



MASTER DEMAND ACCOUNT

OBJECTIVE AND STRUCTURE

Protection of Assets

The Master Demand Account (MDA) is an omnibus demand deposit account offered by The Bancorp Bank, Member FDIC, offering a high degree of safety. Subject to FDIC deposit insurance coverage rules, Plan participants' funds held in the MDA may be eligible for FDIC deposit insurance. For a description of FDIC deposit insurance, see the MDA Disclosure Statement.

Liquidity

The MDA is a completely liquid account that allows participants to adjust the cash holdings in their Plan by making deposits to and transfers from the MDA each business day, subject to the terms of the Plan. The MDA is an attractive alternative to other cash equivalents due to both this liquidity and its competitive interest rate.

Suitability

The MDA is available as a cash option for participants in certain employee benefits plans who value safety and wish to have a more diversified Plan portfolio.

The Bancorp Bank

The Bancorp, Inc. (NASDAQ: TBBK) serves the unique needs of non-bank financial service companies. Its subsidiary, The Bancorp Bank (Member FDIC, Equal Housing Lender), is the Top Issuer of Prepaid Cards (U.S.), an SBA National Preferred Lender, a leading provider of securities-backed lines of credit, and one of the few bank-owned commercial vehicle leasing groups in the U.S.

Key Facts

Issuing Bank:	The Bancorp Bank
Product:	Demand Deposit Account
Interest Rate:	1.10%*
Annual Percentage Yield (APY):	1.10%*
Inception Date:	April 10, 2006
CUSIP:	88336MCW9
Expense Ratio:	0%
Deposit Insurance:	FDIC**
Minimum deposit to open:	\$0.00
Minimum balance to earn interest:	\$0.01

Plan Participant Risk Profile

For participants in qualified retirement plans and certain other benefit plans (each a "Plan") seeking:

- Preservation of capital
- Liquidity
- Income



CONTACT US FOR MORE INFORMATION



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*Rate effective as of 4/1/2019. Rate is variable and may change after the account is opened. Fees may reduce earnings. See accompanying Master Demand Account Disclosure Statement ("MDA Disclosure Statement"). For current interest rate and APY, visit <https://thebancorp.mybankingservices.com/personal/master-demand-account/>.

** See MDA Disclosure Statement.

MASTER DEMAND ACCOUNT DISCLOSURE STATEMENT

EFFECTIVE: APRIL 1, 2019

IMPORTANT — Please read this Master Demand Account Disclosure Statement (“Disclosure Statement”) carefully and keep a copy for your records. This Disclosure Statement describes terms and conditions applicable to the Master Demand Account (“MDA”) provided by The Bancorp Bank (“Bank,” “we,” “our,” or “us”). The headers used throughout this Disclosure Statement are for convenience. If any provision or portion of this Disclosure Statement is, or becomes, invalid under any applicable statute or rule of law, the remainder of this Disclosure Statement shall remain in full force and effect.

OWNERSHIP AND ADMINISTRATION OF MASTER DEMAND ACCOUNT

Eligible Depositors: The MDA is made available to qualified retirement plans and other benefit plans, such as 401(k) and other defined contribution pension plans, defined benefit pension plans, medical benefit plans and other welfare benefit plans, and deferred compensation plans under Section 457 of the Internal Revenue Code (each a “Plan” and collectively “Plans”). A Plan must be overseen by a trustee, sponsor, named fiduciary or investment manager for the benefit of Plan participants and beneficiaries (each a “Participant”). Plan Participant funds shall be deposited to and withdrawn from the MDA by the party acting as the trustee, custodian and/or record keeper of the Plan (“Custodian”). Administrative and recordkeeping services with respect to Participants or any balances maintained in the MDA on behalf of Participants are the responsibility of the Custodian, not the Bank.

Beneficial Ownership: The MDA is an omnibus demand deposit account established in the name of “The Bancorp Bank, for the benefit of others.” Interests in the MDA are effectuated through actions of intermediaries such as brokers, agents, nominees, or Custodians having direct access to automated clearance and settlement systems including the National Securities Clearing Corporation (each an “Intermediary”). Interests in the MDA represented by the funds deposited to it by each Intermediary will be evidenced by book entries on the records the Bank holds for the MDA, in our capacity as the deposit agent of the Intermediary, and in the records such Intermediary may hold in its capacity as agent or fiduciary for the eligible depositors who are the beneficial owners of funds in the MDA.

