Bryn Mawr Bank Corporation

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KBRA KROLL BOND RATING AGENCY

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KBRA KROLL BOND RATING AGENCY

Executive Summary

Kroll Bond Rating Agency (KBRA) has assigned the following ratings to **Bryn Mawr Bank Corporation (NASDAQ: BMTC** or **"the Company"),** and its subsidiary bank, **Bryn Mawr Trust ("BMT" or "the Bank"),** based on KBRA's **Global Bank and Bank Holding Company Rating Methodology** published on January 28, 2015.

Ratings				
Entity	**Type**	**Rating**	**Outlook**	**Action**
Bryn Mawr Bank Corporation	Senior Unsecured Debt	A-	Stable	Assigned
	Subordinated Debt	BBB+	Stable	Assigned
	Short-Term Debt	K2		Assigned
Bryn Mawr Trust	Deposit	A	Stable	Assigned
	Senior Unsecured Debt	A	Stable	Assigned
	Short-Term Deposit	K1		Assigned

Bryn Mawr Bank Corporation was established as a Bank Holding Company in 1987 and conducts its operations primarily through its subsidiary bank, Bryn Mawr Trust, which is the largest community bank in Philadelphia's western suburbs. Founded in 1889, Bryn Mawr Trust offers banking and wealth management services and reported $2.9 billion in corporate assets and $7.8 billion in trust and investment assets under management and administration as of the first quarter of 2015. Bryn Mawr Trust and its holding company are headquartered in Bryn Mawr, Pennsylvania and the Bank has 29 full-service branches serving residents and businesses in the suburbs of Pennsylvania. It also maintains seven limited service offices located in upscale retirement communities.

Key Rating Drivers

The ratings are supported by Bryn Mawr Bank Corporation's seasoned management team, strong credit culture, well diversified revenue sources, sound credit quality, and consistently strong core earnings metrics. These factors are counterbalanced by BMTC's geographic concentration of its banking operations and high concentrations in real estate loans, although BMTC has prudent underwriting standards and a favorable loss history in real estate loans over time.

Credit Strengths

- Experienced management team with longstanding customer relationships
- Excellent asset quality
- Well diversified revenue stream with high level of noninterest income
- Strong financial stability over the years and positive earnings throughout the recent economic downturn
- Strong credit culture with an emphasis on a multi-tiered committee based approval process, stress testing, and independent third party loan review
- Solid liquidity profile and excellent funding mix based upon stable core funding with minimal brokered deposits
- Strong risk management culture and efficient MIS infrastructure

Credit Constraints

- High asset concentration in real estate lending, although favorable loss experience over time
- Limited footprint in banking operations

Financial Metrics

Bryn Mawr Bank Corporation								
Key Statistics	**1Q15***	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Total Assets (000s)	$2,943,180	$2,246,506	$2,061,665	$2,035,885	$1,774,907	$1,731,768	$1,238,821	$1,151,346
Total Loans / Total Assets	71.19%	73.72%	75.11%	68.86%	73.07%	69.38%	71.74%	78.40%
Nonperforming Assets / Total Assets	0.46%	0.48%	0.55%	0.76%	0.84%	0.70%	0.64%	0.50%
Nonperforming Assets / Tangible Equity + Reserves	5.26%	5.51%	6.04%	9.75%	9.79%	8.55%	8.05%	6.44%
Reserves / Total Assets	0.49%	0.65%	0.75%	0.71%	0.72%	0.59%	0.84%	0.90%
Reserves / Nonperforming Assets	105.23%	134.36%	136.30%	93.33%	85.71%	84.57%	131.30%	177.89%
Net Charge-Offs / Average Total Assets	0.12%	0.08%	0.12%	0.12%	0.20%	0.57%	0.57%	0.30%
Net Charge-Offs / Provisions	150.97%	205.09%	69.51%	58.23%	59.29%	101.51%	98.66%	60.54%
Loan Loss Provisions / Average Total Assets	0.08%	0.04%	0.18%	0.21%	0.35%	0.56%	0.57%	0.49%
Total Deposits / Total Assets	76.15%	75.14%	77.19%	80.29%	77.88%	77.46%	75.71%	75.52%
Total Loans/ Total Deposits	93.48%	98.11%	97.31%	85.76%	93.82%	89.57%	94.76%	103.80%
Total Equity (000s)	$377,903	$245,474	$229,899	$203,565	$185,913	$161,418	$103,936	$92,413
Net Revenue (000s)	$38,133	$123,631	$117,576	$105,541	$88,942	$69,032	$60,236	$52,684
Tier 1 / RWA	13.06%	11.99%	11.57%	11.02%	11.26%	11.30%	9.41%	8.81%
Total Equity - Intangible Assets / Total Assets	8.30%	8.12%	8.39%	7.08%	7.84%	7.61%	7.12%	6.94%
Net Interest Margin	3.76%	3.79%	3.83%	3.69%	3.84%	3.17%	3.61%	3.48%
Net Interest Income / Total Revenue	65.84%	62.40%	60.68%	59.54%	66.61%	66.57%	61.30%	64.58%
Noninterest Income / Total Revenue	34.16%	37.60%	39.32%	40.46%	33.39%	33.43%	38.70%	35.42%
Return on Average Assets	1.03%	1.28%	1.20%	1.12%	1.12%	0.52%	0.86%	0.82%
Return on Equity	7.93%	11.34%	10.63%	10.39%	10.60%	5.68%	9.95%	10.09%
Efficiency Ratio	70.75%	65.26%	66.48%	68.23%	64.62%	73.29%	69.01%	66.19%
Double Leverage	96.80%	96.38%	98.85%	101.44%	103.79%	104.88%	96.31%	96.45%

