



2009 Financial Statements

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TRUST ATLANTIC FINANCIAL CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
December 31, 2009 and 2008

<i>(In thousands, except share data)</i>	2009	2008
Assets		
Cash and due from banks:		
Interest-earning	\$ 3,234	\$ 2,463
Noninterest earning	6,836	566
Federal funds sold and short term investments	1,842	1,032
Investment securities - available for sale, at fair value	50,704	42,936
Investment securities - held to maturity, at amortized cost	2,649	2,000
Loans-net of unearned income and deferred fees	279,690	244,121
Allowance for loan losses	(4,220)	(3,143)
Net Loans	275,470	240,978
Bank premises and equipment, net	3,107	3,006
Goodwill and other intangibles, net	3,725	3,764
Other investments	726	380
Bank owned life insurance	1,574	1,500
Other assets	6,350	2,659
Total Assets	\$ 356,217	\$ 301,284
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest-bearing demand	\$ 20,818	\$ 12,827
Savings, money market accounts, and interest checking	74,949	31,918
Time deposits	210,357	216,955
Total Deposits	306,124	261,700
Short-term borrowings	10,000	-
Long-term borrowings	-	-
Other liabilities	1,524	1,579
Total Liabilities	317,648	263,279
Stockholders' Equity:		
Preferred stock, no par value; 20,000,000 shares authorized; none issued and outstanding.	-	-
Common stock, no par value; 100,000,000 shares authorized; 4,741,821 issued and outstanding as of December 31, 2009 and 2008, respectively	46,286	46,082
Accumulated other comprehensive (loss) income	(54)	(1,112)
Retained (deficit) earnings	(7,663)	(6,965)
Total Stockholders' Equity	38,569	38,005
Total Liabilities and Stockholders' Equity	\$ 356,217	\$ 301,284

TRUST ATLANTIC FINANCIAL CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2009 and 2008

<i>(In thousands)</i>	2009	2008
Interest Income		
Loans and fees on loans	\$ 13,940	\$ 9,953
Investment securities	2,599	2,215
Federal funds sold and other short-term investments	32	88
Total Interest Income	16,571	12,256
Interest Expense		
Deposits	6,255	6,187
Short-term borrowings	10	25
Total Interest Expense	6,265	6,212
Net Interest Income	10,306	6,044
Provision for loan losses		
Net Interest Income after Provision for Loan Losses	8,333	4,063
Non-Interest Income		
Service charges and fees	206	151
BOLI Income	74	-
Gain (loss) on sale of securities	177	-
Total other-than-temporary impairment losses	(2,449)	(416)
Portion of other-than-temporary impairment recognized in other comprehensive income	838	-
Net impairment losses recognized in earnings	(1,611)	(416)
Other fees and income	53	38
Total Non-Interest Income	(1,101)	(227)
Non-Interest Expense		
Salaries and employee benefits	4,171	3,943
Occupancy expense	818	667
Director fees	65	66
Data processing	645	466
Advertising	275	327
Amortization of deposit premiums	39	42
Professional fees	384	348
Telecommunications	106	66
Other real estate owned losses and expenses	125	119
FDIC Insurance	708	170
Other	594	600
Total Non-Interest Expense	7,930	6,814
Income (loss) before Income Taxes	(698)	(2,978)
Income Tax Expense		
Net Income (loss)	\$ (698)	\$ (2,978)

TRUST ATLANTIC FINANCIAL CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2009 and 2008

<i>(In thousands, except share data)</i>	Common Stock		Retained (Deficit) Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount			
Balance at January 1, 2008	4,741,821	\$ 45,873	\$ (3,987)	\$ 177	\$ 42,063
Stock based compensation		209			209
Net income (loss)			(2,978)		(2,978)
Net unrealized gain on securities, net of deferred tax liability of \$664				(1,289)	(1,289)
Comprehensive income (loss)					(4,267)
Balance at December 31, 2008	4,741,821	\$ 46,082	\$ (6,965)	\$ (1,112)	\$ 38,005
Stock based compensation		204			204
Net income (loss)			(698)		(698)
Net unrealized gain on securities, net of deferred tax asset of \$545				1,058	1,058
Comprehensive income (loss)					360
Balance at December 31, 2009	4,741,821	\$ 46,286	\$ (7,663)	\$ (54)	\$ 38,569