



**GREENBANCORP**

**Sandler O’Neill + Partners**  
**East Coast Financial Services**  
**Conference**

**November 13, 2014**



**GREENBANCORP**



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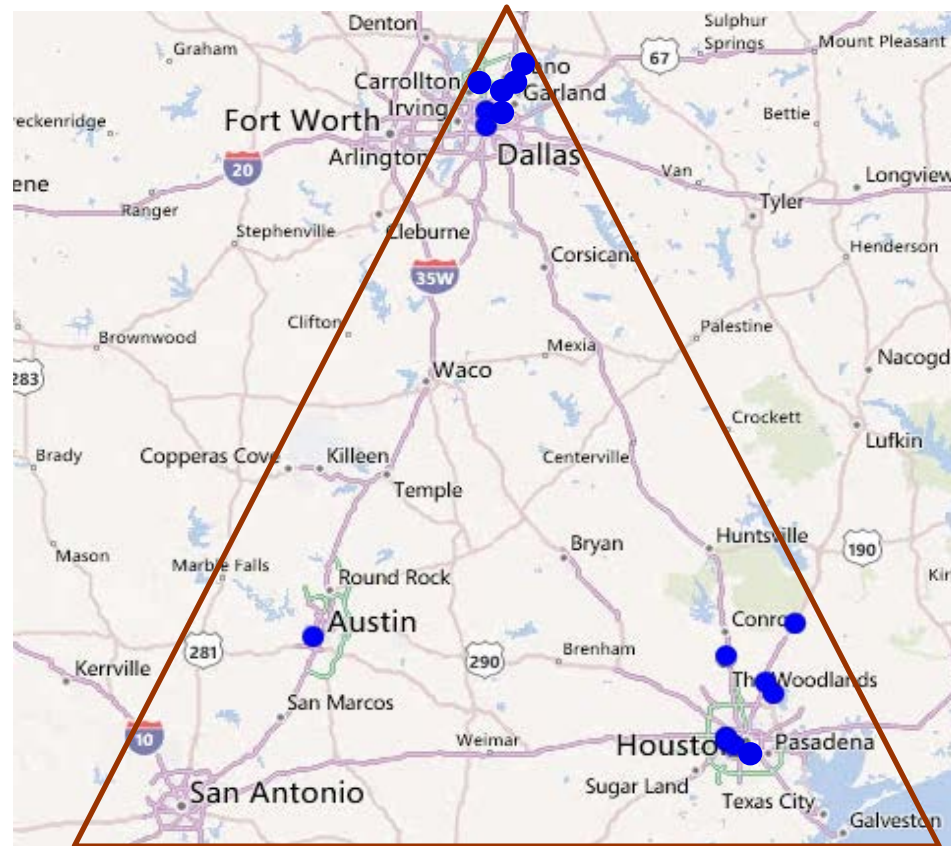
# Company Snapshot



## Overview

- Headquartered in Houston, TX
- Established in 2006 with Redstone Bank merger
- 16 Branches
  - Houston MSA (7)
  - Dallas MSA (7)
  - Austin MSA (1)
  - Louisville KY MSA (1)
- Focused on commercial and private banking relationships

## Branch Map



## Financial Highlights\* 9-30-14

### Balance Sheet (\$ in millions)

Total Assets	\$1,876
Total Loans	1,505
Total Deposits	1,578
Equity	286

### Asset Quality

NPAs / Assets	.72%
NPLs / Loans	0.58
Allowance / Loans	1.01
NCO Ratio (YTD)	0.18

### Profitability (Q3 Annualized)

ROAA	0.98%
ROAE	7.58
Net Interest Margin	3.90
Efficiency Ratio	63.29

\*Not inclusive of SharePlus acquisition

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# Investment Highlights

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- **Strong and experienced management team**
- **Well-positioned within attractive major metropolitan markets in Texas**
- **Portfolio banking model fuels organic growth**
- **Scalable portfolio and operating platform can accommodate significant organic growth and enhance profitability potential**
- **Experienced acquirer and integrator of financial institutions**

# Strong and Experienced Management Team



Talented team with deep breadth of banking experience

Name and Title	Qualification Details	Education & Experience
 <p>Manuel J. Mehos, CEO Green Bancorp, Inc.</p> <p>Chairman Green Bank</p>	<ul style="list-style-type: none"> <li>• Former Chairman/CEO/President of Coastal Bancorp, Inc.</li> <li>• Securities Sales at Goldman, Sachs &amp; Co.</li> <li>• C.P.A. at KPMG</li> <li>• Previous Board Memberships:               <ul style="list-style-type: none"> <li>– Finance Commission of Texas</li> <li>– America’s Community Bankers</li> <li>– Federal Home Loan Bank of Dallas</li> <li>– Texas Savings and Community Bankers Association</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• M.B.A. – University of Texas</li> <li>• B.B.A. – University of Texas</li>   <li>• 28 years in banking</li> </ul>
 <p>Geoffrey D. Greenwade, President Green Bancorp, Inc.</p> <p>President and CEO Green Bank</p>	<ul style="list-style-type: none"> <li>• Former Wells Fargo – Regional Manager of Business Banking               <ul style="list-style-type: none"> <li>– 30 offices with 130 officers and managers</li> </ul> </li> <li>• Wells Fargo – EVP, Commercial Business Banking</li> <li>• Bank of America               <ul style="list-style-type: none"> <li>– Banking Center President</li> <li>– Lending Manager</li> <li>– Commercial Loan Officer</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• M.B.A. – Baylor University</li> <li>• B.B.A. – Texas A&amp;M University</li>   <li>• 30 years in banking</li> </ul>

