SVB›Financial Group

BY OVERNIGHT DELIVERY AND ELECTRONIC
DELIVERY TO **SIGTARP.RESPONSE@DO.TREAS.GOV**

March 6, 2009

Mr. Neil M. Barofsky
Special Inspector General
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave., N.W., Suite 1064
Washington, D.C. 20220

Re: SVB Financial Group (the "***Company***" or "***SVB***")
UST Sequence No. 0087

Dear Mr. Barofsky:

This letter is being sent to you on behalf of the Company in response to your letter dated February 6, 2009, requesting certain information in connection with your audit of recipients' use of funds received under the Troubled Asset Relief Program ("***TARP***") and their compliance with provisions of the Emergency Economic Stabilization Act of 2008 ("***EESA***") imposing certain restrictions and requirements on executive compensation. The Company participated in the Treasury's TARP Capital Purchase Program ("***CPP***") on December 12, 2008.

We have summarized the requests in your letter and provided our responses below, beginning with some background information about the Company. Additionally, we have included relevant supporting information in the attached appendices.

BACKGROUND

ABOUT SVB - SUPPORTING INNOVATION, ENTREPRENEURSHIP AND ECONOMIC GROWTH

SVB Financial Group is primarily focused on supporting innovation and growth in the Silicon Valley and in other key entrepreneurial markets across the United States. For over 25 years, we have provided financial services to technology companies and life science companies, as well as the venture capital firms that support their growth. We have focused on early-stage, venture-backed companies, which are at the heart of our value and relevance to our clients. In recent years we have expanded our client base to larger, more established technology companies, particularly our emerging clients making the transition to becoming mature companies. Through our primary banking subsidiary, Silicon Valley Bank (the "***Bank***"), and our other subsidiaries and divisions, we offer clients of all sizes a variety of banking and financial products and services to support them throughout their life cycles. Today, we serve nearly 12,000 client relationships through 27 offices across the United States, including our headquarter offices in Santa Clara, California.

SVB has become one of the most respected names in the financial services industry. We began serving our target markets at a time when they were not well-understood by the financial services industry, and when many of the leading companies in these industries were just getting started. At that time, many of these companies had negative cash flows and yet to show profits. In general, they were not considered creditworthy by local community or regional banks. Today, by providing loans and other banking services tailored to growing technology and life science companies, SVB gives them the support they need to reach critical milestones that significantly affect their ability to secure subsequent funding rounds and grow into successful, self-sustaining organizations. SVB is primarily focused on our commercial clients. We have had limited exposure to mortgage and consumer lending.

Historically, we have seen other banks increase their lending to growing technology and life science companies during stable economic times, but retreat from lending to these markets during economic downturns presumably because of the increased risks associated with such lending. SVB has remained a constant in lending to entrepreneurial companies throughout market cycles. In doing so, SVB has played and will continue to play a meaningful role in ensuring the long-term strength of the U.S. economy.

Participation in the TARP Capital Purchase Program

We generally rely upon our earnings, primarily from the Bank, to generate capital to fund our balance sheet growth. From time to time, we may also look to external sources to raise capital, through equity or qualifying debt offerings. In the fall of 2008, we were considering a potential capital raising transaction to further strengthen our capital position, but due to market conditions and the opportunity to participate in the CPP, we did not pursue any such transaction.

We opted to participate in the CPP in December 2008 so that we may continue to lend and support our current and prospective clients, especially in this current unstable economic environment. The Treasury's investment in SVB of $235 million ("***TARP Funds***") provided us with an even stronger capital and liquidity foundation to support our growth. Moreover, because the CPP was designed for healthy financial institutions, we believed that our participation would enhance client confidence in us.

For more background information about the Company and its lending and deposit activities, please refer to Appendix A.

1. USE OF FUNDS

A. Anticipated Use of TARP Funds

When we participated in the CPP in December 2008, we expected to use the TARP Funds for the following three primary objectives:

- ***To continue lending to our current and prospective clients in our target markets.***

  For the past decade, we have steadily grown loans to technology companies at nearly 20 percent per year. In 2008, we grew average loan balances by over 30 percent. While we have forecasted a more moderate pace for loan growth in 2009 due to the economic environment, we remain committed to continue actively lending to support our clients. The TARP Funds will strengthen our ability to continue lending. More specifically, to date, we have contributed and allocated $100 million of the TARP Funds to our lending efforts at the Bank.

- ***To maintain a sufficient capital cushion given the uncertainties of the current economic environment and increased credit risks.***

  Our credit risks have increased in this current economic environment, which has adversely impacted us. From the fourth quarter 2006 to the third quarter of 2008, our period-end allowance for loan and lease losses ("***ALLL***") was between 1.13% and 1.22% of total gross loans, with the period-end ALLL holding at 1.13% for the fourth quarter of 2007 to the third quarter of 2008. However, due to the continuing deterioration of the current economic environment and the impact of the performance of certain loans, we increased our ALLL for the fourth quarter of 2008 to 1.93% of total gross loans. Rather than affirmatively curtailing our lending activities to mitigate the increased credit risks, a stronger capital base that includes the TARP Funds enables us to continue our lending at forecasted levels.

  Moreover, our external sources of capital and liquidity are more limited, as the current economic conditions have caused capital and debt markets to experience extreme volatility and disruption.

- ***To further strengthen our overall capital base.***

  We expect that the TARP Funds will strengthen our capital base and improve our overall capital ratios in accordance with the guidelines and requirements of federal banking regulators. With improved capital ratios, we believe we are better positioned to maintain and attract deposits in our market to support our lending activities.

B. SEGREGATION OF TARP FUNDS

We have identified our TARP Funds as a separate line item on our consolidated balance sheets as of December 31, 2008 as "Preferred Stock, Series B Fixed Rate Cumulative perpetual Preferred Stock." Additionally, as previously mentioned, we have contributed to date $100 million of the TARP Funds to the Bank.

We have not otherwise segregated our TARP Funds from our other funds.

C. ACTUAL USE OF TARP FUNDS TO DATE

As previously mentioned, we have to date contributed and allocated $100 million of the TARP Funds to our lending efforts at the Bank, and retained the remainder of the funds at the Company to maintain a sufficient capital cushion and to further strengthen our overall capital base. We will continue to downstream additional amounts of the TARP Funds to the Bank as necessary to carry out our objectives. *(Please refer to Appendix B for a summary of our capital ratios.)*

Further, with the receipt of TARP Funds, we will continue to pursue our objectives described in Section 1(A) above, as well as to grow our overall business. *For a description of other areas of our business, please refer to Appendix C.*

D. EXPECTED USE OF UNSPENT TARP FUNDS

The TARP Funds are intended for the objectives described in Section 1(A) above, and not for compensation or bonuses. Moreover, the TARP Funds are not intended to be used for dividends or for stock repurchases. We have not paid a dividend on our common stock since 1992, and while we were previously more active with our stock repurchase activities, we have not repurchased any stock since early second quarter of 2008. We do not presently have any plans to seek the Treasury's consent to pay any dividends on our common stock or to conduct any stock repurchases.

As we have previously announced, we forecasted average loans to grow from 2008 to 2009 by a percentage in the mid-teens, demonstrating our commitment to continuing to support our clients. While we have seen demand for certain loans decline somewhat during the first quarter of 2009, we remain committed to helping our clients navigate through this economic downturn.

Additionally, we are obligated at the Company level to pay cumulative dividends on our Series B Preferred Stock which we issued to the Treasury in connection with our participation in the CPP. We paid the first dividend that was due in February 2009. We expect to continue to pay those dividends so long as the Series B Preferred Stock is outstanding, and retaining certain TARP Funds in the Company will assist us in doing so.

