

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

<b>1</b> Issuer's name HOWARD BANCORP, INC.		<b>2</b> Issuer's employer identification number (EIN) 20-3735949	
<b>3</b> Name of contact for additional information DAVID BOROWY	<b>4</b> Telephone No. of contact 410-558-3337	<b>5</b> Email address of contact DBOROWY@HOWARDBANK.COM	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact 3301 BOSTON STREET		<b>7</b> City, town, or post office, state, and ZIP code of contact BALTIMORE, MD 21224	
<b>8</b> Date of action MARCH 1, 2018		<b>9</b> Classification and description COMMON STOCK	
<b>10</b> CUSIP number 442496105	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol HBMD	<b>13</b> Account number(s)

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The securities subject to reporting include all shares of Howard Bancorp, Inc. common stock issued in exchange for the outstanding common and preferred stock of First Mariner Bank ("FMB") as a result of the merger of FMB with and into Howard Bank which continues as the surviving corporation, and remains a wholly owned subsidiary of Howard Bancorp, Inc. effective March 1, 2018.

Throughout the rest of this document, Howard Bancorp, Inc. is represented by the abbreviated term, "Howard."

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ As a result of the merger, each share of FMB common and preferred stock was exchanged for 1.6624 shares of Howard common stock. No fractional shares of Howard common stock were issued in connection with the merger. To the extent that the exchange would have resulted in the issuance of a fractional share of Howard common stock to an FMB shareholder, a cash payment equal to the per share cash amount of the fractional share was paid in lieu of issuing a fractional share of Howard common stock. For each identifiable block of FMB common and preferred shares surrendered in the exchange having a common tax basis, the aggregate tax basis of the shares of Howard common stock received in the exchange will be equal to the tax basis of the FMB common and preferred shares surrendered in the exchange. The tax basis of each individual share of Howard common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of Howard common shares (including any fractional share deemed to have been distributed in the exchange) that comprise this identifiable block.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See the description of the basis calculation in Part II, Box 15 above. The basis and holding period of each block of Howard common stock received will be determined on a block-for-block basis depending on the basis and holding period of the blocks of FMB common stock or FMB preferred stock exchanged for such block of Howard common stock.

**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Section 368(a) of the Internal Revenue Code of 1986, as amended.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18** Can any resulting loss be recognized? ▶ No loss can be recognized upon the exchange of FMB shares for Howard common stock. If a taxable loss is calculated on the deemed sale of a fractional share of Howard common stock deemed to have been received in the exchange, this loss can be recognized.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This transaction was completed on March 1, 2018. Consequently, the reportable tax year of the FMB shareholders for reporting the tax effect of the share exchange is the tax year that includes the March 1, 2018 date. This is the 2018 calendar year for those shareholders who report taxable income on the basis of a calendar year. If you received a check for a fractional share, the payment was 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.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ David E. Borowy Date ▶ April 13, 2018

<b>Paid Preparer Use Only</b>	Print your name ▶ <u>David E. Borowy</u>	Preparer's signature	Title ▶ <u>SVP, Financial Planning &amp; Tax</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	