



IMPORTANT
CLIENT
INFORMATION

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A LETTER FROM THE CEO

Over the years, our bank has aspired to go above and beyond for our clients and our community. As the organization has grown, we continually review all aspects of our business to ensure that we provide the best possible products and services. This review has resulted in a decision to change to a more progressive operating system that allows for advanced client products including enhancements to Online banking, electronic money transfer, mobile deposits and other valuable tools our clients have requested.

The conversion to our new operating system will take place in two phases. The first phase will begin at the close of business on May 25th and will conclude by Tuesday, May 29th. The second phase will occur in September with further enhancements to the user experience. During this time, the Western Bank team will be working to make the transition as smooth as possible. As a result, you may experience some limitations in service.

Enclosed in this packet is additional information related to the changes that are occurring and how best to prepare for the conversion.

We appreciate your business and thank you for your patience during this exciting transition.

A handwritten signature in black ink, appearing to read 'Bill Klein', followed by a long, horizontal, wavy line that extends to the right.

Bill Klein
CEO

CONVERSION AT A GLANCE/TIMELINE

	FRIDAY, May 25 th	SATURDAY, May 26 th
BRANCH HOURS	Open Normal Business Hours	Closed
ONLINE AND MOBILE BANKING AVAILABILITY	Available until 4:30 p.m.	Unavailable
DEBIT CARDS	Debit cards will function as normal. There may be sporadic periods of interrupted service	Debit cards will function as normal. There may be sporadic periods of interrupted service
TELEPHONE BANKING	Available until 4:30 p.m.	Unavailable

SUNDAY, May 27 th	MONDAY, May 28 th	TUESDAY, May 29 th
Closed	Closed in Observance of Memorial Day	Open Normal Business Hours
Unavailable	Unavailable	Available No changes to login credentials or access rights
Debit cards will function as normal. There may be sporadic periods of interrupted service	Debit cards will function as normal. There may be sporadic periods of interrupted service	Debit cards will function as normal. Once the system is up, transactions will be viewable in Online banking
Unavailable	Unavailable	Available No changes to login credentials. Please listen carefully as menu options have changed

FAQ

Is my personal and financial information safe and secure?

Yes. The safekeeping of client account and personal information is Western Bank's highest priority. Personal and account information will be safe and secure throughout the entire conversion process.

How does the change benefit me?

As a result of the enhancements, Western Bank will be able to provide its clients with:

- A more robust system that will support additional products and services
- Emerging, state-of-the-art technology
- An enhanced Online experience (coming September 2018)

Will my account number change?

If your checking account or savings account number needed to change, you have already been notified. There may be changes to loan accounts, certificate of deposit accounts and safe deposit box account numbers in the future, but we expect this impact to be minimal and you will be notified prior to that change. Everyone will experience a slight modification to the structure of the account number due to the fact we are adding two leading zeros.

Will my statements have a new look?

Yes. While you will continue to have access to all the information you currently utilize, statements, including HELOC statements & notices, will have a new look.

New Statement Example



PO Box 64689
St Paul, MN 55164
ADDRESS SERVICE REQUESTED

JOHN DOE
1234 Wallaby Way
SomewhereVille, USA 00000
.....
.....

January 2018

Reporting Activity January 2018

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Managing Your Accounts

 Customer Service 612-238-4800

 Telephone Banking 612-238-3905

 Mailing Address 903 Washington Ave S
Minneapolis, MN 55415

SUMMARY OF ACCOUNTS

ACCOUNT TYPE	ACCOUNT NUMBER	BEGINNING BALANCE	ENDING BALANCE
Savings	XXXXXX	0.00	0.00
LOAN ACCOUNT	ACCOUNT NUMBER	BEGINNING BALANCE	ENDING BALANCE
Loan	XXXXXXXX	0.00	0.00

Simple Savings XXXXXX

Account Summary

Date	Description
1/31/18	Beginning Balance
	Deposits (0)
	Withdrawals (0)
\$0.00	Credit(s) this Period
1/28/18	Beginning Balance

Interest Summary

Amount	Description	Amount
\$177.42	Interest Earned From 1/22/2017 Through 08/22/2017	
\$0.00	Annual Percentage Yield Earned	0.03%
\$0.00	Interest Days	32
	Interest Earned	\$0.00
\$0.00	Interest Paid This Period	\$0.00
	Interest Paid Year-to-Date	\$0.00
	Interest Withheld Year-to-Date	\$0.00

Account Activity

Transaction History

Date	Description	Credits	Debits
2/29	Deposit from CD	0.00	
4/30	Deposit from CD	0.00	
4/30	Deposit	0.00	
4/30	Checking 123	0.00	

FAQ

Will there be a delay in receiving my statements because of the conversion?

