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Zacks Small-Cap Research

Ann H. Heffron, CFA, CPA
312-265-9428
aheffron@zacks.com

scr.zacks.com
10 South Riverside Plaza, Chicago, IL 60606

# Chesapeake Financial Shares, Inc. (CPKF-OTC)

## CPKF: Spectacular Quarter with Diluted EPS Surging 32% Year over Year

We have chosen the $30.00 midpoint of the range of values based upon CPKF's 2017 P/E of $31.75 and forward Price/Tangible Book Value of $28.25 as our new valuation.

| | |
|---|---|
| Current Price (06/14/17) | $26.80 |
| **Valuation** | **$30.00** |

## OUTLOOK

CPKF's first quarter net earnings rose $0.6 million year over year, or 32%, to $2.6 million, while 2017's first quarter diluted EPS increased by $0.15, or 32%, to $0.63 from $0.48 posted a year ago. It was CPKF's best quarter since we began covering the Company. This was much better than our estimate, which had called for a $0.1 million gain in net earnings to $2.0 million (off by $0.6 million) and a $0.02 advance in diluted EPS to $0.50 (off by $0.13). The primary factors behind the difference between reported results and our estimate were: (1) merchant card income was $0.8 million higher than our estimate; (2) income from fiduciary activities was $0.3 million better than we had expected; and (3) other miscellaneous income was $0.2 million more than our projection. This was partly offset by merchant card expense that was $0.5 million worse than our estimate. The major reasons for the first quarter's $0.6 million increase in net earnings versus the prior-year quarter were a $1.7 million, or 16%, advance in net revenues due to higher net interest income, merchant card income and other income, partly offset by a $0.7 million, or 9%, rise in total noninterest expense from greater merchant card expense. CPKF earlier announced a 4.2% dividend increase to a $0.125 quarterly rate, having increased its annual dividend payment every year for the past twenty-five years since 1991. In 2017 for the tenth consecutive year, CPKF has been included in the American Banker magazine listing of the "Top 200 Community Banks" in the United States. The bank ranked at #123 in the nation out of approximately 669 publicly traded banks and thrifts with less than $2 billion in assets in the study, up from #148, when CPKF first broke into the rankings in 2008.

## SUMMARY DATA

| | |
|---|---|
| **52-Week High** | **$27.50** |
| **52-Week Low** | **$19.25** |
| **One-Year Return (%)** | **38.11** |
| **Beta** | **-0.07** |
| **Average Daily Volume (sh)** | **526** |
| | |
| **Shares Outstanding (mil)** | **4** |
| **Market Capitalization ($mil)** | **$106** |
| **Short Interest Ratio (days)** | **N/A** |
| **Institutional Ownership (%)** | **0** |
| **Insider Ownership (%)** | **40** |
| | |
| **Annual Cash Dividend** | **$0.50** |
| **Dividend Yield (%)** | **1.87** |
| | |
| **5-Yr. Historical Growth Rates** | |
| **Sales (%)** | **4.5** |
| **Earnings Per Share (%)** | **N/A** |
| **Dividend (%)** | **8.2** |
| | |
| **P/E using TTM EPS** | **14.5** |
| **P/E using 2017 Estimate** | **14.5** |
| **P/E using 2018 Estimate** | **N/A** |
| | |
| **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) |
|---|---|---|---|---|---|
| 2014 | 9.0 A | 9.6 A | 9.3 A | 9.7 A | 37.7 A |
| 2015 | 9.8 A | 10.6 A | 11.1 A | 10.8 A | 42.3 A |
| 2016 | 10.5 A | 11.2 A | 11.9 A | 11.9 A | 45.5 A |
| 2017 | 12.3 A | | | | 47.2 E |

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

| | Q1 (Mar) | Q2 (Jun) | Q3 (Sep) | Q4 (Dec) | Year (Dec) |
|---|---|---|---|---|---|
| 2014 | 0.32 A | 0.48 A | 0.23 A | 0.41 A | 1.43 A |
| 2015 | 0.47 A | 0.54 A | 0.40 A | 0.22 A | 1.64 A |
| 2016 | 0.48 A | 0.46 A | 0.43 A | 0.33 A | 1.71 A |
| 2017 | 0.63 A | | | | 1.85 E |

* Quarterly EPS may not add to total dues to changes in shares outstanding. Per share data have been adjusted for a 5-for-6 stock split in mid-October 2014.

