

SOUTHSIDE BANCSHARES, INC.

2013



**Annual Shareholder
Meeting**

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 Southside Bancshares, Inc. (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 our 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 our actual results to differ materially from the results discussed in the forward-looking statements. For example, discussions about our expansion, trends in asset quality, capital, liquidity, growth, and earnings for growth 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, 2012 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.

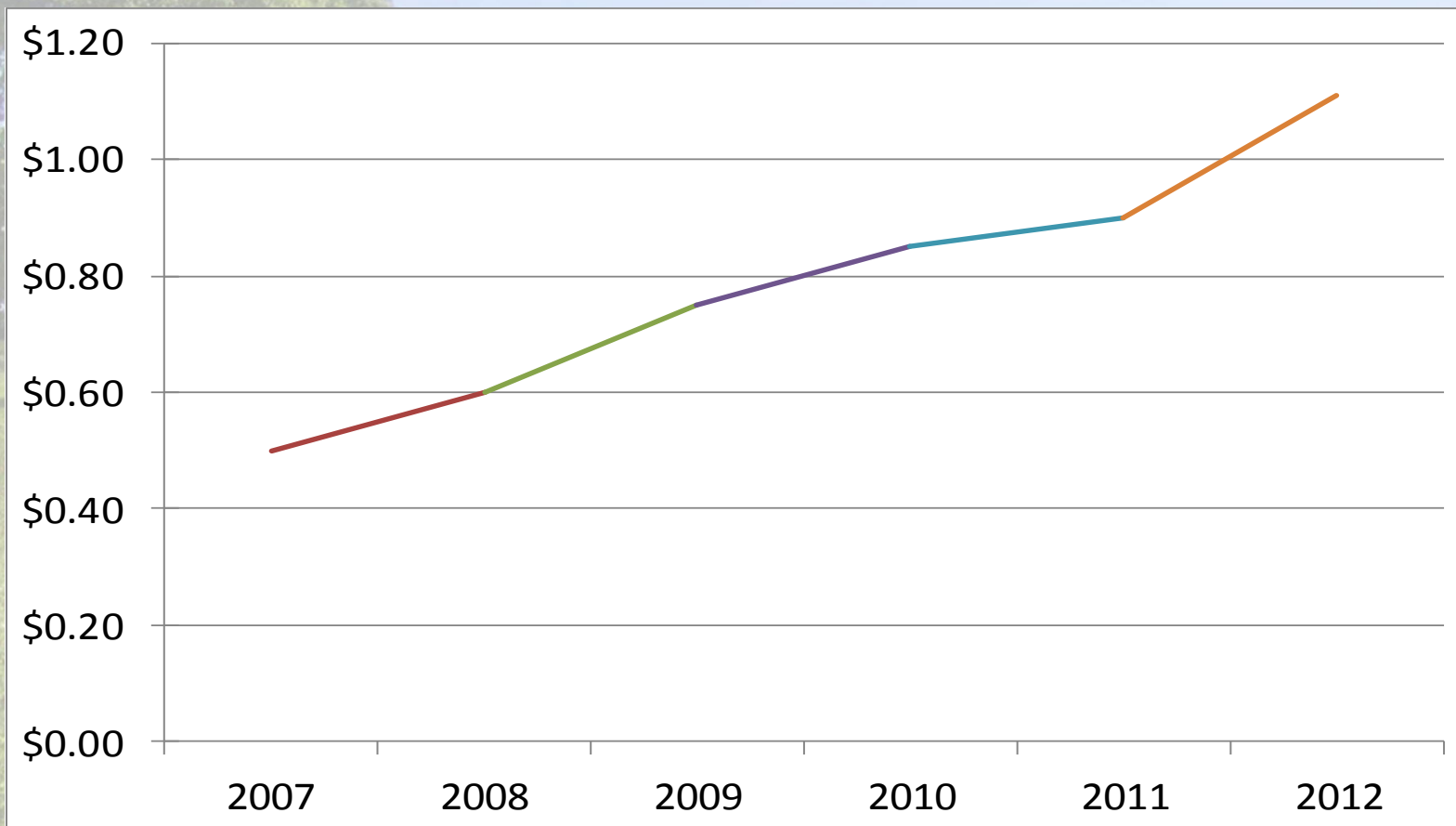
Company Profile

- Total Assets \$3.24 billion*
- Total Deposits \$2.35 billion*
- Cash Dividend Yield 3.8%
- Inside Ownership 9.7%
- Institutional Ownership 51.7%

