



SOUTHSIDE BANCSHARES, INC.

MEMBER FDIC NASDAQ: SBSI

SANDLER O'NEILL
Conference **2015**

Southside Key Roles

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

Forward-Looking Statements

- Certain statements of other than historical fact that are contained in this press release and in other written materials and oral statements issued by or on behalf of Southside 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’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’s actual results, respectively, to differ materially from the results discussed in the forward-looking statements. For example, statements about the future financial and operating results of Southside following the merger, Southside’s plans, objectives, expectations and intentions, and other similar 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 risk that the businesses will not be integrated successfully; (ii) the risk that the anticipated cost savings and any other synergies expected from the transaction may not be fully realized or may take longer to realize than expected; (iii) disruption from the transaction making it more difficult to maintain relationships with customers, employees or vendors; (iv) the diversion of management time on merger-related issues; (v) liquidity risk affecting Southside’s ability to meet their obligations when they come due (vi) general economic conditions, either nationally or in our market areas, that are worse than expected and (vii) changes in our financial condition or results of operations that reduce capital available to pay dividends.
- 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, 2013 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.

Southside: A Brief Overview

Overview

- Headquartered in Tyler, TX
- Founded in 1960
- Paid a cash dividend every year since 1970
 - (5-year CAGR of 9.62%)
 - 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 (8.0%)

Financial Snapshot (12/31/14)

Balance Sheet (\$000s)

| | |
|---|-------------|
| Total Assets | \$4,807,261 |
| Total Loans | 2,181,133 |
| Total Deposits | 3,374,417 |
| Total Shareholders' Equity | 425,243 |
| Market Capitalization (\$mm) ⁽¹⁾ | 694.60 |

2014 Performance

| | |
|--------------------------------|----------|
| Net Income (\$000s) | \$20,833 |
| Return on Average Assets (%) | 0.60 % |
| Return on Avg. S.H. Equity (%) | 7.24 |
| Efficiency Ratio (%) | 55.42 |

(1) Market capitalization is as of March 03, 2015.

Investment Recap

- Expanded Opportunities and Footprint
- Strong Loan Growth
- Dynamic Markets
- Sound Asset Quality
- Seasoned Management Team

