



— PROSPERITY —
BANCSHARES, INC.®

“Safe Harbor” Statement

under the Private Securities Litigation Reform Act of 1995



— PROSPERITY —
BANCSHARES, INC.®

Statements contained in this presentation which are not historical facts and which pertain to future operating results of Prosperity Bancshares[®], Inc. and its subsidiaries constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve significant risks and uncertainties. Actual results may differ materially from the results discussed in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the company’s periodic reports and filings with the SEC. Copies of the SEC filings for Prosperity Bancshares[®] may be downloaded from the Internet at no charge from www.prosperitybankusa.com.

1Q16 Highlights



- **Net Income of \$68.951 million and earnings per share (diluted) of \$0.98 for three months ending March 31, 2016**
- **Assets of \$21.978 billion, loans of \$9.654 billion, and deposits of \$17.873 billion at March 31, 2016**
- **Common equity tier 1 ratio was 13.20% and leverage ratio was 7.70% at March 31, 2016**
- **Sound asset quality with annualized net charge offs/average loans of 0.48% for the first quarter 2016**
- **Non-performing assets to average earning assets remain low at 0.29% or \$56.985 million for the first quarter 2016**
- **Declared cash dividend of \$0.30 per share for the second quarter 2016**

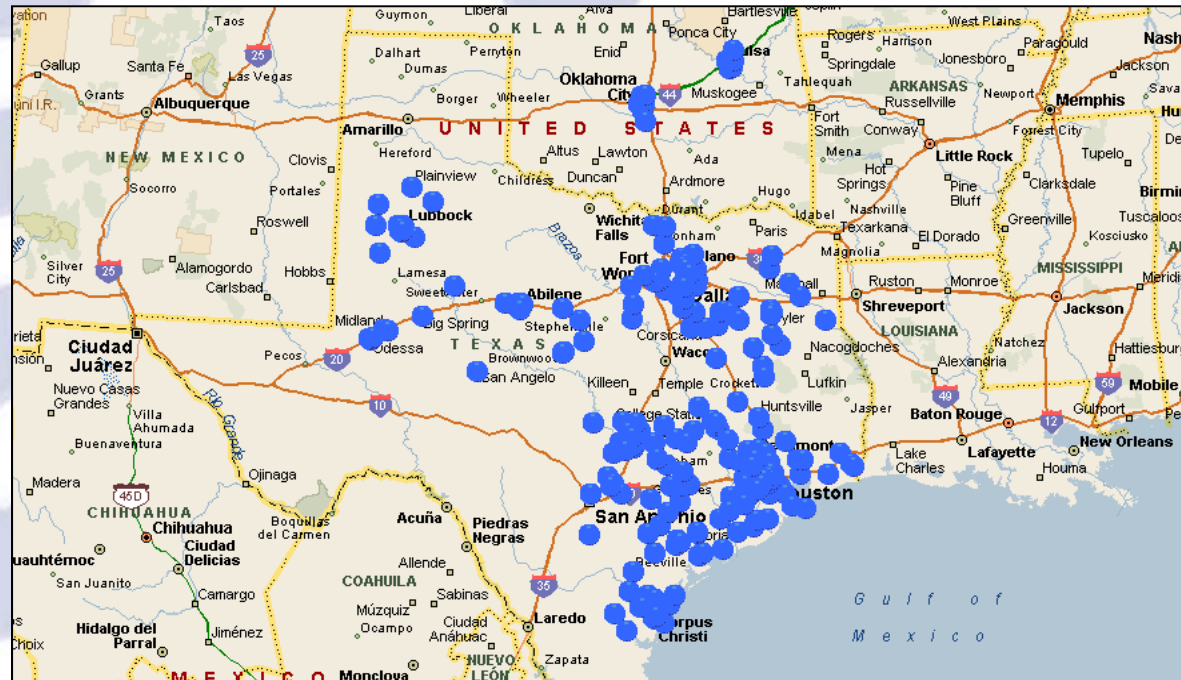
Corporate Profile



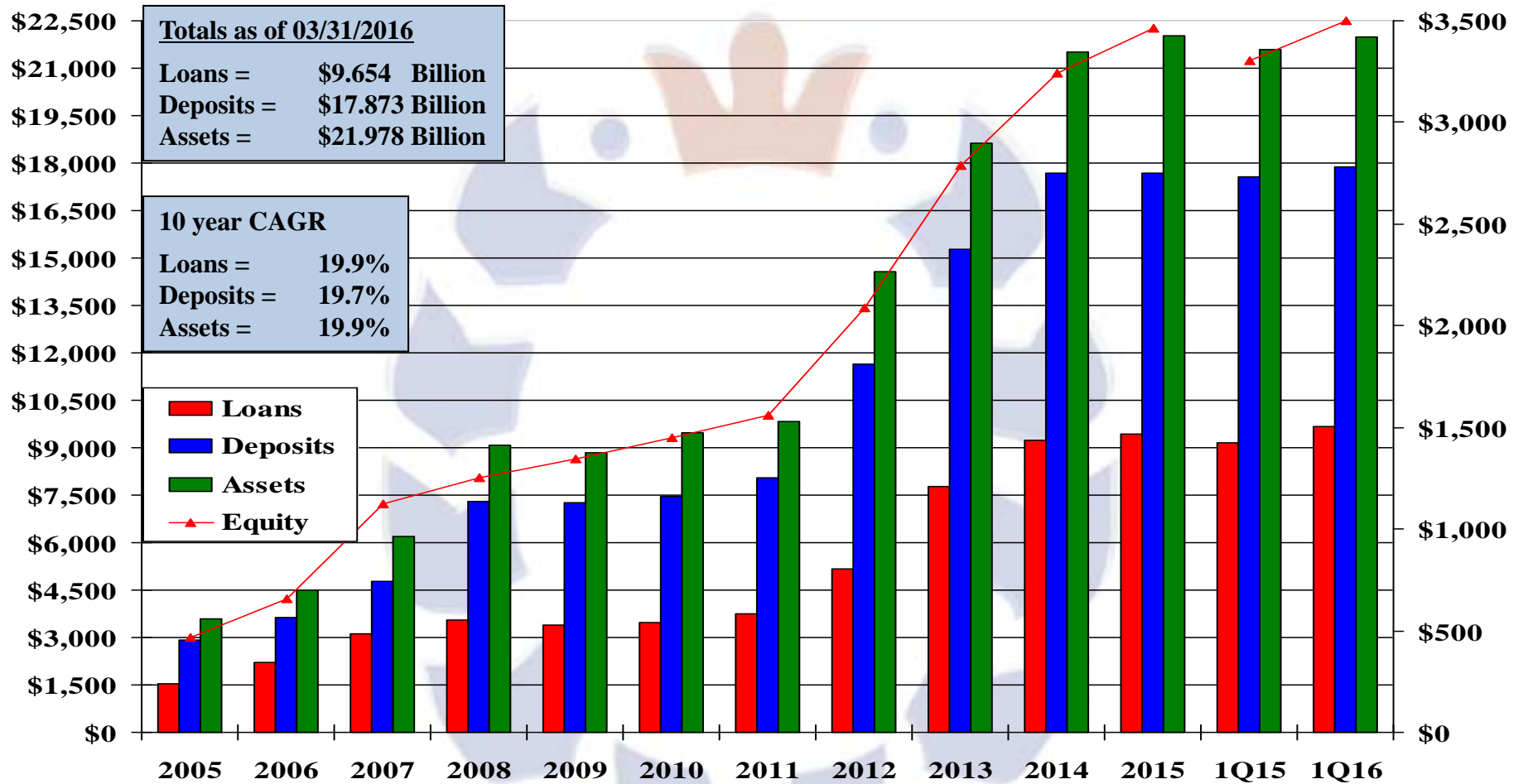
- A Texas based financial holding company with approximately \$21.978 billion in assets, and the 2nd largest Texas based commercial bank
- Shareholder driven with 6.0% fully diluted insider ownership
- Successful integration of 42 acquisitions (includes branch and failed bank transactions)

245 Full Service Locations

- 16 in Bryan/ College Station Area
- 29 in Central Texas Area
- 36 in Dallas/ Fort Worth Area
- 22 in East Texas Area
- 65 in Houston Area
- 29 in South Texas Area
- 34 in West Texas Area
- 6 in Central Oklahoma Area
- 8 in Tulsa Area

