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ANNUAL REPORT

Growing Because We Help You Grow



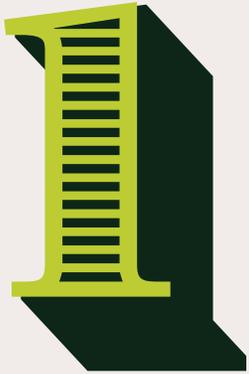
Guaranty
Bancshares, Inc.

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BANCSHARES, INC.

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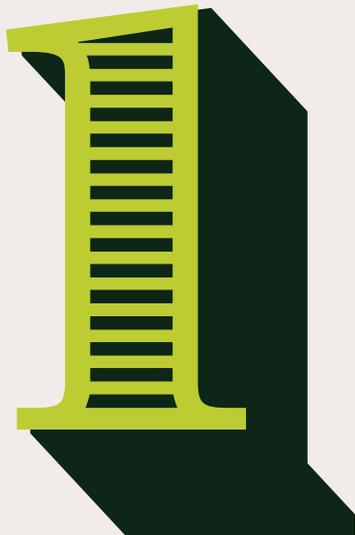
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DEAR SHAREHOLDERS,

We are pleased to report solid performance in nearly every area of Guaranty Bancshares (GNTY) for 2019. We achieved record core earnings

of \$33.3 million, representing a 21.20% increase over 2018 core earnings of \$27.5 million. Our 2019 net earnings of \$26.3 million represents a 27.60% increase over last year's net earnings of \$20.6 million.

We began the year with a strategic goal of improving our net interest margin (NIM). In a year where many banks saw a decline in their NIM, we improved ours to 3.69%, from 3.49% the previous year. Loans and deposits grew modestly to record levels of \$1.71 and \$1.96 billion respectively, or 2.90% and 4.60% increases over 2018. Improving net interest margin was a key objective in 2019; and will remain a primary goal until we return to our historic average of over 4.00%. As outlined in our updated strategic plan, this will create a better return on capital for our shareholders. Additionally, Guaranty continues to maintain a strong balance sheet, disciplined expense management, and a healthy capital position. Our nonperforming assets as a percentage of total assets remains very low at 0.53% as of year-end.

While the overall stock market was volatile in 2019, financial stocks did very well. Guaranty shares achieved a total return for shareholders of 12.61%, which is above our 5-year average return of 9.76% and 10-year average return of 10.28%. This return included a dividend of \$0.70 per share, an increase of 16.70% over the prior year's dividend. We continue to focus on total return for our shareholders and understand that our dividend represents a strong value proposition on an investment in our Company. Over the past 30 years, we have grown our dividend at a rate of 8.12% compounded annually. While we always remain focused on increasing the intrinsic value of our shares, we are just as focused on increasing our shareholders income stream from their investment in GNTY.

As you are aware, the stock market experienced a material sell off during the first quarter of 2020 due to concerns over the Coronavirus outbreak and oil price shock. This market selloff is likely a short-term phenomenon that will correct itself over the coming months and years. But as I am writing this letter, these events are creating significant economic and market disruptions and there is little clarity as to the length of the outbreak or the timing of its recovery. It is important during times of market uncertainty that our shareholders remember that the intrinsic value of a company is ultimately the real value of a company, regardless of day-to-day market volatility. Guaranty has never been stronger financially. We will remain focused on increasing the intrinsic value of our shares, as well as take advantage of differences between this and mispriced market values of our stock price from time to time with our stock buy-back program. These share repurchases will create additional long-term value for our shareholders.

In 2019, we repurchased 352,000 shares of common stock in our buy-back program to help utilize our excess capital and take advantage of what we believe to be an attractive valuation for our stock. In the coming year, we will continue to repurchase shares on the open market when the price represents a compelling long-term value.

