

First South Bancorp, Inc.

PRESS RELEASE
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FOR IMMEDIATE RELEASE
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FIRST SOUTH BANCORP, INC. DECLARES QUARTERLY CASH DIVIDEND

Washington, North Carolina - First South Bancorp, Inc. (Nasdaq: FSBK)

First South Bancorp, Inc., the parent holding company of First South Bank, announces that on September 19, 2002 the company's Board of Directors declared a quarterly cash dividend for the quarter ended September 30, 2002. The quarterly cash dividend was declared at \$0.17 per share, payable October 18, 2002 to shareholders of record as of October 2, 2002.

This dividend payment is the company's twenty-second consecutive quarterly cash dividend.

First South Bank has been serving the citizens of eastern North Carolina since 1902 and offers a variety of financial products and services, including a Leasing Company. The bank operates through its main office headquartered in Washington, NC, and has 21 full service branch offices and a loan production office located throughout eastern and southeastern North Carolina.

(Nasdaq: FSBK)