

BANK NOTES

QUARTERLY NEWSLETTER

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STATEMENTS

A Letter From The President.

Slocomb National Bank is proud to add a new member to the SNB family! A warm welcome to our newest Slocomb National Bank Director, Joe Dalton. Joe currently serves as Director of Pharmaceutical Services at Flowers Hospital. He also owns Dalton Pharmacy here in Slocomb, which has been in business in Slocomb since 1903. Joe is active in his Dothan Rotary Club and as a Deacon at First Presbyterian Church, Dothan. We are honored to have such a fine family represented on our bank Board of Directors.



Pictured here, including three generations Daltons (L to R) : Erica Dalton, Jodi Dalton, Joe Dalton, Marjorie Harris (SNB Chairman of the Board), Tyler Dalton, Mary Ann Dalton, Helen Dalton, and Paul Dalton.

Warmest regards,

Hope H. Johnson,
President

A page from the SNB family photo album... Gladys Harris, Guest, Marjorie Harris, Joann Spivey, Lawrence Harris, and Steve Harris.



HISTORY

Chapter Two – Making A “Run” For Greatness

In 1942, Harry Harris was named president of the bank and started the family legacy that still exists today (President terms: pictured here, Harry Harris, 1942-1974; his son, Lawrence Harris, 1974 until his death in 1991; his daughter-in-law, Marjorie Harris, 1991-1996; and his granddaughter, Hope Harris Johnson, bank president since 1996, also pictured). Harry started with the bank in 1926, right out of high school. Harry worked as cashier in the early 1930's during the famous “run” on the banks. We are told that, in order to avoid a “run”, Harry ordered enough bills to cover the deposits of the then two hundred or so customers. He dumped the cash bundles on the table behind one of the teller windows and near two guards. The story relates how a man, asking to withdraw his \$3,000 account balance, was paid in one dollar bills. As he walked down the street, the man realized that the cash was safer in the bank, turned, and deposited the money back into his bank account. The others watching were quick to follow his lead and left their savings in the bank.

As president of the bank, Harry's mission was to build the bank, to provide greater financial services, and to help strengthen the economy of the area. The Harris family quickly gives credit for the bank's record to the larger Slocomb National Bank family, which includes the employees, officers, directors, shareholders, and customers over the years. Included in this larger family are: James Alexander (Jim) Hardwick, Bank Director, 1940-1974; H.G. (Henry) Harris, Bank Director, 1940-1996; W.E. (Ernest) Harris, Bank Director, 1940-1985; Alto V. Lee III, Bank Director, 1958-1987; and William L. (Bill) Lee III, Bank Director, 1987-2002. Harry's wife, Gladys Hardwick Harris, worked with the bank for 57 years and served as a Bank Director from 1954 to 1997. Also important to mention, in 1975 the bank established an Employee's Profit Sharing Plan. At the time, the bank was probably one of the smallest businesses to do so. It has proven to be a wonderful benefit for the bank's employees through the years.



100 YEARS

(Continued Next Issue...)

WRC And SNB: Caring For The Community

Wiregrass Rehabilitation Center (WRC) is a private, non-profit, agency serving individuals with a vocational disability. The center is governed by a 31 member Board of Directors representative of the 12 south-eastern Alabama counties which it serves. Joseph Johnson (SNB) serves on the WRC Board of Directors and is a past Chairman of the Board.

The Adult Day Care facility here in Slocomb is administered by the WRC. "We are very proud of the Slocomb Adult Day Care facility and what it offers our elderly and disabled persons who need the extra care they provide" said Dr. Jack Sasser, Director of the WRC.

The Slocomb Adult Day Care is easily accessible to local residents and is located at 215 South Kelly Street. The Adult Day Care provides a minimum of five hours of planned activities daily. In addition to the planned activities, the Day Care provides transportation to and from the facility, with two hot meals and a snack daily.

The Slocomb Adult Day Care is ideally set up for persons 18 years of age and older, who can be left in a supervised environment while family members can carry on with their daily activities. Working children of elderly adults find the Day Care to be a most convenient and reliable



place for their loved ones. The Slocomb Adult Day Care facility also rents the Auditorium and Meeting Center next door to the Day Care facility to the public. Pictured here (L to R): Joseph Johnson, SNB, and Rhonda Berry, Director of Slocomb Adult Day Care.

