

Merger with Coppermark Bancshares, Inc.



December 10, 2012

"Safe Harbor" Statement

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under the Private Securities Litigation Reform Act of 1995

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Strategic Rationale



- Coppermark merger marks Prosperity's entry into Oklahoma:
 - Expands the Prosperity footprint into Oklahoma while picking up 3 attractive branches in Dallas
 - Coppermark has the 6th largest deposit market share in the Oklahoma City metropolitan area
 - Creates ample opportunities for in-market consolidation in new markets surrounding Oklahoma
 City and throughout Oklahoma
- Complementary balance sheets as Coppermark brings high quality, low cost deposits and stable asset quality
 - Pro forma loans / deposits expected to increase from 46% to 49%
- Following the merger, Prosperity will be the 50th largest U.S. headquartered banking institution

Merger Summary

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Merger Partner: Coppermark Bancshares, Inc.

("Coppermark")

Aggregate Value: \$193.9 million⁽¹⁾

Consideration: 69.1% stock / 30.9% cash⁽¹⁾

Termination Fee: \$8.5 million (4.4% of transaction value)

Due Diligence: Completed

Transaction Highlights

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Anticipated Closing: First Quarter 2013

Transaction Multiples:

Merger Price to: (1)(2)

Book Value: 1.58x

Tang. Book Value: 1.58x

2012 Earnings Estimate: 13.0x

2013 Earnings Estimate: 12.4x

Core Deposit Premium: (3) 6.9%

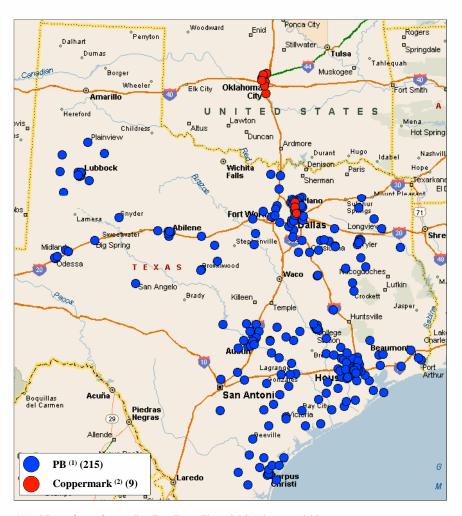
⁽¹⁾ Based on PB closing price of \$41.10 on 12/5/2012

⁽²⁾ Coppermark balance sheet and income statement data as of 9/30/2012; earnings estimates per PB management

⁽³⁾ Calculated as the premium paid to tangible book value as a percentage of core deposits (defined as total deposits less time deposits greater than \$100,000) Source: SNL Financial

Pro Forma Branch Franchise





	Deposit Market Share -	- Oklahoma Cit	ty MSA	
Rank	Institution (ST)	Number of Branches	Deposits in Market (\$mm)	Market Share (%)
1	Midland Financial Co. (OK)	32	4,020	15.7
2	BOK Financial Corp. (OK)	32	3,017	11.8
3	JPMorgan Chase & Co. (NY)	23	2,973	11.6
4	BancFirst Corp. (OK)	29	1,970	7.7
5	Bank of America Corp. (NC)	18	1,449	5.7
6	Coppermark Bancshares Inc. (OK)	6	1,078	4.2
7	Arvest Bank Group Inc. (AR)	27	998	3.9
8	First Fidelity Bancorp Inc. (OK)	22	753	2.9
9	International Bancshares Corp. (TX)	21	602	2.4
10	Olney Bancshares of Texas Inc. (TX)	9	495	1.9
11	Southwest Bancorp Inc. (OK)	5	472	1.8
12	American Bancorp of OK Inc (OK)	6	460	1.8
13	Quail Creek Bancshares Inc. (OK)	2	435	1.7
14	First Midwest Acqstn Corp. (OK)	8	406	1.6
15	Union City Corp. (OK)	2	374	1.5
	Total (1-15) Total (1-69)	242 415	19,500 25,581	76.2 100.0

