COMMUNITY CAPITAL BANCSHARES INC
Form 10QSB
May 15, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 AND 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2003

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT 1934
For the transition period from _______ to _______

Commission File Number: 000-25345

COMMUNITY CAPITAL BANCSHARES, INC.
(Exact name of registrant as specified in its charter)

Georgia	58-2413468
(State or other jurisdiction of Incorporation or organization)	(IRS Employer Identification No.)

P.O. Drawer 71269, Albany, Georgia 31708
(Address of principal executive offices)

(229) 446-2265
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of March 31, 2003:
1,431,676 SHARES

Transitional Small Business Disclosure Format (check one):
Yes ___ No X

COMMUNITY CAPITAL BANCSHARES, INC.
AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Dollars in thousands)

	March 31,2003	December 3
ASSETS		

Cash and due from banks	$ 4,193	$
Federal funds sold	5,254	
Securities available for sale	17,019	
Loans	90,094	
Less allowance for loan losses	952	
Loans, net	89,142	
Premises and equipment	3,020	
Other assets	1,502	
TOTAL ASSETS	$ 120,130	$
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	$ 6,715	$
Interest bearing	88,201	
Total deposits	94,916	
Other borrowings	14,823	
Other liabilities	588	
TOTAL LIABILITIES	110,327	
Shareholders' equity		
Preferred stock, par value not stated; 2,000,000 shares authorized; no shares issued	$ - -	$
Common stock, $1.00 par value, 10,000,000 shares authorized; 1,499,560 shares issued	1,500	
Capital surplus	8,084	
Retained earnings	423	
Accumulated other comprehensive income	279	
Less cost of treasury stock, 67,884 shares as of March 31, 2003 and 68,539 shares as of December 31, 2002	(483)	
TOTAL SHAREHOLDERS' EQUITY	9,803	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 120,130	$

COMMUNITY CAPITAL BANCSHARES, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
Three months ended March 31, 2003 and 2002
(Dollars in thousands, except earnings per share)

	2003	2002
INTEREST INCOME		
Loans	$ 1,473	$ 1,284
Investment securities	174	185
Deposits in banks	6	5
Federal funds sold	5	18

TOTAL INTEREST INCOME	1,658	1,492
INTEREST EXPENSE		
Deposits	532	539
Other borrowed money	103	115
TOTAL INTEREST EXPENSE	635	654
NET INTEREST INCOME	1,023	838
Provision for loan losses	130	72
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	893	766
OTHER INCOME		
Service charges on deposit accounts	120	81
Financial service fees	13	15
Mortgage origination fees	82	53
Other service charges, commissions and fees	35	17
	250	166
OTHER EXPENSES		
Salaries and employee benefits	504	406
Equipment and occupancy expenses	145	82
Marketing expenses	27	22
Data processing expenses	81	55
Administrative expenses	148	97
Other expenses	120	89
TOTAL EXPENSES	1,025	751
INCOME (LOSS) BEFORE INCOME TAXES	118	181
Income tax expense	48	60
NET INCOME	$ 70	$ 121
BASIC EARNINGS PER SHARE (weighted average shares used in calculation: 1,431,370 in 2003 and 1,445,914 in 2002)	$ .05	$ 08
DILUTED EARNINGS PER SHARE (weighted average shares used in calculation: 1,610,849 in 2003 and 1,497,984 in 2002)	$ .04	$ .08

COMMUNITY CAPITAL BANCSHARES, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
Three months ended March 31, 2003 and 2002
(Dollars in thousands)

	2003	2002
NET INCOME	$ 70	$ 121
Other comprehensive loss		
Net unrealized holding gains (losses) arising during period, net		

of tax expense (benefit) of $(9,000) in 2003 and $(61,000) in 2002	(16)	(120
COMPREHENSIVE INCOME	$ 54	$ 1

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COMMUNITY CAPITAL BANCSHARES, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
Three Months ended March 31, 2003 and 2002
(Dollars in thousands)

