

PROSPERITY BANCSHARES INC
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PRESS RELEASE

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FOR IMMEDIATE RELEASE

Prosperity Bancshares, Inc.[®]

REPORTS THIRD QUARTER

2015 EARNINGS

Third quarter 2015 earnings per share (diluted) of \$1.01

Third quarter net income of \$70.598 million

Nonperforming assets remain low at 0.26% of third quarter average earning assets

Return on third quarter average assets of 1.30%

Third quarter efficiency ratio of 40.72%

Increase in dividend of 10% to \$0.30 per share for the fourth quarter 2015

Received all regulatory approvals for the pending acquisition of Tradition Bancshares, Inc. headquartered in Houston, Texas

HOUSTON, October 23, 2015. Prosperity Bancshares, Inc.[®] (NYSE: PB), the parent company of Prosperity Bank[®] (collectively, "Prosperity"), reported net income for the quarter ended September 30, 2015 of \$70.598 million or \$1.01 per diluted common share. Additionally, nonperforming assets remain low at 0.26% of third quarter average earning assets with an annualized return on third quarter average assets of 1.30%.

“I am excited to announce that the Prosperity Board of Directors has decided to increase the dividend payable to shareholders to \$0.30 per share for the fourth quarter, representing a 10% increase. The Board and management appreciate our shareholders and are glad to be able to show our appreciation with this increase,” said David Zalman, Prosperity’s Chairman and Chief Executive Officer.

“Prosperity enjoyed another successful quarter. Because of the acquisitions we completed over the last several years, our net income figures include purchase accounting adjustment income, which has been quickly declining. Excluding these purchase accounting adjustments, net income per diluted common share was \$0.92 for the three months ended September 30, 2015 compared with \$0.84 for the three months ended September 30, 2014, a 9.5% increase. Prosperity’s return on average tangible common equity for the three months ended September 30, 2015 was 19.30%. The reconciliations of these non-GAAP financial measures are included below,” continued Zalman.

“Despite employment declines in the oil and gas extraction and the manufacturing sectors, the Texas unemployment rate fell in August to 4.1% and continues to be lower than the U.S. rate, which was 5.1%. Oklahoma’s unemployment rate inched down slightly in September to 4.4% compared with 4.6% in August, according to data recently released by the U.S. Labor Department.”

“Although our loans decreased overall during the first nine months of 2015 primarily due to planned reductions at some of our acquired banks, our third quarter results showed loan growth of 1% (4% annualized) compared to the previous quarter ended June 30, 2015. Deposits have been flat for the first nine months of 2015, but, when comparing deposits as of September 30, 2015 to September 30, 2014, Prosperity has been successful in replacing over \$500 million in higher cost time deposits at acquired banks with more traditional transactional accounts,” stated Zalman.

“Prosperity continues to be one of the best in class in asset quality with non-performing assets at 0.26% of third quarter average earning assets,” concluded Zalman.

Results of Operations for the Three Months Ended September 30, 2015

Net income was \$70.598 million for the three months ended September 30, 2015 compared with \$76.570 million for the same period in 2014. Net income per diluted common share was \$1.01 for the three months ended September 30, 2015 compared with \$1.10 for the same period in 2014. Net income (excluding purchase accounting adjustments) was \$64.154 million for the quarter ended September 30, 2015 compared with \$58.635 million for the quarter ended September 30, 2014, an increase of 9.4%. Net income per diluted common share (excluding purchase accounting adjustments) was \$0.92 for the three months ended September 30, 2015 compared with \$0.84 for the three months ended September 30, 2014. The reconciliation of these non-GAAP financial measures is shown on page 12. Annualized returns on average assets, average common equity and average tangible common equity for the three months ended September 30, 2015 were 1.30%, 8.31% and 19.30%, respectively. Prosperity’s efficiency ratio (excluding credit loss provisions, net gains and losses on the sale of assets and taxes) was 40.72% for the three months ended September 30, 2015.

