

TRUTH IN

SAVINGS
DISCLOSURE



Strong. Stable. Local. Personal.

FEBRUARY 2017

THIS TRUTH IN SAVINGS DISCLOSURE BOOKLET includes information you need to know about deposit accounts at 1st Source Bank. It notes the features and requirements of all consumer deposit accounts. The booklet is designed to help make your banking at 1st Source easy to understand. If you have questions related to the material presented in this publication, or concerning your accounts, please drop by any 1st Source banking center. Thank you for allowing us to be your financial partner.

TABLE OF CONTENTS

TERMS AND CONDITIONS

Truth in Savings Disclosure.....	1
Balance Computation Methods.....	1
Daily Balance Method.....	1
Average Daily Balance Method.....	1
Collected Balance.....	1
Rate Information.....	1
Annual Percentage Yield.....	1
Annual Percentage Yield Earned.....	1
Change in Terms and Conditions.....	2
Effect of Closing an Interest-Bearing Account.....	2
Overdraft Policy.....	2
Current Account Fees.....	3

PRODUCT DISCLOSURES

Special Services

Overdraft Transfer Service.....	4
---------------------------------	---

Checking

1st Checking.....	4
e-student Checking.....	5
Easy Banking Club.....	6
Portfolio Checking.....	8
Health Savings Account (HSA).....	9

Savings

Federal Withdrawal Transaction Limits on All Consumer Savings Accounts.....	10
EveryDay Interest.....	10
e-student Savings.....	11
Holiday Savings.....	12
IRA Savings.....	12
Portfolio Investment Account.....	15

Certificates of Deposit	16
--------------------------------------	----

Individual Retirement Account (IRA)

Certificate of Deposit	17
-------------------------------------	----

TRUTH IN SAVINGS DISCLOSURE

(Regulation DD)

The Truth in Savings Act, Regulation DD, was enacted as a part of the Federal Deposit Insurance Corporation Improvement Act. The purpose of Truth in Savings is to help consumers make informed decisions about deposit accounts, terms and conditions on which interest is paid and fees are assessed. 1st Source Bank (hereafter known as "Bank") makes the following product disclosures available for your review and comparison to products offered by other financial institutions.

TERMS AND CONDITIONS

Common to Most Deposit Account Products at 1st Source Bank

Balance Computation Methods

The Bank uses two (2) methods of determining an account balance upon which either interest is calculated or service charges are determined.

Daily Balance Method

This method calculates interest by applying a daily periodic rate to the full amount of "Collected Balance" in the account each day, establishing the accrued interest earned for that day.

Average Daily Balance Method

This balance method establishes an average balance for a period, i.e., monthly or quarterly. The average daily balance is determined by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period. Your account balance each day is the ending balance of the account from the previous day, plus deposits and minus withdrawals made that business day.

Collected Balance

All interest-bearing deposit accounts at the Bank will accrue interest daily on the "collected balance" in the account. Collected balance is the balance on which the Bank has received provisional credit for the non-cash items (checks) that you have deposited. The Bank will begin to pay interest no later than the business day specified in Regulation CC and in the Expedited Funds Availability Act.

Rate Information

Unless otherwise stated with the product information, all interest-bearing accounts at the Bank will be "variable rate" products. Variable rate means the interest rate and the Annual Percentage Yield (APY) may change after the account is opened at any time, at the discretion of the Bank.

Annual Percentage Yield (APY)

APY is the effective rate your money will earn if it remains on deposit for a full year at the same annual interest rate and if all interest is left in the deposit account. Yield is the critical measure of how much interest you can expect to earn based on the interest rate and the frequency with which interest is added to your account (compounding) for a 365 or 366 (leap year) day period. Because your interest earns interest if left in the account, the APY is greater than the annual interest rate. If you withdraw some of the interest or some of your deposit, the amount of interest earned will be reduced.

Annual Percentage Yield Earned (APYE)

APYE represents the Annual Percentage Yield that was actually earned during the cycle period and which will appear on your periodic account statement. The calculation reflects the relationship between the interest actually earned during the statement period and the average daily balance in the account. If the account has multiple interest rates, this method will produce a single composite APYE figure.

Change in Terms and Conditions

The Bank may change the terms or conditions of a deposit account disclosure from time to time. Any change in terms that could adversely affect you will be disclosed in a notice, mailed or delivered to you 30 days before the effective date of the change. This notice may be a separate document or may be included as a part of a periodic statement.

Effect of Closing an Interest-Bearing Account

At the Bank, all interest that has accrued but not yet been credited to an account will be added to the principal balance at the time of closing. If we have not been informed of your intent to close your account, i.e., you merely withdraw the principal balance; the accrued interest will be added to your account on the statement cycle date.

Overdraft Policy

The *Agreement for Deposit for Personal Accounts* controls the duties, obligations and rights of the Depositor, the Authorized Signatories and the Bank with regard to your checking and/or savings account. The *Agreement for Deposit Personal Accounts* explains the details and rules regarding the Bank's Overdraft Policy. Please refer to the booklet entitled "1st Source Bank Agreement for Deposit Consumer Accounts" for information.

Overdraft fees apply to overdrafts created by checks, in person withdrawals or other electronic means. Please see the "Current Account Fees" section on the following page for current overdraft and continuous overdraft fees.

CURRENT ACCOUNT FEES

The following is a listing of fees that apply to most deposit account services.

Effective March 1, 2017

Account Balancing & Reconciliation <i>(fee per hour)</i>	\$20.00
Additional Account Statements	5.00
Non-1st Source ATM	2.50
Closing of Checking or Savings Accounts <i>(within 180 days of opening)</i>	25.00
Copies	
Check Images	3.00
Multiple Statement Fee	5.00
Account Research <i>(per hour)</i>	20.00
Charge Back Item	10.00
Debit Card Replacement	5.00
Dormant Account <i>(fee per month)</i>	5.00
Electronic Statements	No charge
Court Order	20.00
Levy Process	50.00
Insufficient Funds <i>(Checking & Savings)</i>	36.00
Overdraft Charges	
Checking & Savings Overdraft Items	36.00
Daily Overdraft <i>(beginning on the 6th business day of being overdrawn)</i>	7.00
Overdraft Transfer Service (OTS) <i>Transfer from savings to checking account (fee per day a transfer occurs)</i>	3.00
Return of Check Endorsement Image	
Front of Check Image <i>(fee per statement cycle)</i>	See account details
Back of Check Image <i>(fee per statement cycle)</i>	3.00
Front and Back of Check through Online Banking	No charge
Stop Payment <i>(per item)</i>	36.00
Temporary Checks <i>(per check)</i>	3.00
Wire Fees	
Incoming	15.00
Outgoing Domestic	20.00
Outgoing International	40.00

PRODUCT DISCLOSURES

SPECIAL SERVICES

OVERDRAFT TRANSFER SERVICE

Service Description: Overdraft Transfer Service is an optional service that allows automatic transfer of funds from a savings account to a checking account to cover an overdraft. Funds are transferred once per day in \$50.00 increments to cover the overdrawn amount including the fee. If the savings account does not have an available balance to cover the overdrawn amount, including the fee, the balance of the savings account will transfer to cover as many items as possible. If the savings account does not have enough funds to cover any overdraft items, and the fee, no transfer will take place.

