
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): February 23, 2024

SVB Financial Group
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39154
(Commission
File Number)

91-1962278
(I.R.S. Employer
Identification No.)

2270 Sand Hill Road
Menlo Park, California 94025
(Address of principal executive offices) (Zip Code)

(650) 567-6900
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of Each Exchange on Which Registered
None	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

As previously reported, on March 17, 2023, SVB Financial Group (the “Company”) filed a voluntary petition in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) for relief under the provisions of Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Company’s case is administered under the caption In re SVB Financial Group, Case No: 23-10367 (the “Chapter 11 Case”). The Company is continuing to operate its remaining businesses, including SVB Capital, its investment advisory business which sponsors and advises private venture capital and credit funds, as a debtor in possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Documents filed on the docket of and other information related to the Chapter 11 Case are available free of charge online at <https://restructuring.ra.kroll.com/SVBFG/>. Documents and other information available on such website are not part of this Current Report on Form 8-K (this “Form 8-K”) and shall not be deemed incorporated by reference in this Form 8-K. The Company has included the website address in this Form 8-K as an inactive textual reference only.

On February 23, 2024, the Company filed with the Bankruptcy Court its monthly operating report for the period beginning January 1, 2024 and ending January 31, 2024 (the “Monthly Operating Report”). The Monthly Operating Report is attached hereto, as Exhibit 99.1, and is incorporated herein by reference. The information set forth in Item 7.01 of this Form 8-K will not be deemed an admission as to the materiality of any information required to be disclosed solely by Regulation FD. The Monthly Operating Report and other filings with the Bankruptcy Court related to the Chapter 11 Case are available electronically at <https://restructuring.ra.kroll.com/SVBFG/>. Documents and other information available on such website are not part of this Form 8-K and shall not be deemed incorporated by reference in this Form 8-K. The Company has included the website address in this Form 8-K as an inactive textual reference only.

The information contained in this Item 7.01 is being “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Cautionary Statement Regarding the Monthly Operating Report

The Company cautions investors and potential investors not to place undue reliance upon the information contained in the Monthly Operating Report, which was not prepared for the purpose of providing the basis for an investment decision relating to any of the securities of the Company. The Monthly Operating Report is limited in scope, covers a limited time period and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Bankruptcy Court. The Monthly Operating Report was not audited or reviewed by independent accountants, was not prepared in accordance with generally accepted accounting principles in the United States, is in a format prescribed by applicable bankruptcy laws or rules, and is subject to future adjustment and reconciliation. The Monthly Operating Report also contains information for periods shorter and otherwise different from those contained in the Company’s reports required to be filed pursuant to the Securities Act or Exchange Act. There can be no assurance that, from the perspective of an investor or potential investor in the Company’s securities, the Monthly Operating Report is complete. Results set forth in the Monthly Operating Report should not be viewed as indicative of future results.

As previously reported in a Form 12b-25 filed on May 9, 2023, the Company did not file a quarterly report on Form 10-Q for the period ended March 31, 2023 and does not intend to file any periodic reports for subsequent periods. Instead, the Company will file Current Reports on Form 8-K containing (i) disclosure of all material events in the Chapter 11 Case and any other information required by the instructions to Form 8-K and (ii) as exhibits, the operating reports and any other documents that include unaudited financial information filed by the Company with the Bankruptcy Court.

Forward-Looking Statements

Various statements in this Form 8-K or documents referred to herein, including those that express a belief, expectation, target or intention, as well as those that are not statements of historical fact, and/or the Monthly Operating Report, are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act and/or the Private Securities Litigation Reform Act of 1995, as applicable. All statements, other than statements of historical facts, included in this filing that address activities, events or developments that the Company expects, believes, targets or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond the Company’s control. The Company’s actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and other factors, which include the following: risks and uncertainties relating to the Chapter 11 Case, including but not limited to, the effects of the Chapter 11 Case on the Company and on the interests of various constituents, Bankruptcy Court rulings in the Chapter 11 Case and the outcome of the Chapter 11 Case in general, the duration of the Chapter 11 Case, the Company’s ability to successfully implement a restructuring plan, risks associated with third-party motions in the Chapter 11 Case, risks related to the trading of the Company’s securities on the OTC Pink Market, the risk that the Chapter 11 Case may be converted to a case under Chapter 7 of the Bankruptcy Code, the potential adverse effects of the Chapter 11 Case on the Company’s liquidity or results of operations and increased legal and other professional costs necessary to execute the Company’s restructuring, as well as other risk factors. The Company therefore cautions readers against relying on these forward-looking statements. All forward-looking statements attributable to the Company or persons acting on the Company’s behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and, except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Monthly Operating Report for the period ended January 31, 2024, filed with the United States Bankruptcy Court for the Southern District of New York
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

SVB Financial Group
(Company)

Date: February 26, 2024

By: /s/ Nicholas Grossi

Name: Nicholas Grossi

Title: Interim Chief Financial Officer

UNITED STATES BANKRUPTCY COURT

Southern DISTRICT OF New York

In Re. SVB Financial Group

§
§
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Case No. 23-10367

Debtor(s)

Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 01/31/2024

Petition Date: 03/17/2023

Months Pending: 11

Industry Classification:

5	2	3	9
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Reporting Method:

