Howard Bancorp Inc
Form S-4/A
November 21, 2017
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As filed with the Securities and Exchange Commission on November 21, 2017
Registration No. 333-221450

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HOWARD BANCORP, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland	6022	20-3735949
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

6011 University Blvd., Suite 370
Ellicott City, MD 21043
(410) 750-0020
(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Mary Ann Scully
President, Chairman and Chief Executive Officer
Howard Bancorp, Inc.
6011 University Blvd., Suite 370
Ellicott City, MD 21043
(410) 750-0020
(Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

Michael P. Reed, Esq. Frank M. Conner III, Esq. Covington & Burling LLP One City Center 850 Tenth Street, N.W. Washington, D.C. 20001 (202) 662-6000	Robert D. Kunisch, Jr. President and Chief Executive Officer First Mariner Bank 3301 Boston St. Baltimore, MD 21224 (443) 573-4800	Michael D. Schiffer, Esq. Eric R. Smith, Esq. Venable LLP 750 East Pratt Street, Suite 900

Baltimore,
MD 21202
(410)
244-7400

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon the effective time of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer		Accelerated filer
Non-accelerated filer	(do not check if a smaller reporting company)	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy and information statement/prospectus is not complete and may be changed. We may not sell the securities offered by this joint proxy and information statement/prospectus until the registration statement relating to the shares of Howard common stock to be issued in the merger that is filed with the United States Securities and Exchange Commission becomes effective. This joint proxy and information statement/prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction in which the offer or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY—SUBJECT TO COMPLETION—DATED NOVEMBER 21, 2017

MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT

To the Stockholders of Howard Bancorp, Inc. and First Mariner Bank:

On August 14, 2017, First Mariner Bank, or First Mariner, Howard Bancorp, Inc., or Howard, and Howard Bank agreed to a strategic business combination in which First Mariner will merge with and into Howard Bank, with Howard Bank continuing as the surviving bank of the merger and a wholly owned subsidiary of Howard. If the merger is completed, each share of First Mariner common stock and each share of First Mariner Series A Non-Voting Non-Cumulative Perpetual Preferred Stock, which we refer to as the First Mariner preferred stock, issued and outstanding immediately prior to the merger will be converted into the right to receive 1.6624 shares of Howard common stock, which we refer to as the merger consideration. No fractional shares of Howard common stock will be issued in connection with the merger, and holders of First Mariner common stock and preferred stock will be entitled to receive cash in lieu thereof. As a result of the merger, First Mariner stockholders will become entitled to receive, in the aggregate, shares of Howard common stock equal to approximately 48% of the fully diluted common stock of Howard.

We are sending you this joint proxy and information statement/prospectus to notify you of, and invite the Howard stockholders to, the special meeting of Howard stockholders, which we refer to as the Howard special meeting, being held to consider the issuance of shares of Howard common stock in connection with the Agreement and Plan of Reorganization dated as of August 14, 2017, as amended by Amendment No. 1 on November 8, 2017, which we refer to as the merger agreement, that First Mariner, Howard and Howard Bank have entered into, and related matters. Shares of Howard common stock are listed on the Nasdaq Capital Market under the ticker symbol “HBMD.”

As described herein, concurrently with the execution of the merger agreement, the directors, executive officers and certain First Mariner stockholders that beneficially own or control in the aggregate approximately 88.9% of the outstanding shares of the First Mariner capital stock on an as-converted to common stock basis entered into a stockholder agreement with Howard and Howard Bank, which stockholder agreement was amended on November 8, 2017 concurrently with the amendment to the merger agreement, which we refer to as the First Mariner stockholder agreement, pursuant to which such First Mariner stockholders agreed to execute a written consent approving the merger and the merger agreement, or the First Mariner stockholder consent, at least 20 business days following the mailing date of this joint proxy and information statement/prospectus to the First Mariner stockholders and no later than the day prior to the date of the Howard special meeting. As a result, once the First Mariner stockholders have executed the First Mariner stockholder consent, the merger will be approved by the requisite stockholder vote. No meeting of First Mariner stockholders to approve the merger and related transactions will be held; however, all First Mariner stockholders will have the opportunity to elect to approve the merger and the merger agreement, thereby approving the merger and related transactions, by signing and returning the First Mariner stockholder consent to First Mariner.

After careful consideration, the Howard and First Mariner boards of directors have approved the merger, the merger agreement and the respective proposals referred to above, and each of the Howard and First Mariner boards of directors has determined that it is advisable to enter into the merger. The board of directors of Howard recommends that its stockholders vote “FOR” the proposals described in the accompanying joint proxy and information statement/ prospectus, and the board of directors of First Mariner unanimously recommends that its stockholders sign and return the stockholder written consent indicating their approval of the merger and approval of the merger agreement and related transactions to First Mariner.

The market value of the merger consideration will fluctuate with the market price of Howard common stock. The following table presents the closing prices of Howard common stock on August 11, 2017, the last trading day before public announcement of the merger, and on November 20, 2017, the last practicable trading day before the distribution of this joint proxy and information statement/prospectus. The table also presents the implied value of the merger consideration proposed for each share of First Mariner common stock converted into the merger consideration on those dates, as determined by multiplying the closing price of Howard common stock on those dates by the exchange ratio of 1.6624 provided for in the merger agreement. We urge you to obtain current market quotations for shares of Howard common stock.

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	Howard Common Stock (Nasdaq: HBMD)	Implied Value of One Share of First Mariner Common Stock
At August 11, 2017	$ 17.05	$ 28.34
At November 20, 2017	$ 20.25	$ 33.66

In addition, the First Mariner board of directors may terminate the merger agreement if the average closing price of Howard common stock is below the threshold specified in the applicable merger agreement and below a threshold relative to an index of banking stocks. If the First Mariner board of directors terminates the merger agreement, Howard may prevent the applicable merger agreement from being terminated by increasing the number of shares of Howard common stock to be issued to holders of First Mariner capital stock in the merger. See ‘‘The Merger Agreement—Termination of the Merger Agreement.’’

The Howard special meeting will be held on December 27, 2017, at 10:00 a.m., local time, at Howard’s principle executive offices, located at 6011 University Blvd., Suite 370, Ellicott City, Maryland 21043.

Your vote is important. We cannot complete the merger unless Howard stockholders approve the issuance of shares of Howard common stock in connection with the merger agreement. In order for the merger to be executed, the issuance of shares of Howard common stock must be approved by the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting. Regardless of whether you plan to attend the Howard special meeting, please take the time to vote your shares in accordance with the instructions contained in this joint proxy and information statement/prospectus.

The Howard board of directors recommends that Howard stockholders vote “FOR” approval of the issuance of shares of Howard common stock in connection with the merger agreement and “FOR” the other matters to be considered at the Howard special meeting.

The First Mariner board of directors unanimously recommends that First Mariner stockholders sign and return the stockholder written consent indicating their approval of the merger and approval of the merger agreement and related transactions to First Mariner.

This joint proxy and information statement/prospectus describes the Howard special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire document, including “Risk Factors” beginning on page 35, for a discussion of the risks relating to the proposed merger.

Howard and First Mariner are excited about the opportunities the merger brings to both Howard and First Mariner stockholders. Thank you for your consideration and continued support.

Mary Ann Scully President, Chairman and Chief Executive Officer Howard Bancorp, Inc.	Robert D. Kunisch, Jr. President and Chief Executive Officer First Mariner Bank	Jack E. Steil Chairman First Mariner Bank

Neither the United States Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this joint proxy and information statement/ prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Howard or First Mariner, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy and information statement/prospectus is November 22, 2017, and it is first being mailed or otherwise delivered to Howard and First Mariner stockholders on or about November 22, 2017.

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Howard Bancorp, Inc.
NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To the Stockholders of Howard Bancorp, Inc.:
Howard will hold a special meeting of stockholders at 10:00 a.m., local time, on December 27, 2017, at Howard's principle executive offices, located at 6011 University Blvd., Suite 370, Ellicott City, Maryland 21043, which we refer to as the Howard special meeting. The Howard special meeting will be held for the purposes of allowing Howard stockholders to consider and vote upon the following matters:

- a proposal to issue up to 9,143,230 shares of Howard common stock as consideration under the Agreement and Plan of Reorganization dated as of August 14, 2017, by and between Howard, Howard Bank and First Mariner, as amended by Amendment No. 1 on November 8, 2017, pursuant to which First Mariner will merge with and into Howard Bank, with Howard Bank continuing as the surviving bank of the merger and a wholly owned subsidiary of Howard, and as more fully described in the attached joint proxy and information statement/prospectus, which we refer to as the shares issuance proposal;

- a proposal to approve an Employee Stock Purchase Plan, which we refer to as the ESPP proposal; and

- a proposal to approve the adjournment of the Howard special meeting, if necessary, to solicit additional proxies in favor of the approval of the shares issuance proposal, which we refer to as the adjournment proposal.

Howard has fixed the close of business on November 20, 2017 as the record date for the Howard special meeting. Only Howard stockholders of record at that time are entitled to notice of, and to vote at, the Howard special meeting, or any adjournment or postponement thereof. Approval of the shares issuance proposal, the ESPP proposal and the adjournment proposal requires the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting. At the close of business on the record date, Howard had 9,814,892 shares of common stock outstanding and entitled to vote.
Your vote is very important. We cannot complete the merger unless Howard stockholders approve the issuance of shares of Howard common stock in connection with the merger agreement.
As a stockholder of record, you are cordially invited to attend the Howard special meeting in person. Regardless of whether you plan to attend the Howard special meeting, please vote as soon as possible by (1) accessing the internet site listed on your proxy card, (2) calling the toll-free number listed on your proxy card, or (3) completing, signing, dating and returning your proxy card in the enclosed postage-paid return envelope. Properly executed proxy cards with no instructions indicated on the proxy card will be voted "FOR" the shares issuance proposal, "FOR" the ESPP proposal and "FOR" the adjournment proposal. If you hold Howard common stock in your name as a stockholder of record or hold a valid proxy from the holder of record and attend the Howard special meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. Your prompt attention is greatly appreciated.
The enclosed joint proxy and information statement/prospectus provides a detailed description of the merger, the merger agreement and related matters. We urge you to read the joint proxy and information statement/prospectus, including any documents incorporated in the joint proxy and information statement/ prospectus by reference, and its appendices and annexes, carefully and in their entirety. If you have any questions concerning the merger or the joint proxy and information statement/prospectus, would like additional copies of the joint proxy and information statement/prospectus or need help voting your shares of Howard common stock, please contact Charles E. Schwabe,

Corporate Secretary, at Howard Bancorp, Inc. at (410) 750-0020.

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The Howard board of directors has approved the merger and the merger agreement and recommends that Howard stockholders vote “FOR” approval of the shares issuance proposal, “FOR” approval of the ESPP proposal and “FOR” approval of the adjournment proposal.

BY ORDER OF THE BOARD OF DIRECTORS,

Charles E. Schwabe, Corporate Secretary
Ellicott City, Maryland
November 22, 2017

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ADDITIONAL INFORMATION

This joint proxy and information statement/prospectus incorporates important business and financial information about Howard from documents filed with or furnished to the United States Securities and Exchange Commission, which we refer to as the SEC, that are not included in or delivered with this joint proxy and information statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Howard at no cost from the SEC's website at www.sec.gov. You may also request copies of these documents, including documents incorporated by reference by Howard in this joint proxy and information statement/prospectus, at no cost by contacting Howard, or Howard's proxy solicitor, in writing or by telephone at the following addresses:

Howard Bancorp, Inc.	Georgeson
6011 University Blvd., Suite 370	1290 Avenue of the Americas, 9th Floor
Ellicott City, Maryland 21043	New York, NY 10104
Attention: Charles E. Schwabe	Shareholders, Banks and Brokers
Telephone: (410) 750-0020	Call Toll Free: (866) 296-6841

You will not be charged for any of these documents that you request. Howard stockholders requesting documents must do so by December 20, 2017 in order to receive them before the Howard special meeting to be held on December 27, 2017.

In addition, if you have questions about the merger or the Howard special meeting, need additional copies of this joint proxy and information statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Charles E. Schwabe at the address above.

See "Where You Can Find More Information" beginning on page 126 for more details.

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ABOUT THIS JOINT PROXY AND INFORMATION STATEMENT/PROSPECTUS

This joint proxy and information statement/prospectus, which forms part of a registration statement on Form S-4 filed with the SEC by Howard, constitutes a prospectus of Howard under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of Howard common stock to be issued to the First Mariner stockholders pursuant to the merger.

This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, with respect to Howard's special meeting, at which Howard stockholders will be asked to consider and vote upon certain proposals, including the shares issuance proposal. This document will also function as an information statement provided to First Mariner stockholders in connection with First Mariner's solicitation of the First Mariner written consent approving the merger and the merger agreement and the transactions contemplated thereby.

You should rely only on the information contained in or incorporated by reference into this joint proxy and information statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy and information statement/prospectus. This joint proxy and information statement/prospectus is dated November 22, 2017. You should not assume that the information contained in this joint proxy and information statement/ prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy and information statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy and information statement/prospectus to Howard and First Mariner stockholders nor the issuance by Howard of shares of Howard common stock to First Mariner stockholders in connection with the merger will create any implication to the contrary.

This joint proxy and information statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy and information statement/prospectus regarding Howard or Howard Bank has been provided by Howard, and information contained in this joint proxy and information statement/prospectus regarding First Mariner has been provided by First Mariner.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE HOWARD SPECIAL MEETING

The following are some questions that you may have regarding the merger of First Mariner with and into Howard Bank and the Howard special meeting of stockholders, which we refer to as the Howard special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy and information statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the Howard special meeting. Additional important information is also contained in the documents incorporated by reference into this joint proxy and information statement/prospectus. See "Where You Can Find More Information" beginning on page 126. Unless the context requires otherwise, references in this joint proxy and information statement/ prospectus to Howard refer to Howard Bancorp, Inc., a Maryland corporation, and/or its consolidated subsidiaries, references in this joint proxy and information statement/prospectus to Howard Bank refer to Howard Bank, a Maryland chartered trust company and a wholly owned subsidiary of Howard, and/or its consolidated subsidiaries, references in this joint proxy and information statement/prospectus to First Mariner refer to First Mariner Bank, a Maryland chartered trust company, and/or its consolidated subsidiaries, and references in this joint proxy and information statement/prospectus to "we," "our" and "us" refer to Howard, Howard Bank and First Mariner collectively.

Q:
What is the merger?

A:
Howard and First Mariner have entered into an Agreement and Plan of Reorganization, dated as of August 14, 2017, as amended by Amendment No. 1 on November 8, 2017, which we refer to as the merger agreement. Under the merger agreement, First Mariner will be merged with and into Howard Bank, with Howard Bank continuing as the surviving bank. A copy of the merger agreement is included in this joint proxy and information statement/prospectus as Annex I. The merger cannot be completed unless, among other things, the Howard stockholders approve the issuance of shares of Howard common stock pursuant to the merger agreement, which we refer to as the shares issuance proposal.

Q:
Why am I receiving this joint proxy and information statement/prospectus?

A:
You are receiving this joint proxy and information statement/prospectus because you have been identified as a stockholder of Howard or First Mariner as of the applicable record date, and you are entitled, as applicable, to vote at the Howard stockholder special meeting to approve among other things the issuance of shares of Howard common stock pursuant to the merger agreement, or sign and return the First Mariner written consent to approve the merger agreement and approve the merger. This document serves as:

- a proxy statement of Howard used to solicit proxies for its special meeting of stockholders;
- a prospectus of Howard used to offer shares of Howard common stock in exchange for shares of First Mariner common stock and First Mariner preferred stock in the merger; and
- an information statement of First Mariner used to solicit the written consent of its stockholders for the approval of the merger agreement and the merger and related transactions.

This document contains important information about the merger, the shares of Howard common stock to be issued in the merger, the special meeting of Howard stockholders, and the written consent of First Mariner stockholders and you should read it carefully.

Q:

In addition to the shares issuance proposal, what else are Howard stockholders being asked to vote on?

A:

In addition to the share issuance proposal, Howard is soliciting proxies from its stockholders with respect to (1) a proposal to approve an Employee Stock Purchase Plan, which we refer to as the ESPP proposal, and (2) a proposal to adjourn the Howard special meeting, if necessary or appropriate, to solicit additional proxies in favor of the shares issuance proposal, which we refer to as the adjournment proposal. Completion of the merger is not conditioned upon approval of either of the ESPP proposal or the adjournment proposal. Howard expects that the adjournment proposal will not be brought before the Howard special meeting if there are sufficient votes to approve the shares issuance and ESPP proposals.

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Q:
As a Howard stockholder, how does the Howard board of directors recommend I vote at the Howard special meeting?

A:
After careful consideration, the Howard board of directors unanimously recommends that Howard stockholders vote:

- "FOR" the shares issuance proposal;

- "FOR" the ESPP proposal; and

- "FOR" the adjournment proposal, if necessary or appropriate.

Q:
How does the First Mariner board of directors recommend I vote?

A:
The First Mariner board of directors unanimously recommends that you sign and return the stockholder written consent indicating your approval of the merger and the merger agreement and related transactions to First Mariner. See the section entitled "The Merger—First Mariner's Reasons for the Merger; Recommendation of the First Mariner Board of Directors" beginning on page 65.

Q:
When and where is the Howard special meeting?

A:
The Howard special meeting will be held at Howard's principle executive offices, located at 6011 University Blvd., Suite 370, Ellicott City, Maryland 21043 on December 27, 2017, at 10:00 a.m., local time.

Q:
Who is entitled to vote?

A:
Holders of record of Howard common stock at the close of business on November 20, 2017, which is the date that the Howard board of directors has fixed as the record date for the Howard special meeting, are entitled to vote at the Howard special meeting. Holders of record of First Mariner common stock and preferred stock as of the close of business on August 14, 2017 are entitled to vote on the merger.

Q:
What do I need to do now?

A:
If you are a Howard stockholder of record as of the close of business on the record date, after you have carefully read this joint proxy and information statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the Howard special meeting. You must mail your completed, signed and dated proxy card in the enclosed postage-paid return envelope as soon as possible.

If you are a stockholder of First Mariner, after you have carefully read this joint proxy and information statement/prospectus and have decided how you wish to vote your shares, you may execute and return your written consent to First Mariner in accordance with the instructions provided.

Q:
What will First Mariner stockholders receive in the merger?

A:
Upon completion of the merger, each share of First Mariner common stock and each share of First Mariner preferred stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive 1.6624 of a share, or the exchange ratio, of Howard common stock, which we refer to as the merger consideration. As a result of the merger, First Mariner stockholders will become entitled to receive, in the aggregate, shares of Howard common stock equal to approximately 48% of the fully diluted common stock of Howard.

If the number of shares of First Mariner common stock or First Mariner preferred stock outstanding increases or decreases prior to the effective time of the merger, then the merger consideration will be equitably and proportionately adjusted, if necessary and without duplication, to fully effect such change.

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Q:
What happens if I am eligible to receive a fraction of a share of Howard common stock as part of the per share merger consideration?

A:
Howard will not issue fractional shares of Howard common stock in the merger. If the aggregate number of shares of Howard common stock that you are entitled to receive as part of the per share merger consideration includes a fraction of a share of Howard common stock, you will instead receive an amount in cash equal to the product of $32.50, which we refer to as the per share cash amount, and the fraction of a share of Howard common stock to which you otherwise would be entitled. See the section entitled "The Merger Agreement—Structure of the Merger—Fractional Shares" beginning on page 96.

Q:
How will the merger affect First Mariner stock options and First Mariner warrants?

A:
First Mariner Stock Options. At the effective time of the merger, each option granted by First Mariner to purchase shares of First Mariner common stock under First Mariner's equity plans, whether vested or unvested, outstanding immediately prior to the effective time of the merger will fully vest and be canceled and converted into the right to receive from Howard a cash payment equal to the product of (1) the total number of shares of Howard common stock subject to such option, and (2) the difference, if positive, between the per share cash amount and the exercise price per share of such option. Any such option with an exercise price per share that equals or exceeds the per share cash amount will be canceled at the effective time of the merger with no consideration paid to the option holder therefor.

First Mariner Warrants. At the effective time of the merger, each warrant granted by First Mariner to purchase shares of First Mariner common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive from Howard a cash payment equal to the product of (1) the total number of shares of Howard common stock subject to such warrant, and (2) the difference, if positive, between the per share cash amount and the exercise price per share of such warrant. Any such warrant with an exercise price per share that equals or exceeds the per share cash amount will be canceled at the effective time of the merger with no consideration paid to the warrant holder therefor.

Q:
What will Howard stockholders and holders of Howard equity awards receive in the merger?

A:
Howard stockholders and holders of Howard equity awards will not receive anything as a result of the merger, but will continue to hold the same amount of Howard common stock and Howard equity awards held immediately prior to the merger. Following the merger, shares of Howard common stock will continue to be traded on the Nasdaq Capital Market under the symbol "HBMD."

Q:
Will the value of the merger consideration change between the date of this joint proxy and information statement/prospectus and the time the merger is completed?

A:
Because the number of shares of Howard common stock that First Mariner stockholders will receive for each share of First Mariner common stock and First Mariner preferred stock, respectively, is fixed (subject, in each case, to possible adjustment), the value of the merger consideration will fluctuate between the date of this joint proxy and information statement/prospectus and the completion of the merger based upon the market value for Howard common stock. Any fluctuation in the market price of Howard common stock after the date of this joint proxy and information

statement/prospectus will change the value of the shares of Howard common stock that First Mariner stockholders will receive.

Q:
What will happen in the merger?

A:
If the shares issuance proposal is approved by Howard stockholders and the other conditions to closing under the merger agreement are satisfied or waived, then at the effective time of the merger First Mariner will merge with and into Howard Bank and Howard Bank will be continuing as the surviving bank of the merger and a wholly owned subsidiary of Howard. As a result of the merger, First Mariner will no longer exist and its businesses will be owned by Howard, which will continue as a public company.

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Q:
What constitutes a quorum for the Howard special meeting?

A:
The presence at the Howard special meeting, in person or by proxy, of the holders of a majority of the Howard common stock issued and outstanding and entitled to vote with respect to each proposal will constitute a quorum for the purposes of considering and acting on each proposal. Shares that are present, or represented by a proxy, at the Howard special meeting and any postponement or adjournment thereof will be counted for quorum purposes regardless of whether the holder of the shares or proxy fails to vote (or instruct its bank or broker how to vote) on any particular matter, or “abstains” on any matter. If a quorum is not present, the Howard special meeting will be postponed or adjourned until the holders of the number of shares of Howard common stock required to constitute a quorum attend. If additional votes must be solicited to approve the shares issuance proposal and the adjournment proposal is approved, it is expected that the Howard special meeting will be adjourned to solicit additional proxies.

Q:
What is the vote required to approve each proposal at the Howard special meeting?

A:
Shares issuance proposal:

Standard: Approval of the shares issuance proposal requires the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting.

Effect of abstentions, broker non-votes and failures to vote: If you mark “ABSTAIN” on your proxy card, fail to either submit a proxy card or vote by telephone or the internet or in person at the Howard special meeting, or are a “street name” holder and fail to instruct your bank or broker with respect to the shares issuance proposal, it will have no effect on the shares issuance proposal.

ESPP proposal:

Standard: Approval of the ESPP proposal requires the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting.

Effect of abstentions, broker non-votes and failures to vote: If you mark “ABSTAIN” on your proxy card, fail to either submit a proxy card or vote by telephone or the internet or in person at the Howard special meeting, or are a “street name” holder and fail to instruct your bank or broker with respect to the ESPP proposal, it will have no effect on the ESPP proposal.

Adjournment proposal:

Standard: Approval of the adjournment proposal requires the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting. A quorum is not required for a vote on the Howard adjournment proposal.

Effect of abstentions, broker non-votes and failures to vote: If you mark “ABSTAIN” on your proxy card, fail to either submit a proxy card or vote by telephone or the internet or in person at the Howard special meeting, or are a “street name” holder and fail to instruct your bank or broker with respect to the adjournment proposal, it will have no effect on the adjournment proposal.

Q:
Why is my vote important?

A:
If you do not vote, it will be more difficult for Howard to obtain the necessary quorum to hold the Howard special meeting. The proposals must be approved by the votes described above. The Howard board of directors unanimously recommends that you vote “FOR” the shares issuance proposal, “FOR” the ESPP proposal and “FOR” the adjournment proposal.

Q:
How many votes do I have?

A:
Each outstanding share of Howard common stock entitles its holder to cast one vote. As of the record date, there were 9,814,892 shares of Howard common stock, par value $0.01 per share, outstanding and entitled to vote at the Howard special meeting.

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Q:
Can I attend the Howard special meeting and vote my shares in person?

A:
Yes. All Howard stockholders are invited to attend the Howard special meeting. Holders of record of Howard common stock can vote in person at the Howard special meeting. If you plan to attend the Howard special meeting, you must hold your shares in your own name. In addition, you must bring a form of personal photo identification with you in order to be admitted. Howard reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Howard special meeting is prohibited without Howard's express written consent.

Q:
Can I change my vote?

A:
Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date (if you submitted your proxy by internet or by telephone, you can change your vote by voting over the internet or by telephone), (2) delivering a written revocation letter to Howard's corporate secretary, or (3) attending the Howard special meeting in person, notifying Howard's corporate secretary and voting by ballot at the Howard special meeting. Attendance at the Howard special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Howard after the vote will not affect the vote. If you choose one of the first two methods, you must take the described action (or, with respect to the first method, Howard must have received the subsequent proxy card) no later than December 26, 2017 at 5:00 p.m. local time, which is the business day immediately prior to the Howard special meeting. The Howard corporate secretary's mailing address is:

Howard Bancorp, Inc.
6011 University Blvd., Suite 370
Ellicott City, Maryland 21043
Attention: Charles E. Schwabe
Telephone: (410) 750-0020

Q:
If my shares of common stock are held in "street name" by my bank or broker, will my bank or broker automatically vote my shares for me?

A:
No. Your bank or broker cannot vote your shares without instructions from you, and if you fail to provide instructions to your bank or broker it will have no effect on the shares issuance proposal, the ESPP proposal or the adjournment proposal. You should instruct your bank or broker how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

Q:
Who will be the directors of Howard immediately following the merger?

A:
Immediately following the merger, the Howard board of directors is expected to be composed of 14 directors, with eight to be designated by Howard and six to be designated by First Mariner. Such directors are identified in the table below.

Name	Current Principal Affiliation
Mary Ann Scully	Howard director; Chair of Howard board of directors, Chief Executive Officer and President of Howard
Richard G. Arnold	Howard director; Vice President and co-owner of The John E. Ruth Company, Inc.
John J. Keenan	Howard director
Paul I. Latta, Jr.	Howard director; Managing member of ERIS Technologies LLC
Kenneth C. Lundeen	Howard director; President, Chief Executive Officer and co-owner of Environmental Reclamation Company
Thomas P. O'Neill	Howard director; Hertzbach and Company
Robert W. Smith, Jr.	Howard director; DLA Piper LLP (US)

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Name	Current Principal Affiliation
Donna Hill Staton	Howard director; Founding Principal, Staton & Nolan, LLC d/b/a Decision Point Law and Strategy Group
W. Gary Dorsch	First Mariner director; President of Keyser Capital, LLC
James T. Dresher, Jr.	First Mariner director; Chief Executive Officer of Skye Asset Management, LLC
Howard Feinglass	First Mariner director; Priam Capital
Michael B. High	First Mariner director; Patriot Financial Partners LP
Robert D. Kunisch, Jr.	First Mariner director; President and Chief Executive Officer of First Mariner
Jack E. Steil	First Mariner director; Chairman of First Mariner board of directors

Q:
Who will be the executive officers of Howard immediately following the merger?

A:
Immediately following the merger, the executive management team of Howard is expected to be composed of six members of the Howard executive management team prior to the merger and two members of First Mariner executive management team prior to the merger as set forth below:

Name	Title
Mary Ann Scully	Chief Executive Officer
Robert D. Kunisch, Jr.	President
George C. Coffman	Executive Vice President, Chief Financial Officer and Treasurer
James D. Witty	Executive Vice President and Chief Commercial Banking Officer
Robert A. Altieri	Executive Vice President and Chief Mortgage Officer
T. Randy Jones	Executive Vice President and Chief Credit Officer
Charles E. Schwabe	Executive Vice President and Chief Risk Officer
Steven M. Poynot	Executive Vice President and Chief Administrative Officer

Q:
What are the U.S. federal income tax consequences of the merger to First Mariner stockholders?

A:
The respective obligations of Howard and First Mariner to complete the merger are conditioned upon each of Howard and First Mariner receiving a legal opinion from Covington & Burling LLP to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. Neither Howard nor First Mariner currently intends to waive this condition to the consummation of the merger. If any party waives this condition after this registration statement is declared effective by the SEC, and if the tax consequences of the merger to First Mariner stockholders have materially changed, Howard and First Mariner will recirculate appropriate soliciting materials to resolicit the votes of First Mariner stockholders.

Subject to certain limitations and qualifications, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, for U.S. federal income tax purposes. Accordingly, a U.S. holder of First Mariner common stock or First Mariner preferred stock will not recognize any gain or loss, except with respect to the receipt of cash received in lieu of fractional shares of Howard common stock.
For further information, see "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 113.
The U.S. federal income tax consequences described above may not apply to all holders of First Mariner common stock and First Mariner preferred stock. Your tax consequences will depend on your individual situation. Accordingly,

we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q:

Are First Mariner stockholders entitled to dissenters' rights in connection with the merger?

A:

Yes. First Mariner stockholders who do not vote in favor of the merger and follow certain procedural

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steps will be entitled to dissenters' rights under Section 3-719 of the Maryland Code, Financial Institutions, or MCFI. For further information, see "Merger—Dissenters' Rights in the Merger" beginning on page 92. In addition, a copy of Sections 3-718 through 3-720 of the MCFI is attached as Annex II to this joint proxy and information statement/prospectus.

Q:
Are Howard stockholders entitled to dissenters' rights in connection with the merger?

A:
No. Howard stockholders do not have dissenters' rights in connection with the merger.

Q:
If I am a First Mariner stockholder, should I send in my First Mariner stock certificates now?

A:
No. Please do NOT send in your First Mariner stock certificates now. If the shares issuance proposal is approved by Howard stockholders, and the merger is completed, an exchange agent designated by Howard will send you instructions for exchanging First Mariner capital stock certificates for the merger consideration. See the section entitled "The Merger Agreement—Conversion of Shares; Exchange of Certificates" beginning on page 98.

Q:
What happens if I sell my shares of First Mariner capital stock?

A:
If you transfer your shares of First Mariner capital stock after the record date but before the merger, you will transfer the right to receive the per share merger consideration to the person to whom you transfer your shares. In order to receive the per share merger consideration, you must hold your shares through the effective time of the merger.

Q:
What should I do if I hold my shares of First Mariner capital stock in book-entry form?

A:
If the merger occurs, you are not required to take any special additional action to receive the merger consideration if your shares of First Mariner capital stock are held in book-entry form. After the completion of the applicable merger, shares of First Mariner capital stock held in book-entry form will be exchanged automatically for the applicable merger consideration, including shares of Howard stock in book-entry form and any cash to be paid in exchange for fractional shares in the applicable merger.

Q:
Whom may I contact if I cannot locate my First Mariner capital stock certificate(s)?

A:
If you are unable to locate your original First Mariner capital stock certificate(s), you should contact First Mariner's corporate secretary, Joseph F. Howard, at 3301 Boston Street, Baltimore, MD 21224 or (410) 558-4200.

Q:
What should I do if I receive more than one set of voting materials?

A:
Howard stockholders may receive more than one set of voting materials, including multiple copies of this joint proxy and information statement/prospectus and multiple proxy cards, voting instruction cards, or stockholder written

consents. For example, if you hold shares of Howard common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Howard common stock and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card, voting instruction card and stockholder written consent that you receive or otherwise follow the voting instructions set forth in this joint proxy and information statement/prospectus to ensure that you vote every share of common stock that you own.

Q:
When do you expect to complete the merger?

A:
Each of Howard and First Mariner expect to complete the merger in the first quarter of 2018. However, Howard and First Mariner cannot assure you of when or if the merger will be completed. Howard and First Mariner must first obtain the approval of Howard stockholders of the share issuance proposal, as well as obtain necessary regulatory approvals and satisfy certain other closing conditions.

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Q:
What happens if the merger is not completed?

A:
If the merger is not completed, holders of First Mariner common stock or preferred stock will not receive any merger consideration for their shares in connection with the merger. Instead, First Mariner will remain an independent company. In addition, if the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by First Mariner or Howard to the other. See "The Merger Agreement—Termination Fee; Expense Reimbursement" beginning on page 111 for a discussion of the circumstances under which termination fees will be required to be paid.

Q:
Whom should I call with questions?

A:
Howard stockholders: If you have any questions concerning the merger or this joint proxy and information statement/prospectus, would like additional copies of this joint proxy and information statement/prospectus or need help voting your shares of Howard common stock, please contact Charles E. Schwabe, Corporate Secretary, at (410) 750-0020, or Howard's proxy solicitor, Georgeson LLC, or Georgeson, at the following address or telephone number: 1290 Avenue of the Americas, 9th Floor, New York, NY 10104 or (866) 296-6841.

