



Silvergate Capital Corporation
Investor Presentation
August 2022

Forward Looking Statements

This presentation contains forward looking statements within the meaning of the Securities and Exchange Act of 1934, as amended, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Company operations and policies and regarding general economic conditions. In some cases, forward-looking statements can be identified by the use of words such as “may,” “will,” “anticipates,” “believes,” “expects,” “plans,” “estimates,” “potential,” “continue,” “should,” and similar words or phrases. These statements are based upon current and anticipated economic conditions, nationally and in the Company’s market, interest rates and interest rate policy, competitive factors and other conditions which by their nature, are not susceptible to accurate forecast and are subject to significant uncertainty. For details on factors that could affect these expectations, see the risk factors and other cautionary language included in the Company’s periodic and current reports filed with the U.S. Securities and Exchange Commission. Because of these uncertainties and the assumptions on which this presentation and the forward-looking statements are based, actual future operations and results may differ materially from those indicated herein. Readers are cautioned against placing undue reliance on any such forward-looking statements. The Company’s past results are not necessarily indicative of future performance. While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements: changes in general economic, political, or industry conditions; geopolitical concerns, including the ongoing war in Ukraine; the magnitude and duration of the COVID-19 pandemic and related variants and mutations and their impact on the global economy and financial market conditions and our business, results of operations, and financial condition; uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Board of Governors of the Federal Reserve System; inflation/deflation, interest rate, market, and monetary fluctuations; volatility and disruptions in global capital and credit markets; the transition away from USD LIBOR and uncertainty regarding potential alternative reference rates, including SOFR; competitive pressures on product pricing and services; success, impact, and timing of our business strategies, including market acceptance of any new products or services; the impact of changes in financial services policies, laws, and regulations, including those concerning taxes, banking, securities, digital currencies and insurance, and the application thereof by regulatory bodies; cybersecurity threats and the cost of defending against them, including the costs of compliance with potential legislation to combat cybersecurity at a state, national, or global level; and other factors that may affect our future results. The Company does not undertake to publicly revise or update forward-looking statements in this presentation to reflect events or circumstances that arise after the date of this presentation, except as may be required under applicable law. The Company makes no representation that subsequent to delivery of the presentation it was not altered. For the most current, accurate information, please refer to the investor relations section of the Company's website at <https://ir.silvergatebank.com>.

Silvergate

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Silvergate is Critical to the Continuing Expansion of the Digital Currency Industry

