



Growth

Achievement

&

Strength

SOUTHSIDE BANCSHARES, INC.

NASDAQ: SBSI Southside.com

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2011



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,” “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 and earnings and certain market risk disclosures, including the impact of interest rate 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, 2010 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.



Sam Dawson

President and Chief Operating Officer

Lee Gibson

Senior Executive Vice President and
Chief Financial Officer

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Company Profile



- Total Assets \$3.10 billion
- Total Securities \$1.85 billion
- Total Loans \$1.06 billion
- Total Deposits \$2.20 billion
- Total Equity \$222 million

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Company Profile



- Market Capitalization \$318 million
- Cash Dividend Yield 3.3%
- Insider Ownership 9.5%
- Institutional Ownership 36%

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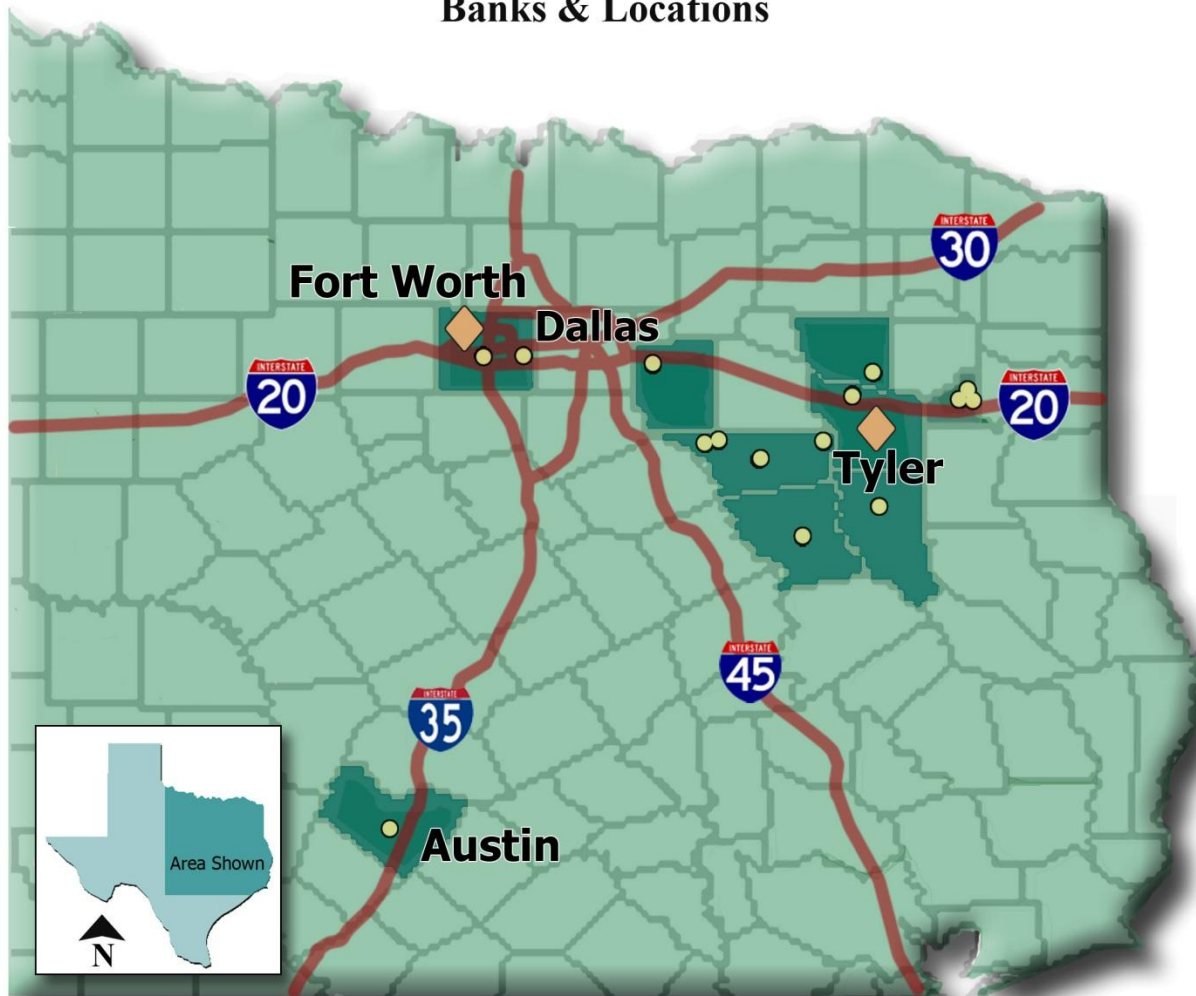
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SOUTHSIDE BANK

Banks & Locations



Regional Hubs: ◆

Tyler (Headquarters)(*13)
Fort Worth (2)

Branch Locations: ○

Arlington
Athens
Austin
Bullard
Chandler
Forney
Flint
Gresham
Gun Barrel City
Hawkins
Jacksonville
Lindale (2)
Longview (4)
Palestine
Seven Points
Whitehouse (2)

*Note: Number of branches in city.

