



**PRESS RELEASE**

**Prosperity Bancshares, Inc.**<sup>®</sup>  
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**FOR IMMEDIATE RELEASE**

**PROSPERITY BANCSHARES, INC.**<sup>®</sup>  
**REPORTS FIRST QUARTER**  
**2019 EARNINGS**

- **First quarter earnings per common share (diluted) increased 10.3% to \$1.18 compared with the first quarter 2018**
- **First quarter net income increased 10.8% to \$82.402 million compared with the first quarter 2018**
- **Nonperforming assets remain low at 0.21% of first quarter average interest-earning assets**
- **Return (annualized) on first quarter average assets of 1.46%**
- **Returns (annualized) on first quarter average common equity of 8.05% and average tangible common equity of 15.24%<sup>(1)</sup>**
- **Loans increased 4.0% compared with the first quarter 2018**

HOUSTON, April 24, 2019. Prosperity Bancshares, Inc.<sup>®</sup> (NYSE: PB), the parent company of Prosperity Bank<sup>®</sup> (collectively, “Prosperity”), reported net income for the quarter ended March 31, 2019 of \$82.402 million, an increase of \$8.041 million or 10.8% compared with \$74.361 million for the same period in 2018. Net income per diluted common share increased 10.3% to \$1.18 compared with \$1.07 for the same period in 2018. Net income and earnings per diluted common share for the three months ended March 31, 2018 were impacted by net charge-offs of \$9.441 million. Additionally, loans increased 4.0% compared with the first quarter 2018 and nonperforming assets remain low at 0.21% of first quarter average interest-earning assets.

“Prosperity is fortunate to operate in vibrant and growing states. We continue to see employment growth and a tailwind from companies expanding in and moving to Texas and Oklahoma due to a business friendly political climate and lower tax rates. However, we did experience some pause in loan growth during the first quarter of 2019, impacted by the continued pay downs we experience,” said David Zalman, Prosperity’s Chairman and Chief Executive Officer.

“Prosperity continues to focus on building core customer relationships, maintaining sound asset quality and operating the bank in an efficient manner, while investing in ever-changing technology and product distribution channels. We intend to continue to grow our company both organically and through mergers and acquisitions,” continued Zalman.

“I want to thank everyone involved in our company for helping to make it the success it has become,” concluded Zalman.

(1) Refer to the “Notes to Selected Financial Data” at the end of this Earnings Release for a reconciliation of this non-GAAP financial measure to the nearest GAAP financial measure.

## Results of Operations for the Three Months Ended March 31, 2019

Net income was \$82.402 million<sup>(2)</sup> for the three months ended March 31, 2019 compared with \$74.361 million<sup>(3)</sup> for the same period in 2018, an increase of \$8.041 million or 10.8%. Net income per diluted common share was \$1.18 for the three months ended March 31, 2019 compared with \$1.07 for the same period in 2018, an increase of 10.3%. Net income and earnings per diluted common share for the three months ended March 31, 2018 were impacted by net charge-offs of \$9.441 million. Annualized returns on average assets, average common equity and average tangible common equity for the three months ended March 31, 2019 were 1.46%, 8.05% and 15.24%<sup>(1)</sup>, respectively. Prosperity's efficiency ratio (excluding credit loss provisions, net gains on the sale of assets and taxes) was 42.94%<sup>(1)</sup> for the three months ended March 31, 2019.

Net interest income before provision for credit losses for the three months ended March 31, 2019 was \$154.911 million compared with \$153.223 million for the same period in 2018, an increase of \$1.688 million or 1.1%. Linked quarter net interest income before provision for credit losses decreased \$2.337 million or 1.5% to \$154.911 million compared with \$157.248 million for the three months ended December 31, 2018. Linked quarter net interest income was impacted by a decrease in loan discount accretion of \$1.110 million.

The net interest margin on a tax equivalent basis was 3.20% for the three months ended March 31, 2019 compared with 3.16% for the same period in 2018. This change was primarily due to higher average yields on loans and investment securities, partially offset by higher average rates on deposits and other borrowings. On a linked quarter basis, the net interest margin was 3.20% compared with 3.15% for the three months ended December 31, 2018. This increase was primarily due to higher yields and average balances on loans and lower average borrowings mainly resulting from the increase in average deposits.

Noninterest income was \$28.144 million for the three months ended March 31, 2019 compared with \$27.938 million for the same period in 2018, an increase of \$206 thousand or 0.7%. On a linked quarter basis, noninterest income decreased \$935 thousand or 3.2% to \$28.144 million compared with \$29.079 million for the three months ended December 31, 2018. This decrease was primarily due to a decrease in NSF fees and credit card, debit card and ATM card income.

Noninterest expense was \$78.571 million for the three months ended March 31, 2019 compared with \$80.054 million for the same period in 2018, a decrease of \$1.483 million or 1.9%. This decrease was primarily due to a decrease in regulatory assessments and FDIC insurance resulting from the elimination of the FDIC temporary surcharge imposed on large banks by the Dodd-Frank Act. On a linked quarter basis, noninterest expense decreased \$2.233 million or 2.8% to \$78.571 million compared with \$80.804 million for the three months ended December 31, 2018. This change was primarily due to decreases in salaries and benefits, other noninterest expense and regulatory assessments and FDIC insurance.

## Balance Sheet Information

At March 31, 2019, Prosperity had \$22.354 billion in total assets, a decrease of \$118.073 million or 0.5%, compared with \$22.472 billion at March 31, 2018.

Loans at March 31, 2019 were \$10.414 billion, an increase of \$402.606 million or 4.0%, compared with \$10.011 billion at March 31, 2018. Linked quarter loans increased \$43.709 million or 0.4% (1.7% annualized) from \$10.370 billion at December 31, 2018.

Deposits at March 31, 2019 were \$17.198 billion, a decrease of \$135.109 million or 0.8%, compared with \$17.333 billion at March 31, 2018. This was primarily due to lower municipal deposits compared with the prior year. Linked quarter deposits decreased \$58.788 million or 0.3% from \$17.257 billion at December 31, 2018.

## Asset Quality

Nonperforming assets totaled \$40.883 million or 0.21% of quarterly average interest-earning assets at March 31, 2019, compared with \$33.217 million or 0.17% of quarterly average interest-earning assets at March 31, 2018, and \$18.956 million or 0.10% of quarterly average interest-earning assets at December 31, 2018. The linked quarter change was primarily due to a commercial and industrial loan and a 1-4 family residential loan being placed on nonaccrual during the first quarter of 2019.

