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October 24, 2011

Dear Valued Regal Financial Bancorp Shareholder,

We have some important news to share with you.

The Federal Deposit Insurance Corporation (FDIC) has lifted the Consent Order that Regal Financial Bank had been operating under since November 30, 2009. The stipulation of the Order was to enhance and improve the Bank's compliance management system.

We are very proud of this milestone achievement. This is a reflection of the diligence and hard work of our directors, management team and staff.

We will continue to take proactive steps to turn this institution to profitability. Our focus remains to be on raising additional capital and improving the loan portfolio. We have made significant progress in both of these areas in the third quarter.

As always, we thank you for your continued support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Randy C. James', with a long horizontal line extending to the right.

Randy C. James  
Chairman and CEO  
Regal Financial Bank

A handwritten signature in blue ink, appearing to read 'Basant Singh', with a long horizontal line extending to the right.

Basant Singh  
President  
Regal Financial Bank