

BRYN MAWR BANK CORP  
Form S-4  
December 21, 2009  
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As filed with the Securities and Exchange Commission on December 21, 2009

File No. 333-

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

**Form S-4**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**Bryn Mawr Bank Corporation**

*(Exact Name of Registrant as Specified in Its Charter)*

**Pennsylvania**  
*(State or Other Jurisdiction of  
incorporation or organization)*

**0-15261**  
*(Primary Standard Industrial  
Classification Code Number)*

**23-2434506**  
*(IRS Employer  
Indemnification Number)*

**801 Lancaster Avenue Bryn Mawr, PA 19010**

**(610) 525-1700**

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(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Robert J. Ricciardi**

**Secretary**

**801 Lancaster Avenue**

**Bryn Mawr, PA 19010**

**(610) 526-2059**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

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**Washington, DC 20005**

**(202) 347-0300**

**Approximate Date of Commencement of Proposed Sale to the Public:** As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the **Securities Act**), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

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

Large accelerated filer  Accelerated filer  x

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

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Exchange Act Rule 14d-1(d) (Cross Border Third-Party Tender Offer) "

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock	1,706,058	\$ 13.75	23,194,374.56	\$ 1,653.76

- (1) Based upon the maximum number of common shares that the Registrant may be required to issue in the merger transaction, calculated as the product of (a) 2,446,664 (the maximum number of shares of First Keystone Financial, Inc. common stock estimated to be outstanding at the time the merger transaction is consummated (includes stock options that will vest and be exercisable prior to the closing of the merger)), and (b) 0.6973 (the number of common shares of the Registrant to be exchanged for each share of First Keystone Financial, Inc. common stock in the merger transaction).
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933 on the basis of the market value of the shares of First Keystone Financial, Inc. common stock to be cancelled in the merger transaction, computed, in accordance with Rule 457(f)(1) and (3), as (a) the product of (i) \$11.54 (the market value of a share of First Keystone Financial, Inc. common stock as of December 17, 2009) and (ii) 2,446,664 (the maximum number of shares of First Keystone Financial, Inc. common stock estimated to be outstanding at the time the merger transaction is consummated (includes stock options that will vest and be exercisable prior to the closing of the merger)), less (b) \$5,040,128 (the estimated amount of cash that will be paid by the Registrant to shareholders of First Keystone Financial, Inc. in the merger transaction).

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 21, 2009**

**FIRST KEYSTONE FINANCIAL, INC.**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear First Keystone Financial, Inc. shareholders:

On November 3, 2009, First Keystone Financial, Inc. (which we refer to herein as **FKF**) and Bryn Mawr Bank Corporation (which we refer to herein as **BMBC**) agreed to a strategic business combination in which FKF will be merged into BMBC. If the merger is completed, FKF shareholders will have the right to receive \$2.06 in cash and 0.6973 of a share of BMBC common stock for each share of FKF common stock held immediately prior to the merger, subject to adjustment as provided for in the Agreement and Plan of Merger dated as of November 3, 2009 that FKF entered into with BMBC (which we refer to herein as the **merger agreement**). We are sending you this proxy statement/prospectus to notify you of and invite you to the special meeting of FKF shareholders being held to consider the merger agreement and related matters and to ask you to vote at the special meeting in favor of the merger agreement and the transactions contemplated thereby, including the merger.

The special meeting of FKF's shareholders will be held at \_\_\_\_\_ on \_\_\_\_\_, 2010 at \_\_\_\_\_ p.m. local time.

At the special meeting, you will be asked to approve the merger agreement, and the transactions contemplated thereby, including the merger. In the merger, FKF will merge into BMBC and First Keystone Bank, a federally chartered savings bank and wholly owned subsidiary of FKF, will be merged into a newly chartered interim Pennsylvania stock savings bank to be formed as a wholly owned subsidiary of BMBC. The interim bank will subsequently be merged into The Bryn Mawr Trust Company, a Pennsylvania chartered bank and wholly owned subsidiary of BMBC. You will also be asked to approve the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated thereby, including the merger.

The market value of the merger consideration will fluctuate with the market price of BMBC common stock. The following table shows the closing sale prices of BMBC common stock and FKF common stock as reported on the NASDAQ Global Market, on November 2, 2009, the trading day on which the per share merger consideration was calculated, and on \_\_\_\_\_, 2010, the last practicable trading day before the distribution of this proxy statement/prospectus. This table also shows the implied value of the per share merger consideration proposed for each share of FKF common stock, which we calculated by multiplying the closing price of BMBC common stock on those dates by the per share stock consideration of 0.6973 and adding the per share cash consideration of \$2.06 in cash, assuming no adjustment to such consideration pursuant to the merger agreement.

	<b>BMBC Common Stock</b>	<b>FKF Common Stock</b>	<b>Implied Value of One</b>
	<b>(NASDAQ: BMTC)</b>	<b>(NASDAQ: FKFS)</b>	<b>Share of FKF</b>
<b>At November 2, 2009</b>			<b>Common Stock</b>
<b>At _____, 2010</b>	\$16.30	\$8.85	\$13.43
	\$	\$	\$

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The market prices of the BMBC common stock and the FKF common stock will fluctuate between now and the closing of the merger. We urge you to obtain current market quotations. FKF common stock trades on the NASDAQ Global Market under the symbol `FKFS` and the BMBC common stock trades on the NASDAQ Global Market under the symbol `BMTC`.

The merger consideration is subject to downward adjustment based upon, among other factors, the amount of FKF Delinquencies, as defined in the merger agreement, as of the month-end immediately prior to the closing of the merger. FKF Delinquencies is defined generally in the merger agreement to mean loans delinquent 30 days or more, non-accruing loans, other real estate owned, troubled debt restructurings and loan charge-offs after September 30, 2008 in excess of certain thresholds, as more fully described in this proxy statement/prospectus under the heading `The Agreement and Plan of Merger Terms of the Merger`. Depending on the amount of FKF Delinquencies as of the month-end preceding the merger, the consideration to be received upon consummation of the merger for each share of FKF common stock may be reduced in incremental amounts down to 0.6485 shares of BMBC common stock and \$1.92 in cash. The actual amount of merger consideration will not be determined until the month-end prior to closing, which is expected to occur late in the second quarter or early in the third quarter of 2010.

