NEWS RELEASE

Southside Bancshares, Inc. Declares Cash Dividend

8/14/2008

TYLER, Texas, Aug. 14 /PRNewswire-FirstCall/ -- The Board of Directors of Southside Bancshares, Inc., (Nasdaq: SBSI), parent company of Southside Bank and Fort Worth National Bank declared a special cash dividend of $0.03 per common share in addition to declaring a regular quarterly cash dividend of $0.13 per share. "This special cash dividend was approved by the Board of Directors as a tangible method for shareholders to share in Southside's positive results reported during the first six months of 2008," stated B. G. Hartley, Chairman of the Board and CEO. The combined $0.16 per share cash dividend is payable to common stock shareholders of record August 28, 2008. The cash dividend is scheduled for payment on September 11, 2008.

Southside Bancshares, Inc. is a bank holding company with approximately $2.3 billion in assets that owns 100% of Southside Bank and Fort Worth National Bank. Southside Bank and Fort Worth National Bank currently have 44 banking centers in Texas and operate a network of 47 ATMs.

To learn more about Southside Bancshares, Inc., please visit our investor relations website at **http://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**.

Forward-Looking Statements

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, which could cause the Company's actual results to 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, 2007 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.

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