CERNER CORP /MO/
Form 4
September 04, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BLACK PAUL M

(Last) (First) (Middle)

2800 ROCKCREEK PARKWAY

(Street)

NORTH KANSAS CITY, MO 64117

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CERNER CORP /MO/ [CERN]

3. Date of Earliest Transaction (Month/Day/Year)
08/31/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Exec VP & COO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								2,273.089	I	By Trust
Common Stock								1,400	D	
Common Stock								5,858.792	I	By Managed Account

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BLACK PAUL M 2800 ROCKCREEK PARKWAY NORTH KANSAS CITY, MO 64117			Exec VP & COO	

Signatures

/s/Mary L. Blair, by power of atty	09/04/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ottom">

Fair value of assets measured on a non-recurring basis at December 31, 2012:

(dollars in millions)	**Total**	**Level 1**	**Level 2**	**Level 3**
Mortgage servicing rights	$ 0.9	$	$	$ 0.9
Impaired loans and leases	19.7			19.7
OREO and other repossessed property	0.9			0.9
Total assets measured at fair value on a non-recurring basis	$ 21.5	$	$	$ 21.5

Fair value of assets measured on a recurring basis for the year ended December 31, 2011:

(dollars in millions)	**Total**	**Level 1**	**Level 2**	**Level 3**
Investments:				
Obligations of U.S. government & agencies	$ 104.6	$	$ 104.6	$
State & political subdivisions	8.4		8.4	
Mortgage backed securities	97.8		97.8	
Collateralized mortgage obligations	32.6		32.6	
Corporate bonds	12.7		12.7	
Mutual funds	14.9	14.9		
Investment certificates of deposit	2.4		2.4	
Other debt securities	1.9		1.9	
Total assets measured on a recurring basis at fair value	$ 275.3	$ 14.9	$ 260.4	$

Fair value of assets measured on a non-recurring basis at December 31, 2011:

(dollars in millions)	**Total**	**Level 1**	**Level 2**	**Level 3**
Mortgage servicing rights	$ 4.0	$	$ 4.0	$
Impaired loans and leases	18.7		18.7	
OREO and other repossessed property	0.5		0.5	
Total assets measured at fair value on a non-recurring basis	$ 23.2	$	$ 23.2	$

During the twelve months ended December 31, 2012, a net increase of $975 thousand in the Allowance was recorded as a result of adjusting the carrying value and estimated fair value of the impaired loans in the above tables. As it relates to the fair values of assets measured on a recurring basis, there have been no transfers between levels during the twelve months ended December 31, 2012.

Note 16 401(K) Plan

The Corporation has a qualified defined contribution plan (the 401(K) Plan) for all eligible employees, under which the Corporation contributes $1.00 for each $1.00 that an employee contributes up to a maximum of 3.0% of the employee s base salary. The Corporation s expenses for the 401(K) Plan were $747 thousand, $618 thousand and $570 thousand in 2012, 2011 and 2010, respectively.

Effective April 1, 2008, an amendment was made to the 401(K) Plan which provided for a new class of immediately vested, discretionary, non-matching employer contribution to the 401(K) Plan. The Corporation s expense for the non-matching discretionary contribution was $879 thousand, $652 thousand and $769 thousand, for the twelve months ended December 31, 2012, 2011 and 2010, respectively.

Note 17 Pension and Postretirement Benefit Plans

A. General Overview The Corporation has three defined benefit pension plans, the qualified defined benefit plan (the QDBP) which covers all employees over age 20 1/2 who meet certain service requirements, and two non-qualified defined benefit pension plans (SERP I and SERP II) which are restricted to certain senior officers of the Corporation.

SERP I provides each participant with the equivalent pension benefit provided by the QDBP on any compensation and bonus deferrals that exceed the IRS limit applicable to the QDBP.

On February 12, 2008, the Corporation amended the QDBP and SERP I to freeze further increases in the defined benefit amounts to all participants, effective March 31, 2008.

On April 1, 2008, the Corporation added SERP II, a non-qualified defined benefit plan which was restricted to certain senior officers of the Corporation.

The Corporation also has a postretirement benefit plan (PRBP) that covers certain retired employees and a group of current employees. The PRBP was closed to new participants in 1994. In 2007, the Corporation amended the PRBP to allow for settlement of obligations to certain current and retired employees. Certain retired participant obligations were settled in 2007 and current employee obligations were settled in 2008.

The following table provides information with respect to our QDBP, SERP, and PRBP, including benefit obligations and funded status, net periodic pension costs, plan assets, cash flows, amortization information and other accounting items.

B. Actuarial Assumptions used to determine benefit obligations for the years ended December 31:

	QDBP		SERP I and SERP II		PRBP	
	2012	2011	2012	2011	2012	2011
Discount rate	3.70%	4.20%	3.70%	4.20 %	3.70 %	4.20 %
Rate of increase for future compensation	N/A	N/A	3.50%	3.50 %	N/A	N/A
Expected long-term rate of return on plan assets	7.50%	7.50%	N/A	N/A	N/A	N/A

C. Changes in Benefit Obligations and Plan Assets:

	QDBP		SERP I & SERP II		PRBP	
(dollars in thousands)	2012	2011	2012	2011	2012	2011
Change in benefit obligations						
Benefit obligation at January 1	$ 38,056	$ 32,574	$ 5,862	$ 4,326	$ 913	$ 998
Service cost			243	230		
Interest cost	1,576	1,708	243	248	36	48
Plan participants contribution					49	21
Actuarial loss (gain)	2,973	5,458	491	1,204	36	9
Benefits paid	(1,780)	(1,684)	(146)	(146)	(192)	(163)
Benefit obligation at December 31	$ 40,825	$ 38,056	$ 6,693	$ 5,862	$ 842	$ 913
Change in plan assets						
Fair value of plan assets at January 1	$ 38,295	$ 30,395	$	$	$	$
Actual return (loss) on plan assets	4,151	(416)				
Employer contribution		10,000	146	146	143	142
Plan participants contribution					49	21
Benefits paid	(1,780)	(1,684)	(146)	(146)	(192)	(163)
Fair value of plan assets at December 31	$ 40,666	$ 38,295	$	$	$	$
Funded status at year end (plan assets less benefit obligations)	$ (159)	$ 239	$ (6,693)	$ (5,862)	$ (842)	$ (913)

	For the Twelve Months Ended December 31,					
	2012	2011	2012	2011	2012	2011
Amounts included in the consolidated balance sheet as other assets (liabilities) and accumulated other comprehensive income including the following:						
Prepaid benefit cost/(accrued liability)	$ 16,573	$ 17,131	$ (3,669)	$ (3,162)	$ (263)	$ (265)
Net actuarial loss	(16,732)	(16,892)	(2,169)	(1,763)	(579)	(622)
Prior service cost			(855)	(937)		
Unrecognized net initial obligation						(26)
Net amount recognized	$ (159)	$ 239	$ (6,693)	$ (5,862)	$ (842)	$ (913)

104

D. The following tables provide the components of net periodic pension costs for the periods indicated:

QDBP Net Periodic Pension Cost *(dollars in thousands)*	**For the Twelve Months Ended December 31,** **2012**	**2011**	**2010**
Service cost	$	$	$
Interest cost	1,576	1,708	1,722
Expected return on plan assets	(2,804)	(2,214)	(2,099)
Amortization of prior service cost			
Amortization of net actuarial loss	1,786	899	768
Curtailment			
Net periodic pension cost	$ 558	$ 393	$ 391

SERP I and SERP II Periodic Pension Cost *(dollars in thousands)*	**For the Twelve Months Ended December 31,** **2012**	**2011**	**2010**
Service cost	$ 243	$ 230	$ 185
Interest cost	243	248	224
Amortization of prior service cost	82	82	87
Amortization of net actuarial loss	86	49	26
Net periodic pension cost	$ 654	$ 609	$ 522

PRBP Net Periodic Pension Cost *(dollars in thousands)*	**For the Twelve Months Ended December 31,** **2012**	**2011**	**2010**
Service cost	$	$	$
Interest cost	36	48	58
Settlement			
Amortization of transition obligation	26	26	26
Amortization of prior service cost		(55)	(138)
Amortization of net actuarial loss	79	77	86
Net periodic pension cost	$ 141	$ 96	$ 32

E. Plan Assets:

The information in this section pertains to the assets of the QDBP. The PRBP, SERP I and SERP II are unfunded plans and, as such, have no related plan assets.

The following table details the asset allocation and the QDBP s policy asset allocation range as of the dates indicated

	2012 Plan Policy Asset Allocation Range**	**2011 Plan Policy Asset Allocation Range****	**Percentage of QDBP Plan Assets as of December 31,** **2012**	**2011**
Asset Category				
Equity securities*	50% to 65%	50% to 65%	61%	45%
Fixed-income investments	10% to 30%	30% to 45%	19%	29%
Alternative investments	0% to 30%	N/A	14%	0%
Cash reserves**	1% to 5%	1% to 5%	6%	26%
Total			100%	100%

105

* *Includes Bryn Mawr Bank Corporation common stock in the amount of $702 thousand, or 1.7%, and $614 thousand, or 1.6%, at December 31, 2012 and 2011, respectively.*

** *Asset categories that fall outside the asset allocation range (policy) are outside the range on a short-term basis and is often related to the timing of plan funding and subsequent investment. Reallocation is done regularly in order to adhere to the plan s asset allocation policy*

The expected rate of return on plan assets in the QDBP was selected by the Corporation after consultation with its actuary, and is based in part on long term historical rates of return and various actuarial assumptions. The discount rate was also selected by the Corporation after consultation with its actuary, and is based in part upon the current yield of a portfolio of long term investment grade securities.

