

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Jeffrey M. Szyperski

Name of the Holding Company Director and Official

President, CEO & Chairman of the Board

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Jeffrey M. Szyperski
 Signature of Holding Company Director and Official

03/09/2018
 Date of Signature

For holding companies not registered with the SEC—
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____
 C.I. _____

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2017

Month / Day / Year

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Chesapeake Financial Shares, Inc.

Legal Title of Holding Company

P O Box 1419

(Mailing Address of the Holding Company) Street / P.O. Box

Kilmarnock VA 22482

City State Zip Code

97 North Main Street

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Diana N. Rock AVP & Controller

Name Title

804-435-4205

Area Code / Phone Number / Extension

804-435-6535

Area Code / FAX Number

drock@chesbank.com

E-mail Address

www.chesapeakefinancialshares.com

Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? 0=No
1=Yes

In accordance with the General Instructions for this report (check only one),

- 1. a letter justifying this request is being provided along with the report
- 2. a letter justifying this request has been provided separately

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Chesapeake Financial Shares, Inc.

Form FR Y-6

December 31, 2017

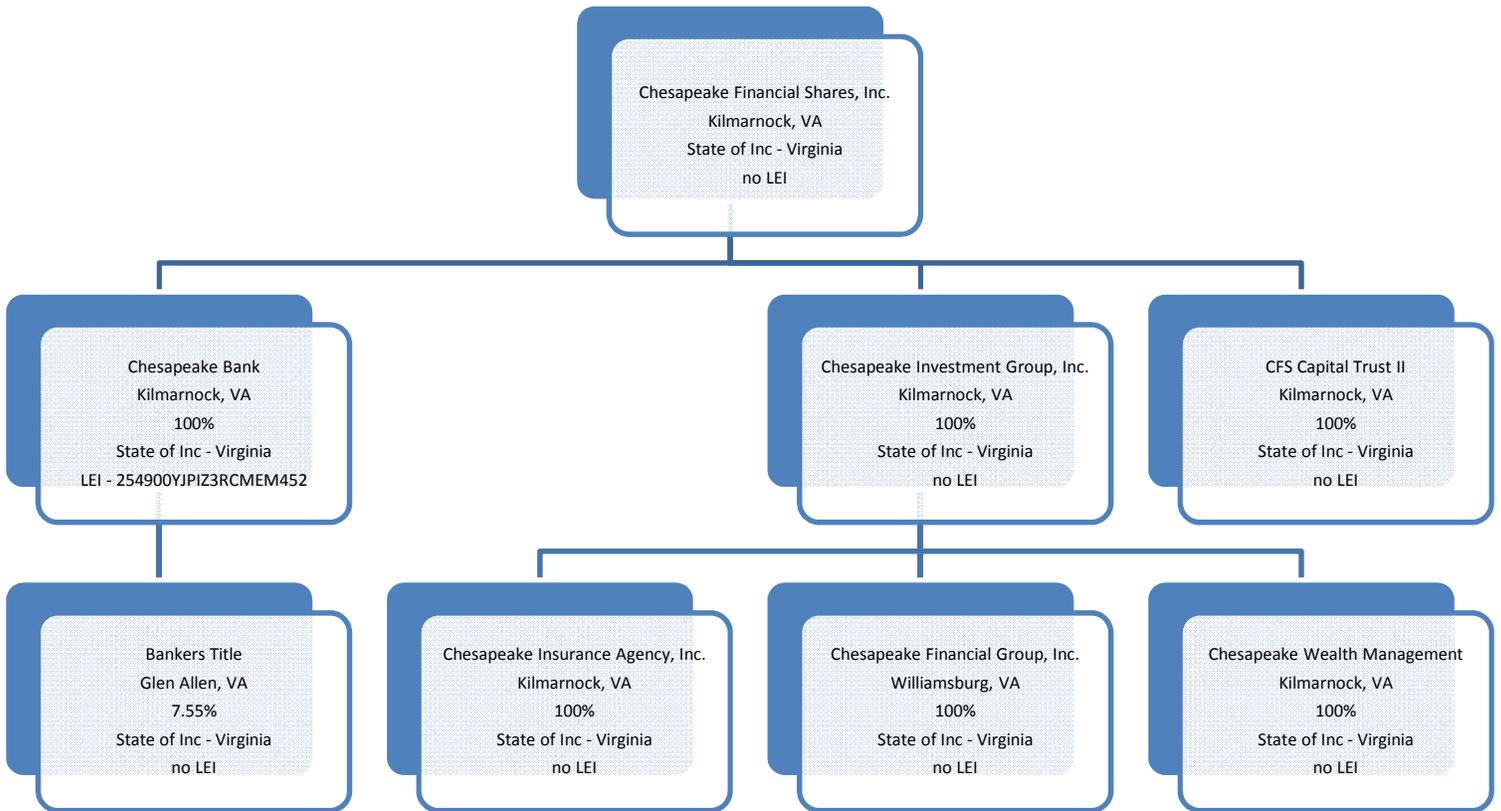
Report Item 1:

1a: The BHC is not required to prepare form 10-K with the SEC

1b: The BHC does prepare an annual report for its shareholders.
Two copies are enclosed

Report Item 2:

Organizational Chart



2b: Domestic branch listing provided to the Federal Reserve Bank.

Results: A list of branches for your depository institution: **CHESAPEAKE BANK (ID_RSSD: 214722)**.

This depository institution is held by **CHESAPEAKE FINANCIAL SHARES, INC. (1075881)** of **KILMARNOCK, VA**.
The data are as of **12/31/2017**. Data reflects information that was received and processed through **01/04/2018**.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.

Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.

Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.

Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.

Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.

If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of **Change, Close, Delete, or Add**.

The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

| Data Action | Effective Date | Branch Service Type | Branch ID_RSSD* | Popular Name | Street Address | City | State | Zip Code | County | Country | FDIC UNINUM* | Office Number* | Head Office | Head Office ID_RSSD* | Comments |
|-------------|----------------|----------------------------|-----------------|--|---|--------------|-------|----------|-------------------|---------------|--------------|----------------|-----------------|----------------------|----------|
| OK | | Full Service (Head Office) | 214722 | CHESAPEAKE BANK | 97 NORTH MAIN STREET | KILMARNOCK | VA | 22482 | LANCASTER | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 1417623 | GLOUCESTER BRANCH | 6793 GEORGE WASHINGTON MEMORIAL HIGHWAY | GLOUCESTER | VA | 23061 | GLOUCESTER | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 1199424 | HAYES OFFICE | 3029 GEORGE WASHINGTON MEMORIAL HIGHWAY | HAYES | VA | 23072 | GLOUCESTER | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 33923 | IRVINGTON OFFICE | 98 KING CARTER DRIVE | IRVINGTON | VA | 22480 | LANCASTER | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 171320 | RAPPAHANNOCK WESTMINSTER CANTERBURY OFFICE | 10 LANCASTER DRIVE | IRVINGTON | VA | 22480 | LANCASTER | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 293624 | LIVELY OFFICE | 2824 WHITE CHAPEL ROAD | LIVELY | VA | 22507 | LANCASTER | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 221225 | MATHEWS OFFICE | 10839 BUCKLEY HALL ROAD | MATHEWS | VA | 23109 | MATHEWS | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 5175471 | CEDARFIELD CCRC BRANCH | 2300 CEDARFIELD PARKWAY | RICHMOND | VA | 23233 | HENRICO | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 5009307 | LAKEWOOD MANOR | 1900 LAUDERDALE DRIVE | RICHMOND | VA | 23238 | HENRICO | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 4903604 | PATTERSON AVENUE BRANCH | 5501 PATTERSON AVENUE | RICHMOND | VA | 23226 | RICHMOND | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 3350760 | LIGHTFOOT BRANCH | 6619 RICHMOND ROAD | WILLIAMSBURG | VA | 23188 | JAMES CITY | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 4459240 | PATRIOTS COLONY BRANCH | 6000 PATRIOTS COLONY DRIVE | WILLIAMSBURG | VA | 23188 | JAMES CITY | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 2488059 | WILLIAMSBURG BRANCH | 4492 JOHN TYLER HWY | WILLIAMSBURG | VA | 23185 | JAMES CITY | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 3362615 | WILLIAMSBURG LANDING BRANCH | 5700 WILLIAMSBURG LANDING DRIVE | WILLIAMSBURG | VA | 23185 | JAMES CITY | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |
| OK | | Full Service | 2706744 | WILLIAMSBURG OFFICE | 1229 LAFAYETTE ST | WILLIAMSBURG | VA | 23185 | WILLIAMSBURG CITY | UNITED STATES | Not Required | Not Required | CHESAPEAKE BANK | 214722 | |

Chesapeake Financial Shares, Inc.