Data Source: Bryn Mawr Bank Corporation's Forms FR Y-9C *Annualized

Bryn Mawr Trust								
Key Statistics	**1Q15***	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Total Assets (000s)	$2,924,225	$2,227,393	$2,043,075	$2,017,263	$1,755,293	$1,712,368	$1,222,582	$1,136,620
Total Loans / Total Assets	71.65%	74.35%	75.79%	69.49%	73.89%	70.17%	72.69%	79.41%
Nonperforming Assets / Total Assets	0.46%	0.49%	0.56%	0.77%	0.85%	0.71%	0.65%	0.51%
Nonperforming Assets / Tangible Equity + Reserves	5.54%	5.80%	6.14%	9.62%	9.38%	8.18%	8.38%	6.70%
Reserves / Total Assets	0.49%	0.65%	0.76%	0.72%	0.73%	0.60%	0.85%	0.91%
Reserves / Nonperforming Assets	105.23%	134.36%	136.30%	93.33%	85.71%	84.57%	131.30%	177.89%
Net Charge-Offs / Average Assets	0.12%	0.08%	0.12%	0.12%	0.21%	0.57%	0.57%	0.30%
Net Charge-Offs / Provisions	150.97%	205.09%	69.51%	58.23%	59.29%	101.51%	98.66%	60.54%
Loan Loss Provisions / Average Total Assets	0.08%	0.04%	0.18%	0.21%	0.35%	0.56%	0.58%	0.50%
Total Deposits / Total Assets	77.01%	76.11%	78.23%	81.39%	79.07%	78.66%	77.09%	76.58%
Total Loans / Total Deposits	93.04%	97.69%	96.89%	85.39%	93.45%	89.20%	94.30%	103.69%
Total Equity (000s)	$350,768	$221,810	$212,415	$191,077	$177,660	$154,495	$88,323	$78,499
Net Revenue (000s)	$36,661	$118,669	$112,970	$101,613	$85,935	$65,838	$56,809	$51,031
Tier 1 / RWA	12.38%	11.45%	11.40%	11.20%	11.78%	11.05%	9.06%	8.49%
Total Equity - Intangible Assets / Total Assets	7.90%	7.75%	8.31%	7.25%	8.31%	8.08%	6.89%	6.71%
Net Interest Margin	3.84%	3.87%	3.92%	3.79%	4.00%	3.28%	3.65%	3.57%
Net Interest Income / Total Revenue	68.44%	65.12%	63.30%	62.16%	70.05%	70.16%	64.71%	66.46%
Noninterest Income / Total Revenue	31.56%	34.88%	36.70%	37.84%	29.95%	29.84%	35.29%	33.54%
Return on Average Assets	0.99%	1.24%	1.18%	1.06%	1.10%	0.51%	0.84%	0.80%
Return on Total Equity	8.19%	12.10%	11.20%	10.45%	10.84%	5.78%	11.26%	11.42%
Efficiency Ratio	70.95%	65.13%	66.05%	68.21%	64.23%	72.65%	68.34%	66.27%

Data Source: Bryn Mawr Trust Company's Forms FFIEC 041 *Annualized

Recent News

On October 1, 2014, BMTC completed the acquisition of Powers Craft Parker and Beard, Inc. ("PCPB"), a full-service insurance brokerage headquartered in Rosemont, Pennsylvania. The consideration paid by the Bank was $7.0 million, of which $5.4 million was paid at closing and three contingent cash payments, not to exceed $542 thousand each, will be payable on each of the following dates: September 30, 2015, September 30, 2016 and September 30, 2017, subject to the attainment of certain revenue targets during the related periods. The acquisition will enable the Bank to offer a comprehensive line of insurance solutions to both individual and business clients.

On January 1, 2015, BMTC completed the acquisition of Continental Bank Holdings, Inc. ("CBH"), which increased the Company's total assets by $741 million and included $426 million of loans and $482 million of deposits. In addition, nine new full-service branches and one Life Care Community office were added, increasing the Company's total number of full-service branches to twenty-nine, eight Life Care Community offices, five Wealth Management locations and two insurance agencies. The acquisition of CBH reflects the Company's acquisition strategy and desire to pursue opportunities within the greater Philadelphia marketplace.

To further bolster its insurance division, on April 6, 2015, Bryn Mawr Bank Corporation completed the acquisition of Robert J. McAllister Agency, Inc. ("The McAllister Agency"), a full-service agency providing insurance and risk management solutions for individuals and businesses in the Philadelphia region. The McAllister Agency will be merged into the Bank's insurance subsidiary, Powers, Craft, Parker and Beard, Inc.

