

## Continuing Positive Financial Results for BT Holdings as 5th Full Year Closes

### Dear Fellow Shareholders:

Despite the continued softness in the national economy, BT Holdings (Company) closed 2011 with positive financial results. In addition, the company improved on its already low non-performing loan metrics and increased loans year over year. The strong balance sheet will allow the company to maintain its advance on our strategic initiatives.

At BankTexas, the year ended with total assets of \$211 million, loans at \$114 million, deposits at \$180 million and capital at over \$21 million. All four metrics are record high water marks for any quarter-end in our history. Earnings were \$1,515,267, down from \$1,719,706 for the previous year. The decline in earnings is directly related to increased personnel expense in our new stores in Tyler, Longview and Winnsboro. Net bad debt expense was again very low at \$50,000 for the year.

The Bank's net interest margin, a good measure of our core profitability, improved slightly, up to 4.48% from

the previous year's 4.265%. Deposit cost declined again to .77% from last year's .99%. As expected, loan yields declined to 5.20% from 5.46% in 2010.

We remain committed to managing the Company to best serve our shareholders in the current challenging economic and regulatory environment. We must persist to find ways to improve our overhead burden so we can continue to be faster, better and more innovative.

I look forward to seeing you at our upcoming Annual Shareholder Meeting on April 16, 2012. I thank you for your continued confidence.

Best Regards,



Troy M. Robinson  
President & CEO

### Service Spotlight

products and services our shareholders can use

#### What is Kasasa?

Kasasa is a powerful national brand that teams with community banks to bring innovative products that empower our customers. Working much like myCash and myMusic, Kasasa Cash and Kasasa Tunes allow BankTexas customers to choose how their checking accounts will give back to them. With even more exciting new products on the horizon, Kasasa is just one more example of how BankTexas' leads the way with commitment and service.



(unaudited; in thousands, except per share data)

	2011 Q4	2010 Q4
<b>BT Holdings, Inc.</b>		
Total Income	\$1,529	\$1,654
Total Expense	512	532
Net Ordinary Income	1,017	1,122
Earnings Per Share	46¢	51¢
Total Assets	\$35,642	\$33,711
Total Liabilities	7,232	7,356
Total Equity	28,410	26,355

**BankTexas, National Association**

	2011 Q4	2010 Q4
Yield on Earning Assets	5.20%	5.46%
Cost of Funding Earning Assets	0.71	0.99
Net Interest Margin	4.48	4.46
Return on Assets (ROA)	0.76	0.89
Return on Equity (ROE)	7.49	8.90
Net Charge-offs to Loans	0.02	0.00
Noncurrent Loans to Loans	0.02	0.00
Core Capital (Leverage) Ratio	9.62	9.62
Tier I Risk-Based Capital Ratio	16.50	16.06
Total Risk-Based Capital Ratio	17.73	17.31

Book Value per Share of BT Holdings (since inception)