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**FKF's board of directors unanimously approved the merger agreement and the transactions contemplated thereby, including the merger, and recommends that FKF shareholders vote FOR approval of the merger agreement and the transactions contemplated thereby, including the merger, and FOR the approval of the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated thereby, including the merger. If you fail to vote, or you do not instruct your broker how to vote any shares held for you in street name, it will have the same effect as voting AGAINST the merger agreement and the transactions contemplated thereby, and AGAINST the adjournment or postponement of the special meeting.**

To complete the merger, the merger agreement and the transactions contemplated thereby must be approved by the affirmative vote of a majority of the votes cast by all FKF shareholders entitled to vote, in person or by proxy, at the special meeting. **Your vote is very important.** Whether or not you plan to attend the special meeting, FKF's board of directors urges you to complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope or by telephone or by Internet if those options are available to you. This will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend. If you abstain from voting or do not vote (either in person or by proxy), it will have the practical effect of a vote against the merger agreement (assuming a quorum is present at the FKF special meeting) in determining whether the merger agreement and merger will be approved and adopted. If you are a shareholder whose shares are not registered in your own name, you will need additional documentation from your record holder in order to vote in person at the special meeting.

This proxy statement/prospectus provides you with detailed information about the merger. In addition to being a proxy statement of FKF, this proxy statement/prospectus is also the prospectus of BMBC for shares of BMBC common stock that will be issued in connection with the merger. We encourage you to read the entire document carefully. Please pay particular attention to Risk Factors beginning on page 20 for a discussion of the risks related to the merger and owning BMBC common stock after the merger.

We look forward to seeing you on \_\_\_\_\_, 2010 in \_\_\_\_\_.

Sincerely,

/s/ DONALD S. GUTHRIE  
**Donald S. Guthrie**  
*Chairman of the Board*

/s/ HUGH J. GARCHINSKY  
**Hugh J. Garchinsky**  
*President and Chief Executive Officer*

**Please read this proxy statement/prospectus carefully because it contains important information about the merger. Read carefully the risk factors relating to the merger beginning on page 20. You can also obtain information about BMBC and FKF from documents that each of us has filed with the Securities and Exchange Commission.**

**Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either BMBC or FKF, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

This proxy statement/prospectus is dated \_\_\_\_\_, 2010 and will be first mailed or otherwise delivered to FKF shareholders on or about \_\_\_\_\_, 2010.

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**FIRST KEYSTONE FINANCIAL, INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON \_\_\_\_\_, 2010**

Dear FKF shareholder:

You are cordially invited to attend a special meeting of the shareholders of First Keystone Financial, Inc., a Pennsylvania corporation ( **FKF** ), on \_\_\_\_\_, 2010 at \_\_\_\_\_ p.m. local time at \_\_\_\_\_, for the purpose of considering and voting upon the following matters:

To approve the Agreement and Plan of Merger dated as of November 3, 2009 that FKF has entered into with Bryn Mawr Bank Corporation, a Pennsylvania corporation ( **BMBC** ), which we refer to herein as the **merger agreement**. Pursuant to the merger agreement, FKF will merge into BMBC, and First Keystone Bank, a federally chartered savings bank and wholly owned subsidiary of FKF will be merged into a newly chartered interim Pennsylvania stock savings bank to be formed as a wholly owned subsidiary of BMBC, which interim bank will subsequently be merged into The Bryn Mawr Trust Company, a Pennsylvania chartered bank and wholly owned subsidiary of BMBC, as more fully described in the attached proxy statement/prospectus, and the transactions contemplated by the merger agreement, including the merger; and

To adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated thereby, including the merger.

We have fixed the close of business on \_\_\_\_\_, 20\_\_\_\_ as the record date for determining those FKF shareholders entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting. Only FKF shareholders of record at the close of business on that date are entitled to and being requested to vote at the special meeting and any adjournments or postponements of the special meeting.

**Please vote as soon as possible.** To complete the merger, the merger agreement and the transactions contemplated thereby must be approved by the affirmative vote of a majority of the votes cast by all FKF shareholders entitled to vote at the special meeting. If you fail to vote, abstain from voting or if you do not instruct your broker or other nominee how to vote shares held in street name, it will have the same effect as voting against approval of the merger agreement and the transactions contemplated thereby. **Whether or not you intend to attend the special meeting, please vote as promptly as possible by signing and returning the enclosed proxy card in the postage-paid envelope provided. If your shares are held in the name of a broker, bank or other fiduciary, please follow the instructions on the voting instruction card provided by such person. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card. If you wish to attend the special meeting and vote in person and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.**

We encourage you to read the attached proxy statement/prospectus carefully. If you have any questions or need assistance voting your shares, please call \_\_\_\_\_ toll free at \_\_\_\_\_.

FKF's board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the merger, and recommends that FKF shareholders vote **FOR** approval of the merger agreement and the transactions contemplated thereby, including the merger, and **FOR** the approval of the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated thereby, including the merger.

By Order of the Board of Directors

/s/ HUGH J. GARCHINSKY  
**Hugh J. Garchinsky**  
**President and Chief Executive Officer**

Media, PA

[DATE]

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**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates by reference important business and financial information about BMBC from other documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain those documents incorporated by reference into this proxy statement/prospectus by accessing the Securities and Exchange Commission's website maintained at <http://www.sec.gov> or by requesting copies in writing or by telephone from the appropriate company:

**Bryn Mawr Bank Corporation**

**Attention: Robert J. Ricciardi, Secretary**

**801 Lancaster Avenue**

**Bryn Mawr, PA 19010**

**(610) 526-2059**

**You will not be charged for any of these documents that you request. If you would like to request documents from BMBC, please do so by [redacted], 2010 in order to receive them before FKF's special meeting. BMBC's Internet address is <http://www.bmtc.com> and FKF's Internet address is <http://www.firstkeystoneonline.com>. The information on our Internet sites is not a part of this proxy statement/prospectus.**

See "Where You Can Find More Information" on page 84 and "Recent Developments" on page 11.

**ABOUT THIS DOCUMENT**

This document, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission (the "SEC") by BMBC (File No. 333-[redacted]), constitutes a prospectus of BMBC under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the BMBC common shares to be issued to FKF shareholders as required by the merger agreement. This document also constitutes a proxy statement of FKF under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting of FKF shareholders at which FKF shareholders will be asked to vote upon a proposal to approve the merger agreement and the transactions contemplated thereby.

You should rely only on the information contained or incorporated by reference into this document. We have not authorized anyone to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [redacted], 2010. You should not assume that the information contained in, or incorporated by reference into, this document is accurate as of any date other than that date. Neither the mailing of this document to FKF shareholders nor the issuance by BMBC of stock in connection with the merger will create any implication to the contrary.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding FKF has been provided by FKF and information contained in this document regarding BMBC has been provided by BMBC.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND SPECIAL MEETING**

The questions and answers below highlight only selected procedural information from this proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully the entire document and the additional documents incorporated by reference into this proxy statement/prospectus to fully understand the merger agreement and the transactions contemplated thereby, including the merger, and the voting procedures for the special meeting. We generally refer to Bryn Mawr Bank Corporation as **BMBC**, First Keystone Financial, Inc. as **FKF**, First Keystone Bank, a wholly owned subsidiary of FKF, as **FKB**, and The Bryn Mawr Trust Company, a wholly owned subsidiary of BMBC, as **BMT** throughout this proxy statement/prospectus.

