



GREENBANCORP

# First Quarter 2015 Earnings Presentation

April 30, 2015

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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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# First Quarter Highlights



- Earnings per share of \$0.18, an increase of 5.9% when compared to first quarter 2014
- Net income of \$4.6 million, an increase of 33.3% when compared to first quarter 2014, representing a 0.85% return on average assets
- Strong loan growth, up \$406.6 million<sup>(1)</sup> or 29.0% when compared to first quarter 2014 to \$1.8 billion
- Nonperforming assets remain low, decreasing to 0.63% of first quarter total assets compared to 1.10% in the first quarter of 2014
- Deposit growth of 30.0% when compared to first quarter 2014, to \$1.9 billion including strong growth in commercial deposits<sup>(1)</sup>

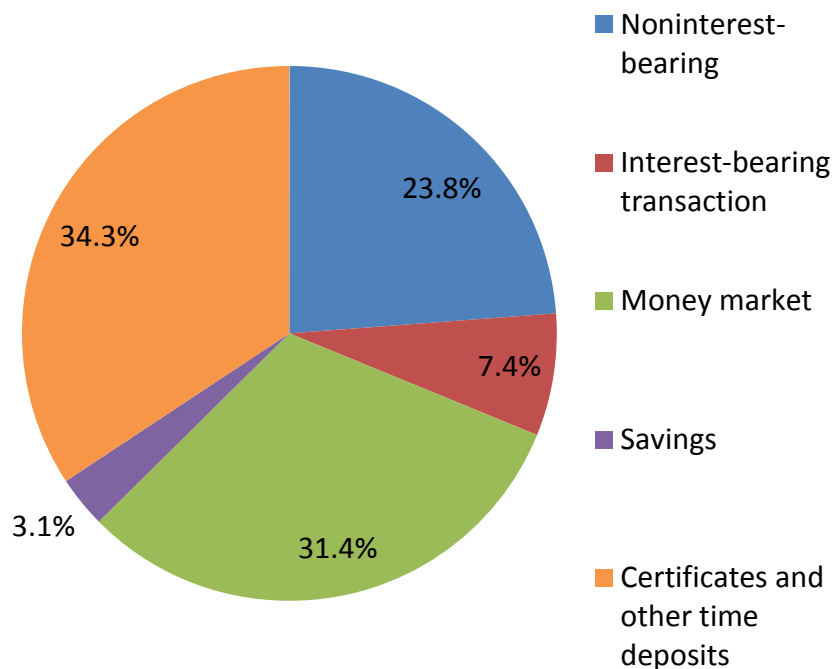
<sup>(1)</sup> Includes the acquisition of Share Plus Bank

# Deposit Update



## Total Deposit Composition

As of March 31, 2015



## Highlights

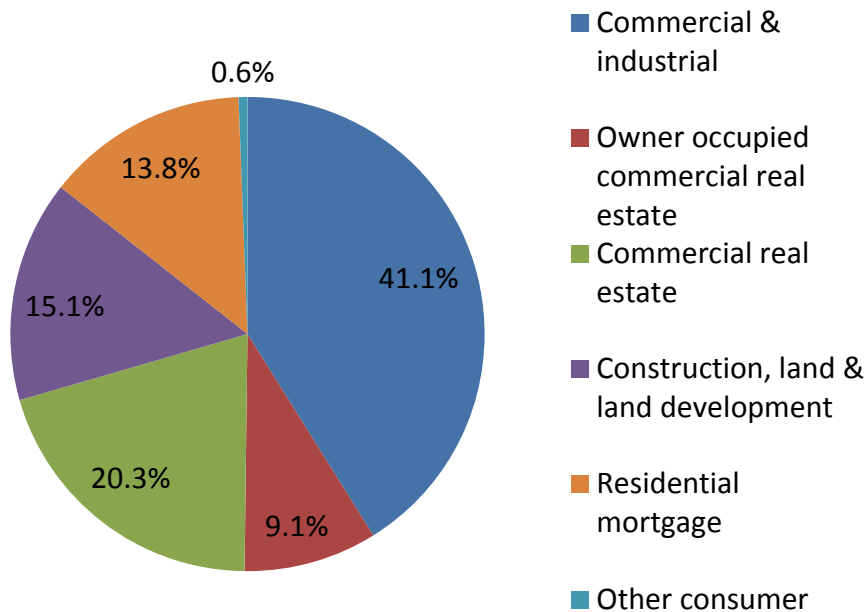
- Diversified growth from December 31, 2014 to March 31, 2015
  - \$33 million in noninterest-bearing and interest-bearing transaction
  - \$21 million in public entity deposits
  - \$16 million in business money market
  - \$6 million in financial institution deposits
- Cost of deposits reduced 3 basis points to 0.47%