The allowance for credit losses was \$86.091 million or 0.83% of total loans at March 31, 2019, \$83.600 million or 0.84% of total loans at March 31, 2018 and \$86.440 million or 0.83% of total loans at December 31, 2018. Excluding loans acquired that are

(2) Includes purchase accounting adjustments of \$1.238 million, net of tax, primarily comprised of loan discount accretion of \$1.793 million for the three months ended March 31, 2019.

(3) Includes purchase accounting adjustments of \$1.536 million, net of tax, primarily comprised of loan discount accretion of \$2.326 million for the three months ended March 31, 2018.

accounted for under FASB Accounting Standards Codification (“ASC”) Topics 310-20 and 310-30, the allowance for credit losses was 0.87%<sup>(1)</sup> of remaining loans as of March 31, 2019, compared with 0.90%<sup>(1)</sup> at March 31, 2018 and 0.88%<sup>(1)</sup> at December 31, 2018.

The provision for credit losses was \$700 thousand for the three months ended March 31, 2019 compared with \$9.000 million for the three months ended March 31, 2018 and \$1.000 million for the three months ended December 31, 2018.

Net charge-offs were \$1.049 million for the three months ended March 31, 2019 compared with \$9.441 million for the three months ended March 31, 2018 and \$556 thousand for the three months ended December 31, 2018.

## **Dividend**

Prosperity Bancshares, Inc. declared a second quarter cash dividend of \$0.41 per share to be paid on July 1, 2019 to all shareholders of record as of June 14, 2019.

## **Conference Call**

Prosperity’s management team will host a conference call on Wednesday, April 24, 2019 at 11:30 a.m. Eastern Time (10:30 a.m. Central Time) to discuss Prosperity’s first quarter 2019 earnings. Individuals and investment professionals may participate in the call by dialing 877-883-0383 for domestic participants, or 412-902-6506 for international participants. The elite entry number is 5401422.

Alternatively, individuals may listen to the live webcast of the presentation by visiting Prosperity’s website at [www.prosperitybankusa.com](http://www.prosperitybankusa.com). The webcast may be accessed from Prosperity’s home page by selecting “Presentations & Calls” from the drop-down menu on the Investor Relations tab and following the instructions.

## **Non-GAAP Financial Measures**

Prosperity’s management uses certain non-GAAP financial measures to evaluate its performance. Specifically, Prosperity reviews tangible book value per share, return on average tangible common equity, tangible equity to tangible assets ratio and the efficiency ratio, excluding net gains and losses on the sale of assets and securities. Further, as a result of acquisitions and the related purchase accounting adjustments, Prosperity uses certain non-GAAP financial measures and ratios that exclude the impact of these items to evaluate its allowance for credit losses to total loans (excluding acquired loans accounted for under ASC Topics 310-20, “*Receivables-Nonrefundable Fees and Other Costs*” and 310-30, “*Receivables-Loans and Debt Securities Acquired with Deteriorated Credit Quality*”). Prosperity believes these non-GAAP financial measures provide information useful to investors in understanding Prosperity’s financial results and that their presentation, together with the accompanying reconciliations, provides a more complete understanding of factors and trends affecting Prosperity’s business and allows investors to view performance in a manner similar to management, the entire financial services sector, bank stock analysts and bank regulators. Further, Prosperity believes that these non-GAAP financial measures provide useful information by excluding certain items that may not be indicative of its core operating earnings and business outlook. These non-GAAP financial measures should not be considered a substitute for, nor of greater importance than, GAAP basis financial measures and results; Prosperity strongly encourages investors to review its consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies’ non-GAAP financial measures having the same or similar names. Please refer to the “Notes to Selected Financial Data” at the end of this Earnings Release for a reconciliation of these non-GAAP financial measures to the nearest respective GAAP financial measures.

## **Prosperity Bancshares, Inc. ®**

As of March 31, 2019, Prosperity Bancshares, Inc. ® is a \$22.354 billion Houston, Texas based regional financial holding company, formed in 1983. Operating under a community banking philosophy and seeking to develop broad customer relationships based on service and convenience, Prosperity offers a variety of traditional loan and deposit products to its customers, which consist primarily of small and medium sized businesses and consumers. In addition to established banking products, Prosperity offers a complete line of services including: Internet Banking services at [www.prosperitybankusa.com](http://www.prosperitybankusa.com), Retail Brokerage Services, Credit Cards, Debit Cards, 24 hour voice response banking, Trust and Wealth Management, Mortgage Services, Cash Management and Mobile Banking.

As of March 31, 2019, Prosperity operated 242 full-service banking locations: 65 in the Houston area, including The Woodlands; 29 in the South Texas area including Corpus Christi and Victoria; 33 in the Dallas/Fort Worth area; 22 in the East Texas area; 29 in the Central Texas area including Austin and San Antonio; 34 in the West Texas area including Lubbock, Midland-Odessa and Abilene; 16 in the Bryan/College Station area; 6 in the Central Oklahoma area; and 8 in the Tulsa, Oklahoma area.

**“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: This release contains, and the remarks by Prosperity’s management on the conference call may contain, forward-looking statements within the meaning of the securities laws. Forward-looking statements include all statements other than statements of historical fact, including forecasts or trends, and are based on current expectations, assumptions, estimates and projections about Prosperity Bancshares and its subsidiaries. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, many of which are outside of Prosperity’s control, which may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties include but are not limited to whether Prosperity can: successfully identify acquisition targets and integrate the businesses of acquired companies and banks; continue to sustain its current internal growth rate or total growth rate; provide products and services that appeal to its customers; continue to have access to debt and equity capital markets; and achieve its sales objectives. Other risks include, but are not limited to: the possibility that credit quality could deteriorate; actions of competitors; changes in laws and regulations (including changes in governmental interpretations of regulations and changes in accounting standards); a deterioration or downgrade in the credit quality and credit agency ratings of the securities in Prosperity’s securities portfolio; customer and consumer demand, including customer and consumer response to marketing; effectiveness of spending, investments or programs; fluctuations in the cost and availability of supply chain resources; economic conditions, including currency rate, interest rate and commodity price fluctuations; and weather. These and various other factors are discussed in Prosperity Bancshares’ Annual Report on Form 10-K for the year ended December 31, 2018 and other reports and statements Prosperity Bancshares has filed with the SEC. Copies of the SEC filings for Prosperity Bancshares may be downloaded from the Internet at no charge from <http://www.prosperitybankusa.com>.**