Proud to Support our County

Slocomb National Bank is proud to support our county and efforts to improve the quality of life for all county residents.

Slocomb National Bank was recently the



low bidder to finance the purchase of new solid waste collection and disposal equipment for the county, allowing us, in another small way, to give back to the community we love.

National Attention For Slocomb's Own

The City of Slocomb, Slocomb National Bank and our own Harri Anne Smith all recently enjoyed some national media attention via *Independent Banker Magazine*. The article is a great story of how strength, determination and a desire to help the community can transport you from your hometown to the Senate's hallowed halls of government. Following is an excerpt of the article, which ran in the January, 2005 edition.

Entering The Political Fray

(by Richard Gamble)

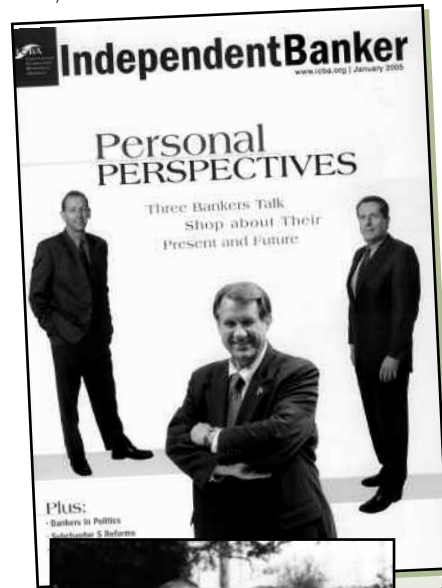
Call it "Mrs. Smith goes to Montgomery." It could be a Frank Capra movie. Instead, it's a true story that shows how community bankers who get involved in local politics can do good at the same time they do well.

Smith grew up in Slocomb, Ala., a town of 2,000 surrounded by farms and textile factories with one community bank—her family's. Her grandfather, Harry, went to work at the bank right out of high school, gradually acquiring controlling interest and later became CEO of Slocomb National Bank. Now Smith's sister, Hope Johnson, runs the family business and Smith serves as executive vice president at the bank.

Like many community bankers, Smith learned early on the importance such institutions hold in their small towns—helping them prosper and enriching the lives of the people who live there. Smith and a few friends soon

banded together to form the Slocomb Service League, which met monthly with the goal of brandishing attention for the small town.

Most of the initiatives the group conceived (including the town's annual Slocomb Tomato Festival, a tribute to the community's agricultural roots) required working with, and securing permission from, the Slocomb town council.



Sen. Harri Anne H. Smith stands outside the AL State Capitol with Sen. Lowell Barron, president pro-tem of the Alabama Senate.

Political Prowess

When the town mayor died and a council member stepped up to fill that spot, Smith was tapped to fill the vacant town council two-year slot.

At the end of her term, Smith was hooked on the mix of banking and politics and ran for a four-year term on the council, beating an opponent. During that term she was named mayor pro-tem and sometimes had to

pitch-hit for the mayor when he was not available. The job fit, so at the end of her council term, Smith challenged the incumbent mayor and won that election as well. Eighteen months later, she ran against a 20-year incumbent for a seat in the Alabama state senate and continued her winning streak.

Why did Smith move up from local to state politics? Two reasons, she says. First, she wanted to do something about

the failing textile industry around Slocomb, which had seriously impacted many of the farmers' wives

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Keeping Our State, County, And City Funds "SAFE"

Act 2000-748 of the Alabama Legislature established the Security for Alabama Funds Enhancement (SAFE) program which is administered as a division of the State Treasurer's Office. This program provides for the security of State, County, and City funds deposited with financial institutions in the State of Alabama.

Hope Johnson (SNB) serves on the eight member SAFE Board of Directors and as Chairman of the SAFE Rules Committee. The Board is charged with responsibility and authority to assess and manage the sufficiency



of the SAFE program to provide adequate protection from losses to these public deposits. Pictured here (L to R) are: Hope Johnson, SNB, and Kay Ivey, Alabama State Treasurer.

Home Equity Loans, Enjoy the Advantages!

Your Home Equity... A Valuable Resource. Join the homeowners who have discovered the value of home equity as a credit resource. Equity, the amount of money you would enjoy if you sold your house today, can secure your personal line of credit.

