

#### PRESS RELEASE

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#### FOR IMMEDIATE RELEASE

# PROSPERITY BANCSHARES, INC.® REPORTS STRONG FIRST QUARTER 2013 EARNINGS

- First quarter 2013 Earnings Per Share (diluted) increased 11.7% to \$0.86 compared with the first quarter 2012
- Net income increased \$12.818 million or 35.1% compared with the first quarter 2012
- Six acquisitions completed within the past sixteen months
- Entry into Oklahoma by acquisition of Coppermark Bancshares on April 1, 2013
- Non-Performing Assets remain low at 0.14% of first quarter Average Earning Assets
- Deposits increased \$3.169 billion or 37.1% compared with the first quarter 2012
- Loans increased \$1.388 billion or 35.8% compared with the first quarter 2012

HOUSTON, April 24, 2013. Prosperity Bancshares, Inc.® NYSE: (PB), the parent company of Prosperity Bank®, reported net income for the quarter ended March 31, 2013, of \$49.305 million or \$0.86 per diluted common share, an increase in net income of \$12.818 million or 35.1%, compared with \$36.487 million and an increase in diluted earnings per share of 11.7% compared with \$0.77 per diluted common share for the same period in 2012.

"Again I am delighted to be able to announce record earnings of \$49.305 million, as well as record earnings per diluted share of \$0.86. Over the last year, our bank has experienced significant growth. In fact, our assets increased \$4.191 billion, or 38%, when compared with the same quarter last year," said David Zalman, Prosperity's Chairman and Chief Executive Officer.

"In addition to a number of other honors we have received over the years, we were recently recognized by SNL, a prestigious provider of bank information and data, as the 2nd best Regional Bank in the nation based on their research. Honors like these could not be achieved without everyone working toward the same goal and for that I appreciate all the hard work by our associates and directors," said Zalman.

"We are very fortunate to be located in a part of the country that has population and job growth occurring at higher rates than many other areas. The unemployment rate in March for Texas was 6.4% and in the Permian Basin area in West Texas, it was below 4.0%. This is compared to the National jobless rate of 7.6%. The Oklahoma area is also doing very well with low unemployment rates, growing population and an overall positive business climate," added Zalman.

"Our goal is to continue to take care of our customers with new and innovative products at fair prices that benefit our customers and help make their life easier," concluded Zalman.

Prosperity's management uses certain non–GAAP (generally accepted accounting principles) financial measures to evaluate its performance. Specifically, Prosperity reviews tangible book value per share, return on average tangible common equity and the tangible equity to tangible assets ratio. In addition, due to the application of purchase accounting, Prosperity uses certain non-GAAP measures and ratios that exclude the impact of these items to evaluate its allowance for credit losses to total loans (excluding acquired loans accounted for under ASC Topics 310-20 and 310-30). Prosperity has included in this Earnings Release information relating to these non-GAAP financial measures for the applicable periods presented. Please refer to the "Notes to Selected Financial Data" at the end of this Earnings Release for a reconciliation of these non-GAAP financial measures.

#### Results of operations for the three months ended March 31, 2013

For the three months ended March 31, 2013, net income was \$49.305 million compared with \$36.487 million for the same period in 2012. Net income per diluted common share was \$0.86 for the three months ended March 31, 2013 compared with \$0.77 for the same period in 2012. Annualized returns on average assets, average common equity and average tangible common equity for the three months ended March 31, 2013 were 1.33%, 9.23% and 22.30%, respectively. Prosperity's efficiency ratio (excluding, credit loss provisions, net gains and losses on the sale of assets and securities and taxes) was 42.40% for the three months ended March 31, 2013.

Net interest income before provision for credit losses for the quarter ended March 31, 2013, increased 32.1% to \$108.082 million compared with \$81.846 million during the same period in 2012. The increase is primarily due to a 42.9% increase in average interest earning assets for the same period. Linked quarter net interest income before provision for credit losses decreased 0.2% or \$219,000 compared with \$108.301 million during the three months ended December 31, 2012. The net interest margin on a tax equivalent basis decreased to 3.42% for the three months ended March 31, 2013, compared with 3.64% for the same period in 2012 and decreased 11 basis points from 3.53% for the three months ended December 31, 2012.

Non-interest income increased \$9.496 million or 68.1% to \$23.441 million for the three months ended March 31, 2013, compared with \$13.945 million for the same period in 2012. The increase was primarily due to the acquisition of American State Financial Corporation ("ASB") on July 1, 2012. Through ASB, Prosperity acquired additional services and products including trust, credit cards and mortgage lending operations. On a linked quarter basis, non-interest income decreased 2.8% or \$665,000.

Non-interest expense increased \$15.308 million or 37.8% to \$55.767 million for the three months ended March 31, 2013, compared with \$40.459 million for the same period in 2012. The increase is primarily due to additional non-interest expenses associated with ASB. Additionally, total non-interest expense for the three months ended March 31, 2013 included one-time pre-tax merger expenses of \$252,000. On a linked quarter basis, non-interest expense decreased 2.1% or \$1.201 million.

Average loans increased 37.8% or \$1.445 billion to \$5.264 billion for the quarter ended March 31, 2013, compared with \$3.819 billion for the same period in 2012. On a linked quarter basis, average loans increased 2.4% or \$123.621 million from \$5.140 billion at December 31, 2012. Average deposits increased 39.5% to \$11.760 billion for the quarter ended March 31, 2013, compared with \$8.429 billion for the same period of 2012. On a linked quarter basis, average deposits increased 4.4% or \$500.794 million from \$11.259 billion at December 31, 2012.

Loans at March 31, 2013 were \$5.263 billion, an increase of \$1.388 billion or 35.8%, compared with \$3.875 billion at March 31, 2012. On a linked quarter basis, loans increased \$83.084 million or 1.6% (6.4% annualized) from \$5.180 billion at December 31, 2012. Deposits at March 31, 2013 were \$11.713 billion, an increase of \$3.169 billion or 37.1% compared with \$8.544 billion at March 31, 2012. On a linked quarter basis, deposits increased \$71.623 million or 0.6% (2.4% annualized) from \$11.642 billion at December 31, 2012.

