

**HOWE BARNES IS PLEASED TO ANNOUNCE  
OUR RECENT ADVISORY TRANSACTION**

**Bank of Navasota, N.A.**

*has signed a definitive agreement  
to be acquired by*



Pending May 2007

Howe Barnes acted as financial advisor to Bank of Navasota, N.A. in this transaction.

Bank of Navasota, N.A., Navasota, Texas, has signed a definitive agreement to merge with and into Prosperity Bancshares, Inc., Houston, Texas. Under the terms of the definitive agreement, Prosperity will acquire all the outstanding shares of Bank of Navasota in a cash-and-stock transaction valued at \$17.4 million. With the transaction, Prosperity will enter Grimes County, Texas, with a number two ranking and 23.7% of the \$288.8 million deposit market.

The merger is expected to close in the third quarter of 2007, subject to shareholder and regulatory approvals.

**Deal Pricing**

Transaction Value:	\$17.4 million
Price / Earnings:	15.4x
Price / Book:	199%
Price / Tangible Book:	199%
Price / Assets:	23.58%
Core Deposit Premium:	16.64%

(1) Financials as of 12/31/06

(2) Financials as of 3/31/07

**Financial Highlights**

	Bank of	
	<u>Navasota (1)</u>	<u>PRSP (2)</u>
Total Assets (\$000)	73,758	6,326,699
Total Equity (\$000)	8,734	1,066,569
Equity / Assets	11.84%	16.86%
ROAA	1.49%	1.40%
ROATE	13.39%	27.95%

SOURCE: SNL Financial

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