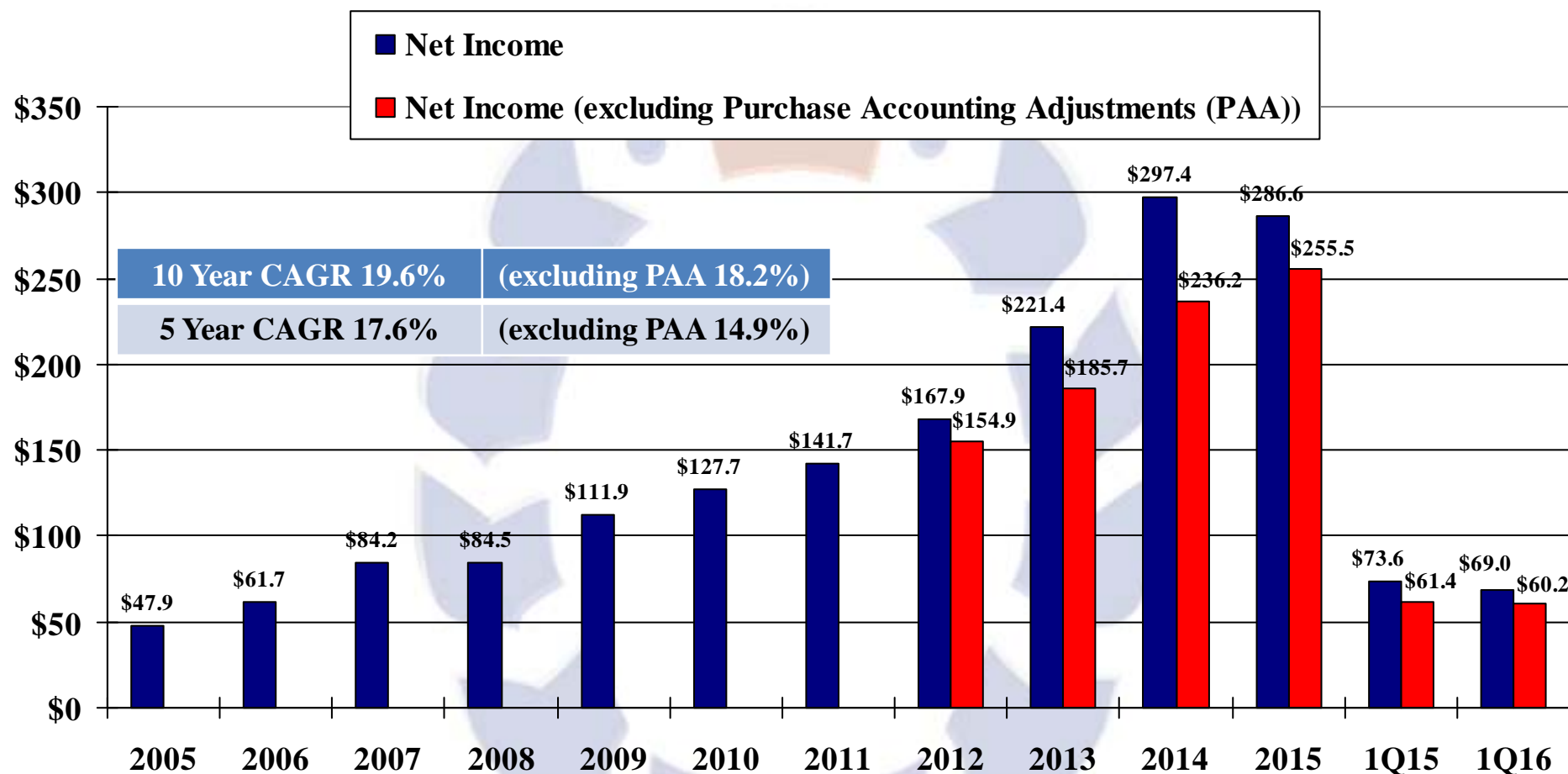


Balance Sheet Summary



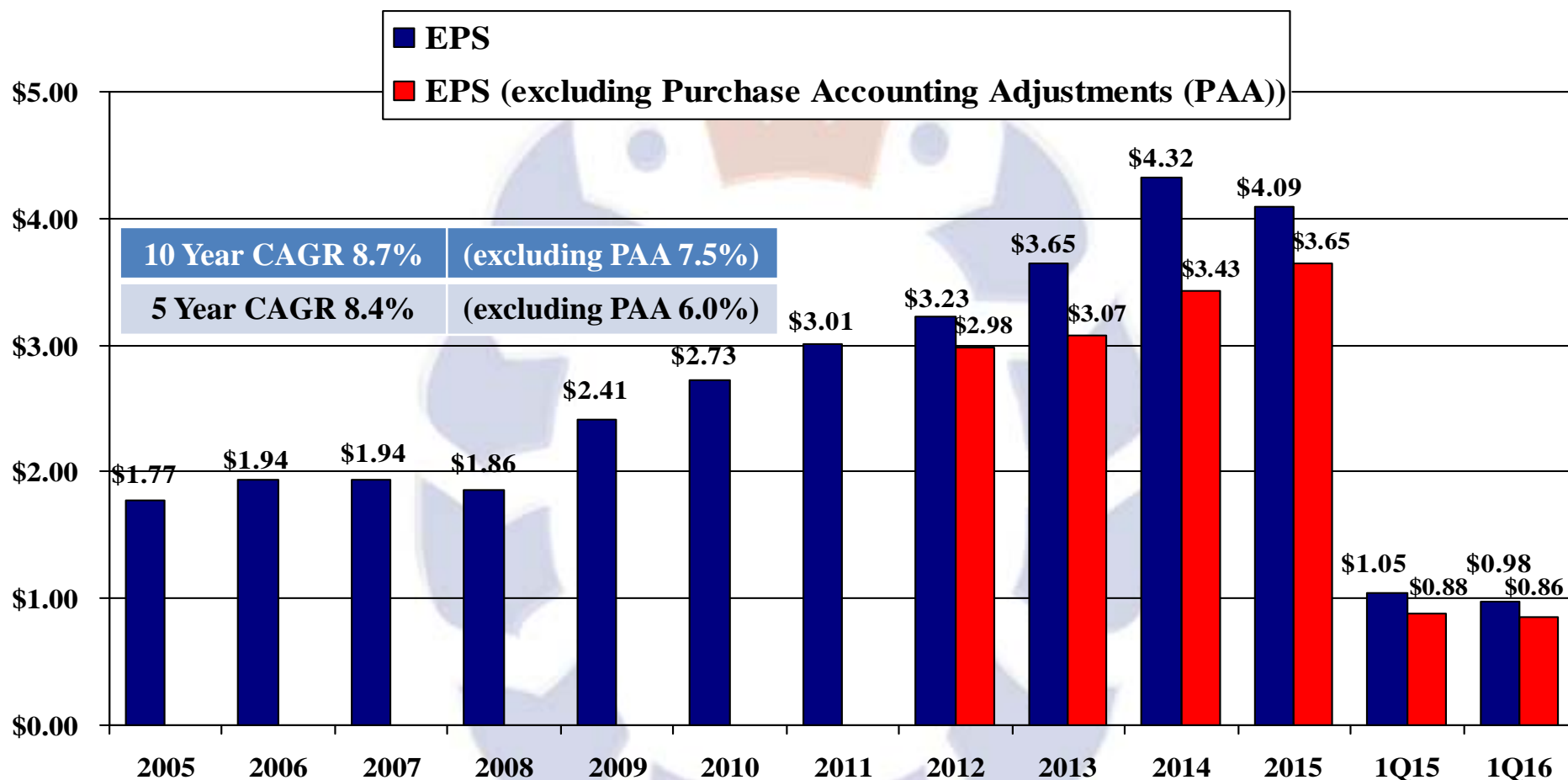
\$ in millions

Net Income

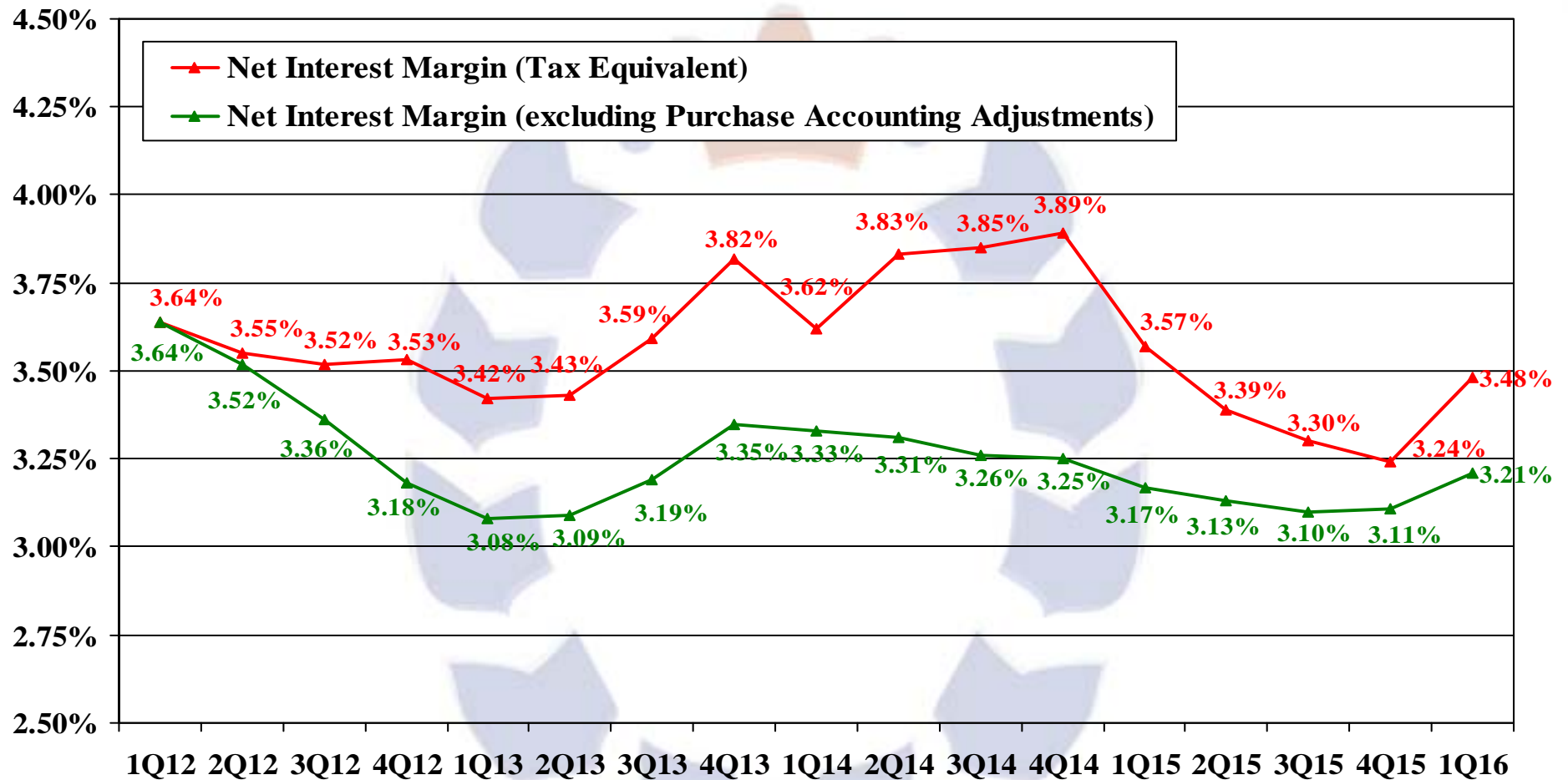


\$ in millions

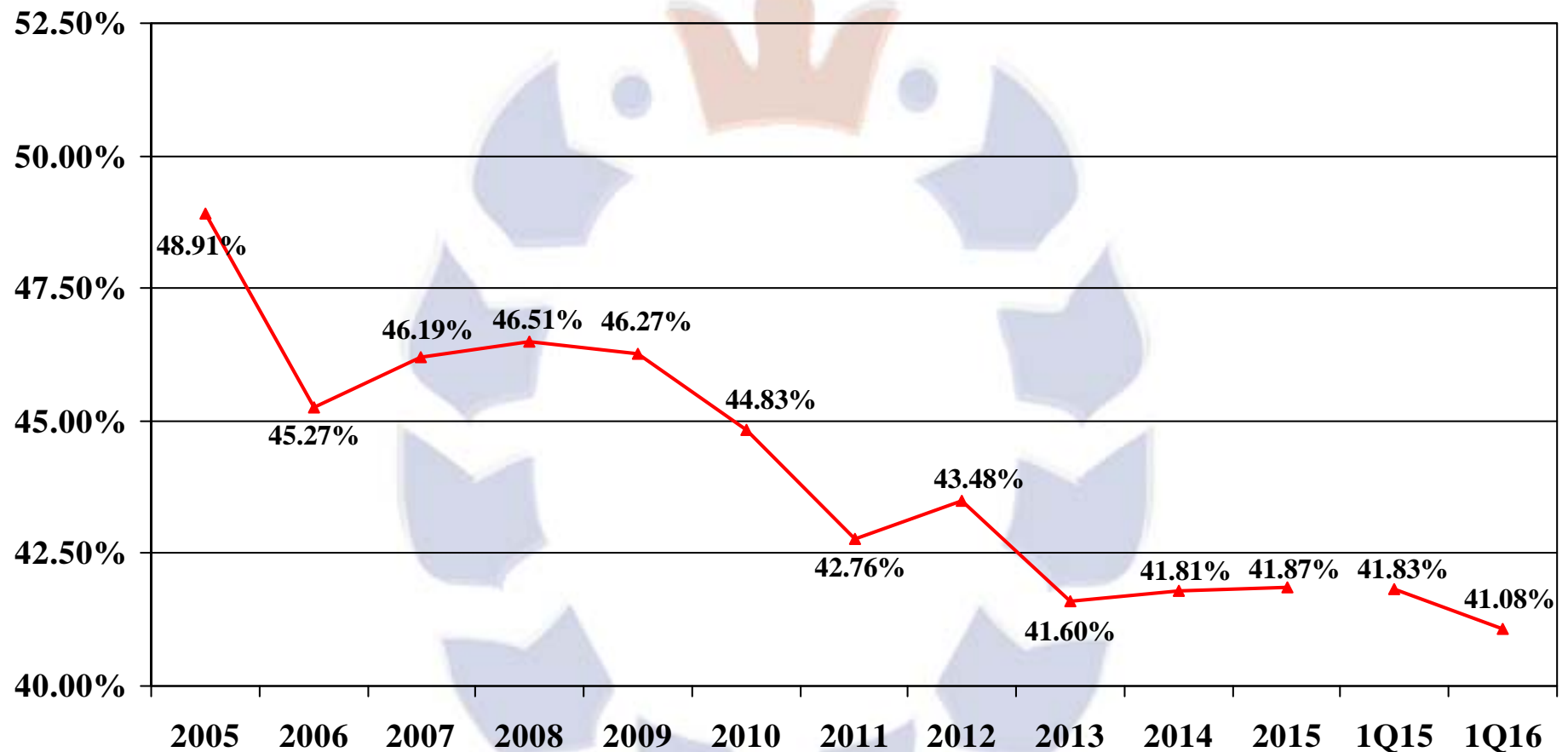
