

PRESS RELEASE

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FOR IMMEDIATE RELEASE

PROSPERITY BANCSHARES, INC.® REPORTS STRONG FIRST QUARTER 2014 EARNINGS

- Acquisition of F&M Bancorporation Inc. completed on April 1, 2014
- First quarter 2014 earnings per share (diluted) increased 17.4% to \$1.01 compared with the first quarter 2013
- Net income increased \$17.832 million or 36.2% compared with the first quarter 2013
- Nonperforming assets remain low at 0.11% of first quarter average earning assets
- Loans increased \$2.489 billion or 47.3% compared with the first quarter 2013
- Deposits increased \$3.747 billion or 32.0% compared with the first quarter 2013
- Named to the 2013 Keefe Bruyette & Woods Honor Roll

HOUSTON, April 23, 2014. Prosperity Bancshares, Inc.® (NYSE: PB), the parent company of Prosperity Bank® (collectively, "Prosperity"), reported net income for the quarter ended March 31, 2014, of \$67.137 million or \$1.01 per diluted common share, an increase in net income of \$17.832 million or 36.2%, compared with \$49.305 million, and an increase in diluted earnings per share of 17.4%, compared with \$0.86 per diluted common share for the same period in 2013.

"I am honored and excited to share with everyone the great results we had in the first quarter of 2014. We were again named the Best Bank in America by Forbes magazine. In fact, we were recognized in both 2012 and 2014 as the Best Bank in America. The earnings speak for themselves, with diluted earnings per share of \$1.01 for the quarter, an increase of 17.4% compared with the first quarter of 2013. We continued to see good organic loan growth. Excluding loans acquired in acquisitions, loans at March 31, 2014 grew 8.2% compared with March 31, 2013 and 1.8% (7.2% annualized) on a linked quarter basis. We continue to see strong organic deposit growth as well," said David Zalman, Prosperity's Chairman and Chief Executive Officer.

"We are finished with the operational integration of First Victoria National Bank and could not be more pleased. All of the associates with First Victoria have been great and have taken a number of leadership roles in our company. We completed the acquisition of F&M Bank this month and expect the operational integration to take place in June. We are very excited about this transaction and look forward to a great future and relationship with all of the associates of F&M," continued Zalman.

"I am also pleased to announce Prosperity Bancshares' inclusion into the 2013 Keefe Bruyette & Woods Honor Roll. To qualify for this honor, the company must maintain extraordinarily high quantitative metrics for the last 10 years. "Thirty-one banking institutions posted a 10-year record worthy of admission to this year's KBW Honor Roll," added Zalman.

"I continue to see growth and prosperity for our company. Texas and Oklahoma continue to have some of the best economies in the United States. We continue to see large population gains, low unemployment, strong housing markets, strong construction, commercial, manufacturing markets and an influx of companies moving operations to Texas and Oklahoma because of a friendly business climate supported by state government," 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 FASB Accounting Standards Codification ("ASC") Topics 310-20, "Receivables-Nonrefundable Fees and Other Costs" and 310-30, "Receivables-Loans and Debt Securities Acquired with Deteriorated Credit Quality". 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, 2014

For the three months ended March 31, 2014, net income was \$67.137 million compared with \$49.305 million for the same period in 2013. Net income per diluted common share was \$1.01 for the three months ended March 31, 2014 compared with \$0.86 for the same period in 2013. Net income for the quarter includes the effects of one-time gains on sale of assets of \$3.310 million and one-time merger expenses of \$731 thousand. Annualized returns on average assets, average common equity and average tangible common equity for the three months ended March 31, 2014 were 1.43%, 9.52% and 24.23%, respectively. Prosperity's efficiency ratio (excluding credit loss provisions, net gains and losses on the sale of assets and securities and taxes) was 42.04% for the three months ended March 31, 2014.

Net interest income before provision for credit losses for the quarter ended March 31, 2014, increased 32.9% to \$143.691 million compared with \$108.082 million during the same period in 2013. The increase was primarily due to a 25.1% increase in average interest-earning assets for the same period. The net interest margin on a tax equivalent basis for the three months ended March 31, 2014 increased to 3.62% compared with 3.42% for the same period in 2013 and decreased from 3.82% for the three months ended December 31, 2013. Linked quarter net interest income before provision for credit losses decreased 1.2% or \$1.778 million to \$143.691 million compared with \$145.469 million during the three months ended December 31, 2013, primarily due to a \$6.5 million decrease in purchase accounting adjustments from purchased loans. Excluding purchase accounting adjustments, the net interest margin on a tax equivalent basis decreased on a linked quarter basis from 3.35% for the quarter ended December 31, 2013 to 3.33% for the quarter ended March 31, 2014.

Noninterest income increased \$5.163 million or 22.0% to \$28.604 million for the three months ended March 31, 2014, compared with \$23.441 million for the same period in 2013. This increase was primarily due to gains on the sale of assets described below and an increase in fees and service charges as a result of the additional accounts acquired in the acquisitions consummated during 2013. Additionally, trust and brokerage income increased as a result of the additional products and services acquired through the FVNB Corp. and its wholly-owned subsidiary, First Victoria National Bank (collectively, "FVNB") acquisition in 2013. These increases were partially offset by a decrease in debit card income as a result of the Durbin Amendment that became effective on July 1, 2013. This Federal Reserve rule is applicable to financial institutions that have assets of \$10 billion or more and imposes limits on the amount of interchange, or swipe, fees that can be collected. On a linked quarter basis, noninterest income increased \$3.446 million or 13.7% primarily due to a \$2.224 million gain on the sale of the agent bank credit card and agent bank merchant processing business of Bankers Credit Card Services, Inc., a subsidiary acquired as part of the acquisition of Coppermark Bancshares, Inc. and its wholly-owned subsidiary, Coppermark Bank (collectively "Coppermark") and \$1.086 million in gains on the sale of real property.

