Section 1: 10-Q (10-Q)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter ended March 31, 2019

Commission File Number 1-35746

Bryn Mawr Bank Corporation

(Exact name of registrant as specified in its charter)

Pennsylvania	**23-2434506**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer identification No.)**
801 Lancaster Avenue, Bryn Mawr, Pennsylvania	**19010**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (610) 525-1700

Securities registered pursuant to Section 12(b) of the Act:

Title of class	Trading Symbol	Name of exchange on which registered
Common Stock, $1 par value	BMTC	The NASDAQ Stock Market

Not Applicable
Former name, former address and fiscal year, if changed since last report.

Indicate by checkmark whether the registrant (1) has filed all reports to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Classes	Outstanding at May 1, 2019
Common Stock, par value $1	20,147,151

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES

FORM 10-Q

QUARTER ENDED MARCH 31, 2019

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets - Unaudited

(dollars in thousands)	March 31, 2019	December 31, 2018
Assets		
Cash and due from banks	$ 13,656	$ 14,099
Interest bearing deposits with banks	29,449	34,357
Cash and cash equivalents	43,105	48,456
Investment securities available for sale, at fair value (amortized cost of $562,528 and $745,328 as of March 31, 2019 and December 31, 2018, respectively)	559,983	737,442
Investment securities held to maturity, at amortized cost (fair value of $10,324 and $8,438 as of March 31, 2019 and December 31, 2018, respectively)	10,457	8,684
Investment securities, trading	8,189	7,502
Loans held for sale	2,884	1,749
Portfolio loans and leases, originated	3,032,270	2,885,251
Portfolio loans and leases, acquired	491,244	541,903
Total portfolio loans and leases	3,523,514	3,427,154
Less: Allowance for originated loan and lease losses	(20,519)	(19,329)
Less: Allowance for acquired loan and lease losses	(97)	(97)
Total allowance for loans and lease losses	(20,616)	(19,426)
Net portfolio loans and leases	3,502,898	3,407,728
Premises and equipment, net	67,279	65,648
Operating lease right-of-use assets	43,985	—
Accrued interest receivable	13,123	12,585
Mortgage servicing rights	4,910	5,047
Bank owned life insurance	58,138	57,844
Federal Home Loan Bank stock	10,526	14,530
Goodwill	184,012	184,012
Intangible assets	21,994	23,455
Other investments	16,526	16,526
Other assets	83,984	61,277
Total assets	$ 4,631,993	$ 4,652,485
Liabilities		
Deposits:		
Noninterest-bearing	$ 882,310	$ 901,619
Interest-bearing	2,755,307	2,697,468
Total deposits	3,637,617	3,599,087
Short-term borrowings	124,214	252,367
Long-term FHLB advances	55,407	55,374
Subordinated notes	98,571	98,526
Junior subordinated debentures	21,622	21,580
Operating lease liabilities	48,224	—
Accrued interest payable	8,674	6,652
Other liabilities	62,557	54,195
Total liabilities	4,056,886	4,087,781
Shareholders' equity		
Common stock, par value $1; authorized 100,000,000 shares; issued 24,577,248 and 24,545,348 shares as of March 31, 2019 and December 31, 2018, respectively and outstanding of 20,167,729 and 20,163,816 as of March 31, 2019 and December 31, 2018, respectively	24,577	24,545
Paid-in capital in excess of par value	375,655	374,010
Less: Common stock in treasury at cost - 4,409,519 and 4,381,532 shares as of March 31, 2019 and December 31, 2018, respectively	(76,974)	(75,883)

Accumulated other comprehensive loss, net of tax	(3,278)	(7,513)
Retained earnings	255,813	250,230
Total Bryn Mawr Bank Corporation shareholders' equity	575,793	565,389
Noncontrolling interest	(686)	(685)
Total shareholders' equity	575,107	564,704
Total liabilities and shareholders' equity	$ 4,631,993	$ 4,652,485

The accompanying notes are an integral part of the Unaudited Consolidated Financial Statements.

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income - Unaudited

(dollars in thousands, except share and per share data)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Interest income:		
Interest and fees on loans and leases	$ 44,837	$ 40,689
Interest on cash and cash equivalents	132	53
Interest on investment securities:		
Taxable	3,450	2,706
Non-taxable	47	84
Dividends	2	2
Total interest income	48,468	43,534
Interest expense:		
Interest on deposits	8,097	3,472
Interest on short-term borrowings	943	630
Interest on FHLB advances and other borrowings	278	562
Interest on subordinated notes	1,145	1,143
Interest on junior subordinated debentures	358	288
Total interest expense	10,821	6,095
Net interest income	37,647	37,439
Provision for loan and lease losses	3,736	1,030
Net interest income after provision for loan and lease losses	33,911	36,409
Noninterest income:		
Fees for wealth management services	10,392	10,308
Insurance commissions	1,672	1,693
Capital markets revenue	2,219	666
Service charges on deposits	808	713
Loan servicing and other fees	609	686
Net gain on sale of loans	319	518
Net gain on sale of investment securities available for sale	—	7
Net gain (loss) on sale of other real estate owned ("OREO")	(24)	176
Dividends on FHLB and FRB stock	411	431
Other operating income	2,847	4,338
Total noninterest income	19,253	19,536
Noninterest expenses:		
Salaries and wages	20,901	15,982
Employee benefits	4,166	3,708
Occupancy and bank premises	3,252	3,050
Furniture, fixtures, and equipment	2,389	1,898
Advertising	415	461
Amortization of intangible assets	938	879
Due diligence, merger-related and merger integration expenses	—	4,319
Professional fees	1,320	748
Pennsylvania bank shares tax	409	473
Data processing	1,320	1,195
Other operating expenses	4,614	3,317
Total noninterest expenses	39,724	36,030
Income before income taxes	13,440	19,915
Income tax expense	2,764	4,630
Net income	$ 10,676	$ 15,285
Net (loss) attributable to noncontrolling interest	(1)	(1)
Net income attributable to Bryn Mawr Bank Corporation	$ 10,677	$ 15,286

Basic earnings per common share	$ 0.53	$ 0.76
Diluted earnings per common share	$ 0.53	$ 0.75
Dividends paid or accrued per common share	$ 0.25	$ 0.22
Weighted-average basic shares outstanding	20,168,498	20,202,969
Dilutive shares	103,163	247,525
Adjusted weighted-average diluted shares	20,271,661	20,450,494

The accompanying notes are an integral part of the Unaudited Consolidated Financial Statements.

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income - Unaudited

	Three Months Ended March 31,	
(dollars in thousands)	2019	2018
Net income attributable to Bryn Mawr Bank Corporation	$ 10,677	$ 15,286
Other comprehensive income (loss):		
Net change in unrealized gains (losses) on investment securities available for sale:		
Net unrealized gains (losses) arising during the period, net of tax expense (benefit) of $1,121 and $(1,319), respectively	4,219	(4,961)
Reclassification adjustment for net (gain) on sale realized in net income, net of tax expense of $0 and $1, respectively	—	(6)
Reclassification adjustment for net (gain) realized on transfer of investment securities available for sale to trading, net of tax expense of $0 and $88, respectively	—	(329)
Unrealized investment gains (losses), net of tax expense (benefit) of $1,121 and $(1,408), respectively	4,219	(5,296)
Net change in unfunded pension liability:		
Change in unfunded pension liability related to unrealized loss, prior service cost and transition obligation, net of tax expense of $4 and $12, respectively	16	46
Total other comprehensive income (loss)	4,235	(5,250)
Total comprehensive income	$ 14,912	$ 10,036

The accompanying notes are an integral part of the Unaudited Consolidated Financial Statements.

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows - Unaudited

(dollars in thousands)	Three Months Ended March 31, 2019	2018
Operating activities:		
Net income attributable to Bryn Mawr Bank Corporation	$ 10,677	$ 15,286
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan and lease losses	3,736	1,030
Depreciation of fixed assets	1,908	1,493
Amortization of operating lease right-of-use assets	914	—
Net amortization of investment premiums and discounts	543	761
Net gain on sale of investment securities available for sale	—	(7)
Net gain on sale of loans	(319)	(518)
Stock based compensation	1,137	620
Amortization and net impairment of mortgage servicing rights	137	171
Net accretion of fair value adjustments	(1,018)	(3,004)
Amortization of intangible assets	938	879
Net loss (gain) on sale of OREO	24	(176)
Net increase in cash surrender value of bank owned life insurance ("BOLI")	(294)	(279)
Other, net	(642)	(107)
Loans originated for resale	(10,353)	(19,534)
Proceeds from loans sold	9,484	18,265
Provision for deferred income taxes	43	656
Change in income taxes payable/receivable, net	7,067	3,819
Change in accrued interest receivable	(538)	1,725
Change in accrued interest payable	2,022	1,287
Change in operating lease liabilities	(850)	—
Change in other assets	(28,612)	(11,342)
Change in other liabilities	10,814	(5,987)
Net cash provided by operating activities	6,818	5,038
Investing activities:		
Purchases of investment securities available for sale	(61,225)	(74,029)
Purchases of investment securities held to maturity	(1,827)	—
Proceeds from maturity and paydowns of investment securities available for sale	217,990	218,393
Proceeds from maturity and paydowns of investment securities held to maturity	45	39
Proceeds from sale of investment securities available for sale	—	7
Net change in FHLB stock	4,004	4,584
Proceeds from calls of investment securities	25,500	65
Net change in other investments	—	500
Purchase of customer relationships	(18)	—
Net portfolio loan and lease originations	(97,976)	(21,230)
Purchases of premises and equipment	(3,540)	(2,063)
Proceeds from sale of OREO	309	217
Net cash provided by investing activities	83,262	126,483
Financing activities:		
Change in deposits	38,752	(57,879)
Change in short-term borrowings	(128,153)	(64,161)
Dividends paid	(5,041)	(4,523)
Change in long-term FHLB advances and other borrowings	—	(31,371)
Payment of contingent consideration for business combinations	(438)	—
Cash payments to taxing authorities on employees' behalf from shares withheld from stock-based compensation	(34)	(626)

Net proceeds from sale of treasury stock for deferred compensation plans	—	171
Repurchase of warrants from U.S. Treasury	—	(1,755)
Net purchase of treasury stock through publicly announced plans	(1,057)	—
Proceeds from exercise of stock options	540	992
Net cash used in financing activities	(95,431)	(159,152)
Change in cash and cash equivalents	(5,351)	(27,631)
Cash and cash equivalents at beginning of period	48,456	60,024
Cash and cash equivalents at end of period	$ 43,105	$ 32,393
Supplemental cash flow information:		
Cash paid during the year for:		
Income taxes	$ 199	$ 146
Interest	$ 8,799	$ 4,808
Non-cash information:		
Change in other comprehensive loss	$ 4,235	$ (5,250)
Change in deferred tax due to change in comprehensive income	$ 1,125	$ (1,396)
Transfer of loans to OREO and repossessed assets	$ —	$ 37

The accompanying notes are an integral part of the Unaudited Consolidated Financial Statements.

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BRYN MAWR BANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes In Shareholders' Equity - Unaudited

	For the Three Months Ended March 31, 2019							
(dollars in thousands, except share and per share data)	**Shares of Common Stock Issued**	**Common Stock**	**Paid-in Capital**	**Treasury Stock**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Noncontrolling Interest**	**Total Shareholders' Equity**
Balance December 31, 2018	24,545,348	$ 24,545	$ 374,010	$ (75,883)	$ (7,513)	$ 250,230	$ (685)	$ 564,704
Net income attributable to Bryn Mawr Bank Corporation	—	—	—	—	—	10,677	—	10,677
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	(1)	(1)
Dividends paid or accrued, $0.25 per share	—	—	—	—	—	(5,094)	—	(5,094)
Other comprehensive income, net of tax expense of $1,125	—	—	—	—	4,235	—	—	4,235
Stock based compensation	—	—	1,137	—	—	—	—	1,137
Net purchase of treasury stock from stock awards for statutory tax withholdings	—	—	—	(34)	—	—	—	(34)
Purchase of treasury stock through publicly announced plans	—	—	—	(1,057)	—	—	—	(1,057)
Common stock issued:								
Common stock issued through share-based awards and options exercises	31,900	32	508	—	—	—	—	540
Balance March 31, 2019	24,577,248	$ 24,577	$ 375,655	$ (76,974)	$ (3,278)	$ 255,813	$ (686)	$ 575,107

	For the Three Months Ended March 31, 2018							
(dollars in thousands, except share and per share data)	**Shares of Common Stock Issued**	**Common Stock**	**Paid-in Capital**	**Treasury Stock**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Noncontrolling Interest**	**Total Shareholders' Equity**
Balance December 31, 2017	24,360,049	$ 24,360	$ 371,486	$ (68,179)	$ (4,414)	$ 205,549	$ (683)	$ 528,119
Net income attributable to Bryn Mawr Bank Corporation	—	—	—	—	—	15,286	—	15,286
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	(1)	(1)
Dividends paid or accrued, $0.22 per share	—	—	—	—	—	(4,495)	—	(4,495)
Other comprehensive income, net of tax expense of $1,396	—	—	—	—	(5,250)	—	—	(5,250)
Stock based compensation	—	—	620	—	—	—	—	620
Net purchase of treasury stock from stock awards for statutory tax withholdings	—	—	—	(626)	—	—	—	(626)
Net treasury stock activity for deferred compensation trusts	—	—	153	18	—	—	—	171
Repurchase of warrants from U.S. Treasury	—	—	(1,853)	—	—	98	—	(1,755)
Common stock issued:								
Common stock issued through share-based awards and options exercises	78,709	79	913	—	—	—	—	992
Balance March 31, 2018	24,438,758	$ 24,439	$ 371,319	$ (68,787)	$ (9,664)	$ 216,438	$ (684)	$ 533,061

The accompanying notes are an integral part of the Unaudited Consolidated Financial Statements.

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

Note 1 – Basis of Presentation

The Unaudited Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). In the opinion of Bryn Mawr Bank Corporation’s ("BMBC," and together with its direct and indirect subsidiaries, the “Corporation”) management, all adjustments, which are normal and recurring in nature, necessary for a fair presentation of the consolidated financial position and the results of operations for the interim periods presented have been included. These Unaudited Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto in the Corporation’s Annual Report on Form 10-K for the twelve months ended December 31, 2018 (the “2018 Annual Report”).

The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results to be expected for the full year.

Principles of Consolidation

The Unaudited Consolidated Financial Statements include the accounts of BMBC and its consolidated subsidiaries; BMBC's primary subsidiary is The Bryn Mawr Trust Company (the “Bank”). In connection with the RBPI Merger (defined in Note 3 – Business Combinations below), the Corporation acquired two Delaware trusts, Royal Bancshares Capital Trust I and Royal Bancshares Capital Trust II. These two entities are not consolidated per requirements under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, “Consolidation” (“ASC Topic 810”). All significant intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current-year presentation.

Note 2 – Recent Accounting Pronouncements

The following FASB Accounting Standards Updates ("ASUs") are divided into pronouncements which have been adopted by the Corporation since January 1, 2019, and those which are not yet effective and have been evaluated or are currently being evaluated by management as of March 31, 2019.

Adopted Pronouncements:

FASB ASU 2016-02 (Topic 842), “Leases”

In February 2016, the FASB established Topic 842, Leases, by issuing ASU 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; and ASU 2018-11, Targeted Improvements. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

The new standard became effective for us on January 1, 2019. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. Management has elected to use the effective date as its date of initial application. Consequently, financial information was not be updated, and the disclosures required under the new standard are not be provided for dates and periods before January 1, 2019.

The new standard provided a number of optional practical expedients in transition. We have elected the ‘package of practical expedients’, which permitted us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs.

This standard had a material effect on our Consolidated Balance Sheet and related disclosures but did not have a material impact on our Consolidated Statement of Income. The additional assets recorded as a result of adoption had a negative impact on the Corporation and Bank capital ratios under current regulatory guidance. On adoption, we had:

- recognized operating lease liabilities of approximately $49.1 million, with corresponding ROU assets of the same amount, based on the present value of the remaining minimum rental payments under current leasing standards for existing operating leases, and

- derecognized $541 thousand of favorable lease assets, $2.2 million in unfavorable lease liabilities, and $2.5 million in deferred rent, with a corresponding adjustment to the ROU asset for the same amounts.

The new standard also provides practical expedients for an entity's ongoing accounting. We have elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, we did not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition. We also have elected the practical expedient to not separate lease and non-lease components for all of our leases.

FASB ASU 2018-07, "Improvements to Nonemployee Share-Based Payment Accounting"

Issued in June 2018, ASU 2018-07: Compensation - Stock Compensation (Topic 718), "*Improvements to Nonemployee Share-Based Payment Accounting*" expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of Topic 718 to nonemployee awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers.

The amendments in this update became effective for us January 1, 2019. The adoption did not have an impact on our Consolidated Financial Statements and related disclosures as the Corporation has not historically granted share based payment awards to nonemployees other than to the Corporation's Board of Directors, who are treated as employees for share-based payment accounting.

Pronouncements Not Yet Effective:

FASB ASU 2016-13 (Topic 326), "Measurement of Credit Losses on Financial Instruments"

Issued in June 2016, ASU 2016-13 (Topic 326 -Credit Losses), commonly referenced as the Current Expected Credit Loss ("CECL"), eliminates the Provision for Loan and Lease Losses ("PLLL") and Allowance for Loan and Lease Losses ("ALLL") line items and establishes the Provision for Credit Losses ("PCL") and Allowance for Credit Losses ("ACL") line items.

Under the legacy "Incurred Loss" notion, management presents an ALLL intended to represent "probable and estimable" incurred but not yet realized credit losses on assets in scope. When management deems collection of contractual cashflows for an instrument unlikely, a specific reserve is calculated under ASC 310-10. Management further calculates a general reserve for performing assets under ASC 450-20, using historical loss experience and adjustments for several qualitative factors, including current economic conditions. The "Incurred Loss" standard does not allow for projections beyond the likely 'emergence period' of losses, or for forward-looking economic conditions; for example, loss contingencies in 2022 are not currently presented, nor is the presentation adjusted for the likelihood of future economic condition change.

In contrast, the future accounting standard requires projection of credit loss over the contract lifetime of the asset, adjusted for prepayment tendencies. Further, management's specific expectations for the future economic environment must be incorporated in the projection, with loss expectations to revert to the long-run historical mean after such time as management can make or obtain a reasonable and supportable forecast. This valuation reserve will be established in the ACL and maintained through expense (provision) in the PCL. In the event that additional allocation is required to fund the ACL at adoption, investors will see a cumulative-effect (one time) adjustment to retained earnings upon adoption of the new standard. The new CECL standard will become effective for the Corporation for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years.

The Corporation has engaged with a leading vendor to assist in computing and establishing the ACL, and management has completed the data gathering and model selection efforts, with continued effort through 2019 to operationalize the practice for establishing the ACL and preparing its presentation. Significant additional quantitative analysis is included in management's contemplated measurement regime, including examination of loss experience at representative peer institutions when the Corporation's first-party loss history does not result in estimations that are meaningful to users of the Corporation's

Consolidated Financial Statements. Preliminary evaluations were performed by discounting instrument-level cashflows adjusted for timing (e.g. prepayment) and credit (default and loss) expectations. Management will continue to evaluate other estimation methodologies and disaggregation approaches through the 2019 year.

The Corporation will comply with the new disclosure and presentation requirements enumerated in ASU 2016-13, including presentation of the vintage disclosure organizing certain credit performance data by year of origination/renewal (“policy year”).

Financial statement users should be aware that the ACL is, by design, inherently sensitive to changes in economic outlook, loan and lease portfolio composition, portfolio duration, and other factors. The following factors could lead to a material impact to retained earnings - in either direction - as of the adoption date:

- Increases / decreases to the time period management deems reasonably and supportably forecastable
- Inclusion / exclusion of forecast factors
- Adverse changes to reasonable and supportable forecasts
- Detectable increases / decreases in the Corporation’s or comparable industry credit loss parameters
- Deterioration / improvement in the risk profile of the Corporation’s loan and lease portfolio
- Decreased / increased prepayment behavior or other factors impacting loan and lease portfolio duration
- Changes in credit risk through the ordinary course of operations, such as launch or expansion of higher risk-bearing products
- Interest rate fluctuations impacting effective yield on certain instruments.

Management cautions that this list is not exhaustive. Further, management may adjust quantitatively-established allocations based on factors that defy numerical modeling, leading to a material adjustment not due to factors specified above. Moreover, interpretations and clarifications of the guidance through the FASB’s ongoing Transition Resource Group efforts may change management’s estimates of the impact. Finally, the impact of accounting treatment changes for establishing the ACL for purchased assets under future acquisitions may effect a cumulative-effect adjustment to retained earnings that proves material.

Ongoing financial statement behavior will be impacted by the standard, regardless of any cumulative-effect adjustment at adoption. Under our currently-contemplated cashflow projection model, assets will originate with a specific allocation for the contract life of that instrument, adjusted for prepayment behavior and probabilistic credit performance expectations to arrive at an expected cashflow projection. All else being equal, as that continues toward its contract maturity, estimates of lifetime credit loss at the instrument level will decrease. Under steady-state conditions, portfolio-segment-level aggregation of management’s expected loss estimates should be stable or track with portfolio-segment growth (contraction and runoff). When management’s expectations of the likely future economic environment change based on reasonable and supportable forecasts, portfolio allocation may increase (decrease) rapidly between periods. The establishment of the ACL will be more responsive to deteriorating (improving) economic conditions than prior establishment of the ALLL, which is based on historical experience and agnostic to future conditions. In dynamic economic environments, users of financial statements should expect expense (income) in the PCL to be concentrated in fewer quarters than was typical for the PLLL. Users of financial statements should be aware that this accounting treatment does not determine the ultimate, realized loss or recovery for assets in scope; ASU 2016-13 impacts timing and possibly the magnitude of the impact on our financial condition and results of operations in dynamic economic environments.

Criteria for establishment of specific reserves are still under evaluation. Specific reserve impact to instruments meeting the legacy “impairment” criteria are not anticipated to change, though the volume of such credits may change before the adoption date due to deterioration (improvement) of portfolio credit quality. Management is evaluating additional criteria to identify instruments for specific evaluation under the future standard’s broader allowable criteria.

Management does not currently plan to implement an accounting election to recognize changes in the ACL valuation account due to timing (prepayment) behavior as interest income (expense).

FASB ASU 2017-04 (Topic 350), “Intangibles – Goodwill and Others”

Issued in January 2017, ASU 2017-04 simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit’s goodwill with the carrying amount of that goodwill. ASU 2017-04 is effective for annual periods beginning after December 15, 2019 including interim periods within those periods. Management does not expect the adoption of this ASU to have a material impact on our Consolidated Financial Statements and related disclosures.

FASB ASU 2018-12 (Topic 944), “Targeted Improvements to the Accounting for Long-Duration Contracts”

Issued in August 2018, ASU 2018-12 makes targeted improvements to the existing recognition, measurement, presentation, and disclosure requirements for long-duration contracts issued by an insurance entity. Specifically, the ASU is intended to (1) improve the timeliness of recognizing changes in the liability for future policy benefits and modify the rate used to discount future cash flows, (2) simplify and improve the accounting for certain market-based options or guarantees associated with deposit (or account balance) contracts, (3) simplify the amortization of deferred acquisition costs, and (4) improve the effectiveness of the required disclosures. ASU 2018-12 is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early application of the amendments is permitted. As an independent insurance agent, the Corporation does not issue insurance contracts. As a result, management does not expect the adoption of this ASU to have an impact on our Consolidated Financial Statements and related disclosures.

FASB ASU 2018-13, "Fair Value Measurement Disclosure Framework"

Issued in August 2018, ASU No. 2018-13 modifies, adds and removes certain disclosures aimed to improve the overall usefulness of the disclosure requirements for fair value measurements. The guidance is effective in annual and interim periods in fiscal years beginning after December 15, 2019. Early adoption is permitted. Adoption is required on both a prospective and retrospective basis depending on the amendment. Management does not expect the adoption of this ASU to have a material impact on our Consolidated Financial Statements and related disclosures.

FASB ASU 2018-14 (Topic 715), "Compensation-Retirement Benefits - Defined Benefit Plans-General"

Issued in August 2018, the ASU 2018-14, modifies, adds and removes certain disclosures aimed to improve the overall usefulness of the disclosure requirements to financial statement users. The guidance is effective for annual periods beginning after December 15, 2020. Early adoption is permitted. Use of the retrospective method is required. Management does not expect the adoption of this ASU to have a material impact on our Consolidated Financial Statements and related disclosures.

FASB ASU 2018-15 (Topic 350), "Intangibles - Goodwill and Other - Internal-Use Software"

Issued in August 2018, ASU No. 2018-15 provides clarity on capitalizing and expensing implementation costs for cloud computing arrangements in a service contract. If an implementation cost is capitalized, the cost should be recognized over the noncancellable term and periodically assessed for impairment. The guidance is effective in annual and interim periods in fiscal years beginning after December 15, 2019. Early adoption is permitted. Adoption should be applied retrospectively or prospectively to all implementation costs incurred after the date of adoption. Management is currently evaluating the potential impact of ASU 2018-15 on our Consolidated Financial Statements and related disclosures.

Note 3 – Business Combinations

Domenick & Associates ("Domenick")

The Bank's subsidiary, BMT Insurance Advisors, Inc., completed the acquisition of Domenick, a full-service insurance agency established in 1993 and headquartered in Philadelphia, on May 1, 2018. The consideration paid was $1.5 million, of which $750 thousand was paid at closing, with three contingent cash payments, not to exceed $250 thousand each, to be payable on each of May 1, 2019, May 1, 2020, and May 1, 2021, subject to the attainment of certain targets during the related periods.

The following table details the consideration paid, the initial estimated fair value of identifiable assets acquired and liabilities assumed as of the date of acquisition and the resulting goodwill recorded:

(dollars in thousands)

Consideration paid:	
Cash paid at closing	$ 750
Contingent payment liability (present value)	706
Value of consideration	1,456
Assets acquired:	
Cash and due from banks	370
Intangible assets - customer relationships	779
Premises and equipment	1
Other assets	316
Total assets	1,466
Liabilities assumed:	
Accounts payable	657
Other liabilities	30
Total liabilities	687
Net assets acquired	779
Goodwill resulting from acquisition of Domenick	$ 677

As of June 30, 2018, the estimates of the fair value of identifiable assets acquired and liabilities assumed in the Domenick acquisition were final.

Royal Bancshares of Pennsylvania, Inc.

On December 15, 2017, the previously announced merger of Royal Bancshares of Pennsylvania, Inc. ("RBPI") with and into BMBC (the "Effective Date"), and the merger of Royal Bank America with and into the Bank (collectively, the "RBPI Merger"), pursuant to the Agreement and Plan of Merger, by and between RBPI and BMBC, dated as of January 30, 2017 (the "Agreement") was completed. In accordance with the Agreement, the aggregate share consideration paid to RBPI shareholders consisted of 3,101,316 shares of BMBC's common stock. Shareholders of RBPI received 0.1025 shares of BMBC common stock for each share of RBPI Class A common stock and 0.1179 shares of BMBC common stock for each share of RBPI Class B common stock owned as of the Effective Date of the RBPI Merger, with cash-in-lieu of fractional shares totaling $7 thousand. Holders of in-the-money options to purchase RBPI Class A common stock received cash totaling $112 thousand. In addition, 1,368,040 warrants to purchase Class A common stock of RBPI, valued at $1.9 million were converted to 140,224 warrants to purchase BMBC common stock. In accordance with the acquisition method of accounting, assets acquired and liabilities assumed were preliminarily adjusted to their fair values as of the Effective Date. The excess of consideration paid above the fair value of net assets acquired was recorded as goodwill. This goodwill is not amortizable nor is it deductible for income tax purposes.

In connection with the RBPI Merger, the consideration paid and the estimated fair value of identifiable assets acquired and liabilities assumed as of the Effective Date, which include the effects of any measurement period adjustments in accordance with ASC 805-10, are summarized in the following table:

(dollars in thousands)		
Consideration paid:		
Common shares issued (3,101,316)	$	136,768
Cash in lieu of fractional shares		7
Cash-out of certain options		112
Fair value of warrants assumed		1,853
Value of consideration		138,740
Assets acquired:		
Cash and due from banks		17,092
Investment securities available for sale		121,587
Loans		566,228
Premises and equipment		8,264
Deferred income taxes		34,823
Bank-owned life insurance		16,550
Core deposit intangible		4,670
Favorable lease asset		566
Other assets		13,611
Total assets		783,391
Liabilities assumed:		
Deposits		593,172
FHLB and other long-term borrowings		59,568
Short-term borrowings		15,000
Junior subordinated debentures		21,416
Unfavorable lease liability		322
Other liabilities		31,381
Total liabilities		720,859
Net assets acquired		62,532
Goodwill resulting from acquisition of RBPI	$	76,208

As of December 31, 2018, the estimates of the fair value of identifiable assets acquired and liabilities assumed in the RBPI merger were final.

Due Diligence, Merger-Related and Merger Integration Expenses

Due diligence, merger-related and merger integration expenses include consultant costs, investment banker fees, contract breakage fees, retention bonuses for severed employees, salary and wages for redundant staffing involved in the integration of the institutions and bonus accruals for members of the merger integration team. The following table details the costs identified and classified as due diligence, merger-related and merger integration costs for the periods indicated:

(dollars in thousands)	Three Months Ended March 31, 2019	2018
Advertising	$ —	$ 59
Employee Benefits	—	203
Occupancy and bank premises	—	1,856
Furniture, fixtures, and equipment	—	179
Data processing	—	112
Professional fees	—	747
Salaries and wages	—	346
Other	—	817
Total due diligence, merger-related and merger integration expenses	$ —	$ 4,319

Note 4 – Investment Securities

The amortized cost and fair value of investment securities *available for sale* as of March 31, 2019 and December 31, 2018 are as follows:

As of March 31, 2019

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ 100	$ —	$ —	$ 100
Obligations of the U.S. government and agencies	188,079	103	(1,436)	186,746
Obligations of state and political subdivisions	8,644	5	(11)	8,638
Mortgage-backed securities	323,610	1,365	(2,062)	322,913
Collateralized mortgage obligations	40,995	182	(691)	40,486
Other investment securities	1,100	—	—	1,100
Total	$ 562,528	$ 1,655	$ (4,200)	$ 559,983

As of December 31, 2018

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ 200,026	$ —	$ (13)	$ 200,013
Obligations of the U.S. government and agencies	198,604	107	(2,856)	195,855
Obligations of state and political subdivisions	11,372	3	(43)	11,332
Mortgage-backed securities	294,076	554	(4,740)	289,890
Collateralized mortgage obligations	40,150	141	(1,039)	39,252
Other investment securities	1,100	—	—	1,100
Total	$ 745,328	$ 805	$ (8,691)	$ 737,442

The following tables present the aggregate amount of gross unrealized losses as of March 31, 2019 and December 31, 2018 on *available for sale* investment securities classified according to the amount of time those securities have been in a continuous unrealized loss position:

As of March 31, 2019

	Less than 12 Months		**12 Months or Longer**		**Total**	
(dollars in thousands)	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Obligations of the U.S. government and agencies	$ —	$ —	$ 141,114	$ (1,436)	$ 141,114	$ (1,436)
Obligations of state and political subdivisions	—	—	3,200	(11)	3,200	(11)
Mortgage-backed securities	18,237	(183)	193,339	(1,879)	211,576	(2,062)
Collateralized mortgage obligations	—	—	25,944	(691)	25,944	(691)
Total	$ 18,237	$ (183)	$ 363,597	$ (4,017)	$ 381,834	$ (4,200)

As of December 31, 2018

	Less than 12 Months		**12 Months or Longer**		**Total**	
(dollars in thousands)	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
U.S. Treasury securities	$ 199,912	$ (13)	$ —	$ —	$ 199,912	$ (13)
Obligations of the U.S. government and agencies	12,916	(62)	140,506	(2,794)	153,422	(2,856)
Obligations of state and political subdivisions	—	—	3,989	(43)	3,989	(43)
Mortgage-backed securities	43,276	(352)	195,697	(4,388)	238,973	(4,740)
Collateralized mortgage obligations	540	(1)	27,077	(1,038)	27,617	(1,039)
Total	$ 256,644	$ (428)	$ 367,269	$ (8,263)	$ 623,913	$ (8,691)

Management evaluates the Corporation’s investment securities that are in an unrealized loss position in order to determine if the decline in fair value is other than temporary. The investment portfolio includes debt securities issued by U.S. government agencies, U.S. government-sponsored agencies, state and local municipalities and other issuers. All fixed income investment securities in the Corporation’s investment portfolio are rated as investment-grade or higher. Factors considered in the evaluation include the current economic climate, the length of time and the extent to which the fair value has been below cost, interest rates and the bond rating of each security. The unrealized losses presented in the tables above are temporary in nature and are primarily related to market interest rates rather than the underlying credit quality of the issuers or collateral. Management does not believe that these unrealized losses are other-than-temporary. Management does not have the intent to sell these securities prior to their maturity or the recovery of their cost bases and believes that it is more likely than not that it will not have to sell these securities prior to their maturity or the recovery of their cost bases.

As of March 31, 2019 and December 31, 2018, securities having a fair value of $120.4 million and $123.5 million, respectively, were specifically pledged as collateral for public funds, trust deposits, the Federal Reserve Board discount window program, Federal Home Loan Bank ("FHLB") borrowings and other purposes. Advances by the FHLB are collateralized by a blanket lien on non-pledged, mortgage-related loans as part of the Corporation’s borrowing agreement with the FHLB as well as certain securities individually pledged by the Corporation.

The amortized cost and fair value of *available for sale* investment and mortgage-related securities *available for sale* as of March 31, 2019 and December 31, 2018, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

(dollars in thousands)	March 31, 2019 Amortized Cost	March 31, 2019 Fair Value	December 31, 2018 Amortized Cost	December 31, 2018 Fair Value
Investment securities:				
Due in one year or less	$ 9,055	$ 9,041	$ 209,129	$ 209,099
Due after one year through five years	166,223	165,027	180,657	177,972
Due after five years through ten years	10,098	10,126	7,258	7,268
Due after ten years	12,547	12,390	14,058	13,961
Subtotal	197,923	196,584	411,102	408,300
Mortgage-related securities[1]	364,605	363,399	334,226	329,142
Total	$ 562,528	$ 559,983	$ 745,328	$ 737,442

(1) Expected maturities of mortgage-related securities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

The amortized cost and fair value of investment securities *held to maturity* as of March 31, 2019 and December 31, 2018 are as follows:

As of March 31, 2019

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-backed securities	$ 10,457	$ 10	$ (143)	$ 10,324

As of December 31, 2018

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-backed securities	$ 8,684	$ —	$ (246)	$ 8,438

The following tables present the aggregate amount of gross unrealized losses as of March 31, 2019 and December 31, 2018 on *held to maturity* securities classified according to the amount of time those securities have been in a continuous unrealized loss position:

As of March 31, 2019

	Less than 12 Months		12 Months or Longer		Total	
(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities	$ 1,814	$ (13)	$ 7,187	$ (130)	$ 9,001	$ (143)

As of December 31, 2018

	Less than 12 Months		12 Months or Longer		Total	
(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities	$ 1,315	$ (4)	$ 7,123	$ (242)	$ 8,438	$ (246)

The amortized cost and fair value of *held to maturity* investment securities as of March 31, 2019 and December 31, 2018, by contractual maturity, are shown below:

	March 31, 2019		December 31, 2018	
(dollars in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Mortgage-backed securities[1]	$ 10,457	$ 10,324	$ 8,684	$ 8,438

(1) Expected maturities of mortgage-related securities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

As of March 31, 2019 and December 31, 2018, the Corporation's investment securities held in *trading* accounts totaled $8.2 million and $7.5 million, respectively, and primarily consist of deferred compensation trust accounts which are invested in listed mutual funds whose diversification is at the discretion of the deferred compensation plan participants and a rabbi trust account established to fund certain unqualified pension obligations. Investment securities held in trading accounts are reported at fair value, with adjustments in fair value reported through income.

Note 5 – Loans and Leases

The loan and lease portfolio consists of loans and leases originated by the Corporation, as well as loans acquired in prior acquisitions. Certain tables in this footnote are presented with a breakdown between *originated* and *acquired* loans and leases.