4/5/13

* As of 12/31/12

Cash Dividends Per Share



Compound Annual Growth Rate Average of 16.4% over last 5 years

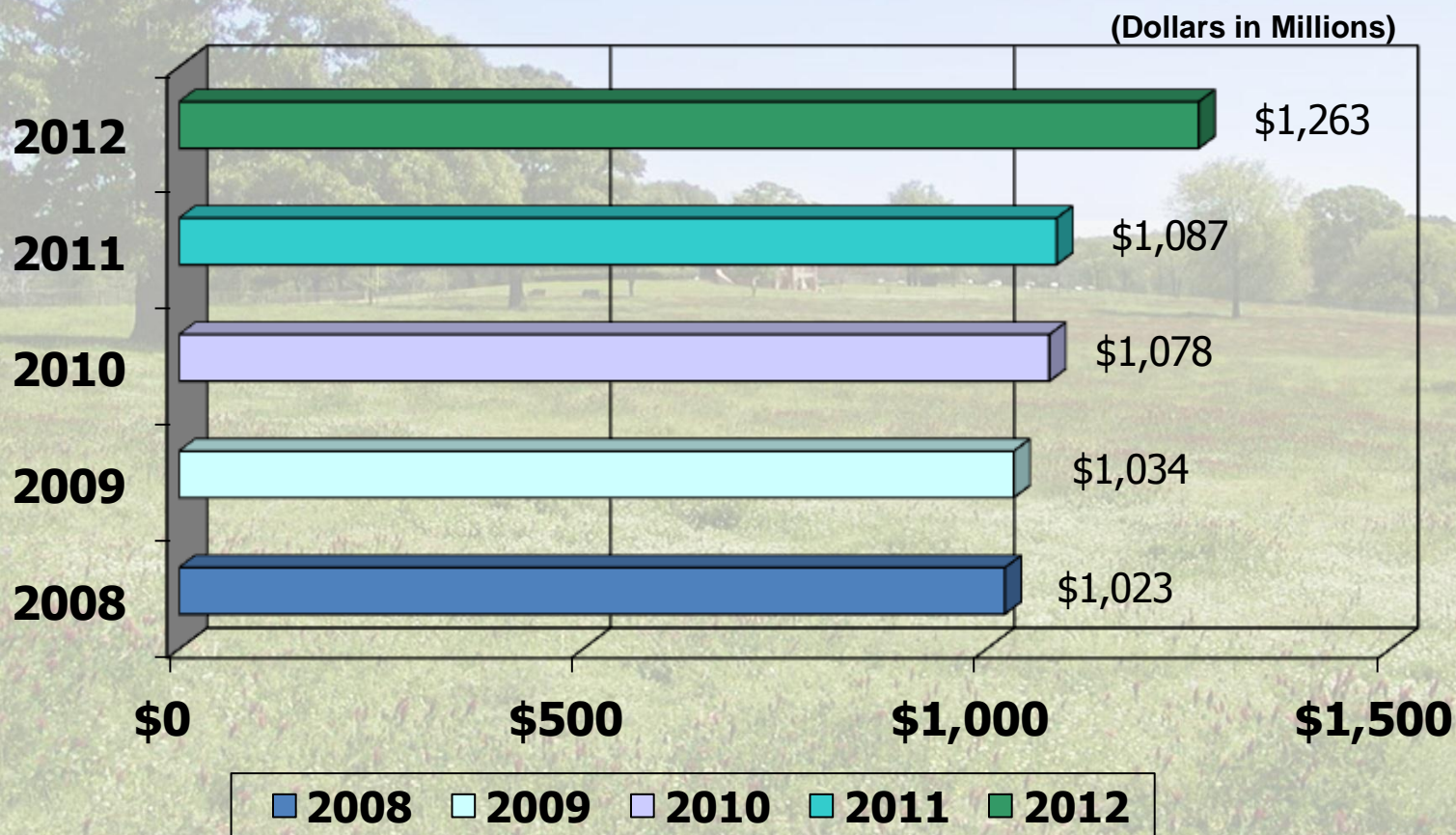


2013 Outlook

