



Thinking Big,
Dreaming Big.

2012 Annual Shareholder Meeting

Southside.com NASDAQ: SBSI

SOUTHSIDEBANCSHARES, INC.

Forward-Looking Statements

Thinking Big,
Dreaming Big.

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, 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.

- Total Assets \$3.30 billion
- Total Securities \$2.01 billion
- Total Loans \$1.09 billion
- Total Deposits \$2.32 billion
- Total Equity \$258.9 million

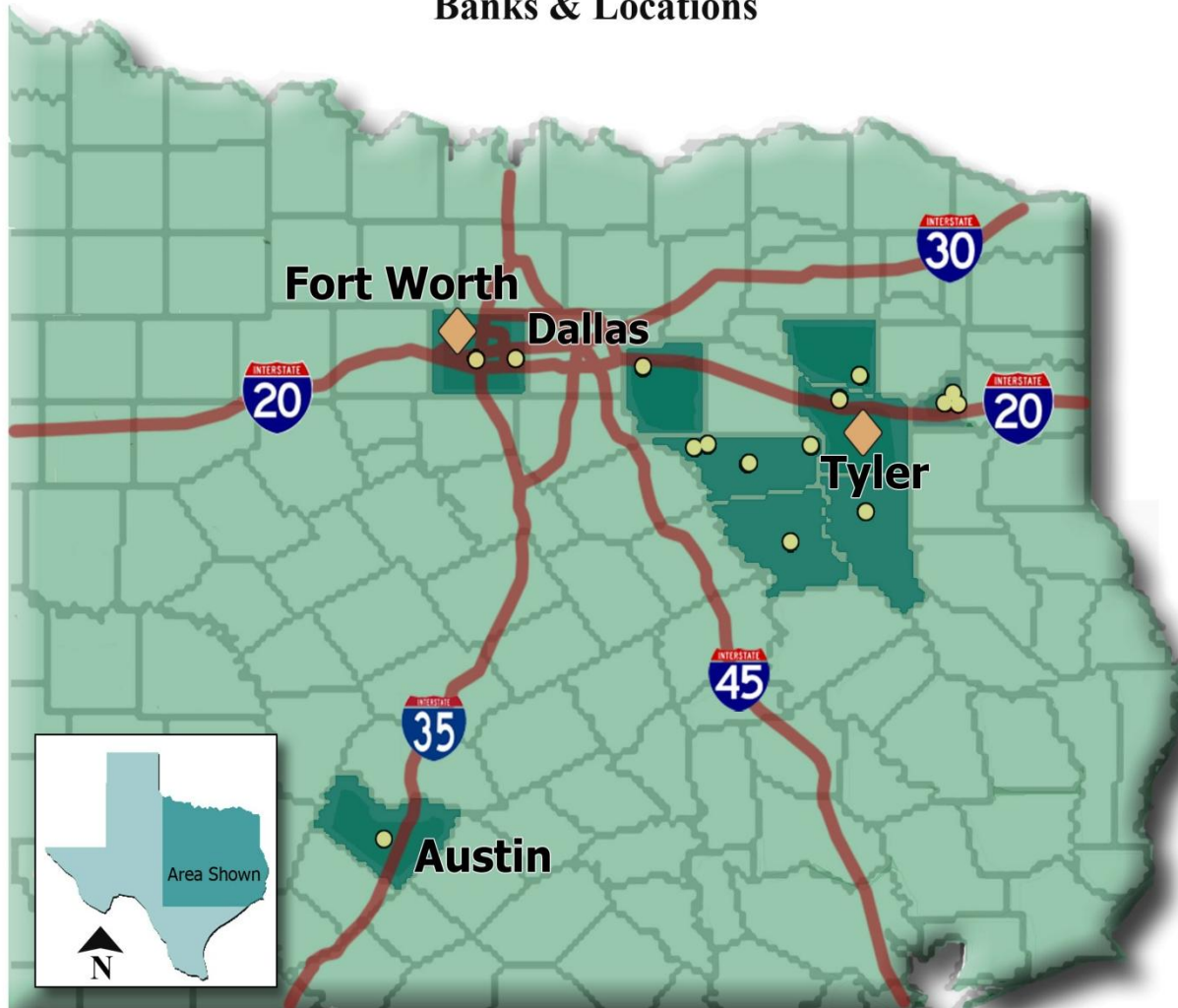
12/31/11

- Market Capitalization \$357.1 million
- Cash Dividend Yield 3.8%
- Insider Ownership 9.4%
- Institutional Ownership 38.3%