**Bryan/College Station Area -**

Bryan  
 Bryan-29<sup>th</sup> Street  
 Bryan-East  
 Bryan-North  
 Caldwell  
 College Station  
 Crescent Point  
 Hearne  
 Huntsville  
 Madisonville  
 Navasota  
 New Waverly  
 Rock Prairie  
 Southwest Parkway  
 Tower Point  
 Wellborn Road

**Central Texas Area -****Austin -**

Allandale  
 Cedar Park  
 Congress  
 Lakeway  
 Liberty Hill  
 Northland  
 Oak Hill  
 Research Blvd  
 Westlake

**Other Central Texas Area****Locations -**

Bastrop  
 Canyon Lake  
 Dime Box  
 Dripping Springs  
 Elgin  
 Flatonia  
 Georgetown  
 Gruene  
 Kingsland  
 La Grange  
 Lexington  
 New Braunfels  
 Pleasanton  
 Round Rock  
 San Antonio  
 Schulenburg  
 Seguin  
 Smithville  
 Thorndale  
 Weimar

**Dallas/Fort Worth Area -****Dallas -**

Abrams Centre  
 Balch Springs  
 Camp Wisdom  
 Cedar Hill  
 Frisco  
 Frisco-West  
 Kiest  
 McKinney  
 McKinney-Stonebridge  
 Midway  
 Plano  
 Preston Forest  
 Preston Road  
 Red Oak  
 Sachse  
 The Colony  
 Turtle Creek  
 Westmoreland

**Fort Worth -**

Haltom City

Keller  
 Roanoke  
 Stockyards

**Other Dallas/Fort Worth Area****Locations -**

Arlington  
 Azle  
 Ennis  
 Gainesville  
 Glen Rose  
 Granbury  
 Mesquite  
 Muenster  
 Sanger  
 Waxahachie  
 Weatherford

**East Texas Area -**

Athens  
 Blooming Grove  
 Canton  
 Carthage  
 Corsicana  
 Crockett  
 Eustace  
 Gilmer  
 Grapeland  
 Gun Barrel City  
 Jacksonville  
 Kerens  
 Longview  
 Mount Vernon  
 Palestine  
 Rusk  
 Seven Points  
 Teague  
 Tyler-Beckham  
 Tyler-South Broadway  
 Tyler-University  
 Winnsboro

**Houston Area -****Houston -**

Aldine  
 Alief  
 Bellaire  
 Beltway  
 Clear Lake  
 Copperfield  
 Cypress  
 Downtown  
 Eastex  
 Fairfield  
 First Colony  
 Fry Road  
 Gessner  
 Gladebrook  
 Grand Parkway  
 Heights  
 Highway 6 West  
 Little York  
 Medical Center  
 Memorial Drive  
 Northside  
 Pasadena  
 Pecan Grove  
 Pin Oak  
 River Oaks  
 Sugar Land  
 SW Medical Center  
 Tanglewood  
 The Plaza  
 Uptown  
 Waugh Drive

Westheimer  
 West University  
 Woodcreek

**Katy -**

Cinco Ranch  
 Katy-Spring Green

**The Woodlands -**

The Woodlands-College Park  
 The Woodlands-I-45  
 The Woodlands-Research Forest

**Other Houston Area****Locations -**

Angleton  
 Bay City  
 Beaumont  
 Cleveland  
 East Bernard  
 El Campo  
 Dayton  
 Galveston  
 Groves  
 Hempstead  
 Hitchcock  
 Liberty  
 Magnolia  
 Magnolia Parkway  
 Mont Belvieu  
 Nederland  
 Needville  
 Rosenberg  
 Shadow Creek  
 Spring  
 Tomball  
 Waller  
 West Columbia  
 Wharton  
 Winnie  
 Wirt

**South Texas Area -****Corpus Christi -**

Calallen  
 Carmel  
 Northwest  
 Saratoga  
 Timbergate  
 Water Street

**Victoria -**

Victoria Main  
 Victoria-Navarro  
 Victoria-North

**Other South Texas Area****Locations -**

Alice  
 Aransas Pass  
 Beeville  
 Colony Creek  
 Cuero  
 Edna  
 Goliad  
 Gonzales  
 Hallettsville  
 Kingsville  
 Mathis  
 Padre Island  
 Palacios  
 Port Lavaca  
 Portland  
 Rockport  
 Sinton

Taft  
 Yoakum  
 Yorktown

**West Texas Area -****Abilene -**

Antilley Road  
 Barrow Street  
 Cypress Street  
 Judge Ely  
 Mockingbird

**Lubbock -**

4<sup>th</sup> Street  
 66<sup>th</sup> Street  
 82<sup>nd</sup> Street  
 86<sup>th</sup> Street  
 98<sup>th</sup> Street  
 Avenue Q  
 North University  
 Texas Tech Student Union

**Midland -**

Wadley  
 Wall Street

**Odessa -**

Grandview  
 Grant  
 Kermit Highway  
 Parkway

**Other West Texas Area****Locations -**

Big Spring  
 Brownfield  
 Brownwood  
 Cisco  
 Comanche  
 Early  
 Floydada  
 Gorman  
 Levelland  
 Littlefield  
 Merkel  
 Plainview  
 San Angelo  
 Slaton  
 Snyder

**Oklahoma****Central Oklahoma Area-****Oklahoma City -**

23<sup>rd</sup> Street  
 Expressway  
 I-240  
 Memorial

**Other Central Oklahoma Area****Locations -**

Edmond  
 Norman

**Tulsa Area-****Tulsa -**

Garnett  
 Harvard  
 Memorial  
 Sheridan  
 S. Harvard  
 Utica Tower  
 Yale

**Other Tulsa Area Locations -**

Owasso

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**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
(In thousands)