STRATEGIC MOVES IN 2019

During the year, we achieved several key milestones for our Company all designed to better position us for continued future growth. Below is a list of significant initiatives achieved by the Company in 2019:

- Opened a new bank location in the vibrant Galleria area of the Houston market.
- Moved into our new corporate offices in Addison.
- Began construction and remodeling of our new main bank location in Denton. We will relocate from our current temporary space to this new location in 2020.
- Finalized plans for a new technology center in

Mount Pleasant. This expansion adds 16,000 square feet to the existing 10,000 square foot operations center. This highly secure and self-contained technology center; designed and equipped to provide continuity of service to all of our Bank locations, even during emergency conditions, will facilitate continued future growth to over \$5.0 billion in assets by our estimates. The new state-of-the-art center will include indoor and outdoor collaborative spaces for our teams and will help us continue to attract top talent. We expect construction to begin in 2020.

- Developed a marketing strategy with a more digitally focused platform and engaged a creative and knowledgeable advertising firm. While some of our advertising dollars will continue in legacy media channels, like print, radio and billboards, we will direct the majority of our future advertising budget to digital channels including social media, geofencing and paid search ads that link customers and prospects to our Bank's products and services. This strategy will cover our statewide banking footprint in a more effective manner and leverages technologies that will drive banking in the future.
- Developed a digital banking strategy that will launch in 2020 and fully roll out over the next couple of years. This new digital banking strategy involves investments in software platforms that will allow consumers to conduct banking services whenever and wherever they would like, across all of their digital devices such as cell phones, computers, or tablets. With the new platforms, consumers will be able to open any deposit product we offer, receive fast decisions on personal loans and conduct other banking services, all at their convenience. While customers will still have access to our statewide banking facilities during business hours, this new digital platform brings banking products and services to the consumer without the restrictions of office hours. We are very excited about what this strategic initiative means for our future
- Launched new programs as part of Guaranty

University. Our training and development team works with our entire staff to develop programs that not only benefit individuals in their career growth, but also strengthens our Company. One new program provides every employee with an online professional and continuing education resource. The Leadership Development Program is an in-depth yearlong program in which select employees participate in courses and in-person leadership and team building activities that allow them to learn about and improve various leadership traits and skills.

Over the years, Guaranty has been successful in creating very positive financial results for our owners. In fact, we are building today on those successes. However, past successes never guarantee future success. Banking remains a rapidly changing industry, with technology and regulations significantly impacting the business model of community banks like ours. The strategic moves that we have made over the last five years, and those that we will continue to make in 2020, were designed to best position Guaranty for the future.

PLANS FOR THE COMING YEAR

We are just now seeing the effects of the Coronavirus outbreak in our country. It is unknown how this event will play out and what impact it will ultimately have on the overall economy or our Bank.

As with prior challenges throughout the history of our Company, we will manage through the uncertainty of this unprecedented event. We will learn more efficient ways to operate the Bank and to deliver exceptional banking services to our customers. Below are the plans and strategies for our Company that were in various stages of implementation prior to the outbreak and downward turn in the economy. We will continue to monitor the changing economic impact and make decisions that we think are best for the long-term benefit of our Company, staff and shareholders.



FOUNDATION FOR THE FUTURE

We continue to make strategic moves and investments that build upon our foundation to support future growth.

Our strategies for 2020 include:

- Opening a second location in Bee Cave, located in the Austin market. Leading this effort is a team of talented bankers from the community and we expect the location to open in the first quarter of 2020. We remain very pleased with the growth and opportunities we see in the Austin market.
- Consolidating our Bellaire location in the Houston region into the new Galleria location. This eight-mile move creates over \$400,000 in annual cost savings without negatively affecting our Houston footprint and leverages our exciting new Galleria location.
- Remodeling our Bank locations in Sulphur Springs and Mount Pleasant-South. We believe that our customers and the communities will really like the fresh and updated looks.
- Continuing to deploy our excess capital in strategic ways that represent good long-term value for our stakeholders, including the possibility of additional stock repurchases and bank acquisitions. During any given year, we have the privilege to review numerous potential acquisition opportunities. We consider opportunities only when we see that there will be a good culture fit. The bank must also be located in a growing market, with the economics of the transaction making sense for both parties. When these factors are present, the financial and collective synergy created can be beneficial for both shareholder groups. We will continue to look at opportunities that fit these parameters and create great new partners for Guaranty.

