



GREENBANCORP

# Second Quarter 2014 Earnings Presentation

September 11, 2014

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# Today's Speakers

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- Manny Mehos – Chairman and Chief Executive Officer
- Geoff Greenwade – President and Bank Chief Executive Officer
- Donald Perschbacher – Executive Vice President & Corporate Chief Credit Officer
- John Durie – Executive Vice President and Chief Financial Officer



The following information contains, or may be deemed to contain, “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995). Most forward-looking statements contain words that identify them as forward-looking, such as “may”, “plan”, “seek”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “project”, “opportunity”, “target”, “goal”, “growing” and “continue” or other words that relate to future events, as opposed to past or current events. By their nature, forward-looking statements are not statements of historical facts and involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These statements give Green Bancorp’s current expectation of future events or its future performance and do not relate directly to historical or current events or Green Bancorp’s historical or future performance. As such, Green Bancorp’s future results may vary from any expectations or goals expressed in, or implied by, the forward-looking statements included in this presentation, possibly to a material degree.

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# Second Quarter Highlights

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- Earnings per share of \$0.22, an increase of 37.5% YoY
- Net income of \$4.7 million, an increase of 40.1% YoY
- Strong loan growth, up 13.7% to \$1.4 billion
- Continued strong credit quality, Nonperforming Assets at 1.03% of second quarter total assets
- Successful Initial Public Offering raising \$72.6 million of net proceeds
- Stock began trading on NASDAQ August 8<sup>th</sup> under the ticker symbol “GNBC”

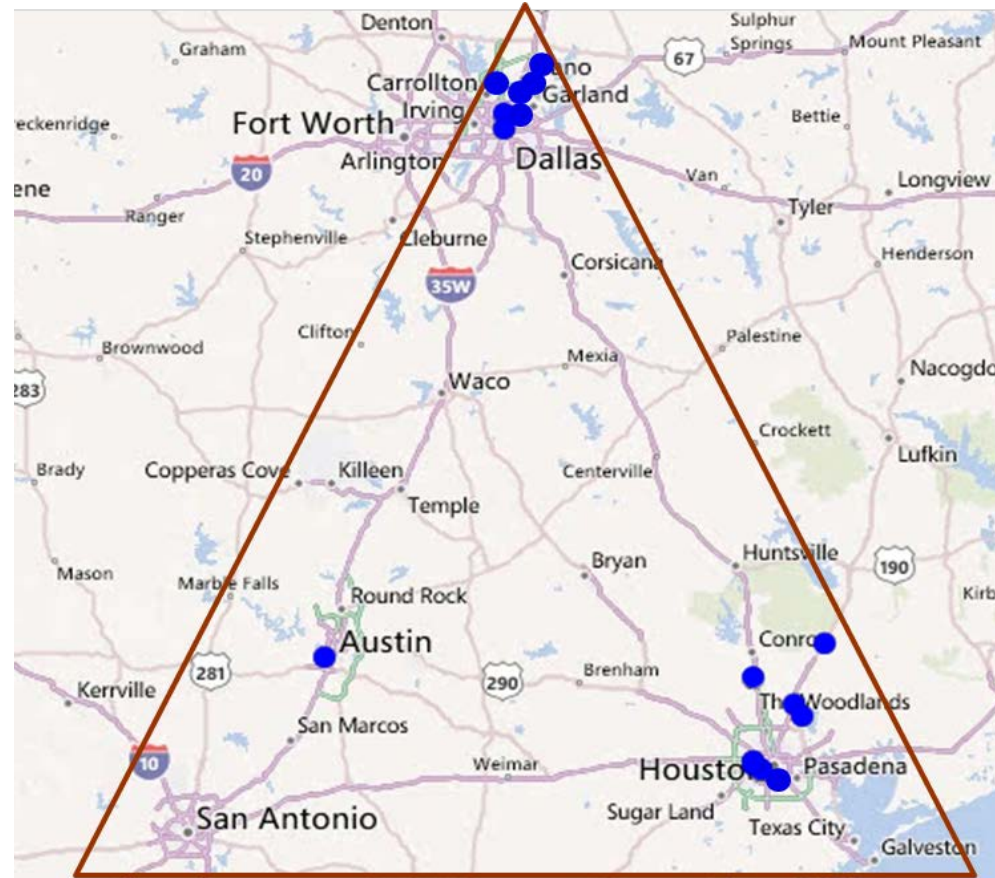
# Well Positioned in Texas



## Overview

- Headquartered in Houston, TX
- Established in 2006 with Redstone Bank merger
- 12 Branches (16 following acquisition)
  - Houston MSA (7)
  - Dallas MSA (4) (and 3 from pending acquisition)
  - Austin MSA (1)
  - Louisville KY MSA (1 from pending acquisition)
- Focused on commercial and private banking relationships
- Goal of building to \$5 billion total assets
  - Strategy of organic growth and select strategic acquisitions

