ENVIRONMENTAL, SOCIAL & GOVERNANCE

STRATEGY STATEMENT 2022





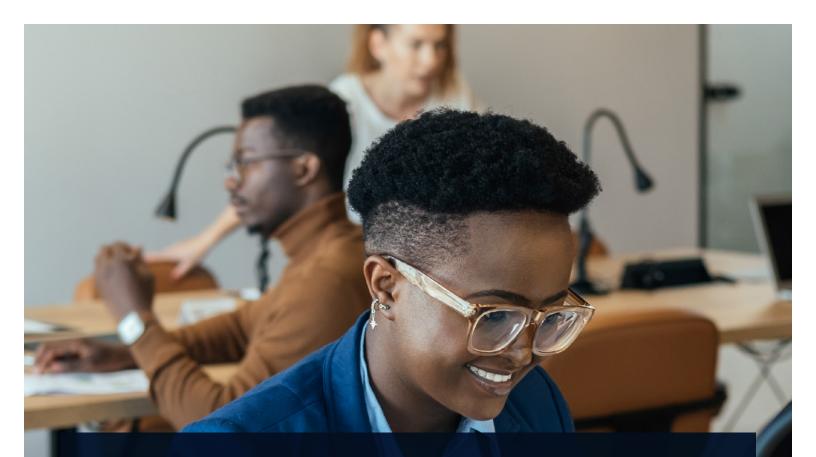


The Bancorp, Inc. and its subsidiaries, including but not limited to The Bancorp Bank (collectively, "The Bancorp"), seeks to operate the company and implement its business plan in a responsible manner. Guided by our corporate values, we are committed to environmental sustainability, social responsibility and strong governance practices (collectively, "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 continues to grow and change, we will refine and expand our approach to implementing relevant ESG Principles in order to be responsive to tomorrow's needs.









ESG & OUR CORPORATE VALUES

Our corporate values drive all we do-including our approach to implementing ESG Principles. As we execute our corporate values on a day-to-day basis, we remain mindful of how our business practices, including the design and distribution of our products and services align with ESG Principles.









Client-first Mindset

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



From an ESG perspective, we strive to consider the implications of how our business practices, products and services can satisfy the needs and requests of our clients (and, where applicable, their customers), and ultimately improve the communities we serve.



Principled Approach to Business

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



From an ESG perspective, we strive to maintain strong and transparent corporate business practices that meet or exceed the regulatory standards applicable to our industry, as we continue to foster the social covenant of trust that is embedded in our financial institution charter.



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.



From an ESG perspective, we strive to be a business partner that brings additional value to our business relationships by innovating business solutions that conserve resources, promote human well-being and reduce our impact on the environment, always keeping in mind the communities in which we and our partners operate and serve.



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.



From an ESG perspective, we remain committed to strong corporate governance through effective board and management oversight and the implementation of disciplined, risk-based internal controls.

