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For Immediate Release

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SILVERGATE BANK REPORTS FOURTH QUARTER 2014 RESULTS

LA JOLLA, Calif., February 25, 2015 – Silvergate Bank today announced financial results for the quarter and year ended December 31, 2014, with net income of \$1.68 million and \$5.11 million, respectively. The Bank’s total assets increased to \$864.7 million and equity grew to \$75.6 million.

“We are pleased to announce higher fourth quarter earnings resulting from strong expansion in our net interest income,” said Alan J. Lane, the Bank’s chief executive officer. “We benefited significantly from robust lending activity, particularly in warehouse and other higher yielding residential loan production during the quarter. At the same time, we continued to maintain our historically conservative underwriting standards and industry leading credit quality metrics. Our consistently strong profitability, capital and asset quality all support our ability to expand our banking operations and provide our clients with the expert counsel, innovative products, and outstanding service they have come to expect from us to help them grow their businesses.”

At December 31, 2014, Silvergate Bank’s Tier 1 Leverage Capital Ratio was 9.45% and Total Risk-Based Capital Ratio was 14.75%, both substantially exceeding “well capitalized” minimums of 5% and 10%. The Bank’s ratios of nonperforming loans to total loans and nonperforming assets to total assets decreased slightly to 0.63% and 0.56%, respectively.

“Demand for our innovative residential products was particularly strong in the fourth quarter, as the market responded well to our unique expertise in these areas,” noted Dennis S. Frank, the Bank’s chairman. “We continue to match these efforts with expansion of our core commercial banking activities in San Diego and Orange County,” he added, “which supports our local customers, businesses, and communities.

Financial Performance

The Bank’s net income for the fourth quarter was \$1.68 million, compared to \$980 thousand for the prior quarter and \$1.27 million for the fourth quarter last year. Net income for the year was \$5.11 million, compared to \$5.40 million last year. Total assets at the end of the quarter increased to \$864.7 million, up \$102.9 million due to increased balances in warehouse loans and residential mortgage loans.

The Bank’s net interest income for the quarter was \$7.58 million, compared to \$5.97 million for the prior quarter and \$4.86 million in the fourth quarter of last year. The Bank’s net interest margin for the fourth quarter was 3.80%, compared to 3.26% for the prior quarter, and 3.19% for the fourth quarter last year. Growth in higher yielding residential assets and prepayment fees earned on several paid commercial real estate loans produced the improvement in net interest income and margin.

Noninterest income was \$792 thousand for the fourth quarter, compared to \$638 thousand for the prior quarter. The increase in noninterest income was primarily the result of an increase in the gain on sale of loans during the quarter. Noninterest income totaling \$1.65 million in last year’s fourth quarter consisted primarily of a gain on sale of OREO totaling \$1.3 million. Noninterest expense was \$4.92 million for the fourth quarter of 2014, compared to \$4.61 million for the prior quarter and \$4.73 million for the same quarter last year, due to an increase in general and administrative costs related to expanding the Company’s business banking activities.

Balance Sheet Activity

Loans funded and purchased by the Bank's Mortgage Warehouse Lending Division totaled \$858.8 million for the fourth quarter and \$2.6 billion for the year. Mortgage warehouse loan balances totaled \$190.7 million at December 31, 2014, compared to \$132.7 million at the end of the prior quarter. Residential loan balances, including reverse mortgages, increased 20.7% to \$300.8 million compared to \$249.2 million as of September 30, 2014. Commercial real estate loan balances totaled \$219.7 million at December 31, 2014, compared to \$237.3 million as of September 30, 2014.

Total deposits grew by 10.7% in the fourth quarter. The Bank has experienced an annual growth in deposits of 33.8%, or \$138.1 million, excluding the deposits transferred in the sale of the Bank's Lancaster branch office in the first quarter of 2014. At December 31, 2014, deposits totaled \$546.2 million. The growth in deposits reflected focused local marketing efforts, including a \$27.5 million, or 39.3% increase in transaction accounts, and a \$25.5 million, or 6% increase in money market and savings balances over the prior quarter.

About Silvergate Bank

Silvergate Bank is a San Diego-based bank that specializes in meeting the needs of growing businesses 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. 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.