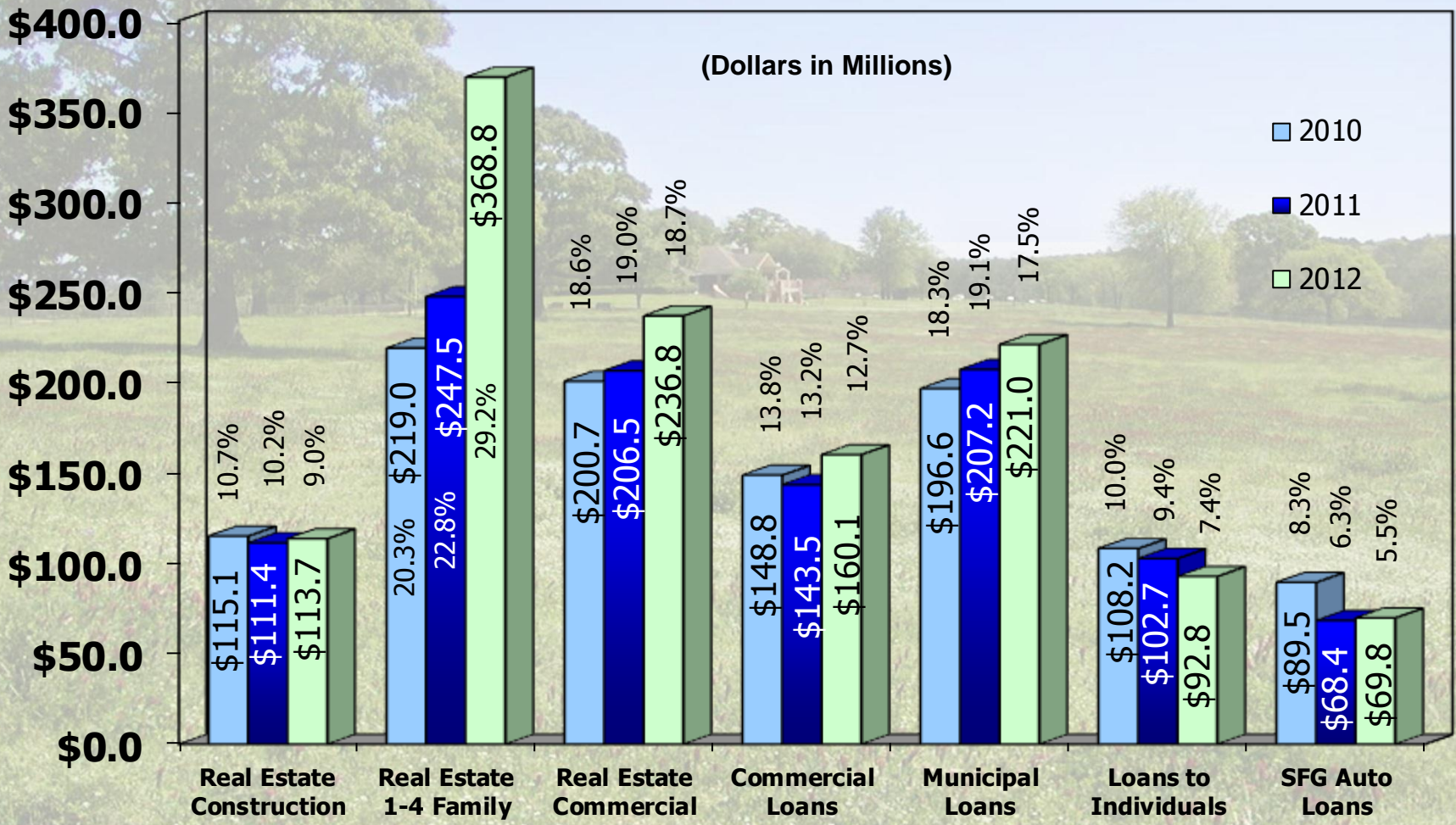
- Challenging Interest Rate Environment
- Dodd-Frank Continues
- Expansion Opportunities
- Revenue Growth
- Improve Operating Efficiency