Comparative Statistics

Peer Comparison as of March 31, 2015								
Key Statistics*	**Bryn Mawr Bank Corporation**	**Metro Bancorp, Inc.**	**First Connecticut Bancorp, Inc.**	**OceanFirst Financial Corp.**	**CNB Financial Corporation**	**Commerce Bancshares Corp.**	**Citizens and Northern Corporation**	**Community Bankers Trust Corporation**
Total Assets (000s)	$2,943,180	$2,974,658	$2,549,346	$2,389,956	$2,180,261	$1,850,489	$1,251,958	$1,137,687
Loans/ Total Assets	71.19%	67.55%	86.64%	73.61%	62.28%	65.48%	50.21%	65.62%
Nonperforming Assets/ Total Assets	0.46%	1.25%	0.59%	0.97%	0.47%	0.48%	1.30%	2.08%
Nonperforming Assets/ Tangible Capital Equity + Reserves	5.26%	12.50%	5.92%	9.84%	5.59%	6.22%	8.92%	20.52%
Reserves/ Total Assets	0.49%	0.87%	0.75%	0.69%	0.81%	0.58%	0.57%	0.83%
Reserves/ Nonperforming Assets	105.23%	69.47%	128.09%	70.65%	173.35%	120.84%	43.71%	40.20%
Charge-offs/ Total Average Assets	0.12%	0.10%	0.05%	0.05%	0.12%	0.49%	0.07%	0.09%
Charge-offs/ Provisions	150.97%	49.53%	55.77%	72.80%	67.23%	240.33%	6833.33%	n.a
Loan Loss Provisions/ Total Average Assets	0.08%	0.20%	0.10%	0.06%	0.17%	0.21%	0.00%	0.00%
Total Deposits/ Total Assets	76.15%	81.07%	74.29%	75.88%	85.66%	89.39%	78.01%	80.43%
Total Loans/ Deposits	93.48%	83.32%	116.63%	97.01%	72.71%	73.25%	64.36%	81.59%
Total Equity (000s)	$377,903	$270,764	$237,709	$220,302	$195,882	$144,127	$189,103	$109,846
Net Revenue (000s)	$38,133	$32,160	$18,160	$21,930	$20,718	$13,505	$13,421	$10,853
Tier 1 / RWA	13.06%	12.27%	12.44%	n.a	13.20%	9.66%	23.98%	13.93%
Total Equity - Intangible Assets / Total Assets	8.30%	9.10%	9.19%	9.19%	7.56%	7.15%	14.05%	9.28%
Net Interest Margin	3.76%	3.72%	2.77%	3.29%	3.66%	2.86%	3.44%	3.80%
Net Interest Income / Total Revenue	65.84%	79.02%	87.22%	81.78%	85.84%	83.30%	74.12%	90.18%
Noninterest Income / Total Revenue	34.16%	20.98%	12.78%	18.22%	14.16%	16.70%	25.88%	9.82%
Return on Average Assets	1.03%	0.76%	0.40%	0.89%	1.02%	0.66%	1.24%	0.46%
Return on Equity	7.93%	8.45%	4.23%	9.56%	11.36%	8.05%	8.07%	4.78%
Efficiency Ratio	70.75%	70.95%	79.61%	62.42%	60.41%	60.48%	62.95%	87.40%
Double Leverage	96.80%	95.00%	83.30%	100.92%	110.31%	113.28%	96.32%	101.33%

Data sources: FR Y-9C and FR Y-9LP

Key Statistics*	Bryn Mawr Bank Corporation	Metro Bancorp, Inc.	First Connecticut Bancorp, Inc.	OceanFirst Financial Corp.	CNB Financial Corporation	Commerce Bancshares Corp.	Citizens and Northern Corporation	Community Bankers Trust Corporation
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Double Leverage	96.80%	95.00%	83.30%	100.92%	110.31%	113.28%	96.32%	101.33%

Data sources: FR Y-9C and FR Y-9LP   * Annualized

Rating Rationale

KBRA's senior deposit ratings of A/K1 for the Bank are supported by the following factors: i) a quantitative view of the Bank's financial fundamentals, including stress testing, ii) a qualitative assessment of the Bank's management and market strategy, and iii) the incorporation of potential external systemic support. KBRA's ratings of A-/K2 for Bryn Mawr Bank Corporation, the bank holding company, reflect the overall credit profile of the organization and the potential structural subordination of its liabilities to the liabilities of its bank subsidiary in an event of default or regulatory intervention.

Consistent with KBRA's notching guidelines, Bryn Mawr Bank Corporation's subordinated debt is rated BBB+, one notch below its senior unsecured debt rating.

Key Quantitative Rating Determinants

The quantitative financial fundamentals of Bryn Mawr Bank Corporation are reflected in the Primary Credit Rating (PCR) of A. This is derived from the analysis of the Bank's intrinsic financial strength and potential adjustments resulting from KBRA's stress testing as well as an analysis of current and historical financial metrics.

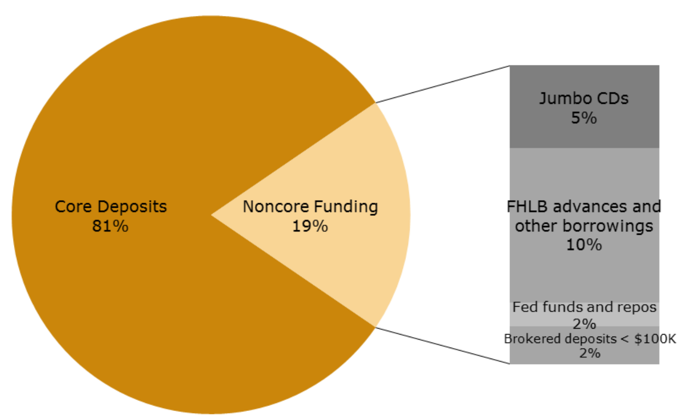
Liquidity

Bryn Mawr Bank Corporation funds its loans using funds generated mainly from interest bearing deposits. Over the past year, the institution's total deposits grew to a balance of approximately $2.24 billion as of March 31, 2015, a 33% increase from the prior year, primarily from organic growth in interest-bearing and noninterest bearing deposits and the mix of deposits acquired in the Continental Bank transaction. In addition to deposits, Bryn Mawr Trust reported available liquidity through cash reserves and through the

Federal Home Loan Bank of Pittsburgh (FHLB). As of March 31, 2015 the Company had a maximum borrowing capacity with the FHLB of approximately $1.07 billion, of which the unused capacity was $795 million. In addition, there were unused capacities of $64.0 million in overnight federal funds line, $81.3 million of Federal Reserve Discount Window borrowings and $5.0 million in a revolving line of credit from a correspondent bank as of March 31, 2015. In connection with its FHLB borrowings, the Company is required to hold the capital stock of the FHLB. The amount of FHLB capital stock held was $11.5 million as of both March 31, 2015 and December 31, 2014. The carrying amount of the FHLB capital stock approximates its redemption value.