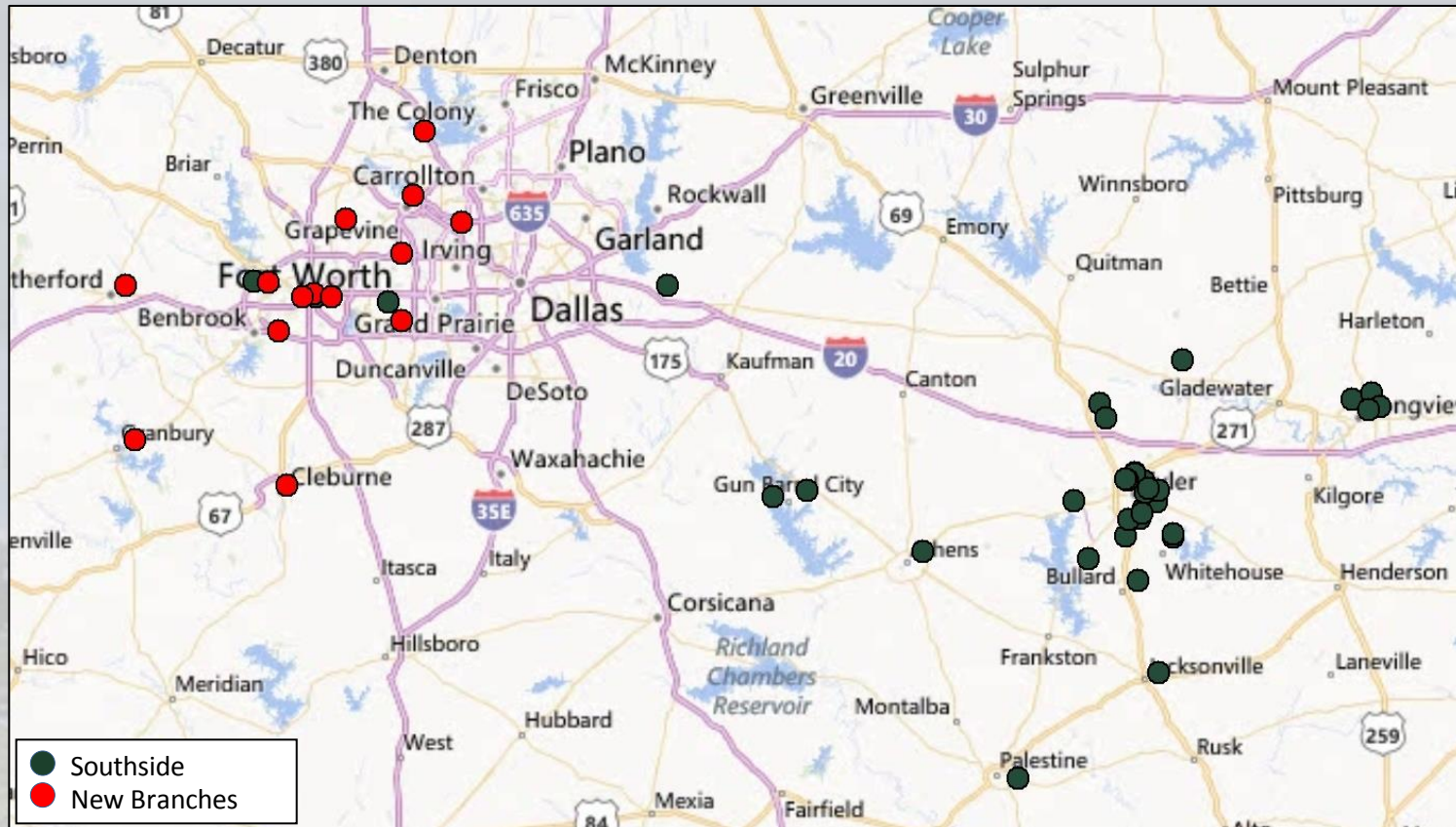
Dividends

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



Expanded 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 is positioned uniquely in our ability to compete throughout the middle-market



Commercial Oil & Gas Exposure

| | Amount (\$000s) | As a Percent of Loans |
|--------------------------|--------------------|--------------------------|
| Direct: | | |
| Oil & Gas Production | \$ 15,700 | 0.72% |
| Oilfield Services | 15,800 | 0.72 |
| Other | 8,100 | 0.37 |
| Total Direct: | \$ 39,600 | 1.81% |
| Indirect: | | |
| Commercial Real Estate | \$ 17,800 | 0.81% |
| Other | 7,300 | 0.34 |
| Total Indirect: | \$ 25,100 | 1.15% |
| Total Direct & Indirect: | \$ 64,700 | 2.96% |

