

SOUTHSIDE BANCSHARES INC

Form S-4

June 16, 2014

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As filed with the Securities and Exchange Commission on June 16, 2014

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form S-4**

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**Southside Bancshares, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Texas**  
(State or other jurisdiction of  
incorporation or organization)

**6022**  
(Primary Standard Industrial  
Classification Code Number)  
**1201 South Beckham Avenue**  
**Tyler, Texas 75701**  
**(903) 531-7111**

**75-1848732**  
(I.R.S. Employer  
Identification No.)

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

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**Sam Dawson**  
**President & Chief Executive Officer**  
**Southside Bancshares, Inc.**  
**1201 South Beckham Avenue**  
**Tyler, Texas 75701**  
**(903) 531-7111**

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

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With copies to:

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Lesley H. Solomon  
David E. Brown, Jr.  
Alston & Bird, LLP  
1201 West Peachtree Street  
Atlanta, Georgia 30309  
(404) 881-7000

Tim Carter  
President & Chief Executive Officer  
OmniAmerican Bancorp, Inc.  
1320 South University Drive, Suite 900  
Fort Worth, Texas 76107  
(817) 367-4640

Brian D. Barnard  
Haynes and Boone, LLP  
201 Main Street, Suite 2299  
Fort Worth, Texas 76102  
(817) 347-6605

**Approximate date of commencement of the proposed sale of the securities to the public:  
As soon as practicable after this registration statement becomes effective and all other conditions  
to the proposed merger described herein have been satisfied or waived.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock, \$1.25 par value	5,513,343	N/A	\$142,130,249.36	\$18,306.38

(1) Represents the estimated maximum number of shares of Southside Bancshares, Inc. common stock that could be issued in connection with the first merger described herein.

(2) Pursuant to Rule 457(c), Rule 457(f)(1) and Rule 457(f)(3) under the Securities Act of 1933, as amended, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is based on the average of the high and low prices for shares of OmniAmerican Bancorp, Inc. common stock as reported on the NASDAQ Global Select Market on June 10, 2014 (\$24.62 per share) multiplied by the maximum number of such shares (12,364,528) that may be exchanged for the securities being registered, minus the estimated amount of cash to be paid by the registrant to OmniAmerican stockholders and holders of options to purchase shares of OmniAmerican common stock in the first merger (\$162,284,430).

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this joint proxy statement/prospectus is not complete and is subject to change. Southside Bancshares, Inc. may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED JUNE 16, 2014**

**Joint Proxy Statement/Prospectus**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

To the Shareholders of Southside Bancshares, Inc. and the Stockholders of OmniAmerican Bancorp, Inc.:

On April 28, 2014, Southside Bancshares, Inc., or Southside, Omega Merger Sub, Inc., a wholly owned subsidiary of Southside, or Merger Sub, and OmniAmerican Bancorp, Inc., or OmniAmerican, entered into an Agreement and Plan of Merger, which we refer to as the merger agreement. Pursuant to the merger agreement, Merger Sub will merge with and into OmniAmerican, with OmniAmerican as the surviving corporation, which we refer to as the first merger. Immediately after the first merger, OmniAmerican will merge with and into Southside, with Southside as the surviving corporation, which we refer to as the second merger. Immediately after the second merger, OmniAmerican Bank, a wholly owned bank subsidiary of OmniAmerican, will merge with and into Southside's wholly owned bank subsidiary, Southside Bank, with Southside Bank as the surviving bank, which we refer to as the bank merger. We refer to the first merger, the second merger and the bank merger collectively as the mergers.

If the first merger is completed, each share of OmniAmerican common stock will be converted into the right to receive: (1) 0.4459 of a share of Southside common stock, which we refer to as the stock consideration, and (2) \$13.125 in cash, which we refer to as the cash consideration. We collectively refer to the stock consideration and the cash consideration as the merger consideration. The number of shares of Southside common stock currently expected to be delivered to holders of shares of OmniAmerican common stock upon completion of the first merger is approximately [ ] shares, based on the number of shares of OmniAmerican common stock outstanding as of [ ], 2014 and assuming the exercise in full of all outstanding and unexercised stock options.

The market value of the merger consideration will fluctuate with the market price of Southside common stock and will not be known at the time OmniAmerican stockholders vote on the first merger. Southside common stock is currently quoted on the NASDAQ Global Select Market under the symbol "SBSI." On April 28, 2014, the last trading day before the announcement of the mergers, the last reported sale price of Southside common stock was \$30.46 per share, and, on [ ], 2014, the last trading day before the date of this joint proxy statement/prospectus, the last reported sale price of Southside common stock was \$[ ] per share. **We urge you to obtain current market quotations for the price of Southside and OmniAmerican common stock.**

Each of Southside and OmniAmerican expects that the first merger and the second merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, with the result that the portion of OmniAmerican common stock exchanged for Southside shares will generally be tax-free and the portion of the OmniAmerican common stock exchanged for cash will generally be taxable as capital gain.

Southside and OmniAmerican will each hold a special meeting of its shareholders and stockholders, respectively, in connection with the mergers. OmniAmerican stockholders will be asked to consider and vote upon (1) a proposal to approve the first merger, (2) a proposal to approve, on an advisory (non-binding) basis, certain compensation that will or may become payable to OmniAmerican's named executive officers in connection with the first merger, and (3) a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the first merger. Southside shareholders will be asked to vote on a proposal to approve the issuance of shares of Southside common stock to OmniAmerican stockholders in connection with the first merger (which we refer to as the Southside share issuance proposal) and will also be asked to approve a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Southside share issuance proposal.

The special meeting of Southside shareholders will be held on [ ], 2014 at Southside's headquarters located at 1201 South Beckham Avenue, Tyler, Texas, at [ ] p.m. local time. The special meeting of OmniAmerican stockholders will be held on [ ], 2014 at OmniAmerican's headquarters located at 1320 South University Drive, Fort Worth, Texas, at [ ] a.m. local time.

**Your vote is important.** We cannot complete the mergers unless OmniAmerican's stockholders approve the first merger and Southside's shareholders approve the Southside share issuance proposal as described in this joint proxy statement/prospectus. **Regardless of whether or not you plan to attend your special meeting, please take the time to authorize a proxy to vote your shares in accordance with the instructions contained in this joint proxy statement/prospectus.**

**OmniAmerican's board of directors has determined that the merger agreement and transactions contemplated thereby, including the mergers, are advisable and in the best interests of OmniAmerican's stockholders, has unanimously approved the merger agreement and the mergers and unanimously recommends that OmniAmerican stockholders vote "FOR" a proposal to approve the first merger, "FOR" a proposal to approve, on an advisory (non-binding) basis, certain compensation that will or may become payable to OmniAmerican's named executive officers in connection with the first**

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merger and "FOR" a proposal to adjourn the OmniAmerican special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the first merger.

Southside's board of directors has determined that the merger agreement and the transactions contemplated thereby, including the mergers and the share issuance, are advisable and in the best interests of Southside and its shareholders, has unanimously approved the merger agreement and unanimously recommends that Southside shareholders vote "FOR" a proposal to approve the share issuance and "FOR" a proposal to adjourn the Southside special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the share issuance.

This joint proxy statement/prospectus describes the special meetings, the mergers, the documents related to the mergers and other related matters. **Please carefully read this entire joint proxy statement/prospectus, including "Risk Factors," beginning on page 25, for a discussion of the risks relating to the proposed mergers.** You also can obtain information about Southside and OmniAmerican from documents that they have filed with the Securities and Exchange Commission.

If you have any questions concerning the mergers, OmniAmerican stockholders should please contact Keishi High, Investor Relations, 1320 South University Drive, Suite 900, Fort Worth, Texas 76107 at (817) 367-4640, and Southside shareholders should please contact Lee Gibson, Senior Executive Vice President and Chief Financial Officer, 1201 South Beckham Avenue, Tyler, Texas 75711 at (903) 533-7221. We look forward to seeing you at the meetings.

Sam Dawson  
*President and Chief Executive Officer*  
Southside Bancshares, Inc.

Tim Carter  
*President and Chief Executive Officer*  
OmniAmerican Bancorp, Inc.

**Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, nor any state securities commission or any other bank regulatory agency has approved or disapproved the securities to be issued in the first merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the first merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Southside or OmniAmerican, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this joint proxy statement/prospectus is [            ], 2014, and it is first being mailed or otherwise delivered to the shareholders of Southside and the stockholders of OmniAmerican on or about [            ], 2014.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

To the Shareholders of Southside Bancshares, Inc.:

Southside Bancshares, Inc., a Texas corporation, or Southside, will hold a special meeting of shareholders at [ ] p.m. local time, on [ ], 2014, at Southside's headquarters located at 1201 South Beckham Avenue, Tyler, Texas 75701 to consider and vote upon the following matters:

1. a proposal to approve the issuance of shares of Southside common stock to the stockholders of OmniAmerican Bancorp, Inc., a Maryland corporation, or OmniAmerican, in connection with the merger of Omega Merger Sub, Inc., a Maryland corporation and wholly owned subsidiary of Southside, with and into OmniAmerican, with OmniAmerican as the surviving corporation, which we refer to as the first merger, as more fully described in the accompanying joint proxy statement/prospectus. We refer to this proposal as the Southside share issuance proposal; and
2. a proposal to approve one or more adjournments of the Southside special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Southside share issuance proposal, if there are insufficient votes at the time of such adjournment to approve the Southside share issuance proposal, which we refer to as the Southside adjournment proposal.

