



ESG REPORT

   2023



The Bancorp strives to advance its corporate strategies in a manner that ensures good stewardship for the benefit of our stakeholders including stockholders, employees, business partners and the communities where we live and serve.



THE BANCORP

- A Message From the CEO..... 6
- About This Report..... 8
- About The Bancorp..... 10
 - Business Overview..... 11
 - ESG at The Bancorp..... 12
 - Mission & Values..... 15



GOVERNANCE

- Board Composition..... 18
- ESG Oversight..... 21
- Risk Management..... 24
- Cybersecurity & Data Privacy 28
- Business Ethics & Consumer Protection..... 36
- Key Policies, Procedures & Practices..... 42



ENVIRONMENTAL

- Environmental Stewardship 50
- Performance Metrics 56



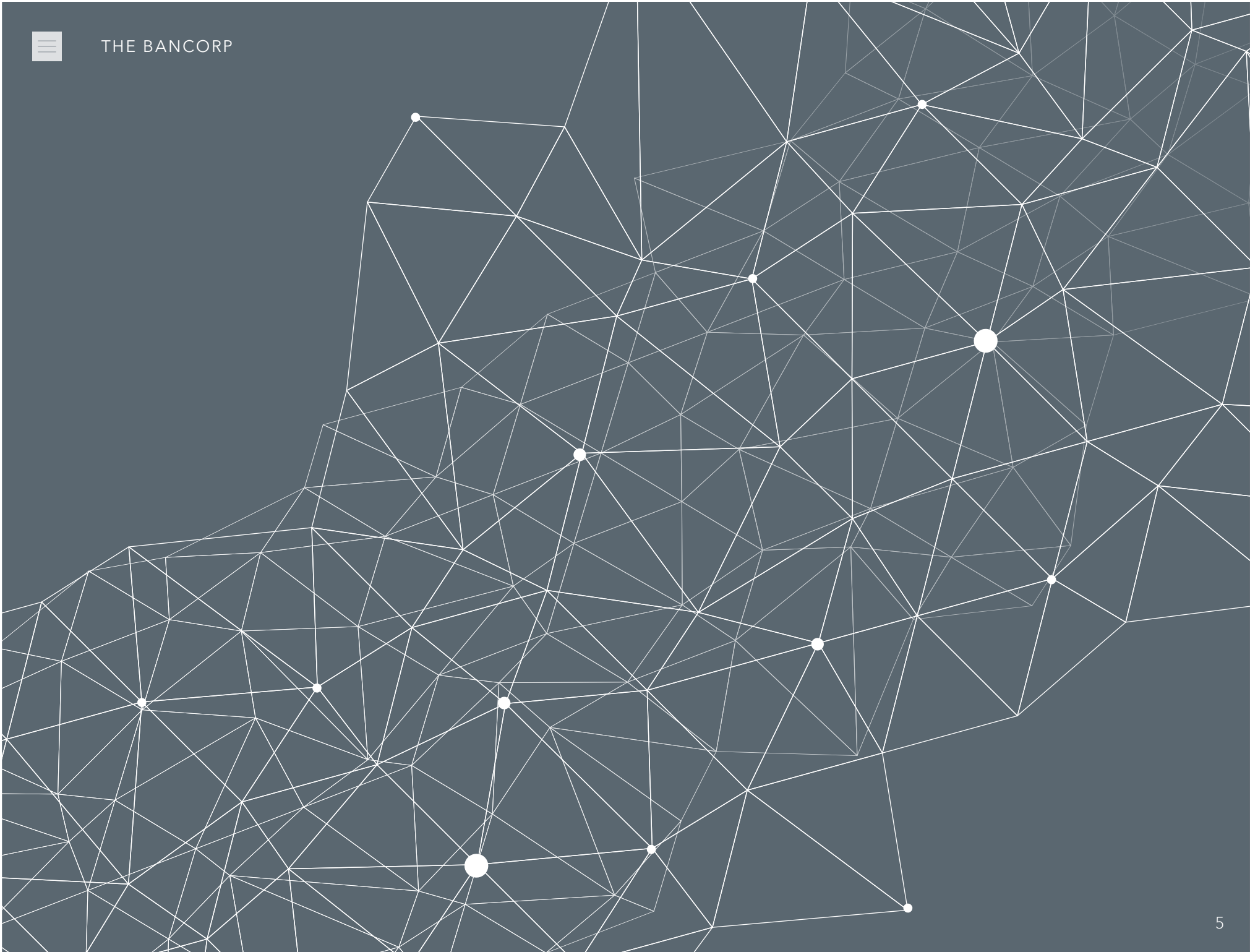
SOCIAL

- Financial Inclusion 60
- Our Employees 64
- Diversity & Inclusion 68
- Human Rights..... 82



THE BANCORP

- A Message From the CEO 6
- About This Report 8
- About The Bancorp 10
 - Business Overview 11
 - ESG at The Bancorp 12
 - Mission & Values 15





A MESSAGE FROM THE CEO

At The Bancorp, we believe that being a leader in banking is not just about financial performance. Profitability and earnings growth are important. But beyond financial performance – and often behind financial performance – are the values and practices that truly give a company the license to operate. We believe that environmental, social and governance (ESG) principles are a natural overlay to how we already manage our business, identify risks and opportunities, engage our stakeholders and lead by example. Our corporate values – a client-first mindset, partner-focused solutions, an inclusive organizational culture, and a principled approach to business and enterprise strength – are coherently aligned with our approach to implementing ESG principles.

Since I joined the Bancorp as CEO in 2016, we have been able to create an organization that highly values our responsibility to rigorously apply good banking and risk management

fundamentals. We've also helped our partners innovate as they develop new products and services that are remaking and revolutionizing the financial services landscape. The Bancorp plays an important role in today's banking community as an enabler of change, promoting financial inclusion and breaking down barriers to prosperity.

We continue to make meaningful strides in implementing our ESG Strategy. Throughout 2023, we built upon our established ESG framework with a primary focus on further integrating ESG principles into our business practices, enhancing transparency and accountability, and expanding the scope of our sustainability reporting.

A critical component of our progress stemmed largely from the efforts of our ESG Working Group and oversight from our Board's ESG Committee. These teams monitored the Bank's ESG rating agency assessments to ensure that ESG-related initiatives were effectively reflected in our scores. This involved actively validating the quality of our ESG metrics and affirming the accuracy and credibility of our sustainability initiatives.

Consistent with our commitment to environmental stewardship, we successfully calculated our third year of greenhouse gas emissions. This encompassed a comprehensive evaluation of both Scope 1 and Scope 2 emissions, reaffirming our dedication to measuring and mitigating our carbon footprint.

Further, our team continued to develop partnerships with a broader spectrum of suppliers to further expand our diverse



We do things with the right intentions at The Bancorp and undertaking an authentic and meaningful approach to our ESG strategy is no different.

supplier network and ensure inclusive and equitable opportunities for potential vendors. I believe this positively contributes to our employee base, stakeholders, and the communities we serve.

Our 2023 ESG Report represents where we are in our journey to become a more sustainable and responsible bank – including our significant progress and long-standing commitments from a time when we were not yet using the “ESG” acronym. We do things with the right intentions at The Bancorp and undertaking an authentic and meaningful approach to our ESG strategy is no different.

We look forward to continuing to deepen our ESG-related efforts and we are grateful for the positive affirmations we have received to date. We welcome feedback from all our stakeholders to keep us honest and transparent in this journey.



Damian Kozlowski
CEO & President

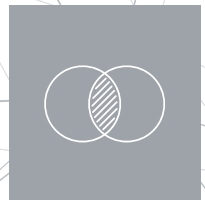
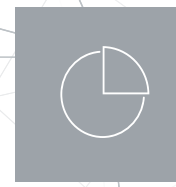




ABOUT THIS REPORT

This is the 2023 Environmental, Social and Governance (ESG) Report for The Bancorp, Inc. and The Bancorp Bank, N.A. (collectively, "The Bancorp", the "Bank", the "Company", "we", or "our"). The quantitative and qualitative metrics included in this report cover The Bancorp's operations for the 2023 calendar year, unless otherwise stated. This report includes information, data and statistics from third parties.

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995. These statements are related to The Bancorp's future economic, operational, and financial performance, including our 2030 plan, and can be identified by the words "may," "believe," "will," "expect," "anticipate," "estimate," "intend," "plan," or similar words. These statements are based on The Bancorp's current views and expectations and involve unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to, economic and growth



conditions, including the interest rate environment, volatility in the banking sector, loan and investment yields, cybersecurity risks, natural disasters, public health crises, geopolitical conflicts, and evolving ESG-related regulations and stakeholder expectations, and other risks discussed in The Bancorp's Annual Report on 10-K for the year ended December 31, 2023 and its other filings with the SEC. In addition, these forward-looking statements are based upon assumptions with respect to future strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements. The forward-looking statements speak only as of the date of this presentation. The Bancorp does not undertake to publicly revise or update forward-looking statements in this presentation to reflect events or circumstances that arise after the date of this presentation, except as may be required under applicable law. The goals, plans and commitments discussed in this report are aspirational. The Bancorp is committed to achieving them but cannot guarantee or promise that they will be met. Certain data and figures presented in this report include estimates and may be unaudited. No reports, documents or websites that are cited or referred to in this document shall be deemed to form a part of this report.