EPS Growth Diluted



Net Interest Margin

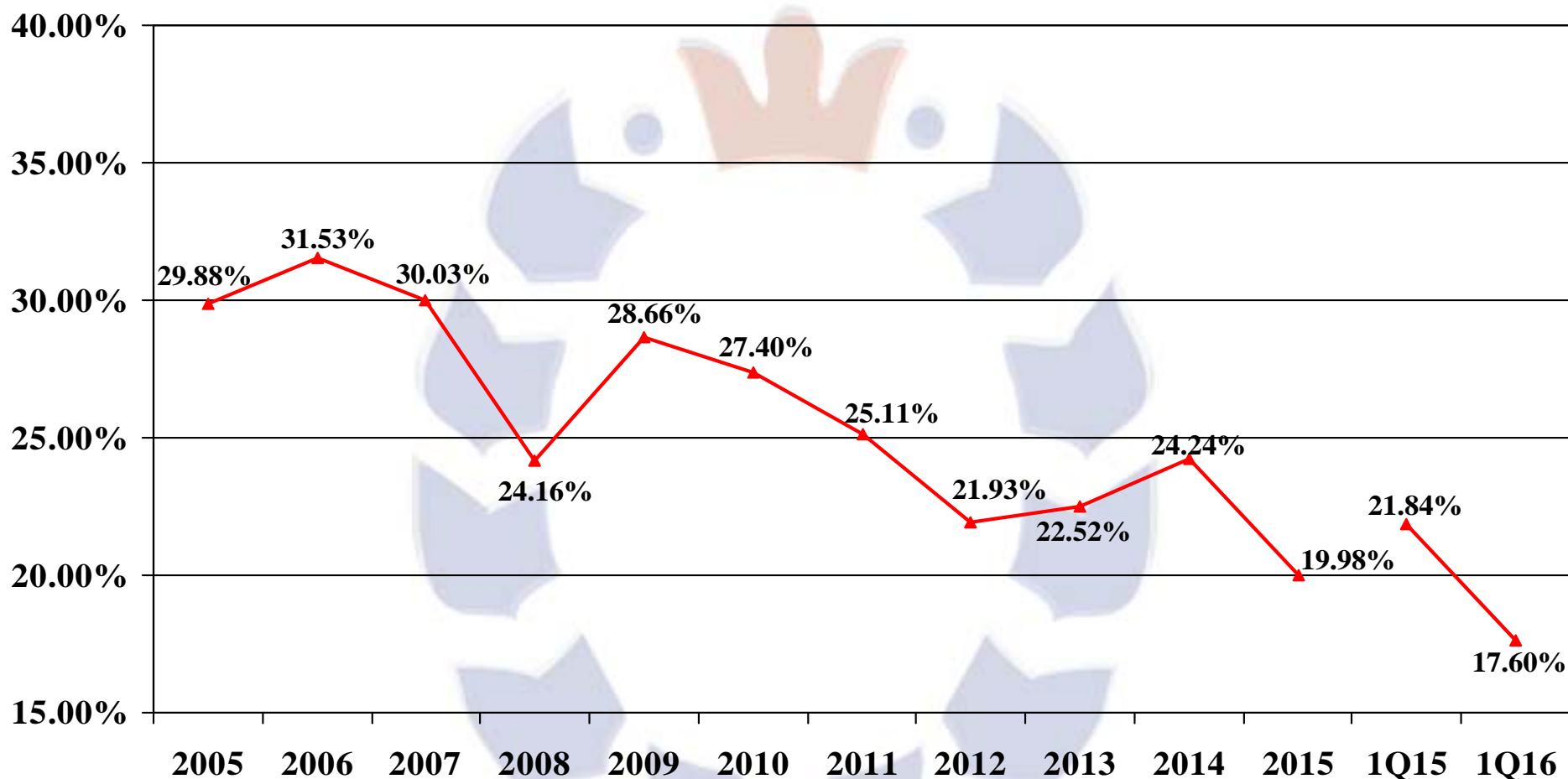


Efficiency Ratio*

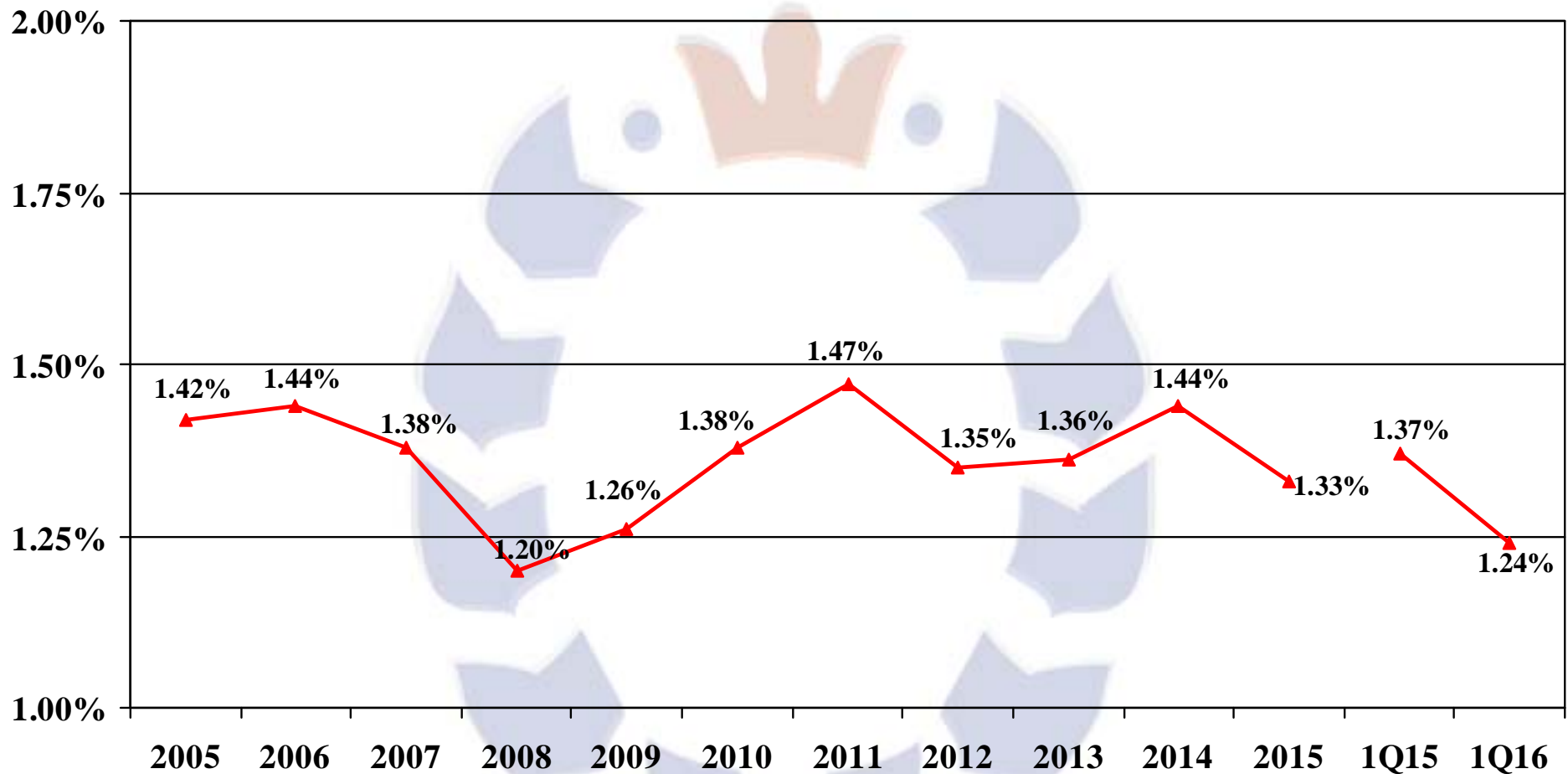


*Calculated by dividing total noninterest expense, excluding credit loss provisions, by net interest