



GREEN BANCORP

Fourth Quarter and Full Year 2016 Financial Results Presentation

**NASDAQ: GNBC
January 26, 2017**

Today's Speakers



- Manny Mehos – Chairman and Chief Executive Officer
- Geoff Greenwade – President and Bank Chief Executive Officer
- Donald Perschbacher – Executive Vice President and Corporate Chief Credit Officer
- Elizabeth Vandervoort – Executive Vice President and Interim Chief Financial Officer



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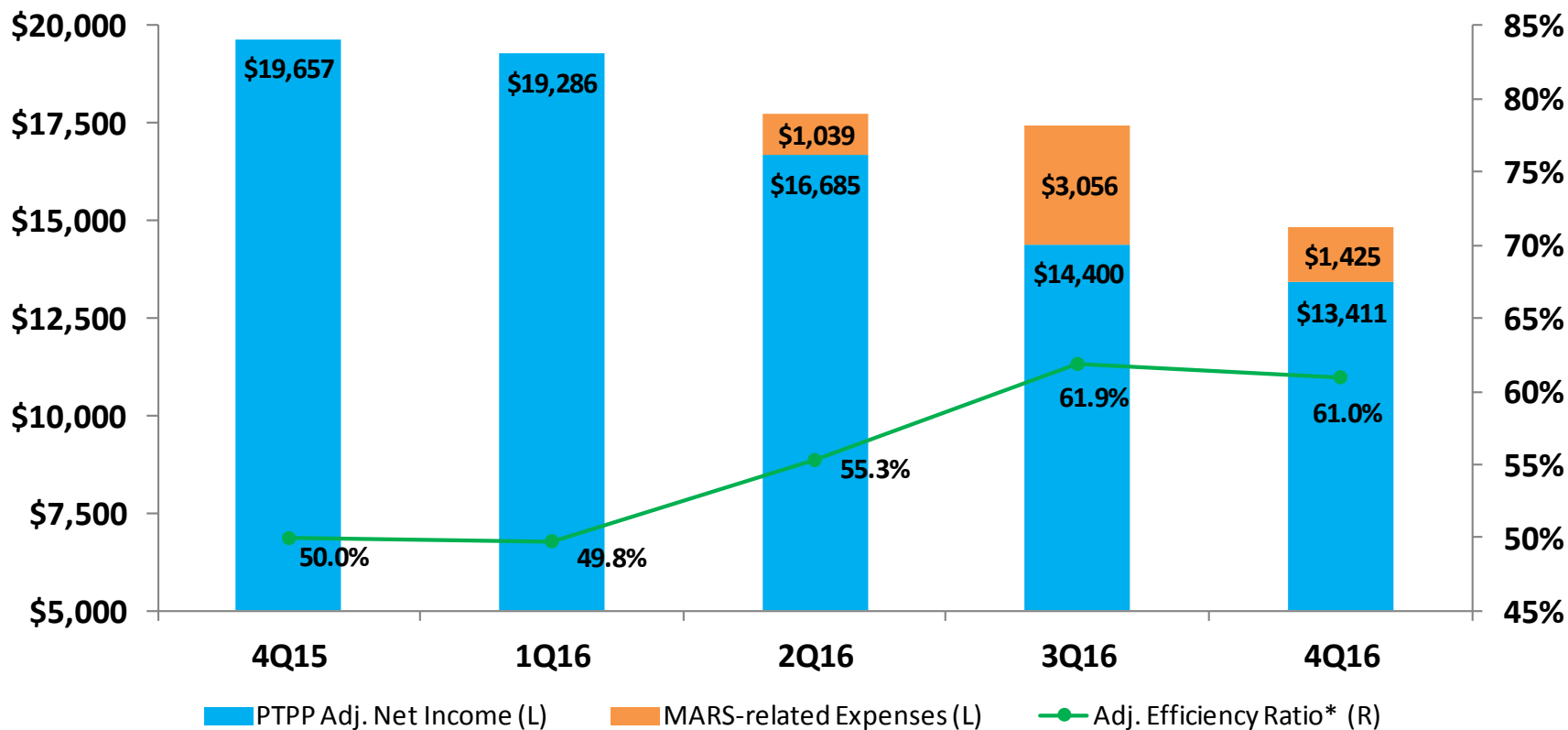
In addition to factors previously disclosed in Green Bancorp's reports filed with the SEC and those identified elsewhere in this communication, the following factors among others, could cause actual results to differ materially from forward-looking statements: difficulties and delays in integrating the Green Bancorp and Patriot Bancshares, Inc. businesses or fully realizing cost savings and other benefits; business disruption following the proposed transaction; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

