SVB FINANCIAL GROUP
Form 11-K
June 22, 2012
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# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# Form 11-K

**(Mark One)**

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the fiscal year ended December 31, 2011**

**OR**

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from _____ to _____.**

**Commission file number 000-15637**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**SVB FINANCIAL GROUP 401(k) AND**

**EMPLOYEE STOCK OWNERSHIP PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

# SVB FINANCIAL GROUP

**3003 Tasman Drive**

**Santa Clara, California 95054-1191**

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Financial Statements and Supplemental Schedule

# SVB FINANCIAL GROUP 401(k) AND EMPLOYEE STOCK OWNERSHIP PLAN

As of December 31, 2011 and 2010 and for the

Years ended December 31, 2011 and 2010

with Report of Independent Registered Public Accounting Firm

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Financial Statements and Supplemental Schedule

**SVB FINANCIAL GROUP 401(k) AND EMPLOYEE STOCK OWNERSHIP PLAN**

As of December 31, 2011 and 2010 and for the

Years ended December 31, 2011 and 2010

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Participants and**

**Plan Administrator of the**

**SVB Financial Group 401(k) and**

**Employee Stock Ownership Plan**

We have audited the financial statements of the SVB Financial Group 401(k) and Employee Stock Ownership Plan (the Plan) as of December 31, 2011 and 2010, and for the years ended December 31, 2011 and 2010, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan s management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years ended December 31, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule, as listed in the accompanying table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ MOHLER, NIXON & WILLIAMS

MOHLER, NIXON & WILLIAMS

Accountancy Corporation

Campbell, California

June 22, 2012

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**SVB FINANCIAL GROUP 401(k) AND EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, 2011 | 2010 |
|---|---|---|
| Assets: | | |
| Investments, at fair value | $ 203,244,084 | $ 193,162,630 |
| Receivables: | | |
| Employee Stock Ownership Plan | 8,652,339 | 8,018,666 |
| Notes receivable from participants | 4,357,565 | 4,165,186 |
| Employer contributions | 420,700 | 199,293 |
| Pending trades due from broker | 126,312 | 926 |
| Accrued income | 75 | 94 |
| Total receivables | 13,556,991 | 12,384,165 |
| Total assets | 216,801,075 | 205,546,795 |
| Liabilities: | | |
| Excess contributions returned to participants | 1,582 | |
| Administrative fees payable | 1,150 | 18,464 |
| Total liabilities | 2,732 | 18,464 |
| Net assets available for benefits | $ 216,798,343 | $ 205,528,331 |

See accompanying notes to financial statements.

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**SVB FINANCIAL GROUP 401(k) AND EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

| | Year ended December 31, 2011 | 2010 |
|---|---|---|
| Additions to net assets attributed to: | | |
| Investment and other income: | | |
| Dividends and interest on investments | $ 5,079,843 | $ 2,324,169 |
| Interest on notes receivable from participants | 195,979 | 193,646 |
| Net realized and unrealized (decrease) increase in the fair value of investments | (13,371,787) | 23,181,611 |
| Total investment (losses) income | (8,095,965) | 25,699,426 |
| Contributions: | | |
| Participants | 12,545,022 | 10,274,613 |
| Employee Stock Ownership Plan | 8,652,339 | 8,018,666 |
| Employer | 7,662,719 | 6,502,065 |
| Rollover | 2,428,859 | 1,077,467 |
| Total contributions | 31,288,939 | 25,872,811 |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | (11,860,868) | (8,825,065) |
| Administrative fees and other | (62,094) | (77,915) |
| Total deductions | (11,922,962) | (8,902,980) |
| Net increase | 11,270,012 | 42,669,257 |
| Net assets available for benefits: | | |
| Beginning of year | 205,528,331 | 162,859,074 |
| End of year | $ 216,798,343 | $ 205,528,331 |

See accompanying notes to financial statements.

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**SVB FINANCIAL GROUP 401(k) AND**

**EMPLOYEE STOCK OWNERSHIP PLAN**

Notes to Financial Statements

December 31, 2011 and 2010

**(1) Description of the Plan**

The following description refers to the SVB Financial Group 401(k) and Employee Stock Ownership Plan (the Plan ), as amended from time to time. This description provides only general information. Participants should refer to the Plan document in its entirety for a more complete description of the Plan s provisions. The Plan document s terms govern if there are any conflicts with this description.