	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>Balance Sheet Data (at period end)</b>					
Loans	\$10,414,022	\$10,370,313	\$10,292,846	\$10,146,565	\$10,011,416
Investment securities <sup>(A)</sup>	9,137,645	9,408,966	9,504,733	9,620,614	9,710,254
Federal funds sold	566	552	639	577	469
Allowance for credit losses	(86,091)	(86,440)	(85,996)	(84,964)	(83,600)
Cash and due from banks	291,498	410,575	293,831	274,902	243,514
Goodwill	1,900,845	1,900,845	1,900,845	1,900,845	1,900,845
Core deposit intangibles, net	31,564	32,883	34,295	35,773	37,274
Other real estate owned	2,096	1,805	889	10,316	10,538
Fixed assets, net	257,595	257,046	256,426	255,465	257,057
Other assets	404,501	396,857	414,075	410,647	384,547
Total assets	<u>\$22,354,241</u>	<u>\$22,693,402</u>	<u>\$22,612,583</u>	<u>\$22,570,740</u>	<u>\$22,472,314</u>
Noninterest-bearing deposits	\$ 5,673,707	\$ 5,666,115	\$ 5,700,242	\$ 5,657,589	\$ 5,707,994
Interest-bearing deposits	11,524,063	11,590,443	11,033,522	11,321,015	11,624,885
Total deposits	17,197,770	17,256,558	16,733,764	16,978,604	17,332,879
Other borrowings	680,952	1,031,126	1,501,207	1,254,849	820,079
Securities sold under repurchase agreements	254,573	284,720	297,126	293,039	339,576
Other liabilities	111,156	68,174	84,789	108,796	103,635
Total liabilities	18,244,451	18,640,578	18,616,886	18,635,288	18,596,169
Shareholders' equity <sup>(B)</sup>	4,109,790	4,052,824	3,995,697	3,935,452	3,876,145
Total liabilities and equity	<u>\$22,354,241</u>	<u>\$22,693,402</u>	<u>\$22,612,583</u>	<u>\$22,570,740</u>	<u>\$22,472,314</u>

(A) Includes \$895, \$392, \$586, \$436 and \$57 in unrealized gains on available for sale securities for the quarterly periods ended March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively.

(B) Includes \$706, \$310, \$463, \$345 and \$45 in after-tax unrealized gains on available for sale securities for the quarterly periods ended March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively.

**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
(In thousands)

	Three Months Ended				
	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>Income Statement Data</b>					
Interest income:					
Loans	\$ 130,065	\$ 130,627	\$ 128,645	\$ 128,445	\$ 116,246
Securities <sup>(C)</sup>	55,648	56,170	55,705	55,577	54,457
Federal funds sold and other earning assets	402	397	326	299	315
Total interest income	<u>186,115</u>	<u>187,194</u>	<u>184,676</u>	<u>184,321</u>	<u>171,018</u>
Interest expense:					
Deposits	25,128	21,643	19,208	16,061	14,472
Other borrowings	5,317	7,639	7,583	6,046	2,973
Securities sold under repurchase agreements	759	664	566	411	350
Total interest expense	<u>31,204</u>	<u>29,946</u>	<u>27,357</u>	<u>22,518</u>	<u>17,795</u>
Net interest income	154,911	157,248	157,319	161,803	153,223
Provision for credit losses	700	1,000	2,350	4,000	9,000
Net interest income after provision for credit losses	<u>154,211</u>	<u>156,248</u>	<u>154,969</u>	<u>157,803</u>	<u>144,223</u>
Noninterest income:					
Nonsufficient funds (NSF) fees	7,816	8,902	8,606	7,828	7,827
Credit card, debit card and ATM card income	5,971	6,508	6,242	6,335	5,961
Service charges on deposit accounts	4,998	5,090	5,137	5,150	5,275
Trust income	2,595	2,507	2,692	2,251	2,728
Mortgage income	722	627	856	1,109	763
Brokerage income	673	521	784	687	625
Bank owned life insurance income	1,289	1,330	1,326	1,317	1,311
Net gain (loss) on sale of assets	58	(715)	4	(44)	—
Net loss on sale of securities	—	—	—	(13)	—
Other noninterest income	4,022	4,309	4,977	3,751	3,448
Total noninterest income	<u>28,144</u>	<u>29,079</u>	<u>30,624</u>	<u>28,371</u>	<u>27,938</u>
Noninterest expense:					
Salaries and benefits	51,073	51,852	51,906	53,360	50,399
Net occupancy and equipment	5,466	5,651	5,808	5,692	5,609
Credit and debit card, data processing and software amortization	4,573	4,474	4,512	4,356	4,448
Regulatory assessments and FDIC insurance	2,374	2,764	3,347	3,575	3,575
Core deposit intangibles amortization	1,319	1,412	1,478	1,501	1,568
Depreciation	3,104	3,139	3,139	3,054	3,033
Communications	2,270	2,404	2,442	2,606	2,580
Other real estate expense	83	110	219	83	89
Net (gain) loss on sale or write-down of other real estate	(177)	91	(2)	10	122
Other noninterest expense	8,486	8,907	8,911	9,365	8,631
Total noninterest expense	<u>78,571</u>	<u>80,804</u>	<u>81,760</u>	<u>83,602</u>	<u>80,054</u>
Income before income taxes	103,784	104,523	103,833	102,572	92,107
Provision for income taxes	21,382	21,192	21,310	20,975	17,746
Net income available to common shareholders	<u>\$ 82,402</u>	<u>\$ 83,331</u>	<u>\$ 82,523</u>	<u>\$ 81,597</u>	<u>\$ 74,361</u>

(C) Interest income on securities was reduced by net premium amortization of \$6,589, \$7,338, \$8,073, \$7,753 and \$8,450 for the three-month periods ended March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively.

**Prosperity Bancshares, Inc.®**  
**Financial Highlights (Unaudited)**  
(Dollars and share amounts in thousands, except per share data and market prices)

