

Expanding our Tyler presence with new Bank Store and team; Winnsboro Bank Store construction underway

Dear Fellow Shareholders:

I am pleased to unveil a new look for our Quarterly Shareholder Updates — designed to bring you more information about our company and to showcase our latest and most exciting product offerings.

This month, I describe our growth plans for Tyler and Lindale, and we highlight two checking accounts that many shareholders are already using to great advantage.

Expanded Tyler Presence

This April, we opened a new, full-service Bank Store in Tyler. The opening coincides with our hiring of Clay Thompson as Executive Vice President of BankTexas. Clay joins us from Prosperity Bank, where he served as Regional President for Tyler; he brings with him his lending team from Prosperity.

Our new Tyler team is already making waves, including in an April story on the front page of the Business Section of the *Tyler Morning Telegraph* entitled "BankTexas Undergoes a Revolution."

Clay and team invite you to stop by our new Store for coffee and a tour when you are next in Tyler. The Store is located on Three Lakes Parkway off Old Jacksonville Road.

Making Progress in Winnsboro

We are pleased to report that construction on our Winnsboro Bank Store is well underway. The Store is being modeled after our exciting Lindale location, and will open in late Summer or early Fall of this year.

Financial Performance

An update on our financial performance is included on the reverse side. This quarter was good. Book Value per Share currently stands at \$12.28, versus \$12.19 last quarter and \$11.85 a year ago.

Best Regards,



Troy M. Robinson
President & CEO

Service Spotlight

products and services our shareholders can use

myCash & myMusic checking

Many of our shareholders are already using our two premier free checking accounts, myCash and myMusic, to earn great interest or free iTunes downloads:

- massive interest or free iTunes downloads
- no minimum balance
- nationwide ATM fee refunds

Call a store or visit banktexas.org to open an account.

introducing the new www.banktexas.org

We have redesigned our website, making it easier to navigate, more visible in more communities, and a better showcase for our increasingly diverse product offerings:

- open an account or apply for a loan online
- learn about our products, including investments
- meet the BankTexas team

Visit the redesigned site at www.banktexas.org.

(In thousands, except per share data)

| | 2011 Q1 | 2010 Q1 |
|--------------------------|-----------------|----------|
| BT Holdings, Inc. | | |
| Total Income | \$332 | \$366 |
| Total Expense | 126 | 150 |
| Net Ordinary Income | 206 | 216 |
| Earnings Per Share | 9¢ | 10¢ |
| Total Assets | \$34,224 | \$33,290 |
| Total Liabilities | 7,320 | 7,317 |
| Total Equity | 26,904 | 25,973 |

BankTexas, National Association

| | | |
|---------------------------------|--------------|-------|
| Yield on Earning Assets | 5.13% | 5.38% |
| Cost of Funding Earning Assets | 0.77 | 1.09 |
| Net Interest Margin | 4.35 | 4.27 |
| Return on Assets (ROA) | 0.67 | 0.72 |
| Return on Equity (ROE) | 6.78 | 7.49 |
| Net Charge-offs to Loans | 0.02 | 0.02 |
| Noncurrent Loans to Loans | 1.02 | 2.41 |
| Core Capital (Leverage) Ratio | 9.34 | 9.01 |
| Tier I Risk-Based Capital Ratio | 16.30 | 15.36 |
| Total Risk-Based Capital Ratio | 17.55 | 16.61 |

Book Value per Share of BT Holdings (since inception)