The table below provides detail on loans acquired and deposits assumed in the Texas Bankers, Inc., The Bank Arlington, ASB, Community National Bank ("Community National"), and East Texas Financial Services transactions completed on January 1, 2012, April 1, 2012, July 1, 2012, October 1, 2012 and January 1, 2013, respectively:

### Balance Sheet Data (at period end) (In thousands)

,			ec 31, 2012 Jnaudited)		<b>p 30, 2012</b> Unaudited)		n 30, 2012 Jnaudited)	Mar 31, 2012 (Unaudited)		
Loans acquired (including new production since respective acquisition dates):										
Texas Bankers, Inc.	\$	23,314	\$	23,803	\$	24,229	\$	28,421	\$	27,053
The Bank Arlington		22,919		23,308		21,806		22,542		-
ASB		974,223		1,068,077		1,131,005		-		-
Community National		61,966		63,940		-		-		-
East Texas Financial Services		117,863		-		-		-		-
Allother		4,062,739		4,000,812		3,902,063		3,899,369		3,847,809
Total loans	\$	5,263,024	\$			5,079,103	\$	3,950,332	\$	3,874,862
Deposits assumed (including new deposits since respective acquisition dates):										
Texas Bankers, Inc.	\$	67,665	\$	68,965	\$	69,818	\$	62,739	\$	63,681
The Bank Arlington	φ	28,220	φ	29,842	φ	33,609	φ	33,505	φ	05,001
ASB		2,461,485		2,510,855		2,518,178		33,303		-
Community National		156,274		160,404		2,310,170		-		-
East Texas Financial Services		98,359		100,404		-		-		-
All other		,		- 0 071 770		- 002 9 222 002		8,298,338		8,480,770
Total deposits	•	8,901,464 11,713,467	\$	\$,871,778 \$ 11,641,844		8,332,992 10,954,597			\$	8,544,451
Total deposits	φ	11,/13,40/	φ	11,0+1,0+4	\$	10,754,571	φ	0,374,302	φ	0,544,451

As reflected in the table above, loan and deposit growth was impacted by the acquisitions of Texas Bankers, Inc., The Bank Arlington, ASB, Community National and East Texas Financial Services. Excluding loans acquired in these acquisitions and new production at the acquired banking centers since the respective acquisition dates, loans at March 31, 2013 grew 5.5% compared with March 31, 2012 and 1.5% (6.0% annualized) on a linked quarter basis. Excluding deposits assumed in these acquisitions and new deposits generated at the acquired banking centers since the respective acquisition dates, deposits at March 31, 2013 grew 5.0% compared with March 31, 2012 and 0.3% (1.2% annualized) on a linked quarter basis.

At March 31, 2013, Prosperity had \$15.081 billion in total assets, \$5.263 billion in loans and \$11.713 billion in deposits. Assets, loans and deposits at March 31, 2013 increased by 38.5%, 35.8% and 37.1%, respectively, compared with their respective levels at March 31, 2012.

#### **Asset Quality**

Non-performing assets totaled \$18.133 million or 0.14% of quarterly average earning assets at March 31, 2013, compared with \$14.873 million or 0.16% of quarterly average earning assets at March 31, 2012, and \$13.015 million or 0.10% of quarterly average earnings assets at December 31, 2012. The allowance for credit losses was 1.05% of total loans at March 31, 2013, 1.33% of total loans at March 31, 2012 and 1.01% of total loans at December 31, 2012. Excluding loans acquired that are accounted for under ASC Topics 310-20 and 310-30, the allowance for credit losses was 1.25% and 1.22% of remaining loans as of March 31, 2013 and December 31, 2012, respectively. Refer to the "Notes to Selected Financial Data" at the end of this Earnings Release for a reconciliation of this non-GAAP financial measure.

The provision for credit losses was \$2.800 million for the three months ended March 31, 2013 compared to \$3.550 million for the linked quarter and \$150,000 for the three months ended March 31, 2012. Net charge offs were \$315,000 for the three

months ended March 31, 2013 compared to \$1.913 million for the linked quarter and \$102,000 for the three months ended March 31, 2012.

#### **Conference Call**

Prosperity's management team will host a conference call on Wednesday, April 24, 2013 at 10:30 a.m. Eastern Standard Time (9:30 a.m. Central Standard Time) to discuss Prosperity's first quarter 2013 earnings. Individuals and investment professionals may participate in the call by dialing 866-952-1907, the reference code is PBTX.

Alternatively, individuals may listen to the live webcast of the presentation by visiting Prosperity's website at <a href="https://www.prosperitybankusa.com">www.prosperitybankusa.com</a>. The webcast may be accessed directly from Prosperity's home page by clicking the "About Us" tab and then the "Presentations & Calls" link.

#### Acquisition of Coppermark Bancshares, Inc.

On April 1, 2013, Prosperity completed the previously announced acquisition of Coppermark Bancshares, Inc. and its wholly-owned subsidiary, Coppermark Bank ("Coppermark") headquartered in Oklahoma City, Oklahoma. Coppermark operated nine (9) full-service banking offices; six (6) in Oklahoma City, Oklahoma and surrounding areas and three (3) in the Dallas, Texas area. As of March 31, 2013, Coppermark reported, on a consolidated basis, total assets of \$1.2 billion, total loans of \$847.6 million and total deposits of \$1.1 billion.

Pursuant to the terms of the acquisition agreement, Prosperity issued 3,258,718 shares of Prosperity common stock plus \$60.0 million in cash for all outstanding shares of Coppermark Bancshares capital stock, which resulted in a premium of \$91.7 million.

#### Acquisition of East Texas Financial Services, Inc.

On January 1, 2013, Prosperity completed the previously announced acquisition of East Texas Financial Services, Inc. (OTC BB: FFBT) and its wholly-owned subsidiary, First Federal Bank Texas ("Firstbank"). Firstbank operated four (4) banking offices in the Tyler MSA, including three locations in Tyler, Texas and one location in Gilmer, Texas. As of December 31, 2012, East Texas Financial Services reported, on a consolidated basis, total assets of \$165.0 million, total loans of \$129.3 million and total deposits of \$112.3 million.

Pursuant to the terms of the acquisition agreement, Prosperity issued 530,940 shares of Prosperity common stock for all outstanding shares of East Texas Financial Services capital stock, which resulted in a premium of \$7.0 million.

#### **Acquisition of Community National Bank**

On October 1, 2012, Prosperity completed the previously announced acquisition of Community National Bank, Bellaire, Texas. Community National operated one (1) banking office in Bellaire, Texas, in the Houston Metropolitan Area. As of September 30, 2012, Community National reported total assets of \$183.0 million, total loans of \$68.0 million and total deposits of \$164.6 million.