# Loan Update



## Total Loan Composition

As of March 31, 2015



## Highlights

- Loan Production consistent with first quarter 2014
- Net loan growth impacted by balance reductions and payoffs, including within the energy portfolio
- Loan Yield for the first quarter of 2015 was 4.92%
  - Loan rate for the first quarter was 4.50%
  - Fees and discounts at payoff contributed approximately 6 basis point to the first quarter loan yield
  - Accretion of fees and discounts (net) contributed approximately 36 basis points to the quarter loan yield

# Scalable Platform for Growth



## Organic Growth Portfolio Banker Model

- 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
- Continue to increase the productivity of our existing portfolio bankers
  - Remaining capacity of 30% imbedded in our current team
  - As utilization rises our efficiency ratio will continue to improve

## Strategic Acquisitions

- Focused on well managed banks in our target markets
  - Favorable market share
  - Low cost deposit funding
  - Compelling noninterest income generating business
- Maintain discipline in pricing and pursue transactions expected to produce attractive risk adjusted returns
- Develop unique structures utilizing cash and stock

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# Credit Quality

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- Strong asset quality as NPA's totaled \$14.2 million or 0.63% of period end assets as compared to \$19.3 million or 1.10% of period end total assets at March 31, 2014
- Allowance for loan losses of 0.97% at first quarter end 2015 compared to 1.08% at March 31, 2014
- Allowance for loan losses of 1.10% of total loans excluding acquired loans at March 31, 2015
- Recorded a \$1.5 million provision in the first quarter 2015 compared to \$1.3 million in the fourth quarter of 2014
- Actively working with clients to proactively manage risk



# Energy Portfolio Update



- Energy-related exposure was 13% of total loans as of March 31, 2015:
  - Reserve-based lending represents approximately 8% of total loan portfolio
  - Service companies represent approximately 5% of total loan portfolio
  - 78% of energy-related exposure is direct
- Disciplined approach to reserve-based lending:
  - Proven reserves only, with emphasis on proven developed producing reserves
  - Conservative borrowing base and underwriting parameters
  - Majority of reserve-based portfolio hedged for 2015
- Service Companies:
  - Whole portfolio reviewed for service company exposure
  - 9 borrowers now comprise 89% of the oilfield service exposure
  - Frequent and direct customer communication