First Mariner stockholders: If you have any questions concerning the merger or this joint proxy and information statement/prospectus, or would like additional copies of this joint proxy and information statement/prospectus, please contact Joseph F. Howard, Corporate Secretary, at 3301 Boston Street, Baltimore, MD 21224 or (410) 558-4200.

Q:
Are there any risks that I should consider in deciding whether to vote for the proposals?

A:
Yes. You should read and carefully consider the risk factors set forth in the section entitled "Risk Factors" beginning on page 35.

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SUMMARY

The following summary highlights selected information in this joint proxy and information statement/ prospectus and may not contain all the information that may be important to you. We urge you to carefully read the entire joint proxy and information statement/prospectus, including the appendices and annexes, and the other documents to which we refer in order to fully understand the merger. See the section entitled "Where You Can Find More Information" beginning on page 126. Each item in this summary refers to the page of this joint proxy and information statement/prospectus on which that subject is discussed in more detail.

Parties to the Merger (page 42)

Howard Bancorp, Inc. and Howard Bank
6011 University Boulevard
Suite 370
Ellicott City, Maryland 21043
(410) 750-0020

Howard, a Maryland corporation, is the parent company of Howard Bank, a Maryland-chartered trust company operating as a commercial bank. Headquartered in Ellicott City, Maryland, Howard Bank operates a general commercial banking business through its 13 branches located throughout the greater Baltimore metropolitan area. At September 30, 2017, Howard had $1.1 billion of total consolidated assets, $886.6 million of total net loans and leases, $862.1 million of total deposits and $130.3 million of stockholders' equity.

Howard common stock is listed on the Nasdaq Capital Market under the symbol "HBMD."

Additional information about Howard and its subsidiaries is included in documents incorporated by reference in this joint proxy and information statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 126.

First Mariner Bank
3301 Boston Street
Baltimore, MD 21224
(443) 573-4300

First Mariner is a Maryland-chartered trust company headquartered in Baltimore, Maryland. First Mariner operates a total of 14 banking offices located in Baltimore City and Baltimore, Harford, Howard and Anne Arundel counties. First Mariner operates in three complementary areas: retail banking, commercial banking and mortgage banking. At September 30, 2017, First Mariner had $993.5 million of total consolidated assets, total net loans of $675.3 million, $737.8 million of total deposits and $99.5 million of stockholders' equity.

The Merger (page 51) and the Merger Agreement (page 96)

The terms and conditions of the merger are contained in the merger agreement, a copy of which is attached as Annex I to this joint proxy and information statement/prospectus. We encourage you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the merger. All descriptions in this summary and elsewhere in this joint proxy and information statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement.

Under the merger agreement, First Mariner will merge with and into Howard Bank, with Howard Bank continuing as the surviving bank of the merger and a wholly owned subsidiary of Howard.

As a Result of the Merger, First Mariner Stockholders Will Have a Right To Receive 1.6624 Shares of Howard Common Stock (page 51)

We are proposing the merger of First Mariner with and into Howard Bank, with Howard Bank continuing as the surviving bank of the merger and a wholly owned subsidiary of Howard. If the merger is completed, each share of First Mariner common stock and each share of First Mariner preferred stock

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issued and outstanding immediately prior to the merger will be converted into the right to receive 1.6624 shares, or the exchange ratio, of Howard common stock, which we refer to as the merger consideration. No fractional shares of Howard common stock will be issued in connection with the merger, and holders of First Mariner common stock and preferred stock will be entitled to receive cash in lieu thereof.

Howard common stock is listed on the Nasdaq Capital Market under the symbol "HBMD." The following table shows the closing sale prices of Howard common stock as reported on the Nasdaq Capital Market on August 11, 2017, the last full trading day before the public announcement of the merger agreement, and on November 20, 2017, the last practicable trading day before the date of this joint proxy and information statement/prospectus. This table also shows the implied value of the merger consideration payable for each share of First Mariner common stock and First Mariner preferred stock, which we calculated by multiplying the closing price of Howard common stock on those dates by the exchange ratio of 1.6224.

	Howard Common Stock (Nasdaq: HBMD)	Implied Value of One Share of First Mariner Common Stock
At August 11, 2017	$ 17.05	$ 28.34
At November 20, 2017	$ 20.25	$ 33.66

The First Mariner Board of Directors Unanimously Recommends that First Mariner Stockholders Sign and Return the Stockholder Written Consent indicating their Approval of the Merger and Approval of the Merger Agreement and Related Transactions to First Mariner (page 108)

The First Mariner board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of First Mariner and its stockholders. Accordingly, the First Mariner board of directors unanimously recommends that First Mariner stockholders sign and return the First Mariner stockholder consent, indicating their approval of the merger and approval of the merger agreement and related transactions to First Mariner.

For the factors considered by the First Mariner board of directors in reaching its decision to approve the merger agreement, see the section entitled "The Merger—First Mariner's Reasons for the Merger; Recommendation of the First Mariner Board of Directors" beginning on page 65.

Certain Stockholders of First Mariner have Entered a Stockholder Agreement with Howard and Howard Bank Under which they Will Execute a Stockholder Written Consent Approving the Merger and Merger Agreement (page 108)

Under the First Mariner stockholder agreement certain First Mariner stockholders that beneficially own or control in the aggregate approximately 88.9% of the outstanding shares of the First Mariner capital stock on an as-converted to common stock basis have agreed to execute the First Mariner stockholder consent at least 20 business days following the mailing date of this joint proxy and information statement/ prospectus to the First Mariner stockholders and no later than the day prior to the date of the Howard special meeting. In addition, the First Mariner stockholder agreement provides that such First Mariner stockholders will (i) not transfer their shares of common stock or preferred stock, subject to certain exceptions, (ii) vote their shares of common stock against certain alternative acquisition transactions and certain fundamental corporate actions, and (iii) not modify, revoke or rescind the First Mariner stockholder consent.

As a result, once the First Mariner stockholders have executed the First Mariner stockholder consent, the merger will have been approved by the requisite stockholder vote under the MCFI, the First Mariner charter, the First Mariner bylaws and a prior stockholder agreement among the First Mariner stockholders. No meeting of First Mariner stockholders to approve the merger and related transactions will be held; however, all First Mariner stockholders will have the opportunity to elect to approve the merger and the merger agreement, thereby approving the merger and related transactions, by signing and returning the First Mariner stockholder consent to First Mariner.

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First Mariner's Financial Advisor, Keefe, Bruyette & Woods, Inc., Provided an Opinion to the First Mariner Board of Directors in Connection with the Merger (page 67 and Annex III)

In connection with the merger, First Mariner's financial advisor, Keefe, Bruyette & Woods, Inc., or KBW, delivered a written opinion, dated August 14, 2017, to the First Mariner board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of First Mariner common stock of the exchange ratio in the proposed merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Annex III to this joint proxy and information statement/prospectus. The opinion was for the information of, and was directed to, the First Mariner board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of First Mariner to engage in the merger or enter into the merger agreement, or constitute a recommendation to the First Mariner board of directors in connection with the merger, and it does not constitute a recommendation to any holder of First Mariner common stock or any shareholder of any other entity as to how to act or vote in connection with the merger or any other matter (including, with respect to holders of First Mariner common stock, whether to sign and return to First Mariner a stockholder written consent).

For further information, please see the discussion under the caption "The Merger—Opinion of First Mariner's Financial Advisor," beginning on page 67.

Howard's Financial Advisor, Stephens Inc., Provided an Opinion to the Howard Board of Directors in Connection with the Merger (page 57 and Annex IV)

In connection with the merger, Howard's financial advisor, Stephens Inc., or Stephens, delivered a written opinion, dated August 14, 2017, to the Howard board of directors as to the fairness to Howard, from a financial point of view and as of the date of the opinion, of the merger consideration provided for in the merger agreement. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Stephens in preparing the opinion, is attached as Annex IV to this joint proxy and information statement/prospectus. The opinion was for the information of, and was directed to, the Howard board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of Howard to engage in the merger or enter into the merger agreement, or constitute a recommendation to the Howard board of directors in connection with the merger, and it does not constitute a recommendation to any holder of Howard common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter.

For further information, please see the discussion under the caption "The Merger—Opinion of Howard's Financial Advisor," beginning on page 57.

Information About the Howard Special Meeting (page 44)

The Howard special meeting will be held on December 27, 2017, at 10:00 a.m., local time, at Howard's principle executive offices, located at 6011 University Blvd., Suite 370, Ellicott City, Maryland 21043, unless the Howard special meeting is adjourned or postponed.

At the Howard special meeting, Howard stockholders will be asked to:

- approve the shares issuance proposal;
- approve the ESPP proposal; and
- approve the adjournment proposal, if necessary or appropriate.

Only holders of record at the close of business on November 20, 2017, which is the record date for the Howard special meeting, will be entitled to vote at the Howard special meeting. Each share of Howard common stock is entitled to one vote on each proposal to be considered at the Howard special meeting. As of the record date, there were 9,814,892 shares of Howard common stock entitled to vote at the Howard special meeting. As of the record date, directors and

executive officers of Howard and their affiliates owned
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and were entitled to vote 1,030,792 shares of Howard common stock, representing approximately 10.50% of the shares of Howard common stock outstanding on that date. As of the record date, First Mariner beneficially held no shares of Howard common stock, and First Mariner's directors and executive officers held no shares of Howard common stock.

The shares issuance proposal, the ESPP proposal and the adjournment proposal must be approved by the affirmative vote of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting.

If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy card or vote by telephone or the internet or in person at the Howard special meeting, or are a "street name" holder and fail to instruct your bank or broker with respect to the shares issuance proposal, the ESPP proposal or the adjournment proposal it will have no effect on such proposal.

First Mariner's Directors and Officers May Have Financial Interests in the Merger That Differ From Your Interests (page 79)

Howard and First Mariner stockholders should be aware that some of First Mariner's directors and executive officers have interests in the merger and arrangements that are different from, or in addition to those of, First Mariner stockholders generally. The First Mariner board of directors was aware of these interests and considered these interests, among other matters, when making its decision to adopt the merger agreement, and in recommending that First Mariner stockholders vote in favor of approving the merger agreement.

Certain employees and executive officers of First Mariner will be entitled to receive severance payments, pre-closing success bonus payments and retention bonus payments.

Robert D. Kunisch, First Mariner's Chief Executive Officer and Thomas R. Jones, First Mariner's Executive Vice President and Chief Credit Officer, have each entered into new employment agreements with Howard, which will become effective as of the closing of the merger and have a three year term. The agreements provide for the payment of compensation to Messrs. Kunisch and Jones and contain covenants not to compete. Howard has also extended an offer of employment to Jack Steil to serve as Senior Business Development Adviser, which Mr. Steil has accepted.

All outstanding and unexercised warrants and options (whether vested or unvested) to purchase shares of First Mariner common stock, including warrants and options held by directors and executive officers of First Mariner, will be canceled and converted into the right to receive a cash payment from Howard, equal to the difference, if positive, between the per share cash amount and the exercise price of the warrant or option.

The merger agreement provides that the Howard board of directors will take all steps necessary to increase the Howard and the Howard Bank boards of directors to 14 members and the reconstituted Howard and Howard Bank boards of directors will include six individuals currently serving as members on the First Mariner board of directors or as officers of First Mariner. In addition, Howard has agreed to maintain a policy for directors' and officers' liability insurance coverage for the benefit of First Mariner's directors and officers for six years following completion of the merger at a premium to be paid on an annual basis not in excess of 150% of the current annual premium paid by First Mariner for such insurance.

Howard's Directors and Officers May Have Financial Interests in the Merger That Differ From Your Interests

When considering the recommendation of the Howard board of directors, you should be aware that Howard's executive officers and directors have interests in the merger that are different from, or in addition to, your interests as a stockholder. The Howard board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending that the merger agreement be approved by the stockholders of Howard. Eight of Howard's directors and all of Howard's executive officers are expected to continue with the combined company following the merger. All of Howard's directors and executive officers are entitled to certain indemnification and liability insurance coverage pursuant to insurance policies maintained by Howard.

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As of November 20, 2017, the directors and executive officers of Howard owned approximately 10.50% of the outstanding shares of Howard common stock entitled to vote at the Howard special meeting.

Treatment of Fractional Shares (page 96)

Howard will not issue any fractional shares of Howard common stock in the merger. Instead, a First Mariner stockholder who otherwise would have been entitled to receive a fraction of a share of Howard common stock will receive, in lieu thereof, an amount in cash rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of Howard common stock to which the holder would otherwise be entitled by $32.50, which we refer to as the per share cash amount.

Treatment of First Mariner Stock Options and Warrants in the Merger (page 96)

First Mariner Stock Options. At the effective time of the merger, each option granted by First Mariner to purchase shares of First Mariner common stock under First Mariner's equity plan, whether vested or unvested, outstanding immediately prior to the effective time of the merger, will fully vest and be canceled and converted into the right to receive from Howard a cash payment equal to the product of (1) the total number of shares of Howard common stock subject to such option, and (2) the difference, if positive, between the per share cash amount, and the exercise price per share of such option. Any such option with an exercise price per share that equals or exceeds the per share cash amount will be canceled at the effective time of the merger with no consideration paid to the option holder therefor.

First Mariner Warrants. At the effective time of the merger, each warrant granted by First Mariner to purchase shares of First Mariner common stock outstanding immediately prior to the effective time of the merger, will be canceled and converted into the right to receive from Howard a cash payment equal to the product of (1) the total number of shares of Howard common stock subject to such warrant, and (2) the difference, if positive, between the per share cash amount and the exercise price per share of such warrant. Any such warrant with an exercise price per share that equals or exceeds the per share cash amount will be canceled at the effective time of the merger with no consideration paid to the warrant holder therefor.

First Mariner Stockholders May Exercise Dissenters' Rights (page 92)

Under Maryland law, First Mariner stockholders have the right to receive, in lieu of the merger consideration, the "fair value" for their shares, if the merger becomes effective.

Under Maryland law, for a stockholder of a Maryland chartered trust company to exercise his, her or its rights to fair value, such stockholder must (1) vote against the merger and (2) within 30 days after the merger becomes effective, make a written demand on the successor in the Merger for payment and surrender any stock certificates held by such person. Failure to comply with either of these requirements will result in forfeiture of a stockholder's right to fair value.

As there will not be a meeting at which a First Mariner stockholder can vote against the merger, to satisfy the first of the two requirements for exercising appraisal rights, a stockholder of First Mariner must send a written objection to the merger by December 6, 2017 to the General Counsel of First Mariner at Joseph F. Howard, Esq, General Counsel, SVP, 1st Mariner Bank, 3301 Boston St., Baltimore, MD 21224.

Regulatory Approvals Required for the Merger (page 93)

Completion of the merger is subject to the prior receipt of all approvals and consents of federal and state authorities required to complete the acquisition of First Mariner by Howard and the merger of Howard Bank and First Mariner. Howard and First Mariner agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the acquisition and the bank merger. These approvals include, with respect to the acquisition of First Mariner by Howard, approval from the Federal Reserve Board, or the FRB, and the Maryland Commissioner of Financial Regulation, or the Maryland Commissioner, and, with respect to the merger of Howard Bank and First Mariner, approval from the Federal Deposit Insurance Commission, or the FDIC, and the Maryland Commissioner. The merger cannot proceed without these required regulatory actions.

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Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 108)

Currently, we expect to consummate the merger in the first quarter of 2018. As more fully described in this joint proxy and information statement/prospectus and in the merger agreement, consummation of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. The conditions to each party's obligation to complete the merger include, among others:

- approval of the merger agreement by the stockholders of First Mariner;
- approval by the Howard stockholders of the shares issuance proposal;
- receipt of required regulatory approvals (provided that no such required regulatory approval may impose a burdensome condition as determined by Howard);
- absence of any law, injunction or other restraint prohibiting, restricting or making illegal consummation of the transactions contemplated by the merger agreement;
- the declaration of effectiveness by the SEC of Howard's registration statement on Form S-4 registering the Howard common stock issuable to First Mariner stockholders, with no stop orders suspending the effectiveness thereof having been issued, and no action, suite, proceeding or investigation by the SEC to suspend the effectiveness thereof has been initiated and is continuing;
- authorization of the shares of Howard common stock to be issued in the merger for listing on the Nasdaq Capital Market;
- accuracy of each party's representations and warranties in the merger agreement, generally subject to specified materiality standards;
- performance in all material respects of each party's obligations under the merger agreement; and
- receipt by each party of an opinion of Covington & Burling LLP, counsel to Howard, to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

In addition, Howard's obligation to consummate the merger is subject to (i) the holders of not more than five percent of the outstanding shares of First Mariner common stock and First Mariner preferred stock, considered as a single class, having demanded, properly and in writing, appraisal for such shares under Section 3-719 of the MCFI, or the waiver of such condition by Howard and (ii) Robert D. Kunisch and Thomas R. Jones entering into employment agreements in the form and substance reasonably satisfactory to Howard.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed in the first quarter of 2018 or at all.

No Solicitation or Negotiation of Acquisition Proposals (page 107)

As more fully described in this joint proxy and information statement/prospectus, First Mariner has agreed that it and its subsidiaries will not, and will cause its representatives not to, among other actions, solicit, initiate, encourage (including by providing information or assistance), facilitate or induce any acquisition proposal or participate in any discussions or negotiations regarding, or furnish or cause to be furnished to any third party any nonpublic information with respect to, or approve, agree to, accept, endorse or recommend any acquisition proposal.

Termination of the Merger Agreement (page 109)

Howard and First Mariner may mutually agree to terminate the merger agreement before completing the merger, even after receiving Howard and First Mariner stockholder approval. In addition, either Howard or First Mariner may decide to terminate the merger agreement if:

- any regulatory authority which must grant a required regulatory approval has denied approval of the transactions contemplated by the merger agreement, or a regulatory authority has issued a

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final nonappealable law or order prohibiting the consummation of the transactions contemplated by the merger agreement, if, in each case, the party seeking to terminate the merger agreement has used its reasonable best efforts to contest, appeal and change such denial, law or order;

- the Howard stockholders fail to approve the shares issuance proposal at the Howard special meeting or the First Mariner stockholders fail to approve the merger and the merger agreement; or

- the merger has not been completed on or before July 31, 2018, which date is referred to as the outside date, if the failure to consummate the transactions contemplated by the merger agreement by the outside date is not caused by the terminating party’s breach of the merger agreement.

In addition, Howard may terminate the merger agreement if:

- any of the conditions precedent to the obligations of Howard to consummate the merger cannot be satisfied or fulfilled by the other party prior to the outside date, if the failure of such condition to be satisfied or fulfilled is not a result of Howard’s failure to perform, in any material respect, any of its material covenants or agreements in the merger agreement or Howard’s material breach of any of its material representations or warranties contained in the merger agreement;

- the First Mariner board of directors fails to recommend the merger to, and the approval of the merger agreement by, the First Mariner stockholders or changes its recommendation to the First Mariner stockholders;

- the First Mariner board of directors breaches its non-solicitation obligations or obligations with respect to other acquisition proposals set forth in the merger agreement in any respect;

- the FDIC’s, the Maryland Commissioner’s or the Federal Reserve Board’s approval of the merger contains or would result in the imposition of a burdensome condition and there is no meaningful possibility that such approval could be revised prior to the outside date so as not to contain or result in a burdensome condition; or

- the FDIC or the Maryland Commissioner shall have requested in writing that Howard, Howard Bank, First Mariner or any of their respective affiliates withdraw (other than for technical reasons), and not be permitted to resubmit within 60 days, any application with respect to any required regulatory approval.

In addition, First Mariner may terminate the merger agreement if:

- the Howard board of directors fails to recommend the approval of the shares issuance proposal by the Howard stockholders, or changes its recommendation to the Howard stockholders;

- the Howard board of directors breaches its obligations to call, give notice of, convene and/or hold a stockholders’ meeting or to use reasonable best efforts to obtain the approval of Howard stockholders; or

- the average closing price of Howard common stock declines below $13.64 and underperforms an index of banking companies by more than 20% over a designated measurement period unless Howard agrees to increase the merger consideration that results in the aggregate merger consideration being equal to the minimum merger consideration.

Termination Fee; Expense Reimbursement (page 111)

If the merger agreement is terminated under certain circumstances, and/or First Mariner enters into a definitive agreement with respect to or consummate another acquisition proposal, First Mariner may be required to pay to Howard a termination fee equal to $7,500,000. This termination fee could discourage other companies from seeking to acquire or merge with First Mariner.

If the merger agreement is terminated under certain circumstances, Howard may be required to pay to First Mariner a termination fee equal to $7,500,000 or reimburse expenses in an aggregate amount not exceed $750,000.

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Board of Directors and Executive Officers of Howard and Howard Bank Following the Effective Time of the Merger (page 84)

Immediately following the merger, the Howard board of directors is expected to be composed of 14 directors, with eight to be designated by Howard and six to be designated by First Mariner. Such directors are identified in the table below.

Name	Current Principal Affiliation
Mary Ann Scully	Howard director; Chair of Howard board of directors, Chief Executive Officer and President of Howard
Richard G. Arnold	Howard director; Vice President and co-owner of The John E. Ruth Company, Inc.
John J. Keenan	Howard director
Paul I. Latta, Jr.	Howard director; Managing member of ERIS Technologies LLC
Kenneth C. Lundeen	Howard director; President, Chief Executive Officer and co-owner of Environmental Reclamation Company
Thomas P. O'Neill	Howard director; Hertzbach and Company
Robert W. Smith, Jr.	Howard director; DLA Piper LLP (US)
Donna Hill Staton	Howard director; Founding Principal, Staton & Nolan, LLC d/b/a Decision Point Law and Strategy Group
W. Gary Dorsch	First Mariner director; President of Keyser Capital, LLC
James T. Dresher, Jr.	First Mariner director; Chief Executive Officer of Skye Asset Management, LLC
Howard Feinglass	First Mariner director; Priam Capital
Michael B. High	First Mariner director; Patriot Financial Partners LP
Robert D. Kunisch, Jr.	First Mariner director; President and Chief Executive Officer of First Mariner
Jack E. Steil	First Mariner director; Chairman of First Mariner board of directors

Immediately following the merger, the executive management team of Howard is expected to be composed of six members of the Howard executive management team prior to the merger and two members of First Mariner executive management team prior to the merger as set forth below:

Name	Title
Mary Ann Scully	Chief Executive Officer
Robert D. Kunisch, Jr.	President
George C. Coffman	Executive Vice President, Chief Financial Officer and Treasurer
James D. Witty	Executive Vice President and Chief Commercial Banking Officer
Robert A. Altieri	Executive Vice President and Chief Mortgage Officer
T. Randy Jones	Executive Vice President and Chief Credit Officer
Charles E. Schwabe	Executive Vice President and Chief Risk Officer
Steven M. Poynot	Executive Vice President and Chief Administrative Officer

The Rights of First Mariner Stockholders Will Change as a Result of the Merger (page 116)

The rights of First Mariner stockholders will change as a result of the merger due to differences in Howard's and First Mariner's governing documents. The rights of First Mariner stockholders are governed by the MCFI and by First Mariner's charter and bylaws, each as amended to date, which we refer to as First Mariner's charter and bylaws, respectively. Upon the effective time of the merger, the rights of First Mariner stockholders who receive the merger consideration will be governed by the Maryland General Corporate Law, or MGCL, and Howard's articles of incorporation, as amended, and bylaws, as amended, which we refer to as Howard's charter and bylaws, respectively.

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This joint proxy and information statement/prospectus contains descriptions of the material differences in stockholder rights under each of First Mariner's charter and bylaws and Howard's charter and bylaws. For a more complete description of these material differences, see the section entitled "Comparison of Stockholders' Rights" beginning on page 116.

Material U.S. Federal Income Tax Consequences of the Merger (page 113)

The respective obligations of Howard and First Mariner to complete the merger are conditioned upon each of Howard and First Mariner receiving a legal opinion from Covington & Burling LLP to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Neither Howard nor First Mariner currently intends to waive this condition to the consummation of the merger. If any party waives this condition after this registration statement is declared effective by the SEC, and if the tax consequences of the merger to First Mariner stockholders have materially changed, Howard and First Mariner will recirculate appropriate soliciting materials to resolicit the votes of First Mariner stockholders.

Subject to certain limitations and qualifications, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, for U.S. federal income tax purposes. Accordingly, a U.S. holder of First Mariner common stock or First Mariner preferred stock will not recognize any gain or loss, except with respect to the receipt of cash received in lieu of fractional shares of Howard common stock.

For further information, see "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 113.

The U.S. federal income tax consequences described above may not apply to all holders of First Mariner common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Risk Factors (page 35)

You should consider all the information contained in or incorporated by reference into this joint proxy and information statement/prospectus in deciding how to vote for the proposals presented in the joint proxy and information statement/prospectus. In particular, you should consider the factors described under "Risk Factors" beginning on page 35.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF HOWARD

The following table sets forth highlights from Howard's consolidated financial data as of and for the nine months ended September 30, 2017 and 2016 and as of and for each of the five years ended December 31, 2016. Results from past periods are not necessarily indicative of results that may be expected for any future period. The results of operations for the nine months ended September 30, 2017 and 2016 are not necessarily indicative of the results of operations for the full year or any other interim period. Howard's management prepared the unaudited information on the same basis as it prepared Howard's audited consolidated financial statements. In the opinion of Howard's management, this information reflects all adjustments necessary for a fair presentation of this data for those dates. You should read this information in conjunction with Howard's consolidated financial statements and related notes included in Howard's Annual Report on Form 10-K for the year ended December 31, 2016 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, each of which is incorporated by reference in this joint proxy and information statement/prospectus and from which this information is derived. See "Where You Can Find More Information" beginning on page 126.

	As of and for the Nine Months Ended September 30,		As of and for the Year ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(in thousands, except per share data)						
Statements of operations data:							
Interest income	$ 31,688	$ 28,989	$ 38,741	$ 33,349	$ 23,360	$ 17,711	$ 15,5
Interest expense	3,685	3,323	4,562	3,072	2,402	1,901	2,00
Provision for credit losses	1,031	1,302	2,037	1,836	3,255	950	718
Noninterest income	14,855	11,806	14,782	11,927	23,256	1,324	768
Noninterest expense	33,352	29,417	38,685	38,253	23,694	13,239	10,8
Federal and state income tax expense	3,158	2,404	2,936	973	6,853	984	1,13
Net income	5,317	4,349	5,303	1,142	10,412	1,961	1,62
Preferred stock dividends	—	166	166	126	126	165	616
Net income available to common shareholders	5,317	4,183	5,137	1,016	10,286	1,796	1,00
Per share data and shares outstanding:							
Net income per common share, basic	$ 0.56	$ 0.60	$ 0.74	$ 0.16	$ 2.53	$ 0.44	$ 0.31
Net income per common share,	$ 0.56	$ 0.59	$ 0.73	$ 0.16	$ 2.48	$ 0.44	$ 0.31

diluted							
Book value per common share at period end	$ 13.28	$ 12.15	$ 12.27	$ 11.54	$ 11.36	$ 8.80	$ 8.4
Average common shares outstanding	9,468,577	6,970,714	6,975,662	6,160,005	4,073,077	4,036,291	3,26
Diluted average common shares outstanding	9,507,482	7,072,189	6,998,982	6,223,496	4,143,101	4,076,470	3,26
Shares outstanding at period end	9,811,992	6,988,180	6,991,072	6,962,139	4,145,547	4,095,650	4,0
Financial Condition data:							
Total assets	$ 1,132,533	$ 1,014,787	$ 1,026,957	$ 946,759	$ 691,416	$ 499,918	$ 401
Loans receivable (gross)	892,213	816,590	821,524	757,002	552,917	403,875	322
Allowance for credit losses	5,661	5,634	6,428	4,869	3,602	2,506	2,76
Other interest-earning assets	177,199	144,478	152,075	138,137	99,261	60,481	38,9
Total deposits	862,085	803,773	808,734	747,408	554,039	388,949	314
Borrowings	135,023	119,906	127,574	98,828	67,628	61,658	38,9
Total stockholders' equity	130,313	84,891	85,790	92,899	59,643	48,624	46,7
Common equity	130,313	84,891	85,790	80,337	47,081	36,062	34,1
Average assets	1,059,262	959,835	970,710	782,441	557,602	428,961	356
Average stockholders' equity	121,718	86,760	86,221	76,143	50,674	47,717	41,3
Average common stockholders' equity	121,718	80,983	81,896	63,581	38,112	35,155	28,7

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	As of and for the Nine Months Ended September 30,		As of and for the Year ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(in thousands, except per share data)						
Selected performance ratios:(3)							
Return on average assets	0.67%	0.60%	0.55%	0.15%	1.87%	0.46%	0.45%
Return on average common equity	5.84%	7.15%	6.48%	1.80%	27.32%	5.58%	5.63%
Net interest margin(1)	3.74%	3.78%	3.73%	4.08%	3.97%	3.93%	3.98%
Efficiency ratio(2)	77.82%	78.50%	79.01%	90.64%	53.59%	77.27%	75.69%
Asset quality ratios:							
Nonperforming loans to gross loans	1.46%	1.15%	1.13%	1.37%	0.77%	0.79%	0.75%
Allowance for credit losses to loans	0.63%	0.69%	0.78%	0.64%	0.65%	0.62%	0.86%
Allowance for credit losses to nonperforming loans	43.5%	60.04%	69.24%	46.95%	84.69%	78.76%	115.12%
Nonperforming assets to loans and other real estate	1.69%	1.46%	1.41%	1.68%	1.21%	1.37%	1.63%
Nonperforming assets to total assets	1.34%	1.18%	1.13%	1.35%	0.97%	1.11%	1.32%
Capital ratios:							
Leverage ratio	11.74%	8.55%	8.36%	9.90%	8.60%	9.93%	12.34%
Tier I risk-based capital ratio	13.40%	9.65%	9.71%	11.47%	10.11%	11.45%	14.18%
Total risk-based capital ratio	14.36%	10.71%	10.83%	12.09%	10.73%	12.05%	15.02%
Average equity to average assets	11.49%	9.04%	8.88%	9.73%	9.09%	11.12%	11.60%

(1)
Net interest margin is net interest income divided by average earning assets.

(2)
Efficiency ratio is noninterest expense divided by the sum of net interest income and noninterest income.

(3)
Annualized

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRST MARINER

The following table sets forth highlights from First Mariner's consolidated financial data as of and for the nine months ended September 30, 2017 and 2016 and as of and for each of the two years ended December 31, 2016 and the period from June 17, 2014 until December 31, 2014. Results from past periods are not necessarily indicative of results that may be expected for any future period. The results of operations for the nine months ended September 30, 2017 and 2016 are not necessarily indicative of the results of operations for the full year or any other interim period. First Mariner's management prepared the unaudited information on the same basis as it prepared First Mariner's audited consolidated financial statements. In the opinion of First Mariner's management, this information reflects all adjustments necessary for a fair presentation of this data for those dates. You should read this information in conjunction with First Mariner's consolidated financial statements and related notes for the year ended December 31, 2016 and its interim consolidated financial statements and related notes, which are included in this joint proxy and information statement/prospectus in Annex V.

	As of and for the Nine Months Ended September 30,		As of and for the Year Ended December 31,		As of and for the Initial Reporting Period Ended December 31,
	2017	2016	2016	2015	2014
	(in thousands, except shares and per share data.)				
Statement of Operations Data:					
Interest income	$ 25,959	$ 24,656	$ 32,700	$ 31,817	$ 17,549
Interest expense	3,703	3,263	4,385	3,137	1,696
Provision for loan losses	792	1,576	2,673	3,191	1,620
Noninterest income	9,761	17,266	21,226	20,784	11,410
Noninterest expense	33,130	34,814	45,816	52,030	30,608
Income tax expense	—	—	—	—	—
Net (loss) income	(1,905)	2,269	1,052	(5,757)	(4,965)
Per Share Data and Shares Outstanding:					
Net (loss) income per common share, basic	$ (0.51)	$ 0.61	$ 0.28	$ (1.55)	$ (1.33)
Net (loss) income per common share, diluted	$ (0.49)	$ 0.61	$ 0.28	$ (1.55)	$ (1.33)
Book value per common share at period end	$ 26.71	$ 26.81	$ 26.81	$ 26.36	$ 28.29
Average common shares outstanding	3,725,893	3,725,893	3,725,893	3,725,893	3,725,893
Diluted average common shares outstanding	3,849,400	3,730,721	3,733,739	3,725,893	3,725,893
Shares outstanding at period end	3,725,893	3,725,893	3,725,893	3,725,893	3,725,893
Financial Condition Data:					
Total assets	$ 993,494	$ 929,630	$ 972,029	$ 921,037	$ 832,304
Loans receivable	679,275	588,978	656,138	543,332	502,099

Allowance for loan losses	(3,977)	(3,510)	(3,832)	(2,804)	(1,433)
Other interest-earning assets	196,178	227,386	200,243	261,147	206,354
Total deposits	737,822	771,926	755,334	750,719	690,129
Borrowings	151,102	44,710	111,609	62,412	25,548
Total stockholders' equity	99,501	105,472	99,901	98,226	105,421
Common equity	64,019	69,990	64,419	62,744	69,939
Average assets	967,196	936,732	941,884	852,827	922,053
Average stockholders' equity	99,640	100,998	102,350	105,619	108,146
Average common stockholders' equity	64,158	66,424	66,868	70,137	72,664

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	As of and for the Nine Months Ended September 30,		As of and for the Year Ended December 31,		As of and for the Initial Reporting Period Ended December 31,
	2017	2016	2016	2015	2014
	(in thousands, except shares and per share data.)				
Selected Performance Ratios:					
Return on average assets, annualized	(0.26)%	0.32%	0.11%	(0.68)%	(1.09)%
Return on average stockholders' equity, annualized	(2.56)%	2.97%	1.03%	(5.45)%	(9.26)%
Net interest margin, annualized(1)	3.48%	3.44%	3.41%	3.90%	3.71%
Efficiency ratio(2)	103.48%	90.05%	92.48%	105.19%	112.27%
Asset Quality Ratios:					
Nonperforming loans to gross loans	3.26%	2.38%	2.15%	2.56%	1.88%
Allowance for loan losses to loans	0.59%	0.60%	0.58%	0.52%	0.29%
Allowance for loan losses to nonperforming loans	17.95%	25.03%	27.20%	20.19%	15.14%
Nonperforming assets to loans and other real estate	3.72%	3.27%	2.87%	3.73%	3.34%
Nonperforming assets to total assets	2.55%	2.09%	1.95%	2.23%	2.05%
Capital Ratios:					
Leverage ratio	8.89%	9.41%	9.44%	9.63%	10.65%
Tier I risk-based capital ratio	11.29%	13.38%	12.15%	14.63%	15.65%
Total risk-based capital ratio	11.82%	14.00%	12.77%	15.25%	16.04%
Average equity to average assets	10.30%	10.88%	10.87%	12.38%	11.73%

(1)
Net interest margin is net interest income divided by average earning assets.