Pursuant to the terms of the acquisition agreement, Prosperity issued 372,282 shares of Prosperity common stock plus \$11.4 million in cash for all outstanding shares of Community National capital stock, which resulted in a premium of \$10.6 million.

#### **Acquisition of American State Financial Corporation**

On July 1, 2012, Prosperity completed the previously announced acquisition of American State Financial Corporation and its wholly-owned subsidiary American State Bank. American State Bank operated thirty-seven (37) full-service banking offices in eighteen (18) counties across West Texas. As of June 30, 2012, ASB, on a consolidated basis, reported total assets of \$3.2 billion, total loans of \$1.2 billion and total deposits of \$2.5 billion.

Pursuant to the terms of the acquisition agreement, Prosperity issued 8,524,835 shares of Prosperity common stock plus \$178.5 million in cash for all outstanding shares of American State Financial Corporation capital stock, which resulted in a premium of \$240.4 million.

#### **Acquisition of The Bank Arlington**

On April 1, 2012, Prosperity completed the previously announced acquisition of The Bank Arlington. The Bank Arlington operated one (1) banking office in Arlington, Texas, in the Dallas/Fort Worth CMSA. As of March 31, 2012, The Bank Arlington reported total assets of \$37.3 million, total loans of \$22.8 million and total deposits of \$33.2 million.

Pursuant to the terms of the acquisition agreement, Prosperity issued 135,389 shares of Prosperity common stock for all outstanding shares of The Bank Arlington capital stock, which resulted in a premium of \$2.8 million.

#### Acquisition of Texas Bankers, Inc.

On January 1, 2012, Prosperity completed the previously announced acquisition of Texas Bankers, Inc. and its wholly-owned subsidiary, Bank of Texas, Austin, Texas. The three (3) Bank of Texas banking offices in the Austin, Texas CMSA consisted of a location in Rollingwood, which was consolidated with Prosperity's Westlake location and remains in Bank of Texas' Rollingwood banking office; one banking center in downtown Austin, which was consolidated into Prosperity's downtown Austin location; and another banking center in Thorndale. Prosperity now operates thirty-four (34) banking centers in the Central Texas area including Austin and San Antonio. Texas Bankers, Inc. reported, on a consolidated basis, total assets of \$77.0 million, total loans of \$27.6 million and total deposits of \$70.4 million as of December 31, 2011.

Pursuant to the terms of the acquisition agreement, Prosperity issued 314,953 shares of Prosperity common stock for all outstanding shares of Texas Bankers capital stock which resulted in a premium of \$5.2 million.

#### **Prosperity Bancshares, Inc.**®

Prosperity Bancshares Inc. <sup>®</sup> is a \$15.1 billion Houston, Texas based regional financial holding company, formed in 1983. Operating under a community banking philosophy and seeking to develop broad customer relationships based on service and convenience, Prosperity offers a variety of traditional loan and deposit products to its customers, which consist primarily of small and medium sized businesses and consumers. In addition to established banking products, Prosperity offers a complete line of services including: Internet Banking services at <a href="http://www.prosperitybankusa.com">http://www.prosperitybankusa.com</a>, Retail Brokerage Services, MasterMoney Debit Cards, 24 hour voice response banking, Trust and Wealth Management; and Mobile Banking. Since completing the merger with Coppermark, Prosperity now operates two hundred twenty-four (224) full service banking locations; fifty-nine (59) in the Houston area; twenty (20) in the South Texas area including Corpus Christi and Victoria; thirty-eight (38) in the Dallas/Fort Worth area; twenty-three (23) in the East Texas area; thirty-four (34) in the Central Texas area including Austin and San Antonio; thirty-four (34) in the West Texas area including Lubbock, Midland-Odessa and Abilene; ten (10) in the Bryan/College Station area and six (6) in the Central Oklahoma area.

#### Bryan/College Station Area -

Bryan
Bryan-East
Bryan-North
Caldwell
College Station
Greens Prairie
Madisonville
Navasota
Rock Prairie
Wellborn Road

#### Central Texas Area -

Austin 183
Allandale
Cedar Park
Congress
Lakeway
Liberty Hill
Northland
Oak Hill
Parmer Lane
Research Blvd
Westlake

#### Other Central Texas

Locations -

Bastrop

Cuero Dime Box **Dripping Springs** Elgin Flatonia Georgetown Gonzales Hallettsville Kingsland La Grange Lexington New Braunfels Pleasanton Round Rock San Antonio Schulenburg Seguin Smithville Thorndale Weimar

Yoakum

Kiest

Yorktown

#### Dallas/Fort Worth Area -

Dallas Abrams Centre
Balch Springs
Camp Wisdom
Cedar Hill
Central Expressway
Dallas - Central
Dallas - Preston Road
East Renner
Frisco
Frisco-West
Independence

McKinney

McKinney-Stonebridge

Midway
Plano
Preston Forest
Preston Road
Red Oak
Sachse
The Colony
Turtle Creek
Westmoreland

Fort Worth -Haltom City Keller Roanoke Stockyards

#### Other Dallas/Fort Worth

Locations -Arlington Azle Ennis Gainesville Glen Rose Granbury Mesquite Muenster Sanger Waxahachie Weatherford

#### East Texas Area -

Athens Athens-South Blooming Grove Canton Carthage Corsicana Crockett Eustace Gilmer Grapeland Gun Barrel City Jacksonville Kerens Longview Mount Vernon Palestine Rusk Seven Points Teague Tyler-Beckham Tyler-South Broadway Tyler-University

#### Houston Area -

Winnsboro

Houston -Aldine Allen Parkway Bellaire Beltway Clear Lake Copperfield Cypress Downtown

Eastex Fairfield First Colony Gessner Gladebrook Harrisburg Heights Highway 6 West Hillcroft Little York Medical Center Memorial Drive Northside Pasadena Pecan Grove Piney Point River Oaks Royal Oaks Sugar Land

SW Medical Center Tanglewood Uptown Waugh Drive West University Woodcreek

#### Other Houston Area Locations -

Angleton Bay City Beaumont Cinco Ranch Cleveland East Bernard El Campo Dayton Galveston Groves Hempstead Hitchcock Katy Liberty Magnolia Mont Belvieu Nederland Needville Shadow Creek Sweeny Tomball Waller West Columbia Wharton Winnie

#### South Texas Area -

Corpus Christi -Airline Carmel Northwest Saratoga

Water Street

Wirt

Other South Texas Locations -Alice Aransas Pass Beeville
Edna
Goliad
Kingsville
Mathis
Padre Island
Palacios
Port Lavaca
Portland
Rockport
Sinton
Victoria
Victoria-North

