



PRESS RELEASE

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FOR IMMEDIATE RELEASE

PROSPERITY BANCSHARES, INC.® TO ACQUIRE THE BANK ARLINGTON

HOUSTON, January 19, 2012. Prosperity Bancshares, Inc.® (NYSE: PB) announced today the signing of a definitive agreement to acquire The Bank Arlington. This is the third acquisition announced by Prosperity within the past few months.

The Bank Arlington operates one (1) banking office in Arlington, Texas, in the Dallas-Fort Worth Metroplex. As of December 31, 2011, The Bank Arlington reported total assets of \$37.3 million, total loans of \$21.3 million and total deposits of \$32.8 million.

Under the terms of the definitive agreement, Prosperity will issue up to 138,600 shares of Prosperity common stock for all outstanding shares of The Bank Arlington capital stock, subject to certain conditions and potential adjustments.

“Our team has wanted to expand our presence in the Dallas/Fort Worth Metroplex for some time and adding a location in Arlington is an excellent fit for us” commented David Zalman, Chairman and Chief Executive Officer of Prosperity. “The customers of The Bank Arlington will be able to use any of our locations across the state after the merger.” Following the merger, Prosperity will have thirty-two (32) banking centers across the Dallas/Fort Worth MSA.”

“To merge with Prosperity Bank, a large community bank, that is considered the #1 bank in the country, by Forbes, gives The Bank Arlington the ability to remain a community oriented bank serving the Tarrant County Market with the same people that founded the bank,” said Billy W.

Allen, President and CEO of The Bank Arlington. “The Bank Arlington sees this as an opportunity to be part of a larger community bank and offer its customers additional products, a larger branch network and the financial strength of a premier banking organization.”

The merger has been approved by the Boards of Directors of both companies and is expected to close during the first half of 2012, although delays may occur. The transaction is subject to certain conditions, including the approval by The Bank Arlington’s shareholders and customary regulatory approvals. Operational integration is anticipated to begin during the second quarter of 2012.

The Bank Arlington was advised in this transaction by Commerce Street Capital, LLC as financial advisor and Fenimore, Kay, Harrison & Ford, LLP as legal counsel. Bracewell & Guiliani LLP was legal counsel to Prosperity Bancshares, Inc.

Prosperity Bancshares, Inc.[®]

Prosperity Bancshares Inc.[®], recently named “America’s Best Bank” by Forbes is a \$9.8 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.prosperitybanktx.com>, Retail Brokerage Services, MasterMoney Debit Cards, and 24 hour voice response banking. Prosperity currently operates one hundred seventy five (175) full service banking locations; fifty-nine (59) in the Houston area; twenty (20) in the South Texas area including Corpus Christi and Victoria; thirty-one (31) in the Dallas/Fort Worth area; twenty-one (21) in the East Texas area; thirty-four (34) in the Central Texas area including Austin and San Antonio; and ten (10) in the Bryan/College Station area.

In connection with the proposed merger of The Bank Arlington into Prosperity Bank, Prosperity will file 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 The Bank Arlington. The registration statement will include a proxy statement/prospectus which will be sent to the shareholders of The Bank Arlington 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 TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IN CONNECTION WITH THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT PROSPERITY, THE BANK ARLINGTON AND THE PROPOSED TRANSACTION.

In connection with the proposed merger of East Texas Financial Services, Inc. into Prosperity, Prosperity 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 stockholders of East Texas Financial Services. The registration statement includes a proxy statement/prospectus which will be sent to the stockholders of East Texas Financial Services 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, EAST TEXAS FINANCIAL SERVICES 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 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.

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“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: This release contains 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, that 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; weather; and the stock price volatility associated with “small-cap” companies. These and various other factors are discussed in Prosperity's Annual Report on Form 10-K for the year ended December 31, 2010 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 www.prosperitybanktx.com.

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