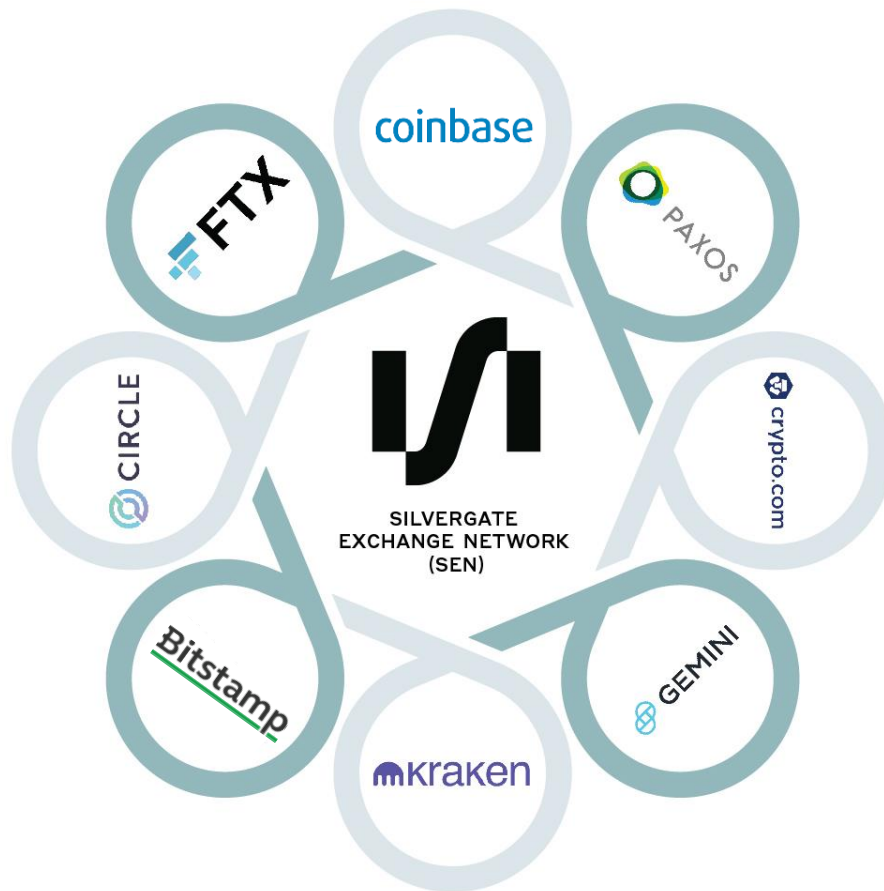


Note: Customer data as of June 30, 2022.



Our Proprietary Technology Platform: Silvergate Exchange Network (“SEN”)

24/7 real-time transfers of USD between exchanges and investors using our proprietary API



Network effects create value and moat



Efficient customer acquisition tool



Fuels zero-cost funding strategy



Beachhead product for portfolio of services



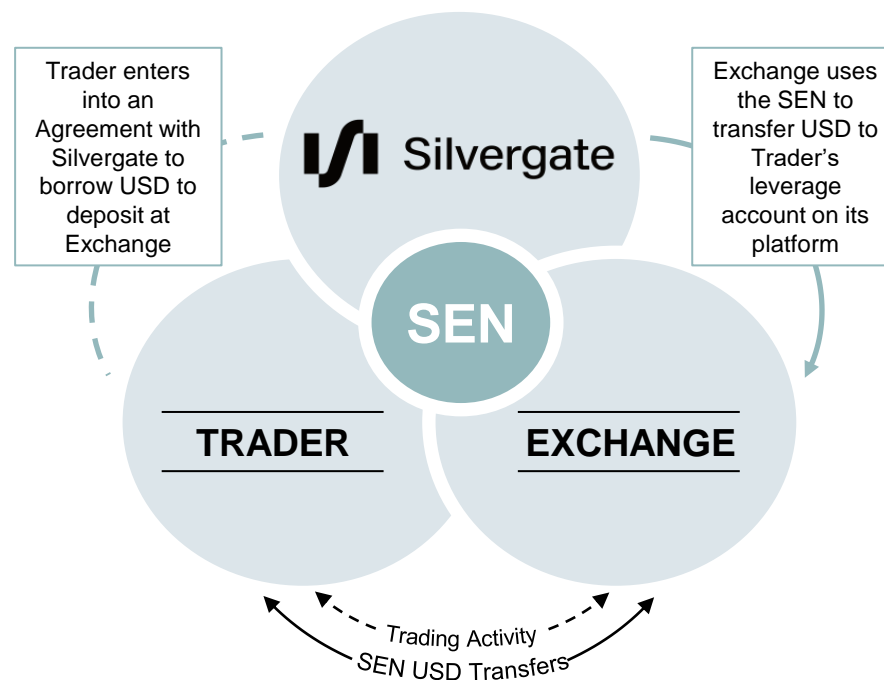
Enables multiple growth vectors

The value of the SEN to our customers increases with each incremental participant and broadens the opportunity for further adoption of Silvergate’s services