# First Quarter 2015 Financial Highlights



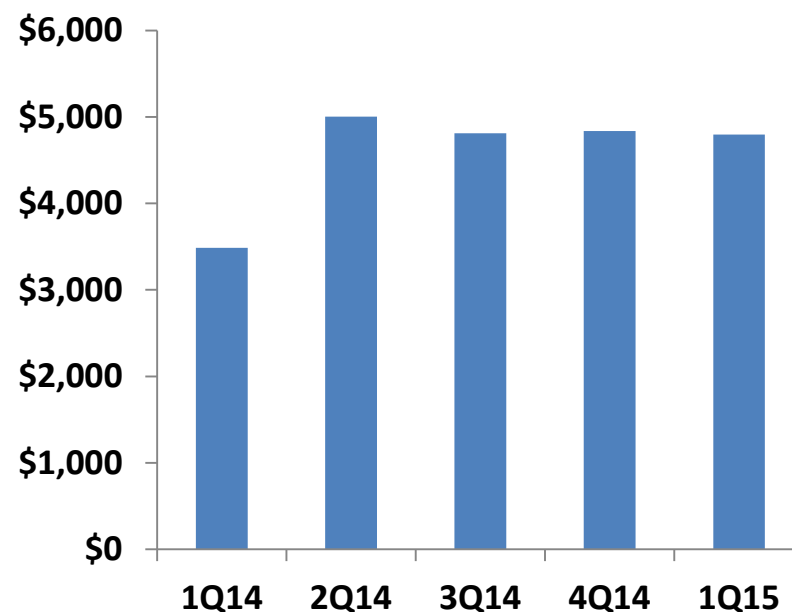
|                                 | 2015 Q1     | 2014 Q4     |
|---------------------------------|-------------|-------------|
| <b>Net Income<sup>(1)</sup></b> | 4,796       | \$4,835     |
| <b>EPS<sup>(1)</sup></b>        | \$0.18      | \$0.18      |
| <b>ROAA<sup>(1)</sup></b>       | 0.88%       | 0.90%       |
| <b>Loans<sup>(2)</sup></b>      | \$1,810,842 | \$1,799,155 |
| <b>Deposits</b>                 | \$1,931,851 | \$1,845,713 |

