Bryn Mawr Bank Corporation

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Executive Summary

Kroll Bond Rating Agency (KBRA) has affirmed the following ratings for Bryn Mawr, Pennsylvania based Bryn Mawr Bank Corporation (NASDAQ: BMTC) ("the Company") and its subsidiary, The Bryn Mawr Trust Company ("the Bank").

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

Ratings are based on KBRA's ***Global Bank and Bank Holding Company Rating Methodology*** *published on February 19, 2016.*

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 historically stable core earnings metrics. However, these factors are counterbalanced by the Company's geographic concentration and high correlation to real estate in the loan portfolio, although BMTC has prudent underwriting standards and a favorable loss history in real estate loans over time. Moreover, uncertainty surrounding the integration of acquisitions provides a possible credit constraint, partially offset by Bryn Mawr's favorable acquisitive history.

Credit Strengths

- Experienced management team with longstanding customer relationships
- Well established and diversified revenue stream with high level of noninterest income
- Historically strong financial stability and positive earnings throughout the recent economic downturn
- Comparatively strong asset quality metrics with a history of minimal losses
- Solid 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, but favorable loss experience over time
- Limited footprint in banking operations
- Further erosion in regulatory capital ratios could potentially be limiting to future growth
- Merger and integration uncertainty associated with moderately transformative acquisition of Royal Bancshares of Pennsylvania, Inc., yet partially offset by favorable acquisitive history

Outlook

The Stable Outlook for the long-term ratings reflects KBRA's expectation that Bryn Mawr Bank Corporation's favorable revenue mix, above-peer earnings performance, and favorable asset quality performance relative to peers will continue through the medium term.

Summary

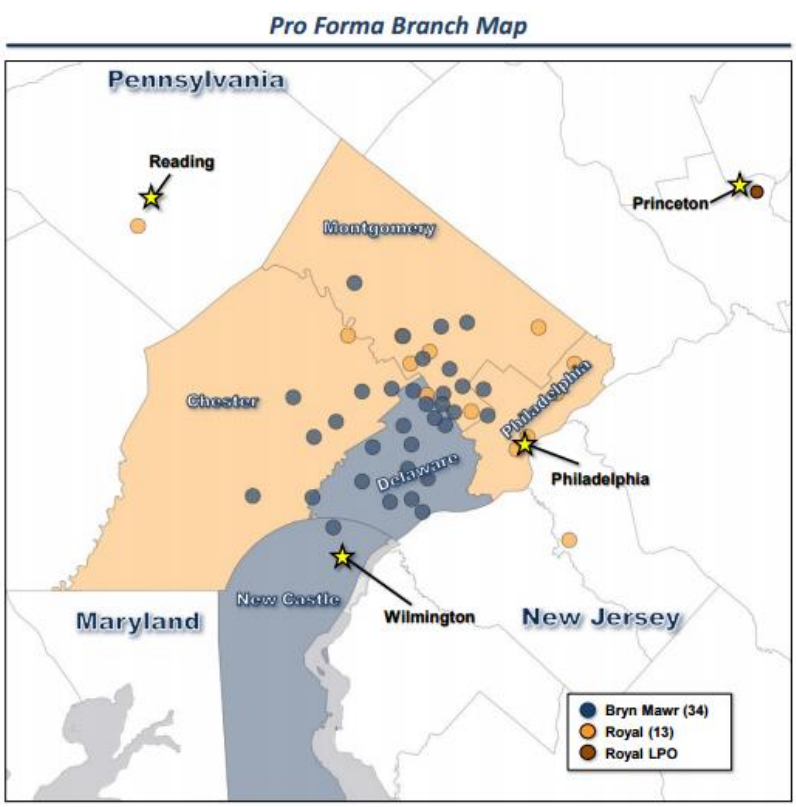
Bryn Mawr Bank Corporation was established as a Bank Holding Company in 1987 and conducts its operations primarily through its subsidiary bank, The Bryn Mawr Trust Company, which is the largest community bank in Philadelphia's western suburbs. Founded in 1889, Bryn Mawr Trust Company offers banking and wealth management services and reported approximately $3.3 billion in assets and $11.7 billion in trust and investment assets under management and administration as of the end of the first quarter of 2017. Bryn Mawr Trust Company and its holding company are headquartered in Bryn Mawr, Pennsylvania and the Bank has 26 full-service branches serving residents and businesses in the suburbs of Pennsylvania along with a full-service branch in Delaware. The Company also has eight limited-service branches serving upscale retirement communities within its operating footprint. BMTC also maintains four wealth management offices located in southeastern Pennsylvania and Delaware, with an additional office planned for Princeton, New Jersey pending regulatory approval.

Corporate Structure

Bryn Mawr Bank Corporation (PA) - *Holding Company*

- The Bryn Mawr Trust Company (PA) - *Commercial Bank*
- Lau Associates, LLC (DE) - *Asset Manager*
- The Bryn Mawr Trust Company of Delaware (DE) - *Limited Purpose Trust Company*

BRYN MAWR-ROYAL BANK LOCATIONS



KBRA KROLL BOND RATING AGENCY

Recent Events

On January 31, 2017, Bryn Mawr Bank Corporation announced a definitive agreement and plan of merger with **Royal Bancshares of Pennsylvania, Inc.** (NASDAQ: RBPAA, "Royal Bancshares") scheduled to close in the third quarter of 2017, with Bryn Mawr Bank Corporation as the surviving entity. The terms of the agreement are for 100% stock consideration with a valuation of approximately $127.7 million. Upon closing, the transaction is expected to be immediately accretive to tangible book value per share for BMTC, as well as accretive to earnings in the first full year of operation post close. Operational cost saves are projected to be approximately 40% of Royal Bancshares' noninterest expense, or $8.2 million annually. As of March 31, 2017, Royal Bancshares reported total consolidated assets of approximately $836.2 million, which would yield pro forma combined assets of approximately $4.1 billion based upon March 31, 2017 regulatory filings. It should be noted that KBRA views the transaction as neutral to potentially positive to the ratings of Bryn Mawr Bank Corporation over time.

On April 19, 2017, Bryn Mawr Bank Corporation announced a definitive agreement to acquire Hirshorn Boothby, a full service insurance agency located in Chestnut Hill, PA. The transaction was finalized on May 24, 2017 and further extends Bryn Mawr's service presence and visibility in northwest Philadelphia.