Representations by Intermediary: In our capacity as the depository institution and deposit agent of the Intermediary, Bank requires each Intermediary to represent to us that the beneficial owners of all deposits effectuated by the Intermediary to the MDA are eligible depositors.

Role of Depository Institution and Deposit Agent: In our capacity as the depository institution and deposit agent of the Intermediary, Bank may retain an agent to provide recordkeeping services and transaction-processing services for the MDA on our behalf. Transactions and duties between an Intermediary and any Custodian on behalf of which the Intermediary effectuates interests in the MDA, and recordkeeping and safekeeping by the Intermediary with respect to moneys deposited or to be deposited to the MDA, or withdrawn or to be withdrawn from the MDA, are governed by the agreement between the applicable Intermediary and the applicable Custodian. The Bank has the obligations of a depository institution, in accordance with the terms and conditions applicable to the MDA, as described in our agreement with the Custodian holding an interest in the MDA. The Bank has the obligation to hold and distribute the MDA funds to the Intermediary or Custodian. The Bank has no direct responsibility for any depositor with interests in the MDA that are held directly or indirectly by a Custodian or as to compliance by any Intermediary or other broker, nominee, custodian or agent for that depositor.

PAYMENT OF INTEREST AND ANNUAL PERCENTAGE YIELD

Deposits to the MDA bear interest from the business day the Bank receives credit for the deposit, if funds are received by the Bank before 3:00 PM Eastern Time on such business day (and otherwise from the business day following the date the funds are received by the Bank), until the date such funds

are withdrawn from the MDA, at an interest rate established by the Bank. Interest on the MDA will be calculated using the daily balance method. The daily balance method applies a daily periodic rate to the principal on deposit each day. A daily periodic rate is the interest rate paid divided by 365 days (366 days in a leap year). Interest begins to accrue no later than the business day the Bank receives credit for the deposit of non-cash items (for example, checks). Interest will be compounded daily and credited to the MDA monthly.

The Annual Percentage Yield (APY) is the interest paid by the Bank, using the applicable interest rate and frequency of compounding, and assuming that the funds remain on deposit for 365 calendar days. The current interest rate and APY for the MDA is available at: <https://thebancorp.mybankingservices.com/personal/master-demand-account/>. The APY may be increased or decreased by the Bank at its discretion and at any time. The Bank offers and from time to time may establish other types of demand deposit accounts, and no representation is made that the APY in effect for the MDA is or will be higher at any particular time or over any particular period than the APY in effect on any other type of demand deposit account that may be available to a depositor to the MDA. The interest rate of the MDA is variable and may change after the MDA is opened.

DEPOSIT INSURANCE

FDIC Deposit Insurance Coverage: Amounts on deposit in the MDA will be insured by the Federal Deposit Insurance Corporation (“FDIC”) in accordance with applicable law. Under current law, FDIC deposit insurance is generally limited to \$250,000 for all deposits held by a depositor in the same ownership right and capacity at the same depository institution.

Pass-Through Insurance: Under current FDIC rules, a depositor to the MDA can be considered separately for purposes of FDIC deposit insurance, to the extent of the non-contingent portion of the MDA that is attributable to that depositor. This is sometimes referred to as pass-through insurance. Pass-through insurance is applicable only to the portion of the depositor’s interest in the MDA that is non-contingent (meaning not forfeitable under the terms of the applicable Plan) and only if direct and indirect holders of the MDA maintain adequate records of the beneficial owners and their interests. Bank has undertaken the duty to maintain the MDA and its books and records with respect to the MDA in compliance with the procedures specified in FDIC rules. Each Intermediary, and each Custodian through which interests in the MDA are held on behalf of eligible depositors is responsible for its own compliance with the FDIC rules, procedures and requirements relating to the pass-through of FDIC deposit insurance to eligible depositors on behalf of which it holds interests in the MDA. The extent, if any, to which particular amounts on deposit in the MDA are insured by the FDIC depends on compliance with these rules, procedures and requirements by the Bank, the Intermediary and any Custodian holding deposits on behalf of the beneficial owner claiming such insurance.