#### West Texas Area -

Abilene -Antilley Road Barrow Street Cypress Street Judge Ely Mockingbird

Lubbock 4<sup>th</sup> Street
66<sup>th</sup> Street
82<sup>nd</sup> Street
86<sup>th</sup> Street
98<sup>th</sup> Street
Avenue Q
North University

Texas Tech Student Union

#### Midland -Wadley Wall Street

Odessa -Grandview Grant Kermit Highway Parkway

#### Other West Texas Locations -

Big Spring Brownfield Brownwood Cisco Comanche Early Floydada Gorman Levelland Littlefield Merkel Plainview San Angelo Slaton Snyder

#### Oklahoma

23<sup>rd</sup> Street Edmond Expressway I-240 Memorial Norman

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"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This release contains, and the remarks by Prosperity's management on the conference call may contain, forward-looking statements within the meaning of the securities laws that are based on current expectations, assumptions, estimates and projections about Prosperity and its subsidiaries. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, many of which are outside of Prosperity's control, which may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties include but are not limited to whether Prosperity can: successfully identify acquisition targets and integrate the businesses of acquired companies and banks; continue to sustain its current internal growth rate or total growth rate; provide products and services that appeal to its customers; continue to have access to debt and equity capital markets; and achieve its sales objectives. Other risks include, but are not limited to: the possibility that credit quality could deteriorate; actions of competitors; changes in laws and regulations (including changes in governmental interpretations of regulations and changes in accounting standards); a deterioration or downgrade in the credit quality and credit agency ratings of the securities in Prosperity's securities portfolio; customer and consumer demand, including customer and consumer response to marketing; effectiveness of spending, investments or programs; fluctuations in the cost and availability of supply chain resources; economic conditions, including currency rate fluctuations and interest rate fluctuations; and weather. These and various other factors are discussed in Prosperity's Annual Report on Form 10-K for the year ended December 31, 2012 and other reports and statements Prosperity has filed with the SEC. Copies of the SEC filings for Prosperity Bancshares® may be downloaded

(In thousands)

	Ma	ar 31, 2013	Dec 31, 2012		Se	p 30, 2012	Ju	ın 30, 2012	Mar 31, 2012	
<b>Balance Sheet Data</b>										
(at period end)										
Total loans (A)	\$	5,263,024	\$	5,179,940	\$	5,079,103	\$	3,950,332	\$	3,874,862
Investment securities (B)		7,985,811		7,442,065		6,799,513		5,400,044		5,646,529
Federal funds sold		835		352		302		133		445
Allowance for credit losses		(55,049)		(52,564)		(50,927)		(50,382)		(51,642)
Cash and due from banks		180,577		325,952		207,650		152,678		151,467
Goodwill		1,235,743		1,217,162		1,200,098		932,965		929,161
Core deposit intangibles		26,514		26,159		28,092		17,706		19,301
Other real estate		9,913		7,234		8,846		10,236		7,718
Fixed assets, net		206,829		205,268		201,445		166,273		162,676
Other assets		227,117		232,005		237,997		157,366		149,438
Total assets	\$	15,081,314	\$	14,583,573	\$	13,712,119	\$	10,737,351	\$	10,889,955
	•									
Demand deposits	\$	2,995,828	\$	3,016,205	\$	2,827,748	\$	2,083,910	\$	2,088,749
Interest bearing deposits		8,717,639		8,625,639		8,126,849		6,310,672		6,455,702
Total deposits		11,713,467		11,641,844		10,954,597		8,394,582		8,544,451
Securities sold under										
repurchase agreements		470,241		454,502		443,856		122,743		58,481
Federal funds purchased and										
other borrowings		576,768		256,753		112,017		437,278		527,536
Junior subordinated debentures		85,055		85,055		85,055		85,055		85,055
Other liabilities		86,328		56,030		78,418		53,876		64,899
Total liabilities		12,931,859		12,494,184		11,673,943		9,093,534		9,280,422
Shareholders' equity <sup>(C)</sup>		2,149,455		2,089,389		2,038,176		1,643,817		1,609,533
Total liabilities and equity	\$	15,081,314	\$	14,583,573	\$	13,712,119	\$	10,737,351	\$	10,889,955

<sup>(</sup>A) Net of discount on acquired loans of \$74,527, \$79,943, \$92,832 and \$431 at March 31, 2013, December 31, 2012, September 30, 2012 and June 30, 2012, respectively, of which \$28,454, \$23,754, \$27,117 and \$0, respectively, relate to loans accounted for under ASC Topic 310-30 (formerly SOP 03-03). There was no discount outstanding at March 31, 2012.

<sup>(</sup>B) Includes \$12,054, \$13,824, \$16,991, \$17,709 and \$19,542, in unrealized gains on available for sale securities for the quarterly periods ending March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively.

<sup>(</sup>C) Includes \$7,835, \$8,986, \$11,044, \$11,511 and \$12,702, in after-tax unrealized gains on available for sale securities for the quarterly periods ending March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively.

(In thousands)