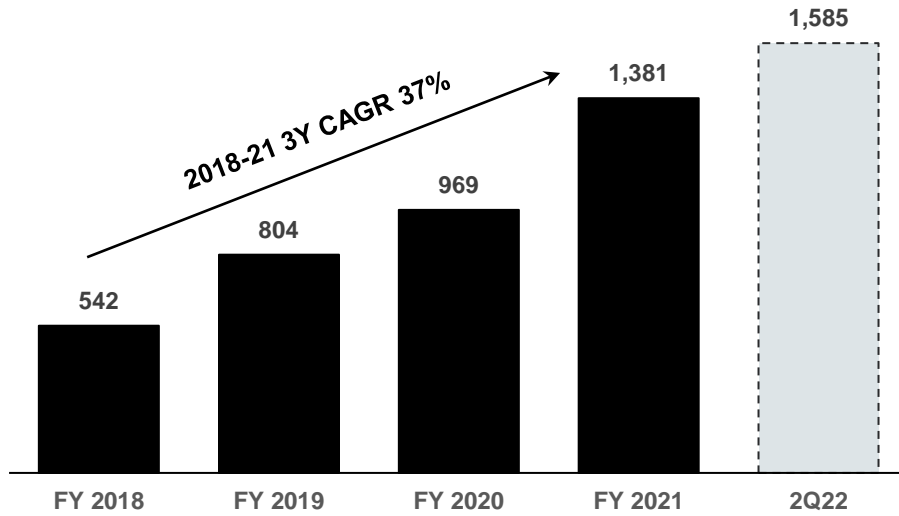
SEN Leverage: The Next Step in Driving Capital Efficiency

- ✓ Institutional investors seeking greater capital efficiency
- ✓ USD lines-of-credit collateralized by bitcoin
- ✓ Mid-single digit spreads
- ✓ 24/7 API-enabled loan funding and monitoring
- ✓ Zero cumulative losses
- ✓ Massive potential market creates opportunity for recurring, asset management revenue



Platform Fueled by Powerful Network Effects

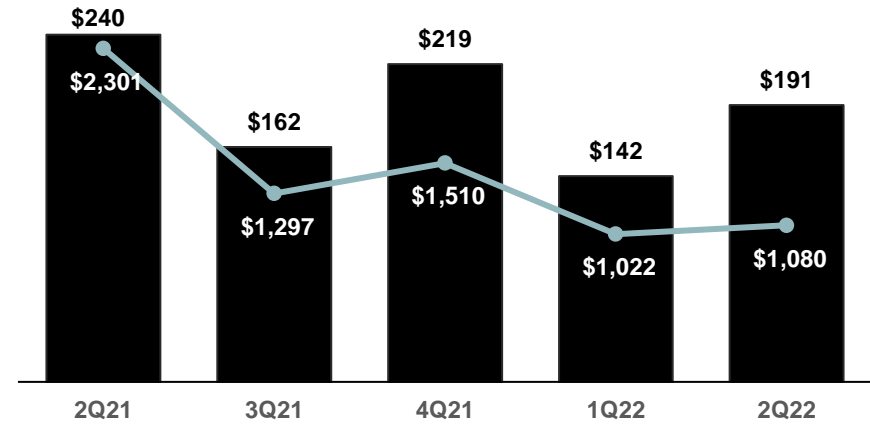
Digital Currency Customers



Dollar Trading Volume

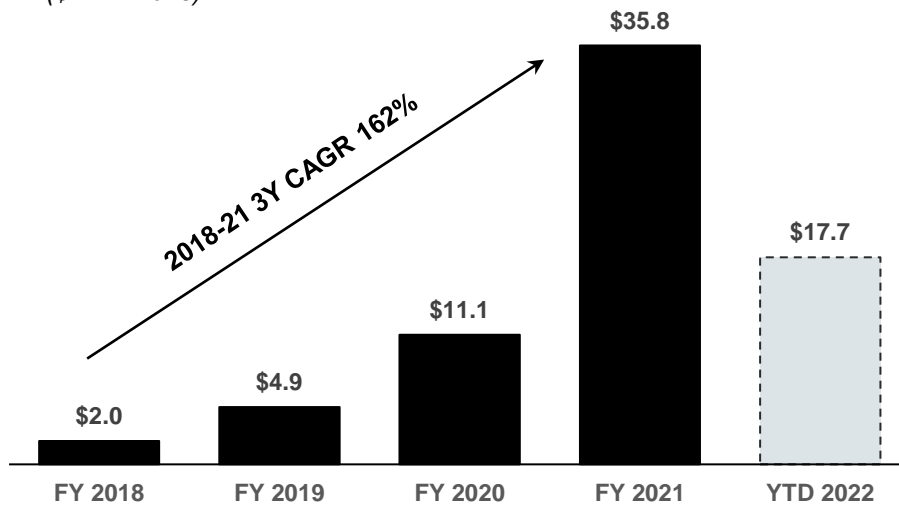
(\$ in billions)