Net interest income before provision for credit losses for the quarter ended September 30, 2015 was \$156.108 million compared with \$175.657 million during the same period in 2014. This change was primarily due to a decrease in loan discount accretion of \$17.424 million for the quarter ended September 30, 2015 compared with the quarter ended September 30, 2014. Linked quarter net interest income before provision for credit losses was \$156.108 million for the three months ended September 30, 2015 compared with \$158.239 million for the three months ended June 30, 2015. This change was primarily due to a decrease in loan discount accretion of \$2.568 million for the quarter ended September 30, 2015 compared with the quarter ended June 30, 2015. The net interest margin on a tax equivalent basis was 3.30% for the three months ended September 30, 2015, compared with 3.85% for the same period in 2014 and 3.39% for the three months ended June 30, 2015. This change was primarily due to the decrease in loan discount accretion and lower yields on average interest-earning assets partially offset by lower rates paid on average interest-bearing liabilities for the three months ended September 30, 2015. Excluding purchase accounting adjustments, the net interest margin on a tax equivalent basis was 3.10% for the three months ended September 30, 2015, compared with 3.26% for the same period in 2014 and 3.13% for the three months ended June 30, 2015.

Noninterest income was \$31.780 million for the three months ended September 30, 2015 compared with \$30.191 million for the same period in 2014. This change was primarily due to an increase in mortgage income and other noninterest income. On a linked quarter basis, noninterest income increased \$1.483 million or 4.9% compared with

the quarter ended June 30, 2015. This was primarily due to an increase in NSF fees and service charges on deposit accounts.

Noninterest expense was \$76.430 million for the three months ended September 30, 2015 compared with \$85.540 million for the same period in 2014. This change was primarily due to a decrease in salary and benefits expense, other noninterest expense, net occupancy and equipment expense and regulatory assessments. On a linked quarter basis, noninterest expense decreased \$3.305 million or 4.1% compared with the quarter ended June 30, 2015. This was primarily due to a decrease in salary and benefits expense, other noninterest expense and regulatory assessments for the three months ended September 30, 2015.

Results of Operations for the Nine Months Ended September 30, 2015

Net income was \$216.171 million for the nine months ended September 30, 2015 compared with \$219.213 million for the same period in 2014. Net income per diluted common share was \$3.09 for the nine months ended September 30, 2015 compared with \$3.19 for the same period in 2014. Net income (excluding purchase accounting adjustments) was \$189.332 million for the nine months ended September 30, 2015 compared with \$177.638 million for the nine months ended September 30, 2014. Net income per diluted common share (excluding purchase accounting adjustments) was \$2.71 for the nine months ended September 30, 2015 compared with \$2.59 for the nine months ended September 30, 2014. The reconciliation of these non-GAAP financial measures is shown on page 12. Returns on average assets, average common equity and average tangible common equity, each on an annualized basis, for the nine months ended September 30, 2015 were 1.33%, 8.63% and 20.51%, respectively. Prosperity's efficiency ratio (excluding credit loss provisions, net gains and losses on the sale of assets and securities and taxes) was 41.64% for the nine months ended September 30, 2015.

Net interest income before provision for credit losses for the nine months ended September 30, 2015 was \$477.252 million compared with \$493.403 million during the same period in 2014. The change was primarily due to a decrease of \$23.002 million in loan discount accretion partially offset by lower rates paid on average interest-bearing liabilities for the nine months ended September 30, 2015. The net interest margin on a tax equivalent basis for the nine months ended September 30, 2015 decreased to 3.42% compared with 3.77% for the same period in 2014. This was primarily due to a decrease in loan discount accretion and lower yields on average interest-earning assets partially offset by lower rates paid on average interest-bearing liabilities for the nine months ended September 30, 2015. Excluding purchase accounting adjustments, the net interest margin on a tax equivalent basis was 3.13% for the nine months ended September 30, 2015 compared with 3.30% for the same period in 2014.

Noninterest income was \$90.498 million for the nine months ended September 30, 2015 compared with \$91.452 million for the same period in 2014. This change was primarily due to a decrease in net gain on sale of assets and NSF fees partially offset by an increase in other noninterest income and mortgage income. Noninterest expense was \$235.627 million for the nine months ended September 30, 2015 compared with \$243.926 million for the same period in 2014. This change was primarily due to a decrease in salary and benefits expense and other noninterest expense partially offset by an increase in regulatory assessments and a net gain on sale of other real estate recorded in 2014.

Balance Sheet Information

At September 30, 2015, Prosperity had \$21.567 billion in total assets, an increase of \$449.922 million or 2.1%, compared with \$21.117 billion at September 30, 2014.

