BRYN MAWR BANK CORP
Form 424B2
May 01, 2015
Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-202805

PROSPECTUS SUPPLEMENT

TO PROSPECTUS DATED APRIL 20, 2015

BRYN MAWR BANK CORPORATION

SECOND AMENDED AND RESTATED

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

1,500,000 Shares

Common Stock, Par Value $1.00 Per Share

This prospectus relates to shares of common stock that we may offer and sell from time to time according to the terms of the Bryn Mawr Bank Corporation Amended and Restated Dividend Reinvestment and Stock Purchase Plan (the Plan). The Plan is effective April 30, 2015. Participants should retain this prospectus for future reference.

The Plan provides participants with a convenient and economical means of purchasing shares of our common stock by reinvesting the cash dividends paid on our common stock and by making additional optional cash purchases. In addition, new investors may make their initial investment in our common stock under the Plan. The minimum dollar amount is $500 for an initial purchase and $50 for a subsequent optional cash purchase. The maximum limit for both initial purchases and optional cash purchases is $10,000 per transaction not to exceed $120,000 per calendar year, unless we grant a waiver of this amount. This prospectus describes and constitutes the Plan.

Shares of common stock will be (i) purchased on the open market or (ii) purchased directly from us from authorized but unissued shares or from treasury shares.

We have appointed Computershare Trust Company, N.A. (the Plan Administrator) to serve as the administrator of the Plan, with certain administrative support provided by its designated affiliates.

You may enroll in the Plan through the Plan Administrator s website www.computershare.com/investor, or you may also enroll in the Plan by completing an enrollment form and returning it to the Plan Administrator at: Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170.

Investing in our common stock involves certain risks. Please refer to Risk Factors beginning on page S-4 of this prospectus supplement.

Our common stock is listed on the NASDAQ Stock Market under the symbol BMTC.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The shares offered are our equity securities and are not savings accounts, deposits, or other obligations of any bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund, or any other governmental agency.

We have not authorized anyone to provide you with information that is different from what is contained in or incorporated by reference into this prospectus supplement or the accompanying base prospectus. The Plan is not available to any person to whom we may not legally offer it. You should not assume that the information in this prospectus is still accurate as of any date later than the date of this prospectus

supplement.

The date of this prospectus supplement is May 1, 2015

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

ABOUT THIS PROSPECTUS	S-1
WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION OF CERTAIN INFORMATION BY REFERENCE	S-1
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	S-2
RISK FACTORS	S-4
BRYN MAWR BANK CORPORATION	S-4
USE OF PROCEEDS	S-5
DESCRIPTION OF OUR DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN	S-5
PURPOSE	S-5
ADVANTAGES AND DISADVANTAGES	S-5
ADMINISTRATION	S-6
PARTICIPATION	S-6
DIVIDEND REINVESTMENT	S-7
INITIAL AND OPTIONAL CASH PURCHASES	S-8
FEES	S-9
PURCHASE OF SHARES	S-9
SALE OF PLAN SHARES	S-12
DIVIDENDS	S-12
REPORTS TO PARTICIPANTS	S-13
ISSUANCE AND DEPOSIT OF STOCK CERTIFICATES	S-13
TERMINATION OF PLAN PARTICIPATION	S-13
UNITED STATES FEDERAL INCOME TAX CONSEQUENCES	S-14
OTHER INFORMATION	S-16
NOTE ABOUT FINANCIAL INTERMEDIARIES	S-18
DESCRIPTION OF COMMON STOCK	S-19
PLAN OF DISTRIBUTION	S-19
INTERESTS OF NAMED EXPERTS AND COUNSEL	S-19
LEGAL MATTERS	S-19
EXPERTS	S-19
INDEMNIFICATION OF OFFICERS AND DIRECTORS	S-19

Table of Contents

ABOUT THIS PROSPECTUS

This document is in two parts. The first is this prospectus supplement, which provides you with a general description of the Plan and the securities offered under the Plan. The second part is the accompanying base prospectus, dated as of April 20, 2015. The accompanying base prospectus, together with the related registration statement, contains a description of our common stock and gives more general information, some of which may not apply to this offering. The registration statement can be read at the Securities and Exchange Commission (SEC) web site or at the SEC offices mentioned under the heading Where You Can Find More Information and Incorporation of Certain Information by Reference. If the description of this offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Unless the context requires otherwise, in this prospectus supplement and the accompanying base prospectus, we use the terms we, us, our, BMTC and the Corporation to refer to Bryn Mawr Bank Corporation and its consolidated subsidiaries. Our common stock is traded on the NASDAQ Stock Market under the symbol BMTC. When we refer to The Bryn Mawr Trust Company in this prospectus, we mean our subsidiary, The Bryn Mawr Trust Company, which is a member of the Federal Reserve System. We sometimes refer to The Bryn Mawr Trust Company as the Bank.