■ SEN Transfers ● BTC and ETH Spot Trading Volume



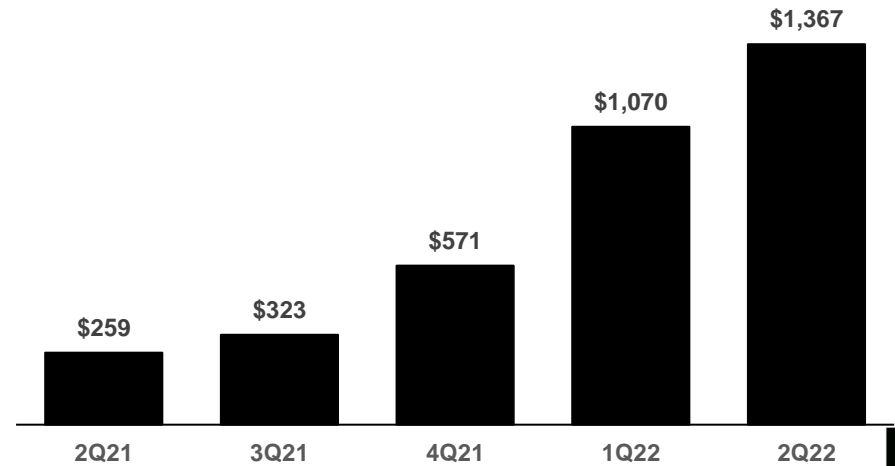
Transaction Revenue

(\$ in millions)



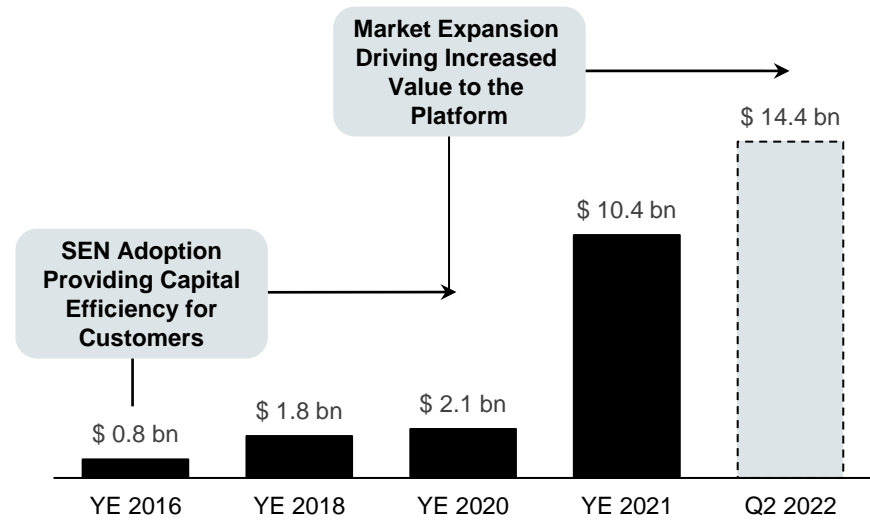
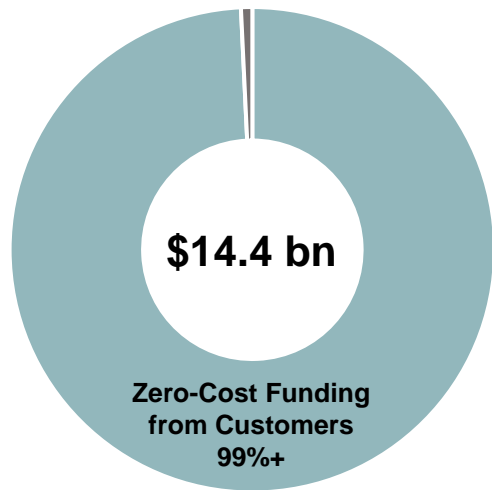
SEN Leverage