We have fixed the close of business on [ ], 2014 as the record date for the Southside special meeting. Only holders of record of Southside common stock at that time are entitled to notice of, and to vote at, the Southside special meeting, or any adjournment or postponement of the Southside special meeting. The approval of the Southside share issuance proposal requires the affirmative vote of holders of at least a majority of Southside's common stock entitled to vote and represented in person or by proxy at the Southside special meeting, assuming a quorum is present.

Immediately after the first merger, OmniAmerican will merge with and into Southside, with Southside as the surviving corporation, which we refer to as the second merger. Immediately after the second merger, OmniAmerican Bank, a wholly owned bank subsidiary of OmniAmerican, will merge with and into Southside Bank, Southside's wholly owned bank subsidiary, with Southside Bank as the surviving bank, which we refer to as the bank merger. We refer to the first merger, the second merger and the bank merger collectively as the mergers.

**Southside's board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the mergers and the share issuance, are advisable and in the best interests of Southside and its shareholders, and unanimously recommends that Southside shareholders vote "FOR" the Southside share issuance proposal and "FOR" the Southside adjournment proposal.**

**Your vote is very important.** We cannot complete the mergers unless Southside's common shareholders approve the share issuance.

**Regardless of whether you plan to attend the Southside special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of Southside, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.**

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the mergers, the documents related to the mergers and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety. If you have any questions concerning the mergers or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need help voting your shares of Southside common stock,

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please contact Susan Hill, Investor Relations, 1201 South Beckham Avenue, Tyler, Texas 75701 at (903) 531-7220 or susan.hill@southside.com.

**BY ORDER OF THE BOARD OF DIRECTORS,**

---

B.G. Hartley  
*Chairman of the Board*

Tyler, Texas

[        ], 2014

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**OMNIAMERICAN BANCORP, INC.**

**1320 South University Drive, Suite 900  
Fort Worth, Texas 76107  
(817) 367-4640**

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held on [        ], 2014**

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To the Stockholders of OmniAmerican Bancorp, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of OmniAmerican Bancorp, Inc., a Maryland corporation, referred to as OmniAmerican, will be held at OmniAmerican's headquarters located at 1320 South University Drive, Fort Worth, Texas, on [        ], 2014, at [        ] a.m. local time, to consider and vote upon the following matters:

1. a proposal to approve the merger of Omega Merger Sub, Inc., a Maryland corporation and wholly owned subsidiary of Southside Bancshares, Inc., a Texas corporation, or Southside, with and into OmniAmerican, with OmniAmerican as the surviving corporation, which we refer to as the first merger, as more fully described in the attached joint proxy statement/prospectus. We refer to this proposal as the OmniAmerican merger proposal;
2. a proposal to approve, on an advisory (non-binding) basis, certain compensation that will or may become payable to OmniAmerican's named executive officers in connection with the first merger, which we refer to as the OmniAmerican compensation proposal; and
3. a proposal to approve one or more adjournments of the OmniAmerican special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of such adjournment to approve the OmniAmerican merger proposal, which we refer to as the OmniAmerican adjournment proposal.

OmniAmerican will transact no other business at the special meeting or any adjournment or postponement thereof. Only holders of record of OmniAmerican common stock at the close of business on [        ], 2014, the record date established for the OmniAmerican special meeting, are entitled to notice of, and to vote at, the special meeting or at any adjournment or postponement thereof.

Immediately after the first merger, OmniAmerican will merge with and into Southside, with Southside as the surviving corporation, which we refer to as the second merger. Immediately after the second merger, OmniAmerican Bank, a wholly owned bank subsidiary of OmniAmerican, will merge with and into Southside's wholly owned bank subsidiary, Southside Bank, with Southside Bank as the surviving bank, which we refer to as the bank merger. We refer to the first merger, the second merger and the bank merger collectively as the mergers.

We encourage you to read carefully the accompanying joint proxy statement/prospectus, including its annexes and any documents incorporated in the joint proxy statement/prospectus by reference, as it sets forth detailed information about the OmniAmerican merger proposal, the OmniAmerican compensation proposal, the OmniAmerican adjournment proposal and other important information related to the merger. A copy of the merger agreement is included as Annex A to the attached joint proxy statement/prospectus.

**Your vote is very important, regardless of the number of shares you own.** If you hold stock in your name as a stockholder of record of OmniAmerican, we encourage you to authorize a proxy to vote your shares at the special meeting by telephone or on the Internet, or by completing, signing, dating and returning your proxy card as promptly as possible in the accompanying reply envelope, whether or not you plan

to attend the special meeting. If you are unable to attend in person and you

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return your properly executed proxy card in time for the special meeting, your shares will be voted at the special meeting in accordance with your instructions as reflected in your proxy. Properly executed proxies that do not contain voting instructions will be voted "FOR" the OmniAmerican merger proposal, "FOR" the OmniAmerican compensation proposal and "FOR" the OmniAmerican adjournment proposal, if necessary or appropriate. If you attend the OmniAmerican special meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. If you hold stock in "street name" through a bank, brokerage firm or other nominee, please follow the instructions on the voting instruction card furnished by the bank, brokerage firm or other nominee.

**OmniAmerican's board of directors has unanimously recommended that you vote "FOR" the OmniAmerican merger proposal, "FOR" the OmniAmerican compensation proposal and "FOR" the OmniAmerican adjournment proposal, if necessary or appropriate.**

You will not be entitled to exercise appraisal rights under Maryland law in connection with the first merger and the transactions contemplated by the merger agreement.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE OMNIAMERICAN SPECIAL MEETING TO BE HELD ON [            ], 2014:** The Notice and the Joint Proxy Statement/Prospectus are available at [www.omniamerican.com/proxy](http://www.omniamerican.com/proxy).

*By Order of the Board of Directors,*

Mary-Margaret Lemons  
*Corporate Secretary*

[            ], 2014

**A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES.**

**If you have questions about the proposals or about voting your shares, please call OmniAmerican Investor Relations at (817) 367-4640.**

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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Southside and OmniAmerican from documents filed with or furnished to the Securities and Exchange Commission, or SEC, that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Southside or OmniAmerican at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus, at no cost by contacting the appropriate company at the following address:

**Southside Bancshares, Inc.**  
1201 South Beckham Avenue  
Tyler, Texas 75701  
Attention: Secretary  
Telephone: (877) 639-3511

**OmniAmerican Bancorp, Inc.**  
1320 South University Drive  
Fort Worth, Texas 76107  
Attention: Investor Relations  
Telephone: (817) 367-4640

**You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of your special meeting. This means that Southside shareholders requesting documents must do so by [        ], 2014, in order to receive them before the Southside special meeting and OmniAmerican stockholders requesting documents must do so by [        ], 2014, in order to receive them before the OmniAmerican special meeting.**

If you are a Southside shareholder and have questions about the share issuance or the Southside special meeting, need additional copies of this joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Susan Hill, Investor Relations, at the address and telephone number listed above or (903) 531-7220 or at [susan.hill@southside.com](mailto:susan.hill@southside.com).

In addition, if you are an OmniAmerican stockholder and have questions about the first merger or the OmniAmerican special meeting, need additional copies of this joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Keishi High, Investor Relations, at the address and telephone number listed above.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [        ], 2014, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to OmniAmerican stockholders or Southside shareholders nor the issuance by Southside of shares of Southside common stock in connection with the first merger will create any implication to the contrary.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding OmniAmerican has been provided by OmniAmerican and information contained in this document regarding Southside has been provided by Southside. See "Where You Can Find More Information" for more details.**

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**QUESTIONS AND ANSWERS**

*The following are answers to some questions that Southside shareholders and OmniAmerican stockholders may have regarding the proposed transaction between Southside and OmniAmerican and the other proposals being considered at the Southside and OmniAmerican special meetings. Southside and OmniAmerican urge you to read carefully this entire joint proxy statement/prospectus, including the Annexes, and the documents incorporated by reference into this joint proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.*

*Unless the context otherwise requires, references in this joint proxy statement/prospectus to (1) "Southside" refer to Southside Bancshares, Inc., a Texas corporation, and its affiliates, (2) "Merger Sub" refer to Omega Merger Sub, Inc., a Maryland corporation and a wholly owned subsidiary of Southside; and (3) "OmniAmerican" refer to OmniAmerican Bancorp, Inc., a Maryland corporation, and its affiliates.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A:

