

Southside Bancshares, Inc. Increases Cash Dividend 10% and Declares Cash Dividend and 5% Stock Dividend

2/10/2005

TYLER, Texas, Feb. 10 /PRNewswire-FirstCall/ -- The Board of Directors of Southside Bancshares, Inc., (Nasdaq: SBSI), parent company of Southside Bank, approved a 10% increase in the regular quarterly cash dividend to \$0.11 per share per quarter for 2005. The Board of Directors then declared a regular quarterly cash dividend of \$0.11 per share payable to common stock shareholders of record March 8, 2005. The cash dividend is scheduled for payment on March 22, 2005.

In a separate action, the Board of Directors approved a 5% common stock dividend to common stock shareholders of record March 8, 2005, payable on March 22, 2005, immediately after the payment of the cash dividend.

The Board of Directors also approved increasing the amount approved for the Stock Repurchase Program, committing an additional \$2,000,000 to repurchase common shares during 2005, with re-evaluation as warranted. This increases the total approved year-to-date to \$5,000,000 for the stock repurchase program. During 2005, Southside Bancshares, Inc. has repurchased 78,000 shares at an average price of \$21.56, leaving approximately \$3.3 million available, which includes the additional amount approved, to repurchase stock.

Southside Bancshares, Inc. is a \$1.6 billion bank holding company that owns 100% of Southside Bank. The bank currently has twenty-eight banking centers in the East Texas area.

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

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, adverse changes in Government Sponsored Enterprises (the "GSE's") status or financial condition impacting the GSE's guarantees or ability to pay or issue debt, 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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/CONTACT: Lee Gibson of Southside Bancshares, Inc., +1-903-531-7221/

/Web site: <http://www.southside.com><http://www.southside.com/investor/>

(SBSI)

CO: Southside Bancshares, Inc.

ST: Texas

IN: FIN

SU: DIV

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