

BT Holdings

Quitman, Texas, October 16, 2007 – BT Holdings, Inc. (the "Company") today reported its financial results for the three and nine months ended September 30, 2007 for the Company and its subsidiary, BankTexas, N.A. (the "Bank").

Earnings per share for BT Holdings, Inc. ended the quarter at 35.98 cents per share since inception to September 30, 2007. Earnings per share were 11.01 cents per share for the three months ended September 30, 2007. The return on average shareholders' equity for the six months ended September 30, 2007 was 12.71%.

At the Bank, net income before taxes increased 219%, or \$209.4 thousand, for the three months ended September 30, 2007, to \$474.9 thousand from \$254.8 thousand for the same period in 2006. Annualized return on average assets was 1.3% for the nine months ended September 30, 2007.

The Bank reported net income of \$1.25 million for the nine months ended September 30, 2007, a decrease of \$33,000, or 2.5%, when compared to the same period in 2006.

Troy M Robinson, President and Chief Executive Officer, stated "We are pleased with BankTexas' financial results. While we would like to have reported more income, we are pleased that interest expense did not increase further because of the challenging interest rate environment experienced during 2007. Net interest income decreased .9% for the nine months ended September 30, 2007 when compared to the same period in 2006

On August 10, 2007 we announced the opening of a loan production office (LPO) in Tyler. We are extremely excited about this opportunity. Our strategy is to find individuals who have lending experience and contacts then build around that base. We intend to open a full service office after assessing the viability and effectiveness of that market. We hope to have other LPO's in the future so as to find additional lending opportunities that meet our criteria. While an LPO is more cost effective than a branch, it will cause earnings to drop initially until such time loans are booked in sufficient volume to overcome the expenses. It is anticipated that an LPO should become profitable within 12 months.

Loan and Deposit Growth

The Bank experienced loan growth during the nine months ended September 30, 2007, as loans increased \$3.12 million, or 1.25%, to \$81.7 million from \$78.6 million at December 31, 2006. The growth occurred in residential real estate and land loans. The consistent growth in loans is significant given the increasing competition in the Texas banking markets we serve. Commenting on the loan growth, Robinson said, "The market in Wood County has grown at a steady pace but has seen numerous competitors, most without any physical presence, being part of the choice for consumers. The expansion of our presence in Mineola and Holly Lake are producing positive and tangible growth opportunities for the Company. We plan to continue

expanding into nearby communities where we believe our high-touch, personal relationship brand of banking will be appreciated.”

During the nine months ended September 30, 2007, deposits increased \$10.0 million, or 8.09%, to \$134.8 million from \$124.8 million at December 31, 2006. The significant growth in deposits during the nine months ended September 30, 2007 is a result of our continuing focus on business customers. Non-interest bearing deposits increased \$10.0 million for the nine months ending September 30, 2007. The competition for deposits continues to be sharp. The Bank strives to have a disciplined deposit pricing strategy but the competitive landscape makes that strategy difficult. Failure to maintain this strategy will certainly cause net interest margin to decline.

Net Interest Income

Net interest income increased \$65,000, or 5.08%, to \$1,341.7 million for the three months ended September 30, 2007, when compared to \$1,277.5 million for the same period in 2006. Net interest income decreased \$36.1 thousand, or 2.64%, to \$3.95 million for the nine months ended September 30, 2007, when compared to \$3.98 million for the same period in 2006. The continued “flat” yield curve that has been inverted since early 2006 has caused short term rates to be higher than long term rates for most of the year. It has only now returned to a “normal” slope. Almost all financial institutions have been affected by the significant increase in short-term interest rates during 2006 combined with significantly smaller increases in long-term interest rates. As a result, net interest margin has declined modestly compared to the first nine months of 2006. As a result, the Company's net interest margin decreased to 4.31% for the three months ended September 30, 2007 compared to 4.47%, for the same period in 2006. Compared to the previous quarter, the net interest margin increased to 4.29% for the nine months ended September 30, 2007 from 4.22% as of June 30, 2007. The Federal Reserve Open Market Committee lowered the discount rate by 50 basis points on August 17th and lowered both the target fed funds rate and the discount rate on September 18th which has had the effect of lowering short term rates significantly and only slightly changing intermediate and long term rates, generally those over 5 years.