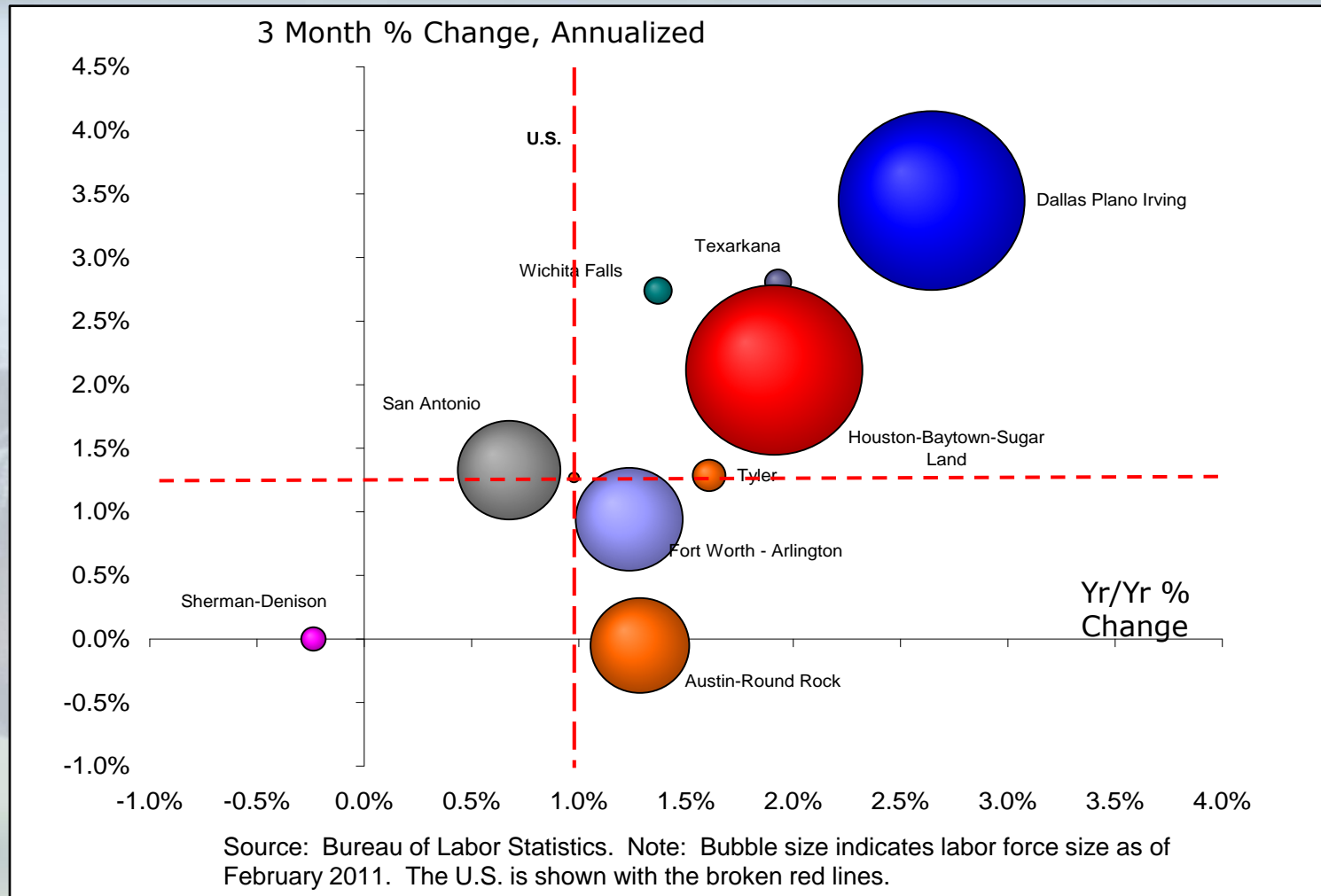
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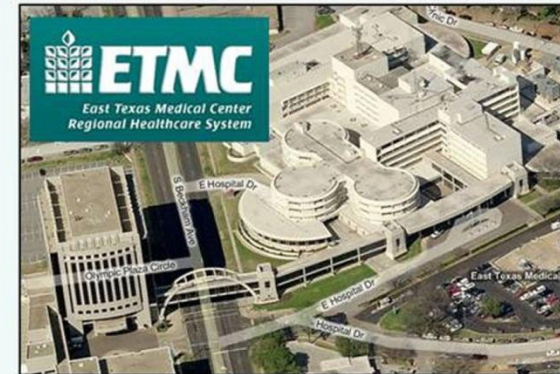
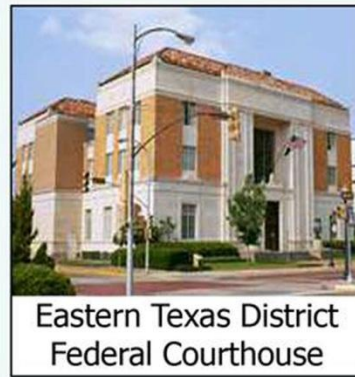
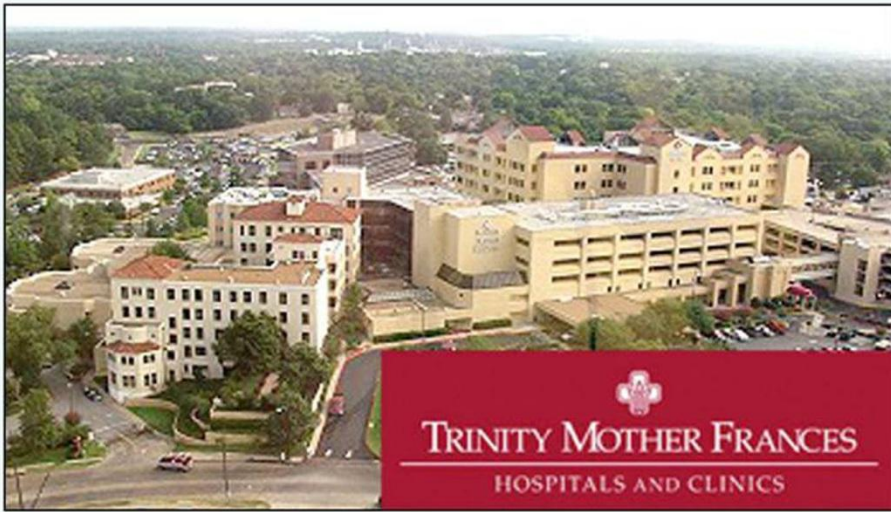
Dallas & Houston Job Growth Far Exceeds the Nation



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Economic
Drivers



Leadership & People



- Seasoned Executive Management Team

<u>Executive</u>	<u>Position</u>	<u>Years with Company</u>
Bill Hartley	Chairman/CEO	51
Sam Dawson	President/COO	37
Jeryl Story	SEVP/CLO	32
Lee Gibson	SEVP/CFO	27

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2011 Outlook



- Explore strategic franchise expansion
- Digest Dodd - Frank
- Monitor credit underwriting standards
- Manage balance sheet
- Revenue enhancement / cost containment

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Investment Highlights



- Strong cash dividend growth
- Track record of stable earnings
- Attractive markets and branch network
- Dynamic balance sheet management
- Seasoned management team

