Year 5 Year

May 18, 2022

NASDAQ: SBSI

ANNUAL MEETING OF SHAREHOLDERS

2022

SOUTHSIDE BANCSHARES, INC.™

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, discussions of the effect of our expansion, 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, tax reform, inflation, the impacts related to or resulting from Russia's invasion of Ukraine and 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 recent factor that could cause future results to differ materially from those anticipated by our forward-looking statements include the ongoing impact of the COVID-19 pandemic and related variants on our business, financial position, operations and prospects, including our ability to continue our business activities in certain communities we serve, the duration of the pandemic and its continued effects on financial markets, a reduction in financial transactions and business activities resulting in decreased deposits and reduced loan originations, our ability to manage liquidity in a rapidly changing and unpredictable market, supply chain disruptions, labor shortages and interest rate changes by the Federal Reserve and other government actions in response to the pandemic, including regulations or laws enacted to counter the effects of the COVID-19 pandemic on the economy.

- 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, 2021, under "Part I - Item 1. Forward Looking Information" 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

- January 2021 - Bank Director named Southside Bancshares one of the Top 10 Banking Powerhouses in America, based on 20 years of Total Shareholder Return;
- Assisted small businesses with over 3,100 PPP loans, totaling over $410 million;
- Opened a CRE Capital Markets area with a newly hired team of proven, seasoned Texas CRE professionals;
- Hired and/or internally developed new lenders in all of our regions;
- Enhanced team member training, benefits and increased our minimum wage over 45% during the previous 24 months, while still maintaining expense discipline;
- Developed an Innovation Department with a focus to enhance customer experience or improve operational efficiencies; and
- Ended 2021 with record net income, strong asset quality, excellent cost control and an increase in the cash dividend.

Goals for 2022

- Build on a successful 2021;
- Focus on organic loan and deposit growth;
- Add additional talent - to further enhance revenue growth;
- Maintain credit underwriting discipline and overall asset quality;
- Further enhance digital/technology strategies;
- Capitalize on operational process efficiency;
- Navigate the current interest rate environment; and
- Review strategic opportunities to expand our franchise in Texas - organic and acquisition.

2021 Highlights

- Record Net Income of $113.4 million, a 38.0% increase;
- Earnings Per Share of $3.47, an increase of 40.5%;
- Net Interest Margin (FTE)(1) increase of 9 bps, 3.16% vs. 3.07%;
- ROAA of 1.59% vs. 1.14%
- ROATCE(2) of 17.04% vs. 13.79%;
- Efficiency ratio (FTE)(1) of 49.03%;
- Excellent credit quality metrics, Total Nonperforming Assets to Total Assets of 0.16%;
- Deposits increased 16.0%, to $5.7 billion; and
- Cash Dividend per share increase of 5.4%.

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

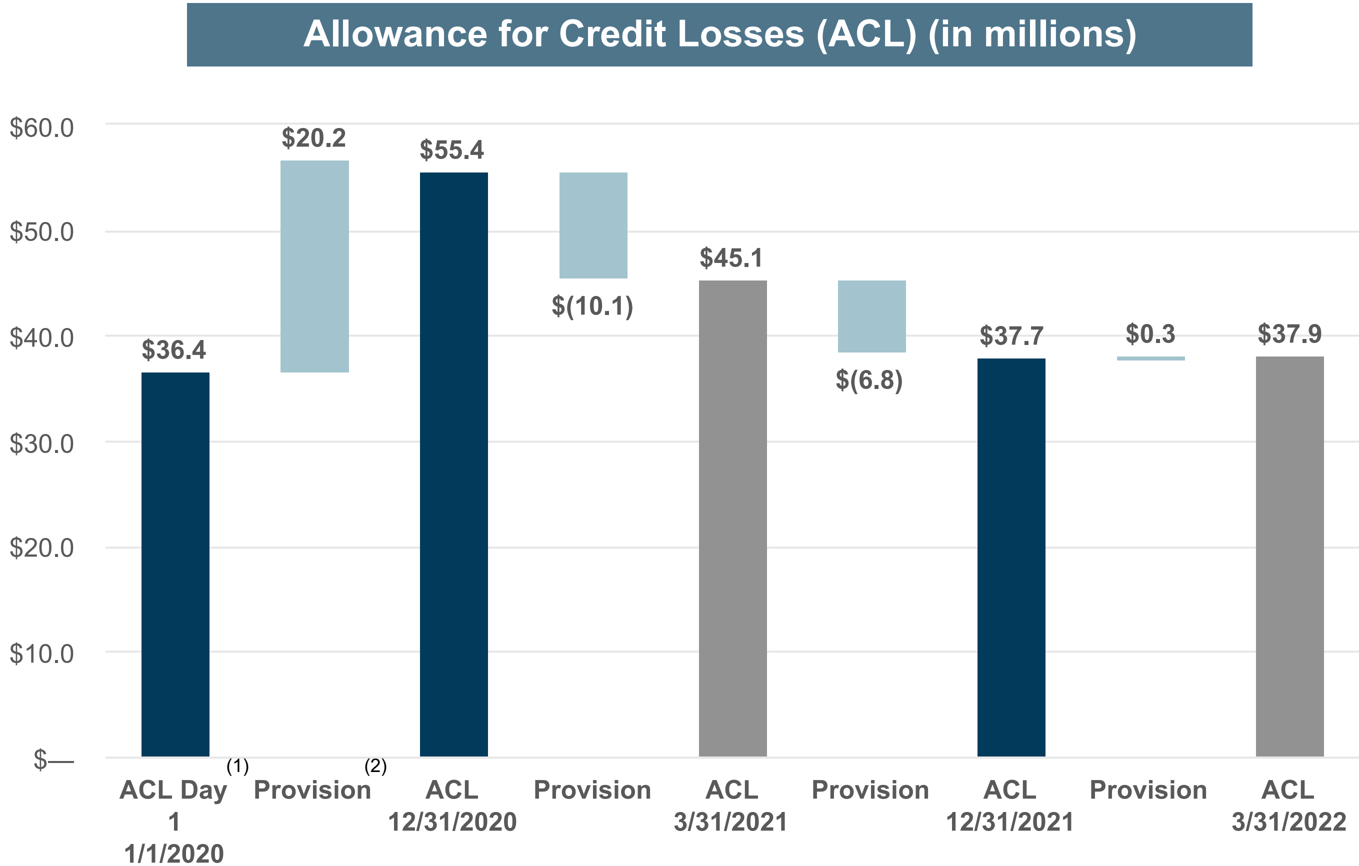
Financial Results Three Months Ended

	March 31, 2022		March 31, 2021		%Chg.
Net Income (in thousands)	$	24,996	$	34,091	(26.7)%
EPS (diluted)	$	0.77	$	1.04	(26.0)%
ROATCE [(1)]		15.20 %		21.22 %	
ROAA		1.40 %		1.99 %	
Efficiency Ratio (FTE) [(2)]		48.15 %		50.44 %	

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

SOUTHSIDE BANCSHARES, INC.

