

August 2, 2016

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Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. continued its strong performance through the first half of 2016. Net income for the six months ended June 30, 2016 was \$1,438,619 which was a 35% increase over net income for the first six months of 2015 of \$1,065,410. Book value per share increased to \$5.37 at June 30, 2016 from \$5.10 at December 31, 2015.

Evolve Bank and Trust's ("the Bank") total assets increased 2.5% to \$ 377 million at June 30, 2016 from \$368 million at December 31, 2015. Total loans increased \$21.7 million or 7% to \$325 million from \$303 million at December 31, 2015. Total deposits were \$268 million at June 30, 2016 compared to \$267 million at December 31, 2015.

The Bank's regulatory capital (Tier 1 leverage ratio) remained strong at June 30, 2016 at 8.88%. For more information regarding the Bank's financial performance for the first six months of 2016, please see the attached Financial Highlights table.

EVOLVE IN THE NEWS

We are excited to announce the opening of our new Loan Production Office in Highland, AR. You may recognize this area of Arkansas better as being a part of Hardy and Cherokee Village, AR. Highland is the business district directly between these two communities. This location will primarily serve three counties in Arkansas: Sharp, Fulton, and Izard Counties. The office will be managed by four seasoned bankers who have worked in this area for over 25 years. Bob Evins will serve as Community Bank President; Joey Cooper will serve as Vice-President/Loan Officer; Kay Curtis will serve as Mortgage Loan Originator/Loan Assistant; and Michelle Taylor as Administrative Assistant. We are happy to welcome them to the Evolve Team.

CORPORATE SPONSORSHIPS AND COMMUNITY GIVING

June was a busy month for community giving at Evolve. We raised over \$2,500 and had 20 employees participate in the Walk to Cure Arthritis through the Arthritis Foundation. This is the Arthritis Foundation's nationwide signature event supporting their mission to conquer arthritis by spreading awareness and raising money for research aimed at finding a cure. The event featured a three-mile and one-mile course, with arthritis information and activities for the entire family.

In addition to the Arthritis Walk, we had another 15 employees who participated in a mobile food bank in coordination with the Neighborhood Christian Centers and the Mid-South Food Bank. Because of Evolve's financial contribution and employee participation, we were able to serve over 250 needy families food baskets for the summer months.

It's that time again. Saturday, September 17th, get ready for the Evolve Bank & Trust Cooper-Young Festival. Last year, a record number of Mid-Southerners came to enjoy music, arts and crafts, and an overall beautiful day in the Cooper-Young neighborhood. We are expecting an even better time this year and would love to see you down at the festival. Our booth will be located at the northeast corner of Cooper and Young Streets. Come by and see us. For more information about the Festival, please visit www.cooperyoungfestival.com.

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 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 may 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 service to our customers. As new and interesting concepts arise, please do not hesitate to reach out to us. We are always happy to hear your thoughts.

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 & Evolve Bank & Trust
Financial Highlights for the Six Months Ended
(unaudited)

Evolve Bancorp

Income Data	June 30, 2016	June 30, 2015
Net income	\$1,438,619	\$1,065,410

Balance Sheet Data	June 30, 2016	December 31, 2015
Preferred Stock	\$6,749,000	\$ 8,349,000
Common Stockholders' Equity	24,787,747	23,466,213
Total Stockholders' Equity	31,536,747	31,815,213
Book value per common share	\$5.37	\$ 5.10

Evolve Bank & Trust

Income Data	June 30, 2016	June 30, 2015
Net Interest Income	\$ 7,073,653	\$ 6,735,734
Non-Interest Income	22,685,096	22,056,938
Net Income	1,461,590	1,088,083

Profitability Ratios

Return on Average Assets	0.81%	0.58%
Return on Average Equity	8.25%	6.19%
Net Interest Margin	4.27%	3.86%

Balance Sheet Data	June 30, 2016	December 31, 2015
Total Loans	\$324,879,401	\$303,227,711
Investment Securities	18,719,302	19,243,204
Total Assets	376,838,228	367,679,838
Total Deposits	267,949,415	266,707,393
Allowance for Loan Losses	5,267,322	4,710,272

Ratios	June 30, 2016	December 31, 2015
Loans to Deposits	119.28%	111.93%
Non-Accruing Loans to Total Loans	1.06%	1.36%
ALLL/Gross Loans, excluding HFS	2.15%	2.08%
Tier 1 Leverage Ratio	8.88%	9.00%
Tier 1 Risk-Based Capital Ratio	10.80%	12.00%
Total Risk Based Capital Ratio	12.07%	13.26%