



— PROSPERITY —  
BANCSHARES, INC.®

# “Safe Harbor” Statement

under the Private Securities Litigation Reform Act of 1995



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**Statements contained in this presentation which are not historical facts and which pertain to future operating results of Prosperity Bancshares<sup>®</sup>, 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<sup>®</sup> may be downloaded from the Internet at no charge from [www.prosperitybankusa.com](http://www.prosperitybankusa.com).**

# 1Q15 Highlights



- **Strong Earnings - \$73.6 million or \$1.05 per share (diluted), an increase of 9.7% and 4.0%, respectively, when compared to same period last year**
- **Significant balance sheet growth - assets increased 14.2%, loans 18.2% and deposits 13.6% when compared to March 31, 2014**
- **Net Interest Income before provision for credit losses increased 13.4% to \$162.9 million when compared to same period in 2014**
- **Tangible Common Equity Ratio was 6.93% and Leverage Ratio was 6.96% at March 31, 2015**
- **Excellent asset quality – Annualized Net Charge Offs / Average Loans of 0.05% for three months ending March 31, 2015**
- **Non-Performing Assets to Average Earning Assets remain low at 0.19% or \$35.4 million for the first quarter 2015**

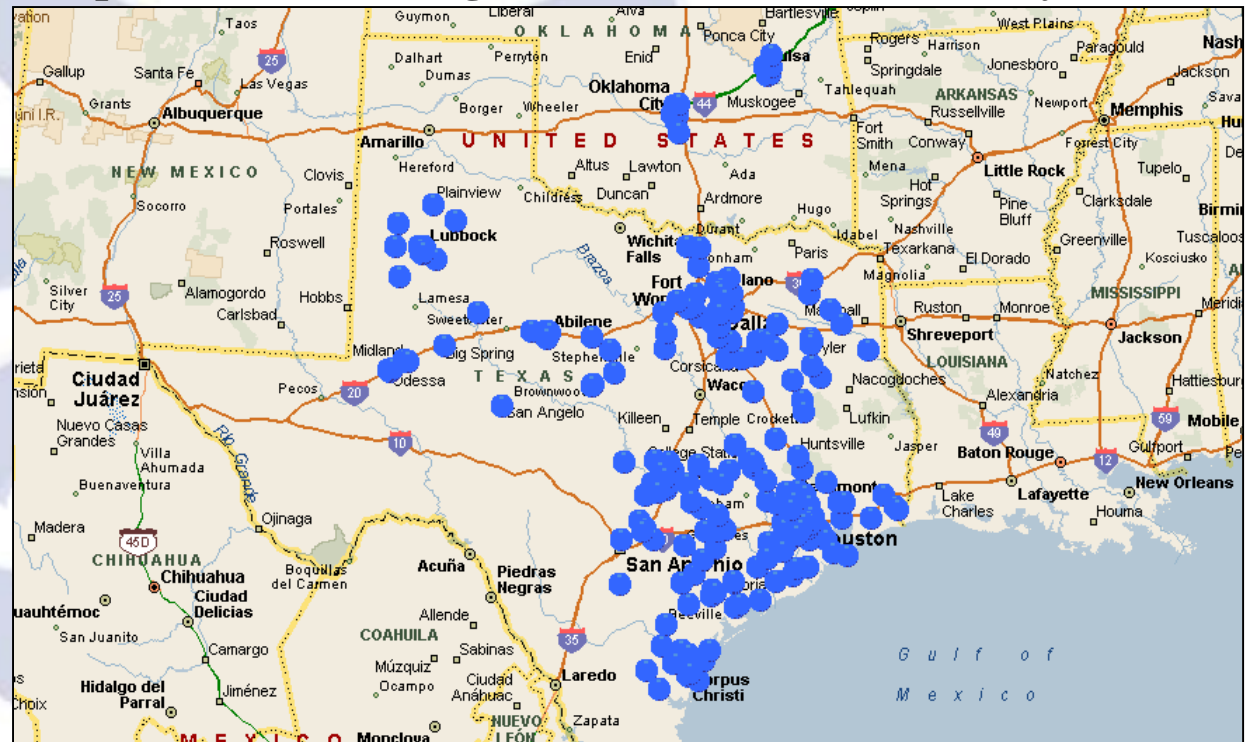
# Corporate Profile



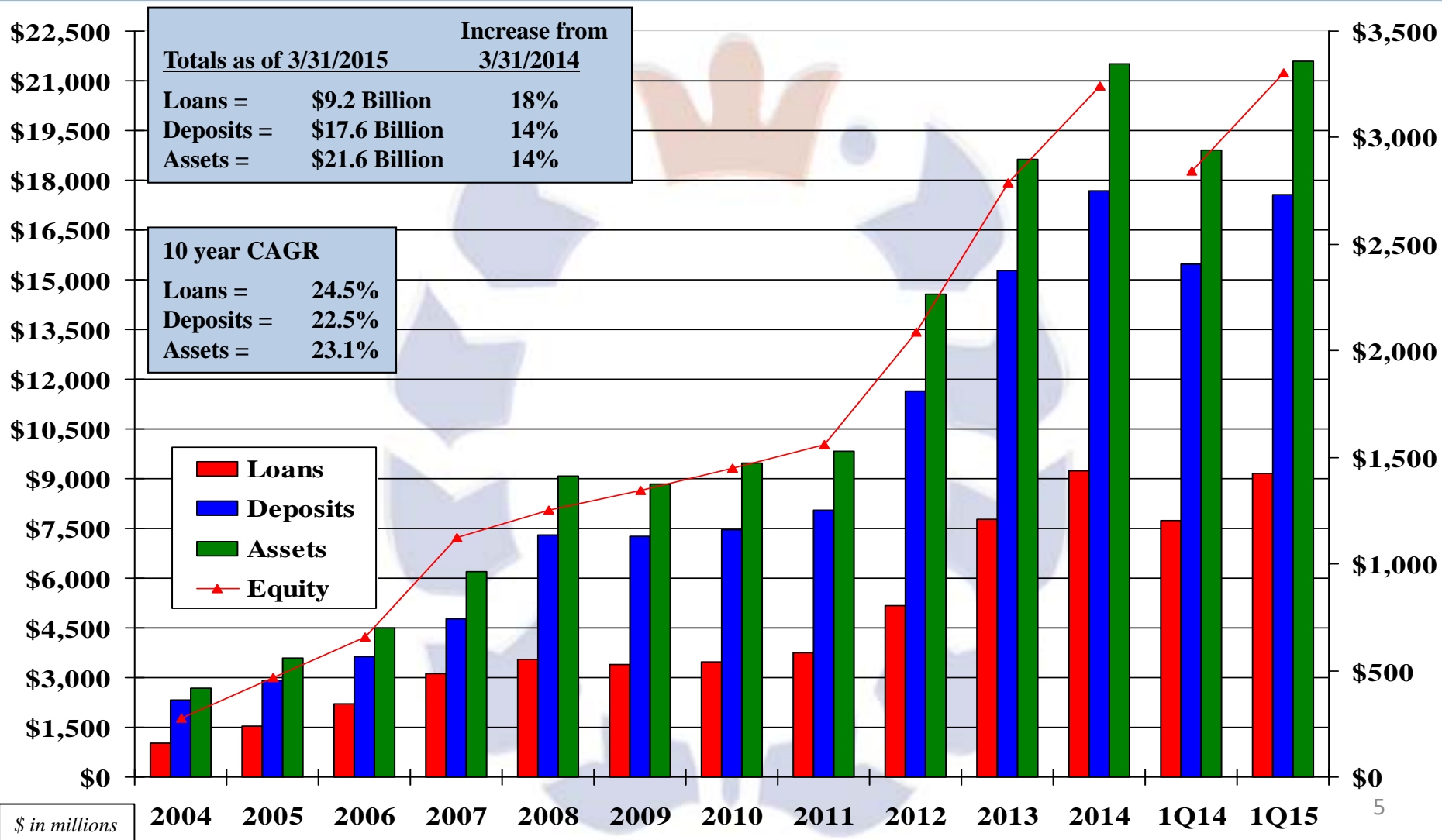
- A Texas based financial holding company with approximately \$22 billion in assets, and the 2<sup>nd</sup> largest Texas based commercial bank by Texas deposits
- Shareholder driven with 6.0% fully diluted insider ownership
- Successful integration of 36 acquisitions, including 8 transactions since January 2012