Accrual Basis

Cash Basis

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- Statement of cash receipts and disbursements
- Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- Statement of operations (profit or loss statement)
- Accounts receivable aging
- Postpetition liabilities aging
- Statement of capital assets
- Schedule of payments to professionals
- Schedule of payments to insiders
- All bank statements and bank reconciliations for the reporting period
- Description of the assets sold or transferred and the terms of the sale or transfer

/s/ James L. Bromley

Signature of Responsible Party

02/23/2024

Date

James L. Bromley

Printed Name of Responsible Party

125 Broad Street, New York, New York 10004

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Debtor's Name SVB Financial Group

Case No. 23-10367

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	\$ 254,055,043	
b.	Total receipts (net of transfers between accounts)	\$ 37,198,659	\$ 658,446,539
c.	Total disbursements (net of transfers between accounts)	\$ 34,726,400	\$ 2,429,133,538
d.	Cash balance end of month (a+b-c)	\$ 256,527,301	
e.	Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f.	Total disbursements for quarterly fee calculation (c+e)	\$ 34,726,400	\$ 2,429,133,538
Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)		Current Month	
a.	Accounts receivable (total net of allowance)	\$ 1,961,807,322	
b.	Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c.	Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$ 0	
d.	Total current assets	\$ 2,638,074,144	
e.	Total assets	\$ 3,617,432,708	
f.	Postpetition payables (excluding taxes)	\$ 97,481,154	
g.	Postpetition payables past due (excluding taxes)	\$ 0	
h.	Postpetition taxes payable	\$ 0	
i.	Postpetition taxes past due	\$ 0	
j.	Total postpetition debt (f+h)	\$ 97,481,154	
k.	Prepetition secured debt	\$ 0	
l.	Prepetition priority debt	\$ 0	
m.	Prepetition unsecured debt	\$ 3,484,888,654	
n.	Total liabilities (debt) (j+k+l+m)	\$ 3,582,369,808	
o.	Ending equity/net worth (e-n)	\$ 35,062,900	
Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 50,912,166
b.	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 4,043,724
c.	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 46,868,442
Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)		Current Month	Cumulative
a.	Gross income/sales (net of returns and allowances)	\$ 971,580	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c.	Gross profit (a-b)	\$ 971,580	
d.	Selling expenses	\$ 0	
e.	General and administrative expenses	\$ 1,229,557	
f.	Other expenses	\$ -7,065,208	
g.	Depreciation and/or amortization (not included in 4b)	\$ 314,621	
h.	Interest	\$ 0	
i.	Taxes (local, state, and federal)	\$ 0	
j.	Reorganization items	\$ 16,912,673	
k.	Profit (loss)	\$ -10,420,063	\$ -560,301,185

Debtor's Name SVB Financial Group

Case No. 23-10367

Part 5: Professional Fees and Expenses							
a.				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>			\$ 8,757,215	\$77,747,740	\$4,626,117	\$73,640,761
<i>Itemized Breakdown by Firm</i>							
	Firm Name	Role					
i	Alvarez & Marsal	Financial Professional	\$ 3,730,716	\$37,019,489	\$3,730,716	\$37,019,489	
ii	Centerview Partners LLC	Financial Professional	\$ 0	\$ 6,273,995	\$ 0	\$ 6,273,995	
iii	Huron	Financial Professional	\$ 748,727	\$ 748,727	\$ 0	\$ 0	
iv	Jenner & Block LLP	Other	\$ 844,565	\$ 5,512,299	\$ 844,565	\$ 5,536,418	
v	Kroll	Other	\$ 50,837	\$ 1,753,597	\$ 50,837	\$ 1,753,597	
vi	Sullivan & Cromwell LLP	Lead Counsel	\$ 3,382,371	\$26,439,633	\$ 0	\$23,057,262	
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			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
b.	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$ 89,264	\$ 1,825,790	\$ 162,196	\$ 1,705,787
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Chapman and Cutler, LLP	Local Counsel	\$ 0	\$ 86,454	\$ 0	\$ 79,189
ii	Debevoise & Plimpton LLP	Other	\$ 4,478	\$ 135,193	\$ 0	\$ 75,385
iii	DLA Piper Ireland LLP	Local Counsel	\$ 0	\$ 16,765	\$ 0	\$ 16,765
iv	Farella Braun + Martel LLP	Local Counsel	\$ 50,405	\$ 392,445	\$ 50,405	\$ 352,087
v	Goodwin Procter LLP	Other	\$ 0	\$ 81,137	\$ 81,137	\$ 81,137
vi	Herzog Fox & Neeman	Other	\$ 7,528	\$ 91,065	\$ 7,528	\$ 91,065
vii	HWG LLP	Local Counsel	\$ 0	\$ 13,380	\$ 0	\$ 13,380
viii	Kilpatrick Townsend & Stockto	Other	\$ 3,971	\$ 50,427	\$ 3,971	\$ 50,427
ix	Miller & Olson LLP	Other	\$ 0	\$ 3,673	\$ 0	\$ 3,673
x	Nishith Desai Associates	Local Counsel	\$ 11,339	\$ 29,443	\$ 11,339	\$ 22,515
xi	Norton Rose LLP Shanghai	Other	\$ 5,644	\$ 360,947	\$ 1,917	\$ 355,304
xii	Proskauer Rose LLP	Other	\$ 0	\$ 269,274	\$ 0	\$ 269,274
xiii	Trucker Huss, APC	Other	\$ 5,900	\$ 295,587	\$ 5,900	\$ 295,587
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Debtor's Name SVB Financial Group