The transaction limitations detailed in the Truth in Savings Disclosure regarding EveryDay Interest Savings Account, EveryDay Interest Select Savings Account, Portfolio Investment Account and the e-student Savings Account apply to this service. Only one savings account can be connected to Overdraft Transfer Service per personal checking account.

Fees: A \$3.00 per day fee will be assessed for every day there is an automatic transfer.

Notification: Records of transfers from savings to checking are included on your account statement or within Online Banking.

CHECKING ACCOUNTS

1st CHECKING

Account Description: The 1st Checking account is designed to encourage account holders to use less paper and take advantage of opportunities to use electronic banking features to access their account, such as using the Resource[®] Plus debit card for purchases and paying bills with Bill Pay found within Online Banking. The account has charges associated with use of "paper" such as printed checks and printed statements.

Minimum Opening Balance: A minimum balance of \$25.00 is required to open this account.

Account Monthly Service Fee: \$6.00 per monthly statement cycle. This may be waived with an average daily balance of \$500.00 or more.

Minimum Monthly Balance: To avoid the \$6.00 monthly service fee, maintain an average daily balance of \$500.00 or more.

Check Writing: Writing checks on this account is allowable for a charge of 75¢ for each paper check or draft processed. This will appear as "Paper Check Fee Total" on your periodic statement. Using the debit card and Bill Pay within Online Banking can allow clients to pay expenses without any per-check charges. Bill Pay is subject to approval.

Check Fee Deposit Waiver: With deposits that total \$500.00 or more, per monthly statement cycle, per check charges will be waived. Non-transfer deposits must be posted before the last day of the statement cycle to apply to the \$500.00 minimum deposit total. Deposits posted on the last business day of the statement cycle are counted on the next statement.

Check Images: Front check images with the monthly mailed paper statement are not a standard feature of this account, but may be added for \$3.00 per month. Front and back images are available without charge within Online Banking. Return of physical canceled checks is not available.

Online/Mobile Banking with Bill Pay: Online/Mobile Banking is available with all consumer checking accounts at the Bank. Clients may also sign up for the electronic bill payment and presentment system (Bill Pay) within Online Banking and the Mobile App which are used to easily pay expenses and bills. Bill Pay is subject to approval, and includes ten (10) bill pays per calendar month with the 1st Checking Account. Additional bill pays over ten are 50¢ each. Find more information in the Bill Payment Agreement. See *Online Banking Terms and Conditions* located at 1stsource.com/disclosures.

CHECKING ACCOUNTS

continued

Interest: Interest is not earned on this account.

Resource[®] ATM Card: A Resource[®] ATM Card is available with this account. It allows 24-hour access to your accounts through:

- 1st Source Automated Teller Machines (ATMs) and ATMs nationwide which display the Mastercard[®] (Maestro[®]/Cirrus[®]) or Accel[®] logos.
- InfoSource[®], our automated account information line, at 800 235-2557

Resource[®] Plus Debit Card: The Resource[®] Plus card is available, subject to credit approval, and is provided without a fee to personal checking account holders. The Resource[®] Plus card comes with all the features of the Resource[®] ATM Card, plus it can be used for purchases anywhere Mastercard[®] is accepted. The amount you spend will be deducted automatically from your personal checking account. Your monthly personal checking account statement or (electronic) e-statement will report all of your ATM and debit card transactions. A microchip on the card adds a layer of protection against fraud for purchases made at merchants who use chip terminals. Learn more about the security features of the Resource Plus card at 1stsource.com/chipcard.

See the Electronic Funds Transfer disclosure for detail regarding the basic rights, liabilities and responsibilities for ATM and debit card use.

Monthly Statements: The 1st Checking account will be subject to a paper statement fee of \$5.00 per month when the statement is printed and mailed. To avoid this fee the client, with a valid e-mail address, may sign up to receive electronic statements. E-statements are provided without a fee through Online and Mobile Banking with any 1st Source Bank personal checking account. You will need to accept the Electronic Statement Terms and Conditions when you sign up. 1st Source Bank may cancel access to Electronic Statements for non-use. If you have not logged on to your Online/Mobile Banking for a period of 90 days, you will be notified by email that your access will be cancelled if you do not access your account within the next 30 days. You will be subject to the \$5.00 monthly paper statement fee if your access is cancelled.

Transactions: There are no transaction limits on this account.

e-STUDENT CHECKING

Account Description: e-student checking is an account with no monthly service fees and no monthly minimum balance for clients between the ages of 16 and 24. The client must have a valid e-mail address to be eligible for this account.

Minimum Opening Balance: A minimum balance of \$15.00 is required to open this account.

Check Writing: e-student checking is designed to be an "electronic" checking account. Therefore, a Resource[®] Card or Resource[®] Plus Card is required to access account funds. There are no limits on the number of debits to this account via ATM or debit card usage. Using an ATM or debit card, along with the bill pays included within Online Banking will allow clients to pay expenses without any per-check charges. Any paper checks written or paper drafts generated will incur a charge of 50¢ per check. This will appear as "Paper Check Fee Total" on your periodic statement.

Online/Mobile Banking with Bill Pay: Online/Mobile Banking is available with all consumer checking accounts at the Bank. Clients may also sign up for the electronic bill payment and presentment system (Bill Pay) within Online Banking and the Mobile App which are used to easily pay expenses and bills. Bill Pay is subject to approval, and includes ten (10) bill pays per calendar month with the e-student checking account. Additional bill pays over ten are 50¢ each. Find more information in the Bill Payment Agreement. See *Online Banking Terms and Conditions* located at 1stsource.com/disclosures.

Interest: There is no interest earned on this account.

Resource[®] ATM Card: A Resource[®] ATM Card is available with this account. It allows 24-hour access to your accounts through:

CHECKING ACCOUNTS

continued

- Our Automated Teller Machines (ATMs) and the Accel[®] Network
- InfoSource[®], our automated account information line, at 800 235-2557

Resource[®] Plus Debit Card: The Resource[®] Plus card is available, subject to credit approval, and is provided without a fee to personal checking account holders. The Resource[®] Plus card comes with all the features of the Resource[®] ATM Card, plus it can be used for purchases anywhere Mastercard[®] is accepted. The amount you spend will be deducted automatically from your personal checking account. Your monthly personal checking account statement or (electronic) e-statement will report all of your ATM and debit card transactions. A microchip on the card adds a layer of protection against fraud for purchases made at merchants who use chip terminals. Learn more about the security features of the Resource Plus card at 1stsource.com/chipcard.

See the Electronic Funds Transfer disclosure for detail regarding the basic rights, liabilities and responsibilities for ATM and debit card use.

