

NYSE/SBSI
May 14, 2025

SOUTHSIDE BANCSHARES, INC

Annual Meeting of Shareholders



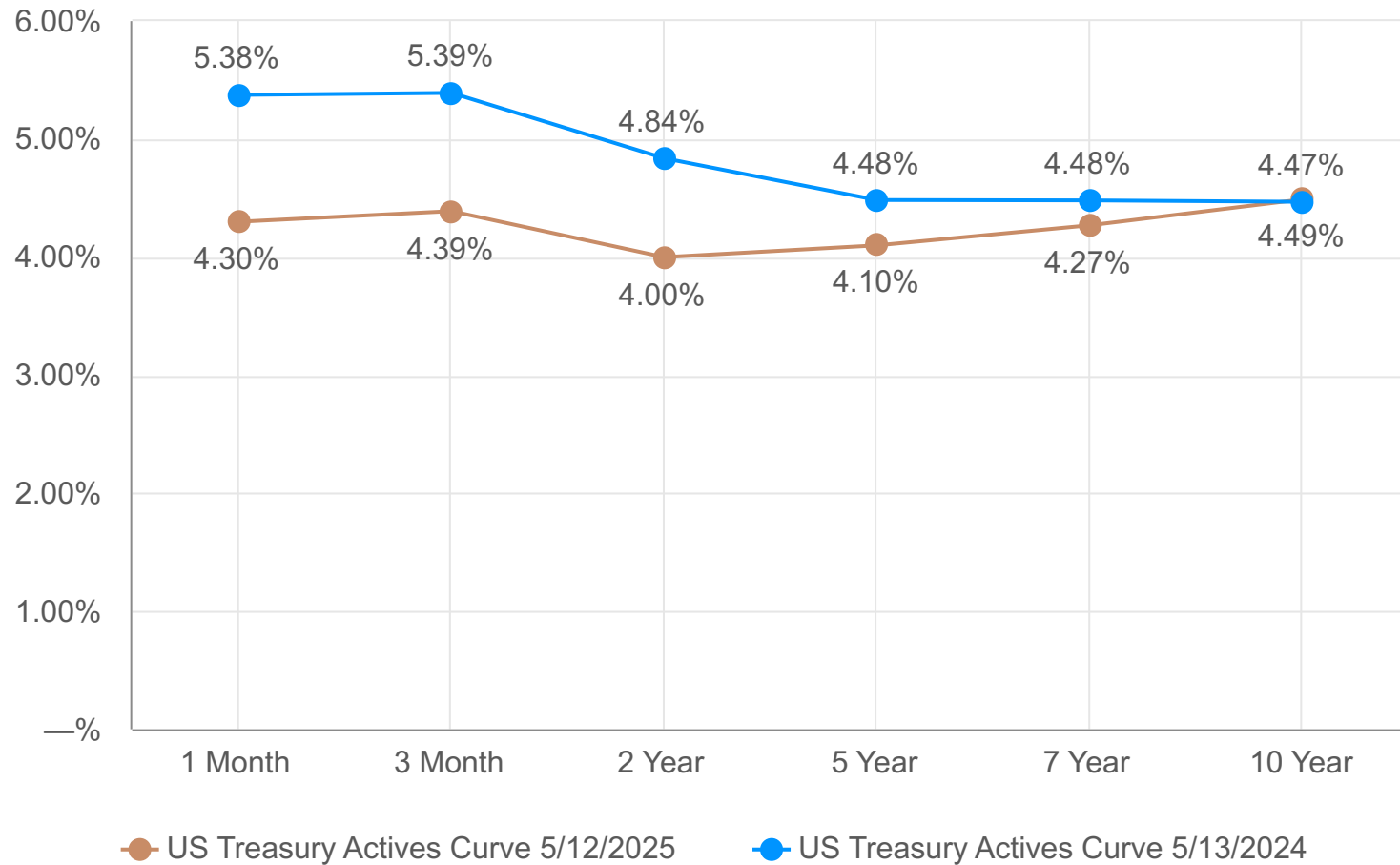
Forward Looking Statements

- Certain statements of other than historical fact that are contained in this press release and in other written materials, documents and oral statements issued by or on behalf of the Company may be considered to be “forward-looking statements” within the meaning of and subject to the safe harbor 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,” “might,” “will,” “would,” “seek,” “intend,” “probability,” “risk,” “goal,” “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, benefits of the Share Repurchase Plan, trends in asset quality, capital, liquidity, the Company’s ability to sell nonperforming assets, expense reductions, planned operational efficiencies and earnings from growth and certain market risk disclosures, including the impact of interest rates and our expectations regarding rate changes, tax reform, inflation, tariffs, the impacts related to or resulting from other economic factors 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. Accordingly, our results could materially differ from those that have been estimated. The most significant factor that could cause future results to differ materially from those anticipated by our forward-looking statements include the ongoing impact of higher inflation levels, interest rate fluctuations, including the impact of changes in interest rates on our financial projections, models and guidance, and general economic and recessionary concerns, as well as the effects of declines in the real estate market, tariffs or trade wars (including reduced consumer spending, lower economic growth or recession, reduced demand for U.S. exports, disruptions to supply chains, and decreased demand for other banking products and services), high unemployment and increasing insurance costs, as well as the financial stress on borrowers as a result of the foregoing, all of which could impact economic growth and could cause a reduction in financial transactions and business activities, including decreased deposits and reduced loan originations, and our ability to manage liquidity in a rapidly changing and unpredictable market.
- 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, 2024, under “Part I - Item 1. Forward Looking Information” and “Part I - 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.

