

BT Holdings

Quitman, Texas, January 31, 2008 – BT Holdings, Inc. (the “Company”) today reported its financial results for the three and twelve months ended December 31, 2007 for the Company and its subsidiary, BankTexas, N.A. (the “Bank”).

Earnings per share for BT Holdings, Inc. ended the quarter at 58.06 cents per share since inception to December 31, 2007. Earnings per share were 22.07 cents per share for the three months ended December 31, 2007. The return on average shareholders’ equity for the year ended December 31, 2007 was 5.67 percent.

At the Bank, net income before taxes declined 5.36 percent or \$26.4 thousand, for the three months ended December 31, 2007, to \$465.7 thousand from \$492.1 thousand for the same period in 2006. Net income before taxes is reported at \$1.72 million for the twelve months ended December 31, 2007, a decrease of 3.4 percent, when compared to the same period in 2006. Net earnings are \$2,186.6 million for the year.

Return on average assets was 1.4 percent for the twelve months ended December 31, 2007.

Troy M Robinson, President and Chief Executive Officer, commented on the decline in earnings from 2006. “2007 was a year of change for our Bank. We expanded into two markets and there were costs associated with those moves. As well, net interest income declined owing to a very difficult capital market. Fortunately, loan quality held up well and our expansion should allow the Bank to increase net income before taxes in 2008.” Net interest income increased 1.17 percent for the twelve months ended December 31, 2007 when compared to the same period in 2006.

On November 10, 2007, we announced the opening of a loan production office (LPO) in Longview. We believe this will be a great opportunity for BankTexas to expand its reach into Gregg County. It continues our strategy of finding individuals with a strong background with proven experience and build around that base. Initially, these LPOs will cause earnings to drop until such time as a portfolio of loans can be built. We are optimistic that both these LPOs will contribute positively to our 2008 earnings.

Loan and Deposit Growth

The Bank continued the trend of increasing loans and deposits in the twelve months ended December 31, 2007. Loans, net of reserve for losses, increased 10 percent to \$85.3 million from \$77.3 million at December 31, 2006. The increases were due to commercial and real estate loan categories. Some of the increase is due to the new LPOs in both Tyler and Longview. Commenting on the loan growth, Robinson said, “These loans are made to individuals who exhibit very good credit, multiple sources of repayment and market based rates. None of these loans are to sub-prime borrowers.”

Deposits increased 6.3 percent or \$7.9 million during the twelve months ended December 31, 2007 to \$132.6 million from \$124.8 million for the same period ended December 31, 2006. For the 3 months ended December 31, 2007, deposits decreased 1.6 percent or \$2.2 million. In 2007, both non-interest bearing and certificates of deposit categories increased substantially, 19 percent and 33 percent respectively. Non-interest bearing deposits increased \$5.4 million to \$33.3 million for the period ending December 31, 2007 compared to \$27.9 million for the same period ended December 31, 2006. Certificates of deposit over \$100,000 increased \$4.3 million for period ended December 31, 2007, ending the year at \$17.6 million compared to \$13.2 million for the same period ending December 31, 2006. A portion of the increase can be attributed to tax deposits made by several county, city and school districts. The Bank's Repurchase Agreement balance ended the twelve months at \$13.0 million compared to \$10.7 million, a 22 percent increase, for the same period in 2006.

Net Interest Income

Net interest income decreased 3.15 percent for the three months ended December 31, 2007 or \$44.2 thousand to \$1.4 million compared to \$1.44 million for the same period in 2006. For the twelve months ended December 31, 2007, net interest income increased \$57 thousand or 1.1 percent to \$5.35 million compared to \$5.29 million for the same period in 2006.

Interest income increased 7.27 percent for the twelve months but interest expense rose faster. A considerable part of the loan increase occurred in the last two months of 2007 while deposits have been increasing all year. The Federal Reserve Board's Federal Open Market Committee began lowering the Discount Rate beginning in the summer of 2007, ending the year 1.5 percent lower than it began the year. The reduction in rates will help with deposit costs in 2008 but loan yields will decline as well.

The Bank's net interest margin decreased to 4.35 percent for the three months ended December 31, 2007 compared to 4.42 percent for the same period in 2006. Compared to the previous quarter, the net interest margin increased to 4.26 percent for the year ended December 31, 2007, from 4.29 percent as of September 30, 2007.