# Strong and Experienced Management Team



Name and Title	Qualification Details	Education & Experience
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**John P. Durie,**  
Executive Vice President and  
Chief Financial Officer

- Former President and COO of Northwest Bank, N.A.
- First Interstate Bank
  - Managed Texas M&A Activity
  - Problem Asset Resolution
  - CFO of Workout Subsidiary

- B.B.A. – University of Oklahoma
- 31 years in banking



**Donald Perschbacher,**  
Executive Vice President and  
Corporate Chief Credit Officer

- Former EVP and Credit Risk Executive of BBVA Compass Bank.
- Executive Vice President and Chief Credit Officer of Guaranty Bank
- Senior Vice President and Senior Approval Officer of Bank of America

- B.B.A. in Finance – Texas A&M University
- 29 years in banking

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# Scalable Platform for Growth

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## Portfolio Banker Model - primary growth driver

- 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 37% imbedded in our team, as of 9/30/2014
  - As utilization rises our efficiency ratio should continue to improve
- Hire additional seasoned and proven bankers
- Beat small competitors with size and sophistication, beat large competitors with speed and service

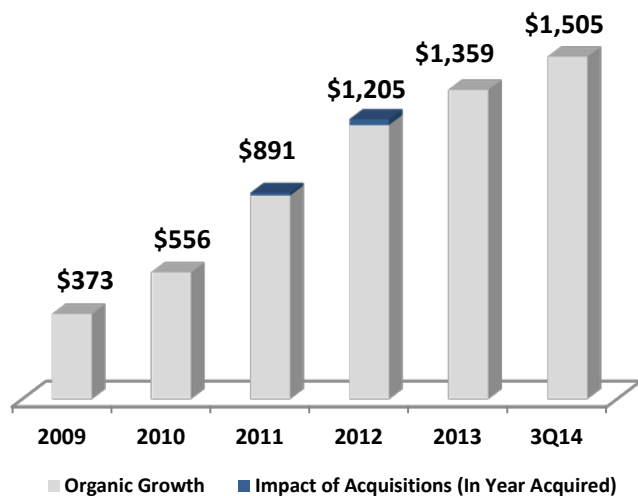
# Scalable Portfolio And Operational Platform



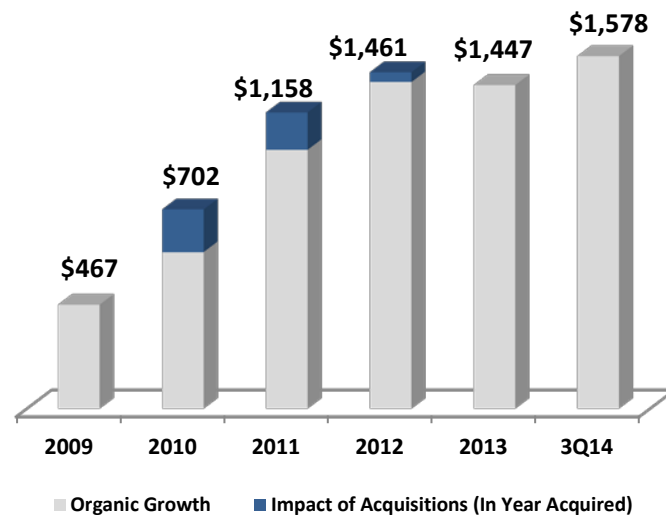
## Scalable Platform & Portfolio Banker Growth Strategy

- Our team of portfolio bankers has expanded to 48 with an average tenure of three years
- Generally expect five years for our portfolio bankers to reach full capacity
- Efficiency ratio decreased from 103.4% in 2009 to 63.3% in Q3 2014
- Asset growth from \$545.4 million to \$1.8 billion during the same period with significant organic growth
  - Hire additional seasoned and proven bankers through:
    - Attractive compensation package, active and growing bank, responsive decision making
    - Provide a full line of business and retail products
    - Beat small competitors with size and sophistication – beat large competitors with speed and service

### Loans



### Deposits





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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

# 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
- Due Diligence
- Reg. Compliance
- 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

# Experienced Acquirer With Strong Track Record



## Significant In-market Acquisition Opportunities Remain

<b>Redstone Bank, N.A.</b> 12/31/2006	\$ 182.7 million - Deposits \$ 85.4 million - Loans 2 Branches
<b>LaJolla / One West</b> 10/29/2010	\$ 188.4 million - Deposits 1 Branch
<b>Main Street Bank</b> 10/21/2011	\$167.7 million - Deposits \$ 12.7 million - Loans 3 Branches
<b>Opportunity Bank</b> 05/31/2012	\$ 44.1 million - Deposits \$ 25.6 million - Loans 1 Branch
<b>SharePlus Bank</b> 10/17/2014	\$280.5 million – Deposits \$248.2 million - Loans 4 Branches