## Branch Map



# Experienced Acquirer



## Complementary Experience of Senior Team

- First Southwest Plan Transaction
- 13 Acquisitions
- 3 Divestitures

### Mehos

- Vision
- Capital
- Negotiation
- Structure
- Pricing

### Durie

- Due Diligence
- Negotiation
- Structure
- Legal
- Pricing

- 7 Acquisitions at First Interstate
- 2 Sales at Redstone Bank
- 1 De Novo
- Numerous Due Diligence Projects as Lead

### Perschbacher

- Risk Management
- Asset Quality
- Operations Review
- Due Diligence
- Reg. Compliance
- Operations and Credit Integration

### Greenwade

- Target Identification
- Due Diligence
- Team Integration

- 3 Acquisitions at Guaranty Bank
- Numerous Portfolio Acquisitions and Business Divestitures

- 4 Acquisitions at Wells Fargo
- Numerous Credit Due Diligence Projects

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# Scalable Platform for Growth

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## Portfolio Banker Model - primary growth driver

- 49 dedicated portfolio bankers are actively generating business and serving as the primary point of contact for our customers
  - Private and business bankers focus on emerging, affluent and small business customers
  - Commercial and specialty bankers focus on C&I, real estate, energy, mortgage warehouse and SBA loans
- Increase productivity of existing portfolio bankers
  - Remaining capacity of 42% imbedded in our current team
  - As utilization rises our efficiency ratio will continue to improve
- Hire additional seasoned and proven bankers
- Beat small competitors with size and sophistication, beat large competitors with speed and service

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# Strategic Acquisitions to Drive Future Growth

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## Acquisition strategy emphasizes focus, discipline and success

- Focused on well managed banks in our target markets
  - Favorable market share
  - Low cost deposit funding
  - Compelling non-interest income generating business
  - Growth potential
  - Other unique attractive characteristics
- Leverage reputation as an experienced acquirer
- Maintain discipline in pricing and pursue transactions expected to produce attractive risk adjusted returns



# SharePlus Acquisition Highlights



## Transaction Overview

- Acquisition announced on May 5, 2014; expected closing in Q4 2014
- 100% cash consideration of \$46.2 million or 1.42x<sup>(1)</sup> tangible book value at announcement
- Headquartered in Plano, TX, SharePlus was founded as a credit union in 1958, became a publicly traded entity in 2010 and converted its federal thrift charter to a state chartered bank in December 2013
- SharePlus adds \$335.1 million in total assets, \$269.0 million in total deposits and \$250.2 million in total loans as of June 30, 2014
- Transaction is expected to be accretive to future year's earnings

## Strategic Rationale

- Consistent with Green Bank's strategic objective to build a high-performing community banking enterprise with a diversified asset mix, core deposit focus, strong credit culture, and commitment to the communities it serves
- Strengthens existing Dallas presence by adding 3 branches in the Dallas MSA and 1 additional branch in Louisville, KY and a total of 5 additional portfolio bankers

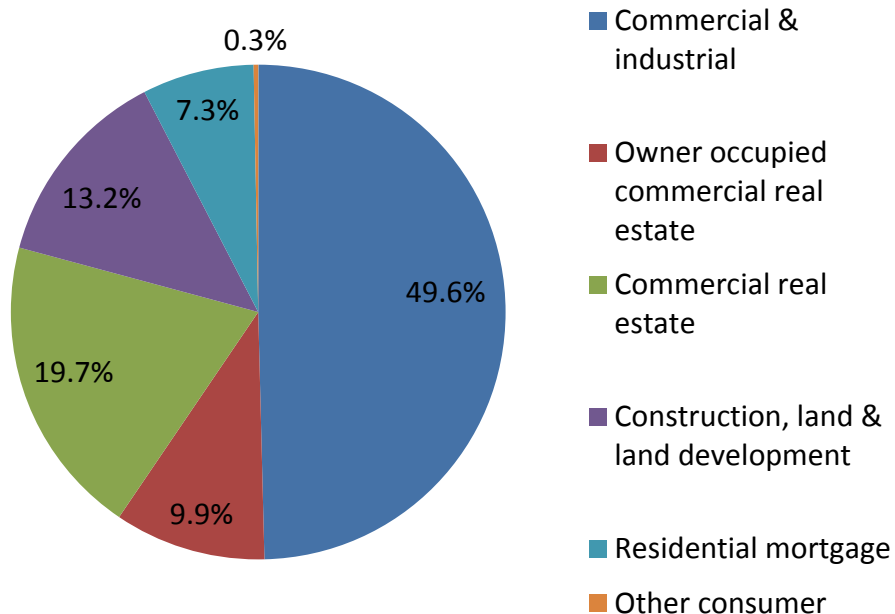
(1) Acquisition multiple based on per share values disclosed in SharePlus' proxy statement