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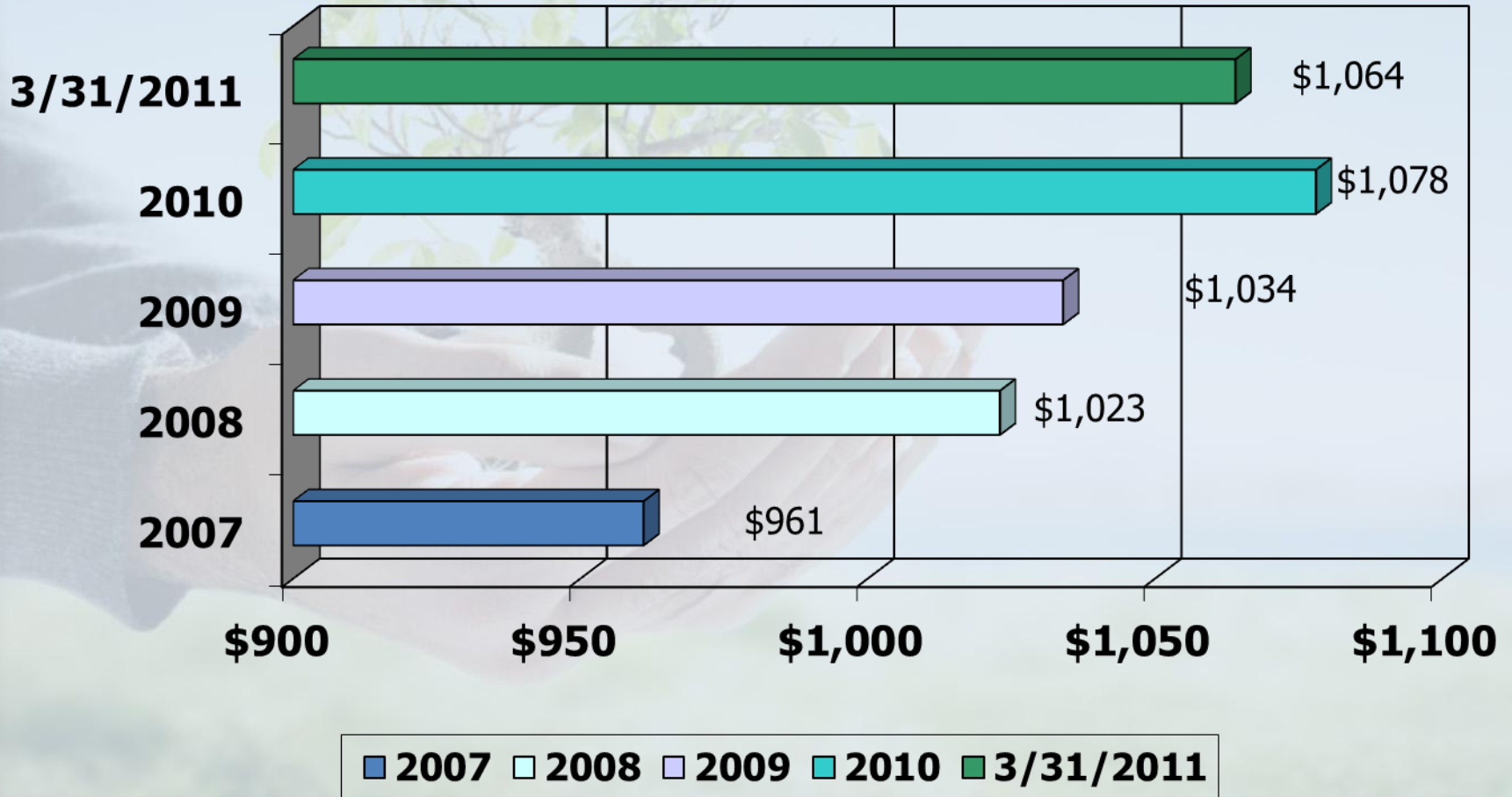
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Loan Growth



Total Loans Outstanding



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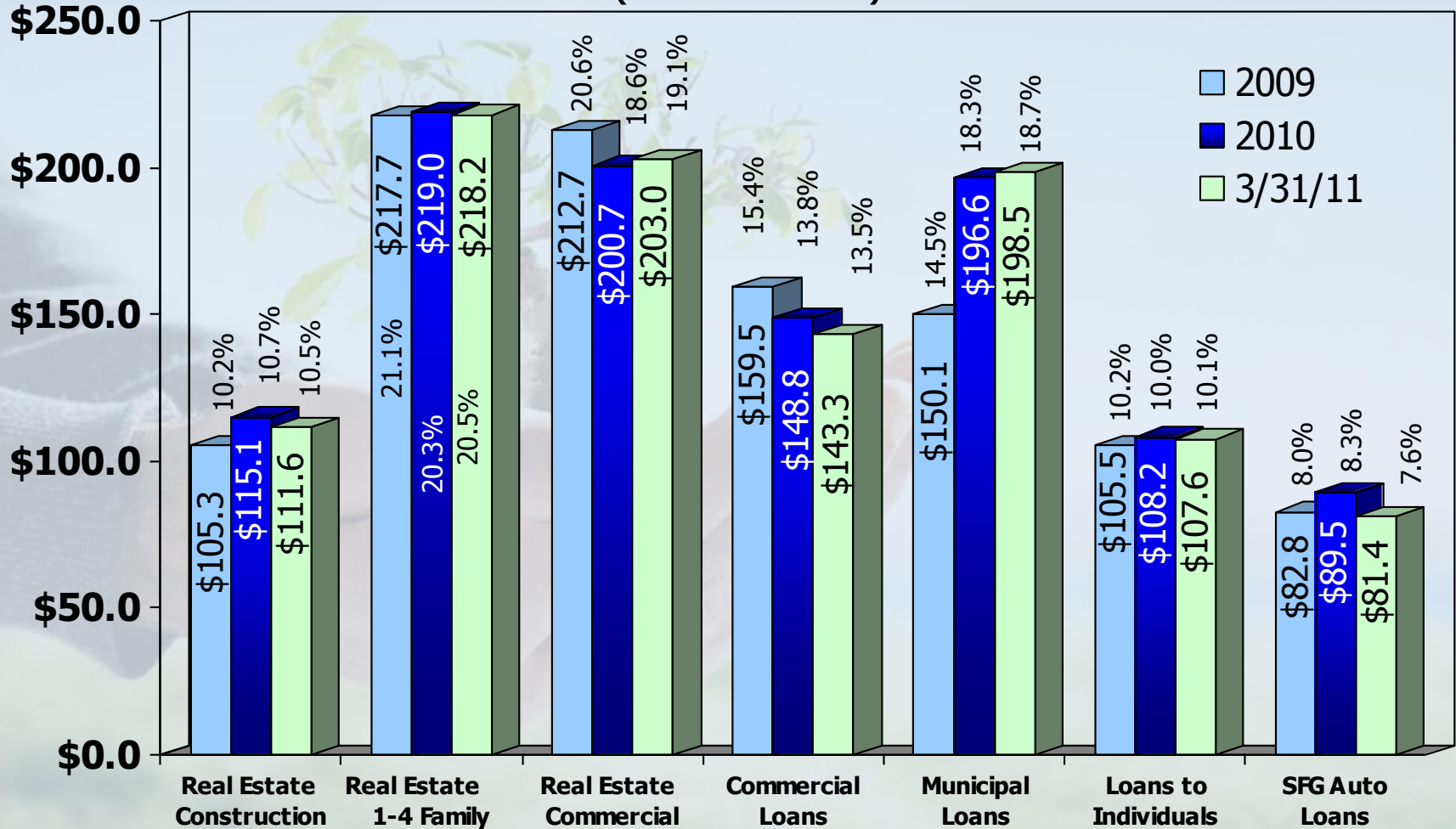
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Loan Portfolio Composition