	Three Months Ended									
	Mar 31, 2013			31, 2012		30, 2012		30, 2012	Mar	31, 2012
Income Statement Data										
Interest income:										
Loans <sup>(D)</sup>	\$	81,464	\$	82,727	\$	80,587	\$	54,793	\$	53,217
Securities (E)		36,548		34,956		37,025		38,072		38,321
Federal funds sold and other earning assets		19		36		21		9		78
Total interest income		118,031		117,719		117,633		92,874		91,616
Interest expense:						_				
Deposits		8,690		8,217		9,395		8,083		8,791
Junior subordinated debentures		605		631		651		648		663
Securities sold under repurchase agreements		292		294		315		59		37
Other borrowings		362		276		379		418		279
Total interest expense		9,949		9,418		10,740		9,208		9,770
Net interest income		108,082		108,301		106,893		83,666		81,846
Provision for credit losses		2,800		3,550		1,800		600		150
Net interest income after provision for credit losses		105,282		104,751		105,093	_	83,066		81,696
Non-interest income:										
Non-sufficient funds (NSF) fees		8,509		9,292		9,265		5,167		5,389
Debit card and ATM card income		6,487		6,683		6,246		4,292		3,836
Service charges on deposit accounts		2,931		2,877		3,362		2,432		2,441
Trust income		1,017		915		831		-		-
Mortgage income		991		1,120		1,437		65		59
Bank Owned Life Insurance income		776		1,242		736		345		350
Net gain (loss) on sale of assets		1		(244)		(50)		70		(7)
Net (loss) gain on sale of other real estate		(105)		(113)		(597)		(165)		418
Other non-interest income		2,834		2,334		2,598		1,450		1,459
Total non-interest income		23,441		24,106		23,828		13,656		13,945
Non-interest expense:		22 200		21.000		26.701		22 572		22.252
Salaries and benefits		33,209 1,755		31,980 1,932		36,701 2,007		23,572 1,595		23,252 1,695
Core deposit intangibles amortization  Net occupancy and equipment		4,278				4,614				
Depreciation		2,378		4,812 2,491		2,369		3,492 2,028		3,557 2,035
Debit card, data processing and software amortization		2,570		3,106		2,901		1,906		1,532
Regulatory assessments and FDIC insurance		2,395		2,365		2,107		1,659		1,548
Communications (includes telephone, courier and postage)		2,196		2,381		2,226		1,802		1,748
Other real estate expense		223		465		2,220		383		691
Other non-interest expense		6,763		7,436		7,046		4,351		4,401
Total non-interest expense		55,767		56,968		60,242		40,788	-	40,459
Net income before taxes		72,956		71,889		68,679		55,934		55,182
Federal income taxes		23,651		23,623		22,503		18,962		18,695
Net income available to common shareholders	\$	49,305	\$	48,266	\$	46,176	\$	36,972	\$	36,487

<sup>(</sup>D) Interest income on loans includes additional interest income related to the accretion of purchase accounting loan discounts of \$14,292, \$14,523, \$11,188 and \$756 for the three month periods ended March 31, 2013, December 31, 2012, September 30, 2012, and June 30, 2012, respectively. There was no loan discount accretion recorded during the three month period ended March 31, 2012.

<sup>(</sup>E) Interest income on securities was reduced by net premium amortization of \$22,710, \$23,992, \$21,423, \$11,755 and \$9,719 for the three month periods ended March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively.

(Dollars and share amounts in thousands, except per share data and market prices)

					Three	Months Ended				
	Mar 31, 2013		Dec	31, 2012	Sep	30, 2012	Jun	30, 2012	Mai	31, 2012
Profitability										
Net income	\$	49,305	\$	48,266	\$	46,176	\$	36,972	\$	36,487
Basic earnings per share	\$	0.87	\$	0.86	\$	0.83	\$	0.78	\$	0.77
Diluted earnings per share	\$	0.86	\$	0.85	\$	0.82	\$	0.78	\$	0.77
Return on average assets (F)		1.33%		1.36%		1.32%		1.35%		1.39%
Return on average common equity (F)		9.23%		9.28%		9.10%		9.06%		9.15%
Return on average tangible common equity (F)(G)		22.30%		22.92%		21.59%		21.70%		22.57%
Tax equivalent net interest margin (H)		3.42%		3.53%		3.52%		3.55%		3.64%
Efficiency ratio (I)		42.40%		42.95%		46.07%		41.94%		42.23%
Liquidity and Capital Ratios										
Equity to assets		14.25%		14.33%		14.86%		15.31%		14.78%
Tier 1 risk-based capital		14.77%		14.40%		14.43%		16.42%		15.70%
Total risk-based capital		15.61%		15.22%		15.26%		17.49%		16.80%
Tier 1 leverage capital		7.10%		7.10%		6.92%		7.69%		7.68%
Tangible equity to tangible assets (G)		6.42%		6.34%		6.49%		7.08%		6.65%
Other Data										
Shares used in computed earnings per share										
Basic		56,988		56,427		55,958		47,456		47,238
Diluted		57,134		56,554		56,093		47,608		47,411
Period end shares outstanding		57,014		56,447		56,058		47,474		47,297
Cash dividends paid per common share	\$	0.2150	\$	0.2150	\$	0.1950	\$	0.1950	\$	0.1950
Book value per share	\$	37.70	\$	37.02	\$	36.36	\$	34.63	\$	34.03
Tangible book value per share (G)	\$	15.56	\$	14.99	\$	14.45	\$	14.60	\$	13.98
Common Stock Market Price										
High	\$	47.56	\$	43.54	\$	45.40	\$	47.31	\$	47.60
Low		42.38		38.56		38.90		39.87		39.66
Period end market price		47.39		42.00		42.62		42.03		45.80
Employees – FTE		2,304		2,266		2,260		1,666		1,690

<sup>(</sup>F) Interim periods annualized.

<sup>(</sup>G) Refer to the "Notes to Selected Financial Data" at the end of this Earnings Release for a reconcilation of this non-GAAP financial measure.

<sup>(</sup>H) Net interest margin for all periods presented is calculated on an actual 365 day basis or 366 day basis.

<sup>(</sup>I) Calculated by dividing total non-interest expense, excluding credit loss provisions, by net interest income plus non-interest income, excluding net gains and losses on the sale of securities and assets. Additionally, taxes are not part of this calculation.

(Dollars in thousands)