***General***

SVB Financial Group is a diversified financial services company, as well as a bank holding company and a financial holding company. SVB Financial Group was incorporated in the state of Delaware in March 1999. Through our various subsidiaries and divisions, we offer a variety of banking and financial products and services to support our clients of all sizes and stages throughout their life cycles. In these notes to the Plan s financial statements, when we refer to SVB Financial Group, SVBFG, the Company, we, our, us or use similar words, we mean SVB Fin Group and all of its subsidiaries collectively, including Silicon Valley Bank (the Bank ), unless the context requires otherwise. We operate through 26 offices in the United States, as well as offices internationally in China, India, Israel and the United Kingdom. Our corporate headquarters is located at 3003 Tasman Drive, Santa Clara, California, 95054.

The Plan is a defined contribution plan established by the Company effective as of January 1, 1985. The Plan is intended to constitute a qualified profit sharing plan, as described in Section 401(a) of the Internal Revenue Code ( IRC ), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, and which also includes an employee stock ownership plan as described in Section 4975(e)(7) of the IRC. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ).

***Administration of Plan***

Under ERISA, we are the designated administrator of the Plan. Overall management and administration of the Plan is the responsibility of a committee appointed by us. We appointed Fidelity Management Trust Company ( Fidelity ) to act as trustee and custodian of the Plan and Fidelity Institutional Retirement Services Company to act as day-to-day recordkeeper of the Plan.

***Plan Year***

The Plan year is the twelve-consecutive month period beginning each January 1 and ending December 31.

***Eligibility***

Employees of the Company and its participating affiliates are eligible to become Plan participants on the first day of hire, so long as they meet certain eligibility requirements, including the minimum age of 18 years.

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***Contributions***

Participants may contribute up to 75% of their eligible pre-tax compensation, up to the maximum of the Internal Revenue Service ( IRS ) annual 401(k) contribution limits of $16,500 in both 2011 and 2010. Participants who have reached age 50 before the close of the Plan year may also make catch-up contributions of their eligible pre-tax compensation as provided in IRC Section 414(v). The IRS allowed a maximum catch-up contribution of $5,500 in both 2011 and 2010. Participants may also make rollover contributions of eligible amounts representing distributions from other qualified retirement plans.

We make matching 401(k) contributions as provided in the Plan. We match up to the first 5% of eligible pre-tax compensation that each participant contributes, which vests immediately. Additionally, the Plan provides for a true up matching contribution to be made at the end of the Plan year to ensure that participants who elected to contribute 5% or greater of compensation throughout the Plan year receive the maximum matching contribution. In order to receive a true up matching contribution for any Plan year, a participant must (i) be actively employed by us or our participating affiliate or on an authorized leave of absence on the last business day of the Plan year, (ii) have retired during the Plan year, or (iii) have terminated employment during the Plan year due to death or disability (as defined in the Plan).

The Plan provides for the automatic enrollment of newly hired eligible employees at a rate of 5% of their eligible pre-tax compensation unless they affirmatively elect to decline participation in the Plan or elect to participate at a different rate.

Discretionary Employee Stock Ownership Plan ( ESOP ) contributions and discretionary profit sharing contributions made by us to the Plan in cash are allocated among the Plan participants based upon each participant s eligible cash compensation (collectively, Pay ). Such discretionary contributions, which are based on our performance and the approval of the Compensation Committee of our Board of Directors, may range between 0% to 10% of Pay. The discretionary contributions vest based on participants years of vesting service as described below under Vesting. For the 2011 Plan year, we made a discretionary ESOP contribution of 5.0% of Pay, or $8,652,339, which was approved in February 2012 and deposited into the participants Plan account in March 2012. The contribution was comprised of SVBFG common stock worth $4,344,385 and cash of $4,307,954. These contributions were made to eligible participants who were employed as of the end of the Plan year or whose employment terminated during the year by reason of retirement, death or disability. For the 2010 Plan year, we made a discretionary ESOP contribution of 5.8% of Pay, or $8,018,666, which was approved in January 2011 and paid in cash and deposited into the participants Plan account in February 2011.

***Participant Accounts***

Each participant s account is credited with the participant s contributions, our contributions and any investment gains or losses. The allocation of our contributions are based on participant-directed investment allocations, as provided in the Plan. Certain fees may be charged to participant accounts, as provided in the Plan. The benefit to which a participant is entitled is the vested portion of the participant s Plan account.

