Royal Financial, Inc.

September 2, 2014

Dear Stockholder:

You are cordially invited to attend the 2014 Annual Meeting of Stockholders of Royal Financial, Inc. The meeting will be held at 9226 South Commercial Avenue, Chicago, Illinois, on Tuesday, October 28, 2014, at 1:00 p.m. local time. The matters to be considered by stockholders at the Annual Meeting are described in detail in the accompanying materials.

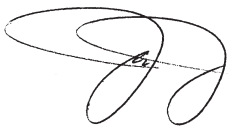
The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the formal business to be conducted at the meeting. Directors and officers of Royal Financial, Inc. as well as representatives of Crowe Horwath LLP, the company's independent accountants, will be present at the meeting to respond to any questions from our stockholders.

The Board of Directors of Royal Financial, Inc. has determined that the specific proposals to be considered at the meeting are in the best interests of the company and its stockholders. For the reasons set forth in the Proxy Statement, the Board unanimously recommends that you vote "FOR" each of these matters.

It is very important that you be represented at the Annual Meeting regardless of the number of shares you own or whether you are able to attend the meeting in person. We urge you to mark, sign and date your proxy card today and return it promptly in the envelope provided, even if you plan to attend the Annual Meeting. This will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

Thank you for your continued support of Royal Financial, Inc.

Sincerely,



James A. Fitch, Jr.
Chairman of the Board

ROYAL FINANCIAL, INC.
9226 SOUTH COMMERCIAL AVENUE
CHICAGO, ILLINOIS 60617
(773) 768-4800

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON OCTOBER 28, 2014

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Stockholders of Royal Financial, Inc. (the "Company") will be held at the Company's main office located at 9226 South Commercial Avenue, Chicago, Illinois, on Tuesday, October 28, 2014, at 1:00 p.m. local time for the following purposes, all of which are further described in the accompanying Proxy Statement:

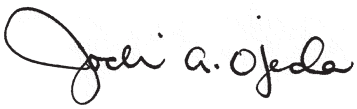
(1) To elect two Class I directors to serve for a three-year term;

(2) To ratify the appointment of Crowe Horwath LLP, as the Company's independent public accountants for the fiscal year ending June 30, 2015; and

(3) To transact such other business as may properly come before the meeting or any adjournment thereof, including whether or not to adjourn the meeting.

The Board of Directors has fixed August 29, 2014 as the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournments thereof. Only those stockholders of record as of the close of business on that date will be entitled to vote at the Annual Meeting. If there is an insufficient amount of shares represented for a quorum, the meeting may be adjourned to permit further solicitation of proxies by the Company. A list of stockholders entitled to vote at the meeting will be available for inspection at the Company's main office located at 9226 South Commercial Avenue, Chicago, Illinois 60617, the day of the Annual Meeting and for a period of ten days prior to the meeting.

BY ORDER OF THE BOARD OF DIRECTORS,



Jodi A. Ojeda
Secretary

September 2, 2014
Chicago, Illinois



PROXY STATEMENT

2014 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON OCTOBER 28, 2014

General

This Proxy Statement is being furnished to the holders of common stock, $0.01 par value per share ("Common Stock"), of Royal Financial, Inc. ("Royal Financial" or the "Company"), a Delaware corporation and the savings bank holding company of Royal Savings Bank ("Royal Savings Bank" or the "Bank"), in connection with the solicitation of proxies by the Board of Directors of the Company for use at its Annual Meeting of Stockholders ("Annual Meeting") and at any adjournment thereof. The meeting will be held at the Company's and the Bank's main office at 9226 South Commercial Avenue, Chicago, Illinois, on Tuesday, October 28, 2014, at 1:00 p.m. local time for the purposes set forth in the Notice of Annual Meeting of Stockholders. This Proxy Statement is first being mailed to stockholders on or about September 2, 2014.

Voting Rights

Only stockholders of record at the close of business on August 29, 2014 ("Record Date") will be entitled to notice of and to vote at the Annual Meeting. At such date, there were 2,507,112 shares of Common Stock outstanding and the Company had no other class of equity securities outstanding. Each share of Common Stock is entitled to one vote at the Annual Meeting on all matters properly presented at the Annual Meeting. The presence in person or by proxy of at least a majority of the outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum at the Annual Meeting. Directors are elected by a plurality of the votes of the shares present in person or by proxy at the meeting and entitled to vote. The affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of the Company's independent accountants.

Abstentions will be counted for purposes of determining the presence of a quorum at the Annual Meeting. Because of the required votes, abstentions will have the effect of a vote "against" the proposal to ratify the appointment of the Company's independent accountants. Under rules applicable to broker-dealers, the proposal to ratify the appointment of the Company's independent auditors is considered a "discretionary" item upon which brokerage firms may vote in their discretion on behalf of their client if such clients have not furnished voting instructions. Directors are elected by a plurality of the votes cast, and broker nominees do not have discretion to vote their clients shares if no instruction by the client is provided.

