



Triad Centre III  
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August 28, 2019

Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. is pleased to report solid earnings for the second quarter and first half of 2019. Net income for the second quarter of 2019 was \$1.2 million. For the six months ended June 30, 2019, net income was \$1.8 million. Tangible book value per share increased 8.2% to \$7.01 at June 30, 2019 from \$6.48 at December 31, 2018.

Evolve Bank & Trust's ("the Bank") net interest income was \$4.9 million for the second quarter of 2019 and was \$9.5 million for the six months ended June 30, 2019. Total assets grew 6.2% to \$502.4 million at June 30, 2019 from \$473.2 million at December 31, 2018. The Bank's loan portfolio increased \$6.1 million, or 2%, to \$371.3 million at June 30, 2019 from \$365.2 million at December 31, 2018. Total deposits grew 10% to \$421.8 million at June 30, 2019 from \$383.8 million at December 31, 2018.

The Bank's regulatory capital (Tier 1 leverage ratio) at June 30, 2019 was 8.23%. For more information regarding the Bank's financial performance for the second quarter and first half of 2019, please see the attached Financial Highlights table.

### **EVOLVE UPDATE**

Recently, Evolve announced the appointment of Tom Gamache as Senior Vice President, Strategic Growth Initiatives for our Mortgage Division. Tom will lead the tactical expansion of Evolve's Loan Production Offices into new regions of the United States. He will also oversee recruiting, onboarding and the sales efforts of Evolve's new Loan Production Offices nationwide. Tom brings more than 25 years of industry experience to Evolve. Most recently, he served as the National Sales Director of Citizens Bank, Providence, RI, one of the nation's largest financial institutions, with \$160.5 billion in assets. Tom also held executive leadership roles at Guaranteed Rate Mortgage, Bank of America, Wells Fargo and MetLife Home Loans.

### **EVOLVE IN THE NEWS**

In July, Evolve was announced as a partner in [Mastercard's Send](#) network. Mastercard Send is an interoperable platform where payments reach across payment networks to send and receive funds typically within seconds. Specifically, our partnership will support companies such as [Branch](#), which work with large organizations to provide interest-free, pay advances to their hourly workers and gig workers. With Mastercard Send, Branch can push funds in near real time to any debit card. [You can read the news release here.](#)



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### **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 [BancList.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 Six Months Ended June 30, 2019  
(Unaudited)**

**Evolve Bancorp**

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

<b>Income Data</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Net Income	\$ 1,831	\$ 1,846
<b>Balance Sheet Data</b>	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Preferred Stock	\$ 4,476	\$ 4,476
Common Stockholders' Equity	32,202	31,141
Total Stockholders' Equity	36,678	35,617
Book Value per Common Share	\$ 7.60	\$ 7.04
Tangible Book Value per Common Share	\$ 7.01	\$ 6.48

**Evolve Bank and Trust**

*(Dollars in Thousands)*

<b>Income Data</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Net Interest Income	\$ 9,525	\$ 9,772
Non Interest Income	17,943	19,193
Net Income	1,824	1,786
<b>Profitability Ratios</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Return on Average Assets	0.76%	0.77%
Return on Average Equity	8.56%	8.87%
Net Interest Margin	4.40%	4.56%
<b>Balance Sheet Data</b>	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Portfolio Loans	\$ 371,311	\$ 365,187
Loans Held for Sale	41,846	31,358
Total Loans	413,157	396,545
Investment Securities	20,113	21,262
Total Assets	502,423	473,202
Total Deposits	421,764	383,824
Allowance for Loan Losses	6,087	6,178
<b>Balance Sheet Ratios</b>	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Net Loans to Deposits	96.52%	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	8.23%	8.58%
Tier 1 Risk-Based Capital Ratio	10.32%	10.49%
Total Risk Based Capital Ratio	11.57%	11.75%



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## Evolve Bancorp and Evolve Bank & Trust 2019 Financial Highlights

### Evolve Bancorp

*(Dollars in Thousands)*

	2019		
<b>Income Data</b>	<b>Q2</b>	<b>Q1</b>	<b>June YTD</b>
Net Income	\$ 1,232	\$ 599	\$ 1,831

  

	2018		
<b>Income Data</b>	<b>Q2</b>	<b>Q1</b>	<b>June YTD</b>
Net Income	\$ 1,247	\$ 599	\$ 1,846

### Evolve Bank and Trust

*(Dollars in Thousands)*

	2019		
<b>Income Data</b>	<b>Q2</b>	<b>Q1</b>	<b>June YTD</b>
Net Interest Income	\$ 4,897	\$ 4,628	\$ 9,525
Non Interest Income	9,537	8,406	17,943
Net Income	1,172	652	1,824

  

	2018		
<b>Income Data</b>	<b>Q2</b>	<b>Q1</b>	<b>June YTD</b>
Net Interest Income	\$ 5,074	\$ 4,698	\$ 9,772
Non Interest Income	11,500	7,693	19,193
Net Income	1,217	569	1,786