A. The table below details portfolio loans and leases as of the dates indicated:

	March 31, 2019			December 31, 2018		
(dollars in thousands)	Originated	Acquired	Total Loans and Leases	Originated	Acquired	Total Loans and Leases
Loans held for sale	$ 2,884	$ —	$ 2,884	$ 1,749	$ —	$ 1,749
Real Estate Loans:						
Commercial mortgage	$ 1,436,611	$ 310,084	$ 1,746,695	$ 1,327,822	$ 329,614	$ 1,657,436
Home equity lines and loans	180,075	24,716	204,791	181,506	25,845	207,351
Residential mortgage	423,638	78,741	502,379	411,022	83,333	494,355
Construction	157,572	2,189	159,761	174,592	6,486	181,078
Total real estate loans	$ 2,197,896	$ 415,730	$ 2,613,626	$ 2,094,942	$ 445,278	$ 2,540,220
Commercial and industrial	651,204	54,497	705,701	624,643	70,941	695,584
Consumer	45,229	2,592	47,821	44,099	2,715	46,814
Leases	137,941	18,425	156,366	121,567	22,969	144,536
Total portfolio loans and leases	$ 3,032,270	$ 491,244	$ 3,523,514	$ 2,885,251	$ 541,903	$ 3,427,154
Total loans and leases	$ 3,035,154	$ 491,244	$ 3,526,398	$ 2,887,000	$ 541,903	$ 3,428,903
Loans with fixed rates	$ 1,252,613	$ 288,679	$ 1,541,292	$ 1,204,070	$ 323,604	$ 1,527,674
Loans with adjustable or floating rates	1,782,541	202,565	1,985,106	1,682,930	218,299	1,901,229
Total loans and leases	$ 3,035,154	$ 491,244	$ 3,526,398	$ 2,887,000	$ 541,903	$ 3,428,903
Net deferred loan origination fees included in the above loan table	$ 750	$ —	$ 750	$ 2,226	$ —	$ 2,226

B. Components of the net investment in leases are detailed as follows:

	March 31, 2019			December 31, 2018		
(dollars in thousands)	Originated	Acquired	Total Leases	Originated	Acquired	Total Leases
Minimum lease payments receivable	$ 153,559	$ 20,244	$ 173,803	$ 135,313	$ 25,372	$ 160,685
Unearned lease income	(21,737)	(2,270)	(24,007)	(19,388)	(3,005)	(22,393)
Initial direct costs and deferred fees	6,119	451	6,570	5,642	602	6,244
Total Leases	$ 137,941	$ 18,425	$ 156,366	$ 121,567	$ 22,969	$ 144,536

C. Non-Performing Loans and Leases

	March 31, 2019			December 31, 2018		
(dollars in thousands)	Originated	Acquired	Total Loans and Leases	Originated	Acquired	Total Loans and Leases
Commercial mortgage	$ 3,458	$ 2,100	$ 5,558	$ 435	$ 2,133	$ 2,568
Home equity lines and loans	6,878	26	6,904	3,590	26	3,616
Residential mortgage	2,293	570	2,863	2,813	639	3,452
Commercial and industrial	2,657	308	2,965	1,786	315	2,101
Consumer	36	44	80	45	63	108
Leases	429	484	913	392	583	975
Total non-performing loans and leases	$ 15,751	$ 3,532	$ 19,283	$ 9,061	$ 3,759	$ 12,820

D. Purchased Credit-Impaired Loans

The outstanding principal balance and related carrying amount of purchased credit-impaired loans, for which the Corporation applies ASC 310-30, *Accounting for Purchased Loans with Deteriorated Credit Quality*, to account for the interest earned, as of the dates indicated, are as follows:

(dollars in thousands)	March 31, 2019	December 31, 2018
Outstanding principal balance	$ 15,845	$ 17,904
Carrying amount	$ 11,553	$ 12,304

The following table presents changes in the accretable discount on purchased credit-impaired loans, for which the Corporation applies ASC 310-30, for the three months ended March 31, 2019:

(dollars in thousands)	Accretable Discount
Balance, December 31, 2018	$ 2,697
Accretion	(247)
Reclassifications from nonaccretable difference	76
Additions/adjustments	—
Disposals	(108)
Balance, March 31, 2019	$ 2,418

E. Age Analysis of Past Due Loans and Leases

The following tables present an aging of *all* portfolio loans and leases as of the dates indicated:

As of March 31, 2019	Accruing Loans and Leases							
(dollars in thousands)	30 – 59 Days Past Due	60 – 89 Days Past Due	Over 89 Days Past Due	Total Past Due	Current	Total Accruing Loans and Leases	Nonaccrual Loans and Leases	Total Loans and Leases
Commercial mortgage	$ 1,106	$ —	$ —	$ 1,106	$ 1,740,031	$ 1,741,137	$ 5,558	$ 1,746,695
Home equity lines and loans	376	144	—	520	197,367	197,887	6,904	204,791
Residential mortgage	2,357	320	—	2,677	496,839	499,516	2,863	502,379
Construction	—	—	—	—	159,761	159,761	—	159,761
Commercial and industrial	749	15	—	764	701,972	702,736	2,965	705,701
Consumer	64	64	—	128	47,613	47,741	80	47,821
Leases	971	265	—	1,236	154,217	155,453	913	156,366
Total portfolio loans and leases	$ 5,623	$ 808	$ —	$ 6,431	$ 3,497,800	$ 3,504,231	$ 19,283	$ 3,523,514

As of December 31, 2018 (dollars in thousands)	Accruing Loans and Leases 30 – 59 Days Past Due	60 – 89 Days Past Due	Over 89 Days Past Due	Total Past Due	Current[(1)]	Total Accruing Loans and Leases	Nonaccrual Loans and Leases	Total Loans and Leases
Commercial mortgage	$ 821	$ 251	$ —	$ 1,072	$ 1,653,796	$ 1,654,868	$ 2,568	$ 1,657,436
Home equity lines and loans	92	—	—	92	203,643	203,735	3,616	207,351
Residential mortgage	2,330	218	—	2,548	488,355	490,903	3,452	494,355
Construction	—	—	—	—	181,078	181,078	—	181,078
Commercial and industrial	280	332	—	612	692,871	693,483	2,101	695,584
Consumer	35	5	—	40	46,666	46,706	108	46,814
Leases	641	460	—	1,101	142,460	143,561	975	144,536
Total portfolio loans and leases	$ 4,199	$ 1,266	$ —	$ 5,465	$ 3,408,869	$ 3,414,334	$ 12,820	$ 3,427,154

(1) Included as "current" are $3.2 million of loans and leases as of December 31, 2018 which were classified as administratively delinquent. An administratively delinquent loan is one which has been approved for a renewal or extension but has not had all the required documents fully executed as of the reporting date. Management does not consider these loans to be delinquent.

The following tables present an aging of *originated* portfolio loans and leases as of the dates indicated:

As of March 31, 2019 (dollars in thousands)	Accruing Loans and Leases 30 – 59 Days Past Due	60 – 89 Days Past Due	Over 89 Days Past Due	Total Past Due	Current	Total Accruing Loans and Leases	Nonaccrual Loans and Leases	Total Loans and Leases
Commercial mortgage	$ 1,106	$ —	$ —	$ 1,106	$ 1,432,047	$ 1,433,153	$ 3,458	$ 1,436,611
Home equity lines and loans	231	144	—	375	172,822	173,197	6,878	180,075
Residential mortgage	1,735	233	—	1,968	419,377	421,345	2,293	423,638
Construction	—	—	—	—	157,572	157,572	—	157,572
Commercial and industrial	520	15	—	535	648,012	648,547	2,657	651,204
Consumer	25	64	—	89	45,104	45,193	36	45,229
Leases	695	206	—	901	136,611	137,512	429	137,941
Total originated portfolio loans and leases	$ 4,312	$ 662	$ —	$ 4,974	$ 3,011,545	$ 3,016,519	$ 15,751	$ 3,032,270

As of December 31, 2018 (dollars in thousands)	Accruing Loans and Leases 30 – 59 Days Past Due	60 – 89 Days Past Due	Over 89 Days Past Due	Total Past Due	Current[(1)]	Total Accruing Loans and Leases	Nonaccrual Loans and Leases	Total Loans and Leases
Commercial mortgage	$ 816	$ 251	$ —	$ 1,067	$ 1,326,320	$ 1,327,387	$ 435	$ 1,327,822
Home equity lines and loans	25	—	—	25	177,891	177,916	3,590	181,506
Residential mortgage	1,545	—	—	1,545	406,664	408,209	2,813	411,022
Construction	—	—	—	—	174,592	174,592	—	174,592
Commercial and industrial	280	332	—	612	622,245	622,857	1,786	624,643
Consumer	35	5	—	40	44,014	44,054	45	44,099
Leases	350	233	—	583	120,592	121,175	392	121,567
Total originated portfolio loans and leases	$ 3,051	$ 821	$ —	$ 3,872	$ 2,872,318	$ 2,876,190	$ 9,061	$ 2,885,251

(1) Included as "current" are $2.0 million of loans and leases as of December 31, 2018 which were classified as administratively delinquent. An administratively delinquent loan is one which has been approved for a renewal or extension but has not had all the required documents fully executed as of the reporting date. Management does not consider these loans to be delinquent.

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The following tables present an aging of *acquired* portfolio loans and leases as of the dates indicated:

As of March 31, 2019 *(dollars in thousands)*	**Accruing Loans and Leases** 30 – 59 Days Past Due	60 – 89 Days Past Due	Over 89 Days Past Due	Total Past Due	Current	Total Accruing Loans and Leases	**Nonaccrual Loans and Leases**	**Total Loans and Leases**
Commercial mortgage	$ —	$ —	$ —	$ —	$ 307,984	$ 307,984	$ 2,100	$ 310,084
Home equity lines and loans	145	—	—	145	24,545	24,690	26	24,716
Residential mortgage	622	87	—	709	77,462	78,171	570	78,741
Construction	—	—	—	—	2,189	2,189	—	2,189
Commercial and industrial	229	—	—	229	53,960	54,189	308	54,497
Consumer	39	—	—	39	2,509	2,548	44	2,592
Leases	276	59	—	335	17,606	17,941	484	18,425
Total acquired portfolio loans and leases	$ 1,311	$ 146	$ —	$ 1,457	$ 486,255	$ 487,712	$ 3,532	$ 491,244

As of December 31, 2018 *(dollars in thousands)*	**Accruing Loans and Leases** 30 – 59 Days Past Due	60 – 89 Days Past Due	Over 89 Days Past Due	Total Past Due	Current[(1)]	Total Accruing Loans and Leases	**Nonaccrual Loans and Leases**	**Total Loans and Leases**
Commercial mortgage	$ 5	$ —	$ —	$ 5	$ 327,476	$ 327,481	$ 2,133	$ 329,614
Home equity lines and loans	67	—	—	67	25,752	25,819	26	25,845
Residential mortgage	785	218	—	1,003	81,691	82,694	639	83,333
Construction	—	—	—	—	6,486	6,486	—	6,486
Commercial and industrial	—	—	—	—	70,626	70,626	315	70,941
Consumer	—	—	—	—	2,652	2,652	63	2,715
Leases	291	227	—	518	21,868	22,386	583	22,969
Total acquired portfolio loans and leases	$ 1,148	$ 445	$ —	$ 1,593	$ 536,551	$ 538,144	$ 3,759	$ 541,903

(1) Included as "current" are $1.2 million of loans and leases as of December 31, 2018 which were classified as administratively delinquent. An administratively delinquent loan is one which has been approved for a renewal or extension but has not had all the required documents fully executed as of the reporting date. Management does not consider these loans to be delinquent.

F. Allowance for Loan and Lease Losses (the "Allowance")

The following tables detail the roll-forward of the Allowance for the three months ended March 31, 2019 and 2018:

(dollars in thousands)	**Commercial Mortgage**	**Home Equity Lines and Loans**	**Residential Mortgage**	**Construction**	**Commercial and Industrial**	**Consumer**	**Leases**	**Unallocated**	**Total**
Balance, December 31, 2018	$ 7,567	$ 1,003	$ 1,813	$ 1,485	$ 5,461	$ 229	$ 1,868	$ —	$ 19,426
Charge-offs	(1,388)	(47)	(331)	—	(405)	(105)	(568)	—	(2,844)
Recoveries	15	1	1	1	15	11	254	—	298
Provision for loan and lease losses	2,047	81	408	(300)	817	193	490	—	3,736
Balance, March 31, 2019	$ 8,241	$ 1,038	$ 1,891	$ 1,186	$ 5,888	$ 328	$ 2,044	$ —	$ 20,616

(dollars in thousands)	**Commercial Mortgage**	**Home Equity Lines and Loans**	**Residential Mortgage**	**Construction**	**Commercial and Industrial**	**Consumer**	**Leases**	**Unallocated**	**Total**
Balance, December 31, 2017	$ 7,550	$ 1,086	$ 1,926	$ 937	$ 5,038	$ 246	$ 742	$ —	$ 17,525
Charge-offs	—	(25)	—	—	(283)	(49)	(596)	—	(953)
Recoveries	3	—	—	1	—	1	55	—	60
Provision for loan and lease losses	(379)	(16)	(28)	(94)	606	93	848	—	1,030
Balance, March 31, 2018	$ 7,174	$ 1,045	$ 1,898	$ 844	$ 5,361	$ 291	$ 1,049	$ —	$ 17,662

The following tables detail the allocation of the Allowance for *all* portfolio loans and leases by portfolio segment based on the methodology used to evaluate the loans and leases for impairment as of March 31, 2019 and December 31, 2018:

As of March 31, 2019 *(dollars in thousands)*	**Commercial Mortgage**	**Home Equity Lines and Loans**	**Residential Mortgage**	**Construction**	**Commercial and Industrial**	**Consumer**	**Leases**	**Unallocated**	**Total**
Allowance on loans and leases:									
Individually evaluated for impairment	$ —	$ 149	$ 259	$ —	$ 160	$ 37	$ —	$ —	$ 605
Collectively evaluated for impairment	8,241	889	1,632	1,186	5,728	291	2,044	—	20,011
Purchased credit-impaired(1)	—	—	—	—	—	—	—	—	—
Total	$ 8,241	$ 1,038	$ 1,891	$ 1,186	$ 5,888	$ 328	$ 2,044	$ —	$ 20,616

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

As of December 31, 2018 *(dollars in thousands)*	**Commercial Mortgage**	**Home Equity Lines and Loans**	**Residential Mortgage**	**Construction**	**Commercial and Industrial**	**Consumer**	**Leases**	**Unallocated**	**Total**
Allowance on loans and leases:									
Individually evaluated for impairment	$ —	$ 162	$ 272	$ —	$ —	$ 28	$ —	$ —	$ 462
Collectively evaluated for impairment	7,567	841	1,541	1,485	5,461	201	1,868	—	18,964
Purchased credit-impaired(1)	—	—	—	—	—	—	—	—	—
Total	$ 7,567	$ 1,003	$ 1,813	$ 1,485	$ 5,461	$ 229	$ 1,868	$ —	$ 19,426

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

The following tables detail the carrying value for *all* portfolio loans and leases by portfolio segment based on the methodology used to evaluate the loans and leases for impairment as of March 31, 2019 and December 31, 2018:

As of March 31, 2019 *(dollars in thousands)*	**Commercial Mortgage**	**Home Equity Lines and Loans**	**Residential Mortgage**	**Construction**	**Commercial and Industrial**	**Consumer**	**Leases**	**Total**
Carrying value of loans and leases:								
Individually evaluated for impairment	$ 5,558	$ 8,291	$ 6,106	$ —	$ 3,358	$ 106	$ —	$ 23,419
Collectively evaluated for impairment	1,731,170	195,986	496,271	159,761	701,293	47,715	156,366	3,488,562
Purchased credit-impaired (1)	9,967	514	2	—	1,050	—	—	11,533
Total	$ 1,746,695	$ 204,791	$ 502,379	$ 159,761	$ 705,701	$ 47,821	$ 156,366	$ 3,523,514

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

As of December 31, 2018 *(dollars in thousands)*	**Commercial Mortgage**	**Home Equity Lines and Loans**	**Residential Mortgage**	**Construction**	**Commercial and Industrial**	**Consumer**	**Leases**	**Total**
Carrying value of loans and leases:								
Individually evaluated for impairment	$ 7,008	$ 4,998	$ 6,608	$ —	$ 2,629	$ 134	$ —	$ 21,377
Collectively evaluated for impairment	1,642,117	201,841	487,747	178,673	691,879	46,680	144,536	3,393,473
Purchased credit-impaired (1)	8,311	512	—	2,405	1,076	—	—	12,304
Total	$ 1,657,436	$ 207,351	$ 494,355	$ 181,078	$ 695,584	$ 46,814	$ 144,536	$ 3,427,154

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

The following tables detail the allocation of the Allowance for *originated* portfolio loans and leases by portfolio segment based on the methodology used to evaluate the loans and leases for impairment as of March 31, 2019 and December 31, 2018:

As of March 31, 2019 *(dollars in thousands)*	**Commercial Mortgage**	**Home Equity Lines and Loans**	**Residential Mortgage**	**Construction**	**Commercial and Industrial**	**Consumer**	**Leases**	**Total**
Allowance on loans and leases:								
Individually evaluated for impairment	$ —	$ 149	$ 170	$ —	$ 160	$ 37	$ —	$ 516
Collectively evaluated for impairment	8,241	889	1,632	1,186	5,728	291	2,036	20,003
Total	$ 8,241	$ 1,038	$ 1,802	$ 1,186	$ 5,888	$ 328	$ 2,036	$ 20,519

As of December 31, 2018 (dollars in thousands)	Commercial Mortgage	Home Equity Lines and Loans	Residential Mortgage	Construction	Commercial and Industrial	Consumer	Leases	Total
Allowance on loans and leases:								
Individually evaluated for impairment	$ —	$ 162	$ 175	$ —	$ —	$ 28	$ —	$ 365
Collectively evaluated for impairment	7,567	841	1,541	1,485	5,461	201	1,868	18,964
Total	$ 7,567	$ 1,003	$ 1,716	$ 1,485	$ 5,461	$ 229	$ 1,868	$ 19,329

The following tables detail the carrying value for *originated* portfolio loans and leases by portfolio segment based on the methodology used to evaluate the loans and leases for impairment as of March 31, 2019 and December 31, 2018:

As of March 31, 2019 (dollars in thousands)	Commercial Mortgage	Home Equity Lines and Loans	Residential Mortgage	Construction	Commercial and Industrial	Consumer	Leases	Total
Carrying value of loans and leases:								
Individually evaluated for impairment	$ 3,458	$ 8,265	$ 4,719	$ —	$ 3,050	$ 62	$ —	$ 19,554
Collectively evaluated for impairment	1,433,153	171,810	418,919	157,572	648,154	45,167	137,941	3,012,716
Total	$ 1,436,611	$ 180,075	$ 423,638	$ 157,572	$ 651,204	$ 45,229	$ 137,941	$ 3,032,270

As of December 31, 2018 (dollars in thousands)	Commercial Mortgage	Home Equity Lines and Loans	Residential Mortgage	Construction	Commercial and Industrial	Consumer	Leases	Total
Carrying value of loans and leases:								
Individually evaluated for impairment	$ 4,874	$ 4,972	$ 5,106	$ —	$ 2,314	$ 71	$ —	$ 17,337
Collectively evaluated for impairment	1,322,948	176,534	405,916	174,592	622,329	44,028	121,567	2,867,914
Total	$ 1,327,822	$ 181,506	$ 411,022	$ 174,592	$ 624,643	$ 44,099	$ 121,567	$ 2,885,251

The following tables detail the allocation of the Allowance for *acquired* portfolio loans and leases by portfolio segment based on the methodology used to evaluate the loans and leases for impairment as of March 31, 2019 and December 31, 2018:

As of March 31, 2019 (dollars in thousands)	Commercial Mortgage	Home Equity Lines and Loans	Residential Mortgage	Construction	Commercial and Industrial	Consumer	Leases	Total
Allowance on loans and leases:								
Individually evaluated for impairment	$ —	$ —	$ 89	$ —	$ —	$ —	$ —	$ 89
Collectively evaluated for impairment	—	—	—	—	—	—	8	8
Purchased credit-impaired (1)	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ 89	$ —	$ —	$ —	$ 8	$ 97

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

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As of December 31, 2018 (dollars in thousands)	Commercial Mortgage	Home Equity Lines and Loans	Residential Mortgage	Construction	Commercial and Industrial	Consumer	Leases	Total
Allowance on loans and leases:								
Individually evaluated for impairment	$ —	$ —	$ 97	$ —	$ —	$ —	$ —	$ 97
Collectively evaluated for impairment	—	—	—	—	—	—	—	—
Purchased credit-impaired (1)	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ 97	$ —	$ —	$ —	$ —	$ 97

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

The following tables detail the carrying value for *acquired* portfolio loans and leases by portfolio segment based on the methodology used to evaluate the loans and leases for impairment as of March 31, 2019 and December 31, 2018:

As of March 31, 2019 (dollars in thousands)	Commercial Mortgage	Home Equity Lines and Loans	Residential Mortgage	Construction	Commercial and Industrial	Consumer	Leases	Total
Carrying value of loans and leases:								
Individually evaluated for impairment	$ 2,100	$ 26	$ 1,387	$ —	$ 308	$ 44	$ —	$ 3,865
Collectively evaluated for impairment	298,017	24,176	77,352	2,189	53,139	2,548	18,425	475,846
Purchased credit-impaired (1)	9,967	514	2	—	1,050	—	—	11,533
Total	$ 310,084	$ 24,716	$ 78,741	$ 2,189	$ 54,497	$ 2,592	$ 18,425	$ 491,244

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

As of December 31, 2018 (dollars in thousands)	Commercial Mortgage	Home Equity Lines and Loans	Residential Mortgage	Construction	Commercial and Industrial	Consumer	Leases	Total
Carrying value of loans and leases:								
Individually evaluated for impairment	$ 2,134	$ 26	$ 1,502	$ —	$ 315	$ 63	$ —	$ 4,040
Collectively evaluated for impairment	319,169	25,307	81,831	4,081	69,550	2,652	22,969	525,559
Purchased credit-impaired (1)	8,311	512	—	2,405	1,076	—	—	12,304
Total	$ 329,614	$ 25,845	$ 83,333	$ 6,486	$ 70,941	$ 2,715	$ 22,969	$ 541,903

(1) Purchased credit-impaired loans are evaluated for impairment on an individual basis.

As part of the process of determining the Allowance for the different segments of the loan and lease portfolio, management considers certain credit quality indicators. For the commercial mortgage, construction and commercial and industrial loan segments, periodic reviews of the individual loans are performed by both in-house staff as well as external loan reviewers. The result of these reviews is reflected in the risk grade assigned to each loan. These internally assigned grades are as follows:

- Pass – Loans considered satisfactory with no indications of deterioration.
- Special mention - Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.
- Substandard - Loans classified as substandard are inadequately protected by the current net worth and payment capacity of the obligor or of the collateral pledged, if any. Substandard loans have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.
- Doubtful - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

In addition, for the remaining segments of the loan and lease portfolio, which include residential mortgage, home equity lines and loans, consumer, and leases, the credit quality indicator used to determine this component of the Allowance is based on performance status.

The following tables detail the carrying value of *all* portfolio loans and leases by portfolio segment based on the credit quality indicators used to determine the Allowance as of March 31, 2019 and December 31, 2018:

	Credit Risk Profile by Internally Assigned Grade - All Loans and Leases				
As of March 31, 2019 *(dollars in thousands)*	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Total**
Commercial mortgage	$ 1,714,426	$ 10,571	$ 21,292	$ 406	$ 1,746,695
Home equity loans and lines	197,373	—	7,418	—	204,791
Residential	499,339	—	3,040	—	502,379
Construction	152,120	937	6,704	—	159,761
Commercial & Industrial	691,708	2,581	11,412	—	705,701
Consumer	47,195	—	626	—	47,821
Leases	155,453	—	913	—	156,366
Total	$ 3,457,614	$ 14,089	$ 51,405	$ 406	$ 3,523,514

	Credit Risk Profile by Internally Assigned Grade - All Loans and Leases				
As of December 31, 2018 *(dollars in thousands)*	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Total**
Commercial mortgage	$ 1,635,068	$ 631	$ 20,639	$ 1,098	$ 1,657,436
Home equity loans and lines	203,037	—	4,314	—	207,351
Residential	490,789	—	3,566	—	494,355
Construction	171,353	938	8,787	—	181,078
Commercial & Industrial	684,444	2,737	8,402	1	695,584
Consumer	46,588	—	226	—	46,814
Leases	143,561	—	975	—	144,536
Total	$ 3,374,840	$ 4,306	$ 46,909	$ 1,099	$ 3,427,154

The following tables detail the carrying value of *originated* portfolio loans and leases by portfolio segment based on the credit quality indicators used to determine the Allowance as of March 31, 2019 and December 31, 2018:

	Credit Risk Profile by Internally Assigned Grade - Originated Loans and Leases				
As of March 31, 2019					
(dollars in thousands)	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Total**
Commercial mortgage	$ 1,428,214	$ 4,325	$ 4,072	$ —	$ 1,436,611
Home equity loans and lines	173,197	—	6,878	—	180,075
Residential	421,168	—	2,470	—	423,638
Construction	149,931	937	6,704	—	157,572
Commercial & Industrial	639,463	2,352	9,389	—	651,204
Consumer	44,647	—	582	—	45,229
Leases	137,513	—	428	—	137,941
Total	$ 2,994,133	$ 7,614	$ 30,523	$ —	$ 3,032,270

	Credit Risk Profile by Internally Assigned Grade - Originated Loans and Leases				
As of December 31, 2018					
(dollars in thousands)	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Total**
Commercial mortgage	$ 1,321,973	$ 631	$ 5,218	$ —	$ 1,327,822
Home equity loans and lines	177,916	—	3,590	—	181,506
Residential	408,095	—	2,927	—	411,022
Construction	167,272	938	6,382	—	174,592
Commercial & Industrial	615,817	2,511	6,314	1	624,643
Consumer	43,936	—	163	—	44,099
Leases	121,175	—	392	—	121,567
Total	$ 2,856,184	$ 4,080	$ 24,986	$ 1	$ 2,885,251

The following tables detail the carrying value of *acquired* portfolio loans and leases by portfolio segment based on the credit quality indicators used to determine the Allowance as of March 31, 2019 and December 31, 2018:

	Credit Risk Profile by Internally Assigned Grade - Acquired Loans and Leases				
As of March 31, 2019					
(dollars in thousands)	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Total**
Commercial mortgage	$ 286,212	$ 6,246	$ 17,220	$ 406	$ 310,084
Home equity loans and lines	24,176	—	540	—	24,716
Residential	78,171	—	570	—	78,741
Construction	2,189	—	—	—	2,189
Commercial & Industrial	52,245	229	2,023	—	54,497
Consumer	2,548	—	44	—	2,592
Leases	17,940	—	485	—	18,425
Total	$ 463,481	$ 6,475	$ 20,882	$ 406	$ 491,244

As of December 31, 2018 *(dollars in thousands)*	Credit Risk Profile by Internally Assigned Grade - Acquired Loans and Leases Pass	Special Mention	Substandard	Doubtful	Total
Commercial mortgage	$ 313,095	$ —	$ 15,421	$ 1,098	$ 329,614
Home equity loans and lines	25,121	—	724	—	25,845
Residential	82,694	—	639	—	83,333
Construction	4,081	—	2,405	—	6,486
Commercial & Industrial	68,627	226	2,088	—	70,941
Consumer	2,652	—	63	—	2,715
Leases	22,386	—	583	—	22,969
Total	$ 518,656	$ 226	$ 21,923	$ 1,098	$ 541,903

G. Troubled Debt Restructurings ("TDRs")

The restructuring of a loan is considered a "troubled debt restructuring" if both of the following conditions are met: (i) the borrower is experiencing financial difficulties, and (ii) the creditor has granted a concession. The most common concessions granted include one or more modifications to the terms of the debt, such as (a) a reduction in the interest rate for the remaining life of the debt, (b) an extension of the maturity date at an interest rate lower than the current market rate for new debt with similar risk, (c) a temporary period of interest-only payments, (d) a reduction in the contractual payment amount for either a short period or remaining term of the loan, and (e) for leases, a reduced lease payment. A less common concession granted is the forgiveness of a portion of the principal.

The determination of whether a borrower is experiencing financial difficulties takes into account not only the current financial condition of the borrower, but also the potential financial condition of the borrower, were a concession not granted. Similarly, the determination of whether a concession has been granted is very subjective in nature. For example, simply extending the term of a loan at its original interest rate or even at a higher interest rate could be interpreted as a concession unless the borrower could readily obtain similar credit terms from a different lender.

The following table presents the balance of TDRs as of the indicated dates:

(dollars in thousands)	March 31, 2019	December 31, 2018
TDRs included in nonperforming loans and leases	$ 4,057	$ 1,217
TDRs in compliance with modified terms	5,149	9,745
Total TDRs	$ 9,206	$ 10,962

The following table presents information regarding loan and lease modifications categorized as TDRs for the three months ended March 31, 2019:

(dollars in thousands)	For the Three Months Ended March 31, 2019 Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Home equity loans and lines	—	$ —	$ —
Residential mortgages	—	—	—
Leases	2	38	38
Total	2	$ 38	$ 38

The following table presents information regarding the types of loan and lease modifications made for the three months ended March 31, 2019:

	Number of Contracts				
	Loan Term Extension	Interest Rate Change and Term Extension	Interest Rate Change and/or Interest-Only Period	Contractual Payment Reduction (Leases only)	Temporary Payment Deferral
Home equity loans and lines	—	—	—	—	—
Residential mortgages	—	—	—	—	—
Leases	1	—	—	1	—
Total	1	—	—	1	—

H. Impaired Loans

The following tables detail the recorded investment and principal balance of impaired loans by portfolio segment, their related Allowance and interest income recognized for the three months ended March 31, 2019 and 2018 (purchased credit-impaired loans are not included in the tables):

As of and for the Three Months Ended March 31, 2019 *(dollars in thousands)*	Recorded Investment[(2)]	Contractual Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized	Cash-Basis Interest Income Recognized
Impaired loans with related allowance:						
Home equity lines and loans	$ 1,178	$ 1,178	$ 149	$ 1,182	$ 10	$ —
Residential mortgage	1,917	1,917	259	1,921	23	—
Commercial and industrial	334	339	160	335	—	—
Consumer	59	59	37	59	—	—
Total	$ 3,488	$ 3,493	$ 605	$ 3,497	$ 33	$ —
Impaired loans without related allowance[(1)]:						
Commercial mortgage	$ 5,558	$ 7,191	$ —	$ 6,982	$ —	$ —
Home equity lines and loans	7,113	7,167	—	7,180	2	—
Residential mortgage	4,191	4,294	—	4,239	21	—
Commercial and industrial	3,023	3,653	—	3,030	5	—
Consumer	47	62	—	47	—	—
Total	$ 19,932	$ 22,367	$ —	$ 21,478	$ 28	$ —
Grand total	$ 23,420	$ 25,860	$ 605	$ 24,975	$ 61	$ —

(1) The table above does not include the recorded investment of $1.0 million of impaired leases without a related Allowance.

(2) Recorded investment equals principal balance less partial charge-offs and interest payments on non-performing loans that have been applied to principal.

As of and for the Three Months Ended March 31, 2018 (dollars in thousands)	Recorded Investment[2]	Contractual Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized	Cash-Basis Interest Income Recognized
Impaired loans with related allowance:						
Home equity lines and loans	$ 574	$ 574	$ 19	$ 575	$ 6	$ —
Residential mortgage	1,796	1,796	224	1,801	21	—
Commercial and industrial	54	110	40	97	—	—
Consumer	27	27	4	27	—	—
Total	$ 2,451	$ 2,507	$ 287	$ 2,500	$ 27	$ —
Impaired loans without related allowance[1]:						
Commercial mortgage	$ 1,394	$ 1,483	$ —	$ 1,394	$ 23	$ —
Home equity lines and loans	2,052	2,114	—	2,094	2	—
Residential mortgage	3,554	3,758	—	154	—	—
Commercial and industrial	2,700	3,498	—	2,872	5	—
Total	$ 9,700	$ 10,853	$ —	$ 6,514	$ 30	$ —
Grand total	$ 12,151	$ 13,360	$ 287	$ 9,014	$ 57	$ —

(1) The table above does not include the recorded investment of $510 thousand of impaired leases without a related Allowance.

(2) Recorded investment equals principal balance less partial charge-offs and interest payments on non-performing loans that have been applied to principal.

(dollars in thousands)

As of December 31, 2018	Recorded Investment [2]	Principal Balance	Related Allowance
Impaired loans with related allowance:			
Home equity lines and loans	$ 1,280	$ 1,280	$ 162
Residential mortgage	1,966	1,966	272
Consumer	50	50	28
Total	$ 3,296	$ 3,296	$ 462
Impaired loans without related allowance[1]:			
Commercial mortgage	$ 7,007	$ 7,264	$ —
Home equity lines and loans	3,718	3,724	—
Residential mortgage	4,641	4,728	—
Commercial and industrial	2,629	3,803	—
Consumer	83	86	
Total	$ 18,078	$ 19,605	$ —
Grand total	$ 21,374	$ 22,901	$ 462

(1) The table above does not include the recorded investment of $1.2 million of impaired leases without a related Allowance.

(2) Recorded investment equals principal balance less partial charge-offs and interest payments on non-performing loans that have been applied to principal.

I. Loan Mark

Loans acquired in mergers and acquisitions are recorded at fair value as of the date of the transaction. This adjustment to the acquired principal amount is referred to as the “Loan Mark.” With the exception of purchased credit impaired loans, for which the Loan Mark is accounted under ASC 310-30, the Loan Mark is amortized or accreted as an adjustment to yield over the lives of the loans.

The following tables detail, for *acquired loans*, the outstanding principal, remaining Loan Mark, and recorded investment, by portfolio segment, as of the dates indicated:

	As of March 31, 2019		
(dollars in thousands)	Outstanding Principal	Remaining Loan Mark	Recorded Investment
Commercial mortgage	$ 318,488	$ (8,404)	$ 310,084
Home equity lines and loans	26,981	(2,265)	24,716
Residential mortgage	81,372	(2,631)	78,741
Construction	2,190	(1)	2,189
Commercial and industrial	56,400	(1,903)	54,497
Consumer	2,680	(88)	2,592
Leases	18,974	(549)	18,425
Total	$ 507,085	$ (15,841)	$ 491,244

	As of December 31, 2018		
(dollars in thousands)	Outstanding Principal	Remaining Loan Mark	Recorded Investment
Commercial mortgage	$ 339,241	$ (9,627)	$ 329,614
Home equity lines and loans	28,212	(2,367)	25,845
Residential mortgage	86,111	(2,778)	83,333
Construction	6,780	(294)	6,486
Commercial and industrial	72,948	(2,007)	70,941
Consumer	2,828	(113)	2,715
Leases	23,695	(726)	22,969
Total	$ 559,815	$ (17,912)	$ 541,903

Note 6 – Mortgage Servicing Rights

The following table summarizes the Corporation’s activity related to mortgage servicing rights (“MSRs”) for the three months ended March 31, 2019 and 2018:

	Three Months Ended March 31,	
(dollars in thousands)	2019	2018
Balance, beginning of period	$ 5,047	$ 5,861
Additions	—	16
Amortization	(120)	(221)
(Impairment) / Recovery	(17)	50
Balance, end of period	$ 4,910	$ 5,706
Fair value	$ 5,754	$ 6,791
Residential mortgage loans serviced for others	$ 564,884	$ 634,970

As of March 31, 2019, and December 31, 2018, key economic assumptions and the sensitivity of the current fair value of MSRs to immediate 10% and 20% adverse changes in those assumptions are as follows:

(dollars in thousands)	March 31, 2019	December 31, 2018
Fair value amount of MSRs	$ 5,754	$ 6,277
Weighted average life (in years)	6.3	6.7
Prepayment speeds (constant prepayment rate)[(1)]	10.2%	9.1%
Impact on fair value:		
10% adverse change	$ (161)	$ (124)
20% adverse change	$ (324)	$ (257)
Discount rate	9.55%	9.55%
Impact on fair value:		
10% adverse change	$ (207)	$ (234)
20% adverse change	$ (400)	$ (451)

(1) Represents the weighted average prepayment rate for the life of the MSR asset.

At March 31, 2019 and December 31, 2018 the fair value of the MSRs was $5.8 million and $6.3 million, respectively. The fair value of the MSRs for these dates was determined using values obtained from a third party which utilizes a valuation model which calculates the present value of estimated future servicing income. The model incorporates assumptions that market participants use in estimating future net servicing income, including estimates of prepayment speeds and discount rates. Mortgage loan prepayment speed is the annual rate at which borrowers are forecasted to repay their mortgage loan principal and is based on historical experience. The discount rate is used to determine the present value of future net servicing income. Another key assumption in the model is the required rate of return the market would expect for an asset with similar risk. These assumptions can, and generally will, change quarterly valuations as market conditions and interest rates change. Management reviews, annually, the process utilized by its independent third-party valuation experts.

These assumptions and sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumptions to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of the MSRs is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another, which could magnify or counteract the sensitivities.

Note 7 – Goodwill and Intangible Assets

The following table presents activity in the Corporation's goodwill by its reporting units and finite-lived and indefinite-lived intangible assets, other than MSRs, for the three months ended March 31, 2019:

(dollars in thousands)	Balance December 31, 2018	Additions	Adjustments	Amortization	Balance March 31, 2019	Amortization Period
Goodwill – Wealth	$ 20,412	$ —	$ —	$ —	$ 20,412	Indefinite
Goodwill – Banking	156,991	—	—	—	156,991	Indefinite
Goodwill – Insurance	6,609	—	—	—	6,609	Indefinite
Total Goodwill	$ 184,012	$ —	$ —	$ —	$ 184,012	
Core deposit intangible	$ 5,906	$ —	$ —	$ (327)	$ 5,579	10 years
Customer relationships	13,607	18	—	(438)	13,187	10 to 20 years
Non-compete agreements	1,101	—	—	(48)	1,053	5 to 10 years
Trade name	2,149	—	—	(125)	2,024	3 to 5 years
Domain name	151	—	—	—	151	Indefinite
Favorable lease assets	541	—	(541)	—	—	
Total Intangible Assets	$ 23,455	$ 18	$ (541)	$ (938)	$ 21,994	
Total Goodwill and Intangible Assets	$ 207,467	$ 18	$ (541)	$ (938)	$ 206,006	

Management conducted its annual impairment tests for goodwill and indefinite-lived intangible assets as of October 31, 2018 using generally accepted valuation methods. Management determined that no impairment of goodwill or indefinite-lived intangible assets was identified as a result of the annual impairment analyses. Future impairment testing will be conducted each October 31, unless a triggering event occurs in the interim that would suggest possible impairment, in which case it would be tested as of the date of the triggering event. For the five months ended March 31, 2019, management determined there were no events that would necessitate impairment testing of goodwill or indefinite-lived intangible assets.