Case No. 23-10367

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Debtor's Name SVB Financial Group

Case No. 23-10367

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c.	All professional fees and expenses (debtor & committees)		\$9,472,696	\$106,656,920	\$5,274,530	\$102,561,942

Debtor's Name SVB Financial Group

Case No. 23-10367

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 16,667	\$ 58,761
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 200,000

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes No
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes No
- c. Were any payments made to or on behalf of insiders? Yes No
- d. Are you current on postpetition tax return filings? Yes No
- e. Are you current on postpetition estimated tax payments? Yes No
- f. Were all trust fund taxes remitted on a current basis? Yes No
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes No
- h. Were all payments made to or on behalf of professionals approved by the court? Yes No N/A
- i. Do you have:
- Worker's compensation insurance? Yes No
 - If yes, are your premiums current? Yes No N/A (if no, see Instructions)
 - Casualty/property insurance? Yes No
 - If yes, are your premiums current? Yes No N/A (if no, see Instructions)
 - General liability insurance? Yes No
 - If yes, are your premiums current? Yes No N/A (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes No
- k. Has a disclosure statement been filed with the court? Yes No
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes No

Debtor's Name SVB Financial Group

Case No. 23-10367

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$ 0
b. Gross income (receipts) from self-employment	\$ 0
c. Gross income from all other sources	\$ 0
d. Total income in the reporting period (a+b+c)	\$ 0
e. Payroll deductions	\$ 0
f. Self-employment related expenses	\$ 0
g. Living expenses	\$ 0
h. All other expenses	\$ 0
i. Total expenses in the reporting period (e+f+g+h)	\$ 0
j. Difference between total income and total expenses (d-i)	\$ 0
k. List the total amount of all postpetition debts that are past due	\$ 0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="radio"/> No <input checked="" type="radio"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="radio"/> No <input type="radio"/> N/A <input checked="" type="radio"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Nicholas R. Grossi
Signature of Responsible Party

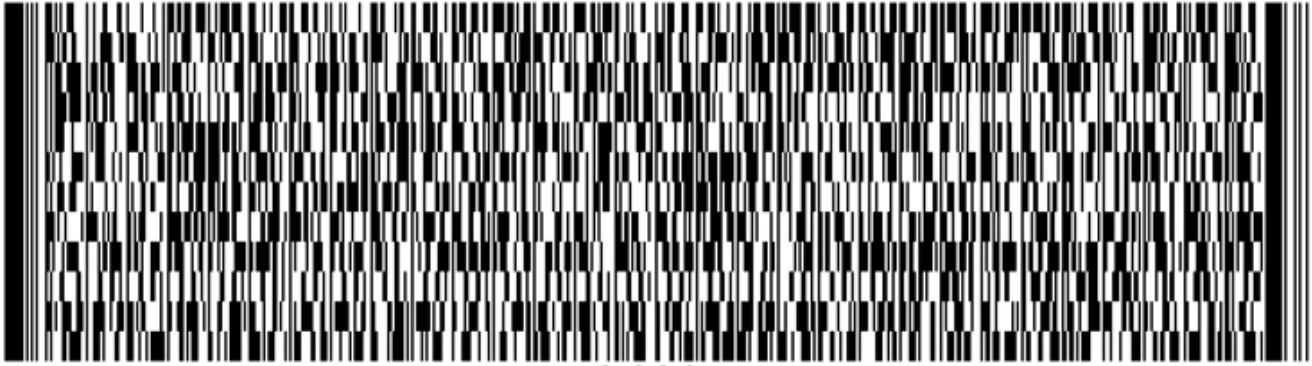
Nicholas R. Grossi
Printed Name of Responsible Party

Interim Chief Financial Officer, and/or Authorized Signatory
Title

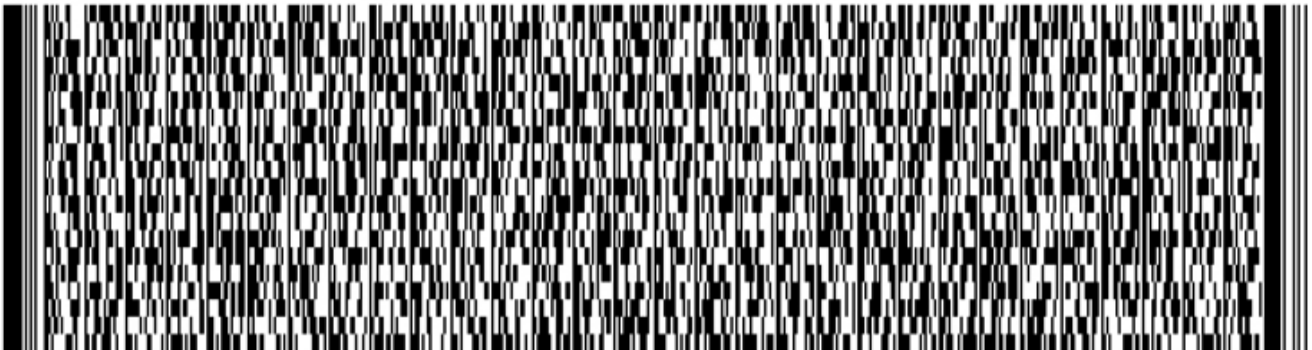
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Debtor's Name SVB Financial Group