# Credit Update



## Total Loan Composition

As of June 30, 2014



## Highlights

- June 30, 2014 loans of \$1.4 billion, up 13.7% YoY
- Loans up \$29.4 million or 2.1% from March 31, 2014
- Asset quality improvement continues
  - NPA's of \$18.6 million or 1.03% of period end assets
  - Compares favorably to \$27.5 million or 1.62% of period end total assets at June 30, 2013
- Allowance for loan losses of 1.10% of total loans at June 30, 2014
  - Compares to 1.15% of total loans at June 30, 2013 and 1.08% of total loans at March 31, 2014

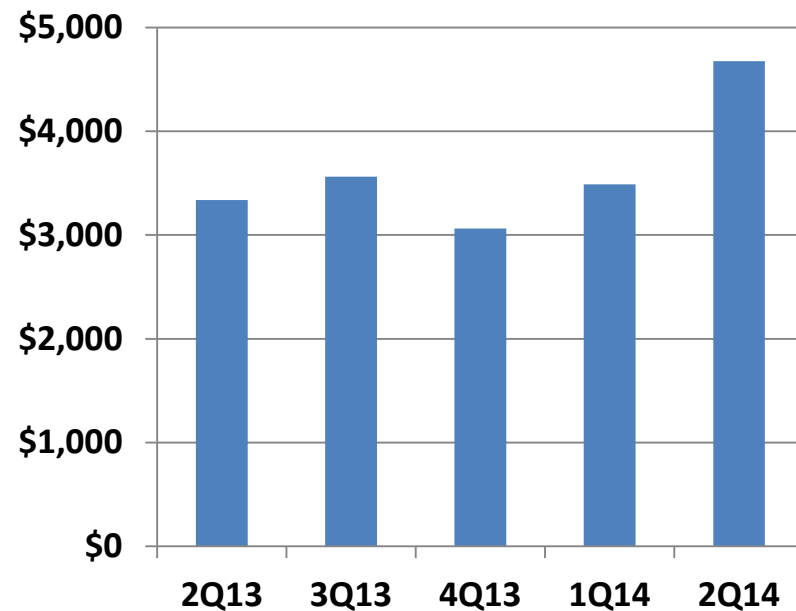
# Second Quarter Financial Highlights



	2014 Q2	2013 Q2
<b>Net Income</b>	\$4,674	\$3,336
<b>EPS</b>	\$0.22	\$0.16
<b>ROAA</b>	1.05%	0.75%
<b>Loans</b>	\$1,433,702	\$1,261,015
<b>Deposits</b>	\$1,534,572	\$1,484,256