(Source: SNL Financial)

# SharePlus Acquisition Highlights



## Transaction Overview

- Acquisition announced on May 5, 2014; closed on October 17, 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 \$348.7 million in total assets, \$280.5 million in total deposits and \$248.2 million in total loans as of September 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 additional portfolio bankers

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

# Third Quarter Highlights\*



- Earnings per share of \$0.20, an increase of 17.6% YoY
- Net income of \$4.5 million, an increase of 27.3% YoY
- Strong loan growth, up 18.5% to \$1.5 billion
- Nonperforming Assets remain low decreasing to 0.72% of third quarter total assets
- Deposits growth of 6.4%, to 1.6 billion driven by strong growth in noninterest-bearing deposits
- Closed the acquisition of SP Bancorp and its subsidiary SharePlus Bank on October 17, 2014

\*Not inclusive of SharePlus acquisition

# Key Short-Term Strategies



**Grow organically by maximizing production of existing team**

**Select and disciplined acquisitions by leveraging reputation, experience and market position**

**Improve profitability by maximizing efficiency of production staff, lowering cost of funds, improving balance sheet efficiency and maintaining asset sensitive position.**

**Maintain top tier credit quality by maintaining standards, quality underwriting and continual monitoring**



## Appendix

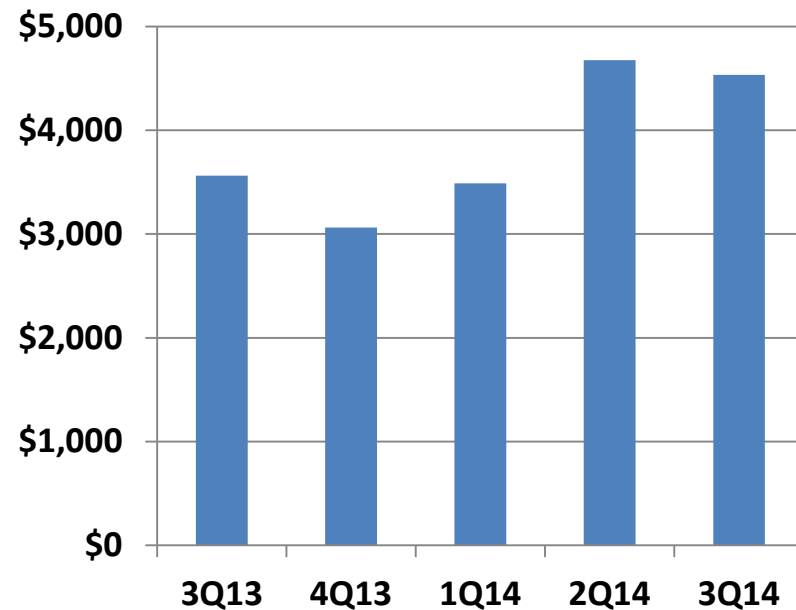
# Third Quarter Financial Highlights



	2014 Q3	2013 Q3
<b>Net Income</b>	\$4,533	\$3,561
<b>EPS</b>	\$0.20	\$0.17
<b>ROAA</b>	0.98%	0.84%
<b>Loans</b>	\$1,504,998	\$1,270,559
<b>Deposits</b>	\$1,577,691	\$1,483,301

\*Dollars in thousands, except per share data

## Net Income



\*Dollars in thousands

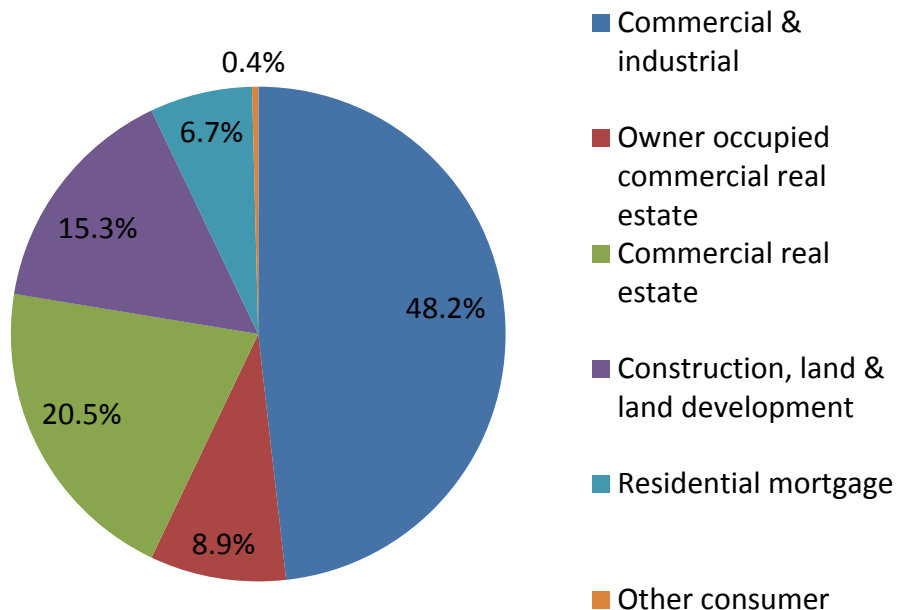


# Credit Update\*



## Total Loan Composition

As of September 30, 2014



## Highlights

- Asset quality improvement continues
  - NPA's of \$13.5 million or 0.72% of period end assets
  - Compares favorably to \$28.9 million or 1.7% of period end total assets at September 30, 2013
- Allowance for loan losses of 1.01% of total loans at September 30, 2014
  - Compares to 1.17% of total loans at September 30, 2013 and 1.10% of total loans at June 30, 2014