## *244 Full Service Locations*

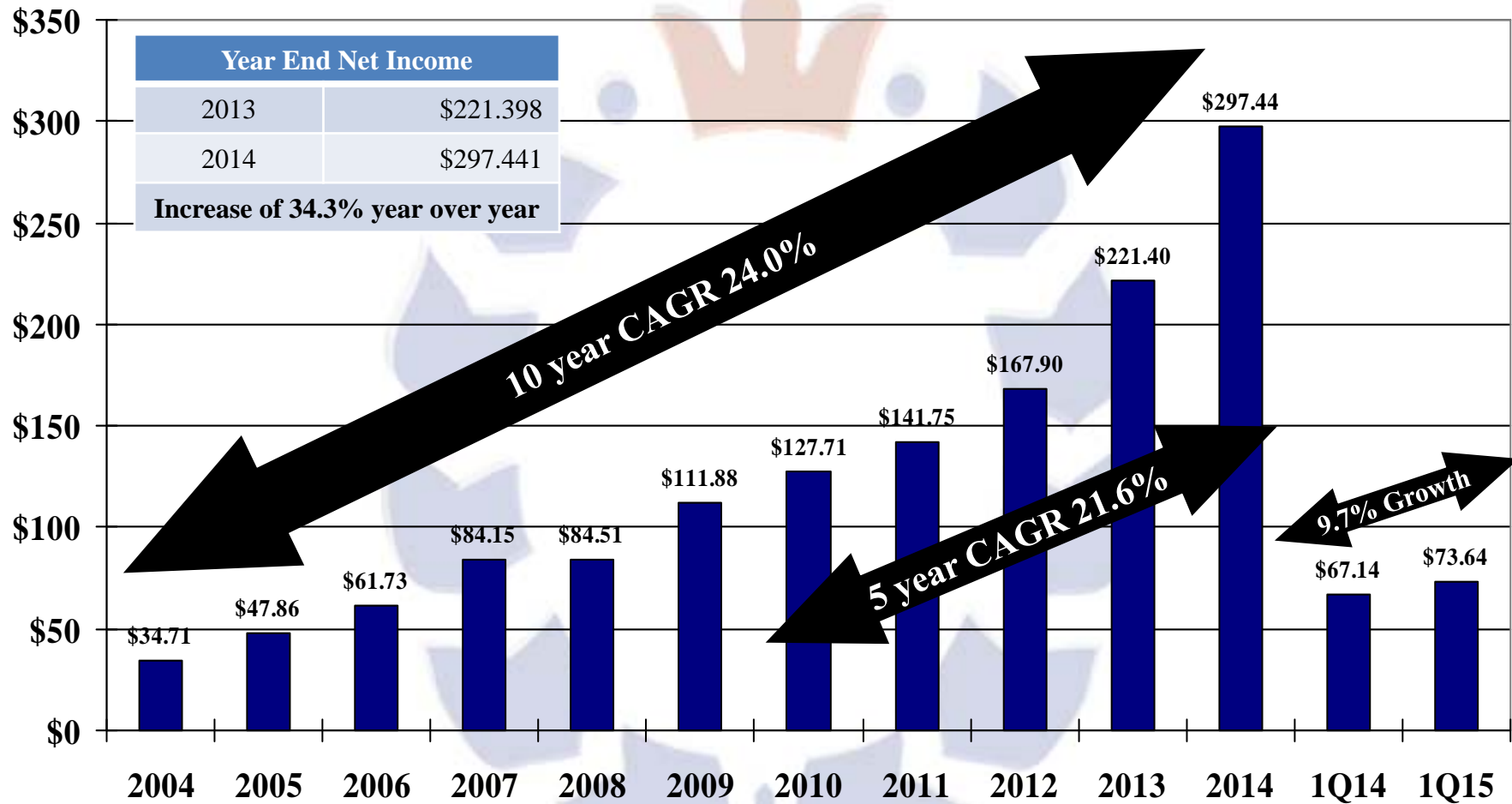
- 16 in Bryan/ College Station Area
- 30 in Central Texas Area
- 36 in Dallas/ Fort Worth Area
- 22 in East Texas Area
- 61 in Houston Area
- 30 in South Texas Area
- 34 in West Texas Area
- 6 in Central Oklahoma Area
- 9 in Tulsa Area