E. Other Actions Taken That We Would Not Have taken Absent the Infusion of TARP Funds

In light of the challenging economic environment, absent the TARP Funds, we would likely find it necessary to curtail our lending activities to ensure we have sufficient capital to absorb potential credit losses, should they occur and, in this environment, we do expect them to occur. That curtailment on lending (and the income produced by lending activities) combined with the need to conserve capital would likely suppress our other business development and investment activities, and cause us to reduce our support for early-stage companies and our other clients, which we believe would likely be detrimental for the overall economy.

Moreover, without the TARP Funds, we would have pursued a capital-raising transaction, such as an equity or qualifying debt offering, which in this current economic environment, may have subjected us to inordinate costs, more onerous terms, and significant shareholder dilution.

2. EXECUTIVE COMPENSATION

Background

The Company's Board of Directors, acting directly or through its Compensation Committee (the "***Committee***"), determines the compensation of the Company's Chief Executive Officer and all other executive officers. The Compensation Committee is comprised of five directors, all of whom are "independent" under the Nasdaq rules applicable to us. As part of its decision-making process, the Compensation Committee regularly consults with an independent compensation consultant, which serves in an advisory capacity, as well as a resource for compensation data.

The key principles of our compensation philosophy are to pay competitively, mix short-term and long-term compensation, balance external market competitiveness with internal parity, promote equity ownership among our executive officers, tie incentive compensation to Company performance, and comply with applicable regulatory requirements regarding executive compensation. As a participant in the CPP, we will fully comply with all applicable requirements regarding executive compensation, including requirements specified in the Emergency Economic Stabilization Act of 2008 ("***EESA***"), as amended by the American Recovery and Reinvestment Act of 2009 ("***ARRA***").

A. Specific Plans to Address Executive Compensation Requirements

In connection with our participation in the CPP in December 2008, we broadly amended our compensation plans and arrangements with our senior executive officers (as defined under EESA) ("***SEOs***") to eliminate forms and amounts of compensation prohibited under EESA at that time. Each of our SEOs (based on 2008 compensation) has consented in writing to these amendments. The amendments became effective prior to the enactment of ARRA and therefore generally cover the limitations and restrictions on executive compensation under EESA as in effect at that time.

Specifically, the amendments included:

- **Limitations on Golden Parachute Payments:** Our Change in Control Severance Plan, adopted in 2006, provides a specified severance benefit to our executive officers in the event their employment is involuntarily terminated following a change in control of the Company. We have amended this plan to prohibit any payments to SEOs that would be regarded as a "golden parachute" during the period required under the EESA.

- **Clawback Provision:** Incentive compensation for our executive officers is generally provided under plans including our Incentive Compensation Plan, our Retention Plan, SVB Capital Carried Interest Long-Term Incentive Plan, and our equity incentive plans ("***Incentive Plans***"). We have amended all such plans in which SEOs participate to incorporate the "clawback" provisions, which requires that each SEO repay bonus and incentive compensation if the Company's financial statements or other performance metric criteria upon which these bonuses or incentives were later determined to be materially inaccurate.

- **Prohibition on Incentive Compensation Payments that Encourage Unnecessary and Excessive Risks:** Under EESA requirements, we are prohibited from making incentive compensation payments to executive officers that could cause us from taking unnecessary and excessive risks that threaten the value of the Company, as determined by our Compensation Committee. We have amended our Incentive Plans to prohibit payment of such incentive compensation.

- **Limitation on the Tax Deductibility of Executive Compensation:** EESA limits to $500,000 the tax deductibility of compensation for the SEOs and provides that certain exceptions to the deduction limitation normally allowable under IRC Section 162(m), such as the exception for performance-based compensation, are not applicable. For 2008 we have capped our tax deduction at $500,000 for our SEOs, and will continue to limit this deduction during the period required under the EESA.

We recognize that the ARRA has amended and expanded the above restrictions and limitations under the EESA. We are in the process of evaluating the amended provisions and will implement them as appropriate and as based on any guidance subsequently provided by the Treasury, the SEC or other governmental authority. We expect to further amend our compensation plans and arrangements to the extent necessary to comply with the EESA, as amended by the ARRA.

We also recognize the ARRA amended the EESA to include, among others, the following additional provisions:

- **Prohibition on Payment or Accrual of Bonuses, Retention Awards, or Incentive Compensation**: Based on the amount of TARP Funds we received, we recognize that this provision applies to at least our five most highly-compensated employees. Though we are awaiting further interpretative guidance on these limitations, we have at this time refrained from paying to our SEOs any bonus, retention award, or incentive compensation payment which we believe may potentially be in conflict with this provision of the ARRA.

- **Limitation on Luxury Expenditures**: We will ensure that the Board adopts the required company-wide policy upon further interpretative guidance on this provision.

- **Shareholder Approval of Executive Compensation**: We are currently in the process of preparing our proxy statement for our upcoming 2009 Annual Stockholders' Meeting ("***Annual Meeting***") to be held on May 12, 2009. We intend to include in the proxy statement a proposal for our shareholders to approve the compensation of our executives, on a non-binding basis. Typically, our annual meeting is scheduled in April, but we have rescheduled it for May 2009 to allow for more time to prepare for inclusion of the proposal.

- **Prohibition on Compensation Plans that Would Encourage Manipulation of Reported Earnings:** Though we are awaiting further interpretative guidance on this provision of the ARRA, as a matter of corporate governance and compliance with the provisions of the Sarbanes-Oxley Act of 2002, any of our reported earnings, as well as the effectiveness of our supporting internal controls, are thoroughly audited and certified by our independent auditors KPMG LLP.

B. Status of Implementation of Plans

As described above, we have expressly amended our compensation plans and arrangements to incorporate the original executive compensation limitations under the EESA. At this time we are evaluating how the additional executive compensation provisions provided under the EESA, as amended by the ARRA, may specifically impact each individual element of our overall compensation program, and have identified a variety of open questions for which we need further interpretive guidance. We expect that we will obtain further clarification of the ARRA requirements at a more detailed level upon the future issuance of rules or other clarifying guidance by the Treasury and the SEC. Pending further interpretive guidance, we will not make any payments or accruals to covered executives which we believe may be prohibited, nor do we expect to adopt any material changes to our compensation programs.

C. Assessment of Loan Risks and Their Relationship to Executive Compensation

To ensure that our executive compensation programs do not award any compensation, which would encourage executive officers to take unnecessary and excessive risks that would threaten the value of the Company, the Committee will discuss and review our compensation practices at least annually for so long as the Treasury holds equity in us under the CPP.

The Committee will conduct an annual risk assessment of the Company's compensation practices, the first of which was conducted recently in February 2009, working closely with the Company's senior risk officers and the Committee's independent compensation consultant. The Committee reviewed primarily for compensation arrangements that may encourage executive officers to take unnecessary and excessive risks that threaten the value of our financial institution, and concluded that the Company's compensation programs:

- Strengthen the alignment of the financial interests of executives with those of other shareholders;
- Enhance executive long-term perspective, commitment and focus on shareholder value growth;
- Balance the risk/reward profile by providing an appropriate additional basis for sharing in the Company's success (or failure), as reflected in shareholder returns, within the context of the Company's risk management system; and
- Align Company practice with the growing market practice and with corporate governance best practices.