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Report Item 3: Shareholders

(1)(a), (1)(b), (1)(c), (2)(a), (2)(b), (2)(c)

Current Shareholders with ownership, control or holdings of 5% or more

With power to vote as of 12/31/17

| (1)(a) Name & Address (City, State, Country) | (1)(b) Country of Citizenship or Incorporation | (1)(c) Number and Percentage of Each Class of Voting Securities |
|---|---|--|
| Douglas D. Monroe, Jr. Irvington, VA USA | USA | 935,159 (23.0%) Note: Includes: 384,200 shares held by Mr. Monroe as trustee of several trusts. |
| Jeffrey M. Szyperski Irvington, VA USA | USA | 245,819 (6.0%) Note: Includes: (i) 57,846 shares which are held by Mr. Szyperski's spouse; (ii) 43,200 shares that may be acquired pursuant to presently exercisable stock options; (iii) 4,523 shares that are restricted stock holdings and are subject to a vesting schedule, forfeiture risk and other restrictions, and can be voted at the Annual Meeting; and (iv) 63,689 shares held in trust for his children, nieces, and nephews for which he serves as trustee. |
| Chesapeake Financial Shares, Inc. ESOP Kilmarnock, VA USA | USA | 263,350 (6.5%) |
| (2)(a) None | | |
| | | |

Chesapeake Financial Shares, Inc.
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Report Item 4: Directors and Officers
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

| (1) Name & Address (City, State, Country) | (2) Principal Occ. if other than with BHC | (3)(a) Title & Position With BHC | (3)(b) Title & Position With Subsidiaries* | (3)(c) Title & Position With Other Businesses | (4)(a) % of Voting Shrs In BHC. | (4)(b) % of Voting Shares in Subsidiaries | (4)(c) List names of Other Companies if 25% or more of voting securities are held |
|--|--|--|---|---|---------------------------------------|--|--|
| Rebecca A. Foster Deltaville, VA USA | N/A | SVP, CFO, Corporate Secretary | SVP, CFO, Corporate Secretary, Chesapeake Bank- CIG-CFG-CWM-CIS-CNB Properties | N/A | <1.0% | None | None |
| Eugene S. Hudnall, Jr. Kilmarnock, VA USA | Kilmarnock Mini Storage | Director | N/A | President & Owner Kilmarnock Mini Storage | 1.2% | None | Kilmarnock Mini Storage – 100% |
| John H. Hunt II Weems, VA USA | N/A | Director | EVP, Business Development, Chesapeake Trust Company Audit Committee Member | Chair, Northern Neck Insurance Company | 3.1% | None | N/A |
| Thomas E. Kellum Lively, VA USA | Seafood Processor | Director | Director – Chesapeake Bank Loan Committee Member | VP, W. Ellery Kellum, Inc. VP, Kellum Bro. LLC Pres, Kellum Oyster Co. Owner, Kellum Farms | <1.0% | None | W. Ellery Kellum, Inc. 25% Kellum Bro., LLC 25% Kellum Oyster Co. 25% Kellum Farms 100% Oyster Holdings, LLC 25% Kellum Properties, LLC 25% |
| Craig J. Kelly Kilmarnock, VA USA | Consultant | Director | Director-CIG | Managing Director, Creekside Consulting, LLC | <1.0% | None | N/A |
| Douglas D. Monroe, Jr. Irvington, VA USA | N/A | Vice-Chairman | Chairman Emeritus - Chesapeake Bank Director – CIG | President/Treasurer Irvington Corporation | 23.0% | None | N/A |
| Bruce P. Robertson Williamsburg, VA USA | N/A | Director | N/A | Retired CEO Shirley Pewter Shops, Inc. | <1.0% | None | N/A |
| William F. Shumadine, Jr. Richmond, VA USA | N/A | Director | Director – CIG | N/A | 1.1% | None | N/A |
| Robert J. Singley Bena, VA USA | Real Estate Broker | Director | N/A | President, RJS & Associates, Inc. | <1.0% | None | RJS & Assoc., Inc. 100% Suffolk Comm Developers 50% SJR, LLC 50% Coliseum Specialty Shop 47.37% JSA, LLC 100% NMS LLC 33.333% NKS LLC 25% 1031RR, LLC 40% |

| | | | | | | | |
|--|----------------|---|---|-----|-------|------|--|
| Jeffrey M. Szyperski Irvington, VA USA | N/A | Director, President, Chairman of the Board, CEO | President, Chairman & CEO: Chesapeake Bank, CNB Properties Chairman & CEO: CIG- CFG-CIS; Chairman: CWM; Director: CIG, CFG, CIS, CWM, Chesapeake Bank, CNB Properties | N/A | 6.0% | None | N/A |
| Thomas G. Tingle Williamsburg, VA USA | GuernseyTingle | Director | Director – Chesapeake Bank Loan Committee Member | N/A | <1.0% | None | GuernseyTingle 67% Sound Decision, LLC 100% |