Our Home Equity Credit Line Offers You Financial Convenience. We understand the value of home equity and offer you a revolving line of credit secured by the equity you have in your home. Once your application is approved and your credit limit determined, you can conveniently access your loan account. A single application gives you an ongoing source of credit.

Our Home Equity Credit Line Offers You Financial Freedom. As our approved credit line customer, you decide how much of your credit limit you will use and when and why you will borrow. Our loan

approval frees your home equity resources for the things you need now, such as:

- Home improvement to enhance your property's value and usefulness- a remodeled kitchen, a renewed exterior, or professional landscaping,
- Financial leverage to consolidate your bills and organize your payments or to make prudent or necessary investments,
- School tuition- assist your children or enhance your own education and career opportunities,
- The vacation you've been planning for years- a winter escape to Mexico, a second honeymoon in Hawaii, or a cruise among the Bahama Islands.

Any Questions? Contact any of our loan officers for more info. Apply now, we value your good credit!

Protecting Your Identity

The number of Americans who have experienced identity theft has surpassed 27 million, with the incidence rate increasing every year. Substantial measures are in place at the bank to protect your identity and your accounts against theft and fraud. For example, stringent bank privacy policies protect your personal and financial information.

Maximum security is possible only with your help. Here's what you can do to stop these crimes before they happen:

1. Do not give out financial information such as checking and credit card numbers, or your Social Security number, unless you know the person or organization.
2. Report lost or stolen checks immediately. The bank will block payment on them.
3. Notify the bank of suspicious phone inquiries such as those asking for account information to "verify a statement" or "award a prize."

4. Closely guard your ATM/Debit Card Personal Identification Number and receipts.
5. Shred any financial solicitations and bank statements before disposing of them.
6. Put outgoing mail into a secure, official Postal Service collection box.
7. If regular bills fail to reach you, call the company to find out why.
8. If your bills include questionable items, don't ignore them. Instead, investigate immediately to head off any possible fraud.
9. Periodically contact the major credit reporting companies to review your file and make certain the information is correct. (Refer to related article on the FACT Act to learn about obtaining free reports.)

The bottom line: If you have any questions or concerns about protecting your financial identity, come in and visit us.

"FACT Act" Will Help Fight Identity Theft

The Fair and Accurate Credit Transactions Act (FACT Act) will help reduce identity theft according to Congress and the Federal Trade Commission. For example, one provision requires the three major credit-reporting agencies to provide consumers with a free copy of their own credit report. The requirement took effect December 2004, with phase-in over nine months from West to East. By September 2005, all parts of the country will be covered.

Another provision to help prevent identity theft is the National Fraud Alert System. Consumers who reasonably suspect they have been or may be victimized by identity theft, or who are military personnel on active duty away from home, can

place an alert on their credit files. The alert will put potential creditors on notice that they must proceed with caution when granting credit.

Other measures included in the FACT Act will help consumers recover their credit reputation after they have been victimized.

To obtain a free credit report call the following number: (877) 322-8228.



SNB Mortgage Loans... Making Dreams Come True.

Around these parts, our best investments are the ones where we figure our success rate by the smile on your face, and measure our returns by the next generation. Our mission has always been to help our friends and neighbors realize their dreams. Investing in relationships is what we do best, and we like to measure our success not in profits and paperwork, but in families and generations. SNB would like to say 'thank you' to all the families who have allowed us to be a part of their financial futures, and invite the rest of our neighbors to stop by to visit our mortgage team. We'll do whatever we can to help make your dreams come true.



The Bart Mathis Family. Pictured here (L to R): Jerry Bedsole, SNB, Hunter Mathis, Bart Mathis, Anissa Mathis (and Spanky).



The Tom Brown Family. Pictured here (L to R): Dani Brown and Joseph Johnson, SNB.



The Mark Bedsole Family. Pictured here (L to R): Mark Bedsole, Dusty Bedsole, and Kellie Ballard, SNB.

FINANCIAL

Geneva County Beef Calf Show

The Geneva County Beef Calf and Heifer Show has a proud 53-year tradition and is now the largest county show in the State of Alabama. Slocomb National Bank is proud to support this fine program and to have sponsored the Reserve Champion Steer in this year's show. Pictured here (L to R): Mike



Reeves; Van Smith, Show Judge; Todd Enfinger; Brooke Enfinger, winner; Dianne Bedsole, SNB; and Jerry Bedsole, SNB.

