

Chesapeake Financial Shares, Inc.
Consolidated Statements of Earnings

Nine Months Ended
September 30,
2003 2002

Interest Income	(Unaudited)	
Interest and fees on loans.....	\$ 10,927,547	\$ 10,016,217
Interest on federal funds sold.....	27,374	115,620
Interest on time deposits with banks.....	2,582	5,948
Interest on obligations of U.S. Agency Obligations....	472,610	926,390
Interest on obligations of state and political subs...	840,402	676,897
	-----	-----
Total interest income	12,270,515	11,741,072
	-----	-----
Interest Expense		
Interest on savings and interest bearing deposits.....	781,070	962,083
Interest on certificates of deposit.....	2,264,663	2,836,470
Interest on federal funds purchased.....	136,146	181,893
Other interest expense.....	390,160	32,240
	-----	-----
Total interest expense	3,572,039	4,012,686
	-----	-----
Net interest income.....	8,698,476	7,728,386
Provision for loan loss.....	660,000	854,501
	-----	-----
Net interest income after provision for loan losses...	8,038,476	6,873,885
	-----	-----
Non-interest Income		
Income from fiduciary activities.....	961,770	971,332
Service charges on deposit accounts.....	773,921	670,688
Securities gains (losses)-net.....	-	(2,335)
Merchant card income.....	1,020,087	868,619
ATM income.....	308,151	243,687
Business manager income.....	1,834,069	1,955,152
Other income.....	790,221	623,692
	-----	-----
Total non-interest income.....	5,688,219	5,330,835
	-----	-----
Non-interest Expense		
Salaries	3,872,562	3,299,830
Employee Benefits.....	962,339	707,755
Occupancy expenses.....	1,646,501	1,656,968
Merchant card expense.....	884,954	756,064
ATM expense.....	240,202	210,468
Business manager expense.....	618,618	578,748
Other expenses.....	2,081,740	1,931,807
	-----	-----
Total non-interest expense.....	10,306,916	9,141,640
	-----	-----
Income before income taxes.....	3,419,779	3,063,080
Applicable income taxes.....	868,296	796,401
	-----	-----
Net income.....	\$ 2,551,483	\$ 2,266,679
	=====	=====
Earnings per share, primary.....	\$ 2.11	\$ 1.78
Earnings per share, assuming dilution.....	\$ 2.07	\$ 1.74
Dividends per share.....	\$ 0.41	\$ 0.36