Financial Metrics

Bryn Mawr Bank Corporation						
Key Statistics	**1Q17***	**2016**	**2015**	**2014**	**2013**	**2012**
Total Assets (000s)	$3,292,617	$3,421,530	$3,030,997	$2,246,506	$2,061,665	$2,035,885
Total Loans / Total Assets	77.71%	74.38%	75.16%	73.72%	75.11%	68.86%
Nonperforming Assets / Total Assets	0.25%	0.28%	0.42%	0.48%	0.55%	0.76%
Nonperforming Assets / Loans + OREO	0.32%	0.37%	0.56%	0.66%	0.73%	1.10%
Nonperforming Assets / Tangible Equity + Reserves	3.03%	3.53%	5.21%	5.51%	6.04%	9.75%
Reserves / Total Assets	0.52%	0.51%	0.52%	0.65%	0.75%	0.71%
Reserves / Nonperforming Assets	205.96%	185.55%	123.22%	134.36%	136.30%	93.33%
Net Charge-Offs / Average Total Assets	0.08%	0.08%	0.11%	0.08%	0.12%	0.12%
Net Charge-Offs / Provisions	230.24%	62.34%	71.09%	205.09%	69.51%	58.23%
Loan Loss Provisions / Average Total Assets	0.04%	0.13%	0.15%	0.04%	0.18%	0.21%
Total Deposits / Total Assets	80.07%	75.40%	74.32%	75.14%	77.19%	80.29%
Total Loans/ Total Deposits	97.04%	98.66%	101.12%	98.11%	97.31%	85.76%
Total Equity (000s)	$388,095	$381,128	$365,711	$245,474	$229,899	$203,565
Net Revenue (000s)	$160,472	$154,980	$150,585	$123,631	$117,576	$105,541
Tier 1 / RWA	10.50%	10.51%	10.72%	11.99%	11.57%	11.02%
Total Equity - Intangible Assets / Total Assets	7.81%	7.30%	7.63%	8.12%	8.39%	7.08%
Net Interest Margin	3.52%	3.72%	3.73%	3.91%	3.93%	3.82%
Net Interest Income / Total Revenue	68.53%	67.53%	65.69%	62.40%	60.68%	59.54%
Noninterest Income / Total Revenue	31.47%	32.47%	34.31%	37.60%	39.32%	40.46%
Return on Average Assets	1.11%	1.16%	0.57%	1.32%	1.23%	1.16%
Return on Equity	9.32%	9.46%	4.58%	11.34%	10.63%	10.39%
Efficiency Ratio	65.43%	63.21%	81.04%	65.26%	66.48%	68.23%
Double Leverage	101.52%	100.95%	96.84%	96.38%	98.85%	101.44%

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

The Bryn Mawr Trust Company						
Key Statistics	**1Q17***	**2016**	**2015**	**2014**	**2013**	**2012**
Total Assets (000s)	$3,275,881	$3,404,754	$3,012,611	$2,227,393	$2,043,075	$2,017,263
Total Loans / Total Assets	77.58%	74.75%	75.61%	74.35%	75.79%	69.49%
Nonperforming Assets / Total Assets	0.29%	0.28%	0.43%	0.49%	0.56%	0.77%
Nonperforming Assets / Loans + OREO	0.32%	0.37%	0.56%	0.66%	0.73%	1.10%
Nonperforming Assets / Tangible Equity + Reserves	2.98%	3.49%	5.50%	5.80%	6.14%	9.62%
Reserves / Total Assets	0.52%	0.51%	0.53%	0.65%	0.76%	0.72%
Reserves / Nonperforming Assets	205.96%	185.55%	123.22%	134.36%	136.30%	93.33%
Net Charge-Offs / Average Assets	0.08%	0.08%	0.11%	0.08%	0.12%	0.12%
Net Charge-Offs / Provisions	230.24%	62.34%	71.09%	205.09%	69.51%	58.23%
Loan Loss Provisions / Average Total Assets	0.01%	0.14%	0.15%	0.04%	0.18%	0.21%
Total Deposits / Total Assets	81.22%	76.53%	76.12%	76.11%	78.23%	81.39%
Total Loans / Total Deposits	95.53%	97.67%	99.33%	97.69%	96.89%	85.39%
Total Equity (000s)	$379,054	$370,165	$339,150	$221,810	$212,415	$191,077
Net Revenue (000s)	$39,023	$149,635	$145,117	$118,669	$112,970	$101,613
Tier 1 / RWA	10.58%	10.50%	10.12%	11.45%	11.40%	11.20%
Total Equity - Intangible Assets / Total Assets	7.98%	7.41%	7.25%	7.75%	8.31%	7.25%
Net Interest Margin	3.62%	3.85%	3.83%	3.99%	4.02%	3.92%
Net Interest Income / Total Revenue	72.05%	70.83%	68.49%	65.12%	63.30%	62.16%
Noninterest Income / Total Revenue	27.95%	29.17%	31.51%	34.88%	36.70%	37.84%
Return on Average Assets	1.05%	1.10%	0.54%	1.28%	1.20%	1.10%
Return on Total Equity	8.94%	9.19%	4.63%	12.10%	11.20%	10.45%
Efficiency Ratio	65.83%	63.46%	81.52%	65.13%	66.05%	68.21%

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

Comparative Statistics

Rated BHC Peer Comparison as of March 31, 2017						
Key Statistics	**Bryn Mawr Bank Corporation**	**Univest Corporation of Pennsylvania**	**Peapack-Gladstone Financial Corporation**	**CNB Financial Corporation**	**WSFS Financial Corporation**	**Tristate Capital Holdings, Inc.**
Total Assets (000s)	$3,292,617	$4,273,931	$3,947,562	$2,592,307	$6,852,899	$4,075,037
Total Loans / Total Assets	77.71%	78.22%	87.14%	73.99%	67.44%	86.80%
Nonperforming Assets / Total Assets	0.25%	0.71%	0.31%	0.85%	0.65%	0.45%
Nonperforming Assets / Loans + OREO	0.32%	0.91%	0.35%	1.15%	0.96%	0.51%
Nonperforming Assets / Tangible Equity + Reserves	3.03%	8.91%	3.28%	10.63%	8.03%	5.90%
Reserves / Total Assets	0.52%	0.46%	0.85%	0.64%	0.58%	0.40%
Reserves / Nonperforming Assets	205.96%	63.92%	276.28%	74.79%	89.59%	88.78%
Net Charge-Offs / Average Total Assets	0.08%	0.04%	0.02%	0.12%	0.12%	0.28%
Net Charge-Offs / Provisions	230.24%	17.01%	12.38%	78.74%	96.53%	1160.49%
Loan Loss Provisions / Average Total Assets	0.04%	0.23%	0.16%	0.16%	0.13%	0.02%
Total Deposits / Total Assets	80.07%	78.76%	86.91%	78.39%	78.46%	81.42%
Total Loans/ Total Deposits	97.04%	99.32%	100.27%	94.40%	85.95%	106.61%
Total Equity Capital (000s)	$388,095	$511,880	$340,928	$234,218	$704,001	$359,659
Net Revenue (000s)	$160,472	$187,172	$124,040	$98,304	$315,300	$128,336
Tier 1 / RWA	10.50%	9.41%	10.79%	11.58%	10.49%	11.42%
Total Equity - Intangible Assets / Total Assets	7.81%	7.57%	8.56%	7.39%	7.50%	7.19%
Net Interest Margin	3.52%	3.62%	2.69%	3.51%	3.80%	2.21%
Net Interest Income / Total Revenue	68.53%	69.63%	78.48%	82.85%	65.57%	64.70%
Noninterest Income / Total Revenue	31.47%	30.37%	21.52%	17.15%	34.43%	35.30%
Return on Average Assets	1.11%	1.03%	0.82%	1.00%	1.11%	0.75%
Return on Equity	9.32%	8.48%	9.37%	11.07%	10.76%	8.33%
Efficiency Ratio	65.43%	65.05%	59.20%	66.56%	63.74%	65.45%
Double Leverage	101.52%	115.44%	110.96%	129.18%	115.66%	106.63%

