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Zacks Small-Cap Research

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Chesapeake Financial Shares, Inc. (CPKF-OTCQX)

CPKF: CPKF Posts Another Strong Quarter with Diluted EPS Up 75% Year over Year

We have chosen $43.75 as our new valuation, based upon CPKF's 2027 P/E of $45.00 and forward Price/Tangible Book Value of $42.50

Current Price (09/08/26)	$39.20
Valuation	**$43.75**

OUTLOOK

CPKF produced another strong quarter with 2026 second quarter net earnings surging $2.3 million, or 74%, to $5.5 million year over year, while 2026's second quarter diluted EPS rose $0.50, or 75%, to $1.17. Results exclude a gain on the sale of CPKF's interest in Bearing Insurance of $3.75 million pretax, $2.7 million aftertax, and $0.57 per diluted share. This was much better than our estimate. Earnings growth was driven by a 13%, increase in net interest income plus a 30% rise in total noninterest income and was partly offset by $1.0 million growth in noninterest expense, a $0.2 million larger credit loss provision, and $0.1 million less income taxes. We are increasing our diluted EPS estimate for 2026 by $0.30 from $4.00 to $4.30, representing a 20% gain over 2025's actual EPS of $3.58, both years excluding nonrecurring items. We are raising our 2027 diluted EPS estimate by a dime to $4.30, flat with our 2026 estimate. We expect good gains in net interest income as solid loan growth will be aided by decent prospects for CPKF's net interest margin, as well as continuing growth in the contribution to revenues and earnings of CPKF's specialty lines of business. Higher compensation costs due to increases in full-time equivalent employees will be a headwind, but well-controlled non-compensation costs should provide a partial offset. CPKF just raised the quarterly dividend by 6% to $0.18 per share and has raised its annual dividend payment every year for the past thirty-four years since 1991. In 2025 for the eighteenth consecutive year, CPKF was included in the American Banker magazine list of the "Top 100 Community Banks," ranking #60 out of approximately 348 community banks with total assets under $2 billion. Chesapeake Bank again garnered a top ranking in the American Banker's list of "Best Banks to Work for: Less than $3 Billion of Assets," and had a #32 spot in 2025 out of 51 banks listed.

SUMMARY DATA

52-Week High	**$39.75**
52-Week Low	**$21.72**
One-Year Return (%)	**82.07**
Beta	**0.22**
Average Daily Volume (sh)	**394**
Shares Outstanding (mil)	**5**
Market Capitalization ($mil)	**$184**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**4**
Insider Ownership (%)	**40**
Annual Cash Dividend	**$0.72**
Dividend Yield (%)	**1.84**
5-Yr. Historical Growth Rates	
Net Revenue (%)	**8.8**
Earnings Per Share (%)	**9.4**
Dividend (%)	**5.4**
P/E using TTM EPS	**8.8**
P/E using 2026 Estimate	**9.1**
P/E using 2027 Estimate	**9.1**
Zacks Rank	**N/A**

Risk Level	**Average**
Type of Stock	**Small-Value**
Industry	**Banks-Southeast**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Net Revenue
(in millions of $)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2024	15.8 A	17.3 A	18.0 A	17.6 A	68.7 A
2025	17.9 A	19.6 A	21.2 A	21.0 A	79.7 A
2026	21.5 A	23.1 A	22.3 E	22.2 E	89.1 E
2027	22.5 E	22.8 E	23.0 E	22.9 E	91.2 E

Earnings per Share*
(EPS is operating earnings before nonrecurring items)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2024	0.58 A	0.65 A	0.55 A	0.64 A	2.42 A
2025	0.75 A	0.67 A	0.96 A	1.20 A	3.58 A
2026	1.15 A	1.17 A	1.02 E	0.96 E	4.30 E
2027	1.02 E	1.04 E	1.15 E	1.09 E	4.30 E

* Quarterly EPS may not add to total due to changes in average shares outstanding.

SECOND QUARTER

CPKF produced another strong quarter with 2026 second quarter net earnings surging $2.3 million, or 74%, to $5.5 million year over year, while 2026's second quarter diluted EPS rose $0.50, or 75%, to $1.17. Results exclude a gain on the sale of CPKF's interest in Bearing Insurance of $3.75 million pretax, $2.7 million aftertax, and $0.57 per diluted share.

This was much better than our estimate, which had called for a $0.9 million increase in net earnings to $4.1 million (off by $1.4 million) and a $0.19 increase in diluted EPS to $0.86 (off by $0.31).