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

INCOME STATEMENT	Three Months Ended				Year Ended		
	December 31, 2014	September 30, 2014	December 31, 2013	Annual Change	December 31, 2014	December 31, 2013	Annual Change
Interest Income	\$ 8,832	\$ 7,210	\$ 6,022	47%	\$ 28,520	\$ 27,583	3%
Interest Expense	1,248	1,243	1,167	7%	4,837	5,057	-4%
Net Interest Income	7,584	5,967	4,855	56%	23,683	22,526	5%
Provision for Loan Losses	671	396	-	n/a	1,068	8	n/a
Total Noninterest Income	792	638	1,646	-52%	5,630	5,627	0%
Total Noninterest Expense	4,915	4,609	4,726	4%	19,832	19,532	2%
Income Before Taxes	2,790	1,600	1,775	57%	8,413	8,613	-2%
Income Tax Expense	1,110	620	506	119%	3,304	3,217	3%
Net Income	\$ 1,680	\$ 980	\$ 1,269	32%	\$ 5,109	\$ 5,396	-5%
Performance Ratios							
Net Interest Margin	3.80%	3.26%	3.19%		3.36%	3.62%	
Return on Average Assets	0.84%	0.53%	0.83%		0.72%	0.85%	
Return on Average Equity	8.90%	5.30%	7.28%		6.97%	7.52%	
Efficiency Ratio	58.68%	69.79%	72.70%		67.66%	69.38%	
Net Loan Charge-Offs to Average Total Loans	0.01%	-0.01%	0.01%		0.01%	0.02%	
BALANCE SHEET							
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013	Annual Change	
Cash and Due from Banks	\$ 38,138	\$ 33,929	\$ 30,294	\$ 44,820	\$ 18,507	106%	
Investments	57,112	51,815	63,273	66,618	69,466	-18%	
Total Cash & Investments	95,250	85,744	93,567	111,438	87,973	8%	
Securitized Loans, at fair value	29,635	28,675	29,365	28,451	27,918	6%	
Loans Held for Investment ("HFI")	628,392	587,826	488,269	426,893	366,536	71%	
Allowance for Loan Losses	(4,957)	(4,297)	(3,887)	(3,897)	(3,927)	26%	
Loans HFI, net	623,435	583,529	484,382	422,996	362,609	72%	
Loans Held for Sale	107,068	54,872	118,275	150,246	150,739	-29%	
Real Estate Owned ("REO")	-	-	-	3,549	3,559	-100%	
Other Assets	9,304	8,936	8,498	8,164	8,349	11%	
Total Assets	\$ 864,692	\$ 761,756	\$ 734,087	\$ 724,844	\$ 641,147	35%	
Noninterest Bearing Demand Deposits	\$ 88,660	\$ 63,858	\$ 70,988	\$ 54,860	\$ 56,892	56%	
Interest Bearing Demand Deposits	8,811	6,092	6,159	5,850	5,998	47%	
NOW, Money Market, and Savings Accounts	216,796	210,695	189,007	181,874	195,115	11%	
Certificates of Deposit	231,941	212,564	205,944	201,598	195,729	19%	
Total Deposits	546,208	493,209	472,098	444,182	453,734	20%	
FHLB Advances and Other Borrowings	210,000	165,000	157,000	177,000	85,000	147%	
Payables under Securitizations	29,177	25,930	27,668	27,979	27,390	7%	
Other Liabilities	3,740	3,689	4,667	4,537	4,736	-21%	
Total Liabilities	789,125	687,828	661,433	653,698	570,860	38%	
Total Shareholder's Equity	75,567	73,928	72,654	71,146	70,287	8%	
Total Liabilities and Shareholder's Equity	\$ 864,692	\$ 761,756	\$ 734,087	\$ 724,844	\$ 641,147	35%	
Asset Quality Ratios							
Nonperforming Loans to Total Loans	0.63%	0.65%	0.58%	0.59%	0.69%		
Loss Allowance to Nonperforming Loans	103.27%	99.22%	104.83%	108.20%	105.10%		
Allowance for Loan Losses to Loans HFI	0.79%	0.73%	0.80%	0.91%	1.07%		
Nonperforming Assets to Total Assets	0.56%	0.57%	0.51%	0.99%	1.14%		
Capital Ratios							
Tier I Leverage Capital Ratio	9.45%	10.05%	10.32%	11.56%	11.42%		
Total Risk-Based Capital Ratio	14.75%	15.35%	15.47%	17.14%	18.40%		