ABOUT THE BANCORP

The Bancorp, Inc. (NASDAQ: TBBK) is a financial holding company headquartered in Wilmington, Delaware. The Bancorp, Inc. is the parent company of The Bancorp Bank, N.A., which is a federally chartered bank whose main office is located in Sioux Falls, South Dakota. The Bancorp Bank, N.A. is a payment services provider and specialized lender within the United States.

The Bancorp has more than 20 years of experience successfully developing and delivering complex banking products and services for our business partners and their clients. Our team consists of experienced financial service professionals, including bankers, technologists, strategists, and many other specialists, who are committed to maintaining the highest standards of performance and regulatory best practices to ensure both service and operational excellence.

Our Fintech Solutions, Institutional Banking, Commercial Lending and Real Estate Bridge Lending offerings help our clients transform their businesses with banking solutions powered by cutting-edge technology and a “partner first” perspective. As a result, we’ve gained industry recognition as the leading issuer of prepaid cards in the U.S., a leading merchant servicer and a top ACH originator. We are also an SBA National Preferred Lender, institutional banking services provider and one of the few bank-owned vehicle and fleet leasing groups in the nation.



BUSINESS OVERVIEW



FINTECH SOLUTIONS

Enabling fintech companies by providing card sponsorship and facilitating other payments activities

PAYMENTS

Market-leading payments activities generate stable, noninterest income and lower-cost deposits

LENDING

Highly specialized lending products in high-growth markets



INSTITUTIONAL BANKING

Lending solutions for wealth management firms



COMMERCIAL LENDING

Small business lending and commercial fleet leasing



REAL ESTATE BRIDGE LENDING

Focus on multifamily assets in high-growth markets





ESG AT THE BANCORP

Guided by our Corporate Values, we are committed to environmental sustainability, social responsibility and strong governance practices (“ESG Principles”). We strive to advance our corporate strategies in a manner that ensures good stewardship for the benefit of our stakeholders, including shareholders, employees, business partners and the communities where we live and serve. As our organization grows, we will refine and expand our approach to executing the ESG Principles most material to our business in order to be responsive to tomorrow’s needs.

As an organization, The Bancorp believes that responsible business growth requires us to take meaningful steps to incorporate relevant ESG Principles into our business strategy and risk management framework. The ESG-related actions we have taken, and will continue to take, focus on creating favorable results and experiences for our employees, our local community and the environment – all within the context of our strategic business model.



*As an organization,
The Bancorp believes that
responsible business growth
requires us to take meaningful
steps to continue to incorporate
relevant ESG Principles into
our business strategy.*







MISSION & VALUES

Our corporate values drive all we do – including our approach to implementing ESG Principles. As we live out our values on a day-to-day basis, we remain mindful of how our corporate practices and our products and services align with material ESG Principles that are important to The Bancorp stakeholders.



Inclusive Organizational Culture

We encourage a spirit of collaboration, while striving to create a diverse team where everyone treats each other with dignity and respect.



Client-First Mindset

We put the interests of our clients first, providing them with the resources, expertise and support to help them succeed.



Principled Approach to Business

We operate our business with the highest standard of financial and ethical responsibility and accountability.



Partner-Focused Solutions

We are dedicated as an organization to innovation, creative thinking and delivering value for our business partners and all those in The Bancorp community.



Enterprise Strength

We govern our institution in a safe and sound manner and contribute to the strength and growth of the banking system, as well as all the communities we serve, through our products and services.



GOVERNANCE

- Board Composition..... 18
- ESG Oversight 21
- Risk Management..... 24
- Cybersecurity & Data Privacy 28
- Business Ethics & Consumer Protection 36
- Key Policies, Procedures & Practices 42





BOARD COMPOSITION

The Board of Directors strives to maintain a highly engaged directorate, with balanced tenure and substantive expertise, that exemplifies the diversity, skills, and backgrounds necessary to effectively oversee the Company's management team and serve the long-term interests of the Company's stockholders. Collectively, members of the Board provide a stable leadership structure with a high degree of institutional knowledge and insightful perspectives to oversee our unique market position. Additionally, in order to increase accountability, directors serve for only one-year terms and stand for re-election annually.

The Board's efforts toward diversity have not gone unnoticed, and in October 2022 and 2023, the Forum for Executive Women named The Bancorp as a Champion of Board Diversity Honoree.