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 70	$ 121
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	64	43
Provision for loan losses	131	72
Decrease (increase) in interest receivable	(37)	19
Other operating activities	(379)	(76)
Net cash used in operating activities	(151)	179
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(26)	(58)
Net decrease (increase) in federal funds sold	(5,254)	3,983
Net increase in loans	(8,372)	(5,067)
Proceeds from maturities of securities available for sale	899	2,326
Purchase of securities available for sale	(975)	(5,488)
Net cash used in Investing activities	(13,728)	(4,304)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in deposits	8,912	3,417
Proceeds from Trust Preferred issuance	4,000	-
Decrease in federal funds purchased	(1,705)	-
Repayment of other borrowings	(61)	(92)
Sale (purchase) of treasury stock	6	(8)
Net cash provided by financing activities	11,152	3,317
Net increase (decrease) in cash	(2,727)	(808)
Cash and due from banks at beginning of period	6,920	4,471
Cash and due from banks at end of period	$ 4,193	$ 3,663
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$ 534	$ 675

NON-CASH TRANSACTION		
Unrealized losses on securities available for sale	$ 25	$ 181

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COMMUNITY CAPITAL BANCSHARES, INC.
AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Community Capital Bancshares, Inc. (the "Company") is a bank holding company whose business is conducted by its wholly-owned subsidiary, Albany Bank & Trust (the "Bank"). The Bank is a commercial bank located in Albany, Georgia. The Bank provides a full range of banking services in its primary market area of Dougherty County and the surrounding counties. The Bank commenced its banking operations on April 28, 1999.

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company and its subsidiary. Significant intercompany transactions and accounts are eliminated in consolidation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the valuation of foreclosed real estate and deferred taxes.

The interim financial statements included herein are unaudited but reflect all adjustments which, in the opinion of management, are necessary for a fair presentation of the financial position and results of operations for the interim period presented. All such adjustments are of a normal recurring nature. The results of operations for the period ended March 31, 2003 are not necessarily indicative of the results of a full year's operations, and should be read in conjunction with the Company's annual report as filed on Form 10-KSB.

The accounting principles followed by the Company and the methods of applying these principles conform with accounting principles generally accepted in the United States of America (GAAP) and with general practices within the banking industry.

INCOME TAXES

Deferred income tax assets and liabilities are determined using the balance sheet method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between the book and tax basis of the various balance sheet assets and liabilities and gives current recognition to changes in the tax rates and laws.

The Company and the Bank file a consolidated income tax return. Each entity provides for income taxes based on its contribution to the income taxes (benefits) of the consolidated group.

STOCK COMPENSATION PLANS

At March 31, 2003, the Company had two stock-based employee compensation plans, which are described in more detail in the 2002 annual report. The Company accounts for those plans under the recognition and measurement principles of Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under those plans had an exercise price equal to the market value of the underlying stock on the date of grant. In addition, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure in December 2002. SFAS No. 148 amends SFAS No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. It also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. The Company has not elected to adopt the recognition provisions of this Statement for stock-based employee compensation and has elected to continue with accounting methodology in Opinion No. 25 as permitted by SFAS No. 123.

	QUARTER ENDED MARCH 31,	
	2003	2002
Net income, as reported	$	$121,000
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(23,000)	(25,000)
Pro forma net income	$ 47,000	$ 96,000
Earnings per share:		
Basic - as reported	$ .05	$ .08
Basic - pro forma	$ .03	$ .07
Diluted - as reported	$ .04	$ .08
Diluted - pro forma	$ .03	$ .06

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion is intended to assist in an understanding of the Company's financial condition and results of operations. This analysis should be read in conjunction with the financial statements and related notes appearing in Item 1 of the March 31, 2003 Form 10-QSB and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the Company's Form 10-KSB for the year ended December 31, 2002.

FINANCIAL CONDITION

As of March 31, 2003 the Company's total assets were $120,130,000 representing an increase of $10,944,000 or 10.02% from December 31, 2002. Earning assets consist of Federal funds sold, investment securities and loans. These assets provide the majority of the Company's earnings. The mix of earning assets is a reflection of management's philosophy regarding earnings versus risk.

Federal funds sold represent an overnight investment of funds and can be converted immediately to cash. At March 31, 2003, federal funds sold were $5,254,000. At December 31, 2002, the Company had no federal funds sold.