***Vesting***

Contributions made by Plan participants and our 401(k) matching contributions plus actual earnings are immediately vested. Vesting in any discretionary ESOP contributions and discretionary profit sharing contributions made by us is based on participants years of vesting service, as defined in the Plan, in accordance with the following schedule:

| Years of Vesting Service | Vested Percentage |
|---|---|
| Less than 1 | % |
| 1 but less than 2 | 20 |
| 2 but less than 3 | 40 |
| 3 but less than 4 | 60 |
| 4 but less than 5 | 80 |
| 5 or more | 100 |

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In addition, a participant s Plan account becomes fully vested during any Plan year upon his or her attaining the normal retirement age of 62 while employed by us or our participating affiliate, or the termination of his or her employment with us or our participating affiliate due to death or disability or in connection with a certain termination following a change in control event.

***Forfeited Accounts***

Forfeited balances of terminated participants nonvested Plan accounts are used first to restore any previously forfeited amounts of rehired participants accounts and are then used to pay for the Plan s administrative expenses or to reduce our future contributions to the Plan. Forfeited nonvested accounts totaled $476,119 and $616,100 at December 31, 2011 and 2010, respectively. For 2011, forfeited nonvested accounts were used to reduce our contribution to the Plan by $403,276 and administrative expenses of $64,860 were paid from the forfeited nonvested accounts. For 2010, forfeited nonvested accounts were used to reduce our contribution by $504,000 and administrative expenses of $60,781 were paid from the forfeited nonvested accounts.

***Investment Options***

Participants may direct the investment of their Plan accounts in any of the Plan s investment options. Participants may elect to invest in any of the Plan s investment options in increments of 1% of their total contribution amounts, except that any new contributions allocated to the SVB Financial Group Common Stock Fund are limited to 25% of the amount available for each participant to direct. Gains or losses on these investments are applied to participants accounts as of the end of each trading day. Participants may change their investment elections under the Plan generally at any time, in accordance with the procedures established by us and Fidelity.

***Notes Receivable from Participants***

Eligible participants may borrow from the vested portion of their total account balance under the Plan, an amount equal to a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of the participant s total vested account balance under this Plan. Note transactions are treated as transfers between the investment funds and the notes receivable. Note terms may be up to five years for personal notes or up to 15 years for the purchase of a primary residence. The notes are secured by the balance in the participant s account and bear fixed interest at a reasonable rate as determined by the Plan administrator, which provides a return commensurate with the prevailing interest rates charged by persons in the business of lending money for loans that would be made under similar circumstances. Interest rates for notes receivable ranged from 4.25% to 9.25% at December 31, 2011 and from 4.25% to 9.50% at December 31, 2010. Notes receivable at December 31, 2011 mature from January 12, 2012 to October 30, 2026. Principal and interest are generally paid ratably through semi-monthly payroll deductions. If a participant terminates employment with us or our participating affiliate, he or she may continue to make loan repayments directly to Fidelity as long as he or she continues to have an account balance under the Plan.

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Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes are reclassified as distributions based upon the terms of the Plan document.

***Payment of Benefits***

Upon a participant s termination of employment with us and all of our affiliates, the participant may elect to have his or her vested Plan account balance be paid, as provided under the Plan: (i) in a lump sum or (ii) in the form of an annuity. If the terminated participant s vested account balance is more than $5,000, the participant generally may leave the account balance in the Plan until he or she elects a form of distribution. If the terminated participant s vested account balance is between $1,000 and $5,000, we will automatically rollover such amount to an individual retirement account on his or her behalf unless directed otherwise by the participant, in compliance with regulations provided by the Department of Labor. If the vested account balance is $1,000 or less, a distribution payment automatically will be made to the terminated participant in a lump sum termination, unless directed otherwise by the participant.

**(2) Summary of Accounting Policies**

The accounting and reporting policies of the Plan conform with accounting principles generally accepted in the United States of America ( GAAP ).

***Basis of Financial Statement Presentation***

The financial statements of the Plan are prepared using the accrual method of accounting.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities, if any, at the date of the financial statements. Actual results could differ from those estimates.

***Administrative Expenses***

Plan administrative expenses may be paid by the Plan or by us. For the years ended December 31, 2011 and 2010, all administrative expenses were paid by the Plan.