(Dollars in Millions)



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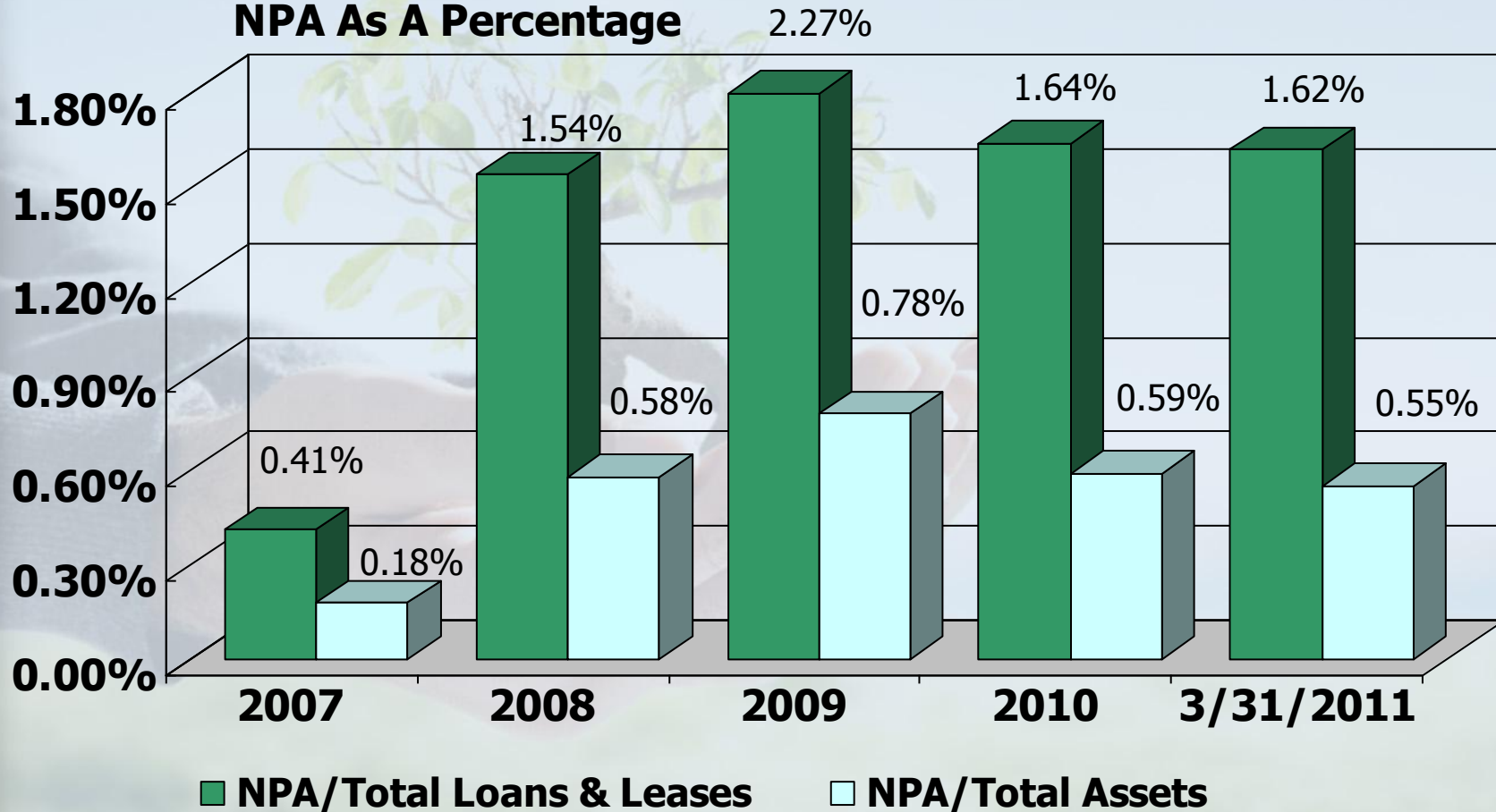
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Asset Quality



Non-Performing Assets/ NPA As A Percentage



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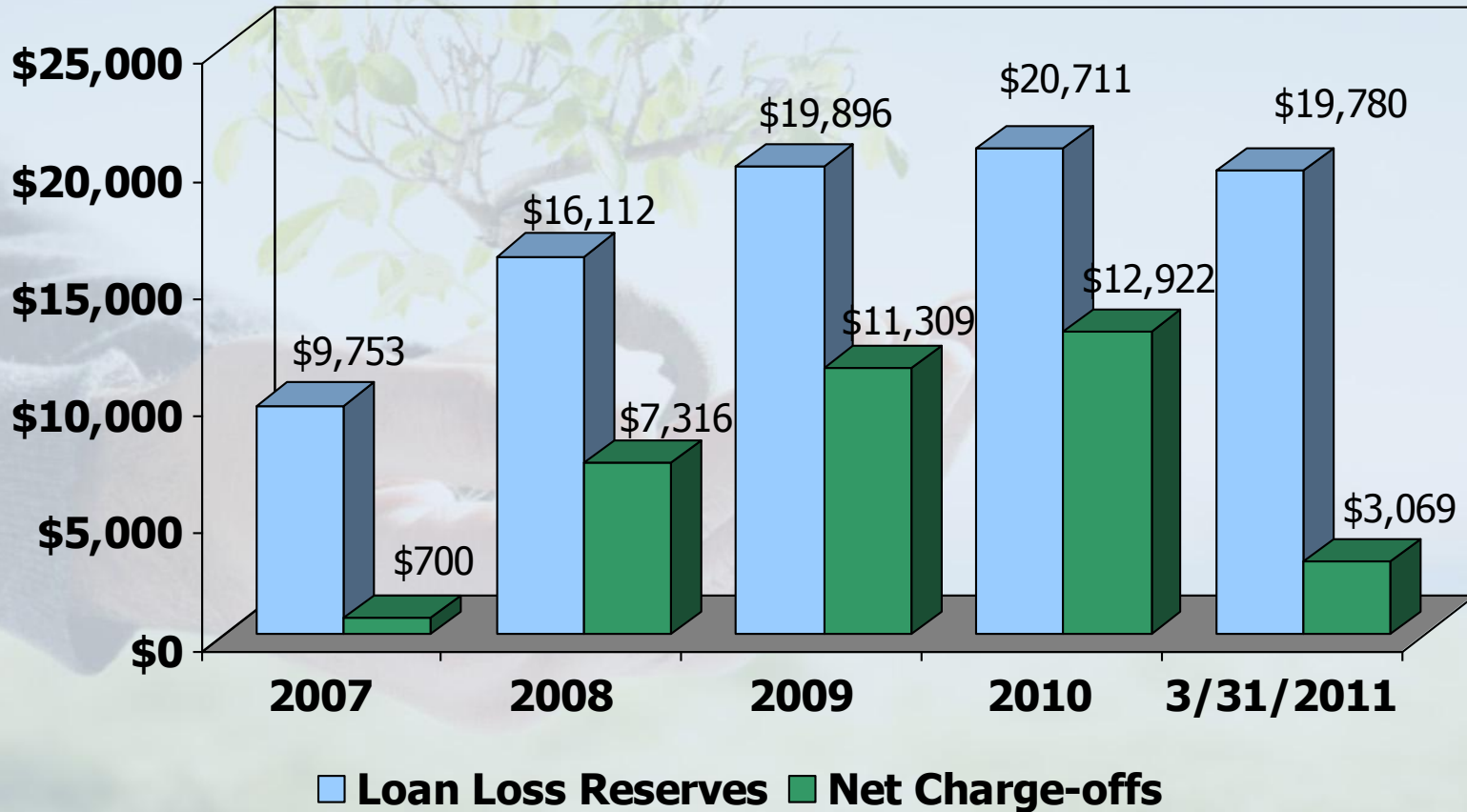
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Asset Quality