CECL Impact and Changes to ACL



- Day 1 CECL adoption resulted in an ALLL increase of $5.3 million, to $30.1 million, and a $4.8 million increase in other liabilities related to the allowance for off-balance-sheet credit exposures, to $6.3 million.
- Provision expense is largely driven by the economic forecast. The reversal of provision recorded during 2021 was driven by an improved economic forecast.

(1) The adoption of ASU 2016-13 (CECL) on January 1, 2020 replaced the incurred loss model with an expected credit loss methodology.
(2) Upon adoption of CECL on January 1, 2020, the provision for credit losses is the sum of the provision for loan losses and the provision for off-balance-sheet credit exposures. Prior to the adoption of CECL, the provision for off-balance-sheet credit exposures was included in other noninterest expense.

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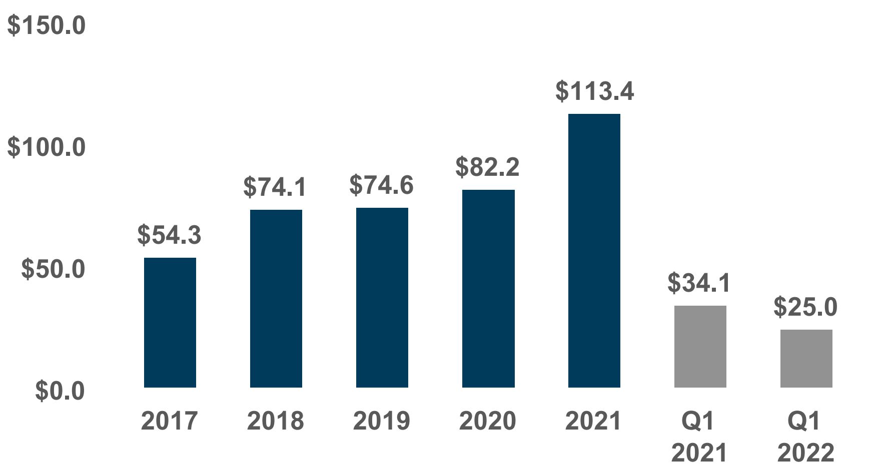
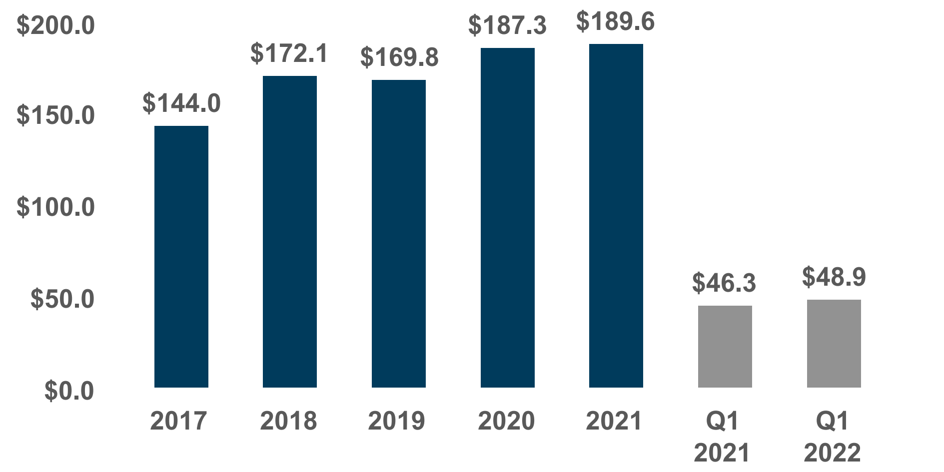
Profitability

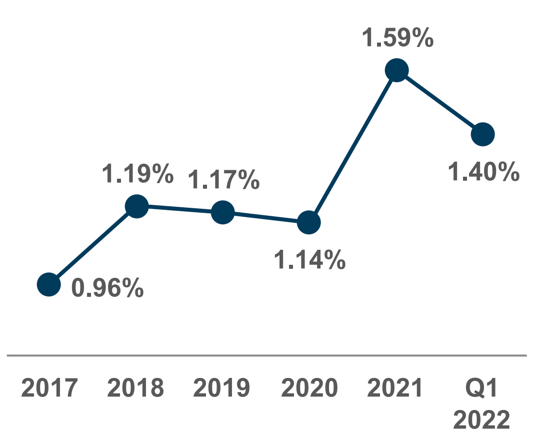
Net Income ($mm)



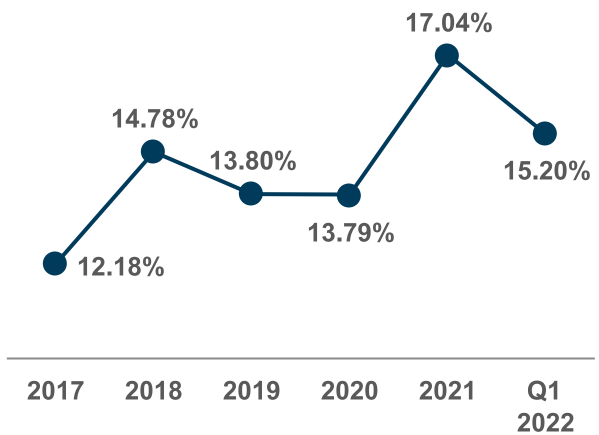
Net Interest Income ($mm)



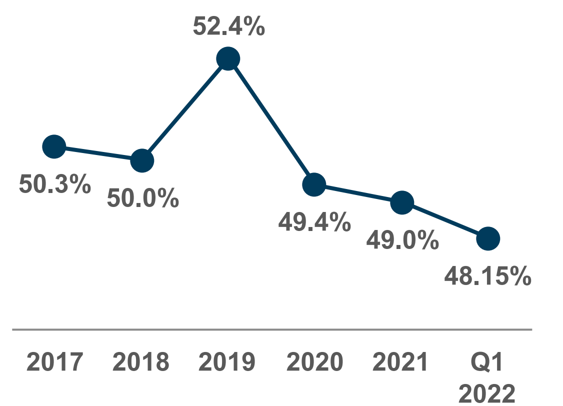
ROAA



ROATCE[1]