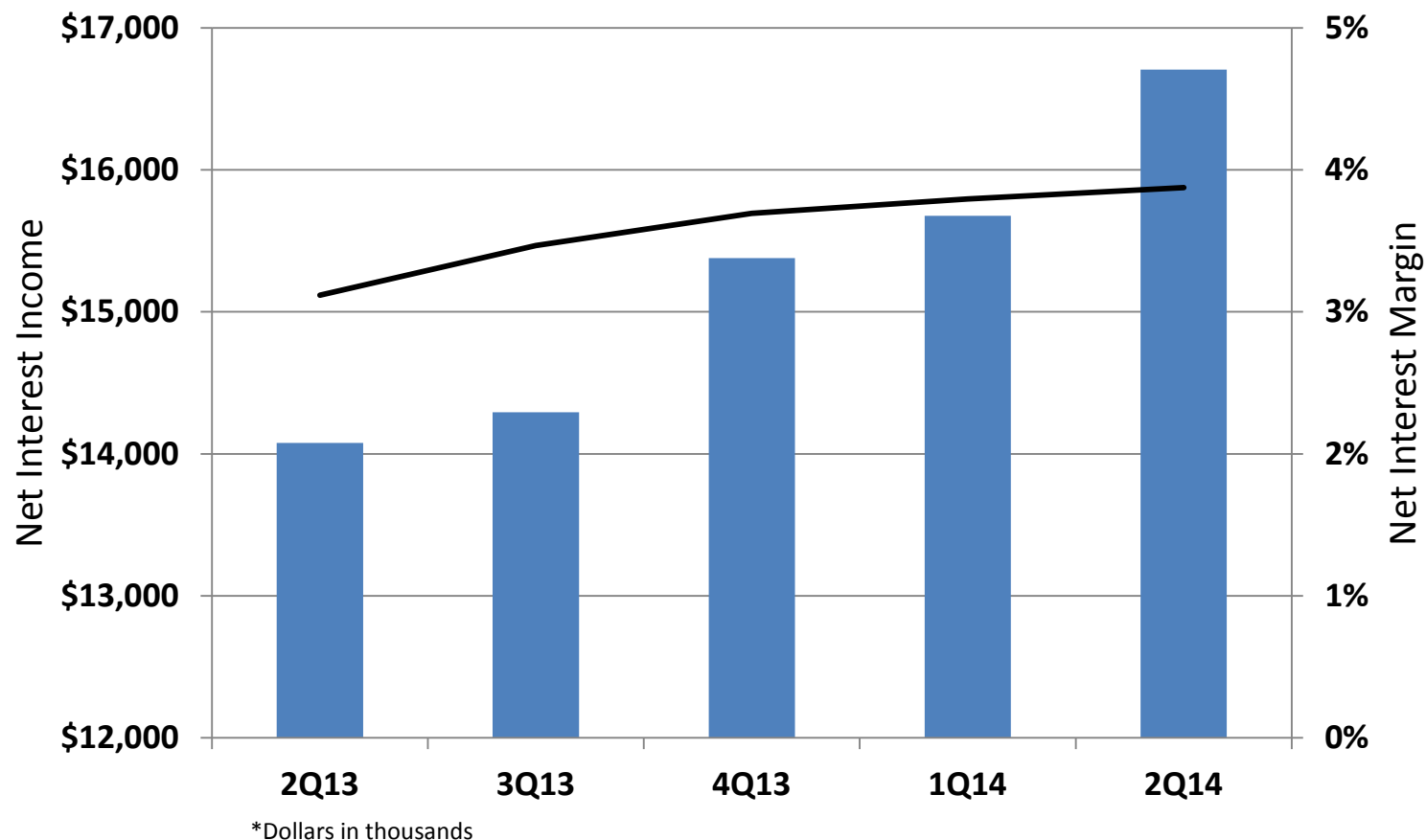
\*Dollars in thousands, except per share data

