

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

GUARANTY BANCSHARES INC /TX/

CIK: **1058867** | IRS No.: **751656431** | State of Incorporation: **TX** | Fiscal Year End: **1231**
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SIC: **6022** State commercial banks

Mailing Address
100 WEST ARKANSAS
MT PLEASANT TX 75456

Business Address
100 WEST ARKANSAS
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9035729881

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 29, 2005

GUARANTY BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Texas

0-23113

75-1656431

(State or other jurisdiction of
incorporation or organization)

(Commission File Number)

(I.R.S. Employer
Identification No.)

100 West Arkansas
Mount Pleasant, Texas

75455

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (903) 572-9881

Item 2.02. Disclosure of Results of Operations and Financial Condition.

On April 28, 2005, Guaranty Bancshares, Inc. publicly disseminated a press release announcing its financial results for the first quarter and for the year ended March 31, 2005. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibits. The following materials are filed as exhibits to this Current Report on Form 8-K:

99.1 - Press Release issued by Guaranty Bancshares, Inc. dated April 28, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GUARANTY BANCSHARES, INC.

Dated: April 29, 2005

By: /s/ CLIFTON A. PAYNE

Clifton A. Payne
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release issued by Guaranty Bancshares, Inc. dated April 28, 2005.

**Guaranty Bancshares, Inc. Earnings Report
For the First Quarter 2005**

Record Total Deposits of \$444.0 Million for Quarter Ended March 31, 2005

MOUNT PLEASANT, TEXAS – April 28, 2005 – Guaranty Bancshares, Inc. (Nasdaq: GNTY) the parent company of Guaranty Bond Bank, today announced net earnings for the first quarter of 2005 of \$983,000 (\$0.33 per diluted share) compared to \$1,032,000 (\$0.35 per diluted share) for the first quarter of 2004, a 4.7% decrease. The Company achieved a record high total deposit balance of \$444.0 million for the quarter ended March 31, 2005.

Ty Abston, President of the Company stated, “We are pleased to report positive financial performance of the Company for the first quarter 2005. We continue to execute our strategic plan to build our customer base and add shareholder value. We have experienced good growth in our markets and continue to strive to provide excellent customer service and financial products.”

Net interest income totaled \$4,499,000 for the first quarter of 2005 compared to \$4,550,000 in the first quarter of last year, a decrease of 1.1%. This decrease is due primarily to a decrease in net interest margin from 3.90% for the first quarter of 2004 to 3.61% for the first quarter of 2005. The decrease in net interest margin was offset by an increase of \$36.0 million, or 7.7%, of average interest-earning assets from \$469.1 million in the first quarter of 2004 to \$505.1 million for the first quarter 2005.

Noninterest income increased \$163,000, or 13.3%, to \$1.4 million in the first quarter of 2005 compared to \$1.2 million in the first quarter of 2004. The increase was primarily due to an increase in gain on sale of loans of \$73,000 and the proceeds of \$95,000 from the merger of PULSE EFT Association and Discover Financial Services, Inc. Service charges and fee income remained constant at \$997,000 in the first quarter of 2005 compared to \$995,000 in the first quarter of 2004.

Noninterest expense increased \$133,000, or 3.2%, to \$4.2 million in the first quarter of 2005 compared to \$4.1 million in the first quarter of 2004. The increase in noninterest expense was primarily due to additional salary and benefits costs of \$80,000 and increased professional fees of \$31,000. The Company has opened two additional locations and closed one location since the first quarter of 2004.

At March 31, 2005, the Company’s assets totaled \$552.5 million compared to \$519.0 million at March 31, 2004, an increase of \$33.5 million or 6.5%. Company loans increased \$14.6 million, or 4.0%, from \$367.9 million at March 31, 2004 to \$382.5 million at March 31, 2005. Securities increased during the period from \$92.8 million as of March 31, 2004 to \$111.8 million at March 31, 2005, an increase of \$19.0 million or 20.5%. Deposits increased \$28.2 million, or 6.8%, from \$415.9 million to a record high \$444.0 million during the same period.

Shareholders’ equity totaled \$38.5 million or 7.0% of total assets at March 31, 2005 as compared to \$37.6 million or 7.3% of total assets at March 31, 2004, an increase of \$914,000 or 2.4%, resulting in book value per share increasing 2.5% from \$12.88 to \$13.20. The Company’s ratio of average shareholders’ equity to average total assets decreased from 7.20% as of March 31, 2004 to 7.07% as of March 31, 2005.

The Company’s return on average assets and average equity for the first quarter of 2005 was 0.73% and 10.28%, respectively, compared to 0.80% and 11.15%, respectively, for the same period in 2004.