Aggregation with Other Bank Accounts: If a beneficial owner of MDA funds has other funds on deposit with the Bank, the pass-through insurance rules may aggregate those accounts with the beneficial owner’s interest in the MDA for purposes of applying the \$250,000 deposit insurance limit. This aggregation is required for deposit accounts of individual retirement accounts, deferred compensation plans and individual account plans over which a beneficial owner has investment control and discretion.

FDIC Rules: The rules currently applicable to FDIC deposit insurance may be obtained by visiting the FDIC website at www.fdic.gov.

MDA LIMITATIONS

Access: The MDA does not provide checking or automated teller machine (ATM) privileges, or provide for transfers of amounts on deposit in the MDA to third parties. Federal regulations do not restrict the number of withdrawals from the MDA or deposits to the MDA.

Deposits and Transfers: All deposits to and transfers from the MDA involving an Intermediary must be initiated by the applicable Intermediary. Withdrawals from the MDA will be made by wire transfer or other

electronic means on the business day the withdrawal request is received by the Bank, provided such request is received by Bank prior to 3:00 PM Eastern Time on such business day, or otherwise PM the next business day.

Deadlines for processing by an Intermediary of deposit or transfer requests from a depositor on behalf of which such Intermediary effectuates deposits to or transfers from the MDA are governed by the agreement between the Intermediary and such depositor.

Balance Requirements: Bank requires no minimum deposit amount to open and no minimum balance to maintain the MDA. A minimum balance of \$0.01 is required to earn the disclosed APY. Bank reserves the right to limit the maximum amount deposited to the MDA.

FEES

Bank does not charge any account fees for the MDA. Fees, if any, charged to any depositor by any other party are governed by the agreement between such party and such depositor. Any such fees assessed may reduce earnings. Bank may pay certain fees to its recordkeeping and transaction processing agent and to brokers, Custodians, or other agents, as agreed upon in writing from time to time by the Bank and such other parties. Those fees are part of Bank’s operational expenses, are not paid out of the MDA, and do not affect the interest rate or APY of the MDA, as disclosed on our website and described above under “Payment of Interest and Annual Percentage Yield.”

DIRECT ACTION

Notwithstanding any other restriction described in this Disclosure Statement, in the event Bank fails to pay any withdrawal or other amount when required to do so under the terms of the MDA, a depositor to the MDA may enforce such depositor’s interest in the applicable required payment directly and individually against Bank.

ABOUT THE BANCORP BANK

The Bancorp, Inc. (NASDAQ: TBBK) serves the unique needs of non-bank financial services companies. Its subsidiary, The Bancorp Bank (Member FDIC, Equal Housing Lender), has been repeatedly recognized in the payments industry as the Top U.S. Issuer of Prepaid Cards (Nilson Report, April 2018), a top merchant sponsor bank and a top ACH originator. Specialized lending distinctions include SBA National Preferred Lender, a leading provider of securities-backed lines of credit, and one of the few bank-owned commercial vehicle leasing groups in the U.S. Chartered in the State of Delaware, the Bank’s principal business address, telephone number and website address are:

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The MDA is an obligation of the Bank, and not of the Holding Company. This Disclosure Statement does not contain financial information with respect to the Bank. The Bank will provide, upon request, copies of its most recent annual disclosure statement to any current or prospective depositor. The Holding Company’s common stock trades on the NASDAQ National Market under the symbol “TBBK.” The Holding Company is subject to the information requirements of the Securities and Exchange Act of 1934, as amended, and, in accordance therewith, files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”), which may include certain information about the Bank. You may read and copy any reports, statements or other information filed by the Holding Company at the SEC’s Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549 (phone 800.SEC.0330). You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates, or from commercial document retrieval services. The SEC maintains a website that contains reports, proxy statements and other information, including those filed by the Holding Company, at www.sec.gov. You may also access the SEC filings and obtain other information about the Holding Company and the Bank through its website at www.thebancorp.com.