“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.
2018 Fourth Quarter Highlights

- Net income of $83.331 million and earnings per share (diluted) of $1.19 for three months ended December 31, 2018
- Assets of $22.693 billion, loans of $10.370 billion, and deposits of $17.257 billion at December 31, 2018
- Common equity tier 1 ratio was 16.32% and leverage ratio was 10.23% at December 31, 2018
- Sound asset quality with annualized net charge offs/average loans of 0.02% for the fourth quarter 2018
- Nonperforming assets to average earning assets remain low at 0.10% or $18,956 million for the fourth quarter 2018
- Efficiency ratio of 43.20% for the fourth quarter 2018
- Declared cash dividend of $0.41 for the first quarter 2019

Source: Company Documents
Strong Presence in Texas and Oklahoma

- A Texas-based financial holding company with $22.693 billion in total assets
- Ranked #3 in deposit market share in Texas
- Texas and Oklahoma continue to benefit from strong economies, and are home to 53 Fortune 500 headquartered companies
- Shareholder driven with 5.1% fully diluted insider ownership
- 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 6/30/2018
(2) Per proxy statement (Form DEF 14A) filed on 3/13/2018
## Balance Sheet Summary

### Data as of 12/31/2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$10.370 Bn</td>
</tr>
<tr>
<td>Deposits</td>
<td>$17.257 Bn</td>
</tr>
<tr>
<td>Assets</td>
<td>$22.693 Bn</td>
</tr>
</tbody>
</table>

### 10 Year CAGR\(^{1}\)

<table>
<thead>
<tr>
<th>Category</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>11.3%</td>
</tr>
<tr>
<td>Deposits</td>
<td>9.0%</td>
</tr>
<tr>
<td>Assets</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

Source: Company Documents

\(^{1}\) Represents the Compound Annual Growth Rate from 12/31/2008 – 12/31/2018
Net Income

Note: Net income includes the following ($ in thousands)

 Provision for Credit Losses | $9,867 | $28,775 | $13,585 | $5,200 | $6,100 | $17,240 | $18,275 | $7,560 | $24,000 | $14,325 | $16,350 | $2,000 | $1,000

 Loan Discount Accretion | - | - | - | - | - | $26,413 | $62,723 | $95,875 | $52,122 | $38,970 | $21,906 | $13,909 | $4,796 | $2,903

Source: Company Documents

(1) Represents the Compound Annual Growth Rate of net income from 12/31/2008 – 12/31/2018
(2) Represents the Compound Annual Growth Rate of net income from 12/31/2013 – 12/31/2018
(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

![Graph showing earnings per share (EPS) from 2008 to 2018 with 10 Year CAGR: 9.5% and 5 Year CAGR: 4.8%.

## Note:
- Net income includes the following ($ in thousands):
  - **Provision for Credit Losses**
    - 2008: $9,867
    - 2009: $28,775
    - 2010: $13,585
    - 2011: $5,200
    - 2012: $6,100
    - 2013: $17,240
    - 2014: $18,275
    - 2015: $7,560
    - 2016: $24,000
    - 2017: $14,325
    - 2018: $16,350
    - 4Q17: $2,000
    - 4Q18: $1,000
  - **Loan Discount**
  - **Accretion**

## Table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Provision for Credit Losses</th>
<th>Loan Discount</th>
<th>Accretion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$9,867</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>$28,775</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>$13,585</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>$5,200</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>$6,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>$17,240</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>$18,275</td>
<td>$26,413</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>$7,560</td>
<td>$62,723</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>$24,000</td>
<td>$95,875</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>$14,325</td>
<td>$52,122</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>$16,350</td>
<td>$38,970</td>
<td>-</td>
</tr>
<tr>
<td>4Q17</td>
<td>$2,000</td>
<td>$21,906</td>
<td>-</td>
</tr>
<tr>
<td>4Q18</td>
<td>$1,000</td>
<td>$13,909</td>
<td>$2,903</td>
</tr>
</tbody>
</table>

## Source:
- Company Documents

(1) Represents the Compound Annual Growth Rate for EPS from 12/31/2008 – 12/31/2018
(2) Represents the Compound Annual Growth Rate for EPS from 12/31/2013 – 12/31/2018
(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
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.
Return on Average Tangible Common Equity

(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, 2018
($ in millions)

<table>
<thead>
<tr>
<th>Deposit Type</th>
<th>Cost (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noninterest-Bearing Demand</td>
<td>0.00%</td>
</tr>
<tr>
<td>Interest-Bearing Demand</td>
<td>0.57%</td>
</tr>
<tr>
<td>Money Market &amp; Savings</td>
<td>0.73%</td>
</tr>
<tr>
<td>CDs &amp; Other Time</td>
<td>1.23%</td>
</tr>
</tbody>
</table>