Pre-Tax Pre-Provision Adjusted Net Income



- 4Q16 PTPP Adj. Net Income was impacted by \$1.5 million in MARS-related expenses in addition to a \$1.4 million loss on disposition of loans held for sale



(\$ in thousands)

(*) Excluding M&A and acquisition-related costs

Managed Asset Reduction Strategy 'MARS'



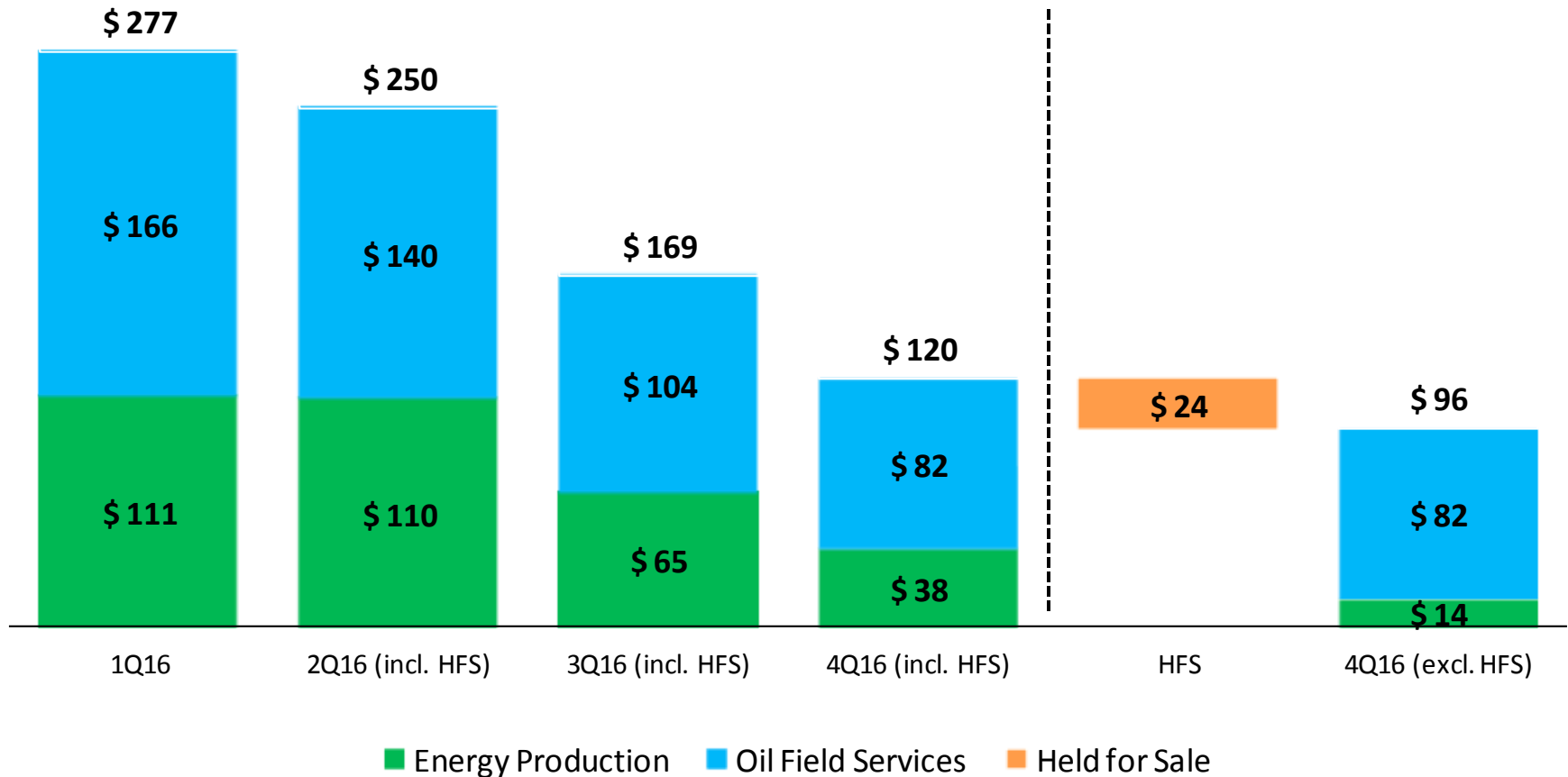
- MARS program was announced on April 28, 2016 during the first quarter conference call
- Primary goal of MARS is to resolve, primarily via payoff or sale, the company's energy and other classified assets
 - Since inception, the program has resolved \$157 million of energy production and oil field service loans
- During the fourth quarter, \$32.8 million of energy loans were moved to the bank's holding company and marked to their fair market value
 - These loans consisted of:
 - \$20.5 million of energy production loans
 - \$12.3 million of oil field service loans
- The company's total energy exposure stood at \$95.5 million or 3.1% of total loans as of December 31, 2016 (excluding \$24.0 million of loans held for sale), comprised of \$14.0 million in energy production loans and \$81.5 million in oil field services loans