Note 8 – Deposits

The following table details the components of deposits:

(dollars in thousands)	March 31, 2019	December 31, 2018
Interest-bearing demand	$ 664,683	$ 664,749
Money market	961,348	862,644
Savings	265,613	247,081
Retail time deposits	531,522	542,702
Wholesale non-maturity deposits	47,744	55,031
Wholesale time deposits	284,397	325,261
Total interest-bearing deposits	$ 2,755,307	$ 2,697,468
Noninterest-bearing deposits	882,310	901,619
Total deposits	$ 3,637,617	$ 3,599,087

Note 9 – Short-Term Borrowings and Long-Term FHLB Advances

A. Short-term borrowings

The Corporation's short-term borrowings (original maturity of one year or less), which consist of funds obtained from overnight repurchase agreements with commercial customers, FHLB advances with original maturities of one year or less and overnight fed funds, are detailed below.

A summary of short-term borrowings is as follows:

(dollars in thousands)	March 31, 2019	December 31, 2018
Repurchase agreements[1] – commercial customers	$ 11,304	$ 22,717
Short-term FHLB advances	104,910	229,650
Overnight federal funds	8,000	—
Total short-term borrowings	$ 124,214	$ 252,367

(1) Overnight repurchase agreements with no expiration date

The following table sets forth information concerning short-term borrowings:

	Three Months Ended March 31,	
(dollars in thousands)	2019	2018
Balance at period-end	$ 124,214	$ 173,704
Maximum amount outstanding at any month end	$ 184,257	$ 173,704
Average balance outstanding during the period	$ 179,754	$ 172,532
Weighted-average interest rate:		
As of the period-end	2.47%	1.76%
Paid during the period	2.43%	1.48%

Average balances outstanding during the year represent daily average balances and average interest rates represent interest expense divided by the related average balance.

B. Long-term FHLB Advances

As of March 31, 2019 and December 31, 2018, the Corporation had $55.4 million and $55.4 million, respectively, of long-term FHLB advances (original maturities exceeding one year).

The following table presents the remaining periods until maturity of long-term FHLB advances:

(dollars in thousands)	March 31, 2019	December 31, 2018
Within one year	$ 33,105	$ 28,105
Over one year through five years	22,302	27,269
Total	$ 55,407	$ 55,374

The following table presents rate and maturity information on FHLB advances and other borrowings:

	Maturity Range[1]			Coupon Rate[1]		Balance at	
Description	**From**	**To**	**Weighted Average Rate [1]**	**From**	**To**	**March 31, 2019**	**December 31, 2018**
Bullet maturity – fixed rate	5/20/2019	8/24/2021	1.76%	1.40%	2.13%	$ 55,407	$ 55,374

(1) Maturity range, weighted average rate and coupon rate range refers to March 31, 2019 balances.

C. Other Borrowings Information

In connection with its FHLB borrowings, the Corporation is required to hold the capital stock of the FHLB. The amount of capital stock held was $10.5 million at March 31, 2019, and $14.5 million at December 31, 2018. The carrying amount of the FHLB stock approximates its redemption value.

The level of required investment in FHLB stock is based on the balance of outstanding borrowings the Corporation has from the FHLB. Although FHLB stock is a financial instrument that represents an equity interest in the FHLB, it does not have a readily determinable fair value. FHLB stock is generally viewed as a long-term investment. Accordingly, when evaluating FHLB stock for impairment, its value should be determined based on the ultimate recoverability of the par value rather than by recognizing temporary declines in value.

The Corporation had a maximum borrowing capacity with the FHLB of $1.56 billion as of March 31, 2019 of which the unused capacity was $1.40 billion. In addition, there were $71.0 million in the overnight federal funds line available and $145.5 million of Federal Reserve Discount Window capacity.

Note 10 – Subordinated Notes

On December 13, 2017, BMBC completed the issuance of $70.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes due 2027 (the "2027 Notes") in an underwritten public offering. On August 6, 2015, BMBC completed the issuance of $30.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes due 2025 (the "2025 Notes") in a private placement transaction to institutional accredited investors. The net proceeds of both offerings increased Tier II regulatory capital at BMBC.

The following tables detail the subordinated notes, including debt issuance costs, as of March 31, 2019, and December 31, 2018:

	March 31, 2019		**December 31, 2018**	
(dollars in thousands)	**Balance**	**Rate(1)(2)**	**Balance**	**Rate(1)(2)**
Subordinated notes – due 2027	$ 68,916	4.25%	$ 68,885	4.25%
Subordinated notes – due 2025	29,655	4.75%	29,641	4.75%
Total subordinated notes	$ 98,571		$ 98,526	

(1) The 2027 Notes bear interest at an annual fixed rate of 4.25% from the date of issuance until and including December 14, 2022, and will thereafter bear interest at a variable rate that will reset quarterly to a level equal to the then-current three-month LIBOR rate plus 2.050% until December 15, 2027, or any early redemption date.

(2) The 2025 Notes bear interest at an annual fixed rate of 4.75% from the date of issuance until and including August 14, 2020, and will thereafter bear interest at a variable rate that will reset quarterly to a level equal to the then-current three-month LIBOR rate plus 3.068% until August 15, 2025, or any early redemption date.

Note 11 – Junior Subordinated Debentures

In connection with the RBPI Merger, BMBC acquired Royal Bancshares Capital Trust I ("Trust I") and Royal Bancshares Capital Trust II ("Trust II") (collectively, the "Trusts"), which were utilized for the sole purpose of issuing and selling capital securities representing preferred beneficial interests. Although BMBC owns $774 thousand of the common securities of Trust I and Trust II, the Trusts are not consolidated into the Corporation's Consolidated Financial Statements as the Corporation is not deemed to be the primary beneficiary of these entities. In connection with the issuance and sale of the capital securities, RBPI issued, and the Corporation assumed as a result of the RBPI Merger, junior subordinated debentures to the Trusts of $10.7 million each, totaling $21.4 million representing the Corporation's maximum exposure to loss. The junior subordinated debentures incur interest at a coupon rate of 4.76% as of March 31, 2019. The rate resets quarterly based on 3-month LIBOR plus 2.15%.

Each of Trust I and Trust II issued an aggregate principal amount of $12.5 million of capital securities initially bearing fixed and/or fixed/floating interest rates corresponding to the debt securities held by each trust to an unaffiliated investment vehicle and an aggregate principal amount of $387 thousand of common securities bearing fixed and/or fixed/floating interest rates corresponding to the debt securities held by each trust to the Corporation. As a result of the RBPI Merger, the Corporation has fully and unconditionally guaranteed all of the obligations of the Trusts, including any distributions and payments on liquidation or redemption of the capital securities.

The rights of holders of common securities of the Trusts are subordinate to the rights of the holders of capital securities only in the event of a default; otherwise, the common securities' economic and voting rights are pari passu with the capital securities. The capital and common securities of the Trusts are subject to mandatory redemption upon the maturity or call of the junior subordinated debentures held by each. Unless earlier dissolved, the Trusts will dissolve on December 15, 2034. The junior subordinated debentures are the sole assets of Trusts, mature on December 15, 2034, and may be called at par by the Corporation any time after December 15, 2009. The Corporation records its investments in the Trusts' common securities of $387 thousand each as investments in unconsolidated entities and records dividend income upon declaration by Trust I and Trust II.

Note 12 – Operating Leases

On January 1, 2019, the Company adopted ASU 2016-02 (Topic 842), "Leases", as further explained in Note 2, Recent Accounting Pronouncements.

The Corporation's operating leases consist of various retail branch locations and corporate offices. As of March 31, 2019, the Corporation's leases have remaining lease terms ranging from nine months to 23 years, including extension options that the Corporation is reasonably certain will be exercised.

The Corporation's leases include fixed rental payments, and certain of our leases also include variable rental payments where lease payments may increase at pre-determined dates based on the change in the consumer price index. The Corporation's lease agreements include gross leases as well as leases in which we make separate payments to the lessor for items such as the property taxes assessed on the property or a portion of the common area maintenance associated with the property. We have elected the practical expedient not to separate lease and non-lease components for all of our building leases. The Corporation also elected to not recognize ROU assets and lease liabilities for short-term leases, which consist of certain leases of the Corporation's limited-hour retirement community offices.

As of March 31, 2019 the Corporation's ROU assets and related lease liabilities were $44.0 million and $48.2 million, respectively.

The components of lease expense were as follows:

(dollars in thousands)	Three Months Ended March 31, 2019
Operating lease expense	$ 1,330
Short term lease expense	15
Variable lease expense	418
Sublease income	(9)
Total lease expense	$ 1,754

Supplemental cash flow information related to leases was as follows:

(dollars in thousands)	Three Months Ended March 31, 2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	1,266
ROU assets obtained in exchange for lease liabilities	$	44,899

Maturities of operating lease liabilities under FASB ASC 842 "Leases" as of March 31, 2019 are as follows:

(dollars in thousands)	March 31, 2019	
2019	$	3,904
2020		4,700
2021		4,478
2022		4,203
2023		4,051
2024 and thereafter		41,845
Total lease payments	$	63,181
Less: imputed interest		14,957
Present value of operating lease liabilities	$	48,224

As of March 31, 2019, the weighted-average remaining lease term, including extension options that the Corporation is reasonably certain will be exercised, for all operating leases is 14.65 years.

Because we generally do not have access to the rate implicit in the lease, we utilize our incremental borrowing rate as the discount rate. The weighted average discount rate associated with operating leases as of March 31, 2019 is 3.55%.

As of March 31, 2019, the Corporation had not entered into any material leases that have not yet commenced.

Future minimum cash rent commitments from various operating leases under FASB ASC 840 "Leases" as of December 31, 2018 are as follows:

(dollars in thousands)	December 31, 2018	
2019	$	5,211
2020		4,700
2021		4,478
2022		4,203
2023		4,051
2024 and thereafter		41,845
Total	$	64,488

Note 13 – Derivative Instruments and Hedging Activities

Derivative financial instruments involve, to varying degrees, interest rate, market and credit risk. Management manages these risks as part of its asset and liability management process and through credit policies and procedures. Management seeks to minimize counterparty credit risk by establishing credit limits and collateral agreements and utilizes certain derivative financial instruments to enhance its ability to manage interest rate risk that exists as part of its ongoing business operations. The derivative transactions entered into by the Corporation are an economic hedge of a derivative offerings to Bank customers. The Corporation does not use derivative financial instruments for trading purposes.

Customer Derivatives – Interest Rate Swaps. The Corporation enters into interest rate swaps that allow commercial loan customers to effectively convert a variable-rate commercial loan agreement to a fixed-rate commercial loan agreement. Under these agreements, the Corporation originates variable-rate loans with customers in addition to interest rate swap agreements, which serve to effectively swap the customers' variable-rate loans into fixed-rate loans. The Corporation then enters into corresponding swap agreements with swap dealer counterparties to economically hedge its exposure on the variable and fixed components of the customer agreements. The interest rate swaps with both the customers and third parties are not designated as hedges under FASB ASC 815 and are marked to market through earnings. As the interest rate swaps are structured to offset each other, changes to the underlying benchmark interest rates considered in the valuation of these instruments do not result in an impact to earnings; however, there may be fair value adjustments related to credit quality variations between counterparties, which may impact earnings as required by FASB ASC 820. As of March 31, 2019, there were no fair value adjustments related to credit quality.

Foreign Exchange Forward Contracts. The Corporation enters into foreign exchange forward contracts ("FX forwards") with customers to exchange one currency for another on an agreed date in the future at an agreed exchange rate. The Corporation then enters into corresponding FX forwards with swap dealer counterparties to economically hedge its exposure on the exchange rate component of the customer agreements. The FX forwards with both the customers and third parties are not designated as hedges under FASB ASC 815 and are marked to market through earnings. Exposure to gains and losses on these contracts increase or decrease over their respective lives as currency exchange and interest rates fluctuate. As the FX forwards are structured to offset each other, changes to the underlying term structure of currency exchange rates considered in the valuation of these instruments do not result in an impact to earnings; however, there may be fair value adjustments related to credit quality variations between counterparties, which may impact earnings as required by FASB ASC 820. As of March 31, 2019, there were no fair value adjustments related to credit quality.

Risk Participation Agreements. The Corporation may enter into a risk participation agreement ("RPA") with another institution as a means to assume a portion of the credit risk associated with a loan structure which includes a derivative instrument, in exchange for fee income commensurate with the risk assumed. This type of derivative is referred to as an "RPA sold." In addition, in an effort to reduce the credit risk associated with an interest rate swap agreement with a borrower for whom the Corporation has provided a loan structured with a derivative, the Corporation may purchase an RPA from an institution participating in the facility in exchange for a fee commensurate with the risk shared. This type of derivative is referred to as an "RPA purchased."

The following tables detail the derivative instruments as of March 31, 2019 and December 31, 2018:

	Asset Derivatives		Liability Derivatives	
(dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value
Derivatives not designated as hedging instruments				
As of March 31, 2019:				
Customer derivatives – interest rate swaps	$ 452,558	$ 23,405	$ 452,558	$ 23,404
FX forwards	3,754	7	—	—
RPAs sold	—	—	848	2
RPAs purchased	35,141	87	—	—
Total derivatives	$ 491,453	$ 23,499	$ 453,406	$ 23,406
As of December 31, 2018:				
Customer derivatives – interest rate swaps	$ 369,623	$ 12,550	$ 369,623	$ 12,549
RPAs sold	—	—	854	2
RPAs purchased	35,305	71	—	—
Total derivatives	$ 404,928	$ 12,621	$ 370,477	$ 12,551

The Corporation has International Swaps and Derivatives Association agreements with third parties that requires a minimum dollar transfer amount upon a margin call. This requirement is dependent on certain specified credit measures. The amount of collateral posted with third parties at March 31, 2019 and December 31, 2018 was $24.5 million and $8.8 million, respectively. The amount of collateral posted with third parties is deemed to be sufficient to collateralize both the fair market value change as well as any additional amounts that may be required as a result of a change in the specified credit measures. The aggregate fair value of all derivative financial instruments in a liability position with credit measure contingencies and entered into with third parties was $23.1 million and $11.5 million as of March 31, 2019 and December 31, 2018, respectively.

Note 14 – Accounting for Uncertainty in Income Taxes

The Corporation recognizes the financial statement benefit of a tax position only after determining that the Corporation would be more likely than not to sustain the position following an examination. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the relevant tax authority.

The Corporation is subject to income taxes in the United States federal jurisdiction and multiple state jurisdictions. The Corporation is no longer subject to U.S. federal income tax examination by taxing authorities for years before 2014.

The Corporation’s policy is to record interest and penalties on uncertain tax positions as income tax expense. No interest or penalties were accrued for the three months ended March 31, 2019 or 2018.

Note 15 – Shareholders’ Equity

Dividend

On April 18, 2019, BMBC’s Board of Directors declared a regular quarterly dividend of $0.25 per share payable June 1, 2019 to shareholders of record as of May 1, 2019. During the first quarter of 2019, the Corporation paid or accrued, as applicable, a regular quarterly dividend of $0.25 per share. This dividend totaled $5.1 million, based on outstanding shares and restricted stock units as of February 1, 2019 of 20,381,859 shares.

S-3 Shelf Registration Statement and Offerings Thereunder

In May 2018, BMBC filed a shelf registration statement on Form S-3, SEC File No. 333-224849 (the “Shelf Registration Statement”). The Shelf Registration Statement allows BMBC to raise additional capital from time to time through offers and sales of registered securities consisting of common stock, debt securities, warrants, purchase contracts, rights and units or units consisting of any combination of the foregoing securities. BMBC may sell these securities using the prospectus in the Shelf Registration Statement, together with applicable prospectus supplements, from time to time, in one or more offerings.

In addition, BMBC has in place a Dividend Reinvestment and Stock Purchase Plan (the “Plan”), which allows it to issue up to 1,500,000 shares of registered common stock. The Plan allows for the grant of a request for waiver (“RFW”) above the Plan’s maximum investment of $120 thousand per account per year. A RFW is granted based on a variety of factors, including BMBC’s current and projected capital needs, prevailing market prices of BMBC’s common stock and general economic and market conditions.

For the three months ended March 31, 2019, BMBC did not issue any shares under the Plan. The Plan administrator conducted dividend reinvestments for Plan participants through open market purchases. No RFWs were approved during the three months ended March 31, 2019. No other sales of equity securities were executed under the Shelf Registration Statement during the three months ended March 31, 2019.

Option Exercises and Vesting of Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs")

In addition to shares that may be issued through the Plan, BMBC also issues shares through the exercise of stock options and the vesting of RSUs and PSUs. During the three months ended March 31, 2019, 29,600 shares were issued pursuant to the exercise of stock options, increasing shareholders’ equity by $540 thousand. The increase in shareholders’ equity related to the vesting of RSUs and PSUs, which is recognized over the vesting period through stock based compensation expense, was $1.1 million for the three months ended March 31, 2019.

Stock Repurchases

On August 6, 2015, BMBC announced a stock repurchase program (the “2015 Program”) under which the Corporation may repurchase up to 1,200,000 shares of BMBC’s common stock, at an aggregate purchase price not to exceed $40 million. During the three months ended March 31, 2019, 12,702 shares were repurchased under the 2015 Program. As of March 31, 2019, the maximum number of shares remaining authorized for repurchase under the 2015 Program was 27,314. In addition to the 2015 Program, it is BMBC’s practice to retire shares to its treasury account upon the vesting of stock awards to certain officers in order to cover the statutory income tax withholdings related to such vestings.

On April 18, 2019, BMBC announced a new stock repurchase program (the "2019 Program") under which the Corporation may repurchase up to 1,000,000 shares of BMBC's common stock. Under the 2019 Program, the Corporation may repurchase BMBC's common stock at any price, but the aggregate purchase price is not to exceed $45 million. The 2019 Program will become effective upon the completion of BMBC’s existing 2015 Program.

Note 16 – Accumulated Other Comprehensive (Loss) Income

The following table details the components of accumulated other comprehensive (loss) income for the three months ended March 31, 2019 and 2018:

(dollars in thousands)	Net Change in Unrealized Gains on Available-for-Sale Investment Securities	Net Change in Unfunded Pension Liability	Accumulated Other Comprehensive Loss
Balance, December 31, 2018	$ (6,229)	$ (1,284)	$ (7,513)
Other comprehensive income	4,219	16	4,235
Balance, March 31, 2019	$ (2,010)	$ (1,268)	$ (3,278)
Balance, December 31, 2017	$ (2,861)	$ (1,553)	$ (4,414)
Other comprehensive (loss) income	(5,296)	46	(5,250)
Balance, March 31, 2018	$ (8,157)	$ (1,507)	$ (9,664)

The following table details the amounts reclassified from each component of accumulated other comprehensive loss to each component's applicable income statement line, for the three months ended March 31, 2019 and 2018:

Description of Accumulated Other Comprehensive Loss Component	Amount Reclassified from Accumulated Other Comprehensive Loss Three Months Ended March 31, 2019	2018	Affected Income Statement Category
Net unrealized gain on investment securities available for sale:			
Realization of gain on sale of investment securities available for sale	$ —	$ (7)	Net gain on sale of available for sale investment securities
Realization of gain on transfer of investment securities available for sale to trading	—	(417)	Other operating income
Total	$ —	$ (424)	
Income tax effect	—	89	Income tax expense
Net of income tax	$ —	$ (335)	Net income
Unfunded pension liability:			
Amortization of net loss included in net periodic pension costs[1]	$ 11	$ 25	Other operating expenses
Income tax effect	(2)	(5)	Income tax expense
Net of income tax	$ 9	$ 20	Net income

(1) Accumulated other comprehensive loss components are included in the computation of net periodic pension cost.

Note 17 – Earnings per Common Share

Basic earnings per common share excludes dilution and is computed by dividing income available to common shareholders by the weighted-average common shares outstanding during the period. Diluted earnings per common share takes into account the potential dilution that would occur if in-the-money stock options were exercised and converted into common shares and RSUs and PSUs were vested. Proceeds assumed to have been received on option exercises are assumed to be used to purchase shares of BMBC's common stock at the average market price during the period, as required by the treasury stock method of accounting. The effects of stock options are excluded from the computation of diluted earnings per share in periods in which the effect would be antidilutive.

(dollars in thousands except share and per share data)	Three Months Ended March 31, 2019	2018
Numerator:		
Net income available to common shareholders	$ 10,677	$ 15,286
Denominator for basic earnings per share – weighted average shares outstanding	20,168,498	20,202,969
Effect of dilutive common shares	103,163	247,525
Denominator for diluted earnings per share – adjusted weighted average shares outstanding	20,271,661	20,450,494
Basic earnings per share	$ 0.53	$ 0.76
Diluted earnings per share	$ 0.53	$ 0.75
Antidilutive shares excluded from computation of average dilutive earnings per share	63,765	870

Note 18 – Revenue from Contracts with Customers

All of the Corporation's revenue from contracts with customers in the scope of ASC 606 is recognized within noninterest income. The following table presents the Corporation's noninterest income by revenue stream and reportable segment for the three months ended March 31, 2019 and 2018. Items outside the scope of ASC 606 are noted as such.

	Three Months Ended March 31, 2019			Three Months Ended March 31, 2018		
(dollars in thousands)	Banking	Wealth Management	Consolidated	Banking	Wealth Management	Consolidated
Fees for wealth management services	$ —	$ 10,392	$ 10,392	$ —	$ 10,308	$ 10,308
Insurance commissions	—	1,672	1,672	—	1,693	1,693
Capital markets revenue(1)	2,219	—	2,219	666	—	666
Service charges on deposit accounts	808	—	808	713	—	713
Loan servicing and other fees(1)	609	—	609	686	—	686
Net gain on sale of loans(1)	319	—	319	518	—	518
Net gain on sale of investment securities available for sale(1)	—	—	—	7	—	7
Net (loss) / gain on sale of other real estate owned	(24)	—	(24)	176	—	176
Dividends on FHLB and FRB stock(1)	411	—	411	431	—	431
Other operating income(2)	2,826	21	2,847	4,294	44	4,338
Total noninterest income	$ 7,168	$ 12,085	$ 19,253	$ 7,491	$ 12,045	$ 19,536

(1) Not within the scope of ASC 606.

(2) Other operating income includes Visa debit card income, safe deposit box rentals, and rent income totaling $512 thousand and $521 thousand for the three months ended March 31, 2019 and 2018, respectively, which are within the scope of ASC 606.

A description of the Corporation's primary revenue streams accounted for under ASC 606 follows:

Service Charges on Deposit Accounts: The Corporation earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM use fees, stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Corporation fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Corporation satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Wealth Management Fees: The Corporation earns wealth management fee revenue from a variety of sources including fees from trust administration and other related fiduciary services, custody, investment management and advisory services, employee benefit account and IRA administration, estate settlement, tax service fees, shareholder service fees and brokerage.

Fees that are determined based on the market value of the assets held in their accounts are generally billed monthly or quarterly, in arrears, based on the market value of assets at the end of the previous billing period. Other related services that are based on a fixed fee schedule are recognized when the services are rendered. Fees that are transaction based, including trade execution services, are recognized at the point in time that the transaction is executed, i.e. the trade date.

Included in other assets on the balance sheet is a receivable for wealth management fees that have been earned but not yet collected.

Insurance Commissions: The Corporation earns commissions from the sale of insurance policies, which are generally calculated as a percentage of the policy premium, and contingent income, which is calculated based on the volume and performance of the policies held by each carrier. Obligations for the sale of insurance policies are generally satisfied at the point in time which the policy is executed and are recognized at the point in time in which the amounts are known and collection is reasonably assured. Performance metrics for contingent income are generally satisfied over time, not exceeding one year, and are recognized at the point in time in which the amounts are known and collection is reasonably assured.

Visa Debit Card Income: The Corporation earns income fees from debit cardholder transactions conducted through the Visa payment network. Fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

Gains/Losses on Sales of OREO: The Corporation records a gain or loss from the sale of OREO when control of the property transfers to the buyer, which generally occurs at the time of an executed deed.

Note 19 – Stock-Based Compensation

A. General Information

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

Prior to April 25, 2007, all shares authorized for grant as stock-based compensation were limited to grants of stock options. On April 25, 2007, the shareholders approved BMBC's "2007 Long-Term Incentive Plan" (the "2007 LTIP") under which a total of 428,996 shares of BMBC's common stock were made available for award grants. On April 28, 2010, the shareholders approved BMBC's "2010 Long Term Incentive Plan" under which a total of 445,002 shares of BMBC's common stock were made available for award grants, and on April 30, 2015, the shareholders approved an amendment and restatement of such plan (as amended and restated, the "2010 LTIP") to, among other things, increase the number of shares available for award grants by 500,000 to 945,002.

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

The equity awards are authorized to be in the form of, among others, options to purchase BMBC's common stock, RSUs and PSUs.

RSUs have a restriction based on the passage of time. The grant date fair value of the RSUs is based on the closing price on the date of the grant.

PSUs have restrictions based on performance criteria and the passage of time. The performance criteria may be a market-based criteria measured by BMBC's total shareholder return ("TSR") relative to the performance of the community bank index for the respective period. The fair value of the PSUs based on BMBC's TSR relative to the performance of a designated peer group or the NASDAQ Community Bank Index is calculated using the Monte Carlo Simulation method. The performance criteria may also be based on a non-market-based criteria such as return on average equity relative to that designated peer group. The grant date fair value of these PSUs is based on the closing price of BMBC's stock on the date of the grant. PSU grants may have a vesting percent ranging from 0% to 150%.

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B. Other Stock Option Information

The following table provides information about options outstanding for the three months ended March 31, 2019:

	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
Options outstanding, December 31, 2018	50,601	$ 18.28	$ 4.68
Forfeited	—	—	—
Expired	—	—	—
Exercised	(29,600)	$ 18.25	$ 4.48
Options outstanding, March 31, 2019	21,001	$ 18.32	$ 4.95

As of March 31, 2019 there were no unvested options.

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

	Three Months Ended March 31,	
(dollars in thousands)	2019	2018
Proceeds from exercise of stock options	$ 540	$ 992
Related tax benefit recognized	137	210
Net proceeds of options exercised	$ 677	$ 1,202
Intrinsic value of options exercised	$ 652	$ 999

The following table provides information about options outstanding and exercisable at March 31, 2019:

(dollars in thousands, except share data and exercise price)	Outstanding	Exercisable
Number of shares	21,001	21,001
Weighted average exercise price	$ 18.32	$ 18.32
Aggregate intrinsic value	$ 374	$ 374
Weighted average remaining contractual term in years	0.5	0.5

C. Restricted Stock Units and Performance Stock Units

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

RSUs

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

For the three months ended March 31, 2019, the Corporation recognized $476 thousand of expense related to the Corporation’s RSUs. As of March 31, 2019, there was $3.1 million of unrecognized compensation cost related to RSUs. This cost will be recognized over a weighted average period of 2.5 years.

During the first quarter of 2019, the Corporation adopted a voluntary Years of Service Incentive Program (the “Incentive Program”) which offers certain benefits to eligible employees who meet the Incentive Program requirements and voluntarily exit from service with the Corporation, the Bank or one of their subsidiaries. As part of the Incentive Program, the Corporation elected to remove the service requirement as an RSU vesting condition for employees who held RSUs and chose to participate in the Incentive Program. As a result, 3,494 RSUs were modified which resulted in $112 thousand of incremental expense recognized during the three months ended March 31, 2019.

The following table details the RSUs for the three months ended March 31, 2019:

	Three Months Ended March 31, 2019	
	Number of Shares	Weighted Average Grant Date Fair Value
Beginning balance	76,746	$ 39.71
Granted	36,690	$ 34.75
Vested	(2,300)	$ 31.68
Forfeited	(3,501)	$ 41.13
Ending balance	107,635	$ 38.14

PSUs

For the three months ended March 31, 2019, the Corporation recognized $661 thousand of expense related to the Corporation's PSUs. As of March 31, 2019, there was $3.5 million of unrecognized compensation cost related to PSUs. This cost will be recognized over a weighted average period of 2.2 years.

As part of the Incentive Program, the Corporation elected to remove the service requirement as a PSU vesting condition for employees who held PSUs and chose to participate in the Incentive Program. As a result, 8,208 PSUs were modified which resulted in $250 thousand of incremental expense recognized during the three months ended March 31, 2019.

The following table details the PSUs for the three months ended March 31, 2019:

	Three Months Ended March 31, 2019	
	Number of Shares	Weighted Average Grant Date Fair Value
Beginning balance	121,656	$ 36.82
Granted	46,395	$ 33.00
Vested	—	$ —
Forfeited	(8,254)	$ 39.28
Ending balance	159,797	$ 35.58

Note 20 – Fair Value Measurement

FASB ASC 820, “Fair Value Measurements and Disclosures,” defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. FASB ASC 820 also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC Topic 820 are:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active and model derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

A. Assets and liabilities measured on a recurring basis

A description of the valuation methodologies used for financial instruments measured at fair value on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Investment Securities

The value of the Corporation's available for sale investment securities, which include obligations of the U.S. government and its agencies, mortgage-backed securities issued by U.S. government- and U.S. government sponsored agencies, obligations of state and political subdivisions, corporate bonds and other debt securities are determined by the Corporation, taking into account the input of an independent third party valuation service provider. The third party's evaluations are based on market data, utilizing pricing models that vary by asset and incorporate available trade, bid and other market information. For securities that do not trade on a daily basis, their pricing models apply available information such as benchmarking and matrix pricing. The market inputs normally sought in the evaluation of securities include benchmark yields, reported trades, broker/dealer quotes (only obtained from market makers or broker/dealers recognized as market participants), issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. For certain securities, additional inputs may be used or some market inputs may not be applicable. Inputs are prioritized differently on any given day based on market conditions. Management reviews, annually, the process utilized by its independent third-party valuation service provider. On a quarterly basis, management tests the validity of the prices provided by the third party by selecting a representative sample of the portfolio and obtaining actual trade results, or if actual trade results are not available, competitive broker pricing. On an annual basis, management evaluates, for appropriateness, the methodology utilized by the independent third-party valuation service provider.

U.S. Government agencies are evaluated and priced using multi-dimensional relational models and option adjusted spreads. State and municipal securities are evaluated on a series of matrices including reported trades and material event notices. Mortgage-backed securities are evaluated using matrix correlation to treasury or floating index benchmarks, prepayment speeds, monthly payment information and other benchmarks. Other available-for-sale investments are evaluated using a broker-quote based application, including quotes from issuers.

Interest Rate Swaps, FX Forwards, and Risk Participation Agreements

The Corporation's interest rate swaps, FX forwards, and RPAs are reported at fair value utilizing Level 2 inputs. Prices of these instruments are obtained through an independent pricing source utilizing pricing information which may include market observed quotations for swaps, LIBOR rates, forward rates and rate volatility. When entering into a derivative contract, the Corporation is exposed to fair value changes due to interest rate movements, and the potential non-performance of our contract counterparty. The Corporation has developed a methodology to value the non-performance risk based on internal credit risk metrics and the unique characteristics of derivative instruments, which include notional exposure rather than principle at risk and interest payment netting. The results of this methodology are used to adjust the base fair value of the instrument for the potential counterparty credit risk.

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The following tables present the Corporation's assets measured at fair value on a recurring basis as of March 31, 2019 and December 31, 2018:

As of March 31, 2019 *(dollars in thousands)*	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment securities available for sale:				
U.S. Treasury securities	$ 100	$ 100	$ —	$ —
Obligations of U.S. government & agencies	186,746	—	186,746	—
Obligations of state & political subdivisions	8,638	—	8,638	—
Mortgage-backed securities	322,913	—	322,913	—
Collateralized mortgage obligations	40,486	—	40,486	—
Other investment securities	1,100	—	1,100	—
Total investment securities available for sale	$ 559,983	$ 100	$ 559,883	$ —
Investment securities trading:				
Mutual funds	$ 8,189	$ 8,189	$ —	$ —
Derivatives:				
Interest rate swaps	$ 23,405	$ —	$ 23,405	$ —
RPAs purchased	87	—	87	—
FX forwards	7	—	7	—
Total derivatives	$ 23,499	$ —	$ 23,499	$ —
Total recurring fair value measurements	$ 591,671	$ 8,289	$ 583,382	$ —

As of December 31, 2018 *(dollars in thousands)*	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment securities available for sale:				
U.S. Treasury securities	$ 200,013	$ 200,013	$ —	$ —
Obligations of U.S. government & agencies	195,855	—	195,855	—
Obligations of state & political subdivisions	11,332	—	11,332	—
Mortgage-backed securities	289,890	—	289,890	—
Collateralized mortgage obligations	39,252	—	39,252	—
Other investment securities	1,100	—	1,100	—
Total investment securities available for sale	$ 737,442	$ 200,013	$ 537,429	$ —
Investment securities trading:				
Mutual funds	$ 7,502	$ 7,502	$ —	$ —
Derivatives:				
Interest rate swaps	$ 12,550	$ —	$ 12,550	$ —
RPAs purchased	71	—	71	—
Total derivatives	$ 12,621	$ —	$ 12,621	$ —
Total recurring fair value measurements	$ 757,565	$ 207,515	$ 550,050	$ —

There have been no transfers between levels during the three months ended March 31, 2019.

B. Assets and liabilities measured on a non-recurring basis

Fair value is used on a nonrecurring basis to evaluate certain financial assets and financial liabilities in specific circumstances. Similarly, fair value is used on a nonrecurring basis for nonfinancial assets and nonfinancial liabilities such as foreclosed assets, OREO, intangible assets, nonfinancial assets and liabilities evaluated in a goodwill impairment analysis and other nonfinancial assets measured at fair value for purposes of assessing impairment. A description of the valuation methodologies used for financial and nonfinancial assets and liabilities measured at fair value, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy, is set forth below.

Impaired Loans

Management evaluates and values impaired loans at the time the loan is identified as impaired, and the fair values of such loans are estimated using Level 3 inputs in the fair value hierarchy. Each loan’s collateral has a unique appraisal and management’s discount of the value is based on the factors unique to each impaired loan. The significant unobservable input in determining the fair value is management’s subjective discount on appraisals of the collateral securing the loan, which range from 10% - 50%. Collateral may consist of real estate and/or business assets including equipment, inventory and/or accounts receivable and the value of these assets is determined based on the appraisals by qualified licensed appraisers hired by the Corporation. Appraised and reported values may be discounted based on management’s historical knowledge, changes in market conditions from the time of valuation, estimated costs to sell, and/or management’s expertise and knowledge of the client and the client’s business.

The Corporation has an appraisal policy in which an appraisal is obtained for a commercial loan at the point at which the loan either becomes nonperforming or is downgraded to a substandard or worse classification. For consumer loans, management obtains updated appraisals when a loan becomes 90 days past due or when it receives other information that may indicate possible impairment. Based on the appraisals obtained by the Corporation, a partial or full charge-off may be necessary.

Other Real Estate Owned ("OREO")

OREO consists of properties acquired as a result of foreclosures and deeds in-lieu-of foreclosure. Properties classified as OREO are reported at the lower of cost or fair value less cost to sell, and are classified as Level 3 in the fair value hierarchy.

Mortgage Servicing Rights

The model to value MSRs estimates the present value of projected net servicing cash flows of the remaining servicing portfolio based on various assumptions, including changes in anticipated loan prepayment rates, the discount rate, reflective of a market participant's required return on an investment for similar assets, and other market-based economic factors. All of these assumptions are considered to be unobservable inputs. Accordingly, MSRs are classified within Level 3 of the fair value hierarchy.

The following tables present the Corporation’s assets measured at fair value on a non-recurring basis as of March 31, 2019 and December 31, 2018:

As of March 31, 2019				
(dollars in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
MSRs	$ 5,754	$ —	$ —	$ 5,754
Impaired loans and leases	23,815	—	—	23,815
OREO	84	—	—	84
Total non-recurring fair value measurements	$ 29,653	$ —	$ —	$ 29,653

As of December 31, 2018				
(dollars in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
MSRs	$ 6,277	$ —	$ —	$ 6,277
Impaired loans and leases	22,112	—	—	22,112
OREO	417	—	—	417
Total non-recurring fair value measurements	$ 28,806	$ —	$ —	$ 28,806

During the three months ended March 31, 2019, an increase of $143 thousand was recorded in the Allowance as a result of adjusting the carrying value and estimated fair value of the impaired loans in the above tables.