(2)
Efficiency ratio is noninterest expense divided by the sum of net interest income and noninterest income.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION AND DATA

The following unaudited pro forma combined consolidated financial information and explanatory notes are based upon the assumption that the First Mariner preferred stock is converted into First Mariner common stock immediately preceding the merger, and that the resulting total number of shares of First Mariner common stock outstanding immediately prior to the completion of the merger will be 5,500,018 and utilizes the exchange ratio of 166.24% of outstanding shares of First Mariner common stock, which will result in 9,143,230 shares of Howard common stock being issued in the transaction.

The following unaudited pro forma combined consolidated financial statements as of and for the period ended September 30, 2017 combine the historical consolidated financial statements of Howard and First Mariner. The unaudited pro forma combined consolidated financial statements give effect to the proposed merger as if the merger occurred on September 30, 2017 with respect to the consolidated balance sheet, and at the beginning of the period, for the nine months ended September 30, 2017 and for the year ended December 31, 2016, with respect to the consolidated statements of operations.

The notes to the unaudited pro forma combined consolidated financial statements describe the pro forma amounts and adjustments presented below. THIS PRO FORMA DATA IS PRESENTED FOR ILLUSTRATIVE PURPOSES ONLY AND DOES NOT INDICATE THE FINANCIAL AND OPERATING RESULTS THAT HOWARD WOULD HAVE ACHIEVED HAD IT COMPLETED THE MERGER AS OF THE BEGINNING OF THE PERIOD PRESENTED AND SHOULD NOT BE CONSIDERED AS REPRESENTATIVE OF FUTURE OPERATIONS OR THE FUTURE FINANCIAL POSITION OF THE COMBINED ENTITIES.

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The unaudited pro forma combined consolidated financial information presented below is based on, and should be read together with, the historical financial information that Howard and First Mariner have included in this joint proxy and information statement/prospectus as of and for the indicated periods.

Unaudited Pro Forma Combined Consolidated Balance Sheets as of September 30, 2017

(in thousands, except share and per share data)

	Howard Bancorp, Inc.	First Mariner Bank	Combined	Pro Forma Merger Adjustments	Pro Forma Combined
	(in thousands)				
ASSETS					
Cash and due from banks	$ 50,715	$ 5,641	$ 56,356	$ (23,363)(B)	$ 32,994
Federal funds sold	495	27,590	28,085	—	28,085
Total cash and cash equivalents	51,210	33,231	84,441	(23,363)	61,079
Interest bearing deposits with banks	494	743	1,237	—	1,237
Securities available-for-sale, at fair value	67,883	130,770	198,653	—	198,653
Investments held-to-maturity, at amortized cost	9,250	—	9,250	—	9,250
Nonmarketable equity securities	5,982	7,316	13,298	—	13,298
Loans held for sale, at fair value	52,683	37,075	89,758	—	89,758
Loans and leases, net of unearned income	892,213	679,275	1,571,488	(14,500)(C)	1,556,988
Allowance for credit losses	(5,661)	(3,977)	(9,638)	3,977(D)	(5,661)
Net loans and leases	886,552	675,298	1,561,850	(10,523)	1,551,327
Bank premises and equipment, net	19,556	37,144	56,700	—(M)	56,700
Core deposit intangible	1,849	4,532	6,381	1,868(E)	8,249
Goodwill	603	10,502	11,105	72,337(F)	83,443
Bank owned life insurance	28,427	43,479	71,906	—	71,906
Other real estate owned	2,133	3,223	5,356	(800)(G)	4,556
Deferred tax asset	—	—	—	53,494(H)	53,494
Interest receivable and other assets	5,911	10,181	16,092	—	16,092
Total assets	$ 1,132,533	$ 993,494	$ 2,126,027	$ 93,014	$ 2,219,041
LIABILITIES					
Noninterest-bearing deposits	$ 212,519	$ 183,948	$ 396,467	$ —	$ 396,467
Interest-bearing deposits	649,566	553,874	1,203,440	797(I)	1,204,237

Total deposits	862,085	737,822	1,599,907	797	1,600,704
Short-term borrowings	128,471	140,000	268,471	—	268,471
Long-term borrowings	6,552	11,102	17,654	(58)(J)	17,596
Deferred tax liability	464	—	464	—	464
Accrued expenses and other liabilities	4,648	5,069	9,717	5,000(K)	14,717
Total liabilities	$ 1,002,220	$ 893,993	$ 1,896,213	$ 5,739	$ 1,901,952
COMMITMENTS AND CONTINGENCIES					
SHAREHOLDERS' EQUITY					
Preferred stock	—	17,741	17,741	(17,741)(A)	—
Common stock	98	37,259	37,357	(37,168)	189
Capital surplus	110,183	56,216	166,399	134,786	301,186
Accumulated earnings	20,166	(11,575)	8,591	7,257(L)	15,848
Accumulated other comprehensive (loss) income	(134)	(140)	(274)	140	(134)
Total shareholders' equity	130,313	99,501	229,814	87,275	317,089
Total liabilities and shareholders'equity	$ 1,132,533	$ 993,494	$ 2,126,027	$ 93,014	$ 2,219,041
Per Share Data					
Shares outstanding	9,811,992	3,725,893	13,537,885		18,955,222
Book value per common share	$ 13.28	$ 21.94	$ 15.67		$ 16.73
Tangible book value per common share	$ 13.03	$ 17.91	$ 14.37		$ 11.89

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Unaudited Pro Forma Consolidated Statements of Operations
For the Nine Months Ended September 30, 2017
(in thousands, except per share data)

	Howard Bancorp, Inc.	First Mariner Bank	Combined	Pro Forma Merger Adjustments	Pro Forma Combined
	(in thousands)				
INTEREST INCOME					
Interest and fees on loans	$ 30,374	$ 23,074	$ 53,448	1,977(C)	$ 55,425
Interest and dividends on securities	993	2,885	3,878	—	3,878
Other interest income	321	—	321	—	321
Total interest income	31,688	25,959	57,647	1,977	59,625
INTEREST EXPENSE					
Deposits	2,878	2,957	5,835	(199)(I)	5,635
Borrowings	807	746	1,553	15(J)	1,568
Total interest expense	3,685	3,703	7,388	(185)	7,203
NET INTEREST INCOME	28,003	22,256	50,259	2,162	52,421
Provision for credit losses	1,031	792	1,823	—	1,823
Net interest income after provision for credit losses	26,972	21,464	48,436	2,162	50,598
NONINTEREST INCOME					
Service charges on deposit accounts	667	1,157	1,824	—	1,824
Mortgage banking revenues	8,698	5,814	14,512	—	14,512
Gain on the sale of loans	48	303	351	—	351
Loss on the disposal of furniture, fixtures & equipment	—	(107)	(107)	—	(107)
Income from bank owned life insurance	555	779	1,334	—	1,334
Loan related income	4,142	—	4,142	—	4,142
Other operating income	745	1,815	2,560	—	2,560
Total noninterest income	14,855	9,761	24,616	—	24,616
NONINTEREST EXPENSE					
Compensation and benefits	17,592	17,197	34,789	—	34,789
Occupancy and equipment	3,121	4,585	7,706	—	7,706
Amortization of core deposit intangible	399	605	1,004	595(E)	1,599
Marketing and business development	3,117	831	3,948	—	3,948
Professional fees	1,446	1,843	3,289	—	3,289
Data processing fees	1,521	2,055	3,576	—	3,576
Merger and restructuring expense	378	616	994		994
FDIC Assessment	473	547	1,020	—	1,020
Provision for other real estate owned	149	(72)	77	—	77
Loan related expense	2,832	916	3,748	—	3,748
Other operating expense	2,324	4,007	6,331		6,331

Total noninterest expense	33,352	33,130	66,482	595	67,077
INCOME/(LOSS) BEFORE INCOME TAXES	8,475	(1,905)	6,570	1,567	8,137
Income tax expense	3,158	—	3,158	52	3,210
NET INCOME/(LOSS)	5,317	(1,905)	3,411	1,515	4,926
Preferred stock dividends	—	—	—	—	—
Net income/(loss) available to common shareholders	$ 5,317	$ (1,905)	$ 3,411	$ 1,515	$ 4,926
NET INCOME PER COMMON SHARE					
Basic	$ 0.56	$ (0.51)	$ 0.26	$ 0.28	$ 0.26
Diluted	$ 0.56	$ (0.51)	$ 0.26	$ 0.28	$ 0.26

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Unaudited Pro Forma Consolidated Statements of Operations
For the Twelve Months Ended December 31, 2016
(in thousands, except per share data)

	Howard Bancorp, Inc.	First Mariner Bank	Combined	Pro Forma Merger Adjustments	Pro Forma Combined
	(in thousands)				
INTEREST INCOME					
Interest and fees on loans	$ 37,865	$ 28,399	$ 66,264	$ 2,636(C)	$ 68,900
Interest and dividends on securities	691	4,301	4,992	—	4,992
Other interest income	185	—	185	—	185
Total interest income	38,741	32,700	71,442	2,636	74,078
INTEREST EXPENSE					
Deposits	3,470	3,905	7,375	(266)(I)	7,109
Borrowings	1,092	480	1,572	19(J)	1,592
Total interest expense	4,562	4,385	8,947	(247)	8,701
NET INTEREST INCOME	34,179	28,315	62,495	2,883	65,377
Provision for credit losses	2,037	2,673	4,710	—	4,710
Net interest income after provision for credit losses	32,142	25,642	57,784	2,883	60,667
NONINTEREST INCOME					
Service charges on deposit accounts	694	1,545	2,239	—	2,239
Mortgage banking revenues	8,098	14,008	22,106	—	22,106
Gain on the sale of securities	96	143	239	—	239
Loss on the sale of other real estate owned	(14)	—	(14)	—	(14)
Gain on the sale of loans	532	367	899	—	899
Gain/(loss) on the disposal of furniture & equipment	(70)	222	152	—	152
Income from bank owned life insurance	623	1,828	2,451	—	2,451
Loan related income	3,903	—	3,903	—	3,903
Other operating income	920	3,113	4,033	—	4,033
Total noninterest income	14,782	21,226	36,008	—	36,008
NONINTEREST EXPENSE					
Compensation and benefits	19,034	24,346	43,380	—	43,380
Occupancy and equipment	4,622	8,093	12,715	—	12,715
Amortization of core deposit intangible	655	898	1,553	702(E)	2,255
Marketing and business development	3,375	948	4,323	—	4,323
Professional fees	2,111	1,524	3,635	—	3,635
Data processing fees	1,723	2,392	4,115	—	4,115
FDIC Assessment	780	957	1,737	—	1,737
Provision for other real estate owned	83	140	223	—	223

Loan related expense	3,016	908	3,924	—	3,924
Other operating expense	3,286	5,610	8,896	—	8,896
Total noninterest expense	38,685	45,816	84,501	702	85,203
INCOME BEFORE INCOME TAXES	8,239	1,052	9,291	2,181	11,472
Income tax expense (benefit)	2,936	—	2,936	1,590	4,526
NET INCOME	5,303	1,052	6,355	592	6,946
Preferred stock dividends	166	—	166	—	166
Net income available to common shareholders	$ 5,137	$ 1,052	$ 6,188	$ 592	$ 6,779
NET INCOME PER COMMON SHARE					
Basic	$ 0.74	$ 0.28	$ 0.58	$ 0.11	$ 0.42
Diluted	$ 0.73	$ 0.28	$ 0.58	$ 0.11	$ 0.42

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Notes to Pro Forma Combined Condensed Consolidated Financial Statements

Note 1. Basis of Presentation

The acquisition will be effected by the issuance of shares of Howard common stock to First Mariner's common stockholders. The following unaudited pro forma combined consolidated financial information assumes that all of the outstanding shares of First Mariner common stock will be exchanged for Howard common stock at an exchange ratio of 1.6624 shares of Howard common stock for each share of First Mariner common stock, and that all outstanding stock options and warrants of First Mariner will be exchanged for cash consideration totaling approximately $9.2 million.

The unaudited pro forma combined consolidated financial information is based upon the assumption that the total number of shares of First Mariner common stock immediately outstanding prior to the completion of the merger will be 5,500,018 and each outstanding share of First Mariner common stock will be exchanged for 1.6624 shares of Howard common stock. This will result in the issuance of 9,143,230 shares of Howard common stock with an estimated fair value based upon the closing price of Howard's common stock on September 30, 2017 of $191.1 million, for a total estimated purchase price of $200.3 million when aggregating the stock and cash consideration. While the final exchange ratio has been established, the total purchase price will be based upon the market value of Howard's per share market value established in accordance with the merger agreement. The final allocation of the purchase price will be determined after the merger is completed and additional analyses are performed to determine the fair values of First Mariner's tangible and identifiable intangible assets and liabilities as of the date the merger is completed. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein. The unaudited pro forma combined consolidated financial information has been prepared to include the estimated adjustments necessary to record the assets and liabilities of First Mariner at their respective fair values and represents management's best estimate based upon the information available at this time. The pro forma adjustments included herein are subject to change as additional information becomes available and as additional analyses are performed. Such adjustments, when compared to the information shown in this document, may change the amount of the purchase price allocation to goodwill while changes to other assets and liabilities may impact the statement of operations due to adjustments in the yield and/or amortization/accretion of the adjusted assets and liabilities.

The total estimated purchase price for the purpose of this unaudited pro forma combined consolidated financial information is $200.3 million. Goodwill is created when the purchase price consideration exceeds the fair value of the assets acquired or a bargain purchase gain results when the current fair value of the assets acquired exceeds the purchase price consideration. For purposes of this analysis as of September 30, 2017, goodwill of $82.8 million results from the transaction; however, the final purchase accounting analysis will be performed as of the merger date and these amounts are subject to change based on operations subsequent to September 30, 2017 as additional information becomes available and as additional analyses are performed. Following Note 4 below is a table that provides the calculation and allocation of the purchase price used in the pro forma financial statements and a reconcilement of pro forma shares to be outstanding.

Note 2. Merger and Acquisition Integration Costs

The branch operations, commercial lending activities, mortgage banking operations, along with all other operations of First Mariner will be integrated into Howard. The operations integration and the systems conversion are scheduled for the second quarter of 2018.

The specific details of the plan to integrate the operations of First Mariner will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment and service contracts to determine where we may take advantage of redundancies. Certain decisions arising from these assessments may involve involuntary termination of employees, vacating leased premises, changing information systems, canceling contracts with certain service providers, and selling or otherwise disposing of certain premises, furniture and equipment. Howard also expects to incur merger-related costs including professional fees, legal fees, system conversion costs and costs related to communications with customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature of the cost and the timing of these integration actions.

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Note 3. Estimated Annual Cost Savings

Howard expects to realize cost savings and may generate revenue enhancements from the First Mariner acquisition. Total estimated cost savings for First Mariner are estimated at 37% of non-interest expense, with 85% of these savings expected to occur for the year ended December 31, 2018. These cost savings and any potential revenue enhancements are not reflected in the pro forma combined condensed consolidated financial statements and there can be no assurance they will be achieved in the amount or manner currently contemplated.

Note 4. Pro Forma Adjustments

(A)
Adjustment to reflect the conversion of First Mariner's preferred stock into common stock immediately preceding the merger.

(B)
Adjustment of $9.2 million to cash consideration paid to First Mariner stock option holders and warrant holders, and the total anticipated after tax merger related costs borne by both Howard and First Mariner totaling $14.1 million.

(C)
A fair value discount of $14.5 million to reflect the fair values of loans based on current interest rates of similar loans and the credit risk of the loan portfolio. The adjustment will be substantially recognized over approximately 10 years using an amortization method based upon the expected life of the loans and is expected to increase pro forma pre-tax interest income by $2.6 million in the first year and $2.0 million for the first nine months following consummation of the merger.

(D)
Reversal of the First Mariner allowance for loan losses of $3.9 million in accordance with acquisition method of accounting for the merger.

(E)
Adjustment to record the core deposit intangible associated with the merger of $6.4 million, net of the elimination of the core deposit intangible of First Mariner. The fair value of this asset and the related amortization using an expected life of 7 years. The amortization of the core deposit intangible is expected to increase pro forma pre-tax noninterest expense by $702,000 in the first year and $595,000 for the first nine months following consummation of the merger.

(F)
An adjustment to reflect the resulting goodwill of $82.84 million created on the books of Howard as a result of this acquisition. As noted above, goodwill is created when the purchase price consideration exceeds the fair value of the assets acquired or a bargain purchase gain results when the current fair value of the assets acquired exceeds the purchase price consideration.

(G)
A fair value discount of $800,000 to reflect the fair value of Other Real Estate Owned (OREO) held by First Mariner.

(H)
An adjustment to reflect the estimated amount of Deferred Tax Assets ("DTA's") generated in the merger. First Mariner DTA's were reduced by a valuation allowance given the uncertainty of their ability to utilize cumulative net operating losses to offset future taxable earnings. It is anticipated that as a result of the merger, the DTA's of the combined organization will not require a valuation allowance, resulting in a higher level of DTA's for the pro forma combined organization.

(I)

A fair value discount of $797,000 to reflect the fair values of certain interest-bearing deposits based on current interest rates for similar instruments. The adjustment will be recognized using an amortization method based upon the estimated maturities of the deposit liabilities. This adjustment is expected to decrease pro forma pre-tax interest expense by $266,000 in the first year and $199,000 for the first nine months following consummation of the merger.

(J)
A fair value premium of $58,000 to reflect the fair values of long-term borrowings based on current interest rates for similar instruments. The adjustment will be recognized using an amortization method based upon the estimated maturities of the borrowings. This adjustment is expected to increase pro forma pre-tax interest expense by $19,000 in the first year and $15,000 for the first nine months following consummation of the merger.

(K)
An adjustment to establish a litigation reserve resulting from unsettled mortgage banking lawsuits that have been filed against First Mariner.

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(L)
An adjustment to reflect the after tax impact of estimated merger related costs borne by Howard in the Merger. Howard's estimated transaction costs related to the merger are approximately $5.9 million ($4.3 million net of tax). This cost is included in the Unaudited Pro Forma Combined Consolidated Balance Sheet. These estimated transaction costs are currently being developed and will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment and service contracts to determine where operating redundancies between the two organizations can be reduced or eliminated. These costs will be recorded as non-interest expense as incurred. The pro forma presentation of the Howard merger related charges is presented in the following table (dollars in thousands):

Professional Fees	$ 2,125
Branch Closure, contract termination and other non-interest expenses	3,750
Total merger related non-interest expenses	5,875
Tax Benefit	1,557
Net Merger related expense	
After tax benefit	$ 4,318

(M)
An adjustment to reflect the fair value of bank premises and equipment cannot be estimated at this time. We do anticipate that upon receipt of real estate appraisals and other valuation measures, that there will be an adjustment to record bank premises and equipment at fair value when the merger is completed.

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Summary of Purchase Price Calculation and Goodwill Resulting from Merger
And Reconciliation of Pro Forma Shares Outstanding at September 30, 2017
($ in thousands except share and per share data)

Purchase Price Consideration-Common Stock		
First Mariner shares outstanding exchanged for stock		5,500,018
Exchange ratio		166.24%
Howard Bancorp shares to be issued to First Mariner stockholders		9,143,230
Purchase price per First Mariner common share	$	20.90
Cash consideration		9,245
Purchase price assigned to shares exchanged for stock		191,094
Total purchase price	$	200,338
First Mariner tangible common shareholders' equity		99,501
First Mariner after-tax deal charges		(9,800)
Estimated adjustments to reflect assets acquired at fair value:		
Loans		(14,500)
Allowance for loan losses		3,977
Core deposit intangible net increase		1,868
Eliminate First Mariner goodwill		(10,502)
Other real estate owned		(800)
Deferred tax assets		8,994
Net DTA recovery		44,500
Estimated adjustments to reflect liabilities acquired at fair value:		
Interest bearing deposits		(797)
Long term borrowings		58
Other liabilities		(5,000)
Net assets aquired at estimated fair value		117,499
Goodwill resulting from merger	$	82,839
Reconcilement of Pro Forma Shares Outstanding		
First Mariner shares converted		5,500,018
Exchange ratio		166.24%
Howard Bancorp shares to be issued to First Mariner stockholders		9,143,230
Howard Bancorp shares outstanding		9,811,992
Pro forma Howard Bancorp shares outstanding		18,955,222
Pro forma % ownership by First Mariner		48.24%
Pro forma % ownership by legacy Howard Bancorp		51.76%

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COMPARATIVE PER SHARE DATA (UNAUDITED)

Presented below are unaudited per share basic and diluted earnings, cash dividends and book value for (1) Howard and First Mariner on a historical basis, (2) Howard and First Mariner on a pro forma combined basis and (3) Howard pro forma and First Mariner on a pro forma equivalent basis, in each case for the fiscal year ended December 31, 2016 and as of and for the nine months ended September 30, 2017. The information presented below should be read together with the historical consolidated financial statements of Howard and First Mariner, including the related notes, incorporated by reference into, or included in, this joint proxy and information statement/prospectus. See "Where You Can Find More Information" beginning on page 126 for more details.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Howard and First Mariner management believe are reasonable. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions nor the impact of possible business model changes. As a result, unaudited pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of First Mariner will be reflected in the consolidated financial statements of Howard on a prospective basis.

Unaudited Pro Forma Comparative Per Share Data
For The Nine Months Ended September 30, 2017
(Amounts in Thousands, except per share data)

	Howard Bancorp, Inc.	First Mariner Bank	Proforma Combined	Proforma Equivalent First Mariner Share(1)
For the nine months ended September 30, 2017				
Basic earnings (loss) per common share	$ 0.56	$ (0.51)	$ 0.26	$ 0.44
Diluted earnings (loss) per common share	0.56	(0.51)	0.26	0.44
Dividends Declared:				
For the nine months ended September 30, 2017	$ —	$ —	$ —	$ —
Book Value:				
As of September 30, 2017	$ 13.28	$ 21.94	$ 16.73	$ 27.81

(1)
Pro forma equivalent per share amount is calculated by multiplying the pro forma combined per share amount by an assumed exchange ratio of 1.6624 as outlined in Footnote 1 to the unaudited pro forma combined balance sheet and statement of operations.

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Unaudited Pro Forma Comparative Per Share Data
For The Twelve Months Ended December 31, 2016
(Amounts in Thousands, except per share data)

	Howard Bancorp, Inc.	First Mariner Bank	Proforma Combined	Proforma Equivalent First Mariner Share(1)
For the twelve months ended December 31, 2016				
Basic earnings per common share	$ 0.74	$ 0.28	$ 0.42	$ 0.70
Diluted earnings per common share	0.73	0.28	0.42	0.70
Dividends Declared:				
For the twelve months ended December 31, 2016	$ —	$ —	$ —	$ —
Book Value:				
As of December 31, 2016	$ 12.27	$ 22.05	$ 16.13	$ 26.81

(1)
Pro forma equivalent per share amount is calculated by multiplying the pro forma combined per share amount by an assumed exchange ratio of 1.6624 as outlined in Footnote 1 to the unaudited pro forma combined balance sheet and statement of operations.

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MARKET PRICE AND DIVIDENDS

Stock Prices

Howard common stock is listed on the Nasdaq Capital Market under the symbol "HBMD." First Mariner common stock is not listed on any stock exchange or quoted on interdealer quotation system. The table below sets forth, for the periods indicated, the high and low closing sales prices per share of Howard common stock as reported by The Nasdaq Stock Market LLC.

Fiscal Quarter	High	Low
2017		
Fourth Quarter (through November 20, 2017)	$ 22.10	$ 18.90
Third Quarter	21.40	16.85
Second Quarter	20.20	17.95
First Quarter	19.00	14.90
2016		
Fourth Quarter	$ 15.25	$ 12.85
Third Quarter	13.75	12.24
Second Quarter	13.27	12.01
First Quarter	13.33	11.65
2015		
Fourth Quarter	$ 14.87	$ 12.51
Third Quarter	15.15	13.03
Second Quarter	14.75	12.01
First Quarter	14.90	10.75

On August 11, 2017, the last trading day before public announcement of the merger, the closing sales price per share of Howard common stock was $17.05, as reported on the Nasdaq Capital Market. On November 20, 2017 the last practicable trading day prior to the mailing of this joint proxy and information statement/prospectus, the closing sales price per share of Howard common stock was $20.25, as reported on the Nasdaq Capital Market. As of November 20, 2017, the last practicable trading day prior to the mailing of this joint proxy and information statement/prospectus, there were 9,814,892 shares of Howard common stock issued and outstanding and approximately 436 stockholders of record.

As of November 20, 2017, the last date prior to printing this joint proxy and information statement/ prospectus for which it was practicable to obtain this information for Howard and First Mariner, respectively, there were approximately 436 registered holders of Howard common stock and approximately 41 registered holders of First Mariner common stock.

The following table shows the closing sale prices of Howard common stock as reported on the Nasdaq Capital Market on August 11, 2017, the last full trading day before the public announcement of the merger agreement, and on November 20, 2017, the last practicable trading day before the date of this joint proxy and information statement/prospectus. The table also shows (1) the implied value of the merger consideration payable for each share of First Mariner common stock, which we calculated by multiplying the closing price of Howard common stock on those dates by the exchange ratio of 1.6624, and (2) the implied value of the merger consideration for each share of First Mariner common stock.

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	Howard Common Stock (Nasdaq: HBMD)	Implied Value of One Share of First Mariner Common Stock
At August 11, 2017	$ 17.05	$ 28.34
At November 20, 2017	$ 20.25	$ 33.66

First Mariner stockholders are advised to obtain current market quotations for shares of Howard common stock. The market price of Howard common stock will fluctuate between the date of this joint proxy and information statement/prospectus and the effective time of the merger. No assurance can be given concerning the market price of Howard common stock before or after the effective time of the merger. Any change in the market price of Howard common stock prior to the effective time of the merger will affect the market value of the merger consideration that First Mariner stockholders will receive upon the effective time of the merger.

Dividend Policy

Howard has not declared or paid any dividends on the Howard common stock. Howard currently intends to retain all future earnings, if any, for use in the Howard business and does not anticipate paying cash dividends on the Howard common stock in the foreseeable future; however, the Howard board of directors may decide to declare dividends in the future. Payments of future dividends, if any, will be at the discretion of the Howard board of directors after taking into account various factors, including the business, operating results and financial condition, current and anticipated cash needs, plans for expansion, tax considerations, general economic conditions and any legal or contractual limitations on ability to pay dividends. Howard is not obligated to pay dividends on the Howard common stock.

As a bank holding company, Howard's ability to declare and pay cash dividends is dependent upon, among other things, restrictions imposed by the reserve and capital requirements of Maryland and federal law and regulations, Howard's income and financial condition, tax considerations and general business conditions. In addition, because Howard is a holding company, Howard is dependent upon the payment of dividends by Howard Bank as its principal source of funds to pay dividends in the future, if any, and to make other payments. As the sole stockholder of Howard Bank common stock, Howard is entitled to receive dividends, when declared by the Howard Bank board of directors, out of funds that are legally available for dividends. Howard Bank is subject to certain statutory and regulatory restrictions on the amount of dividends it can pay to its stockholder.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy and information statement/prospectus and the documents referred to in this joint proxy and information statement/prospectus may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act. All statements that are not descriptions of historical facts are forward-looking statements. Forward-looking statements often use words such as “anticipate,” “believe,” “contemplate,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “should” “will,” similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts. Forward-looking statements include statements with respect to our belief, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intensions and future performance, including our growth strategy and expansion plans, including potential acquisitions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may be beyond or control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results and performance to differ from those expressed in any of our forward-looking statements include, but are not limited to:

- our ability to obtain regulatory approvals and meet other closing conditions to the merger, including approval by Howard stockholders on the expected terms and schedule;
- delay in closing the merger;
- difficulties and delays in integrating the First Mariner business or fully realizing cost savings and other benefits;
- business disruption following the merger;
- deterioration in general economic conditions, either nationally or in our market area, or a return to recessionary conditions;
- competition among depository and other financial institutions;
- inflation and changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments;
- adverse changes in the securities markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- our ability to enter new markets successfully and capitalize on growth opportunities, and to otherwise implement our growth strategy;
-

changes in consumer spending, borrowing and savings habits;

- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the SEC and the Public Company Accounting Oversight Board; and

- loss of key personnel.

Some of these risks and uncertainties are discussed herein, including under the heading “Risk Factors,” and in Howard’s Form 10-K for the year ended December 31, 2016, as updated by subsequently filed Forms 10-Q and other reports filed by Howard with the SEC from time to time. Forward-looking statements are as of the date they are made. We undertake no obligation to update any forward-looking statement to reflect factual assumptions, circumstances or events that have changed after we have made the forward-looking statements. You should not put undue reliance on any forward-looking statements.

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this joint proxy and information statement/prospectus, including the matters addressed under the heading “Cautionary Statement Regarding Forward-Looking Statements” beginning on page 34 and the matters discussed under the caption “Risk Factors” in the Annual Report on Form 10-K filed by Howard for the year ended December 31, 2016, as updated by subsequently filed Forms 10-Q and other reports filed by Howard with the SEC from time to time, you should carefully consider the following risk factors in deciding how to vote on approval of the merger agreement.

Risks Relating to the Merger

Because the exchange ratio is fixed, the value of Howard common stock issued to First Mariner stockholders will depend on the market price of Howard common stock when the merger is completed.

The market price of Howard common stock at the time the merger is completed may vary from the price of Howard common stock on the date the merger agreement was executed, on the date of this joint proxy and information statement/prospectus and on the date of the Howard special meeting as a result of various factors that are beyond our control, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. On August 11, 2017, the last trading day before public announcement of the merger, Howard common stock closed at $17.05 per share, as reported on the Nasdaq Capital Market. From August 14, 2017, the day of the announcement of the proposed merger, through November 20, 2017, the trading price of Howard common stock ranged from a closing high of $22.10 per share to a closing low of $16.85 per share.

Other than as described in this joint proxy and information statement/prospectus, there will be no adjustment to the fixed number of shares of Howard common stock that will be issued to First Mariner stockholders based upon changes in the market price of Howard common stock or First Mariner common stock prior to the effective time of the merger. In addition, the merger agreement cannot be terminated due to a change in the price of Howard common stock except if the price of Howard common stock declines by more than 20% from $17.05, or below $13.64, and underperforms an index of banking companies by more than 20% over a designated measurement period, unless Howard agrees to increase the number of shares of Howard common stock to be issued to holders of First Mariner common stock in the merger. See “The Merger Agreement—Termination of the Merger Agreement” beginning on page 109.

We are working to complete the transaction promptly and expect to complete the merger in the first quarter of 2018. However, there is no way to predict how long it will take to satisfy the conditions to closing the merger and to complete the transaction. In addition to the approval of the merger agreement by First Mariner stockholders, consummation of the merger is subject to receipt of required regulatory approvals and satisfaction of other conditions that may not occur until after the Howard special meeting.

The market price of Howard common stock after the merger may be affected by factors different from those affecting the shares of First Mariner or Howard currently.

Upon the effective time of the merger, holders of First Mariner common and preferred stock will become holders of Howard common stock. Howard’s business differs from that of First Mariner, and, accordingly, the results of operations of the combined company and the market price of the combined company’s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of Howard and First Mariner. For a discussion of the business of First Mariner, see “Information About the Company—First Mariner” beginning on page 42. For a discussion of the business of Howard and of certain factors to consider in connection with that business, see the documents incorporated by reference in this joint proxy and information statement/prospectus and referred to under “Where You Can Find More Information” beginning on page 126.