**Q: What is the proposed transaction for which I am being asked to vote?**

A: FKF's shareholders are being asked to approve the Agreement and Plan of Merger (the **merger agreement**), dated as of November 3, 2009, between BMBC and FKF, and the transactions contemplated thereby, including the merger of FKF into BMBC, with BMBC surviving, which we refer to as the **merger** within this proxy statement/prospectus.

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly. If you hold common stock in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage paid return envelope as soon as possible. If you hold your stock in **street name** through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Submitting your proxy card, or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the special meeting.

**Q: If I am a FKF shareholder, should I send my FKF stock certificates with my proxy card?**

A: No. Please **DO NOT** send your FKF stock certificates with your proxy card. After the merger, BMBC will send you instructions for exchanging FKF stock certificates for the merger consideration. The shares of BMBC common stock FKF shareholders receive in the merger will be issued in book-entry form unless requested by the shareholder to be issued in certificated form.

**Q: Why is my vote important?**

A: If you do not vote by proxy or vote in person at the special meeting, it will be more difficult for us to obtain the necessary quorum to hold our special meeting. In addition, your failure to vote, by proxy or in person, will have the same effect as a vote against the merger agreement and the transactions contemplated thereby. The merger agreement and the transactions contemplated thereby must be approved by the affirmative vote of a majority of the votes cast, in person or by proxy, by all FKF shareholders entitled to vote at the special meeting. **FKF's board of directors unanimously recommends that you vote FOR approval of the merger agreement and the transactions contemplated thereby, including the merger.**

**Q: If my shares of common stock are held in street name by my broker, will my broker automatically vote my shares for me?**

A: No. Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.



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**Q: What if I fail to instruct my broker?**

A: If you do not provide your broker with instructions and your broker submits an unvoted proxy, referred to as a broker non-vote, the broker non-vote will be counted toward a quorum at the special meeting, but it will have the same effect as a vote against the merger agreement and the transactions contemplated thereby. With respect to the proposal to adjourn the special meeting if necessary or appropriate to solicit additional proxies, an abstention will have the same effect as a vote against the proposal.

**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. All FKF shareholders, including FKF shareholders of record and FKF shareholders who hold their shares through banks, brokers, nominees or any other holder of record, may attend the special meeting. Holders of record of FKF common stock can vote in person at the special meeting. If you are not a FKF shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares of common stock, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares of common stock in your own name or have a letter from the record holder of your shares of common stock confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted.

**Q: Can I change my vote?**

A: Yes. A FKF shareholder who has given a proxy may revoke it at any time before its exercise at the special meeting by (i) giving written notice of revocation to FKF's Corporate Secretary, (ii) properly submitting to FKF a duly executed proxy bearing a later date or (iii) attending the special meeting and voting in person. Any FKF shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence (without notifying the Corporate Secretary) of a FKF shareholder at the special meeting will not constitute revocation of a previously given proxy.

All written notices of revocation and other communications with respect to revocation of proxies should be addressed to FKF as follows: Carol Walsh, Corporate Secretary, 22 West State Street, Media, Pennsylvania 19063.

**Q: Will FKF be required to submit the merger agreement to its shareholders?**

A: Yes. Under the terms of the merger agreement, unless the merger agreement is terminated before the FKF special meeting, FKF is required to submit the merger agreement to its shareholders.

**Q: When do you expect to complete the merger?**

A: We expect to complete the merger late in the second quarter or early in the third quarter of 2010. However, we cannot assure you when or if the merger will occur. Among other things, we cannot complete the merger until we obtain the approval of FKF shareholders at the special meeting and until we obtain certain regulatory approvals.

**Q: Whom should I call with questions about the special meeting or the merger?**

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A: FKF shareholders should call FKF's proxy solicitor, Regan & Associates, Inc., toll free at \_\_\_\_\_, with any questions about the special meeting or the merger and related transactions.

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**SUMMARY**

This summary highlights selected information from this proxy statement/prospectus. It may not contain all the information that is important to you. We urge you to read carefully this entire document and the other documents we refer you to for a more complete understanding of the merger between BMBC and FKF. In addition, we incorporate by reference into this proxy statement/prospectus important business and financial information about BMBC and FKF. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled **Where You Can Find More Information** on page 84. Each item in this summary includes a page reference directing you to a more complete description of that item. Unless otherwise indicated in this proxy statement/prospectus or the context otherwise requires, all references in the proxy statement/prospectus to **BMBC**, **we**, **our** or **us** refer to Bryn Mawr Bank Corporation. All references to **FKF** refer to First Keystone Financial, Inc.

**The Parties to the Merger (Page 66)**

*Bryn Mawr Bank Corporation*

*801 Lancaster Avenue*

*Bryn Mawr, PA 19010*

*(610) 525-1700*

BMBC is a Pennsylvania corporation incorporated in 1986 and registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. BMBC is the sole stockholder of BMT, a Pennsylvania chartered bank. As of September 30, 2009, BMBC and its subsidiaries had consolidated total assets of \$1.2 billion, deposits of \$899 million and stockholders' equity of \$132 million. As of September 30, 2009, BMBC and its subsidiaries had 249 full time and 29 part time employees, equaling 263.5 full time equivalent staff.

*First Keystone Financial, Inc.*

*22 West State Street*

*Media, Pennsylvania 19063*

*(610) 565-6210*

FKF is a Pennsylvania corporation incorporated in January 1995 and is registered as a savings and loan holding company under the Home Owners' Loan Act, as amended. FKF is the sole stockholder of FKB, a federally chartered stock savings bank. As of September 30, 2009, FKF and its subsidiaries had consolidated total assets of \$528.4 million, deposits of \$347.1 million and stockholders' equity of \$33.6 million. As of September 30, 2009, FKF and its subsidiaries had 88 full-time and 13 part-time employees.

**We Propose a Merger of FKF and BMBC (Page 31)**

We propose that FKF merge into BMBC, with BMBC as the surviving corporation. Upon completion of the merger, the separate existence of FKF will terminate and FKF common stock will no longer be publicly traded. Immediately following the merger, FKF's wholly owned direct bank subsidiary, FKB, will merge into a newly formed BMBC wholly owned interim stock savings bank subsidiary (referred to herein as the **Interim Bank**), which will then merge into BMT. We currently expect to complete these mergers late in the second quarter or early in the third quarter of 2010.

