

2020 Second Quarter Earnings Presentation July 28, 2020

Forward Looking Statements

This presentation and statements by the Company's management contains "forward-looking statements" as that phrase is defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements can be identified by words such as "anticipated," "expects," "intends," "believes," "may," "likely," "will" or other statements that indicate future periods. Such statements include, without limitation, statements regarding management's predictions or expectations about future economic conditions, statements about the Company's business or financial performance, as well as management's outlook or expectations for earnings, revenues, expenses, capital levels, liquidity levels, asset quality or other future financial or business performance, strategies or expectations. Such forward-looking statements are based on various assumptions (some of which may be beyond the Company's control) and are subject to risks and uncertainties which change over time and other factors which could cause actual results to differ materially from those currently anticipated. These risks and uncertainties include, but are not limited to: the impact of the recent outbreak of COVID-19 on our business, including the impact of the actions taken by governmental authorities to try and contain the virus or address the impact of the virus on the United States economy (including, without limitation, the CARES Act), and the resulting effect of these items on our operations, liquidity and capital position, and on the financial condition of the Company's borrowers and other customers; conditions in the financial markets and economic conditions generally and in the bank and non-bank financial services industries, nationally and within our local market areas, including the effects of declines in housing markets, an increase in unemployment levels and slowdowns in economic growth; the Company's level of nonperforming assets and the costs associated with resolving problem loans including litigation and other costs; the impact of changes in interest rates; credit quality and strength of underlying collateral; the credit risk associated with the substantial amount of commercial real estate, construction and land development, and commercial and industrial loans in the Company's loan portfolio; the extensive federal and state regulation, supervision and examination governing almost every aspect of the Company's operations and potential expenses associated with complying with such regulations; possible additional loan losses and impairment of the collectability of loans; the Company's ability to comply with applicable capital and liquidity requirements; any further impairment of the Company's goodwill or other intangible assets; losses resulting from pending or potential litigation claims may exceed amounts accrued with respect to such matters; system failure or cybersecurity breaches of the Company's network security; the Company's ability to recruit and retain key employees; the effects of weather and natural disasters such as floods, droughts, wind, tornadoes and hurricanes as well as effects from geopolitical instability and man-made disasters including terrorist attacks; the effects of any reputation, credit, interest rate, market, operational, legal, liquidity, regulatory and compliance risk resulting from developments related to any of the risks discussed above; litigation and other risks and uncertainties. Additional risks and uncertainties are contained in the "Risk Factors" and forward-looking statements disclosure in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The inclusion of this forward-looking information should not be construed as a representation by us or any person that future events, plans, or expectations contemplated by us will be achieved. Forward-looking statements are as of the date they are made, and the Company does not undertake to update any forward-looking statement, whether written or oral, whether as a result of new information, future events, or otherwise, except as required by law.

Non-GAAP Information

This presentation contains references to financial measures that are not defined in generally accepted accounting principles (“GAAP”). Such non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the manner in which we calculate the non-GAAP financial measures that we discuss in this press release may differ from that of other companies reporting measures with similar names. You should understand how such other banking organizations calculate their financial measures with names similar to the non-GAAP financial measures we have discussed in this press release when comparing such non-GAAP financial measures.

The Company’s management uses non-GAAP financial measures as management believes that non-GAAP financial measures provide additional useful information that allows readers to evaluate the ongoing performance of the Company and provide meaningful comparison to its peers. Non-GAAP financial measures should not be considered as an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider the Company's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Company.

The Company has excluded the after tax impact of its recently exited mortgage banking activities, the goodwill impairment charge, and items determined to be infrequently occurring, as well as a one-time income tax benefit as a result of the CARES Act. The reconciliation is presented in the Appendix to this presentation.

Howard's Investment Value Thesis

- Commercially focused bank, operating in demographically attractive region, leveraging both scale and market position as largest locally owned bank and 3rd largest state headquartered bank in a consolidating industry
- Core PPNR increased 29% YOY reflecting fruits of strategic focus
- Outsized participation in PPP (share of PPP loans vs deposit market share) both enhances EPS and furthers opportunities to take loan and deposit share
- Funding costs dropping faster than portfolio loan yields mitigating the macro interest rate environment pressure on net interest margin as does fixed vs floating loan mix
- Significant economic uncertainty and headwinds acknowledged with a significant - 79% YOY-increase in the allowance providing us with 1.43% coverage of portfolio loans and 1.4x coverage of classified assets
- No significant concentrations in individual customer exposures and/or individual highly impacted industries
- Capital Levels (11.66% CET1) in excess of well capitalized provides cushion under multiple stress scenarios
- Exceptionally strong liquidity – on and off balance sheet – accompanied by evidence of customer liquidity

(continued)

Howard's Investment Value Thesis *(continued)*

- Significant participation (1,034 loans and \$199 million) in the PPP program, will have significant fee upside impact in late 2020/early 2021 but has also driven customers of larger out of state banks to open relationships. Participation level twice deposit market share.
- New relationships in small business, business banking and middle market portfolios
- Proactive approach to managing both employee and customer health and safety tangibly well received internally and externally
- Community support of \$100,000+ in additional philanthropy to 10 not for profits makes strong statement of local leadership ; majority focused on underserved populations in majority minority jurisdictions

COVID-19 in Our Market and Impact on Local Economy

Governor Hogan held a press conference on July 15, 2020 and shared the following facts relating to the impact of the pandemic on the Maryland economy:

- In MD, we were able to keep 70% of economy open during pandemic.
- In MD's Roadmap to Recovery, 62 days ago the stay-at -home order was lifted. 41 days ago, we entered stage 2 of the recovery plan.
- Now, 98% of the economy is open and able to operate safely.
- Maryland's unemployment rate is much lower than national rate, better than most states in USA, and best among states in our region.

Seeing recent spike in cases in certain parts of the Country, including modestly higher case numbers here in Maryland, willing to re-inforce restrictions ;proactive stance resulting in changed behaviors

9.9% May unemployment in Maryland vs 13.3% for the US and 11.2% for the Fifth Federal Reserve District- consistent with historical outperformance of the state

COVID-19 and What We've Learned to Date – Customer Delivery and Work From Home

Headquarters and regional commercial staffs still working successfully from home; branches still successfully operating in drive through / call ahead mode

Customers have taken advantage of digital banking offerings over the last quarter.

- Increases in digital:
 - 8% increase in online banking enrollments
 - 11% increase in mobile banking enrollments
- Decreases in traditional:
 - 30% decrease in branch transactions

YOY 22% reduction in card transaction volumes over the same period last year starting to reverse in June.

Increasing investments in digital investments

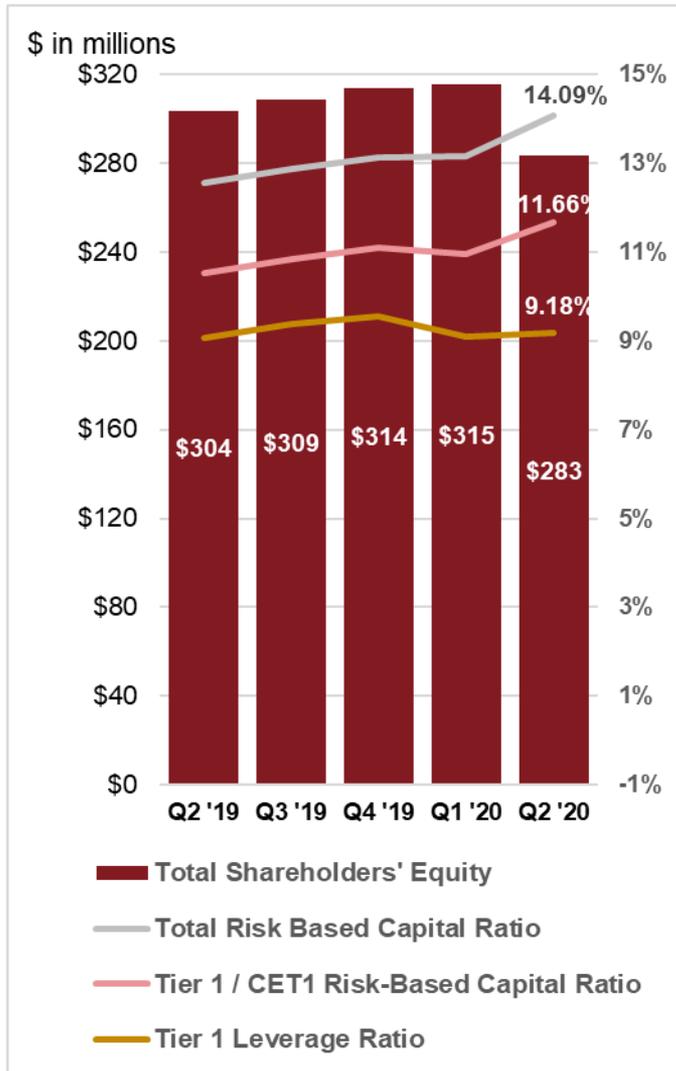
Online/ customer office business account opening

Zelle - initially consumer only P to P best practice

Architect online business banking upgrade

Business line dashboard investment

Strong Capital Position



- Recorded a goodwill impairment charge of \$34.5 million in 2nd quarter of 2020; this charge had no impact on regulatory capital
- At June 30, 2020, regulatory capital ratios exceed all well-capitalized standards:
 - Tier 1 leverage ratio at June 30, 2020 of 9.18%, up from 9.10% at March 31, 2020
 - CET1 and Tier 1 capital ratios at June 30, 2020 of 11.66%, up from 10.95% at March 31, 2020
 - Total capital ratio at June 30, 2020 of 14.09%, up from 13.16% at March 31, 2020

Strong Liquidity Position

Available liquidity at June 30, 2020 consisted of the following:

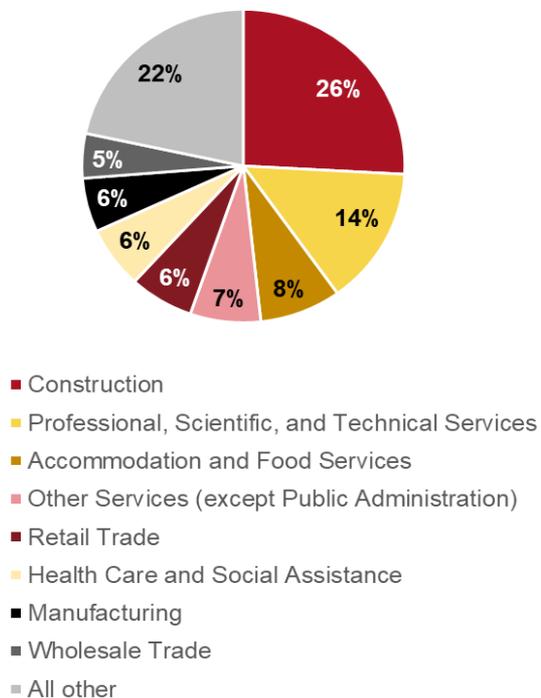
	<i>(in millions)</i>
Total cash and cash equivalents	\$ 59.1
Unpledged available-for-sale securities	174.6
Paycheck Protection Program Liquidity Facility, ("PPPLF")	167.7
Federal Home Loan Bank borrowing availability	264.1
Federal Reserve borrowing availability	89.2
Total Available Liquidity	<u>\$ 754.7</u>

