Report at the close of business as of the end of fiscal year

This Report is required by law. Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 9(a) of the International Banking Act (12 U.S.C. § 3108(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

I, James A. Beck
Name of the Holding Company Director and Officer
President & CEO
Title of the Holding Company Director and Official

attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information." 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details of the report concerning that individual.

Signature of Holding Company Director and Official
03/25/2015
Date of Signature

For holding companies not registered with the SEC-
indicate status of Annual Report to Shareholders:
☐ is included with the FR Y-6 report
☐ will be sent under separate cover
☒ is not prepared

For Federal Reserve Bank Use Only
RSSD ID: 34816173
C.I.: 

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2014
Month / Day / Year
N/A

Reporters' Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporters Name, Street, and Mailing Address
TrustAtlantic Financial Corporation
4801 Glenwood Avenue, Suite 500
Raleigh, NC 27612

City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
J. Michelle Bailey
VP & Bank Controller

Name Title
919-277-8746 Area Code / Phone Number / Extension
919-277-8701 Area Code / FAX Number
jmbailey@trustatlantic.com E-mail Address

www.trustatlantic.com Address (URL) for the Holding Company's web page

Does the reporter request confidential treatment for any portion of this submission?

☐ Yes Please identify the report items to which this request applies:

☐ In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

☐ The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

☒ No

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
Report Item

1: Acquisition of HC is likely to occur during the second quarter of 2015. Management and audit committee decided to forgo an external audit for 2014 given the pending merger.

2: Organizational Chart

```
TrustAtlantic Financial Corporation
Raleigh, North Carolina
Incorporated in North Carolina

100%

TrustAtlantic Bank
Raleigh, North Carolina
Incorporated in North Carolina

Managing Member 100% Voting

Chalet Properties LLC
Raleigh, NC
Incorporated in North Carolina

PODS Ventures LLC
Raleigh, NC
Incorporated in North Carolina
```
Form FR Y-6

TrustAtlantic Financial Corporation
Raleigh, North Carolina
Fiscal Year Ending December 31, 2014

Report Item 2b: Submitted via email on 3/25/15
Results: A list of branches for your depository institution:

<table>
<thead>
<tr>
<th>Branch Service Type</th>
<th>Branch Name</th>
<th>Street Address</th>
<th>City, State, Zip Code</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service</td>
<td>TRUSTATLANTIC BANK</td>
<td>4801 GLENWOOD AVE DATE CDS</td>
<td>RALEIGH, NC 27603</td>
<td>2913551</td>
</tr>
<tr>
<td>Full Service</td>
<td>TRUSTATLANTIC BANK</td>
<td>4151955 CARY PARKWAY BRANCH</td>
<td>CARY, NC 27513</td>
<td>2913551</td>
</tr>
<tr>
<td>Full Service</td>
<td>TRUSTATLANTIC BANK</td>
<td>3682180 GREENVILLE MAIN BRANCH</td>
<td>GREENVILLE, NC 27834</td>
<td>2913551</td>
</tr>
<tr>
<td>Full Service</td>
<td>TRUSTATLANTIC BANK</td>
<td>3719705 FALLS RIVER BRANCH</td>
<td>RALEIGH, NC 27612</td>
<td>2913551</td>
</tr>
<tr>
<td>Full Service</td>
<td>TRUSTATLANTIC BANK</td>
<td>3937796 NORTH RIDGE BRANCH</td>
<td>RALEIGH, NC 27615</td>
<td>2913551</td>
</tr>
</tbody>
</table>

Note:

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.

