PUBLIC DISCLOSURE

February 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Bancorp Bank, National Association
Charter Number 25279

6100 South Old Village Place
Sioux Falls, SD 57108

Office of the Comptroller of the Currency

4900 South Minnesota Avenue, Suite 300
Sioux Falls, SD 57108

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

CONCLUSIONS:

The bank substantially achieves its plan goals for a satisfactory rating.

- The bank exhibits a satisfactory level of new community development (CD) loans and qualified investments. The Bancorp Bank, National Association (TBB or bank) met the new CD loans and qualified investments goal for satisfactory performance set forth in the Community Reinvestment Act (CRA) Strategic Plan for 2021 and 2022.

- The bank exhibits an outstanding level of existing qualified investments. TBB met the existing qualified investment goal for outstanding performance set forth in the CRA Strategic Plan for 2021 and 2022.

- The bank exhibits a satisfactory level of CD grants. TBB met the CD grant goal for outstanding performance in 2021 and met the CD grant goal for satisfactory performance in 2022 as set forth in the CRA Strategic Plan.

- The bank exhibits a satisfactory level of CD services. TBB met the CD service goal for satisfactory performance as set forth in the CRA Strategic Plan for 2021 and 2022.

- The bank is responsive to identified community needs and supports services that target affordable housing, financial education, services to low- and moderate-income (LMI) individuals and small businesses.

Description of Institution

TBB is a $7.9 billion national bank headquartered in Sioux Falls, South Dakota (SD). The bank was previously headquartered in Wilmington, Delaware (DE) until February 1, 2023. TBB is a wholly owned subsidiary of The Bancorp, Inc., a one-bank holding company. As of December 31, 2022, The Bancorp, Inc., had total assets of $796 million. The bank owns six subsidiaries that provide support to the bank's lines of business and operations. Management did not request consideration of subsidiary activities during this evaluation and subsidiary activities are not part of goals established in the CRA Strategic Plan.

TBB is a non-traditional banking institution operating with a nationwide footprint using a branchless model. The bank provides private label banking and technology services to non-bank companies by focusing on high-growth financial service sectors. TBB maintains thirteen office locations nationwide, with its primary locations in Sioux Falls, SD and Wilmington, DE. Other locations that support lending, wealth management, and administrative functions include suburban Chicago, Illinois; New York City and Long Island, New York; Raleigh, North Carolina; and Memphis, Tennessee. The bank also maintains offices in Orlando, Florida; Kent, Washington; Crofton, Maryland (MD); Norristown, Pennsylvania (PA); Logan, Utah; and Raritan, New Jersey (NJ) to administer its automobile fleet leasing program.

TBB operates with two key divisions: payments and lending. The payments division contains the bank's FinTech Solutions business line which focuses on providing card sponsorship and facilitation of payment activities to fintech companies. The lending division includes three business lines that provide specialized lending products in high-growth markets.

Payments
TBB's payments line of business offers two distinct channel offerings: program sponsorship and payment services. The bank's program sponsorship channel offering provides for card issuance programs for debit cards offered both in conjunction with private label demand deposit agreement (DDA) accounts and as an access devise into cash management and money service business (MSB)-held accounts. The program sponsorship channel also includes various prepaid card use cases including general purpose reloadable cards, consumer and corporate gift cards, payroll cards, government benefit cards, flexible spending accounts, corporate and consumer incentive rewards, single-use virtual cards for business-to-business payments, as well as various other ancillary use cases. Cards are offered to end users through a third-party program manager's relationship with consumers, as well as corporate and government entities and their constituencies. The bank's payment services channel involves serving as the originating depository financial institution (ODFI) for the origination of automated clearing house (ACH) payments to/from various businesses. The business model is facilitated using independent sales organizations (ISOs) and third-party senders (TPS) that aggregate and process payments.

Lending
TBB's lending line of business spans nationwide and includes three business units: institutional banking, commercial lending, and real estate bridge lending. The institutional banking unit includes insurance-backed lines of credit and securities-backed lines of credit and loans to security advisors. The commercial lending unit includes Small Business Administration (SBA) loans and fleet leasing.
The bank participates in the SBA 7(a) program which is designed for start-up and existing small businesses and the SBA 504 program, which provides growing businesses with long-term, fixed-rate

financing for major fixed assets. The real estate bridge lending unit includes short- to intermediate-term bridge loans to rehab multifamily properties. The fleet leasing unit finances smaller fleets for commercial companies and government-related businesses.

There are no legal, financial, or other factors impeding TBB's ability to help meet the needs of its assessment area (AA) during the evaluation period. The Federal Deposit Insurance Corporation (FDIC) assigned an Outstanding rating at its prior CRA evaluation dated June 7, 2021.

For the purposes of CRA, TBB operates with one rating area and one AA. TBB's rating area is the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate Metropolitan Statistical Area (MMSA). The bank's AA includes several counties within the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMSA including the Delaware county of New Castle and the Pennsylvania counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia. The AA is comprised of 1,195 census tracts (CTs), of which 82 tracts are low-income and 276 tracts are moderate-income. The area is highly populated area with approximately 4.8 million individuals and 1.8 million households. Approximately 12.51 percent of families are below poverty level. Community contacts in the AA revealed LMI communities are in highest need of affordable housing and financial literacy education.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period is January 1, 2021, through December 31, 2022. TBB's evaluation goals are set forth in a Strategic Plan approved by the FDIC on November 25, 2020, effective January 1, 2021, through December 31, 2023[1].

The evaluation scope included CD loans, qualified investments, and CD services.

Selection of Areas for Full-Scope Review

The bank's single AA consisting of portions of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMSA received a full-scope review.