Overview of Energy Portfolio Progress



Energy Portfolio Resolution History

(\$ in millions)

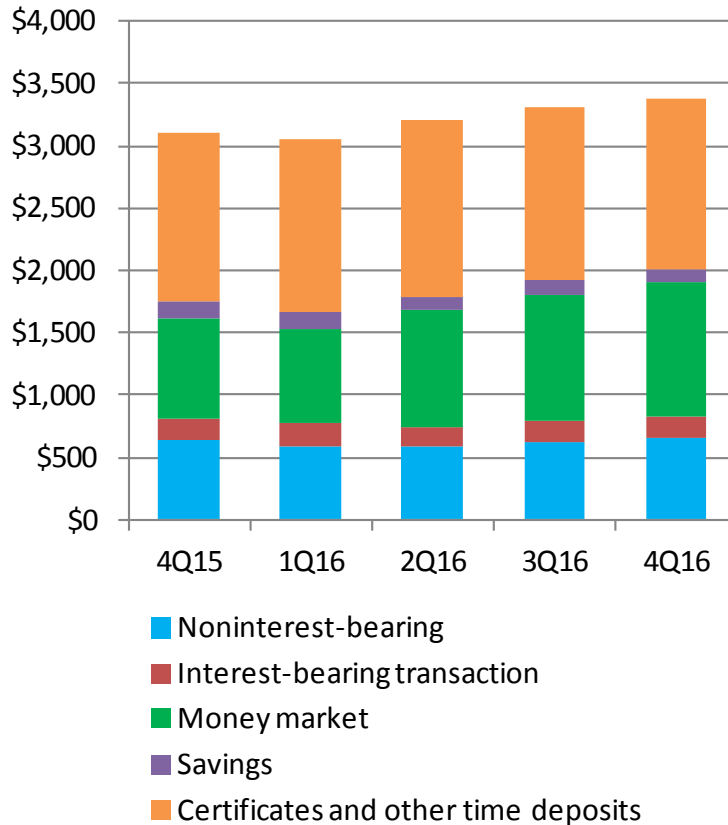


Deposit Update



Total Deposit Composition

As of Dec. 31, 2016 (\$ in millions)



