

Guaranty Bancshares, Inc. (Private; Mount Pleasant, TX) has agreed to acquire DCB Financial Corporation (Private; Dallas, TX), the holding company of Preston State Bank (Private)

Deal Value: Undisclosed

Sandler O'Neill served as financial advisor to Guaranty Bancshares, Inc. in connection with the transaction. This transaction is Sandler O'Neill's 60th nationwide bank or thrift transaction since January 1, 2014, more than any other investment bank during that time period.¹

This transaction represents Sandler O'Neill's 15th bank or thrift transaction in Texas for an aggregate transaction value of \$3.2 billion since January 1, 2011, more than any other investment bank during that time period.¹

MOUNT PLEASANT, Texas (January 8, 2015) — Guaranty Bancshares, Inc., the holding company of Guaranty Bank & Trust (Guaranty), and DCB Financial Corp., the holding company of Preston State Bank (DCB), jointly announced today the signing of a definitive agreement pursuant to which Guaranty will acquire DCB by means of a merger.

Preston State Bank currently operates out of two Dallas locations at 16980 Dallas Parkway in North Dallas and at 5944 Luther Lane in Preston Center with total assets of approximately \$119 million, total deposits of \$93 million, and total equity of \$23 million as of December 31, 2014. Preston State Bank's employees will join Guaranty's team as Guaranty continues to expand their Texas banking franchise into the DFW market.

Ty Abston, Chairman of the Board and CEO of Guaranty, said, "Preston provides Guaranty with a strategic partner in our efforts to expand our bank footprint into the DFW market. Both Preston and Guaranty bring together unique strengths that benefit the customers of both institutions. With this step, Guaranty will be consolidating its corporate departments from several different markets into the DFW and Mt. Pleasant markets, with Mt. Pleasant remaining the operational hub for Guaranty. These moves will position Guaranty for continued growth into the future."

Brian Mason, Chairman of the Board of DCB and Preston, said, "We are delighted to join resources with a first-class financial institution and management team such as Guaranty. Combining these two great franchises makes it possible for us to offer a wider array of products and services to Preston's existing customers and will allow the combined entities to form new relationships with customers we were previously too small to serve. We believe this transaction will be tremendously beneficial to our customers and shareholders."

Chuck Cowell, President and CEO of Preston, will serve as Chairman of the Dallas market for Guaranty. Cowell stated, "This new partnership with Guaranty Bank & Trust provides an outstanding opportunity for both the customers and shareholders of Preston State Bank. Guaranty has a long legacy of providing quality banking services and products to their customers with a community banking focus. Their 100-year history of strength, stability, and growth will provide our customers and shareholders a proven track record of success. We welcome Guaranty's entry into the DFW market and are honored to partner with them as we continue to provide superior banking services to our customers."

The merger agreement has been approved by the Boards of Directors of Guaranty and Preston, and the merger is expected to close in the first quarter of 2015. Completion of the transaction is subject to the customary closing conditions, including the receipt of required regulatory approvals. Promptly following the holding company merger, Guaranty expects to merge the subsidiary bank under the charter of Guaranty Bank & Trust with combined assets of both institutions of approximately \$1.5 billion, operating 23 locations in 16 Texas markets and a network of 42 ATMs. This transaction, in conjunction with the recently announced acquisition of Texas Leadership Bank, will provide Guaranty with three bank locations in the DFW market.

Terms were not disclosed.

Financial Highlights

(Dollars in thousands)	Guaranty	DCB²
Total Assets	\$1,288,827	\$121,633
Gross Loans	\$771,145	\$103,681
Total Deposits	\$1,033,196	\$96,983
Total Equity	\$120,651	\$23,721
TCE / TA	8.72%	19.50%

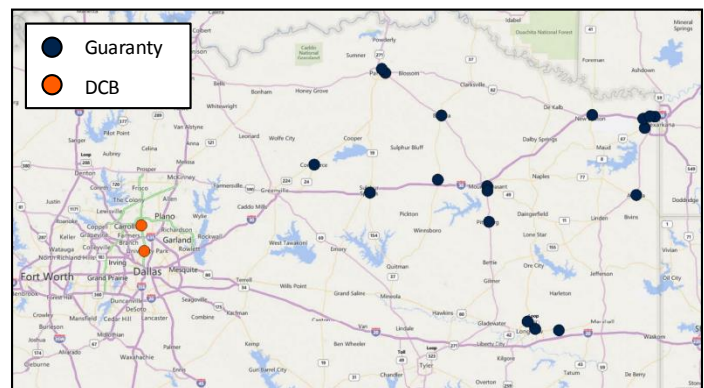
¹ Excludes terminated transactions and self-advisory roles

² Bank level regulatory data

Note: Financial data as of 9/30/14

Source: SNL Financial

Pro Forma Branch Map



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