

PRESS RELEASE

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Contact: Douglas Ian Shaw
Corporate Secretary
(631) 727-5667



6 West Second Street
Riverhead, NY 11901
(631) 727-5667 (voice) - (631) 727-3214 (fax)
invest@suffolkbancorp.com

SUFFOLK BANCORP ANNOUNCES 20.0 PERCENT INCREASE IN EARNINGS PER SHARE

Riverhead, New York, October 15, 2002 — Suffolk Bancorp (NASDAQ - SUBK) today released the results of its operations during the third quarter of 2002. Net income for the quarter was \$5,577,000, up 17.2 percent from \$4,760,000 posted during the same period last year. Net income for the year to date was \$15,932,000, up 13.9 percent from \$13,991,000 posted during the same period last year. Earnings per share for the quarter were \$0.48 compared to \$0.40, up 20.0 percent. Earnings per share for the year to date were \$1.36 compared to \$1.18, up 15.3 percent. A detailed financial summary follows the text of this release.

President and CEO Thomas S. Kohlmann remarked, "Our results this quarter and year-to-date remain strong. Our business is still growing, even in the face of an uncertain economy. Return on average equity was 21.69 percent for the quarter compared to 20.83 percent last year. Return on average assets was 1.77 percent, versus 1.75 percent a year ago. Our net interest margin narrowed slightly to 5.47 percent from 5.60 percent, but net interest income increased by 13.4 percent over the same period last year. Average assets grew by 15.6 percent. Our efficiency ratio was 48.63 percent compared to 49.29 percent for the comparable quarter last year."

He continued, "We have continued to manage the balance sheet to preserve net interest income as loan demand decreases, and deposits increase. Investment securities totaled \$346,060,000 at quarter-end, up 94.0 percent from September 30th of last year, while total net loans declined 0.6 percent. We continue to experience chargeoffs in our consumer loan portfolio (almost exclusively indirect automobile loans) that are higher than our normal experience, but we are pleased with the performance of the rest of our portfolio."

Mr. Kohlmann concluded, "Our steady performance in a volatile economy speaks to the importance of a well-developed, straightforward strategy, and discipline in implementing it. Our current objective is to preserve shareholder value during this particular business cycle by adjusting our mix of assets, and at the same time, building for the long term by continuing to develop relationships with our customers that will flourish when the economy rebounds."

Suffolk Bancorp is a one-bank holding company engaged in the commercial banking business through the Suffolk County National Bank, a full service commercial bank headquartered in Riverhead, New York. "SCNB" is Suffolk Bancorp's wholly owned subsidiary. Organized in 1890, the Suffolk County National Bank has 28 offices in Suffolk County, New York.

Safe Harbor Statement pursuant to the Private Securities Litigation Reform Act of 1995

This press release may include statements which look to the future. These can include remarks about Suffolk Bancorp, the banking industry, and the economy in general. These remarks are based on current plans and expectations. They are subject, however, to a variety of uncertainties that could cause future results to vary materially from Suffolk's historical performance, or from current expectations. Factors affecting Suffolk Bancorp include particularly, but are not limited to: changes in interest rates; increases or decreases in retail and commercial economic activity in Suffolk's market area; variations in the ability and propensity of consumers and businesses to borrow, repay, or deposit money, or to use other banking and financial services; and changes in government regulations. The financial summary follows.

STATISTICAL SUMMARY*(unaudited, restated to give effect to 100% stock dividend on 1/2/02, in thousands of dollars except for share and per share data)*

