

Chesapeake Financial Shares, Inc. Consolidated Balance Sheets	March 31, 2009	December 31, \$2,008
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ASSETS		
	(Unaudited)	
Cash and due from banks.....	\$ 9,029,003	\$ 11,149,371
Federal funds sold.....	64,289,000	5,705,000
Securities available for sale		
U.S. Government agencies(book value of \$79,037,665 -2008 and \$65,929,600-2008).....	66,054,426	58,437,726
Obligations of state and political subdivisions (book value of \$37,576,040-2008 and \$33,353,917 -2008).....	36,978,990	33,198,176
Other Debt Securities(book value \$3,884,683-2009 and \$4,289,983-2008).....	3,884,683	4,289,983
Loans.....	360,995,144	363,632,894
Less: Allowance for loan loss.....	(4,757,084)	(4,715,574)
Net loans.....	356,238,060	358,917,320
Bank premises and equipment, net.....	16,654,477	17,145,122
Accrued interest receivable.....	2,208,090	2,288,419
Cash Flow Assets.....	26,421,971	31,619,663
Other assets.....	16,446,187	15,201,010
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Total assets.....	\$ 598,204,887	\$ 537,951,790
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LIABILITIES AND SHAREHOLDERS' EQUITY		
	(Unaudited)	
Deposits		
Noninterest bearing deposits.....	\$ 68,192,962	\$ 62,192,303
Savings and interest bearing deposits.....	181,289,450	126,497,030
Certificates of deposit.....	250,899,427	239,051,758
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Total deposits.....	500,381,839	427,741,091
Federal funds purchased, FHLB Daily & Term borrowing.	51,588,753	61,135,178
Accrued interest payable.....	820,902	798,917
Other liabilities.....	2,336,211	2,259,805
Notes payable & TruPS.....	15,983,870	15,465,000
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Total liabilities.....	571,111,575	507,399,991
Commitments		
Shareholders' equity		
Preferred stock, par value \$1 per share; authorized 50,000 shares; none outstanding	0	0
Common stock, voting.....	13,925,290	13,977,065
Common stock, non-voting.....	0	0
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	voting	non-voting
	03/31/09	12/31/08
	03/31/09	12/31/08
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Shares autl	5,760,000	5,760,000
Shares o/s	2,785,058	2,795,413
Paid in capital.....	49,010	179,523
Unrealized gains (losses) on securities available for sale.....	(8,962,991)	(5,047,426)
Retained earnings.....	22,082,003	21,442,637
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Total shareholders' equity.....	27,093,312	30,551,799
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Total liabilities and shareholders' equity.....	\$ 598,204,887	\$ 537,951,790
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See accompanying notes to consolidated financial statements.

Chesapeake Financial Shares, Inc.  
Consolidated Statements of Earnings

Three Months Ended  
December 31,  
2009 2008

Interest Income	(Unaudited)	
Interest and fees on loans.....	\$ 5,810,406	\$ 6,026,518
Interest on federal funds sold.....	35,683	4,692
Interest on time deposits with banks.....	2,493	3,906
Interest on obligations of U.S. Agency Obligations....	1,140,045	922,147
Interest on obligations of state and political subs...	367,944	315,425
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Total interest income	7,356,571	7,272,688
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Interest Expense		
Interest on savings and interest bearing deposits.....	620,229	553,476
Interest on certificates of deposit.....	2,115,645	2,053,701
Interest on federal funds purchased.....	0	110,350
Other interest expense.....	710,443	664,026
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Total interest expense	3,446,317	3,381,553
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Net interest income.....	3,910,254	3,891,135
Provision for loan losses.....	150,000	60,000
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Net interest income after provision for loan losses...	3,760,254	3,831,135
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Noninterest Income		
Income from fiduciary activities.....	436,381	410,681
Service charges on deposit accounts.....	416,963	460,191
Net gain(loss) on other real estate owned.....	0	0
Securities gains (losses)-net.....	255,667	93,198
Merchant card income.....	744,342	679,805
ATM income.....	198,102	202,984
Cash Flow Income .....	975,346	1,104,392
Other income.....	582,148	722,517
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Total noninterest income.....	3,608,949	3,673,768
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Noninterest Expense		
Salaries.....	2,350,531	2,307,281
Employee benefits.....	627,830	635,348
Occupancy expenses.....	788,379	738,205
Merchant card expense.....	562,163	508,189
ATM expense.....	126,887	139,267
Cash Flow expense.....	81,127	166,374
Other expenses.....	1,557,958	1,663,796
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Total noninterest expense.....	6,094,875	6,158,460
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Income before income taxes.....	1,274,328	1,346,443
Income taxes.....	342,343	356,963
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Net income.....	\$ 931,985	\$ 989,480
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Earnings per share, primary.....	\$ 0.334	\$ 0.350
Earnings per share, assuming dilution.....	\$ 0.330	\$ 0.343
Dividends per share.....	\$ 0.105	\$ 0.100

See accompanying notes to consolidated financial statements.

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