As required under the EESA, the Company will include a certification of the Committee's conclusions in the Company's Proxy Statement for its 2009 Annual Stockholders' Meeting, which is expected to be filed with the Securities and Exchange Commission on or about March 27, 2009.

Moreover, in accordance with the EESA, as amended by the ARRA, the Committee will discuss and evaluate employee compensation plans in light of an assessment of any risk posed to the Company from such plans. The Committee meets at least quarterly.

D. How Limitations on Executive Compensation Will Be Implemented in Line with Treasury Guidelines

Going forward, we will continue to comply with executive compensation limitations in accordance with Treasury guidelines pursuant to our amended plans and arrangements and our practices as otherwise described above, as well as with any Treasury guidelines provided in the future.

Additionally, we are in the process of evaluating these new requirements under the EESA, as amended by the ARRA, and will implement them as appropriate and as based on any guidance subsequently provided by the Treasury, the SEC or other governmental authority.

E. Whether Any Limitations May Be Offset by Other Changes to Other, Longer-Term or Deferred Forms of Executive Compensation

As noted above, at this time we are evaluating how the expanded requirements under the EESA, as amended by the ARRA, will specifically impact each individual element of our overall compensation program. We have identified various open questions for which we require further interpretive guidance. We expect that interpretive guidance will be subsequently issued by the Treasury, the SEC or other governmental authority, and we will design compensation arrangements accordingly. Until then, we will not make any payments or accruals to covered executives which we believe are prohibited, or expect to adopt any material changes to our compensation programs.

To date, no SEOs have been given or promised additional benefits in lieu of compensation waived under the executive compensation restrictions and limitations under the EESA.

3. SOURCES AND DOCUMENTS REGARDING USE OF TARP FUNDS

A. Press Releases and Other Statements to the Media

We have attached under Appendix D copies of our press releases, current reports on Form 8-K, and other statements to the media regarding our intended or actual use of our TARP Funds.

B. Communications to Shareholders

In addition to the items attached under Appendix D, we have included other shareholder communications. Attached under Appendix E, we have included excerpted comments from the transcript of recent quarterly earnings calls, as well as excerpts from our Annual Report on Form 10-K for the year ended December 31, 2008, which was filed on March 2, 2009, regarding our anticipated or actual use of our TARP Funds.

C. Internal E-Mail, Budgets and Memoranda

The Company does not have any internal email materially relevant to our anticipated or actual use of our TARP Funds.

The Company does not have any separate budget items specifically related to use of the TARP Funds.

The Company does not have any separate formal memoranda related to our anticipated or actual use of the TARP Funds, except an internal "Question & Answer" document intended to assist client-facing staff answer questions about the Company's participation in the CPP. We have attached a copy under Appendix F. We have other internal memos prepared for management or our Board of Directors that generally describe our intention to use the TARP Funds for the objectives outlined in Section 1(A) above; however, we generally do not have any other internal memos specifying our anticipated or actual use of the TARP Funds in any further substantive detail.

* * * *

SVB›Financial Group

The undersigned duly authorized senior executive officer of the Company hereby certifies to the Officer of the Special Inspector General-TARP, on behalf of the Company, and subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001, that all statements, representations, and warranties contained in this letter, including all attachments hereto are true and complete to the best of my knowledge.

Sincerely,

Michael Descheneaux
Chief Financial Officer

cc: [redacted] b(6), b(8)

APPENDIX A

ADDITIONAL BACKGROUND INFORMATION ABOUT SVB

Our Recent Financial Performance

As of December 31, 2008, we had total assets of $10.02 billion, total loans, net of unearned income of $5.51 billion, total deposits of $7.47 billion and total stockholders' equity of $988.8 million. Our net income in 2008 was $78.6 million, or $2.29 per diluted common share, and our return on average common stockholders' equity was 11.03 percent. Despite the challenges presented by the current economic environment, we continued to see exceptional loan and deposit growth in 2008. Compared to 2007, in 2008, our average loans grew by 31.5 percent to $4.63 billion and our average deposit balances grew by 23.6 percent to $4.90 billion.

Our Clients

Our clients are the innovators that generate the pulse of Silicon Valley and other key entrepreneurial markets. These markets are unique in that they tend to grow and create jobs even when the economy is weak, because they are heavily innovation-driven. Our clients are doing remarkable things every day. They are applying nano-enabling manufacturing capabilities to improve the performance of materials essential to every day living, from batteries to LCDs. They're improving and transforming automated manufacturing through the development of precise, vision-guided robotics systems and services. They are accelerating the course of biotherapeutics for cancer and diabetes patients. They are using social networking to change the way people value and consume information online. Our ability and willingness to support these companies has been a key ingredient of their collective growth over our 25 year history.

Our Foundational Focus on Early-Stage Companies

The foundation of our business is our focus on early-stage companies --- start-up companies or those companies in the early stages of their life cycles, with little or no revenue and primarily funded by "angel" or "seed" money or early rounds of venture capital financing. We began lending to these companies when other banks did not understand their business models.

In addition to our lending and other services, we support these early-stage companies indirectly. We bank the venture capital funds that invest in these early-stage companies, and provide them with working lines of credit, which allows them to promptly leverage opportunities to make new or continued investments in these companies. We also make or manage investments in venture capital funds through our private equity arm, SVB Capital, which is primarily responsible for our funds management business. The SVB Capital family of funds has over $1 billion under management and indirectly supports as many as 5000 early stage companies that are the beneficiaries of the fund investments.

Based on our long history of supporting new businesses, many in the technology, life science and venture industries consider SVB to be *the* bank for early stage companies. While our strong overall loan growth has meant that early-stage lending is now a smaller part of our portfolio, we continue to lend actively to emerging companies. In 2008, we grew our loans to early-stage companies by 22 percent. At December 31, 2008, our loans to early-stage clients in the technology and life science niches represented approximately 12 percent of total gross loans, or $628 million, up from $514 million in the prior year.

Our Lending Today

We are continuing to lend, even in the current economic environment. In the fourth quarter of 2008, we grew average loans by 7.5 percent or $363 million, and end of period loans by 4.5 percent or $221 million. The majority of our loans are to companies in the technology and life science industries.

SVB is active in lending to small businesses on a variety of fronts. To facilitate clients' international trade, SVB offers a variety of loans and credit facilities guaranteed by the Export-Import Bank of the United States. One primary mission of the Ex-Im Bank is job creation for U.S. companies. Based on the self reporting from 36 clients currently using the Export-Import Bank Working Capital Guarantee Program, SVB's Ex-Im program helped our clients support 3,100 export-related jobs and enabled these clients to generate $540 million worth of export revenue in 2008. In 2005, the U.S. Export Import Bank named SVB "Small Business Bank of the Year," and our commitment to this program remains strong. Today, SVB's total loan commitment under the Ex-Im guarantee program is $120 million, up from approximately $50 million at the beginning of 2008. In addition, in 2008, we made $87 million in loans to small businesses (defined as having less than $1 million in revenues) as part of our Community Reinvestment Act commitment.

In a November 2008 survey by the Corporate Executive Board, which rated banks across the nation for their willingness to provide credit, SVB received a score of 4.5 on a scale of 1 to 5, with 5 indicating, "most willing." Only one bank named by respondents scored higher than SVB.