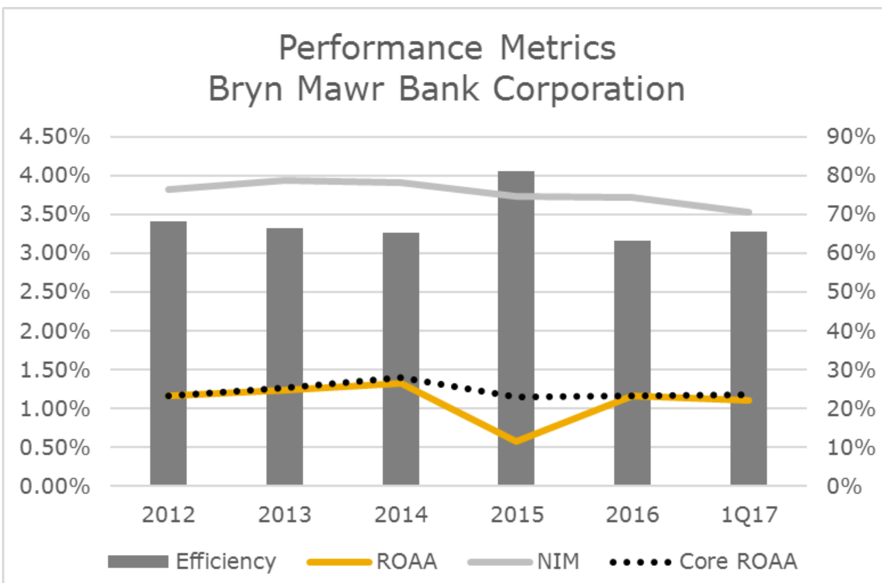
Data sources: FR Y-9C and FR Y-9LP

Rating Rationale

KBRA's ratings of A and K1 for The Bryn Mawr Trust Company 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- and K2 for Bryn Mawr Bank Corporation reflect the overall credit profile of the organization and the potential structural subordination of its liabilities to the liabilities of its subsidiary in an event of default or regulatory intervention.

Performance

Earnings performance for Bryn Mawr continues to be comparatively strong with an adjusted ROAA[1] of 1.17%. Adjusted net income for the three months ended March 31, 2017 was $9.55 million. The Company's efficiency ratio increased slightly to 65.43% in the first quarter of 2017, driven primarily by acquisition-related expenses. One of the strongest attributes of Bryn Mawr Bank Corporation is the significant diversity in its revenue streams. The Bank derives approximately one-third 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. Wealth management revenue composition has remained relatively stable with market value fee revenue comprising approximately 78% of total wealth management fees. KBRA expects stable noninterest revenue sources to continue to be source of credit strength for Bryn Mawr.



Note: Core ROAA factors out all merger-related expenses as well as the pension plan settlement expenses in 2015.

As is the case with many community banks, Bryn Mawr has seen steady erosion in its net interest margin (NIM), which has decreased approximately 27 basis points year-over-year based upon annualized regulatory data, though this does not factor in fair value mark accretion on acquired assets. However, even with the inclusion of fair value accretion, Bryn Mawr's NIM is below the KBRA A- peer group average. Offsetting BMTC's below peer NIM is a comparatively favorable asset mix on the balance sheet with an above average loans-to-assets ratio. With respect to the loan portfolio, the average yield on the portfolio is expected to get a slight boost from the acquisition of Royal Bancshares as the average yield on Royal's portfolio was approximately 70 basis points higher.

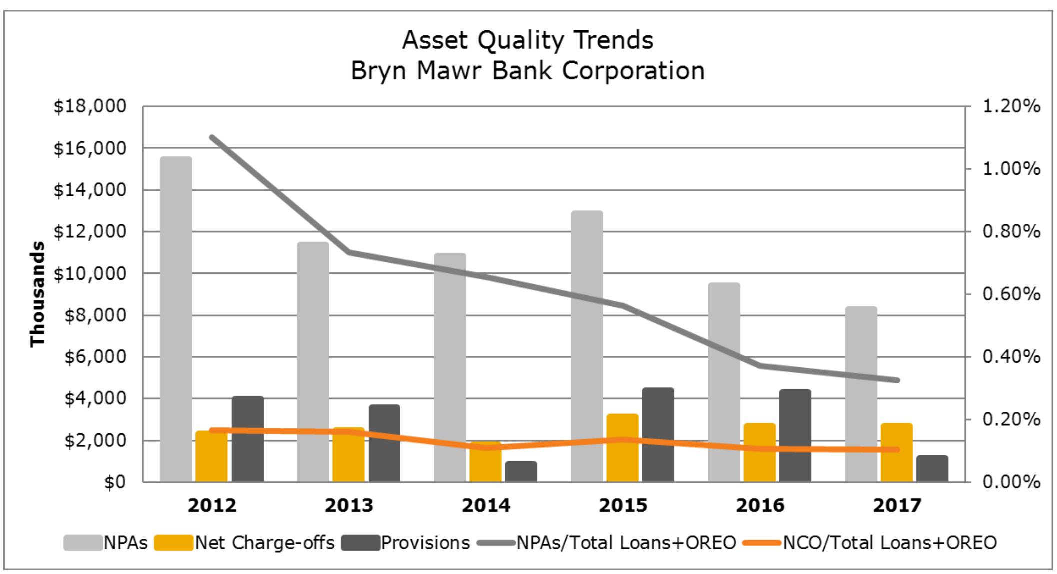
[1] Adjusted ROAA represents net income adjusted for one-time items such as merger expenses.

Adjusting for one-time expenses, the Company's efficiency ratio was 63.86% for the first quarter of 2017, consistent for the same period in 2016. Like many community banks, the largest driver of expense was salaries, which increased slightly on a year-over-year basis. However, operational efficiency, as measured by assets per employee, increased to $5.6 million per employee, indicating that Bryn Mawr continues to demonstrate prudence in efficiently managing its human capital expenses. It should also be noted that the Company has been engaged in a multiyear technology investment initiative to enhance capacity, productivity, and customer experience on a scalable basis; the majority of these investments have completed the build phase.