When acquiring any securities discussed in this prospectus supplement, you should rely only on the information provided in this prospectus supplement or the accompanying base prospectus, including the information incorporated by reference. We have not authorized anyone to provide you with different information. We are not offering the securities in any state or jurisdiction where the offer is prohibited. You should not assume that the information in this prospectus or any document incorporated by reference is accurate or complete at any date other than the date indicated on the cover page of this document.

WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings are available to the public over the Internet at the SEC s website at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available at no cost on our website, http://www.bmtc.com, by clicking on About Us and then Investor Relations, as soon as reasonably practicable after we file such documents with the SEC. Except for those SEC filings, none of the other information on our website is part of this prospectus supplement or the accompanying base prospectus.

We incorporate by reference into this prospectus supplement and the accompanying base prospectus the information the Corporation files with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying base prospectus. Some information contained in this prospectus supplement and the accompanying base prospectus updates the information incorporated by reference, and information that the Corporation files subsequently with the SEC will automatically update this prospectus supplement and the accompanying base prospectus. In other words, in the case of a conflict or inconsistency between information set forth in this prospectus supplement, the accompanying base prospectus, and the information incorporated by reference herein, you should rely on the information contained in the document that was filed latest. We incorporate by reference the following documents (excluding any portions of such documents that have been furnished but not filed for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act):

- Our annual report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 12, 2015;
- Our definitive proxy statement with respect to the Annual Meeting of Shareholders held on April 30, 2015, filed with the SEC on March 20, 2015;
- Our current reports on Form 8-K (including any amendments to previously filed current reports on Form 8-K) filed with the SEC on each of January 5, 2015, February 26, 2015 and March 18, 2015 (in each case, except to the extent any portion of any such current report on Form 8-K is furnished but not filed);

Table of Contents

The description of our common stock contained in the Form 8-A Registration Statement filed with the SEC on December 18, 1986 pursuant to Section 12 of the Securities Exchange Act of 1934, as amended from time to time, including any amendment or report filed with the SEC for the purpose of updating such description; and

All documents the Corporation subsequently files pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any portions of any such documents that are furnished but not filed for purposes of the Exchange Act), including reports filed after the date of the initial filing of the registration statement and before the effectiveness of the registration statement, until we sell all of the securities offered by this prospectus or terminate this offering

You may obtain any of these incorporated documents from us without charge, excluding any exhibits to these documents unless the exhibit is specifically incorporated by reference in such document, by requesting them from us in writing or by telephone at the following address:

Bryn Mawr Bank Corporation

801 Lancaster Avenue

Bryn Mawr, Pennsylvania 19010

Attention: Geoffrey L. Halberstadt

(610) 581-4873

These incorporated documents may also be available on our web site at www.bmtc.com, by clicking on About Us, then Investor Relations and SEC Filings. Except for incorporated documents, information contained on our website is not a prospectus and does not constitute part of this prospectus supplement or the accompanying base prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this prospectus supplement, the accompanying base prospectus, and the documents incorporated by reference herein and therein 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, as amended, and may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements 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 our 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. The words may , would , could , will , likely , expect, anticipate, intend , estimate , plan , forecast , project and expressions are intended to identify such forward-looking statements. Our 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 and the impact they may have on us and our customers and our assessment of that impact;

our need for capital;

lower demand for our products and services and lower revenues and earnings could result from an economic recession;

lower earnings could result from 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 that adversely affect our business, including changes in federal income tax or other tax regulations;

changes in the level of non-performing assets and charge-offs;

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 and estimates in the value of collateral, and various financial assets and liabilities;

inflation, securities market and monetary fluctuations;

changes in the securities markets with respect to 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;
- sources of liquidity and financial resources in the amounts, at the times and on the terms required to support our future business;
- legislation or other governmental action affecting the financial services industry as a whole, us or our subsidiaries individually or collectively, including changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which we must comply;
- results of examinations by the Federal Reserve Board, including the possibility that such regulator may, among other things, require us to increase our allowance for loan losses or to write down assets;
- our common stock outstanding and common stock price volatility;
- fair value of and number of stock-based compensation awards to be issued in future periods;
- with respect to our recent acquisition of Continental Bank Holdings, Inc. (CBHI), our business and the business of CBHI will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;
- revenues following the completion of our acquisition of CBHI may be lower than expected;
- deposit attrition, operating costs, customer loss and business disruption following our acquisition of CBHI, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;
- material differences in the actual financial results of our merger and acquisition activities compared with expectations, such as with respect to the full realization of anticipated cost savings and revenue enhancements within the expected time frame, including as to our acquisition of CBHI;
- our success in continuing to generate new business in our existing markets, as well as their success in 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 and the ability to continue to develop investment products in a manner that meets customers needs;
- changes in consumer and business spending, borrowing and savings habits and demand for financial services in the relevant market areas;

