

## Guaranty Bancshares, Inc. (NASDAQ: GNTY; Mount Pleasant, TX) has agreed to acquire Westbound Bank (Private; Katy, TX)

**Deal Value: Approximately \$34.3 Million <sup>1</sup>**

Sandler O'Neill served as financial advisor to Guaranty Bancshares, Inc. in this transaction. This transaction represents Sandler O'Neill's 157<sup>th</sup> bank or thrift transaction nationwide since January 1, 2015, representing \$47.9 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period. <sup>2</sup>

This transaction represents Sandler O'Neill's 16<sup>th</sup> bank or thrift transaction in Texas since January 1, 2013, representing \$2.2 billion in aggregate transaction value, for a greater aggregate deal value than any other investment bank during that time period. <sup>2</sup>

MOUNT PLEASANT, Texas, January 29, 2018 -- Guaranty Bancshares, Inc. (NASDAQ: GNTY), the holding company for Guaranty Bank & Trust, N.A., announced today the execution of a definitive agreement under which Guaranty will acquire Houston-area Westbound Bank. Pursuant to the agreement, Westbound will be merged with and into Guaranty Bank & Trust.

As Guaranty further expands its Texas banking franchise into the Houston metropolitan region, it will continue to operate Westbound's four locations located at 655 W. Grand Parkway South, Katy, 5231 Bellaire Boulevard, Bellaire, 15001 FM 529, Houston, and 244 South Loop 336 W., Conroe. As of December 31, 2017, Westbound Bank reported total assets of \$228.0 million, total loans of \$160.3 million and total deposits of \$188.5 million.

Ty Abston, Chairman of the Board and Chief Executive Officer of Guaranty, said, "We are pleased to announce our first acquisition into the dynamic Houston market. Our expansion into this growing region has been a part of our strategy for several years, and Westbound brings to us a proven team and excellent initial footprint to make that happen. Troy England, Westbound's CEO, will become Houston Area Chairman for Guaranty and lead our Houston MSA expansion efforts. He's a proven leader in the Houston market and we are excited to have Troy join our management team."

Troy England, President and Chief Executive Officer of Westbound stated, "Joining an established and growing Texas community bank organization like Guaranty is an opportunity to better serve our customers and market, while continuing our focus on community banking and local decision making. Guaranty offers an expanded array of products and services, as well as the convenience of a state-wide banking network. Guaranty's community banking model and asset size will truly enhance our customer's banking experience. I am looking forward to joining Guaranty in my new leadership role."

Under the terms of the agreement, Guaranty Bancshares, Inc., will issue 900,000 shares of its common stock and pay cash in the aggregate amount of \$6.4 million to the shareholders and option holders of Westbound, subject to certain potential adjustments. If Westbound's tangible equity is greater than \$16.5 million at closing, Westbound will be permitted to pay a pre-closing cash distribution to its shareholders and option holders in an amount equal to any excess.

The boards of directors of both companies have approved the agreement and proposed transaction, which is expected to close in the second quarter of 2018, subject to certain conditions, including customary regulatory approvals and approval by the Westbound shareholders. Upon the closing of this transaction, Guaranty's total assets will be over \$2.2 billion, while operating 32 locations in 24 Texas markets.

### Financial Highlights

(Dollars in thousands)

	GNTY	Westbound Bank
Total Assets	\$1,962,624	\$228,037
Total Net Loans	\$1,349,675	\$152,920
Total Deposits	\$1,676,320	\$188,516
Total Equity	\$207,345	\$24,445
TCE / TA	9.58%	10.11%

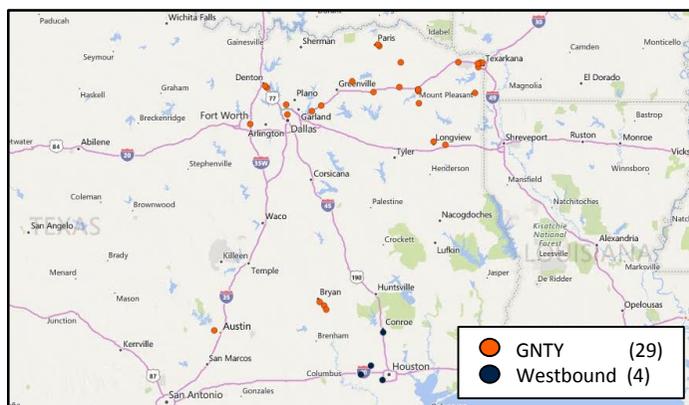
(1) Based on GNTY's closing price of \$30.97 as of January 26, 2018

(2) Excludes terminated transactions and self-advisory roles

Note: Financial data as of December 31, 2017

Source: S&P Global Market Intelligence

### Pro Forma Branch Map



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