Noninterest expense increased \$15.267 million or 27.4% to \$71.034 million for the three months ended March 31, 2014, compared with \$55.767 million for the same period in 2013. This increase was primarily due to additional noninterest expenses associated with the acquisitions of Coppermark and FVNB. On a linked quarter basis, noninterest expense increased 3.6% or \$2.442 million primarily due to the additional noninterest expenses associated with the full quarter effect of the FVNB acquisition. Additionally, one-time pre-tax merger expenses of \$731 thousand primarily related to the FVNB acquisition were recorded during the first quarter of 2014.

Loans at March 31, 2014 were \$7.752 billion, an increase of \$2.489 billion or 47.3%, compared with \$5.263 billion at March 31, 2013, primarily due to the addition of Coppermark and FVNB. Linked quarter loans decreased \$22.821 million or 0.30% from \$7.775 billion at December 31, 2013.

Deposits at March 31, 2014 were \$15.460 billion, an increase of \$3.747 billion or 32.0% compared with \$11.713 billion at March 31, 2013, primarily due to the addition of Coppermark and FVNB. Linked quarter deposits increased \$168.786 million or 1.10% from \$15.291 billion at December 31, 2013.

Average loans increased 47.3% or \$2.492 billion to \$7.756 billion for the quarter ended March 31, 2014, compared with \$5.264 billion for the same period in 2013. On a linked quarter basis, average loans increased 7.2% or \$517.559 million from \$7.238 billion for the quarter ended December 31, 2013. Average deposits increased 30.8% or \$3.622 billion to \$15.382 billion for the quarter ended March 31, 2014, compared with \$11.760 billion for the same period of 2013. On a linked quarter basis, average deposits increased 8.4% or \$1.191 billion from \$14.191 billion for the quarter ended December 31, 2013.

The table below provides detail on loans acquired and deposits assumed in the acquisitions of East Texas Financial Services Inc. and First Federal Bank Texas (collectively "East Texas Financial Services"), Coppermark and FVNB completed on January 1, 2013, April 1, 2013 and November 1, 2013, respectively:

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

	Unaudited)	ec 31, 2013 Unaudited)	Sep 30, 2013 (Unaudited)		un 30, 2013 Unaudited)	Unaudited)
Loans acquired (including new production since respective acquisition dates): East Texas Financial Services	\$ 92,474	\$ 99,281	\$ 104,403	\$	111,626	\$ 117,863
Coppermark FVNB	580,416 1,509,927	616,333 1,588,238	688,656		772,965	-
All other	5,569,583	5,471,369	5,389,530		5,287,892	5,145,161
Total loans	\$ 7,752,400	\$ 7,775,221	\$ 6,182,589	\$	6,172,483	\$ 5,263,024
Deposits assumed (including new deposits since respective acquisition						
dates): East Texas Financial Services Coppermark	\$ 76,734 1,014,436	\$ 81,200 1,031,993	\$ 90,649 1,073,567	\$	88,289 1,087,137	\$ 98,359 -
FVNB	2,164,824	2,239,415	=		=	-
All other Total deposits	\$ 12,204,063 15,460,057	\$ 11,938,663 15,291,271	\$ 11,291,583 12,455,799	\$	11,333,224 12,508,650	\$ 11,615,108 11,713,467

As reflected in the table above, loan and deposit growth was impacted by the acquisitions of East Texas Financial Services, Coppermark and FVNB. Excluding loans acquired in these acquisitions and new production at the acquired banking centers since the respective acquisition dates, loans at March 31, 2014 grew \$424.422 million or 8.2% compared with March 31, 2013 and increased \$98.214 million or 1.8% (7.2% 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, 2014 grew \$588.955 million or 5.1% compared with March 31, 2013 and increased \$265.400 million or 2.2% (8.8% annualized) on a linked quarter basis.

At March 31, 2014, Prosperity had \$18.913 billion in total assets, \$7.752 billion in loans and \$15.460 billion in deposits. Assets, loans and deposits at March 31, 2014 increased by 25.4%, 47.3% and 32.0%, respectively, compared with their respective levels at March 31, 2013.

Asset Quality

Nonperforming assets totaled \$18.696 million or 0.11% of quarterly average earning assets at March 31, 2014, compared with \$18.133 million or 0.14% of quarterly average earning assets at March 31, 2013, and \$22.504 million or 0.15% of quarterly average earning assets at December 31, 2013. The allowance for credit losses was 0.87% of total loans at March 31, 2014, 1.05% of total loans at March 31, 2013 and 0.87% of total loans at December 31, 2013. Excluding loans acquired that are accounted for under ASC Topics 310-20 and 310-30, the allowance for credit losses was 1.18% of remaining loans as of March 31, 2014, compared to 1.25% at March 31, 2013 and 1.25% at December 31, 2013, 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 \$600 thousand for the three months ended March 31, 2014 compared with \$7.865 million for the three months ended December 31, 2013 and \$2.800 million for the three months ended March 31, 2013.

Net charge offs were \$786 thousand for the three months ended March 31, 2014 compared with \$496 thousand for the three months ended December 31, 2013 and \$315 thousand for the three months ended March 31, 2013.

Conference Call

Prosperity's management team will host a conference call on Wednesday, April 23, 2014 at 10:30 a.m. Eastern Time (9:30 a.m. Central Time) to discuss Prosperity's first quarter 2014 earnings. Individuals and investment professionals may participate in the call by dialing 866-952-1907, the reference code is PBUS.

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

Dividend

Prosperity Bancshares, Inc. declared a second quarter cash dividend of \$0.240, to be paid on July 1, 2014 to all shareholders of record as of June 16, 2014.

Acquisition of F&M Bancorporation

On April 1, 2014, Prosperity completed the acquisition of F&M Bancorporation Inc. ("FMBC") and its wholly-owned subsidiary The F&M Bank & Trust Company ("F&M Bank") headquartered in Tulsa, Oklahoma. F&M Bank operated 13 banking offices; 9 in Tulsa, Oklahoma and surrounding areas, 3 in Dallas, Texas and 1 loan production office in Oklahoma City, Oklahoma. As of March 31, 2014, FMBC, on a consolidated basis, reported total assets of \$2.412 billion, total loans of \$1.738 billion and total deposits of \$2.267 billion.

