



SILVERGATE BANK

COMMUNITY REINVESTMENT ACT

2020—2023 STRATEGIC PLAN

Table of Contents

SECTION I. INTRODUCTION	3
SECTION II. SILVERGATE BANK.....	3
SECTION III. ASSESSMENT AREA	4
SECTION IV. STRATEGIC PLAN OVERVIEW	7
SECTION V. PERFORMANCE GOALS AND MEASURABLE STANDARDS.....	8
APPENDICES.....	14
APPENDIX A. ASSESSMENT AREA AND CENSUS TRACTS	14
APPENDIX B. CERTIFICATE AND AFFIDAVIT OF PUBLICATION	17

SECTION I. INTRODUCTION

It is the goal of Silvergate Bank (“Silvergate” or “Bank”) to fully comply with the spirit and regulations of the Community Reinvestment Act (“CRA”). To accomplish this, the Bank has established a comprehensive CRA Program that includes program, policy, and oversight and active participation from the Silvergate board of directors, management, CRA Officer, Compliance Department, and bank employees.

Silvergate has demonstrated its ongoing commitment to CRA under two successive CRA strategic plan periods covering five years. The Bank’s commitment continues with the election of a third CRA Strategic Plan (“Plan”). Given Silvergate’s non-traditional bank model, a strategic plan’s flexibility ensures that the Bank’s strengths and capacity are leveraged for appropriate CRA performance goals, ultimately affording more efficient and meaningful reinvestment in the community.

In developing this Plan, management examined information on and from the Bank, its assessment area, community partners, public participants, peer banks, and regulator-approved CRA strategic plans. Its stated goals are informed by evaluating relevant factors from these sources.

SECTION II. SILVERGATE BANK

A. Corporate Background and History

Silvergate Bank is a California state-chartered commercial bank headquartered in La Jolla, California and regulated by the California Department of Business Oversight. Silvergate is a member of the Federal Reserve System and subject to supervision by the Federal Reserve Bank of San Francisco. Silvergate is a wholly owned subsidiary of Silvergate Capital Corporation, a federally registered bank holding company.

Silvergate Bank began operations in 1988 under a California industrial loan company charter as an institution with a focus on commercial real estate lending and wholesale deposit activities. In February 2009, the Bank completed its charter change to a state chartered commercial bank. In December 2012, the Bank became a Federal Reserve member bank.

B. Business Model and Vision

Silvergate’s business model and vision differ from those of a traditional bank. While Silvergate provides financial services that include commercial banking, commercial and residential real estate lending, and mortgage warehouse lending services, it is a leader in providing specialized commercial banking products and services to emerging financial technology (“Fintech”) companies throughout the United States and beyond. Silvergate’s focus on commercial products and services, combined with its success in banking the Fintech industry, has produced characteristics unique to banking that feature: a client base consisting primarily of businesses; a nationwide deposit funding source that utilizes an online banking platform; a small retail presence of one physical branch and one online deposit division; no consumer lending products; a diverse asset mix; and active management of a highly flexible and liquid

balance sheet where Fintech deposits with potential volatility are maintained in cash or short-term securities rather than as a loan funding source.

Silvergate strives to provide high quality banking products and efficient personalized service to businesses, individuals, and professionals in the greater Southern California market, along with a broader, nationwide focus on Fintech banking and mortgage warehouse and correspondent residential lending. Since 2016, the Bank's Fintech focus targeted business clients that recognized cryptocurrencies as a distinct asset class, including digital currency exchanges and institutional investors such as hedge funds, market makers, and venture capital firms. The Bank offers to these clients deposit accounts and cash management services. It also operates a small volume, online division that offers only a few money market account and certificates of deposit options, while its single branch offers only demand deposit and savings accounts. The Bank originates commercial real estate loans and business asset-based lines of credit. Its residential lending activities are limited to providing liquidity to mortgage companies through warehouse and correspondent lending channels.

The Bank's mission is to work with and for its stakeholders by providing banking products, services, and programs that benefit its customers and communities, creating opportunities for its employees, producing attractive returns for its shareholders, and maintaining compliance with all laws and regulations that apply to the Bank. In pursuing this mission, Silvergate also seeks to operate as a flexible, entrepreneurial, and opportunistic organization that can capitalize on inefficient or underserved markets.

C. Financial Information

As of June 30, 2019, Silvergate had total assets of \$2,238,361,00 and total liabilities of \$2,017,869,000. Silvergate's assets include \$927,292,000 in loans, \$340,661,000 in cash, and \$920,544,000 in other investments. Of the total loans, \$855,444,000 were real estate secured and \$13,054,000 were commercial. Total deposits of \$1,950,645,000 were comprised of 83% demand deposits. The bank is well capitalized with a Tier 1 Capital ratio of 10.62 percent.

The Bank's 47.18% loan-to-deposit ratio is low compared to other banks due to it having a high concentration of volatile deposits that it does not utilize for lending purposes. Silvergate's internal classification considers its digital currency related deposits to be potentially volatile and represent 57% of all deposits. It's the Bank's policy to maintain available liquidity in excess of these deposits; therefore, the Bank generally does not utilize these deposits for lending purposes.