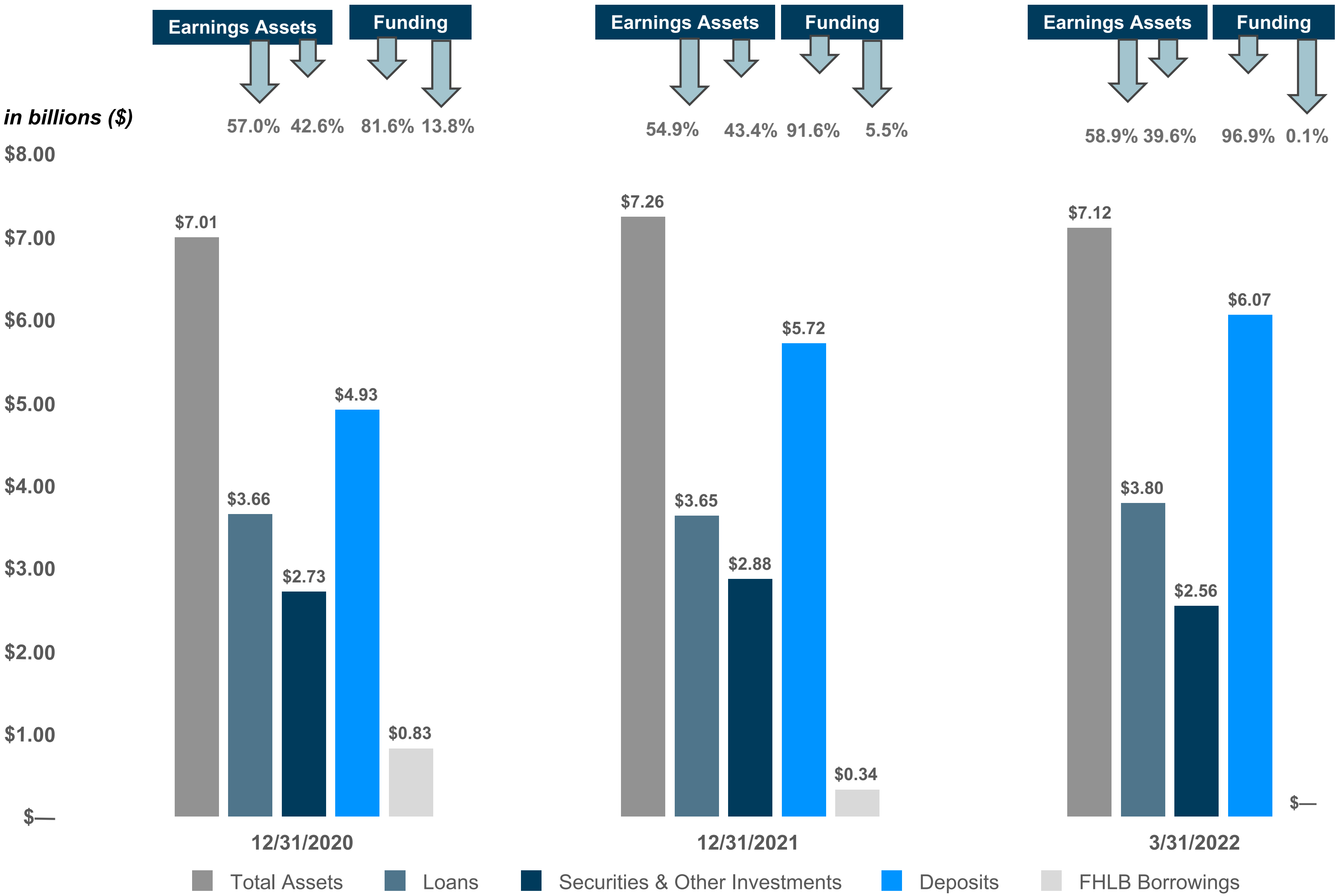


Efficiency Ratio (FTE)[1]



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

Balance Sheet Mix



NOTE: PPP Loans are included in the 12/31/2020, 12/31/2021 and 3/31/2022 loan balances in the amount of $214.8m, $31.0m and $13.9m, respectively.

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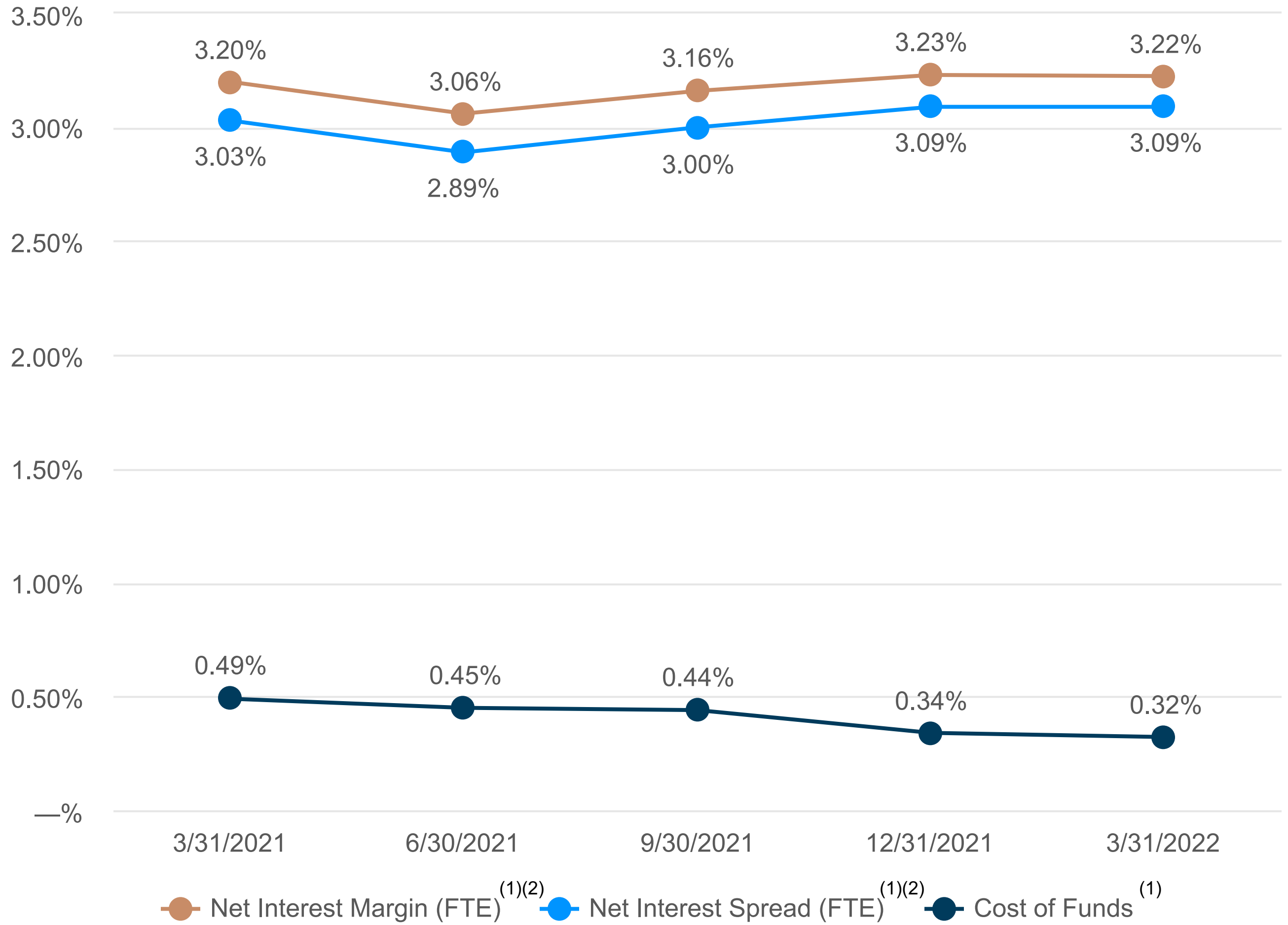
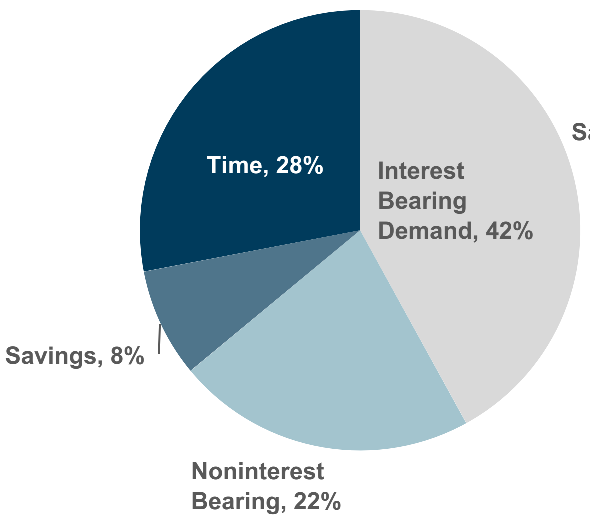
Quarterly Yield & Cost Trends