In the most recent quarter, loan growth was primarily due to the CBH acquisition and supplemented by organic growth. As of March 31, 2015, Bryn Mawr Bank Corporation's net loans and leases represented approximately 92.84% of deposits and 70.70% of total assets. Bryn Mawr Bank Corporation's level of assets deployed in loans and leases is relatively higher than its peer group average[1].

Bryn Mawr Bank Corporation
Funding Mix
Data as of March 31, 2015



Data Source: Bryn Mawr Bank Corporation's regulatory filings

Bryn Mawr Bank Corporation's consolidated liquid assets ratio, which stood at 11.37% of total assets as of the first quarter of 2015 and comprised entirely of available-for-sale (AFS) securities, was below the 20.15% peer group average. As of March 31, 2015, Bryn Mawr Bank Corporation's $344.75 million AFS securities portfolio was primarily comprised of mortgage-backed securities (58% of AFS), non-MBS U.S. agency securities (27%), and Municipal securities (10%). All of BMTC's mortgage backed securities are agency related. The duration and weighted average life of the Bank's securities portfolio is approximately two and three years, respectively. Bryn Mawr Bank Corporation's dependence on noncore funding, which stood at 8.63% as of the first quarter of 2015, was well below its peer group average of 12.83%.

[1] U.S. banks with $1 - $3 billion in assets.

Bryn Mawr Bank Corporation: Liquidity and Funding						
	2015-Q1		2014		2013	
Peer data for Peer Group 3: U.S. Banks with $1-$3 billion in assets.	BMTC	Peer Average	BMTC	Peer Average	BMTC	Peer Average
Net loans and leases/ Total assets	70.70%	66.77%	73.07%	67.03%	74.36%	64.41%
Investment securities/Total assets	11.37%	20.15%	10.23%	20.31%	13.88%	21.63%
Liquid assets /Total assets	18.70%	20.55%	18.07%	20.27%	15.40%	22.12%
Net noncore funding dependence*	8.63%	12.83%	9.69%	14.16%	11.77%	13.83%
Net ST noncore funding dependence	-4.34%	4.78%	-7.04%	6.06%	-1.91%	5.08%
Net loans and leases - growth rate	34.13%	13.29%	7.08%	12.43%	10.49%	7.94%
Noncore funding - growth rate	54.64%	7.91%	30.11%	7.25%	7.51%	1.04%

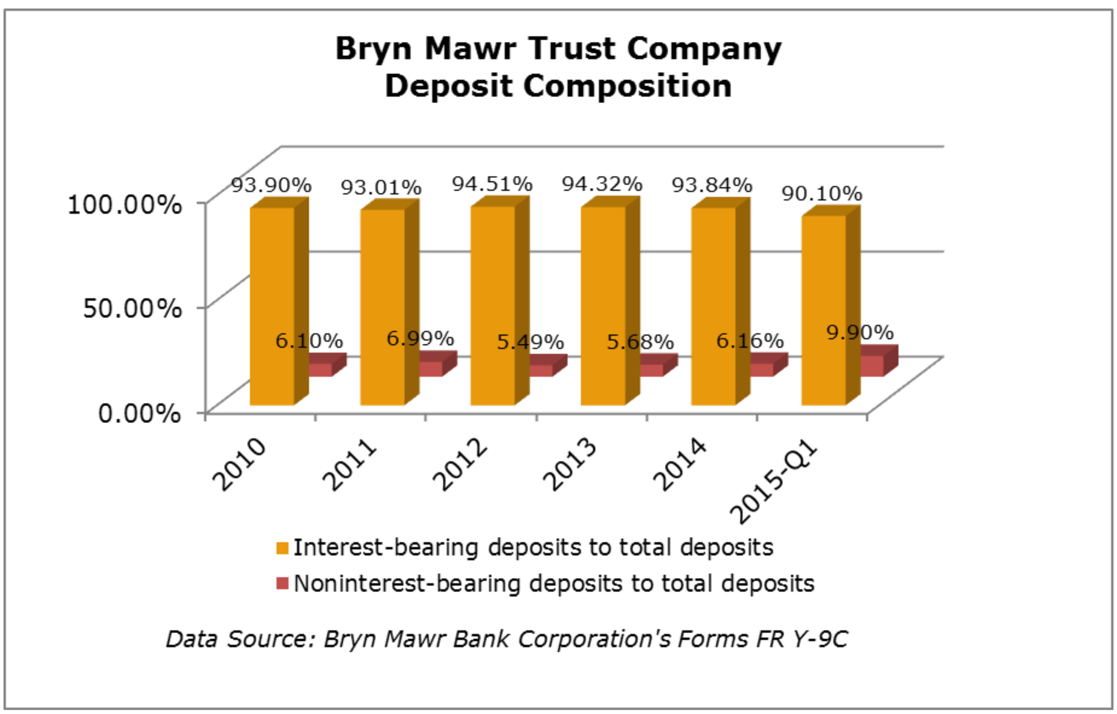
*(Non-core liabilities minus Short-term investments) divided by Long-term assets.