STANDING ON THE SHOULDERS OF GIANTS

At the end of 2019, Art Scharlach, Weldon Miller, and Johnny Conroy retired from our Company board of directors. Guaranty truly appreciates their contributions over several decades in helping make Guaranty what it is today. They were instrumental in helping Guaranty establish a strong foundation, and today we simply build on what they helped to create. Joining the Company board of directors at year-end were Jeff Brown of Bryan and Mike Nolan of Dallas. Jeff and Mike bring strong business skills and talents to our board and we are lucky to have them join our team. They will help us guide our Company while maintaining the culture and philosophy that has served us well over the past 50 years.

While we consider the high quality of Guaranty's team and culture to be integral to our success, others continue to notice it as well. Texas Monthly recently recognized us as one of the "Best Companies to Work For" for an eleventh consecutive year! This

is truly an honor and reinforces what we know to be true. Every day, we practice what we preach when it comes to our commitment to the Guaranty Culture and to our communities. In fact, Guaranty employees collectively invested nearly 4,000 hours in giving back to our communities last year. We will always view Guaranty's culture as one of our most valuable assets and corporate stewardship as one of our most important responsibilities.

IN CLOSING

Our models project continued progress in both growth and profitability in 2020, but there are many unknowns on how the Coronavirus outbreak will negatively affect the economy and therefore our Company. We will stand by our customers during this time of need, even if that means we sacrifice our short-term financial goals and results. The foundation of our management decisions and strategies has always been based on strong partnerships with our customers while building long-term shareholder value for our owners. We will continue on that path, as this Company has for over 107 years.

Our team is very fortunate to lead such a great Company. We look forward to the future and the exciting possibilities that lie ahead for Guaranty. Thank you, fellow shareholders, for your continued investment, support, and confidence in Guaranty Bancshares and Guaranty Bank & Trust.



TY ABSTON
CHAIRMAN OF THE BOARD & CEO

A handwritten signature in black ink, appearing to read "Ty Abston". The signature is fluid and cursive, written on a white background.



YEAR IN REVIEW

There are so many factors that go into a single year of growth.

In 2019, we were proud to have:



Achieved record core earnings of \$33.3 million, a 21.2% increase over 2018.



Improved our net interest margin from 3.49% to 3.69%.



Achieved a total return for shareholders of 12.61%, which is above our five-year average of 9.76% and 10-year average of 10.28%.



Increased our tangible book value per share more than 105% over the last 10 years, moving from \$9.52 in 2009 to \$19.55 in 2019.



GNTY outperformed the 2019 NASDAQ Bank Index.



ROW 1 - LEFT TO RIGHT

RICKY BAKER

Principal
KRB Investments, LLC

TY ABSTON

Chairman of the Board & CEO
Guaranty Bancshares, Inc.

MOLLY CURL

Retired Partner
Grant Thornton, LLC

BILL PRIEFERT

Chairman & CEO
Priefert Manufacturing, Inc.

ROW 2 - LEFT TO RIGHT

CAPPY PAYNE

Senior Executive Vice
President & CFO
Guaranty Bancshares, Inc.

JEFF BROWN

Managing Partner
RoseRock Capital Group

BRAD DRAKE

President
Lamar Fabrication

JIM BUNCH

President & CEO
BWI, Inc.

KIRK LEE

President
Guaranty Bancshares, Inc.

CARL JOHNSON JR.

Principal
Baker & Johnson, CPA

MIKE NOLAN

Principal
Proterra Properties, Inc.

