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.
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.
3Q16 Highlights

- Net Income of $68.651 million and earnings per share (diluted) of $0.99 for three months ending September 30, 2016
- Common equity tier 1 ratio was 14.41% and leverage ratio was 8.50% at September 30, 2016
- Sound asset quality with annualized net charge offs/average loans of 0.01% for the third quarter 2016
- Non-performing assets to average earning assets remain low at 0.32% or $60.166 million for the third quarter 2016
- Declared cash dividend of $0.30 per share for the third quarter 2016; increased dividend to $0.34 per share for the fourth quarter 2016
- A Texas based financial holding company with approximately $21.404 billion in assets, and the 2\textsuperscript{nd} 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 09/30/2016
Loans = $9.548 Billion
Deposits = $16.921 Billion
Assets = $21.404 Billion

10 year CAGR
Loans = 19.9%
Deposits = 19.7%
Assets = 19.9%
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))
EPS Growth Diluted

10 Year CAGR 8.7% (excluding PAA 7.5%)
5 Year CAGR 8.4% (excluding PAA 6.0%)
Net Interest Margin
Return on Average Tangible Common Equity

Interim periods annualized.
Return on Average Assets

Interim periods annualized.
Loan Growth

$ in millions

$1,542
$2,037
$3,093
$3,567
$3,377
$3,485
$3,766
$7,775
$9,244
$9,439
$9,205
$9,548


3Q15 3Q16

Loans

Loans/Deposits

52.8%
65.4%
59.1%
48.8%
46.5%
46.7%
46.7%
44.5%
50.8%
52.2%
53.4%
54.3%
56.4%

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

September 30, 2016
Loans/Deposits: 56.4%

Approximate $ in millions

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial &amp; Industrial</td>
<td>$1,233</td>
<td>12.9%</td>
</tr>
<tr>
<td>Construction, Land Dev</td>
<td>$1,206</td>
<td>12.6%</td>
</tr>
<tr>
<td>1-4 Family Residential</td>
<td>$2,427</td>
<td>25.5%</td>
</tr>
<tr>
<td>Home Equity</td>
<td>$280</td>
<td>2.9%</td>
</tr>
<tr>
<td>Commercial R.E.</td>
<td>$3,159</td>
<td>33.1%</td>
</tr>
<tr>
<td>Agriculture (includes farmland)</td>
<td>$664</td>
<td>7.0%</td>
</tr>
<tr>
<td>Consumer &amp; Other</td>
<td>$270</td>
<td>2.8%</td>
</tr>
<tr>
<td>Energy</td>
<td>$309</td>
<td>3.2%</td>
</tr>
<tr>
<td>Gross Loans</td>
<td>$9,548</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Construction Loan Breakout**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$390</td>
</tr>
<tr>
<td>Land Development</td>
<td>$78</td>
</tr>
<tr>
<td>Raw Land</td>
<td>$171</td>
</tr>
<tr>
<td>Residential Lots</td>
<td>$132</td>
</tr>
<tr>
<td>Commercial/Other</td>
<td>$438</td>
</tr>
<tr>
<td>Purchase Accounting Discount</td>
<td>($3)</td>
</tr>
</tbody>
</table>

**CRE Loan Breakout**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner Occupied</td>
<td>$1,460</td>
</tr>
<tr>
<td>Shopping Center</td>
<td>$434</td>
</tr>
<tr>
<td>Office Building</td>
<td>$341</td>
</tr>
<tr>
<td>Multi-family</td>
<td>$182</td>
</tr>
<tr>
<td>Other</td>
<td>$742</td>
</tr>
</tbody>
</table>

**Loans By Area**

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan/College Station</td>
<td>$569</td>
</tr>
<tr>
<td>Central Oklahoma</td>
<td>$499</td>
</tr>
<tr>
<td>Central Texas</td>
<td>$1,251</td>
</tr>
<tr>
<td>Dallas/Ft. Worth</td>
<td>$1,010</td>
</tr>
<tr>
<td>East Texas</td>
<td>$332</td>
</tr>
<tr>
<td>Houston</td>
<td>$3,108</td>
</tr>
<tr>
<td>South Texas</td>
<td>$1,252</td>
</tr>
<tr>
<td>Tulsa Oklahoma</td>
<td>$685</td>
</tr>
<tr>
<td>West Texas</td>
<td>$842</td>
</tr>
</tbody>
</table>
Energy Portfolio
As of September 30, 2016

