SVB FINANCIAL GROUP
Form DEF 14A
March 08, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

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 § 240.14a-12		

SVB FINANCIAL GROUP

(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) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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Notice of Annual Meeting of Stockholders

Thursday, April 25, 2013

4:30 P.M.

TO THE STOCKHOLDERS:

I am pleased to invite you to attend the 2013 Annual Meeting of Stockholders of SVB Financial Group, a Delaware corporation (the *Company*), which will be held at the Company s offices located at 3005 Tasman Drive, Santa Clara, California 95054, on Thursday, April 25, 2013 at 4:30 p.m., Pacific Time. The purposes of the meeting are to:

1. Elect eleven (11) directors to serve for the ensuing year and until their successors are elected.

2. Ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm for its fiscal year ending December 31, 2013.

3. Approve an advisory (non-binding) proposal on the Company s executive compensation (*Say on Pay*).

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 vote your shares as soon as possible. Voting instructions are included in: (i) for those stockholders receiving printed proxy materials, the enclosed Proxy Card, and (ii) for all other stockholders, the Notice Regarding the Availability of Proxy Materials (as further described in the Proxy Statement). Any stockholder attending the meeting may vote in person even if such stockholder has previously voted by proxy.

Only stockholders of record at the close of business on February 26, 2013 may vote at the meeting or any postponement or adjournment thereof.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ Roger F. Dunbar
Roger F. Dunbar
Chairman of the Board

Santa Clara, California

March 8, 2013

YOU ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD, OR VOTE OVER THE TELEPHONE OR THE INTERNET AS PROMPTLY AS POSSIBLE, IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. IF YOU HAVE RECEIVED PRINTED PROXY MATERIALS, A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR YOUR CONVENIENCE. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. WE ENCOURAGE YOU TO VOTE: (I) FOR THE ELECTION OF ALL ELEVEN (11) NOMINEES FOR DIRECTOR, AND (II) IN FAVOR OF THE ABOVE REMAINING PROPOSALS.

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¡ Indicates matters to be voted on at the Annual Meeting.

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SUMMARY INFORMATION

This summary highlights our 2012 performance, as well as information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should review the entire Proxy Statement and our Annual Report on Form 10-K. (For more information about our 2012 performance, see our 2012 annual letter to our stockholders.)

2012 COMPANY PERFORMANCE HIGHLIGHTS

2012 Financial Performance

In 2012, we continued to deliver strong financial results:

All time high of $21.3 billion in average total assets (up 14% from 2011).

Exceptional loan growth, with average loan balances of $7.6 billion (up 30% from 2011).

Increase of 14% to our deposit franchise from 2011:

- Higher average deposit balances of $17.9 billion (up 15% from 2011).
- Higher off balance sheet average client investment funds of $20.2 billion (up 14% from 2011).

Continued strong profitability:

- Earnings per diluted share (*EPS*) of $3.91 and consolidated net income available to common stockholders of $175.1 million (comparable to 2011 levels).
- All time high net interest income of $617.9 million (up 17% from 2011).
- Higher net interest margin of 3.19%, compared to 3.08% for 2011, despite low interest rate environment.

Solid return on average equity (*ROE*) performance of 10.09%.

Book value per common share of $41.02 at year-end (up 14% from 2011 year-end).

Disciplined credit underwriting, with net charge offs of 0.31% of average total gross loans and non-performing assets of 0.17% of total assets for 2012.

Continued strong capital and liquidity levels.

2012 Business Performance

We continued to execute on our long-term growth strategy and on our mission to help our clients:

Continued execution of global growth initiatives, including the opening of our first branch in the United Kingdom and the launch of our new joint venture bank in China.

Growth in client market share.

Strong client focus:

- Addition of new products and services to improve and simplify our clients experience, including a new mobile banking platform, increased business-to-business payment solutions, and streamlined client on-boarding services.

- Improvement in our already strong scores from our annual client satisfaction survey for the fifth consecutive year.

Emphasis on operational efficiency, including the opening of our operational hub in Tempe, Arizona, which is designed to lower our long-term operational expense growth trajectory and to provide us with access to broader banking operations and information technology talent.

2012 Performance

Strong financial growth
Continued profitability
Achievement of global growth milestones
Continued focus on clients

SUMMARY INFORMATION

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ANNUAL MEETING

Time and Date:	4:30 p.m. (Pacific Time), April 25, 2013
Place:	SVB Financial Group Kellogg Auditorium 3005 Tasman Drive Santa Clara, California 95054
Record Date:	February 26, 2013
Voting:	Stockholders as of record date are entitled to vote

PROPOSALS AND VOTING RECOMMENDATIONS

Proposal	Board Recommendation	Page Reference
Proposal No. 1 - Election of Eleven (11) Directors	For all nominees	2
Proposal No. 2 - Ratification of KPMG LLP as Auditors for 2013	For	65
Proposal No. 3 - Advisory (Non-Binding) Vote on Executive Compensation	For	66

DIRECTOR NOMINEES

We are seeking your vote FOR all of the director nominees listed below:

		Year First Elected By			Board Committee Membership*				
ame	Age	Stockholders	Principal Occupation	Independent	Audit	Compensation	Credit	Finance	Governan
reg W. Becker	45	2011	President and Chief Executive Officer, SVB Financial Group and Silicon Valley Bank	No					
ric A. Benhamou	57	2005	Chairman and Chief Executive Officer, Benhamou Global Ventures, LLC	Yes				X	C
avid M. Clapper	61	2005	Chief Executive Officer, Minerva Surgical, Inc.	Yes	X		C		
oger F. Dunbar	67	2005		Yes	C			X	X

			Board Chairman SVB Financial Group; Retired, Former Global Vice Chairman, Ernst & Young, LLP						
el P. Friedman	65	2005	Retired, Former President, Business Process Outsourcing, Accenture	Yes				C	X
. Richard Kramlich	77	2005	Chairman, Co-Founder and General Partner, New Enterprise Associates	Yes		X		X	
ata Krishnan	52	2008	Chief Financial Officer, Shah Capital Partners	Yes	X			X	
ffrey N. Maggioncalda	44	2012	President and Chief Executive Officer, Financial Engines	Yes		X	X		
ate D. Mitchell	54	2010	Co-Founder and Managing Director, Scale Venture Partners	Yes	X	C			
hn F. Robinson	66	2011	Former Deputy Comptroller of the Currency and former Executive Vice President, Washington Mutual Bank	Yes	X	X	X		
aren K. Staglin	68	2012	Proprietor, Staglin Family Vineyard	Yes			X		X

* C denotes committee chairperson

CORPORATE GOVERNANCE HIGHLIGHTS

All independent directors, except for CEO director

Seasoned Board with diverse experience

Separate Board Chairperson and CEO roles

Annual election of directors

Board (and individual committee) oversight of risk management

Annual Board and committee evaluations

Regularly-held executive sessions of non-management directors

Executive and director equity ownership guidelines

Active stockholder engagement practices

Annual Say on Pay vote

Independent Board approval of CEO compensation

AUDITOR MATTERS

As a matter of good corporate practice, we are seeking your ratification of KPMG LLP (*KPMG*) as our independent registered public accounting firm for the 2013 fiscal year. The following table summarizes the fees billed or expected to be billed by KPMG for 2012 and 2011:

	2012	2011
Audit fees	$ 4,361,548	$ 4,146,398
Audit-related fees (1)	191,993	198,391
Tax fees (2)	557,412	569,274
All other fees (3)	398,985	273,581
Total	$ 5,509,938	$ 5,187,644

(1) Consists principally of fees billed or expected to be billed related to reviews of internal controls for selected information systems and business units (SSAE 16 audits), and services related to proposed accounting standards.

(2) Represents fees for services provided in connection with the Company s tax compliance and advice.

(3) Represents fees for advisory services relating to the Company s global banking initiatives, analysis of certain accounting standards and processes, and analysis of outsourcing initiatives.

EXECUTIVE COMPENSATION

Consistent with our Board s recommendation and our stockholders preference, we submit an advisory vote to approve our executive compensation (otherwise known as *Say on Pay*) on an annual basis. Accordingly, we are seeking your approval, on an advisory basis, of the compensation of our Named Executive Officers, as further described in the Compensation Discussion and Analysis section of this Proxy Statement.

2012 Say on Pay

At our April 2012 annual meeting, we received 94% of the votes cast in approval of our 2011 executive compensation program as described in our 2012 proxy statement.

2012 Executive Compensation Highlights

For summaries of the highlights of our 2012 executive compensation, and key features of our executive compensation programs, please refer to the Executive Summary of the Compensation Discussion and Analysis section of this Proxy Statement on page 30.

IMPORTANT DATES FOR 2014 ANNUAL MEETING

Stockholder proposals for inclusion in our 2014 proxy statement pursuant to SEC Rule 14a-8 must be received by us by November 15, 2013. Notice of stockholder proposals for the 2014 annual meeting outside of SEC Rule 14a-8 must be received by us no earlier than December 27, 2013 and no later than January 26, 2014.

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Mailed to Stockholders on or about March 15, 2013

PROXY STATEMENT

OF

SVB FINANCIAL GROUP

3003 Tasman Drive

Santa Clara, California 95054

PROXY STATEMENT GENERAL INFORMATION

General

This Proxy Statement is furnished in connection with the solicitation of proxies by, and on behalf of, the Board of Directors (the *Board*) of SVB Financial Group (the *Company*) for use at the 2013 Annual Meeting of Stockholders of the Company to be held at the Company s offices located at 3005 Tasman Drive, Santa Clara, California 95054 in the Kellogg Auditorium, on Thursday, April 25, 2013 at 4:30 p.m., Pacific Time, and at all postponements or adjournments thereof (the *Meeting*). (For directions to attend the Meeting in person, please contact us at the telephone number below.)

Record Date

Only stockholders of record on February 26, 2013 (the *Record Date*) will be entitled to vote at the Meeting. At the close of business on the Record Date, there were 44,845,794 shares of the Company s Common Stock, $0.001 par value (the *Common Stock*), outstanding.

Principal Executive Offices

The Company is a Delaware corporation and financial holding company for Silicon Valley Bank (the *Bank*) and its affiliates. The Company s principal executive offices are located at 3003 Tasman Drive, Santa Clara, California 95054, and its telephone number at that location is (408) 654-7400.

Important Notice Regarding the Availability of Proxy Materials for the Meeting

This Proxy Statement and our 2012 Annual Report on Form 10-K are available electronically at *www.svb.com/proxy*. See also *Information About Voting and Proxy Solicitation Delivery of Proxy Materials* below.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Board of Directors Recommends a Vote For All Nominees

Pursuant to the Company s bylaws, the Board of Directors shall consist of at least eight (8), but no more than thirteen (13) members, with the exact number to be fixed by the Board of Directors. As of the Record Date, the number of authorized directors is fixed at twelve (12), and the Board has fixed the number at eleven (11) as of the date of the Meeting.

Additionally, under the Company s bylaws, the Board of Directors shall not have more than two directors who do not meet the definition of an *Outside Director*. An Outside Director is any director who meets the independence and experience requirements of the SEC and Nasdaq and who, in the opinion of the Board, has the ability to exercise independent judgment in carrying out the responsibilities of a director of the Company. All of our current directors, except for our Chief Executive Officer, are considered Outside Directors.

Nominees for Director

All Proxies will be voted FOR the election of the following eleven (11) nominees recommended by the Board of Directors for a term of one year, 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 in April 2012. All of our incumbent directors, except for Ms. Yoon, 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. As of the date of this Proxy Statement, 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 and until their successors are elected and qualified, or until their earlier death, resignation or removal.

Director Biographies

The biographical information for each of the director nominees is as follows:

Greg W. Becker	**Board Committees:**	**Independent:**
	N/A	No

Mr. Becker, age 45, was appointed the President and Chief Executive Officer of the Company and the Bank in April 2011. He first joined the Company in 1993 as part of the Northern California Technology Division, and since then, has served in a number of executive and senior management positions with the Company, including Chief Banking Officer (2002-2003), Chief Operating Officer (2003-2008) and President of Silicon Valley Bank (since 2008). Mr. Becker has served as a director of the Company since 2011.