income plus noninterest income, excluding net gains and losses on the sale of assets and securities. Additionally, taxes are not part of this calculation.

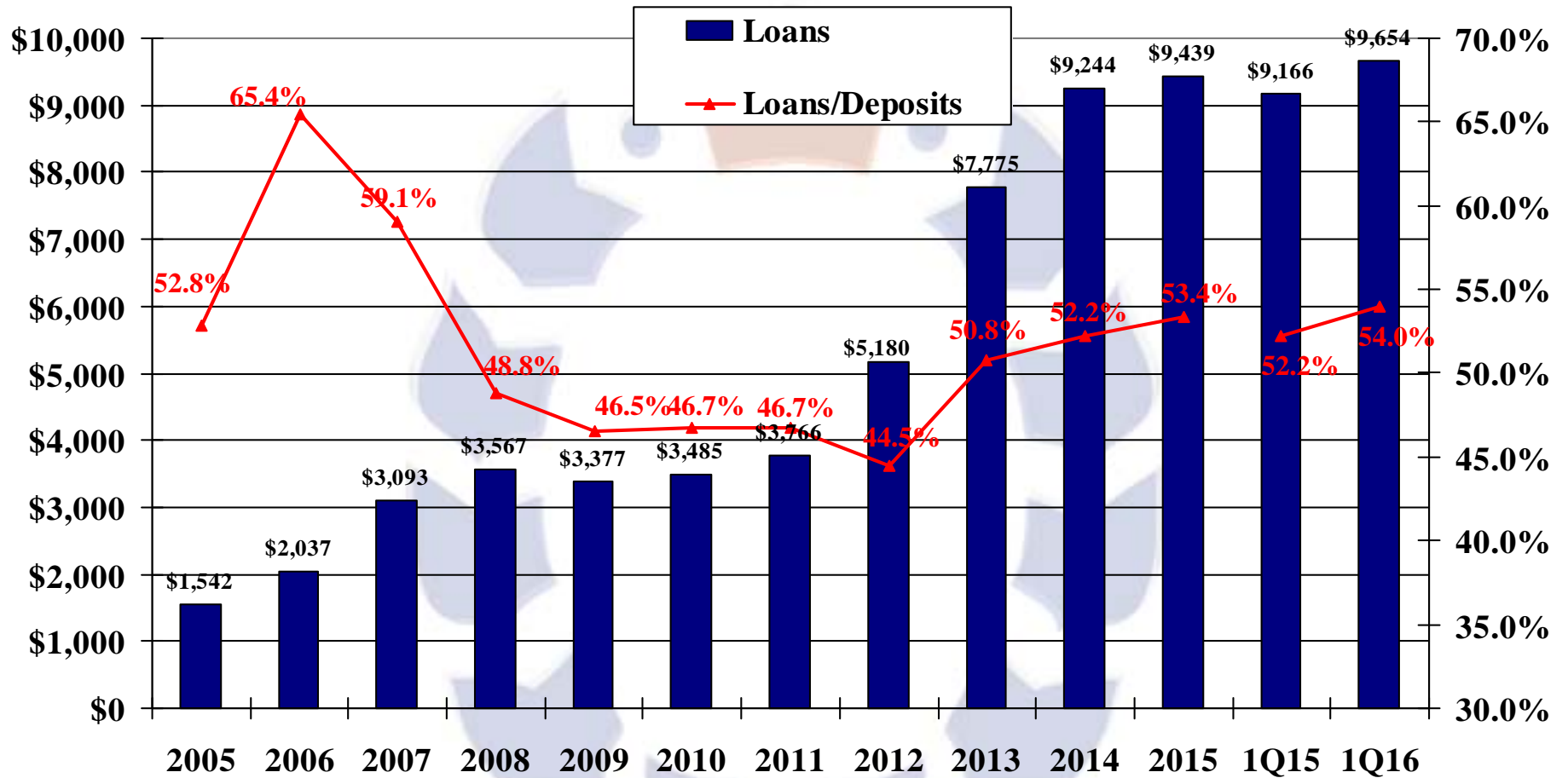
Return on Average Tangible Common Equity