SECTION III. ASSESSMENT AREA

A. Description

Silvergate's defined assessment area ("AA") consists of the San Diego-Carlsbad Metropolitan Statistical Area (MSA). The Bank's main office and one branch is located within this same MSA. The MSA is made up of one county, San Diego County. Appendix A contains a map of the Bank's assessment area and a listing of individual census tracts located within it.

San Diego County is located in Southern California, bordered by Mexico to the south, the Pacific Ocean to the west, and the Anza Borrego Desert on the east. The County includes a mix of urban and rural communities, from coastal beachfront to mountain and desert areas. It encompasses 4,300 square miles with 70 miles of coastline and natural harbors, yet, much of the county's land area is considered rural.

B. Relevant Characteristics and Information

According to the 2010 U.S. Census, San Diego County ranks second in population in California and is the 5th most populous county in the nation.¹ The population of the San Diego MSA in 2018 was estimated at over 3.3 million people.² The area is approximately 64% white, 32% Hispanic, 11% Asian, and 5% black.³ Almost one third of the 2010 population was located in low- or moderate-income tracts.⁴ The median household income in 2017 was \$70,588⁵.

San Diego's economic industries include a diverse mix of health care, telecommunications, biotechnology, electronic/instrument manufacturing, defense, tourism, and international trade. An active port facilitates commerce with Mexico and the Pacific Rim nations. Many of these sectors capitalize on the highly educated and skilled labor force in the county.

Economic conditions are strong. The U.S. Bureau of Labor Statistics calculated a 3.1% local unemployment rate for May 2019⁶. Local employment increased to more than 1.49 million jobs in the first quarter of 2019. Help wanted advertising has decreased locally as of May 2019.⁷ Also in 2019, price inflation remained limited while wages rose moderately.⁸

The San Diego housing market is expensive and tight. Housing costs are 130% above the national average. Recent housing data show home costs and apartments rents in 2019 are up from prior years, while the available housing inventory for sale and rent has reduced.⁹ Home prices have increased to \$668,500 on average, surpassing its peak of \$581,800 in 2006.¹⁰ The average resident who purchases a home pays upwards of 49% of their annual income on housing cost. Apartment rents averaged \$1,960 as of May 2019.¹¹ San Diego is one of the most unaffordable areas for renters among the 50 largest areas in the country, according to a University of Southern California report published in the HUDs research journal *Cityscape*.¹² Preliminary data from US Census Bureau Building Permits Surveys on new

¹ United States Census Bureau. *2010 Census*. U.S. Census Bureau. 2010.

² American FactFinder (US Census Bureau) *Annual Estimates of the Resident Population: 2018 Population Estimates*. 2018

³ CRA Wiz (PCI Corporation, Inc.) *Worksheet B: Assessment Area In-Depth*. Census Year 2010.

⁴ *Id.* *Percentage of Demographic Data by Income Level of Tract*. Census Year 2010.

⁵ American Community Survey (US Census Bureau) *2013-2017 Median Household Income*. 2018.

⁶ Office of Policy Development and Research (U.S. Department of Housing and Urban Development) *Market at a Glance: San Diego County, California*. July 2019.

⁷ Burnham-Moores Center for Real Estate (University of San Diego) *Leading Economic Indicators*. July 2016.

⁸ Federal Reserve District. *Current Economic Conditions*. July 2019.

⁹ Office of Policy Development and Research (U.S. Department of Housing and Urban Development) *Market at a Glance: San Diego County, California*. July 2019.

¹⁰ *Id.*

¹¹ *Id.*

¹² Myers, Dowell and Jungho Park, *A Constant Quartile Mismatch Indicator of Changing Rental Affordability in U.S. Metropolitan Areas, 200 to 2016*. Volume 21, Number 1, 2019.

multifamily building activity from Q1 2018 to Q1 2019 show a drastic reduction in permits from the prior 12-month period and typical annual average.¹³

C. Financial Institution Competition

The San Diego MSA is considered very competitive; it contains numerous national and regional banks as well as credit unions and finance companies. As of June 2018, there were 53 FDIC-insured depository financial institutions in the San Diego County market, with a combined total of \$89.5 billion in deposits.

Many of these financial institutions have a main office in San Diego. Several large credit unions are also headquartered in San Diego County. There were 11 banks and 16 credit unions with a main office in San Diego County. Of those financial institutions, eight banks and 12 credit unions had assets greater than \$100 million. The top ten largest of those depository institutions as of March 31, 2019, were: Axos Bank, San Diego County CU, Mission Federal CU, California Coast CU, Silvergate Bank, Seacoast Commerce Bank, U.S.E. CU, Frontwave CU, CalPrivate Bank, and Bank of Southern California.

Over half of the MSA deposit market share is captured by just three financial institutions. Wells Fargo Bank, Bank of America, and JPMorgan Chase Bank amount to 52 percent. Silvergate accounts for only 1.74 percent.

Between large credit unions and nationwide banks, there is a high level of competition for the extension of CRA qualified lending, especially community development loans. A challenge in achieving its goals related to the CRA is the presence of larger local and regional financial institutions, with larger branch networks, more employees, and better brand recognition, that are able to capture the majority of the community development and lending opportunities in its assessment area.