Under the terms of the definitive agreement, Prosperity issued 3,298,022 shares of Prosperity common stock plus \$34.24 million in cash for all outstanding shares of FMBC capital stock. Accordingly, such information is not included in the quarter ended March 31, 2014 financial results.

Acquisition of FVNB Corp.

On November 1, 2013, Prosperity completed the acquisition of FVNB Corp. and its wholly-owned subsidiary First Victoria National Bank headquartered in Victoria, Texas. First Victoria National Bank operated 33 banking offices; 4 in Victoria, Texas; 7 in the South Texas area including Corpus Christi; 6 in the Bryan/College Station area; 5 in the Central Texas area including New Braunfels; and 11 in the Houston area including The Woodlands and Huntsville. As of September 30, 2013, FVNB, on a consolidated basis, reported total assets of \$2.473 billion, total loans of \$1.648 billion and total deposits of \$2.195 billion.

Pursuant to the terms of the acquisition agreement, Prosperity issued 5,570,667 shares of Prosperity common stock plus \$91.250 million in cash for all outstanding shares of FVNB Corp. capital stock, which resulted in goodwill of \$323.407 million as of March 31, 2014. Additionally, the Company recognized \$18.411 million of core deposit intangibles as of March 31, 2014. These goodwill and core deposit intangible balances as of March 31, 2014 do not include subsequent fair value adjustments that are still being finalized.

Acquisition of Coppermark Bancshares, Inc.

On April 1, 2013, Prosperity completed the acquisition of Coppermark Bancshares, Inc. and its wholly-owned subsidiary, Coppermark Bank headquartered in Oklahoma City, Oklahoma. Coppermark operated 9 full-service banking offices; 6 in Oklahoma City, Oklahoma and surrounding areas and 3 in the Dallas, Texas area. As of March 31, 2013, Coppermark reported, on a consolidated basis, total assets of \$1.248 billion, total loans of \$847.558 million and total deposits of \$1.120 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 goodwill of \$117.653 million. Additionally, the Company recognized \$1.514 million of core deposit intangibles.

Acquisition of East Texas Financial Services, Inc.

On January 1, 2013, Prosperity completed the acquisition of East Texas Financial Services, Inc. (OTC BB: FFBT) and its wholly-owned subsidiary, First Federal Bank Texas ("Firstbank"). Firstbank operated 4 banking offices in the Tyler MSA, including 3 locations in Tyler, Texas and 1 location in Gilmer, Texas. As of December 31, 2012, East Texas Financial Services reported, on a consolidated basis, total assets of \$165.955 million, total loans of \$129.307 million and total deposits of \$112.293 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 goodwill of \$15.007 million.

Prosperity Bancshares, Inc.®

As of March 31, 2014, Prosperity Bancshares Inc. ®, recently named America's Best Bank for 2014 by Forbes, is an \$18.913 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 http://www.prosperitybankusa.com, Retail Brokerage Services, Credit Cards, MasterMoney Debit Cards, 24 hour voice response banking, Trust and Wealth Management; Mortgage Services and Mobile Banking. Since completing the merger with F&M, Prosperity now operates 248 full-service banking locations; 63 in the Houston area, including The Woodlands; 30 in the South Texas area including Corpus Christi and Victoria; 38 in the Dallas/Fort Worth area; 22 in the East Texas area; 30 in the Central Texas area including Austin and San Antonio; 34 in the West Texas area including Lubbock, Midland-Odessa and Abilene; 16 in the Bryan/College Station area, 6 in the Central Oklahoma area and 9 in the Tulsa, Oklahoma area.

Bryan/College Station Area -

Brvan

Bryan-29th Street
Bryan-East
Bryan-North
Caldwell
College Station
Crescent Point
Hearne
Huntsville
Madisonville
Navasota
New Waverly
Rock Prairie
Southwest Parkway
Tower Point

Central Texas Area -

Wellborn Road

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

Other Central Texas Locations - Bastrop

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

Canyon Lake

Dallas/Fort Worth Area -

Dallas -Abrams Centre Balch Springs Camp Wisdom Cedar Hill

Weimar

Dallas – Central Expressway

Forest Park Frisco Frisco-West Independence Kiest McKinney

McKinney-Stonebridge

Midway

Northwest Highway Plano

Plano Preston Forest Preston Road Red Oak Sachse The Colony Turtle Creek Turtle Creek LPO 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
Blooming Grove
Canton
Carthage
Corsicana
Crockett
Eustace
Gilmer
Grapeland
Gun Barrel City
Jacksonville

Jacksonville Kerens Longview Mount Vernon Palestine Rusk Seven Points Teague Tyler-Beckham Tyler-South Bro

Tyler-Beckham Tyler-South Broadway Tyler-University Winnsboro

Houston Area -Houston -Aldine

Allen Parkway Bellaire Beltway Clear Lake Copperfield Cypress Downtown Eastex Fairfield First Colony Gessner Gladebrook Heights Highway 6 West Little York

Little York Medical Center Memorial Drive Northside Pasadena Pecan Grove River Oaks Sugar Land SW Medical Center Tanglewood Uptown Waugh Drive Westheimer West University Woodcreek

Other Houston Area

Locations Angleton
Bay City
Beaumont
Cinco Ranch
Cleveland
East Bernard
El Campo
Dayton
Galveston
Groves
Hempstead
Hitchcock
Katy

Katy-S. Mason Road Katy-Spring Green

Liberty Magnolia Magnolia Parkway Mont Belvieu Nederland Needville Rosenberg Shadow Creek Spring Sweeny