\*Dollars in thousands, except per share data

(1) Excluding one-time expenses related to SharePlus acquisition

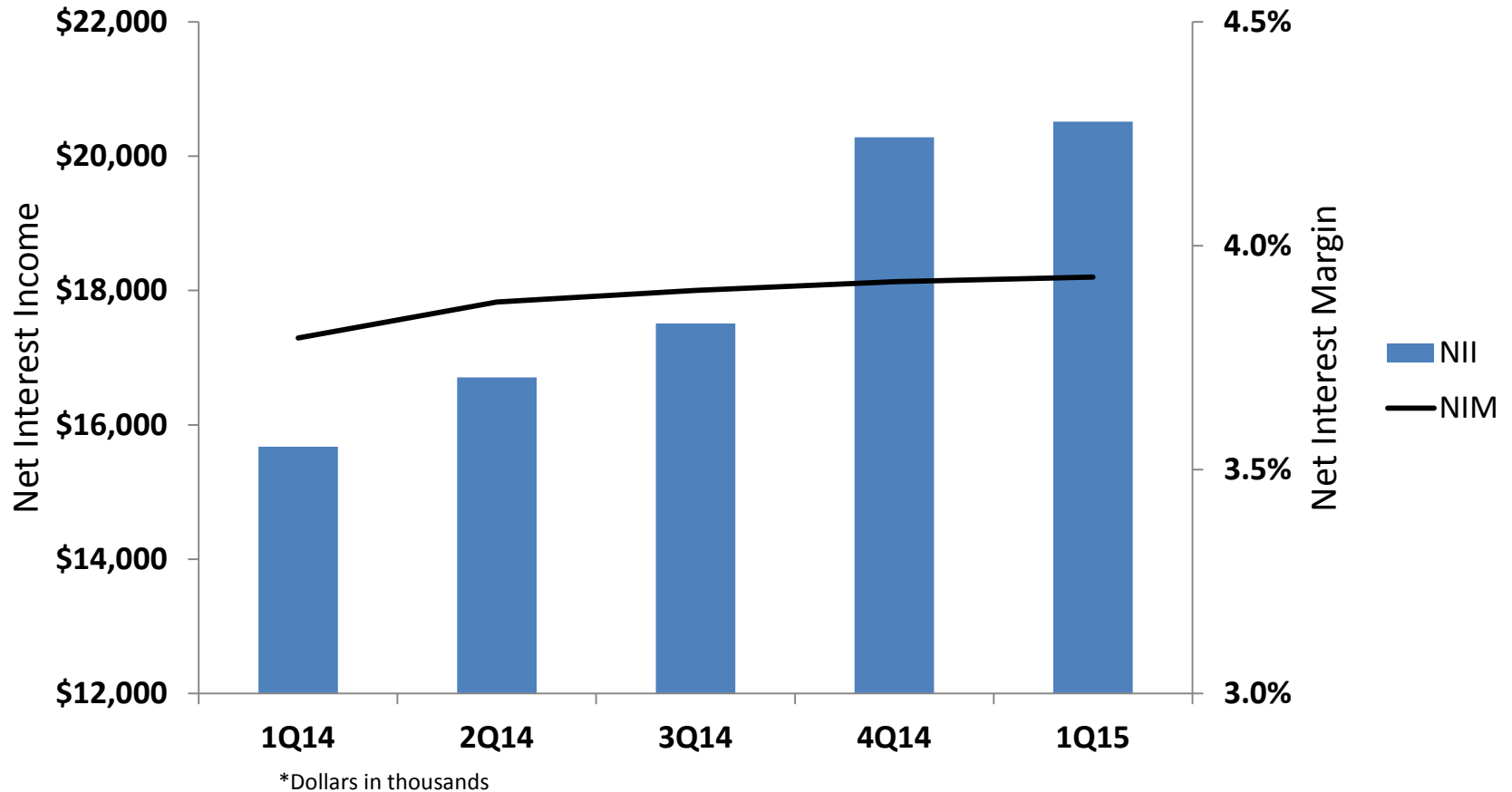