## FIRST QUARTER

CPKF's first quarter net earnings rose $0.6 million year over year, or 32%, to $2.6 million, while 2017's first quarter diluted EPS increased by $0.15, or 32%, to $0.63 from $0.48 posted a year ago. It was CPKF's best quarter since we began covering the Company.

This was much better than our estimate, which had called for a $0.1 million gain in net earnings to $2.0 million (off by $0.6 million) and a $0.02 advance in diluted EPS to $0.50 (off by $0.13).

The primary factors behind the difference between reported results and our estimate were: (1) merchant card income was $0.8 million higher than our estimate; (2) income from fiduciary activities was $0.3 million better than we had expected; and (3) other miscellaneous income was $0.2 million more than our projection. This was partly offset by merchant card expense that was $0.5 million worse than our estimate.

The major reasons for the first quarter's $0.6 million increase in net earnings versus the prior-year quarter were a $1.7 million, or 16%, advance in net revenues due to higher net interest income (up $0.1 million) and larger noninterest income (up $1.6 million from merchant card income and other miscellaneous income), partly offset by a $0.7 million, or 9%, rise in total noninterest expense, mostly from greater merchant card expense.

As to quarterly results, net interest income increased $0.1 million, or 3%, year over year in the first quarter to $6.2 million (the same as our estimate), as a 7% increase in average interest-earning assets was partly offset by a net interest margin of 4.26% that was 20 basis points lower than the 4.46% earned in the year-ago quarter, but was 1 basis point above our 4.25% NIM estimate.

Noninterest income increased $1.6 million, or 35%, year over year to $6.0 million ($1.3 million more than the $4.7 million we had projected), largely due to strong growth in merchant card income (up $0.9 million, or 45%) and a $0.5 million, or 95%, gain in other miscellaneous income.

Noninterest expense advanced $0.7 million, or 9%, to $8.8 million ($0.5 million more than the $8.3 million we had projected) from the prior-year quarter, primarily reflecting greater merchant card expense (up $0.6 million, or 45%).

The loan loss provision increased by $113,000 to $175,000 from $62,000 in the year-ago quarter and was $25,000 above our estimate. Loan loss reserves rose $0.1 million to $5.2 million (1.11% of loans), which was above the fourth quarter's loss reserve of $5.0 million, or 1.11%, of loans, as well as the $5.1 million (1.19% of loans) posted in the year-ago quarter.

As to other asset quality measures, CPKF recorded net recoveries of $2,000 in the first quarter. This compares to net charge-offs of $494,000 in the year-ago quarter and net charge-offs of $1,428,000 for the full year in 2016.

CEO Jeffrey M. Szyperski noted that asset quality continued to improve, with nonperforming assets to total assets decreasing 48 basis points to 1.713% of total loans as of March 31, 2017 from 2.121% as of December 31, 2016.

Gross loans increased $39 million, or 9%, year over year, and $14 million, or 3%, sequentially to $468 million.

CPKF posted a 13.1% ROE and 1.42% ROA for the first quarter of 2017, compared to 10.3% and 1.15%, respectively, in the prior-year quarter.

On July 15, 2016, CPKF's Board of Directors approved a 4.2% increase in the quarterly dividend to $0.125 from $0.12, payable on September 15, 2016. Notably, CPKF has increased the annual dividend payment every year for the past twenty-five years since 1991.