	Three Months Ended				
	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>Profitability</b>					
Net income <sup>(D) (E)</sup>	\$ 82,402	\$ 83,331	\$ 82,523	\$ 81,597	\$ 74,361
Basic earnings per share	\$ 1.18	\$ 1.19	\$ 1.18	\$ 1.17	\$ 1.07
Diluted earnings per share	\$ 1.18	\$ 1.19	\$ 1.18	\$ 1.17	\$ 1.07
Return on average assets <sup>(F)</sup>	1.46%	1.47%	1.46%	1.44%	1.32%
Return on average common equity <sup>(F)</sup>	8.05%	8.25%	8.30%	8.33%	7.69%
Return on average tangible common equity <sup>(F) (G)</sup>	15.24%	15.84%	16.17%	16.48%	15.43%
Tax equivalent net interest margin <sup>(D) (E) (H)</sup>	3.20%	3.15%	3.15%	3.28%	3.16%
Efficiency ratio <sup>(G) (I)</sup>	42.94%	43.20%	43.50%	43.95%	44.19%
<b>Liquidity and Capital Ratios</b>					
Equity to assets	18.38%	17.86%	17.67%	17.44%	17.25%
Common equity tier 1 capital	16.76%	16.32%	15.94%	15.65%	15.31%
Tier 1 risk-based capital	16.76%	16.32%	15.94%	15.65%	15.31%
Total risk-based capital	17.42%	16.99%	16.60%	16.32%	15.97%
Tier 1 leverage capital	10.59%	10.23%	9.94%	9.68%	9.40%
Period end tangible equity to period end tangible assets <sup>(G)</sup>	10.66%	10.21%	9.97%	9.69%	9.44%
<b>Other Data</b>					
Weighted-average shares used in computing earnings per common share					
Basic	69,847	69,838	69,838	69,839	69,768
Diluted	69,847	69,838	69,838	69,839	69,768
Period end shares outstanding	69,846	69,847	69,838	69,838	69,819
Cash dividends paid per common share	\$ 0.41	\$ 0.41	\$ 0.36	\$ 0.36	\$ 0.36
Book value per common share	\$ 58.84	\$ 58.02	\$ 57.21	\$ 56.35	\$ 55.52
Tangible book value per common share <sup>(G)</sup>	\$ 31.17	\$ 30.34	\$ 29.50	\$ 28.62	\$ 27.76
<b>Common Stock Market Price</b>					
High	\$ 75.36	\$ 72.24	\$ 76.25	\$ 76.92	\$ 79.20
Low	\$ 61.65	\$ 57.01	\$ 67.27	\$ 67.30	\$ 68.95
Period end closing price	\$ 69.06	\$ 62.30	\$ 69.35	\$ 68.36	\$ 72.63
Employees – FTE	3,065	3,036	3,029	3,044	3,027
Number of banking centers	242	242	242	242	242

(D) Includes purchase accounting adjustments for the periods presented as follows:

	Three Months Ended				
	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>Loan discount accretion</b>					
ASC 310-20	\$1,474	\$1,289	\$1,287	\$1,452	\$1,640
ASC 310-30	\$319	\$1,614	\$2,170	\$3,771	\$686
Securities net amortization	\$234	\$270	\$291	\$366	\$477
Time deposits amortization	—	—	—	\$53	\$53

(E) Using effective tax rate of 20.6%, 20.3%, 20.5%, 20.4% and 19.3% for the three-month periods ended March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively.

(F) Interim periods annualized.

(G) Refer to the "Notes to Selected Financial Data" at the end of this Earnings Release for a reconciliation of this non-GAAP financial measure to the nearest GAAP financial measure.

(H) Net interest margin for all periods presented is based on average balances on an actual 365 day basis.

(I) 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.



**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
**(Dollars in thousands)**

**YIELD ANALYSIS**

	Three Months Ended								
	Mar 31, 2019			Dec 31, 2018			Mar 31, 2018		
	Average Balance	Interest Earned/ Interest Paid	Average Yield/ Rate <sup>(J)</sup>	Average Balance	Interest Earned/ Interest Paid	Average Yield/ Rate <sup>(J)</sup>	Average Balance	Interest Earned/ Interest Paid	Average Yield/ Rate <sup>(J)</sup>
<b>Interest-Earning Assets:</b>									
Loans	\$ 10,392,235	\$ 130,065	5.08%	\$ 10,319,596	\$ 130,627	5.02%	\$ 9,990,319	\$ 116,246	4.72%
Investment securities	9,299,963	55,648	2.43% <sup>(K)</sup>	9,499,166	56,170	2.35% <sup>(K)</sup>	9,742,601	54,457	2.27% <sup>(K)</sup>
Federal funds sold and other earning assets	71,842	402	2.27%	100,339	397	1.57%	81,779	315	1.56%
Total interest-earning assets	<u>19,764,040</u>	<u>186,115</u>	3.82%	<u>19,919,101</u>	<u>187,194</u>	3.73%	<u>19,814,699</u>	<u>171,018</u>	3.50%
Allowance for credit losses	(86,507)			(86,464)			(81,983)		
Noninterest-earning assets	<u>2,864,039</u>			<u>2,861,369</u>			<u>2,823,785</u>		
Total assets	<u>\$22,541,572</u>			<u>\$22,694,006</u>			<u>\$22,556,501</u>		
<b>Interest-Bearing Liabilities:</b>									
Interest-bearing demand deposits	\$ 4,148,377	\$ 6,812	0.67%	\$ 3,720,133	\$ 5,327	0.57%	\$ 4,392,230	\$ 5,063	0.47%
Savings and money market deposits	5,472,789	11,184	0.83%	5,382,699	9,842	0.73%	5,478,411	5,242	0.39%
Certificates and other time deposits	2,062,753	7,132	1.40%	2,087,871	6,474	1.23%	2,168,951	4,167	0.78%
Other borrowings	844,873	5,317	2.55%	1,297,917	7,639	2.34%	731,500	2,973	1.65%
Securities sold under repurchase agreements	272,630	759	1.13%	285,984	664	0.92%	327,136	350	0.43%
Total interest-bearing liabilities	<u>12,801,422</u>	<u>31,204</u>	0.99% <sup>(L)</sup>	<u>12,774,604</u>	<u>29,946</u>	0.93% <sup>(L)</sup>	<u>13,098,228</u>	<u>17,795</u>	0.55% <sup>(L)</sup>
<b>Noninterest-bearing liabilities:</b>									
Noninterest-bearing demand deposits	5,557,821			5,785,882			5,510,320		
Other liabilities	86,868			95,124			81,414		
Total liabilities	<u>18,446,111</u>			<u>18,655,610</u>			<u>18,689,962</u>		
Shareholders' equity	4,095,461			4,038,396			3,866,539		
Total liabilities and shareholders' equity	<u>\$22,541,572</u>			<u>\$22,694,006</u>			<u>\$22,556,501</u>		
Net interest income and margin		<u>\$ 154,911</u>	3.18%		<u>\$ 157,248</u>	3.13%		<u>\$ 153,223</u>	3.14%
<b>Non-GAAP to GAAP reconciliation:</b>									
Tax equivalent adjustment		<u>863</u>			<u>892</u>			<u>941</u>	
Net interest income and margin (tax equivalent basis)		<u>\$ 155,774</u>	3.20%		<u>\$ 158,140</u>	3.15%		<u>\$ 154,164</u>	3.16%

**(J) Annualized and based on an actual 365 day basis.**

**(K) Yield on securities was impacted by net premium amortization of \$6,589, \$7,338 and \$8,450 for the three-month periods ended March 31, 2019, December 31, 2018 and March 31, 2018, respectively.**

