

CHESAPEAKE
FINANCIAL SHARES INC.
Consolidated Balance Sheet
Unaudited

	March 31, 2019	March 31, 2018
Assets		
Cash and due from banks		
Noninterest bearing	\$17,235,453	\$16,008,086
Interest bearing	35,415,846	16,080,090
Federal funds sold	0	17,000
Securities available for sale:		
U.S. Government agencies & mortgage backed securities	62,979,269	60,509,445
Obligations of state and political subdivisions	153,913,872	144,362,979
Other debt securities	20,025,276	995,774
Other securities	1,996,300	2,358,400
Loans held for sale	0	1,348,000
Loans	523,118,762	485,744,783
Less: Allowance for loan loss	(5,238,135)	(4,737,748)
Total loans	517,880,627	481,007,035
Cash management accounts, net	33,239,821	29,938,604
Bank premises and equipment, net	17,594,450	17,214,634
Accrued interest receivable	3,310,486	2,916,600
Foreclosed assets	2,617,220	3,217,020
Bank-owned life insurance	16,869,177	14,572,766
Other assets	10,359,283	6,803,261
Total assets	<u>\$893,437,080</u>	<u>\$797,349,694</u>
Liabilities and Shareholders' Equity		
Deposits		
Noninterest bearing deposits	\$158,801,064	\$156,805,340
Savings and interest bearing deposits	390,107,323	324,651,578
Certificates of deposits	232,769,087	205,374,280
Total deposits	781,677,474	686,831,198
Federal funds purchased, FHLB daily & term borrowing	0	10,000,000
Trust preferred capital notes	5,155,000	5,155,000
Other borrowings	1,401,224	0
Accrued interest payable	473,184	168,807
Other liabilities	6,937,251	8,179,034
Total liabilities	795,644,133	710,334,039
Shareholders' equity		
Preferred stock, par value \$1 per share; authorized		
50,000 shares; none outstanding	0	0
Common stock, voting		
Mar 2019 Mar 2018		
Shares authorized	4,800,000	4,800,000
Shares outstanding	4,108,228	4,083,858
Common stock, non-voting; authorized 635,000		
shares; none outstanding	0	0
Additional paid in capital	1,802,550	1,534,004
Accumulated other comprehensive income	5,042,273	2,815,811
Retained earnings	70,557,149	62,448,930
Total shareholders' equity	97,792,947	87,015,655
Total liabilities and shareholders' equity	<u>\$893,437,080</u>	<u>\$797,349,694</u>

CHESAPEAKE
FINANCIAL SHARES INC.
Consolidated Balance Sheet
Unaudited

March 31, 2019 December 31, 2018

Assets

Cash and due from banks		
Noninterest bearing	\$17,235,453	\$17,763,999
Interest bearing	35,415,846	30,703,586
Federal funds sold	0	1,000
Securities available for sale:		
U.S. Government agencies & mortgage backed securities	62,979,269	59,478,050
Obligations of state and political subdivisions	153,913,872	147,287,715
Other debt securities	20,025,276	12,160,538
Other investments	1,996,300	1,933,400
Loans held for sale	0	308,000
Loans	523,118,762	511,299,706
Less: Allowance for loan loss	(5,238,135)	(5,095,827)
Total loans	517,880,627	506,203,879
Cash management accounts, net	33,239,821	32,884,399
Bank premises and equipment, net	17,594,450	16,663,438
Accrued interest receivable	3,310,486	3,558,153
Foreclosed assets	2,617,220	2,708,399
Bank-owned life insurance	16,869,177	14,797,610
Other assets	10,359,283	8,314,254
Total assets	<u>\$893,437,080</u>	<u>\$854,766,420</u>

Liabilities and Shareholders' Equity

Deposits		
Noninterest bearing deposits	\$158,801,064	\$165,628,082
Savings and interest bearing deposits	390,107,323	360,662,903
Certificates of deposits	232,769,087	222,890,463
Total deposits	781,677,474	749,181,448
Trust preferred capital notes	5,155,000	5,155,000
Other borrowings	1,401,224	0
Accrued interest payable	473,184	346,424
Other liabilities	6,937,251	7,357,210
Total liabilities	<u>795,644,133</u>	<u>762,040,082</u>

Shareholders' equity

Preferred stock, par value \$1 per share; authorized

50,000 shares; none outstanding	0	0
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Common stock, voting

	Mar 2019	Dec 2018		
Shares authorized	4,800,000	4,800,000		
Shares outstanding	4,108,228	4,097,365	20,390,975	20,336,660

Common stock, non-voting; authorized 635,000

shares; none outstanding	0	0
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Additional paid in capital

Accumulated other comprehensive income

Retained earnings

Total shareholders' equity	97,792,947	92,726,338
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Total liabilities and shareholders' equity

\$893,437,080	\$854,766,420
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Consolidated Statements of Income
Unaudited

	Three Months Ended	
	March 31, 2019	March 31, 2018
Interest Income		
Interest and fees on loans	\$6,831,159	\$6,069,510
Interest on federal funds sold	301	169
Interest on time deposits with banks & other	1,172	1,085
Interest on U.S. Agency obligations & mortgage backed securities	719,326	474,886
Interest on obligations of state and political subdivisions	1,172,945	1,138,285
Total interest income	8,724,903	7,683,936
Interest Expense		
Interest on savings and interest bearing deposits	801,840	237,490
Interest on certificates of deposits	1,091,791	642,654
Other interest expense	62,530	124,871
Total interest expense	1,956,161	1,005,015
Net interest income	6,768,742	6,678,922
Provision for loan losses	174,999	174,999
Net interest income after provision for loan losses	6,593,743	6,503,923
Noninterest Income		
Income from fiduciary activities and wealth management	952,393	918,964
Service charges on deposit accounts	252,921	278,654
Securities gains, net	61,502	1,487
Merchant card income, net	1,070,475	1,023,017
ATM income	364,183	351,104
Cash management income	1,082,828	991,643
Other income	692,985	844,967
Total noninterest income	4,477,287	4,409,837
Noninterest Expense		
Salaries	3,481,852	3,416,385
Employee benefits	1,017,389	917,773
Occupancy expense	596,866	748,295
Loss on other real estate owned, net	145,179	501
ATM expense	161,228	161,569
Provision for cash management account losses	30,000	30,000
Other expense	2,234,239	2,323,259
Total noninterest expense	7,666,753	7,597,782
Income before income taxes	3,404,277	3,315,978
Income taxes	429,627	398,964
Net income	\$2,974,650	\$2,917,014
Earnings per share, basic	\$0.724	\$0.715
Earnings per share, diluted	\$0.717	\$0.703
Dividends per share	\$0.145	\$0.130