**In the Merger, FKF Shareholders Will Have a Right to Receive \$2.06 in Cash and 0.6973 of a Share of BMBC Common Stock per Share of FKF Common Stock, Subject to Adjustment (Page 47)**

Under the terms of the merger agreement, FKF shareholders will have a right to receive \$2.06 in cash and 0.6973 of a share of BMBC common stock for each share of FKF common stock held immediately prior to the



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merger, subject to adjustment as provided for in the merger agreement. The per share stock consideration of 0.6973 and the amount of per share cash consideration to be received by FKF shareholders in the merger are subject to downward adjustment in the event that the amount of FKF Delinquencies, as defined in the merger agreement, exceed \$10.5 million as of the month-end immediately preceding the closing date for the merger. The term FKF Delinquencies is defined generally in the merger agreement to mean all FKF loans delinquent 30 days or more, non-accruing loans, other real estate owned, troubled debt restructurings and the aggregate amount of net loans charged-off by FKF between October 1, 2008 and the month-end immediately preceding closing in excess of \$2.5 million. Under the terms of the merger agreement, Administrative Delinquencies, as defined, are not included in the calculation of FKF Delinquencies. Administrative Delinquencies generally are defined in the merger agreement as loans which are current and have matured but, pursuant to the terms of the supervisory agreements which FKF and FKB previously entered into with the OTS, have not yet been extended, and loans secured by deposit accounts at FKB or marketable securities in the possession of FKB that have been properly margined at 70% or less. Below is a tabular presentation of the potential adjustments to the merger consideration based upon the amount of FKF Delinquencies as of the month-end preceding the merger.

Amount of FKF Delinquencies as of month-end preceding closing		Adjusted amount of BMBC stock to be received for each FKF share	Adjusted Per Share cash consideration to be received for each FKF share
\$10.5 million	\$12.5 million	0.6834	\$2.02
\$12.5 million	\$14.5 million	0.6718	\$1.98
\$14.5 million	\$16.5 million	0.6589	\$1.95
\$16.5 million or more		0.6485	\$1.92

In addition, if the amount of FKF Delinquencies as of the month-end immediately preceding the closing date of the merger exceeds \$16.5 million, BMBC has the right not to proceed with the merger. As of \_\_\_\_\_, 20\_\_\_\_, the amount of FKF Delinquencies was \$ \_\_\_\_\_ million and, if \_\_\_\_\_, 20\_\_\_\_ were the month-end immediately preceding the closing of the merger, based on such amount of FKF Delinquencies at such date, the merger consideration to be received for each share of FKF common stock would be \_\_\_\_\_ of a share of BMBC common stock and \$ \_\_\_\_\_ in cash. Because the merger is not expected to close until late in the second quarter or early in the third quarter of 2010, shareholders will not know with certainty at the time of the FKF special meeting of shareholders the exact amount of merger consideration to be received. For additional information, see The Agreement and Plan of Merger Terms of the Merger on page 47 of this proxy statement/prospectus.

BMBC will not issue any fractional shares of BMBC common stock in the merger. FKF shareholders who would otherwise be entitled to a fractional share of BMBC common stock will instead receive an amount in cash, rounded to the nearest cent and without interest, equal to the product of (i) the fraction of a share to which such holder would otherwise have been entitled (rounded to the nearest thousandth when expressed in decimal form), and (ii) the average of the daily closing sales prices of a share of BMBC common stock as reported on the NASDAQ Global Market for the five consecutive trading days immediately preceding the closing date of the merger.

**What Holders of FKF Stock Options Will Receive (Page 48)**

Under the terms of the merger agreement, upon completion of the merger, the outstanding and unexercised stock options to acquire FKF common stock will fully vest and be converted automatically into stock options to acquire BMBC common stock adjusted to reflect the exchange ratio applicable to FKF stock options (which we refer to as the **option exchange ratio**) generally as follows:

the number of shares of BMBC common stock subject to the converted FKF stock option will equal: (1) the number of shares of FKF common stock subject to the FKF stock options immediately prior to the completion of the merger, multiplied by (2) the option exchange ratio of 0.8204, rounded down to the nearest whole share and subject to adjustment as provided for in the merger agreement; and

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the exercise price per share of the converted FKF stock option will equal: (1) the exercise price per share of the FKF stock option immediately prior to the completion of the merger, divided by (2) the option exchange ratio of 0.8204, rounded up to the nearest whole cent and subject to adjustment as provided for in the merger agreement.

Holders of FKF stock options should discuss with their tax advisors the tax implications of each course of action available to them.

**The Merger Is Intended to Be Tax-Free to FKF Shareholders as to the Shares of BMBC Common Stock They Receive, but not as to the Cash Consideration They Receive (Page 61)**

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and it is a condition to the respective obligations of BMBC and FKF to complete the merger that each of BMBC and FKF receives a legal opinion to that effect. Accordingly, the merger generally will be tax-free to a FKF shareholder for United States federal income tax purposes as to the shares of BMBC common stock he or she receives in the merger. However, an FKF shareholder generally will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of gain realized (i.e., the excess of the sum of the amount of cash and the fair market value of the BMBC common stock received pursuant to the merger over such shareholder's adjusted tax basis in the shares of FKF common stock surrendered) and (ii) the amount of cash received pursuant to the merger. In addition, cash received by an FKF shareholder instead of a fractional share of BMBC common stock generally will be treated as received in exchange for the fractional share, and gain or loss generally will be recognized based on the difference between the amount of cash received instead of the fractional share and the portion of the shareholder's aggregate adjusted tax basis of the shares of FKF common stock surrendered that is allocable to the fractional share.

*The United States federal income tax consequences described above may not apply to all holders of FKF common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you. You should consult your tax advisor about the state and local tax consequences to you, if any, of the merger because this discussion only relates to the U.S. federal income tax consequences.*

**Comparative Market Prices of Securities (Page 64)**

BMBC common stock and FKF common stock are each listed on the NASDAQ Global Market ( **NASDAQ** ), under the symbols **BMTC** and **FKFS**, respectively. The following table presents the closing prices of BMBC common stock and FKF common stock on November 2, 2009, the trading day on which the per share merger consideration of 0.6973 plus \$2.06 in cash was calculated, and on \_\_\_\_\_, 2010, the last practicable date before our printing of this proxy statement/prospectus. This table also shows the implied value of the per share merger consideration proposed for each share of FKF common stock, which we calculated by multiplying the closing price of BMBC common stock on those dates by the per share merger consideration of 0.6973 and adding the per share cash consideration of \$2.06 in cash, assuming no adjustment.

	<b>BMBC Common Stock (NASDAQ: BMTC)</b>	<b>FKF Common Stock (NASDAQ: FKFS)</b>	<b>Implied Value of One Share of FKF Common Stock</b>
<b>At November 2, 2009</b>	\$ 16.30	\$ 8.85	\$ 13.43
<b>At _____, 2010</b>	\$	\$	\$

For each share of your FKF common stock, you will receive 0.6973 of a share of BMBC common stock plus \$2.06 in cash, subject to adjustment. The market prices of both BMBC common stock and FKF common stock will fluctuate prior to the merger. You should obtain current stock price quotations for BMBC common stock and FKF common stock. You can get these quotations from the Internet or by calling your broker.