## Net Income

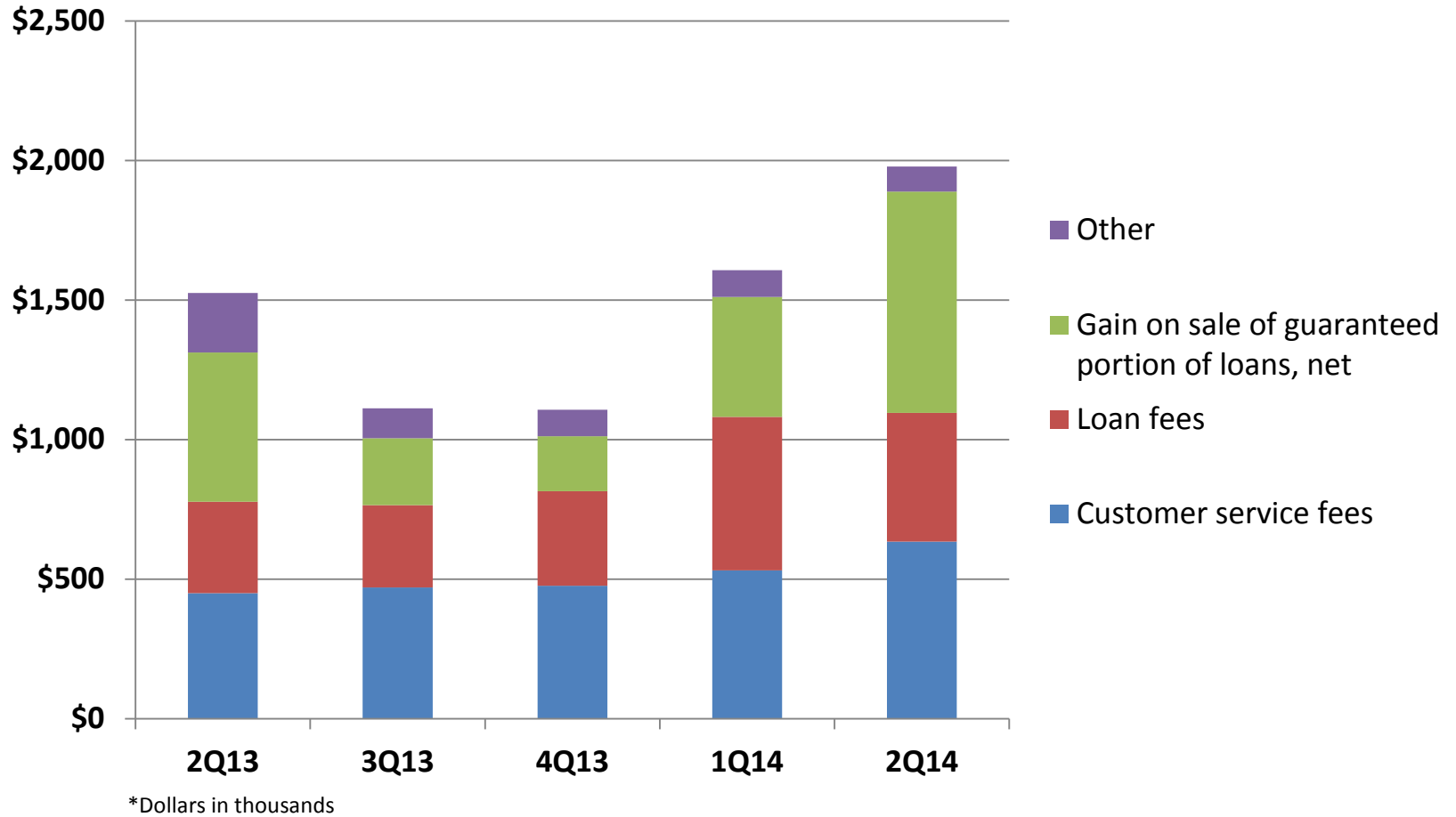


\*Dollars in thousands

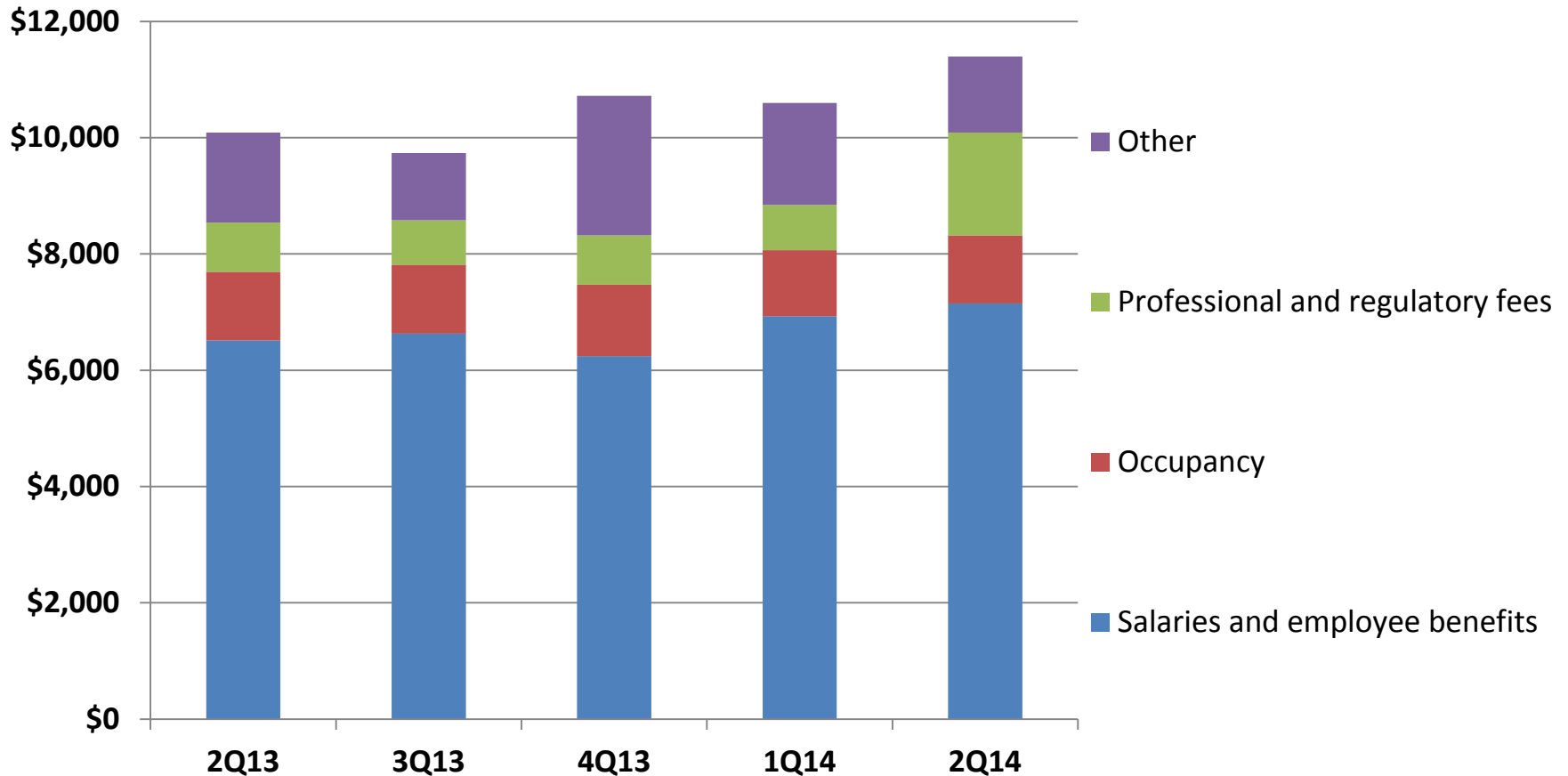
# Net Interest Income and Net Interest Margin



