

NOTE: THE SHARE DATA HAS NOT BEEN ADJUSTED FOR THE OCTOBER STOCK SPLIT

Chesapeake Financial Shares, Inc. September 30 December 31,
Consolidated Balance Sheets 2007 2006

ASSETS		(Unaudited - restated)	
Cash and due from banks.....		\$ 11,517,862	\$ 9,982,958
Federal funds sold.....		-	-
Securities available for sale			
U.S. Government agencies(book value of \$56,529,880			
-2007 and \$45,807,802-2006).....		56,825,353	45,702,398
Obligations of state and political subdivisions			
(book value of \$18,714,029-2007 and \$18,121,593			
-2006).....		19,539,854	19,167,471
Other Debt Securities(book value \$1,861,500-2007 and			
\$1,515,300-2006).....		1,861,500	1,515,300
Loans.....		322,565,309	301,543,983
Less: Allowance for loan loss.....		(4,439,622)	(4,342,174)
Net loans.....		318,125,687	297,201,809
Bank premises and equipment, net.....		16,489,588	13,834,788
Accrued interest receivable.....		1,937,494	1,675,967
Business Manager Assets.....		26,555,895	17,249,332
Other assets.....		11,435,442	11,760,486
Total assets.....		\$ 464,288,675	\$ 418,090,509
		=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		(Unaudited)	
Deposits			
Noninterest bearing deposits.....		\$ 67,638,979	\$ 66,242,122
Savings and interest bearing deposits.....		132,402,004	137,698,648
Certificates of deposit.....		177,664,725	154,836,658
Total deposits.....		377,705,708	358,777,428
Federal funds purchased & FHLB borrowing & TruPS.....		23,990,461	15,311,000
Accrued interest payable.....		981,266	739,232
Other liabilities.....		1,954,150	953,671
Notes payable.....		26,359,602	11,345,950
Total liabilities.....		430,991,187	387,127,281
Commitments			
Shareholders' equity			
Preferred stock, par value \$1 per share;			
authorized 50,000 shares; none outstanding		-	-
Common stock, voting.....		11,869,575	11,934,590
Common stock, non-voting.....		-	-
voting			
09/30/07	12/31/06		
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Shares auth. #####	#####	635,000	635,000
Shares o/s.. #####	#####	0	0
Paid in capital.....		-	132,151
Unrealized gains (losses) on securities available			
for sale.....		740,057	620,713
Retained earnings.....		20,687,856	18,275,774
Total shareholders' equity.....		33,297,488	30,963,228
Total liabilities and shareholders' equity.....		\$ 464,288,675	\$ 418,090,509
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See accompanying notes to consolidated financial statements.

Chesapeake Financial Shares, Inc.
Consolidated Statements of Earnings

Three Months Ended
September 30,
2007 2,006

Interest Income	(Unaudited)	
Interest and fees on loans.....	\$ 6,147,358	\$ 5,487,460
Interest on federal funds sold.....	20,070	33,736
Interest on time deposits with banks.....	6,555	22,182
Interest on obligations of U.S. Agency Obligations....	731,169	523,212
Interest on obligations of state and political subs...	260,987	302,883
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Total interest income	7,166,139	6,369,473
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Interest Expense		
Interest on savings and interest bearing deposits.....	730,086	787,310
Interest on certificates of deposit.....	2,088,898	1,723,079
Interest on federal funds purchased.....	259,016	128,860
Other interest expense.....	485,454	243,943
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Total interest expense	3,563,454	2,883,192
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Net interest income.....	3,602,685	3,486,281
Provision for loan losses.....	-	300,000
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Net interest income after provision for loan losses...	3,602,685	3,186,281
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Noninterest Income		
Income from fiduciary activities.....	594,655	541,582
Service charges on deposit accounts.....	453,267	334,476
Net gain(loss) on other real estate owned.....	-	-
Securities gains (losses)-net.....	12,177	56,935
Merchant card income.....	876,997	687,627
ATM income.....	205,256	183,832
Cash Flow Income	1,156,210	771,724
Other income.....	322,862	902,788
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Total noninterest income.....	3,621,424	3,478,964
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Noninterest Expense		
Salaries.....	2,063,016	2,028,050
Employee benefits.....	492,174	402,269
Occupancy expenses.....	646,905	619,496
Merchant card expense.....	658,703	525,145
ATM expense.....	136,308	123,450
Cash Flow expense.....	177,975	205,217
Other expenses.....	1,185,315	1,185,299
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Total noninterest expense.....	5,360,396	5,088,926
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Income before income taxes.....	1,863,713	1,576,319
Income taxes.....	462,296	384,871
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Net income.....	\$ 1,401,417	\$ 1,191,448
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Earnings per share, primary.....	\$ 0.585	\$ 0.492
Earnings per share, assuming dilution.....	\$ 0.573	\$ 0.482
Dividends per share.....	\$ 0.100	\$ 0.095

See accompanying notes to consolidated financial statements.

Page: 2

Chesapeake Financial Shares, Inc.
Consolidated Statements of Earnings

Nine Months Ended
September 30,
2007 2,006

Interest Income	(Unaudited)	
Interest and fees on loans.....	\$ 18,025,771	\$ 15,829,886
Interest on federal funds sold.....	68,794	78,867
Interest on time deposits with banks.....	31,971	64,753
Interest on obligations of U.S. Agency Obligations....	1,879,966	1,171,150
Interest on obligations of state and political subs...	725,046	937,502
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Total interest income	20,731,548	18,082,158
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Interest Expense		
Interest on savings and interest bearing deposits.....	2,229,666	1,921,441
Interest on certificates of deposit.....	5,909,344	4,330,878
Interest on federal funds purchased.....	737,703	458,077
Other interest expense.....	957,215	695,796
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Total interest expense	9,833,928	7,406,192
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Net interest income.....	10,897,620	10,675,966
Provision for loan loss.....	160,000	700,000
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Net interest income after provision for loan losses...	10,737,620	9,975,966
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Non-interest Income		
Income from fiduciary activities.....	1,391,566	1,205,742
Service charges on deposit accounts.....	1,372,005	954,930
Net gain(loss) on other real estate owned	-	-
Securities gains (losses)-net.....	17,535	(33,554)
Merchant card income.....	2,166,586	1,796,880
ATM income.....	586,884	529,133
Cash Flow Income	3,097,289	2,172,285
Other income.....	1,149,809	1,635,734
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Total non-interest income.....	9,781,674	8,261,150
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Non-interest Expense		
Salaries	6,324,978	5,841,174
Employee Benefits.....	1,552,424	1,469,348
Occupancy expenses.....	1,868,227	1,748,277
Merchant card expense.....	1,626,035	1,368,867
ATM expense.....	416,607	348,251
Cash Flow expense.....	535,428	416,652
Other expenses.....	3,604,453	3,237,836
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Total non-interest expense.....	15,928,152	14,430,405
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Income before income taxes.....	4,591,142	3,806,711
Applicable income taxes.....	1,140,760	928,746
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Net income.....	\$ 3,450,382	\$ 2,877,965
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Earnings per share, primary.....	\$ 1.439	\$ 1.189
Earnings per share, assuming dilution.....	\$ 1.415	\$ 1.163
Dividends per share.....	\$ 0.300	\$ 0.285

See accompanying notes to consolidated financial statements.

Page 3