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FR Y-6
OMB Number 7100-0297
Approval expires December 31, 2015
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Board of Governors of the Federal Reserve System



FRB RICHMOND

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)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. 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 and top-tier savings and loan 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.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2014

Month / Day / Year

N/A

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

I, Lloyd L. Beatty, Jr.

Name of the Holding Company Director and Official

President & CEO

Title of the Holding Company Director and Official

Reporter's Name, Street, and Mailing Address

Shore Bancshares, Inc.

Legal Title of Holding Company

28969 Information Lane

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

Easton

MD

21601

City

State

Zip Code

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.

Physical Location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Jenna Ruth

Accounting Specialist

Name

Title

410-763-8089

Area Code / Phone Number / Extension

410-822-8893

Area Code / FAX Number

jenna.ruth@shbi.com

E-mail Address

www.shorebancshares.com

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

Lloyd L. Beatty, Jr.

Signature of Holding Company Director and Official

04/21/2015

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.

2429838

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

- In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
- The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

Shore Bancshares, Inc.
Annual Report of Bank Holding Companies - FR Y-6
Report at the close of business December 31, 2014

Report Item 1:

Annual Reports to Shareholders

Company is registered with the SEC.

Report Item 2a & 2b

Organization Chart - Attached as exhibit A.
Domestic Branch Listing – Attached as exhibit B

Report Item 3:

Shareholders

- 1) List each shareholder of record that directly or indirectly owns controls or holds with power to vote 5 percent or more of any class of voting securities of Shore Bancshares, Inc. ("Bancshares").

a) Name and Address (City, State)	b) Country of Citizenship or Incorporation	c) Number and Percentage of Each Class of Voting Securities
Wellington Management Group, LLP 280 Congress Street Boston, MA 02210	USA	1,195,257 – 9.5% Common Stock
Maltese Capital Management, LLC. 150 East 52 nd Street, 30 th Floor New York, New York 10022	USA	690,810 – 5.5% Common Stock

- 2) List any shareholder not listed in 3(1) that owned or controlled 5 percent or more of any class of voting securities in the bank holding company during the fiscal year for which the report is being filed. In addition list each person or entity that held options, warrants or other securities or rights that could have converted into or exercised for voting securities, which in their aggregate, and including voting securities held, would have equaled or exceeded 5 percent of any such class of voting stock.

d) Name and Address (City, State)	e) Country of Citizenship or Incorporation	f) Number and Percentage of Each Class of Voting Securities
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N/A

Report Item 4-(1) (2) (3 a, b, c):**Directors and Officers**

Nine directors served on Shore Bancshares, Inc. Board of Directors as of December 31, 2014. Their names, addresses, principal occupations and certain other information are set forth below.

Name	Address	Principal Occupation
Blenda W. Armistead	Easton, MD USA	Ms. Armistead has served as a director of the Company since January 2002 and is currently the Chair of the Nominating & Governance Committee and also serves on the Executive and Audit Committees. She has served as a director of Talbot Bank since 1992. She is an investor.
David J. Bates	Easton, MD USA	Mr. Bates has served as a director of the Company since April 2012 and is currently the Chair of the Asset Liability Committee and also serves on the Executive, Nominating & Governance Committees. He is an investor. Since September 2014, Mr. Bates serves as Chairman & CEO of Xtone, Inc., a small privately held technology company located in Northern Virginia.
Lloyd L. Beatty, Jr.	Royal Oak, MD USA	Mr. Beatty has served as a director of the Company since December 2000 and currently serves on the Executive Committee. He has served as a director of Talbot Bank since 1992. On June 1, 2013, Mr. Beatty was promoted to Chief Executive Officer of the Company as well as continuing to serve as President. Since January 2011, Mr. Beatty has served as our President and Chief Operating Officer and previously as our Executive Vice President and Chief Operating Officer since 2007. From October 2004 until October 2005, Mr. Beatty's employment with the Company was on a part-time basis. Prior to October 2005, Mr. Beatty was the Chief Operating Officer of Darby Overseas Investments, LP and President of Darby Advisors, Inc.
James A. Judge	Chestertown, MD USA	Mr. Judge has served as a member of our Board since April 2009 and is currently the Chair of the Audit Committee and a member of the Asset Liability Committee. Mr. Judge has been a director of CNB, a wholly-owned bank subsidiary of the Company, since 2005. Mr. Judge is a certified public accountant partner in Anthony, Judge & Ware, LLC, an accounting and tax services company located in Chestertown, Maryland.
Frank E. Mason, III	Easton, MD USA	Mr. Mason has served as director of the Company since April 2011 and is currently the Chair of the Executive Committee and a member of the Audit and Nominating & Governance Committees. Mr. Mason is the President and Chief Executive Officer of JASCO Inc., a manufacturer and distributor of analytical instrumentation for the scientific research community, a position he has held since 2004.

