



Triad Centre III
6070 Poplar Avenue
Suite 200
Memphis, TN 38119

office 901.624.5500
fax 901.624.5540

May 6, 2019

Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. is pleased to announce a productive start to the year with positive financial results for the first quarter of 2019. Net income for the three months ended March 31, 2019 was \$599,474, compared to \$599,422 for the same period in 2018. Tangible book value per share increased 2.47% to \$6.64 at March 31, 2019 from \$6.48 at December 31, 2018.

Evolve Bank & Trust's ("the Bank") Non-Interest Income increased 9.3% to \$8.4 million for the three months ended March 31, 2019 compared to \$7.7 million for the same period in 2018. The increase in non-interest income can be attributed to continued growth in Litigation Trust income earned by the Trust Division and income from the Bank's Payment Processing Division. Net interest income for the three months ended March 31, 2019 was \$4.6 million compared to \$4.7 million for the same period in 2018.

The Bank's total assets grew 1.0% to \$478.3 million at March 31, 2019 from \$474.4 million at December 31, 2018. The Bank's loan portfolio balance was \$364.9 million at March 31, 2019 compared to \$365.2 million at December 31, 2018. Total deposits increased 4.1% to \$399.5 million at March 31, 2019 from \$383.8 million at December 31, 2018.

The Bank's regulatory capital (Tier 1 leverage ratio) at March 31, 2019 remained strong at 8.70%. For more information regarding the Bank's financial performance for the first quarter of 2019, please see the attached Financial Highlights table.

EVOLVE UPDATE

In April, Evolve announced the appointment of Lance Lemoine as President of its Mortgage Division. Lance brings more than 30 years of experience and expertise in mortgage banking, capital markets, marketing and consumer lending. During his career, he has served as CEO, AmeriPro Home Loans and as CEO, The First National Bank of Sonora Mortgage. Lance has also held executive leadership roles at Wells Fargo, Bank of America and Axia Home Loans. [Click here to read the news release.](#)

EVOLVE IN THE NEWS

In March, Evolve announced we renewed the title sponsorship of the Cooper Young Festival through 2021. "The Evolve Bank & Trust Cooper Young Festival" is scheduled for Saturday, September 14, 2019. In its 32nd year, this event has grown tremendously and is one of Memphis' most highly attended festivals. Over 130,000 guests will enjoy an appealing mix



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of art, music and crafts presented by over 435 artisans from around the country. “The Evolve Bank & Trust Cooper Young Festival” is a true celebration of the arts, people, culture and Memphis heritage.

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 our website, you will find a link to [BanList.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 to speak with customer service. Also, feel free to contact [Jennifer Nelson](#), Evolve Trust Services, at 901.260.9984 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 our [website](#), follow us on [Facebook](#), [Twitter](#), [Instagram](#) and [LinkedIn](#).

Sincerely,

A handwritten signature in blue ink that reads 'B. Scot Lenoir'.

B. Scot Lenoir
Chairman
Evolve Bancorp, Inc.



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**Evolve Bancorp and Evolve Bank & Trust
Financial Highlights For the Three Months Ended March 31, 2019
(Unaudited)**

Evolve Bancorp

(Dollars in Thousands, except per share data)

Income Data	March 31, 2019	March 31, 2018
Net Income	\$ 599	\$ 599
Balance Sheet Data	March 31, 2019	December 31, 2018
Preferred Stock	\$ 4,476	\$ 4,476
Common Stockholders' Equity	31,471	31,141
Total Stockholders' Equity	35,948	35,617
Book Value per Common Share	\$ 7.22	\$ 7.04
Tangible Book Value per Common Share	\$ 6.64	\$ 6.48

Evolve Bank and Trust

(Dollars in Thousands)

Income Data	March 31, 2019	March 31, 2018
Net Interest Income	\$ 4,628	\$ 4,698
Non Interest Income	8,406	7,693
Net Income	652	569
Profitability Ratios	March 31, 2019	March 31, 2018
Return on Average Assets	0.56%	0.50%
Return on Average Equity	6.14%	5.67%
Net Interest Margin	4.36%	4.47%
Balance Sheet Data	March 31, 2019	December 31, 2018
Portfolio Loans	\$ 364,859	\$ 365,187
Loans Held for Sale	28,547	31,358
Total Loans	393,406	396,545
Investment Securities	20,260	21,262
Total Assets	478,286	474,411
Total Deposits	399,546	383,824
Allowance for Loan Losses	5,994	6,178
Balance Sheet Ratios	March 31, 2019	December 31, 2018
Net Loans to Deposits	96.96%	101.70%
Non-Accrual Loans to Total Loans	0.81%	0.92%
ALLL/Gross Loans, excluding HFS	1.64%	1.69%
Tier 1 Leverage Ratio	8.70%	8.58%
Tier 1 Risk-Based Capital Ratio	10.64%	10.49%
Total Risk Based Capital Ratio	11.89%	11.75%