

► See separate instructions.

Part I	Reporting Issuer
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1 Issuer's name Southside Bancshares, Inc.		2 Issuer's employer identification number (EIN) 75-1848732	
3 Name of contact for additional information Julie Shamburger	4 Telephone No. of contact 903-531-7134	5 Email address of contact julie.shamburger@southside.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1201 South Beckham Avenue		7 City, town, or post office, state, and Zip code of contact Tyler, Texas 75701	
8 Date of action December 17, 2014		9 Classification and description Common stock	
10 CUSIP number 84470P109	11 Serial number(s) N/A	12 Ticker symbol SBSI	13 Account number(s) N/A

Part II	Organizational Action Attach additional statements if needed. See back of form for additional questions.
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14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► [See Statement 1](#)

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► [See Statement 2](#)

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► [See Statement 2](#)

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

The Mergers qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. In general, the income tax consequences to the former OmniAmerican shareholders are determined under the Internal Revenue Code sections 354, 356 and 358.

18 Can any resulting loss be recognized? ► OmniAmerican shareholders generally will not recognize loss for U.S. federal income tax purposes by reason of the Mergers, except with respect to cash received in lieu of a fractional share of Southside common stock, in certain circumstances.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►

The Mergers became effective on December 17, 2014; therefore, the reportable tax year is 2014 for those shareholders that report income on the basis of a calendar year.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Julie Shamburger

Date ►

12.17.14

Print your name ► **Julie Shamburger**

Title ► **EVP & Chief Accounting Officer**

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Statement 1

Part II – Question 14

On December 17, 2014 (the "Effective Date"), pursuant to the Agreement and Plan of Merger, dated as of April 28, 2014 (the "Plan of Merger"), by and among Southside Bancshares, Inc., a Texas corporation ("Southside"), Omega Merger Sub, Inc., a Maryland corporation and wholly owned subsidiary of Southside ("Merger Sub"), and OmniAmerican Bancorp, Inc., a Maryland corporation ("OmniAmerican"), Merger Sub merged with and into OmniAmerican (the "First Merger"), with OmniAmerican as the surviving corporation (the "Surviving Corporation"). Immediately after the First Merger, the Surviving Corporation merged with and into Southside (the "Second Merger," and together with the First Merger, the "Mergers"), with Southside as the surviving corporation.

Statement 2

Part II, Questions 15 & 16

Pursuant to the Plan of Merger, each outstanding share of common stock of OmniAmerican received 0.4459 of a share of Southside common stock and \$13.125 in cash. Cash was paid in lieu of fractional shares.

The aggregate tax basis of the Southside common stock received (including any fractional share interests deemed received and redeemed for cash) by a former OmniAmerican shareholder that exchanged its OmniAmerican shares for a combination of Southside common stock and cash as a result of the Mergers will be the same as the aggregate tax basis of the OmniAmerican shares surrendered in exchange therefor, reduced by the amount of cash received on the exchange (excluding cash received in lieu of a fractional share of Southside common stock) plus the amount of any gain recognized upon the exchange (excluding any gain recognized as a result of any cash received in lieu of a fractional share of Southside common stock). The holding period of the Southside common stock received (including any fractional share deemed received and redeemed) will include the holding period of the OmniAmerican shares surrendered. A former OmniAmerican shareholder must allocate the tax basis so calculated across the total number of the shareholder's new Southside common shares received in the merger. By doing this allocation, a tax basis per share can be computed. The actual tax basis will differ with respect to each separate former OmniAmerican shareholder and, additionally, tax basis may differ with respect to separate and distinct blocks of common shares owned by any former OmniAmerican shareholder. To the extent that an OmniAmerican shareholder received cash in lieu of a fractional Southside common share, a portion of the total tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then exchanged for cash. The holding period of any shares of Southside common stock received by OmniAmerican shareholders in the merger generally will include the holding period of the shares of OmniAmerican common stock exchanged for such Southside common stock.

This description of certain material U.S. federal income tax consequences is for general information only and is not tax advice. Holders of OmniAmerican common stock are urged to consult their tax advisors with respect to the application of U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.