Source: Bank Holding Company Performance Report (BHCPR)

BMTC's liquidity position remains strong, evidenced in part by its ability to generate continued growth in deposits, which lessens reliance on other borrowings. The Company has offset the declines in earning asset yields with corresponding declines in funding costs. The low interest rate environment and continued shifts in the funding mix toward noninterest-bearing demand and other lower cost deposit categories were the primary reason for the overall decline in deposit costs. As of March 31, 2015, long term debt of BMT consisted of $250.09 million of FHLB advances and other borrowings. At the bank holding company level, cash was $8.11 million as of March 31, 2015 with no current holding company debt.

Bryn Mawr Bank Corporation : Yield and Cost						
	2015-Q1	2014	2013	2012	2011	2010
Yield on Earning Assets	4.09%	4.24%	4.27%	4.36%	4.69%	4.70%
Cost of Interest Bearing Deposits	0.25%	0.24%	0.23%	0.37%	0.55%	0.68%
Cost of Interest Bearing Liabilities	0.40%	0.43%	0.40%	0.67%	0.94%	1.14%

Source: BMTC's Management Presentation



Asset Quality

Overall, BMTC's asset quality metrics, as reflected by net charge-offs, allowances for potential loan losses, and nonperforming assets (NPAs), have been strong when compared to peers. The Company's level of nonperforming assets remained low during the 2008 and 2009 economic downturn primarily due to its strong credit culture. As of the first quarter of 2015, nonperforming assets comprised 0.46% of total assets and 5.26% of tangible capital equity plus reserves, down from 0.48% and 5.51% at year-end 2014. As of March 31, 2015, Bryn Mawr Bank Corporation's allowance for loan losses increased by 2% from the prior quarter to $14.30 million and represented approximately 105.23% of total nonperforming assets, compared to 134.36% at year-end 2014. As of the first quarter of 2015, the provision for loan and lease losses was 0.11% of average loans and leases. Net charge-offs totaled $859 thousand (or 0.16% of average loans) during the first quarter of 2015, compared to $1.81 million (or 0.11% of average loans) for year-end 2014. Comparatively, Bryn Mawr Bank Corporation's peer group average net charge-offs ratio stood at 0.07% as of first quarter 2015.

During the first quarter of 2015, nonperforming assets increased by approximately $2.73 million, or 25%, mostly due to increases of $1.68 million and $597 thousand in commercial and industrial and commercial real estate NPAs, respectively. The Company reported troubled debt restructured loans (TDRs) at a balance of $8.36 million as of March 31, 2015, of which $4.1 million were in compliance with the modified terms, and hence, excluded from non-performing loans and leases.

Bryn Mawr Bank Corporation Portfolio Asset Quality 2015-Q1

Loan Type	Portfolio Value ($000s)	NPAs ($000s)	As a % of Total NPAs
Construction & Development	$84,508	$280	2.06%
Commercial Real Estate	$777,223	$1,680	12.37%
Residential Mortgage	$754,198	$7,929	58.36%
Commercial & Industrial	$239,613	$1,921	14.14%
Consumer	$22,182	$195	1.44%
Leases	$46,506	$49	0.36%
Multi-Family Loans	$157,255	$0	0.00%
Other	$13,702	$0	0.00%
OREO	-	$1,532	11.28%
Total Loans	$2,095,187	$13,586	

Data Source: Bryn Mawr Bank Corporation's Forms FR Y-9C

Capital Adequacy

BMTC's total equity reached $377.90 million as of March 31, 2015, and its capital levels remain comfortable given its risk profile and growth rate. As of March 31, 2015, the institution's Tier 1, total risk-based capital, and leverage ratios stood at 13.06%, 13.72%, and 10.05%, respectively. These capital levels improved from the prior quarter and remained comfortably above "well-capitalized" per regulatory standards.

Bryn Mawr Bank Corporation did not participate in the Troubled Asset Relief Program (TARP) or the Small Business Lending Fund (SBLF) during the recent downdturn. BMTC prepaid $22.5 million of subordinated debt during the third and fourth quarters of 2012, which contributed to the reduction in borrowing interest and improvement of its double leverage ratio.

As of March 31, 2015, Bryn Mawr Bank Corporation reported a double leverage ratio of 96.8%, ranking the holding company in the 18th percentile of its peer group. Bryn Mawr Bank Corporation's peer group recorded an average double leverage ratio of 105.79% as of the first quarter of 2015

Regulatory Capital Ratios- Bryn Mawr Bank Corporation							
	1Q15	2014	2013	2012	2011	2010	2009
Tier 1 leverage ratio	10.05%	9.54%	9.29%	8.72%	8.97%	8.85%	8.35%
Tier 1 risk-based capital ratio	13.06%	11.99%	11.57%	11.02%	11.26%	11.30%	9.41%
Total risk-based capital ratio	13.72%	12.86%	12.55%	12.02%	13.83%	13.71%	12.53%

Data Source: Bryn Mawr Bank Corporation's Forms FR Y-9C

Regulatory Capital Ratios- Bryn Mawr Trust							
	1Q15	2014	2013	2012	2011	2010	2009
Tier 1 leverage ratio	9.52%	9.09%	9.14%	8.84%	9.37%	8.62%	8.03%
Tier 1 risk-based capital ratio	12.38%	11.45%	11.40%	11.20%	11.78%	11.05%	9.06%
Total risk-based capital ratio	13.05%	12.32%	12.38%	12.20%	14.37%	13.47%	12.20%

Data Source: Bryn Mawr Trust's Forms FFIEC 041

Earnings

Bryn Mawr Bank Corporation benefits from a more diversified revenue mix compared to the vast majority of banks its size. BMTC derives approximately 34% of its revenues from noninterest income sources such as income from wealth management services, insurance commissions, loan servicing fees and sales of residential mortgage loans from the Bank's new mortgage banking initiative. Net income for the three months ended March 31, 2015 was $7.49 million, an increase of $805 thousand, or 12.0%, from $6.69 million for the same period in 2014. The Bank's efficiency ratio deteriorated from 65.26% in 2014 to 70.75% in the first quarter of 2015, primarily due to increased cost related to recent acquisition of CBH.