A Resource[®] Card or a Resource[®] Plus card is included with the e-student checking account. There is no charge associated with either card. An e-student checking account must have at least one of the cards, but cannot have both.

ATM Fee Rebates (fee reimbursements): The Bank will reimburse the fees we charge for the use of a non-1st Source ATM, plus reimburse the ATM cash withdrawal/surcharge fees charged by other banks, up to three (3) times or up to \$15.00 per statement cycle. The charges will be reimbursed to the e-student Checking account on the next business day after the ATM item is posted to the account.

Monthly Electronic Statements: The e-student checking account includes electronic statements. You must sign up for e-statements at 1stsource.com within 32 days of opening your e-student checking account. Accounts that have not been signed up for electronic statements within this 32 day time frame will be subject to a paper statement fee of \$5.00 per month. You will need to accept the Electronic Statement Terms and Conditions when you sign up. The Bank may cancel access to Electronic Statements for non-use. If you have not logged on to your Online/Mobile Banking for a period of 90 days, you will be notified by email that your access will be cancelled if you do not access your account within the next 30 days. You will be subject to the \$5.00 monthly paper statement fee if your access is cancelled.

One Overdraft Refund per year: As an e-student checking client, you are encouraged to balance your account monthly and not spend more money than is available in the account. However, if a circumstance occurs that the account is overdrawn, the bank's normally charged Overdraft/Non-Sufficient Funds (OD/NSF) fee will be refunded once per calendar year. Any charges incurred at the location of the debit origination (merchant) will be the responsibility of the e-student checking account client. Note that the OD/NSF charge is a refund and, as such, will be charged and then refunded to your account upon the daily updating of the account. If multiple charges to the account occur due to the overdraft fee prior to it being refunded, only one OD/NSF charge will be refunded and the balance of the fees are the responsibility of the e-student checking client.

Transactions: There are no transaction limits on this account.

Qualifications: The client must be between the ages of 16 and 24 to be eligible for the e-student checking account. On the e-student checking client's 25th birthday or next business day thereafter, the e-student checking account will automatically be converted to the 1st Checking account. All the account details and charges that apply to the 1st Checking account will then be applicable.

EASY BANKING CLUB

Account Description: Easy Banking Club is an interest-bearing personal checking account for clients who have direct deposit of their payroll or another form of funds. A variety of benefits are included with the account.

CHECKING ACCOUNTS

continued

Minimum Opening Balance: A minimum balance of \$25.00 is required to open this account.

Direct Deposit: This account requires at least one electronic direct deposit per monthly statement cycle. If there are no direct deposits within the statement cycle, then a \$15.00 fee will be charged. Direct deposits posted on the last business day of the statement cycle are counted on the next statement.

Check Writing: There are no limits on the number of checks you may write and there are no per-check processing fees for this account.

Online/Mobile Banking with MAX Bill Pay: Online/Mobile Banking is available with all consumer checking accounts at the Bank. Clients may also sign up for the electronic bill payment and presentment system (Bill Pay) within Online Banking and the Mobile App which are used to easily pay expenses and bills.

MAX Bill Pay is available to clients who have the Easy Banking Club Checking account. MAX Bill Pay includes 50 bill pays per calendar month. Additional bill pays over 50 are 50¢ each. Clients can find more information about bill pay in the Bill Payment Agreement. See *Online Banking Terms and Conditions* located at 1stsource.com/disclosures.

Resource[®] ATM Card: A Resource[®] ATM Card is available with this account. It allows 24-hour access to your accounts through:

- Our Automated Teller Machines (ATMs) and ATMs nationwide which display the CIRRUS[®], Mastercard[®] (Cirrus/Maestro) or Accel[®] logos
- InfoSource[®], our automated account information line, at 800 235-2557

Resource[®] Plus Debit Card: The Resource[®] Plus card is available, subject to credit approval, and is provided without a fee to personal checking account holders. The Resource[®] Plus card comes with all the features of the Resource[®] ATM Card, plus it can be used for purchases anywhere Mastercard[®] is accepted. The amount you spend will be deducted automatically from your personal checking account. Your monthly personal checking account statement or (electronic) e-statement will report all of your ATM and debit card transactions. A microchip on the card adds a layer of protection against fraud for purchases made at merchants who use chip terminals. Learn more about the security features of the Resource Plus card at 1stsource.com/chipcard.

See the Electronic Funds Transfer disclosure for detail regarding the basic rights, liabilities and responsibilities for ATM and debit card use.

Interest: Interest is earned on the balance in the account. (1) The Interest Rate and Annual Percentage Yield (APY) may be obtained by contacting your 1st Source banking center or the Customer Service Center (2) The Annual Percentage Yield Earned (APYE) will appear on your periodic account statement. (3) The account accrues interest on collected balances using the daily balance method. (4) Interest is credited to your account and compounded monthly on the statement cycle date.

ATM Fee Rebates (fee reimbursements): After the account is open 90 days, the Bank will reimburse the fees we charge for the use of a non-1st Source ATM up to four (4) for each 12 month period the account is open. The account holder will be responsible for any additional fees for ATM transactions charged by the owner of a non-1st Source ATM.

Monthly Statements: Signing up for electronic statements is encouraged with the Easy Banking Club Account, but not required. E-statements and paper statements are provided without a fee. Sign up for e-statements within Online Banking. You will need to accept the Electronic Statement Terms and Conditions when you sign up. 1st Source Bank may cancel access to Electronic Statements for non-use. If you have not logged on to your Online/Mobile Banking for a period of 90 days, you will be notified by email that your access will be cancelled if you do not access your account within the next 30 days.

CHECKING ACCOUNTS

continued

Check Images: Front check images are included with this account and come as part of your monthly paper or electronic statement. Front and back images are available without charge within Online Banking. Return of physical checks is not available.

Transactions: There are no transaction limits on this account.

Qualifications: Clients must have at least one direct deposit per monthly statement cycle to have an Easy Banking Club account.

PORTFOLIO CHECKING

Account Description: With the Portfolio Checking Account, your money earns a maximum yield and is FDIC insured to maximum amounts, but remains available for your use when you need it.

Minimum Opening Balance: A minimum balance of \$25.00 is required to open this account.

Minimum Monthly Balance: To get the most from your Portfolio Checking Account and to avoid a \$15.00 monthly service fee, you must have an average daily balance of \$25,000.00 or more in any combination of 1st Source Bank checking, savings and certificates of deposit accounts. These may be held jointly or individually by any owner of the Portfolio Checking account. Funds in IRAs and non-deposit trusts cannot be included in this balance.

Check Writing: There are no limits on the number of checks you may write and there are no per-check processing fees for this account.

Online/Mobile Banking with MAX Bill Pay: Online/Mobile Banking is available with all consumer checking accounts at the Bank. Clients may also sign up for the electronic bill payment and presentment system (Bill Pay) within Online Banking and the Mobile App which are used to easily pay expenses and bills.