Champion of Board Diversity Honoree, Oct. 2022 & 2023



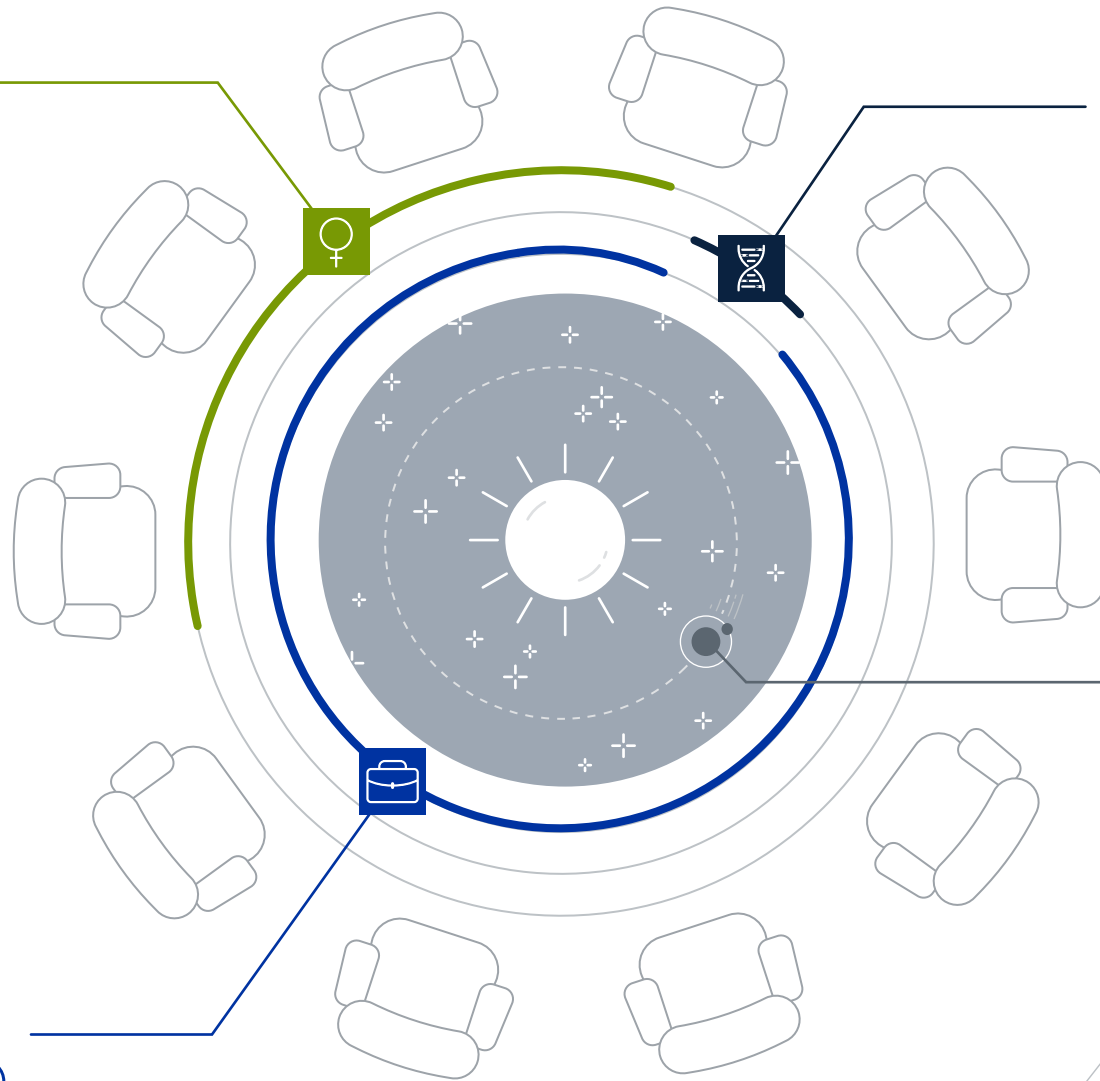
BOARD COMPOSITION

30%
WOMEN

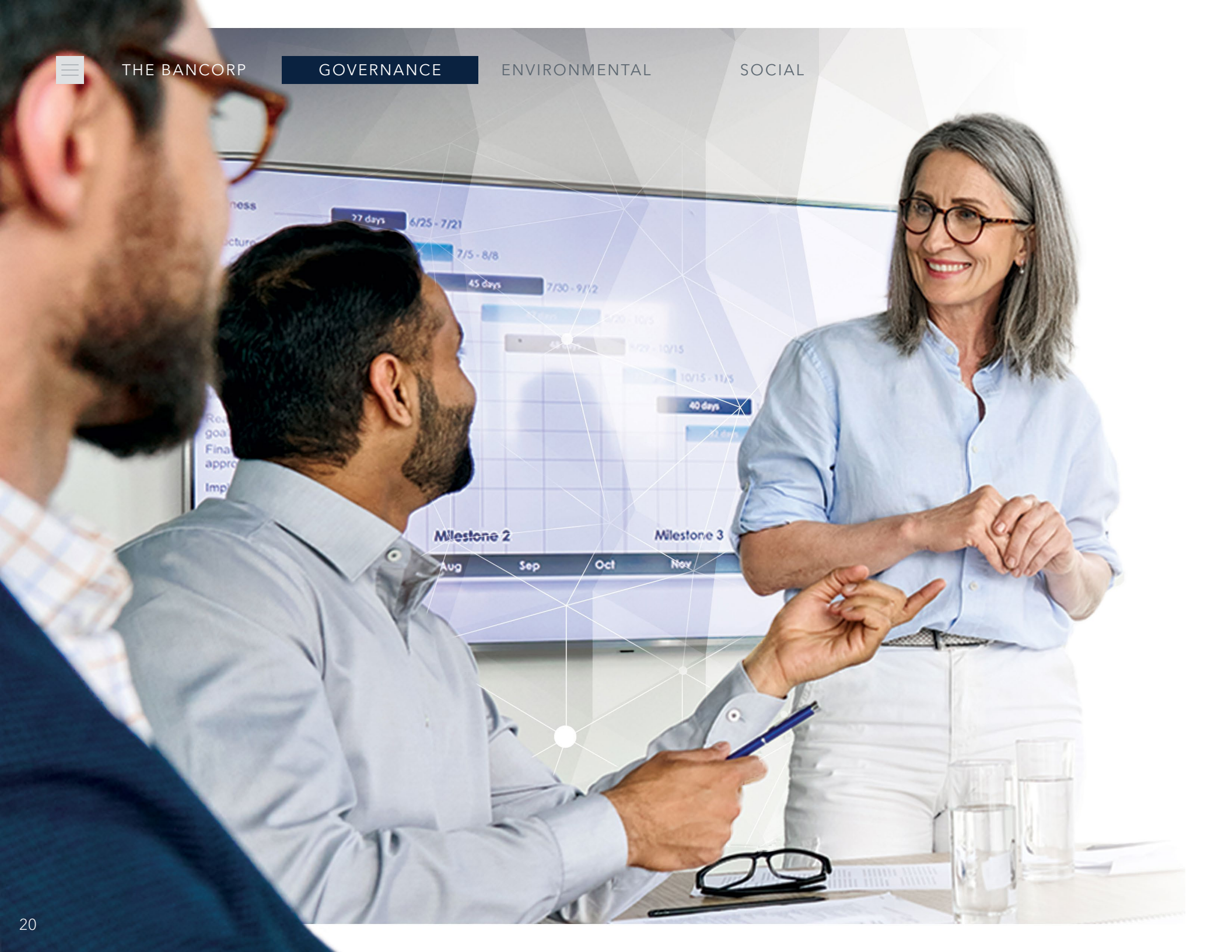
10%
RACIALLY OR
ETHNICALLY
DIVERSE

12
YEARS AVERAGE
TENURE

90%
INDEPENDENT



Source: Data as of 12/31/2023



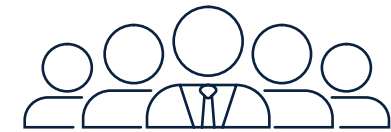


ESG OVERSIGHT

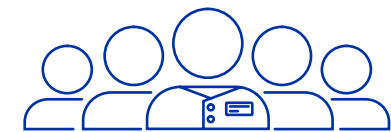
ESG oversight at The Bancorp is vertically integrated and embedded in our existing reporting structures. Our Board sets the tone at the top of the organization through implementing strong governance procedures, ethical business practices, prudent risk management and transparent reporting.

The Board has also appointed an ESG Committee that is charged with ensuring that The Bancorp's senior management strategically consider ESG principles and related risks while implementing The Bancorp's overall business plan. Our CEO's and executive leadership's performance are measured, in part, by the successful implementation of ESG-related strategic initiatives across the enterprise.

The ESG Committee was formed in February 2021 and was initially a sub-committee of the Nominating and Governance Committee. However, given The Bancorp's commitment to ESG-related principles and ESG-related risk management, the Board determined that the ESG Committee should become a standing committee of the Board, effective March 2022. The ESG Committee oversees the Company's ESG strategy and management's efforts in addressing ESG-related risks, pursuant to its charter which is publicly available.



BOARD OF DIRECTORS



ESG COMMITTEE



ESG WORKING GROUP



Through our robust Enterprise Risk Management (ERM) process, ESG-related risks and opportunities are seamlessly identified and addressed at the Board level.





ESG OVERSIGHT

OUR APPROACH TO MANAGING CLIMATE-RELATED RISKS & OPPORTUNITIES



As a bank, we are keenly aware of the emerging risks related to both the physical impacts of climate change as well as the risks inherent in the transition to a low-carbon economy. As our organizational understanding of climate-related risks and opportunities evolves, we will continue to evaluate these impacts and communicate our approach to identifying, measuring and managing them through the lens of the International Sustainability Standards Board (ISSB) framework.



Through our Enterprise Risk Management (ERM) and business continuity functions and processes – as well as our branchless business model – we are building resiliency against many physical risks to our operations. We are also integrating climate-related risk assessments (among others) into our due diligence practices when evaluating new products and services as well as when conducting ongoing monitoring of our third party vendors and service providers. We are committed to continuously incorporated ESG risk considerations in our business practices.



We also recognize our role in facilitating the transition to lower carbon or carbon neutral activities through our financing and investment strategies. We do not participate in the fossil-fuel energy production sector. We also track specific metrics within the loan portfolio directed to renewable energy projects or lending opportunities in the area of energy efficiency. Our Commercial Fleet Leasing business continues to evaluate opportunities to expand across the electric vehicle (EV) space as the markets continue to move in this direction. In addition, our Commercial Lending business builds upon partnerships where our renewable energy clients require additional capital support to expand and grow their footprint.



As we expand our ESG strategy, we continue to seek ways to further optimize our governance processes to more objectively evaluate and mitigate related risks.





RISK MANAGEMENT

Risk management is at the heart of our business model and core to our ability to create value. We have developed a robust enterprise-wide risk management (ERM) infrastructure that is intended to identify and mitigate a wide range of risks. In addition to our established system of internal controls, our ERM framework is intended to facilitate a culture of risk management with our business partners and third-party service providers. We recognize there are multiple risks that pose a potential threat to our operations, and we continuously review and update our risk management standards to adapt to the dynamic economic, regulatory and consumer environment. We consider ESG risk as part of our overall risk management strategies and remain focused on further integrating ESG-related considerations into our overall ERM framework.

ESG risks contribute to our overall risk profile. We take these risk considerations into consideration in our business practices in order to execute our business strategies more effectively. As we mature our ESG strategy, we will continue to integrate relevant ESG principles into our ERM framework.



New Products & Services

New products and services, as well as product and service expansions and modifications, are carefully reviewed by our New Products, Services or Approval for Change (NPSAC) Committee. Comprised of our business-line leadership, Compliance, Legal, Risk, Marketing, Financial Crimes Risk Management and other corporate functions, the NPSAC Committee provides a centralized forum for presenting and evaluating new or modified product and service offerings. This process includes documenting and discussing material risks associated with such offerings and implementing controls to reduce or eliminate such risks including ESG risks.

Financial Crimes & Fraud Prevention

Consistent with our safety and soundness obligations, and in compliance with federal law, we maintain a robust Financial Crimes Risk Management Program that includes internal controls related to anti-money laundering (AML), counter-terrorism financing (CTF), government sanctions requirements (i.e., Office of Foreign Assets Control) and other financial fraud prevention controls. Our risk management infrastructure includes customer identification and verification protocols, transaction monitoring, suspicious activity reporting and related record keeping. We engage in ongoing risk assessments based on changes to our products and services as well as new and emerging patterns of illicit activity being conducted through the financial system. By implementing robust controls and monitoring systems, we are committed to detecting and responding to suspicious activities, preventing fraud, stopping human trafficking, and assisting victims of identity theft promptly, thereby maintaining trust with clients and stakeholders and avoiding substantial fines and legal consequences.





RISK MANAGEMENT

Capital Planning & Stress Testing

As a regulated financial institution, The Bancorp engages in ongoing capital planning and stress testing as part of robust risk management practices. The Bank monitors for changing economic market conditions and other risk factors such as interest rate risk, consumer sentiment, the individual elements of our credit portfolio, long-term trends, and other social and environmental conditions that could impact our lending and securities portfolios. The Bank can use these analyses to test how the valuation of a portfolio could change under different scenarios.





CYBERSECURITY & DATA PRIVACY

The ongoing evaluation of The Bancorp's internal and external operating environment is a vital component that contributes to the success of the Bank and the security of our clients and partners. Our teams of Cybersecurity and Business Continuity specialists continuously work to identify potential threats and assess risks that may impact our business operations.





CYBERSECURITY & DATA PROTECTION

CYBERSECURITY PROGRAM

We recognize that the secure transmission of confidential information over public networks is a vital element of services we provide. Accordingly, cybersecurity is a top priority of our operations. We utilize a secure, multi-tiered architecture, using controls from a wide variety of security industry leaders, through which we provide financial products and services.