Silvergate's retail footprint is rather small and with a staff of approximately 200 employees, the Bank is challenged to find safe and sound business lending opportunities, feasible community development opportunities, and appropriate investment and service opportunities. Additionally, Silvergate's business model has virtually excluded the origination of mortgages for the last several years, causing the Bank to look to secondary market activities and investments to adequately participate in the provision and satisfaction of the affordable housing needs in our community. Most of the mortgage originations purchased via correspondent lenders occur outside the Bank's assessment area.

D. Community Needs and Opportunities

According to stakeholders in the community, San Diego lacks affordable housing, economic/workforce development programs and financing, and community service organization funding. Respondents commonly cited rising rents and housing costs, low housing vacancy, a homelessness problem, short supply of affordable housing, and a critical need for not just low- or moderate-income housing but also middle-income housing. Numerous responses noted a need for programs that support residents in locating and becoming qualified for quality jobs, as well as becoming more financially literate. Many participants noted a funding gap, where organizations lacked resources to carry out their missions. According to some, San Diego has relatively few Fortune 500 companies that often invest in community development.

¹³ U.S. Census Bureau, *Building Permits Survey*, May 2019.

Local conditions further demonstrate an ongoing need and opportunity for the Bank to continue to support the prevailing needs of sustained economic and workforce development, community development financing, community service, and housing initiatives. San Diego has extremely high housing costs. LMI areas are becoming gentrified. Affordable housing inventory is low and diminishing. Available land is scarce and expensive. It's estimated to have the 4th largest homeless population in the country. Its strong military presence has created a large veteran population with unique needs. Automation of labor and online sales eliminated LMI jobs, while other jobs remain unfilled due to unmet skills.

SECTION IV. STRATEGIC PLAN OVERVIEW

Under the Bank's first strategic plan that ended in 2016, it met or exceeded all enumerated goals. A subsequent approved plan further evidenced its strong commitment by setting considerable and demanding goals to the benefit of its defined assessment area and beyond. Although the Bank has not yet been evaluated under its current plan, internal tracking to date shows that the Bank has embraced its enumerated obligations.

The Bank's commitment continues with the election of this Plan, which below specifies an effective date and term, details its development, and states its goals.

A. Effective Date and Term

Silvergate proposes that this submitted Plan be immediately effective upon the conclusion of the strategic plan ending on December 31, 2019, and remain in effect for four calendar years of 2020-2023.

If during the term of this Plan there are material changes to Silvergate Bank's condition, mission, objectives, or operations, and the Plan is no longer appropriate or viable, the Bank may seek approval to amend or modify the Plan from the Board of Governors of the Federal Reserve System. Upon approval of a modified plan, the Bank would continue to operate under the approved modified plan for the remaining duration of the term.

B. Plan Development

In developing its Plan, Silvergate sought to assess community needs and characteristics as well as evaluate CRA performance context considerations such as the Bank's capacity and constraints due to its unique business model, past performance, and competitive environment. After categorizing community input, Silvergate was able to identify top areas on which to focus.

In obtaining the community needs summarized above in the *Community Needs and Opportunities* section, Bank management garnered input from more than 20 community organizations by: 1) engaging key public stakeholders through distribution of a community needs survey; 2) leveraging community assessment reports and other resource materials created by local hospitals, community development nonprofits, government agencies, et al.; and, 3) participating in informal, and ongoing dialogue between community partners and bank employees who provide volunteer service to them. A needs assessment survey soliciting input on top community development challenges, needs, and gaps was sent to fifteen community contacts, representing community service nonprofit, community development financial

institution, affordable housing, workforce development, financial education, higher learning, and economic development sectors. Needs were further identified through a community partner's concurrent assessment of community opportunities and challenges. Informed by more than 25 interviews and focus groups, that process identified more than 200 opportunities and 100 comments regarding challenges facing the San Diego community. Based on this input, which focused heavily on affordable housing and economic/workforce development, the Bank was able to form its three main goals as detailed below.

The Bank also solicited formal public comment on this Plan for 30 days by publishing notice in a newspaper of general circulation in the San Diego MSA and making copies of the Plan available to members of the public who requested it during the mandated 30-day timeframe. As evidenced in Appendix B, the Bank's request for comments was published on August 26th, 2019. The public comment period concluded on September 25, 2019, during which time the Bank received zero comments.

Based on the results of these considerations, the Bank established in this Plan goals and metrics by which to measure satisfactory and outstanding performance in CRA-qualified lending and investments, donations, and volunteer service. Management feels that the final outcome is a Plan that is responsive to the needs of our assessment area and appropriate in light of performance context factors as outlined below.

SECTION V. PERFORMANCE GOALS AND MEASURABLE STANDARDS

Silvergate formed its goals and measurement standards after analyzing information on the Bank and its AA and peers. This Plan balances the needs, opportunities, and conditions of the AA with other factors such as the Bank's business strategy, product offering, capacity, constraints, previous CRA Strategic Plan, and past CRA performance, as well as peer bank performance and approved CRA strategic plans.

The Bank believes that in meeting these goals, it will also be meeting the needs of the communities within its assessment area.