Throughout the recent financial crisis, BMTC's earnings remained strong relative to many other community and regional banks. Moreover, total revenue and net interest income have increased consistently since 2010. In KBRA's opinion, BMTC's strong and consistent earnings track record reflects the Bank's solid underwriting standards and low credit costs. The Bank's moderately higher loan-to-assets ratio and smaller securities portfolio are two reasons behind its strong net interest income as a percentage of average assets, which at the end of first quarter 2015 was 3.51%, above the peer group average at 3.30%.

In addition to first quarter increases in net interest income, non-interest income for the three months ended March 31, 2015 increased by $3.63 million as compared to the same period in 2014. Contributing to this increase was an increase of $916 thousand in insurance revenues, as the fees and commissions resulting from the October 2014 acquisition of Powers Craft Parker and Beard, Inc. ("PCPB") continued to increase this source of non-interest income. Also, an $814 thousand increase in gain on sale of available for sale investment securities was recorded, as certain longer-duration investment securities, which had been acquired in the Merger, were sold in order to shorten the overall duration of the combined portfolio. In addition, sales of residential mortgage loans increased, as a strategic initiative for mortgage banking began to roll out, with the gain on sale of residential mortgage loans increasing by $484 thousand, or 149.4%, for the three months ended March 31, 2015 as compared to the same period in 2014. Residential mortgage loans originated for resale during the first quarter of 2015 totaled $27.2 million, representing a 195.7% increase from the $9.2 million originated in the same period in 2014. Dividends on bank stocks increased by $535 thousand, largely related to a $448 thousand special dividend received from the Federal Home Loan Bank of Pittsburgh (the "FHLB") during the first quarter of 2015. Other operating income also increased by $414 thousand for the first quarter of 2015 as compared to the first quarter of 2014. The increase was partially attributable to the $102 thousand increase in bank-owned life insurance

("BOLI") income, related to the $12.1 million of BOLI acquired in the Merger. Revenue from the Wealth Management Division remains strong, totaling $9.1 million for the first quarter of 2015 as compared to $8.9 million for the same period in 2014.

Key Qualitative Rating Determinants

The qualitative aspects of Bryn Mawr Bank Corporation were assessed using a scoring model that focuses on four key factors: market strategy, risk management, liquidity management, and the economic and regulatory framework. Overall, BMTC scored in the **average** to **strong** categories for qualitative factors based on data obtained from management presentations as well as regulatory filings. The following describes KBRA's qualitative assessment for Bryn Mawr Bank Corporation:

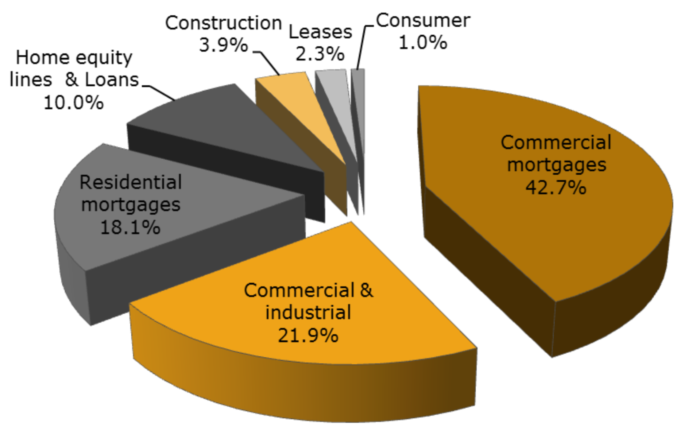
Market Strategy

Business Lines

With approximately $2.94 billion in total assets as of March 31, 2015, Bryn Mawr Bank Corporation and its subsidiaries provide community banking, business banking, residential mortgage lending, consumer and commercial lending to customers through its 29 full-service branches and eight limited-hour retirement community offices located throughout the Montgomery, Delaware and Chester counties of Pennsylvania and New Castle county in Delaware. The Company and its subsidiaries also provide wealth management and insurance advisory services through its network of Wealth Management and insurance offices located in Bryn Mawr, Devon and Hershey, Pennsylvania as well as Greenville, Delaware.