The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 online application: https://y10online.federalreserve.gov.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSO</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City, State, Zip Code</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>2913551</td>
<td>TRUSTATLANTIC BANK</td>
<td>4801 GLENWOOD AVE DATE CDS</td>
<td>RALEIGH, NC 27603</td>
<td>2913551</td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>4151955</td>
<td>TRUSTATLANTIC BANK</td>
<td>4151955 CARY PARKWAY BRANCH</td>
<td>CARY, NC 27513</td>
<td>2913551</td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>3682180</td>
<td>TRUSTATLANTIC BANK</td>
<td>3682180 GREENVILLE MAIN BRANCH</td>
<td>GREENVILLE, NC 27834</td>
<td>2913551</td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>3719705</td>
<td>TRUSTATLANTIC BANK</td>
<td>3719705 FALLS RIVER BRANCH</td>
<td>RALEIGH, NC 27612</td>
<td>2913551</td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>3937796</td>
<td>TRUSTATLANTIC BANK</td>
<td>3937796 NORTH RIDGE BRANCH</td>
<td>RALEIGH, NC 27615</td>
<td>2913551</td>
</tr>
</tbody>
</table>
Form FR Y-6  
TrustAtlantic Financial Corporation  
Fiscal Year Ending December 31, 2014

Report Item 3: Securities holders

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/14

<table>
<thead>
<tr>
<th>(1)(a) Name &amp; Address (City,State,Country)</th>
<th>(1)(b) Country of Citizenship or Incorporation</th>
<th>(1)(c) Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
</table>
| Steve Stroud  
Raleigh, NC USA | USA | 183,000 - 3.85% Common Stock  
20,000 - 0.42% Options on Common Stock  
75,000 - 1.56% Warrants on Common Stock |
| North American Bank Fund  
London, UK | United Kingdom | 400,000 - 8.41% Common Stock  
150,000 - 3.06% Warrants on Common Stock |
| Resource Financial Institution Group, Inc.  
New York, NY | USA | 468,000 - 9.84% Common Stock |
| Financial Stocks Capital Partners IV LP  
Cincinnati, OH | USA | 425,000 - 8.94% Common Stock |

Shareholders not listed in 3(1)(a) through 3(1)c that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2014

<table>
<thead>
<tr>
<th>(2)(a) Name &amp; Address (City,State,Country)</th>
<th>(2)(b) Country of Citizenship or Incorporation</th>
<th>(2)(c) Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