Highlights

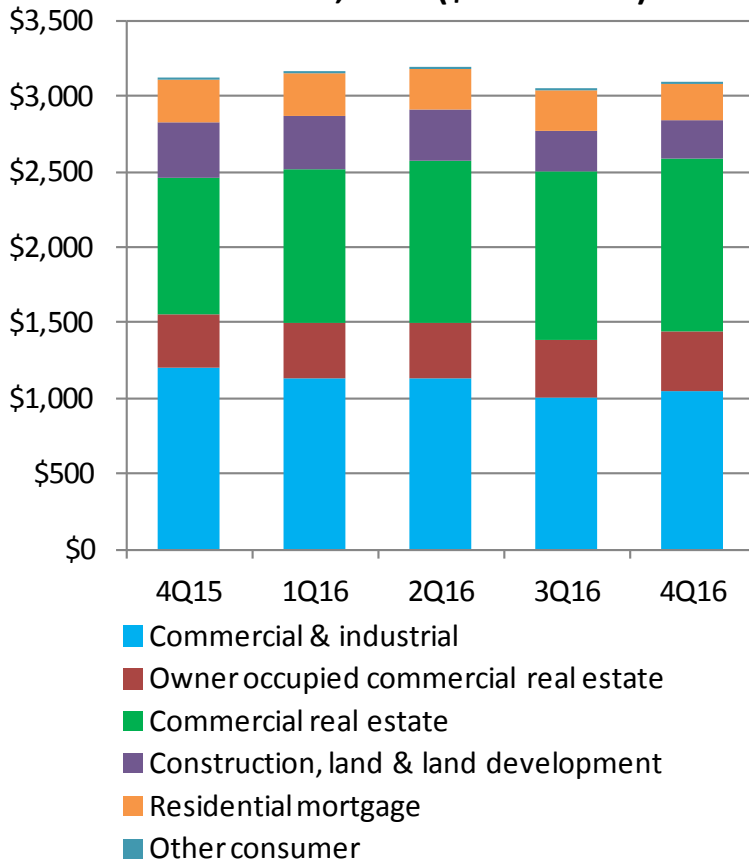
- Total deposits increased by \$58.8 million during the fourth quarter to \$3.4 billion
- Noninterest-bearing deposits were 19.3% of deposits at December 31, 2016, compared to 18.6% as of September 30, 2016
- Cost of deposits including noninterest-bearing was 0.66%, roughly stable compared to the third quarter

Loan Update



Total Loan Composition

As of Dec. 31, 2016 (\$ in millions)



Highlights

- Total loans increased by \$50.6 million during the fourth quarter to \$3.1 billion
- Loan yield for the fourth quarter of 2016 was 4.71%, down 6 bps compared to the third quarter
 - Loan yield, excluding fees, for the fourth quarter was 4.29%, up 9 bps from the third quarter
 - Fees and discounts at payoff contributed approximately 9 bps to the fourth quarter loan yield
 - Accretion of fees and discounts (net) contributed approximately 33 bps to the fourth quarter loan yield

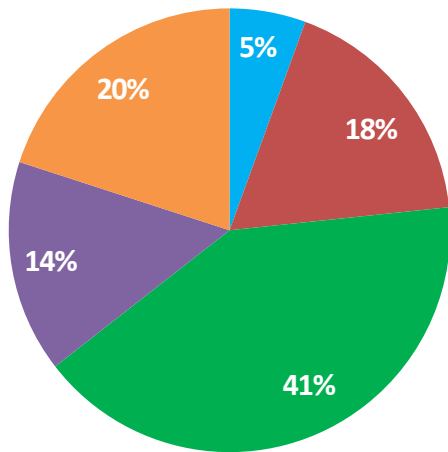


Existing Banker Capacity

- Our current staff of bankers has the capacity to support up to \$4 billion of loans and deposits

Banking Staff

As of December 31, 2016



- Private Banker - 5
- Business Banker - 16
- Commercial Banker - 37
- Specialty Banker - 14
- Deposit Relationship Manager - 18

Regional Distribution

- Private Banker
 - DFW – 5
- Business Banker
 - DFW – 7
 - HOU – 9
- Commercial Banker
 - DFW – 13
 - HOU – 21
 - OTH – 3
- Specialty Banker
 - DFW – 7
 - HOU – 4
 - OTH – 3
- Deposit Relationship Manager
 - DFW – 8
 - HOU – 10

