



KBW<sup>NEW YORK</sup> 2014

SOUTHSIDE BANC SHARES, INC.

MEMBER FDIC NASDAQ: SBSI

# Southside Key Roles

Name	Position	Background	Years with Southside
Sam Dawson	President & Chief Executive Officer	<ul style="list-style-type: none"> <li>- President and Secretary from 1998 to 2012</li> <li>- East Texas Medical Center and Tyler Junior College Foundation Director</li> </ul>	40
Lee Gibson	Senior EVP & Chief Financial Officer	<ul style="list-style-type: none"> <li>- Past Chairman, FHLB of Dallas</li> <li>- East Texas Boy Scout Foundation and Tyler Junior College Foundation Director</li> </ul>	30
Brian McCabe	EVP & Chief Analytics Officer	<ul style="list-style-type: none"> <li>- East Texas Lighthouse for the Blind Director</li> <li>- Tyler Area Chamber of Commerce Director</li> </ul>	31

# 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. or OmniAmerican Bancorp, Inc. 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 Southside Bancshares, Inc.'s or OmniAmerican Bancorp, Inc.'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 Southside Bancshares, Inc.'s or OmniAmerican Bancorp, Inc.'s actual results, respectively, to differ materially from the results discussed in the forward-looking statements. For example, statements about the proposed merger involving Southside and OmniAmerican, including future financial and operating results, Southside's and OmniAmerican's plans, objectives, expectations and intentions, the expected timing of completion of the merger and other statements are not historical facts. Among the key factors that could cause actual results to differ materially from those indicated by such forward-looking statements are the following: (i) the ability to obtain the requisite Southside and OmniAmerican shareholder approval; (ii) the risk that a regulatory approval that may be required for the proposed merger is not obtained or is obtained subject to conditions that are not anticipated; (iii) the risk that a condition to the closing of the merger may not be satisfied; (iv) the timing to consummate the proposed merger; (v) the risk that the businesses will not be integrated successfully; (vi) the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; (vii) disruption from the transaction making it more difficult to maintain relationships with customers, employees or vendors; (viii) the diversion of management time on merger-related issues; and (ix) liquidity risk affecting Southside's and OmniAmerican's abilities to meet its obligations when they come due.
- Additional information concerning Southside Bancshares, Inc. and OmniAmerican Bancorp, Inc. and their respective businesses, including additional factors that could materially affect their respective financial results, is included in each of Southside Bancshares, Inc.'s and OmniAmerican Bancorp, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013 under "Business " and Item 1A. "Risk Factors," and in Southside Bancshares, Inc.'s and OmniAmerican Bancorp, Inc.'s other filings with the Securities and Exchange Commission. Each of Southside Bancshares, Inc. and OmniAmerican Bancorp, Inc. 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.

# Southside: A Brief Overview

## Overview

- **Headquartered in Tyler, TX**
- **Founded in 1960**
- **Paid a cash dividend every year since 1970**
  - **(5-year CAGR of 13.9%)**
  - **5% stock dividend every year since 1993**
- **47% market share in Tyler, TX**
- **In two of the “Top American Boomtowns” – Bloomberg.**
  - **#1. Austin**
  - **#11. Ft. Worth – Arlington – Dallas**
- **Shares owned by insiders (9.8%)**

(1)Market capitalization is as of July 22, 2014.

## Financial Snapshot (6/30/14)

### Balance Sheet (\$000s)

Total Assets	\$3,498,662
Total Loans	1,391,285
Total Deposits	2,601,478
Total Shareholders' Equity	283,960
Market Capitalization (\$mm) <sup>(1)</sup>	545

### 2014 Performance (six months ended)

Net Income (\$000s)	\$18,681
Return on Average Assets (%)	1.09 %
Return on Avg. S.H. Equity (%)	13.80
Efficiency Ratio (%)	53.40

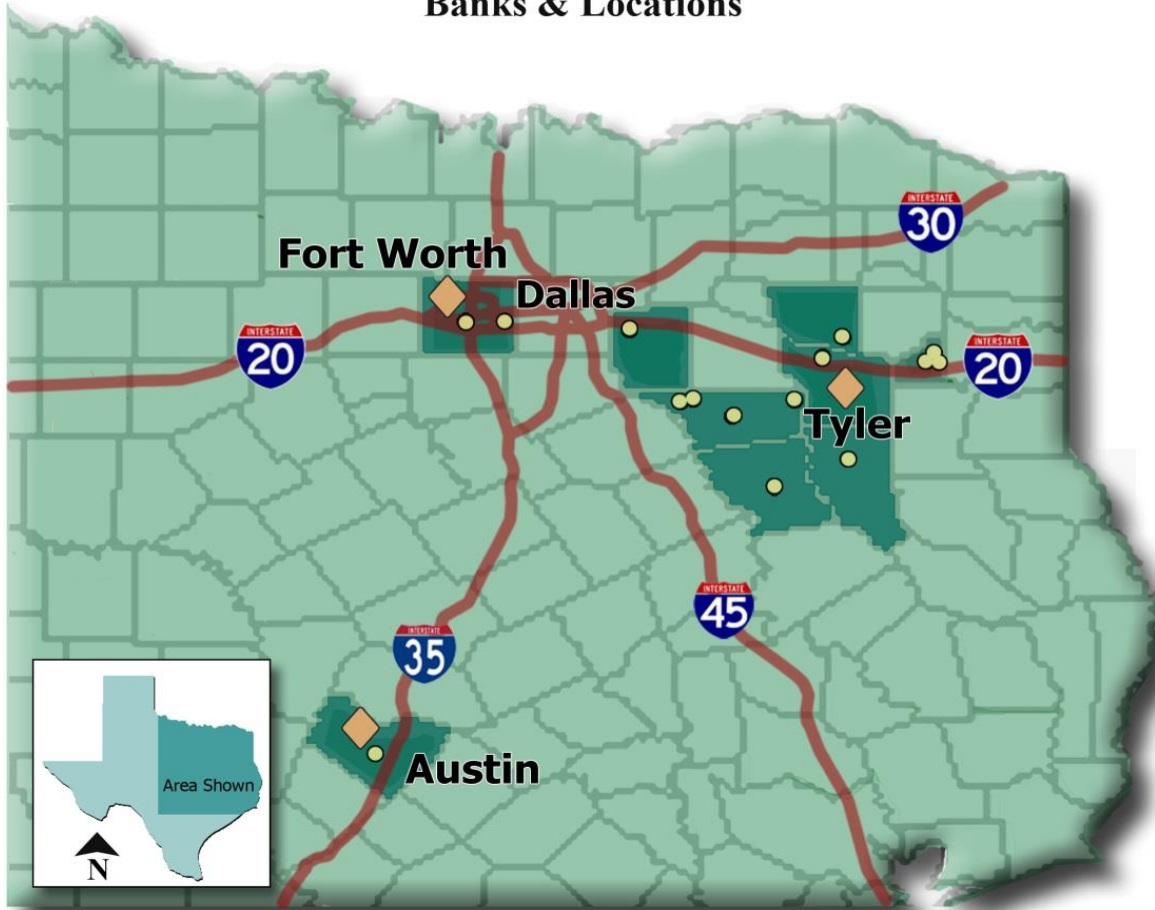
# Dividends

- Southside has paid a cash dividend every year since 1970
- In addition, we have paid an annual 5% stock dividend since 1993