The investment strategy of the QDBP is to maintain the investment ranges listed above. The target ranges are to be periodically reviewed based on the prevailing market conditions. Any modification to the current investment strategy must be ratified by the Wealth Management Committee of the Corporation s Board of Directors. The QDBP is allowed to retain approximately 2.5% of Bryn Mawr Bank Corporation common stock.

The Corporation s overall investment strategy is to achieve a mix of approximately 60% investments for long-term growth and 40% for production of current income. The target allocations for the QDBP are 60% equity securities comprised of a number of mutual funds managed with differing objectives and styles. The plan also holds shares of the Corporation s common stock. Fixed income obligations include corporate obligations, U.S. Treasury and Agency securities, along with fixed income mutual funds.

In addition, the QDBP invests in alternative investments whose definition is quite broad. Examples of strategies that may be deployed include: long/short, global macro, managed futures, event driven, tactical absolute return, master limited partnerships, REITs, etc. The allocation to alternative investments may be achieved through liquid strategies, such as separate accounts or mutual funds or through hedge funds. Hedge funds are carried at fair value as determined by the fund manager in good faith. In establishing the fair value of hedge funds, the fund manager takes into consideration information received from the investment administrators, including their financial statements and the fair value established by the fund manager of each respective investment.

The following tables summarize the fair value of the assets of the QDBP as of the dates indicated. The fair values were determined by using three broad levels of inputs. See Note 15 for description of these input levels.

The fair value of the QDBP assets measured on a recurring basis as of December 31, 2012:

(dollars in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 2,576	$ 2,576	$	$
Alternative investments*	5,664	2,269	3,395	
Common stocks	703	703		
Equity mutual funds	23,950	23,950		
Bond mutual funds	7,773	7,773		
Total assets measured on a recurring basis at fair value	$ 40,666	$ 37,271	$ 3,395	$

* *Alternative investments include exchange-traded products which are considered Level 1 and hedge fund investments which are considered Level 2.*

106

The fair value of the QDBP assets measured on a recurring basis as of December 31, 2011:

(dollars in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash	$ 10,047	$ 10,047	$	$
Obligations of U.S. Treasury	517		517	
Obligations of U.S. Government and agencies	722		722	
Common stocks	614	614		
Equity mutual funds	16,653	16,653		
Bond mutual funds	9,742	9,742		
Total assets measured on a recurring basis at fair value	$ 38,295	$ 37,056	$ 1,239	$

F. Cash Flows

The following benefit payments, which reflect expected future services, are expected to be paid over the next ten years:

(dollars in thousands)	**QDBP**	**SERP I & SERP II**	**PRBP**
Fiscal year ending			
2013	$ 1,867	$ 146	$ 132
2014	1,876	146	120
2015	1,953	242	109
2016	1,980	240	98
2017	1,971	237	87
2018-2022	10,515	1,255	291

G. Other Pension and Post Retirement Benefit Information

In 2005, the Corporation placed a cap on the future annual benefit payable through the PRBP. This cap is equal to 120% of the 2005 annual benefit.

H. Expected Contribution to be Paid in the Next Fiscal Year

Based on the status of the Corporation s QDBP at December 31, 2012, no minimum funding requirement is anticipated for 2013. The 2013 expected contribution for the SERP is $146 thousand.

I. Actuarial Losses

As indicated in section C of this footnote, the Corporation s pension plans had cumulative actuarial losses as of December 31, 2012 that will result in an increase in the Corporation s future pension expense because such losses at each measurement date exceed 10% of the greater of the projected benefit obligation or the market-related value of the plan assets. In accordance with GAAP, net unrecognized gains or losses that exceed that threshold are required to be amortized over the expected service period of active employees, and are included as a component of net pension cost. Amortization of these net actuarial losses had the effect of increasing the Corporation s pension by the amounts shown on the table in section D of this footnote.

Note 18 Income Taxes

A. Components of Net Deferred Tax Asset:

(dollars in thousands)	December 31, 2012	2011
Deferred tax assets:		
Loan and lease loss reserve	$ 6,010	$ 5,817
Other reserves	1,506	1,160
Net operating loss carry-forward	2,187	2,568
Alternative minimum tax credits	568	568
Amortizing fair value adjustments, FKF merger	2,778	3,848
Defined benefit plans	8,494	8,284
Total deferred tax asset	21,543	22,245
Deferred tax liabilities:		
Other reserves	(165)	(26)
QDBP	(5,800)	(5,996)
Originated MSRs	(1,572)	(1,414)
Unrealized appreciation on investment securities	(1,703)	(964)
Total deferred tax liability	(9,240)	(8,400)
Total net deferred tax asset	$ 12,303	$ 13,845

Not included in the table above is a $175 thousand deferred tax asset for state taxes related to net operating losses of our leasing subsidiary as of December 31, 2012, for which we have recorded a 100% valuation allowance. In addition, as of December 31, 2012, the Corporation had a $110 thousand deferred tax asset related to a capital loss carry-forward, for which it has also recorded a 100% valuation allowance, as the Corporation has limited access to instruments that would produce an offsetting capital gain. In connection with the May 15, 2012 acquisition of DTC, the Corporation recorded a net deferred tax liability of $1.3 million.

B. The provision for income taxes consists of the following:

(dollars in thousands)	2012	2011	2010
Currently payable	$ 11,575	$ 6,231	$ 4,748
Deferred	(505)	3,310	(304)
Total	$ 11,070	$ 9,541	$ 4,444

C. Applicable income taxes differed from the amount derived by applying the statutory federal tax rate to income as follows:

(dollars in thousands)	2012	Tax Rate	2011	Tax Rate	2010	Tax Rate
Computed tax expense at statutory federal rate	$ 11,276	35.0%	$ 10,200	35.0%	$ 4,721	35.0%
Tax-exempt income	(382)	(1.2)%	(395)	(1.4)%	(514)	(3.2)%
Other, net	176	0.5%	(264)	(0.9)%	237	1.2%
Total income tax expense	$ 11,070	34.3%	$ 9,541	32.7%	$ 4,444	33.0%

108

D. Other Income Tax Information

In accordance with the provisions of ASC 740, Accounting for Uncertainty in Income Taxes , the Corporation recognizes the financial statement benefit of a tax position only after determining that the Corporation would more likely than not 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 percent likelihood of being realized upon settlement with the relevant tax authority. The Corporation applied these criteria to tax positions for which the statute of limitations remained open.

There were no reserves for uncertain tax positions recorded during the twelve months ended December 31, 2012, 2011 or 2010.

The Corporation is subject to income taxes in the U.S. federal jurisdiction, and in multiple state jurisdictions. The Corporation is no longer subject to U.S. federal income tax examination by tax authorities for the years before 2008.

The Corporation s policy is to record interest and penalties on uncertain tax positions as income tax expense. No interest or penalties were accrued in 2012.

As of December 31, 2012, the Corporation has net operating loss carry-forwards for federal income tax purposes of $6.2 million related to the FKF merger which are available to offset future federal taxable income through 2030. In addition, the Corporation has alternative minimum tax credits of $568 thousand, which are available to reduce future federal regular income taxes over an indefinite period and a capital loss carry-forward of $315 thousand that will begin to expire in 2013 if not utilized.

As a result of the July 1, 2010 merger with FKF, the Corporation succeeded to certain tax bad debt reserves that existed at FKF as of June 30, 2010. As of December 31, 2012, the Corporation had unrecognized deferred income taxes of $2.5 million with respect to these reserves. These reserves could be recognized as taxable income and create a current and/or deferred tax liability at the income tax rates then in effect if one of the following conditions occurs: (1) the Corporation s retained earnings represented by this reserve are used for distributions, in liquidation, or for any other purpose other than to absorb losses from bad debts; (2) the Corporation fails to qualify as a bank, as provided by the Internal Revenue Code; or (3) there is a change in federal tax law.

Note 19 Stock-Based Compensation

A. General Information

The Corporation permits the issuance of stock options, dividend equivalents, performance awards, stock appreciation rights, restricted stock and/or restricted stock units to employees and directors of the Corporation under several plans. The terms and conditions of awards under the plans are determined by the Corporation s 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 the Corporation s 2007 Long-Term Incentive Plan (the 2007 LTIP) under which a total of 428,996 shares of the Corporation s common stock were made available for award grants. On April 28, 2010, the shareholders approved the Corporation s 2010 Long Term Incentive Plan (the 2010 LTIP) under which a total of 445,002 shares of the Corporation s common stock were made available for award grants.

The equity awards granted under the 2007 and 2010 LTIPs were authorized to be in the form of, among others, options to purchase the Corporation s common stock, restricted stock awards (RSA s) and performance stock awards (PSA s).

The fair value of the RSAs is based on the closing price on the day preceding the date of the grant.

The PSAs vest based on the Corporation s total shareholder return relative to the performance of the community bank index for the respective period. The amount of PSAs earned will not exceed 100% of the PSAs awarded. The fair value of the PSAs is calculated using the Monte Carlo Simulation method.

In connection with the FKF merger, 21,133 fully vested options which had been granted to former FKF employees were assumed by the Corporation.