DFW – Dallas/Fort Worth/Arlington MSA

HOU – Houston/Sugar Land/Baytown MSA

OTH – Other MSAs

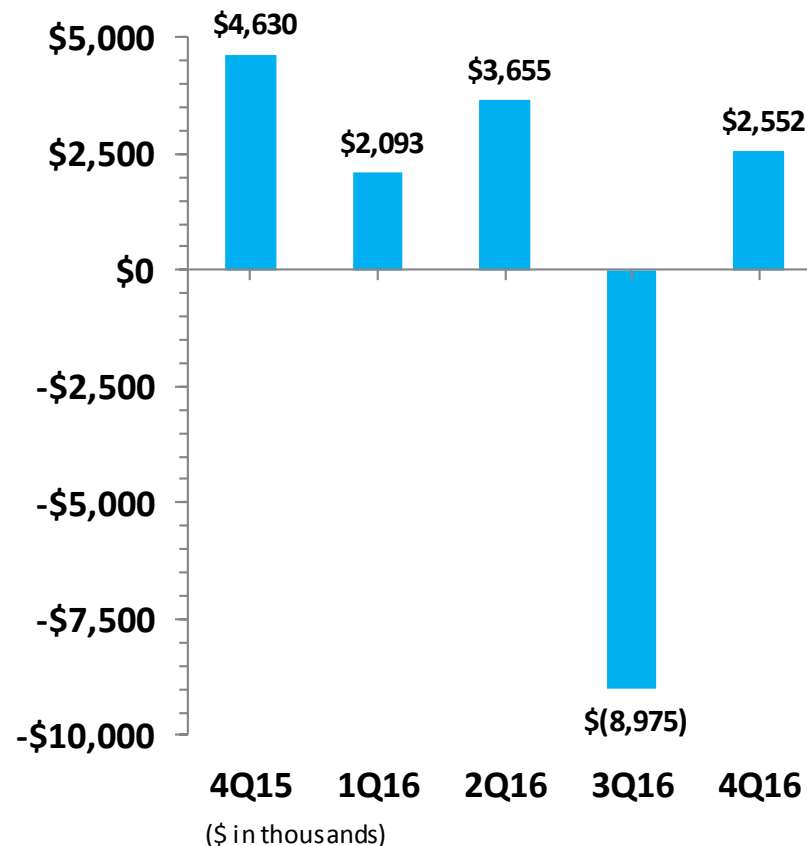
Fourth Quarter 2016 Financial Results



	2016 Q4	2016 Q3
Net Income (Loss) ⁽¹⁾	\$2,552	\$(8,975)
EPS ⁽¹⁾	\$0.07	\$(0.24)
ROAA ⁽¹⁾	0.26%	(0.92)%
Loans ⁽²⁾	\$3,098,220	\$3,047,618
Deposits	\$3,374,700	\$3,315,899

