

First South Bank

Press Release

August 29, 2002

For Immediate Release

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First South Bank Announces Broker/Dealer Affiliation

Washington, NC - First South Bank (wholly owned subsidiary of First South Bancorp, Inc., Nasdaq: FSBK) is pleased to announce the affiliation with a new broker/dealer in order to expand the scope of its current financial products and services offerings. Through a partnership with UVEST Investment Services, First South Bank's customers, as well as the general public, will have access to a complete line of securities brokerage services including mutual funds, individual stocks and bonds, fixed and variable tax deferred annuities, financial planning, professional money management and other valuable investment services.

UVEST Investment Services, headquartered in Charlotte, North Carolina, is a registered securities broker-dealer and member of the National Association of Securities Dealers (NASD), the Securities Investors Protection Corporation (SIPC), as well as the Securities Industry Association (SIA).

Established in 1982, UVEST was one of the first firms in the country to offer bank-based investment services programs within financial institutions when regulations were changed to allow banks to offer non-deposit securities to their customers. UVEST's client base consists of over 160 commercial banks and savings banks, as well as several independent financial service organizations, representing approximately 100,000 investors.

First South Bank is a state-chartered commercial bank that has been serving the citizens of eastern North Carolina since 1902 and offers a variety of financial products and services. The Bank operates through its main office located in Washington, NC with 21 full service branch offices located in eastern and southeastern North Carolina. At June 30, 2002, First South Bank had assets of approximately \$578 million.

Statements contained in this release, which are not historical facts, are forward-looking statements as defined in the Private Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors which include, but are not limited to, factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time.

(Nasdaq: FSBK)