BMBC

BRYN MAWR BANK CORPORATION

Fourth Quarter 2020 Earnings Review

Frank Leto
President and
Chief Executive Officer

Mike Harrington
Chief Financial Officer

Liam Brickley
Chief Credit Officer

Forward Looking Statements

This presentation contains statements which, to the extent that they are not recitations of historical fact may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Such forward-looking statements may include financial and other projections as well as statements regarding the Bryn Mawr Bank Corporation's (the "Corporation") future plans, objectives, performance, revenues, growth, profits, operating expenses or the Corporation's underlying assumptions. The words "may," "would," "should," "could," "will," "likely," "possibly," "expect," "anticipate," "intend," "indicate," "estimate," "target," "potentially," "promising," "probably," "outlook," "predict," "contemplate," "continue," "plan," "strategy," "forecast," "project," "annualized," "are optimistic," "are looking," "are looking forward" and "believe" or other similar words and phrases may identify forward-looking statements. Persons reading this press release are cautioned that such statements are only predictions, and that the Corporation's actual future results or performance may be materially different. Such forward-looking statements involve known and unknown risks and uncertainties. A number of factors, many of which are beyond the Corporation's control, could cause our actual results, events or developments, or industry results, to be materially different from any future results, events or developments expressed, implied or anticipated by such forward-looking statements, and so our business and financial condition and results of operations could be materially and adversely affected. The COVID-19 pandemic (the "Pandemic") is adversely affecting us, our clients, counterparties, employees, and third-party service providers, and the ultimate extent of the impacts on our business, financial position, results of operations, liquidity, and prospects is uncertain. Continued deterioration in general business and economic conditions, including further increases in unemployment rates or turbulence in domestic or global financial markets, could adversely affect our revenues and the values of our assets and liabilities, reduce the availability of funding, lead to a tightening of credit, and further increase stock price volatility. In addition, changes to statutes, regulations, or regulatory policies or practices as a result of, or in response to the Pandemic or changes in the Presidential administration, could affect us in substantial and unpredictable ways. Other factors include, among others, our need for capital; our ability to control operating costs and expenses, and to manage loan and lease delinquency rates; the credit risks of lending activities and overall quality of the composition of our loan, lease and securities portfolio; the impact of economic conditions, consumer and business spending habits, and real estate market conditions on our business and in our market area; changes in the levels of general interest rates, deposit interest rates, or net interest margin and funding sources; changes in banking regulations and policies and the possibility that any banking agency approvals we might require for certain activities will not be obtained in a timely manner or at all or will be conditioned in a manner that would impair our ability to implement our business plans; changes in accounting policies and practices or accounting standards, including ASU 2016-13 (Topic 326), "Measurement of Credit Losses on Financial Instruments," commonly referenced as the Current Expected Credit Loss model, which has changed how we estimate credit losses and may result in further increases in the required level of our allowance for credit losses; unanticipated regulatory or legal proceedings, outcomes of litigation or other contingencies; cybersecurity events; the inability of key third-party providers to perform their obligations to us; our ability to attract and retain key personnel; competition in our marketplace; war or terrorist activities; social or civil unrest; material differences in the actual financial results, cost savings and revenue enhancements associated with our acquisitions; uncertainty regarding the future of LIBOR; the impact of public health issues and pandemics, and their effects on the economic and business environments in which we operate; the effect of the Pandemic, including on our credit quality and business operations, as well as its impact on general economic and financial market conditions; and other factors as described in our securities filings with the U.S. Securities and Exchange Commission (the "SEC"). All forward-looking statements and information set forth herein are based on Corporation management's current beliefs and assumptions as of the date hereof and speak only as of the date they are made.

The Corporation does not undertake to update forward-looking statements. For a complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review our filings with the SEC, including our most recent Annual Report on Form 10-K, as updated by our quarterly or other reports subsequently filed with the SEC, including our most recent Quarterly Report on Form 10-Q.

Member FDIC. Equal Housing Lender. Securities, insurance, foreign exchange, and derivatives products are not a deposit, not FDIC insured, not bank guaranteed, not insured by any federal government agency, and may lose value.