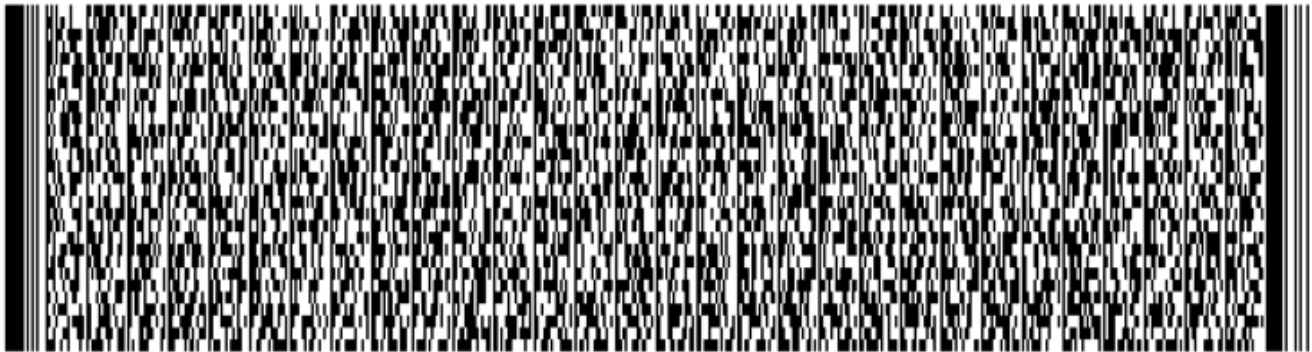
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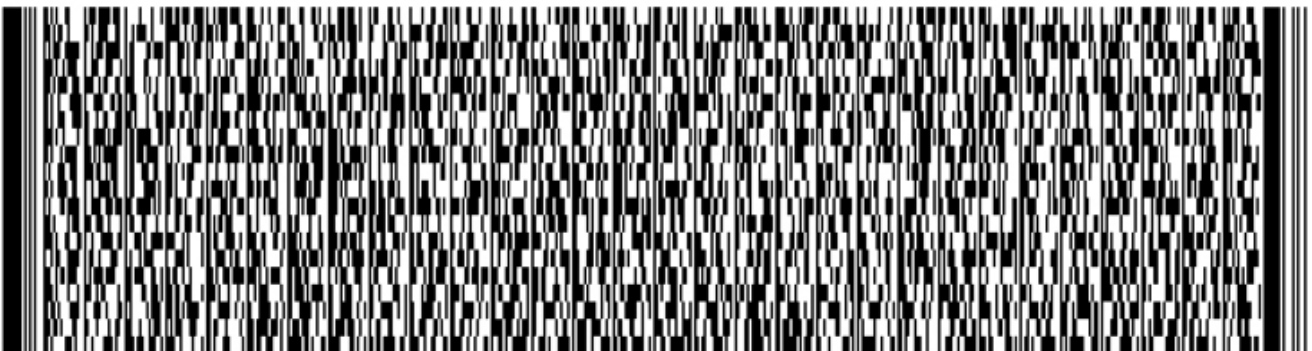
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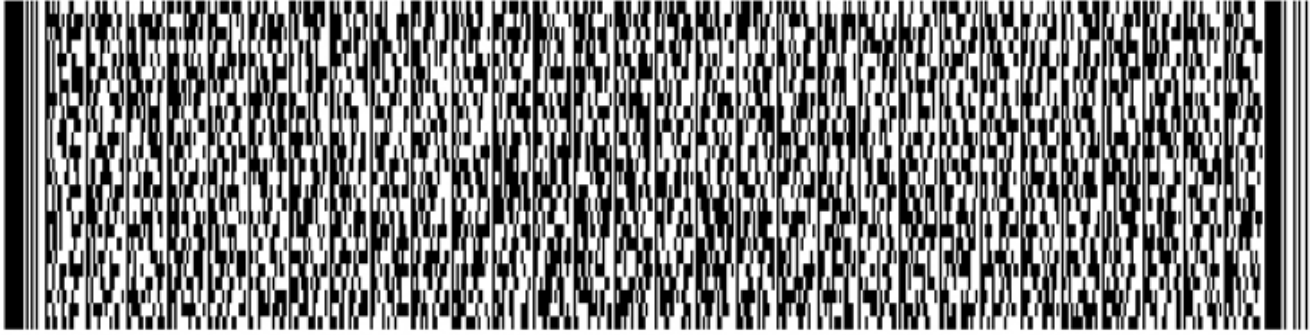
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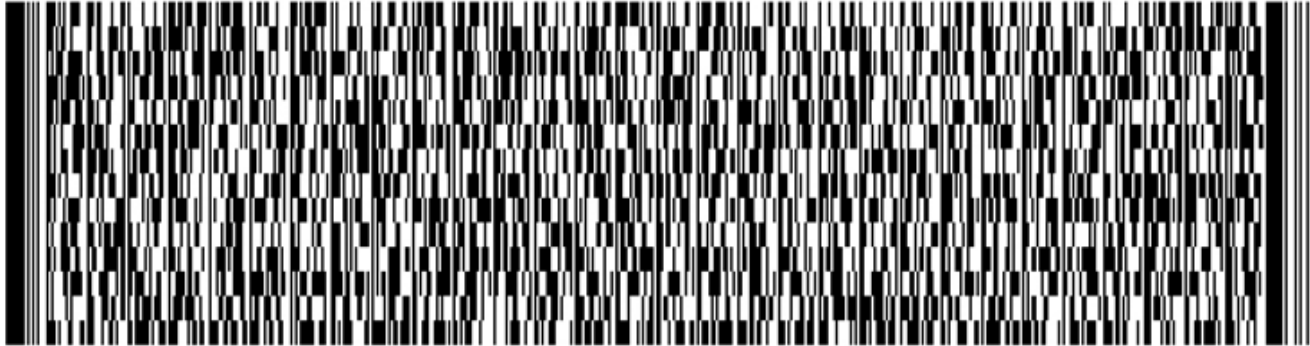
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Debtor's Name SVB Financial Group