(2) Excluding loans held for sale

## Net Income<sup>(1)</sup>



\*Dollars in thousands

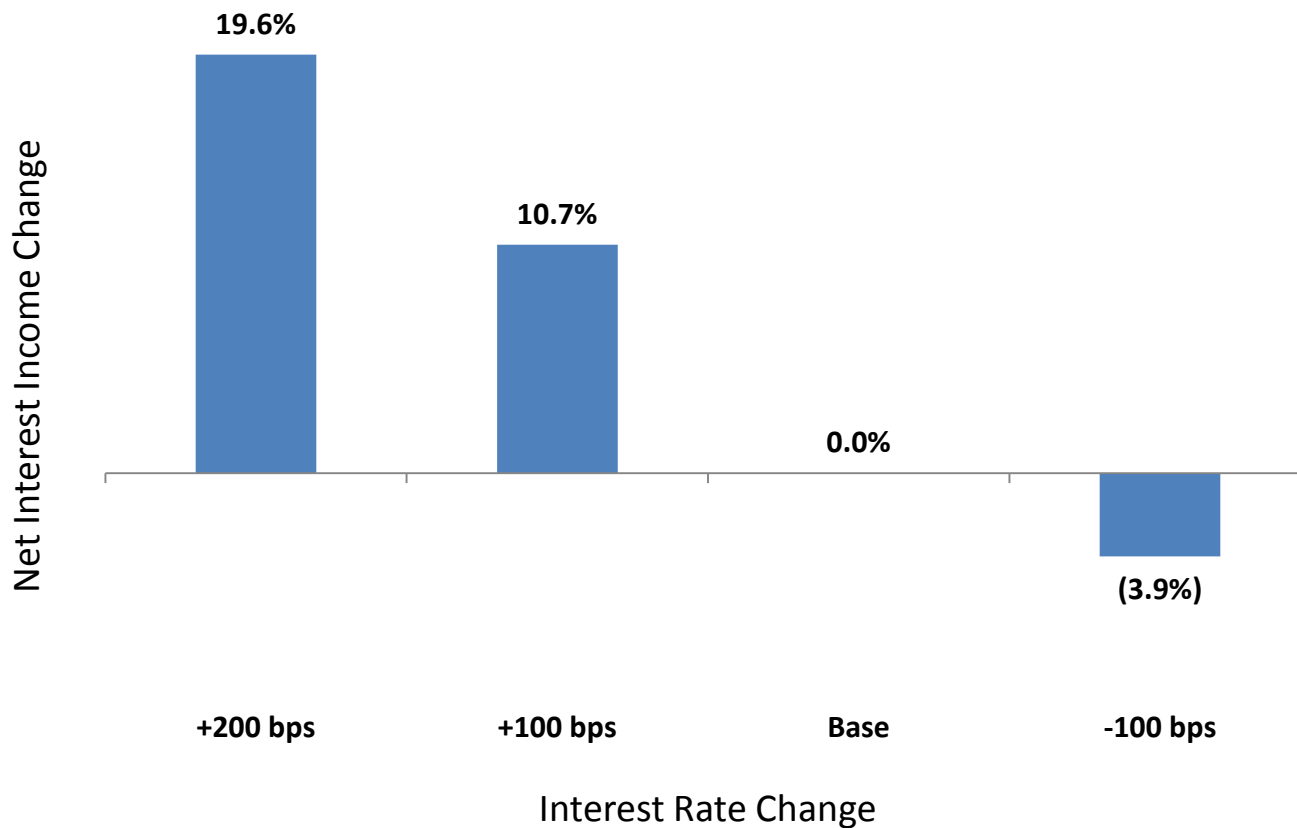
# Net Interest Income and Net Interest Margin



