“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, Inc.® may be downloaded from the Internet at no charge from www.prosperitybankusa.com.
2017 Fourth Quarter Highlights

• Net income of $67.138 million and earnings per share (diluted) of $0.97 for three months ending December 31, 2017

• Fourth quarter earnings include a one-time non-cash charge of $0.02 per diluted common share related to the Tax Cuts and Jobs Act

• Assets of $22.587 billion, loans of $10.021 billion, and deposits of $17.821 billion at December 31, 2017

• Common equity tier 1 ratio was 15.08% and leverage ratio was 9.31% at December 31, 2017

• Sound asset quality with annualized net charge offs/average loans of 0.19% for the quarter ending December 31, 2017

• Nonperforming assets to average earning assets remain low at 0.19% or $37.455 million for the fourth quarter 2017

• Efficiency ratio of 43.78% for the fourth quarter 2017

• Declared cash dividend of $0.36 per share for the first quarter 2018

Source: Company Documents
Strong Presence in Texas and Oklahoma

- A Texas-based financial holding company with approximately $22.587 billion in total assets
- Ranked #3 in deposit market share in Texas (1)
- Shareholder driven with 4.9% fully diluted insider ownership (2)
- Successful integration of 42 acquisitions (whole bank, branch and failed bank transactions)

242 Full Service Locations

- 16 in Bryan/College Station Area
- 29 in Central Texas Area
- 33 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

Source: SNL Financial
(1) Per FDIC; Includes Texas headquartered banks; Deposits as of 6/30/2017
(2) Per proxy statement (Form DEF 14A) filed on 3/14/2017
Balance Sheet Summary

Data as of 12/31/2017

- Loans: $10.021 Bn
- Deposits: $17.821 Bn
- Assets: $22.587 Bn

10 Year CAGR (1)
- Loans: 12.3%
- Deposits: 13.6%
- Assets: 13.5%

Source: Company Documents

(1) Represents the Compound Annual Growth Rate from 12/31/2007 – 12/31/2017
Net Income

Note: Net Income Includes the Following ($ in thousands)

<table>
<thead>
<tr>
<th>Provision for Credit Losses</th>
<th>$760</th>
<th>$9,867</th>
<th>$28,775</th>
<th>$13,585</th>
<th>$5,200</th>
<th>$6,100</th>
<th>$17,240</th>
<th>$18,275</th>
<th>$7,560</th>
<th>$24,000</th>
<th>$14,325</th>
<th>$2,000</th>
<th>$2,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Discount Accretion</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$26,413</td>
<td>$62,723</td>
<td>$95,875</td>
<td>$52,122</td>
<td>$38,970</td>
<td>$21,906</td>
<td>$7,552</td>
</tr>
</tbody>
</table>

10 Year CAGR: (1) 12.5%
5 Year CAGR: (2) 10.1%

Source: Company Documents
(1) Represents the Compound Annual Growth Rate from 12/31/2007 – 12/31/2017
(2) Represents the Compound Annual Growth Rate from 12/31/2012 – 12/31/2017
(3) Net income includes a one-time non-cash charge of $1.431 million related to the “Tax Cuts and Jobs Act” enacted on December 22, 2017
Earnings per Share Growth

10 Year CAGR: (1) 7.3%
5 Year CAGR: (2) 3.9%

Provision for Credit Losses

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017(3)</th>
<th>4Q16</th>
<th>4Q17(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$760</td>
<td>$9,867</td>
<td>$28,775</td>
<td>$13,585</td>
<td>$5,200</td>
<td>$6,100</td>
<td>$17,240</td>
<td>$18,275</td>
<td>$7,560</td>
<td>$24,000</td>
<td>$14,325</td>
<td>$2,000</td>
<td>$2,000</td>
<td></td>
</tr>
</tbody>
</table>

Loan Discount Accretion

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017(3)</th>
<th>4Q16</th>
<th>4Q17(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$26,413</td>
<td>$62,723</td>
<td>$95,875</td>
<td>$52,122</td>
<td>$38,970</td>
<td>$21,906</td>
<td>$7,552</td>
</tr>
</tbody>
</table>

Note: Net Income Includes the Following ($ in thousands)

Source: Company Documents

(1) Represents the Compound Annual Growth Rate from 12/31/2007 – 12/31/2017
(2) Represents the Compound Annual Growth Rate from 12/31/2012 – 12/31/2017
(3) Net income includes a one-time non-cash charge of $0.02 per diluted share related to the “Tax Cuts and Jobs Act” enacted on December 22, 2017
Net Interest Margin

Source: Company Documents
### Acquisitions & Efficiency Ratio

#### Source: Company Documents

(1) Representative of target assets at closing

(2) 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.