Case No. 23-10367

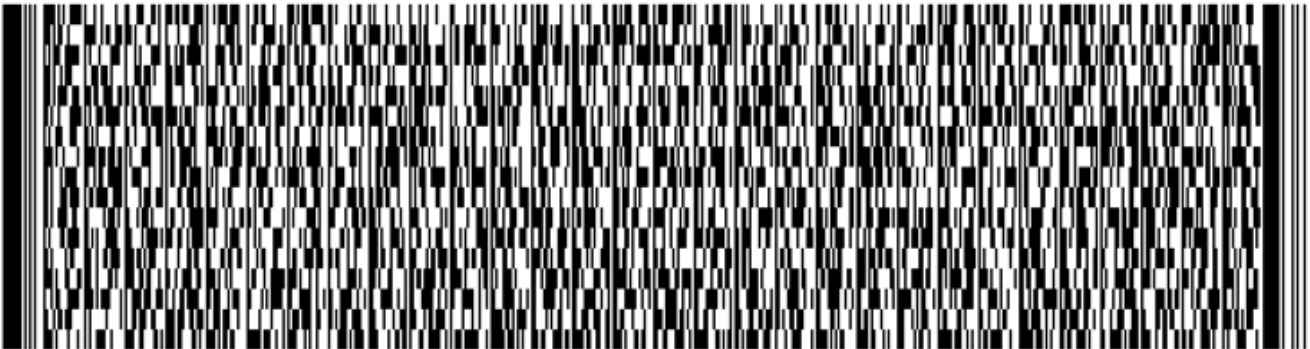


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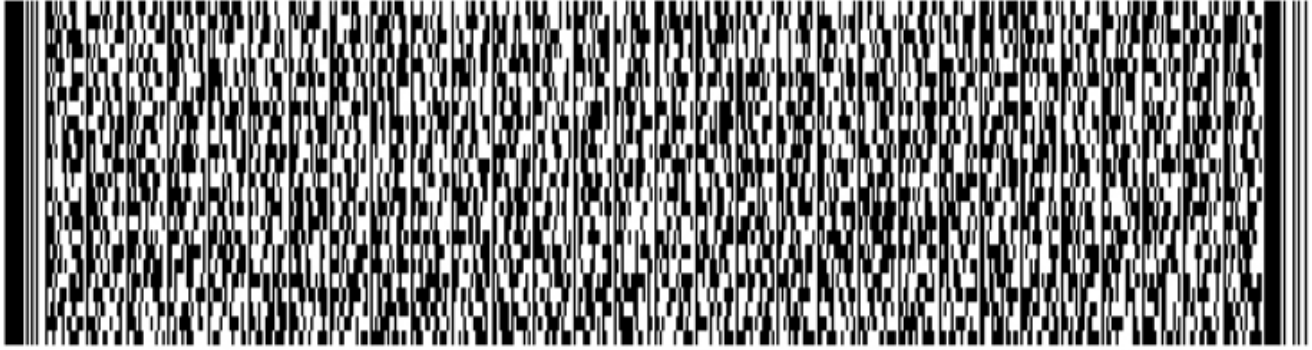
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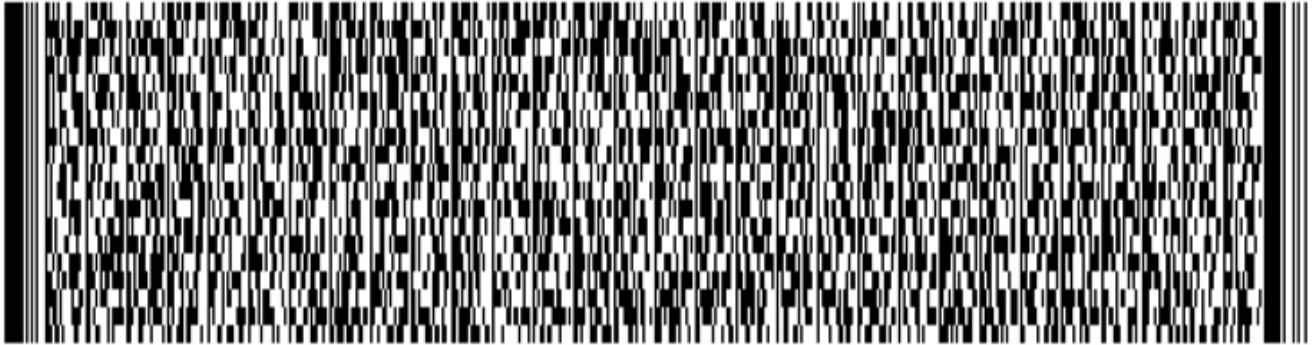
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Debtor's Name SVB Financial Group

