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CAPITOL BANCORP ANNOUNCES A 77% INCREASE IN 2002 FOURTH QUARTER EARNINGS, TO A RECORD \$5.2 MILLION, AND RECORD FULL-YEAR EARNINGS OF NEARLY \$17 MILLION, 55% HIGHER THAN 2001

**Record Fourth Quarter EPS of \$0.47 (Basic) and \$0.45 (Diluted)
Represent 24% and 22% Increases, respectively, from 2001**

Lansing, Michigan and Phoenix, Arizona: January 31, 2003 - Today, Capitol Bancorp Limited (Nasdaq:CBCL) reported fourth quarter 2002 earnings of \$5.2 million versus the \$3.0 million recorded in the fourth quarter of 2001, representing a 77% increase. Record earnings per share (EPS) of \$0.47 basic and \$0.45 on a diluted basis for the quarter ended December 31, 2002, reflect 24% and 22% increases, respectively, when compared to 2001's EPS figures of \$0.38 for basic and \$0.37 per diluted share. The EPS increases included a 44% expansion in Capitol Bancorp's total shares outstanding, from 7.8 million at the end of 2001 to 11.3 million for the period ended December 31, 2002.

Consolidated assets exceed \$2.4 billion compared to the approximate \$2.0 billion at the end of 2001. Consistent with the balance sheet expansion achieved by Capitol in recent years, total portfolio loans (\$2.0 billion) and deposits (\$2.1 billion) at December 31, 2002 advanced 15% and 19%, respectively, from the levels recorded at the close of 2001. Stockholders' equity, which now measures \$160 million, has roughly doubled since the end of last year due primarily to minority-interest consolidations at the affiliate level.

Record Quarterly Earnings Performance

A 31% increase in net operating revenues, to a quarterly record of approximately \$31.8 million (versus \$24.2 million reported in the fourth quarter of 2001), coupled with improved operating leverage, contributed to the increase in diluted earnings per share on a comparable year-over-year fourth quarter basis. Net operating revenue growth was driven by an expanded earning asset base, continued margin improvement aided by a generally stable interest rate environment and a 78% increase in noninterest income when compared to last year's fourth quarter. Revenue generation offset a 22% increase in quarterly operating expenses tied to Capitol's ongoing development initiatives. Earnings, which eclipsed \$3 million for the first time in the organization's history in the first quarter of 2002, surpassed \$5 million in the current quarter, and represent another record quarterly level for Capitol.

Record Twelve Month Operating Results

For the year, record net operating revenues of \$115.6 million increased approximately 28% when compared to the \$90.1 million figure recorded in 2001. Record earnings of approximately \$16.7 million for 2002 reflect 55% growth when compared to \$10.7 million in 2001. On an EPS basis, Capitol reported basic (\$1.64) and diluted (\$1.57) figures for 2002 that were 19% and 16%, respectively, ahead of 2001's comparable period levels of \$1.38 and \$1.35. The full year's more than 28% growth in net operating revenues was aided by an approximate 56% increase in noninterest income, offsetting the 20% expansion in operating expense that reflects both the opening of two new affiliate banks in California and Nevada and new loan production offices in Texas, California and Georgia. In addition, the consolidation of minority-interests at several of Capitol's affiliate development holding companies during 2002 served to dramatically expand the share base from approximately 7.8 million shares at the end of 2001 to roughly 11.3 million shares as 2002 came to a close.

Balance Sheet

Capitol's equity-to-asset ratio improved from 3.9% at the end of 2001 to 6.6% for 2002, while the total capital-to-assets ratio remained a healthy 10%. Reflecting the lingering effects of a softening economy, and the lagging implications on asset quality measures, both nonperforming loans and nonperforming assets exhibited increases through the first three quarters of 2002. However, as the year came to a close, non-performing loans stabilized, and declined approximately 13% in the fourth quarter. The Corporation's ratio of nonperforming assets-to-total assets began the year at 0.99%, peaked at 1.28% on September 30, 2002, and dropped to 1.15% at December 31, 2002. With continued strong operating results, and the desire to strengthen reserve coverage, the Corporation recorded a more than 55% increase in both its quarterly and annual loan loss provision. The fourth quarter provision of nearly \$4.0 million (versus \$2.5 million in the last quarter of 2001) and the full-year 2002 provision of \$12.7 million (versus \$8.2 million in 2001) served to increase the Corporation's allowance for loan losses (as a percentage of total portfolio loans) to 1.45%, from 1.42% at September 30, 2002 and approximately 1.34% at year-end 2001.

Comments

Reflecting on the record performance in 2002, Capitol Bancorp Chairman and CEO, Joseph D. Reid, stated, "We are pleased to report another record quarter and full year of earnings, and continued expansion of our affiliate family. To achieve solid EPS advances, coupled with significant expansion in our share base, demonstrates the objectives of our unique operating model. Capitol remains committed to building a sound and profitable family of affiliated community banks. As we have stated in the past, diligence and discipline will continue to frame our national development efforts, with focused execution at the core of our performance objectives."

About the Corporation

Capitol Bancorp Limited, headquartered in Lansing, Michigan and Phoenix, Arizona, is one of the nation's largest community banking organizations, holding 29 individual charters.