In 2017 for the tenth consecutive year, Chesapeake Financial Shares, Inc. has been included in the American Banker magazine listing of the "Top 200 Community Banks" in the United States. The bank ranked at #123 in the nation out of approximately 669 publicly traded banks and thrifts with less than $2 billion in assets in the study, up from #148, when CPKF first broke into the rankings in 2008. The ranking is based on a three-year average of return on average equity (ROAE), which for CPKF was 9.94%.

We are currently reviewing our estimates and will issue a more comprehensive report when detailed financial information becomes available within the next few weeks.

## OVERVIEW

Chesapeake Financial Shares, Inc. (CPKF or the Company) is a financial holding company headquartered in Kilmarnock, Virginia, with $744 million in total assets at March 31, 2017. CPKF is predominantly a small business lender with 14 branch offices and one loan production office 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.

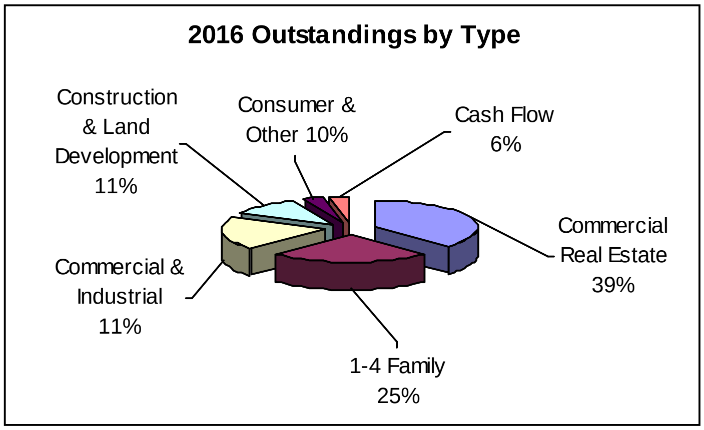
Operations are carried on through Chesapeake Bank, a state-chartered bank as well as Federal Reserve and FDIC member bank, and Chesapeake Wealth Management (formerly Chesapeake Investment Group, Inc.), an independent wealth management firm that manages about $400 million in assets (at 2016 yearend) through 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 Flow program, Clear Sky accounts, 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 2016, Chesapeake Payment Systems had 543 direct merchants in its system and processed over $260 million in merchant card transactions. In addition, Chesapeake Payment Systems has also partnered with three independent sales organizations (ISOs) to expand its processing footprint.

The Cash Flow program, which provides an attractive financing option to growing businesses, involves the purchase of the client company's accounts receivables. The Cash Flow program is currently offered in the Eastern half of the United States and had 74 customers at the end of 2016.

Clear Sky accounts, which offer internet-based retail deposit services for checking and saving accounts and certificates of deposit (CDs), expands CPKF's retail deposit base geographically. At December 31, 2016, Clear Sky deposits totalled $26.6 million.

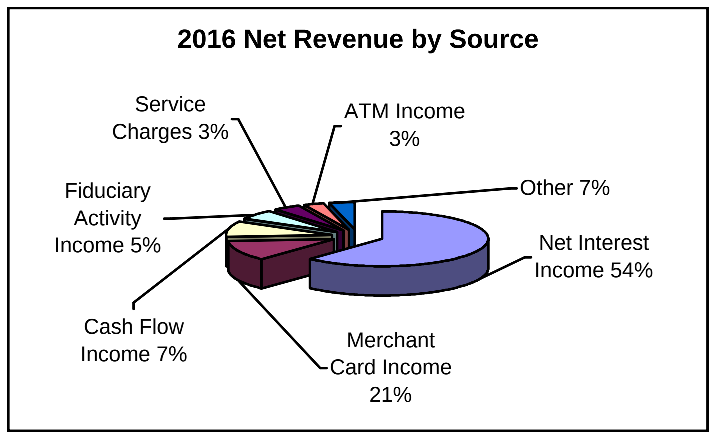
Through Chesapeake's secondary market mortgage banking operation, the Company services a $223 million loan portfolio (as of December 31, 2016) of residential mortgage loans for Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), for which it earns a 25 basis-point fee (approximately $546,000 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 $626,000 to revenues in 2016 (both types of fees are included in other noninterest income in the Company's financial statements).




