

## TRUTH IN SAVINGS DISCLOSURE

### General Provisions Checking, Savings, Money Market Accounts & Certificates of Deposit

#### GENERAL PROVISIONS

This Disclosure provides certain details about Firsttrust Bank checking, savings and money market accounts and certificates of deposit. Retirement accounts include Individual Retirement Accounts (IRAs) including Traditional, Roth and Coverdell Education IRAs for consumers; and Keoghs, SIMPLE (**S**avings **I**ncentive **M**atch **P**lan for **E**mployees) and Simplified Employee Pension (SEP) plans for self-employed persons and corporations and their employees. The words "Firsttrust", "Bank", "we", "us", and "our" refer to Firsttrust Bank. The words "you", "customer", "account holder" and "depositor" mean those who own, sign as applicants, or any authorized user(s) of the accounts in this brochure. You acknowledge receiving a copy of the Retail Account Agreement, Funds Availability & Electronic Funds Transfer Disclosure ("Account Agreement"), as well as the Deposit Rate Disclosures and Retail Banking Fee Schedule ("Fee Schedule") for the account you are opening. If a bonus is included with any account CD, the value of the bonus will be reported as income to the IRS on Form 1099 as interest earned because the bonus represents additional interest paid.

#### CHECKING, SAVINGS AND MONEY MARKET ACCOUNTS

**Determination of Interest Rate.** The Interest Rate and the Annual Percentage Yield ("APY") are determined by the Bank and may change daily without limitation on the amount of the change, at the Bank's discretion. The APY assumes that interest will remain on deposit for the term of the account. A withdrawal of interest will reduce earnings. Consumer deposit products may pay higher interest rates on higher balances. Current rates and tiers are available by calling 800-220-BANK or visiting any local branch.

**Interest Computation.** The daily collected balance method is used for computing interest. This method multiplies the collected balance in the account each day times a daily periodic rate (based on the interest rate in effect for that term).

**Accrual of Interest.** Interest begins to accrue on cash, electronic payments and on branch deposits of checks drawn on Firsttrust on the business day the cash or such check is deposited into your account. For non-Firsttrust Bank check deposits, interest accrues on the collected balance as set forth in the Firsttrust Account Agreement. All deposits are subject to the final collection of funds so deposited. In accordance with the terms of the Account Agreement, any deposit which is made on a Saturday, Sunday, bank holiday or after 3:00pm ET on any business day may be considered by us to have been made on the next business day.

**Withdrawals.** There are no limitations on the number or dollar amount of withdrawals which you can make up to your available balance from your checking, savings or money market account at Firsttrust.

**Closing an Account.** For checking accounts closed before interest is credited, or between interest credit dates, you will not receive any accrued interest which has not yet been credited. For money market and savings accounts, accrued interest will be paid at closing if the account is closed before interest is credited. Any accounts closed within one (1) year of opening will be subject to a \$25.00 fee.

Please refer to the Fee Schedule regarding items such as the minimum to open, method of compounding interest, frequency of interest crediting, minimum to earn interest, the minimum to avoid account maintenance charges, and the monthly account maintenance charge if you go below the minimum balance requirement.

#### CERTIFICATES OF DEPOSIT ("CD") AND RETIREMENT CERTIFICATES OF DEPOSIT ("IRA CD")

With our CD accounts, interest accrues from the day of your deposit (subject to final collection) to the day you withdraw your funds and it is computed using the daily balance method. This method multiplies the balance in the account each day times a daily periodic interest rate (based on the interest rate in effect for such account). However, interest accrued after the maturity date will not be paid on any amount withdrawn during a grace period.