Our comprehensive Cybersecurity Program, which operates under the direction of our dedicated Chief Information Security Officer and leverages our highly-experienced team of cybersecurity professionals, is

mapped to the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the Center for Internet Security® (CIS) Critical Security Controls, the Federal Financial Institutions Examination Council (FFIEC) Cybersecurity Assessment Tool and relevant International Organization for Standardization (ISO) standards.

In addition, to aid the Board with its cybersecurity and data privacy oversight responsibilities, the Board receives updates and training from the Chief Information Security Officer and periodically hosts experts for presentations on these

topics. For example, in 2023, the Board hosted an expert to discuss developments in the cybersecurity threat landscape and evaluated the Company's cybersecurity program in context of the global risk environment.

Additionally, the Board has delegated responsibility for more detailed oversight of the Company's cybersecurity and information security framework to the Risk Committee of the Board. The Risk Committee meets at least quarterly and the Chief Information Security Officer and Chief Information Officer provide updates to the Risk Committee regarding relevant issues.



To further support our Cybersecurity Program, **we also:**

- ✓ **Employ** highly experienced cybersecurity professionals who continuously evaluate, monitor, and test for potential threats and compliance under the direction of our Chief Information Security Officer
- ✓ **Regularly review and maintain** The Bancorp's standards to securely configure and administer firewalls, routers, databases, antivirus systems, wireless networks, remote access, and security logging and monitoring systems
- ✓ **Establish** program-level requirements to properly safeguard customer information in accordance with the requirements of the Gramm-Leach-Bliley Act (GLBA)
- ✓ **Conduct** security testing pursuant to a schedule, including conducting internal and external penetration testing
- ✓ **Maintain** a 24/7 Security Operations Center that provides constant support and coverage
- ✓ **Conduct** regular vulnerability assessments with detailed vulnerability management
- ✓ **Monitor** and report on systems and critical applications
- ✓ **Use** data loss prevention controls, file access and integrity monitoring reporting, and threat intelligence reports
- ✓ **Train** employees on our Cybersecurity Policy and enforce that policy
- ✓ **Obtain** annual certifications from the Payment Card Industry (PCI) Security Standards Council as well as other certifications
- ✓ **Monitor** and evaluate the cybersecurity practices of our third-party service providers and partners using a risk-based approach
- ✓ **Implement** processes and controls related to consumer information to comply with GLBA and other information security laws and regulations





CYBERSECURITY & DATA PROTECTION

DATA PRIVACY

The protection of customers' and employees' personal and financial information is a vital component of our business operations. We safeguard personal information through a wide range of technological, administrative, organizational and physical security measures. We also require that applicable third parties, such as our clients, suppliers and vendors, protect this information. In addition, our Code of Ethics and Business Conduct, Record Retention Policy (and associated retention schedules), and other policies and procedures establish how employees should handle and safeguard confidential business information.

We have an incident management process in place to respond to any suspected or actual incident involving unauthorized access to, or disclosure of, personal information, its availability or an impact on its integrity. This process requires escalation to a dedicated response team for mitigation, severity assessment, root cause analysis and corrective actions. We also have policies and procedures in place in order to notify impacted individuals of privacy breach incidents in accordance with applicable state or federal law, should such a breach occur.



*To date, The Bancorp has not experienced **any** material data breach involving personally identifiable information.*



CYBERSECURITY & DATA PROTECTION

BUSINESS CONTINUITY PROGRAM

The Bancorp has implemented and continues to maintain a robust Business Continuity Program that aligns with our risk analysis and federal regulatory expectations. Ensuring the continuity of business operations is fundamental to the success of the Bank and our business model. Our collaboration with a wide range of business partners and service providers necessitates the need for strong business continuity controls principally focused on mission-critical systems. Because of the increased risk of climate-related disasters or other unplanned disruptions, we remain focused on maintaining a strong Business Continuity Program that is resilient and adaptable to challenges that may arise in our business environment.



Consistent with guidance issued by the FFIEC, our **Business Continuity Program**:



Identifies critical business processes and their internal and external dependencies



Assesses risks by identifying our most prominent concerns and events, such as severe weather, with the highest potential to disrupt business



Defines and documents steps that can be taken to mitigate the impact if a disaster strikes



Validates those services, systems or third parties that can restore services in accordance with our requirements





BUSINESS ETHICS & CONSUMER PROTECTION

The Bancorp is committed to providing quality financial services to consumers in a fair and responsible manner. By doing so, we can build lasting relationships and help consumers meet their financial goals.

Our Code of Ethics and Business Conduct (“the Code”) serves as a foundation for our commitment to ethical conduct. We will continue to seek to uphold ethical business practices, including fair trade practices, fundamental human rights protections, fair labor practices, and anti-corruption practices. We desire to advance these principles not only within our leadership and staff, but also within the Bank's wider community – including our business partners, suppliers and contractors.



The Code sets the standard for these practices and requires, among other things, honest and ethical conduct and compliance with:



The letter and spirit
of applicable laws



Rules and regulations
that prohibit unethical,
discriminatory,
or predatory practices

All employees have a responsibility to comply with the Code and are required to read and acknowledge the Code.

The Code also includes specific protection against retaliation for whistleblowers and the procedures through which to report policy violations. The Bancorp has a comprehensive whistleblower program and speak-up programs for employees, officers, directors, and vendors to handle inquiries and respond. The program is overseen by our Chief Risk Officer, with participation from the Human Resources Department and Legal Department.



BUSINESS ETHICS & CONSUMER PROTECTION

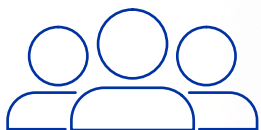
COMPLIANCE

The Bancorp Compliance Department plays a key role in our commitment to provide products and services fairly and responsibly. Compliance personnel are involved in the development of products and services, the approval of marketing materials, and product delivery testing with the aim of ensuring compliance with applicable laws, including:

- Dodd-Frank Act
- The Truth in Lending Act
- The Truth in Savings Act
- The Fair Credit Reporting Act
- The Electronic Fund Transfer Act
- Other applicable consumer protection laws



Compliance personnel work with The Bancorp business lines to develop and communicate products and services to consumers in a clear, honest and compliant manner, and to ensure that our offerings are delivered to customers as designed.





We are committed to strong corporate governance through effective oversight and strong, risk-based internal controls.



BUSINESS ETHICS & CONSUMER PROTECTION

COMPLAINT MANAGEMENT

As we deliver products and services, listening and responding to customer complaints is a top priority. We collect customer feedback through a range of channels, including our website, applications, telephone, social media and regulatory agencies.

We take this feedback seriously and consider it as we work to improve our approach and offerings. To aid in this effort, we have a robust complaint management process that includes our Complaint Policy and related policies and procedures designed to ensure timely and effective resolution of complaints, reports to management, and trending and root cause analyses to determine potential solutions.



KEY POLICIES, PROCEDURES, & PRACTICES

The Bancorp strives to have robust governance practices consisting of formal documents that clearly establish the conduct required by all people and entities who do business with as well as anyone who does business on behalf of The Bancorp. These formal documents consist of codes, policies, procedures, and other statements or guidelines that meet all regulatory or legal standards and demonstrate The Bancorp's commitment to being a responsible corporate citizen.



■ Code of Ethics & Business Conduct

The Code of Ethics and Business Conduct applies to every director, officer, and employee of The Bancorp and has been adopted to help meet the highest ethical, moral, and legal standards. This Code is designed to deter wrongdoing and promote: honest and ethical conduct; full, fair, accurate, timely and understandable disclosures in reports; compliance with applicable governmental laws, rules and regulations; and the prompt internal reporting of violations of the Code to an appropriate person; and accountability.

■ Third-Party Risk Management Policies & Procedures

The Third-Party Risk Management (TPRM) Policy, in conjunction with the TPRM Procedures, forms our overall TPRM Program. This framework governs The Bancorp's third-party relationships, aiming to manage and mitigate associated risks in line with safe and sound practices and regulatory guidance. The TPRM Program covers risk assessment and documentation, due diligence in selecting third parties, and ongoing oversight and monitoring.

■ Enterprise Risk Management Policy

The Enterprise Risk Management Policy provides a broad governance structure that sets the tone and direction to manage risk while creating, preserving, and realizing value by defining and prioritizing risk-management practices that align with the The Bancorp's strategies and objectives. The Enterprise Risk Management Policy is overseen by the Enterprise Risk Management Committee and the Risk Committee. The Enterprise Risk Management Policy establishes risk-defense and risk-monitoring structures that require an annual forward-looking Risk Appetite Statement to be created and the periodic reporting of Key Risk Indicators ("KRIs") and Key Performance Indicators ("KPIs") in select areas of interest and as required by regulators.

■ Vendor Code of Conduct

The Vendor Code of Conduct defines the Bank's expectations that its Vendors will demonstrate corporate values and ethical practices that are consistent with the Bank's commitment to Environmental, Social, and Governance principles set forth in its Code of Ethics and Business Conduct, its Human Rights Statement and other documents.



We seek to maintain ethical and transparent business practices that foster the social covenant of trust embedded in our financial institution charter.