Loans at September 30, 2015 were \$9.205 billion, a decrease of \$163.900 million or 1.7%, compared with \$9.369 billion at September 30, 2014. Linked quarter loans increased \$90.653 million or 1.0% (4.0% annualized) from \$9.114 billion at June 30, 2015.

As part of its lending activities, Prosperity extends credit to oil and gas production and servicing companies. Oil and gas production loans are loans to companies directly involved in the exploration and or production of oil and gas. Oil and gas servicing loans are loans to companies that provide services for oil and gas production and exploration. At September 30, 2015, oil and gas loans totaled \$405.176 million or 4.4% of total loans, of which \$185.162 million were production loans and \$220.014 million were servicing loans compared with total oil and gas loans of \$500.409 million or 5.3% of total loans at December 31, 2014, of which \$271.972 million were production loans and \$228.437 million were servicing loans.

Deposits at September 30, 2015 were \$16.940 billion, a decrease of \$74.090 million or 0.4%, compared with \$17.014 billion at September 30, 2014. Linked quarter deposits decreased \$61.727 million or 0.4% from \$17.002 billion at

June 30, 2015.

Asset Quality

Nonperforming assets totaled \$48.628 million or 0.26% of quarterly average earning assets at September 30, 2015, compared with \$50.082 million or 0.27% of quarterly average earning assets at September 30, 2014, and \$35.119 million or 0.19% of quarterly average earning assets at June 30, 2015. The allowance for credit losses was 0.88% of total loans at September 30, 2015, 0.83% of total loans at September 30, 2014 and 0.89% of total loans at June 30, 2015. Excluding loans acquired that are accounted for under FASB Accounting Standards Codification (“ASC”) Topics 310-20 and 310-30, the allowance for credit losses was 1.06% of remaining loans as of September 30, 2015, compared with 1.14% at September 30, 2014 and 1.09% at June 30, 2015. 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 \$5.310 million for the three months ended September 30, 2015 compared with \$5.000 million for the three months ended September 30, 2014 and \$500 thousand for the three months ended June 30, 2015. The provision for credit losses was \$7.060 million for the nine months ended September 30, 2015 compared with \$11.925 million for the nine months ended September 30, 2014.

Net charge offs were \$5.279 million for the three months ended September 30, 2015 compared with \$653 thousand for the three months ended September 30, 2014 and \$491 thousand for the three months ended June 30, 2015. This increase was primarily due to the charge off of three commercial and industrial loans during the third quarter of 2015. Net charge offs were \$6.819 million for the nine months ended September 30, 2015 compared with \$1.594 million for the nine months ended September 30, 2014.

Conference Call

Prosperity's management team will host a conference call on Friday, October 23, 2015 at 10:30 a.m. Eastern Time (9:30 a.m. Central Time) to discuss Prosperity's third quarter 2015 earnings. Individuals and investment professionals may participate in the call by dialing 877-883-0383. The elite entry number is 2554742.

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

Non-GAAP Financial Measures

Prosperity's management uses certain non-GAAP 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. Further, as a result of acquisitions, and the related purchase accounting adjustments, Prosperity uses certain non-GAAP measures and ratios that exclude the impact of these items to evaluate its net income and earnings per share (excluding purchase accounting adjustments) and its allowance for credit losses to total loans (excluding acquired loans accounted for under 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 related to these non-GAAP financial measures for the applicable periods presented. Please refer to page 12 and to the "Notes to Selected Financial Data" at the end of this Earnings Release for a reconciliation of these non-GAAP financial measures.

Dividend

Prosperity Bancshares, Inc. ("Prosperity Bancshares") declared a fourth quarter cash dividend of \$0.30 per share, to be paid on January 4, 2016 to all shareholders of record as of December 18, 2015.

Pending Acquisition of Tradition Bancshares, Inc.; Regulatory Approvals Received

On August 6, 2015, Prosperity Bancshares announced the signing of a definitive merger agreement to acquire Tradition Bancshares, Inc. ("Tradition") and its wholly-owned subsidiary Tradition Bank headquartered in Houston,

Texas. Tradition Bank operates 7 banking offices in the Houston, Texas area, including its main office in Bellaire, 3 banking centers in Katy and 1 banking center in The Woodlands. As of September 30, 2015, Tradition, on a consolidated basis, reported total assets of \$540.565 million, total loans of \$239.196 million, total deposits of \$483.828 million and shareholder's equity of \$46.288 million.