No. May statements (paper or electronic) will arrive within the normal delivery timeline. You may receive two statements in May or have an extended June statement. Your normal May statement will include activity from May 1st through May 25th. Any activity that happens on the account from May 26th through May 31st for commercial clients will be included in a separate statement at the end of May. For consumer clients, the activity will be included in your June statement. In addition, if you have a personal line of credit, those statements will now be produced at month end.

During Conversion Weekend

Will branch hours be affected?

Branches will be open during normal business hours on Friday, May 25th, and will be closed on Saturday, May 26th.

Will I be able to access Online banking, Online bill pay or telephone banking?

No. The operating system that supports these services is being converted. They will be unavailable over conversion weekend, but will be restored Tuesday morning following the conversion. The IDs and passwords used to access these systems will NOT be changing.

What will happen to any scheduled payments I have set up to be made?

Your payment will process on the Friday before or the following Tuesday (due to the Memorial Day holiday, bank transactions will be processed on Tuesday) after conversion weekend.

What should I do if I have questions?

If you have questions, please email questions@western-bank.com and we will work to assist you as soon as possible.

PRODUCT & FEE CHANGES

All changes are effective on May 26, 2018.

Our fee for non-sufficient funds, regardless if the item is paid, will be \$33 versus \$35. These fees will be capped at 8 items (\$264) per day for consumer purpose accounts. Business purpose accounts will not be capped.

The balance method for determining interest paid to your account and for the assessment of service charges will now be based on an average daily balance.

Compounding and crediting interest to your account will now occur monthly versus quarterly.

For all consumer purpose interest bearing accounts, if you choose to close your account, you will not receive the accrued interest for the current statement cycle.

Safe Deposit Boxes

Annual rental fees for our 3 x 5 box will now be \$20 versus \$30 and for our 10 x 10 box, \$75 versus \$80.

Paper Statement Fee

Western Bank is embracing a more green environment and commitment to our communities. For your convenience, e-statements are available for free, but if you wish to have paper statements, there will be a monthly \$5 paper statement fee. If you'd like to sign up for e-statements prior to May 26th, 2018, follow the instructions below.

1. Log into Internet banking through the Western Bank website
2. Click on the Document-ES tab
3. Check the boxes next to the accounts that you want to receive e-Statements
4. Confirm your email address
5. Select the format that you want to view your statements in:
 - a. PDF (best for printing)
 - b. HTML (best for Online viewing)
 - c. TXT (Best for exporting to another software program)

PRODUCT & FEE CHANGES

6. Read the agreement and check the box to agree with the Terms and Conditions
7. Click Submit
8. You will receive an email to the email address listed on the e-Statement screen. You must open this email and click on the link within the email to confirm the enrollment process.
9. You must successfully login to your account to see a message that states "The statement for account "XXXXX" will now be delivered electronically". Once this has been viewed, you have completed the process.

If you have attempted to do this previously but didn't click the email link, uncheck the account boxes, click submit and then recheck the boxes and click submit again to resend the email message.

Money Market Accounts

We have converted the cycle for assessing fees and providing statements from quarterly to monthly. If you maintain an average daily balance of less than \$2,500 per month, the account will be charged a monthly maintenance fee of \$8. In order to obtain the annual percentage rate on your account, you will need to maintain an average daily balance of \$2,500. You will now receive a monthly statement for your Money Market account.

Excessive Withdrawal Fee for all Money Market Accounts

There will be a \$10 transaction fee for each withdrawal in excess of six during the calendar month. Withdrawals include payments from your account, such as when you preauthorize a payment, use your debit card for purchases or use Online banking to transfer between accounts.

Excessive Withdrawal Fee for all Savings Accounts

There will be a \$10 transaction fee for each withdrawal in excess of six during the calendar month. Withdrawals include payments from your account, such as when you preauthorize a payment, use your debit card for purchases or use Online banking to transfer between accounts.

Simple Savings Accounts

We have converted the cycle for assessing fees and providing a monthly statement from quarterly to monthly. If you maintain an average daily balance of \$50 per month, your account will not be charged a monthly maintenance fee of \$2. Additionally, in order to obtain the annual percentage rate on your account, you will need to maintain an average daily balance of \$50. You will now receive a monthly statement for your Simple Savings account.