**(L) Total cost of funds, including noninterest bearing deposits, was 0.69%, 0.64% and 0.39% for the three months ended March 31, 2019, December 31, 2018 and March 31, 2018, respectively.**

**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
**(Dollars in thousands)**

	Three Months Ended				
	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>YIELD TREND <sup>(M)</sup></b>					
<b>Interest-Earning Assets:</b>					
Loans	5.08%	5.02%	5.00%	5.13%	4.72%
Investment securities <sup>(N)</sup>	2.43%	2.35%	2.29%	2.28%	2.27%
Federal funds sold and other earning assets	2.27%	1.57%	1.90%	1.50%	1.56%
Total interest-earning assets	3.82%	3.73%	3.68%	3.72%	3.50%
<b>Interest-Bearing Liabilities:</b>					
Interest-bearing demand deposits	0.67%	0.57%	0.51%	0.50%	0.47%
Savings and money market deposits	0.83%	0.73%	0.67%	0.50%	0.39%
Certificates and other time deposits	1.40%	1.23%	1.02%	0.84%	0.78%
Other borrowings	2.55%	2.34%	2.08%	1.91%	1.65%
Securities sold under repurchase agreements	1.13%	0.92%	0.78%	0.55%	0.43%
Total interest-bearing liabilities	0.99%	0.93%	0.84%	0.70%	0.55%
Net Interest Margin	3.18%	3.13%	3.13%	3.26%	3.14%
Net Interest Margin (tax equivalent)	3.20%	3.15%	3.15%	3.28%	3.16%

(M) Annualized and based on average balances on an actual 365 day basis.

(N) Yield on securities was impacted by net premium amortization of \$6,589, \$7,338, \$8,073, \$7,753 and \$8,450 for the three-month periods ended March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively.

**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
**(Dollars in thousands)**

	Three Months Ended				
	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>Balance Sheet Averages</b>					
Loans	\$ 10,392,235	\$ 10,319,596	\$ 10,208,171	\$ 10,044,064	\$ 9,990,319
Investment securities	9,299,963	9,499,166	9,647,744	9,770,963	9,742,601
Federal funds sold and other earning assets	71,842	100,339	67,974	79,947	81,779
Total interest-earning assets	19,764,040	19,919,101	19,923,889	19,894,974	19,814,699
Allowance for credit losses	(86,507)	(86,464)	(85,254)	(84,285)	(81,983)
Cash and due from banks	266,316	252,481	232,643	234,856	269,917
Goodwill	1,900,845	1,900,845	1,900,845	1,900,845	1,900,845
Core deposit intangibles, net	32,243	33,580	35,041	36,550	38,064
Other real estate	2,100	1,325	9,193	10,386	10,758
Fixed assets, net	257,811	257,726	256,458	256,281	257,465
Other assets	404,724	415,412	385,976	370,279	346,736
Total assets	<u>\$ 22,541,572</u>	<u>\$ 22,694,006</u>	<u>\$ 22,658,791</u>	<u>\$ 22,619,886</u>	<u>\$ 22,556,501</u>
Noninterest-bearing deposits	\$ 5,557,821	\$ 5,785,882	\$ 5,646,183	\$ 5,646,114	\$ 5,510,320
Interest-bearing demand deposits	4,148,377	3,720,133	3,676,452	3,971,356	4,392,230
Savings and money market deposits	5,472,789	5,382,699	5,465,143	5,342,323	5,478,411
Certificates and other time deposits	2,062,753	2,087,871	2,055,652	2,094,065	2,168,951
Total deposits	17,241,740	16,976,585	16,843,430	17,053,858	17,549,912
Other borrowings	844,873	1,297,917	1,447,328	1,272,032	731,500
Securities sold under repurchase agreements	272,630	285,984	288,706	300,471	327,136
Other liabilities	86,868	95,124	102,092	75,161	81,414
Shareholders' equity	4,095,461	4,038,396	3,977,235	3,918,364	3,866,539
Total liabilities and equity	<u>\$ 22,541,572</u>	<u>\$ 22,694,006</u>	<u>\$ 22,658,791</u>	<u>\$ 22,619,886</u>	<u>\$ 22,556,501</u>

**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
**(Dollars in thousands)**

	Mar 31, 2019		Dec 31, 2018		Sep 30, 2018		Jun 30, 2018		Mar 31, 2018	
<b>Period End Balances</b>										
<b>Loan Portfolio</b>										
Commercial and industrial	\$ 1,117,753	10.7%	\$ 1,111,089	10.7%	\$ 1,159,735	11.3%	\$ 1,168,892	11.5%	\$ 1,148,980	11.5%
Construction, land development and other land loans	1,709,283	16.4%	1,622,289	15.7%	1,560,142	15.2%	1,542,771	15.2%	1,502,393	15.0%
1-4 family residential	2,444,434	23.5%	2,438,949	23.5%	2,440,157	23.7%	2,418,021	23.8%	2,438,224	24.4%
Home equity	262,276	2.5%	267,960	2.6%	273,608	2.7%	277,447	2.7%	284,339	2.8%
Commercial real estate (includes multi-family residential)	3,496,688	33.6%	3,538,557	34.1%	3,507,223	34.1%	3,405,466	33.6%	3,330,860	33.3%
Agriculture (includes farmland)	708,348	6.8%	729,501	7.0%	705,750	6.8%	709,617	7.0%	671,319	6.7%
Consumer and other	294,405	2.8%	289,486	2.8%	281,112	2.7%	271,724	2.7%	259,896	2.6%
Energy	380,835	3.7%	372,482	3.6%	365,119	3.5%	352,627	3.5%	375,405	3.7%
Total loans	<u>\$10,414,022</u>		<u>\$10,370,313</u>		<u>\$10,292,846</u>		<u>\$10,146,565</u>		<u>\$10,011,416</u>	
<b>Deposit Types</b>										
Noninterest-bearing DDA	\$ 5,673,707	33.0%	\$ 5,666,115	32.8%	\$ 5,700,242	34.1%	\$ 5,657,589	33.3%	\$ 5,707,994	32.9%
Interest-bearing DDA	3,875,109	22.5%	4,124,412	23.9%	3,551,456	21.2%	3,808,694	22.4%	4,106,255	23.7%
Money market	3,302,445	19.2%	3,115,531	18.1%	3,100,310	18.5%	3,153,261	18.6%	3,062,999	17.7%
Savings	2,293,134	13.3%	2,271,170	13.2%	2,291,952	13.7%	2,311,795	13.6%	2,314,112	13.3%
Certificates and other time deposits	2,053,375	12.0%	2,079,330	12.0%	2,089,804	12.5%	2,047,265	12.1%	2,141,519	12.4%
Total deposits	<u>\$17,197,770</u>		<u>\$17,256,558</u>		<u>\$16,733,764</u>		<u>\$16,978,604</u>		<u>\$17,332,879</u>	
Loan to Deposit Ratio	60.6%		60.1%		61.5%		59.8%		57.8%	