\*Not inclusive of SharePlus acquisition

# Employee Stock Option Plan



	<u>As of Sept. 30, 2014</u>	<u>Quarter ended Sept. 30, 2014</u>	<u>Nine months ended Sept. 30, 2014</u>
Common shares outstanding - used in Basic EPS	26,170,949	22,713,873	21,430,198
Incremental shares for effect of dilutive options - calculated using treasury stock method	<u>484,001</u>	<u>388,555</u>	<u>297,870</u>
Fully diluted common shares - used in Diluted EPS	26,654,950	23,102,428	21,728,068
Vested stock options - dilutive:			
Time based stock options	1,023,072		
Performance based stock options	-		
Total vested stock options	<u>1,023,072</u>		
Unvested stock options - not dilutive:			
Time based stock options	78,702		
Performance based stock options	<u>1,674,511</u> *		
Total unvested stock options	1,753,213		

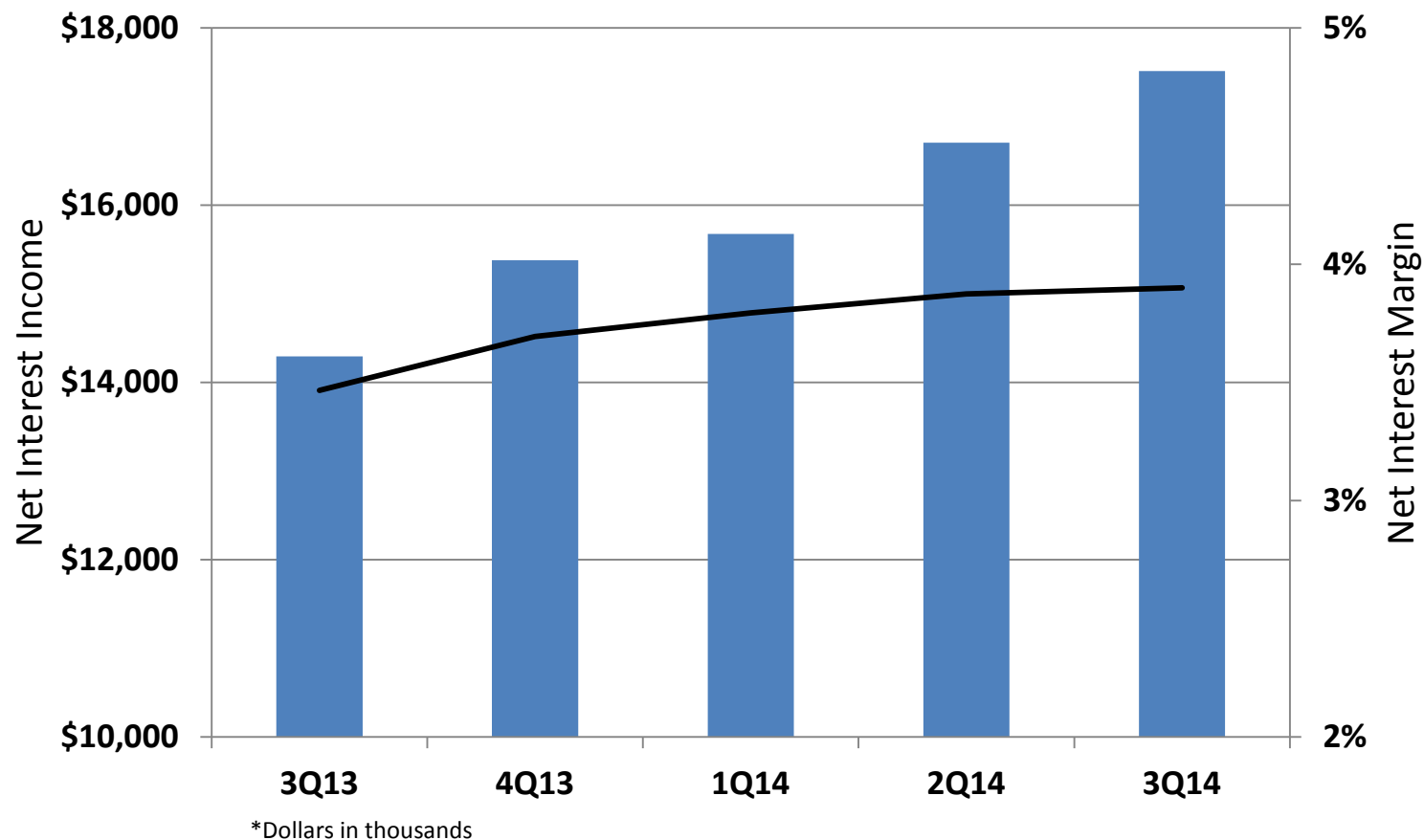
\* Stock based compensation expense will be recorded at the time performance based options vest.