#### Table

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets Excluding Acquisitions</th>
<th>Total Assets Acquired (1)</th>
<th>Efficiency Ratio (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$6,372</td>
<td>$9,072</td>
<td>46.2%</td>
</tr>
<tr>
<td>2008</td>
<td>$8,850</td>
<td>$9,477</td>
<td>46.5%</td>
</tr>
<tr>
<td>2009</td>
<td>$9,477</td>
<td>$9,823</td>
<td>46.3%</td>
</tr>
<tr>
<td>2010</td>
<td>$14,584</td>
<td>$18,642</td>
<td>44.8%</td>
</tr>
<tr>
<td>2011</td>
<td>$21,508</td>
<td>$22,037</td>
<td>42.8%</td>
</tr>
<tr>
<td>2012</td>
<td>$22,331</td>
<td>$22,587</td>
<td>43.5%</td>
</tr>
<tr>
<td>2013</td>
<td>$25.0%</td>
<td>41.6%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$30.0%</td>
<td>41.8%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$35.0%</td>
<td>41.9%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$40.0%</td>
<td>42.5%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$45.0%</td>
<td>42.8%</td>
<td></td>
</tr>
</tbody>
</table>

#### Graph

- **Total Assets Excluding Acquisitions**
- **Total Assets Acquired (1)**
- **Efficiency Ratio (2)**

#### Percent of Assets Acquired

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>29.1%</td>
<td>3.5%</td>
<td>0.0%</td>
<td>1.6%</td>
<td>0.0%</td>
<td>23.7%</td>
<td>20.9%</td>
<td>11.2%</td>
<td>0.0%</td>
<td>2.5%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
Return on Average Tangible Common Equity

Return on Average Tangible Common Equity (ROATCE) is a measure of profitability that indicates the percentage return generated by a company's tangible common equity over a period of time. This indicator is especially relevant as it focuses on the equity that is available to creditors, excluding goodwill and other non-operating assets. It provides a clearer picture of a company's core profitability by excluding any intangible assets that could inflate the return on equity (ROE) calculation.

The chart above illustrates the trend of ROATCE from 2007 to 2017, with key interim periods marked accordingly. The data points indicate a general decline in ROATCE over the years, reflecting potential challenges in maintaining profitability with tangible equity. The financial figures are presented in millions, with the $0-$2,000 scale on the y-axis showing the percentage of return.

(1) Interim periods shown on an annualized basis
Return on Average Assets

(1) Interim periods shown on an annualized basis
Deposit Composition

As of December 31, 2017
($ in millions)

### Non-Interest Bearing Demand Deposits

Year over Year Growth: **8.3%**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Deposits ($mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q16</td>
<td>$5,191</td>
</tr>
<tr>
<td>1Q17</td>
<td>$5,299</td>
</tr>
<tr>
<td>2Q17</td>
<td>$5,397</td>
</tr>
<tr>
<td>3Q17</td>
<td>$5,465</td>
</tr>
<tr>
<td>4Q17</td>
<td>$5,623</td>
</tr>
</tbody>
</table>

### Total Deposits: $17.8Bn

**Total Cost of Deposits: 0.29%**(1)**

Cost of Deposits, Net of NIBD: **0.43%**(1)**

### Deposit Composition

<table>
<thead>
<tr>
<th>Category</th>
<th>$mm</th>
<th>Cost (%) (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Interest Bearing Demand</td>
<td>$5,623</td>
<td>0.00%</td>
</tr>
<tr>
<td>Interest Bearing Demand</td>
<td>$4,501</td>
<td>0.35%</td>
</tr>
<tr>
<td>Money Market &amp; Savings</td>
<td>$5,501</td>
<td>0.36%</td>
</tr>
<tr>
<td>CDs &amp; Other Time</td>
<td>$2,196</td>
<td>0.75%</td>
</tr>
</tbody>
</table>