- We continue to reduce the excess on-balance sheet liquidity that we added in the early stages of the pandemic; this excess liquidity continues to weigh on our net interest margin
- We continue to increase our contingency funding capacity at both the FHLB and FRB
- We have made limited usage of the FRB's Paycheck Protection Program Lending Facility ("PPPLF") to date, with \$31.1 million of borrowings as of June 30, 2020
 - Our strong customer deposit growth and availability of lower-cost alternative short-term funding sources have driven this limited usage
 - We may increase our utilization of the PPPLF in the third quarter
- Additional liquidity is available through Federal funds lines and wholesale deposits often at rates lower than the PPPLF

SBA Paycheck Protection Program

SBA Tier	# of Loans Funded	% of Total	Amount Funded (\$ in millions)	% of Total	Average Loan (\$ in thousands)	Processing Fee %	Processing Fees (\$ in millions)
Up to \$350,000	880	85.1%	\$ 61.9	31.0%	\$ 70	5%	\$ 3.1
> \$350,000 to < \$2.0 million	145	14.0%	106.7	53.4%	736	3%	3.2
\$2.0 million and above	9	0.9%	31.2	15.6%	3,469	1%	0.3
Total	1,034	100.0%	\$ 199.8	100.0%	\$ 193		\$ 6.6

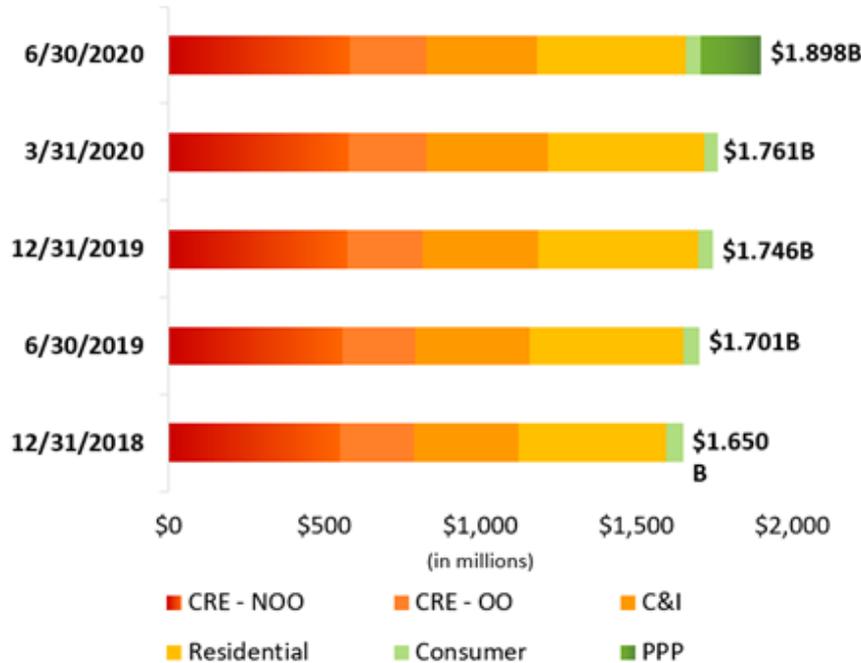
% of PPP Funded by Industry



- Balances are as of June 30, 2020
- An additional \$1.5 million have been funded through July 24
- Substantially all of our PPP loans were made to existing customers
- Processing fees, net of origination costs, are being deferred and amortized over the contractual life of the loans
- Our effective PPP yield is 2.53%
- PPP loans contributed \$1.0 million of pretax income in the second quarter

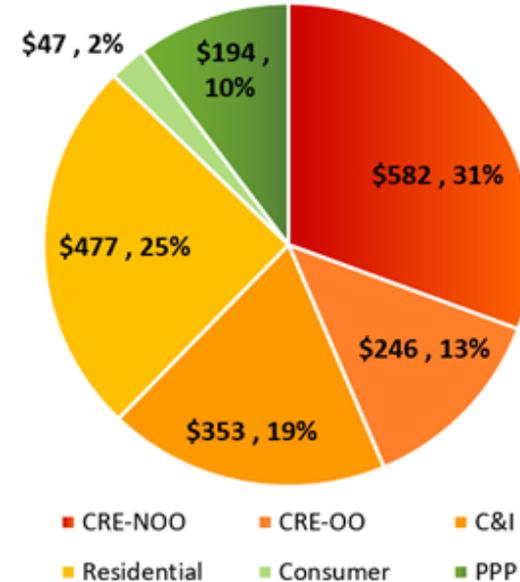
Loan Portfolio Composition

Loan Mix Trend



Loans by Customer Segment

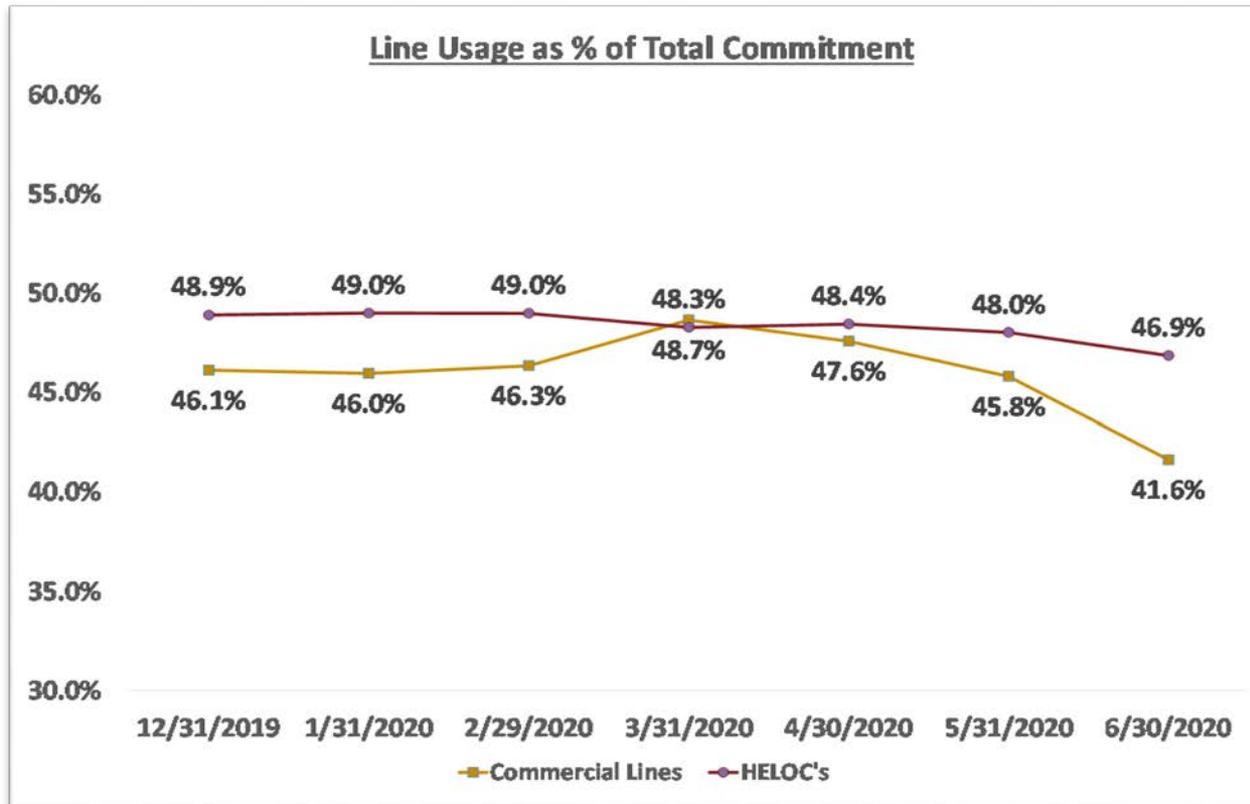
6/30/2020 (millions)



- Our loan portfolio includes 68.8% of commercial loans (excluding PPP loans) consistent with successful differentiated positioning as the largest locally headquartered bank in the Greater Baltimore market.
- Commercial loan volumes are down due to the current pandemic situation, although new loan acquisition is still occurring with strong clients.
- Residential loan balances have reduced due to the sale of the mortgage division and the current refinance boom due to historical low mortgage rates.

"Portfolio loans," which exclude PPP loans, and is a non-GAAP measure. See the reconciliation of GAAP to non-GAAP in the Appendix.

Credit Line Utilization



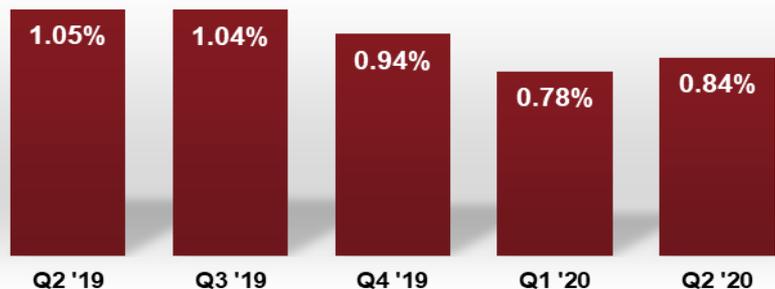
- Loan outstandings from our commercial lines of credit decreased by **\$31.1 million** during the quarter.
- Our line utilization is down about 5% from this time last year, reflecting higher liquidity levels at many of our borrowers.

