

PRESS RELEASE

FOR IMMEDIATE RELEASE

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SUFFOLK BANCORP ANNOUNCES 9.3 PERCENT INCREASE IN EARNINGS PER SHARE

Riverhead, New York, April 8, 2003 — Suffolk Bancorp (NASDAQ - SUBK) today released the results of its operations during the first quarter of 2003. Net income for the quarter was \$5,339,000, up 5.5 percent from \$5,061,000 posted during the same period last year. Earnings-per-share for the quarter were \$0.47 compared to \$0.43, up 9.3 percent. A detailed financial summary follows the text of this release.

President and CEO Thomas S. Kohlmann remarked, "We are gratified by our consistent performance during a period of considerable economic uncertainty. It should be noted that this performance is in our core bank, and does not include securities gains. We have structured our investment portfolio carefully to preserve both income and cash-flow throughout the current economic pause, and would prefer not to compromise earnings in the long run."

He went on to say, "The first quarter's results were solid. Return on average equity was 20.86 percent for the first quarter compared to 20.95 percent last year. Return on average assets was 1.67 percent, versus 1.73 percent a year ago. The net interest margin continued to narrow slightly, to 5.42 percent from 5.63 percent, although net interest income increased by 5.5 percent. Average assets grew by 8.9 percent. Our efficiency ratio was 50.04 percent compared to 49.46 percent for the same quarter last year. These all exceed averages in our industry."

He continued, "We have achieved this by paying close attention to run rates in our core business lines of lending, investments, fees, and deposits. We have managed our non-interest expense carefully, which increased by only 7.3 percent while assets increased by 9.0 percent. We have also managed our capital, seeking to maximize leverage while maintaining regulatory ratios that qualify as "well-capitalized." During the past quarter alone, we have repurchased 405,300 shares, or 3.5 percent of the outstanding, an amount that we believe will augment future earnings-per-share."

Mr. Kohlmann concluded, "We feel that the best insurance we have is to keep our eyes firmly on profitability, our primary objective. Growth in anything other than earnings, for its own sake, is not in our shareholders' interest. We are cautious in saying so, but we believe that we have positioned ourselves well for the remainder of the year."

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 27 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, in thousands of dollars except for share and per share data)*

	<u>1st Q 2003</u>	<u>1st Q 2002</u>	<u>Change</u>
EARNINGS			
Net Income	\$ 5,339	\$ 5,061	5.5%
Net Interest Income	15,738	14,995	5.0%
Earnings Per Share	0.47	0.43	9.3%
Cash Dividends Per Share	0.19	0.15	26.7%
AVERAGE BALANCES			
Average Assets	1,276,165	1,172,357	8.9%
Average Net Loans	781,474	781,643	(0.0%)
Average Investment Securities	375,819	258,998	45.1%
Average Deposits	1,141,495	1,050,030	8.7%
Average Equity	102,363	96,615	5.9%
RATIOS			
Return on Average Equity	20.86%	20.95%	(0.4%)
Return on Average Assets	1.67%	1.73%	(3.5%)
Average Equity/Assets	8.02%	8.24%	(2.7%)
Net Interest Margin (FTE)	5.42%	5.63%	(3.7%)
Efficiency Ratio	50.04%	49.46%	1.2%
Tier 1 Leverage Ratio Mar. 31	7.04%	8.26%	(14.8%)
Tier 1 Risk-based Capital Ratio Mar. 31	10.04%	10.98%	(8.6%)
Total Risk-based Capital Ratio Mar. 31	10.99%	11.99%	(8.3%)
ASSET QUALITY			
during period:			
Net Charge-offs	\$ 413	\$ 291	41.9%
Net Charge-offs/Average Net Loans (annual)	0.21%	0.15%	40.0%
at end of period:			
Non-accrual & Restructured Loans	\$ 1,272	2,319	(45.1%)
Foreclosed Real Estate ("OREO")	0	0	0.0%
Total Non-performing Assets	1,272	2,319	(45.1%)
Allowance/Non-performing Assets	672.33%	380.94%	76.5%
Allowance/Loans, Net of Discount	1.07%	1.11%	3.6%
Net Loans/Deposits	70.80%	75.12%	(5.8%)
EQUITY			
Shares Outstanding	11,084,181	11,723,500	(5.5%)
Common Equity	\$ 98,498	\$ 97,384	1.1%
Book Value Per Common Share	8.89	8.31	7.0%
Tangible Common Equity	97,684	96,570	1.2%
Tangible Book Value Per Common Share	8.81	8.24	6.9%
LOAN DISTRIBUTION			
at end of period:			
Commercial, Financial & Agricultural Loans	162,853	144,518	12.7%
Commercial Real Estate Mortgages	189,536	169,395	11.9%
Real Estate - Construction Loans	38,176	34,960	9.2%
Residential Mortgages (1st and 2nd Liens)	96,994	88,872	9.1%
Home Equity Loans	49,933	33,966	47.0%
Consumer Loans	264,734	319,912	(17.2%)
Other Loans	551	965	(42.9%)
Total Loans (Net of Unearned Discounts)	\$ 802,777	\$ 792,588	1.3%



