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
- 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

Totals as of 03/31/2016
Loans = $9.654 Billion
Deposits = $17.873 Billion
Assets = $21.978 Billion

10 year CAGR
Loans = 19.9%
Deposits = 19.7%
Assets = 19.9%

$ in millions

$0 $1,500 $3,000 $4,500 $6,000 $7,500 $9,000 $10,500 $12,000 $13,500 $15,000 $16,500 $18,000 $19,500 $21,000 $22,500

$0 $500 $1,000 $1,500 $2,000 $2,500 $3,000 $3,500

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 1Q15 1Q16

Loans
Deposits
Assets
Equity

$ in millions

PROSPERITY BANCSHARES, INC.
Net Income

10 Year CAGR 19.6% (excluding PAA 18.2%)
5 Year CAGR 17.6% (excluding PAA 14.9%)

$ in millions

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 1Q15 1Q16

Net Income

Net Income (excluding Purchase Accounting Adjustments (PAA))

PROSPERITY BANCSHARES, INC.
EPS Growth Diluted

10 Year CAGR 8.7% (excluding PAA 7.5%)
5 Year CAGR 8.4% (excluding PAA 6.0%)
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

2005: 29.88%
2006: 31.53%
2007: 30.03%
2008: 24.16%
2009: 28.66%
2010: 27.40%
2011: 25.11%
2012: 21.93%
2013: 22.52%
2014: 24.24%
2015: 19.98%
1Q15: 21.84%
1Q16: 17.60%
Return on Average Assets

2.00%
1.75%
1.50%
1.25%
1.00%

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 1Q15 1Q16

1.42% 1.44% 1.38% 1.26% 1.38% 1.47% 1.35% 1.36% 1.44% 1.33% 1.37% 1.24%
Loan Growth

![Loan Growth Diagram]

- **Loans**
  - 2005: $1,542
  - 2006: $2,037
  - 2007: $3,093
  - 2008: $3,567
  - 2009: $3,377
  - 2010: $3,485
  - 2011: $3,266
  - 2012: $5,180
  - 2013: $7,775
  - 2014: $9,244
  - 2015: $9,439
  - 1Q16: $9,166

- **Loans/Deposits**
  - 2005: 65.4%
  - 2006: 59.1%
  - 2007: 52.8%
  - 2008: 48.8%
  - 2009: 46.5%
  - 2010: 46.7%
  - 2011: 48.8%
  - 2012: 50.8%
  - 2013: 52.2%
  - 2014: 53.4%
  - 1Q15: 52.2%
  - 1Q16: 54.0%
Loan Portfolio

March 31, 2016
Loans/Deposits: 54.0%

Approximate $ in millions

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial R.E.</td>
<td>$3,229</td>
<td>33.5%</td>
</tr>
<tr>
<td>Commercial</td>
<td>$1,442</td>
<td>14.9%</td>
</tr>
<tr>
<td>Energy</td>
<td>$363</td>
<td>3.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,174</td>
<td>12.2%</td>
</tr>
<tr>
<td>1-4 Family Residential</td>
<td>$2,379</td>
<td>24.6%</td>
</tr>
<tr>
<td>Consumer</td>
<td>$142</td>
<td>1.5%</td>
</tr>
<tr>
<td>Agriculture (includes farmland)</td>
<td>$641</td>
<td>6.6%</td>
</tr>
<tr>
<td>Home Equity</td>
<td>$284</td>
<td>2.9%</td>
</tr>
<tr>
<td>Gross Loans</td>
<td>$9,654</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

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)

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

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

- **Shopping Center/Retail**: $198.2M (18%)
- **Commercial & Industrial**: $76.0M (7%)
- **Office**: $76.8M (7%)
- **Medical**: $50.6M (7%)
- **Multi-Family**: $49.7M (5%)
- **Hotel**: $27.8M (3%)
- **Other**: $86.2M (8%)
- **Owner Occupied**: $500.4M (47%)
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

Compounded Annual Growth Rate from 2002-2015 was 13.34%

* 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

$100,000 invested in Prosperity’s IPO on 11/12/98 was worth $1,016,664 on 12/31/15
The Houston Market: Overview

Population Growth From July 2014 to July 2015

<table>
<thead>
<tr>
<th>Location</th>
<th>Population Growth (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nashville, TN</td>
<td>36.4</td>
</tr>
<tr>
<td>Charlotte, NC-SC</td>
<td>47.2</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>51.3</td>
</tr>
<tr>
<td>Austin, TX</td>
<td>57.4</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>63.8</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>75.2</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>88</td>
</tr>
<tr>
<td>Dallas-Fort Worth, TX</td>
<td>95.4</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>144.7</td>
</tr>
<tr>
<td></td>
<td>159.1</td>
</tr>
</tbody>
</table>

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

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
The Houston Market: Low 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.

### Houston MSA Unemployment vs. Nationwide Unemployment

<table>
<thead>
<tr>
<th>Location</th>
<th>February 2015 Unemployment (%)</th>
<th>February 2016 Unemployment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montgomery Co.</td>
<td>3.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Harris Co.</td>
<td>4.7%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Galveston Co.</td>
<td>4.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Fort Bend Co.</td>
<td>4.5%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Houston Area</td>
<td>4.3%</td>
<td>4.7%</td>
</tr>
<tr>
<td>United States</td>
<td>5.2%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

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**

- Government: 13.2%
- Financial Activities: 5.1%
- Professional & Business Services: 15.3%
- Leisure & Hospitality: 10.3%
- Education & Health Services: 12.7%
- Construction: 7.1%
- Mining & Logging: 3.0%
- Manufacturing: 7.9%
- Trade, Transportation & Utilities: 20.4%
- Other Services: 3.5%
- Information: 1.0%

**2015 Houston MSA Gross Area Product**

- Services: 21.2%
- Manufacturing: 18.0%
- Trade: 12.1%
- Construction: 5.4%
- Mining: 16.8%
- Finance, Insurance & Real Estate: 12.0%
- Transportation, Warehousing & Utilities: 7.0%
- Information: 1.6%
- Government: 6.1%
- Other Services: 3.5%


Source: The Perryman Group.
Contact Information

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