October 31, 2013

Dear Fellow Shareholder:

We are pleased to report another strong quarter of both income and balance sheet growth. Pretax net income for the third quarter was $1.20 million versus $927 thousand last quarter and $403 thousand for the third quarter last year. Year-to-date pretax net income was $2.85 million, or 214% higher than the $906 thousand earned during the first nine months of 2012. In June of 2012 we recognized the benefit of our net deferred tax asset and began to recognize income tax expense. Therefore, for 2013, the best comparison to 2012 is pretax net income which excludes this extraordinary income event. With that said, year-to-date net income was $1.73 million compared to $3.35 million for the same period last year after recognizing the net effect of the $2.6 million net deferred tax asset mentioned above.

We closed the third quarter with $470.5 million in assets, $411.9 million in loans and $410.0 million in deposits. The $26.2 million temporary deposit present at the end of the previous two quarters left the bank during the third quarter and is not reflected in period-end statistics. Deposits have grown 25.6% or $83.5 million since September 30, 2012, and 3.7% or $14.6 million (adjusted for the large deposit) during the third quarter of 2013. We are currently managing non core deposits tightly to minimize our investment in low yielding securities as we have access to several funding sources and can gather deposits quickly if needed. Loans have grown 32.7% or $101.5 million since September 30, 2012, and 9.7% or $36.4 million during the third quarter. Our loan pipeline is strong and is being replenished after a strong quarter.

Our net interest margin for the third quarter was 3.85% compared to 3.49% for the second quarter of 2013. After adjusting for the large temporary account and its roughly 20 basis point short term incremental interest spread, our quarterly net interest margin would have been 3.89% compared to an adjusted 3.71% last quarter. On an adjusted year-to-date basis our net interest margin would have been 3.76% versus 3.81% for the first nine months of 2012. Our associated net interest income, due to significant loan growth, grew 10.4% or $403 thousand on a linked quarter basis and year to date increased 34.5% or $3.0 million to $11.69 million from $8.69 million last year.

Non-interest expense increased by 2.7% or $74 thousand on a linked quarter basis and year-to-date increased 20.4% or $1.41 million over the same period last year due to increased operating expenses necessary to support our continued growth. Our efficiency ratio improved to 63.9% in the third quarter and year to date improved to 67.8% from 77.1% for the same period last year.

Our credit quality remains very strong. Net charge-offs on a year-to-date basis totaled just $103 thousand or 0.02% of loans. We had a minimal number of loans past due at quarter-end totaling $1.6 million or 0.39% of loans. Non-accrual loans at quarter-end totaled $1.67 million or 0.40% of loans. The allowance for loan losses was 1.34% of loans outstanding at quarter-end.

We are committed to maintaining high credit quality and the continuous monitoring of our loan portfolio.

As we've discussed in our previous letters this year, we are now focused on balancing strong incremental increases in profitability with asset growth. Through the first nine months we've been fortunate to demonstrate strong results on both fronts. We remain very optimistic about the future of your bank and the many opportunities throughout our market. We're here to meet all the banking needs of small and medium sized businesses and their entrepreneurial owners.

Finally, during the quarter we signed a lease to open a new branch and commercial banking location in Northern Montgomery County with strong visibility along heavily traveled Interstate 270. We plan to occupy the space early in 2014.

On behalf of our colleagues and directors, thank you for your continued support and your deposit and loan referrals. We welcome your comments and questions and invite you to do all of your banking with us. Please contact either of us at anytime.

Sincerely,

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REVERE BANK

Financial Highlights (Unaudited)

(Dollars in thousands except per-share data)