The lending portfolio is dominated by real estate loans, as shown in the chart at left. At December 31, 2016, the lending book consisted of commercial real estate (accounting for 39% of total gross outstandings), 1-4 family (25%), commercial and industrial (11%), construction and land development (11%), consumer and other (10%), and cash flow (6%). A majority of loans are secured, usually by real estate, inventory, accounts receivable, equipment, machinery, or corporate assets.

At December 31, 2016, the liquidity portfolio, which consists of cash, short-term investments, federal funds sold, and US agency mortgage obligations, represented about 6% of total assets and 15% of the securities portfolio. In addition, the available-for-sale portfolio includes municipal and private label mortgage securities, which accounted for 70% and 15%, respectively, of the total. Core deposits represented 86% of total deposits at December 31, 2016, with certificates of deposit larger than $100,000 at 14%.

In 2016, net interest income contributed 54% of net revenue, with a significant 46% coming from noninterest income sources. Major contributors to noninterest income include merchant card income (21% of net revenues), cash flow income (7%), income from fiduciary activities (5%), service charges on deposit accounts (3%), and ATM income (3%).



## VALUATION

CPKF stock is up 24.1%% year to date, much better than the 5.6% median price gain for the small-cap bank industry, as well as the 8.9% price increase for the S&P 500, as shown in the following table.

At its current price, CPKF is trading at a discount to the industry median P/E of 15% in 2017, based upon our current CPKF EPS estimate for 2017. Assuming a small-cap bank industry valuation of 17.1X for 2017, CPKF's target price based upon our 2017 EPS estimate is about $31.75.

Turning to Price/Tangible Book Value, CPKF is currently valued at 1.34X. Assuming a similar multiple based upon our estimated book value twelve months out, our target price is about $28.25, which compares to CPKF's current book value of $20.03.

We have chosen the $30.00 midpoint of the range of values based upon CPKF's 2017 P/E of $31.75 and forward Price/Tangible Book Value of $28.25 as our new valuation.

### Industry Comparables - Small-cap Banks

| | Pr Chg YTD | EPS TTM* | EPS 2017E | EPS 2018E | ROE TTM* | ROE 5-Yr Avg | ROA TTM* | ROA 5-Yr Avg | Div Yld |
|---|---|---|---|---|---|---|---|---|---|
| **Chesapeake Finc'l** | **24.1** | **16.3** | **14.5** | | **9.6** | **13.3** | **1.06** | **1.33** | **1.9** |
| S&P 500 | 8.9 | 22.9 | 18.7 | 17.4 | | | 8.2 | | 1.9 |
| **Median** | **5.6** | **17.7** | **17.1** | **15.7** | **9.0** | **8.9** | **0.94** | **0.88** | **1.8** |
| Average | 6.7 | 19.1 | 17.1 | 15.2 | 8.3 | 8.3 | 0.8 | 0.8 | 1.7 |
| High | 27.4 | 80.4 | 20.0 | 19.0 | 18.3 | 13.8 | 2.0 | 1.3 | 3.6 |
| Low | (12.6) | 10.6 | 14.1 | 11.8 | (30.5) | (4.9) | (2.9) | (0.6) | ----- |