Net Income Before Taxes for the Three Months and Twelve Months

The decrease in net income before taxes for the three months ended December 31, 2007 of \$26.4 thousand, or 5 percent, to \$465.7 thousand from \$491.1 thousand for the same period in 2006 was primarily due to the decrease in net interest income previously discussed. Net income before tax decreased \$59.8 thousand, or 3.4 percent, for the twelve months ended December 31, 2007, to \$1.717 million, from \$1.776 million for the twelve months ended December 31, 2006. Non interest expense for fourth quarter 2007 at \$1,248.8 thousand was down slightly from the \$1,250.1 thousand reported in fourth quarter 2006. Non interest income for fourth quarter 2007 at \$365.1 thousand was up slightly from the \$363.4 thousand reported in fourth quarter 2006. Non interest income for the twelve months ended December 31, 2007, at \$1,398.2 thousand was down \$130.7 thousand, or 8.5 percent from \$1,528.9 thousand for the twelve months ended December

31, 2006. Two factors influenced this decrease in non interest income: 1) NSF Fees were down more than \$53 thousand year-on-year and 2) Other Real Estate activity declined in the twelve months ended December 31, 2007 and there were fewer foreclosures. Profit on sale of three foreclosed real estate properties in the twelve months ended December 31, 2006 was nearly \$100 thousand greater than that experienced in the twelve months ended December 31, 2007. The increase in non interest expense for the twelve months ended December 31, 2007 was primarily a result of an increase in salaries of \$187.4 thousand, or 7.4 percent, to support three start-up offices in 2007: the Tyler loan production office, the Longview loan production office and the Lindale office pre-opening expenses.

About BT Holdings, Inc.

BT Holdings, Inc. is a bank holding company with approximately \$170 million in assets that owns BankTexas. BankTexas has four offices in Wood County and two loan production offices. It offers a range of financial services to individuals and commercial customers in Wood, Smith and Gregg counties. These 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 p.m. at the Mineola Wal-Mart office.

BT Holdings, Inc.
PARENT ONLY FINANCIAL STATEMENT
Unaudited

December 31, 2007

ASSETS

Cash	86,062
Accounts Receivable QBI	84,446
Investment in Subsidiaries	17,177,795
Goodwill	12,261,034
Other assets	<u>242,815</u>
Total Assets	<u><u>\$ 29,852,152</u></u>

LIABILITIES & EQUITY

Current Liabilities	\$ 53,279
Debentures Payable	217,000
Trust Preferred Security	7,000,000
Total Liabilities	<u>\$ 7,270,279</u>

Capital Stock	2,130,304
Paid-in Capital	19,204,849
Retained Earnings	-72,756
Net Income	1,236,788
Unrealized Loss on Securities	<u>82,689</u>
Total Equity	<u>\$ 22,581,874</u>
Total Liabilities and Equity	<u><u>\$ 29,852,152</u></u>

BT Holdings, Inc.
Profit and Loss Statement
Unaudited

	4th quarter 2007	YTD 2007
Ordinary Income/Expense		
Income		
Dividend Income	133,144.13	327,534.55
Earnings - Escrow Account		34,094.62
Interest Income - Common Stk Debenture	3,777.97	7,807.80
Undistributed Current Earnings	<u>361,738.12</u>	1,242,127.29
Total Income	498,660.22	1,611,564.26
Expense:		
Interest Expense		34,094.55
Trust Preferred Interest Expense	<u>124,251.93</u>	302,951.26
Total Interest Expense	124,251.93	337,045.81
Professional Fees		
Legal Fees	9,871.75	94,489.51
Professional Fees - Other	<u>3,175.00</u>	<u>12,455.00</u>
Total Professional Fees	13,046.75	106,944.51
Software Expense, Maintenance & Support	925.00	5,227.94
Income Tax Expense (Benefit)	-110,261.00	-110,261.00
Supplies & Printing	479.01	8,480.37
Total Expense	<u>28,441.69</u>	<u>374,776.17</u>
Net Income	<u><u>470,218.53</u></u>	<u><u>1,236,788.09</u></u>