Restricted stock - dilutive at issuance:

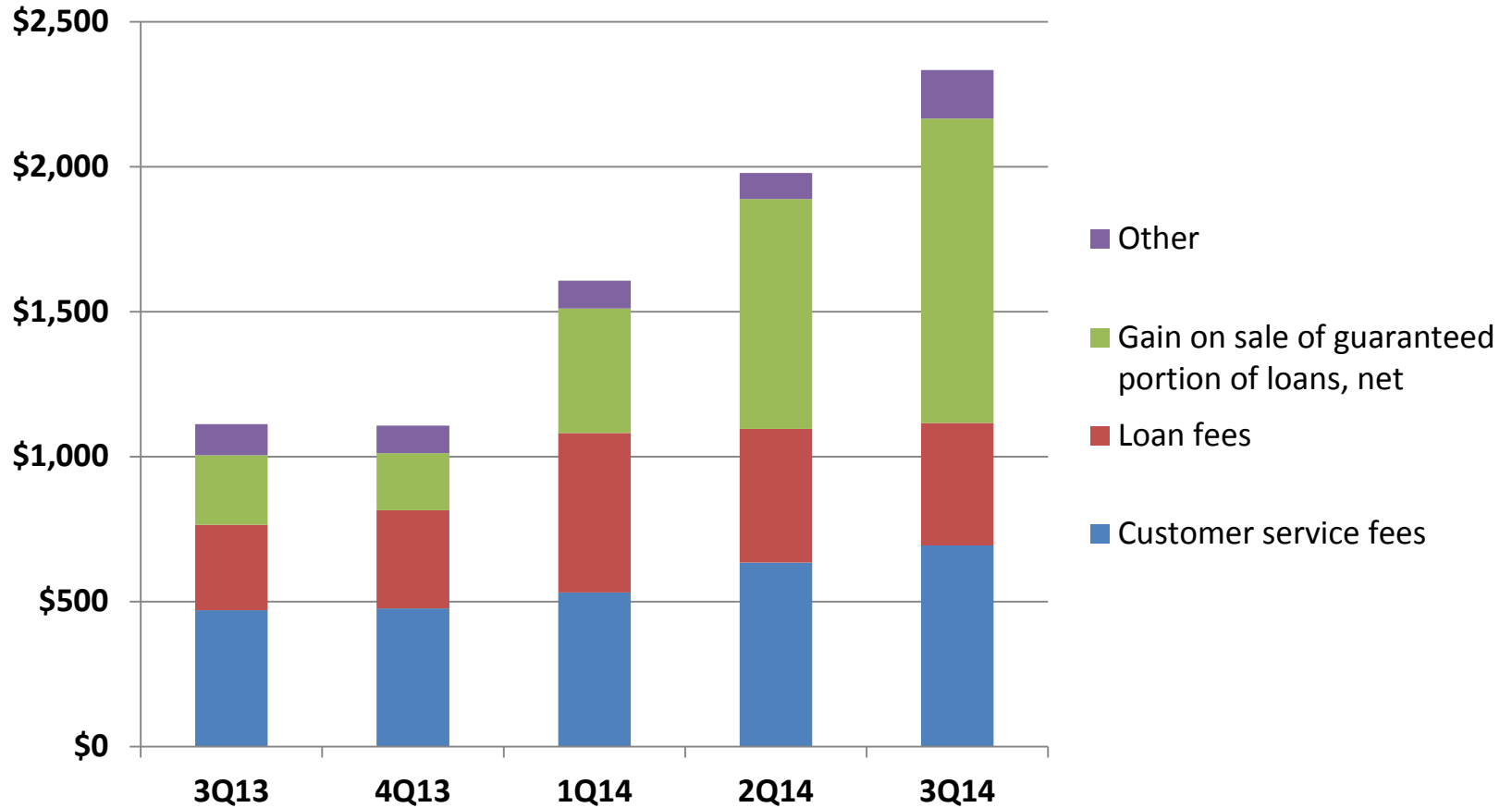
Restricted stock units 275,000 \*\*

\*\* Common shares outstanding will increase at the time of issuance.

