

## Our Response to the Economy: Be Smarter and Better

Dear Fellow Shareholders:

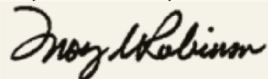
It is no secret that the U.S. and world economies cooled off significantly in 2008. As a result, I am often asked how BT Holdings and BankTexas are affected by this downturn, and how we plan to respond to it.

First, the downturn's effect on us. By all measures, we are performing very well:

- We continue to increase both the size and quality of our loan portfolio, which has grown 28% since last year. In 2009, we plan to strategically redeploy a portion of our securities portfolio as loans, which generate more profit. Not only will this change improve our bottom line, but it is also well-timed to take advantage of the fact that many regional banks have cut back on lending.
- Assets, deposits, and operating income are all up over this period last year. (See "Financial Highlights" box inside.)

Second, our response. Put simply, we are more serious than ever about widening our advantage over our competitors. Our Lindale Bank Store, which opened in January, is vastly different from – and quite frankly, better than – traditional bank branches. (See "Lindale Bank Store" story inside.) In addition, we are rolling out a number of initiatives that will significantly raise the bar in terms of the service we offer. So far, these measures have been greeted very positively by customers.

My thanks for your confidence, and best regards,



Troy M. Robinson  
President & CEO

# quarterly shareholder update

BT Holdings, Inc. • Fourth Quarter 2008


### ABOUT BT HOLDINGS & BANKTEXAS

**BT Holdings, Inc. is the parent company of BankTexas, an East Texas community bank with assets of \$200 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](http://www.btholdings.org) • [www.banktexas.org](http://www.banktexas.org)  
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**BT Holdings**

**BankTexas**

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