The following table summarizes the remaining shares authorized to be granted for options, RSAs and PSAs:

	Shares Authorized for:	
	Options Only	Options, RSAs or PSAs
Balance, December 31, 2009		38,989
Shares authorized 2010 LTIP		445,002
Options authorized FKF Merger	21,133	
Options granted fully vested	(21,133)	
RSAs granted four year cliff-vesting		(11,920)
PSAs granted three year cliff-vesting		(60,767)
PSAs forfeited		500
Unexercised options expired		14,080
Balance, December 31, 2010		425,884
RSAs granted four year cliff-vesting		(17,085)
RSAs granted four year cliff-vesting		(9,000)
PSAs granted three year cliff-vesting		(60,238)
Unexercised options expired		19,330
Unexercised options cancelled		19,464
Balance, December 31, 2011		378,355
RSAs granted three year cliff-vesting...		(31,948)
PSAs granted three year cliff-vesting		(73,217)
Unexercised options expired		9,883
Unexercised options cancelled		5,755
PSAs forfeited		4,812
Balance, December 31, 2012		293,640

B. Fair Value of Options Granted

The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants issued during:

	2012	2011	2010
Expected dividend yield	N/A	N/A	3.24%
Expected volatility of Corporation s stock	N/A	N/A	45.7%
Risk-free interest rate	N/A	N/A	1.5%
Expected life in years	N/A	N/A	6.0
Weighted average fair value of options granted	N/A	N/A	$ 5.42

The expected dividend yield is based on the company s annual dividend amount as a percentage of the average stock price at the time of the grant. Expected life is equal to the mid-point of the average time to vest and the contractual term. Expected volatility of the Corporation s stock is based on the historic volatility of the

110

Corporation s stock price. The risk-free interest rate is based on the zero-coupon U.S. Treasury interest rate ranging from one month to ten years and a period commensurate with the expected life of the option. No options were granted in 2011 or 2012.

C. Other Stock Option Information The following table provides information about options outstanding:

	For the Twelve Months Ended December 31,								
	2012			2011			2010		
	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
Options outstanding, beginning of period	876,470	$ 20.17	$ 4.49	993,710	$ 19.82	$ 4.44	1,012,896	$ 19.75	$ 4.41
Granted							21,133	$ 13.35	$ 5.42
Forfeited	(5,755)	$ 20.56	$ 4.74	(16,320)	$ 20.94	$ 4.79	(14,080)	$ 21.53	$ 4.87
Expired	(9,883)	$ 21.93	$ 5.01	(32,330)	$ 21.87	$ 5.04			
Exercised	(77,356)	$ 17.60	$ 3.69	(68,590)	$ 14.08	$ 2.79	(26,239)	$ 10.97	$ 3.14
Options outstanding, end of period	783,476	$ 20.40	$ 4.62	876,470	$ 20.17	$ 4.49	993,710	$ 19.82	$ 4.45

The following table provides information related to options as of December 31, 2012:

	Options Outstanding		Options Exercisable		
Range of Exercise Prices	Options Outstanding	Remaining Contractual Life	Shares Exercisable At 12/31/12	Remaining Contractual Life	Weighted Average Exercise Price*
$10.36 to $10.75	4,510	5.89 yrs	4,510	5.89 yrs	$ 10.36
$17.01 to $18.91	348,652	3.60 yrs	289,649	3.05 yrs	$ 18.51
$18.92 to $20.00	2,625	2.50 yrs	2,625	2.50 yrs	$ 19.11
$20.01 to $21.00	84,000	1.31 yrs	84,000	1.31 yrs	$ 20.47
$21.01 to $22.00	223,925	3.59 yrs	223,925	3.59 yrs	$ 21.59
$22.01 to $24.27	119,764	5.15 yrs	98,011	5.11 yrs	$ 24.14
	783,476	3.60 yrs	702,720	3.32 yrs	$ 20.46

*price of exercisable options

The following table provides information about unvested options:

For the Twelve Months Ended December 31,					
2012		2011		2010	
Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value

Unvested options, beginning of period	158,515	$	4.73	249,574	$	4.76	350,076	$	4.78
Granted							21,133	$	5.42
Vested	(72,004)	$	4.82	(74,739)	$	4.82	(107,405)	$	4.96
Forfeited	(5,755)	$	4.74	(16,320)	$	4.79	(14,230)	$	4.87
Unvested options, end of period	80,756	$	4.65	158,515	$	4.73	249,574	$	4.76

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

	For the Twelve Months Ended December 31,		
(dollars in thousands)	**2012**	**2011**	**2010**
Proceeds from strike price of value of options exercised	$ 1,362	$ 966	$ 288
Related tax benefit recognized	100	141	60
Proceeds of options exercised	$ 1,462	$ 1,107	$ 348
Intrinsic value of options exercised	$ 269	$ 444	$ 460

The following table provides information about options outstanding and exercisable options:

	As of December 31,					
	2012		**2011**		**2010**	
	Options Outstanding	**Exercisable Options**	**Options Outstanding**	**Exercisable Options**	**Options Outstanding**	**Exercisable Options**
Number	783,476	702,720	876,470	717,955	993,710	744,136
Weighted average exercise price	$ 20.40	$ 20.46	$ 20.17	$ 20.10	$ 19.82	$ 19.52
Aggregate intrinsic value	$ 1,691,778	$ 1,455,766	$ 549,495	$ 437,549	$ 260,320	$ 260,320
Weighted average contractual term	3.6 yrs	3.3 yrs	4.3 yrs	3.7 yrs	5.0 yrs	4.0 yrs

For the twelve months ended December 31, 2012, the Corporation recognized $228 thousand of expense related to stock options. As of December 31, 2012, the unamortized stock based compensation expense on stock options was $212 thousand which will be recognized over the next 17 months.

D. Restricted Stock Awards and Performance Stock Awards

The Corporation has granted RSAs and PSAs under the 2007 LTIP and 2010 LTIP Plans.

RSAs

The compensation expense for the RSAs 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, accelerated for retirement eligibility. Stock restrictions are subject to alternate vesting for death and disability and retirement.

For the twelve months ended December 31, 2012, the Corporation recognized $520 thousand of expense related to the Corporation s RSAs. As of December 31, 2012, there was $657 thousand of unrecognized compensation cost related to RSAs. This cost will be recognized over a weighted average period of 2.0 years.

The following table details the RSAs for the twelve month periods ended December 31, 2012, 2011 and 2010:

	Twelve Months Ended December 31, 2012		Twelve Months Ended December 31, 2011		Twelve Months Ended December 31,2010	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Beginning balance	35,025	$ 18.06	11,920	$ 16.78		$
Granted	31,948	$ 20.41	26,085	$ 18.50	11,920	$ 16.78
Vested	(10,342)	$ 19.34	(2,980)	$ 16.78		$
Forfeited						
Ending balance	56,631	$ 19.15	35,025	$ 18.06	11,920	$ 16.78

PSAs

The compensation expense for PSAs is measured based on their grant date fair value as calculated using the Monte Carlo Simulation. Related to the 73,217 PSAs granted during the twelve months ended December 31, 2012, the Monte Carlo Simulation used various assumptions that include expected volatility of 32.01%, a risk free rate of return of 0.42% and a correlation co-efficient of 0.7093%.

The Corporation recognized $535 thousand of expense related to the PSAs for the twelve months ended December 31, 2012. As of December 31, 2012, there was $982 thousand of unrecognized compensation cost related to PSAs. This cost will be recognized over a weighted average period of 1.7 years.

The following table details the PSAs for the twelve month periods ending December 31, 2012, 2011 and 2010:

	Twelve Months Ended December 31, 2012		Twelve Months Ended December 31, 2011		Twelve Months Ended December 31, 2010	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Beginning balance	117,361	$ 9.86	60,267	$ 9.64		
Granted	73,217	$ 11.80	60,238	$ 10.07	60,767	$ 9.64
Vested						
Forfeited	(4,812)	$ 9.88	(3,144)	$ 9.64	(500)	$ 9.64
Ending balance	185,766	$ 10.62	117,361	$ 9.86	60,267	$ 9.64

Note 20 Earnings Per Share

The calculation of basic earnings per share and diluted earnings per share is presented below:

(dollars in thousands, except per share data)	Year Ended December 31, 2012	2011	2010
Numerator Net income available to common shareholders	$ 21,147	$ 19,602	$ 9,046
Denominator for basic earnings per share Weighted average shares outstanding*	13,090,110	12,659,824	10,680,377
Effect of dilutive potential common shares	151,736	82,313	12,312
Denominator for diluted earnings per share Adjusted weighted average shares outstanding	13,241,846	12,742,137	10,692,689
Basic earnings per share	$ 1.62	$ 1.55	$ 0.85
Diluted earnings per share	$ 1.60	$ 1.54	$ 0.85
Antidulitive shares excluded from computation of average dilutive earnings per share	848,477	941,005	941,079

* *excludes restricted stock*

All weighted average shares, actual shares and per share information in the financial statements have been adjusted retroactively for the effect of stock dividends and splits. See Note 1-Q Summary of Significant Accounting Policies: Earnings Per Common Share for a discussion on the calculation of earnings per share.

