

# Chesapeake Financial Shares, Inc. Consolidated Balance Sheets

September 30,      December 31,  
2003                      2002

ASSETS		(Unaudited)	
Cash and due from banks.....		\$13,999,626	\$8,914,562
Federal funds sold.....		12,000,000	8,025,999
Securities available for sale			
U.S. Government agencies(book value of \$21,865,880			
-2003 and \$28,185,166-2002).....		22,071,685	28,503,616
Obligations of state and political subdivisions			
(book value of \$20,768,465-2003 and \$19,546,970			
-2002).....		22,224,497	20,984,866
Other Debt Securities(book value \$2,418,863-2003 and			
\$2,384,690-2002).....		2,731,750	2,602,135
Loans.....		218,914,698	196,336,553
Less: Allowance for loan loss.....		(2,871,946)	(3,069,340)
Net loans.....		216,042,752	193,267,213
Bank premises and equipment, net.....		8,193,162	7,479,435
Accrued interest receivable.....		1,510,199	1,322,375
Business Manager Assets.....		12,294,483	15,938,273
Other assets.....		6,122,368	6,086,193
Total assets.....		\$317,190,522	\$293,124,667
LIABILITIES AND SHAREHOLDERS' EQUITY		(Unaudited)	
Deposits			
Noninterest bearing deposits.....		\$52,727,412	\$41,636,862
Savings and interest bearing deposits.....		111,144,611	100,138,434
Certificates of deposit.....		110,887,194	113,896,231
Total deposits.....		274,759,217	255,671,527
Federal funds purchased & FHLB borrowing.....		15,918,987	10,959,949
Accrued interest payable.....		409,168	259,481
Other liabilities.....		2,119,797	1,382,273
Note payable.....		735,595	760,398
Total liabilities.....		293,942,764	269,033,628
Commitments			
Shareholders' equity			
Preferred stock, par value \$1 per share;			
authorized 50,000 shares; none outstanding		0	0
Common stock, voting.....		5,945,285	6,441,135
Common stock, non-voting.....		0	0
	voting	non-voting	
	9/30/03	12/31/02	9/30/02    12/31/02
Shares auth..	2,000,000	2,000,000	635,000    635,000
Shares o/s...	1,189,057	1,288,227	0            0
Paid in capital.....			8,888            372,833
Unrealized gains (losses) on securities available			
for sale.....			1,303,318        1,302,701
Retained earnings.....			15,990,267        15,974,370
Total shareholders' equity.....			23,247,758        24,091,039
Total liabilities and shareholders' equity.....			\$317,190,522        \$293,124,667