

Chesapeake Financial Shares, Inc. Consolidated Balance Sheets	March 31, 2010	December 31, 2009

ASSETS		
	(Unaudited)	
Cash and due from banks.....	\$ 25,332,228	\$ 10,836,474
Federal funds sold & interest bearing deposits in banks..	1,896,000	2,392,000
Securities available for sale		
U.S. Government agencies & Other MBS (book value of \$95,134,255-2010 and \$94,302,848-2009).....	90,668,053	88,742,219
Obligations of state and political subdivisions (book value of \$60,001,960-2010 and \$53,901,472 -2009).....	60,860,134	54,189,167
Other Debt Securities(book value \$3,981,783-2010 and \$3,981,783-2009).....	3,981,783	3,981,783
Loans.....	368,292,180	365,773,211
Less: Allowance for loan loss.....	(5,313,727)	(5,165,792)
Net loans.....	362,978,453	360,607,419
Bank premises and equipment, net.....	18,097,780	17,997,786
Accrued interest receivable.....	2,359,814	2,586,567
Cash Flow Assets.....	22,026,928	24,518,901
Other assets.....	20,321,640	20,827,890
Total assets.....	\$ 608,522,813	\$ 586,680,206
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LIABILITIES AND SHAREHOLDERS' EQUITY		
	(Unaudited)	
Deposits		
Noninterest bearing deposits.....	\$ 65,434,950	\$ 62,933,333
Savings and interest bearing deposits.....	215,679,513	203,675,719
Certificates of deposit.....	232,901,587	220,000,490
Total deposits.....	514,016,050	486,609,542
Federal funds purchased, FHLB Daily & Term borrowing.	36,000,000	45,023,274
Accrued interest payable.....	559,721	582,896
Other liabilities.....	3,053,536	2,204,938
Notes payable & TruPS.....	17,984,586	16,990,000
Total liabilities.....	571,613,893	551,410,650
Commitments		
Shareholders' equity		
Preferred stock, par value \$1 per share; authorized 50,000 shares; none outstanding	0	0
Common stock, voting.....	13,679,080	13,694,320
Common stock, non-voting.....	0	0
voting		
non-voting		
03/31/10	12/31/09	03/31/10
12/31/09	03/31/10	12/31/09
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Shares auth.	5,760,000	5,760,000
Shares o/s..	2,735,816	2,738,864
Paid in capital.....	103,322	131,016
Unrealized gains (losses) on securities available for sale.....	(1,638,240)	(2,440,877)
Unearned ESOP shares.....	(830,400)	(830,400)
Retained earnings.....	25,595,158	24,715,497
Total shareholders' equity.....	36,908,920	35,269,556
Total liabilities and shareholders' equity.....	\$ 608,522,813	\$ 586,680,206
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See accompanying notes to consolidated financial statements.

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Chesapeake Financial Shares, Inc.
Consolidated Statements of Earnings

Three Months Ended
March 31,
2010 2009

Interest Income	(Unaudited)	
Interest and fees on loans.....	\$ 5,559,045	\$ 5,810,406
Interest on federal funds sold.....	13,749	35,683
Interest on time deposits with banks & Other.....	4,234	2,493
Interest on U.S. Agency Obligations & MBS....	1,355,415	1,140,045
Interest on obligations of state and political subs...	593,154	367,944
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Total interest income	7,525,597	7,356,571
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Interest Expense		
Interest on savings and interest bearing deposits.....	464,484	620,229
Interest on certificates of deposit.....	1,307,571	2,115,645
Interest on federal funds purchased.....	0	0
Other interest expense.....	560,261	710,443
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Total interest expense	2,332,316	3,446,317
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Net interest income.....	5,193,281	3,910,254
Provision for loan losses.....	241,666	150,000
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Net interest income after provision for loan losses...	4,951,615	3,760,254
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Noninterest Income		
Income from fiduciary activities.....	460,994	436,381
Service charges on deposit accounts.....	400,037	416,963
Net gain(loss) on other real estate owned.....	0	0
Securities gains (losses)-net.....	(266,104)	255,667
Merchant card income.....	824,263	744,342
ATM income.....	225,915	198,102
Cash Flow Income	868,705	975,346
Other income.....	502,682	576,543
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Total noninterest income.....	3,016,492	3,603,344
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Noninterest Expense		
Salaries.....	2,330,440	2,350,531
Employee benefits.....	712,262	627,830
Occupancy expenses.....	720,177	788,379
Merchant card expense.....	752,701	562,163
ATM expense.....	129,360	126,887
Cash Flow expense.....	83,332	81,127
Other expenses.....	1,651,108	1,550,651
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Total noninterest expense.....	6,379,380	6,087,568
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Income before income taxes.....	1,588,727	1,276,030
Income taxes.....	427,358	342,343
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Net income.....	\$ 1,161,369	\$ 933,687
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Earnings per share, primary.....	\$ 0.424	\$ 0.335
Earnings per share, assuming dilution.....	\$ 0.422	\$ 0.331
Dividends per share.....	\$ 0.105	\$ 0.105

See accompanying notes to consolidated financial statements.

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