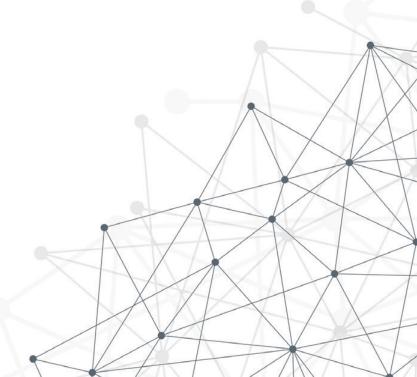


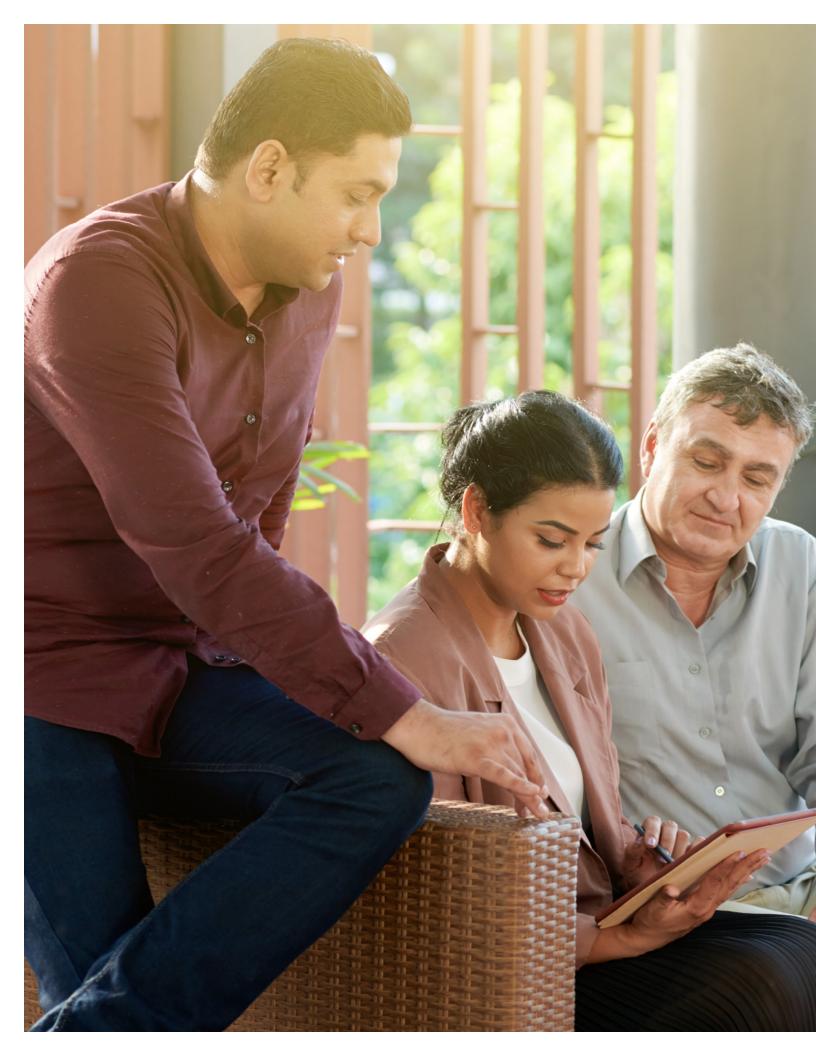
Inclusive Organizational Culture

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



From an ESG perspective, we will continue to implement and enhance The Bancorp's Diversity & Inclusion Program not only to promote a diverse, equitable and inclusive workforce, but also to engage with a more diverse set of business partners and service providers.









ENVIRONMENTAL RESPONSIBILITY THROUGH SUSTAINABLE BUSINESS GROWTH



Limited Physical Locations

Since its inception, The Bancorp has been focused on delivering technologically innovative products and services without the need for brick and mortar locations. We remain focused on keeping a small physical footprint. Where physical locations are deemed necessary, we strive to select physical office locations that incorporate green building principles or standards. When restructuring existing office space, we are committed to implementing sustainable solutions in a practical and cost-effective manner.



Conserving Resources

The Bancorp remains committed to reducing the Company's energy consumption, water usage, waste disposal and carbon footprint in a practical and cost-effective manner. We do so by promoting environmental sustainability initiatives with employees as well as working in partnership with our landlords to achieve continuing environmental and sustainable operational improvements. We work with clients remotely and use electronic documentation whenever possible. This allows us to conserve paper and reduce carbon emissions through reduced car, train and air travel. We continue to evaluate our business model and make additional adjustments that will favorably impact our local communities and the environment.





Sustainable Banking Products

Inspired by our partnerships with innovative fintechs, we continue to look for ways to leverage technology through sustainable products such as "virtual" cards that can facilitate the flow of payments without the need for plastic or paper. We continue to look for ways to offer payment and lending products digitally—to eliminate needless waste paper.



SOCIAL RESPONSIBILITY AS AN EMPLOYER & CORPORATE CITIZEN



Employee Empowerment

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 health and financial wellness, and this is reflected in our compensation strategies and employee benefit programs, which help employees balance work, life and family matters more effectively.



Promoting Financial Literacy & Community Growth

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.





Diversity & Inclusion

We continue to expand our Diversity & Inclusion Program to foster inclusivity and understanding throughout the organization. We remain committed to equal access to opportunity through our hiring practices, employee enrichment efforts and engaging in partnerships with vendors that share our commitment to sustainability and diversity.



Access & Affordability of our Products & Services

Consistent with our branchless banking business model and through leveraging technology, we work with like-minded business partners who are committed to financial inclusion through the development of accessible and affordable financial products and services. In particular, the payments-related products and services we deliver provide unbanked and underbanked persons with meaningful ways to access financial services not typically available through traditional banking channels. We 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 consumers while meeting societal demands and emerging social regulation.



GOVERNANCE RESPONSIBILITY TO ENSURE INTEGRITY & EFFECTIVE RISK MANAGEMENT



ESG Leadership Begins at the Top

Our Board of Directors leads the way in making a priority of strong governance, ethical business practices, prudent risk management and transparent reporting. The Board has appointed an ESG Committee that is charged with ensuring that senior management strategically considers ESG principles and related risks while implementing the Company's overall business plan. Executive leadership performance is measured, in part, by the successful implementation of ESG-related initiatives across the enterprise.



Risk Management Framework

As a regulated financial institution, strong risk management practices are essential. Guided by numerous governance documents at the Board and management level, we are committed to following regulatory and legal requirements related to consumer protection, financial crimes and fraud prevention, cybersecurity, safe and sound operational practices and more. We maintain an enterprise-wide risk management program to promote the safety and security of our clients, and their customers and the safety and soundness of our organization. As we expand our ESG strategy, we will seek ways to further optimize our governance processes to more objectively evaluate and mitigate ESG-related risks.





Advancing Ethical Practices

The Bancorp's Code of Ethics and Business Conduct serves as a foundation for our commitment to ethical conduct. We 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 continue to advance these principles not only within our leadership and staff, but also within the wider Bancorp community—including our business partners, customers, suppliers and contractors.

INVESTING IN THE FUTURE

The Bancorp is committed to sustainable, values-based growth by promoting the well-being of our business partners, employees, communities and the environment. By committing ourselves to ethical, responsible and principled business practices today, we can help pave the way to a better tomorrow.









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