A Year in Review

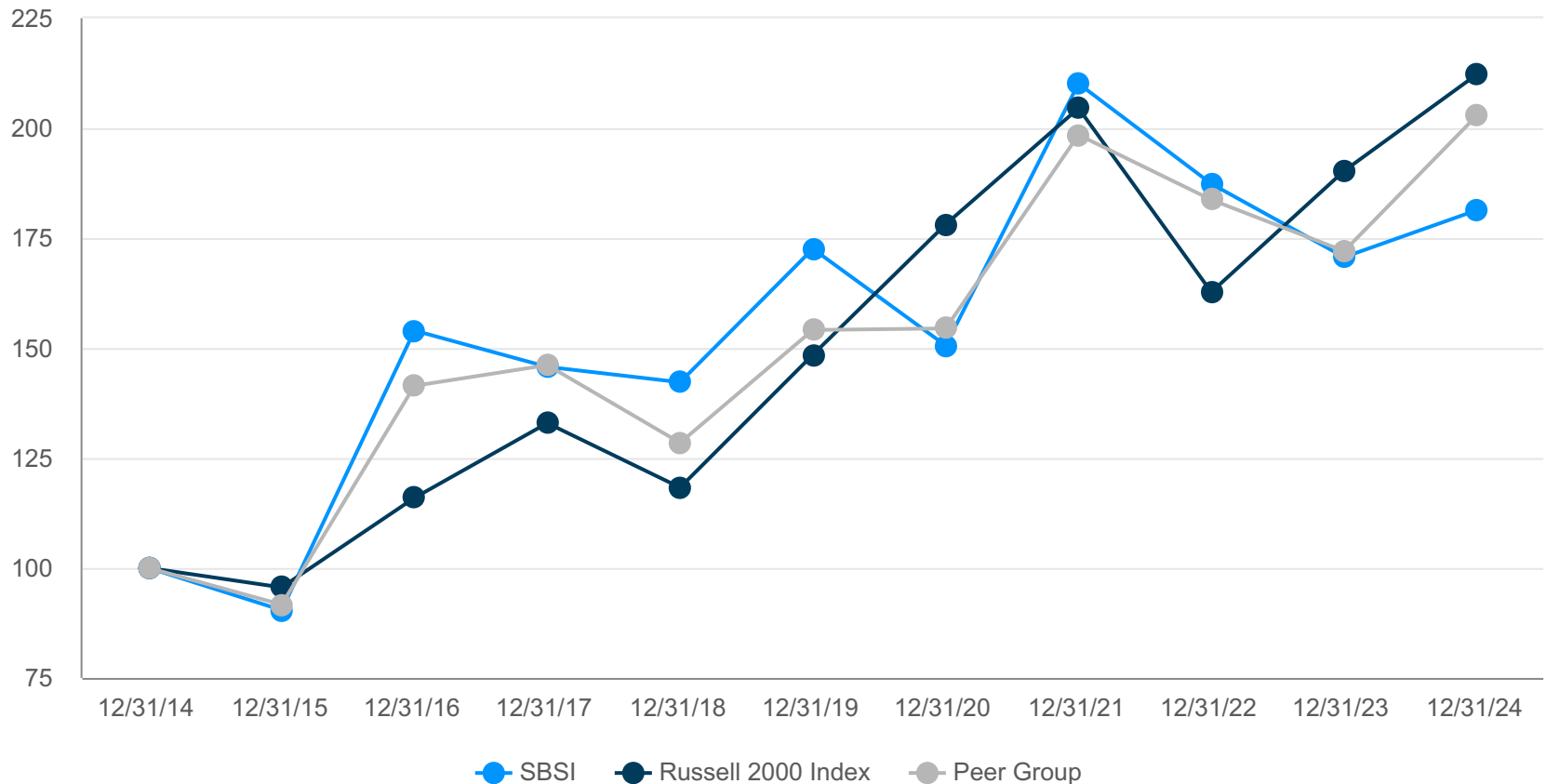
- Ended 2024 with strong financial results, despite headwinds in the banking industry;
- Continued strong asset quality metrics;
- Further expanded our Texas footprint with loan production offices in Dallas and The Woodlands;
- Awarded one of the "Best Banks to Work For" in 2024 by American Banker for the third consecutive year.

US Treasury Yield Curve



Total Return Performance

- \$100,000 invested in SBSI on 12/31/2014 was worth \$181,353 on 12/31/2024



Source: S&P Global Market Intelligence
 Peer group index includes Cullen/Frost Bankers, Inc.(CFR), First Financial Bankshares, Inc.(FFIN), Hilltop Holdings (HTH), Prosperity Bancshares, Inc. (PB), Texas Capital Bancshares, Inc. (TCBI) and Veritex Holdings, Inc. (VBTX).

Goals for 2025

- Maintain asset quality;
- Continued focus on organically growing loans & non-maturity deposits;
- Focus on increasing net-interest income;
- Capitalize on operational process efficiency;
- Focus on non-interest income growth; and
- Further enhance digital/technology strategies.

2028 Strategic Initiatives

- Succession Planning & Growth;
- Culture Development;
- Revenue Growth;
- Brand Recognition; and
- Expense Control.

Loan Pipeline

- Loan pipeline exceeds \$1.9 billion, largest pipeline in years
 - 45% term loans and 55% construction loans
- C&I Expansion Progress, 25% of pipeline
- Loan growth expected to exceed payoffs in second quarter

Asset Quality

- Credit quality remains strong despite NPA increase in the first quarter
 - Negotiated extension on \$27.5 million construction loan
- Nonperforming assets of 0.39% of total assets

2024 Financial Highlights

- Net income of \$88.5 million, a 2.1% increase;
- Earnings per diluted share of \$2.91, a 3.2% increase;
- Continued strong asset quality metrics, Total Nonperforming Assets to Total Assets of 0.04%;
- Cash dividend increase to \$1.44 per share;
- Efficiency ratio (FTE)⁽¹⁾ of 53.52%; and
- ROATCE⁽²⁾ of 14.92%.

(1) Calculated on a fully taxable-equivalent basis (FTE.) See Non-GAAP Reconciliation.
(2) See Non-GAAP Reconciliation.

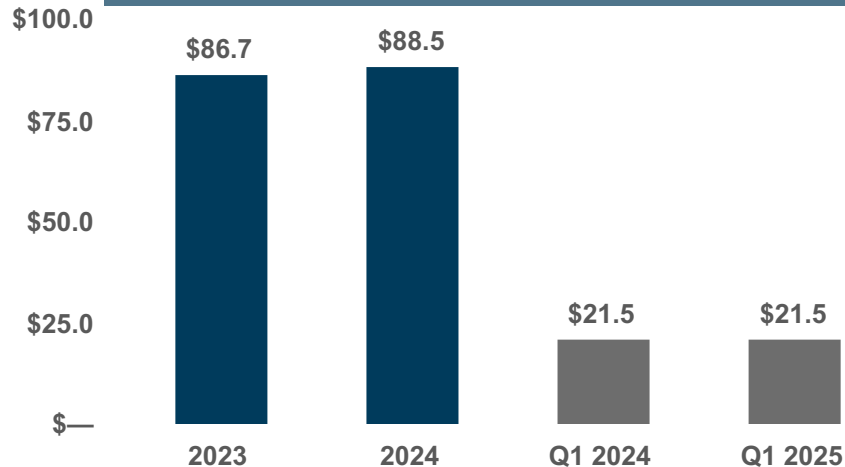
Financial Results Three Months Ended

	March 31, 2025	March 31, 2024	%Chg.
Net Income (in thousands)	\$ 21,507	\$ 21,511	(0.02)%
EPS (diluted)	\$ 0.71	\$ 0.71	—
ROAE	10.57 %	11.02 %	
ROAA	1.03 %	1.03 %	
Efficiency Ratio (FTE) ⁽¹⁾	55.04 %	55.54 %	

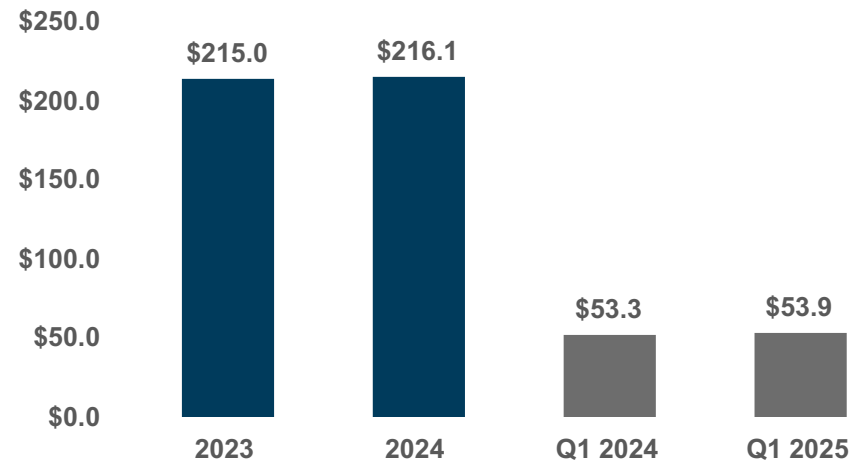
(1) Calculated on a fully taxable-equivalent basis (FTE.) See Non-GAAP Reconciliation.