# SOUTHSIDE BANK

## Banks & Locations



### Regional Hubs: ◆

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

### Branch Locations: ●

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

Notes:

\* Number of branches in city.

# Goals for 2014

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■ Maintain Quality Loan Growth

■ Expansion Opportunities

■ Revenue Growth

■ Improve Operating Efficiency

■ Navigate Challenging

- Interest Rate Environment
- Regulatory Environment

# Merger of Southside Bancshares, Inc. and OmniAmerican Bancorp, Inc.

April 29, 2014

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**SOUTHSIDE BANK**  
Member FDIC

**OmniAmerican**<sup>®</sup>  
— Bank —

KBW NEW YORK  
**2014**

**SOUTHSIDE BANCSHARES, INC.**  
MEMBER FDIC NASDAQ: SBSI

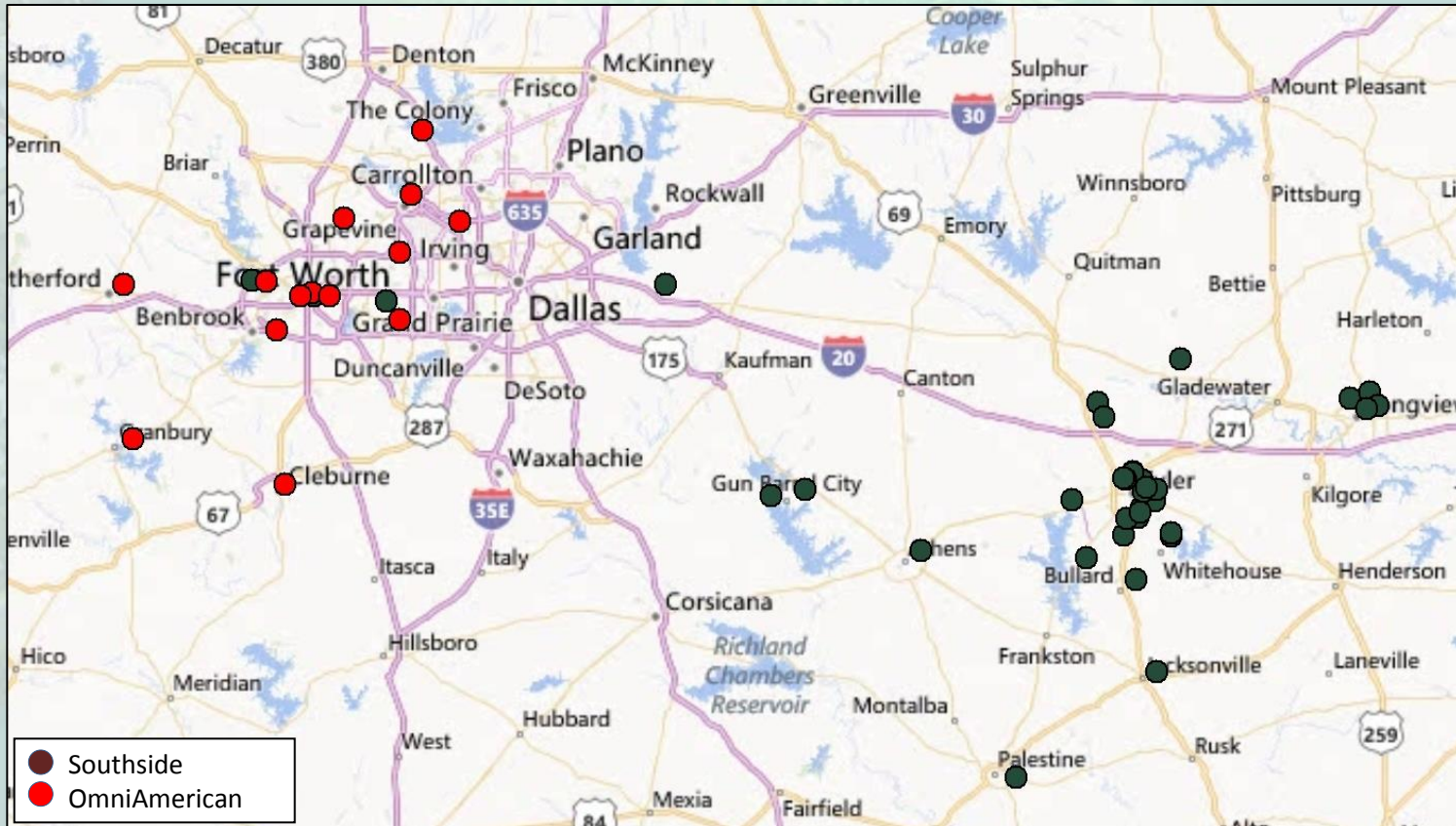
# Strategic Rationale

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- Solidifies presence in Fort Worth (Tarrant County), one of the five largest cities in Texas
- Fort Worth has the second-highest population growth among major cities in the U.S., behind Austin
- Combined company will have nearly \$5.0 billion in assets
- Creates the 9<sup>th</sup> largest independent bank in Texas and the 2<sup>nd</sup> largest independent bank in Tarrant County (by deposits)
- Significantly enhances metropolitan growth dynamics
- Adds 14 branches in the attractive Fort Worth market, creating a platform for further expansion
- Southside's middle market commercial focus and experience will accelerate the transition of OmniAmerican's retail-focused loan portfolio
- Pro forma market capitalization over \$700 million