Statement on Non-GAAP Measures: The Corporation uses certain non-GAAP financial measures in its analysis of the Corporation's performance, and believes that the presentation of certain non-GAAP financial measures provides useful supplemental information that is essential to an investor's proper understanding of the results of operations and financial condition of the Corporation. These non-GAAP measures should not be viewed as substitutes for the financial measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Full Year & Fourth Quarter 2020 Recap

- 4th Quarter 2020: Reported net income of $15.5 million or $0.78 diluted earnings per share

- Full Year 2020: Reported net income of $32.6 million or $1.63 diluted earnings per share

- Wealth assets under management hit a record $18.9 billion, growing 10% quarter over quarter, and 15% year over year
  - BMT Delaware grew over 26% in 2020

- Completed several initiatives including the execution on permanent office-space reductions, client facing technological enhancements, and PPP portfolio sale

- Expanded lending team with the hire of a Managing Director of Commercial Banking with a focus on southern New Jersey region

4th Quarter 2020 Results

Income Statement $ in thousands, except share and per share data	4Q20	3Q20	% Change
Net interest income	$35,037	$35,032	0%
(Release of) provision for credit losses	(1,209)	4,101	-129%
Net interest income after provision	36,246	30,931	17%
Noninterest income	22,006	21,099	4%
Total noninterest expense	38,624	35,197	10%
Income before income taxes	19,628	16,833	17%
Income tax expense	4,094	3,709	10%
Net income	$15,534	$13,124	18%
Net loss attributable to noncontrolling interest	(3)	(40)	93%
Net income attributable to Bryn Mawr Bank Corporation	$15,537	$13,164	18%
Diluted earnings per common share	$0.78	$0.66	
Weighted average diluted shares	20,027,658	20,021,617	

Financial Metrics		
Core return on average assets*	1.20%	1.02%
Core return on tangible equity*	15.42%	13.47%
Efficiency ratio*	64.81%	61.16%
Tax-equivalent net interest margin	3.04%	3.03%

*Non-GAAP measure, see reconciliation on slides 15-16

Full Year 2020 Results

Income Statement $ in thousands, except share and per share data	FY 2020	FY 2019	% Change
Net interest income	$143,787	$147,641	-3%
Provision for credit losses	41,677	8,595	385%
Net interest income after provision	102,110	139,046	-27%
Noninterest income	81,971	82,184	0%
Total noninterest expense	142,727	146,427	-3%
Income before income taxes	41,354	74,803	-45%
Income tax expense	8,856	15,607	-43%
Net income	$32,498	$59,196	-45%
Net loss attributable to noncontrolling interest	(75)	(10)	-650%
Net income attributable to Bryn Mawr Bank Corporation	$32,573	$59,206	-45%
Diluted earnings per common share	$1.63	$2.93	
Weighted average diluted shares	20,042,345	20,233,371	

Financial Metrics		
Core return on average assets*	0.65%	1.34%
Core return on tangible equity*	8.72%	17.10%
Efficiency ratio*	60.96%	60.10%
Tax-equivalent net interest margin	3.16%	3.55%

*Non-GAAP measure, see reconciliation on slides 15-16

Balance Sheet - Liquidity - Capital

Balance Sheet ($ millions)	4Q20	3Q20	4Q19
Assets			
Total Assets	$5,432	$5,047	$5,263
Total Portfolio Loans & Leases	3,628	3,677	3,689
ACL on Loans and Leases	(53.7)	(56.4)	(22.6)
Liquidity			
Noninterest bearing deposits	$1,402	$1,230	$898
Interest-bearing deposits	2,974	2,783	2,944
Short-term borrowings	72	23	493
Loan-to-Deposit Ratio	82.9%	91.6%	96.0%
Capital			
Total shareholders' equity	$622	$613	$612
Corp. Tier 1 leverage ratio	9.03%	8.75%	9.33%
Corp. CET1 ratio	11.28%	10.92%	10.86%
Tangible book value per common share*	$21.22	$20.69	$20.36

Note: Capital ratios for the current quarter are preliminary until the Call Reports are filed
*Non-GAAP measure, see reconciliation on slide 16

4Q 2020 Assets

- Loan portfolio decreased 1.3% between linked quarters and 1.7% year over year
- Decrease to the allowance driven by a release in the provision for credit losses due to an improvement in current and forward-looking economic conditions, primarily PA unemployment

