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ements, constitutes the Company's Annual Report to Shareholders and is included (without exhibits) with this Proxy Statement. Such Annual Report does not form any part of the material for solicitation of proxies. **REVOCATION OF PROXY** Any record shareholder who returns the accompanying proxy may revoke such proxy at any time prior to its exercise (a) by giving written notice to the Company of such revocation, (b) by voting in person at the meeting, or (c) by executing and delivering to the Company a later dated proxy. Attendance at the Annual Meeting will not in itself constitute revocation of a proxy. Any written notice or proxy revoking a proxy should be sent to Community Bankshares, Inc., 791 Broughton Street, Orangeburg, South Carolina 29115, Attention: William W. Traynham, President. Written notice of revocation or delivery of a later dated proxy will be effective upon receipt thereof by the Company. **QUORUM AND VOTING** The Company's only voting security is its no par value Common Stock ("Common Stock"), each share of which entitles the holder thereof to one vote on each matter to come before the Annual Meeting. At the close of business on March 22, 2002 (the "Record Date"), the Company had issued and outstanding 3,299,674 shares of Common Stock, which were held of record by approximately 1,925 persons. Only shareholders of record at the close of business on the Record Date 1 are entitled to notice of and to vote on matters that come before the Annual Meeting. Notwithstanding the Record Date specified above, the Company's stock transfer books will not be closed and shares of the Common Stock may be transferred subsequent to the Record Date. However, all votes must be cast in the names of holders of record on the Record Date. The presence in person or by proxy of the holders of one-third of the outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. If a share is represented for any purpose at the Annual Meeting by the presence of the registered owner or a person holding a valid proxy for the registered owner, it is deemed to be present for the purposes of establishing a quorum. Therefore, valid proxies which are marked "Abstain" or "Withhold" or as to which no vote is marked, including proxies submitted by brokers that are the record owners of shares (so-called "broker non-votes"), will be included in determining the number of votes present or represented at the Annual Meeting. If a quorum is not present or represented at the meeting, the shareholders entitled to vote, present in person or represented by proxy, have the power to adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present or represented. Directors, officers and regular employees of the Company may solicit proxies for the reconvened meeting in person or by mail, telephone or telegraph. At any such reconvened meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. If a quorum is present at the meeting, directors will be elected by a plurality of the votes cast by shares present and entitled to vote at the meeting. Votes that are withheld or shares that are not voted in the election of directors will have no effect on the outcome of election of directors. Cumulative voting will not be permitted. If a quorum is present, all other matters which may be considered and acted upon by the holders of Common Stock at the Annual Meeting, including ratification of appointment of J. W. Hunt & Company, LLP as accountants for the fiscal year ending December 31, 2002, will be approved if the votes cast in favor of the proposal at the Annual Meeting exceed the votes cast against the proposal. **ACTIONS TO BE TAKEN BY THE PROXIES** If the shareholder appropriately specifies how the proxy is to be voted, it will be voted in accordance with his specifications. If the shareholder does not specify how the proxy is to be voted, the proxy will be voted "FOR" the election of the persons named in this Proxy Statement as the Board of Directors' nominees for election to the Board of Directors, and "FOR" the ratification of the appointment of J. W. Hunt & Company, LLP as accountants for the fiscal year ending December 31, 2002. As to any other matter of business which may be brought before the Annual Meeting, a vote may be cast pursuant to the accompanying proxy in accordance with the best judgment of the persons voting the same, but the Board of Directors does not know of any such other business. **SHAREHOLDER PROPOSALS** Any shareholder of the Company who wishes to present a proposal for action at the 2003 Annual Meeting of Shareholders must deliver the proposal to the executive offices of the Company, 791 Broughton Street, Orangeburg, South Carolina 29115, Attention: William W. Traynham, President. Any shareholder who wishes for the Company to include any such proposal in its proxy statement and form of proxy for the 2003 Annual Meeting of Shareholders must deliver the proposal to the executive offices of the Company to Mr. Traynham's attention no later than December 9, 2002. If any shareholder proposal is not received by Mr. Traynham by February 27, 2003, proxies solicited by management of the Company will be voted on the proposal in the discretion of the designated proxy agents. Only proper proposals that