# Balance Sheet Summary



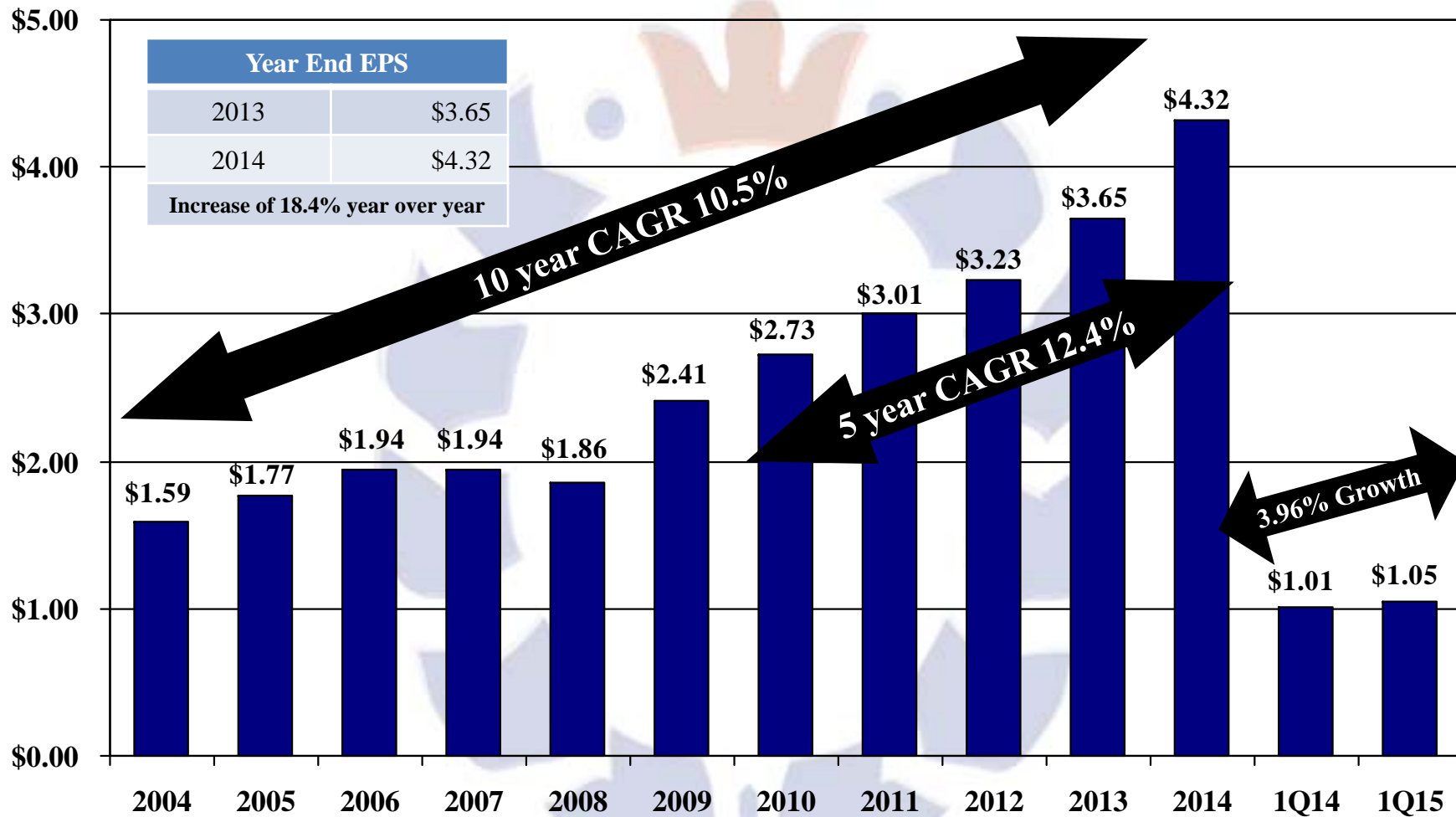
# Net Income



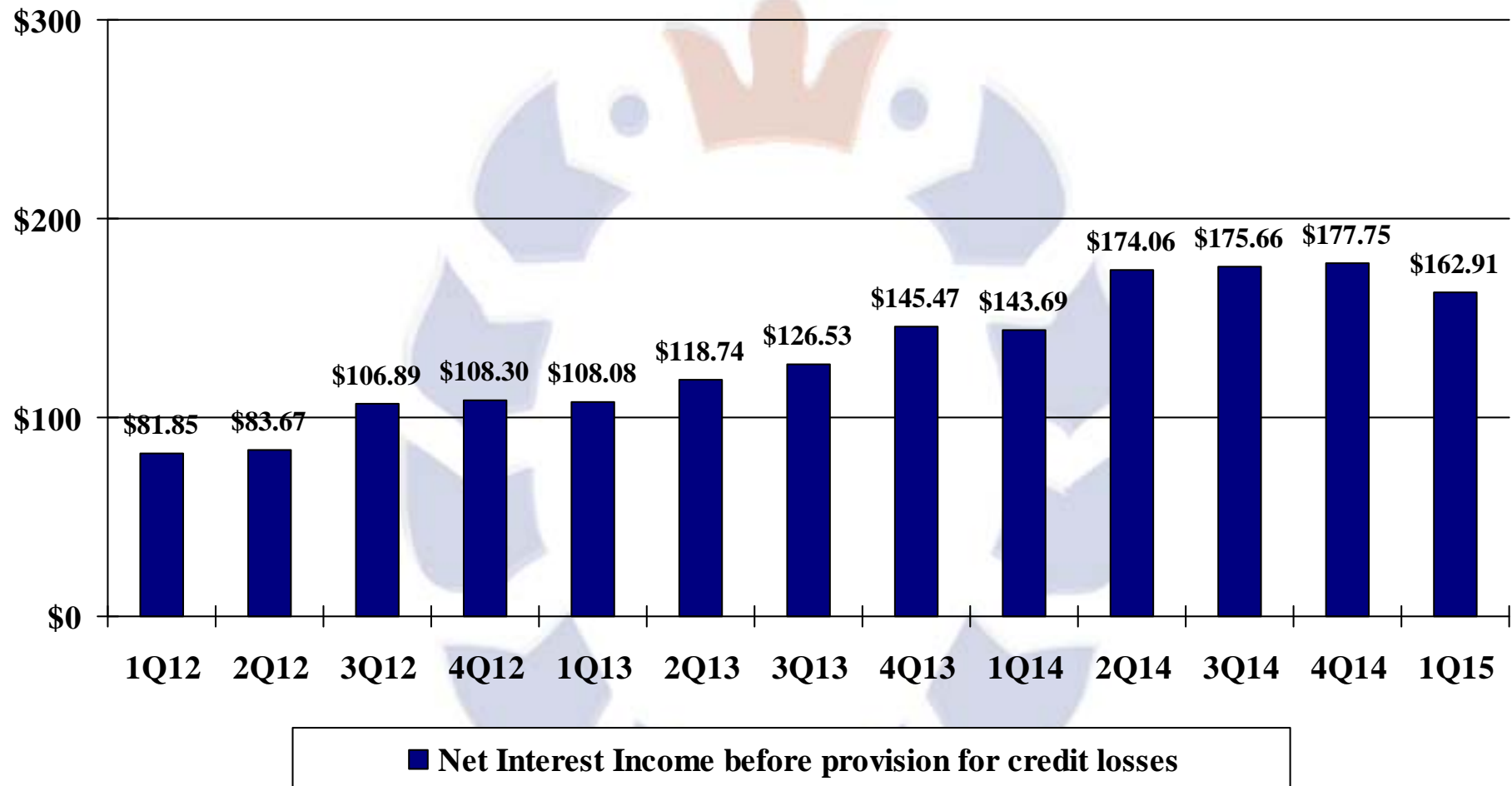
Year End Net Income	
2013	\$221.398
2014	\$297.441
Increase of 34.3% year over year	