A. Goal Formation

There is a strong consensus among all queried resources as to community needs and challenges. Participants often responded with comments that pertained to affordable housing, economic and workforce development, community development financing and equity, and community service organization funding. Local conditions validate participant responses and further demonstrate an ongoing need and opportunity for the Bank to continue to support sustained economic development, community services, and affordable housing initiatives.

Based on the above information, Silvergate has chosen to target the following areas as it reinvests in the community: 1) Community development lending and investments that support economic development, job creation and workforce development, and community revitalization; 2) Initiatives, projects, and organizations that support access to affordable housing; and 3) Community services that support the needs of LMI individuals.

In fulfilling its obligations in those areas, the Bank has taken into account its own strengths and weaknesses due to strategy, business model, financial capacity, and constraints. Based on its evaluation of performance context, management feels it appropriate to continue using the same three main goal categories consisting of a combined CRA-qualified lending and investments, community development grants, and community development service.

The Bank does not offer, and is not staffed for, many in-house lending products such as commercial and industrial, SBA, consumer, and residential mortgage loans. Given its AA market, few non-residential real estate loans qualify as small business loans. The Bank is well-capitalized and has capacity to invest; yet, over half of its deposit base is considered relatively volatile and thus the Bank does not lend or purchase long-term, fixed-rate investments with a majority of its deposit funding. Operating with these constraints and strengths, it is appropriate to continue combining CRA-qualified lending and investments into one measurable goal category.

A combined lending and investment goal is an approach supported by Silvergate's own past record of success under this standard, as well as its prevalence among approved CRA strategic plans, e.g. as of 2019, four of the six banks with Federal Reserve-approved CRA strategic plans feature a plan that combines lending and investments into one goal. Ultimately, the flexibility provided by this combination is a critical opportunity for the Bank to be more responsive to the community development needs of its AA.

The Bank has the ability to help meet community service organizational funding, a need commonly cited by stakeholders. Silvergate's performance in this manner has been tracked as a goal for years under prior CRA strategic plans. Management considers its past giving to have been responsive and beneficial to nonprofit partners and, by extension, the community. For these reasons, Silvergate proposes maintaining a dedicated goal for community development grants.

Like organization funding, capacity in terms of staffing and staff manhours are challenges for community stakeholders. Often, community development organizations do not have the ability to carry out their mission. Silvergate feels its volunteers service, as tracked as its own goal under previous strategic plans, has helped community partners; therefore, Silvergate proposes to continue a dedicated goal for qualified community development service.

B. Measurement Standards

In determining how to measure its combined lending and investments goal, the Bank considered its successful performance under standards set by past CRA strategic plans as well as standards stated and/or evaluated against in other approved strategic plans. Silvergate has operated under a lending and investment goal set by using a certain percentage of average Bank assets. It proved to be a meaningful metric in that it: is a reasonably accurate representation of the Bank's size during a plan period, ensures the goal will grow as the Bank does, and is reasonable to tether performance goals to performance ability, i.e. size.

Silvergate proposes to continue using the average asset standard. This standard was not unique to Silvergate during its past plan periods; it appears to have become even more common today. Average assets for a given plan period will be calculated by averaging the four quarterly total asset figures reported on line 9 of Schedule RC-K of the Bank's Reports of Condition and Income (Call Report).

In measuring the Bank's grant performance and service hour goals, management took into consideration anticipated asset and full-time employee (FTE) size, historical performance, as well as standards stated in peer strategic plans. The basis for Silvergate's goals as stated in its current plan is now proposed to be the explicit goal. Whereas donation amounts were stated in the last plan in absolute dollars derived from a percentage of assets, Silvergate feels it appropriate to simply present in this plan the percentage of assets as the goal itself. Similarly, service hours goals were stated in the last plan as set hour figures derived from FTE projections. Silvergate feels it appropriate to simply present in this plan the hours per FTE as the goal itself. Proposing these goals in this manner eliminates the importance of accurate projections and estimates and more closely aligns the goals with Silvergate actual capacity. "Hours per FTE" service hour goals and "percentage of total assets" donation goals, as set by prior year-end asset and FTE figures, are not unique standards in strategic plans.

Silvergate has identified measurable performance goals for its three goals of lending and investments, grants, and services. It is the Bank's goal to meet or exceed each of the established goals in this plan for each of the years covered. The Bank additionally presents these standards in terms of what constitutes a "Satisfactory" or "Outstanding" performance rating under the requirements of the Community Reinvestment Act. In order to achieve an outstanding overall rating, the Bank must meet or exceed its prescribed "Outstanding" goals in all performance categories. Similarly, the Bank must meet or exceed its "Satisfactory" goals in all performance categories to receive a "Satisfactory" rating.

C. Measurable Lending and Qualified Community Investment Performance Goals

The following measurable goals have been established, taking into consideration the Bank's corporate strategic plan, business model, and asset size. In formulating the specific performance goals presented in this plan, the Bank conducted extensive research to analyze and benchmark peers.

