Form

Unknown document format

ALIGN="bottom"> 105 0.2 93 0.3

Other, net

89 0.2 (178) (0.5) (24) (0.1)

Total income tax expense

$15,005 35.0% $12,586 34.0% $11,070 34.3%

106

Table of Contents

D. Other Income Tax Information

In accordance with the provisions of ASC 740, Accounting for Uncertainty in Income Taxes , the Corporation recognizes the financial statement benefit of a tax position only after determining that the Corporation would more likely than not sustain the position following an examination. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon settlement with the relevant tax authority. The Corporation applied these criteria to tax positions for which the statute of limitations remained open.

There were no reserves for uncertain tax positions recorded during the twelve months ended December 31, 2014, 2013 or 2012.

The Corporation is subject to income taxes in the U.S. federal jurisdiction, and in multiple state jurisdictions. The Corporation is no longer subject to U.S. federal income tax examination by tax authorities for the years before 2011.

The Corporation s policy is to record interest and penalties on uncertain tax positions as income tax expense. No interest or penalties were accrued in 2014.

As of December 31, 2014, the Corporation has net operating loss carry-forwards for federal income tax purposes of $3.9 million, related to the FKF merger, which are available to offset future federal taxable income through 2030. In addition, the Corporation has alternative minimum tax credits of $567 thousand, which are available to reduce future federal regular income taxes over an indefinite period. The Corporation has determined that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax asset related to these amounts.

As a result of the July 1, 2010 merger with FKF, the Corporation succeeded to certain tax bad debt reserves that existed at FKF as of June 30, 2010. As of December 31, 2014, the Corporation had unrecognized deferred income taxes of $58 thousand with respect to these reserves. These reserves could be recognized as taxable income and create a current and/or deferred tax liability at the income tax rates then in effect if one of the following conditions occurs: (1) the Bank s retained earnings represented by this reserve are used for distributions, in liquidation, or for any other purpose other than to absorb losses from bad debts; (2) the Bank fails to qualify as a bank, as provided by the Internal Revenue Code; or (3) there is a change in federal tax law.

Note 18 Stock Based Compensation

A. General Information

The Corporation permits the issuance of stock options, dividend equivalents, performance stock awards, stock appreciation rights and restricted stock awards to employees and directors of the Corporation under several plans. The performance awards and restricted awards may be in the form of stock awards or stock units. The only difference between a stock award and a stock unit is that for a stock award, shares of restricted stock are issued in the name of the grantee, whereas a stock unit constitutes a promise to issue shares of stock upon vesting. The accounting for awards and units is identical. The terms and conditions of awards under the plans are determined by the Corporation s Compensation Committee.

Prior to April 25, 2007, all shares authorized for grant as stock-based compensation were limited to grants of stock options. On April 25, 2007, the shareholders approved the Corporation s 2007 Long-Term Incentive Plan (the 2007 LTIP) under which a total of 428,996 shares of the Corporation s common stock were made available for award grants.

On April 28, 2010, the shareholders approved the Corporation s 2010 Long Term Incentive Plan (the 2010 LTIP) under which a total of 445,002 shares of the Corporation s common stock were made available for award grants.

107

Table of Contents

In addition to the shareholder-approved plans mentioned in the preceding paragraph, the Corporation periodically authorizes grants of stock-based compensation as inducement awards to new employees. This type of award does not require shareholder approval in accordance with Rule 5635(c)(4) of the Nasdaq listing rules.

The equity awards are authorized to be in the form of, among others, options to purchase the Corporation s common stock, restricted stock awards or units (RSAs or RSUs) and performance stock awards or units (PSAs or PSUs).

RSAs and RSUs have a restriction based on the passage of time and may also have a restriction based on a non-market-related performance criteria. The fair value of the RSAs and RSUs is based on the closing price on the day preceding the date of the grant.

The PSAs and PSUs also have a restriction based on the passage of time, but also have a restriction based on performance criteria related to the Corporation s total shareholder return relative to the performance of the community bank index for the respective period. The amount of PSAs or PSUs earned will not exceed 100% of the PSAs or PSUs awarded. The fair value of the PSAs and PSUs is calculated using the Monte Carlo Simulation method.

In connection with the July 2010 FKF merger, 21,133 fully vested options which had been granted to former FKF employees were assumed by the Corporation.

The following table summarizes the remaining shares authorized to be granted for options, RSAs and PSAs:

	Shares Authorized for Grant
Balance, December 31, 2011	377,496
Grants of RSAs	(31,948)
Grants of PSAs	(73,217)
Expiration of unexercised options	15,638
Forfeitures of PSAs	4,812
Balance, December 31, 2012	292,781
Grants of RSUs	(6,665)
Grants of PSUs	(75,367)
Expiration of unexercised options	900
Forfeitures of RSAs and RSUs	3,681
Forfeitures of PSAs and PSUs	1,575
Balance, December 31, 2013	216,905
Shares authorized for grant under non-shareholder approved plans	47,368
Grants of RSUs	(16,456)
Grants of PSUs	(71,184)
Expiration of unexercised options	1,750
Forfeitures of RSAs and RSUs	2,560
Forfeitures of PSAs and PSUs	1,900
Balance, December 31, 2014	182,843

108

Table of Contents

B. Fair Value of Options Granted

The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants issued during:

	2014	2013	2012
Expected dividend yield	N/A	2.6%	N/A
Expected volatility of Corporation s stock	N/A	24.0%	N/A
Risk-free interest rate	N/A	3.7%	N/A
Expected life in years	N/A	7.0	N/A
Weighted average fair value of options granted	N/A	$ 4.83	N/A

The expected dividend yield is based on the company s annual dividend amount as a percentage of the average stock price at the time of the grant. Expected life is equal to the mid-point of the average time to vest and the contractual term. Expected volatility of the Corporation s stock is based on the historic volatility of the Corporation s stock price. The risk-free interest rate is based on the zero-coupon U.S. Treasury interest rate ranging from one month to ten years and a period commensurate with the expected life of the option.

C. Other Stock Option Information The following table provides information about options outstanding:

	For the Twelve Months Ended December 31,								
	2014			2013			2012		
	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
Options outstanding, beginning of period	591,086	$ 20.73	$ 4.70	783,476	$ 20.40	$ 4.62	876,470	$ 20.17	$ 4.49
Granted		$	$	12,225	$ 21.28	$ 4.83			
Forfeited		$	$	(650)	$ 19.65	$ 4.62	(5,755)	$ 20.56	$ 4.74
Expired	(1,750)	$ 22.31	$ 4.99	(250)	$ 22.00	$ 4.90	(9,883)	$ 21.93	$ 5.01
Exercised	(141,370)	$ 20.06	$ 4.51	(203,715)	$ 19.49	$ 4.39	(77,356)	$ 17.60	$ 3.69
Options outstanding, end of period	447,966	$ 20.94	$ 4.75	591,086	$ 20.73	$ 4.70	783,476	$ 20.40	$ 4.62

The following table provides information related to options as of December 31, 2014:

Options Outstanding	Options Exercisable

Range of Exercise Prices	Options Outstanding	Remaining Contractual Life	Shares Exercisable	Remaining Contractual Life	Weighted Average Exercise Price*	
$10.36 to $18.59	128,427	4.25 yrs	128,427	4.25 yrs	$	18.22
$18.60 to $19.69	51,000	0.36 yrs	51,000	0.36 yrs	$	18.91
$19.70 to $21.48	78,900	0.95 yrs	78,900	0.95 yrs	$	21.21
$21.49 to $22.03	86,375	2.39 yrs	86,375	2.39 yrs	$	21.99
$22.04 to $23.97	2,500	1.72 yrs	2,500	1.72 yrs	$	23.02
$23.98 to $24.27	100,764	3.34 yrs	100,764	3.34 yrs	$	24.27
	447,966	2.65 yrs	447,966	2.65 yrs	$	20.94

* *price of exercisable options*

109

Table of Contents

The following table provides information about unvested options:

	For the Twelve Months Ended December 31,					
	2014		2013		2012	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested options, beginning of period	30,146	$ 4.42	80,756	$ 4.65	158,515	$ 4.73
Granted			12,225	$ 4.83		
Vested	(30,146)	$ 4.42	(62,185)	$ 4.80	(72,004)	$ 4.82
Forfeited			(650)	$ 4.62	(5,755)	$ 4.74
Unvested options, end of period			30,146	$ 4.42	80,756	$ 4.65

Proceeds, related tax benefits realized from options exercised and intrinsic value of options exercised were as follows:

	For the Twelve Months Ended December 31,		
(dollars in thousands)	2014	2013	2012
Proceeds from strike price of value of options exercised	$ 2,836	$ 3,970	$ 1,362
Related tax benefit recognized	378	376	100
Proceeds of options exercised	$ 3,214	$ 4,346	$ 1,462
Intrinsic value of options exercised	$ 1,288	$ 1,215	$ 269

The following table provides information about options outstanding and exercisable options:

	As of December 31,					
	2014		2013		2012	
	Options Outstanding	Exercisable Options	Options Outstanding	Exercisable Options	Options Outstanding	Exercisable Options
Number	447,966	447,966	591,086	560,940	783,476	702,720
Weighted average exercise price	$ 20.94	$ 20.94	$ 20.73	$ 20.87	$ 20.40	$ 20.46
Aggregate intrinsic value	$ 4,640,917	$ 4,640,917	$ 5,583,266	$ 5,224,227	$ 1,691,778	$ 1,455,766
Weighted average contractual term	2.7 yrs	2.7 yrs	3.2 yrs	3.1 yrs	3.6 yrs	3.3 yrs

For the twelve months ended December 31, 2014, the Corporation recognized $64 thousand of expense related to stock options. As of December 31, 2014, all compensation expense related to stock options has been recognized.

D. Restricted Stock and Performance Stock Awards and Units

The Corporation has granted RSAs, RSUs, PSAs and PSUs under the 2007 LTIP and 2010 LTIP and in accordance with Rule 5635(c)(4) of the Nasdaq listing standards.

RSAs and RSUs

The compensation expense for the RSAs is measured based on the market price of the stock on the day prior to the grant date and is recognized on a straight line basis over the vesting period.

For the twelve months ended December 31, 2014, the Corporation recognized $335 thousand of expense related to the Corporation s RSAs. As of December 31, 2014, there was $561 thousand of unrecognized compensation cost related to RSAs. This cost will be recognized over a weighted average period of 2.1 years.

Table of Contents

The following table details the RSAs for the twelve month periods ended December 31, 2014, 2013 and 2012:

	Twelve Months Ended December 31, 2014		Twelve Months Ended December 31, 2013		Twelve Months Ended December 31, 2012	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Beginning balance	54,156	$ 19.36	60,287	$ 19.05	38,681	$ 18.06
Granted	16,456	$ 28.88	6,665	$ 22.50	31,948	$ 20.41
Vested	(21,771)	$ 18.21	(9,115)	$ 19.20	(10,342)	$ 19.34
Forfeited	(2,560)	$ 21.48	(3,681)	$ 20.38		
Ending balance	46,281	$ 23.17	54,156	$ 19.36	60,287	$ 19.05

PSAs and PSUs

The compensation expense for PSAs and PSUs is measured based on their grant date fair value as calculated using the Monte Carlo Simulation and is recognized on a straight-line basis over the vesting period. Related to the 71,184 PSAs granted during the twelve months ended December 31, 2014, the Monte Carlo Simulation used various assumptions that include expected volatility of 26.65% a risk free rate of return of 0.86% and a correlation co-efficient of 0.7539.

The Corporation recognized $858 thousand of expense related to the PSAs for the twelve months ended December 31, 2014. As of December 31, 2014, there was $1.7 million of unrecognized compensation cost related to PSAs. This cost will be recognized over a weighted average period of 2.1 years.

The following table details the PSAs for the twelve month periods ending December 31, 2014, 2013 and 2012:

	Twelve Months Ended December 31, 2014		Twelve Months Ended December 31, 2013		Twelve Months Ended December 31, 2012	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Beginning balance	204,980	$ 11.90	186,113	$ 10.62	117,708	$ 9.86
Granted	71,184	$ 15.05	75,367	$ 13.38	73,217	$ 11.80
Vested	(56,946)	$ 10.07	(54,925)	9.64		
Forfeited	(1,900)	$ 12.32	(1,575)	$ 10.77	(4,812)	$ 9.88
Ending balance	217,318	$ 13.41	204,980	$ 11.90	186,113	$ 10.62

Table of Contents

Note 19 Earnings per Share

The calculation of basic earnings per share and diluted earnings per share is presented below:

	Year Ended December 31,		
(dollars in thousands, except per share data)	**2014**	**2013**	**2012**
Numerator Net income available to common shareholders	$ 27,843	$ 24,444	$ 21,147
Denominator for basic earnings per share Weighted average shares outstanding*	13,566,239	13,311,215	13,090,110
Effect of dilutive potential common shares	294,801	260,395	151,736
Denominator for diluted earnings per share Adjusted weighted average shares outstanding	13,861,040	13,571,610	13,241,846
Basic earnings per share	$ 2.05	$ 1.84	$ 1.62
Diluted earnings per share	$ 2.01	$ 1.80	$ 1.60
Antidilutive shares excluded from computation of average dilutive earnings per share			848,477

* *excludes restricted stock*

All weighted average shares, actual shares and per share information in the financial statements have been adjusted retroactively for the effect of stock dividends and splits. See Note 1-Q Summary of Significant Accounting Policies: Earnings per Common Share for a discussion on the calculation of earnings per share.