# Net Interest Income and Net Interest Margin

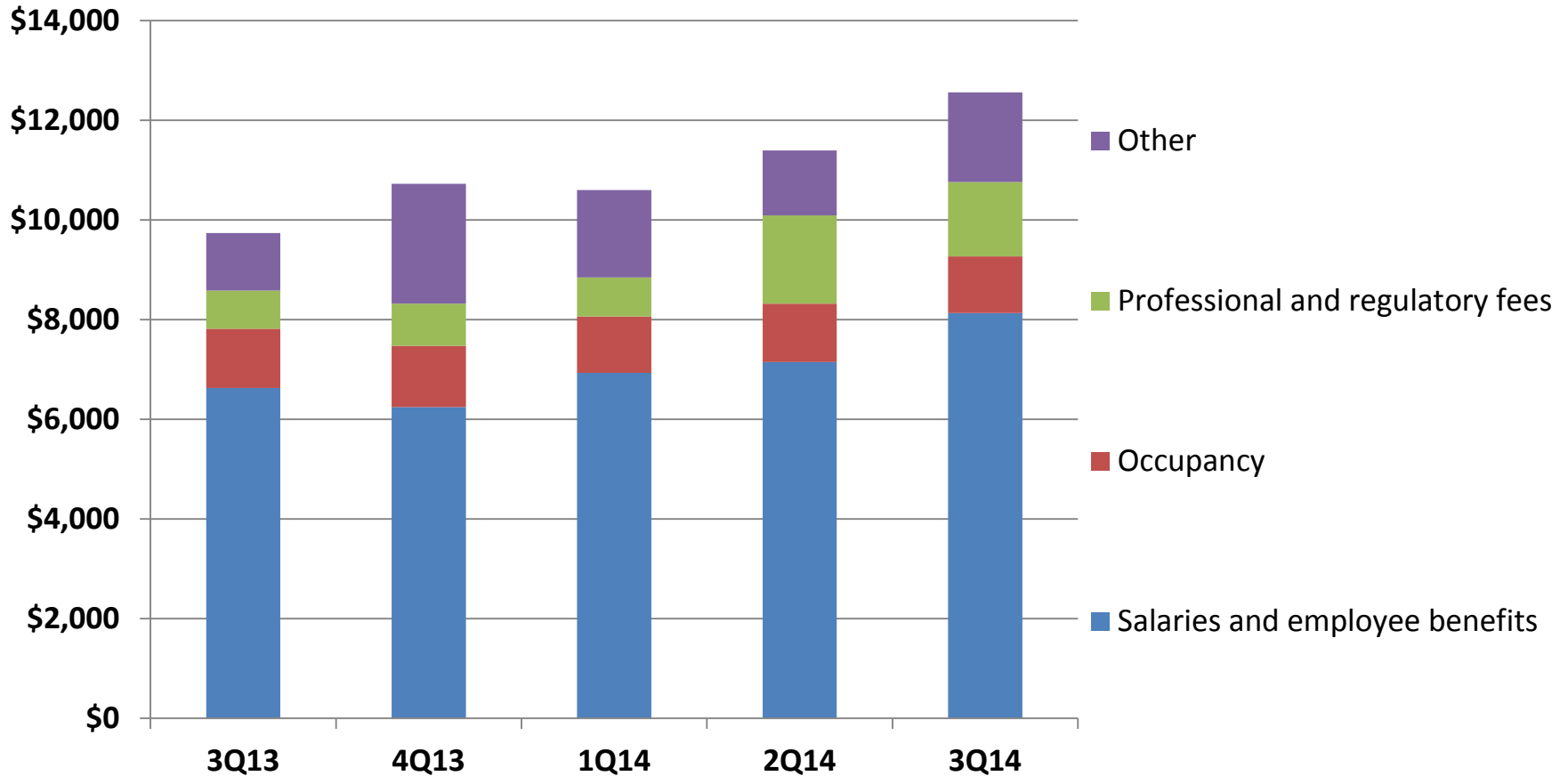


# Non-Interest Income



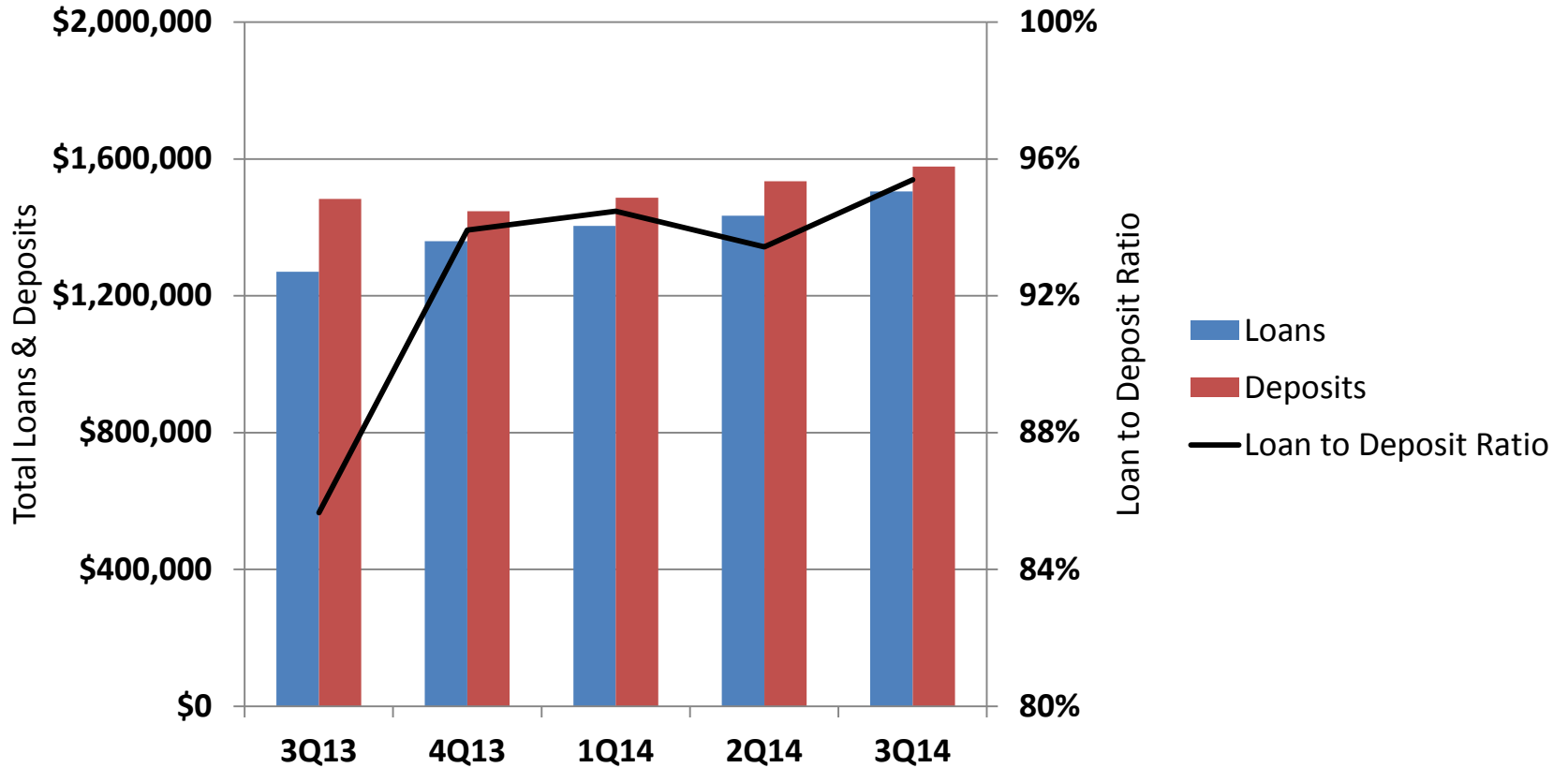
\*Dollars in thousands

# Non-Interest Expense



\*Dollars in thousands

# Loans and Deposits



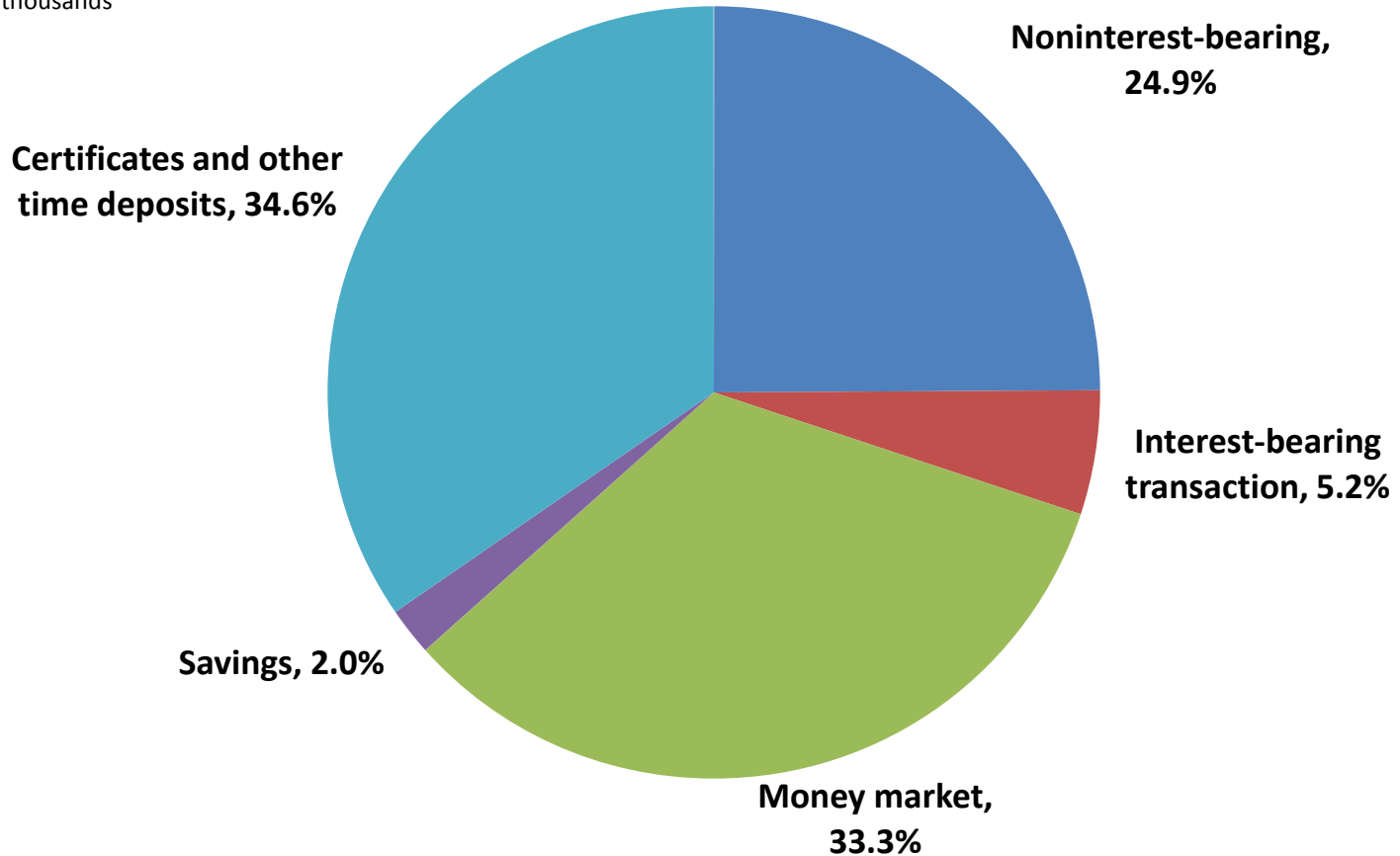
\*Dollars in thousands