The fairness opinion delivered to the Howard board of directors by Howard’s financial advisor prior to the signing of the merger agreement does not reflect any changes in circumstances that occur after the date of the opinion.

The opinion of Howard’s financial advisor, Stephens, was delivered to the Howard board of directors on August 14, 2017 and speaks only as of the date of such opinion and not as of the effective time of the

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merger or as of any other date. Accordingly, the opinion does not reflect any changes in circumstances that occur after the date of the opinion. Changes in the operations and prospects of First Mariner or Howard, general market and economic conditions, and other factors that may be beyond the control of First Mariner and Howard, may alter the value of First Mariner or Howard or the price of shares of Howard common stock by the time the merger is completed. For a description of the opinion of Howard's financial advisor, please refer to "The Merger—Opinion of Howard's Financial Advisor" beginning on page 57. For a description of the other factors considered by the Howard board of directors in determining to approve the merger, please refer to "The Merger—Howard's Reasons for the Merger; Recommendation of the Howard Board of Directors" beginning on page 56.

The fairness opinion delivered to the First Mariner board of directors by First Mariner's financial advisor prior to the signing of the merger agreement does not reflect any changes in circumstances that occur after the date of the opinion.

The opinion of First Mariner's financial advisor, Keefe, Bruyette & Woods, Inc., or KBW, was delivered to the First Mariner board of directors on August 14, 2017 and speaks only as of the date of such opinion and not as of the effective time of the merger or as of any other date. Accordingly, the opinion does not reflect any changes in circumstances that occur after the date of the opinion. Changes in the operations and prospects of First Mariner or Howard, general market and economic conditions, and other factors that may be beyond the control of First Mariner and Howard, may alter the value of First Mariner or Howard or the price of shares of Howard common stock by the time the merger is completed. For a description of the opinion of First Mariner's financial advisor, please refer to "The Merger—Opinion of First Mariner's Financial Advisor" beginning on page 67. For a description of the other factors considered by the First Mariner board of directors in determining to approve the merger, please refer to "The Merger—First Mariner's Reasons for the Merger; Recommendation of the First Mariner Board of Directors" beginning on page 65.

Some of the conditions to the merger may be waived by First Mariner or Howard without resoliciting stockholder approval of the issuance of shares of Howard common stock in connection with the merger agreement.

Some of the conditions set forth in the merger agreement may be waived by First Mariner or Howard, subject to the agreement of the other party in specific cases. See "The Merger Agreement—Conditions to Consummation of the Merger" beginning on page 108. If any conditions are waived, each of First Mariner and Howard will evaluate whether an amendment of this joint proxy and information statement/prospectus and resolicitation of proxies is warranted. In the event that the Howard board of directors and the First Mariner board of directors each determines that resolicitation of stockholders is not warranted, First Mariner and Howard will have the discretion to complete the transaction without seeking further stockholder approval.

The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may negatively impact First Mariner and/or Howard.

The merger is subject to customary conditions to closing, including the receipt of required regulatory approvals. If any condition to the merger is not satisfied or, where permitted, waived, the merger will not be completed.

If the merger agreement is terminated, there may be various consequences. For example, First Mariner and/or Howard's business may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger and the restrictions on First Mariner and/or Howard's ability to do so under the merger agreement, without realizing any of the anticipated benefits of completing the merger, or the price of Howard common stock could decline to the extent that the current price reflects a market assumption that the merger will be completed. In addition, termination of the merger agreement would increase the possibility of adverse regulatory actions which could adversely affect First Mariner and/or Howard's business. If the merger agreement is terminated and the First Mariner board of directors seeks another merger or business combination, First Mariner stockholders cannot be certain that First Mariner will be able to find a party willing to pay the equivalent or greater consideration than that which Howard has agreed to pay in the merger. In addition, if the merger agreement is terminated under certain circumstances, either party may be required to pay the other a termination fee. For a complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "The Merger Agreement—Conditions to Consummation of the Merger" beginning on page 108.

Provisions of the merger agreement may deter alternative business combinations.

The merger agreement generally prohibits First Mariner from soliciting any acquisition proposal or offer for a merger or business combination with any other party, including a proposal that might be advantageous to First Mariner stockholders when compared to the terms and conditions of the merger described in this joint proxy and information statement/prospectus. These provisions may deter third parties from proposing or pursuing alternative business combinations that might result in greater value to holders of First Mariner common stock than the merger. See the sections entitled "The Merger Agreement—Termination of the Merger Agreement" beginning on page 109 for a more complete discussion of these restrictions and consequences.

Regulatory consents, non-objections and approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.

Before the merger may be completed, First Mariner and Howard must obtain various approvals, consents, non-objections and waivers from, among others, the FDIC, the FRB and the Maryland Commissioner. These regulators may impose conditions on consummation of the merger or require changes to the terms of the merger. Although we do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying the effective time of the merger or imposing additional costs on or limiting the revenues of Howard following the merger. Furthermore, such conditions or changes may constitute a burdensome condition that may allow Howard to terminate the merger agreement and Howard may exercise its right to terminate the merger agreement. There can be no assurance as to whether the regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed. See "The Merger—Regulatory Approvals Required for the Merger" beginning on page 93.

First Mariner and Howard will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on First Mariner and/or Howard. These uncertainties may impair First Mariner's and/or Howard's ability to attract, retain and motivate key personnel until the merger is completed and for a period of time thereafter, and could cause customers and others who deal with First Mariner or Howard to seek to change existing business relationships with First Mariner or Howard. First Mariner employee retention and recruitment may be particularly challenging prior to the effective time of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect First Mariner's and/or Howard's financial results.

In addition, the merger agreement requires that, subject to certain exceptions, each of First Mariner and Howard operate in the ordinary course of business consistent with past practice prior to the effective time of the merger or termination of the merger agreement. See the section entitled "The Merger Agreement—Covenants and Agreements—Conduct of Businesses Prior to the Effective Time of the Merger" beginning on page 102.

If the merger does not constitute a reorganization under Section 368(a) of the Code, then each First Mariner stockholder may be responsible for payment of U.S. income taxes related to the merger.

The United States Internal Revenue Service, or the IRS, may determine that the merger does not qualify as a nontaxable reorganization under Section 368(a) of the Code. In that case, each First Mariner stockholder would recognize a gain or loss equal to the difference between (1) the sum of the fair market

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value of Howard common stock and cash received by the First Mariner stockholder in the merger, and (2) the First Mariner stockholder's adjusted tax basis in the shares of First Mariner common stock and First Mariner preferred stock exchanged therefor. The likely tax treatment of the merger in such event will not be known until the effective time of the merger, as the aggregate value of the Howard common stock to be received by each First Mariner stockholder will fluctuate with the market price of the Howard common stock.

Risks Relating to Howard's Business Following the Merger

Combining the two companies may be more difficult, costly or time-consuming than expected.

Howard and First Mariner have historically operated and, until the effective time of the merger, will continue to operate, independently. The success of the merger will depend, in part, on our ability to successfully combine the businesses of Howard Bank and First Mariner. To realize these anticipated benefits, after the effective time of the merger, Howard Bank expects to integrate First Mariner's business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. The loss of key employees could adversely affect Howard's ability to successfully conduct its business in the markets in which First Mariner now operates, which could have an adverse effect on Howard's financial results and the value of its common stock. If Howard experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause First Mariner or Howard to lose current customers or cause current customers to remove their accounts from First Mariner or Howard and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of First Mariner and Howard during this transition period and for an undetermined period after consummation of the merger.

Howard may fail to realize the cost savings estimated for the merger.

Howard estimates that it will achieve cost savings from the merger when the two companies have been fully integrated. While Howard continues to be comfortable with these expectations as of the date of this joint proxy and information statement/prospectus, it is possible that the estimates of the potential cost savings could turn out to be incorrect. The actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual growth and cost savings, if achieved, may be lower than what Howard expects and may take longer to achieve than anticipated. If Howard is not able to adequately address integration challenges, Howard may be unable to successfully integrate Howard's and First Mariner's operations or to realize the anticipated benefits of the integration of the two companies.

The shares of Howard common stock to be received by First Mariner stockholders who receive the merger consideration in the merger will have different rights from the shares of First Mariner stock they currently hold.

Following the effective time of the merger, holders of First Mariner capital stock who receive the merger consideration will no longer be stockholders of First Mariner, a Maryland chartered trust company, but will instead be stockholders of Howard, a Maryland corporation. The rights associated with First Mariner capital stock are different from the rights associated with Howard common stock. For a more complete description of these rights, see the section entitled "Comparison of Stockholders' Rights" beginning on page 116.

First Mariner stockholders who receive merger consideration will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

First Mariner stockholders currently have the right to vote in the election of the First Mariner board of directors and on other matters affecting First Mariner. When the merger occurs, each First Mariner stockholder that receives merger consideration will become a Howard stockholder with a percentage

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ownership of the combined organization that is much smaller than such stockholder's current percentage ownership of First Mariner. As a result of the merger, First Mariner stockholders will become entitled to receive, in the aggregate, shares of Howard common stock equal to approximately 48% of the fully diluted common stock of Howard. Because of this, First Mariner stockholders will have less influence on the management and policies of Howard than they currently may have on the management and policies of First Mariner.

Howard and First Mariner will incur significant transaction and merger-related costs in connection with the merger.

Howard and First Mariner have incurred and expect to incur a number of non-recurring costs associated with the merger. These costs and expenses include fees paid to financial, legal and accounting advisors, severance and other potential employment-related costs, including payments that may be made to certain First Mariner executives, filing fees, printing expenses and other related charges. Some of these costs are payable by Howard and First Mariner regardless of whether the merger is completed. There are also a large number of processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the merger and the integration of the two companies' businesses. While both Howard and First Mariner have assumed that a certain level of expenses would be incurred in connection with the merger, there are many factors beyond their control that could affect the total amount or the timing of the integration and implementation expenses.

There may also be additional unanticipated significant costs in connection with the merger that Howard may not recoup. These costs and expenses could reduce the realization of efficiencies, strategic benefits and additional income Howard expects to achieve from the merger. Although Howard expects that these benefits will offset the transaction expenses and implementation costs over time, this net benefit may not be achieved in the near term or at all.

Risks Relating to an Investment in Howard Common Stock

The market price of Howard common stock after the merger may be affected by factors different from those affecting its shares currently.

Upon completion of the merger, holders of First Mariner common stock will become holders of Howard common stock. Howard's business differs in important respects from that of First Mariner, and, accordingly, the results of operations of the combined company and the market price of Howard common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Howard and First Mariner. For a discussion of the businesses of Howard and First Mariner and of some important factors to consider in connection with those businesses, see "Information About Howard" and "Information About First Mariner," and "Where You Can Find More Information."

The market price of Howard common stock may decline as a result of the merger.

The market price of Howard common stock may decline as a result of the merger if Howard does not achieve the perceived benefits of the merger or the effect of the merger on Howard's financial results is not consistent with the expectations of financial or industry analysts. In addition, upon completion of the merger, Howard and First Mariner stockholders will own interests in a combined company operating an expanded business with a different mix of assets, risks and liabilities. Existing Howard and First Mariner stockholders may not wish to continue to invest in the combined company, or for other reasons may wish to dispose of some or all of their shares of the combined company.

The unaudited pro forma condensed combined financial statements provided in this document are preliminary and the actual financial condition and results of operations after the merger may differ materially.

The unaudited pro forma condensed combined financial statements in this joint proxy and information statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what Howard's actual financial condition or results of operations would have been had the merger been completed on the date indicated. The unaudited pro forma condensed combined financial statements reflect

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adjustments, which are based upon assumptions and preliminary estimates, to record the First Mariner identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this joint proxy and information statement/prospectus with respect to First Mariner is preliminary, and final allocation of the purchase price for each transaction will be based upon the actual purchase price and the fair value of the assets and liabilities of First Mariner as of the date of the completion of the applicable merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy and information statement/ prospectus.

Howard's management will have broad discretion as to the use of assets acquired from this merger, and may not use these assets effectively.

Howard's management will have broad discretion in the application of the assets from this merger and could utilize the assets in ways that do not improve Howard's results of operations or enhance the value of its common stock. First Mariner stockholders will not have the opportunity, as part of their investment decision, to assess whether these acquired assets are being used appropriately. Howard's failure to utilize these assets effectively could have a material adverse effect on the combined company, delay the development of products and cause the price of Howard common stock to decline.

Howard may be unable to, or choose not to, pay dividends on Howard common stock.

Howard cannot assure you of its ability to pay dividends. Howard's ability to pay dividends depends on the following factors, among others:

- Howard may not have sufficient earnings as its primary source of income, the payment of dividends to Howard by Howard Bank, is subject to federal and state laws that limit the ability of that bank to pay dividends;

- FRB policy requires bank holding companies to pay cash dividends on common stock only out of net income available over the past year and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition; and

- the Howard board of directors may determine that, even though funds are available for dividend payments, retaining the funds for internal uses, such as expansion of Howard's operations, is a better strategy.

If Howard fails to pay dividends in the future, capital appreciation, if any, of Howard common stock may be the sole opportunity for gains on an investment in Howard common stock. In addition, in the event Howard Bank becomes unable to pay dividends to Howard, Howard may not be able to service Howard's debt or pay Howard's other obligations or pay dividends on Howard common stock. Accordingly, Howard's inability to receive dividends from Howard Bank could also have a material adverse effect on Howard's business, financial condition and results of operations and the value of your investment in Howard common stock.

There may be future sales of additional common stock or preferred stock or other dilution of Howard's equity, which may adversely affect the value of Howard common stock.

Howard is not restricted from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities. The value of Howard common stock could decline as a result of sales by Howard of a large number of shares of common stock or preferred stock or similar securities in the market or the perception that such sales could occur.

Anti-takeover provisions could negatively impact Howard stockholders.

Provisions of Howard's charter and bylaws and federal banking laws, including regulatory approval requirements, could make it more difficult for a third party to acquire Howard, even if doing so would be perceived to be beneficial to Howard stockholders. The combination of these provisions effectively inhibits

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a non-negotiated merger or other business combination, which, in turn, could adversely affect the market price of Howard common stock. These provisions could also discourage proxy contests and make it more difficult for holders of Howard common stock to elect directors other than the candidates nominated by the Howard board of directors.

Howard's rights and the rights of Howard stockholders to take action against Howard's directors and officers are limited.

Howard's charter eliminates Howard's directors' and officers' liability to Howard and its stockholders for money damages to the fullest extent permitted by Maryland law. Howard's charter and bylaws also require Howard to indemnify Howard's directors and officers for liability resulting from actions taken by them in those capacities to the maximum extent permitted by Maryland law. As a result, Howard stockholders and Howard may have more limited rights against Howard's directors and officers than might otherwise exist under common law. In addition, Howard may be obligated to fund the defense costs incurred by Howard's directors and officers.

An investment in Howard common stock is not an insured deposit.

An investment in Howard common stock is not a bank deposit and is not insured or guaranteed by the FDIC, the Deposit Insurance Fund, or any other government agency. Accordingly, you should be capable of affording the loss of any investment in Howard common stock.

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INFORMATION ABOUT THE COMPANIES

Howard

Howard Bancorp, Inc. is the parent company of Howard Bank, a Maryland-chartered trust company operating as a commercial bank. Headquartered in Ellicott City, Maryland, Howard Bank operates a general commercial banking business through its 13 branches located throughout the Greater Baltimore Metropolitan Area. Howard had total consolidated assets of approximately $1.1 billion, total net loans of $886.5 million, total deposits of $862.1 million and total stockholders' equity of $130.3 million at September 30, 2017. Howard Bank traditionally markets its financial services to small and medium sized businesses and their owners, professionals and executives, and high-net-worth individuals (the "mass affluent"), and have recently expanded to meet the financial needs of consumers generally.

Howard's core business strategy involves driving organic growth by delivering advice and superior customer service to clients through local decision makers. Howard combines its specialized focus on both local markets and small and medium-sized business related market segments with a broad array of products, new technology and seasoned banking professionals to position Howard Bank differently from most competitors. Howard's experienced executives establish a relationship with each client and bring value to all phases of a client's business and personal banking needs. To develop this strategy, Howard has established long-standing relationships with key customers in the community and with local business leaders who can create business opportunities. It is this philosophy toward the business that has afforded Howard success in attracting and retaining top-tier, high quality lending teams from other institutions.

Howard's primary source of revenue is net interest income, with fees generated by lending, mortgage banking and depository service charges constituting a smaller, but growing, percentage of revenues. Howard has positioned its balance sheet to hold a high percentage of earning assets and, in turn, to have those earning assets dominated by loans rather than investment securities. Howard's underwriting and lending teams have allowed Howard Bank to be successful in gaining market share, while continuing to maintain solid asset quality ratios, an approach which is fundamental to its culture. In Howard's efforts to drive revenue growth, Howard continues to invest in its infrastructure and talent with the long-term view of building the dominant Greater Baltimore bank. At all times, Howard's revenue-generating activities and expenditures are viewed with an eye towards investor returns while not exceeding risk tolerance thresholds set forth by management and our board of directors.

Howard common stock is traded on the Nasdaq Capital Market under the symbol "HBMD." Howard's principal executive offices are located at 6011 University Boulevard, Suite 370, Ellicott City, MD 21043, and its telephone number is (410) 750-0020. Additional information about Howard and its subsidiaries is included in documents incorporated by reference in this joint proxy and information statement/prospectus. See "Where You Can Find More Information."

First Mariner

First Mariner is an FDIC-insured, Maryland-chartered trust company operating as a commercial bank headquartered in Baltimore, Maryland through its 14 branches located in Baltimore City and Baltimore, Harford, Howard and Anne Arundel counties. First Mariner Mortgage, a division of First Mariner, originates loans in all 50 states and operates out of retail offices in Central Maryland, the Eastern Shore of Maryland and portions of Northern Virginia. In addition, First Mariner Mortgage also operates VAmortgage.com, a direct marketing mortgage operation in Baltimore specializing in lending for active military personnel and veterans. First Mariner had total consolidated assets of approximately $993.5 million, total net portfolio loans, excluding loans held for sale, of $675.3 million, total deposits of $737.8 million and total stockholders' equity of $99.5 million at September 30, 2017.

First Mariner is an independent community bank with a deep understanding of the local neighborhoods and business climate in which it operates. First Mariner was established in 1995 as an alternative for Maryland residents who preferred a local community bank to larger out-of-state competitors. First Mariner followed a high-end retail strategy and established branches in growing regions with concentrated pockets of wealth.

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On June 17, 2014, First Mariner was purchased by a group of investors via a sale pursuant to Section 363 of the Bankruptcy Code. Immediately following the acquisition, First Mariner was recapitalized satisfying the capital requirements of the regulators. Once recapitalized, the new management team began implementing a business plan that focused on reducing non-performing assets, reducing non-interest expenses, increasing core deposits, transitioning the loan portfolio from one reliant on loan-to-value to one focused on relationship and based on global cash flow underwriting and diversifying earnings sources outside of mortgage banking. As a result of the successful implementation of these initiatives, First Mariner is a growing bank.

First Mariner operates in three complementary areas: retail banking, commercial banking and mortgage banking. First Mariner has benefitted from the demand for a locally headquartered community bank with a number of new commercial banking relationships and a dramatic increase in core deposits and mortgage banking revenue. The significant increase in non-interest bearing, savings and money market accounts allowed for a substantial reduction in time deposits which in turn has reduced First Mariner's cost of funding and enhanced its net interest margin.

First Mariner's principal executive offices are located at 3301 Boston Street, Baltimore, Maryland 21224, and its telephone number is (443) 573-4300. Additional information about First Mariner is included in documents incorporated by reference in this joint proxy and information statement/prospectus. See "Where You Can Find More Information."

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THE HOWARD SPECIAL MEETING

This section contains information for Howard stockholders about the Howard special meeting. We are mailing this joint proxy and information statement/prospectus to you, as a Howard stockholder, on or about November 22, 2017. Together with this joint proxy and information statement/prospectus, we are also sending to you a notice of the Howard special meeting and a form of proxy card that the Howard board of directors is soliciting for use at the Howard special meeting and at any adjournments or postponements of the Howard special meeting.

We are mailing this joint proxy and information statement/prospectus to you, as a First Mariner stockholder, to sign and return the First Mariner written consent to approve the merger agreement and approve the merger. This joint proxy and information statement/prospectus is also being furnished by Howard to First Mariner stockholders as a prospectus in connection with the issuance of shares of Howard common stock upon the effective time of the merger.

Date, Time and Place of Howard Special Meeting

The Howard special meeting will be held at Howard's principle executive offices, located at 6011 University Blvd., Suite 370, Ellicott City, Maryland 21043, on December 27, 2017, at 10:00 a.m., local time.

Matters to Be Considered

At the Howard special meeting, you will be asked to consider and vote upon the following matters:

- the shares issuance proposal;
- the ESPP proposal; and
- the adjournment proposal.

Recommendation of the Howard Board of Directors

The Howard board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interest of Howard and its stockholders and that the terms and conditions of the merger and the merger agreement are fair to its stockholders. Accordingly, the Howard board of directors recommends that Howard stockholders vote "FOR" the shares issuance proposal, "FOR" the ESPP proposal and "FOR" the adjournment proposal, if necessary. See the section entitled "The Merger—Howard's Reasons for the Merger; Recommendation of the Howard Board of Directors" beginning on page 56 for a more detailed discussion of the factors considered by the Howard board of directors in reaching its decision to approve the merger agreement.

Record Date and Quorum

The Howard board of directors has fixed the close of business on November 20, 2017 as the record date for determining the holders of Howard common stock entitled to receive notice of and to vote at the Howard special meeting.

As of the record date, there were 9,814,892 shares of Howard common stock outstanding and entitled to vote at the Howard special meeting held by approximately 436 holders of record. Each share of Howard common stock entitles the holder to one vote at the Howard special meeting on each proposal to be considered at the Howard special meeting.

The presence at the Howard special meeting, in person or by proxy, of the holders of a majority of the stock issued and outstanding and entitled to vote with respect to each proposal will constitute a quorum for the purposes of considering and acting on each proposal. Shares that are present, or represented by a proxy, at the Howard special meeting and any postponement or adjournment thereof will be counted for quorum purposes regardless of whether the holder of the shares or proxy fails to vote (or instruct its bank or broker how to vote) on any particular matter, or "abstains" on any matter. If a quorum is not present at the Howard special meeting, the Howard special meeting will be postponed or adjourned until the holders of the number of shares required to constitute a quorum are represented.

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Vote Required; Treatment of Abstentions and Failure to Vote

Approval of the shares issuance proposal, the ESPP proposal and the adjournment proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting. If your shares of Howard common stock are present at the Howard special meeting but are not voted on the shares issuance proposal, the ESPP proposal or the adjournment proposal, or if you vote to abstain on the shares issuance proposal, the ESPP proposal or the adjournment proposal, your shares will have no effect on such proposal. If you fail to submit a proxy card and fail to attend the Howard special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Howard common stock in favor of the shares issuance proposal, the ESPP proposal or the adjournment proposal, your shares of Howard common stock will have no effect on such proposal.

Voting of Proxies; Incomplete Proxies

Each copy of this joint proxy and information statement/prospectus mailed to holders of Howard common stock is accompanied by a form of proxy with instructions for voting. You should complete and return the proxy card accompanying this joint proxy and information statement/prospectus, regardless of whether you plan to attend the Howard special meeting.

All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted “FOR” approval of the shares issuance proposal, “FOR” the ESPP proposal and “FOR” approval of the adjournment proposal, if necessary. No matters other than the matters described in this joint proxy and information statement/prospectus are anticipated to be presented for action at the Howard special meeting or at any adjournment or postponement of the Howard special meeting.

Revocability of Proxies and Changes to a Howard Stockholder’s Vote

You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date (if you submitted your proxy by internet or by telephone, you can change your vote by voting over the internet or by telephone), (2) delivering a written revocation letter to Howard’s corporate secretary, or (3) attending the Howard special meeting in person, notifying the corporate secretary, and voting by ballot at the Howard special meeting.

If you choose either of the first two methods, you must take the described action (or, with respect to the first method, Howard must have received the subsequent proxy card) no later than December 26, 2017 at 5:00 p.m. local time, which is the business day immediately prior to the Howard special meeting. Written notices of revocation and other communications about revoking your proxy should be addressed to:

Howard Bancorp, Inc.
6011 University Blvd., Suite 370
Ellicott City, Maryland 21043
Attention: Charles E. Schwabe
Telephone: (410) 750-0020

Any stockholder entitled to vote in person at the Howard special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Howard’s corporate secretary) of a stockholder at the Howard special meeting will not constitute revocation of a previously given proxy.

Solicitation of Proxies

Howard will bear the entire cost of soliciting proxies from you, except that Howard and First Mariner will bear equally the cost of printing this joint proxy and information statement/prospectus and all filing fees paid to the SEC in connection with this joint proxy and information statement/prospectus. If necessary, Howard may use directors, officers and several of its regular employees, who will not be specially compensated, to solicit proxies from the Howard stockholders, either personally or by telephone, facsimile, letter or other electronic means.

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In addition, Howard has made arrangements with Georgeson to assist in soliciting proxies for the Howard special meeting and has agreed to pay Georgeson $6,500, plus out-of-pocket expenses, for these services.

Attending the Howard Special Meeting

All holders of Howard common stock are invited to attend the Howard special meeting. Stockholders of record can vote in person at the Howard special meeting. If you plan to attend the Howard special meeting, you must hold your shares in your own name. In addition, you must bring a form of personal photo identification with you in order to be admitted. Howard reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Howard special meeting is prohibited without Howard's express written consent.

Assistance

If you have any questions concerning the merger or this joint proxy and information statement/ prospectus, would like additional copies of this joint proxy and information statement/prospectus or need help voting your shares of Howard common stock, please contact Charles E. Schwabe, Corporate Secretary at Howard Bancorp, Inc. at (410) 750-0020, or Howard's proxy solicitor, Georgeson, at (866) 296-6841.

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THE HOWARD PROPOSALS

Proposal 1: Shares Issuance Proposal

Howard is asking its stockholders to approve the issuance of approximately 9,143,230 shares of its common stock pursuant to the merger agreement. For a detailed discussion of the terms and conditions of the merger agreement, see “The Merger Agreement” beginning on page 96. As discussed in the section entitled “The Merger—Howard’s Reasons for the Merger; Recommendation of the Howard Board of Directors,” after careful consideration, the Howard board of directors approved the merger agreement. The Howard board of directors recommends the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interest of Howard and the Howard stockholders.

Required Vote

Approval of the shares issuance proposal requires the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting. If your shares of Howard common stock are present at the Howard special meeting but are not voted on the shares issuance proposal, or if you vote to abstain on the shares issuance proposal, each will have no effect on the shares issuance proposal. If you fail to submit a proxy card and fail to attend the Howard special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Howard common stock in favor of the shares issuance proposal, your shares of Howard common stock will not be voted, and this will have no effect on the shares issuance proposal.

The Howard board of directors recommends that Howard stockholders vote “FOR” the approval of the shares issuance proposal.

Proposal 2: ESPP Proposal

We are requesting that stockholders vote to approve the ESPP, which the Howard board of directors adopted on October 5, 2017. Subject to stockholder approval, 250,000 shares of common stock have been reserved for issuance under the ESPP. The ESPP is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code of 1986 (the “Code”). The purpose of the ESPP is to provide eligible employees with opportunities to purchase shares of Howard’s stock through payroll deductions at a discounted price. A copy of the ESPP is attached to this Joint Proxy and Information Statement/Prospectus as Annex VI.

Summary of the 2017 Employee Stock Purchase Plan

The following is a brief summary of the ESPP. This summary is qualified in its entirety by reference to the full text of the ESPP, a copy of which is attached as Annex VI. You are urged to read the text of the ESPP in its entirety.

The ESPP provides eligible employees of Howard with opportunities to purchase shares of Howard common stock at a discounted price. Howard will make one or more offerings to eligible employees to purchase common stock under the ESPP. In general, each offering will extend for a six-month period (“Plan Period”), during which Howard will withhold via payroll deduction the amount elected by the eligible employee for purposes of purchasing common stock at the end of the Plan Period. Unless the Howard board of directors or a committee appointed by the Howard board of directors chooses a different Plan Period of 12 months or less, Howard will have two six-month Plan Periods per year: a June Plan Period commencing on June 1 and ending on November 30, and a December Plan Period commencing on December 1 and ending on May 31 of the following calendar year.

Eligibility to participate in the ESPP is generally determined for each Plan Period. Employees of Howard who were employed not later than the last day of the enrollment period for the next applicable Plan Period, and who customarily work more than twenty hours per week will be eligible to participate in the ESPP for that Plan Period. An employee may not participate in the ESPP if he or she would then own 5% or more of the voting power or the value of Howard’s common stock.

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General terms and features of participation include:

- voluntary participation by employees, with the right to withdraw at any time prior to the close of business on the last business day of the Plan Period. A withdrawing employee may not resume participation during the remainder of the Plan Period, but may participate in the next Plan Period if the employee continues to meet the eligibility requirements;
- eligible employees may elect to have a portion of their eligible compensation withheld on an after-tax basis via payroll deduction for purposes of purchasing shares at the end of the Plan Period;
- purchases of shares are made on the last business day of the Plan Period, subject to the limitations described below;
- purchase price per share is 85% (or such greater percentage as specified by the administrator of the ESPP) of either (i) the closing price of the common stock on the last business day of the Plan Period or (ii) the lesser of the closing price of the common stock on the first business day of the Plan Period and the closing price of the common stock on the last business day of the Plan Period; the administrator of the ESPP shall determine whether (i) or (ii) shall apply for a Plan Period;
- an employee may not buy more than $25,000 worth of stock in any calendar year, based on the fair market value of the stock for each calendar year in which an option to purchase shares under the ESPP is outstanding; and
- no employee may purchase more than 800 shares on any purchase date for a Plan Period of six months or less (unless the administrator of the ESPP determines that a different maximum shall apply).

The ESPP provides for certain adjustments to be made to (i) the number and class of securities available under the ESPP, (ii) the share limitations under the ESPP, and (iii) the option price in the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any distribution to holders of common stock other than an ordinary cash dividend. In addition, the Howard board of directors has authority under the ESPP to take a number of actions with respect to outstanding options in the event of a merger or consolidation.

The ESPP is administered by the Howard board of directors or by a committee appointed by the Howard board of directors, and the Howard board of directors has delegated responsibility for its administration to the Compensation Committee. The ESPP may be amended by the Howard board of directors or a committee appointed by the Howard board of directors from time to time in any respect, except that (i) if Section 423 of the Code requires that such amendment be approved by the stockholders of Howard, such amendment will not be effected without such approval, and (ii) in no event may any amendment be made which would cause the ESPP to fail to comply with Section 423 of the Code. Administration of the ESPP may also be delegated to one or more officers.

New Plan Benefits

While all employees eligible to participate in the ESPP could purchase as much as $25,000 worth of Howard common stock in a single year, the actual amount or value of shares purchased by any given employee or group of employees is not determinable because it depends on the elections of each employee who chooses to participate. Therefore, it is not possible to determine the benefits that will be received in the future by participants in the ESPP.

Federal Income Tax Consequences

The following generally summarizes certain key United States federal income tax consequences that will arise with respect to participation in the ESPP and with respect to the sale of common stock acquired under the ESPP. This summary is based on the tax laws in effect as of the date of this proxy statement. Changes to these laws could alter the tax consequences described below. The following summary is not

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intended to be a complete summary or legal interpretation, and it does not address consequences other than U.S. federal tax consequences. Eligible employees also might be subject to state or local tax, including tax in jurisdictions outside the U.S., as a result of participating in the ESPP.

Tax Consequences to Participants

Participants do not experience any federal income tax consequences upon enrolling in the ESPP. Amounts withheld via payroll deduction for purposes of purchasing shares under the ESPP are included in the participant's income in accordance with Howard's regular income and payroll tax withholding and reporting procedures. Because participants use after-tax dollars to purchase shares at the end of the Plan Period, there is no income tax at the time the participant purchases shares. As a general matter, additional income tax is not realized until the participant sells the shares acquired under the ESPP.

A participant may have both ordinary income and capital gain income or both ordinary income and a capital loss upon the sale of common stock that was acquired under the ESPP. The amount of each type of income and loss will depend on when the participant sells the common stock and the price at which the participant sells the common stock.

If the participant sells the common stock more than two years after the commencement of the offering during which the common stock was purchased and more than one year after the date that the participant purchased the common stock, then the participant will have ordinary income equal to the lesser of:

(1)
the discount to the value of the common stock on the day the offering commenced (i.e., 15% of the value of the common stock on the first day of the Plan Period, if the purchase price for the offering is 85% of the lesser of the value on the first day of the Plan Period and the value on the last day of the Plan Period); and

(2)
the participant's profit (the excess of the sales proceeds over the purchase price).

Any profits in excess of amounts classified as ordinary income will be taxed as long-term capital gain income. If the participant sells the common stock at a loss (if sales proceeds are less than the purchase price) after satisfying these waiting periods, there is no ordinary income and the participant will have a long-term capital loss for the difference between the sale price and the purchase price.