Note 21 Other Operating Income

Components of other operating income for the indicated years ended December 31 include:

(dollars in thousands)	2012	2011	2010
Merchant interchange fees	$ 665	$ 559	$ 360
Commissions and fees	510	468	396
Safe deposit box rentals	398	407	365
Insurance commissions	444	403	386
Other investment income	349	153	119
Title insurance income	272	119	207
Rent income	162	116	167
Miscellaneous other income	1,043	1,181	525
Other operating income	$ 3,843	$ 3,406	$ 2,525

114

Note 22 Other Operating Expense

Components of other operating expense for the indicated years ended December 31 include:

(dollars in thousands)	**2012**	**2011**	**2010**
Information technology	$ 2,060	$ 1,518	$ 1,376
Loan processing	1,485	1,114	1,040
Other taxes	1,164	973	728
Temporary help and recruiting	1,031	532	525
Telephone	652	514	455
Travel and entertainment	567	507	410
Stationary and supplies	516	496	400
Postage	433	415	370
Director fees	409	359	331
Outsourced services	355	180	45
Portfolio maintenance	266	313	242
Dues and subscriptions	326	287	244
Contributions	301	279	259
Insurance	402	277	253
Deferred compensation expense	271	203	220
Miscellaneous other expense	2,488	1,879	1,476
Other operating expense	$ 12,726	$ 9,846	$ 8,374

Note 23 Related Party Transactions

In the ordinary course of business, the Bank granted loans to principal officers, directors and their affiliates. Loan activity during 2012 and 2011 was as follows:

Following is a summary of these transactions:

(dollars in thousands)	**2012**	**2011**
Balance, January 1	$ 6,004	$ 6,117
Additions	5	
Amounts collected	(3,125)	(113)
Balance, December 31	$ 2,884	$ 6,004

Related party deposits amounted to $1.7 million and $961 thousand at December 31, 2012 and 2011, respectively.

Note 24 Financial Instruments with Off-Balance Sheet Risk, Contingencies and Concentration of Credit Risk

Off-Balance Sheet Risk

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 December 31, 2012 were $366.6 million. The Corporation 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 credits 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 obligation under standby letters of credit as of December 31, 2012 amounted to $22.2 million. There were no outstanding bankers acceptances as of December 31, 2012.

Contingencies

Legal Matters

In the ordinary course of business, the Corporation is subject to litigation, claims, and assessments that involve claims for monetary relief. Some of these are covered by insurance. Based upon information presently available to the Corporation and its counsel, it is the Corporation s opinion that any legal and financial responsibility arising from such claims will not have a material, adverse effect on its results of operations, financial condition or capital.

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. For the twelve months ended December 31, 2012, 2011 and 2010, the Corporation recorded an immaterial amount of loan repurchases resulting from these provisions.

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. The Corporation 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.

As of December 31, 2012, the Corporation had no loans sold with recourse outstanding.

116

Note 25 Dividend Restrictions

The Bank is subject to the Pennsylvania Banking Code of 1965 (the Code), as amended, and is restricted in the amount of dividends that can be paid to its sole shareholder, the Corporation. The Code restricts the payment of dividends by the Bank to the amount of its net income during the current calendar year and the retained net income of the prior two calendar years, unless the dividend has been approved by the Board of Governors of the Federal Reserve System. The total retained net income for the years ended December 31, 2011 and 2012 was $18.6 million. Accordingly, the dividend payable by the Bank to the Corporation is limited to $18.6 million plus net income earned in 2013. However, the amount of dividends paid by the Bank may not reduce capital levels below levels that would cause the Bank to be considered less than adequately capitalized as detailed in Note 26 Regulatory Capital Requirements .

Note 26 Regulatory Capital Requirements

A. General Regulatory Capital Information

Both the Corporation and the Bank are subject to various regulatory capital requirements, administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if taken, could have a direct material effect on the Corporation s and the Bank s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation and the Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

B. S-3 Shelf Registration Statement and Offerings Thereunder

In June 2009, the Corporation filed a shelf registration statement (the Shelf Registration Statement) which allows the Corporation to raise additional capital through offers and sales of registered securities consisting of common stock, warrants to purchase common stock, stock purchase contracts or units consisting of any combination of the foregoing securities. Using the prospectus in the Shelf Registration Statement, together with applicable prospectus supplements, the Corporation may sell, from time to time, in one or more offerings, any amount of such securities in a dollar amount up to $90,000,000, in the aggregate.

In addition to the shares issued through the Plan above, on May 18, 2010, through a registered direct stock offering, the Corporation issued 1,548,167 common shares, at a price of $17.00 per share, raising $24.6 million after deducting placement agent s fees and other offering expenses of $1.7 million.

On July 20, 2009, the Corporation filed with the Securities and Exchange Commission a prospectus supplement in order to register 850,000 common shares of its stock, under the Shelf Registration Statement in connection with a Dividend Reinvestment and Stock Purchase Plan (the Plan). The Plan allows for the grant of a request for waiver (RFW) above the Plan maximum investment of $120 thousand per account per year. An RFW is granted based on a variety of factors, including the Corporation s current and projected capital needs, prevailing market prices of the Corporation s common stock and general economic and market conditions.

The Plan is intended to allow both existing shareholders and new investors to easily and conveniently increase their investment in the Corporation without incurring many of the fees and commissions normally associated with brokerage transactions. For the twelve months ended December 31, 2012 and 2011, the Corporation issued 108,918 and 448,377 shares, respectively, and raised $2.1 million and $8.3 million, respectively, through the Plan.

C. Private Transactions in Securities

In 2008 and 2009, the Corporation issued an aggregate $22.5 million in subordinated debentures which qualified as Tier II capital. This subordinated debt bore interest at a variable rate based on ninety-day LIBOR. As of December 31, 2012, the Corporation had prepaid all outstanding subordinated debt.

D. Shares Issued in Mergers and Acquisitions

In connection with the acquisition of PWMG, the Corporation issued 322,101 common shares, valued at $6.7 million, to former shareholders of PWMG. These shares were registered on an S-3 registration statement filed by the Corporation in September 2011.

In connection with the merger with FKF, the Corporation issued 1,630,053 common shares, valued at $26.5 million, to former shareholders of FKF. These shares were registered on an S-4 registration statement filed by the Corporation in January 2010.

E. Regulatory Capital Ratios

As set forth in the following table, quantitative measures have been established to ensure capital adequacy ratios required of both the Corporation and the Bank. Both the Corporation s and the Bank s Tier II capital ratios are calculated by adding back a portion of the loan loss reserve to the Tier I capital. The Corporation believes that as of December 31, 2012 and 2011, the Corporation and the Bank had met all capital adequacy requirements to which they were subject. Federal banking regulators have defined specific capital categories, and categories range from a best of well capitalized to a worst of critically under capitalized. Both the Corporation and the Bank were classified as well capitalized as of December 31, 2012 and 2011.

The Corporation s and the Bank s actual capital amounts and ratios as of December 31, 2012 and 2011 are presented in the following table:

	Actual		**Minimum to be Well Capitalized**	
(dollars in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**
December 31, 2012				
Total (Tier II) capital to risk weighted assets:				
Corporation	$ 174,885	12.02%	$ 145,528	10%
Bank	176,985	12.20%	145,124	10%
Tier I capital to risk weighted assets:				
Corporation	160,425	11.02%	87,317	6%
Bank	162,525	11.20%	87,074	6%
Tier I capital to average assets:				
Corporation	160,425	8.72%	91,989	5%
Bank	162,525	8.84%	91,940	5%
December 31, 2011				
Total (Tier II) capital to risk weighted assets:				
Corporation	$ 187,913	13.74%	$ 136,795	10%
Bank	195,785	14.35%	136,451	10%
Tier I capital to risk weighted assets:				
Corporation	152,637	11.16%	82,077	6%
Bank	160,509	11.76%	81,870	6%
Tier I capital to average assets:				
Corporation	152,637	8.89%	85,888	5%
Bank	160,509	9.35%	85,835	5%

118

Note 27 Selected Quarterly Financial Data (Unaudited)

(dollars in thousands, except per share data)	2012 1st Quarter	2012 2nd Quarter	2012 3rd Quarter	2012 4th Quarter
Interest income	$ 18,372	$ 18,188	$ 18,081	$ 18,682
Interest expense	2,387	2,285	2,130	1,786
Net interest income	15,985	15,903	15,951	16,896
Provision for loan and lease losses	1,000	1,003	1,000	1,000
Other income	9,587	11,381	12,248	13,170
Other expense	16,795	18,128	18,889	21,089
Income before income taxes	7,777	8,153	8,310	7,977
Tax expense	2,704	2,808	2,885	2,673
Net income.	$ 5,073	$ 5,345	$ 5,425	$ 5,304
Basic earnings per common share*	$ 0.39	$ 0.41	$ 0.41	$ 0.40
Diluted earnings per common share*	$ 0.39	$ 0.40	$ 0.41	$ 0.40
Dividend declared	$ 0.16	$ 0.16	$ 0.16	$ 0.16

(dollars in thousands, except per share data)	2011 1st Quarter	2011 2nd Quarter	2011 3rd Quarter	2011 4th Quarter
Interest income	$ 18,261	$ 18,883	$ 18,691	$ 18,727
Interest expense	2,819	3,052	3,018	2,772
Net interest income	15,442	$ 15,831	$ 15,673	$ 15,955
Provision for loan and lease losses	1,285	1,919	1,827	1,056
Other income	7,183	8,141	9,264	9,471
Other expense	14,467	14,851	15,673	16,739
Income (loss) before income taxes	6,873	7,202	7,437	7,631
Tax expense (benefit)	2,328	2,379	2,208	2,626
Net income (loss)	$ 4,545	$ 4,823	$ 5,229	$ 5,005
Basic earnings per common share*	$ 0.37	$ 0.38	$ 0.41	$ 0.39
Diluted earnings per common share*	$ 0.37	$ 0.38	$ 0.41	$ 0.38
Dividend declared	$ 0.15	$ 0.15	$ 0.15	$ 0.15

* *Earnings per share is computed independently for each period shown. As a result, the sum of the quarters may not equal the total earnings per share for the year.*

Note 28 Parent Company-Only Financial Statements

The condensed financial statements of the Corporation (parent company only) are presented below. These statements should be read in conjunction with the Notes to the Consolidated Financial Statements.