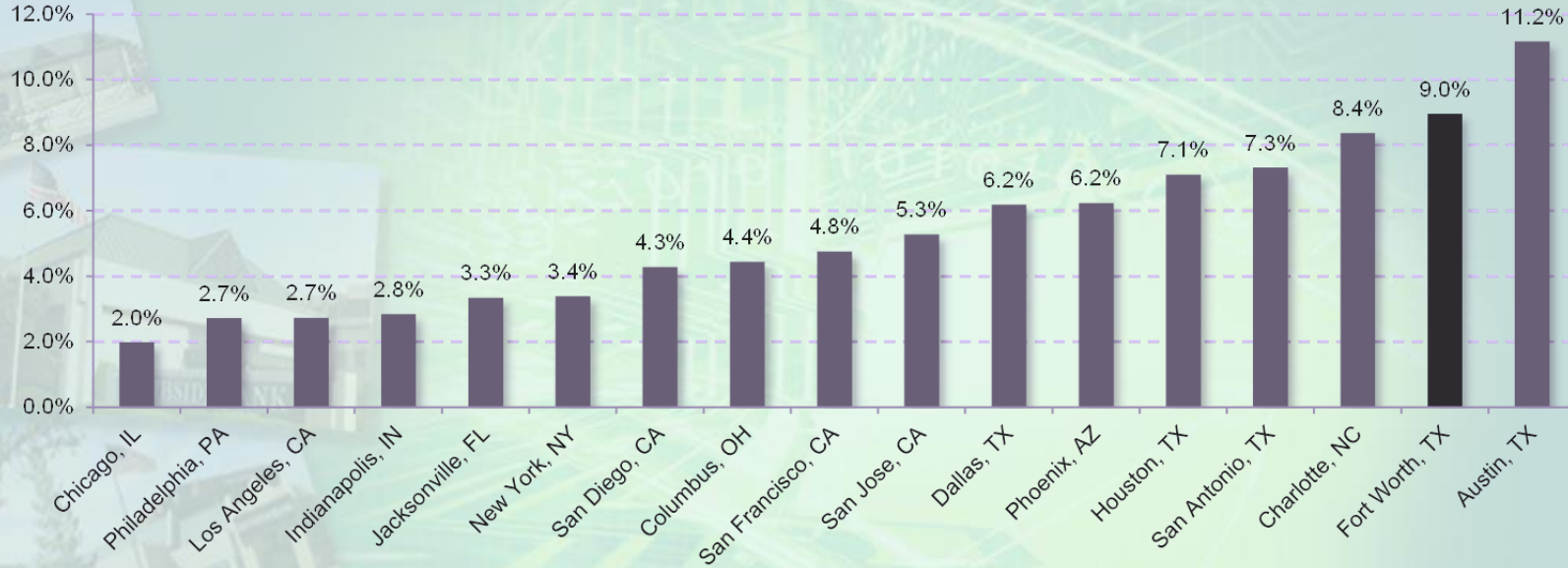
# Combined Footprint

- The Dallas / Fort Worth MSA is one of the largest in the U.S., and has one of the highest population and economic growth trajectories in the country
- Our combined company will be positioned uniquely in our ability to compete throughout the middle-market



# Fort Worth: Growth vs. "Big Cities"

Projected Population Growth (2013-2018)



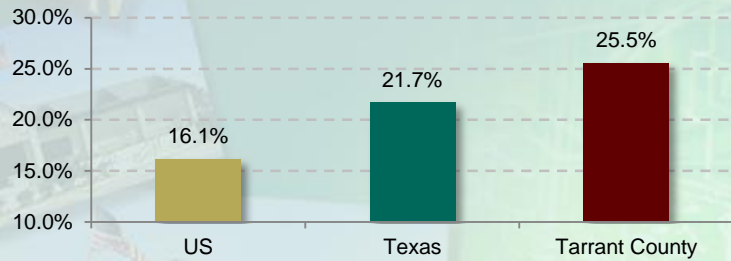
- Major employers headquartered in Fort Worth:

- Acme Brick
- Allied Electronics
- Bell Helicopter Textron
- D.R. Horton
- Alcon Laboratories
- American Airlines
- BNSF Railway Company
- Genco ATC
- Healthpoint
- Justin Brands
- RadioShack
- Pier 1 Imports
- TTI, Inc.
- Williamson-Dickie Manufacturing
- XTO Energy

Source: SNL Financial and [www.fortworthchamber.com](http://www.fortworthchamber.com); includes cities with at least 750,000 in total population

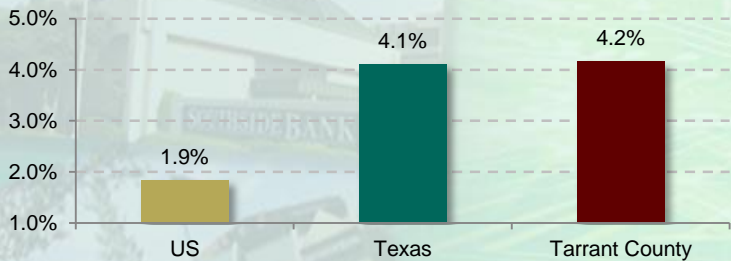
# Fort Worth: Superior Demographics

## Expected Household Income Expansion (%)



*New Bell Helicopters Headquarters*

## Recent Population Growth (%)

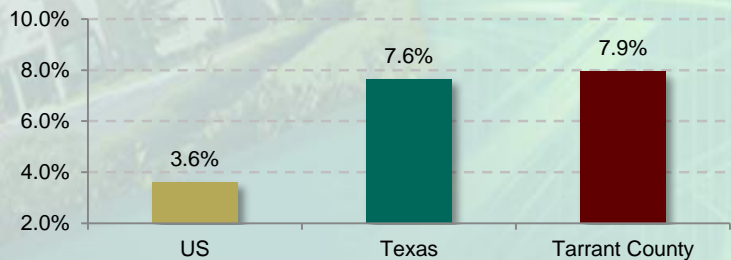


*RadioShack*



*American Airlines*

## Future Population Growth (%)



*Alcon Labs*

Source: SNL Financial; Tarrant County used as a Fort Worth market proxy.

Note: HHI and population growth projections are from 2013-2018. Recent population growth is for the period between 2010-2013.

