



Board of Governors of the Federal Reserve System



Annual Report of Bank Holding Companies—FR Y-6

2293329

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under section 211.23 of Regulation K (12 C.F.R. § 211.23). The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Bank Holding Companies* must be signed by one director of the top-tier bank holding company. This individual should also be a senior official of the top-tier bank holding company. In the event that the top-tier bank holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier bank holding company's fiscal year-end):
December 31, 2011

Month / Day / Year

I, Eddie Creamer

Name of the Bank Holding Company Director and Official

President / Chief Operating Officer

Title of the Bank Holding Company Director and Official

Reporter's Name, Street, and Mailing Address

The Prosperity Banking Company

Legal Title of Bank Holding Company

100 Southpark Blvd, Suite 104

(Mailing Address of the Bank Holding Company) Street / P.O. Box

Saint Augustine

FL

32086

City

State

Zip Code

attest that the *Annual Report of Bank Holding Companies* (including the supporting attachments) for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Physical location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:

Christine Faigle

SVP / Controller

Name

Title

904-810-3941

Area Code / Phone Number / Extension

904-417-9052

Area Code / FAX Number

cfaigle@prosperitybank.com

E-mail Address

prosperitybank.com

Address (URL) for the Bank Holding Company's web page

Signature of Bank Holding Company Director and Official

Date of Signature

3/28/2012

For bank holding companies not registered with the SEC—

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____

C.I. _____

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

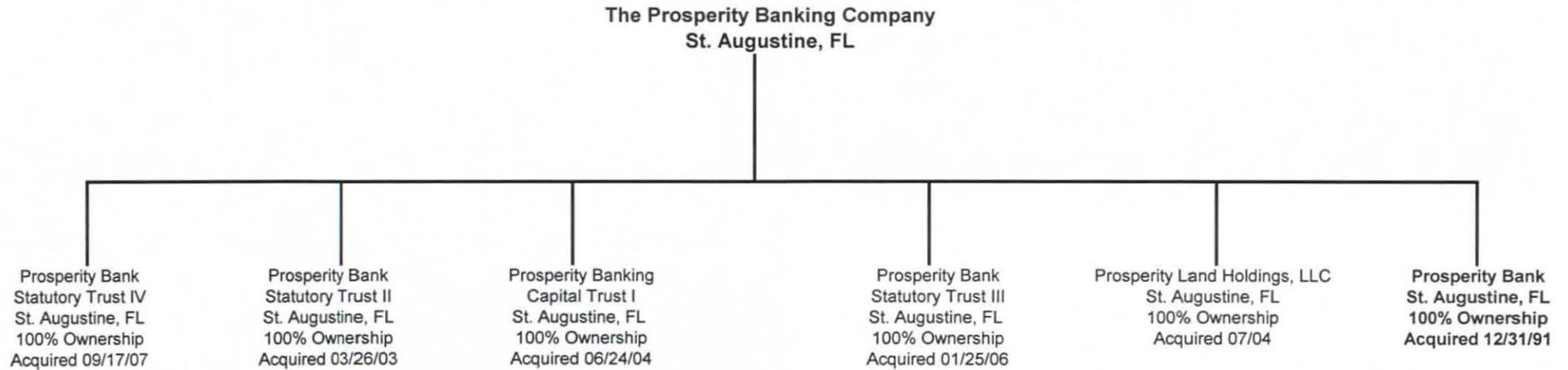
Form FR Y-6

The Prosperity Banking Company
St. Augustine, Florida
Fiscal Year Ending December 31, 2011

Report Item

1: The bank holding company prepares an annual report for its securities holders. A copy will be sent under separate cover as soon as practicable.

2a: Organization chart



2b: The branch listing was submitted via email on 3/28/2012.

Form FR-Y6
The Prosperity Banking Company
Fiscal Year Ending December 31, 2011

Report Item 3: Shareholders					
(1)(a) (1)(b) (1)(c) (2)(a) (2)(b) (2)(c)					
Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2011			Shareholders not listed in (3)(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2011		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number & Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number & Percentage of Each Class of Voting Securities
✓ VERNON D. SMITH Ft. Pierce, FL USA	USA	96,122 - 25% common stock	N/A		
✓ DAVID E. LEE Jacksonville, FL USA	USA	25,873 - 7% common stock			
✓ MARK F. BAILEY St. Augustine, FL USA	USA	22,585 - 6% common stock			

