



October 31, 2014

Dear Fellow Shareholder:

We are delighted to report Revere Bank's very strong third quarter and year-to-date results. Quarterly and year-to-date income is up significantly, driven by substantial loan and deposit growth accompanied by credit quality metrics that continue to be outstanding.

Third quarter net income was \$1.18 million or 62.3% higher than last year's third quarter. On a linked quarter basis net income rose by 19.0% representing solid current earnings momentum. Year-to-date net income was \$3.15 million or 82.1% higher than the \$1.73 million earned during the same nine months of 2013. Earnings per share show similar increases for all periods.

We closed the third quarter with \$597.0 million in assets, \$532.0 million in loans and \$522.2 million in deposits. Loans have grown 29.1% or \$120.0 million since September 30, 2013 and 8.4% or \$41.4 million in the third quarter. Deposits have grown 27.4% or \$112.2 million since September 30, 2013 and 6.2% or \$30.6 million during the third quarter. Our loan and deposit pipelines are at all-time highs and our momentum is strong.

Our third quarter net interest margin was 4.05% compared to 3.85% for the third quarter of 2013 and 3.96% on a linked quarter basis. The year-to-date net interest margin was 4.02% versus 3.76% (adjusted for a large temporary deposit last year) for the first nine months of 2013. The related net interest income, due to balance sheet growth and year-to-date margin expansion, grew 12.2% on a linked quarter basis and year to date increased 33.5% or \$3.92 million to \$15.61 million.

Non-interest expense increased 8.0% or \$263 thousand on a linked quarter basis and year to date increased 19.4% or \$1.61 million over the same period last year. Third quarter expenses were higher primarily due to our continued growth, and secondly due to a full quarter of expense related to the opening of our Gaithersburg location in the second quarter. The quarter's growth quickly absorbed the new expenses as our linked quarter efficiency ratio decreased almost 200 basis points to 60.4% and year to date improved to 61.4% from 67.8% for the same period last year.

We continue to maintain high credit quality. Net charge-offs on a year-to-date basis total just \$47 thousand. We had \$30 thousand in loans past due 30 days or more at quarter-end. We had non-accrual loans of \$958 thousand at quarter-end. The resulting ratio of non-performing assets to total assets stood at 0.16% at quarter-end and remains among the best in the industry. The allowance for loan losses was 1.27% of loans outstanding at quarter-end. We remain committed to maintaining exceptional credit quality and to the continuous management of our growing loan portfolio.

The year so far has been very rewarding and we've had several positive developments during the third quarter. In late September, we welcomed a new team of talented relationship managers to our Howard County market. This team of commercial banking veterans is led by Dave Gramil and includes Bruce Hollander, Theresa Fodel, Ken Williams and Pat Fricke. As a result, we accelerated the leasing of our new commercial and retail branch location in Howard County. Our new location, called Columbia Corporate 100, is in Ellicott City, just off Route 100 and Snowden River Parkway. Our building sign is installed and highly visible from the heavily traveled Route 100 corridor. With the new team in place we expect the branch to open before Thanksgiving. The addition of this group — combined with our current high performing team of over 80 colleagues — makes us very optimistic about the future.

Before we close we'd like to emphasize how important deposits are to the growth of our bank. Deposits fund our small business lending as we focus on helping businesses grow and become even more successful. We encourage each of you to open accounts with us – our deposit rates are extremely competitive and we can customize products and rates to meet your needs.

Finally, it always bears repeating that almost all of our business is attributable to referrals from customers, business advisors such as CPA's and attorneys, board members and shareholders. Every business and individual needs a bank – and we appreciate any referrals you direct our way.

On behalf of our colleagues and directors, thank you for your continued support. We welcome your comments and please contact us anytime.

Sincerely,



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Financial Highlights (Unaudited)
(Dollars in thousands except per-share data)

	Nine Months Ended		YoY Δ	Quarter Ended		LQ Δ
	09/30/14	09/30/13		09/30/14	06/30/14	
Operating Results						
Net Interest Income	\$ 15,611	\$ 11,690	33.5%	\$ 5,704	\$ 5,084	12.2%
Provision for Loan Loss	992	1,105	-10.2%	430	\$ 320	34.4%
Net Interest Income after Provision	14,619	10,585	38.1%	5,274	\$ 4,764	10.7%
Non-Interest Income	542	569	-4.8%	174	\$ 184	-5.4%
Non-Interest Expense	9,921	8,307	19.4%	3,551	\$ 3,288	8.0%
Pretax Net Income	5,240	2,847	84.1%	1,897	\$ 1,660	14.3%
Income Tax Expense	2,092	1,119	86.9%	721	\$ 672	7.3%
Net Income	\$ 3,148	\$ 1,728	82.1%	\$ 1,176	\$ 988	19.0%
Per-Share Data						
Earnings per share	\$ 0.729	\$ 0.419	74.0%	\$ 0.271	\$ 0.229	18.5%
Earnings per share - diluted	\$ 0.653	\$ 0.385	69.7%	\$ 0.243	\$ 0.205	18.6%
Book value per share	\$ 11.39	\$ 10.41	9.5%	\$ 11.39	\$ 11.10	2.6%
Book value per share - diluted	\$ 11.27	\$ 10.38	8.6%	\$ 11.27	\$ 11.01	2.4%
Selected Balance Sheet Data						
Loans	\$ 531,955	\$ 411,903	29.1%	\$ 531,955	\$ 490,555	8.4%
Assets	\$ 596,972	\$ 470,539	26.9%	\$ 596,972	\$ 558,558	6.9%
Deposits	\$ 522,185	\$ 410,035	27.4%	\$ 522,185	\$ 491,580	6.2%
Stockholders' equity	\$ 49,387	\$ 44,755	10.3%	\$ 49,387	\$ 48,133	2.6%
Performance Ratios						
			BP			BP
Return on Average Assets (annualized)	0.79%	0.52%	27	0.81%	0.75%	7
Return on Average Equity (annualized)	8.79%	5.47%	332	9.48%	8.29%	119
Net Interest Margin	4.02%	3.64%	38	4.05%	3.96%	9
Net Interest Yield	3.90%	3.52%	39	3.94%	3.83%	10
Efficiency Ratio	61.42%	67.76%	(635)	60.41%	62.40%	(200)
Credit Quality Ratios						
Loans past due more than 30 days to total loans	0.01%	0.39%	(38)	0.01%	0.00%	0
Non accrual loans to total loans	0.18%	0.40%	(22)	0.18%	0.01%	17
Allowance for loan loss to total loans	1.27%	1.34%	(7)	1.27%	1.25%	1
Non performing assets to total assets	0.16%	0.35%	(19)	0.16%	0.01%	15
Regulatory Capital ratios						
Core capital (leverage) ratio	8.56%	9.84%	(128)	8.56%	9.02%	(46)
Tier 1 risk-based capital ratio	9.47%	11.25%	(178)	9.47%	9.79%	(32)
Total risk-based capital ratio	10.72%	12.51%	(179)	10.72%	11.04%	(32)
Number of Employees						
	83	68	22.1%	83	79	5.1%



Financial Highlights
Glossary of Select Terms

Operating Results

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

Per-Share Data

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

Performance Ratios

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

Credit Quality Ratios

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

Regulatory Capital ratios

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)

Other

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.