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### **Dividends (Page 49)**

Pursuant to the merger agreement, FKF and its subsidiaries may not declare or pay any dividend, other than dividends paid by any wholly owned FKF subsidiary to FKF consistent with past practice, prior to the completion of the merger. BMBC has historically paid a dividend each quarter, the most recent of which was \$0.14 per share for the quarter ended September 30, 2009. The payment, timing and amount of dividends by BMBC or FKF on their common stock in the future, either before or after the merger is completed, are subject to the determination of the respective BMBC and FKF boards of directors and depend on cash requirements, the financial condition and earnings of BMBC and FKF, legal and regulatory considerations and other factors.

### **The Merger Will Be Accounted for as a Business Combination (Page 61)**

The merger will be treated as a business combination using the acquisition method of accounting with BMBC treated as the acquirer under United States Generally Accepted Accounting Principles, or GAAP.

### **Special Meeting of FKF Shareholders (Page 29)**

FKF plans to hold its special meeting of FKF shareholders on \_\_\_\_\_, 2010, at \_\_\_\_\_ p.m., local time, at \_\_\_\_\_. At the special meeting you will be asked to approve the merger agreement and the transactions contemplated thereby, to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement, and to transact such other business as may properly come before the special meeting and any adjournments or postponements thereof.

You can vote at the FKF special meeting of shareholders if you owned FKF common stock at the close of business on \_\_\_\_\_, 2010. As of that date, there were approximately \_\_\_\_\_ shares of FKF common stock outstanding and entitled to vote, approximately \_\_\_\_\_ of which, or \_\_\_\_\_%, were owned beneficially or of record by directors and executive officers of FKF and their affiliates. You can cast one vote for each share of FKF common stock that you owned on that date.

### **Sandler O'Neill & Partners, L.P. Has Provided an Opinion to FKF's Board of Directors Regarding the Merger Consideration (Page 34)**

Sandler O'Neill & Partners, L.P. delivered its opinion to FKF's board of directors that, as of November 3, 2009 and based upon and subject to the factors and assumptions set forth therein, the per share merger consideration of 0.6973 of a share of BMBC common stock plus \$2.06 in cash for each share of FKF common stock held immediately prior to the merger is fair to the holders of FKF's common stock from a financial point of view.

The full text of the written opinion of Sandler O'Neill, dated November 3, 2009, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C. Sandler O'Neill provided its opinion for the information and assistance of FKF's board of directors in connection with its consideration of the merger. The Sandler O'Neill opinion is not a recommendation as to how any holder of FKF's common stock should vote with respect to the merger or any other matter. Pursuant to an engagement letter between FKF and Sandler O'Neill, FKF has agreed to pay Sandler O'Neill a transaction fee. For further information, please see the discussion under the caption "The Merger Opinion of FKF's Financial Advisor," commencing on page 34.

### **FKF's Board of Directors Unanimously Recommends That FKF Shareholders Vote FOR Approval of the Merger Agreement and the Transactions Contemplated Thereby, Including the Merger (Page 29)**

FKF's board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the merger, and recommends that FKF shareholders vote FOR approval of the

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merger agreement and the transactions contemplated thereby, including the merger, and FOR the approval of the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated thereby, including the merger.

For more information concerning the background of the merger, the recommendation of FKF's board of directors and the reasons for the merger and the recommendation, please see the discussions under The Merger Background of the Merger and The Merger FKF's Reasons for the Merger; Recommendation of FKF's Board of Directors, commencing on page 31 and page 32, respectively.

### **FKF's Directors and Executive Officers May Have Interests in the Merger that Differ from Your Interests (Page 45)**

In considering the information contained in this proxy statement/prospectus, you should be aware that FKF's and FKB's executive officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of FKF shareholders. These additional interests of FKF's executive officers and directors may create potential conflicts of interest and cause these persons to view the proposed transaction differently than you may view it as a shareholder.

FKF's board of directors was aware of these interests and took them into account in its decision to declare advisable the merger agreement and the transactions contemplated thereby, including the merger. For information concerning these interests, please see the discussion under the caption The Merger Interests of FKF's Directors and Executive Officers in the Merger, commencing on page 45.

### **FKF Shareholders Do Not Have Dissenters' Rights in the Merger (Page 43)**

Under Pennsylvania law, shareholders of a Pennsylvania corporation are not entitled to exercise dissenters' rights with respect to a merger if shares of the corporation are listed on a national securities exchange on the record date for determining shareholders entitled to vote on the merger. Because FKF common stock is quoted on NASDAQ (and is expected to continue to be so quoted through the record date for the special meeting and completion of the merger), FKF shareholders do not have the right to exercise dissenters' rights with respect to the merger. If the merger agreement and the transactions contemplated thereby are approved and the merger is completed, FKF shareholders who voted against the approval of the merger agreement and the transactions contemplated thereby will be treated the same as FKF shareholders who voted for the approval of the merger agreement and the transactions contemplated thereby and their shares will automatically be converted into the right to receive the merger consideration.

For further information as to the special meeting and the proxy solicited by FKF's board of directors for purposes of the special meeting, please see the discussion under the caption Questions and Answers about the Merger and Special Meeting and The Merger Interests of FKF's Directors and Executive Officers in the Merger, commencing on pages 1 and 45, respectively.

### **BMBC and FKF Have Agreed When and How FKF Can Consider Third-Party Acquisition Proposals (Page 55)**

BMBC and FKF have agreed that FKF will not solicit or encourage proposals from third parties regarding certain acquisitions of FKF, its shares, or its businesses, or engage in related discussions, negotiations or agreements. However, FKF may (1) provide information in response to a request from a person who makes an unsolicited acquisition proposal, subject to such person entering into a confidentiality agreement that is no less favorable to FKF than its confidentiality agreement with BMBC, or (2) engage or participate in discussions or negotiations with a person who makes such an unsolicited acquisition proposal; if, but only if, (A) FKF has received a bona fide unsolicited written acquisition proposal that did not result from a breach of the merger

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agreement, (B) prior to taking any such action, FKF's board of directors determines, in good faith, after consultation with its outside legal and financial advisors, that the acquisition proposal constitutes a superior proposal compared to the transactions contemplated by the merger agreement, (C) FKF has provided BMBC with at least one (1) business day prior notice of such determination, and (D) prior to furnishing or affording access to any information or data with respect to FKF or any of its subsidiaries or otherwise relating to the unsolicited acquisition proposal, FKF receives a confidentiality agreement with terms no less favorable to FKF than those contained in the confidentiality agreement between BMBC and FKF.

Additionally, prior to the approval of the merger agreement by FKF's shareholders, upon the determination by FKF's board of directors that an unsolicited acquisition proposal constitutes a superior proposal compared to the transactions contemplated by the merger agreement, the board of directors of FKF may change its recommendation in favor of the merger agreement (but not terminate the merger agreement) if, prior to changing its recommendation, (1) FKF's board of directors determines, in good faith, after consultation with its outside legal and financial advisors, that failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties to FKF's shareholders, (2) FKF provides BMBC with notice that FKF's board of directors intends to or may change its recommendation and provides an opportunity for BMBC to make an improved proposal, and (3) FKF's board of directors determines, in good faith, after consultation with its outside legal and financial advisors, that the acquisition proposal constitutes a superior proposal compared to any such improved proposal by BMBC.