Goals for 2015

■ Maintain Quality Loan Growth

■ Seamless Integration

- Core Conversion – March 13
- Lending Teams
- Regional

■ Revenue Growth – Net Interest and Non-Interest

■ Capitalize on Operating Synergies and Efficiency

Goals for 2015

Increased Asset Quality Focus in Light of Oil Prices

Expansion Opportunities

Navigate Challenging

- Interest Rate Environment
- Regulatory Environment

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

Completed December 17, 2014

SOUTHSIDE BANK
Member FDIC

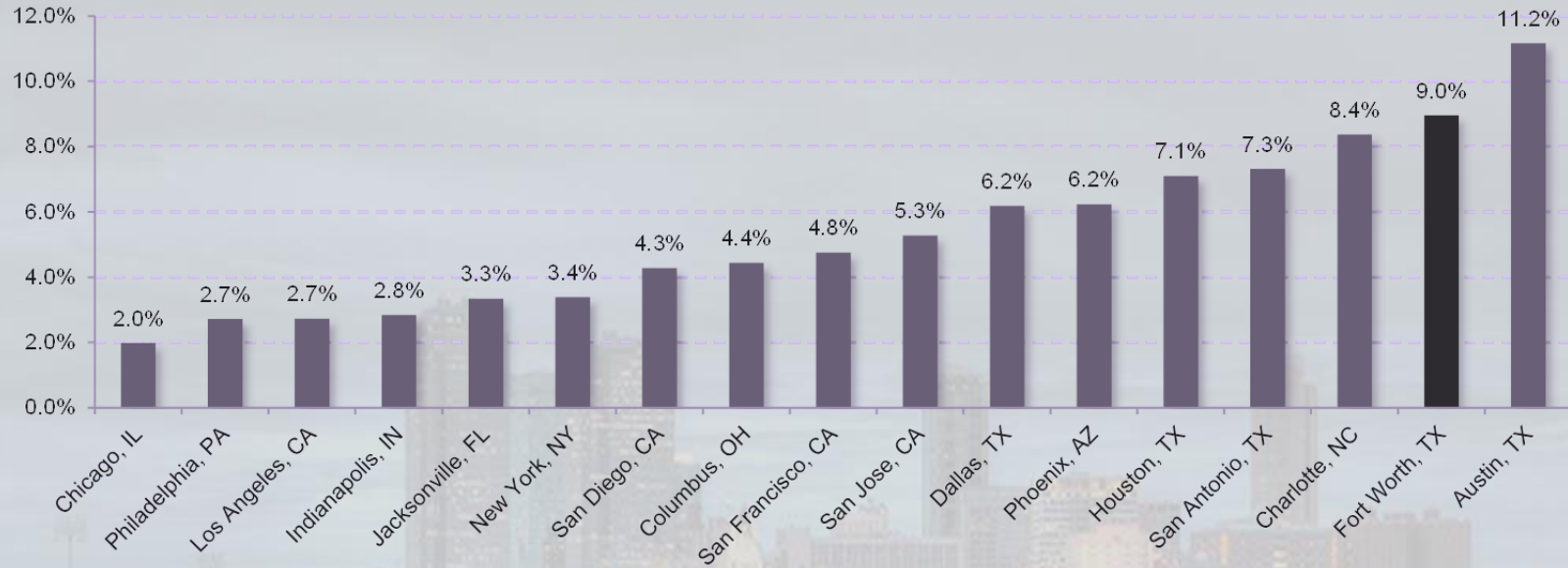
OmniAmerican[®]
Bank

Strategic Rationale

- Solidifies presence in the greater Fort Worth (Tarrant County) area, 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, Southside now has \$4.8 billion in assets
- Creates the 9th largest independent bank in Texas and the 2nd largest independent bank in Tarrant County (by deposits)
- Significantly enhanced Southside's metropolitan growth dynamics
- Adds 14 branches in the attractive greater Fort Worth market area, creating a platform for further growth and expansion
- Southside's middle market commercial focus and experience will accelerate and enhance the transition of OmniAmerican's previous retail-focused loan portfolio

Fort Worth: Growth vs. “Big Cities”

Projected Population Growth (2013-2018)



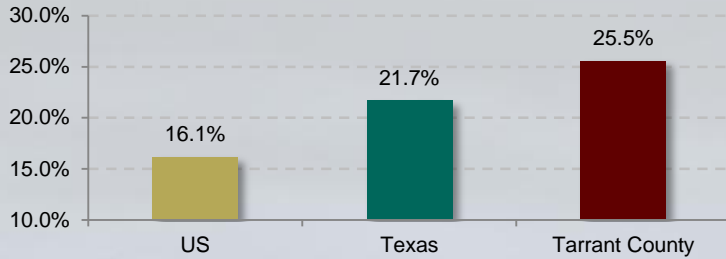
- Major employers headquartered in Fort Worth:

- 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

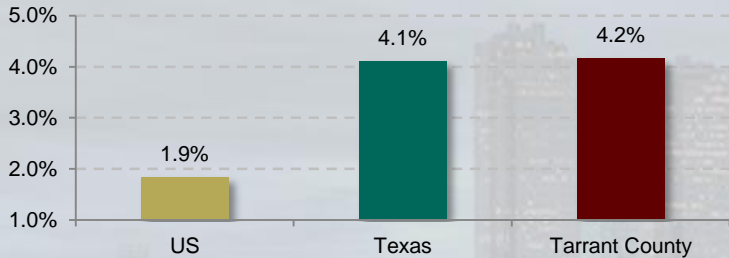
Source: SNL Financial and www.fortworthchamber.com; includes cities with at least 750,000 in total population

Fort Worth: Superior Demographics

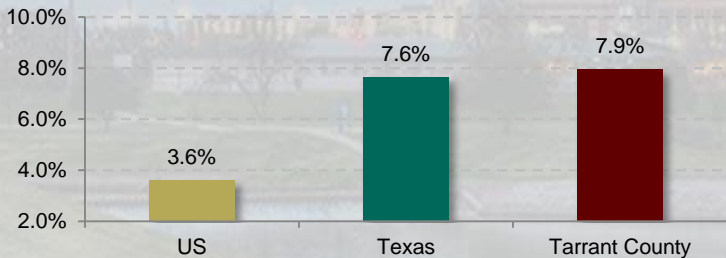
Expected Household Income Expansion (%)



Recent Population Growth (%)



Future Population Growth (%)



New Bell Helicopters Headquarters



RadioShack



American Airlines



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.

Financial Impact

Earnings Per Share

- Double-digit EPS accretion with fully phased-in cost savings in 2016

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

- Regulatory capital ratios significantly over “well-capitalized” levels at closing – Tier 1 Capital – 11.34% - Tier 1 Capital to Risk-Weighted Assets – 16.11%, both at December 31, 2014.

Synergies

- Cost savings of approximately 35-40%, fully phased-in
- OmniAmerican had an efficiency ratio of 78.9% in 2013