Southside, Merger Sub and OmniAmerican have entered into an Agreement and Plan of Merger, dated as of April 28, 2014, which we refer to as the merger agreement. Pursuant to the merger agreement, Merger Sub will be merged with and into OmniAmerican, with OmniAmerican as the surviving company, which we refer to as the first merger. Immediately after the first merger, OmniAmerican will be merged with and into Southside, with Southside as the surviving company, which we refer to as the second merger. Immediately after the second merger, OmniAmerican Bank, a wholly owned subsidiary of OmniAmerican, will merge with and into Southside's wholly owned subsidiary, Southside Bank, with Southside Bank as the surviving bank, which we refer to as the bank merger. We refer to the first merger, the second merger and the bank merger collectively as the mergers. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

The mergers cannot be completed unless, among other things:

the holders of a majority of the outstanding shares of Southside common stock entitled to vote and represented in person or by proxy at the Southside special meeting vote in favor of the proposal to approve the issuance of shares of Southside common stock to OmniAmerican stockholders in connection with the first merger, which we refer to as the Southside share issuance proposal; and

the holders of a majority of the outstanding shares of OmniAmerican common stock entitled to vote on the first merger vote in favor of the proposal to approve the first merger, which we refer to as the OmniAmerican merger proposal.  
In addition, Southside is soliciting proxies from its shareholders with respect to one additional proposal, although the completion of the mergers is not conditioned upon shareholder approval of this proposal:

a proposal to approve one or more adjournments of the Southside special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Southside share issuance proposal if there are insufficient votes at the time of such adjournment to approve such proposal, which we refer to as the Southside adjournment proposal.

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Furthermore, OmniAmerican is soliciting proxies from its stockholders with respect to two additional proposals, although the completion of the mergers is not conditioned upon stockholder approval of those proposals:

a proposal to approve, on an advisory (non-binding) basis, certain compensation that will or may become payable to OmniAmerican's named executive officers in connection with the first merger, which we refer to as the OmniAmerican compensation proposal; and

a proposal to approve one or more adjournments of the OmniAmerican special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of such adjournment to approve the OmniAmerican merger proposal, which we refer to as the OmniAmerican adjournment proposal.

Each of Southside and OmniAmerican will hold separate special meetings to consider the proposals, which we refer to as the Southside special meeting and the OmniAmerican special meeting, respectively. This joint proxy statement/prospectus contains important information about the mergers and the other proposals being voted on at the special meetings, and you should read it carefully. It is a joint proxy statement because both the Southside and OmniAmerican boards of directors are soliciting proxies from their respective shareholders and stockholders. It is a prospectus because Southside will issue shares of Southside common stock to holders of OmniAmerican common stock in connection with the first merger. The enclosed materials allow you to authorize a proxy to vote your shares without attending your respective meeting. Your vote is important. We encourage you to authorize your proxy as soon as possible.

**Q: What will I receive in the mergers?**

A:

*Southside shareholders:* If the mergers are completed, Southside shareholders will not receive any merger consideration and will continue to hold the shares of Southside common stock that they currently hold. Following the mergers, shares of Southside common stock will continue to be traded on the NASDAQ Global Select Market under the symbol "SBSI."

*OmniAmerican stockholders:* If the first merger is completed, for each share of OmniAmerican common stock that OmniAmerican stockholders hold immediately prior to the first merger, OmniAmerican stockholders will receive: (1) 0.4459 of a share of Southside common stock, which we refer to as the stock consideration and (2) \$13.125 in cash, which we refer to as the cash consideration. The stock consideration and the cash consideration are collectively referred to as the merger consideration. Southside will not issue any fractional shares of Southside common stock in the first merger. OmniAmerican stockholders who would otherwise be entitled to a fractional share of Southside common stock upon the completion of the first merger will instead receive an amount in cash based on the volume weighted average price per share of Southside common stock for the five trading days immediately preceding (but not including) the day on which the first merger is completed, which we refer to as the Southside closing share value.

**Q: Will the value of the stock consideration change between the date of this joint proxy statement/prospectus and the time the first merger is completed?**

A:

Yes. The value of the stock consideration may fluctuate between the date of this joint proxy statement/prospectus and the completion of the first merger based upon the market value for Southside common stock. In the first merger, OmniAmerican stockholders will receive a fraction of a share of Southside common stock for each share of OmniAmerican common stock they hold. Any fluctuation in the market price of Southside common stock after the date of this joint proxy statement/prospectus will change the value of the shares of Southside common stock that OmniAmerican stockholders will receive.

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**Q: What will happen to OmniAmerican equity awards in the mergers?**

A:

At the effective time of the first merger, each option to purchase shares of OmniAmerican common stock granted under the OmniAmerican Bancorp., Inc. 2011 Equity Incentive Plan that is outstanding immediately prior to the effective time of the first merger, whether vested or unvested, will be automatically cancelled (conditioned upon completion of the first merger) in exchange for the right to receive a cash payment as specified under the merger agreement. Holders of options to purchase shares of OmniAmerican's common stock will not be entitled to receive any shares of Southside common stock in exchange for their options.

At the effective time of the first merger, each issued and outstanding restricted share of OmniAmerican common stock, including unvested shares which will become vested immediately prior to the effective time of the first merger, will be converted into the right to receive the merger consideration.

**Q: How does Southside's board of directors recommend that I vote at the special meeting?**

A:

Southside's board of directors unanimously recommends that you vote "FOR" the Southside share issuance proposal and "FOR" the Southside adjournment proposal.

**Q: How does OmniAmerican's board of directors recommend that I vote at the special meeting?**

A:

OmniAmerican's board of directors unanimously recommends that you vote "FOR" the OmniAmerican merger proposal, "FOR" the OmniAmerican compensation proposal and "FOR" the OmniAmerican adjournment proposal.

**Q: When and where are the special meetings?**

A:

The Southside special meeting will be held at Southside's headquarters located at 1201 South Beckham Avenue, Tyler, Texas on [     ], 2014 at [     ] p.m. local time.

The OmniAmerican special meeting will be held at OmniAmerican's headquarters located at 1320 South University Drive, Fort Worth, Texas on [     ], 2014, at [     ] a.m. local time.

**Q: What do I need to do now?**

A:

After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please authorize a proxy to vote your shares promptly so that your shares are represented and voted at the applicable special meeting.

**Q: What constitutes a quorum for the Southside special meeting?**

A:

The presence at the Southside special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Southside common stock that are entitled to vote at the Southside special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

**Q: What constitutes a quorum for the OmniAmerican special meeting?**

A:

The presence at the OmniAmerican special meeting, in person or by proxy, of holders of record of outstanding shares of OmniAmerican common stock that are entitled to cast a majority of the votes entitled to be cast at the OmniAmerican special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining





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the number of shares present at the meeting for the purpose of determining the presence of a quorum.

**Q: What is the vote required to approve each proposal?**

A:

*Southside special meeting:* Approval of each of the Southside share issuance proposal and the Southside adjournment proposal requires the affirmative vote of a majority of the shares of Southside common stock entitled to vote and represented in person or by proxy at the Southside special meeting, assuming a quorum is present.

*OmniAmerican special meeting:* Approval of the OmniAmerican merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of OmniAmerican common stock entitled to vote on such proposal. Approval of each of the OmniAmerican compensation proposal and the OmniAmerican adjournment proposal requires the affirmative vote of a majority of the votes cast on each such proposal by the holders of shares of OmniAmerican common stock entitled to vote thereon.

**Q: What will happen if OmniAmerican stockholders do not approve the OmniAmerican compensation proposal?**

A:

The SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, adopted rules that require OmniAmerican to seek an advisory (non-binding) vote with respect to certain compensation that will or may become payable to OmniAmerican's named executive officers in connection with the first merger. The vote on the OmniAmerican compensation proposal is a vote separate and apart from the vote to approve the OmniAmerican merger proposal. You may vote for this proposal and against the OmniAmerican merger proposal, or vice versa. Because the vote on the OmniAmerican compensation proposal is advisory only, it will not be binding on OmniAmerican or Southside and will have no impact on whether the first merger is completed or on whether any contractually obligated payments are made to OmniAmerican's named executive officers.

**Q: Why is my vote important?**

A:

If you do not submit a proxy or vote in person, it may be more difficult for Southside and OmniAmerican to obtain the necessary quorum to hold their special meetings. In addition, if you are an OmniAmerican stockholder, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote against approval of the first merger. The first merger must be approved by the affirmative vote of the holders of at least a majority of the outstanding shares of OmniAmerican's common stock. OmniAmerican's board of directors unanimously recommends that you vote "FOR" the proposal to approve the first merger.

**Q: How many votes do I have?**

A:

*Southside shareholders:* You are entitled to one vote on each proposal to be considered at the Southside special meeting for each share of Southside common stock that you owned as of the close of business on [        ], 2014, which is the Southside record date.

*OmniAmerican stockholders:* You are entitled to one vote on each proposal to be considered at the OmniAmerican special meeting for each share of OmniAmerican common stock that you owned as of the close of business on [        ], 2014, which is the OmniAmerican record date.

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**Q: How do I vote?**

A:

*Southside shareholders:* If you are a shareholder of record, you may have your shares of Southside common stock voted on the matters to be presented at the Southside special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person you may attend the special meeting and cast your vote there.