Proxies

Stockholders are requested to vote by signing and dating the enclosed proxy card and returning it in the enclosed postage-paid envelope. Stockholders are urged to indicate their vote in the spaces provided on the proxy card.

Shares of Common Stock represented by properly executed proxies, if such proxies are received in time and not revoked, will be voted in accordance with the instructions indicated on the proxies. If no contrary instructions are given, or no instructions are indicated for any or all of the proposals, each proxy received will be voted as follows:

(1) FOR the nominees for director described herein;

(2) FOR ratification of Crowe Horwath, LLP as the Company's independent public accountants for the fiscal year ending June 30, 2015; and

(3) upon the transaction of such other business as may properly come before the meeting or any adjournments thereof, including whether or not to adjourn the meeting, in accordance with the best judgment of the persons appointed as proxies.

Other than the matters listed in the accompanying Notice of Annual Meeting of Stockholders, the Board of Directors knows of no additional matters that will be presented for consideration at the meeting. Execution of a proxy, however, confers on the designated proxy holder's discretionary authority to vote the shares in accordance with their best judgment on such other business, if any that may properly come before the meeting and at any adjournments of the meeting, including whether or not to adjourn the meeting.

Any stockholder giving a proxy has the power to revoke it at any time before it is exercised by either (1) filing a written notice of revocation with the Secretary of the Company (Jodi A. Ojeda, Secretary, Royal Financial, Inc., 9226 South Commercial Avenue, Chicago, Illinois 60617); (2) delivering to the Company a duly-executed proxy bearing a later date; or (3) attending the Annual Meeting and giving the Secretary notice of his or her intention to vote in person. Proxies solicited hereby may be exercised only at the Annual Meeting and any adjournment thereof and will not be used for any other meeting.

If you have any questions or need assistance in submitting your proxy, voting your shares or need additional copies of this proxy statement or the accompanying proxy card, you should contact our transfer agent, Registrar and Transfer Company, at:

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016

Banks, brokerage firms and stockholders please call (800) 368-5948.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on October 28, 2014: This proxy statement and the consolidated financial statements for 2014 and 2013 will be available on or about September 8, 2014 at www.royal-bank.us.

Cost of Proxy Solicitation

The cost of solicitation of proxies will be borne by the Company. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of the Common Stock. In addition to solicitations by mail, directors, officers and employees of the Company may solicit proxies personally or by telephone without additional compensation.

Beneficial Ownership

The following table sets forth information as to the Common Stock beneficially owned as of the Record Date by (1) each current director, director nominee and Named Executive Officer, (2) all directors and Named Executive Officers of the Company and the Bank as a group.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Unvested Restricted Stock[1]	Exercisable Options	Total Amount of Beneficial Ownership[2]	Total Percentage Ownership[3]
Directors and Director Nominees:					
John T. Dempsey	7,882	500	13,225	21,607	*
James A. Fitch, Jr.	18,790	2,500	13,225	34,515	1.38
Roger L. Hupe	5,290	500	—	5,790	*
C. Michael McLaren	10,790	500	—	11,290	*
Leonard Szwajkowski	13,581	504	13,225	27,310	1.09
Philip J. Timyan	248,641	1,058	—	249,699	9.96
Non-Director Named Executive Officers:					
Andrew Morua	18,424	500	13,225	32,149	1.28
Jodi A. Ojeda	8,718	500	5,000	14,218	*
Total Directors and Executive Officers (8 persons)	332,116	6,562	57,900	396,578	15.82%

* Equals less than 1% of the outstanding Common Stock.

(1) Represents shares of outstanding common stock that are subject to forfeiture until they vest pursuant to the terms of the related restricted stock award agreement.

(2) Beneficial ownership is determined in accordance with Rule 13d-3 promulgated by the Securities and Exchange Commission ("SEC") under the Exchange Act.

(3) Based on the number of shares of Common Stock outstanding of 2,507,112, as of August 29, 2014, including outstanding but unvested restricted stock.

PROPOSAL 1. — ELECTION OF DIRECTORS

The Company's Board of Directors currently consists of six members. The Company's Certificate of Incorporation and Bylaws provide that the Board of Directors shall be divided into three classes as nearly equal in number as possible, and that the members of each class shall be elected for terms of three years and until their successors are elected and qualified, with one of the three classes of directors to be elected each year. There are two persons currently serving as Class I directors whose term will expire at the 2014 Annual Meeting. Of the six current members of the Board, five directors have been determined by the Board to be "independent" within the meaning of "independent" under the rules of the Nasdaq Stock Market (although the Company is not a Nasdaq listed company).

At the Annual Meeting, the terms of two directors will expire, and stockholders will be asked to elect two directors to serve for a three-year term and until their successors are elected and qualified. Both director nominees are currently serving as directors and were selected by the Nominating Committee of the Board of Directors for re-election and election as Class I directors. There are no arrangements or understandings between the nominees and any other person pursuant to which such person was selected as a nominee for election as a director at the Annual Meeting. No director or director nominee is related to any other director or executive officer of the Company by blood, marriage or adoption.