If the participant sells the common stock prior to satisfying these waiting periods, including by way of gift, then he or she will have engaged in a disqualifying disposition. Upon a disqualifying disposition, the participant will have ordinary income equal to the value of the common stock on the day he or she purchased the common stock less the purchase price. If the participant's profit exceeds the ordinary income, then the excess profit will be a capital gain. If the participant's profit is less than the ordinary income, then the participant will have a capital loss equal to the value of the common stock on the day he or she purchased the common stock less the sales proceeds. This capital gain or loss will be long-term if the participant has held the stock for more than one year and otherwise will be short-term.

Tax Consequences to Howard

There will be no tax consequences to Howard except that we will be entitled to a deduction when a participant has ordinary income upon a disqualifying disposition. Any such deduction will be subject to the limitations of Section 162(m) of the Code ("Section 162(m)").

Required Vote

Approval of the ESPP proposal requires the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting. If your shares of Howard common stock are present at the Howard special meeting but are not voted on the ESPP proposal, or if you vote to abstain on the ESPP proposal, each will have no effect on the ESPP proposal. If you fail to submit a proxy card and fail to attend the Howard special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Howard common stock in favor of the ESPP proposal, your shares of Howard common stock will not be voted, and this will have no effect on the ESPP proposal.

The Howard board of directors recommends that Howard stockholders vote "FOR" the ESPP proposal.

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Proposal 3: Adjournment Proposal

Howard stockholders are being asked to approve an adjournment of the Howard special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the shares issuance proposal if there are insufficient votes at the time of such adjournment to approve such proposals.

If, at the Howard special meeting, there are an insufficient number of shares of Howard common stock present in person or represented by proxy and voting in favor of the shares issuance proposal, Howard may move to adjourn the Howard special meeting in order to enable the Howard board of directors to solicit additional proxies for approval of the shares issuance proposal. If the Howard stockholders approve the adjournment proposal, Howard could adjourn the Howard special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Howard stockholders who have previously voted. If the date of the adjournment is not announced at the Howard special meeting or a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting will be given to each Howard stockholder of record entitled to vote at the adjourned meeting.

Required Vote

Approval of the adjournment proposal requires the affirmative vote of holders of a majority of the votes cast, in person or by proxy, by Howard stockholders at the Howard special meeting. If your shares of Howard common stock are present at the Howard special meeting but are not voted on the adjournment proposal, or if you vote to abstain on the adjournment proposal, each will have no effect on the adjournment proposal. If you fail to submit a proxy card and fail to attend the Howard special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Howard common stock in favor of the adjournment proposal, your shares of Howard common stock will not be voted, and this will have no effect on the adjournment proposal.

The Howard board of directors recommends that Howard stockholders vote "FOR" the adjournment proposal, if necessary or appropriate.

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THE MERGER

The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement included as Annex I to this joint proxy and information statement/prospectus and incorporated by reference herein. This summary does not purport to be complete and may not contain all of the information about the merger that is important to you. We urge you to read carefully this entire joint proxy and information statement/prospectus, including the merger agreement, for a more complete understanding of the merger.

Terms of the Merger

The board of directors of each of Howard and First Mariner have approved the merger agreement. The Howard board of directors recommends approval of the issuance of shares of Howard common stock in connection with the merger agreement by Howard stockholders. The merger agreement provides for the acquisition of First Mariner by Howard through the merger of First Mariner with and into Howard Bank, with Howard Bank continuing as the surviving bank of the merger and a wholly owned subsidiary of Howard. As a result of the merger, shares of First Mariner common stock and shares of First Mariner preferred stock issued and outstanding immediately prior to the merger will be converted into the right to receive 1.6624 shares, or the exchange ratio, of Howard common stock per share, which we refer to as the merger consideration. No fractional shares of Howard common stock will be issued in connection with the merger, and holders of First Mariner common stock will be entitled to receive cash in lieu thereof.

Howard stockholders are being asked to approve the issuance of shares of Howard common stock in connection with the merger agreement. See the section entitled "The Merger Agreement" beginning on page 96 for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to consummation of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

On June 17, 2014, a group of investors acquired First Mariner Bank in a 363 bankruptcy sale from First Mariner Bancorp.

The Howard board of directors has from time to time engaged with senior management of Howard in strategic reviews, and has considered ways to enhance its performance and prospects in light of competitive and other relevant developments. The Howard board of directors appointed the Strategic Growth Initiatives Committee, or the SGIC, of the Howard board of directors to facilitate this process and the SGIC meets regularly and discusses opportunities and strategies with management. These strategic reviews by the Howard board of directors and the SGIC have focused on, among other things, the business environment facing financial institutions generally, the business environments in the markets that Howard serves and markets that Howard is targeting for entry into as desirable banking markets, as well as conditions and ongoing consolidation in the financial services industry. As part of its growth strategy, the management of Howard and the Howard board of directors have, from time to time, explored acquisition opportunities with banks that have a similar community banking philosophy to that of Howard and that are headquartered in and around the Baltimore City area.

On February 27, 2017, Ms. Mary Ann Scully, Chair, Executive Officer and President of Howard, through an investment banking relationship, met with a representative from one of First Mariner's largest shareholders to inquire as to whether there would be interest by First Mariner in a potential combination with Howard in the near term. Following a series of communications to arrange a meeting, Ms. Scully and Mr. Robert D. Kunisch, Jr., then President of First Mariner, met for dinner on March 8, 2017. At this dinner meeting, Ms. Scully and Mr. Kunisch had some high-level discussions regarding the long-term strategic advantages of a potential combination of First Mariner and Howard. Ms. Scully and Mr. Kunisch agreed to continue discussions following the dinner meeting. Further, Ms. Scully kept the SGIC apprised of the dinner meeting and the possibilities attendant upon such a combination.

In the beginning of April 2017, a public bank holding company, which we refer to as Party A, expressed an indication of interest in a possible transaction with First Mariner. On April 24, 2017, First Mariner and Party A entered into a nondisclosure agreement and discussions between First Mariner and Party A ensued.

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On May 4, 2017, Ms. Scully, Mr. George C. Coffman, Executive Vice President and Chief Financial Officer of Howard, Mr. Kunisch and Mr. Jack Steil, then Chief Executive Officer of First Mariner, met for dinner to continue the discussion initiated by Ms. Scully and Mr. Kunisch at their March 8, 2017 meeting regarding a potential combination between First Mariner and Howard. Following this dinner meeting, First Mariner and Howard exchanged drafts of a confidentiality agreement and subsequently entered into a confidentiality agreement on May 11, 2017.

On May 5, 2017, the management teams of First Mariner and Party A held a meeting to discuss First Mariner’s budget and general operations. On June 1, 2017, additional management meetings were held to continue such discussions.

As part of a May 10, 2017 regularly scheduled meeting of the SGIC, Ms. Scully reported on the dinner meeting that she and Mr. Coffman held with Messrs. Steil and Kunisch on May 4, 2017. At this meeting, members of the SGIC also discussed with senior management of Howard the confidentiality agreement proposed by First Mariner, as well as some of the potential financial aspects of an acquisition of First Mariner by Howard.

On May 22, 2017, Ms. Scully and Mr. Kunisch met to discuss organizational and locational aspects of a potential combination between First Mariner and Howard.

On May 23, 2017, certain members of the senior management teams of First Mariner and Howard held a meeting to discuss the history of First Mariner and review its business plan. On or about May 24, 2017, First Mariner began sharing preliminary due diligence information with Howard and Howard began to conduct preliminary due diligence on First Mariner and worked with Stephens, Howard’s financial advisor, to prepare a non-binding initial letter of interest to acquire First Mariner.

On or about May 30, 2017, First Mariner and Party A began sharing diligence information. Over the course of the following days, the management teams of First Mariner and Party A communicated regularly to gain a general overview of First Mariner and First Mariner consulted with Keefe, Bruyette & Woods, Inc., First Mariner’s financial advisor, which we refer to as KBW, regarding discussions with Party A and Howard.

On May 30 and May 31, 2017, certain members of the senior management teams of First Mariner and Howard held additional meetings to review the potential budget and merger expenses and conduct a review of the potential synergies that might result from a combination of First Mariner and Howard.

On June 2, 2017, the SGIC met with senior management of Howard to discuss a draft non-binding, preliminary indication of interest to acquire First Mariner that was prepared by senior management of Howard in consultation with Stephens. Howard submitted a written, non-binding, preliminary indication of interest on June 6, 2017, which included Howard’s preliminary views for the combined bank.

On June 6, 2017, Party A provided to First Mariner a verbal indication of interest in pursuing a strategic transaction.

On June 8, 2017, the First Mariner board of directors held a meeting to evaluate the preliminary indications of interests received from Party A and Howard. This meeting was attended by KBW.

On June 8, 2017, the First Mariner board of directors again met to discuss the preliminary indications of interest from Party A and Howard. Members of management and representatives of KBW also attended this meeting. The First Mariner board of directors determined that it was advisable and in the best interests of First Mariner to consider strategic alternatives, including a possible business combination with Party A and Howard.

On June 12, 2017, both Party A and Howard provided a standard due diligence request list for information to First Mariner. Between June 14 and June 30, 2017, First Mariner, with the assistance of KBW, provided access to the requested information to both Party A and Howard.

On June 28, 2017, Ms. Scully met with Mr. Kunisch and Mr. Steil for breakfast to further discuss organizational aspects of a potential combination. On the same day, following this meeting, senior management of Howard met with the SGIC and provided the SGIC with a detailed update on the status of a due diligence investigation of First Mariner and the status of the discussions that members of senior management have had with representatives of First Mariner. The SGIC also discussed with senior management other strategic initiatives for Howard.

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On July 6, 2017, members of management of First Mariner and representatives of KBW had discussions with Party A and its advisors related to the possible business combination and diligence.

On July 10, 2017, Ms. Scully met with Mr. Howard Feinglass, Mr. Michael High and Mr. Boris Gutin, each of whom are directors of First Mariner and each of whom represents one of the three largest First Mariner stockholders. Ms. Scully discussed with the First Mariner directors the strategic, financial and operational benefits of a potential combination between First Mariner and Howard. They also discussed certain corporate governance matters as well as potential future business strategies that a combined organization would be better positioned to pursue than the two institutions could separately. On the same day, and following this meeting, the SGIC met with senior management of Howard, representatives of Stephens and representatives of Covington & Burling LLP, or Covington, Howard's legal counsel, to discuss an updated, non-binding, indication of interest to acquire First Mariner that was prepared by senior management of Howard in consultation with Stephens and Covington. At this meeting, Ms. Scully provided the SGIC with a report on her meeting with the three First Mariner directors.

On July 11, 2017, the Howard board of directors met with senior management of Howard, representatives of Stephens and representatives of Covington to discuss the updated, non-binding, indication of interest to acquire First Mariner. On the same day, Ms. Scully and Mr. Kunisch met to discuss potential organizational and corporate governance aspects of a combined organization.

Following the meeting of the Howard board directors, on July 12, 2017, Howard submitted an updated, non-binding indication of interest to First Mariner.

Between July 13 and July 20, 2017, management of First Mariner and representatives of KBW had various calls and meetings with senior management of Howard and representatives of Stephens related to the updated, non-binding indication of interest and matters related to the possible merger.

On July 17, 2017, Party A notified First Mariner that it no longer intended to pursue a proposed transaction with First Mariner, and therefore, did not submit a further indication of interest or offer.

On July 19, 2017, Howard submitted a final non-binding indication of interest to First Mariner, which contemplated the merger of First Mariner into Howard Bank with Howard Bank surviving, stockholders of First Mariner receiving 1.6624 shares of Howard common stock for each share of First Mariner common stock or preferred stock and holders of options and warrants for First Mariner stock receiving cash in an amount equal to $32.50 for each share underlying the option or warrant less the exercise price per share.

On July 20, 2017, the First Mariner board of directors held a meeting, at which members of management and representatives of KBW also attended. During the meeting, KBW discussed with the First Mariner board of directors financial aspects of the final non-binding indication of interest provided by Howard.

On July 20, 2017, First Mariner engaged Venable LLP, which we refer to as Venable, to represent First Mariner as legal counsel in connection with a potential business combination with Howard.

Beginning July 21, 2017, First Mariner management held weekly status calls at which members of the First Mariner board of directors could participate.

On July 21, 2017, Howard provided a draft letter to First Mariner, which provided that First Mariner would enter into exclusive negotiations with Howard. In accordance with First Mariner's directives, representatives of KBW discussed the exclusivity letter with Stephens, which discussions resulted in a revised draft of the exclusivity letter being sent by Howard to First Mariner on July 22, 2017.

At First Mariner's direction, representatives of KBW sent a revised draft of the exclusivity letter to Stephens on July 22, 2017 and sent a further revised draft of the exclusivity letter to Stephens on July 24, 2017.

On July 25, 2017, First Mariner and Howard entered into the exclusivity letter, providing for, among other items, a 30-day exclusivity period subject to a 15-day extension.

On July 29 and July 30, 2017, representatives of Venable and Covington held discussions related to the merger agreement, including the manner and timing of receipt of First Mariner stockholder approval.

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On July 31, 2017, Covington distributed to Venable an initial draft of the merger agreement.
Between August 1, 2017 and August 13, 2017, the specific terms of the merger agreement were negotiated between representatives of Howard and Covington, and First Mariner and Venable. During this period Covington and Venable also negotiated the terms of the stockholder agreements and the stockholder written consent of First Mariner that were to be executed by certain First Mariner stockholders and delivered to Howard following the execution of the merger agreement pursuant to the terms of the merger agreement. Also during this period, members of senior management of Howard and First Mariner discussed various terms of the merger agreement as well as matters related to the employment terms of Messrs. Kunisch, Steil and Jones following the merger, including the terms of the employment agreements for Messrs. Kuisch and Jones and offer letter for Mr. Steil. Throughout this period, members of management of First Mariner discussed the terms of the merger and the transaction documents with representatives of Venable and KBW. Likewise, throughout this period, senior members of management of Howard discussed the terms of the merger and the transaction documents with representatives of Covington and Stephens.
On August 10, 2017, the SGIC held a meeting with senior management of Howard, representatives of Stephens and representatives of Covington to discuss the status of the merger agreement negotiations, senior management’s final due diligence investigation and discussions that Ms. Scully had had with Mr. Kunisch and Mr. Steil. Representatives from Stephens reviewed the financial aspects of the merger with the SGIC. Representatives from Covington reviewed the key terms of the merger agreement, the stockholder agreement, the First Mariner stockholder written consent and the then current agreed upon terms for the employment agreements for Messrs. Kunisch and Steil.
On August 11, 2017, a call was held at which the members of the First Mariner board of directors and management attended, and representatives of KBW and Venable also participated. During the conference call, the members of the First Mariner board of directors received updates regarding the status of the negotiations and provided input into First Mariner’s strategies.
On August 14, 2017, the First Mariner board of directors held a meeting at the headquarter offices of First Mariner in Baltimore. Prior to the meeting, the directors received copies of the draft merger agreement, the draft stockholder agreement and the other transaction documents and at the meeting received presentation materials prepared by KBW. Other than during an executive session of the First Mariner board of directors, members of management and representatives of KBW and Venable attended the meeting. During the meeting: (1) a representative of Venable provided the First Mariner board of directors a summary of the merger agreement, stockholder agreement, stockholder written consent and other related matters and documents and (2) a reminder of the duties of the First Mariner directors in considering the merger. Also at the meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the First Mariner board of directors an opinion to the effect that, as of that date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion (the full text of which is attached as Annex III to this joint proxy and information statement prospectus), the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of First Mariner common stock. After discussion at the meeting, the First Mariner board of directors unanimously approved the merger agreement and the transactions contemplated by the merger agreement and recommended that First Mariner stockholders approve the merger agreement. The full text of the written opinion of KBW, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex III to this joint proxy and information statement/prospectus.
On August 14, 2017, the Howard board of directors held a meeting to consider the terms of the proposed merger. Prior to the meeting, the directors received copies of the draft merger agreement, the draft stockholder agreement and of the other draft transaction documents, as well as a presentation prepared by Howard’s financial advisor, Stephens. At the meeting, members of senior management of Howard reported on the status of due diligence and negotiations with First Mariner. Representatives of Stephens reviewed the financial aspects of the proposed merger. Representatives of Stephens then delivered its opinion that, as of the date of the Howard board of directors meeting and based upon and subject to

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the various factors, assumptions and limitations set forth in its opinion, the merger consideration to be paid by Howard in connection with the merger was fair, from a financial point of view, to Howard. The full text of the written opinion of Stephens, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex IV to this joint proxy and information statement/prospectus. At the meeting, Covington reviewed with the Howard board of directors its fiduciary duties and reviewed the key terms of the merger agreement, the stockholder agreement, the First Mariner written consent and related agreements (including the stockholder agreement), as described elsewhere in this joint proxy and information statement/prospectus, including a summary of the provisions relating to governance of the combined company. Representatives from Covington along with senior management of Howard also reviewed for the Howard board of directors the key terms for the employment agreements for Messrs. Kunisch and Jones and the offer letter for Mr. Steil.

After considering the terms of the merger agreement, the terms of the stockholder agreement, the First Mariner written consent, the employment agreements and offer letter for Messrs. Kunisch, Jones and Steil, as well as the various presentations of Stephens and Covington, and taking into consideration the matters discussed during that meeting and prior meetings of the Howard board of directors, including the factors described under "—Howard's Reasons for the Merger; Recommendation of the Howard Board of Directors," the Howard board of directors determined that the merger was consistent with Howard's business strategies and in the best interests of Howard and Howard stockholders and the directors voted to approve the merger agreement and the transactions contemplated by the merger agreement and recommended that Howard stockholders approve the merger agreement.

Also on August 14, 2017, the merger agreement was executed by the parties and First Mariner stockholders holding at least two-thirds of the votes entitled to be cast on the merger executed and delivered to Howard the stockholders agreements and the stockholder written consent, the latter of which was effective on August 15, 2017.

On August 15, 2017, First Mariner and Howard announced the proposed merger and entry into the merger agreement and the First Mariner stockholders who were party to the First Mariner stockholder agreement delivered written consents approving the merger and merger agreement. Each First Mariner stockholder who delivered a written consent was an accredited investor, as such term is defined in Rule 501(a) of Regulation D, or a person who satisfied the knowledge and experience standard of Rule 506(b)(2)(ii) of Regulation D.

On October 11, 2017, Howard filed a registration statement on Form S-4 to register the issuance of 9,143,230 shares of its common stock in connection with the merger, which we refer to as the prior registration statement. Howard subsequently concluded that the execution and delivery of written consents by First Mariner stockholders to approve the merger and merger agreement prior to the filing of the prior registration statement was indicative of a private offering for which registration under the Securities Act was unavailable. Accordingly, on November 8, 2017, Howard withdrew the prior registration statement and took action, as described below, to abandon the inadvertent private offering of up to 9,143,230 shares of its common stock in connection with the merger. No securities were sold in connection with the abandoned private offering.

On November 8, 2017, at Howard's request, Howard, Howard Bank and the First Mariner stockholders that previously delivered written consents amended the First Mariner stockholder agreement, pursuant to which (i) all previously delivered written consents were revoked and (ii) the First Mariner stockholders party to such agreements agreed to act by written consent with respect to the proposed merger at least 20 business days following the mailing date of this joint proxy and information statement/ prospectus, and no later than the day before the date of the Howard special meeting. This amended First Mariner stockholder agreement superseded the prior agreement in all respects. Accordingly, the amended First Mariner stockholder agreement has the effect of a nullification of the previously delivered written consents by First Mariner stockholders and the rejection of such consents by Howard. In connection with the amended First Mariner stockholder agreement, on November 8, 2017 Howard, Howard Bank and First Mariner also entered into an amendment to the merger agreement to require First Mariner to obtain new written consents and to incorporate the new provisions of the amended First Mariner stockholder

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agreement, including with respect to the timing for the delivery of such consents by First Mariner stockholders only following the effectiveness of a new registration statement and distribution of the joint proxy and information statement/prospectus to First Mariner stockholders. These actions, taken collectively, represented the termination of all offering activity in connection with the abandoned private offering.

Following these actions, on November 9, 2017 Howard filed a new registration statement on Form S-4, to which this joint proxy and information statement/prospectus forms a part. This joint proxy and information statement/prospectus will be distributed to the stockholders of First Mariner and Howard after the new registration statement on Form S-4 becomes effective, and will supersede in all respects any offering materials that were used in the abandoned private offering.

Howard's Reasons for the Merger; Recommendation of the Howard Board of Directors

In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Howard board of directors consulted with Howard's management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

- each of Howard's and First Mariner's business, operations, financial condition, asset quality, earnings and prospects;
- the fact that First Mariner's business and operations complement those of Howard and that the merger would result in a combined company with a diversified revenue stream from diversified geographic markets, a well-balanced portfolio and an attractive funding base;
- its similar culture and operating styles;
- its existing knowledge of First Mariner's business and its review and discussions with Howard's management concerning the additional due diligence examination of First Mariner conducted in connection with the merger;
- the complementary nature of the cultures of the two companies, which Howard's management believes should facilitate integration and implementation of the transaction;
- First Mariner's market position within its banking markets in Maryland;
- the anticipated pro forma impact of the transaction on the combined company, including the expected impact on financial metrics including earnings and tangible book value and regulatory capital levels;
- Howard's management's expectation that Howard will retain its strong capital position upon completion of the merger;
- Howard's tax loss carry-overs will be available to offset future taxable income of the combined companies, providing a positive effect on cash flow and earnings;
- the financial and other terms of the merger agreement, including the fixed exchange ratio, tax treatment and termination fee provisions, which it reviewed with its outside financial and legal advisors;

- the integration experience and retention of First Mariner management, which will help achieve a low execution risk;

- the opinion of Stephens, rendered on August 14, 2017, addressed to the Howard board of directors as to the fairness, from a financial point of view and as of the date of such opinion, to Howard of the merger consideration provided for in the merger, which opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken as more fully described below under "—Opinion of Howard's Financial Advisor;"

- the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating First Mariner's business, operations and workforce with those of Howard;

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- the potential risk of diverting management attention and resources from the operation of Howard's business and towards the completion of the merger;

- the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions, including a burdensome condition;

- the structure of the merger as a combination in which the combined company would ultimately operate under the Howard brand and the Howard board of directors and Howard management would have substantial participation in the combined company; and

- the nature and amount of payments and other benefits to be received by First Mariner management in connection with the merger pursuant to existing First Mariner employment agreements and compensation plans and arrangements and the merger agreement.

The foregoing discussion of the factors considered by the Howard board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the Howard board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Howard board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Howard board of directors considered all these factors as a whole, including discussions with, and questioning of, Howard's management and Howard's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination to approve the merger agreement. It should be noted that this explanation of the Howard board of directors' reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 34.

Opinion of Howard's Financial Advisor

Howard engaged Stephens to render financial advisory and investment banking services to Howard, including an opinion to the Howard board of directors as to the fairness, from a financial point of view, to Howard of the merger consideration paid to First Mariner in the merger. Howard selected Stephens because Stephens is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, Stephens is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

At the August 14, 2017 meeting of the Howard board of directors, representatives of Stephens rendered its oral opinion, which was subsequently confirmed by delivery of a written opinion to the Howard board of directors dated August 14, 2017, as to the fairness, as of such date, from a financial point of view, to Howard of the merger consideration to be paid by Howard to First Mariner stockholders in the merger, based upon and subject to the qualifications and limitations, assumptions made and other matters considered in connection with the preparation of its opinion.

The description of the opinion set forth herein is qualified in its entirety to the full text of the written opinion of Stephens, dated August 14, 2017, which is attached as Annex IV to this proxy and information statement/prospectus. Howard stockholders are urged to read this opinion in its entirety.

Stephens provided its opinion for the information of the Howard board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the merger and its opinion only addresses the fairness, from a financial point of view, of the merger consideration in the merger to Howard. The opinion of Stephens does not address any other term or aspect of the merger agreement or the merger contemplated thereby. The Stephens opinion does not constitute a recommendation to the Howard board of directors or to any Howard stockholder as to how the

Howard board of directors, such Howard stockholder or any other person should vote or otherwise act with respect to the merger or any other matter. Stephens does not express any opinion as to the likely trading range of Howard common stock following the merger, which may vary depending on numerous factors that generally impact the price of securities or on the operations, financial condition or prospects of Howard at that time.

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In connection with its review of the merger and the preparation of its opinion, Stephens, among other things:

- reviewed the most recent draft provided to Stephens of the merger agreement and related documents;
- analyzed certain publicly available financial statements and reports regarding Howard;
- analyzed certain regulatory filings of Howard and First Mariner;
- analyzed certain publicly available consensus earnings estimates of Howard for 2017 and 2018, as well as assumed long term growth rates based thereon, all of which information was discussed with Stephens by Howard management and used and relied upon by Stephens with permission of such management;
- analyzed certain internal financial projections for First Mariner, as prepared by the senior management of First Mariner, that were provided to Stephens and all of which information was discussed with Stephens by Howard management and used and relied upon by Stephens with permission of such management;
- analyzed, on a pro forma basis in reliance upon publicly available consensus earnings estimates and other information concerning Howard and certain financial and operating forecasts and projections for First Mariner and other assumptions provided by the Howard management team, the effect of the merger on the balance sheet, capitalization ratios, earnings and book value both in the aggregate and, where applicable, on a per share basis of Howard;
- reviewed the trading activity and reported prices of Howard common stock;
- compared the financial performance and trading prices of Howard common stock and the financial performance of First Mariner with that of certain other publicly-traded companies that Stephens deemed relevant to its analysis of the merger;
- reviewed the financial terms, to the extent publicly available, of certain merger or acquisition transactions that Stephens deemed relevant to its analysis of the merger;
- discussed with management of Howard and management of First Mariner the operations of and future business prospects for Howard and First Mariner and the anticipated financial consequences of the merger to Howard and First Mariner, including potential cost savings or potential synergies;
- assumed in all analyses the full reversal of First Mariner's valuation allowance related to its net deferred tax assets;
- assisted in Howard's deliberations regarding the material terms of the merger and in negotiations with First Mariner; and

- performed such other analyses as Stephens deemed appropriate.

Stephens relied on the accuracy and completeness of the information and financial data provided to it by Howard and First Mariner and of the other information reviewed by it in connection with the preparation of its opinion, and its opinion is based upon such information. Stephens has not assumed any responsibility for independent verification of the accuracy or completeness of any of such information or financial data. The managements of Howard and First Mariner assured Stephens that they were not aware of any relevant information that has been omitted or remained undisclosed to Stephens. Stephens has not assumed any responsibility for making or undertaking an independent evaluation or appraisal of any of the assets or liabilities of Howard or of First Mariner, and Stephens has not been furnished with any such evaluations or appraisals; nor did Stephens evaluate the solvency or fair value of Howard or of First Mariner under any laws relating to bankruptcy, insolvency or similar matters. Stephens has not received or reviewed any individual credit files nor did Stephens make an evaluation of the adequacy of the allowance for loan losses of Howard or First Mariner. Stephens has not assumed any obligation to conduct any physical inspection of the properties or facilities of Howard or First Mariner. Stephens has further relied, with the consent of Howard, upon Howard and First Mariner management as to the reasonableness and

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achievability of (i) the publicly available consensus earnings estimates of and the assumed long term growth rates based thereon that were discussed with Stephens by such management and that management of Howard directed Stephens to use and (ii) the projected balance sheet and capital data of First Mariner and the estimates regarding certain pro forma financial effects of the merger on Howard (and the assumptions and bases therefor, including but not limited to cost savings and related expenses expected to result from the merger) that were prepared by Howard management and provided to and discussed with Stephens by such management. Stephens has assumed, with the consent of Howard, that all such information is consistent with (in the case of Howard earnings estimates), or was otherwise reasonably prepared on a basis reflecting, the best currently available estimates and judgments of such management and that the forecasts, estimates and projected data reflected in such information will be realized in the amounts and in the time periods currently estimated. Stephens has also assumed that the representations and warranties contained in the merger agreement and all related documents are true, correct and complete in all material respects. In formulating its opinion, Stephens considered only the merger consideration to be paid by Howard, and Stephens did not consider, and its opinion did not address, the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Howard or First Mariner, or such class of persons, in connection with the merger whether relative to the merger consideration to be received by any class or group of securities holders or otherwise. Stephens was not requested to opine as to, and its opinion did not express any views as to or otherwise address, among other things: (1) the fairness of the merger to the holders of any class of securities, creditors or other constituencies of Howard, or to any other party, except and only to the extent expressly set forth in the last sentence of its opinion; or (2) the fairness of the merger to any one class or group of Howard’s or any other party’s security holders or other constituents vis-à-vis any other class or group of Howard’s or such other party’s security holders or other constituents.

Material Financial Analyses. The following is a summary of the material financial analyses presented by Stephens to the Howard board of directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by Stephens to the Howard board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Stephens did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Stephens believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

Selected Companies Analysis—Howard. Stephens used publicly available information to compare selected financial information for Howard with a group of financial institutions selected by Stephens. The Howard peer group included 20 Mid-Atlantic banks whose securities are publicly traded on major U.S. exchanges with assets between $750.0 million and $4.0 billion, excluding mutual holding companies, merger targets, and thrifts. The Howard peer group consisted of the following companies:

- 1st Constitution Bancorp
- Atlantic Capital Bancshares, Inc.
- Bancorp of New Jersey, Inc.

- Bank of Princeton
- BCB Bancorp, Inc.
- C&F Financial Corporation

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- Community Bankers Trust Corporation
- Community Financial Corporation
- First Bank
- First United Corporation
- Old Line Bancshares, Inc.
- Old Point Financial Corporation
- Parke Bancorp, Inc.
- QNB Corporation
- Republic First Bancorp
- Severn Bancorp, Inc.
- Shore Bancshares, Inc.
- Southern National Bancorp of Virginia, Inc.
- Two River Bancorp
- Unity Bancorp, Inc.

The analysis compared publicly available financial information for Howard with the corresponding data for the Howard peer group as of or for the three-month period ending June 30, 2017 (unless otherwise indicated), with pricing data as of August 11, 2017. The table below sets forth the data for Howard and the 25th percentile, 75th percentile, mean, and median data for the Howard peer group. Regulatory data was used when GAAP data was unavailable.

Comparable Company Analysis

		Howard Peer Group		
	Howard	75th	Median	25th

Total Assets (in millions)	$ 1,104	$ 1,428	$ 1,291	$ 1,049
Loans/deposits	103.0%	105.0%	92.9%	87.4%
Non-performing assets/assets	1.04%	2.24%	1.49%	0.90%
Tangible common equity/tangible assets	11.42%	10.62%	9.13%	8.67%
Leverage ratio	11.78%	10.99%	10.32%	9.24%
Total risk-based capital ratio	14.34%	14.52%	13.59%	12.49%
Core return on average assets	0.79%	1.04%	0.86%	0.63%
Net interest margin	3.77%	3.75%	3.48%	3.26%
Efficiency ratio	74.5%	71.5%	65.4%	59.7%
Construction & development loans/total risk-based capital	68.9%	86.3%	66.6%	54.0%
Commercial real estate loans/total risk-based capital	259.1%	375.2%	253.2%	187.8%
Market capitalization (in millions)	$ 167.2	$ 198.9	$ 156.5	$ 138.3
Price/tangible book value	1.33x	1.60x	1.42x	1.36x
Price/2017 estimated EPS	20.1x	18.9x	17.1x	16.5x
Price/2018 estimated EPS	16.5x	15.1x	14.6x	13.9x

Selected Companies Analysis—First Mariner. Stephens used publicly available information to perform a similar analysis for First Mariner and two groups of financial institutions selected by Stephens, a regional peer group and a national peer group. The First Mariner regional peer group consisted of 11 Mid-Atlantic banks whose securities are publicly traded on major U.S. exchanges with assets between

$750.0 million and $2.0 billion, excluding mutual holding companies, merger targets, and thrifts. The First Mariner national peer group consisted of 16 banks headquartered in the U.S. whose securities are publicly traded with assets between $750.0 million and $2.0 billion and core return on average assets of less than 0.60%.

First Mariner Regional Peer Group

The First Mariner regional peer group consisted of the following companies:

- 1st Constitution Bancorp
- Bancorp of New Jersey, Inc.
- C&F Financial Corporation
- Community Bankers Trust Corporation
- Community Financial Corporation
- First United Corporation
- Howard Bancorp, Inc.
- Old Point Financial Corporation
- Severn Bancorp, Inc.
- Two River Bancorp
- Unity Bancorp, Inc.

The analysis compared publicly available financial information for First Mariner with the corresponding data for the First Mariner regional peer group as of or for the three-month period ending June 30, 2017 (unless otherwise indicated), with pricing data as of August 11, 2017. The table below sets forth the data for First Mariner and the 25th percentile, 75th percentile, mean and median data for the First Mariner regional peer group. Regulatory data was used when GAAP data was unavailable.