Perfect peer comparisons are difficult given Silvergate's unique business model; therefore, a range was first compiled based on a broad cross-section of strategic plan banks across the nation. Management reviewed current and recent strategic plan and Performance Evaluation information on 17 banks operating under a strategic plan and notes a range of committed assets for CRA loans and investments for satisfactory performance to be 0.30%-1.35% per year, while outstanding performance ranged from 0.40%-1.75% per year. A narrower focus of the five peer banks currently operating under a strategic plan approved by the Federal Reserve (Ally, Stifel, Green Dot, Seacoast, and Silicon Valley) shows that, after combining lending and investment goals and converting stated lending and investment goals into a consistent average assets standard when necessary, an allowed percentage range of 0.33%-1.30% exists for satisfactory performance.

Two useful benchmarks exist in Silicon Valley Bank (SVB), a bank with similar nationwide business tech customer deposit base and commercial lending focus, and Optum Bank, a bank with a nationwide niche deposit base and very limited small business lending. SVB's combined lending and investments goal does not include small business loans; for the most part, Silvergate does not originate small business loans. Excluding small business lending, SVB's combined CRA lending and investment goal at the satisfactory level is equivalent to approximately 0.33% of average assets. An approved CRA strategic plan for Optum Bank combined qualified lending and investments and set a satisfactory goal at 0.30% of average assets.

Committed to continuing to deploy needed resources to the communities that it serves, Silvergate believes that the performance goals outlined below demonstrate an ongoing commitment to serve the needs in its AA. It targets the high-end of the peer ranges noted above, and the average goal over the four-year plan is above the calculated peer average. The annual goal percentages decrease over time; however, the specific annual percentage goals were chosen to ensure that the Bank does not reduce performance goals in terms of dollars from its last strategic plan period or from year-to-year within this plan (based on internal asset projections). The decreasing percentages align Silvergate closer to its peers. And as the Bank’s size grows closer to larger peers, as projected, the proposed decreasing percentages are structured to align closer to the goals of those larger peers. Finally, the goals take into consideration the large concentration of volatile digital currency related deposits, which have the effect of inflating the Bank’s total assets beyond its true CRA lending and investment capacity because it cannot utilize them for such purposes.

SATISFACTORY GOAL	2020	2021	2022	2023
Cumulative Loans & Qualified CRA Investments	1.25% Avg Assets	1.09% Avg Assets	0.96% Avg Assets	0.85% Avg Assets
OUTSTANDING GOAL	2020	2021	2022	2023
Cumulative Loans & Qualified CRA Investment	1.75% Avg Assets	1.54% Avg Assets	1.34% Avg Assets	1.20% Avg Assets

In measuring performance, the Bank will consider small business loans and community development loans originated, purchased, or renewed within the specified time period. The Bank will include both new dollars invested as well as the current book value of prior period CRA qualified investments. CRA investments made by the Bank will be comprised of funds directly benefitting the Bank’s AA and may also include funds that benefit the Bank’s AA, as well as benefitting the broader statewide or regional area.

The Bank intends to achieve these goals through a variety of channels. While the Bank does not limit itself to the specific channels described in this plan, it believes that these channels are representative of the types of qualified activities we intend to pursue. The Bank’s possible investment channels will include the following:

- Affordable Housing Tax Credit Investments
- CRA Eligible Mortgage Backed Securities or Municipal Bonds
- Certificate of Deposit Investments in Minority/Women Owned Institutions

The Bank’s possible lending channels will include the following:

- Small Business Lending. Although Silvergate no longer offers lending programs such as SBA 7a loans, which are geared toward small business borrowers, it’s possible that it may purchase such loans at some point. It’s also possible, although unlikely given its AA real estate values, that Silvergate would originate other loans meeting the definition of small business.

- Community Development loans for activities that support affordable housing, promote economic development and job creation, provide community services to LMI individuals, or serve to revitalize and stabilize neighborhoods and the surrounding economy.
- Single Family residential loans acquired by the Bank on properties in LMI census tract geographies, and/or loans to LMI borrowers.
- Multi-Family loan originations or purchased loans on units that support affordable housing.

D. Measurable Qualified Community Development Grants and Service Hour Performance Goals

As with establishing specific measurable goals for qualified lending and investment, management reviewed peer plans and performance to benchmark specific goals. It also considered its own past strategic plans and performance. Among reviewed banks with donation goals, satisfactory dollar amounts equated to 0.005% of total assets, on average. Silvergate itself gave approximately 0.005% in years past, on average. As a benchmark, the average service hour goals among reviewed banks with more than 100 FTEs equated to 1.4 hours per FTE for satisfactory and 1.85 for outstanding. Silvergate’s own past Satisfactory service goals were based on a 1.6 hours per FTE, which also reflects approximately the Bank’s actual performance as it ends its final year of the current plan. While this Plan presents a slightly lower hourly per FTE goal than what was used to calculate current Plan’s goals, actual hours required to meet the goal are expected to increase 16% from 2019 to 2020 due to significant add-to-staff growth in 2019.

Informed by this analysis, Silvergate has set the following grant donations and service hour performance goals which it believes to be appropriate and impactful for its AA and communities. Chosen figures are expected to result in increased production from its last plan and year over year due to its projected asset and FTE growth (both of which have almost doubled since drafting its last strategic plan). To facilitate planning and budgeting, both goals will be the product of prior year-end actual figures, total assets for donations and FTE count for service hours.