Loan Growth

Total Loans Outstanding

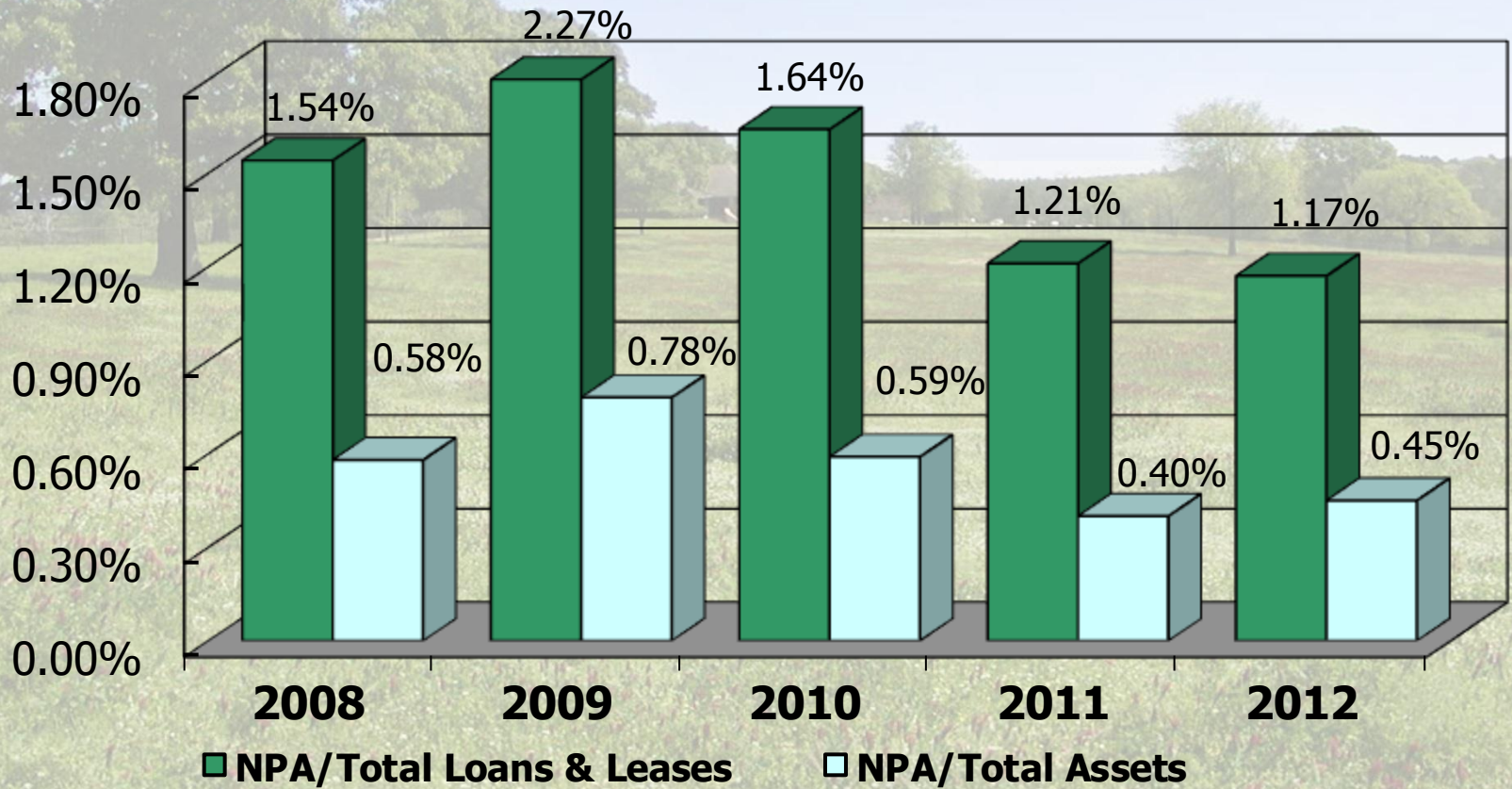


Loan Portfolio Composition



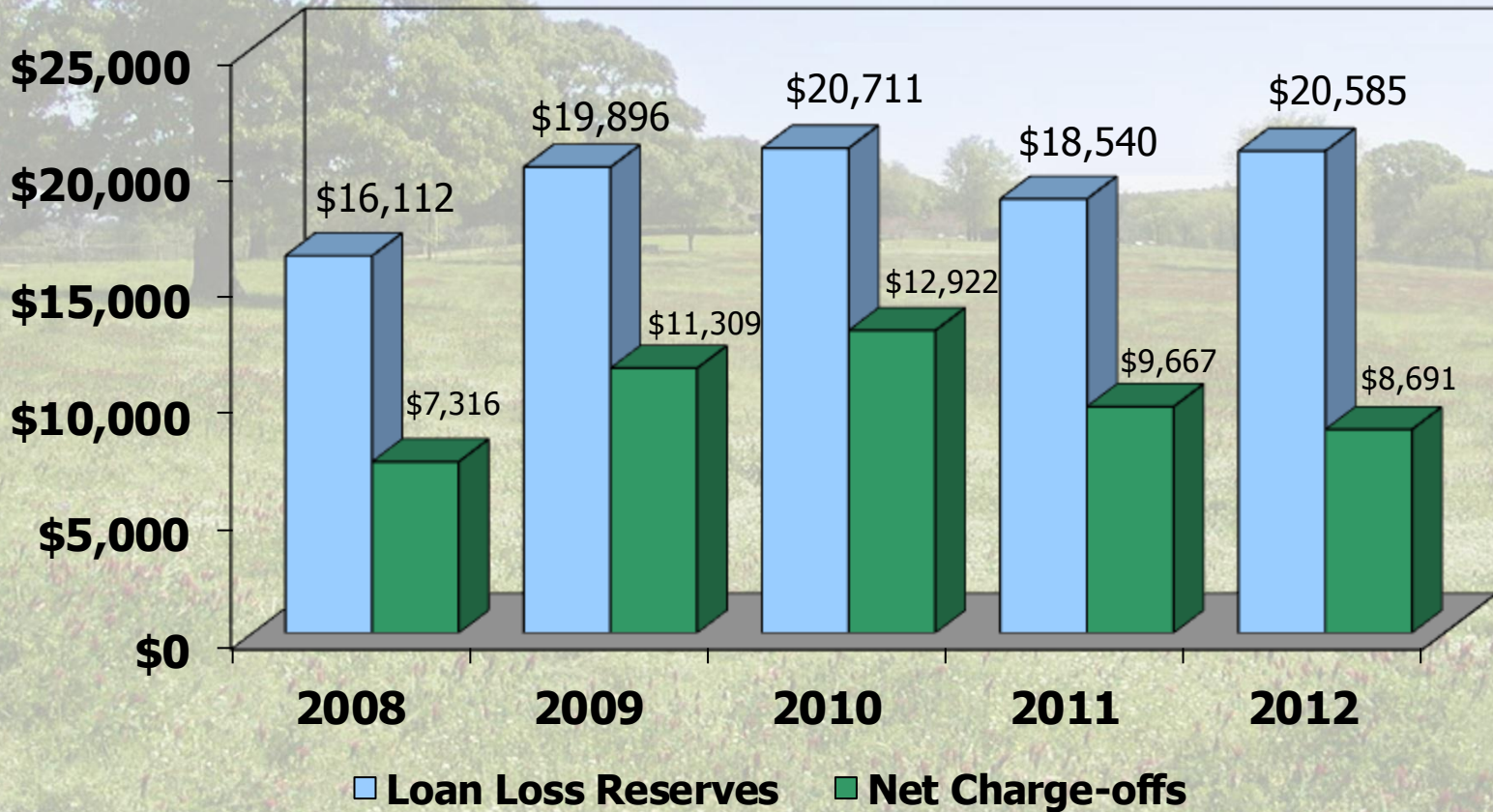
Asset Quality