*\$ in thousands, except per share data

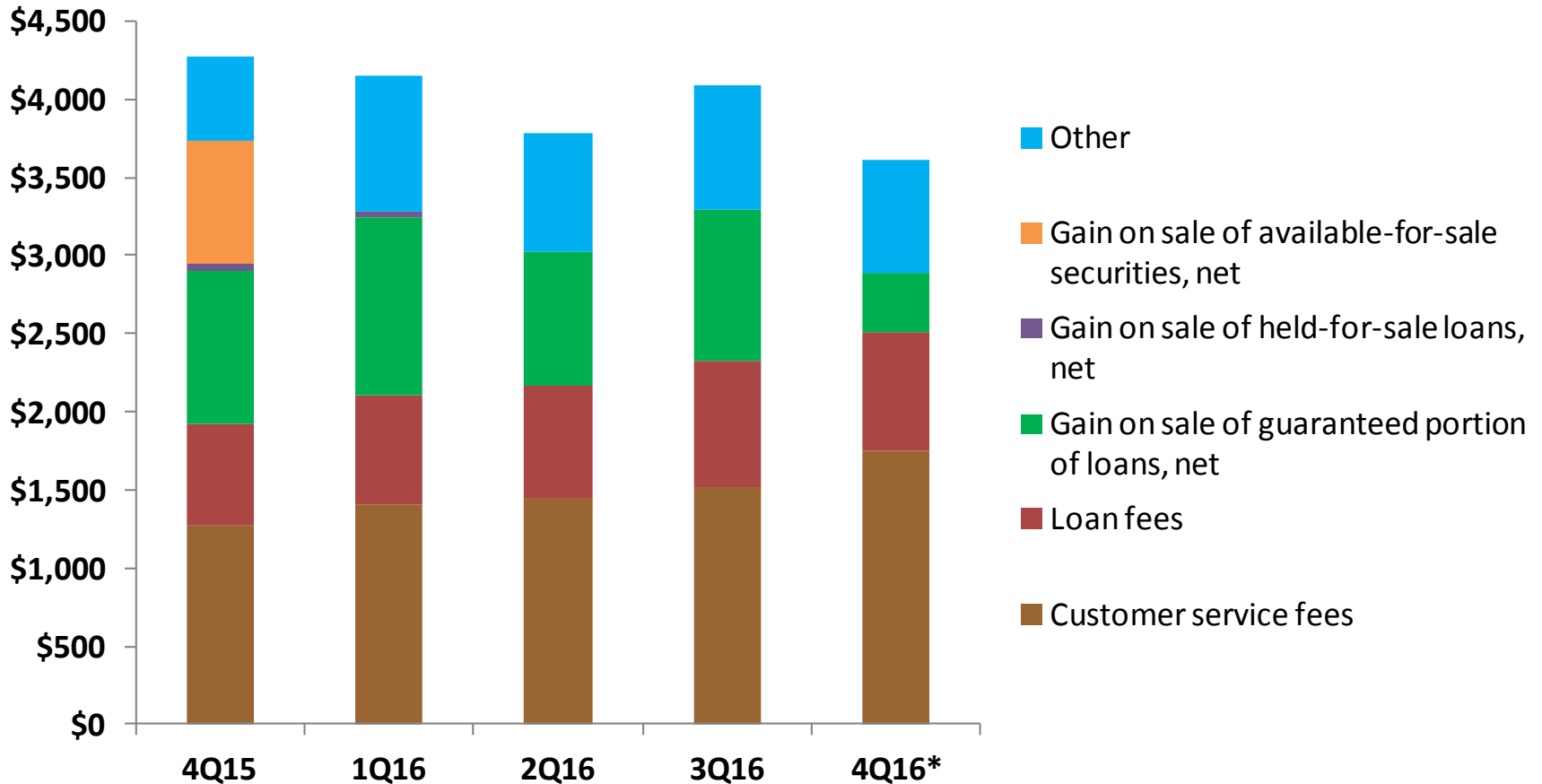
Net Income (Loss) ⁽¹⁾



(1) Excluding M&A and acquisition-related costs