The Woodlands-I-45

The Woodlands-Research Forest

Tomball Waller West Columbia Wharton Winnie Wirt

South Texas Area -Corpus Christi -

Airline Calallen Carmel Northwest Saratoga Timbergate Water Street

Other South Texas Locations -

Alice
Aransas Pass
Beeville
Colony Creek
Cuero
Edna
Goliad
Gonzales
Hallettsville
Kingsville
Mathis
Padre Island
Palacios
Port Lavaca
Portland

Rockport Sinton Taft Victoria Victoria-Navarro Victoria-North Yoakum Yorktown

West Texas Area -

Abilene -Antilley Road Barrow Street Cypress Street Judge Ely Mockingbird

Lubbock 4th Street
66th Street
82nd Street
86th Street
98th Street
Avenue Q
North University
Texas Tech Student Union

Texas Teen Student

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 Central Oklahoma-

23rd Street
Edmond
Expressway
I-240
Memorial
Norman

Tulsa-Garnett Harvard Memorial Owasso Sheridan S. Harvard Utica Square Utica Tower Yale

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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, 2013 and other reports and statements Prosperity has filed with the SEC. Copies of the SEC filings for Prosperity Bancshares® may be downloaded from the Internet at no charge from http://www.prosperitybankusa.com.

(In thousands)

	M	ar 31, 2014	Dec 31, 2013		Sep 30, 2013		Jun 30, 2013		M	ar 31, 2013	
Balance Sheet Data											
(at period end)											
Total loans	\$	7,752,400	\$	7,775,221	\$	6,182,589	\$	6,172,483	\$	5,263,024	
Investment securities ^(A)		8,561,337		8,224,448		7,771,345		8,017,884		7,985,811	
Federal funds sold		382		400		1,121		606		835	
Allowance for credit losses		(67,096)		(67,282)		(59,913)		(56,176)		(55,049)	
Cash and due from banks		349,860		380,990		269,987		250,542		180,577	
Goodwill		1,672,004		1,671,520		1,351,782		1,350,834		1,235,743	
Core deposit intangibles, net		39,702		42,049		25,233		26,688		26,514	
Other real estate owned		7,372		7,299		7,432		10,244		9,913	
Fixed assets, net		280,812		282,925		232,240		227,455		206,829	
Other assets		316,360		324,458		272,463		270,158		227,117	
Total assets	\$	18,913,133	\$	18,642,028	\$	16,054,279	\$	16,270,718	\$	15,081,314	
Noninterest-bearing deposits	\$	4,142,042	\$	4,108,835	\$	3,368,357	\$	3,283,082	\$	2,995,828	
Interest-bearing deposits		11,318,015		11,182,436		9,087,442		9,225,568		8,717,639	
Total deposits		15,460,057		15,291,271		12,455,799		12,508,650		11,713,467	
Securities sold under											
repurchase agreements		349,074		364,357		431,969		481,170		470,241	
Other borrowings		40,451		10,689		605,951		781,215		576,768	
Junior subordinated debentures		124,231		124,231		85,055		85,055		85,055	
Other liabilities		98,566		64,662		86,393		69,346		86,328	
Total liabilities		16,072,379		15,855,210		13,665,167		13,925,436		12,931,859	
Shareholders' equity ^(B)		2,840,754		2,786,818		2,389,112		2,345,282		2,149,455	
Total liabilities and equity	\$	18,913,133	\$	18,642,028	\$	16,054,279	\$	16,270,718	\$	15,081,314	

⁽A) Includes \$7,023, \$7,512, \$8,588, \$9,724 and \$12,054, in unrealized gains on available for sale securities for the quarterly periods ending March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

⁽B) Includes \$4,565, \$4,883, \$5,582, \$6,321 and \$7,835, in after-tax unrealized gains on available for sale securities for the quarterly periods ending March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

(In thousands)

Three Months Ended Dec 31, 2013 Mar 31, 2014 Sep 30, 2013 Jun 30, 2013 Mar 31, 2013 **Income Statement Data** Interest income: 107,144 110,575 94,236 89,842 Loans 81,464 $Securities^{(C)}$ 47.056 45,100 41.961 39,384 36,548 Federal funds sold and other earning assets 48 76 76 19 16 129,302 154,248 155,751 136,213 118,031 Total interest income Interest expense: 9,387 9,048 8,690 Deposits 8,314 9,170 Securities sold under repurchase agreements 317 312 292 237 280 Junior subordinated debentures 775 730 610 606 605 Other borrowings 158 224 439 472 362 10,557 10,282 9,680 10,560 9,949 Total interest expense Net interest income 143,691 145,469 126,533 118,742 108,082 Provision for credit losses 600 7,865 4,025 2,550 2,800 143,091 137,604 122,508 116,192 Net interest income after provision for credit losses 105,282 Noninterest income: Nonsufficient funds (NSF) fees 8,649 8,509 8,870 9,669 8,346 4,662 4,307 7,007 6,487 Credit card, debit card and ATM card income 4,724 Service charges on deposit accounts 4,037 3,460 3,169 3,304 2,931 Trust income 1,800 1,542 901 896 1,017 991 Mortgage income 593 549 931 1,567 719 303 233 263 Brokerage income 1,269 Bank owned life insurance income 1,028 1,011 916 932 776 Net gain (loss) on sale of assets 3,310 40 126 (180)Net (loss) gain on sale of other real estate 196 (105)(60)(864)237 Other noninterest income 3,033 3,310 3,186 2,902 2,531 Total noninterest income 28,604 25,158 21,554 25,274 23,441 Noninterest expense: Salaries and benefits 43,408 40,633 37,135 37,517 33,209 4,278 Net occupancy and equipment 5,339 4,893 5,094 4,669 Debit card, data processing and software amortization 3,184 3,333 2,756 3,249 2,570 2,579 Regulatory assessments and FDIC insurance 2,726 2,771 2,516 2,395 Core deposit intangibles amortization 2,045 1,594 1,455 1,341 1,755 Depreciation 3,201 3,072 2,679 2,464 2,378 Communications 2,737 2,468 2,397 2,410 2.196 Other real estate expense 396 176 75 237 223 Other noninterest expense 7,998 9,652 7,430 6,834 6,763 Total noninterest expense 71,034 68,592 61,537 61,300 55,767 Net income before taxes 100,661 94,170 82,525 80,166 72,956 Federal income taxes 33,524 31,199 26,322 23,651 27,247

