

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
See Attached

18 Can any resulting loss be recognized? ▶ **See Attached**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
See Attached

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

Sign Here

Signature ▶ Maura D Connolly Date ▶ 1/12/18

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name James Saile	Preparer's signature <i>J Saile</i>	Date <u>1/8/18</u>	Check <input type="checkbox"/> if self-employed	PTIN P 00649683
	Firm's name ▶ Grant Thornton, LLP	Firm's EIN ▶ 36-6055558		Phone no.	
	Firm's address ▶ 2001 Market Street Suite 700, Philadelphia, PA 19103				

Bryn Mawr Bank Corporation

23-2934506

Attachment to Form 8937

Part II Line 14 - Describe the organization action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

On December 15, 2017, Royal Bancshares of Pennsylvania, Inc. ("RBPI") (EIN: 23-2812193), the parent company of Royal Bank American ("RBA") merged into Bryn Mawr Bank Corporation ("BMBC"), the parent company of Bryn Mawr Trust Company ("BMT"), and thereafter RBA merged with and into BMT.

Pursuant to the terms of the Merger Agreement, upon completion of the Merger, the consideration paid was shares of common stock issued by BMBC. Class A common shareholders of RBPI received 0.1025 shares of BMBC's common stock for each share of RBPI's Class A common stock held by such shareholder. Class B common shareholders of RBPI received 0.1179 shares of BMBC's common stock for each share of RBPI's Class B common stock held by such shareholder. In addition, in accordance with the terms and conditions of the Merger Agreement, options to purchase RBPI Class A common stock will be cashed-out at closing.

Part II Line 15 — Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

Generally, a U.S. holder's aggregate tax basis in the BMBC's common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "—Cash in Lieu of Fractional Shares of BMBC common stock," and "Cash Received by Dissenting Shareholders" will equal such U.S. Holder's aggregate tax basis in the RBPI's Class A common stock or RBPI's Class B common stock surrendered in the merger, increased by the amount of taxable gain, if any, recognized by such U.S. Holder in the merger (other than with respect to cash received in lieu of fractional shares of BMBC common stock or cash received by dissenting shareholders), and decreased by the amount of cash, if any, received by such U.S. Holder in the merger (other than cash received in lieu of fractional shares of BMBC common stock or cash received by dissenting shareholders). The holding period for the shares of BMBC common stock received in the merger, including any fractional shares deemed received by the U.S. holders under the treatment discussed below in "—Cash in Lieu of Fractional Shares of BMBC'S common stock," and "—Cash Received by Dissenting Shareholders" generally will include the holding period for the shares of RBPI's Class A and Class B common stock exchanged therefore.

Cash in Lieu of Fractional Shares of BMBC Common Stock

A U.S. Holder who receives cash instead of a fractional share of BMBC common stock will be treated as having received the fractional share of BMBC common stock pursuant to the merger and then as having exchanged the fractional share of BMBC common stock for cash in a redemption by BMBC. In general, this deemed redemption will be treated as a sale or exchange and a U.S. Holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. Holder and (ii) the portion of the basis of the shares of RBPI Class A or Class B common stock allocable to such fractional interest.

Cash Received by Dissenting Shareholders

The receipt of solely cash in exchange for RBPI Class B Stock by holders of RBPI Class B Stock that exercise dissenters' rights is treated as a distribution in redemption (i.e., a taxable exchange), subject to the special provisions and limitations of Section 302 of the Internal Revenue Code. In general, the determination of whether the gain recognized in the exchange will be treated as capital gain or has the effect of a distribution of a dividend depends upon whether and to what extent the exchange reduces the RBPI dissenting shareholder's deemed percentage stock ownership of BMBC. For purposes of this determination, holders of RBPI Class B Stock will be treated as if they first exchanged all of their RBPI Class B Stock solely for BMBC common stock, and then BMBC immediately redeemed (the "deemed redemption") a portion of the BMBC common stock in exchange for the cash actually received. The gain recognized in the deemed redemption will be treated as capital gain if the deemed redemption (1) is in "complete redemption" of all of the BMBC common stock treated as owned by the US Holder of RBPI Class B Stock, (2) is "substantially disproportionate" with respect to the holder of RBPI Class B Stock (and the shareholder actually or constructively owns after the deemed redemption less than 50% of the voting power of the outstanding BMBC common stock), or (3) is "not essentially equivalent to a dividend." In applying the above tests, holders of RBPI Class B Stock may, under the constructive ownership rules, be deemed to own stock that is owned by other persons or otherwise in addition to the stock actually owned by the shareholder.

Part II Line 16—Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of the securities and the valuation dates:

Based on the closing stock price of BMBC common stock on NASDAQ on December 14, 2017, the last trading day before the merger occurred of \$44.10, and per the Merger Agreement the exchange ratio of 0.1025 for RBPI Class A Stock and 0.1179 for RBPI Class B Stock, the value of the per share merger consideration would be \$4.52 for each share of RBPI Class A Stock and \$5.20 for each share of RBPI Class B Stock.

As discussed above, a U.S. Holder's aggregate tax basis in the BMBC common stock received in the merger, including any fractional shares deemed received, generally will equal such U.S. Holder's aggregate tax basis in the RBPI common stock surrendered by such U.S. Holder in the merger.