MAX Bill Pay is available to clients who have the Portfolio Checking account. MAX Bill Pay includes 50 bill pays per calendar month. Additional bill pays over 50 are 50¢ each. Clients can find more information about bill pay in the Bill Payment Agreement. See *Online Banking Terms and Conditions* located at 1stsource.com/disclosures.

Resource® ATM Card: A Resource® ATM Card is available with this account. It allows 24-hour access to your accounts through:

- Our Automated Teller Machines (ATMs) and ATMs nationwide which display the CIRRUS®, Mastercard® (Cirrus/Maestro) or Accel® logos
- InfoSource®, our automated account information line, at 800 235-2557

Resource® Plus Debit Card: The Resource® Plus card is available, subject to credit approval, and is provided without a fee to personal checking account holders. The Resource® Plus card comes with all the features of the Resource® ATM Card, plus it can be used for purchases anywhere Mastercard® is accepted. The amount you spend will be deducted automatically from your personal checking account. Your monthly personal checking account statement or (electronic) e-statement will report all of your ATM and debit card transactions. A microchip on the card adds a layer of protection against fraud for purchases made at merchants who use chip terminals. Learn more about the security features of the Resource Plus card at 1stsource.com/chipcard.

See the Electronic Funds Transfer disclosure for detail regarding the basic rights, liabilities and responsibilities for ATM and debit card use.

Interest: The Portfolio Checking Account features a tiered rate of interest. (1) The Interest Rate and Annual Percentage Yield (APY) may be obtained by contacting your 1st Source banking center. (2) The Annual Percentage Yield Earned (APYE) will appear on your periodic account statement. (3) The account accrues interest on collected balances using the daily balance method. (4) Interest is credited to your account, and compounded monthly on the statement cycle date.

CHECKING ACCOUNTS

continued

ATM Fee Rebates (fee reimbursements): After the account is open 90 days, 1st Source Bank will reimburse the fees we charge for the use of a non-1st Source ATM up to four (4) for each 12 month period the account is open. The account holder will be responsible for any additional fees for ATM transactions charged by the owner of a non-1st Source ATM.

Monthly Statements: Signing up for electronic statements is encouraged with the Portfolio Checking Account, but not required. E-statements and paper statements are provided without a fee. Sign up for e-statements within Online Banking. You will need to accept the Electronic Statement Terms and Conditions when you sign up. The Bank may cancel access to Electronic Statements for non-use. If you have not logged on to your Online/Mobile Banking for a period of 90 days, you will be notified by email that your access will be cancelled if you do not access your account within the next 30 days.

Check Images: Front check images are included with this account and come as part of your monthly paper or electronic statement. Front and back images are available without charge within Online Banking. Return of physical checks is not available.

Transactions: There are no transaction limits on this account.

Account Fees and Qualifications: To open a Portfolio Checking Account, you must make a minimum deposit of \$25.00. As long as the minimum balance requirements are met (see above), there are no setup or maintenance fees on this account.

HEALTH SAVINGS ACCOUNT (HSA CHECKING)

Account Description: The Health Savings Account (HSA Checking) is for clients who have a High Deductible Health Plan (HDHP) for their medical insurance coverage. The HSA Checking account is established exclusively for the purpose of paying or reimbursing the qualified medical expenses of you, the account owner, and your spouse or qualified dependents.

Confirm with your medical insurance company that you have a HDHP. HSA Checking is a tax exempt custodial account and, as such, can only be opened in the name of the account owner. The account is subject to IRS terms and conditions, including eligibility and contribution limits.

Minimum Opening Balance: There is no minimum opening balance necessary to establish the HSA Checking account.

Check Writing: There are no limits on the number of checks you may write and no per check fees for this account.

Online/Mobile Banking: Online/Mobile Banking is available with all consumer checking accounts at 1st Source Bank. Visit 1stsource.com to sign up. See *Online Banking Terms and Conditions* located at 1stsource.com/disclosures.

Interest: Interest is earned on this account. (1) The Interest Rate and the Annual Percentage Yield (APY) may be obtained by contacting your 1st Source banking center. (2) The Annual Percentage Yield Earned (APYE) will appear on your periodic account statement. (3) The account accrues interest on collected balances using the daily balance method. (4) Interest is credited to your account and compounded monthly on the statement cycle date.

HSA Resource® Plus Debit Card: The Resource® Plus Card is provided without a fee to HSA Checking account holders. Up to two HSA cards can be issued for this account. Cards can be used for qualified medical expenses anywhere Mastercard® is accepted. There are no limits to the number of debit transactions that you may have each month, but account holders must only spend the balance available in their HSA Checking account according to IRS rules. See the "Important Tips and Reminders for HSAs" flyer available at any banking center or on 1stsource.com/hsa.

A microchip on the HSA card adds a layer of protection against fraud for purchases made at merchants who use chip terminals. Learn more about the security features

SAVINGS ACCOUNTS

continued

of the Resource Plus card at 1stsource.com/chipcard. See the Electronic Funds Transfer disclosure for detail regarding the basic rights, liabilities and responsibilities for ATM and debit card use.

The HSA card allows 24-hour access to your account through:

- 1st Source Automated Teller Machines (ATMs) and ATMs nationwide which display the Mastercard® (Maestro®/Cirrus®) or Accel® logos
- InfoSource®, our automated account information line, at 800 235-2557.

Check Images: Front check images are included with this account and come as part of your monthly paper or electronic statement. Front and back images are available without charge within Online Banking. Return of physical checks is not available.

Transactions: There are no transaction limits on this account.

Account Fees and Qualifications: There is a \$25.00 setup fee and a \$2.95 monthly service fee for this account.

PRODUCT DISCLOSURES

SAVINGS ACCOUNTS

There are federal withdrawal transaction limits on all consumer savings accounts.

You may not make more than six electronic withdrawals/transfers per monthly statement cycle from any savings account. Regulation D, put in place by the Board of Governors of the U.S. Federal Reserve System, requires all financial institutions to limit the way withdrawals may be made from a savings account. Withdrawals in excess of the limits may result in account closure.

Transaction types included in the six-per-month limit:

- Pre-authorized, automatic scheduled or recurring withdrawals or transfers from a savings account to another account, also known as "EFT" or "ACH" transactions.
- Online banking transfers.
- Transfers conducted on InfoSource®, our automated telephone account information line.
- Transfers initiated through Mobile, Text Banking, Popmoney® or Account-to-Account Transfer.
- Overdraft Transfer Service transactions.

EVERYDAY INTEREST

Account Description: EveryDay Interest Savings is a general-purpose savings account ideal for modest balances. If you're looking to save money for a future expense or purchase, or you would just like to put a little aside each month for a rainy day, EveryDay Interest Savings is the account of choice.

Minimum Balance: To avoid a \$3.00 monthly service fee, you should maintain a minimum daily balance of \$300.00 or more in your account. For account holders under 18 or on accounts with any direct deposit such as Social Security, disability or retirement benefits, the minimum balance fee is waived.