	Comparable Company Analysis			
		First Mariner Regional Peer Group		
	First Mariner	75th	Median	25th
Total Assets (in millions)	$ 975	$ 1,341	$ 1,276	$ 968
Loans/deposits	91.7%	101.6%	90.6%	87.4%

Non-performing assets/assets	2.07%	2.24%	1.58%	1.06%
Tangible common equity/tangible assets	13.16%	9.52%	9.08%	8.67%
Leverage ratio	9.02%	10.99%	10.35%	9.45%
Total risk-based capital ratio	11.76%	14.59%	13.72%	13.04%
Core return on average assets	(0.36)%	0.93%	0.75%	0.55%
Net interest margin	3.39%	3.78%	3.52%	3.31%
Efficiency ratio	105.2%	72.3%	65.8%	63.4%
Construction & development loans/total risk-based capital	42.4%	93.7%	74.5%	58.3%
Commercial real estate loans/total risk-based capital	244.3%	267.1%	215.4%	187.8%
Market capitalization (in millions)	—	$ 173.6	$ 150.2	$ 126.4
Price/tangible book value	—	1.60x	1.42x	1.36x
Price/LTM EPS	—	19.7x	16.9x	16.3x

First Mariner National Peer Group

The First Mariner national peer group consisted of the following companies:

- AmeriServ Financial, Inc.

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- Atlantic Coast Financial Corporation
- Bancorp of New Jersey, Inc.
- CapStar Financial Holdings, Inc.
- Clifton Bancorp, Inc.
- ESSA Bancorp, Inc.
- First Business Financial Services, Inc.
- First Northwest Bancorp
- FNCB Bancorp, Inc.
- HopFed Bancorp, Inc.
- MidSouth Bancorp, Inc.
- Old Point Financial Corporation
- Patriot National Bancorp
- PCSB Financial Corporation
- Provident Financial Holdings, Inc.
- Stewardship Financial Corporation

The analysis compared publicly available financial information for First Mariner with the corresponding data for the First Mariner national peer group as of or for the three-month period ending June 30, 2017 (unless otherwise indicated), with pricing data as of August 11, 2017. The table below sets forth the data for First Mariner and the 25th percentile, 75th percentile, mean and median data for the First Mariner national peer group. Regulatory data was used when GAAP data was unavailable.

	Comparable Company Analysis			
		First Mariner Regional Peer Group		
	First Mariner	75th	Median	25th
Total Assets (in millions)	$ 975	$ 1,451	$ 1,140	$ 913
Loans/deposits	91.7%	103.8%	94.7%	87.2%
Non-performing assets/assets	2.07%	2.28%	1.28%	0.67%
Tangible common equity/tangible assets	13.16%	10.30%	9.30%	8.76%
Leverage ratio	9.02%	11.40%	9.92%	9.27%
Total risk-based capital ratio	11.76%	17.97%	14.15%	12.40%
Core return on average assets	(0.36)%	0.49%	0.42%	0.38%
Net interest margin	3.39%	3.41%	3.18%	3.02%
Efficiency ratio	105.2%	81.1%	76.1%	70.1%
Construction & development loans/total risk-based capital	42.4%	48.1%	32.5%	20.0%
Commercial real estate loans/total risk-based capital	244.3%	311.6%	218.9%	143.2%
Market capitalization (in millions)	—	$ 184.3	$ 150.8	$ 110.9
Price/tangible book value	—	1.33x	1.15x	1.03x
Price/LTM EPS	—	22.7x	17.9x	15.2x

Selected Transaction Analysis. Stephens reviewed a group of recent merger and acquisition transactions consisting of 11 nationwide bank transactions announcement between January 1, 2015 and August 11, 2017 with reported target assets between $750.0 million and $2.0 billion and where the target's return on average assets was less than 0.60%. The precedent transactions group was composed of the following transactions:

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Acquirer	Target	Announcement Date
First Bancorp	ASB Bancorp, Inc.	5/1/2017
Access National Corporation	Middleburg Financial Corporation	10/24/2016
Berkshire Hills Bancorp, Inc.	ColoEast Bankshares, Inc.	6/27/2016
Mechanics Bank	California Republic Bancorp	4/28/2016
Triumph Bancorp, Inc.	ColoEast Bankshares, Inc.	3/7/2016
Hampton Roads Bankshares, Inc.	Xenith Bankshares, Inc.	2/10/2016
Great Western Bancorp	HF Financial Corporation	11/30/2015
Green Bancorp, Inc.	Patriot Bancshares, Inc.	5/27/2015
Valley National Bancorp	CNL Bancshares, Inc.	5/27/2015
Camden National Corporation	SBM Financial, Inc.	3/30/2015
Atlantic Capital Bancshares, Inc.	First Security Group, Inc.	3/25/2015

Using the latest publicly available information prior to the announcement of the merger, Stephens reviewed the following transaction metrics: deal value, percentage stock consideration, buyer total assets, target total assets, target non-performing assets to assets, target tangible common equity to tangible assets, target last twelve months return on average assets, target last twelve months efficiency ratio, price to tangible book value, price to last twelve months earnings per share, and core deposit premium. Stephens compared the indicated transaction metrics for the merger, based on an aggregate implied transaction value of approximately $165.2 million, or a transaction price per share of $28.34, resulting from the closing stock price of Howard common stock on August 11, 2017 of $17.05, to the 25th percentile, 75th percentile, mean and median metrics of the precedent transactions group.

	Howard/ First Mariner	Precedent Transactions		
		75th	Median	25th
Deal value (in millions)	$ 165	$ 191	$ 140	$ 123
Stock consideration	100%	100%	100%	79%
Total assets (buyer) (in millions)	$ 1,104	$ 6,125	$ 2,790	$ 1,879
Total assets (target) (in millions)	975	1,350	1,125	923
Non-performing assets/total assets	2.07%	2.21%	1.43%	1.27%
Tangible common equity/tangible assets	13.16%	10.03%	8.63%	7.66%
LTM return on average assets	(0.25)%	0.55%	0.42%	0.27%
LTM efficiency ratio	98.0%	88.7%	78.4%	72.7%
Price/tangible book value	1.17x	1.75x	1.57x	1.33x
Price/LTM EPS	NM	26.4x	24.3x	20.0x
Core deposit premium	3.2x	11.1x	9.1x	7.0x

Discounted Cash Flow Analysis. Stephens performed a discounted cash flow analysis to estimate a range for the implied equity value of First Mariner, taking into account the cost savings and related expenses expected to result or be derived from the merger as well as certain purchase accounting adjustments assumed with respect thereto. In this analysis, Stephens used financial forecasts and projections relating to the earnings and assets of First Mariner prepared by First Mariner management, and provided to Stephens, by Howard management, and estimated cost savings and related expenses and purchase accounting adjustments that were provided by Howard management. Stephens assumed discount rates ranging from 14.0% to 18.0%. The ranges of values were derived by adding (i) the present value of the estimated free cash flows that First Mariner could generate over the period from 2018 to 2022 as a standalone company, and (ii) the present value of First Mariner's implied terminal value at the end of such period. Stephens assumed that First Mariner would maintain a tier 1 leverage ratio of 9.00% and would

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retain sufficient earnings to maintain that level. In calculating the terminal value of First Mariner, Stephens applied a range of 16.0x to 20.0x estimated 2022 earnings. This discounted cash flow analysis resulted in a range of implied values per share of First Mariner common stock of approximately $35.73 per share to $51.23 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The analysis did not purport to be indicative of the actual values or expected values of First Mariner.

Relative Contribution Analysis. Stephens analyzed the relative standalone contribution of Howard and First Mariner to various pro forma balance sheet and income statement items of the combined entity. This analysis excluded purchase accounting adjustments and includes the reversal of First Mariner's net deferred tax asset valuation allowance. To perform this analysis, Stephens used (i) balance sheet data for Howard and First Mariner as of June 30, 2017 and (ii) estimated earnings data for Howard and First Mariner taken from consensus "street estimates" for Howard and financial and operating forecasts and projections of First Mariner prepared by First Mariner management per Howard management. The results of the analysis are set forth in the following table, which also compares the results of the analysis with the implied pro forma ownership percentages of Howard's and First Mariner's respective stockholders in the combined company based on the exchange ratio of 1.6624 in the merger:

	Howard % of Total	First Mariner % of Total
Balance Sheet		
Assets	53.1%	46.9%
Gross Loans	56.9%	43.1%
Deposits	52.6%	47.4%
Equity	46.5%	53.5%
Tangible Equity	48.7%	51.3%
Income Statement		
2017 Estimated Net Income	87.0%	13.0%
2018 Estimated Net Income	67.2%	32.8%
Ownership		
100% Common Stock at 1.6624x Exchange Ratio	51.8%	48.2%

Pro Forma Financial Impact Analysis. Stephens performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Howard and First Mariner. Using closing balance sheet estimates as of December 31, 2017 for Howard and First Mariner provided by Howard management, consensus earnings estimates of Howard for 2017 and 2018, as well as assumed long term growth rates based thereon provided by Howard management, certain financial and operating forecasts and projections for First Mariner provided by Howard management, and pro forma assumptions (including certain purchase accounting adjustments, cost savings and related expenses) provided by Howard management, Stephens analyzed the potential financial impact of the merger on certain projected financial results of Howard. This analysis indicated the merger could be accretive to Howard's 2018 estimated EPS, accretive to Howard's estimated book value per share as of December 31, 2017 and dilutive to Howard's estimated tangible book value per share as of December 31, 2017. Furthermore, the analysis indicated that, pro forma for the merger, each of Howard's tangible common equity to tangible assets ratio, Leverage Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio as of December 31, 2017 could be lower. For all of the above, the actual results achieved by Howard following the merger may vary from the projected results, and the variations may be material.

Additional Considerations. The preparation of a fairness opinion is a complex process and is not susceptible to a partial analysis or summary description. Stephens believes that its analyses must be considered as a whole and that selecting portions of its analyses, without considering the analyses taken as a whole, would create an incomplete view

of the process underlying its opinion. In addition, Stephens
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considered the results of all such analyses and did not assign relative weights to any of the analyses, but rather made qualitative judgements as to significance and relevance of each analysis and factor, so the ranges of valuations resulting from any particular analysis described above should not be taken to be the view of Stephens as to the actual value of First Mariner.

In performing its analyses, Stephens made numerous assumptions with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond the control of Howard. The analyses performed by Stephens are not necessarily indicative of actual values, trading values or actual future results which might be achieved, all of which may be significantly more or less favorable than suggested by such analyses. Such analyses were provided to the Howard board of directors (solely in its capacity as such) and were prepared solely as part of the analysis of Stephens of the fairness, from a financial point of view, to Howard, of the merger consideration to be received by First Mariner in the Merger. The analyses do not purport to be appraisals or to reflect the prices at which companies may actually be sold, and such estimates are inherently subject to uncertainty. The opinion of Stephens was one of many factors taken into account by the Howard board of directors in making its determination to approve the merger. Neither the opinion of Stephens nor the analyses described above should be viewed as determinative of the Howard board of directors' or Howard management's views with respect to Howard, First Mariner or the merger. Stephens provided advice to Howard with respect to the merger. Stephens did not, however, recommend any specific amount of consideration to the Howard board of directors or that any specific merger consideration constituted the only appropriate consideration for the merger. Howard placed no limits on the scope of the analysis performed, or opinion expressed, by Stephens.

The Stephens opinion was necessarily based upon market, economic, and other circumstances and conditions existing and can be evaluated on, and on the information made available to Stephens as of August 11, 2017. It should be understood that subsequent developments may affect the opinion of Stephens and that Stephens does not have any obligation to update, revise or reaffirm its opinion. Stephens has assumed that the merger will be consummated on the terms of the latest draft of the merger agreement provided to it, without material waiver or modification. Stephens has also assumed that in the course of obtaining the necessary regulatory, lending or other consents or approvals (contractual or otherwise) for the merger, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that would have a material adverse effect on the contemplated benefits of the merger to Howard.

Pursuant to the Stephens' engagement agreement, Howard agreed to pay Stephens a fee equal to $1,200,000 for its services, a minor portion of which became payable to Stephens with the rendering of its opinion and the balance of which is contingent upon the closing of the merger. Howard also agreed to reimburse Stephens for reasonable out-of-pocket expenses and disbursements incurred in connection with its engagement and to indemnify Stephens against certain liabilities relating to or arising out of Stephens' engagement or Stephens' role in connection therewith. In addition to this present engagement, Stephens has provided investment banking and financial advisory services to Howard in the past two years. Stephens was engaged in January 2017 as an underwriter in a follow on equity offering for Howard, for which compensation was received. In the past two years, Stephens has not provided investment banking and financial advisory services to First Mariner.

Stephens is actively involved in the investment banking business and regularly undertakes the valuation of investment securities in connection with public offerings, private placements, business combinations and similar transactions. In the ordinary course of business, Stephens makes a market in the stock of Howard and may trade in the securities of Howard for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. Stephens may provide investment banking, financial advisory and other financial services to Howard and/or First Mariner or other participants in the merger in the future, for which Stephens may receive compensation. Except as described above, Howard has paid Stephens no other fees or commissions for other services during the last two years.

First Mariner's Reasons for the Merger; Recommendation of the First Mariner Board of Directors

The First Mariner board of directors has unanimously determined that the merger is advisable, and in the best interests of, First Mariner. The decision of the First Mariner board of directors to enter into the Merger Agreement was the result of careful consideration by the First Mariner board of directors of numerous factors, including the following (in no particular order):

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- the creation of a larger regional bank with approximately $2 billion dollars of assets;

- the reduction in expenses of the consolidated bank created by operational synergies and the consolidation of some bank branch locations;

- the fact that First Mariner stockholders will benefit from the liquidity of owning shares of a public company that will be listed on a national securities exchange;

- the creation of a larger franchise that can compete more effectively against larger and smaller banks for business;

- the ability of holders of First Mariner common stock to benefit from the future performance of Howard and Howard Bank because they will own approximately 48% of Howard Bank as a result of the merger;

- the creation of a company expected to have a strong market capitalization with attractive potential acquisition opportunities in the future;

- the opinion, dated August 14, 2017, of KBW to the First Mariner board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of First Mariner common stock of the exchange ratio in the merger, as more fully described below under "Opinion of First Mariner's Financial Advisor";

- the ability to complete the merger on the anticipated schedule given the commitment of First Mariner and Howard to complete the merger pursuant to their respective obligations under the merger agreement;

- the efforts made by the First Mariner board of directors and management of First Mariner to evaluate and negotiate, with the assistance of First Mariner's legal and financial advisors, the terms of the merger agreement;

- the results of the due diligence review of Howard conducted by First Mariner;

- the post-closing governance structure of Howard Bank, including that the Howard board of directors and the Howard Bank board of directors will include 6 members of the First Mariner board of directors; and

- the expectation that the merger will qualify as a tax-free transaction to First Mariner stockholders, except with respect to cash received in lieu of fractional shares and for holders of warrants and options for First Mariner stock.

In addition, the First Mariner board of directors also identified and considered a variety of risks and other potentially negative factors weighing against the merger, including (in no particular order):

-

the possible disruption to First Mariner’s business that may result from the announcement and pendency of the merger (including the possibility of litigation brought by or on behalf of First Mariner stockholders challenging the merger);

•

the challenges in absorbing the effect of any failure to complete the merger, including potential termination fees and stockholder reactions;

•

the fact that First Mariner will merge with and into Howard Bank, and First Mariner shall cease to exist;

•

the right of the Howard board of directors to change its recommendation to the Howard stockholders upon the occurrence of certain intervening events, subject to certain conditions (including the payment to First Mariner of a termination fee);

•

the risk that, under the terms of the merger agreement, First Mariner may be obligated to pay a termination fee of $7,500,000 in certain circumstances;

•

the restrictions in the merger agreement on the conduct of First Mariner’s business between the date of the merger agreement and the date of the consummation of the merger;

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- the risk that the merger might not be completed in a timely manner or at all;
- the potential risk of diverting management focus and resources from operational matters and other strategic opportunities while working to implement the merger; and
- various other risks associated with the Merger and Howard and Howard Bank described in the section entitled "Risk Factors" beginning on page 35 of this proxy statement/prospectus and the matters described in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 34 of this proxy statement/prospectus.

The First Mariner board of directors considered these and other factors as a whole and concluded the relevant information and factors that they considered to be favorable to, and in support of, their determination and recommendation.

The foregoing discussion of certain information and factors considered by the First Mariner board of directors is not exhaustive but is intended to reflect the principal factors considered by the First Mariner board of directors in its consideration of the merger agreement, the merger agreement and the other transactions contemplated by the merger agreement. In light of the complex and numerous factors considered, the First Mariner board of directors did not assign any relative or specific weight to those various factors. Rather, the First Mariner board of directors based its determination and recommendation on the totality of the information presented to and considered by it. In addition, individual members of the First Mariner board of directors may have given weight to different factors not mentioned above. The foregoing discussion of the information and factors considered by the First Mariner board of directors utilized forward-looking information. This information should be read in light of the factors described under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 34 of this joint proxy and information statement/prospectus.

After carefully considering the various potentially positive and negative factors, including the foregoing, the First Mariner board of directors concluded that, overall, the potentially positive factors relating to the merger agreement, the merger and the other transactions contemplated by the merger agreement outweigh the potentially negative factors. Accordingly, the First Mariner board of directors unanimously recommends that you vote "FOR" the merger.

Opinion of First Mariner's Financial Advisor

First Mariner engaged Keefe, Bruyette & Woods, Inc. ("KBW") to render financial advisory and investment banking services to First Mariner, including an opinion to the First Mariner board of directors as to the fairness, from a financial point of view, to the holders of First Mariner common stock of the exchange ratio in the proposed merger of First Mariner with and into Howard Bancorp. First Mariner selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the First Mariner board held on August 14, 2017, at which the First Mariner board evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the First Mariner board an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of First Mariner common stock. The First Mariner board approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex III to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the First Mariner board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the

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exchange ratio in the merger to the holders of First Mariner common stock. It did not address the underlying business decision of First Mariner to engage in the merger or enter into the merger agreement or constitute a recommendation to the First Mariner board in connection with the merger, and it does not constitute a recommendation to any holder of First Mariner common stock or any other First Mariner securities, or to any stockholder of any other entity, as to how to act or vote in connection with the merger or any other matter (including, with respect to holders of First Mariner common stock, whether to sign and return to First Mariner a written consent), nor does it constitute a recommendation regarding whether or not any such stockholder should enter into a voting, stockholders' or affiliates' agreement with respect to the merger or exercise any dissenters' or appraisal rights that may be available to such stockholder.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of First Mariner and Howard Bancorp and bearing upon the merger, including, among other things:

- a draft of the merger agreement dated August 12, 2017 (the most recent draft then made available to KBW);
- the audited financial statements for the three fiscal years ended December 31, 2016 of First Mariner;
- the unaudited quarterly financial statements for the quarters ended March 31, 2017 and June 30, 2017 of First Mariner;
- the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2016 of Howard Bancorp;
- the unaudited quarterly financial results and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017 and June 30, 2017 of Howard Bancorp;
- certain regulatory filings of First Mariner and Howard Bancorp and their respective subsidiaries, including the quarterly call reports filed with respect to each quarter during the three-year period ended December 31, 2016 and the quarters ended March 31, 2017 and June 30, 2017;
- certain other interim reports and other communications of First Mariner and Howard Bancorp to their respective stockholders; and
- other financial information concerning the businesses and operations of First Mariner and Howard Bancorp that was furnished to KBW by First Mariner and Howard Bancorp or which KBW was otherwise directed to use for purposes of KBW's analyses.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

- the historical and current financial position and results of operations of First Mariner and Howard Bancorp;

- the assets and liabilities of First Mariner and Howard Bancorp;

- the nature and terms of certain other merger transactions and business combinations in the banking industry;

- a comparison of certain financial information for First Mariner and certain financial and stock market information for Howard Bancorp with similar information for certain other companies the securities of which were publicly traded;

- financial and operating forecasts and projections of First Mariner that were prepared by, and provided to KBW and discussed with KBW by, First Mariner management and that were used and relied upon by KBW at the direction of such management and with the consent of the First Mariner board;

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- publicly available consensus “street estimates” of Howard Bancorp for 2017 and 2018, as well as assumed Howard Bancorp long-term growth rates provided to KBW by Howard Bancorp management, all of which information was discussed with KBW by Howard Bancorp management and used and relied upon by KBW based on such discussions, at the direction of First Mariner management and with the consent of the First Mariner board; and

- estimates regarding certain pro forma financial effects of the merger on Howard Bancorp (including, without limitation, the cost savings and related expenses expected to result or be derived from the merger) that were prepared by, and provided to and discussed with KBW by, Howard Bancorp management, and used and relied upon by KBW based on such discussions, at the direction of First Mariner management and with the consent of the First Mariner board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions held by the managements of First Mariner and Howard Bancorp regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. KBW was not requested to, and did not, assist First Mariner with soliciting indications of interest from third parties other than Howard Bancorp and another party regarding a potential transaction with First Mariner.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that was publicly available and KBW did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of First Mariner as to the reasonableness and achievability of the financial and operating forecasts and projections of First Mariner referred to above (and the assumptions and bases therefor), and KBW assumed that such forecasts and projections were reasonably prepared and represented the best currently available estimates and judgments of such management and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such management. KBW further relied, with the consent of First Mariner, upon Howard Bancorp management as to the reasonableness and achievability of the publicly available consensus “street estimates” of Howard Bancorp, the assumed Howard Bancorp long-term growth rates, and the estimates regarding certain pro forma financial effects of the merger on Howard Bancorp, all as referred to above (and the assumptions and bases for all such information, including, without limitation, the cost savings and related expenses expected to result or be derived from the merger), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the Howard Bancorp “street estimates” referred to above that such estimates were consistent with, the best currently available estimates and judgments of Howard Bancorp management and that the forecasts, projections and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that the portion of the foregoing financial information of First Mariner and Howard Bancorp that was provided to KBW was not prepared with the expectation of public disclosure, that all of the foregoing financial information, including the publicly available consensus “street estimates” of Howard Bancorp referred to above, were based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of First Mariner and Howard Bancorp and with the consent of the First Mariner board, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either First Mariner or Howard Bancorp since the date of the last financial

statements of each such entity that were made available to KBW. KBW is not an expert in the
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independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with First Mariner's consent, that the aggregate allowances for loan and lease losses for First Mariner and Howard Bancorp are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of First Mariner or Howard Bancorp, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of First Mariner or Howard Bancorp under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed, in all respects material to its analyses:

- that the merger and any related transactions would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the draft reviewed and referred to above) with no adjustments to the exchange ratio and with no other consideration or payments in respect of the First Mariner common stock;

- that the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

- that each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

- that there were no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transactions and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any of the related documents; and

- that in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transaction, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of First Mariner, Howard Bancorp or the pro forma entity, or the contemplated benefits of the merger, including without limitation the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of First Mariner that First Mariner relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to First Mariner, Howard Bancorp, the merger and any related transaction, and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the exchange ratio in the merger to the holders of First Mariner common stock. KBW expressed no view or opinion as to any other terms or aspects of the merger, or any term or aspect of any related transaction, including without limitation, the treatment of the First Mariner Series A Preferred Stock (as defined in the merger agreement) in the merger, the form or structure of the merger or any such related transaction, any consequences of the merger or any related transaction to First Mariner, its stockholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, consulting, voting, support, stockholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW’s opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW’s opinion may have affected, and may affect, the conclusion reached in KBW’s opinion and KBW did not

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and does not have an obligation to update, revise or reaffirm its opinion. For purposes of its analyses, KBW did not incorporate previously publicly-announced proposed changes to United States tax laws regarding corporate tax rates. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of First Mariner to engage in the merger or enter into the merger agreement;

- the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by First Mariner or the First Mariner board;

- the fairness of the amount or nature of any compensation to any of First Mariner's officers, directors or employees, or any class of such persons, relative to the compensation to the holders of First Mariner common stock;

- the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of First Mariner (other than the holders of First Mariner common stock solely with respect to the exchange ratio, as described in KBW's opinion and not relative to the consideration to be received by holders of any other class of securities) or holders of any class of securities of Howard Bancorp or any other party to any transaction contemplated by the merger agreement;

- any adjustment (as provided in the merger agreement) to the exchange ratio assumed for purposes of KBW's opinion;

- the actual value of Howard Bancorp common stock to be issued in the merger;

- the prices, trading range or volume at which Howard Bancorp common stock would trade following the public announcement of the merger or the consummation of the merger;

- any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

- any legal, regulatory, accounting, tax or similar matters relating to First Mariner, Howard Bancorp, their respective stockholders, or relating to or arising out of or as a consequence of the merger or any related transaction, including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, First Mariner and Howard Bancorp. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, KBW's opinion was among several factors taken into consideration by the First Mariner board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the First Mariner board with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between First Mariner and Howard Bancorp and the decision to enter into the merger agreement was solely that of the First Mariner board.

Financial Analyses Summary.   The following is a summary of the material financial analyses presented by KBW to the First Mariner board in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the First Mariner board, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances.

Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the proposed merger of $28.34 per outstanding share of First Mariner common stock based on the 1.6624x exchange ratio in the merger and the closing price of Howard Bancorp common stock on August 11, 2017.

Selected Companies Analyses. Using publicly available information, KBW compared the financial performance and financial condition of Howard Bancorp and First Mariner to 15 selected banks which were traded on Nasdaq, the New York Stock Exchange or the New York Stock Exchange Market, were headquartered in Delaware, Maryland, Virginia or Washington, D.C. and had total assets between $500 million and $2.0 billion. KBW also compared the market performance of Howard Bancorp to the selected companies. Merger targets were excluded from the selected companies.

The selected companies were as follows:

American National Bankshares Inc.	Hamilton Bancorp, Inc.
Bank of the James Financial Group, Inc.	HomeTown Bankshares Corporation
Bay Bancorp, Inc.	National Bankshares, Inc.
C&F Financial Corporation	Old Line Bancshares, Inc.
Community Bankers Trust Corporation	Old Point Financial Corporation
Community Financial Corporation	Severn Bancorp, Inc.
Fauquier Bankshares, Inc.	Shore Bancshares, Inc.
First United Corporation	

To perform this analysis, KBW used profitability and other financial information for the latest 12 months (“LTM”) or most recent completed quarterly period available (which in the case of Howard Bancorp and First Mariner was the period ended June 30, 2017) or as of the end of such period and market price information as of August 11, 2017. KBW also used 2017 and 2018 earnings per share (“EPS”) estimates taken from publicly available consensus “street estimates” for Howard Bancorp and the five selected companies for which consensus “street estimates” were available. Where consolidated holding company level financial data for the selected companies was unreported, subsidiary bank level data was utilized to calculate ratios. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Howard Bancorp’s or First Mariner’s historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

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KBW's analysis showed the following concerning the financial performance of Howard Bancorp, First Mariner and the selected companies:

	Howard Bancorp	First Mariner	Selected Companies 25th Percentile	Median	Average	75th Percentile
LTM Core Return on Average Assets(1)	0.68%	-0.19%	0.50%	0.67%	0.77%	0.95%
LTM Core Return on Average Equity(1)	6.81%	-1.79%	5.59%	6.61%	7.35%	9.07%
LTM Core Return on Average Tangible Common Equity(1)	7.01%	-2.12%	5.61%	7.32%	7.88%	10.20%
LTM Net Interest Margin	3.69%	3.41%	3.42%	3.48%	3.68%	3.69%
LTM Fee Income/Revenue(2)	32.9%	38.6%	13.5%	19.5%	18.8%	23.1%
LTM Efficiency Ratio	76.4%	98.0%	78.7%	70.1%	69.8%	63.6%
Year-over-Year Linked Quarter Net Income Growth(3)	24.2%	NM	-10.9%	15.6%	25.3%	43.6%
Quarter-over-Quarter Net Income Growth(3)	30.1%	NM	0.8%	7.4%	9.3%	21.9%

(1)
Core income excluded extraordinary items, non-recurring items, gains/losses on sale of securities and amortization of intangibles as calculated by SNL Financial.

(2)
Excluded gains/losses on sale of securities.

(3)
Growth metrics considered not meaningful ("NM") in the case of First Mariner and one of the selected companies because they had net losses.

KBW's analysis also showed the following concerning the financial condition of Howard Bancorp, First Mariner and the selected companies:

	Howard Bancorp	First Mariner	Selected Companies 25th Percentile	Median	Average	75th Percentile
Tangible Common Equity/Tangible Assets	11.42%	8.77%(1)	8.60%	9.41%	9.51%	10.15%
Total Capital Ratio	14.34%	11.76%	13.03%	13.93%	14.86%	15.09%
Loans/Deposits	103.0%	91.7%	83.2%	88.1%	89.1%	93.5%
Loan Loss Reserve/Gross Loans	0.58%	0.56%	0.87%	1.06%	1.15%	1.26%
Nonperforming Assets/Loans + OREO(2)	1.22%	2.84%	2.92%	1.91%	2.03%	1.40%
LTM Net Charge-Offs/Average Loans	0.24%	0.24%	0.23%	0.12%	0.29%	0.08%

(1)
Based on tangible equity (common and preferred stock).

(2)
Nonperforming assets included nonaccrual loans, accruing troubled debt restructured loans and other real estate owned as defined by SNL Financial.

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In addition, KBW's analysis showed the following concerning the market performance of Howard Bancorp and, to the extent publicly available, the selected companies (excluding the impact of the LTM EPS multiples for two of the selected companies, which multiples were considered to be not meaningful because they were greater than 30.0x or negative):

		Selected Companies			
	Howard Bancorp	25th Percentile	Median	Average	75th Percentile
One-Year Stock Price Change	31.9%	11.0%	37.1%	30.8%	45.1%
Year-To-Date Stock Price Change	12.9%	-3.8%	7.0%	5.5%	14.3%
Stock Price/Tangible Book Value per Share	133%	124%	135%	139%	155%
Stock Price/LTM EPS	21.9x	17.7x	19.3x	20.1x	21.8x
Stock Price/2017 EPS Estimate	20.1x	16.7x	17.1x	17.1x	17.5x
Stock Price/2018 EPS Estimate	16.5x	13.5x	14.4x	14.0x	14.6x
Year-over-Year Linked Quarter EPS Growth(1)	-4.5%	-12.5%	5.6%	19.8%	44.7%
Quarter-over-Quarter EPS Growth(1)	16.7%	1.1%	12.3%	11.5%	21.9%
2017 – 2018 Estimated EPS Growth	22.0%	16.1%	20.6%	22.8%	26.9%
Dividend Yield(2)	0.0%	0.0%	1.2%	1.0%	1.5%
LTM Dividend Payout(2)	0.0%	0.0%	20.8%	20.2%	35.7%

(1)
Growth metrics considered not meaningful in the case of two of the selected companies because they had net losses in applicable periods.

(2)
Dividend yield and payout reflected most recent quarterly dividend annualized, excluding special dividends.

No company used as a comparison in the above selected companies analysis is identical to Howard Bancorp or First Mariner. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Transactions Analysis—Nationwide Transactions. KBW reviewed publicly available information related to 17 selected whole bank transactions in the United States announced since January 1, 2017 with announced transaction values between $100 million and $300 million. Terminated transactions were excluded from the selected transactions. The selected transactions were as follows:

Acquirer	Acquired Company	Announcement Date
Pacific Premier Bancorp, Inc.	Plaza Bancorp	8/9/2017
Heritage Financial Corporation	Puget Sound Bancorp, Inc.	7/26/2017
United Community Banks, Inc.	Four Oaks Fincorp, Inc.	6/27/2017
National Bank Holdings Corporation	Peoples, Inc.	6/26/2017
State Bank Financial Corporation	AloStar Bank of Commerce	6/15/2017
Carolina Financial Corporation	First South Bancorp, Inc.	6/12/2017
Southside Bancshares, Inc.	Diboll State Bancshares, Inc.	6/12/2017
Berkshire Hills Bancorp, Inc.	Commerce Bancshares Corp.	5/22/2017
First Bancorp	ASB Bancorp, Inc.	5/1/2017

First Busey Corporation	Mid Illinois Bancorp, Inc.	3/13/2017
First Merchants Corporation	Independent Alliance Banks, Inc.	2/17/2017
Heartland Financial USA, Inc.	Citywide Banks of Colorado, Inc.	2/13/2017

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Acquirer	Acquired Company	Announcement Date
FB Financial Corporation	American City Bank/Clayton Bank and Trust	2/8/2017
First Busey Corporation	First Community Financial Partners, Inc.	2/6/2017
Bryn Mawr Bank Corporation	Royal Bancshares of Pennsylvania, Inc.	1/31/2017
Midland States Bancorp, Inc.	Centrue Financial Corporation	1/26/2017
Renasant Corporation	Metropolitan BancGroup, Inc.	1/17/2017

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements and, to the extent publicly available, then next year EPS consensus "street estimates" prior to the announcement of the respective transaction:

- Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

- Tangible equity premium to core deposits (total deposits less time deposits greater than $100,000) of the acquired company, referred to as core deposit premium;

- Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM earnings); and

- Price per common share to next year estimated EPS of the acquired company in the one selected transaction in which consensus "street estimates" for the acquired company were then available.

The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of $28.34 per outstanding share of First Mariner common stock and using historical financial information for First Mariner as of or for the 12 month period ended June 30, 2017 and financial forecasts and projections of First Mariner for the next twelve months ending June 30, 2018 provided by First Mariner management. KBW also reviewed the price per common share paid for the acquired company for the seven selected transactions involving publicly traded acquired companies as a premium to the closing price of the acquired company one day prior to the announcement of the acquisition (expressed as a percentage and referred to as the one day market premium).