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Your bank, brokerage firm or other nominee cannot vote your shares without instructions from you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

*OmniAmerican stockholders:* If you are a stockholder of record, you may have your shares of OmniAmerican common stock voted on the matters to be presented at the OmniAmerican special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person you may attend the special meeting and cast your vote there.

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Your bank, brokerage firm or other nominee cannot vote your shares without instructions from you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

**Q: What if I abstain from voting or fail to instruct my bank or broker?**

A:

*Southside shareholders:* If you mark "ABSTAIN" on your proxy with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have the same effect as a vote "AGAINST" the proposal. If you fail to submit a proxy or vote in person at the Southside special meeting or fail to instruct your bank or broker how to vote with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have no effect on the proposals.

*OmniAmerican stockholders:* If you mark "ABSTAIN" on your proxy with respect to the OmniAmerican merger proposal, fail to authorize a proxy or vote in person at the OmniAmerican special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote "AGAINST" the proposal.

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If you mark "ABSTAIN" on your proxy, fail to authorize a proxy or vote in person at the OmniAmerican special meeting or fail to instruct your bank or broker how to vote with respect to the OmniAmerican compensation proposal or the OmniAmerican adjournment proposal, your shares will not be counted as votes cast and will have no effect on these proposals.

**Q: How do I vote if I own shares through the OmniAmerican ESOP or the OmniAmerican stock fund of the OmniAmerican 401(k) Plan?**

**A:** If you participate in the OmniAmerican Bank Employee Stock Ownership Plan, or the OmniAmerican ESOP, or if you hold OmniAmerican common stock through the OmniAmerican Bank 401(k) Profit Sharing Plan, or the OmniAmerican 401(k) Plan, you will receive vote authorization forms for the plans that reflect all shares you may direct the trustees to vote on your behalf under the plans. Under the terms of the OmniAmerican ESOP, the trustee votes all shares held by the OmniAmerican ESOP, but each OmniAmerican ESOP participant may direct the trustee how to vote the shares of OmniAmerican common stock allocated to his or her account. The trustee, subject to the exercise of its fiduciary responsibilities, will vote all unallocated shares of OmniAmerican common stock held by the OmniAmerican ESOP, deemed allocated shares for which no voting instructions are received and stock for which OmniAmerican ESOP participants have voted to abstain in the same proportion as shares for which it has received timely voting instructions. Under the terms of the OmniAmerican 401(k) Plan, a participant is entitled to provide instructions for all shares of OmniAmerican common stock credited to his or her OmniAmerican 401(k) Plan account. Shares for which no voting instructions are given or for which instructions were not timely received will be voted in the same proportion as shares for which voting instructions were received.

**Q: Can I attend the special meeting and vote my shares in person?**

**A:** Yes. All shareholders of Southside and stockholders of OmniAmerican as of the record date, including shareholders and stockholders of record and shareholders and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend their respective special meetings. Holders of record of Southside and OmniAmerican common stock can vote in person at the Southside special meeting and OmniAmerican special meeting, respectively. If you are not a shareholder or stockholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meetings. If you plan to attend your special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Southside and OmniAmerican reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Southside or OmniAmerican special meeting is prohibited without Southside or OmniAmerican's express written consent, respectively.

**Q: Can I change my vote?**

**A:** *Southside shareholders:* Yes. If you are a holder of record of Southside common stock, you may revoke your proxy prior to the Southside special meeting by providing notice in writing to Southside's Corporate Secretary at Southside's principal office, located at 1201 South Beckham Avenue, Tyler, Texas 75701, at any time prior to the meeting, or by advising the Southside Corporate Secretary at the special meeting that you wish to revoke your proxy and vote your shares in person. Your attendance at the Southside special meeting will not constitute automatic

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revocation of the proxy. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

*OmniAmerican stockholders:* Yes. If you are a holder of record of OmniAmerican common stock, you may revoke any proxy at any time prior to the OmniAmerican special meeting by providing notice in writing to OmniAmerican's Corporate Secretary at OmniAmerican's principal office, located at 1320 South University Drive, Suite 900, Fort Worth, Texas 76107, by returning a duly executed proxy bearing a later date by mail, by logging onto the Internet website specified on your proxy card in the same manner you would submit your proxy electronically or by calling the telephone number specified on your proxy card, as described on your proxy card. Your attendance at the OmniAmerican special meeting will not constitute automatic revocation of the proxy unless the stockholder delivers his or her ballot in person at the special meeting or delivers a written revocation to the OmniAmerican Corporate Secretary prior to the voting of such proxy. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

**Q: Will Southside be required to submit the Southside share issuance proposal to its shareholders even if Southside's board of directors has withdrawn, modified or qualified its recommendation?**

A: Yes. Unless the merger agreement is terminated before the Southside special meeting, Southside is required to submit the Southside share issuance proposal to its shareholders even if Southside's board of directors has withdrawn, modified or qualified its recommendation.

**Q: Will OmniAmerican be required to submit the OmniAmerican merger proposal to its stockholders even if OmniAmerican's board of directors has withdrawn, modified or qualified its recommendation?**

A: Yes. Unless the merger agreement is terminated before the OmniAmerican special meeting, OmniAmerican is required to submit the OmniAmerican merger proposal to its stockholders even if OmniAmerican's board of directors has withdrawn, modified or qualified its recommendation.

**Q: What are the U.S. federal income tax consequences of the mergers to OmniAmerican stockholders?**

Southside and OmniAmerican each expect that the first merger and the second merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code, with the result that the portion of OmniAmerican common stock exchanged for Southside shares will generally be tax-free and the portion of the OmniAmerican common stock exchanged for cash will generally be taxable as a capital gain.

For further information, see "The Mergers U.S. Federal Income Tax Considerations."

*The U.S. federal income tax consequences described above may not apply to all holders of OmniAmerican common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the mergers to you.*

**Q: Are OmniAmerican stockholders entitled to exercise appraisal rights?**

A: No. No holder of OmniAmerican common stock is entitled, with respect to the first merger, to exercise any rights of an objecting stockholder provided for under Title 3 Subtitle 2 of the Maryland General Corporation Law, or the MGCL, any successor statute, or any similar appraisal or dissenter's rights. For further information, see "The Mergers No Dissenters' or Appraisal Rights."

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**Q: If I am an OmniAmerican stockholder, should I send in my OmniAmerican stock certificates now?**

A: No. Please do not send in your OmniAmerican stock certificates with your proxy. After the first merger, an exchange agent designated by Southside will send you instructions for exchanging OmniAmerican stock certificates for the merger consideration.

**Q: What should I do if I hold my shares of OmniAmerican common stock in book-entry form?**

A: You are not required to take any specific actions if your shares of OmniAmerican common stock are held in book-entry form. After the completion of the first merger, shares of OmniAmerican common stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of Southside common stock in book-entry form, the cash consideration and any cash to be paid in exchange for fractional shares in the first merger.

**Q: Whom may I contact if I cannot locate my OmniAmerican stock certificate(s)?**

A: If you are unable to locate your original OmniAmerican stock certificate(s), you should contact Registrar and Transfer Company, Attn: Lost Certificate Department at 10 Commerce Drive, Cranford, NJ 07016, or at (800) 368-5948.

**Q: When do you expect to complete the mergers?**

A: Southside and OmniAmerican expect to complete the mergers in the fourth quarter of 2014. However, neither Southside nor OmniAmerican can assure you when or if the mergers will occur. Southside and OmniAmerican must first obtain the approval of Southside shareholders for the Southside share issuance proposal and OmniAmerican stockholders for the OmniAmerican merger proposal, respectively, as well as the necessary regulatory approvals.

**Q: What happens if the mergers are not completed?**

A: If the first merger is not completed, holders of OmniAmerican common stock or equity awards will not receive any consideration for their shares of OmniAmerican common stock or equity awards that otherwise would have been received in connection with the first merger. Instead, OmniAmerican will remain an independent public company and its common stock will continue to be listed and traded on the NASDAQ Global Select Market. If the first merger is completed but, for any reason, the second merger and the bank merger are not completed, it will have no impact on the consideration to be received by holders of OmniAmerican common stock or equity awards.

**Q: Whom should I call with questions?**

A: *Southside shareholders:* If you have any questions concerning the mergers or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Southside common stock, please contact: Susan Hill, Investor Relations, 1201 South Beckham Avenue, Tyler, Texas 75701, at (903) 531-7220 or susan.hill@southside.com.

*OmniAmerican stockholders:* If you have any questions concerning the mergers or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of OmniAmerican common stock, please contact: Keishi High, Investor Relations, 1320 South University Drive, Suite 900, Fort Worth, Texas 76107, at (817) 367-4640.

