

May 3, 2018

Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. is pleased to report positive results for the first quarter of 2018 as net income increased 25.9% to \$599,422 compared to \$475,961 for the same period in 2017. Tangible book value per share increased to \$5.65 at March 31, 2018 from \$5.57 at December 31, 2017.

Evolve Bank & Trust's ("the Bank") net interest income increased 12.1% to \$4.7 million in the first quarter of 2018 compared to \$4.2 million during the first quarter of 2017. The Bank's net interest margin increased 34 bps to 4.47% in the first quarter of 2018 compared to the same period of the prior year. The increase in the Bank's net interest margin was the result of higher interest rates as well as improved funding costs as the Bank grew its core deposits and reduced its more expensive wholesale funding during the first quarter of 2018 compared to the same period of 2017. Total assets increased to \$460.5 million at March 31, 2018 from to \$456.9 million at December 31, 2017. The Bank's loan portfolio increased \$12.6 million, or 3.8%, during the first quarter of 2018.

The Bank's regulatory capital (Tier 1 leverage ratio) remained strong at March 31, 2018 at 8.41%. For more information regarding the Bank's financial performance for the first quarter of 2018, please see the attached Financial Highlights table.

#### **EVOLVE IN THE NEWS**

The Memphis Business Journal named Evolve one of the top 10 Community Banks in Memphis. The Journal also named Evolve one of the top 10 Memphis-Based Commercial Lenders and Small Business Lenders. Evolve's President and CEO, Scott Stafford, was also recognized by Inside Memphis Business magazine as a "Power Player" in Banking Administration.

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

Again, this June, we are happy to announce that Evolve will be participating in the Arthritis Foundation's Walk to Cure Arthritis at Autozone Park. Walk to Cure Arthritis is the Arthritis Foundation's nationwide signature event that unites communities across the country to put an end to arthritis. This event features a three-mile and one-mile course with arthritis information and activities for the entire family. This was a great event last year, and we are happy to be participating again in 2018.

### **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](tel:1.877.257.0854) and select option "2" for support. Also, feel free to contact Jennifer Nelson, Evolve Trust Services, at [901.260.9984](tel: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,



B. Scot Lenoir  
Chairman  
Evolve Bancorp, Inc.

**Evolve Bancorp and Evolve Bank & Trust**  
**Financial Highlights For the Three Months Ended**  
**(Unaudited)**

**Evolve Bancorp**

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

<b>Income Data</b>		<b>March 31, 2018</b>		<b>March 31, 2017</b>
Net Income	\$	599	\$	476

<b>Balance Sheet Data</b>		<b>March 31, 2018</b>		<b>December 31, 2017</b>
Preferred Stock	\$	6,476	\$	6,476
Common Stockholders' Equity		28,712		28,340
Total Stockholders' Equity		35,188		34,816
Book Value per Common Share	\$	6.19	\$	6.11
Tangible Book Value per Common Share	\$	5.65	\$	5.57

**Evolve Bank and Trust**

*(Dollars in Thousands)*

<b>Income Data</b>		<b>March 31, 2018</b>		<b>March 31, 2017</b>
Net Interest Income	\$	4,698	\$	4,190
Non Interest Income		7,693		9,917
Net Income		569		452

<b>Profitability Ratios</b>		<b>March 31, 2018</b>		<b>March 31, 2017</b>
Return on Average Assets		0.50%		0.42%
Return on Average Equity		5.67%		4.71%
Net Interest Margin		4.47%		4.13%

<b>Balance Sheet Data</b>		<b>March 31, 2018</b>		<b>December 31, 2017</b>
Portfolio Loans	\$	347,674	\$	335,069
Loans Held for Sale		54,990		60,127
Total Loans		402,664		395,196
Investment Securities		19,779		20,253
Total Assets		460,488		456,898
Total Deposits		359,699		368,649
Allowance for Loan Losses		6,685		6,368

<b>Balance Sheet Ratios</b>		<b>March 31, 2018</b>		<b>December 31, 2017</b>
Loans to Deposits		110.09%		105.47%
Non-Accrual Loans to Total Loans		0.95%		0.98%
ALLL/Gross Loans, excluding HFS		1.92%		1.90%
Tier 1 Leverage Ratio		8.41%		8.39%
Tier 1 Risk-Based Capital Ratio		10.07%		10.25%
Total Risk Based Capital Ratio		11.33%		11.51%