	<u>3rd Q 2002</u>	<u>3rd Q 2001</u>	<u>Change</u>	<u>9 Mos. 2002</u>	<u>9 Mos. 2001</u>	<u>Change</u>
EARNINGS						
Net Income	\$ 5,577	\$ 4,760	17.2%	\$ 15,932	\$ 13,991	13.9%
Net Interest Income	15,887	14,010	13.4%	46,369	40,937	13.3%
Earnings Per Share	0.48	0.40	20.0%	1.36	1.18	15.3%
Cash Dividends Per Share	0.17	0.14	21.4%	0.51	0.42	21.4%
AVERAGE BALANCES						
Average Assets	1,258,164	1,088,619	15.6%	1,224,139	1,063,618	15.1%
Average Net Loans	780,796	777,266	0.5%	785,445	777,375	1.0%
Average Investment Securities	330,602	150,414	119.8%	293,213	157,931	85.7%
Average Deposits	1,148,477	973,892	17.9%	1,098,489	931,085	18.0%
Average Equity	102,861	91,418	12.5%	99,440	89,279	11.4%
RATIOS						
Return on Average Equity	21.69%	20.83%	4.1%	21.36%	20.89%	2.2%
Return on Average Assets	1.77%	1.75%	1.1%	1.74%	1.75%	(0.6%)
Average Equity/Assets	8.18%	8.40%	(2.6%)	8.12%	8.39%	(3.2%)
Net Interest Margin (FTE)	5.47%	5.60%	(2.3%)	5.56%	5.68%	(2.1%)
Efficiency Ratio	48.63%	49.29%	(1.3%)	48.88%	49.40%	(1.1%)
Tier 1 Leverage Ratio Sept. 30	7.85%	8.43%	(6.9%)			
Tier 1 Risk-based Capital Ratio Sept. 30	11.14%	10.87%	2.5%			
Total Risk-based Capital Ratio Sept. 30	12.16%	11.90%	2.2%			
ASSET QUALITY						
during period:						
Net Charge-offs	\$ 241	\$ 101	138.6%	\$ 769	\$ 214	259.3%
Net Charge-offs/Average Net Loans(annual)	0.12%	0.05%	140.0%	0.13%	0.04%	225.0%
at end of period:						
Non-accrual & Restructured Loans	\$ 1,753	2,290	(23.4%)			
Foreclosed Real Estate ("OREO")	0	0	0.0%			
Total Non-performing Assets	1,753	2,290	(23.4%)			
Allowance/Non-performing Assets	517.74%	382.10%	35.5%			
Allowance/Loans, Net of Discount	1.16%	1.11%	4.5%			
Net Loans/Deposits	67.83%	77.08%	(12.0%)			
EQUITY						
Shares Outstanding	11,569,481	11,772,596	(1.7%)			
Common Equity	\$ 108,070	\$ 96,897	11.5%			
Book Value Per Common Share	9.34	8.23	13.5%			
Tangible Common Equity	107,256	95,992	11.7%			
Tangible Book Value Per Common Share	9.27	8.15	13.7%			
LOAN DISTRIBUTION						
at end of period:						
Commercial, Financial & Agricultural Loans	132,249	129,993	1.7%			
Commercial Real Estate Mortgages	189,929	170,237	11.6%			
Real Estate -- Construction Loans	34,423	25,482	35.1%			
Residential Mortgages (1st and 2nd Liens)	88,890	93,844	(5.3%)			
Home Equity Loans	37,412	27,380	36.6%			
Consumer Loans	299,841	340,557	(12.0%)			
Other Loans	2,838	2,199	29.1%			
Total Loans (Net of Unearned Discounts)	\$ 785,582	\$ 789,692	(0.5%)			

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(unaudited, restated to give effect to 100% stock dividend on 1/2/02, in thousands of dollars except for share and per share data)

	September 30,		
	2002	2001	Change
ASSETS			
Cash & Due From Banks	\$ 56,952	\$ 47,239	20.6%
Federal Funds Sold	46,000	86,500	(46.8%)
Investment Securities:			
Available for Sale, at Fair Value	331,619	168,210	97.1%
Obligations of States & Political Subdivisions	12,342	8,353	47.8%
Federal Reserve Bank Stock	638	638	0.0%
Federal Home Loan Bank Stock	1,361	1,112	22.4%
Corporate Bonds & Other Securities	100	100	0.0%
Total Investment Securities	<u>346,060</u>	<u>178,413</u>	94.0%
Total Loans	785,582	789,692	(0.5%)
Allowance for Possible Loan Losses	9,076	8,750	3.7%
Net Loans	<u>776,506</u>	<u>780,942</u>	(0.6%)
Premises & Equipment, Net	19,496	13,201	47.7%
Accrued Interest Receivable, Net	5,612	5,511	1.8%
Excess of Cost Over Fair Value of Net Assets Acquired	814	905	(10.1%)
Other Assets	22,240	22,144	0.4%
TOTAL ASSETS	<u><u>\$ 1,273,680</u></u>	<u><u>\$ 1,134,855</u></u>	12.2%
LIABILITIES & STOCKHOLDERS' EQUITY			
Demand Deposits	\$ 311,560	\$ 277,533	12.3%
Savings, N.O.W.'s & Money Market Deposits	555,659	418,708	32.7%
Time Certificates of \$100,000 or more	26,652	36,224	(26.4%)
Other Time Deposits	250,920	280,691	(10.6%)
Total Deposits	<u>1,144,791</u>	<u>1,013,156</u>	13.0%
Dividend Payable on Common Stock	1,973	1,649	19.6%
Accrued Interest Payable	1,450	2,765	(47.6%)
Other Liabilities	17,396	20,388	(14.7%)
TOTAL LIABILITIES	<u>1,165,610</u>	<u>1,037,958</u>	12.3%
STOCKHOLDERS' EQUITY			
Common Stock (par value \$2.50; 15,000,000 shares authorized; 11,569,481 and 11,772,596 shares outstanding at September 30, 2002 and 2001, respectively)	33,838	38,224	(11.5%)
Surplus	19,230	19,165	0.3%
Treasury Stock at Par (1,960,737 and 1,758,622 shares, respectively)	(4,914)	(4,396)	11.8%
Undivided Profits	51,492	39,745	29.6%
	<u>99,646</u>	<u>92,738</u>	7.4%
Accumulated Other Comprehensive Income, Net of Tax	8,424	4,159	102.5%
TOTAL STOCKHOLDERS' EQUITY	<u>108,070</u>	<u>96,897</u>	11.5%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u><u>\$ 1,273,680</u></u>	<u><u>\$ 1,134,855</u></u>	12.2%

