Prosperity Bank has been ranked in the Top Ten of Forbes’ America’s Best Banks for five years in a row; twice being named Best Bank in America in 2012 and 2014.
“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995

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.
2Q16 Highlights

- Net Income of $68.071 million and earnings per share (diluted) of $0.98 for three months ending June 30, 2016
- Common equity tier 1 ratio was 13.66% and leverage ratio was 8.11% at June 30, 2016
- Sound asset quality with annualized net charge offs/average loans of 0.24% for the second quarter 2016
- Non-performing assets to average earning assets remain low at 0.27% or $52.130 million for the second 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 $21.796 billion in assets, and the 2nd largest Texas-based commercial bank
- Shareholder driven with 4.9% 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 06/30/2016
Loans = $9.650 Billion
Deposits = $17.219 Billion
Assets = $21.796 Billion

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

$ in millions

Loans
Deposits
Assets
Equity
Net Income

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

$ in millions


Net Income
Net Income (excluding Purchase Accounting Adjustments (PAA))

$47.9 $61.7 $84.2 $84.5 $111.9 $127.7 $141.7 $167.9 $154.9 $221.4 $236.2 $297.4 $286.6 $255.5 $71.9 $63.8 $68.1 $62.4
EPS Growth Diluted

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

- Net Interest Margin (Tax Equivalent)
- Net Interest Margin (excluding Purchase Accounting Adjustments)
Acquisitions & 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

Interim periods annualized.
Return on Average Assets

Interim periods annualized.
Loan Growth

$ in millions

Loans

Loans/Deposits


$1,542 $2,037 $3,093 $3,567 $3,377 $3,485 $3,567 $7,775 $9,244 $9,439 $9,114 $9,650

65.4% 59.1% 52.8% 48.8% 46.5% 46.7% 46.7% 44.5% 45.5% 45.5% 46.5% 52.2% 53.3% 53.5% 56.0%

50.8% 52.2% 53.8% 53.5% 56.0%

30.0% 35.0% 40.0% 45.0% 50.0% 55.0% 60.0% 65.0% 70.0%
Loan Portfolio

June 30, 2016
Loans/Deposits: 56.0%

Approximate $ in millions
Amount % of total
Commercial & Industrial $ 1,299 13.5%
Construction, Land Dev 1,167 12.1
1-4 Family Residential 2,425 25.1
Home Equity 283 2.9
Commercial R.E. 3,230 33.5
Agriculture (includes farmland) 658 6.8
Consumer & Other 260 2.7
Energy 328 3.4
Gross Loans $ 9,650 100.0%

Construction Loan Breakout
Approximate $ in millions
Single Family: $418
Land Development: $86
Raw Land: $161
Lots: $132
Commercial/ Other: $382
Purchase Accounting Discount: ($4)

Loans By Area
Approximate $ in millions
Bryan/College Station: $557
Central Oklahoma: $496
Central Texas: $1,235
Dallas/Ft. Worth: $1,041
East Texas: $323
Houston: $3,103
South Texas: $1,283
Tulsa Oklahoma: $754
West Texas: $858

CRE Loan Breakout
Approximate $ in millions
Owner Occupied: $1,477
Shopping Center: $450
Office Building: $364
Multi-family: $183
Other: $756
Total outstanding balance of $328.4 million, or 3.4% of total loans

Total unfunded commitments of $156.0 million

Total energy reserves of 2.49% or $8.3 million

$37.5 million of energy loans are subject to a fair value mark of $6.0 million

Four energy loans are Shared National Credits (SNCs) with an outstanding balance of $5.8 million

Average relationship size for both producers and servicers is under $1.0 million, with only seven relationships over $10.0 million

Reserve-based lending is only on proven producing reserves

Servicing portfolio is well-diversified
Houston MSA CRE Portfolio
As of June 30, 2016

TOTAL: $1.082B

- Shopping Center/Retail - $205.2
- Commercial & Industrial - $83.7
- Office - $84.6
- Medical - $52.5
- Multi-Family - $47.7
- Hotel - $29.5
- Other - $76.4
- Owner Occupied - $502.1

$ in millions
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
Deposit Composition

June 30, 2016
Cost of Deposits: 0.24%

<table>
<thead>
<tr>
<th>Deposit Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDA - Non-Interest Bearing</td>
<td>$5,017</td>
</tr>
<tr>
<td>DDA - Interest Bearing</td>
<td>$3,977</td>
</tr>
<tr>
<td>Money Market &amp; Savings</td>
<td>$5,709</td>
</tr>
<tr>
<td>Certificates &amp; Other Time Deposits</td>
<td>$2,516</td>
</tr>
<tr>
<td><strong>TOTAL DEPOSITS</strong></td>
<td><strong>$17,219</strong></td>
</tr>
</tbody>
</table>

$ in millions
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
$100,000 invested in Prosperity’s IPO on 11/12/98 was worth $1,097,021 on 6/30/16.
Population Growth From January 2015 to January 2016

- Single-family sales totaled 36,393 units through the first half of 2016, a 2.7% increase from the 35,448 units sold during the same period last year – a record for the first six months of any year in Houston

- 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

- City of Houston building permits for 2016 YTD totaled $3.5 billion

- Metro Houston added 5,500 jobs in June compared to 3,500 added in June 2015

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

Source: Nielsen via SNL Financial, Greater Houston Partnership and FactSet
The Houston Market: Economic Diversity

- Houston has a thriving and well diversified economy that expands far beyond the oil and gas industry
- Houston MSA Gross Product in 2015 was $535.1 billion, nearly double from 2005

### June 2016 Employment by Industry

- Government: 13%
- Education & Health Svcs: 13%
- Trade, Trans., & Utilities: 20%
- Prof. & Business Svcs: 15%
- Finance, Insurance & Real Estate: 12.0%
- Leisure & Hospitality: 11%
- Manufacturing: 8%
- Mining & Logging: 3%
- Construction: 7%
- Transportation, Warehousing & Utilities: 7.0%
- Information: 1%
- Finc'l Activities: 5%
- Other Svcs: 4%

### 2015 Houston MSA Gross Area Product

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

Source: Bureau of Labor Statistics

Source: The Perryman Group
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