are timely received will be included in the Company's proxy statement and proxy. 2 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT The following table sets forth, as of March 1, 2002, the number and percentage of outstanding shares beneficially owned by (i) each person known by the Company to own more than 5% of the outstanding Common Stock, (ii) each director and director nominee of the Company, (iii) each person named in the Summary Compensation Table, and (iv) all executive officers and directors of the Company as a group. Number of % of Shares Common Name (and Address Position in the Company Beneficially Stock of 5% Shareholders) and the Banks* Owned Ownership** ----- E. J. Ayers, Jr. Director CBI, ONB, SNB, and FNB, Chairman and 91,980 (1) 2.78% Chief Executive Officer of CBI Alvis J. Bynum Director CBI and SNB 32,685 (2) ** Martha Rose C. Carson Director CBI and ONB 70,940 (3) 2.14% Anna O. Dantzler Director CBI and ONB 99,500 (4) 3.01% A. Wade Douroux Director 66,818 (5) 2.02% J. M. Guthrie Director CBI, Chairman of ONB, Chairman 167,750 (6) 5.07% Post Office Box 649 Executive Committee of CBI Orangeburg, SC 29116 Richard L. Havekost Director CBI and FNB 12,450 (7) ** Phil P. Leventis Director CBI and SNB, Chairman of SNB 43,550 (8) 1.32% Jesse A. Nance Director CBI and FNB, President and Chief 15,668 (9) ** Executive Officer of FNB William H. Nock Director CBI and SNB, Chief Executive Officer 63,317 (10) 1.91% and President of SNB Samuel F. Reid, Jr. Director CBI and ONB 53,702 (11) 1.62% William W. Traynham Director CBI, ONB, SNB and FNB, President of 60,341 (12) 1.82% CBI, Chief Financial Officer of CBI J. Otto Warren, Jr. Director CBI and ONB, Vice Chairman of CBI 176,519 (13) 5.33% Post Office Box 666 Orangeburg, SC 29116 Wm. Reynolds Williams Director CBI and FNB, 17,188 (14) ** Chairman of FNB Michael A. Wolfe Director CBI and ONB, Chief Executive Officer 59,651 (15) 1.80% and President of ONB All executive officers and 1,050,226 (16) 30.36% directors as a group (16 persons) *CBI - the Company; ONB - Orangeburg National Bank; SNB - Sumter National Bank; FNB - Florence National Bank. **Percentages not shown are less than one percent. 3 (1) Includes 1,680 shares owned by Nancy R. Ayers, Mr. Ayers' wife; 2,730 shares owned by an IRA for the benefit of Nancy R. Ayers; 1,680 shares held by an IRA for the benefit of Mr. Ayers; and 10,250 shares subject to stock options which are currently exercisable. (2) Includes 5,874 shares owned by Marjorie F. Bynum, Mr. Bynum's wife; and 8,150 shares subject to stock options which are currently exercisable. (3) Includes 10,250 shares subject to stock options which are currently exercisable. (4) Includes 10,250 shares subject to stock options which are currently exercisable. (5) Includes 44,548 shares held in escrow pending the satisfaction of certain financial performance results by Community Resource Mortgage, Inc. (6) Includes 157,500 shares owned jointly with Lou D. Guthrie, Mr. Guthrie's wife; and 10,250 shares subject to stock options which are currently exercisable. (7) Includes 4,050 shares subject to stock options which are currently exercisable. (8) Includes 10,891 shares owned by LPT Enterprises, a limited partnership; 2,422 shares owned by an IRA for the benefit of Mr. Leventis; and 8,150 shares subject to stock options which are currently exercisable. (9) Includes 4,771 shares owned by an IRA for the benefit of Mr. Nance, 541 shares owned by Martha F. Nance, Mr. Nance's wife; and 10,250 shares subject to stock options which are currently exercisable. (10) Includes 1,359 shares owned by the Nock Family Trust; 468 shares owned by an IRA for the benefit of Linda H. Nock, Mr. Nock's wife; 39,697 shares held by Paine Webber for benefit of Mr. Nock; 2,760 shares held by Scott & Stringfellow for the benefit of Linda Nock; and 18,650 shares subject to stock options which are currently exercisable. (11) Includes 14,052 shares held by Mr. Reid as trustee for his minor children; 16,800 shares owned by Rosa G. Reid, Mr. Reid's wife; and 10,250 shares subject to stock options which are currently exercisable. (12) Includes 18,436 shares owned jointly with Margaret S. Traynham, Mr. Traynham's wife; 2,038 shares owned jointly with minor children; and 18,650 shares subject to stock options which are currently exercisable. (13) Includes 53,000 shares owned by Mildred J. Warren, Mr. Warren's wife; and 10,250 shares subject to stock options which are currently exercisable. (14) Includes 4,738 shares owned jointly with Mary T. Williams, Mr. Williams' wife; and 4,050 shares subject to stock options which are currently exercisable. (15) Includes 2,151 shares owned by Joye McGrady Wolfe as custodian for minor children; and 18,650 shares subject to stock options which are currently exercisable. (16) Includes 164,512 shares subject to stock options which are currently exercisable. ELECTION OF DIRECTORS The Bylaws of the Company provide for a Board of Directors consisting of not less than nine nor more than twenty-four directors divided into three classes each serving three-year staggered terms. The number of directors is currently fixed by the Board at fifteen. Five directors have been nominated for re-election by the shareholders at the 2002 Annual Meeting to serve for three-year terms. One new director has also been nominated for election by the shareholders to serve a three-year term. All directors serve until their successors are elected and qualified to serve. All of the nominees except Mr. Douroux are presently directors of the Company and have served continuously since first becoming directors.