Profitability

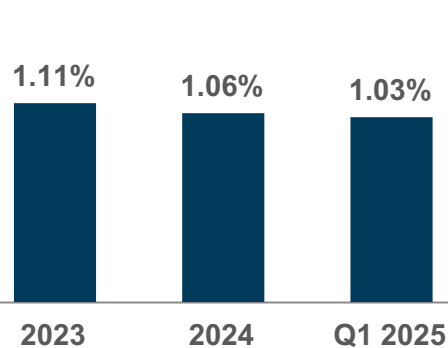
Net Income (\$mm)



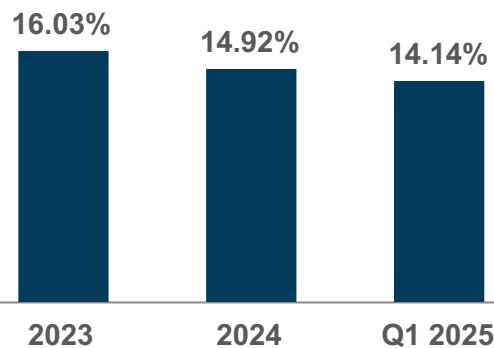
Net Interest Income (\$mm)



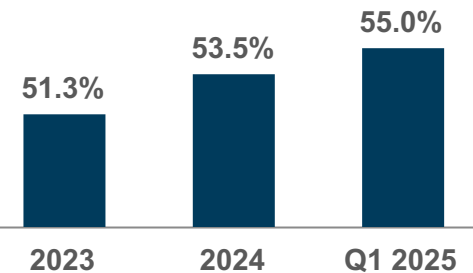
ROAA



ROATCE⁽¹⁾

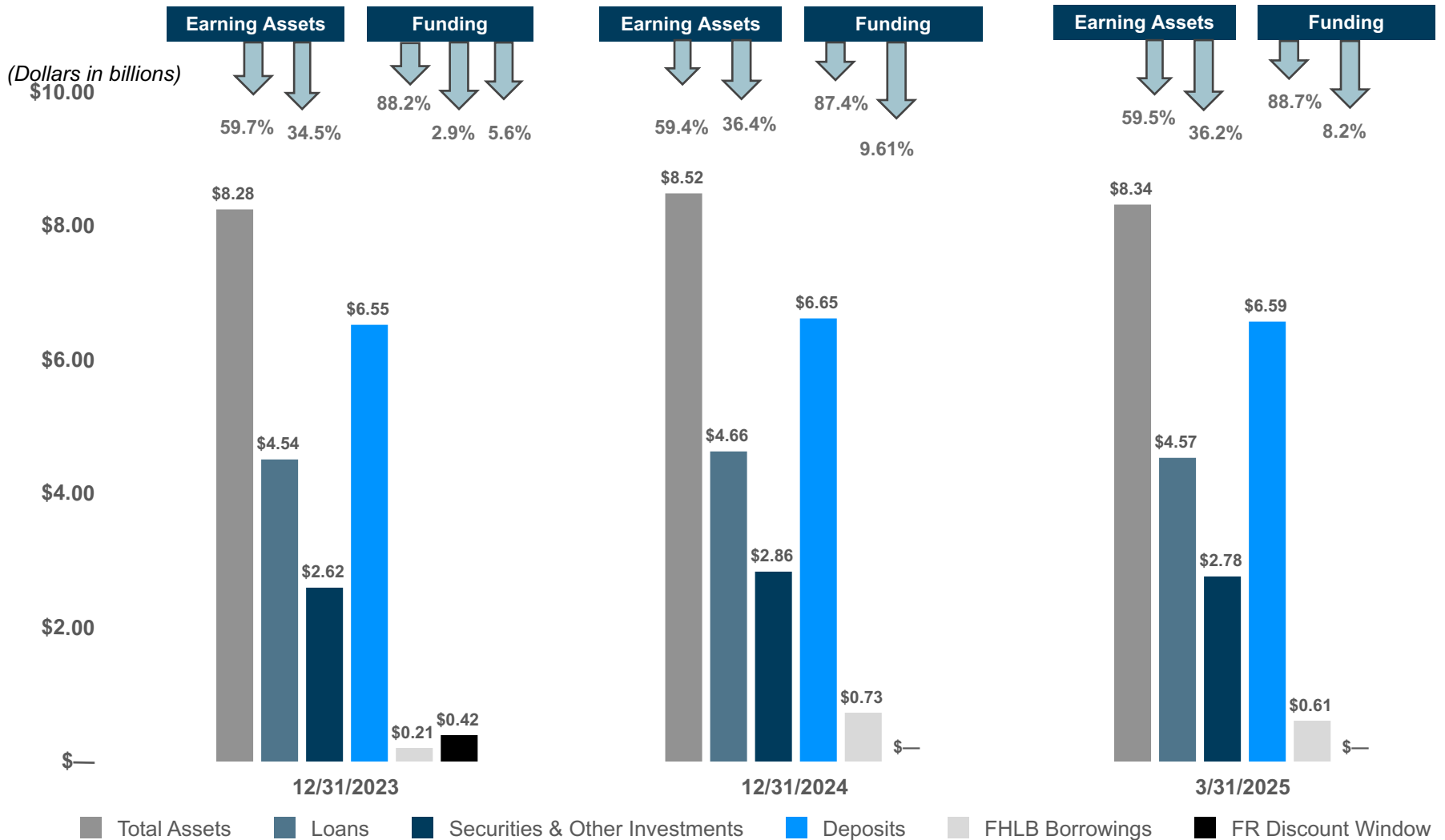


Efficiency Ratio (FTE)⁽¹⁾

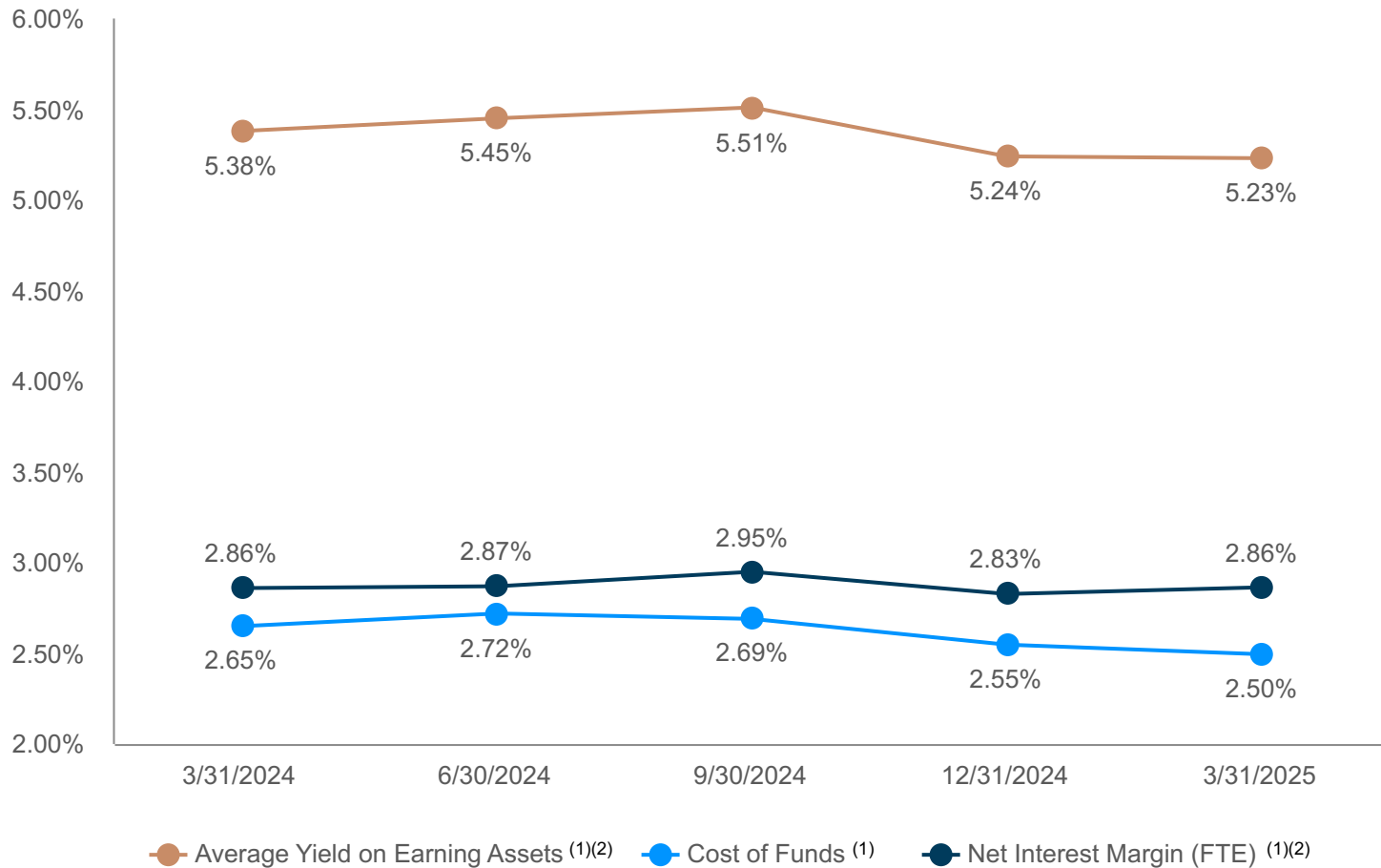