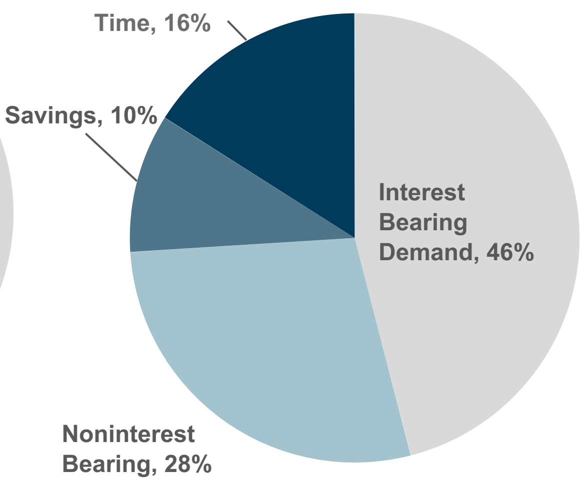
(1) Annualized
(2) Calculated on a fully taxable-equivalent basis (FTE), a non-GAAP measure. See non-GAAP reconciliation.

Deposit Composition

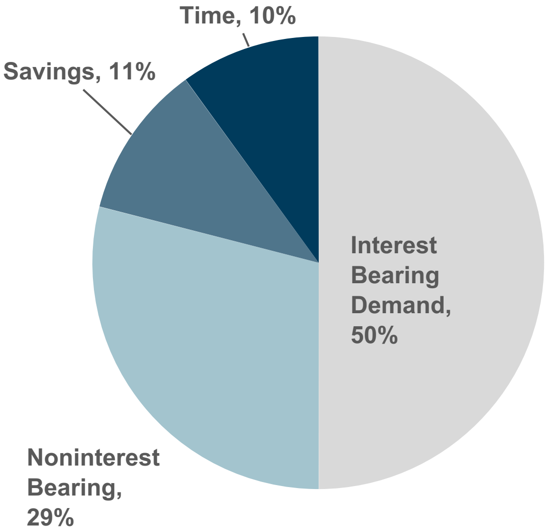
Deposit Mix 12/31/2019



Deposit Mix 12/31/2020



Deposit Mix 12/31/2021

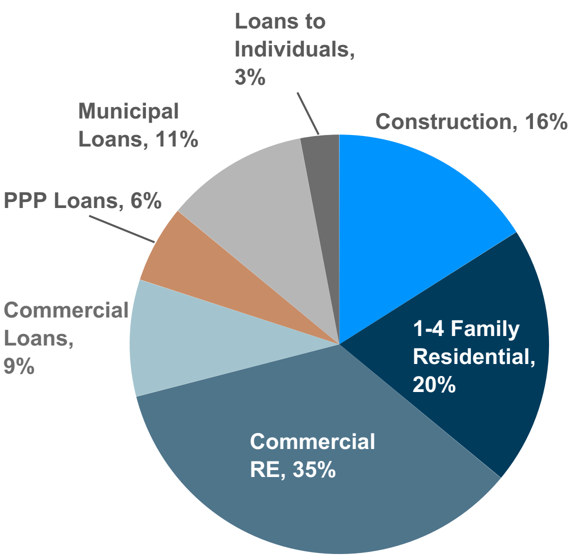


	12/31/2019		12/31/2020		12/31/2021	
Deposits	**$ MM**	**%**	**$ MM**	**%**	**$ MM**	**%**
Interest Bearing	$ 1,984	42 %	$ 2,290	46 %	$ 2,867	50 %
Noninterest Bearing	1,040	22 %	1,355	28 %	1,645	29 %
Savings	385	8 %	496	10 %	645	11 %
Time	1,294	28 %	791	16 %	565	10 %
Total	$ 4,703	100 %	$ 4,932	100 %	$ 5,722	100 %

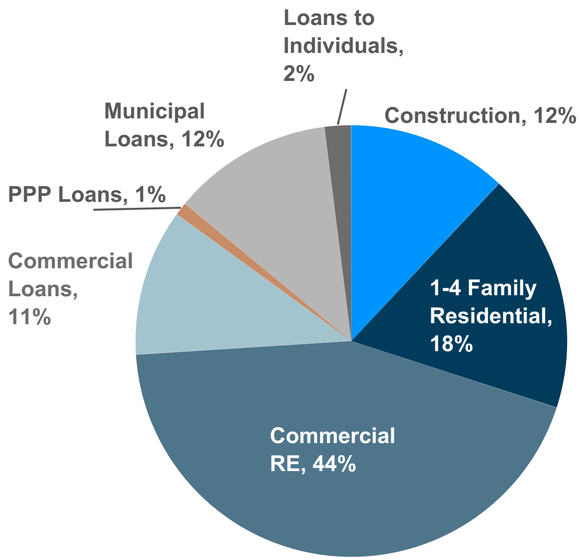
SOUTHSIDE BANCSHARES, INC.