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Should any of the nominees become unable or unwilling to accept nomination or election, the persons acting under the proxy intend to vote for the election, in his or her stead, of such other person or persons as the Board of Directors of the Company may recommend. The Board of Directors has no reason to believe that any of the proposed directors will be unable or unwilling to serve if elected. 4 MANAGEMENT Directors The table below sets forth the age, business experience for the past five years, and term in office for each of the directors of the Company. Each of the directors of the Company is also a director of one or more of the Company's subsidiaries. There are no family relationships among any of the directors or executive officers of the Company. Name, Address (and age) Director Since Business Experience During the Past 5 Years ----- Nominees for Election to Serve until 2005 Martha Rose C. Carson (66) 1987* President, Marty Rae, Inc., apparel and furniture retailers Orangeburg, S.C. A. Wade Douroux (30) 2001 President and Chief Executive Officer, Community Resource Mortgage, Inc. (formerly Resource Mortgage Corporation) since 1995 J. M. Guthrie (74) 1987* President, Superior Motors, Inc., car dealership; Chairman Orangeburg, S.C. of the Board of Directors of Orangeburg National Bank since March 1998 Phil P. Leventis (55) 1996 President and Chief Executive Officer, Dixie Central Sumter, S.C. Distributing Co., Inc., wholesale beverage distributor; member of the South Carolina State Senate; Chairman of the Board of Directors of Sumter National Bank since June 1996 Wm. Reynolds Williams (56) 1998 Attorney, Managing Partner, Willcox, Buyck & Williams, Florence, S.C. P.A.; Chairman of the Board of Directors of Florence National Bank since July 1998 Michael A. Wolfe (44) 1992* President of Orangeburg National Bank since 1992, Orangeburg, S.C. Chief Executive Officer of Orangeburg National Bank since June 1996 Current Directors Whose Terms Expire in 2004 Anna O. Dantzler (62) 1994 Retired since 1989; former customer service representative Orangeburg, S.C. for Orangeburg National Bank Richard L. Havekost (61) 1998 Licensed professional engineer; Principal in Raldex, Inc. Florence S.C. (investor in motel properties); Principal and Secretary of RDBP, Inc. (retail beverage store); 1967-1993, employed by Nucor Corp. in various capacities, including Vice President of Nucor Corp. and General Manager of the Florence Division William H. Nock (56) 1996 President and Chief Executive Officer, Sumter National Bank Sumter, S.C. since June 1996 Samuel F. Reid, Jr. (53) 1994 Attorney, Horger, Barnwell & Reid Orangeburg, S.C. 5 William W. Traynham (46) 1992* President and Chief Financial Officer of the Company Orangeburg, S.C. Current Directors whose Terms Expire in 2003 E. J. Ayers, Jr. (69) 1987* Chairman of the Board of Directors and Chief Executive Officer of the Company since January, 1999; retired President, C.M. Dukes Oil Co., oil distributor and auto parts supplier Alvis J. Bynum (64) 1996 Retired President, Cities Supply Co., waterwork supplies Sumter, S.C. distributor J. Otto Warren, Jr. (74) 1987* President, Warren and Griffin Lumber Co., Inc. and Home Orangeburg, S.C. Builder's Supply Co., Inc., builders' supply and lumber manufacturer Jesse A. Nance (48) 1998 President and Chief Executive Officer of Florence National Florence S.C. Bank since July, 1998; Vice President of the Company from June, 1997 to July, 1998; Vice President of First Union National Bank of South Carolina from November, 1989 to June, 1997 ----- * Includes service as Director of Orangeburg National Bank prior to formation of the Company in 1992. Executive Officers Information about Mr. Ayers, the Chief Executive Officer of the Company, and Mr. Traynham, the President and Chief Financial Officer of the Company, is set forth above under "--Directors." Donald Newnham, age 64, is Senior Vice President, Operations, of the Company. Mr. Newnham has been employed by the Company since March 1998. Prior to that time, from 1981 to 1998, Mr. Newnham was Senior Vice President and Operations Administrator of First National Bank, Orangeburg, South Carolina. Meetings of the Board of Directors and Committees The Board of Directors of the Company held 14 meetings during 2001. Each director, except Martha Rose Carson and Reynolds Williams, attended at least 75% of the total number of meetings of the Board of Directors and meetings of committees on which he served during the period in 2001 for which he served as director. The Company has an Audit Committee comprised of Alvis J. Bynum (chairman), Martha Rose C. Carson, Anna O. Dantzler, Richard L. Havekost, Samuel F. Reid, Jr. and J. Otto Warren, Jr., all of whom are non-employee directors. The Audit Committee oversees the internal and external audit function. The Audit Committee met five times in 2001. The Audit Committee acts pursuant to a written charter adopted by the Board of Directors. Each member of the Audit Committee is independent as defined in Section 121 (A) of the American Stock Exchange's listing standards, as modified or supplemented. The Company has a Compensation Committee comprised of Richard L. Havekost (chairman), Wm. Reynolds Williams, J. M. Guthrie, Samuel F. Reid, Phil P. Leventis and Alvis J. Bynum. The Compensation Committee makes recommendations to the Board of Directors concerning the compensation for the senior officers of the Company. The Compensation Committee met five times during 2001. 6 Nomination of Directors The Company's Articles of Incorporation provide that no person shall be eligible to be elected a director at a meeting

