

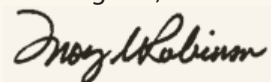
Dear Fellow Shareholders,

You are hopefully aware by now that BankTexas is and continues to be financially solid. We are well capitalized and growing at a steady pace. As I have shared with you, this strong performance is due to our conservative, locally-focused business model and willingness to make tough decisions that are in the long-term interests of our company.

Despite our impressive operating performance this quarter, net income declined 26% relative to Q2 2008. This decline was the result of two one-time charges. First, the FDIC imposed an emergency assessment on all banks in order to shore up its insurance fund. Second, we elected, in light of lingering economic weakness, to substantially increase our reserve for loan losses. Please rest assured that our loan portfolio remains strong, and that we made this assessment solely out of an abundance of caution.

I encourage you to read more about these charges inside this update, and to contact me if you have any questions. In the meantime, thank you for your continued confidence in BankTexas.

Best regards,



Troy M. Robinson
President & Chief Executive Officer

quarterly shareholder update

BT Holdings, Inc. • Second Quarter 2009


ABOUT BT HOLDINGS & BANKTEXAS

BT Holdings, Inc. is the parent company of BankTexas, an East Texas community bank with assets of \$211 million and local roots that date back to the 1890s. BT Holdings and BankTexas focus on steady asset and earnings growth reinforced by quality customer service, conservative lending principles, and community support.

www.btholdings.org • www.banktexas.org
903-763-2264

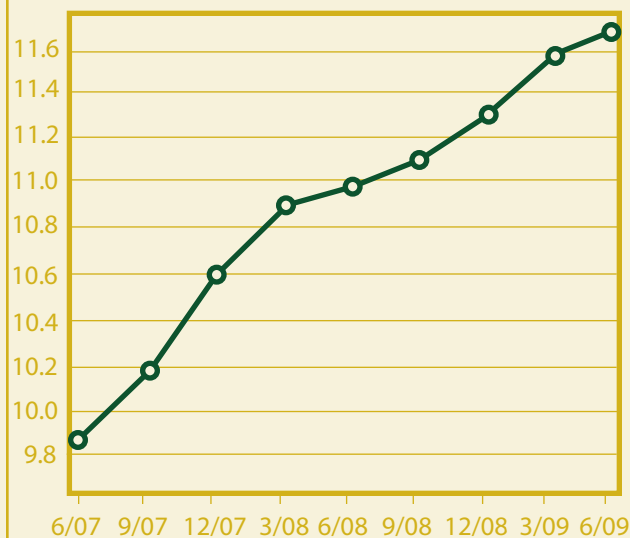
BT Holdings

BankTexas

Member FDIC  Equal Housing Lender

Book Value Per Share

BT Holdings (Since Inception)



Second-Quarter Financial Highlights

BankTexas

	2009	2008
Assets	\$211,054	\$188,687
Loans	113,230	97,908
Investment Securities	77,548	75,024
Deposits	158,540	143,395
Shareholder Equity	18,664	16,913
Net Income	800	871

(Dollars in thousands)

What's New This Quarter

FDIC Emergency Special Assessment and Loan Loss Provision Compress Q2 Earnings

Net income decreased 26% this quarter relative to the second quarter of 2008. This decline is the direct result of two one-time charges: (1) a \$96,000 accrual for a special assessment to the FDIC to restore its Deposit Insurance Fund, and (2) a \$212,000 provision for future loan losses. Were it not for these charges, net income would have increased 48% over the second quarter of 2008.

FDIC Assessment — In May, the FDIC announced that it would impose a special assessment on all banks in order to restore the balance of its Deposit Insurance Fund, which has been severely depleted as a result of the current significant strains on banks and the financial system. This was a one-time charge to earnings payable in the third quarter.

Provision for Loan Losses — In recognition of the likelihood of a severe economic recession, and out of an abundance of caution, we elected to substantially increase our Allowance for Loan Losses by adding \$212,000 to our reserves in Q2, a 278% increase over the provision we made last quarter. Despite our very low nonperforming loans, this increase in our reserves was a prudent step that dramatically strengthened our already-strong balance sheet.

BT Holdings, Inc.

PARENT-ONLY FINANCIAL STATEMENT

June 30, 2009 (Unaudited)

ASSETS

Cash	\$15,640
Investment in Subsidiary	18,670,841
Goodwill	13,863,415
Other assets	327,952

Total Assets **\$32,877,848**

LIABILITIES & EQUITY

Current Liabilities	\$51,883
Debentures Payable	217,000
Trust Preferred Security	7,000,000

Total Liabilities 7,268,883

Capital Stock	2,191,672
Paid-in-Capital & Retained Earnings	21,942,007
Net Income	540,239
Unrealized Gain on Securities	935,048

Total Equity 25,608,965

Total Liabilities & Equity **\$32,877,848**

INCOME STATEMENT (Year-to-Date)

June 30, 2009

Dividend Income	\$423,438
Interest Income	7,556
Undistributed Income	375,695

Total Income 806,689

Interest Expense	(251,296)
Operating Expense	(15,154)

Total Expense (266,450)

Net Ordinary Income **\$540,239**

Earnings Per Share **25¢**