Each of the nominees has indicated a willingness to serve, and the Board of Directors knows of no reason why either of the nominees may not be able to serve as a director if elected. However, if any of the nominees should be unable or unwilling to stand for election at the Annual Meeting, the proxies may be voted for the election of such other person(s) selected by the Board of Directors of the Company. Proxies cannot be voted for a greater number of persons than the number of nominees for director named. To be elected as a director, each nominee must receive the affirmative vote of a plurality of the shares present in person or represented by proxy and entitled to vote at the meeting. Stockholders of the Company have no cumulative voting rights with respect to the election of directors.

Information With Respect to Nominees for Director

The following table presents certain biographical and background information about each director nominee.

Nominees for Class I Directors to Serve a Three-Year Term Expiring in 2017;

current term expiring 2014

Name	Age	Position with the Company and Principal Occupation During the Past Five Years	Director Since
C. Michael McLaren	67	Director since July 21, 2008; President since 2002 of BPS Capital Management, Inc., Bloomington, Minnesota, which specializes in financial institution balance sheet and risk management; bank consultant since 1987.	2008
Philip J. Timyan	56	Director since April 1, 2011; Managing member of Riggs Qualified Partners, LLC, a bank investment fund, from 1999 to 2010. Director of Community Bancshares of Delaware from 2005 to 2007.	2011

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE ABOVE NOMINEES FOR CLASS I DIRECTOR.

Members of the Board of Directors Continuing in Office

The following table presents certain biographical and background information about each director whose term continues after the Annual Meeting.

Class II Directors with Term Expiring in 2015

Name	Age	Position with the Company and Principal Occupation During the Past Five Years	Director Since
James A. Fitch, Jr.	58	Director since August 15, 2007; Chairman of the Board since October 1, 2007. Co-founder, owner and president of Trinity Manufacturing Corporation since 2003; President and CEO of Advance Bank and Advance Bancorp from 1998-2003, President and CEO of South Chicago Bank from 1991-1999; U.S. Army Infantry Officer, 1977-1991	2007
Roger L. Hupe	70	Director since October 21, 2009; Majority stockholder of Evergreen Sod Farm, Inc., since 1964; Olde-Tyme Supply, Inc., since 1999; Country Supply, Inc., since 1975; Liberty Leasing and Equipment Company, Inc., since 1988; Former Chairman of the Board of Directors of Advance Bancorp, Lansing, IL, 2001-2003; Director of Advance Bank S. B. in Lansing, IL, 1991 to 2003; and Director of the former Homewood Federal Savings and Loan Association in Homewood, IL from 1981-1991.	2009

Class III Directors with Term Expiring in 2016;

Name	Age	Position with the Company and Principal Occupation During the Past Five Years	Director Since[(1)]
Leonard Szwajkowski	51	President and Chief Executive Officer of the Company and Bank since October 4, 2007. Previously, Interim Chief Executive Officer of the Company and the Bank from June 18, 2007 to October 4, 2007, Interim Chief Financial Officer of the Company and the Bank from October 4, 2007 to January 3, 2008, Sr. V.P./Chief Financial Officer of the Company and the Bank from April 2006 until October 4, 2007, and Sr. V.P. – Finance from February 2006 to April 2006. From May 2003 to February 2006, V.P. /CFO and Director of Sharlen Electric Co. in Chicago; from August 2000 to May 2003, V.P. – Strategic Planning of Advance Bank in Chicago; from April 2000 to August 2000, Financial Consultant – State of Illinois; from May 1979 to April 2000, Sr. V.P./CFO and director of East Side Bank and Trust Company in Chicago. Adjunct Professor – St. Xavier University in Chicago, 1999 to present.	2007
John T. Dempsey	76	Director since October 1999; Investment portfolio manager, Barrington Asset Management, Inc., Chicago, Illinois, since 1992.	1999

(1) Includes service with the Bank prior to the Bank's conversion.

Director Independence

Based upon the recommendations of the Nominating Committee, the Board of Directors has determined that the following directors Messrs. Dempsey, Fitch, Hupe, McLaren and Timyan are "independent" in accordance with the listing standards of the Nasdaq Stock Market.

Director Nomination Procedures

The Board of Directors has delegated responsibility to the Nominating Committee to identify and select director nominees who are in a position to exercise independent judgment, provide effective oversight of management and serve the best interests of stockholders. The Nominating Committee, comprised of a majority of independent directors, recommends to the full Board for approval the proposed slate of director nominees for election at the annual meeting of stockholders.