*Trailing twelve months

# Chesapeake Financial Shares, Inc.

**Income Statement and Balance Sheet**

*(Dollars in millions, except per share data)*

| **Summary Financial Data** | **12/11** | **12/12** | **12/13** | **12/14** | **12/15** | **12/16** | **12/17E** |
|---|---|---|---|---|---|---|---|
| Net interest income | 22.8 | 23.1 | 23.3 | 23.1 | 23.4 | 24.5 | 25.3 |
| Non-interest income | 13.7 | 15.0 | 15.7 | 14.6 | 18.9 | 21.0 | 21.9 |
| Total net revenue | 36.5 | 38.1 | 39.0 | 37.7 | 42.3 | 45.5 | 47.2 |
| Loan loss provision | 1.2 | 0.6 | 1.1 | 0.6 | 0.2 | 0.5 | 0.6 |
| Non-interest expense | 26.4 | 27.8 | 29.8 | 30.5 | 34.1 | 36.7 | 37.4 |
| Income taxes & other | 1.9 | 2.0 | 1.5 | 0.8 | 1.3 | 1.3 | 1.7 |
| Zacks adjusted income before NRI | 7.0 | 7.7 | 6.6 | 5.8 | 6.7 | 7.0 | 7.6 |
| GAAP net income | 7.0 | 7.7 | 7.4 | 6.5 | 7.4 | 7.0 | 7.6 |
| Diluted EPS before NRI | 1.80 | 1.94 | 1.66 | 1.43 | 1.64 | 1.71 | 1.85 |
| Reported EPS | 1.80 | 1.94 | 1.84 | 1.62 | 1.82 | 1.71 | 1.85 |
| Dividends per share | 0.33 | 0.38 | 0.43 | 0.45 | 0.47 | 0.49 | 0.50 |
| | | | | | | | |
| Liquid assets | 97.9 | 92.1 | 89.9 | 62.8 | 43.2 | 40.6 | 41.2 |
| Outstandings, gross | 373.1 | 397.6 | 401.0 | 410.4 | 439.0 | 481.4 | 521.1 |
| Total assets | 638.0 | 667.7 | 661.8 | 663.2 | 679.1 | 720.8 | 750.0 |
| Core deposits | 430.4 | 459.0 | 467.2 | 480.5 | 489.1 | 522.3 | 543.5 |
| Purchased funds | 113.3 | 118.4 | 105.3 | 82.4 | 92.4 | 97.4 | 99.0 |
| Long-term debt | 39.6 | 26.0 | 25.9 | 20.6 | 21.1 | 16.1 | 15.0 |
| Shareholders' equity | 51.2 | 60.9 | 61.8 | 70.6 | 76.0 | 77.9 | 83.5 |
| | | | | | | | |
| **Profitability** | | | | | | | |
| Return on avg assets | 1.13% | 1.19% | 1.01% | 0.87% | 0.99% | 0.99% | 1.03% |
| Return on avg equity | 15.31% | 14.87% | 10.74% | 9.14% | 9.08% | 8.89% | 9.40% |
| Net interest margin | 4.70% | 4.60% | 4.60% | 4.60% | 4.38% | 4.38% | 4.25% |
| Loan loss provision % avg assets | 0.19% | 0.09% | 0.17% | 0.09% | 0.04% | 0.08% | 0.08% |
| Noninterest income % avg assets | 2.21% | 2.33% | 2.40% | 2.20% | 2.80% | 2.96% | 2.98% |
| Noninterest expense % avg assets | 4.27% | 4.32% | 4.55% | 4.61% | 5.08% | 5.17% | 5.08% |
| Preprovision pretax income % avg assets | 1.62% | 1.60% | 1.41% | 1.09% | 1.21% | 1.23% | 1.34% |
| Tangible efficiency ratio | 71% | 71% | 75% | 81% | 82% | 81% | 79% |
| Payout ratio | 18% | 19% | 23% | 28% | 26% | 29% | 27% |
| | | | | | | | |
| **Asset Quality** | | | | | | | |
| Net charge-offs % avg outstandings | 0.22% | 0.18% | 0.29% | 0.14% | 0.26% | 0.31% | 0.16% |
| Allowance % outstandings | 2.01% | 1.88% | 1.75% | 1.88% | 1.51% | 1.34% | 1.21% |
| NPAs % loans + OREO | 4.48% | 4.93% | 5.20% | 4.20% | 3.09% | 2.21% | 1.77% |
| Allowance % NPAs | 44% | 32% | 30% | 37% | 40% | 47% | 68% |
| | | | | | | | |
| **Liquidity & Funding** | | | | | | | |
| Liquid assets % purchased funds | 86% | 78% | 85% | 76% | 47% | 42% | 42% |
| Core deposits % outstandings | 115% | 115% | 117% | 117% | 111% | 108% | 104% |
| Liquid assets % assets | 15% | 14% | 14% | 9% | 6% | 6% | 5% |
| Outstandings % assets | 58% | 60% | 61% | 62% | 65% | 67% | 69% |
| | | | | | | | |
| **Capital Adequacy** | | | | | | | |
| Total equity % assets | 8.03% | 9.12% | 9.34% | 10.65% | 11.19% | 10.81% | 11.13% |
| Tangible equity % assets | 8.03% | 9.12% | 9.34% | 10.65% | 11.19% | 10.81% | 11.13% |
| Tier 1 capital ratio | 12.20% | 13.55% | 14.23% | 14.69% | 13.95% | | |
| Total capital ratio | 13.40% | 14.80% | 15.48% | 15.94% | 15.19% | | |
| | | | | | | | |
| **Parent Company Statistics** | | | | | | | |
| Interest coverage | 2.1X | 4.4X | 9.2X | 27.3X | 61.5X | 9.6X | 7.5X |
| Interest & dividend coverage | 0.9X | 1.5X | 1.5X | 3.7X | 3.5X | 0.5X | 1.2X |
| Short-term debt coverage | Lge | Lge | Lge | Lge | Lge | Lge | Lge |
| Total debt coverage | 0.8X | 0.9X | 1.0X | 0.9X | 1.1X | 1.2X | 0.9X |
| Double leverage | 127.2% | 121.7% | 119.7% | 109.3% | 101.7% | 102.6% | 104.9% |