Note 21 – Fair Value of Financial Instruments

FASB ASC 825, "Disclosures about Fair Value of Financial Instruments" requires disclosure of the fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate such value. The methodologies for estimating the fair value of financial assets and financial liabilities measured at fair value on a recurring and non-recurring basis are discussed above. The estimated fair value amounts have been determined by management using available market information and appropriate valuation methodologies, are based on the exit price notion. In cases where quoted market prices are not available, fair values are based on estimates using present value or other market value techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instrument. The aggregate fair value amounts presented below do not represent the underlying value of the Corporation.

The carrying amount and fair value of the Corporation's financial instruments are as follows:

		As of March 31, 2019		**As of December 31, 2018**	
(dollars in thousands)	Fair Value Hierarchy Level(1)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets:					
Cash and cash equivalents	Level 1	$ 43,105	$ 43,105	$ 48,456	$ 48,456
Investment securities - available for sale	See Note 19	559,983	559,983	737,442	737,442
Investment securities - trading	See Note 19	8,189	8,189	7,502	7,502
Investment securities – held to maturity	Level 2	10,457	10,324	8,684	8,438
Loans held for sale	Level 2	2,884	2,884	1,749	1,749
Net portfolio loans and leases	Level 3	3,502,898	3,473,442	3,407,728	3,414,921
MSRs	Level 3	4,910	5,754	5,047	6,277
Interest rate swaps	Level 2	23,405	23,405	12,550	12,550
FX forwards	Level 2	7	7	—	—
RPAs purchased	Level 2	87	87	71	71
Other assets	Level 3	40,175	40,175	43,641	43,641
Total financial assets		$ 4,196,100	$ 4,167,355	$ 4,272,870	$ 4,281,047
Financial liabilities:					
Deposits	Level 2	$ 3,637,617	$ 3,634,820	$ 3,599,087	$ 3,594,123
Short-term borrowings	Level 2	124,214	124,214	252,367	252,367
Long-term FHLB advances	Level 2	55,407	55,120	55,374	54,803
Subordinated notes	Level 2	98,571	99,472	98,526	100,120
Junior subordinated debentures	Level 2	21,622	26,427	21,580	31,176
Interest rate swaps	Level 2	23,404	23,404	12,549	12,549
RPAs sold	Level 2	2	2	2	2
Other liabilities	Level 3	47,824	47,824	60,847	60,847
Total financial liabilities		$ 4,008,661	$ 4,011,283	$ 4,100,332	$ 4,105,987

(1) See Note 20 in the Notes to Unaudited Consolidated Financial Statements above for a description of hierarchy levels.

Note 22 – Financial Instruments with Off-Balance Sheet Risk, Contingencies and Concentration of Credit Risk

Off-Balance Sheet Arrangements

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

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

Commitments to extend credit, which include unused lines of credit and unfunded commitments to originate loans, are agreements to lend to a customer as long as there is no violation of any condition established in the agreement. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Some of the commitments are expected to expire without being drawn upon, and the total commitment amounts do not necessarily represent future cash requirements. Total commitments to extend credit at March 31, 2019 and December 31, 2018 were $823.8 million and $867.2 million, respectively. Management evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Corporation upon extension of credit, is based on a credit evaluation of the counterparty. Collateral varies but may include accounts receivable, marketable securities, inventory, property, plant and equipment, residential real estate, and income-producing commercial properties.

Standby letters of credit are conditional commitments issued by the Bank to a customer for a third party. Such standby letters of credit are issued to support private borrowing arrangements. The credit risk involved in issuing standby letters of credit is similar to that involved in extending loan facilities to customers. The collateral varies, but may include accounts receivable, marketable securities, inventory, property, plant and equipment, and residential real estate for those commitments for which collateral is deemed necessary. The Corporation's obligations under standby letters of credit as of March 31, 2019 and December 31, 2018 were $27.4 million and $21.2 million, respectively.

Contingencies

Legal Matters

In the ordinary course of its operations, BMBC and its subsidiaries are parties to various claims, litigation, investigations, and legal and administrative cases and proceedings. Such pending or threatened claims, litigation, investigations, legal and administrative cases and proceedings typically entail matters that are considered ordinary routine litigation incidental to our business. Claims for significant monetary damages may be asserted in many of these types of legal actions. Based on the information currently available, management believes it has meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings and with respect to such legal proceedings, intends to continue to defend itself vigorously, litigating or settling cases according to management's judgment as to what is in the best interests of the Corporation and its shareholders.

On a regular basis, liabilities and contingencies in connection with outstanding legal proceedings are assessed utilizing the latest information available. For those matters where it is probable that the Corporation will incur a loss and the amount of the loss can be reasonably estimated, a liability may be recorded in the Consolidated Financial Statements. These legal reserves may be increased or decreased to reflect any relevant developments on at least a quarterly basis. For other matters, where a loss is not probable or the amount or range of the loss is not estimable, legal reserves are not accrued. While the outcome of legal proceedings is inherently uncertain, based on information currently available, advice of counsel and available insurance coverage, management believes that the established legal reserves are adequate and the liabilities arising from legal proceedings will not have a material adverse effect on the consolidated financial position, consolidated results of operations or consolidated cash flows. However, in the event of unexpected future developments, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to the consolidated financial position, consolidated results of operations or consolidated cash flows of the Corporation.

Crusader Servicing Corporation ("Crusader"), which was an 80% owned subsidiary of Royal Bank America that was acquired by the Bank in the RBPI merger, along with the Bank as successor-in-interest to Royal Bank America, are defendants in the case captioned Snyder v. Crusader Servicing Corporation et al., Case No. 2007-01027, in the Court of Common Pleas of Montgomery County, Pennsylvania. The case involves claims brought by a former Crusader shareholder in 2007 against Crusader, its former directors and remaining shareholders related, among other things, to a purported failure to pay amounts allegedly due to Snyder for his shares of Crusader stock. Subsequent to the end of the first quarter of 2019, on May 1, 2019, the Court rendered a decision against Crusader. Crusader is vigorously exploring its strategic options including post-trial motions and potential appeal of this matter. We do not believe that this ruling and the monetary award, if any, ultimately payable by Crusader will be material to the consolidated financial position, consolidated results of operations or consolidated cash flows of the Corporation.

Indemnifications

In general, the Corporation does not sell loans with recourse, except to the extent that it arises from standard loan-sale contract provisions. These provisions cover violations of representations and warranties and, under certain circumstances, first payment default by borrowers. These indemnifications may include the repurchase of loans by the Corporation, and are considered customary provisions in the secondary market for conforming mortgage loan sales. Repurchases and losses have been rare and no provision is made for losses at the time of sale. There were no such repurchases for the three months ended March 31, 2019.

Concentrations of Credit Risk

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

Note 23 – Segment Information

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

The Corporation's Banking segment consists of commercial and retail banking. The Banking segment is evaluated as a single strategic unit which generates revenues from a variety of products and services. The Banking segment generates interest income from its lending (including leases) and investing activities and is dependent on the gathering of lower cost deposits from its branch network or borrowed funds from other sources for funding its loans, resulting in the generation of net interest income. The Banking segment also derives revenues from other sources including gains on the sale in available for sale investment securities, gains on the sale of residential mortgage loans, service charges on deposit accounts, cash sweep fees, overdraft fees, bank owned life insurance ("BOLI") income and revenue associated with its Visa Check Card offering. Also included in the Banking segment are two subsidiaries of the Bank, KCMI Capital, Inc. and Bryn Mawr Equipment Financing, Inc., both of which provide specialized lending solutions to our customers.

The Wealth Management segment has responsibility for a number of activities within the Corporation, including trust administration, other related fiduciary services, custody, investment management and advisory services, employee benefits and IRA administration, estate settlement, tax services and brokerage. Bryn Mawr Trust of Delaware and Lau Associates are included in the Wealth Management segment of the Corporation since they have similar economic characteristics, products and services to those of the Wealth Management Division of the Corporation. BMT Investment Advisers, formed in May 2017, which serves as investment adviser to BMT Investment Funds, a Delaware statutory trust, is also reported under the Wealth Management segment. In addition, the Wealth Management Division oversees all insurance services of the Corporation, which are conducted through the Bank's insurance subsidiary, BMT Insurance Advisors, Inc., and are reported in the Wealth Management segment.

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

The following tables detail the Corporation's segments for the three months ended March 31, 2019 and 2018:

	Three Months Ended March 31, 2019			Three Months Ended March 31, 2018		
(dollars in thousands)	Banking	Wealth Management	Consolidated	Banking	Wealth Management	Consolidated
Net interest income	$ 37,645	$ 2	$ 37,647	$ 37,438	$ 1	$ 37,439
Provision for loan and lease losses	3,736	—	3,736	1,030	—	1,030
Net interest income after loan loss provision	33,909	2	33,911	36,408	1	36,409
Noninterest income:						
Fees for wealth management services	—	10,392	10,392	—	10,308	10,308
Insurance commissions	—	1,672	1,672	—	1,693	1,693
Capital markets revenue	2,219	—	2,219	666	—	666
Service charges on deposit accounts	808	—	808	713	—	713
Loan servicing and other fees	609	—	609	686	—	686
Net gain on sale of loans	319	—	319	518	—	518
Net gain on sale of investment securities available for sale	—	—	—	7	—	7
Net gain on sale of OREO	(24)	—	(24)	176	—	176
Other operating income	3,237	21	3,258	4,725	44	4,769
Total noninterest income	7,168	12,085	19,253	7,491	12,045	19,536
Noninterest expenses:						
Salaries & wages	15,775	5,126	20,901	11,156	4,826	15,982
Employee benefits	3,172	994	4,166	2,676	1,032	3,708
Occupancy and bank premises	2,732	520	3,252	2,576	474	3,050
Amortization of intangible assets	327	611	938	398	481	879
Professional fees	1,163	157	1,320	729	19	748
Other operating expenses	7,269	1,878	9,147	10,431	1,232	11,663
Total noninterest expenses	30,438	9,286	39,724	27,966	8,064	36,030
Segment profit	10,639	2,801	13,440	15,933	3,982	19,915
Intersegment (revenues) expenses[(1)]	(123)	123	—	(149)	149	—
Pre-tax segment profit after eliminations	$ 10,516	$ 2,924	$ 13,440	$ 15,784	$ 4,131	$ 19,915
% of segment pre-tax profit after eliminations	78.2%	21.8%	100.0%	79.3%	20.7%	100.0%
Segment assets *(dollars in millions)*	$ 4,577.7	$ 54.3	$ 4,632.0	$ 4,248.4	$ 52.0	$ 4,300.4

(1) Inter-segment revenues consist of rental payments, interest on deposits and management fees.

Wealth Management Segment Information

(dollars in millions)	March 31, 2019	December 31, 2018
Assets under management, administration, supervision and brokerage	$ 14,736.5	$ 13,429.5

ITEM 2. Management's Discussion and Analysis of Results of Operation and Financial Condition

The following is the Corporation's discussion and analysis of the significant changes in the financial condition, results of operations, capital resources and liquidity presented in the accompanying Unaudited Consolidated Financial Statements. Current performance does not guarantee, and may not be indicative of, similar performance in the future.

SPECIAL CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

Certain of the statements contained in this report and the documents incorporated by reference herein may constitute forward-looking statements for the purposes of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). As such, they are only predictions and may involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Bryn Mawr Bank Corporation (the "Corporation") to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements include statements with respect to the Corporation's financial goals, business plans, business prospects, credit quality, credit risk, reserve adequacy, liquidity, origination and sale of residential mortgage loans, mortgage servicing rights, the effect of changes in accounting standards, and market and pricing trends loss. The words "may," "would," "could," "will," "likely," "expect," "anticipate," "intend," "estimate," "plan," "forecast," "project," "believe" and similar expressions are intended to identify statements that constitute forward-looking statements. The Corporation's actual results may differ materially from the results anticipated by the forward-looking statements due to a variety of factors, including without limitation:

- *local, regional, national and international economic conditions, their impact on us and our customers, and our ability to assess those impacts;*
- *our need for capital;*
- *reduced demand for our products and services, and lower revenues and earnings due to an economic recession;*
- *lower earnings due to other-than-temporary impairment charges related to our investment securities portfolios or other assets;*
- *changes in monetary or fiscal policy, or existing statutes, regulatory guidance, legislation or judicial decisions, including those concerning banking, securities. insurance or taxes, that adversely affect our business, the financial services industry as a whole, the Corporation, or our subsidiaries individually or collectively;*
- *changes in the level of non-performing assets and charge-offs;*
- *effectiveness of capital management strategies and activities;*
- *changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;*
- *other changes in accounting requirements or interpretations;*
- *the accuracy of assumptions underlying the establishment of provisions for loan and lease losses, estimates in the value of collateral, and various financial assets and liabilities;*
- *inflation, securities market and monetary fluctuations, including changes in the market values of financial assets and the stability of particular securities markets;*
- *changes in interest rates, spreads on interest-earning assets and interest-bearing liabilities, and interest rate sensitivity;*
- *prepayment speeds, loan originations and credit losses;*
- *changes in the value of our mortgage servicing rights;*
- *sources of liquidity and financial resources in the amounts, at the times, and on the terms required to support our future business;*
- *results of examinations by the Federal Reserve Board of the Corporation or its subsidiaries, including the possibility that such regulator may, among other things, require us to increase our allowance for loan losses or to write down assets, or restrict our ability to: engage in new products or services; engage in future mergers or acquisitions; open new branches; pay future dividends; or otherwise take action, or refrain from taking action, in order to correct*

activities or practices that the Federal Reserve believes may violate applicable law or constitute an unsafe or unsound banking practice;

- *variances in common stock outstanding and/or volatility in common stock price;*
- *fair value of and number of stock-based compensation awards to be issued in future periods;*
- *risks related to our mergers and acquisitions, including, but not limited to: reputational risks; client and customer retention risks; diversion of management's time for integration-related issues; integration may take longer than anticipated or cost more than expected; anticipated benefits of the merger or acquisition, including any anticipated cost savings or strategic gains, may take longer or be significantly harder to achieve, or may not be realized;*
- *deposit attrition, operating costs, customer loss and business disruption following a merger or acquisition, including, without limitation, difficulties in maintaining relationships with employees, customers, and/or suppliers may be greater than expected;*
- *the credit risks of lending activities and overall quality of the composition of acquired loan, lease and securities portfolio;*
- *our success in continuing to generate new business in our existing markets, as well as identifying and penetrating targeted markets and generating a profit in those markets in a reasonable time;*
- *our ability to continue to generate investment results for customers or introduce competitive new products and services on a timely, cost-effective basis, including investment and banking products that meet customers' needs;*
- *changes in consumer and business spending, borrowing and savings habits and demand for financial services in the relevant market areas;*
- *extent to which products or services previously offered (including but not limited to mortgages and asset back securities) require us to incur liabilities or absorb losses not contemplated at their initiation or origination;*
- *rapid technological developments and changes;*
- *technological systems failures, interruptions and security breaches, internally or through a third-party provider, could negatively impact our operations, customers and/or reputation;*
- *competitive pressure and practices of other commercial banks, thrifts, mortgage companies, finance companies, credit unions, securities brokerage firms, insurance companies, money-market and mutual funds and other institutions operating in our market areas and elsewhere, including institutions operating locally, regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the internet;*
- *protection and validity of intellectual property rights;*
- *reliance on large customers;*
- *technological, implementation and cost/financial risks in contracts;*
- *the outcome of pending and future litigation and governmental proceedings;*
- *any extraordinary events (such as natural disasters, acts of terrorism, wars or political conflicts);*
- *ability to retain key employees and members of senior management;*
- *changes in relationships with employees, customers, and/or suppliers;*
- *the ability of key third-party providers to perform their obligations to us and our subsidiaries;*
- *our need for capital, or our ability to control operating costs and expenses or manage loan and lease delinquency rates;*
- *other material adverse changes in operations or earnings; and*
- *our success in managing the risks involved in the foregoing.*

All written or oral forward-looking statements attributed to the Corporation are expressly qualified in their entirety by the factors, risks, and uncertainties set forth in the foregoing cautionary statements, along with those set forth under the caption titled "Risk Factors" beginning on page 12 of the 2018 Annual Report. All forward-looking statements included in this Report and the documents incorporated by reference herein are based upon the Corporation's beliefs and assumptions as of the date of this Report. The Corporation assumes no obligation to update any forward-looking statement, whether the result of new *information, future events, uncertainties or otherwise, as of any future date. In light of these risks, uncertainties and assumptions, you should not put undue reliance on any forward-looking statements discussed in this Report or incorporated documents.*

Brief History of the Corporation

The Bryn Mawr Trust Company (the “Bank”) received its Pennsylvania banking charter in 1889 and is a member of the Federal Reserve System. In 1986, Bryn Mawr Bank Corporation ("BMBC", together with its direct and indirect subsidiaries, the “Corporation”) was formed and the Bank became a wholly-owned subsidiary of BMBC. The Bank and BMBC are headquartered in Bryn Mawr, Pennsylvania, a western suburb of Philadelphia. The Corporation offers a full range of personal and business banking services, consumer and commercial loans, equipment leasing, mortgages, insurance and wealth management services, including investment management, trust and estate administration, retirement planning, custody services, and tax planning and preparation from 43 banking locations, six wealth management offices and two insurance and risk management locations in the following counties: Montgomery, Chester, Delaware, Philadelphia, and Dauphin Counties in Pennsylvania; New Castle County in Delaware; and Mercer and Camden Counties in New Jersey. The common stock of BMBC trades on the NASDAQ Stock Market (“NASDAQ”) under the symbol BMTC.

The Corporation 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. BMBC and its subsidiaries are regulated by many agencies including the Securities and Exchange Commission (“SEC”), NASDAQ, Federal Deposit Insurance Corporation (“FDIC”), the Federal Reserve and the Pennsylvania Department of Banking and Securities. The goal of the Corporation is to become the preeminent community bank and wealth management organization in the Philadelphia area.

Critical Accounting Policies, Judgments and Estimates

The accounting and reporting policies of the Corporation conform with U.S. generally accepted accounting principles (“GAAP”). All inter-company transactions are eliminated in consolidation and certain reclassifications are made when necessary to conform the previous year’s financial statements to the current year’s presentation. In preparing the Consolidated Financial Statements, the Corporation is required to make estimates and assumptions that affect the reported amount of assets and liabilities as of the dates of the balance sheets and revenues and expenditures for the periods presented. However, there are uncertainties inherent in making these estimates and actual results could differ from these estimates. The Corporation has identified certain areas that require estimates and assumptions, which include the allowance for loan and lease losses (the "Allowance"), the valuation of goodwill and intangible assets, the fair value of investment securities, the fair value of derivative financial instruments, and the valuation of mortgage servicing rights, deferred tax assets and liabilities, benefit plans and stock-based compensation. The Corporation’s derivative financial instruments are not exchange-traded and therefore are valued utilizing models that use as their basis readily observable market parameters, specifically the London Interbank Offered Rate (“LIBOR”) swap curve, and are classified within Level 2 of the valuation hierarchy. In addition, certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

These critical accounting policies, along with other significant accounting policies, are presented in Footnote 1 – Summary of Significant Accounting Policies, in the Notes to the audited Consolidated Financial Statements in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2018 (the "2018 Annual Report").

Recent Acquisitions and Expansions

On May 1, 2018, BMT Insurance Advisors, Inc. acquired Domenick & Associates, a full-service insurance agency established in 1993 and headquartered in Philadelphia. Domenick & Associates has a specialty niche with nonprofit and social service organizations which aligns well with our banking and wealth management solutions in these specialty service areas. This acquisition furthers our objective of pursuing strategic growth opportunities to enhance, broaden, and diversify our revenue streams.

On December 15, 2017 (the "Effective Date"), the merger of Royal Bancshares of Pennsylvania, Inc. (“RBPI”) with and into BMBC (collectively, the “RBPI Merger”), and the merger of Royal Bank America with and into the Bank, were completed. Consideration totaled $138.7 million, comprised of 3,101,316 shares of BMBC’s common stock, the assumption of 140,224 warrants to purchase BMBC common stock, valued at $1.9 million, $112 thousand for the cash-out of certain options and $7 thousand cash in lieu of fractional shares. Including the effects of any measurement period adjustments in accordance with ASC 805-10, the RBPI Merger initially added $566.2 million of loans, $121.6 million of investments, $593.2 million of deposits, twelve new branches and a loan production office. The acquisition of RBPI expanded the Corporation’s footprint within Montgomery, Chester, Berks and Philadelphia Counties in Pennsylvania as well as Camden and Mercer Counties in New Jersey.

In addition to the RBPI Merger, the Bank has continued to execute on its strategies of diversification and acquiring and/or establishing specialty offices in strategically targeted areas where management believes there to be a high demand for the Bank’s products and services. On May 24, 2017, the Bank completed its acquisition of Hirshorn Boothby, a full-service insurance agency established in 1931 and headquartered in the Chestnut Hill section of Philadelphia. Hirshorn Boothby was immediately merged into the Bank’s existing insurance subsidiary, BMT Insurance Advisors, Inc., formerly known as Powers Craft Parker and Beard, Inc., expanding the footprint of this growing segment.

On May 12, 2017, the Corporation established a wealth management-focused office in Princeton, New Jersey which complements the already-established presence in central New Jersey that was acquired in the RBPI Merger.

Beginning in the second quarter of 2017, the Bank’s Capital Markets department commenced operations focusing on providing risk management services to address the needs of its commercial customer base. These capital markets capabilities enable the Bank to offer hedging tools for qualified commercial customers through the use of interest rate swaps and options designed to mitigate the interest rate risk on variable rate loans. This interest rate hedging offering allows the Bank to participate and lead in larger and longer-dated credits without incurring additional interest rate risk. Additional services will focus on assisting qualified customers in hedging their foreign exchange risk and meeting their trade finance needs through enhanced international services capabilities.

Executive Overview

The following items highlight the Corporation’s results of operations for the three months ended March 31, 2019, as compared to the same period in 2018, and the changes in its financial condition as of March 31, 2019 as compared to December 31, 2018. More detailed information related to these highlights can be found in the sections that follow.

Three Month Results of Operations

- Net income attributable to the Corporation for the three months ended March 31, 2019 was $10.7 million, a decrease of $4.6 million as compared to $15.3 million for the same period in 2018. Diluted earnings per share was $0.53 for the three months ended March 31, 2019 as compared to $0.75 for the same period in 2018.

- Return on average equity (“ROE”) and return on average assets (“ROA”) for the three months ended March 31, 2019 were 7.57% and 0.95%, respectively, as compared to ROE and ROA of 11.78% and 1.46% respectively, for the same period in 2018.

- Tax-equivalent net interest income increased $256 thousand, or 0.7%, to $37.8 million for the three months ended March 31, 2019, as compared to $37.5 million for the same period in 2018.

- Provision for loan and lease losses (the “Provision”) of $3.7 million for the three months ended March 31, 2019 was an increase of $2.7 million from the $1.0 million Provision recorded for the same period in 2018.

- Noninterest income of $19.3 million for the three months ended March 31, 2019 decreased $283 thousand as compared to $19.5 million for the same period in 2018.

- Fees for wealth management services and capital markets revenue of $10.4 million and $2.2 million, respectively, for the three months ended March 31, 2019 increased $84 thousand and $1.6 million, respectively, as compared to the same period in 2018. Insurance commissions of $1.7 million for the three months ended March 31, 2019 decreased $21 thousand as compared to the same period in 2018.

- Noninterest expense of $39.7 million for the three months ended March 31, 2019 increased $3.7 million, from $36.0 million for the same period in 2018.

Changes in Financial Condition

- Total assets of $4.63 billion as of March 31, 2019 decreased $20.5 million from $4.65 billion as of December 31, 2018.

- Total shareholders' equity of $575.1 million as of March 31, 2019 increased $10.4 million from $564.7 million as of December 31, 2018.

- Total portfolio loans and leases as of March 31, 2019 were $3.52 billion, an increase of $96.4 million from $3.43 billion as of December 31, 2018.

- Total non-performing loans and leases of $19.3 million represented 0.55% of portfolio loans and leases as of March 31, 2019 as compared to $12.8 million, or 0.37% of portfolio loans and leases as of December 31, 2018.

- The $20.6 million Allowance, as of March 31, 2019, represented 0.59% of portfolio loans and leases, as compared to $19.4 million or 0.57% of portfolio loans and leases as of December 31, 2018.

- Total deposits of $3.64 billion as of March 31, 2019 increased $38.5 million from $3.60 billion as of December 31, 2018.

- Wealth assets under management, administration, supervision and brokerage as of March 31, 2019 were $14.74 billion, an increase of $1.31 billion from $13.43 billion December 31, 2018.

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Key Performance Ratios

Key financial performance ratios for the three months ended March 31, 2019 and 2018 are shown in the table below:

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Return on average equity	7.57%	11.78%
Return on average assets	0.95%	1.46%
Tax-equivalent net interest margin	3.75%	3.94%
Basic earnings per share	$ 0.53	$ 0.76
Diluted earnings per share	$ 0.53	$ 0.75
Dividends paid or accrued per share	$ 0.25	$ 0.22
Dividends paid or accrued per share to net income per basic common share	47.2%	28.9%

The following table presents certain key period-end balances and ratios as of March 31, 2019 and December 31, 2018:

(dollars in millions, except per share amounts)	March 31, 2019	December 31, 2018
Book value per share	$ 28.52	$ 28.01
Allowance as a percentage of portfolio loans and leases	0.59%	0.57%
Tier I capital to risk weighted assets	10.72%	10.92%
Loan to deposit ratio	96.9%	95.2%
Wealth assets under management, administration, supervision and brokerage	$ 14,736.5	$ 13,429.5
Portfolio loans and leases	$ 3,523.5	$ 3,427.2
Total assets	$ 4,632.0	$ 4,652.5
Total shareholders' equity	$ 575.1	$ 564.7

The following sections discuss, in greater detail, the Corporation's results of operations for the three months ended March 31, 2019, as compared to the same period in 2018, and the changes in its financial condition as of March 31, 2019 as compared to December 31, 2018.

Recent Developments

Crusader Servicing Corporation ("Crusader"), which was an 80% owned subsidiary of Royal Bank America that was acquired by the Bank in the RBPI merger, along with the Bank as successor-in-interest to Royal Bank America, are defendants in the case captioned Snyder v. Crusader Servicing Corporation et al., Case No. 2007-01027, in the Court of Common Pleas of Montgomery County, Pennsylvania. The case involves claims brought by a former Crusader shareholder in 2007 against Crusader, its former directors and remaining shareholders related, among other things, to a purported failure to pay amounts allegedly due to Snyder for his shares of Crusader stock. On May 1, 2019, the Court rendered a decision in favor of Snyder and ordered Crusader to pay Snyder the amount of $2,190,000 plus interest at the rate of 6% from December 1, 2006. Crusader is vigorously exploring its strategic options including post-trial motions and potential appeal of this matter. We do not believe that this ruling and the monetary award, if any, ultimately payable by Crusader will be material to the consolidated financial position, consolidated results of operations or consolidated cash flows of the Corporation.

Components of Net Income

Net income is comprised of five major elements:

- **Net Interest Income**, or the difference between the interest income earned on loans, leases and investments and the interest expense paid on deposits and borrowed funds;
- **Provision for Loan and Lease Losses**, or the amount added to the Allowance to provide for estimated inherent losses on portfolio loans and leases;
- **Noninterest Income,** which is made up primarily of wealth management revenue, capital markets revenue, gains and losses from the sale of residential mortgage loans, gains and losses from the sale of available for sale investment securities and other fees from loan and deposit services;
- **Noninterest Expense**, which consists primarily of salaries and employee benefits, occupancy, intangible asset amortization, professional fees, due diligence, merger-related and merger integration expenses, and other operating expenses; and
- **Income Tax Expense,** which includes state and federal jurisdictions.

TAX-EQUIVALENT NET INTEREST INCOME

Net interest income is the primary source of the Corporation's revenue. The below tables present a summary, for the three and three months ended March 31, 2019 and 2018, of the Corporation's average balances and tax-equivalent yields earned on its interest-earning assets and the rates paid on its interest-bearing liabilities. The tax-equivalent net interest margin is the tax-equivalent net interest income as a percentage of average interest-earning assets. The tax-equivalent net interest spread is the difference between the weighted average tax-equivalent yield on interest-earning assets and the weighted average cost of interest-bearing liabilities. The effect of noninterest-bearing liabilities represents the effect on the net interest margin of net funding provided by noninterest-earning assets, noninterest-bearing liabilities and shareholders' equity.

Three Months Ended March 31, 2019 Compared to the Same Period in 2018

For the three months ended March 31, 2019, tax-equivalent net interest income increased $256 thousand, or 0.7%, to $37.8 million, as compared to $37.5 million for the same period in 2018. Tax-equivalent interest income and fees on loans and leases increased $4.2 million for the three months ended March 31, 2019 as compared to the same period in 2018. The increase in tax-equivalent interest and fees on loans and leases was primarily related to the $186.5 million increase in average loans to $3.48 billion for the three months ended March 31, 2019 from $3.29 billion for the three months ended March 31, 2018 coupled with a 22 basis point increase on the yield on loans and leases over the same period. Tax-equivalent interest income on available for sale investment securities increased by $699 thousand for the three months ended March 31, 2019 as compared to the same period in 2018. Average available for sale investment securities increased by $34.3 million for the first quarter of 2019 as compared to the first quarter of 2018 coupled with a 38 basis point increase in the yield on available for sale investment securities over the same period.

Partially offsetting the effect on net interest income associated with the increase in average loans and leases and available for sale investment securities was a $4.6 million increase in interest expense on deposits for the three months ended March 31, 2019 as compared to the same period in 2018. Average interest-bearing deposits increased by $238.7 million, coupled with a 65 basis point increase in rate paid for the first quarter of 2019 as compared to the first quarter of 2018. The increase in interest expense on deposits was primarily related to the competitive dynamics in the markets in which we operate and certain promotional interest rates offered during the first quarter of 2019.

Analyses of Interest Rates and Interest Differential

The tables below present the major asset and liability categories on an average daily balance basis for the periods presented, along with interest income, interest expense and key rates and yields.

	For the Three Months Ended March 31,					
	2019			2018		
(dollars in thousands)	Average Balance	Interest Income/ Expense	Average Rates Earned/ Paid	Average Balance	Interest Income/ Expense	Average Rates Earned/ Paid
Assets:						
Interest-bearing deposits with banks	$ 32,742	$ 132	1.64%	$ 38,044	$ 53	0.56%
Investment securities - available for sale:						
Taxable	543,687	3,419	2.55%	498,718	2,675	2.18%
Tax-exempt[4]	9,795	55	2.28%	20,501	100	1.98%
Total investment securities – available for sale	553,482	3,474	2.63%	519,219	2,775	2.17%
Investment securities – held to maturity	8,804	11	0.51%	7,913	12	0.62%
Investment securities – trading	7,629	22	1.17%	8,339	21	1.02%
Loans and leases[1][2][3][4]	3,477,739	44,958	5.24%	3,291,212	40,754	5.02%
Total interest-earning assets	4,080,396	48,597	4.83%	3,864,727	43,615	4.58%
Cash and due from banks	14,414			10,698		
Allowance for loan and lease losses	(19,887)			(17,628)		
Other assets	470,206			388,383		
Total assets	$ 4,545,129			$ 4,246,180		
Liabilities:						
Savings, NOW, and market rate accounts	$ 1,798,103	$ 3,764	0.85%	$ 1,676,733	$ 1,479	0.36%
Wholesale deposits	342,696	2,012	2.38%	231,289	733	1.29%
Retail time deposits	533,395	2,321	1.76%	527,469	1,260	0.97%
Total interest-bearing deposits	2,674,194	8,097	1.23%	2,435,491	3,472	0.58%
Short-term borrowings	157,652	943	2.43%	172,534	630	1.48%
Long-term FHLB advances	55,385	278	2.04%	123,920	562	1.84%
Subordinated notes	98,542	1,145	4.71%	98,430	1,143	4.71%
Junior subordinated debt	21,595	358	6.72%	21,430	288	5.45%
Total interest-bearing liabilities	3,007,368	10,821	1.46%	2,851,805	6,095	0.87%
Noninterest-bearing deposits	871,726			835,476		
Other liabilities	93,949			32,465		
Total noninterest-bearing liabilities	965,675			867,941		
Total liabilities	3,973,043			3,719,746		
Shareholders' equity	572,086			526,434		
Total liabilities and shareholders' equity	$ 4,545,129			$ 4,246,180		
Net interest spread			3.37%			3.71%
Effect of noninterest-bearing sources			0.38%			0.23%
Net interest income/margin on earning assets[4]		$ 37,776	3.75%		$ 37,520	3.94%
Tax-equivalent adjustment[4]		$ 129	0.01%		$ 81	0.01%

(1) Non-accrual loans have been included in average loan balances, but interest on non-accrual loans has not been included for purposes of determining interest income.
(2) Includes portfolio loans and leases and loans held for sale.
(3) Interest on loans and leases includes deferred fees of $285 thousand and $278 thousand for the three months ended March 31, 2019 and 2018, respectively.
(4) Tax rate used for tax-equivalent calculations is 21% for 2019 and 2018.

Rate/Volume Analysis (tax-equivalent basis)(1)

The rate/volume analysis in the table below analyzes dollar changes in the components of interest income and interest expense as they relate to the change in balances (volume) and the change in interest rates (rate) of tax-equivalent net interest income for the three months ended March 31, 2019 as compared to the same period in 2018, allocated by rate and volume. The change in interest income and/or expense due to both volume and rate has been allocated to changes in volume.

	2019 Compared to 2018		
(dollars in thousands)	Three Months Ended March 31,		
increase/(decrease)	Volume	Rate	Total
Interest Income:			
Interest-bearing deposits with banks	$ (49)	$ 128	$ 79
Investment securities - taxable	243	501	744
Investment securities -nontaxable	(91)	46	(45)
Loans and leases	2,314	1,890	4,204
Total interest income	2,417	2,565	4,982
Interest expense:			
Savings, NOW and market rate accounts	108	2,177	2,285
Wholesale deposits	355	924	1,279
Retail time deposits	14	1,047	1,061
Short-term borrowings	(344)	657	313
Long-term FHLB advances	(465)	181	(284)
Subordinated notes	2	—	2
Junior subordinated debt	2	68	70
Total interest expense	(328)	5,054	4,726
Interest differential	$ 2,745	$ (2,489)	$ 256

(1) The tax rate used in the calculation of the tax-equivalent income is 21% for 2019 and 2018.

Tax-Equivalent Net Interest Margin

The tax-equivalent net interest margin of 3.75% for the three months ended March 31, 2019 was a 19 basis point decrease from 3.94% for the same period in 2018.

The tax-equivalent net interest margin and related components for the past five consecutive quarters are shown in the table below:

Quarter	Interest-Earning Asset Yield	Interest-Bearing Liability Cost	Net Interest Spread	Effect of Noninterest Bearing Sources	Net Interest Margin
1st Quarter 2019	4.83%	1.46%	3.37%	0.38%	3.75%
4th Quarter 2018	4.74%	1.30%	3.44%	0.35%	3.79%
3rd Quarter 2018	4.54%	1.16%	3.38%	0.31%	3.69%
2nd Quarter 2018	4.57%	1.02%	3.55%	0.26%	3.81%
1st Quarter 2018	4.58%	0.87%	3.71%	0.23%	3.94%

Interest Rate Sensitivity

Management actively manages the Corporation’s interest rate sensitivity position. The objectives of interest rate risk management are to control exposure of net interest income changes associated with interest rate movements and to achieve sustainable growth in net interest income. The Corporation’s Asset Liability Committee (“ALCO”), using policies approved by the Corporation’s Board of Directors, is responsible for the management of the Corporation’s interest rate sensitivity position. The Corporation manages interest rate sensitivity by changing the mix, pricing and re-pricing characteristics of its assets and liabilities. This is accomplished through the management of the investment portfolio, the pricings of loans and deposit offerings and through wholesale funding. Wholesale funding is available from multiple sources including borrowings from the FHLB, the Federal Reserve Bank of Philadelphia’s discount window, federal funds from correspondent banks, certificates of deposit from institutional brokers, Certificate of Deposit Account Registry Service (“CDARS”), Insured Network Deposit (“IND”) Program, and Insured Cash Sweep (“ICS”).

Management utilizes several tools to measure the effect of interest rate risk on net interest income. These methods include gap analysis, market value of portfolio equity analysis, and net interest income simulations under various scenarios. The results of these analyses are compared to limits established by the Corporation’s ALCO policies and make adjustments as appropriate if the results are outside the established limits.

The below table demonstrates the annualized result of an interest rate simulation and the estimated effect that a parallel interest rate shift, or “shock”, in the yield curve and subjective adjustments in deposit pricing, might have on management’s projected net interest income over the next 12 months.

This simulation assumes that there is no growth in interest-earning assets or interest-bearing liabilities over the next twelve months. By definition, the simulation assumes static interest rates and does not incorporate forecasted changes in the yield curve. The changes to net interest income shown below are in compliance with the Corporation’s policy guidelines.