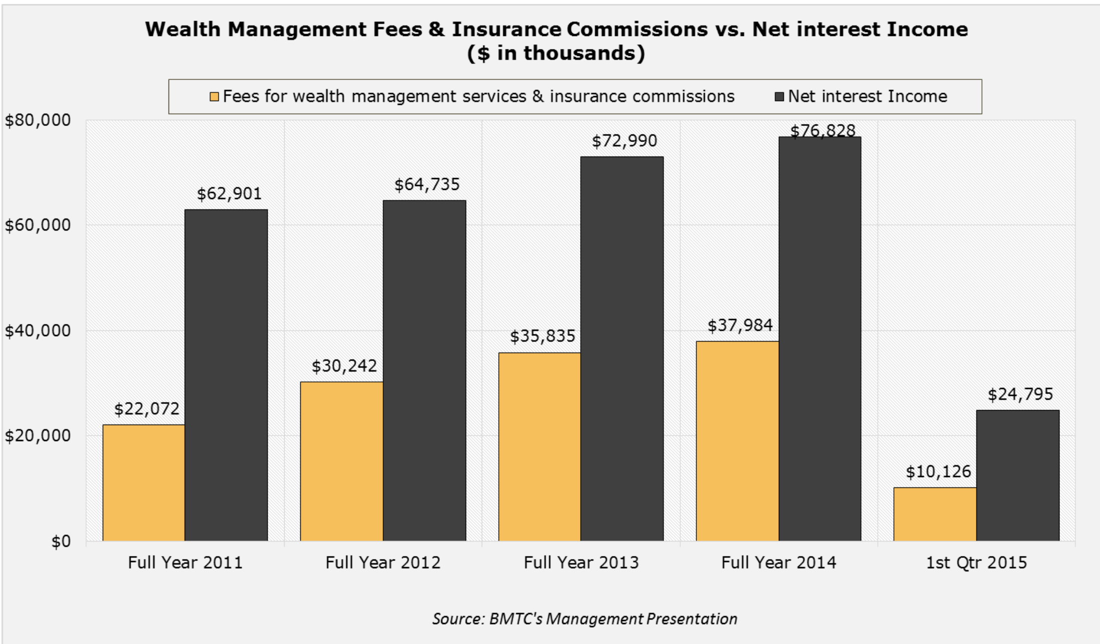
The Banking segment generates interest income from its lending (including leases) and investing activities and also derives revenues from other sources including gains on the sale of available for sale investment securities, gains on the sale of residential mortgage loans, service charges on deposit accounts, cash sweep fees, overdraft fees, bank-own life insurance income and interchange revenue associated with its Visa Check Card offering.

Bryn Mawr Bank Corporation's Loan Composition
As of March 31, 2015



Source: BMTC's Management Presentation

The Company and its subsidiaries also provide wealth management and insurance advisory services through its network of Wealth Management and insurance offices located in Bryn Mawr, Devon and Hershey, Pennsylvania as well as Greenville, Delaware. The Wealth Management segment has responsibility for a number of activities within the Company, 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 Company since they have similar economic characteristics, products and services to those of the Wealth Management Division of the Company. In addition, with the October 1, 2014 acquisition of PCPB, which was merged with the Company'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 Company. Prior to the PCPB acquisition, ICBM was reported through the Banking segment.



Management Profile and Strategy

Bryn Mawr Bank Corporation's main objective is to become the preeminent community bank and wealth management organization in the Philadelphia area. The Company uses a relationship-based approach banking model and targets small and middle market businesses, entrepreneurs, professionals, non-profit organizations, and affluent and wealthy individuals. The private banking business is used as a gateway for cross selling and servicing and the typical client is matched with a team of banking specialist.

BMTC operates in a highly competitive market area that includes local, national and regional banks as competitors along with savings banks, credit unions, insurance companies, trust companies, registered investment advisors and mutual fund families. The Company's strategy to achieve its goals includes investing in foundational strength to support its growth, leveraging the strength of its brand, building out its core franchise and targeting high potential markets, basing its sales strategy on high performing relationships, concentrating on core product solutions, and broadening the scope of its product offerings. Additionally, BMTC also engages in inorganic growth by strategically acquiring small to mid-sized banks, insurance brokerages, wealth management companies, and advisory and planning services firms.

Revenue and Customer Profile

As previously mentioned, BMTC derives more than one third of its revenues from noninterest income which is made up primarily of wealth management revenue, gains and losses from the sale of residential mortgage loans, gains and losses from the sale of available for sale investment securities, insurance commissions, and other fees from loan serving and deposit services. Additionally, Bryn Mawr Trust retains servicing on the majority of loans sold which generates servicing revenue over the life of the loans sold. As of March 31, 2015, BMT's mortgage servicing rights (MSRs) amounted to $4.8 million from $592.0 million of underlying residential mortgage loans serviced for others. The Company originates construction, commercial and industrial, commercial mortgage, residential mortgage, home equity and consumer loans to customers primarily in southeastern Pennsylvania as well as small-ticket equipment leases to customers nationwide.

BMTC has demonstrated relatively stable earnings at least since 2008, primarily through its strong commercial and retail banking as well as a diversified revenue stream. Overall, Bryn Mawr Bank Corporation scores **average** to **strong** in market strategy for its well-diversified business lines and revenue stream and the balance between the Bank's business focus and the expertise of the management team.

Risk Management

In KBRA's view, Bryn Mawr Bank Corporation's risk management function appears to be sound and commensurate with the institution's risk profile. The Company's Risk Management Committee consists of six members – five independent directors and the CEO, Francis J. Leto. The Board of Directors of the Bank has established loan approval committees and written guidelines for lending activities. Additionally, Bryn Mawr Bank Corporation's risk infrastructure and the quality of management information systems (MIS) is considered strong. The Bank's management team has been proactive in identifying and setting up frameworks for information security.

BMTC's management uses a centralized credit process system with a multi-tiered committee based approval process for different loan types and loan sizes and performs an annual independent third party loan review. The Bank's Executive Committee monitors and manages all types of risks at the Bank. All loans requests with total relationship exposure exceeding $10 million must be approved by the Executive Committee. All loan requests with total relationship exposure of $1 million up to $10 million are approved by or reported to the Officers' Loan Committee. The membership of the Officers' Loan Committee consists of the CEO, CLO, Chief Credit Officer, Senior Credit Officer, Chief Risk Officer, Director of commercial & industrial lending, Director of real estate lending, and commercial loan officers.