Under the terms of the definitive agreement, Prosperity Bancshares will issue approximately 679,679 shares of Prosperity Bancshares common stock plus \$39.0 million in cash for all outstanding shares of Tradition capital stock, subject to potential adjustments. The transaction is subject to customary closing conditions and approval by Tradition's shareholders. Prosperity has received all necessary regulatory approvals for this acquisition and expects to close the transaction on December 31, 2015.

Prosperity Bancshares, Inc.®

As of September 30, 2015, Prosperity Bancshares, Inc.® is a \$21.567 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 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.

Prosperity currently operates 244 full-service banking locations: 61 in the Houston area, including The Woodlands; 30 in the South Texas area including Corpus Christi and Victoria; 37 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 8 in the Tulsa, Oklahoma area.

Bryan/College Station Area - Sachse

Bryan
 Bryan-29th Street
 Bryan-East
 Bryan-North
 Caldwell
 College Station
 Crescent Point
 Hearne
 Huntsville
 Madisonville
 Navasota

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

Central Texas Area -

Austin -

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

Other Central Texas Locations -

Bastrop
 Canyon Lake
 Dime Box
 Dripping Springs

Elgin
 Jacksonville

Flatonia
 Georgetown
 Gruene
 Kingsland
 La Grange
 Lexington
 New Braunfels
 Pleasanton
 Kerens
 Longview
 Mount Vernon
 Palestine
 Rusk
 Seven Points
 Teague
 Tyler-Beckham

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-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 -

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

Midland -

Wadley
 Wall Street

Odessa -

Grandview
 Grant
 Kermit Highway
 Parkway

Other West Texas Locations -

Big Spring
 Brownfield
 Brownwood
 Cisco
 Comanche
 Early
 Floydada
 Gorman

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Round Rock	Tyler-South Broadway	Corpus Christi -	Levelland
San Antonio	Tyler-University	Airline	Littlefield
Schulenburg	Winnsboro	Calallen	Merkel
Seguin		Carmel	Plainview
Smithville	Houston Area -	Northwest	San Angelo
Thorndale	Houston -	Saratoga	Slaton
Weimar	Aldine	Timbergate	Snyder
	Bellaire	Water Street	
Dallas/Fort Worth Area -	Beltway		Oklahoma
Dallas -	Clear Lake	Other South Texas	Central Oklahoma-
Abrams Centre	Copperfield	Locations -	23 rd Street
Balch Springs	Cypress	Alice	Edmond
Camp Wisdom	Downtown	Aransas Pass	Expressway
Cedar Hill	Eastex	Beeville	I-240
Dallas – Central Expressway	Fairfield	Colony Creek	Memorial
Forest Park	First Colony	Cuero	Norman
Frisco	Gessner	Edna	
Frisco-West	Gladebrook	Goliad	Tulsa-
Kiest	Heights	Gonzales	Garnett
McKinney	Highway 6 West	Hallettsville	Harvard
McKinney-Stonebridge	Little York	Kingsville	Memorial
Midway	Medical Center	Mathis	Owasso
Northwest Highway	Memorial Drive	Padre Island	Sheridan
Plano	Northside	Palacios	S. Harvard
Preston Forest	Pasadena	Port Lavaca	Utica Tower
Preston Road	Pecan Grove	Portland	Yale
Red Oak	River Oaks	Rockport	

In connection with the proposed merger of Tradition Bancshares, Inc. into Prosperity Bancshares, Prosperity Bancshares has filed with the Securities and Exchange Commission a registration statement on Form S-4 to register the shares of Prosperity's common stock to be issued to the shareholders of Tradition Bancshares, Inc. The registration statement includes a proxy statement/prospectus which will be sent to the shareholders of Tradition Bancshares, Inc. seeking their approval of the proposed transaction.

WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IN CONNECTION WITH THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT PROSPERITY BANCSHARES, TRADITION BANCSHARES, INC. AND THE PROPOSED TRANSACTION.