(Dollars in Thousands)



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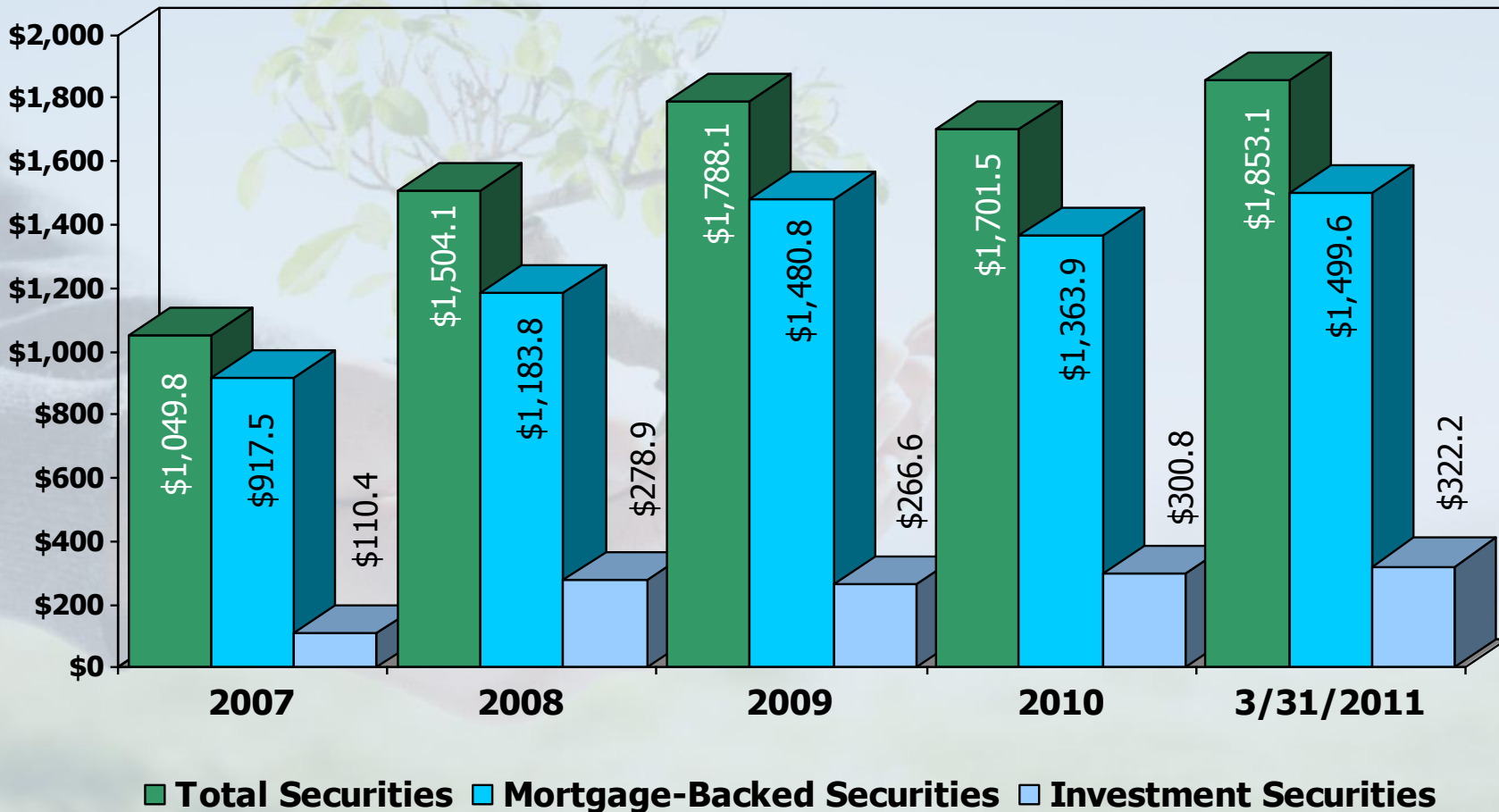
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Securities Portfolio



(Dollars in Millions)



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Investment Portfolio Performance



Southside Bank Performance

One Year	91 st percentile
Three Year	99 th percentile
Five Year	99 th percentile
Overall Rank	98 th percentile

Distributions by percentile for the 928 largest banks in the U.S. based on total return; all investments marked-to-market.
Source: IDC Report Period 12/31/2010