■ Anti-Bribery & Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy memorializes The Bancorp's commitment to conduct business in accordance with applicable laws, rules and regulations, including effective compliance with the Foreign Corrupt Practices Act of 1977, as amended, and other anti-bribery and anti-corruption laws. Under this policy, "bribery" and other improper payments in connection with the Bank's business operations are prohibited and the Policy also establishes a related compliance framework.

■ Business Continuity Policy

The Bancorp's Business Continuity Policy establishes procedures to mitigate against the negative effects of disruptions on business operations. Under this policy, the head of each line of business is required to develop a comprehensive written plan to maintain or resume business in the event of a disruption based on the perceived impact of a disruption and corporate objectives and such plans must be approved by the Chief Risk Officer annually.

■ Insider Trading Policy

The Insider Trading Policy prohibits the improper use or disclosure of material non-public information in accordance with applicable law. This policy also set forth guidelines and requirements regarding transactions related to The Bancorp's securities and prohibits short-selling, options, hedging, margin trading, and pledges related to The Bancorp's securities. Further, the Policy establishes a pre-clearance procedure regarding the sale of the Company's securities and also provides for restricted blackout periods where trading in the Company's securities is generally restricted (subject to limited exceptions).

■ Technical Security Policy

The Technical Security Policy establishes requirements for the secure configuration and administration of the company's technology assets. The policy applies to all technology assets used by The Bancorp, including those that are maintained outside the corporate premises, such as in cloud environments or hosted by third parties. The policy addresses standards and principles, such as technical access control, which include database access and remote access, change management, configuration and administration requirements, and logging and monitoring.



■ Anti-Harassment Policy

The Anti-Harassment Policy documents that The Bancorp prohibits, and will not tolerate, sexual harassment or any other form of unlawful harassment, and that it is a harassment-free workplace. This policy provides a framework for internal standards and processes for reporting and resolving harassment complaints and also establishes a strict prohibition against unlawful retaliation of any kind against any person who makes a complaint of unlawful harassment or retaliation, refuses to engage in harassing or retaliatory conduct, or who serves as a witness or otherwise participates in the investigatory process in relation to a harassment or retaliation complaint.

■ Diversity & Inclusion (D&I) Policy

Through its Diversity and Inclusion Policy, The Bancorp recognizes that diversity and inclusion are integral to a positive, productive work environment and achieving its strategic business objectives. This policy documents the key principles governing the Bank's commitment to diversity and inclusion, and also provides the framework for the development of internal processes and procedures related to diversity and inclusion.

■ Cybersecurity Policy

The Bancorp's Cybersecurity Policy establishes program-level security requirements and oversight to ensure the confidentiality, integrity, and availability of all of the company's information and technology assets. The policy serves as the top-level policy for the Cybersecurity Program. The policy outlines security and principles such as program objectives and structure, program accountability and organization, and monitoring. The Chief Information Security Officer is responsible for all aspects of the Cybersecurity Program, managing all functions, and overseeing corporate Cybersecurity initiatives.

■ Human Rights Statement

As set forth in its Human Rights Statement, The Bancorp is committed to providing a safe and secure work environment for all, which is reflected in our corporate values and our relationships with our customers, business partners and vendors. We require our business partners and vendors to comply with all applicable laws, and rules and regulations, which include those designed to enforce human rights and expect such entities to respect individual human rights and conduct their business operations free from human rights abuses.



We continue to seek to uphold ethical business practices, including fair trade practices, fundamental human rights protections, fair labor practices, and anti-corruption practices.





ENVIRONMENTAL

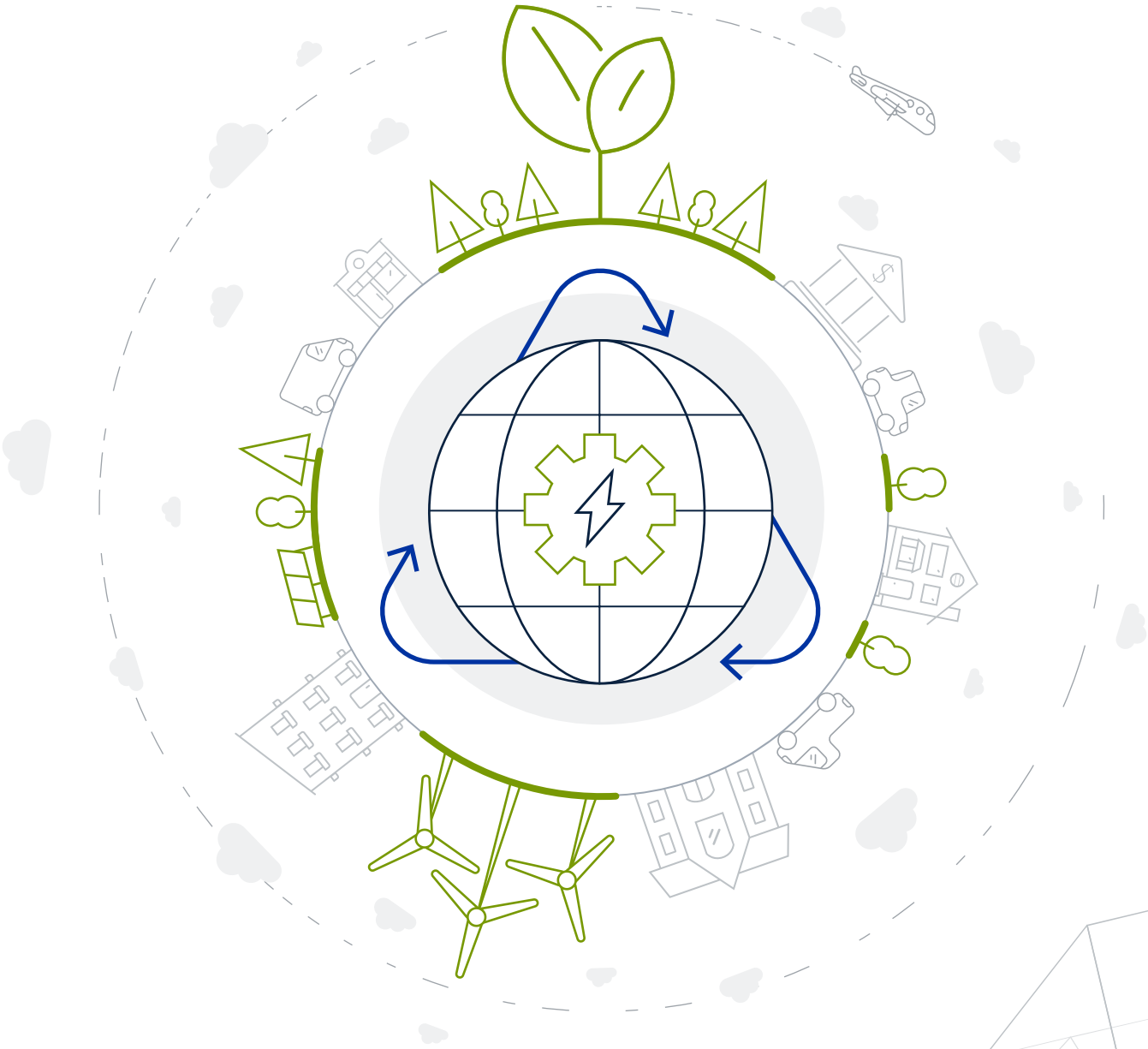
- Environmental Stewardship 50
- Performance Metrics 56





ENVIRONMENTAL STEWARDSHIP

The Bancorp is committed to being a responsible corporate citizen by improving the quality of life in the communities in which we live and work. We believe that sustainable and responsible business growth is the collective result of effectively implementing our strategic plan in a manner that recognizes the importance of our environment. We recognize the risks presented by environmental exposure, are keenly aware of the changing nature of environmental laws and expectations, and work to try to reduce our carbon footprint throughout our operations.





ENVIRONMENTAL STEWARDSHIP

OUR BUSINESS MODEL & ENVIRONMENTAL SUSTAINABILITY

The Bancorp operates a branchless banking model that services over 150 million customers for various financial needs including deposit and lending products and services. Our branchless service model sets us apart. Unlike traditional banks, we are not dependent on brick-and-mortar retail locations for our business to grow and thrive. We primarily provide our products and services through digital channels maintained by our business partners, thereby allowing us to keep our carbon footprint small.

Our day-to-day business practices are tailored toward environmental responsibility. This includes encouraging eco-friendly habits within our office locations to reduce waste

and encourage recycling. We strive to reduce unnecessary business travel, work with clients remotely and use electronic documentation whenever possible. Our branchless model has enabled us to lower our climate impact compared to traditional banking models. We continue to seek ways to develop and deliver our banking products and services digitally, without the need for paper or plastics.

We continue to evaluate our footprint and business practices with an eye toward being an environmental steward and acting responsibly with respect to our local communities and the environment.