The primary reasons for the difference between reported results and our estimate were that net revenues grew $1.5 million more than the $21.6 million we had anticipated, consisting of noninterest income that was $1.2 million above our projection largely on the strength of cash management ($0.8 million above our estimate) and a $0.7 million pretax gain on the sale of available-for-sale securities (none in our estimate), as well as $0.4 million greater net interest income reflecting a better net interest margin than expected due to stellar growth in the higher margin cash management business (3.92% versus our 3.80% estimate). This was partially offset by a $0.1 million larger loan loss provision than estimated.

Furthermore, total noninterest expense of $16.2 million was $0.1 million below what we had projected, primarily reflecting professional fees that were lower than expected.

The major reasons for the second quarter's $2.3 million increase in net earnings versus the prior-year quarter were a $1.7 million, or 13%, increase in net interest income plus a $1.9 million, or 30%, rise in total noninterest income as most business lines posted strong improvement led by cash management that surged $1.2 million (up 89% year over year) as receivables outstanding more than doubled, as well a $0.7 million gain on the sale of available-for-sale securities. Exceptions to this were merchant services (down $0.1 million to $1.9 million) and mortgage banking (essentially flat). This was partly offset by $1.0 million (up 7%) growth in total noninterest expense primarily from higher compensation costs, a $0.2 million larger credit loss provision, and $0.1 million less income taxes as the effective tax rate of 14.4% was almost 10 points lower than the 24.0% posted in the year-ago quarter.

We are increasing our diluted EPS estimate for 2026 by $0.30 from $4.00 to $4.30, representing a 20% gain over 2025's actual EPS of $3.58, excluding nonrecurring items. Our 2026 estimate excludes a $2.7 million aftertax gain ($0.57 per diluted share) on the sale of CPKF's interest in Bearing Insurance on May 1, 2026 during the second quarter. We are raising our 2027 diluted EPS estimate by $0.10 from $4.20 to $4.30, or flat with our 2026 estimate.

We expect good gains in net interest income as solid loan growth, estimated at 12% in 2026 (up from 11% previously, reflecting stronger loan demand in the first and second quarters) and 8% in 2027, will be aided by decent prospects for CPKF's net interest margin (estimated at 3.90% in 2026 and 3.80% in 2027), reflecting higher loan pricing as loan rates reset, gains in investment income from the restructured securities portfolio, and continued contribution from swaps income, partly offset by funding cost pressures from expected higher deposit rates. We note that CPKF is strategically using brokered deposits and large time deposits (greater than $250,000) to invest in its available-for-sale securities portfolio to earn money on the spread, as well as derivatives, to supplement interest income. Moreover, loan growth will be supplemented by new lending initiatives. Moreover, loan growth will be supplemented by new lending initiatives in newer markets such as Midlothian and Newport News, Virginia.

We also expect continuing growth in the contribution to revenues and earnings of CPKF's specialty lines of business. Merchant services income should benefit as CPKF expands its footprint in this business by adding several new ISOs (independent sales organizations), processors, and merchant services relationships in the next year or so. Just as important, cash management should profit from the addition of a new sales manager, who is expected to generate new receivables growth in the factoring business.

We are increasing our estimate for the loan loss provision in 2026 by $0.2 million to $1.5 million with this falling slightly by $0.1 million to $1.4 million in 2027. This compares to $1.1 million actual in 2025.

The provision for cash management losses, a separate line item listed under other noninterest expense, is expected to be about $500,000 in 2026 (up from $450,000 previously) and $400,000 in 2027 (down from $500,000 previously) and compares to $40,000 reported in 2025. These large increases reflect strong growth in receivables outstanding, which more than doubled in 2026's second quarter.

On the expense side, higher compensation costs due to the increases in full-time equivalent employees from new hires and replacement staffing will be a headwind. However, we expect non-compensation costs to be well controlled and to provide a partial offset to this.

CPKF raised the dividend again, representing the second dividend increase in the last six months. At the April 17, 2026 Chesapeake Financial Shares Board of Directors meeting, the Board raised the quarterly dividend to $0.18 per share from $0.17 per share (a 6% increase), to be paid on or before June 15, 2026. Notably, CPKF has increased the annual dividend payment every year for the past thirty-four years since 1991.

