

## IRA Accounts

This disclosure describes some of the terms of your account as of March 24, 2008. 1st Security Bank of Washington may amend rates and fees contained in this disclosure from time to time. Please call us at 1-800-683-0973 if you have any questions or require current rate information. All information listed may not pertain to your account. The Account Agreement contains other disclosures and terms applicable to your account, which is incorporated herein by reference.

### Rate Information.

*Non-Certificate Accounts* - Rates are subject to change daily. We declare interest daily based on current income and available earnings after required transfers to reserves at the end of the interest period. The Annual Percentage Yield and interest rate reflect the earnings 1st Security Bank of Washington anticipates having available for the applicable period.

*Certificates of Deposit* - The Annual Percentage Yield and interest rate are accurate on the effective date stated. The rate is fixed for the term you select. The Annual Percentage Yield reflects the interest to be paid based on compounding for an annual period and assumes the initial deposit and interest will remain on deposit in the certificate until maturity. If you request interest be credited to another account or at maturity, the Annual Percentage Yield may be adversely affected.

**Variable Rate Information (Non-certificate accounts).** The Annual Percentage Yield and interest rate on tiered rate accounts will change based on the account balance, as indicated by the tiers on the previous page. If the balance increases or decreases into a different tier, the new yield and rate will take effect the date the balance changes.

### Compounding and Crediting.

*Non-Certificate Accounts* - Interest is compounded and credited monthly. We use a daily balance method to calculate interest on your account. This method applies a daily periodic rate to the balance in the account each day. Interest begins to accrue on all deposit items (e.g., checks) on the day of deposit. The interest period is from the first calendar day to the last calendar day of each month. Accounts closed between the first calendar day and last calendar day of a month will forfeit any interest earned during that partial calendar month.

*Certificates of Deposit* - Interest is compounded and credited monthly. We use a daily balance method to calculate interest on your account. This method applies a daily periodic rate to the balance in the account each day. Interest begins to accrue on deposits on the business day the certificate is opened and continues up to but not including the day of maturity. The interest period is from the first calendar day to the last calendar day of each month.

**Minimum Balance Required.** If the minimum daily balance requirement is shown, you will earn interest only for those days in the month when your daily balance meets the minimum requirements. Accounts subject to a monthly maintenance fee require the minimum balance be maintained each day of the month to avoid the monthly maintenance fee. The minimum opening balance is \$500 for regular certificates and \$95,000 for jumbo certificates.

**Account Limitations.** No more than six pre-authorized, automatic or telephone transfers may be made from your savings or money market account to another 1SB deposit account of yours or to a third party in any month. For money market accounts, no more than three of the six transfers may be by check, debit card, or similar payment method payable to a third party. We reserve the right to require customers to give notice in writing of any intended withdrawals from any interest bearing account of not less than 7 days and up to 60 days before such withdrawal. After a certificate is opened, you may not make additional deposits into the account until the maturity date stated on the certificate disclosure.

**Withdrawals and Early Withdrawal Penalty (Certificates of Deposit).** Withdrawals are prohibited prior to maturity. We may impose a 90-day interest penalty if you withdraw any of the funds before the maturity date. The penalty is not limited to the interest paid to date. The interest penalty will be calculated on the amount of the withdrawal. At our option, we may pay the account before maturity without imposing an early withdrawal penalty when an account owner becomes deceased.

**Renewal Policy (Certificates of Deposit).** Your certificate account will automatically renew for the same term at maturity. The interest rate will be the rate in effect on the maturity date, so long as a certificate for the same term is offered on the renewal date. If not offered you will be notified in writing prior to maturity. You will have a no-interest and no-penalty 10-calendar day grace period after the maturity date to withdraw the funds in the account.

**Fees and Charges.** Fees may reduce the earnings on your account. See the attached current Schedule of Fees and Charges – Consumer/Personal Accounts for all fees that apply to your account.