

February 21, 2017

Dear valued Shareholders, Customers and Friends:

Evolve Bancorp, Inc. is proud to announce excellent financial results for 2016. Net income for the year ended December 31, 2016 was \$2,774,847 which represents a 56% increase over net income for the previous year of \$1,782,629. Book value per share increased 9% to \$5.57 at December 31, 2016 from \$5.10 at December 31, 2015.

Evolve Bank & Trust's ("the Bank") total assets increased 22% to \$449 million at December 31, 2016 from \$368 million at December 31, 2015. Total loans increased \$88 million and 29% to \$ 391 million at December 31, 2016 from \$303 million at December 31, 2015. Total deposits were \$315 million at December 31, 2016 compared to \$267 million at December 31, 2015.

The Bank's regulatory capital (Tier 1 leverage ratio) remained strong at December 31, 2016 at 8.22%. For more information regarding the Bank's financial performance for 2016, please see the attached Financial Highlights table.

EVOLVE IN THE NEWS

For the third year-in-a-row, Evolve was named a *Top Workplace* by the Commercial Appeal. The evaluation for the *Top Workplaces* program is based upon feedback from an employee survey that we completed in mid-year of 2016. We had nearly 300 responses to the survey. We are truly honored to have been selected for this Award for the third time because the judges are a group on which we place extreme value—our employees!

Last, but certainly not least, we have finished a complete overhaul and rebuild of our company website. Our partner in this effort was Loaded for Bear (www.wearelfb.com), and we could not be happier with their work and the end result. This has been a massive project with a lot of moving parts. We hope you find the new site visually appealing, and more importantly, simple and easy to use. We would love to hear your feedback. To see our new website, go to www.getevolved.com.

CORPORATE SPONSORSHIPS AND COMMUNITY GIVING

For the second year-in-a-row, Evolve was one of the presenting sponsors for *Art on Fire* at the Dixon Gallery and Gardens. It was a perfect night for the event with a great cross-section of our community represented. All proceeds raised from this event go towards funding the many wonderful educational programs that the Dixon provides.

ANNUAL STOCKHOLDERS' MEETING

I would like to extend a personal invitation for you to join us at our Annual Meeting of Stockholders on Thursday, March 23rd at 5:30 p.m. in our boardroom located at 6070 Poplar Avenue (first floor) Memphis, TN 38119. Refreshments and light hors

d'oeuvres will be served. Please send R.S.V.P.'s to Sherri Mayo at smayo@getevolved.com. We look forward to seeing you there.

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, you will find a link to 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 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 services 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 Years Ended
(Unaudited)

Evolve Bancorp

(Dollars in Thousands, except per share data)

Income Data	December 31, 2016	December 31, 2015
Net income	\$2,775	\$1,783
Balance Sheet Data	December 31, 2016	December 31, 2015
Preferred Stock	\$6,749	\$8,349
Common Stockholders' Equity	25,721	23,466
Total Stockholders' Equity	32,470	31,815
Book value per common share	\$5.57	\$5.10

Evolve Bank & Trust

(Dollars in Thousands)

Income Data	December 31, 2016	December 31, 2015
Net Interest Income	\$15,489	\$13,393
Non-Interest Income	48,191	45,013
Net Income	2,762	1,769

Profitability Ratios

Return on Average Assets	0.71%	0.48%
Return on Average Equity	7.66%	4.96%
Net Interest Margin	4.30%	3.92%

Balance Sheet Data	December 31, 2016	December 31, 2015
Total Loans	\$391,292	\$303,228
Investment Securities	18,822	19,243
Total Assets	449,036	367,680
Total Deposits	315,048	266,707
Allowance for Loan Losses	5,809	4,710

Ratios	December 31, 2016	December 31, 2015
Loans to Deposits	122.36%	111.93%
Non-Accrual Loans to Total Loans	0.47%	1.36%
ALLL/Gross Loans, excluding HFS	1.89%	2.08%
Tier 1 Leverage Ratio	8.22%	9.00%
Tier 1 Risk-Based Capital Ratio	9.80%	12.00%
Total Risk Based Capital Ratio	11.06%	13.26%