Southside Bancshares
Appendix

Years Ended December 31,

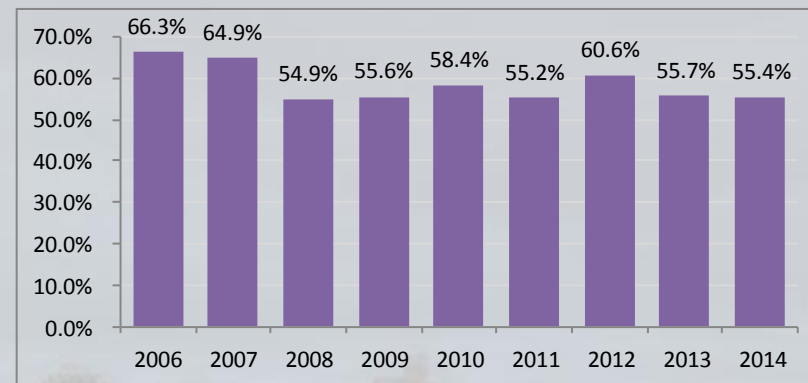
| | 2014 | 2013 | %Chg |
|--|-------------|-------------|-------------|
| Net Income (in thousands) | \$ 20,833 | \$ 41,190 | (49.4)% |
| Security Gains (in thousands, net of tax) | \$ 1,840 | \$ 5,507 | (66.6)% |
| Loss related to sale of SFG purchased loans (in thousands, net of tax) | \$ 5,190 | \$ – | 100.0% |
| Merger Related Expense (in thousands, net of tax) | \$ 10,170 | \$ – | 100.0% |
| EPS (diluted) | \$ 1.09 | \$ 2.19 | (50.2)% |
| ROE | 7.24% | 16.50% | |
| ROA | 0.60% | 1.22% | |
| Efficiency Ratio | 55.42% | 55.71% | |

