

Northwest Bancshares, Inc. (NASDAQ: NWBI; Warren, PA) has agreed to sell three branches in Central Maryland to Shore Bancshares, Inc. (NASDAQ: SHBI; Easton, MD)

Deposit Premium: 8.00%

Sandler O'Neill served as exclusive financial advisor to Northwest Bancshares, Inc. in connection with this transaction.

This transaction represents Sandler O'Neill's 21st bank branch transaction since January 1, 2015. During that time period, Sandler O'Neill has advised on branch transactions comprising 118 branches and over \$4.8 billion in deposits, more than any other investment bank.¹

EASTON, Md. and WARREN, Pa., January 10, 2017 -- Shore Bancshares, Inc. (NASDAQ: SHBI) announced today that its banking subsidiary, Shore United Bank, has entered into a purchase and assumption agreement to acquire three bank branches located in the greater Baltimore, Maryland metropolitan area with approximately \$214 million in deposits, \$152 million of performing loans and \$40 million of cash from Northwest Bank, the bank subsidiary of Northwest Bancshares, Inc. (NASDAQ: NWBI). This acquisition provides Shore United Bank with the opportunity to enhance its footprint in Maryland by extending its branch network across the Eastern Shore to the greater Baltimore area communities of Elkridge, Owings Mills and Arbutus.

The premium to be paid on the deposits to be transferred is 8.0%. Excluding estimated transaction expenses, the transaction is currently anticipated to generate additional pre-tax income of approximately \$1.7 million and \$2.5 million in 2017 and 2018, respectively. Upon completion of the transaction, Shore Bancshares, Inc. is expected to have approximately \$1.35 billion in total assets.

Both banks are working closely together to ensure a seamless transition for the customers and employees. Shore United Bank plans to retain all employees at these branch locations.

"We are excited to announce this transaction and look forward to having our new customers and employees join the Shore United team," noted Shore Bancshares' President and Chief Executive Officer, Lloyd L. "Scott" Beatty, Jr. "These branches are a natural extension of our Eastern Shore base of operations and the transaction reflects our announced intention to expand our footprint through accretive acquisition opportunities. The acquisition will provide us with the liquidity to support future growth as well as a significant amount of performing loans, both of which will strengthen our franchise value." Pat Bilbrough, Shore United Bank's President and Chief Executive Officer, added "we believe our new customers will be pleased with our personalized approach to banking, our competitive banking products and services and our commitment to our people and our communities."

William J. Wagner, Chairman, President and CEO of Northwest Bank stated "Northwest is pleased to have the opportunity to transfer these branches to Shore, given its long-standing tradition of success as a Maryland-based community bank. We believe the employees and customers of these offices will embrace the products, services and culture of Shore, which are remarkably similar to Northwest. After thoroughly vetting the merits of this potential divestiture, we concluded that the transaction with Shore presented a reasonable financial return, while providing significant opportunities for our company to devote additional resources to the markets in Pennsylvania, New York and Ohio where we have a more significant presence and greater opportunities for success."

Subject to customary closing conditions, including the receipt of all necessary regulatory approvals, the acquisition is expected to be completed during the second quarter of 2017. Customers of the acquired branches will receive detailed information regarding the transfer of their accounts in the next few months.

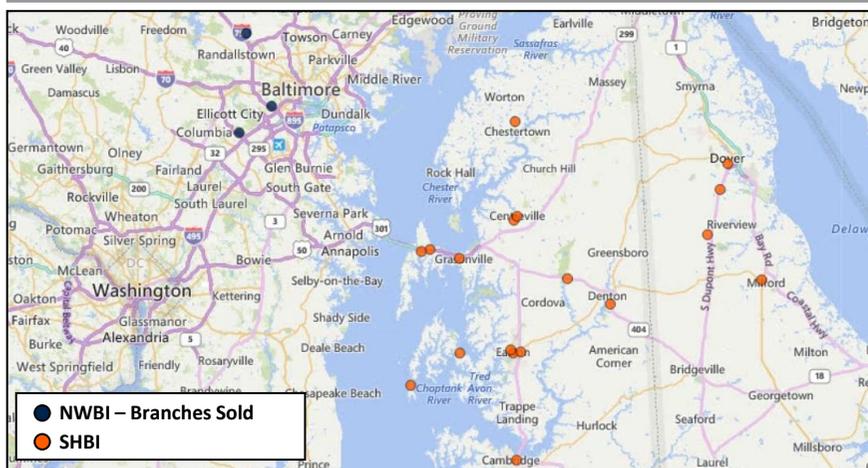
Transaction Summary

Number of Branches	3
Location of Branches	Central Maryland
Total Deposits Transferred	\$ 214 million
Deposit Premium	8.00%
Loans Purchased	\$ 152 million

Seller	Northwest Bancshares, Inc.
Headquarters	Warren, PA
Total Assets	\$ 9.7 billion

Buyer	Shore Bancshares, Inc.
Headquarters	Easton, MD
Total Assets	\$ 1.2 billion

Pro Forma Branch Map



(1) Includes completed and pending branch transactions; excludes terminated transactions and self-advisory roles

Note: Financial data as of September 30, 2016

Source: SNL Financial, NWBI Press Release

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