As outlined in the acquisition announcement, the acquisition of Royal Bancshares is anticipated to be immediately accretive to the earnings of Bryn Mawr Bank Corporation as the Company anticipates the reversal of approximately $25 million in valuation allowance on the deferred tax asset for Royal Bancshares. This is counterbalanced, however, by anticipated one-time merger related expenses of approximately $20 million. Further, cost savings of approximately 40% of Royal's operating expenses, equivalent to approximately $9.1 million annualized, are expected to be fully realized by 2018. Given this, KBRA expects improvement in earnings in 2017 to be largely offset by acquisitions costs, while 2018 earnings performance should post modest improvement.

Asset Quality

The already strong asset quality, as reflected by net charge-offs, allowances for potential loan losses, and nonperforming assets (NPA) for Bryn Mawr have improved, with NPAs comprising 0.32% of loans plus other real estate owned (OREO) as of March 31, 2017, roughly half that of the KBRA A- rated peer group average. Furthermore, nonperforming loans and leases represented just 0.40% of total loans and leases, versus 0.73% for the BHCPR peer group.[2] As of March 31, 2017, the Company's allowance for loan losses increased to $17.1 million and represented approximately 233.45% of nonperforming assets. This additional provision expense is due primarily to the significant loan portfolio growth. Additionally, charge-off activity has been minimal; net losses totaled $670 thousand or 0.10% of average loans and leases at the end of the first quarter of 2017, which is on par with historical loss rates. Losses were concentrated in primarily in residential home equity loans and in the leasing division.



[2]Bryn Mawr Bank Corporation Holding Company Performance Report March 31, 2017. Peer Group 3 includes institutions with consolidated assets between $1 billion and $3 billion.

Capital Adequacy

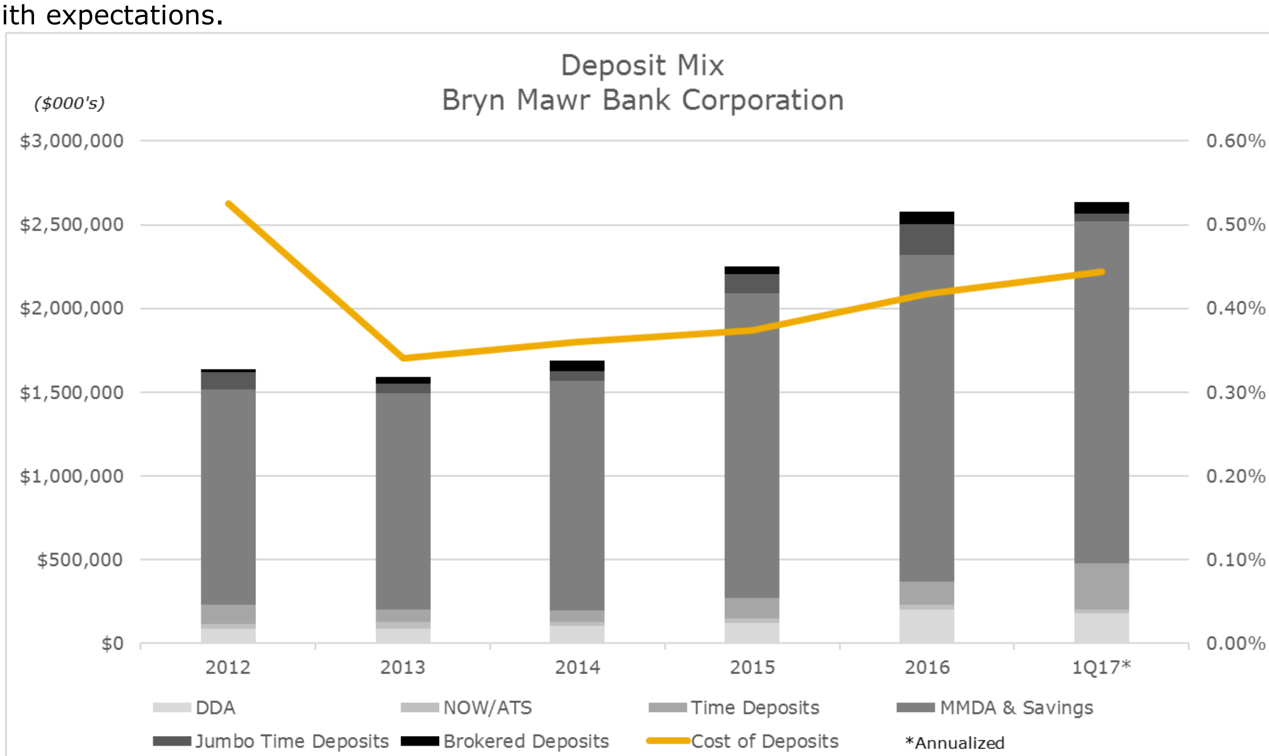
Capital levels have remained largely consistent over the preceeding quarters, with slight increases derived from retained earnings, though still below KBRA peer average for the rating category. Regulatory capital ratios remain well above Company internal targets. Tangible capital remains moderately below the KBRA A-peer group average at 7.81%, which is to be expected given the Company's acquisitive and other noncore activity. Nonetheless, Bryn Mawr's tangible capital level is not of concern at this time, though it could be cause for concern should it drive significantly lower on a core basis. Dividend payouts have remained consistent over the preceeding periods with an average of approximately 40%, which is expected to be consistent going forward. The Company also renewed its shelf registration in 2015, which authorizes the Company to issue up to $200 million in securities; there are no plans to issue additional capital instruments at this time. KBRA notes that the institution's double leverage ratio is not a concern at this time. Additionally, the announced acquisition of Royal Bancshares is 100% stock and is not anticipated to have a significantly adverse effect on capital levels apart from the additional intangibles and one-time merger-related expenses.

Regulatory Capital Ratios- Bryn Mawr Bank Corporation						
	1Q17	**2016**	**2015**	**2014**	**2013**	**2012**
Tier 1 leverage ratio	8.77%	8.73%	9.02%	9.54%	9.29%	8.72%
Tier 1 risk-based capital ratio	10.50%	10.51%	10.72%	11.99%	11.57%	11.02%
Total risk-based capital ratio	12.30%	12.35%	12.61%	12.86%	12.55%	12.02%

