournments thereof,
according to the Proxy Holders' decision
and in their discretion.

I plan to attend the meeting.
YES // NO //

Dated: _____, 2000
Shareholders should mark, sign
and date this proxy and return it
in the enclosed envelope.

SIGNATURE(S) IN BOX
SIGN EXACTLY AS YOUR NAME(S)
APPEAR(S) ON YOUR STOCK CERTIFICATE.
AN ENTITY (SUCH AS A CORPORATION OR
PARTNERSHIP) IS REQUESTED TO SIGN
ITS NAME BY A DULY AUTHORIZED
SIGNATORY, WITH THE CAPACITY IN
WHICH SIGNED DESIGNATED. EXECUTORS,
ADMINISTRATORS, TRUSTEES, AND SIMILAR
FIDUCIARIES ARE REQUESTED TO SO
INDICATE WHEN SIGNING. IF STOCK IS
REGISTERED IN TWO NAMES, BOTH SHOULD
SIGN.

SILICON VALLEY BANCSHARES
ANNUAL MEETING OF SHAREHOLDERS
THURSDAY, APRIL 20, 2000

[LOGO] SILICON VALLEY BANCSHARES
3003 TASMAN DRIVE SANTA CLARA, CA 95064 PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned appoints JOHN C. DEAN and A. CATHERINE NGO, or either of
them, with full power of substitution for himself or herself, as the Proxy
Holder of the undersigned to vote and otherwise represent all of the shares

registered in the name of the undersigned at the Annual Meeting of Shareholders of Silicon Valley Bancshares to be held on Thursday, April 20, 2000, at 4:00 p.m. at the Santa Clara Convention Center, Great America Ballroom, 5001 Great America Parkway, Santa Clara, California 95054 and any postponements or adjournments thereof, with the same effect as if the undersigned were present and voting such shares, on the following matters and in the following manner.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS MADE. IF NO SPECIFICATIONS ARE MADE, THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED FOR EACH OF THE ABOVE NOMINEES AND PROPOSALS, AND WITH RESPECT TO SUCH OTHER MATTERS AS MAY COME BEFORE THE MEETING AND ANY POSTPONEMENTS OR ADJOURNMENTS THEREOF, AS THE SAID PROXY HOLDERS DEEM ADVISABLE.

SEE REVERSE FOR VOTING INSTRUCTIONS