

Southside Bancshares, Inc. Declares Cash Dividend and a Stock Repurchase Plan

11/8/2012

TYLER, Texas, Nov. 8, 2012 (GLOBE NEWSWIRE) -- The Board of Directors of Southside Bancshares, Inc., (Nasdaq:SBSI), parent company of Southside Bank declared a special cash dividend for 2012 of \$0.13 per common share in addition to declaring a regular quarterly cash dividend of \$0.20 per common share. In addition, due to the potential changes in the tax code the Board approved a one time only additional cash dividend of \$0.20 per share. The Board believes that it might be more beneficial for the shareholder to receive this one time cash dividend this year than in future years. This \$0.20 one time only additional cash dividend will not be repeated in the foreseeable future. The combined cash dividend of \$0.53 is payable to common stock shareholders of record November 21, 2012. The cash dividend is scheduled for payment on December 6, 2012.

"We are pleased that our business plan has produced solid results during the nine months ended September 30, 2012," stated Sam Dawson, President and Chief Executive Officer. "Due to the achievement of these results, the Board believes it is appropriate to share a portion of this success."

In a separate action the Board of Directors authorized a stock repurchase plan. The Board authorized the purchase of up to \$10,000,000 of common stock open market purchases at prevailing prices to be reassessed on a quarterly basis. "During the last five years we have organically doubled our capital through the retention of earnings. We believe investing a portion of those retained earnings in a firm we know quite well, Southside Bancshares, Inc., is prudent."

About Southside Bancshares, Inc.

Southside Bancshares, Inc. is a bank holding company with approximately \$3.22 billion in assets that owns 100% of Southside Bank. Southside Bank currently has 48 banking centers in Texas and operates a network of 49 ATMs.

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 website. Questions or comments may be directed to Susan Hill at (903) 531-7220, or susan.hill@southside.com.

The Southside Bancshares, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=9555>

Forward-Looking Statements

Certain statements of other than historical fact that are contained in this document and in other 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," "likely," "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, which could cause the Company's actual results to differ materially from the results discussed in the forward-looking statements. For example, discussions about trends in asset quality, capital, liquidity, growth and earnings and certain market risk disclosures, including the impact of interest rate and other economic uncertainty, 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, 2011 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.

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