Investors and security holders may obtain free copies of these documents through the website maintained by the Securities and Exchange Commission at <http://www.sec.gov>. Documents filed with the SEC by Prosperity Bancshares will be available free of charge by directing a request by telephone or mail to Prosperity Bancshares, Inc., Prosperity Bank Plaza, 4295 San Felipe, Houston, Texas 77027 Attn: Investor Relations. Prosperity's telephone number is (281) 269-7199.

“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 Bancshares 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 Bancshares’ Annual Report on Form 10-K for the year ended December 31, 2014 and other reports and statements Prosperity Bancshares 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>.

Prosperity Bancshares, Inc.[®]

Financial Highlights (Unaudited)

(In thousands)

	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Sep 30,
	2015	2015	2015	2014	2014
Balance Sheet Data					
(at period end)					
Total loans	\$9,204,988	\$9,114,335	\$9,166,005	\$9,244,183	\$9,368,888
Investment securities ^(A)	9,530,761	9,698,079	9,579,496	9,045,776	8,845,909
Federal funds sold	996	1,451	1,639	569	484
Allowance for credit losses	(81,003)	(80,972)	(80,963)	(80,762)	(77,613)
Cash and due from banks	300,230	353,047	352,642	677,285	330,952
Goodwill	1,881,955	1,881,955	1,881,955	1,874,191	1,892,255
Core deposit intangibles, net	51,712	54,068	56,458	58,947	34,474
Other real estate owned	3,271	2,806	3,010	3,237	5,504
Fixed assets, net	271,650	275,347	276,468	281,549	283,011
Other assets	402,676	386,171	370,149	402,758	433,450
Total assets	\$21,567,236	\$21,686,287	\$21,606,859	\$21,507,733	\$21,117,314
Noninterest-bearing deposits	\$5,093,175	\$5,040,628	\$5,038,436	\$4,936,420	\$4,968,867
Interest-bearing deposits	11,846,762	11,961,036	12,522,916	12,756,738	12,045,160
Total deposits	16,939,937	17,001,664	17,561,352	17,693,158	17,014,027
Other borrowings	786,571	886,741	331,914	8,724	289,972
Securities sold under repurchase agreements	310,038	334,189	318,418	315,523	358,053
Junior subordinated debentures	-	-	-	167,531	167,531
Other liabilities	119,451	106,408	93,314	77,971	104,781
Total liabilities	18,155,997	18,329,002	18,304,998	18,262,907	17,934,364
Shareholders' equity ^(B)	3,411,239	3,357,285	3,301,861	3,244,826	3,182,950
Total liabilities and equity	\$21,567,236	\$21,686,287	\$21,606,859	\$21,507,733	\$21,117,314

(A) Includes \$3,788, \$4,655, \$5,296, \$5,737 and \$5,756 in unrealized gains on available for sale securities for the quarterly periods ended September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively.

(B) Includes \$2,462, \$3,026, \$3,442, \$3,729 and \$3,741 in after-tax unrealized gains on available for sale securities for the quarterly periods ended September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively.

Prosperity Bancshares, Inc.[®]**Financial Highlights (Unaudited)****(In thousands)**

	Three Months Ended				Year-to-Date		
	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Sep 30,	Sep 30,
	2015	2015	2015	2014	2014	2015	2014
Income Statement Data							
Interest income:							
Loans	\$116,911	\$119,404	\$124,878	\$139,396	\$140,521	\$361,193	\$386,320
Securities ^(C)	48,610	48,530	48,562	47,108	46,910	145,702	141,636
Federal funds sold and other earning assets	22	47	165	74	35	234	261
Total interest income	165,543	167,981	173,605	186,578	187,466	507,129	528,217
Interest expense:							
Deposits	8,753	9,169	9,577	7,326	10,240	27,499	30,545
Other borrowings	473	365	129	200	225	967	572
Securities sold under repurchase agreements	209	208	203	202	245	620	736
Junior subordinated debentures	-	-	791	1,099	1,099	791	2,961
Total interest expense	9,435	9,742	10,700	8,827	11,809	29,877	34,814
Net interest income	156,108	158,239	162,905	177,751	175,657	477,252	493,403
Provision for credit losses	5,310	500	1,250	6,350	5,000	7,060	11,925
Net interest income after provision for credit losses	150,798	157,739	161,655	171,401	170,657	470,192	481,478
Noninterest income:							
Nonsufficient funds (NSF) fees	9,082	8,310	7,918	9,345	9,734	25,310	27,703
Credit card, debit card and ATM card income	5,955	6,003	5,638	5,786	5,921	17,596	17,103
Service charges on deposit accounts	4,438	4,189	4,179	4,263	4,255	12,806	12,189
Trust income	1,986	2,047	2,009	2,165	2,099	6,042	5,943
Mortgage income	1,770	1,513	1,148	1,049	1,414	4,431	3,215
Brokerage income	1,596	1,541	1,409	1,455	1,743	4,546	4,413
Bank owned life insurance income	1,384	1,390	1,380	1,392	1,404	4,154	3,797
Net gain on sale of assets	173	270	1,379	24	23	1,822	4,634
Other noninterest income	5,396	5,034	3,361	3,901	3,598	13,791	12,455
Total noninterest income	31,780	30,297	28,421	29,380	30,191	90,498	91,452
Noninterest expense:							
Salaries and benefits	46,587	47,819	49,966	49,557	52,179	144,372	149,713