rapid technological developments and changes;

the effects of competition from 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;

our ability to continue to introduce competitive new products and services on a timely, cost-effective basis and the mix of those products and services;

containing costs and expenses;

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;

the ability of key third-party providers to perform their obligations to us and our subsidiaries; and

our success in managing the risks involved in the foregoing.

Table of Contents

Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found in our Annual Report on Form 10-K, as updated by our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K subsequently filed with the SEC. See Where You Can Find More Information and Incorporation of Certain Information by Reference for a description of where you can find this information. Forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this prospectus or the incorporated documents might not occur and you should not put undue reliance on any forward-looking statements.

RISK FACTORS

Before making an investment decision, you should carefully consider the risks described below and those set forth under Risk Factors in the accompanying base prospectus and in our most recent Annual Report on Form 10-K, and in our updates to those Risk Factors in our subsequently filed Quarterly Reports on Form 10-Q, together with all of the other information appearing in this prospectus supplement and the accompanying base prospectus, or incorporated by reference herein or therein. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks related to the Plan

Neither we nor you will have any authority to direct the date, time, or price at which shares may be purchased by the Plan Administrator. You may therefore lose some date, time or price advantages that you would otherwise have.

Because the prices at which shares are purchased are determined as of specified dates or as of dates otherwise beyond your control under the Plan, you may lose some advantages otherwise available to you in being able to select the timing of your investments. For example, because the price charged to you for shares purchased on the open market is the weighted average price paid by the Plan Administrator to obtain shares for all participants who acquire shares through the Plan on the same day, you may pay a higher price for shares purchased under the Plan than for shares purchased on the investment date outside of the Plan.

There is no guarantee the Plan Administrator will be able to sell your shares on desirable terms, or at all.

There can be no assurances with respect to the Plan Administrator s ability to sell your shares and no assurances as to the prices (except for prices specified for day limit orders or good-til-cancelled limit orders) or timing of such sales, or the terms under which such sales may be transacted. Neither we nor the Plan Administrator has any obligation under the Plan, and assume no responsibility, to purchase whole shares credited to your Plan account if such shares cannot be sold by the Plan Administrator on favorable terms or at all.

Shares credited to your Plan account may not be assigned or pledged in any way.

Shares credited to your Plan account may not be assigned or pledged as collateral for a loan, or for any other purpose. If you wish to assign or pledge whole shares credited to your account, you must request that the Plan Administrator issue physical share certificates to you in your name. Certificates for fractional shares will not be issued under any circumstances.

The price or trading volume of our common stock may fluctuate due to transactions by financial intermediaries under the Plan

Financial intermediaries may purchase a significant portion of the shares of common stock issued under the Plan. We do not have any formal or informal understanding with any such organizations and, therefore, the extent of such financial intermediaries participation under the Plan cannot be estimated as this time. From time to time, financial intermediaries, including brokers and dealers, may engage in positioning transactions in order to benefit from the discount from the market price, if any, of common stock acquired under the Plan. Such transactions may cause fluctuations in the price or trading volume of our common stock.

BRYN MAWR BANK CORPORATION

The Bryn Mawr Trust Company (which we also refer to as the Bank) received its Pennsylvania banking charter in 1889 and is a member of the Federal Reserve System. In 1986, Bryn Mawr Bank Corporation (which we also refer to as the Corporation) was formed and on January 2, 1987, the Bank became a wholly-owned subsidiary of the Corporation. The Bank and Corporation are headquartered in Bryn Mawr, Pennsylvania, a western suburb of Philadelphia. The Corporation and its subsidiaries offer 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 29 full-service branches, seven Life Care Community offices, five wealth offices and two full-service insurance agencies throughout Montgomery, Delaware, Chester and Dauphin counties of Pennsylvania and New Castle county in Delaware. The Corporation s common stock trades on the NASDAQ Stock Market (NASDAQ) under the symbol BMTC.