	Nine Months Ended			Quarter Ended		
	09/30/13	09/30/12		09/30/13	06/30/13	
Operating Results			YoY Δ			LQ Δ
Net Interest Income	$ 11,690	$ 8,694	34.5%	$ 4,262	$ 3,859	10.4%
Provision for Loan Loss	1,105	1,160	-4.7%	405	365	11.0%
Net Interest Income after Provision	10,585	7,534	40.5%	3,857	3,494	10.4%
Non-Interest Income	569	260	119.2%	191	203	-5.6%
Gain on sale of securities	-	11		-	-	
Non-Interest Expense	8,307	6,899	20.4%	2,844	2,770	2.7%
Pretax Net Income	2,847	906	214.4%	1,204	927	29.9%
Income Tax Expense	1,119	(2,441)	-145.9%	479	362	32.2%
Net Income	$ 1,728	$ 3,347	-48.4%	$ 725	$ 565	28.4%
Per-Share Data						
Earnings per share	$ 0.419	$ 1.060	-60.5%	$ 0.176	$ 0.140	25.9%
Earnings per share - diluted	$ 0.385	$ 0.950	-59.5%	$ 0.161	$ 0.128	26.1%
Book value per share	$ 10.41	$ 9.46	10.0%	$ 10.41	$ 10.23	1.8%
Book value per share - diluted	$ 10.38	$ 9.52	9.0%	$ 10.38	$ 10.21	1.7%
Selected Balance Sheet Data						
Loans	$ 411,903	$ 310,357	32.7%	$ 411,903	$ 375,493	9.7%
Assets	$ 470,539	$ 373,024	26.1%	$ 470,539	$ 475,859	-1.1%
Deposits	$ 410,035	$ 326,541	25.6%	$ 410,035	$ 421,670	-2.8%
Stockholders' equity	$ 44,755	$ 30,001	49.2%	$ 44,755	$ 43,860	2.0%
Performance Ratios			BP			BP
Return on Average Assets (annualized)	0.52%	1.43%	(91)	0.63%	0.49%	14
Return on Average Equity (annualized)	5.47%	15.96%	(1,048)	6.46%	5.13%	133
Net Interest Margin	3.64%	3.81%	(16)	3.85%	3.49%	36
Net Interest Yield	3.52%	3.70%	(19)	3.72%	3.37%	35
Efficiency Ratio	67.76%	77.05%	(929)	63.85%	68.20%	(435)
Credit Quality Ratios						
Loans past due more than 30 days to total loans	0.39%	0.00%	39	0.39%	0.19%	20
Non accrual loans to total loans	0.40%	0.00%	40	0.40%	0.41%	(1)
Allowance for loan loss to total loans	1.34%	1.29%	4	1.34%	1.38%	(4)
Non performing assets to total assets	0.35%	0.00%	35	0.35%	0.32%	3
Net charge-offs to total loans	0.02%	0.00%	2	0.02%	0.01%	1
Regulatory Capital ratios						
Core capital (leverage) ratio	9.84%	8.06%	178	9.84%	9.53%	31
Tier 1 risk-based capital ratio	11.25%	9.12%	213	11.25%	11.77%	(52)
Total risk-based capital ratio	12.51%	10.37%	214	12.51%	13.03%	(52)
Number of Employees	68	57	19.3%	68	67	1.5%

Financial Highlights
Glossary of Select Terms

<u>Operating Results</u>

Net Interest Income	Interest income minus interest expense
Provision for Loan Loss	Current period expense for possible future problem loans

<u>Per-Share Data</u>

Earnings per share	Net income divided by YTD average shares outstanding
Earnings per share - diluted	Net income divided by the YTD average of shares outstanding plus total "in the money versus book value" stock options granted
Book value per share	Stockholders' equity divided by shares outstanding
Book value per share - diluted	Stockholders' equity plus cash derived from execution of all "in the money versus book value" stock options granted divided by shares outstanding plus total "in the money versus book value" stock options granted

<u>Performance Ratios</u>

Return on Average Assets (annualized)	Net income annualized divided by YTD average assets
Return on Average Equity (annualized)	Net income annualized divided by YTD average equity
Net Interest Margin	Net interest income divided by YTD average earning assets
Net Interest Yield	Net interest income divided by YTD average assets
Efficiency Ratio	Ratio of operating expense to net interest income plus non interest income

<u>Credit Quality Ratios</u>

Non accrual loans to total loans	Loans on which we no longer accrue interest due to credit concerns divided by period end total loans
Non performing assets to total assets	Investments on which we no longer accrue interest due to default concerns plus non accrual loans plus other real estate owned divided by period end total assets
Net charge-offs to total loans	Charged off loans net of recoveries on previously charged off loans during the period divided by total loans

<u>Regulatory Capital ratios</u>

Core capital (leverage) ratio	Period end equity divided by period end assets
Tier 1 risk-based capital ratio	Period end tier 1 capital (as defined by the FDIC) divided by period end assets
Total risk-based capital ratio	Period end total regulatory capital (as defined by the FDIC) divided by period end risk weighted assets (as defined by the FDIC)

<u>Other</u>

YoY Δ	Year over year change
YTD Δ	Year to date change
LQ Δ	Linked quarter change
BP	Basis point - A basis point is equivalent to 1 one hundred of 1 percent.