Outstanding Balance

<table>
<thead>
<tr>
<th>Servicers</th>
<th>Producers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$169.0</td>
<td>$140.0</td>
<td>$309.0</td>
</tr>
<tr>
<td>55%</td>
<td>45%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Unfunded Commitments

<table>
<thead>
<tr>
<th>Servicers</th>
<th>Producers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$83.7</td>
<td>$70.5</td>
<td>$154.2</td>
</tr>
<tr>
<td>54%</td>
<td>46%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Portfolio Commentary

- Total outstanding balance of $309 million, or 3.2% of total loans
- Total unfunded commitments of $154.2 million
- Total energy reserves of 2.93% or $9.0 million
- $26.2 million of energy loans are subject to a fair value mark of $5.9 million
- Four energy loans are Shared National Credits (SNCs) with an outstanding balance of $5.6 million
- Average relationship size for both producers and servicers is under $1.0 million, with only six 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 September 30, 2016

TOTAL: $1.080B

- Shopping Center/Retail - $202.4
- Commercial & Industrial - $91.1
- Office - $78.8
- Medical - $52.4
- Multi-Family - $47.8
- Hotel - $29.3
- Other - $70.1
- Owner Occupied - $508.5

$ 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

September 30, 2016
Cost of Deposits: 0.22%

<table>
<thead>
<tr>
<th>Deposit Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDA - Non-Interest Bearing</td>
<td>$5,159</td>
</tr>
<tr>
<td>DDA - Interest Bearing</td>
<td>$3,749</td>
</tr>
<tr>
<td>Money Market &amp; Savings</td>
<td>$5,543</td>
</tr>
<tr>
<td>Certificates &amp; Other Time Deposits</td>
<td>$2,470</td>
</tr>
<tr>
<td>TOTAL DEPOSITS</td>
<td>$16,921</td>
</tr>
</tbody>
</table>

$ in millions
Dividend History

Compounded Annual Growth Rate from 2003-2016 was 13.15%

(a) 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
(b) 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
(c) 2016 dividend consists of $0.30 per share declared in 1Q 2016, 2Q 2016, 3Q 2016 and $0.34 per share declared in 4Q 2016
$100,000 invested in Prosperity’s IPO on 11/12/98 was worth $1,187,653 on 9/30/16
**The Houston Market: Overview**

### Growth Drivers

- In the 12 months ending August 2016, Houston created 14,200 jobs.
- Mining and logging (oil and gas extraction and oil field services) gained 1,200 jobs in August of 2016.
- The Houston Airport System handled 36.7 million passengers through the first eight months of 2016.
  - International passengers totaled 8.1 million, up 10.4% from the same period in 2015.
- Single family home sales rose 8.2% from 7,314 in August of 2015 to 7,914 in August of 2016.
- The Houston Purchasing Managers Index (PMI), a short-term leading indicator for regional production, registered 46.1 in August, up from 43.8 in July.

### Economic Diversity

- With 2.2 million residents, Houston is the fourth most populous city in the U.S., trailing only New York, Los Angeles and Chicago.
- Houston is home to 26 Fortune 500 companies, half of the total Fortune 500 companies in Texas (which ranks 2nd nationally).

Source: Bureau of Labor Statistics as of February 2016, PHA Accounting, PHA Market Development, United States Census Bureau, Greater Houston Partnership and Fact Set.
The Houston Market: Economic Diversity

- Houston maintains a diverse and productive economy despite recent turbulence in the oil and gas industry
- The Perryman Group forecasts sustained growth for the Houston metro over the next quarter century

August 2016 Employment by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and health services</td>
<td>13%</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>15%</td>
</tr>
<tr>
<td>Government</td>
<td>12%</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>11%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8%</td>
</tr>
<tr>
<td>Construction</td>
<td>7%</td>
</tr>
<tr>
<td>Financial activities</td>
<td>5%</td>
</tr>
<tr>
<td>Other services</td>
<td>4%</td>
</tr>
<tr>
<td>Mining and logging</td>
<td>3%</td>
</tr>
<tr>
<td>Trade, transportation, and utilities</td>
<td>21%</td>
</tr>
</tbody>
</table>

Forecasted Houston MSA Gross Area Product ($bn)

- 2015: $492.7
- 2020: $608.6
- 2025: $731.5
- 2030: $861.0
- 2035: $993.1
- 2040: $1,123.4

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