Table of Contents

The goal of the Corporation is to become the preeminent community bank and wealth management organization in the Philadelphia area. The Corporation s strategy to achieve this goal includes investing in foundational strength to support its growth, leveraging the strength of its brand, building out its core franchise and targeting high potential markets, basing its sales strategy on high performing relationships, concentrating on core product solutions and broadening the scope of its product offerings, using the Corporation s human resources as a strategic advantage, engaging in inorganic growth by strategically acquiring small to mid-sized banks, insurance brokerages, wealth management companies, and advisory and planning services firms, and lifting out high performing teams where strategically advantageous.

Our primary source of liquidity is dividend payments from the Bank. The Bank is subject to certain legal restrictions on its ability to pay dividends or make loans or advances to us. For information about these restrictions, please see Supervision and Regulation, and 24 - Dividend Restrictions and 25 - Regulatory Capital Requirements of the Notes to Consolidated Financial Statements, each contained in our Annual Report to Shareholders on Form 10-K for the year ended December 31, 2014, which has been filed with the SEC and is available as described under Where You Can Find More Information.

As of December 31, 2014, we had consolidated total assets of $2,247 million, net portfolio loans and leases of $1,638 million, deposits of $1,688 million and shareholders equity of $245 million. Our common stock is traded on the NASDAQ Global Select Market under the symbol BMTC. Our principal executive offices are located at 801 Lancaster Avenue, Bryn Mawr, Pennsylvania 19010, and our telephone number is (610) 525-1700. Our Internet website address is http://www.bmtc.com. Unless expressly stated to the contrary herein, our Internet website and information contained in or linked to our website are not incorporated into, and are not a part of, this prospectus.

USE OF PROCEEDS

To the extent that shares of common stock used to fund the Plan are purchased on the open market, there will be no proceeds to us from the purchase of those shares. We expect to use the net proceeds to us from the sale of newly issued shares of common stock or treasury shares issued under the Plan for general corporate purposes, which may include, but not be limited to, investments in the Bank and our other subsidiaries. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Allocations of the proceeds to specific purposes have not been made at the date of this prospectus supplement.

DESCRIPTION OF OUR DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The following questions and answers explain and constitute the Plan.

PURPOSE

1. What is the purpose of the Plan?

The purpose of the Plan is to provide both our existing shareholders and new investors with a simple, convenient, and economical means of purchasing shares of our common stock, including through new cash payments and the reinvestment of dividends on shares held in your Plan account. The Plan also provides us with an economical and flexible mechanism to raise equity capital through sales of our common stock. The shares available under the Plan will be acquired either directly from BMTC (as original issue or treasury shares), in the open market, through privately negotiated transactions, or through a combination of these methods.

ADVANTAGES AND DISADVANTAGES

2. What are the advantages of participation in the Plan?

You do not need to be a current shareholder, nor do you need to have a broker, to buy our common stock through the Plan.

You can start investing with a relatively small amount of money, or with a single larger investment whichever you prefer.

Table of Contents

You may send a check to the Plan Administrator or arrange for funds to be deducted from your U.S. savings or checking account.

Dividends and optional cash purchases can be fully invested in additional shares of our common stock because the Plan permits fractional shares to be credited to your account. Dividends on fractional shares may also be reinvested in additional shares.

There are no fees when dividends are reinvested through the Plan. Once you have enrolled in the Plan, your dividend will be reinvested to purchase our common stock in the manner you designate (either full reinvestment, partial reinvestment, or no reinvestment). For more information regarding your reinvestment options, see Question 7 later in this prospectus supplement.

If you are already a shareholder, you can consolidate all your holdings of our common stock into a single account. You can deposit your stock certificates into your Plan account or, if you hold shares with a broker, you can transfer those shares into your own name and deposit them into your Plan account.

The Plan offers you flexibility when you decide to sell your shares. You may request the sale of some or all of your shares through the Plan Administrator at any time. Or, if you prefer to have complete control over the timing and price at which you sell, you may withdraw your shares from the Plan, and sell them through a broker of your choice.

3. What are the disadvantages of participation in the Plan?

Because the prices at which shares are purchased are determined as of specified dates or as of dates otherwise beyond your control, you may lose some advantages otherwise available to you in being able to select the timing of your investments. For example, because the price charged to you for shares purchased on the open market is the weighted average price paid by the Plan Administrator to obtain shares for all participants who acquire shares through the Plan on the same day, you may pay a higher price for shares purchased under the Plan than for shares purchased on the investment date outside of the Plan.

We will not pay interest on funds we hold pending investment.

To sell your shares through a broker of your choice, you must first arrange to obtain a physical stock certificate from the Plan Administrator and have the certificate delivered to you, or ask the Plan Administrator to transfer shares held for you in the Plan directly to your broker. The Plan Administrator will promptly process your instructions. If your shares are not transferred directly to a broker, you should leave ample time for preparation and receipt of your stock certificate.

