

BANK NOTES

QUARTERLY NEWSLETTER

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A Look At Money Matters From Your Neighbors At Slocomb National Bank

STATEMENTS A Letter From The President.

On October 5, 1905 Slocomb National Bank received its original Bank Charter. And we are happy to announce coming up this October 5, 2005, Slocomb National Bank will be celebrating one hundred years...and still growing. This is a very exciting day for us all. I want to personally invite you to our anniversary luncheon on this special day. We look forward to visiting with you and the many friends and neighbors who have made this milestone possible. Lunch will be served from 11:00 to 1:00 so please come any time in between. There will also be a short program at 12:00. We'll have live music, great food, and lots of good company!

Also, mark your calendars for Friday, December 9th. We are having our annual Holiday Open House. Last year's was a great success and we look forward to seeing you again this year.

Warmest regards,



Hope H. Johnson, President

Celebrating Our... HISTORY Wes Hardin, Artist

As one way to commemorate SNB's 100th year, well-known local artist Wes Hardin was commissioned to do a historical art collage for the bank.

Born in 1960 in Chicago and raised on the Gulf Coast, Wes Hardin studied Illustration, Advertising and Design in South Florida at The Art Institute.

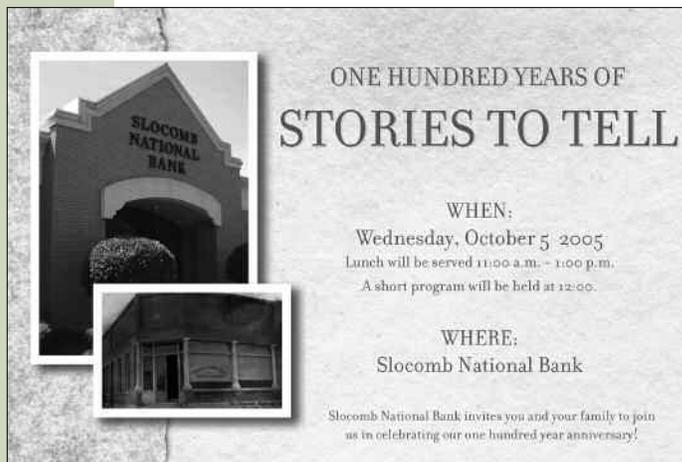
He has worked as a muralist and illustrator for the past 26 years, having been awarded his first mural commission at the age of 18.

Wes has worked throughout South Florida as a freelance designer and illustrator, both for private and corporate commissions, in addition to working with various advertising agencies.

In the fall of 1989 he became creative director of Durden Outdoor Displays in Dothan where he worked until 1999.



Pictured here: Artist Wes Hardin and SNB President Hope Johnson.



Wes is most likely best known in this area for his Dothan murals including "Salute To Fort Rucker", "The Steamboat Era", "The AME Church", "The Tuskegee Airmen", "Fort Scott", and now in progress, "Early Wiregrass Commerce". He continues to live and work in Dothan as a portrait artist and muralist.

Wes will be joining us for our 100th anniversary luncheon on October 5th. Stop by to meet him in person and view his SNB artwork.

100 YEARS

On Solid Ground

Founded in 1905, Slocomb National Bank is an independent community bank based in Slocomb, Alabama. For one hundred years, our focus has been on building relationships and serving friends and neighbors in the Wiregrass.

Our Core Values:

Honesty and Integrity. We are a bank dedicated to a tradition of honesty and integrity. We conduct ourselves personally and professionally in a manner consistent with the highest ethical standards

Excellent Service. We are known for consistent, exceptional customer service. We always place our customers first.

Family Environment. We promote the philosophy of treating our employees and customers like family, and we provide an environment that enhances the pursuit of happiness for both.

Community Commitment. We invest our time, talents and resources into the communities we serve and strive to make them better places in which to live and work.

Long Term Business Discipline. We are one of the few one hundred year old banks in the country. The investments we make in business, in our employees and our relationships are all thought out carefully, and with the next one hundred years in mind.

Rooted in these values, with over a century of growth and service, we are...



One Hundred Years... And Still Growing.

Congratulations, Joseph

Congratulations Joseph Johnson (SNB), Dothan Rotary Club's newest Paul Harris Fellow. The presentation of Paul Harris Fellow recognition is the Rotary Foundation's way of expressing its



Pictured here after the award presentation are (L to R): Sam Wainwright, fellow Rotarian and past Slocomb City Engineer congratulating Joseph Johnson, SNB.

appreciation to an individual whose life demonstrates a shared purpose with the objectives of Rotary International. Gifts like the one in Joseph's honor enable the Rotary Foundation to carry out an array of programs such as improved living conditions, increased food production, better education, treatment and rehabilitation for the sick and disabled, and brighter hopes for worldwide peace.

Slocomb National Bank, 100 Years-100% United Way

Slocomb National Bank and more than sixty other area businesses have agreed to be Pacesetters for this year's Wiregrass United Way Campaign. Each year the Wiregrass United Way recruits area business to help get the campaign started. This group sets the pace for the fall campaign. In August, Slocomb National Bank reached its 100% employee participation goal in honor of the bank's



Pictured here addressing all SNB employees during our United Way Campaign: Carol Reeder, SNB's United Way Campaign Coordinator.

