

SOUTHSIDE BANCSHARES INC  
Form 11-K  
June 29, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK  
PURCHASE, SAVINGS AND SIMILAR PLANS  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2014

OR  
o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-12247

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Savings Plan for the Subsidiaries of Southside Bancshares, Inc.

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Southside Bancshares, Inc.  
1201 S. Beckham Avenue  
Tyler, TX 75701

---

Savings Plan for the Subsidiaries of Southside Bancshares, Inc.

Table of Contents

|                                                                                     | Page(s)   |
|-------------------------------------------------------------------------------------|-----------|
| Report of Independent Registered Public Accounting Firm                             | <u>1</u>  |
| Financial Statements:                                                               |           |
| Statements of Net Assets Available for Benefits (Modified Cash Basis)               | <u>2</u>  |
| Statements of Changes in Net Assets Available for Benefits (Modified Cash Basis)    | <u>3</u>  |
| Notes to Financial Statements                                                       | <u>4</u>  |
| Supplemental Schedules                                                              |           |
| Schedule H, Line 4i - Schedule of Assets (Held at End of Year) at December 31, 2014 | <u>12</u> |
| Other Information                                                                   |           |
| Signature                                                                           | <u>13</u> |
| Exhibit Index                                                                       | <u>14</u> |

---

Report of Independent Registered Public Accounting Firm

The Audit Committee

The Savings Plan for the Subsidiaries of Southside Bancshares, Inc.

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Savings Plan for the Subsidiaries of Southside Bancshares, Inc. as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits (modified cash basis) of the Savings Plan of the Subsidiaries of Southside Bancshares, Inc. at December 31, 2014 and 2013, and the changes in its net assets available for benefits (modified cash basis) for the years then ended, on the basis of accounting as described in Note 2.

As described in Note 2 to the financial statements, the financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. general accepted accounting principles. Our opinion was not modified with respect to this matter.

The accompanying supplemental schedule (modified cash basis) of assets (held at end of year) as of December 31, 2014, has been subjected to audit procedures performed in conjunction with the audit of Savings Plan of the Subsidiaries of Southside Bancshares, Inc.'s financial statements. The information in the supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the information reconciles to the financial statements. Or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Ernst & Young LLP  
Dallas, Texas  
June 29, 2015

SAVINGS PLAN FOR THE SUBSIDIARIES OF  
SOUTHSIDE BANCSHARES, INC.  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
(MODIFIED CASH BASIS)

|                                    | Years Ended December 31, |              |
|------------------------------------|--------------------------|--------------|
|                                    | 2014                     | 2013         |
| ASSETS                             |                          |              |
| Cash                               | \$4,160                  | \$3,047      |
| Investments, at fair value:        |                          |              |
| Mutual funds                       | 10,022,518               | 10,142,956   |
| Common stocks                      | 2,581,576                | 2,147,830    |
| Money market funds                 | 1,832,957                | 1,787,215    |
| Total investments                  | 14,437,051               | 14,078,001   |
| Notes receivable from participants | 410,565                  | 465,914      |
| Net assets available for benefits  | \$14,851,776             | \$14,546,962 |

See Accompanying Notes to Financial Statements.

SAVINGS PLAN FOR THE SUBSIDIARIES OF  
SOUTHSIDE BANCSHARES, INC.  
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
(MODIFIED CASH BASIS)

|                                                         | Years Ended December 31, |              |
|---------------------------------------------------------|--------------------------|--------------|
|                                                         | 2014                     | 2013         |
| ADDITIONS:                                              |                          |              |
| Investment income:                                      |                          |              |
| Net appreciation in fair value of investments           | \$432,891                | \$2,175,778  |
| Dividend and interest income                            | 168,876                  | 145,176      |
| Capital gain distributions                              | 520,558                  | 440,713      |
| Total investment income                                 | 1,122,325                | 2,761,667    |
| Interest income from notes receivable from participants | 14,565                   | 15,568       |
| Contributions:                                          |                          |              |
| Participant                                             | 989,072                  | 941,187      |
| Employer                                                | 98,699                   | 99,082       |
| Rollovers                                               | 32,198                   | 24,612       |
| Total contributions                                     | 1,119,969                | 1,064,881    |
| Total additions                                         | 2,256,859                | 3,842,116    |
| DEDUCTIONS:                                             |                          |              |
| Benefits paid to participants                           | 1,939,386                | 1,273,602    |
| Excess contributions returned to participants           | 6,500                    | 44,076       |
| Administrative expenses                                 | 6,159                    | 3,454        |
| Total deductions                                        | 1,952,045                | 1,321,132    |
| Net increase                                            | 304,814                  | 2,520,984    |
| NET ASSETS AVAILABLE FOR BENEFITS:                      |                          |              |
| Beginning of year                                       | 14,546,962               | 12,025,978   |
| End of year                                             | \$14,851,776             | \$14,546,962 |

See Accompanying Notes to Financial Statements.