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of shareholders unless that person has been nominated by a shareholder entitled to vote at the meeting by giving written notice of such nomination to the Secretary of the Company at least 30 days prior to the date of the meeting. The Board of Directors acts as a nominating committee and will consider recommendations by shareholders of persons to be included as management nominees for directors if the following procedures are met. Recommendations shall be in writing and be delivered or mailed to the President of the Company not less than 30 days or more than 50 days prior to any meeting of shareholders called for the election of directors. Such recommendations shall contain the following information to the extent known by the shareholder making the recommendation: (1) the name and address of each proposed nominee; (2) the principal occupation of each proposed nominee; (3) the total number of shares that will be voted for each proposed nominee; (4) the name and residence address of the shareholder making the recommendation; and (5) the number of shares owned by the shareholder making the recommendation.

MANAGEMENT COMPENSATION Executive Officer Compensation The following table summarizes for the years ended December 31, 2001, 2000 and 1999 the compensation paid to the Chairman and Chief Executive Officer of the Company and to executive officers of the Company or its subsidiaries who received compensation greater than \$100,000 in 2001. Summary Compensation Table Long-Term Compensation ----- Awards Annual -----

Compensation Securities -----	Underlying	All Other Year	Salary Bonus	Options(1)	Compensation (2) ----	-----
E. J. Ayers, Jr. 2001	\$ 82,000	\$17,258	5,000	\$ 2,460	Chairman and Chief Executive Officer of 2000	82,000 - - 12,163
Community Bankshares 1999	82,000 -	5,250	8,200	William W. Traynham 2001	\$135,000	\$28,414 5,000 \$ 4,333
President of Community Bankshares 2000	135,000	9,450 -	23,562	1999	130,000	9,450 5,250 21,250
Michael A. Wolfe 2001	\$135,000	\$28,414	5,000	\$ 5,869	President and Chief Executive Officer 2000	135,000 9,450 - 26,268
of Orangeburg National Bank 1999	130,000	9,450 5,250	21,250	William H. Nock 2001	\$135,000	\$28,414 5,000 \$ 4,185
President and Chief Executive Officer 2000	135,000	4,050 -	4,050	of Sumter National Bank 1999	130,000	4,050 5,250 3,900
Jesse A. Nance(4) 2001	\$117,874	\$15,527	5,000	\$ 3,248	President and Chief Executive Officer 2000	109,847 5,737 - 3,220
of Florence National Bank 1999	101,840	5,737 5,250	3,055			

----- (1) Adjusted to reflect the 5% stock dividend issued January 31, 2001. (2) This column sets forth Company contributions to the 401(K) plan on behalf of the named executive officers. For Messrs. Wolfe and Traynham, it also includes unused sick and vacation leave payments in 2000 and 1999. Such payments totaled \$7,780 and \$7,500 in 2000 and 1999, respectively, to each of Mr. Wolfe and Mr. Traynham. 7 Aggregated Option Exercises in 2001 and 2001 Year End Option Values The following table sets forth information about stock options held at December 31, 2001 by the executive officers listed in the Summary Compensation Table. No options were exercised in 2001. Number of Securities Value of Unexercised Underlying Unexercised In-the-Money Options 12/31/01 Options 12/31/01(1) -----

Name	Exercisable(2)	Unexercisable(3)	Exercisable Unexercisable ----
E. J. Ayers	5,250	5,000	\$ 893 \$10,000
Jesse A. Nance	5,250	5,000	893 10,000
William H. Nock	13,650	5,000	58,085 10,000
William W. Traynham	13,650	5,000	58,085 10,000
Michael A. Wolfe	13,650	5,000	58,085 10,000

----- (1) Based on a fair value of \$13.00 per share, the closing price of a share of Community Bankshares common stock on December 31, 2001. (2) Each of the above persons holds options for 5,250 shares at an exercise price per share of \$12.83. Messrs. Nock, Traynham and Wolfe also each have options for 8,400 shares at an exercise price per share of \$7.62. (3) These options have an exercise price of \$11.00 per share. Option Grants in Last Fiscal Year The following table sets forth information about options granted to the executive officers listed in the Summary Compensation Table in 2001.