Loan Portfolio

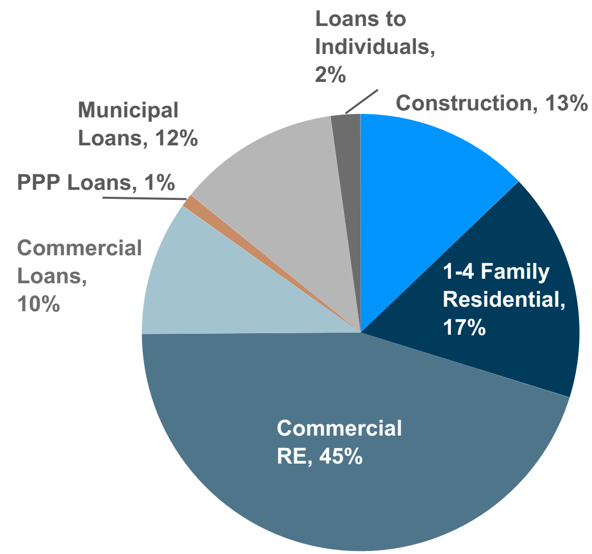
Loans 12/31/2020



Loans 12/31/2021



Loans 3/31/2022

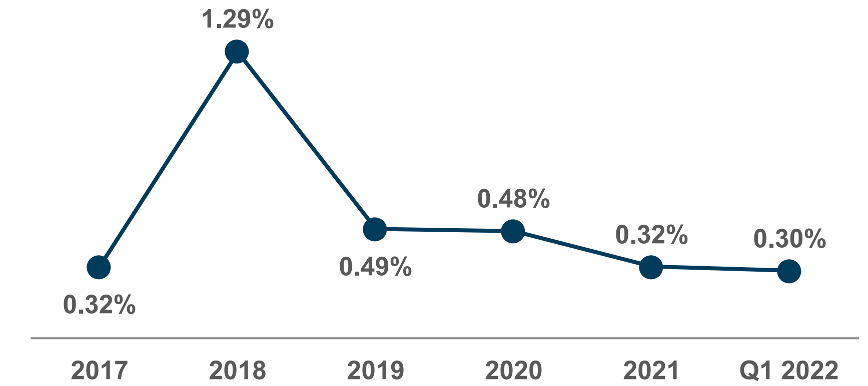


Loan Type	12/31/2020 $mm	12/31/2020 %	12/31/2021 $mm	12/31/2021 %	3/31/2022 $mm	3/31/2022 %
Real Estate Loans (RE):						
Construction	$ 582	16 %	$ 448	12 %	$ 490	13 %
1-4 Family Residential	720	20 %	651	18 %	648	17 %
Commercial RE	1,296	35 %	1,598	44 %	1,723	45 %
Commercial Loans	342	9 %	388	11 %	387	10 %
PPP Loans	215	6 %	31	1 %	14	1 %
Municipal Loans	409	11 %	443	12 %	455	12 %
Loans to Individuals	94	3 %	86	2 %	84	2 %
Total	$ 3,658	100 %	$ 3,645	100 %	$ 3,801	100 %

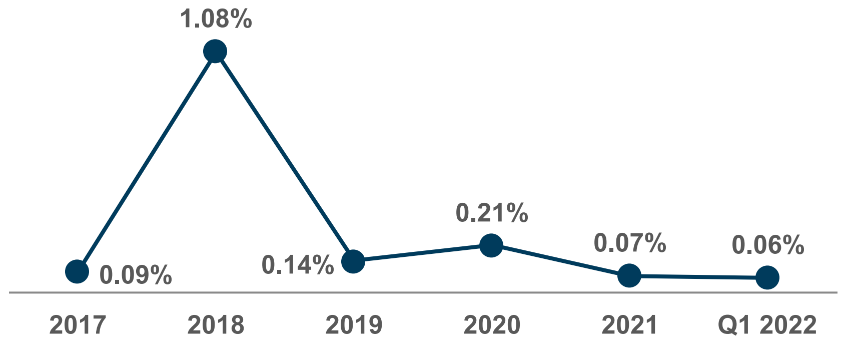
SOUTHSIDE BANCSHARES, INC.

Asset Quality Trends

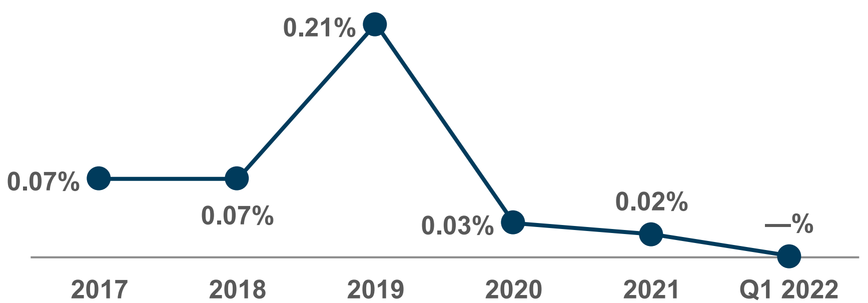
NPAs / Loans and OREO[1]



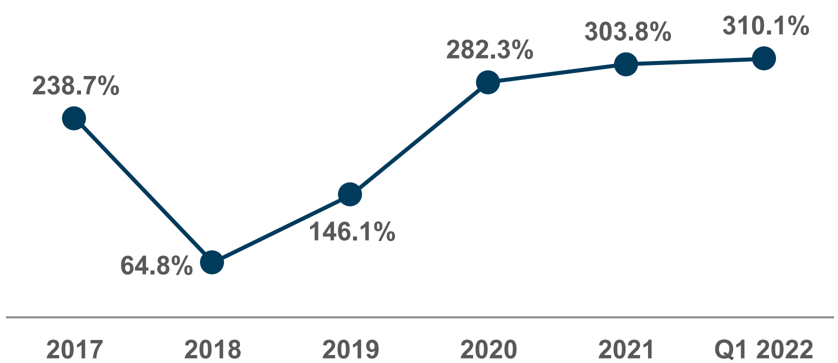
Nonaccrual Loans / Loans[1]



