REVERE BANK

February 28, 2013

Year End Letter

Dear Fellow Shareholder,

We are very pleased to report sustained progress and results during the fourth quarter and for 2012. During the quarter loans grew by $25 million or 8.1%, deposits grew by $26 million or 7.9%, and we had record pre-tax net income of $433 thousand. This marks our 8th consecutive quarter of profitability. Our credit quality remained very strong. We completed a successful deposit growth initiative during the quarter and executed a very successful capital raise campaign.

We closed the year with $402.1 million in assets, $335.4 million in loans, and $352.5 million in deposits. On average from December 2011 to December 2012, loans grew by 52% and deposits grew by 55%. Our pipeline in both areas is very strong in spite of a continued slow economic recovery. We have a highly experienced team of motivated and nimble bankers both on the street and within our operational support areas creating and managing this growth and momentum.

Our 2012 pre-tax net income of $1.34 million was more than four times greater than 2011's pre-tax net income of $327 thousand. With the inclusion of the net deferred tax asset discussed in our last two quarterly letters, our net income was $3.56 million. Net interest income in 2012 was $12.1 million, a 55% increase over 2011. Our net interest margin was 3.76%, virtually unchanged from 2011. As mentioned above, our credit quality remains very good, and we ended 2012 with no loans past due more than 30 days. We had one de minimis $5 thousand charge-off and placed one income-producing real estate loan of $1.30 million on non-accrual. The resulting ratio of non-performing assets to total assets stood at 0.32% at year end and is among the best in our peer group, our market and the country. The allowance for loan losses stood at 1.34% of loans outstanding at year end versus 1.29% at year end of 2011.

A detailed profit and loss statement and balance sheet follow this letter.

During the fourth quarter of 2012, we continued our capital campaign to help fund our future growth. By year end, we had received $4.9 million in new capital at a premium to book value. By the final January 31, 2013 deadline we raised and received another $7.7 million, for a total of over $12.6 million against a goal of $10 million.

We also had a number of other accomplishments during the year. We added three proven relationship managers and one commercial group manager to the Revere team. And, several talented individuals joined us in our credit and operations departments as we strive to provide superior service both internally and externally. During the third quarter, we moved a number of colleagues into our new operations center on Main Street in Laurel as we outgrew our administrative office space. We also added fixed rate residential mortgage services to our list of product offerings during 2012 to meet our clients' needs and create additional fee income.

Our 2012 strategic objectives centered around significant quality loan growth and matching deposit growth with an emphasis on decreasing our funding costs. Our execution included a plan to improve our mix of checking deposits to total deposits. We made strong progress in these areas in 2012 and in 2013 we will continue to emphasize each of these objectives. As we have begun to mature in size and depth, we will focus on both asset growth and the realization of rapid profit growth. We expect to more than double our pre-tax net income in 2013, while growing assets by over 25%. Integral to these objectives will be strong management of our net interest margin in this low rate environment and we will be diligent regarding both deposit and loan pricing while achieving growth and profit goals. And, as mentioned earlier, we are committed to maintaining outstanding credit quality at all times-it is a critical long term success factor.

We are very optimistic about the future of Revere Bank in part due to the great team of colleagues around us. These committed, hard-working associates are focused on doing what is right for our clients and for the bank. We are very appreciative of their daily contributions and leadership.

Thank you for your continued support and confidence. We welcome your comments, questions and referrals. We also invite you to do all of your banking with us.

Please feel free to contact either of us at any time.

Sincerely,

Drew

Andrew F. Flott
Chief Executive Officer
Office: (240) 264-5340
Cell: (301) 980-6030
Andrew.Flott@RevereBank.com

Ken

Kenneth C. Cook
President and Vice Chairman
Office: (240) 264-5372
Cell: (301) 980-7507
Kenneth.Cook@RevereBank.com

Balance Sheet
(Unaudited)

(Dollars in thousands)	December 31, 2012	December 31, 2011	September 30, 2012
Assets			
Cash and due from banks	$ 35,032	$ 7,227	$ 29,582
Federal funds sold	-	-	-
Investment portfolio	30,565	38,480	31,305
Loans	335,385	222,253	310,357
Allowance for loan loss	(4,507)	(2,858)	(4,018)
Other assets	5,668	2,789	5,798
Total Assets	$ 402,143	$ 267,891	$ 373,024
Liabilities and Stockholder's Equity			
Non-interest bearing deposits	$ 42,529	$ 31,345	$ 39,704
Interest bearing deposits	309,924	198,173	286,837
Total deposits	352,453	229,518	326,541
Federal funds purchased and other borrowings	13,000	11,000	15,000
Other liabilities	1,631	797	1,482
Total Liabilities	367,084	241,315	343,023
Stockholders' equity	35,059	26,576	30,001
Total Liabilities and Stockholder's Equity	$ 402,143	$ 267,891	$ 373,024
Capital Ratios			
Tier 1 leverage ratio	8.82%	10.31%	8.06%
Tier 1 risk-based capital ratio	10.00%	11.60%	9.12%
Total risk-based capital ratio	11.25%	12.85%	10.37%
Asset Quality			
Non accrual loans	$ 1,304	$ -	$ -
Total non-performing assets	$ 1,304	$ -	$ -

REVERE BANK

Statement of Income and Expense
(Unaudited)

(Dollars in thousands)	Twelve months ended December 31, 2012	Twelve months ended December 31, 2011	Three months ended December 31, 2012	Three months ended December 31, 2011
Interest Income				
Interest and fees on loans	$ 14,578	$ 9,371	$ 4,148	$ 2,726
Interest on securities	619	987	115	232
Interest on federal funds sold and other	35	25	14	3
Total interest income	15,232	10,383	4,277	2,961
Interest Expense				
Interest on deposits	3,026	2,540	842	687
Interest on other borrowed funds	109	47	30	18
Total Interest expense	3,135	2,587	872	705
Net Interest Income	12,097	7,796	3,405	2,256
Provision for loan loss	1,650	1,127	490	357
Net Interest Income after Provision	10,447	6,669	2,915	1,899
Other Income				
Non-Interest Income	420	259	157	71
Gain on Sale of Securities	11	6	-	6
Total other income	431	265	157	77
Non-Interest Expense				
Salaries and employee benefits	5,975	4,082	1,629	1,158
Occupancy and equipment	1,387	973	383	278
Other non-interest expense	2,177	1,552	627	435
Total Non-Interest Expense	9,539	6,607	2,639	1,871
Net Income before taxes	1,339	327	433	105
Taxes	(2,226)	-	215	-
Net Income	$ 3,565	$ 327	$ 218	$ 105
Net Income before provision for loan loss	$ 5,215	$ 1,454	$ 707	$ 462
Efficiency Ratio	76.20%	82.00%	74.08%	80.14%