Summary of Interest Rate Simulation

	Change in Net Interest Income Over the Twelve Months Beginning After March 31, 2019		Change in Net Interest Income Over the Twelve Months Beginning After December 31, 2018	
	Amount	Percentage	Amount	Percentage
+300 basis points	$ 7,243	4.90 %	$ 5,644	3.74 %
+200 basis points	$ 4,840	3.28 %	$ 3,734	2.47 %
+100 basis points	$ 2,451	1.66 %	$ 1,860	1.23 %
-100 basis points	$ (6,774)	(4.58)%	$ (6,546)	(4.34)%

The above interest rate simulation suggests that the Corporation’s balance sheet is asset sensitive as of March 31, 2019 in the +100 basis point scenario, demonstrating that a 100 basis point increase in interest rates would have a positive impact on net interest income over the next 12 months. The balance sheet is more asset sensitive in a rising-rate environment as of March 31, 2019 than it was as of December 31, 2018. The increase in sensitivity is related to an increase in variable rate loans that increase with the index. The change in the 100 basis point decrease in rate is related to variable rate loans that do not have a floor and floor rates on deposits.

The interest rate simulation is an estimate based on assumptions, which are derived from past behavior of customers, along with expectations of future behavior relative to interest rate changes. In today’s economic environment and emerging from an extended period of very low interest rates, the reliability of management’s assumptions in the interest rate simulation model is more uncertain than in prior years. Actual customer behavior, as it relates to deposit activity, may be significantly different than expected behavior, which could cause an unexpected outcome and may result in lower net interest income than that derived from the analysis referenced above.

Gap Analysis

The interest sensitivity, or gap analysis, identifies interest rate risk by showing repricing gaps in the Corporation's balance sheet. All assets and liabilities are reflected based on behavioral sensitivity, which is usually the earliest of: repricing, maturity, contractual amortization, prepayments or likely call dates. Non-maturity deposits, such as NOW, savings and money market accounts are spread over various time periods based on the expected sensitivity of these rates considering liquidity. Non-rate-sensitive assets and liabilities are spread over time periods to reflect management's view of the maturity of these funds.

Non-maturity deposits (demand deposits in particular) are recognized by the industry to have different sensitivities to interest rate environments. Consequently, it is an accepted practice to spread non-maturity deposits over defined time periods to capture that sensitivity. Commercial demand deposits are often in the form of compensating balances, and fluctuate inversely to the level of interest rates; the maturity of these deposits is reported as having a shorter life than typical retail demand deposits. Additionally, the industry practice has suggested distribution limits for non-maturity deposits. However, management has taken a more conservative approach than these limits would suggest by forecasting these deposit types with a shorter maturity. These assumptions are also reflected in the above interest rate simulation. The following table presents the Corporation's gap analysis as of March 31, 2019:

(dollars in millions)	**0 to 90 Days**	**91 to 365 Days**	**1 - 5 Years**	**Over 5 Years**	**Non-Rate Sensitive**	**Total**
Assets:						
Interest-bearing deposits with banks	$ 29.5	$ —	$ —	$ —	$ —	$ 29.5
Investment securities[1]	28.5	62.2	340.6	147.3	—	578.6
Loans and leases[2]	1,441.2	381.4	1,345.4	358.3	—	3,526.3
Allowance	—	—	—	—	(20.6)	(20.6)
Cash and due from banks	—	—	—	—	13.6	13.6
Operating lease right-of-use assets	0.8	2.3	10.7	30.2	—	44.0
Other assets	—	—	—	—	460.5	460.5
Total assets	1,500.0	445.9	1,696.7	535.8	453.5	4,631.9
Liabilities and shareholders' equity:						
Demand, noninterest-bearing	24.8	74.5	258.6	524.4	—	882.3
Savings, NOW and market rate	85.0	255.0	758.3	793.4	—	1,891.7
Time deposits	90.6	303.0	136.1	1.8	—	531.5
Wholesale non-maturity deposits	47.7	—	—	—	—	47.7
Wholesale time deposits	226.9	57.5	—	—	—	284.4
Short-term borrowings	124.2	—	—	—	—	124.2
Long-term FHLB advances	7.5	25.7	22.2	—	—	55.4
Subordinated notes	—	—	98.6	—	—	98.6
Junior subordinated debentures	21.6	—	—	—	—	21.6
Operating lease liabilities	0.9	2.6	11.7	33.0	—	48.2
Other liabilities	—	—	—	—	71.2	71.2
Shareholders' equity	20.5	61.6	328.6	164.4	—	575.1
Total liabilities and shareholders' equity	649.7	779.9	1,614.1	1,517.0	71.2	4,631.9
Interest-earning assets	1,499.2	443.6	1,686.0	505.6	—	4,134.4
Interest-bearing liabilities	603.5	641.2	1,015.2	795.2	—	3,055.1
Difference between interest-earning assets and interest-bearing liabilities	895.7	(197.6)	670.8	(289.6)	—	1,079.3
Cumulative difference between interest earning assets and interest-bearing liabilities	$ 895.7	$ 698.1	$ 1,368.9	$ 1,079.3	$ —	$ 1,079.3
Cumulative earning assets as a % of cumulative interest-bearing liabilities	248%	156%	161%	135%		

(1) Investment securities include available for sale, held to maturity and trading.
(2) Loans include portfolio loans and leases and loans held for sale.

The table above indicates that the Corporation is asset-sensitive in the immediate 90-day time frame and may experience an increase in net interest income during that time period if rates rise. Conversely, if rates decline, net interest income may decline. It should be noted that the gap analysis is only one tool used to measure interest rate sensitivity and should be used in conjunction with other measures such as the interest rate simulation discussed above. The gap analysis measures the timing of changes in rate, but not the true weighting of any specific component of the Corporation’s balance sheet. The asset-sensitive position reflected in this gap analysis is similar to the Corporation’s position at December 31, 2018.

PROVISION FOR LOAN AND LEASE LOSSES

For the three months ended March 31, 2019, the Corporation recorded a Provision of $3.7 million which was a $2.7 million increase as compared to the same period in 2018. During the first quarter of 2019, portfolio loans and leases increased by $96.4 million. Net charge-offs for the first quarter of 2019 were $2.5 million as compared to $893 thousand for the same period in 2018. The increase in net charge-offs was largely related to the partial charge-off of a commercial mortgage loan to a borrower experiencing financial difficulty whose loan was modified to a TDR during the fourth quarter of 2018. A subsequent impairment analysis, based on updated appraisals, indicated that a charge-off of $1.5 million was necessary.

Asset Quality and Analysis of Credit Risk

As of March 31, 2019, total nonperforming loans and leases increased by $6.5 million to $19.3 million, representing 0.55% of portfolio loans and leases, as compared to $12.8 million, or 0.37% of portfolio loans and leases as of December 31, 2018. The increase in nonperforming loans and leases was related to the addition of $9.1 million of new nonperforming loans and leases during the three months ended March 31, 2019, partially offset by pay-offs and pay-downs of $1.4 million, charge-offs of $821 thousand, and upgrades to performing status of $392 thousand of loans and leases classified as nonperforming as of December 31, 2018. The majority of the $9.1 million of new nonperforming loans and leases was related to the addition of a $3.0 million commercial mortgage loan which had been modified to a TDR during the fourth quarter, as discussed in the Provision for Loan and Lease Losses section above, and a $4.0 million home equity line of credit. All nonperforming loans are evaluated for impairment and charged-off to net realizable value, when necessary. There were no additions to OREO as the result of foreclosures during the three months ended March 31, 2019.

As of March 31, 2019, the Allowance of $20.6 million represented 0.59% of portfolio loans and leases, an increase of 2 basis points from December 31, 2018. The Allowance on originated (non-acquired) portfolio loans, as a percentage of originated (non-acquired) portfolio loans, was 0.68% as of March 31, 2019 as compared to 0.67% as of December 31, 2018. Loans acquired in mergers are recorded at fair value as of the date of acquisition. This fair value estimate takes into account an estimate of the expected lifetime losses of the acquired loans. As such, an acquired loan will not generally become subject to additional Allowance unless it becomes impaired.

As of March 31, 2019, the Corporation had $9.2 million of TDRs, of which $5.1 million were in compliance with the modified terms and excluded from non-performing loans and leases. As of December 31, 2018, the Corporation had $11.0 million of TDRs, of which $9.7 million were in compliance with the modified terms, and were excluded from non-performing loans and leases. The decrease in TDRs during the three months ended March 31, 2019 was primarily the result of $1.7 million of charge-offs, to net realizable value, of loans previously designated as TDRs.

As of March 31, 2019, the Corporation had a recorded investment of $24.4 million of impaired loans and leases which included $9.2 million of TDRs. Impaired loans and leases are those for which it is probable that the Corporation will not be able to collect all scheduled principal and interest in accordance with the original terms of the loans and leases. Impaired loans and leases as of December 31, 2018 totaled $22.6 million which included $11.0 million of TDRs. Refer to Note 5H in the Notes to Unaudited Consolidated Financial Statements for more information regarding the Corporation’s impaired loans and leases.

Management continues to be diligent in its credit underwriting process and proactive with its loan review process, including the engagement of the services of an independent outside loan review firm, which helps identify developing credit issues. Proactive steps that are taken include the procurement of additional collateral (preferably outside the current loan structure) whenever possible and frequent contact with the borrower. Management believes that timely identification of credit issues and appropriate actions early in the process serve to mitigate overall risk of loss.

Nonperforming Assets and Related Ratios

Nonperforming assets and related ratios as of March 31, 2019 and December 31, 2018 were as follows:

(dollars in thousands)	March 31, 2019	December 31, 2018
Nonperforming Assets:		
Nonperforming loans and leases	$ 19,283	$ 12,820
Other real estate owned	84	417
Total nonperforming assets	$ 19,367	$ 13,237
Troubled Debt Restructurings:		
TDRs included in non-performing loans	$ 4,057	$ 1,217
TDRs in compliance with modified terms	5,149	9,745
Total TDRs	$ 9,206	$ 10,962
Loan and Lease quality indicators:		
Allowance for loan and lease losses to nonperforming loans and leases	106.9%	151.5%
Nonperforming loans and leases to total portfolio loans and leases	0.55%	0.37%
Allowance for loan and lease losses to total portfolio loans and leases	0.59%	0.57%
Nonperforming assets to total loans and leases and OREO	0.55%	0.39%
Nonperforming assets to total assets	0.42%	0.28%
Total portfolio loans and leases	$ 3,523,514	$ 3,427,154
Allowance for loan and lease losses	$ 20,616	$ 19,426

NONINTEREST INCOME

Three Months Ended March 31, 2019 Compared to the Same Period in 2018

Noninterest income of $19.3 million for the three months ended March 31, 2019 decreased $283 thousand as compared to $19.5 million for the same period in 2018. The decrease was primarily due to a $2.2 million decrease in recoveries of purchase accounting fair value marks resulting from pay-offs of previously acquired credit-impaired loans for the three months ended March 31, 2019 as compared to the same period in 2018. Partially offsetting the decrease in noninterest income was an increase of $1.6 million in capital markets revenue which was primarily due to increased volume of capital market transactions, and an increase of $397 thousand in gain on trading investments.

The following table provides details of **other operating income** for the three months ended March 31, 2019 and 2018:

	Three Months Ended March 31,	
(dollars in thousands)	2019	2018
Visa debit card income	$ 419	$ 387
BOLI income	294	278
Commissions and fees	355	255
Safe deposit box rentals	84	91
Other investment income	36	22
Rental income	9	43
Gain on trading investments	732	335
Recovery of purchase accounting fair value loan mark	12	2,294
Miscellaneous other income	906	633
Other operating income	$ 2,847	$ 4,338

The following table provides supplemental information regarding mortgage loan originations and sales:

(dollars in thousands)	As of or for the Three Months Ended March 31, 2019	2018
Mortgage originations	$ 34,441	$ 26,055
Mortgage loans sold:		
Servicing retained	$ —	$ 1,850
Servicing released	9,218	15,956
Total mortgage loans sold	$ 9,218	$ 17,806
Percentage of originated mortgage loans sold	26.8%	68.3%
Servicing retained %	—%	10.4%
Servicing released %	100.0%	89.6%
Residential mortgage loans serviced for others	$ 564,884	$ 634,970
Mortgage servicing rights	$ 4,910	$ 5,706
Gain on sale of mortgage loans	$ 261	$ 345
Loan servicing and other fees	$ 609	$ 686
Amortization of MSRs	$ 120	$ 221
(Impairment) / Recovery of MSRs	$ (17)	$ 50

Wealth Assets Under Management, Administration, Supervision and Brokerage ("Wealth Assets")

Wealth Asset accounts are categorized into two groups. The first account group consists predominantly of clients whose fees are determined based on the market value of the assets held in their accounts ("Market Value" basis). The second account group consists predominantly of clients whose fees are set at fixed amounts ("Fixed Fee" basis), and, as such, are not affected by market value changes.

The following tables detail the composition of Wealth Assets as it relates to the calculation of fees for wealth management services:

(dollars in thousands)	Wealth Assets as of:				
Fee Basis	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Market value	$ 6,232,651	$ 5,764,189	$ 6,032,831	$ 5,779,774	$ 5,693,146
Fixed fee	8,503,861	7,665,355	7,880,433	7,624,949	7,453,780
Total	$ 14,736,512	$ 13,429,544	$ 13,913,264	$ 13,404,723	$ 13,146,926

	Percentage of Wealth Assets as of:				
Fee Basis	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Market value	42.3%	42.9%	43.4%	43.1%	43.3%
Fixed fee	57.7%	57.1%	56.6%	56.9%	56.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The following tables detail the composition of fees for wealth management services for the periods indicated:

(dollars in thousands)	For the Three Months Ended:				
Fee Basis	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Market value	$ 7,618	$ 7,801	$ 7,841	$ 7,620	$ 7,880
Fixed fee	2,774	3,217	2,501	3,038	2,428
Total	$ 10,392	$ 11,018	$ 10,342	$ 10,658	$ 10,308

	Percentage of Fees for Wealth Management for the Three Months Ended:				
Fee Basis	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Market value	73.3%	70.8%	75.8%	71.5%	76.4%
Fixed fee	26.7%	29.2%	24.2%	28.5%	23.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Customer Derivatives

To accommodate the risk management needs of qualified commercial customers, the Bank enters into financial derivative transactions consisting of interest rate swaps, options, risk participation agreements and foreign exchange contracts. Derivative financial instruments involve, to varying degrees, interest rate, market and credit risk. Market risk exposure from customer derivative positions is managed by simultaneously entering into matching transactions with institutional dealer counterparties that offset customer contracts in notional amount and term. Derivative contracts create counterparty credit risk with both the Bank's customers and with institutional dealer counterparties. The Corporation manages customer counterparty credit risk through its credit policy, approval processes, monitoring procedures and by obtaining adequate collateral, when appropriate. The Bank seeks to minimize dealer counterparty credit risk by establishing credit limits and collateral agreements through industry standard agreements published by the International Swaps and Derivatives Association (ISDA) and associated credit support annex (CSA) agreements. None of the Bank's outstanding derivative contracts associated with the customer derivative program is designated as a hedge and none is entered into for speculative purposes. Derivative instruments are recorded at fair value, with changes in fair values recognized in earnings as components of noninterest income and noninterest expense on the consolidated statements of income.

NONINTEREST EXPENSE

Three Months Ended March 31, 2019 Compared to the Same Period in 2018

Noninterest expense for the three months ended March 31, 2019 increased $3.7 million, to $39.7 million, as compared to the same period in 2018. Contributing to the $3.7 million increase were increases of $4.9 million, $1.2 million, $572 thousand, $491 thousand, and $458 thousand in salaries and wages, other operating expenses, professional fees, furniture, fixtures and equipment expenses, and employee benefits, respectively.

During the first quarter of 2019, the Corporation adopted a voluntary Years of Service Incentive Program (the "Incentive Program") which offers certain benefits to eligible employees who meet the Incentive Program requirements and voluntarily exit from service with the Corporation, the Bank or one of their subsidiaries. The increases in salaries and wages and employee benefits were largely driven by a pre-tax, non-recurring, charge of $4.5 million related to the Incentive Program recognized during the first quarter of 2019. Partially offsetting these increases in noninterest expense was a decrease of $4.3 million in due diligence, merger-related and merger integration expenses for the three months ended March 31, 2019 as compared to the same period in 2018.

The following table provides details of **other operating expenses** for the three months ended March 31, 2019 and 2018:

(dollars in thousands)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Contributions	$ 344	$ 188
Deferred compensation expense	543	81
Director fees	145	161
Dues and subscriptions	295	257
FDIC insurance	401	200
Impairment of OREO and other repossessed assets	—	—
Insurance	214	227
Loan processing	252	24
Miscellaneous other expenses	869	809
MSR amortization and impairment	137	171
Other taxes	90	13
Outsourced services	65	66
Wealth custodian fees	118	123
Postage	202	163
Stationary and supplies	136	152
Telephone and data lines	424	405
Temporary help and recruiting	206	99
Travel and entertainment	173	178
Other operating expenses	$ 4,614	$ 3,317

INCOME TAXES

Income before income taxes decreased $6.5 million for the three months ended March 31, 2019 as compared for the same period in 2018, which resulted in a reduction of income tax expense of $1.9 million for the three months ended March 31, 2019 as compared for the same period in 2018. The effective tax rate for the three months ended March 31, 2019 decreased to 20.6% from 23.2% for the same period in 2018. The decrease in the effective tax rate was primarily due to the re-measurement of certain deferred tax assets from the RBPI merger in the three months ended March 31, 2018 which resulted in $590 thousand of income tax expense.

Income tax expense for the three months ended March 31, 2019 included a net discrete tax benefit of $114 thousand as compared to a net discrete tax expense of $229 thousand for the same period in 2018. These discrete items were the result of excess tax benefits from stock-based compensation as well as the income tax expense discussed above related to the deferred tax asset re-measurement.

BALANCE SHEET ANALYSIS

Total assets of $4.63 billion as of March 31, 2019 decreased $20.5 million from $4.65 billion as of December 31, 2018. The following sections detail the balance sheet changes:

Loans and Leases

The table below compares the portfolio loans and leases outstanding at March 31, 2019 to December 31, 2018:

	March 31, 2019		December 31, 2018		Change	
(dollars in thousands)	Balance	Percent of Portfolio	Balance	Percent of Portfolio	Amount	Percent
Commercial mortgage	$ 1,746,695	49.6%	$ 1,657,436	48.4%	$ 89,259	5.4 %
Home equity lines & loans	204,791	5.8%	207,351	6.1%	(2,560)	(1.2)%
Residential mortgage	502,379	14.3%	494,355	14.4%	8,024	1.6 %
Construction	159,761	4.5%	181,078	5.3%	(21,317)	(11.8)%
Commercial and industrial	705,701	20.0%	695,584	20.3%	10,117	1.5 %
Consumer	47,821	1.4%	46,814	1.4%	1,007	2.2 %
Leases	156,366	4.4%	144,536	4.2%	11,830	8.2 %
Total portfolio loans and leases	3,523,514	100.0%	3,427,154	100.0%	96,360	2.8 %
Loans held for sale	2,884		1,749		1,135	64.9 %
Total loans and leases	$ 3,526,398		$ 3,428,903		$ 97,495	2.8 %

Investment Securities

Investment securities available for sale as of March 31, 2019 totaled $560.0 million, as compared to $737.4 million as of December 31, 2018. The decrease was primarily related to the maturing, in January 2019, of $200.0 million of short-term U.S. Treasury securities.

Deposits

Deposits as of March 31, 2019 and December 31, 2018 were as follows:

	March 31, 2019		December 31, 2018		Change	
(dollars in thousands)	Balance	Percent of Deposits	Balance	Percent of Deposits	Amount	Percent
Interest-bearing demand	$ 664,683	18.3%	$ 664,749	18.5%	$ (66)	— %
Money market	961,348	26.4%	862,644	24.0%	98,704	11.4 %
Savings	265,613	7.3%	247,081	6.9%	18,532	7.5 %
Retail time deposits	531,522	14.6%	542,702	15.1%	(11,180)	(2.1)%
Wholesale non-maturity deposits	47,744	1.3%	55,031	1.5%	(7,287)	(13.2)%
Wholesale time deposits	284,397	7.8%	325,261	9.0%	(40,864)	(12.6)%
Interest-bearing deposits	2,755,307	75.7%	2,697,468	74.9%	57,839	2.1 %
Noninterest-bearing deposits	882,310	24.3%	901,619	25.1%	(19,309)	(2.1)%
Total deposits	$ 3,637,617	100.0%	$ 3,599,087	100.0%	$ 38,530	1.1 %

Borrowings

Borrowings as of March 31, 2019 and December 31, 2018 were as follows:

	March 31, 2019		December 31, 2018		Change	
(dollars in thousands)	Balance	Percent of Borrowings	Balance	Percent of Borrowings	Amount	Percent
Short-term borrowings	$ 124,214	41.4%	$ 252,367	59.0%	$ (128,153)	(50.8)%
Long-term FHLB advances	55,407	18.5%	55,374	12.9%	33	0.1 %
Subordinated notes	98,571	32.9%	98,526	23.0%	45	— %
Junior subordinated debentures	21,622	7.2%	21,580	5.0%	42	0.2 %
Total borrowed funds	$ 299,814	100.0%	$ 427,847	100.0%	$ (128,033)	(29.9)%

Capital

Consolidated shareholders' equity of the Corporation was $575.1 million, or 12.4% of total assets, as of March 31, 2019, as compared to $564.7 million, or 12.1% of total assets, as of December 31, 2018. The following table presents BMBC's and Bank's regulatory capital ratios and the minimum capital requirements to be considered "Well Capitalized" by regulators as of March 31, 2019 and December 31, 2018:

	Actual		Minimum to be Well Capitalized	
(dollars in thousands)	Amount	Ratio	Amount	Ratio
March 31, 2019				
Total capital to risk weighted assets:				
BMBC	$ 509,527	14.00%	$ 364,042	10.00%
Bank	$ 431,976	11.87%	$ 363,783	10.00%
Tier I capital to risk weighted assets:				
BMBC	$ 390,189	10.72%	$ 291,234	8.00%
Bank	$ 411,209	11.30%	$ 291,026	8.00%
Common equity Tier I risk weighted assets:				
BMBC	$ 369,253	10.14%	$ 236,627	6.50%
Bank	$ 411,209	11.30%	$ 236,459	6.50%
Tier I leverage ratio (Tier I capital to total quarterly average assets):				
BMBC	$ 390,189	8.99%	$ 217,116	5.00%
Bank	$ 411,209	9.48%	$ 216,909	5.00%
December 31, 2018				
Total capital to risk weighted assets:				
BMBC	$ 500,375	14.30%	$ 349,918	10.00%
Bank	$ 419,136	11.99%	$ 349,692	10.00%
Tier I capital to risk weighted assets:				
BMBC	$ 382,151	10.92%	$ 279,934	8.00%
Bank	$ 399,438	11.42%	$ 279,754	8.00%
Common equity Tier I risk weighted assets:				
BMBC	$ 361,256	10.32%	$ 227,446	6.50%
Bank	$ 399,438	11.42%	$ 227,300	6.50%
Tier I leverage ratio (Tier I capital to total quarterly average assets):				
BMBC	$ 382,151	9.06%	$ 210,830	5.00%
Bank	$ 399,438	9.48%	$ 216,615	5.00%

The capital ratios for the Bank and BMBC, as of March 31, 2019, as shown in the above tables, indicate levels above the regulatory minimum to be considered "well capitalized." All regulatory capital ratios decreased from their December 31, 2018 levels primarily due to the adoption of ASU 2016-02 (Topic 842), "Leases", which resulted in $44.0 million of operating lease right-of-use assets being risk weighted at 100% as of March 31, 2019.

Liquidity

BMBC’s liquidity position is managed on a daily basis as part of the daily settlement function and continuously as part of the formal asset liability management process. 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, maintaining a highly liquid investment portfolio, and purchasing and issuing wholesale certificates of deposit as its secondary sources.

Unused availability is detailed on the following table:

(dollars in millions)	Available Funds as of March 31, 2019	Percent of Total Borrowing Capacity	Available Funds as of December 31, 2018	Percent of Total Borrowing Capacity	Dollar Change	Percent Change
Federal Home Loan Bank of Pittsburgh	$ 1,397.5	89.7%	$ 1,245.4	74.4%	$ 152.1	12.2 %
Federal Reserve Bank of Philadelphia	145.5	100.0%	140.4	100.0%	5.1	3.6 %
Fed Funds Lines (seven banks)	71.0	89.9%	79.0	100.0%	(8.0)	(10.1)%
Total	$ 1,614.0	90.5%	$ 1,464.8	77.6%	$ 149.2	10.2 %

Quarterly, the ALCO reviews the Corporation’s liquidity position and reports its findings to BMBC’s Board of Directors.

The Corporation has an agreement with IND to provide up to $55 million, excluding accrued interest, of money market and NOW funds at an agreed upon interest rate equal to the current Fed Funds rate plus 20 basis points. The Corporation had $47.7 million in balances as of March 31, 2019 under this program.

Management continually evaluates its borrowing capacity and sources of liquidity. Management currently believes that it has sufficient capacity to fund expected short- and long-term earning asset growth with wholesale sources, along with deposit growth from its internal branch and wealth products.

Discussion of Segments

The Corporation has two principal segments as defined by FASB ASC 280, “*Segment Reporting.*” The segments are Banking and Wealth Management (see Note 23 in the accompanying Notes to Unaudited Consolidated Financial Statements).

The Wealth Management segment recorded a pre-tax segment profit (“PTSP”) of $2.9 million for the three months ended March 31, 2019, as compared to PTSP of $4.1 million for the same period in 2018. The Wealth Management segment provided 21.8% of the Corporation’s pre-tax profit for the three months ended March 31, 2019, as compared to 20.7% for the same period in 2018. For the three months ended March 31, 2019, both fees for wealth management services and insurance commissions were relatively unchanged as compared to the same period in 2018.

The Banking segment recorded a PTSP of $10.5 million for the three months ended March 31, 2019, as compared to PTSP of $15.8 million for the same period in 2018. The Banking segment provided 78.2% of the Corporation’s pre-tax profit for the three months ended March 31, 2019, as compared to 79.3% for the same period in 2018.

Off Balance Sheet Arrangements

The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the loan agreement. Total commitments to extend credit at March 31, 2019 were $823.8 million, as compared to $867.2 million at December 31, 2018.

Standby letters of credit are conditional commitments issued by the Bank to a customer for a third party. Such standby letters of credit are issued to support private borrowing arrangements. The credit risk involved in issuing standby letters of credit is similar to that involved in granting loan facilities to customers. The Bank's obligation under standby letters of credit at March 31, 2019 amounted to $27.4 million, as compared to $21.2 million at December 31, 2018.

Estimated fair values of the Corporation's off-balance sheet arrangements are based on fees and rates currently charged to enter into similar loan agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing. Since fees and rates charged for off-balance sheet items are at market levels when set, there is no material difference between the stated amount and the estimated fair value of off-balance sheet arrangements.

Contractual Cash Obligations of the Corporation as of March 31, 2019:

(dollars in thousands)	Total	Within 1 Year	2 - 3 Years	4 - 5 Years	After 5 Years
Deposits without a stated maturity	$ 2,821,698	$ 2,821,698	$ —	$ —	$ —
Wholesale and retail time deposit	815,919	677,867	126,756	10,474	822
Short-term borrowings	124,214	124,214	—	—	—
Long-term FHLB Advances	55,407	33,105	22,302	—	—
Subordinated Notes	100,000	—	—	—	100,000
Junior subordinated debentures	25,800	—	—	—	25,800
Operating lease liabilities	63,181	5,074	9,095	8,180	40,832
Purchase obligations	11,104	7,236	3,868	—	—
Total	$ 4,017,323	$ 3,669,194	$ 162,021	$ 18,654	$ 167,454

Other Information

Effects of Inflation

Inflation has some impact on the Corporation's operating costs. Unlike many industrial companies, however, substantially all of the Corporation's assets and liabilities are monetary in nature. As a result, interest rates have a more significant impact on the Corporation's performance than the general level of inflation. Over short periods of time, interest rates may not necessarily move in the same direction or in the same magnitude as prices of goods and services.

Effects of Government Monetary Policies

The earnings of the Corporation are and will be affected by domestic economic conditions and the monetary and fiscal policies of the United States government and its agencies. An important function of the Federal Reserve Board is to regulate the money supply and interest rates. Among the instruments used to implement those objectives are open market operations in United States government securities and changes in reserve requirements against member bank deposits. These instruments are used in varying combinations to influence overall growth and distribution of bank loans, investments, and deposits, and their use may also affect rates charged on loans or paid for deposits.

The Corporation is a member of the Federal Reserve System and, therefore, the policies and regulations of the Federal Reserve Board have a significant effect on its deposits, loans and investment growth, as well as the rate of interest earned and paid, and are expected to affect the Corporation's operations in the future. The effect of such policies and regulations upon the future business and earnings of the Corporation cannot be predicted.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risks

See the discussion of quantitative and qualitative disclosures about market risks in the Corporation's 2018 Annual Report, as updated by the disclosure in "Management's Discussion and Analysis of Results of Operations – Interest Rate Sensitivity," "– Summary of Interest Rate Simulation," "Customer Derivatives" and "– Gap Analysis" in this quarterly report on Form 10-Q.

ITEM 4. Controls and Procedures

As of the end of the period covered by this report, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer, Francis J. Leto, and Chief Financial Officer, Michael W. Harrington, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon the evaluation, the Chief

Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures were effective as of March 31, 2019.

There were no changes in the Corporation's internal controls over financial reporting during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II OTHER INFORMATION.

ITEM 1. Legal Proceedings.

The information required by this Item is set forth in the "Legal Matters" discussion in Note 22 "Contingencies" in the Notes to Unaudited Consolidated Financial Statements in Part I Item I of this Form 10-Q, which is incorporated herein by reference in response to this Item.

ITEM 1A. Risk Factors

None.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share Repurchase[3]

The following table presents the shares repurchased by the Corporation during the first quarter of 2019:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Number of Shares that May Yet Be Purchased Under the Plan or Programs
January 1, 2019 – January 31, 2019	—	$ —	—	40,016
February 1, 2019 – February 28, 2019	3,605	$ 37.95	3,222	36,794
March 1, 2019 – March 31, 2019	9,962	$ 39.35	9,480	27,314
Total	13,567	$ 38.98	12,702	

(1) Includes shares purchased to cover statutory tax withholding requirements on vested stock awards for certain officers of BMBC or Bank as follows: 383 shares on February 7, 2019; and 482 shares on March 1, 2019.

(2) On August 6, 2015, BMBC announced a stock repurchase program (the "2015 Program") under which the Corporation may repurchase up to 1,200,000 shares of BMBC's common stock, at an aggregate purchase price not to exceed $40 million. There is no expiration date on the 2015 Program and the Corporation has no plans for an early termination of the 2015 Program. All share repurchases under the 2015 Program were accomplished in open market transactions. As of March 31, 2019, the maximum number of shares remaining authorized for repurchase under the 2015 Program was 27,314.

(3) On April 18, 2019, BMBC announced a new stock repurchase program (the "2019 Program") under which the Corporation may repurchase up to 1,000,000 shares of BMBC's common stock. Under the 2019 Program, the Corporation may repurchase BMBC's common stock at any price, but the aggregate purchase price is not to exceed $45 million. The 2019 Program will become effective upon the completion of BMBC's existing 2015 Program.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures.

Not applicable.

ITEM 5. Other Information

None.

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ITEM 6. Exhibits

Exhibit No.	Description and References
3.1	Amended and Restated By-Laws, effective November 20, 2007, incorporated by reference to Exhibit 3.2 of the Corporation's Form 8-K filed with the SEC on November 21, 2007
3.2	Amended and Restated Articles of Incorporation, effective November 21, 2007, incorporated by reference to Exhibit 3.1 of the Corporation's Form 8-K filed with the SEC on November 21, 2007
10.1	2019 Standard Form of Restricted Stock Unit Agreement for Executives (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, filed herewith
10.2	2019 Standard Form of Restricted Stock Unit Agreement for Directors (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, filed herewith
10.3	2019 Voluntary Years of Service Incentive Program - Executive Tier - Plan Document, filed herewith
10.4	2019 Voluntary Years of Service Incentive Program - Executive Tier - Form of Separation Agreement, filed herewith
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith
101.INS XBRL	Instance Document, filed herewith
101.SCH XBRL	Taxonomy Extension Schema Document, filed herewith
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document, filed herewith
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document, filed herewith
101.LAB XBRL	Taxonomy Extension Label Linkbase Document, filed herewith
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document, filed herewith

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRYN MAWR BANK CORPORATION

Date: May 8, 2019	By:	/s/ Francis J. Leto
		Francis J. Leto
		Chief Executive Officer
		(Principal Executive Officer)
Date: May 8, 2019	By:	/s/ Michael W. Harrington
		Michael W. Harrington
		Chief Financial Officer
		(Principal Financial Officer)

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Section 2: EX-10.1 (EXHIBIT 10.1)

BRYN MAWR BANK CORPORATION
RESTRICTED STOCK UNIT AGREEMENT FOR EXECUTIVES
(SERVICE/PERFORMANCE-BASED)
SUBJECT TO THE AMENDED AND RESTATED 2010 LONG TERM INCENTIVE PLAN

Grantee: [ ]

Date of Grant: [ ], 2019

Total Number of RSUs: **[ ]**

Number of time-based RSUs: **[ ]** ("Time-Based RSUs")

Target number of performance-based RSUs: **[ ]** ("Performance-Based RSUs")

Service Period: [ ], 2019 to [ ], 2022 ("Service Period")

Performance Goal: Certain conditions and goals as determined according to Exhibit A hereto

RESTRICTED STOCK UNIT AGREEMENT ("Agreement"), dated as of the Date of Grant set forth above by and between **BRYN MAWR BANK CORPORATION** (the "Corporation") and the Grantee named above (the "Grantee").

1. The Plan. This Agreement is subject to the terms and conditions of the Amended and Restated Bryn Mawr Bank Corporation 2010 Long Term Incentive Plan (the "Plan") as approved by the Board of Directors of the Corporation on February 27, 2015 and by the Corporation's shareholders on April 30, 2015. Except as otherwise specified herein, all capitalized terms used in this Agreement shall have the meanings given to them in the Plan.

2. Grant of Restricted Stock Units.

a. Subject to the terms and conditions of the Plan and this Agreement, and the Grantee's acceptance of same by execution of this Agreement, the Corporation's Management Development and Compensation Committee ("Compensation Committee") hereby grants to the Grantee the number of Restricted Stock Units set forth under "Total Number of RSUs" above (the "RSUs").

b. Upon vesting of the RSUs and satisfaction of all of the other terms and conditions in this Agreement, the Corporation will issue stock representing the shares underlying the vested RSUs (regardless of whether such RSUs are Time-Based RSUs or Performance-Based RSUs) as soon as practicable following the Time Vesting Date (as defined in subsection 3(a) below), in the case of the vested Time-Based RSUs, and the Performance Vesting Date (as defined in subsection 3(b) below), in the case of the Performance-Based RSUs.

3. Terms and Conditions. The Grant is subject to the following terms and conditions:

a. Time-Based Requirements. The Time-Based RSUs will vest on [ ], 2022 (such date, the "Time Vesting Date"), provided that Grantee has remained continually employed by the Corporation or any of its direct or indirect subsidiaries (individually and collectively, the "Company Group") from the Date of Grant through the Time Vesting Date.

b. Performance Goals. The Performance-Based RSUs are subject to the performance goals set forth in Exhibit A (the "Performance Goals") and shall vest, in whole or in part, upon the Performance Vesting Date only if the Performance Goals are achieved and the Grantee has remained continuously employed by the Company Group through the end of the Service Period, or as otherwise provided herein. The Compensation Committee shall determine within 75 days after the last day of the Service Period whether the Performance Goals have been achieved, in whole or in part, in accordance with Exhibit A attached hereto. The value of any fractional shares will be paid to the Grantee through a separate disbursement. No vesting of Performance-Based RSUs shall be deemed to have occurred unless and until the Compensation Committee certifies in writing as to the portion of Performance Goals that have been achieved. The date on which the

Compensation Committee certifies as to the achievement of the Performance Goals and the vesting of the Performance-Based RSUs is referred to in this Agreement as the "Performance Vesting Date".

c. No Rights as a Shareholder. Grantee will have no rights or privileges of a shareholder (including but not limited to, no right to vote the shares) with respect to shares underlying RSUs until such RSUs have vested and such shares have been issued.

d. Dividend-Equivalents. At the time of issuance of shares underlying vested RSUs pursuant to subsection 2(b) above, the Corporation shall also pay to Grantee an amount equal to the aggregate amount of all dividends declared and paid by the Corporation based on dividend record dates falling between the Date of Grant and the date of issuance in accordance with the number of shares issued. The dividend-equivalents will be reported as W-2 wages and, as such, will be subject to statutory withholding requirements for federal, state and local taxes. The computation set forth in this subparagraph is separate and distinct from the calculations and concepts set forth on Exhibit A hereto and the calculations and concepts set forth on Exhibit A hereto have no applicability to the calculation of the amount of dividends to be paid by the Corporation pursuant to this subparagraph.

e. Holding Period. All vested RSUs will be subject to a holding period ("Holding Period") until the earliest of:

i. The two-year anniversary of such Time Vesting Date or Performance Vesting Date, as applicable;

ii. The date of the Grantee's death or Disability (as defined in Section 5 below); or

iii. The date of consummation of a Change of Control (as defined in Section 7 below).