Early Withdrawal Penalties for all Certificates of Deposit

We may charge an early withdrawal penalty on your certificate of deposit account in an amount equal to the accrued interest based on half of the lowest end of your product term. Your principal balance may be impacted by this early withdrawal penalty. For example, if your certificate of deposit is within our 12-18 month product term and you request a withdrawal prior to maturity, your early withdrawal penalty will be calculated as follows:

1. Determine the lowest end of the product range term, which yields 12.
2. Divide that term by two, which yields six.
3. Assuming a 3% interest rate on a \$10,000 certificate, that amount would be \$150 based on equal days in a month ($\$10,000 \times .03 \times 6/12 = \150).

Returned Mail / Bad Address Fee for All Accounts

The fee for mail returned on your account due to an invalid address will be charged at \$5.

Returned Item Fee for All Accounts

There will be a \$7 fee charged for deposited items returned on your account.

Late Payment Fee for Safe Deposit Boxes

If your annual payment for your safe deposit box is more than 15 days late, you will be assessed a \$20 fee.

PRODUCT & FEE CHANGES

Your Duty to Report Unauthorized Signatures, Alterations, and Forgeries for Commercial Accounts Only

In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as a posting error. You agree that the time you have to examine your statement and report to us will depend on the circumstance. However, such time period shall not exceed fourteen (14) days. Failure to examine your statement and report any such errors to us within fourteen (14) days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

Fraud Prevention for Commercial Accounts Only

"Anti-Fraud Services" are designed to reduce the likelihood that a fraudulent, unauthorized, or altered check or other item will be paid. Such anti-fraud services may be changed or expanded from time to time. You acknowledge that these services can assist in the prevention and detection of fraud. You agree that if you fail to implement the anti-fraud services that we offer, or you fail to follow these and other precautions reasonable for your particular circumstances, we will not be liable for paying any unauthorized, altered, counterfeit or other fraudulent item that such services are designed to detect, and we will not be required to re-credit your account, unless otherwise required by law.

You acknowledge that we currently offer anti-fraud services denoted on the bank's website at www.western-bank.com under the *Identity Theft & Fraud Protection* tab. In the event the bank has incurred a loss due to any type of fraud on your account(s), you agree you will be required to enroll in the anti-fraud services provided by the bank and you agree to pay any associated fees or charges associated with those services.

International ACH Transactions (IAT)

We may, as needed, research and comply with Office of Foreign Asset Control laws, suspend and/or delay settlement of International ACH transactions to your account.

Notice Regarding Payment of Items

Western Bank, a Division of American National Bank, is pleased to be your financial partner. To ensure that the partnership runs smoothly, we like to make sure you are aware of how some of the processes work when it comes to your account.

Posting Order of Items

One such process is the order in which we pay items you direct to be deducted from your demand deposit (checking) or money market account. Transactions are not processed in the order in which they occurred or are received. Our policy is to pay specific types of transactions first, and then proceed to the next type of transaction. We may process items presented against your account in any order we select, without notice to you. There are two parts to the processing of transactions; that is, the type of transaction and the sequencing of payments within each type of transaction. Our current order for processing types of transactions, unless otherwise required or prohibited by law or systematic limitations, is as follows:

	Type of Transaction	Order
First	External Wires	Low Dollar to High Dollar
Second	Officer Approved and Cashed Checks	Low Dollar to High Dollar
Third	POS Transactions (POS)	Low Dollar to High Dollar
Fourth	On Us ATM Withdrawals	Low Dollar to High Dollar
Fifth	Foreign ATM Withdrawals	Low Dollar to High Dollar
Sixth	Telephone Transfer	Low Dollar to High Dollar
Seventh	ACH Debits	Low Dollar to High Dollar
Eighth	Physical Checks Presented via Fed, etc.	Check # Order (Low to High)
Ninth	Auto Internal Loan Payments and Sweeps	Low Dollar to High Dollar

All items presented within a type of transaction described above (except for item "eight" which will be paid in Check # order, low to high) will be paid in order from the lowest to the highest dollar amounts.

This means that the lowest dollar item will be paid first, then the next largest dollar item, and so on.

The order in which transactions are processed is important. If there is not enough money in your account to pay all of the items that are presented to the Bank, it will impact the total amount of fees (NSF) that you incur. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, either (1) pay the item creating an overdraft, or (2) return the item (NSF), both of these options will result in fees to you. (If you have elected Overdraft Privilege for POS and ATM items, these will be paid in accordance with the Overdraft Privilege agreement, and will result in a fee(s). If you have not elected Overdraft Privilege for POS and ATM items, and there are insufficient funds in your account, the transaction will be declined at the point of sale.) The amounts of the overdraft and NSF and continuous negative balance fees are disclosed in the fee schedule. You may always verify your account Online, which reflects the actual processing order.