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**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the mergers. See "Where You Can Find More Information." Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.*

**The Companies (pages [        ] and [        ] )**

*Southside Bancshares, Inc.  
1201 South Beckham Avenue  
Tyler, Texas 75701  
(903) 531-7111*

Southside was incorporated in Texas in 1982 and serves as the bank holding company for Southside Bank, headquartered in Tyler, Texas. Southside Bank has the largest deposit base in the Tyler metropolitan area and is the largest bank, based on asset size, headquartered in East Texas. At March 31, 2014, Southside had consolidated assets of \$3.4 billion, loans of \$1.4 billion, deposits of \$2.5 billion, and stockholders' equity of \$271.4 million.

Additional information about Southside and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information."

*OmniAmerican Bancorp, Inc.  
1320 South University Drive, Suite 900  
Fort Worth, Texas 76107  
(817) 367-4640*

OmniAmerican Bancorp, Inc. was incorporated in Maryland in 2009 and owns all of the outstanding shares of common stock of OmniAmerican Bank headquartered in Fort Worth, Texas. On January 20, 2010, OmniAmerican completed the mutual-to-stock conversion of OmniAmerican Bank and initial public stock offering of OmniAmerican. At March 31, 2014, OmniAmerican had consolidated assets of \$1.4 billion, loans of \$795.5 million, deposits of \$832.6 million, and stockholders' equity of \$210.3 million.

Additional information about OmniAmerican and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information."

**The Mergers**

*The Merger Agreement (page [        ] )*

Southside, Merger Sub and OmniAmerican entered into an Agreement and Plan of Merger, dated as of April 28, 2014, which we refer to as the merger agreement. The merger agreement governs the mergers. The merger agreement is included in this joint proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this joint proxy statement/prospectus of the terms and conditions of the mergers are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the mergers.

*The Mergers (page [        ] )*

Pursuant to the merger agreement, Merger Sub will merge with and into OmniAmerican, with OmniAmerican as the surviving company, which we refer to as the first merger. Immediately after the first merger, OmniAmerican will merge with and into Southside, with Southside as the surviving



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company, which we refer to as the second merger. Immediately after the second merger, OmniAmerican Bank, a wholly owned subsidiary of OmniAmerican, will merge with and into Southside's wholly owned bank subsidiary, Southside Bank, with Southside Bank as the surviving bank, which we refer to as the bank merger. We refer to the first merger, the second merger and the bank merger collectively as the mergers.

*The Merger Consideration (page [        ])*

If the first merger is completed, OmniAmerican stockholders will receive for each share of OmniAmerican common stock that they hold immediately prior to the first merger: (1) 0.4459 of a share of Southside common stock; and (2) \$13.125 in cash. Southside will not issue any fractional shares of Southside common stock in the first merger. OmniAmerican stockholders who would otherwise be entitled to a fraction of a share of Southside common stock upon the completion of the first merger will instead receive, for the fraction of a share, an amount in cash based on the Southside closing share value. For example, if you hold 100 shares of OmniAmerican common stock, you will receive \$1,312.50 in cash, 44 shares of Southside common stock and an additional cash payment instead of the 0.59 of a share of Southside common stock that you otherwise would have received (100 shares × 0.4459 = 44.59 shares), which payment will equal the product of 0.59 and the volume weighted average price per share of Southside common stock for the five trading days immediately preceding (but not including) the day on which the first merger is completed, which we refer to as the Southside closing share value.

**Ancillary Agreements**

*Voting and Support Agreements (page [        ])*

As a condition to Southside entering into the merger agreement, each of the non-employee directors of OmniAmerican entered into a voting and support agreement pursuant to which each such person agreed, among other things, (1) to vote the shares of OmniAmerican common stock held of record by such person to approve the first merger and (2) for a period of two years following the closing the first merger, to not engage in certain competitive activities with Southside, including not soliciting employees and customers of OmniAmerican and not serving as a director or management official of another financial institution in the counties in Texas in which OmniAmerican has branches. The form of voting and support agreement is included in this joint proxy statement/prospectus as Annex D.

*Employment Agreements (page [        ])*

In addition, as a condition to Southside entering into the merger agreement, key employees of OmniAmerican entered into new employment agreements with Southside and Southside Bank, the effectiveness of which is conditioned upon the completion of the mergers.

**Recommendation of the Southside Board (page [        ])**

Southside's board of directors has determined that the mergers, the merger agreement and the transactions contemplated by the merger agreement, including the issuance of shares of Southside common stock in the first merger, are advisable and in the best interests of Southside and its shareholders and has unanimously approved the mergers and the merger agreement, including the share issuance. Southside's board of directors unanimously recommends that Southside shareholders vote "FOR" the Southside share issuance proposal and "FOR" the Southside adjournment proposal. For the factors considered by Southside's board of directors in reaching its decision to approve the mergers, see "The Mergers Southside's Reasons for the Mergers."



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**Recommendation of the OmniAmerican Board (page [ ])**

OmniAmerican's board of directors has determined that the mergers, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of OmniAmerican and its stockholders and has unanimously approved the mergers, the merger agreement and the transactions contemplated by the merger agreement. OmniAmerican's board of directors unanimously recommends that OmniAmerican stockholders vote "FOR" the OmniAmerican merger proposal, "FOR" the OmniAmerican compensation proposal and "FOR" the OmniAmerican adjournment proposal. For the factors considered by OmniAmerican's board of directors in reaching its decision to approve the mergers, see "The Mergers - OmniAmerican's Reasons for the Mergers."

**Risk Factors Related to the Mergers (page [ ])**

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors under "Risk Factors."

**The Southside Special Meeting (page [ ])**

The special meeting of Southside shareholders will be held on [ ], 2014, at [ ] p.m. local time, at Southside's headquarters located at 1201 South Beckham Avenue, Tyler, Texas. At the special meeting, Southside shareholders will be asked to:

approve the Southside share issuance proposal; and

approve the Southside adjournment proposal.

Only holders of record at the close of business on [ ], 2014, the Southside record date, will be entitled to vote at the special meeting. Each share of Southside common stock is entitled to one vote on each proposal to be considered at the Southside special meeting. As of the Southside record date, there were [ ] shares of Southside common stock entitled to vote at the special meeting. As of the Southside record date, the directors and executive officers of Southside and their affiliates beneficially owned and were entitled to vote approximately [ ] shares of Southside common stock representing approximately [ ]% of the shares of Southside common stock outstanding on that date, and held options to purchase [ ] shares of Southside common stock and [ ] shares underlying restricted stock awards. As of the record date, OmniAmerican and its subsidiaries did not hold any shares of Southside common stock (other than shares held as fiduciary, custodian or agent). Other than Ms. Anderson and Mr. Sammons, who beneficially owned 1,607 shares and 2,000 shares, respectively, of Southside common stock as of the Southside record date, none of OmniAmerican's directors and executive officers or their affiliates held any shares of Southside common stock as of the Southside record date.

To approve the Southside share issuance proposal or the Southside adjournment proposal, a majority of the shares of Southside common stock entitled to vote and represented in person or by proxy at the special meeting must be voted in favor of approving the proposal. If you mark "ABSTAIN" on your proxy with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have the same effect as a vote "AGAINST" the proposals. However, if you fail to submit a proxy or vote in person at the Southside special meeting or fail to instruct your bank or broker how to vote with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have no effect on the proposal.

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**The OmniAmerican Special Meeting (page [ ])**

The special meeting of OmniAmerican stockholders will be held on [ ], 2014, at [ ] am local time, at OmniAmerican's headquarters located at 1320 South University Drive, Fort Worth, Texas. At the special meeting, OmniAmerican stockholders will be asked to:

approve the OmniAmerican merger proposal;

approve, the OmniAmerican compensation proposal; and

approve the OmniAmerican adjournment proposal.

Only holders of record at the close of business on [ ], 2014, the OmniAmerican record date, will be entitled to vote at the OmniAmerican special meeting. Each share of OmniAmerican common stock is entitled to one vote on each proposal to be considered at the OmniAmerican special meeting. As of the OmniAmerican record date, there were [ ] shares of OmniAmerican common stock entitled to vote at the OmniAmerican special meeting. All of the non-employee directors of OmniAmerican have entered into voting and support agreements with Southside, pursuant to which they have agreed, solely in their capacity as OmniAmerican stockholders, to vote all of their shares of OmniAmerican common stock in favor of the proposals to be presented at the OmniAmerican special meeting. As of the OmniAmerican record date, OmniAmerican non-employee directors who are parties to the voting and support agreements owned and were entitled to vote an aggregate of approximately [ ] shares of OmniAmerican common stock, which represented approximately [ ]% of the shares of OmniAmerican common stock outstanding on that date. As of the OmniAmerican record date, the directors and executive officers of OmniAmerican and their affiliates beneficially owned and were entitled to vote approximately [ ] shares of OmniAmerican common stock, which represented approximately [ ]% of the shares of OmniAmerican common stock outstanding on that date, and held options to purchase [ ] shares of OmniAmerican common stock and [ ] shares underlying unvested restricted stock awards. As of the OmniAmerican record date, Southside and its subsidiaries did not hold any shares of OmniAmerican common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates did not hold any shares of OmniAmerican common stock.