The results of the analysis are set forth in the following table (excluding the impact of the LTM EPS multiple for one of the selected transactions, which multiple was considered to be not meaningful because it was greater than 70.0x):

		Selected Transactions			
	First Mariner	25th Percentile	Median	Average	75th Percentile
Price/Tangible Book Value (%)	185%(1)	173%	187%	189%	209%
Core Deposit Premium (%)	14.6%(1)	8.5%	12.6%	11.6%	14.5%
Price/LTM EPS (x)	NM(2)	16.0x	18.6x	18.8x	22.9x
Price/Estimated EPS(2) (x)	28.9x/48.2x(3)	17.2x	17.2x	17.2x	17.2x
One Day Market Premium (%)	NA	13.0%	15.7%	27.0%	32.7%

(1)
Based on First Mariner tangible equity (common and preferred stock).

(2)
Considered to be not meaningful because multiple was negative.

(3)
Multiple of 48.2x was based on estimated earnings for the next twelve months ending June 30, 2018 per First Mariner management adjusted for a normalized tax rate per First Mariner management.

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No company or transaction used as a comparison in the above selected transaction analysis is identical to First Mariner or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Transactions Analysis—Regional Transactions. KBW reviewed publicly available information related to 12 selected whole bank transactions involving acquired companies headquartered in Maryland, Washington D.C., Virginia, Pennsylvania, West Virginia, or New Jersey announced since January 1, 2016 with announced transaction values between $50 million and $500 million. Terminated transactions were excluded from the selected transactions. The selected transactions were as follows:

Acquirer	Acquired Company	Announcement Date
OceanFirst Financial Corp.	Sun Bancorp, Inc.	6/30/2017
Sandy Spring Bancorp, Inc.	WashingtonFirst Bankshares, Inc.	5/16/2017
Mid Penn Bancorp, Inc.	Scottdale Bank & Trust Company	3/29/2017
Bryn Mawr Bank Corporation	Royal Bancshares of Pennsylvania, Inc.	1/31/2017
Southern National Bancorp of Virginia, Inc.	Eastern Virginia Bankshares, Inc.	12/13/2016
Access National Corporation	Middleburg Financial Corporation	10/24/2016
Standard Financial Corp.	Allegheny Valley Bancorp, Inc.	8/29/2016
OceanFirst Financial Corp.	Ocean Shore Holding Co.	7/13/2016
Berkshire Hills Bancorp, Inc.	First Choice Bank	6/27/2016
Revere Bank	Monument Bank	5/3/2016
Hampton Roads Bankshares, Inc.	Xenith Bankshares, Inc.	2/10/2016
OceanFirst Financial Corp.	Cape Bancorp, Inc.	1/5/2016

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements and, to the extent publicly available, then next year EPS consensus "street estimates" prior to the announcement of the respective transaction:

- Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

- Tangible equity premium to core deposits (total deposits less time deposits greater than $100,000) of the acquired company, referred to as core deposit premium;

- Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM earnings); and

- Price per common share to next year estimated EPS of the acquired company in the seven selected transactions in which consensus "street estimates" for the acquired company were then available.

The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of $28.34 per outstanding share of First Mariner common stock and using historical financial information for First Mariner as of or for the 12 month period ended June 30, 2017 and financial forecasts and projections of First Mariner for the next twelve months ending June 30, 2018 provided by First Mariner management. KBW also reviewed the one day market premiums for the nine selected transactions involving publicly traded acquired companies.

The results of the analysis are set forth in the following table (excluding the impact of the LTM EPS multiple for one of the selected transactions, which multiple was considered to be not meaningful because it was greater than 70.0x):

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	First Mariner	Selected Transactions 25th Percentile	Median	Average	75th Percentile
Price/Tangible Book Value (%)	185%(1)	128%	147%	162%	177%
Core Deposit Premium (%)	14.6%(1)	4.9%	6.8%	9.0%	13.4%
Price/LTM EPS (x)	NM(2)	15.2x	20.3x	23.0x	25.8x
Price/Estimated EPS (x)	28.9x/48.2x(3)	22.3x	23.1x	28.9x	25.6x
One Day Market Premium (%)	NA	7.4%	19.7%	17.8%	28.4%

(1)
Based on First Mariner tangible equity (common and preferred stock).

(2)
Considered to be not meaningful because multiple was negative.

(3)
Multiple of 48.2x was based on estimated earnings for the next twelve months ending June 30, 2018 per First Mariner management adjusted for a normalized tax rate per First Mariner management.

No company or transaction used as a comparison in the above selected transaction analysis is identical to First Mariner or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of Howard Bancorp and First Mariner to various pro forma balance sheet and income statement items of the combined entity. This analysis did not include purchase accounting adjustments or cost savings. To perform this analysis, KBW used (i) balance sheet data for Howard Bancorp and First Mariner as of June 30, 2017, (ii) 2017 and 2018 EPS consensus “street estimates” for Howard Bancorp and an assumed long-term EPS growth rate for Howard Bancorp provided by Howard Bancorp management, and (iii) financial forecasts and projections relating to the net income (adjusted for a normalized tax rate) of First Mariner provided by First Mariner management. The results of KBW’s analysis are set forth in the following table, which also compares the results of KBW’s analysis with the implied pro forma ownership percentages of Howard Bancorp and First Mariner stockholders in the combined company based on the 1.6624x exchange ratio in the merger:

	Howard Bancorp as a % of Total	First Mariner as a % of Total
Diluted Ownership(1)		
At 1.6624 exchange ratio	52%	48%(2)
Balance Sheet		
Assets	53%	47%
Gross Loans (including Held for Sale)	57%	43%
Deposits	53%	47%
Tangible Common Equity	60%	40%(3)
Income Statement		
2017 Estimated Net Income	87%	13%(4)

2018 Estimated Net Income	67%	33%(4)
2019 Estimated Net Income	59%	41%(4)

(1)
All First Mariner options and warrants assumed to be cashed out per the terms of the merger agreement.

(2)
Included First Mariner common and preferred stock.

(3)
Based on First Mariner tangible equity (common and preferred stock).

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(4)
Based on First Mariner pre-tax net income adjusted for a normalized tax rate per First Mariner management

Forecasted Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Howard Bancorp and First Mariner. Using (i) closing balance sheet estimates as of December 31, 2017 for Howard Bancorp and First Mariner, extrapolated from historical data using growth rates provided by Howard Bancorp management in the case of Howard Bancorp and provided by First Mariner management in the case of First Mariner, (ii) publicly available consensus "street estimates" for Howard Bancorp and an assumed long-term EPS growth rate for Howard Bancorp provided by Howard Bancorp management, (iii) financial forecasts and projections relating to the net income (adjusted for a normalized tax rate) of First Mariner provided by First Mariner management, and (iv) pro forma assumptions (including, without limitation, the cost savings and related expenses expected to result from the merger and certain accounting adjustments and restructuring charges assumed with respect thereto) provided by Howard Bancorp management, KBW analyzed the potential financial impact of the merger on certain projected financial results of Howard Bancorp. This analysis indicated the merger could be accretive to Howard Bancorp's estimated 2018 EPS and estimated 2019 EPS and dilutive to Howard Bancorp's estimated tangible book value per share as of December 31, 2017. This analysis also indicated that, based on Howard Bancorp's projected pro forma financial results attributable to a share of First Mariner common stock using the 1.6624x exchange ratio in the merger, the merger could be accretive relative to First Mariner's estimated 2018 EPS and estimated 2019 EPS and accretive relative to First Mariner's estimated tangible book value per share as of December 31, 2017. Furthermore, the analysis indicated that, pro forma for the merger, each of Howard Bancorp's tangible common equity to tangible assets ratio, leverage ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio as of December 31, 2017 could be lower. For all of the above analysis, the actual results achieved by Howard Bancorp following the merger may vary from the projected results, and the variations may be material.

Howard Bancorp Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis of Howard Bancorp to estimate a range for the implied equity value of Howard Bancorp. In this analysis, KBW used publicly available consensus "street estimates" of Howard Bancorp and assumed long-term growth rates for Howard Bancorp provided by Howard Bancorp management, and assumed discount rates ranging from 9.0% to 13.0%. The ranges of values were derived by adding (i) the present value of the estimated excess cash flows that Howard Bancorp could generate over the five-year period from 2018 to 2022 as a standalone company, and (ii) the present value of Howard Bancorp's implied terminal value at the end of such period. KBW assumed that Howard Bancorp would maintain a tangible common equity to tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of First Mariner, KBW applied a range of 13.0x to 17.0x Howard Bancorp's estimated 2023 net income. This discounted cash flow analysis resulted in a range of implied values per share of First Mariner common stock of $14.96 per share to $21.42 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analyses did not purport to be indicative of the actual values or expected values of Howard Bancorp or the pro forma combined company.

First Mariner Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis of First Mariner to estimate a range for the implied equity value of First Mariner. In this analysis, KBW used financial forecasts and projections relating to the net income and assets of First Mariner provided by First Mariner management, and assumed discount rates ranging from 11.0% to 15.0%. The ranges of values were derived by adding (i) the present value of the estimated excess cash flows that First Mariner could generate over the five-year period from 2018 to 2022 as a standalone company, (ii) the present value of First Mariner's implied terminal value at the end of such period, and (iii) the present value of First Mariner's deferred tax assets relating to net operating losses utilized beyond such period. KBW assumed that First Mariner would maintain a Tier 1 Leverage ratio of 9.00% and would retain sufficient earnings to maintain

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that level. In calculating the terminal value of First Mariner, KBW applied a range of 13.0x to 17.0x First Mariner's estimated 2023 net income (adjusted for a normalized tax rate). This discounted cash flow analysis resulted in a range of implied values per share of First Mariner common stock of $21.73 per share to $32.17 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analyses did not purport to be indicative of the actual values or expected values of First Mariner.

Miscellaneous. KBW acted as financial advisor to First Mariner in connection with the proposed merger and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. KBW and its affiliates, in the ordinary course of its and their broker-dealer businesses (and further to existing sales and trading relationships between a KBW broker-dealer affiliate and each of First Mariner and Howard Bancorp), may from time to time purchase securities from, and sell securities to, First Mariner and Howard Bancorp. In addition, as market makers in securities, KBW and its affiliates may from time to time have long or short positions in, and buy or sell, debt or equity securities of Howard Bancorp for its and their own accounts and for the accounts of its and their respective customers and clients.

Pursuant to the KBW engagement agreement, First Mariner agreed to pay KBW a total cash fee equal to 1.25% of the aggregate merger consideration, $250,000 of which became payable to KBW with the rendering of its opinion, and the balance of which is contingent upon the closing of the merger. First Mariner also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. Other than in connection with the present engagement, in the two years preceding the date of its opinion, KBW has not provided investment banking and financial advisory services to First Mariner. In the two years preceding the date of its opinion, KBW has not provided investment banking or financial advisory services to Howard Bancorp. KBW may in the future provide investment banking and financial advisory services to First Mariner or Howard Bancorp and receive compensation for such services.

Interests of First Mariner's Directors and Executive Officers in the Merger

Howard and First Mariner stockholders should be aware that some of First Mariner's directors and executive officers have interests in the merger and arrangements that are different from, or in addition to those of First Mariner stockholders generally. The First Mariner board of directors was aware of these interests and considered these interests, among other matters, when making its decision to adopt the merger agreement, and in recommending that First Mariner stockholders vote in favor of approving the merger agreement.

First Mariner has determined that certain executive officers who are receiving payments in connection with the merger are "disqualified individuals" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended ("Code"). These include Jack E. Steil, Robert D. Kunisch, Thomas R. Jones, Gary Rever and Joseph Howard (the "Covered Individuals"). Code Sections 280G and 4999 impose certain adverse tax consequences if a Covered Individual receives payments that are contingent on the merger (within the meaning of Code Section 280G and the regulations thereunder) which, in the aggregate, equal or exceed a threshold defined by 280G (the "Parachute Payments"). The 280G threshold equals three times the individual's average annual taxable compensation from First Mariner over the 5-years (or shorter period of service with First Mariner) preceding the year of the merger closing, and the portions of any Parachute Payments that exceed this average are referred to in this description as "Excess Payments." For First Mariner, the adverse tax consequences could include, the loss of its tax deduction for the Excess Payments; for the Covered Individual, the adverse tax consequences could include a 20% excise tax on the Excess Payments.

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Code Section 280G provides an exception to these adverse tax consequences in the case of a corporation, such as First Mariner, that has no stock readily tradable on an established securities market (the “Stockholder Approval Exception”). The Stockholder Approval Exception applies only if (i) stockholders of First Mariner receive adequate disclosures of the material facts concerning the Parachute Payments, (ii) the Excess Payments are approved by a vote of the stockholders of First Mariner who own more than 75% of the voting power of First Mariner, disregarding stock owned, directly or constructively, by or for the Covered Individuals, (iii) the stockholder vote determines the right of the Covered Individuals to receive or retain the Excess Payments and (iv) the obligation of First Mariner to consummate the merger is not conditioned in any way on stockholder approval of the Excess Payments. For the purpose of satisfying this Stockholder Approval Exception, each Covered Individual has executed a written agreement to waive any Excess Payments unless the Stockholder Approval Exception is met. First Mariner has agreed to submit a proposal to the stockholders of First Mariner, for a separate vote, to approve or disapprove the Covered Individuals’ conditional right to receive the Excess Payments, and that First Mariner will recommend to all holders of its voting stock that such approval be granted. If such stockholder approval has not been obtained as of the consummation of the merger, the Covered Individuals’ right or entitlement to the Excess Payments will be forever forfeited and cancelled without consideration, and the Parachute Payments described below will be reduced by the amount of any Excess Payments. First Mariner stockholders will receive a separate document titled “First Mariner Bank Section 280G Disclosure Statement” that will provide additional details about the Parachute Payments (including the portion of such Parachute Payments deemed to be Excess Payments) and the opportunity to vote on the approval or disapproval of the Excess Payments.

Employment Relationships.   It is expected that immediately after completion of the merger, certain of the current officers of First Mariner will be employed by Howard.

Jack E. Steil Employment Relationship.   Howard has extended a written offer of continued employment to Jack E. Steil, the Chairman of the First Mariner board of directors, to serve as Senior Business Development Advisor with Howard Bank, which Mr. Steil has accepted. The letter agreement executed by Mr. Steil and Howard contains certain non-competition and non-solicitation obligations of Mr. Steil.

Robert D. Kunisch Employment Agreement.   Mr. Kunisch has entered into an employment agreement with Howard, which will be effective upon completion of the merger. Mr. Kunisch’s employment agreement provides that he will serve as President of Howard and Howard Bank.

The employment agreement provides for an initial term expiring March 31, 2021 and, unless written notice that the agreement will not be renewed is provided to Mr. Kunisch, is renewed for an additional year on the anniversary of the effective date, such that the remaining term at each renewal will be one year.

Mr. Kunisch’s employment agreement provides for an initial annual salary subject to annual increases as may be determined by the Howard board of directors. Mr. Kunisch will receive an initial annual salary of $373,375. Mr. Kunisch is also eligible to participate in executive bonus, incentive and other compensation programs as are made available to Howard Bank’s executive management.

Howard may terminate Mr. Kunisch’s employment at any time and for any reason, including for certain events constituting “Cause” or upon Mr. Kunisch’s Permanent Disability (as each is defined in the agreement), or upon written notice to Mr. Kunisch. Mr. Kunisch’s employment also terminates upon mutual agreement of the parties or immediately upon his death. Please see below regarding Mr. Kunisch’s rights in the event of termination of his employment under the agreement.

The agreement also contains confidentiality, non-compete and non-solicitation provisions.

Thomas R. Jones Employment Agreement.   Mr. Jones has entered into an employment agreement with Howard, which will be effective upon completion of the merger.

The employment agreement provides for an initial term expiring on March 31, 2021 and, unless written notice that the agreement will not be renewed is provided to Mr. Jones, is renewed for an additional year on the anniversary of the effective date, such that the remaining term at each renewal will be one year.

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Mr. Jones's employment agreement provides for an initial annual salary subject to annual increases as may be determined by the Howard board of directors. Mr. Jones's initial annual salary will be $242,050. Mr. Jones is also is also eligible to participate in executive bonus, incentive and other compensation programs as are made available to Howard's executive management.

The other primary substantive provisions of Mr. Jones's employment agreement are materially identical to those of Mr. Kunisch's employment agreement as described above.

Gary Rever and Joseph Howard Employment Relationships. Howard has extended written offers of continued employment to Gary Rever, the Chief Financial Officer of First Mariner, to serve as Executive Finance Specialist with Howard Bank and to Joseph Howard, the General Counsel of First Mariner, to serve as General Counsel with Howard Bank, which each of Mr. Rever and Mr. Howard have accepted. The letter agreements executed by each of Mr. Rever and Mr. Howard contain certain non-competition and non-solicitation obligations of Mr. Rever and Mr. Howard.

Severance Entitlements of Executive Officers

Each of Jack Steil, Robert Kunisch, Thomas Jones, Gary Rever and Joseph Howard is party to an employment agreement with First Mariner which entitles the officer to certain severance benefits in certain circumstances. The Howard employment agreements for Mr. Kunisch and Mr. Jones and the Howard letter agreements for Mr. Steil, Mr. Rever and Mr. Howard (collectively, the "Howard agreements") all become effective as of closing of the merger and replace and supersede the First Mariner employment agreements. Thus, any severance benefits payable to the officers after the closing of the merger will be payable under the terms of the Howard agreements, which also provide for certain severance benefits in certain circumstances. Under the terms of the Howard agreements, each officer must execute a valid release of employment-related claims in favor of Howard in order to receive any severance benefits. Additionally, any unpaid severance payments may be forfeited if the officer breaches the confidentiality, non-compete and non-solicitation terms of the Howard agreement.

Robert Kunisch and Thomas Jones Severance Benefits. Under their Howard employment agreements, if Mr. Kunisch or Mr. Jones is terminated without Cause, resigns for Good Reason (as such terms are defined in the Howard employment agreements), or his employment ends as a result of disability or a decision by Howard not to renew his employment agreement, and the termination does not occur within twelve months after a change in control (including this merger), he will receive monthly severance payments equal to 1/12th of the sum of his average base salary and bonus for the current year and two prior years, paid for the longer of 12 months or the remainder of the term of the agreement, which ends March 31, 2021. Under Mr. Kunisch's Howard employment agreement, upon a termination without Cause or resignation for Good Reason within 12 months following a change in control (including the closing of this merger), Mr. Kunisch will receive 2.99 times the sum of his average base salary and bonus during the current and two prior fiscal years, payable over 12 months. Under Mr. Jones's Howard employment agreement, upon a termination without Cause or resignation with Good Reason within 12 months following the closing of this merger (or other change in control), Mr. Jones will receive two times the sum of his average base salary and bonus during the current and prior two fiscal years. If the employment termination occurs within six months after a change in control, this severance will be paid in a lump sum; if the employment termination occurs more than six months, but less than 12 months, after a change in control, the severance will be paid over 12 months. In addition, to the extent permitted by applicable law without any adverse tax consequence to Howard Bank or its benefit plans, Mr. Kunisch and Mr. Jones will receive continuation of medical coverage for 18 months.

In the event that Mr. Kunisch and Mr. Jones experience a qualifying termination on December 31, 2017, immediately after the closing of the merger , this would result in severance amounts equal to each individual's average salary and bonus for 2015, 2016 and 2017, as shown on the table below. The COBRA continuation coverage estimate is based on the family rate under the currently highest-priced medical plan of Buyer Bank, which is approximately $1,926.41 per month.

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Name	Average Base Salary and Bonus for 2015, 2016 & 2017	Multiplied by	Value of 18 Months COBRA	Total
Robert D. Kunisch, Jr.	$ 441,390.30	2.99	$ 34,675.38	$ 1,354,432.38
T. Randy Jones	$ 297,639.83	2.0	$ 34,675.38	$ 629,955.04

Jack Steil Severance Benefits. Under Mr. Steil's Howard letter agreement, in the event of an involuntary termination of Mr. Steil's employment without Cause on or before March 31, 2021, which does not occur within six months after a change in control (including the closing of the merger), he will receive a monthly payment equal to 1/12th of the sum of 1.5 times his base salary and 1.5 times the higher of the bonuses paid to him in the two most recent fiscal years, payable through March 31, 2021 or, if greater, for one year. In the event of an involuntary termination without Cause within six months after a change in control (including the closing of the merger), he will receive a monthly severance payment equal to 1/12th of the sum of two times his base salary and two times the higher of the bonuses in the two most recent fiscal years, payable through March 31, 2021 or, if greater, for one year.

Although no severance may become payable under his Howard letter agreement, the table below assumes that Mr. Steil experiences a qualifying termination immediately after the closing of this merger, which would mean monthly severance payments for 39 months.

Name	Base Salary for January 1, 2018	2016 Bonus	Multiply by 2	Multiply by 39/12	Total
Jack E. Steil	$ 275,000	$ 87,500	$ 725,000	$ 30,208.34	$ 2,356,250

Gary Rever and Joseph Howard Severance Benefits. Under their Howard letter agreements, in the event of an involuntary termination of their employment without Cause on or before the first anniversary of the closing of the merger, which does not occur within six months after a change in control (including the closing of the merger), Mr. Rever will receive as severance an amount equal to the sum of two times his base salary and the higher of the bonuses paid to him in the two most recent fiscal years payable in equal monthly installments over a 12-month period and Mr. Howard will receive as severance an amount equal to the sum of 1.5 times his base salary and the higher of the bonuses paid to him in the two most recent fiscal years payable in equal monthly installments over a 12-month period. In the event of an involuntary termination without Cause within six months after a change in control (including the closing of the merger), Mr. Rever and Mr. Howard will each receive the respective severance amount described above payable in a lump sum.

Although no severance may become payable under their Howard letter agreements, the table below assumes that Mr. Rever and Mr. Howard experience a qualifying termination immediately after the closing of the merger, which would mean a lump sum severance payment within 60 days thereof.

Name	Base Salary for January 1, 2018	2016 Bonus	Multiply by 2 or 1.5 (as applicable)	Total
Gary Rever	$ 270,000	$ 80,000	$ 350,000	$ 700,000
Joseph Howard	$ 198,275	$ 22,500	$ 220,775	$ 331,163

Merger Payment. Mr. Kunisch, pursuant to his Howard employment agreement and each of Mr. Steil, Mr. Rever and Mr. Howard, pursuant to their Howard letter agreements, will receive a merger payment, subject to his continued employment through the payment date (for Mr. Kunisch) or the closing of the merger and acceptance of employment with Howard (for Mr. Steil, Mr. Rever and Mr. Howard). Mr. Kunisch's Merger Payment is estimated to be $1,378,016.25, an amount equal to 2.99 times his base salary and the higher of the annual bonuses paid in the two calendar years preceding closing of the merger. Mr. Steil's merger payment will be $921,750, Mr. Rever's merger payment will be $700,000 and Mr. Howard's merger payment will be $331,163, the amounts specified in their Howard letter agreements.

Accelerated Vesting of Equity Awards. All outstanding and unexercised warrants and options (whether vested or unvested) to purchase shares of First Mariner common stock, including warrants and options held by directors and executive officers of First Mariner, will be canceled and converted into the right to receive a cash payment from Howard, equal to the difference, if positive, between the per share cash amount and the exercise price of the warrant or option. Any First Mariner warrant or option with an

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exercise price that equals or exceeds the pre share cash amount will be canceled and extinguished at the effective time with no consideration being paid to the holder with respect to such warrant or option. See "—Quantification of Payments and Benefits to Named Executive officers" for an estimate of the value of unvested First Mariner stock options held by each of First Mariner's named executive officers that will become vested in connection with the merger.

Pre-Closing Success Bonuses. First Mariner has provided for the payment of Pre-Closing Success Bonuses to certain executive officers of First Mariner on or prior to the effective time in the aggregate amount of $1,059,070. The Pre-Closing Success Bonuses will be allocated among First Mariner executive officers as follows: $186,688 for Jack Steil, $186,688 for Robert Kunisch, $121,025 for Thomas Jones, $105,575 for John Melocik, $245,000 for Gary Rever and $214,094 for Joseph Howard.

Each officer's right to receive the Pre-Closing Success Bonus will be conditioned on the officer's continued employment and satisfactory performance in working towards the closing of the merger until the earlier of the date of payment or the effective time of the merger and the execution of a release of claims agreement in favor of First Mariner. The Pre-Closing Success Bonuses will be payable in a lump sum at or immediately prior to the effective time of the merger.

Retention Bonus. First Mariner has established a retention bonus pool totaling $120,000 in the aggregate that will be available for payment to certain employees of First Mariner shortly after closing, as agreed upon by First Mariner and Howard and contingent upon continuous employment and execution of a release of claims by such employee. The retention bonuses will be allocated among employees as follows: $50,000 for Thomas Jones, $50,000 for John Melocik, and $20,000 for Stewart Lee. (These retention bonuses have also been referred to in other merger-related documents as "pay-to-stay bonuses").

Directors of Howard and Howard Bank following the Merger. At the effective time of the merger, Howard will take, and cause Howard Bank to take, all steps necessary to increase the Howard and the Howard Bank board of directors to 14 members and the reconstituted Howard and Howard Bank board of directors will include six individuals currently serving as members on the First Mariner board of directors or as officers of First Mariner. As members of the Howard board of directors, the new directors who are not employees of Howard can be expected to receive an annual cash retainer of $15,000 for their service on the board of directors and an annual cash retainer of $1,500 for service on each committee of which the director is a member. In addition, each non-employee director can be expected to receive 800 shares of Howard common stock per year.

Indemnification; Directors' and Officers' Insurance. Howard has agreed to indemnify, defend and hold harmless, the present and former directors or officers of First Mariner (and its subsidiaries) following completion of the merger. The indemnification covers liability and expenses arising out of matters existing or occurring at or prior to the completion of the merger to the fullest extent such persons would have been indemnified as directors or officers of First Mariner (or any of its subsidiaries) under existing indemnification agreements and/or applicable law. Howard will also maintain a policy for directors' and officers' liability insurance coverage for the benefit of First Mariner's directors and officers for six years following completion of the merger at a premium to be paid on an annual basis not in excess of 150% of the current annual premium paid for First Mariner for such insurance.

Howard Board of Directors. Immediately following the merger, the Howard board of directors is expected to be composed of 14 directors, with eight to be designated by Howard and six to be designated by First Mariner. Such directors are identified in the table below.

Name	Current Principal Affiliation
Mary Ann Scully	Howard director; Chair of Howard board of directors, Chief Executive Officer and President of Howard
Richard G. Arnold	Howard director; Vice President and co-owner of The John E. Ruth Company, Inc.
John J. Keenan	Howard director
Paul I. Latta, Jr.	Howard director; Managing member of ERIS Technologies LLC
Kenneth C. Lundeen	Howard director; President, Chief Executive Officer and co-owner of

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Name	Current Principal Affiliation
	Environmental Reclamation Company
Thomas P. O'Neill	Howard director; Hertzbach and Company
Robert W. Smith, Jr.	Howard director; DLA Piper LLP (US)
Donna Hill Staton	Howard director; Founding Principal, Staton & Nolan, LLC d/b/a Decision Point Law and Strategy Group
W. Gary Dorsch	First Mariner director; President of Keyser Capital, LLC
James T. Dresher, Jr.	First Mariner director; Chief Executive Officer of Skye Asset Management, LLC
Howard Feinglass	First Mariner director; Priam Capital
Michael B. High	First Mariner director; Patriot Financial Partners LP
Robert D. Kunisch, Jr.	First Mariner director; President and Chief Executive Officer of First Mariner
Jack E. Steil	First Mariner director; Chairman of First Mariner board of directors

Set forth below is a description of the principal occupation and business experience of the six First Mariner directors, who will become a director of Howard following completion of the merger.

W. Gary Dorsch, Director. Mr. Dorsch, 65, has served as a director of First Mariner since June 17, 2014, and has served as president of Keyser Capital, LLC, a private equity and real estate investment company and wholly owned subsidiary of Sinclair Broadcast Group, Inc. (NASDAQ: SBGI), since January, 2007. In 1999, Mr. Dorsch founded and currently co-manages Allegiance Capital LP, a licensed small business investment company (SBIC). Prior to Allegiance, he spent 24 years with Bank of America and its predecessor banks in Maryland. Mr. Dorsch is Chairman of the Board of Managers of Triangle Sign and Service, LLC, a commercial sign company. Mr. Dorsch spent more than a decade on the board of Maryland 529 (formerly College Savings Plans of Maryland) where he was chairman of the audit and finance committee. Mr. Dorsch received his Bachelor of Science degree from Towson University and received his MBA from Loyola University Maryland.

The Howard board of directors believes that Mr. Dorsch's qualifications for serving on the board include his deep understanding of the private equity and real estate investments markets, his almost quarter-century of executive, service and board leadership experience and his understanding of First Mariner as a result of being a member of its board of directors since 2014.

James T. Dresher, Jr., Director. Mr. Dresher, 68, has served as a director of First Mariner since June 17, 2014 and currently serves as CEO of Skye Asset Management, LLC, a private equity company he founded in 1995. Skye invests in asset categories such as biotechnology, cybersecurity, banking and social media. Mr. Dresher is active in the Baltimore community, serving on the boards of Johns Hopkins Hospital and Johns Hopkins Medicine. He is currently the Chairman of the Board of Trustees of Johns Hopkins Bayview Medical Center, a 130-acre Baltimore campus involved in patient care, research, and teaching associated with Johns Hopkins School of Medicine. Mr. Dresher formerly served on the board of the Greater Baltimore Committee and was a founding member of Baltimore's Ronald McDonald House.

The Howard board of directors believes that Mr. Dresher's qualifications for serving on the board include his experience in operating businesses throughout Maryland, his knowledge of the role a bank plays in serving small to middle-market companies in the region and his understanding of First Mariner as a result of being a member of its board of directors since 2014.

Howard Feinglass, Director. Mr. Feinglass, 57, has served as a director of First Mariner since June 17, 2014. Mr. Feinglass is an investment professional and the founder of Priam Capital. Before founding Priam Capital in 2003, Mr. Feinglass managed the investments of a family office with more than $1 billion of assets under management and was also a principal in the private equity group of Odyssey Partners. Mr. Feinglass received an MBA from University of California, Los Angeles and an A.B. from Brown University.

The Howard board of directors believes that Mr. Feinglass' qualifications for serving on the board include his strong background in finance, which will bring additional strength to the board and his understanding of First Mariner as a result of being a member of its board of directors since 2014.

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Michael B. High, Director. Mr. High, 69, has served as a director of First Mariner since June 17, 2014. With more than 40 years of banking experience, since February 2009, he has been a partner at Patriot Financial Partners LP, a private equity firm that primarily invests in banks and bank holding companies. His career experience includes senior management positions at Harleysville National Corporation, Progress Financial Corporation, CoreStates Financial Corporation and Meritor Savings Bank. Mr. High is a Certified Public Accountant (CPA) in the Commonwealth of Pennsylvania (currently inactive), and holds a Bachelor of Science degree in Accounting from the Smeal College of Business Administration at The Pennsylvania State University.

The Howard board of directors believes that Mr. High's qualifications for serving on the board include his over 40 years of financial, banking and private equity experience as well as his understanding of First Mariner as a result of being a member of its board of directors since 2014.

Jack E. Steil, Director. Mr. Steil, 70, has served as Chairman of the Board of First Mariner since June 17, 2014 and served as First Mariner's Chief Executive Officer from June 17, 2014 until July 2017. Mr. Steil is an experienced community bank executive who has spent his career in First Mariner's local markets. Mr. Steil started his career in Mercantile-Safe Deposit and Trust Company's auditing department in 1970 and he held successively more senior management positions at this Baltimore-based bank until his retirement in 2002, including serving on its board of directors and as Chairman of Credit Policy. Mr. Steil returned to banking in 2005 at Susquehanna Bank, then moved to Wilmington Trust FSB in 2007. After serving as a consultant to the First Mariner board of directors beginning in 2011, he and Robert Kunisch led the group of investors who acquired First Mariner in 2014.

The Howard board of directors believes that Mr. Steil's qualifications for serving on the board include his over 40 years of financial and banking experience as well as his understanding of First Mariner as a result of being a member of its board of directors since 2014.

Robert D. Kunisch, Jr., Director and President. Mr. Kunisch, 49, has served as President of First Mariner since June 17, 2014 and was elected to the position of Chief Executive Officer by First Mariner's stockholders in June of 2017. Robert Kunisch has spent his entire banking career in Maryland, beginning in 1990 at Mercantile-Safe Deposit and Trust Company and, later, its acquirer, PNC Bank. After holding several management positions, he turned down the opportunity to serve as president of PNC's greater Baltimore market in 2007. Preferring to work for a smaller community bank, Mr. Kunisch joined Wilmington Trust FSB in 2008. When M&T Bancorp acquired the bank in 2011, he again pursued his desire to work at a community bank by serving as a consultant to the First Mariner board in 2012. He and Mr. Steil led the group of local Baltimore investors who acquired First Mariner in 2014. Mr. Kunisch is currently the Chairman of Saint Ignatius Loyola Academy and a board member of various entities related to Catholic Charities. His past community involvement includes the United Way and the Independent College Fund recapitalization.

The Howard board of directors believes that Mr. Kunisch's qualifications for serving on the board include his over 25 years of financial and banking experience as well as his understanding of First Mariner as a result of being a member of its board of directors since 2014.