# Non-Interest Income

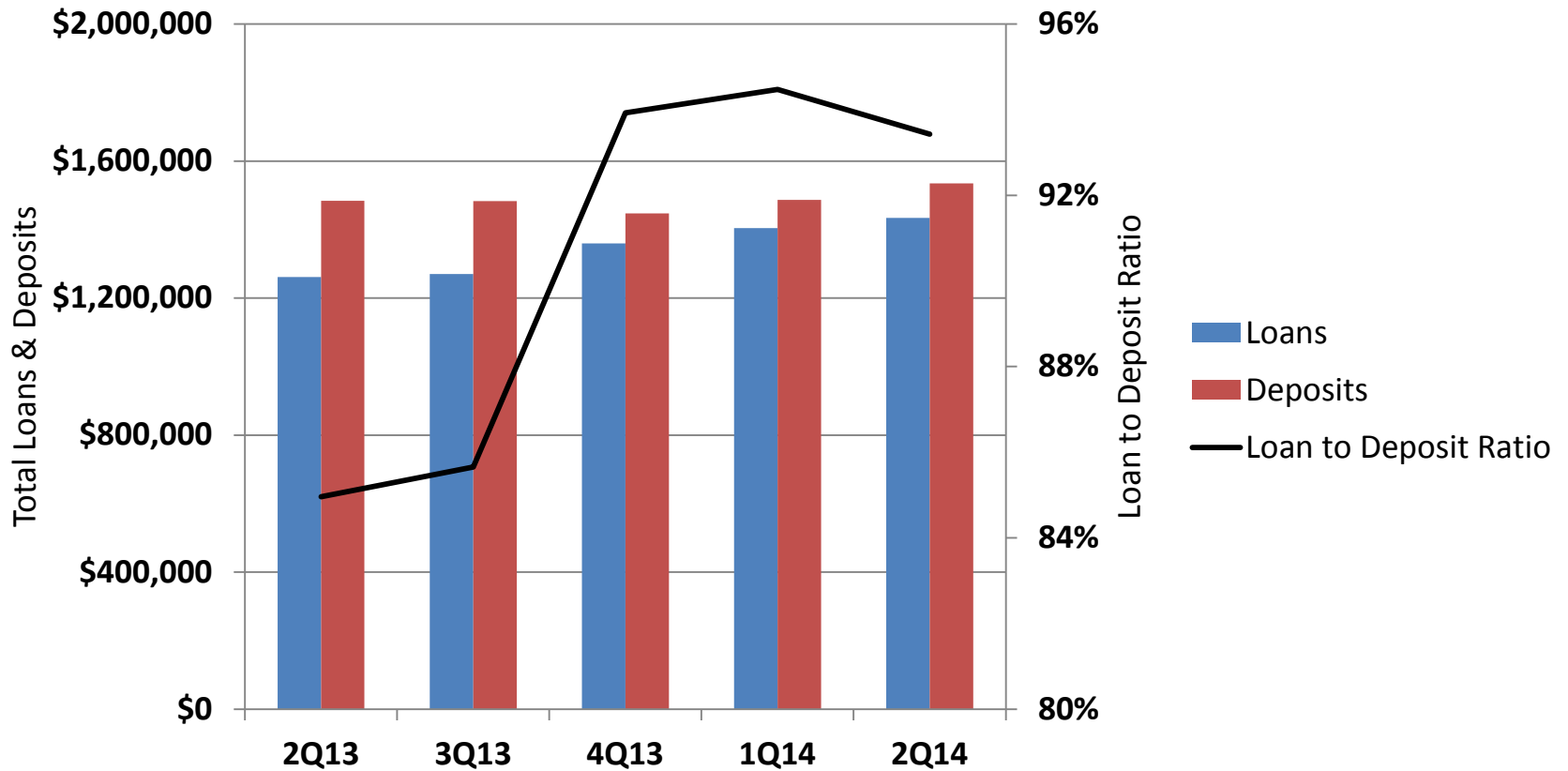


# Non-Interest Expense



\*Dollars in thousands

# Loans and Deposits



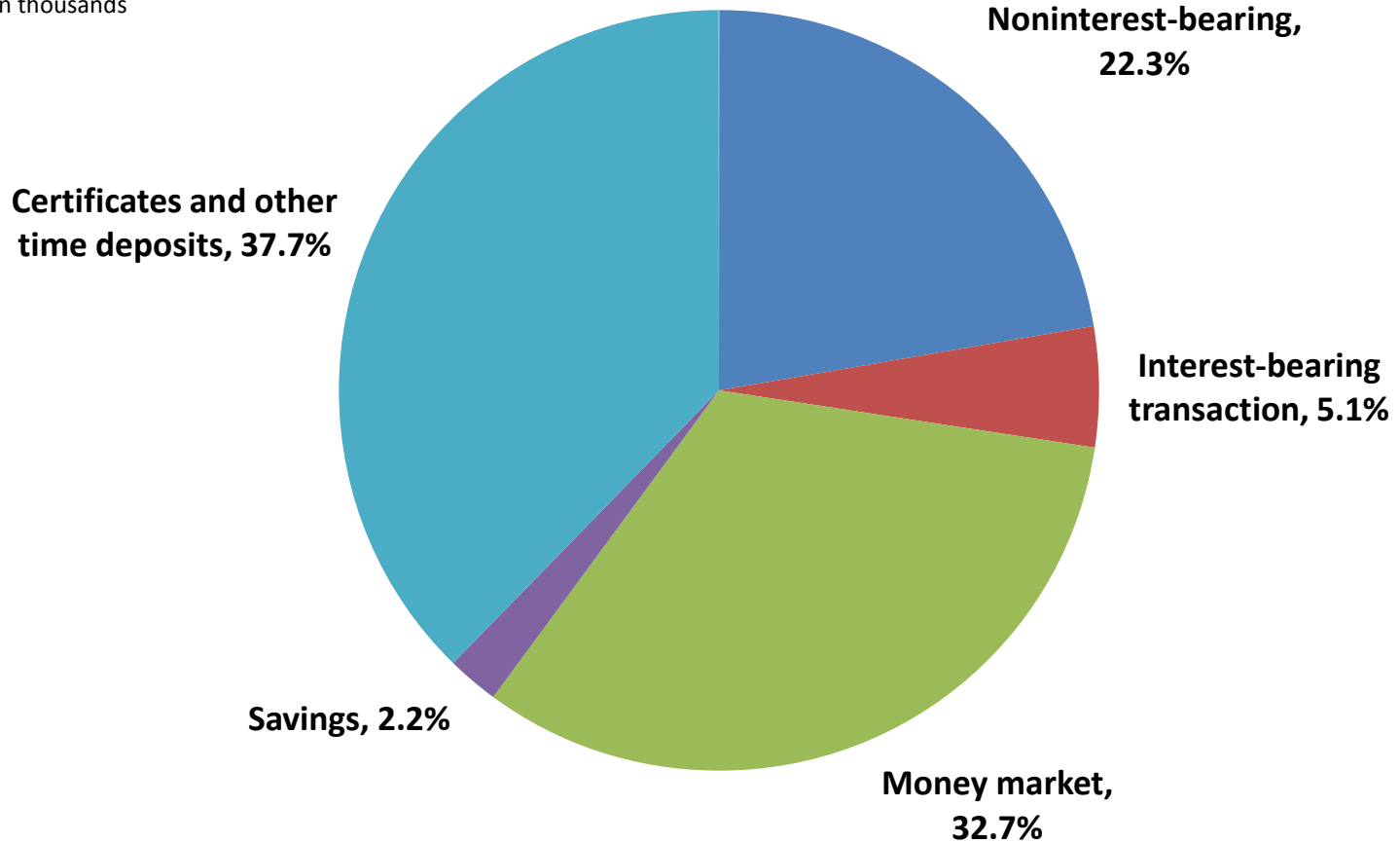
\*Dollars in thousands

# Deposit Mix



**Total Deposits: \$1,534,572**

\*Dollars in thousands