With Jumbo CDs, interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Additional deposits of \$1,000 or more to our one-month MDRA will begin to earn interest no later than the business day we receive credit for the deposit of noncash items. The maximum deposit for personal CDs is \$500,000. (See Jumbo CDs for accounts of \$100,000 or more)

The Interest Rate and the APY are determined at the Bank's discretion. Consumer deposit products may pay higher interest rates on higher balances. Consumer rates and tiers are available by calling 800-220-BANK or by visiting any local branch. Unless otherwise stated, the effective interest payment date is the last business day of the calendar period, whether interest is paid monthly, quarterly, semi-annually or annually. Interest is credited at the same frequency as it is paid (i.e. semi-annual means calendar period June 30 and December 31). No withdrawals are permitted during the term of the CD without early withdrawal penalties. Interest checks or transfers into checking, money market or savings accounts may reduce your Annual Percentage Yield.

Retirement Accounts include Individual Retirement Accounts (IRAs) including Traditional, Roth and Coverdell Education IRAs for consumers; and Keoghs, SIMPLE (**S**avings **I**ncentive **M**atch **P**lan for **E**mployees) and Simplified Employee Pension (SEP) plans for self-employed persons and corporations and their employees. Choose from our broad selection of IRA CDs with terms from one month to 5 years.

Type of CD Account	Minimum to Open	Method of Compounding	Additional Deposits
MDRA (1 month CD)	\$2,500	Daily	Yes*
Regular Fixed Rate Over 1 Month	\$1,000	Daily	No
Jumbo	\$100,000	Simple	No
Retirement MDRA	\$2,000	Daily	Yes*
Retirement Fixed Rate Over 1 Month	\$500	Daily	No

\*Additional deposits of \$1,000 or more are allowed at any time during the one-month term. If such a deposit is made, it will extend your maturity date to one month from the date of the additional deposit.

At maturity, unless otherwise noted your CD (excluding Jumbo CDs) will automatically renew to the closest standard CD term at the then current interest rate for such term. Firsttrust's standard CD terms are 91 days and 6, 12, 18, 24, 30, 36, 48, 60 months and as to non-IRA only 84-months. In the event the difference to the closest standard term is equal, the CD will automatically renew to the higher of the closest standard terms. (Example: a 21-month CD would automatically renew into a 24-month term.)

**1 Month CD, MDRA and Retirement MDRA.** This variable rate one-month CD has an interest rate that is subject to change on the second business day of each month at our discretion without limitation on the amount of the change. There is a one calendar-day grace period at maturity. If no action is taken by you, your MDRA or Retirement MDRA will automatically renew for one month at the then current rate offered by the Bank.

**Regular CD or Retirement CD Accounts over 1 Month to 91 Days.** These CDs have a fixed rate for the entire term. Interest can be paid to you by check, credited to an existing Firsttrust Bank deposit account (checking, money market or savings) or directly added to your CD balance at maturity. If you receive checks, anytime the interest is less than \$20 we may choose to credit such interest to your CD account and no check will be issued. If you choose transfers, interest is posted at the time of the transfer (i.e., at maturity). There is a seven calendar-day grace period at maturity.

**Regular CD and Retirement CD Accounts over 91 Days but less than 12 Months.** These CDs have a fixed rate for the entire term. Interest can be paid to you by check, credited to an existing Firsttrust Bank deposit account (checking, money market or savings) or directly added to your CD balance. CDs under \$5,000 can have interest paid at maturity or as a monthly credit to a Firsttrust Bank deposit account. CDs of \$5,000 or more can have interest paid monthly or at maturity. If you receive checks, anytime the interest is less than \$20 we may choose to credit such interest to your CD account and no check will be issued. If you choose transfers, interest is posted at the time of the transfer (i.e., monthly or at maturity). There is a seven calendar-day grace period at maturity.

**Regular CD and Retirement CD Accounts 12 months or greater.** These CDs have a fixed rate for the entire term. Interest can be paid to you by check, credited to an existing Firsttrust Bank deposit account (checking, money market or savings) or directly added to your CD balance. CDs under \$5,000 can have interest paid quarterly, semi-annually, annually or as a monthly credit to a Firsttrust Bank deposit account. CDs of \$5,000 or more can have interest paid monthly, quarterly, semi-annually or annually. If you receive checks, anytime the interest is less than \$20 we may choose to credit such interest to your CD account and no check will be issued. If you choose transfers, interest is posted at the time of the transfer (i.e., monthly, quarterly, semi-annually or annually). There is a seven-calendar day grace period at maturity.