(\$ in millions)

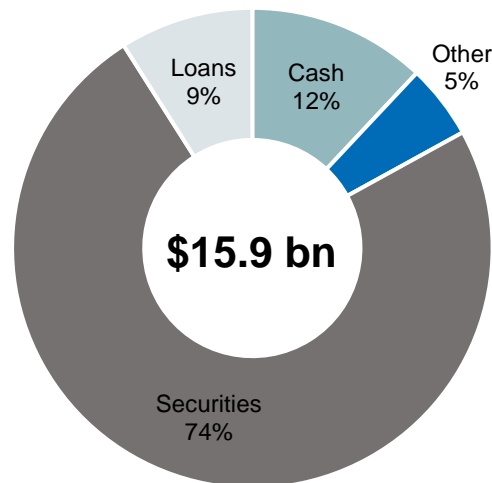


Our Zero-Cost Funding from Customers is a Strategic Advantage

Funding from Customers



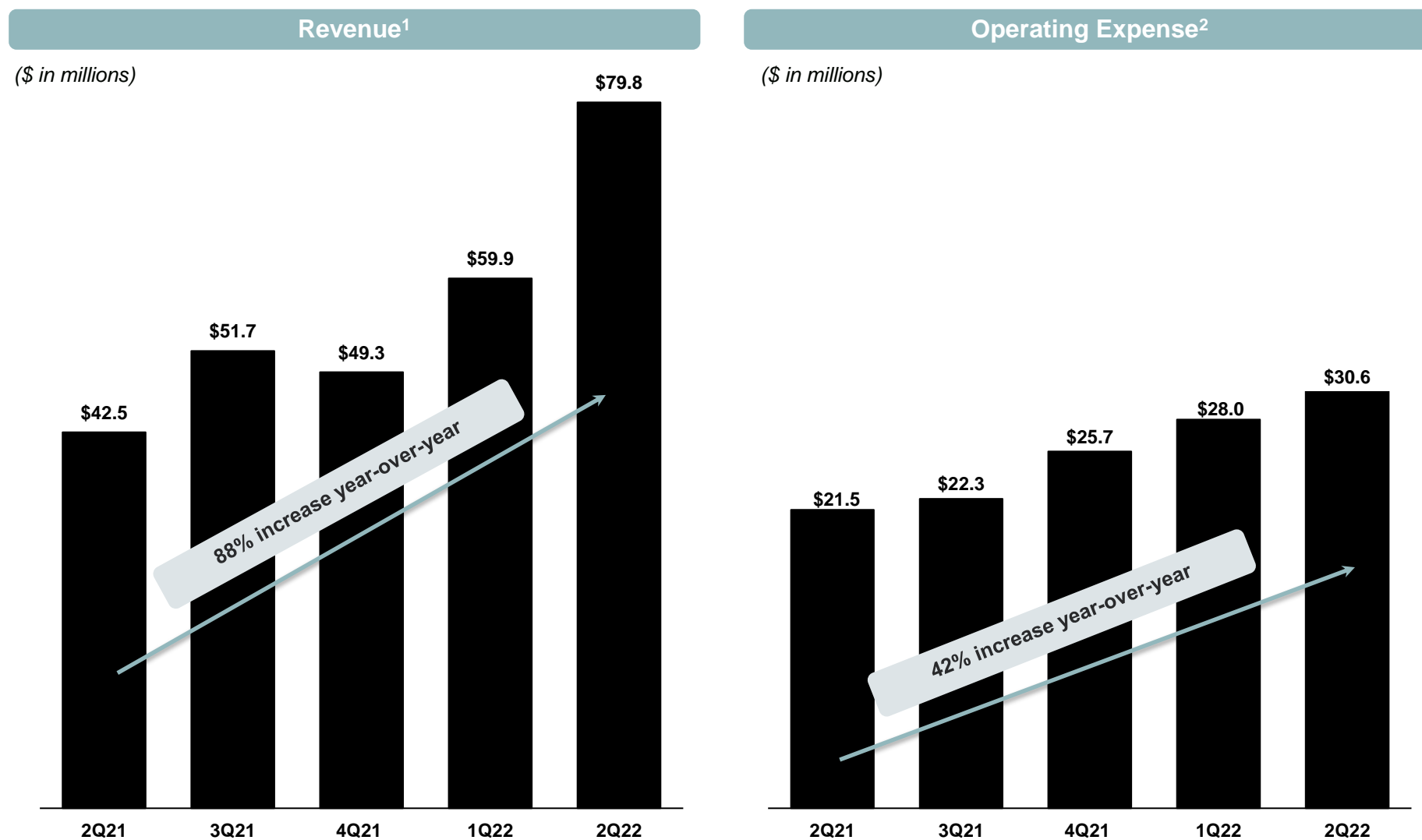
Asset Allocation



- ✓ **Highly liquid asset strategy**
- ✓ **Optimized to facilitate customer flows**
- ✓ **Significant capacity to grow SEN Leverage**