Our Deposits Today

In 2008, particularly in the fourth quarter, we were able to attract and retain deposits as a result of our strong capital position, and the perception among SVB clients of our stability and strength. For the year, we grew period-end deposits by 62 percent or $2.9 billion. Much of that growth occurred in the fourth quarter, as a result of movement between an off-balance-sheet sweep product, which we discontinued, and an on-balance sheet sweep product. Our success in attracting these deposits to the balance sheet allowed us to reduce our loan-to deposit ratio from approximately 100 percent in the third quarter to approximately 74 percent at the end of the fourth quarter 2008, and even lower in February 2009. Such strong deposit growth helps to ensure our liquidity and our continued ability to lend.

APPENDIX B

CAPITAL RATIOS

SVB Financial Group
Regulatory Capital Ratios

	September 30, 2008	December 31, 2008
SVB Financial Group (Consolidated)		
Total risk-based capital ratio	14.25%	17.58%
Tier 1 risk-based capital ratio	9.94%	12.51%
Tier 1 leverage ratio	10.80%	13.00%
Tangible common equity to tangible assets ratio	9.20%	7.52%
Silicon Valley Bank		
Total risk-based capital ratio	13.44%	13.79%
Tier 1 risk-based capital ratio	9.03%	8.66%
Tier 1 leverage ratio	10.04%	9.20%
Tangible common equity to tangible assets ratio	9.27%	7.45%

Appendix C

Other Areas of SVB's Business

We invest in the complementary products and services we provide to our clients to further support their growth. These include VC funds management, global banking and cash management, valuation services to help private companies meet their reporting obligations to the IRS, business development support for U.S. companies looking to extend their reach to international markets, and a knowledge bank to help emerging companies benchmark their performance against that of their peers. While many of the investments in these complementary products and services were not material, all were essential to SVB's continued role in helping its clients succeed.

Venture Capital/Private Equity Funds Management

SVB Capital, our private equity arm, is a primary consumer of capital at SVB, owing to the unique nature of its business. SVB Capital focuses primarily on funds management, managing and sponsoring venture capital and private equity funds on behalf of SVB Financial Group and other third party limited partners. Through their involvement in these funds, SVB Capital supports the growth and development of venture-backed companies, both directly and indirectly. Since our participation in the CPP in December 2008, the venture capital funds managed by SVB Capital have paid approximately $10 million worth of capital calls to various venture capital, venture debt, and growth capital funds. In 2008, approximately $65 million in capital was called.

The funds in which SVB invests use our backing to invest in thousands of individual underlying companies. The vast majority of these companies are early stage, venture capital-backed companies in the information technology, life sciences, or green technology sectors. While our investments represent only a small portion of the industry, we are proud to support literally thousands of entrepreneurs who are creating cutting-edge technologies and future market-leading companies."

Strategic Investments

We make a variety of strategic investments to advance our corporate objectives.

As part of our overall core banking business, we invest in and sponsor venture debt funds, such as Gold Hill funds and Partners for Growth funds, both of which provide secured lending for companies with different risk profiles.

We also invest in opportunities to provide new and valuable services to clients, and to expand our existing offerings around the globe. The following investments are representative of the ways in which the Company has invested and will continue to invest available capital to help its clients succeed and to deliver value to shareholders.

- In the first quarter of 2009, we made an investment in High Street Partners. High Street provides global advisory and business services to companies based in the United States to help them establish offices in many of the non-US geographies in which SVB does business. Among the fast growing companies that typify SVB's client base the services that High Street provides are in high demand, since these clients tend to go international very early in their life cycles.
- In February 2009, we made a small capital investment in InsideVenture, an industry-sponsored group creating a direct private market platform for institutional and strategic investment in late-stage private companies. The group's intent is to connect the best late-stage venture-backed companies with revered long-term institutional and strategic investors to facilitate late-stage transactions, IPO participation and aftermarket support.

Benefiting the Community

In 2008, the Company funded over $77 million in affordable housing projects, made over $87 million in "small business" loans as part of its Community Reinvestment Act ("***CRA***") commitment, and donated nearly 1,000 employee hours to organizations serving low income communities in the San Francisco Bay Area. SVB and its employees made well over $500,000 in charitable gifts and donations in 2008, and donated thousands of hours to charitable causes and organizations serving low income families in their communities.

Our Infrastructure

As a result of our strong growth in recent years, we have begun making investments in our infrastructure now that will serve us in the future. These investments, which are primarily in IT systems and business process support, are focused on providing a highly efficient, integrated, global platform for SVB and its clients through a universal banking system, an integrated on-line banking channel, and effective support.

APPENDIX D

PRESS RELEASES AND OTHER MEDIA COMMUNICATIONS

SEC FILINGS/PRESS RELEASES:

- Current Report on Form 8-K, filed December 3, 2008, announcing preliminary approval of SVB's participation in the CPP (including our press release)

OTHER STATEMENTS TO THE MEDIA:

(*Quotes from SVB management highlighted*)

- "2009 Trends: Housing First Target of Exchange Bank's TARP Funds $14.7 million for Projects; Other Participating Banks Say Federal Program Will Help," North Bay Business Journal, January 5, 2009
- "Banks Say Treasury Program Will Boost Economy," San Jose Mercury News, January 18, 2009
- "Tracking the TARP Money That's Been Flowing to Banks," San Francisco Chronicle, January 25, 2009

(The above items are attached.)

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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 3, 2008

SVB Financial Group

(Exact name of registrant as specified in its charter)

Delaware	000-15637	91-1962278
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

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

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.142-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On December 3, 2008, SVB Financial Group (the "Company") announced it had received written preliminary approval from the U.S. Treasury Department (the "Treasury") to participate in the Treasury's Troubled Asset Relief Program ("TARP") Capital Purchase Program (the "Program") for up to $235 million. The Company also announced its intention to submit final documentation to the Treasury in order to close the proposed transaction prior to December 31, 2008.

Under the proposed transaction, the Company expects the Treasury will purchase shares of preferred stock, and receive warrants to purchase common stock, of the Company pursuant to the terms of the Program. Any sale of the preferred stock and warrants is subject to certain closing conditions and the execution of definitive agreements.

The Treasury announced the voluntary Program in October 2008 to encourage U.S. financial institutions to build capital to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy.

A copy of the press release announcing the Company's receipt of preliminary approval is filed herewith as Exhibit 99.1 and incorporated hereby reference. The information in this press release shall not be deemed filed for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference.

Forward Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, and can be identified by the use of words such as "becoming," "may," "will, " "should," "predicts," "potential," "continue," "anticipates," "believes," "seeks," "expects," "plans," "intends," the negative of such words, or comparable terminology. In this report, management makes forward-looking statements about the proposed offering of securities by the Company. Although management believes that the expectations reflected in our forward-looking statements are reasonable and has based these expectations on our beliefs and assumptions, such expectations may prove to be incorrect. Actual results may differ. Factors that could cause actual results to differ include changes in the Treasury's intentions to purchase securities from the Company, including the timing, the subscription amount and the terms of the transaction, and the Company's intentions to submit final documentation to the Treasury. For information about factors that could cause actual results to differ from the expectations stated in forward-looking statements, please refer to our most recently-filed Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and Annual Report on Form 10-K for the year ended December 31, 2007. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included in this report are made only as of the date of this report. We do not intend, and undertake no obligation, to update these forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	**Description**
99.1	Press Release, dated December 3, 2008, announcing the Company's receipt of preliminary approval.