Form FR Y-6
The Prosperity Banking Company
Fiscal Year Ending December 31, 2011

Report Item 4: Insiders (1), (2), (3)(a)(b)(c), and (4)(a)(b)(c) (1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
✓ EDDIE CREAMER St. Augustine, FL USA	President & CEO, Prosperity Bank	President & COO, Director	President & CEO, Director; Prosperity Bank	N/A	9,116 - 2% common stock	N/A	N/A
✓ MARK F. BAILEY St. Augustine, FL USA	Insurance Executive	Chairman of the Board	Chairman of the Board	President - MFB Financial, Inc., St. Augustine, FL USA	22,585 - 6% common stock	N/A	MFB Financial, Inc. (100%); MFB Landholdings (100%), St. Augustine, FL USA; BHK Properties (33%), St. Augustine, FL USA
✓ DAVID LEE Jacksonville, FL USA	General Contractor	Director	Director	President - North Coast Construction, Jacksonville, FL USA	27,873 - 7% common stock	N/A	North Coast Construction (50%); 207 Partners LLC (35%), Jacksonville, FL USA; L&B Partners LLC (50%), Jacksonville, FL USA; LJ Development Group, Inc. (40%), Jacksonville, FL USA
✓ TRACY UPCHURCH St. Augustine, FL USA	College Professor	Director	N/A	Professor - Flagler College, Inc., St. Augustine, FL USA; "Of counsel" attorney to Upchurch, Bailey and Upchurch, P.A., St. Augustine, FL USA	7,609 - 2% common stock	N/A	N/A

Form FR Y-6
The Prosperity Banking Company
Fiscal Year Ending December 31, 2011

Report Item 4: Insiders (1), (2), (3)(a)(b)(c), and (4)(a)(b)(c) (1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
RON SZYMANSKI Palm Coast, FL USA	Retired	Director	Director	President - Marketable Enterprises Inc., Palm Coast, FL USA	18,028 - 5% common stock	N/A	Marketable Enterprises Inc., Palm Coast, FL USA (95%)
VERNON D. SMITH Ft. Pierce, FL USA	Retired	N/A (principal securities holder)	N/A	see attached	96,122 - 25% common stock	N/A	see attached
RANDY PETERSON St. Augustine, FL USA	EVP / Chief Financial Officer, Prosperity Bank	Treasurer	EVP / Chief Financial Officer, Prosperity Bank	n/a	922 - < 1% common stock	N/A	N/A

Form FR Y-6
12/31/2011
The Prosperity Banking Company

Report Item 4 attachment

1. **Name and Address**
VERNON D. SMITH
FORT PIERCE, FLORIDA, USA
2. **Principal Occupation**
Retired
3. (A) **Title or position with The Prosperity Banking Company**
N/A - reported due to principal securities holder status
- (B) **Title or position with any direct or indirect subsidiaries of The Prosperity Banking Company**
N/A
- (C) **Title & Position with Other Businesses**

Name of Organization	Title or Position
Russakis and Smith	Partner
Brown, Russakis & Smith	Partner
Cypress Creek Land Trust	Trustee
Smith Family Groves	Sole Proprietor
Kings Highway Industrial Park, Inc.	Vero Beach, FL USA Vice President
100 Club of St. Lucie County	Fort Pierce, FL USA Director
Florida Highway Patrol Advisory Council, Inc.	Tallahassee, FL USA Director
The Vernon D Smith & Brenda K Smith Family Foundation	Vero Beach, FL USA Director
CORE Program Inc.	Fort Pierce, FL USA Director
St Lucie County Fair Association	Fort Pierce, FL USA Board Member
Hometown News LLC	Fort Pierce, FL USA Managing Partner
WJZT Communications LLC	Vero Beach, FL USA Manager
Gentry Investment Services, LLC	Vero Beach, FL USA Manager
Smith Ranch and Grove, LC	Vero Beach, FL USA Manager
Smith Ranch, LLC	Vero Beach, FL USA Manager
Hometown Financial Investments, LLC	Vero Beach, FL USA Manager
Horizon Aggregates, LLC	Vero Beach, FL USA Manager
Horizon Investments, LLC	Naples, FL USA Manager
Horizon Management Co	Fort Pierce, FL USA Manager
Red Stag Investments LLC (inactive LLC)	Vero Beach, FL USA Manager

4. **Percentage of each class of voting securities owned, controlled, or held with power to vote in:**

- (A) **The Prosperity Banking Company**
96,122 shares common stock (25.43% of total outstanding shares)
- (B) **Any subsidiaries of The Prosperity Banking Company**
None
- (C) **All other companies, if more than 25% held:**

Name of Organization	Type of Entity	Percentage Owned or Partnership Interest
Hometown News LLC	Limited Liability Co.	100%
Red Stag Investments LLC (inactive LLC)	Limited Liability Co.	100%
Smith Family Groves	Sole Proprietorship	100%
WJZT Communications LLC	Limited Liability Co.	100%
Cypress Creek Land Trust	Trust	74%
Horizon Broadcasting, LLC	Limited Liability Co.	51%
Midway Broadcasting Co., Inc.	Corporation	63%
Carlton Jewelers Inc.	Corporation	50%
Russakis and Smith	Partnership	50%
Kings Highway Industrial Park, Inc.	Corporation	50%
Gentry Investment Services, LLC	Limited Liability Co.	49%
Hometown Financial Investments, LLC	Limited Liability Co.	49%
Smith Ranch LLC	Limited Liability Co.	40%
Smith Ranch and Grove, LLC	Limited Liability Co.	40%
Horizon Aggregates, LLC	Limited Liability Co.	40%
Brown Russakis & Smith	Partnership	33%
The Prosperity Banking Company	Corporation	25%
Riverside Gulf Coast Banking Company	Corporation	73%*