Unless the merger agreement is terminated before the FKF special meeting, FKF is required to submit the merger agreement to its shareholders.

**Merger Requires the Approval of Holders of a Majority of Votes Entitled to Be Cast (Page 29)**

The merger agreement and the transactions contemplated thereby must be approved by the affirmative vote of a majority of the votes cast by all FKF shareholders entitled to vote at the special meeting. FKF's board of directors has fixed the close of business on \_\_\_\_\_, 2010 as the record date for determining the FKF shareholders entitled to receive notice of and to vote at the special meeting. As of that date, FKF directors and executive officers and their affiliates beneficially owned approximately \_\_\_\_\_, or \_\_\_\_\_%, of the shares entitled to vote at the FKF special meeting.

FKF is calling a special meeting of the FKF shareholders to consider and vote on the proposal to approve the merger agreement and the transactions contemplated thereby, including the merger.

**Conditions That Must Be Satisfied or Waived for the Merger to Occur (Page 58)**

Currently, we expect to complete the merger late in the second quarter or early in the third quarter of 2010. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others:

approval by the requisite vote of FKF shareholders;

the receipt of all regulatory consents and approvals required in connection with the merger of FKF into BMBC and the merger of FKB into the Interim Bank, and the Interim Bank into BMT, which we refer to collectively as the bank merger (in each case unless the failure to obtain such consents and approvals would not reasonably be expected to have a material adverse effect on the combined enterprise of FKF, FKB and BMBC or materially impair the value of FKF or FKB to BMBC);

the receipt by each of BMBC and FKF of a legal opinion with respect to certain United States federal income tax consequences of the merger;

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the absence of any law, statute, rule, regulation, order, decree, injunction or other order by any court or other governmental entity, which enjoins or prohibits completion of the transactions contemplated by the merger agreement;

the effectiveness of the registration statement of which this proxy statement/prospectus is a part with respect to the BMBC common stock to be issued in the merger under the Securities Act and the absence of any stop order or proceedings initiated or threatened by the SEC or any applicable state securities commissioner for that purpose;

the authorization for listing on the NASDAQ of the shares of BMBC common stock to be issued in the merger;

the amount of FKF Delinquencies, as defined, do not exceed \$16.5 million;

FKF and FKB meeting certain requirements relating to risk-based capital and environmental testing as more fully described in the merger agreement;

the truth and correctness of the representations and warranties of each other party in the merger agreement, subject to the materiality standards provided in the merger agreement; and

the performance by each party in all material respects of their obligations under the merger agreement and the receipt by each party of certificates from the other party to that effect.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

**Termination of the Merger Agreement (Page 59)**

The merger agreement can be terminated at any time prior to completion by mutual consent, if authorized by each of the BMBC and FKF boards of directors, or by either party in the following circumstances:

if the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, unless the breach is capable of being cured by July 31, 2010, and is cured within 30 days of notice of the breach;

if the merger has not been completed by July 31, 2010, unless the failure to complete the merger by that date is due to the breach of the merger agreement by the party seeking to terminate the merger agreement;

if the FKF shareholders fail to approve the merger agreement and the transactions contemplated thereby at the special meeting; or

if there is any final, non-appealable order permanently enjoining or prohibiting the completion of the merger or any consent, registration, approval, permit or authorization is denied such that the regulatory approval condition to the merger cannot be satisfied as of the closing date.

In addition, BMBC may terminate the merger agreement if FKF's board of directors (1) submits the merger agreement to shareholders without a recommendation for approval, or otherwise withdraws or modifies its recommendation in any manner adverse to BMBC, (2) enters into an acquisition agreement with respect to an acquisition proposal determined to be a superior proposal compared to the transactions contemplated by the merger agreement, or (3) terminates the merger agreement. BMBC may also terminate the merger agreement if FKF fails to substantially

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comply with its obligations with respect to acquisition proposals.

FKF may terminate the merger agreement if FKF has received an acquisition proposal determined to be a superior proposal compared to the transactions contemplated by the merger agreement, and FKF's board of directors has made a determination, in accordance with the merger agreement, to accept such superior proposal.

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If the merger agreement is terminated, it will become void, and there will be no liability on the part of BMBC or FKF, except that (1) in the event of willful breach of the merger agreement, the breaching party will remain liable for any damages, costs and expenses, including without limitation, reasonable attorneys' fees incurred by the non-breaching party in connection with the enforcement of its rights under the merger agreement, and (2) designated provisions of the merger agreement, including the payment of fees and expenses and the confidential treatment of information, will survive the termination.

### **Termination Fee (Page 60)**

FKF will pay BMBC a \$1.675 million termination fee if:

an acquisition proposal has been made or proposed to FKF and (1) BMBC terminates the merger agreement either because (A) FKF's board of directors withdraws or changes its recommendation in any manner adverse to BMBC or (B) FKF enters into an acquisition agreement with respect to a superior proposal, or (2) FKF terminates the merger agreement because its board of directors has made a determination, in accordance with the merger agreement, to accept a superior proposal; or

FKF enters into a definitive agreement relating to an acquisition proposal within twelve (12) months after the occurrence of any of the following: (1) the termination of the merger agreement by BMBC due to FKF's willful breach, subject to the materiality standards provided in the merger agreement, of its representations, warranties, covenants or agreements under the merger agreement, or (2) the failure of FKF's shareholders to approve the merger agreement after the public disclosure or public awareness of an acquisition proposal.

### **Regulatory Approvals Required for the Merger (Page 43)**

Each of BMBC and FKF has agreed to use its reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement, including the merger and the bank merger. These approvals include approval from the Board of Governors of the Federal Reserve System and the Pennsylvania Department of Banking as well as various other regulatory authorities. BMBC and FKF have completed, or will complete, the filing of applications and notifications to obtain the required regulatory approvals. Although we do not know of any reason why we cannot obtain these regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them.

### **The Rights of FKF shareholders Following the Merger Will Be Different (Page 70)**

The rights of BMBC shareholders are governed by Pennsylvania law and by BMBC's amended and restated articles of incorporation and amended and restated bylaws. The rights of FKF shareholders are governed by Pennsylvania law, and by FKF's amended and restated articles of incorporation, and amended and restated bylaws. Upon the completion of the merger, the rights of FKF shareholders will be governed by Pennsylvania law, BMBC's amended and restated articles of incorporation and amended and restated bylaws.