Individual Grants -----	Number of	% of Total	Securities	Options	Potential	Realizable	Value at	Underlying
Granted to Exercise	Assumed	Annual	Rates of	Stock	Options	Employees	Price	Expiration
10-Year Name	Granted(1)	in 2001	(per share)	Date	Option	Term(2)	-----	-----
								5%
								10%
E. J. Ayers	5,000	5.3%	\$11.00	2/26/11	\$34,589	\$87,656	Jesse A. Nance	5,000 5.3% \$11.00 2/26/11
\$34,589	\$87,656	William H. Nock	5,000 5.3%	\$11.00 2/26/11	\$34,589	\$87,656	William W. Traynham	5,000 5.3%
\$11.00 2/26/11	\$34,589	\$87,656	Michael A. Wolfe	5,000 5.3%	\$11.00 2/26/11	\$34,589	\$87,656	----- (1)

These options were granted on February 26, 2001 and became exercisable on February 26, 2002. (2) The amounts in these columns are the result of calculations based on the assumption that the market price of Community Bankshares common stock will appreciate in value from the date of grant to the end of the ten-year option term at rates of 5% and 10% per year. The 5% and 10% annual appreciation assumptions are required by the Securities and Exchange Commission; they are not intended to forecast possible future appreciation, if any, of Community Bankshares' stock price. 8 Compensation Committee Interlocks And Insider Participation The members of the Compensation Committee

for the year ended December 31, 2001 were Richard L. Havekost, Chair, Alvis J. Bynum, J. M. Guthrie, Phil P. Leventis, Samuel F. Reid and Wm. Reynolds Williams. The law firm of Horger, Barnwell and Reid, in which Samuel F. Reid is a partner, provided legal services to the Company in 2001, and is continuing to provide legal services to the Company in 2002. The law firm of Willcox, Buyck and Williams, P.A. in which Wm. Reynolds Williams is a member, provided legal services to the Company in 2001, and is continuing to provide legal services to the Company in 2002.

Board Report On Executive Officer Compensation

The Compensation Committee is required to provide the shareholders a report discussing the basis for the Compensation Committee's action in establishing compensation for Community Bankshares' and its subsidiaries' executive officers. The philosophy of Community Bankshares' compensation program is to offer competitive compensation opportunities for executive officers of Community Bankshares and its subsidiaries, which are based on individual contribution and on Community Bankshares' performance. The compensation paid is designed to retain and reward executive officers that are capable of leading Community Bankshares in achieving its business objectives in an industry characterized by complexity, competitiveness and change. The compensation of Community Bankshares' and its subsidiaries' executive officers is reviewed and approved annually by the Compensation Committee. Annual compensation for Community Bankshares' Chief Executive Officer and other senior executive officers consists of three elements.

- o A base salary that is determined by individual contribution and performance, and which is designed to provide a base level of compensation comparable to that provided key executives of other financial institutions of similar size and performance.
- o A short-term cash incentive program that is directly linked to individual performance and to Community Bankshares' performance. In this program one-half of the officer's incentive is paid by the applicable subsidiary and one-half by Community Bankshares. Incentive payments for the President and the Chief Executive Officer of Community Bankshares are determined by the Board of Directors of Community Bankshares.
- o A long-term incentive program that provides from time to time stock options to executive officers. Stock option grants provide an incentive that focuses the executive's attention on managing Community Bankshares from the perspective of a stockholder with an equity stake in the business. The economic value of any stock option granted is directly tied to the future performance of Community Bankshares' stock and will provide value to the recipient only when the price of Community Bankshares' stock increases over the option grant price. For Community Bankshares' key executives, base salary is targeted to approximate average salaries for individuals in similar positions with similar levels of responsibilities who are employed by other banking organizations of similar size and financial performance. During 2001, Community Bankshares set the Chief Executive Officer's base salary at \$82,000. During 2001 the Committee set the base salary for each of Mr. Wolfe, President of Orangeburg National Bank, Mr. Nock, President of Sumter National Bank, and Mr. Traynham, President of Community Bankshares at \$135,000. The base salary for Mr. Nance, President of Florence National Bank, was \$117,474. The Compensation Committee annually reviews national, regional, statewide, and local peer group salary data (to the extent available) to assist it in setting appropriate levels of the Chief Executive Officer's and other executive officers' base salaries. A second factor considered by the 9 Compensation Committee in setting and adjusting base salary was Community Bankshares' 2001 financial performance. The Committee annually sets a base level of consolidated income before taxes, which was \$4 million for 2001. Income earned above that level is multiplied by a factor of 4.5% to determine the amount available for incentive payments to senior officers. This performance indicator is updated annually based on current economic conditions and expectations. For Community Bankshares' key executives, the Compensation Committee approved cash incentive bonuses based on 2001 results payable in 2002 that ranged up to over 20% of base salary. The plan is designed so that over time incentive payments may be as much as 40% of base pay. For purposes of determining the cash incentive bonus payable during 2002 for 2001, Community Bankshares considered actual operating results and individual performances of the involved officers. The Committee completed its recommendations in early 2002 and the Board of Directors approved them in February 2002. During 2002, Messrs. Traynham, Wolfe, and Nock were each paid a bonus of \$28,414 for 2001 Mr. Ayers was paid a bonus of \$17,258. Mr. Nance was paid a bonus of \$15,527. This report is provided as a summary of current Board practice with regard to annual compensation review and authorization of executive officer compensation and with respect to specific action taken for the Chief Executive Officer. During 2001, Community Bankshares acquired a mortgage company, Community Resource Mortgage, Inc. Only the last two months of 2001 of its operations will be reflected in the consolidated results of the Company. The senior officer of the mortgage company is not currently included in the Compensation Committee Report for 2001. Richard L. Havekost, Chair Phil P. Leventis Alvis J. Bynum Samuel F. Reid J. M. Guthrie Wm. Reynolds Williams Shareholder