\$ in millions

# EPS Growth Diluted



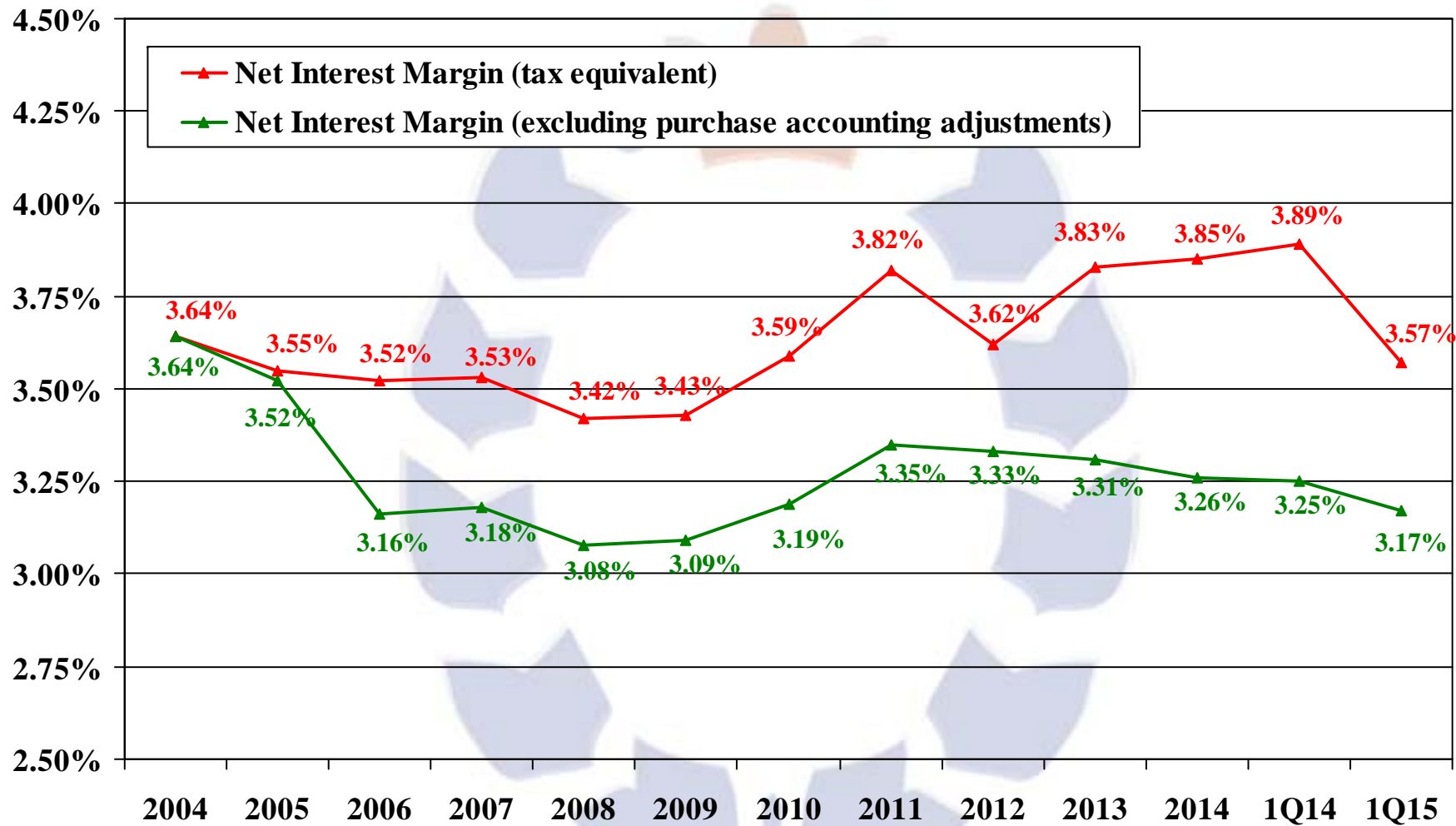
# Net Interest Income



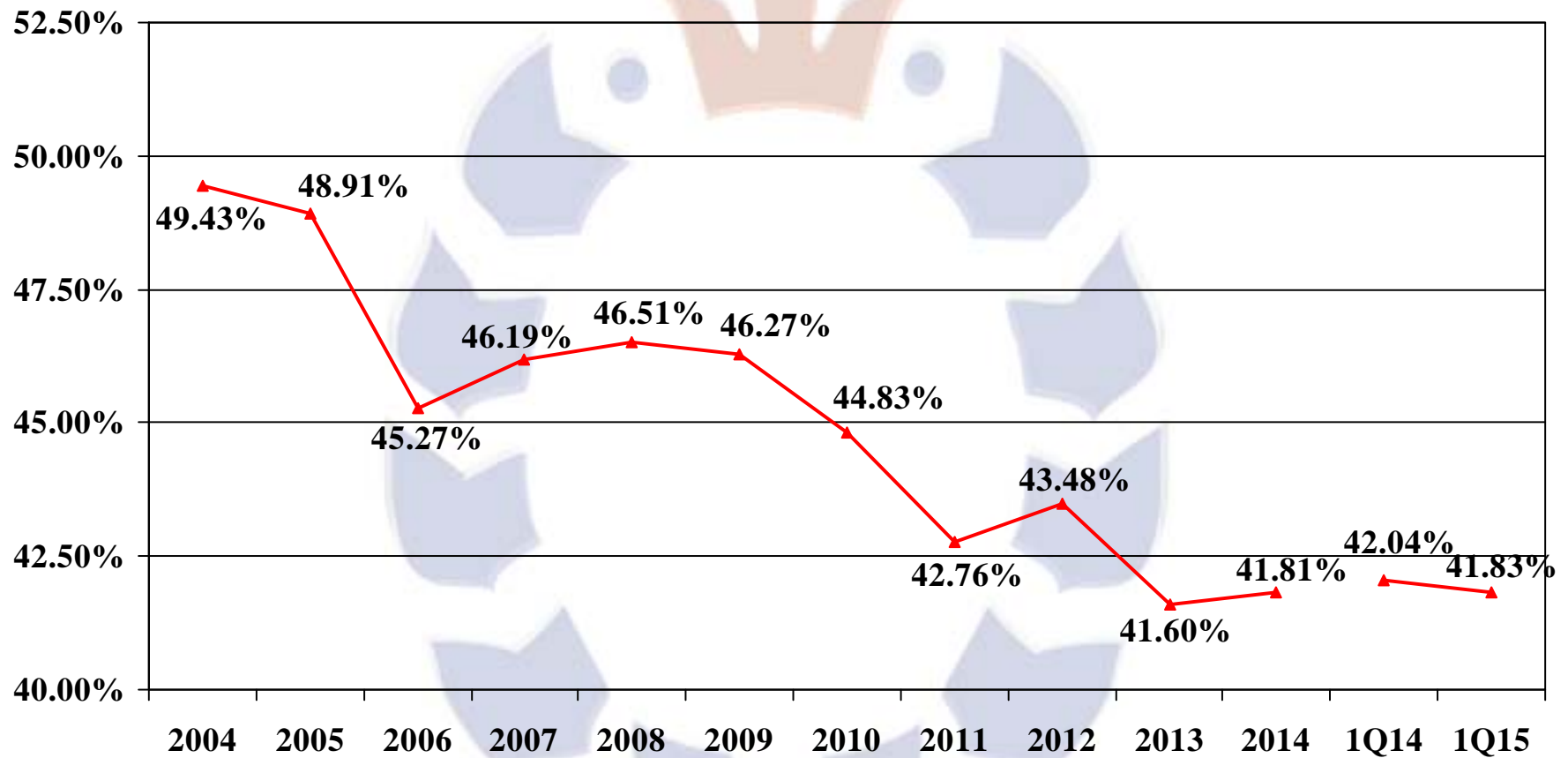
\$ in millions



# Net Interest Margin

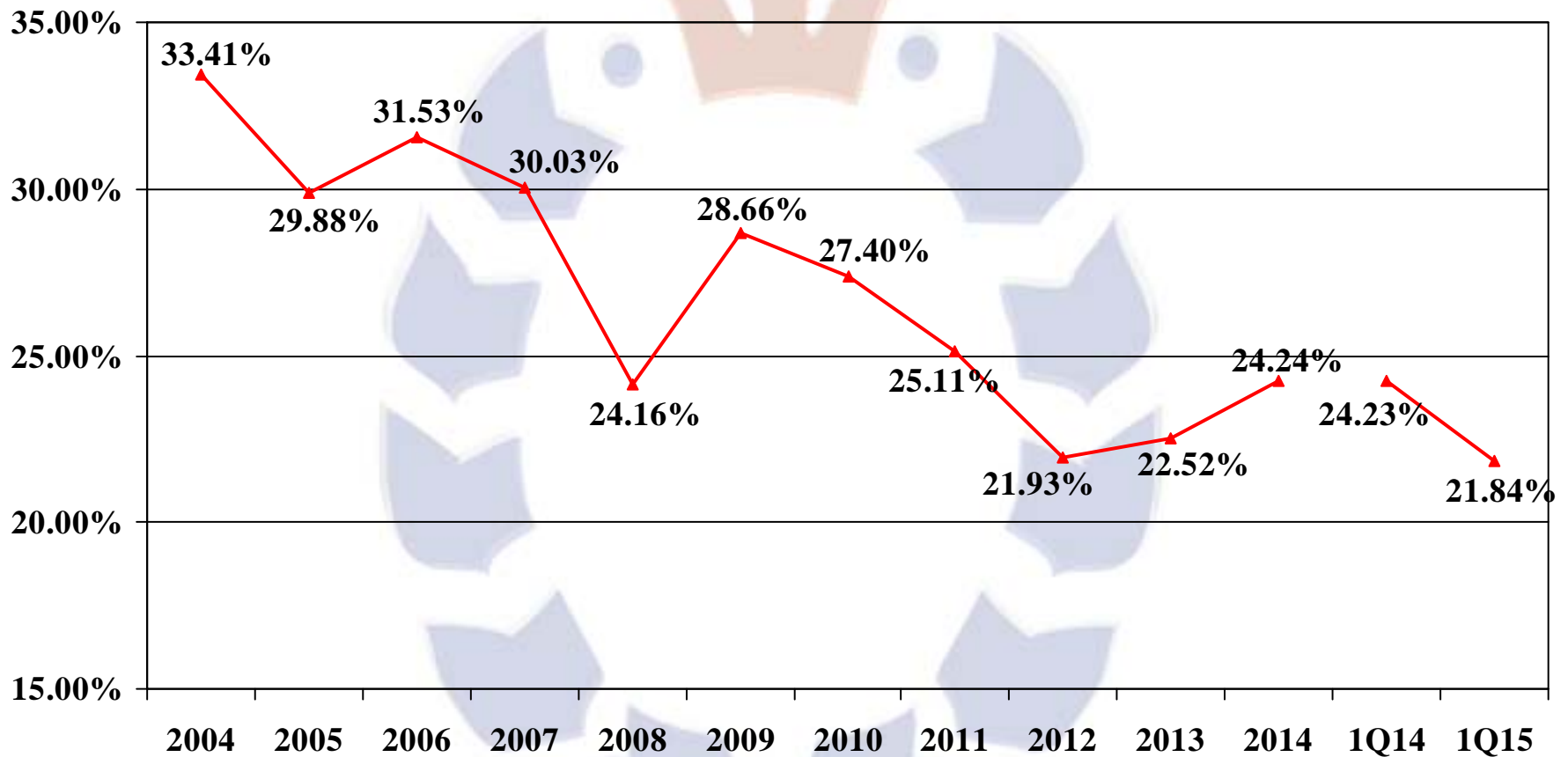


# Efficiency Ratio\*

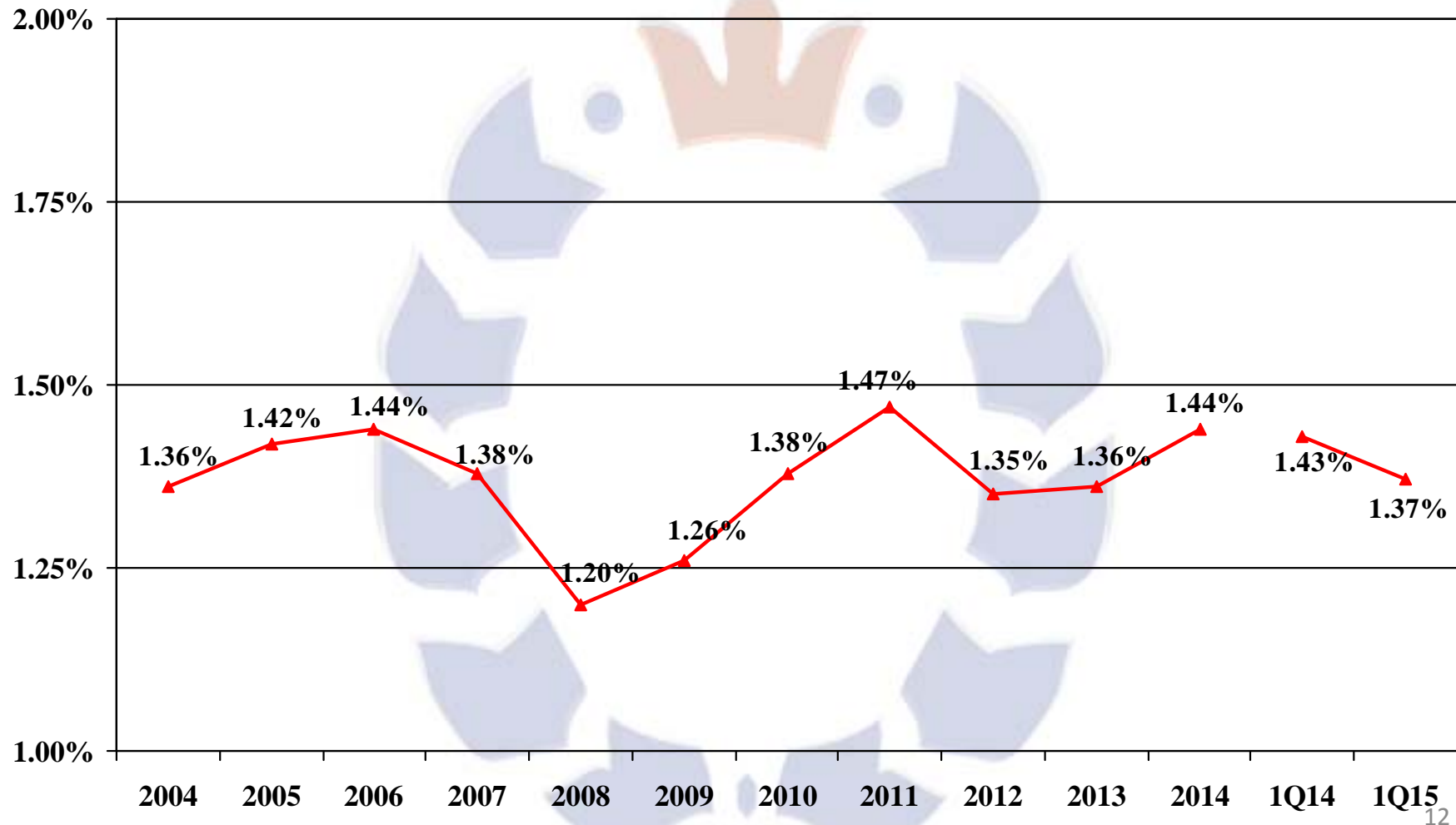


\*Calculated by dividing total noninterest expense, excluding credit loss provisions, by net interest income plus noninterest income, excluding net gains and losses on the sale of assets and securities. Additionally, taxes are not part of this calculation.