Private

Directorships: Silicon Valley Leadership Group, a non-profit organization with an emphasis on issues of importance to employers, employees and residents of Silicon Valley (since 2011)

Bay Area Council, a public policy advocacy organization (since 2011) (as director and executive committee member)

Other Prior Experience: President, Board of Trustees, Silicon Valley and Monterey Bay Area Chapter of the Leukemia & Lymphoma Society (2004 2011)

Mr. Becker holds a bachelor s degree in Finance from Indiana University.

The Board believes that Mr. Becker possesses specific attributes which qualify him to serve on the Board, including his experience as an executive officer of the Company and his extensive experience with the Company and within the banking industry working with public and private technology, life science and venture capital clients.

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Eric A. Benhamou	**Board Committees:**	**Independent:**
	Governance, *Chair*	Yes
	Finance	

Mr. Benhamou, age 57, is Chairman and CEO of Benhamou Global Ventures, LLC, which he founded in 2003. Benhamou Global Ventures, LLC invests and plays an active role in innovative high tech firms throughout the world. He also sits on various public and private technology company boards, and serves a variety of educational and philanthropic organizations. Mr. Benhamou has served as a director of the Company since 2005.

Public Directorships:	Chairman, Cypress Semiconductor, a semiconductor company (since 1993)
Private Directorships:	SwiftTest, Inc., a commercial IP network testing tool developer (since 2010) Purewave, Inc., a developer of outdoor compact base stations for the 4G marketplace (since 2010) ConteXtream, a carrier equipment vendor for intellectual property based media services (since 2007) Finjan Corporation, a global provider of proactive web security solutions (since 2006)
Other Experience:	Executive committee member, Stanford University School of Engineering (since 1996) Executive committee member, Ben Gurion University of Negev (since 2000) Chairman of the Israel Venture Network, a venture philanthropy organization for a stronger Israeli society (since 2000)
Prior Directorships:	RealNetworks, Inc., creator of digital media services and software (2003-2012) Chairman, 3Com Corporation, a public networking solutions provider (1990-2010) Voltaire Ltd., a public grid computing network solutions company (2007 2011) Dasient, a security company that provides malware detection and prevention solutions (2010-2011) Chairman of the Board of Directors of Palm, Inc., a public mobile products provider (1999-2007) Other private directorships: Atrica, Go Networks, WisdomArk (various dates from 2000-2008)
Other Prior Experience:	Visiting professor, INSEAD Business School (2003-2012) Interim Chief Executive Officer of Palm, Inc. (2001-2003) Chief Executive Officer, 3Com Corporation (1990-2000), and other various senior management positions Executive committee member, Computer Science and Telecommunications Board (CSTB) (2003-2008)

Co-founder and Vice President of Engineering, Bridge Communications (1981-1987)

Member, US-Israel Science and Technology Commission (2003)

Executive committee member, TechNet

Mr. Benhamou holds an engineering degree from l École Nationale Supérieure d Arts et Métiers in Paris, France, a master s degree in Science from the School of Engineering at Stanford University and several honorary doctorates.

The Board believes that Mr. Benhamou possesses specific attributes which qualify him to serve on the Board, including his experience with both public and private technology companies (as part of management and/or as a director and investor), as well as his experience in the global markets, particularly in Israel and Europe.

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David M. Clapper	**Board Committees:**	**Independent:**
	Credit, *Chair* Audit	Yes

Mr. Clapper, age 61, has been the Chief Executive Officer of Minerva Surgical, a medical device company, since May 2011. He has had an extensive career in the healthcare and medical device industries, including serving as the President and Chief Executive Officer (2005-2008) of SurgRx, Inc., a privately held medical device manufacturer, until its acquisition by Ethicon Endo-Surgery in 2008, as well as a variety of public and private company directorships. Mr. Clapper has served as a director of the Company since 2005.

Private Directorships:	Arqos Surgical, Inc., a technology holding company (since 2011) IOGYN, Inc., a medical device company (since 2011) CORRX, Inc., a medical device company (since 2011) Corinth Medical, a medical device company (since 2011) RELIGN Corporation, a medical device company (since 2011) MOSIAX, Inc., a medical device company (since 2011)
Prior Directorships:	Neomend, a designer of surgical sealants and adhesion prevention products (acquired by CR Bard) (2010-2012) Baxano, a private medical device manufacturer (2009-2011) Dfine, Inc., a private electrosurgical system developer (2007-2011) Sierra Surgical Technologies, a private surgical device company (2007-2011) Pulmonx, a private medical device company (2003-2006) Conor Medsystems, a public developer of drug delivery technology (acquired by Johnson and Johnson) (2004-2007) St. Francis Medical Technology, a private medical device manufacturer (acquired by Kyphon/Medtronic) (2006) Novacept, a private medical device company (acquired by Cytyc/Hologic) (1999-2004) Focal, Inc., a public company developer of surgical sealants (acquired by Genzyme/Sanofi) (1994 to 1999)
Other Prior Experience:	President and Chief Executive Officer, Novacept (1999-2004) President and Chief Executive Officer, Focal, Inc. (1994 to 1999)

Various management positions at Johnson & Johnson, a public company provider of professional consumer health care products and services (1977-1993)

Mr. Clapper holds a bachelor s degree in Marketing from Bowling Green State University.

The Board believes that Mr. Clapper possesses specific attributes which qualify him to serve on the Board, including his experience with both public and private life science companies (as part of management and/or as a director).

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Roger F. Dunbar	**Board Committees:**	**Independent:**
	Audit, *Chair* Finance Governance	Yes

Mr. Dunbar, age 67, is our current Chairman of the Company s Board of Directors, and subject to his election, he is expected to continue to serve as our Board Chairman during the 2013-2014 director term. Mr. Dunbar retired from Ernst and Young in 2004, where he served in a variety of positions since 1974, including key leadership positions. Mr. Dunbar has served as a director of the Company since 2005.

Private Directorships:	Desert Mountain Property, Inc. (since 2009) Desert Mountain Club, Inc. (since 2009)
Prior Experience with Ernst & Young:	Global Vice Chairman, Strategic Growth Markets and Venture Capital (2000-2004) Member, Global Practice Council, London, United Kingdom (2000-2004) Member, Global Management Committee, London, United Kingdom (2000-2004) Member of US Area Managing Partners Leadership Group (1992-2000) Client Service Partner and other key positions, including Partner-in-Charge and Area Managing Partner, Silicon Valley and the Pacific Northwest Area (1974-2000)
Prior Directorships:	Advisory Board Member, SVB Financial Group and Silicon Valley Bank (2001-2004)
Other Prior Experience:	Teacher, Santa Clara University s Graduate School of Business Teacher, Ernst & Young s National Education Program Advisory Boards, Santa Clara University and Cal Poly San Luis Obispo Joint Venture Silicon Valley s 21st Century Education Board U.S. Naval Officer (1967-1980)

Mr. Dunbar holds a bachelor s degree in Business from San Francisco State University and holds a master s degree in Business Administration from Santa Clara University. Mr. Dunbar is a certified public accountant, inactive, and a member of the California State Board of Accountancy and the AICPA.

The Board believes that Mr. Dunbar possesses specific attributes which qualify him to serve on the Board, including his management experience with a nationally-recognized independent auditing firm, his prior accounting and audit experience with both public and private companies, his prior experience working with venture capital firms, and his strategic and operational experience in global markets, particularly in the United Kingdom and Israel.

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Joel P. Friedman	**Board Committees:**	**Independent:**
	Finance, *Chair*	Yes
	Governance	

Mr. Friedman, age 65, retired from Accenture, a public company global management consulting firm in 2005, where he held the position of President of the Business Process Outsourcing (*BPO*) organization. Over the course of his 34-year career with Accenture, Mr. Friedman held a variety of senior leadership roles. Mr. Friedman has served as a director of the Company since 2005.

Public Directorships:	NeuStar, a provider of essential clearinghouse services to the communications industry (since 2006)
Private Directorships:	Advisory Director, FTV Capital (formerly Financial Technology Ventures), (since 2005) Advisory Director, Community Gatepath, a non-profit organization dedicated to enabling persons with disabilities to live as fully integrated members of the community (since 2013; director from 1991-2012)
Prior Experience with Accenture:	President of the BPO organization Managing Partner, Banking and Capital Markets Managing General Partner, Accenture Technology Ventures Founder, Accenture strategy consulting practice
Prior Directorships:	EXL Service (Advisory Director), a provider of offshore business process outsourcing solutions (2008-2011) Endeca Technologies, Inc., a provider of enterprise search solutions (2006-2011) (acquired by Oracle) Junior Achievement of Northern California, a non-profit organization that assists young people understand the economics of life (2004-2010) Other directorships completed prior to 2008 include: Accenture, a global management consulting firm (2001-2005); Seisint, Inc.; Calico Commerce, Inc.; Rivio Inc.; and TheBrain Technologies.
Other Prior Experience:	Dean s Advisory Council for Stanford Graduate School of Business (1998-2004)

Mr. Friedman holds a bachelor s degree in Economics from Yale University and a master s degree in Business Administration from Stanford University.

The Board believes that Mr. Friedman possesses specific attributes which qualify him to serve on the Board, including his management experience with a nationally-recognized global consulting firm that involved work with venture capital funds, the banking industry and capital markets.

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C. Richard Kramlich	**Board Committees:**	**Independent:**
	Compensation Finance	Yes

Mr. Kramlich, age 77, is Chairman, Co-Founder and General Partner of New Enterprise Associates (*NEA*), a venture capital firm founded in 1978. Prior to founding NEA, Mr. Kramlich held a variety of senior management positions with financial services firms. Mr. Kramlich has served as a director of the Company since 2005.

Public Directorships:	Zhone Technologies, provider of broadband access equipment (since 1999) Sierra Monitor Corporation, provider of hazardous gas detection systems (since 1984)
Private Directorships:	Tabula, a semiconductor company (since 2005) Visual Edge Technologies, an imaging solutions company (since 2002) Xoom, a money transfer company (since 2004) TriAlpha Energy, a nuclear fusion research company (since 2006) Movius, a messaging, collaboration and mobile media solutions company (since 2007)
Prior Directorships:	Financial Engines, an investment advisory firm (1997-2011) Kor Technology, an aerospace defense technology company (acquired by Mercury Computer) (2006-2011) Force10 Networks (acquired by Dell Inc.) (2000-2011) Other directorships completed prior to 2008 include: Silicon Graphics; 3Com Corporation (acquired by Hewlett-Packard); Healtheon/WebMD; Immunex (acquired by Amgen); Juniper Networks; Macromedia (acquired by Adobe); Semiconductor Manufacturing International; Celetronix (acquired by Jabil); Decru (acquired by NetApp); Chalone Wine Group (acquired by Diageo); Ascend Communications (acquired by Lucent Technologies); Dallas Semiconductor (acquired by Maxim Integrated Products); Foveon (acquired by Sigma Corporation); InfoGear (acquired by Cisco Systems); NetSolve (acquired by Cisco Systems); NEXT HOP (acquired by U4EA Technologies); MaxiScale Technology; Fabric7 Systems; Informative (acquired by Satmetrix, Inc.)
Other Prior Experience:	General Partner, Arthur Rock & Associates (1969-1977) Executive Vice President, Gardner & Preston Moss (1964-1969) Chairman and President, National Venture Capital Association

Mr. Kramlich holds a bachelor of science degree in History from Northwestern University and a master s degree in Business Administration from Harvard University.

The Board believes that Mr. Kramlich possesses specific attributes which qualify him to serve on the Board, including his extensive experience as a co-founder and partner of a prominent venture capital firm and his experience investing and serving as a director on a variety of public and private companies, as well as his experience in global markets, particularly in China.

