

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): May 5, 2021

SILVERGATE CAPITAL CORPORATION
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

001-39123
(Commission file number)

33-0227337
(IRS Employer
Identification No.)

4250 Executive Square, Suite 300, La Jolla, CA 92037
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(858) 362-6300**

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock, par value \$0.01 per share	SI	New York Stock Exchange

ITEM 7.01 REGULATION FD DISCLOSURE.

Silvergate Capital Corporation (the "Company") is filing an investor presentation (the "Presentation") that will be used by Company management for presentations to investors and others. The Presentation replaces and supersedes investor presentation materials previously furnished as an exhibit to the Company's Current Reports on Form 8-K. A copy of the Presentation is attached hereto as Exhibit 99.1. The Presentation is also available on the Company's website at <https://ir.silvergatebank.com> on the Presentations page in the Investor Relations section.

The information furnished under Item 7.01 and Item 9.01, including Exhibit 99.1 hereto, of this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liabilities under that Section, nor shall it be deemed incorporated by reference into any registration statement or other filings of the Company made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit

<u>Number</u>	<u>Description</u>
99.1	Investor Presentation May 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

SILVERGATE CAPITAL CORPORATION

Date: May 5, 2021

By: /s/ Alan J. Lane
Alan J. Lane
President and Chief Executive Officer

Silvergate Capital Corporation Investor Presentation

May 2021

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 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 discussion 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. Further, given its ongoing and dynamic nature, it is difficult to predict the full impact of the COVID-19 outbreak on our business. The extent of such impact will depend on future developments, which are highly uncertain, including when the coronavirus can be controlled and abated and when and how the economy may be fully reopened. As the result of the COVID-19 pandemic and the related adverse local and national economic consequences, we could be subject to any of the following risks, any of which could have a material, adverse effect on our business, financial condition, liquidity, and results of operations: the demand for our products and services may decline, making it difficult to grow assets and income; if the economy is unable to fully reopen as planned, and high levels of unemployment continue for an extended period of time, loan delinquencies, problem assets, and foreclosures may increase, resulting in increased charges and reduced income; collateral for loans, especially real estate, may decline in value, which could cause loan losses to increase; our allowance for loan losses may increase if borrowers experience financial difficulties, which will adversely affect our net income; the net worth and liquidity of loan guarantors may decline, impairing their ability to honor commitments to us; as the result of the decline in the Federal Reserve Board’s target federal funds rate to near 0%, the yield on our assets may decline to a greater extent than the decline in our cost of interest-bearing liabilities, reducing our net interest margin and spread and reducing net income; our cyber security risks are increased as the result of an increase in the number of employees working remotely; and FDIC premiums may increase if the agency experiences additional resolution costs. 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.

Silvergate

Solely for convenience, we refer to our trademarks in this presentation without the ® or the ™ or symbols, but such references are not intended to indicate that we will not fully assert under applicable law our trademark rights. Other service marks, trademarks and trade names referred to in this presentation, if any, are the property of their respective owners, although for presentational convenience we may not use the ® or the ™ symbols to identify such trademarks. In this presentation, we refer to Silvergate Capital Corporation as “Silvergate” or the “Company.”



Increasing Institutional Demand for Digital Currencies

Select Large Institutional Participants



Institutional Investor Commentary

“One of the things that’s interesting about bitcoin is that it gets less risky the higher it goes. That’s the opposite of what happens with most stocks.”

- Bill Miller, Miller Value Funds

“This is a portable and modern way to store capital. The more likely trajectory [of bitcoin] is that people can make a monumental amount of money. Bitcoin is unfettered by Federal Reserve policy or gold supply issues.”