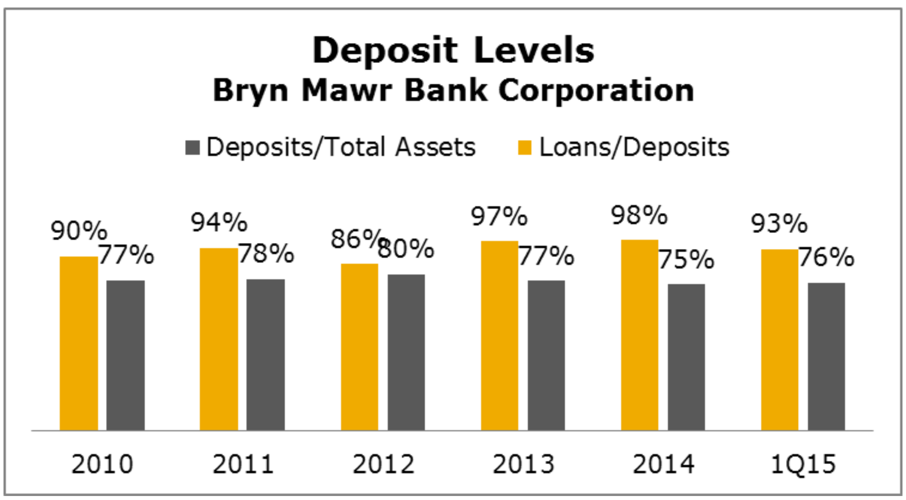
Bryn Mawr Bank Corporation maintains a diversified loan and lease portfolio intended to spread risk and reduce exposure to economic downturns, which may occur in different segments of the economy or in particular industries. The Company mitigates its real estate concentration risk to the extent possible in many ways, including the underwriting and assessment of the borrower's capacity to repay, equity in the underlying real estate collateral and a review of a borrower's global cash flows. The Company has recourse against a substantial portion of the loans in the real estate portfolio and periodically performs stress testing on its commercial real estate and construction loan portfolios. Although not required by banking regulation for institutions with less than $10 billion in assets, BMTC's management and the Board of Directors periodically performs a capital stress.

As of March 31, 2015, BMTC's top 25 relationships comprised 19.51% of total loans. A large percentage of the Company's real estate exposure, both commercial and residential, is in the Company's primary trade area which includes portions of Delaware, Chester, Montgomery and Philadelphia counties in Southeastern

Pennsylvania. While the risk of loss in the Bank's portfolio is primarily tied to the credit quality of the various borrowers, risk of loss may increase due to factors beyond Bryn Mawr Bank Corporation's control, such as local, regional and/or national economic downturns. General conditions in the real estate market may also impact the relative risk in the real estate portfolio. Nonetheless, the institution's appetite for risk appears to be well thought out and implemented with a well-organized risk management infrastructure. The Board of Directors has established BMTC's risk appetite, and regularly communicates, monitors and updates the Company's risk appetite. Overall, Bryn Mawr Bank Corporation scores **average** to **strong** in terms of risk management.

Liquidity Management

The Bank's liquidity is maintained by managing its core deposits as the primary source, purchasing federal funds, selling loans in the secondary market, borrowing from the FHLB and the Federal Reserve Bank, and purchasing and issuing wholesale certificates of deposit as its secondary sources. The Asset Liability Management Committee ("ALCO"), which is comprised of various senior executives, reviews the Company's liquidity needs quarterly and reports its findings to the Risk Management Committee of the Company's Board of Directors. The Company continually evaluates the cost and mix of its retail and wholesale funding sources relative to earning assets and expected future earning-asset growth. BMTC's loan portfolio is entirely funded by deposits and its noncore funding dependence is relatively lower than its peer group average. KBRA believes that BMTC's level of deposits, along with the available borrowing capacity at FHLB and other sources, provides the Company with sufficient available liquidity to fund expected earning-asset growth. Overall, the Bank scores **average** for this category.



Economic and Regulatory Framework

Bryn Mawr Bank Corporation operates primarily in the western suburbs of Pennsylvania, which have a well-diversified mix of industries and a much more stable real estate sector compared to other regions in Pennsylvania and in the U.S. Overall, the U.S. banking system has a strong regulatory framework. Banking institutions continue to adjust and comply with several additional rules and regulations resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act and the new Basel III standards. Bryn Mawr Bank Corporation scores a **strong** for this category.

External Support

Pursuant to the 2010 Dodd Frank Act, U.S. regulators are in the process of creating a working resolution regime for large banks so that their potential failure does not lead to a systemic crisis. However, KBRA believes that for the foreseeable future, depositories such as the Bank and their uninsured depositors will benefit from some degree of extraordinary systemic support. The fact that the FDIC, when acting as a receiver of a bank holding company, can pay creditors at its discretion creates the expectation of governmental support.[2] However, KBRA does not foresee any regulatory support being extended to Bryn Mawr Bank Corporation or its investors.

Outlook

The stable outlook for the rating reflects the resilience of BMTC's capital and earnings to KBRA's forward-looking economic stress scenarios.

Drivers of Rating Change

Rating Upgrade

The Bank and its parent share a stable outlook for the mid-term and in KBRA's view, a rating upgrade in the near future is not expected. Although BMTC is well placed in its rating category, an upgrade is unlikely unless the size and diversity of its traditional banking business materially grows over time and the scale of its wealth management business increases considerably. Additionally, favorable capital, liquidity, and asset quality measures would have to be maintained.

Rating Downgrade

Downgrades for the ratings of Bryn Mawr Bank Corporation and Bryn Mawr Trust are unlikely in the near term. Nonetheless, any indication of significant outflow of AUM, deterioration in the U.S. housing market, credit portfolio deterioration, reduced liquidity, deterioration of capital levels, a significant increase in the double leverage ratio, or significant losses, could trigger downward pressure on the ratings.

[2] Statement by Jeffrey M. Lacker President, Federal Reserve Bank of Richmond before the Committee on Financial Services U.S. House of Representatives Washington, D.C., June 26, 2013.

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