NEWS RELEASE

Southside Bancshares, Inc. Declares Cash Dividend

11/16/2006

TYLER, Texas, Nov. 16 /PRNewswire-FirstCall/ -- The Board of Directors of Southside Bancshares, Inc. (Nasdaq: SBSI), approved a special cash dividend as a tangible method for shareholders to share in Southside's positive results, stated B. G. Hartley, Chairman of the Board and CEO. Over the past few years your company has continued to experience organic growth through our expanding Texas footprint. We believe the consistent loan growth and solid asset quality, along with maintaining a strong core deposit base helps validate the on-going success of our business strategy. In addition, the Company reported net income increased 5.7% for the third quarter of 2006, when compared to 2005. All of this combined with the continuity of an experienced, strong management team focused on long-term shareholder value, provided the impetus for the Board's approval of the fourth quarter dividend.

The Board of Directors of Southside Bancshares, Inc., parent company of Southside Bank declared a special cash dividend on the Company's common stock of $0.03 per share in addition to declaring the regular quarterly cash dividend of $0.11 per share. The combined $0.14 per share dividend is payable to common stock shareholders of record November 30, 2006. The cash dividend is scheduled for payment on December 14, 2006.

Southside Bancshares, Inc. is a $1.88 billion bank holding company that owns 100% of Southside Bank. The bank currently has thirty-four banking centers in Texas.

To learn more about Southside Bancshares, Inc., please visit our investor relations website at **http://www.southside.com/investor** . The site provides a detailed overview of activities, financial information, and historical stock price data. To receive e-mail notification of company news, events, and stock activity, please register on the e-mail notification portion of the web site. Questions or comments may be directed to Susan Hill at (903) 531-7220, or **susanh@southside.com** .

Forward Looking Information

Certain statements of other than historical fact that are contained in this document and in written material, press releases and oral statements issued by or on behalf of the Company, a bank holding company, may be considered to be "forward-looking statements" within the meaning of and subject to the protections of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. These statements may include words such as "expect," "estimate," "project," "anticipate," "appear," "believe," "could," "should," "may," "intend," "probability," "risk," "target," "objective," "plans," "potential," and similar expressions. Forward-looking statements are statements with respect to the Company's beliefs, plans, expectations, objectives, goals, anticipations, assumptions, estimates, intentions and future performance and are subject to significant known and unknown risks and uncertainties and the Company's actual results may differ materially from the results discussed in the forward-looking statements. For example, discussions of the effect of the Company's expansion, including expectations of the costs and profitability of such expansion, trends in asset quality and earnings from growth, and certain market risk disclosures are based upon information presently available to management and are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual income gains and losses could materially differ from those that have been estimated.

Additional information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005 under "Forward Looking Information" and Item 1A. "Risk Factors," and in the Company's other filings with the Securities and Exchange Commission. The Company disclaims any obligation to update any factors or to announce publicly the result of revisions to any of the forward- looking statements included herein to reflect future events or developments.

SOURCE Southside Bancshares, Inc.

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