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CONSOLIDATED STATEMENTS OF INCOME

(unaudited, restated to give effect to 100% stock dividend on 1/2/02, in thousands of dollars except for share and per share data)

	For the 3 Months Ended			For the Year to Date		
	<u>Sept. 30, 2002</u>	<u>Sept. 30, 2001</u>	<u>Change</u>	<u>2002</u>	<u>2001</u>	<u>Change</u>
INTEREST INCOME						
Federal Funds Sold	\$ 240	\$ 663	(63.8%)	\$ 508	\$ 841	(39.6%)
United States Treasury Securities	103	224	(54.0%)	367	950	(61.4%)
Obligations of States & Political Subdivisions	138	95	45.3%	425	416	2.2%
Mortgage-Backed Securities	3,234	1,436	125.2%	8,987	4,317	108.2%
U.S. Government Agency Obligations	766	603	27.0%	2,073	1,593	30.1%
Corporate Bonds & Other Securities	22	36	(38.9%)	68	164	(58.5%)
Loans	15,327	16,938	(9.5%)	46,584	51,580	(9.7%)
Total Interest Income	<u>19,830</u>	<u>19,995</u>	<u>(0.8%)</u>	<u>59,012</u>	<u>59,861</u>	<u>(1.4%)</u>
INTEREST EXPENSE						
Savings, N.O.W.'s & Money Market Deposits	1,765	2,311	(23.6%)	5,202	6,578	(20.9%)
Time Certificates of \$100,000 or more	191	364	(47.5%)	648	1,089	(40.5%)
Other Time Deposits	1,987	3,310	(40.0%)	6,792	10,611	(36.0%)
Federal Funds Purchased	-	-	0.0%	1	98	(99.0%)
Interest on Other Borrowings	-	-	0.0%	-	548	(100.0%)
Total Interest Expense	<u>3,943</u>	<u>5,985</u>	<u>(34.1%)</u>	<u>12,643</u>	<u>18,924</u>	<u>(33.2%)</u>
Net-interest Income	15,887	14,010	13.4%	46,369	40,937	13.3%
Provision for Possible Loan Losses	<u>360</u>	<u>405</u>	<u>(11.1%)</u>	<u>1,020</u>	<u>1,215</u>	<u>(16.0%)</u>
Net-interest Income After Provision	<u>15,527</u>	<u>13,605</u>	<u>14.1%</u>	<u>45,349</u>	<u>39,722</u>	<u>14.2%</u>
OTHER INCOME						
Service Charges on Deposit Accounts	1,494	1,292	15.6%	4,245	3,915	8.4%
Other Service Charges, Commissions & Fees	748	505	48.1%	1,544	1,197	29.0%
Fiduciary Fees	282	250	12.8%	860	728	18.1%
Other Operating Income	283	310	(8.7%)	693	751	(7.7%)
Net Gain on Sale of Securities	-	-	0.0%	-	395	(100.0%)
Total Other Income	<u>2,807</u>	<u>2,357</u>	<u>19.1%</u>	<u>7,342</u>	<u>6,986</u>	<u>5.1%</u>
OTHER EXPENSE						
Salaries & Employee Benefits	5,266	4,384	20.1%	15,338	13,358	14.8%
Net Occupancy Expense	730	713	2.4%	2,079	2,143	(3.0%)
Equipment Expense	679	582	16.7%	1,900	1,730	9.8%
Other Real Estate Expense	-	-	0.0%	-	10	(100.0%)
Other Operating Expense	<u>2,416</u>	<u>2,389</u>	<u>1.1%</u>	<u>6,935</u>	<u>6,434</u>	<u>7.8%</u>
Total Other Expense	<u>9,091</u>	<u>8,068</u>	<u>12.7%</u>	<u>26,252</u>	<u>23,675</u>	<u>10.9%</u>
Income Before Provision for Income Taxes	9,243	7,894	17.1%	26,439	23,033	14.8%
Provision for Income Taxes	<u>3,666</u>	<u>3,134</u>	<u>17.0%</u>	<u>10,507</u>	<u>9,042</u>	<u>16.2%</u>
NET INCOME	<u>\$ 5,577</u>	<u>\$ 4,760</u>	<u>17.2%</u>	<u>\$ 15,932</u>	<u>\$ 13,991</u>	<u>13.9%</u>
Average:						
Common Shares Outstanding	11,631,041	11,799,620	(1.4%)	11,703,306	11,839,914	(1.2%)
Dilutive Stock Options	43,884	18,634	135.5%	42,023	15,748	166.8%
Average Total	<u>11,674,925</u>	<u>11,818,254</u>	<u>(1.2%)</u>	<u>11,745,329</u>	<u>11,855,662</u>	<u>(0.9%)</u>
EARNINGS PER COMMON SHARE						
Basic	\$ 0.48	\$ 0.40	20.0%	\$ 1.36	\$ 1.18	15.3%
Diluted	\$ 0.48	\$ 0.40	20.0%	\$ 1.36	\$ 1.18	15.3%