Investment securities consist of U.S. Government and Agency securities and municipal bonds. These investments are used to provide fixed maturities and as collateral for advances and large public fund deposits. During the first quarter, investment securities increased $51,000. All securities are classified as available for sale, and are carried at current market values.

The loan portfolio is the largest earning asset and is the primary source of earnings for the Company. At March 31, 2003 net loans were $89,142,000. The loan portfolio increased $8,381,000 or 10.26% during the first quarter. At March 31, 2003, the allowance for loan losses was $952,000 or 1.06% of total loans. Management believes this is an adequate but not excessive amount based upon the composition of the current loan portfolio and current economic conditions. The relationship of the allowance to total loans will vary over time based upon Management's evaluation of the loan portfolio. Management evaluates the adequacy of the allowance on a monthly basis and adjusts it accordingly by a monthly charge to earnings using the provision for loan losses. During the first quarter of 2003, the provision for potential loan losses was $130,000 as compared to the 2002 amount of $72,000.

In March, 2003, the Company formed a wholly owned Connecticut statutory trust, Community Capital Statutory Trust I (the "Trust"), which issued $4 million aggregate principal amount of trust preferred securities. The trust preferred securities represent guaranteed preferred beneficial interests in the Company's junior subordinated deferrable interest debentures that qualify as Tier I capital subject to the limitations under Federal Reserve Board guidelines. The Company owns all of the $124,000 aggregate principal amount of the common securities of the Trust. The proceeds from the issuance of the common securities and the trust preferred securities were used by the Trust to purchase $4.1 million of junior subordinated debentures of the Company, which pay interest at a floating rate equal to the three-month LIBOR plus 315 basis points. The proceeds received by the Company from the sale of the junior subordinated debentures were used to provide additional paid in capital to the Bank, to support future growth of the Bank. The debentures represent the sole asset of the Trust. The debentures and related earnings statement effects are eliminated in the Company's financial statements.

The trust preferred securities accrue and pay quarterly distributions based on the liquidation value of $1,000 per capital security at a floating

rate equal to the three-month LIBOR plus 315 basis points. The Company has entered into contractual arrangements which, taken collectively, constitute a full and unconditional guarantee on a subordinated basis by the Company of the obligations of the Trust under the trust preferred securities. The Company's guarantee, however, does not apply if the Company does not make payments on the debentures and, as a result, the Trust does not have sufficient funds to make payments.

The trust preferred securities are mandatorily redeemable upon maturity of the debentures on March 26, 2033, or upon earlier redemption of the debentures as provided in the indenture. The Company has the right to redeem the debentures purchased by the Trust in whole or in part, on or after March 26, 2008. As specified in the indenture, if the debentures are redeemed on or after March 26, 2008 and prior to maturity, the redemption price will be the principal amount and any accrued but unpaid interest. Additionally, the Company may redeem, at any time (and possibly before March 26, 2008), within 120 days following the occurrence of a change in banking, tax, investment company or other laws or regulations that results in specified changes in the treatment of the trust preferred securities for tax or regulatory capital purposes or under the Investment Company Act of 1940. If the debentures are redeemed prior to March 26, 2008, the redemption price will be equal to 107.5% of the principal amount plus any accrued and unpaid interest.

The majority of the funds from the Trust preferred securities were passed through to the Bank in the form of additional paid in capital, to provide for future growth of the Bank. These funds plus the increase in deposits during the first quarter accounted for the increase in Federal funds sold.

Non-earning assets consist of premises and equipment, and other assets. Premises and equipment decreased during the quarter as a result of depreciation expense on these assets. Other assets consist primarily of accrued interest receivable and increased $154,000 as a result of the larger loan portfolio upon which to accrue interest.

The Company funds its assets primarily through deposits from customers. Additionally, it will borrow funds from other sources to provide longer term fixed rate funding for its assets. The Company must pay interest on the majority of these funds and attempts to price these funds competitively in the market place but at a level that it can safely re-invest the funds profitably. At March 31, 2003, total deposits were $94,916,000 as compared to the year-end amount of $86,004,000. This is an increase of $8,912,000 or 10.36%.