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**RECENT DEVELOPMENTS**

*BMBC.* On October 29, 2009, BMBC announced its results of operations for the third quarter ended September 30, 2009. Diluted earnings per share were \$0.30 in the third quarter of 2009, up from \$0.26 in the year-earlier period. Net income for the third quarter of 2009 totaled \$2.6 million, up from \$2.3 million in the third quarter of 2008. Return on average equity (ROE) and return on average assets (ROA) for the third quarter ended September 30, 2009 were 10.39% and 0.89%, respectively. ROE was 9.55% and ROA was 0.83% for the same period last year.

Diluted earnings per share for the nine month period ended September 30, 2009 were \$0.88 compared with \$0.97 in the same period of 2008. Net income for the nine months ended September 30, 2009 was \$7.7 million, down from \$8.3 million in the same period of 2008.

Total portfolio loans and leases at September 30, 2009 were \$886.5 million, a decrease of \$13.1 million or 1.5% from the 2008 year-end balance of \$899.6 million. Non-performing loans and leases represented 78 basis points or \$6.9 million of portfolio loans and leases at September 30, 2009 and the provision for loan and lease losses for the quarter-ended September 30, 2009 was \$2.3 million.

BMBC management was generally pleased with third quarter 2009 financial performance, especially given the overall softness in the economy and the difficulties many community banks experienced. BMBC's investment portfolio, loan asset quality, capital position, deposit growth and liquidity position continue to be sources of strength. Additionally, BMBC has seen steady improvement in its net interest margin and growth in wealth assets under management, administration, brokerage and supervision.

*FKF.* On December 8, 2009, FKF announced its results of operations for the fourth quarter and fiscal year ended September 30, 2009. FKF recorded a net loss of \$359,000, or (\$0.15) per diluted share, for the fourth quarter of 2009, compared with a net loss of \$1.7 million, or (\$0.73) per diluted share, for the same period of the prior year. The net loss recorded in the fourth quarter of 2009 was primarily due to a \$1.5 million provision for loan losses recorded during the fourth quarter. For the full-year 2009, FKF recorded a net loss of \$1.6 million, or (\$0.68) per diluted share, compared to a net loss of \$1.0 million, or (\$0.43) per diluted share, for fiscal 2008. For additional information, reference is made to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in FKF's Annual Report on Form 10-K attached to this proxy statement/prospectus as Annex B.

*Market Developments and Economic Conditions.* In recent periods, United States and global markets have experienced severe disruption and volatility, and general economic conditions have declined significantly. Adverse developments in credit quality, asset values and revenue opportunities throughout the financial services industry, as well as general uncertainty regarding the economy, industry and regulatory environment, have had a marked negative impact on the industry. These developments and conditions have also negatively impacted the financial position of FKF and results of operations of both BMBC and FKF.

The United States and the governments of other countries have taken steps to try to stabilize the financial system, including investing in certain financial institutions, and have also been working to design and implement programs to improve general economic conditions. Notwithstanding the actions of the United States and other governments, there can be no assurances that these efforts will be successful in restoring industry, economic or market conditions and that they will not result in adverse unintended consequences. Factors that could continue to pressure financial services companies, including BMBC and FKF, are numerous and include (1) continued or worsening credit quality, leading among other things to increases in loan losses and reserves, (2) continued or worsening disruption and volatility in financial markets, leading among other things to continuing reductions in assets values, (3) capital and liquidity concerns regarding financial institutions generally and our counterparties

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specifically, (4) limitations resulting from or imposed in connection with governmental actions intended to stabilize or provide additional regulation of the financial system, and (5) recessionary conditions that are deeper or last longer than currently anticipated. See Risk Factors beginning on page 20 for more information.

*FDIC Developments.* On October 11, 2009, the FDIC adopted a final rule to require insured institutions to prepay their estimated quarterly risk-based assessments for the fourth quarter of 2009, and for all of 2010, 2011, and 2012. The prepaid assessment will be collected on December 30, 2009, along with each institution's regular quarterly risk-based deposit insurance assessment for the third quarter of 2009. For purposes of calculating the prepaid assessment, each institution's assessment rate will be its total base assessment rate in effect on September 30, 2009. On September 29, 2009, the FDIC increased annual assessment rates uniformly by 3 basis points beginning in 2011. As a result, an institution's total base assessment rate for purposes of calculating the prepayment will be increased by an annualized 3 basis points beginning in 2011. For purposes of calculating the amount that an institution will prepay on December 30, 2009, an institution's third quarter 2009 assessment base will be increased quarterly at a 5 percent annual growth rate through the end of 2012. The FDIC will begin to draw down an institution's prepaid assessments on March 30, 2010, representing payment for the regular quarterly risk-based assessment for the fourth quarter of 2009. BMBC and FKF will pay to the FDIC \$4.5 million and \$2.3 million, respectively, on December 30, 2009. These amounts will be recorded as prepaid expenses and drawn down by the FDIC on a quarterly basis over the next three years. Upon the completion of the merger, FKF's remaining prepaid balance with the FDIC will be credited to BMBC.

**UNAUDITED CONDENSED PRO FORMA FINANCIAL INFORMATION**

The following table shows information about the financial condition and results of operations, including per share data and financial ratios, after giving effect to the merger. We refer to this information as unaudited condensed pro forma financial information. The information under Pro Forma Condensed Combined Income Statement in the table below gives effect to the pro forma results for the nine months ended September 30, 2009 and for the twelve months ended December 31, 2008 as if the merger occurred at the beginning of each of the respective income statement periods. The information under Pro Forma Condensed Combined Balance Sheet in the table below assumes the merger was completed on September 30, 2009. The pro forma financial information presented herein, including per share data and financial ratios, assumes that no vested options to purchase FKF shares of common stock are exercised and that there is no adjustment in the per share merger consideration.

The pro forma data in the table assumes that the merger is accounted for using the business combination acquisition method of accounting and that BMBC is the acquirer. The historical amounts are derived from, and should be read in conjunction with the historical consolidated financial statements and related notes of BMBC and FKF which are incorporated in this document by reference (see Where You Can Find More Information on page 84 for a description of where you can find this historical information; see also Recent Developments on page 11), and the other pro forma financial information, including the related notes, appearing elsewhere in this document (see Unaudited Pro Forma Combined Financial Information, beginning on page 75).

The unaudited pro forma combined financial information includes adjustments to reflect the assets and liabilities of FKF at their estimated fair values as of September 30, 2009, and statements of income for the nine months ended September 30, 2009 and the twelve months ended December 31, 2008 as if the merger had occurred at the beginning of each reported period. Since FKF has a September 30 fiscal year end and BMBC has a December 31 fiscal year end, FKF's nine months ended September 30, 2009 information was calculated using FKF's financial information for the twelve months ended September 30, 2009 less the three months ended December 31, 2008, and FKF's twelve months ended December 31, 2008 information was calculated using FKF's financial information for the three months ended December 31, 2008 and the twelve months ended

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September 30, 2008 less the three months ended December 31, 2007. The pro forma financial adjustments record the assets and liabilities of FKF at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors, nor the impact of possible business model changes. As a result, the pro forma results are not necessarily indicative of what would have occurred had the acquisition taken place on the assumed dates, nor do they represent an attempt to predict or suggest future results.