## Chesapeake Financial Shares, Inc.

**Income Statement and Balance Sheet**

*(Dollars in millions, except per share data)*

| | 2015 | | | | 2016 | | | |
|---|---|---|---|---|---|---|---|---|
| **Summary Financial Data** | **Q1 A** | **Q2 A** | **Q3 A** | **Q4 A** | **Q1 A** | **Q2 A** | **Q3 A** | **Q4 A** |
| Net interest income | 5.9 | 5.8 | 5.8 | 6.0 | 6.1 | 6.1 | 6.1 | 6.2 |
| Non-interest income | 3.9 | 4.8 | 5.3 | 4.8 | 4.4 | 5.1 | 5.8 | 5.7 |
| Total net revenue | 9.8 | 10.6 | 11.1 | 10.8 | 10.5 | 11.2 | 11.9 | 11.9 |
| Loan loss provision | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.4 | 0.1 | 0.1 |
| Non-interest expense | 7.4 | 7.8 | 9.1 | 9.9 | 8.0 | 8.6 | 9.7 | 10.4 |
| Income taxes & other | 0.4 | 0.5 | 0.3 | (0.1) | 0.4 | 0.3 | 0.3 | 0.0 |
| Zacks adjusted income before NRI | 1.9 | 2.2 | 1.7 | 0.9 | 2.0 | 1.9 | 1.8 | 1.4 |
| GAAP net income | 2.6 | 2.2 | 1.7 | 0.9 | 2.0 | 1.9 | 1.8 | 1.4 |
| Diluted EPS before NRI | 0.48 | 0.54 | 0.40 | 0.22 | 0.48 | 0.46 | 0.43 | 0.33 |
| Reported EPS | 0.66 | 0.54 | 0.40 | 0.22 | 0.48 | 0.46 | 0.43 | 0.33 |
| Dividends per share | 0.11 | 0.11 | 0.11 | 0.12 | 0.12 | 0.12 | 0.13 | 0.13 |
| | | | | | | | | |
| Liquid assets | 51.1 | 55.6 | 51.9 | 43.2 | 48.1 | 48.9 | 52.2 | 40.6 |
| Outstandings, gross | 420.6 | 414.0 | 418.6 | 439.0 | 450.7 | 463.9 | 476.6 | 481.4 |
| Total assets | 663.1 | 665.1 | 665.8 | 679.1 | 692.7 | 707.6 | 718.9 | 720.8 |
| Core deposits | 482.0 | 486.1 | 489.8 | 489.1 | 504.3 | 504.8 | 518.8 | 522.3 |
| Purchased funds | 82.9 | 84.4 | 79.5 | 92.4 | 90.0 | 100.2 | 86.3 | 97.4 |
| Long-term debt | 19.3 | 15.5 | 15.4 | 21.1 | 15.4 | 15.3 | 25.3 | 16.1 |
| Shareholders' equity | 73.2 | 72.9 | 74.6 | 76.0 | 77.6 | 80.9 | 80.8 | 77.9 |
| | | | | | | | | |
| **Profitability** | | | | | | | | |
| Return on avg assets* | 1.16% | 1.00% | 0.99% | 0.54% | 1.15% | 1.09% | 1.00% | 0.76% |
| Return on avg equity * | 10.67% | 12.49 | 8.95% | 4.85% | 10.26% | 9.61% | 8.80% | 6.93% |