Case No. 23-10367



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PageFour

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re SVB Financial Group

Case No. 23-10367 (MG)

Reporting Period: 1/1/2024 – 1/31/2024

Supplemental Notes to Monthly Operating Report

FACTUAL BACKGROUND

Debtor-in-Possession Financial Statements: On March 17, 2023 (the “Petition Date”), SVB Financial Group (the “Debtor”) filed a voluntary petition in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) for relief under the provisions of Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtor’s case is administered under the caption In re SVB Financial Group, Case No 23-10367 (the “Chapter 11 Case”). The Debtor is continuing to operate its remaining businesses as a debtor-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

The Debtor is filing its monthly operating report (the “MOR”) for purposes of complying with the monthly operating requirements applicable in the Debtor’s Chapter 11 Case. The financial information contained in the MOR is unaudited and limited in scope to only those items and disclosures required pursuant to the Bankruptcy Code. The MOR has been completed using generally accepted accounting standards (e.g., the Financial Accounting Standards Board Accounting Standards Codification 852, Reorganizations (ASC 852)). The MOR, however, is not a complete set of financial statements pursuant to generally accepted accounting principles (“GAAP”) as it does not include all disclosures and financial statements (e.g., statement of cash flow or statement of shareholders’ equity) which are required pursuant to GAAP. Additionally, the MOR includes certain cash-basis schedules (e.g., Part 1: Cash Receipts and Disbursements) which are not in accordance with GAAP.

The financial information disclosed in the MOR was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtor should evaluate this financial information in light of the purposes for which it was prepared. The Debtor is not liable for and undertakes no responsibility to indicate variations from securities laws reporting.

Basis of Presentation: As discussed in greater detail in the Declaration of William C. Kosturos in Support of the Debtor’s Chapter 11 Petition and First Day Pleadings [D.I. 21] and Supplemental Declaration of William C. Kosturos in Support of the Debtor’s Chapter 11 Petition and First Day Pleadings [D.I. 43], on March 10, 2023, the California banking authorities closed Silicon Valley Bank (the “Bank”) and appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver of the Bank (the “Receivership”).¹ The FDIC subsequently transferred all deposits and substantially all assets of Silicon Valley Bank to a newly created, FDIC-operated bridge bank, Silicon Valley Bridge Bank, National Association (“Bridge Bank”). Before the Receivership, the Debtor’s information management systems were primarily maintained by the Bank pursuant to a shared services agreement. As a result of the Receivership, the Debtor no longer operates the Bank and no longer has complete access to these systems. The Debtor is continuing to work with the FDIC, as well as First Citizens Bank & Trust Company (“FCB”), as successor-in-interest to Bridge Bank, to gain access to its books and records.

¹ The Federal Deposit Insurance Corporation in its corporate capacity, as receiver of Bridge Bank and as receiver of the Bank are collectively referred to as the “FDIC.”

In addition, before the Receivership, the Debtor's executive officers, its principal accounting officer and all members of its accounting and finance teams were employed by the Bank. All of these individuals either resigned, became employees of Bridge Bank in connection with the Receivership or became an employee of FCB. The Debtor has made reasonable efforts to supplement the information available to it with additional information concerning transactions that may not have been identified in the books and records to which it has access.

Records of prepetition assets and liabilities, including, among other things, liabilities owed by the Debtor to its affiliates and FCB, are likely to be adjusted throughout the pendency of the Chapter 11 Case as claims are filed and items are approved by the Bankruptcy Court. The MOR and the Supplemental Balance Sheet and Supplemental Statement of Operations attached thereto, are an unconsolidated, stand-alone presentation of the Debtor's assets and liabilities and income/loss. The financial results of Debtor's subsidiaries not party to the Chapter 11 Case are included in the financial statements as Investments in Subsidiaries and Net (Gain)/Loss from Subsidiaries.

Reporting Period: Unless otherwise noted herein or in the MOR, the MOR generally reflects the Debtor's books and records and financial activity occurring during the applicable reporting period. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.

NOTES TO MOR

Note 1: Employees

The Debtor did not directly employ any employees during the reporting period. SVBFG Employee Holdco LLC, a non-debtor direct subsidiary of the Debtor, employed six employees who performed services for the Debtor during the reporting period.

Note 2: Reorganization Accounting

Accounting standard ASC 852 requires expenses and income directly associated with the Chapter 11 Case to be reported separately in the statement of operations as Reorganization Items, net. Reorganization Items, net may include write-off of certain fees relating to debt obligations classified as Liabilities Subject to Compromise, expenses related to legal advisory and representation services, other professional consulting and advisory services, and changes in Liabilities Subject to Compromise. Reorganization Items, net will be recorded as such items are incurred and/or approved by the Bankruptcy Court.