(2) Excluding loans held for sale

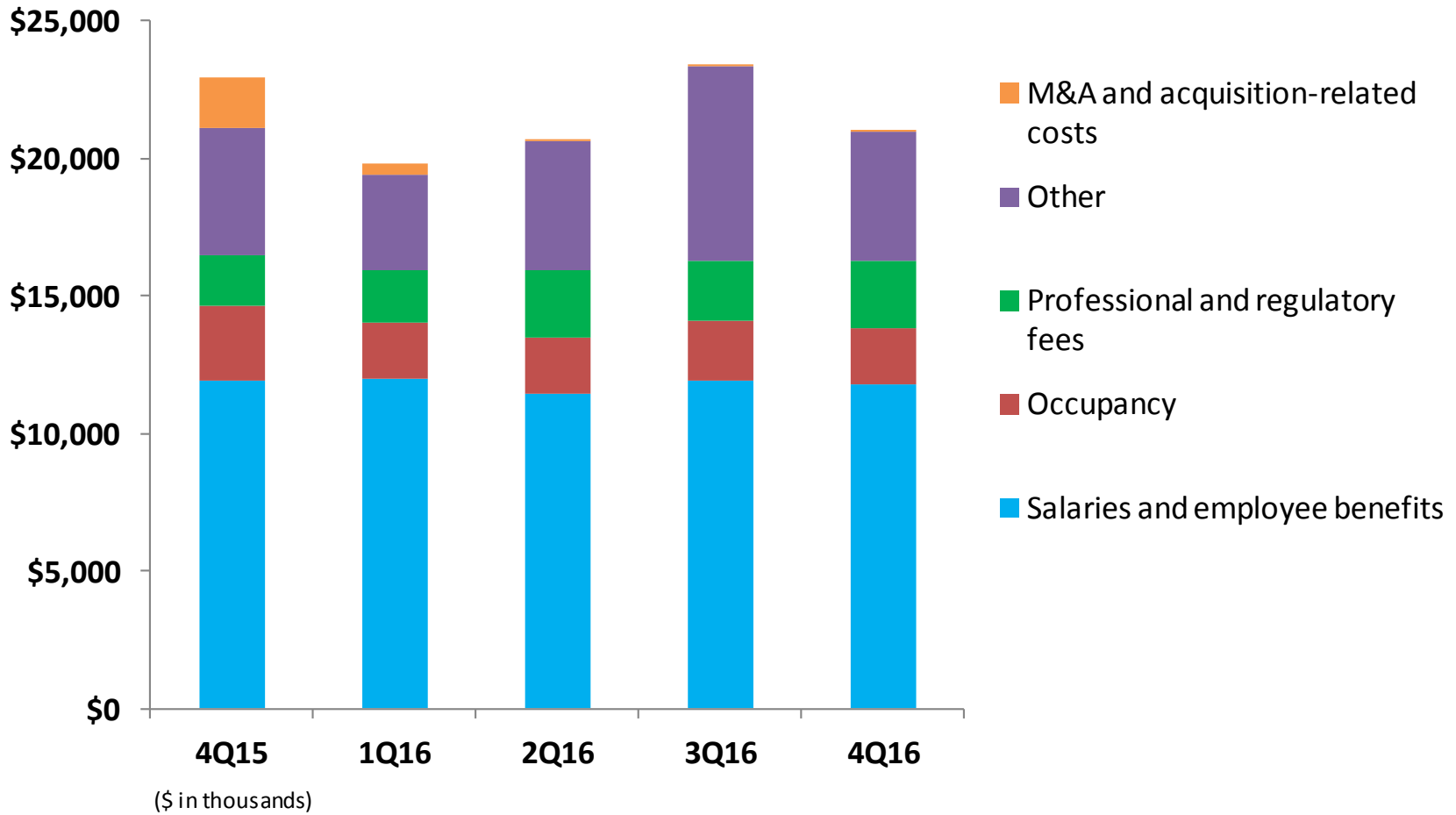
Noninterest Income



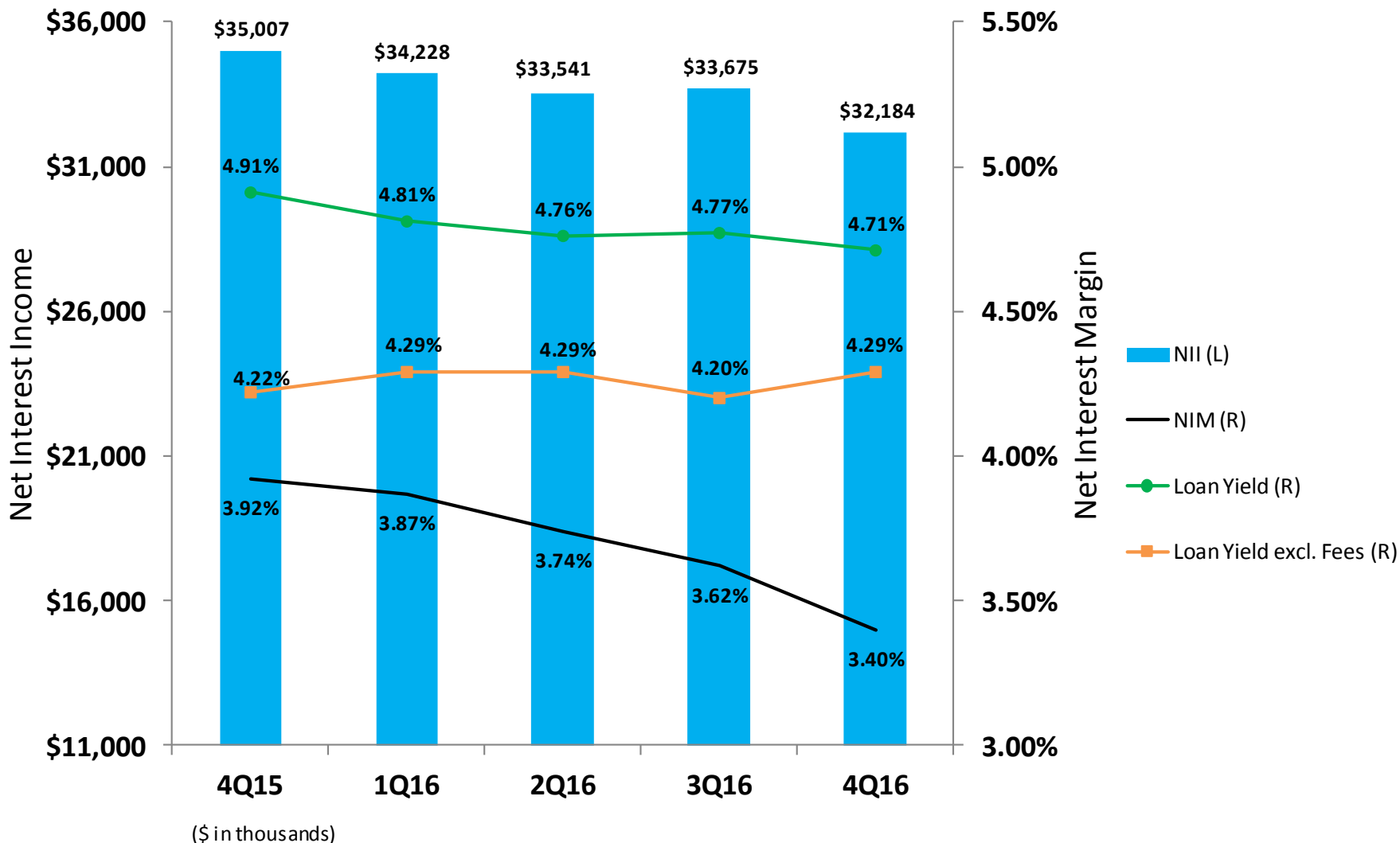
(\$ in thousands)

