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For Immediate Release

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SILVERGATE BANK REPORTS SECOND QUARTER 2015 RESULTS

LA JOLLA, CA, August 11, 2015 – Silvergate Bank today announced financial results for the quarter ended June 30, 2015, with net income of \$3.1 million. The Bank’s total assets increased to \$936.5 million from \$864.7 million at year end 2014 and equity grew to \$79.9 million from \$75.6 million over the same time period.

“Net income increased substantially during the second quarter,” said Alan Lane, the Bank’s Chief Executive Officer, “as the Bank continued to leverage its lending expertise to expand existing markets and invest in promising new opportunities.”

Financial Performance

The Bank’s net income for the quarter was \$3.1 million, compared to \$1.2 million for the prior quarter and \$1.5 million for the second quarter last year. For the six-month period ending June 30, 2015, net income totaled \$4.2 million, a 72% increase over the same period last year. Total assets decreased \$16.6 million from March 31, 2015, as sales of lower-yielding reverse mortgage loans totaling \$19.9 million offset increased residential loan balances. Total loans increased by \$62 million from year end 2014, reflecting stronger residential loan production. Total deposits increased by \$83 million over the same period, including \$37 million in non-interest bearing demand deposits.

The Bank’s net interest income for the quarter ended June 30, 2015 was \$8.9 million, compared to \$6.9 million for the prior quarter and \$5.5 million in the second quarter of last year. The Bank’s net interest margin for the second quarter was 3.87%, compared to 3.33% for the prior quarter, and 3.16% for the second quarter last year. The increase in the net interest margin from the prior quarter reflected higher-yielding assets, commercial loan prepayment activity and higher Federal Home Loan Bank dividend payments. Net interest income totaled \$15.7 million for the first six months of 2015, a \$5.6 million, or 55.4%, increase over the same period in 2014, as both loan volumes and asset yields improved over the prior period. The net interest margin for the first half of 2015 was 3.62% versus 3.14% in 2014.

The provision for loan losses totaled \$661 thousand dollars and \$980,000 dollars for the second quarter and first six months of 2015, as compared to \$0 in the same periods last year, as the Company built its reserve levels in response to loan growth and the expansion of its commercial lending activities. The Company experienced net chargeoffs of \$29,000 in the second quarter of 2015 and net recoveries of \$36,000 in the first six months of this year. This compares to net recoveries of \$65,000 in the first quarter of 2015, net chargeoffs of \$10,000 in the second quarter of 2014, and net chargeoffs of \$40,000 in the first six months of 2014.

Noninterest income totaled \$2.5 million for the quarter ended June 30, 2015, compared to \$446 thousand for the prior quarter. The improvement in noninterest income reflected an increase in the gains on sales of loans and other assets. For the first six months, the Bank generated \$2.9 million in noninterest income, compared to \$4.2 million in 2014. The reduction from 2014 reflects lower income from asset sales.

Noninterest expense was \$5.6 million for the second quarter of 2015, compared to \$5.1 million for the prior quarter and \$5.5 million for the same period last year. For the six months ended June 30, 2015, noninterest

expense totaled \$10.7 million, a 4.0% increase over the same period last year. The increase over both time periods reflects higher compensation expense resulting from stronger production activity.

“Our operating results continue to reflect the strong confidence that our clients place in us,” noted Dennis Frank, the Bank’s chairman. “We appreciate their support and the expertise and outstanding service that our bankers demonstrate in partnering with them every day.”

Balance Sheet Activity

The Bank’s total loan balance was \$822.5 million at June 30, 2015, a 2.0% reduction from March 31, 2015, and a 30.1% increase from June 30, 2014. The Bank’s Mortgage Warehouse Lending Division continued to produce strong volumes, with \$1.2 billion and \$2.1 billion in loans funded in the second quarter and the first six months of 2015, respectively. This compares to \$616.6 million and \$989.5 million in loans funded during the same periods last year.

Other residential loan balances totaled \$321.3 million at June 30, 2015, compared to \$325.9 million and \$231.1 million at March 31, 2015 and June 30, 2014, respectively. The decrease from March is primarily a result of \$19.9 million in sales of reverse mortgages, while the increase from last year reflects higher other mortgage balances. Commercial real estate loan balances were relatively stable over these time periods, totaling \$230.8 million at June 30, 2015, compared to \$230.1 million and \$221.1 million as of March 31, 2015 and June 30, 2014, respectively.

At June 30, 2015, deposits totaled \$629.3 million, compared to \$535.3 million at the prior quarter end and \$472.1 million at June 30, 2014. Deposit balances have risen 17.6% since March 31, 2015 and 33.3% from June 30, 2014. The year-over-year growth in deposits reflects focused marketing efforts, including increases of \$54.6 million in noninterest bearing deposit accounts, and \$17.8 million in other transaction, money market and savings accounts.

At June 30, 2015, Silvergate Bank’s Tier 1 Leverage Capital Ratio was 8.61% and Total Risk-Based Capital Ratio was 14.11%, both substantially exceeding “well capitalized” minimums of 5.00% and 10.00%. The Bank’s ratios of nonperforming loans to total loans and nonperforming assets to total assets each decreased from the prior quarter end to 0.58%.