**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
(Dollars in thousands)

**Construction Loans**

	Mar 31, 2019		Dec 31, 2018		Sep 30, 2018		Jun 30, 2018		Mar 31, 2018	
Single family residential construction	\$ 454,041	26.5%	\$ 441,487	27.2%	\$ 422,738	27.1%	\$ 426,767	27.6%	\$ 417,302	27.7%
Land development	84,562	4.9%	89,226	5.5%	89,357	5.7%	88,562	5.7%	88,609	5.9%
Raw land	156,674	9.2%	152,516	9.4%	137,400	8.8%	134,906	8.7%	128,771	8.5%
Residential lots	119,301	7.0%	124,429	7.6%	122,366	7.8%	118,759	7.7%	113,813	7.6%
Commercial lots	92,683	5.4%	92,234	5.7%	95,982	6.1%	92,283	6.0%	91,653	6.1%
Commercial construction and other	802,996	47.0%	723,740	44.6%	693,917	44.5%	683,255	44.3%	664,437	44.2%
Net unaccreted discount	(974)		(1,343)		(1,618)		(1,761)		(2,192)	
<b>Total construction loans</b>	<b>\$ 1,709,283</b>		<b>\$ 1,622,289</b>		<b>\$ 1,560,142</b>		<b>\$ 1,542,771</b>		<b>\$ 1,502,393</b>	

**Non-Owner Occupied Commercial Real Estate Loans by Metropolitan Statistical Area (MSA) as of March 31, 2019**

Collateral Type	Houston	Dallas	Austin	OK City	Tulsa	Other <sup>(O)</sup>	Total
Shopping center/retail	\$ 264,388	\$ 80,499	\$ 26,412	\$ 16,140	\$ 31,148	\$ 142,240	\$ 560,827
Commercial and industrial buildings	128,914	34,154	15,627	10,633	19,980	77,947	287,255
Office buildings	98,867	118,764	25,650	45,121	11,222	69,914	369,538
Medical buildings	30,080	4,091	10,925	5,156	10,311	48,956	109,519
Apartment buildings	22,658	12,598	18,422	11,473	8,552	67,448	141,151
Hotel	51,403	61,564	22,055	32,009	—	152,230	319,261
Other	43,821	14,409	20,508	10,771	15,046	80,281	184,836
<b>Total</b>	<b>\$ 640,131</b>	<b>\$ 326,079</b>	<b>\$ 139,599</b>	<b>\$ 131,303</b>	<b>\$ 96,259</b>	<b>\$ 639,016</b>	<b>\$ 1,972,387 <sup>(P)</sup></b>

**Acquired Loans**

	Acquired Loans Accounted for Under ASC 310-20			Acquired Loans Accounted for Under ASC 310-30			Total Loans Accounted for Under ASC 310-20 and 310-30		
	Balance at Acquisition Date	Balance at Dec 31, 2018	Balance at Mar 31, 2019	Balance at Acquisition Date	Balance at Dec 31, 2018	Balance at Mar 31, 2019	Balance at Acquisition Date	Balance at Dec 31, 2018	Balance at Mar 31, 2019
<b>Loan marks:</b>									
Acquired banks <sup>(Q)</sup>	\$ 229,080	\$ 14,833	\$ 13,359	\$ 142,128	\$ 2,831	\$ 2,512	\$ 371,208	\$ 17,664	\$ 15,871
<b>Acquired portfolio loan balances:</b>									
Acquired banks <sup>(Q)</sup>	5,690,998	526,840	490,442	275,221	11,419	10,844	5,966,219 <sup>(R)</sup>	538,259	501,286
<b>Acquired portfolio loan balances less loan marks</b>	<b>\$ 5,461,918</b>	<b>\$ 512,007</b>	<b>\$ 477,083</b>	<b>\$ 133,093</b>	<b>\$ 8,588</b>	<b>\$ 8,332</b>	<b>\$ 5,595,011</b>	<b>\$ 520,595</b>	<b>\$ 485,415</b>

**(O) Includes other MSA and non-MSA regions.**

**(P) Represents a portion of total commercial real estate loans of \$3.497 billion as of March 31, 2019.**

**(Q) Includes Bank of Texas, Bank Arlington, American State Bank, Community National Bank, First Federal Bank Texas, Coppermark Bank, First Victoria National Bank, The F&M Bank & Trust Company and Tradition Bank.**

**(R) Actual principal balances acquired.**

**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Financial Highlights (Unaudited)**  
**(Dollars in thousands)**

	Three Months Ended				
	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>Asset Quality</b>					
Nonaccrual loans	\$ 37,491	\$ 13,147	\$ 13,399	\$ 20,415	\$ 22,572
Accruing loans 90 or more days past due	647	4,004	2,379	854	107
Total nonperforming loans	38,138	17,151	15,778	21,269	22,679
Reposessed assets	649	—	110	—	—
Other real estate	2,096	1,805	889	10,316	10,538
Total nonperforming assets	<u>\$ 40,883</u>	<u>\$ 18,956</u>	<u>\$ 16,777</u>	<u>\$ 31,585</u>	<u>\$ 33,217</u>
<b>Nonperforming assets:</b>					
Commercial and industrial (includes energy)	\$ 17,119	\$ 4,435	\$ 6,620	\$ 12,234	\$ 13,558
Construction, land development and other land loans	1,488	3,100	2,046	1,829	1,019
1-4 family residential (includes home equity)	17,508	8,135	4,527	4,884	5,440
Commercial real estate (includes multi-family residential)	4,166	2,982	3,254	12,038	12,992
Agriculture (includes farmland)	542	256	262	519	128
Consumer and other	60	48	68	81	80
Total	<u>\$ 40,883</u>	<u>\$ 18,956</u>	<u>\$ 16,777</u>	<u>\$ 31,585</u>	<u>\$ 33,217</u>
Number of loans/properties	<u>84</u>	<u>83</u>	<u>83</u>	<u>90</u>	<u>95</u>
Allowance for credit losses at end of period	<u>\$ 86,091</u>	<u>\$ 86,440</u>	<u>\$ 85,996</u>	<u>\$ 84,964</u>	<u>\$ 83,600</u>
<b>Net charge-offs:</b>					
Commercial and industrial (includes energy)	\$ 1,719	\$ (685)	\$ 657	\$ 1,047	\$ 8,016
Construction, land development and other land loans	—	97	(1)	(1)	123
1-4 family residential (includes home equity)	(3)	42	11	114	257
Commercial real estate (includes multi-family residential)	(1)	34	(10)	986	502
Agriculture (includes farmland)	(1,278)	(54)	(113)	(45)	(61)
Consumer and other	612	1,122	774	535	604
Total	<u>\$ 1,049</u>	<u>\$ 556</u>	<u>\$ 1,318</u>	<u>\$ 2,636</u>	<u>\$ 9,441</u>
<b>Asset Quality Ratios</b>					
Nonperforming assets to average interest-earning assets	0.21%	0.10%	0.08%	0.16%	0.17%
Nonperforming assets to loans and other real estate	0.39%	0.18%	0.16%	0.31%	0.33%
Net charge-offs to average loans (annualized)	0.04%	0.02%	0.05%	0.10%	0.38%
Allowance for credit losses to total loans	0.83%	0.83%	0.84%	0.84%	0.84%
Allowance for credit losses to total loans (excluding acquired loans accounted for under ASC Topics 310-20 and 310-30) <sup>(G)</sup>	0.87%	0.88%	0.88%	0.89%	0.90%