Note 3: Investment Securities

Investment Securities primarily represent investments in venture capital and private equity funds, debt funds, private and public portfolio companies, including public equity securities held as a result of equity warrant assets exercised. The fair values of these investments are reflected in the financial statements and are adjusted on a quarterly basis. Fair value changes are recorded as unrealized gains or losses through net income.

Unconsolidated venture capital and private equity fund investments: Funds where ownership interest is typically less than 5% of the voting interests of each such fund and in which there is not the ability to exercise significant influence over the partnerships' operating activities and financial policies. The unconsolidated venture capital and private equity fund investments are carried at fair value based on the fund investments' net asset values per share as obtained from the general partners of the funds, adjusted for any contributions paid, distributions received from the investment, and significant fund transactions or market events during the reporting period.

Direct equity investments in private companies: The carrying value is based on the price at which the investment was acquired plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments. A range of factors is considered when adjusting the fair value of these investments, including, but not limited to, the term and nature of the investment, local market conditions, values for comparable securities, current and projected operating performance, exit strategies, financing transactions subsequent to the acquisition of the investment and a discount for certain investments that have lock-up restrictions or other features that indicate a discount to fair value is warranted.

Note 4: Due to/from FDIC

The Debtor has reflected the known cash balances of its operating accounts and Regulation W account that were on deposit at Bridge Bank as of the Petition Date (and previously at the Bank), as a receivable from the FDIC. The Debtor does not have access to its account information at Bridge Bank so it could not independently verify the exact amount of funds that were transferred to the FDIC but has used the available information provided by FCB to reflect its best estimate of the amounts that are due to the Debtor.

Note 5: Warrants & Other Derivatives

In connection with negotiated credit facilities and certain other services that were offered by the Bank, the Debtor often acquired equity warrant assets giving the Debtor the right to acquire stock in venture-backed companies primarily in the technology, life science and healthcare industries subject to applicable regulatory limits and, in some cases, equity interests were retained in these companies following their initial public offering. The fair values of these warrants and investments are reflected in the financial statements and are adjusted on a quarterly basis. Fair value changes are recorded as unrealized gains or losses through net income. However, the timing and amount of changes in fair value, if any, of these financial instruments depends on factors beyond the Debtor's control, including the perceived and actual performance of the companies or funds in which the Debtor invests, fluctuations in the market prices of the preferred or common stock of the portfolio companies, the timing of the receipt of relevant financial information from these companies, market volatility and interest rate fluctuations and legal and contractual restrictions. The valuation processes for warrants are as follows:

Equity warrant assets (public portfolio): Fair value measurements of equity warrant assets of publicly traded portfolio companies are valued based on the Black-Scholes option pricing model. The model uses the price of publicly traded companies (underlying stock price), stated strike prices, warrant expiration dates, the risk-free interest rate and market-observable option volatility assumptions.

Equity warrant assets (private portfolio): Fair value measurements of equity warrant assets of private portfolio companies are priced based on a Black-Scholes option pricing model to estimate the asset value by using stated strike prices, option expiration dates, risk-free interest rates and option volatility assumptions. Option volatility assumptions used in the Black-Scholes model are based on public market indices whose members operate in similar industries as companies in the Debtor's private company portfolio. Option expiration dates are modified to account for estimates to actual life relative to stated expiration. Overall model asset values are further adjusted for a general lack of liquidity due to the private nature of the associated underlying company.

Note 6: Lease Accounting – Right of Use Asset and Lease Liability

The Debtor has unexpired leases for real estate and equipment. At the inception of each lease, the lease is evaluated to determine whether the lease will be accounted for as an operating or finance lease.

Right-of-use ("ROU") assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the incremental borrowing rate was used based on the information available at the commencement date in determining the present value of lease payments. The implicit rate is used when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that such option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The carrying value of the ROU asset and lease liability associated with any lease(s) that are rejected are written off and recognized as Reorganization Items, net. The Debtor also estimates the damages associated with rejected leases. Any lease rejection damages are recorded in the financial statements as a prepetition claim in the month the Debtor receives a signed order approving any lease rejections, along with the write-off of the related ROU asset and lease liability.

On December 15, 2023, the Bankruptcy Court entered an order authorizing the Debtor to assume and assign an unexpired lease [D.I. 764] to FCB. The lease assignment was effective as of January 1, 2024. As a result, the Debtor charged off the remaining lease ROU asset and lease liability, \$9.8 million and \$11.1 million, respectively, leading to the recognition of a net gain of \$1.3 million. Additionally, all fixed assets associated with the location of the lease, totaling \$0.7 million, were charged off. The charges recorded for these items, totaling a net gain of \$0.6 million, are reflected in Reorganization Items, net, in the Supplemental Statement of Operations attached to the MOR.

Note 7: Investment in Subsidiaries

The primary subsidiary business operations of the Debtor during the reporting period are:

SVB Capital Management, LLC

SVB Capital ManCo is the venture capital and credit investment arm of the Debtor, which focuses primarily on funds management. SVB Capital ManCo manages over \$9.5 billion of funds on behalf of third party limited partner investors and, on a more limited basis, the Debtor. The SVB Capital family of funds is comprised of pooled investment vehicles such as direct venture funds that invest in companies and funds of funds that invest in other venture capital funds, as well as debt funds that provide lending and other financing solutions. SVB Capital generates income for the Debtor primarily through investment returns (including carried interest) and management fees.