In selecting director nominees, the Nominating Committee will consider, among other factors, the existing composition of the Board and the committee's evaluation of the mix of Board members appropriate for the perceived needs of the Company. The Nominating Committee seeks a range of experience, knowledge and judgment and a diversity of perspectives on the Board to enhance the Board's effectiveness. The Nominating Committee also believes continuity in leadership and board tenure maximizes the Board's ability to exercise meaningful board oversight. Because qualified incumbent directors are generally uniquely positioned to provide stockholders the benefit of continuity of leadership and seasoned judgment gained through experience as a director of the Company, the Nominating Committee will generally consider as potential candidates those incumbent directors interested in standing for re-election who the committee believes have satisfied director performance expectations, including regular attendance at, preparation for and meaningful participation in Board and committee meetings.

Under its policies, the Nominating Committee also considers the following in selecting the proposed nominee slate:

- at least a majority of directors should be "independent" in the opinion of the Board as determined in accordance with Nasdaq standards;
- at all times at least three members of the Board must satisfy the heightened standards of independence for Audit Committee members; and
- at all times the Board should have at least one member who satisfies the criteria to be designated by the Board as an "audit committee financial expert."

The Board recognizes the following characteristics and skills as minimum qualifications for any potential director candidate:

- highest personal and professional ethics and integrity; commitment to the Company's values;
- ability and willingness to devote sufficient time and attention to fulfilling Board duties and responsibilities;
- relevant business, professional or managerial skills and experience; mature wisdom;
- communication, leadership and team building skills;
- comprehension of the Company's business plans and strategies; financial sophistication;
- ability to assist in the formulation of business strategies and to monitor and guide expectations;

- ability and willingness to exercise independent judgment and express tough opinions;
- collegial personality; non-confrontational and constructive, but able to challenge, ask questions and assess responses;
- good health and mental alertness; and
- alignment of personal interests with long-term interests of stockholders.

Stockholder Director Nominee Recommendations. It is generally the policy of the Nominating Committee to consider stockholder recommendations of proposed director nominees if such recommendations are serious and timely received. To be timely, recommendations must be received in writing at the principal executive offices of the Company, addressed to the Secretary or the Nominating Committee, at least 120 days prior to the anniversary date of mailing of the Company's proxy statement for the prior year's annual meeting. See "Stockholder Proposals." In addition, any stockholder director nominee recommendation must include the following information:

- the proposed nominee's name, age, business and residence address, qualifications and the reason for such recommendation;
- the name, age and residence and business addresses of the stockholder(s) proposing such nominee;
- the number of shares of stock of the Company which are beneficially owned by such stockholder(s);
- a representation that the stockholder is a holder of record of the Company's stock, entitled to vote at the annual meeting, and that he intends to personally appear in person or by proxy at the annual meeting to nominate such person;
- a description of any financial or other arrangement, relationship or understanding between the stockholder(s) and such nominee or between the stockholder(s), nominee and any other person(s);
- such other information as would be required to be included in the Company's proxy statement about the stockholder and the nominee; and
- the consent of such nominee to serve as a director of the Company if elected.

Board Meetings

Regular meetings of the Board of Directors of the Company are held on a quarterly basis, interim meetings on a monthly basis and special meetings of the Board of Directors of the Company are held from time-to-time as needed. There were twelve regular meetings and eight special meetings of the Board of Directors of the Company held during the fiscal year ended June 30, 2014. No director attended fewer than 75% of the aggregate total number of meetings of the Board of Directors held during fiscal 2014 and the total number of meetings held by all committees of the Board on which the director served during fiscal 2014.

Board Committees

The Board of Directors currently has a separate Compensation Committee, Nominating Committee and Audit Committee. A brief description of the duties and responsibilities of each of these committees is included below.

Compensation Committee. The Compensation Committee is responsible for reviewing the performance of the Chief Executive Officer; reviewing and recommending the compensation of the Company's officers, including the Chief Executive Officer; recommending and approving stock option grants, restricted stock and other awards to management under the Company's Stock Option Plan, Management Recognition and Retention Plan; reviewing and recommending compensation programs including stock option grants, 401(k) contributions and investment funds and annual bonuses; reviewing and recommending director compensation; advising the Chief Executive Officer on miscellaneous compensation issues; and advising management regarding management succession planning issues. The Compensation Committee also advises and assists management in formulating policies regarding compensation.

The current members of the Compensation Committee are Messrs. Dempsey (Chairman), Fitch and Hupe. Each of the members of the committee is considered "independent" within the meaning of the Nasdaq rules, as currently in effect. The Compensation Committee met three times in fiscal 2014.

Nominating Committee. The Nominating Committee is responsible for proposing to the Board a slate of nominees for election as directors by stockholders at each annual meeting. The Nominating Committee is also responsible for taking a leadership role in shaping the Company's corporate governance practices. In carrying out its duties, the Nominating Committee has also been delegated the responsibility to: determine criteria for the selection and qualification of the Board members; recommend for Board approval persons to fill vacancies on the Board which occur between annual meetings; evaluate, at least annually, each Board member's "independence" and make recommendations, at least annually, regarding each Board member's "independence" status consistent with then applicable legal requirements; make recommendations regarding director orientation and continuing education; and consider the effectiveness of corporate governance practices and policies followed by the Company and the Board. The current members of the Nominating Committee are Messrs. Timyan (Chairman), Fitch and Hupe. The Nominating Committee met two times in fiscal 2014.