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Net occupancy and equipment	6,088	5,812	5,964	6,620	6,801	17,864	18,136
Debit card, data processing and software amortization	3,924	4,045	3,817	4,553	4,044	11,786	11,237
Regulatory assessments and FDIC insurance	3,366	4,253	4,354	4,354	4,051	11,973	10,663
Core deposit intangibles amortization	2,356	2,390	2,489	2,667	2,598	7,235	7,273
Depreciation	3,313	3,420	2,916	3,491	3,516	9,649	10,239
Communications	2,663	2,835	2,809	2,993	2,960	8,307	8,616
Other real estate expense	123	129	132	363	72	384	656
Net (gain) loss on sale of other real estate	(68)	(32)	14	(726)	30	(86)	(1,314)
Other noninterest expense	8,078	9,064	7,001	10,164	9,289	24,143	28,707
Total noninterest expense	76,430	79,735	79,462	84,036	85,540	235,627	243,926
Income before income taxes	106,148	108,301	110,614	116,745	115,308	325,063	329,004
Provision for income taxes	35,550	36,369	36,973	38,517	38,738	108,892	109,791
Net income available to common shareholders	\$70,598	\$71,932	\$73,641	\$78,228	\$76,570	\$216,171	\$219,213

(C) Interest income on securities was reduced by net premium amortization of \$14,845, \$15,466, \$14,144, \$13,031 and \$13,531 for the three month periods ended September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively, and \$44,455 and \$38,648 for the nine month periods ended September 30, 2015 and September 30, 2014, respectively.

Prosperity Bancshares, Inc.®**Financial Highlights (Unaudited)****(Dollars and share amounts in thousands, except per share data and market prices)**

	Three Months Ended				Year-to-Date			
	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Sep 30,	Sep 30,	Sep 30,
	2015	2015	2015	2014	2014	2015	2014	2014
Profitability								
Net income	\$70,598	\$71,932	\$73,641	\$78,228	\$76,570	\$216,171	\$219,213	
Basic earnings per share	\$1.01	\$1.03	\$1.05	\$1.12	\$1.10	\$3.09	\$3.20	
Diluted earnings per share	\$1.01	\$1.03	\$1.05	\$1.12	\$1.10	\$3.09	\$3.19	
Return on average assets ^(D)	1.30 %	1.33 %	1.37 %	1.48 %	1.45 %	1.33 %	1.44 %	
Return on average common equity ^(D)	8.31 %	8.61 %	8.98 %	9.70 %	9.69 %	8.63 %	9.67 %	
Return on average tangible common equity ^{(D) (E)}	19.30 %	20.49 %	21.84 %	23.87 %	24.84 %	20.51 %	24.38 %	
Tax equivalent net interest margin ^(F)	3.30 %	3.39 %	3.57 %	3.89 %	3.85 %	3.42 %	3.77 %	
Efficiency ratio ^(G)	40.72 %	42.35 %	41.83 %	40.78 %	41.55 %	41.64 %	42.17 %	
Liquidity and Capital Ratios								
Equity to assets	15.82 %	15.48 %	15.28 %	15.09 %	15.07 %	15.82 %	15.07 %	
Common equity tier 1 capital ^(H)	13.37 %	12.91 %	12.40 %	N/A	N/A	13.37 %	N/A	
Tier 1 risk-based capital	13.37 % ⁽¹⁾	12.91 % ⁽¹⁾	12.40 % ⁽¹⁾	13.80 %	13.18 %	13.37 % ⁽¹⁾	13.18 %	
Total risk-based capital	14.09 % ⁽¹⁾	13.63 % ⁽¹⁾	13.14 % ⁽¹⁾	14.56 %	13.90 %	14.09 % ⁽¹⁾	13.90 %	
Tier 1 leverage capital	7.65 % ⁽¹⁾	7.35 % ⁽¹⁾	6.96 % ⁽¹⁾	7.69 %	7.40 %	7.65 % ⁽¹⁾	7.40 %	
Period end tangible equity to period end tangible assets ^(E)	7.53 %	7.20 %	6.93 %	6.70 %	6.55 %	7.53 %	6.55 %	
Other Data								
Shares used in computed earnings per share								
Basic	70,041	70,037	70,034	69,768	69,751	70,037	68,548	
Diluted	70,053	70,053	70,055	69,796	69,791	70,054	68,614	
Period end shares outstanding	70,040	70,040	70,024	69,780	69,756	70,040	69,756	
	\$0.2725	\$0.2725	\$0.2725	\$0.2725	\$0.2400	\$0.8175	\$0.7200	