4/23/12

SOUTHSIDE BANK

Banks & Locations



Regional Hubs: ◆

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

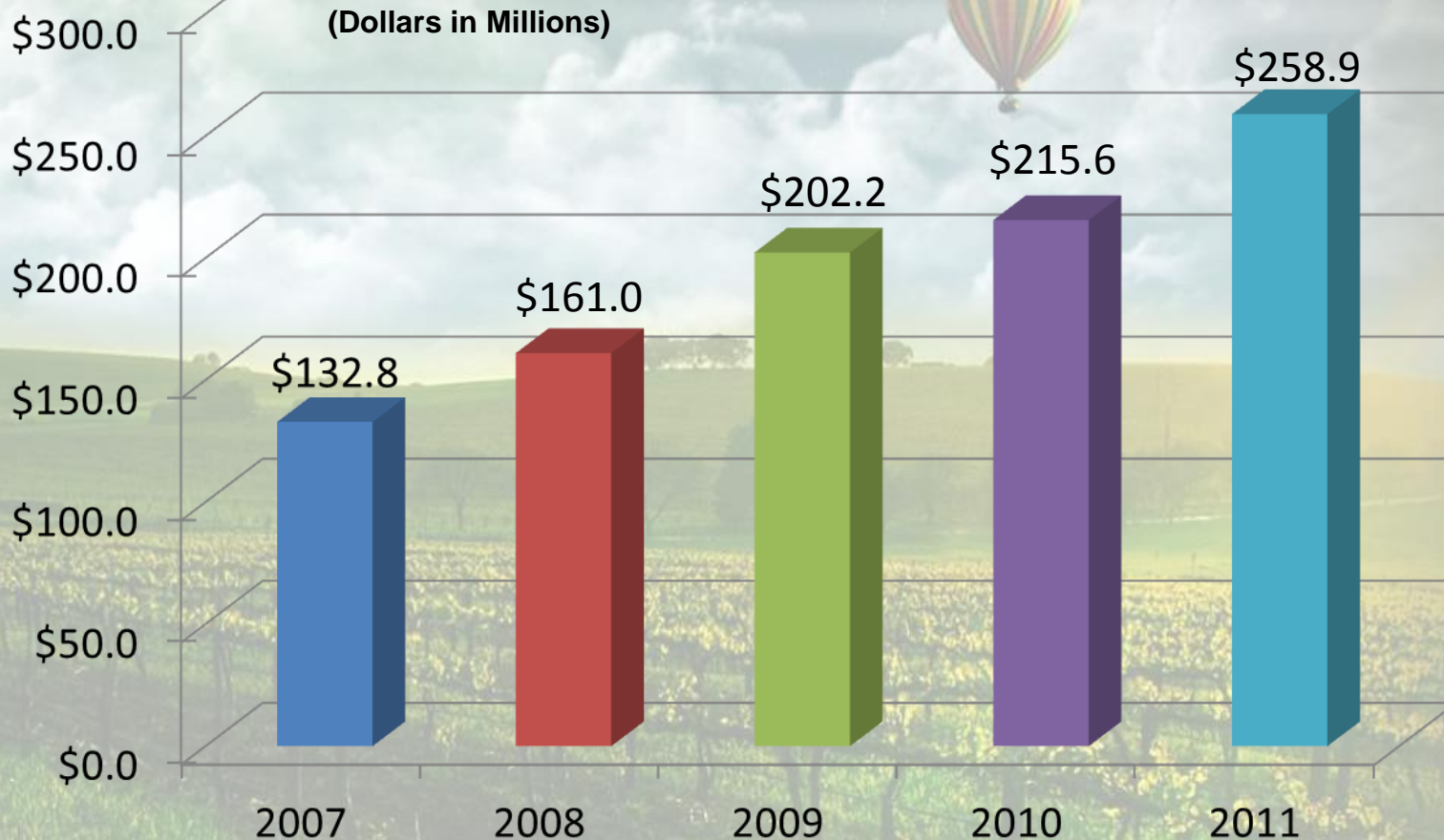
Branch Locations: ●

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.

Total Shareholders' Equity

Thinking Big,
Dreaming Big.



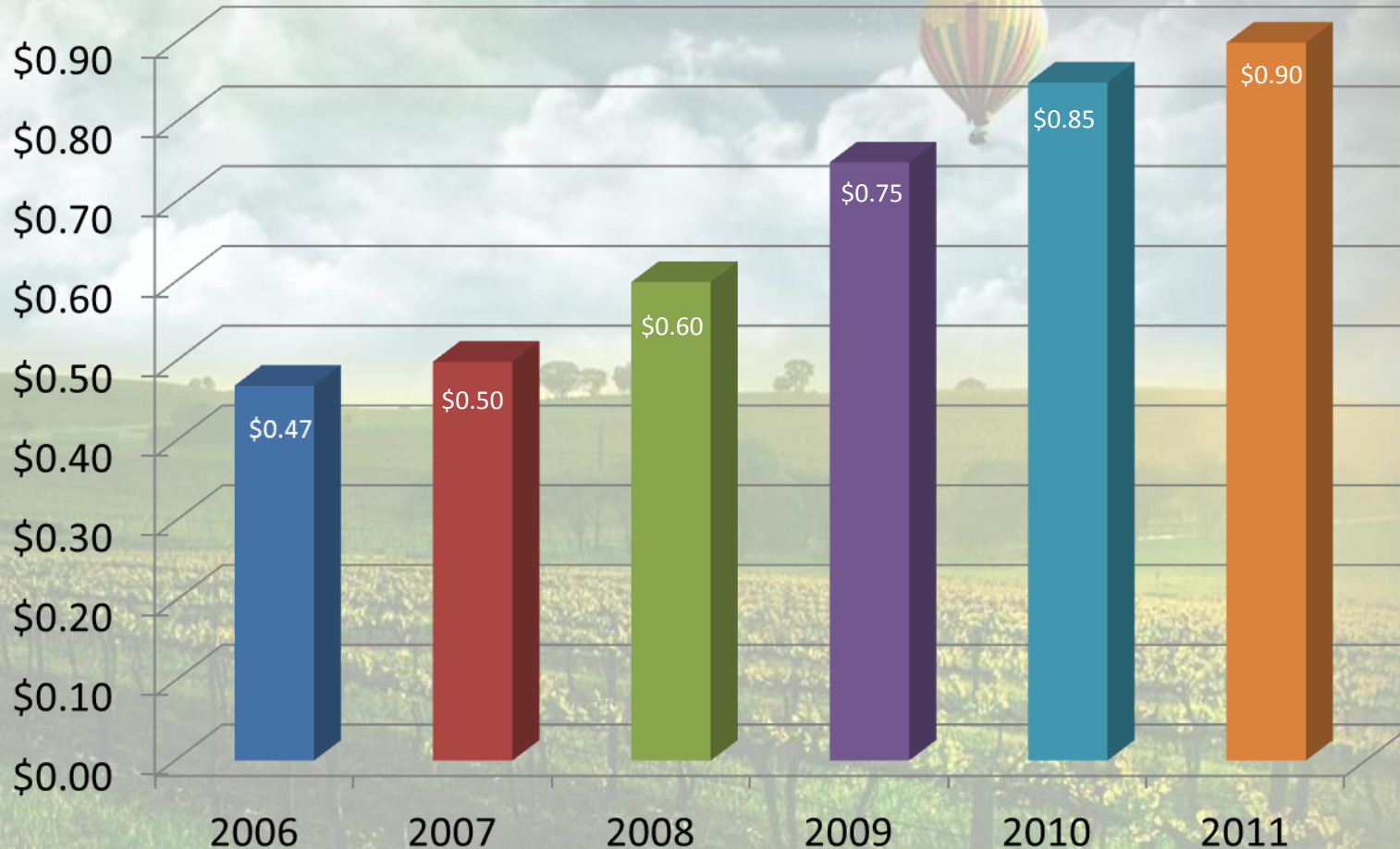
2012 Annual Shareholder Meeting

Southside.com NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

Cash Dividends Per Share

Thinking Big,
Dreaming Big.