SATISFACTORY GOALS	2020	2021	2022	2023
Approximate Annual Donations	0.004%	0.004%	0.004%	0.004%
Hours per FTE in AA	1.45	1.45	1.45	1.45
OUTSTANDING GOALS	2020	2021	2022	2023
Approximate Annual Donations	0.005%	0.005%	0.005%	0.005%
Hours per FTE in AA	2.0	2.0	2.0	2.0

Silvergate Bank takes pride in community involvement and is very supportive of its employees and their contributions to non-profit and community development organizations. Silvergate Bank and its employees currently partner with a variety of eligible and deserving organizations that provide critical services to deserving people in the community. Whenever possible, the Bank will try to partner with these non-profits and community development organizations to provide both financial assistance and professional expertise through service hours; however, it will also consider opportunities to support other organizations that serve the Bank’s AA and targeted objectives.

E. Ongoing Review of Performance and Goals

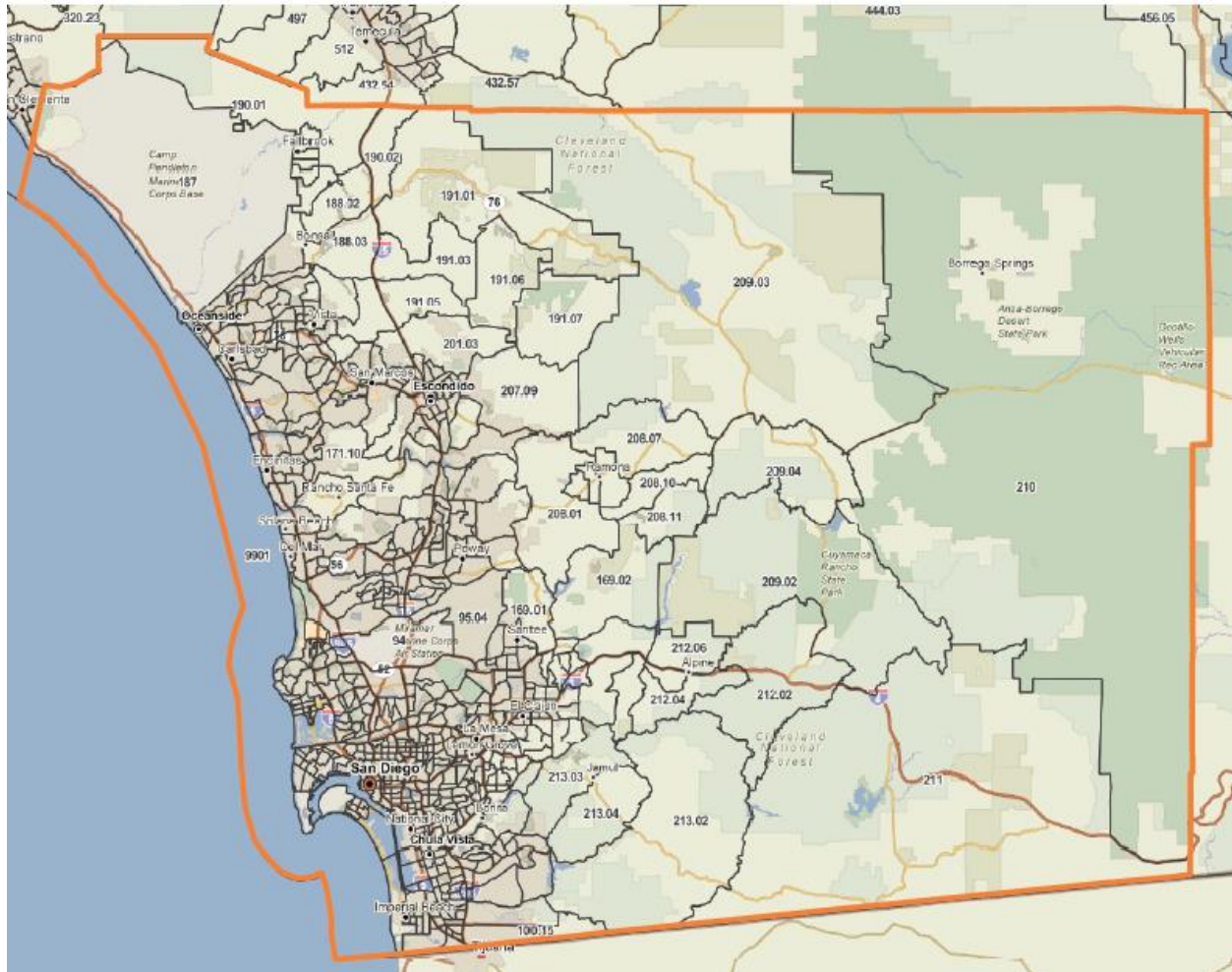
The lending and investment, donation, and service goals that are defined in this strategic plan are based on: forecasted economic environment; current business model and strategy, deposit mix, anticipated Bank condition and staff and asset size/mix; and industry/market trends. As these conditions may change at any time, Bank management and the Board of Directors will regularly monitor the Bank's performance to goals. Any material changes to the above-mentioned factors will be evaluated in relation to the goals outlined in this strategic plan. If changes to the originally approved plan are deemed necessary by the Bank, and the original goals are no longer deemed reasonable or appropriate, the Bank will follow the requirements of the Federal Reserve Bank to seek approval for a strategic plan revision. Furthermore, the Bank reserves the right to request to be evaluated under the appropriate, traditional CRA performance evaluation.

