

Chesapeake Financial Shares, Inc. Consolidated Balance Sheets	March 31, 2007	December 31, 2006

ASSETS		
	(Unaudited)	
Cash and due from banks.....	\$ 11,551,938	\$ 9,982,958
Federal funds sold.....	1,589,000	0
Securities available for sale		
U.S. Government agencies (book value of \$41,167,354 -2007 and \$45,807,802-2006).....	40,900,410	45,702,398
Obligations of state and political subdivisions (book value of \$15,296,987-2007 and \$18,121,593 -2006).....	16,288,131	19,167,471
Other Debt Securities (book value \$1,772,900-2007 and \$1,515,300-2006).....	1,772,900	1,515,300
Loans.....	314,580,459	301,543,983
Less: Allowance for loan loss.....	(4,402,316)	(4,342,174)
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Net loans.....	310,178,143	297,201,809
Bank premises and equipment, net.....	13,276,496	13,834,788
Accrued interest receivable.....	1,733,860	1,675,967
Business Manager Assets.....	19,166,145	17,249,332
Other assets.....	13,816,800	11,760,486
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Total assets.....	\$430,273,823	\$ 418,090,509
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LIABILITIES AND SHAREHOLDERS' EQUITY		
	(Unaudited)	
Deposits		
Noninterest bearing deposits.....	\$ 65,840,820	\$ 66,242,122
Savings and interest bearing deposits.....	143,037,851	137,698,648
Certificates of deposit.....	159,809,641	154,836,658
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Total deposits.....	368,688,312	358,777,428
Federal funds purchased & FHLB borrowing & TruPS.....	16,715,178	15,311,000
Accrued interest payable.....	735,997	739,232
Other liabilities.....	1,592,098	953,671
Note payable.....	10,915,338	11,345,950
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Total liabilities.....	398,646,923	387,127,281
Commitments		
Shareholders' equity		
Preferred stock, par value \$1 per share; authorized 50,000 shares; none outstanding	0	0
Common stock, voting.....	11,976,655	11,934,590
Common stock, non-voting.....	0	0
	voting	non-voting
	03/31/07	12/31/06
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Shares aut	4,800,000	4,800,000
Shares o/s	2,395,331	2,386,918
Shares aut	635,000	635,000
Shares o/s	0	0
Paid in capital.....	169,148	132,151
Unrealized gains (losses) on securities available for sale.....	477,972	620,713
Retained earnings.....	19,003,125	18,275,774
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Total shareholders' equity.....	31,626,900	30,963,228
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Total liabilities and shareholders' equity.....	\$430,273,823	\$ 418,090,509
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Chesapeake Financial Shares, Inc.
Consolidated Statements of Earnings

Three Months Ended
March 31,

2007 2006

Interest Income	(Unaudited)	
Interest and fees on loans.....	\$ 5,809,807	\$ 5,005,202
Interest on federal funds sold.....	3,345	3,024
Interest on time deposits with banks.....	13,343	19,364
Interest on obligations of U.S. Agency Obligations....	607,787	301,967
Interest on obligations of state and political subs...	229,582	310,315
Total interest income	6,663,864	5,639,872
Interest Expense		
Interest on savings and interest bearing deposits....	737,576	456,778
Interest on certificates of deposit.....	1,782,388	1,205,737
Interest on federal funds purchased.....	221,552	191,720
Other interest expense.....	283,075	221,728
Total interest expense	3,024,591	2,075,963
Net interest income.....	3,639,273	3,563,909
Provision for loan losses.....	120,000	200,000
Net interest income after provision for loan losses...	3,519,273	3,363,909
Noninterest Income		
Income from fiduciary activities.....	375,769	310,321
Service charges on deposit accounts.....	444,582	288,023
Net gain(loss) on other real estate owned.....	0	0
Securities gains (losses)-net.....	(12,302)	(49,045)
Merchant card income.....	577,987	513,538
ATM income.....	178,666	161,165
Cash Flow Income	826,385	656,431
Other income.....	421,269	389,332
Total noninterest income.....	2,812,356	2,269,765
Noninterest Expense		
Salaries.....	2,056,557	1,868,621
Employee benefits.....	522,797	525,038
Occupancy expenses.....	576,429	550,092
Merchant card expense.....	435,231	390,720
ATM expense.....	136,759	109,733
Cash Flow expense.....	153,161	110,382
Other expenses.....	1,163,556	1,039,115
Total noninterest expense.....	5,044,490	4,593,701
Income before income taxes.....	1,287,139	1,039,973
Income taxes.....	320,098	253,541
Net income.....	\$ 967,041	\$ 786,432
Earnings per share, primary.....	\$ 0.405	\$ 0.326
Earnings per share, assuming dilution.....	\$ 0.398	\$ 0.318
Dividends per share.....	\$ 0.100	\$ 0.095