NCOs / Average Loans



ALLL / NPLs

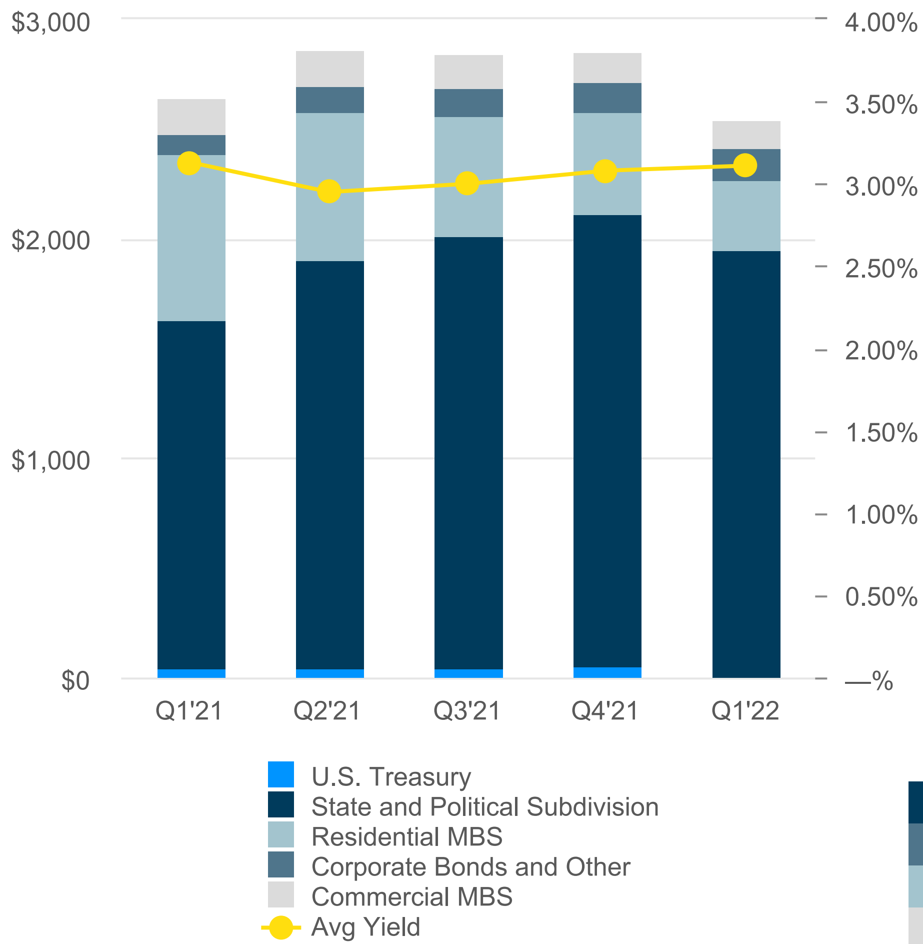


(1) Prior to the adoption of CECL, on January 1, 2020, excluded purchased credit impaired loans measured at fair value at acquisition if the timing and amount of cash flows expected to be collected from those sales could be reasonably estimated.

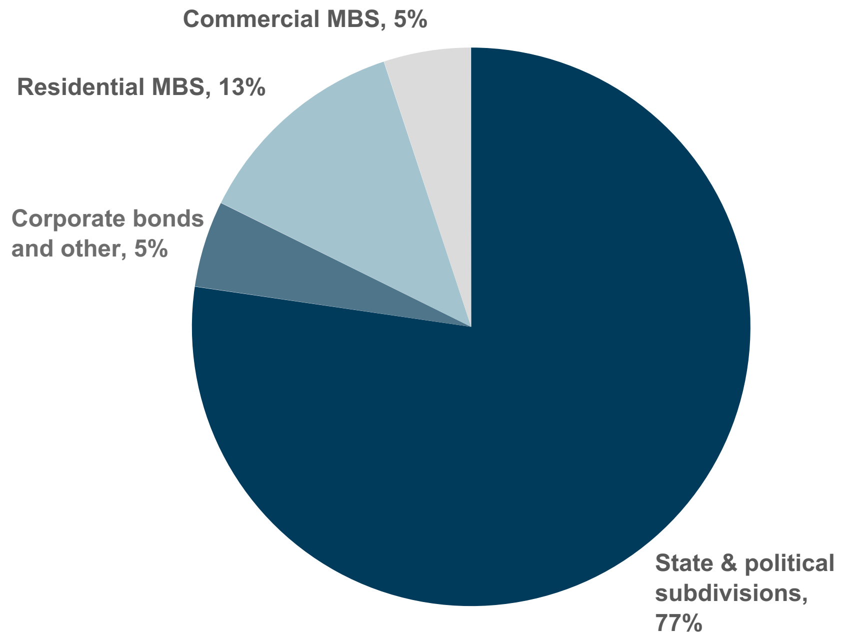
SOUTHSIDE BANCSHARES, INC.