# Transaction Terms

<b>Consideration <sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>• Approximately 50% cash / 50% stock</li> <li>• 0.4459 Southside shares and \$13.125 in cash for each share of OmniAmerican</li> </ul>
<b>Implied Value Per Share <sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>• \$26.71</li> </ul>
<b>Aggregate Transaction Value <sup>(1) (2)</sup></b>	<ul style="list-style-type: none"> <li>• \$306.5 million</li> </ul>
<b>Termination Fee</b>	<ul style="list-style-type: none"> <li>• \$10 million termination fee payable to Southside under certain circumstances</li> </ul>
<b>Board Seats</b>	<ul style="list-style-type: none"> <li>• Two board seats added to Southside’s board of directors</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>• OmniAmerican pro forma ownership will be approximately 21%</li> </ul>
<b>Required Approvals</b>	<ul style="list-style-type: none"> <li>• Customary regulatory; Southside and OmniAmerican shareholder</li> </ul>
<b>Expected Closing</b>	<ul style="list-style-type: none"> <li>• 4th quarter of 2014</li> <li>• Systems conversion March 2015</li> </ul>
<b>Due Diligence</b>	<ul style="list-style-type: none"> <li>• Completed</li> </ul>

(1) Based on Southside’s closing price of \$30.46 on April 28, 2014.

(2) Includes stock options, restricted stock and shares of OmniAmerican stock owned by the ESOP (less the shares of OmniAmerican common stock that will be retired to pay back the ESOP loan).

# Financial Impact

## Earnings Per Share

- Double-digit EPS accretion with fully phased-in cost savings

## Tangible Book Value Per Share

- Modest tangible book value per share dilution earned back in 3-4 years

## Book Value Per Share

- Significant book value per share accretion

## Internal Rate of Return

- Internal rate of return in the high teens

## Capital

- Pro forma regulatory capital ratios are significantly over “well-capitalized” levels at closing

## Synergies

- Cost savings of approximately 30-35%, fully phased-in
- OmniAmerican had an efficiency ratio of 78.9% in 2013

# Franchise Highlights

## Financial Snapshot (12/31/13)

<b>Balance Sheet (\$000s)</b>	<b>SOUTHSIDE BANK</b>	<b>OmniAmerican<sup>®</sup></b>
Total Assets	\$3,445,663	\$1,391,313
Total Net Loans	1,332,547	826,390
Total Deposits	2,527,808	813,574
Total Shareholders' Equity	259,518	207,142
Market Capitalization (\$mm) <sup>(1)</sup>	573.1	264.9
<b>2013 Performance</b>		
Net Income (\$000s)	\$41,190	\$6,427
Return on Average Assets (%)	1.22 %	0.48 %
Return on Average Equity (%)	16.5	3.1
Efficiency Ratio (%)	55.7	78.9
<b>Asset Quality and Capital</b>		
NPAs + 90 / Assets (%) <sup>(2)</sup>	0.39 %	0.95 %
Texas Ratio (%) <sup>(3)</sup>	5.31	6.20
TCE Ratio (%)	6.93	14.89
Total Risk-based Capital Ratio (%)	21.71	23.41

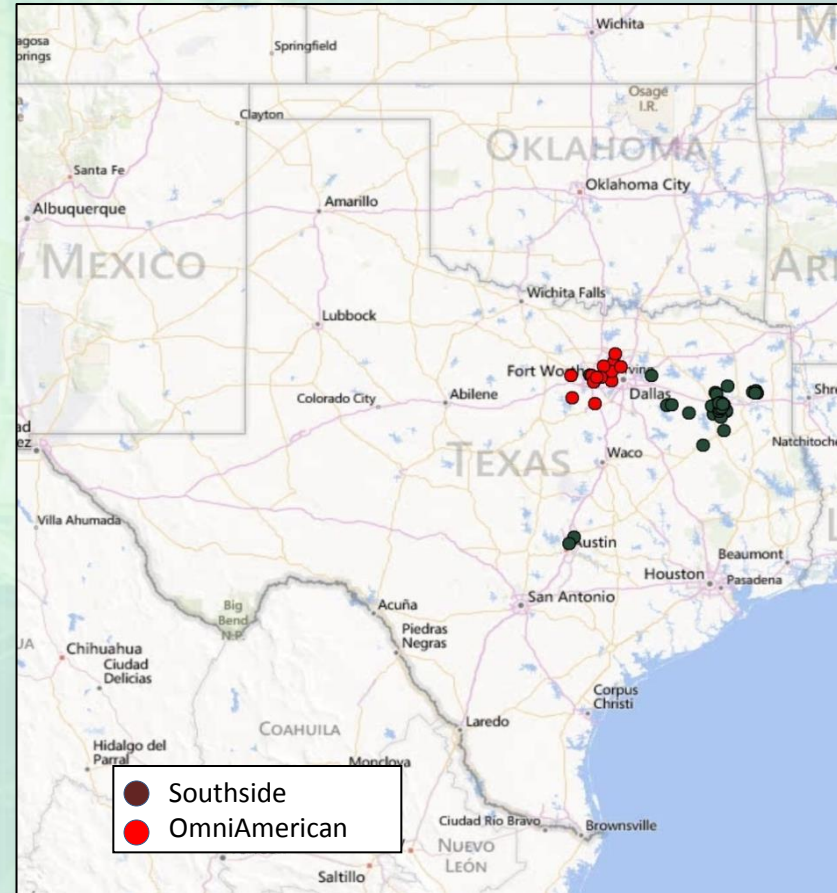
Source: SNL Financial.

(1)Market capitalization is as of April 28, 2014.

(2)NPAs include nonaccrual loans, loans 90+ days past due, accruing TDRs and OREO.

(3)Texas Ratio = NPAs / Tangible Equity + Loan Loss Reserves.

## Texas Combined Footprint



# Texas-Headquartered Banks

## Deposit Market Share – Texas

Rank	Institution (ST)	# of Branches	Total Deposits (\$mm)	Market Share (%)
1	Cullen/Frost Bankers Inc. (TX)	129	\$20,363	3.64%
2	Prosperity Bancshares Inc. (TX)	265	13,982	2.50
3	Comerica Inc. (TX)	138	9,870	1.77
4	Texas Capital Bancshares Inc. (TX)	13	7,721	1.38
5	Hilltop Holdings Inc. (TX)	84	6,925	1.24
6	International Bancshares Corp. (TX)	171	6,767	1.21
7	First Financial Bankshares (TX)	64	3,966	0.71
8	View Point Financial Group Inc (TX)	52	3,725	0.67
<b>9</b>	<b>Combined</b>	<b>54</b>	<b>3,336</b>	<b>0.60</b>
9	Woodforest Financial Grp Inc. (TX)	208	3,022	0.54
10	Amarillo National Bancorp Inc. (TX)	17	2,924	0.52
11	Independent Bk Group Inc. (TX)	38	2,535	0.45
<b>12</b>	<b>Southside Bancshares, Inc. (TX)</b>	<b>40</b>	<b>2,502</b>	<b>0.45</b>
13	Broadway Bancshares Inc. (TX)	40	2,439	0.44
14	Industry Bancshares Inc. (TX)	19	2,088	0.37
15	CBFH Inc. (TX)	35	2,056	0.37
16	A.N.B. Holding Co. Ltd. (TX)	30	2,022	0.36
17	Happy Bancshares Inc. (TX)	33	1,818	0.33
18	South Plains Finl Inc. (TX)	23	1,768	0.32
19	Lone Star Natl Bcshs--TX Inc. (TX)	33	1,758	0.31
20	North American Bancshares Inc. (TX)	34	1,724	0.31
<b>47</b>	<b>OmniAmerican Bancorp, Inc. (TX)</b>	<b>14</b>	<b>834</b>	<b>0.15</b>
<b>Total For Institutions In Market</b>		<b>6,850</b>	<b>559,153</b>	