PRODUCT & FEE CHANGES

Since your bank statements do not track your account balance based on the above processing order, we encourage you to keep careful records, and practice good account management keeping the above processing order in mind to avoid authorizing deductions without sufficient funds and incurring the resulting fees. We are pleased to work with you to assure your understanding of these procedures and its impact upon fees.

Sub-account Organization


We have organized your account in a non-traditional way. Your account consists of two sub-accounts. One of these is a checking sub-account, and you will transact business on this sub-account. The other is a non transaction sub-account. You cannot directly access the non transaction sub-account, but you agree that we may automatically, without a specific request from you, initiate individual transfers of funds between sub-accounts from time to time at no cost to you. We will make these automatic transfers so that your ability to use your funds through your checking account will be no different than for traditional checking accounts. You will not see any difference between the way your account operates and the way a traditionally organized account operates, but this organization makes us more efficient and helps to keep costs down.

Arbitration

Any dispute, claim or controversy between the parties arising out of or in connection with this Agreement or any document executed with the bank, or the interpretation, performance, termination or breach, shall, at the request of either party be submitted to arbitration in the state, depending on where your primary residence is located, and the dispute shall be finally resolved under the American Arbitration Association arbitration rules. Any issue concerning whether, or the extent to which any dispute is subject to this arbitration provision, including issues relating to the validity or enforceability of these arbitration provisions or the applicability of any defense, shall be decided by the arbitrators. In the event this provision is found to be ambiguous concerning its intended scope, the ambiguity shall be resolved in favor of arbitration. The arbitration shall be conducted by a single arbitrator reasonably acceptable to the parties. The parties shall equally absorb all costs and expenses of the arbitrator. The determination of the arbitrator shall be final and non-appealable. The parties shall reasonably cooperate to expedite and complete all arbitration proceedings.

Limitation of Liability and Indemnification

We will exercise ordinary care in providing services relating to your account and will be responsible for any loss you sustain only to the extent such loss is caused by our gross negligence or willful misconduct. Clerical errors or mistakes in judgment shall not constitute failure by us to exercise ordinary care. In no event shall we have any liability under this Account Agreement for any indirect, incidental, consequential (including lost profits), special or punitive damages, whether arising in contract or in tort, and whether or not the possibility of such damages was disclosed to or could have been reasonably foreseen by us. Except as otherwise provided by law, under no circumstances shall we be responsible for any liability, loss or damage resulting from or relating to: (1) your acts or failure to act or any third party, errors in transmission, delay in performance of or failure to



perform based on circumstances which are unavoidable or beyond our control; (2) failure to perform any of our obligations, or the failure of any third party contractor to perform its obligations if such performance would result in it being in breach of any law, regulation or requirement of any governmental authority; (3) failure of any software, including, but not limited to, loss of data, delay, or the performance of this Account Agreement; (4) failing to perform hereunder if the account does not have sufficient funds; (5) your failure to comply with the terms herein; (6) if an unauthorized person intercepts any of the information we send to you, either while in transit or at your residence; or (7) your failure to use a Fraud Prevention Service as identified herein. Except to the extent restricted by law, you shall indemnify, defend, and hold us harmless and each of our directors, officers, employees, agents, successors and assigns ("Indemnitees") from and against all liability, loss and damage of any kind (including attorneys' fees and other costs incurred in connection therewith) incurred by or asserted against such Indemnitee in any way relating to or arising out of: (1) the operation of the account, except to the extent such liability, loss or damage is caused by the gross negligence or willful misconduct of such Indemnitee (provided that reliance, without further investigation, on any oral, telephonic, electronic, written or other request, notice or instruction believed in good faith to have been given by you will in no event constitute gross negligence or willful misconduct on the part of such Indemnitee); (2) your acts, errors, or omissions or any third party or otherwise; (3) our good faith acceptance or rejection of an item; (4) your breach of the terms of this Account Agreement; (5) your breach of any representation or warranty in this Account Agreement or any other Agreement with us; and (6) your failure to comply with state and federal rules and regulations. You shall indemnify and hold harmless the Indemnitees from and against all claims brought by third parties and all fines, penalties or sanction imposed on us by any clearing house, or governmental entity in connection with the account.



**WESTERN
BANK**

A Division of American National Bank

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South Minneapolis, MN 55415**