Securities Portfolio

Total Securities



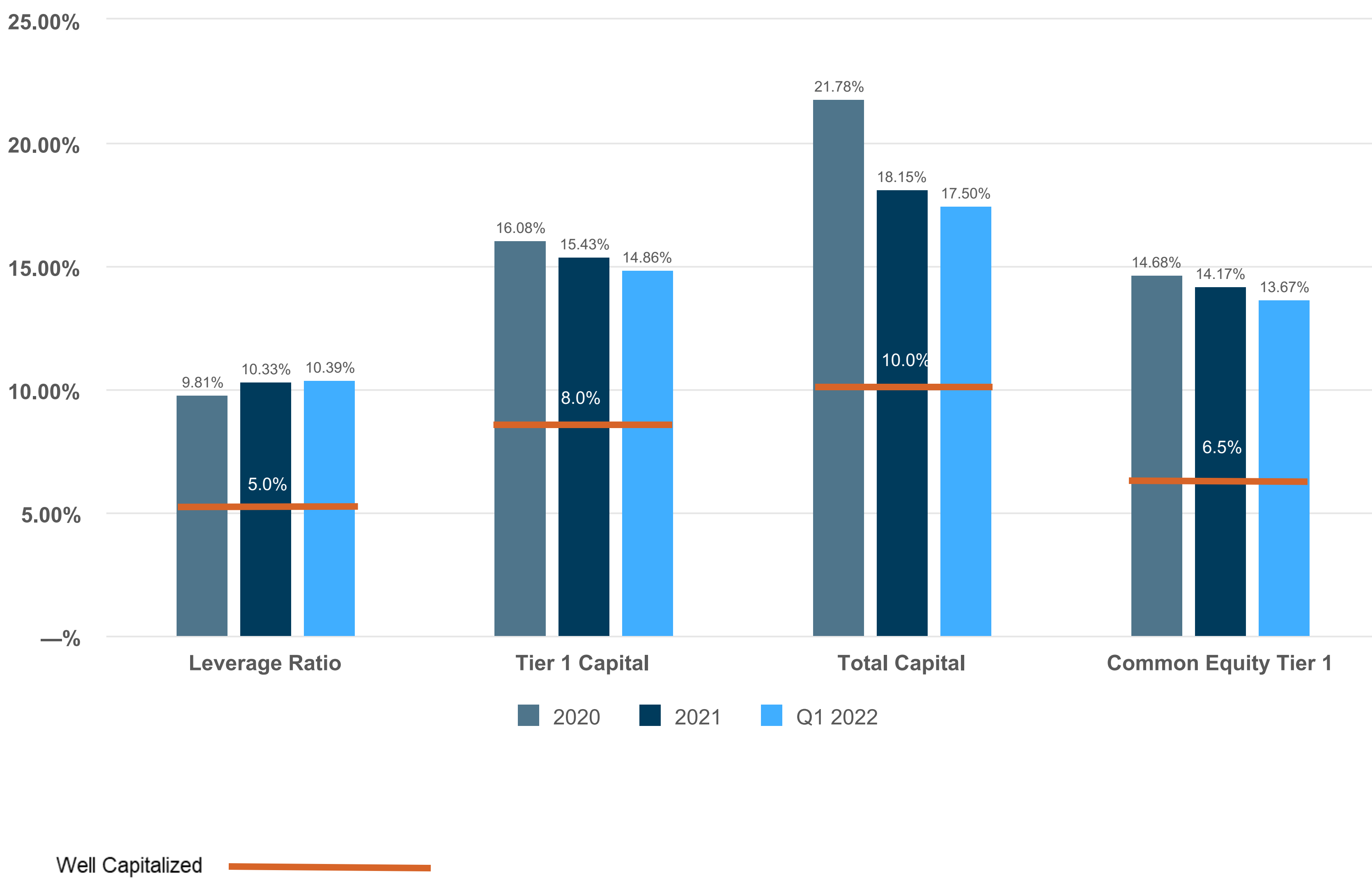
Securities 3/31/2022



Securities ($mm)	HFS	AFS	Total	%
State & political subdivisions	$ 386	$ 1,566	$ 1,952	77 %
Corporate bonds and other	—	141	141	5 %
Residential MBS	38	281	319	13 %
Commercial MBS	50	78	128	5 %
Total	$ 474	$ 2,066	$ 2,540	100 %

SOUTHSIDE BANCSHARES, INC.

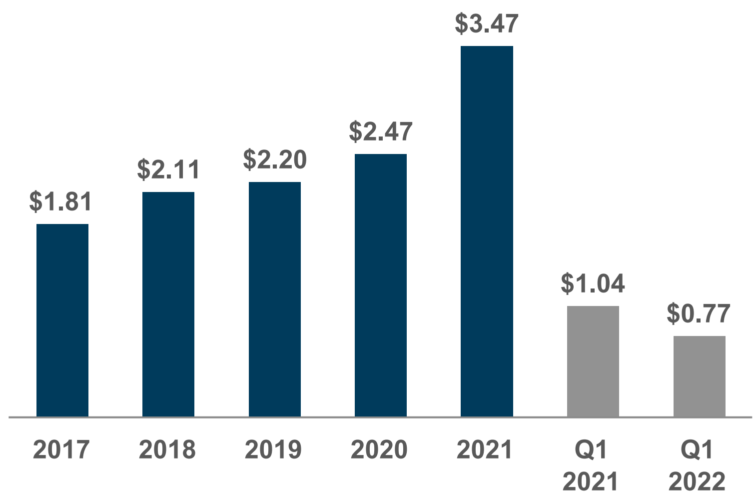
Capital Ratios



SOUTHSIDE BANCSHARES, INC.

Shareholder Returns

Diluted Earnings Per Common Share ($)

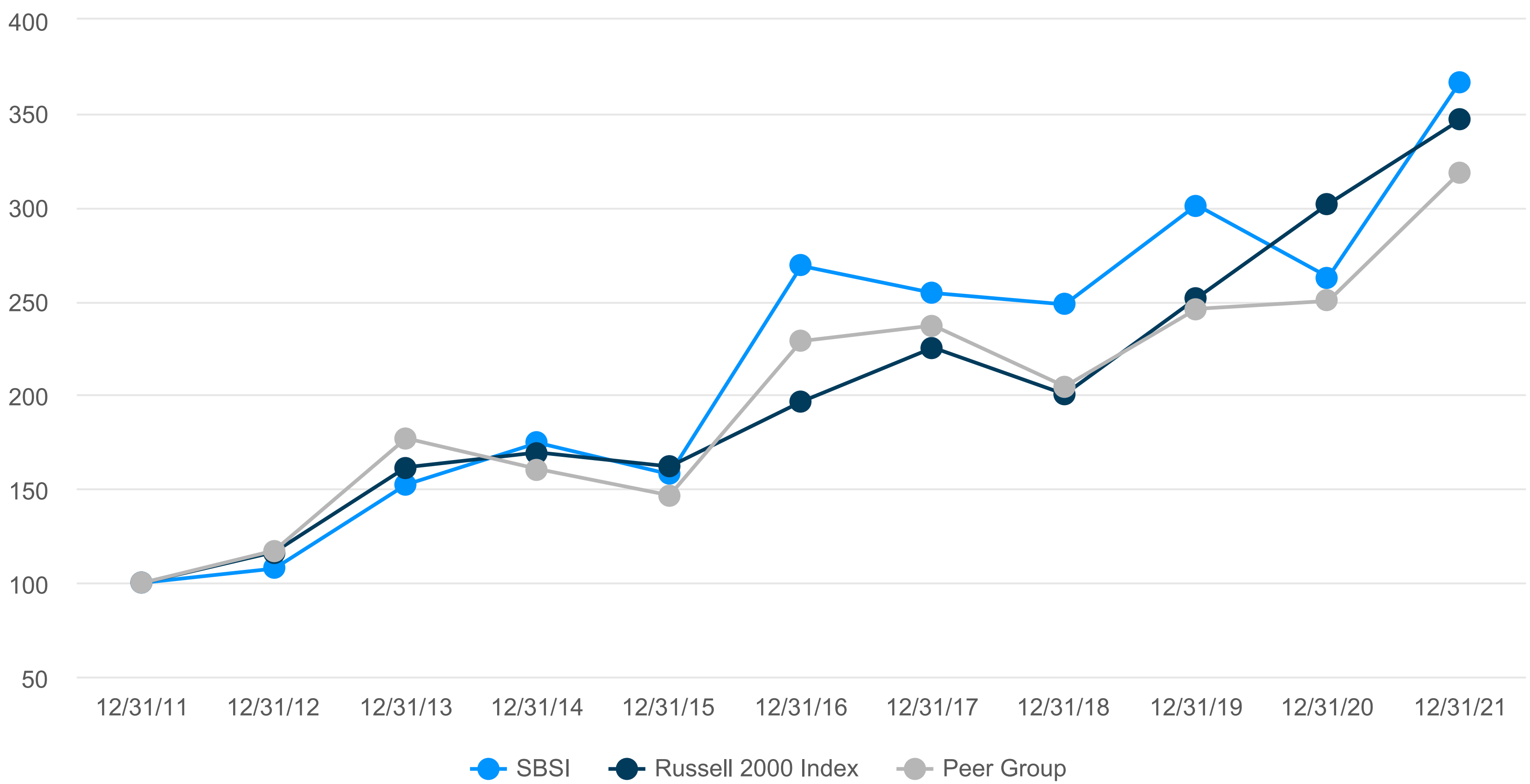


Cash Dividend Per Common Share ($)