(1) Calculated on a fully taxable-equivalent basis (FTE.) See Non-GAAP Reconciliation.

Balance Sheet Mix



Quarterly Yields & Cost Trends

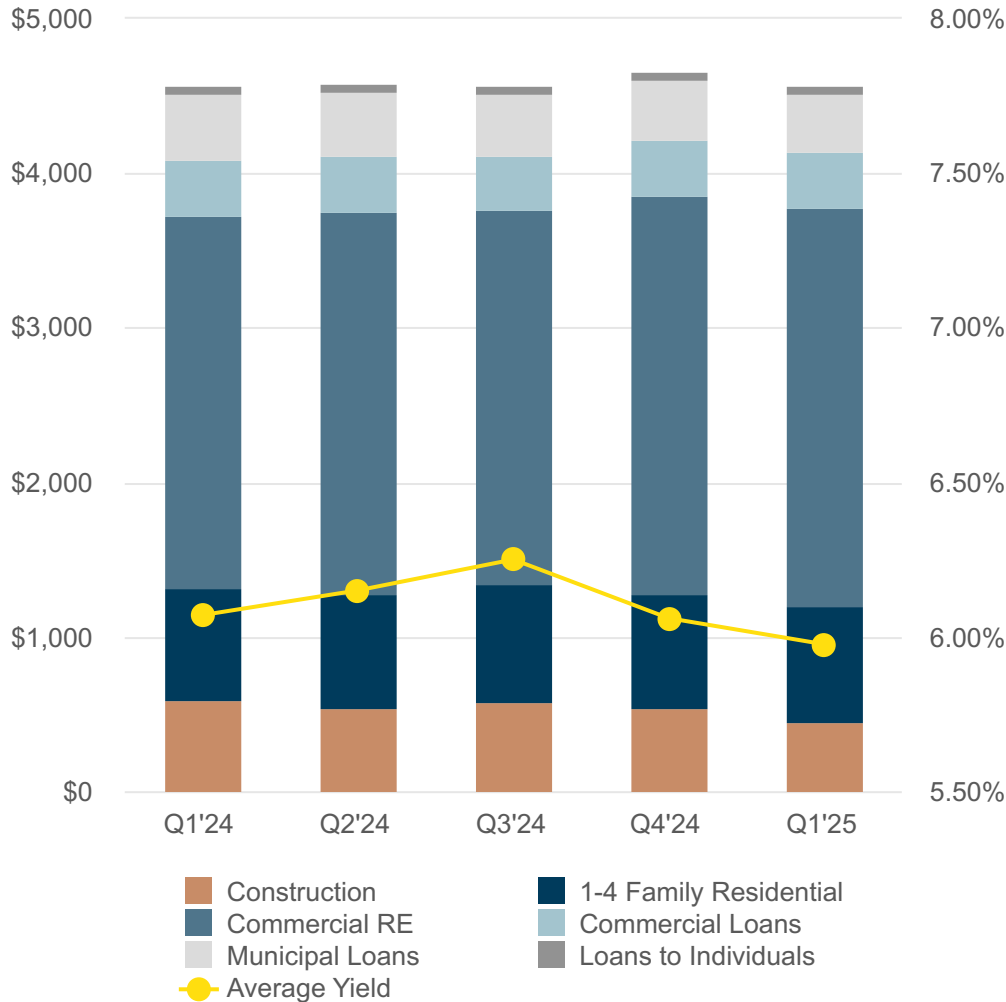


(1) Annualized

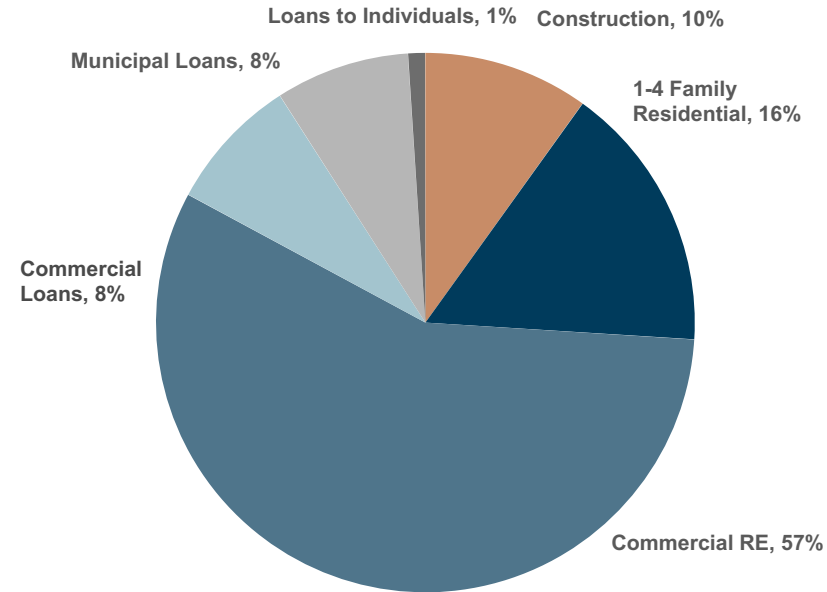
(2) Calculated on a fully taxable-equivalent basis (FTE), a non-GAAP measure. See non-GAAP reconciliation.