2012 Annual Shareholder Meeting

Southside.com NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

- Explore strategic franchise expansion
- Regulatory reform
- Grow loans / maintain credit quality
- Active balance sheet management
- Improve operating efficiency

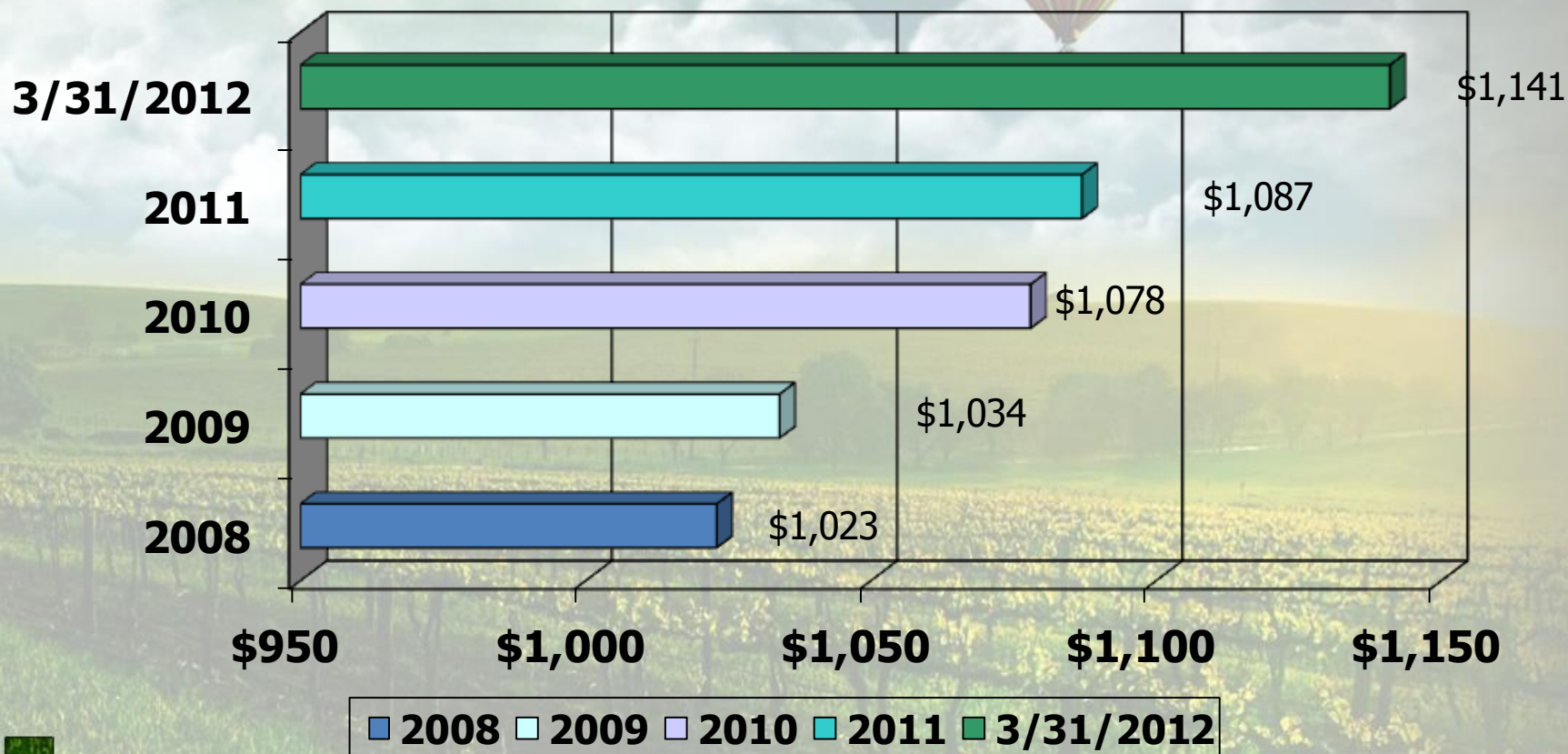
- Strong cash dividend growth
- Track record of stable earnings
- Attractive markets and branch network
- Dynamic balance sheet management
- Seasoned management team

Loan Growth

Thinking Big,
Dreaming Big.