Credit Culture / Underwriting Standards

- Strong credit culture built off experienced, credit-trained loan officers charged with generation of quality assets; credit bench is deep and tenured with several members > 20 years of experience with larger institutions
- Bank is focused on building long-standing relationships, not just transactions, with local sponsors well-known to management; principally lend in markets where we have a physical presence
- Global underwriting employed in CRE as well as C&I, including all contingent liabilities; secured Cash flow lenders-DSC and LTV guidelines
- Non-recourse is the exception / employed for instances of superior operating metrics
- Management Loan Committee approves all transactions >\$3,000,000; Credit sign-off required for all transactions > \$1,500,000
- Special Assets Team is tenured and battle-tested with a proven track record of problem resolution and capital preservation
- Rigorous top down analysis of sectors- especially those in impacted industries- complements traditional bottom up analysis
- Constant migration analyses

Asset Quality Trends

NPA's / Total Assets (%) ⁽¹⁾



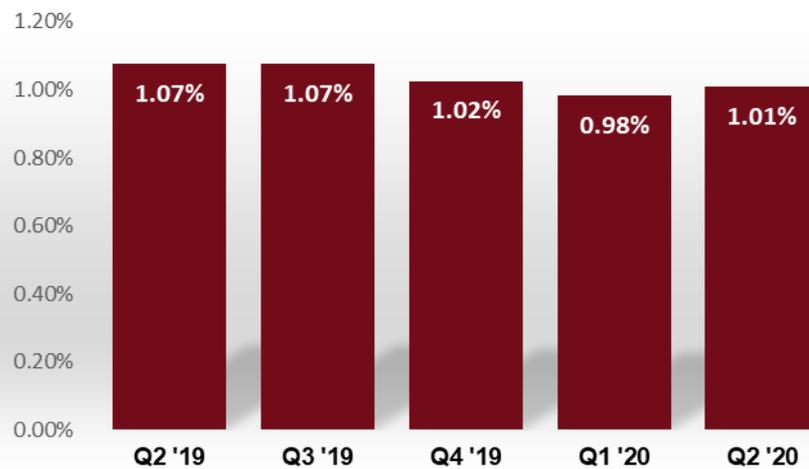
NCO's ⁽²⁾ / Average Portfolio Loans



Accruing 30+ Days PD / Portfolio Loans (%)



Classified Loans ⁽³⁾ / Portfolio Loans (%)



(1) NPAs include NPL's (i.e., nonaccruals and troubled debt restructurings) and OREO.

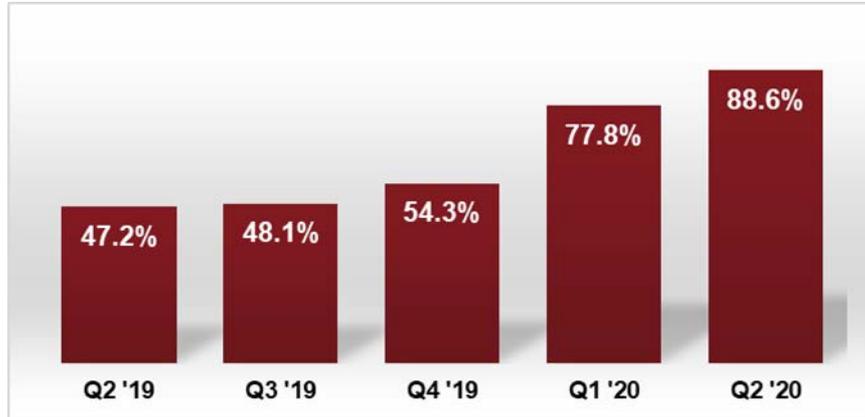
(2) Net charge offs ("NCOs" Annualized) / Average Loans for the three months ended in each respective quarter.

(3) Classified Loans is the sum of loans rated substandard, doubtful and loss.

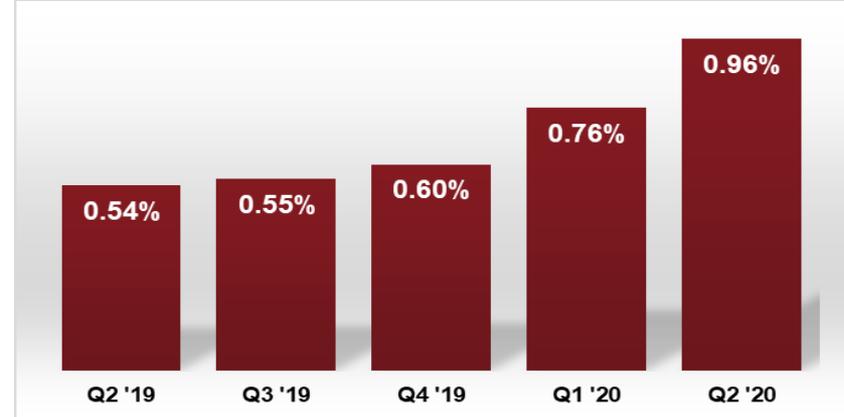
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Asset Quality Trends (continued)

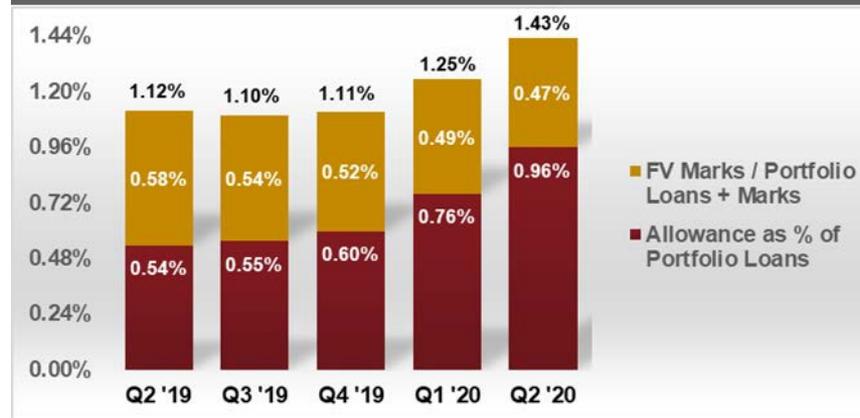
Allowance / NPL's (%) ⁽¹⁾



Allowance / Portfolio Loans (%)



Allowance + FV Marks as % of Portfolio Loans



"Portfolio loans," which exclude PPP loans, and the "Allowance + FV Marks", are non-GAAP measures. See the reconciliation of GAAP to non-GAAP in the Appendix.

Loan Modifications for Borrowers

Our loan modifications to qualified borrowers have consisted primarily of interest-only and P&I deferrals, generally for periods of 2-3 months but for as long as 6 months. Balances modified in the following table are in millions:

As of April 24, 2020	New Modifications	Modifications Ended	As of July 24, 2020
Total Modifications:			
• # accts modified	108	265	• # accts modified
• \$ modified	\$ 16.5	\$ 103.2	• \$ modified
• % of total portfolio			• % of total portfolio
Commercial / CRE:			
• # accts modified	44	102	• # accts modified
• \$ modified	\$ 4.4	\$ 60.8	• \$ modified
• % of total portfolio			• % of total portfolio
Consumer:			
• # accts modified	64	163	• # accts modified
• \$ modified	\$ 12.1	\$ 42.5	• \$ modified
• % of total portfolio			• % of total portfolio

- Total modifications as of June 30, 2020 were \$291.4 million (17.1% of total portfolio); \$63.5 million of loans have come off modification thus far in July

July 24, 2020 modifications are expressed as a % of June 30, 2020 "Portfolio loans," which exclude PPP loans, and is a non-GAAP measure. See the reconciliation of GAAP to non-GAAP in the Appendix.

Potential Highly Impacted Loan Sectors

The following table presents the industry segments within our loan portfolio that may be most highly impacted by COVID-19. Loan balances and PPP balances are at June 30, 2020; loan modification balances are as of July 24, 2020; \$ in millions):

Loan Category	Loan Balance	As % of Total Loans	Total Exposure	As % of Total Exposure	Balance with Modifications	As % of Loan Category	SBA PPP Loan Relief	As % of Loan Category
CRE - retail	\$ 109.1	6.4%	\$ 109.1	5.3%	\$ 27.2	24.9%	\$ -	0.0%
Hotels	60.8	3.6%	62.8	3.0%	52.7	86.6%	1.5	2.5%
CRE - residential rental	47.8	2.8%	47.8	2.3%	8.8	18.4%	-	0.0%
Nursing and residential care	39.7	2.3%	44.8	2.2%	2.5	6.4%	2.2	5.6%
Retail trade	23.6	1.4%	38.3	1.9%	2.1	8.9%	12.9	54.7%
Restaurants and caterers	28.4	1.7%	32.0	1.6%	19.5	68.5%	14.7	51.6%
Religious and similar organizations	29.1	1.7%	31.1	1.5%	3.3	11.4%	6.1	20.8%
Arts, entertainment, and recreation	15.0	0.9%	17.6	0.9%	7.5	49.9%	3.2	21.0%
Total - selected categories	<u>\$ 353.6</u>	20.7%	<u>\$ 383.5</u>	18.6%	<u>\$ 123.6</u>	35.0%	<u>\$ 40.5</u>	11.5%
Total - Q1 Presentation	<u>\$ 357.6</u>	20.3%	<u>\$ 390.1</u>	18.6%	<u>\$ 123.9</u>	34.6%	<u>\$ 21.9</u>	6.1%

- The potential highly impacted loan sectors are unchanged from our Q1 presentation
- Modifications in the above sectors represent 57% of total commercial / CRE loan modifications
- SBA PPP relief in the above sectors represents 20% of total PPP approvals
- De minimis exposure to Energy, Travel, Transportation & Aerospace, Trucking

Loan balances are expressed as a % of June 30, 2020 "Portfolio loans," which exclude PPP loans, and is a non-GAAP measure. See the reconciliation of GAAP to non-GAAP in the Appendix.

Increasing Our Allowance for Credit Losses

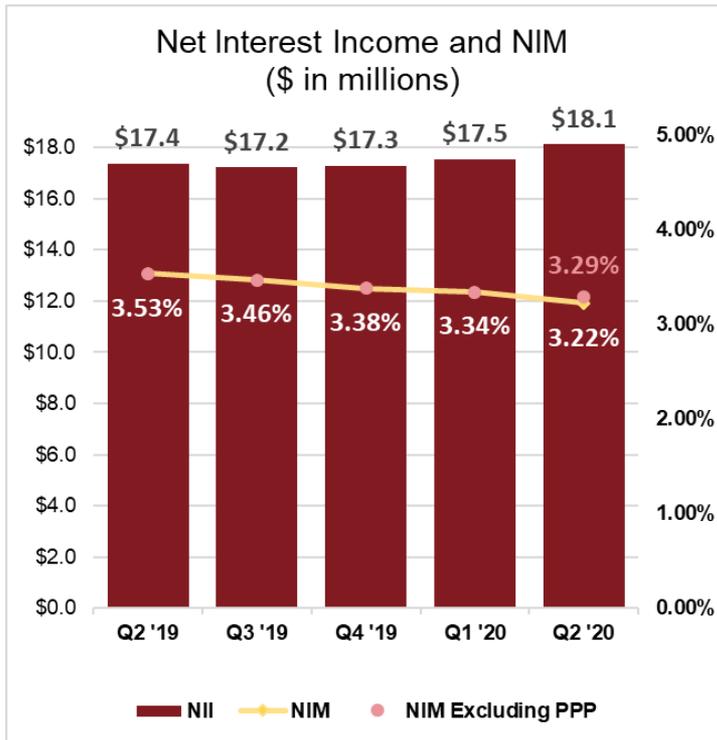
The following table presents our allowance, both in \$ and as a % of total loans (1), for the last three quarters (\$ in thousands):

