



CONSOLIDATED STATEMENTS OF CONDITION

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

	3/31/2002	3/31/2001
ASSETS		
Cash & Due From Banks	\$ 38,389	\$ 59,541
Federal Funds Sold	22,600	-
Investment Securities:		
Available for Sale, at Fair Value	254,657	148,282
Obligations of States & Political Subdivisions	11,709	12,992
Corporate Bonds & Other Securities	2,099	3,468
Total Investment Securities	268,465	164,742
Total Loans	792,588	795,669
Allowance for Possible Loan Losses	8,834	8,061
Net Loans	783,754	787,608
Premises & Equipment, Net	15,732	13,407
Accrued Interest Receivable, Net	5,712	5,870
Excess of Cost Over Fair Value of Net Assets Acquired	814	1,086
Other Assets	22,431	22,912
TOTAL ASSETS	\$ 1,157,897	\$ 1,055,166
LIABILITIES & STOCKHOLDERS' EQUITY		
Demand Deposits	\$ 263,822	\$ 241,592
Savings, N.O.W.'s & Money Market Deposits	487,478	374,752
Time Certificates of \$100,000 or more	30,756	26,513
Other Time Deposits	261,242	258,769
Total Deposits	1,043,298	901,626
Federal Home Loan Bank Borrowings/Fed Funds Purchased	-	44,900
Dividend Payable on Common Stock	1,766	1,664
Accrued Interest Payable	1,640	2,559
Other Liabilities	13,809	13,702
TOTAL LIABILITIES	1,060,513	964,451
STOCKHOLDERS' EQUITY		
Common Stock (par value \$2.50; 15,000,000 shares authorized; 11,723,500 and 11,851,858 shares outstanding at March 31, 2002 and 2001, respectively)	33,826	19,033
Surplus	19,165	18,501
Treasury Stock at Par (1,806,718 and 1,687,091 shares, respectively)	(4,517)	(4,218)
Undivided Profits	49,183	55,470
	97,657	88,786
Accumulated Other Comprehensive (Loss) Income, Net of Tax	(273)	1,929
TOTAL STOCKHOLDERS' EQUITY	97,384	90,715
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 1,157,897	\$ 1,055,166

CONSOLIDATED STATEMENTS OF INCOME

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

	For the 3 Months Ended	
	3/31/02	3/31/01
INTEREST INCOME		
Federal Funds Sold	\$ 131	\$ 12
United States Treasury Securities	139	398
Obligations of States & Political Subdivisions (tax exempt)	141	157
Mortgage-Backed Securities	2,756	1,445
U.S. Government Agency Obligations	654	545
Corporate Bonds & Other Securities	15	72
Loans	15,624	17,264
Total Interest Income	19,460	19,893
INTEREST EXPENSE		
Savings, N.O.W.'s & Money Market Deposits	1,613	2,121
Time Certificates of \$100,000 or more	255	345
Other Time Deposits	2,597	3,632
Federal Funds Purchased	-	70
Interest on Other Borrowings	-	375
Total Interest Expense	4,465	6,543
Net-interest Income	14,995	13,350
Provision for Possible Loan Losses	300	405
Net-interest Income After Provision for Possible Loan	14,695	12,945
OTHER INCOME		
Service Charges on Deposit Accounts	1,329	1,281
Other Service Charges, Commissions & Fees	322	311
Fiduciary Fees	285	240
Other Operating Income	284	193
Net Gain on Sale of Securities	-	148
Total Other Income	2,220	2,173
OTHER EXPENSE		
Salaries & Employee Benefits	5,045	4,654
Net Occupancy Expense	675	719
Equipment Expense	596	562
Other Real Estate Expense	-	10
Other Operating Expense	2,198	1,983
Total Other Expense	8,514	7,928
Income Before Provision for Income Taxes	8,401	7,190
Provision for Income Taxes	3,340	2,787
NET INCOME	\$ 5,061	\$ 4,403
Average: Common Shares Outstanding	11,767,980	11,900,940
Dilutive Stock Options	40,656	29,816
Average Total Common Shares and Dilutive Options	11,808,636	11,930,756
EARNINGS PER COMMON SHARE: Basic	\$ 0.43	\$ 0.37
Diluted	0.43	0.37