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Lata Krishnan	**Board Committees:**	**Independent:**
	Audit Finance	Yes

Ms. Krishnan, age 52, is the Chief Financial Officer of Shah Capital Partners (*Shah Capital*), a leading mid-market technology private equity fund that she joined upon its inception in 2003. Prior to joining Shah Capital, Ms. Krishnan held various corporate accounting and finance positions with leading financial firms. Ms. Krishnan has served as a director of the Company since 2008.

Private Directorships:	Chair, American India Foundation, an organization dedicated to accelerating social and economic development in India (since 2001) The Commonwealth Club, a public affairs forum (since 2004) Enlighted, Inc., an information technology consulting firm (since 2010)
Other Experience:	Fellow, American Leadership Forum (since 1998)
Prior Directorships:	TiE, a non-profit global network of entrepreneurs and professionals Global Heritage Fund, an international heritage conservancy (2009-2011) CEO Women, an organization to create economic opportunities for low-income immigrant and refugee women (2009-2011) America s Foundation for Chess, a foundation committed to children s education (2003-2011) Global Philanthropy Forum, a council on world affairs (2006-2011) Narika, a shelter for abused women in the Asian community (1998-2011)
Other Prior Experience:	Co-Founder and Chief Financial Officer, SMART Modular Technologies, Inc., a manufacturer of computer memory modules (1989-1999) Various corporate accounting and finance positions with Montgomery Services Various corporate accounting and finance positions with Arthur Andersen & Company LLP Various corporate accounting and finance positions with Hill Vellacott & Company in London

Ms. Krishnan holds a bachelor of science degree with honors from the London School of Economics and is a member of the Institute of Chartered Accountants in England and Wales.

The Board believes that Ms. Krishnan possesses specific attributes which qualify her to serve on the Board, including her financial background and experience with a leading technology private equity fund, as well as her experience in global markets, particularly in India.

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Jeffrey N. Maggioncalda	**Board Committees:**	**Independent:**
	Compensation Credit	Yes

Mr. Maggioncalda, age 44, is the Chief Executive Officer of Financial Engines, an independent investment advisory firm. Mr. Maggioncalda has served in this role since Financial Engines inception in 1996. Mr. Maggioncalda has served as a director of the Company since 2011.

Prior Directorships:	Affinity Circles, a social networking developer
Other Prior Experience:	Associate, Cornerstone Research, an economic and financial consulting firm (1991-1994)

Mr. Maggioncalda holds a bachelor s degree in Economics and English from Stanford University and a master s degree in Business Administration from Stanford University.

The Board believes that Mr. Maggioncalda possesses specific attributes which qualify him to serve on the Board, including his financial services experience, as well as his executive experience at a public company.

Kate D. Mitchell	**Board Committees:**	**Independent:**
	Compensation, *Chair* Audit	Yes

Ms. Mitchell, age 54, is Managing Partner and Co-Founder of Scale Venture Partners (*Scale*), a venture capital firm where she leads investments in software and business services and is instrumental in building the firm s team and strategic direction. Prior to founding Scale in 1996, Ms. Mitchell held a variety of senior management positions with Bank of America. Ms. Mitchell has served as a director of the Company since 2010.

Private Directorships:	Jaspersoft, Inc., a manufacturer of business intelligence software (since 2009) mBlox, Inc., a mobile transaction network provider (since 2010)
Other Experience:	Silicon Valley Bank Venture Capital Advisory Board (since 2008)
Prior Directorships:	Acusphere, Inc., public pharmaceutical company (1999-2005) Songbird Medical (1998-2005) Tonic Software, Inc. (2000-2005)

	Wayport, Inc. (2000-2008)
	Pavilion Technologies, Inc. (2004-2007)
	Friends of the San Francisco Public Library (2007-2010)
	Chairman, National Venture Capital Association (2010-2011)
	Member of National Venture Capital Association Executive Committee (2007-2011)
Other Prior Experience:	Various senior management positions (including Senior Vice President), Bank of America

Ms. Mitchell holds a bachelor s degree in Political Science from Stanford University and a master s degree in Business Administration from Golden Gate University.

The Board believes that Ms. Mitchell possesses specific attributes which qualify her to serve on the Board, including her extensive experience as a co-founder and partner of a prominent venture capital firm, her experience investing and serving as a director on a variety of public and private companies, and her prior banking experience.

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John F. Robinson	**Board Committees:**	**Independent:**
	Audit Compensation Credit	Yes

Mr. Robinson, age 66, is a former Executive Vice President of Washington Mutual Bank, a financial lending institution. Prior to his position with Washington Mutual, Mr. Robinson served with the Office of the Comptroller of the Currency as a Deputy Comptroller. Mr. Robinson has served as a director of the Company since 2010.

Private Directorships:	Federal Home Loan Bank of San Francisco (since 2011) Operation HOPE, a non-profit organization focusing on economic improvements for poverty-stricken people in America (since 2004)
Other Experience:	National Outdoor Leadership School Advisory Committee (since 2007)
Prior Directorships:	Federal Home Loan Bank of San Francisco (2004-2005 and 2007-2008) Long Beach Mortgage Corporation, a wholly-owned subsidiary of Washington Mutual Bank (2004-2006) Long Beach Securities Corporation, a wholly-owned subsidiary of Washington Mutual Bank (2004-2006)
Other Prior Experience:	Executive Vice President, Washington Mutual Bank, a financial lending institution (2002-2008) Deputy Comptroller, Office of the Comptroller of the Currency (1997-2002)

Mr. Robinson holds a bachelor s degree in Business Administration from Washington University in St. Louis and a master s degree in Business Administration from Harvard University. He is also a Chartered Financial Analyst (CFA).

The Board believes that Mr. Robinson possesses specific attributes which qualify him to serve on the Board, including his extensive prior banking, regulatory and risk management experience.

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Garen K. Staglin	**Board Committees:**	**Independent:**
	Credit Governance	Yes

Mr. Staglin, age 68, is the founder and proprietor of Staglin Family Vineyard, founded in 1985 in the Rutherford region of Napa Valley. Over the past 40 years, Mr. Staglin has also held a variety of positions in the financial and insurance services industry. Mr. Staglin has served as a director of the Company since 2011.

Public Directorships:	Lead Director, EXL Services, a provider of outsourcing services to global companies (since 2005)
Private Directorships:	Advisory Director, Specialized Bicycle, a manufacturer of cycling equipment (since 1995) Chairman, Free Run Technologies, an internet and technology services company (since 2003) Senior Advisor and Advisory Director, FTV Capital (formerly Financial Technology Ventures), (since 2004) Vice Chairman, Profit Velocity Solutions, a manufacturing analytics firm (since 2007) Chairman, Nvoice Payments, an electronic payment service provider (since 2010)
Other Experience:	Founder and President, International Mental Health Research Organization, devoted to raising awareness and funding research to find a cure for major mental illnesses (since 1995) Founder and President, Bring Change 2 Mind, an organization devoted to removing the stigma associated with mental illness (since 2009) Founder and Co-Chairman, One Mind 4 Research, a non-profit organization devoted to accelerating cures and treatments for all brain disorders (since 2010)
Prior Directorships:	Bottomline Technologies, a provider of payment and invoice automation software and services (2007-2012) Advisory Board, Blaze Mobile, a mobile payments company (2006-2011) Global Document Solutions, a document processing outsourcing company (2005-2010) Solera Holdings, Inc., an automotive insurance software service provider (2005-2011) First Data Corporation, a payment solutions provider (1992-2003) Quick Response Services, a retail management and supply chain services company (1991-2001) CyberCash, Inc., a micro-payments and platform company (1996-2000) Chairman, Safelite Auto Glass, a national auto glass provider (1993-1999)

Mr. Staglin holds a bachelor s degree in Engineering-Electrical and Nuclear from the University of California, Los Angeles and a master s degree in Business Administration, Finance and Systems Analysis from Stanford University Graduate School of Business.

The Board believes that Mr. Staglin possesses specific attributes which qualify him to serve on the Board, including his experience servicing a variety of public and private company boards and his in-depth experience within the transaction/payment processing and wine industries.

Vote Required

The eleven (11) 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.

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CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

We are committed to having sound corporate governance principles. These principles are important to the way in which the Company s integrity in the marketplace. Our Corporate Governance Guidelines and the charters of the Audit Committee, Compensation Committee, Credit Committee (formerly Directors Loan Committee), Finance Committee and Governance Committee of our Board of Directors are available at *www.svb.com* under Corporate Governance. The contents of the website are not incorporated herein by reference and the website address provided above and throughout this Proxy Statement is intended to be an inactive textual reference only.

Board Independence, Leadership and Risk Oversight

The Board has determined that, with the exception of Mr. Becker, our President and Chief Executive Officer, all of our current directors and director nominees, are independent within the meaning of the director independence standards set by the Nasdaq Stock Market, Inc. (*Nasdaq*) and the SEC, as currently in effect.

Board Leadership Separate Chairperson/CEO Roles

The Board has determined that it is in the best interests of the Company to maintain the Board chairperson and chief executive officer positions separately. It believes that having an outside, independent director serve as chairperson is the most appropriate leadership structure for the Board, as it enhances the Board s independent oversight of management and the Company s strategic planning, reinforces the Board s ability to exercise its independent judgment to represent stockholder interests, and strengthens the objectivity and integrity of the Board. Moreover, an independent chairperson can more effectively lead the Board in objectively evaluating the performance of management, including the chief executive officer, and guide it through appropriate Board governance processes.

Mr. Dunbar, our current Chairman of the Board, is independent within the meaning of the director independence standards described above. Subject to his election, Mr. Dunbar is expected to serve as the Board s Chairman for the 2013-2014 term.

Risk Oversight

Oversight of risks to the Company is carried out by the Board as a whole and by each of its various committees. The Board receives periodic reports from management on the Company s risk management, including, on at least an annual basis, an assessment of the Company s top risks.

The Board has expressly delegated to the Governance Committee the primary oversight responsibility for the Company s enterprise-wide risk management (*EWRM*) function, which is responsible for managing, on an enterprise-wide basis, the Company s credit, market/liquidity, operational, legal/regulatory, strategic/reputation and other risks. On at least a quarterly basis, our Chief Strategy and Risk Officer reports to the Governance Committee on the EWRM function, including risk assessment and risk management. Based on management s reports, the chairman of the Governance Committee reports to the Board any material changes or updates to the Company s risk profile. The Chief Strategy and Risk Officer also conducts a risk review with the full Board on at least an annual basis.

Additionally, each Board committee is engaged in overseeing the Company s risks in its respective areas of oversight. For example, the Audit Committee regularly oversees our risks relating to our accounting and financial reporting. The Compensation Committee engages in periodic risk assessments to review and evaluate our compensation programs in relation to the Company s risks. The Finance Committee actively oversees the Company s capital, liquidity and financial management and the associated risks (whether as an ongoing matter or as it relates specifically to a transaction, such as an equity or debt securities offering). Moreover, the Credit Committee routinely oversees the Company s management of credit risks. Each of the committees regularly report back to the full Board on its risk oversight activities, and the Board routinely engages in discussions with management about the Company s risks.

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Executive Sessions

The Company s independent directors meet in regularly scheduled executive sessions at which only independent directors are present. Mr. Becker is generally not present at these executive sessions, but will from time to time meet with the independent directors without other members of management present, at the Board s discretion.

Committee Independence and Audit Committee Financial Experts

The Board has determined that each of the current members of the Audit Committee, Compensation Committee and Governance Committee are independent under Nasdaq director independence standards.

In addition, the Board has determined that Mr. Dunbar and Ms. Krishnan meet all of the attributes of an audit committee financial expert, as those meanings are defined for purposes of audit committee members by the applicable rules and regulations of the SEC and Nasdaq.

