



July 31, 2018

Dear Fellow Shareholder:

We are pleased to report continued strong earnings growth in the second quarter. Loan momentum should continue to support earnings growth in the second half of the year. We are particularly focused on growing deposits and are currently running a CD special in our market. We believe that we are well positioned for earnings growth and are optimistic about our Bank's future.

Quarterly Highlights 6-30-18:

- Net income for the second quarter of \$6.85 million increased 40.8% over the same period last year and increased 4.4% over the first quarter of 2018.
- Earnings per share (EPS) for the second quarter of \$0.68 increased 36.0% over the same period last year and increased 3.0% over the first quarter of 2018.
- Year-to-date net income of \$13.41 million increased 59.9% over the first six months of 2017.
- Year-to-date EPS of \$1.34 increased 54.0% over the first six months of 2017.
- Period-end loans grew 15.5% or \$263.9 million compared to June 30, 2017 and 4.1% or \$77.8 million on a linked-quarter basis.
- Period-end deposits grew 10.5% or \$181.3 million compared to June 30, 2017 and 1.1% or \$20.4 million on a linked-quarter basis.
- Period-end assets grew 10.1% or \$206.4 million compared to June 30, 2017 and 2.6% or \$57.7 million on a linked-quarter basis. At quarter-end our assets were \$2.25 billion.

Detailed Performance Discussion

- As mentioned above we have experienced strong income growth for the second quarter and year to date. However, for 2018, due to the reduced corporate tax rate effective January 1, 2018, we feel the best comparison of earnings results is pre-tax income.
 - Pre-tax net income of \$8.96 million for the second quarter increased 20.1% over the same period last year and increased 2.8% on a linked-quarter basis.
 - Year-to-date pre-tax income of \$17.68 million increased 33.3% over the first six months of 2017.
- Our loan growth has been strong, and we have good momentum and a robust pipeline.

- Our deposit growth has been strong but has not kept pace with loan growth. Our pipeline is growing and we have good momentum. Additionally, we are devoting more time and resources than ever before to drive deposit growth as competition increases in the rising rate environment.
- The second quarter net interest margin was 3.87% compared to 3.77% for the same period in 2017 and 3.77% for the linked quarter. Our year-to-date net interest margin was 3.82% compared to 3.74% for the same period in 2017, an increase of eight basis points. We are monitoring the margin closely as the rising rate environment has continued to put pressure on our cost of funds.
- Net interest income in the second quarter increased 15.8% or \$2.79 million compared to the second quarter of 2017 and increased 5.0% or \$964 thousand on a linked-quarter basis. Year-to-date net interest income increased 16.0% or \$5.5 million compared to the first six months of 2017. These increases were driven primarily by our loan and asset growth.
- Non-interest expense in the second quarter increased 10.6% or \$1.05 million compared to the same period in 2017. On a linked-quarter basis non-interest expense increased 5.2% or \$540 thousand. Year-to-date non-interest expense increased by \$783 thousand or 3.8% compared to the first six months of 2017. Non-interest expense has continued to increase as we have hired more staff to support our strong loan and deposit growth.
- While non-interest expense increased, more importantly the year-to-date efficiency ratio of 51.76% improved significantly compared to 57.71% for the six months ended June 30, 2017. The first half of 2017 included \$430 thousand of pre-tax merger costs which if excluded, would have reduced the efficiency ratio to 56.49%. On a linked-quarter basis our efficiency ratio increased slightly to 51.84% from 51.69%.
- Credit quality remains very strong. There were \$60 thousand in charge-offs for the second quarter and \$3.1 million of loans past due 30 days or more at quarter-end. Non-accrual loans at June 30, 2018 totaled \$1.8 million. The resulting ratio of non-performing assets to total assets stood at 0.09% at quarter-end and remains among the best in the industry.
- The allowance for loan losses was 0.86% of loans outstanding at quarter end. If we adjust for the remaining credit marks associated with our two acquisitions, our allowance for loan losses coverage ratio would have been 1.12%.
- The Bank remains “Well Capitalized” at quarter-end with a tier 1 leverage ratio of 8.20% and a total risk-based capital ratio of 11.34%.
- A summarized profit and loss statement and selected balance sheet data are enclosed.

We are fortunate to be one of the largest banks headquartered in Maryland. At this time and as promised we feel it is appropriate to create more liquidity for our shareholders. We are currently traded in

the Over the Counter (OTC) Pink Sheets market under the trading symbol “REVB.” We recently filed an application to be listed on the OTCQX electronic market which should be approved in August. This is the OTC’s premier market and our participation will make it easier for brokers to trade in our shares. If you have any questions or would like assistance with this process, please contact Kulley Bancroft at 240-264-5425 or kulley.bancroft@reverebank.com.