Loan Portfolio

Loan Balances



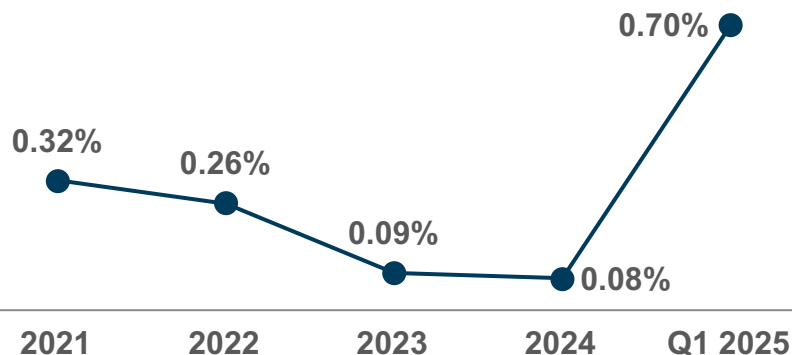
Loans 3/31/2025



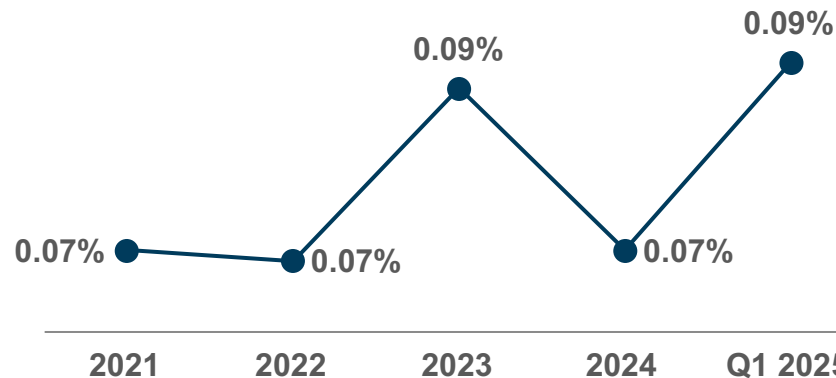
Loan Type	\$mm	%
Real Estate Loans (RE):		
Construction	\$ 458	10 %
1-4 Family Residential	741	16 %
Commercial RE	2,577	57 %
Commercial Loans	372	8 %
Municipal Loans	371	8 %
Loans to Individuals	48	1 %
Total	\$ 4,567	100 %

Asset Quality Trends

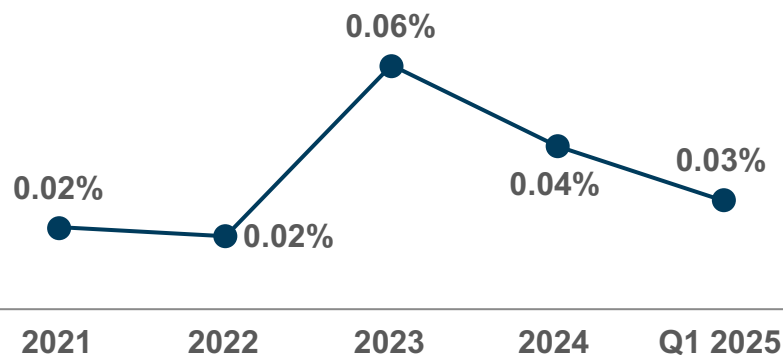
NPAs / Loans and OREO⁽¹⁾⁽²⁾



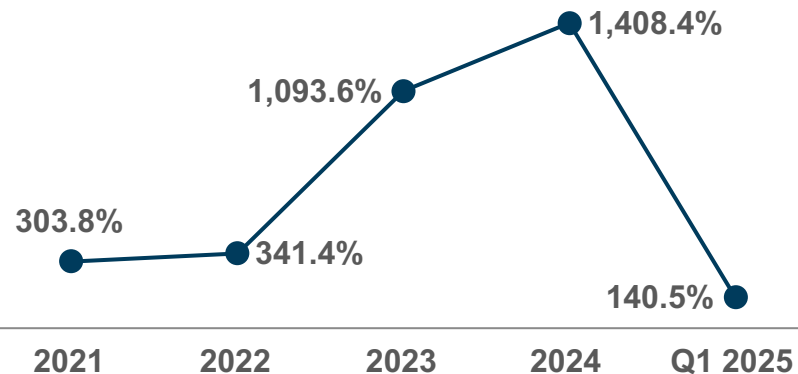
Nonaccrual Loans / Loans⁽¹⁾



NCOs / Average Loans



ALLL / NPLs⁽¹⁾

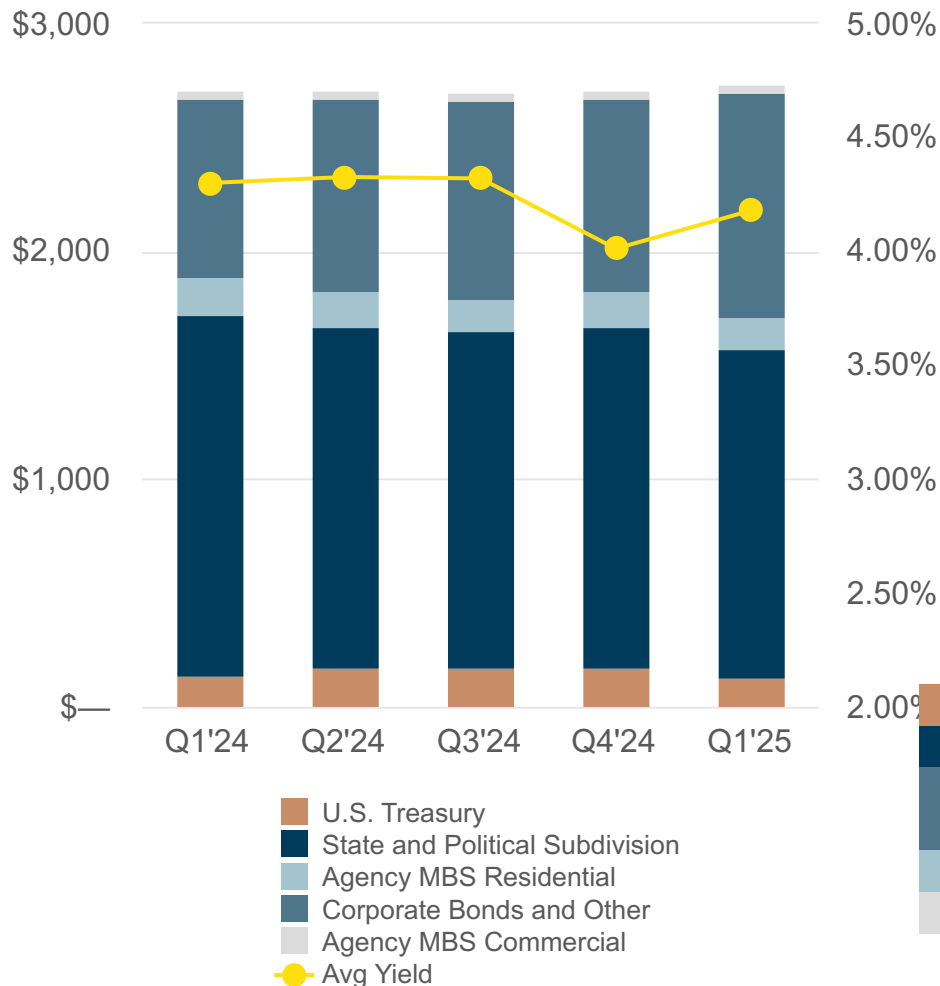


(1) Pursuant to our adoption of ASU 2022-02, effective January 1, 2023, we prospectively discontinued the recognition and measurement guidance previously required on troubled debt restructures. As a result, as of March 31, 2023, restructured loans reflected in NPAs and NPLs exclude any loan modifications that are performing but would have previously required disclosure as troubled debt restructures.