Board Evaluation

The Governance Committee of the Board conducts, in coordination with the full Board, an annual evaluation of the Board s performance and effectiveness, either the Board as a whole and/or on an individual director basis. Each year, the Governance Committee develops and implements a process for such evaluation and review, which may involve outside consultants or advisers and may include a review of how certain attributes affect Board effectiveness, such as Board size, meeting frequency, quality and timing of information provided to the Board, director communication, director education, director skills and qualifications, director independence and Board strategy sessions. The results of the evaluation are discussed with the Board. The Governance Committee also conducts annually a separate evaluation of the performance and effectiveness of each of the Board s committees. See *Board Committees and Meeting Attendance Committee Governance* below.

Meeting Attendance

Board and Committee Meetings

During fiscal year 2012, the Board held nine (9) meetings. For the number of committee meetings held in 2012, see *Board Committees Committee Members and Meetings* below. Each director attended or participated telephonically in 75% or more of the total number of meetings of the Board, and of the committees on which he or she served, which were held during the period for which he or she was a director or committee member.

Stockholder Meetings

It is the Board s policy that each director employs his or her best efforts to attend each of the Company s annual stockholder meetings. Eleven of our twelve then-serving Board members attended the Annual Meeting of Stockholders in 2012.

Consideration of Director Nominees

Stockholder Nominees

The Governance Committee will consider Board nominees proposed by stockholders. The Governance Committee has no formal policy with regard to stockholder nominees as it considers all nominees on their merits, as discussed below. Any stockholder nominations proposed for consideration by the Governance Committee should include the nominee s name and qualifications for Board membership and should be addressed to:

SVB Financial Group

3003 Tasman Drive

Santa Clara, California 95054

Attn: General Counsel and Corporate Secretary

Facsimile: (408) 969-6500

In addition, the bylaws of the Company permit stockholders to nominate directors for consideration at an annual stockholder meeting. For a description of the process for nominating directors in accordance with the bylaws, please see *Stockholder Proposals and Director Nominations* below.

Board Diversity; Selection and Evaluation of Director Candidates

While the Board has not formally adopted a policy governing board diversity, it recognizes the importance of assembling a body of directors that, taken together, has the experience, qualifications, skills and attributes appropriate for functioning effectively as a board. The Governance Committee, with the participation of the full Board, is primarily responsible for reviewing the composition of the Board and for identifying candidates for membership on the Board, all in light of the Company s ongoing requirements, its assessment of the Board s performance and any input received from stockholders or other key constituencies. The Governance Committee makes determinations as to whether to recommend directors for re-election or director candidates nomination to the Board based on their skills, character, judgment and business experience, as well as their ability to diversify and add to the Board s existing strengths. The Governance Committee typically seeks an appropriate mix of individuals with diverse backgrounds and skills complementary to the Company s business and strategic direction. This assessment typically includes issues of expertise in industries important to the Company (such as technology, life sciences, and premium wine), functional expertise in areas such as banking, global markets, venture capital, private equity, law, accounting, finance and information technology, and an assessment of an individual s abilities to work constructively with the other Board members and management. The Governance Committee also seeks certain characteristics common to all Board members, such as integrity, strong professional reputation, record of achievement, collegiality and ability and commitment to devote sufficient time and energy to Board service.

The Governance Committee has not formally established any minimum qualifications for director candidates. All nominees to be considered at the Meeting were recommended by the Governance Committee.

Director Qualifications

The Board believes that each of its current directors possesses particular attributes which qualify him or her to serve on the Board. In addition to the attributes specifically identified for each director in his or her respective biography above, the Board believes that all of the directors possess the following attributes enabling the Board to function effectively as a collective body: integrity, collegial spirit, sound business judgment, professionalism, ability to generate public confidence, ability to act independently, and availability and commitment to serve.

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Communications with the Board

Individuals who wish to communicate with the Company s Board may do so by sending an e-mail to the Company s Board at *bod@svb.com*. Any communications intended for non-management directors should be sent to the e-mail address above to the attention of the Board Chairman. Board-related communications are reviewed by the Chairman of the Board and shared with the full Board as he determines appropriate.

Code of Ethics

The Company has a Code of Ethics that applies to our principal executive officer and our senior financial officers, including our principal financial officer and principal accounting officer. A copy of this Code of Ethics is available on the Company s website at www.svb.com under Corporate Governance, or can be obtained without charge by any person requesting it. To request a copy of our Code of Ethics, please contact: Kristi Gilbaugh, SVB Financial Group, 3003 Tasman Drive, Santa Clara, California 95054, or by telephone (408) 654-7400.

The Company intends to disclose any waivers from or changes to its Code of Ethics by posting such information on our website. No waivers or substantive changes were made during fiscal year 2012.

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BOARD COMMITTEES

As of the date of this Proxy Statement, the Company s Board has the following committees, each of which meets on a regular basis: (1) Audit Committee, (2) Compensation Committee, (3) Credit Committee (formerly known as the Directors Loan Committee), (4) Finance Committee and (5) Governance Committee.

Committee Members

As of the date of this Proxy Statement, the members of each of our Board committees are as follows:

Audit	Compensation	Credit	Finance	Governance
Roger Dunbar, Chair	Kate Mitchell, Chair	Dave Clapper, Chair	Joel Friedman, Chair	Eric Benhamou, Chair
Dave Clapper	Dick Kramlich	Jeff Maggioncalda	Eric Benhamou	Roger Dunbar
Lata Krishnan	Jeff Maggioncalda	John Robinson	Roger Dunbar	Joel Friedman
Kate Mitchell	John Robinson	Garen Staglin	Dick Kramlich	Garen Staglin
John Robinson	Kyung Yoon	Kyung Yoon	Lata Krishnan	

Committee Governance

Committee Charters

Each committee is governed by a charter that is approved by the Board of Directors, which sets forth each committee s purpose and responsibilities. The Board reviews the committee s charters, and each committee reviews its own charter, on at least an annual basis, to assess the charters content and sufficiency, with final approval of any proposed changes required by the full Board. Stockholders and other interested persons may view a copy of each committee s charter on our website, www.svb.com under Corporate Governance.

Committee Evaluations

The Governance Committee, in coordination with the Board, implements and develops a process to conduct an annual assessment of committee performance and effectiveness, which typically includes a self-assessment by each committee and a performance review of each committee by non-committee members. The review includes an evaluation of various areas that may include committee sizes, committee composition, committee performance, committee coordination with one another and committee involvement of the full Board. The results of the committee performance assessment are reviewed by each committee, as well as by the Governance Committee, and discussed with the full Board.

Committee Responsibilities and Meetings

The key oversight responsibilities of the Board s committees, and the number of meetings held by each committee during 2012, are as follows:

Audit Committee Number of meetings held in 2012: 11

The Company s corporate accounting and financial reporting processes and the quality and integrity of the Company s financial statements and reports.

The selection, engagement and termination of the Company s independent auditors.

The qualification, independence and performance of the Company s independent auditors.

The Company s internal auditing function and other risk management functions, including the Company s security program.

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Compensation Committee	Number of meetings held in 2012: 9

The overall compensation strategies, plans, policies and programs of the Company.

The approval of director and executive compensation.

The assessment of compensation-related risks.

Credit Committee (formerly Directors Loan Committee)	Number of meetings held in 2012: 4

The credit and lending strategies, objectives and risks of the Company and the Bank.

The credit management and lending practices of the Company and the Bank, including reviewing internal credit policies and establishing portfolio limits.

The quality and performance of the credit portfolio of the Company and the Bank.

Finance Committee	Number of meetings held in 2012: 7

The financial strategies and objectives of the Company and the Bank.

The financial risk management of the Company and the Bank.

The capital and liquidity management of the Company and the Bank.

The review of the Company and Bank s financial performance and compliance with applicable financial regulatory requirements.

The review of certain corporate development matters, such as proposed mergers and acquisitions.

Governance Committee	Number of meetings held in 2012: 4

The Company s general corporate governance practices, including review of the Company s Corporate Governance Guidelines.

The annual performance evaluation of the Company s Board and its committees.

The identification and nomination of director candidates.

The Company s risk control functions, including regulatory compliance and enterprise-wide risk management.

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REPORT OF THE AUDIT COMMITTEE OF THE BOARD

The Report of the Audit Committee of the Board 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, as amended (the Act), or under the Securities Exchange Act of 1934, as amended (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.

The Company s Audit Committee has prepared the following report for inclusion in this Proxy Statement. The Audit Committee is governed by a Board-adopted charter, a copy of which is available on the Company s website at www.svb.com. The charter specifies, among other things, the scope of the committee s responsibilities and how those responsibilities are performed. The Audit Committee members are independent as defined by Nasdaq, the listing standard applicable to the Company.

The primary responsibility of the Audit Committee is to act on behalf of the Board in fulfilling the Board s responsibility with respect to overseeing the Company s accounting and reporting practices and the quality and integrity of the Company s financial statements and reports, and the Company s internal control over financial reporting. The committee also reviews the qualifications, independence, and performance of the registered public accounting firm engaged as the Company s independent auditors. Management has the primary responsibility for the financial statements and the reporting process, as well as for the Company s internal controls. The Company s independent registered public accounting firm, KPMG LLP, is responsible for expressing an opinion on the conformity of the Company s audited financial statements with U.S. generally accepted accounting principles, as well as an opinion on the effectiveness of the Company s internal control over financial reporting. In addition, the Audit Committee oversees the Company s internal audit function, which is responsible for reviewing and evaluating the effectiveness of the Company s internal controls.

The Audit Committee has reviewed and discussed with management its assessment and report on the effectiveness of the Company s internal control over financial reporting as of December 31, 2012, which it made using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control Integrated Framework. The committee also has reviewed and discussed with KPMG LLP its review and report on the Company s internal control over financial reporting.

Moreover, the Audit Committee has reviewed and discussed with management and the independent auditors the audited financial statements. The Audit Committee discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61, *Communication with Audit Committees,* as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. In addition, the Audit Committee received from the independent auditors the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the Audit Committee concerning independence, including Rule 3526, *Communication with Audit Committees Concerning Independence,* and has discussed with the independent auditors the auditors independence from the Company and its management.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Company s Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, for filing with the SEC.

This report is included herein at the direction of the members of the Audit Committee.

AUDIT COMMITTEE

Roger Dunbar (Chair)

David Clapper

Lata Krishnan

Kate Mitchell

John Robinson

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COMPENSATION COMMITTEE REPORT

This Compensation Committee Report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Act or 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.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth in this Proxy Statement. Based on this review and these discussions, the Compensation Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in the Company s Annual Report on Form 10-K for the year ending December 31, 2012 and this Proxy Statement.

This report is included herein at the direction of the members of the Compensation Committee.

COMPENSATION COMMITTEE

Kate Mitchell (Chair)

C. Richard Kramlich

Jeff Maggioncalda

John Robinson

Kyung Yoon

Compensation Committee Interlocks and Insider Participation

During 2012, the Compensation Committee performed all compensation functions of the Board, except for the approval of CEO compensation, which was approved by the independent members of the Board based on the Compensation Committee s recommendation. (See discussion above under *Board Committees Committee Responsibilities* for additional information on the Compensation Committee.) None of the members of the Compensation Committee has ever been an officer or employee of the Company. Mr. Becker does not participate in any of the Board or Compensation Committee discussions related to the evaluation of his performance or the recommendation/determination of his compensation. See descriptions of related transactions between the Company and each of members of the Compensation Committee, if any, under *Certain Relationships and Related Transactions* below.

None of the Company s executive officers serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving on the Company s Board or the Compensation Committee.

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COMPENSATION FOR DIRECTORS

The following table sets forth the amounts earned or paid to each non-employee member of the Company s Board of Directors during the year ended December 31, 2012.