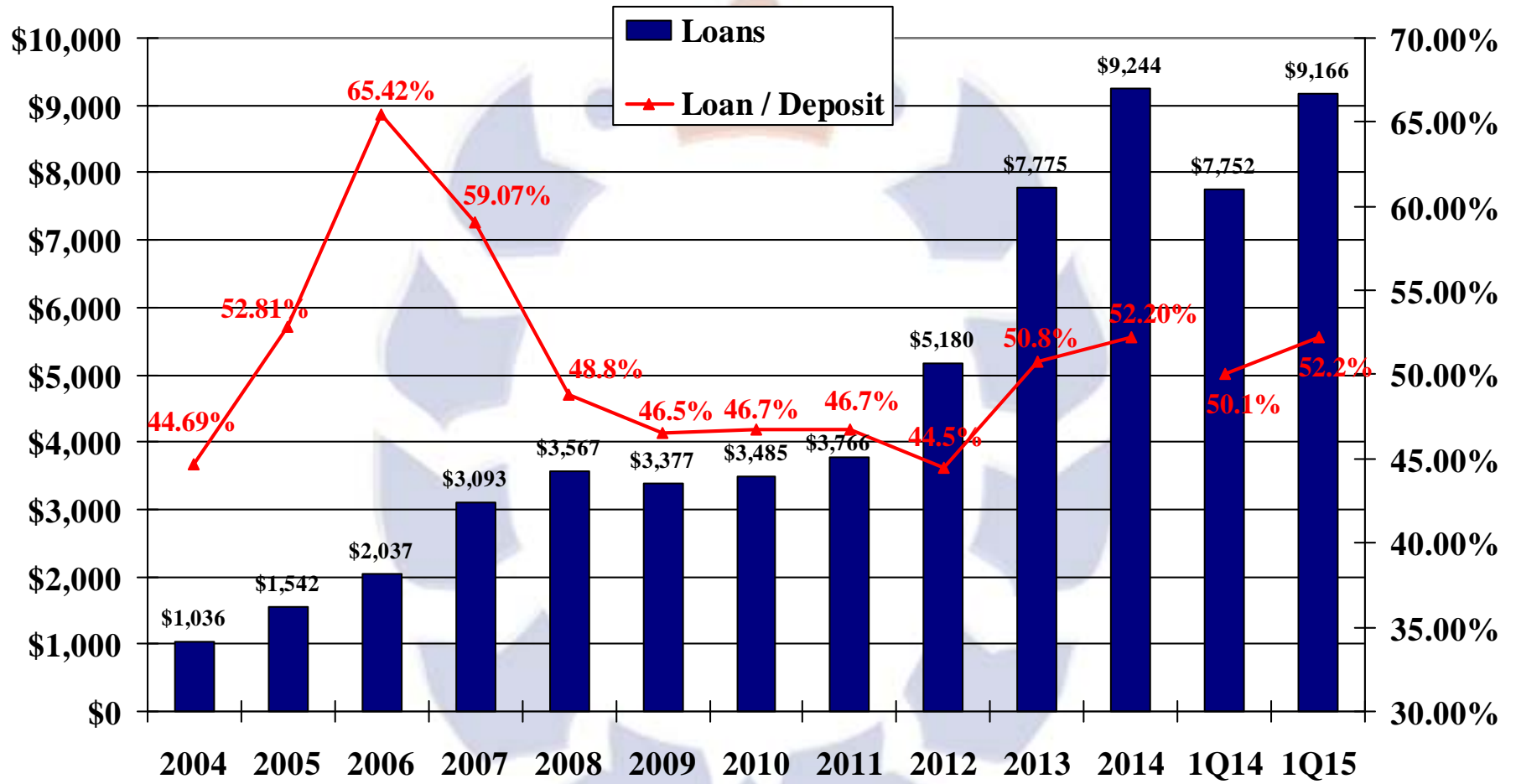
# Return on Average Tangible Common Equity



# Return on Average Assets



# Loan Growth



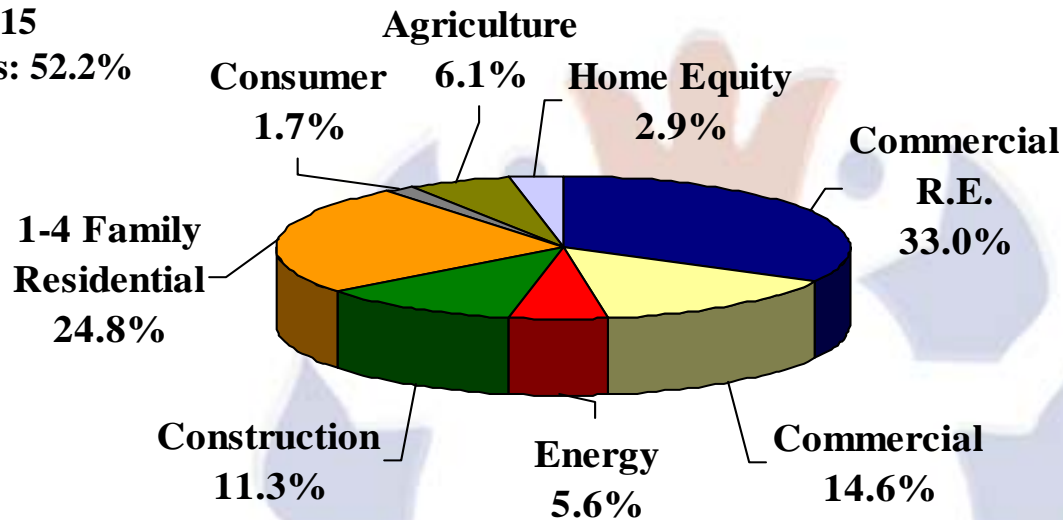
\$ in millions

# Loan Portfolio



March 31, 2015

Loans/ Deposits: 52.2%



<i>Loans By Area</i>	
<i>Approximate \$ in millions</i>	
Bryan/College Station:	\$521
Central Texas:	\$1,209
Dallas/Ft. Worth:	\$786
East Texas:	\$303
Houston:	\$2,523
South Texas:	\$1,301
West Texas:	\$889
Oklahoma:	\$1,634

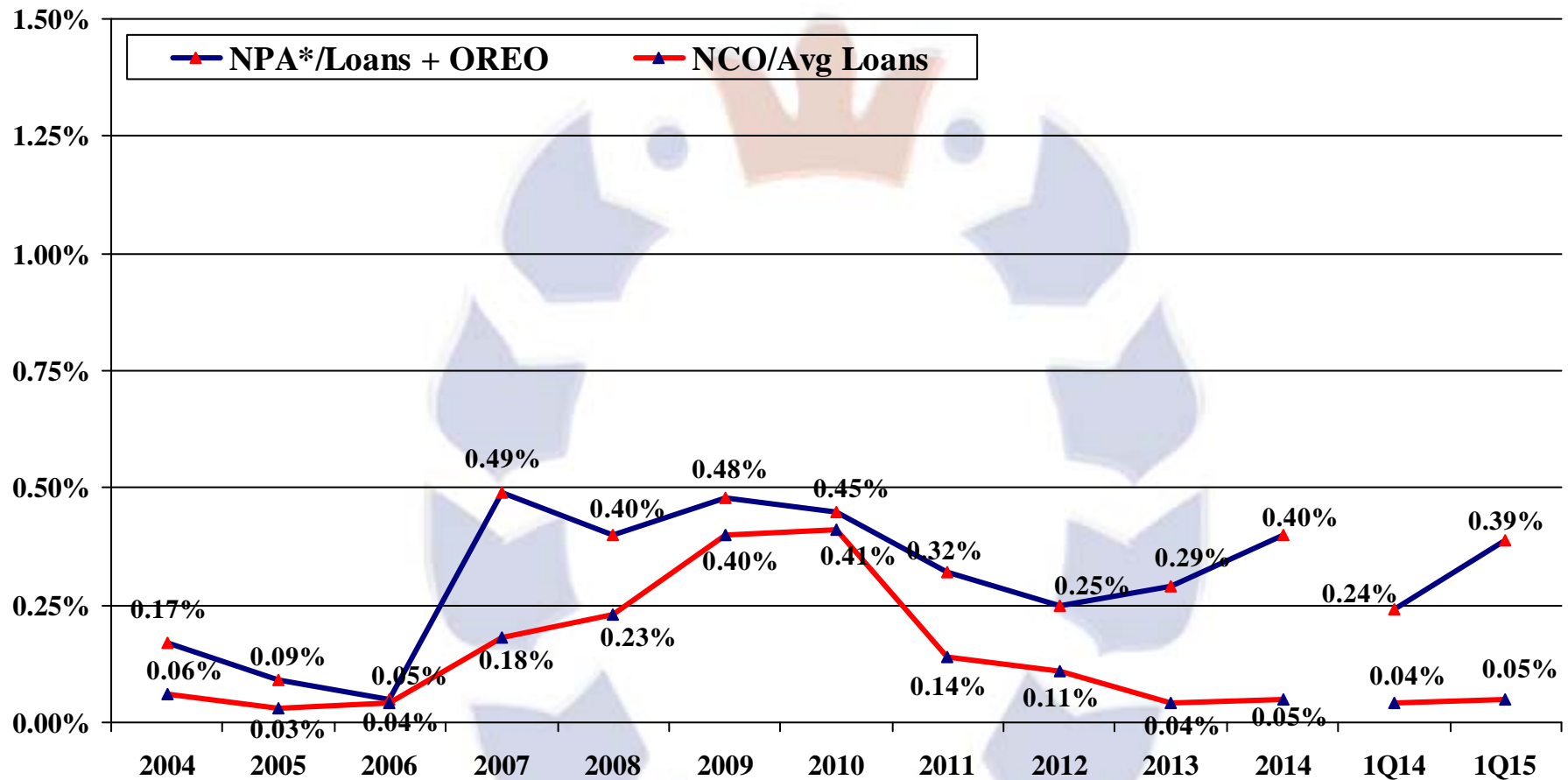
<i>Construction Loan Breakout</i>	
<i>Approximate \$ in millions</i>	
Single Family:	\$355
Land Development:	\$89
Raw Land:	\$129
Lots:	\$221
Commercial/ Other:	\$250
Purchase Accounting Discount	(\$4)