Interest bearing deposits are comprised of the following categories:

	March 31, 2003	December 31, 2002
Interest bearing demand and savings	$ 28,404,000	$ 23,735,000
Certificates of deposit in denominations of $100,000 or greater	17,976,000	16,413,000
Other Certificates of deposit	41,821,000	39,125,000
Total	$ 88,201,000	$ 79,273,000

Other borrowings consist of Federal Home Loan Bank advances and are secured by investment securities and loans of the Company. No new advances were obtained during the current quarter.

CAPITAL ADEQUACY

The following table presents the Company's regulatory capital position as of March 31, 2003.

Tier 1 Capital Ratio, actual	13.77%
Tier 1 Capital minimum requirement	4.00%
Tier 2 Capital Ratio, actual	16.74%
Tier 2 Capital minimum requirement	8.00%
Leverage Ratio	10.60%
Leverage Ratio minimum requirement	4.00%

The Company's ratios are well above the required regulatory minimums and provide a sufficient basis to support future growth of the Company.

RESULTS OF OPERATIONS

Net income for the current year is $70,000 as compared to the 2002 amount of $121,000. The decreased net income was a result of an overall increase in the Company's net interest income and was offset by increased non-interest expense.

Total interest income increased $166,000 or 11.13% from the previous year. This was the result of increased interest income on loans, which increased $189,000. The increase in income was the direct result of the larger loan portfolio in the current year. This increase was in spite of the major reductions in interest rate levels during the past 12 months.

Interest expense for 2003 was $635,000. This is the major expense item for the Company and decreased $31,000 from the previous year. This decrease is the direct result of the overall current lower interest rate environment. The Company has been able to reprice its increased level of deposits in the current year at a lower interest than the previous year.

Net interest income after the provision for loan losses was $893,000 in 2003 as compared to the 2002 amount of $766,000. This is an increase of $127,000 or 16.58%. This increase is the combined result of the increased level of earning assets, and the lower cost of funds during the current year. The overall growth rate has declined from previous years. Management is currently emphasizing a better interest margin as opposed to the higher growth rate emphasis in previous years.

Other income increased $84,000 to $250,000 in 2003. Service charges on deposit accounts increased $39,000 or 48% due to the larger number of deposit accounts. Mortgage origination fees increased $29,000 over the previous year. These fees are generated by facilitating mortgage loans for customers, which are sold in the secondary market. The low interest rate levels led to increases in this area of activity in the Bank.

Non-interest expense increased $274,000 to $1,025,000 in 2003. This is an increase of 36.48%. The largest area of increase was in the salary and employee benefits category. This expense item is $504,000 in the current year as compared to the 2002 amount of $406,000. This is an increase of $98,000 or 24.14%. The growth in this expense item is due to the increased staffing required to properly serve the Company's customers and slightly higher levels of pay during the current year.

Data processing expenses increased $26,000 or 47.27% over the previous year. This is the result of the larger size of the Company. Other expenses increased $31,000 to $120,000 in the current year. The majority of this increase is the result of increased expenses for the mortgage loan department.

Diluted earnings per share for the current year are $0.04 and decreased $0.04 or 50% from the previous year.

FORWARD-LOOKING STATEMENTS

This document contains statements that constitute "forward-looking statements" within the meaning of Sections 27A of the Securities Act of 1933, as amended, and Sections 21E of the Securities Exchange Act of 1934, as amended. The words "believe", "estimate", "expect", "intend", "anticipate" and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates that they were made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Users are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties that the actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Users are therefore cautioned not to place undue reliance on these forward-looking statements.