62,971

55,278

53,844

49,305

67,137

Net income available to common shareholders

⁽C) Interest income on securities was reduced by net premium amortization of \$12,280, \$12,017, \$15,136, \$18,838 and \$22,710 for the three month periods ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

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

Three Months Ended Jun 30, 2013 Mar 31, 2013 Mar 31, 2014 Dec 31, 2013 Sep 30, 2013 **Profitability** Net income 67,137 62,971 55,278 53,844 49,305 \$ \$ \$ Basic earnings per share 1.01 0.98 \$ 0.92 \$ 0.89 0.87 \$ \$ \$ \$ \$ Diluted earnings per share 1.01 0.98 0.91 0.89 0.86 Return on average assets (D) 1.43% 1.42% 1.37% 1.33% 1.33% Return on average common equity (D) 9.23% 9.52% 9.53% 9.31% 9.27% Return on average tangible common equity $^{(D)\,(E)}$ 24.23% 23.97% 22.14% 22.32% 22.30% Tax equivalent net interest margin (F) 3.62% 3.82% 3.59% 3.43% 3.42% Efficiency ratio^(G) 42.04% 40.21% 41.59% 42.51% 42.40% **Liquidity and Capital Ratios** 15.02% 14.95% 14.88% 14.41% 14.25% Equity to assets Tier 1 risk-based capital 13.85% 13.29% 14.74% 14.15% 14.77% Total risk-based capital 14.59% 14.03% 15.55% 14.91% 15.61% Tier 1 leverage capital 7.30% 7.44% 7.37% 7.07% 7.10% Tangible equity to tangible assets (E) 6.90% 6.50% 6.42% 6.56% 6.35% Other Data Shares used in computed earnings per share 64,024 Basic 66,186 60,344 60,250 56,988 Diluted 66,280 64,173 60,504 60,394 57,134 Period end shares outstanding 66,261 66,048 60,383 60,315 57,014 Cash dividends paid per common share \$ 0.240 \$ 0.240 \$ 0.215 \$ 0.215 \$ 0.215 Book value per share 42.87 \$ 42.19 \$ 39.57 \$ 38.88 \$ 37.70 Tangible book value per share (E) \$ 17.04 \$ \$ 16.27 16.76 16.05 15.56 Common Stock Market Price High \$ 67.68 \$ 65.49 62.00 52.40 \$ 47.56 59.75 42.38 Low 61.18 51.85 44.33 63.39 61.84 47.39 Period end closing price 66.15 51.79 Employees – FTE 2,888 2,995 2,454 2,496 2,304

Number of banking centers

236

238

218

219

224

⁽D) Interim periods annualized.

⁽E) Refer to the "Notes to Selected Financial Data" at the end of this Earnings Release for a reconciliation of this non-GAAP financial measure.

 $⁽F) \ Net \ interest \ margin \ for \ all \ periods \ presented \ is \ calculated \ on \ an \ actual \ 365 \ day \ basis.$

⁽G) 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.

(Dollars in thousands)

YIELD ANALYSIS				Thre	e Months Ende	d			
	M	ar 31, 2014			Dec 31, 2013		M	ar 31, 2013	
	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 Investment securities Federal funds sold and other earning assets Total interest-earning assets Allowance for credit losses Noninterest-earning assets Total assets	\$ 7,755,997 8,466,946 101,700 16,324,643 (67,222) 2,550,893 \$18,808,314	\$ 107,144 47,056 48 \$ 154,248	5.60% 2.25% (1) 0.19% 3.83%	\$ 7,238,438 7,992,673 103,413 15,334,524 (60,170) 2,502,276 \$ 17,776,630	\$ 110,575 45,100 76 \$ 155,751	6.06% 2.24% (H) 0.29% 4.03%	\$ 5,263,784 7,755,567 34,793 13,054,144 (53,242) 1,849,461 \$ 14,850,363	\$ 81,464 36,548 19 \$ 118,031	6.28% 1.91% (H) 0.22% 3.67%
Interest-Bearing Liabilities: Interest-bearing demand deposits Savings and money market deposits Certificates and other time deposits Securities sold under repurchase agreements Other borrowings Junior subordinated debentures Total interest-bearing liabilities	\$ 3,554,366 4,992,442 2,816,701 347,747 51,932 124,231 11,887,419	\$ 2,132 3,155 4,100 237 158 775 10,557	0.24% 0.26% 0.59% 0.28% 1.23% 2.53% 0.36%	\$ 2,963,899 4,654,044 2,712,699 398,100 210,492 111,172 11,050,406	\$ 1,899 3,049 4,100 280 224 730 10,282	0.25% 0.26% 0.60% 0.28% 0.42% 2.61% 0.37% (I)	\$ 2,659,489 3,790,416 2,370,499 448,542 358,120 85,055 9,712,121	\$ 2,210 2,829 3,651 292 362 605 9,949	0.34% 0.30% 0.62% 0.26% 0.41% 2.88% 0.42% (I)
Noninterest-bearing liabilities: Noninterest-bearing demand deposits Other liabilities Total liabilities Shareholders' equity Total liabilities and shareholders' equity	4,018,094 82,288 15,987,801 2,820,513 \$18,808,314			3,860,296 223,394 15,134,096 2,642,534 \$ 17,776,630			2,939,621 62,716 12,714,458 2,135,905 \$ 14,850,363		
Net interest income and margin		\$ 143,691	3.57%		\$ 145,469	3.76%		\$ 108,082	3.36%
Non-GAAP to GAAP reconciliation: Tax equivalent adjustment		2,052			2,152			2,125	
Net interest income and margin (tax equivalent basis)		\$ 145,743	3.62%		\$ 147,621	3.82%		\$ 110,207	3.42%

⁽H) Yield on securities was impacted by net premium amortization of \$12,280, \$12,017 and \$22,710 for the three month periods ended March 31,2014, December 31, 2013 and March 31, 2013, respectively.