YIELD ANALYSIS						Months End	ed				
	M	lar 31, 2013		_	D	ec 31, 2012		_	M	ar 31, 2012	
	Average Balance	Interest Earned/ Interest Paid	Average Yield/ Rate		Average Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	)	Average Balance	Interest Earned/ Interest Paid	Average Yield/ Rate
								_			
Interest Earning Assets:											
Loans	\$ 5,263,784	\$ 81,464	6.28%	(J)	\$ 5,140,163	\$ 82,727	6.40%	(J)	, ,	\$ 53,217	5.60%
Investment securities	7,755,567	36,548	1.91%	(K)	7,228,418	34,956	1.92%	(K)	5,192,257	38,321	2.95% (I
Federal funds sold and other	24.702	10	0.220/		75 125	20	0.100/		106 154	70	0.250/
earning assets Total interest earning assets	34,793	19	0.22%		75,135	36	0.19%		126,154	78	0.25%
-	13,054,144	\$ 118,031	3.67%		12,443,716	\$ 117,719	3.76%		9,137,402	\$ 91,616	4.03%
Allowance for credit losses	(53,242)				(50,775)				(51,601)		
Non-interest earning assets Total assets	1,849,461 \$ 14,850,363				1,844,756 \$ 14,237,697				1,414,340 \$10,500,141		
Total assets	\$ 14,030,303				\$ 14,237,077				\$ 10,300,141		
Interest Bearing Liabilities:											
Interest bearing demand deposits	\$ 2,659,489	\$ 2,210	0.34%		\$ 2,328,969	\$ 1,803	0.31%		\$ 1,694,240	\$ 2,063	0.49%
Savings and money market deposits	3,790,416	2,829	0.30%		3,600,109	2,580	0.29%		2,792,348	2,589	0.37%
Certificates and other time deposits	2,370,499	3,651	0.62%		2,366,155	3,834	0.64%		1,971,071	4,139	0.84%
Securities sold under repurchase agreements	448,542	292	0.26%		459,998	294	0.25%		53,304	37	0.28%
Federal funds purchased and other					,				,		
borrowings	358,120	362	0.41%		272,239	276	0.40%		272,760	279	0.41%
Junior subordinated debentures	85,055	605	2.88%		85,055	631	2.95%		85,055	663	3.14%
Total interest bearing liabilities	9,712,121	9,949	0.42%	(L)	9,112,525	9,418	0.41%	(L)	6,868,778	9,770	0.57% (I
Non-interest bearing liabilities:											
Non-interest bearing demand deposits	2,939,621				2,963,998				1,970,942		
Other liabilities	62,716				80,085				65,137		
Total liabilities	12,714,458				12,156,608				8,904,857		
Shareholders' equity	2,135,905				2,081,089				1,595,284		
Total liabilities and shareholders' equity	\$ 14,850,363				\$ 14,237,697				\$10,500,141		
Net Interest Income and Margin		\$ 108,082	3.36%			\$ 108,301	3.46%			\$ 81,846	3.60%
Non-GAAP to GAAP reconciliation:											
Tax equivalent adjustment		2,125				2,099				896	
Net Interest Income and Margin											
(tax equivalent basis)		\$ 110,207	3.42%			\$ 110,400	3.53%			\$ 82,742	3.64%

<sup>(</sup>J) Yield on loans was impacted by additional interest income related to the accretion of purchase accounting loan discounts of \$14,292, \$14,523, \$11,188 and \$756 for the three month periods ended March 31, 2013, December 31, 2012, September 30, 2012 and June 30, 2012, respectively. There was no loan discount accretion recorded during the three month period ended March 31, 2012.

<sup>(</sup>K) Yield on securities was impacted by net premium amortization of \$22,710, \$23,992, \$21,423, \$11,755 and \$9,719 for the three month periods ended March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively.

<sup>(</sup>L) Total cost of funds, including non-interest bearing deposits, was 0.32%, 0.31% and 0.44% for the three months ended March 31, 2013, December 31, 2012 and March 31, 2012, respectively.

 $(Dollars\ in\ thousands)$ 

	Three Months Ended									
	Mar 31, 2013		De	c 31, 2012	Sep 30, 2012		Jun 30, 2012		Ma	r 31, 2012
Adjustment to Loan Yield (M)										
Interest on loans, as reported	\$	81,464	\$	82,727	\$	80,587	\$	54,793	\$	53,217
Less: Purchase accounting adjustment-loan discount accretion		(14,292)		(14,523)		(11,188)		(756)		
Interest on loans without discount accretion	\$	67,172	\$	68,204	\$	69,399	\$	54,037	\$	53,217
Average loans	\$	5,263,784	\$	5,140,163	\$	5,169,101	\$	3,914,352	\$	3,818,991
Loan yield without discount accretion		5.18%		5.28%		5.34%		5.55%		5.60%
Loan yield, as reported		6.28%		6.40%		6.20%		5.63%		5.60%
				T	hree	Months Ende	d			
	Ma	r 31, 2013	De	c 31, 2012	Se	p 30, 2012	Jui	n 30, 2012	Ma	r 31, 2012
Adjustment to Securities Yield (M)										
Interest on securities, as reported	\$	36,548	\$	34,956	\$	37,025	\$	38,072	\$	38,321
Add: Purchase accounting adjustment-securities amortization		3,106		3,540		3,451				
Interest on securities including amortization (N)	\$	39,654	\$	38,496	\$	40,476	\$	38,072	\$	38,321
Average securities	\$	7,755,567	\$	7,228,418	\$	7,106,871	\$	5,635,810	\$	5,192,257
Securities yield including amortization (N)		2.07%		2.12%		2.28%		2.72%		2.97%
Securities yield, as reported		1.91%		1.92%		2.08%		2.70%		2.95%
Net Interest Margin (tax equivalent basis, excluding										
purchase accounting adjustments to yield)		3.08%		3.18%		3.16%		3.52%		3.64%
Net Interest Margin (tax equivalent basis), as reported		3.42%		3.53%		3.52%		3.55%		3.64%

<sup>(</sup>M) Non-GAAP financial measure.

<sup>(</sup>N) In connection with the acquisition, ASB sold \$574.0 million in securities yielding approximately 3.61% prior to July 1, 2012 and Prosperity reinvested those funds after acquisition date at a yield of approximately 1.70%. ASB recorded a gain of \$44.2 million related to the sale of these securities which resulted in a lower fair value of the securities portfolio acquired from ASB. If included in the table above, this transaction would have resulted in increased interest on securities and increased securities yield on an adjusted basis for each quarter following July 1, 2012.

	Three Months Ended										
	Mar 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,						
	2013	2012	2012	2012	2012						
YIELD TREND											
Interest Earning Assets:											
Loans (J)	6.28%	6.40%	6.20%	5.63%	5.60%						
Investment securities (K)	1.91%	1.92%	2.08%	2.70%	2.95%						
Federal funds sold and other earning assets	0.22%	0.19%	0.16%	0.17%	0.25%						
Total interest earning assets	3.67%	3.76%	3.80%	3.90%	4.03%						
Interest Bearing Liabilities:											
Interest bearing demand deposits	0.34%	0.31%	0.41%	0.49%	0.49%						
Savings and money market deposits	0.30%	0.29%	0.34%	0.35%	0.37%						
Certificates and other time deposits	0.62%	0.64%	0.69%	0.76%	0.84%						
Securities sold under repurchase agreements	0.26%	0.25%	0.29%	0.24%	0.28%						
Federal funds purchased and other borrowings	0.41%	0.40%	0.29%	0.28%	0.41%						
Junior subordinated debentures	2.88%	2.95%	3.04%	3.06%	3.14%						
Total interest bearing liabilities	0.42%	0.41%	0.47%	0.52%	0.57%						
Net Interest Margin	3.36%	3.46%	3.45%	3.52%	3.60%						
Net Interest Margin (tax equivalent)	3.42%	3.53%	3.52%	3.55%	3.64%						

