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.

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. Szyzerski

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 confidentiality, that the Reporter consents to the public release of all information regarding that individual sent to public release of all information regarding individuals contained in this report.

Signature of Holding Company Director and Official

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.

Approved by the

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.

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

December 31, 2018

Month / Day / Year

N/A

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

Chesapeake Financial Shares, Inc.

Legal Title of Holding Company

P O Box 1419

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

Kilmarnock

City

VA

22482

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

Name

AVP & Controller

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?  ☐ No □ Yes

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

☐ a letter justifying this request is being provided along with the report...

☐ 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."

Public reporting burden for this information collection is estimated to vary from 1.3 to 61 hours per response, with an average of 5.50 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

03/2019
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.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://yl0online.federalreserve.gov. 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.

1. In the Data Action column of each branch row, enter one or more of the actions specified below:

2. If printing this list, you may need to adjust your page setup in MS Excel.

3. If required, enter the date in the Effective Date column.

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

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC_Unanimous</th>
<th>Office Number</th>
<th>Head Office</th>
<th>Head Office ID_RSSD</th>
<th>Comments</th>
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<tbody>
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<td>Full Service (Head Office)</td>
<td>214722</td>
<td>CHEAPEAKE BANK</td>
<td>97 NORTH MAIN STREET</td>
<td>KILMARNOCK</td>
<td>VA</td>
<td>23185</td>
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<td>VA</td>
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<td>99 KING CARTER DRIVE</td>
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<td>VA</td>
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<td>MATTHEWS OFFICE</td>
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<td>5175471</td>
<td>CEDARFIELD LCC BRANCH</td>
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<td>LAKEWOOD MANOR</td>
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<td>PATTERSON AVENUE BRANCH</td>
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<td>PATRIOTS COLONY BRANCH</td>
<td>9000 PATRIOTS COLONY DRIVE</td>
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<td>WILLIAMSBURG BRANCH</td>
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<td>3705 WILLIAMSBURG LANDING DRIVE</td>
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</table>

Note:

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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 12/31/18

<table>
<thead>
<tr>
<th>(1)(a) Name &amp; Address (City, State, Country)</th>
<th>(1)(b) Country of Citizenship or Incorporation</th>
<th>(1)(c) Number and Percentage of Each Class of Voting Securities</th>
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</thead>
<tbody>
<tr>
<td>Douglas D. Monroe, Jr.</td>
<td>USA</td>
<td>944,581 (23.1%)</td>
</tr>
<tr>
<td>Irvington, VA USA</td>
<td></td>
<td>Note: Includes: 384,200 shares held by Mr. Monroe as trustee of several trusts.</td>
</tr>
<tr>
<td>Jeffrey M. Szyperski</td>
<td>USA</td>
<td>226,016 (5.5%)</td>
</tr>
<tr>
<td>Irvington, VA USA</td>
<td></td>
<td>Note: Includes: (i) 57,846 shares which are held by Mr. Szyperski's spouse; (ii) 34,560 shares that may be acquired pursuant to presently exercisable stock options; (iii) 3,378 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) 61,410 shares held in trust for his children, nieces, and nephews for which he serves as trustee.</td>
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<tr>
<td>Chesapeake Financial Shares, Inc. ESOP</td>
<td>USA</td>
<td>263,868 (6.4%)</td>
</tr>
<tr>
<td>Kilmarnock, VA USA</td>
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<tr>
<td>(2)(a) None</td>
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### Report Item 4: Directors and Officers
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