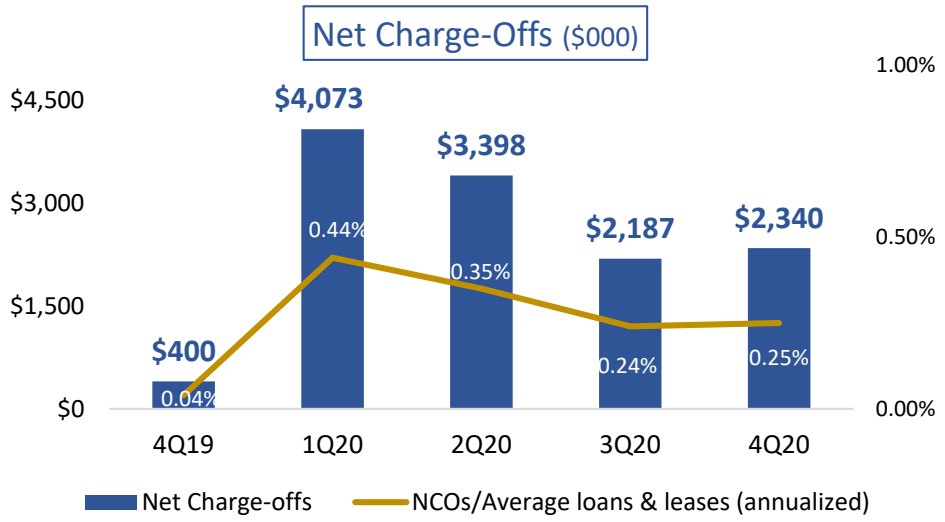
4Q 2020 Liquidity

- Deposits increased 9% from the linked quarter and 14% year over year
  - Deposit costs have declined for 5 consecutive quarters
- Available wholesale liquidity:
  - Holding Company liquidity in excess of $100 million
  - Available borrowing capacity is approximately $1.9 billion

4Q 2020 Capital

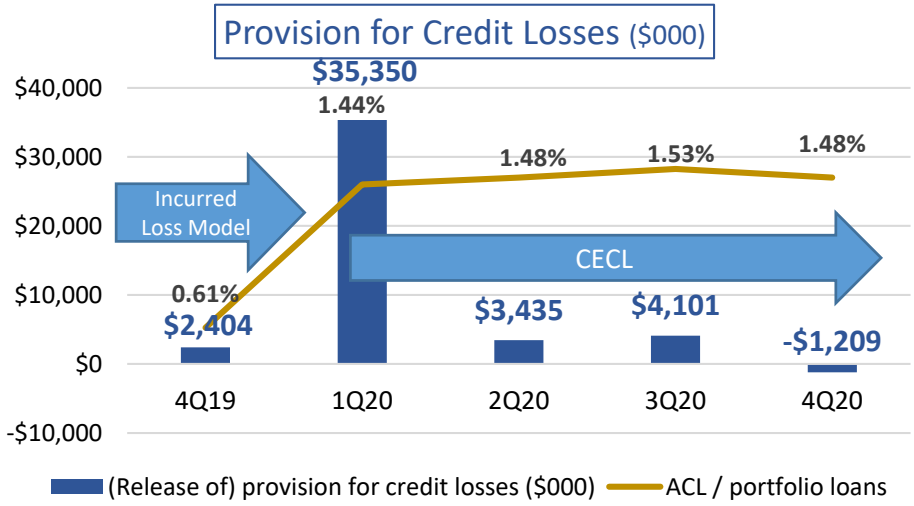
- Bank and Corporation capital remain above well-capitalized
- Stock buyback program is authorized with over 700k shares in capacity
- The full year shareholder dividend has increased for the 10th consecutive year

Asset Quality



Charge-Offs

- Net charge-offs increased $153 thousand as compared to the third quarter 2020
- Net charge-offs as a percent of average loans and leases increased 1 basis points between linked quarters
- Nonperforming loans and leases decreased $3.3 million, or 38%, compared to the linked quarter



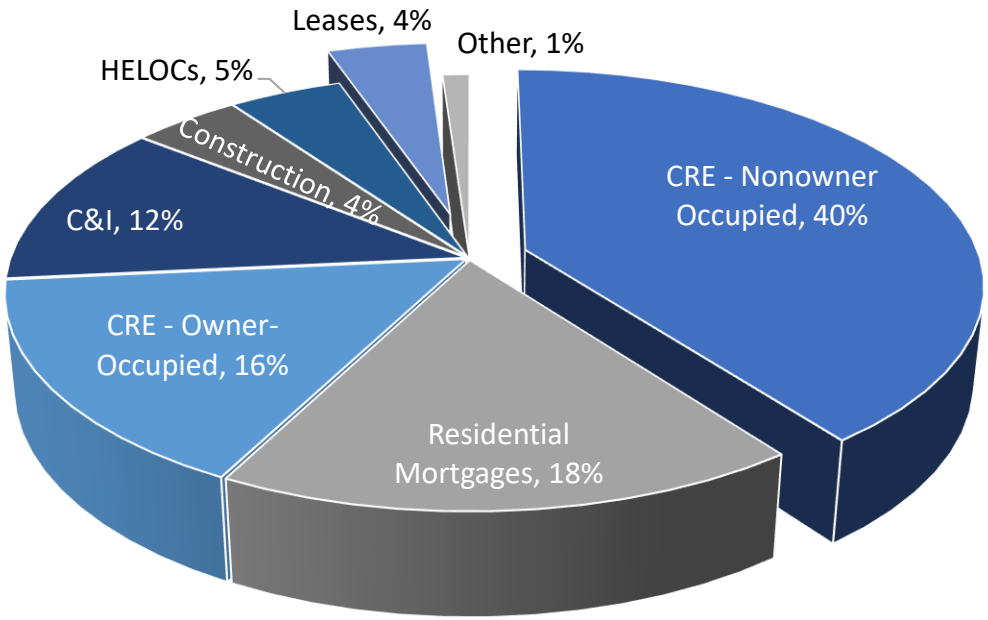
Provision under CECL

- The provision decreased by $5.3 million as compared to the linked quarter due to changes to current and forward-looking economic conditions, particularly the Pennsylvania unemployment rate