Interest: For the most current interest rate and Annual Percentage Yield (APY), contact your 1st Source banking center. This account accrues interest on collected balances using the daily balance method. Interest is credited to your account and compounded quarterly (monthly on statements which also include a 1st Source checking account) on the statement cycle date. The Annual Percentage Yield Earned (APYE) will also appear on your account statement.

Resource® (ATM) Card: With EveryDay Interest Savings, you may apply for a Resource® Card, which allows you 24-hour access to your account(s) through:

SAVINGS ACCOUNTS

continued

- Our Automated Teller Machines (ATMs) and ATMs nationwide which display the CIRRUS[®], Mastercard[®] (Cirrus/Maestro) or Accel[®] logos
- InfoSource[®], our automated account information line, at 800 235-2557

Statements: Statements for EveryDay Interest Savings are issued quarterly for single accounts. Statements are issued monthly for EveryDay Interest Savings if you have a consumer checking account and have notified a banker to combine your account statements.

Statements are also issued monthly if an electronic funds transfer transaction took place to or from the savings account.

Clients are encouraged to sign up for e-statements within Online Banking. You will need to accept the Electronic Statement Terms and Conditions when you sign up. The Bank may cancel access to Electronic Statements for non-use. If you have not logged on to your Online/Mobile Banking for a period of 90 days, you will be notified by email that your access will be cancelled if you do not access your account with the next 30 days.

Transactions: Federal regulations limit account to six withdrawals or transfers per monthly statement cycle. While six withdrawals are allowed by federal regulations, 1st Source charges a \$2.00 per transaction Excessive Withdrawal Fee after the fourth withdrawal or transaction per monthly statement cycle. While fees may be charged monthly, clients who sign up for certain 1st Source accounts may receive their statements only once per quarter.

e-STUDENT SAVINGS

Account Description: e-student savings is designed for clients between the ages of 16 and 24 who want to save for the future and earn a higher rate of interest for demonstrating good saving habits. Client must have an e-student Checking account to have an e-student Savings account.

Minimum Balance: There are no minimum balance requirements to open this account. There is a minimum balance of at least \$100.00, in addition to other requirements, to earn the Bonus Interest Rate.

Interest: For the most current interest rate and Annual Percentage Yield (APY) as well as the Bonus Interest Rate and APY, contact a 1st Source banking center. This account accrues interest on collected balances using the daily balance method. Interest is credited to your account and compounded quarterly on the statement cycle date. The Annual Percentage Yield Earned (APYE) will also appear on your account statement. We will calculate the bonus Interest rate based on your average monthly collected balances as of December 31 and apply the bonus rate for the full year, effective the first business day of each year if the following took place anytime during the previous calendar year:

- Minimum of four deposits into e-student savings account
- Maximum of two withdrawals from the e-student savings
- Average monthly balance must have been at least \$100.00 or greater
- e-student savings account has been opened at least three (3) months as of 12/31.

Resource[®] (ATM) Card: You may apply for a Resource[®] ATM Card. The Resource[®] Card allows 24 hour access to your accounts through:

- Our Automated Teller Machines (ATMs) and ATMs nationwide which display the CIRRUS[®], Mastercard[®] (Cirrus/Maestro) or Accel[®] logos
- InfoSource[®], our automated account information line, at 800 235-2557

Monthly Electronic Statements: The e-student savings account includes an electronic statement, combined with the e-student checking account. You must sign up for e-statements at 1stsource.com within 32 days of opening your e-student

SAVINGS ACCOUNTS

continued

savings account. Accounts that have not been signed up for electronic statements within this 32 day timeframe will be subject to a paper statement fee of \$5.00 per month. You will need to accept the Electronic Statement Terms and Conditions when you sign up. The Bank may cancel access to Electronic Statements for non-use. If you have not logged on to your Online/Mobile Banking for a period of 90 days, you will be notified by email that your access will be cancelled if you do not access your account within the next 30 days. You will be subject to the \$5.00 monthly paper statement fee if your access is cancelled.

Transactions: Federal regulations limit account to six withdrawals or transfers per monthly statement cycle. While six withdrawals are allowed by federal regulations, 1st Source charges a \$2.00 per transaction Excessive Withdrawal Fee after the fourth withdrawal or transaction per monthly statement cycle. While fees may be charged monthly, clients who sign up for certain 1st Source accounts may receive their statements only once per quarter.

Qualifications: Must be between the ages of 16 and 24 to be eligible for e-student savings. On the date of the e-student savings client's 25th birthday or next business day thereafter, the e-student savings account will automatically be converted to the EveryDay Interest savings account and all the account details and charges in force for the EveryDay Interest account will then apply.

HOLIDAY SAVINGS ACCOUNT

Account Description: Make your holidays brighter with a 1st Source Holiday Savings Account. Setting aside a little money throughout the year will help you avoid budget-busting decisions at the last minute. Plus, you'll enjoy the benefit of earning interest on your savings.

Holiday Savings Account holders must have a 1st Source deposit account, such as a personal checking or a personal savings account.

Minimum Balance: A \$10.00 minimum balance is required to open this account.

Fees: There are no monthly service or setup fees for this account.

Interest: For the most current interest rate and Annual Percentage Yield (APY), contact your 1st Source banking center. This account accrues interest on collected balances using the daily balance method. Interest is credited to your account annually on the closing date of your Holiday Savings Account. If you should decide to close your account before the scheduled date, interest will be paid to the date of closing.

Deposit Options: You can make weekly, bi-weekly or monthly deposits of any amount at any banking center. To make saving easier, sign up for automatic deposit to build your balance. We will automatically transfer money from your checking or other savings account into your Holiday Savings Account. You determine the amount and deposit schedule and you'll never have to remember to make a deposit.

Transactions: The annual disbursement of the balance in the Holiday Savings Account, plus interest, will be electronically transferred into the deposit account of the client's choice in October of every year. If a paper check must be provided for any reason, a fee of \$5.00 per check will be charged.

No withdrawals or transfers out of the Holiday Savings Account are allowed. If the account is closed before the disbursement date a \$10.00 fee will be charged.

IRA SAVINGS ACCOUNT

Account Description: The IRA Savings Account is an ideal account for individuals who wish to start and continue a savings plan for retirement. Contributions can be made at any time, direct deposit or automatic transfer can be set up to make saving even easier. This account may be opened as a Traditional or Roth IRA account, or as a Coverdell Education Savings account (ESA) and is subject to IRS terms and conditions,

SAVINGS ACCOUNTS

continued

including eligibility and contribution limits. Once the funds in your IRA Savings account reach \$500.00 you may choose to open an IRA-Certificate of Deposit.

A bonus interest rate will be provided to clients who make at least 24 automatic transfer contributions per year into the IRA Savings Account. The bonus rate will be applied to funds on deposit in the next calendar year. See Traditional, Roth or Coverdell information in this document for details.