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Savings Plan for the Subsidiaries of Southside Bancshares, Inc. (the Plan) provides general information about the Plan's provisions. Southside Bancshares, Inc. (the Company) is the Plan Sponsor and Southside Bank is the Plan Administrator. Participants should refer to the plan document and summary plan description for a more complete description of the Plan's provisions, copies of which may be obtained from the Plan Sponsor.

GENERAL

The Plan is a salary deferral 401(k) defined contribution plan whereby eligible employees of the Company are permitted to make Regular 401(k) deferrals and Roth 401(k) deferrals. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

PLAN ADMINISTRATION

EPIC Advisors, Inc. (the record-keeper) provides certain plan administrative and support services such as compliance testing, processing distribution/loan requests, and enrollment and transaction processing.

ELIGIBILITY

Employees are eligible to participate in the Plan upon the completion of one year of service (at least 1,000 hours) and the attainment of age twenty-one. Participants may enter the Plan on the first day of the Plan year or the first day of the seventh month of the Plan, whichever is coincident with or next following the date on which eligibility requirements are met.

Security officers who are also employed on a full-time basis by any federal, state, county, or local law enforcement agency shall be excluded from participation in the Plan.

CONTRIBUTIONS

A participant may elect to defer up to 100% of his or her compensation subject to certain maximum limitations imposed by the Internal Revenue Code (\$17,500 for both 2014 and 2013). A participant that attains age 50 before the close of the Plan year is permitted to make catch-up contributions not to exceed \$5,500 for both 2014 and 2013, making their elective deferral limitation \$23,000 for both 2014 and 2013. Roth 401(k) deferrals are permitted and participants may also make eligible rollover contributions.

The Company has an option to provide matching contributions (for employees hired after December 31, 2005) equal to a matching percentage which the Company, from time to time, deems advisable (50% for 2014 and 2013). In applying the matching percentage, only salary deferrals up to 5% of a participant's compensation will be eligible. To receive the matching contribution for a Plan year, the participant must have made match-eligible contributions during the Plan year, completed 1,000 hours or more of service and must be employed by the Company on the last day of the

Plan year (unless termination due to death, disability or attainment of normal retirement age).

4

---

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

VESTING

Participants are immediately vested in their voluntary contributions and rollover contributions plus actual earnings thereon. Vesting in the matching contributions is based upon years of continuous service (1,000 hours during a Plan year) as follows:

| Years of Service | % Vested |
|------------------|----------|
| Less than 2      | 0%       |
| 2                | 20%      |
| 3                | 40%      |
| 4                | 60%      |
| 5                | 80%      |
| 6 or more        | 100%     |

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution and the Company's matching contributions (if eligible) and allocations of plan earnings. Plan earnings are allocated based on the participant's share of net earnings or losses of their respective elected investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

FORFEITED ACCOUNTS

Upon termination of employment, participants forfeit their nonvested balances. If a participant is rehired, the participant shall have the right to repay to the Plan the portion of the participant's account which was previously distributed. In the event the participant repays the entire distribution received from the plan, the Company shall restore the non-vested portion of the participant's account. Unallocated forfeited balances as of December 31, 2014 and 2013 were \$7,792 and \$8,317, respectively. These accounts will be used to reduce future employer contributions. Also, in 2014 and 2013, employer contributions were reduced by \$8,317 and \$6,705, respectively, from forfeited nonvested accounts.

PARTICIPANT INVESTMENT OPTIONS

Participants are permitted to invest all contributions among only those investment alternatives made available by the Plan Sponsor under the Plan. Participants may elect to terminate their elective deferrals at any time. Modifications to participants' deferral amounts are effective at the beginning of the next payroll period. Participants may change their investment options daily via phone or online access to EPIC Advisors, Inc.

PARTICIPANT LOANS

Participants may borrow from their accounts a minimum of \$1,000 (\$750 prior to April 5, 2013) up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The maximum repayment term of any loan is 5 years. The \$50,000 limit is reduced by the excess (if any) of (A) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date of which such loan was made, over (B) the outstanding loan balance of loans from the Plan on the date on which the loan was made. A participant may not have



more than one (three loans prior to August 20, 2014) loan outstanding at any point in time. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the Wall Street base rate at the date of issuance as determined by the Plan Administrator. Principal and interest is paid ratably through payroll deductions over not more than 5 years. If a participant terminates employment with the Company, it will automatically be treated as a distribution to the participant based upon the terms of the plan document.