To approve the OmniAmerican merger proposal, the holders of at least a majority of the outstanding shares of OmniAmerican common stock entitled to vote on the proposal must vote in favor of the proposal. Your failure to submit a proxy or vote in person at the OmniAmerican special meeting, failure to instruct your bank or broker how to vote, or abstention with respect to the OmniAmerican merger proposal will have the same effect as a vote against the proposal.

To approve the OmniAmerican compensation proposal or the OmniAmerican adjournment proposal, a majority of the votes cast by the holders of shares of OmniAmerican common stock entitled to vote on such proposals at the special meeting must be voted in favor of such proposals. For the OmniAmerican compensation proposal and the OmniAmerican adjournment proposal, abstentions from voting and broker non-votes will not be counted as votes cast and will have no effect on the outcome of these proposals. If an OmniAmerican stockholder is not present in person at the OmniAmerican special meeting and does not respond by proxy, it also will have no effect on the outcome of these proposals.

**Board Composition and Management of Southside after the Mergers (page [ ])**

Prior to, and subject to the occurrence of, the effective time of the first merger, the Southside board of directors will be increased by two, and Southside will appoint two individuals who are currently directors of OmniAmerican to serve on the Southside board of directors. At least one of the OmniAmerican directors designated by Southside must be "independent" as determined in accordance with the rules and regulations of NASDAQ, applicable regulations promulgated by the SEC and the

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standards established by Southside. Neither designee may have been subject to certain legal proceedings that would require disclosure in Southside's filings with the SEC.

Each of the executive officers of Southside immediately prior to the effective time of the mergers will continue as the officers of the surviving corporation from and after the effective time of the mergers.

**Interests of OmniAmerican's Directors and Executive Officers in the Mergers (page [        ])**

OmniAmerican stockholders should be aware that some of OmniAmerican's directors and executive officers have interests in the mergers and have arrangements that are different from, or in addition to, those of OmniAmerican stockholders generally. These interests and arrangements may create potential conflicts of interest. OmniAmerican's board of directors was aware of these interests and considered these interests, among other matters, in adopting and approving the merger agreement and the transactions contemplated by the merger agreement, including the first merger, and in recommending that OmniAmerican stockholders vote in favor of approving the first merger.

These interests include:

Accelerated vesting and settlement of executive officer and director equity awards;

Retention bonuses to certain key executive officers of OmniAmerican that are payable on the closing date of the first merger;

In connection with entering into the merger agreement, certain key employees of OmniAmerican entered into employment agreements with Southside that become effective upon the closing of the mergers and provide for a signing bonus and/or severance upon a termination of employment; and

The right to continued indemnification and directors' and officers' liability insurance coverage.

For a more complete description of these interests, see "The Mergers Interests of OmniAmerican's Directors and Executive Officers in the Mergers" and "The Merger Agreement Merger Consideration; Effects of the First Merger Treatment of OmniAmerican Stock Options and Other Equity-Based Awards."

**Deregistration of OmniAmerican's Common Stock**

If the mergers are completed, OmniAmerican common stock will be deregistered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and OmniAmerican will no longer file periodic reports with the SEC.

**No Appraisal or Dissenters' Rights in the Mergers (page [        ])**

No holder of OmniAmerican common stock is entitled, with respect to the first merger or otherwise, to exercise any rights of an objecting stockholder provided for under Title 3 Subtitle 2 of the Maryland General Corporation Law, or the MGCL, any successor statute, or any similar appraisal or dissenter's rights. For further information, see "The Mergers No Dissenters' or Appraisal Rights."

**Conditions to Completion of the Mergers (page [        ])**

Currently, Southside and OmniAmerican expect to complete the mergers in the fourth quarter of 2014. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the mergers depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval of the first merger by OmniAmerican stockholders, approval of the share issuance by Southside's shareholders, the receipt of



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certain required regulatory approvals and the receipt of legal opinions by each company regarding the U.S. federal income tax treatment of the first merger and the second merger. Neither Southside nor OmniAmerican can be certain when, or if, the conditions to the mergers will be satisfied or waived, or that the mergers will be completed.

**Regulatory Approvals Required for the Mergers (page [        ])**

Both Southside and OmniAmerican have agreed to use their reasonable best efforts to obtain all regulatory approvals required or advisable to complete the transactions contemplated by the merger agreement. These approvals include, among others, approval from the Board of Governors of the Federal Reserve System, or Federal Reserve Board, the Federal Deposit Insurance Corporation, or FDIC, and the Texas Department of Banking. In addition, Southside and OmniAmerican must provide notice of the transaction to the Office of the Comptroller of the Currency, or the OCC, the Federal Trade Commission and the Antitrust Division of the Department of Justice. Southside and OmniAmerican have submitted applications and notifications to obtain the required regulatory approvals. Although neither Southside nor OmniAmerican knows of any reason why these regulatory approvals cannot be obtained, Southside and OmniAmerican cannot be certain when or if they will be obtained, as the length of the review process may vary based on, among other things, requests by regulators for additional information or materials.

**No Solicitation (page [        ])**

Under the merger agreement, OmniAmerican has agreed that it will not, and will cause its representatives not to, directly or indirectly, (1) solicit, initiate, assist or knowingly take any other action to facilitate or encourage a competing acquisition proposal (including furnishing non-public information), (2) enter into, continue or otherwise participate in any discussions or negotiations regarding a competing acquisition proposal, or (3) approve, recommend, declare advisable or enter into any agreement providing for a competing acquisition proposal or requiring OmniAmerican to abandon, terminate or breach its obligations under the merger agreement or fail to complete the mergers.

However, prior to obtaining OmniAmerican's required stockholder approval, OmniAmerican may, under certain specified circumstances, participate in negotiations or discussions with any third party making an acquisition proposal and provide confidential information to such third party (subject to a confidentiality agreement). OmniAmerican must notify Southside promptly (but in no event later than 48 hours) after the receipt of such acquisition proposal.

Additionally, prior to obtaining OmniAmerican's required stockholder approval, OmniAmerican may, under certain specified circumstances, withdraw its recommendation to its stockholders with respect to the first merger and/or terminate the merger agreement in order to enter into an acquisition agreement with respect to a superior acquisition proposal if it determines in good faith, after consultation with outside legal counsel and financial advisors, that such acquisition proposal is a superior proposal and that failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law. However, OmniAmerican cannot take any of those actions in response to a superior proposal unless it provides Southside with a three-day period to negotiate in good faith to enable Southside to adjust the terms and conditions of the merger agreement such that it would cause the superior proposal to no longer constitute a superior proposal.

**Termination of the Merger Agreement (page [        ])**

The merger agreement can be terminated at any time prior to completion of the first merger by mutual consent, or by either party in the following circumstances:

if the closing of the first merger is not completed within nine months of the date of the merger agreement, or January 28, 2015, which we refer to as the end date;

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if any court or other governmental entity has issued a final and nonappealable judgment, order, injunction, rule or decree, or taken any other action restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the merger agreement;

if either party receives written notice from or is otherwise advised by a governmental entity that it will not grant any required regulatory approval without imposing a materially burdensome regulatory condition on either party;

in the event that approval by the shareholders of Southside or the stockholders of OmniAmerican, respectively, is not obtained at a meeting at which a vote was taken; or

if the other party has breached or is in breach of any representation, warranty, covenant or agreement in any respect, which breach would, individually or together with all such other then-uncured breaches by such party, prevent any closing condition from being satisfied and such breach is not cured by the earlier of (1) the end date and (2) 30<sup>th</sup> business day after written notice of such breach.

In addition, Southside may terminate the merger agreement in the following circumstances:

if OmniAmerican fails to make its required recommendation to stockholders in favor of the first merger, or withdraws, amends, modifies or materially qualifies, in a manner adverse to Southside or Merger Sub, its recommendation, or adopts, approves or publicly recommends any competing acquisition proposal, or makes any public statement inconsistent with its recommendation;

if OmniAmerican fails to comply in all material respects with its obligations pursuant to the no-shop covenant;

if OmniAmerican fails to comply in all material respects with its obligations under the merger agreement by failing to call, give notice of, convene and hold a stockholders meeting; or

if OmniAmerican approves, recommends or endorses or fails to recommend rejection, within 10 business days after a competing tender or exchange offer is commenced, or proposes or resolves to recommend or endorse a competing acquisition proposal.

In addition, OmniAmerican may terminate the merger agreement in the following circumstances:

if Southside fails to make its required recommendation to shareholders in favor of the share issuance, or withdraws, modifies or qualifies, or proposes or resolves to withdraw, modify or qualify, such recommendation in a manner adverse to OmniAmerican;

if Southside fails to comply in all material respects with its obligations under the merger agreement by failing to call, give notice of, convene and hold a shareholders meeting; or

if OmniAmerican's board of directors determines to enter into a definitive agreement with respect to a superior proposal in accordance with the terms of the merger agreement but only if substantially concurrently with such termination, OmniAmerican pays to Southside the \$10.0 million termination fee and enters into such definitive agreement.

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If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by OmniAmerican's board of directors, OmniAmerican may be required to pay Southside a termination fee of \$10.0 million. The termination fee could discourage other companies from seeking to acquire or merge with OmniAmerican.