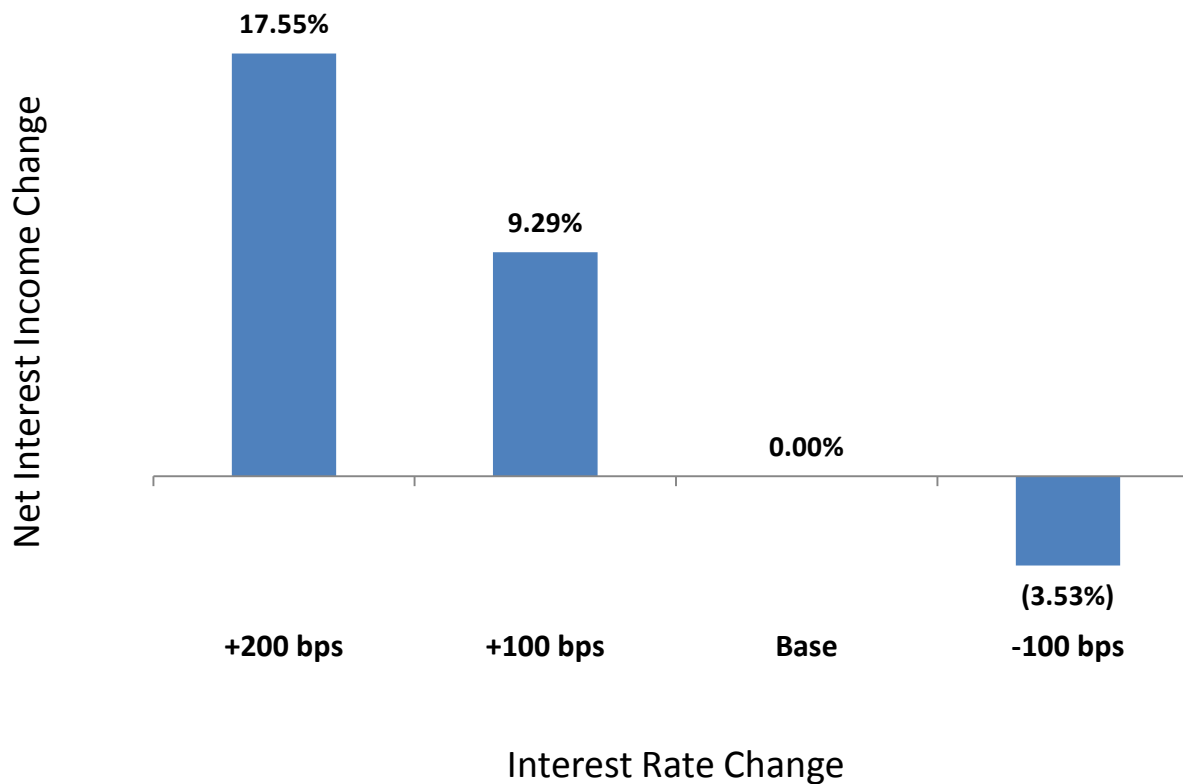




# Interest Rate Sensitivity



## Change in Net Interest Income: 12-Month Horizon

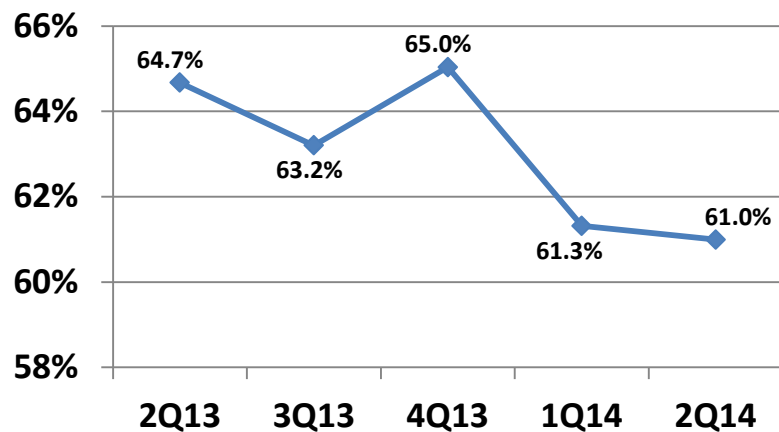


\*This data is derived from an internal static interest rate shock model. The assumptions incorporated into the model