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

RETIREMENT BENEFITS

Generally, the fully vested value of the participant's account is payable at their normal retirement age (55). Participants that work beyond age 55 are permitted to continue participation in the Plan. In-service withdrawals are permitted if a participant is age 59 ½ or older and still employed by the Company. In-service withdrawals are limited to one per year. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the Internal Revenue Service (IRS) and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

PAYMENT OF BENEFITS

Upon separation of service with the Company due to death, disability, retirement or termination, a participant whose vested account balance is equal to or less than \$5,000 is eligible to have the distribution paid directly to an eligible rollover plan or to receive an immediate lump-sum distribution equal to their vested account balance. For vested account balances greater than \$5,000, a participant is eligible to have the distribution paid directly to an eligible rollover plan or to receive installment payments or partial payments (minimum of \$1,000). Cash and employer securities are forms of payment available under the Plan.

ADMINISTRATIVE EXPENSES

The Plan's administrative expenses are paid by the Plan unless the Company pays such expenses, as provided by the Plan's provisions. Expenses relating to purchases, sales or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. Fees related to the administration of notes receivable from participants are charged directly to the participant.

PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, participants will become 100 percent vested in their accounts.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The modified cash basis of accounting is an acceptable alternative method of reporting under regulations issued by the Department of Labor. The carrying values of the Plan's investments have been adjusted to fair value as stated below. All other transactions are recorded on the cash basis.

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates that affect amounts reported in the financial statements and accompanying notes and supplemental schedules. Actual results could differ from those estimates.

#### PAYMENT OF BENEFITS

Benefits are recorded when paid.

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

The Plan Administrator is responsible for determining the Plan's valuation policies and analyzing information provided by the investment custodians and issuers that is used to determine the fair value of the Plan's investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the cash basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance. Interest income on notes receivable from participants is recorded when it is received. Related fees are recorded as administrative expense and are recorded when they are incurred. No allowance for credit losses was recorded as of December 31, 2014 or 2013. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

NOTE 3 - INVESTMENTS

Individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows as of December 31:

|                                      | 2014        | 2013        |
|--------------------------------------|-------------|-------------|
| Federated Government Obligation Fund | \$1,831,994 | \$1,786,578 |
| Fidelity Blue Chip Growth Fund       | 979,583     | 849,787     |
| Fidelity Contra Fund                 | 1,549,408   | 2,024,176   |
| Fidelity Puritan Fund                | 919,652     | 913,272     |
| T. Rowe Price Mid Cap Growth Fund    | 980,441     | 990,448     |
| VanGuard Index 500                   | 982,465     | 795,743     |
| Southside Bancshares, Inc.           | 2,581,576   | 2,147,830   |

During 2014 and 2013, the Plan's investments, (including investments purchased, sold, as well as held during the year), appreciated in fair value as follows:

|                                                                  | 2014      | 2013        |
|------------------------------------------------------------------|-----------|-------------|
| Investments at fair value as determined by quoted market prices: |           |             |
| Mutual funds                                                     | \$159,946 | \$1,568,523 |
| Common stock                                                     | 272,945   | 607,255     |

|                                |           |             |
|--------------------------------|-----------|-------------|
| Net appreciation in fair value | \$432,891 | \$2,175,778 |
|--------------------------------|-----------|-------------|

7

---

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 - Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs might include the following:

- quoted prices for similar assets and liabilities in active markets;

- quoted prices for identical or similar assets or liabilities in markets that are not active;

- inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, volatilities, prepayment speeds, credit risks, etc.); or

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan.

Common Stock: Fair value measurement of common stock is based upon the closing price reported on the active market on which the individual securities are traded and is classified in Level 1 of the fair value hierarchy.

Mutual Funds and Money Market Funds: Mutual fund and Money Market fund NAVs are quoted in an active market and are classified in Level 1 of the fair value hierarchy.