Automatic Transfer of IRA Contributions: Clients may arrange to have automatic deposits from their 1st Source personal checking and/or savings accounts into an IRA Savings Account. Contributions may also be received as a result of a direct deposit payroll program.

All funds contributed by automatic transfer will be recorded as current year contributions. Clients who wish to make catch-up contributions for the prior year as outlined by the U.S. Internal Revenue Service code can visit their local banking center to make their contributions.

Account Fees: There are no monthly fees on IRA Savings Accounts.

Minimum Balance: A minimum balance of \$25.00 must be maintained in an IRA Savings Account. If the balance in the account falls and remains below the minimum balance for 90 consecutive days, a fee of \$25.00 or the balance of the account will be assessed and the account will be closed.

Account Closing: A \$25.00 administrative fee will be charged for account closure or transfer of funds from the bank by the client. Any tax consequences as a result of the account closure due to low balance are the responsibility of the account holder.

TRADITIONAL IRA SAVINGS ACCOUNT

Taxes may be deferred on both your contributions and earnings, until you begin to take a distribution. Qualifications/Eligibility: Anyone under the age of 70½ with earned income can invest in a Traditional IRA.

Deductions: With a Traditional IRA, you may be able to deduct your contribution from your taxable income.

Minimum Balance: A minimum contribution of \$25.00 is required to open a Traditional IRA Savings Account.

Contributions: Maximum allowable annual contribution depends upon income and is governed by federal law. Current contribution limits are available from the IRS.

Distributions: IRA distributions may begin once an account holder reaches 59½ years of age. Distributions must begin by 70½ years. All distributions are taken from the principal balance. If recurring distributions are established, the distributions are made from the investment earning the lowest interest rate.

Transaction Limitations: There are no bank limitations on transactions. Transactions are subject to limitations set by IRS regulations.

Interest: The IRA Savings Account is a variable rate product. For the most current interest rate and Annual Percentage Yield (APY) as well as the Bonus Interest Rate and APY, contact your 1st Source banking center. This account accrues interest on collected balances using the daily balance method. Interest is credited to your account and compounded quarterly. The Annual Percentage Yield Earned (APYE) will also appear on your annual account statement.

Bonus Interest Rate: We will calculate the bonus interest rate based on your average monthly collected balances as of December 31 and apply the bonus rate for the full year, effective the first business day of each year if the following took place anytime during the previous calendar year:

- Minimum of twenty-four automatic transfer or direct deposits into the IRA Savings Account.

SAVINGS ACCOUNTS

continued

- Average monthly balance must have been at least \$25.00 or greater.
- IRA Savings Account has been opened at least three (3) months as of 12/31.

The bonus rate will be applied to funds on deposit in the next calendar year.

ROTH IRA SAVINGS ACCOUNT

With the Roth IRA Savings Account you pay taxes on the money you contribute. Your distributions, including earnings, are tax-free.

Qualifications/Eligibility: Anyone with earned income who meets the income qualifications set by the IRS can invest in a Roth IRA.

Contributions: A minimum contribution of \$25.00 is required to open a Roth IRA Savings Account. Maximum allowable annual contribution depends upon income and is governed by federal law. Current contribution limits are available from the IRS.

Distributions: You may withdraw your original contribution at any time without tax or tax penalty. You may withdraw earnings tax-free at age 59½ if the account has been open for at least five (5) years. All distributions are taken from the principal balance. If recurring distributions are established, the distributions are made from the investment earning the lowest interest rate.

Transaction Limitations: There are no bank limitations on transactions. Transactions are subject to limitations set by IRS regulations.

Interest: The IRA Savings Account is a variable rate product. For the most current interest rate and Annual Percentage Yield (APY) as well as the Bonus Interest Rate and APY, contact your 1st Source banking center. This account accrues interest on collected balances using the daily balance method. Interest is credited to your account and compounded quarterly. The Annual Percentage Yield Earned (APYE) will also appear on your annual account statement.

Bonus Interest Rate: We will calculate the bonus interest rate based on your average monthly collected balances as of December 31 and apply the bonus rate for the full year, effective the first business day of each year if the following took place anytime during the previous calendar year:

- Minimum of twenty-four automatic transfer or direct deposits into the IRA Savings Account.
- Average monthly balance must have been at least \$25.00 or greater.
- IRA Savings Account has been opened at least three (3) months as of 12/31.

The bonus rate will be applied to funds on deposit in the next calendar year.

COVERDELL EDUCATION SAVINGS ACCOUNT

You pay taxes on the money you contribute to the account on behalf of a child under the age of 18. Distributions, including earnings, are tax-free if used for qualified education expenses.

Qualifications/Eligibility: Any individual or entity may establish and contribute to a Coverdell Education Savings Account on behalf of a child.

Contributions: A minimum contribution of \$25.00 is required to open a Coverdell Education Savings Account. Maximum allowable annual contribution depends upon income and is governed by federal law. Current contribution limits are available from the IRS.

Distributions: Distributions are tax-free if used for qualified education expenses. All distributions are taken from the principal balance. If recurring distributions are established, the distributions are made from the investment earning the lowest interest rate.

Transaction Limitations: There are no bank limitations on transactions. Transactions are subject to limitations set by IRS regulations.

SAVINGS ACCOUNTS

continued

Interest: The IRA Savings Account is a variable rate product. For the most current interest rate and Annual Percentage Yield (APY) as well as the Bonus Interest Rate and APY, contact your 1st Source banking center. This account accrues interest on collected balances using the daily balance method. Interest is credited to your account and compounded quarterly. The Annual Percentage Yield Earned (APYE) will also appear on your annual account statement.

Bonus Interest Rate: We will calculate the bonus interest rate based on your average monthly collected balances as of December 31 and apply the bonus rate for the full year, effective the first business day of each year if the following took place anytime during the previous calendar year:

- Minimum of twenty-four automatic transfer or direct deposits into the IRA Savings Account.
- Average monthly balance must have been at least \$25.00 or greater.
- IRA Savings Account has been opened at least three (3) months as of 12/31.

The bonus rate will be applied to funds on deposit in the next calendar year.

PORTFOLIO INVESTMENT ACCOUNT

Account Description: With the Portfolio Investment Account, your money earns a maximum yield, is FDIC insured, yet remains available for your use when you need it.

Minimum Opening Balance: A minimum balance of \$15,000.00 is required to open this account.

Minimum Monthly Balance: To take full advantage of the Portfolio Investment Account's attractive interest rates and to avoid monthly service fees, a minimum daily balance of \$25,000.00 should be maintained. Balances below \$25,000.00 are subject to a \$15.00 monthly fee.

Interest: The Portfolio Investment Account features a tiered rate of interest. (1) The Interest Rate and Annual Percentage Yield (APY) may be obtained by contacting your 1st Source banking center. (2) The Annual Percentage Yield Earned (APYE) will appear on your periodic account statement. (3) The account accrues interest on collected balances using the daily balance method. (4) Interest is credited to your account, and compounded monthly on the statement cycle date.