In addition, as explained in more detail in the accompanying notes to the unaudited pro forma financial information found elsewhere in this proxy statement/prospectus, the allocation of the purchase price reflected in the Unaudited Pro Forma Condensed Combined Financial Information is subject to adjustment and will vary from the actual purchase price allocation that will be recorded upon completion of the merger based upon changes in the balance sheet including fair value estimates.

**UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT****NINE MONTH PERIOD<sup>(5)</sup>**

	<b>BMBC</b> <b>Nine Months Ended</b> <b>September 30,</b> <b>2009</b>	<b>FKF</b> <b>Nine</b> <b>Months Ended</b> <b>September 30, 2009</b>	<b>Nine Month Period</b> <b>Adjustments(1)</b>	<b>Combined</b> <b>Nine Months</b>
Net interest income	\$ 29,868	\$ 8,962	\$ (1,725)(2)	\$ 37,105
Provision for loan and lease losses	\$ 5,582	\$ 2,925	\$	\$ 8,507
Non-interest income	\$ 21,929	\$ 1,476	\$	\$ 23,405
Non-interest expense	\$ 34,444	\$ 9,966	\$ 4,677(3)	\$ 49,087
Net income (loss)	\$ 7,700	\$ (1,518)	\$ (4,161)(4)	\$ 2,021
Earnings per share:				
Basic	\$ 0.88	\$ (0.65)	\$	\$ 0.20
Diluted	\$ 0.88	\$ (0.65)	\$	\$ 0.20

- (1) Assumes the merger of FKF was completed at the beginning of the period presented.
- (2) The pro forma acquisition adjustment reflects the amortization/accretion of fair value adjustment related to loans, investment securities, deposits and borrowings utilizing the interest method over the estimated lives of the related assets or liabilities.
- (3) The non-interest expense adjustment reflects the net amortization of core deposit intangibles, professional fees, integration costs and merger related expenses while not reflecting anticipated cost savings.
- (4) The net income adjustment reflects the tax impact of the pro forma acquisition adjustments at BMBC's statutory income tax rate of 35%.
- (5) See the Unaudited Pro Forma Combined Income Statements and related notes on page 78 for additional information.

**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT****FISCAL YEAR 2008<sup>(5)</sup>**

	<b>BMBC Twelve Months Ended December 31, 2008</b>	<b>FKF Twelve Months Ended December 31, 2008</b>	<b>Twelve Month Period Adjustments(1)</b>	<b>Combined Twelve Months</b>
Net interest income	\$ 37,138	\$ 10,756	\$ (2,299)(2)	\$ 45,595
Provision for loan and lease losses	\$ 5,596	\$ 329	\$	\$ 5,925
Non-interest income	\$ 21,472	\$ 639	\$	\$ 22,111
Non-interest expense	\$ 38,676	\$ 12,560	\$ 4,811(3)	\$ 56,047
Net income (loss)	\$ 9,325	\$ (1,303)	\$ (4,622)(4)	\$ 3,400
Earnings per share:				
Basic	\$ 1.09	\$ (0.56)	\$	\$ 0.33
Diluted	\$ 1.08	\$ (0.56)	\$	\$ 0.33

- (1) Assumes the merger of FKF was completed at the beginning of the period presented.
- (2) The pro forma acquisition adjustment reflects the net amortization/accretion of fair value adjustment related to loans, investment securities, deposits and borrowings utilizing the interest method over the estimated lives of the related assets or liabilities.
- (3) The non-interest expense adjustment reflects the net amortization of core deposit intangibles, professional fees, integration costs and other merger related costs, while excluding anticipated cost savings.
- (4) The net income adjustment reflects the tax impact of the pro forma acquisition adjustments at BMBC's statutory income tax rate of 35%.
- (5) See the Unaudited Pro Forma Combined Income Statement and related notes on page 78 for additional information.

**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS****As of September 30, 2009**

<b>(dollars in thousands)</b>	<b>BMBC</b>	<b>FKF</b>	<b>Adjustments(1)</b>	<b>Combined</b>
Total assets	\$ 1,195,525	\$ 528,401	\$ (3,003)	\$ 1,720,923
Loans, net	\$ 876,180	\$ 306,600	\$ (1,838)	\$ 1,180,942
Goodwill	\$ 4,824	\$	\$ 1,933	\$ 6,757
Deposits	\$ 899,476	\$ 347,124	\$ 2,460	\$ 1,249,060
FHLB and other borrowed funds	\$ 147,386	\$ 130,048	\$ 4,607	\$ 282,041
Subordinated debt / junior subordinated debentures	\$ 22,500	\$ 11,646	\$ (1,996)	\$ 32,150
Total shareholders' equity	\$ 102,047	\$ 33,616	\$ (8,074)	\$ 127,589

- (1) These adjustments assume the merger was completed on September 30, 2009 and included pro forma fair value adjustments and the pro forma issuance of BMBC common stock in connection with the merger, elimination of FKF's equity and other pro forma merger adjustments. See the Unaudited Pro Forma Combined Balance Sheets and related notes on page 76 for additional information.

**Table of Contents****Comparative Per Share Data****(Unaudited)**

	For the Nine Months ended September 30, 2009(2)	For the Twelve Months ended December 31, 2008(2)
<b>Basic net income (loss) per share:</b>		
Byrn Mawr Bank Corporation historical	\$ 0.88	\$ 1.09(1)
First Keystone Financial, Inc. historical	(0.65)	(0.56)
Combined Company pro forma	0.20	0.33
<b>Diluted net income (loss) per share:</b>		
Byrn Mawr Bank Corporation historical	\$ 0.88	\$ 1.08(1)
First Keystone Financial, Inc. historical	(0.65)	(0.56)
Combined Company pro forma	0.20	0.33
<b>Cash dividends per share:</b>		
Byrn Mawr Bank Corporation historical	\$ 0.42	\$ 0.54(1)
First Keystone Financial, Inc. historical		
Combined Company pro forma	0.35	0.45

**As of September 30, 2009**

<b>Book value per share:</b>		
Byrn Mawr Bank Corporation historical		\$ 11.62
First Keystone Financial, Inc. historical		13.82
Combined Company pro forma		12.17
<b>Tangible book value per share:</b>		
Byrn Mawr Bank Corporation historical		\$ 10.44
First Keystone Financial, Inc. historical		13.82
Combined Company pro forma		10.65

- (1) Represents the audited data from BMBC's Annual Report on Form 10-K for the year ended December 31, 2008.
- (2) See Unaudited Pro Forma Combined Financial Information later in this proxy statement/prospectus for an explanation of the method of calculation.