

Dear Fellow Shareholders,

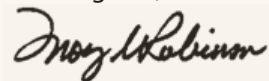
As BankTexas continues to navigate its way through this present economic downturn, alongside other banks and the country at-large, several factors are affecting our short-term earnings power. I want to bring these to your attention, but at the same time remind you that our institution is in significantly stronger shape than most of our industry, with non-performing loans far lower than average, and is well-positioned to continue its growth.

First, our earnings for the first nine months of 2009 were \$1.14 million versus \$1.27 a year ago (an 10.3% decline). Our increased Provision for Loan Losses and mandatory deposit insurance payment to the FDIC were the two temporary factors that drove this decrease.

Second, our assets declined this quarter to \$202.7 million, down from \$207.9 million a year ago. This decline was the result of a planned sale of municipal securities, which generated a \$122,000 gain attributable to earnings.

Over the longer term, I believe that our earnings power will be significantly greater than before. We have strategically taken advantage of competitors' weaknesses to shift assets from securities to loans, generating higher yields and thus a greater overall return.

Best regards,



Troy M. Robinson
President & Chief Executive Officer

quarterly shareholder update

BT Holdings, Inc. • Third Quarter 2009


ABOUT BT HOLDINGS & BANKTEXAS

BT Holdings, Inc. is the parent company of BankTexas, an East Texas community bank whose local roots 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

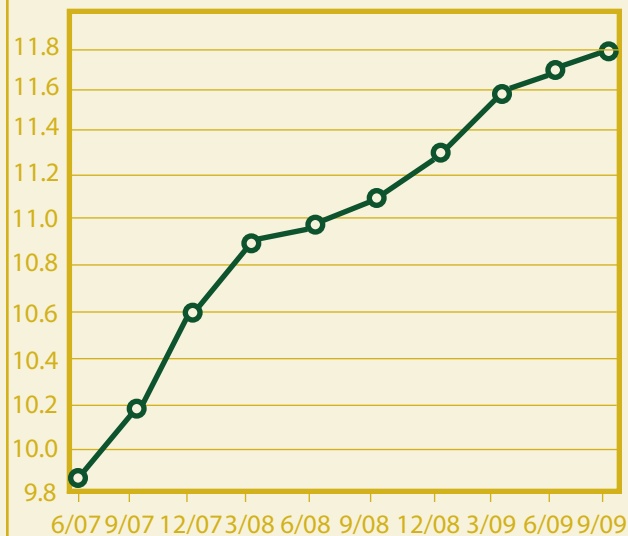
BT Holdings

BankTexas

Member FDIC  Equal Housing Lender

Book Value Per Share

BT Holdings (Since Inception)



Third-Quarter Financial Highlights

BankTexas

	2009	2008
Assets	\$202,774	\$208,137
Loans	112,611	103,866
Investment Securities	68,279	74,894
Deposits	155,748	158,477
Shareholder Equity	19,740	17,518
Net Income	\$1,140	\$1,271

(Dollars in thousands)

What's New This Quarter

FDIC Emergency Special Assessment Continues to Put Pressure on Earnings; Credit Quality Remains Strong

While our fundamental business model remains unchanged from a year ago — and even a hundred years ago — short-term factors continue to impact our organization.

FDIC Assessment — During the quarter, BankTexas paid \$96,000, for the second time this year, in FDIC insurance premiums to replenish its Bank Insurance Fund, which has been seriously depleted by bank failures. It is clear that payments of this magnitude are likely to continue until the economy improves and the industry heals. The truth is that community banks are paying a disproportionate share for the risky behavior of Wall Street and certain industry players. We encourage you to visit www.mycommunitymybank.org to discover what you can do to let your congressional representatives know your feelings.

Credit Quality — As expected, non-performing loans have increased somewhat as the economy has continued to be weak. We are monitoring problem loans and working to develop reasonable workout plans to eliminate losses.

BT Holdings, Inc.

PARENT-ONLY FINANCIAL STATEMENT

September 30, 2009 (Unaudited)

ASSETS

Cash	\$4,556
Investment in Subsidiary	18,812,230
Goodwill	13,863,415
Other assets	528,031
Total Assets	\$33,208,232

LIABILITIES & EQUITY

Current Liabilities	\$157,900
Debentures Payable	217,000
Trust Preferred Security	7,000,000
Total Liabilities	7,374,900
Capital Stock	2,191,672
Paid-in-Capital & Retained Earnings	21,951,938
Net Income	754,903
Unrealized Gain on Securities	934,819
Total Equity	25,833,332
Total Liabilities & Equity	\$33,208,232

INCOME STATEMENT (Year-to-Date)

September 30, 2009

Dividend Income	\$621,875
Interest Income	11,334
Undistributed Income	517,317
Total Income	1,150,526
Interest Expense	(376,944)
Operating Expense	(18,679)
Total Expense	(395,623)
Net Ordinary Income	\$754,903
Earnings Per Share	34¢