	Amount	% of total
Commercial R.E.	\$ 3,022	33.0%
Commercial	1,339	14.6
Energy	513	5.6
Construction	1,040	11.3
1-4 Family Residential	2,273	24.8
Consumer	152	1.7
Agriculture (includes farmland)	557	6.1
Home Equity	270	2.9
<b>Gross Loans</b>	<b>\$ 9,166</b>	<b>100.0%</b>

<i>CRE Loan Breakout</i>	
<i>Approximate \$ in millions</i>	
Owner Occupied:	\$1,236
Office Building:	\$228
Multi-family:	\$229
Strip Center:	\$213
Other:	\$1,167
Purchase Accounting Discount	(\$51)

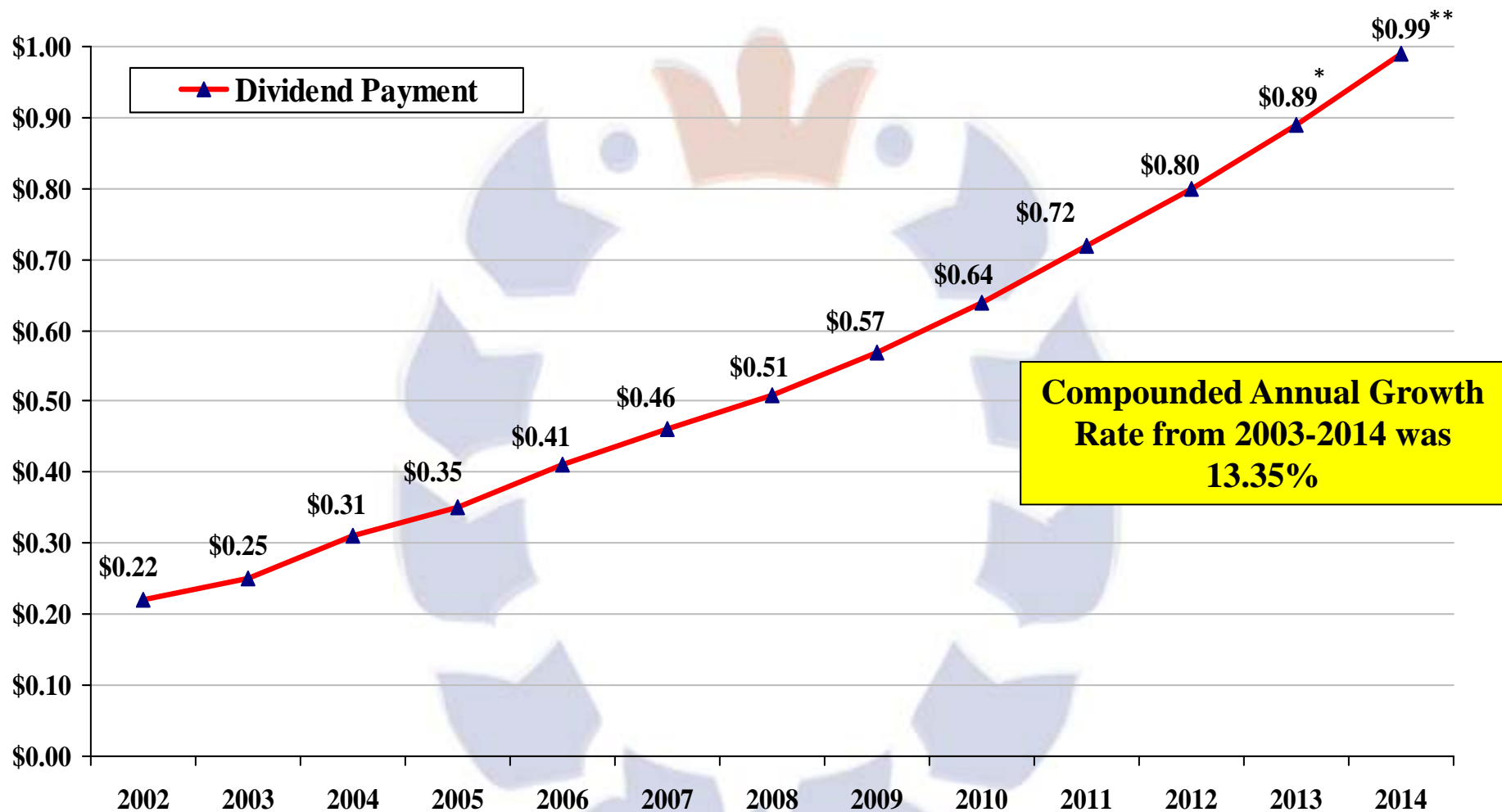
# Asset Quality

## NPA\*/Loans + OREO and NCO/Average Loans



\*Includes loans past due 90 days and still accruing

# Dividend History



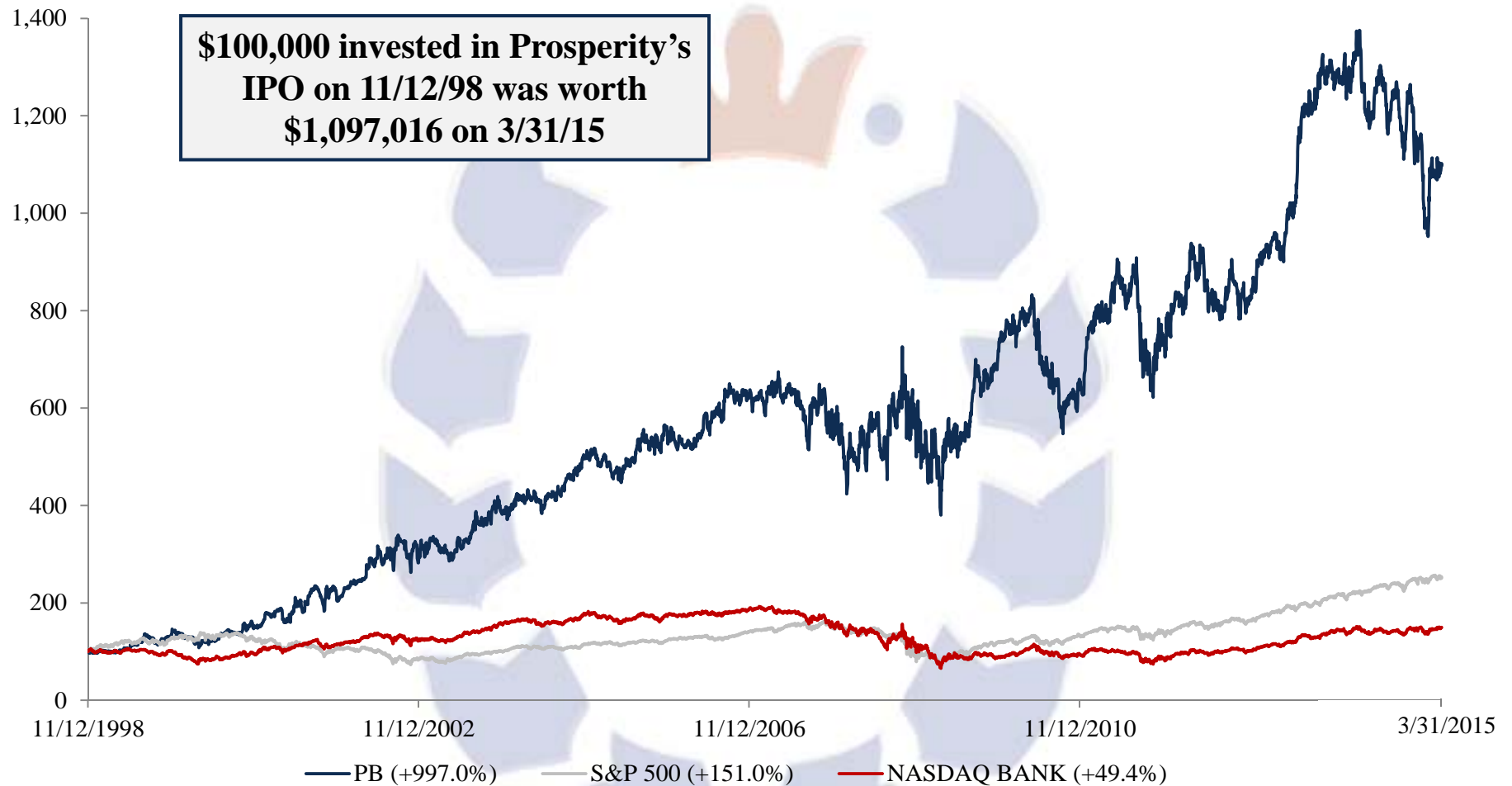
\*2013 dividend consists of \$0.215 per share declared in 1Q 2013, 2Q 2013, 3Q 2013 and \$0.24 per share declared in 4Q 2013

\*\* 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



# Total Return Performance

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



# Contact Information



## Corporate Headquarters

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# PB Acquisitions



	Date of Announcement	Seller	# of Branches	Consideration	Accounting Method	PRSP Assets (\$000)	At Announcement		Deal Value (\$000)
							Sellers' Assets (\$000)	Sellers' Assets Contribution (%)	
1	8/29/2013	F&M Bancorporation Inc. (Tulsa)	13	Mixed	Purchase	16,270,718	2,470,137	13.2	243.9
2	7/1/2013	FVNB Corp. (Victoria)	34	Mixed	Purchase	16,270,718	2,417,000	12.9	388.8
3	12/10/2012	Coppermark Bancshares (Oklahoma City)	9	Mixed	Purchase	13,712,119	1,325,000	8.8	194.3
4	6/27/2012	Community National Bank (Houston)	1	Mixed	Purchase	10,889,955	182,900	1.7	26.6
5	2/27/2012	American State Financial Corp. (Lubbock)	37	Mixed	Purchase	9,822,671	3,081,689	31.4	529.2
6	1/19/2012	The Bank Arlington (Dallas)	1	Common Stock	Purchase	9,822,671	37,300	0.38	5.8
7	12/9/2011	East Texas Financial Services, Inc. (Tyler)	3	Common Stock	Purchase	9,822,671	210,600	2.14	21.1
8	9/13/2011	Texas Bankers, Inc. (Austin)	1	Common Stock	Purchase	9,567,087	72,500	0.76	12.7
9	2/7/2008	1st Choice Bancorp, Inc. (Houston)	1	Mixed	Purchase	6,372,343	313,900	4.69	66.2
10	5/1/2007	The Bank of Navasota (Navasota)	1	Common Stock	Purchase	6,247,926	72,300	1.14	17.1
11	7/19/2006	Texas United Bancshares, Inc.(La Grange)	34	Common Stock	Purchase	4,547,220	1,818,000	27.82	357.1