Name	Fees Earned or Paid in Cash	Stock Awards ($) (1)	Option Awards ($)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Roger F. Dunbar	$ 192,750	$ 200,036	$ -	$ -	$ -	$ -	$ 392,786
Eric A. Benhamou	73,250	100,048	-	-	-	-	173,298
David M. Clapper	81,000	100,048	-	-	-	-	181,048
Joel P. Friedman	74,000	100,048	-	-	-	-	174,048
G. Felda Hardymon (2)	9,500	-	-	-	-	-	9,500
Alex W. Hart (3)	12,500	-	-	-	-	-	12,500
C. Richard Kramlich	69,250	100,048	-	-	-	-	169,298
Lata Krishnan	73,750	100,048	-	-	-	-	173,798
Jeffrey N. Maggioncalda (4)	59,750	100,048	-	-	-	-	159,798
Kate D. Mitchell	91,500	100,048	-	-	-	-	191,548
John F. Robinson	85,000	100,048	-	-	-	-	185,048
Garen K. Staglin	56,500	100,048	-	-	-	-	156,548
Kyung H. Yoon	66,250	100,048	-	-	-	-	166,298

(1) Values indicated for equity awards reflect the fair value of grants made during the fiscal year. These stock awards represent annual equity grants of restricted stock units made to directors for the 2012-2013 director term. For more information about the annual director equity grant, see *Equity* below. Such values were computed in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic 718. The amounts disclosed may never be realized. Assumptions used in calculating these amounts are included in the note entitled Share-Based Compensation in our audited financial statements included in our 2012 Annual Report on Form 10-K. Mr. Dunbar had 3,349 shares pursuant to restricted stock unit awards outstanding at fiscal year end. All other non-employee directors (excluding Messrs. Hardymon and Hart) had 1,675 shares pursuant to restricted stock unit awards outstanding at fiscal year end. Messrs. Hardymon and Hart did not have any awards outstanding at fiscal year end.

(2) Mr. Hardymon s directorship ended as of April 26, 2012.

(3) Mr. Hart s directorship ended as of April 26, 2012.

(4) Mr. Maggioncalda joined the Board as an advisory director on October 20, 2011, and was elected to the board on April 26, 2012.

The Compensation Committee establishes the compensation arrangement for directors, using a combination of annual retainer fees, meeting fees and annual equity awards.

The current annual term for directors began on April 26, 2012, following their election by stockholders at our Annual Meeting on that date. For the year 2012, the Company paid a total of $2.1 million in compensation to its non-employee directors.

Elements of Director Compensation

The elements of compensation paid to each non-employee director for 2012 are as follows:

Fees

Each of the Company s non-employee directors received:

An annual retainer fee of $35,000;

A fee of $1,000 for each Board meeting attended in person and a fee of $500 for each Board meeting held by telephone; and

A fee for each Board strategic planning meeting of $3,000 per day (which is typically held annually over two days).

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In addition to the above:

- The chairperson of the Board received an additional annual fee of $90,000;
- The chairperson of the Audit Committee received an additional annual fee of $20,000, the chairperson of the Compensation Committee received an additional annual fee of $12,500, and the chairpersons of each of the Credit Committee, Finance Committee and Governance Committee received an additional annual fee of $10,000;
- Each member of the Audit Committee received a fee of $2,500 for each Audit Committee meeting attended in person, and $1,250 for each Audit Committee meeting held by telephone;
- For members of all other committees, each committee member received a fee of $1,500 for each committee meeting attended in person and $750 for each committee meeting held entirely by telephone; and
- Audit Committee members and all other committee members received a fee for each committee strategic planning meeting held, if any, of $5,000 and $3,000 per day, respectively.

The members of the Board are also eligible for reimbursement for their reasonable expenses incurred in connection with attendance at meetings or the performance of their director duties in accordance with Company policy.

Equity

Each year, the Chairman of the Board and the other non-employee directors receive annual equity awards with a total grant value of approximately $200,000 and $100,000, respectively, which are scheduled to vest in full upon the completion of their director term. For the 2012-2013 director term, the Company granted on May 23, 2012, 3,349 restricted stock units to the Chairman of the Board and 1,675 restricted stock units to each of the other non-employee directors elected at the annual stockholders meeting. These awards are currently expected to vest on April 25, 2013.

The Compensation Committee previously approved a voluntary deferral arrangement and form of agreement under the 2006 Equity Incentive Plan which allows non-employee directors to elect an irrevocable deferral of the receipt of restricted stock unit awards until: (a) a specific future settlement date that meets the requirements of Internal Revenue Code 409A, (b) separation from service, (c) the date of a change in control, (d) death, or (e) date of disability. Elections will apply to restricted stock unit awards received during 2012. Ms. Krishnan and Ms. Mitchell elected to defer the receipt of their 2012 equity grants.

Director Equity Ownership Guidelines

During 2012, the Compensation Committee of the Board amended its equity ownership guidelines for the Company s non-employee directors. Compliance with these guidelines are reviewed by the Governance Committee on a quarterly basis. These levels are based upon a competitive review and subsequent recommendations of stock ownership guidelines performed by Pay Governance, the Compensation Committee s independent compensation consultant.

Under these guidelines, within five years of assuming the role, the Chairperson of the Board is expected to own a minimum of 12,000 shares of the Company s common stock, and that other non-employee directors are each expected to own a minimum of 3,000 shares of the Company s common stock. As of December 31, 2012, all directors met the guidelines, by ownership of the requisite number of shares or having served less than five years either on the Board or as Board Chairperson.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions Policy

The Company currently has in place a written policy on related party transactions (*Related Party Policy*), which governs the transactions involving the Company and certain related persons that are required to be disclosed under Item 404 of the SEC s Regulation S-K (*S-K 404*). Under the Related Party Policy, any transaction, arrangement or relationship in which:

- the Company is a participant;
- the aggregate amount involved will or may be expected to exceed $120,000 in any calendar year; and
- a related person has or will have a direct or indirect material interest,

will be considered an interested transaction and required to be approved by the Audit Committee of the Board of Directors. Transactions not required to be disclosed under S-K 404 are excluded from this policy. Any of the following persons is considered a related person under the Related Party Policy:

- Any director or executive officer of the Company;
- Any nominee for director of the Company;
- Any holder of more than 5% of the Company s Common Stock; and
- Any immediate family member of any of the above.

Management of the Company has primary responsibility for identifying such related party transactions, which may include, from time to time, loan transactions by the Company or the Bank, investments through SVB Capital, or other business transactions involving our subsidiaries. The Audit Committee has responsibility for reviewing these transactions for potential conflicts of interests and approving them (or denying approval, as the case may be). Under the Related Party Policy, the Audit Committee s approval may be granted in advance, as a ratification or based on certain standing approvals previously authorized by resolution. The Audit Committee may delegate its approval authority under the Related Party Policy to the committee chairperson.

Insider Loan Policy

The Bank has in place a policy, as approved by the Credit Committee, which permits the Bank to make loans to directors, executive officers and principal stockholders (*Insiders*) and the related interests of those Insiders (*Insider Loans*). The Insider Loan policy is designed to comply with Regulation O of the Federal Reserve Act. Insider Loans qualify for an exemption from Section 402 of the Sarbanes-Oxley Act of 2002 as they are made by the Bank and subject to the insider lending restrictions of Section 22(h) of the Federal Reserve Act.

Pursuant to Regulation O, the Insider Loan policy authorizes the Bank to make Insider Loans if such Insider Loans: (a) are approved in advance by a majority of the Board of Directors of the Bank for Insider Loans where the aggregate amount of all outstanding extensions of credit exceeds $500,000; (b) are extended under the same terms and conditions and rates as those prevailing at the time of the Insider Loan for comparable transactions with other Bank clients; and (c) do not have more than a normal risk of failure of repayment to the Bank or other unfavorable features. The Insider whose credit extension is subject to Board approval must not participate either directly or indirectly in the voting to approve such extension of credit. Prior approval of the Board of Directors of the Bank is not required for an extension of credit made pursuant to a line of credit that was approved by the Board of Directors within 14 months of the date of the extension.

The Insider Loan policy also limits the aggregate amount of all loans to any Insider and his or her related interests. The Insider Loan policy also prohibits the Bank from paying an overdraft on a personal bank account of an Insider except if the overdraft is inadvertent, the aggregated amount of all overdrafts to the Insider at any time is $1,000 or less and the overdraft is outstanding for less than five business days.

Loan Transactions

Additionally, during 2012, the Bank made loans to related parties, including certain companies in which certain of our directors or their affiliated venture funds are beneficial owners of ten percent or more of the equity securities of such companies. Such loans: (a) were made in the ordinary course of business; (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons; and (c) did not involve more than the normal risk of collectibility or present other unfavorable features.

Fund Investments

Managed Funds

In 2000, we formed two venture investment funds: SVB Strategic Investors Fund, LP (*SIF I*) and Silicon Valley BancVentures, LP (*SVBV*). SIF I is a $121.8 million fund that primarily invests in venture capital funds and SVBV is a $56.1 million direct equity investment fund that invests in privately-held companies. Both funds are managed by their respective general partners, which are subsidiaries of the Company and hold an interest in the respective funds. Certain of our current and former directors have also invested in the funds and hold a noncontrolling interest: Mr. Hardymon (through his family limited partnership) ($0.9 million) is a limited partner of SIF I, and Messrs. Hardymon (through his family limited partnership) ($1.5 million) and Mr. Kramlich ($1.0 million) are limited partners of SVBV.

In 2004, we created SVB Strategic Investors Fund II, LP (*SIF II*), a $175.0 million fund-of-funds that invests primarily in venture capital funds. SIF II is managed by its general partner, which is a subsidiary of the Company and holds an interest in the fund. None of our current directors have invested in SIF II. One of our former directors has invested in SIF II and holds a noncontrolling interest as a limited partner: Mr. Hardymon (through his family limited partnership) ($1.0 million).

In 2006, we created SVB India Capital Partners I, LP (*SICP*), a $53.9 million direct equity investment fund that invests in privately-held companies in India. SICP is managed by its general partner, which is a subsidiary of the Company and holds an interest in the fund. Certain of our directors have invested in SICP and hold a noncontrolling interest as a limited partner: Messrs. Benhamou (through Benhamou Global Ventures) ($0.3 million), and Friedman (through his family trust) ($0.1 million) and Ms. Krishnan (through her family trust) ($0.3 million).

In 2007, we created SVB Capital Partners II, LP (*SCPII*), a $90.1 million fund that invests in privately-held companies. SCPII is managed by its general partner, a subsidiary of the Company, and holds an interest in the fund. None of our current directors have invested in SCPII. One of our former directors has invested in SCP II and holds a noncontrolling interest as a limited partner: Mr. Hardymon (through his family limited partnership) ($0.5 million).

Sponsored Funds

In 2003, Gold Hill Venture Lending 03, LP, a venture debt fund, and certain affiliated funds (the *Gold Hill Funds*) were created. The total size of the Gold Hill Funds is approximately $214.1 million. We have a majority interest in the general partner of the Gold Hill Funds, in addition to being a limited partner in one of the Gold Hill Funds. Our combined commitment total in the general partner and the Gold Hill Funds is $20.0 million. None of our current directors are limited partners of the Gold Hill Funds. One of our former directors is a limited partner of the Gold Hill Funds and holds a noncontrolling interest: Mr. Hardymon (through his family limited partnership) ($2.5 million).

In 2005, Partners for Growth II, LP, a special situation debt fund (*PFG II*), was created. The total size of PFG II is approximately $62.0 million and our investment in the fund was $15.0 million. The general partner of PFG II is not owned or controlled by us. One of our former directors is a limited partner of PFGII and holds a noncontrolling interest: Mr. Hardymon (through his family limited partnership) ($1.0 million).

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Employee Funds

In 2000, we created SVB Qualified Investors Fund, LLC (*QIF*), a $7.6 million investment fund for employees that met certain eligibility requirements. To be eligible to participate in QIF, an employee must be of a certain grade level and must be an accredited investor, as such term is defined by the SEC. QIF was initially capitalized by commitments and contributions from certain eligible employees including our senior management. All employee participants are required to invest in this fund with their own money, but we manage the fund and pay all administrative costs associated with the fund. QIF s principal purpose is to invest in a select number of venture capital and private equity funds managed primarily by us or our affiliates. The following executive officers participate in QIF, each with individual commitment amounts ranging between $50 thousand and $0.5 million: Messrs. Becker, Jones, Kellogg and Verissimo, and Ms. Parsons. QIF is also a limited partner of, and holds an interest in, each of SIF I ($2.7 million), SIF II ($2.1 million) and SVBV ($2.0 million).