**Jumbo CDs.** Jumbo CDs have a fixed interest rate for the entire term, with terms that range from 7 days to 365 days and cannot mature on a Saturday, Sunday or bank holiday. You may choose to receive interest checks or interest transfers to your checking, money market or savings in which case interest will be credited monthly. If you choose to receive checks, anytime the interest is less than \$20 we may choose to credit such interest to your CD account and no check will be issued. If no action is taken by you at maturity, the CD will not automatically renew and no interest will be earned after maturity.

**Penalties.** CDs may be fully withdrawn prior to the maturity date subject to provisions contained in Firsttrust's current Account Agreement and upon the application of the following substantial penalties. In case of early withdrawal, the following appropriate penalties apply. Early withdrawal penalties will not be assessed upon the death of any owner of the CD or if any owner of the CD is determined to be legally incompetent by a court or other administrative body of competent jurisdiction.

**Short Term CDs.** MDRA and less than 12 months (Excluding Jumbo CDs): The penalty is 6 months interest at the certificate rate on the amount withdrawn, whether earned or not.

**Regular Long Term CDs.** 12 months or greater (Excluding Jumbo CDs): The penalty is 12 months interest at the certificate rate on the amount withdrawn, whether earned or not.

**Retirement Account CDs.** The same penalties apply for Retirement CDs as for Regular CDs with equivalent terms. Additional federal penalties may apply for withdrawals below age 59½. Early withdrawal penalties do not apply to mandatory distributions.

**Jumbo CDs.** The penalty is an amount equal to the amount of interest that could have been earned on the amount withdrawn if the funds had remained on deposit until maturity, regardless of the length of time the funds withdrawn have remained in the account. In addition, all interest accrued or paid will be forfeited.

**CD Redemption Option.** Firsttrust reserves the right at any time to unilaterally redeem CD accounts in the following manner effective October 1, 2011: Firsttrust may mail to the registered owner at the address of the registered owner, last known to Firsttrust, a written notice of its intention to redeem the CD account as of a date specified in the notice, which date shall be not less than 10 days nor more than 30 days after the date of the mailing of such notice. Upon the redemption date specified in said notice, Firsttrust shall redeem by payment of the principal amount of the CD plus any earned but unpaid interest at the certificate rate. No penalty will be charged on any CD account redeemed by Firsttrust before its maturity date.

- (a) Firsttrust reserves the right before making such redemption payment to require satisfactory signature guarantees or such other evidence relating to the endorsement on the account as Firsttrust reasonably deems necessary.
- (b) In the event accounts are surrendered for redemption with any endorsement other than that of the registered owner, Firsttrust shall not redeem the account until Firsttrust is satisfied with respect to the validity and effectiveness of such endorsement.
- (c) If the account is not fully presented for redemption on the date specified in such notice, then Firsttrust may at its option set aside in a separate deposit account product at Firsttrust the amount of the redemption payment and hold such amount in such separate deposit account product. Interest shall accrue at the then current rate determined at the bank's discretion on the deposit account product from the date of such deposit.
- (d) In the event that the payment of the redemption payment by Firsttrust is delayed due to delay in obtaining the required endorsement or in verifying any information under subparagraphs (a) or (b) above, the interest on the certificate shall continue to accrue during such time but for not more than 30 days from the specified redemption date.

Evidence of mailing of said notice of intended redemption by either registered mail or certified mail shall be binding and conclusive upon all parties.

#### **AMENDMENT OF THIS DISCLOSURE**

From time to time we may amend or change the terms of this Disclosure by notifying you in writing of any such amendment or change at least thirty (30) days prior to the effective date of such amendment or change.

#### **QUESTIONS/COMMENTS**

Please contact us in writing at: Firsttrust Bank, Attn: Customer Care, 1 Walnut Grove Drive, Horsham, PA 19044 or by calling 800-220-BANK.

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