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

The following tables set forth by fair value hierarchy level, the Plan's assets at fair value:

|                            | Assets at Fair Value as of December 31, 2014 |         |         | Total        |
|----------------------------|----------------------------------------------|---------|---------|--------------|
|                            | Level 1                                      | Level 2 | Level 3 |              |
| Mutual Funds:              |                                              |         |         |              |
| Large Growth               | \$2,528,990                                  | \$—     | \$—     | \$2,528,990  |
| Small Value Companies      | 589,733                                      | —       | —       | 589,733      |
| Moderate Allocation        | 919,652                                      | —       | —       | 919,652      |
| Short Government           | 295,756                                      | —       | —       | 295,756      |
| Mid-Cap Growth             | 980,441                                      | —       | —       | 980,441      |
| Large Blend                | 982,465                                      | —       | —       | 982,465      |
| Foreign Large Growth       | 868,394                                      | —       | —       | 868,394      |
| Technology                 | 436,460                                      | —       | —       | 436,460      |
| Intermediate Government    | 347,748                                      | —       | —       | 347,748      |
| Target Date                | 727,001                                      | —       | —       | 727,001      |
| Mid-Cap Value              | 474,317                                      | —       | —       | 474,317      |
| Mid-Cap Blend              | 366,216                                      | —       | —       | 366,216      |
| Intermediate-Term Bond     | 269,171                                      | —       | —       | 269,171      |
| Small Blend                | 236,174                                      | —       | —       | 236,174      |
| Total Mutual Funds         | 10,022,518                                   | —       | —       | 10,022,518   |
| Money Market Funds         | 1,832,957                                    | —       | —       | 1,832,957    |
| Common Stock               | 2,581,576                                    | —       | —       | 2,581,576    |
| Total assets at fair value | \$14,437,051                                 | \$—     | \$—     | \$14,437,051 |

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

|                            | Assets at Fair Value as of December 31, 2013 |         |         | Total        |
|----------------------------|----------------------------------------------|---------|---------|--------------|
|                            | Level 1                                      | Level 2 | Level 3 |              |
| Mutual Funds:              |                                              |         |         |              |
| Large Growth               | \$2,873,963                                  | \$—     | \$—     | \$2,873,963  |
| Small Value Companies      | 547,216                                      | —       | —       | 547,216      |
| Moderate Allocation        | 913,272                                      | —       | —       | 913,272      |
| Short Government           | 512,048                                      | —       | —       | 512,048      |
| Mid-Cap Growth             | 990,448                                      | —       | —       | 990,448      |
| Large Blend                | 795,743                                      | —       | —       | 795,743      |
| Foreign Large Growth       | 594,651                                      | —       | —       | 594,651      |
| Technology                 | 381,266                                      | —       | —       | 381,266      |
| Intermediate Government    | 373,367                                      | —       | —       | 373,367      |
| Target Date                | 584,667                                      | —       | —       | 584,667      |
| Mid-Cap Value              | 427,292                                      | —       | —       | 427,292      |
| Foreign Large Blend        | 408,151                                      | —       | —       | 408,151      |
| Mid-Cap Blend              | 311,963                                      | —       | —       | 311,963      |
| Intermediate-Term Bond     | 243,253                                      | —       | —       | 243,253      |
| Small Blend                | 185,656                                      | —       | —       | 185,656      |
| Total Mutual Funds         | 10,142,956                                   | —       | —       | 10,142,956   |
| Money Market Funds         | 1,787,215                                    | —       | —       | 1,787,215    |
| Common Stock               | 2,147,830                                    | —       | —       | 2,147,830    |
| Total assets at fair value | \$14,078,001                                 | \$—     | \$—     | \$14,078,001 |

NOTE 5 - TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated May 7, 2014, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.





SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

NOTE 6 - RELATED-PARTY TRANSACTIONS

At December 31, 2014 and 2013, the Plan held 89,297 and 78,560 shares of Southside Bancshares, Inc. common stock, respectively, with fair values of \$2,581,576 and \$2,147,830, respectively. During the years ending December 31, 2014 and 2013, cash dividends paid on Southside Bancshares, Inc. common stock were \$84,583 and \$72,808, respectively. The Company provides the Plan with certain accounting and administrative services for which no fees are charged. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transaction rules under ERISA.

NOTE 7 - RISK AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available-for-benefits.

NOTE 8 - EXCESS CONTRIBUTIONS RETURNED TO PARTICIPANTS

During 2015 and 2014, \$18,194 and \$6,500, respectively was returned to participants for 2014 and 2013 contributions made in excess of amounts allowed by the Internal Revenue Code.