- Anthony Scaramucci, Skybridge Capital

Catalysts

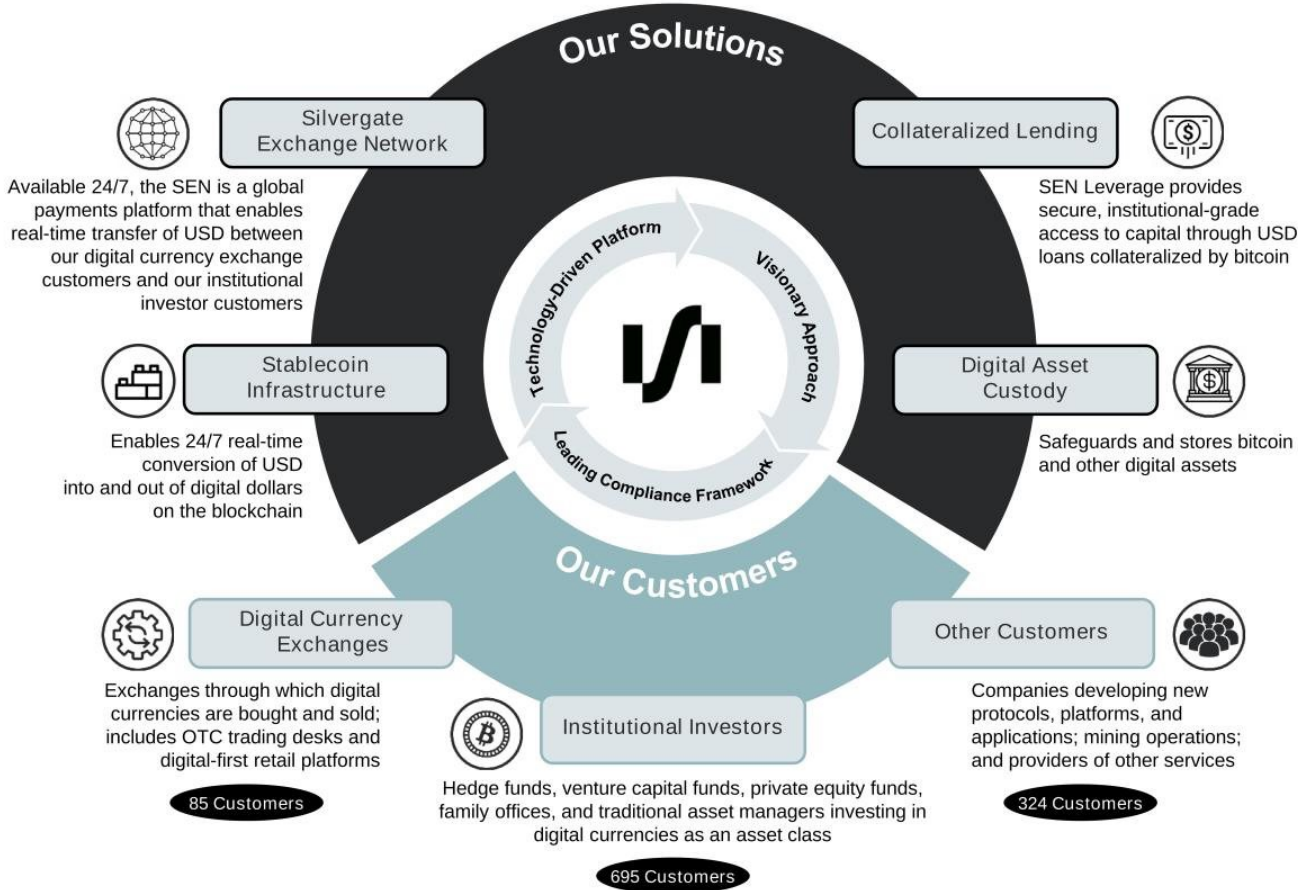
- Sudden and significant expansion of the US and global money supply
- Buildout of institutional-grade market infrastructure
- Increasing regulatory clarity

Impact

- Large institutional investors are increasingly incorporating digital currencies into their portfolios
- Corporate treasuries are beginning to own bitcoin
- Accelerating capital flows into digital currency infrastructure companies



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



Note: Customer data as of March 31, 2021.