Platform is Driving Revenue Growth and Operating Leverage

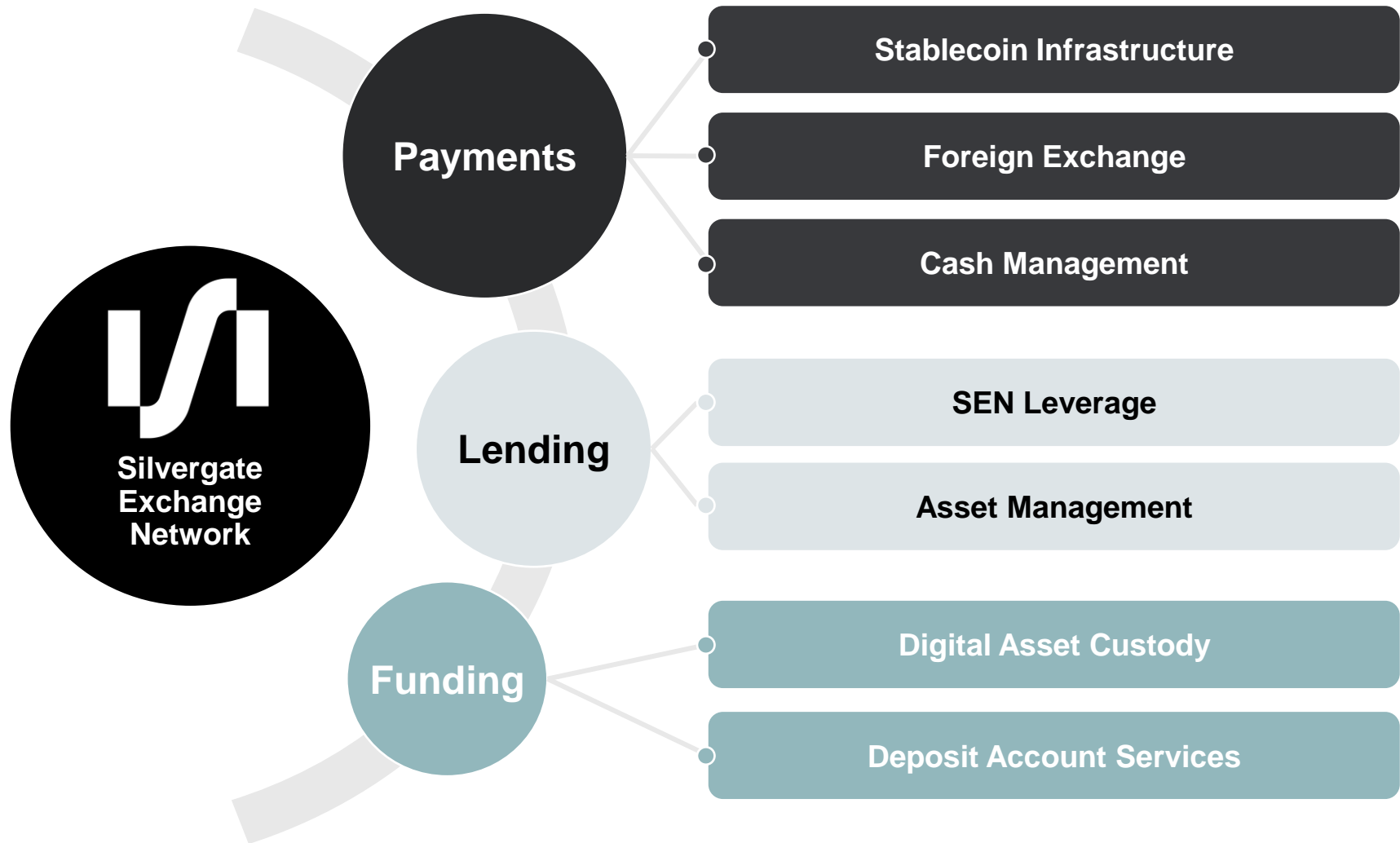


Expanding profitability while making investments in strategic growth initiatives

¹ Net Interest Income + Noninterest Income.
² Total Noninterest Expense.



Network Effects of the SEN Create Multiple Avenues for Growth



The network effects of the SEN reinforce the strength of our product offerings, create a platform to launch new customer solutions, and enable high-quality revenue streams

Investment Highlights

The Payment Rails Enabling the Digital Currency Markets