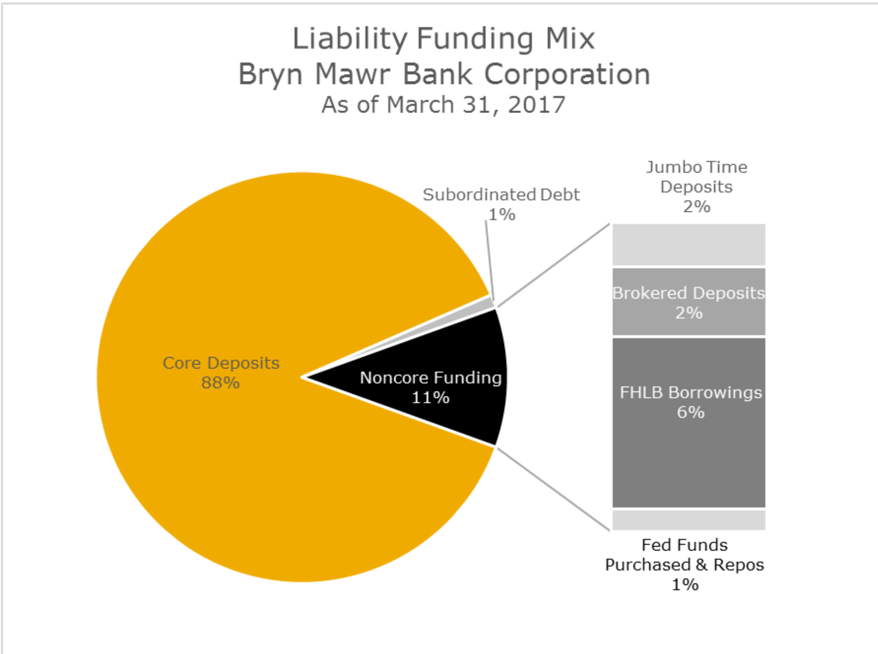
Data Source: Bryn Mawr Bank Corporation's Forms FR Y-9C

Liquidity

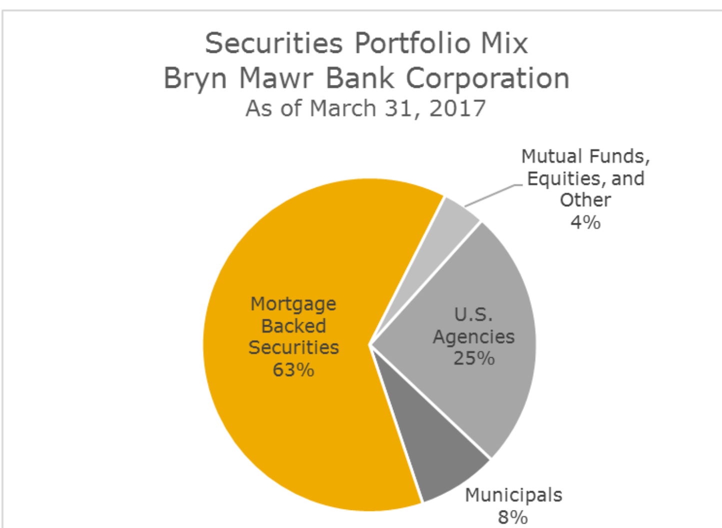
Bryn Mawr Bank Corporation continues to benefit from its substantial core deposit base for its funding and liquidity. The Company has seen steady growth in its core deposit base. Interest bearing deposits continue to comprise the bulk majority of the deposit base and there have not been any significant fluctuations in the mix of deposits. The cost of deposit funding has risen slightly, though is slightly lower than peers' and in line with expectations.



Supplementing the core deposit base is significant reserve capacity noncore funding sources including access to the Federal Home Loan Bank, fed funds lines through various correspondent banks, and the Federal Reserve discount window. Available funding from all funding line sources totaled approximately $1.22 billion, or 37% of total assets, as of March 31, 2017, which is considered more than adequate to meet both funding needs on both a normal and contingency basis. Further, Bryn Mawr has access to various brokered and listing deposit services to further complement funding. Additionally, the Company maintains a $5 million line of credit for the holding company, the entirety of which was available as of March 31, 2017.



Supplementing the Company's liability funding profile is the securities portfolio, which totaled approximately 12% of total assets as of March 31, 2017. The overall composition is fairly conservative from a credit perspective as the portfolio is maintained primarily for liquidity purposes. Effective duration of the portfolio was approximately 3.5 years with a tax equivalent yield of 2.02%.



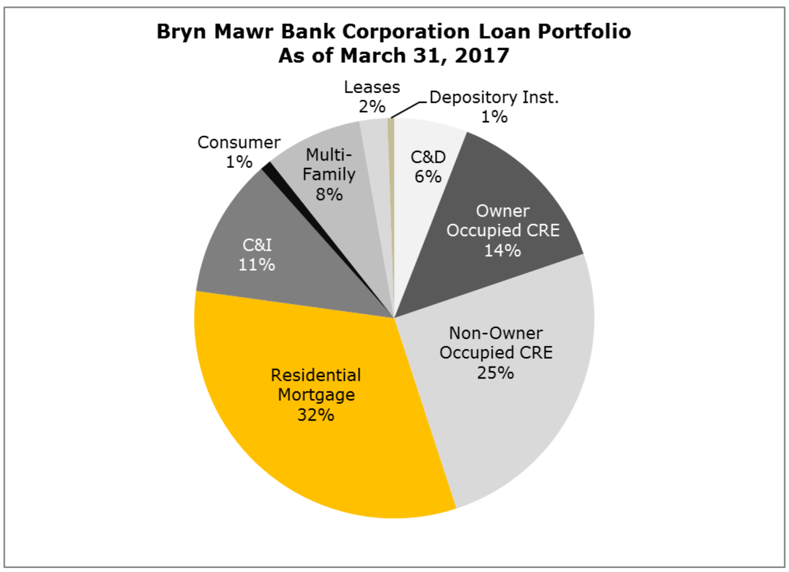
Key Qualitative Rating Determinants

The qualitative aspects of BMTC were assessed using a scoring model that focuses on four key factors: market strategy, risk management, liquidity management, and the economic and regulatory framework. For the most part, Bryn Mawr Bank Corporation scored above average for qualitative factors using publicly available data obtained from annual reports, earnings statements, management presentations, and regulatory reports. The following describes KBRA's qualitative assessment for Bryn Mawr Banking Corporation:

Market Strategy

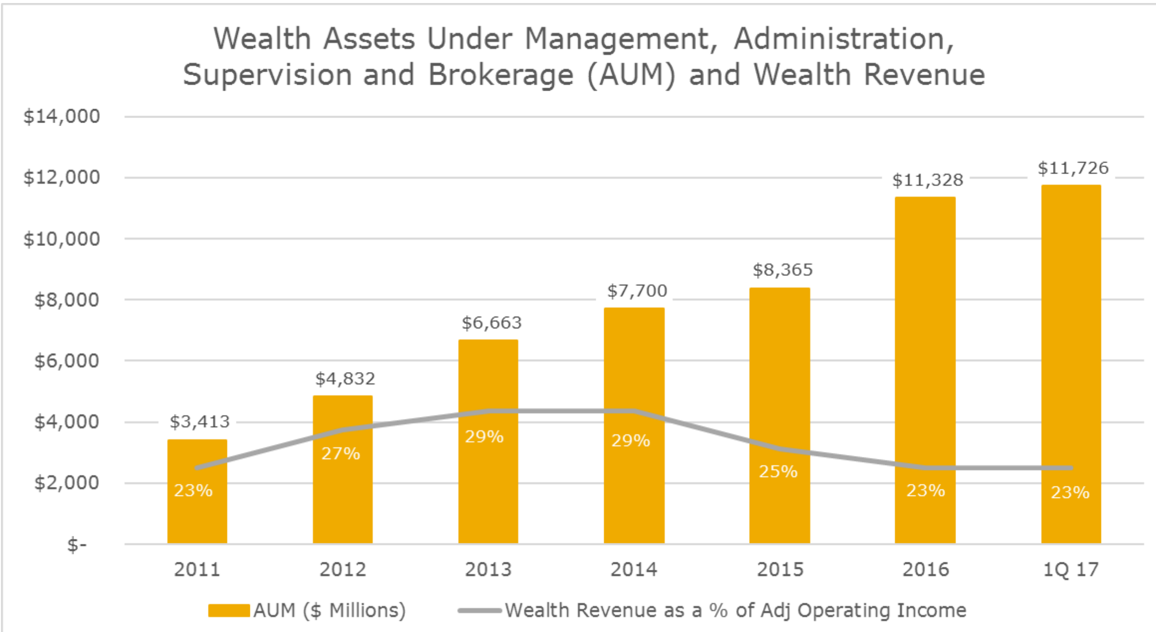
Business Lines

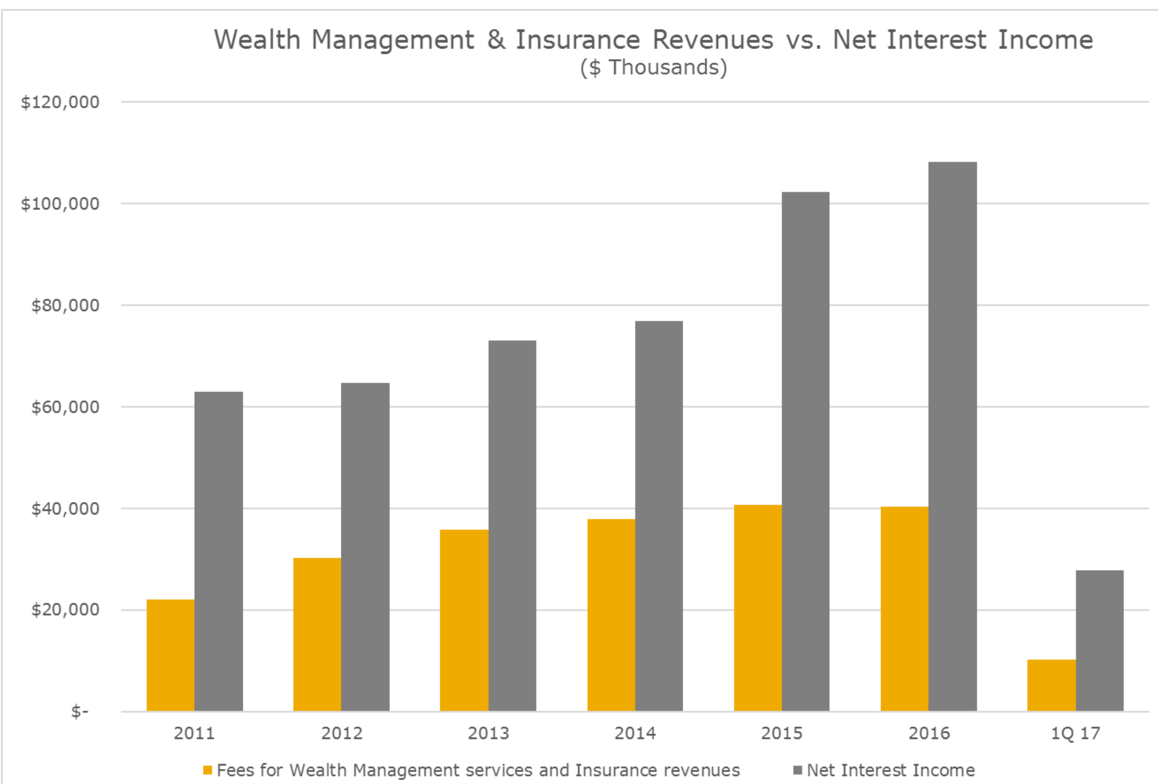
Bryn Mawr Banking Corporation is comprised of three subsidiaries in two separate business line segments. The first, The Bryn Mawr Trust Company, is the commercial bank, representing the Banking segment. The Banking segment generates the majority of its revenue from interest income derived from lending (including leases) activities. The majority of its lending portfolio is commercially-based lending activity, specifically commercial real estate (CRE), commercial and industrial (C&I), and non-owner occupied residential real estate including multifamily units. Additionally, the Bank maintains a healthy mix of residential mortgage and home equity loans within the loan portfolio, which are displayed as combined per the regulatory filings of the Bank.



Additional sources of revenue for the banking segment are those derived from noninterest streams and include gains on the sale in available for sale investment securities, gains on the sale of residential mortgage loans, mortgage servicing rights, service charges on deposit accounts, cash sweep fees, overdraft fees, bank-own life insurance income, and interchange revenue.

The Wealth Management business line segment provides 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 Wilmington, Delaware and soon to be Princeton, New Jersey. 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. Thus, the acquisition of Hirshorn Boothby was integrated into the wealth management business line segment under the PCPB moniker upon completion of the acquisition.