For purposes of clarification, once shares underlying vested RSUs have been issued and until the expiration of the applicable Holding Period, Grantee shall have all of the rights and privileges of a shareholder with respect to such shares other than the right to sell, transfer, gift, or otherwise divest himself or herself of such shares. Notwithstanding anything herein to the contrary, the Corporation may lift the Holding Period with respect to any shares underlying vested RSUs where the sale of such shares is necessary to satisfy the payment of statutory federal, state and local withholding taxes including, without limitation, social security and medicare taxes.

4. Forfeiture.

a. Forfeiture. All Time-Based RSUs that have not vested at the Time Vesting Date in accordance with subsection 3(a), and all Performance-Based RSUs that have not vested at the Performance Vesting Date in accordance with subsection 3(b) and Exhibit A attached hereto, shall be forfeited in their entirety.

b. Forfeiture of Unvested RSUs and Payment to the Corporation for Issued Shares Resulting from Vested RSUs If Grantee Engages in Certain Activities. The provisions of this subsection 4(b) will apply to all RSUs granted to Grantee under the Plan and to any shares issued to the Grantee upon vesting of RSUs. If, at any time during the Service Period, or for a period of two (2) years after termination of Grantee's employment for any reason, Grantee engages in any activity inimical, contrary or harmful to the interests of the Company Group including, but not limited to (A) conduct related to Grantee's employment for which either criminal or civil penalties against Grantee may be brought, (B) violation of the Company Group's policies including, without limitation, the Corporation's Insider Trading Policy, Code of Business Conduct and Ethics, Code of Personal Conduct, Employee Handbook, or otherwise, (C) soliciting of any customer of the Company Group for business which would result in such customer terminating their relationship with the Company Group, (D) soliciting or inducing any individual who is an employee or director of the Company Group to leave the Company Group or otherwise terminate their relationship with the Company Group, (E) disclosing or using any confidential information or material concerning the Company Group, (F) breach of any agreement between the Grantee and the Company Group, or (G) participating in a hostile takeover attempt, then (x) all RSUs that have not vested effective as of the date on which Grantee engages in such activity, unless forfeited sooner by operation of another term or condition of this Agreement or the Plan, shall be forfeited in their entirety, and (y) for any shares underlying vested RSUs which have been issued to Grantee, the Grantee shall pay to the Corporation the market value of the shares on the date of issuance or the date Grantee engages in such activity, whichever is greater. The term "Confidential Information" as used in this Agreement includes, but is not limited to, records, documents, programs, technical data, information technology, policies, files, lists, client non-public personal information, pricing, costs, strategies, market data, statistics, business partners, customers, customer requirements, prospective customer contacts, knowledge of the Company Group's clients, methods of operation, processes, trade secrets, methods of determination of prices, fees, financial condition, profits, sales, net income, indebtedness, potential mergers or acquisitions, or the sale of Company Group assets or subsidiaries, commercial contracts and relationships, employees, litigation (whether actual or threatened), information acquired in connection with the Grantee's employment with the Company Group, including without limitation, proprietary or confidential information of any third party who may disclose such information to the Company Group or the Grantee in the course of Company Group business, and any other information relating to the Company Group that has not been made available to the general public, as the same may exist from time to time. The provisions of this Section 4 are in addition to, and in no way decrease, limit, or affect the applicability of or relief available to the Corporation under Section 8.

c. Right of Setoff. By accepting this Agreement, Grantee consents to the deduction, to the extent permitted by law, from any amounts that the Company Group owes Grantee from time to time (including amounts owed to Grantee as wages or other compensation, fringe benefits, or paid time-off pay, as well as any other amounts owed to Grantee by the Company Group), the amounts Grantee owes the Corporation under subsection 4(b) above. Whether or not the Corporation elects to make any setoff in whole or in part, if the Corporation does not recover by means of setoff the full amount Grantee owes it, calculated as set forth above, Grantee agrees to immediately pay the unpaid balance to the Corporation.

d. Compensation Committee Discretion. Grantee may be released from Grantee's obligations under subsections 4(b) and 4(c) only if the Compensation Committee, or its duly appointed agent, determines in its sole discretion that such action is in the best interest of the Corporation.

5. Death, Disability or Retirement. In the event the Grantee shall cease to be employed by the Company Group by reason of: (a) retirement, whether or not early, with the consent of the Compensation Committee; (b) a transfer of the Grantee in a spinoff; (c) death; or (d) total and permanent disability as determined by the Compensation Committee ("Disability"), then the vesting requirements on a fraction of Grantee's RSUs will be deemed to have been fulfilled. With respect to the Time-Based RSUs, the vested portion shall be calculated as follows: the number of Time-Based RSUs granted multiplied by a fraction, the numerator of which is the number of full calendar months that elapsed in the Service Period prior to the death, Disability, retirement or transfer in a spinoff of the Grantee and the denominator of which is the total number of full calendar months in the Service Period. With respect to the Performance-Based RSUs, the vested portion shall be calculated as follows: the number of Performance-Based RSUs that would have vested in accordance with Section 3(b) had Grantee remained employed through the Service Period, multiplied by a fraction, the numerator of which is the number of full calendar months that elapsed in the Service Period prior to the death, Disability, retirement or transfer in a spinoff of the Grantee and the denominator of which is the total number of full calendar months in the Service Period. Shares underlying all Time-Based RSUs that vest in accordance with the terms of this Section 5 shall be issued as soon as practicable following such vesting and Performance-Based RSUs that vest in accordance with the terms of this Section 5 shall be issued as soon as practicable following the Performance Vesting Date. Any remaining RSUs which have not vested as provided in this Section 5 shall be forfeited.

6. Termination. If the Grantee terminates the Grantee's employment with the Company Group or if the Company Group terminates the Grantee's employment with or without Cause, other than as described in Section 5 above, any RSUs that have not yet vested at the date of termination shall automatically be forfeited.

7. Change of Control. In the event of a Change of Control, Grantee's outstanding RSUs will be deemed to have vested and any shares underlying such RSUs not previously issued shall be issued within ten days after the Change of Control. For purposes of clarification, in such a situation, all Time-Based RSUs will vest, and Performance-Based RSUs will vest at the target levels as described in Exhibit A hereto. A "Change of Control" shall be deemed to have taken place if (i) any Person (as defined below) other than an entity in the Company Group or an employee benefit plan of the Company Group (or any Person organized, appointed or established by the Company Group for or pursuant to the terms of any such employee benefit plan), together with all affiliates and associates of such Person, becomes the beneficial owner in the aggregate of 25% or more of the common stock of the Corporation then outstanding, or (ii) during any twenty-four month period, individuals who at the beginning of such period constituted the Board of Directors of the Corporation or The Bryn Mawr Trust Company (the "Bank") cease, for any reason, to constitute a majority thereof, unless the election, or the nomination for election by the Corporation or the Bank's shareholders, as the case may be, of each director who was not a director at the beginning of such period was approved by a vote of at least two-thirds of the directors in office at the time of such election or nomination, who were directors at the beginning of such period.

8. Non-Interference and Non-Solicitation.

a. For a period of twenty-four (24) months following the date Grantee ceases to be employed by the Company Group for any reason, whether voluntarily or involuntarily (the “Separation Date”), Grantee agrees not to disrupt, damage, impair or interfere with the business of the Company Group in any manner, including without limitation, by: (a) employing, engaging or soliciting any employee of the Company Group; (b) inducing or attempting to influence an employee to leave the employ of the Company Group; (c) adversely influencing or altering the relationship of any person, firm, corporation, partnership, association or other entity (“Person”) with the Company Group, whether such Person is an employee, customer, client or otherwise; or (d) directly or indirectly, individually or for any other, calling on, engaging in business with, soliciting, inducing, or attempting to solicit or induce, any Person who has been a customer, client or business referral source of the Company Group, or who has been solicited as a potential customer, client or business referral source of the Company Group, during the two (2) year period preceding the Separation Date to (x) cease doing business in whole or in part with or through the Company Group or (y) do business with any other Person which performs services or offers products materially similar to or competitive with those provided by the Company Group.

b. Grantee shall maintain Confidential Information (as defined in Section 4(b)) in the strictest of confidence, shall not disclose Confidential Information to any person outside of the Company Group, and shall not use, reproduce, disseminate, or take any other action with respect to Confidential Information other than in connection with Grantee’s employment and for the benefit of the Company Group. Grantee shall not remove Confidential Information from Company Group premises unless necessary in connection with the performance of Grantee’s job duties, and in such event, such Confidential Information shall be returned or destroyed immediately upon cessation of Grantee’s employment with the Company Group. The obligations of Grantee under this Section 8(b) shall apply during Grantee’s employment and following termination of Grantee’s employment, and shall survive in perpetuity.

c. Grantee acknowledges and agrees that the restrictions contained in this Section 8 are reasonable and necessary in order to protect the legitimate interests of the Company Group and that any violation thereof would result in irreparable injury to the Company Group. Consequently, Grantee acknowledges and agrees that, in the event of any violation thereof, the Company Group shall be authorized and entitled, without the necessity of posting a bond or other form of security, to obtain from any court of competent jurisdiction injunctive and equitable relief, as well as an equitable accounting of all profits and benefits arising out of such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Company Group may be entitled at law or in equity (including the rights of forfeiture set forth in Section 4 hereof) and, in the event the Company Group is required to enforce the terms of this Agreement through court proceedings, the Company Group shall be entitled to reimbursement of all legal fees, costs and expenses incident to enforcement of any such term, in whole or in part and/or such term as may be modified by a court of competent jurisdiction.

d. The provisions of this Section 8 are in addition to, and in no way decrease, limit, or affect the applicability of or relief available to the Corporation under Section 4.

e. If any court of competent jurisdiction construes any of the restrictive covenants set forth in this Section 8, or any part thereof, to be unenforceable because of the duration, scope or geographic area covered thereby, such court shall have the power to reduce the duration, scope or geographic area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced.

9. Change Adjustments. The Compensation Committee shall make appropriate adjustments to give effect to adjustments made in the number of shares of the Corporation’s common stock through a merger, consolidation, recapitalization, reclassification, combination, spinoff, common stock dividend, stock split or other relevant change as the Compensation Committee deems appropriate to prevent dilution or enlargement of the rights of the Grantee. Any adjustments or substitutions pursuant to this section shall meet the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and shall be final and binding upon the Grantee.

10. Compliance with Law and Regulations. The grant of RSUs and the issuance of shares underlying vested RSUs shall be subject to all applicable federal and state laws, the rules and regulations and to such approvals by any government or regulatory agency as may be required. The Corporation shall not be required to register any securities pursuant to the Securities Act of 1933, as amended, or to list such shares under the stock market or exchange on which the common stock of the Corporation may then be listed, or to take any other affirmative action in order to cause the issuance or delivery of shares underlying vested RSUs to comply with any law or regulation of any governmental authority.

11. Notice. Any notice which either party hereto may be required or permitted to give to the other shall be in writing, and may be delivered personally or by mail, postage prepaid, addressed as follows: to the Corporation, Attention: Corporate Secretary, at its office at 801 Lancaster Avenue, Bryn Mawr, PA 19010 or to the Grantee at her/his address on the records of the Corporation or at such other addresses as the Corporation, or Grantee, may designate in writing from time to time to the other party hereto.

12. Employment. Neither the action of the Corporation or its shareholders, nor any action taken by the Compensation Committee under the Plan nor any provisions of this Agreement shall be construed as giving to the Grantee the right to be retained as an employee of the Company Group.

13. Payment of Taxes. Upon issuance of shares underlying the vested RSUs the value of the shares issued, calculated based on the closing price of the Corporation's common stock on the day preceding the applicable Vesting Date (whether vested Time-Based RSUs or vested Performance-Based RSUs), will constitute W-2 wages to the Grantee and, as such, will be subject to statutory federal, state and local withholding taxes. The Corporation will withhold a sufficient number of whole shares in order to satisfy this tax obligation. The remaining shares will be made available to the Grantee as soon as practicable. The value of any fractional shares will be paid to the Grantee through a separate disbursement.

14. Incorporation by Reference. This Restricted Stock Unit Award is granted pursuant and subject to the terms and conditions of the Plan, the provisions of which are incorporated herein by reference. If any provision of this Agreement conflicts with any provision of the Plan in effect on the Date of Grant, the terms of the Plan shall control. This Agreement shall not be modified after the Date of Grant except by written agreement between the Corporation and the Grantee; provided, however, that such modification shall (a) not be inconsistent with the Plan, and (b) be approved by the Committee.

15. Reformation; Severability. If any provision of this Agreement shall hereafter be held to be invalid, unenforceable or illegal, in whole or in part, by a court of competent jurisdiction under any circumstances for any reason, (i) such provision shall be reformed to the minimum extent necessary to cause such provision to be valid, enforceable and legal while preserving the intent of the parties as expressed in, and the benefits of the parties provided by, this Agreement or (ii) if such provision cannot be so reformed, such provision shall be severed from this Agreement or the Notice and an equitable adjustment shall be made to this Agreement (including, without limitation, addition of necessary further provisions) so as to give effect to the intent as so expressed and the benefits so provided. Such holding shall not affect or impair the validity, enforceability or legality of such provision in any other jurisdiction or under any other circumstances. Neither such holding nor such reformation or severance shall affect the legality, validity or enforceability of any other provision of this Agreement.

16. Compliance with Internal Revenue Code Section 409A. It is the intention of the parties that the RSUs and the Agreement comply with the provisions of Section 409A of the Code to the extent, if any, that such provisions are applicable to the Agreement and the Agreement will be administered by the Compensation Committee in a manner consistent with this intent. If any payments or benefits may be subject to taxation under Section 409A of the Code, Grantee agrees that the Compensation Committee may, without the consent of Grantee, modify this Agreement to the extent and in the manner that the Compensation Committee deems necessary or advisable or take any other action or actions, including an amendment or action with retroactive effect that the Compensation Committee determines is necessary or appropriate to exempt any payments or benefits from the application of Section 409A or to provide such payments or benefits in the manner that complies with the provisions of Section 409A such that they will not be taxable thereunder.

17. Choice of Law. The provisions of this Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to any conflict of law provision that would apply the law of another jurisdiction.

18. Interpretation. The interpretation and construction or any terms or conditions of the Plan or this Agreement by the Compensation Committee shall be final and conclusive.

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by a duly authorized officer, and the Grantee has hereunto set his/her hand and seal, effective as of the Date of Grant set forth above.

BRYN MAWR BANK CORPORATION

By: ______________________________

Name: Michael W. Harrington
Title: Chief Financial Officer

____
(Signature of Grantee)

____
(Print Name of Grantee)

____
(Address of Grantee)

EXHIBIT A

TO RESTRICTED STOCK UNIT AGREEMENT DATED AS OF [ ], 2019

All of the terms and conditions of the Restricted Stock Unit Agreement dated as of [ ], 2019, (“Agreement”), to which this Exhibit is attached are incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

Name of Grantee: [ ]

1. Target Number of Performance-Vested Restricted Stock Units subject to vesting based on Total Shareholder Return (“TSR”): ______[ ] ___________

2. Target Number of Performance-Vested Restricted Stock Units subject to vesting based on Return on Average Equity (“ROAE”):]____________ _____[

3. Performance Goals: Except as otherwise set forth in the Award Agreement, the number of RSUs (rounded down to the nearest whole number of RSUs) that become nonforfeitable with respect to the Performance Period in accordance with the terms of the Award Agreement will be based on the Company’s relative TSR and ROAE Percentile Rank (as defined below) compared to the Peer Group (as defined below) in respect of the relevant Performance Period, as set forth in the chart below. Notwithstanding anything herein to the contrary, in the event of a Change of Control, the number of RSUs that vest shall be the greater of (i) 100% of target and (ii) the percent of target that would have been achieved based on actual TSR and ROAE Percentile Ranks calculated in accordance with the terms of this Exhibit A.

TSR Percentile Rank[1,2]	**Less than 25%**	**25%**	**50%**	**75% or Greater**
ROAE Percentile Rank[1]	**Less than 25%**	**25%**	**50%**	**75% or Greater**
Number of RSUs Vesting	0 RSUs	0% of target	100% of target	150% of target

[1] If the applicable TSR or ROAE Percentile Rank is greater than 25% and less than 75% with respect to the relevant Performance Period, the number of RSUs that shall vest shall be prorated based on the actual level of performance achieved. For example, performance at the 37.5th percentile (halfway between the threshold of 25th percentile and the max of 50th percentile) for both metrics would result in 50% of target RSUs vesting (halfway between 0% at threshold and 100% at target).

[2] Provided however, if the Corporation’s TSR over the Performance Period is negative, no more than 100% of the target number of RSUs subject to TSR will vest.

4. For purposes of this Exhibit A, the following terms shall have the respective meanings set forth below:

a. “Peer Group” means the following financial institutions:

Company Name	**Ticker**

(1) Notwithstanding the foregoing, if at any time prior to the expiration of the Performance Period a member of the Peer Group ceases to be a domestically domiciled publicly traded company on a national stock exchange or market system; or has gone private; or has reincorporated in a foreign (e.g., non-U.S.) jurisdiction, regardless of whether it is a reporting company in that or another jurisdiction; or has been acquired by another company (whether by a peer company or otherwise, but not including internal reorganizations), or has sold all or substantially all of its assets, then such member shall be immediately removed from the Peer Group.

b. "Performance Period” means (i) for measurement of ROAE, the 12-quarter period beginning [ ], 2019 and ending [ ], 2022; and (ii) for measurement of TSR, the 3-year period beginning [ ], 2019 and ending [ ], 2022.

c. “ROAE” means (a) net income applicable to the common shareholders of a company during the Performance Period, divided by (b) that company’s average common shareholders’ equity during the Performance Period (as reported in the company's annual or quarterly report for the applicable fiscal period end) subject to adjustments for certain extraordinary or special items, in the form and manner determined in the Committee's sole discretion and if permitted by the IRS regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended, relating to the "pre-established performance goal" rules, for any: change in accounting policy; gain/loss on disposition of assets or business; charge for goodwill impairment; extraordinary legal/regulatory settlements; extraordinary market conditions; significant currency fluctuations; effects of nature or man-made disasters; hyperinflation; change in statutory tax rates/regulations; charges or costs associated with Board-approved restructurings of the Company, including, but not limited to, acquisitions and mergers by the Company; results of discontinued operations held for sale after sale closing; other extraordinary, unusual or infrequently occurring items as determined under U.S. generally accepted accounting principles ("GAAP").

d. "TSR" means, with respect to any company, the Company's total shareholder return, which will be calculated by dividing (i) the Closing Average Share Value by (ii) the Opening Average Share Value.

e. "Opening Average Share Value" means the average, over the trading days in the Opening Average Period, of the closing price of a company's stock multiplied by the Accumulated Shares for each trading day during the Opening Average Period.

f. "Opening Average Period" means the 20 trading days preceding [ ], 2019.

g. "Accumulated Shares" means, solely for purposes of the calculation of TSR, for a given trading day, the sum of (i) one (1) share and (ii) a cumulative number of shares of the company's common stock purchased with the dividends declared on a company's common stock, assuming same day reinvestment of the dividends in the common stock of a company at the closing price on the ex-dividend date, for ex-dividend dates between the start of the Opening Average Period and the trading day.

h. "Closing Average Share Value" means the average, over the trading days in the Closing Average Period, of the closing price of the company's stock multiplied by the Accumulated Shares for each trading day during the Closing Average Period.

i. "Closing Average Period" means (i) in the absence of a Change of Control, the 20 trading days preceding [ ], 2022; or (ii) in the case of a Change of Control, the trading days during the period beginning thirty (30) calendar days prior to the Change of Control and ending on the Accelerated End Date.

j. "Accelerated End Date" means the date five (5) calendar days (or such shorter period as may be established by the Compensation Committee in its sole discretion) prior to the Change of Control.

k. "Percentile Rank" means the Company's relative percentile positioning in respect of the TSR or ROAE, as applicable, of the other members of the Peer Group.

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Section 3: EX-10.2 (EXHIBIT 10.2)

BRYN MAWR BANK CORPORATION
RESTRICTED STOCK UNIT AGREEMENT FOR NON-EMPLOYEE DIRECTORS
(SERVICE/PERFORMANCE-BASED)
SUBJECT TO THE AMENDED AND RESTATED 2010 LONG TERM INCENTIVE PLAN

Grantee: [ ]

Date of Grant: [________], 2019

Total Number of RSUs: **[ ]**

Number of time-based RSUs: [ ] ("Time-Based RSUs")

Target number of performance-based RSUs: **[ ]** ("Performance-Based RSUs")

Service Period: [__], 2019 to [__], 2022 ("Service Period")

Performance Goal: Certain conditions and goals as determined according to Exhibit A hereto

RESTRICTED STOCK UNIT AGREEMENT (“Agreement”), dated as of the Date of Grant set forth above by and between **BRYN MAWR BANK CORPORATION** (the “Corporation”) and the Grantee named above (the “Grantee”).

1. The Plan. This Agreement is subject to the terms and conditions of the Amended and Restated Bryn Mawr Bank Corporation 2010 Long Term Incentive Plan (the “Plan”) as approved by the Board of Directors of the Corporation on February 27, 2015 and by the Corporation’s shareholders on April 30, 2015. Except as otherwise specified herein, all capitalized terms used in this Agreement shall have the meanings given to them in the Plan.

2. Grant of Restricted Stock Units.

a. Subject to the terms and conditions of the Plan and this Agreement, and the Grantee’s acceptance of same by execution of this Agreement, the Corporation’s Management Development and Compensation Committee (“Compensation Committee”) hereby grants to the Grantee the number of Restricted Stock Units set forth under “Total Number of RSUs” above (the “RSUs”).

b. Upon vesting of the RSUs and satisfaction of all of the other terms and conditions in this Agreement, the Corporation will issue stock representing the shares underlying the vested RSUs (regardless of whether such RSUs are Time-Based RSUs or Performance-Based RSUs) as soon as practicable following the Time Vesting Date (as defined in subsection 3(a) below), in the case of the vested Time-Based RSUs, and the Performance Vesting Date (as defined in subsection 3(b) below)), in the case of the Performance-Based RSUs.

3. Terms and Conditions. The Grant is subject to the following terms and conditions:

a. Time-Based Requirements. The Time-Based RSUs will vest on [__], 2022 (such date, the “Time Vesting Date”), provided that Grantee provides continuous service as a director of the Corporation from the Date of Grant through the Time Vesting Date.

b. Performance Goals. The Performance-Based RSUs are subject to the performance goals set forth in Exhibit A (the “Performance Goals”) and shall vest, in whole or in part, upon the Performance Vesting Date only if the Performance Goals are achieved and the Grantee has provided continuous service as a director of the Corporation through the end of the Service Period, or as otherwise provided herein. The Compensation Committee shall determine within 75 days after the last day of the Service Period whether the Performance Goals have been achieved, in whole or in part, in accordance with Exhibit A attached hereto. The value of any fractional shares will be paid to the Grantee through a separate disbursement. No vesting of Performance-Based RSUs shall be deemed to have occurred unless and until the Compensation Committee certifies in writing as to the portion of Performance Goals that have been achieved. The date on which the Compensation Committee certifies as to the achievement of the Performance Goals and the vesting of the Performance-Based RSUs is referred to in this Agreement as the "Performance Vesting Date".

c. No Rights as a Shareholder. Grantee will have no rights or privileges of a shareholder (including but not limited to, no right to vote the shares) with respect to shares underlying RSUs until such RSUs have vested and such shares have been issued.

d. Dividend-Equivalents. At the time of issuance of shares underlying vested RSUs pursuant to subsection 2(b) above, the Corporation shall also pay to Grantee an amount equal to the aggregate amount of all dividends declared and paid by the Corporation based on dividend record dates falling between the Date of Grant and the date of issuance in accordance with the number of shares issued. The computation set forth in this subparagraph is separate and distinct from the calculations and concepts set forth on Exhibit A hereto and the calculations and concepts set forth on Exhibit A hereto have no applicability to the calculation of the amount of dividends to be paid by the Corporation pursuant to this subparagraph.

e. Holding Period. All vested RSUs will be subject to a holding period ("Holding Period") until the earliest of:

i. The two-year anniversary of such Time Vesting Date or Performance Vesting Date, as applicable;

ii. The date of the Grantee's death or Disability (as defined in Section 5 below); or

iii. The date of consummation of a Change of Control (as defined in Section 7 below).

For purposes of clarification, once shares underlying vested RSUs have been issued and until the expiration of the applicable Holding Period, Grantee shall have all of the rights and privileges of a shareholder with respect to such shares other than the right to sell, transfer, gift, or otherwise divest himself or herself of such shares. Notwithstanding anything herein to the contrary, the Corporation may lift the Holding Period with respect to any shares underlying vested RSUs where the sale of such shares is necessary to satisfy the payment of statutory federal, state and local withholding taxes including, without limitation, social security and medicare taxes.

4. Forfeiture.

a. Forfeiture. All Time-Based RSUs that have not vested at the Time Vesting Date in accordance with subsection 3(a), and all Performance-Based RSUs that have not vested at the Performance Vesting Date in accordance with subsection 3(b) and Exhibit A attached hereto, shall be forfeited in their entirety.

b. Forfeiture of Unvested RSUs and Payment to the Corporation for Issued Shares Resulting from Vested RSUs If Grantee Engages in Certain Activities. The provisions of this subsection 4(b) will apply to all RSUs granted to Grantee under the Plan and to any shares issued to the Grantee upon vesting of RSUs. If, at any time during the Service Period, or for a period of two (2) years after termination of Grantee's service as a director of the Corporation for any reason, Grantee engages in any activity inimical, contrary or harmful to the interests of the Corporation including, but not limited to (A) conduct related to Grantee's service for which either criminal or civil penalties against Grantee may be brought, (B) violation of the Corporation's or the Bank's policies including, without limitation, the Insider Trading Policy, Code of Business Conduct and Ethics, Code of Personal Conduct, Employee Handbook, or otherwise, (C) soliciting of any customer of the Corporation or any of its direct or indirect subsidiaries (individually and collectively, the "Company Group") for business which would result in such customer terminating their relationship with the Company Group, (D) soliciting or inducing any individual who is an employee or director of the Company Group to leave the Company Group or otherwise terminate their relationship with the Company Group, (E) disclosing or using any confidential information or material concerning the Company Group, (F) breach of any agreement between the Grantee and the Company Group, or (G) participating in a hostile takeover attempt, then (x) all RSUs that have not vested effective as of the date on which Grantee engages in such activity, unless forfeited sooner by operation of another term or condition of this Agreement or the Plan, shall be forfeited in their entirety, and (y) for any shares underlying vested RSUs which have been issued to Grantee, the Grantee shall pay to the Corporation the market value of the shares on the date of issuance or the date Grantee engages in such activity, whichever is greater. The term "Confidential Information" as used in this Agreement includes, but is not limited to, records, documents, programs, technical data, information technology, policies, files, lists, client non-public personal information, pricing, costs, strategies, market data, statistics, business partners, customers, customer requirements, prospective customer contacts, knowledge of the Company Group's clients, methods of operation, processes, trade secrets, methods of determination of prices, fees, financial condition, profits, sales, net income, indebtedness, potential mergers or acquisitions, or the sale of Company Group assets or subsidiaries, commercial contracts and relationships, employees, litigation (whether actual or threatened), information acquired in connection with the Grantee's role as a director to the Company, whether through board meetings, deliberations or discussions among directors, Company Group employees or agents, or relating to board dynamics generally, including, without limitation, proprietary or confidential information of any third party who may disclose such information to the Company Group or the Grantee in the course of Company Group business, and any other information relating to the Company Group that has not been made available to the general public, as the same may exist from time to time. The provisions of this Section 4 are in addition to, and in no way decrease, limit, or affect the applicability of or relief available to the Corporation under Section 8.

c. Right of Setoff. By accepting this Agreement, Grantee consents to the deduction, to the extent permitted by law, from any amounts that the Company Group owes Grantee from time to time and the amounts Grantee owes the Corporation under subsection 4(b) above. Whether or not the Corporation elects to make any setoff in whole or in part, if the Corporation does not recover by means of setoff the full amount Grantee owes it, calculated as set forth above, Grantee agrees to immediately pay the unpaid balance to the Corporation.

d. Compensation Committee Discretion. Grantee may be released from Grantee's obligations under subsections 4(b) and 4(c) only if the Compensation Committee, or its duly appointed agent, determines in its sole discretion that such action is in the best interest of the Corporation.

5. Death, Disability or Retirement. In the event the Grantee shall cease to be a director of the Corporation prior to the expiration of the Service Period by reason of: (a) retirement, whether or not early, with the consent of the Compensation Committee; (b) a transfer of the Grantee in a spinoff; (c) death; or (d) total and permanent disability as determined by the Compensation Committee ("Disability"), then the vesting requirements on a fraction of Grantee's RSUs will be deemed to have been fulfilled. With respect to the Time-Based RSUs, the vested portion shall be calculated as follows: the number of Time-Based RSUs granted multiplied by a fraction, the numerator of which is the number of full calendar months that elapsed in the Service Period prior to the death, Disability, retirement or transfer in a spinoff of the Grantee and the denominator of which is the total number of full calendar months in the Service Period. With respect to the Performance-Based RSUs, the vested portion shall be calculated as follows: the number of Performance-Based RSUs that would have vested in accordance with Section 3(b) had Grantee remained a director through the Service Period, multiplied by a fraction, the numerator of which is the number of full calendar months that elapsed in the Service Period prior to the death, Disability, retirement or transfer in a spinoff of the Grantee and the denominator of which is the total number of full calendar months in the Service Period. Shares underlying all Time-Based RSUs that vest in accordance with the terms of this Section 5 shall be issued as soon as practicable following such vesting and Performance-Based RSUs that vest in accordance with the terms of this Section 5 shall be issued as soon as practicable following the Performance Vesting Date. Any remaining RSUs which have not vested as provided in this Section 5 shall be forfeited.

6. Termination. If the Grantee ceases to be a director of the Corporation prior to the expiration of the Service Period for any reason other than as described in Section 5 above, any RSUs that have not yet vested at the date of termination shall automatically be forfeited.

7. Change of Control. In the event of a Change of Control, Grantee's outstanding RSUs will be deemed to have vested and any shares underlying such RSUs not previously issued shall be issued within ten days after the Change of Control. For purposes of clarification, in such a situation, all Time-Based RSUs will vest, and Performance-Based RSUs will vest at the target levels as described in Exhibit A hereto. A "Change of Control" shall be deemed to have taken place if (i) any Person (as defined below) other than an entity in the Company Group or an employee benefit plan of the Company Group (or any Person organized, appointed or established by the Company Group for or pursuant to the terms of any such employee benefit plan), together with all affiliates and associates of such Person, becomes the beneficial owner in the aggregate of 25% or more of the common stock of the Corporation then outstanding, or (ii) during any twenty-four month period, individuals who at the beginning of such period constituted the Board of Directors of the Corporation or The Bryn Mawr Trust Company (the "Bank") cease, for any reason, to constitute a majority thereof, unless the election, or the nomination for election by the Corporation or the Bank's shareholders, as the case may be, of each director who was not a director at the beginning of such period was approved by a vote of at least two-thirds of the directors in office at the time of such election or nomination, who were directors at the beginning of such period.

8. Non-Interference and Non-Solicitation.

a. For a period of twenty-four (24) months following the date Grantee ceases to be a director of the Corporation for any reason, whether voluntarily or involuntarily (the "Separation Date"), Grantee agrees not to disrupt, damage, impair or interfere with the business of the Company Group in any manner, including without limitation, by: (a) employing, engaging or soliciting any employee of the Company Group; (b) inducing or attempting to influence an employee to leave the employ of the Company Group; (c) adversely influencing or altering the relationship of any person, firm, corporation, partnership, association or other entity ("Person") with the Company Group, whether such Person is an employee, customer, client or otherwise; or (d) directly or indirectly, individually or for any other, calling on, engaging in business with, soliciting, inducing, or attempting to solicit or induce, any Person who has been a customer, client or business referral source of the Company Group, or who has been solicited as a potential customer, client or business referral source of the Company Group, during the two (2) year period preceding the Separation Date to (x) cease doing business in whole or in part with or through the Company Group or (y) do business with any other Person which performs services or offers products materially similar to or competitive with those provided by the Company Group.

b. Grantee shall maintain Confidential Information (as defined in Section 4(b)) in the strictest of confidence, shall not disclose Confidential Information to any person outside of the Company Group, and shall not use, reproduce, disseminate, or take any other action with respect to Confidential Information other than in connection with Grantee's provision of services as a director of the Corporation and for the benefit of the Company Group. Grantee shall not remove Confidential Information from Company Group premises unless necessary in connection with the performance of Grantee's service, and in such event, such Confidential Information shall be returned or destroyed immediately upon cessation of Grantee's service with the Company Group. The obligations of Grantee under this Section 8(b) shall apply during Grantee's provision of services and following termination of Grantee's provision of services, and shall survive in perpetuity.

c. Grantee acknowledges and agrees that the restrictions contained in this Section 8 are reasonable and necessary in order to protect the legitimate interests of the Company Group and that any violation thereof would result in irreparable injury to the Company Group. Consequently, Grantee acknowledges and agrees that, in the event of any violation thereof, the Company Group shall be authorized and entitled, without the necessity of posting a bond or other form of security, to obtain from any court of competent jurisdiction injunctive and equitable relief, as well as an equitable accounting of all profits and benefits arising out of such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Company Group may be entitled at law or in equity (including the rights of forfeiture set forth in Section 4 hereof) and, in the event the Company Group is required to enforce the terms of this Agreement through court proceedings, the Company Group shall be entitled to reimbursement of all legal fees, costs and expenses incident to enforcement of any such term, in whole or in part and/or such term as may be modified by a court of competent jurisdiction.

d. The provisions of this Section 8 are in addition to, and in no way decrease, limit, or affect the applicability of or relief available to the Corporation under Section 4.

e. If any court of competent jurisdiction construes any of the restrictive covenants set forth in this Section 8, or any part thereof, to be unenforceable because of the duration, scope or geographic area covered thereby, such court shall have the power to reduce the duration, scope or geographic area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced.

9. Change Adjustments. The Compensation Committee shall make appropriate adjustments to give effect to adjustments made in the number of shares of the Corporation's common stock through a merger, consolidation, recapitalization, reclassification, combination, spinoff, common stock dividend, stock split or other relevant change as the Compensation Committee deems appropriate to prevent dilution or enlargement of the rights of the Grantee. Any adjustments or substitutions pursuant to this section shall meet the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and shall be final and binding upon the Grantee.

10. Compliance with Law and Regulations. The grant of RSUs and the issuance of shares underlying vested RSUs shall be subject to all applicable federal and state laws, the rules and regulations and to such approvals by any government or regulatory agency as may be required. The Corporation shall not be required to register any securities pursuant to the Securities Act of 1933, as amended, or to list such shares under the stock market or exchange on which the common stock of the Corporation may then be listed, or to take any other affirmative action in order to cause the issuance or delivery of shares underlying vested RSUs to comply with any law or regulation of any governmental authority.

11. Notice. Any notice which either party hereto may be required or permitted to give to the other shall be in writing, and may be delivered personally or by mail, postage prepaid, addressed as follows: to the Corporation, Attention: Corporate Secretary, at its office at 801 Lancaster Avenue, Bryn Mawr, PA 19010 or to the Grantee at her/his address on the records of the Corporation or at such other addresses as the Corporation, or Grantee, may designate in writing from time to time to the other party hereto.

12. Incorporation by Reference. This Restricted Stock Unit Award is granted pursuant and subject to the terms and conditions of the Plan, the provisions of which are incorporated herein by reference. If any provision of this Agreement conflicts with any provision of the Plan in effect on the Date of Grant, the terms of the Plan shall control. This Agreement shall not be modified after the Date of Grant except by written agreement between the Corporation and the Grantee; provided, however, that such modification shall (a) not be inconsistent with the Plan, and (b) be approved by the Committee.

13. Reformation; Severability. If any provision of this Agreement shall hereafter be held to be invalid, unenforceable or illegal, in whole or in part, by a court of competent jurisdiction under any circumstances for any reason, (i) such provision shall be reformed to the minimum extent necessary to cause such provision to be valid, enforceable and legal while preserving the intent of the parties as expressed in, and the benefits of the parties provided by, this Agreement or (ii) if such provision cannot be so reformed, such provision shall be severed from this Agreement or the Notice and an equitable adjustment shall be made to this Agreement (including, without limitation, addition of necessary further provisions) so as to give effect to the intent as so expressed and the benefits so provided. Such holding shall not affect or impair the validity, enforceability or legality of such provision in any other jurisdiction or under any other circumstances. Neither such holding nor such reformation or severance shall affect the legality, validity or enforceability of any other provision of this Agreement.

14. Compliance with Internal Revenue Code Section 409A. It is the intention of the parties that the RSUs and the Agreement comply with the provisions of Section 409A of the Code to the extent, if any, that such provisions are applicable to the Agreement and the Agreement will be administered by the Compensation Committee in a manner consistent with this intent. If any payments or benefits may be subject to taxation under Section 409A of the Code, Grantee agrees that the Compensation Committee may, without the consent of Grantee, modify this Agreement to the extent and in the manner that the Compensation Committee deems necessary or advisable or take any other action or actions, including an amendment or action with retroactive effect that the Compensation Committee determines is necessary or appropriate to exempt any

payments or benefits from the application of Section 409A or to provide such payments or benefits in the manner that complies with the provisions of Section 409A such that they will not be taxable thereunder.

15. Choice of Law. The provisions of this Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to any conflict of law provision that would apply the law of another jurisdiction.