As a result of our business model and our business practices, we seek to reduce:



Direct and indirect **carbon emissions**



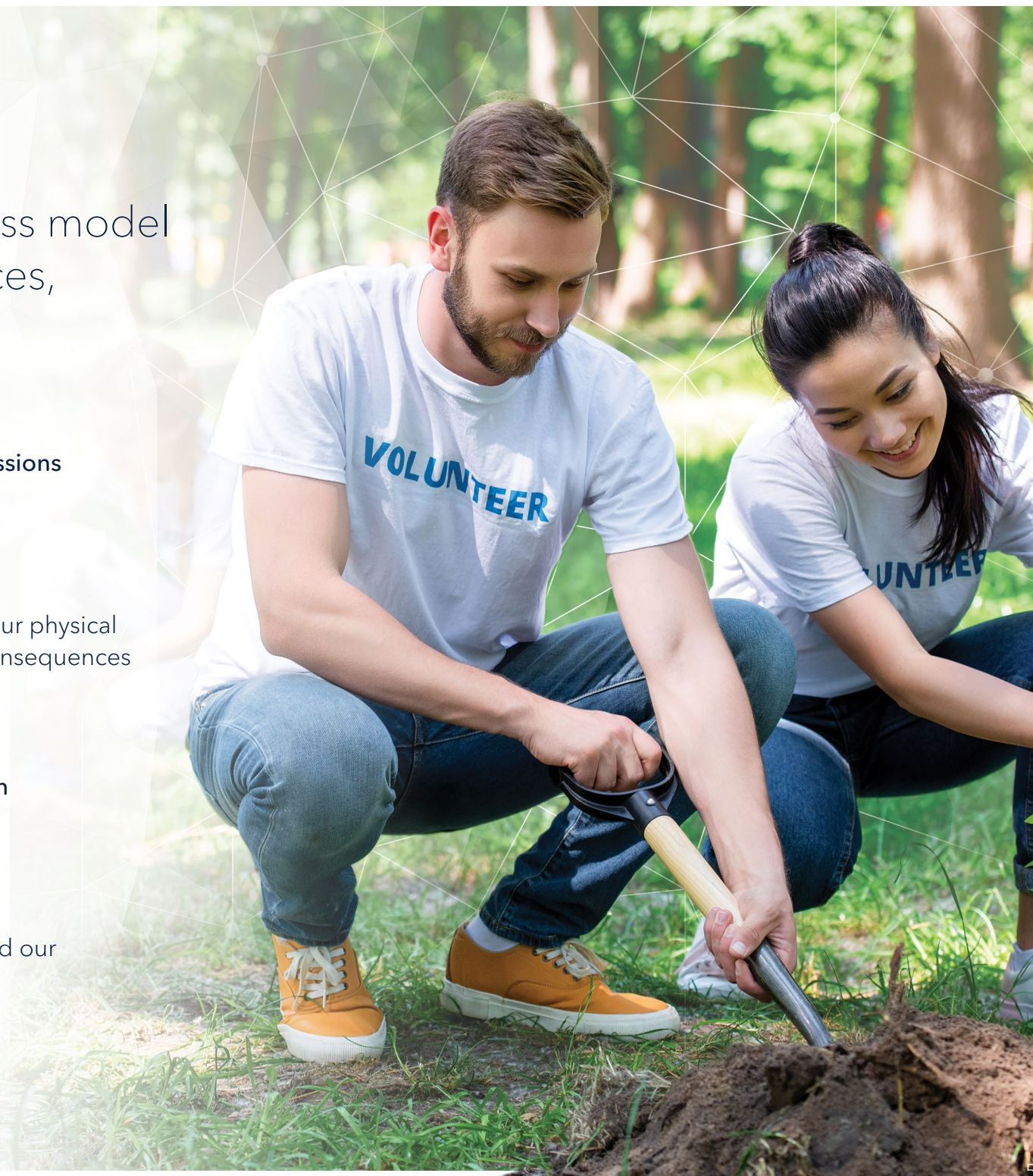
Land use through minimizing our physical footprint and environmental consequences



Construction-related disruption



Energy use by the company and our employees and customers





MEANINGFUL ENVIRONMENTAL IMPACT

The Bancorp committed a donation of a total of \$1 million to be distributed between three distinguished watershed conservation organizations from 2023 through 2025. In line with The Bancorp's ongoing commitment to environmental sustainability, The Bancorp partnered with The New York Botanical Garden, Friends of The Big Sioux River, and the Delaware Nature Society.

We recognize the importance of preserving our watersheds and contributing to our communities. The Bancorp is taking a proactive step toward ensuring the health and well-being of our ecosystem for generations to come.





EMPLOYEE ENGAGEMENT IN ENVIRONMENTAL MATTERS

We encourage and empower our employees to be involved with important causes in The Bancorp community. With the support of senior management, our employees leverage an Employee Resource Group (known as The Green Team), to cultivate environmental friendliness throughout the company and in our surrounding communities.





PERFORMANCE METRICS

With the goal of defining our environmental impact and greenhouse gas (GHG) footprint, we collected information to calculate the energy consumption and greenhouse gas emissions of our operations. We continue to explore additional appropriate metrics through which to disclose our environmental performance.

Our Scope 1 emissions include emissions from stationary combustion related to The Bancorp's selected office sites and data centers and mobile source fuel combustion related to The Bancorp's vehicle fleet, both of which are under The Bancorp's operational control. Our Scope 2 emissions are emissions purchased by The Bancorp that are not directly under our operational control.

Consultants calculated The Bancorp's Scope 1 and Scope 2 (location- and market-based) GHG emissions based on available data for the 2023 calendar year. For carbon emissions, the methodology used was consistent with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard. For fuel emissions, emissions factors were sourced from the EPA's GHG Emission Factors Hub. For emissions from purchased electricity, the EPA's 2023 released eGrid (eGrid 2021) was used for location-based calculations, and 2023 Green-eR Residual Mix Emissions Rates (2021 Data) were used for the market-based calculations.



PERFORMANCE METRICS

304

Total (MTCO₂e)

SCOPE 1 EMISSIONS

1,208

Location-based Emissions (MTCO₂e)

SCOPE 2 EMISSIONS

1,289

Market-based Emissions (MTCO₂e)

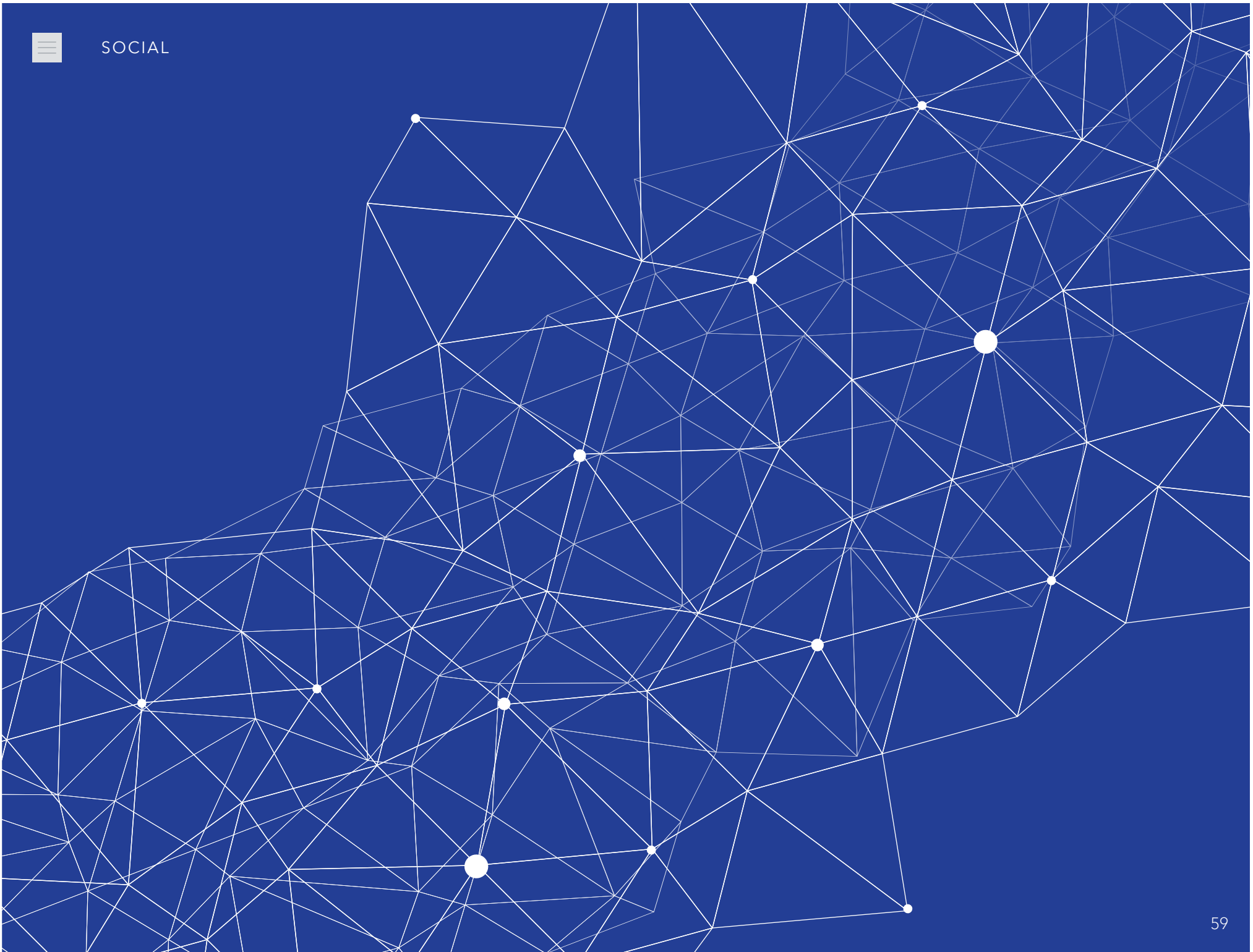
SCOPE 2 EMISSIONS





SOCIAL

- Financial Inclusion..... 60
- Our Employees..... 64
- Diversity & Inclusion..... 68
- Human Rights..... 82





FINANCIAL INCLUSION

Consistent with our branchless banking business model and through leveraging technology, we strive to work with like-minded business partners who are committed to financial inclusion through the development of accessible and affordable financial products and services. We will continue to evaluate the evolving landscape of financial services and the changing needs of consumers and businesses and will facilitate the design of new and innovative financial products that seek to improve the lives of our customers while meeting societal demands and emerging social regulations.