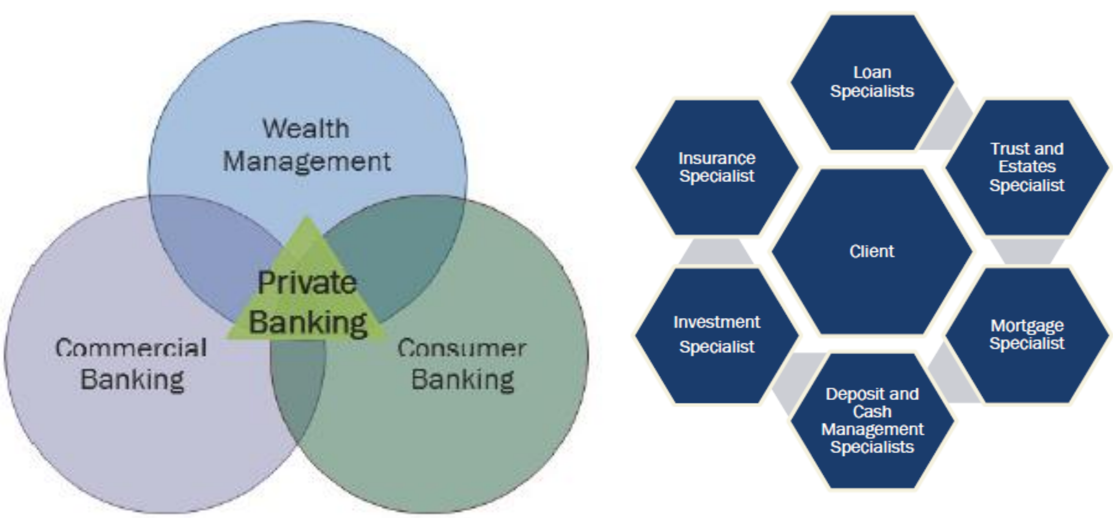




Management Profile and Strategy

The executive management team for The The Bryn Mawr Trust Company is comprised of a number of veteran bankers with extensive industry experience both inside and outside of the Bank. Francis Leto serves as president and CEO for the Company, a position that he has held since January 2015. Before that, he served as COO, general counsel, and as the head for the wealth management division. Michael Harrington joined Bryn Mawr Trust in October 2015 as chief financial officer, a position he previously held with Susquehanna Bancshares for three years, as well as with First Niagara Financial Group where he served in various capacities, including CFO, during his ten-year tenure. Alison Eichert serves as chief operating officer, a position that she has held since March 2015; she has been with Bryn Mawr Trust since 1998 serving as SVP of Marketing and EVP of Banking. Joseph Keefer has been with Bryn Mawr Trust since 1991 and serves as chief lending officer. Harry Madeira has served as executive vice president of the wealth management division since joining Bryn Mawr Trust in 2014 after a 30-year career with Brown Brothers Harriman & Co. Madeira announced his retirement effective as of October 2017 and an active executive search is underway. Additionally, the Company added Patrick Killeen as chief risk officer in June 2017; Killeen has over 20 years of experience in compliance and risk management with a variety of financial companies, including senior risk management roles with Bank of the Ozarks, First Niagara Bank, and Susquehanna Bancshares, and holds numerous risk management and ERM professional designations.

The strategic objective for Bryn Mawr Bank Corporation is to become the preeminent community bank and wealth management organization in the greater 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 with a focus on expanding "share of wallet". The private banking business is used as the gateway to cross selling and servicing and the typical client is matched with a team of banking specialists that provide a customized set of solutions and services. KBRA views this approach favorably in the community banking space as it often results in "sticker", stable, and longer term client relationships compared to a transactional-based approach.



Bryn Mawr Bank Corporation operates in a highly competitive market that includes local, regional, and national banks as competitors along with savings banks, credit unions, insurance companies, trust companies, registered investment advisors and mutual fund families. As such, the Company has developed specific strategies to drive performance within the competitive landscape. These include capitalizing upon recent disruptions caused by merger and acquisition activity with in the market. The Company has also identified leveraging recent technological and infrastructure investments made by the Company to both improve operational efficiencies as well as enhance the client experience as a key growth strategy. BMTC will also supplement organic growth with strategic acquisitions to enhance key revenue segments or expand market presence, provided it fits into the long-term strategy of the institution. The recent acquisition of Hirshorn Boothby and pending acquisition of Royal Bancshares both meet this criteria. Based upon FDIC pro forma deposit market share data, BMTC will be the largest Pennsylvania-based community bank in its operating market, commanding approximately 6.3% of the market share.[3] Further, the acquisition of Hirshorn Boothby establishes presence in the desirable Chestnut Hill area of Philadelphia.

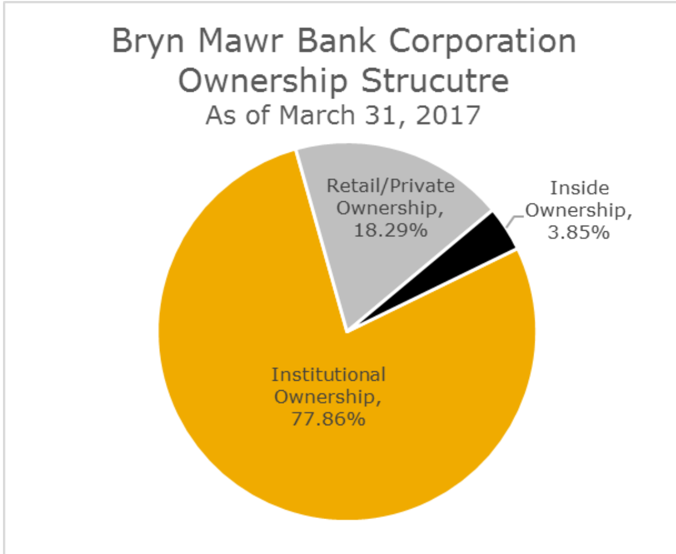
Bryn Mawr Bank Corporation Acquisitions		
Royal Banchares of Pennsylvania, Inc.	*Pending 3Q 2017*	Bank
Hirshorn Boothby	5/24/2017	Insurance
Robert J. McAllister Agency, Inc.	4/6/2015	Insurance
Continental Bank	1/1/2015	Bank
Powers Craft Parker and Beard, Inc.	10/1/2014	Insurance
First Bank of Delaware	11/17/2012	Bank
Davidson Trust Company	5/15/2012	Wealth
Private Wealth Management Group	5/27/2011	Wealth
First Keystone Bank	7/1/2010	Bank

Institutional ownership represents the majority of shares are outstanding with the top ten institutional owners holding approximately 40% of shares as of March 31, 2017. Further, institutional ownership has expanded slightly over the most recent 12 months. Inside ownership has also decreased slightly over the preceding 12 months, with inside ownership disclosed of 5.6% as of March 31, 2016. However, despite this decrease, noncash compensation structures appear to adequately align managements' interests with long-term value creation for shareholders and prudent risk management of the Bank.

Bryn Mawr Bank Corporation Institutional Ownership
As of March 31, 2017

Company	Shares	% Out	Value ($)
BlackRock Inc.	1,189,321	7.00	48,821,627
Dimensional Fund Advisors LP	803,863	4.73	32,998,576
Vanguard Group Inc.	736,604	4.34	30,237,594
Basswood Capital Management LLC	695,812	4.10	28,563,083
Manulife Asset Management (US) LLC	602,502	3.55	24,732,707
Renaissance Technologies LLC	546,100	3.21	22,417,405
Macquarie Investment Management Business Trust	305,089	1.80	12,523,903
Stifel Asset Management Corp.	298,510	1.76	12,253,836
Boston Co. Asset Management LLC	280,356	1.65	11,508,614
Northern Trust Global Investments	244,705	1.44	10,045,140
BNY Asset Management	204,838	1.21	8,408,600
Franklin Resources Inc.	201,100	1.18	8,255,155

[3] Pro Forma combined entity (BMTC and RBPAA) FDIC Summary of Deposit Market Share Report – June 2016.



Revenue and Customer Profile

BMTC has demonstrated consistent and stable earnings since 2008, owing partially to the stable nature of the Company's wealth management revenue as well as prudent credit underwriting and favorable loss history during the financial crisis, which yielded minimal legacy credit issues. Furthermore, steady improvement in the efficiency of the balance sheet over time has led to a favorable earning assets mix, with a higher proportion of earning assets in loans and leases, thereby yielding higher revenues. This, coupled with a relatively low cost of funding has been one of the primary drivers of the performance for the Company.