Note: Completed acquisition of Diboll State Bancshares, Inc. on 11/30/17 resulting in pre-tax merger expenses of $4.4mm and $2.4mm in 2017 and 2018, respectively.

Total Return Performance

- SBSI outperformed both the Russell 2000 Index and Texas Peer Group over the 10 year period
- $100,000 invested in SBSI on 12/31/2011 was worth $366,760 on 12/31/2021



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

SOUTHSIDE BANCSHARES, INC.

May 18, 2022

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SOUTHSIDE BANCSHARES, INC.™

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, 2017	2018	2019	2020	2021	As of and for the 3 months ended March 31, 2021	2022
Net income available to common shareholders		$ 54,312	$ 74,138	$ 74,554	$ 82,153	$ 113,401	$ 34,091	$ 24,996
Plus: After-tax amortization expense(1)		1,271	4,118	3,490	2,857	2,251	605	491
Adjusted net income available to common shareholders	**[a]**	$ 55,583	$ 78,256	$ 78,044	$ 85,010	$ 115,652	$ 34,696	$ 25,487
Average shareholders' equity		$ 563,023	$ 751,262	$ 782,367	$ 828,980	$ 888,233	$ 873,693	$ 887,955
Less: Average intangible assets for the period		106,747	221,650	216,733	212,699	(209,463)	(210,563)	(207,774)
Average tangible shareholders' equity	**[b]**	$ 456,276	$ 529,612	$ 565,634	$ 616,281	$ 678,770	$ 663,130	$ 680,181
Return on average tangible common equity (ROATCE)	**[a]/[b]**	12.18 %	14.78 %	13.80 %	13.79 %	17.04 %	21.22 % (3)	15.20 % (3)
Common equity at end of period		$ 754,140	$ 731,291	$ 804,580	$ 875,297	$ 912,172	$ 858,597	$ 784,241
Less: Intangible assets at end of period		224,239	218,895	214,477	210,860	(208,011)	(210,094)	(207,389)
Tangible common shareholders' equity at end of period	**[c]**	$ 529,901	$ 512,396	$ 590,103	$ 664,437	$ 704,161	$ 648,503	$ 576,852
Total assets at end of period		$ 6,498,097	$ 6,123,494	$ 6,748,913	$ 7,008,227	$ 7,259,602	$ 6,998,886	$ 7,119,115
Less: Intangible assets at end of period		224,239	218,895	214,477	210,860	(208,011)	(210,094)	(207,389)
Tangible assets at end of period	**[d]**	$ 6,273,858	$ 5,904,599	$ 6,534,436	$ 6,797,367	$ 7,051,591	$ 6,788,792	$ 6,911,726
Tangible common equity/tangible assets (TCE/TA)	**[c]/[d]**	8.45 %	8.68 %	9.03 %	9.77 %	9.99 %	9.55 %	8.35 %
Common shares outstanding at end of period	**[e]**	35,000	33,725	33,823	32,951	32,352	32,659	32,294
Tangible book value per common share	**[c]/[e]**	$ 15.14	$ 15.19	$ 17.45	$ 20.16	$ 21.77	$ 19.86	$ 17.86
Net interest income (GAAP)		$ 143,970	$ 172,064	$ 169,805	$ 187,265	$ 189,557	$ 46,303	$ 48,906
Tax equivalent adjustments:								
Loans		4,313	2,354	2,490	2,752	2,920	736	745
Tax-exempt investment securities		13,197	7,004	5,148	8,812	10,045	2,211	2,464
Net interest income (FTE)(2)		161,480	181,422	177,443	198,829	202,522	49,250	52,115
Plus: Noninterest income		37,473	40,773	42,368	49,732	49,336	13,623	10,725
Less: Nonrecurring income (loss)		191	(1,198)	470	8,257	(3,862)	(2,003)	706
Total Revenue	**[g]**	**$ 198,762**	**$ 223,393**	**$ 219,341**	**$ 240,304**	**$ 247,996**	**$ 60,870**	**$ 63,546**
Noninterest expense		$ 106,335	$ 120,099	$ 119,297	$ 123,307	$ 125,030	$ 31,234	$ 31,195
Less: Pre-tax amortization expense		1,955	5,213	4,418	3,617	(2,849)	(766)	(622)
Less: Nonrecurring expense		4,394	3,236	26	1,083	(580)	236	22
Adjusted noninterest expense	**[f]**	$ 99,986	$ 111,650	$ 114,853	$ 118,607	$ 121,601	$ 30,704	$ 30,595
Average earning assets		$ 5,254,431	$ 5,699,985	$ 5,800,648	$ 6,486,444	$ 6,402,554	$ 6,241,434	$ 6,553,710
Efficiency Ratio	**[f]/[g]**	55.16 %	52.16 %	54.25 %	51.85 %	51.74 %	53.01 %	50.71 %
Efficiency Ratio (FTE)(2)		50.30 %	49.98 %	52.36 %	49.36 %	49.03 %	50.44 %	48.15 %
Net interest margin		2.74 %	3.02 %	2.93 %	2.89 %	2.96 %	3.01 % (3)	3.03 % (3)
Net interest margin(FTE)(2)		3.07 %	3.18 %	3.06 %	3.07 %	3.16 %	3.20 % (3)	3.22 % (3)
Net interest spread		2.56 %	2.72 %	2.58 %	2.68 %	2.80 %	2.84 % (3)	2.89 % (3)
Net interest spread(FTE)(2)		2.89 %	2.88 %	2.71 %	2.86 %	3.01 %	3.03 % (3)	3.09 % (3)

(1) 35% tax rate for 2017, 21% tax rate thereafter
(2) Fully taxable-equivalent (FTE)
(3) Annualized

May 18, 2022

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