Audit Committee. The Audit Committee is responsible for supervising the Company's accounting, reporting and financial control practices. Generally, the Audit Committee reviews the quality and integrity of the Company's financial information and reporting functions, the adequacy and effectiveness of the Company's system of internal accounting and financial controls, and the independent audit process, and annually reviews the qualifications of the independent public accountants. The independent public accountants are responsible for auditing the Company's financial statements and expressing an opinion as to their conformity with generally accepted accounting principles.

The current members of the Audit Committee are Messrs. Dempsey (Chairman), McLaren and Timyan. Each of the members of the committee is considered "independent" within the meaning of the Nasdaq rules, as currently in effect, and satisfies the heightened independence standards under the SEC rules, as currently in effect. The Board of Directors has determined that Mr. Dempsey, one of the Audit Committee's independent members, is an "audit committee financial expert" as that term is defined in SEC rules. The Audit Committee met thirteen times in fiscal 2014.

The Compensation Committee, the Nominating Committee and the Audit Committee each operates under a written charter. Copies of the charters for the Audit Committee, the Compensation Committee and the Nominating Committee were filed as appendices to the Company's proxy statement for its 2008 Annual Stockholders Meeting.

Stockholder Communications with Directors

Generally, stockholders who have questions or concerns regarding the Company should contact the Company's Chairman, James A. Fitch, Jr., at 941-962-6700, its Chief Executive Officer and President, Leonard Szwajkowski, at 773-382-2111 or visit the Company's website at www.royal-bank.us. However, any stockholder who wishes to communicate directly with the Board of Directors, or one or more individual directors, may direct correspondence in writing to the Board, any committee of the Board or any named directors, c/o the Secretary of the Company at Royal Financial, Inc., 9226 South Commercial Avenue, Chicago, Illinois 60617. The Company's policy is to forward written communications received from stockholders to the appropriate directors.

The Board of Directors encourages directors to attend the Company's annual meeting of stockholders each year, and it is expected that a majority of the current members of the Board will attend the Company's 2014 Annual Meeting.

Executive Officers Who Are Not Directors

The following table sets forth certain information with respect to current executive officers of the Company who are not also directors of the Company. All executive officers of the Company are elected annually by the Board of Directors and serve at the discretion of the Board of Directors.

Name	Age	Position with the Company and Principal Occupation During the Past Five Years
Andrew Morua	53	Sr. V. P. of Lending since July 2003; Assistant Secretary since September 2012; previously Secretary of the Company and the Bank from August 2004 through April 2012; Interim President of the Company and the Bank from June 18, 2007 until October 4, 2007; Regional V.P. of Advance Bank in Chicago from 1999 to 2003.
Jodi A. Ojeda	51	Sr. V. P. and Chief Financial Officer of the Company and the Bank since January 2008; Secretary of the Company and the Bank since September 2012; previously Assistant Secretary from April 2012 through September 2012; previously V.P. and Controller of the Company and the Bank from August 2006 until January 2008; formerly Chief Financial Officer of Southeast Chicago Development Commission beginning January 2004; V.P. and Controller of The Sharlen Group in Chicago from September 2000 until April 2003; and Controller of BankChicago from October 1991 until September 2000.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table summarizes the compensation earned from the Company and its subsidiaries for services rendered in all capacities during the fiscal years ended June 30, 2014 and 2013 by the persons who held the positions of (i) President and Chief Executive Officer, (ii) Senior Vice President of Lending, and (iii) Senior Vice President and Chief Financial Officer and Secretary (the Company's "Named Executive Officers") during the 2014 fiscal year.

Summary Compensation Table

Name and Principal Position During 2014 Fiscal Year	Year	Salary	Bonus	Stock Awards ($)[1]	All Other Compensation ($)	Total ($)
Leonard Szwajkowski						
President and Chief	2014	$170,000	14,000	3,982	25,360[2]	213,342
Executive Officer	2013	$140,000	—	—	13,102 [3]	153,102
Andrew Morua						
Senior Vice	2014	$121,300	—	3,950	4,852[4]	130,102
President of Lending ..	2013	$112,200[5]	—	—	4,457[4]	116,657
Jodi A. Ojeda						
Senior Vice						
President, Chief						
Financial Officer	2014	$111,800	6,700	3,950	4,573[4]	127,023
and Secretary.....	2013	$94,375[6]	—	434	3,732[4]	98,541

(1) Stock awards represent the taxable value of the vested portion of stock awards as of the vesting date in the respective fiscal year for stock awards granted in previous years.
(2) Represents the Company 401(k) match benefit of $7,360 and director's fees of $18,000.
(3) Represents the Company 401(k) match benefit of $5,602 and director's fees of $7,500.
(4) Represents the Company 401(k) match benefit.
(5) Annual salary was adjusted to $114,400 in January 2013.
(6) Annual salary was adjusted to $101,750 in January 2013.