ITEM 3. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) that is required to be included in the Company's periodic filings with the Securities and Exchange Commission. There have been no significant changes in the Company's internal controls or, to the Company's knowledge, in other factors that could significantly affect those internal controls subsequent to the date the Company carried out its evaluation, and there have been no corrective actions with respect to significant deficiencies or material weaknesses

PART II

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(a) None
(b) None
(c) On February 23,2003, Community Capital granted five members of

management options to purchase an aggregate of 50,000 shares of Community Capital's common stock at an exercise price of $10.18 per share. These options vest in 20% equal increments over five years beginning on the first anniversary of the grant date for so long as the individual serves as an employee of Community Capital or any of its affiliates. The options will become fully vested if there is a change in control of Community Capital. The options will expire on the tenth anniversary of the grant date or, if earlier, 90 days after the optionee ceases to be employee of Community Capital or any affiliate. Since the options were only granted to officers of Community Capital and the Bank, the option grants did not involve a public offering, and therefore were exempt from registration under Section 4(2) of the Securities Act of 1933.

In March, 2003, the Company formed a wholly owned Connecticut statutory trust, Community Capital Statutory Trust I (the "Trust"), which issued $4 million aggregate principal amount of trust preferred securities. The trust preferred securities represent guaranteed preferred beneficial interests in the Company's junior subordinated deferrable interest debentures that qualify as Tier I capital subject to the limitations under Federal Reserve Board guidelines. The Company owns all of the $124,000 aggregate principal amount of the common securities of the Trust. The proceeds from the issuance of the common securities and the trust preferred securities were used by the Trust to purchase $4.1 million of junior subordinated debentures of the Company, which pay interest at a floating rate equal to the three-month LIBOR plus 315 basis points. The debentures represent the sole asset of the Trust.

The trust preferred securities accrue and pay quarterly distributions based on the liquidation value of $1,000 per capital security at a floating rate equal to the three-month LIBOR plus 315 basis points. The Company has entered into contractual arrangements which, taken collectively, constitute a full and unconditional guarantee on a subordinated basis by the Company of the obligations of the Trust under the trust preferred securities. The Company's guarantee, however, does not apply if the Company does not make payments on the debentures and, as a result, the Trust does not have sufficient funds to make payments.

The trust preferred securities are mandatorily redeemable upon maturity of the debentures on March 26, 2033, or upon earlier redemption of the debentures as provided in the indenture. The Company has the right to redeem the debentures purchased by the Trust in whole or in part, on or after March 26, 2008. As specified in the indenture, if the debentures are redeemed on or after March 26, 2008 and prior to maturity, the redemption price will be the principal amount and any accrued but unpaid interest. Additionally, the Company may redeem, at any time (and possibly before March 26, 2008), within 120 days following the occurrence of a change in banking, tax, investment company or other laws or regulations that results in specified changes in the treatment of the trust preferred securities for tax or regulatory capital purposes or under the Investment Company Act of 1940. If the debentures are redeemed prior to March 26, 2008, the redemption price will be equal to 107.5% of the principal amount plus any accrued and unpaid interest.

FTN Financial Capital Markets and Keefe, Bruyette & Woods, Inc. served as placement agents in connection with the issuance of the trust preferred securities and debentures and each were compensated $60,000 for their services. Since the trust preferred securities and debentures were issued to an institutional investors the securities were exempt from registration under Rule 506 of the Securities Act of 1933.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
None

ITEM 5. OTHER INFORMATION
None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K
(a) REPORTS ON FORM 8-K
None
(b) EXHIBIT 1.1
Trust Preferred Placement Agreement
(c) EXHIBIT 4.2
Amended and restated declaration of trust
(d) EXHIBIT 4.3
Indenture Agreement
(d) EXHIBIT 4.4
Guarantee Agreement

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMMUNITY CAPITAL BANCSHARES, INC.

May 14, 2003	/s/ Robert E. Lee
Date	Robert E. Lee, President
May 14, 2003	/s/ David J. Baranko
Date	David J. Baranko Chief Financial Officer (Duly authorized officer and principal financial / accounting officer)

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Certification

I, Charles M. Jones, III, Chief Executive Officer of Community Capital Bancshares, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Community Capital

Bancshares, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ Charles M. Jones, III

Charles M. Jones, III
Chief Executive Officer

Certification

I, David J. Baranko, Chief Financial Officer of Community Capital Bancshares, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Community Capital Bancshares, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

   5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

      a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

      b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ David J. Baranko

David J. Baranko
Chief Financial Officer