On March 3, 2025, CPKF completed a private placement of $25 million of fixed-to-floating rate subordinated notes. The notes have been structured to qualify as Tier 2 capital for the Company under regulatory capital guidelines. Of the total $25 million issued, $18 million has been contributed to the Bank as Tier 1 capital, $4 million has been retained at the holding company for share buybacks, and another $3 million has been designated for future interest payments on the subordinated notes. The offering size was increased due to significant investor demand at favorable pricing. The notes will initially bear interest at 8.00% per year, from and including February 28, 2025, to but excluding March 1, 2030, payable semi-annually in arrears, and mature on March 1, 2035.

In 2025 for the eighteenth consecutive year, Chesapeake Financial Shares, Inc. has been included in the American Banker magazine listing of the “Top 100 Community Banks” in the United States. The bank ranked at #60 in the nation out of approximately 348 community banks with total assets under $2 billion in the study, up from #148 when CPKF first broke into the rankings in 2008, when it was the “Top 200 Community Banks” and there were many more community banks. The ranking is based on a three-year return on average equity (ROAE). Chesapeake Bank again garnered a top ranking for the thirteenth consecutive year in the American Banker's list of “Best Banks to Work for: Less than $3 Billion of Assets,” and had a #32 spot in 2025, out of the 51 banks listed.

Below, we discuss second quarter results more fully. Our projections are shown at the back of the report.

Net Interest Income

Net interest income rose $1.7 million, or 13%, year over year in the second quarter to $14.9 million ($0.4 million above our $14.5 million estimate). A 7% increase in average interest-earning assets was aided by a much improved net interest margin of 3.92%, which was 12 basis points better than our 3.80% estimate and 21 basis points higher than the 3.71% earned in the year-ago quarter.

We expect good gains in net interest income as solid loan growth, estimated at 12% in 2026 (up from 11% previously, reflecting stronger loan demand in the first and second quarters) and 8% in 2027, will be aided by decent prospects for CPKF's net interest margin (estimated at 3.90% in 2026 and 3.80% in 2027), reflecting higher loan pricing as loan rates reset, gains in investment income from the restructured securities portfolio, and continued contribution from swaps income, partly offset by funding cost pressures from expected higher deposit rates. We note that CPKF is strategically using brokered deposits and large time deposits (greater than $250,000) to invest in its available-for-sale securities portfolio to earn money on the spread, as well as derivatives, to supplement interest income. Moreover, loan growth will be supplemented by new lending initiatives. Moreover, loan growth will be supplemented by new lending initiatives in newer markets such as Midlothian and Newport News, Virginia.

We have increased our net interest margin estimate for 2026 to 3.90% from 3.83%, up 10 basis points from 3.80% actually reported for 2025. Our 2027 net interest margin estimate remains 3.80%.

Noninterest Income

Total noninterest income grew $1.9 million, or 30%, as most business lines posted strong improvement led by cash management that surged $1.2 million (up 89% year over year) as receivables outstanding more than doubled, as well a $0.7 million gain on the sale of available-for-sale securities. Exceptions to this were merchant services (down $0.1 million to $1.9 million) and mortgage banking (essentially flat).

Our estimates for total noninterest income are $29.4 million in 2026 and $29.6 million in 2027, which compares to $22.7 million actual in 2025. While growth in 2026 will be led by an unusually large gain in cash management as receivables have more than doubled, this will decelerate in 2027, and be replaced by expected stronger growth in merchant services next year. We note the 2026 also benefits from a $0.7 million gain on the sale of available-for-sale-securities that are absent from our 2027 estimate. Merchant services income should benefit as CPKF expands its footprint in this business by adding several new ISOs (independent sales organizations), processors, and merchant services relationships in the next year or so. Just as important, cash management should profit from the addition of a new sales manager, who is expected to generate new receivables growth in the factoring business.

Loss Provision

The loan loss provision rose $0.2 million to $488,000 compared to the year-ago quarter and was about $0.1 million larger than our estimate. Loan loss reserves rose $0.2 million to $9.8 million (0.94% of loans) compared with the first quarter (0.94% of loans) and were $1.0 million above the $8.8 million (0.97% of loans) in the year-ago quarter.

Including the loss allowance for cash management receivables, the total loss allowance increased $0.3 million to $11.9 million (1.07% of loans plus cash management receivables) compared with 1.08% at the end of the previous quarter and was $1.1 million above the $10.9 million (1.15% of loans plus cash management receivables) at the end of the comparable year-ago quarter.