CONSOLIDATED STATEMENTS OF CONDITION

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

	March 31,		Change
	2003	2002	
ASSETS			
Cash & Due From Banks	\$ 44,078	\$ 38,389	14.8%
Federal Funds Sold	2,700	22,600	(88.1%)
Investment Securities:			
Available for Sale, at Fair Value	362,594	254,657	42.4%
Obligations of States & Political Subdivisions	8,178	11,709	(30.2%)
Federal Reserve Bank Stock	638	638	0.0%
Federal Home Loan Bank Stock	1,361	1,361	0.0%
Corporate Bonds & Other Securities	100	100	0.0%
Total Investment Securities	<u>372,871</u>	<u>268,465</u>	38.9%
Total Loans	802,777	792,588	1.3%
Allowance for Possible Loan Losses	8,552	8,834	(3.2%)
Net Loans	<u>794,225</u>	<u>783,754</u>	1.3%
Premises & Equipment, Net	21,283	15,732	35.3%
Accrued Interest Receivable, Net	5,443	5,712	(4.7%)
Excess of Cost Over Fair Value of Net Assets Acquired	814	814	0.0%
Other Assets	20,617	22,431	(8.1%)
TOTAL ASSETS	<u>\$ 1,262,031</u>	<u>\$ 1,157,897</u>	9.0%
LIABILITIES & STOCKHOLDERS' EQUITY			
Demand Deposits	\$ 301,835	\$ 263,822	14.4%
Savings, N.O.W.'s & Money Market Deposits	559,226	487,478	14.7%
Time Certificates of \$100,000 or more	22,697	30,756	(26.2%)
Other Time Deposits	238,071	261,242	(8.9%)
Total Deposits	<u>1,121,829</u>	<u>1,043,298</u>	7.5%
Federal Home Loan Bank Borrowings	18,500	-	100.0%
Dividend Payable on Common Stock	2,136	1,766	21.0%
Accrued Interest Payable	1,047	1,640	(36.2%)
Other Liabilities	20,021	13,809	45.0%
TOTAL LIABILITIES	<u>1,163,533</u>	<u>1,060,513</u>	9.7%
STOCKHOLDERS' EQUITY			
Common Stock (par value \$2.50; 15,000,000 shares authorized; 11,084,181 and 11,723,500 shares outstanding at March 31, 2003 and 2002, respectively)	33,838	33,826	0.0%
Surplus	19,230	19,165	0.3%
Treasury Stock at Par (2,451,037 and 1,806,718 shares, respectively)	(6,128)	(4,517)	35.7%
Undivided Profits	43,828	49,183	(10.9%)
	<u>90,768</u>	<u>97,657</u>	(7.1%)
Accumulated Other Comprehensive Income, Net of Tax	7,730	(273)	(2,931.5%)
TOTAL STOCKHOLDERS' EQUITY	<u>98,498</u>	<u>97,384</u>	1.1%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 1,262,031</u>	<u>\$ 1,157,897</u>	9.0%

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CONSOLIDATED STATEMENTS OF INCOME

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

	For the 3 Months Ended		
	<u>3/31/03</u>	<u>3/31/02</u>	<u>Change</u>
INTEREST INCOME			
Federal Funds Sold	\$ 27	\$ 131	(79.4%)
United States Treasury Securities	104	139	(25.2%)
Obligations of States & Political Subdivisions	129	141	(8.5%)
Mortgage-Backed Securities	3,188	2,756	15.7%
U.S. Government Agency Obligations	826	654	26.3%
Corporate Bonds & Other Securities	35	15	133.3%
Loans	14,378	15,624	(8.0%)
Total Interest Income	<u>18,687</u>	<u>19,460</u>	(4.0%)
INTEREST EXPENSE			
Savings, N.O.W.'s & Money Market Deposits	1,190	1,613	(26.2%)
Time Certificates of \$100,000 or more	135	255	(47.1%)
Other Time Deposits	1,604	2,597	(38.2%)
Federal Funds Purchased	12	-	100.0%
Interest on Other Borrowings	8	-	100.0%
Total Interest Expense	<u>2,949</u>	<u>4,465</u>	(34.0%)
Net-interest Income	15,738	14,995	5.0%
Provision for Possible Loan Losses	270	300	(10.0%)
Net-interest Income After Provision	<u>15,468</u>	<u>14,695</u>	5.3%
OTHER INCOME			
Service Charges on Deposit Accounts	1,412	1,329	6.2%
Other Service Charges, Commissions & Fees	510	322	58.4%
Fiduciary Fees	280	285	(1.8%)
Other Operating Income	315	284	10.9%
Total Other Income	<u>2,517</u>	<u>2,220</u>	13.4%
OTHER EXPENSE			
Salaries & Employee Benefits	5,448	5,045	8.0%
Net Occupancy Expense	807	675	19.6%
Equipment Expense	708	596	18.8%
Other Operating Expense	2,171	2,198	(1.2%)
Total Other Expense	<u>9,134</u>	<u>8,514</u>	7.3%
Income Before Provision for Income Taxes	8,851	8,401	5.4%
Provision for Income Taxes	3,512	3,340	5.1%
NET INCOME	<u>\$ 5,339</u>	<u>\$ 5,061</u>	5.5%
Average:			
Common Shares Outstanding	11,311,275	11,767,980	(3.9%)
Dilutive Stock Options	42,882	40,656	5.5%
Average Total	<u>11,354,157</u>	<u>11,808,636</u>	(3.8%)
EARNINGS PER COMMON SHARE			
Basic	\$ 0.47	\$ 0.43	9.3%
Diluted	\$ 0.47	\$ 0.43	9.3%