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March 3, 2009

Special Inspector General -TARP
1500 Pennsylvania Avenue, NW, Suite 1064
Washington, D.C. 20220

Re: Letter of Request dated February 6, 2009

Dear Mr. Neil Barofsky,

In regards to your letter of request dated February 6, 2009, please find below our response to the questions at hand:

(1a) Anticipated use of Tarp Funds

AB&T Financial Corporation (the Corporation), Parent Company of Alliance Bank & Trust Company (the Bank) received \$3,500,000 via the Capital Purchase Program in January of 2009. Proceeds were garnered as an equity investment in the Corporation and as such are being utilized to fund the current operations of the Bank as well as support anticipated future needs of the Bank operations. This investment has made it possible for the Corporation and the Bank to maintain a regulatory capital position above current "well capitalized" thresholds of all associated Regulatory Agencies and has allowed the organization to continue to support the core banking needs of the communities in which we operate.

(1b) Segregation of TARP Funding

TARP proceeds received through the Capital Purchase Program were not segregated from the general funds of the Corporation. The funds are however accounted for separately on the balance sheet as preferred stock.

(1c) Use of TARP Funds to date

As noted, the additional fundings have allowed the Bank to continue to serve its communities core banking needs. Fundings have helped support lending opportunities within our markets, with approximately \$5,704,642 of new loans being generated since January of 2009.

(1d) Expected use of Unspent TARP Funds

As stated, the Banks primary objective for the use of the additional funding was for the purpose of meeting the core banking needs of our market area. As demonstrated, meeting the borrowing needs of our qualified customer base will continue to be at the forefront of our objectives. Based upon the extremely difficult economic environment in which we are all operating within, the Bank still feels it can achieve positive loan growth for the year utilizing the additional funding.

(2) Executive Compensation

The Banks Board of Directors and its Executive Committee are responsible for the review and implementation of the compensation plans associated with the Banks Executive Officers. The Directors have sought the opinion of outside consultants as well as Corporate Counsel to insure the Bank's compensation practices meets the requirements of the Department of Treasury's compensation guidelines. It will be a continued practice of the Bank to maintain future compliance with any additional changes or mandates as outlined by the Department of Treasury.

I, Daniel C. Ayscue certify that I have reviewed this response and supporting documents, and based upon my knowledge, this response does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Sincerely,

A handwritten signature in black ink, appearing to read 'DCA', with a long, sweeping horizontal line extending to the right.

Daniel C. Ayscue
Interim Chief Executive Officer