(In thousands)

Three 1			

	Ma	ar 31, 2013	Dec 31, 2012		Sep 30, 2012			n 30, 2012	Mar 31, 2012	
<b>Balance Sheet Averages</b>										
Total loans	\$	5,263,784	\$	5,140,163	\$	5,169,101	\$	3,914,352	\$	3,818,991
Investment securities		7,755,567		7,228,418		7,106,871		5,635,810		5,192,257
Federal funds sold and										
other earning assets		34,793		75,135		53,111		20,916		126,154
Total interest earning assets		13,054,144		12,443,716		12,329,083		9,571,078		9,137,402
Allowance for credit losses		(53,242)		(50,775)		(53,944)		(50,746)		(51,601)
Cash and due from banks		206,990		198,797		206,124		134,055		157,979
Goodwill		1,226,332		1,211,596		1,157,330		932,112		928,417
Core Deposit Intangibles (CDI)		25,244		27,108		17,280		18,465		20,102
Other real estate		11,789		9,571		11,600		10,178		8,640
Fixed assets, net		207,517		206,869		192,542		165,784		163,190
Other assets		171,589		190,815		145,244		138,263		136,012
Total assets	\$	14,850,363	\$	14,237,697	\$	14,005,259	\$	10,919,189	\$	10,500,141
Non-interest bearing deposits	\$	2,939,621	\$	2,963,998	\$	2,760,405	\$	2,069,965	\$	1,970,942
Interest bearing demand deposits		2,659,489		2,328,969		2,181,928		1,706,176		1,694,240
Savings and money market deposits		3,790,416		3,600,109		3,516,601		2,779,524		2,792,348
Certificates and other time deposits		2,370,499		2,366,155		2,387,279		1,880,096		1,971,071
Total deposits		11,760,025		11,259,231		10,846,213		8,435,761		8,428,601
Securities sold under										
repurchase agreements		448,542		459,998		438,410		98,968		53,304
Federal funds purchased and										
other borrowings		358,120		272,239		512,739		610,499		272,760
Junior subordinated debentures		85,055		85,055		85,055		85,055		85,055
Other liabilities		62,716		80,085		92,873		56,742		65,137
Shareholders' equity		2,135,905		2,081,089		2,029,969		1,632,164		1,595,284
Total liabilities and equity	\$	14,850,363	\$	14,237,697	\$	14,005,259	\$	10,919,189	\$	10,500,141

(Dollars in thousands)

	Mar 31, 20	13	Dec 31, 2012		12	Sep 30, 2012			 Jun 30, 20	12	Mar 31, 2012			
Period End Balances														
Loan Portfolio														
Commercial and other	\$ 760,531	14.5%	\$	798,882	15.4%	\$	792,247	15.6%	\$ 491,907	12.5%	\$	475,860	12.3%	
Construction	575,307	10.9%		550,768	10.6%		496,417	9.8%	466,884	11.8%		484,295	12.5%	
1-4 family residential	1,338,936	25.5%		1,255,765	24.3%		1,213,872	23.9%	1,084,936	27.4%		1,036,318	26.7%	
Home equity	203,815	3.9%		186,801	3.6%		183,844	3.6%	154,147	3.9%		149,597	3.9%	
Commercial real estate	1,993,518	37.8%		1,990,642	38.4%		1,976,112	38.9%	1,484,787	37.6%		1,473,925	38.0%	
Agriculture (includes farmland)	286,789	5.4%		285,637	5.5%		304,134	6.0%	192,462	4.9%		178,474	4.6%	
Consumer	104,128	2.0%		111,445	2.2%		112,477	2.2%	 75,209	1.9%		76,393	2.0%	
Total loans	\$ 5,263,024		\$	5,179,940		\$	5,079,103		\$ 3,950,332	=	\$	3,874,862	_	
										_			_	
Deposit Types														
Non-interest bearing DDA	\$ 2,995,828	25.6%	\$	3,016,205	25.9%	\$	2,827,748	25.8%	\$ 2,083,910	24.8%	\$	2,088,749	24.4%	
Interest bearing DDA	2,521,998	21.5%		2,626,331	22.6%		2,208,568	20.2%	1,684,492	20.1%		1,671,760	19.6%	
Money Market	2,509,501	21.4%		2,362,454	20.3%		2,303,680	21.0%	2,206,220	26.3%		2,312,107	27.1%	
Savings	1,345,044	11.5%		1,293,552	11.1%		1,276,271	11.7%	581,480	6.9%		554,211	6.5%	
Certificates and other time deposits	2,341,096	20.0%		2,343,302	20.1%		2,338,330	21.3%	1,838,480	21.9%		1,917,624	22.4%	
Total deposits	\$ 11,713,467		\$	11,641,844		\$	10,954,597		\$ 8,394,582	-	\$	8,544,451	-	
										_			_	
Loan to Deposit Ratio	44.9%			44.5%			46.4%		47.1%			45.3%		
Construction Loans														
Single family residential														
construction	\$ 177,218	30.6%	\$	161,401	29.2%	\$	150,959	30.1%	\$ 143,600	30.8%	\$	142,584	29.4%	
Land development	42,520	7.4%		42,199	7.6%		38,075	7.6%	39,704	8.5%		41,177	8.5%	
Raw land	46,672	8.1%		58,794	10.6%		47,620	9.5%	51,070	10.9%		63,006	13.0%	
Residential lots	93,598	16.2%		92,697	16.8%		97,445	19.4%	86,201	18.5%		88,054	18.2%	
Commercial lots	64,394	11.2%		63,716	11.5%		63,418	12.7%	49,454	10.6%		51,642	10.7%	
Commercial construction and														
other	153,047	26.5%		134,427	24.3%		103,677	20.7%	96,855	20.7%		97,832	20.2%	
Net unaccreted discount	(2,142)			(2,466)			(4,777)		-	_		-	_	
Total construction loans	\$ 575,307		\$	550,768		\$	496,417		\$ 466,884		\$	484,295	=	

(Dollars in thousands)