We use our financial and human capital to support and improve the quality of life in the communities in which we operate. Community investment is an important part of our business model, and we strive to provide resources, talent and products for underserved communities in the areas in which we do business. This includes investments of time and money to support the growth and development of low-income and underserved communities. The Bancorp has a dedicated Small Business Administration lending portfolio that exceeds \$700M. In addition, we provided \$167M in community development loans and investments.



Community Reinvestment Act (CRA)



Financial Literacy



Community Engagement



■ Community Reinvestment Act (CRA)

The Bancorp is committed to a robust **Community Reinvestment Act (CRA) Program** that not only meets the requirements of the CRA but also follows the spirit of the CRA. The Bank's CRA philosophy is built on providing empowering solutions and resources to underserved communities and low- or moderate-income populations. To advance our CRA activities, we have implemented a CRA Strategic Plan that has been approved by our regulators. Our Strategic Plan is designed to ensure our products and services, community investments and outreach, education, and technical assistance efforts consider these needs in a manner consistent with safe and sound banking practices.

■ Financial Literacy

The Bancorp is committed to **building financial literacy and well-being throughout our local communities and beyond**. We partner with Junior Achievement, EmBe - Making Cents, Sioux Falls School District and Everfi to provide financial literacy training to customers of The Bancorp and members of the community. Our online Financial Resource Center provides comprehensive education for individuals interested in learning more about budgeting and managing money, investing, preparing for retirement, basic financial concepts such as credit cards and car loans, and much more. Additionally, The Bancorp partners with the Sioux Falls Community Learning Centers - K12 Financial Literacy Program through Sioux Falls Thrives.

■ Community Engagement

We remain committed to enriching and reinvesting in our local community by encouraging employees to serve in volunteer programs, providing corporate grants and participating in local outreach aimed at improving financial literacy within low- and moderate-income areas of our community. We also desire to give back to the communities within our regional area through donations to local charities, community development events and social outreach programs.

Through our Corporate Grant Program, The Bancorp provides financial support to select nonprofit organizations operating within our Bank headquarters region of Sioux Falls, South Dakota, as well as within the other locations where we conduct business. Grants are made only to qualified federal tax-exempt 501(c)(3) organizations as defined by the Internal Revenue Service.



\$231,500

PROVIDED IN CRA GRANTS
IN 2023



OUR EMPLOYEES

Because we view our employees as our most valuable asset, we seek to attract and retain top talent. We pride ourselves in developing a culture of respect and empathy for our employees and fostering a work environment where employees are empowered to expand their knowledge base through learning and development so they can grow in their professional aspirations. We are committed to employee wellness, both health-wise and financially, and this is reflected in our compensation strategies and employee benefit programs which help employees balance work, life and family matters more effectively.



EMPLOYEE ENGAGEMENT

At The Bancorp, we believe that our employees are our most valuable asset. To that end, we are dedicated to attracting and retaining top talent while enhancing employee engagement, training and professional development. We seek to invest in our employees not only with competitive compensation and a robust benefits package, but also with opportunities for personal

and professional advancement. We provide our employees with the necessary resources to grow and thrive in their careers with The Bancorp. Our goal is to develop a workforce community that promotes fairness and respect and conducts business with honesty and integrity.



We solicit employee feedback and conduct ongoing employee outreach through our annual Employee Engagement Survey, to which we are responsive and take action.



We foster leadership development through a self-directed leadership development program known as L.E.A.D. (Learn, Engage, Aspire and Develop). This allows leaders to build core knowledge in areas such as strategic thinking, relationship building, and influencing and executing.



We provide managers with a Career Path Guide which allows them to have educated conversations with employees about their career development within The Bancorp.



We celebrate our employees' commitment and the value that they add during dedicated Employee Appreciation events.



OUR EMPLOYEES

LEARNING & DEVELOPMENT

We strive to enable our employees to grow in their personal and professional skills. Through The Bancorp's dedicated Learning and Development team, we are committed to maintaining regulatory standards while cultivating an environment that educates and inspires all employees to reach their full potential.

23 HRS

AVG. ANNUAL TRAINING PER FULL TIME, TEMPORARY, & CONTRACT EMPLOYEES



16.6 HRS

MANDATORY COMPLIANCE

6.7 HRS

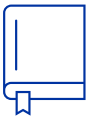
ELECTIVE DEVELOPMENT



Our Learning and Development professionals have **identified ways to embed learning** at many levels throughout the organization:



We have a **robust regulatory compliance training and testing program** specifically tailored to address the legal, technical and regulatory compliance requirements that our employees must follow. Our employees take pride in consistently achieving 100% completion of our regulatory training regimen on a quarterly basis.



We offer employees **additional skill development opportunities**, including our on-demand Take8 Learning and Development Program, which encourages employees to annually complete a minimum of eight (8) hours of voluntary professional development through our online library of course offerings.

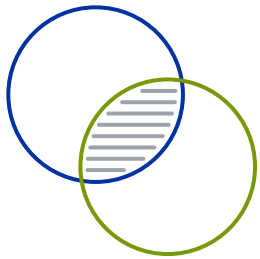


We host an **annual Employee Learning Week**, which offers employee-led sessions covering topics from public speaking to healthy eating. This event highlights the talents our employees bring to The Bancorp while demonstrating the value of ongoing professional development through skill improvement.



DIVERSITY & INCLUSION

At The Bancorp, we are dedicated to attracting, developing and retaining high-performing, diverse talent at every level. We firmly believe that leveraging diverse perspectives and capabilities will enhance innovation, foster a collaborative work culture and enable us to better serve our customers and communities. One of our core values is to build an inclusive organizational culture. We are passionate about creating a welcoming, open and inclusive environment that celebrates diversity and promotes equity.



Our Diversity and Inclusion (D&I) Program rests on five strategic pillars:

1 Organizational Commitment

Every day, we work to cultivate an inclusive culture that inspires employees to engage, live The Bancorp Values and bring their best selves to work.

2 Workforce Practices

We attract, develop, promote and maintain a high-performing, talented workforce that, at all levels, reflects the diversity of the customers we serve and the communities in which we work and live. We invest in our employees' personal and professional growth through formal learning and training, Employee Resource Groups and health and wellness programs.

3 Community Engagement

The Bancorp recognizes that community involvement enriches our collective understanding of the importance of diversity and inclusion and can serve as a catalyst for change by improving the quality of life in the communities in which we live and work. We support our communities through charitable contributions, grants, lending and volunteerism.

4 Supplier Diversity

The Bancorp is committed to diversity and inclusion in all aspects of our business, including supplier relationships. We understand that having a diverse array of suppliers leads to increased efficiency, innovation and competition and creates long-term value for The Bancorp, our suppliers and our communities.

5 Transparency

The Bancorp strives to communicate its diversity and inclusion efforts internally and externally to keep stakeholders informed and increase awareness of their importance.



Supported by these pillars, our Internal Diversity & Inclusion Council, composed of our Chief Diversity Officer and other senior leaders, develops and implements D&I initiatives across The Bancorp.

These initiatives enrich our work culture and cultivate a sense of belonging in various ways, including through ERGs that provide opportunities to connect, collaborate and grow professionally with colleagues who share similar interests.





DIVERSITY & INCLUSION

EMPLOYEE RESOURCE GROUPS

Open to all employees, Employee Resource Groups (ERGs) provide opportunities to connect, collaborate and grow professionally with colleagues who share similar interests, while supporting The Bancorp's inclusive work culture.

The Bancorp has **eight ERGs**:



Black Professionals



Employees Who Serve



Health & Wellness



HOLA



The Green Team



Working Families



Women's Initiative Network



PRIDE



30%, or nearly 1 in 3, of The Bancorp employees participate in an ERG.





OUR EMPLOYEES

ERGS & THE COMMUNITY ENGAGEMENT WORKING GROUP

Together, ERGs and the Community Engagement Working Group maintain The Bancorp's commitment to diversity and inclusion by fostering a supportive environment for all employees to get involved, ensuring that every team member feels valued and empowered.

Beyond our internal audience, The Bancorp ERGs and Community Engagement Working Group extend the commitment to diversity and inclusion into our local communities through volunteer efforts, partnerships with local and national organizations, and initiatives that address community needs. This dual focus on internal and external engagement underscores our commitment to making a positive impact both within The Bancorp and in the broader community.