<table>
<thead>
<tr>
<th>Name &amp; Address (City, State, Country)</th>
<th>Principal Occ. if other than with BHC</th>
<th>Title &amp; Position With BHC</th>
<th>Title &amp; Position With Subsidiaries*</th>
<th>% of Voting Shrs In BHC.</th>
<th>% of Voting Shares in Subsidiaries</th>
<th>List names of Other Companies if 25% or more of voting securities are held</th>
</tr>
</thead>
<tbody>
<tr>
<td>R. Blaine Altaffer Manakin-Sabot, VA USA</td>
<td>N/A</td>
<td>President and Chief Executive Officer</td>
<td>Director</td>
<td>N/A</td>
<td>&lt;1.0%</td>
<td>None</td>
</tr>
<tr>
<td>Rebecca A. Foster Hardyville, VA USA</td>
<td>SVP, CFO, Corporate Secretary</td>
<td>SVP, CFO, Corporate Secretary, Chesapeake Bank-CIG-CWM-CIS-CNB Properties</td>
<td>N/A</td>
<td>&lt;1.0%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Eugene S. Hudnall, Jr. Kilmarnock, VA USA</td>
<td>Kilmarnock Mini Storage</td>
<td>Director</td>
<td>N/A</td>
<td>1.2%</td>
<td>None</td>
<td>Kilmarnock Mini Storage - 100%</td>
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<tr>
<td>John H. Hunt II Wexns, VA USA</td>
<td>Director</td>
<td>EVP, Business Development, Chesapeake Wealth Management, Inc. Audit Committee Member</td>
<td>Chair, Northern Neck Insurance Company</td>
<td>2.9%</td>
<td>None</td>
<td>None</td>
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<tr>
<td>Thomas E. Kellum Lively, VA USA</td>
<td>Seafood Processor</td>
<td>Director – Chesapeake Bank Loan Committee Member (Chair)</td>
<td>President, W. Ellery Kellum, Inc. VP, Kellum Bro. LLC Pres, Kellum Oyster Co. Owner, Kellum Farms</td>
<td>&lt;1.0%</td>
<td>None</td>
<td>W. Ellery Kellum, Inc. 33.3% Kellum Bro., LLC 33.3% Kellum Oyster Co. 33.3% Kellum Farms 100% Oyster Holdings, LLC 33.3% Kellum Properties, LLC 33.3% Kellum Shipyards, LLC – 33.3%</td>
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<tr>
<td>Craig J. Kelly Kilmarnock, VA USA</td>
<td>Consultant</td>
<td>Director</td>
<td>Director-CIG</td>
<td>Managing Director, Creekside Consulting, LLC</td>
<td>&lt;1.0%</td>
<td>None</td>
</tr>
<tr>
<td>Douglas D. Monroe, Jr. Irvington, VA USA</td>
<td>N/A</td>
<td>Vice-Chairman</td>
<td>Chairman Emeritus - Chesapeake Bank Director – CIG</td>
<td>President/Treasurer Irvington Corporation</td>
<td>23.1%</td>
<td>None</td>
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<tr>
<td>Bruce P. Robertson Williamsburg, VA USA</td>
<td>Director</td>
<td>N/A</td>
<td>Retired CEO, Shirley Pewter Shops, Inc.</td>
<td>&lt;1.0%</td>
<td>None</td>
<td>N/A</td>
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<td>William F. Shumadine, Jr. Richmond, VA USA</td>
<td>N/A</td>
<td>Director</td>
<td>Director – CIG</td>
<td>N/A</td>
<td>1.1%</td>
<td>None</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Role</td>
<td>President, RJS &amp; Associates, Inc.</td>
<td>%</td>
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<tr>
<td>Robert J. Singley</td>
<td>Bena, VA USA</td>
<td>Real Estate Broker</td>
<td>N/A</td>
<td>&lt;1.0%</td>
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<tr>
<td>Jeffrey M. Szyperski</td>
<td>Irvington, VA USA</td>
<td>Director, President, Chairman of the Board, CEO</td>
<td>N/A</td>
<td>5.5%</td>
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<tr>
<td>Thomas G. Tingle</td>
<td>Williamsburg, VA USA</td>
<td>GuernseyTingle</td>
<td>Director – Chesapeake Bank Loan Committee Member</td>
<td>&lt;1.0%</td>
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RJS & Assoc., Inc. 100%
Suffolk Comm Developers 50%
SJB, LLC 50%
Coliseum Specialty Shops 47.37%
JSA Williamsburg, LLC 100%
NMS LLC 33.33%
NKS LLC 25%
1031RR, LLC 40%

RJS & Assoc., Inc. 100%
Suffolk Comm Developers 50%
SJB, LLC 50%
Coliseum Specialty Shops 47.37%
JSA Williamsburg, LLC 100%
NMS LLC 33.33%
NKS LLC 25%
1031RR, LLC 40%

RJS & Assoc., Inc. 100%
Suffolk Comm Developers 50%
SJB, LLC 50%
Coliseum Specialty Shops 47.37%
JSA Williamsburg, LLC 100%
NMS LLC 33.33%
NKS LLC 25%
1031RR, LLC 40%