Slocomb's Talking Turkey

Recently a large group of local folks welcomed representatives from the Alabama Chapter of the National Wild Turkey Federation who released 12 wild turkeys into the local area.



For more information, contact us at:



One Hundred Years... And Still Growing.

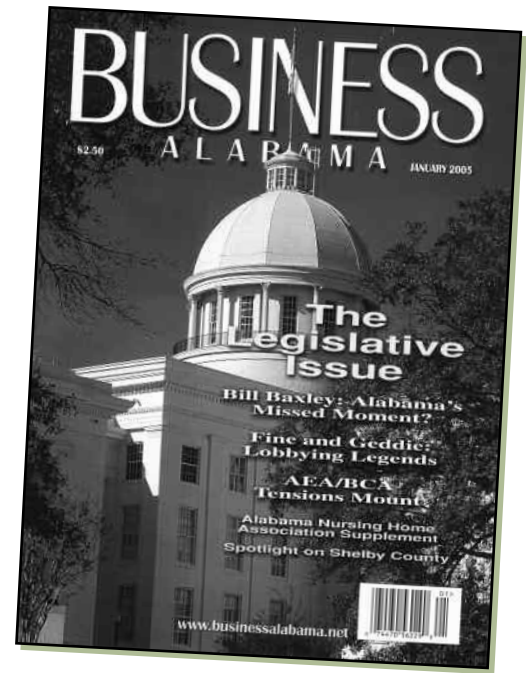
220 East Lawrence Harris Highway
Slocomb, Alabama 36375

p: (334) 886-2367 • f: (334) 886-2364
24 Hour Telephone Banking: (888) 730-7517
Hours: Mon-Thu 9am-4pm; Fri 9am-6pm
(Drive up window opens each morning at 8:30am)



Small Town. Big Banking.

Our wonderful community was recently featured in another widely read publication, this time in Alabama's own Business Alabama Magazine. The article, which ran in the January 2005 issue retraces some of Slocomb National Bank's early years in its century-long celebration of local banking, small business and growing relationships.



Entering the Political Fray... *(Continued from page 2)*

who relied on mill jobs to secure health benefits and extra pay for their families. Second, Alabama's reputation as the tort haven of America had plaintiff lawyers flocking to the state to sue businesses and was having a negative impact on business relocation prospects.

So Smith went to Dothan, the urban Mecca of Southeastern Alabama, and met with business leaders there, asking them one question: What can we do to fix this tort mess? They answered her with their checkbooks, underwriting her campaign for the state senate to the tune of \$670,000, an astounding amount for such a race. Backed by businesses, she won a hard-fought campaign by less than 400 votes and immediately went to work to repeal the troublesome tort law.

But trial lawyers can be fierce opponents and the issue appeared to be bogged down in a stalemate. It looked hopeless, so Smith's coalition of pro-business legislators decided to throw in the towel and let the senate adjourn for the year. Smith and two other freshmen Republicans disagreed and voted with the Democrats to keep the legislature in session. Given extra time, Smith and her colleagues persuaded another Democrat to join them, and they repealed the law. The next day, she saw a headline in the Wall Street Journal: "Alabama Open for Business." When Smith ran for another senate term, she was unopposed.

Smith has no qualms about legislating in areas that affect her business. She even serves on the senate banking committee. "It's good to have an advocate for community banks on the

committee. If we didn't our voice might not be heard," she observes.

Luckily Smith's political policies haven't rubbed her banking customers the wrong way. The conservative says her politics are a good match with her district, and being in state government is less controversial than being in local government, she says. When she was mayor, a bank customer might have "asked me why we paved another street before we paved his, but if you can explain that you have a plan and are following it, they usually understand," she says.

Smith's interest in public service meshed well with her duties as executive vice president of the bank because her primary responsibility is business development, not internal operations, she says. "While the legislature is in session, ordinarily from February to June, I'm gone Tuesday through Thursday, so I have to get my bank work done Monday and Friday," she explains. "My job is to build goodwill in the community for the bank, and my political activities generally help me do that."

"Community banks have always been active, working with local and state government to bring business to our communities, so public service is a natural, honorable part of community banking," notes Smith's sister, Johnson, president and CEO of the \$50 million-asset bank. "Controversy is always possible, but the opportunities are worth the risks. People mostly appreciate the bank for putting work into building the community."