Our special 2.50% APY* 19-month Bump Up CD offer has been extended for all shareholders until August 15, 2018. You should have recently received an email from us about this promotion (copy enclosed). The CD offers a very high current yield plus allows you to take advantage of any market rate increases over the next 19 months. This is one of the best deals in the country. We think it makes sense to support your investment in Revere by banking here—we would welcome the opportunity to discuss your personal and/or business banking needs and we appreciate your referrals.

Our journey of building a great bank and increasing shareholder value continues. Thank you for your continued support.

Sincerely,



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Forward-Looking Statements

This press release and other statements made from time to time by Revere Bank contain express and implied statements relating to our future financial condition, results of operations, credit quality, corporate objectives, and other financial and business matters, which are considered forward-looking statements. These forward-looking statements are necessarily speculative and speak only as of the date made, and are subject to numerous assumptions, risks and uncertainties, all of which may change over time. Actual results could differ materially from those expected or implied by such forward-looking statements. Risks and uncertainties which could cause our actual results to differ materially and adversely from such forward-looking statements include economic conditions affecting the financial industry; changes in interest rates and shape of the yield curve; credit risk associated with our lending activities; risks relating to our market area, significant real estate collateral and the real estate market; operating, legal and regulatory risk; fiscal and monetary policy; economic, political and competitive forces affecting our business; our ability to identify and address cyber-security risks; and that management’s analysis of these risks and factors could be incorrect, and/or that the strategies developed to address them could be unsuccessful. Any statements made that are not historical facts should be considered to be forward-looking statements. You should not place undue reliance on any forward-looking statements. We undertake no obligation to update forward-looking statements or to make any public announcement when we consider forward-looking statements to no longer be accurate, whether as a result of new information of future events, except as may be required by applicable law or regulation.

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

	Six Months Ended			Quarters Ended			YoY Δ	LQ Δ	QoQ Δ
	06/30/18	06/30/17		06/30/18	03/31/18	06/30/17			
Operating Results									
Net Interest Income	\$ 39,840	\$ 34,332	16.0%	\$ 20,402	\$ 19,438	5.0%	\$ 17,612	15.8%	
Provision for Loan Loss	2,106	1,725	22.1%	1,153	953	21.0%	867	33.0%	
Net Interest Income after Provision	37,734	32,607	15.7%	19,249	18,485	4.1%	16,745	15.0%	
Non-Interest Income	1,188	1,115	6.5%	604	584	3.4%	563	7.3%	
Non-Interest Expense	21,238	20,455	3.8%	10,889	10,349	5.2%	9,844	10.6%	
Pretax Net Income	17,684	13,267	33.3%	8,964	8,720	2.8%	7,464	20.1%	
Income Tax Expense	4,275	4,880	-12.4%	2,114	2,161	-2.2%	2,599	-18.7%	
Net Income	\$ 13,409	\$ 8,387	59.9%	\$ 6,850	\$ 6,559	4.4%	\$ 4,865	40.8%	
Per-Share Data									
Earnings per share	\$ 1.34	\$ 0.87	54.0%	\$ 0.68	\$ 0.66	3.0%	\$ 0.50	36.0%	
Earnings per share - diluted	\$ 1.28	\$ 0.82	56.1%	\$ 0.65	\$ 0.63	3.2%	\$ 0.47	38.3%	
Book value per share	\$ 20.14	\$ 18.44	9.2%	\$ 20.14	\$ 19.56	3.0%	\$ 18.44	9.2%	
Tangible Book Value	\$ 17.10	\$ 15.20	12.5%	\$ 17.10	\$ 16.45	4.0%	\$ 15.20	12.5%	
Selected Balance Sheet Data									
Loans	\$ 1,961,343	\$ 1,697,466	15.5%	\$ 1,961,343	\$ 1,883,521	4.1%	\$ 1,697,466	15.5%	
Assets	\$ 2,250,319	\$ 2,043,941	10.1%	\$ 2,250,319	\$ 2,192,638	2.6%	\$ 2,043,941	10.1%	
Deposits	\$ 1,908,494	\$ 1,727,243	10.5%	\$ 1,908,494	\$ 1,888,126	1.1%	\$ 1,727,243	10.5%	
Stockholders' equity	\$ 203,772	\$ 179,407	13.6%	\$ 203,772	\$ 195,135	4.4%	\$ 179,407	13.6%	
Performance Ratios									
			BP			BP			
Return on average assets (annualized)	1.25%	0.87%	38	1.26%	1.23%	3	0.99%	27	
Return on average equity (annualized)	13.78%	9.69%	409	13.71%	13.85%	(14)	11.01%	270	
Net interest margin (annualized)	3.82%	3.74%	8	3.87%	3.77%	10	3.77%	10	
Net interest yield (annualized)	3.70%	3.57%	13	3.75%	3.66%	9	3.59%	16	
Efficiency ratio	51.76%	57.71%	(595)	51.84%	51.69%	15	54.16%	(232)	
Credit Quality Ratios									
Loans past due more than 30 days to total loans	0.16%	0.03%	13	0.16%	0.43%	(27)	0.03%	13	
Non-accrual loans to total loans	0.09%	0.22%	(13)	0.09%	0.10%	(1)	0.22%	(13)	
Allowance for loan loss to total loans	0.86%	0.81%	5	0.86%	0.84%	2	0.81%	5	
Non-performing assets to total assets	0.09%	0.18%	(9)	0.09%	0.10%	(1)	0.18%	(9)	
Net charge-offs to total loans	0.00%	0.01%	(1)	0.00%	0.00%	0	0.01%	(1)	
Regulatory Capital Ratios									
Tier 1 leverage ratio	8.20%	7.77%	43	8.20%	7.89%	31	7.77%	43	
Common equity tier 1 capital ratio	8.93%	8.81%	12	8.93%	8.82%	11	8.81%	12	
Tier 1 capital ratio	8.93%	8.81%	12	8.93%	8.82%	11	8.81%	12	
Total capital ratio	11.34%	11.40%	(6)	11.34%	11.25%	9	11.40%	(6)	
Number of Employees									
	221	204	8.3%	221	215	2.8%	204	8.3%	

