



PRESS RELEASE
For Immediate Release

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**KS BANCORP, INC. ANNOUNCES RESOLUTION
OF OUTSTANDING LITIGATION WITH FIRST CITIZENS BANCSHARES, INC.**

Smithfield, NC, May 16, 2018 – KS Bancorp, Inc. (OTCBB: KSBI) (“KS”), parent company of KS Bank, Inc. (“KS Bank”), today announced that it has reached a global settlement with First Citizens BancShares, Inc. resolving all outstanding litigation and disputes between the parties. Under the terms of the settlement, KS has repurchased all KS shares owned by First Citizens and its affiliates, and First Citizens has agreed to the voluntary dismissal of its lawsuit before the North Carolina Business Court. The other terms of the settlement will remain confidential.

Speaking on behalf of the KS Board, Chairman James C. Parker commented “We understand First Citizens’ interest in our company; however, our Board has resolved that it is in the long-term best interests of KS and its shareholders that KS remains independent. Our management team believes that KS Bank is located in one of the most attractive economic markets in North Carolina and is well-positioned to continue its growth and profitability.”

“We look forward to continuing to serve our customers and local communities, firmly establishing KS Bank as their independent community bank of choice and further enhancing the value of our shareholders’ investments. I believe the future is very bright for KS Bancorp and KS Bank,” said President and Chief Executive Officer, Harold T. Keen.

About KS

KS Bancorp, Inc. is a Smithfield, North Carolina bank holding company. KS Bank, Inc., a state-chartered savings bank, is KS Bancorp’s sole subsidiary. KS Bank is a full service community bank serving the citizens of eastern North Carolina since 1924. The Bank offers a broad range of personal and business banking products and services, mortgage products and wealth management advisory services. It has nine full service branches located in Kenly, Selma, Clayton, Garner, Goldsboro, Wilson, Wendell, Smithfield, and Four Oaks, NC plus a mortgage servicing location in Greenville, NC. In addition, KS Wealth Management has an office in Asheboro, NC and maintains a presence in Waynesville and Wilmington, NC. For more information, visit www.ksbankinc.com.

Forward Looking Language

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of KS Bancorp, Inc. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of KS Bancorp and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like “expect,” “anticipate,” “estimate” and “believe,” variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. KS Bancorp undertakes no obligation to update any forward-looking statements.