				Th	ree M	onths Ende				
	Mar	31, 2013	Dec	31, 2012		30, 2012		30, 2012	Mar	31,2012
Asset Quality										
Non-accrual loans	\$	7,529	\$	5,382	\$	5,063	\$	1,624	\$	7,142
Accruing loans 90 or more	7	.,	,	-,	,	-,	_	-,	_	.,
days past due		642		331		_		_		-
Restructured loans		-		-		132		-		-
Total non-performing loans		8,171		5,713	•	5,195		1,624		7,142
Repossessed assets		49		68		10		13		13
Other real estate		9,913		7,234		8,846		10,236		7,718
Total non-performing assets	\$	18,133	\$	13,015	\$	14,051	\$	11,873	\$	14,873
Non-performing assets:										
Commercial	\$	3,896	\$	1,568	\$	1,599	\$	394	\$	690
Construction		3,678		3,522		3,182		4,056		4,116
1-4 family (including home equity) Commercial real estate (including multi-		3,746		3,081		3,089		2,284		3,207
family)		5,533		2,608		4,671		5,077		6,773
Agriculture		1,183		1,463		1,476		44		67
Consumer and other		97		773		34		18		20
Total	\$	18,133	\$	13,015	\$	14,051	\$	11,873	\$	14,873
Number of loans/properties		124		116		119		88		101
Allowance for credit losses at										
end of period	\$	55,049	\$	52,564	\$	50,927	\$	50,382	\$	51,642
Net charge-offs:										
Commercial	\$	59	\$	205	\$	(511)	\$	180	\$	(15)
Construction		(56)		21		155		1,179		22
1-4 family (including home equity) Commercial real estate (including		102		65		251		90		50
multi-family)		(57)		1,012		800		296		18
Agriculture		(7)		70		(30)		(3)		-
Consumer and other		274		540	_	590	_	118	_	27
Total	\$	315	\$	1,913	\$	1,255	\$	1,860		102
Asset Quality Ratios										
Non-performing assets to										
average earning assets		0.14%		0.10%		0.11%		0.12%		0.16%
Non-performing assets to loans										
and other real estate		0.34%		0.25%		0.28%		0.30%		0.38%
Net charge-offs to		0.020/		0.150/		0.000/		0.2004		0.000/
average loans (annualized)		0.02%		0.15%		0.08%		0.20%		0.00%
Allowance for credit losses to		1 050/		1 010/		1 000/		1 200/		1 220/
total loans Allowance for credit losses to		1.05%		1.01%		1.00%		1.28%		1.33%
total loans (excluding acquired loans) (G)		1.25%		1.22%		1.27%		N/A		N/A

### Prosperity Bancshares, Inc.® Notes to Selected Financial Data (Unaudited)

(Dollars and share amounts in thousands, except per share data)

#### **Consolidated Financial Highlights**

#### NOTES TO SELECTED FINANCIAL DATA

Prosperity's management uses certain non-GAAP (generally accepted accounting principles) financial measures to evaluate its performance. Specifically, Prosperity reviews tangible book value per share, return on average tangible common equity and the tangible equity to tangible assets ratio for internal planning and forecasting purposes. In addition, due to the application of purchase accounting, Prosperity uses certain non-GAAP measures and ratios that exclude the impact of these items to evaluate its allowance for credit losses to total loans (excluding acquired loans accounted for under ASC Topics 310-20 and 310-30). Prosperity has included in this Earnings Release information relating to these non-GAAP financial measures for the applicable periods presented. Prosperity believes these non-GAAP financial measures provide information useful to investors in understanding Prosperity's financial results and Prosperity believes that its presentation, together with the accompanying reconciliations, provides a complete understanding of factors and trends affecting Prosperity's business and allows investors to view performance in a manner similar to management, the entire financial services sector, bank stock analysts and bank regulators. Further, Prosperity believes that these non-GAAP measures provide useful information by excluding certain items that may not be indicative of its core operating earnings and business outlook. These non-GAAP measures should not be considered a substitute for GAAP basis measures and results and Prosperity strongly encourages investors to review its consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

	Three Months Ended										
	Mar 31, 2013		D	ec 31, 2012	S	ep 30, 2012	Jı	ın 30, 2012	M	ar 31, 2012	
Return on average tangible common equity:											
Net income	\$	49,305	\$	48,266	\$	46,176	\$	36,972	\$	36,487	
Average shareholders' equity		2,135,905		2,081,089		2,029,969		1,632,164		1,595,284	
Less: Average goodwill and other intangible assets		(1,251,576)		(1,238,704)		(1,174,610)		(950,577)		(948,519)	
Average tangible shareholders' equity	\$	884,329	\$	842,385	\$	855,359	\$	681,587	\$	646,765	
Return on average tangible common equity:		22.30%		22.92%		21.59%		21.70%		22.57%	
Tangible book value per share:											
Shareholders' equity	\$	2,149,455	\$	2,089,389	\$	2,038,176	\$	1,643,817	\$	1,609,533	
Less: Goodwill and other intangible assets		(1,262,257)		(1,243,321)		(1,228,190)		(950,671)		(948,462)	
Tangible shareholders' equity	\$	887,199	\$	846,068	\$	809,986	\$	693,146	\$	661,071	
Period end shares outstanding		57,014		56,447		56,058		47,474		47,297	
Tangible book value per share:	\$	15.56	\$	14.99	\$	14.45	\$	14.60	\$	13.98	
Tangible equity to tangible assets ratio:											
Tangible shareholders' equity	\$	887,199	\$	846,068	\$	809,986	\$	693,146	\$	661,071	
Total assets	\$	15,081,314	\$	14,583,573	\$	13,712,119	\$	10,737,351	\$	10,889,955	
Less: Goodwill and other intangible assets		(1,262,257)		(1,243,321)		(1,228,190)		(950,671)		(948,462)	
Tangible assets	\$	13,819,058	\$	13,340,252	\$	12,483,929	\$	9,786,680	\$	9,941,493	
Tangible equity to tangible assets ratio:		6.42%		6.34%		6.49%		7.08%		6.65%	

## Prosperity Bancshares, Inc.® Notes to Selected Financial Data (Unaudited) (Dollars in thousands)

	Mar 31, 2013		Dec 31, 2012	
Allowance for credit losses to total loans, excluding		_		
acquired loans:				
Allowance for credit losses	\$	55,049	\$	52,564
Total loans	\$	5,263,024	\$	5,179,940
Less: acquired loans accounted for under ASC Topics				
310-20 and 310-30 (does not include new production)	\$	853,751	\$	887,953
Total loans less acquired loans	\$	4,409,273	\$	4,291,987
Allowance for credit losses to total loans, excluding				
acquired loans (non-GAAP basis)		1.25%		1.22%