**Prosperity Bancshares, Inc.<sup>®</sup>**  
**Notes to Selected Financial Data (Unaudited)**  
(Dollars and share amounts in thousands, except per share data)

**Consolidated Financial Highlights**

**NOTES TO SELECTED FINANCIAL DATA**

Prosperity's management uses certain non-GAAP (generally accepted accounting principles) financial measures to evaluate its performance. Specifically, Prosperity reviews tangible book value per share, return on average tangible common equity, the tangible equity to tangible assets ratio and the efficiency ratio, excluding net gains and losses on the sale of assets and securities, for internal planning and forecasting purposes. In addition, due to the application of purchase accounting, Prosperity uses certain non-GAAP financial measures and ratios that exclude the impact of these items to evaluate its allowance for credit losses to total loans (excluding acquired loans accounted for under ASC Topics 310-20 and 310-30). Prosperity has included information below relating to these non-GAAP financial measures for the applicable periods presented.

	Three Months Ended				
	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
<b>Reconciliation of return on average common equity to return on average tangible common equity:</b>					
Net income	\$ 82,402	\$ 83,331	\$ 82,523	\$ 81,597	\$ 74,361
Average shareholders' equity	\$ 4,095,461	\$ 4,038,396	\$ 3,977,235	\$ 3,918,364	\$ 3,866,539
Less: Average goodwill and other intangible assets	(1,933,088)	(1,934,425)	(1,935,886)	(1,937,395)	(1,938,909)
Average tangible shareholders' equity	\$ 2,162,373	\$ 2,103,971	\$ 2,041,349	\$ 1,980,969	\$ 1,927,630
Return on average tangible common equity <sup>(F)</sup>	15.24%	15.84%	16.17%	16.48%	15.43%
<b>Reconciliation of book value per share to tangible book value per share:</b>					
Shareholders' equity	\$ 4,109,790	\$ 4,052,824	\$ 3,995,697	\$ 3,935,452	\$ 3,876,145
Less: Goodwill and other intangible assets	(1,932,409)	(1,933,728)	(1,935,140)	(1,936,618)	(1,938,119)
Tangible shareholders' equity	\$ 2,177,381	\$ 2,119,096	\$ 2,060,557	\$ 1,998,834	\$ 1,938,026
Period end shares outstanding	69,846	69,847	69,838	69,838	69,819
Tangible book value per share:	\$ 31.17	\$ 30.34	\$ 29.50	\$ 28.62	\$ 27.76
<b>Reconciliation of equity to assets ratio to period end tangible equity to period end tangible assets ratio:</b>					
Tangible shareholders' equity	\$ 2,177,381	\$ 2,119,096	\$ 2,060,557	\$ 1,998,834	\$ 1,938,026
Total assets	\$ 22,354,241	\$ 22,693,402	\$ 22,612,583	\$ 22,570,740	\$ 22,472,314
Less: Goodwill and other intangible assets	(1,932,409)	(1,933,728)	(1,935,140)	(1,936,618)	(1,938,119)
Tangible assets	\$ 20,421,832	\$ 20,759,674	\$ 20,677,443	\$ 20,634,122	\$ 20,534,195
Period end tangible equity to period end tangible assets ratio:	10.66%	10.21%	9.97%	9.69%	9.44%
<b>Reconciliation of allowance for credit losses to total loans to allowance for credit losses to total loans, excluding acquired loans:</b>					
Allowance for credit losses	\$ 86,091	\$ 86,440	\$ 85,996	\$ 84,964	\$ 83,600
Total loans	\$ 10,414,022	\$ 10,370,313	\$ 10,292,846	\$ 10,146,565	\$ 10,011,416
Less: Fair value of acquired loans (acquired portfolio loan balances less loan marks)	\$ 485,415	\$ 520,595	\$ 572,095	\$ 622,534	\$ 681,888
Total loans less acquired loans	\$ 9,928,607	\$ 9,849,718	\$ 9,720,751	\$ 9,524,031	\$ 9,329,528
Allowance for credit losses to total loans, excluding acquired loans (non-GAAP basis)	0.87%	0.88%	0.88%	0.89%	0.90%
<b>Reconciliation of efficiency ratio to efficiency ratio, excluding net gains and losses on the sale of assets and securities:</b>					
Noninterest expense	\$ 78,571	\$ 80,804	\$ 81,760	\$ 83,602	\$ 80,054
Net interest income	\$ 154,911	\$ 157,248	\$ 157,319	\$ 161,803	\$ 153,223
Noninterest income	28,144	29,079	30,624	28,371	27,938
Less: net gain (loss) on sale of assets	58	(715)	4	(44)	—
Less: net loss on sale of securities	—	—	—	(13)	—
Noninterest income excluding net gains and losses on the sale of assets and securities	28,086	29,794	30,620	28,428	27,938
Total income excluding net gains and losses on the sale of assets and securities	\$ 182,997	\$ 187,042	\$ 187,939	\$ 190,231	\$ 181,161
Efficiency ratio, excluding net gains and losses on the sale of assets and securities	42.94%	43.20%	43.50%	43.95%	44.19%