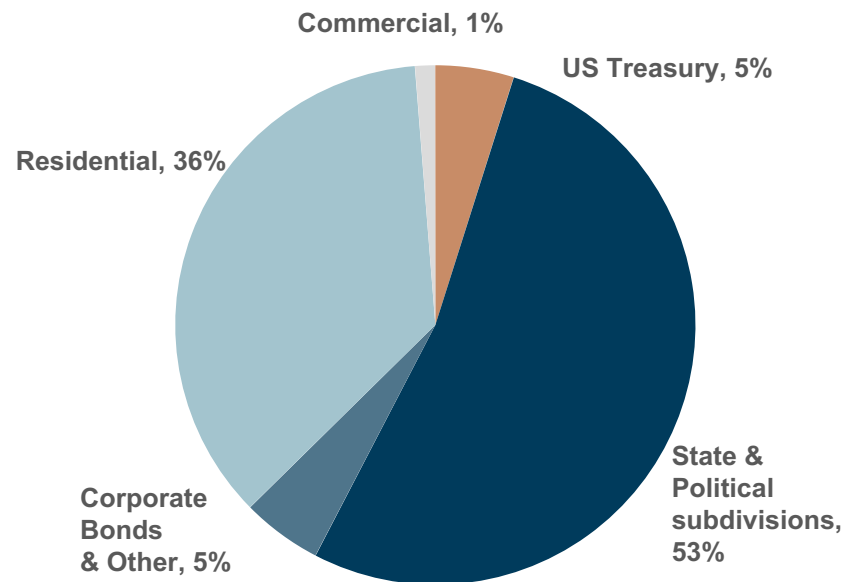
(2) Nonperforming assets increased during Q1 2025 primarily due to an increase of \$27.5 million in restructured loans due to an extension of maturity on a CRE loan to allow for an extended lease up period.

Securities Portfolio

Total Securities



Securities 3/31/2025

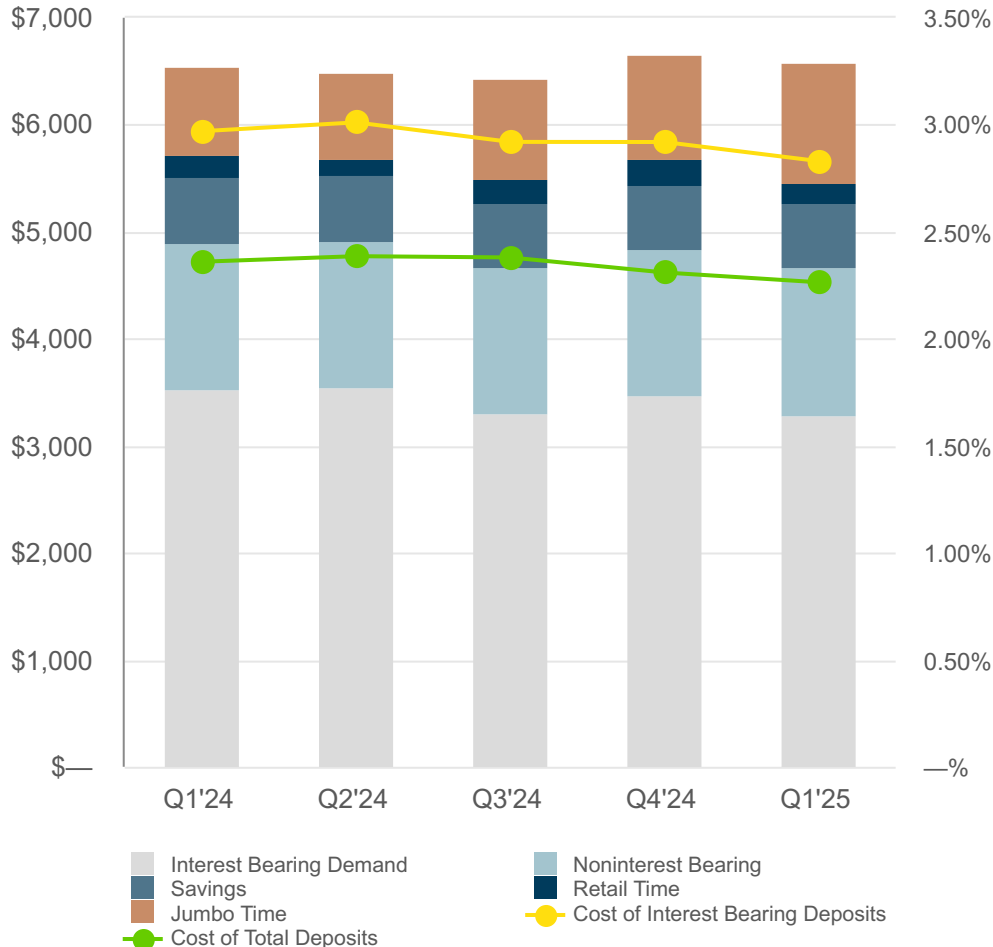


Securities (\$mm)	HTM ⁽¹⁾	AFS	Total	%
US Treasury	\$ —	\$ 134	\$ 134	5 %
State & Political	1,042	401	1,443	53 %
Corporate Bonds & Other	124	14	138	5 %
Residential	83	904	987	36 %
Commercial	29	5	34	1 %
Total	\$ 1,278	\$ 1,458	\$ 2,736	100 %

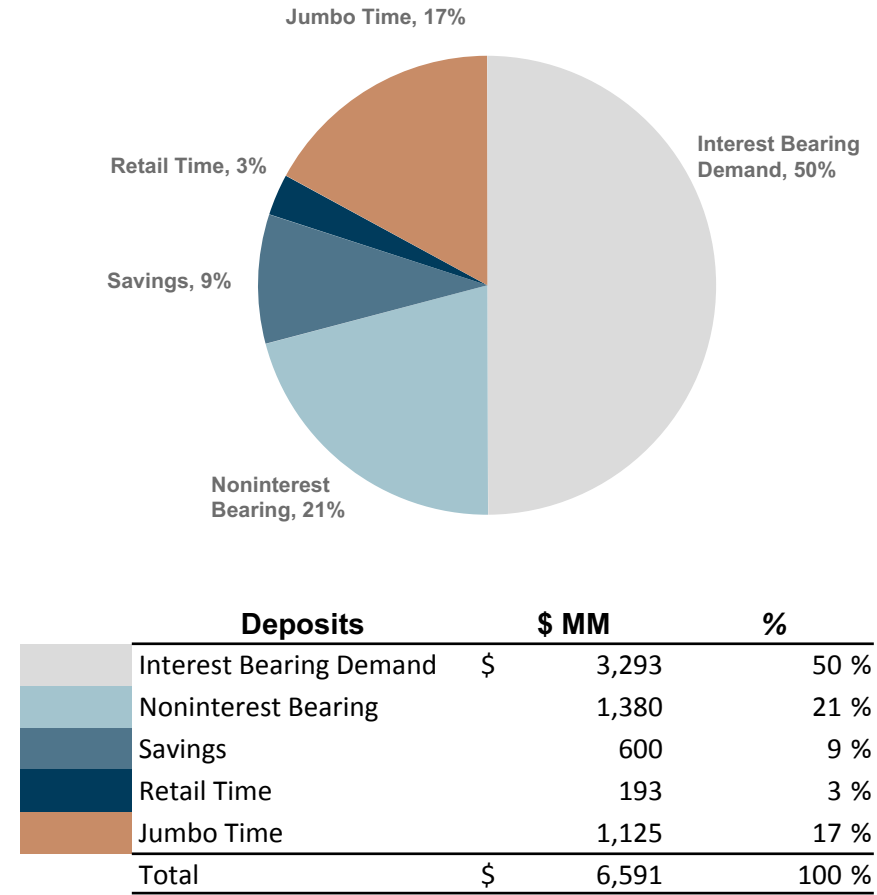
(1) Presented at Net Carrying Amount, which includes allowance for credit losses of \$27,000 and \$37,000 for State and Political subdivisions and Corporate bonds and other, respectively.