Howard Executive Management. Immediately following the merger, the executive management team of Howard is expected to be composed of six members of the Howard executive management team prior to the merger and two members of First Mariner executive management team prior to the merger as set forth below:

Name	Title
Mary Ann Scully	Chief Executive Officer
Robert D. Kunisch, Jr.	President
George C. Coffman	Executive Vice President, Chief Financial Officer and Treasurer
James D. Witty	Executive Vice President and Chief Commercial Banking Officer
Robert A. Altieri	Executive Vice President and Chief Mortgage Officer
T. Randy Jones	Executive Vice President and Chief Credit Officer

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Name	Title
Charles E. Schwabe	Executive Vice President and Chief Risk Officer
Steven M. Poynot	Executive Vice President and Chief Administrative Officer

Set forth below is a description of the principal occupation and business experience of the First Mariner officers, who will become an officer of Howard following completion of the merger and who are not described above under Howard Board of Directors.

Thomas "Randy" Jones, Chief Credit Officer, Executive Vice President. Mr. Jones, 51, has served as Executive Vice President and Chief Credit Officer of First Mariner since June 17, 2014. Mr. Jones has decades of commercial banking experience in Maryland, having begun his career at Mercantile-Safe Deposit and Trust Company in 1990. Mr. Jones held successively more senior management positions at Mercantile and its acquirer, PNC Bank, ultimately serving as Senior Vice President and Credit Executive for PNC's Greater Baltimore and Greater Maryland Regions from 2010 until he joined First Mariner in 2014.

First Mariner Executive Compensation

Summary Compensation Table. The following table sets forth a summary of certain information concerning the compensation awarded to or paid to Messrs. Kunisch and Jones by First Mariner for services rendered in all capacities during the years ended December 31, 2016 and December 31, 2015.

Name	Year	Salary	Bonus	Option Awards(1)	All Other Compensation(2)(3)	Total
Robert D. Kunisch, Jr.	2016	$ 362,500	$ 87,500	$ —	$ 24,556	$ 474,556
Chief Executive Officer and President	2015	$ 350,000	$ 80,000	$ 1,156,750	$ 19,502	$ 1,606,252
T. Randy Jones	2016	$ 235,000	$ 47,500	$ —	$ 9,902	$ 292,402
Executive Vice President and Chief Credit Officer	2015	$ 225,000	$ 60,000	$ 264,400	$ 6,414	$ 555,814

(1)
These amounts represent the aggregate grant date fair value of stock option awards, determined in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures during the applicable vesting periods. See Note 12 to the consolidated financial statements for the year ended December 31, 2016 for a discussion of the associated assumptions used in the valuation of stock-based compensation awards.

(2)
Represents for Robert D. Kunisch, Jr., the sum of the following items: for 2016, $6,761 in 401(k) matching contribution, $5,525 country club dues a car allowance of $12,000 and group term life insurance premium of $270; and for 2015, $7,232 country club dues, a car allowance of $12,000 and group term life insurance premium of $270.

(3)
Represents for T. Randy Jones, the sum of the following items: for 2016, $3,488 in 401(k) matching contribution, a car allowance of $6,000 and group term life insurance premium of $414; and for 2015, a car allowance of $6,000 and group term life insurance premium of $414.

Outstanding Equity Awards at Fiscal Year-End. The following table sets forth information concerning outstanding equity awards held by Messrs. Kunisch and Jones as of December 31, 2016.

	Option Awards			Stock Awards	
	Number of Securities Underlying Unexercised	Option Exercise	Option Expiration	Number of Shares or	Market Value of

Name	Options Exercisable	Unexercisable(1)	Price(2)	Date	Units of Stock That Have Not Vested(3)	Shares or Units of Stock That Have Not Vested(4)
Robert D. Kunisch, Jr.	25,000	150,000	$ 20.00	9/4/2025	150,000	$ 3,489,000
T. Randy Jones	5,714	34,286	$ 20.00	9/4/2025	34,286	$ 797,492

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(1)
Awards were made to Messers. Kunisch and Jones under the First Mariner Bank 2015 Equity Incentive Plan (the "EIP").

(2)
Exercise price was equal to the price paid by the investors in the recapitalization of First Mariner Bank, which was not less than fair market value at the date of grant.

(3)
Mr. Kunisch was awarded 175,000 stock options on September 4, 2015 that vest equally over a seven year period on the anniversary of the date of the grant. Mr. Jones was awarded 40,000 stock options on September 4, 2015 that vest equally over a seven year period on the anniversary of the date of the grant.

(4)
Aggregate market values are based upon the price of $23.26 per share of common stock on December 31, 2016.

Employment Agreements

Robert D. Kunisch, Jr.,—First Mariner Employment Agreement. Mr. Kunisch is party to an employment agreement with First Mariner, effective as of May 1, 2017. The agreement provides for an initial three year term and unless written notice that the agreement will not be renewed is provided by either Mr. Kunisch or First Mariner at least 180 days prior to the end of the initial term or a renewal term, the agreement will be extended automatically for additional one year periods. Mr. Kunisch's current annual salary is set at $362,500, which may be increased annual at the sole discretion of the First Mariner board of directors. The agreement provides for a bonus of 50% of Mr. Kunisch's base salary upon satisfaction of performance goals proposed by Mr. Kunisch and approved by the First Mariner board of directors (including approval of payments upon partial or excess satisfaction of performance goals, with a maximum of 125% of target for above target performance). Under this agreement, if Mr. Kunisch's employment is terminated by First Mariner without "Cause" (defined as willful misconduct, a felony conviction that has a material effect on First Mariner or Mr. Kunisch's performance, or failure to comply with a material obligation of the agreement, which failure is not cured 30 days after written notification by the First Mariner board of directors) or by resignation for "Good Reason" (defined as a resignation within six months of a material reduction in base compensation or authority and duties, a change in control, a relocation of First Mariner's headquarters by more than 30 miles, or any material breach of the agreement by First Mariner), in either case within six months before or six months after the closing of a change of control, he will receive, in equal installments over 12 months, 2.99 times the sum of his base salary and the higher of his annual bonus paid over the last two years. In the event of a termination of employment without Cause or a resignation for Good Reason that is not due to a change in control, Mr. Kunisch would receive severance equal to 1.5 times his base salary and the higher of his annual bonus paid over the last two years, payable in equal installments over 12 months. The term "change of control" is defined as the occurrence of any of the following events: (i) the acquisition of securities representing more than 50% of the combined voting power entitled to vote for First Mariner directors by any unaffiliated person or group, (ii) consummation of an agreement to merge or consolidate with another entity in which the existing First Mariner stockholders own less than 50% of the combined voting power of the resulting entity, (iii) consummation of an agreement to sell or dispose of all or substantially all of the business or assets of First Mariner or (iv) the incumbent members of the First Mariner board of directors cease to constitute at least a majority of the board. In the event that Mr. Kunisch's employment is terminated for Cause, or due to death or "Disability" (defined as a written determination by two physicians that Mr. Kunisch is unable to perform his duties due to medical condition or other physical or mental disability, which continues for 180 days), First Mariner shall pay to Mr. Kunisch (or his designated beneficiary) any portion of his base salary unpaid prior to the date of such occurrence, and in the event of a termination due to death or Disability, a lump sum cash payment equal to one times his base salary.

Mr. Kunisch is entitled to participate in any employee benefit programs that First Mariner may provide to similarly-situated executives, including medical and dental coverage, life insurance, 401(k) plan, short-term and long-term disability coverage. Mr. Kunisch is also entitled to receive reimbursement for necessary business expenses, a $1,000 monthly payment for automobile-related expenses and payment or reimbursement for dues and other costs of membership in professional or business associations, societies, and luncheon or country clubs selected by Mr. Kunisch and approved by the First Mariner board of directors.

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Mr. Kunisch was party to a prior employment agreement with First Mariner effective on June 17, 2014, which provided for substantive provisions materially identical to those of his employment agreement described above, except that Mr. Kunish's prior employment agreement provided for: (i) an annual salary of $350,000, (ii) an annual bonus of 50% of base salary, with no provision for a maximum of 125% of target, (iii) a lump sum payment upon termination for death or Disability equal to one half of his annual salary, (iv) a severance payment equal to one times his base salary in the event of a termination of employment without Cause or a resignation for Good Reason whether due to a change in control or not due to a change in control and (v) a resignation for Good Reason provision that did not include a change of control as a trigger event.

T. Randy Jones—First Mariner Employment Agreement. Mr. Jones is party to an employment agreement with First Mariner, effective as of April 27, 2016. The agreement provides for an initial three year term and unless written notice that the agreement will not be renewed is provided by either Mr. Jones or First Mariner at least 180 days prior to the end of the initial term or a renewal term, the agreement will be extended automatically for additional one year periods. Mr. Jones' current annual salary is set at $235,000, which may be increased annually at the discretion of the First Mariner chief executive officer, subject to the approved annual budget. The agreement provides for a bonus of 50% of Mr. Jones' base salary upon satisfaction of performance goals proposed by the First Mariner chief executive officer and approved by the First Mariner board of directors (including approval of payments upon partial or excess satisfaction of performance goals). Under this agreement, if Mr. Jones' employment is terminated by First Mariner without "Cause" (defined as willful misconduct, a felony conviction that has a material effect on First Mariner or Mr. Jones' performance, or failure to comply with a material obligation of the agreement, which failure is not cured 30 days after written notification by the First Mariner board of directors) or by resignation for "Good Reason" (defined as a resignation within six months of a reduction in compensation, a requirement to report to an officer other than the chief executive officer, a change in control, a relocation of First Mariner's headquarters by more than 30 miles, or any material breach of the agreement by First Mariner), in either case within six months after the closing of the merger (or other change in control), he will receive an amount of severance equal to 1.5 times his base salary and the higher of his annual bonus paid over the last two years, payable in a lump sum. In the event of a termination of employment without Cause or a resignation for Good Reason that is not due to a change in control, Mr. Jones will receive the same amount of severance, but payable in equal installments over 12 months. The term "change of control" is defined as the occurrence of any of the following events: (i) the acquisition of securities representing more than 50% of the combined voting power entitled to vote for First Mariner directors by any unaffiliated person or group, (ii) consummation of an agreement to merge or consolidate with another entity in which the existing First Mariner stockholders own less than 50% of the combined voting power of the resulting entity, (iii) consummation of an agreement to sell or dispose of all or substantially all of the business or assets of First Mariner or (iv) the incumbent members of the First Mariner board of directors cease to constitute at least a majority of the board. In the event that Mr. Jones' employment is terminated for Cause, or due to death or "Disability" (defined as a written determination by two physicians that Mr. Jones is unable to perform his duties due to medical condition or other physical or mental disability, which continues for 180 days), First Mariner shall pay to Mr. Jones (or his designated beneficiary) any portion of his base salary unpaid prior to the date of such occurrence, and in the event of a termination due to death or Disability, a lump sum cash payment equal to one-half times his base salary.

Mr. Jones is entitled to participate in any employee benefit programs that First Mariner may provide to similarly-situated executives, including medical and dental coverage, life insurance, 401(k) plan, short-term and long-term disability coverage. Mr. Jones is also entitled to receive reimbursement for necessary business expenses and a $500 monthly payment for automobile-related expenses.

Mr. Jones was party to a prior employment agreement with First Mariner effective on June 17, 2014, which provided for substantive provisions materially identical to those of his employment agreement described above, except that Mr. Jones' prior employment agreement provided for: (i) an annual salary of $225,000, (ii) a lump sum payment upon termination for death or Disability equal to one half of his annual salary, (iv) a severance payment equal to one times his base salary in the event of a termination of employment without Cause or a resignation for Good Reason whether due to a change in control or not due to a change in control and (v) a resignation for Good Reason provision that did not include a change of control as a trigger event.

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Equity Incentive Plan. First Mariner instituted the EIP in 2015. The purpose of the EIP is to advance the interests of First Mariner by providing directors and employees with the opportunity to acquire Common shares of First Mariner Bank stock. By encouraging stock ownership, the Bank seeks: to attract, reward, retain and motivate the best available personnel; to provide additional incentive to directors and employees of the Bank and its Affiliates to promote the success of the business as measured by the value of its shares; and generally to increase the commonality of interests among directors, employees and other stockholders. The EIP permits the granting of stock options, stock appreciation rights, stock awards, restricted stock units, stock-equivalent units, awards payable upon attainment of an established performance goal or other stock-based awards, or any combination of the foregoing (collectively, “equity awards”). Under the terms of the EIP, equity awards may be granted to any employees, officers, and directors of, and other individuals providing bona fide services to or for, First Mariner, or of any affiliate of First Mariner, as may be selected by the First Mariner board of directors from time to time. Under the EIP, 700,000 shares of First Mariner common stock were reserved for issuance, subject to adjustment and, as of June 1, 2017, no shares of First Mariner common stock remained available for grant under the EIP. Equity grants are made at the discretion of the board of directors, or any committee or officers appointed by the board of directors as administrator of the EIP.

Pursuant to the EIP, on September 4, 2015, Mr. Kunisch was awarded 175,000 stock options and Mr. Jones was awarded 40,000 stock options with an exercise price of $20.00 per share. On June 1, 2017, Mr. Kunisch was awarded 20,000 stock options and Mr. Jones was awarded 10,000 stock options with an exercise price of $24.64 per share. All of these awards vest equally over a seven year period on the anniversary of the date of the grant and will expire on the tenth anniversary of the date of grant. The terms of the EIP provide that, upon the occurrence of a “Change of Control” of First Mariner (as defined in the EIP), unvested awards will become fully vested unless the options are assumed or substituted by the successor entity in the transaction (the treatment of unvested options with respect to the merger is described below). If at any time within one year after (i) a grantee exercises a stock option or stock appreciation right or (ii) a stock award, stock-equivalent unit, or other equity award vests to a grantee, such grantee is terminated for “Cause” (as defined in the applicable employment agreement) or engages in conduct constituting Cause, the grantee shall be required to pay to First Mariner, at First Mariner’s option, any gain realized by the exercise or vesting of the award.

Quantification of Potential Payments to First Mariner’s Named Executive Officers in Connection with the Merger

Acceleration of Options under EIP

As noted above, pursuant to Section 9(e)(ii) of the EIP, all stock options to purchase First Mariner common stock held by all employees of First Mariner become fully vested upon the occurrence of a “Change of Control” of First Mariner, as defined in the EIP, unless the stock options are being assumed or substituted by Howard or Howard Bank. However, Section 9(e)(ii) also provides that if the acceleration of vesting of the stock options would cause any portion of the stock option to be a “parachute payment” under Section 280G of the Code (such portion, the “Excess Payment”), then vesting of the stock option will be accelerated only to the extent that no portion of the stock option becomes a “parachute payment.”

The stock options held by employees to purchase First Mariner common stock are not being assumed or substituted by Howard or Howard Bank; rather, each outstanding stock option is being cancelled at closing of the merger in exchange for a cash payment of $32.50 less the exercise prices of the stock options. Therefore, the stock options to purchase common stock of First Mariner held by employees generally will become fully vested at the closing of the merger. However, in the case of certain stock options, this vesting acceleration would cause some or all of the stock options to be a “parachute payment.” If the Excess Payments are approved by First Mariner’s stockholders according to the requirements set forth by Section 280G of the Code for such approval, then no portion of such stock options would constitute a “parachute payment” and the stock options would become fully vested at closing of the merger. If the Excess Payments are not approved by First Mariner’s stockholders, then such stock options would become vested only to the extent no portion of the stock options constitute Excess Payments.

The following table sets forth, for each executive, the number of options to purchase shares of First Mariner’s common stock that will be fully-vested as of the closing of the merger, the exercise prices of such

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options and the total cash payment (net of exercise price) payable upon cancellation of such options in connection with the merger, assuming that the Excess Payments are approved by First Mariner's stockholders under the Stockholder Approval Rules.

Name	Fully Vested Options	Exercise Price Per Share	Cash Payments Attributable to Full Vesting of Stock Options
Robert D. Kunisch, Jr.	175,000	$ 20.00	$ 2,187,500
	20,000	$ 24.64	$ 157,200
Jack Steil	175,000	$ 20.00	$ 2,187,500
	12,000	$ 24.64	$ 94,320
T. Randy Jones	40,000	$ 20.00	$ 500,000
	10,000	$ 24.64	$ 78,600
Gary Rever	40,000	$ 20.00	$ 500,000
	10,000	$ 24.64	$ 78,600
Joseph Howard	12,500	$ 20.00	$ 156,250
	2,500	$ 24.64	$ 19,650

Merger Payments

Because Messers. Kunisch, Steil, Jones, Rever and Howard will continue to be employed by the Company after the merger, none is entitled to severance payments under their employment agreements with First Mariner Bank. As a condition of his agreeing to enter into an employment agreement with Howard, it was agreed that Mr. Kunisch would receive a payment equal to the amount of the change in control severance that would have been payable to him under his First Mariner Bank employment agreement, if his employment had ended following the closing of the merger (the "Merger Payment"). It was also agreed that Messrs. Steil, Rever and Howard would receive a Merger Payment in the amount set forth in his offer letter from Howard and reflected in the chart below. The Merger Payments will be paid in a lump sum within 60 days of closing of the Transaction, subject to each recipient's signing and not revoking a valid release of claims.

Name	Merger Payment
Robert D. Kunisch, Jr.	$ 1,378,016
Jack E. Steil	$ 921,750
Gary Rever	$ 700,000
Joseph Howard	$ 331,163

Pay-to-Stay Retention Bonus

First Mariner has established a retention bonus pool of $120,000 in the aggregate, which will be available for payment to certain employees of First Mariner as agreed upon by First Mariner and Howard, contingent upon continued employment and execution of a release of claims by each recipient. Mr. Jones has entered into an agreement under which he will be entitled to receive $50,000 in exchange for his remaining employed by First Mariner through the date of the closing of the merger, payable shortly after the closing of the merger.

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Success Bonuses

Messrs. Kunisch, Steil, Jones, Rever and Howard will be entering into agreements with First Mariner under which First Mariner will pay to each executive the amount reflected in the schedule below, or the Success Bonus, immediately prior to closing of the merger in exchange for their satisfactory efforts in working towards the closing of the merger, provided they remain employed by First Mariner through the date of payment.

Name	Success Bonuses
Robert D. Kunisch, Jr.	$ 186,688
Jack E. Steil	$ 186,688
T. Randy Jones	$ 121,025
Gary Rever	$ 245,000
Joseph Howard	$ 214,094

Employment and Other Agreements with Howard Bank

Kunisch and Jones have entered into employment agreements with Howard, effective as of closing of the merger. The terms of these Howard employment agreements are set forth under "The Merger—Interests of First Mariners' Directors and Executive Officers in the Merger" beginning on page 79.

First Mariner Director Compensation

Director Compensation Table

For those directors of First Mariner who may continue to serve as directors of Howard following completion of the merger, the following table presents summary financial information concerning all compensation earned during the year ended December 31, 2016 for their services as directors of First Mariner:

Name	Fees Earned or Paid in Cash ($)	Total ($)
W. Gary Dorsch	$ 37,054	$ 37,054
James T. Dresher	26,304	26,304
Howard Feinglass	28,404	28,404
Michael B. High	26,604	26,604
Robert D. Kunisch, Jr.	—	—
Jack E. Steil	—	—
Total	$ 118,366	$ 118,366

Director Fees. For 2016, non-employee directors of First Mariner were compensated for their services as directors as follows: Each received an annual cash retainer of $20,000, plus additional cash payments of $500 per Board meeting and $400 per Board Committee meeting attended in person or by telephone or video conference. Each non-employee director attending the Bank's Loan Committee in person or by telephone or video conference was paid $150 in cash per meeting. In addition, each non-employee director who held any of the following Board leadership positions received an additional cash retainer in the amount per annum indicated:

- Audit Committee Chair—$7,500
- Nominating Committee Chair—$1,500

For 2016, non-employee director compensation was calculated and paid monthly. Although retainer amounts are stated in amounts per annum, a retainer was payable only for such months for which a director holds the position for which the retainer was payable.

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In 2016, non-employee directors earned aggregate cash payments of $120,033 as compensation for their service as directors, including attending board and committee meetings, as disclosed in the above table. The directors receive no other compensation for their services.

Dissenters' Rights in the Merger

Under Maryland law, First Mariner stockholders have the right to receive, in lieu of the merger consideration, the "fair value" for their shares, if the merger becomes effective. The fair value will be determined as described below.

Under Maryland law, for a stockholder of a Maryland chartered trust company to exercise his, her or its rights to fair value, an owner of shares of stock must (1) vote against the merger and (2) within 30 days after the merger becomes effective, make a written demand on the successor in the Merger for payment and surrender any stock certificates held by such person. Failure to comply with either of these requirements will result in forfeiture of a stockholder's right to fair value.

In lieu of holding a meeting of First Mariner stockholders, (1) certain stockholders of First Mariner, acting by written consent without a meeting, approved the merger and the other transactions contemplated by the merger agreement, effective as of August 15, 2017, by the affirmative vote of not less than two-thirds of the votes entitled to be cast by outstanding shares of First Mariner common stock (including holders of outstanding shares of First Mariner preferred stock on an as-converted basis to First Mariner common stock voting with the holders of First Mariner common stock as a single class); and (2) the board of directors of First Mariner is seeking the written consent of the remaining stockholders who have not already voted in favor of the merger. As there will not be a meeting at which a First Mariner stockholder can vote against the merger, to satisfy the first of the two requirements for exercising appraisal rights, a stockholder of First Mariner must send a written objection to the merger by December 6, 2017 to the General Counsel of First Mariner at Joseph F. Howard, Esq., General Counsel, Senior Vice President, First Mariner Bank, 3301 Boston St., Baltimore, MD 21224.

Howard will promptly notify any stockholder of First Mariner who sent a timely written objection to the merger, or an objecting stockholder, of the effective date of the merger. Any objecting stockholder must, within 30 days after the merger becomes effective, make a written demand on Howard for payment and surrender any stock certificates held by such objecting stockholder.

Howard Bank may, but is not required to, offer to pay in cash to the objecting stockholders not more than what Howard considers to be the fair value of the objecting stockholder's shares of stock. An objecting stockholder who accepts such an offer is barred from receiving the appraised fair value of the objecting stockholder's shares of stock under Section 3-719 of the MCFI.

Under the MCFI, the fair value of the objecting stockholder's shares of stock is determined as of the date of the stockholders' meeting approving a consolidation, merger, or transfer of assets. As the merger was approved by First Mariner stockholders on August 15, 2017, that will be the date as of which the fair value of any objecting stockholder's shares will be determined.

The determination of fair value shall be made by three appraisers as follows: (i) one chosen by the owners of two-thirds of all of the shares held by all objecting stockholders; (ii) one chosen by the Howard board of directors; and (iii) the third chosen by the other two appraisers. The fair value to which any two appraisers agree shall be the fair value. The appraisers shall give notice of the fair value determination to Howard and to each stockholder who has validly made demand for such determination under Section 3-719 of the MCFI.

Within five days after the appraisers give the notice of the fair value determination, a stockholder who has validly made demand for the determination under Section 3-719 of the MCFI and who is dissatisfied with that value may notify the Commissioner of the Maryland Office of the Commissioner of Financial Regulation, or the Commissioner, and the Commissioner shall have the shares reappraised, which reappraisal shall be final and binding as to the value of the shares of stock of that stockholder.

If the appraisal to be made by the three appraisers described above is not completed within 90 days after the merger becomes effective, the Commissioner shall have an appraisal made. This appraisal would be final and binding as to the value of the shares of stock of all objecting stockholders. Howard shall pay the expenses of each appraisal made under this section.

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Copies of Sections 3-718 through 3-720 of the MCFI related to a stockholders right to fair value are attached as Annex II to this joint proxy and information statement/prospectus. You should read such provisions carefully.

As noted above, a First Mariner stockholder must file a written objection to the merger by December 6, 2017 or make demand within 30 days of the effective date of the merger to exercise his, her or its right to fair value. Failure to do so will result in the forfeiture of that stockholder's right to fair value and such stockholder will be bound by the terms of the merger agreement and will receive the merger consideration for his, her or its shares.

Public Trading Markets

Howard common stock is listed on the Nasdaq Capital Market under the symbol "HBMD." First Mariner common stock is not listed on any stock exchange or quoted on interdealer quotation system. The newly issued Howard common stock issuable pursuant to the merger agreement will be listed on the Nasdaq Capital Market and freely transferable under the Securities Act.

Nasdaq Listing of Howard Common Stock

Before the effective time of the merger, Howard has agreed to use its reasonable best efforts to cause the shares of Howard common stock to be issued in the merger to be approved for listing on the Nasdaq Capital Market. The listing of the shares of Howard common stock is also a condition to the consummation of the merger.

Howard's Dividend Policy

Howard has not declared or paid any dividends on the Howard common stock. Howard currently intends to retain all future earnings, if any, for use in the Howard business and does not anticipate paying cash dividends on the Howard common stock in the foreseeable future; however, the Howard board of directors may decide to declare dividends in the future. Payments of future dividends, if any, will be at the discretion of the Howard board of directors after taking into account various factors, including the business, operating results and financial condition, current and anticipated cash needs, plans for expansion, tax considerations, general economic conditions and any legal or contractual limitations on ability to pay dividends. Howard is not obligated to pay dividends on the Howard common stock.

As a bank holding company, Howard's ability to declare and pay cash dividends is dependent upon, among other things, restrictions imposed by the reserve and capital requirements of Maryland and federal law and regulations, Howard's income and financial condition, tax considerations and general business conditions. In addition, because Howard is a holding company, Howard is dependent upon the payment of dividends by Howard Bank as its principal source of funds to pay dividends in the future, if any, and to make other payments. As the sole stockholder of Howard Bank common stock, Howard is entitled to receive dividends, when declared by the Howard Bank board of directors, out of funds that are legally available for dividends. Howard Bank is subject to certain statutory and regulatory restrictions on the amount of dividends it can pay to its stockholder.

Regulatory Approvals Required for the Merger

Federal Reserve Board. The acquisition by a bank holding company of a bank requires the prior approval of the FRB under Section 3 of the Bank Holding Company Act of 1956, or BHCA, although approval may not be required for certain acquisitions that are part of transactions that require regulatory approval under the Bank Merger Act and that meet certain other conditions. Howard plans to request that the FRB confirm that no prior approval is necessary or waive the filing requirement, but the FRB nevertheless may require a standard Section 3 application.

Under the BHCA, the FRB generally may not approve any proposed transaction:

- That would result in a monopoly or that would further a combination or conspiracy to monopolize banking in the United States; or
- That could substantially lessen competition in any section of the country, that would tend to

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create a monopoly in any section of the country, or that would be in restraint of trade, unless the FRB finds that the public interest in meeting the convenience and needs of the communities served outweighs the anti-competitive effects of the proposed transaction.

The FRB is also required to consider the financial and managerial resources and future prospects of the companies and their subsidiary banks and the convenience and needs of the communities to be served. The FRB also must take into account the record of performance of Howard Bank and First Mariner in meeting the credit needs of their communities, including low- and moderate-income neighborhoods. In addition, the FRB must take into account the effectiveness of the companies in combating money laundering activities. Among other things, the FRB will evaluate the capital adequacy of the combined company after completion of the merger. The BHCA also directs the FRB to take into consideration the extent to which a proposed acquisition would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. The FRB presumes that a proposal that involves an acquisition of less than $10 billion in assets, or that results in a firm with less than $100 billion in total consolidated assets, will not pose significant risks to the financial stability of the United States absent evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.

In connection with its review of an application under Section 3 of the BHCA, the FRB will provide an opportunity for public comment on the application for the merger, and is authorized to hold a public meeting or other proceedings if it determines that would be appropriate. Any transaction approved by the FRB generally may not be completed until 30 days after such approval, during which time the U.S. Department of Justice may challenge such transaction on antitrust grounds and seek divestiture of certain assets and liabilities.

Maryland Commissioner. The acquisition of a Maryland bank by a bank holding company is subject to the prior approval of the Maryland Commissioner under Section 5-903 of the MCFI. In determining whether to approve the merger, the Maryland Commissioner will consider:

- Whether the acquisition may be detrimental to the safety and soundness of First Mariner; and

- Whether the acquisition may result in an undue concentration of resources or a substantial reduction of competition in the State of Maryland.

The Maryland Commissioner will not approve any acquisition if upon consummation the combined entity (including any of its bank subsidiaries) would control 30% or more of the total amount of deposits of insured depository institutions in the State of Maryland, although the Maryland Commissioner may waive this limitation upon good cause shown. Howard Bank will not control 30% of the insured deposits in Maryland after the merger.

Federal Deposit Insurance Corporation. The merger is subject to the prior approval of the FDIC under the Bank Merger Act, or BMA, which is located in Section 18(c) of the Federal Deposit Insurance Act. The FDIC may not approve a merger that would result in a monopoly; that would further an attempt to monopolize the business of banking in any part of the United States; or that would have the effect of substantially lessening competition, unless the FDIC finds that the public interest outweighs the anticompetitive effects. In evaluating an application filed under the BMA, the FDIC generally considers: (i) the financial and managerial resources and future prospects of each bank that is a party to the merger; (ii) the convenience and needs of the communities that the banks serve; (iii) the risk to the stability of the U.S. banking or financial system; (iv) each of the banks' effectiveness in combating money-laundering activities; and (v) the record of each bank's CRA performance, including their CRA ratings. A bank must publish three notices of the filing over a 25-day period, the first of which triggers a 30-day comment period. The FDIC may hold a public hearing if it determines that a hearing would be in the public interest, or the FDIC may arrange an informal proceeding in its discretion.

Maryland Commissioner. The merger is subject to the prior approval of the Maryland Commissioner under Section 3-703(c) of the MCFI. The Maryland Commissioner will approve the merger if it determines that: (i) Howard Bank meets the requirements of Maryland law for the formation of a new commercial bank; (ii) the merger agreement provides an adequate capital structure, including surplus, for Howard Bank in relation to its deposit liabilities and other activities; (iii) the merger is fair; and (iv) the proposed merger is not against the public interest.

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Applications; Approvals
Howard will file an application with the FRB under section 3(a)(3) of the BHCA to acquire First Mariner. On September 15, 2017, Howard Bank filed applications with the FDIC and Maryland Commissioner requesting the approval of the merger of First Mariner with and into Howard Bank. Howard Bank published notice of the BMA filing on September 18, 2017, September 30, 2017 and October 13, 2017. In general, the applications describe the terms of the merger, the parties involved and the activities to be conducted by the combined entities following consummation of the transaction, and contain certain related financial and managerial information.
We are not aware of any material governmental approvals or actions that are required to complete the merger, except as described above. If any other approval or action is required, we will use our best efforts to obtain such approval or action.

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THE MERGER AGREEMENT

The following describes certain material provisions of the merger agreement, but does not describe all of the terms of the merger agreement and may not contain all of the information about the merger agreement that is important to you. The following is not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this joint proxy and information statement/prospectus as Annex I and is incorporated by reference into this joint proxy and information statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

Structure of the Merger

Each of the First Mariner board of directors and the Howard board of directors has approved the merger agreement, which provides for the merger of First Mariner with and into Howard Bank, with Howard Bank continuing as the surviving bank of the merger and a wholly owned subsidiary of Howard.

The Merger Consideration

As a result of the merger, each share of First Mariner common stock and each share of First Mariner preferred stock issued and outstanding immediately prior to the merger will be converted into the right to receive the merger consideration.

Fractional Shares

Howard will not issue any fractional shares of Howard common stock in the merger. Instead, a First Mariner stockholder who otherwise would have been entitled to receive a fraction of a share of Howard common stock will receive, in lieu thereof, an amount in cash rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of Howard common stock to which the holder would otherwise be entitled by $32.50.

Treatment of First Mariner Stock Options and First Mariner Warrants

First Mariner Stock Options. At the effective time of the merger, each option granted by First Mariner to purchase shares of First Mariner common stock under First Mariner's equity plan, whether vested or unvested, outstanding immediately prior to the effective time of the merger, will fully vest and be canceled and converted into the right to receive from Howard a cash payment equal to the product of (1) the total number of shares of Howard common stock subject to such option, and (2) the difference, if positive, between the per share cash amount and the exercise price per share of such option. Any such option with an exercise price per share that equals or exceeds the per share cash amount will be canceled at the effective time of the merger with no consideration paid to the option holder therefor.

First Mariner Warrants. At the effective time of the merger, each warrant granted by First Mariner to purchase shares of First Mariner common stock outstanding immediately prior to the effective time of the merger, will be canceled and converted into the right to receive from Howard a cash payment equal to the product of (1) the total number of shares of Howard common stock subject to such warrant, and (2) the difference, if positive, between the per share cash amount and the exercise price per share of such warrant. Any such warrant with an exercise price per share that equals or exceeds the per share cash amount will be canceled at the effective time of the merger with no consideration paid to the warrant holder therefor.

Surviving Corporation, Governing Documents and Directors

At the effective time of the merger, Howard Bank's charter and bylaws in effect immediately prior to the effective time of the merger will be the charter and bylaws of Howard Bank as the surviving bank of the merger, until thereafter amended in accordance with their respective terms and applicable law.

Immediately following the merger, the Howard board of directors is expected to be composed of 14 directors, with eight to be designated by Howard and six to be designated by First Mariner. Such directors are identified in the table below.

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Name	Current Principal Affiliation
Mary Ann Scully	