Performance Graph The Company is required to provide its shareholders with a line graph comparing the Company's cumulative total shareholder return with a performance indicator of the overall stock market and either a published industry index or a Company-determined peer comparison. Shareholder return (measured through increases in stock price and payment of dividends) is often a benchmark used in assessing corporate performance and the reasonableness of compensation paid executive officers. The performance graph below compares the Company's cumulative total return over the most recent five year period with the Russell 2001 Index (reflecting overall stock market performance for small cap stocks) and the SNL Southeast Bank Index (reflecting changes in banking industry stocks in the southeastern U. S.), and a peer group index consisting of all the publicly traded banks and thrifts in South Carolina. Returns are shown on a total return basis, assuming the reinvestment of dividends and a beginning stock index price of \$100 per share. Values presented are based on transactions as reported through the American Stock Exchange. 10

	12/31/96	12/31/97	12/31/98	12/31/99	12/31/00	12/31/01
Community Bankshares, Inc.	100.00	228.10	235.84	221.27	200.31	242.55
Russell 2000	100.00	122.36	119.25	144.60	140.23	143.71
SNL Southeast Bank Index	100.00	151.59	161.38	127.00	127.52	158.86
Publicly Traded Banks and Thrifts in SC	100.00	173.09	175.87	135.11	112.88	153.96

Change of Control Agreements In 1999, the Company entered into Change of Control Agreements with Messrs. Ayers, Traynham, Wolfe, Nock and Nance. The principal purpose of the agreements is to protect these executives against a change in control of the Company. The agreements provide that, if within five years after the date of the agreements, any change of control of the Company is effected, then the executive will be entitled to certain benefits. A change of control of the Company will be deemed to have been effected for purposes of the Agreement if: (i) voting control of the Company is acquired, directly or indirectly, by any person or group acting in concert, (ii) the Company is merged with or into any other entity and the Company is not the surviving entity of the merger, (iii) voting control of any subsidiary of the Company by which the executive is principally employed is acquired, directly or indirectly, by any person or group acting in concert, or (iv) any subsidiary of the Company by which the executive is principally employed is merged with or into another entity that is not also a subsidiary of the Company and such subsidiary is not the surviving entity of the merger. If the executive terminates his employment with the Company or his employment is terminated by the Company at any time within six months following the effective date of a change in control, the executive will be entitled to a lump sum payment equal to twice his annual salary in effect at the date of termination. The Agreement requires certain adjustments in the event that the lump sum payment exceeds the amount prescribed by Section 280G of the Internal Revenue Code. The term of the Agreement extends automatically for an additional year on each annual anniversary thereof, unless the Company gives 30 days prior notice to the executive that the term will not be extended. 11 The foregoing description of the Change of Control Agreements is merely a summary of such agreements and is qualified in its entirety by reference to the agreements, the form of which is filed as an exhibit to the Company's Form 10-QSB for the quarter ended June 30, 1999. Director Compensation Community Bankshares pays directors who are not employees of Community Bankshares or its subsidiaries \$200 per month for service as directors. In addition, Orangeburg National Bank pays monthly fees of \$600 to its non-employee directors. Sumter National Bank pays \$450 per month to its non-employee directors. Florence National Bank pays \$300 per month to its non-employee directors. Community Resource Mortgage does not pay director fees. Each of the non-employee directors of Community Bankshares, except A. Wade Douroux, serves as a director of one of Community Bankshares' subsidiary banks. Director fees paid by Community Bankshares in 2001 totaled \$161,550. Director fees paid by Orangeburg National Bank in 2001 totaled \$72,000. Director fees paid by Sumter National Bank in 2001 totaled \$39,150. Director fees paid by Florence National Bank in 2001 totaled \$21,600. Employee Benefit Plans 401(K) Plan Effective January 1, 1990, Orangeburg National Bank established a defined contribution plan pursuant to Internal Revenue Code Section 401(k). The Plan was assumed by the Company upon acquisition of Orangeburg National Bank. All employees who have completed 500 hours of service during a six-month period and have attained age 18 will participate as of the January 1 or July 1 closest to the date on which the employee meets the eligibility requirements. A participant may elect to make tax deferred contributions up to a maximum of 12% of eligible compensation. The Company will make a matching contribution on behalf of each participant in the amount of 100% of the deferral, not exceeding 3% of the participant's compensation. The Company may also make elective contributions determined at the discretion of the Board of Directors. The Company's contributions for the years ended December 31, 2001, 2000 and 1999, were \$146,000, \$119,000 and \$122,000, respectively. 1997 Stock Option Plan At the 2001 Annual Meeting, shareholders voted to amend the 1997 Stock Option Plan for the purpose of increasing the number of shares reserved for issuance under the