BankTexas
COMPARATIVE STATEMENTS OF CONDITION
(Dollars in Thousands)
Unaudited

	<u>12/31/2007</u>	<u>12/31/2006</u>
<u>ASSETS</u>		
INT-BEARING BANK BALANCES	215	294
FED FUNDS SOLD	4,550	3,850
INVESTMENTS	<u>61,821</u>	<u>58,731</u>
INVESTED FUNDS	66,586	62,875
R/E - CONSTRUCTION	9,416	6,264
R/E - FARMLAND	6,385	5,221
R/E - 1-4 FAMILY	32,402	31,282
R/E - MULTIFAMILY	66	-
R/E - COMMERCIAL	18,000	16,292
AGRICULTURE	2,725	2,674
COMMERCIAL	7,818	6,318
CONSUMER LOANS	6,719	7,046
LEASE FINANCING RECEIVABLE		
MUNICIPAL LOANS	2,934	3,064
OTHER LOANS	52	256
FAIR VALUE ADJUSTMENT	<u>138</u>	<u>205</u>
GROSS LOANS	86,654	78,620
LESS: RES FOR LOAN LOSSES	<u>(1,362)</u>	<u>(1,265)</u>
NET LOANS	85,291	77,355
TOTAL EARNING ASSETS	<u>151,877</u>	<u>140,230</u>
CASH & DUE FROM BANKS	3,742	5,263
FIXED ASSETS	3,022	3,238
GOODWILL	328	328
INTANGIBLE ASSETS	37	184
DEFERRED INCOME TAX BENEF	555	
DEFERRED TAX GAIN/LOSS AF	(44)	
OTHER ASSETS	<u>3,014</u>	<u>1,688</u>
TOTAL ASSETS	<u>162,530</u>	<u>150,931</u>
<u>LIABILITIES & CAPITAL</u>		
DEMAND DEPOSITS	33,339	27,900
NOW ACCOUNTS	23,150	24,206
MONEY MARKET ACCOUNTS	8,100	9,463
SAVINGS ACCOUNTS	7,860	8,407
CD'S UNDER \$100M	30,872	30,793
CD'S OVER \$100M	17,594	13,253
IRA'S	11,744	10,746
FAIR VALUE ADJUSTMENT	<u>0</u>	<u>0</u>
TOTAL DEPOSITS	132,660	124,767
REPURCHASE AGREEMENTS	13,098	10,697
FED FUNDS PURCHASED	-	-
OTHER BORROWINGS	-	418
FIT PAYABLE	85	
OTHER LIABILITIES	550	668
EQUITY CAPITAL	16,052	14,931
UNREALIZED GAIN(LOSS)	<u>85</u>	<u>(550)</u>
TOTAL LIAB & CAPITAL	<u>162,530</u>	<u>150,931</u>

BankTexas
QUARTERLY INCOME STATEMENT
(Dollars in Thousands)
Unaudited

	4th Quarter 2007	YTD @ 12/31/07	4Q06
INTEREST INCOME			
LOAN INTEREST	1,593.1	6,182.6	1,664.4
INVESTMENT INTEREST	647.9	2,535.8	563.7
TOTAL INT INCOME	<u>2,240.9</u>	<u>8,718.4</u>	<u>2,228.1</u>
INTEREST EXPENSE		-	
DEPOSITS	838.1	3,366.8	781.0
NET INTEREST INCOME	<u>1,402.9</u>	<u>5,351.6</u>	<u>1,447.1</u>
		-	
PROVISION FOR LOAN LOSSES	-	(94.5)	(15.0)
		-	
NON-INT INCOME		-	
LOAN FEES	39.6	165.2	32.9
SOLD LOANS	18.3	65.7	14.3
CREDIT LIFE	1.2	17.5	0.0
SERVICE CHARGES	101.2	391.4	98.2
NSF FEES	164.7	592.4	164.7
OTHER INCOME	40.1	166.0	53.4
TOTAL NON-INT INCOME	<u>365.1</u>	<u>1,398.2</u>	<u>363.4</u>
		-	
NON-INTEREST EXPENSES		-	
SALARY & BENEFITS	753.6	2,715.3	583.6
OCCUPANCY EXPENSE	157.2	687.4	166.3
OTHER OPERATING EXPENSES	338.0	1,322.0	362.9
TOTAL NON-INT EXPENSE	<u>1,248.8</u>	<u>4,724.7</u>	<u>1,250.1</u>
		-	
NET OPERATING INCOME	519.2	1,930.5	545.5
		-	
FAIR VALUE AMORT - LOANS	(16.8)	(67.1)	(16.8)
FAIR VALUE AMORT - CDS	0.0	0.0	0.0
CORE DEPOSIT AMORTIZATION	<u>(36.7)</u>	<u>(146.9)</u>	<u>(36.7)</u>
		-	
NET INCOME BEFORE TAX	465.7	1,716.6	492.1
		-	
DEFERRED INCOME TAX EXP (BENEFIT)	(58.6)	(554.6)	
FEDERAL INCOME TAX PROVISION	<u>15.5</u>	<u>84.6</u>	
		-	
NET INCOME	508.9	2,186.6	