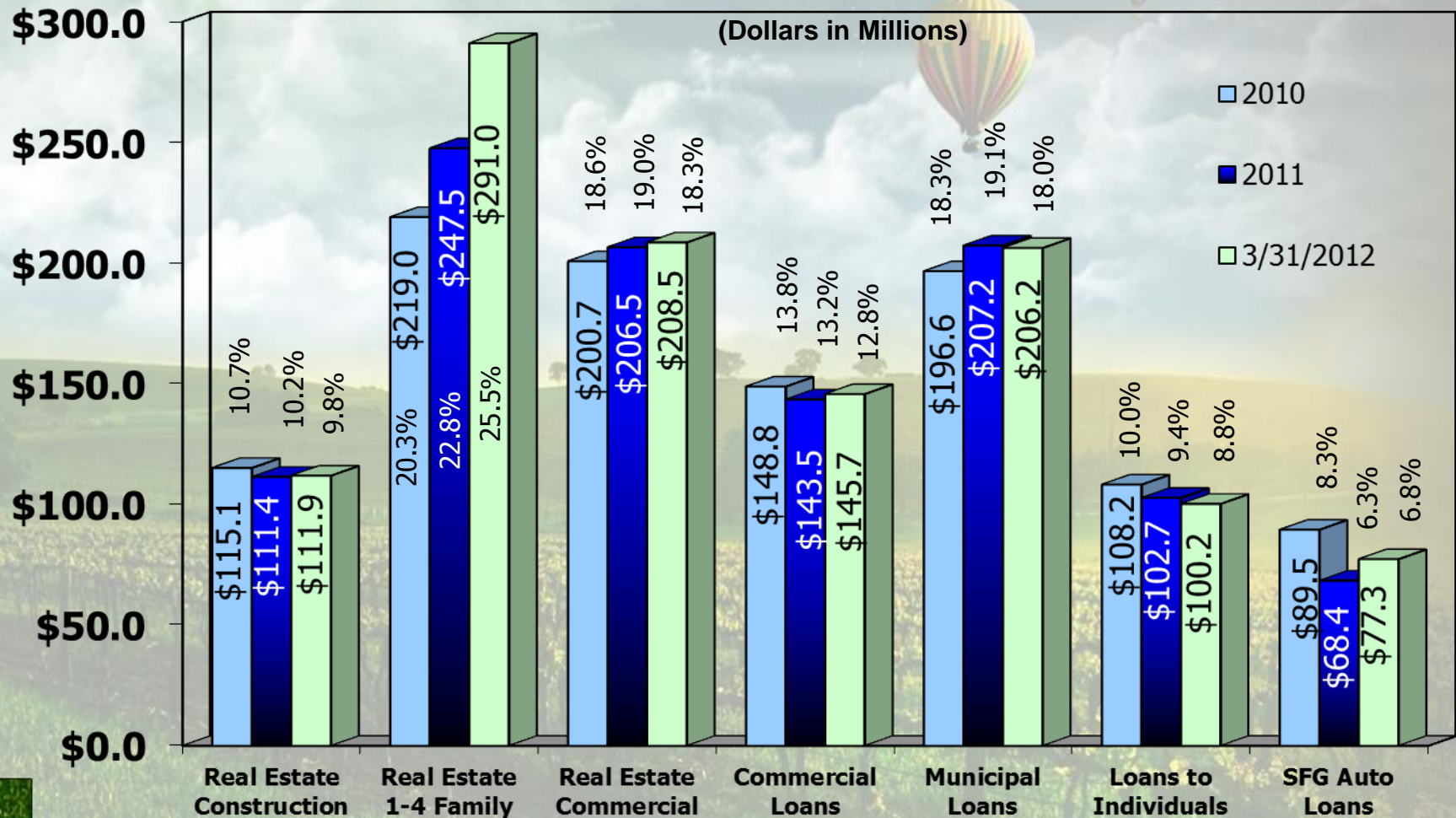
Total Loans Outstanding

(Dollars in Millions)



Loan Portfolio Composition

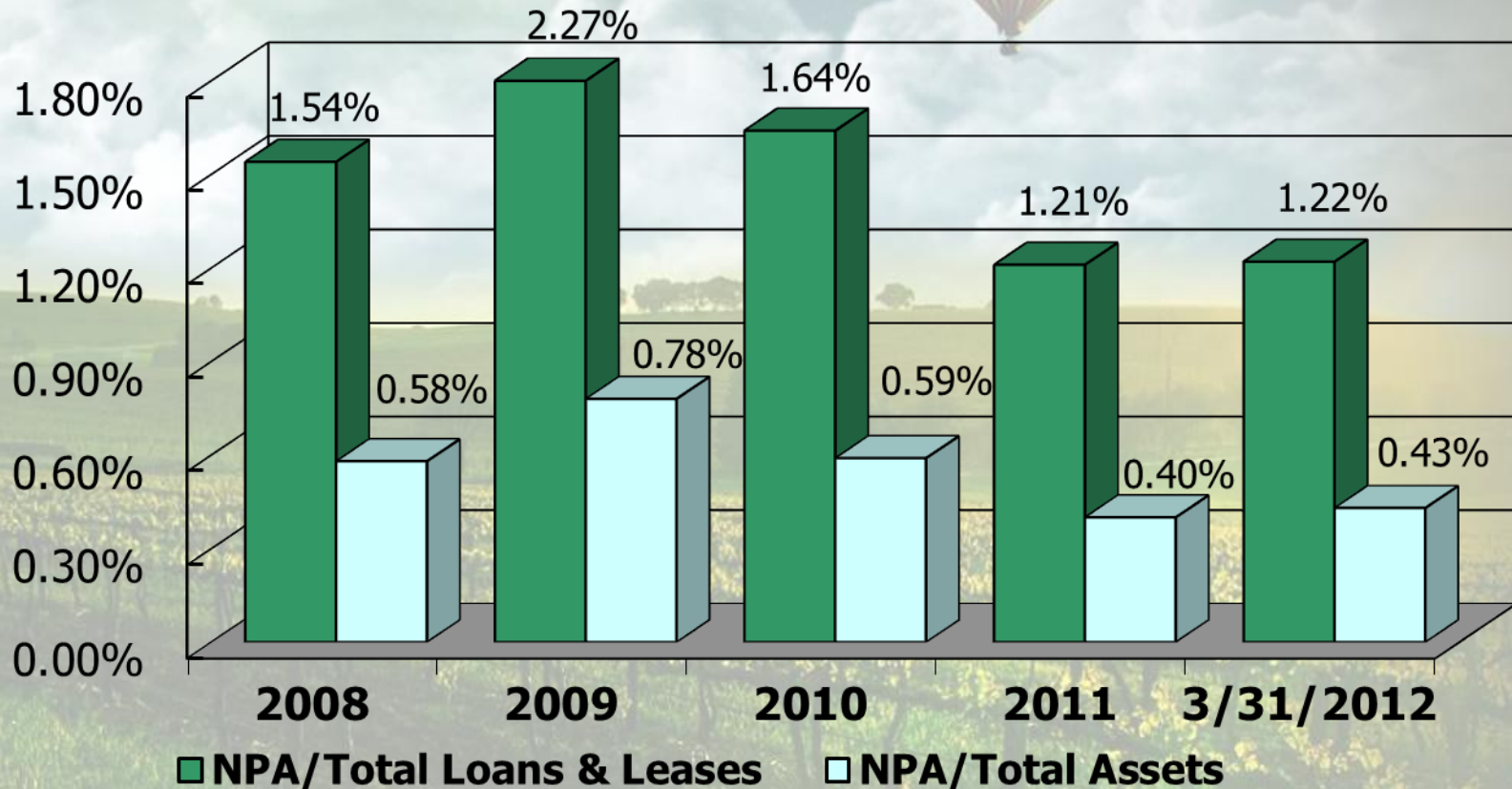
Thinking Big,
Dreaming Big.



