REVERE BANK

July 31, 2012

Dear Fellow Shareholder:

We are pleased to report another strong quarter of both income and balance sheet growth. Pre-tax net income for the second quarter was $319 thousand compared to $184 thousand for last quarter and $59 thousand for the second quarter last year. Year-to-date pre-tax net income was $503 thousand versus $72 thousand for the same period last year.

At the end of the second quarter, after six quarters of profitability, we recognized the benefit of our net deferred tax asset by eliminating our valuation allowance. This tax benefit was primarily created by the net loss carryforwards sustained during our startup period. Those losses were ordinary and expected. Accounting for this benefit increased our year-to-date after tax net income to a total of $3.10 million. Realizing this benefit improved our capital ratios by increasing our capital by $2.60 million. Now that we have realized the benefit of our net deferred tax asset, we will begin to provision for income taxes. For the next 18 months, we will focus our discussion on pre-tax net income to best provide you an apples to apples comparison of our financial results.

We closed the second quarter with $341 million in assets, $285 million in loans and $291 million in deposits. Loans have grown 68% or $116 million since June 30, 2011 and 17% or $41 million during the second quarter of 2012. Deposits have grown 61% or $110 million since June 30, 2011 and 9% or $25 million during the second quarter of 2012. We will aggressively pursue deposits in the second half of the year as we are confident we can deploy all the deposits we can attract into quality loans.

Our net interest margin for the first six months was 3.93% compared to 3.76% for the same period last year, a 17 basis point improvement. The higher margin, combined with our significant balance sheet growth, resulted in net interest income increasing 58% or $2.0 million during the first six months to $5.44 million from $3.44 million for the same period last year.

While increased operating expenses are necessary to support our growth we are benefiting from economies of scale. As mentioned last quarter, the efficiency ratio measures how we are managing operating expense growth relative to balance sheet growth. We are pleased that our efficiency ratio (the smaller the better) improved further in the second quarter, and year-to-date stands at 78.3% versus 85.2% during the same period last year.

Our credit quality remains very strong. At the end of the second quarter, we had no non-performing loans and no loans past due more than 30 days. And we had no charge-offs during the period. Our credit statistics remain among the best in the country and while they are impossible to maintain at these levels over the long run, we will always strive to be in the top tier. The allowance for loan losses stood at 1.25% of loans outstanding at quarter end.

Other positives occurred during the quarter. We moved a number of colleagues into expansion space across the street from our Laurel office as we outgrew our administrative office space. Additionally, we have been recognized in the media and through rating organizations for our overall asset quality, strength and business lending practices. This includes being awarded a 5 Star-Superior rating (on a scale of 1-5) for our overall performance and condition by BauerFinancial, Inc., an independent bank research firm (www.bauerfinancial.com).

Our experienced commercial team grew this quarter with the addition of market veteran Stephen Horvath. Steve is helping us manage our rapid growth in Montgomery County and provides additional expertise in our Prince George's County efforts.

We are also finalizing plans for a new capital campaign to begin during the third quarter to help fund our continued strong growth. The demand for our services and loans is high by small- and medium-sized businesses and we can meet this demand while providing a superior return for our shareholders. We encourage you to consider increasing your investment in Revere Bank. We believe our future is very bright.

As mentioned above, we are endeavoring to increase deposits at an even faster pace to meet loan demand. You recently received a special deposit offer for shareholders and their families. We encourage you to take advantage of this limited-time offer that expires August 31, 2012. You can improve your personal interest income and the deposits help your bank.

On behalf of our directors and co-workers, thank you for your continued support and referrals.

Sincerely,

Drew

Andrew F. Flott
Chief Executive Officer
(240) 264-5340
Andrew.Flott@RevereBank.com

Ken

Kenneth C. Cook
President and Vice Chairman
(240) 264-5372
Kenneth.Cook@RevereBank.com

REVERE BANK

Balance Sheet
(Unaudited)

(Dollars in thousands)	June 30, 2012	December 31, 2011	June 30, 2011
Assets			
Cash and due from banks	$ 19,068	$ 7,227	$ 16,469
Federal funds sold	-	-	-
Investment portfolio	34,312	38,480	30,801
Loans	285,312	222,253	169,630
Allowance for loan loss	(3,578)	(2,858)	(2,193)
Other assets	5,814	2,789	2,059
Total Assets	$ 340,928	$ 267,891	$ 216,766
Liabilities and Stockholder's Equity			
Non-interest bearing deposits	$ 37,256	$ 31,345	$ 20,149
Interest bearing deposits	254,155	198,173	161,259
Total deposits	291,411	229,518	181,408
Federal funds purchased and other borrowings	19,000	11,000	10,000
Other liabilities	988	797	545
Total Liabilities	311,399	241,315	191,953
Stockholders' equity	29,529	26,576	24,813
Total Liabilities and Stockholder's Equity	$ 340,928	$ 267,891	$ 216,766
Capital Ratios			
Tier 1 leverage ratio	8.94%	10.31%	12.66%
Tier 1 risk-based capital ratio	9.85%	11.60%	13.32%
Total risk-based capital ratio	11.08%	12.85%	14.54%
Asset Quality			
Non accrual loans	$ -	$ -	$ -
Total non-performing assets	$ -	$ -	$ -

REVERE BANK

Statement of Income and Expense
(Unaudited)

(Dollars in thousands)	Six months ended June 30, 2012	Six months ended June 30, 2011	Three months ended June 30, 2012	Three months ended June 30, 2011
Interest Income				
Interest and fees on loans	$ 6,514	$ 4,128	$ 3,450	$ 2,234
Interest on securities	367	515	175	256
Interest on federal funds sold and other	14	9	8	4
Total interest income	6,895	4,652	3,633	2,494
Interest Expense				
Interest on deposits	1,414	1,198	722	599
Interest on other borrowed funds	44	19	23	13
Total Interest expense	1,458	1,217	745	612
Net Interest Income	5,437	3,435	2,888	1,882
Provision for loan loss	720	460	390	295
Net Interest Income after Provision	4,717	2,975	2,498	1,587
Other Income				
Non-Interest Income	158	123	91	71
Gain on Sale of Securities	11	6	-	6
Total other income	169	129	91	77
Non-Interest Expense				
Salaries and employee benefits	2,730	1,870	1,424	1,004
Occupancy and equipment	662	465	358	244
Other non-interest expense	991	697	488	357
Total Non-Interest Expense	4,383	3,032	2,270	1,605
Net Income before taxes	$ 503	$ 72	$ 319	$ 59
Taxes	(2,600)	-	(2,600)	-
Net Income after taxes	$ 3,103	$ 72	$ 2,919	$ 59
Net Income before provision for loan loss	$ 3,823	$ 532	$ 3,309	$ 354
Efficiency Ratio	78.34%	85.22%	76.20%	82.18%