Monthly Statements: The Portfolio Investment Account includes a mailed paper statement. Clients are encouraged to sign up for electronic statements to reduce paper waste. E-statements are provided without a fee with the Bank personal accounts. A valid e-mail address is needed. You will need to accept the Electronic Statement Terms and Conditions when you sign up. 1st Source Bank may cancel access to Electronic Statements for non-use. If you have not logged on to your Online/Mobile Banking for a period of 90 days, you will be notified by email that your access will be cancelled if you do not access your account within the next 30 days.

Resource[®] ATM Card: A Resource[®] ATM Card is available with this account. It allows 24-hour access to your accounts through:

- Our Automated Teller Machines (ATMs) and the Accel[®] Network
- InfoSource[®], our automated account information line, at 800 235-2557

Transactions: Federal regulations limit accounts such as the Portfolio Investment Account to six pre-authorized, automatic scheduled or recurring withdrawals or transfers per statement cycle. This includes checks, "EFT" or "ACH" transactions, online banking transfers, and transfers on 1st Source telephone banking. Accounts that repeatedly exceed this limit may be closed or moved to another deposit product. 1st Source assesses a \$10.00 fee on Portfolio Investment accounts for each transaction that exceeds the limit of six. While fees may be charged monthly, clients who sign up for certain types of accounts may receive their statements only once per quarter.

CERTIFICATES OF DEPOSIT

Account Description: An investment product allowing you to choose terms ranging from seven (7) days to ten (10) years.

Minimum Deposit Requirements: The minimum deposit requirements to establish a Certificate of Deposit are:

Term	Minimum Deposit*
7 through 31 days	\$25,000.00
32 days to 1 year	\$2,500.00
1 year and greater	\$500.00

* The minimum investment on promotional Certificates of Deposits is subject to change.

Early Withdrawal Penalty: Unless stated differently on the front of the receipt, any withdrawal before the maturity date will result in a penalty charge based on the following schedule.

Original Term	Early Withdrawal Penalty
7 days to 6 months	All interest that would have been earned on the amount withdrawn for the full term.
Over 6 months to 1 year	Six months' interest earned on the amount withdrawn.
Greater than 1 year	Twelve months' interest earned on the amount withdrawn.

Rate (Interest): The Interest Rate for a 1st Source Certificate of Deposit is fixed for the term of the CD and is usually expressed in terms of its Annual Percentage Yield or APY. The APY is a rate of return which assumes that your funds will remain on deposit for the full term of the CD and that any interest earned before the maturity date (end of the term) will be added to the principal (your initial deposit). Interest added in this way is compounded, and allows you to earn interest on your interest.

For CDs with terms longer than 12 months, interest is compounded annually. For CDs with terms shorter than 12 months, the interest is compounded at maturity (when the term expires). For the most current interest rates and Annual Percentage Yields (APYs), contact your 1st Source banking center. The Interest Rate stated on your Certificate of Deposit will remain in effect until the maturity date. Interest begins to accrue on the effective date of the Certificate. Interest not paid to you by check or credited to another account will be added to the principal annually or on the maturity date of the Certificate, whichever comes first.

Single/Multiple Maturities: A Certificate is issued in either single maturity or multiple maturity form. A single maturity Certificate will not earn interest after the maturity date. A multiple maturity Certificate will be automatically renewed for the time period equal to its original term at the interest rate and Annual Percentage Yield in effect on each renewal date.

Balance Computation Method: We use the Daily Balance Method to calculate the interest on your account.

Transaction Limitations: After the Certificate of Deposit is established, you may not make deposits into or withdrawals from the account until the maturity date.

Grace Period: A Certificate with an original term of 31 days or less has a grace period of three days. A Certificate with an original term greater than 31 days has a grace period of ten (10) days. During the grace period, a Certificate may be redeemed without penalty, or it may be renewed retroactive to its maturity date. Interest is not earned during the grace period if the Certificate is redeemed.

INDIVIDUAL RETIREMENT ACCOUNT (IRA)

TRADITIONAL IRA CERTIFICATES OF DEPOSIT

Account Description: This IRA CD is an investment product allowing you to choose terms ranging from seven (7) days to ten (10) years. Taxes may be deferred on both your contributions and earnings, until you begin to take a distribution.

Eligibility: Anyone under the age of 70½ with earned income can invest in a Traditional IRA.

Deductions: With a Traditional IRA, you may be able to deduct your contribution from your taxable income.

Contributions: Maximum allowable annual contribution depends upon income and is governed by federal law. Current contribution limits are available from the IRS.

Minimum Deposit Requirements: The minimum deposit requirements to establish a Certificate of Deposit are:

Term	Minimum Deposit*
7 through 31 days	\$25,000.00
32 days to 1 year	\$2,500.00
1 year and greater	\$500.00

*The minimum investment on promotional IRA Certificates of Deposits is subject to change.

Distributions: IRA distributions may begin once an account holder reaches 59½. Distributions must begin by 70½. All distributions are taken from the principal balance. If recurring distributions are established, the distributions are made from the investment earning the lowest interest rate.

Early Withdrawal Penalty: Unless stated differently on the front of the receipt, any withdrawal before the maturity date will result in a penalty charge based on the following schedule.

Original Term	Early Withdrawal Penalty
7 days to 6 months	All interest that would have been earned on the amount withdrawn for the full term.
Over 6 months to 1 year	Six months' interest earned on the amount withdrawn.
Greater than 1 year	Twelve months' interest earned on the amount withdrawn.

Transaction Limitations: After the IRA Certificate of Deposit is established, you may not make deposits or withdrawals from the account until the maturity date. Transactions are subject to limitations set by IRS regulations.

Fees: A \$25.00 administration fee may be charged for withdrawals or transfer of funds from the bank.

Rate (Interest): The Interest Rate for an IRA Certificate of Deposit is fixed for the term of the CD and is usually expressed in terms of its Annual Percentage Yield or APY. The APY is a rate of return which assumes that your funds will remain on deposit for the full term of the CD and that any interest earned before the maturity date (end of the term) will be added to the principal (your initial deposit). Interest added in this way is compounded, and allows you to earn interest on your interest.

For CDs with terms longer than 12 months, interest is compounded annually. For CDs with terms shorter than 12 months, the interest is compounded at maturity (when the term expires). For the most current interest rates and Annual Percentage Yields (APYs), contact your 1st Source banking center. The Interest Rate stated on your Certificate of Deposit will remain in effect until the maturity date. Interest begins to accrue on the effective date of the Certificate. Interest not paid to you by check or

INDIVIDUAL RETIREMENT ACCOUNT

continued

credited to another account will be added to the principal annually or on the maturity date of the Certificate, whichever comes first.

Multiple Maturity: All IRA Certificates are issued in multiple maturity form. A multiple maturity IRA Certificate will be automatically renewed for the time period equal to its original term at the interest rate and Annual Percentage Yield in effect on each renewal date.