$5,666       0.00%
$4,124       0.57%
$5,387       0.73%
$2,079       1.23%

Total Deposits: $17.3Bn
Total Cost of Deposits: 0.51%\(^{(1)}\)
Cost of Deposits, Net of NIBD: 0.77%\(^{(1)}\)

Source: Company Documents
(1) Data for the three months ended December 31, 2018

Average Noninterest-Bearing Demand Deposits

Year over Year Growth: 5.7%

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$5,347</td>
</tr>
<tr>
<td>2018</td>
<td>$5,651</td>
</tr>
</tbody>
</table>
Loan Growth

Source: Company Documents
Loan Portfolio Overview

As of December 31, 2018
($ 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>$2,439</td>
<td>23.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,622</td>
<td>15.7%</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>$1,111</td>
<td>10.7%</td>
</tr>
<tr>
<td>Energy</td>
<td>$372</td>
<td>3.6%</td>
</tr>
<tr>
<td>Agriculture (Inc. Farm)</td>
<td>$730</td>
<td>7.0%</td>
</tr>
<tr>
<td>Home Equity</td>
<td>$268</td>
<td>2.6%</td>
</tr>
<tr>
<td>Consumer &amp; Other</td>
<td>$289</td>
<td>2.8%</td>
</tr>
<tr>
<td>Comm. R.E.</td>
<td>$3,539</td>
<td>34.1%</td>
</tr>
</tbody>
</table>

Loans by Rate Structure

- Fixed: 38.5%
- Floating: 37.5%
- Variable Rate: 24.0%
- Total Loans: $10.4Bn

Yield on Loans: 5.02% (1)
Core Yield on Loans: 4.91% (3)

Loans By Area

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan / College Station</td>
<td>$643</td>
<td>6.2%</td>
</tr>
<tr>
<td>Central Oklahoma</td>
<td>$566</td>
<td>5.5%</td>
</tr>
<tr>
<td>Central Texas</td>
<td>$1,457</td>
<td>14.1%</td>
</tr>
<tr>
<td>Dallas / Ft. Worth</td>
<td>$1,287</td>
<td>12.5%</td>
</tr>
<tr>
<td>East Texas</td>
<td>$428</td>
<td>4.2%</td>
</tr>
<tr>
<td>Houston</td>
<td>$3,099</td>
<td>30.1%</td>
</tr>
<tr>
<td>South Texas</td>
<td>$1,333</td>
<td>12.9%</td>
</tr>
<tr>
<td>Tulsa Oklahoma</td>
<td>$611</td>
<td>5.9%</td>
</tr>
<tr>
<td>West Texas</td>
<td>$889</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Source: Company Documents
(1) Data for the three months ended December 31, 2018
(2) Excludes $57 million in loans assigned to the Corporate Group
(3) Core yield excludes purchase accounting adjustments
Loan Portfolio Segment Detail

### Commercial Real Estate Detail

- **($ in millions)**
  - Shopping Center / Retail: $565, 16%
  - Office Building: $363, 10%
  - Multi-Family: $183, 5%
  - C&I: $293, 9%
  - Other: $611, 17%

- **$3,539mm Total**

### Construction Detail

- **($ in millions)**
  - Single Family: $441, 27%
  - Land Dev.: $89, 6%
  - Raw Land: $153, 9%
  - Resi. Lots: $124, 8%
  - Comm. / Other: $816, 50%

- **$1,622mm Total**

### Energy Detail - Outstanding Balance

- **($ in millions)**
  - Servicers: $258, 69%
  - Producers: $114, 31%

- **$372mm Total**

### Energy Detail - Unfunded Commitments

- **($ in millions)**
  - Servicers: $110, 46%
  - Producers: $128, 54%

- **$238mm Total**

Source: Company Documents

(1) Total includes a net unaccreted discount of ($1.343) million, not shown in graph.
Houston MSA CRE Portfolio

As of December 31, 2018
($ in millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner Occupied</td>
<td>$548</td>
</tr>
<tr>
<td>Shopping Center / Retail</td>
<td>$261</td>
</tr>
<tr>
<td>Commercial &amp; Industrial</td>
<td>$125</td>
</tr>
<tr>
<td>Office</td>
<td>$94</td>
</tr>
<tr>
<td>Medical</td>
<td>$29</td>
</tr>
<tr>
<td>Hotel</td>
<td>$49</td>
</tr>
<tr>
<td>Multi-Family</td>
<td>$39</td>
</tr>
<tr>
<td>Other</td>
<td>$46</td>
</tr>
</tbody>
</table>

Total Houston MSA CRE: $1.2Bn
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, 2018
($ in millions)