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



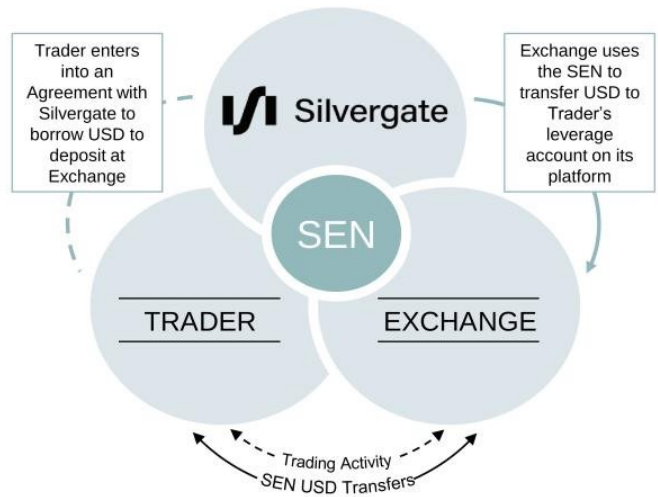
Enables multiple growth vectors

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



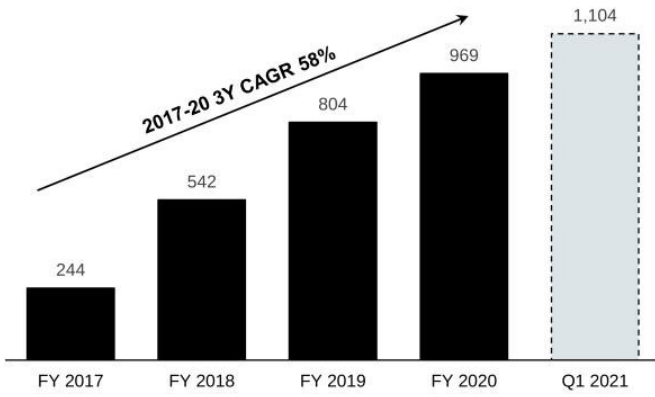
SEN Leverage: The Next Step in Driving Capital Efficiency

- ✓ 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



Our Growth is Fueled by Powerful Network Effects

Digital Currency Customers

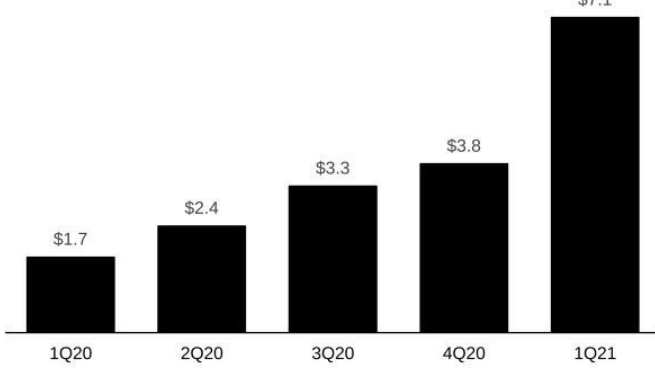


SEN Transfers



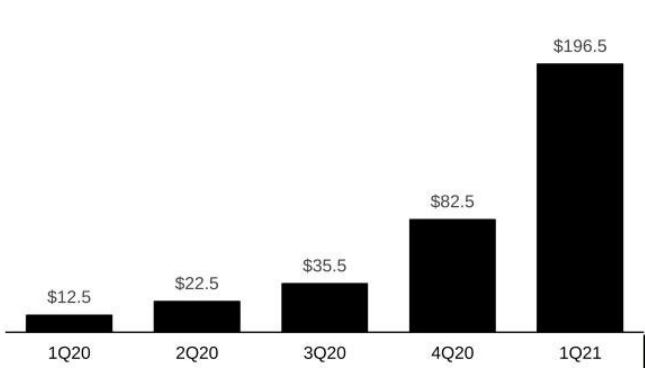
Transaction Revenue

(\$ in millions)



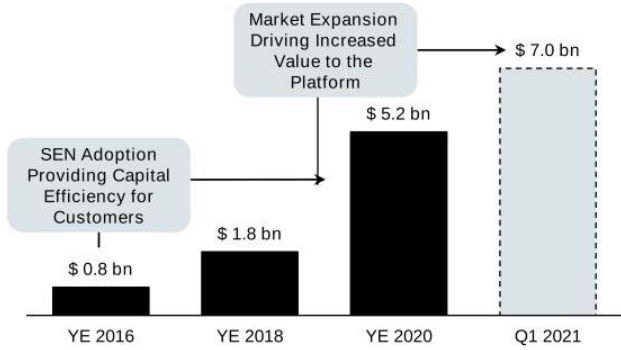
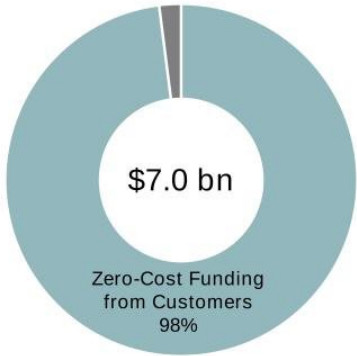
SEN Leverage