Portfolio	December 31, 2019		March 31, 2020		June 30, 2020	
	\$	%	\$	%	\$	%
CRE - NOO	\$ 2,968	0.67%	\$ 4,130	0.92%	\$ 5,752	1.27%
CRE - OO	788	0.33%	1,254	0.50%	1,660	0.67%
Construction & Land	1,256	0.98%	1,192	0.91%	1,530	1.19%
Commercial	2,103	0.56%	2,950	0.76%	3,398	0.96%
Residential mortgage	2,256	0.52%	2,204	0.51%	2,355	0.58%
Home equity	478	0.64%	863	1.21%	868	1.29%
Consumer	552	1.18%	791	1.77%	821	1.76%
Total	<u>\$ 10,401</u>	<u>0.60%</u>	<u>\$ 13,384</u>	<u>0.76%</u>	<u>\$ 16,384</u>	<u>0.96%</u>
Total commercial	\$ 7,115	0.60%	\$ 9,526	0.78%	\$ 12,340	1.04%
Total personal	3,286	0.59%	3,858	0.71%	4,044	0.77%

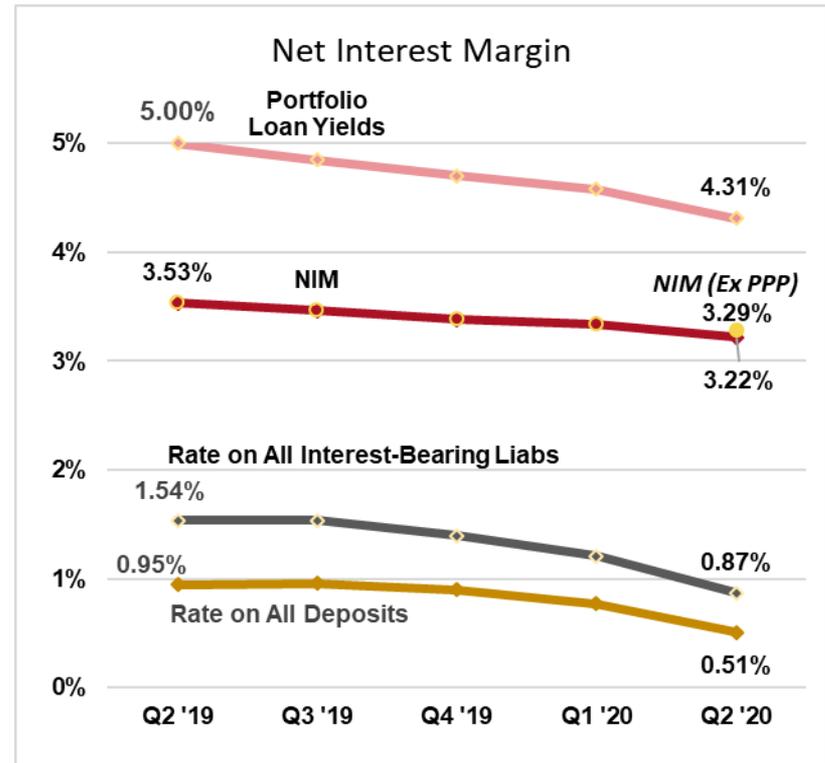
- The rolling average loss rate used in our incurred loss allowance model continued to decline, with Q2 '20 at 0.20% / Q1 '20 at 0.25% / Q4 '19 at 0.29%.
- No specific allocations were required during the quarter.
- Allowance increased on average by 20 basis points through our qualitative factors, primarily economic conditions and concentrations of potential highly impacted loans
- While loan modification and PPP loan assistance will reduce short-term risks in the portfolio, we expect risk rating downgrades and potential increases in charge-offs in future periods
- \$3.0 million provision / \$2.97 million increase in 6/30/20 allowance over 3/31/20 level; YTD increase of \$6.0 million.

June 30, 2020 is expressed as a % of "Portfolio loans," which exclude PPP loans, and is a non-GAAP measure. See the reconciliation of GAAP to non-GAAP in the Appendix.

Net Interest Income & NIM



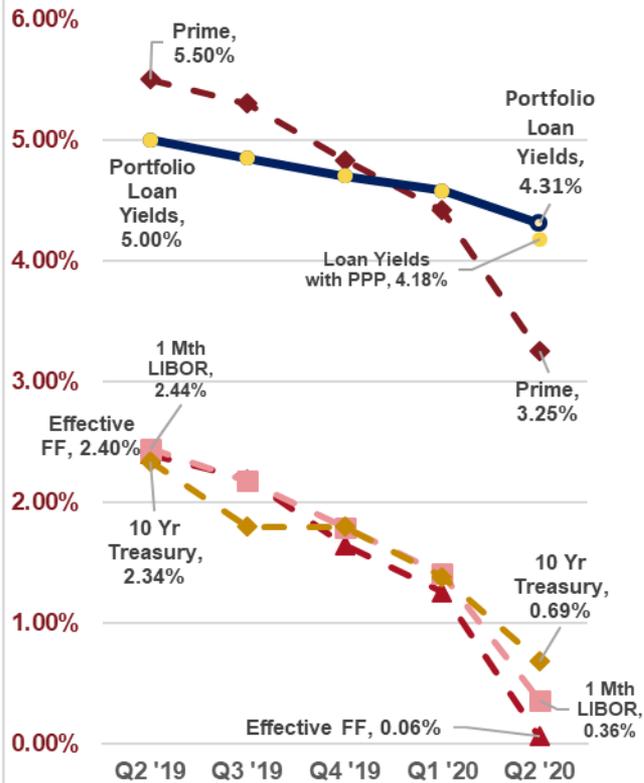
- Our change in funding mix led to a decrease in interest expense which more than offset the reduction in interest income from Q1 '20 to Q2 '20
- Mix of fixed rate loan assets and a high percentage of low cost transaction deposits provides protection against declining rates



- NIM decreased 12 bps vs Q1 '20
 - +34 bps reduced cost of interest-bearing liabilities
 - -43 bps earning asset yields
 - -4 bps effect of noninterest-bearing deposits
- Excess liquidity from Q1 adversely impacted Q2 NIM

Loan Yields and Deposit Rate Trends

Loan Yields & Quarterly Avg Interest Rates



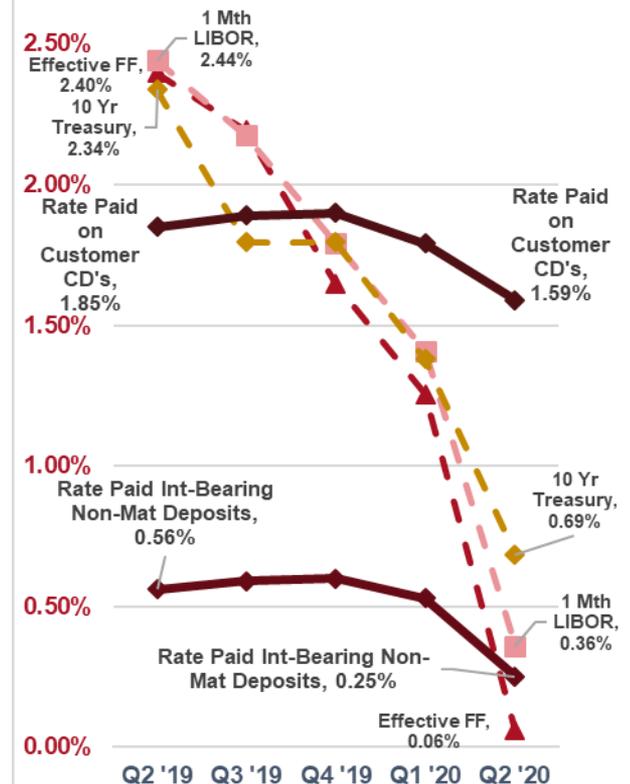
- Loan yield down 69 bp from Q2 2019 (ex. PPP loans)
- Good mix of fixed rate loans partially mitigates the rate of decline in yield

Dramatic drop in market rates during the last five quarters, including:

- Prime – down 225 bp
- 10 yr Treasury – down 165 bp
- 1 month LIBOR – down 208 bp
- Fed Funds (effective) – down 234 bp

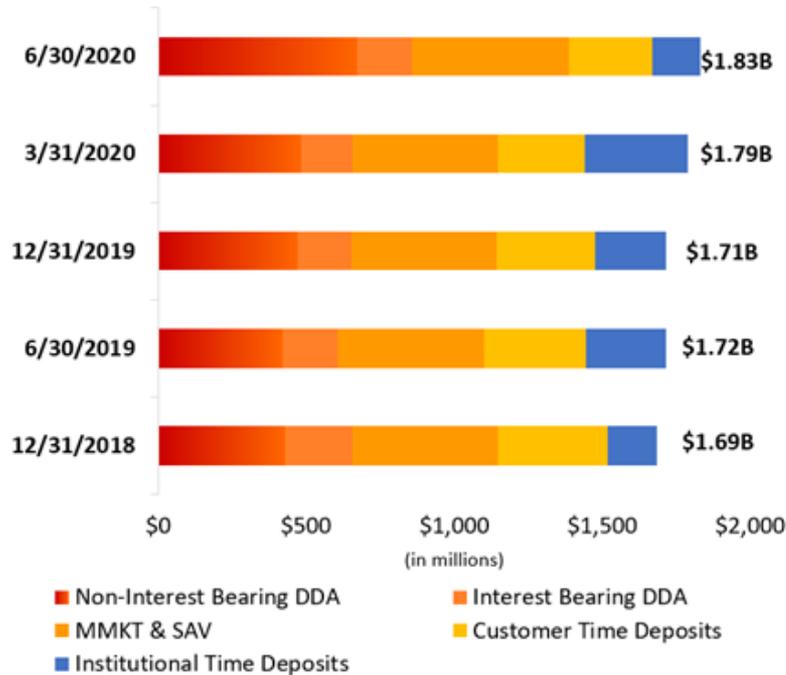
- Average rate on customer CDs down 25 bp from Q2 '19 and down 20 bp from Q1 '20. Average will continue a downward trend as CDs reach maturity dates and reinvest at lower market rates
- Average rate on interest bearing non-maturity deposits down 33 bp from Q2 '19 and down 29 bp from Q1 '20.