Net Income for the Six Months and Nine Months

The increase in net income before taxes for the three and nine months ended September 30, 2007 was primarily attributable to a decrease in provision for loan losses. Noninterest income decreased \$132.4 thousand, or 11.3%, and \$22 thousand, or 5.7%, for the three and nine months ended September 30, 2007, compared to the same period in 2006. The decrease in noninterest income was primarily the result of lower than expected deposit services charges and loan fees. Noninterest expense increased \$16.8 thousand, or 1.45%, and increased \$57.4 thousand, or 1.7%, for the three and nine months ended September 30, 2007, compared to the same period in 2006. The increases in noninterest expense for the nine months ended September 30, 2007 was primarily a result of an increase in salaries of \$17 thousand or .8%, losses on other real estate owned of \$26 thousand or 2.7% and occupancy expense of \$12 thousand or 2.3%, compared to the same period in 2006.

About BT Holdings, Inc.

BT Holdings, Inc. is a bank holding company with approximately \$160 million in assets that owns BankTexas. BankTexas currently has 4 offices in Wood County and one Loan Production

Office. It offers a range of financial services to individuals and commercial customers in Wood County. Those services include deposit accounts, consumer, real estate and commercial loans in each of its offices, and electronic banking services thru www.banktexas.org . BankTexas has Saturday banking available until 5 pm at the Mineola WalMart. -

BT Holdings, Inc.
PARENT ONLY FINANCIAL STATEMENT
(Unaudited)

	June 30, 2007	September 30, 2007
ASSETS		
Cash	709,291	89,239
Investment in Subsidiaries	15,694,192	16,385,770
Goodwill	12,261,034	12,261,034
Other assets	<u>217,000</u>	<u>217,000</u>
Total Assets	<u>\$ 28,881,516</u>	<u>28,953,043</u>
LIABILITIES & EQUITY		
Current Liabilities	\$ 694,423	54,675
Debentures Payable	217,000	217,000
Trust Preferred Security	7,000,000	7,000,000
Total Liabilities	<u>\$ 7,911,423</u>	<u>7,271,675</u>
Capital Stock	2,114,578	2,114,578
Paid-in Capital	19,097,935	19,097,935
Net Income	459,100	693,813
Unrealized Loss on Securities	<u>-701,520</u>	<u>-224,958</u>
Total Equity	<u>\$ 20,970,094</u>	<u>21,681,368</u>
Total Liabilities and Equity	<u>\$ 28,881,516</u>	<u>28,953,043</u>

BT Holdings, Inc.
Profit and Loss Statement
Unaudited

	3rd quarter 2007	YTD 2007
Ordinary Income/Expense		
Income		
Dividend Income	194,390.42	194,390.42
Interest Income	4,029.83	38,124.45
Undistributed Current Earnings	<u>215,016.99</u>	<u>880,389.17</u>
Total Income	413,437.24	1,112,904.04
Expense:		
Interest Expense - Escrow	0.00	34,094.55
Trust Preferred Interest Expense	<u>136,816.63</u>	<u>178,699.33</u>
Total Interest Expense	136,816.63	212,793.88
Meetings & Events	0.00	5,910.82
Printing & Reproduction	0.00	7,971.41
Legal Fees	37,977.19	84,617.76
Professional Fees - Other	3,900.00	9,280.00
Software Expense	0.00	4,302.94
Supplies	29.95	29.95
Organizational Expense	<u>0.00</u>	<u>21,427.72</u>
Total Non-Interest Expense	41,907.14	133,540.60
Total Expenses	178,723.77	346,334.48
Net Income Before Tax	<u>234,713.47</u>	<u>766,569.56</u>
Earnings per share	\$0.1102	\$0.3598