Outstanding Equity Awards at Fiscal Year End

The following table summarizes for each Named Executive Officer the number of shares of common stock subject to outstanding equity awards and the value of such awards that were unexercised or that have not vested at June 30, 2014.

Outstanding Equity Awards as of June 30, 2014

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options Exercisable[1] (#))	Number of Securities Underlying Unexercised Options Unexercisable[1] (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested ($)
Leonard Szwajkowski.....	13,225	-	14.49	2/21/16	-	-
Andrew Morua.....	13,225	-	13.90	10/26/15	-	-
Jodi A. Ojeda.....	5,000	-	14.60	7/18/16	-	-

(1) No stock options were granted during fiscal 2014 or 2013 to the Named Executive Officers. The numbers and amounts in the table represent shares of common stock subject to options granted by the Company that were unexercised as of June 30, 2014.

Employment Agreements

Leonard Szwajkowski. On February 21, 2006, the Company and the Bank entered into an employment agreement with Leonard Szwajkowski. The agreement is renewable for successive one-year terms unless either party gives 90 days' advance notice of an intention to terminate the agreement. Mr. Szwajkowski's agreement automatically renewed for an additional term on January 20, 2014. The agreement provides for an initial annual base salary effective as of July 1, 2006, of $105,000, subject to review from time to time, and which may be increased when and to the extent the Board of Directors, based upon the recommendation of the Compensation Committee, in its discretion, determines. Mr. Szwajkowski's salary for fiscal 2014 was $170,000. Mr. Szwajkowski may receive a discretionary bonus to the extent determined by the board of directors and is entitled to participate in the Company's equity incentive plans and benefit plans and other fringe benefits available to the Bank's executive officers.

Under the agreement, Mr. Szwajkowski's employment may be terminated at any time for "cause," as defined in the agreement. In this case, or if he resigns without "good reason," the agreement will immediately terminate, and he would be entitled only to unpaid benefits accrued during the term of his employment. If Mr. Szwajkowski chooses to resign with good reason, or the Bank chooses to terminate his employment without cause, he also will be entitled to receive severance in the amount equal to 100% of his then-current base annual salary, plus the average of the sum of the bonuses he earned during the previous three years, in addition to a pro rata bonus for the year of termination based on the prior year's bonus amount, if any.

In the event that Mr. Szwajkowski is terminated after a change in control (as defined in the agreement) of the Company, he will be entitled to (A) a pro rata bonus based on the prior year's bonus amount, if any; and (B) a lump sum payment equal to two times the sum of (1) his annual base salary, (2) the greater of (a) his bonus amount, if any, for the prior year or (b) his average bonus, if any, for the three preceding years, and (3) the sum of the contributions that the Bank would have made to him during the year under benefit plans and the annual value of any other executive perquisites.

The agreement contains certain non-competition and non-solicitation provisions that, subject to certain exceptions, prohibit Mr. Szwajkowski from engaging in any business that provides banking products and services or that otherwise competes with the Company or the Bank within a 20 mile radius of any of the Company's or its subsidiaries' locations, or soliciting, either for his own account or for the benefit of any entity located within a 20 mile radius, any clients or employees of the Company or its subsidiaries. These noncompetition and non-solicitation provisions will remain in effect for a period of one year after the termination of his employment.

Other Executive Officers. The Company and the Bank also have entered into employment agreements with (1) Andrew Morua, Senior Vice President of Lending and (2) Jodi A. Ojeda, Senior Vice President, Chief Financial Officer and Secretary (collectively referred to as the "Executives").

Mr. Morua's agreement became effective as of the closing of the conversion, January 20, 2005. Ms. Ojeda's was effective as of January 3, 2008. The term of the agreement with each of Mr. Morua and Ms. Ojeda is one year. The agreements automatically renew for an additional year, unless either party gives 90 days' advance notice of an intention to terminate the agreement. Mr. Morua's agreement was automatically renewed for an additional term on January 20, 2014 and Ms. Ojeda's agreement renewed on January 3, 2014. Except as discussed below, the terms and provisions of the Executives' agreements are substantially similar to those of the employment agreement with Mr. Szwajkowski.

The initial annual base salary for each of Mr. Morua and Ms. Ojeda provided in the agreements is $98,880 and $87,000, respectively. Mr. Morua's base annual salary for fiscal 2014 was $121,300 and Ms. Ojeda's salary for fiscal 2014 was $111,800. Each Executive's base salary is subject to periodic review from time to time, and may be increased when and to the extent the Board of Directors, based upon the recommendation of the Compensation Committee, in its discretion, determines.

If an Executive chooses to resign with good reason, or the Company and the Bank terminates his or her employment without cause, he or she is entitled to receive severance in the amount equal to 100% of his or her then-current annual base salary, plus the average of the sum of any bonuses earned during the previous three years, in addition to a pro rata bonus for the year of termination based on the prior year's bonus amount, if any.

