MEGA INTERNATIONAL COMMERCIAL BANK

333 West San Carlos Street, Suite 100 San Jose, CA 95110-2711

CERTIFICATES OF DEPOSIT DISCLOSURE STATEMENT

Certificates of Deposit are available to customers who have set amounts to deposit for a specified period of time. They are issued in non-negotiable certificate form, rather than a receipt book, under two sets of maturity:

- Multiple maturity certificates are automatically renewed at maturity for similar period and at the prevailing interest rate unless redeemed within ten calendar days after maturity. The bank, at its option, can terminate the CD by giving you written notice thirty days prior to maturity of the bank's intention to terminate the agreement.
- Fixed maturity certificates have a set maturity date and stop earning interest on that date. If at maturity you elect to reinvest the funds, the certificate must be redeemed and a new certificate purchased at the prevailing interest rate.

Certificates of Deposit have varying terms and interest rates. Interest is calculated on a simple interest basis using actual days and **365-day** year. If you purchase a ______day Certificate of Deposit with an automatic renewal provision with the interest being added to the renewal Certificate of Deposit, the annual interest rate is ______% and the Annual Percentage Yield (APY) is ______%. If the interest is to be paid to you upon renewal (not added to the renewal Certificate of Deposit) then the annual interest rate and the APY are the same. This is also true if interim period simple interest is paid out to you (e.g. interest is paid to you by check monthly on a Certificate of Deposit that matures in one year) before the maturity of the Certificate of Deposit.

Interest begins to accrue on the business day the Certificate of Deposit is purchased (date of deposit).

This type of deposit is a firm contract with the bank and interest remains constant to maturity. On a Certificate of Deposit, no additional deposits are permitted, but you may purchase additional certificates.

PENALTY FOR EARLY WITHDRAWAL

If you decided to withdraw all or part of your deposits before they mature, the bank at its discretion, may allow you to do so. However, a substantial early withdrawal penalty may be imposed on the amount withdrawn. There is no penalty if the withdrawal is made because the depositor dies or is declared legally incompetent.

The penalty may exceed the interest you have earned and may require us to reduce the funds withdrawn or the funds remaining on deposit. The following penalties may apply to the amount you withdraw before maturity:

- 1. Where a time deposit with an original maturity or required notice period of 31 days or less, or any portion thereof, is paid before maturity, a depositor shall forfeit an amount equal to 7 days interest earned, or that could have been earned, on the amount withdrawn at the nominal (simple) interest rate being paid on the deposit, regardless of the length of time the funds withdrawn have remained on deposit.
- 2. Where a time deposit with an original maturity or required notice period of 32 days to one year, or any portion thereof, is paid before maturity, a depositor shall forfeit an amount equal to one months interest earned, or that could have been earned, on the amount withdrawn at the nominal (simple) interest rate being paid on the deposit, regardless of the length of time the funds withdrawn have remained on deposit.
- 3. Where a time deposit with an original maturity or required notice period of over one year, or any portion thereof, is paid before maturity, a depositor shall forfeit an amount equal to three months interest earned, or that could have been earned, on the amount withdrawn at the nominal (simple) interest rate being paid on the deposit, regardless of the length of time the funds withdrawn have remained on deposit.

Any of the above penalties may result in a reduction of the principal sum of the account affected. To carry out this requirement, all or a portion of the penalty may be deducted from the funds you withdraw.

INCOME TAX REPORTION

If your Checking Account, Savings Account or Time Deposit earns interest of \$10.00 or more during the calendar year, the bank by law must report to the Internal Revenue Service and to the California Franchise Tax Board and to you. In case of deferred interest payment, we are required to report the amount of interest that has actually accrued to the depositor during the year.

Acknowle

dged:	Account Name :	 Date:
	Authorized Signatures:	

DEPOSITS ARE NOT INSURED BY THE F.D.I.C.