

November 3, 2017

Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. continued its strong performance through the third quarter. Net income for the nine months ended September 30, 2017 was \$2.79 million compared to \$2.09 million for the same period in 2016, an increase of \$700,000 or 33.4%. Book value per share increased by \$0.54 to \$6.11 per share at September 30, 2017 compared to \$5.57 per share at December 31, 2016.

Evolve Bank & Trust's ("Bank") total assets were \$447.2 million at September 30, 2017 compared to \$449 million at December 31, 2016. Total loans were \$391.9 million at September 30, 2017 compared to \$391.3 million at December 31, 2016. Excluding Loans Held for Sale, the Bank's loan portfolio increased \$35.1 million, or 12.3%, to \$321.7 at September 30, 2017 from \$286.6 million at December 31, 2016. Total deposits increased 14.4% during the first three quarters of 2017 to \$360.4 million at September 30, 2017 from \$315 million at December 31, 2016.

The Bank's regulatory capital (Tier 1 leverage ratio) remained strong at September 30, 2017 at 8.51%. For more information regarding the Bank's financial performance for the nine months ended September 30, 2017, please see the attached Financial Highlights table.

#### **EVOLVE ADDITIONS**

To further our commitment to the Payment Processing Division, Elizabeth "Betsy" Bohlen has been named Senior Vice President and will oversee ATM & POS Services. Betsy has more than 25 years in the banking and credit/debit card industry. She joins Evolve from Pueblo Bank & Trust where she served as Senior Vice President, Chief Payments Officer and ISO Sponsorship.

Joining Betsy as AVP - Operations Manager is Michelle Latham. Michelle has more than 12 years' experience in the payment processing and banking industries. Prior to joining Evolve, Michelle was the Vice President of Sales and Service for Lone Star Capital Bank in San Antonio, TX. Also, she is a 16-year veteran of the United States Air Force.

#### **CORPORATE SPONSORSHIPS AND COMMUNITY GIVING**

On September 16<sup>th</sup>, for the fourth year in a row, we sponsored the "Evolve Bank and Trust Cooper Young Festival". In its 30<sup>th</sup> year, this event has grown immensely and is one of Memphis's most highly attended festivals. Although it was record breaking heat, guests enjoyed an appealing mix of art, music and crafts presented by over 450 artisans from around the country. It is a true celebration of the arts, people and culture of Memphis.

### **WANT TO BUY OR SELL EVOLVE STOCK?**

Our partnership with *Community Bank List* is a valuable service, and we trust this partnership is providing you with a convenient and transparent marketplace to post notices to buy or sell Evolve Bancorp stock. Through our agreement with *Community Bank List*, you may post your listings at no cost by entering our exclusive access code [EVOLVE] for any listing (buying or selling) of Evolve Bancorp shares.

We are pleased to offer this service to you and hope that you will take advantage of it. On the Investor Relations page of [www.getevolved.com](http://www.getevolved.com), you will find a link to [www.communitybanklist.com](http://www.communitybanklist.com) where you can create a free profile to begin viewing and posting share offers. For help getting started, please call *Community Bank List* at 1.877.257.0854 and select option "2" for support. Also, feel free to contact Jennifer Nelson, Evolve Trust Services, at 901.260.9984 or [jnelson@getevolved.com](mailto:jnelson@getevolved.com), and she will be happy to assist you.

### **HOW CAN YOU HELP EVOLVE AND YOUR INVESTMENT?**

At Evolve, we are continually looking for new opportunities to grow and ways to improve our services to our customers. As new and interesting concepts arise, please do not hesitate to reach out to us. As always, we welcome your observations, concerns and questions.

For current information about everything happening at Evolve, please visit us at [www.getevolved.com](http://www.getevolved.com) and follow us on Facebook at [www.facebook.com/getevolved](http://www.facebook.com/getevolved), Twitter at [www.twitter.com/getevolved1925](http://www.twitter.com/getevolved1925), Instagram at [www.instagram.com/evolve1925](http://www.instagram.com/evolve1925), or on LinkedIn at [www.linkedin.com/company/evolve-bank-and-trust](http://www.linkedin.com/company/evolve-bank-and-trust).

Sincerely,

A handwritten signature in blue ink that reads "B. Scot Lenoir". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

B. Scot Lenoir  
Chairman  
Evolve Bancorp, Inc.

**Evolve Bancorp and Evolve Bank & Trust**  
**Financial Highlights For the Nine Months Ended September 30, 2017**  
**(Unaudited)**

**Evolve Bancorp**

*(Dollars in Thousands, except per share data)*

<b>Income Data</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>
Net Income	\$ 2,786	\$ 2,089

  

<b>Balance Sheet Data</b>	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Preferred Stock	\$ 6,476	\$ 6,749
Common Stockholders' Equity	28,322	25,721
Total Stockholders' Equity	34,798	32,470
Book Value per Common Share	\$ 6.11	\$ 5.57
Tangible Book Value per Common Share	\$ 5.57	\$ 5.03

**Evolve Bank and Trust**

*(Dollars in Thousands)*

<b>Income Data</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>
Net Interest Income	\$ 13,547	\$ 11,206
Non Interest Income	31,484	36,452
Net Income	2,730	2,100

**Profitability Ratios**

Return on Average Assets	0.82%	0.74%
Return on Average Equity	9.35%	7.86%
Net Interest Margin	4.35%	4.32%

**Balance Sheet Data**

	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Portfolio Loans	\$ 321,730	\$ 286,563
Loans Held for Sale	70,176	104,729
Total Loans	391,906	391,292
Investment Securities	20,281	18,822
Total Assets	447,238	449,036
Total Deposits	360,441	315,048
Allowance for Loan Losses	6,032	5,809

**Balance Sheet Ratios**

	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Loans to Deposits	107.06%	122.36%
Non-Accrual Loans to Total Loans	0.78%	0.47%
ALLL/Gross Loans, excluding HFS	1.87%	2.03%
Tier 1 Leverage Ratio	8.51%	8.22%
Tier 1 Risk-Based Capital Ratio	10.51%	9.80%
Total Risk Based Capital Ratio	11.77%	11.06%