Balance Computation Method: We use the Daily Balance Method to calculate the interest on your account.

Grace Period: A Certificate with an original term of 31 days or less has a grace period of three days. A Certificate with an original term greater than 31 days has a grace period of ten (10) days. During the grace period, an IRA Certificate may be redeemed without Bank penalty (though tax penalties may apply), or it may be renewed retroactive to its maturity date. Interest is not earned during the grace period if the certificate is redeemed.

ROTH IRA CERTIFICATES

ROTH IRA CERTIFICATES OF DEPOSIT

Account description: This IRA CD is an investment product allowing you to choose terms ranging from seven (7) days to ten (10) years. You pay taxes on the money you contribute. Your distributions, including earnings, are tax-free.

Eligibility: Anyone with earned income who meets the income qualifications set by the IRS can invest in a Roth IRA.

Contributions: Maximum allowable annual contribution depends upon income and is governed by federal law. Current contribution limits are available from the IRS.

Minimum Deposit Requirements: The minimum deposit requirements to establish a Certificate of Deposit are:

Term	Minimum Deposit*
7 through 31 days	\$25,000.00
32 days to 1 year	\$2,500.00
1 year and greater	\$500.00

**The minimum investment on promotional IRA Certificates of Deposits is subject to change.*

Distributions: You may withdraw your original contribution at any time without tax or tax penalty. You may withdraw earnings tax-free at age 59½ if the account has been open for at least five (5) years. All distributions are taken from the principal balance. If recurring distributions are established, the distributions are made from the investment earning the lowest interest rate.

Early Withdrawal Penalty: Unless stated differently on the front of the receipt, any withdrawal before the maturity date will result in a penalty charge based on the following schedule.

Original Term	Early Withdrawal Penalty
7 days to 6 months	All interest that would have been earned on the amount withdrawn for the full term.
Over 6 months to 1 year	Six months' interest earned on the amount withdrawn.
Greater than 1 year	Twelve months' interest earned on the amount withdrawn.

INDIVIDUAL RETIREMENT ACCOUNT

continued

Transaction Limitations: After the IRA Certificate of Deposit is established, you may not make deposits or withdrawals from the account until the maturity date. Transactions are subject to limitations set by IRS regulations.

Fees: A \$25.00 administration fee may be charged for withdrawals or transfer of funds from the bank.

Rate (Interest): The Interest Rate for an IRA Certificate of Deposit is fixed for the term of the CD and is usually expressed in terms of its Annual Percentage Yield or APY. The APY is a rate of return which assumes that your funds will remain on deposit for the full term of the CD and that any interest earned before the maturity date (end of the term) will be added to the principal (your initial deposit). Interest added in this way is compounded, and allows you to earn interest on your interest.

For CDs with terms longer than 12 months, interest is compounded annually. For CDs with terms shorter than 12 months, the interest is compounded at maturity (when the term expires). For the most current interest rates and Annual Percentage Yields (APYs), contact your 1st Source banking center. The Interest Rate stated on your Certificate of Deposit will remain in effect until the maturity date. Interest begins to accrue on the effective date of the Certificate. Interest not paid to you by check or credited to another account will be added to the principal annually or on the maturity date of the Certificate, whichever comes first.

Multiple Maturity: All IRA Certificates are issued in multiple maturity form. A multiple maturity IRA Certificate will be automatically renewed for the time period equal to its original term at the interest rate and Annual Percentage Yield in effect on each renewal date.

Balance Computation Method: We use the Daily Balance Method to calculate the interest on your account.

Grace Period: A Certificate with an original term of 31 days or less has a grace period of three days. A Certificate with an original term greater than 31 days has a grace period of ten (10) days. During the grace period, an IRA Certificate may be redeemed without penalty (though tax penalties may apply), or it may be renewed retroactive to its maturity date. Interest is not earned during the grace period if the certificate is redeemed.

COVERDELL EDUCATION SAVINGS ACCOUNT (CESA)

IRA CERTIFICATES OF DEPOSIT

Account Description: This IRA CD is an investment product allowing you to choose terms ranging from seven (7) days to ten (10) years. You pay taxes on the money you contribute to the account on behalf of a child under the age of 18. Distributions, including earnings, are tax-free if used for qualified education expenses.

Eligibility: Any individual or entity may establish and contribute to a CESA on behalf of a child.

Contributions: There is no minimum contribution requirement to establish a CESA IRA Certificate of Deposit; however, the minimum contribution on promotional IRA Certificates of Deposits is subject to change. Maximum allowable annual contribution depends upon income and is governed by federal law. Current contribution limits are available from the IRS.

Distributions: Distributions are tax-free if used for qualified education expenses. All distributions are taken from the principal balance. If recurring distributions are established, the distributions are made from the investment earning the lowest interest rate.

Early Withdrawal Penalty: Unless stated differently on the front of the receipt, any withdrawal before the maturity date will result in a penalty charge based on the following schedule.

Original Term	Early Withdrawal Penalty
7 days to 6 months	All interest that would have been earned on the amount withdrawn for the full term.
Over 6 months to 1 year	Six months' interest earned on the amount withdrawn.
Greater than 1 year	Twelve months' interest earned on the amount withdrawn.

Transaction Limitations: After the IRA Certificate of Deposit is established, you may not make deposits or withdrawals from the account until the maturity date. Transactions are subject to limitations set by IRS regulations

Fees: A \$25.00 administration fee may be charged for withdrawals or transfer of funds from the bank.

Rate (Interest): The Interest Rate for an IRA Certificate of Deposit is fixed for the term of the CD and is usually expressed in terms of its Annual Percentage Yield or APY. The APY is a rate of return which assumes that your funds will remain on deposit for the full term of the CD and that any interest earned before the maturity date (end of the term) will be added to the principal (your initial deposit). Interest added in this way is compounded, and allows you to earn interest on your interest.

For CDs with terms longer than 12 months, interest is compounded annually. For CDs with terms shorter than 12 months, the interest is compounded at maturity (when the term expires). For the most current interest rates and Annual Percentage Yields (APYs), contact your 1st Source banking center. The Interest Rate stated on your Certificate of Deposit will remain in effect until the maturity date. Interest begins to accrue on the effective date of the Certificate. Interest not paid to you by check or credited to another account will be added to the principal annually or on the maturity date of the Certificate, whichever comes first.

Multiple Maturity: All IRA Certificates are issued in multiple maturity form. A multiple maturity IRA Certificate will be automatically renewed for the time period equal to its original term at the interest rate and Annual Percentage Yield in effect on each renewal date.

Balance Computation Method: We use the Daily Balance Method to calculate the interest on your account.

Grace Period: A Certificate with an original term of 31 days or less has a grace period of three days. A Certificate with an original term greater than 31 days has a grace period of ten (10) days. During the grace period, an IRA Certificate may be redeemed without penalty (though tax penalties may apply), or it may be renewed retroactive to its maturity date. Interest is not earned during the grace period if the certificate is redeemed.



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