



**CONSOLIDATED STATEMENTS OF CONDITION**

*(unaudited in thousands of dollars except for share and per share data)*

	3/31/00	3/31/99
<b>ASSETS</b>		
Cash & Due From Banks	\$ 65,563	\$ 62,491
Federal Funds Sold	-	8,500
Investment Securities:		
Available for Sale, at Fair Value	138,114	105,968
U.S. Government Agency Obligations	1,503	2,194
Obligations of States & Political Subdivisions	31,782	15,631
Corporate Bonds & Other Securities	3,468	3,368
Total Investment Securities	174,867	127,161
Total Loans	739,389	677,351
Allowance for Possible Loan Losses	7,382	7,086
Net Loans	732,007	670,265
Premises & Equipment, Net	13,955	15,137
Other Real Estate Owned, Net	175	296
Accrued Interest Receivable, Net	6,192	5,334
Excess of Cost Over Fair Value of Net Assets Acquired	1,448	1,810
Other Assets	19,555	20,227
<b>TOTAL ASSETS</b>	<b>\$ 1,013,762</b>	<b>\$ 911,221</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Demand Deposits	\$ 242,943	\$ 226,419
Savings, N.O.W.'s & Money Market Deposits	385,821	345,739
Time Certificates of \$100,000 or more	29,622	25,528
Other Time Deposits	234,196	229,330
Total Deposits	892,582	827,016
Federal Home Loan Bank Borrowings/Fed Funds Purchas	29,300	-
Dividend Payable on Common Stock	1,676	1,276
Accrued Interest Payable	2,061	1,966
Other Liabilities	9,337	7,955
<b>TOTAL LIABILITIES</b>	<b>934,956</b>	<b>838,213</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock (par value \$2.50; 15,000,000 shares authorized; 6,035,580 and 6,070,080 shares issued at March 31, 2000 & 1999, respectively)	19,026	19,026
Surplus	18,456	18,456
Treasury Stock at Par (1,574,840 shares and 1,540,340 shares, respectively)	(3,937)	(3,851)
Undivided Profits	47,327	39,641
	80,872	73,272
Accumulated Other Comprehensive Income, Net of Tax	(2,066)	(264)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>78,806</b>	<b>73,008</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$ 1,013,762</b>	<b>\$ 911,221</b>

**CONSOLIDATED STATEMENTS OF INCOME**

*(unaudited in thousands of dollars except for share and per share data)*

	For the 3 Months Ended	
	3/31/00	3/31/99
<b>INTEREST INCOME</b>		
Federal Funds Sold	\$ 124	\$ 98
United States Treasury Securities	419	1,014
Obligations of States & Political Subdivisions (tax exempt)	313	153
U.S. Government Agency Obligations	1,671	952
Corporate Bonds & Other Securities	56	74
Loans	15,764	14,071
<b>Total Interest Income</b>	<b>18,347</b>	<b>16,362</b>
<b>INTEREST EXPENSE</b>		
Savings, N.O.W.'s & Money Market Deposits	2,200	1,756
Time Certificates of \$100,000 or more	352	306
Other Time Deposits	3,018	2,962
Federal Funds Purchased	245	167
Interest on Other Borrowings	75	10
<b>Total Interest Expense</b>	<b>5,890</b>	<b>5,201</b>
<b>Net-interest Income</b>	<b>12,457</b>	<b>11,161</b>
Provision for Possible Loan Losses	300	270
<b>Net-interest Income After Provision</b>	<b>12,157</b>	<b>10,891</b>
<b>OTHER INCOME</b>		
Service Charges on Deposit Accounts	1,182	959
Other Service Charges, Commissions & Fees	282	201
Fiduciary Fees	233	167
Other Operating Income	232	138
<b>Total Other Income</b>	<b>1,929</b>	<b>1,465</b>
<b>OTHER EXPENSE</b>		
Salaries & Employee Benefits	4,491	4,275
Net Occupancy Expense	626	614
Equipment Expense	637	564
Other Real Estate Expense	3	1
Other Operating Expense	2,208	1,998
<b>Total Other Expense</b>	<b>7,965</b>	<b>7,452</b>
Income Before Provision for Income Taxes	6,121	4,904
Provision for Income Taxes	2,492	1,881
<b>NET INCOME</b>	<b>\$ 3,629</b>	<b>\$ 3,023</b>
Average: Common Shares Outstanding	6,049,206	6,076,842
Dilutive Stock Options	7,154	9,143
Average Total Common Shares and Dilutive Options	6,056,360	6,085,985
<b>EARNINGS PER COMMON SHARE: Basic</b>	<b>\$ 0.60</b>	<b>\$ 0.50</b>
<b>Diluted</b>	<b>\$ 0.60</b>	<b>\$ 0.50</b>

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Executive Vice President & Chief Financial Officer

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Executive Vice President - Retail Banking

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Executive Vice President & Chief Information Officer

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## FINANCIAL SUMMARY OF THE LAST 12 MONTHS

(unaudited, in thousands of dollars except for share and per share data)