# Interest Rate Sensitivity

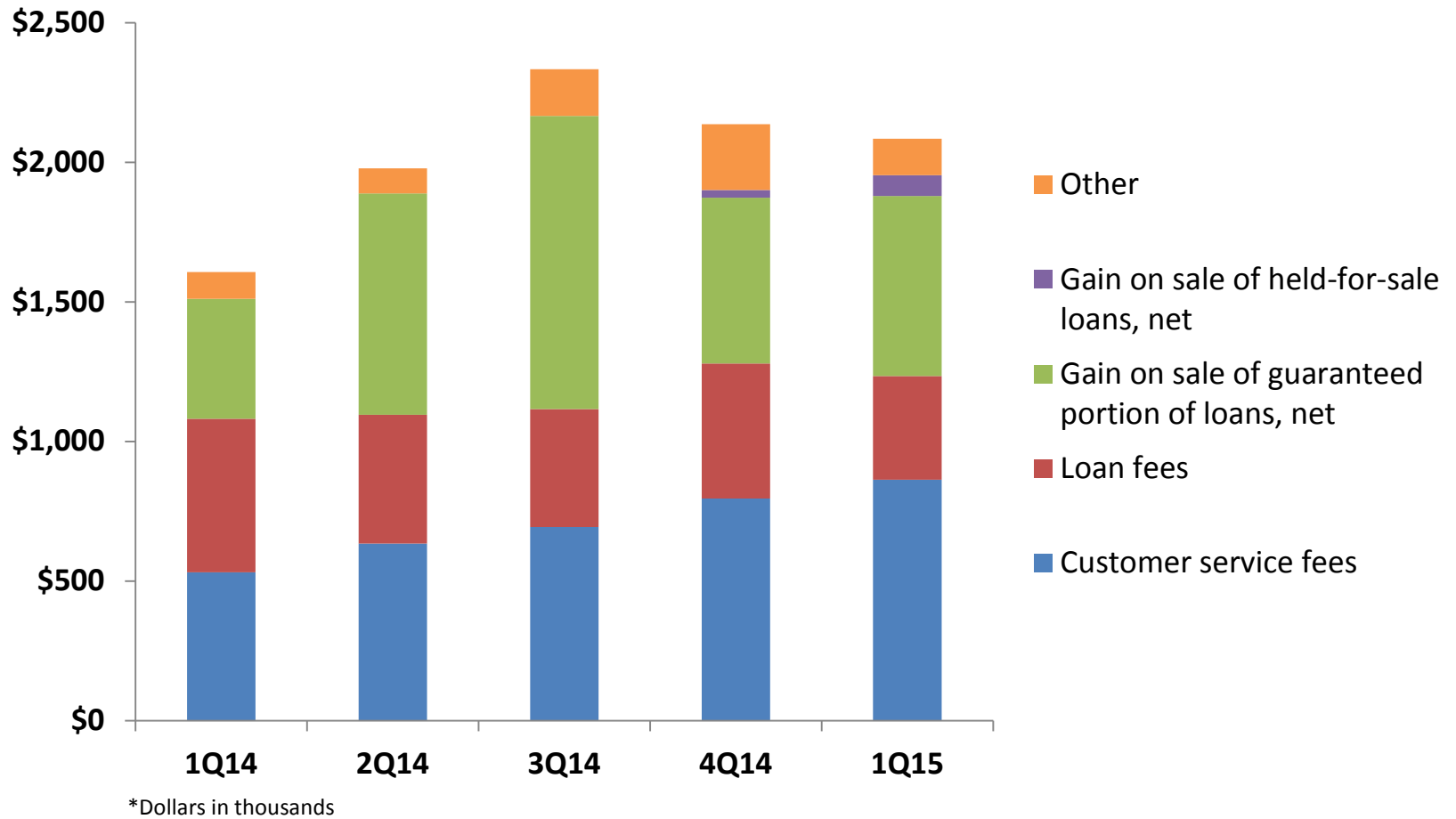


## Change in Net Interest Income: 12-Month Horizon

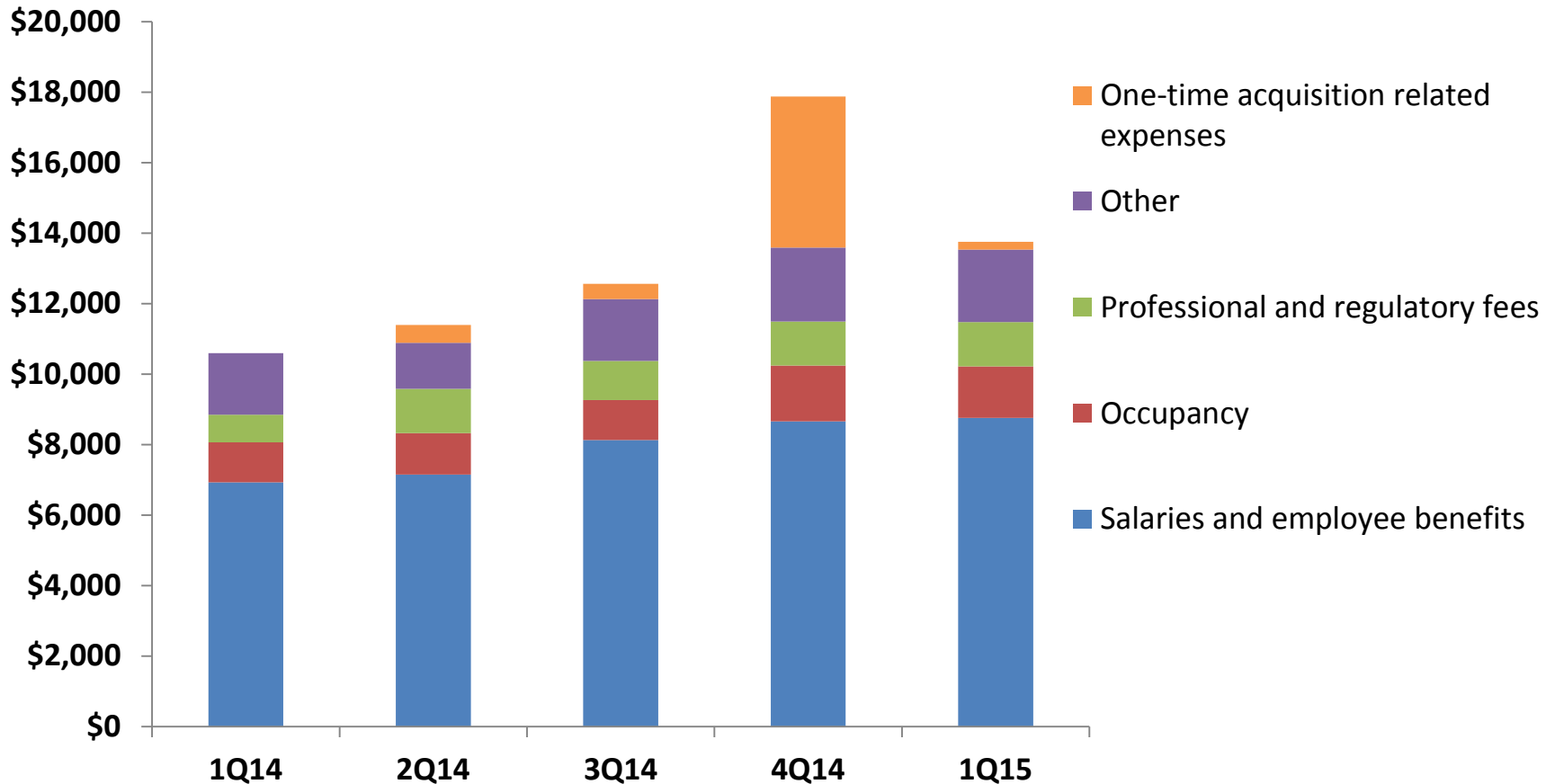


\*This data is derived from an internal static interest rate shock model. The assumptions incorporated into the model are inherently uncertain and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact of fluctuations in market