SVB Securities Holdings LLC

SVB Securities Holdings LLC consists of two businesses, MoffettNathanson LLC, a sell-side research boutique and SVB Transformation Holdings LLC, an asset management company. The Debtor is currently evaluating its position with regard to these entities.

Note 8: Taxes

Taxes receivables reflect a reasonable estimate of current tax refunds due to the Debtor and continue to be evaluated for any required allocations or adjustments.

Note 9: Liabilities Subject to Compromise (Prepetition)

Due to the filing of the Chapter 11 Case on March 17, 2023, the payment of prepetition indebtedness is generally subject to compromise pursuant to a plan of reorganization. Generally, actions to enforce or otherwise effect payment of pre-bankruptcy filing liabilities are stayed. The Debtor has been paying and intends to pay undisputed postpetition liabilities in the ordinary course of business. In addition, the Debtor has rejected certain prepetition executory contracts and unexpired leases with respect to their operations with the approval of the Bankruptcy Court (See Note 6).

Prepetition liabilities that are subject to compromise are required to be reported at the amounts expected to be allowed, even if they may be settled for lesser amounts. The amounts currently classified as Liabilities Subject To Compromise may be subject to future adjustments depending on Bankruptcy Court actions, further developments with respect to disputed claims, determinations of secured status of certain claims, the values of any collateral securing such claims, or other events. The value of the claims that will ultimately be allowed by the Bankruptcy Court cannot be reasonably estimated until the evaluation, investigation and reconciliation of the filed claims has been completed. Any resulting changes in classification will be reflected in subsequent financial statements.

Note 10: Subsequent Events

On February 7, 2024, the Debtor filed the Disclosure Statement for the Debtor's Plan of Reorganization under Chapter 11 of the Bankruptcy Code [D.I. 845].

Note 11: Questionnaire

The workers' compensation policy that covered employees of FCB who previously performed services for the Debtor was terminated on May 1, 2023. The Debtor has obtained a new workers' compensation policy through a professional employer organization.

I declare under penalty of perjury that, in my reasonable belief, the foregoing supplemental notes to Monthly Operating Report are true and correct.

/s/ Nicholas R. Grossi

Nicholas R. Grossi

Title: Interim Chief Financial Officer

Date: February 23, 2024

In re: SVB Financial Group

Case No.: 23-10367

Reporting Period: 1/1/2024 - 1/31/2024

Supplemental Statement of Operations

	SVB Financial Group		<u>Notes</u>
	<u>Current Month</u> 01/01/2024 - 01/31/2024	<u>Cumulative</u> 03/17/2023 - 01/31/2024	
Income			
Investment Income	\$ 971,580	\$ 9,714,052	
Management Fees	—	31,121,090	
Total Income	\$ 971,580	\$ 40,835,141	
Operating Expenses			
Operating Expenses	1,544,178	21,868,884	
Total Operating Expenses	\$ 1,544,178	\$ 21,868,884	
Operating Income / (Loss)	\$ (572,598)	\$ 18,966,257	
Other (Income) / Expense			
Net (Gain) / Loss from Subsidiaries	\$ (3,800,463)	\$ 135,972,666	[1]
Net (Gain) / Loss on Investments	(2,917,277)	36,534,096	[1]
Vesting of RSUs	14,069	16,430,115	
Miscellaneous (Income) / Expense	(361,538)	6,772,585	
Total Other (Income) / Expense	\$ (7,065,208)	\$ 195,709,462	
Net Income / (Loss) before Reorganization Expenses	\$ 6,492,610	\$ (176,743,204)	
Reorganization Items, net	16,912,673	383,557,980	
Net Income / (Loss)	\$ (10,420,063)	\$ (560,301,185)	

Notes

[1] - Includes both realized and unrealized (gains) / losses.

In re: SVB Financial Group

Case No.: 23-10367
Reporting Period: 1/31/2024

Supplemental Balance Sheet

	<u>SVB Financial Group</u> 01/31/2024
ASSETS	
Cash	\$ 256,527,301
Investment Securities	362,212,795
Capital Call Line	27,436,335
Accounts Receivable	28,001,614
Receivable from FDIC	1,933,805,708
Other Current Assets	30,090,391
Total Current Assets	\$ 2,638,074,144
Warrants & Other Derivatives	330,558,572
Lease ROU Asset	—
Fixed Assets	—
Other Assets	70,991,509
Total Other Assets	\$ 401,550,081
Investments in SVB Capital Funds	466,325,761
Investment in SVB Securities	79,219,429
Investments in Foreign Subs / Other	32,263,292
Total Investments in Subsidiaries	\$ 577,808,482
TOTAL ASSETS	\$ 3,617,432,708
LIABILITIES & EQUITY	
Liabilities Not Subject to Compromise	
Postpetition Payables	97,481,154
Total Liabilities Not Subject to Compromise	\$ 97,481,154
Liabilities Subject to Compromise	
A/P and Accrued Expenses	84,608,305
Accrued Interest Payable	30,159,270
Lease Liabilities	—
Other Liabilities	20,000
Long-term Debt	3,370,101,079
Total Liabilities Subject to Compromise	\$ 3,484,888,654
Total Liabilities	\$ 3,582,369,808
Equity	35,062,900
TOTAL LIABILITIES & EQUITY	\$ 3,617,432,708