## Deposit Market Share – Tarrant County

TX Rank	Institution (ST)	# of Branches	Total Deposits (\$mm)	Market Share (%)
1	Cullen/Frost Bankers Inc. (TX)	22	\$3,473	11.68%
<b>2</b>	<b>Combined</b>	<b>13</b>	<b>830</b>	<b>2.79</b>
2	First Texas BHC Inc. (TX)	13	793	2.66
3	Colonial Holding Company (TX)	6	652	2.19
<b>4</b>	<b>OmniAmerican Bancorp, Inc. (TX)</b>	<b>9</b>	<b>645</b>	<b>2.17</b>
5	Comerica Inc. (TX)	9	630	2.12
6	First Command Finl Svcs Inc (TX)	1	575	1.93
7	Hilltop Holdings Inc. (TX)	4	341	1.14
8	Myers Bancshares Inc. (TX)	7	336	1.13
9	BancAffiliated Inc. (TX)	2	285	0.96
10	Liberty Bancshares Inc. (TX)	7	278	0.94
11	View Point Financial Group Inc (TX)	7	244	0.82
12	Sovereign Bancshares Inc. (TX)	4	199	0.67
13	Texas Capital Bancshares Inc. (TX)	1	187	0.63
<b>14</b>	<b>Southside Bancshares, Inc. (TX)</b>	<b>4</b>	<b>185</b>	<b>0.62</b>
15	Trinity Bank N.A. (TX)	1	154	0.52
16	Worthington National Bank (TX)	4	151	0.51
17	Citadel Bancorp Inc. (TX)	1	138	0.46
18	A.N.B. Holding Co. Ltd. (TX)	4	134	0.45
19	Olney Bancshares of Texas Inc. (TX)	1	129	0.43
20	Prosperity Bancshares Inc. (TX)	5	121	0.41
<b>Total For Institutions In Market</b>		<b>450</b>	<b>29,747</b>	

Source: SNL Financial. Deposit data is as of June 30, 2013.  
 Note: Only Texas-headquartered institutions are shown.



Southside Bancshares  
**Appendix**

# Three Months Ended June 30,

	<b>2014</b>	<b>2013</b>	<b>%Chg</b>
Net Income (in thousands)	\$ 10,457	\$ 11,068	(5.5)%
Security Gains (in thousands, net of tax)	\$ 324	\$ 3,251	(90.0)%
Merger Related Expense (in thousands, net of tax)	\$ 442	\$ –	100.0%
EPS (diluted)	\$ 0.55	\$ 0.59	(6.8)%
ROE	15.09%	17.17%	
ROA	1.22%	1.33%	
Efficiency Ratio	53.51%	57.98%	

# Six Months Ended June 30,

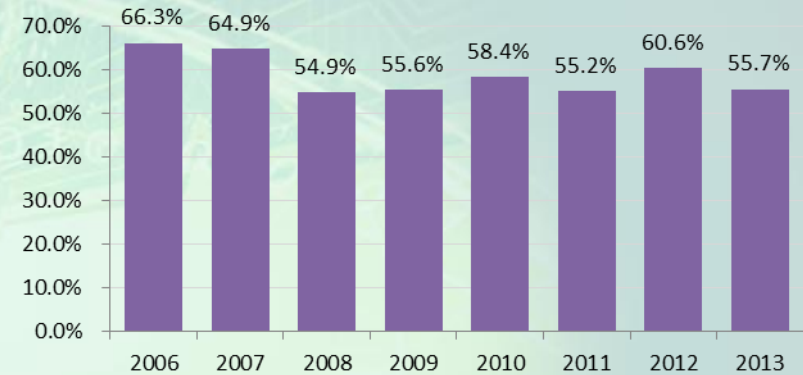
	<b>2014</b>	<b>2013</b>	<b>%Chg</b>
Net Income (in thousands)	\$ 18,681	\$ 20,110	(7.1)%
Security Gains (in thousands, net of tax)	\$ 331	\$ 6,075	(94.6)%
Merger Related Expense (in thousands, net of tax)	\$ 442	\$ –	100.0%
EPS (diluted)	\$ 0.99	\$ 1.07	(7.5)%
ROE	13.80%	15.69%	
ROA	1.09%	1.24%	
Efficiency Ratio	53.40%	61.86%	

# Historical Performance

## Return on Average Shareholders' Equity



## Efficiency Ratio



## NPAs <sup>(1)</sup> / Loans + OREO



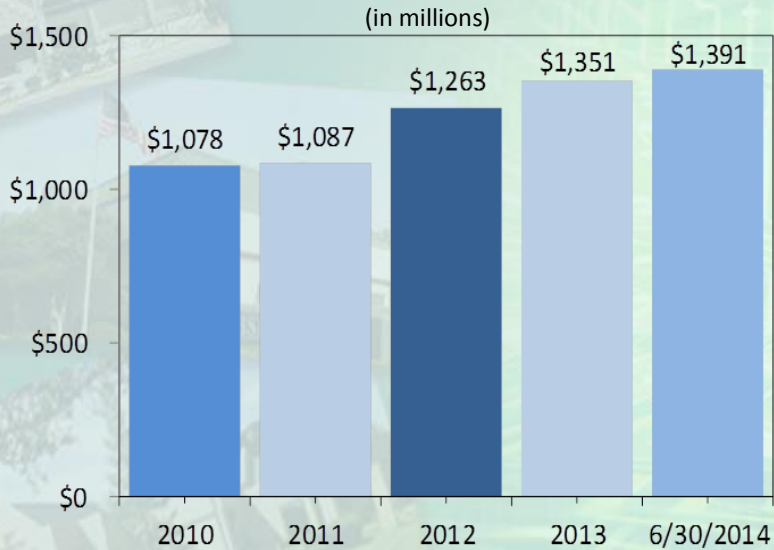
## Loans / Deposits



(1) NPAs include nonaccrual loans, loans 90+ days past due, accruing TDRs and OREO.

