

Palmetto State 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. Additionally, low-interest NOW accounts (defined as NOW accounts with interest rates no higher than 0.50%) are also covered. 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. 370.5 (h)(4)(i)