Deposit Rates & Quarterly Avg Interest Rates



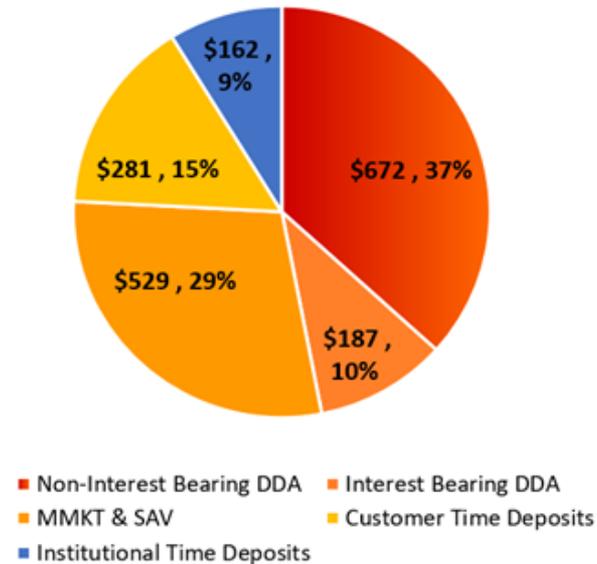
Deposit Composition & Trends

Deposit Mix Trend



Deposits by Customer Segment

6/30/2020 (\$ millions)



- Transaction deposits now 47% of deposits
- Cost of deposits 51bps vs 77bps in March 2020
- Demand deposits grew by \$188 million from March 2020 to June 2020. Some portion of this growth due to funding PPP loans into accounts at the bank; analyses of PPP accounts show non PPP inflows picking up; new account activity building
- Lower spending activity; higher customer liquidity levels common

Potential Growth and 2021 Opportunities

- Leverage the heightened brand awareness achieved through a successful PPP initiative
- Proactively hire experienced Commercial Bankers who have deep relationships with their business banking, commercial and industrial and commercial real estate clients
- Cautiously, continue to expand upon the inroads we have made into the greater Washington, D.C. marketplace along with continuing to look at healthcare lending opportunities
- Increase non-interest income through the expanded use of our treasury management products across a more diverse group of banking clients. As well as evaluate other opportunities such as unused line of credit fees, letter of credit fees and interchange income
- Continue to grow our consumer loan portfolio through various campaigns, including HELOC utilization and marine lending
- Capitalize on our successful deposit gathering initiatives to further reduce our costs of funds

Cost Savings Initiatives / Recap of Cost Savings Since FMB Merger

- Consistent emphasis on cost savings since FMB merger:
- 532 employees in March 2018 (332 ex mortgage); 238 employees today
- 28 branches proforma March 2018; 15 branches today
- Core processing renegotiation completed in Q4 2019
- 22% savings of combined core bank(s)
- Further opportunities
 - Variable expense reductions (incentives, traditional business development, vendor management)
 - Process improvements leveraging digitalization

Quarterly Highlights

(\$ in thousands)	Q2 '20	Q1 '20	Q2 '19	Cur Qtr vs. Prior Qtr	Cur Qtr vs. Prior Yr
REPORTED (LOSS) EARNINGS					
Pre-provision net revenue (Non-GAAP)	\$ (24,749)	\$ 6,331	\$ 3,741	\$ (31,080)	\$ (28,490)
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088	\$ (32,752)	\$ (31,497)
CORE EARNINGS					
Core pre-provision net revenue (PPNR)	\$ 7,931	\$ 6,989	\$ 6,141	\$ 942	\$ 1,790
Core net income (Non-GAAP)	\$ 3,725	\$ 2,646	\$ 3,840	\$ 1,078	\$ (115)
Core diluted EPS (Non-GAAP)	\$ 0.20	\$ 0.14	\$ 0.20	\$ 0.06	\$ (0.00)
BOOK VALUES PER SHARE					
Book Value per Share (GAAP)	\$ 15.14	\$ 16.85	\$ 15.92	\$ (1.71)	\$ (0.78)
Tangible Book Value per Share (non-GAAP)	\$ 13.08	\$ 12.91	\$ 11.94	\$ 0.17	\$ 1.14

“Pre-provision net revenue” is a non-GAAP financial measure that adds back the provision for credit losses to GAAP pretax income. See the GAAP to non-GAAP Reconciliation at the end of this presentation for more details.

“Core” is a non-GAAP measure that excludes the earnings contribution of the Company’s mortgage banking activities , goodwill impairment charge and infrequently occurring items. See the GAAP to Non-GAAP Reconciliation at the end of this presentation for more details..

“Tangible book value” is a non-GAAP measure that is the result of subtracting the net carrying of intangible assets from total equity. See the GAAP to non-GAAP Reconciliation at the end of this presentation for more details.

Earnings Snapshot

REPORTED NET INCOME (LOSS) AND EPS

(\$ in thousands)	Q2 '20	Q1 '20	Q2 '19	vs. Prior Qtr	vs. Prior Yr
Net interest income	\$ 18,119	\$ 17,525	\$ 17,354	\$ 594	\$ 765
Noninterest income	4,759	3,366	5,841	1,393	(1,082)
Total revenue	22,878	20,891	23,195	1,987	(317)
Noninterest expense	47,627	14,560	19,454	33,067	28,173
Pre-provision net revenue ⁽¹⁾	(24,749)	6,331	3,741	(31,080)	(28,490)
Provision for credit losses	3,000	3,445	1,110	(445)	1,890
(Loss) income before income taxes	(27,749)	2,886	2,631	(30,635)	(30,380)
Income tax expense (benefit)	1,660	(457)	543	2,117	1,117
Net (loss) income	<u>\$ (29,409)</u>	<u>\$ 3,343</u>	<u>\$ 2,088</u>	<u>\$ (32,752)</u>	<u>\$ (31,497)</u>
Net (loss) income per share - diluted	<u>\$ (1.57)</u>	<u>\$ 0.18</u>	<u>\$ 0.11</u>	<u>\$ (1.75)</u>	<u>\$ (1.68)</u>

CORE ⁽²⁾ NET INCOME AND EPS

(\$ in thousands)	Q2 '20	Q1 '20	Q2 '19	vs. Prior Qtr	vs. Prior Yr
Core Net income	<u>\$ 3,725</u>	<u>\$ 2,646</u>	<u>\$ 3,840</u>	<u>\$ 1,079</u>	<u>\$ (115)</u>
Core Diluted EPS	<u>\$ 0.20</u>	<u>\$ 0.14</u>	<u>\$ 0.20</u>	<u>\$ 0.06</u>	<u>\$ -</u>

(1) Pre-provision net revenue is a non-GAAP financial measure that adds back the provision for credit losses to GAAP pretax income. See the GAAP to non-GAAP Reconciliation at the end of this presentation for more details.

(2) "Core" is a non-GAAP measure that excludes the earnings contribution of the Company's mortgage banking activities, goodwill impairment charge and infrequently occurring items. See the GAAP to Non-GAAP Reconciliation at the end of this presentation for more details..

Profitability Measures

	Reported ^(1,2)	Q2 '20	Q1 '20	Q2 '19	Cur Qtr vs. Prior Qtr	Cur Qtr vs. Prior Yr
A	Pre-provision net revenue (Non-GAAP)	\$ (24,749)	\$ 6,331	\$ 3,741	\$ (31,080)	\$ (28,490)
B	Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088	\$ (32,752)	\$ (31,497)
C	Diluted EPS (GAAP)	\$ (1.57)	\$ 0.18	\$ 0.11	\$ (1.75)	\$ (1.68)
D	Efficiency ratio (GAAP)	142.08%	75.90%	62.74%	66.17%	79.34%
E	Return on average common equity (GAAP)	-37.06%	4.27%	2.76%	-41.33%	-39.82%
F	Tangible return on average tangible common equity (Non-GAAP)	9.06%	6.39%	4.62%	2.68%	4.44%
G	Return on average assets (GAAP)	-4.68%	0.57%	0.37%	-5.24%	-5.05%
H	Tangible return on average tangible assets (Non-GAAP)	0.91%	0.67%	0.49%	0.24%	0.43%

	Core ^(1,2,3)	Q2 '20	Q1 '20	Q2 '19	Cur Qtr vs. Prior Qtr	Cur Qtr vs. Prior Yr
A	Core pre-provision net revenue (PPNR)	\$ 7,931	\$ 6,989	\$ 6,141	\$ 942	\$ 1,790
B	Core net income (Non-GAAP)	\$ 3,725	\$ 2,646	\$ 3,840	\$ 1,078	\$ (115)
C	Core diluted EPS (Non-GAAP)	\$ 0.20	\$ 0.14	\$ 0.20	\$ 0.06	\$ (0.00)
D	Core efficiency ratio (Non-GAAP)	61.90%	65.89%	65.58%	-3.99%	-3.69%
E	Core return on average common equity (Non-GAAP)	4.69%	3.38%	5.07%	1.31%	-0.38%
F	Core tangible return on average tangible common equity (Non-GAAP)	6.85%	5.23%	7.68%	1.62%	-0.83%
G	Core return on average assets (Non-GAAP)	0.59%	0.45%	0.69%	0.14%	-0.09%
H	Core tangible return on average tangible assets (Non-GAAP)	0.69%	0.55%	0.81%	0.14%	-0.12%

- (1) "Pre-provision net revenue, ("PPNR")" is a non-GAAP financial measure that adds back the provision for credit losses to GAAP pretax income. See the GAAP to non-GAAP Reconciliation at the end of this presentation for more details.
- (2) "Tangible return on average tangible common equity" is a non-GAAP measure that subtracts the amortization of intangible assets from income and subtracts the net carrying of intangible assets from total equity. See the GAAP to non-GAAP Reconciliation at the end of this presentation for more details.
- (3) "Tangible return on average tangible assets" is a non-GAAP measure that subtracts the amortization of intangible assets from income and subtracts the net carrying of intangible assets from total assets. See the GAAP to non-GAAP Reconciliation at the end of this presentation for more details.
- (4) "Core" is a non-GAAP measure that excludes the earnings contribution of the Company's mortgage banking activities, the goodwill impairment charge, and other infrequently occurring items. See the GAAP to Non-GAAP Reconciliation at the end of this presentation for more details.

Balance Sheet / Other Comments

- During the quarter ended June 30, 2020, we embarked on a strategy to monetize certain unrealized gains in our mortgage-backed securities (“MBS”) portfolio.
 - \$105 million of MBS with high prepayment speeds were identified and sold, resulting in net gains of \$3.0 million.
 - \$125 million of lower coupon MBS were then purchased.
 - The total available for sale securities portfolio of \$276.9 million increased by \$1.6 million from March 31, 2020.
- The securities gains and PPP pretax income have provided a source of earnings to offset the impact of building the allowance.
- Interest bearing deposits with banks (primarily balances held at the FRB) were \$46.4 million at June 30, 2020, a \$133.6 million decrease from March 31, 2020. This decline is a result of reducing our on-balance sheet liquidity levels.
 - The average balance for Q2 '20 was \$86.2 million, up \$1.3 million from Q1 '20.
- Borrowings from the FHLB were \$246.0 million at June 30, 2020, a \$98.0 million decrease from March 31, 2020.
 - During the second quarter, the Company repaid a long-term, \$5.0 million advance, resulting in a prepayment penalty (recorded in noninterest expenses) of \$224 thousand.
- As we noted in our Q1 investor presentation, the exit of our mortgage-banking activities was substantially completed in Q1 with the remaining loans held for sale resolved in Q2.