BankTexas

COMPARATIVE STATEMENTS OF CONDITION

Unaudited

	<u>9/30/2007</u>	<u>9/30/2006</u>	<u>12/31/2006</u>
<u>ASSETS</u>			
INT-BEARING BANK BALANCES	175	115	294
FED FUNDS SOLD	9,375	4,025	3,850
INVESTMENTS	<u>60,256</u>	<u>54,339</u>	<u>58,731</u>
INVESTED FUNDS	69,807	58,479	62,875
R/E - CONSTRUCTION	8,594	8,640	6,264
R/E - FARMLAND	6,357	4,984	5,221
R/E - 1-4 FAMILY	31,576	32,940	31,282
R/E - MULTIFAMILY	-	-	
R/E - COMMERCIAL	15,193	14,410	16,290
AGRICULTURE	2,483	2,612	2,674
COMMERCIAL	7,381	6,646	6,318
CONSUMER LOANS	6,826	7,013	7,046
LEASE FINANCING RECEIVABLE			
MUNICIPAL LOANS	3,148	3,231	3,064
OTHER LOANS	32	35	256
FAIR VALUE ADJUSTMENT	<u>155</u>	<u>222</u>	<u>205</u>
GROSS LOANS	81,745	80,733	78,620
LESS: RES FOR LOAN LOSSES	<u>(1,358)</u>	<u>(1,256)</u>	<u>(1,265)</u>
NET LOANS	80,387	79,477	77,355
TOTAL EARNING ASSETS	<u>150,194</u>	<u>137,956</u>	<u>140,230</u>
CASH & DUE FROM BANKS	4,890	4,557	5,263
FIXED ASSETS	3,035	3,329	3,238
GOODWILL	328	328	328
INTANGIBLE ASSETS	73	220	184
DEFERRED INCOME TAX BENEFIT	496		
DEFERRED TAX GAIN/LOSS AFS	119		
OTHER ASSETS	1,649	1,506	1,688
TOTAL ASSETS	<u>160,784</u>	<u>147,896</u>	<u>150,931</u>
<u>LIABILITIES & CAPITAL</u>			
DEMAND DEPOSITS	37,284	30,053	27,900
NOW ACCOUNTS	21,111	23,846	24,206
MONEY MARKET ACCOUNTS	8,482	9,276	9,462
SAVINGS ACCOUNTS	8,485	9,094	8,407
CD'S UNDER \$100M	31,484	33,046	30,793
CD'S OVER \$100M	16,252	9,981	13,253
IRA'S	11,757	10,113	10,746
FAIR VALUE ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEPOSITS	134,856	125,408	124,767
REPURCHASE AGREEMENTS	9,766	7,519	10,697
FED FUNDS PURCHASED	-	-	
OTHER BORROWINGS	-	422	418
FIT PAYABLE	69		0
OTHER LIABILITIES	650	654	668
EQUITY CAPITAL	15,674	14,622	14,931
UNREALIZED GAIN/(LOSS)	<u>(231)</u>	<u>(730)</u>	<u>(550)</u>
TOTAL LIAB & CAPITAL	<u>160,784</u>	<u>147,896</u>	<u>150,931</u>

BankTexas

QUARTERLY INCOME STATEMENT

(Dollars in Thousands)

Unaudited

	<u>3Q07</u>	<u>YTD 9/30/07</u>	<u>3Q06</u>	<u>YTD 9/30/06</u>
INTEREST INCOME				
LOAN INTEREST	1,574.7	4,589.6	1,460.7	4,399.2
INVESTMENT INTEREST	627.3	1,887.9	509.9	1,457.3
TOTAL INT INCOME	<u>2,202.0</u>	<u>6,477.5</u>	<u>1,970.6</u>	<u>5,856.5</u>
INTEREST EXPENSE				
DEPOSITS	860.3	2,528.7	693.1	1,871.7
NET INTEREST INCOME	<u>1,341.7</u>	<u>3,948.7</u>	<u>1,277.5</u>	<u>3,984.8</u>
PROVISION FOR LOAN LOSSES	0.0	(94.5)	(195.0)	(285.0)
NON-INT INCOME				
LOAN FEES	36.3	125.6	36.8	115.5
SOLD LOANS	16.7	47.4	20.6	55.4
CREDIT LIFE	1.2	16.3	1.7	13.3
SERVICE CHARGES	98.5	290.2	94.0	298.0
NSF FEES	168.6	427.7	162.0	481.3
OTHER INCOME	40.2	125.9	68.3	201.9
TOTAL NON-INT INCOME	<u>361.4</u>	<u>1,033.0</u>	<u>383.4</u>	<u>1,165.4</u>
NON-INTEREST EXPENSES				
SALARY & BENEFITS	666.7	1,961.7	648.9	1,944.3
OCCUPANCY EXPENSE	181.9	530.2	160.3	518.5
OTHER OPERATING EXPENSES	326.1	984.0	348.4	955.7
TOTAL NON-INT EXPENSE	<u>1,174.7</u>	<u>3,476.0</u>	<u>1,157.6</u>	<u>3,418.6</u>
NET OPERATING INCOME	528.4	1,411.3	308.3	1,446.7
FAIR VALUE AMORT - LOANS	(16.8)	(50.3)	(16.8)	(52.6)
FAIR VALUE AMORT - CDS	0.0	0.0	0.0	0.0
CORE DEPOSIT AMORTIZATION	(36.7)	(110.2)	(36.7)	(110.2)
NET INCOME BEFORE TAX	474.9	1,250.8	254.8	1,283.9
DEFERRED INCOME TAX EXP (BENEFIT)	0.0	(496.0)		
FEDERAL INCOME TAX PROVISION	52.1	69.1		
NET INCOME	422.8	1,677.7		