interest rates on net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

# Noninterest Income



# Noninterest Expense

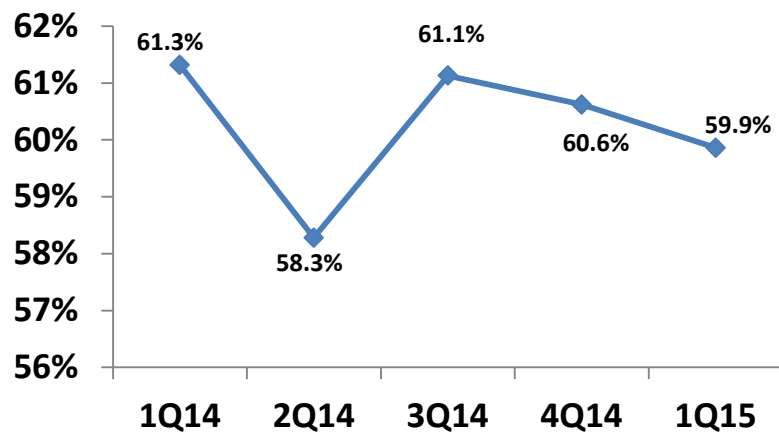


\*Dollars in thousands

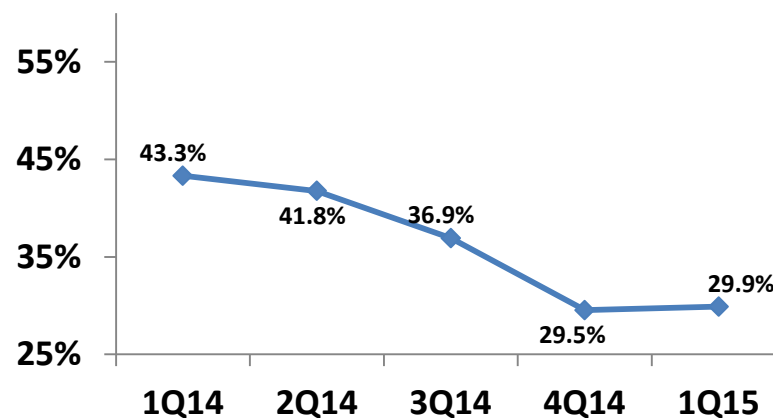
# Performance Metrics



## Efficiency Ratio<sup>(1)</sup>



## Remaining Banker Capacity



(1) Adjusted for one time expenses related to SharePlus



# Q & A