

**Community Shores Bank Corp.**

Ticker Symbol: **CSHB**

10/28/2002

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**Current Data**

Current Price	\$8.85
52-Week Range	9.49-5.90
Ave. Shares Out (Mill)	1.269
Ave Volume LTM (Actual)	800
Market Capitalization (Mil)	11.23
Equity/Assets	100.4%
Institutional Holdings	na
Insiders Holdings	33.0%
Ave. Book Value per Share \$	8.24
Dividend Yield	na

**EPS Forecast**

2001	\$0.37
2002e	\$0.53
2003e	\$0.62

**Valuation (LTM)**

P/E	13.45	Source: BigCharts.com
P/B	1.07	



**Operating Data (Mill.)**

	1998*	1999	2000	2001	3Q01	3Q02	Growth
Total Assets	\$9.9	\$72.7	\$125.1	\$148.2	\$142.4	\$174.8	22.78%
Net Interest Margin		3.73%	3.13%	3.35%	3.52%	3.51%	-0.28%
Efficiency Ratio	1.05	1.59	0.96	0.84	0.80	0.76	-4.18%
EPS	\$0.44	-\$1.55	-\$0.32	\$0.37	\$0.14	\$0.19	31.62%
ROAA	-16.9%	-4.3%	-0.4%	0.3%	0.5%	0.8%	75.11%
ROAE	-24.0%	-20.1%	-4.6%	4.9%	7.52%	3.29%	-56.22%
Rsrvs/Lns		0.0%	0.9%	17.2%	1.30%	1.35%	3.91%

\* 6 months

Based in Muskegon, Michigan, Community Shores Bank Corporation ("CSHB") is the holding company for Community Shores Bank, a Michigan-chartered bank with FDIC coverage. The Bank commenced operations on January 18, 1999 and had over \$175 million in total assets at June 30, 2001. CSHB serves the greater Muskegon market with offices in Muskegon (headquarters location), and Grand Haven (Northern Ottawa County), Michigan. A third location was opened in the 1st quarter of 2001 in North Muskegon.

**Operating Data (as of 2Q02)**

Company	Symbol	Total Assets	Net Int Margin	Eff. Ratio	ROAA	ROAE	Res/Lns
<b>Community Shores</b>	<b>CSHB</b>	<b>\$166.1</b>	<b>3.26%</b>	<b>0.79</b>	<b>0.39%</b>	<b>6.91%</b>	<b>1.34%</b>
Peer Group Avg*		\$165.1	3.61%	0.84	0.81%	6.71%	0.86%
Selected Peers							
METROBANCORP	METB	\$184.00	4.69%	0.69	0.88%	10.23%	1.23%
FIDELITY FED BANCORP	FFED	\$159.70	2.03%	0.96	-0.10%	-1.39%	1.36%

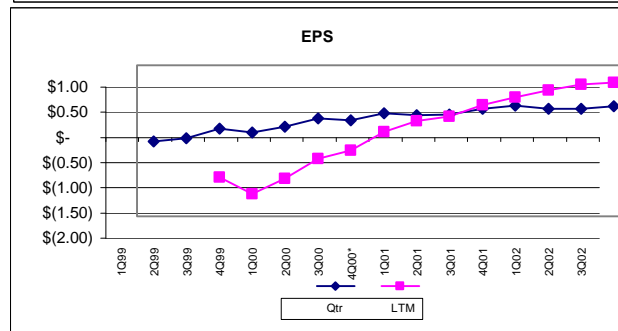
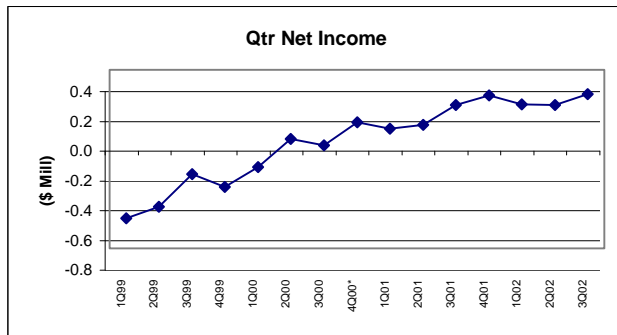
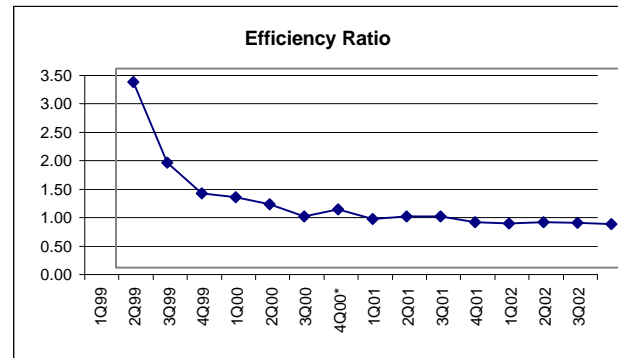
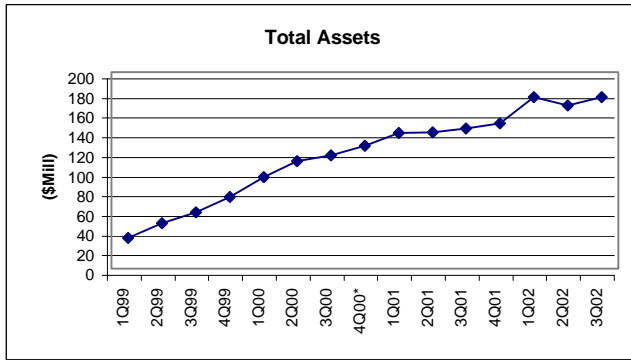
**3Q02 Results:**

3Q02 results significantly beat our forecast. EPS for the quarter was \$0.19, a 35.7% increase over the \$0.14 earned in 3Q01 and 46% better than our \$0.13 forecast. The main drivers of this impressive growth were:

- >Loans increased 19% vs. 3Q01
- >Deposits grew 24% vs. 3Q01
- >The net interest margin held steady at 3.51% despite a 125 basis point drop in the prime rate since 3Q01.
- >Non-interest income surged 75% thanks to a 55% increase in bank fees and continued strength in mortgage refinancing.

Management raised its EPS guidance to \$0.62 from \$0.54  
We will update our EPS model and issue a full report after the 10Q is published.

- Rick Wayman, CFA (rwayman@researchstock.com)



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