Asset Quality

Thinking Big,
Dreaming Big.

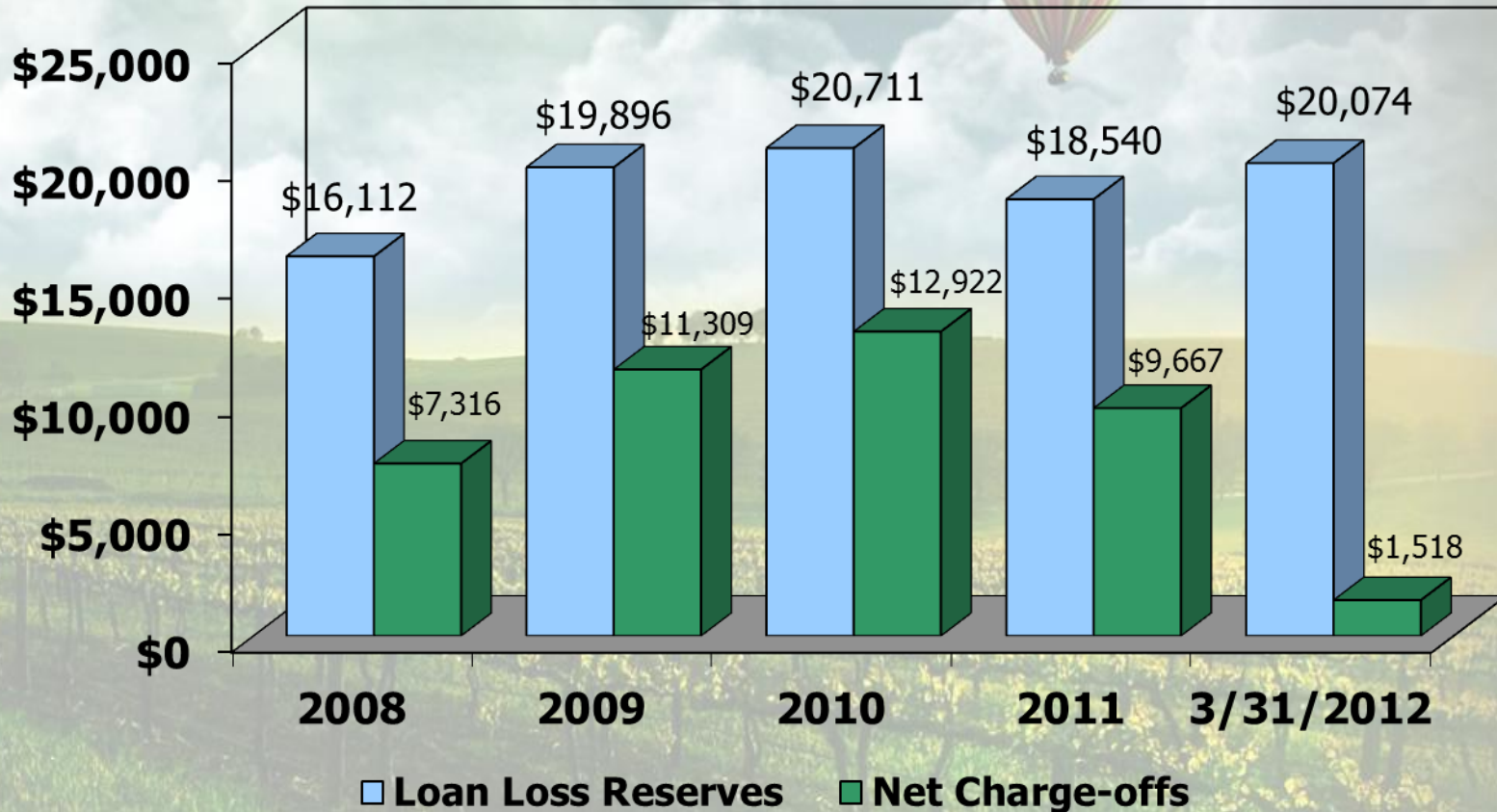
Non-Performing Assets/ NPA As A Percentage



Asset Quality

Thinking Big,
Dreaming Big.