Ratings

The bank's overall rating is based on the performance as agreed upon in the strategic planning application process.

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[1] The FDIC-approved Strategic Plan was replaced by a Strategic Plan approved by the Office of the Comptroller of the Currency (OCC) on December 15, 2022, effective January 1, 2023. Accordingly, this evaluation period encompasses performance between January 1, 2021, through December 31, 2022, while the bank operated under the FDIC-approved Strategic Plan. Performance beginning January 1, 2023, and onward will be incorporated in the next CRA evaluation and will be assessed under the OCC-approved Strategic Plan.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Multistate Metropolitan Statistical Area Rating

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMSA

CRA Rating for the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMSA: Satisfactory.

CONCLUSIONS WITH RESPECT TO PERFORMANCE IN PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD MMSA:

The bank substantially achieves its plan goals for a satisfactory rating within the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMSA.

Strategic Plan Goals and Actual Performance Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMSA		
Year	**2021**	**2022**
Goal 1 – Ratio of New CD Loans and Investments to Average Assets		
Satisfactory Goal	0.35%	0.35%
Outstanding Goal	0.45%	0.45%
Performance	0.41%	0.41%
Goal 2 – Ratio of Existing Qualified Investments to Average Assets		
Satisfactory Goal	1.25%	1.25%
Outstanding Goal	1.50%	1.50%
Performance	2.04%	1.88%
Goal 3 – CD Grants		
Satisfactory Goal	$100,000	$100,000
Outstanding Goal	$125,000	$125,000
Performance	$125,000	$100,000
Goal 4 – CD Services		
Satisfactory Goal	150 hours	150 hours
Outstanding Goal	175 hours	175 hours
Performance	159 hours	153.5 hours

Goal 1: Ratio of New CD Loans and Investments to Average Assets
To meet satisfactory performance for Goal 1, the bank must make new CD loans and qualified investments equal to 0.35 percent of average assets. To meet outstanding performance for Goal 1, the bank must make new CD loans and qualified investments equal to 0.45 percent of average assets. CD loans include loans that have a primary purpose of CD and qualified investments include lawful investment, deposit, or membership share that has a primary purpose of CD.[2]

TBB achieved satisfactory performance of Goal 1 in 2021 and 2022 by making new CD loans and qualified investments representing 0.41 percent of average assets in both years. TBB made new CD loans and qualified investments totaling $27.0 million and $29.3 million in 2021 and 2022, respectively. Activities included in this goal primarily included mortgage-backed securities that helped

[2] The regulatory definition of qualified investments also includes grants. However, for the purposes of the bank's Strategic Plan, grants are measured on a standalone basis in Goal 3.

fund mortgages to LMI or create affordable housing, certificates of deposit (CODs) in minority- and women-owned institutions, and CD loan originations.

Goal 2: Ratio of Existing Qualified Investments to Average Assets
To meet satisfactory performance for Goal 2, the bank must achieve existing qualified investments equal to 1.25 percent of average assets. To meet outstanding performance for Goal 2, the bank must achieve existing qualified investments equal to 1.50 percent of average assets. Existing qualified investments contains prior period qualified investments and new qualified investments accounted for in Goal 1.

TBB achieved outstanding performance of Goal 2 in 2021 and 2022 by achieving existing qualified investment representing 2.04 percent and 1.88 percent, respectively. This goal included the aforementioned $27.0 million and $29.3 million in new CD loans and qualified investments accounted for in Goal 1 as well as $113 million and $106 million in prior period qualified investments that remained outstanding at the end of 2021 and 2022, respectively.

Goal 3: CD Grants
To meet satisfactory performance for Goal 3, the bank must make grants totaling $100 thousand. To meet outstanding performance for Goal 3, the bank must make grants totaling $125 thousand. Grants must have a primary purpose of CD.

TBB achieved outstanding performance of Goal 3 in 2021 and satisfactory performance of Goal 3 in 2022. TBB made grants totaling $125 thousand in 2021 and $100 thousand in 2022. Grants met the purpose of CD and also aligned with AA needs including donations to an organization focused on assisting LMI individuals obtain affordable housing, a nonprofit that provides financial counseling, and a food bank that focuses on long-term solutions to hunger and poverty.

Goal 4: CD Services
To meet satisfactory performance for Goal 4, bank employees must conduct 150 hours of CD services. To meet outstanding performance for Goal 4, the bank employees must conduct 175 hours of CD services. CD services include services that have a primary purpose of CD and relate to the provision of financial services.

TBB achieved satisfactory performance of Goal 4 in 2021 and 2022. TBB employees conducted 159 hours of CD services in 2021 and 153.5 hours in CD services in 2022. CD services aligned with AA needs including serving as financial literacy coaches and instructors, volunteer hours at a food bank, and review of housing applications for low-income individuals.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, loan products considered, and affiliate activities that were reviewed. The table also reflects the MSAs and non-MSAs that received comprehensive examination review

Time Period Reviewed:	01/01/2021 to 12/31/2022	
Bank Products Reviewed:	CD loans, qualified investments, and CD services	
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
Not applicable.	Not applicable.	Not applicable.
List of AAs and Type of Examination		
Rating and AAs	**Other Information**	
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	*Delaware county of New Castle and Pennsylvania counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia.*	

Appendix B - Summary of State and Multistate Metropolitan Area Ratings

Multistate Metropolitan Area Name	Multistate Metropolitan Area Rating
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. CTs ideally contain about 4,000 people and 1,600 housing units.

Community Development: Affordable housing (including multifamily rental housing) for LMI individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of $1 million or less; or activities that revitalize or stabilize LMI geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A CT delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A CT with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in ‘loans to small farms’ as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.