SIGNATURES

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

Date: December 3, 2008

SVB FINANCIAL GROUP

By:	/s/ KENNETH P. WILCOX
Nam	Kenneth P. Wilcox
Title:	President and Chief Executive

Exhibit Index

Exhibit	**Description**
99.1	Press Release, dated December 3, 2008, announcing the Company's receipt of preliminary

SVB › Financial Group

SVB › Financial Group

Exhibit 99.1

3003 Tasman Drive, Santa Clara, CA 95054
www.svb.com

Contact:
Meghan O'Leary
Investor Relations
(408) 654-6364

NASDAQ: SIVB

SVB FINANCIAL GROUP RECEIVES PRELIMINARY APPROVAL TO PARTICIPATE IN TREASURY'S TARP CAPITAL PURCHASE PROGRAM

SANTA CLARA, Calif. — December 3, 2008 — SVB Financial Group (NASDAQ: SIVB), parent company of Silicon Valley Bank, announced today that it has received written preliminary approval from the U.S. Department of the Treasury to participate in its TARP Capital Purchase Program. The Company intends to submit final documentation to the Treasury in order to close the proposed transaction prior to December 31, 2008. Under the proposed transaction, the Treasury is expected to invest up to $235 million by purchasing shares of preferred stock, and receiving related warrants to purchase common stock, of the Company based on the terms of the Program. The proceeds of the investment will further strengthen the Company's capital position, and are intended to be used to fund its continued growth.

SVB Financial Group's Tier 1 capital ratio of 9.94% at September 30, 2008, already exceeds that of a "well-capitalized" institution. On a pro forma basis, the new capital would have increased the Company's Tier 1 capital ratio on that date to approximately 12.79%.

"This program gives healthy institutions like ours access to attractively priced capital that we intend to use to support our continued growth and business development," said Ken Wilcox, president and CEO of SVB Financial Group.

The anticipated investment transaction is subject to certain closing conditions and the execution of definitive agreements, forms of which are publicly available on the Treasury's website.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, and can be identified by the use of words such as "becoming," "may," "will, " "should," "predicts," "potential," "continue," "anticipates," "believes," "seeks," "expects," "plans," "intends," the negative of such words, or comparable terminology. In this release, management makes forward-looking statements about the proposed offering of securities by the Company, and the impact and use of the investment proceeds. Although management believes that the expectations reflected in our forward-looking statements are reasonable and has based these expectations on our beliefs and assumptions, such expectations may prove to be incorrect. Actual results may differ. Factors that could cause actual results to differ include changes in the Treasury's intentions to purchase securities from the Company, including the timing, the subscription amount and the terms of the transaction, and changes in the Company's intentions to submit final documentation to the Treasury. For information about factors that could cause actual results to differ from the expectations stated in forward-looking statements, please refer to our most recently-filed Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and Annual Report on Form 10-K for the year ended December 31, 2007. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included in this report are made only as of the date of this report. We do not intend, and undertake no obligation, to update these forward-looking statements.

SVB>Financial Group

About SVB Financial Group

For 25 years, SVB Financial Group and its subsidiaries, including Silicon Valley Bank, have been dedicated to helping entrepreneurs succeed. SVB Financial Group is a financial holding company that serves companies in the technology, life science, venture capital/private equity and premium wine industries. Offering diversified financial services through Silicon Valley Bank, SVB Analytics, SVB Capital, SVB Global and SVB Private Client Services, SVB Financial Group provides clients with commercial, investment, international and private banking services. The Company also offers funds management, broker-dealer services and asset management, as well as the added value of its knowledge and networks worldwide. Headquartered in Santa Clara, California, SVB Financial Group operates through 27 offices in the U.S. and international operations in China, India, Israel and the United Kingdom. More information on the Company can be found at www.svb.com.

Banking services are provided by Silicon Valley Bank, the California bank subsidiary and commercial banking operation of SVB Financial Group, and a member of the FDIC and the Federal Reserve. SVB Private Client Services is a division of Silicon Valley Bank. SVB Financial Group is also a member of the Federal Reserve.

"BANKS SAY TREASURY PROGRAM WILL BOOST ECONOMY," PETE CAREY, SAN JOSE MERCURY NEWS, JANUARY 18, 2009

While controversy continues in Washington over the Treasury Department's enormous program to stabilize the nation's financial institutions, local bankers say the money they've received will ultimately benefit the Bay Area economy. More than 200 banks, including seven in the Bay Area, accepted money under the Treasury Department's $250 billion Capital Purchase Program, which is a part of the controversial Troubled Asset Relief Program. The money is given to healthy banks. "We'll reinvest that money back into the community in the form of loans to creditworthy borrowers," said Dan Meyers, president and chief executive of San Jose-based Bridge Bank, which took $23.8 million from the program. "That is what banks do in all communities, and have for hundreds of years." The lack of details provided by the Treasury about how the money is being used was rapped last week by a congressional oversight committee for failing to track what banks are doing with the money. The measurements "are important for determining the extent to which the funds are having a direct benefit to businesses and consumers," the panel said. But bankers say the program's benefits will only be apparent over time. A dollar in capital can produce many dollars in loans, but the process is heavily regulated and takes time even in a strong economy. And at the same time banks are being asked to loan more money, they face pressure to exercise caution. Banks are required by regulators to maintain safe levels of reserves to support their loans. And while the Treasury's infusion of cash will increase these reserves and ultimately increase lending, there needs to be good loans to make.

'Appropriate risk'

"One of the problems you have as a banker in this kind of economy is that we need to be prudent as we lend, and we need to take the appropriate risk in today's environment," said Walter T. Kaczmarek, president and chief executive of Heritage Commerce in San Jose, which received $40 million. "So the sheer number of loan transactions with risk profiles that are maybe out of the sweet spot are greater than the number of transactions in the sweet spot." The switch from TARP's original purpose of bailing out banks stuck with subprime loans to funding healthy banks angered some members of Congress, and TARP generally has been a lightning rod for criticism of Treasury's handling of the financial crisis. Tuesday, House Financial Services Committee Chairman Barney Frank, D-Mass., introduced a bill to require banks to report quarterly on the amount of increased lending "attributable to the financial assistance" of the TARP money. "If they want us to do it, we'll do it," Kaczmarek said. Some experts note that banks are already heavily audited and regulated. "It's not like they can take this money and fly off to Hawaii with it," said Martin Neil Baily, a Brookings senior fellow who co-wrote an opinion piece in The Washington Post with Brookings colleague Charles L. Schultze. Both are former chairmen of the Council of Economic Advisers. "Trying on top of that to account for how did this dollar of taxpayer money end up in a loan for Joe's Grocery Store in Podunk, we don't think is feasible or a particularly good idea," Baily said. The bankers don't relish being part of TARP because the program is viewed by the public as a bailout for troubled financial institutions. "TARP's a misnomer," said Ken Wilcox, chief executive of SVB Financial Group, a Santa Clara bank that took $235 million from the program. "You have to be a healthy bank to get the TARP money." The funds were handed out starting in mid-October in exchange for preferred shares of stock. The shares give taxpayers an ownership stake in the banks and will pay the Treasury 5 percent for five years, producing a probable profit on the deal. Of the $178 billion doled out so far, $145 billion went to 20 large banks, and the rest was shared by 188 mostly smaller banks that got millions rather than billions. Although this wasn't what TARP was originally intended for, it wasn't a bad idea, said Darrell Duffie, finance professor at the Stanford Graduate School of Business. "It was probably more effective in terms of increasing financial stability" than buying up subprime loans, he said. "Every dollar on a bank's balance sheet can be used to make more than a dollar's worth of loans."