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**U.S. Federal Income Tax Considerations (page [ ] )**

The first merger and the second merger are intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to the respective obligations of Southside and OmniAmerican to complete the first merger that each of Southside and OmniAmerican receives a legal opinion to that effect. As a result of receiving Southside common stock and cash in exchange for OmniAmerican common stock, in general, stockholders of OmniAmerican will recognize gain, but not loss, equal to the lesser of cash received or gain realized in the first merger and the second merger. The amount of gain realized will equal the amount by which the cash plus the fair market value, at the effective time of the first merger, of the Southside common stock exceeds the basis in OmniAmerican common stock to be surrendered in exchange therefor. For further information, see "The Mergers U.S. Federal Income Tax Considerations."

*The U.S. federal income tax consequences described above may not apply to all holders of OmniAmerican common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the mergers to you.*

**Accounting Treatment of the Mergers (page [ ] )**

Southside will account for the mergers under the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States of America.

**Opinion of Southside's Financial Advisor (see pages [ ] to [ ] and Annex B)**

On April 28, 2014, at a meeting of the Southside board of directors held to evaluate the mergers, Keefe, Bruyette & Woods, Inc., or KBW, delivered to Southside's board of directors an opinion to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in KBW's opinion, the merger consideration in the first merger was fair, from a financial point of view, to Southside.

The full text of KBW's opinion is attached as Annex B to this document. Southside shareholders should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by KBW in rendering its opinion.

**KBW's opinion was for the information of, and was directed to, Southside's board of directors (in its capacity as the board of directors) in connection with its consideration of the financial terms of the first merger and did not address the relative merits of the transactions contemplated by the merger agreement as compared to any alternative transaction or opportunity that might be available to Southside, nor did it address Southside's underlying business decision to engage in the mergers. KBW's opinion does not constitute a recommendation as to how any holder of shares of Southside common stock should vote on the Southside share issuance or any related matter.**

For further information, please see the section entitled "The Mergers Opinion of Southside's Financial Advisor" beginning on page [ ] .

**Opinion of OmniAmerican's Financial Advisor (see pages [ ] to [ ] and Annex C)**

On April 28, 2014, Sandler O'Neill & Partners, L.P., referred to as Sandler O'Neill, rendered an opinion to the OmniAmerican board of directors to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill as set forth in such opinion, the merger consideration to be paid in the proposed transaction was fair, from a financial point of view, to OmniAmerican stockholders. The full text of the written opinion of Sandler O'Neill is attached as Annex C to this document.



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OmniAmerican stockholders should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion.

**The opinion of Sandler O'Neill is addressed to the OmniAmerican board of directors, is directed only to the fairness, from a financial point of view, of the merger consideration to be paid to the holders of OmniAmerican stock and does not constitute a recommendation to any OmniAmerican stockholder as to how such stockholder should vote with respect to the first merger or any other matter at the OmniAmerican special meeting.**

For further information, please see the section entitled "The Mergers Opinion of OmniAmerican's Financial Advisor" beginning on page [      ].

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION OF SOUTHSIDE**

The following selected consolidated financial information for the fiscal years ended December 31, 2009 through December 31, 2013 is derived from audited consolidated financial statements of Southside. The consolidated financial information as of and for the three months ended March 31, 2014 and 2013 is derived from unaudited consolidated financial statements and, in the opinion of Southside's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The selected consolidated income data for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2014. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with Southside's consolidated financial statements and related notes thereto included in Southside's Annual Report on Form 10-K for the year ended December 31, 2013, and in Southside's Quarterly Report on Form 10-Q for the three months ended March 31, 2014, each of which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

(in thousands)	At March 31,		At December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(unaudited)						
<b>Selected Consolidated Financial Condition Data:</b>							
Total assets	\$ 3,434,344	\$ 3,312,283	\$ 3,445,663	\$ 3,237,403	\$ 3,303,817	\$ 2,999,759	\$ 3,024,288
Investment securities	650,551	686,803	728,981	618,716	284,452	300,839	266,553
Mortgage-backed securities	1,180,688	1,139,352	1,115,827	1,051,898	1,729,516	1,364,117	1,480,847
Loans, net of allowance for loan losses	1,351,606	1,263,105	1,332,396	1,242,392	1,068,690	1,057,209	1,013,680
Deposits	2,546,843	2,337,237	2,527,808	2,351,897	2,321,671	2,134,428	1,870,421
Long-term obligations	566,871	450,115	559,660	429,408	321,035	433,790	592,830
Shareholders' equity	271,393	255,898	259,518	257,763	258,927	214,461	201,781

(in thousands, except per share data)	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(unaudited)						
<b>Selected Consolidated Operating Data:</b>							
Interest income	\$ 32,239	\$ 26,561	\$ 119,602	\$ 116,020	\$ 131,038	\$ 131,374	\$ 145,193
Interest expense	4,347	5,101	17,968	26,895	35,631	45,307	52,672
Net interest income	27,892	21,460	101,634	89,125	95,407	86,067	92,521
Provision for loan losses	4,133	492	8,879	10,736	7,496	13,737	15,093
Net interest income after provision for loan losses	23,759	20,968	92,755	78,389	87,911	72,330	77,428
Noninterest income	5,806	10,240	35,245	40,021	35,322	50,798	56,674
Noninterest expense	20,182	20,319	81,713	76,107	72,348	71,314	71,630
Income before income tax expense	9,383	10,889	46,287	42,303	50,885	51,814	62,472
Provision for income tax expense	1,159	1,847	5,097	7,608	10,394	11,756	16,609

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Net income	8,224	9,042	41,190	34,695	40,491	40,058	45,863
Less: Net income attributable to noncontrolling interest					(1,358)	(955)	(1,467)

Net income attributable to Southside Bancshares, Inc.	\$ 8,224	\$ 9,042	\$ 41,190	\$ 34,695	\$ 39,133	\$ 39,103	\$ 44,396
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	At or for the Three Months Ended March 31,		At or for the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
(unaudited)							
<b>Selected Consolidated Financial Ratios and Other Data:</b>							
<b>Performance Ratios:</b>							
Return on average assets (ratio of net income to average total assets)	0.96%	1.14%	1.22%	1.05%	1.25%	1.30%	1.58%
Return on average equity (ratio of net income to average equity)	12.44%	14.19%	16.50%	12.83%	16.20%	17.98%	23.69%
Interest rate spread	3.80%	3.14%	3.54%	3.02%	3.34%	3.07%	3.43%
Net interest margin	3.93%	3.32%	3.69%	3.26%	3.60%	3.39%	3.81%
Efficiency ratio	53.30%	66.28%	55.71%	60.59%	55.21%	58.39%	55.57%
Noninterest expense to average total assets	2.35%	2.56%	2.42%	2.30%	2.30%	2.38%	2.55%
Average interest-earning assets to average interest-bearing liabilities	123.66%	126.82%	126.10%	126.58%	121.91%	119.85%	119.37%
Average equity to average total assets	7.70%	8.04%	7.39%	8.17%	7.69%	7.24%	6.66%
Tangible common equity to tangible assets	7.30%	7.10%	6.93%	7.32%	7.20%	6.48%	5.97%
<b>Per Share Data:</b>							
Basic earnings per share	\$ 0.44	\$ 0.48	\$ 2.19	\$ 1.81	\$ 2.05	\$ 2.04	\$ 2.34
Diluted earnings per share	\$ 0.44	\$ 0.48	\$ 2.19	\$ 1.81	\$ 2.05	\$ 2.04	\$ 2.32
Cash dividends paid	\$ 0.21	\$ 0.20	\$ 0.91	\$ 1.11	\$ 0.90	\$ 0.85	\$ 0.75
Dividend payout ratio Basic	47.73%	41.67%	41.55%	61.33%	43.90%	41.67%	32.05%
Dividend payout ratio Diluted	47.73%	41.67%	41.55%	61.33%	43.90%	41.67%	32.33%
<b>Asset Quality Ratios:</b>							
Non-performing assets to total assets	0.32%	0.38%	0.39%	0.45%	0.40%	0.59%	0.78%
Non-performing assets to total loans	0.79%	0.98%	1.01%	1.17%	1.21%	1.64%	2.27%
Allowance for loan losses to non-performing assets	172.53%	147.38%	138.74%	139.87%	140.58%	116.95%	84.83%
Allowance for loan losses to total loans	1.37%	1.45%	1.40%	1.63%	1.71%	1.92%	1.92%
Net charge-offs to average net loans outstanding	1.26%	0.81%	0.82%	0.74%	0.92%	1.25%	1.11%
<b>Consolidated Capital Ratios:</b>							
Total capital (to risk-weighted assets)	22.12%	21.68%	21.71%	22.42%	22.36%	21.07%	19.12%
Tier 1 capital (to risk-weighted assets)	20.88%	20.42%	20.47%	21.16%	21.11%	19.81%	17.87%
Tier 1 capital (to total average assets)	9.34%	9.37%	9.07%	9.11%	8.63%	8.44%	8.03%