Deposit Composition

Deposit Balances and Rates



Deposit Mix 3/31/2025

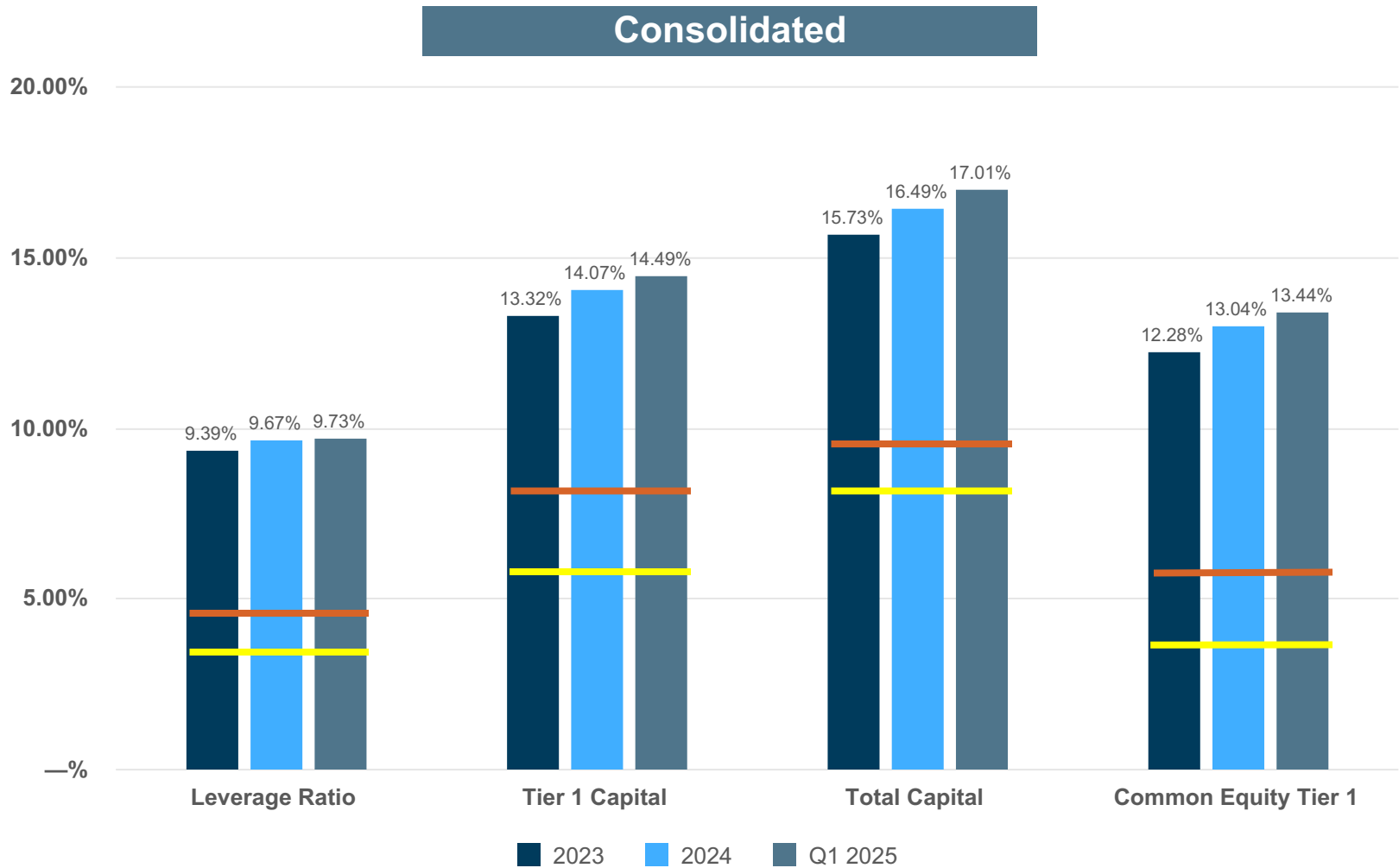


Liquidity & Funding

<i>As of March 31, 2025 (in thousands)</i>	Line of Credit	Borrowings	Total Available for Future Liquidity	Swapped
FHLB advances	\$ 2,400,276	\$ 611,719	\$ 1,788,557	\$ 310,000
Federal Reserve discount window	425,233	—	425,233	—
Correspondent bank lines of credit	80,000	—	80,000	—
Total liquidity lines	\$ 2,905,509	\$ 611,719	\$ 2,293,790	\$ 310,000

- Liquidity sources remain strong, with **\$2.29 billion** in liquidity lines available as of March 31, 2025.

Capital Ratios

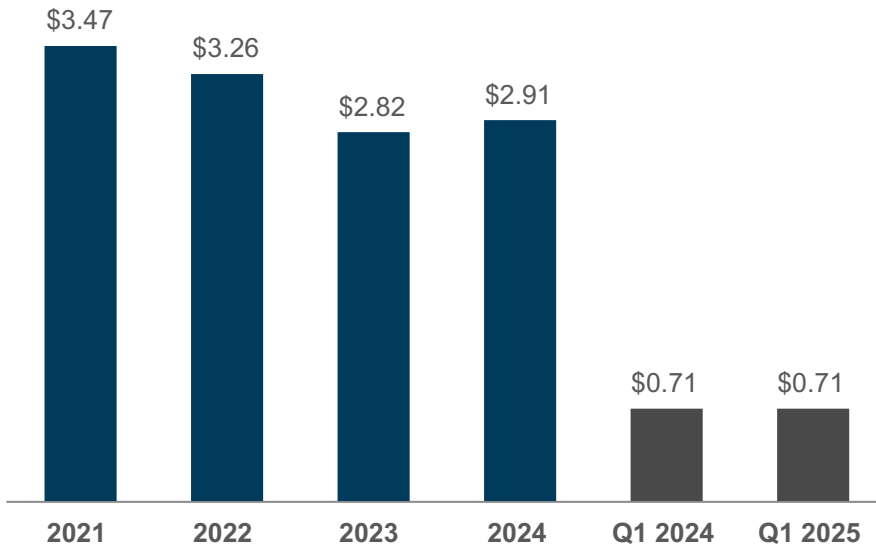


Well Capitalized

Capital Adequacy

Shareholder Returns

Diluted Earnings Per Common Share (\$)



Cash Dividend Per Common Share (\$)



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Appendix

Non-GAAP Reconciliation

This presentation contains certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States (GAAP). These non-GAAP financial measures include return on average tangible common equity, tangible book value per common share, tangible common equity to tangible assets, efficiency ratio on a fully taxable-equivalent (FTE) basis, net interest income (FTE), net interest margin (FTE) and net interest spread (FTE).