Capitol's operations include the following banks and loan production offices (LPO):

	<u>Community</u>
<i>In Arizona:</i>	
Arrowhead Community Bank	Glendale
Bank of Tucson	Tucson
Camelback Community Bank	Phoenix
East Valley Community Bank	Chandler
Mesa Bank	Mesa
Southern Arizona Community Bank	Tucson
Sunrise Bank of Arizona	Phoenix
Valley First Community Bank	Scottsdale
Yuma Community Bank	Yuma
<i>In California:</i>	
Napa Community Bank	Napa
Sunrise Bank of San Diego	San Diego
Sunrise Bank - Orange County LPO	Irvine
<i>In Georgia:</i>	
Sunrise Bank - Atlanta LPO	Atlanta
<i>In Indiana:</i>	
Elkhart Community Bank	Elkhart
Goshen Community Bank	Goshen
<i>In Michigan:</i>	
Ann Arbor Commerce Bank	Ann Arbor
Brighton Commerce Bank	Brighton
Capitol National Bank	Lansing
Detroit Commerce Bank	Detroit
Grand Haven Bank	Grand Haven
Kent Commerce Bank	Grand Rapids
Macomb Community Bank	Clinton Township
Muskegon Commerce Bank	Muskegon
Oakland Commerce Bank	Farmington Hills
Paragon Bank & Trust	Holland
Portage Commerce Bank	Portage
<i>In Nevada:</i>	
Bank of Las Vegas	Las Vegas
Black Mountain Community Bank	Henderson
Desert Community Bank	Las Vegas
Red Rock Community Bank	Las Vegas
<i>In New Mexico:</i>	
Sunrise Bank of Albuquerque	Albuquerque
<i>In Texas:</i>	
Sunrise Bank - Dallas LPO	Dallas
Sunrise Bank - Houston LPO	Houston

CAPITOL BANCORP LIMITED
SUMMARY OF SELECTED FINANCIAL DATA
(in \$1,000s, except share and per share data)

	Three Months Ended		Year Ended		
	December 31		December 31		
	2002	2001	2002	2001	
Condensed statements of operations:					
Interest income	\$ 40,176	\$ 38,031	\$ 156,454	\$ 153,797	
Interest expense	13,019	16,398	55,860	73,292	
Net interest income	27,157	21,633	100,594	80,505	
Provision for loan losses	3,984	2,530	12,676	8,167	
Noninterest income	4,607	2,591	14,982	9,585	
Noninterest expense	20,389	16,778	77,151	64,136	
Income before federal income taxes	7,570	4,549	25,354	16,542	
Net income	\$ 5,249	\$ 2,963	\$ 16,653	\$ 10,718	
Per share data:					
Net income - basic	\$ 0.47	\$ 0.38	\$ 1.64	\$ 1.38	
Net income - diluted	0.45	0.37	1.57	1.35	
Book value at end of period	13.72	10.24	13.72	10.24	
Common stock closing price at end of period	\$23.20	\$13.30	\$23.20	\$13.30	
Common shares outstanding at end of period	11,281,000	7,829,000	11,281,000	7,829,000	
Number of shares used to compute:					
Basic earnings per share	11,213,000	7,826,000	10,139,000	7,784,000	
Diluted earnings per share	11,711,000	7,980,000	10,600,000	7,935,000	
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
	2002	2002	2002	2002	2001
Condensed statements of financial position:					
Total assets	\$2,409,288	\$2,347,594	\$2,233,766	\$2,174,334	\$2,044,006
Portfolio loans	1,991,372	1,958,820	1,897,776	1,794,207	1,734,589
Deposits	2,062,072	2,018,051	1,908,359	1,853,343	1,740,385
Stockholders' equity	160,037	144,838	130,223	126,364	80,172
Total capital	\$ 239,635	\$ 230,747	\$ 222,151	\$ 215,320	\$ 199,466
Key performance ratios:					
Return on average assets	0.87%	0.78%	0.71%	0.58%	0.59%
Return on average equity	14.27% *	13.47% **	12.20%	14.80% ***	15.00%
Net interest margin	4.93%	4.90%	4.80%	4.65%	4.60%
Efficiency ratio	64.19%	62.38%	68.38%	73.35%	69.26%
Asset quality ratios:					
Allowance for loan losses / portfolio loans	1.45%	1.42%	1.39%	1.38%	1.34%
Total nonperforming loans / portfolio loans	1.15%	1.34%	1.23%	1.24%	0.99%
Total nonperforming assets / total assets	1.15%	1.28%	1.16%	1.14%	0.99%
Net charge-offs (annualized) / average portfolio loans	0.59%	0.48%	0.24%	0.13%	0.27%
Allowance for loan losses / nonperforming loans	126.49%	106.07%	112.87%	110.94%	134.81%
Capital ratios:					
Shareholders' equity / total assets	6.64%	6.17%	5.83%	5.81%	3.92%
Total capital / total assets	9.95%	9.83%	9.95%	9.90%	9.76%

* As adjusted for East Valley Community Bank and Detroit Commerce Bank share exchanges consummated effective December 31, 2002.

Also adjusted for Nevada Community Bancorp share exchange consummated effective January 17, 2003, as if it occurred December 31, 2002.

** As adjusted for Sunrise Capital Corporation and Indiana Community Bancorp Limited share exchanges consummated on September 30, 2002.

*** As adjusted for Sun Community Bancorp share exchange consummated on March 31, 2002.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include expressions such as "expects", "intends", "believes" and "should" which are not necessarily statements of belief as to the expected outcomes of future events. Actual results could materially differ from those presented due to a variety of internal and external factors. Actual results could materially differ from those contained in, or implied by, such statements. Capitol Bancorp Limited undertakes no obligation to release revisions to these forward-looking statements or reflect events or circumstances after the date of this release.