Reiterating Our Value Proposition

- Unique market positioning tangibly strengthened by marketplace reaction to PPP program process and performance
- Building on tangible growth from earlier in the year and funding strengths exhibited earlier in the quarter
- Core operating /PPNR growth evidences underlying value proposition
- Short term headwinds of liquidity and PPP impact on asset yields offset by longer term tailwinds of transaction deposit growth and cost of funds trends
- Well-prepared and positioned for once in a century exogenous shock-safety, customer access, diversified portfolios, expanded allowance, liquidity, capital
- Securities gains and PPP income building ALLL; PPNR increasing unallocated capital
- Continuing technology investments for longer term efficiency
- Breadth and depth of team demonstrated in resilience
- Retaining, rewarding deep bench of experienced bankers and attracting new talent including in contiguous market

APPENDIX

Quarterly Financial Performance

HOWARD BANCORP, INC. AND SUBSIDIARY

Selected Financial Data

(in thousands except per share data)

	THREE MONTHS ENDED			Vs Q1 2020	Vs Q2 2019
	June 30, 2020	March 31, 2020	June 30, 2019		
Income Statement Data:					
Interest income	\$ 21,473	\$ 22,226	\$ 23,145	\$ (753)	\$ (1,672)
Interest expense	3,354	4,701	5,791	(1,347)	(2,437)
Net interest income	18,119	17,525	17,354	594	765
Provision for credit losses	3,000	3,445	1,110	(445)	1,890
Net interest income after provision for credit losses	15,119	14,080	16,244	1,039	(1,125)
Noninterest income	4,759	3,366	5,841	1,393	(1,082)
Noninterest expense	47,627	14,560	19,454	33,067	28,173
(Loss) income before income taxes	(27,749)	2,886	2,631	(30,635)	(30,380)
Income tax expense (benefit)	1,660	(457)	543	2,117	1,117
Net (loss) income	\$ (29,409)	\$ 3,343	\$ 2,088	\$ (32,752)	\$ (31,497)
Per Share Data and Shares Outstanding:					
Net (loss) income per common share - basic	\$ (1.57)	\$ 0.18	\$ 0.11	\$ (1.75)	\$ (1.68)
Net (loss) income per common share - diluted	\$ (1.57)	\$ 0.18	\$ 0.11	\$ (1.75)	\$ (1.68)
Book value per common share, at period end	\$ 15.14	\$ 16.85	\$ 15.92	\$ (1.71)	\$ (0.79)
Tangible book value per common share, at period end (1)	\$ 13.08	\$ 12.91	\$ 11.94	\$ 0.17	\$ 1.14
Average common shares outstanding	18,716	18,867	19,061	(151)	(345)
Diluted average common shares outstanding	18,716	18,915	19,068	(199)	(352)
Shares outstanding, at period end	18,716	18,715	19,063	1	(347)
Balance Sheet Data:					
Total assets	\$ 2,463,450	\$ 2,507,894	\$ 2,295,634	\$ (44,444)	\$ 167,816
Portfolio loans, net of unearned income (1)					
Paycheck Protection Program loans,	1,704,911	1,761,419	1,701,020	(56,508)	3,891
net of unearned income (1)	193,719	-	-	193,719	193,719
Total loans and leases, net of unearned income	1,898,630	1,761,419	1,701,020	137,211	197,610
Allowance for credit losses	16,356	13,384	9,120	2,972	7,236
Other interest-earning assets	343,149	483,553	319,739	(140,404)	23,410
Total deposits	1,830,674	1,788,899	1,717,216	41,775	113,458
Total borrowings	312,173	377,611	248,811	(65,438)	63,362
Common and total stockholders' equity	283,281	315,358	303,527	(32,077)	(20,246)
Average total assets	2,529,797	2,369,847	2,246,800	159,950	282,997
Average common and total stockholders' equity	319,152	314,805	303,599	4,347	15,553

(1) This is a non-GAAP measure. See the GAAP to Non-GAAP Reconciliation at the end of the financial statements.

Quarterly Financial Performance (continued)

HOWARD BANCORP, INC. AND SUBSIDIARY

Selected Financial Data

(in thousands except per share data)

	THREE MONTHS ENDED			Vs Q1 2020	Vs Q2 2019
	June 30, 2020	March 31, 2020	June 30, 2019		
Selected Performance Ratios:					
Return on average assets (2)	(4.68) %	0.57 %	0.37 %	(5.24) %	(5.05) %
Return on average common equity (2)	(37.06) %	4.27 %	2.76 %	(41.33) %	(39.82) %
Net interest margin (2),(3)	3.22 %	3.34 %	3.53 %	(0.13) %	(0.32) %
Efficiency ratio (4)	208.18 %	69.70 %	83.87 %	138.48 %	124.31 %
Efficiency ratio (ex goodwill impairment)(1)	57.38 %	69.70 %	83.87 %	(12.32) %	(26.49) %
Asset Quality Ratios:					
Nonperforming loans to portfolio loans (1)	1.08 %	0.98 %	1.13 %	0.11 %	(0.05) %
Nonperforming assets to portfolio loans and OREO (1)	1.21 %	1.11 %	1.41 %	0.10 %	(0.20) %
Nonperforming assets to total assets	0.84 %	0.78 %	1.05 %	0.06 %	(0.21) %
Allowance for credit losses to portfolio loans (1)	0.96 %	0.76 %	0.54 %	0.20 %	0.42 %
Allowance for credit losses to nonperforming loans	88.56 %	77.80 %	47.24 %	10.76 %	41.32 %
Net chargeoffs to average total loans and leases (2)	0.01 %	0.11 %	0.18 %	(0.10) %	(0.17) %
Capital Ratios (Bancorp):					
Tier 1 capital to average assets (leverage ratio)	9.18 %	9.10 %	9.06 %	0.08 %	0.12 %
Common equity tier 1 capital to risk-weighted assets	11.66 %	10.95 %	10.52 %	0.71 %	1.14 %
Tier 1 capital to risk-weighted assets	11.66 %	10.95 %	10.52 %	0.71 %	1.14 %
Total capital to risk-weighted assets	14.09 %	13.16 %	12.55 %	0.93 %	1.54 %
Average equity to average assets	12.62 %	13.28 %	13.51 %	(0.67) %	(0.90) %

(1) This is a non-GAAP measure. See the GAAP to Non-GAAP Reconciliation at the end of the financial statements.

(2) Annualized

(3) Net interest income divided by average earning assets

(4) Noninterest expense divided by the sum of net interest income and noninterest income

Earning Asset Yields

Howard Bancorp, Inc. and Subsidiary
Average Balances, Yields, and Rates
(in thousands)

	Three Months Ended March 31, 2020			Three Months Ended December 31, 2019			Three Months Ended March 31, 2019			Change Prior Qtr	Change Prior Yr
	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate		
Earning assets											
Loans and leases:											
Commercial loans and leases	\$ 377,198	\$ 4,304	4.59 %	\$ 381,463	\$ 4,528	4.71 %	\$ 329,393	\$ 4,225	5.20 %	(0.12) %	(0.61) %
Commercial real estate	690,930	8,446	4.92	679,767	8,426	4.92	649,913	8,110	5.06	(0.00)	(0.14)
Construction and land	131,489	1,463	4.47	120,617	1,574	5.18	126,719	1,822	5.83	(0.70)	(1.36)
Residential real estate	509,034	5,244	4.14	488,505	5,228	4.25	480,694	5,571	4.70	(0.10)	(0.56)
Consumer	45,664	520	4.58	46,232	578	4.96	53,687	647	4.89	(0.38)	(0.31)
Total loans and leases	<u>1,754,315</u>	<u>19,978</u>	4.58	<u>1,716,584</u>	<u>20,334</u>	4.70	<u>1,640,406</u>	<u>20,376</u>	5.04	(0.12)	(0.46)
Securities available for sale:											
U.S Gov agencies	70,831	492	2.79	71,675	495	2.74	111,417	762	2.77	0.05	0.02
Mortgage-backed	151,399	978	2.60	110,039	796	2.87	89,583	727	3.29	(0.27)	(0.69)
Corporate debentures	5,523	92	6.73	4,748	83	6.96	3,001	62	8.39	(0.23)	(1.66)
Total available for sale securities	<u>227,752</u>	<u>1,562</u>	2.76	<u>186,462</u>	<u>1,374</u>	2.92	<u>204,001</u>	<u>1,551</u>	3.08	(0.17)	(0.33)
Securities held to maturity	7,750	112	5.83	9,728	148	6.05	9,250	143	6.25	(0.22)	(0.42)
FHLB Atlanta stock, at cost	15,708	174	4.46	11,556	167	5.74	10,276	162	6.39	(1.28)	(1.93)
Loans held for sale	18,424	166	3.63	37,500	339	3.59	16,552	191	4.68	0.05	(1.05)
Interest bearing deposits in banks	84,860	234	1.11	65,216	186	1.13	67,459	362	2.18	(0.02)	(1.07)
Total earning assets	<u>2,108,809</u>	<u>22,226</u>	4.24 %	<u>2,027,046</u>	<u>22,549</u>	4.41 %	<u>1,947,943</u>	<u>22,784</u>	4.74 %	(0.17) %	(0.50) %
Cash and due from banks	13,610			14,205			14,647				
Bank premises and equipment, net	42,689			42,813			45,016				
Other assets	215,459			218,036			219,480				
Less: allowance for credit losses	<u>(10,719)</u>			<u>(9,731)</u>			<u>(9,965)</u>				
Total assets	<u>\$2,369,848</u>			<u>\$2,292,369</u>			<u>\$2,217,121</u>				

Funding Rates and NIM

Howard Bancorp, Inc. and Subsidiary Average Balances, Yields, and Rates

(in thousands)