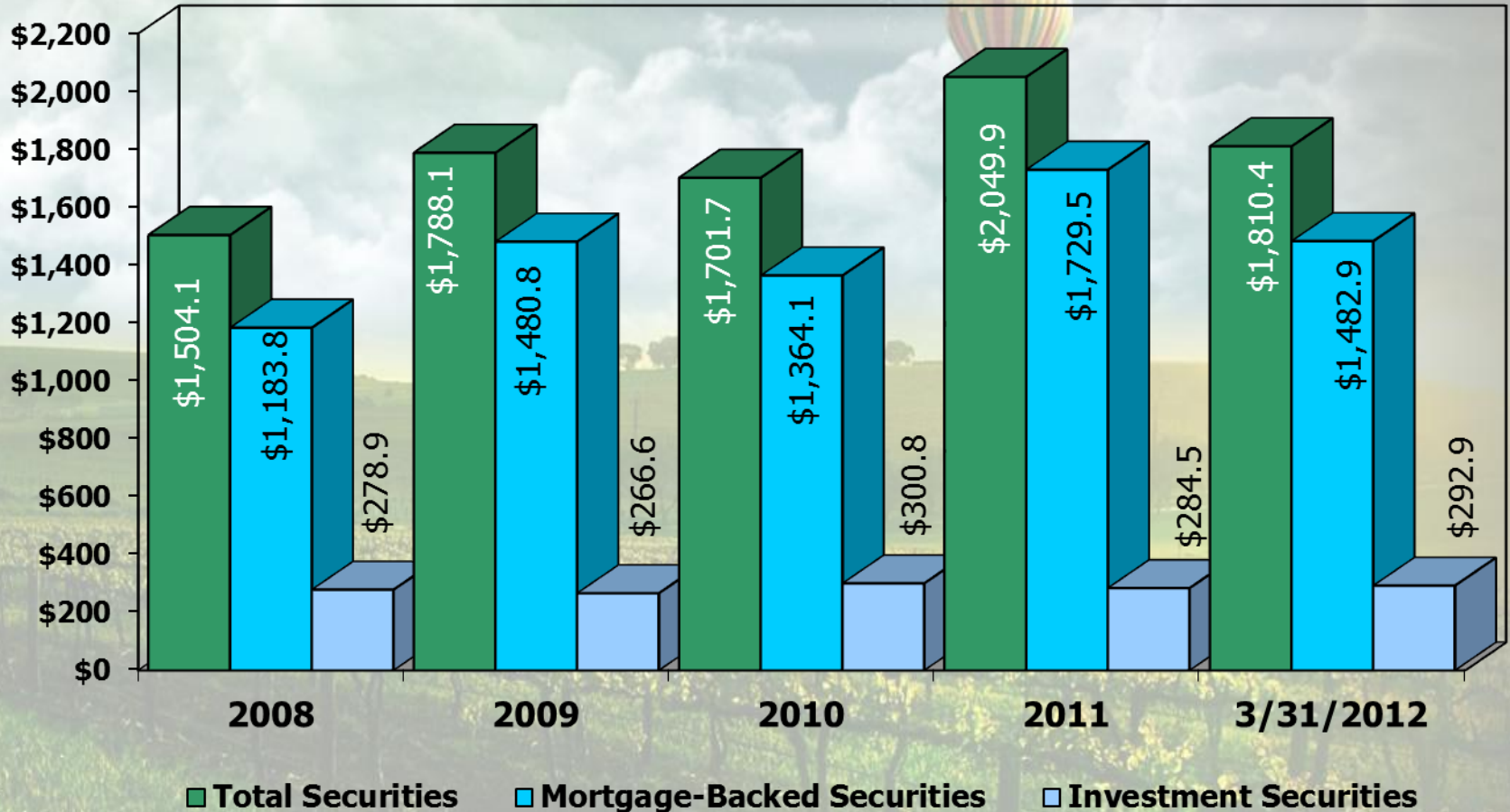
(Dollars in Thousands)



Securities Portfolio

Thinking Big,
Dreaming Big.

(Dollars in Millions)



2012 Annual Shareholder Meeting

Southside.com | NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

Southside Bank Performance

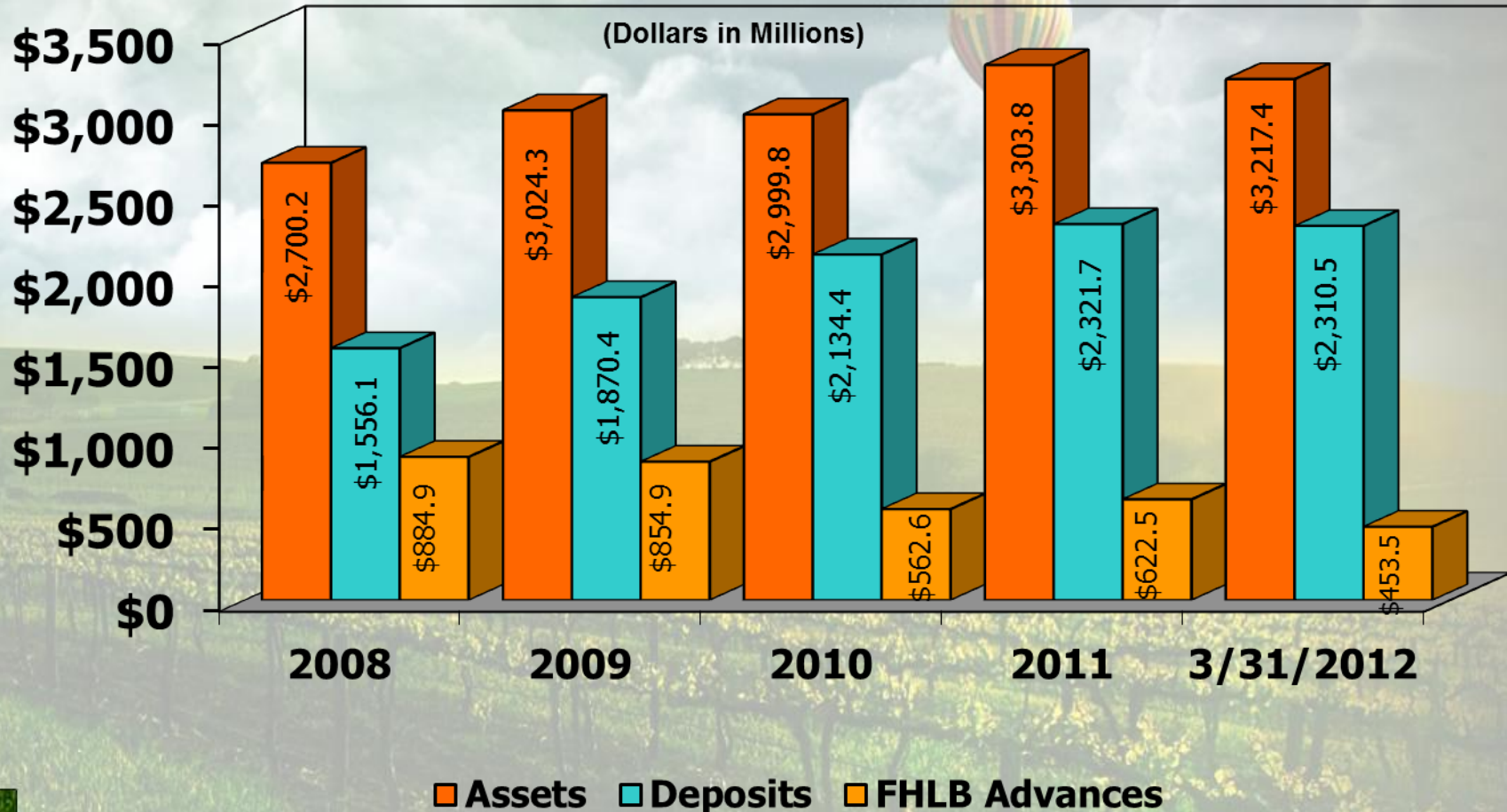
One Year	92 nd Percentile
Three Year	94 th Percentile
Five Year	98 th Percentile
Overall Rank	99 th Percentile

Distributions by percentile for the 912 largest banks in the U.S. based on total return; all investments marked-to-market.

