



Triad Centre III  
6070 Poplar Avenue  
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November 19, 2019

Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. is pleased to report another solid period of earnings for the third quarter and first nine months of 2019. Net income for the third quarter of 2019 was \$1.7 million compared to \$1.5 million for the same period in 2018. For the nine months ended September 30, 2019, net income was \$3.6 million compared to \$3.3 million for the same period in 2018. Tangible book value per share increased 14.2% to \$7.40 at September 30, 2019 from \$6.48 at December 31, 2018.

Evolve Bank & Trust's ("the Bank") net income for the third quarter of 2019 was \$1.7 million compared to \$1.5 million for the same period in 2018. For the nine months ended September 30, 2019, net income was \$3.5 million compared to \$3.3 million for the same period in 2018. Return on Average Assets and Return on Average Equity was .97% and 10.89% respectively, for the nine months ended September 30, 2019 compared to .93% and 10.76% respectively, for the same period in 2018. Total assets grew 9.6% to \$518.8 million at September 30, 2019 from \$473.2 million at December 31, 2018. The Bank's loan portfolio increased \$6.8 million, or 2%, to \$372.0 million at September 30, 2019 from \$365.2 million at December 31, 2018. Total deposits grew 13% to \$434.1 million at September 30, 2019 from \$383.8 million at December 31, 2018.

The Bank's regulatory capital (Tier 1 leverage ratio) at September 30, 2019 was 8.53%. For more information regarding the Bank's financial performance for the third quarter and first nine months of 2019, please see the attached Financial Highlights table.

### **ONWARD & UPWARD**

Recently, Evolve announced the appointment Michael Tavarozzi as Managing Director, Growth for our Mortgage Division. Michael has more than 25 years of retail mortgage experience. He began his career as a loan officer and moved into management to combine his passion for mortgage sales and building winning teams. Michael rose through the management ranks to hold leadership positions that influenced and developed loan officers and managers throughout the country. Most recently, he served as Senior Vice President, Division Manager for PNC Bank. Michael also held a senior leadership role at GMAC Mortgage. [Click here to read the news release.](#)



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## IN THE NEWS

The Electronic Transactions Association (ETA) today announced the 2019 inductees to the ETA Hall of Fame which includes Evolve's very own Donna Embry, SVP Global Payments Strategy. The ETA Hall of Fame was developed to recognize the achievements of payments professionals from all corners of the industry who have made significant and lasting contributions.

Donna joined Evolve in 2018. Across her career, she has held multiple leadership positions in the payments industry, including Chief Payments Officer for Payment Alliance International, Executive Vice President, Product and Marketing for Vital Processing, and Senior Vice President, Electronic Banking for PNC Bank. [Click here to visit to read more.](#)

## WANT TO BUY OR SELL EVOLVE STOCK?

Our partnership with *Community Bank List* continues to be 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 us at [Getevolved.com](#), 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 Nine Months Ended September 30, 2019**  
**(Unaudited)**

**Evolve Bancorp**

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

<b>Income Data</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Net Income	\$ 3,570	\$ 3,348
<b>Balance Sheet Data</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Preferred Stock	\$ 4,476	\$ 4,476
Common Stockholders' Equity	34,069	31,141
Total Stockholders' Equity	38,545	35,617
Book Value per Common Share	\$ 7.99	\$ 7.04
Tangible Book Value per Common Share	\$ 7.40	\$ 6.48

**Evolve Bank and Trust**

*(Dollars in Thousands)*

<b>Income Data</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Net Interest Income	\$ 14,602	\$ 14,882
Non Interest Income	30,239	29,823
Net Income	3,515	3,276
<b>Profitability Ratios</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Return on Average Assets	0.97%	0.93%
Return on Average Equity	10.89%	10.76%
Net Interest Margin	4.42%	4.56%
<b>Balance Sheet Data</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Portfolio Loans	\$ 371,992	\$ 365,187
Loans Held for Sale	46,860	31,358
Total Loans	418,852	396,545
Investment Securities	20,085	21,262
Total Assets	518,755	473,202
Total Deposits	434,050	383,824
Allowance for Loan Losses	6,207	6,178
<b>Balance Sheet Ratios</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Loans to Deposits	95.07%	101.70%
Non-Accrual Loans to Total Loans	0.77%	0.92%
ALLL/Gross Loans, excluding HFS	1.67%	1.69%
Tier 1 Leverage Ratio	8.53%	8.58%
Tier 1 Risk-Based Capital Ratio	10.65%	10.49%
Total Risk Based Capital Ratio	11.90%	11.75%



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**Evolve Bancorp and Evolve Bank & Trust  
 2019 Financial Highlights  
 (Unaudited)**

**Evolve Bancorp**

*(Dollars in Thousands)*

	2019			
	Q3	Q2	Q1	September YTD
<b>Income Data</b>				
Net Income	\$ 1,739	\$ 1,232	\$ 599	\$ 3,570

  

	2018			
	Q3	Q2	Q1	September YTD
<b>Income Data</b>				
Net Income	\$ 1,502	\$ 1,247	\$ 599	\$ 3,348

**Evolve Bank and Trust**

*(Dollars in Thousands)*

	2019			
	Q3	Q2	Q1	September YTD
<b>Income Data</b>				
Net Interest Income	\$ 5,077	\$ 4,897	\$ 4,628	\$ 14,602
Non Interest Income	12,296	9,537	8,406	30,239
Net Income	1,691	1,172	652	3,515

  

	2018			
	Q3	Q2	Q1	September YTD
<b>Income Data</b>				
Net Interest Income	\$ 5,110	\$ 5,074	\$ 4,698	\$ 14,882
Non Interest Income	10,630	11,500	7,693	29,823
Net Income	1,490	1,217	569	3,276