NEWS RELEASE

Southside Bancshares, Inc. Declares Cash Dividend

3/1/2007

TYLER, Texas, March 1 /PRNewswire-FirstCall/ -- The Board of Directors of Southside Bancshares, Inc., (Nasdaq: SBSI), parent company of Southside Bank declared a regular quarterly cash dividend of $0.11 per share payable to common stock shareholders of record March 15, 2007. The cash dividend is scheduled for payment on March 29, 2007.

Southside Bancshares, Inc. is a $1.9 billion bank holding company that owns 100% of Southside Bank. The bank currently has thirty-five 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 Southside Bancshares, Inc., 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 our beliefs, plans, expectations, objectives, goals, anticipations, assumptions, estimates, intentions and future performance, and are subject to significant known and unknown risks and uncertainties, which could cause our actual results to differ materially from the results discussed in the forward-looking statements. For example, discussions of the effect of our 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. See "Item 1. Business" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." 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 us and our business, including additional factors that could materially affect our financial results, is included in our filings with the SEC. All written or oral forward-looking statements made by us or attributable to us are expressly qualified by this cautionary notice. We disclaim 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.

Contact: Lee R. Gibson of Southside Bancshares, Inc., +1-903-531-7221