

Transaction Account Guarantee Program



The Palmetto Bank is participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

A non-interest bearing transaction account is defined as a transaction account with respect to which interest is neither accrued nor paid and on which the insured bank does not reserve the right to require advance notice of an intended withdrawal. It also includes IOLTA accounts and low interest NOW accounts (i.e. interest rate no higher than 0.25 percent). Certain Now accounts are not eligible for the Transaction Account Guarantee program because the interest rate is higher or may become higher than 0.25 percent. Those accounts include the Abbeville Special, Palmetto Index, Palmetto Index II, Public Funds w/interest, Health Savings Accounts, MyPal Checking, and Medical Savings Accounts. These accounts are covered under the FDIC's general deposit insurance rules.

On July 21, 2010, the current standard maximum deposit insurance amount of \$250,000 was made permanent.

Member FDIC