As to other asset quality measures, CPKF recorded net charge-offs of $263,000 in the second quarter. This compares to net charge-offs of $45,000 in the year-ago quarter and net charge-offs of $229,000 for the full year in 2025.

We are increasing our estimate for the loan loss provision in 2026 by $0.2 million to $1.5 million with this falling slightly by $0.1 million to $1.4 million in 2027. This compares to $1.1 million actual in 2025.

We project that the total loss allowance will decrease to 1.12% of total loans plus receivables at yearend 2026 from 1.13% actual at the end of 2025 before rising to 1.26% at the end of 2027.

Noninterest Expense

Noninterest expense advanced $1.0 million, or 7%, to $16.2 million ($0.1 million below our estimate) from the prior-year quarter, largely reflecting higher compensation costs (up $0.9 million).

We project that compensation costs will increase from $34.9 million actual in 2025 to $36.7 million in 2026 and $39.2 million in 2027 due to increases in full-time equivalent employees from new hires and replacement staffing, partly offset by a reduction in employee benefits. Effective December 31, 2025, the ESOP was frozen with respect to new participants and future employer contributions, and all existing participants became fully vested in their accounts. Our estimate of noncompensation costs is $26.1 million in 2026 and $25.8 million in 2027, compared to 2025’s $23.9 million actual.

Our estimates of the efficiency ratio are 71% in both 2026 and 2027, compared to 74% actual in 2025.

Income Taxes

The Company had a 14.4% effective tax rate in the second quarter. This compares to a 24.0% tax rate in the year-ago quarter and our estimate of an effective tax rate of 18.0%.

We estimate the effective tax rate for 2026 will be 18.0% in 2026 and 2027 compared to 14.2% actual in 2025.

Net Income

CPKF produced another strong quarter with 2026 second quarter net earnings surging $2.3 million, or 74%, to $5.5 million year over year, while 2026's second quarter diluted EPS rose $0.50, or 75%, to $1.17. Results exclude a gain on the sale of CPKF's interest in Bearing Insurance of $3.75 million pretax, $2.7 million aftertax, and $0.57 per diluted share.

This was much better than our estimate, which had called for a $0.9 million increase in net earnings to $4.1 million (off by $1.4 million) and a $0.19 increase in diluted EPS to $0.86 (off by $0.31).

Profitability

CPKF posted a 15.6% ROE and 1.27% ROA for the second quarter of 2026, compared to 10.9% and 0.78%, respectively, in the prior-year quarter.

Loans and Asset Quality

Gross loans rose about $135 million, or 15%, year over year and increased $26 million, or 3%, sequentially to $1,045 million.

By category, commercial real estate loans increased $18.2 million, or 4% to $439 million; cash management receivables jumped $14.5 million, or 26% to $70 million; 1-4 family gained $13.0 million, or 5%, to $268 million, commercial and industrial loans increased $6.7 million, or 4%, to $164 million; other loans (primarily multifamily) rose $8.4 million, or 14%, to $69 million; and consumer loans were basically flat at $15 million. Construction and land development loans fell $19.5 million, or 18%, to $91 million.

Loan demand strengthened in the first and second quarters, and we are raising our loan growth estimate to 12% from 11% for 2026 and maintaining our 2027 loan growth estimate at 8%.

Asset quality measures improved during 2026's second quarter and remained quite strong. Total nonperforming assets decreased $0.7 million to $3.0 million from $3.7 million sequentially,reflecting a $0.3 million increase in restructured loans that are in compliance with their modified terms, offset by a $1.0 million drop in nonaccrual loans. Other real estate owned was again zero. In total, nonperforming assets (NPAs), including troubled debt restructurings that are current in payments, improved, falling 7 basis points to 0.27% from 0.34% of outstandings + OREO sequentially and decreasing 20 basis points year over year from 0.47%.

The loss allowance as a percent of nonperforming assets increased to 396% from 317% sequentially, due to an decrease in nonperforming assets and an increase in the loss reserve for loans plus cash management receivables.

Liquidity and Funding

Cash and equivalents increased $3 million sequentially to $32 million at the end of the second quarter, while the securities portfolio fell $39 million to $496 million. By category, the private-label mortgage securities portfolio decreased $31 million to $181 million, US government-related securities fell $2 million at $133 million, the municipal securities portfolio was flat at $117 million, and asset-backed securities (primarily student loans under the FFELP program) and other securities fell $6 million to $65 million.