⁽¹⁾ PB pro forma for pending East Texas Financial Services acquisition

⁽²⁾ Coppermark branch count excludes 3 drive-thru locations

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Coppermark Bancshares Financial Highlights

Coppermark

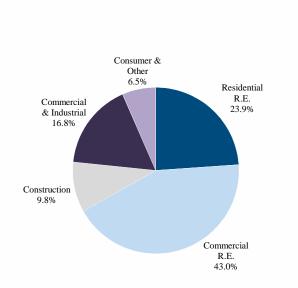
- Founded in 1963 in Oklahoma City, OK
- Consistent growth and profitability through the cycle
- Operates 9 locations across
 Oklahoma and Texas
- Established presence in the Oklahoma City market

(Dollars in Thousands)	10/21/00	At or for the y		10/01/11	YTD	'08 - '12 YTD
	12/31/08	12/31/09	12/31/10	12/31/11	2012	CAGR
Balance Sheet						
Total Assets	1,064,113	1,140,797	1,225,031	1,263,036	1,325,000	6.0%
Total Net Loans	969,531	932,009	916,923	901,445	860,432	(3.1%)
Securities	13,152	4,865	1,937	1,450	953	(50.3%)
Deposits	923,844	999,868	1,081,554	1,113,231	1,179,122	6.7%
Total Equity	86,701	93,801	103,514	114,901	122,394	9.6%
Balance Sheet Ratios						
Loans/ Deposits (%)	106.6	94.6	86.2	82.2	74.1	
TCE / TA (%)	8.15	8.22	8.45	9.10	9.24	
Leverage Ratio (%)	9.19	8.79	9.29	9.76	9.39	
Tier 1 Ratio (%)	8.80	9.89	10.80	11.81	11.78	
Total Capital Ratio (%)	9.95	11.01	12.05	13.03	12.89	
Profitability Ratios						
Core ROAA (%)	1.21	0.91	1.08	1.17	1.11	
Core ROAE (%)	14.93	11.62	13.26	13.40	12.03	
Net Interest Margin (%)	4.16	3.61	3.90	3.87	3.69	
Efficiency Ratio (%)	59.6	63.7	59.2	57.8	57.5	
Noninterest Inc/ Operating Rev (%)	28.8	26.9	24.3	22.3	21.9	
Asset Quality						
NPAs/ Loans + OREO (%)	1.61	8.26	3.12	2.77	2.55	
NCOs/ Avg Loans (%)	0.12	0.39	0.13	0.21	0.34	
Reserves/ Loans (%)	1.27	1.24	1.42	1.41	1.32	
Texas Ratio (%)	16.33	75.09	25.34	20.24	17.03	

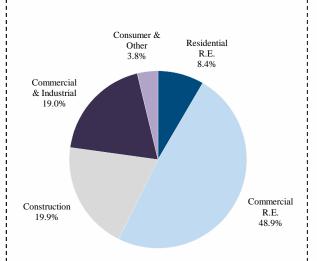
Pro Forma Loan Composition

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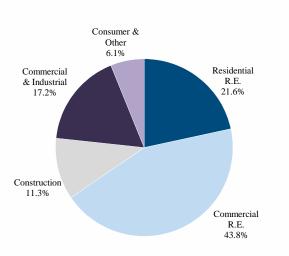
Prosperity Bancshares, Inc.



Coppermark Bancshares, Inc.