Non-Performing Assets/
NPA As A Percentage



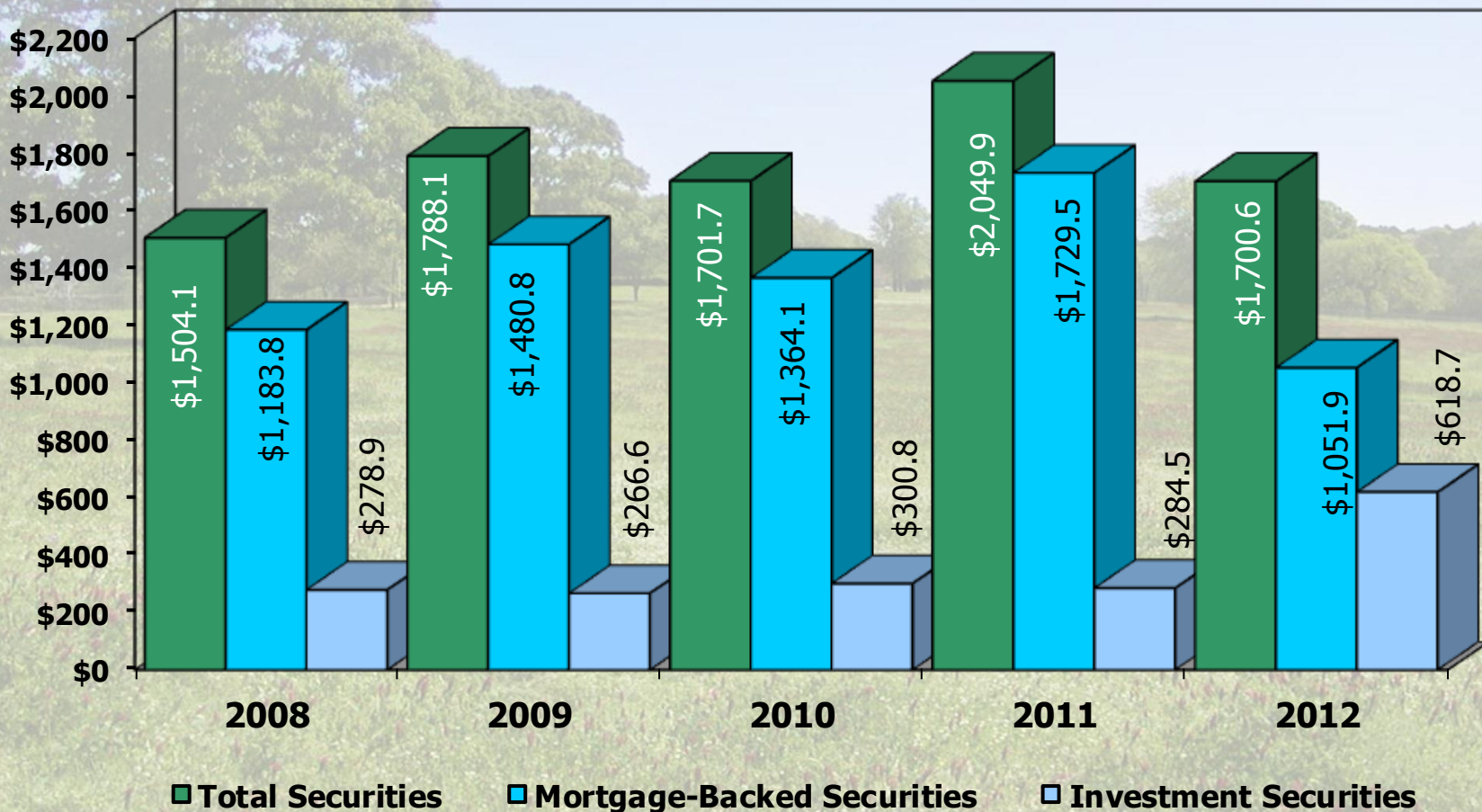
Asset Quality

(Dollars in Thousands)



Securities Portfolio

(Dollars in Millions)