# Deposit Mix



**Total Deposits: \$1,577,691**

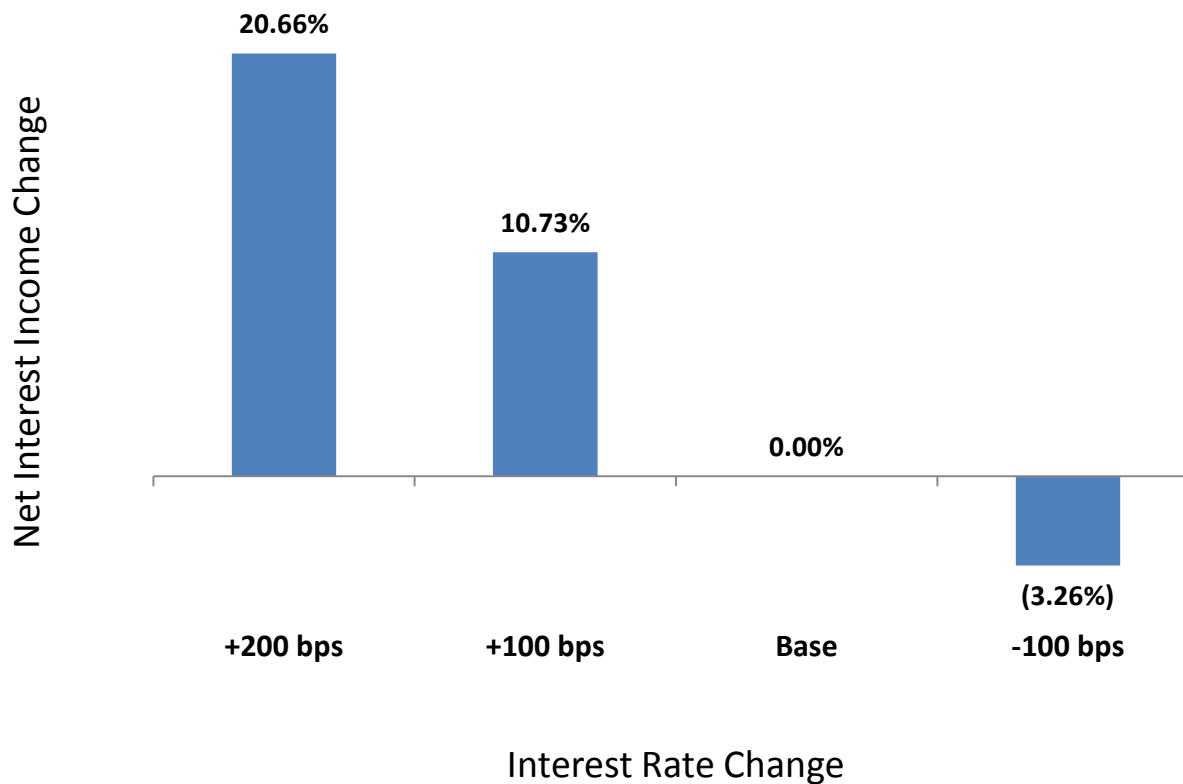
\*Dollars in thousands



# Interest Rate Sensitivity



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



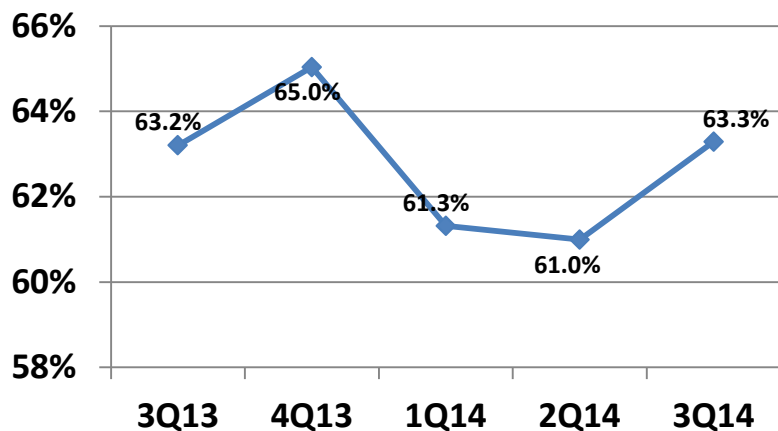
\*This data is derived from an internal static interest rate shock model. The assumptions incorporated into the model are inherently uncertain and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact of fluctuations in market interest rates on net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



# Performance Metrics



## Efficiency Ratio



## Remaining Banker Capacity