12	11/16/2005	SNB Bancshares, Inc. (Houston)	6	Mixed	Purchase	3,493,972	1,121,747	24.3	242.7
13	9/12/2005	Grapeland Bancshares, Inc.(Grapeland)	2	Common Stock	Purchase	3,479,747	73,000	2.15	7.3
14	10/26/2004	FirstCapital Bankers, Inc. (Corpus Chrisit)	20	Common Stock	Purchase	2,709,169	773,566	22.21	135.7
15	5/12/2004	Village Bank and Trust (Austin)	1	Cash	Purchase	2,449,553	110,400	4.31	20.2
16	4/26/2004	Liberty Bank (Austin)	4	Mixed	Purchase	2,449,553	186,000	7.06	42.0
17	10/6/2003	First State Bank of North Texas (Dallas)	3	Mixed	Purchase	2,078,532	93,900	4.32	21.3
18	7/21/2003	Mainbancorp (Dallas)	3	Mixed	Purchase	1,983,277	195,700	8.98	39.7
19	3/5/2003	BankDallas SSB (Dallas)	1	Cash	Purchase	1,822,256	40,716	2.19	7.0
20	2/3/2003	Abrams Centre Bancshares, Inc. (Dallas)	1	Cash	Purchase	1,822,256	95,388	4.97	16.3
21	8/15/2002	First National Bank of Bay City (Bay City)	1	Cash	Purchase	1,360,356	28,174	2.03	5.0
22	7/15/2002	Southwest Bank Holding Company (Dallas)	2	Cash	Purchase	1,289,637	127,055	8.97	21.0
23	5/2/2002	Paradigm Bancorporation, Inc. (Houston)	8	Common Stock	Purchase	1,289,637	259,262	16.74	41.6
24	4/26/2002	First State Bank (Needville)	1	Cash	Purchase	1,289,637	17,539	1.36	3.7
25	2/22/2002	Texas Guaranty Bank, N.A. (Houston)	2	Cash	Purchase	1,262,152	75,019	5.61	11.8
26	11/8/2000	Commercial Bancshares, Inc.(Houston)	12	Common Stock	Pooling	693,079	401,271	36.67	53.3
27	6/21/1999	South Texas Bancshares, Inc. (Beeville)	3	Cash	Purchase	461,903	142,091	23.53	23.4
28	06/05/98	Union State Bank (East Bernard)	1	Cash	Purchase	339,287	79,174	18.92	17.6

# PB Branch Acquisitions



## *Branch Acquisitions*

	<b>Date of Announcement</b>	<b>Seller</b>	<b># of Branches</b>	<b>Branch Type</b>	<b>Branch Locale State</b>	<b>Amount of Deposits Transferred (\$000)</b>	<b>Deposit Premium (\$000)</b>
1	2/8/2010	First Bank	19	Bank	TX	500,000	36,000
2	1/19/2010	U.S. Bank	3	Bank	TX	420,000	13,000
3	11/7/2008	Franklin Bank	46	Bank	TX	3,700,000	60,000
4	10/22/2007	Banco Popular North America	6	Bank	TX	140,000	NA
5	6/15/2000	Compass Bancshares, Inc.	5	Bank	TX	87,000	NA
6	2/27/1998	Grimes County Capital Corporation	1	Bank	TX	5,900	250
7	3/30/1997	Wells Fargo & Company	1	Bank	TX	NA	NA
8	3/11/1996	Victoria Bankshares, Inc.	1	Bank	TX	46,000	NA



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**1<sup>st</sup> Quarter 2015**