Shares held in the Plan by the Plan Administrator are not covered by the customer protection provisions of the Securities Investor Protection Act of 1970 relating to customers of failed securities broker-dealer firms.

ADMINISTRATION

4. Who administers the Plan for participants?

The Plan is administered by Computershare Trust Company, N.A., a corporation independent of, and not affiliated with, us. The Plan Administrator will, along with its affiliates, receive all cash investments, purchase and sell shares for Plan participants, maintain records, issue statements of account, and performs other duties related to the Plan.

PARTICIPATION

5. Who is eligible to participate in the Plan?

Any person or legal entity is eligible to participate in the Plan. You do not have to be a current shareholder, nor do you have to reside or be located in the U.S. or be a U.S. citizen. However, you must become a shareholder of record in order to participate in the dividend reinvestment component of the Plan as described in Question 6. In all cases, optional cash purchases of shares through the Plan must

Table of Contents

be made in U.S. currency drawn on a U.S. bank account. In addition, before investing in our common stock, each participant who resides or is located outside the U.S. is responsible for reviewing the laws of his or her country of residence or other applicable laws to determine if there are any restrictions on his or her ability to invest through the Plan.

BMTC may refuse to offer the Plan to residents of any state that may require registration, qualification or exemption of the common stock to be issued under the Plan, or require registration or qualification of BMTC or any of its officers or employees as a broker-dealer, a salesperson or an agent, where we determine, in our sole discretion, that the number of shareholders or the number of shares held does not justify the expense that we may incur with respect to effecting sales of our common stock under the Plan in the state.

6. How can I participate in the Plan?

Current Shareholders of Record

If you already hold shares of our common stock registered in your name, you may join the Plan by enrolling online at *www.computerhsare.com/investor* or by returning a completed enrollment form to the Plan Administrator. Your participation will begin promptly after your authorization is received. Once you have enrolled, your participation will continue automatically until either you elect to withdraw from the Plan or we terminate the Plan or your participation in the Plan.

New Investors

If you are not a current shareholder, you may join the Plan by returning to the Plan Administrator a completed initial enrollment form along with an initial investment of at least $500, but not more than $10,000.

You also may enroll online at *www.computershare.com/investor*. If you enroll online, you may either authorize a one-time online bank debit from your U.S. bank account for your initial investment or send your initial investment by check payable to Computershare/Bryn Mawr.

You may also make an initial investment by authorizing monthly recurring automatic deductions of at least $50 per transaction from your designated U.S. bank account for at least ten consecutive purchases. Monthly recurring automatic deductions will continue indefinitely, beyond the initial ten purchases, until you notify the Plan Administrator that the monthly recurring automatic deductions are to stop. A direct debit authorization form is included with the initial enrollment form or you can authorize monthly recurring automatic deductions online at *www.computershare.com/investor*.

Beneficial Owners and Shares Held in Street Name

If you are a beneficial owner of BMTC common stock and your shares are registered in the name of a bank, broker, trustee or other agent, you may transfer your shares to a Plan account by instructing your bank, broker, trustee or agent to register your shares directly in your name and then enrolling in the Plan as described above under New Investors. You also may participate in the Plan by making arrangements with your bank, broker, trustee or agent to participate in the Plan on your behalf.

Please refer to Question 37 of this prospectus supplement for the Plan Administrator s web site, telephone numbers, and address.

DIVIDEND REINVESTMENT

7. How does the reinvestment process work?

As a participant in the Plan, you may elect to reinvest all, part, or none of the dividends paid on your BMTC common stock, and your preference should be indicated on the enrollment form. If you complete and return an enrollment form without selecting one of these three options, all of your dividends will be automatically reinvested in shares of BMTC common stock.

Full dividend reinvestment: If you select this option, all of the cash dividends paid on the shares you enroll in the Plan will automatically be reinvested to purchase additional shares of BMTC common stock.

Partial dividends paid in cash: If you select this option, a portion of your cash dividends will be paid to you in cash, and the remaining portion of your dividends will be automatically reinvested to purchase additional shares of BMTC common stock. If you choose partial reinvestment, you must specify on the enrollment form the number of whole shares on which you wish to continue to receive cash dividends by check or to have directly deposited into your designated U.S. checking or savings account, as further described below. The remaining dividends will be automatically reinvested.