CHRIS ELLIOTT

President
Elliott Auto Group



GUARANTY BANCSHARES, INC.

BOARD OF DIRECTORS

WHERE WE'RE GROWING



DALLAS/FORT WORTH METROPLEX

Addison Denton
Dallas Fort Worth
Rockwall Royse City

EAST TEXAS

Bogata
Commerce
Hallsville
Longview
Mount Pleasant
Mount Vernon
New Boston
Paris
Pittsburg
Sulphur Springs
Texarkana

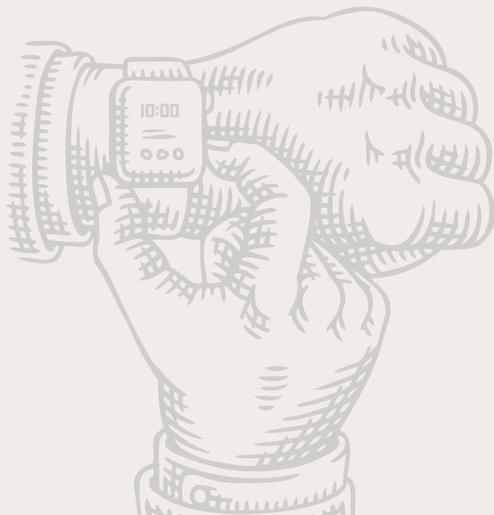


CENTRAL TEXAS

Austin
Bryan
College Station

HOUSTON

Conroe
Houston
Katy
Houston Galleria



SERVING THE COMMUNITY

Our employees invested nearly 4,000 hours giving back to our communities.



GROWING OUR BRAND

BY HIGHLIGHTING WHAT MAKES US DIFFERENT

Early in the history of Guaranty, our brand was established on a foundation of strong values, particularly our commitment to continually improving the financial well being of our customers and shareholders. We've upheld our values and differentiated our brand over decades of consistent financial stability and community leadership, and today the Guaranty brand is stronger than ever.

As the business of banking continues to change and as we emerge into new markets, we not only want to resonate with new consumers, but also remain true to our heritage and maintain our relationships with loyal customers. So, going into 2019, one of our key branding strategies was to continue leveraging

our trademark slogan. Over the course of the year, we laid the groundwork for creative marketing efforts with plans for the *Growing Because We Help You Grow* campaign.

Our new campaign highlights the fact that too many consumers are banking with people who don't treat them right. Their bankers don't listen to them, or they're not honest with them, or worst of all, they've never actually seen their banker.

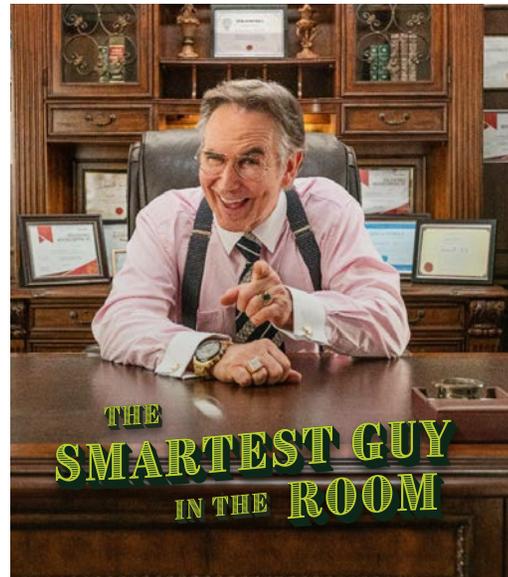
In our ads, we introduce consumers to a series of "bad bankers," reminding them that there's a different kind of bank out there who will treat them right: Guaranty, the bank that continues to grow because we put the growth of our customers first.

GUARANTY BANKERS



VS.