In 2005, we formed SVB Qualified Investors Fund II, LLC (*QIF II*), a $5.1 million investment fund for employees that met certain eligibility requirements similar to those of QIF. All employee participants are required to invest in this fund with their own money, but we manage the fund and pay all administrative costs associated with the fund. QIF II s principal purpose is to invest in a select number of venture capital and private equity funds managed primarily by us or our affiliates. The following executive officers participate in QIF II, each with individual commitment amounts ranging between $50 thousand and $0.3 million: Messrs. Becker, Jones, Kellogg and Verissimo, and Mdmes. Parsons and Dent. QIF II is also a limited partner of, and holds an interest in, each of SIF II ($0.4 million), SCPII ($0.8 million), SICP ($0.5 million), SVB Strategic Investors Fund III, LP (*SIF III*) ($1.0 million), Partners for Growth, LP (*PFG I*) ($0.8 million) and PFG II ($0.5 million). PFG I, a special situation debt fund, was created in 2004. The total size of PFG I is approximately $50.0 million and our investment in the fund was $25.0 million. The general partner of PFG I is not owned or controlled by us. SIF III is a $255.5 million fund-of-funds that invests primarily in private equity funds. SIF III is managed by its general partner, which is a subsidiary of the Company and holds an interest in the fund.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company believes, based on a review of Forms 3, 4 and 5 and amendments thereto filed with the SEC and other information known to the Company, that during fiscal year 2012 its directors, officers (as defined in the rules under Section 16 of the Exchange Act), and any greater than 10% stockholders have complied with all Section 16(a) filing requirements in a timely manner, except for: (i) one late report by Mr. Edmonds-Waters related to the purchase of certain shares under his 401(k) plan account, (ii) one late Form 5 report by Ms. Parsons for two transactions in 2011 related to charitable donations of shares; and (iii) one report the Company filed late on behalf of each of Messrs. Benhamou, Clapper, Dunbar, Friedman, Kramlich, Robinson, Staglin and Ms. Krishnan and Ms. Yoon, after clarifying the technical reporting requirements relating to the vesting and release of certain restricted stock units. (The Company had previously filed timely reports for the aforementioned directors relating to the grant of those restricted stock units.)

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INFORMATION ON EXECUTIVE OFFICERS

Our executive officers perform policy-making functions for the Company within the meaning of applicable SEC rules. Such officers may also serve as officers of the Bank and/or the Company s other subsidiaries. There are no family relationships among directors or executive officers of the Company.

The following information outlines the name and age of each of the executive officers of the Company (as of the Record Date) and his or her principal occupation with the Company, followed by biographical information of each such executive officer:

Name	Age	Principal Occupation
Greg Becker	45	President and Chief Executive Officer, SVB Financial Group and Silicon Valley Bank
John China	47	Head of Relationship Management
Mary Dent	51	General Counsel
Michael Descheneaux	45	Chief Financial Officer
Christopher Edmonds-Waters	50	Head of Human Resources
David Jones	55	Chief Credit Officer
Harry Kellogg, Jr.	69	Vice Chairman, Silicon Valley Bank, and Head of Strategic Alliances and Relationships
Joan Parsons	54	Head of U.S. Banking
Marc Verissimo	57	Chief Strategy and Risk Officer
Bruce Wallace	48	Chief Operations Officer

Executive Biographies

Mr. Greg Becker s biography can be found under *Proposal No. 1 Election of Directors* above.

Mr. John China joined the Company in 1996 as a Senior Relationship Manager and has held a variety of positions with the Company, including Head of Venture Capital Group and Head of Private Equity Group. Mr. China was appointed the Head of Relationship Management in 2010.

Other

Experience:	Director, California Israel Chamber of Commerce (*CICC*), a not-for-profit organization dedicated to strengthening business and trade relations between California and Israel (since 2011) Advisory Board Member, DEMO, an organization dedicated to emerging technology development (since 2010) Director, Astia.org, a not-for-profit organization dedicated to the success of women-led, high-growth ventures (since 2009) Advisory Council, Advancing Science in America (ARCS), a non-profit organization dedicated to advancing science and technology in the United States (since 2013)
Other Prior Experience:	Director, Executive Council of New York City, a global community of senior executives (2001-2003)

Mr. China earned a bachelor s degree in Industrial Engineering from Stanford University.

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Ms. Mary Dent has served as General Counsel since joining the Company in 2006. Ms. Dent also assumed the additional role of Chief Operating Officer, SVB Global from 2007-2008.

Other Experience:	Director and Treasurer, Joint Venture: Silicon Valley Network (since 2008) Advisory Board of Stanford Institute for Research in the Social Sciences (IRiSS) (since 2010)
Other Prior Experience:	Director, Silicon Valley Campaign for Legal Services (2006-2012) General Counsel and Special Counsel, New Skies Satellites, a global satellite communications service provider based in the Netherlands (2000-2006) Attorney, Goldberg, Godles, Wiener & Wright, specializing in legal and policy matters for technology companies (1992-2000)

Ms. Dent holds a bachelor s degree in Economics from the University of California at Los Angeles and a juris doctor degree from Stanford Law School.

Mr. Michael Descheneaux joined the Company in 2006 as the Managing Director of Accounting and Financial Reporting, and was later appointed as Chief Financial Officer in 2007.

Private Directorships:	Director, SPD Silicon Valley Bank, our joint venture bank in China (since 2012)
Other Prior Experience:	Managing Director, Navigant Consulting, a business consulting firm (2004-2006) Independent consultant (2002-2004) Various leadership positions with Arthur Andersen for the Central and Eastern Europe Region (1995-2002) ¡ Lead Partner of financial services practice ¡ Lead audit partner of telecommunications/high-tech practice ¡ Technical expert on U.S. GAAP and generally accepted auditing standards matters

Mr. Descheneaux is a certified public accountant, as well as a member of the Texas State Board of Public Accountancy and the American Institute of Certified Public Accountants, and an associate member of the Association of Certified Fraud Examiners.

Mr. Descheneaux holds a bachelor s degree in Business Administration from Texas A&M University.

Mr. Christopher Edmonds-Waters joined the Company in 2003 as Director of Organization Effectiveness, and was later appointed as Head of Human Resources in 2007.

Other Prior Experience:	Various senior-level positions at Charles Schwab & Co. (1996-2003), launching the company s online training system
	Various leadership roles with Macy s California, managing corporate training programs

Mr. Edmonds-Waters holds a bachelor s degree in Intercultural Communications from Arizona State University and a master s degree in Human Resources and Organization Development from the University of San Francisco.

Mr. David Jones joined the Company in 1997 as the Chief Credit Officer.

Other Prior Experience:	Various positions with First Interstate Bank of Oregon (acquired by Wells Fargo Bank in 1996)
	Various positions with First National Bank of Oklahoma City (acquired by First Interstate)

Mr. Jones earned a bachelor s degree in Finance from Oklahoma State University and a master s degree in Business Administration from Oklahoma City University.

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Mr. Harry Kellogg, Jr. joined the Company in 1986 and has served in a variety of senior leadership positions throughout the Company, including Chief Marketing Officer, President SVB Capital and President, Private Client Services. Mr. Kellogg was appointed Head of Strategic Alliances and Relationships in 2010 and has also been the Vice Chairman of the Board of the Bank since 1999.

Private Directorships:	Executive Board Member, Executive Board Exchange, a board member search firm (since 2012) California/Israel Chamber of Commerce, not-for-profit organization dedicated to strengthening business and trade relations between California and Israel (since 2002) Ravix Corporation, consulting firm to outsource service groups for early-stage and middle market companies (since 2003) Grameen America, non-profit microfinance organization (since 2009) Stanford Institute for Economic Policy Research, a nonpartisan economic policy research organization (since 2004) Tuck Center for Private Equity and Entrepreneurship (since 2004) Pacific Community Ventures, providing resources and capital to businesses that have the potential to bring significant economic gains to low-income communities (since 2005) Emeritus board member, Technology Museum of Innovation
Other Experience:	TechNet, a bipartisan, political network of CEOs promoting growth of technology and the innovation economy (since 1999)
Prior Directorships:	Nollenberger Capital Partners (2005-2011) Heller Ehrman (2005-2008) Joint Venture: Silicon Valley Network (2004-2008) Financial Executives International (2003-2008) Asia America MultiTechnology Association (2005-2008) Menlo College (2003-2009) World Economic Forum (2004-2008) Stanford Project on Regions of Innovation and Entrepreneurship (2004-2008)
Other Prior	Executive Vice President, Emerging Growth Industries Division, Cupertino Bank (1994-1995)

Experience:
Mr. Kellogg attended Menlo College and earned a bachelor s degree in Management and Industrial Relations from San Jose State University.

Ms. Joan Parsons joined the Company in 1994 and has served in a variety of leadership positions throughout the Company, including Eastern Division Manager and Chief Banking Officer. Ms. Parsons was appointed Head of U.S. Banking in 2008.

Private Directorships:	Director, Leukemia & Lymphoma Society (since 2011)
	Director, Planstrong Investment Management (since 2005)
Other Prior Experience:	Vice President of Corporate Banking, Fleet Bank of Massachusetts (1992-1994)
	Vice President , Barclays Bank PLC (1984-1992)
	Vice President, Mellon Bank (1981-1983)

Ms. Parsons earned a bachelor s degree in Economics and Art History from Wheaton College.

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Mr. Marc Verissimo joined the Company in 1993 and has served in a variety of leadership positions throughout the Company, including Manager of our Corporate Finance Group and our Risk Management Group. Mr. Verissimo was named Chief Strategy Officer in 2002, and is currently the Chief Strategy and Risk Officer.

Prior Directorships:	Entrepreneurs Foundation, a non-profit organization dedicated to strengthening the ties between entrepreneurial companies in the Bay Area and the communities in which they operate and their employees reside (2005-2012)
	High Street Partners, Inc., a cross-border finance and administrative services firm (2009-2010)

Mr. Verissimo holds a bachelor s degree in Agricultural Economics from the University of California, Davis, and a master s degree in Business Administration from Harvard University.

Mr. Bruce Wallace joined the Company in 2008 as the Head of Global Services and was later appointed Chief Operations Officer in 2011.

Private Directorships:	Director, SPD Silicon Valley Bank, our joint venture bank in China (since 2012)
Other Prior Experience:	Senior Vice President and Manager of Treasury Management Operations, Wells Fargo & Company (2005-2008)
	Various senior management positions in banking operations, Wells Fargo & Company (1987-2005)

Mr. Wallace earned a bachelor s degree in Accounting from California State University, Sacramento.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (*CD&A*) discusses our 2012 executive compensation program, primarily as it relates to our five named executive officers that are currently serving as executive officers (each, an *NEO*): (i) **Greg Becker**, President and Chief Executive Officer (CEO), (ii) **Michael Descheneaux**, Chief Financial Officer (CFO), (iii) **David Jones**, Chief Credit Officer, (iv) **Joan Parsons**, Head of US Banking, and (v) **Mary Dent**, General Counsel.

CD&A EXECUTIVE SUMMARY

Our executive compensation program is based on our philosophy that pay should be aligned with our business objectives and stockholder interests and that incentive compensation should be based on company and individual performance without encouraging undue risk-taking. Under the primary oversight of our Compensation Committee of the Board of Directors (the *Committee*) --- from design to payout --- our program is based on a pay for performance approach (both short-term and long-term), as well as on executive retention. The key elements are as follows:

2012 Highlights

Strong operating results

Strengthened pay-for-performance alignment

Continued emphasis on equity and alignment with stockholder interests

Strong support for 2012 Say on Pay vote

Short-Term		***Long-Term[1]***	***Other***
Base Salary	**Annual Cash Incentives**	**Equity Incentives**	**Benefits/Retirement**
To provide ongoing fixed cash pay	*To reward for short term company and individual performance*	*To reward for long term performance tied to our company stock price*	*To provide health, welfare and retirement benefits that are generally available to employees*

As highlighted under 2012 Company Performance Highlights of the Summary Information section at the beginning of this Proxy Statement, in 2012, we continued to deliver strong operating results and focus on our long-term growth, taking measured steps to expand and invest in our business domestically and globally. As further discussed in this CD&A, our NEOs were compensated to reflect those 2012 accomplishments.

