

# Community Shores Bank Corp.

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Ticker Symbol:

CSHB

1/31/2003

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## Current Data

Current Price	\$8.15
52-Week Range	9.49-6.80
Ave. Shares Out (Mill)	1.33
Ave Volume LTM (Actual)	600
Market Capitalization (Mil)	10.84
Equity/Assets	6.4%
Institutional Holdings	na
Insiders Holdings	33.0%
Ave. Book Value per Share	\$8.34
Dividend Yield	na

## EPS Forecast

2001	\$0.37
2002	\$0.65
2003e	\$0.59

## Valuation (LTM)

P/E	12.49
P/B	0.98

## Operating Data (Mill.)

	1999	2000	2001	2002	4Q01	4Q02	Growth
Total Assets	\$72.7	\$125.1	\$148.2	\$173.5	\$148.2	\$173.5	17.06%
Net Interest Margin	3.73%	3.13%	3.35%	na	3.61%	na	na
Efficiency Ratio	1.59	0.96	0.84	0.77	0.77	0.74	-3.81%
EPS	-\$1.55	-\$0.32	\$0.37	\$0.65	\$0.19	\$0.19	-2.71%
ROAA	-4.3%	-0.4%	0.3%	0.0%	45.5%	48.0%	5.49%
ROAE	-24.0%	-20.1%	-4.6%	4.9%	7.47%	7.94%	6.29%
Rsrvs/Lns	1.50%	1.33%	1.30%	1.34%	1.30%	1.34%	2.84%



Current

Source: BigCharts.com

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 approximately \$173.5 million in total assets at December 31, 2002. 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 3Q02)\*

Company	Symbol	Total Assets	Net Int Margin	Eff. Ratio	ROAA	ROAE	Res/Lns
Community Shores	CSHB	\$174.8	3.51%	0.76	0.57%	9.17%	1.36%
Peer Group Avg*		\$183.9	3.71%	0.68	1.50%	14.64%	1.03%
<b>Selected Peers</b>							
Metrobancorp	METB	\$184.00	4.69%	0.69	0.88%	10.23%	1.32%
Fidelity Fed. Bancorp	FFED	\$159.70	2.03%	0.96	-6.59%	-86.51%	1.27%
Dearbron Bancorp	DEAR	\$226.90	3.76%	0.71	1.19%	11.83%	1.08%
Community Central	CCBD	\$235.00	3.56%	0.71	0.74%	9.29%	1.70%

\* Used to compare most recently available data.

## Valuation

Company	Symbol	Price	P/B	PEG-'02	P/E-02	P/E-03	LTM Price Change
Community Shores	CSHB	\$8.15	0.98	17.8	12.5	13.8	20.3%
Peer Group Avg*							
<b>Selected Peers</b>							
MSB FIN'L	MSBF	\$11.83	1	na	9.8	-	na
Fidelity Fed. Bancorp	FFED	\$1.35	0.8	na	-	-	-54.8
Dearbron Bancorp	DEAR	\$16.85	1.5	na	17.4	-	55.2
Community Central	CCBD	\$9.41	1.1	121.4	13.8	12.5	25.5

All data courtesy of Baseline

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**4Q02 Results:**

CSHB beat our EPS forecast as net interest margin; non-interest income and cost controls were better than expected. While net income increased 10.4%, EPS was flat with 4Q01 (at \$0.19) due to a 13% increased in shares outstanding. The number of shares outstanding increased as the bank issued stock to raise capital to support future growth.

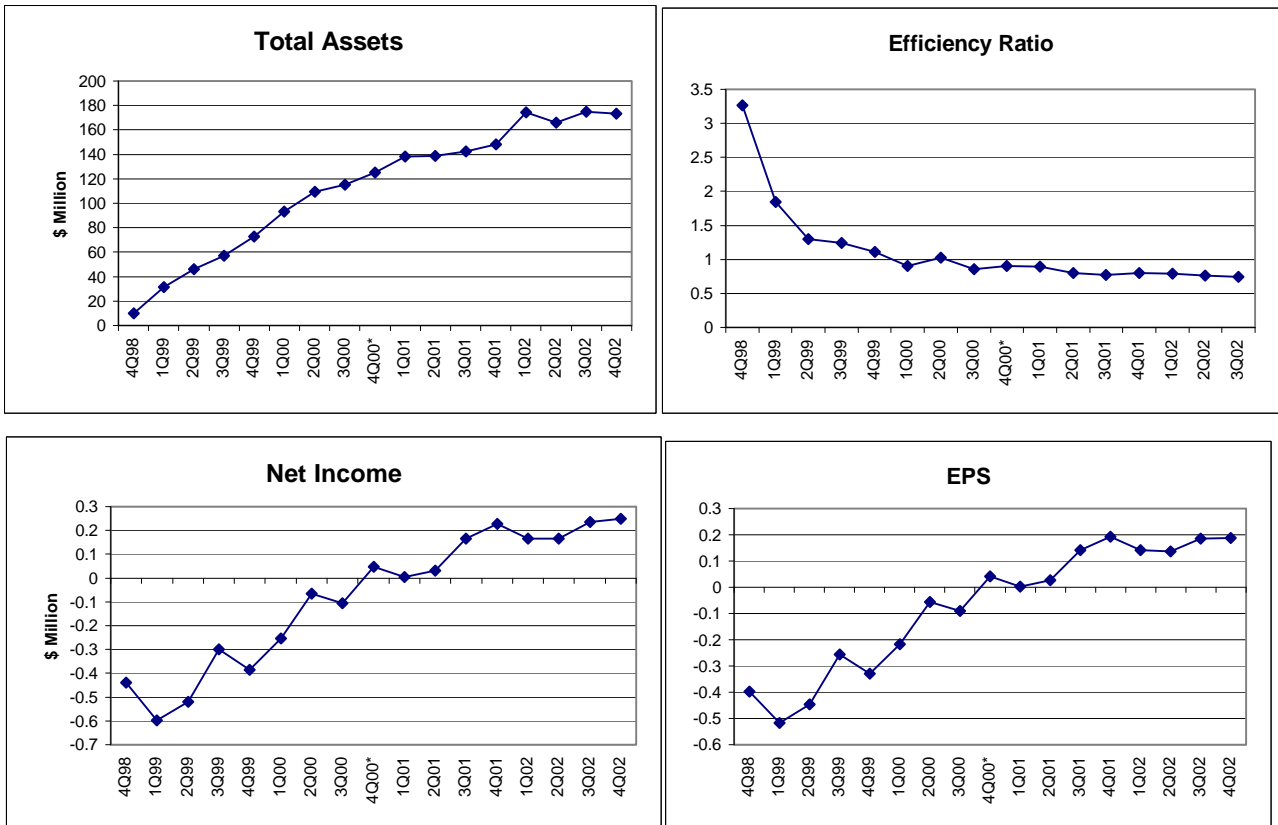
**2002**

EPS increased almost 76% to \$0.65 versus \$0.37. Here is a summary of 2002 Results:

- \*Shares outstanding increased 8% (Stock was sold in private placements to raise capital).
- \*Net interest income increased 23% to \$5.4 million.
- \*Non-interest income rose 40% to 0.9 million, due to increased service charges, mortgage related income, and other.
- \*Cost controls and non-interest income helped improve the efficiency ratio to 0.77 from 0.84.
- \* Net income grew 92% to \$0.8 million.
- \*ROAA improved 55% to 0.48%.
- \*ROAE increased 63% to 7.94%.
- \*Earning assets grew almost 18% to \$168.4 million on top of a 20.9% increase in 2001.

We will update our forecast after the 10-K is filed.

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



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