Cappy Payne, Chief Financial Officer of the Company commented, “Our asset and deposit growth are very strong as we continue to add new customers and expand our customer base. While 2005 will present economic challenges with a flattened yield curve, the Bank is well positioned to demonstrate the success of our business strategy through growth, strong asset quality and effective cost control.”

Guaranty Bancshares, Inc. is a bank holding company headquartered in Mount Pleasant, Texas. The Company derives substantially all of its revenue and income from the operation of its bank subsidiary, Guaranty Bond Bank, one of the oldest and largest community banks in Northeast Texas. The Company currently serves eight Northeast Texas counties with eleven locations and Pecos County in West Texas with one location in Fort Stockton. The Company creates financial relationships featuring a full array of financial services, from traditional banking products to investments. Guaranty Bancshares stock (GNTY) is listed on the Nasdaq Stock Exchange.

To learn more about Guaranty Bancshares, Inc., please visit our investor relations website at www.gnty.com. Our investor relations site provides a detailed overview of our investor and stock information and our prior year highlights.

The following appears in accordance with the Private Securities Litigation Reform Act of 1995:

The information in this press release includes certain forward-looking statements that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements as to the further performance of the Company. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, successful performance of internal plans, impact of competitive services, interest rates and general economic risks and uncertainties.

Other Information

For more information about Guaranty Bancshares, Inc., please access the Company's web site at <http://www.gnty.com>.

For further information contact:

Ty Abston, President 903/ 572-9881

Or

Clifton A. Payne, Senior Vice President 903/ 572-9881

GUARANTY BANCSHARES, INC.
SUMMARY CONSOLIDATED FINANCIAL DATA

Quarter Ended
March 31,

2005

2004

(Dollars in thousands, except per share data)

Income Statement Data:

Net interest income	\$	4,499	\$	4,550
Provision for loan losses		200		250
Net interest income after provision for loan losses		4,299		4,300
Noninterest income		1,391		1,228
Noninterest expense		4,247		4,114
Earnings before taxes		1,443		1,414
Provision for income tax expense		460		382

Net earnings	\$	983	\$	1,032
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Common Share Data:

Net earnings (basic) ⁽¹⁾	\$	0.34	\$	0.35
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Net earnings (diluted) ⁽¹⁾		0.33		0.35
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Book value		13.20		12.88
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Tangible book value		12.40		12.08
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Cash dividends		0.0000		0.0000
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Dividend payout ratio		0.00%		0.00%
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Weighted average shares outstanding (in thousands)		2,912		2,922
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Period end shares outstanding (in thousands)		2,920		2,922
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Balance Sheet Data:

Total assets	\$	552,512	\$	518,997
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Securities		111,842		92,811
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Loans		382,472		367,902
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Allowance for loan losses		4,418		4,029
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Total deposits		444,031		415,855
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Total common shareholders' equity	38,543	37,629
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Average Balance Sheet Data:

Total assets	\$ 548,633	\$ 517,320
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Securities	111,305	95,897
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Loans	378,350	363,841
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Allowance for loan losses	4,249	3,932
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Total deposits	437,989	413,166
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Total common shareholders' equity	38,767	37,230
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Performance Ratios:

Return on average assets	0.73%	0.80%
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Return on average common equity	10.28%	11.15%
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Net interest margin	3.61%	3.90%
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Efficiency ratio ⁽²⁾	72.11%	71.72%
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GUARANTY BANCSHARES, INC.
SUMMARY CONSOLIDATED FINANCIAL DATA

	Quarter Ended March 31,	
	2005	2004
Asset Quality Ratios ⁽³⁾ :		
Nonperforming assets to total loans and other real estate	0.99%	1.12%
Net loan charge-offs to average loans	-0.02%	3.00%
Allowance for loan losses to total loans	1.16%	1.10%
Allowance for loan losses to nonperforming loans ⁽⁴⁾	139.15%	124.24%
Capital Ratios:		
Leverage ratio	8.58%	8.70%
Average shareholders' equity to average total assets	7.07%	7.20%
Tier 1 risk-based capital ratio	12.60%	12.45%
Total risk-based capital ratio	13.78%	13.56%

(1) Net earnings per share is based upon the weighted average number of common shares outstanding during the period.

- (2) Calculated by dividing total noninterest expenses by net interest income plus noninterest income, excluding securities losses or gains.
- (3) At period end, except net loan charge-offs to average loans.
- (4) Nonperforming loans consist of nonaccrual loans, loans contractually past due 90 days or more and restructured loans.