All dividends paid in cash (no dividend reinvestment): If you select this option, all of your dividends will be paid to you in cash. You may choose to have your cash dividends directly deposited into your designated U.S. bank account or sent to you by check. You must be a current BMTC shareholder to choose this option. To arrange to have your dividends directly deposited into your designated U.S. bank account, you must complete and return an authorization for electronic direct deposit form. You may request an authorization for electronic direct deposit form by calling the Plan Administrator at 1-877-238-6956, or you may authorize the direct deposit of dividends when you enroll in the Plan online, or access your account online at *www.computershare.com/investor.*

Table of Contents

You may change your dividend reinvestment election at any time, regardless of the option you have chosen. To change your election, simply access your account online at *www.computershare.com/investor*, call the Plan Administrator at 1-877-238-6956 or complete a new enrollment form and mail it to the Plan Administrator. Changes to your dividend reinvestment election must be received by the Plan Administrator prior to the dividend record date in order to be applied to that dividend.

8. When will the reinvestment of my dividends begin?

Typically, we pay a quarterly cash dividend on or about the 1st day of March, June, September, and December to shareholders of record on or about the 5th day of the prior month in which the dividend is paid. The reinvestment of your dividends will begin with the first quarterly cash dividend that we pay following your enrollment, but only if your enrollment is received prior to the record date for that dividend. If your enrollment is received between a dividend record date and a payable date, the reinvestment of your dividends will commence with the dividend payment in the following quarter.

9. Can I deposit stock certificates for safekeeping with the Plan Administrator?

You may deposit any or all of your BMTC common stock certificates with the Plan Administrator for safekeeping. This added feature relieves you of the worry associated with the possibility of loss, theft, or destruction of the certificates. This service is provided to Plan participants without charge.

All stock certificates sent to the Plan Administrator for safekeeping are automatically converted into book-entry form and will be credited to your Plan account. If you later wish to hold such shares in certificate form again, you must request the Plan Administrator to generate another certificate. Issuance of certificates may be subject to an additional fee. Please contact the Plan Administrator to determine if there is a certificate issuance fee.

INITIAL AND OPTIONAL CASH PURCHASES

10. When and how can I make initial or optional cash purchases?

New investors may make an initial cash purchase when enrolling in the Plan by enclosing a check with their initial enrollment form, or by authorizing a one-time online bank debit from a designated U.S. bank account when enrolling online at the Plan Administrator s website. In both cases, the minimum initial cash purchase amount is $500. Alternatively, new investors may make an initial investment by authorizing monthly recurring automatic deductions of at least $50 per transaction from a designated U.S. bank account for at least ten consecutive purchases. Monthly recurring automatic deductions will continue indefinitely, beyond the initial ten purchases, until you notify the Plan Administrator that the monthly recurring automatic deductions are to stop. A direct debit authorization form is included with the initial enrollment form or you can authorize monthly recurring automatic deductions online at *www.computershare.com/investor*.

As a Plan participant, you may also make optional cash purchases of our common stock. The minimum cash purchase accepted is $50. The maximum limit for both initial purchases and optional cash purchases is $10,000 per transaction not to exceed a maximum of $120,000 per calendar year, unless we grant a waiver of this amount. In the event you want to make an optional cash purchase of more than $10,000, you will need to divide such purchase in separate transactions unless a waiver is granted (See Questions 16 and 17 for more information regarding waivers). Any payment received will be applied toward the purchase of shares for your account as promptly as practicable, usually within five (5) business days upon receipt of funds by the Plan Administrator.

You cannot specify the prices or timing of purchases or the selection of the broker or dealer through or from whom purchases are to be made, nor can you make any other limitations on the purchase of shares other than those specified under these terms and conditions. No interest will be paid on optional cash purchases pending investment.

If you choose to submit a check, be sure to use the contribution form that appears on your Plan statement, and mail it to the address specified on the form. The check must be made payable to Computershare/Bryn Mawr in U.S. dollars and drawn on a U.S. bank. The Plan Administrator will not accept cash, money orders, traveler s checks or third party checks. Alternatively, if you wish to make regular monthly purchases, you may authorize monthly recurring automatic deductions from your designated U.S. bank account. This feature enables you to make ongoing investments in an amount that is comfortable for you, without having to write a check. You may elect the recurring monthly automatic deduction

option by completing and signing a direct debit authorization form and returning this form to the Plan Administrator, together with a voided blank check or savings account deposit slip for the bank account from which the funds are to be withdrawn. Additional direct debit authorization forms are available through the Plan Administrator. You may also enroll online at the Plan Administrator s website, *www.computershare.com/investor*. Your direct debit authorization forms will be processed and will become effective as promptly as practical. You should allow four to six weeks for the first investment to be initiated using this monthly recurring automatic deduction feature. You also may authorize one-time online debits from your designated U.S. bank account at the Plan Administrator s website, *www.computershare.com/investor*.