Return on Average Assets



Loan Growth

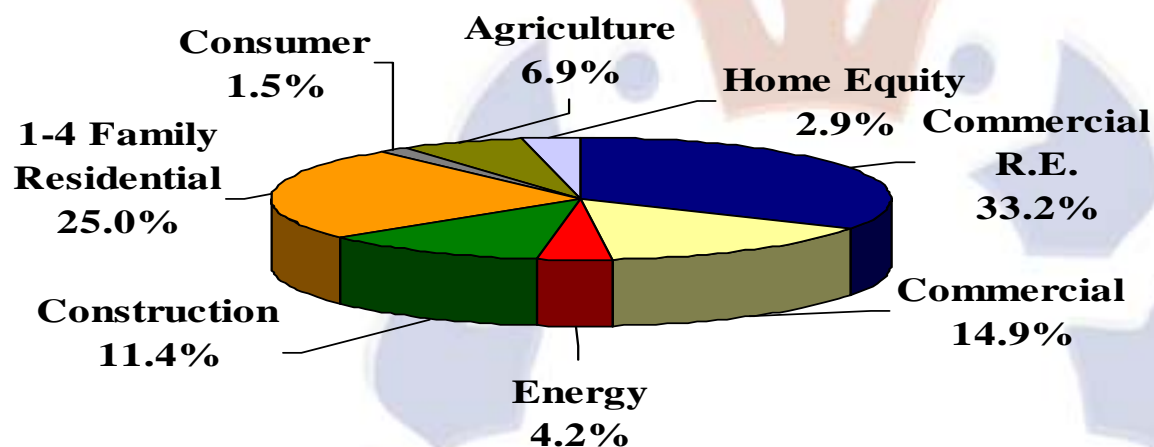


\$ in millions

Loan Portfolio



March 31, 2016
Loans/Deposits: 54.0%



Loans By Area	
Approximate \$ in millions	
Bryan/College Station:	\$546
Central Oklahoma:	\$502
Central Texas:	\$1,215
Dallas/Ft. Worth:	\$1,045
East Texas:	\$327
Houston:	\$3,067
South Texas:	\$1,319
Tulsa Oklahoma:	\$772
West Texas:	\$861

Construction Loan Breakout	
Approximate \$ in millions	
Single Family:	\$408
Land Development:	\$84
Raw Land:	\$174
Lots:	\$127
Commercial/ Other:	\$387
Purchase Accounting Discount:	(\$6)

Approximate \$ in millions		Amount	% of total
Commercial R.E.	\$	3,229	33.5%
Commercial		1,442	14.9
Energy		363	3.8
Construction		1,174	12.2
1-4 Family Residential		2,379	24.6
Consumer		142	1.5
Agriculture (includes farmland)		641	6.6
Home Equity		284	2.9
Gross Loans	\$	9,654	100.0%

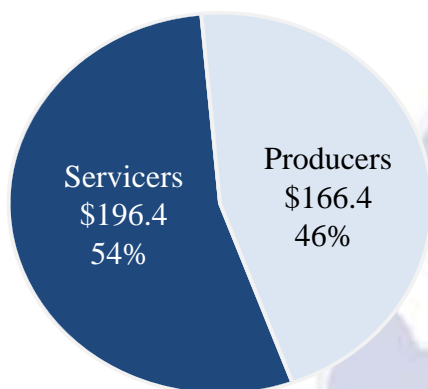
CRE Loan Breakout	
Approximate \$ in millions	
Owner Occupied:	\$1,483
Office Building:	\$355
Multi-family:	\$182
Strip Center:	\$459
Other:	\$750

Energy Portfolio

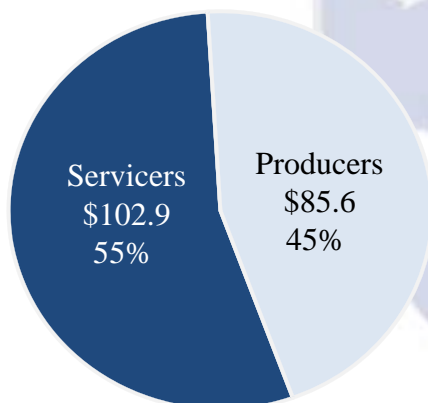
As of March 31, 2016



Outstanding Balance



Unfunded Commitments



Portfolio Commentary

- Total outstanding balance of \$362.8 million, or 3.8% of total loans
- Total unfunded commitments of \$188.5 million
- Total energy reserves of 3.35% or \$12.4 million
- \$43.0 million of energy loans are subject to a fair value mark of \$6.2 million
- Six energy loans are Shared National Credits (SNCs) with an outstanding balance of \$25.7 million
- Average relationship size for both producers and servicers is under \$1.0 million, with only five relationships over \$10.0 million
- Reserve-based lending is only on proven producing reserves
- Servicing portfolio is well-diversified

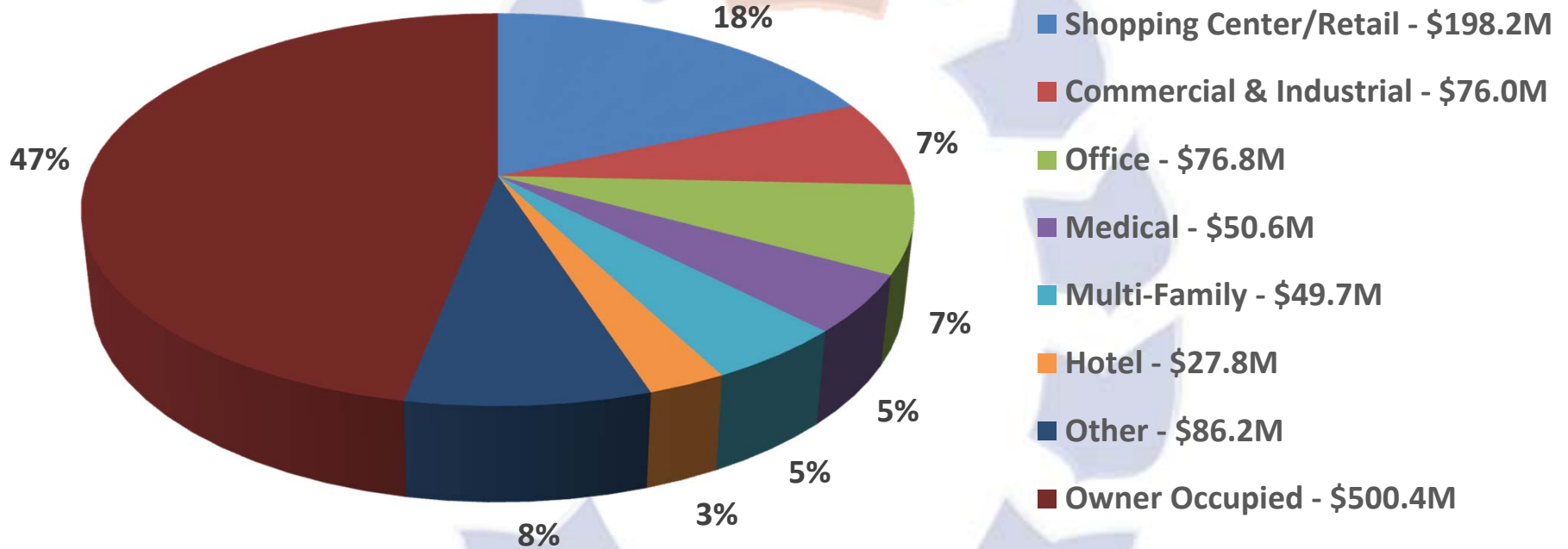
Note: Dollars are in millions.