A. Condensed Balance Sheets

(dollars in thousands)	December 31, 2012	2011
Assets:		
Cash	$ 5,392	$ 4,402
Investment securities	99	229
Investments in subsidiaries, as equity in net assets	206,496	192,650
Premises and equipment, net	2,681	2,779
Goodwill	245	245
Other assets	896	1,425
Total assets	$ 215,809	$ 201,730
Liabilities and shareholders equity:		
Borrowings	$ 9,400	$ 13,691
Other liabilities	2,845	3,660
Total liabilities	$ 12,245	$ 17,351
Common stock, par value $1, authorized 100,000,000 shares issued 16,390,608 shares and 16,103,981 shares as of December 31, 2012 and 2011, respectively, and outstanding 13,412,690 shares and 13,106,353 shares as of December 31, 2012 and 2011, respectively	$ 16,390	$ 16,104
Paid-in capital in excess of par value	89,137	84,425
Less common stock in treasury, at cost 2,977,918 shares and 2,997,628 shares as of December 31, 2012 and 2011, respectively	(30,745)	(31,027)
Accumulated other comprehensive loss, net of deferred income taxes benefit	(10,078)	(11,365)
Retained earnings	138,860	126,242
Total shareholders equity	$ 203,564	$ 184,379
Total liabilities and shareholders equity	$ 215,809	$ 201,730

B. Condensed Statements of Income

(dollars in thousands)	Twelve Months Ended December 31, 2012	2011	2010
Dividends from subsidiaries	$ 13,075	$ 9,650	$ 5,055
Interest and other income	2,672	2,646	1,569
Total operating income	15,747	12,296	6,624
Expenses	2,410	2,678	1,762
Income before equity in undistributed income of subsidiaries	13,337	9,618	4,862
Equity in undistributed income of subsidiaries	7,761	9,973	4,119
Income before income taxes	21,098	19,591	8,981
Income tax benefit	(49)	(11)	(65)
Net income	$ 21,147	$ 19,602	$ 9,046

120

Explanation of Responses:

C. Condensed Statements of Cash Flows

	Twelve Months Ended December 31,		
(dollars in thousands)	**2012**	**2011**	**2010**
Operating activities:			
Net Income	$ 21,147	$ 19,602	$ 9,046
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed income of subsidiaries	(7,761)	(9,973)	(4,119)
Depreciation and amortization	98	105	102
Net gain on sale of available for sale securities		(38)	(50)
Stock-based compensation cost	1,283	876	539
Net accretion of fair value adjustments		(55)	(78)
Other, net	(239)	360	(30)
Net cash provided by operating activities	14,528	10,877	5,410
Investing Activities:			
Proceeds from sale of available for sale securities		99	579
Acquisitions, net of cash acquired	(9,278)	(13,367)	(4,565)
Sale of subsidiary	10,500	18,411	
Investment in subsidiaries	(4,800)	(17,200)	(21,915)
Net cash used by investing activities	(3,578)	(12,057)	(25,901)
Financing activities:			
Dividends paid	(8,529)	(7,679)	(5,916)
Change in other borrowings	(4,291)	11,691	(62)
Decrease in junior subordinated debt		(12,028)	
Proceeds from sale of treasury stock	317		
Repurchase of treasury stock		(42)	(35)
Proceeds from issuance of common stock	2,118	8,325	26,688
Payment of contingent consideration for business combinations	(1,050)		
Tax benefit on exercise of stock option	100	141	60
Excess tax benefit from stock-based compensation	12		
Proceeds from exercise of stock options	1,363	966	288
Net cash (used) provided by financing activities	(9,960)	1,374	21,023
Change in cash and cash equivalents	990	194	532
Cash and cash equivalents at beginning of year	4,402	4,208	3,676
Cash and cash equivalents at end of year	$ 5,392	$ 4,402	$ 4,208

Note 29 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, BOLI income and interchange revenue associated with its Visa Check Card offering.

121

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.

The accounting policies of the Corporation are applied by segment in the following tables. The segments are presented on a pre-tax basis which is the way the Corporation evaluates business results.

The following table details the Corporation s segments.

	As of or for the Twelve Months Ended December 31,								
	2012			2011			2010		
(dollars in thousands)	**Banking**	**Wealth Management**	**Consolidated**	**Banking**	**Wealth Management**	**Consolidated**	**Banking**	**Wealth Management**	**Consolidated**
Net interest income	$ 64,731	$ 4	$ 64,735	$ 62,894	$ 7	$ 62,901	$ 52,242	$ 9	$ 52,251
Less: loan loss provision	4,003		4,003	6,088		6,088	9,854		9,854
Net interest income after loan loss provision	60,728	4	60,732	56,806	7	56,813	42,388	9	42,397
Other income:									
Fees for wealth management services		29,798	29,798		21,669	21,669		15,499	15,499
Service charges on deposit accounts	2,477		2,477	2,495		2,495	2,307		2,307
Loan servicing and other fees	1,776		1,776	1,824		1,824	1,626		1,626
Net gain on sale of loans	6,735		6,735	2,517		2,517	4,718		4,718
Net gain on sale of available for sale securities	1,415		1,415	1,783		1,783	2,472		2,472
Net gain (loss) on sale of other real estate owned	(86)		(86)	(97)		(97)	(114)		(114)
BOLI income	428		428	462		462	266		266
Other operating income	3,737	106	3,843	3,390	16	3,406	2,550	(25)	2,525
Total other income	16,482	29,904	46,386	12,374	21,685	34,059	13,825	15,474	29,299
Other expenses:									
Salaries & wages	22,248	10,883	33,131	20,016	8,068	28,084	1,678	7,025	8,703
Employee benefits	5,660	2,467	8,127	4,837	2,052	6,889	4,424	1,560	5,984
Occupancy & equipment	4,619	1,255	5,874	4,149	1,027	5,176	3,505	752	4,257
Amortization of intangible assets	294	2,117	2,411	324	1,166	1,490	176	308	484
Professional fees	2,665	203	2,868	2,156	155	2,311	1,975	165	2,140
Other operating expenses	19,290	3,200	22,490	15,776	2,003	17,779	35,411	1,227	36,638
Total other expenses	54,776	20,125	74,901	47,258	14,471	61,729	47,169	11,037	58,206
Segment profit	22,434	9,783	32,217	21,922	7,221	29,143	9,044	4,446	13,490
Intersegment (revenues) expenses*	(484)	484		(337)	337		(96)	96	
Pre-tax segment profit after eliminations	$ 21,950	$ 10,267	$ 32,217	$ 21,585	$ 7,558	$ 29,143	$ 8,948	$ 4,542	$ 13,490
% of segment pre-tax profit after eliminations	68.1%	31.9%	100.0%	74.1%	25.9%	100.0%	66.3%	33.7%	100.0%

Segment assets *(dollars in millions)*	$ 1,990.9	$ 45.0	$ 2,035.9	$ 1,738.9	$ 34.5	$ 1,773.4	$ 1,715.5	$ 14.9	$ 1,730.4
Assets under management, administration, supervision and brokerage *(dollars in millions)*		$ 6,663.2			$ 4,831.6			$ 3,412.9	

* *Intersegment revenues consist of rental payments, deposit interest and management fees.*

122

ITEM 9. CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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, Frederick C. Peters II, and Chief Financial Officer, J. Duncan Smith, CPA, of the effectiveness of the design and operation of the Corporation s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2012 pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Corporation s disclosure controls and procedures as of December 31, 2012 are effective.

Changes in Internal Control over Financial Reporting

There were no changes in the Corporation s internal control over financial reporting during the fourth quarter of 2012 that have materially affected, or are reasonably likely to materially affect, the Corporation s internal control over financial reporting.

Design and Evaluation of Internal Control Over Financial Reporting

Pursuant to Section 404 of Sarbanes-Oxley, the following is a report of management s assessment of the design and effectiveness of our internal controls for the fiscal year ended December 31, 2012, and a report from our independent accounting firm attesting to the effectiveness of our internal controls:

Management s Report on Internal Control Over Financial Reporting

The Corporation is responsible for the preparation, integrity, and fair presentation of the consolidated financial statements included in this Annual Report on Form 10-K. The consolidated financial statements and notes included in this Annual Report on Form 10-K have been prepared in conformity with United States generally accepted accounting principles and necessarily include some amounts that are based on Management s best estimates and judgments.

The Corporation s Management is responsible for establishing and maintaining effective internal control over financial reporting that is designed to produce reliable financial statements in conformity with United States generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; provide a reasonable assurance that receipts and expenditures of the Corporation are only being made in accordance with authorizations of Management and directors of the Corporation; and provide a reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation s assets that could have a material effect on the financial statements. The system of internal control over financial reporting as it relates to the financial statements is evaluated for effectiveness by Management and tested for reliability through a program of internal audits. Actions are taken to correct potential deficiencies as they are noted.

Any system of internal control, no matter how well designed, has inherent limitations, including the possibility that a control can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation.

Management, including the Corporation s Chief Executive Officer and Chief Financial Officer, assessed the Corporation s system of internal control over financial reporting as of December 31, 2012, in relation to the criteria for effective control over financial reporting as described in Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, Management concludes that, as of December 31, 2012, the Corporation s system of internal control over financial reporting is effective.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Bryn Mawr Bank Corporation:

We have audited Bryn Mawr Bank Corporation and subsidiaries (the Corporation) internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Corporation s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management s Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Corporation s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed 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. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Corporation as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, cash flows, and changes in shareholders equity for each of the years in the three-year period ended December 31, 2012, and our report dated March 15, 2013 expressed an unqualified opinion on those consolidated financial statements.