In the event an Executive is terminated after a change of control (as defined in the agreement) of the Company and the Bank, the Executive will be entitled to unpaid benefits accrued during the term of his or her employment, a pro rata bonus for the year of termination based on the prior year's bonus amount, if any, and a lump-sum payment equal to, in the case of Mr. Morua, one times the sum of, and in the case of Ms. Ojeda, one and a half times the sum of : (a) annual base salary; plus (b) the greater of the Executive's (i) bonus amount, if any, for the prior year or (ii) average bonus, if any, for the three preceding years; plus (c) the sum of contributions that would have been made by the Company and the Bank to the Executive during the year under benefit plans and the annual value of any other executive perquisites.

Each agreement also contains certain non-compete and non-solicitation provisions prohibiting the Executive for a period of one year following his or her termination from engaging in any business located within 20 miles of any of the Bank's offices that is involved in banking generally or that otherwise competes with the Company or the Bank, or from soliciting, for his or her own account or for the benefit

of any entity located within 20 miles of any office or branch of the Company or the Bank, any clients or employees of the Bank or its subsidiaries.

401(k) Plan

As a replacement for the Employee Stock Ownership Plan, effective January 1, 2012, the Company established a 401(k) Plan to provide eligible employees with retirement savings benefit. Generally, all employees of the Company and the Bank (including officers) are eligible to participate in the Plan, if over the age of 18 and have completed one year of service. Employees may elect to make contributions, or deferrals, on a pre-tax basis or after-tax basis (Roth Contributions), to the Plan and the Company will provide a Safe Harbor Matching Contribution to the Plan. The Plan is subject to certain requirements of the Internal Revenue Code and ERISA.

Severance Benefits Plan

Effective September 23, 2008, the Company adopted a Severance Benefits Plan to provide eligible employees with income in the event of termination. Generally, all regular full-time and part-time employees of the Company and the Bank (including officers) are eligible for benefits under the plan in the event they are terminated by the Company or the Bank for reasons other than for misconduct or unsatisfactory performance below applicable acceptable standards. Among other benefits, the plan provides for the payment of one weeks' salary or average earnings per full year of service with the Company or the Bank for terminated eligible employees who are classified as "non-exempt" for payroll purposes, and two week's salary or average earnings per full year of service for terminated eligible employees who are classified as "exempt" for payroll purposes. The plan provides for a minimum benefit of two weeks of severance pay and a maximum benefit of 26 weeks of severance pay; however, the amount of severance benefit may be reduced or may be cancelled in certain circumstances. The plan is subject to certain requirements of ERISA.

Director Compensation

Through its director compensation practices, the Company seeks to enhance its ability to attract and retain directors that meet the Company's director qualification criteria as discussed under "Director Nomination Procedures." The Committee annually reviews and recommends to the Board of Directors the annual directors' compensation and any additional compensation for service on committees of the Board, other meeting fees or any other benefit payable by virtue of a director's position as a member of the Board of Directors.

DIRECTOR COMPENSATION

The following table sets forth information regarding the fees paid and options awarded to the Company's directors, current and former, during fiscal 2014, other than directors who are Named Executive Officers.

Name	Fees earned or paid in cash ($)	Stock Awards[1] ($)	All Other Compensation ($)	Total ($)
John T. Dempsey	20,400	--	--	20,400
James A. Fitch, Jr.	18,000	10,000	--	28,000
Roger Hupe	18,000	6,084	--	24,084
C. Michael McLaren	20,400	7,113	--	27,513
Philip J. Timyan	20,200	6,084	--	26,284
Barbara K. Minster[2]	--	--	12,000[3]	12,000

(1) Stock awards represent the taxable value of the vested portion of stock awards as of the vesting date, reported by each director as earnings in the most recent tax year.

(2) Ms. Minster's retirement from the Board was effective October 21, 2009.

(3) Represents retirement benefits received by Ms. Minster in connection with her retirement in 1995 as Vice President of the Bank. Under the agreement with the Bank entered into upon her retirement, Ms. Minster receives a fixed amount of $1,000 per month.

No options were granted to directors in fiscal 2014. The following are the option awards outstanding for each director listed above as of June 30, 2014.

Name	Outstanding Option Awards
John T. Dempsey	13,225
James A. Fitch, Jr.	13,225

For the fiscal year ended 2014, each director of the Company received a cash retainer fee of $1,500 per month. Each member of the Audit Committee was also paid $200 for each regular monthly committee meeting attended. For the new fiscal year, each director of the Company will receive a cash retainer fee of $1,800 per month. The Audit Committee will not receive any additional compensation for their monthly meetings. No additional compensation is paid for attendance at any of the Company's other regular Board committee meetings.

Each of the directors of the Company is also a director of the Bank. Directors do not receive any additional compensation for serving on the Bank's board of directors or any committee thereof. Total cash fees paid to all members of the Company's board of directors for service as a director in fiscal 2014 was $115,000.

