

PRESS RELEASE

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**CHEMICAL FINANCIAL CORPORATION
INCREASES CASH DIVIDEND**

Midland, Michigan . . . Chemical Financial Corporation's Board of Directors announced that on December 12, 2006, the board of directors of the Company declared a first quarter 2007 cash dividend of \$0.285 per share of common stock, representing a 3.6% increase over the fourth quarter 2006 cash dividend of \$0.275 per share. The first quarter 2007 dividend will be payable on Friday, March 16, 2007, to shareholders of record on March 2, 2007. The ex-dividend date is February 28, 2007. In declaring this dividend, the board indicated its intent to continue this quarterly dividend rate throughout 2007 resulting in a 3.6% increase in total cash dividends paid per share in 2007 over 2006. The year of 2007 will mark the 33rd consecutive year of annual dividend increases paid to Chemical Financial Corporation shareholders.

Chemical Financial Corporation is the fourth largest bank holding company headquartered in Michigan. The Company operates through a single subsidiary bank, Chemical Bank, with 127 banking offices spread over 31 counties in the lower peninsula of Michigan. At September 30, 2006, the Company had total assets of \$3.84 billion. Chemical Financial Corporation common stock trades on The Nasdaq Stock Market under the symbol CHFC and is one of the issues comprising the Nasdaq Global Select Market.

Forward-Looking Statements

This press release contains forward-looking statements. Words such as "anticipates," "believes," "estimates," "expects," "intends," "should," "will," variations of such words and similar expressions are intended to identify forward-looking statements. These statements reflect management's current beliefs as to the expected outcomes of future events and are not guarantees of future performance. These statements involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. Factors that could cause a difference include, among others: changes in the national and local economies or market conditions; changes in interest rates and banking laws and regulations; the impact of competition from traditional or new sources; and the possibility that anticipated cost savings and revenue enhancements from acquisitions, restructurings and bank consolidations may not be fully realized at all or within the expected time frames. These and other factors that may emerge could cause decisions and actual results to differ materially from current expectations. Chemical undertakes no obligation to revise, update, or clarify forward-looking statements to reflect events or conditions after the date of this release.

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