



# Federal Reserve Bank of San Francisco

Redacted | Redacted | 101 Market Street, San Francisco, CA 94105

**Redacted**

Redacted & LFBO DEDICATED SUPERVISORY TEAM LEAD  
LARGE INSTITUTIONS SUPERVISION GROUP  
SUPERVISION + CREDIT

November 9, 2021

**TRANSMIT BY SECURE EMAIL**

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

Dear Mr. Becker:

The Federal Reserve Bank of San Francisco completed a Capital Target Examination of SVB Financial Group (SVBFG). The review started on September 7 and concluded on October 1. The review focused on evaluating capital adequacy and capital planning practices against applicable supervisory guidance<sup>1</sup>, as well as assessing gaps to Regulatory Capital Rules<sup>2</sup> expectations for Category IV firms as defined by the Federal Reserve Tailoring Rule<sup>3</sup>. Examiners also engaged management regarding the build-out of the capital planning program and the related project plans in process. This letter serves to formalize the supervisory findings discussed with SVBFG management on November 5, 2021.

**Executive Summary**

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

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

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

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

**Unreserved Opportunity | Supervision + Credit**

Mr. Greg Becker  
c/o Regulatory Affairs  
SVB Financial Group  
November 9, 2021

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

**Closing**

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

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

**Redacted**

**Redacted**  
**Redacted**, LFBO Dedicated Supervisory Team Lead

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

**Redacted**, CA DFPI  
**Redacted** Complex Institution Supervision & Resolution, FDIC

---

<sup>4</sup> THIS DOCUMENT IS STRICTLY CONFIDENTIAL: This document has been prepared by an examiner selected or approved by the Board of Governors of the Federal Reserve System. The document is the property of the Board of Governors and is furnished to directors and management for their confidential use. The document is strictly privileged and confidential under applicable law, and the Board of Governors has forbidden its disclosure in any manner without its permission, except in limited circumstances specified in the law (12 U.S.C 1817(a) and 1831m) and in the regulations of the Board of Governors (12 C.F.R. 261.20). Under no circumstances should the directors, officers, employees, trustees or independent auditors disclose or make public this document or any portion thereof except in accordance with applicable law and the regulations of the Board of Governors. Any unauthorized disclosure of the document may subject the person or persons disclosing or receiving such information to the penalties of Section 641 of the U.S. Criminal Code (18 U.S.C. 641). Each director or trustee, in keeping with his or her responsibilities, should become fully informed regarding the contents of this document. In making this review, it should be noted that this document is not an audit and should not be considered as such.