2021 Outlook

- Continued uncertainty and potential for ongoing volatility
- Margin stabilizing but pressure could return
  - Anticipate Fed keeping short-term rates low
  - Excess liquidity causing additional pressure on loan yields
  - Steepening yield curve is positive should it hold
- Loan growth likely to be muted in first half of 2021
- Provision for credit losses highly dependent on path of recovery
- Expense growth expected to be minimal versus prior year

Loan Portfolio Segments



CRE - Nonowner Occupied (40%)

Primarily commercial mortgage loans with 84% Pass-rated

- Average originated LTV: 64%
- Average loan size: $1.8 million
- 4% of portfolio in deferral

Leasing Portfolio (4%)

- Located in all 50 states and Washington D.C.
- Average lease size: $24 thousand
- 1% of portfolio in deferral

Data as of December 31, 2020

Specialized Sector Exposures

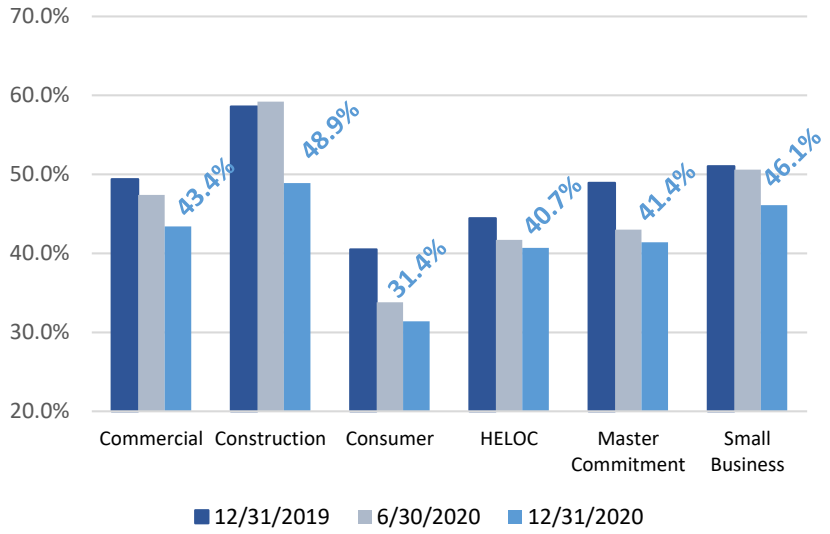
Commercial Real Estate-Sector ($000)	Size	% of Total Loans	Avg. Loan Size
Retail	$344,321	9.5%	$1,602
Multifamily	319,018	8.8%	1,302
Flex	235,516	6.5%	1,071
Office	235,571	6.5%	1,798
Hospitality	87,777	2.4%	3,251

CRE Sector Rating

CRE-Sector	Pass	Pass Watch	Special Mention	Substandard
Retail	73%	15%	4%	8%
Multifamily	97%	1%	2%	0%
Flex	95%	2%	2%	1%
Office	96%	3%	1%	0%
Hospitality	0%	7%	18%	75%