Established and Rapidly Growing Customer Network

Expanding SEN Platform Enabling High-Growth, High-Quality Revenue Streams

Robust Compliance Framework

Innovative Technology with Multiple Growth Vectors



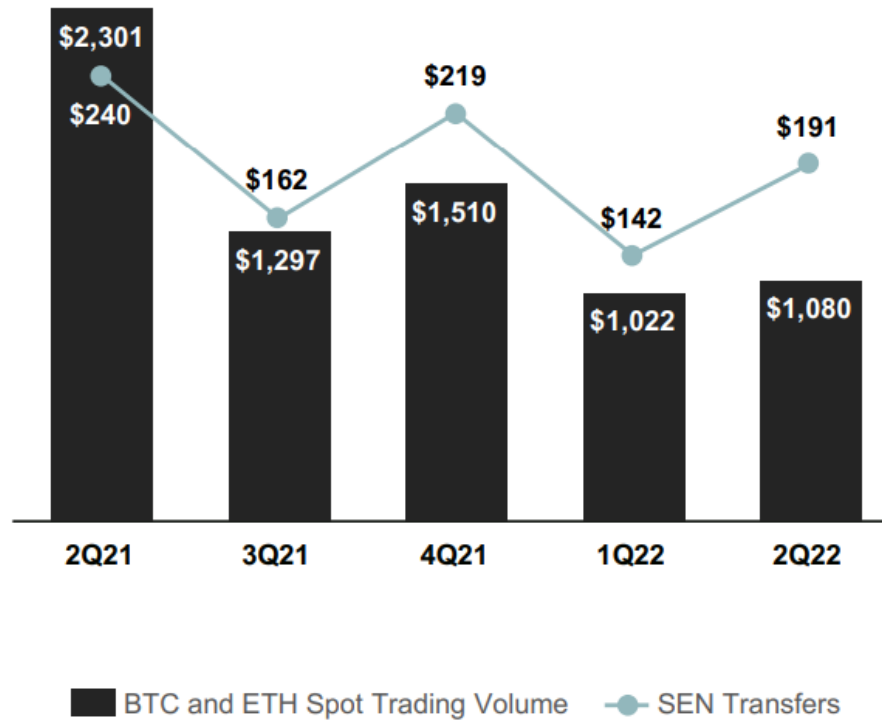
The background features a large, stylized white letter 'S' centered on a black field. This 'S' is overlaid by several semi-transparent gray shapes: a large 'U' shape on the left, a vertical bar on the right, and a horizontal bar at the bottom. The word 'Appendix' is written in white, sans-serif font across the middle of the 'S' shape.