99.0% Held to Maturity
1.0% Available for Sale

Total Securities: $9.4Bn
Yield on Securities: 2.35%\(^{(1)}\)
Duration: ~3.6 Yrs.\(^{(2)}\)
Avg. Yearly Cash Flow: ~$1.8Bn

Source: Company Documents
(1) Data for the three months ended December 31, 2018
(2) Effective duration +300bps shown
Compounded Annual Growth Rate from 2003 - 2018 was 12.6%

(a) 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
(b) 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
(c) 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
(d) 2018 dividend consists of $0.36 per share declared in 1Q 2018, 2Q 2018, 3Q 2018 and $0.41 per share declared in 4Q 2018
$100,000 invested in Prosperity’s IPO on 11/12/98 was worth $1,403,695 on 12/31/2018.
### Presence in Fast-Growing Markets

#### Positioned in Strong Markets

- **Today, Texas is the 2nd largest state in the U.S., and largest in the 48 contiguous U.S. with over 29 million residents**
- **Ranked #3 on the Fortune 500 list with 48 headquartered companies in 2018**
- **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 nearly 50% of the state’s population**
- **Oklahoma is home to five Fortune 500 Companies**
- **Business tax climate is one of the best in the country and employers also benefit from energy costs that are roughly 25% below the national average**
- **Oklahoma is one of the top five producers of wheat and Natural gas in the United States**

#### 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>2019 - 2024 Population Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Austin-Round Rock, TX</td>
<td>✓</td>
<td>$840</td>
<td>9.1%</td>
</tr>
<tr>
<td>2 Orlando-Kissimmee-Sanford, FL</td>
<td>-</td>
<td>-</td>
<td>8.1%</td>
</tr>
<tr>
<td>3 Houston-The Woodlands-Sugar Land, TX</td>
<td>✓</td>
<td>$4,976</td>
<td>8.0%</td>
</tr>
<tr>
<td>4 San Antonio-New Braunfels, TX</td>
<td>✓</td>
<td>$356</td>
<td>7.9%</td>
</tr>
<tr>
<td>5 Dallas-Fort Worth-Arlington, TX</td>
<td>✓</td>
<td>$1,429</td>
<td>7.7%</td>
</tr>
<tr>
<td>6 North Port-Sarasota-Bradenton, FL</td>
<td>-</td>
<td>-</td>
<td>7.5%</td>
</tr>
<tr>
<td>7 Las Vegas-Henderson-Paradise, NV</td>
<td>-</td>
<td>-</td>
<td>7.5%</td>
</tr>
<tr>
<td>8 Denver-Aurora-Lakewood, CO</td>
<td>-</td>
<td>-</td>
<td>7.2%</td>
</tr>
<tr>
<td>9 Phoenix-Mesa-Scottsdale, AZ</td>
<td>-</td>
<td>-</td>
<td>7.0%</td>
</tr>
<tr>
<td>10 Colorado Springs, Co</td>
<td>-</td>
<td>-</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

**Source:** S&P Global, Worldpopulationreview.com, Forbes, Chiefexecutive.net, Usnews.com, www.dallasnews.com

(1) Includes MSAs with greater than one million in total population. Deposit data as of 6/30/2018
Houston Market Highlights

Market Highlights

- Houston MSA is the 5th largest in the United States by population with 7.0 million people
- Headquarters to 21 Fortune 500 companies in 2018
- 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
- For the twelve months ended December 2018, the Houston MSA created 108,300 jobs, a 3.5% increase since December 2017
- Economic success is projected to continue, with employment growth of 1.7% annually through the year 2040
- Houston’s population is expected to grow 8.0% from 2019 to 2024

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 7.6 million residents
- Headquarters to 22 Fortune 500 companies in 2018
- Dallas has the largest workforce of any MSA in Texas
- According to the U.S. Bureau of Economic analysis and the Dallas Economic Development, the MSA is home to over 65,000 businesses, adding over 300 jobs per day on average over the past twelve months
- Dallas/Ft. Worth population is expected to grow 7.7% from 2019 to 2024

References to Dallas refer to the Dallas – Fort Worth – Arlington metropolitan statistical area.

**Austin Market Highlights**

### Market Highlights

- Ranked #1 place to live in the U.S. in 2018 by U.S. News and World Report for the second year in a row
- For the twelve months ended October 2018, Austin added 40,400 jobs, representing a growth rate of 3.9%, making it the second fastest growing metropolitan job market in the country
- Ranked by Forbes as the #8 best place in the United States for businesses and careers in 2018
- Unemployment has been at 3.0% or below for the last 14 months as of October 2018
- Austin’s population is expected to grow 9.1% from 2019 to 2024

**Austin Franchise**

### Fortune 500 Companies

- Amazon
- Cisco
- eBay
- Apple
- Google
- IBM
- Intel
- Oracle
- 3M
- Dell
- AT&T
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