In 2023, the Community Engagement Working Group and ERGs collectively offered employees opportunities to get involved and positively impact our local communities with events including:

■ ERG CONTRIBUTIONS



Spring Clothing Donation Drive

Clothing collected and donated to various non-profits including Goodwill and Dress for Success.



Paracord for Patriots

Created 'survival' bracelets to benefit Operation Gratitude.



Volunteered at The Banquet

Employees prepared and served food at The Banquet.



Stream Stewards Spring Watershed Cleanup

Employee volunteers collected trash and debris in and around streams in our local Wilmington community.



Winter Coat Drive

Employees donated gently worn and new coats to benefit non-profit, One Warm Coat.



Volunteered at Lunch is Served

Prepared bagged lunches that were then delivered to working men and women in need.



Breakfast Grab-N-Go Kits

Prepared breakfast Grab-N-Go Kits for the Ronald McDonald House.

■ D&I COMMUNITY ENGAGEMENT WORKING GROUP CONTRIBUTIONS



Annual Food Drive

Collected and distributed non-perishable food donations to support the Ronald McDonald House and other local food banks.



Care Kits for Homeless Shelters

Prepared kits with basic hygiene items and donated to homeless shelters in our local communities.

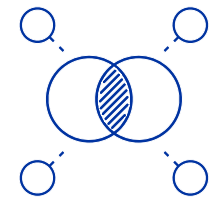


*We have been recognized
as a **Top 50 Employer** by
Equal Opportunity Magazine
for four consecutive years...*



...we were named a *Top 50 Employer* by *Careers and the disABLED Magazine* for the third consecutive year.





\$7.2M

SPENT WITH DIVERSE SUPPLIERS IN 2023



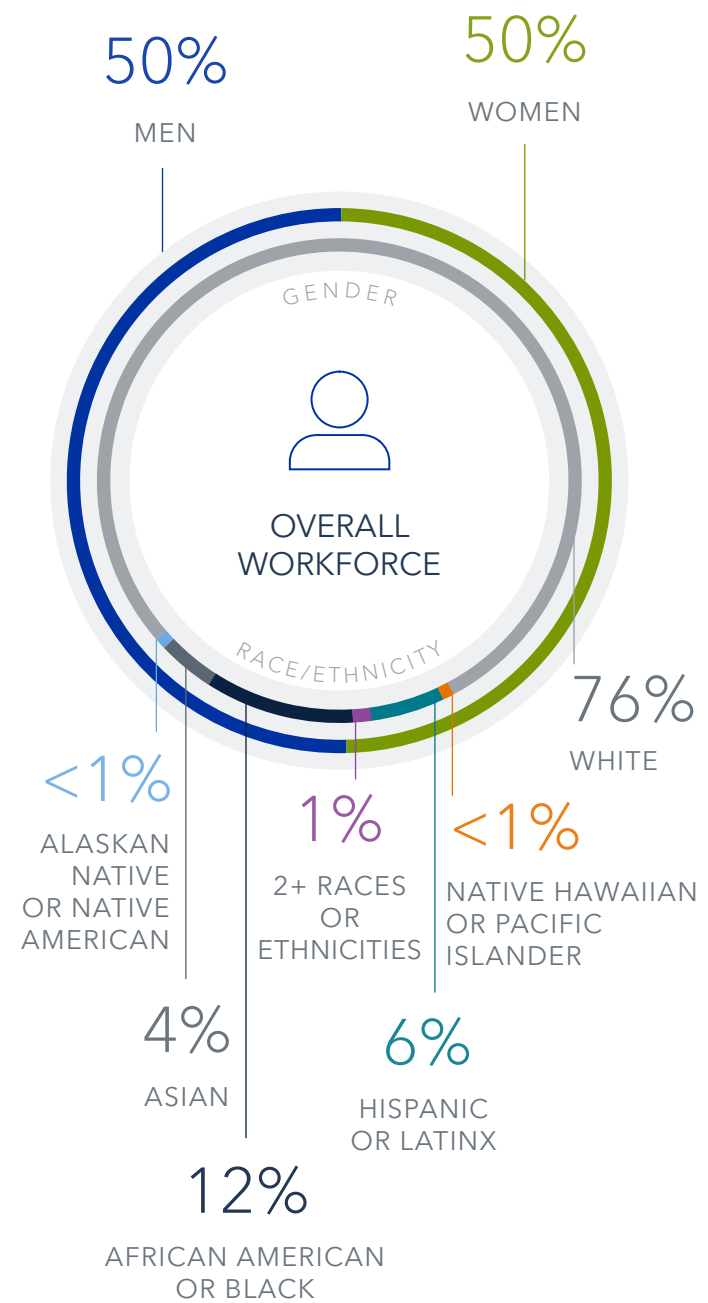
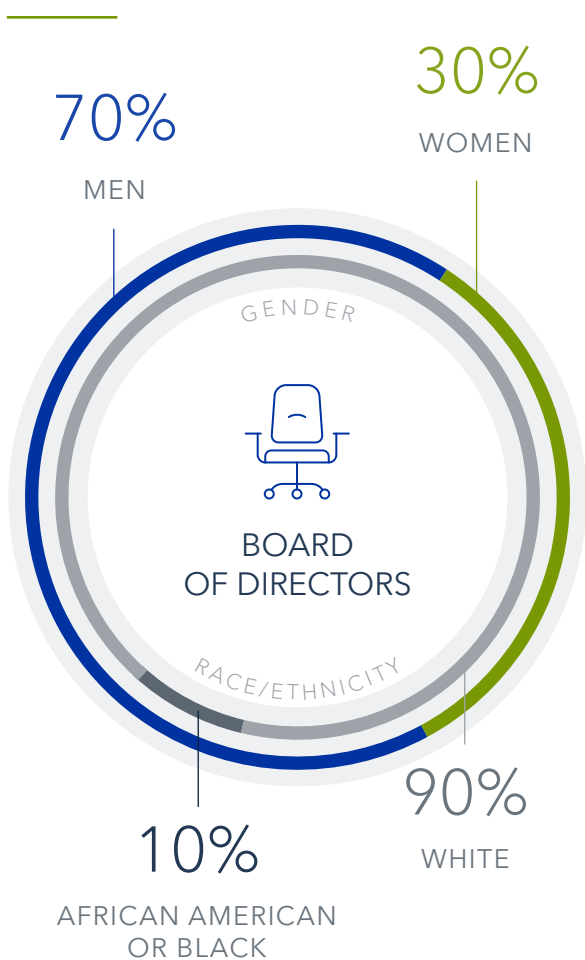
SUPPLIER DIVERSITY

The goal of The Bancorp's Supplier Diversity Program is to promote the inclusion of diverse businesses in the purchasing process and to strive to increase the percentage spent with qualifying enterprises. Our strategies to improve the representation of diverse suppliers in our third-party inventory include developing more opportunities for diverse-owned businesses to learn more about The Bancorp's vendor needs and better compete for contracts.



DIVERSITY & INCLUSION

KEY METRICS





5.66 YEARS

AVERAGE EMPLOYEE
TENURE



44

AVERAGE AGE
OF EMPLOYEE

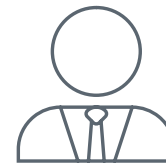
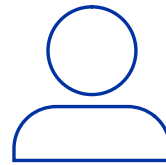
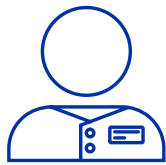




HUMAN RIGHTS

The Bancorp supports fundamental human rights across all our business activities and strives to uphold the dignity and respect of individuals in interactions with our employees, customers, business partners, vendors and communities. We expect such entities to similarly respect individual human rights and conduct their business operations free from human rights abuses.

Consistent with human rights principles and our Corporate Values, we are committed to providing a safe and secure work environment for all employees and equal employment opportunities for all qualified applicants and employees. In addition, we seek to foster a diverse and inclusive workplace where each employee feels valued and respected. Therefore, we strictly prohibit practices that disregard fundamental human rights or violate workplace laws and regulations, such as discrimination, harassment, and modern slavery (e.g., forced labor, unlawful child labor, and human trafficking). We regularly review and refine our workplace policies and practices to ensure we are upholding these principles.



Our commitment to human rights is also reflected in our relationships with our customers, business partners and vendors. We believe such relationships provide an opportunity to develop best practices supporting human rights. The Bancorp has adopted policies, procedures, business standards, and training designed to ensure compliance with legal requirements, including our Third-Party Risk Management Policy and Vendor Code of Conduct. At a minimum, we require business partners and vendors to comply with all applicable laws, rules and regulations, which includes those designed to enforce human rights. We expect such entities to similarly respect individual human rights and conduct their business operations free from human rights abuses.

We also recognize human trafficking as a risk for financial crimes. Therefore, we have implemented controls designed to prevent traffickers from laundering their illicit funds via our financial products and services, and to report suspected criminal activity to the appropriate authorities. More details about The Bancorp's approach to human rights in our business can be found in our Human Rights Statement.



The design in this document illustrates a multifaceted connectivity core to The Bancorp's ESG philosophy: Responsible growth through a community of employees, partners, and suppliers who represent the values of the stakeholders we serve.







thebancorp.com