OTHER BANKERS





2019 BY THE NUMBERS

GNTY STOCK PRICE, EARNINGS PER SHARE AND DIVIDENDS



FINANCIAL HIGHLIGHTS

(in thousands, except per share data)

	2015	2016	2017	2018	2019
OPERATING RESULTS					
Net interest income	\$47,759	\$53,840	\$59,630	\$68,916	\$78,870
Provision for loan losses	2,175	3,640	2,850	2,250	1,250
Non-interest income	11,483	13,016	14,279	15,303	16,973
Net realized gain (loss) on securities	77	82	167	(50)	(22)
Non-interest expense	42,594	46,380	48,832	56,774	62,536
Earnings before provision for income taxes	14,473	16,836	22,677	25,195	32,057
Income tax provision	4,362	4,715	8,238	4,599	5,778
Net earnings	10,111	12,121	14,439	20,596	26,279
Core earnings (1)	16,571	20,394	25,360	27,495	33,329

AT YEAR END					
Total assets	\$1,682,640	\$1,828,336	\$1,962,624	\$2,266,970	\$2,318,970
Loans and loans held for sale, net of allowance	1,063,271	1,236,214	1,349,675	1,647,239	1,693,162
Investments in securities	397,975	346,296	407,056	396,139	368,174
Total deposits	1,466,197	1,576,791	1,676,320	1,871,480	1,956,804
Stockholders' equity	137,736	141,914	207,345	244,583	261,551
Common shares outstanding	8,901	8,752	11,059	11,830	11,534

OTHER FINANCIAL DATA					
Return on average total assets	0.65%	0.68%	0.76%	0.97%	1.13%
Return on average stockholders' equity	7.44%	8.34%	7.78%	9.03%	10.37%
Loans to deposits	72.89%	78.97%	81.10%	88.68%	87.2%
Loan loss reserves to loans	0.87%	0.92%	0.95%	0.88%	0.95%
Net yield on interest earning assets	3.33%	3.27%	3.38%	3.49%	3.69%
Tier 1 capital to average assets	8.33%	7.71%	10.53%	10.16%	10.24%
Efficiency ratio (2)	71.99%	69.46%	65.61%	67.37%	65.23%
Charge-offs net of recoveries	\$633	\$1,419	\$1,475	\$458	\$(301)

PER SHARE DATA					
Net income	\$1.15	\$1.35	\$1.41	\$1.78	\$2.26
Market price (based on year end numbers)	24.00	26.00	30.65	29.82	32.88
Tangible book value per common share (3)	12.95	13.70	16.81	17.56	19.53
Cash dividends	0.50	0.52	0.53	0.60	0.70

(1) Pre-tax pre-provision pre-securities gain (loss)

(2) The efficiency ratio was calculated by dividing total noninterest expenses by net interest income plus noninterest income, excluding securities losses or gains. Taxes are not part of this calculation.

(3) We calculate tangible book value per common share as total shareholders' equity less goodwill, core deposit intangibles and other intangible assets, net of accumulated amortization at the end of the relevant period, divided by the outstanding number of shares of our common stock at the end of the relevant period. Tangible book value per common share is a financial measure that is not recognized by, or calculated in accordance with, U.S. generally accepted accounting principles, or GAAP, and, as we calculate tangible book value per common share, the most directly comparable GAAP financial measure is total shareholders' equity per common share. See our reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures in our Annual Report on Form 10-K under the caption "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."



GROWING FORWARD: THE 5-YEAR PLAN

In 2018, we developed a five-year strategic plan that kicked off in 2019 and will continue through 2023. Our plan consists of ambitious goals developed by executive management, senior and mid-level

management and departmental teams in order to help us achieve our mission. We made great headway in our first year, and as 2019 comes to a close, we're excited to share what we've done to continue growing.