⁽I) Total cost of funds, including noninterest-bearing deposits, was 0.27%, 0.27% and 0.32% for the three months ended March 31, 2014, December 31, 2013 and March 31, 2013, respectively.

(Dollars in thousands)

									Three	Mont	ths Ende	ed				
				M	ar 31,	2014	De	ec 31, 201	3	Sep 30	, 2013	Ju	n 30, 2013	N	Iar 3	1, 2013
Adjustment to Loan Yield	(\mathbf{J})															
Interest on loans, as reporte	d			\$	10	7,144	\$	110,57	5 9	9	94,236	\$	89,842	9	5	31,464
Less: Purchase accounting	g adjustment-															
loan discount accret						3,475)		(19,97			16,421)		(12,031		(14,292)
Interest on loans without dis	scount accreti	on		\$		3,669	\$	90,59			77,815	\$	77,811			57,172
Average loans				\$		5,997	\$	7,238,43		6,1	73,394	\$	6,114,598		\$ 5,20	53,784
Loan yield without discount	t accretion					4.90%		4.97			5.00%		5.10%			5.18%
Loan yield, as reported						5.60%		6.06	0%		6.06%		5.89%	Ó		6.28%
Adjustment to Securities	Yield ^(J)															
Interest on securities, as rep	orted			\$	4	7,056	\$	45,10	00 \$	6 4	41,961	\$	39,384	9	3 .	36,548
Add: Purchase accounting																
securities amortizati						1,964		1,89			2,275		2,599			3,106
Interest on securities includ	ing amortizati	on		\$		9,020	\$	46,99			44,236	\$	41,983			39,654
Average securities	•			\$		6,946	\$	7,992,67		8,0	15,221	\$	7,964,157		\$ 7,7	55,567
Securities yield without pur		ting adjustm	ent			2.35%		2.33			2.19%		2.11%			2.07%
Securities yield, as reported						2.25%		2.24	ł%		2.08%		1.98%	D		1.91%
Net Interest Margin (tax e purchase accounting adj			ng			3.33%		3.35	5%		3.19%		3.09%	ó		3.08%
Net Interest Margin (tax e	quivalent ba	sis), as repo	rted			3.62%		3.82	2%		3.59%		3.43%	ó		3.42%
Net income available to co as reported Less: Purchase accounting			(K)	\$		7,137 7,677)	\$	62,97 (12,09			55,278 (9,476)	\$	53,844 (6,335			49,305 (7,560)
Net income available to co				\$		9,460	\$	50,87			45,802	\$	47,509			41,745
	-	red Loans Accou Under ASC 310-				-		oans Accour r ASC 310-3					otal Loans Aco ler ASC 310-2			
	Balance at Acquisition Date	Balance at Dec 31, 2013		ance at 31, 2014		alance at quisition Date		Salance at	Balar Mar 3	nce at	Acqu	nce at isition ate	Balance Dec 31, 2			alance at r 31, 2014
Loan marks:				-,						,						
Previously acquired banks (L)	\$ 81,328	\$ 28,040	\$	24,412	\$	28,764	\$	20,741	\$	19,929	\$ 1	110,092	\$ 48	,781	\$	44,341
2013 acquisitions (M)	78,299	59,758		52,751		34,783		24,756		22,096	1	113,082	84	,514		74,847
Total	\$ 159,627	\$ 87,798	\$	77,163	\$	63,547	\$	45,497	\$	42,025		223,174		,295	\$	119,188
Acquired portfolio loan balances:													-			
Previously acquired banks (L)	\$ 1,298,380	\$ 522,620	\$	466,159	\$	57,979	\$	37,724	\$	36,501	\$ 1,3	356,359	\$ 560	,344	\$	502,660
2013 acquisitions (M)	2,541,268	1,936,355		657,646		77,300		49,256		45,626		518,568				1,703,272
Total	\$ 3,839,648	\$ 2,458,975		123,805	\$	135,279	\$	86,980		82,127		974,927	\$ 2,545		_	2,205,932
			-				_					_			=	

⁽J) Non-GAAP financial measure.

⁽K) Using effective tax rate of 33.3%, 33.1%, 33.0%, 32.8% and 32.4% for the three month periods ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

⁽L) Includes Bank of Texas, Bank Arlington, American State Bank and Community National Bank, all of which were acquired in 2012.

⁽M) Includes East Texas Financial Services, Coppermark and FVNB. During the fourth quarter of 2013, FVNB added \$1.634 billion in loans with related purchase accounting adjustments of \$60.228 million at acquisition date.

⁽N) Actual principal balances acquired.

Three Months Ended Dec 31, Mar 31, Sep 30, Jun 30, Mar 31, 2014 2013 2013 2013 2013 YIELD TREND Interest-Earning Assets: Loans 5.60% 6.06% 6.06% 5.89% 6.28% Investment securities (O) 2.25% 1.91% 2.24% 2.08% 1.98% Federal funds sold and other earning assets 0.19% 0.29% 0.22% 0.87% 0.22% Total interest-earning assets 3.83% 4.03% 3.80% 3.67% 3.67% Interest-Bearing Liabilities: Interest-bearing demand deposits 0.24% 0.25% 0.28% 0.33% 0.34% Savings and money market deposits 0.30% 0.26% 0.26% 0.27% 0.30% Certificates and other time deposits 0.59% 0.60% 0.59% 0.61% 0.62%Securities sold under repurchase agreements 0.28% 0.28% 0.28% 0.27% 0.26% Other borrowings 1.23% 0.42% 0.23% 0.35% 0.41% Junior subordinated debentures 2.53% 2.61% 2.85% 2.86% 2.88% Total interest-bearing liabilities 0.37% 0.37% 0.40% 0.42%0.36% Net Interest Margin 3.57% 3.76% 3.53% 3.37% 3.36%

