



Regal Financial Bancorp, Inc.
Consolidated Statements of Condition
(Unaudited)

	Period ended	Period ended
	September 30, 2011	December 31, 2010
	(in thousands, except share data)	
ASSETS		
Cash and due from banks	\$ 2,545	\$ 1,922
Federal funds sold	285	1
Total cash and cash equivalents	2,830	1,923
Interest bearing deposits in financial institutions	20,921	20,287
Securities available-for-sale	4,353	2,409
Federal Home Loan Bank and Pacific Coast Bankers' Bank Stock	750	750
Total investments	26,024	23,446
Loans	73,869	87,165
Allowance for loan losses	(2,344)	(3,043)
Total loans, net	71,525	84,122
Bank-owned life insurance	-	303
Bank premises and equipment, net	264	400
Other real estate owned	5,730	8,403
Accrued interest and other assets	641	610
TOTAL ASSETS	\$ 107,014	\$ 119,207
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-bearing	\$ 6,989	\$ 7,329
Interest-bearing	94,080	105,491
Total deposits	101,069	112,820
Borrowings	-	-
Accrued expenses and other liabilities	655	1,092
TOTAL LIABILITIES	101,724	113,912
STOCKHOLDERS' EQUITY		
Common Stock (500,000,000 shares authorized; 11,040,451 and 6,499,281 issued and outstanding at 9/30/2011 and 12/31/2010, respectively)	25,970	23,951
Retained Loss	(20,853)	(18,639)
Accumulated other comprehensive income	173	(17)
TOTAL STOCKHOLDERS' EQUITY	5,290	5,295
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 107,014	\$ 119,207

Regal Financial Bancorp, Inc.
Consolidated Statements of Operations
(unaudited)

	<u>Nine months ended September 30, 2011</u>	<u>Nine months ended September 30, 2010</u>
	(in thousands)	
INTEREST INCOME		
Loans, including fees	\$ 3,397	\$ 4,533
Investments	86	36
Federal funds sold and interest bearing deposits in financial institutions	26	53
Total interest income	<u>3,509</u>	<u>4,622</u>
INTEREST EXPENSE	<u>991</u>	<u>1,678</u>
NET INTEREST INCOME	2,518	2,944
PROVISION FOR LOAN LOSSES	<u>1,261</u>	<u>1,786</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>1,257</u>	<u>1,158</u>
NONINTEREST INCOME	177	170
NONINTEREST EXPENSE		
Salaries and employee benefits	1,415	1,669
Occupancy and equipment	468	913
Other expenses	1,765	3,393
Total noninterest expense	<u>3,648</u>	<u>5,975</u>
NET INCOME (LOSS)	<u>\$ (2,214)</u>	<u>\$ (4,647)</u>