GROWING OUR BRAND

Last year, we partnered with a local Texas-based advertising agency. Together, we laid the groundwork for creative marketing efforts to expand our digital presence and increase Guaranty's brand awareness during the years to come. Among the 2019 accomplishments:

- We produced online commercials, as well as, digital banners, social media ads, billboards and more.
- We implemented unique digital media strategies like call tracking, customer tracking and geofencing to share our message with prospective customers in the right places at the right time.
- We've equipped all of our bank locations with marketing materials, creative assets and guidelines to reinforce and further enhance the messaging developed in our video and digital media campaign.

INVESTING IN TECHNOLOGY

We've continued our investment in technology and software that allows new and existing customers to connect with us when, where and how they'd like. With a new digital banking platform, consumers will be able to open any deposit product we offer, receive fast decisions on personal loans and conduct other banking services, all at their convenience and without having to travel to a Bank location.



STRENGTHENING OUR ABIDING CULTURE

Our commitment to the Guaranty culture, values and our local communities remains strong; this shines through on a daily basis in ways such as:

- We remain committed to continuing the education of our employees. This year, we successfully launched our company-wide online education resource, Guaranty University.
- We celebrated the graduation of the inaugural Leadership Development class.
- We continue to share knowledge, tips and tools at all of our locations through our weekly Raving Fans meetings.
- We love sharing our culture with our customers whenever and wherever we can. Have you “liked” or followed our mascot Cash on your favorite social media page?

TEXAS MONTHLY'S BEST COMPANIES TO WORK FOR

For the 11th year straight, we're on Texas Monthly's list of Best Companies to Work for in Texas.



DEPLOYING OUR CAPITAL STRATEGICALLY

We continue to make strategic decisions with the goal of increasing long-term value for all of our shareholders. In 2019, capital strategies included:

- Repurchasing common stock at attractive valuations.
- Finalizing the plans for our new Technology Center in Mount Pleasant, which increases our operations center by 16,000 square feet and will facilitate future growth of our Company.
- Launching plans to open a second location in Austin and relocation of our main bank in Denton from its current temporary space to a well-located permanent space.
- Continuously looking at opportunities to create new partners for Guaranty.

GROWING WITH A STRATEGY

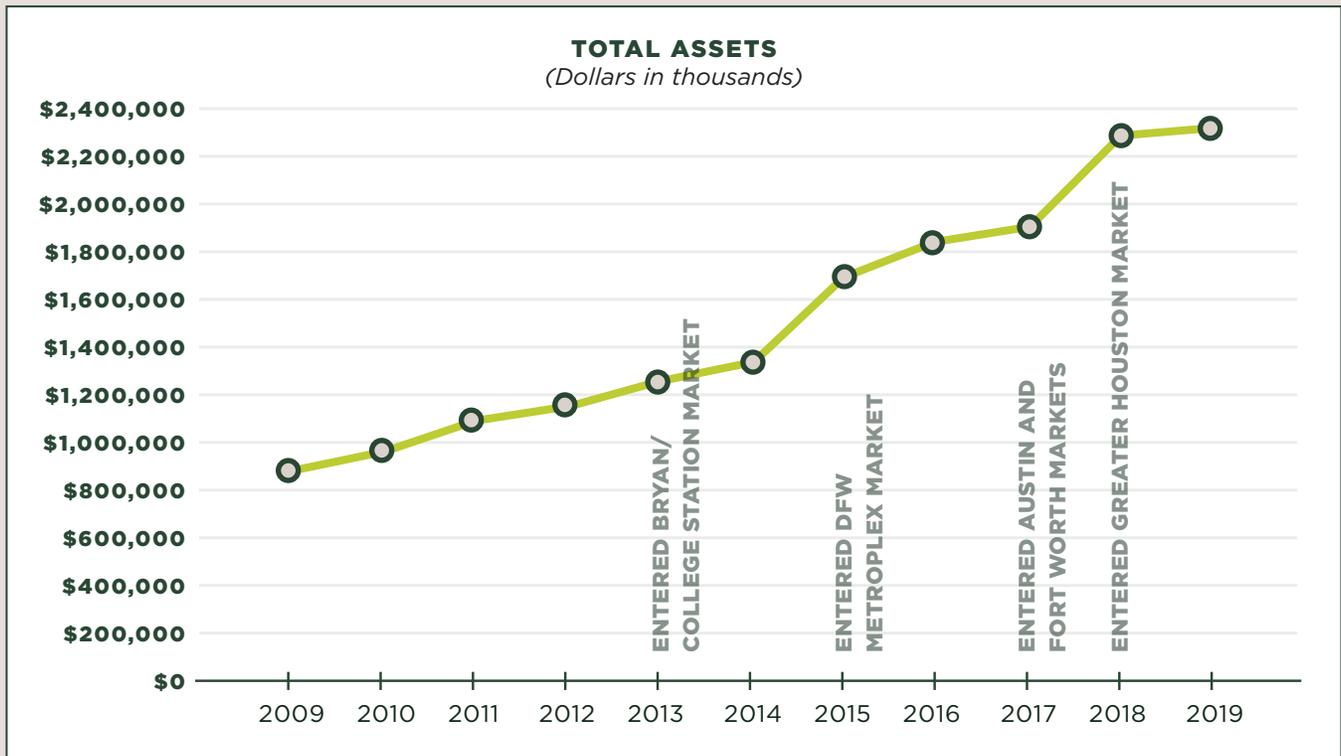
As the banking industry continues to change, we are committed to consistently evaluating our products, strategies and efficiencies to ensure we're always meeting the needs and