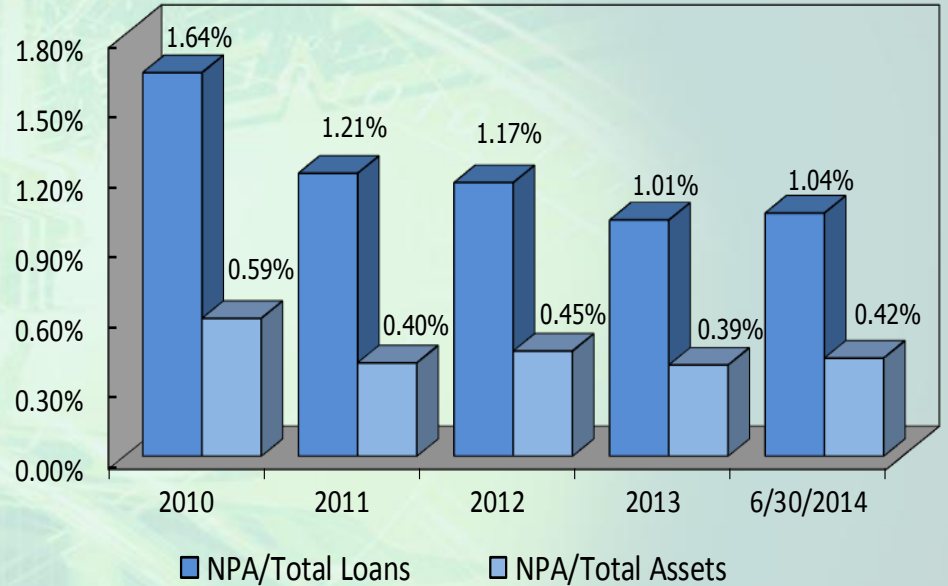
# Loan Growth

Total Loans Outstanding



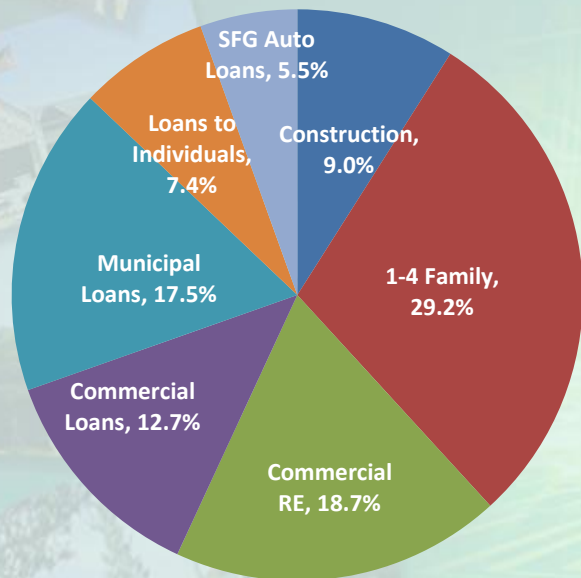
# Asset Quality

Non-Performing Assets

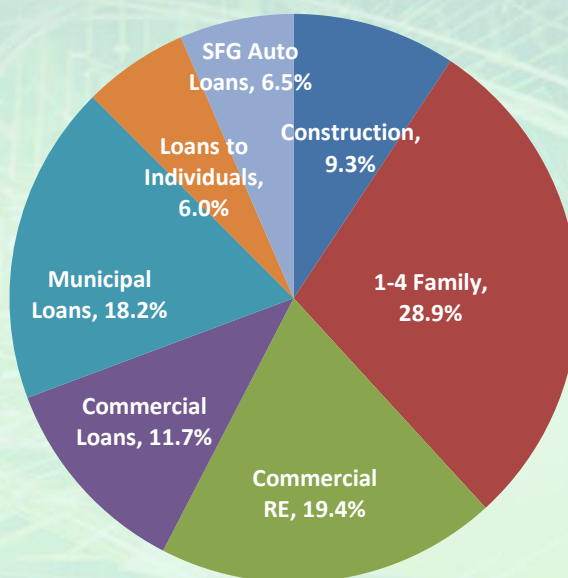


# Loan Portfolio Composition

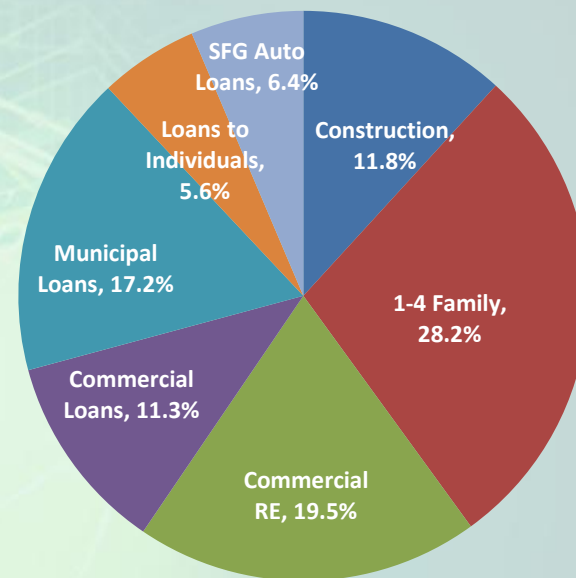
2012



2013



6/30/2014

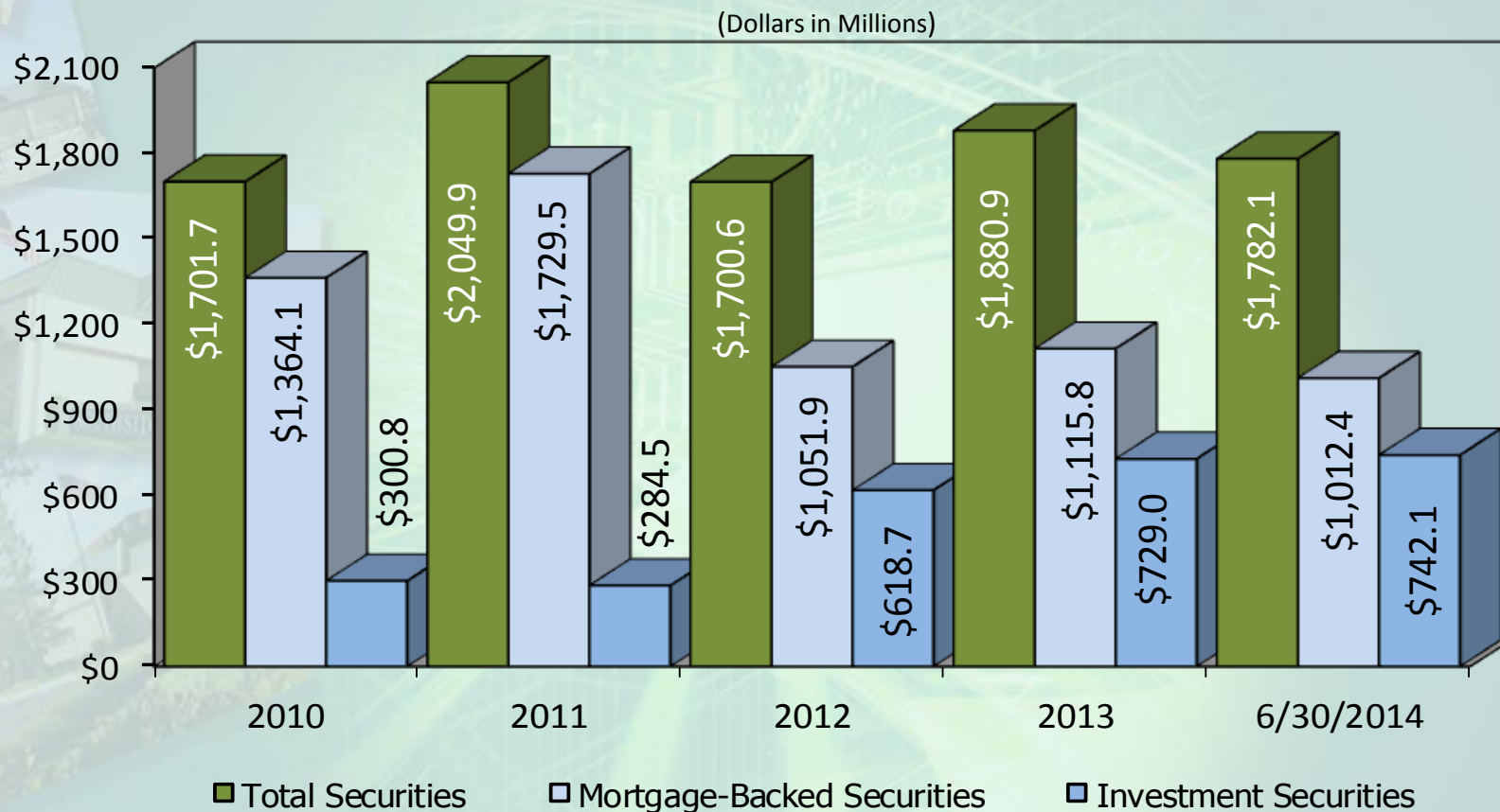


	Amount (\$mm)	% of Total
Construction	\$ 113.7	9.0%
1-4 Family	368.8	29.2%
Commercial RE	236.8	18.7%
Commercial Loans	160.1	12.7%