*as of December 31, 2020

Lines of Credit Usage

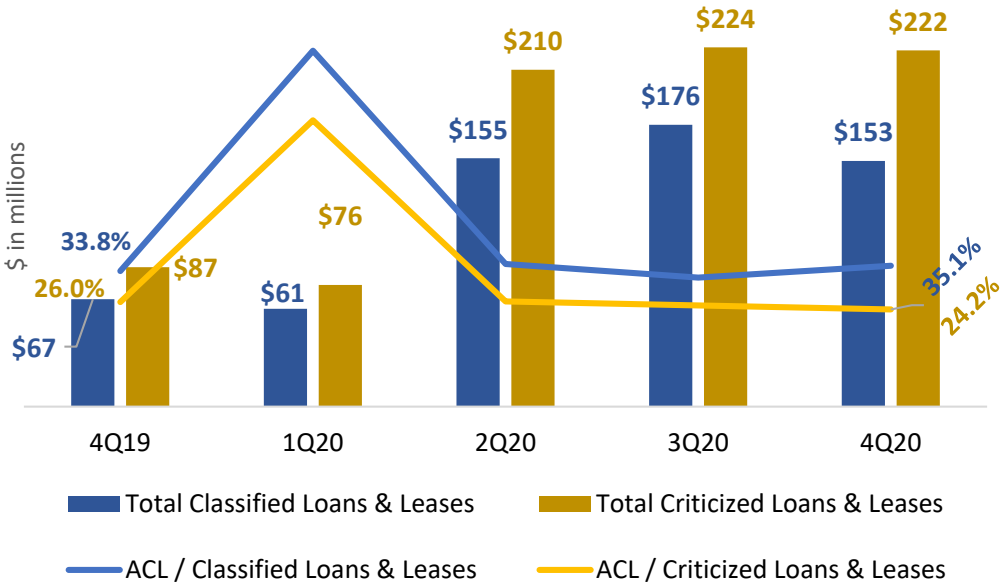


Lines of credit usage decreased 8.6%, or $63.4 million, since September 30, 2020.

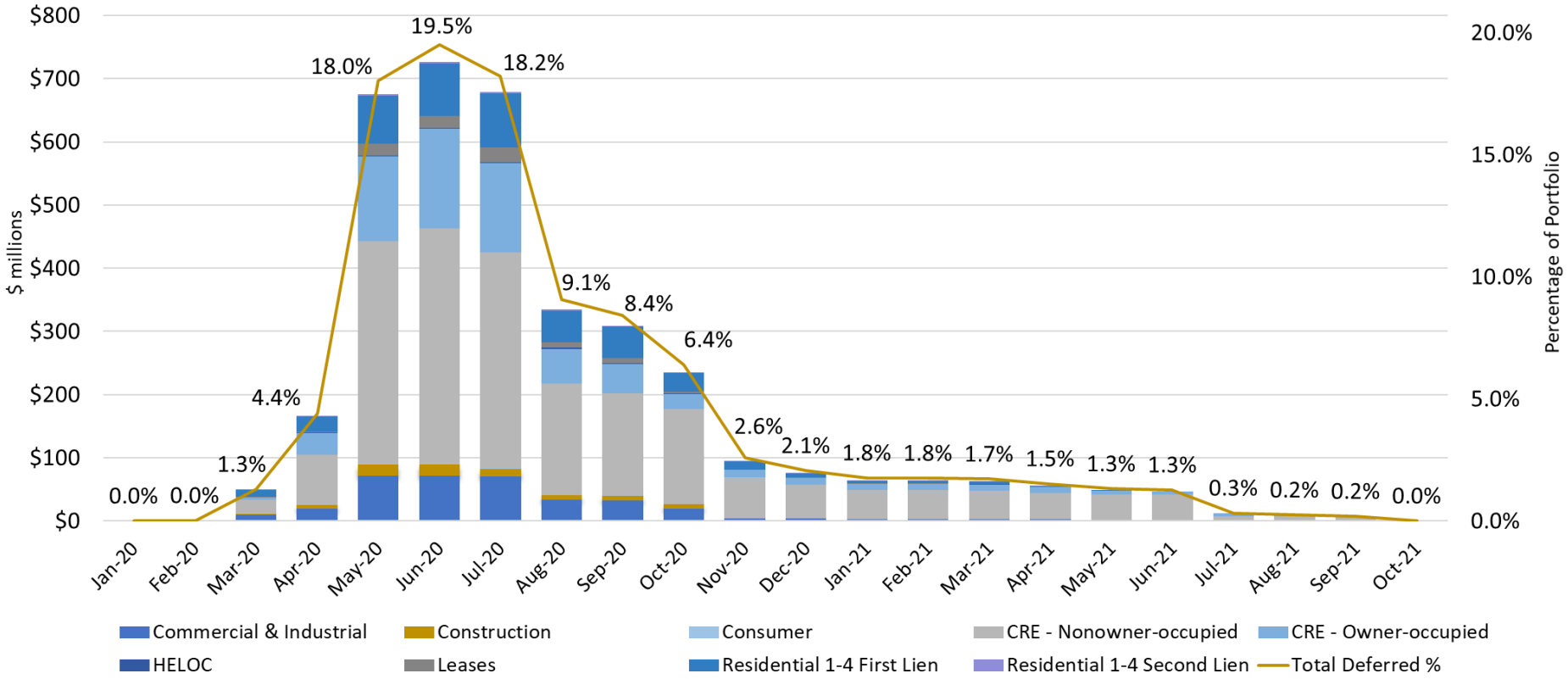
Deferral & Classified/Criticized Loan Summary