2012 Executive Compensation Highlights

ü ***Continued emphasis in the design of our compensation structure on performance-based target pay***.

¡ CEO: 63% performance-based pay, 37% non-performance-based pay

¡ Other NEOs (on average): 57% performance-based pay, 43% non-performance-based pay

ü ***Continued long-term compensation emphasis on equity.***

¡ Over 50% of total target pay for each of the NEOs is in the form of the Company s equity.

¡ Consistent with the prior year, we continued to use a mix of equity awards to our NEOs consisting of stock options (46%), performance-based restricted stock units (34%) and restricted stock units (20%), all of which are subject to vesting requirements.

¡ We paid the final payout under our Long-Term Cash Incentive Plan for executives for the 2010-2012 performance period. We have replaced the plan with greater emphasis on stock awards, which are all subject to vesting requirements, and the plan has since been terminated with respect to executives. No other long-term cash incentive awards or payments were made to executives in 2012.

ü ***Strengthened the design of annual cash incentive plan for executives.*** During 2012, we strengthened the linkage between pay and performance of our executives Incentive Compensation Plan (*ICP*) by basing the funding of the cash incentive pool on the following two performance metrics:

¡ *Adjusted ROE against our annual target ROE* (enhanced continuing practice from prior years) During 2012, we also made it more challenging for executives to achieve the funding maximum by increasing the performance requirement from 125% of actual ROE performance against our target ROE, to 150%. In addition,

[1] See also our discussion under Long-Term Cash Incentive Plan below. This executive plan paid out its final payout during 2012 and has since been terminated.

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the Committee continued to retain discretion to determine the extent to which the Company met its annual target ROE, resulting in, after consultation with the Chair of the Board s Audit Committee, the *exclusion* of certain out of the ordinary or non-recurring items from the Company s 2012 ROE for purposes of this performance metric.

¡ *ROE against peer group* (new performance metric for 2012) During 2012, for purposes of this metric, we also established an additional peer group to measure our actual ROE performance against a peer group of banks, comprised of 20 peer financial institutions, most of which are in our compensation benchmarking peer group.

ü ***No material increases to NEO base salaries during 2012.*** Base salaries for each NEO remained the same as 2011 levels, except for a merit increase for one NEO.

ü ***Increased minimum requirements under executive equity ownership guidelines.*** During 2012, we increased the minimum requirements under our equity ownership guidelines for most of our executive positions, including the CEO, CFO and the other NEOs. Specifically, the minimum requirement applicable to the CEO was increased to an 80,000 share requirement, which represented a multiple of over five (5) times his annual base salary at the time the standards were adopted. As of December 31, 2012, all NEOs were in compliance with their respective ownership requirements.

ü ***No excise tax gross-ups under change in control plan.*** During 2012, we eliminated an excise tax gross-up provision under our Change in Control Severance Plan for executives.

ü ***Double trigger change in control severance.*** Our Change in Control Severance Plan provides severance for termination following a change in control event.

ü ***Strong stockholder support of 2012 Say on Pay vote.*** We received 94% of the votes cast in approval of our 2011 executive compensation program (as described in our 2012 proxy statement). We submit an advisory Say on Pay vote to our stockholders on an annual basis.

Summary of 2012 Executive Compensation Outcomes

Our executive compensation consists of various key short-term/long-term and fixed/variable components of compensation, with varying earnings opportunities. Below is a summary of the 2012 outcomes:

Compensation Component[a]	Type of pay	Earnings Opportunity[b]	Performance Measures Used to Determine Compensation	2012 Outcomes
Base Salary	Fixed Cash	Fixed	---	**Fixed**
Annual Cash Incentives	Variable Cash	Dependent on performance; executive	Annual return on average equity (*ROE*)	**129% of executive pool funded**

		pool subject to maximum funding of 200% of aggregate target	against our target and peer performance; plus Company/individual performance	
Stock Options	Fixed Equity Award (value subject to stock price)	Dependent on stock price appreciation	---	**Fixed equity award[c]** (value subject to stock price)
Performance-Based Restricted Stock Units (*PRSUs*)	Variable Equity	0% to 150% of target	Relative total stockholder return (*TSR*)	**100% of target earned[c]**
Restricted Stock Units (*RSUs*)	Fixed Equity Award	Dependent on stock price	---	**Fixed equity award[c]**
Long-Term Cash Incentives[d]	Variable Cash	75% to 125% of target	Book value (*BV*) (50%) & TSR (50%)	**124% of target** (cumulative 2010-2012)

[a] The extent of the compensation paid or awarded is based on compensation peer benchmarking, and Company/individual performance, as applicable.

[b] Payouts are generally paid within the ranges noted; however, the Committee may decide to pay above or below the ranges based on individual performance.

[c] Subject to time-based vesting. PRSUs are subject to additional time-based vesting after determination of achievement of performance goals.

[d] Based on awards granted in 2010 for the 2010-2012 performance period under the plan. No awards were made in 2011 or 2012.

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Additional Executive Compensation Program Features

Our executive compensation program is also based on the following compensation governance principles and features:

ü ***No pensions or SERPs.*** We *do not* provide any pension, excess retirement, or supplemental executive retirement (*SERP*) plans to any executive, other than participation in our 401(k) plan.

ü ***No executive benefit programs.*** We do not have any programs that offer benefits exclusively to our executives, except our Change in Control Plan. Our executives receive the same retirement, health, welfare and other benefits that are generally available to all our U.S. employees, and may also participate in certain programs that are available to members of senior management, such as our Deferred Compensation Program.

ü ***No executive perquisite program.*** We do not have any executive perquisite programs or special executive benefits other than reimbursement of income taxes incurred by our executives on imputed income. For 2012, such imputed income was primarily associated with spousal travel to our business events where our executives spouses or significant others were invited, and expected to, attend.

ü ***No employment contracts.*** We do not have any individual employment contracts with any of our executive officers.

ü ***Our incentives are subject to certain performance minimums and maximum limits on incentive awards.***[2] We establish minimum thresholds for certain incentives where awards/payouts may not be earned or made unless actual performance meets or exceeds thresholds, such as our PRSUs. We also establish maximum limits, such as our PRSU awards and funding for our annual cash incentives and broad-based profit sharing plan.

ü ***Our executives equity awards are made under our equity plan have the following features:***

¡ No evergreen provision
¡ Minimum 100% fair market value exercise price for options
¡ No repricing without stockholder approval
¡ Annual burn rate maximum of 2.5% (under commitment letters with certain stockholders)
¡ Each full value award share counted as two shares
¡ Minimum 3 year time-based vesting for full value awards
¡ Minimum 1 year vesting for performance-based full value awards (although NEO PRSUs are subject to performance conditions and additional time-based vesting)
¡ Maximum seven-year term for options

ü ***Competitive compensation benchmarking***. In making compensation decisions, we consider compensation data from our benchmarking reference peer group and routinely review the composition of the companies within the peer group. During 2012, we added an additional financial institution to our peer group, bringing the total number of peer companies within the group to 22.

ü ***Enhanced performance benchmarking***. Under our ICP, in 2012, we added a new benchmarking reference peer group of 20 financial institutions to measure our ROE performance against.

ü ***Compensation risk management***. We conduct annual compensation risk assessments so that our compensation-related risks are not reasonably likely to have a material adverse effect on the Company.

ü ***Prohibitions against hedging***. Pursuant to our Insider Trading Policy, our directors, executive officers (including our NEOs) and employees are not permitted to hedge ownership by selling puts in or selling short any of the Company s publicly-traded securities at any time.

ü ***Independent compensation consultant to the Committee***. The Committee utilizes an independent compensation consulting firm that does not provide any other services to the Company.

* * * * *

[2] Subject to the Committee s sole discretion.

Executive Compensation Philosophy

We have retained a consistent overarching compensation philosophy that we believe appropriately reflects our business objectives, the diverse nature of our lines of business, the relative complexity this business diversity represents in an organization of our size, appropriate risk management practices, emerging trends in executive compensation (particularly for financial institutions), stockholder interests and market practices.

The key principles of our executive compensation philosophy are to:

Align compensation with business objectives and stockholder interests. Our executive compensation plans are designed to:

- Tie pay to Company and individual performance by setting appropriate performance metrics.
- Provide for executive equity ownership to align economic interests with stockholders.
- Take into account the dynamics of the market and business environment within which the Company and management operate.

Establish an appropriate mix of performance-based pay and non-performance based pay, with an emphasis on performance-based pay.

Establish an appropriate mix of long-term performance incentive compensation and short-term (annual) incentive compensation, with an emphasis on long-term.

Base incentive compensation on Company and individual performance without encouraging undue risk-taking.

Pay competitively, relying primarily on external market peer group standards while also considering internal parity and the importance of creating a cohesive, well-aligned management team.

In addition, our executive compensation program is grounded in appropriate governance oversight, processes and risk controls (including annual risk assessment reviews), and is designed to comply with applicable laws and regulations.

2012 Advisory Vote on 2011 Executive Compensation (Say on Pay)

Pursuant to our Board of Directors recommendation and the approval of our stockholders, we submit an advisory vote on executive compensation, or Say on Pay, to our stockholders on an annual basis. In 2012, we received 94% of the votes cast in approval of our 2011 executive compensation program (as described in our 2012 proxy statement). In light of such strong support and other feedback we solicited from our stockholders, the Committee made no material changes to our compensation philosophy, policies or overall program.

The Committee continues to pursue its pay-for-performance approach in determining executive compensation. The Committee will continue to consider changes to the program on an ongoing basis, as appropriate, in light of evolving factors such as business environment and competition for talent.

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Compensation Governance

Our executive compensation program is subject to the primary oversight of the Committee pursuant to its authority as outlined in its charter, including the design and administration of executive compensation plans and the approval of executive compensation. In carrying out its oversight responsibilities, the Committee routinely reports to and consults with the Board on compensation matters. In addition, the Committee retains an independent compensation consultant, and where appropriate, discusses compensation related matters with our Chief Executive Officer, as it relates to other executive officers.

Role of Compensation Committee

The Committee is comprised of directors who are independent under applicable Nasdaq rules. The Committee is primarily responsible for overseeing the compensation program and strategies of the Company and approving (or in the case of CEO compensation, recommending for Board approval) director and executive compensation and equity awards.

Committee members hold meetings on a regular basis (9 meetings in 2012), and routinely meet in executive session without management present. The Committee reports regularly to the Board on the actions it has taken. At the end of 2012, the Board and the Committee enhanced its CEO compensation approval process. Accordingly, the Committee reviews and recommends CEO compensation for approval by the members of the Board who are independent under applicable Nasdaq rules. The Committee also makes recommendations for all other compensation-related matters that require Board approval. During 2012, the Board did not reject or modify in any material way any action of or recommendation by the Committee.

Role of Compensation Committee Consultant

The Committee has retained Pay Governance LLC, an independent outside compensation consultant, to provide guidance on all compensation matters under its oversight responsibilities. The Committee in its sole discretion selects the consultant, determines the scope of the consultant s responsibilities, and determines the consultant s compensation.

The services provided to the Committee by its outside compensation consultant in 2012 include: support in the Committee s effort to periodically review and update, as appropriate, the Company s compensation philosophy and strategies; advice on executive and director compensation levels and practices, including review and recommendations on CEO compensation; advice on the Company s peer group; guidance on the design of our compensation plans and executive/director stock ownership guidelines; assistance with the Committee s periodic review of potential risks associated with the Company s compensation programs; analysis of Company equity utilization; and periodic reports to the Committee on market and industry compensation trends and regulatory developments. The Committee did not engage Pay Governance for any additional services outside of executive compensation consulting during 2012. In addition, the Committee does not believe there were any potential conflicts of interest that arose from any work performed by Pay Governance during 2012.

