

FIRST SOUTH BANCORP, INC.

(NASDAQ: FSBK)

Summary of Financial Highlights

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)

(Dollars in thousands)	March 31 2001	September 30 2000
Assets		
Cash and cash equivalents	\$ 36,669	\$ 14,741
Investment securities	53,094	45,186
Mortgage backed securities	69,862	108,519
Loans receivable	389,014	366,210
Other assets	23,127	25,063
Total Assets	\$ 551,766	\$ 559,719
Liabilities		
Deposits	\$ 483,647	\$ 471,942
Borrowings	6,118	30,388
Other liabilities	14,099	12,554
Total Liabilities	503,864	514,884
Total Stockholders' Equity	47,902	44,835
Total Liabilities and Stockholders' Equity	\$ 551,766	\$ 559,719

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(Dollars in thousands except per share data)	Three Months Ended March 31		Six Months Ended March 31	
	2001	2000	2001	2000
Interest income	\$ 10,863	\$ 9,178	\$ 22,134	\$ 15,984
Interest expense	5,967	4,680	12,310	7,851
Net interest income	4,896	4,498	9,824	8,133
Provision for loan losses	540	200	780	427
Total noninterest income	1,853	815	3,153	1,430
Total noninterest expense	3,898	3,631	7,600	6,274
Income before income taxes	2,311	1,482	4,597	2,862
Income tax expense	946	628	1,887	1,197
Net Income	\$ 1,365	\$ 854	\$ 2,710	\$ 1,665
Basic earnings per share	\$ 0.47	\$ 0.27	\$ 0.93	\$ 0.52
Diluted earnings per share	\$ 0.46	\$ 0.27	\$ 0.91	\$ 0.52
Dividends per share	\$ 0.18	\$ 0.10	\$ 0.31	\$ 0.20
Weighted average shares Basic	2,899,889	3,195,141	2,925,909	3,229,019
Weighted average shares Diluted	2,972,269	3,195,141	2,993,395	3,229,019

SOURCE: First South Bancorp, Inc.
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