Source: Company Documents

(1) Data for the three months ended December 31, 2017
## Loan Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans ($ in millions)</th>
<th>Loan / Deposit Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$2,177</td>
<td>58.4%</td>
</tr>
<tr>
<td>2007</td>
<td>$3,137</td>
<td>59.1%</td>
</tr>
<tr>
<td>2008</td>
<td>$3,567</td>
<td>48.8%</td>
</tr>
<tr>
<td>2009</td>
<td>$3,377</td>
<td>46.5%</td>
</tr>
<tr>
<td>2010</td>
<td>$3,485</td>
<td>46.7%</td>
</tr>
<tr>
<td>2011</td>
<td>$3,766</td>
<td>46.7%</td>
</tr>
<tr>
<td>2012</td>
<td>$5,180</td>
<td>44.5%</td>
</tr>
<tr>
<td>2013</td>
<td>$7,775</td>
<td>50.8%</td>
</tr>
<tr>
<td>2014</td>
<td>$9,244</td>
<td>52.2%</td>
</tr>
<tr>
<td>2015</td>
<td>$9,439</td>
<td>53.4%</td>
</tr>
<tr>
<td>2016</td>
<td>$9,622</td>
<td>55.6%</td>
</tr>
<tr>
<td>2017</td>
<td>$10,021</td>
<td>56.2%</td>
</tr>
</tbody>
</table>

Source: Company Documents
Loan Portfolio Overview

As of December 31, 2017
($ in millions)

Loan Portfolio by Category & Geography

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4 Family</td>
<td>$2,455</td>
<td>24.5%</td>
</tr>
<tr>
<td>Agriculture (Inc. Farm)</td>
<td>$690</td>
<td>6.9%</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>$1,179</td>
<td>11.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,509</td>
<td>15.1%</td>
</tr>
<tr>
<td>Consumer &amp; Other</td>
<td>$286</td>
<td>2.8%</td>
</tr>
<tr>
<td>Energy</td>
<td>$301</td>
<td>3.0%</td>
</tr>
<tr>
<td>Comm. R.E.</td>
<td>$3,316</td>
<td>33.1%</td>
</tr>
</tbody>
</table>

Total Loans: $10.0Bn

Source: Company Documents
(1) Data for the three months ended December 31, 2017
(2) Excludes $80 million in loans assigned to the Corporate Group
Loan Portfolio Segment Detail

### Commercial Real Estate Detail

- **Shopping Center**
  - $498
  - 15.0%

- **Office Building**
  - $339
  - 10.2%

- **Multi-Family**
  - $156
  - 4.7%

- **C&I**
  - $277
  - 8.4%

- **Other**
  - $522
  - 15.7%

- **Owner Occupied**
  - $1,524
  - 46.0%

**Total**: $3,316mm

### Energy Detail - Outstanding Balance

- **Servicers**
  - $189
  - 62.7%

- **Producers**
  - $112
  - 37.3%

**Total**: $301mm

### Construction Detail

- **Single Family**
  - $389
  - 25.7%

- **Land Dev.**
  - $86
  - 5.7%

- **Raw Land**
  - $131
  - 8.7%

- **Resi. Lots**
  - $117
  - 7.7%

- **Comm. / Other**
  - $788
  - 52.2%

**Total**: $1,509mm

### Energy Detail - Unfunded Commitments

- **Servicers**
  - $91
  - 59.0%

- **Producers**
  - $63
  - 41.0%

**Total**: $154mm

---

Source: Company Documents

(1) Total includes a net unaccreted discount of ($2.440) million, not shown in graph
Houston MSA CRE Portfolio

As of December 31, 2017
($ in millions)

Owner Occupied: $518
Shopping Center / Retail: $232
Commercial & Industrial: $124
Office: $67
Medical: $54
Hotel: $43
Multi-Family: $23
Other: $49

Total Houston MSA CRE: $1.1Bn
Asset Quality
NPAs / Loans + OREO

Source: Company Documents & Uniform Bank Performance Report
Note: NPAs include loans past due 90 days and still accruing
(1) UBPR = Uniform Bank Performance Report; Peer Group 11 (231 banks) – insured commercial banks having assets greater than $3 billion
Securities Portfolio Detail

As of December 31, 2017
($ in millions)

Mortgage-Backed Securities: $9,196
States & Political Subdivisions: $330
Collateralized Mortgage Obligations: $101
Other Securities: $13

97.7% Held to Maturity
2.3% Available for Sale

Total Securities: $9.7Bn
Yield on Securities: 2.15%\(^{(1)}\)
Duration: ~3.6 Yrs.
Avg. Yearly Cash Flow: ~$1.6Bn

Source: Company Documents
(1) Data for the three months ended December 31, 2017
Dividend History

Compounded Annual Growth Rate from 2003 - 2017 was 13.0%

(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 $0.30 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
(d) 2017 dividend consists of $0.34 per share declared in 1Q 2017, 2Q 2017, 3Q 2017 and $0.36 per share declared in 4Q 2017
$100,000 invested in Prosperity’s IPO on 11/12/1998 was worth $1,555,155 on 12/31/2017.