In calculating return on average tangible common equity, Southside (i) adds back the after tax amortization expense to net income available to common shareholders and (ii) subtracts average intangible assets for the period from average shareholders' equity. In calculating tangible book value per common share, Southside subtracts intangible assets for the period from shareholders' equity. In calculating the ratio of tangible common equity to tangible assets, Southside subtracts intangible assets both from shareholders' equity and total assets at the end of the period. Management believes that the presentation of these measures excluding the impact of intangible assets provides useful supplemental information that is helpful in understanding Southside's financial condition and results of operations, as they provide a method to assess management's success in utilizing Southside's tangible capital as well as its capital strength. Management also believes that providing measures that exclude balances of intangible assets, which are subjective components of valuation, facilitates the comparison of Southside's performance with the performance of its peers. In addition, management believes that these are standard financial measures used in the banking industry to evaluate performance.

The efficiency ratio (FTE) is a non-GAAP measure that provides a measure of productivity in the banking industry. This ratio is calculated to measure the cost of generating one dollar of revenue. The ratio is designed to reflect the percentage of one dollar which must be expended to generate that dollar of revenue. We calculate this ratio by dividing noninterest expense, excluding amortization expense on intangibles and certain nonrecurring expense by the sum of net interest income (FTE) and noninterest income, excluding net gain (loss) on sale of securities available for sale and certain nonrecurring impairments. The most directly comparable financial measure calculated in accordance with GAAP is our efficiency ratio.

Net interest income (FTE) is a non-GAAP measure that adjusts for the tax-favored status of net interest income from certain loans and investments. We believe this measure to be the preferred industry measurement of net interest income and it enhances comparability of net interest income arising from taxable and tax-exempt sources. The most directly comparable financial measure calculated in accordance with GAAP is our net interest income. Net interest margin (FTE) is the ratio of net interest income (FTE) to average earning assets. The most directly comparable financial measure calculated in accordance with GAAP is our net interest margin. Net interest spread (FTE) is the difference in the average yield on average earning assets on a tax-equivalent basis and the average rate paid on average interest bearing liabilities. The most directly comparable financial measure calculated in accordance with GAAP is our net interest spread.

These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Because not all companies use the same calculation of non-GAAP financial measures, this presentation may not be comparable to other similarly titled measures as calculated by other companies.

Non-GAAP Reconciliation (continued)

(dollars in thousands, except per share data)	As of and for the Year Ended December 31,				As of and for the three months ended March 31,	
	2021	2022	2023	2024	2024	2025
Net income available to common shareholders	\$ 113,401	\$ 105,020	\$ 86,692	\$ 88,494	\$ 21,511	\$ 21,507
Plus: After-tax amortization expense	2,251	1,796	1,341	925	266	176
Adjusted net income available to common shareholders [a]	<u>\$ 115,652</u>	<u>\$ 106,816</u>	<u>\$ 88,033</u>	<u>\$ 89,419</u>	<u>\$ 21,777</u>	<u>\$ 21,683</u>
Average shareholders' equity	\$ 888,233	\$ 782,362	\$ 754,098	\$ 802,618	\$ 785,054	\$ 824,893
Less: Average intangible assets for the period	(209,463)	(206,889)	(204,887)	(203,448)	(203,910)	(202,784)
Average tangible shareholders' equity [b]	<u>\$ 678,770</u>	<u>\$ 575,473</u>	<u>\$ 549,211</u>	<u>\$ 599,170</u>	<u>\$ 581,144</u>	<u>\$ 622,109</u>
Return on average tangible common equity (ROATCE) [a]/[b]	17.04 %	18.56 %	16.03 %	14.92 %	15.07 %	14.14 %
Common equity at end of period	\$ 912,172	\$ 745,997	\$ 773,288	\$ 811,942	\$ 787,922	\$ 816,623
Less: Intangible assets at end of period	(208,011)	(205,738)	(204,041)	(202,870)	(203,704)	(202,647)
Tangible common shareholders' equity at end of period [c]	<u>\$ 704,161</u>	<u>\$ 540,259</u>	<u>\$ 569,247</u>	<u>\$ 609,072</u>	<u>\$ 584,218</u>	<u>\$ 613,976</u>
Total assets at end of period	\$ 7,259,602	\$ 7,558,636	\$ 8,284,914	\$ 8,517,448	\$ 8,353,863	\$ 8,343,300
Less: Intangible assets at end of period	(208,011)	(205,738)	(204,041)	(202,870)	(203,704)	(202,647)
Tangible assets at end of period [d]	<u>\$ 7,051,591</u>	<u>\$ 7,352,898</u>	<u>\$ 8,080,873</u>	<u>\$ 8,314,578</u>	<u>\$ 8,150,159</u>	<u>\$ 8,140,653</u>
Tangible common equity/tangible assets (TCE/TA) [c]/[d]	9.99 %	7.35 %	7.04 %	7.33 %	7.17 %	7.54 %
Common shares outstanding at end of period	[e] 32,352	31,547	30,249	30,379	30,284	30,410
Tangible book value per common share [c]/[e]	\$ 21.77	\$ 17.13	\$ 18.82	\$ 20.05	\$ 19.29	\$ 20.19
Net interest income (GAAP)	\$ 189,557	\$ 212,341	\$ 215,027	\$ 216,127	\$ 53,348	\$ 53,852
Tax equivalent adjustments:						
Loans	2,920	2,993	2,724	2,495	656	581
Tax-exempt investment securities	10,045	11,388	9,939	8,078	2,080	1,772
Net interest income (FTE)⁽¹⁾	<u>202,522</u>	<u>226,722</u>	<u>227,690</u>	<u>226,700</u>	<u>56,084</u>	<u>56,205</u>
Plus: Noninterest income	49,336	40,857	35,834	41,733	9,724	10,223
Less: Nonrecurring income (loss)	(3,862)	2,982	7,370	2,214	18	554
Total Revenue [g]	<u>\$ 247,996</u>	<u>\$ 270,561</u>	<u>\$ 270,894</u>	<u>\$ 270,647</u>	<u>\$ 65,826</u>	<u>\$ 66,982</u>
Noninterest expense	\$ 125,030	\$ 130,326	\$ 140,578	\$ 147,137	\$ 36,881	\$ 37,089
Less: Pre-tax amortization expense	(2,849)	(2,273)	(1,697)	(1,171)	(337)	(223)
Less: Nonrecurring (expense) income	(580)	174	78	(1,119)	17	(1)
Adjusted noninterest expense [f]	<u>\$ 121,601</u>	<u>\$ 128,227</u>	<u>\$ 138,959</u>	<u>\$ 144,847</u>	<u>\$ 36,561</u>	<u>\$ 36,865</u>
Average earning assets	\$ 6,402,554	\$ 6,822,667	\$ 7,361,199	\$ 7,875,096	\$ 7,882,337	\$ 7,958,424
Efficiency Ratio [f]/[g]	51.74 %	50.05 %	53.81 %	55.69 %	57.95 %	57.04 %
Efficiency Ratio (FTE)⁽¹⁾	49.03 %	47.39 %	51.30 %	53.52 %	55.54 %	55.04 %
Net interest margin	2.96 %	3.11 %	2.92 %	2.74 %	2.72 %	2.74 %
Net interest margin(FTE)⁽¹⁾	3.16 %	3.32 %	3.09 %	2.88 %	2.86 %	2.86 %
Net interest spread	2.80 %	2.86 %	2.25 %	2.02 %	2.02 %	2.08 %
Net interest spread(FTE)⁽¹⁾	3.01 %	3.07 %	2.42 %	2.16 %	2.16 %	2.20 %

(1) Fully taxable-equivalent (FTE)

(2) Annualized

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