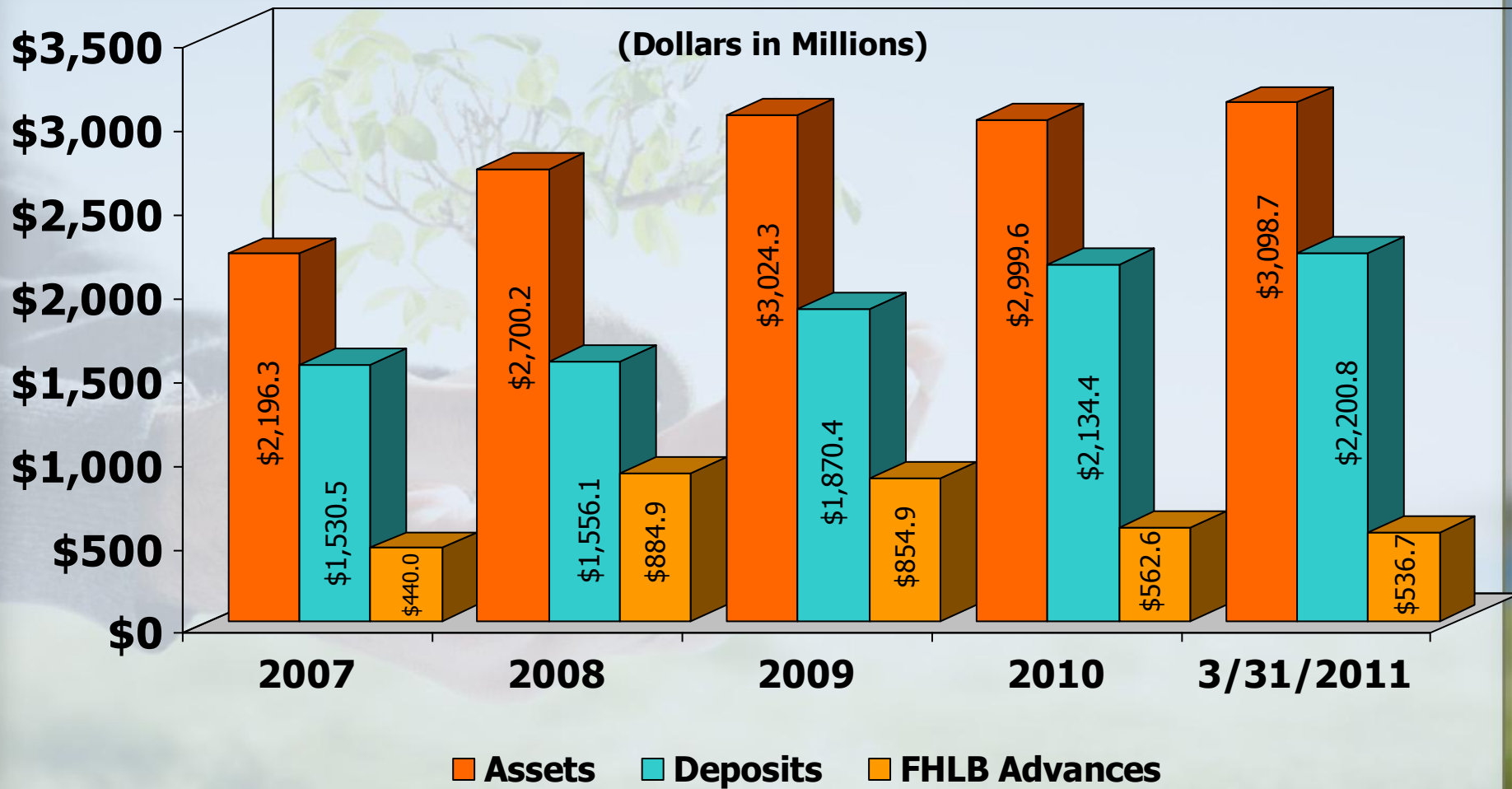
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Balance Sheet Growth - Liabilities



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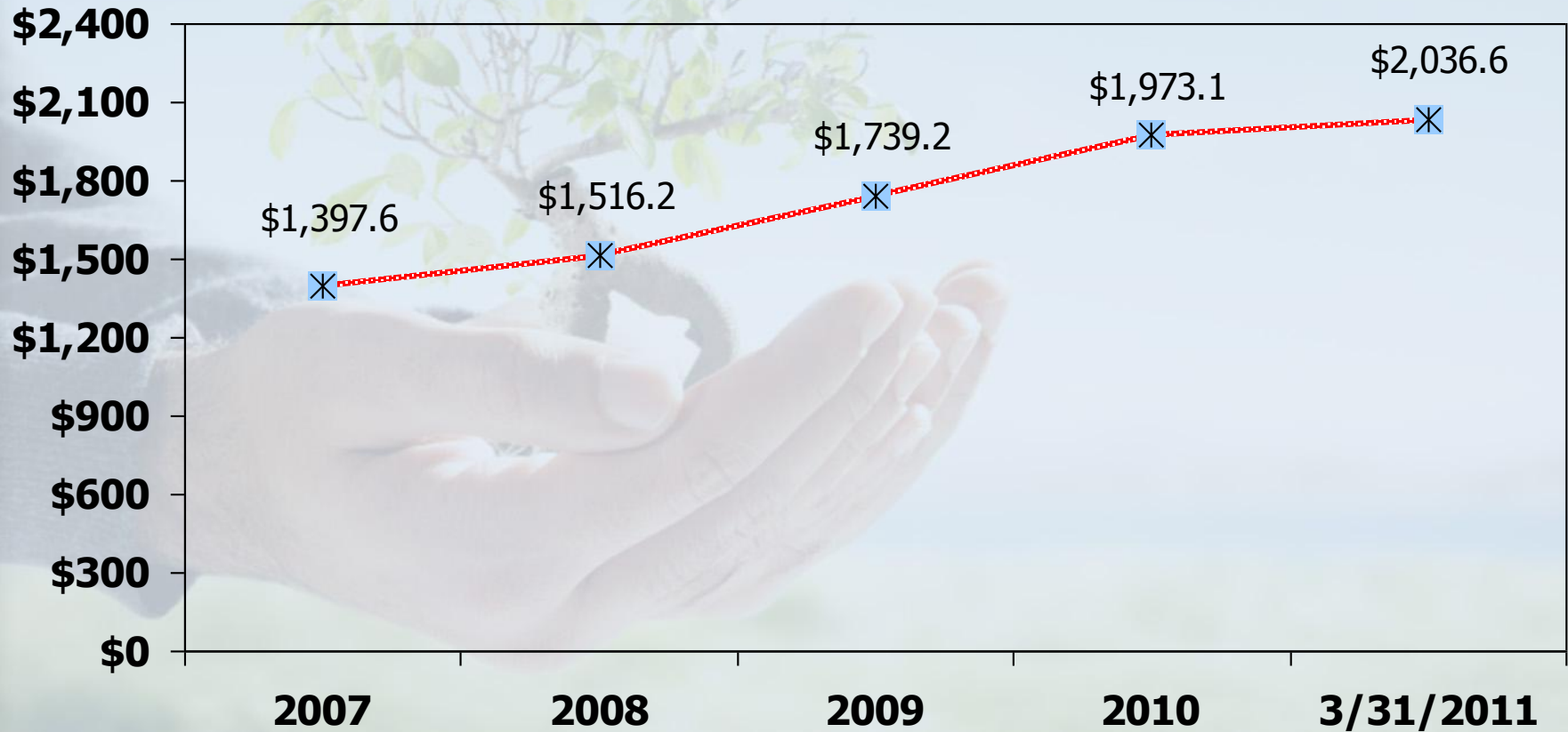
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Deposit Growth