Source: SNL Financial. Market data as of 12/29/2017
Presence in Fast-Growing Markets

Positioned in Strong Markets

- Today, Texas is the 2nd largest state in the U.S. with over 28 million residents
- Ranked #2 on the Fortune 500 list with 54 headquartered companies as of 2016
- Texas contributed $1.6 trillion to United States GDP, second to only California
- Ranked 1st by Forbes for current economic climate thanks to the 2nd fastest economic growth and 3rd fastest job growth over the past five years
- Oklahoma City and Tulsa comprise 45% of the state’s population
- Business tax climate is one of the best in the country and employers also benefit from energy costs that are 24% below the national average
- Ranked 4th in the nation for natural gas production and 5th for crude oil

Top 10 Fastest Growing MSAs in the U.S. (1)

<table>
<thead>
<tr>
<th>Metropolitan Statistical Area</th>
<th>Prosperity Presence</th>
<th>Prosperity Deposits ($mm)</th>
<th>2018 - 2023 Population Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Austin-Round Rock, TX</td>
<td>✓</td>
<td>$842</td>
<td>9.5%</td>
</tr>
<tr>
<td>2 Orlando-Kissimmee-Sanford, FL</td>
<td></td>
<td>-</td>
<td>8.2%</td>
</tr>
<tr>
<td>3 Houston-The Woodlands-Sugar Land, TX</td>
<td>✓</td>
<td>$5,029</td>
<td>8.3%</td>
</tr>
<tr>
<td>4 San Antonio-New Braunfels, TX</td>
<td>✓</td>
<td>$366</td>
<td>8.1%</td>
</tr>
<tr>
<td>5 Dallas-Fort Worth-Arlington, TX</td>
<td>✓</td>
<td>$1,453</td>
<td>7.7%</td>
</tr>
<tr>
<td>6 Denver-Aurora-Lakewood, CO</td>
<td></td>
<td>-</td>
<td>7.7%</td>
</tr>
<tr>
<td>7 Phoenix-Mesa-Scottsdale, AZ</td>
<td></td>
<td>-</td>
<td>7.2%</td>
</tr>
<tr>
<td>8 Las Vegas-Henderson-Paradise, NV</td>
<td></td>
<td>-</td>
<td>7.3%</td>
</tr>
<tr>
<td>9 Seattle-Tacoma-Bellevue, WA</td>
<td></td>
<td>-</td>
<td>6.7%</td>
</tr>
<tr>
<td>10 Atlanta-Sandy Springs-Roswell, GA</td>
<td></td>
<td>-</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

- Presence in four of the top five fastest growing MSAs in the United States
- The South is home of ten of the 15 fastest growing cities with populations greater than 50,000 in the United States

(1) Includes MSAs with greater than one million in total population. Deposit data as of 6/30/2017
Corporate Relocations to Texas (2004 – Present)
Houston Market Highlights

**Market Highlights**

- Houston MSA is the 5th largest in the United States by population with 7.0 million people.
- Headquarters to 20 Fortune 500 companies, and only New York City is home to more publicly traded companies.
- Home of the Texas Medical Center – the world’s largest medical complex, and NASA’s Johnson Space Center where the Mission Control Center is located.
- The Port of Houston is 1st in the U.S. in international waterborne tonnage handled and 2nd in total cargo tonnage handled.
- Houston’s population is expected to grow 8.3% from 2018 to 2023.

**Fortune 500 Companies**

Dallas/Ft. Worth Market Highlights

Market Highlights

- Dallas/Ft. Worth MSA is the 4th largest in the United States by population with 7.4 million people
- Headquarters to 22 Fortune 500 companies
- Total nonfarm employment in the Dallas-Fort Worth-Arlington MSA stood at 3.6 million in September 2017, up 96,700 over the year
- As of September 2017, Dallas had the 2nd highest year-over-year percent job growth out of any MSA in the country at 2.8%
- Dallas/Ft. Worth population is expected to grow 7.7% from 2018 to 2023

Fortune 500 Companies

Austin Market Highlights

Market Highlights

- Ranked #1 place to live in the U.S. in 2017 by U.S. News and World Report
- Austin’s population growth rate from 2006 to 2016 was 35.7%, compared to 19.3% for Texas and 8.2% for the nation
- Ranked by Forbes as the #8 best place in the United States for businesses and careers in 2017
- In the Austin metro, 41.5% of adults have at least a bachelor’s degree, compared to 30.1% nationally, putting Austin in the top 10 among the largest metro areas
- Austin’s population is expected to grow 9.5% from 2018 to 2023

Austin Franchise

Fortune 500 Companies

Contact Information

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