NEWS RELEASE

Southside Bancshares, Inc. Declares Cash Dividend

11/18/2004

TYLER, Texas, Nov. 18 /PRNewswire-FirstCall/ -- The Board of Directors of Southside Bancshares, Inc., (Nasdaq: SBSI), parent company of Southside Bank, declared a special cash dividend on the Company's common stock of $0.02 per share, in addition to declaring the regular quarterly dividend of $0.10 per share. The combined $0.12 per share dividend is payable December 16, 2004, to common stock shareholders of record December 2, 2004.

Chairman of the Board, B. G. Hartley, said, "We believe it is appropriate to pay a special dividend in addition to the regular cash dividend. The results for the nine months ended September 30, 2004 have been especially gratifying. The special cash dividend is a way to share this success with our shareholders while providing a continued reasonable dividend yield based on the increase in Southside's common stock price during 2004."

Southside Bank is a $1.54 billion community bank with 27 banking centers in East Texas. The common stock of Southside Bancshares, Inc. is traded through the NASDAQ National Market under the symbol of SBSI.

To learn more about Southside Bancshares, Inc., please visit our investor relations website at **www.southside.com/investor** . Our investor relations site provides a detailed overview of our 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** .

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 Southside Bancshares, Inc., (the "Company") a bank holding company, may be considered to be "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements may include words such as "expect," "estimate," "project,"

"anticipate," "believe," "could," "should," "may," "intend," "probability," "risk," "target," "objective" and similar expressions. Forward-looking statements are subject to significant risks and uncertainties and the Company's actual results may differ materially from the results discussed in the forward-looking statements. For example, certain market risk disclosures 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. Other factors that could cause actual results to differ materially from forward- looking statements include, but are not limited to general economic conditions, either globally, nationally or in the State of Texas, legislation or regulatory changes which adversely affect the businesses in which the Company is engaged, economic or other disruptions caused by acts of terrorism or military actions in Iraq, Afghanistan or other areas, changes in the interest rate yield curve or interest rate environment which reduce interest margins and may impact prepayments on the mortgage-backed securities portfolio, changes effecting the leverage strategy, significant increases in competition in the banking and financial services industry, changes in consumer spending, borrowing and saving habits, technological changes, the Company's ability to increase market share and control expenses, the effect of compliance with legislation or regulatory changes, the effect of changes in accounting policies and practices and the costs and effects of unanticipated litigation.

SOURCE Southside Bancshares, Inc.
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