Philadelphia, Pennsylvania

March 15, 2013

ITEM 9B. OTHER INFORMATION

The Board of Directors of the Corporation approved two administrative amendments to our Deferred Bonus Plan for Executives effective January 1, 2013. Amendment No. 1 to the Bryn Mawr Bank Corporation Deferred Bonus Plan for Executives (Amendment No. 1) prospectively revised the eligibility standards for participation in the plan to be limited to employees whose prior year annual compensation is equal to or greater than the maximum amount of compensation which can be taken into account in the administration of tax-qualified plans under Section 401(a)(17) of the Internal Revenue Code of 1986, as amended (the IRC). For 2013, this limited participation in the Deferred Bonus Plan for Executives to employees with annual 2012 compensation of at least $255,000.

Amendment No. 2 to the Deferred Bonus Plan for Executives (Amendment No. 2) provided that, in the event a participant s account in the plan contains no more than the applicable dollar amount as defined by Section 402(g)(1)(B) of the IRC (which for 2013 was $17,500), the Corporation may, in its discretion, terminate such participant s interest in the plan by making a single lump sum distribution of the entire value of the participant s account in the plan. Amendment No. 2 is only effective with respect to participants who consent to its application.

The above summaries of Amendment No. 1 and Amendment No. 2 are general descriptions only and are each qualified in their entirety by reference to the full text of the respective documents, copies of which are attached hereto as Exhibits 10.29 and 10.30 and incorporated by reference herein.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required for Item 10 is incorporated by reference to the sections titled Our Board of Directors, Information About our Directors, Information About our Executive Officers, Corporate Governance, Audit Committee Report and Section 16(a) Beneficial Ownership Reporting Compliance in the 2013 Proxy Statement.

The Corporation has adopted a Code of Business Conduct and Ethics (the Code) which amended, restated and combined into one code its Code of Ethics for Officers and Directors and its Employee Code of Ethics. The Code is available on the Corporation s website at *www.bmtc.com* by clicking About Us followed by Investor Relations and Governance Documents, and printed copies are available to any shareholder upon request. The Code meets the requirements for a code of ethics for the Corporation s Chief Executive Officer, Chief Financial Officer and Comptroller or persons performing similar functions under Item 406 of Regulation S-K of the SEC. Any amendments to the Code, or any waivers of the Code for directors or executive officers will be disclosed promptly on a Form 8-K filed with the SEC or by any other means approved by the SEC.

ITEM 11. EXECUTIVE COMPENSATION

The information required for Item 11 is incorporated by reference to section titled Director Compensation, Executive Compensation, Compensation Committee Report and Compensation Committee Interlocks and Insider Participation in the 2013 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required for Item 12 is found below and is incorporated by reference to the section titled Security Ownership of Certain Beneficial Owners and Management in the 2013 Proxy Statement.

Equity Compensation Plan Information as of December 31, 2012:

Plan Category	A. Number of securities to be issued upon exercise of outstanding options	B. Weighted-average exercise price of outstanding options	C. Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by shareholders	783,476	$ 20.40	293,640
Equity compensation plans not approved by shareholders			
Total	783,476	$ 20.40	293,640

We have agreed to pay, and our non-employee independent directors have agreed to accept, payment of their annual $12,500 retainer compensation in the form of our common stock, payable in April of each year at the market value of the stock on the day prior to the day of payment. If all of the Corporation s non-employee independent directors, including the directors elected at the Annual Meeting, continue this compensation arrangement for their 2012-2013 terms as directors, it is estimated, based on the $22.27 per share market price of the common stock on December 31, 2012, as listed on NASDAQ, that such directors, as a group, will receive a total of 4,490 shares of our common stock as retainer compensation.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required for Item 13 is incorporated by reference to sections titled Transactions With Related Persons and Corporate Governance Director Independence in the 2013 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required for Item 14 is incorporated by reference to the sections Independent Registered Public Accounting Firm and Audit and Non-Audit Fees in the 2013 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Item 15(a) (1 & 2) Financial Statements and Schedules

The financial statements listed in the accompanying index to financial statements are filed as part of this Annual Report.

Item 15(a) **(3) and (b) Exhibits**

Exhibit No.	Description and References
2.1	Stock Purchase Agreement, dated as of February 18, 2011, by and between Bryn Mawr Bank Corporation and Hershey Trust Company, incorporated by reference to Exhibit 2.1 to the Corporation s 8-K filed with SEC on February 18, 2011
2.2	Amendment to Stock Purchase Agreement, dated as of May 27, 2011, by and between Hershey Trust Company and Bryn Mawr Bank Corporation, incorporated by reference to Exhibit 2.2 to the Corporation s 8-K filed with the SEC on May 27, 2011
2.3	Assignment and Assumption Agreement, dated as of May 27, 2011, by and between Hershey Trust Company and PWMG Bank Holding Company Trust, incorporated by reference to Exhibit 2.3 to the Corporation s 8-K filed with the SEC on May 27, 2011
2.4	Stock Purchase Agreement, dated as of February 3, 2012, by and among Bryn Mawr Bank Corporation, Davidson Trust Company, Boston Private (PA) Corporation, Bruce K. Bauder, Ernest E. Cecilia, Joseph J. Costigan, William S. Covert, James M. Davidson, Steven R. Klammer, N. Ray Sague, Malcolm C. Wilson, Boston Private Financial Holdings, Inc., and Alvin A. Clay III, incorporated by reference to Exhibit 2. 1 of the Corporation s 8-K filed with the SEC on February 7, 2012
2.5	Purchase and Assumption Agreement, dated as of April 27, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2. 1 of the Corporation s 8-K filed with the SEC on May 2, 2012
2.6	Amendment to Stock Purchase Agreement, dates as of May 15, 2012, by and among Bryn Mawr Bank Corporation, Davidson Trust Company, Boston Private (PA) Corporation, Bruce K. Bauder, Ernest E. Cecilia, Joseph J. Costigan, William S. Covert, James M. Davidson, Steven R. Klammer, N. Ray Sague, Malcolm C. Wilson, Boston Private Financial Holdings, Inc., and Alvin A. Clay III, incorporated by reference to Exhibit 2. 1 of the Corporation s 8-K filed with the SEC on May 18, 2012
2.7	Amendment to Purchase and Assumption Agreement, dated as of October 12, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2.1 to the Corporation s 8-K filed with the SEC on October 18, 2012
2.8	Amendment to Purchase and Assumption Agreement, dated as of November 14, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2.1 to the Corporation s 8-K filed with the SEC on November 19, 2012

128

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
4.1	Shareholders Rights Plan, dated November 18, 2003, incorporated by reference to Exhibit 4 of the Corporation s Form 8-A12G filed with the SEC on November 25, 2003
4.2	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
4.3	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
4.4	Subordinated Note Purchase Agreement dated July 30, 2008, incorporated by reference to Exhibit 4.4 to the Corporation s 10-Q filed with SEC on November 10, 2008
4.5	Subordinated Note Purchase Agreement dated August 28, 2008, incorporated by reference to Exhibit 4.5 of the Corporation s 10-Q filed with the SEC on November 10, 2008
4.6	Subordinated Note Purchase Agreement dated April 20, 2009, incorporated by reference to Exhibit 4.6 of the Corporation s 10-Q filed with the SEC on August 7, 2009
4.7	Shareholder Rights Agreement, dated as of November 16, 2012, between Bryn Mawr Bank Corporation and Computershare Shareowner Services LLC, as Rights Agent, incorporated by reference to Exhibit 4.1 to the Corporation s 8-K filed with the SEC on November 16, 2012
4.8	Amendment to Shareholder Rights Agreement, dated as of November 16, 2012, between Bryn Mawr Bank Corporation and Computershare Shareowner Services LLC, as Rights Agent (and successor to Mellon Investor services LLC), incorporated by reference to Exhibit 4.2 to the Corporation s 8-K filed with the SEC on November 16, 2012
10.1*	Amended and Restated Supplemental Employee Retirement Plan of the Bryn Mawr Bank Corporation, effective January 1, 1999, incorporated by reference to Exhibit 10.1 to the Corporation s Form 10-K filed with the SEC on March 13, 2008
10.2**	Form of Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.3 of the Corporation s Form 10-K filed with the SEC on March 16, 2012
10.3*	Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective January 1, 2008 incorporated by reference to Exhibit 10.4 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.4*	Amended and Restated Deferred Payment Plan for Directors of Bryn Mawr Bank Corporation, effective January 1, 2008 incorporated by reference to Exhibit 10.5 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.5*	Amended and Restated Deferred Payment Plan for Directors of Bryn Mawr Trust Company, effective January 1, 2008 incorporated by reference to Exhibit 10.6 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.6*	Employment Agreement, dated January 11, 2001, between the Bryn Mawr Bank Corporation and Frederick C. Peters II, incorporated by reference to Exhibit 10.N of the Corporation s Form 10-K filed with the SEC on March 29, 2001
10.7*	Executive Change-of-Control Severance Agreement, dated January 22, 2001, between the Bryn Mawr Trust Company and Frederick C. Peters II, incorporated by reference to Exhibit 10.K of the Corporation s Form 10-K filed with the SEC on March 15, 2007