16. Interpretation. The interpretation and construction or any terms or conditions of the Plan or this Agreement by the Compensation Committee shall be final and conclusive.

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by a duly authorized officer, and the Grantee has hereunto set his/her hand and seal, effective as of the Date of Grant set forth above.

BRYN MAWR BANK CORPORATION

By: ______________________________

Name: Michael W. Harrington

Title: Chief Financial Officer

____

(Signature of Grantee)

____

(Print Name of Grantee)

____

(Address of Grantee)

EXHIBIT A

TO RESTRICTED STOCK UNIT AGREEMENT DATED AS OF [_______], 2019

All of the terms and conditions of the Restricted Stock Unit Agreement dated as of [_________], 2019, ("Agreement"), to which this Exhibit is attached are incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

Name of Grantee: [__]

1. Target Number of Performance-Vested Restricted Stock Units subject to vesting based on Total Shareholder Return ("TSR"): ____[__] ______________

2. Target Number of Performance-Vested Restricted Stock Units subject to vesting based on Return on Average Equity ("ROAE"): _________[__]________

3. Performance Goals: Except as otherwise set forth in the Award Agreement, the number of RSUs (rounded down to the nearest whole number of RSUs) that become nonforfeitable with respect to the Performance Period in accordance with the terms of the Award Agreement will be based on the Company's relative TSR and ROAE Percentile Rank (as defined below) compared to the Peer Group (as defined below) in respect of the relevant Performance Period, as set forth in the chart below. Notwithstanding anything herein to the contrary, in the event of a Change of Control, the number of RSUs that vest shall be the greater of (i) 100% of target and (ii) the percent of target that would have been achieved based on actual TSR and ROAE Percentile Ranks calculated in accordance with the terms of this Exhibit A.

TSR Percentile Rank[1,2]	**Less than 25%**	**25%**	**50%**	**75% or Greater**
ROAE Percentile Rank[1]	**Less than 25%**	**25%**	**50%**	**75% or Greater**
Number of RSUs Vesting	0 RSUs	0% of target	100% of target	150% of target

[1] If the applicable TSR or ROAE Percentile Rank is greater than 25% and less than 75% with respect to the relevant Performance Period, the number of RSUs that shall vest shall be prorated based on the actual level of performance achieved. For example, performance at the 37.5th percentile (halfway between the threshold of 25th percentile and the max of 50th percentile) for both metrics would result in 50% of target RSUs vesting (halfway between 0% at threshold and 100% at target).

[2] Provided however, if the Corporation's TSR over the Performance Period is negative, no more than 100% of the target number of RSUs subject to TSR will vest.

4. For purposes of this Exhibit A, the following terms shall have the respective meanings set forth below:

a. "Peer Group" means the following financial institutions:

Company Name	**Ticker**

(1) Notwithstanding the foregoing, if at any time prior to the expiration of the Performance Period a member of the Peer Group ceases to be a domestically domiciled publicly traded company on a national stock exchange or market system; or has gone private; or has reincorporated in a foreign (e.g., non-U.S.) jurisdiction, regardless of whether it is a reporting company in that or another jurisdiction; or has been acquired by another company (whether by a peer company or otherwise, but not including internal reorganizations), or has sold all or substantially all of its assets, then such member shall be immediately removed from the Peer Group.

b. “Performance Period” means (i) for measurement of ROAE, the 12-quarter period beginning [____], 2019 and ending [____]; and (i) for measurement of TSR, the 3-year period beginning [_____], 2019 and ending [__], 2022.

c. “ROAE” means (a) net income applicable to the common shareholders of a company during the Performance Period, divided by (b) that company’s average common shareholders’ equity during the Performance Period (as reported in the company’s annual or quarterly report for the applicable fiscal period end) subject to adjustments for certain extraordinary or special items, in the form and manner determined in the Committee’s sole discretion and if permitted by the IRS regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended, relating to the “pre-established performance goal” rules, for any: change in accounting policy; gain/loss on disposition of assets or business; charge for goodwill impairment; extraordinary legal/regulatory settlements; extraordinary market conditions; significant currency fluctuations; effects of nature or man-made disasters; hyperinflation; change in statutory tax rates/regulations; charges or costs associated with Board-approved restructurings of the Company, including but not limited to, acquisitions and mergers by the Company; results of discontinued operations held for sale after sale closing; other extraordinary, unusual or infrequently occurring items as determined under U.S. generally accepted accounting principles (“GAAP”).

d. “TSR” means, with respect to any company, the Company’s total shareholder return, which will be calculated by dividing (i) the Closing Average Share Value by (ii) the Opening Average Share Value.

e. “Opening Average Share Value” means the average, over the trading days in the Opening Average Period, of the closing price of a company’s stock multiplied by the Accumulated Shares for each trading day during the Opening Average Period.

f. “Opening Average Period” means the 20 trading days preceding [__], 2019.

g. “Accumulated Shares” means, solely for purposes of the calculation of TSR, for a given trading day, the sum of (i) one (1) share and (ii) a cumulative number of shares of the company’s common stock purchased with the dividends declared on a company’s common stock, assuming same day reinvestment of the dividends in the common stock of a company at the closing price on the ex-dividend date, for ex-dividend dates between the start of the Opening Average Period and the trading day.

h. “Closing Average Share Value” means the average, over the trading days in the Closing Average Period, of the closing price of the company’s stock multiplied by the Accumulated Shares for each trading day during the Closing Average Period.

i. “Closing Average Period” means (i) in the absence of a Change of Control, the 20 trading days preceding [__], 2022; or (ii) in the case of a Change of Control, the trading days during the period beginning thirty (30) calendar days prior to the Change of Control and ending on the Accelerated End Date.

j. “Accelerated End Date” means the date five (5) calendar days (or such shorter period as may be established by the Compensation Committee in its sole discretion) prior to the Change of Control.

k. “Percentile Rank” means the Company’s relative percentile positioning in respect of the TSR or ROAE, as applicable, of the other members of the Peer Group.

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Section 4: EX-10.3 (EXHIBIT 10.3)

Pay Continuation Plan for Employees Participating in the
BMT 2019 Years of Service Incentive Program - Executive Tier

(Effective March 20, 2019)

Contents

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Article 1. Introduction

1.1 Establishment of the Plan

The Plan is effective as of March 18, 2019, and is designed to provide certain Eligible Employees who voluntarily terminate their employment with BMT for qualifying reasons with Pay Continuation Benefits that will be paid based on the Employee's complete years of service with BMT.

1.2 Status of the Plan

The Plan is intended to provide a severance or separation pay benefit and is intended to constitute an "employee welfare benefit plan" under ERISA section 3(1). The provisions of this Plan are effective for Eligible Employees who become eligible for Pay Continuation Benefits on or after March 18, 2019 but no later than June 30, 2020.

Article 2. Definitions

2.1 Affiliate

"Affiliate" means:

(a) Any entity or organization that, together with BMT, is part of a controlled group of corporations, within the meaning of Code section 414(b);

(b) Any trade or business that, together with BMT, is under common control, within the meaning of Code section 414(c); and

(c) Any entity or organization that is required to be aggregated with BMT, pursuant to Code section 414(m) or 414(o).

An entity shall be an Affiliate only during the period when the entity has the required relationship, under this Section 2.1, with BMT.

2.2 Annual Base Salary

"Annual Base Salary" means an Eligible Employee's gross, base annual rate of pay or salary, excluding overtime, bonuses, commissions, premium pay, shift differentials, employer-paid employee benefits, expense reimbursements, and similar amounts. If the Employee is paid by the hour, Annual Base Salary is the Eligible Employee's regular hourly rate multiplied by his or her regularly scheduled hours per year.

2.3 Base Pay

"Base Pay" means for an Eligible Employee's gross, base weekly salary, excluding overtime, bonuses, commissions, premium pay, shift differentials, employer-paid employee benefits,

expense reimbursements, and similar amounts, as of March 18, 2019.

2.4 BMT

"BMT" means only Bryn Mawr Bank Corporation, The Bryn Mawr Trust Company, Lau Associates, LLC, and BMT Insurance Advisors, Inc., and excludes all Affiliates and any U.S. Subsidiary except as expressly listed in this Section 2.4.

2.5 Board

"Board" means the Board of Directors of Bryn Mawr Bank Corporation.

2.6 Code

"Code" means the Internal Revenue Code of 1986, as amended.

2.7 Disability

"Disability" means a total physical or mental condition which, in the opinion of the Committee, causes an Eligible Employee to be totally and presumably permanently disabled, due to sickness or injury, so as to be completely and presumably permanently unable to perform the regular full-time active, essential and usual duties of his or her employment.

2.8 Effective Date

"Effective Date" means March 18, 2019. Unless the Plan is modified to extend its duration, the Plan shall expire at 11:59pm on December 31, 2021.

2.9 Eligible Employee

"Eligible Employee" means a current Employee of BMT who is employed in the position of Executive Vice President and who on or after the Effective Date works at a BMT location in Pennsylvania or Delaware, except for BMT locations in Hershey, Pennsylvania, and is on BMT's active payroll on April 1, 2019, and as of December 31, 2018 had at least 15 years of service with BMT and was age 58 or older. An Employee who works at any BMT New Jersey or Hershey, Pennsylvania location is not an Eligible Employee. Any employee who is currently receiving long-term disability benefits or is on an indefinite personal leave of absence is not an Eligible Employee. Any Employee classified by BMT, in its sole discretion, as being in one or more of the following categories, is not an Eligible Employee:

(a) Any Employee with a currently effective employment agreement or contract (including a letter agreement) providing for severance, notice, change of control, or termination benefits, unless the employee executes a waiver of rights under the agreement or contract in a form approved by BMT;

(b) Any Employee absent from work on an indefinite unpaid leave of absence for any reason and expected to exceed 90 days, unless eligibility is required by applicable federal or state law or BMT notifies the individual in writing, after the leave of absence is approved, that he or she is eligible for benefits under this Plan; or

(c) Any Employee who abandons his or her position, or resigns before the Termination of Employment.

2.10 Employee

"Employee" means an individual classified by BMT as a regular employee on the active U.S. payroll, who is employed by BMT on a full-time basis.

2.11 ERISA

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.12 Gross Cause

"Gross Cause" means (i) the Employee's engagement in gross negligence or misconduct that is materially injurious to BMT, monetarily or otherwise, or any of its parents, subsidiaries or affiliates (collectively, the "Company Group"), its/their reputation, products, services or customers; or (ii) the Employee's commission of a crime involving moral turpitude or dishonesty, or plea of *nolo contendere* or guilty with respect to or conviction of a crime involving moral turpitude or dishonesty, or any felony relating to the Employee's BMT employment; or (iii) any misappropriation of BMT or customer funds by the Employee; or (iv) the Employee's use, possession or distribution of, or being under the influence of, drugs or alcohol during working time or work-related activities or in a manner that is injurious to the reputation of BMT or any of their subsidiaries; or (v) the Employee's making a general assignment for the benefit of the Employee's creditors of any proceeding seeking to adjudicate the Employee bankrupt or insolvent under any laws relating to bankruptcy or insolvency or an involuntary petition shall be filed against the Employee seeking relief under any law relating to bankruptcy or insolvency which remains undismissed for a period of 60 days or more; or (vi) the Employee's willful violation of the provisions of the Release and failure to cure such violation within 30 days after receipt of written notice of such violation; or (vii) the Company Group's receipt of a notice from any of the governmental agencies that supervise any of them requesting that the Employee be suspended or removed from any position that the Employee then holds with the Company Group; or (viii) a violation of the BMT Code of Ethics, the BMT Code of Personal Conduct, the BMT Employee Handbook, or the BMT Insider Trading Policy to the extent the violation is determined to be material in the sole discretion of BMT.

2.13 Pay Continuation Benefits

"Pay Continuation Benefits" means the Regular Pay Continuation Benefit described in Section 4.1, as applicable.

2.14 Plan

"Plan" means the Pay Continuation Plan for Employees Participating in the BMT 2019 Years of Service Incentive Program - Executive Tier as stated herein and as subsequently amended from time to time.

2.15 Plan Administrator

Except as otherwise provided in the Plan, the BMT 2019 Years of Service Incentive Program – Executive Tier Administrative Committee shall be the Plan Administrator, within the meaning of ERISA section 3(16)(A). The members of the BMT 2019 Years of Service Incentive Program – Executive Tier Administrative Committee shall be appointed by the Board from time to time, shall serve without compensation, and shall normally number three members.

2.16 Plan Year

"Plan Year" means the consecutive 12-month period beginning January 1 and ending December 31.

2.17 Qualifying Termination of Employment

"Qualifying Termination of Employment" means an Eligible Employee's voluntary Termination of Employment on the last day of work with BMT as designated by BMT, as this date may be accelerated, extended or postponed, that, in BMT's sole discretion, qualifies the Eligible Employee for Pay Continuation Benefits so long as the Eligible Employee meets all applicable requirements and conditions to receive Pay Continuation Benefits under the Plan, including Section 3.1.

2.18 Regular Pay Continuation Benefit

"Regular Pay Continuation Benefit" means the benefit payable under Section 4.1 of the Plan.

2.19 Release

"Release" means the executed and delivered irrevocable Separation Agreement and General Release of Claims, in the form prescribed by BMT and as revised from time to time in BMT's sole discretion, from the Employee to BMT, which among other things releases BMT from any and all claims relating to the Employee's employment with BMT, including, but not limited to, unvested retirement and welfare benefits under BMT-sponsored benefit plans, policies and programs.

2.20 Specified Employee

"Specified Employee" means an Eligible Employee qualifying as a "key employee" for purposes of Code section 416(i) (determined without regard to Code section 416(i)(5)) by satisfying any one of the following conditions at any time during the 12-month period ending on each December 31 (the "Identification Date"):

(a) The Eligible Employee is among the top-paid 50 officers of BMT with annual compensation (within the meaning of Code section 415(c)(3)) in excess of $180,000 (for the December 31, 2019 Identification Date) (subject to cost-of-living adjustments in accordance with Code section 416(i)(1));

(b) The Eligible Employee is a five-percent owner; or

(c) The Eligible Employee is a one-percent owner and has annual compensation (within the meaning of Code section 415(c)(3)) in excess of $150,000.

If an individual is a key employee as of an Identification Date, the individual shall be treated as a Specified Employee for the 12-month period beginning on the April 1 following the Identification Date. For the limited purpose of applying the "one-percent" and "five-percent" ownership rules, ownership is determined with respect to the entity for which the Employee provides services. The Code's controlled and affiliated service group rules do not apply when determining an Employee's ownership interests.

Notwithstanding the foregoing, an individual shall not be treated as a Specified Employee unless any stock of BMT or a corporation affiliated with it pursuant to Code section 414(b) or (c) is publicly traded on an established securities market or otherwise.

Notwithstanding the above, BMT may (but is not required to) adopt an alternative method for identifying Specified Employees, provided such method satisfies the requirements set forth at Treasury Regulations section 1.409A-1(i)(5).

2.21 Successor Employer

"Successor Employer" means any unrelated entity that acquires or assumes, including by merger, BMT's facilities, operations or functions formerly carried out by BMT (such as the buyer of a facility or an entity to which a BMT operation or function has been outsourced), or any Affiliate or Subsidiary making an offer of employment at the request of BMT.

2.22 Termination of Employment

"Termination of Employment" means the last day of work and the termination of the employment relationship between the Employee and BMT as designated by BMT in its sole discretion, after which date both the employee and BMT reasonably anticipate that no future services will be performed.

For purposes of this Plan, the term Termination of Employment shall have the same meaning as the term "separation from service" as defined in Treasury Regulation section 1.409A-1(h) and the rules of such Treasury Regulation (and other applicable guidance) will be applied to determine whether an Eligible Employee has a Termination of Employment.

2.23 U.S. Subsidiary

"U.S. Subsidiary" means any domestic entity in an unbroken chain of entities beginning with Bryn Mawr Bank Corporation if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least eighty percent (80%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.24 Years of Service

"Years of Service" means the number of complete years (each year being 365 days) of active paid employment with BMT, counted from an Eligible Employee's date of hire to the date BMT designates for the Eligible Employee's Termination of Employment. Employment with a predecessor entity, Affiliate or U.S. Subsidiary will be included. No credit shall be given for periods of less than a full year.

Article 3. Eligibility for Benefits

3.1 Eligibility for Benefits

(a) Subject to the conditions provided in this Article 3, Pay Continuation Benefits will be payable to each Eligible Employee who:

(1) during the prescribed period applies to participate in, and is approved by BMT to participate in BMT's 2019 Years of Service Incentive Program - Executive Tier, and

(2) does not engage in conduct that constitutes Gross Cause, and

(3) continues to work for BMT until the last day of work as designated by BMT, as this date may be accelerated, extended or postponed.

(b) An otherwise Eligible Employee shall forfeit his or her eligibility for Pay Continuation Benefits unless BMT is satisfied that such Employee has satisfactorily completed all reasonable transition requests made by BMT, including but not limited to informing BMT of the location of business files and returning BMT property to BMT.

(c) An otherwise Eligible Employee will not be eligible for Pay Continuation Benefits if the otherwise Eligible Employee:

(1)Resigns, quits, retires, abandons his or her employment, or otherwise voluntarily terminates employment with BMT;

(2)Terminates employment with BMT after being informed by BMT that he or she has been approved for participation in the BMT 2019 Years of Service Incentive Program - Executive Tier but prior to the date designated by BMT for the Eligible Employee's Termination of Employment.

(3)Dies except as provided by Paragraph 5.2 below;

(4)Incurs a Disability;

(5) Is discharged by BMT for unsatisfactory job performance, Gross Cause, or a material violation of a BMT policy; or

(6) Notified BMT of his or her retirement and has an effective retirement date that is prior to April 1, 2019.

3.2 Release

No Pay Continuation Benefits will be provided under this Plan to an Eligible Employee unless such Eligible Employee executes and delivers to BMT a Release in accordance with Paragraph 2.19 above, and does not revoke the Release within the time period prescribed in the Release. The Release must be satisfactory to BMT in form and substance and must be delivered to BMT, without modifications or deletions, no later than the date prescribed by BMT.

3.3 Discretion as to Eligibility

Notwithstanding the provisions of Article 3 above, BMT retains the unilateral and absolute right and discretion to determine whether one or more Employees will be eligible for Pay Continuation Benefits under this Plan and whether such Employees are otherwise determined to be Eligible Employees for purposes of this Plan.

Article 4. Amount of Benefits

4.1 Regular Pay Continuation Benefit

Subject to the offsets described below in Section 4.3, an Eligible Employee, who becomes eligible for benefits under this Plan in accordance with Article 3, will be paid a Regular Pay Continuation Benefit based on the Eligible Employee’s Years of Service with BMT as of the date of the Eligible Employee’s Qualifying Termination of Employment. The Regular Pay Continuation Benefit is payable in installments consistent with BMT’s payroll processing schedule and will commence as soon as administratively practicable after the Employee’s Qualifying Termination of Employment, subject to the provisions of Article 5.1(a) below. The formula generally used to calculate the Regular Pay Continuation Benefit for Eligible Employees is as follows: five weeks of Base Pay for each complete Year of Service measured up to the date BMT designates for the Eligible Employee’s Termination of Employment, subject to a maximum Regular Pay Continuation Benefit of 100 weeks of Base Pay.

4.2 Discretion as to Amount of Benefit

Notwithstanding the provisions of Section 4.1, BMT retains the unilateral and absolute right to determine what, if any, Regular Pay Continuation Benefit, as applicable, will be paid. The provisions of this Section 4.2 shall not be applied if doing so would trigger an excise tax under Code section 409A(a)(1)(B).

4.3 Offsets

If an Eligible Employee becomes entitled to severance benefits under any other severance or salary or pay continuation plan, program or agreement maintained by BMT (including any Successor Employer or other successor in interest to BMT, but excluding any benefit payable under this Plan) as a result of a Termination of Employment and BMT determines that the Eligible Employee is eligible to receive benefits under this Plan, the Regular Pay Continuation Benefit payable under this Plan will be reduced by the severance benefits otherwise payable to the Eligible Employee under these other severance plans, programs, or agreements to the extent that making such a reduction will not trigger an excise tax under Code section 409A(a)(1)(B). Additionally, severance and other additional benefits available under this Plan are not intended to duplicate workers' compensation wage replacement benefits, disability benefits, pay-in-lieu-of-notice, severance pay, or similar payments or benefits under other benefit plans, severance programs, employment contracts, or applicable laws, such as the WARN act. Any such benefits to be paid under this Plan will be reduced dollar for dollar by any such similar benefits required to be paid outside of the Plan as described in the immediately preceding sentence to the extent that making such a reduction will not trigger an excise tax under Code section 409A(a)(1)(B). If as of the Termination of Employment the Eligible Employee has used more paid time off than was accrued under BMT policy, the Regular Pay Continuation Benefit shall be adjusted by offsetting the paid time off that the Eligible Employee used but had not yet accrued.

Article 5. Benefits

5.1 Timing

(a) Subject to this Article 5, an Eligible Employee's Regular Pay Continuation Benefit is payable in installments consistent with BMT's payroll processing schedule, commencing as soon as administratively practicable after the Employee's Qualifying Termination of Employment, but only after the latest of all of the following has occurred:

(1) The Termination of Employment of the Eligible Employee; and

(2) The Eligible Employee's Release has been executed, without modifications or deletions, and has been returned to BMT, and has become irrevocable and enforceable within the maximum time period for execution and revocation of the Release (as provided in the Release).

(b) All benefits payable pursuant to the terms of this Plan, including, for example, the Regular Pay Continuation Benefit, will be paid before the end of the second Plan Year following the Plan Year in which the Qualifying Termination of Employment occurs. The intent of this provision is to satisfy the requirements for an exemption for certain separation pay plans as specified under Treasury Regulation section 1.409A-1(b)(9) such that any benefit payable under this Plan, to the extent applicable, will not be treated as deferred compensation under Code section 409A.

(c) If an Eligible Employee is a Specified Employee, payment of the Eligible Employee's Pay Continuation Benefits, to the extent not otherwise exempt from Code section 409A, will not commence prior to the first day of the month following the six-month anniversary of the Eligible Employee's Termination of Employment. If a portion of the Eligible Employee's Pay Continuation Benefits are subject to this Code section 409A restriction, that portion of the Pay Continuation Benefits will be paid in a lump sum as soon as administratively practicable after the expiration of the six-month period described herein.

5.2 Death of Otherwise Eligible Employee

Payment of the Regular Pay Continuation Benefit will be made to a deceased Eligible Employee who is otherwise eligible to receive a Regular Pay Continuation Benefit but did not execute and return a Release provided that the deceased Eligible Employee's Estate representative has the power to execute and executes the Release without modifications or deletions, in which case the Regular Pay Continuation Benefit shall be paid to the Eligible Employee's Estate in accordance with Section 5.1(a) above.

5.3 Health Benefits

To the extent BMT is required to offer health care continuation coverage in a manner consistent with the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") or other applicable state law, the Eligible Employee will have the opportunity after Termination of Employment and after receipt of Regular Pay Continuation Benefits to continue his or her participation in BMT-sponsored health insurance programs in which the Eligible Employee was enrolled, at the Employee's cost.

Article 6. Cost of the Plan

6.1 Plan Costs

All costs of the Plan, including all administrative costs, will be borne by BMT.

Nothing in the establishment of this Plan is to be construed as requiring BMT to create or maintain any separate fund, account or reserve to provide for the payment of BMT's obligations under the Plan. All benefits under the Plan shall be paid from the general assets of BMT, or from a grantor trust established for the purpose of making such payments.

Article 7. Reemployment

7.1 Reemployment of Eligible Employee

If an Eligible Employee is reemployed by BMT or a Successor Employer (or provides services to BMT or a Successor Employer as an independent contractor) while Pay Continuation Benefits are still payable under the Plan, then all remaining Pay Continuation Benefits will cease, except as otherwise specified by BMT, in its sole discretion. A rehired Eligible Employee who received some or all of the Pay Continuation Benefits shall be entitled to retain such benefits already paid. In the event the rehired Eligible Employee experiences a Termination of Employment in the future, then his or her eligibility for a benefit under this Plan shall be determined without regard to the complete Years of Service used in calculating any benefit he or she received under this Plan.

Article 8. Amendment or Termination

8.1 Amendment or Termination

(a) BMT, acting through its Board or an appropriate officer, has the right, in its non-fiduciary settlor capacity, to amend or to terminate the Plan at any time, prospectively or retroactively, for any reason, without notice, including the right to discontinue or eliminate benefits.

(b) BMT shall amend the Plan by action of any of its officers. An officer of BMT shall execute the amendment, evidencing the adoption of such amendment.

Article 9. Plan Administration

9.1 Plan Administrator

(a) The BMT 2019 Years of Service Incentive Program – Executive Tier Administrative Committee shall be the administrator of the Plan ("Plan Administrator"), within the meaning of ERISA section 3(16)(A). A quorum of two members of the Committee is required for a determination with respect to administration of the Plan. Assuming a quorum, the members of the BMT 2019 Years of Service Incentive Program – Executive Tier Administrative Committee shall act by majority vote.

9.2 Operation of the Plan Administrator

(a) All resolutions, proceedings, acts, and determinations of the Plan Administrator, with respect to the administration of the Plan, shall be recorded and one member of the BMT 2019 Years of Service Incentive Program – Executive Tier Administrative Committee shall be designated as recording secretary; all such records, together with such documents and instruments as may be necessary for the administration of the Plan, shall be preserved by the Plan Administrator.

(b) Subject to the limitations contained in this Plan, the Plan Administrator shall be empowered from time to time, in its discretion, to establish rules for the exercise of the duties imposed upon the Plan Administrator under the Plan.

9.3 Agents

(a) The Board, BMT, or the Plan Administrator may delegate such of its powers and duties as it deems desirable to any person, in which case every reference herein made to the Board, BMT, or the Plan Administrator (as applicable) shall be deemed to mean or include the delegated persons as to matters within their jurisdiction.

(b) The Board, BMT, or the Plan Administrator may also appoint one or more persons or agents to aid it in carrying out its duties and delegate such of its powers and duties as it deems desirable to such persons or agents.

(c) The Board, BMT, or the Plan Administrator may employ such counsel, auditors, and other specialists and such clerical and other services as it may require in carrying out the provisions of the Plan, with the expenses therefore paid, as provided in Section 9.4.

9.4 Compensation and Expenses

(a) All expenses of administering the Plan shall be paid by BMT.

9.5 Plan Administrator's Powers and Duties

The Plan Administrator shall have such powers and duties as may be necessary to discharge its functions hereunder, including the following:

(a) To engage actuaries, attorneys, accountants, appraisers, brokers, consultants, administrators, physicians or other persons and to rely upon the reports, advice, opinions or valuations of any such person except as required by law;

(b) To adopt administrative rules of the Plan that are not inconsistent with the Plan or applicable law and to amend or revoke any such rule;

(c) To construe the Plan and the administrative rules of the Plan;

(d) To determine questions of eligibility of Plan participants and beneficiaries;

(e) To determine entitlement to a benefit and to distributions or other rights of Employees and Eligible Employees;

(f) To make findings of fact as necessary to make any determinations and decisions in the exercise of such discretionary duty, power and responsibility;

(g) To appoint claims and review officials to conduct claims procedures;

(h) To comply with the reporting and disclosure requirements of ERISA and other applicable law with respect to the Plan;

(i) To establish and maintain all Plan documents, provided legal approval has been obtained from BMT's legal counsel; and

(j) To delegate any duty, power or requirements to any person or persons.

9.6 Plan Administrator's Decisions Conclusive; Exclusive Benefit

The Plan Administrator shall have the exclusive right and discretionary authority to interpret the terms and provisions of the Plan and to resolve all questions arising thereunder, including the right to resolve and remedy ambiguities, inconsistencies, or omissions in the Plan, provided, however, that the construction necessary for the Plan to conform to the Code and ERISA shall in all cases control. Benefits under this Plan will be paid only if the Plan Administrator decides in its discretion that the Eligible Employee is entitled to them. Any and all disputes with respect to the Plan that may arise involving Eligible Employees shall be referred to the Plan Administrator, and its decisions shall be final, conclusive, and binding, except to the extent found by a court of competent jurisdiction to constitute an abuse of discretion. All findings of fact, interpretations, determinations, and decisions of the Plan Administrator in respect of any matter or question arising under the Plan shall be final, conclusive, and binding upon all persons, including, without limitation, Employees, and any and all other persons having, or claiming to have, any interest in or under the Plan and shall be given the maximum possible deference allowed by law. The Plan Administrator shall administer the Plan for the exclusive benefit of Eligible Employees.

9.7 Indemnity

(a) BMT (including any Successor Employer, as applicable, including a Successor by merger) shall indemnify and hold harmless each of the following persons ("Indemnified Persons") under the terms and conditions of Section 9.7(b):

(1) The Plan Administrator; and

(2) Each Employee, former Employee, current and former members of the Plan Administrator, or current or former members of the Board who has, or had, responsibility (whether by delegation from another person, an allocation of responsibilities under the terms of this Plan document, or otherwise) for a fiduciary duty, a non-fiduciary settlor function (such as deciding whether to approve a plan amendment), or a non-fiduciary administrative task relating to the Plan.

(b) BMT shall indemnify and hold harmless each Indemnified Person against any and all claims, losses, damages, and expenses, including reasonable attorneys' fees and court costs, incurred by that person on account of his or her good-faith actions or failures to act with respect to his or her responsibilities relating to the Plan. BMT's indemnification shall include payment of any amounts due under a settlement of any lawsuit or investigation, but only if BMT agrees to the settlement.

(1) An Indemnified Person shall be indemnified under this Section 9.7 only if he or she notifies an Appropriate Person (defined below) at BMT of any claim asserted against or any investigation of the Indemnified Person that relates to the Indemnified Person's responsibilities with respect to the Plan.

(A) A person is an "Appropriate Person" to receive notice of the claim or investigation if a reasonable person would believe that the person notified would initiate action to protect the interests of BMT in response to the Indemnified Person's notice.

(B) The notice must be provided in writing. The notice must be provided to the Appropriate Person promptly after the Indemnified Person becomes aware of the claim or investigation. No indemnification shall be provided under this Section 9.7 to the extent that BMT is materially prejudiced by the unreasonable delay of the Indemnified Person in notifying an Appropriate Person of the claim or investigation.

(2) An Indemnified Person shall be indemnified under this Section 9.7 with respect to attorneys' fees, court costs, or other litigation expenses or any settlement of such litigation only if the Indemnified Person agrees to permit BMT to select counsel and to conduct the defense of the lawsuit and agrees not to take any action in the lawsuit that BMT believes would be prejudicial to BMT's interests.

(3) No Indemnified Person, including an Indemnified Person who is a Former Eligible Employee, shall be indemnified under this Section 9.7 unless he or she makes himself or herself reasonably available to assist BMT with respect to the matters in issue and agrees to provide whatever documents, testimony, information, materials, or other forms of assistance that BMT shall reasonably request.

(4)No Indemnified Person shall be indemnified under this Section 9.7 with respect to any action or failure to act that is judicially determined to constitute or be attributable to the gross negligence or willful misconduct of the Indemnified Person.

(5) Payments of any indemnity under this Section 9.7 shall be made only from assets of BMT. The provisions of this Section 9.7 shall not preclude or limit such further indemnities or reimbursement under this Plan as allowable under applicable law, as may be available under insurance purchased by BMT, or as may be provided by BMT under any by-law, agreement or otherwise, provided that no expense shall be indemnified under this Section 9.7 that is otherwise indemnified by BMT, by an insurance contract purchased by BMT, or by this Plan.

9.8 Insurance

BMT may authorize the purchase of insurance to cover any liabilities or losses occurring by reason of the act or omission of any fiduciary. To the extent permitted by law, BMT may purchase insurance covering any fiduciary for any personal liability of such fiduciary with respect to any fiduciary responsibilities under this Plan. Any fiduciary may purchase insurance for his or her own account covering any personal liability under this Plan.

9.9 Fiduciaries

(a) The fiduciaries named in this Plan shall have only those specific powers, duties, responsibilities, and obligations as are specifically given to them under this Plan. BMT shall have the sole responsibility for making the payments specified under the Plan.

(b) The Plan Administrator shall be the named fiduciary under the Plan.

(c) A fiduciary may rely upon any direction, information, or action of another fiduciary as being proper under this Plan and is not required under this Plan to inquire into the propriety of any such direction, information, or action. It is intended under this Plan that each fiduciary shall be responsible for the proper exercise of his, her, or its own powers, duties, responsibilities, and obligations under this Plan and shall not be responsible for any act or failure to act of another fiduciary.

(d) Any person or group of persons may serve in more than one fiduciary capacity, with respect to the Plan. Nothing in this Section 9.9 shall be interpreted as preventing a fiduciary from properly delegating or allocating its responsibilities to other appropriate persons, in accordance with this Plan.

9.10 Notices

Each Eligible Employee shall be responsible for furnishing to BMT his or her current address. The Eligible Employee shall also be responsible for notifying BMT of any change in the above information. If an Eligible Employee does not provide the above information to BMT, the Plan Administrator may rely on the address of record of the Eligible Employee on file with BMT's Human Resources Department.

All notices or other communications from the Plan Administrator to an Eligible Employee, shall be deemed given and binding upon that person for all purposes of the Plan when delivered to, or when mailed first-class mail, postage prepaid, and addressed to that person at his or her address last appearing on the Plan Administrator's records, and the Plan Administrator, and BMT shall not be obliged to search for or ascertain his or her whereabouts.

All notices or other communications from an Employee required or permitted under this Plan shall be provided to the person specified by the Plan Administrator, using such procedures as are prescribed by the Plan Administrator. The Plan Administrator may require that the oral notice or communication be provided by telephoning a specific telephone number and, after calling that telephone number, by following a specified procedure. Any oral notice or oral communication from an Employee that is made in accordance with procedures prescribed by the Plan Administrator shall be deemed to have been duly given when all information requested by the person specified by the Plan Administrator is provided to such person, in accordance with the specified procedures.

9.11 Data

All persons entitled to benefits from the Plan must furnish to the Plan Administrator such documents, evidence, or information, as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan, and it shall be a condition of the Plan that each such person must furnish such information and sign such documents as the Plan Administrator may require (such as the Release) before any benefits become payable from the Plan.

9.12 Claims Procedure

All decisions made under the procedure set out in this Section 9.12 shall be final, and there shall be no further right of appeal. No lawsuit may be initiated by any person before fully pursuing and exhausting the procedures set out in this Section 9.12, including the appeal permitted pursuant to Section 9.12(c).

(a) The right of an Employee or any other person entitled to claim a benefit under the Plan (collectively "Claimants") shall be determined by the Plan Administrator, provided, however, that the Plan Administrator may delegate its responsibility to any person.

(1) The Claimant (or an authorized representative of a Claimant) may file a claim for benefits by written notice to the Plan Administrator. The Plan Administrator shall establish procedures for determining whether a person is authorized to represent a Claimant.

(2) Any claim for benefits under the Plan, pursuant to this Section 9.12, shall be filed with the Plan Administrator no later than 365 days after the date of the Employee's Termination of Employment. The Plan Administrator in its sole discretion shall determine whether this limitation period has been exceeded.

(3) Notwithstanding anything to the contrary in this Plan, the following shall not be a claim for purposes of this Section 9.12:

(A)A request for determination of eligibility, participation, or benefit calculation under the Plan without an accompanying claim for benefits under the Plan. The determination of eligibility, participation, or benefit calculation under the Plan may be necessary to resolve a claim, in which case such determination shall be made in accordance with the claims procedures set forth in this Section 9.12;

(B)Any casual inquiry relating to the Plan, including an inquiry about benefits or the circumstances under which benefits might be paid under the Plan;

(C)A claim that is defective or otherwise fails to follow the procedures of the Plan (*e.g.*, a claim that is addressed to a party other than the Plan Administrator or an oral claim); or

(D)An application or request for benefits under the Plan.

(b) If a claim for benefits is wholly or partially denied, the Plan Administrator shall, within a reasonable period of time, but no later than 90 days after receipt of the claim, notify the Claimant of the denial of benefits. If special circumstances justify extending the period up to an additional 90 days, the Claimant shall be given written notice of this extension within the initial 90-day period, and such notice shall set forth the special circumstances and the date a decision is expected. A notice of denial:

(1) Shall be written in a manner calculated to be understood by the Claimant; and

(2) Shall contain:

(A) The specific reasons for denial of the claim;

(B) Specific reference to the Plan provisions on which the denial is based;

(C) A description of any additional material or information necessary for the Claimant to perfect the claim, along with an explanation as to why such material or information is necessary; and

(D) An explanation of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.

(c) Within 60 days of the receipt by the Claimant of the written denial of his or her claim or, if the claim has not been granted, within a reasonable period of time (which shall not be less than the 90 or 180 days described in Section 9.12(b)), the Claimant (or an authorized representative of a Claimant) may file a written request with the Plan Administrator that it conduct a full review of the denial of the claim. In connection with the Claimant's appeal, upon request, the Claimant may review and obtain copies of all documents, records and other information relevant to the Claimant's claim for benefits (but not including any document, record or information that is subject to any attorney–client or work–product privilege) and may submit issues and comments in writing. Whether a document, record, or other information is relevant to a claim for benefits shall be determined by reference to U.S. Department of Labor regulations codified at 29 C.F.R. Section 2560. The Claimant may submit written comments, documents, records, and other information relating to the claim for benefits. All comments, documents, records, and other information submitted by the Claimant shall be taken into account in the appeal without regard to whether such information was submitted or considered in the initial benefit determination.