APPENDICES

APPENDIX A. ASSESSMENT AREA AND CENSUS TRACTS

Silvergate has defined its assessment area (AA) to include the San Diego-Chula Vista-Carlsbad MSA.

San Diego-Carlsbad MSA



Census tract information:

MSA/MD: 41740 - San Diego-Chula Vista-Carlsbad

State: 06 – California

County: 073- San Diego County

0001.00	0025.02	0031.13	0042.00	0073.01	0083.27	0083.61	0091.07	0100.03	0116.01	0133.01
0002.01	0026.01	0031.14	0043.00	0073.02	0083.28	0083.62	0092.01	0100.04	0116.02	0133.02
0002.02	0026.02	0031.15	0044.00	0074.00	0083.29	0083.63	0092.02	0100.05	0117.00	0133.03
0003.00	0027.02	0032.01	0045.01	0075.01	0083.30	0083.64	0093.01	0100.09	0118.01	0133.06
0004.00	0027.03	0032.02	0046.00	0075.02	0083.31	0083.65	0093.04	0100.10	0118.02	0133.07
0005.00	0027.05	0032.04	0047.00	0076.00	0083.33	0083.66	0093.05	0100.11	0119.02	0133.08
0006.00	0027.07	0032.07	0048.00	0077.01	0083.35	0085.01	0093.06	0100.12	0120.02	0133.09
0007.00	0027.08	0032.08	0049.00	0077.02	0083.36	0085.02	0094.00	0100.13	0120.03	0133.10
0008.00	0027.09	0032.09	0050.00	0078.00	0083.37	0085.03	0095.02	0100.14	0121.01	0133.11
0009.00	0027.10	0032.11	0051.00	0079.03	0083.39	0085.04	0095.04	0100.15	0121.02	0133.12
0010.00	0027.11	0032.12	0052.00	0079.05	0083.40	0085.05	0095.05	0101.03	0122.00	0133.13
0011.00	0027.12	0032.13	0053.00	0079.07	0083.41	0085.06	0095.06	0101.04	0123.02	0133.14
0012.00	0028.01	0032.14	0054.00	0079.08	0083.43	0085.07	0095.07	0101.06	0123.03	0134.01
0013.00	0028.03	0033.01	0055.00	0079.10	0083.44	0085.09	0095.09	0101.07	0123.04	0134.09
0014.00	0028.04	0033.03	0056.00	0080.02	0083.45	0085.10	0095.10	0101.09	0124.01	0134.10
0015.00	0029.02	0033.04	0057.00	0080.03	0083.46	0085.11	0095.11	0101.10	0124.02	0134.11
0016.00	0029.03	0033.05	0058.00	0080.06	0083.47	0085.12	0096.02	0101.11	0125.01	0134.12
0017.00	0029.04	0034.01	0059.00	0081.01	0083.48	0085.13	0096.03	0101.12	0125.02	0134.14
0018.00	0029.05	0034.03	0060.00	0081.02	0083.49	0086.00	0096.04	0102.00	0126.00	0134.15
0019.00	0030.01	0034.04	0061.00	0082.00	0083.50	0087.01	0097.03	0103.00	0127.00	0134.16
0020.01	0030.03	0035.01	0062.00	0083.01	0083.51	0087.02	0097.04	0104.01	0128.00	0134.17
0020.02	0030.04	0035.02	0063.00	0083.03	0083.52	0088.00	0097.05	0104.02	0129.00	0134.18
0021.00	0031.01	0036.01	0065.00	0083.05	0083.53	0089.01	0097.06	0105.01	0130.00	0134.19
0022.01	0031.03	0036.02	0066.00	0083.06	0083.54	0089.02	0098.01	0105.02	0131.02	0134.20
0022.02	0031.05	0036.03	0068.01	0083.07	0083.55	0090.00	0098.02	0106.01	0131.03	0134.21
0023.01	0031.07	0038.00	0068.02	0083.10	0083.56	0091.01	0098.04	0108.00	0131.04	0135.03
0023.02	0031.08	0039.01	0069.00	0083.11	0083.57	0091.02	0098.05	0109.00	0132.03	0135.04
0024.01	0031.09	0039.02	0070.02	0083.12	0083.58	0091.03	0099.01	0110.00	0132.04	0135.05
0024.02	0031.11	0040.00	0071.00	0083.13	0083.59	0091.04	0099.02	0111.00	0132.05	0135.06
0025.01	0031.12	0041.00	0072.00	0083.24	0083.60	0091.06	0100.01	0113.00	0132.06	0136.01