Plan from 285,600 to 485,600 and permitting participation in the Plan by non-employee directors of the Company. Of the additional shares, 100,000 were reserved for issuance pursuant to the exercise of incentive stock options and 100,000 were reserved for issuance pursuant to the exercise of non-qualified stock options. Options may be granted pursuant to the plan to persons who are employees of the Company or any subsidiary (including officers and directors who are employees) at the time of grant. At December 31, 2001, the Company and its subsidiaries had 126 employees. Non-employee directors are also permitted to participate in the Plan. Such non-employee directors are only eligible to be granted non-qualified stock options. All incentive stock options must have an exercise price not less than the fair market value of the Common Stock at the date grant, as determined by the Board of Directors. Non-qualified options will have such exercise prices as may be determined by the Board of Directors at the time of grant, and such exercise prices may be less than fair market value. The Board of Directors may set other terms for the exercise of the options but may not grant to any one holder more than \$100,000 of incentive stock options (based on the fair market value of the optioned shares on the date of the grant of the option) which first become exercisable in any calendar year. The Board of Directors also selects the employees to receive grants under the plan and determines the number of shares covered by options granted under the plan. No options may be exercised after ten years from the date of grant, options may not be transferred except by will or the laws of descent and distribution, and options may be exercised only while the optionee is an employee of the Company, within three months after the date of termination of employment, or within twelve months of death or disability. 12 The number of shares reserved for issuance under the Plan, the number of shares covered by outstanding options, the exercise price and the exercise date of options will be adjusted in the event of changes in the number of outstanding shares of common stock effected without receipt of consideration by the Company. The Board of Directors may amend, suspend or terminate the Plan, but may not increase (except as discussed above) the maximum number of shares reserved for issuance under the Plan, or materially modify the eligibility requirements under the Plan without shareholder approval or ratification. The plan will terminate on March 16, 2007, and no options will be granted thereunder after that date. There are currently outstanding incentive options to purchase 238,115 shares and nonqualified options to purchase 161,050 shares. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS The banks have loan and deposit relationships with some of the directors of the Company and some of the directors of the subsidiaries of the Company and with companies with which the directors are associated as well as members of the immediate families of the directors ("Affiliated Persons"). (The term "members of the immediate families" for purposes of this paragraph includes each person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, and brothers and sisters-in-law.) The total loans outstanding to these parties at December 31, 2001, were \$10,367,000. Loans to Affiliated Persons were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not, at the time they were made involve more than the normal risk of collectibility or present other unfavorable features. The law firm of Horger, Barnwell and Reid, in which Samuel F. Reid, a director of the Company, is a partner, provided legal services to the Company in 2001, and is continuing to provide legal services to the Company in 2002. The law firm of Willcox, Buyck and Williams, P.A. in which Wm. Reynolds Williams, a director of the Company, is a member also provided legal services to the Company in 2001, and is continuing to provide legal services to the Company in 2002. SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE As required by Section 16(a) of the Securities Exchange Act of 1934, the Company's directors, its executive officers and certain individuals are required to report periodically their ownership of the Company's Common Stock and any changes in ownership to the Securities and Exchange Commission. Based on a review of Forms 3, 4 and 5 and written representations made to the Company, it appears that all such reports for these persons were filed in a timely fashion during 2001, except that the Company inadvertently failed to file one Form 4 for each of Phil P. Leventis and Wm. Reynolds Williams with respect to a purchase of shares, and one Form 4 for each director with respect to the grant of stock options during the year. It is the Company's practice to assist directors with filing of Section 16(a) reports. INDEPENDENT ACCOUNTANTS The Board of Directors, upon the recommendation of the Audit Committee, has appointed J. W. Hunt & Company, LLP, independent certified public accountants, as independent auditors for the Company and its subsidiaries for the current fiscal year ending December 31, 2002, subject to ratification by the shareholders. A representative of J. W. Hunt & Company, LLP is expected to be present at the 2002 Annual Meeting and will be given the opportunity to make a statement on behalf of the firm if he or she so desires, and will respond to appropriate questions from shareholders. Audit Fees During 2001, J. W. Hunt & Company, LLP did not bill the Company for professional services rendered for

