

NEWS RELEASE

Southside Bancshares, Inc. Announces Pricing of \$100 Million of Fixed-to-Floating Rate Subordinated Notes

9/14/2016

TYLER, Texas, Sept. 14, 2016 (GLOBE NEWSWIRE) -- Southside Bancshares, Inc. (NASDAQ:SBSI) ("Southside" or the "Company"), the holding company for Southside Bank, today announced the pricing of its public offering of \$100 million aggregate principal amount of its Fixed-to-Floating Rate Subordinated Notes due 2026 (the "Notes"). Due to market demand, Southside increased the aggregate principal amount of the Notes to \$100 million from the previously announced amount of \$75 million. The Notes will mature on September 30, 2026. From and including the date of issuance to, but excluding September 30, 2021, the Notes will bear interest at an initial rate of 5.50% per annum, payable semi-annually. From and including September 30, 2021 to, but excluding the maturity date or the date of earlier redemption, the interest rate will reset quarterly to an annual interest rate equal to the then-current three-month LIBOR rate plus 4.297%, payable quarterly in arrears. The Notes will be issued at a price of 100% of par.

The Company intends to use the net proceeds from the offering for general corporate purposes, which may include advances to subsidiaries to finance their activities. The offering is expected to close on September 19, 2016, subject to customary closing conditions.

Sandler O'Neill + Partners, L.P. is serving as the sole book running manager and Brean Capital, LLC is serving as the joint lead manager for the offering.

The Notes will be issued pursuant to an effective shelf registration statement (File No. 333-213580) (including a base prospectus), a preliminary prospectus supplement filed with the Securities and Exchange Commission (the "SEC")

and a final prospectus supplement to be filed with the SEC. Copies of the preliminary prospectus supplement, the final prospectus supplement (when available) and accompanying base prospectus relating to the Notes may be obtained by contacting Sandler O'Neill + Partners, L.P. at Attention: Syndication, 1251 Avenue of the Americas, 6th Floor, New York, NY 10020 or by calling toll free at 866-805-4128 or by contacting Brean Capital, LLC at Attention: Tom Voorhees, 1345 Avenue of the Americas, 29th Floor, New York, NY 10105 or by calling (212) 702-6500. You may also obtain these documents free of charge by visiting the SEC's website at www.sec.gov.

This press release is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes or any other securities of the Company, nor will there be any sale of these or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Southside securities, including the Notes, are not insured or approved by the Federal Deposit Insurance Corporation. Southside's common stock is listed on the Nasdaq Global Select Market under the symbol "SBSI."

About Southside Bancshares, Inc.

Southside Bancshares, Inc. is a bank holding company with approximately \$5.04 billion in assets that owns 100% of Southside Bank. Southside Bank currently has 61 banking centers in Texas and operates a network of over 71 ATMs. To learn more about Southside Bancshares, Inc., please visit our investor relations website at www.southside.com/investor.

Forward-Looking Statements

Any statements of Southside's expectations in this press release constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements, including but not limited to those regarding the offering and the use of proceeds therefrom, are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from Southside's present expectations. These risks and uncertainties include, but are not limited to, market conditions affecting the offering. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and Southside undertakes no obligation to update such statements. Additional information regarding these and other risks is contained in Southside's SEC filings.

You are cautioned not to place undue reliance on these statements, which speak only as of the date of this Press Release. Southside does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made, unless otherwise required by law. All subsequent written and oral forward-looking statements attributable to Southside or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or

referred to in this Press Release.

Source: Southside Bancshares, Inc.