Appendix

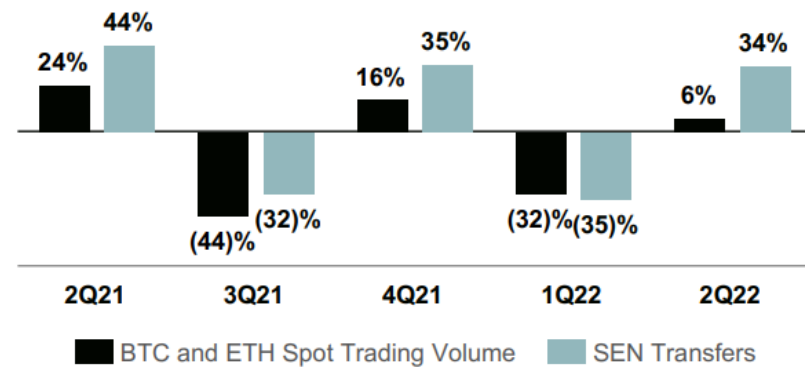
Broader Crypto Industry Trends

Dollar Trading Volume

(\$ in billions)



% Change in Dollar Volume by Quarter



Commentary

- Industry volume is based on Bitcoin and Ethereum daily trusted spot volume as defined by Coin Metrics from exchanges that they consider the most accurate and trustworthy
- Strong correlation between SEN dollar volume and industry volume by quarter



Robust Compliance and Risk Management Framework



Initial Due Diligence

- **Executive Summary**
 - Company Description & Management Team
 - Product & Target Customer
 - Operational Needs
- **Reputation Review**
 - Customer Complaints
 - Pending/Prior Litigation
- **Compliance Review**
 - Review of Organization's Culture of Compliance
 - BSA/AML Program
 - Confirm Money Transmitter Registration & Licensing
 - Review Independent Audits & Exams
 - Site Visit
 - UDAAP Policy/Procedure
 - Information Security

Ongoing Monitoring

- **Daily**
 - BSA/AML Alerts Monitoring
 - Industry News Monitoring
- **Enhanced Due Diligence**
 - Customer Counterparty Reviews
 - Negative News Reviews
- **Periodic Review**
 - Quarterly Account Activity Reviews
 - Annual Company Reviews
- **Management Reporting**
 - Reports to Management Risk Committee
 - Reports to Management Loan Committee
 - Quarterly BSA Risk Assessment
 - 3 former BSA Officers on Staff

Our compliance process was built over the past eight years and has provided us with a strategic advantage within the digital currency industry that is the cornerstone of our leadership position today



2Q22 Financial Results

\$35.9M

+45% vs PQ
+72% vs PY

**Net Income Available
to Common Shareholders**

\$79.8M

+33% vs PQ
+88% vs PY

Revenue

10.02%

+4% vs PQ
+28% vs PY

Tier 1 Leverage Ratio

\$1.13

+43% vs PQ
+41% vs PY

Diluted EPS

\$30.6M

+9% vs PQ
+42% vs PY

Noninterest Expense

\$15.9B

Flat vs PQ
+29% vs PY

Total Assets