Houston MSA CRE Portfolio

As of March 31, 2016

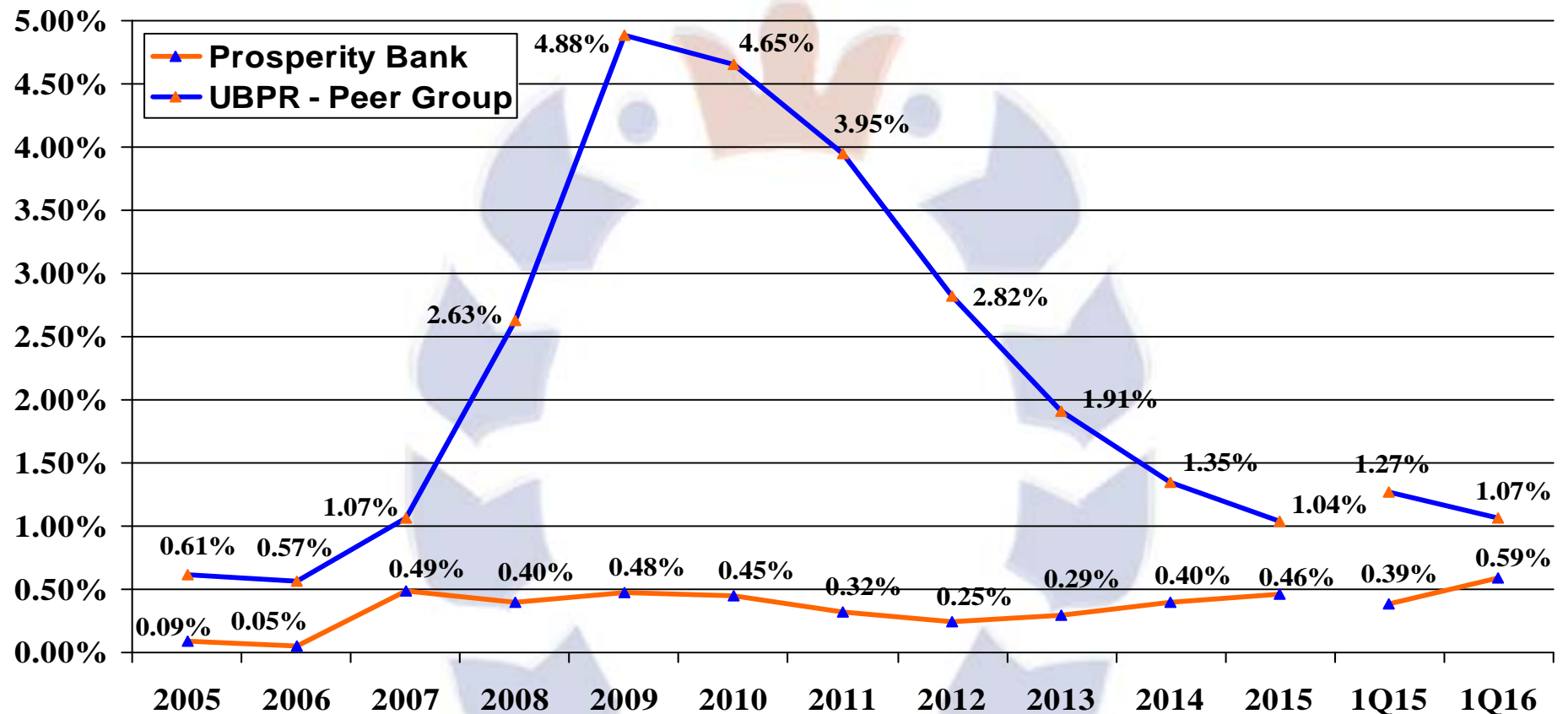


TOTAL: \$1.066B



Asset Quality

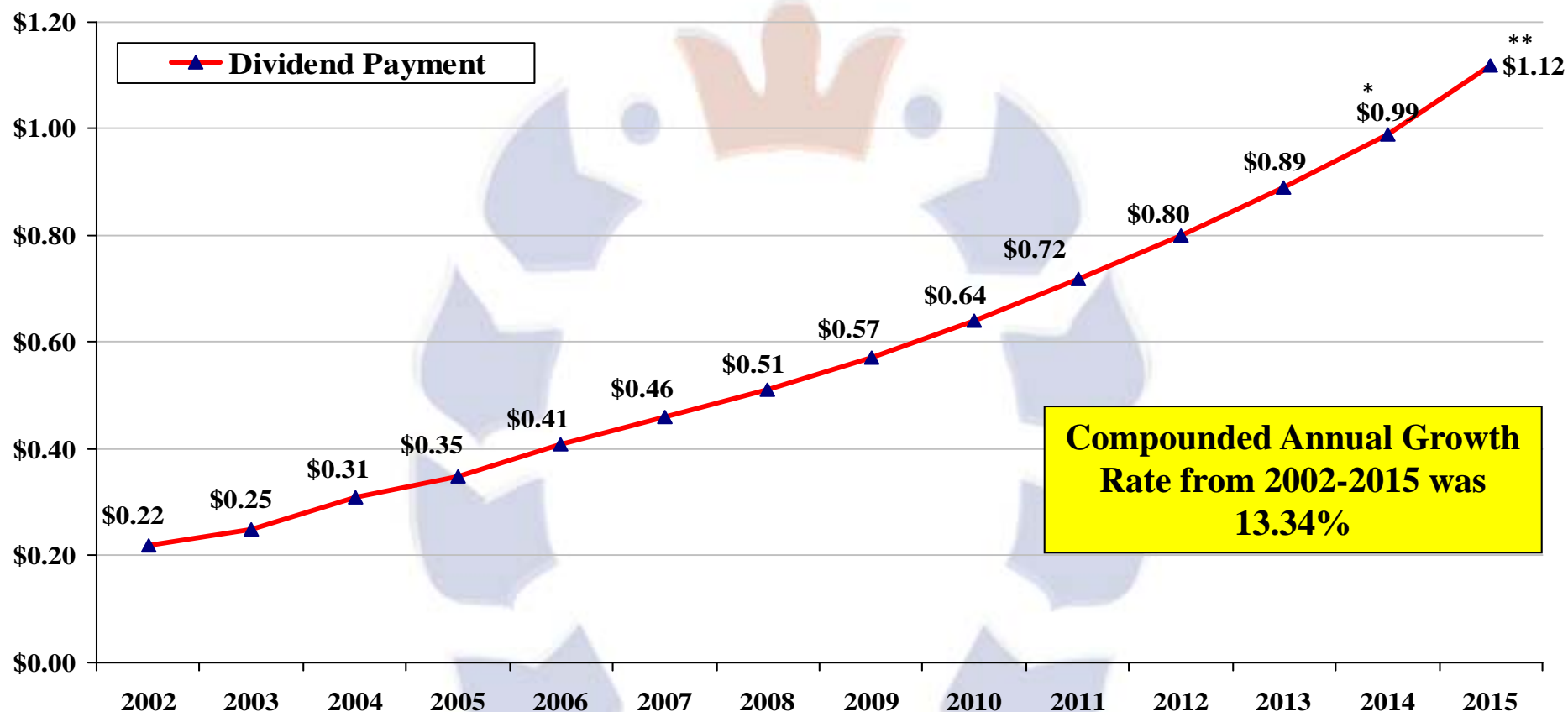
NPA*/Loans + OREO



*Includes loans past due 90 days and still accruing

Source: UBPR = Uniform Bank Performance Report; Peer Group 11 (231 Banks) – insured commercial bank having assets greater than \$3 billion