Source: IDC Report Period 12/31/2011

Balance Sheet Growth - Liabilities

Thinking Big,
Dreaming Big.



2012 Annual Shareholder Meeting

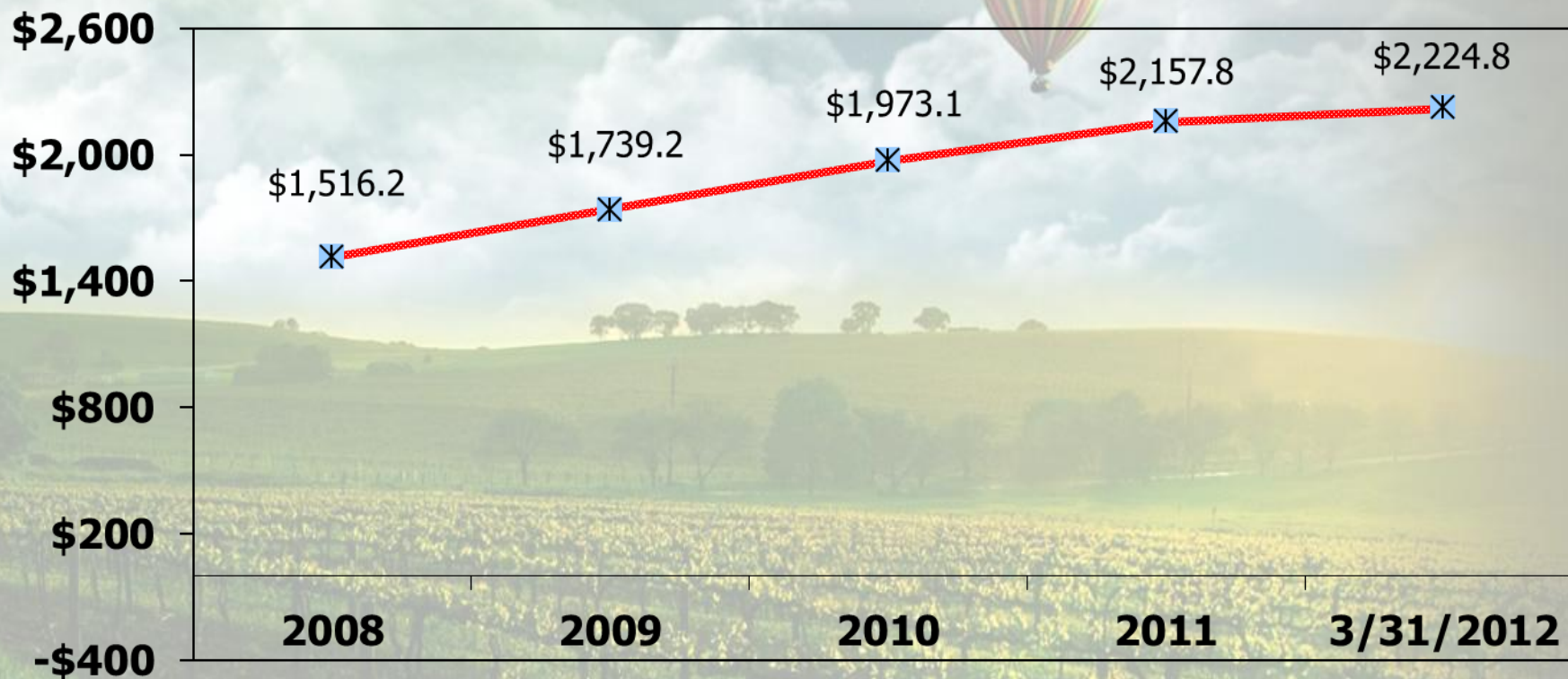
Southside.com | NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

Deposit Growth (Net of brokered CDs)

Thinking Big,
Dreaming Big.

(Dollars in Millions)



2012 Annual Shareholder Meeting

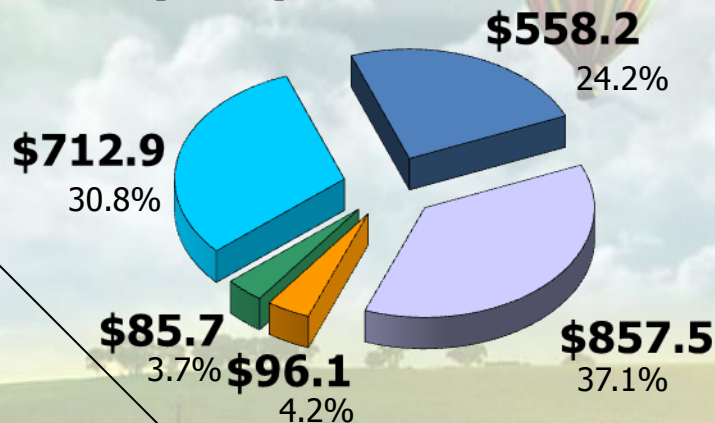
Southside.com NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

Composition of Deposits

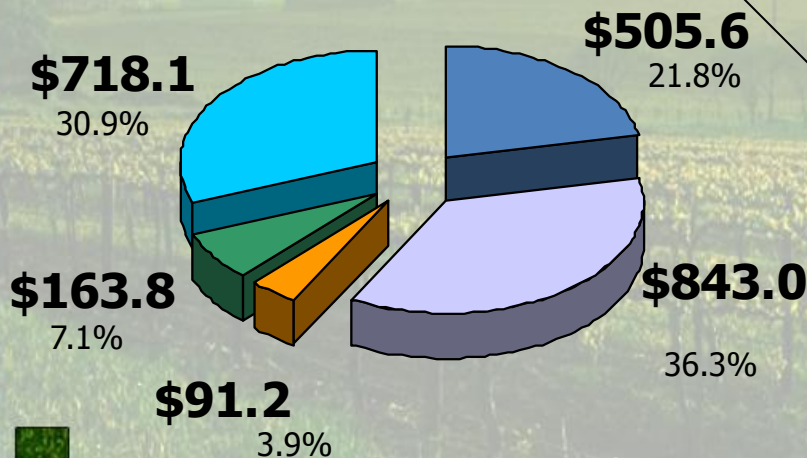
Thinking Big,
Dreaming Big.