REVERE BANK

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 potentially dilutive common shares under the Treasury Stock Method
Book value per share	Stockholders' equity divided by shares outstanding
Tangible book value per share	Stockholders' equity less core deposit intangible asset and goodwill divided by shares outstanding

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 (annualized)	Net interest income divided by YTD average earning assets (calculated using total loans, adjusted for non-accrual loans and unearned revenue); securities; interest bearing deposits with other banks; and federal funds sold)
Net Interest Yield (annualized)	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 restructured loans in compliance with negotiated terms plus other real estate owned divided by period end total assets
Net charge-offs to total loans	Gross loan charge-offs less recoveries as a percentage of average YTD loans

Regulatory Capital ratios

Tier 1 leverage ratio	Period end tier 1 capital (as defined by FDIC) divided by average assets for leverage purposes (as defined by FDIC)
Common equity tier 1 capital ratio	Period end common equity tier 1 capital (as defined by the FDIC) divided by period end risk weighted assets (as defined by the FDIC)
Tier 1 capital ratio	Period end tier 1 capital (as defined by the FDIC) divided by period end risk weighted assets (as defined by risk weighted assets)
Total capital ratio	Period end total 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
QoQ Δ	Current quarter compared to the same quarter last year
BP	Basis point - A basis point is equivalent to 1 one hundred of 1 percent.



July 31, 2018

OFFER EXTENDED TO AUGUST 15, 2018

A Great Rate--2.50% 19-Month Bump Up CD Offer for Revere Bank Shareholders!

Dear Shareholder,

As we enter the third quarter, our need to grow deposits to fund both loan growth and loan demand remains stronger than anticipated.

Not only are we extending our offer, we're making a great rate even better! Based on shareholder feedback and the current rising rate environment, we are extending our CD offer and making it better by adding a **bump up** feature. If the rate for our 19-month CD goes up after you open your CD, you'll have the opportunity to increase your rate one time during the 19-month term. Simply call us and we will "bump up" (increase) your existing CD rate to the higher rate.

We invite you to take advantage of this CD offer available to you and your families for a limited time.

2.50% APY*

19-Month Bump Up CD

Minimum deposit to open \$10,000

And, we'll add another 10 basis points to your CD automatically if you open a new checking or money market account with a minimum opening deposit of \$2,500.

This CD offer provides you, our shareholder, an opportunity to receive a very competitive interest rate **PLUS** support the future growth of **your** bank and **your** investment in Revere.

It's easy to take advantage of this special CD offer. Just call or email your relationship manager or any of our [Revere Bank branch offices](#). No need to visit a branch to take advantage of this offer. We'll come to your location or mail you the documents.

Please consider opening your new CD today. This offer is available through August 15, 2018. This attractive interest rate significantly improves your interest income, and it's good for your investment in Revere Bank.

Thank you for your continued support and confidence.

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*Annual Percentage Yield (APY) accurate as of 7/1/18. Interest paid on account balance beginning at \$0.01. Minimum deposit to open CD is \$10,000. Deposit must originate from a non-Revere Bank account--new money only. No brokered deposits. Fees could reduce earnings. Penalty for early withdrawal. You may contact us to request an increase to your rate one time prior to CD maturity date; increase is not automatic. Offer valid through August 15, 2018.

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