(\$ in millions)

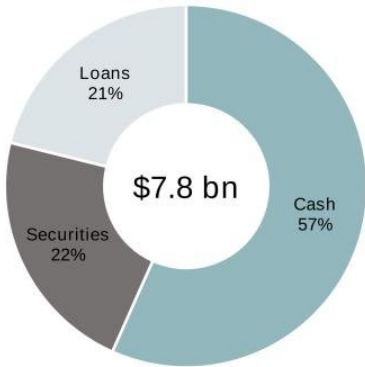


Our Zero-Cost Funding from Customers is a Strategic Advantage

Funding from Customers



Asset Allocation

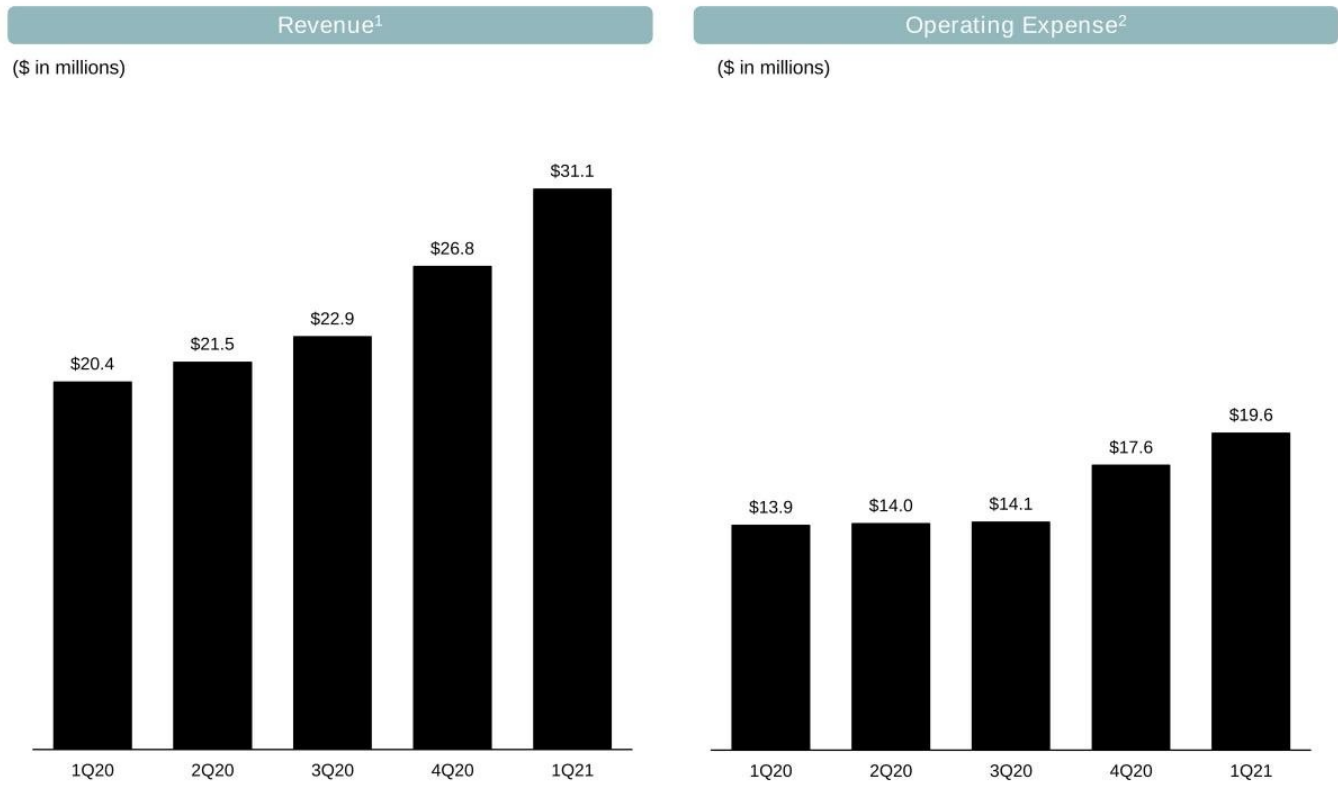


- ✓ Highly liquid asset strategy
- ✓ Optimized to facilitate customer flows
- ✓ Significant capacity to grow SEN Leverage

Note: Data as of March 31, 2021 unless otherwise noted.