On a relative basis, the private-label mortgage securities portfolio was 36% of the entire available-for-sale securities portfolio, US government-related securities were 27%, municipal securities were 24%, and asset-backed securities and other were 13%.

CPKF's liquidity/funding ratios were mixed compared to the previous quarter, in part reflecting CPKF's strategy of increasing its use of purchased funds, including brokered deposits and large time deposits (greater than $250,000), to invest in its available-for-sale securities portfolio. For example, brokered deposits increased to $160 million at March 31, 2026 from $0 at yearend 2022, while large time deposits rose to $96 million from $22 million over the same period. Because of this, liquid assets as a percent of purchased funds weakened to 55% at June 30, 2026 from 100%-plus levels of years prior to 2023.

That said, core deposit funding, which was $1,226 million at June 30, 2026, remains very strong, with core deposits to total loans and receivables at 110% at quarterend.

Capital Adequacy and Dividends

The Company's capital adequacy ratios rose during the second quarter. The Tier 1 capital ratio gained 45 basis points sequentially to 11.61% at the end of 2026's second quarter from 11.15% at March 30, 2026, as growth in Tier 1 capital outpaced growth in risk-weighted assets. The Total capital ratio increased 16 basis points, rising to 15.47% from 15.31%. That said, issuance of $25 million in subordinated notes in 2025 considerably strengthened Total capital.

Total shareholders' equity increased $7.3 million during the second quarter, due to a $7.3 million increase in retained earnings, There was nominal movement in the accumulated other comprehensive loss account and other capital changes. In addition, tangible shareholders' equity was reduced by $7.4 million of goodwill from the acquisition of a small factoring company in May 2023. For these reasons as well as a $1 million increase in total assets, the total tangible equity to total assets ratio rose 44 basis points to 7.96% at the end of the second quarter from 7.52% in the prior quarter.

Reflecting these factors plus a 7,000 share decline in common shares outstanding, tangible book value per share increased during the second quarter, by $1.70 per share, to $29.29 from $27.59.

OVERVIEW

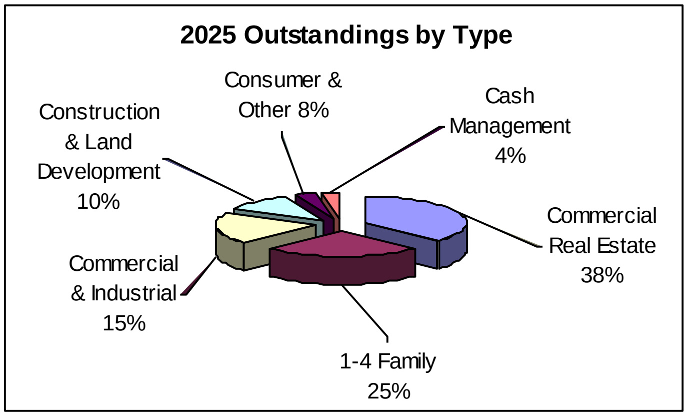
Chesapeake Financial Shares, Inc. (CPKF or the Company) is a financial holding company headquartered in Kilmarnock, Virginia, with $1,731 million in total assets at June 30, 2026. CPKF is predominantly a small business lender with 17 branch offices and two loan production offices that serve customers in the eastern region of Virginia between the Potomac and James Rivers. CPKF, which began as Lancaster National Bank on April 13, 1900, has a long history and strong ties with the communities it serves.

Operations are carried on through Chesapeake Bank, a state-chartered bank as well as Federal Reserve and FDIC member bank, and Chesapeake Wealth Management, an independent wealth management firm with trust powers that manages about $616 million in assets (at 2025 yearend) through its subsidiaries involved in asset management (Chesapeake Wealth Management is a registered investment adviser), brokerage, and trust services. Other activities of the Company include Chesapeake Payment Systems, cash management program (now branded as Flexent) and its secondary market mortgage banking operation.

Chesapeake Payment Systems offers merchant processing services such as credit card and debit card processing, electronic benefits transfers, and loyalty and gift card processing to companies involved in travel, entertainment, restaurant, hospitality, retail, mail order, and e-commerce. At yearend 2025, Chesapeake Payment Systems had 1,398 direct merchants in its system and processed over $749 million in merchant card transactions. In addition, Chesapeake Payment Systems has also partnered with eight independent sales organizations (ISOs) to expand its processing footprint.