Note 20 Other Operating Income

Components of other operating income for the indicated years ended December 31 include:

(dollars in thousands)	**2014**	**2013**	**2012**
Merchant interchange fees	$ 934	$ 814	$ 665
Commissions and fees	637	578	510
Safe deposit box rentals	390	387	398
Other investment income	756	348	349
Title insurance income		192	272
Rent income	164	202	162
Miscellaneous other income	391	1,542	1,043
Other operating income	$ 3,272	$ 4,063	$ 3,399

Table of Contents

Note 21 Other Operating Expense

Components of other operating expense for the indicated years ended December 31 include:

(dollars in thousands)	**2014**	**2013**	**2012**
Information technology	$ 2,771	$ 2,876	$ 2,060
Loan processing	724	966	1,485
Other taxes	51	65	85
Temporary help and recruiting	1,171	1,624	1,031
Telephone and data lines	1,331	1,378	652
Travel and entertainment	725	630	567
Stationary and supplies	445	508	516
Postage	471	515	433
Director fees	443	452	409
Outsourced services	432	457	355
Portfolio maintenance	389	366	266
Dues and subscriptions	368	394	326
Contributions	403	355	301
Insurance	759	689	402
Deferred compensation expense	266	906	271
Miscellaneous other expense	2,016	1,637	1,962
Other operating expense	$ 12,765	$ 13,818	$ 11,121

Note 22 Related Party Transactions

In the ordinary course of business, the Bank granted loans to principal officers, directors and their affiliates. Loan activity during 2014 and 2013 was as follows:

Following is a summary of these transactions:

(dollars in thousands)	**2014**	**2013**
Balance, January 1	$ 3,032	$ 2,884
Additions		200
Amounts collected	(158)	(52)
Balance, December 31	$ 2,874	$ 3,032

Related party deposits amounted to $2.8 million and $2.0 million at December 31, 2014 and 2013, respectively.

Note 23 Financial Instruments with Off-Balance Sheet Risk, Contingencies and Concentration of Credit Risk

Off-Balance Sheet Risk

The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated statements of financial condition. The contractual amounts of those instruments reflect the extent of involvement the Corporation has in particular classes of financial instruments.

The Corporation s exposure to credit loss in the event of nonperformance by the counterparty to the financial instrument of commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Corporation uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet financial instruments.

Table of Contents

Commitments to extend credit, which include unused lines of credit and unfunded commitments to originate loans, are agreements to lend to a customer as long as there is no violation of any condition established in the agreement. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Some of the commitments are expected to expire without being drawn upon, and the total commitment amounts do not necessarily represent future cash requirements. Total commitments to extend credit at December 31, 2014 were $463.7 million. The Corporation evaluates each customer s creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Corporation upon extension of credit, is based on a credit evaluation of the counterparty. Collateral varies but may include accounts receivable, marketable securities, inventory, property, plant and equipment, residential real estate, and income-producing commercial properties.

Standby letters of credit are conditional commitments issued by the Bank to a customer for a third party. Such standby letters of credits are issued to support private borrowing arrangements. The credit risk involved in issuing standby letters of credit is similar to that involved in extending loan facilities to customers. The collateral varies, but may include accounts receivable, marketable securities, inventory, property, plant and equipment, and residential real estate for those commitments for which collateral is deemed necessary. The Corporation s obligation under standby letters of credit as of December 31, 2014 was $15.3 million. There were no outstanding bankers acceptances as of December 31, 2014.

Contingencies

Legal Matters

In the ordinary course of business, the Corporation is subject to litigation, claims, and assessments that involve claims for monetary relief. Some of these are covered by insurance. Based upon information presently available to the Corporation and its counsel, it is the Corporation s opinion that any legal and financial responsibility arising from such claims will not have a material, adverse effect on its results of operations, financial condition or capital.

Indemnifications

In general, the Corporation does not sell loans with recourse, except to the extent that it arises from standard loan-sale contract provisions. These provisions cover violations of representations and warranties and, under certain circumstances, first payment default by borrowers. These indemnifications may include the repurchase of loans by the Corporation, and are considered customary provisions in the secondary market for conforming mortgage loan sales. For the twelve months ended December 31, 2014, there were no make-whole requests presented to or settled by the Corporation. For the twelve months ended December 31, 2013, the Corporation settled two make-whole requests from the secondary market totaling $278 thousand. For the twelve months ended December 31, 2012, there were no make-whole requests presented to or settled by the Corporation. As of December 31, 2014, there are no pending make-whole requests.

Concentrations of Credit Risk

The Corporation has a material portion of its loans in real estate-related loans. A predominant percentage of the Corporation s real estate exposure, both commercial and residential, is in the Corporation s primary trade area which includes portions of Delaware, Chester, Montgomery and Philadelphia counties in Southeastern Pennsylvania. The Corporation is aware of this concentration and attempts to mitigate this risk to the extent possible in many ways, including the underwriting and assessment of borrower s capacity to repay. See Note 5 Loans and Leases for additional information.

As of December 31, 2014, the Corporation had no loans sold with recourse outstanding.

Table of Contents

Note 24 Dividend Restrictions

The Bank is subject to the Pennsylvania Banking Code of 1965 (the Code), as amended, and is restricted in the amount of dividends that can be paid to its sole shareholder, the Corporation. The Code restricts the payment of dividends by the Bank to the amount of its net income during the current calendar year and the retained net income of the prior two calendar years, unless the dividend has been approved by the Board of Governors of the Federal Reserve System. The total retained net income for the years ended December 31, 2013 and 2014 was $32.4 million. Accordingly, the dividend payable by the Bank to the Corporation is limited to $32.4 million plus net income not yet earned in 2015. However, the amount of dividends paid by the Bank may not reduce capital levels below levels that would cause the Bank to be considered less than adequately capitalized as detailed in Note 25 Regulatory Capital Requirements .

Note 25 Regulatory Capital Requirements

A. General Regulatory Capital Information

Both the Corporation and the Bank are subject to various regulatory capital requirements, administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if taken, could have a direct material effect on the Corporation s and the Bank s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation and the Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Prompt corrective action provisions are not applicable to bank holding companies. Beginning in 2015, new regulatory capital reforms, known as Basel III, issued as part of the Dodd-Frank Act will begin to be phased in. For more information, refer to the Other Information section of Management s Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report on Form 10-K.

B. S-3 Shelf Registration Statement and Offerings Thereunder

In April 2012, the Corporation filed a shelf registration statement (the Shelf Registration Statement) to replace its 2009 Shelf Registration Statement, which was set to expire in June 2012. This new Shelf Registration Statement allows the Corporation to raise additional capital through offers and sales of registered securities consisting of common stock, debt securities, warrants to purchase common stock, stock purchase contracts and units or units consisting of any combination of the foregoing securities. Using the prospectus in the Shelf Registration Statement, together with applicable prospectus supplements, the Corporation may sell, from time to time, in one or more offerings, such securities in a dollar amount up to $150,000,000, in the aggregate.

The Corporation has in place under its Shelf Registration Statement a Dividend Reinvestment and Stock Purchase Plan (the Plan), which was amended and restated on April 27, 2012, primarily to increase the number of shares which can be issued by the Corporation from 850,000 to 1,500,000 shares of registered common stock. The Plan allows for the grant of a request for waiver (RFW) above the Plan s maximum investment of $120 thousand per account per year. An RFW is granted based on a variety of factors, including the Corporation s current and projected capital needs, prevailing market prices of the Corporation s common stock and general economic and market conditions.

The Plan is intended to allow both existing shareholders and new investors to easily and conveniently increase their investment in the Corporation without incurring many of the fees and commissions normally associated with brokerage transactions. For the twelve months ended December 31, 2014, the Corporation issued 2,517 shares and raised $72 thousand through the Plan.