0136.04	0150.00	0165.04	0170.19	0170.56	0181.00	0189.03	0198.03	0201.07	0207.10	
0136.05	0151.00	0166.05	0170.20	0171.04	0182.00	0189.04	0198.04	0201.08	0208.01	
0136.06	0152.00	0166.06	0170.21	0171.06	0183.00	0189.05	0198.05	0201.09	0208.05	
0137.01	0153.01	0166.07	0170.22	0171.07	0184.00	0189.06	0198.06	0202.02	0208.06	
0137.02	0153.02	0166.08	0170.29	0171.08	0185.04	0190.01	0198.08	0202.06	0208.07	
0138.01	0154.03	0166.09	0170.30	0171.09	0185.07	0190.02	0198.09	0202.07	0208.09	
0138.02	0154.04	0166.10	0170.31	0171.10	0185.09	0191.01	0199.02	0202.08	0208.10	
0139.03	0154.05	0166.12	0170.32	0172.00	0185.10	0191.03	0199.03	0202.09	0208.11	
0139.05	0154.06	0166.13	0170.33	0173.03	0185.11	0191.05	0199.04	0202.10	0209.02	
0139.06	0155.01	0166.14	0170.34	0173.04	0185.12	0191.06	0199.05	0202.11	0209.03	
0139.07	0155.02	0166.15	0170.35	0173.05	0185.13	0191.07	0200.13	0202.13	0209.04	
0139.08	0156.01	0166.16	0170.36	0173.06	0185.14	0192.03	0200.14	0202.14	0210.00	
0139.09	0156.02	0166.17	0170.37	0174.01	0185.15	0192.05	0200.15	0203.04	0211.00	
0140.01	0157.01	0167.01	0170.39	0174.03	0185.16	0192.06	0200.16	0203.05	0212.02	
0140.02	0157.03	0167.02	0170.40	0174.04	0185.17	0192.07	0200.17	0203.06	0212.04	
0141.01	0157.04	0168.02	0170.41	0175.01	0185.18	0192.08	0200.18	0203.07	0212.05	
0141.02	0158.01	0168.04	0170.42	0175.02	0185.19	0193.01	0200.19	0203.08	0212.06	
0142.00	0158.02	0168.06	0170.43	0176.01	0186.01	0193.02	0200.20	0203.09	0213.02	
0143.00	0159.01	0168.07	0170.44	0176.03	0186.03	0193.03	0200.21	0204.01	0213.03	
0144.00	0159.02	0168.09	0170.45	0176.04	0186.08	0194.03	0200.22	0204.03	0213.04	
0145.00	0160.00	0168.10	0170.46	0177.01	0186.09	0194.04	0200.23	0204.04	0214.00	
0146.01	0161.00	0168.11	0170.47	0177.02	0186.10	0194.05	0200.24	0204.05	0215.00	
0146.02	0162.01	0169.01	0170.48	0178.01	0186.11	0194.06	0200.25	0205.00	0216.00	
0147.00	0162.02	0169.02	0170.49	0178.08	0186.12	0195.01	0200.26	0206.01	0218.00	
0148.03	0163.01	0170.06	0170.50	0178.09	0186.13	0195.02	0200.27	0206.02	0219.00	
0148.04	0163.02	0170.09	0170.51	0178.10	0186.14	0195.03	0200.28	0207.05	0220.00	
0148.05	0164.01	0170.10	0170.52	0178.11	0187.00	0196.01	0200.29	0207.06	0221.00	
0148.06	0164.02	0170.14	0170.53	0178.13	0188.01	0196.02	0201.03	0207.07	9901.00	
0149.01	0165.02	0170.15	0170.54	0179.00	0188.02	0197.01	0201.05	0207.08		
0149.02	0165.03	0170.18	0170.55	0180.00	0188.03	0197.02	0201.06	0207.09		

APPENDIX B. CERTIFICATE AND AFFIDAVIT OF PUBLICATION

In The Matter of Silvergate Bank

Public Notice
Community Reinvestment Act Strategic Plan Public Comments Invited

Silvergate Bank intends to file a Community Reinvestment Act Strategic Plan with the Federal Reserve Bank of San Francisco no later than thirty (30) days from the date of this notice. The proposed plan is available for public inspection from 9am-5pm Monday-Friday at 4250 Executive Square Suite 300 La Jolla, CA 92037. Upon verbal request, Silvergate Bank will mail a copy of the proposed plan to any interested party. These requests should be directed to Andrew Litchy at 858-362-6300. Written comments from the public should be directed to Andrew Litchy Silvergate Bank 4250 Executive Square Suite 300 La Jolla, Ca 92037 and will be reviewed and considered in preparing the final Community Reinvestment Act Strategic Plan. All written comments will also be submitted with the Strategic Plan to the Federal Reserve Bank of San Francisco.
Publication date: 8/26/2019

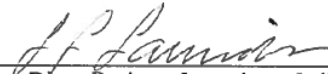
I, L. L. Lauridsen, hereby certify that The San Diego Business Journal is a weekly newspaper of general circulation within the provisions of the Government Code of the State of California, printed and published in The/ County of San Diego, State of California, and the City of San Diego

Public Notice

To which this certificate is annexed is a true and correct copy published in said newspaper on

8/26/2019

I certify under penalty of perjury that the foregoing is true and correct.
Dated at San Diego, California August 26 2019.



*The San Diego Business Journal was Judicated for Publication on 11/14/86 in San Diego County, Case Number # 572404