The Flexent program, which provides an attractive financing option to growing businesses, involves the purchase of the client company's accounts receivables. The Cash management program is currently offered in the Eastern half of the United States and had 67 customers at the end of 2025, while Flexent Freight had 331 customers.

Through Chesapeake's secondary market mortgage banking operation, the Company services a $276 million loan portfolio (as of December 31, 2025) of residential mortgage loans for Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), for which it earns a 25 basis-point fee (approximately $683,000 annually) on the outstanding loan portfolio balance. Additionally, CPKF earns a pare-off fee for residential mortgage loans that are originated and closed with FHLMC, which added $355,000 to revenues in 2025 (both types of fees are included in other noninterest income in the Company's financial statements).

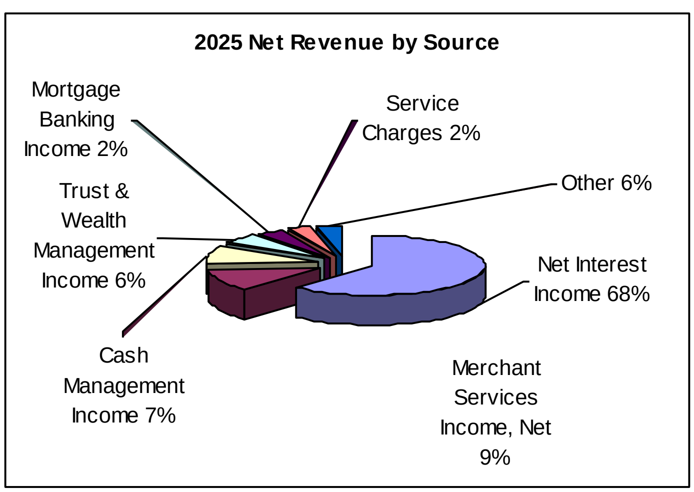


Source:
Zacks Analyst

The lending portfolio is dominated by real estate loans, as shown in the chart. At December 31, 2025, the lending book consisted of commercial real estate (accounting for 38% of total gross outstandings), 1-4 family (25%), commercial and industrial (15%), construction and land development (10%), consumer and other (8%), and cash management (4%). A majority of loans are secured, usually by real estate, inventory, accounts receivable, equipment, machinery, or corporate assets.

At December 31, 2025, the liquidity portfolio, which consists of cash, short-term investments, federal funds sold, and US agency mortgage obligations, represented about 10% of total assets and 25% of the securities portfolio. In addition, the available-for-sale portfolio includes municipal at 22% of the total, private label mortgage securities at 40%, and asset-backed and other securities at 13%. Core deposits represented 84% of total deposits at December 31, 2025, with certificates of deposit larger than $250,000 at 6% and brokered deposits at 10%.

Source: Zacks Analyst



In 2025, net interest income contributed 68% of net revenue, with a significant 32% coming from noninterest income sources. Major contributors to noninterest income include merchant services income, net (9% of net revenue), cash management fee income (7%), trust and wealth management income (6%), mortgage banking income (2%), and service charges (2%).

VALUATION

CPKF stock is up 38.8% year to date, much better than both the 27.4% median price increase for our small-cap bank universe and the 12.8% price gain for the S&P 500, as shown in the following table.

At its current price, CPKF is trading at a 13% discount to the industry median P/E, based upon our current CPKF EPS estimate for 2027. Assuming a median small-cap bank universe valuation of 10.5X, CPKF's target price based upon our 2027 EPS estimate is about $45.00.

Turning to Price/Tangible Book Value, CPKF is currently valued at 1.3X, roughly the same as the median for our small-cap bank universe of 1.3X. Assuming a 1.3X multiple based upon our estimated tangible book value twelve months out, our target price is about $42.50, which compares to CPKF's current tangible book value per share of $29.29.

We have chosen $43.75 as our new valuation, based upon CPKF's 2027 P/E of $45.00 and forward Price/Tangible Book Value of $42.50.