David W. Moore	Felton, DE USA	Mr. Moore has served as a director of the company since April 2014 and is currently a member of the Compensation and Asset Liability Committees. He served as a director of The Felton Bank ("Felton Bank"), a wholly owned bank subsidiary of the Company that merged into CNB on January 1, 2011 between 2001 and December 31, 2010. He has served as a director of CNB since 2011. Mr. Moore has served as President and CEO of Milford Housing Development Corporation (MHDC) since 2004 and from 2000 to 2003 served as Deputy Director of MHDC.
Christopher F. Spurry	St. Michaels, MD USA	Mr. Spurry has served as a director of the company since April 2004 and as Chairman of the Board since 2006. He is currently a member of the Compensation and Executive Committees. He has served as a director of Talbot Bank since 1995. He served as a director of The Felton Bank ("Felton Bank"), a wholly owned bank subsidiary of the Company that merged into CNB on January 1, 2011, between September 2009 and December 31, 2010. He is the owner and President of Spurry & Associates, Inc., a manufacturer's representative firm.
W. Moorhead Vermilye	Easton, MD USA	Mr. Vermilye has served as a director of the Company since December 2000 and is currently a member of the Asset Liability Committee. He has served as a director of Talbot Bank since 1977 and as a director of Felton Bank between April 2004 and December 31, 2010. On June 1, 2013, Mr. Vermilye resigned as our CEO and became Senior business Development officer of Talbot Bank. Mr. Vermilye served as CEO of the Company from December 2000 until May 2013. He previously served as President and CEO from December 2000 until January 1, 2011. He served as President and Chief Executive Officer of Talbot Bank from 1988 until July 2006.
John H. Wilson	Easton, MD USA	Mr. Wilson has served as a director of the Company since April 2009 and is currently Chair of the Compensation Committee and a member of the Nominating & Governance Committee. He also serves as a director of The Avon-Dixon Agency, a wholly-owned insurance producer subsidiary of the Company. Since 2006, Mr. Wilson has served as the President and Chief Executive Officer of Coastal South of Maryland, Inc., a land development and real estate consulting company. Mr. Wilson is also owner/operator of Chesapeake Bay Beach Club, a private events facility and managing member of the Tidewater Inn. LLC, a hotel, and is a director of the Eastern Shore Land Conservancy.

Officers

George S. Rapp

Easton, MD
USA

Mr. Rapp is our Vice President and Chief Financial Officer, positions he has held since February 2013. Prior to joining the Company, from 2010 to 2012, Mr. Rapp served as the Chief Financial Officer and one of the four executive founders of World Currency USA in Marlton, NJ, a provider of foreign currency exchange services to financial institutions. From 2005 to 2010, Mr. Rapp served as the Chief Financial Officer of Harleysville National Corporation, a regional banking corporation in Harleysville, PA.