115

Table of Contents

C. Shares Issued in Mergers and Acquisitions

In connection with the acquisition of PWMG, the Corporation issued 322,101 common shares, valued at $6.7 million, to former shareholders of PWMG. These shares were registered on an S-3 registration statement filed by the Corporation in September 2011.

In connection with the merger with FKF, the Corporation issued 1,630,053 common shares, valued at $26.5 million, to former shareholders of FKF. These shares were registered on an S-4 registration statement filed by the Corporation in January 2010.

D. Regulatory Capital Ratios

As set forth in the following table, quantitative measures have been established to ensure capital adequacy ratios required of both the Corporation and the Bank. Both the Corporation s and the Bank s Tier II capital ratios are calculated by adding back a portion of the loan loss reserve to the Tier I capital. The Corporation believes that as of December 31, 2014 and 2013, the Corporation and the Bank had met all capital adequacy requirements to which they were subject. Federal banking regulators have defined specific capital categories, and categories range from a best of well capitalized to a worst of critically under-capitalized. Both the Corporation and the Bank were classified as well capitalized as of December 31, 2014 and 2013.

The Corporation s and the Bank s actual capital amounts and ratios as of December 31, 2014 and 2013 are presented in the following table:

	Actual		Minimum to be Well Capitalized	
(dollars in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**
December 31, 2014				
Total (Tier II) capital to risk weighted assets:				
Corporation	$ 217,371	12.86%	$ 169,071	10%
Bank	$ 207,680	12.32%	$ 168,557	10%
Tier I capital to risk weighted assets:				
Corporation	$ 202,734	11.99%	$ 101,442	6%
Bank	$ 193,043	11.45%	$ 101,134	6%
Tier I capital to average assets:				
Corporation	$ 202,734	9.54%	$ 106,306	5%
Bank	$ 193,043	9.09%	$ 106,173	5%
December 31, 2013				
Total (Tier II) capital to risk weighted assets:				
Corporation	$ 200,667	12.55%	$ 159,924	10%
Bank	$ 197,463	12.38%	$ 159,493	10%
Tier I capital to risk weighted assets:				
Corporation	$ 185,022	11.57%	$ 95,954	6%
Bank	$ 181,818	11.40%	$ 95,696	6%
Tier I capital to average assets:				
Corporation	$ 185,022	9.29%	$ 99,543	5%

Bank	$ 181,818	9.14%	$ 99,424	5%

116

Table of Contents

Note 26 Selected Quarterly Financial Data (Unaudited)

	2014			
(dollars in thousands, except per share data)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Interest income	$ 20,161	$ 20,941	$ 20,749	$ 21,055
Interest expense	1,438	1,499	1,573	1,568
Net interest income	18,723	19,442	19,176	19,487
Provision for loan and lease losses	750	(100)	550	(316)
Other income	11,139	12,757	11,543	12,883
Other expense	18,899	20,626	19,961	21,932
Income before income taxes	10,213	11,673	10,208	10,754
Tax expense	3,524	4,069	3,702	3,710
Net income	$ 6,689	$ 7,604	$ 6,506	$ 7,044
Basic earnings per common share*	$ 0.50	$ 0.56	$ 0.48	$ 0.52
Diluted earnings per common share*	$ 0.49	$ 0.55	$ 0.47	$ 0.51
Dividend declared	$ 0.18	$ 0.18	$ 0.19	$ 0.19

	2013			
(dollars in thousands, except per share data)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Interest income	$ 18,855	$ 19,217	$ 19,820	$ 20,525
Interest expense	1,446	1,294	1,287	1,400
Net interest income	17,409	17,923	18,533	19,125
Provision for loan and lease losses	804	1,000	959	812
Other income	11,790	12,943	11,387	12,235
Other expense	20,235	20,524	19,323	20,658
Income before income taxes	8,160	9,342	9,638	9,890
Tax expense	2,840	3,090	3,237	3,419
Net income	$ 5,320	$ 6,252	$ 6,401	$ 6,471
Basic earnings per common share*	$ 0.40	$ 0.47	$ 0.48	$ 0.48
Diluted earnings per common share*	$ 0.40	$ 0.46	$ 0.47	$ 0.47
Dividend declared	$ 0.17	$ 0.17	$ 0.17	$ 0.18

* *Earnings per share is computed independently for each period shown. As a result, the sum of the quarters may not equal the total earnings per share for the year.*

Note 27 Parent Company-Only Financial Statements

The condensed financial statements of the Corporation (parent company only) are presented below. These statements should be read in conjunction with the Notes to the Consolidated Financial Statements.

117

Table of Contents

A. Condensed Balance Sheets

(dollars in thousands)	December 31, 2014	December 31, 2013
Assets:		
Cash	$ 5,269	$ 5,435
Investment securities	420	401
Investments in subsidiaries, as equity in net assets	236,586	227,245
Premises and equipment, net	2,484	2,582
Goodwill	245	245
Other assets	1,791	2,164
Total assets	$ 246,795	$ 238,072
Liabilities and shareholders equity:		
Borrowings	$	$ 7,050
Other liabilities	1,321	1,124
Total liabilities	$ 1,321	$ 8,174
Common stock, par value $1, authorized 100,000,000 shares issued 16,742,135 shares and 16,596,869 shares as of December 31, 2014 and 2013, respectively, and outstanding 13,769,336 shares and 13,650,354 shares as of December 31, 2014 and 2013, respectively	$ 16,742	$ 16,597
Paid-in capital in excess of par value	100,486	95,673
Less common stock in treasury, at cost 2,972,799 shares and 2,946,515 shares as of December 31, 2014 and 2013, respectively	(31,642)	(30,764)
Accumulated other comprehensive loss, net of deferred income taxes benefit	(11,704)	(5,565)
Retained earnings	171,592	153,957
Total shareholders equity	$ 245,474	$ 229,898
Total liabilities and shareholders equity	$ 246,795	$ 238,072

B. Condensed Statements of Income

(dollars in thousands)	Twelve Months Ended December 31, 2014	2013	2012
Dividends from subsidiaries	$ 12,160	$ 8,165	$ 13,075
Interest and other income	2,156	2,062	2,672
Total operating income	14,316	10,227	15,747
Expenses	1,849	1,996	2,410
Income before equity in undistributed income of subsidiaries	12,467	8,231	13,337

Equity in undistributed income of subsidiaries	15,480	16,236	7,761
Income before income taxes	27,947	24,467	21,098
Income tax expense (benefit)	104	23	(49)
Net income	$ 27,843	$ 24,444	$ 21,147