| Net interest margin* | 4.41% | 4.32% | 4.33% | 4.47% | 4.46% | 4.42% | 4.30% | 4.30% |
| Loan loss provision % avg assets* | 0.04% | 0.13% | 0.01% | 0.05% | 0.04% | 0.21% | 0.04% | 0.03% |
| Noninterest income % avg assets* | 2.36% | 2.00% | 3.18% | 2.85% | 2.57% | 2.90% | 3.26% | 3.17% |
| Noninterest expense % avg assets* | 4.44% | 4.54% | 5.46% | 5.90% | 4.68% | 4.90% | 5.44% | 5.78% |
| Preprovision pretax inc.% avg assets* | 1.46% | 1.22% | 1.20% | 0.54% | 1.44% | 1.50% | 1.22% | 0.81% |
| Tangible efficiency ratio | 77% | 75% | 83% | 92% | 76% | 77% | 83% | 88% |
| Payout ratio | 17% | 21% | 28% | 54% | 25% | 26% | 29% | 37% |
| | | | | | | | | |
| **Asset Quality** | | | | | | | | |
| Net charge-offs % avg outstandings* | 0.27% | 0.06% | 0.57% | 0.17% | 0.42% | 0.80% | 0.11% | (0.11)% |
| Allowance % outstandings | 1.80% | 1.72% | 1.59% | 1.51% | 1.40% | 1.24% | 1.31% | 1.34% |
| NPAs % loans + OREO | 3.48% | 3.95% | 3.43% | 3.09% | 2.77% | 2.45% | 2.23% | 2.21% |
| Allowance % NPAs | 42% | 38% | 39% | 40% | 41% | 43% | 45% | 47% |
| | | | | | | | | |
| **Liquidity & Funding** | | | | | | | | |
| Liquid assets % purchased funds | 62% | 66% | 65% | 47% | 54% | 49% | 60% | 42% |
| Core deposits % outstandings | 115% | 117% | 117% | 111% | 112% | 109% | 109% | 108% |
| Liquid assets % assets | 8% | 8% | 8% | 6% | 7% | 7% | 7% | 6% |
| Outstandings % assets | 63% | 62% | 63% | 65% | 65% | 66% | 66% | 67% |
| | | | | | | | | |
| **Capital Adequacy** | | | | | | | | |
| Total equity % assets | 11.05% | 10.97% | 11.21% | 11.19% | 11.20% | 11.43% | 11.24% | 10.81% |
| Tangible equity % assets | 11.05% | 10.97% | 11.21% | 11.19% | 11.20% | 11.43% | 11.24% | 10.81% |
| Tier 1 capital ratio | 13.85% | 14.15% | 14.23% | 13.95% | 14.09% | 14.31% | 14.28% | 14.16% |
| Total capital ratio | 15.10% | 15.40% | 15.48% | 15.19% | 15.25% | 15.36% | 15.41% | 15.30% |

*Annualized.

## HISTORICAL STOCK PRICE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