Dividend History

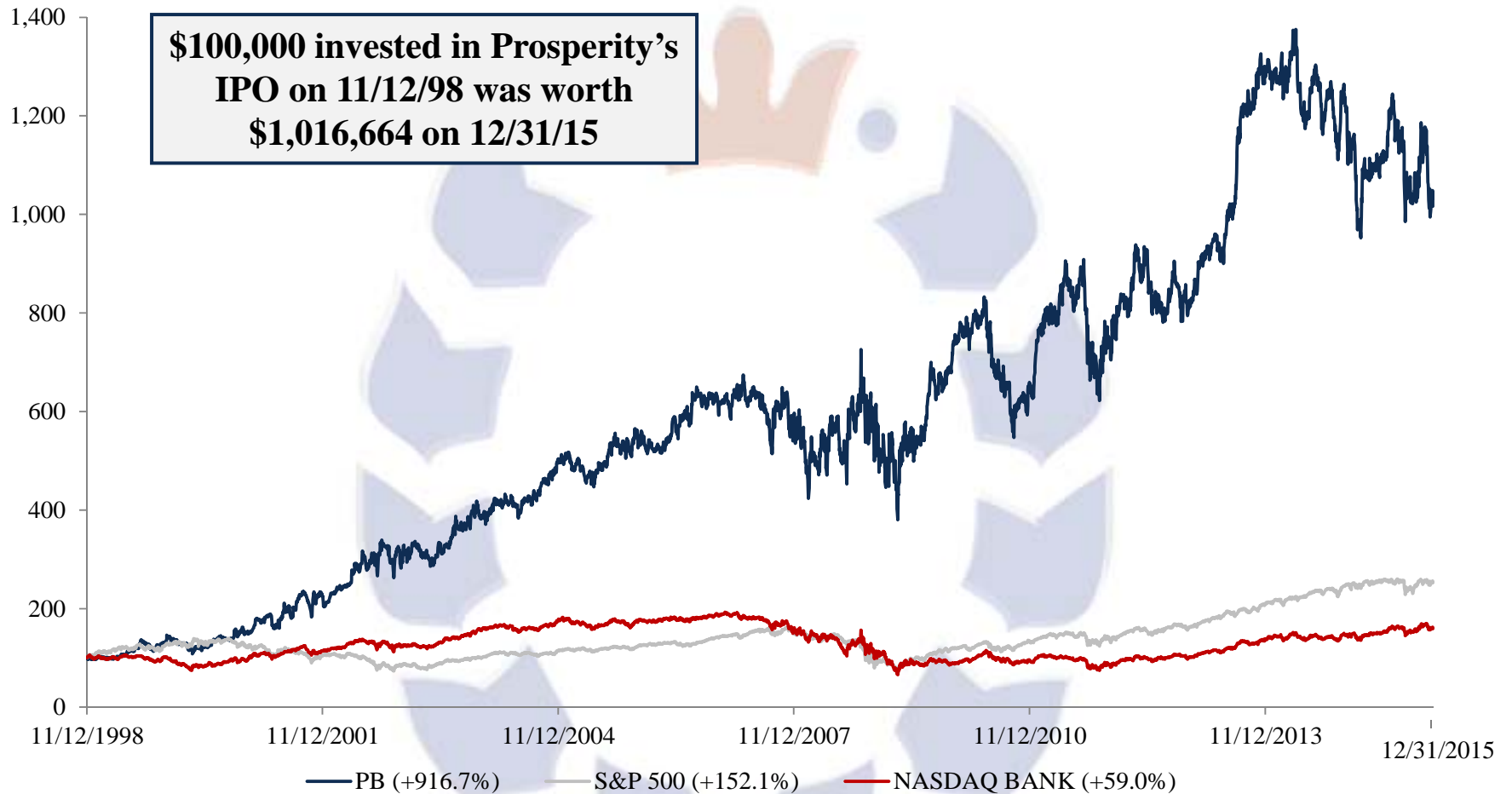


* 2014 dividend consists of \$0.24 per share declared in 1Q 2014, 2Q 2014, 3Q 2014 and \$0.2725 per share declared in 4Q 2014

**2015 dividend consists of \$0.2725 per share declared in 1Q 2015, 2Q 2015, 3Q 2015 and \$0.30 per share declared in 4Q 2015

Total Return Performance

IPO (November 12, 1998) to December 31, 2015



Corporate Relocations to Texas



Corporate Relocations to Texas (2004 – Present)

California

AccentCare
 Active Networks
 The Allen Group, Inc.
 Allied Electronic Recycling
 ALL-Q-TELL Corp.
 Ameriflight LLC
 Banker's Toolbox, Inc.
 Boreland Software Corporation
 Caliber Collision Centers
 Calpine
 CCRA Travel Solutions
 Channell Commercial Corp.
 CompassLearning
 Consolidated Electrical Distributors
 Copart (CPRT)
 Daegis, Inc. (DAEG)
 DBG
 Dimensional Fund Advisors
 DMX MUSIC, Inc.
 DynaPump, Inc.
 EDM Laboratories
 Epicore Software Corporation
 Farmer Brothers (FARM)
 Firefly Space Systems
 Fluor Corporation (FLR)
 Freebirds World Burrito
 Fonality
 Glenmount Global Solutions
 HID Global
 Ironclad Performance Wear Corp.
 Liberty Fitness Holdings, LLC
 loanDepot, LLC
 Marco Fine Arts
 MC Endeavors, Inc. (MSMY)
 MDB Capital
 Mitratch
 Monkey Sports Inc.
 MVTransportation
 Occidental Petroleum (OXY)
 OmniTracs
 Pacific Union Financial
 Pain Therapeutics (PTIE)
 Primoris Services Corporation (PRIM)
 R2Sonic
 Red Mango, Inc.
 Revionics, Inc.
 Rifle Gear
 Sanyo Energy
 Sionix Corp. (SINX)
 Solera Holdings (SLH)
 Superconductor Technologies (SCON)
 Telmar Network Technology, Inc.
 Tenet Healthcare (THC)
 Thermasol
 Toyota USA (TM)
 Trend Micro (TYO.4704)
 Vendor Resource Management
 Vermillion, Inc. (VRML)
 Visual Numerics
 W3global
 Waste Connections, Inc. (WCN)
 Websense
 Xeris Pharmaceuticals

Washington

LifeLast, Inc.
 National Scooter Co.
 Prometheus Energy Company

Canada

Absolute Software (ABT)
 Bio-Solutions Corp (BISU)
 Direct Energy
 Mitel Corp (MITL)
 QI Systems Inc.
 MoneyGram (MGI)
 Speed Commerce

Minnesota

American Environmental Energy, Inc. (AEEI)
 EmpowerMX
 LecTec Corp.
 Enerlex Resources, Inc.
 Ottobock Healthcare
 MoneyGram (MGI)
 Speed Commerce

New York

American Locker Group Inc. (ALGI)
 DataTreasury Corp
 Fiesta Restaurant Group (FRGI)
 Greatbatch (GB)
 HMS Holdings (HMSY)
 Six Flags Entertainment (SIX)
 Signature Systems Group
 Visionworks of America

Massachusetts

Cimage Novasoft
 Circor Energy (CIR)
 Invensys Process Systems
 NTT Data Inc. (TYO.9613)
 VCE Corp.

Connecticut

Accudyne Industries
 iCall Inc.
 TradeCapture Inc.

Michigan

Comerica (CMA)
 Cambium Learning (ABCD)

Pennsylvania

Big Brothers Big Sisters
 Linn Energy, LLC (LINE)
 MPOWER Mobile
 Union Drilling, Inc.

New Jersey

Ameriflex
 CVE Technology
 Compax USA

Maryland

Broadwing Corp.
 Hanger Inc. (HGR)

Ohio

Covington Group, Inc.
 Robbins & Myers
 CyrusOne (CONE)

Washington D.C.

EF Johnson Technologies, Inc.

Illinois

BL Restaurant Group
 Ferris Manufacturing
 MedMark Services, Inc.
 Monolith Technology Hldgs. LLC
 Neovia Logistics
 RMG Networks (RMGN)
 SolarBridge Technologies, Inc.
 Top Golf

Missouri

Kupper Parker Comm.
 PotentialMetrics

Tennessee

Elite Data Services, Inc. (DEAC)
 Miller Energy Resources, Inc.
 Forward Air Corp. (FWRD)

North Carolina

Dex Media (DXM)

Montana

ViZn

Nebraska

Heartland Automotive Services

Kansas

Alco Stores (ALCS)
 Layne Christensen Co.(LAYN)
 Lulu's Dessert Corp
 Enerlex Resources, Inc.

Colorado

Cagney Global Logistics
 Global Clean Energy, Inc. (GCEI)
 Heartland Oil & Gas Corp.
 Magpul Industries
 Par Petroleum Corporation (PARR)
 Quovadx
 Sun River Energy, Inc. (SNRV)

Nevada

CoreSpace

Arizona

Quest Resource Holdings Corp. (QRHC)

Oklahoma

Cashedole Solutions, Inc.
 CITGO Petroleum Corp
 Global Power Equipment Group
 Hilti North America
 LinkAmerica
 NATCO Group, Inc.
 Petrohawk Energy Corp
 Ring Energy, Inc. (REI)
 Soalr Winds (SWI)
 Trinity Hospice Inc.

Arkansas

Golden Living
 US Rare Earths Inc. (UREE)

Louisiana

Bristow Group, Inc. (BRS)
 EPL Oil & Gas, Inc.
 NGC Transmission

Alabama

Torchmark Corporation (TMK)
 Zoes Kitchen (ZOES)

Georgia

Cyntech Technologies (CYNT)