118

Table of Contents

C. Condensed Statements of Cash Flows

(dollars in thousands)	Twelve Months Ended December 31, 2014	2013	2012
Operating activities:			
Net Income	$ 27,843	$ 24,444	$ 21,147
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed income of subsidiaries	(15,480)	(16,236)	(7,761)
Depreciation and amortization	98	98	98
Net gain on sale of available for sale securities			
Stock-based compensation cost	1,256	1,004	1,283
Net accretion of fair value adjustments			
Other, net	485	(1,138)	(239)
Net cash provided by operating activities	14,202	8,172	14,528
Investing Activities:			
Proceeds from sale of available for sale securities			
Acquisitions, net of cash acquired			(9,278)
Sale of subsidiary			10,500
Investment in subsidiaries			(4,800)
Net cash used by investing activities			(3,578)
Financing activities:			
Dividends paid	(10,189)	(9,297)	(8,529)
Change in other borrowings	(7,050)	(2,350)	(4,291)
Proceeds from sale of treasury stock	79	1,317	317
Repurchase of treasury stock	(947)	(553)	
Proceeds from issuance of common stock	72	176	2,118
Payment of contingent consideration for business combinations		(2,100)	(1,050)
Excess tax benefit from stock-based compensation	831	708	112
Proceeds from exercise of stock options	2,836	3,970	1,363
Net cash used by financing activities	(14,368)	(8,129)	(9,960)
Change in cash and cash equivalents	(166)	43	990
Cash and cash equivalents at beginning of year	5,435	5,392	4,402
Cash and cash equivalents at end of year	$ 5,269	$ 5,435	$ 5,392

Note 28 Segment Information

FASB Codification 280 Segment Reporting identifies operating segments as components of an enterprise which are evaluated regularly by the Corporation s Chief Operating Decision Maker, our Chief Executive Officer, in deciding how to allocate resources and assess performance. The Corporation has applied the aggregation criterion set forth in this codification to the results of its operations.

The Corporation s Banking segment consists of commercial and retail banking. The Banking segment is evaluated as a single strategic unit which generates revenues from a variety of products and services. The Banking segment generates interest income from its lending (including leases) and investing activities and is dependent on the gathering of lower cost deposits from its branch network or borrowed funds from other sources for funding its loans, resulting in the generation of net interest income. The Banking segment also derives revenues from other sources including gains on the sale in available for sale investment securities, gains on the sale of residential mortgage loans, service charges on deposit accounts, cash sweep fees, overdraft fees, BOLI income and interchange revenue associated with its Visa Check Card offering.

Table of Contents

The Wealth Management segment has responsibility for a number of activities within the Corporation, including trust administration, other related fiduciary services, custody, investment management and advisory services, employee benefits and IRA administration, estate settlement, tax services and brokerage. Bryn Mawr Trust of Delaware and Lau Associates are included in the Wealth Management segment of the Corporation since they have similar economic characteristics, products and services to those of the Wealth Management Division of the Corporation. In addition, with the October 1, 2014 acquisition of PCPB, which was merged with the Corporation s existing insurance subsidiary, Insurance Counsellors of Bryn Mawr (ICBM), and now operates under the Powers Craft Parker and Beard, Inc. name, the Wealth Management Division has assumed responsibility for all insurance services of the Corporation. Prior to the PCPB acquisition, ICBM was reported through the Banking segment. Any adjustments to prior year figures are immaterial and are not reflected in the table below.

The accounting policies of the Corporation are applied by segment in the following tables. The segments are presented on a pre-tax basis.

120

Table of Contents

The following table details the Corporation s segments:

	As of or for the Twelve Months Ended December 31,								
	2014			2013			2012		
		Wealth			Wealth			Wealth	
dollars in thousands)	Banking	Managemen	Consolidated	Banking	Managemen	Consolidated	Banking	Managemen	Consolidatec
Net interest income	$ 76,825	$ 3	$ 76,828	$ 72,987	$ 3	$ 72,990	$ 64,731	$ 4	$ 64,735
Less: loan loss rovision	884		884	3,575		3,575	4,003		4,003
Net interest income fter loan loss rovision	75,941	3	75,944	69,412	3	69,415	60,728	4	60,732
Other income:									
Fees for wealth management services		36,774	36,774		35,184	35,184		29,798	29,798
ervice charges on eposit accounts	2,578		2,578	2,445		2,445	2,477		2,477
Loan servicing and ther fees	1,755		1,755	1,845		1,845	1,776		1,776
Net gain on sale of oans	1,772		1,772	4,117		4,117	6,735		6,735
Net gain (loss) on sale f available for sale ecurities	471		471	(8)		(8)	1,415		1,415
Net gain (loss) on sale f other real estate wned	175		175	(300)		(300)	(86)		(86)
BOLI income	315		315	358		358	428		428
nsurance ommissions		1,210	1,210	651		651	444		444
Other operating ncome	3,104	168	3,272	3,895	168	4,063	3,293	106	3,399
Total other income	10,170	38,152	48,322	13,003	35,352	48,355	16,482	29,904	46,386
Other expenses:									
alaries & wages	24,612	12,501	37,113	24,210	12,136	36,346	22,248	10,883	33,131
Employee benefits	4,306	3,034	7,340	5,942	2,890	8,832	5,660	2,467	8,127
Occupancy and bank remises	5,753	1,552	7,305	5,357	1,505	6,862	4,619	1,255	5,874
Amortization of other ntangible assets	276	2,383	2,659	312	2,321	2,633	294	2,117	2,411
Professional fees	2,923	94	3,017	2,246	210	2,456	2,665	203	2,868
	20,457	3,527	23,984	20,080	3,531	23,611	19,290	3,200	22,490

Other operating expenses									
Total other expenses	58,327	23,091	81,418	58,147	22,593	80,740	54,776	20,125	74,901
egment profit	27,784	15,064	42,848	24,268	12,762	37,030	22,434	9,783	32,217
ntersegment revenues) expenses*	(372)	372		(372)	372		(484)	484	
re-tax segment profit fter eliminations	$ 27,412	$ 15,436	$ 42,848	$ 23,896	$ 13,134	$ 37,030	$ 21,950	$ 10,267	$ 32,217
% of segment pre-tax rofit after liminations	64.0%	36.0%	100.0%	64.5%	35.5%	100.0%	68.1%	31.9%	100.0%
egment assets *dollars in millions)*	$ 2,197.8	$ 48.7	$ 2,246.5	$ 2,020.7	$ 41.0	$ 2,061.7	$ 1,990.9	$ 45.0	$ 2,035.9

* *Intersegment revenues consist of rental payments, deposit interest and management fees.*

121

Table of Contents

Other segment information:

Wealth Management Segment Information

	(dollars in millions)	
	December 31, 2014	**December 31, 2013**
Assets under management, administration, supervision and brokerage	$ 7,699.9	$ 7,268.3

Note 29 Subsequent Events

On January 1, 2015, the previously announced merger (the Merger) of Continental Bank Holdings, Inc. (CBH) with and into the Corporation, and the merger of Continental Bank with and into the Bank, as contemplated by the Agreement and Plan of Merger, by and between CBH and the Corporation, dated as of May 5, 2014 (as amended by the Amendment to Agreement and Plan of Merger, dated as of October 23, 2014, the Agreement), were completed. In accordance with the Agreement, the aggregate share consideration paid to CBH shareholders consisted of 3,878,383 shares of the Corporation s common stock. Shareholders of CBH received 0.45 shares of Corporation common stock for each share of CBH common stock they owned as of the effective date of the Merger. In addition, $1,323,000 was paid to certain warrant holders to cash-out certain warrants.