Table of Contents

In the event that any check, electronic funds transfer or other deposit is returned unpaid for any reason, or your designated U.S. bank account does not have sufficient funds for an automatic debit, the Plan Administrator will consider the request for investment of that purchase null and void and will immediately remove from your account any shares already purchased in anticipation of receiving those funds. If the net proceeds from the sale of those shares are insufficient to satisfy the balance of the uncollected amounts, the Plan Administrator may sell additional shares from your account as necessary to satisfy the uncollected balance. There is a $35 fee for any check or other deposit that is returned unpaid by your bank and for any failed automatic deduction from your designated U.S. bank account. This fee will be collected by the Plan Administrator through the sale of the number of shares from your Plan account necessary to satisfy the fee.

11. Am I obligated to make cash purchases if I enroll in the Plan?

No. Cash purchases are entirely voluntary. You may supplement the reinvestment of your dividends with optional cash purchases as often as you like, or not at all. Or you may buy shares with optional cash purchases and choose not to reinvest any or all of your dividends.

FEES

12. What fees may I incur by participating in the Plan?

We will pay all service and trading fees associated with the reinvestment of dividends and initial and optional cash purchases.

A $15 service fee per sale, plus a trading fee of $0.12 per share sold, will be charged each time Plan shares are sold on your behalf via a batch order sale. A $25 service fee per sale, plus a trading fee of $0.12 per share sold, will be charged each time Plan shares are sold on your behalf via a market order, day limit order or good-til-cancelled limit order sale. An additional fee of $15 will be charged if the assistance of a Customer Service Representative is required when selling shares. Per share trading fees include any applicable brokerage commissions the Plan Administrator is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share trading fee. There will also be a $35 charge for any returned check or other deposit. The fees are subject to change at any time. This is considered part of the Terms and Conditions of the Plan.

PURCHASE OF SHARES

13. What is the source of the common stock that may be purchased through the Plan?

At our discretion, share purchases will be made on the open market or directly from BMTC. Shares purchased from BMTC may come from our authorized but unissued shares or from our treasury shares. Share purchases on the open market may be made on any stock exchange where our common stock is traded or through negotiated transactions, on such terms as the Plan Administrator determines. Neither we nor you will have any authority to direct the date, time, or price at which shares may be purchased by the Plan Administrator or the selection of the broker or dealer through or from whom purchases are to be made.

14. How will shares be purchased under the Plan?

Upon receipt of your funds, the Plan Administrator will invest initial and additional cash purchases as promptly as practicable, normally within five (5) business days.

Shares will be posted to your account in whole and fractional shares, computed to six decimal places. A confirmation of your transaction will be sent by e-mail or via a paper statement to the Internet or postal address you give us when you enroll in the Plan.

Depending on the number of shares being purchased and current trading volume in the shares, a purchase order for any one or more batches may only be partially filled or not filled at all on the trading day on which it is placed, in which case the batch order, or remainder of the batch order, as applicable, will be cancelled at the end of thirty (30) days, If the batch order in which your purchase request was included is only partially filled, the amount of shares you will receive will be prorated based on the amount of funds you contributed out of the total funds contributed for the batch order. Any funds not used to purchase shares will be returned to you by check. No interest will be paid on funds held by the Plan Administrator pending investment.

For automatic recurring monthly purchases, the amounts you have authorized will be withdrawn from your bank account on the 10th day of each month or on the next succeeding business day if the 10th falls on a weekend or holiday. The funds will be credited to your Plan account and normally invested within five (5) business days after receipt by the Plan Administrator.

The Plan Administrator will use your cash to purchase as many full and fractional shares as possible.

15. How will the price for my shares be determined?

For shares purchased on the open market for optional cash purchases or reinvestment, the Plan Administrator may combine a Plan participant s funds with funds of other Plan participants and generally will batch purchase types (reinvestment and optional cash purchases) for separate execution by its broker or dealer. At the Plan Administrator s discretion these batches may be combined and executed by its broker. The Plan Administrator may also direct its broker or dealer to execute each purchase type in several batches throughout an investment date. Depending on the number of shares being purchased and current trading volume in the shares, the Plan Administrator s broker or dealer may execute purchases for any batch or batches in multiple transactions and over more than one day. If different purchase types are batched, the price per share of the stock purchased for each Plan account, whether purchased with funds contributed, dividends or both, shall be the weighted average price of the specific batch for such shares purchased by the Plan Administrator s broker or dealer for the Plan on the investment date. The Plan Administrator will hold, in the name of its nominee, all shares of our common stock purchased or deposited for Plan participants and will establish and maintain Plan account records that reflect each Plan participant s separate interest.