Investment Portfolio Performance

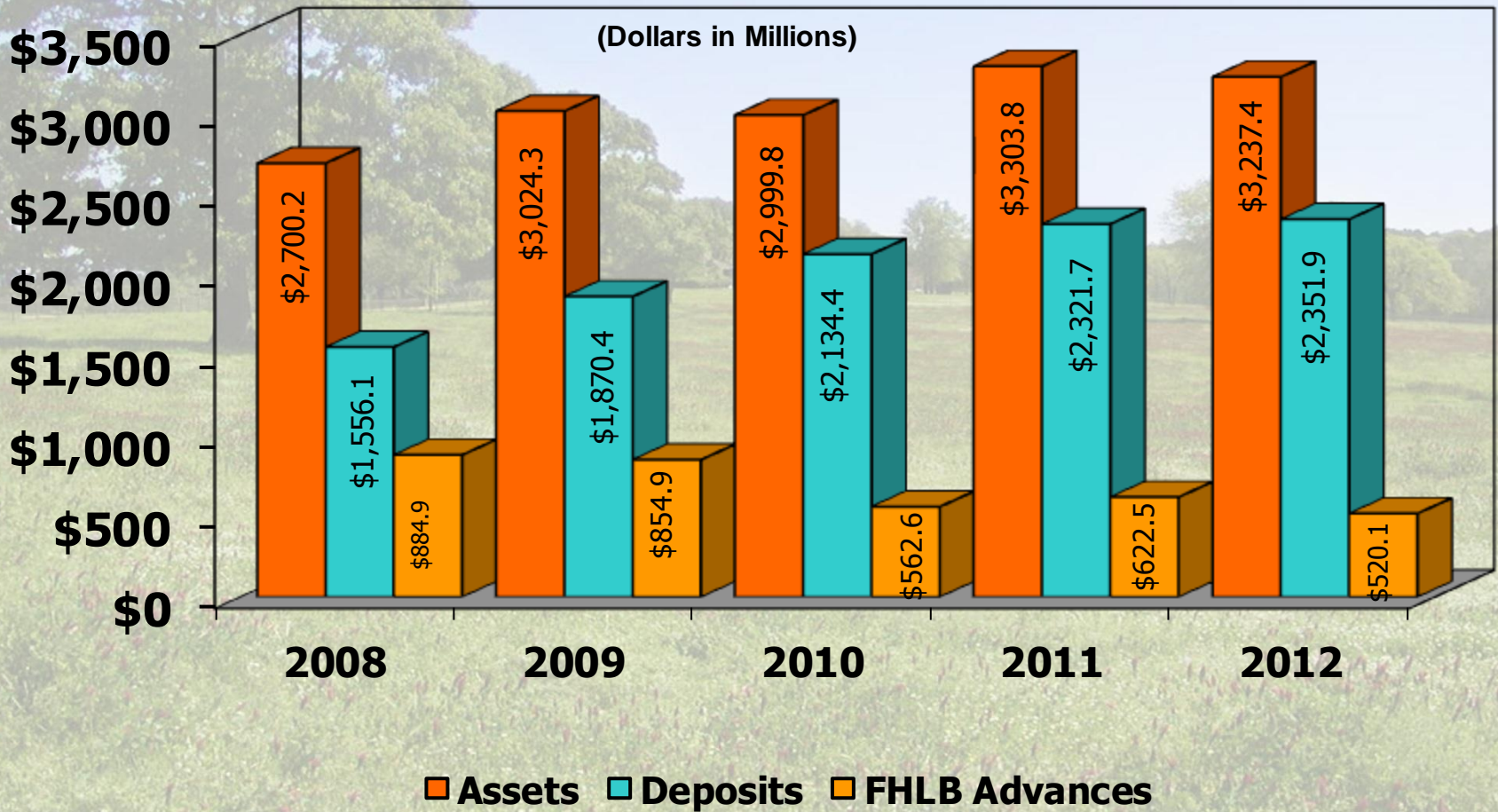
Southside Bank Performance

One Year	64 th Percentile
Three Year	90 th Percentile
Five Year	97 th Percentile
Overall Rank	86 th Percentile

Distributions by percentile of 5,868 banks in the
U.S. based on total return; all investments marked-to-market.