	Three Months Ended March 31, 2020			Three Months Ended December 31, 2019			Three Months Ended March 31, 2019			Change Prior Qtr	Change Prior Yr
	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate	Average Balance	Income / Expense	Yield / Rate		
Interest-bearing liabilities											
Deposits:											
Interest-bearing demand accounts	\$ 183,305	\$ 157	0.34 %	\$ 185,278	\$ 189	0.40 %	\$ 225,552	\$ 293	0.53 %	(0.06) %	(0.18) %
Money market	368,779	706	0.77	357,617	771	0.86	356,057	613	0.70	(0.09)	0.07
Savings	133,577	45	0.13	131,847	62	0.19	137,722	58	0.17	(0.05)	(0.04)
Time deposits	523,980	2,302	1.77	565,213	2,810	1.97	528,017	2,600	2.00	(0.20)	(0.23)
Total interest-bearing deposits	1,209,641	3,210	1.07	1,239,955	3,831	1.23	1,247,348	3,564	1.16	(0.16)	(0.09)
Borrowings:											
FHLB advances	320,868	1,025	1.29	223,902	978	1.73	195,311	1,254	2.60	(0.45)	(1.32)
Fed funds and repos	6,665	4	0.27	4,912	2	0.19	14,471	13	0.36	0.08	(0.09)
Subordinated debt	28,258	461	6.56	28,210	470	6.62	28,077	479	6.92	(0.06)	(0.36)
Total borrowings	355,791	1,491	1.69	257,024	1,450	2.24	237,859	1,746	2.98	(0.55)	(1.29)
Total interest-bearing funds	1,565,432	4,701	1.21 %	1,496,979	5,282	1.40 %	1,485,207	5,310	1.45 %	(0.19) %	(0.24) %
Noninterest-bearing deposits	464,701			457,748			418,816				
Other liabilities	24,909			25,866			15,586				
Total liabilities	2,055,042			1,980,592			1,919,609				
Stockholders' equity	314,805			311,777			297,513				
Total liabilities & equity	\$2,369,848			\$2,292,369			\$2,217,122				
Net interest rate spread (1)		\$17,526	3.03 %		\$17,267	3.01 %		\$17,474	3.29 %	0.02 %	(0.26) %
Effect of noninterest-bearing funds			0.31			0.37			0.34	(0.05)	(0.03)
Net interest margin on earning assets (2)			3.34 %			3.38 %			3.64 %	(0.04) %	(0.30) %

(1) The difference between the annualized yield on average total earning assets and the annualized cost of average total interest-bearing liabilities

(2) Annualized net interest income divided by average total earning assets

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - CORE NET INCOME AND EPS

(in thousands except per share data)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088	\$ (32,752)	\$ (31,497)
Adjustments:					
Mortgage banking activities:					
Net interest income	-	(143)	(193)	143	193
Noninterest income	-	(1,425)	(3,113)	1,425	3,113
Noninterest expenses	-	1,438	2,113	(1,438)	(2,113)
Total pretax - mortgage banking activities	-	(130)	(1,193)	130	1,193
Certain other items:					
Securities gains	(3,044)	-	(658)	(3,044)	(2,386)
Proceeds from agreement to exit mortgage banking activities	-	-	-	-	-
Prepayment penalty - FHLB advances	224	-	651	224	(427)
Branch optimization charge	-	-	3,600	-	(3,600)
Litigation expense	1,000	-	-	1,000	1,000
CFO departure	-	788	-	(788)	-
Goodwill impairment charge	34,500	-	-	34,500	34,500
Total pretax - certain other items	32,680	788	3,593	31,892	29,087
Total core pretax income adjustments	32,680	658	2,400	32,022	30,280
Income tax expense (benefit) of adjustments	(454)	178	648		
Total core pretax income adjustments, net of tax	33,134	480	1,752	32,654	31,382
Less: One-time benefit of NOL carryback (CARES Act)	-	(1,177)	-		
Total core adjustments to net income	33,134	(697)	1,752		
Core net income (Non-GAAP)	\$ 3,725	\$ 2,646	\$ 3,840	\$ 1,078	\$ (115)
Diluted average common shares	18,716	18,915	19,068	(199)	(352)
Diluted EPS (GAAP)	\$ (1.57)	\$ 0.18	\$ 0.11	\$ (1.75)	\$ (1.68)
Total core adjustments to net income	1.77	(0.04)	0.09	1.81	1.68
Core diluted EPS (Non-GAAP)	\$ 0.20	\$ 0.14	\$ 0.20	\$ 0.06	\$ (0.00)

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - PRE-PROVISION NET REVENUE ("PPNR")

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088	\$(32,752)	\$(31,497)
Plus: provision for credit losses	3,000	3,445	1,110	(445)	1,890
Plus: income tax expense	1,660	(457)	543	2,117	1,117
Pre-provision net revenue (Non-GAAP)	\$ (24,749)	\$ 6,331	\$ 3,741	\$(31,080)	\$(28,490)
Adjustments to net revenue:					
Mortgage banking activities	-	(130)	(1,193)	130	1,193
Securities gains	(3,044)	-	(658)	(3,044)	(2,386)
Proceeds from agreement to exit mortgage banking activities	-	-	-	-	-
Prepayment penalty - FHLB advances	224	-	651	224	(427)
Branch optimization charge	-	-	3,600	-	(3,600)
Litigation accrual	1,000	-	-	1,000	1,000
CFO departure	-	788	-	(788)	-
Goodwill impairment charge	34,500	-	-	34,500	34,500
Total core pretax net revenue adjustments	32,680	658	2,400	32,022	30,280
Core pre-provision net revenue (PPNR)	\$ 7,931	\$ 6,989	\$ 6,141	\$ 942	\$ 1,790

GAAP TO NON-GAAP RECONCILIATION - PPNR / AVERAGE TANGIBLE COMMON EQUITY

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Core PPNR (Non-GAAP)	\$ 7,931	\$ 6,989	\$ 6,141	\$ 942	\$ 1,790
Average common equity (GAAP)	\$ 319,152	\$ 314,805	\$ 303,599		
Less average goodwill	(65,570)	(65,950)	(65,949)		
Less average core deposit intangible, net	(5,672)	(6,170)	(7,805)		
Average tangible common equity (non-GAAP)	\$ 247,910	\$ 242,685	\$ 229,844	\$ 5,224	\$ 18,066
Core PPNR / average tangible common equity (Non-GAAP)	12.87%	11.58%	10.72%	1.86%	-0.52%

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY GAAP TO NON-GAAP RECONCILIATION - EFFICIENCY RATIO

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Net interest income (GAAP)	\$ 18,119	\$ 17,525	\$ 17,354	\$ 594	\$ 765
Adjustments:					
Mortgage banking activities	-	(143)	(193)		
Total core net interest income adjustments	-	(143)	(193)		
Core net interest income (Non-GAAP)	<u>\$ 18,119</u>	<u>\$ 17,382</u>	<u>\$ 17,161</u>	<u>\$ 737</u>	<u>\$ 958</u>
Noninterest income (GAAP)	\$ 4,759	\$ 3,366	\$ 5,841	\$ 1,393	\$ (1,082)
Adjustments:					
Mortgage banking activities	-	(1,425)	(3,113)		
Securities gains	(3,044)	-	(658)		
Proceeds from agreement to exit mortgage banking activities	-	-	-		
Total core noninterest income adjustments	(3,044)	(1,425)	(3,771)		
Core noninterest income (Non-GAAP)	<u>\$ 1,715</u>	<u>\$ 1,941</u>	<u>\$ 2,070</u>	<u>\$ (226)</u>	<u>\$ (355)</u>
Total net interest income and noninterest income (GAAP)	\$ 22,878	\$ 20,891	\$ 23,195	\$ 1,987	\$ (317)
Adjustments:					
Total core net interest income adjustments	-	(143)	(193)		
Total core noninterest income adjustments	(3,044)	(1,425)	(3,771)		
Total core net interest income and noninterest income adjustments	(3,044)	(1,568)	(3,964)		
Core net interest income + noninterest income (Non-GAAP)	<u>\$ 19,834</u>	<u>\$ 19,323</u>	<u>\$ 19,231</u>	<u>\$ 511</u>	<u>\$ 603</u>
Noninterest expense (GAAP)	\$ 47,627	\$ 14,560	\$ 19,454	\$ 33,067	\$ 28,173
Adjustments:					
Mortgage banking activities	-	(1,438)	(2,113)		
Prepayment penalty - FHLB advances	(224)	-	(651)		
Branch optimization charge	-	-	(3,600)		
Litigation accrual	(1,000)	-	-		
CFO departure	-	(788)	-		
Goodwill impairment charge	(34,500)	-	-		
Total core noninterest expense adjustments	(35,724)	(2,226)	(6,364)		
Core noninterest expense (Non-GAAP)	<u>\$ 11,903</u>	<u>\$ 12,334</u>	<u>\$ 13,090</u>	<u>\$ (431)</u>	<u>\$ (1,187)</u>
Efficiency ratio (GAAP)	<u>208.18%</u>	<u>69.70%</u>	<u>83.87%</u>	<u>138.48%</u>	<u>124.31%</u>
Core efficiency ratio (Non-GAAP)	<u>60.01%</u>	<u>63.83%</u>	<u>68.07%</u>	<u>-3.82%</u>	<u>-8.05%</u>

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - TANGIBLE BOOK VALUE PER COMMON SHARE

(in thousands except per share data)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Common and total stockholder's equity (GAAP)	\$ 283,281	\$ 315,358	\$ 303,527		
Total shares outstanding at period end	18,716	18,715	19,063		
Book value per common share at period end (GAAP)	\$ 15.14	\$ 16.85	\$ 15.92	\$ (1.71)	\$ (0.79)
Common and total stockholder's equity (GAAP)	\$ 283,281	\$ 315,358	\$ 303,527		
Less goodwill	(31,449)	(65,949)	(65,949)		
Less deposit intangible, net of deferred tax liability	(5,358)	(5,802)	(7,414)		
Tangible common equity (non-GAAP)	\$ 246,474	\$ 243,607	\$ 230,164		
Total shares outstanding at period end	18,716	18,715	19,063		
Tangible book value per common share (Non GAAP)	\$ 13.17	\$ 13.02	\$ 12.07	\$ 0.15	\$ 1.10

GAAP TO NON-GAAP RECONCILIATION - TANGIBLE COMMON EQUITY / TANGIBLE ASSETS

(in thousands except per share data)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Common (and total) stockholder's equity (GAAP)	\$ 283,281	\$ 315,358	\$ 303,527	\$(32,077)	\$(20,246)
Less goodwill	(31,449)	(65,949)	(65,949)		
Less deposit intangible, net of deferred tax liability	(5,358)	(5,802)	(7,414)		
Tangible common equity (non-GAAP)	\$ 246,474	\$ 243,607	\$ 230,164	\$ 2,866	\$ 16,310
Total assets (GAAP)	\$ 2,463,450	\$ 2,507,894	\$ 2,295,634	\$(44,444)	\$167,816
Less goodwill	(31,449)	(65,949)	(65,949)		
Less deposit intangible, net of deferred tax liability	(5,358)	(5,802)	(7,414)		
Tangible assets (non-GAAP)	\$ 2,426,643	\$ 2,436,143	\$ 2,222,271	\$ (9,501)	\$204,372
Tangible common equity / tangible assets (period end)	10.16%	10.00%	10.36%	0.16%	-0.20%