expectations of our customers. As we move into the second year of our plan and look forward to a successful 2020, we will be guided by our mission:

**TO CONTINUALLY
IMPROVE THE FINANCIAL
WELL BEING OF OUR CUSTOMERS
AND SHAREHOLDERS.**

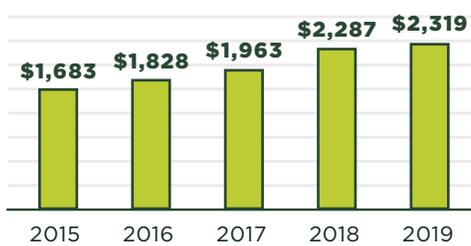


10 YEAR ASSET GROWTH CHART AND DATA

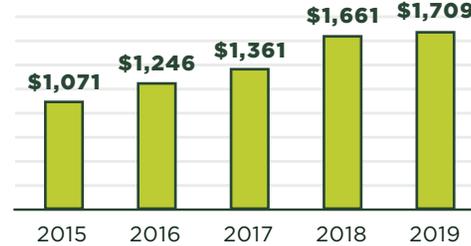


FIVE YEAR GROWTH TRENDS

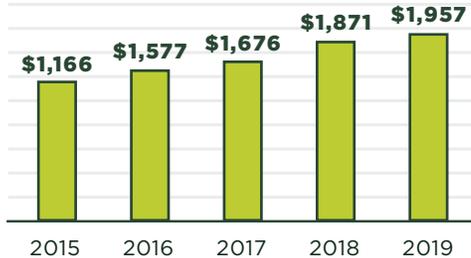
TOTAL ASSETS (Dollars in millions)



TOTAL LOANS¹ (Dollars in millions)



TOTAL DEPOSITS (Dollars in millions)



CORE EARNINGS² (Dollars in millions)



¹ Total loans, including loans held for sale ² Core earnings defined as a pre-tax, pre-provision net earnings. See "Reconciliation of Core Earnings"

GUARANTY BANK & TRUST

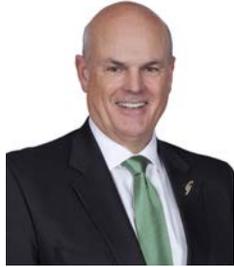
BOARD OF DIRECTORS



TY ABSTON
Chairman of
the Board & CEO



KIRK LEE
Vice Chairman & Chief
Credit Officer



CHUCK COWELL
Vice Chairman



RICKY BAKER
Principal
KRB Investments LLC



JOSH BRAY
District Manager
Sanitation Solutions



JEFF BROWN
Managing Partner
RoseRock Capital Group



JIM BUNCH
President & CEO
BWI, Inc.