Capital dried up

And something had to be done quickly. As the economy cratered, bank-to-bank lending dried up and access to capital in the open market had "largely disappeared," the American Bankers Association reminded Congress last week. Loan losses eroded some banks' capital positions, and private capital was unavailable. Without the capital purchase program, lending could have sharply declined, the ABA said. Wilcox of SVB said that even in the short amount of time the program has been operating, he's certain that banks have been lending more than they would have without the extra capital, "even though they may not be doing as much lending as they were a year ago." Bank of Marin received $28 million Dec. 5 and figures that if it lends $60 million, its earnings per share will be the same as before it took the money. But banks typically will lend eight or nine times their capital reserves, said President and CEO Russ Colombo. "Extrapolate that out, and that $28 million of capital could provide $225 to $250 million of new loans," he said. "That's the theory of TARP money." Pacific Coast Bankers' Bank said it took $11.6 million Dec. 23 out of "an abundance of caution" in case the economy continues to sour. "We were already well capitalized — now we're extremely well capitalized," said Steven Brown, president and CEO. PCBB makes loans only to community banks. Brown said he thought taking the money was the prudent thing to do, given the stresses community banks are dealing with. Wells Fargo, which received $25 billion Oct. 26, said the money will be used to help people behind on their mortgages and to make more loans to "creditworthy customers." It was one of nine banks that were summoned to Washington in October and asked by Treasury to request the capital to kick off the program. Bridge Bank had nearly finished raising $30 million in capital when the TARP program was unveiled. The bank decided to take $23.8 million in TARP money so that it had an extra cushion in case the economy worsened and the recession turns out to be a prolonged one. "You have to maintain a minimum level of capital," said Meyers, Bridge Bank's CEO. "If you want to raise more deposits and do more lending, you have to have additional capital. That was the intention of Treasury. They know how banks work."

SVB›Financial Group

"2009 TRENDS: HOUSING FIRST TARGET OF EXCHANGE BANK'S TARP FUNDS $14.7 MILLION FOR PROJECTS; OTHER PARTICIPATING BANKS SAY FEDERAL PROGRAM WILL HELP," JENNA V. LOCEFF, NORTH BAY BUSINESS JOURNAL, JANUARY 5, 2009

NORTH BAY – Exchange Bank has committed $14.7 million to fund low-income housing as part of its recent participation in the U.S. Treasury's emergency efforts to increase lending. Exchange Bank President Bill Schrader said the funds have been committed to the Santa Rosa Redevelopment Agency's Housing Authority. It will in turn fund housing projects. Mr. Schrader said the bank's aim is to reinvigorate the community, which is the goal of the U.S. Treasury's $250-billion Capital Purchase Program for the nation's qualified banks. "Our belief is that participating in the program is in the best interest of the community and bank and we are doing exactly what we said we will do. Already, just a couple of weeks after getting the money, we are putting more than a third back into the community," Mr. Schrader said. The purchase program, from which Exchange received $43 million, was designed by the Treasury to provide equity capital to qualifying financial institutions and thereby encourage them to make loans. Only banks that are in a good financial condition are offered the funds. The program is part of the Troubled Asset Relief Program, or TARP, created in October in response to the credit crisis. The institutions that are approved for the funds have to qualify according to guidelines and standards set by the government. Under the program, the Treasury buys stock in the banks. The stock pays 5 percent annual dividend. The funds are capital and not debt, therefore making it a desirable option for banks that wish to continue lending at a time when it may not seem prudent. And it puts the healthy banks in a position of possibly being able to acquire less stable institutions. Exchange Bank is just one of a number of North Bay banks to participate in the program. Bank of Marin took $28 million in funds, SVB Financial $235 million, Summit State Bank $8.5 million, while Wells Fargo received $25 billion. For these banks, the purpose of participation is to continue being able to make loans. "I believe that there are good opportunities out there," said Russ Colombo, president and chief executive officer of Bank of Marin. "Our decision to take the TARP was based on our ability to leverage the capital. Theoretically we could make $225 million in loans." Summit State Bank's President and CEO Thomas Duryea agreed, saying the infusion will keep the bank in a strong position to keep lending. "Before this happened, we were the best capitalized bank in the area and a top rated institution by Bauer," Mr. Duryea said. Bauer Financial has been analyzing financial institutions since the early 1980's and a five star rating, which Summit State Bank received, is the highest based on quarterly reports. Dennis Kelley, Summit's chief financial officer, said the federal funds "will further bolster Summit's already substantial financial position, raising our much-watched Tier 1 capital ratio from approximately 15.5 percent to 18.6 percent." Silicon Valley Bank, headquartered in Santa Clara, also took careful consideration when faced with the decision to accept the funds. "SVB is well capitalized at both the holding company and the bank levels, and we did not take the decision to apply for TARP CPP funds lightly," said Carrie Merritt, director of public relations for the bank. "We decided it made sense to apply due to the uncertain economic environment coupled with the fact that the market for debt not guaranteed by the government remains effectively closed for the time being, and even that is being used primarily by very large companies." Ms. Merritt said the bank intends to use the proceeds to continue lending. Officials believe the additional capital reserves will allow it to absorb potential credit losses, should they occur in the portfolio, without interrupting lending activities. Wells Fargo was one of the first banks to participate in the program, receiving the $25 billion in October of last year. Wells CFO Howard Atkins said in a press release issued at the time that the bank believed the CPP was a positive step to providing capital to banks to help stimulate the United States economy. "The strength of our franchise, earnings and balance sheet positions us well to continue lending across all sectors and satisfying all of our customers' financial needs, which is in the spirit of the Treasury's plan," he said. Several other banks in the North Bay have been accepted into the program, but have for one reason or another decided not to participate or have not announced a decision yet. Charter Oak Bank and Bank of Napa both opted to not participate. Brian Kelly, president and CEO of Charter Oak, said, "we weighed the merits of the program versus its ultimate cost to the bank.

After doing so, it became clear that the program simply did not represent an advantage for us or our customers, especially given our continued financial strength and the fact that we remain well-capitalized." Tom LeMasters, president and CEO of Bank of Napa said after consideration of the bank's strong balance sheet, it is opting not to participate in the Treasury's CPP. "We are so well capitalized, and credit quality is so strong we don't need the additional help," he said. American River Bankshares, parent company of Santa Rosa-based North Coast Bank, applied and was accepted, but is still weighing a decision. There are stipulations in accepting the funds. After three years, a bank can call the stock and pay the difference between the current stock price and what was paid for it. However, if the bank does not call the stock after five years, the dividend increases to 9 percent after taxes. If a bank defaults on the payments to the Treasury, the government can take a board position in the bank. There are also limits regarding executive compensation for senior executives. In order to not encourage risk to the institution, there is an agreement not to deduct for tax purposes executive compensation in excess of $500,000 for each senior executive. Nonetheless, the banks that are participating in the program believe the benefits outweigh the costs. Said Mr. Duryea of Summit, "I believe with every fiber in my body that this is a good thing for Summit. This program will enable us to continue to lend. There just aren't as many banks willing or able to lend now. We will put the TARP money where our mouths are."