Municipal Loans	221.0	17.5%
Loans to Individuals	92.8	7.4%
SFG Auto Loans	69.8	5.5%
<b>Total</b>	<b>\$ 1,263.0</b>	<b>100.0%</b>

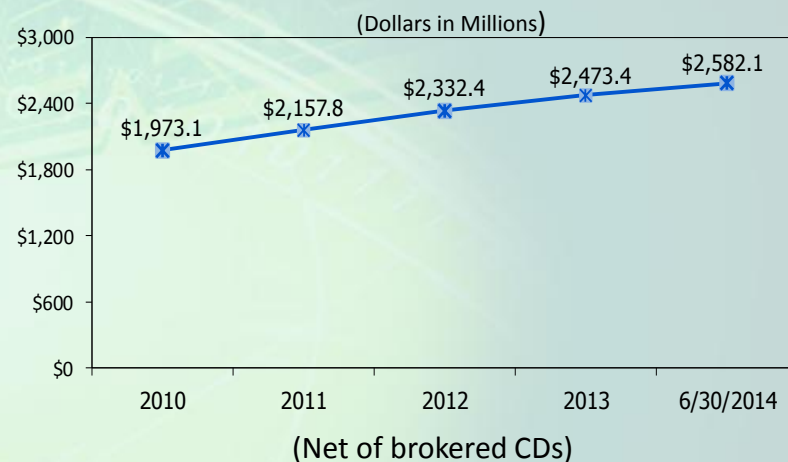
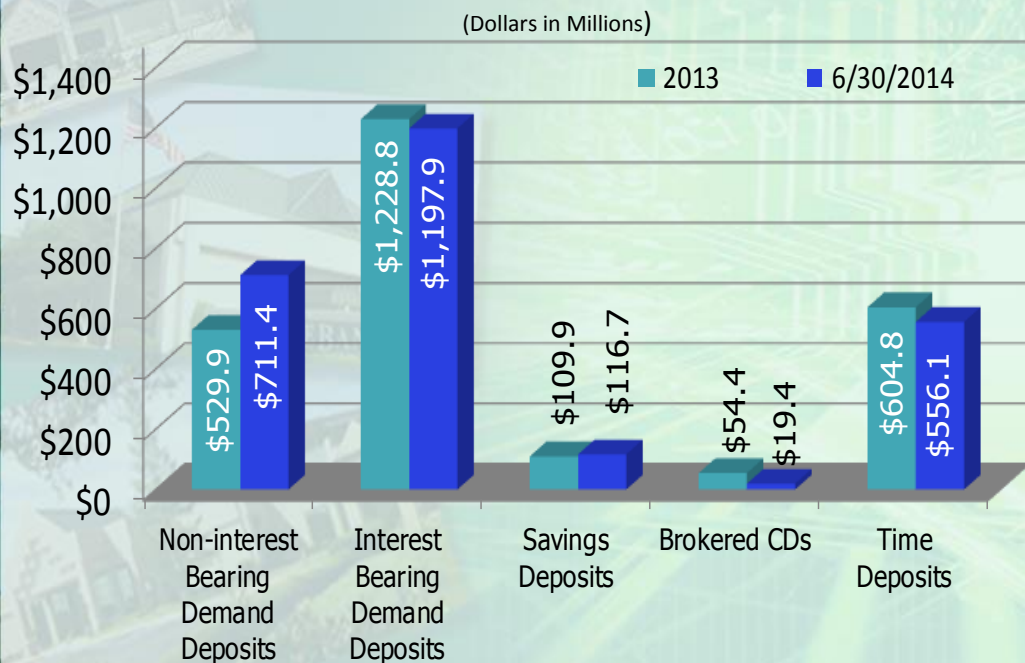
	Amount (\$mm)	% of Total
Construction	\$ 125.2	9.3%
1-4 Family	390.5	28.9%
Commercial RE	262.5	19.4%
Commercial Loans	157.7	11.7%
Municipal Loans	245.6	18.2%
Loans to Individuals	81.4	6.0%
SFG Auto Loans	88.4	6.5%
<b>Total</b>	<b>\$ 1,351.3</b>	<b>100.0%</b>