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the audit of the Company's annual financial statements for the year ended December 31, 2001, but billed \$7,500 for reviews of the financial statements included in the Company's Forms 10-Q for that year. 13 The Company estimates that the total fees for the audit of its annual financial statements for the year ended December 31, 2001 will be approximately \$70,000. Financial Information Systems Design and Implementation Fees During the year ended December 31, 2001, J. W. Hunt & Company, LLP did not provide the Company with any services related to financial information systems design or implementation. All Other Fees During the year ended December 31, 2001, J. W. Hunt & Company, LLP billed the Company an aggregate of \$4,335 for other professional services provided during 2001 including due diligence related to the acquisition of Ridgeway Bancshares, preparation of Federal Home Loan Bank agreed-upon-procedures reports, and other accounting research and consultation. The Company estimates that J. W. Hunt & Company, LLP will bill an additional \$7,000 during 2002 for preparation of tax returns for 2001. The Audit Committee has reviewed the services provided by J. W. Hunt & Company, LLP discussed under the caption All Other Fees, and has considered whether the provision of such services is compatible with maintaining J. W. Hunt's independence. **AUDIT COMMITTEE REPORT** The Audit Committee of the Board of Directors has reviewed and discussed with management the Company's audited financial statements for the year ended December 31, 2001. The Audit Committee has discussed with the Company's independent auditors, J. W. Hunt & Company, LLP, the matters required to be discussed by SAS 61, as modified or supplemented. The Audit Committee has also received the written disclosures and the letter from J. W. Hunt & Company, LLP, required by Independence Standards Board Standard No. 1, as modified or supplemented, and has discussed with J. W. Hunt & Company, LLP, their independence. Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001. Alvis J. Bynum, Chair Richard L. Havekost Martha Rose C. Carson Samuel F. Reid, Jr. Anna O. Dantzler J. Otto Warren, Jr. **AVAILABILITY OF ANNUAL REPORT ON FORM 10-K** A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, including financial statements (but not including exhibits), is being provided free of charge with this Proxy Statement to each shareholder of record. Copies of exhibits to the Form 10-K will be provided upon written request to William W. Traynham, President, Community Bankshares, Inc., Post Office Box 2086, Orangeburg, South Carolina 29116, at a charge of 20(cents) per page. Copies of the Form 10-K and exhibits may also be downloaded from the Securities and Exchange Commission website at <http://www.sec.gov>. **OTHER BUSINESS** The Board of Directors of the Company does not know of any other business to be presented at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, however, it is the intention of the persons named in the accompanying proxy to vote such proxy in accordance with their best judgment. 14 **PROXY COMMUNITY BANKSHARES, INC. PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR ANNUAL MEETING OF SHAREHOLDERS - WEDNESDAY, MAY 8, 2002** E. J. Ayers, Jr. and J. Erwin Paxton, or either of them, with full power of substitution, are hereby appointed as agent(s) of the undersigned to vote as proxies all of the shares of Common Stock of Community Bankshares, Inc. held of record by the undersigned on the Record Date at the Annual Meeting of Shareholders to be held on May 8, 2002, and at any adjournment thereof, as follows: 1. Election of FOR all nominees listed WITHHOLD AUTHORITY Directors. below to vote for all nominees listed below WITHHOLD AUTHORITY only on the following nominees:-----

Instructions: To withhold authority to vote for any individual(s), write the nominee's(s') name(s) on the line above. **NOMINEES:** Three Year Terms: Martha Rose C. Carson, J. M. Guthrie, A. Wade Douroux, Phil P. Leventis, Wm. Reynolds Williams and Michael A. Wolfe 2. Proposal to ratify appointment of J. W. Hunt & Company, LLP, Certified Public Accountants, as the Company's independent auditors for the fiscal year ending December 31, 2002. FOR AGAINST ABSTAIN 3. And, in the discretion of said agents, upon such other business as may properly come before the meeting, and matters incidental to the conduct of the meeting. (Management at present knows of no other business to be brought before the meeting.) **THE PROXIES WILL BE VOTED AS INSTRUCTED. IF NO CHOICE IS INDICATED WITH RESPECT TO A MATTER WHERE A CHOICE IS PROVIDED, THIS PROXY WILL BE VOTED "FOR" SUCH MATTER.** Please sign exactly as name appears below. When signing as attorney, executor, administrator, trustee, or guardian, please give full title. If more than one trustee, all should sign. All joint owners must sign. Dated: , 2002 ----- 15