Loan Category	% in Deferral as of June 30, 2020	% in Deferral as of September 30, 2020	% in Deferral as of December 31, 2020
Commercial & Industrial	17%	7%	1%
Construction	10%	4%	0%
Consumer	1%	0%	0%
CRE - Nonowner-Occupied	28%	13%	4%
CRE - Owner-Occupied	29%	10%	2%
HELOC	3%	2%	0%
Residential	13%	8%	1%
Leases	16%	6%	1%
Total Portfolio	21%	9%	2%

- Total active deferrals were $75 million, or 2.1% of total loans as of December 31, 2020
- 87%+ of commercial loans in deferral were making interest-only payments as of December 31, 2020



COVID-19 Deferrals – All Loan Types



- Information is based on the aggregate outstanding principal amount of loans as of December 31, 2020 that were in deferral in prior periods and/or are anticipated to be in deferral in future periods
- Deferral information with respect to periods after 12/31/2020 and related comments constitute forward looking statements and are based on management's current expectations and beliefs. There can be no guarantee that the deferral rates that are depicted for periods after 12/31/2020 will be realized, and if not, to what extent they will differ from the depiction above. The Corporation undertakes no obligation to revise or release any revision or update to these forward-looking statements

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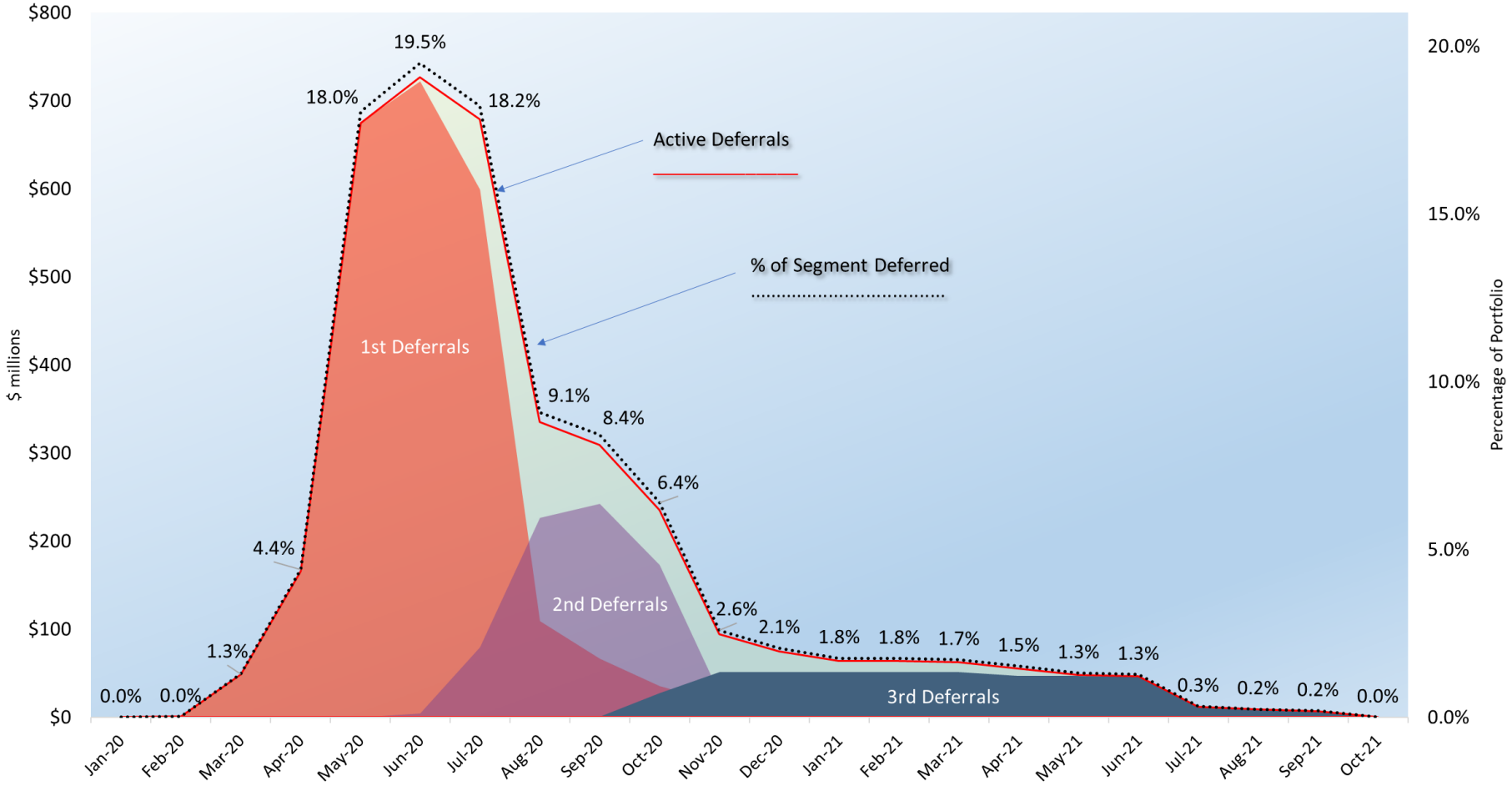