Table of Contents

For shares purchased directly from BMTC, the purchase price will be:

- 97% of the volume-weighted average price of our common stock, as reported in the NASDAQ Stock Market (or such other exchange or quotation system on which our common stock is then listed or quoted) and obtained from Bloomberg, LP (unless such service is unavailable, in which case we will designate another service to be utilized) for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern Time, up to and including the closing print, on the investment date for reinvestment of dividends using new shares or treasury shares purchased directly from BMTC; or

- 100% of the purchase price of the volume weighted average price of our common stock, as reported in the NASDAQ Stock Market (or such other exchange or quotation system on which our common stock is then listed or quoted) and obtained from Bloomberg, LP (unless such service is unavailable, in which case we will designate another service to be utilized) for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern Time, up to and including the closing print, on the investment date for optional cash purchases using new shares or treasury shares purchased directly from BMTC.

The discount described above for shares purchased directly from BMTC will continue until terminated or modified by action of the Board of Directors. If BMTC decides to terminate or modify the discount, a written notice will be sent to notify you of the changes.

16. Will shares be offered to Plan participants at a discount?

We will establish a waiver discount only for shares that are purchased directly from us pursuant to a waiver request. For each pricing period, we may establish a discount from the market price applicable to optional cash purchases and initial investments made pursuant to a request for waiver (please see Question 17). This waiver discount, if any, will range from 0% to 5% of the purchase price and may vary for each pricing period. The waiver discount, if any, will be established at our sole discretion after a review of current market conditions, the level of participation in the Plan, the attractiveness of obtaining additional funds through the sale of our common shares as compared to other sources of funds, and our need for additional funds. You may obtain information regarding the maximum waiver discount, if any, by contacting the Plan Administrator at 1-877-238-6956. Setting a waiver discount for a particular pricing period will not affect the setting of a waiver discount for any subsequent pricing period. The waiver discount, if any, will apply only to optional cash purchases and initial investments in excess of $120,000, in which case, the waiver discount, if any, will apply to the entire optional cash purchase or initial investment made pursuant to a waiver, not just the portion in excess of $120,000.

17. May I invest more than the Plan maximum of $120,000 per account per year?

Yes, we may grant waivers of the transaction and calendar year investment limitations in our discretion. Upon receipt of a written waiver form from an investor, we will consider waiving the maximum investment limit. We are not obligated to give a waiver and may decide to grant or refuse a waiver for any reason or no reason in our sole discretion.

Under regulations of the Federal Reserve Board, a non-individual holder of 25% or more of BMTC s outstanding common stock (or a holder of 5% or more if the holder otherwise exercises a controlling influence over BMTC) may then be obligated to register with the Federal Reserve Board and be subject to regulation as a bank holding company.

A bank holding company may be required to obtain Federal Reserve Board approval under the Bank Holding Company Act of 1954 to acquire 5% or more of BMTC s outstanding common stock.

Any foreign bank, and any company that controls a foreign bank that has certain types of U.S. banking operations, may be required to obtain prior Federal Reserve Board approval under the International Banking Act of 1978 to acquire 5% or more of that series of preferred stock.

Any person other than a bank holding company may be required to obtain Federal Reserve Board approval under the Change in Bank Control Act of 1978 to acquire 10% or more of BMTC s outstanding common stock.

Grants of waiver requests will be made in our sole discretion based on a variety of factors, which may include: our current and projected capital needs, prevailing market prices of our common stock and other securities, and general economic and market conditions. Shares purchased in

excess of the Plan maximum investment amount will be priced as follows:

Investments for which a waiver has been granted will be made subject to a pricing period, which will generally consist of one (1) to fifteen (15) separate days during which trading of our common stock is reported on the NASDAQ Stock Market. Each of these separate days will be an investment date, and an equal proportion of the investment amount will be invested on each trading day during such pricing period, subject to the qualifications listed below. The purchase price for shares acquired on a particular investment date will be equal to 100% (subject to change as provided below) of the volume-weighted average price (less any applicable discount), rounded to four decimal places, of our common stock as reported by the NASDAQ Stock Market (or such other exchange or quotation system on which our common stock is then listed or quoted) , and obtained from Bloomberg, LP (unless such service is unavailable, in which case we will designate another service to be utilized) for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern Time, up to and including the closing print, for that investment date. Funds for such investments must be received by the Plan Administrator not later than the business day before the first day of the pricing period.