***Investment Valuation and Income Recognition***

The Plan s investments are carried at fair value. When available, quoted market prices are used to value these investments. Shares of mutual funds are valued at the publicly quoted net asset value of shares held by the Plan at year-end. SVBFG common stock is valued based on its quoted closing market price. Money market funds and interest earning cash are carried at cost, which is a reasonable estimate of fair value because of the insignificant risk of changes in fair value due to the changes in market interest rates.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net (decrease) increase in the fair value of investments includes gains and losses on investments held as well as bought and sold during the year and at year-end.

***Payments of Benefits***

Benefits are recorded when paid.

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***Risks and Uncertainties***

Participants may invest in various types of investment securities offered by the Plan. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants account balances and the amounts reported in the statements of net assets available for benefits.

The Plan also holds investments in SVBFG common stock and accordingly, Plan participants accounts that hold shares of SVBFG common stock are exposed to market risk in the event of a significant decline in the value of such stock.

***Recent Accounting Pronouncements***

In May 2011, the Financial Accounting Standards Board ( FASB ) issued a new accounting standard (ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*), which requires new disclosures and clarifies existing guidance surrounding fair value measurement. This standard was issued concurrent with the International Accounting Standards Board s ( IASB ) issuance of a fair value measurement standard with the objective of a converged definition of fair value measurement and disclosure guidance. The new guidance clarifies that the principal market for a financial instrument should be determined based on the market with the greatest volume and level of activity. This new guidance is effective on a prospective basis for annual reporting periods beginning after December 15, 2011. This standard clarifies how fair value is measured and increases the disclosure requirements for fair value measurements, and we do not expect it to have a material impact on the financial statements of the Plan.

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**(3) Investments**

The following table represents the fair value of the Plan s investments. Individual investments which exceed 5% of the Plan s net assets are separately presented for the years ended December 31, 2011 and 2010.

| | December 31, | |
|---|---|---|
| | 2011 | 2010 |
| Mutual funds: | | |
| Fidelity Spartan 500 Index Fund | $ 22,219,727 | $ 21,983,574 |
| Fidelity Diversified International Fund | 17,102,916 | 19,240,618 |
| Fidelity Blue Chip Growth Fund | 16,311,061 | 15,163,945 |
| Fidelity Mid-Cap Stock Fund | 13,117,499 | 13,075,337 |
| Fidelity Government Income Fund | 12,576,697 | 9,876,323 |
| Wells Fargo Advantage Small Cap Value Fund | 11,379,669 | 12,701,612 |
| Fidelity Equity-Income Fund | 10,567,582 | 10,621,089 |
| Other funds individually less than 5% of net assets | 51,999,548 | 42,018,461 |
| Total mutual funds | 155,274,699 | 144,680,959 |
| Common stock: | | |
| SVBFG common stock (1) | 25,870,871 | 29,607,629 |
| Money market funds: | | |
| Fidelity Retirement Money Market Portfolio | 21,550,798 | 18,266,014 |
| Interest earning cash | 547,716 | 608,028 |
| Total investments | $ 203,244,084 | $ 193,162,630 |

(1) At December 31, 2011 and 2010, the Plan owned 542,480 shares and 558,108 shares, respectively, of SVBFG common stock with a cost basis of $11,812,221 and $10,785,758, respectively.

The Plan s investments (including gains and losses on investments held as well as bought and sold during the year) (decreased) increased in value as follows for the years ended December 31, 2011 and 2010:

| | 2011 | 2010 |
|---|---|---|
| Net (decrease) increase in the fair value of investments: | | |
| Mutual funds | $ (10,717,909) | $ 16,591,104 |
| SVBFG common stock | (2,653,878) | 6,590,507 |
| Total | $ (13,371,787) | $ 23,181,611 |

At December 31, 2011 and 2010, the Plan s investment in the SVBFG Common Stock Fund included the following underlying assets:

| | December 31, | |
|---|---|---|
| | 2011 | 2010 |
| SVBFG common stock | $ 25,870,871 | $ 29,607,629 |
| Interest earning cash | 547,717 | 608,028 |
| Pending trades due from brokers | 126,312 | 926 |
| Accrued income | 75 | 94 |

| | | |
|---|---|---|
| SVB Financial Group Common Stock Fund | $ 26,544,975 | $ 30,216,677 |

**(4) Fair Value Measurements**

We use fair value measurements to record fair value adjustments to certain financial instruments and to determine fair value disclosures. Fair value is defined as the price that would be received to sell an asset or

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paid to transfer a liability (the exit price ) in an orderly transaction between market participants at the measurement date. Fair value is a market-based measure considered from the perspective of a market participant who holds the assets or owes the liability rather than an entity-specific measure.