Industry Comparables - Small-cap Banks

	Pr Chg YTD	EPS TTM*	EPS 2026E	EPS 2027E	ROE TTM*	ROE 5-Yr Avg	ROA TTM*	ROA 5-Yr Avg	Div Yld
Chesapeake Finc'l	**38.8**	**8.8**	**9.1**	**9.1**	**16.5**	**13.5**	**1.31**	**0.98**	**1.8**
S&P 500	**12.8**	**27.5**	**22.5**	**19.4**	**N/A**	**N/A**	**N/A**	**N/A**	**1.1**
Median	**27.4**	**11.4**	**11.3**	**10.5**	**12.2**	**11.6**	**1.16**	**1.00**	**2.0**
Average	27.8	12.1	11.9	10.6	10.5	11.7	1.1	1.1	2.1
High	66.5	23.1	21.4	14.4	17.3	20.1	2.2	2.1	4.5
Low	(0.6)	8.3	9.5	8.3	(12.3)	3.6	(0.6)	0.3	-----

*Trailing twelve months

PROJECTED INCOME STATEMENT & BALANCE SHEET – ANNUAL

Chesapeake Financial Shares, Inc.

Income Statement and Balance Sheet

(Dollars in millions, except per share data)

Summary Financial Data	**12/21**	**12/22**	**12/23**	**12/24**	**12/25**	**12/26E**	**12/27E**
Net interest income	41.6	44.1	41.6	46.0	54.1	59.7	61.6
Non-interest income	18.9	19.9	22.3	22.7	25.6	29.4	29.6
Total net revenue	60.5	64.0	63.9	68.7	79.7	89.1	91.2
Loan loss provision	(0.4)	0.7	0.8	0.9	1.1	1.5	1.4
Non-interest expense	43.6	45.1	50.7	54.5	59.0	63.0	65.2
Income taxes & other	2.3	2.3	2.3	1.9	2.8	4.4	4.4
Zacks adjusted income before NRI	15.0	15.9	10.1	11.4	16.8	20.2	20.2
GAAP net income	15.0	17.6	10.1	11.4	10.0	22.9	20.2
Diluted EPS before NRI	3.11	3.37	2.15	2.42	3.58	4.30	4.30
Reported EPS	3.11	3.73	2.15	2.42	2.12	4.87	4.30
Dividends per share	0.53	0.58	0.61	0.63	0.65	0.71	0.72
Liquid assets	98.8	79.6	93.9	75.2	168.8	168.8	175.6
Outstandings, gross	699.7	778.1	864.4	907.9	1,000.4	1,122.1	1,214.6
Total assets	1,385.8	1,329.0	1,471.0	1,524.6	1,670.2	1,783.1	1,892.5
Core deposits	1,101.6	1,144.5	1,118.1	1,162.9	1,234.5	1,263.4	1,340.9
Purchased funds	122.4	67.8	210.3	214.6	239.2	305.8	321.3
Long-term debt	25.2	25.2	25.2	25.2	50.2	50.2	50.2