Historical Performance

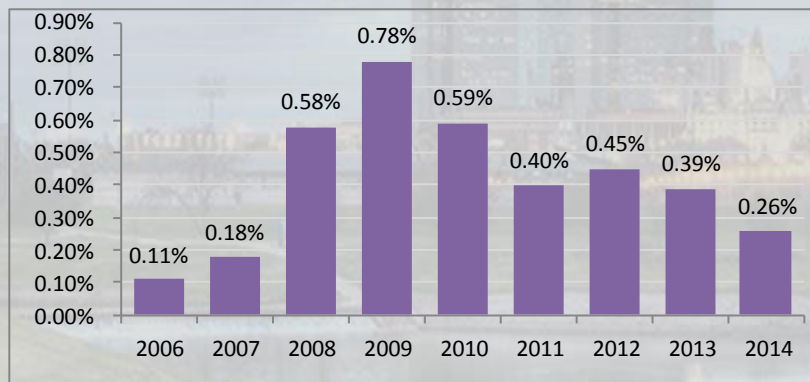
Return on Average Shareholders' Equity



Efficiency Ratio



NPAs ⁽¹⁾ / Loans + OREO



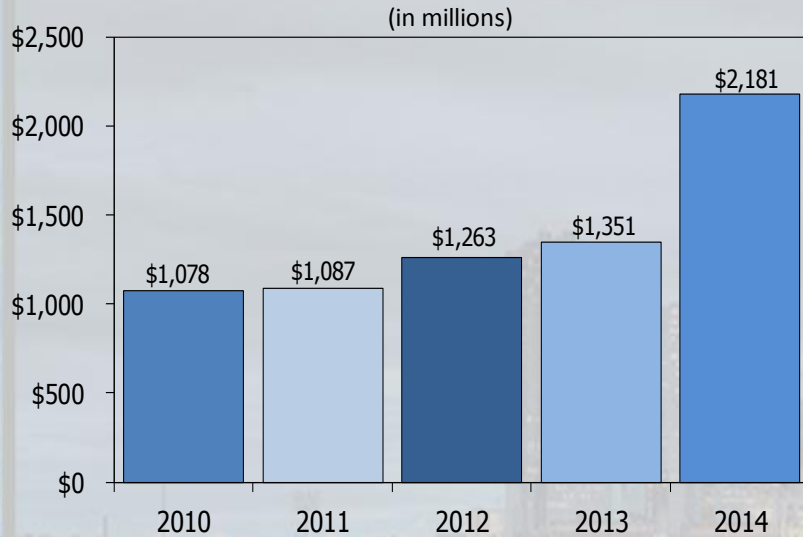
Loans / Deposits



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

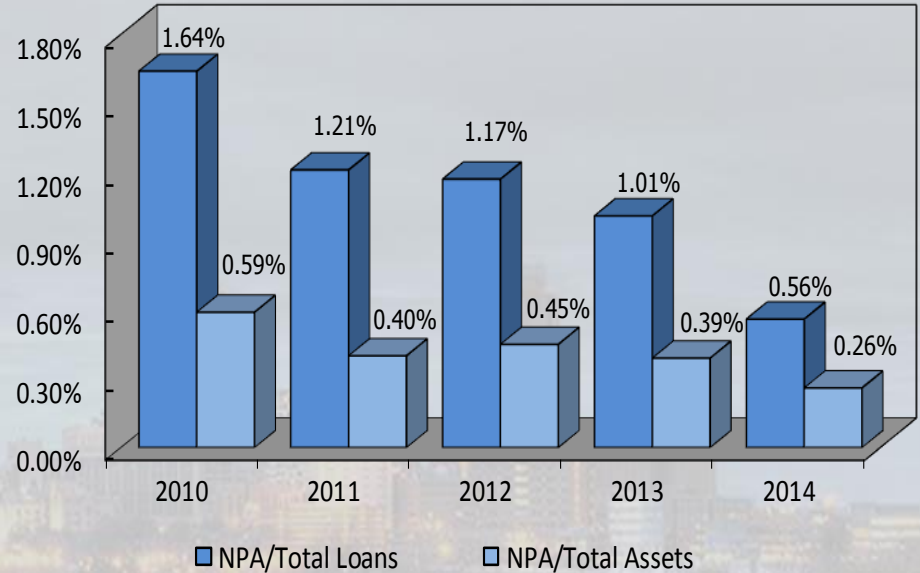
Loan Growth

Total Loans Outstanding



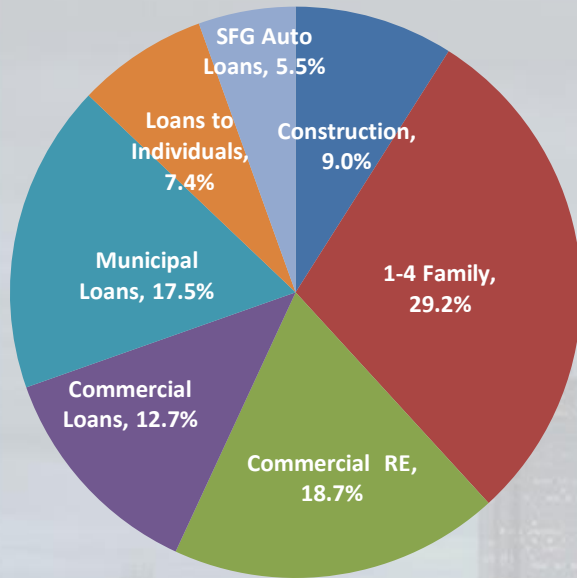
Asset Quality

Non-Performing Assets

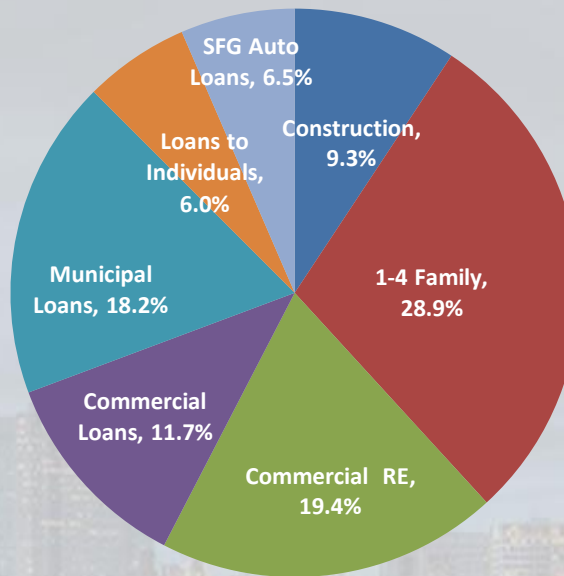


Loan Portfolio Composition

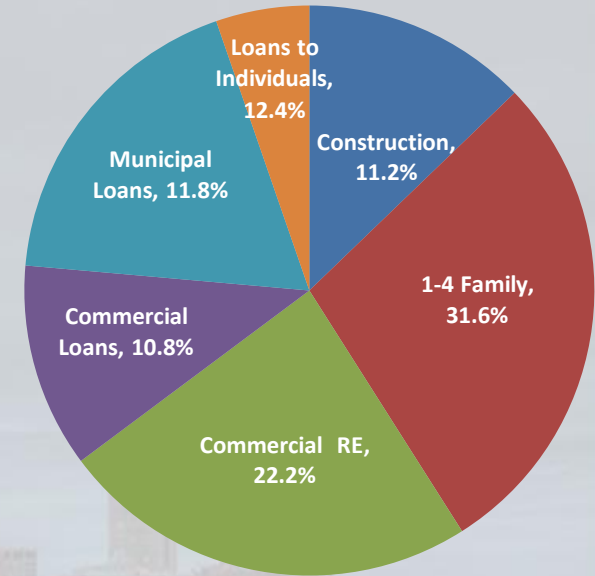
2012



2013



2014

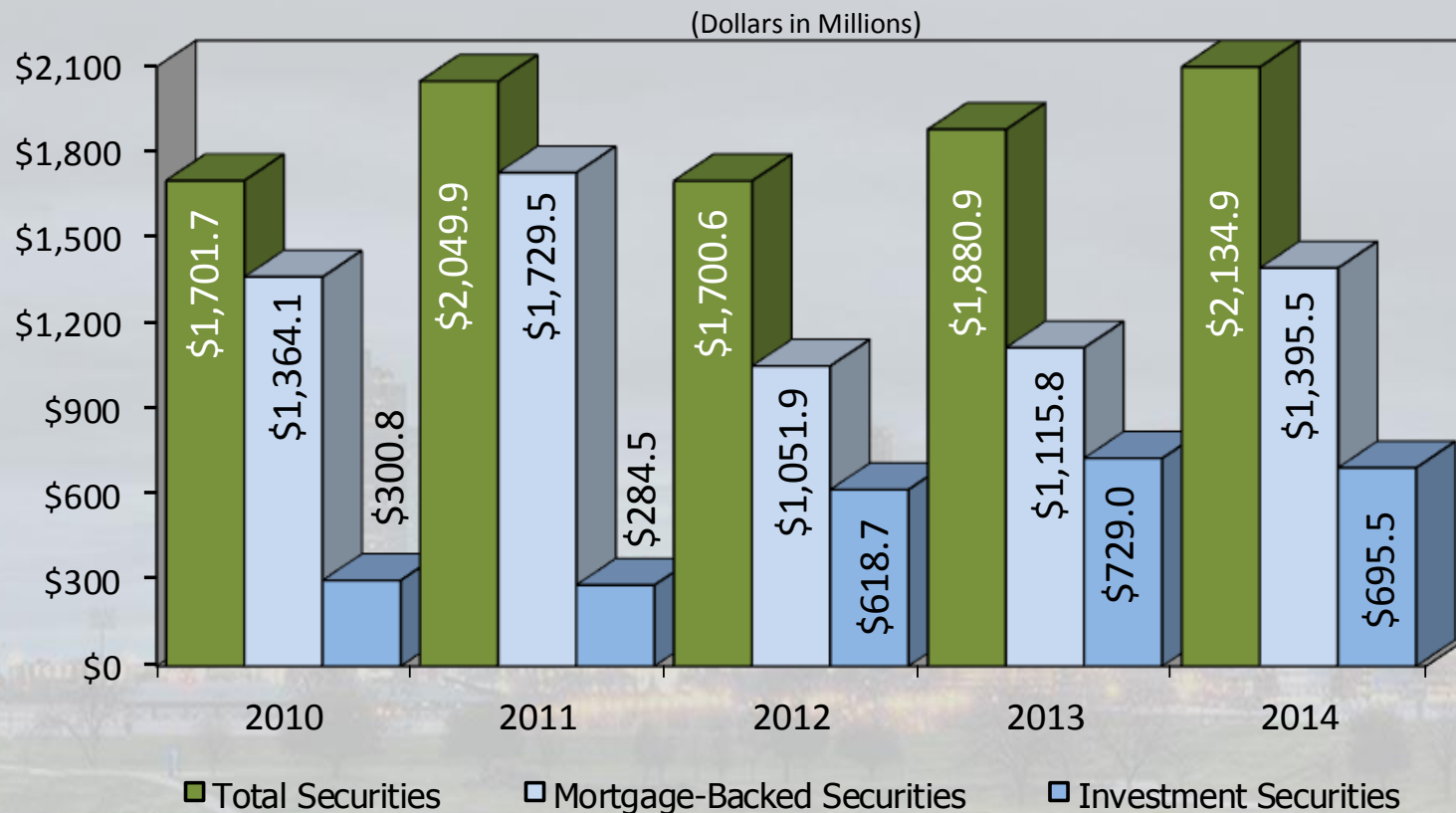


| | Amount (\$mm) | % of Total |
|----------------------|-------------------|---------------|
| Construction | \$ 113.7 | 9.0% |
| 1-4 Family | 368.8 | 29.2% |
| Commercial RE | 236.8 | 18.7% |
| Commercial Loans | 160.1 | 12.7% |
| Municipal Loans | 221.0 | 17.5% |
| Loans to Individuals | 92.8 | 7.4%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

| | 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% |
| Total | \$ 1,351.3 | 100.0% |

| | Amount (\$mm) | % of Total |
|----------------------|-------------------|---------------|
| Construction | \$ 243.5 | 11.2% |
| 1-4 Family | 689.3 | 31.6% |
| Commercial RE | 485.2 | 22.2% |
| Commercial Loans | 235.3 | 10.8% |
| Municipal Loans | 257.5 | 11.8% |
| Loans to Individuals | 270.3 | 12.4% |
| Total | \$ 2,181.1 | 100.0% |