There is a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources, while unobservable inputs reflect our estimates about market data. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

**Level 1**

Fair value measurements based on quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation adjustments and block discounts are not applied to instruments utilizing Level 1 inputs. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment. Assets utilizing Level 1 inputs include mutual funds, SVBFG common stock, money market funds and interest earning cash.

**Level 2**

Fair value measurements based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly. As of December 31, 2011 and 2010, the Plan did not hold any assets or liabilities utilizing Level 2 inputs.

**Level 3**

Fair value measurements derived from valuation techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions we believe market participants would use in pricing the assets. As of December 31, 2011 and 2010, the Plan did not hold any assets or liabilities utilizing Level 3 inputs.

There were no transfers between Levels 1, 2 and 3 during the 2011 and 2010 Plan years.

It is the Plan s policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements. When available, we use quoted market prices to measure fair value.

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The Plan s investments are recorded at fair value on a recurring basis. The following fair value hierarchy table presents information about assets that are measured at fair value on a recurring basis as of December 31, 2011:

| Assets | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2011 |
|---|---|---|---|---|
| Mutual funds: | | | | |
| Large Cap | $ 53,119,729 | $ | $ | $ 53,119,729 |
| Retirement Income | 32,977,016 | | | 32,977,016 |
| Mid Cap | 19,814,603 | | | 19,814,603 |
| Bonds | 17,593,702 | | | 17,593,702 |
| International | 17,102,916 | | | 17,102,916 |
| Small Cap | 14,666,733 | | | 14,666,733 |
| Total mutual funds | 155,274,699 | | | 155,274,699 |
| Common stock | 25,870,871 | | | 25,870,871 |
| Money market funds | 21,550,798 | | | 21,550,798 |
| Interest earning cash | 547,716 | | | 547,716 |
| Total investments | $ 203,244,084 | $ | $ | $ 203,244,084 |

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The following fair value hierarchy table presents information about assets that are measured at fair value on a recurring basis as of December 31, 2010:

| Assets | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2010 |
|---|---|---|---|---|
| Mutual funds: | | | | |
| Large Cap | $ 50,705,816 | $ | $ | $ 50,705,816 |
| Retirement Income | 25,202,968 | | | 25,202,968 |
| Mid Cap | 19,825,617 | | | 19,825,617 |
| International | 19,240,618 | | | 19,240,618 |
| Small Cap | 15,662,958 | | | 15,662,958 |
| Bonds | 14,042,982 | | | 14,042,982 |
| Total mutual funds | 144,680,959 | | | 144,680,959 |
| Common stock | 29,607,629 | | | 29,607,629 |
| Money market funds | 18,266,014 | | | 18,266,014 |
| Interest earning cash | 608,028 | | | 608,028 |
| Total investments | $ 193,162,630 | $ | $ | $ 193,162,630 |

**(5) Related Party Transactions**

We are the Plan administrator (as designated under the Plan), and we believe that all SVBFG common stock transactions involving the Plan and investments managed by Fidelity, the Plan trustee, custodian and recordkeeper (as defined in the Plan), qualify as exempt party-in-interest transactions.

**(6) Plan Termination**

Although we have not expressed any intent to do so, we have the right to terminate the Plan or discontinue contributions, in accordance with the Plan and consistent with the provisions of ERISA, at any time and for any reason. In the event of Plan termination, participants will become fully vested in their ESOP accounts.

**(7) Tax Status**

The Plan s latest favorable determination letter from the IRS was issued on November 20, 2002, in which the IRS stated that the Plan, as then designed, was in compliance with applicable requirements of the IRC. The Plan has been amended since the effective date of the latest determination letter from the IRS. In January 2009, we made a request for, and are awaiting the issuance of, a new favorable IRS determination letter on the Plan, as amended.

The Plan administrator believes that the Plan continues to be designed and is currently being operated in compliance with the applicable requirements of the IRC and that the trust, which is the legal entity in which the Plan assets are held, continues to be exempt from federal income and state franchise tax. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

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GAAP requires management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. No uncertain positions have been identified that would require recognition of a liability (or asset) or disclosure in the financial statements as of December 31, 2011. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

**(8) Concentration of Investments**

The Plan s investment in shares of SVBFG common stock represents approximately 12% and 14% of total Plan assets as of December 31, 2011 and 2010, respectively.