The directors are also eligible to participate in and receive awards under each of the Company's Stock Option Plan and Management Recognition and Retention Plan.

TRANSACTIONS WITH RELATED PERSONS

Some of the executive officers and directors of the Company are, and have been during the preceding year, customers of the Bank. As such customers, they have had transactions in the ordinary course of business of the Bank, including borrowings, all of which transactions are or were on substantially the same terms (including interest rates and collateral on loans) as those prevailing at the time for comparable transactions with nonaffiliated persons. In the opinion of management of the Company, none of the transactions involved more than the normal risk of collectability or presented any other unfavorable features. At June 30, 2014, the Bank had no loans outstanding to directors or executive officers of the Company and certain executive officers of the Bank.

PROPOSAL 2. — RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANTS

General

The Company's independent accountants for the fiscal year ended June 30, 2014, were Crowe Horwath LLP. The Company's Audit Committee has selected Crowe Horwath to serve as the Company's independent public accountants for the fiscal year ending June 30, 2015, and further directs that the selection of the independent accountants be submitted for ratification by the stockholders at the Annual Meeting. Although the selection of the independent accountants is, by law, the responsibility of the Audit Committee, the Board of Directors has determined to provide stockholders the opportunity to express their view concerning such appointment by voting on this non-binding ratification proposal.

The Company has been advised by Crowe Horwath that neither the firm nor any of its associates has any relationship with the Company or its subsidiaries other than the usual relationship that exists between independent public accountants and clients. Crowe Horwath will have representatives at the Annual Meeting who will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions from stockholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF CROWE HORWATH LLP AS INDEPENDENT PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING JUNE 30, 2015.

Audit Fees

The aggregate amounts of the fees billed or to be billed by Crowe Horwath for professional services rendered for the audit of the Company's annual financial statements for the fiscal years ended June 30, 2014 and 2013 were $48,750 and $48,000, respectively.

Audit-Related Fees

Audit-related fees include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported above. The aggregate amount of the fees billed by Crowe Horwath for audit related services rendered by it to the Company during fiscal 2014 was $6,588.

Tax Fees

Tax fees include fees for tax compliance services, including preparation of tax returns, amended returns, carryback claims, tax return preparation advice and tax planning services. Aggregate fees for tax services were $16,950 in fiscal 2014 and $10,350 in fiscal 2013.

The Audit Committee considered whether the provision of the non-audit services by Crowe Horwath in fiscal 2014 was compatible with maintaining the independence of Crowe Horwath and in evaluating whether to appoint Crowe Horwath to perform the audit of the Company's financial statements for the fiscal year ending June 30, 2014.

The full Audit Committee considers any proposed engagement of the independent public accountants to render audit or permissible non-audit services for preapproval. All of the services provided by the independent public accountants in fiscal 2014 were preapproved by the Audit Committee.

STOCKHOLDER PROPOSALS

Any proposal which a stockholder wishes to have included in the proxy solicitation materials to be used in connection with the next Annual Meeting of Stockholders of the Company, must be received at the Company's main office, 9226 South Commercial Avenue, Chicago, Illinois 60617, Attention: Secretary, no later than May 5, 2015. If such proposal is in compliance with all of the requirements of Rule 14a-8 promulgated under the Exchange Act, it will be included in the Company's Proxy Statement and set forth on the form of proxy issued for the next annual meeting of stockholders. It is urged that any such proposals be sent by certified mail, return receipt requested.

Stockholder proposals which are not submitted for inclusion in the Company's proxy materials pursuant to Rule 14a-8 under the Exchange Act may be brought before an annual meeting pursuant to Section 2.14 of the Company's Bylaws, which provides that to be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, or (b) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a stockholder's notice must be received by the Company at its principal executive offices no less than 120 days prior to the anniversary date of the mailing of proxy materials by the Company in connection with the immediately preceding annual meeting of stockholders of the Company, or not later than May 5, 2015 in connection with the next annual meeting of stockholders of the Company. A stockholder's notice must set forth, as to each matter the stockholder proposes to bring before an annual meeting, (a) a brief description of the business desired to be brought before the annual meeting and (b) certain other information set forth in the Bylaws. No stockholder proposals have been received by the Company in connection with the Annual Meeting.

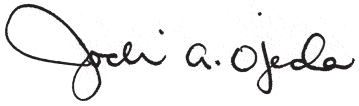
AUDITED FINANCIAL STATEMENTS

The Company's audited consolidated financial statements for June 30, 2014 and 2013 will be available, on or about September 8, 2014, on our website at www.royal-bank.us.

OTHER MATTERS

Management is not aware of any business to come before the Annual Meeting other than those matters described in the Notice of Annual Meeting of Stockholders and this Proxy Statement. However, if any other matters should properly come before the Annual Meeting, it is intended that the proxies solicited hereby will be voted with respect to those other matters in accordance with the best judgment of the persons voting the proxies.

By Order of the Board of Directors,



Jodi A. Ojeda
Secretary

September 2, 2014
Chicago, Illinois