3/31/2012



- Non-interest Bearing Demand Deposits
- Interest Bearing Demand Deposits
- Savings Deposits
- Brokered CDs
- Time Deposits

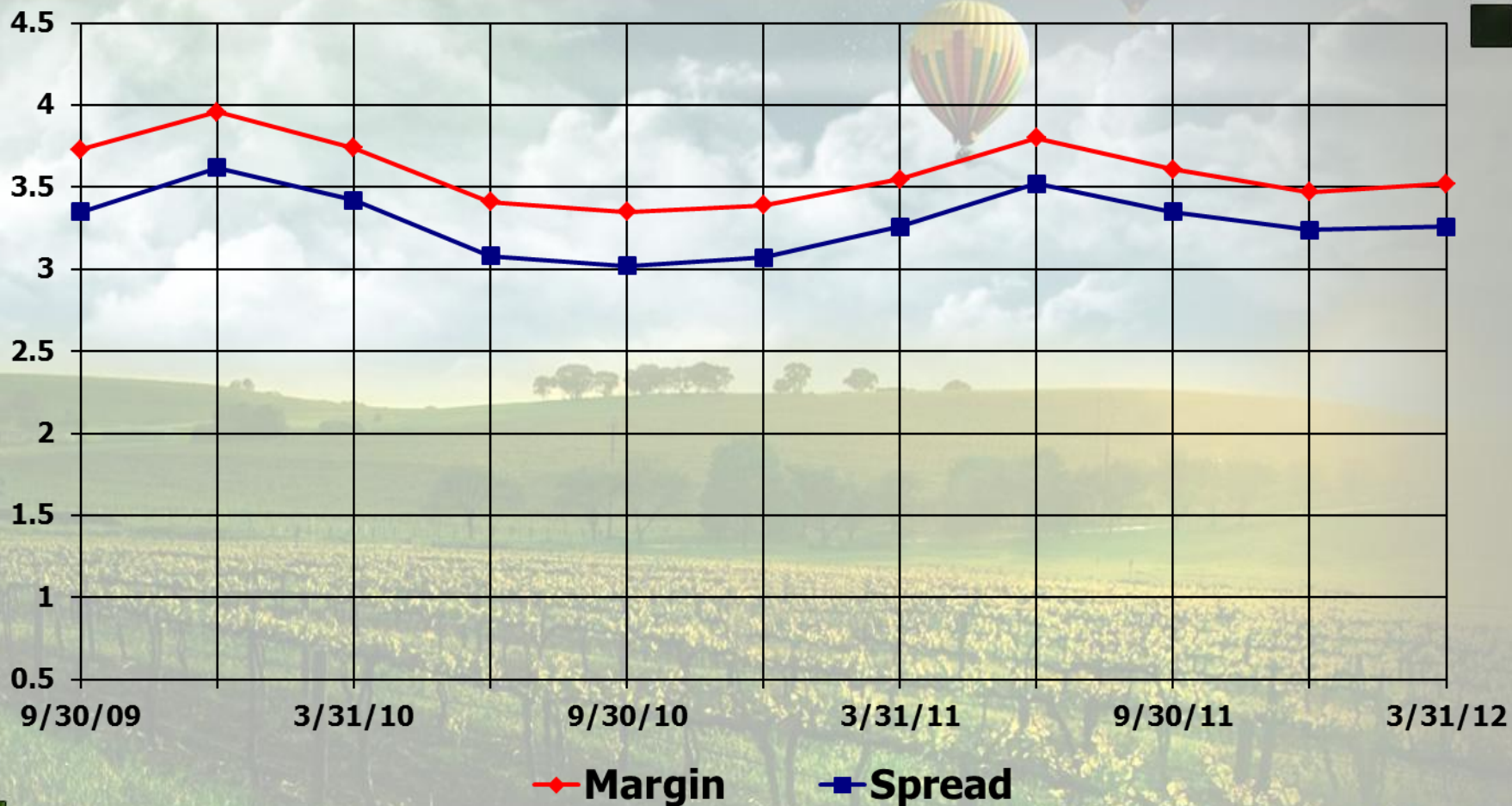
2011



(Dollars in Millions)

Net Interest - Spread and Margin

Thinking Big,
Dreaming Big.



2012 Annual Shareholder Meeting

Southside.com NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

End of Year Results

(Dollars in Thousands)

Thinking Big,
Dreaming Big.

**Year Ended
December 31,**

2011

2010

Net Income (in thousands)	\$39,133	\$39,103
EPS (diluted)	\$ 2.38	\$ 2.37
ROE	16.20%	17.98%
ROA	1.25%	1.30%
Efficiency Ratio	56.17%	58.72%

2012 Annual Shareholder Meeting

Southside.com | NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

End of Quarter Results

(Dollars in Thousands)

Thinking Big,
Dreaming Big.

**Quarter Ended
March 31st,**

2012


2011

Net Income (in thousands)	\$10,139	\$8,374
EPS (diluted)	\$ 0.58	\$ 0.49
ROE	15.34%	15.65%
ROA	1.26%	1.12%
Efficiency Ratio	57.18%	59.67%

2012 Annual Shareholder Meeting

Southside.com | NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.



Thinking Big,
Dreaming Big.

2012 Annual Shareholder Meeting

Southside.com NASDAQ: SBSI

SOUTHSIDE BANCSHARES, INC.

5/3/2012