* Inactive - bank placed in FDIC receivership

2993329

Results: A list of branches for your BHC, PROSPERITY BANKING COMPANY, THE (2293329) of SAINT AUGUSTINE, FL. The data are as of 12/31/2011. Data reflects information that was received and processed through 01/05/2012

Reconciliation and Verification Steps

1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

Actions

OK: If the branch information is correct, enter 'OK' in the Data Action column.
 Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
 Close: If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
 Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.
 Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
 To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID	RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID	RSSD*	Comments
OK		Full Service (Head Office)		879532	PROSPERITY BANK	100 SOUTHPARK BOULEVARD	SAINT AUGUSTINE	FL	32086	ST. JOHNS	UNITED STATES	17295	0	PROSPERITY BANK		879532	
OK		Full Service		3740446	DELAND OFFICE	999 WEST PLYMOUTH AVENUE	DELAND	FL	32720	VOLUSIA	UNITED STATES	365554	13	PROSPERITY BANK		879532	
Close	12/31/2011	Full Service		3763632	SADLER ROAD BRANCH	1458 SADLER ROAD	FERNADINA BEACH	FL	32034	NASSAU	UNITED STATES	475439	27	PROSPERITY BANK		879532	
OK		Full Service		3763593	BEACH & HODGES BRANCH	3293 EAST HODGES BOULEVARD	JACKSONVILLE	FL	32224	DUVAL	UNITED STATES	475438	26	PROSPERITY BANK		879532	
OK		Full Service		26352*9	SAN JOSE BRANCH	12689 SAN JOSE BOULEVARD	JACKSONVILLE	FL	32223	DUVAL	UNITED STATES	257759	3	PROSPERITY BANK		879532	
OK		Full Service		3825099	LAKE CITY BRANCH	295 NW COMMONS LOOP, SUITE 101	LAKE CITY	FL	32055	COLUMBIA	UNITED STATES	493427	29	PROSPERITY BANK		879532	
OK		Full Service		3740521	LYNN HAVEN OFFICE	2606 SOUTH HIGHWAY 77	LYNN HAVEN	FL	32444	BAY	UNITED STATES	447877	23	PROSPERITY BANK		879532	
Close	12/31/2011	Full Service		3740400	ORANGE PARK OFFICE	934 BLANDING BLVD	ORANGE PARK	FL	32065	CLAY	UNITED STATES	423493	15	PROSPERITY BANK		879532	
OK		Full Service		3740437	ORMOND BEACH OFFICE	1259 WEST GRANADA BLVD	ORMOND BEACH	FL	32174	VOLUSIA	UNITED STATES	364414	12	PROSPERITY BANK		879532	
OK		Full Service		440138	PALATKA BRANCH	601 REID ST	PALATKA	FL	32177	PUTNAM	UNITED STATES	11533	8	PROSPERITY BANK		879532	
OK		Full Service		3740455	PALATKA WEST OFFICE	100 NORTH HIGHWAY 19	PALATKA	FL	32117	PUTNAM	UNITED STATES	432259	20	PROSPERITY BANK		879532	
OK		Full Service		3740473	PALM COAST OFFICE	181 CYPRESS POINT PARKWAY	PALM COAST	FL	32164	FLAGLER	UNITED STATES	257760	4	PROSPERITY BANK		879532	
OK		Full Service		3740576	CALLAWAY OFFICE	805 SOUTH TYNDALL PARKWAY	PANAMA CITY	FL	32404	BAY	UNITED STATES	432258	19	PROSPERITY BANK		879532	
OK		Full Service		3740615	PANAMA CITY OFFICE	450 EAST 23RD STREET	PANAMA CITY	FL	32405	BAY	UNITED STATES	478827	28	PROSPERITY BANK		879532	
OK		Full Service		3740554	PANAMA CITY BEACH OFFICE	11790 PANAMA CITY BEACH PARKWAY	PANAMA CITY BEACH	FL	32407	BAY	UNITED STATES	470112	25	PROSPERITY BANK		879532	
OK		Full Service		1167619	ANASTASIA BRANCH	2060 A1A SOUTH	SAINT AUGUSTINE	FL	32080	ST. JOHNS	UNITED STATES	257757	1	PROSPERITY BANK		879532	
OK		Full Service		3740298	MOULTRIE OFFICE	4070 US1 SOUTH	SAINT AUGUSTINE	FL	32086	ST. JOHNS	UNITED STATES	257761	5	PROSPERITY BANK		879532	
OK		Full Service		3740389	NORTH OFFICE	790 PONCE DE LEON BLVD	SAINT AUGUSTINE	FL	32084	ST. JOHNS	UNITED STATES	451755	24	PROSPERITY BANK		879532	
OK		Full Service		1404100	SOUTH OFFICE	1100 SOUTHPARK BLVD	SAINT AUGUSTINE	FL	32086	ST. JOHNS	UNITED STATES	Not Required	Not Required	PROSPERITY BANK		879532	

Responders + Contacted for Y-10

Ready for Y-6 Processing