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - RETURN ON AVERAGE COMMON EQUITY

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088		
Average common (and total) equity (GAAP)	319,152	314,805	303,599		
Return on average common equity (GAAP)	-37.06%	4.27%	2.76%	-41.33%	-39.82%
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088		
Total core adjustments to net income	33,134	(697)	1,752		
Core net income (Non-GAAP)	\$ 3,725	\$ 2,646	\$ 3,840	\$ 1,078	\$ (115)
Average common equity	319,152	314,805	303,599		
Core return on average common equity (Non-GAAP)	4.69%	3.38%	5.07%	1.31%	-0.38%

Annualized ratio based on days in quarter divided by days in year

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - TANGIBLE RETURN ON AVERAGE TANGIBLE COMMON EQUITY

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088		
Goodwill impairment charge	34,500	-	-		
CDI amortization	680	699	767		
Income tax expense on pretax total	(184)	(189)	(207)		
CDI amortization, net of tax	496	510	560		
Total adjustments to net income	34,996	510	560		
Tangible net income (Non-GAAP)	\$ 5,587	\$ 3,853	\$ 2,648	\$ 1,734	\$ 2,939
Average common equity (GAAP)	\$ 319,152	\$ 314,805	\$ 303,599		
Less average goodwill	(65,570)	(65,950)	(65,949)		
Less average core deposit intangible, net	(5,672)	(6,170)	(7,805)		
Average tangible common equity (non-GAAP)	\$ 247,910	\$ 242,685	\$ 229,844	\$ 5,224	\$ 18,066
Tangible return on average tangible common equity (Non-GAAP)	9.06%	6.39%	4.62%	-1.59%	0.10%
Tangible net income (Non-GAAP)	\$ 5,587	\$ 3,853	\$ 2,648	\$ 1,734	\$ 2,939
Total core adjustments to net (loss) income (ex goodwill impairment)	(1,366)	(697)	1,752		
Core tangible net income (Non-GAAP)	\$ 4,221	\$ 3,157	\$ 4,400	\$ 1,065	\$ (179)
Average tangible common equity (non-GAAP)	\$ 247,910	\$ 242,685	\$ 229,844	\$ 5,224	\$ 18,066
Core tangible return on average tangible common equity (Non-GAAP)	6.85%	5.23%	7.68%	1.62%	-0.83%

Annualized ratio based on days in quarter divided by days in year

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY GAAP TO NON-GAAP RECONCILIATION - RETURN ON AVERAGE ASSETS

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$/ %	Prior Yr \$/ %
	June 30, 2020	March 31, 2020	June 30, 2019		
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088		
Average total assets (GAAP)	2,529,797	2,369,847	2,246,800		
Return on average assets (GAAP)	-4.68%	0.57%	0.37%	-5.24%	-5.05%
Net (loss) income (GAAP)	(29,409)	3,343	2,088		
Total core adjustments to net (loss) income	33,134	(697)	1,752		
Core net income (Non-GAAP)	\$ 3,725	\$ 2,646	\$ 3,840	\$ 1,078	\$ (115)
Average total assets (GAAP)	2,529,797	2,369,847	2,246,800		
Core return on average assets (Non-GAAP)	0.59%	0.45%	0.69%	0.14%	-0.09%

Annualized ratio based on days in quarter divided by days in year

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - TANGIBLE RETURN ON AVERAGE TANGIBLE ASSETS

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$ / %	Prior Yr \$ / %
	June 30, 2020	March 31, 2020	June 30, 2019		
Net (loss) income (GAAP)	\$ (29,409)	\$ 3,343	\$ 2,088		
Goodwill impairment charge	34,500	-	-		
CDI amortization	680	699	767		
Income tax expense on pretax total	(184)	(189)	(207)		
CDI amortization, net of tax	496	510	560		
Total adjustments to net income	34,996	510	560		
Tangible net income (Non-GAAP)	\$ 5,587	\$ 3,853	\$ 2,648	\$ 1,734	\$ 2,939
Average total assets (GAAP)	2,529,797	2,369,847	2,246,800		
Less average goodwill	(65,570)	(65,950)	(65,949)		
Less average core deposit intangible, net	(5,672)	(6,170)	(7,805)		
Average tangible assets (non-GAAP)	\$ 2,458,555	\$ 2,297,727	\$ 2,173,045	\$160,827	\$285,510
Tangible return on average tangible assets (Non-GAAP)	0.91%	0.67%	0.49%	0.24%	0.43%
Tangible net income (Non-GAAP)	\$ 5,587	\$ 3,853	\$ 2,648	\$ 1,734	\$ 2,939
Total core adjustments to net (loss) income (ex goodwill impairment)	(1,366)	(697)	1,752		
Core tangible net income (Non-GAAP)	\$ 4,221	\$ 3,157	\$ 4,400	\$ 1,065	\$ (179)
Average tangible assets (non-GAAP)	\$ 2,458,555	\$ 2,297,727	\$ 2,173,045	\$160,827	\$285,510
Core tangible return on average tangible assets (Non-GAAP)	0.69%	0.55%	0.81%	0.14%	-0.12%

Annualized ratio based on days in quarter divided by days in year

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - ALLOWANCE FOR CREDIT LOSSES AS A % OF PORTFOLIO LOANS

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$/ %	Prior Yr \$/ %
	June 30, 2020	March 31, 2020	June 30, 2019		
Allowance for credit losses (GAAP)	\$ 16,356	\$ 13,384	\$ 9,120		
Total loans and leases (GAAP)	1,898,630	1,761,419	1,701,020		
Allowance as a % of total loans and leases (GAAP)	0.86%	0.76%	0.54%	0.10%	0.33%
Allowance for credit losses (GAAP)	\$ 16,356	\$ 13,384	\$ 9,120		
Total loans and leases (GAAP)	1,898,630	1,761,419	1,701,020		
Less PPP loans outstanding	(193,719)	-	-		
Portfolio loans (non-GAAP)	1,704,911	1,761,419	1,701,020		
Allowance as a % of portfolio loans (non-GAAP)	0.96%	0.76%	0.54%	0.20%	0.42%

GAAP TO NON-GAAP RECONCILIATION - NONPERFORMING LOANS AS A % OF PORTFOLIO LOANS

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$/ %	Prior Yr \$/ %
	June 30, 2020	March 31, 2020	June 30, 2019		
Nonperforming loans	\$ 18,469	\$ 17,203	\$ 19,305		
Total loans and leases (GAAP)	1,898,630	1,761,419	1,701,020		
Nonperforming loans as a % of total loans and leases (GAAP)	0.97%	0.98%	1.13%	0.00%	-0.16%
Nonperforming loans	\$ 18,469	\$ 17,203	\$ 19,305		
Total loans and leases (GAAP)	1,898,630	1,761,419	1,701,020		
Less PPP loans outstanding	(193,719)	-	-		
Portfolio loans (non-GAAP)	1,704,911	1,761,419	1,701,020		
Nonperforming loans as a % of portfolio loans (non-GAAP)	1.08%	0.98%	1.13%	0.11%	-0.05%

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - NONPERFORMING ASSETS AS A % OF PORTFOLIO LOANS + OREO

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$/ %	Prior Yr \$/ %
	June 30, 2020	March 31, 2020	June 30, 2019		
Nonperforming assets	\$ 20,606	\$ 19,525	\$ 24,007		
Total loans and leases (GAAP)	1,898,630	1,761,419	1,701,020		
OREO	2,137	2,322	4,702		
Total loans and leases + OREO	1,900,767	1,763,741	1,705,722		
Nonperforming assets as a % of total loans and leases + OREO (GAAP)	1.08%	1.11%	1.41%	-0.02%	-0.32%
Nonperforming assets	\$ 20,606	\$ 19,525	\$ 24,007		
Total loans and leases (GAAP)	1,898,630	1,761,419	1,701,020		
OREO	2,137	2,322	4,702		
Total loans and leases + OREO	1,900,767	1,763,741	1,705,722		
Less PPP loans outstanding	(193,719)	-	-		
Portfolio loans + OREO	\$ 1,707,048	\$ 1,763,741	\$ 1,705,722		
Nonperforming assets as a % of portfolio loans + OREO (non-GAAP)	1.21%	1.11%	1.41%	0.10%	-0.20%

GAAP to Non-GAAP Reconciliation

HOWARD BANCORP, INC. AND SUBSIDIARY

GAAP TO NON-GAAP RECONCILIATION - ALLOWANCE FOR CREDIT LOSSES + FV MARKS AS A % OF PORTFOLIO LOANS + FV MARKS

(in thousands)

	FOR THE THREE MONTHS ENDED			Prior Qtr \$/ %	Prior Yr \$/ %
	June 30, 2020	March 31, 2020	June 30, 2019		
Allowance for credit losses (GAAP)	\$ 16,356	\$ 13,384	\$ 9,120		
Add: Fair value marks	8,105	8,737	9,957		
Allowance + fair value marks (non-GAAP)	<u>\$ 24,460</u>	<u>\$ 22,121</u>	<u>\$ 19,077</u>		
Total loans and leases (GAAP)	\$ 1,898,630	\$ 1,761,419	\$ 1,701,020		
Add: fair value marks	8,105	8,737	9,957		
Total loans and leases + fair value marks (non-GAAP)	<u>\$ 1,906,734</u>	<u>\$ 1,770,156</u>	<u>\$ 1,710,977</u>		
Allowance + fair value marks as a % of total loans and leases + fair value marks (non-GAAP)	<u>1.28%</u>	<u>1.25%</u>	<u>1.11%</u>	<u>0.03%</u>	<u>0.17%</u>
Allowance for credit losses (GAAP)	\$ 16,356	\$ 13,384	\$ 9,120		
Add: Fair value marks	8,105	8,737	9,957		
Allowance + fair value marks (non-GAAP)	<u>\$ 24,460</u>	<u>\$ 22,121</u>	<u>\$ 19,077</u>		
Total loans and leases (GAAP)	\$ 1,898,630	\$ 1,761,419	\$ 1,701,020		
Less PPP loans outstanding	(193,719)	-	-		
Portfolio loans (non-GAAP)	<u>\$ 1,704,911</u>	<u>\$ 1,761,419</u>	<u>\$ 1,701,020</u>		
Add: fair value marks	8,105	8,737	9,957		
Portfolio loans + fair value marks (non-GAAP)	<u>\$ 1,713,015</u>	<u>\$ 1,770,156</u>	<u>\$ 1,710,977</u>		
Allowance + fair value marks as a % of total loans and leases + fair value marks (non-GAAP)	<u>1.43%</u>	<u>1.25%</u>	<u>1.11%</u>	<u>0.18%</u>	<u>0.31%</u>