## Report Item 4: Insiders

<table>
<thead>
<tr>
<th>(1) Names &amp; Addresses (City, State, Country)</th>
<th>(2) Principal Occupation if Other Than with Bank Holding Company</th>
<th>3a Title &amp; Position with Bank Holding Company</th>
<th>3b Title &amp; Position with Other Businesses (Include Name(s) of Subsidiaries)</th>
<th>4a Percentage of Voting Shares in Subsidiaries (Include Name(s) of Subsidiaries)</th>
<th>4b Percentage of Voting Shares in Other Companies (Includes Partnerships)</th>
<th>4c List Names of Other Companies and Percentage of Voting Securities Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>James A. Beck Raligh, NC USA</td>
<td>N/A Directer, CEO &amp; President Trust Atlantic Financial Corporation</td>
<td>Director, Trust Atlantic Bank</td>
<td>Owner &amp; President CMC Corporation &amp; Chhabra Construction Corporation</td>
<td>N/A 1.13%</td>
<td>N/A - None</td>
<td>Chhabra Construction Corporation -100%</td>
</tr>
<tr>
<td>Shahn Chhabra Raleigh, NC 27607</td>
<td>Hotel Management CMC Corporation &amp; Chhabra Construction Corporation</td>
<td>Director, Trust Atlantic Bank</td>
<td>Owner &amp; President CMC Corporation &amp; Chhabra Construction Corporation</td>
<td>3.47%</td>
<td>N/A - None</td>
<td>CMC Corporation -33%</td>
</tr>
<tr>
<td>Robert Francis Raleigh, NC USA</td>
<td>Professional Sports Executive Carolina Hurricanes Hockey Team Financial Corporation</td>
<td>Director, Trust Atlantic Bank</td>
<td>Executive Vice President General Manager Carolina Hurricanes Hockey Team</td>
<td>0.65%</td>
<td>N/A - None</td>
<td>Emerald 1, LLC -100%</td>
</tr>
<tr>
<td>Robert J. Gaskins Jr. Cary, NC USA</td>
<td>CEO Emeritus, BCBS of NC</td>
<td>Director, Trust Atlantic Bank</td>
<td>CEO Emeritus, BCBS of NC</td>
<td>1.63%</td>
<td>N/A - None</td>
<td>Emerit 1, LLC -100%</td>
</tr>
<tr>
<td>Horace Johnson Raleigh, NC USA</td>
<td>Bank Consultant</td>
<td>Director, Trust Atlantic Bank</td>
<td>President CPA</td>
<td>0.67%</td>
<td>N/A - None</td>
<td>Double F Partners -40%</td>
</tr>
<tr>
<td>Scott McCallum</td>
<td>Bank Consultant</td>
<td>Director, Trust Atlantic Bank</td>
<td>Senior Advisor</td>
<td>0.00%</td>
<td>N/A - None</td>
<td>Capital Food Group, LLC - 80%</td>
</tr>
<tr>
<td>Name</td>
<td>Role</td>
<td>Address</td>
<td>Corporation</td>
<td>Financial Corporation</td>
<td>Management Company</td>
<td>Ownership Percentage</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------</td>
<td>------------------------</td>
<td>--------------------------------------------------</td>
<td>-----------------------</td>
<td>----------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Sepi Saidi</td>
<td>Civil Engineer</td>
<td>Northfield, IL, USA</td>
<td>Financial Corporation</td>
<td>Director, TrustAtlantic Financial Corporation</td>
<td>President &amp; Owner SEPI Engineering Management</td>
<td>0.36%</td>
</tr>
<tr>
<td>Steve Stroud</td>
<td>Commercial Real Estate</td>
<td>Raleigh, NC, USA</td>
<td>Financial Corporation</td>
<td>Chairman, TrustAtlantic Financial Corporation</td>
<td>Chairman, TrustAtlantic Bank</td>
<td>3.85%</td>
</tr>
<tr>
<td>Eddie Youngblood</td>
<td>Industrial Engineer</td>
<td>Raleigh, NC, USA</td>
<td>Financial Corporation</td>
<td>Director, TrustAtlantic Financial Corporation</td>
<td>Director, TrustAtlantic Bank</td>
<td>0.69%</td>
</tr>
<tr>
<td>John Anthony</td>
<td>EVP &amp; Chief Administrative</td>
<td>Raleigh, NC, USA</td>
<td>Financial Corporation</td>
<td>EVP &amp; Chief Administrative Officer, TrustAtlantic Financial Corporation</td>
<td>EVP &amp; Chief Administrative Officer, TrustAtlantic Bank</td>
<td>N/A</td>
</tr>
<tr>
<td>Timothy Day</td>
<td>EVP &amp; Chief Credit Officer</td>
<td>Holly Springs, NC, USA</td>
<td>Financial Corporation</td>
<td>EVP &amp; Chief Credit Officer, TrustAtlantic Financial Corporation</td>
<td>EVP &amp; Chief Credit Officer, TrustAtlantic Bank</td>
<td>N/A</td>
</tr>
<tr>
<td>Richard Edwards</td>
<td>EVP &amp; CFO</td>
<td>Raleigh, NC, USA</td>
<td>Financial Corporation</td>
<td>EVP &amp; CFO, TrustAtlantic Financial Corporation</td>
<td>EVP &amp; CFO, TrustAtlantic Bank</td>
<td>N/A</td>
</tr>
<tr>
<td>Randy Powell</td>
<td>EVP &amp; Chief Banking Officer</td>
<td>Cary, NC, USA</td>
<td>Financial Corporation</td>
<td>EVP &amp; Chief Banking Officer, TrustAtlantic</td>
<td>EVP &amp; Chief Banking Officer, TrustAtlantic Bank</td>
<td>N/A</td>
</tr>
</tbody>
</table>