U.S. Holder will receive one share of BMBC common stock for 9.7561 shares of RBPI Class A common shares. U.S. Holder will receive one share of BMBC common stock in exchange for 8.4818 shares of RBPI Class B common shares. The chart below will provide an example of the calculation of the tax basis of each BMBC common share received in exchange for RBPI stock as part of the merger. The total basis of the BMBC's whole shares received in the merger, and the basis allocated to the fractional shares of BMBC that are deemed redeemed. Assume the RBPI shareholder has a tax basis for each of its Class A common share of \$4.00 and a tax basis for each Class B common share of \$5.00

In order to calculate your basis in BMBC received and the tax basis allocated to fractional shares, you need to have the information required for A. and B. below separately for RBPI Class A shares and RBPI Class B shares. To calculate the basis of each BMBC share received (E. below) in exchange for RBPI Class A common stock, multiply B. by D. and divide by A. Do the same for RBPI Class B common shares as shown below in the second chart.

Exchange of RBPI's Class A Common Stock

A. Number of shares of RBPI Class A common stock owned	20
B. Aggregate basis in RBPI Class A common stock	\$80.00
C. Exchange ratio	0.1025
D. Shares of RBPI Class A common stock needed to receive one share of BMBC common stock	9.7561
E. Basis per share of each share of BMBC stock received	\$39.02
F. Number of whole shares of BMBC received rounded down	2
G. Total basis in shares of BMBC stock received	\$78.04
H. Basis allocated to fractional share deemed sold	\$1.96

Exchange of RBPI's Class B Common Stock

A. Number of shares of RBPI Class B common stock owned	10
B. Aggregate basis in RBPI Class B common stock	\$50.00
C. Exchange ratio	0,1179
D. Shares of RBPI Class A common stock needed to receive one share of BMBC common stock	8.4818
E. Basis per share of each share of BMBC stock received (Multiply B by D divided by A)	\$42.41
F. Number of whole shares of BMBC stock received rounded down	1
G. Total basis in shares of BMBC stock received	\$42.41
H. Basis allocated to fractional share deemed sold	\$ 7.59

Part II Line 17 — List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

The applicable Code sections which the tax treatment of the Merger is based is Section 368(a) of the Internal Revenue Code of 1986, as amended. The Merger Agreement constitutes "a plan of reorganization" as that term is used in Sections 354 and 362 of the Code

Part II Line 18 — Can any resulting loss be recognized?

A U.S. Holder who receives cash instead of a fractional share of BMBC common stock will be treated as having received the fractional shares of BMBC common stock pursuant to the merger and then as having exchanged the fractional shares of BMBC common stock for cash in a redemption by BMBC. In general, this deemed redemption will be treated as a sale or exchange and a U.S. Holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. Holder and (ii) the portion of the basis of the shares of RBPI common stock allocable to such fractional interest. Such gain or loss generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for RBPI common stock exchanged by such U.S. Holder is greater than one year as of the effective date of the merger. The deductibility of capital losses is subject to limitations.

With respect to cash received by dissenting shareholders, the receipt of solely cash in exchange for RBPI Class B Stock by holders of RBPI Class B Stock that exercise dissenters' rights is treated as a distribution in redemption (i.e., a taxable exchange), subject to the special provisions and limitations of Section 302 of the Internal Revenue Code. In general, the determination of whether the gain recognized in the exchange will be treated as capital gain or has the effect of a distribution of a dividend depends upon whether and to what extent the exchange reduces the RBPI dissenting shareholder's deemed percentage stock ownership of BMBC. For purposes of this determination, holders of RBPI Class B Stock will be treated as if they first exchanged all of their RBPI Class B Stock solely for BMBC common stock, and then BMBC immediately redeemed (the "deemed redemption") a portion of the BMBC common stock in exchange for the cash actually received. The gain recognized in the deemed redemption will be treated as capital gain if the deemed redemption (1) is in "complete redemption" of all of the BMBC common stock treated as owned by the US Holder of RBPI Class B Stock, (2) is "substantially disproportionate" with respect to the holder of RBPI Class B Stock (and the shareholder actually or constructively owns after the deemed redemption less than 50% of the voting power of the outstanding BMBC common stock), or (3) is "not essentially equivalent to a dividend." In applying the above tests, holders of RBPI Class B Stock may, under the constructive ownership rules, be deemed to own stock that is owned by other persons or otherwise in addition to the stock actually owned by the shareholder.

Part II Line 19 — Provide any other information necessary to implement the adjustment, such as the reportable tax year:

The merger occurred on December 15, 2017. Therefore, any gain or loss recognized with respect to the fractional shares or dissenting shares should be reported by RBPI shareholders in the tax year which includes December 15, 2017 (e.g. calendar -year shareholder would report the transaction on his or her federal income tax return filed for the 2017 calendar year).

For additional information please refer to the RBPI's Prospectus, SEC File Number 333-216995 filed with the Securities and Exchange Commission ("SEC") on April 20, 2017.

RBPI shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of the merger. The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code of 1986, as amended, or (ii) promoting, marketing, or recommending any transaction or matter addressed herein.