Bryn Mawr Bank Corporation scores above average for the management profile and strategy component for its well-diversified business lines and revenue streams and the balance between the Company's business focus and the significant 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, while also providing scalability to grow with the organization with little additional investment. The Company's board of directors consists of ten members – nine 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 executive management has established frameworks for risk management and reporting in a number of key areas of the Bank and continue to take an enterprise-wide approach, focusing on the elimination of business line "risk silos." To that end, the Company recently hired Patrick Killeen, who brings with him significant industry experience after having significant enterprise risk management and audit with a number of large banks.

BMTC's management uses a centralized credit process system with a multi-tiered committee based approval process for different type and loan size and performs an annual independent third party loan review. The Bank's executive committee monitors and manages all type of risks at the Bank. 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. To that end, the portfolio is actively monitored for concentration risks by industry, with high risk industry sectors minimized. As of March 31, 2017, there was no significant exposure to the high risk sectors such as energy or subprime indirect auto lending. Other industries with potentially elevated risk exposure, such as real estate development and hotel and hospitality, are limited in both overall exposure and to in-market lending activity. 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 personal recourse via guarantees 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. CRE stress test results for 2016 yielded favorable results for both loan-to-value (LTV) and debt service coverage ratio (DSCR) stress testing. The Company also engages a third party outsource for loan review, the most recent results of which did not produce any significant findings or recommendations of risk rating changes. 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 test.

As of March 31, 2017, Bryn Mawr's top 25 relationships comprised 19.34% of total loans.[4] A large percentage of the Company's real estate exposure, both commercial and residential, is in the Company's primary operating footprint 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, though through BMTC's stress testing sample was well-seasoned with relatively low leverage on a refreshed basis and carried strong debt service coverage. 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 above average in terms of risk management for its strong risk oversight, scalable risk management infrastructure, and clearly defined risk appetite.

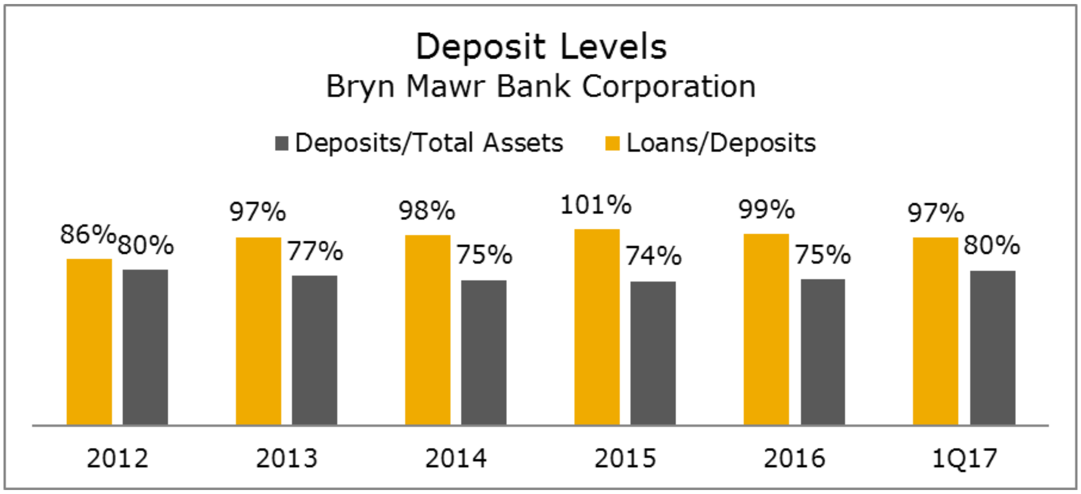
Liquidity Management

The Bank's liquidity is maintained by managing its core deposits as the primary source of funding needs. Secondary sources of liquidity are varied and include purchasing federal funds, selling loans in the secondary market, sources originating from the investment portfolio, borrowing from the FHLB and the Federal Reserve Bank, and purchasing and issuing wholesale certificates of deposit as its secondary sources. The Company's board of directors has established clear liquidity risk tolerances for the Company. The asset liability management committee, 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. Management also reviews 12 month-rolling forward looking cash flow projections on a regular basis. The Company also periodically runs both the Basel III liquidity coverage ratio (LCR) and a modified LCR.[5] 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.

KBRA believes that while Bryn Mawr's loan-to-deposit ratio is above its KBRA rated peer average, the overall level of deposits, along with the significant borrowing capacity at FHLB, among others, provide the Company with sufficient available liquidity to fund expected earning-asset growth in both the near- and medium-terms.

[4] Note that this includes both outstanding loan balances as well as unfunded loan commitments such as lines of credit.

[5] Modified LCR eliminates the high quality liquid assets (HQLA) level 2 cap at 40%.



Overall, the Bank scores average for this category for its strong core deposit base and liquidity management infrastructure counterbalanced by its elevated loan-to-deposit ratio.

Economic and Regulatory Framework

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. That said, the recent dynamic shift in timbre surrounding the regulatory environment, enforcement, and the potential easing of regulatory burden, have all led to an increase in uncertainty, which KBRA will be monitoring on an ongoing basis. The latest research on this and other topics can be found **here**. Despite this, BMTC scores strong for this category.

External Support

Pursuant to the 2010 Dodd-Frank Act, U.S. regulators have been in the process of creating a working resolution regime for large systemically important banks so that their potential failure does not lead to a systemic crisis. There is the possibility that the new U.S. administration may change this resolution regime as part of its review of the Dodd-Frank Act. KBRA believes that for the foreseeable future, non-systemically important depositories such as the Bank and uninsured depositors will benefit from some degree of extraordinary systemic support. However, KBRA does not foresee any regulatory support being extended to creditors or investors.

Outlook

The Stable Outlook for the long-term ratings reflects the expectation that Bryn Mawr Bank Corporation's favorable revenue mix, above-peer earnings performance, and favorable asset quality performance relative to peers continues through the medium term.

Drivers of Rating Change

Rating Upgrade

The long-term ratings of the Bank and its parent share a Stable Outlook for the mid-term. An upgrade is unlikely unless there is an improvement in capital levels as well as material growth in the size and diversity of its traditional banking business and a considerable increase in the scale of its wealth management business. Additionally, favorable liquidity and asset quality measures would have to be materially improved or maintained.

Rating Downgrade

Downgrades for the ratings of Bryn Mawr Bank Corporation and Bryn Mawr Trust are unlikely in the near term. However, failure to successfully integrate the acquisition of Royal Bancshares or falling short of projected accretion or cost saves associated with the transaction could result in downward pressure on ratings. Additionally, any indication of significant outflow of AUM, deterioration of capital levels, deterioration in the credit portfolio, or significant losses could trigger downward pressure on the ratings.