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION OF OMNIAMERICAN**

The following selected consolidated financial information for the fiscal years ended December 31, 2009 through December 31, 2013 is derived from audited consolidated financial statements of OmniAmerican. The consolidated financial information as of and for the three months ended March 31, 2014 and 2013 is derived from unaudited consolidated financial statements and, in the opinion of OmniAmerican's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The selected consolidated income data for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2014. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with OmniAmerican's consolidated financial statements and related notes thereto included in OmniAmerican's Annual Report on Form 10-K for the year ended December 31, 2013, and in OmniAmerican's Quarterly Report on Form 10-Q for the three months ended March 31, 2014, each of which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

(in thousands)	At March 31,		At December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(unaudited)						
<b>Selected Consolidated Financial Condition Data:</b>							
Total assets	\$ 1,390,419	\$ 1,276,577	\$ 1,391,313	\$ 1,257,349	\$ 1,336,714	\$ 1,108,419	\$ 1,133,927
Cash and cash equivalents	12,925	17,007	15,880	23,853	21,158	24,597	140,144
Securities available for sale, at fair value	464,844	401,225	430,775	383,909	529,941	317,806	210,421
Other investments	17,912	13,620	19,782	12,867	13,465	3,060	3,850
Loans receivable, net	795,520	740,458	824,881	735,271	683,491	660,425	698,127
Bank-owned life insurance	43,972	42,499	43,606	32,183	21,016	20,078	
Foreclosed assets, net	821	338	850	394	227	207	267
Other real estate owned	1,035	4,525	177	4,769	6,683	14,793	6,762
Deposits	832,612	826,723	813,574	816,302	807,634	801,158	909,966
Federal Home Loan Bank of Dallas advances	338,667	232,000	362,000	207,000	262,000	41,000	66,400
Repurchase agreements	2,000	2,000	2,000	8,000	58,000	58,000	58,000
Other borrowings				11,000			
Total stockholders' equity	210,335	206,091	207,142	205,578	199,024	198,627	91,156
<b>Selected Consolidated Operating Data:</b>							
Interest income	\$ 11,791	\$ 11,064	\$ 48,266	\$ 50,028	\$ 53,781	\$ 52,847	\$ 53,715
Interest expense	1,722	2,080	7,639	10,844	13,067	13,903	19,674
Net interest income	10,069	8,984	40,627	39,184	40,714	38,944	34,041
Provision for loan losses	650	500	2,250	1,950	3,230	6,700	5,200
Net interest income after provision for loan losses	9,419	8,484	38,377	37,234	37,484	32,244	28,841
Noninterest income	3,458	5,862	16,359	15,785	13,150	13,699	16,463
Noninterest expense	10,639	11,328	44,983	44,443	44,823	44,001	43,757
Income before income tax expense	2,238	3,018	9,753	8,576	5,811	1,942	1,547
Income tax expense	709	1,085	3,326	2,878	1,844	285	892
Net income	\$ 1,529	\$ 1,933	\$ 6,427	\$ 5,698	\$ 3,967	\$ 1,657	\$ 655



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	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
<b>Selected Consolidated Financial Ratios and Other Data:</b>							
<b>Performance Ratios:</b>							
Return on average assets (ratio of net income to average total assets)(1)	0.44%	0.61%	0.48%	0.43%	0.31%	0.15%	0.06%
Return on average equity (ratio of net income to average equity)(1)	2.91%	3.75%	3.12%	2.81%	1.98%	0.86%	0.72%
Interest rate spread(1)(2)	3.03%	3.00%	3.20%	3.08%	3.24%	3.45%	3.29%
Net interest margin(1)(3)	3.12%	3.11%	3.30%	3.21%	3.45%	3.77%	3.51%
Efficiency ratio(4)	78.65%	76.30%	78.94%	80.85%	83.22%	83.58%	86.64%
Noninterest expense to average total assets(1)	3.05%	3.59%	3.36%	3.36%	3.50%	3.94%	4.18%
Average interest-earning assets to average interest-bearing liabilities	115.98%	115.95%	115.56%	114.46%	118.37%	124.05%	111.49%
Average equity to average total assets	15.10%	16.32%	15.40%	15.36%	15.66%	17.17%	8.73%
Basic earnings per share(5)	\$ 0.14	\$ 0.19	\$ 0.62	\$ 0.55	\$ 0.37	\$ 0.15	N/A
Diluted earnings per share(5)	\$ 0.14	\$ 0.18	\$ 0.61	\$ 0.55	\$ 0.37	\$ 0.15	N/A
Cash dividends declared per share	\$ 0.05						
<b>Asset Quality Ratios:</b>							
Non-performing assets to total assets	0.37%	1.04%	0.39%	1.04%	1.24%	2.19%	1.35%
Non-performing loans to total loans(4)	0.41%	1.13%	0.53%	1.06%	1.40%	1.38%	1.17%
Allowance for loan losses to non-performing loans	196.06%	82.49%	148.37%	87.81%	82.08%	96.55%	100.66%
Allowance for loan losses to total loans	0.81%	0.93%	0.78%	0.93%	1.15%	1.33%	1.18%
Net charge-offs to average loans outstanding(1)	0.31%	0.25%	0.34%	0.40%	0.63%	0.89%	0.71%
<b>Consolidated Capital Ratios:</b>							
Total capital (to risk-weighted assets)	24.24%	25.22%	23.41%	25.47%	24.86%	27.91%	12.03%
Tier I capital (to risk-weighted assets)	23.46%	24.32%	22.66%	24.56%	23.86%	26.89%	11.01%
Tier I capital (to total assets)	14.98%	15.64%	14.86%	15.67%	14.18%	17.40%	7.35%
<b>Other Data:</b>							
Number of full service offices	14	15	14	15	15	15	16
Full-time equivalent employees	283	317	281	332	326	307	330

- (1) Ratios for the three months ended March 31, 2014 and 2013 are annualized.
- (2) The interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the year.
- (3) The net interest margin represents net interest income as a percent of average interest-earning assets for the year.
- (4) The efficiency ratio represents noninterest expense divided by the sum of net interest income and noninterest income.
- (5) OmniAmerican completed its mutual-to-stock conversion on January 20, 2010. The earnings per share for the year ended December 31, 2010 is calculated as if the conversion had been completed prior to January 1, 2010.

Table of Contents**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following tables show summary unaudited pro forma condensed combined financial information about the combined financial condition and operating results of Southside and OmniAmerican after giving effect to the mergers. The unaudited pro forma financial information assumes that the mergers are accounted for under the acquisition method with Southside treated as the acquirer. The unaudited pro forma condensed combined balance sheet data gives effect to the mergers as if they had occurred on March 31, 2014. The unaudited pro forma condensed combined income statements for the year ended December 31, 2013 and the three months ended March 31, 2014 give effect to the mergers as if they had occurred on January 1, 2013. The unaudited pro forma condensed combined financial statements are provided for informational purposes only. The unaudited pro forma condensed combined financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial statements and related adjustments required management to make certain assumptions and estimates. The summary unaudited pro forma condensed combined financial information listed below has been derived from and should be read in conjunction with (1) the more detailed unaudited pro forma condensed combined financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus and (2) the historical consolidated financial statements and related notes of Southside and OmniAmerican that are incorporated herein by reference.

As of March 31, 2014

(in thousands)	Historical		Pro Forma Adjustments	Pro Forma Combined
	Southside	OmniAmerican		
<b>Balance Sheet Data:</b>				
Cash and cash equivalents	\$ 57,392	\$ 12,925	\$ (39,502)	\$ 30,815
Investment securities	650,551	10,793		661,344
Mortgage-backed securities	1,180,688	454,051	(126,250)	1,508,489
Loans	1,370,393	801,988	(14,876)	2,157,505
Allowance for loan losses	(18,787)	(6,468)	6,468	(18,787)
Premises and equipment, net	52,554	40,964	8,000	101,518
Goodwill	22,034		82,306	104,340
Intangible assets	149	1,505	8,158	9,812
Total assets	3,434,344	1,390,419	(69,438)	4,755,325
Deposits	2,546,843	832,612	11,152	3,390,607
Borrowings	588,482	340,667	(2,500)	926,649
Shareholders' equity	271,393	210,335	(78,090)	403,638



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For the Three Months Ended March 31, 2014

(in thousands)	Historical		Pro Forma Adjustments	Pro Forma Combined
	Southside	OmniAmerican		
<b>Income Statement Data:</b>				
Interest income	\$ 32,239	\$ 11,791	\$ 239	\$ 44,269
Interest expense	4,347	1,722		6,069
Net interest income	27,892	10,069	239	38,200
Provision for loan loss	4,133	650	(500)	4,283
Deposit service income	3,638	2,058		5,696
Net gain on sale of securities available for sale	11	259		270
Other noninterest income	2,157	1,141		3,298
Noninterest expense	20,182	10,639	438	31,259
Income before income tax expense	9,383	2,238	301	11,922
Provision for income tax expense	1,159	709	105	1,973
Net income				