

First State Bank, Yoakum, Texas

Privacy Policy

First State Bank in this policy also pertains to First State Bank's branch, Community Bank of Moulton.

INTRODUCTION

The banking profession in general and First State Bank in particular have traditionally maintained high standards of confidentiality. As a financial institution, the reputation of honesty, integrity, and security is vital to our success. This Privacy Policy is written to insure that all personnel understand and adhere to the basic principles of confidentiality.

1. RECOGNITION OF YOUR EXPECTATION OF PRIVACY

First State Bank recognizes and respects the privacy expectations of its customers. All bank personnel are charged with maintaining the strictest confidentiality of banking matters including the following:

General or specific customer information, on computer, or paper, regarding account status, business problems, etc.

General or specific information including policies, procedures, approval practices, etc. relating to banking information including personnel responsibilities.

Keys, passwords, combinations, access devices or any other equipment or software information which would lessen the security of any asset or information.

The bank will not sell or share individual customer information to any unaffiliated third party for marketing purposes.

First State Bank will share individual customer information for marketing purposes with a financial company when First State Bank has a joint marketing agreement with the financial company.

II. COLLECTION, RETENTION AND USE OF INFORMATION

First State Bank may collect, retain and use personal information about customers (for example, we will obtain a credit report for an auto loan), but only as we believe is reasonably useful in administering our business and to provide products, services and other opportunities to customers.

III. MAINTENANCE OF ACCURATE INFORMATION

First State Bank has established procedures so that a customer's financial information is accurate, current and complete in accordance with reasonable commercial standards. In the event a customer disputes the completeness or accuracy of the First State Bank's data, a complete investigation of the dispute will be conducted, and the results reported to the customer. Any corrections needed will be made in a timely manner.

IV. EMPLOYEE ACCESS TO INFORMATION AND ENFORCEMENT

All First State Bank employees are educated on the importance of confidentiality and customer privacy. They are thoroughly trained to learn and follow our Privacy Policy. Employees with access to customer information are required to adhere to the Privacy Policy.

Any First State Bank employee that violates the Privacy Policy will be subject to disciplinary measures (warnings, suspensions, reprimands) and possible termination of employment.

Employees of First State Bank will only have access to customer information on a need to know basis.

V. PROTECTION OF INFORMATION VIA ESTABLISHED SECURITY PROCEDURES

Customer information will only be disclosed to authorized account holders, and only after identification of that account holder has been verified. Verifying information may include social security number, date of birth, signature, and/or other identifying information. If the information request is made over the telephone and we are uncertain about the identity of the person requesting the information, we will ask that the request be made in writing or in person.

VI. RESTRICTIONS ON THE DISCLOSURE OF ACCOUNT INFORMATION

First State Bank employees will not share personal or financial customer information with

outside parties except when legally required (in order to comply with federal or state laws/regulation, and government or court orders) or when legally permitted to serve the customer's interests (such as disclosure to reputable credit reporting agencies). Information will only be disclosed to third parties under the following conditions:

- Where it is necessary to complete a transaction initiated by the customer.
- In order to report the existence and condition of an account to companies such as reputable credit bureaus or merchants.
- In order to comply with government or court orders.
- If we have the written permission of the account holder.

VII. MAINTAINING CUSTOMER PRIVACY IN BUSINESS RELATIONSHIPS WITH THIRD PARTIES

If customer information is provided to a third party, First State Bank will insist that the third party adhere to similar privacy principles that provide for keeping such information confidential.

VIII. DISCLOSURE OF PRIVACY POLICY TO CUSTOMERS

A copy of First State Bank's Privacy Policy will be provided at the time an account is opened through account disclosure documentation if requested by the customer.

Further Information Regarding First State Bank's Privacy Policy

Any customer may receive a printed copy of this Privacy Statement upon request when opening a new account, by a verbal request or by sending us a request in writing at the address below. Inquiries or comments should be addressed to:

President Dennis O. Kutach
406 W. Grand Ave.
PO Box 778
Yoakum, Texas 77995-0778

or Calling:

(361)293-3572 or (800)947-8382