(*) Excluding a \$1.4 million net loss on the sale of held-for-sale loans

Noninterest Expense



Net Interest Income and Net Interest Margin



Credit Quality

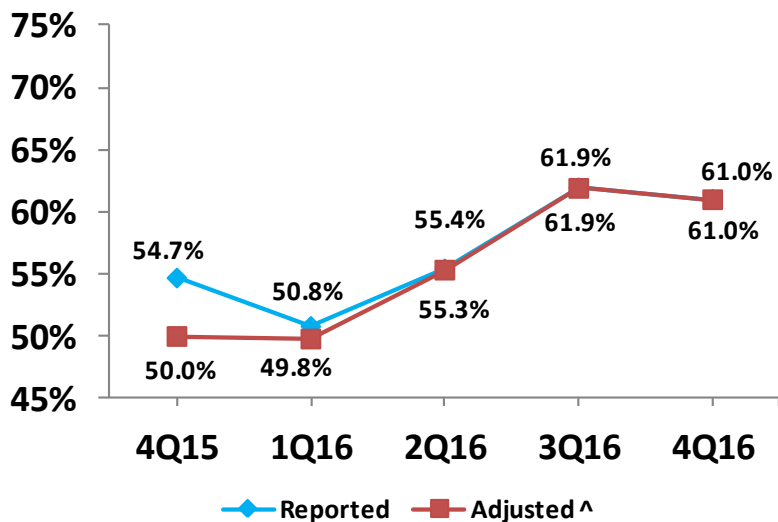


- Nonperforming assets (NPAs) totaled \$106.3 million or 2.64% of period end assets at December 31, 2016 compared to \$130.1 million or 3.31% of period end assets at September 30, 2016
- Excluding loans held for sale, total nonperforming assets would have been \$99.7 million or 2.48% of period end total assets at December 31, 2016
- Allowance for loan losses was 0.85% of total loans at December 31, 2016, and the allowance for loan losses plus the acquired loan net discount to total loans adjusted for the acquired loan net discount was 1.17%
- Provision expense of \$9.5 million in the fourth quarter of 2016 reflects the addition of:
 - \$8.6 million related to energy reserves

Performance Metrics

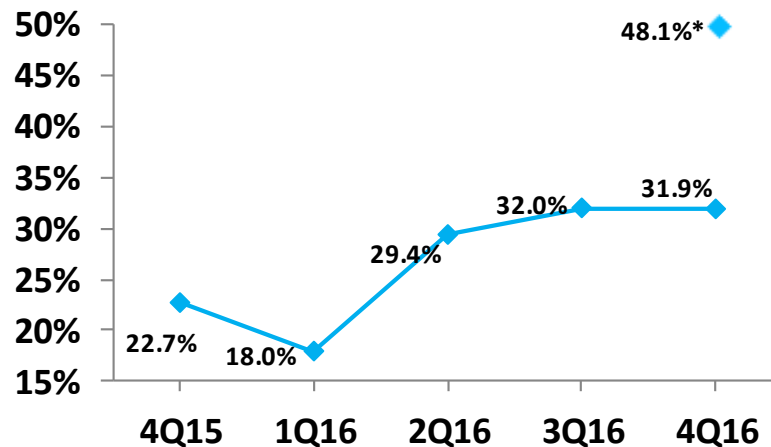


Efficiency Ratio



(^) Excluding M&A and acquisition-related costs

Remaining Banker Capacity



(*) Banker capacity in the Dallas/Fort Worth/Arlington MSA is 48.1%



Question & Answer Session