

**Annapolis Bancorp, Inc. (NASDAQ: ANNB) has agreed to merge with F.N.B. Corporation (NYSE: FNB)**

**Deal Value: Approximately \$51.0 million**

Sandler O'Neill served as financial advisor to Annapolis Bancorp, Inc. in this transaction. This transaction is Sandler O'Neill's 80<sup>th</sup> bank or thrift transaction nationwide and 22<sup>nd</sup> in the Mid-Atlantic region since January 1, 2010. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period both nationwide and in the Mid-Atlantic region.<sup>1</sup>

F.N.B. Corporation (NYSE: FNB) and Annapolis Bancorp, Inc. (NASDAQ: ANNB) jointly announce the signing of a definitive merger agreement pursuant to which F.N.B. Corporation will acquire Annapolis Bancorp, Inc., the Annapolis-based holding company and parent of BankAnnapolis, in an all stock transaction valued at approximately \$12.09 per share, or \$51 million in the aggregate using the closing stock price as of Friday, October 19, 2012.

Under the terms of the merger agreement, which has been approved by the boards of directors of both companies, shareholders of Annapolis Bancorp, Inc. will be entitled to receive 1.143 shares of F.N.B. Corporation common stock for each share of Annapolis Bancorp, Inc. stock. The exchange ratio is fixed and the transaction is expected to qualify as a tax-free exchange for shareholders of Annapolis Bancorp, Inc. A cash credit-related adjustment provides that shareholders of Annapolis Bancorp, Inc. may receive up to an additional \$0.36 per share in cash for each share of Annapolis Bancorp, Inc. stock they own, dependent on Annapolis Bancorp, Inc.'s ability to resolve an agreed upon credit matter.

F.N.B. Corporation expects the merger to be highly accretive on a marginal basis to its earnings per share and slightly accretive to earnings per share in the first full year (excluding one-time costs). Additionally, the transaction is expected to be neutral to F.N.B. Corporation's tangible book value per share.

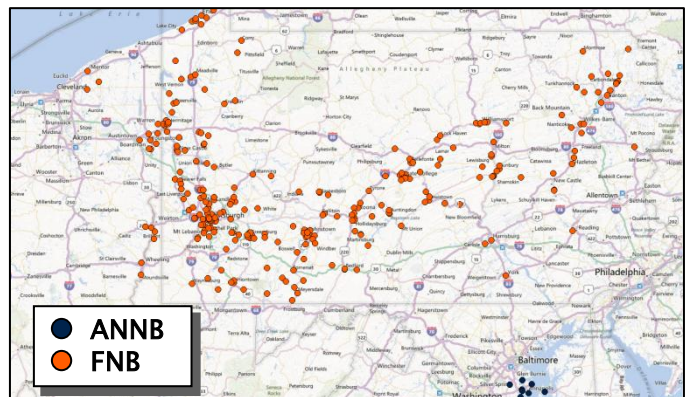
F.N.B. Corporation and Annapolis Bancorp, Inc. expect to complete the transaction in April 2013. Subject to the receipt of requisite approvals, it is expected that Annapolis Bancorp, Inc. will redeem all of its preferred stock held by the U.S. Treasury under the Capital Purchase Program prior to closing or it will be extinguished upon closing of the merger.

**Financial Highlights**

<i>(Dollars in millions)</i>	<u><b>ANNB</b></u>	<u><b>FNB</b></u>
Total Assets	\$437	\$11,751
Net Loans	\$290	\$7,776
Total Deposits	\$343	\$8,986
Total Equity	\$35	\$1,372
Tang. Comm. Equity / Tang. Assets	7.05%	5.96%

*(1) Includes bank or thrift transactions since 2010; excludes terminated transactions and self-advisory roles  
 Note: Financial data as of 6/30/12  
 Source: SNL Financial*

**Pro Forma Branch Map**



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