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available-for-benefits reflected by the accompanying financial statements to Schedule H of Form 5500 at December 31:

|                                                          | 2014         | 2013         |
|----------------------------------------------------------|--------------|--------------|
| Net assets available-for-benefits - financial statements | \$14,851,776 | \$14,546,962 |
| Employer match receivable                                | 157,349      | 107,016      |
| Net assets available-for-benefits - Form 5500            | \$15,009,125 | \$14,653,978 |

The following is a reconciliation of employer contributions per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2014:

|                                                     |           |   |
|-----------------------------------------------------|-----------|---|
| Employer contributions per the financial statements | \$98,699  |   |
| Prior year employer match receivable                | (107,016) | ) |
| Current year employer match receivable              | 157,349   |   |
| Employer contributions per Schedule H of Form 5500  | \$149,032 |   |

NOTE 10 - SUBSEQUENT EVENTS

On April 28, 2014, the Company entered into an Agreement and Plan of the Merger (the “Merger Agreement”) with Omni American Bancorp, Inc., a Maryland corporation (“OmniAmerican”) and the holding Company for OmniAmerican Bank, a federal savings association based in Fort Worth, Texas. The acquisition was completed on December 17, 2014. Subsequent to the acquisition, OmniAmerican's plan terminated and upon receipt of a favorable determination letter from the IRS, OmniAmerican employees will have the option to rollover their balance to an IRA, rollover to the Company's 401(k) Plan or take a distribution.

SAVINGS PLAN FOR THE  
SUBSIDIARIES OF SOUTHSIDE BANCSHARES, INC.  
PLAN No. 002 EIN 75-1848732  
SCHEDULE H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
December 31, 2014

| Identity of issue, borrower, lessor, or similar party | Description of investment including maturity date, number of shares or units, rate of interest, collateral and par or maturity value |        | Current Value |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------|---------------|
| Money Market Funds                                    |                                                                                                                                      |        |               |
| Federated Government Obligation Fund                  | 1,831,994                                                                                                                            | shares | \$1,831,994   |
| Federated Treasury Obligation Fund                    | 963                                                                                                                                  | shares | 963           |
| Mutual Funds                                          |                                                                                                                                      |        |               |
| Artisan Int'l Fund                                    | 17,634                                                                                                                               | shares | 528,329       |
| DFA - US Small Cap Value Portfolio                    | 16,864                                                                                                                               | shares | 589,733       |
| DFA - Short-Term Government Portfolio                 | 27,770                                                                                                                               | shares | 295,756       |
| Federated Mid Cap Fund                                | 13,414                                                                                                                               | shares | 366,217       |
| Federated Total Return Fund                           | 24,381                                                                                                                               | shares | 269,171       |
| Fidelity Advisor Freedom 2040                         | 18,978                                                                                                                               | shares | 267,402       |
| Fidelity Advisor Freedom 2030                         | 7,470                                                                                                                                | shares | 102,632       |
| Fidelity Advisor Freedom 2020                         | 22,605                                                                                                                               | shares | 297,254       |
| Fidelity Advisor Freedom 2010                         | 4,800                                                                                                                                | shares | 59,713        |
| Fidelity Blue Chip Growth Fund                        | 14,317                                                                                                                               | shares | 979,583       |
| Fidelity Contra Fund                                  | 15,815                                                                                                                               | shares | 1,549,408     |
| Fidelity Intermediate Government Income Fund          | 32,561                                                                                                                               | shares | 347,748       |
| Fidelity International Discovery Fund                 | 8,951                                                                                                                                | shares | 340,064       |
| Fidelity Puritan Fund                                 | 42,794                                                                                                                               | shares | 919,652       |
| Fidelity Technology Fund                              | 3,813                                                                                                                                | shares | 436,459       |
| T. Rowe Price Mid Cap Growth Fund                     | 13,316                                                                                                                               | shares | 980,441       |
| T. Rowe Price Mid Cap Value Fund                      | 16,458                                                                                                                               | shares | 474,317       |
| VanGuard Index 500                                    | 5,174                                                                                                                                | shares | 982,465       |
| VanGuard Small Cap Index                              | 4,228                                                                                                                                | shares | 236,174       |
| Common Stock                                          |                                                                                                                                      |        |               |
| * Southside Bancshares, Inc.                          | 89,297                                                                                                                               | shares | 2,581,576     |
| Notes Receivable                                      |                                                                                                                                      |        |               |
| * Participant loans                                   | Varying maturity dates with an interest rate of 3.25%                                                                                |        | 410,565       |
|                                                       |                                                                                                                                      |        | \$14,847,616  |

\* Investment considered a party-in-interest transaction.



SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Savings Plan for the Subsidiaries of Southside Bancshares, Inc.

DATE: June 29, 2015

BY: /s/ JULIE N. SHAMBURGER  
Julie N. Shamburger, CPA  
Executive Vice President and Chief Accounting Officer  
(Principal Accounting Officer)  
Southside Bancshares, Inc.

Exhibit Index

| Exhibit<br>Number | Description of Document                                  |
|-------------------|----------------------------------------------------------|
| 23                | Consent of Independent Registered Public Accounting Firm |

14