"TRACKING THE TARP MONEY THAT'S BEEN FLOWING TO BANKS," KATHLEEN PENDER, SAN FRANCISCO CHRONICLE, JANUARY 25, 2009

Eleven Bay Area banks have taken capital from the U.S. government under the Troubled Asset Relief Program. Where is this money going? I wish I could say. The local bankers I spoke with who took TARP funds say they will use it as the Treasury intended, to increase lending. But few could point to specific loans they had made with TARP money or say whether their overall lending had increased since they took it. One reason is that most banks have received the money in the past 30 to 60 days. "It does take some time to process applications, market to new customers and ultimately lend the money. It doesn't happen overnight," says Walt Kaczmarek, chief executive of Heritage Commerce Corp. in San Jose., which took $40 million from TARP. And if a bank wants to leverage its capital - or lend more than a dollar for every dollar in new capital - it generally has to gather additional deposits, which can be loaned out. Attracting deposits takes time and can be harder for banks in competitive markets. "Even if you get the deposits, you have to find people with the wherewithal and the mental state to borrow money," says Dan Myers, chief executive of Bridge Bank in San Jose, which took $24 million. In a recession, that's no slam dunk. "It is harder to find qualified buyers with the economy being the way it is," says Kaczmarek, whose banking subsidiary, Heritage Bank of Commerce, deals mainly with business. Kaczmarek says there are plenty of companies that would like to refinance their mortgages, but their properties are now worth less and they are not willing to take a smaller loan. Russell Colombo, president and chief executive at Bank of Marin, which accepted $28 million in TARP money, agrees. "It's not like every bank has a huge lineup of customers wanting to borrow money. You have to underwrite them properly," he says.

Bank of Marin, which serves consumers and businesses in San Francisco, Marin and Sonoma counties, has been holding public meetings to explain "the purposes of the TARP money, why we took it and what we are doing with it," Colombo says. One notion he wants to dispel is that taking TARP money means you're troubled. When Congress approved $700 billion for TARP, it was supposed to buy troubled mortgage securities from banks. But the bill's language was broad, and former Treasury Secretary Henry Paulson decided in October he would use $250 billion to buy preferred stock in banks to bolster their capital. In late October, Paulson forced the nation's nine largest banks to accept a total of $125 billion, regardless of their health. San Francisco's Wells Fargo got $25 billion in that first round. Citigroup and Bank of America later came back for billions more. Paulson allocated another $125 billion to buy stakes in the nation's remaining 8,000-plus banks. To get these funds, banks were supposed to be financially strong, but Treasury never disclosed how it would determine a bank's health. To date, Treasury has bought $193 billion in preferred stock from more than 200 banks, including the original nine. These shares pay a 5 percent annual dividend the first five years and 9 percent thereafter. The banks can buy the stock back from Treasury after three years. "It provided very inexpensive capital," Colombo says. Participating banks can't increase their dividends without Treasury's approval and must agree to certain limits on executive compensation. Few other strings were attached. Although Treasury wants banks to make loans with TARP money, it didn't put any demands on its use. Banks say that's exactly how they will use the funds, if they can find the right borrowers. "I am convinced that our bank and many, many others are lending more than we would have if we hadn't taken the TARP money, says Ken Wilcox, chief executive of SVB Financial, which operates Silicon Valley Bank in Palo Alto. Wilcox says his bank, which caters to startup and publicly held technology companies, was able to raise several billion in new deposits since it took $235 million in TARP funds in early December. "We have enough loan demand from qualified borrowers that we are definitely making use of" the TARP money, Wilcox says. But, he adds, "We are in a unique industry." Early stage tech companies have not been hit as hard by the economy as other sectors. Other banks might have more trouble finding borrowers. "Lending into a recession is a very challenging proposition," says Bill Schrader, president of Exchange Bank in Santa Rosa, which took $43 million in TARP funds in mid-December. Around that same time, it loaned $14.7 million to a redevelopment agency in Santa Rosa to support below-market housing. Although the bank had been talking to the agency beforehand, getting the TARP money made it more confident about going ahead. Schrader insists his bank won't make riskier loans because it has TARP money, but without it, he might have been less willing to risk his capital on good loans during a recession. Pacific Coast Bankers' Bank, which lends exclusively to community banks, got $12 million from TARP on Dec. 23. Since then, "We have purchased some securities (from banks) that are in turn backed by single-family mortgages," Brown says. "In this marketplace, we would not have been as eager to do it" without TARP funds. Although it's getting off to a slow start, Brown says TARP "is definitely going to do some good." For banks, "the hardest thing in the world to get is capital," he says. The second-hardest is qualified borrowers. The third is deposits. "The fact that banks are structured so they can leverage capital up is the fastest way I know of to get lending and consumers and businesses back on their feet," Brown says. The two largest Bay Area banks taking TARP funds answered my questions about their use of it via e-mailed statements. Wells Fargo said it will use the funds "to make more loans to creditworthy customers and to find solutions for our mortgage customers late on their payments or facing foreclosure so they can stay in their homes." UCBH Holdings, parent of United Commercial Bank, said it "intends to focus on single-family and multi-family residential loans. ... It will also focus on trade finance activity, as its Greater China platform provides opportunity for commercial borrowers who do business in China." For a list of banks taking TARP money, see links.sfgate.com/ ZFYM.

APPENDIX E

COMMUNICATIONS TO SHAREHOLDERS

SVB QUARTERLY EARNINGS CALLS – EXCERPTS FROM TRANSCRIPTS:

(Prior to CPP Participation)

Q308 Earnings Call, October 23, 2008 – Scripted Comments from Management

"Moving on to capital management, our ratio of tangible common equity to tangible assets decreased to 9.2% in the third quarter from 9.47% in the second quarter, largely due to strong loan growth. As I said earlier, our capital ratios remain well above those of our peers. Nevertheless, we are constantly assessing those levels against our future needs and evaluating potential sources of capital, including the treasury's TARP program. We believe there may be an opportunity for well capital, capitalized banks like us to take strategic advantage of the capital purchase program." – ***Michael Descheneaux, SVB Financial Group, Chief Financial Officer***

Q308 Earnings Call, October 23, 2008 – Q&A

"… I was surprised to hear you talk about potentially using the treasury capital program. Just given that your capital levels do seem to be pretty robust and that, I don't know, I guess in my mind there are no obvious acquisition candidates. You talk about maybe strategic opportunities. What might those be?" - ***Aaron Deer, Sandler O'Neill,- Analyst***

"The way we look at that is the bank [is] becoming a net consumer of capital. There has been a tremendous amount of opportunities that we're seeing just in the growth… And so, when you look at the capital purchase program under the Treasury, you look at the cost of capital and it's extremely attractive capital when you look at that and in particular I'd just maybe perhaps top it off with the fact that in this environment as you know, having that fortress balance sheet or continuing to build on a fortress balance sheet is extremely important in maintaining investor and depositor confidence, so that's in a sense how we look at that." – ***Michael Descheneaux, SVB Financial Group, Chief Financial Officer***

(After CPP Participation)

Q408 Earnings call, January 23, 2009 – Scripted Comments from Management

"Finally, we fortified our already strong capital position through our participation in the Treasury's Capital Purchase Program.

"Moving on to capital management: Due to our outstanding asset growth in the fourth quarter, our ratio of tangible common equity to tangible assets decreased to 7.5% from 9.2%, albeit it still remains at a strong level. In December, we received $235 million in capital through the Treasury's Capital Purchase Program. As we disclosed earlier, we intend to use these funds for continued growth, particularly lending to the markets we serve. Moreover, the additional capital will allow us to absorb potential credit and investment losses should they occur without interrupting our lending activities. We have been asked why we applied for these funds, given our strong capital levels, and the answer is that we felt the uncertainty of the current economic environment and our growth plans called for maximum flexibility." – ***Michael Descheneaux, SVB Financial Group, Chief Financial Officer***

SVB›Financial Group

ANNUAL REPORT ON FORM 10-K FOR 2008, FILED MARCH 2, 2009 - EXCERPTS:

"Business – Supervision and Regulation" – Part I, Item I

Supervision and Regulation

Recent Developments

In response to the current economic downturn and financial industry instability, legislative and other governmental initiatives have been, and will likely continue to be, introduced and implemented, which could substantially intensify the regulation of the financial services industry (including a possible comprehensive overhaul of the financial institutions regulatory system). SVB Financial cannot predict whether or when potential legislation will be enacted, and if enacted, the effect that it, or any implemented regulations and supervisory policies, would have on our financial condition or results of operations. Moreover, especially in the current economic environment, bank regulatory agencies have been very aggressive in responding to concerns and trends identified in examinations, and this has resulted in the increased issuance of enforcement orders to other financial institutions requiring action to address credit quality, liquidity and risk management and capital adequacy, as well as other safety and soundness concerns. See "Risks Relating to Current Market Environment" in the "Risk Factors" section under Item 1A of Part I of this report.

