

SBLOCs: DESIGNED WITH CLIENTS' PORTFOLIO HEALTH IN MIND

The Bancorp Securities-Backed Line of Credit (SBLOC) program is designed to help financial professionals and their clients succeed in meeting liquidity needs and preserving wealth. That's why we developed our SBLOCs with both market volatility and our clients' financial health in mind. Our collateral requirements and portfolio monitoring processes protect client assets throughout the lifecycle of the loan.

CONTACT

Phone: 877.743.4321

Email: sblocinquiry@thebancorp.com



DURING THE APPLICATION PROCESS

High-quality collateral requirements are the first step toward promoting portfolio health, and require that clients' pledged securities are:

- Publicly traded at greater than \$5 per share
- Listed on major exchange
- Priced daily
- Less than 40% of portfolio market value
- Not classified as restricted or control stock



UPON FUNDING

Our conservative rate structure provides a buffer between the advance rate and the default rate. The buffer also provides an additional layer of portfolio protection during market volatility by:

- Eliminating the need for clients to quickly sell off assets at a loss
- Preserving clients' nonpledged portfolio assets in the event of a default



DAILY

The Bancorp Collateral Analyst Team performs portfolio and market analysis every business day to identify potential collateral shortfalls in client accounts.



WHEN NEARING DEFAULT

The Collateral Analyst Team immediately notifies a financial professional when their client's collateral balance is in the buffer zone, which enables them to discuss funding options to prevent default.



AT DEFAULT

Prior to sending a default letter to a client, the Collateral Analyst Team will first contact the financial professional to enable them to discuss funding options with their client and keep the financial professional-client relationship intact.

We prefer that the financial professional maintain control over the client's portfolio. If a financial professional is actively working to remedy the situation, The Bancorp will typically not take exclusive control of the portfolio.

FOR FINANCIAL PROFESSIONAL/DEALER USE ONLY

An SBLOC cannot be used for the purchase of additional securities or to pay off a margin loan that was used to purchase securities.

Securities-based lending has special risks and may not be suitable for everyone. If the market value of the pledged securities declines below required levels, the client may be required to pay down the loan or line of credit or pledge additional eligible securities in order to maintain it, or the lender may require the sale of some or all of the client's pledged securities. The sale of the client's pledged securities may cause the client to suffer adverse tax consequences. The Bancorp Bank, N.A. does not offer tax, legal, or investment advice. Clients should consult with their financial professional(s), as necessary.

To help maintain the security of financial information, do not include confidential personal information such as account numbers or Social Security Numbers in nonsecure email correspondence.