In connection with the Merger, the consideration paid and the estimated fair value of identifiable assets acquired and liabilities assumed as of the date of the Merger are summarized in the following table:

(dollars in thousands)	
Consideration paid:	
Common shares issued (3,878,304)	$ 121,391
Cash in lieu of fractional shares	2
Cash-out of certain warrants	1,323
Fair value of options assumed	2,343
Value of consideration	125,059
Assets acquired:	
Cash and due from banks	17,985
Investment securities available for sale	181,838
Loans	427,332
Premises and equipment	10,877
Deferred income taxes	5,750
Bank-owned life insurance	12,054
Core deposit intangible	4,191
Other assets	18,042
Total assets	678,069
Liabilities assumed:	
Deposits	481,674
FHLB and other long-term borrowings	19,726

Short-term borrowings	108,609
Other liabilities	4,556
Total liabilities	614,565
Net assets acquired	63,504
Goodwill resulting from acquisition of CBH	$ 61,555

The fair values of the assets acquired and liabilities assumed are preliminary estimates.

Table of Contents

Management s Report on Internal Control Over Financial Reporting

The Corporation is responsible for the preparation, integrity, and fair presentation of the consolidated financial statements included in this Annual Report on Form 10-K. The consolidated financial statements and notes included in this Annual Report on Form 10-K have been prepared in conformity with United States generally accepted accounting principles and necessarily include some amounts that are based on Management s best estimates and judgments.

The Corporation s Management is responsible for establishing and maintaining effective internal control over financial reporting that is designed to produce reliable financial statements in conformity with United States generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; provide a reasonable assurance that receipts and expenditures of the Corporation are only being made in accordance with authorizations of Management and directors of the Corporation; and provide a reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation s assets that could have a material effect on the financial statements. The system of internal control over financial reporting as it relates to the financial statements is evaluated for effectiveness by Management and tested for reliability through a program of internal audits. Actions are taken to correct potential deficiencies as they are noted.

Any system of internal control, no matter how well designed, has inherent limitations, including the possibility that a control can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation.

The Corporation s management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Management, including the Corporation s Chief Executive Officer and Chief Financial Officer, assessed the Corporation s system of internal control over financial reporting as of December 31, 2014, in relation to the criteria for effective control over financial reporting as described in Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, Management concludes that, as of December 31, 2014, the Corporation s system of internal control over financial reporting is effective.

KPMG, LLP, which is the independent registered public accounting firm that audited the financial statements in this Annual Report on Form 10-K, has issued an attestation report on the Corporation s internal control over financial reporting which can be found below.

Table of Contents

ITEM 9. CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Corporation carried out an evaluation, under the supervision and with the participation of the Corporation s management, including the Corporation s Chief Executive Officer, Francis J. Leto, and Chief Financial Officer, J. Duncan Smith, CPA, of the effectiveness of the Corporation s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2014 pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Corporation s disclosure controls and procedures as of December 31, 2014 are effective.

Changes in Internal Control over Financial Reporting

There were no changes in the Corporation s internal control over financial reporting during the fourth quarter of 2014 that have materially affected, or are reasonably likely to materially affect, the Corporation s internal control over financial reporting.

Design and Evaluation of Internal Control Over Financial Reporting

Pursuant to Section 404 of Sarbanes-Oxley, the following is a report of management s assessment of the design and effectiveness of our internal controls for the fiscal year ended December 31, 2014, and a report from our independent registered public accounting firm attesting to the effectiveness of our internal controls:

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

Bryn Mawr Bank Corporation:

We have audited Bryn Mawr Bank Corporation and subsidiaries (the Corporation) internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Corporation s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

124

Table of Contents

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Corporation as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, cash flows, and changes in shareholders equity for each of the years in the three-year period ended December 31, 2014, and our report dated March 12, 2015 expressed an unqualified opinion on those consolidated financial statements.

Philadelphia, Pennsylvania

March 12, 2015

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required for Item 10 is incorporated by reference to the sections titled Our Board of Directors, Information About our Directors, Information About our Executive Officers, Corporate Governance, Audit Committ Report and Section 16(a) Beneficial Ownership Reporting Compliance in the 2015 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required for Item 11 is incorporated by reference to section titled Director Compensation, Compensation Discussion and Analysis, Executive Compensation, Compensation Committee Report and Compensation Committee Interlocks and Insider Participation in the 2015 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required for Item 12 is incorporated by reference to the section titled Security Ownership of Certain Beneficial Owners and Management and Equity Compensation Plan Information in the 2015 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required for Item 13 is incorporated by reference to sections titled Transactions with Related Persons and Corporate Governance Director Independence in the 2015 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required for Item 14 is incorporated by reference to the sections Independent Registered Public Accounting Firm and Audit and Non-Audit Fees in the 2015 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Item 15(a) (1 & 2) Financial Statements and Schedules

The financial statements listed in the accompanying index to financial statements are filed as part of this Annual Report.

Item 15(a) (3) and **(b)** Exhibits

Exhibit No.	Description and References
2.1	Stock Purchase Agreement, dated as of February 18, 2011, by and between Bryn Mawr Bank Corporation and Hershey Trust Company, incorporated by reference to Exhibit 2.1 of the Corporation s 8-K filed with SEC on February 18, 2011
2.2	Amendment to Stock Purchase Agreement, dated as of May 27, 2011, by and between Hershey Trust Company and Bryn Mawr Bank Corporation, incorporated by reference to Exhibit 2.2 of the Corporation s 8-K filed with the SEC on May 27, 2011
2.3	Assignment and Assumption Agreement, dated as of May 27, 2011, by and between Hershey Trust Company and PWMG Bank Holding Company Trust, incorporated by reference to Exhibit 2.3 of the Corporation s 8-K filed with the SEC on May 27, 2011
2.4	Stock Purchase Agreement, dated as of February 3, 2012, by and among Bryn Mawr Bank Corporation, Davidson Trust Company, Boston Private (PA) Corporation, Bruce K. Bauder, Ernest E. Cecilia, Joseph J. Costigan, William S. Covert, James M. Davidson, Steven R. Klammer, N. Ray Sague, Malcolm C. Wilson, Boston Private Financial Holdings, Inc., and Alvin A. Clay III, incorporated by reference to Exhibit 2.1 of the Corporation s 8-K filed with the SEC on February 7, 2012
2.5	Purchase and Assumption Agreement, dated as of April 27, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2.1 of the Corporation s 8-K filed with the SEC on May 2, 2012
2.6	Amendment to Stock Purchase Agreement, dates as of May 15, 2012, by and among Bryn Mawr Bank Corporation, Davidson Trust Company, Boston Private (PA) Corporation, Bruce K. Bauder,

	Ernest E. Cecilia, Joseph J. Costigan, William S. Covert, James M. Davidson, Steven R. Klammer, N. Ray Sague, Malcolm C. Wilson, Boston Private Financial Holdings, Inc., and Alvin A. Clay III, incorporated by reference to Exhibit 2.1 of the Corporation s 8-K filed with the SEC on May 18, 2012
2.7	Amendment to Purchase and Assumption Agreement, dated as of October 12, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2.1 of the Corporation s 8-K filed with the SEC on October 18, 2012
2.8	Amendment to Purchase and Assumption Agreement, dated as of November 14, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2.1 of the Corporation s 8-K filed with the SEC on November 19, 2012

