

March 6, 2018

Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. is proud to announce excellent financial results for 2017. Net income for the year ended December 31, 2017 was \$2.98 million which represents a 7.2% increase over net income for the previous year of \$2.78 million. Tangible book value per share increased 10.7% to \$5.57 at December 31, 2017 from \$5.03 at December 31, 2016.

On December 22, 2017, the Tax Cuts and Jobs Act was enacted lowering the federal corporate income tax rate beginning January 1, 2018. However, in the fourth quarter of 2017, we were required to increase our provision for income taxes, thereby lowering our net income, by \$296 thousand related to the write-down of our net deferred tax assets. The new lower corporate tax rate will be positive to our earnings in 2018.

Evolve Bank & Trust's ("the Bank") total assets increased to \$456.9 million at December 31, 2017 from \$449 million at December 31, 2016. Total loans increased to \$395.2 million at December 31, 2017 from \$391.3 million at December 31, 2016. Excluding our loans held for sale, our portfolio loans increased 17% to \$335.1 million at December 31, 2017 from \$286.6 million from the end of the prior year. Total deposits increased 17% to \$368.6 million at December 31, 2017 compared to \$315.0 million at December 31, 2016.

The Bank's regulatory capital (Tier 1 leverage ratio) remained strong at December 31, 2017 at 8.39%. For more information regarding the Bank's financial performance for 2017, please see the attached Financial Highlights table.

To help our SBA Division start off 2018 on the right foot, we welcome Don Clanton as the Division President. Don is no stranger to Evolve as he has served on our Board of Directors since we purchased the Bank in 2005. Don has more than 40 years of experience in banking and investment banking, and most recently, he served as the Chief Operating Officer of Duncan-Williams, Inc., an investment banking firm based in Memphis, Tennessee. We are thankful for his continued leadership, insight and commitment to Evolve, and we are confident he can help lead our SBA Division to the next level.

EVOLVE IN THE NEWS

For the fourth year-in-a-row, Evolve was named a *Top Workplace* by the Memphis Commercial Appeal. The evaluation for the *Top Workplace* program is based upon feedback from an employee survey that we completed in mid-year of 2017. We had more than 80% participation.

The following quote was given by one of our employees in the survey and used by the Commercial Appeal in their announcement: "My job is interesting and rewarding. I have freedom to do my job and am proud to work for a company with community involvement. It's a good fit for me." This is just one of the many positive statements made about Evolve. We are honored to accept this award.

CORPORATE SPONSORSHIPS AND COMMUNITY GIVING

For the third year-in-a-row, Evolve was one of the presenting sponsors for *Art on Fire* at the Dixon Gallery and Gardens in Memphis, TN. It was a perfect night for the event with a great cross-section of our community represented. All proceeds raised from this event go towards funding the many wonderful educational programs that the Dixon provides.

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, you will find a link to 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, 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 and follow us on Facebook at www.facebook.com/getevolved, Twitter at www.twitter.com/getevolved1925, Instagram at www.instagram.com/evolve1925, or on LinkedIn at www.linkedin.com/company/evolve-bank-and-trust.

Sincerely,



B. Scot Lenoir
Chairman
Evolve Bancorp, Inc.

Evolve Bancorp and Evolve Bank & Trust
Financial Highlights For the Years Ended
(Unaudited)

Evolve Bancorp

(Dollars in Thousands, except per share data)

Income Data	December 31, 2017	December 31, 2016
Net Income	\$ 2,976	\$ 2,775
Balance Sheet Data	December 31, 2017	December 31, 2016
Preferred Stock	\$ 6,476	\$ 6,749
Common Stockholders' Equity	28,340	25,721
Total Stockholders' Equity	34,816	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)

Income Data	December 31, 2017	December 31, 2016
Net Interest Income	\$ 18,159	\$ 15,489
Non Interest Income	40,850	48,191
Net Income	2,959	2,762

Profitability Ratios

Return on Average Assets	0.67%/0.74%*	0.71%
Return on Average Equity	7.55%/8.50%*	7.66%
Net Interest Margin	4.36%	4.30%

Balance Sheet Data

	December 31, 2017	December 31, 2016
Portfolio Loans	\$ 335,069	\$ 286,563
Loans Held for Sale	60,127	104,729
Total Loans	395,196	391,292
Investment Securities	20,253	18,822
Total Assets	456,898	449,036
Total Deposits	368,649	315,048
Allowance for Loan Losses	6,368	5,809

Balance Sheet Ratios

	December 31, 2017	December 31, 2016
Loans to Deposits	105.47%	122.36%
Non-Accrual Loans to Total Loans	0.98%	0.47%
ALLL/Gross Loans, excluding HFS	1.90%	2.03%
Tier 1 Leverage Ratio	8.39%	8.22%
Tier 1 Risk-Based Capital Ratio	10.25%	9.80%
Total Risk Based Capital Ratio	11.51%	11.06%

*Pro Forma ROAA & ROAE excluding increase in income tax expense of \$296 thousand related to the write down of net deferred tax assets resulting from the decrease in the federal corporate income tax rate