Report Item 4-(4a):

The following table reflects the beneficial ownership of common stock in the company by directors, director nominees, executive officers and by principal shareholders known to management as of March 1, 2015, and includes all shares of common stock that may be acquired by such persons within 60 days of that date.

Name	Number of Shares Beneficially Owned	Percent of Class Beneficially Owned
Directors, Nominees and Named Executive Officers		
Blenda W. Armistead	13,035 (1)	0.10
David J. Bates	1,522	0.01
Lloyd L. Beatty, Jr.	78,818 (2)	0.62
James A. Judge	7,531 (3)	0.06
Frank E. Mason, III	6,876	0.05
David W. Moore	1,343 (4)	0.01
George S. Rapp	11,099 (5)	0.09
Christopher F. Spurry	19,522 (6)	0.16
W. Moorhead Vermilye	100,558 (7)	0.80
John H. Wilson	4,755 (8)	0.04
All Directors/Executive Officers as a Group (10 Persons)	245,059	1.94%

Notes:

- (1) Includes 1,305 shares held individually by Bruce C. Armistead; 2,532 shares held by Bruce C. Armistead under an Individual Retirement Account arrangement; and 2,545 shares held by Bruce C. Armistead, as custodian for a minor child.
- (2) Includes 15,025 shares held jointly with Nancy W. Beatty; 855 shares held individually by Nancy W. Beatty; and exercisable options to acquire 17,590 shares.
- (3) Includes 5,740 shares held individually by Margaret B. Judge.
- (4) Includes 96 shares held jointly with Evelyn W. Moore.
- (5) Includes exercisable options to acquire 2,725 shares.
- (6) Includes 8,152 shares held jointly with Beverly B. Spurry; 300 shares held by Beverly B. Spurry under a SEP arrangement; 747 shares held by Beverly B. Spurry under an Individual Retirement Account arrangement.
- (7) Includes 2,958 shares held individually by Sarah W. Vermilye.
- (10) Includes 3,033 shares held jointly with Deidre K. Wilson.

Report Item 4-(4b):

Percentage of each class of voting securities owned, controlled, or held with power to vote in direct and indirect subsidiaries of the bank holding company.