Table of Contents

Exhibit No.	Description and References
2.9	Agreement and Plan of Merger, dated as of March 27, 2013, by and between Bryn Mawr Bank Corporation and MidCoast Community Bancorp, Inc., incorporated by reference to Exhibit 2.1 of the Corporation s Form 8-K filed with the SEC on March 29, 2013
2.10	Agreement and Plan of Merger, dated as of May 5, 2014, by and between Bryn Mawr Bank Corporation and Continental Bank Holdings, Inc., incorporated by reference to Exhibit 2.1 to the Corporation s Form 8-K filed with the SEC on May 5, 2014
2.11	Amendment to Agreement and Plan of Merger, dated as of October 23, 2014, between Bryn Mawr Bank Corporation and Continental Bank Holdings, Inc., incorporated by reference to Exhibit 2.1 to the Corporation s Form 8-K filed with the SEC on October 23, 2014
2.12	Stock Purchase Agreement, dated as of August 21, 2014, by and among The Bryn Mawr Trust Company, Donald W. Parker, Edward F. Lee, and Powers Craft Parker & Beard, Inc., incorporated by reference to Exhibit 2.1 to the Corporation s Form 10-Q filed with the SEC on November 7, 2014
2.13	Amendment to Stock Purchase Agreement, dated as of October 1, 2014, by and among The Bryn Mawr Trust Company, Donald W. Parker, Edward F. Lee, and Powers Craft Parker and Beard, Inc., incorporated by reference to Exhibit 2.1 to the Corporation s Form 8-K filed with the SEC on October 3, 2014
3.1	Amended and Restated By-Laws, effective November 20, 2007, incorporated by reference to Exhibit 3.2 of the Corporation s Form 8-K filed with the SEC on November 21, 2007
3.2	Amended and Restated Articles of Incorporation, effective November 21, 2007, incorporated by reference to Exhibit 3.1 of the Corporation s Form 8-K filed with the SEC on November 21, 2007
4.1	Amended and Restated By-Laws, effective November 20, 2007, incorporated by reference to Exhibit 3.2 of the Corporation s Form 8-K filed with the SEC on November 21, 2007
4.2	Amended and Restated Articles of Incorporation, effective November 21, 2007, incorporated by reference to Exhibit 3.1 of the Corporation s Form 8-K filed with the SEC on November 21, 2007
4.3	Subordinated Note Purchase Agreement dated July 30, 2008, incorporated by reference to Exhibit 4.4 of the Corporation s 10-Q filed with SEC on November 10, 2008
4.4	Subordinated Note Purchase Agreement dated August 28, 2008, incorporated by reference to Exhibit 4.5 of the Corporation s 10-Q filed with the SEC on November 10, 2008
4.5	Subordinated Note Purchase Agreement dated April 20, 2009, incorporated by reference to Exhibit 4.6 of the Corporation s 10-Q filed with the SEC on August 7, 2009
4.6	Shareholder Rights Agreement, dated as of November 16, 2012, between Bryn Mawr Bank Corporation and Computershare Shareowner Services LLC, as Rights Agent, incorporated by reference to Exhibit 4.1 of the Corporation s 8-K filed with the SEC on November 16, 2012
10.1*	Amended and Restated Supplemental Employee Retirement Plan of the Bryn Mawr Bank Corporation, effective January 1, 1999, incorporated by reference to Exhibit 10.1 of the Corporation s Form 10-K filed with the SEC on March 13, 2008
10.2**	Form of Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.3 of the Corporation s Form 10-K filed with the SEC on March 16, 2011

10.3*	Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective January 1, 2008 incorporated by reference to Exhibit 10.4 of the Corporation s Form 10-K filed with the SEC on March 16, 2009

128

Table of Contents

Exhibit No.	Description and References
10.4*	Amended and Restated Deferred Payment Plan for Directors of Bryn Mawr Bank Corporation, effective January 1, 2008 incorporated by reference to Exhibit 10.5 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.5*	Amended and Restated Deferred Payment Plan for Directors of Bryn Mawr Trust Company, effective January 1, 2008 incorporated by reference to Exhibit 10.6 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.6*	Employment Letter Agreement, dated as of April 25, 2014, between the Corporation and Francis J. Leto, incorporated by reference to Exhibit 10.1 to the Corporation s Form 8-K filed with the SEC on April 25, 2014
10.7*	Amendment to 2012 Restricted Stock Agreement, dated August 20, 2014, between Bryn Mawr Bank Corporation and Fredrick C. Peters, II, incorporated by reference to Exhibit 10.1 to the Corporation s Form 8-K filed with the SEC on August 21, 2014
10.8*	Amendment to 2013 Restricted Stock Unit Agreement, dated August 20, 2014, between Bryn Mawr Bank Corporation and Fredrick C. Peters, II, incorporated by reference to Exhibit 10.2 to the Corporation s Form 8-K filed with the SEC on August 21, 2014
10.9**	Bryn Mawr Bank Corporation 2004 Stock Option Plan, incorporated by reference to Appendix A of the Corporation s Proxy Statement dated March 10, 2004 filed with the SEC on March 8, 2004
10.10*	Executive Change-of-Control Amended and Restated Severance Agreement, dated May 21, 2004, between the Bryn Mawr Trust Company and Alison E. Gers, incorporated by reference to Exhibit 10.M of the Corporation s Form 10-K filed with the SEC on March 15, 2007
10.11*	Executive Change-of-Control Amended and Restated Severance Agreement, dated May 21, 2004, between the Bryn Mawr Trust Company and Joseph G. Keefer, incorporated by reference to Exhibit 10.N of the Corporation s Form 10-K filed with the SEC on March 15, 2007
10.12*	Executive Severance and Change of Control Agreement, dated April 4, 2005, between the Bryn Mawr Trust Company and J. Duncan Smith, incorporated by reference to Exhibit 10.1 of the Corporation s Form 8-K filed with the SEC on April 6, 2005
10.13**	Form of Key Employee Non-Qualified Stock Option Agreement, incorporated by reference to Exhibit 10.3 of the Corporation s Form 10-Q filed with the SEC on May 10, 2005
10.14**	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors, incorporated by reference to Exhibit 10.2 of the Corporation s Form 10-Q filed with the SEC on May 10, 2005
10.15**	Form of Restricted Stock Unit Agreement for Employees (Service/Performance Based) Multi-Year Vesting, incorporated by reference to Exhibit 10.1 to the Corporation s Form 8-K filed with the SEC on September 17, 2014
10.16**	2007 Long Term Incentive Plan, effective April 25, 2007, incorporated by reference to Exhibit 10.1 of the Corporation s Form 10-Q filed with the SEC May 10, 2007
10.17**	Bryn Mawr Bank Corporation Supplemental Employee Retirement Plan for Select Executives, executed December 8, 2008, incorporated by reference to Exhibit 10.20 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.18	Form of Director Letter Agreement, incorporated by reference to Exhibit 10.2 to the Corporation s Form 10-Q filed with the SEC on August 8, 2014

10.19*	Executive Change-of-Control Amended and Restated Severance Agreement, dated November 2, 2009, between the Bryn Mawr Trust Company and Francis J. Leto, incorporated by reference to Exhibit 10.1 of the Corporation s 8-K filed with the SEC on November 6, 2009