(d) The Plan Administrator shall deliver to the Claimant a written decision on the claim promptly, but no later than 60 days after the receipt of the Claimant's request for such review, unless special circumstances exist that justify extending this period up to an additional 60 days. If the period is extended, the Claimant shall be given written notice of this extension during the initial 60-day period and such notice shall set forth the special circumstances and the date a decision is expected. The decision on review of the denial of the claim

(1)Shall be written in a manner calculated to be understood by the Claimant;

(2)Shall include specific reasons for the decision;

(3)Shall contain specific references to the Plan provisions on which the decision is based;

(4)Shall contain a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the Claimant's claim for benefits. Whether a document, record, or other information is relevant to a claim for benefits shall be determined by reference to U.S. Department of Labor regulations codified at 29 C.F.R. Section 2560; and

(5)Shall contain a statement of the Claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.

(e) No lawsuit may be initiated by any person before fully pursuing the procedures set out in this Section 9.12, including the appeal permitted pursuant to Section 9.12(c). In addition, no legal action may be commenced later than 365 days subsequent to the date of the written response of the Plan Administrator to a Claimant's request for review pursuant to Section 9.12(d).

9.13 Effect of a Mistake

In the event of a mistake or misstatement as to the eligibility, participation, or service of any Employee or the amount of payments made or to be made to an Eligible Employee, the Plan Administrator shall, if possible, cause to be withheld or accelerated or otherwise make adjustment of the amounts of payments as will, in its sole judgment, result in the Eligible Employee's receiving the proper amount of payments under the Plan. No withholding or acceleration will be done unless BMT determines that the Pay Continuation Benefits subject to acceleration or other adjustment are treated as being paid from a separation pay arrangement that is exempt from Code section 409A and such acceleration or other adjustment will not trigger an excise tax under Code section 409A(a)(1)(B).

Article 10. Miscellaneous Provisions

10.1 No Enlargement of Employee Rights

This Plan is strictly a voluntary undertaking on the part of BMT and shall not be deemed to constitute a contract between BMT with any Employee or to be consideration for, or an inducement to, or a condition of, the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of BMT or any Affiliate or to interfere with the right of any of them to discharge or retire any person at any time. No one shall have any right to benefits, except to the extent provided in this Plan.

10.2 No Examination or Accounting

Neither this Plan nor any action taken thereunder shall be construed as giving any person the right to an accounting or to examine the books or affairs of BMT, or an Affiliate or a U.S. Subsidiary.

10.3 Records Conclusive

The records of BMT shall be conclusive in respect to all matters involved in the administration of the Plan.

10.4 Code Section 409A

Notwithstanding any provision of this Plan to the contrary, the Plan Administrator shall administer this Plan in a manner designed to comply with Code section 409A and the Plan Administrator shall disregard any Plan provision if the Plan Administrator determines that application of such Plan provision would subject the Eligible Employee to additional tax liability under Code section 409A(a)(1)(B).

10.5 Service of Legal Process

The General Counsel of BMT is hereby designated as agent(s) of the Plan for the purpose of receiving legal process.

10.6 Governing Law

(a) The Plan shall be construed, administered, and governed in all respects under the applicable laws of the Commonwealth of Pennsylvania, except to the extent pre-empted by federal law.

(b) Upon any change in the law or other determination that any term, condition or other provision of the Plan has been altered in any way, the Plan Administrator shall administer this Plan in accordance with such change, notwithstanding the terms of the Plan pending an amendment to this Plan.

10.7 Severability

If any provision of this Plan is held illegal or invalid for any reason, such illegality or invalidity will not affect the remaining provisions; instead, each provision is fully severable, and the Plan will be construed and enforced as if any illegal or invalid provision had never been included.

10.8 Missing Persons

The Plan Administrator shall establish rules if the Plan Administrator is unable to make payment of a benefit due under the terms of the Plan to an Eligible Employee because the whereabouts of the Eligible Employee cannot be ascertained.

10.9 Facility of Payment

Every person receiving or claiming benefits under this Plan is presumed to be mentally competent and of age until the date on which the Plan Administrator receives a written notice, in a form and manner acceptable to it, that such person is mentally incompetent or a minor, and that a guardian or other person legally vested with the care of such person or his or her estate has been appointed.

However, if the Plan Administrator should find that any person to whom a benefit is payable under this Plan is unable to care for his or her affairs because of any incompetency or is a minor, any payment due (unless a prior claim was made by a duly appointed legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any other person or institution that the Plan Administrator determines to have incurred expense for such person otherwise entitled to payment. To the extent permitted by law, any such payment so made shall be a complete discharge of any liability therefore under the Plan.

If a guardian of the estate or other person legally vested with the care of the estate of any person receiving or claiming benefits under the Plan is appointed by a court of competent jurisdiction, payments shall be made to such guardian or other person provided that proper proof of appointment and continuing qualification is furnished in a form and manner suitable to the Plan Administrator. To the extent permitted by law, such guardian or other person may act for the Eligible Employee and make any election required of or permitted by the Eligible Employee under this Plan, and such action or election shall be deemed to have been done by the Eligible Employee, and benefit payments may be made to such guardian or other person and any such payment shall be a complete discharge of any such liability under the Plan.

If an Eligible Employee dies while benefits remain unpaid, the Plan Administrator may, at its discretion, make direct payment to the lawfully appointed representative of the Eligible Employee's estate.

10.10 General Restrictions Against Alienation

The interest of any Eligible Employee under this Plan shall not in any event be subject to sale, assignment, or transfer, and each Eligible Employee is hereby prohibited from anticipating, encumbering, assigning, or in any manner alienating his or her interest hereunder and is without power to do so; provided, however, this provision shall not restrict the power or authority of the Plan Administrator, in accordance with the applicable provisions of the Plan, to disburse funds to the legally appointed guardian, executor, administrator, or personal representative of any Eligible Employee or pursuant to a valid domestic relations order certified and issued by a court of competent jurisdiction. If any person attempts to take any action contrary to this Section 10.10, such action shall be void, and BMT may disregard such action and is not in any manner bound thereby, and it shall suffer no liability for any such disregard thereof. If the Plan Administrator is notified that any Eligible Employee has been adjudicated bankrupt or has purported to anticipate, sell, transfer, assign, or encumber any Plan distribution or payment, voluntarily or involuntarily, the Plan Administrator shall hold or apply such distribution or payment or any part thereof to, or for the benefit of, such Eligible Employee in such manner as the Plan Administrator finds appropriate.

10.11 Gender and Number

Except as otherwise indicated by the context, any masculine or feminine terminology shall also include the opposite gender, and the definition of any term in the singular or plural shall also include the opposite number.

10.12 Counterparts

This Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All the counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

10.13 Withholding

BMT may withhold, or require the withholding, from any payment that is made under this Plan of any federal, state, or local taxes required by law to be withheld with respect to such payment. If BMT (or other person required by law to withhold a portion of a payment) is unable to withhold the full amount required to be withheld, the Eligible Employee shall make a cash payment to BMT of the difference between the amount required to be withheld and the amount that BMT was able to withhold. If the Eligible Employee does not make a cash payment to BMT of the amount set forth above, then BMT may withhold from any other amounts payable to the Eligible Employee by BMT the additional amount that is required to be withheld with respect to any benefit under this Plan.

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Section 5: EX-10.4 (EXHIBIT 10.4)

TEMPLATE SEPARATION AGREEMENT AND RELEASE OF CLAIMS

BMT 2019 YEARS OF SERVICE INCENTIVE PROGRAM – EXECUTIVE TIER

FOR THIS AGREEMENT TO BE EFFECTIVE, YOU MUST SIGN AND RETURN IT TO NICOLA FRYER WITHIN 45 DAYS OF RECEIPT WITHOUT MODIFICATIONS OR DELETIONS.

Date: **________, 2019**

To: **[Employee Name]**
From: **Nicola Fryer, Human Resources**
Subject: **VOLUNTARY SEPARATION AGREEMENT AND RELEASE OF CLAIMS**

This Separation Agreement and General Release of Claims ("Agreement") confirms our understanding that you have applied to participate in the 2019 Years of Service Incentive Program – Executive Tier ("Program") and [Bank/Trust Employer Name] ("BMT") has accepted your application, and outlines the Program benefits you will receive after your Designated Last Day of Work as part of the Program, upon your execution and return of this Agreement, without modifications or deletions, within the allowed time.

Please review this Agreement carefully, and you may consult with an attorney of your choosing. Your signing of this Agreement also constitutes an acknowledgment by you that BMT is providing to you adequate and valuable consideration for your promises in this Agreement, to which you are not otherwise entitled, and you intend to be legally bound by this Agreement.

1. Acceptance of Offer to Terminate Employment; Last Date of Employment. Based on your personal circumstances you have applied for the Program. BMT accepts your application to participate in the Program and terminate your employment voluntarily, and agrees to provide you with the benefits outlined below, subject to the terms and conditions of this Agreement. Your employment with BMT will terminate on **[date]**, 2019 ("Designated Last Day of Work") and this will be a permanent termination. In addition to the Program benefits specified in Attachment A (the "Program Separation Benefits"), BMT will pay you for paid time off ("PTO") that you have accrued but not used in accordance with BMT policy and applicable law as of your Designated Last Day of Work. If you use more PTO than you have accrued as of your last day of work, the overage will be deducted from your pay continuation benefit described in Attachment A of this Agreement.

2. Program Separation Benefits. In exchange for your signing, delivering and not revoking this Agreement, including the General Release (set forth in Paragraph 6 below) and all of the other promises and covenants contained herein, BMT agrees to provide you with the Program Separation Benefits described in Attachment A.

3. <u>Forfeiture of Program Separation Benefits.</u> All Program Separation Benefits for which you are eligible under this Agreement are subject to forfeiture in the event you engage in Gross Cause after you are approved for the Program, even if BMT does not discover the facts constituting Gross Cause until after your Designated Last Day of Work. BMT reserves sole discretion to decide which Program Separation Benefits will be forfeited, based on all the circumstances. For purposes of this Agreement, "Gross Cause" is defined as follows: (i) willful misconduct damaging to BMT or any of its parents, subsidiaries or affiliates (collectively, the "<u>Company Group</u>"), its/their reputation, products, services or customers, (ii) your engagement in gross negligence or misconduct that is materially injurious to the Company Group, monetarily or otherwise; (iii) your commission of a crime involving moral turpitude or dishonesty, or your plea of nolo contendere or guilty with respect to or conviction of a crime involving moral turpitude or dishonesty, or any felony relating to your BMT employment; (iv) any misappropriation of BMT or customer funds by you; (v) your willful violation of the provisions of this Agreement and your failure to cure such violation within 30 days after receipt of written notice of such violation; (vi) the receipt of a request by the Company Group, of a notice from any of the governmental agencies that supervise any of them, that you be suspended or removed from any position that you then hold with the Company Group as defined in Paragraph 7(a) below; or (vii) a violation of the BMT Code of Ethics, the BMT Code of Personal Conduct, the BMT Employee Handbook, or the BMT Insider Trading Policy to the extent the violation is determined to be material in the sole discretion of BMT.

4. <u>No Additional Amounts Due.</u> You acknowledge that other than payments and benefits set forth in this Agreement, including Attachment A, and any vested benefits under any BMT-sponsored plans, BMT does not owe you any additional amounts for anything.

5. <u>Cooperation and Handling Work Responsibilities.</u> BMT's obligation to provide the benefits detailed in Attachment A is contingent upon your performing your assigned duties in a professional manner and cooperating fully and assisting with the orderly and appropriate transition of your work duties, and otherwise conducting yourself in a professional, cooperative and responsible manner up to and including your Designated Last Day of Work.

6. <u>General Release of Claims Against BMT.</u>

a. In consideration for all of BMT's promises in this Agreement, including but not limited to the Program Separation Benefits described in Attachment A to this Agreement, you, for yourself, your agents, executors, successors, heirs and assigns (all of whom are hereinafter individually and collectively referred to as "<u>Releasors</u>"), do hereby release, remise and forever discharge [Bank/Trust Employer name], The Bryn Mawr Trust Company and Bryn Mawr Bank Corporation, and each of their respective and collective parents, subsidiaries, affiliates, related entities, predecessors, successors, assigns, and each of their respective and collective current and former agents, servants, shareholders, employees, officers, directors, executives, members, trustees, representatives, attorneys, investors and insurers, and each of their respective and collective heirs, successors, executors and administrators, and all persons acting by, through, under and/or in concert with any of them (all of whom are hereinafter individually and collectively referred to as "<u>Releasees</u>") of and from any and all claims, demands, causes of action, actions, rights, damages, judgments, costs, compensation, suits, debts, dues, accounts, bonds, covenants, agreements, expenses, attorneys' fees, damages, penalties, punitive damages and liability of any nature whatsoever, in law or in equity or otherwise (collectively, the "<u>Claims</u>"), which Releasors have had, now have, shall or may have, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, by reason of any cause, matter or thing whatsoever, from the beginning of the time up to and including the date that you sign this Agreement.

b. You acknowledge and agree that by agreeing to this global and general release ("General Release") of Claims, you are giving up all Claims against Releasees, including but not limited to, those relating to or arising out of your employment or affiliation with BMT and any other Releasees, the terms and conditions of such employment or affiliation, and the termination of that employment or affiliation, including but not limited to, claims for breach of contract or implied contract, wrongful, retaliatory or constructive discharge, negligence, misrepresentation, fraud, detrimental reliance, promissory estoppel, quantum meruit, defamation, invasion of privacy, impairment of economic opportunity, tortious interference with contract or business relationships, defamation, intentional or negligent inflection of emotional distress, any and all other torts, contract claims, and claims for attorney's fees and costs.

c. You further acknowledge and agree that various federal, state and local laws prohibit discrimination based on, among other things, age, gender, sex, race, color, national origin, religion, disability, handicap, sexual orientation, veterans' status, retaliation and other protected classifications. These include, but are not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866 and 1871, the 1991 Civil Rights Act, the Reconstruction Era Civil Rights Act, and 42 U.S.C. §§ 1981 and 1985; the Pregnancy Discrimination Act; the Age Discrimination in Employment Act ("ADEA") and the Older Workers Benefit Protection Act of 1990 ("OWBPA"); the Rehabilitation Act of 1973, the Americans with Disabilities Act, and the Americans with Disabilities Amendments Act; the Genetic Information Non-Discrimination Act, the Pennsylvania Human Relations Act, the Philadelphia Fair Practices Ordinance, the Delaware Discrimination in Employment Act, the Delaware Fair Employment Practices Act, and the Delaware Persons With Disabilities Employment Protections Act.

You also acknowledge and agree that there are various federal, state and local laws governing benefit issues, wage and hour issues, and other employment issues, including, but not limited to, the Employee Retirement Income Security Act, the National Labor Relations Act ("NLRA"), the Equal Pay Act, the Lilly Ledbetter Fair Pay Act of 2009, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Uniform Services Employment and Reemployment Rights Act, the Immigration Reform and Control Act, the False Claims Act, the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), and the federal whistleblower protection statutes; the Pennsylvania Whistleblower Law, the Pennsylvania Equal Pay Law, the Pennsylvania Minimum Wage Act, the Pennsylvania Wage Payment and Collection Law, the Delaware Whistleblowers' Protection Act, the Delaware Wage Payment and Collection Act; and all other federal, state, local and common laws relating to the terms, conditions, privileges, refusal or termination of employment.

You expressly acknowledge and agree that you are releasing and waiving, to the maximum extent permitted by law, any Claims you may have under any of these statutes and under any other federal, state or municipal statute, ordinance, executive order, regulation or common law relating to discrimination or retaliation in employment, or in any way pertaining to employment relationships, the terms and conditions of employment, or the termination of employment. You also acknowledge and agree that other than the benefits identified in Attachment A to this Agreement, you have no Claims against the Releasees for benefits including, but not limited to, life insurance, accidental death & disability insurance, sick leave or other employer provided plan or program; for distributions of income or profit; for reimbursement; for unpaid salary or wages; for PTO or other leave time; relating to retirement, pension and/or profit sharing plans (excluding for vested benefits); for group health insurance coverage (excluding for COBRA continuation coverage); or any other Claims. You acknowledge and agree that this General Release applies to all Claims, including but not limited to such employment-related Claims, and those unrelated to employment, that you now have or may have had against the Releasees up to and including the effective date of this Agreement, except as specifically set forth herein or not waivable by law.

d. You further agree that neither you nor anyone on your behalf shall or may seek, or be entitled to recover, any damages, relief, award, remedies, attorneys' fees or costs pursuant to any of the aforementioned federal, state or local statutes, or any other such laws or common laws, except as provided in Paragraph 6(j) below.

e. You warrant and represent that you: (i) have received all compensation, wages, overtime if applicable, bonuses, commissions, and/or benefits to which you may be entitled with respect to the Fair Labor Standards Act ("FLSA") and state law, and that there are no facts that in any way give rise to, or in any way support, any claims under the FLSA or state law, and that no other amounts and/or benefits are due except as expressly provided in this Agreement; (ii) have no known workplace injuries or occupational diseases; (iii) are not eligible to receive payments or benefits under any severance pay or change of control policy, plan, practice or arrangement other than as provided in this Agreement; (iv) have not filed any civil actions, lawsuits, complaints, charges or claims for relief or benefits against BMT or any other of the Releasees with any local, state or federal court or administrative agency, that are currently unresolved or outstanding; and (v) have not transferred or assigned, or purported to transfer or assign, any claim included in this General Release.

f. This General Release is intended by the parties to release any and all claims and rights arising on or before the date of the execution of this Agreement to the fullest extent permitted by law; provided, however, that notwithstanding anything to the contrary herein, you expressly do not release any rights to or claim for Program Separation Benefits, workers' compensation or unemployment benefits you may have, or vested benefits you may have under the terms of any BMT-provided retirement plan(s).

g. The General Release and this Agreement are intended to comply with Section 201 of the OWBPA. Accordingly, you acknowledge, represent and certify that: (i) you waive all rights and claims under the ADEA and otherwise, knowingly and voluntarily in exchange for consideration of value to which you would not otherwise have been entitled; (ii) by this Agreement you have been advised in writing by BMT to consult with an attorney of your choice in conjunction with this Agreement, prior to signing the Agreement, and your decision to waive your rights and claims under the ADEA and otherwise; (iii) you have been given a period of at least 45 days within which to consider this Agreement and your decision to waive your rights and claims under ADEA and otherwise; (iv) you have been informed by BMT and understand that you may revoke your acceptance of this Agreement for a period of seven days after signing it, and that this Agreement will not become effective or enforceable until after the seven day period has expired, and that any revocation you make shall be in writing, sent by hand delivery or overnight mail, so that it is received within the seven-day period, to the attention of Ms. Nicola Fryer, The Bryn Mawr Trust Company, 801 Lancaster Avenue, Bryn Mawr, PA 19010; and (v) you further understand that if you revoke your acceptance as described above, this Agreement shall be null and void in its entirety, and if you have not revoked this Agreement by the end of the seven-day period, this Agreement will be in full force and effect.

h. You and BMT further acknowledge and agree that any changes to this Agreement, whether material or immaterial, do not restart the running of the 45-day review period referenced in Paragraph 6(g) above.

i. You acknowledge receipt of the OWBPA disclosures attached hereto as Exhibits A, B and C.

j. Nothing contained herein limits any right you may have to: (1) file a charge or complaint with the U.S. Equal Employment Opportunity Commission ("EEOC"), the National Labor Relations Board ("NLRB") or other federal, state, or local agency relating to employment; the U.S. Department of Justice ("DOJ"), the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority ("FINRA"), or any other securities or insurance regulatory or government agency or commission, although you agree that you have waived any right to individual relief and monetary recovery for any Claim or charge involving any government agency or commission except that you may receive an award for information provided as a whistleblower to the SEC, FINRA or similar securities or insurance regulatory government agency or commission, in accordance with applicable law; or (2) testify, assist, or participate in any investigation, hearing, or proceeding conducted by any government agency or commission.

k. You agree that you have released the Releasees from any and all liability from the laws, statutes, and common law described in this Paragraph 6. The Releasees may assert their rights under the General Release and waiver of claims in this Agreement as a defense to any administrative, judicial, or other proceeding or lawsuit filed against BMT or any other of the Releasees. Further, you are not and shall not be entitled to any monetary relief resulting from any proceeding brought by you, the EEOC or any other person or entity on your behalf (including but not limited to any federal, state, or local agency) asserting or alleging any claim, demand, or cause of action that has been released or waived in Paragraph 6, except as provided in Paragraph 6 (j) above. In addition, the parties also acknowledge that nothing in this Agreement shall be interpreted or applied in a manner that affects or limits your otherwise lawful ability to challenge, under the OWBPA, the knowing and voluntary nature of your release of any age claims against the Releasees before a court, the EEOC, or any other federal, state, or local agency.

7. Non-Interference and Non-Solicitation.

a. For a period of 12 months following your Designated Last Day of Work, you agree not to disrupt, damage, impair or interfere with the business of BMT or any of its parents, subsidiaries or affiliates (collectively, the "Company Group") in any manner, including without limitation, by: (a) employing, engaging or soliciting any employee of the Company Group; (b) inducing or attempting to influence an employee of the Company Group to leave the employ of the Company Group; (c) adversely influencing or altering, or attempting to influence or alter, the relationship of any person, firm, corporation, partnership, association or other entity ("Person") with the Company Group, whether such Person is an employee, customer, client or otherwise; (d) directly or indirectly, individually or for any other Person, Soliciting (as defined below) any Customer (as defined below) to cease doing business in whole or in part with or through the Company Group; or (e) directly or indirectly, individually or for any other Person, Soliciting any Customer to do business with any other Person which performs services or offers products competitive with or materially similar to those provided by the Company Group. The term "Customer" shall mean: (i) any current customer, client or business referral source of the Company Group, (ii) any Person who during the two year period preceding the Designated Last Day of Work has been a customer, client or business referral source of the Company Group, or (iii) any Person who during the two year period preceding the Designated Last Day of Work has been solicited by the Company Group as a potential customer, client or business referral source. The term “Soliciting” shall mean: calling on, engaging in business with, inducing, or attempting to solicit or induce. To the extent you are subject to other non-solicitation obligations under separate agreements, the non-solicitation obligations in this Paragraph 7(a) are in addition to and not in lieu of those obligations.

b. You acknowledge and agree that the restrictions contained in this Paragraph 7 are reasonable and necessary to protect the legitimate interests of the Company Group and that any violation thereof would result in irreparable injury to the Company Group. Consequently, you acknowledge and agree that, in the event of any violation thereof, the Company Group shall be authorized and entitled, without the necessity of posting a bond or other form of security, to obtain from any court of competent jurisdiction injunctive and equitable relief, as well as an equitable accounting of all profits and benefits arising out of such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Company Group may be entitled at law or in equity and, in the event the Company Group is required to enforce the terms of this Agreement through court proceedings, the Company Group shall be entitled to reimbursement by you of all legal fees, costs and expenses incident to enforcement of any such term, in whole or in part and/or such term as may be modified by a court of competent jurisdiction.

c. If any court of competent jurisdiction construes any of the restrictive covenants set forth in this Paragraph 7, or any part thereof, to be unenforceable because of the duration or scope covered thereby, such court shall have the power to reduce the duration or scope of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced.

8. No Re-Employment by BMT. You acknowledge and agree that, as of your Designated Last Day of Work, your employment relationship with BMT is permanently and irrevocably severed, and BMT has no obligation to re-employ, recall or otherwise hire you in the future.

9. Effect of Obtaining New Employment. Subject to the provisions of Paragraph 7 above, your acceptance of a position with another employer after your Designated Last Day of Work will not affect your eligibility for the Program Separation Benefits described in Attachment A, except your eligibility to remain in BMT’s group health insurance plan will cease as soon as you become eligible for your new employer’s health insurance coverage, and if applicable, BMT’s obligation to pay you the Medicare subsidy will cease immediately upon your commencing any new employment. You are required to notify BMT in writing immediately if you obtain new employment and to advise BMT whether and when you become eligible to participate in any new employer’s group health plan.

10. Confidential Information.

a. The existence of this Agreement and all of its terms and conditions shall be kept confidential by you, except that you may disclose the terms and conditions of this Agreement pursuant to lawful subpoena or legal process and to your spouse/partner, attorney(s) and accountant(s), provided that they also keep this Agreement and its terms and conditions confidential. In the event you are required to disclose the terms and conditions of this Agreement by legal process, you shall provide immediate written notice of such legal process to BMT’s attorneys, to be delivered by hand and electronically via email, and if requested by the Company, an opportunity to oppose disclosure.

b. You recognize that the knowledge and information acquired by you concerning the BMT's corporate information, information relating to the financial statements and reports, the internal workings of the BMT and its employees, supplier or vendor information, marketing information, customer or prospective customer information, financial information, strategic plan and other strategic information, operational information, scientific information, technical information, personnel information and computer-related information, including, but not limited to, contractual arrangements, business plans, studies, reports, formulae, strategies, tactics, policies, resolutions, patent, trademark and trade name applications, litigation-related information or negotiations; supplier or vendor lists, preferences or requirements; sales, investment, marketing and product plans, price lists; lists of clients or prospective clients, proposals to clients and prospective clients, agreements with clients, sales methods, statistics, sales efforts, client preferences, requirements, strategies or methods, markets or other data, clients or prospective client contacts and market research data; cost and performance data, debt arrangements, equity structure, financial statements, costs, profits, financial condition, investors and holdings; trade secrets; drawings, blueprints, designs, concepts, inventions; personnel lists, personnel data, organizational structure and performance evaluations; data processing systems and information contained therein; any facts concerning the systems, methods, procedures or plans developed or used by BMT and other trade secrets, inventions, designs, know-how, or other private, confidential or proprietary information of or about BMT which is not already available to the public (collectively, "Confidential Information") are valuable, special and unique aspects of BMT's business.

c. You agree that you shall not at any time (i) disclose, in whole or in part, any Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever unless authorized in writing to do so by BMT, or (ii) use any Confidential Information for your own purpose or for the benefit of any person, firm, corporation, association or other entity other than BMT. You recognize that use or disclosure of Confidential Information may cause harm to the Bank and thereby damage the BMT's competitive position in the marketplace. The restrictions set forth in this Paragraph 10 will not apply to Confidential Information which is already in the public domain (unless you are responsible, directly or indirectly, for such Confidential Information entering the public domain without the BMT's consent).

d. In addition, you acknowledge that the Confidential Information you possess contains material, nonpublic information concerning BMT. You further acknowledge that you are aware that U.S. securities laws prohibit under certain circumstances the purchase or sale of a security of any issuer on the basis of material, nonpublic information about that security or issuer, and may also prohibit the communication of such information to any other person under circumstances in which it is reasonably foreseeable that such other person is likely to purchase or sell securities on the basis of such information. You agree that you will not purchase or sell securities of the BMT or cause such securities to be purchased or sold by others in violation of U.S. securities laws on the basis of any material, nonpublic information that is included in the Confidential Information, nor will you communicate such material nonpublic information to any other person in violation of U.S. securities laws.

e. Nothing contained herein prohibits or restricts you from communicating directly with, making protected disclosures to, or responding to an inquiry from, any administrative or regulatory agency or authority, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

f. You are hereby notified in accordance with the Defend Trade Secrets Act of 2016 that you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You are further notified that if you file a lawsuit for retaliation for reporting a suspected violation of law, you may disclose BMT's trade secrets to your attorney and use the trade secret information in the court proceeding if you: (i) file any document containing the trade secret under seal; and (ii) do not disclose the trade secret, except pursuant to court order.

11. **Non-Disparagement**. You agree not to make any disparaging or negative comments about BMT, the Company Group, or its or their employees, officers, directors, services, or reputation, or any other of the Releasees, at any time in the future, verbally or in writing, in print or online, including without limitation social media, except for any statements made pursuant to lawful subpoena, government investigation or legal process. You further agree not to disrupt the BMT's business in any manner. This Paragraph 11 does not in any way restrict or impede you from exercising protected rights, including rights under the NLRA or the federal securities laws, including the Dodd-Frank Act, including communicating directly with, making protected disclosures to, or responding to an inquiry from, any administrative or regulatory agency or authority, or making other disclosures that are protected under the law, regulation or order, provided that such compliance does not exceed that permitted by the law, regulation, or order. You shall promptly provide written notice of any such order to BMT, to the persons and address set forth in Paragraph 6 (g) of this Agreement.

12. **Return of BMT Property**. You agree that as of your Designated Last Day of Work, you will return to BMT all BMT-owned property in your possession, custody or control, including, but not limited to, Confidential Information, keys, access cards, credit cards, cell phones, documents, computer equipment and electronically stored information in your possession (regardless of whether such information is Confidential Information). It is understood and agreed that BMT-owned property includes all BMT files, papers, documents, memoranda, letters, handbooks and manuals, spreadsheets, emails, facsimiles or other communications that were written, authorized, signed, received or transmitted by you during your employment, or during the process of your being hired by BMT, and any computer hardware or software, communications equipment, in your possession (which remain the property of BMT and, as such, are not to be removed from BMT's offices). By signing this Agreement, you confirm that (a) you will not retain in your possession or under your control any of the documents, materials or property described in this Paragraph 12, including copies in any format, (b) you have returned all such documents, materials and/or property to BMT, and (c) you have not placed or transferred any such documents, materials or other property in any other storage devices, software applications or network locations.

13. **Breach**. In the event of any breach of this Agreement, either you or BMT, whichever is the non-breaching party, may institute an action for breach of the terms of the Agreement and seek damages resulting from that breach. In addition, if you breach Paragraphs 7, 10, 11 or 12 of this Agreement, in addition to any other relief to which BMT may be entitled, BMT will be entitled to an injunction, without the necessity of posting a bond, prohibiting you from disclosing any of its Confidential Information or breaching any post-employment obligations or restrictions. In addition, you acknowledge and agree that in the event of a violation of any of the restrictions contained in Paragraph 7, the 12-month period set forth in Paragraph 7 shall be extended so as to be deemed to commence upon the date of the court's determination, so that the Company Group shall receive the full benefit of the 12-month period. In the event you breach this Agreement, BMT shall be entitled, in its sole discretion, to recover attorneys' fees and costs it incurs in connection with proving such breach. Notwithstanding any breach, the General Release, waiver of claims and rights, and other covenants, by you set forth in this Agreement shall forever remain binding and in effect.

14. **Cooperation**. As further consideration you are providing in return for the Program Separation Benefits you receive under this Agreement, you agree to cooperate with BMT regarding any pending or subsequently filed litigation, claims, government investigations or other disputes involving BMT or other Releasees that relate to matters within your knowledge or responsibility obtained as a result of, or in connection with, your employment with BMT. This requires you, without limitation, to (1) make yourself available upon reasonable request to provide information and assistance to BMT on such matters without additional compensation, except for your out of pocket costs, (2) maintain the confidentiality of all BMT privileged or confidential information, including without limitation attorney-client privileged communications and attorney work product, unless disclosure is expressly authorized by BMT, and (3) notify BMT promptly of any requests to you for information related to any pending or potential legal claim or litigation involving BMT, reviewing any such request with a designated representative of BMT prior to disclosing any such information, and permitting a representative of BMT to be present during any communication of such information.

15. **References**. You agree to direct any employment-related references in writing to the Director of BMT's Human Resource Department. It is BMT's policy to provide a third party only confirmation of your employment dates and the position(s) you held.

16. **Non-Admission**. You agree that neither this Agreement nor any version of this Agreement shall be admissible in any forum as evidence against BMT or you except in a proceeding to enforce this Agreement and that this Agreement is not, and shall not be construed to be, an admission by you, BMT or any other of the Releasees of any liability, culpability, wrongful action or any other legal conclusion.

17. **Governing Law**. This Agreement shall be interpreted, enforced and governed under the laws of the Commonwealth of Pennsylvania without regard to any conflicts of laws provisions that would apply the laws of a different jurisdiction.

18. **Entire Agreement**. This Agreement, together with the BMT-sponsored plans and compensation programs and all employee benefits that are expressly referenced in Attachment A to this Agreement (which shall be subject to the terms and conditions of the applicable benefit plan documents or insurance policies except where expressly stated otherwise in Attachment A), represents the entire agreement between you and BMT and supersedes all prior agreements, offers, representations and understandings between the parties, whether written or oral, in their entirety, including but not limited to [agreement(s)], and any other change-in-control agreements, severance agreements and employment agreements, all of which are hereby terminated and have no force or effect; ***provided however*** that the provisions relating to confidentiality, restrictive covenants (including without limitation, non-competition and non-solicitation), BMT assets, and work product contained in any written agreement between you and BMT shall survive the termination of such agreement and shall remain in full force and effect in accordance with the terms of such agreement. This Agreement may be modified only in a writing signed by you and by a duly authorized representative of BMT. You agree that any promises or representations concerning your rights relating to BMT, either oral or written, that are not contained in this Agreement or the other documents referenced in this Paragraph 18 are not valid or binding upon BMT.

19. **Reasonableness and Severability**. By signing this Agreement, you expressly acknowledge and agree that each and every restraint, obligation and restriction imposed by this Agreement is reasonable with respect to subject matter, time period and scope, as applicable. You represent and agree that these post-employment restraints, obligations and restrictions are limited in scope, and are reasonable and necessary to protect BMT's legitimate business interests. You acknowledge and agree that the post-employment obligations, restraints and restrictions set forth in this Agreement are material terms of this Agreement. Each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and any invalid, illegal or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision.

20. **Assignment**. BMT may assign this Agreement and such assignment will take effect for the benefit of any successors or assigns of BMT created by merger, reorganization, sale of assets or otherwise. You hereby consent and agree to such assignment and enforcement of such rights and obligations by BMT's successors or assigns. Your obligations are personal and shall not be assigned. Any attempt by you to assign your obligations to a third party shall be void, and BMT may disregard such action and shall not in any manner be bound thereby, and BMT shall suffer no liability for any disregard thereof.

21. **Captions**. The captions of the paragraphs of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

22. **Counterparts**. This Agreement may be executed by the parties hereto in one or more counterparts, and each fully executed counterpart shall be deemed an original. Any facsimile and/or electronic copy of an executed signature page hereto shall be deemed an original signature page hereto for all purposes.

23. **Waiver**. The waiver by any party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach, nor shall it constitute a waiver of any rights of such party hereunder with respect to other provisions or violations of the Agreement.

24. **Acknowledgment**. By signing below, you acknowledge and certify: (a) that you have been advised of your rights to consult with an attorney of your choice prior to executing this Agreement; (b) that you have been given at least 45 days within which to consider this Agreement; (c) that you have exercised your rights and opportunities as you deemed appropriate; and (d) that you have carefully read and fully understand all of the provisions of this Agreement. You acknowledge and understand that by signing this Agreement, which contains a General Release of Claims, you are giving up your right to bring any Claims, complaints or other legal actions against BMT or any other of the Releases described above. You further acknowledge and certify that you are entering into this Agreement knowingly, voluntarily and of your own free will, and intending to be legally bound upon the expiration of the revocation period.

Signature Page Follows

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto execute the Agreement:

EMPLOYEE	**[BANK/TRUST EMPLOYER NAME]**
______________________________	By: ___________________________________ Name: Title:
Dated: , 2019	Dated: , 2019

FIRST AND LAST NAME

AGREEMENT DATE

ATTACHMENT A

PROGRAM SEPARATION BENEFITS FOR WHICH YOU ARE ELIGIBLE

SUBJECT TO EXECUTING SEPARATION AGREEMENT AND GENERAL RELEASE OF CLAIMS

Each Separation Agreement and General Release will contain a personalized Attachment A which will list the specific benefits available to the individual approved applicant based on the employee's years of service with BMT and other personal circumstances.

FIRST AND LAST NAME

AGREEMENT DATE

EXHIBITS A, B AND C

TO AGREEMENT AND GENERAL RELEASE

A. PROGRAM ELIGIBILITY FACTORS

B. JOB TITLES AND AGES OF EMPLOYEES ELIGIBLE FOR PROGRAM SEPARATION BENEFITS

C. JOB TITLES AND AGES OF EMPLOYEES NOT ELIGIBLE FOR PROGRAM SEPARATION BENEFITS

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Section 6: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATIONS

I, Francis J. Leto, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bryn Mawr Bank Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 8, 2019 /s/ Francis J. Leto

Francis J. Leto, Chief Executive Officer
(Principal Executive Officer)

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Section 7: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATIONS

I, Michael W. Harrington, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bryn Mawr Bank Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2019

/s/ Michael W. Harrington

Michael W. Harrington, Chief Financial Officer
(Principal Financial Officer)

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Section 8: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Bryn Mawr Bank Corporation (the "Corporation") on Form 10-Q for the quarter ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Francis J. Leto, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: May 8, 2019

/s/ Francis J. Leto
Francis J. Leto, Chief Executive Officer
(Principal Executive Officer)

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Section 9: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Bryn Mawr Bank Corporation (the "Corporation") on Form 10-Q for the quarter ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael W. Harrington, Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: May 8, 2019

/s/ Michael W. Harrington
Michael W. Harrington, Chief Financial Officer
(Principal Financial Officer)

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