

June 27, 2022

**Conditional Approval #1293
July 2022**

Sarah B. Dannecker, Esq.
Ballard Spahr LLP
2000 IDS Center, 80 South 8th Street
Minneapolis, Minnesota 55402

Re: Application by The Bancorp Bank, Wilmington, Delaware to Convert to a National Bank
Application to Charter The Bancorp Interim National Bank
Application to Merge The Bancorp Bank, National Association with The Bancorp Interim
National Bank
Applications for Residency Waivers

OCC Control Numbers: 2022-WE-Conversion-326414
2022-WE-Combination-326441
2022-WE-Waiver-327313

OCC Charter Number: 25279

Dear Ms. Dannecker:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves your application to convert The Bancorp Bank, Wilmington, Delaware to a national bank and to merge (the Merger) The Bancorp Bank, National Association (TBBNA) with and into The Bancorp Interim National Bank, Sioux Falls, South Dakota (Interim), under the title of The Bancorp Bank, National Association.¹ These approvals are granted after a thorough review of the application, other materials you have supplied, and other information available to the OCC, including commitments and representations made by the applicant's representatives during the application process.

I. The Conversion

The Bancorp Bank filed an application to convert to a national bank under 12 USC 35 and 12 CFR 5.24. The conversion application meets the requirements of 12 USC 35 and 12 CFR 5.24 for approval for The Bancorp Bank to convert to a national bank. The converted bank will operate under the title of The Bancorp Bank, National Association, under OCC Charter Number 25279, and its headquarters will be located at 6100 South Old Village Place, Sioux

¹ Additionally, the OCC also approves the request for waiver of residency requirements for TBBNA pursuant to 12 USC 72.

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Falls, South Dakota, 57108. Finally, TBBNA is approved to retain the subsidiaries currently held by The Bancorp Bank.²

II. The Merger

The Bancorp Bank applied to the OCC for approval to charter Interim and to merge TBBNA with Interim under 12 USC 215a-1 and 1831u(a).

Mergers of national banks with different home states are authorized under 12 USC 215a-1 and 1831u(a), which were adopted as part of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Riegle-Neal). Riegle-Neal imposes certain conditions on interstate merger transactions. These are (i) compliance with state-imposed age limits, if any, subject to Riegle-Neal's limits; (ii) compliance with certain state filing requirements, if any; (iii) compliance with nationwide and state concentration limits; (iv) expanded community reinvestment compliance; and (v) adequacy of capital and management skills. The OCC has considered these factors and determined that the Merger satisfies all applicable Riegle-Neal requirements.

The OCC also reviewed the proposed merger transaction under the criteria of the Bank Merger Act (BMA), 12 USC 1828(c), and applicable OCC regulations and policies. Under the BMA, the OCC must consider the risk of the transaction to the stability of the U.S. banking or financial system and may not, without reason, approve a merger that would substantially lessen competition in any section of the country. The BMA also requires the OCC to take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions. The OCC must also consider the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities. The OCC considered these factors and found them consistent with approval of the Merger.

The OCC must also consider the convenience and needs of the community to be served under the BMA as well as the record of compliance with the CRA of each applicant bank in a merger transaction. The OCC has considered these factors and found them consistent with approval.

III. Pre-Conversion Requirements

The following items must be satisfied on or before the effective date of the conversion:

1. The institution must purchase adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists factors the directors should consider to determine adequacy.

² The Bancorp Bank has five wholly owned subsidiaries: Bancorp Mortgage Asset Transfer, LLC; TBBK Card Services, Inc.; TBBK Direct Leasing, LLC; McMahon Leasing, Inc.; and McMahon Motors, Inc. The Bancorp Bank has represented the activities of the subsidiaries are permissible for national banks under 12 CFR 5.34(e)(1)(i).

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2. The board of directors must adopt policies, practices, and procedures to ensure the safe and sound operation of the bank. The board also must review those policies, practices, and procedures continually and ensure the bank's compliance with them.
3. The converting institution must apply to the Federal Reserve for membership.
4. The converting institution must ensure that all other required regulatory approvals have been obtained.
5. The directors must own qualifying shares in conformance with 12 USC 72 and 12 CFR 7.2005.

The converting institution must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion. Any changes to the executive officers or directors must receive a "no objection" from the OCC.

Upon completion of all steps required to convert to a national banking association, submit the enclosed Conversion Completion Certification certifying completion. Please provide the OCC with at least 10 days advance notice of the conversion. When TBBNA has satisfactorily completed all of the above steps, the OCC will issue a Conversion Completion Acknowledgment officially authorizing the institution to commence business as a national bank. Shortly after conversion, you will receive a charter certificate.

If the conversion is not consummated within six months from the date of this approval, the approval will automatically terminate unless the OCC grants an extension. The OCC does not grant extensions of the approval period, except under extenuating circumstances, and expects the conversion to occur as soon as possible after approval.

IV. Merger Consummation Requirements

The district office must be advised in writing in advance of the desired effective date for the merger, so it may issue the necessary certification letter. The OCC will issue a letter certifying consummation of the transaction when it receives:

1. A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved.
2. An executed Agreement and Plan of Merger.
3. A Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained, if required.

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If the merger is not consummated within six months from the date of this approval, the approval shall automatically terminate, unless the OCC grants an extension.

V. Condition

The conversion approval is subject to the following condition:

The bank: (i) shall give the Sioux Falls Field Office at least sixty (60) days prior written notice of the bank's intent to significantly deviate or change from its business plan or operations and (ii) shall obtain the OCC's written determination of no objection before the bank engages in any significant deviation or change from its business plan or operations.

The condition of this approval is a condition "imposed in writing by a federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

VI. Conclusion

These approvals and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The OCC's approval is based on the representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind these approvals if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which these decisions pertain. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Surveys are enclosed requesting your feedback on how we handled the referenced applications. We would appreciate your responses so we may improve our service. Please include the OCC control numbers on any correspondence related to these filings.

If you have any questions, contact Paula Dejmek Woods, Bank Examiner (Licensing Analyst) at (312) 660-8710 or at Paula.DejmekWoods@occ.treas.gov.

Sincerely,

/s/

Yoo Jin Na
Director for District Licensing

Ms. Sarah B. Dannecker, Esq.
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Attachments: Conversion to NB Completion Certification
Survey Letters (via email)

cc: S. Coleman, Attorney, Ballard Spahr LLP
G. Garry, The Bancorp Bank