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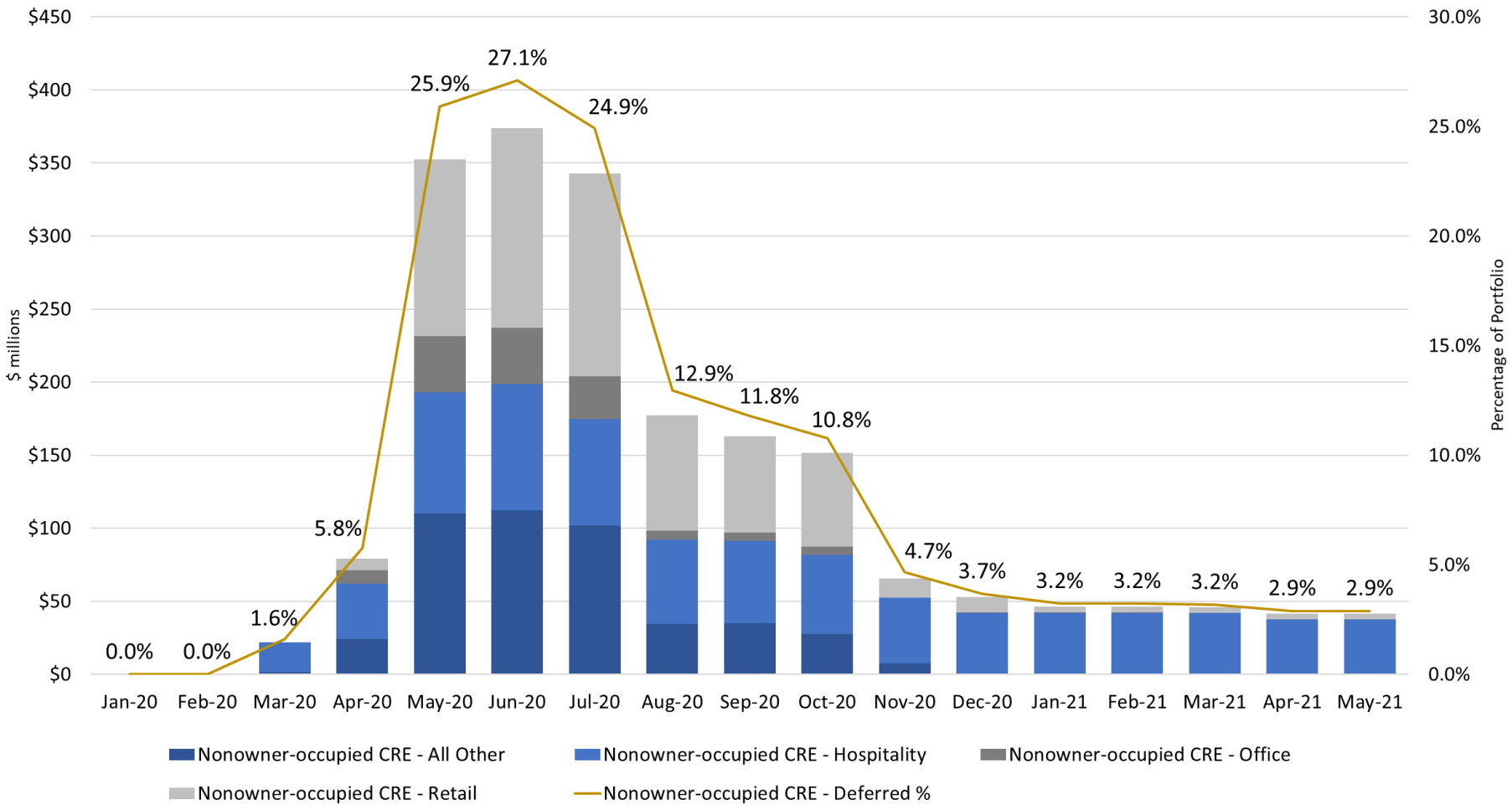
COVID-19 Deferrals – Nonowner-Occupied CRE