(Net of brokered CDs)



(Dollars in Millions)



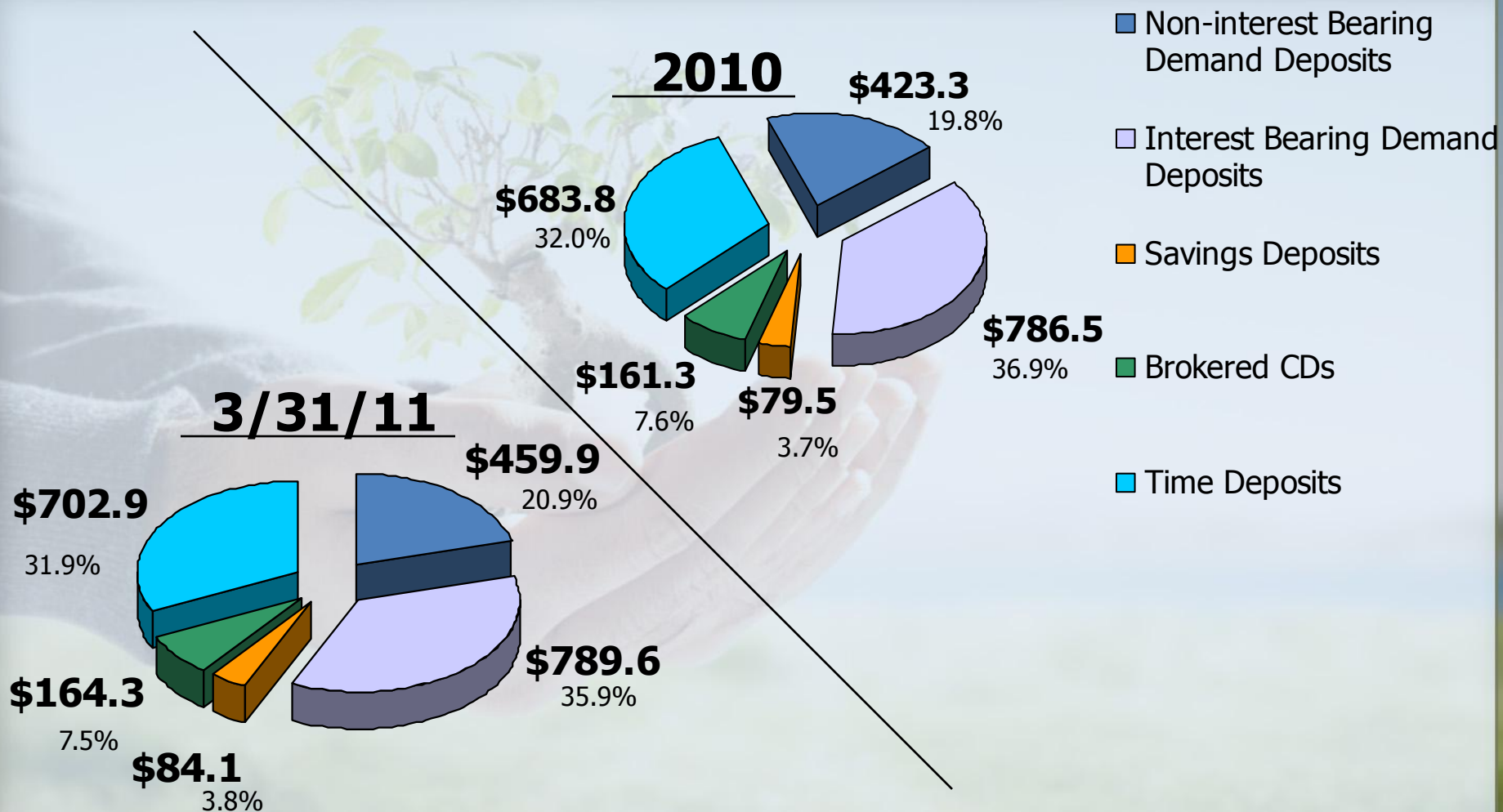
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Composition of Deposits



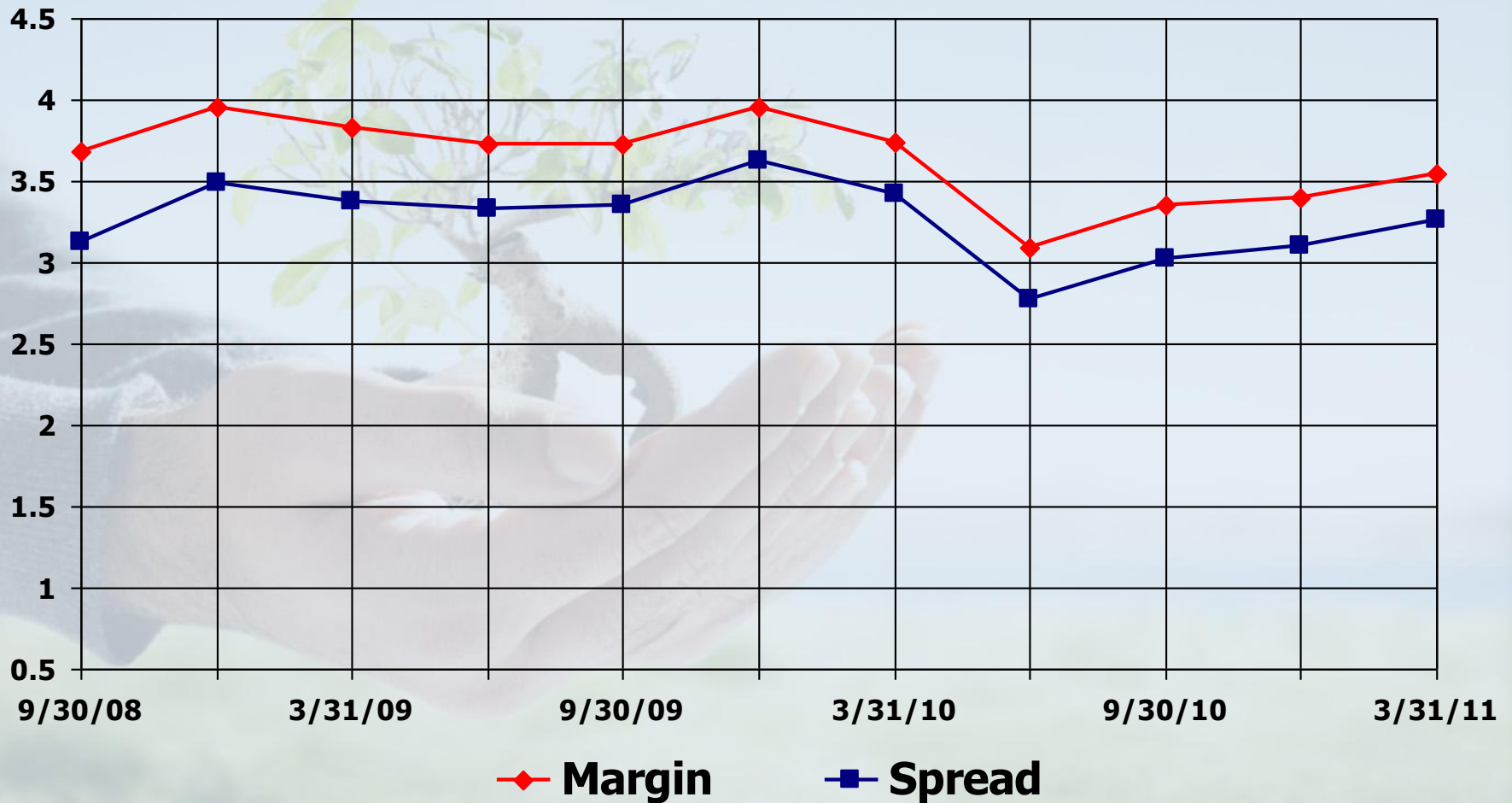
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Net Interest Spread and Margin