	Amount (\$mm)	% of Total
Construction	\$ 164.7	11.8%
1-4 Family	\$ 391.7	28.2%
Commercial RE	\$ 271.8	19.5%
Commercial Loans	\$ 156.9	11.3%
Municipal Loans	\$ 239.9	17.2%
Loans to Individuals	\$ 77.1	5.6%
SFG Auto Loans	\$ 89.2	6.4%
<b>Total</b>	<b>\$ 1,391.3</b>	<b>100.0%</b>

# Securities Portfolio



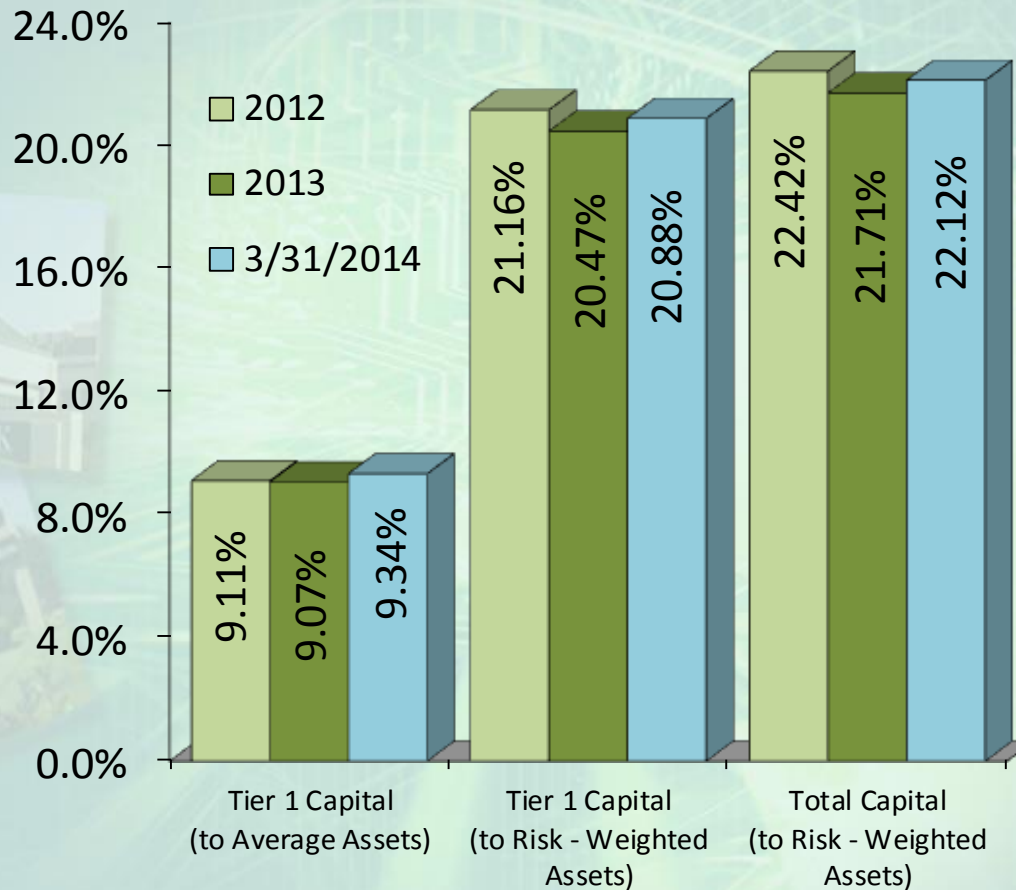
# Deposit Composition and Growth



# Net Interest - Spread and Margin



# Capital Levels



# Additional Information

- This document does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed merger between Southside and OmniAmerican, Southside will file with the SEC a Registration Statement on Form S-4, which will include a joint proxy statement of Southside and OmniAmerican and will constitute a prospectus of Southside. After the registration statement is declared effective by the SEC, Southside and OmniAmerican will deliver a definitive joint proxy statement/prospectus to their respective shareholders. SOUTHSIDE AND OMNIAMERICAN URGE INVESTORS AND SECURITY HOLDERS TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED MERGER WHEN IT BECOMES AVAILABLE, AS WELL AS ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. Investors and security holders may obtain (when available) copies of all documents filed with the SEC regarding the merger, free of charge, at the SEC's website ([www.sec.gov](http://www.sec.gov)). You may also obtain these documents, free of charge, from: (i) Southside's website ([www.southside.com](http://www.southside.com)) under the tab "Investor Relations," and then under the tab "Documents"; (ii) Southside upon written request to Corporate Secretary, P.O. Box 8444, Tyler, Texas 75711; (iii) OmniAmerican's website ([www.omniamerican.com](http://www.omniamerican.com)) under the tab "Investor Relations," and then under the tab "SEC Filings"; or (iv) OmniAmerican upon written request to Keishi High at 1320 South University Drive, Suite 900, Fort Worth, Texas 76107.

## **Participants in the Solicitation**

- Southside, OmniAmerican and their respective directors and executive officers may be considered participants in the solicitation of proxies from Southside and OmniAmerican shareholders in connection with the proposed merger and related matters. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Southside and OmniAmerican shareholders in connection with the proposed merger and a description of their direct and indirect interests, by security holdings or otherwise, will be set forth in the joint proxy statement/prospectus that will be filed with the SEC. You can find information about Southside's directors and executive officers in Southside's definitive proxy statement filed with the SEC on March 14, 2014 for its 2014 Annual Meeting of Shareholders, as amended. You can find information about OmniAmerican's directors and executive officers in OmniAmerican's definitive proxy statement filed with the SEC on April 16, 2014 for its 2014 Annual Meeting of Shareholders. Additional information about Southside's directors and executive officers and OmniAmerican's directors and executive officers will also be set forth in the above-referenced preliminary Registration Statement on Form S-4 to be filed with the SEC. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You can obtain, when available, free copies of these documents from Southside and OmniAmerican using the contact information above.



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