Exhibit No.	Description and References
10.8**	The Bryn Mawr Bank Corporation 2001 Stock Option Plan, incorporated by reference to Appendix B of the Corporation s Proxy Statement dated March 8, 2001 filed with the SEC on March 6, 2001
10.9**	Bryn Mawr Bank Corporation 2004 Stock Option Plan, incorporated by reference to Appendix A of the Corporation s Proxy Statement dated March 10, 2004 filed with the SEC on March 8, 2004
10.10*	Executive Change-of-Control Amended and Restated Severance Agreement, dated May 21, 2004, between the Bryn Mawr Trust Company and Alison E. Gers, incorporated by reference to Exhibit 10.M of the Corporation s Form 10-K filed with the SEC on March 15, 2007
10.11*	Executive Change-of-Control Amended and Restated Severance Agreement, dated May 21, 2004, between the Bryn Mawr Trust Company and Joseph G. Keefer, incorporated by reference to Exhibit 10.N of the Corporation s Form 10-K filed with the SEC on March 15, 2007
10.12*	Executive Severance and Change of Control Agreement, dated April 4, 2005, between the Bryn Mawr Trust Company and J. Duncan Smith, incorporated by reference to Exhibit 10.1 to the Corporation s Form 8-K filed with the SEC on April 6, 2005
10.13**	Form of Key Employee Non-Qualified Stock Option Agreement, incorporated by reference to Exhibit 10.3 to the Corporation s Form 10-Q filed with the SEC on May 10, 2005
10.14**	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors, incorporated by reference to Exhibit 10.2 of the Corporation s Form 10-Q filed with the SEC on May 10, 2005
10.15*	Letter Employment Agreement, dated January 3, 2007, from the Bryn Mawr Trust Company to Matthew G. Waschull, incorporated by reference to Exhibit 10.2 of the Corporation s Form 10-Q filed with the SEC on August 7, 2007
10.16**	2007 Long Term Incentive Plan, effective April 25, 2007, incorporated by reference to Exhibit 10.1 of the Corporation s Form 10-Q filed with the SEC May 10, 2007
10.17**	Bryn Mawr Bank Corporation Supplemental Employee Retirement Plan for Select Executives, executed December 8, 2008, incorporated by reference to Exhibit 10.20 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.18*	Restricted Covenant Agreement, dated as of November 2, 2009, between the Bryn Mawr Trust Company and Francis J. Leto, incorporated by reference to Exhibit 10.2 of the Corporation s 8-K filed with the SEC on November 6, 2009
10.19*	Executive Change-of-Control Amended and Restated Severance Agreement, dated November 2, 2009, between the Bryn Mawr Trust Company and Francis J. Leto, incorporated by reference to Exhibit 10.1 of the Corporation s 8-K filed with the SEC on November 6, 2009
10.20**	Bryn Mawr Bank Corporation Dividend Reinvestment and Stock Purchase Plan with Request for Waiver Program, effective July 20, 2009, incorporated by reference to the prospectus supplement filed with the SEC on July 20, 2009 pursuant to Rule 424(b)(2) of the Securities Act
10.21**	Bryn Mawr Bank Corporation 2010 Long-Term Incentive Plan, effective April 28, 2010, incorporated by reference to Exhibit 10.24 of the Corporation s Form 10-Q filed with the SEC on May 10, 2010
10.22*	Amended and Restated Transition, Consulting, Noncompetition and Retirement Agreement, dated November 25, 2008, by and among First Keystone Financial, Inc., First Keystone Bank and Donald S. Guthrie, as assumed by Bryn Mawr Bank Corporation and The Bryn Mawr Trust Company as of July 1, 2010, incorporated by reference to Exhibit 10.1 to the Corporation s Form 8-K filed with the SEC on July 1, 2010

Exhibit No.	Description and References
10.23**	First Keystone Financial, Inc. Amended and Restated 1998 Stock Option Plan, as assumed by Bryn Mawr Bank Corporation, incorporated by reference to Exhibit 10.1 to the Corporation s Post-Effective Amendment No.1 to Form S-4 on Form S-3, filed with the SEC on July 9, 2010
10.24*	Executive Change-of-Control Amended and Restated Severance Agreement, dated September 27, 2010, between the Bryn Mawr Trust Company and Geoffrey L. Halberstadt, incorporated by reference to Exhibit 10.29 to the Corporation s Form 10-K filed with the SEC on March 16, 2011.
10.25**	Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, dated as of January 10, 2011, for Francis J. Leto, incorporated by reference to Exhibit 10.30 to the Corporation s Form 10-K filed with the SEC on March 16, 2011.
10.26	Amendment No. 2 to Stock Purchase Agreement by and between PWMG Bank Holding Company Trust and Bryn Mawr Bank Corporation dated September 29, 2011, filed with the SEC on Form 8-K on October 4, 2011.
10.27**	Form of Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.32 to the Corporation s Form 10-Q with the SEC on November 9, 2011.
10.28**	Form of Restricted Stock Agreement for Directors (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.33 to the Corporation s Form 10-Q with the SEC on November 9, 2011.
10.29*	Amendment No. 1 to Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective as of January 1, 2013, filed herewith
10.30*	Amendment No. 2 to Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective as of January 1, 2013, filed herewith
21.1	List of Subsidiaries, filed herewith
23.1	Consent of KPMG LLP, 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
99.1	Corporation s Proxy Statement for 2012 Annual Meeting to be held on April 25, 2013, expected to be filed with the SEC on March 15, 2013, and incorporated herein by reference
101.INS XBRL	Instance Document, furnished herewith
101.SCH XBRL	Taxonomy Extension Schema Document, furnished herewith
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document, furnished herewith
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document, furnished herewith

Exhibit No.	Description and References
101.LAB XBRL	Taxonomy Extension Label Linkbase Document, furnished herewith
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document, furnished herewith
	(These interactive data files shall not be deemed filed for purposes of Section 11 or Section 12 of the Securities Act of 1933, as amended, or Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liabilities under these Sections.)

* Management contract or compensatory plan arrangement.

** Shareholder approved compensatory plan pursuant to which the Registrant s Common Stock may be issued to employees of the Corporation.

Item 15(c) **Not Applicable**

132

SIGNATURES

Pursuant to the requirements of section 13 or 15d of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized

Bryn Mawr Bank Corporation

By /s/ J. Duncan Smith,
Treasurer and Chief Financial Officer

Date March 15, 2013

133

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Corporation and in the capacities and on the date indicated.

NAME	TITLE	DATE
/s/ Frederick C. Peters II	Chairman, President and Chief Executive Officer	March 15, 2013
Frederick C. Peters II	(Principal Executive Officer) and Director	
/s/ J. Duncan Smith	Treasurer and Chief Financial Officer	March 15, 2013
J. Duncan Smith	(Principal Financial and Accounting Officer)	
/s/ David E. Lees	Director	March 15, 2013
David E. Lees		
/s/ Andrea F. Gilbert	Director	March 15, 2013
Andrea F. Gilbert		
/s/ Wendell F. Holland	Director	March 15, 2013
Wendell F. Holland		
/s/ Francis J. Leto	Director	March 15, 2013
Francis J. Leto		
/s/ Lynn B. McKee	Director	March 15, 2013
Lynn B. McKee		
/s/ Jerry L. Johnson	Director	March 15, 2013
Jerry L. Johnson		
/s/ Britton H. Murdoch	Director	March 15, 2013
Britton H. Murdoch		
/s/ Scott M. Jenkins	Director	March 15, 2013
Scott M. Jenkins		
/s/ Donald S. Guthrie	Director	March 15, 2013
Donald S. Guthrie		

EXHIBIT INDEX

Exhibit No.	Description and References
2.1	Stock Purchase Agreement, dated as of February 18, 2011, by and between Bryn Mawr Bank Corporation and Hershey Trust Company, incorporated by reference to Exhibit 2.1 to the Corporation s 8-K filed with SEC on February 18, 2011
2.2	Amendment to Stock Purchase Agreement, dated as of May 27, 2011, by and between Hershey Trust Company and Bryn Mawr Bank Corporation, incorporated by reference to Exhibit 2.2 to the Corporation s 8-K filed with the SEC on May 27, 2011
2.3	Assignment and Assumption Agreement, dated as of May 27, 2011, by and between Hershey Trust Company and PWMG Bank Holding Company Trust, incorporated by reference to Exhibit 2.3 to the Corporation s 8-K filed with the SEC on May 27, 2011
2.4	Stock Purchase Agreement, dated as of February 3, 2012, by and among Bryn Mawr Bank Corporation, Davidson Trust Company, Boston Private (PA) Corporation, Bruce K. Bauder, Ernest E. Cecilia, Joseph J. Costigan, William S. Covert, James M. Davidson, Steven R. Klammer, N. Ray Sague, Malcolm C. Wilson, Boston Private Financial Holdings, Inc., and Alvin A. Clay III, incorporated by reference to Exhibit 2. 1 of the Corporation s 8-K filed with the SEC on February 7, 2012
2.5	Purchase and Assumption Agreement, dated as of April 27, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2. 1 of the Corporation s 8-K filed with the SEC on May 2, 2012
2.6	Amendment to Stock Purchase Agreement, dates as of May 15, 2012, by and among Bryn Mawr Bank Corporation, Davidson Trust Company, Boston Private (PA) Corporation, Bruce K. Bauder, Ernest E. Cecilia, Joseph J. Costigan, William S. Covert, James M. Davidson, Steven R. Klammer, N. Ray Sague, Malcolm C. Wilson, Boston Private Financial Holdings, Inc., and Alvin A. Clay III, incorporated by reference to Exhibit 2. 1 of the Corporation s 8-K filed with the SEC on May 18, 2012
2.7	Amendment to Purchase and Assumption Agreement, dated as of October 12, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2.1 to the Corporation s 8-K filed with the SEC on October 18, 2012
2.8	Amendment to Purchase and Assumption Agreement, dated as of November 14, 2012, by and between The Bryn Mawr Trust Company and First Bank of Delaware, incorporated by reference to Exhibit 2.1 to the Corporation s 8-K filed with the SEC on November 19, 2012
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
4.1	Shareholders Rights Plan, dated November 18, 2003, incorporated by reference to Exhibit 4 of the Corporation s Form 8-A12G filed with the SEC on November 25, 2003
4.2	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
4.3	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
4.4	Subordinated Note Purchase Agreement dated July 30, 2008, incorporated by reference to Exhibit 4.4 to the Corporation s 10-Q filed with SEC on November 10, 2008