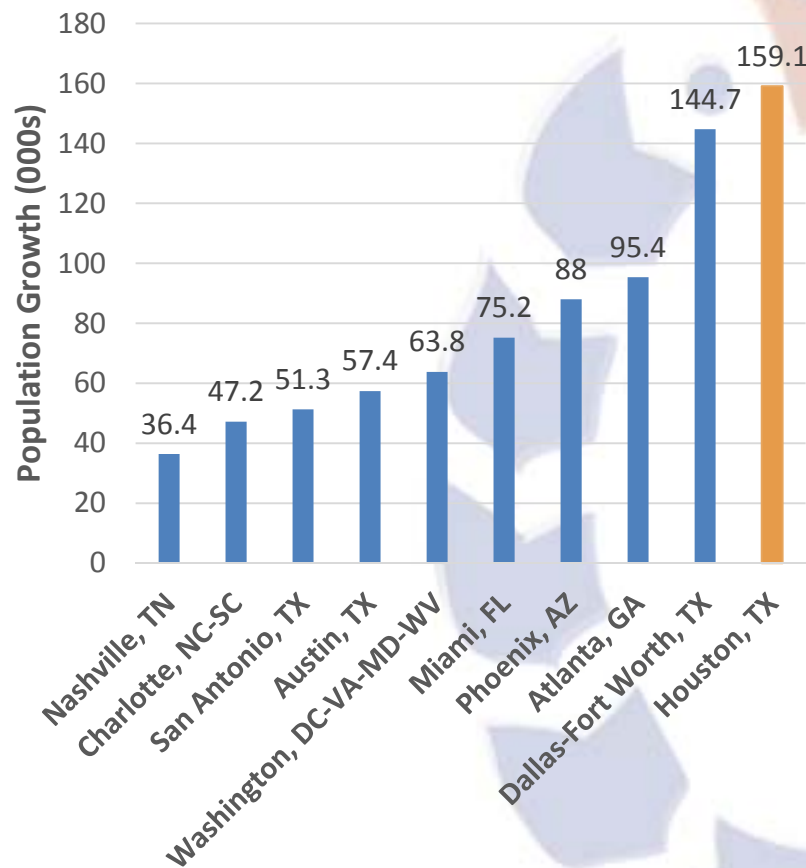
Florida

CCS Medical
 DreamVision
 iWorld Projects & Systems, Inc. (IWPS)
 Puget Technologies, Inc. (PUGE)
 SoftServe

The Houston Market: Overview



Population Growth From July 2014 to July 2015



Houston added more people last year than any other metropolitan region in the country

Source: Bureau of Labor Statistics as of February 2016, PHA Accounting, PHA Market Development, United States Census Bureau

Growth Drivers

- Port of Houston is the U.S.'s largest port in foreign tonnage and second largest in total tonnage supporting over one million jobs
- Texas Medical Center is the world's largest medical complex, with 8 million patient visits annually and an estimated annual economic impact of \$15 billion
- Huge gains occurred in permits for hospitals, growing sevenfold from \$49.4 million in 2014 to \$370.0 million in 2015
- Educational building permits more than doubled from \$208.3 million to \$423.4 million

Economic Diversity

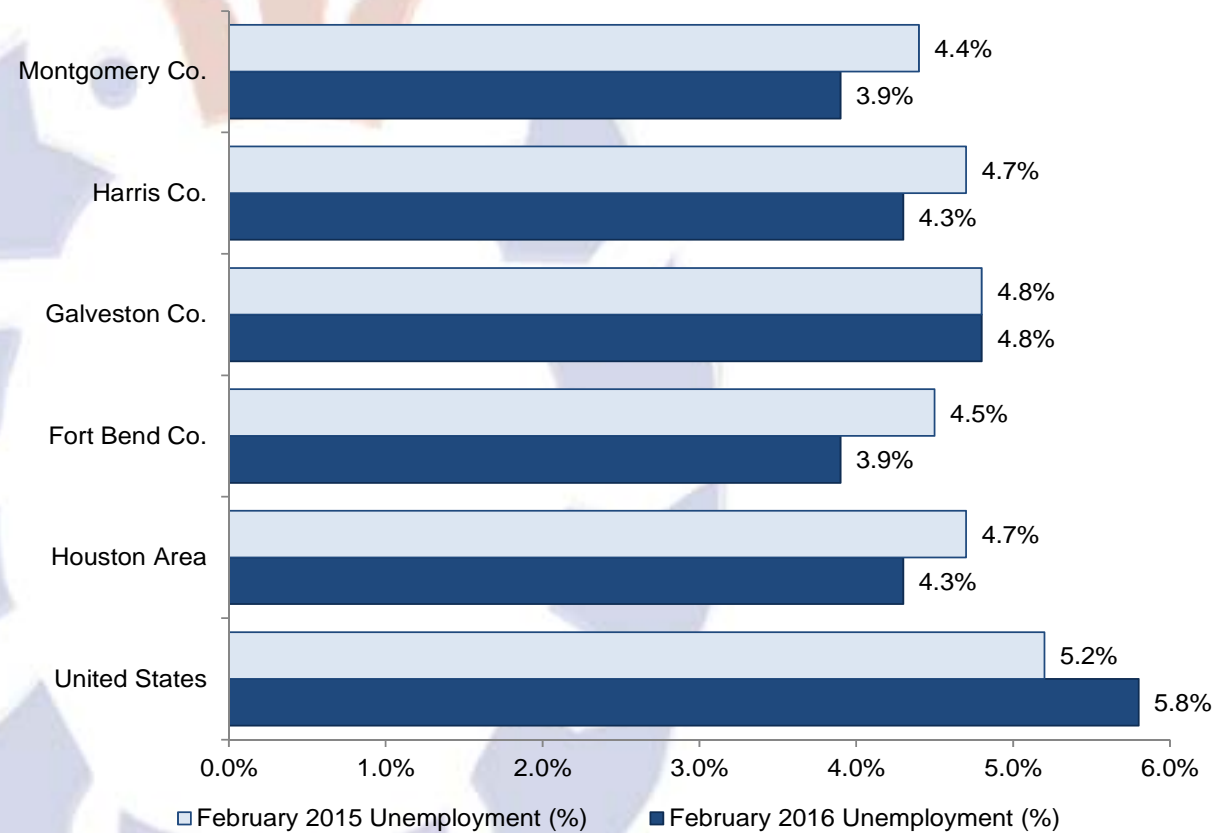
- 5th largest MSA in the U.S. with 6.7 million people
- 2nd largest home to Fortune 500 companies in the U.S. with 24
- Increasingly diversified economy including the Port of Houston and Texas Medical Center

The Houston Market: Low Unemployment



Houston MSA Unemployment vs. Nationwide Unemployment

- The Houston MSA unemployment rate has consistently remained lower than that of the United States
- In addition, Houston's unemployment rate has decreased year over year amid falling oil prices



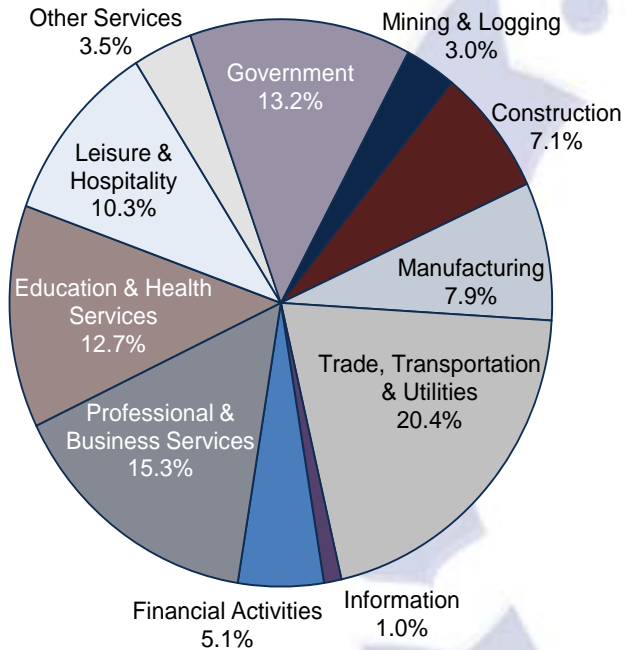
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

The Houston Market: Economic Diversity



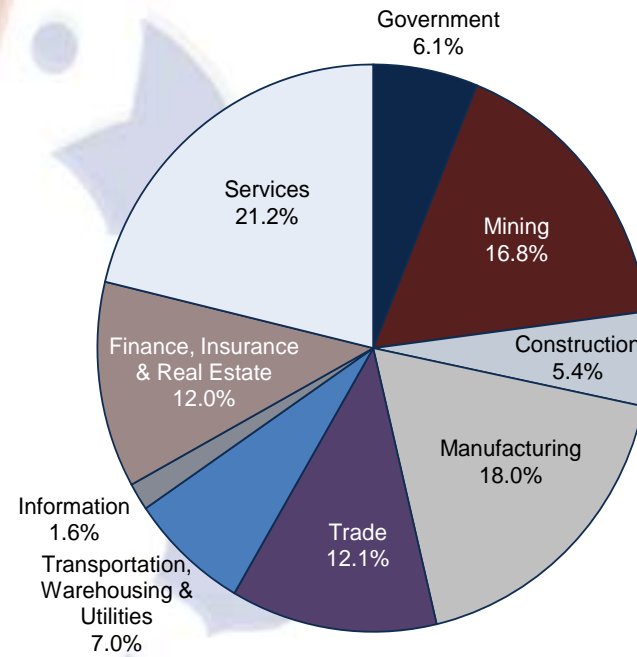
- Houston has a thriving and well diversified economy that expands far beyond the oil and gas industry

March 2016 Employment by Industry



Source: Bureau of Labor Statistics.

2015 Houston MSA Gross Area Product



Source: The Perryman Group.

Contact Information



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1st Quarter 2016