Securities Portfolio



Investment Portfolio Performance

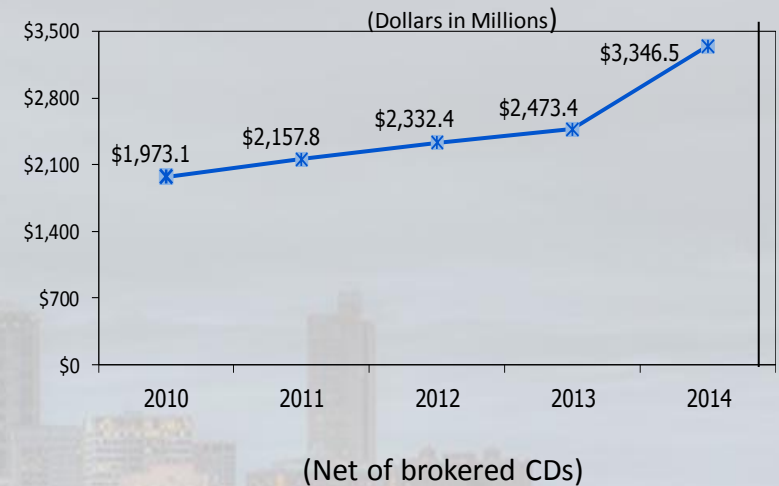
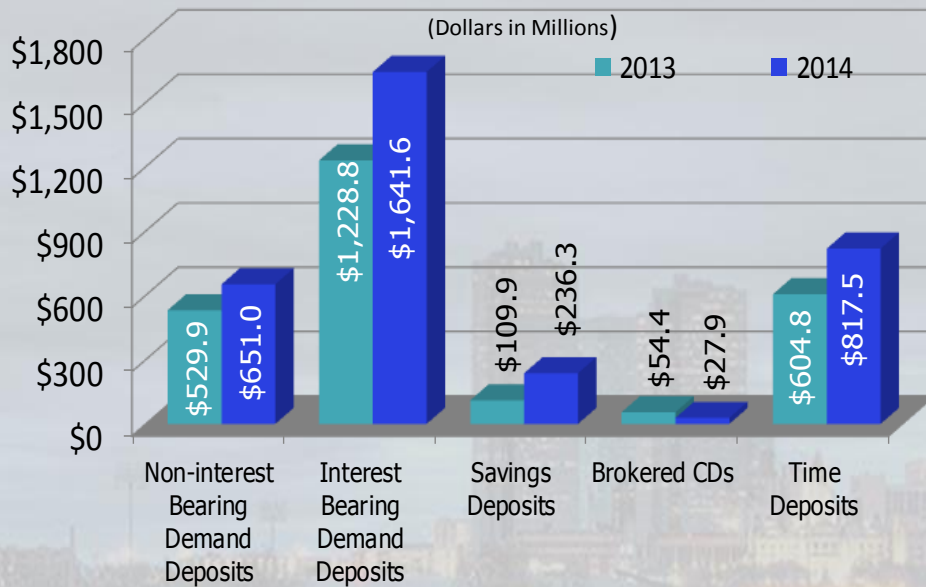
Southside Bank Performance

| | |
|--------------|-----------------------------|
| One Year | 94 th Percentile |
| Three Year | 91 th Percentile |
| Five Year | 93 rd Percentile |
| Overall Rank | 93 rd Percentile |

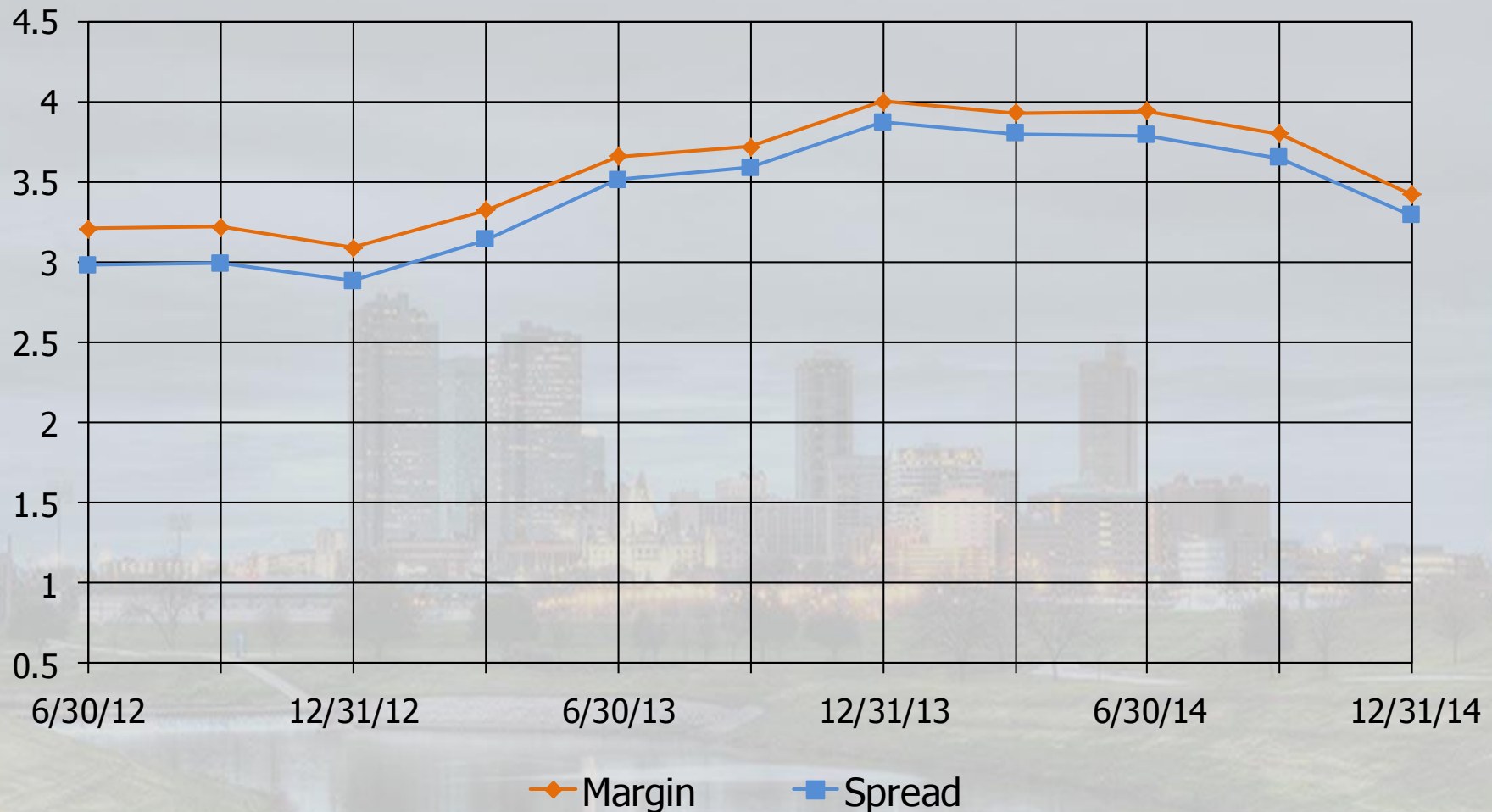
Distributions by percentile of 5,706 banks in the U.S. based on total return; all investments marked-to-market.

