

Master Demand Account Disclosure Statement

This Disclosure Statement describes the terms and conditions applicable to the Master Demand Account (the "Account") provided by The Bancorp Bank (the "Bank"). Interests in the Account may be held through brokers, or other entities, acting as agents, custodians or nominees and having direct access to the automated clearance and settlement systems of the National Securities Clearing Corporation (the "Intermediaries"). The Account will be established by the Bank in the name of the Bank as agent (in such capacity, the "Deposit Agent") for such Intermediaries and other depositors, and the interests in the Account represented by the funds deposited to the Account will be evidenced by a book entry on the account records of the Deposit Agent, of such Intermediaries, and of any other brokers, nominees, custodians or other agents on behalf of which such Intermediaries may hold interests in the Account. The Bank's sole obligation with respect to the amounts deposited to the Account is to the Deposit Agent, in accordance with the terms and conditions applicable to the Account, and the Deposit Agent's sole obligation with respect to the amounts deposited to the Account is to the Intermediaries or other depositors on behalf of which it holds such amounts. The Bank or the Deposit Agent may retain an agent to provide recordkeeping services and transaction processing services for the Account on their behalf. Transactions and duties between the Intermediaries and any depositor or agent for depositors on behalf of which the Intermediaries hold interests in the Account, and recordkeeping and safekeeping by the Intermediaries with respect to moneys deposited or to be deposited to the Account, or withdrawn or to be withdrawn from the Account, are governed by the agreement between the applicable Intermediary and the applicable depositor or agent for such depositor, and neither the Bank nor the Deposit Agent has any responsibility to any depositor with interests in the Account that are held directly or indirectly by an Intermediary, or as to compliance by any Intermediary or other broker, nominee, custodian or agent for such depositor with its obligations to such depositor.

Annual Percentage Yield on Amounts Contributed to the Master Demand Account

Contributions to the Account will bear interest from the business day on which such funds are received in cash by the Bank and deposited to the Account, if the funds are received by the Bank before the close of the Fedwire Fund Service ("Fedwire") on such business day (and otherwise from the business day following the date the funds are received by the Bank), until the date such contributions are withdrawn from the Account at an interest rate established by the Bank. Under federal regulations governing the Account, the return on contributions to the Account is expressed as an annual percentage yield ("APY"). The APY is the interest paid by the Bank on the Account, using the interest rate and frequency of compounding applicable to the Account, and assuming that the funds remain on deposit in the Account for 365 calendar days. The current APY on the Account 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 accounts, and no representation is made that the APY in effect for the Account 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 account that may be available to a depositor to the Account.

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

Applicability of Federal Deposit Insurance Corporation Insurance to the Account

Amounts on deposit in the Account 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. The Deposit Agent has undertaken to maintain the Account and its books and records with respect to the Intermediaries and other depositors in compliance with the procedures specified in rules applicable to FDIC deposit insurance that permit a depositor to the Account to be considered, for purposes of FDIC deposit insurance, the depositor of the portion of the Account that is attributable to the amount maintained in the Account by such depositor. Each Intermediary, and each other broker, nominee, custodian or agent through which interests in the Account are held on behalf of other depositors, is responsible for its own compliance with

FDIC rules, procedures and requirements relating to such "pass-through" of FDIC deposit insurance to depositors on behalf of which such Intermediary, broker, nominee, custodian or other agent holds interests in the Account. The extent, if any, to which particular amounts on deposit in the Account are insured by the FDIC will depend on compliance with such rules, procedures and requirements by the Deposit Agent, the Intermediaries and any other broker, nominee, custodian or other agent holding deposits on behalf of the person claiming such insurance, and on what other accounts at the Bank and deposits with the Bank are established or held by such depositor in the same ownership right and capacity. The rules currently applicable to FDIC deposit insurance may be obtained by contacting the Bank.

Limitations on Account

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

All deposits to and withdrawals from the Account involving an Intermediary must be initiated by the applicable Intermediary. Withdrawals from the Account will be made by wire transfer or other electronic means on the business day that the withdrawal request is received by the Bank, provided such request is received by the Bank prior to the close of the Fedwire on such business day, and otherwise on the next business day.

Deadlines for processing by an Intermediary of deposit or withdrawal requests from a depositor on behalf of which such Intermediary makes deposits to or withdrawals from the Account are governed by the agreement between the Intermediary and such depositor.

The Bank requires no minimum deposit amount or minimum balance for the Account. The Bank reserves the right to limit the maximum amount deposited to the Account.

Although such requirement is not currently in effect, the Bank has reserved the right to require at least seven days' written notice of withdrawal or transfer of funds from the Account.

Limitations on Eligible Depositors

The Bank restricts depositors to the Account to individuals and certain other depositors described below ("Eligible Depositors"). The categories of Eligible Depositors are:

- Any individual
- Pension funds, escrow accounts, security deposits and other funds held under various agency agreements if the entire beneficial interest is held by individuals or entities that are Eligible Depositors
- Nonprofit organizations described in Section 501(c)(3) through (13), and (19) of the Internal Revenue Code
- Political organizations described in Section 527 of the Internal Revenue Code
- Homeowner and condominium owner associations described in Section 528 of the Internal Revenue Code, including housing cooperative associations that perform similar functions
- Governmental units consisting of the United States, any State of the United States or any county, municipality or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, or any territory or possession of the United States, or any political subdivision thereof
- Individual fiduciaries or corporate fiduciaries, such as a bank trust department or a trustee in bankruptcy, holding funds in a fiduciary capacity solely on behalf of individuals or entities that are Eligible Depositors, including funds awaiting distribution or investment.
- Farmers' cooperatives described in Section 521 of the Internal Revenue Code

The Deposit Agent will require each Intermediary to represent to it and the Bank that it is an Eligible Depositor and that all depositors on behalf of which such Intermediary holds interests in the Account are Eligible Depositors. The Bank and the Deposit Agent will not themselves determine that all depositors on behalf of which the Intermediaries hold interests in the Account are Eligible Depositors.

Account Fees; Other Fees

The Bank and the Deposit Agent do not charge any account fees for the Account. Fees, if any, charged to any depositor to the Account by any other party are governed by the agreement between such party and such depositor. The Bank or the Deposit Agent may pay certain fees to its recordkeeping and transaction processing agent and to brokers, custodians or other agents

for depositors to the Account, as agreed upon in writing from time to time by the Bank and the Deposit Agent and such other parties.

Availability of Direct Account; Direct Action

Any Eligible Depositor or broker, agent, custodian or nominee for an Eligible Depositor may establish an account directly with the Bank with the same terms and interest rate as are applicable to deposits in the Account during the period in which amounts are on deposit in such direct account.

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

About The Bancorp Bank

The Bancorp Bank (the "Bank") is an FDIC-insured branchless commercial bank and a wholly-owned subsidiary of The Bancorp, Inc. (NASDAQ: TBBK), a Delaware financial holding company (the "Holding Company"). The Bank is chartered in the State of Delaware and delivers a full array of financial services and products, both directly and through private-label affinity partner programs nationwide. The Bank's principal business address, telephone number and Web address are:

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Wilmington, DE 19809
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The Account 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, DC 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, DC 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.