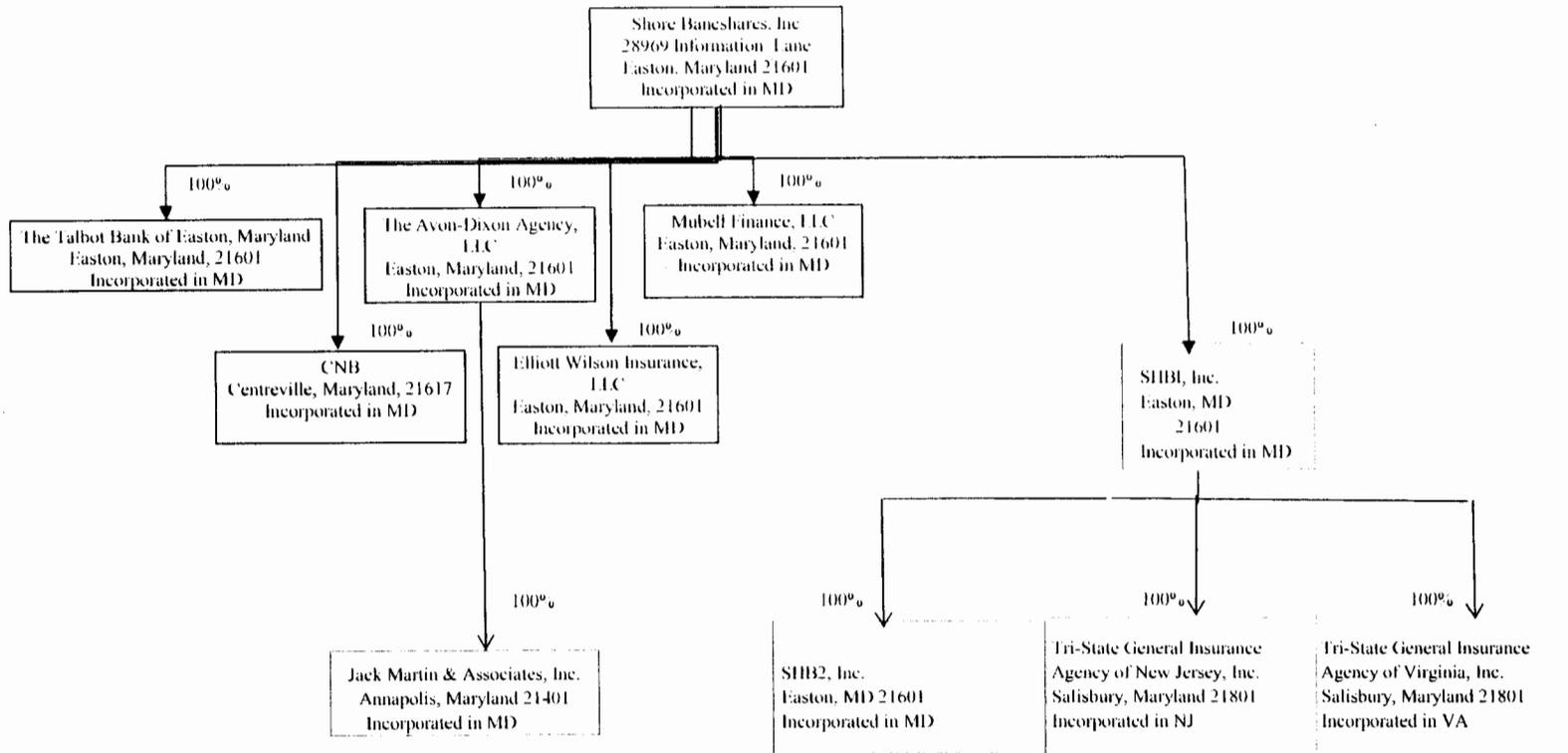
NONE

Report Item 4-(4c):

4c. As of December 31, 2014, percentage of each class of voting securities owned, controlled, or held with power to vote in any other company, if 25% or more of its outstanding voting securities or proportionate interest in a partnership are held.

Director	Company	Ownership
Blenda W. Armistead	None	
David J. Bates	None	
Lloyd L. Beatty, Jr.	Washington Street Plaza	33.33%
James A. Judge	Anthony, Judge & Ware	35%
	AJW Properties	33%
Frank E. Mason, III	F.E. Mason Company	100%
	Oxford International Company	100%
David W. Moore	None	
Christopher F. Spurry	Spurry & Associates	100%
	Spurry-Commercial, LLC	50%
W. Moorhead Vermilye	None	
John H. Wilson	Chesapeake Bay Beach Club	52%
	Coastal South of Maryland	100%
	Tidewater Inn, LLC	67%
	Whites Heritage, LLC	25%
Executive Officer:		
George S. Rapp	None	

Exhibit A
The Shore Bancshares
Family of Companies



Shore Bancshares is the sole member and managing member of The Avon-Dixon Agency, LLC, Mubell Finance, LLC and Elliott Wilson Insurance, LLC

Results: A list of branches for your holding company: SHORE BANK SHARES, BR. (34,9658) OF EASTON, LTD.
 The data are as of 11/30/2024. Data reflects information that was received and processed through 01/07/2025.