Source: IDC Report Period 09/30/2014

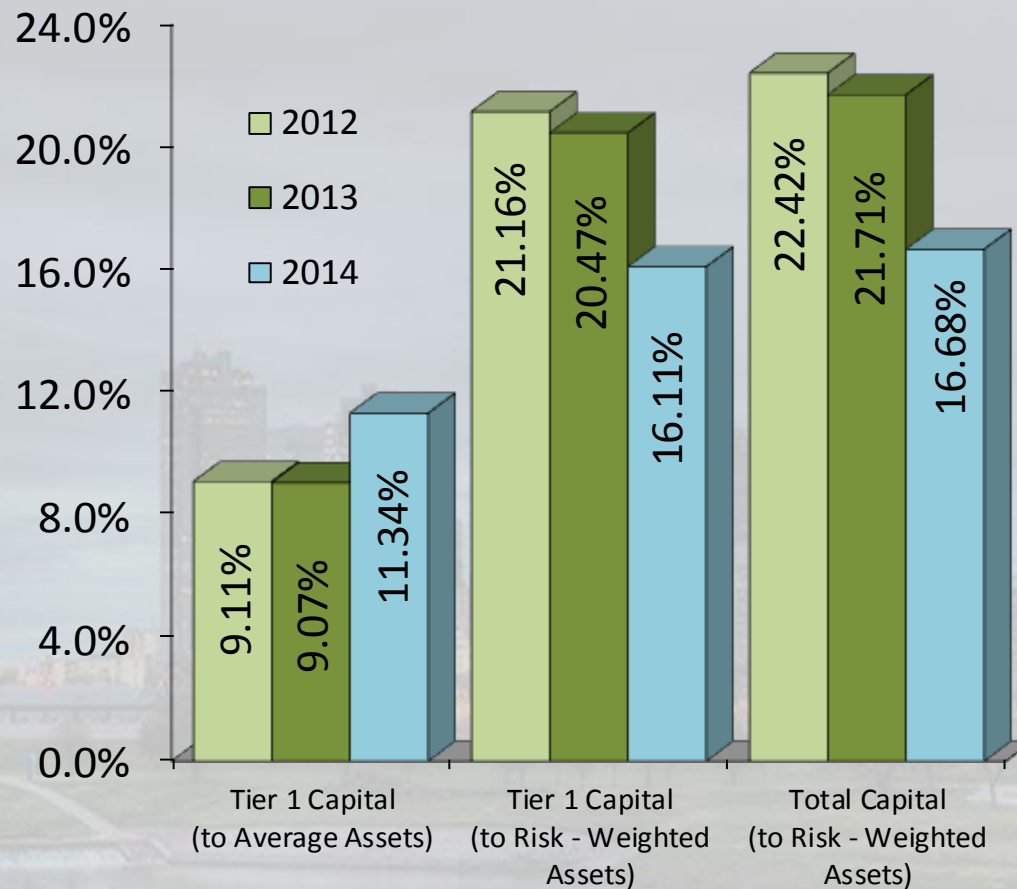
Deposit Composition and Growth



Net Interest - Spread and Margin



Capital Levels





SOUTHSIDE BANCSHARES, INC.

MEMBER FDIC NASDAQ: SBSI

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Conference **2015**