Source: IDC Report Period 12/31/2012

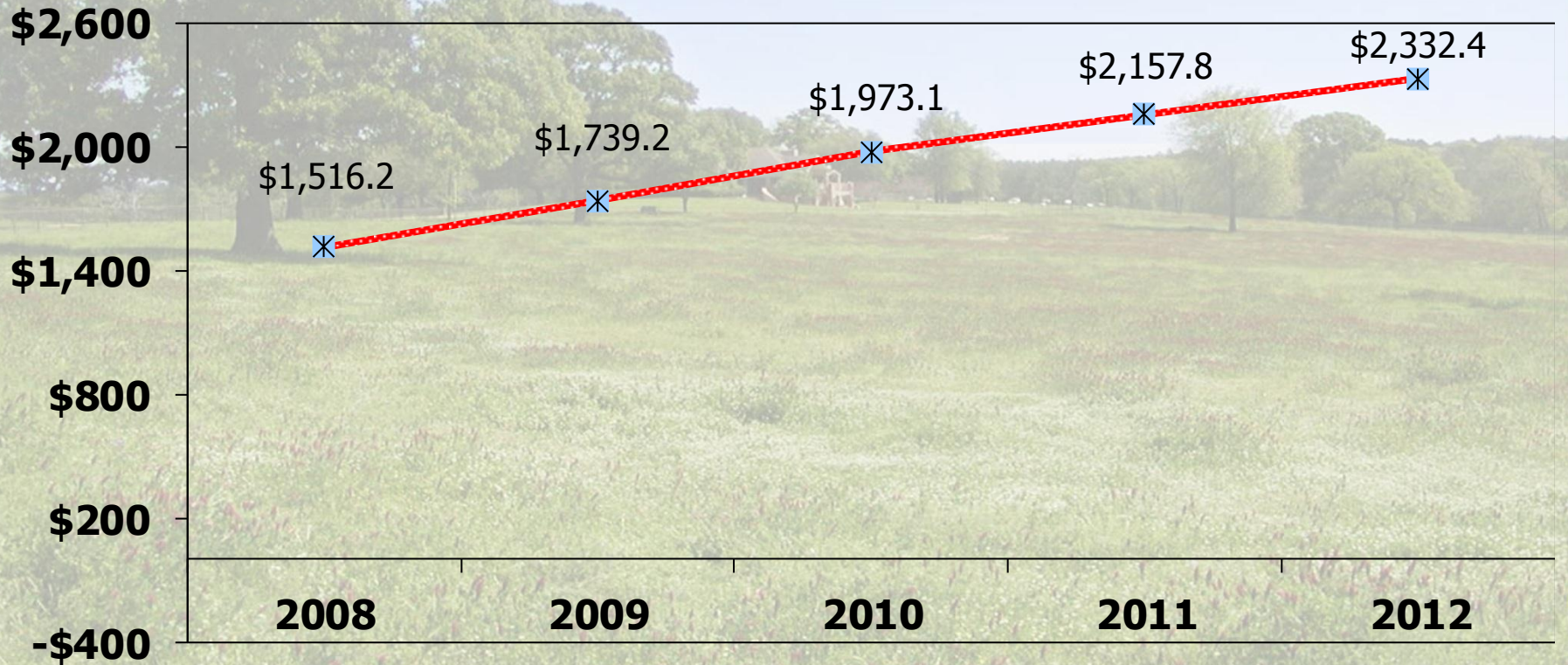
Balance Sheet Growth - Liabilities



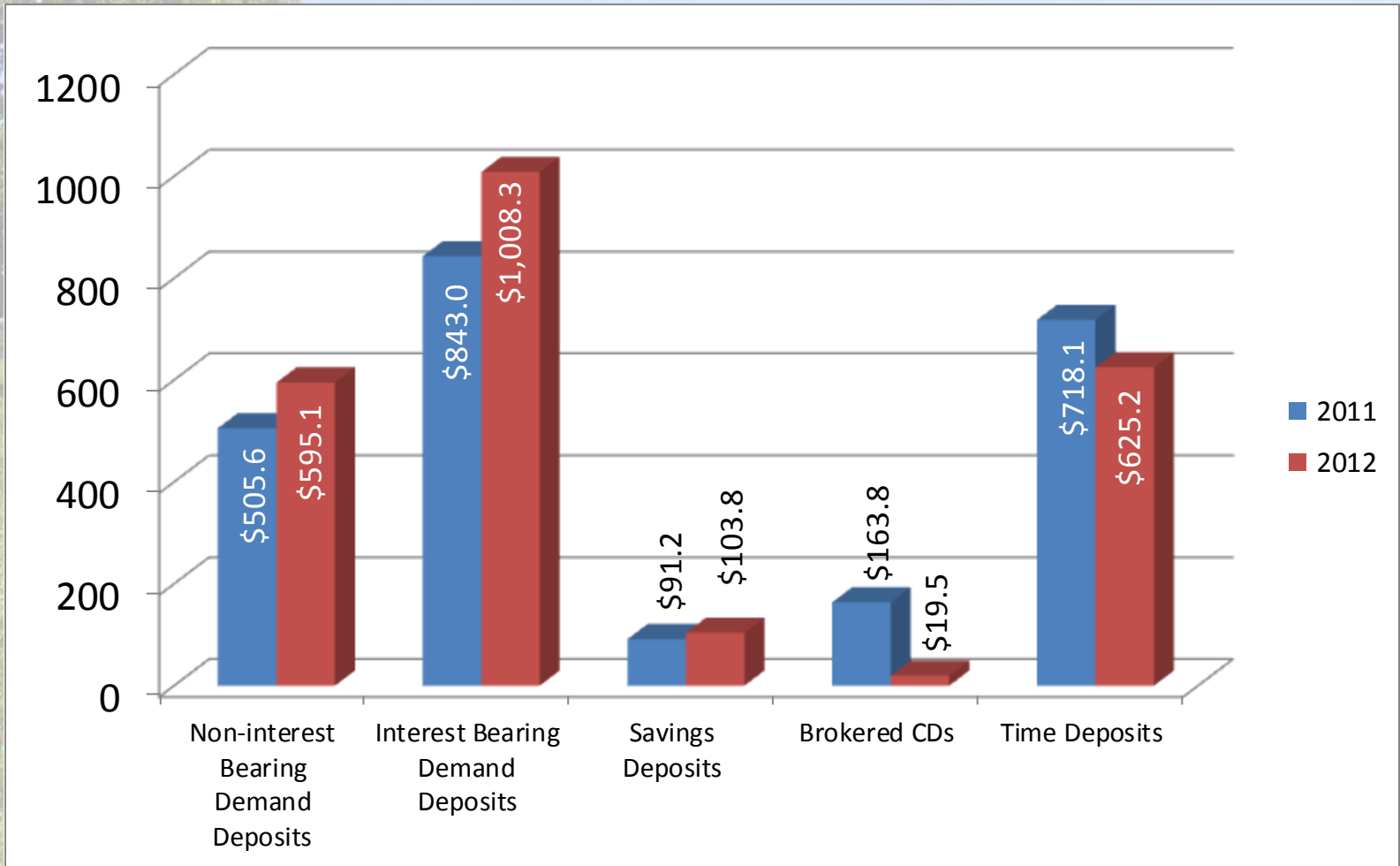
Deposit Growth

(Net of brokered CDs)