Platform is Driving Revenue Growth and Operating Leverage

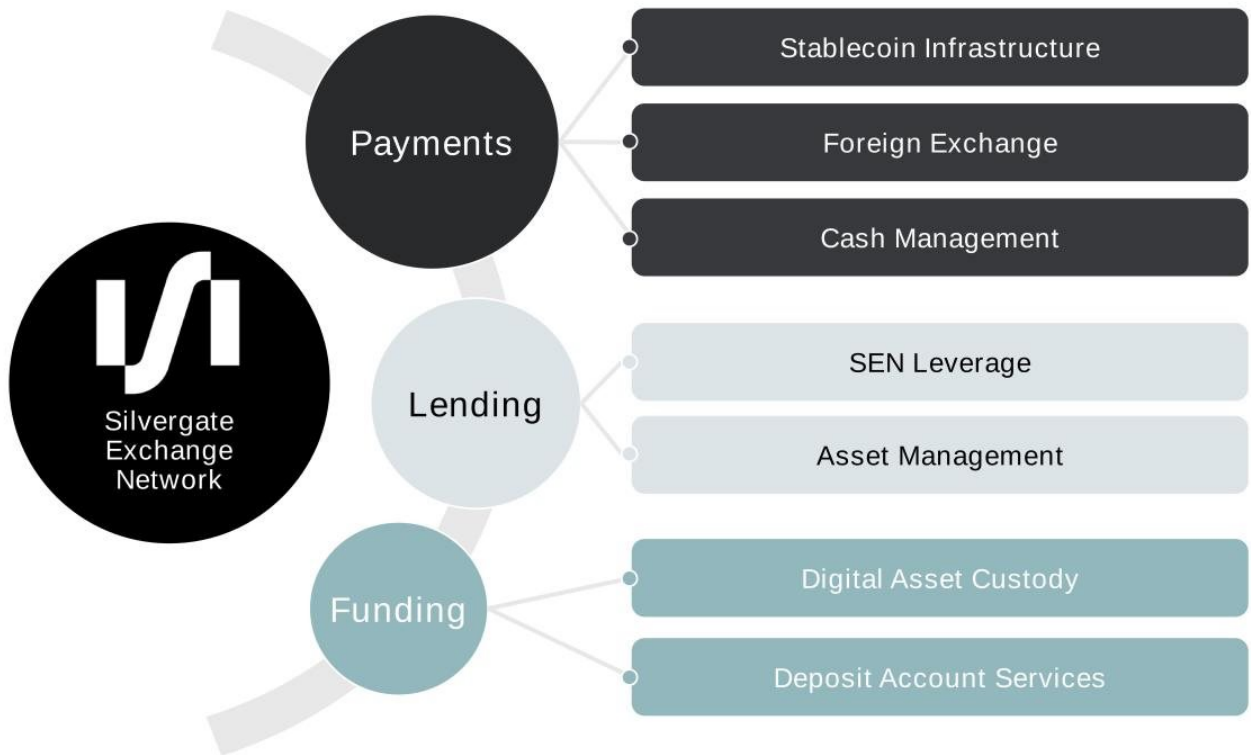


Expanding profitability while making investments in strategic growth initiatives

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 revenues



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

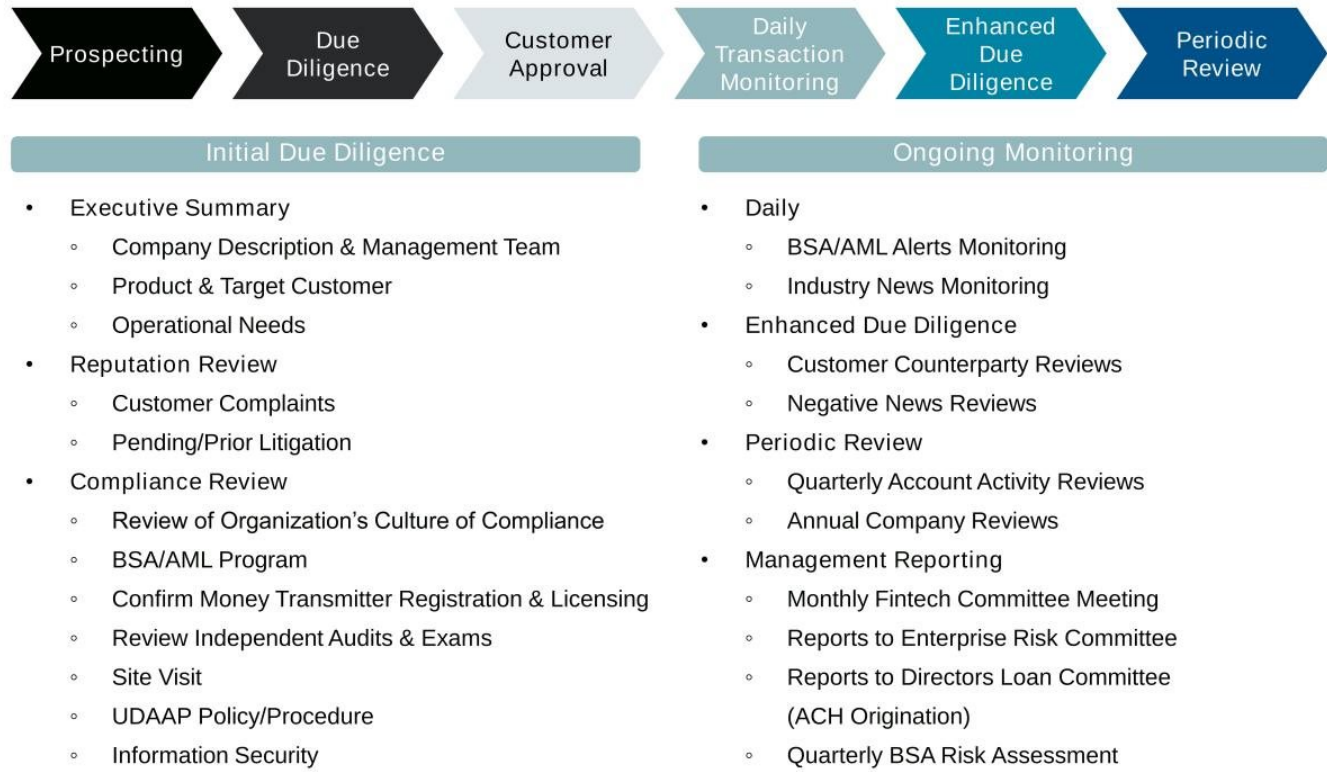
Innovative Technology with Multiple Growth Vectors



The image features a large, stylized letter 'S' in a dark gray color, centered on a black background. The 'S' is composed of two overlapping, rounded rectangular shapes. To the left and right of the 'S' are two vertical, dark gray rectangular bars. The word 'Appendix' is written in a white, sans-serif font, positioned to the left of the 'S' and partially overlapping the left gray bar.

Appendix

Robust Compliance and Risk Management Framework



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



1Q21 Financial Results

(In millions, except per share data)

	1Q21	1Q21 vs	
		4Q20	1Q20
		% Increase / (Decrease)	
Income Statement			
Net interest income	\$ 23.0	5 %	49 %
Provision for loan losses	—	N/M	N/M
Noninterest income	8.1	67 %	64 %
Noninterest expense	19.6	11 %	41 %
Pre-tax income	11.5	28 %	86 %
Income tax benefit	(1.2)	759 %	(168) %
Net income	\$ 12.7	39 %	189 %
Diluted EPS	\$ 0.55		
Balance Sheet			
Securities available-for-sale	\$ 1,717	83 %	78 %
Total loans	\$ 1,626	1 %	46 %
Total assets	\$ 7,757	39 %	236 %
Digital currency related deposits	\$ 6,793	35 %	301 %
Total shareholders' equity	\$ 714	142 %	192 %
Book value per share	\$ 28.75	84 %	119 %
Outstanding shares	24.8		
Weighted average diluted shares	23.0		