3.62%

3.82%

3.59%

3.43%

3.42%

Net Interest Margin (tax equivalent)

⁽O) Yield on securities was impacted by net premium amortization of \$12,280, \$12,017, \$15,136, \$18,838 and \$22,710 for the three month periods ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

(In thousands)

Three Months Ended

	M	Iar 31, 2014	_ D	ec 31, 2013	Sep 30, 2013		June 30, 2013		M	Iar 31, 2013
Balance Sheet Averages										
Total loans	\$	7,755,997	\$	7,238,438	\$	6,173,394	\$	6,114,598	\$	5,263,784
Investment securities		8,466,946		7,992,673		8,015,221		7,964,157		7,755,567
Federal funds sold and										
other earning assets		101,700		103,413		27,451		35,113		34,793
Total interest-earning assets		16,324,643		15,334,524		14,216,066		14,113,868		13,054,144
Allowance for credit losses		(67,222)		(60,170)		(56,765)		(57,754)		(53,242)
Cash and due from banks		255,297		232,666		189,082		279,271		206,990
Goodwill		1,673,216		1,560,905		1,351,236		1,331,568		1,226,332
Core deposit intangibles, net		38,754		30,641		25,938		25,893		25,244
Other real estate		7,885		7,254		9,494		19,605		11,789
Fixed assets, net		282,411		251,688		231,480		223,769		207,517
Other assets		293,330		419,122		227,738		234,710		171,589
Total assets	\$	18,808,314	\$	17,776,630	\$	16,194,269	\$	16,170,930	\$	14,850,363
Noninterest-bearing deposits	\$	4,018,094	\$	3,860,296	\$	3,308,158	\$	3,295,211	\$	2,939,621
Interest-bearing demand deposits		3,554,366		2,963,899		2,400,555		2,580,750		2,659,489
Savings and money market deposits		4,992,442		4,654,044		4,233,911		4,261,466		3,790,416
Certificates and other time deposits		2,816,701		2,712,699		2,489,848		2,543,895		2,370,499
Total deposits		15,381,603		14,190,938		12,432,472		12,681,322		11,760,025
Securities sold under										
repurchase agreements		347,747		398,100		455,276		471,430		448,542
Other borrowings		51,932		210,492		772,083		541,034		358,120
Junior subordinated debentures		124,231		111,172		85,055		85,055		85,055
Other liabilities		82,288		223,394		73,571		69,741		62,716
Shareholders' equity		2,820,513		2,642,534		2,375,812		2,322,348		2,135,905
Total liabilities and equity	\$	18,808,314	\$	17,776,630	\$	16,194,269	\$	16,170,930	\$	14,850,363

(Dollars in thousands)

	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Period End Balances					
Loan Portfolio					
Commercial and other	\$ 1,312,405 16.9%	\$ 1,322,975 17.0%	\$ 1,028,799 16.6%	\$ 999,677 16.2%	\$ 760,531 14.5%
Construction	888,985 11.5%	865,511 11.1%	703,193 11.4%	694,585 11.2%	575,307 10.9%
1-4 family residential	1,906,480 24.7%	1,870,365 24.2%	1,503,771 24.4%	1,452,268 23.7%	1,338,936 25.5%
Home equity	263,966 3.4%	261,355 3.4%	211,742 3.4%	208,739 3.4%	203,815 3.9%
Commercial real estate	2,709,386 34.9%	2,753,797 35.3%	2,304,862 37.2%	2,390,820 38.6%	1,993,518 37.8%
Agriculture (includes farmland)	512,857 6.6%	531,258 6.8%	321,518 5.2%	314,945 5.1%	286,789 5.4%
Consumer and other	158,321 2.0%	169,960 2.2%	108,704 1.8%	111,449 1.8%	104,128 2.0%
Total loans	\$ 7,752,400	\$ 7,775,221	\$ 6,182,589	\$ 6,172,483	\$ 5,263,024
Deposit Types					
Noninterest-bearing DDA	\$ 4,142,042 26.9%	\$ 4,108,835 26.9%	\$ 3,368,357 27.0%	\$ 3,283,082 26.0%	\$ 2,995,828 25.6%
Interest-bearing DDA	3,446,375 22.3%	3,470,316 22.7%	2,366,997 19.0%	2,483,428 19.9%	2,521,998 21.5%
Money market	3,468,016 22.4%	3,320,062 21.7%	2,834,172 22.8%	2,868,880 23.0%	2,509,501 21.4%
Savings	1,630,395 10.5%	1,571,504 10.3%	1,413,153 11.3%	1,371,214 11.0%	1,345,044 11.5%
Certificates and other time deposits	2,773,229 17.9%	2,820,554 18.4%	2,473,120 19.9%	2,502,046 20.1%	2,341,096 20.0%
Total deposits	\$ 15,460,057	\$ 15,291,271	\$ 12,455,799	\$ 12,508,650	\$ 11,713,467
Loan to Deposit Ratio	50.1%	50.8%	49.6%	49.3%	44.9%
Construction Loans					
Single family residential					
construction	\$ 292,137 32.6%	\$ 271,491 30.9%	\$ 239,980 33.5%	\$ 234,257 32.9%	\$ 177,218 30.6%
Land development	73,974 8.2%	83,820 9.6%	60,927 8.6%	63,857 9.0%	42,520 7.4%
Raw land	55,384 6.2%	48,996 5.6%	52,789 7.4%	59,701 8.4%	46,672 8.1%
Residential lots	118,733 13.2%	122,449 14.0%	95,361 13.4%	91,018 12.8%	93,598 16.2%
Commercial lots	99,300 11.1%	103,878 11.9%	58,085 8.2%	60,960 8.6%	64,394 11.2%
Commercial construction and					
other	257,942 28.7%	244,124 28.0%	204,940 28.9%	200,633 28.3%	153,047 26.5%
Net unaccreted discount	(8,485)	(9,247)	(8,889)	(15,841)	(2,142)
Total construction loans	\$ 888,985	\$ 865,511	\$ 703,193	\$ 694,585	\$ 575,307