Exhibit No.	Description and References
4.5	Subordinated Note Purchase Agreement dated August 28, 2008, incorporated by reference to Exhibit 4.5 of the Corporation s 10-Q filed with the SEC on November 10, 2008
4.6	Subordinated Note Purchase Agreement dated April 20, 2009, incorporated by reference to Exhibit 4.6 of the Corporation s 10-Q filed with the SEC on August 7, 2009
4.7	Shareholder Rights Agreement, dated as of November 16, 2012, between Bryn Mawr Bank Corporation and Computershare Shareowner Services LLC, as Rights Agent, incorporated by reference to Exhibit 4.1 to the Corporation s 8-K filed with the SEC on November 16, 2012
4.8	Amendment to Shareholder Rights Agreement, dated as of November 16, 2012, between Bryn Mawr Bank Corporation and Computershare Shareowner Services LLC, as Rights Agent (and successor to Mellon Investor services LLC), incorporated by reference to Exhibit 4.2 to the Corporation s 8-K filed with the SEC on November 16, 2012
10.1*	Amended and Restated Supplemental Employee Retirement Plan of the Bryn Mawr Bank Corporation, effective January 1, 1999, incorporated by reference to Exhibit 10.1 to the Corporation s Form 10-K filed with the SEC on March 13, 2008
10.2**	Form of Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.3 of the Corporation s Form 10-K filed with the SEC on March 16, 2012
10.3*	Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective January 1, 2008 incorporated by reference to Exhibit 10.4 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.4*	Amended and Restated Deferred Payment Plan for Directors of Bryn Mawr Bank Corporation, effective January 1, 2008 incorporated by reference to Exhibit 10.5 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.5*	Amended and Restated Deferred Payment Plan for Directors of Bryn Mawr Trust Company, effective January 1, 2008 incorporated by reference to Exhibit 10.6 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.6*	Employment Agreement, dated January 11, 2001, between the Bryn Mawr Bank Corporation and Frederick C. Peters II, incorporated by reference to Exhibit 10.N of the Corporation s Form 10-K filed with the SEC on March 29, 2001
10.7*	Executive Change-of-Control Severance Agreement, dated January 22, 2001, between the Bryn Mawr Trust Company and Frederick C. Peters II, incorporated by reference to Exhibit 10.K of the Corporation s Form 10-K filed with the SEC on March 15, 2007
10.8**	The Bryn Mawr Bank Corporation 2001 Stock Option Plan, incorporated by reference to Appendix B of the Corporation s Proxy Statement dated March 8, 2001 filed with the SEC on March 6, 2001
10.9**	Bryn Mawr Bank Corporation 2004 Stock Option Plan, incorporated by reference to Appendix A of the Corporation s Proxy Statement dated March 10, 2004 filed with the SEC on March 8, 2004
10.10*	Executive Change-of-Control Amended and Restated Severance Agreement, dated May 21, 2004, between the Bryn Mawr Trust Company and Alison E. Gers, incorporated by reference to Exhibit 10.M of the Corporation s Form 10-K filed with the SEC on March 15, 2007
10.11*	Executive Change-of-Control Amended and Restated Severance Agreement, dated May 21, 2004, between the Bryn Mawr Trust Company and Joseph G. Keefer, incorporated by reference to Exhibit 10.N of the Corporation s Form 10-K filed with the SEC on March 15, 2007

Exhibit No.	Description and References
10.12*	Executive Severance and Change of Control Agreement, dated April 4, 2005, between the Bryn Mawr Trust Company and J. Duncan Smith, incorporated by reference to Exhibit 10.1 to the Corporation s Form 8-K filed with the SEC on April 6, 2005
10.13**	Form of Key Employee Non-Qualified Stock Option Agreement, incorporated by reference to Exhibit 10.3 to the Corporation s Form 10-Q filed with the SEC on May 10, 2005
10.14**	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors, incorporated by reference to Exhibit 10.2 of the Corporation s Form 10-Q filed with the SEC on May 10, 2005
10.15*	Letter Employment Agreement, dated January 3, 2007, from the Bryn Mawr Trust Company to Matthew G. Waschull, incorporated by reference to Exhibit 10.2 of the Corporation s Form 10-Q filed with the SEC on August 7, 2007
10.16**	2007 Long Term Incentive Plan, effective April 25, 2007, incorporated by reference to Exhibit 10.1 of the Corporation s Form 10-Q filed with the SEC May 10, 2007
10.17**	Bryn Mawr Bank Corporation Supplemental Employee Retirement Plan for Select Executives, executed December 8, 2008, incorporated by reference to Exhibit 10.20 of the Corporation s Form 10-K filed with the SEC on March 16, 2009
10.18*	Restricted Covenant Agreement, dated as of November 2, 2009, between the Bryn Mawr Trust Company and Francis J. Leto, incorporated by reference to Exhibit 10.2 of the Corporation s 8-K filed with the SEC on November 6, 2009
10.19*	Executive Change-of-Control Amended and Restated Severance Agreement, dated November 2, 2009, between the Bryn Mawr Trust Company and Francis J. Leto, incorporated by reference to Exhibit 10.1 of the Corporation s 8-K filed with the SEC on November 6, 2009
10.20**	Bryn Mawr Bank Corporation Dividend Reinvestment and Stock Purchase Plan with Request for Waiver Program, effective July 20, 2009, incorporated by reference to the prospectus supplement filed with the SEC on July 20, 2009 pursuant to Rule 424(b)(2) of the Securities Act
10.21**	Bryn Mawr Bank Corporation 2010 Long-Term Incentive Plan, effective April 28, 2010, incorporated by reference to Exhibit 10.24 of the Corporation s Form 10-Q filed with the SEC on May 10, 2010
10.22*	Amended and Restated Transition, Consulting, Noncompetition and Retirement Agreement, dated November 25, 2008, by and among First Keystone Financial, Inc., First Keystone Bank and Donald S. Guthrie, as assumed by Bryn Mawr Bank Corporation and The Bryn Mawr Trust Company as of July 1, 2010, incorporated by reference to Exhibit 10.1 to the Corporation s Form 8-K filed with the SEC on July 1, 2010
10.23**	First Keystone Financial, Inc. Amended and Restated 1998 Stock Option Plan, as assumed by Bryn Mawr Bank Corporation, incorporated by reference to Exhibit 10.1 to the Corporation s Post-Effective Amendment No.1 to Form S-4 on Form S-3, filed with the SEC on July 9, 2010
10.24*	Executive Change-of-Control Amended and Restated Severance Agreement, dated September 27, 2010, between the Bryn Mawr Trust Company and Geoffrey L. Halberstadt, incorporated by reference to Exhibit 10.29 to the Corporation s Form 10-K filed with the SEC on March 16, 2011.
10.25**	Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, dated as of January 10, 2011, for Francis J. Leto, incorporated by reference to Exhibit 10.30 to the Corporation s Form 10-K filed with the SEC on March 16, 2011.
10.26	Amendment No. 2 to Stock Purchase Agreement by and between PWMG Bank Holding Company Trust and Bryn Mawr Bank Corporation dated September 29, 2011, filed with the SEC on Form 8-K on October 4, 2011.

Exhibit No.	Description and References
10.27**	Form of Restricted Stock Agreement for Employees (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.32 to the Corporation s Form 10-Q with the SEC on November 9, 2011.
10.28**	Form of Restricted Stock Agreement for Directors (Service/Performance Based) Subject to the 2010 Long Term Incentive Plan, incorporated by reference to Exhibit 10.33 to the Corporation s Form 10-Q with the SEC on November 9, 2011.
10.29*	Amendment No. 1 to Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective as of January 1, 2013, filed herewith
10.30*	Amendment No. 2 to Amended and Restated Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation, effective as of January 1, 2013, filed herewith
21.1	List of Subsidiaries, filed herewith
23.1	Consent of KPMG LLP, 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
99.1	Corporation s Proxy Statement for 2012 Annual Meeting to be held on April 25, 2013, expected to be filed with the SEC on March 15, 2013, and incorporated herein by reference
101.INS XBRL	Instance Document, furnished herewith
101.SCH XBRL	Taxonomy Extension Schema Document, furnished herewith
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document, furnished herewith
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document, furnished herewith
101.LAB XBRL	Taxonomy Extension Label Linkbase Document, furnished herewith
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document, furnished herewith
	(These interactive data files shall not be deemed filed for purposes of Section 11 or Section 12 of the Securities Act of 1933, as amended, or Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liabilities under these Sections.)

* Management contract or compensatory plan arrangement.

** Shareholder approved compensatory plan pursuant to which the Registrant s Common Stock may be issued to employees of the Corporation.