	Last 12 Months	QUARTERS ENDED			
		3/31/00	12/31/99	9/30/99	6/30/99
<b>EARNINGS</b>					
Net Income	13,735	3,629	3,317	3,582	3,207
Net Interest Income	48,083	12,457	12,129	12,034	11,463
Earnings Per Share	2.26	0.60	0.54	0.59	0.53
Cash Dividends Per Share	0.86	0.23	0.21	0.21	0.21
<b>AVERAGE BALANCES</b>					
Assets	953,564	1,000,304	956,582	942,002	915,367
Net Loans	697,032	718,721	702,838	689,600	676,969
Investment Securities	138,946	166,336	150,723	120,007	118,716
Deposits	852,245	872,557	853,263	854,189	828,972
Equity	74,561	76,308	75,673	73,856	72,405
Shares Outstanding	6,061,809	6,049,206	6,062,352	6,065,596	6,070,080
Book Value Per Common Share	12.68	13.06	12.77	12.58	12.29
<b>RATIOS</b>					
Return on Average Equity	18.42%	19.02%	17.53%	19.40%	17.72%
Return on Average Assets	1.44%	1.45%	1.39%	1.52%	1.40%
Average Equity/Assets	7.82%	7.63%	7.91%	7.84%	7.91%
Tier 1 Risk-based Capital Ratio	9.80%	9.75%	10.15%	9.75%	9.55%
Net Interest Margin (Tax Equivalent)	5.71%	5.65%	5.83%	5.68%	5.68%
Efficiency Ratio	56.61%	55.37%	58.06%	55.22%	57.79%
<b>ASSET QUALITY</b>					
Net Charge-offs	804	188	136	342	138
Net Charge-offs to Average Net Loans	0.12%	0.10%	0.08%	0.20%	0.08%
Allowance/Non-accrual, Restructured, and Other Real Estate Owned	430.07%	448.48%	451.55%	478.52%	341.73%
Allowance for Loan Losses/Net Loans	1.01%	1.00%	1.00%	1.01%	1.03%

## FINANCIAL SUMMARY OF THE LAST 5 YEARS

(unaudited, in thousands of dollars except for share and per share data)

	December 31, 1999	1998	1997	1996	1995
<b>EARNINGS</b>					
Net Income	13,129	11,903	11,302	10,647	9,089
Net Interest Income	46,787	44,410	43,159	41,157	38,981
Earnings Per Share	2.16	1.95	1.79	1.60	1.22
Cash Dividends Per Share	0.84	0.72	0.69	0.62	0.45
<b>BALANCES AT DECEMBER 31st</b>					
Assets	980,799	909,432	864,913	804,379	805,794
Net Loans	720,255	640,565	604,864	578,883	510,015
Investment Securities	165,370	151,201	146,926	135,353	181,966
Deposits	877,303	826,564	777,595	711,018	727,060
Equity	77,334	71,845	65,140	72,750	70,046
Shares Outstanding	6,055,580	6,080,856	6,095,356	6,592,890	6,818,618
Book Value Per Common Share	12.77	11.81	10.69	11.04	10.28
<b>RATIOS</b>					
Return on Average Equity	17.91%	17.66%	16.96%	15.12%	11.56%
Return on Average Assets	1.41%	1.37%	1.37%	1.35%	1.15%
Average Capital Ratio	7.87%	7.77%	8.05%	8.96%	9.91%
Net Interest Margin (Tax Equivalent)	5.66%	5.77%	5.84%	5.84%	5.49%
Net Charge-offs to Average Net Loans	0.11%	0.08%	0.11%	0.17%	0.16%
Efficiency Ratio	57.49%	59.36%	59.65%	59.80%	65.96%

## DEAR SHAREHOLDER:

Net income for the quarter was \$3,629,000, up 20.0 percent from \$3,023,000 posted during the same period last year. Earnings per share for the quarter were \$0.60 compared to \$0.50, also up 20.0 percent.

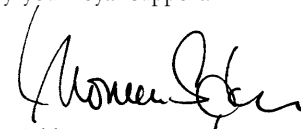
The first quarter of 2000 is the most profitable ever for Suffolk. Return on average equity was 19.02 percent. Return on average assets was 1.45 percent. The net interest margin was 5.65 percent, and our efficiency ratio was 55.37 percent. Average assets exceeded \$1 billion during the quarter for the first time.

We are proud of our ability to produce these numbers out of our core business. We continue to be aided by a strong economy, but in comparison with the first quarter of last year, we have repositioned the investment portfolio into more diverse and higher yielding securities, while preserving asset quality, a process which continues. We have also managed our funding to achieve near optimum leverage for our capital, while still maintaining the regulatory standard of a "well-capitalized" financial institution.

Non-interest income increased by 31.7 percent over the same quarter in 1999. While average assets increased by 9.3 percent, non-interest expense increased by only 6.9 percent. Asset-quality remains good, with net-chargeoffs at only 0.10 percent of assets. Total non-performing assets are a scant 16 basis points of total assets. The allowance for possible loan losses, while standing at 1.0 percent of total loans, is 448.5 percent of non-performing assets, providing substantial coverage. Equity has been affected by a reduction in the "accumulated other comprehensive income, net of tax," or the difference between the carrying and market values of securities available for sale, but that has been offset by increases in net interest income because Suffolk's assets have repriced upward in response to monetary tightening faster than its liabilities.

Our success this quarter is attributable to a number of factors, but the most important is a disciplined, incremental approach to implementing a consistent strategy. Our numbers speak for themselves. We hope that they justify your loyal support.

Sincerely,



Thomas S. Kohlmann  
President & Chief Executive Officer



## FIRST QUARTERLY REPORT TO THE SHAREHOLDERS

March 31, 2000