

FIRST SOUTH BANCORP, INC.
PRESS RELEASE
September 16, 2003
First South Bancorp, Inc.

FOR IMMEDIATE RELEASE
For More Information Contact:
Bill Wall or Tom Vann
(252) 946-4178

Raleigh, North Carolina – First South Bank

First South Bank (wholly owned subsidiary of First South Bancorp, Inc., Nasdaq: FSBK) is pleased to announce the opening of its new Raleigh branch at 4800 Six Forks Road, Raleigh, North Carolina.

The branch opened for business on Monday, September 8th, and is the Bank's first full service branch office in Raleigh and the Triangle market area. The branch offers a full range of consumer banking products and financial services including loans, mortgages, deposit products, and business accounts, including Business Free Checking, as well as a drive thru window and commercial night depository.

"We are excited to finally move into the Raleigh market," First South Bank President Tom Vann said, "and we look forward to this new challenge. We feel that we can and will be successful in Raleigh, and that the visibility this new venture will create for First South Bank will provide the Bank a greater opportunity for future success. Our first Raleigh branch will offer the same hometown atmosphere that First South Bank customers have come to expect, and I am confident that with the staff and wide variety of financial products and banking services that this location has to offer, we can achieve just that."

First South Bank Executive Vice President Ed Wessell has been coordinating the Bank's efforts to expand into the Raleigh and Research Triangle markets. Wessell will maintain an office in Raleigh, where he has over 30 years of banking experience. Bob Schultz will also have an office at the branch. Schultz, who has over 28 years of experience in the financial services industry, will continue to market the Bank's Construction and Development Lending services in the Raleigh market. Al Shepherd, who has over seven years of banking experience, will be the branch manager of the new office.

Vann said the Bank was excited about the opportunities the Raleigh market place would present. "This branch is a statement of our total commitment to the future success of First South Bancorp and its shareholders. First South Bank is dedicated to providing the best possible service to our future and existing customers," Vann said.

First South Bank has been serving the citizens of North Carolina since 1902 and offers a variety of financial products and services, including a Leasing Company and securities brokerage services through an affiliation with a broker/dealer. The Bank operates through its main office headquartered in Washington, North Carolina, and has twenty-three full service branch offices located throughout eastern and southeastern North Carolina.

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)