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Bottom Line: 2010 Performance



	<u>2010</u>	<u>2009</u>	<u>% Chg</u>
Net Income (in thousands)	\$39,491	\$44,396	<11.0%>
EPS (diluted)	\$ 2.39	\$ 2.68	<10.8%>
ROE	18.16%	23.69%	
ROA	1.32%	1.58%	
Efficiency Ratio	58.39%	55.57%	

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First Quarter Results

(In Thousands)



Three Months Ended March 31,

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2010

Net Income (in thousands)	\$7,317	\$11,645
EPS (diluted)	\$ 0.45	\$ 0.70
ROE	13.79%	22.59%
ROA	0.98%	1.61%
Efficiency Ratio	59.64%	54.89%

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First Quarter Results

(In Thousands)



Three Months Ended March 31,

2011

2010

% Chg

Net Income	\$7,317	\$11,645	<37.2>%
Less: Security Gains, Net of Tax	\$1,173	\$5,382	<78.2>%
Net Income, Not Including Security Gains	\$6,144	\$6,263	<1.9>%

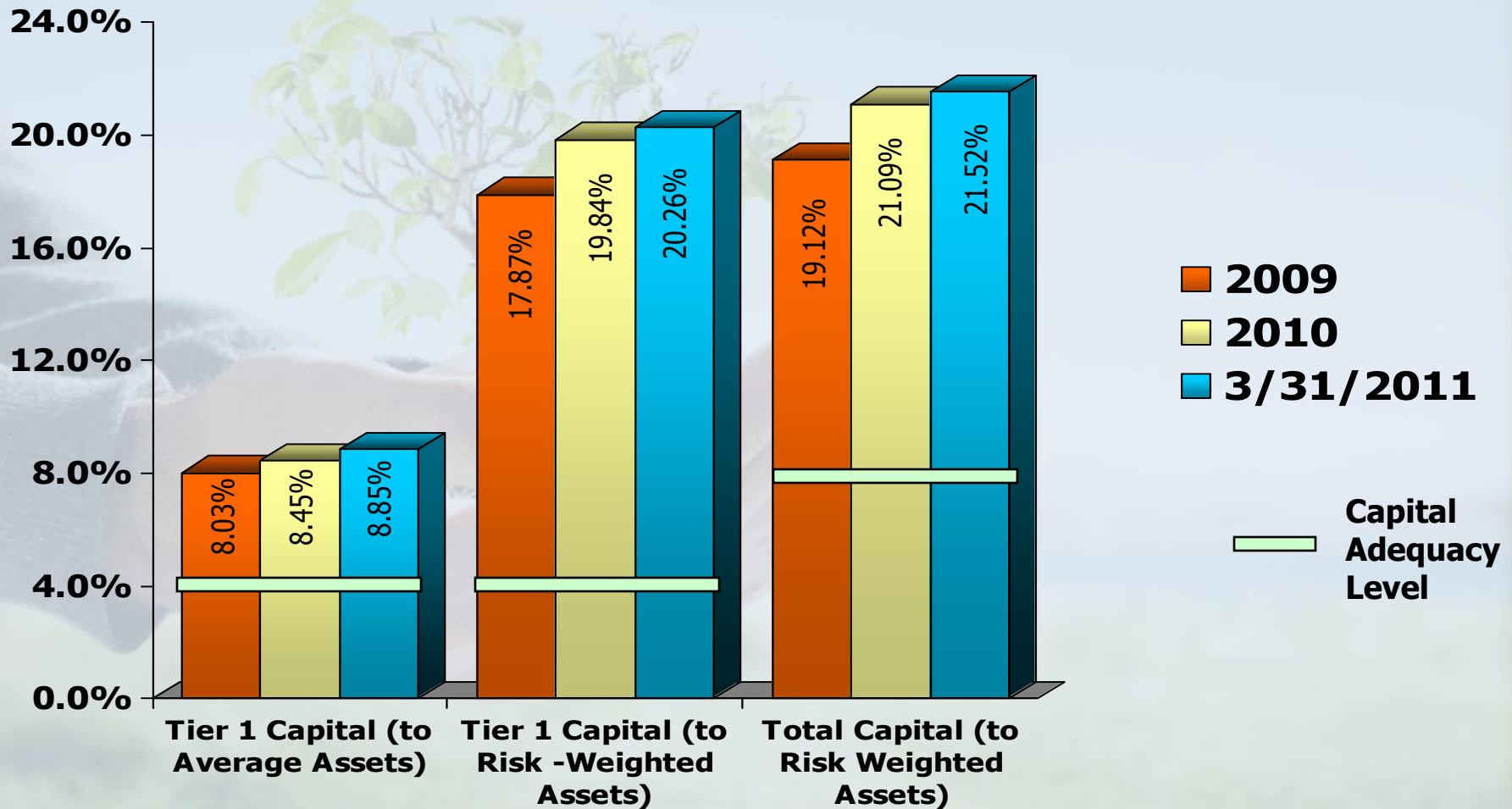
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Capital Levels



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