are inherently uncertain and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact of fluctuations in market interest rates on net interest income.

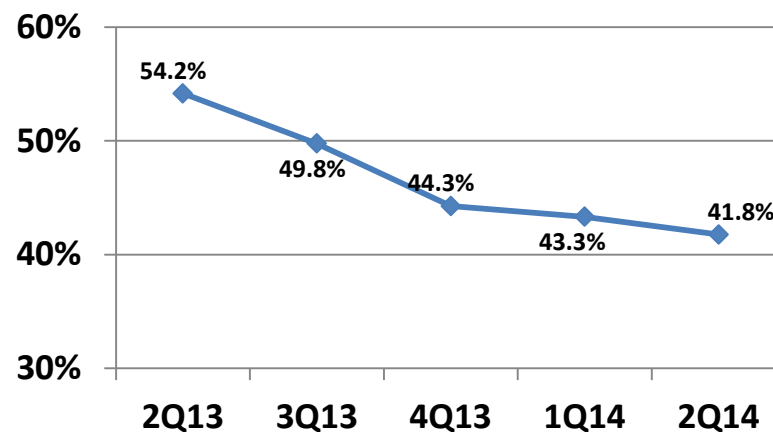
# Performance Metrics



## Efficiency Ratio



## Remaining Banker Capacity





# Q & A