Pro Forma



Loan Portfolio (\$000)	Amount	%
Residential R.E.	\$1,213,873	23.9%
Commercial R.E.	2,181,445	43.0%
Construction	496,417	9.8%
Commercial & Industrial	855,143	16.8%
Consumer & Other	332,225	6.5%
Total Loans & Leases	\$5,079,103	100.0%

Yield on Loans: 6.27%

Loan Portfolio (\$000)	Amount	%
Residential R.E.	\$73,543	8.4%
Commercial R.E.	427,572	48.9%
Construction	173,759	19.9%
Commercial & Industrial	166,310	19.0%
Consumer & Other	32,982	3.8%
Total Loans & Leases	\$874,166	100.0%

Yield on Loans: 5.74%

Loan Portfolio (\$000)	Amount	%
Residential R.E.	\$1,287,416	21.6%
Commercial R.E.	2,609,017	43.8%
Construction	670,176	11.3%
Commercial & Industrial	1,021,453	17.2%
Consumer & Other	365,207	6.1%
Total Loans & Leases	\$5,953,269	100.0%

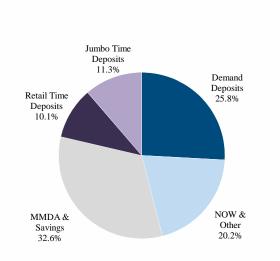
Yield on Loans: 6.19%

Source: SNL Financial

Pro Forma Deposit Composition

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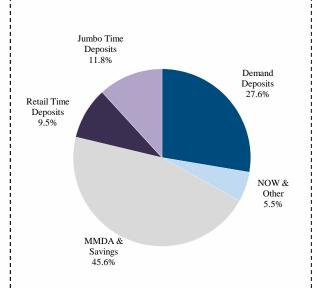
Prosperity Bancshares, Inc.



Deposit Portfolio (\$000)	Amount	%
Demand Deposits	\$2,827,748	25.8%
NOW & Other	2,208,568	20.2%
MMDA & Savings	3,579,951	32.6%
Retail Time Deposits	1,103,108	10.1%
Jumbo Time Deposits	1,235,222	11.3%
Total Deposits	\$10,954,597	100.0%

Cost of Deposits: 0.35%

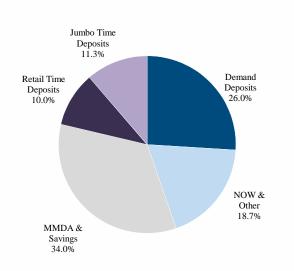
Coppermark Bancshares, Inc.



Deposit Portfolio (\$000)	Amount	%
Demand Deposits	\$325,688	27.6%
NOW & Other	64,389	5.5%
MMDA & Savings	538,468	45.6%
Retail Time Deposits	111,581	9.5%
Jumbo Time Deposits	138,996	11.8%
Total Deposits	\$1,179,122	100.0%

Cost of Deposits: 0.55%

Pro Forma



Deposit Portfolio (\$000)	Amount	%
Demand Deposits	\$3,153,436	26.0%
NOW & Other	2,272,957	18.7%
MMDA & Savings	4,118,419	34.0%
Retail Time Deposits	1,214,689	10.0%
Jumbo Time Deposits	1,374,218	11.3%
Total Deposits	\$12,133,719	100.0%

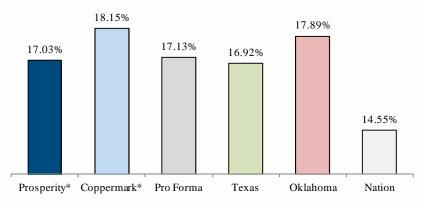
Cost of Deposits: 0.37%

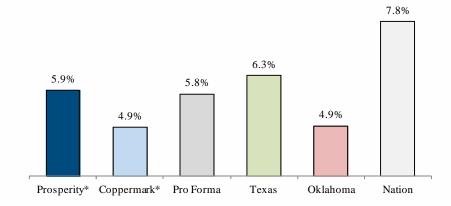
Oklahoma City Market Overview

- Oklahoma City ranks as the 30th largest city in the U.S. with approximately 1.25 million residents
- The city features an attractive and diverse economy driven by one of the largest livestock markets in the world as well as the oil & gas industry
- Headquarters for two Fortune 500 companies: Devon Energy Corporation and Chesapeake Energy Corporation

Unemployment Rate – September 2012 (%)







Source: SNL Financial

Note: Household income growth projection for 2011 – 2016

* Weighted by county deposits