PROJECTED INCOME STATEMENT & BALANCE SHEET - QUARTERLY

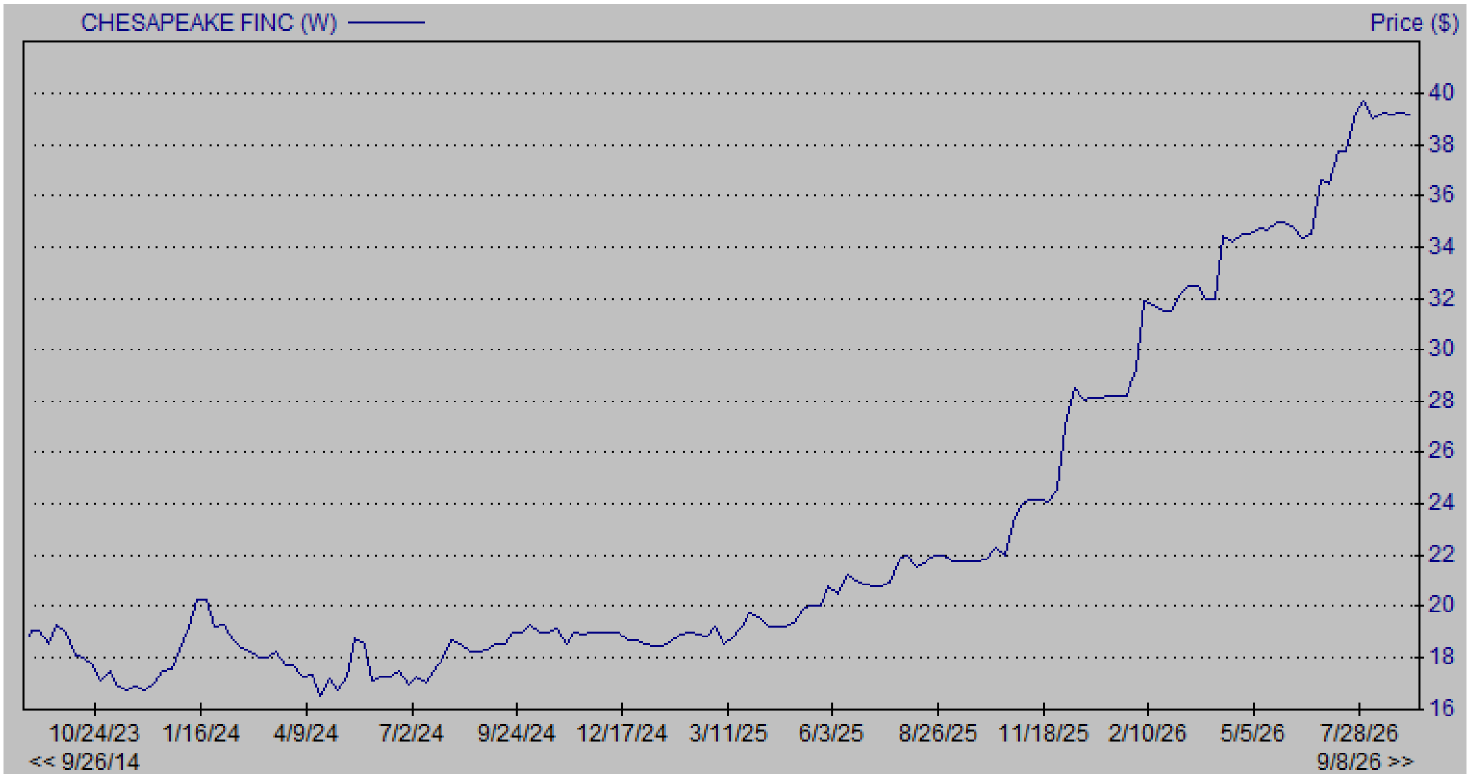
Chesapeake Financial Shares, Inc.

Income Statement and Balance Sheet

(Dollars in millions, except per share data)

	2025				2026			
Summary Financial Data	**Q1 A**	**Q2 A**	**Q3 A**	**Q4 A**	**Q1 A**	**Q2 A**	**Q3 E**	**Q4 E**
Net interest income	12.3	13.2	14.0	14.6	14.7	14.9	15.0	15.1
Non-interest income	5.6	6.4	7.2	6.4	6.8	8.2	7.3	7.1
Total net revenue	17.9	19.6	21.2	21.0	21.5	23.1	22.3	22.2
Loan loss provision	0.2	0.2	0.3	0.3	0.3	0.5	0.4	0.4
Non-interest expense	14.1	15.2	15.4	14.3	14.7	16.2	15.9	16.2
Income taxes & other	0.0	1.1	1.0	0.8	1.1	0.9	1.2	1.1
Zacks adjusted income before NRI	3.6	3.1	4.5	5.6	5.4	5.5	4.8	4.5
GAAP net income	(4.5)	3.1	4.9	6.5	5.4	8.2	4.8	4.5
Diluted EPS before NRI	0.75	0.67	0.96	1.20	1.15	1.17	1.02	0.96
Reported EPS	(0.94)	0.67	1.03	1.37	1.15	1.74	1.02	0.96
Dividends per share	0.16	0.16	0.16	0.17	0.17	0.18	0.18	0.18
Liquid assets	169.5	175.9	166.3	168.8	164.6	165.4	167.1	168.8
Outstandings, gross	936.5	941.0	963.1	1,000.4	1,074.5	1,115.4	1,118.8	1,122.1
Total assets	1,607.2	1,634.6	1,637.3	1,670.2	1,730.0	1,730.7	1,756.7	1,783.1
Core deposits	1,172.4	1,209.8	1,192.2	1,234.5	1,205.2	1,226.3	1,244.7	1,263.4
Purchased funds	257.2	241.9	254.0	239.2	327.1	299.8	302.8	305.8
Long-term debt	50.2	50.2	50.2	50.2	50.2	50.2	50.2	50.2

HISTORICAL STOCK PRICE


CHESAPEAKE FINC (W)
Price ($)
40
38
36
34
32
30
28
26
24
22
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18
16
10/24/23
1/16/24
4/9/24
7/2/24
9/24/24
12/17/24
3/11/25
6/3/25
8/26/25
11/18/25
2/10/26
5/5/26
7/28/26
<< 9/26/14
9/8/26 >>

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