Cash dividends paid per common share							
Book value per share	\$48.70	\$47.93	\$47.15	\$46.50	\$45.63	\$48.70	\$45.63
Tangible book value per share ^(E)	\$21.10	\$20.29	\$19.47	\$18.80	\$18.01	\$21.10	\$18.01
Common Stock Market Price							
High	\$59.97	\$59.30	\$55.88	\$61.15	\$63.73	\$59.97	\$67.68
Low	43.76	50.91	45.01	52.62	55.99	43.76	55.99
Period end closing price	49.11	57.74	52.48	55.36	57.17	49.11	57.17
Employees – FTE	3,051	3,065	3,081	3,096	3,057	3,051	3,057
Number of banking centers	244	245	244	245	245	244	245

(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. Additionally, taxes are not part of this calculation.

(H) Common equity tier 1 capital ratio is a new ratio required under the Basel III Capital Rules effective January 1, 2015.

(I) Calculated pursuant to the phase-in provisions of the Basel III Capital Rules.

Prosperity Bancshares, Inc.®

Financial Highlights (Unaudited)

(Dollars in thousands)

YIELD ANALYSIS	Three Months Ended								
	Sep 30, 2015			Jun 30, 2015			Sep 30, 2014		
	Average Balance	Interest Earned/Interest Paid	Average Yield/ ^(L) Rate	Average Balance	Interest Earned/Interest Paid	Average Yield/ ^(L) Rate	Average Balance	Interest Earned/Interest Paid	Average Yield/ ^(L) Rate
Interest-Earning Assets:									
Loans	\$9,156,679	\$116,911	5.07%	\$9,133,625	\$119,404	5.24%	\$9,381,248	\$140,521	5.94%
Investment securities	9,706,373	48,610	1.99% ^(J)	9,688,961	48,530	2.01% ^(J)	8,836,309	46,910	2.11%
Federal funds sold and other earning assets	55,000	22	0.16%	79,659	47	0.24%	95,378	35	0.15%
Total interest-earning assets	18,918,052	\$165,543	3.47%	18,902,245	\$167,981	3.56%	18,312,935	\$187,466	4.06%
Allowance for credit losses	(80,793)			(80,868)			(73,977)		
Noninterest-earning assets	2,819,150			2,817,644			2,881,762		
Total assets	\$21,656,409			\$21,639,021			\$21,120,720		
Interest-Bearing Liabilities:									
Interest-bearing demand deposits	\$3,663,114	\$1,961	0.21%	\$3,891,682	\$2,227	0.23%	\$3,399,655	\$2,089	0.24%
Savings and money market deposits	5,492,326	3,392	0.24%	5,476,931	3,374	0.25%	5,502,326	3,400	0.25%
Certificates and other time deposits	2,685,346	3,400	0.50%	2,821,058	3,568	0.51%	3,235,185	4,751	0.58%
Other borrowings	886,787	473	0.21%	684,371	365	0.21%	215,222	225	0.42%
Securities sold under repurchase agreements									