BRAD DRAKE
President
Lamar Fabrication



CHRIS ELLIOTT
President
Elliott Auto Group



CARL JOHNSON JR.
Principal
Baker & Johnson, CPA



BRIAN MASON
Chairman
Look Cinemas



MIKE NOLAN
Principal
Proterra Properties



BILL PRIEFERT
Chairman & CEO
Priefert Manufacturing Inc.



CARL SMITH
President
Heritage Constructors



DELIVERY OF ANNUAL REPORT

This Annual Report is being delivered to shareholders of Guaranty Bancshares, Inc. (the "Company") in connection with the 2020 Annual Meeting of Shareholders and should be read with the Company's proxy statement for the meeting and Annual Report on Form 10-K, copies of which accompany this Annual Report and have been filed with the Securities and Exchange Commission ("SEC").

FORWARD-LOOKING STATEMENTS

This Annual Report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our results of operations, financial condition and financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would" and "outlook," or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Such factors include, without limitation, the "Risk Factors" referenced in our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, other risks and uncertainties listed from time to time in our reports and documents filed with the SEC, and the following factors: business and economic conditions generally and in the financial services industry, nationally and within our current and future geographic market areas;

economic, market, operational, liquidity, credit and interest rate risks associated with our business; natural disasters and adverse weather, acts of terrorism, cyber-attacks, an outbreak of hostilities, a public health outbreak (such as COVID-19) or other international or domestic calamities, and other matters beyond our control; the composition of our loan portfolio, including deteriorating asset quality and higher loan charge-offs; the laws and regulations applicable to our business; our ability to achieve organic loan and deposit growth and the composition of such growth; increased competition in the financial services industry, nationally, regionally or locally; our ability to maintain our historical earnings trends; our ability to raise additional capital to execute our business plan; acquisitions and integrations of acquired businesses; systems failures or interruptions involving our information technology and telecommunications systems or third-party services; the composition of our management team and our ability to attract and retain key personnel; the fiscal position of the U.S. federal government and the soundness of other financial institutions; and the amount of nonperforming and classified assets we hold. We can give no assurance that any goal or plan or expectation set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements. The forward-looking statements are made as of the date of this Annual Report, and we do not intend, and assume no obligation, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.

INDEPENDENT AUDITORS

Whitley Penn
8343 Douglas Avenue
Suite 400
Dallas, Texas 75225

TRANSFER AGENT

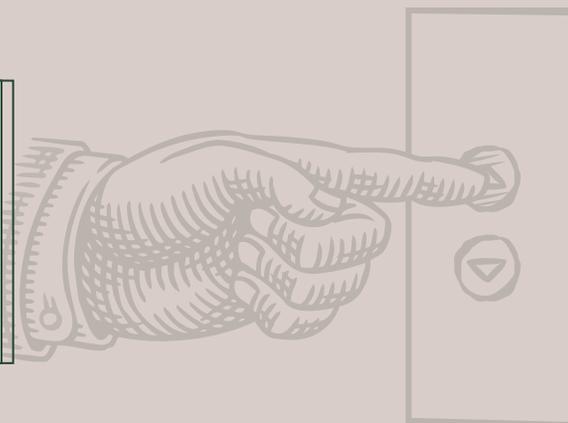
Computershare Investor
Services
P.O. Box 505000
Louisville, KY 40233
Shareholder Services
800-962-4284

DIVIDENDS CALENDAR

Dividends on Guaranty Bancshares, Inc. common stock are payable, if paid, quarterly.

POSITIONING GUARANTY FOR GROWTH

In March of 2019, we completed the transition to our new corporate offices in Addison.



GN
TY
.com



Guaranty
Bancshares, Inc.