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SUFFOLK BANCORP

(631) 727-5667
invest@suffolkbancorp.com

THE SUFFOLK COUNTY NATIONAL BANK

6 West Second Street
Riverhead, New York 11901
info@scnb.com

Executive Offices
(631) 727-3800

Banking Services
(631) 727-2700

Trust, Investment, & Private Banking
(631) 285-6600

Visit us on the web at

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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			
		3/31/2002	12/31/2001	9/30/2001	6/30/2001
EARNINGS					
Net Income	19,343	5,061	4,694	4,760	4,828
Net Interest Income	56,868	14,995	14,286	14,010	13,577
Earnings Per Share	1.64	0.43	0.40	0.40	0.41
Cash Dividends Per Share	0.57	0.15	0.14	0.14	0.14
AVERAGE BALANCES					
Assets	1,112,701	1,172,357	1,137,935	1,088,619	1,051,893
Net Loans	779,760	781,643	775,634	777,266	784,498
Investment Securities	191,412	258,998	200,673	150,414	155,564
Deposits	993,107	1,050,030	1,024,793	973,892	923,714
Equity	93,183	96,615	95,850	91,418	88,849
Shares Outstanding	11,773,285	11,702,587	11,770,640	11,799,620	11,820,294
Book Value Per Common Share	8.13	8.31	8.23	8.23	7.74
RATIOS					
Return on Average Equity	20.78%	20.95%	19.58%	20.83%	21.74%
Return on Average Assets	1.74%	1.73%	1.65%	1.75%	1.84%
Average Equity/Assets	8.38%	8.24%	8.42%	8.40%	8.45%
Total Risk-based Capital Ratio	11.62%	11.99%	11.71%	11.90%	10.87%
Net Interest Margin (Tax Equivalent)	5.60%	5.63%	5.45%	5.60%	5.72%
Efficiency Ratio	49.47%	49.46%	51.24%	49.29%	47.89%
ASSET QUALITY					
Net Charge-offs	666	291	254	101	20
Net Charge-offs to Average Net Loans	0.09%	0.15%	0.13%	0.05%	0.01%
Allowance/Non-accrual, Restructured, and Other Real Estate Owned	384.77%	380.94%	448.42%	382.10%	327.62%
Allowance for Loan Losses/Net Loans	1.10%	1.11%	1.11%	1.11%	1.06%

FINANCIAL SUMMARY OF THE LAST 5 YEARS

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

	December 31, 2001	2000	1999	1998	1997
EARNINGS					
Net Income	18,685	16,232	13,129	11,903	11,302
Net Interest Income	55,223	52,505	46,787	44,410	43,159
Earnings Per Share	1.58	1.35	1.08	0.98	0.90
Cash Dividends Per Share	0.56	0.46	0.42	0.36	0.35
BALANCES AT DECEMBER 31st					
Assets	1,164,947	1,049,580	980,799	909,432	864,913
Net Loans	787,285	768,248	720,255	640,565	604,864
Investment Securities	254,620	165,971	165,370	151,201	146,926
Deposits	1,051,712	942,436	877,303	826,564	777,595
Equity	96,837	88,053	77,334	71,846	65,140
Shares Outstanding	11,770,596	11,919,928	12,111,160	12,161,712	12,190,712
Book Value Per Common Share	8.23	7.39	6.39	5.91	5.35
RATIOS					
Return on Average Equity	20.55%	20.42%	17.91%	17.66%	16.96%
Return on Average Assets	1.73%	1.60%	1.41%	1.37%	1.37%
Average Capital Ratio	8.41%	7.86%	7.87%	7.77%	8.05%
Net Interest Margin (Tax Equivalent)	5.62%	5.84%	5.66%	5.77%	5.84%
Net Charge-offs to Average Net Loans	0.06%	0.10%	0.11%	0.08%	0.11%
Efficiency Ratio	49.88%	53.04%	57.49%	59.36%	59.65%

DEAR SHAREHOLDER:

During the first quarter, at Suffolk, we have been fortunate to be able to overcome recent economic uncertainties, and to improve earnings over the same period last year. Our most important task has been to respond to lessening loan demand while deposits increased substantially, likely as a result of a 'flight to quality' after events late last year and a stock market that has been hesitant to advance. Eleven rate reductions by the Federal Reserve last year have made the management of our net interest margin even more challenging than usual.

We have always maintained a disciplined approach to our balance sheet at Suffolk. During the past two years, we have taken a calculated position in collateralized mortgage obligations which has been a major contributing factor to our ability to maintain our margin while also maintaining high credit-quality.

Investment securities totaled \$268,216,000 at March 31st, up 62.8 percent from the same time last year, while total loans have actually declined by 0.4 percent. These investments are the ideal vehicle to carry us through to that time when loan demand again increases.

By any measure, we achieved strong performance again this quarter. Return on average equity improved to 20.95 percent from 20.12 last year. Return on average assets was 1.73 percent, versus 1.68 percent a year ago. Average assets grew by 11.7 percent, while non-interest expense grew by only 7.4 percent, improving our efficiency ratio to 49.46 percent, much better than industry averages which run to the high 50's. These numbers are the result of ongoing refinements to how we run the business.

We appreciate the steady support of our shareholders as in these unusual times.

Sincerely,



Thomas S. Kohlmann
President & Chief Executive Officer



FIRST QUARTERLY REPORT TO THE SHAREHOLDERS

March 31, 2002