Prosperity Bancshares, Inc.® Financial Highlights (Unaudited) (Dollars in thousands)

	Three Months Ended									
	Ma	r 31, 2014	Dec	231, 2013		30, 2013		30, 2013	Mar	r 31, 2013
Asset Quality										
Nonaccrual loans	\$	7,714	\$	10,231	\$	4,954	\$	4,295	\$	7,529
Accruing loans 90 or more	·	,	·	,		,		,		,
days past due		3,519		4,947		283		325		642
Total nonperforming loans		11,233		15,178	_	5,237		4,620		8,171
Repossessed assets		91		27		18		· -		49
Other real estate		7,372		7,299		7,432		10,244		9,913
Total nonperforming assets	\$	18,696	\$	22,504	\$	12,687	\$	14,864	\$	18,133
Nonperforming assets:										
Commercial and industrial	\$	4,748	\$	3,153	\$	1,223	\$	1,191	\$	3,896
Construction, land development and other land loans	Ψ	4,053	Ψ	4,558	Ψ	4,611	Ψ	5,898	Ψ	3,678
1-4 family residential (including home equity)		5,435		6,279		2,441		2,112		3,746
Commercial real estate (including multi-family residential)		4,196		8,033		4,233		4,330		5,533
Agriculture (includes farmland)		104		279		23		1,213		1,183
Consumer and other		160		202		156		120		97
Total	\$	18,696	\$	22,504	\$	12,687	\$	14,864	\$	18,133
Number of loans/properties		164		203		128		123	_	124
Allowance for credit losses at										
end of period	\$	67,096	\$	67,282	\$	59,913	\$	56,176	\$	55,049
Net charge-offs:										
Commercial and industrial	\$	81	\$	7	\$	119	\$	148	\$	59
Construction, land development and other land loans		(17)		(12)		(30)		124		(56)
1-4 family residential (including home equity)		131		21		15		35		102
Commercial real estate (including multi-family residential)		60		(311)		(471)		801		(57)
Agriculture (includes farmland)		(81)		(85)		13		13		(7)
Consumer and other		612		876		642		302		274
Total	\$	786	\$	496	\$	288	\$	1,423	\$	315
Asset Quality Ratios										
Nonperforming assets to		0.11%		0.15%		0.09%		0.11%		0.14%
average earning assets Nonperforming assets to loans		0.11%		0.15%		0.09%		0.11%		0.14%
and other real estate		0.24%		0.29%		0.20%		0.24%		0.34%
Net charge-offs to		0.2470		0.2970		0.20%		0.2470		0.3470
average loans (annualized)		0.04%		0.03%		0.02%		0.09%		0.02%
Allowance for credit losses to		0.70		2.02,0		2.02,0		2.07,0		
total loans		0.87%		0.87%		0.97%		0.91%		1.05%
Allowance for credit losses to total loans										
(excluding acquired loans accounted for										
under ASC Topics 310-20 and 310-30) (E)		1.18%		1.25%		1.20%		1.18%		1.25%
E								. = =		

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									
	Ma	ar 31, 2014	D	ec 31, 2013	S	ep 30, 2013	Jı	un 30, 2013	M	[ar 31, 2013
Return on average tangible common equity:										
Net income	\$	67,137	\$	62,971	\$	55,278	\$	53,844	\$	49,305
Average shareholders' equity	\$	2,820,513	\$	2,642,534	\$	2,375,812	\$	2,322,348	\$	2,135,905
Less: Average goodwill and other intangible assets		(1,711,970)		(1,591,546)		(1,377,174)		(1,357,461)		(1,251,576)
Average tangible shareholders' equity	\$	1,108,543	\$	1,050,988	\$	998,638	\$	964,887	\$	884,329
Return on average tangible common equity (D)		24.23%		23.97%		22.14%		22.32%		22.30%
Tangible book value per share:										
Shareholders' equity	\$	2,840,754	\$	2,786,818	\$	2,389,112	\$	2,345,282	\$	2,149,455
Less: Goodwill and other intangible assets		(1,711,706)		(1,712,121)		(1,377,015)		(1,377,522)		(1,262,257)
Tangible shareholders' equity	\$	1,129,048	\$	1,074,697	\$	1,012,097	\$	967,760	\$	887,198
Period end shares outstanding		66,261		66,048		60,383		60,315		57,014
Tangible book value per share:	\$	17.04	\$	16.27	\$	16.76	\$	16.05	\$	15.56
Tangible equity to tangible assets ratio:										
Tangible shareholders' equity	\$	1,129,048	\$	1,074,697	\$	1,012,097	\$	967,760	\$	887,198
Total assets	\$	18,913,133	\$	18,642,028	\$	16,054,279	\$	16,270,718	\$	15,081,314
Less: Goodwill and other intangible assets		(1,711,706)		(1,712,121)		(1,377,015)	_	(1,377,522)		(1,262,257)
Tangible assets	\$	17,201,427	\$	16,929,907	\$	14,677,264	\$	14,893,196	\$	13,819,057
Tangible equity to tangible assets ratio		6.56%		6.35%		6.90%		6.50%		6.42%

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

	M	ar 31, 2014	D	ec 31, 2013	M	ar 31, 2013
Allowance for credit losses to total loans, excluding acquired loans:						
Allowance for credit losses	\$	67,096	\$	67,282	\$	55,049
Total loans	\$	7,752,400	\$	7,775,221	\$	5,263,024
Less: Fair value of acquired loans accounted for under ASC						
Topics 310-20 and 310-30 (does not include new production)	\$	2,086,744	\$	2,412,660	\$	853,751
Total loans less acquired loans	\$	5,665,656	\$	5,362,561	\$	4,409,273
Allowance for credit losses to total loans, excluding						
acquired loans (non-GAAP basis)		1.18%		1.25%		1.25%