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.
- Take: If a branch listed was never owned by this depository institution, enter 'Take' 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)	933023	CNB	109 N COMMERCE STREET	CENTREVILLE	MD	21017	QUEEN ANNES	UNITED STATES	3222	0	CNB		933023
ok		Full Service	3662714	CAMDEN BRANCH	4580 SOUTH DUPONT HIGHWAY	CAMDEN	DE	19934	KENT	UNITED STATES	460425	11	CNB		933023
ok		Full Service	238812	FELTON BRANCH	120 WEST MAIN STREET	FELTON	DE	19943	KENT	UNITED STATES	8096	9	CNB		933023
ok		Full Service	2450618	MILFORD BRANCH	698 NORTH DUPONT BOULEVARD SUITE A	MILFORD	DE	19963	SUSSEX	UNITED STATES	227804	10	CNB		933023
ok		Full Service	932521	ROUTE 213 BRANCH	7609 CENTREVILLE ROAD	CENTREVILLE	MD	21017	QUEEN ANNES	UNITED STATES	204571	2	CNB		933023
ok		Full Service	3216623	CHESTER BRANCH	300 CASTLE MARINA ROAD	CHESTER	MD	21019	QUEEN ANNES	UNITED STATES	419413	6	CNB		933023
ok		Full Service	3679685	WASHINGTON SQUARE BRANCH	899 WASHINGTON AVE	CHESTERTOWN	MD	21620	KENT	UNITED STATES	454700	8	CNB		933023
ok		Full Service	3016888	DENTON BRANCH	850 SOUTH FIFTH AVENUE	DENTON	MD	21629	CAROLINE	UNITED STATES	361329	5	CNB		933023
ok		Trust	4114017	WYE FINANCIAL AND TRUST	16 N WASHINGTON STREET	EASTON	MD	21601	TALBOT	UNITED STATES	Not Required	Not Required	CNB		933023
ok		Full Service	3400450	GRASONVILLE BRANCH	202 PULLMAN CROSSING ROAD	GRASONVILLE	MD	21638	QUEEN ANNES	UNITED STATES	448953	7	CNB		933023
ok		Full Service	1971143	LUCKATHOE BRANCH	22151 WES STREET	RIDGELY	MD	21660	CAROLINE	UNITED STATES	227690	3	CNB		933023
ok		Full Service	871929	STEVENSVILLE BRANCH	408 THOMPSON CREEK ROAD	STEVENSVILLE	MD	21666	QUEEN ANNES	UNITED STATES	204570	1	CNB		933023
ok		Full Service (Head Office)	796125	TALBOT BANK OF EASTON, MARYLAND, THE	18 EAST DOVER STREET	EASTON	MD	21601	TALBOT	UNITED STATES	1262	0	TALBOT BANK OF EASTON, MARYLAND, THE	796125	
ok		Full Service	3373228	SUNBURST BRANCH	424 DORCHESTER AVENUE	CAMBRIDGE	MD	21013	DORCHESTER	UNITED STATES	442543	5	TALBOT BANK OF EASTON, MARYLAND, THE	796125	
ok		Full Service	2260853	ELLIOTT ROAD BRANCH	8275 ELLIOTT RD	EASTON	MD	21601	TALBOT	UNITED STATES	190393	3	TALBOT BANK OF EASTON, MARYLAND, THE	796125	
ok		Full Service	795623	TRED AVON SQUARE BRANCH	212 MARLBORO ROAD	EASTON	MD	21601	TALBOT	UNITED STATES	190391	1	TALBOT BANK OF EASTON, MARYLAND, THE	796125	
ok		Full Service	611125	SAINI MICHAELS BRANCH	1013 TALBOT ST	SAINI MICHAELS	MD	21663	TALBOT	UNITED STATES	190392	2	TALBOT BANK OF EASTON, MARYLAND, THE	796125	
ok		Full Service	3937750	TILGHMAN BRANCH	5804 TILGHMAN ISLAND ROAD	TILGHMAN	MD	21071	TALBOT	UNITED STATES	476950	6	TALBOT BANK OF EASTON, MARYLAND, THE	796125	
ok		Full Service	3958643	TRAPPE BRANCH	29349 MAPLE AVENUE, SUITE 1	TRAPPE	MD	21073	TALBOT	UNITED STATES	493271	7	TALBOT BANK OF EASTON, MARYLAND, THE	796125	