Role of Chief Executive Officer

From time to time and at the Committee s request, our CEO will attend portions of the Committee s meetings to discuss the Company s performance and compensation-related matters. The CEO does not attend executive sessions, unless invited by the Committee. While he does not participate in any deliberations relating to his own compensation, he reviews on at least an annual basis the performance of each of the other NEOs and other executive officers. Based on these performance reviews and the Company s overall performance, our CEO makes recommendations to the

Committee on any changes to base salaries, incentive compensation awards and equity awards. The Committee considers the recommendations submitted by our CEO, as well as data and analyses provided by management, but retains full discretion to approve or recommend for Board approval all executive compensation.

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Competitive Benchmarking Against Peers

Historically, we had one primary benchmarking reference peer group for compensation purposes, as well as for performance benchmarking for certain incentive awards. In 2012, the Committee enhanced our peer benchmarking practices by establishing both a compensation benchmarking peer group (*Compensation Peer Group*) and a new performance peer group (*Performance Peer Group*). The Compensation Peer Group includes companies that are similarly-sized, have some business model similarities and compete with us for our talent. The Performance Peer Group focuses on performing companies with similar business models and includes some larger companies. Each group is further discussed below.

Compensation Benchmarking

In making compensation decisions, the Committee considers competitive compensation data from the Compensation Peer Group and periodically reviews the composition of companies within this group. In determining the composition of the peer group, the Company considers various factors and characteristics including market capitalization, asset size, assets under management, number of employees, business model and complexity of the platform, and performance on financial and market-based measures.

The Committee reviews on at least an annual basis the composition of companies within the Compensation Peer Group. During 2012, the Committee, along with management and the Committee s compensation consultant, reviewed the group used in 2011. They determined that the named companies continued to be appropriate and relevant and also added one additional company, First Republic Bancorp, to the list.

Performance Benchmarking

For certain incentive awards, we continued to use the Compensation Peer Group to measure performance. In particular, we measure our total stockholder return performance against this group for our Long-Term Cash Incentive Plan awards for the 2010-2012 performance period (which was determined in 2010 at the time the awards were granted), as well as our 2012 PRSU awards.

For 2012 awards under our Incentive Compensation Plan (*ICP*), our annual cash incentive plan, we measure a portion of those awards based on our relative ROE performance against the new Performance Peer Group. The Performance Peer Group is comprised of 20 companies, 17 of which are also in the Compensation Peer Group. In addition to those 17 companies, the group includes Comerica Incorporated, Huntington Bancshares Incorporated and Zions Bancorporation.

List of Peers

Accordingly, the Compensation Peer Group and the Performance Peer Group comprised of the following companies:

	Compensation Peer Group	**Performance Peer Group**
Associated Banc-Corp	ü	ü
Bank of Hawaii Corp	ü	ü
BOK Financial Corp	ü	ü
CapitalSource Inc.	ü	
City National Corporation	ü	ü
Comerica Incorporated		ü
Commerce Bancshares, Inc.	ü	ü
Cullen/Frost Bankers, Inc.	ü	ü
CVB Financial Corp.	ü	
East West Bancorp, Inc.	ü	ü
First Citizens Bancshares, Inc.	ü	
FirstMerit Corporation	ü	ü
First Republic Bancorp	ü	ü
Huntington Bancshares		ü
Investors Bancorp, Inc.	ü	
MB Financial, Inc.	ü	ü
Prosperity Bancshares, Inc.	ü	ü
Raymond James Financial, Inc.	ü	
Signature Bank	ü	ü
TCF Financial Corporation	ü	ü
UMB Financial Corporation	ü	ü
Umpqua Holdings Corporation	ü	ü
Valley National Bancorp	ü	ü
Webster Financial Corporation	ü	ü
Zions Bancorporation		ü
Total Companies	**22**	**20**

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2012 Executive Compensation

Target Total Pay Mix

We continued to design total target compensation packages for our NEOs that emphasize long-term pay and performance-based pay, to drive performance and executive retention. The 2012 target total pay mix for our CEO and, on average, for the other NEOs was as follows:

2012 Target Total Executive Compensation Mix

Balanced Long-Term/Short-Term Pay Mix That Emphasizes Performance

Short-Term Compensation:	**Long-Term Compensation:**	**Non-Performance Based:**	**Performance-Based:**
Base salary	Performance-based RSUs	Base salary	Annual cash incentives
Annual cash incentives	Stock options	RSUs	Performance-based RSUs
	RSUs		Stock options

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Summary of 2012 Executive Compensation Components

	Compensation Component	Purpose	2012 Key Highlights
Annual Cash Compensation	**Base Salary**	Provides ongoing fixed cash pay.	No changes to any NEO annual base salary in 2012, except for a merit increase for one NEO.
	Annual Cash Incentives	Provides short-term (annual) performance-based cash incentive compensation opportunity under our ICP.	***2012 ICP Funding*** Funding of our annual ICP pool was subject to: ¡ ROE performance against our annual target ROE (2/3 of the pool); and ¡ Relative ROE performance against Performance Peer Group performance (1/3 of the pool) Final ICP pool was determined and approved by the Committee. Annual ICP funding accruals are made and monitored by the Committee on a quarterly basis, and adjusted for non-recurring or other extraordinary items, to the extent determined by the Committee (in consultation with the Chair of the Board s Audit Committee). Based on the Company s ROE performance against our annual target and the Performance Peer Group, as well as overall Company performance, 129% of the 2012 target executive pool was funded. ***Individual ICP Awards to NEOs***

			No changes to any NEO incentive target payouts in 2012. Individual ICP awards were determined subject to the extent of pool funding, and overall Company and individual performance. For 2012, each NEO received between 123% to 156% of his or her target payout.
Long-Term Equity Incentive Compensation	**Stock Options**	Provides incentives for long-term creation of stockholder value over a four-year period, which is tied to the performance of our Common Stock. Stock option awards represent 46% of the NEOs total long-term equity award for 2012.	No material changes in our executive equity compensation practices from prior year. Continued to emphasize long-term incentives on equity to align executives with stockholder interests.
	Performance-Based Restricted Stock Units (*PRSUs*)	Provides incentives to motivate and retain executives and to reward for our TSR performance relative to peer performance. Target PRSUs represent 34% of the NEOs total long-term equity award for 2012.	Continued to use a mix of equity awards which included PRSUs, RSUs, and stock options.
	Restricted Stock Units (*RSUs*)	Provides incentives for retention and long-term creation of stockholder value over a four-year period. RSU awards represent 20% of the NEOs total long-term equity award for 2012.	2012 PRSUs were subject to TSR performance relative to peer performance. Based on the Company s 2012 TSR ranking amongst the Compensation Peer Group, the Committee deemed 100% of the PRSUs earned, which then are subject to further time-based vesting through December 20, 2014.

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	Compensation Component	Purpose	2012 Key Highlights
Long-Term Cash Incentive Compensation	**Long-Term Cash Incentives**	Provides long-term performance based cash incentive compensation opportunity.	***Long-Term Cash Incentives for 2012*** Similar to 2011, there were no new long-term cash incentive awards in 2012 to NEOs. ***Long-Term Cash Incentives From Prior Year Awards*** In 2010, we granted Cash LTIP Awards for a three-year (2010-2012) performance period. The awards were performance-based, based upon book value growth and relative TSR performance. For 2012, the Committee approved the final installment payment for the 2010-2012 Cash LTIP Award, based on the Company s book value and TSR performance over the three year period, which resulted in a 124% of target award for the three year period. After final payments were made for the 2010-2012 performance period, the Committee terminated the Cash LTIP in 2013.
Benefits / Perks	**Health/Welfare and Retirement Programs; Perquisites**	As further discussed below, executives receive health, welfare and retirement benefits that are generally available to employees. *(See also Other Post-Employment Benefits below.)* We do not have any executive perquisite programs or special executive benefits other than reimbursement of income taxes incurred by our executives on imputed income. For 2012, such imputed income was primarily associated with spousal travel to our business events where our executives spouses or significant others were invited, and expected to, attend.	

Elements of Compensation

Base Salary

We provide base salaries in order to provide each NEO with a reasonable level of fixed short-term compensation. Base salary levels for our NEOs are typically reviewed at least annually by the Committee and adjusted as appropriate. When determining any NEO base salary increases, the Committee considers an individual NEO s total compensation package, his or her performance, Company performance, and other relevant factors, including for example the scope of the NEO s responsibilities relative to peers and retention concerns, if any. The Committee also takes into consideration changes in the competitive market base salaries among our Peer Group for the position in question.

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Neither the Board (in the case of the CEO) nor the Committee (in the case of the other NEOs) made any changes to the annual base salaries of our NEOs, except for a market adjustment increase of 4.2% for Ms. Dent:

NEO/Other Executive	Amount of Increase	2012 Annual Base Salary
Greg Becker	$ ---	$ 800,000
Michael Descheneaux	---	485,000
David Jones	---	400,000
Joan Parsons	---	385,000
Mary Dent	15,000	375,000

Annual Cash Incentives

Our NEOs participate in the Company s Incentive Compensation Plan for executives (*ICP*), an annual cash incentive plan that rewards performance against individual and Company objectives.

NEO Target Awards

For each participant, the Committee establishes a target incentive, stated as a percentage of the individual s annual base salary. Neither the Board (in the case of the CEO) nor the Committee (in the case of the other NEOs) made any changes to any of the NEOs targets during 2012. Target percentages remained the same as the prior year:

NEO/Other Executive	Target ICP
Greg Becker	70%
Michael Descheneaux	40
David Jones	40
Joan Parsons	45
Mary Dent	50

ICP Funding

Each year, the Committee establishes one or more metrics that it will use to measure company performance for ICP funding purposes. The Committee will also determine the extent to which the Company will fund the incentive pool based on those metrics and overall Company performance. For 2012, the Committee continues to believe that ROE is an appropriate indicator of financial performance that is directly related to the creation of stockholder value, especially if the Company measures performance against its own objectives as well as peer performance. Accordingly, the Committee established the following two performance metrics:

- *ROE Against our Annual Target ROE* (Two-Thirds (2/3) of Pool) - Similar to prior years, for 2012, the Committee established ROE relative to our Board-approved annual target ROE as an ICP performance metric. Two-thirds (2/3) of the total incentive pool is funded based on performance against this metric. The graph below illustrates the relationship in 2012 between (i) achieved ROE as a percentage of the annual plan, and (ii) the percentage of the target incentive pool accrued for the NEOs. There is a maximum funding amount of 200% of target payment for achievement of 150% or over of our target

ROE under our annual plan. In 2012, the Committee made it more challenging for executives to achieve the funding maximum by increasing this performance requirement from 125% (from 2011 and prior years) to 150% of actual ROE performance against our target ROE.

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The Committee retains discretion to fund up to 50% of the target ICP pool for performance below the 90% threshold, if and when it believes that making partial ICP payments are in the Company s interests. The Committee decides in whether and to what extent it will fund or spend the provisional pool and in no way does this pool represent a form of guaranteed incentive payments. The Committee did not approve any provisional funding pool for 2012 because of the Company s above-target ROE performance.

In addition, the Committee retains discretion to determine the extent to which the Company met its ICP performance target, including discretion to consider adjustments for certain out of the ordinary items, such as non-recurring accounting items. During 2012, per management s recommendation and in consultation with the Chair of the Board s Audit Committee, the Committee excluded certain non-recurring gains from the sale of investments, 50% of the gains and losses on non-marketable securities over budget (net of noncontrolling interests), and gains from the sale of certain assets.

- *ROE Against Performance Peer Group* (One-Third (1/3) of Pool) - For 2012, the Committee also added ROE relative to the Performance Peer Group as an additional ICP performance metric. (*See Competitive Benchmarking Against Peers above.*) One-third (1/3) of the total incentive pool is funded based on performance against this metric.