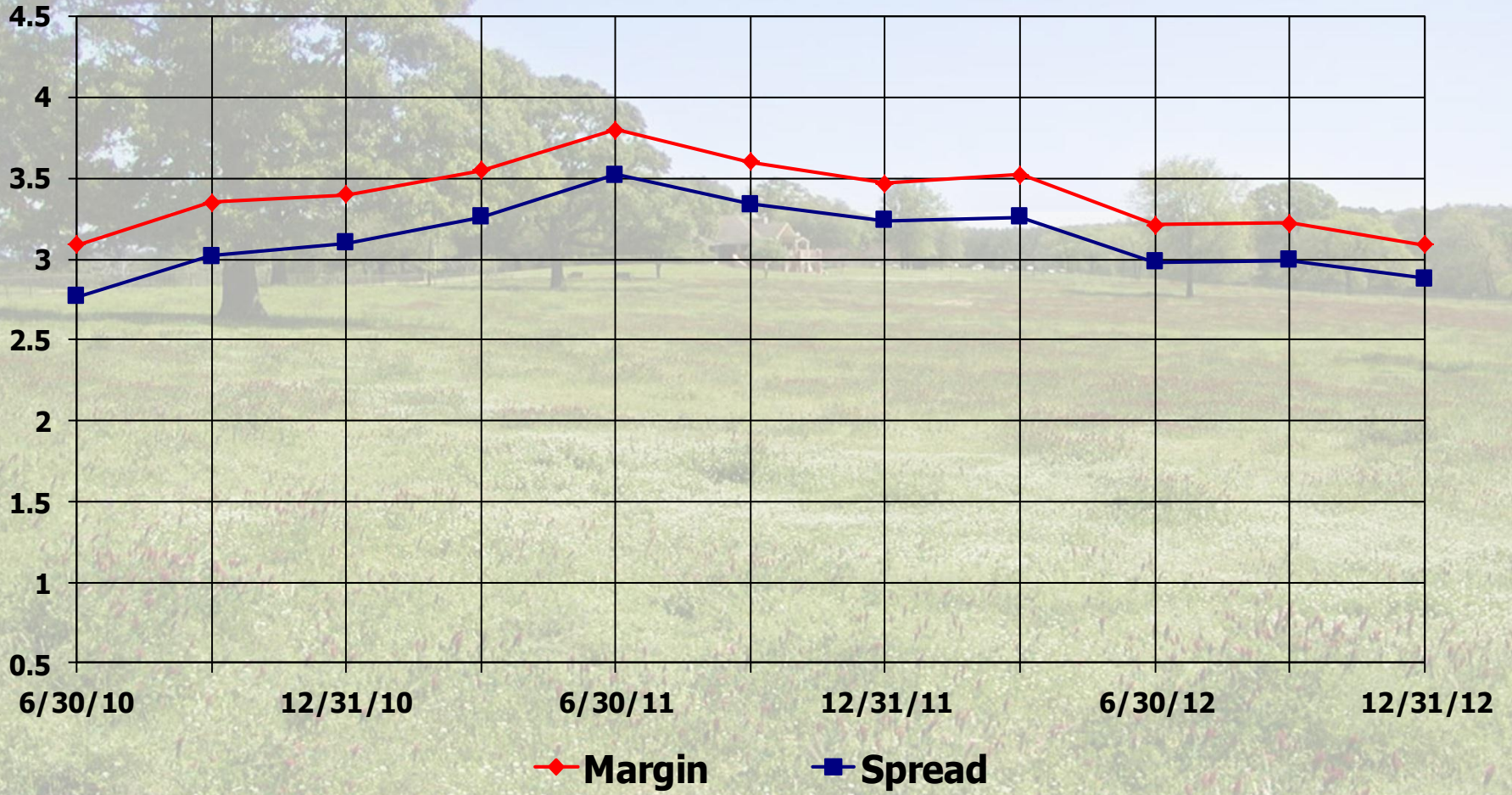
(Dollars in Millions)



Composition of Deposits



Net Interest - Spread and Margin



**Years Ended
December 31,**

End of Year Results
(Dollars in Thousands)

	<u>2012</u>	<u>2011</u>
Net Income (in thousands)	\$34,695	\$39,133
EPS (diluted)	\$ 2.00	\$ 2.26
ROE	12.83%	16.20%
ROA	1.05%	1.25%
Efficiency Ratio	60.59%	55.21%

**Quarters Ended
March 31st,**

End of Quarter Results
(Dollars in Thousands)

	<u>2013</u>	<u>2012</u>
Net Income (in thousands)	\$8,525	\$10,139
EPS (diluted)	\$ 0.48	\$ 0.56
ROE	13.38%	15.34%
ROA	1.08%	1.26%
Efficiency Ratio	68.21%	57.18%

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4/18/2013