**(9) Subsequent Events**

We have evaluated all material subsequent events and determined there are no events other than those discussed above that require disclosure.

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**SVB FINANCIAL GROUP 401(k) AND EMPLOYEE STOCK OWNERSHIP PLAN**

Schedule H, Line 4i-Schedule of Assets (Held at End of Year)

EIN: 91-1962278, Plan # 001

December 31, 2011

| Issuer | Description of Investment | Number of Shares | Current Value |
|---|---|---|---|
| | **Mutual funds:** | | |
| * Fidelity | Spartan 500 Index Fund | 499,320 | $ 22,219,726 |
| * Fidelity | Diversified International Fund | 671,229 | 17,102,916 |
| * Fidelity | Blue Chip Growth Fund | 384,151 | 16,311,061 |
| * Fidelity | Mid-Cap Stock Fund | 492,399 | 13,117,499 |
| * Fidelity | Government Income Fund | 1,167,753 | 12,576,697 |
| * Fidelity | Equity-Income Fund | 255,936 | 10,567,582 |
| * Fidelity | Freedom K Income Fund | 110,578 | 1,249,532 |
| * Fidelity | Freedom K 2000 Fund | 60,644 | 693,164 |
| * Fidelity | Freedom K 2005 Fund | 4,227 | 50,634 |
| * Fidelity | Freedom K 2010 Fund | 234,279 | 2,834,775 |
| * Fidelity | Freedom K 2015 Fund | 114,525 | 1,389,184 |
| * Fidelity | Freedom K 2020 Fund | 448,874 | 5,579,499 |
| * Fidelity | Freedom K 2025 Fund | 270,714 | 3,367,680 |
| * Fidelity | Freedom K 2030 Fund | 492,885 | 6,180,784 |
| * Fidelity | Freedom K 2035 Fund | 247,846 | 3,105,516 |
| * Fidelity | Freedom K 2040 Fund | 360,591 | 4,532,626 |
| * Fidelity | Freedom K 2045 Fund | 158,411 | 2,005,489 |
| * Fidelity | Freedom K 2050 Fund | 157,165 | 1,988,133 |
| Wells Fargo | Advantage Small Cap Value Fund | 381,228 | 11,379,669 |
| PIMCO | Low Duration Fund | 487,561 | 5,017,005 |
| Franklin | Small-Mid Cap Growth Fund | 112,410 | 3,927,607 |
| American Century | Small Company Fund | 421,959 | 3,287,064 |
| Goldman Sachs | Mid Cap Value Fund | 82,499 | 2,769,497 |
| Legg Mason Partners | ClearBridge Aggressive Growth Fund | 19,865 | 2,330,723 |
| Hotchkis & Wiley | Large Cap Value Fund | 110,283 | 1,690,637 |
| | **Total mutual funds** | | 155,274,699 |
| | **Common stock:** | | |
| * SVB Financial Group | SVB Financial Group | 542,480 | 25,870,871 |
| | **Money market funds:** | | |
| * Fidelity | Retirement Money Market Portfolio | 21,550,798 | 21,550,798 |
| * Fidelity | Interest earning cash average interest rate of 0.01% | 547,716 | 547,716 |
| | **Total investments** | | 203,244,084 |
| | **Notes receivable from participants:** | | |
| * Participant | 401 notes with interest ranging from 4.25% to 9.25% and maturity dates ranging from January 12, 2012 to October 30, 2026 | | 4,357,565 |
| | **Total** | | $ 207,601,649 |

* Denotes party-in-interest to the Plan

See accompanying Report of Independent Registered Public Accounting Firm.

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**SIGNATURES**

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

SVB FINANCIAL GROUP 401(k) AND EMPLOYEE STOCK OWNERSHIP PLAN

By: SVB Financial Group, as Plan administrator

Date: June 22, 2012

By: /s/ KAMRAN HUSAIN
Name: Kamran Husain
Title: Chief Accounting Officer and Principal Accounting Officer

Date: June 22, 2012

By: /s/ CHRIS EDMONDS-WATERS
Name: Chris Edmonds-Waters
Title: Head of Human Resources

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**Index to Exhibit**

| Exhibit No. | Description | Filed Herewith |
|---|---|---|
| 23.1 | Consent of Mohler, Nixon & Williams, independent registered public accounting firm | X |