Through its authority under the Emergency Economic Stabilization Act of 2008 (the "EESA"), the U.S. Treasury ("Treasury") announced in October 2008 the TARP Capital Purchase Program (the "CPP"), a program designed to bolster eligible healthy institutions, like SVB Financial, by injecting capital into these institutions. We participated in the CPP in December 2008 so that we could continue to lend and support our current and prospective clients, especially during this unstable economic environment. Under the terms of our participation, we received $235 million in exchange for the issuance of preferred stock and a warrant to purchase common stock, and became subject to various requirements, including certain restrictions on paying dividends on our common stock and repurchasing our equity securities, unless the U.S. Treasury has consented. Additionally, in order to participate in the CPP, we were required to adopt certain standards for executive compensation and corporate governance. These standards generally apply to the Chief Executive Officer, Chief Financial Officer and the three next most highly compensated senior executive officers, and include: (1) ensuring that incentive compensation for senior executives does not encourage unnecessary and excessive risks that threaten the value of the financial institution; (2) required clawback of any bonus or incentive compensation paid to a senior executive based on statements of earnings, gains or other criteria that are later proven to be materially inaccurate; (3) limiting golden parachute payments to certain senior executives; and (4) agreement not to deduct for tax purposes executive compensation in excess of $500,000 for each senior executive. To date, SVB Financial has complied with these requirements, but the Secretary of the Treasury is empowered under EESA to adopt other standards, with which SVB Financial would be required to comply. Additionally, the bank regulatory agencies, Treasury and the Office of Special Inspector General, also created by the EESA, have issued guidance and requests to the financial institutions that participated in the CPP to document their plans and use of CPP funds and their plans for addressing the executive compensation requirements associated with the CPP. SVB Financial will respond to such requests accordingly.

"Management's Discussion and Analysis – Capital Resources" – Part II, Item 7:

Capital Resources

...In December 2008, we participated in the CPP, under which we received $235 million in exchange for issuing shares of Series B Preferred Stock and a warrant to purchase common stock to the Treasury. As a participant in CPP, we are subject to various restrictions and requirements, such as restrictions on our stock repurchases and payment of dividends, and other requirements relating to our executive compensation and corporate governance practices. Moreover under legislation such as the ARRA, we are subject to additional and broader executive compensation requirements. Under the new requirements under ARRA, we may early redeem the shares issued to the Treasury under the CPP early without any penalty or requirement to raise new capital, as previously required under the original terms of the CPP. See "Business—Supervision and Regulation—Recent Governmental Action" under Part I, Item 1 of this Annual Report. Proceeds from this issuance have been allocated primarily for the following purposes: (i) to continue lending to our current and prospective clients in our target markets, (ii) to maintain a sufficient cushion to absorb increased credit risks associated with the current economic environment, and (iii) to further strengthen our overall capital ratios, which we believe will attract higher levels of deposits to support our lending activities.

APPENDIX F

INTERNAL MEMORANDA

TARP Capital Purchase Program
Q&A
Updated: January 27, 2009

***For Internal Use**: This Q&A is intended to help SVB employees answer questions about SVB Financial Group's participation in the TARP Capital Purchase Program.*

1. **I thought TARP was for "troubled" banks. Why would SVB need TARP money?**
The Troubled Asset Relief Program (TARP) and other related initiatives authorized by Congress and the Treasury were designed to restore stability in the U.S. financial system and to facilitate continued access to credit by creditworthy households and businesses. Originally, TARP was focused on purchasing troubled assets, but as the credit crisis deepened, Treasury broadened its focus to other U.S. financial institutions, including healthy institutions.

   In October 2008, the Treasury announced the implementation of the Capital Purchase Program (TARP CPP), which was specifically designed to inject capital into the financial system thus enabling institutions to continue to lend, which is essential to economic recovery. Funds under the TARP CPP were made available generally to healthy financial institutions, of which SVB is one. We have received favorable responses from our regulators, ratings agencies and investors with regards to our participation in the TARP CPP.

2. **Why did SVB take TARP CPP funds? Isn't the bank already well capitalized? How will SVB use the TARP CPP funds?**
Yes, SVB is well capitalized at both the holding company and the bank levels, and we did not take the decision to apply for TARP CPP funds lightly. We decided it made sense to apply for the program due to the uncertain economic environment coupled with the fact that the market for debt not guaranteed by the government remains effectively closed for the time being, and even that is being used primarily by very large companies.

   SVB intends to use the proceeds to continue lending, knowing we have a significant capital base. In addition SVB believes the additional capital reserves will allow us to absorb potential credit losses, should they occur in the portfolio, without interrupting our lending activities.

3. **How do the TARP CPP funds affect SVB's capital ratios?**
On January 22, 2009, SVB Financial Group reported in its quarterly earnings release a Tier 1 risk-based capital ratio of 12.54%, as of December 31, 2008. A Tier 1 risk-based capital ratio of 6.0% or higher is considered to be well-capitalized under Federal Reserve capital guidelines.

4. **Isn't this an expensive form of debt?**
   In a more positive economic environment, the initial terms of the TARP CPP could be seen as slightly expensive debt but inexpensive equity. However, given that the markets for debt not guaranteed by the government are effectively closed, the cost of the TARP funds seems reasonable to us.

5. **How many other banks have participated in the TARP CPP?**
   As of January 27, 2009, the U.S. Treasury reported that more than 300 banks have participated in the TARP Capital Purchase Program. A complete list of closed transactions may be found on the U.S. Treasury web site at
   http://www.treas.gov/initiatives/eesa/transactions.shtml

Forward Looking Statements

This "Q&A" document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, and can be identified by the use of words such as "becoming," "may," "will, " "should," "predicts," "potential," "continue," "anticipates," "believes," "seeks," "expects," "plans," "intends," the negative of such words, or comparable terminology. In this document, management makes forward-looking statements about SVB Financial Group's intended use of the TARP CPP proceeds and its ability to absorb credit losses. Although management believes that the expectations reflected in our forward-looking statements are reasonable and has based these expectations on our beliefs and assumptions, such expectations may prove to be incorrect. Actual results may differ. Factors that could cause actual results to differ include any changes that may impact the liquidity or capital needs of the Company, such as changes in the state of the economy or the markets served by the Company, disruptions in any of the various markets for capital which affects SVB Financial Group's cost of capital or liquidity, and errors in SVB Financial Group's assessment of the creditworthiness or liquidity of its clients or unanticipated network effects of credit concentration risks which create or exacerbate deterioration of such creditworthiness or liquidity. For information about factors that could cause actual results to differ from the expectations stated in forward-looking statements, please refer to our most recently-filed Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and Annual Report on Form 10-K for the year ended December 31, 2007. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included in this report are made only as of the date of this report. We do not intend, and undertake no obligation, to update these forward-looking statements.