About Silvergate Bank

Silvergate Bank is a San Diego-based bank that specializes in meeting the needs of small businesses and residential loan producers through a comprehensive offering of lending products and personalized banking services. Silvergate Bank opened in 1988 and is a subsidiary of Silvergate Capital Corporation. Bank branches are located in Carlsbad, Escondido, La Jolla, and La Mesa and a loan production office is located in Seal Beach in Orange County. Silvergate Bank’s headquarters office is located at 4275 Executive Square, Suite 800, La Jolla, CA 92037. The Bank’s website is www.silvergatebank.com.

Statements concerning future performance, developments or events, expectations for growth and income forecasts, and any other guidance on future periods, constitute forward-looking statements that are subject to a number of risks and uncertainties. Actual results may differ materially from stated expectations. When used in this release, the words or phrases such as “will continue,” “is anticipated,” “estimate,” “expect,” “projected,” “believe,” “seeking,” or similar expressions, are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Readers should not place undue reliance on the forward-looking statements, which reflect views only as of the date hereof. Neither Silvergate Capital Corporation nor Silvergate Bank undertakes any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Silvergate Bank Selected Financial and Operating Data
(Dollars in Thousands - Unaudited)

	Three Months Ended				Year Ended		
	June 30, 2015	March 31, 2015	June 30, 2014	Annual Change	June 30, 2015	June 30, 2014	Annual Change
INCOME STATEMENT							
Interest Income	\$ 10,176	\$ 8,115	\$ 6,691	52%	\$ 18,291	\$ 12,477	47%
Interest Expense	1,295	1,250	1,215	7%	2,545	2,346	8%
Net Interest Income	8,881	6,865	5,476	62%	15,746	10,131	55%
Provision for Loan Losses	661	319	-	n/a	980	-	n/a
Total Noninterest Income	2,478	446	2,575	-4%	2,924	4,200	-30%
Total Noninterest Expense	5,617	5,101	5,545	1%	10,718	10,308	4%
Income Before Taxes	5,081	1,891	2,506	103%	6,972	4,023	73%
Income Tax Expense	2,020	741	1,000	102%	2,761	1,574	75%
Net Income	\$ 3,061	\$ 1,150	\$ 1,506	103%	\$ 4,211	\$ 2,449	72%

Performance Ratios

Net Interest Margin	3.87%	3.33%	3.16%		3.62%	3.14%
Return on Average Assets	1.32%	0.55%	0.85%		0.95%	0.74%
Return on Average Equity	15.42%	5.97%	8.30%		10.77%	6.81%
Efficiency Ratio	49.45%	69.77%	68.87%		57.41%	71.93%
Net Loan Charge-Offs to Average Total Loans	0.01%	-0.03%	0.01%		-0.01%	0.00%

BALANCE SHEET

	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	Annual Change
Cash and Due from Banks	\$ 45,404	\$ 46,062	\$ 38,138	\$ 33,929	\$ 30,294	50%
Investments	58,014	58,368	57,112	51,815	63,273	-8%
Total Cash & Investments	103,418	104,430	95,250	85,744	93,567	11%
Securitized Loans, at fair value	29,814	29,460	29,635	28,675	29,365	2%
Loans Held for Investment ("HFI")	617,221	675,798	628,392	587,826	488,269	26%
Allowance for Loan Losses	(5,972)	(5,340)	(4,957)	(4,297)	(3,887)	54%
Loans HFI, net	611,249	670,458	623,435	583,529	484,382	26%
Loans Held for Sale	181,471	139,165	107,068	54,872	118,275	53%
Real Estate Owned ("REO")	630	117	-	-	-	n/a
Other Assets	9,930	9,464	9,304	8,936	8,498	17%
Total Assets	\$ 936,512	\$ 953,094	\$ 864,692	\$ 761,756	\$ 734,087	28%
Noninterest Bearing Demand Deposits	\$ 125,610	\$ 93,179	\$ 88,660	\$ 63,858	\$ 70,988	77%
Interest Bearing Demand Deposits	24,219	8,900	8,811	6,092	6,159	293%
NOW, Money Market, and Savings Accounts	188,769	190,054	216,796	210,695	189,007	0%
Certificates of Deposit	290,714	243,200	231,941	212,564	205,944	41%
Total Deposits	629,312	535,333	546,208	493,209	472,098	33%
FHLB Advances and Other Borrowings	193,000	309,000	210,000	165,000	157,000	23%
Payables under Securitizations	27,917	28,297	29,177	25,930	27,668	1%
Other Liabilities	6,376	3,729	3,740	3,689	4,667	37%
Total Liabilities	856,605	876,359	789,125	687,828	661,433	30%
Total Shareholder's Equity	79,907	76,735	75,567	73,928	72,654	10%
Total Liabilities and Shareholder's Equity	\$ 936,512	\$ 953,094	\$ 864,692	\$ 761,756	\$ 734,087	28%

Asset Quality Ratios

Nonperforming Loans to Total Loans	0.58%	0.69%	0.63%	0.65%	0.58%
Loss Allowance to Nonperforming Loans	123.89%	92.19%	103.27%	99.22%	104.83%
Allowance for Loan Losses to Loans HFI	0.97%	0.79%	0.79%	0.73%	0.80%
Nonperforming Assets to Total Assets	0.58%	0.62%	0.56%	0.57%	0.51%

Capital Ratios

Tier I Leverage Capital Ratio	8.61%	9.09%	9.45%	10.05%	10.32%
Total Risk-Based Capital Ratio	14.11%	13.08%	14.75%	15.35%	15.47%