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Non-GAAP Reconciliation

$ thousands	As of or For the Three Months Ended December 31, 2020	As of or For the Three Months Ended September 30, 2020	As of or For the Twelve Months Ended December 31, 2020	As of or For the Twelve Months Ended December 31, 2019
Reconciliation of Net Income to Net Income (core):				
Net income (loss) attributable to BMBC (a GAAP measure)	$ 15,537	$ 13,164	$ 32,573	$ 59,206
Less: Tax-effected non-core noninterest income:				
Gain on sale of PPP loans	-	-	(1,905)	-
BMT Investment Advisers wind-down costs	-	-	1,744	-
Gain on sale of buildings	(1,813)	-	(1,813)	-
Add: Tax-effected non-core noninterest expense items:				
Voluntary years of service incentive program expenses	-	-	-	3,553
BMT Investment Advisers wind-down costs	-	-	100	-
Severance associated with staff reduction	-	-	425	-
Gain on early lease termination	(107)	-	(107)	-
Impairment of long-lived assets	1,268	-	1,268	-
Disposal expense of premise and equipment	633	-	633	-
Net income (loss) (core) (a non-GAAP measure)	**$ 15,518**	**$ 13,164**	**$ 32,918**	**$ 62,759**
Calculation of Return on Average Tangible Equity (core):				
Net income (loss) (core) (a non-GAAP measure)	$ 15,518	$ 13,164	$ 32,918	$ 62,759
Add: Tax-effected amortization and impairment of intangible assets	687	687	2,818	3,003
Net tangible income (loss) (core) (numerator)	$ 16,205	$ 13,851	$ 35,736	$ 65,762
Average shareholders' equity	$ 617,258	$ 609,193	$ 610,521	$ 588,955
Less: Average Noncontrolling interest	769	739	725	690
Less: Average goodwill and intangible assets	(200,060)	(200,931)	(201,389)	(205,143)
Net average tangible equity (denominator)	$ 417,967	$ 409,001	$ 409,857	$ 384,502
Return on tangible equity (core) (a non-GAAP measure)	**15.42%**	**13.47%**	**8.72%**	**17.10%**
Calculation of Return on Average Assets (core)				
Return on average assets (GAAP)	1.21%	1.02%	0.64%	1.26%
Effect of adjustment to GAAP net income to core net income	-0.01%	0.00%	0.01%	0.08%
Return on average assets (core)	1.20%	1.02%	0.65%	1.34%

Non-GAAP Reconciliation

$ thousands	As of or For the Three Months Ended December 31, 2020	As of or For the Three Months Ended September 30, 2020	As of or For the Twelve Months Ended December 31, 2020	As of or For the Twelve Months Ended December 31, 2019
Calculation of Efficiency Ratio*:				
Noninterest expense	$ 38,624	$ 35,197	$ 142,727	$ 146,427
Less: certain noninterest expense items:				
Amortization of intangibles	(869)	(870)	(3,567)	(3,801)
Voluntary years of service incentive program expenses	-	-	-	(4,498)
BMT Investment Advisers, Inc. wind-down costs	-	-	(127)	-
Severance associated with staff reduction	-	-	(538)	-
Gain on early lease termination	135	-	135	-
Impairment of long-lived assets	(1,605)	-	(1,605)	-
Disposal expense of premises and equipment	(801)	-	(801)	-
Noninterest expense (adjusted) (numerator)	$ 35,484	$ 34,327	$ 136,224	$ 138,128
Noninterest income	$ 22,006	$ 21,099	$ 81,971	$ 82,184
Less: non-core noninterest income items:				
Gain on sale of PPP loans	-	-	-	-
BMT Investment Advisers, Inc. wind-down costs	-	-	-	-
Gain on sale of building	(2,295)	-	(2,295)	-
Noninterest income (core)	$ 19,711	$ 21,099	$ 79,676	$ 82,184
Net interest income	35,037	35,032	143,787	147,641
Noninterest income (core) and net interest income (denominator)	$ 54,748	$ 56,131	$ 223,463	$ 229,825
Efficiency ratio	**64.81%**	**61.16%**	**60.96%**	**60.10%**

** In calculating the Corporation's efficiency ratio, which is used by Management to identify the cost of generating each dollar of core revenue, certain non-core income and expense items as well as the amortization of intangible assets, are excluded.*

$ thousands	As of or For the Three Months Ended December 31, 2020	As of or For the Three Months Ended September 30, 2020	As of or For the Three Months Ended December 31, 2019
Calculation of tangible book value per common share:			
Total shareholders' equity	$ 622,322	$ 612,617	$ 612,227
Less: Noncontrolling interest	770	767	695
Less: Goodwill and intangible assets	(199,576)	(200,445)	(203,143)
Net tangible equity (numerator)	$ 423,516	$ 412,939	$ 409,779
Shares outstanding , end of period (denominator)	19,960,294	19,958,186	20,126,296
Tangible book value per common share (a non-GAAP measure)	$ 21.22	$ 20.69	$ 20.36