129

Table of Contents

Exhibit No.	Description and References
10.20**	Bryn Mawr Bank Corporation Amended and Restated Dividend Reinvestment and Stock Purchase Plan with Request for Waiver Program, effective April 27, 2012, incorporated by reference to the prospectus supplement filed with the SEC on April 27, 2012 pursuant to Rule 424(b)(2) of the Securities Act
10.21**	Bryn Mawr Bank Corporation 2010 Long-Term Incentive Plan, effective April 28, 2010, incorporated by reference to Exhibit 10.24 of the Corporation s Form 10-Q filed with the SEC on May 10, 2010
10.22*	Amended and Restated Transition, Consulting, Noncompetition and Retirement Agreement, dated November 25, 2008, by and among First Keystone Financial, Inc., First Keystone Bank and Donald S. Guthrie, as assumed by Bryn Mawr Bank Corporation and The Bryn Mawr Trust Company as of July 1, 2010, incorporated by reference to Exhibit 10.1 of the Corporation s Form 8-K filed with the SEC on July 1, 2010
10.23**	First Keystone Financial, Inc. Amended and Restated 1998 Stock Option Plan, as assumed by Bryn Mawr Bank Corporation, incorporated by reference to Exhibit 10.1 of the Corporation s Post-Effective Amendment No. 1 to Form S-4 on Form S-3, filed with the SEC on July 9, 2010
10.24*	Executive Change-of-Control Amended and Restated Severance Agreement, dated September 27, 2010, between the Bryn Mawr Trust Company and Geoffrey L. Halberstadt, incorporated by reference to Exhibit 10.29 of the Corporation s Form 10-K filed with the SEC on March 16, 2011
10.25**	Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, dated as of January 10, 2011, for Francis J. Leto, incorporated by reference to Exhibit 10.30 of the Corporation s Form 10-K filed with the SEC on March 16, 2011
10.26	Amendment No. 2 to Stock Purchase Agreement by and between PWMG Bank Holding Company Trust and Bryn Mawr Bank Corporation dated September 29, 2011, filed with the SEC on Form 8-K on October 4, 2011
10.27**	Form of Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.32 of the Corporation s Form 10-Q filed with the SEC on November 9, 2011
10.28**	Form of Restricted Stock Agreement for Directors (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.33 of the Corporation s Form 10-Q filed with the SEC on November 9, 2011
10.29*	Amendment No. 1 to Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective as of January 1, 2013, incorporated by reference to Exhibit 10.29 of the Corporation s Form 10-K filed with the SEC on March 15, 2013
10.30*	Amendment No. 2 to Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective as of January 1, 2013, incorporated by reference to Exhibit 10.30 of the Corporation s Form 10-K filed with the SEC on March 15, 2013
10.31*	Form of Letter Agreement entered into with certain executive officers of the Corporation in connection with the curtailment of benefits under the Bryn Mawr Bank Corporation Supplemental Employee Retirement Plan for Select Executives, executed December 8, 2008 (SERP II), incorporated by reference to Exhibit 10.1 of the Corporation s Form 8-K filed with the SEC on April 4, 2013

10.32*	Bryn Mawr Bank Corporation Executive Deferred Compensation Plan, effective January 1, 2013, incorporated by reference to Exhibit 10.32 of the Corporation s Form 10-K filed with the SEC on March 14, 2014

130

Exhibit No.	Description and References
10.33*	Retention Bonus Agreement, dated as of June 10, 2013, by and between The Bryn Mawr Trust Company and Francis J. Leto, incorporated by reference to Exhibit 10.1 of the Corporation s Form 8-K filed with the SEC on June 14, 2013
10.34	Mutual Termination Agreement, dated as of August 8, 2013, by and between Bryn Mawr Bank Corporation and MidCoast Community Bancorp, Inc., incorporated by reference to Exhibit 10.1 of the Corporation s Form 8-K filed with the SEC on August 9, 2013
10.35**	Form of Restricted Stock Unit Agreement for Employees (Service/Performance Based), incorporated by reference to Exhibit 10.4 to the Corporation s Form 10-Q filed with the SEC on November 7, 2014
10.36**	Form of Restricted Stock Unit Agreement for Directors (Service/Performance Based), incorporated by reference to Exhibit 10.5 to the Corporation s Form 10-Q filed with the SEC on November 7, 2014
10.37**	Form of Restricted Stock Unit Agreement Inducement Grant, incorporated by reference to Exhibit 10.6 to the Corporation s Form 10-Q filed with the SEC on November 7, 2014
21.1	List of Subsidiaries, filed herewith
23.1	Consent of KPMG LLP, filed herewith
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith
99.1	Corporation s Proxy Statement for 2015 Annual Meeting to be held on April 30, 2015, expected to be filed with the SEC on or about March 19, 2015, and incorporated herein by reference
101.INS XBRL	Instance Document, filed herewith
101.SCH XBRL	Taxonomy Extension Schema Document, filed herewith
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document, filed herewith
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document, filed herewith
101.LAB XBRL	Taxonomy Extension Label Linkbase Document, filed herewith
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document, filed herewith

* Management contract or compensatory plan arrangement.

** Shareholder approved compensatory plan pursuant to which the Registrant s Common Stock may be issued to employees of the Corporation.

Item 15(c) Not Applicable

131

Table of Contents

SIGNATURES

Pursuant to the requirements of section 13 or 15d of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

Bryn Mawr Bank Corporation

By /s/ J. Duncan Smith,
J. Duncan Smith
Treasurer and Chief Financial Officer
Date March 12, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Corporation and in the capacities and on the date indicated.

NAME	TITLE	DATE
/s/ Britton H. Murdoch **Britton H. Murdoch**	Chairman and Director	March 12, 2015
/s/ Francis J. Leto **Francis J. Leto**	President and Chief Executive Officer (Principal Executive Officer) and Director	March 12, 2015
/s/ J. Duncan Smith **J. Duncan Smith**	Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	March 12, 2015
/s/ Michael J. Clement **Michael J. Clement**	Director	March 12, 2015
/s/ Andrea F. Gilbert **Andrea F. Gilbert**	Director	March 12, 2015
/s/ Donald S. Guthrie **Donald S. Guthrie**	Director	March 12, 2015
Wendell F. Holland	Director	

/s/ Scott M. Jenkins	Director	March 12, 2015
Scott M. Jenkins		
/s/ Jerry L. Johnson	Director	March 12, 2015
Jerry L. Johnson		
/s/ A. John May, III	Director	March 12, 2015
A. John May, III		
/s/ Lynn B. McKee	Director	March 12, 2015
Lynn B. McKee		
/s/ Frederick C. Peters II	Director	March 12, 2015
Frederick C. Peters		

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description and References
21.1	List of Subsidiaries, filed herewith
23.1	Consent of KPMG LLP, filed herewith
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith
99.1	Corporation s Proxy Statement for 2015 Annual Meeting to be held on April 30, 2015, expected to be filed with the SEC on or about March 19, 2015, and incorporated herein by reference
101.INS XBRL	Instance Document, filed herewith
101.SCH XBRL	Taxonomy Extension Schema Document, filed herewith
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document, filed herewith
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document, filed herewith
101.LAB XBRL	Taxonomy Extension Label Linkbase Document, filed herewith
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document, filed herewith