100th year anniversary. United Way participation is just one more way that SNB demonstrates its commitment to the community. Thank you to the SNB family for achieving our 100% goal!

Slocomb National Bank Supports the Slocomb Alumni Association

Slocomb National Bank recently donated \$1,000 to the Slocomb Alumni Association during the Association's fall 2005 fund raising campaign. Since 1994, the Association has raised over \$227,000 for Slocomb Schools. Slocomb National Bank is proud to support this dedicated volunteer group.



Pictured here working on the fund raising letters are (L to R): Patricia Merritt, Fund Raising Chairman Slocomb Alumni Association; Marjorie Harris (SNB) and Jeanette Tanner, Slocomb Alumni Association.

Stepping Forward

In the aftermath of Hurricane Katrina, the Slocomb community is stepping forward to help with the relief efforts. Many of you have already done much to help the victims of this tragedy, but much more is needed. The need is great and it will be for weeks, perhaps months, to come. Right now the immediate need is for money. Options to help include:



Pictured here: Senator Harri Anne Smith (SNB) and Mayor Vickie Moore discuss local relief plans.

- Many of our local churches have set up their own donation programs to help with local relief needs and are doing an excellent job with their efforts. SNB has put in place a matching funds program to match any donations made by SNB employees to their church's relief fund.
- SNB has set up a customer and employee donation program to benefit the American Red Cross Disaster Relief Fund.

COMMUNITY

Warning: Don't Be Fooled by Fake Checks

The FDIC wants to remind consumers that fraud artists are using counterfeit cashier's checks, money orders and other checks to trick victims into sending them money. Many of these scams involve offers that arrive by mail or e-mail or that are in connection with Internet sales.

"The volume of fake checks reported to the FDIC in the last two years has increased dramatically," said Michael Benardo, manager of the FDIC's Financial Crimes Section. "The increase is due in part to crooks using advanced copying and printing technologies to produce authentic-looking counterfeit documents."

Here are some examples of common scams:

~ You get a cashier's check in the mail along with a letter congratulating you for having won a lottery. Then you're asked to send money to process your claim or to provide confidential information to open an account at "their" bank to receive your winnings. If you don't remember entering the lottery, this is probably a scam aimed at obtaining your money or personal information that can be used to commit other frauds.

~ You receive an e-mail or fax from a stranger saying he or she can't get a large sum of money out

of a foreign country because it has been "frozen" by the government. You're told that with your help and money to pay up-front expenses or the temporary use of your U.S. bank account the stranger will give you a check once the funds are recovered from abroad. Of course, the money you send will likely be gone, your bank account could be drained if you give them your account number, and any check you receive is most likely worthless.

~ You sell an item over the Internet and the buyer sends a money order for an amount more than the agreed-upon price. The buyer instructs you to wire the excess funds back. If you comply, you will most likely find out that the money order is phony and the money you wired cannot be returned to you.

In these examples, if you deposit or cash the check or money order it likely will not "clear" (be paid) when it is sent to the bank on which it is supposed to be drawn. And, the fraudulent check will likely be returned to your bank and charged against your account. Depending on the circumstances and your state's laws, you may be held responsible for the entire amount of the fraudulent check.

In general, be very suspicious of offers that seem too good to be true. "Be smart and don't be tempted," said Benardo. When in doubt, Benardo added, "it's usually best to walk away from the deal immediately."

Introducing Our New Heritage Gold Checking

Remembering the past is not only important in every community, it's absolutely vital. In every neighborhood, there are those who bless us with their wisdom and guide us with their experience. They are known and revered as our nation's seniors. At Slocomb National Bank we want to honor our mentors by offering services designed just for them, our exclusive **Heritage Checking**. It's just one more way we can show our gratitude to those who have made our lives easier, made our community richer, and to all who have contributed in such a wonderful way to our unique... Heritage.

Included in our Heritage Checking series is our new Heritage Gold Checking. Available for our customers who are 50 and better, Heritage Gold Checking is a package rich in benefits. Qualify by maintaining \$2,500 in Heritage Gold Checking; or by maintaining \$5,000 in a combination of checking, savings, money market, CDs and/or IRAs.

Disclaimer Information:

Member FDIC, Equal Housing Lender. Refer to Truth in Savings Account Disclosure for more information.

All Accounts, ATM/Debit Cards, Overdraft Protection, Loans, and Lines of Credit are

subject to credit approval.

When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

*The interest rates and annual percentage yields may change at any time. Interest will begin to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks) into your account.



Ask one of our friendly customer service reps (Carol Reeder, Abby Brookshire, and Pam Spivey) about our new Heritage Gold Checking or any of our other checking or savings accounts.

Safe-Deposit Box... Safe, Convenient, and Accessible

When it comes to safeguarding your valuables, nothing is more secure, convenient, and accessible than a safe-deposit box.

Available in a variety of sizes, these strongboxes, located in our vault, can be used to store important personal, business, and financial papers and documents, as well as other valuable items. Take an inventory of your items and ask yourself these questions:

- Are these items important to me?
- Would they be difficult or impossible to replace?
- Are they presently in danger of damage, fire or theft?
- Are they likely to be lost or misplaced?
- Would safe-deposit box protection prevent these items from deteriorating?

If you've answered "yes" to any of these questions, a safe-deposit box may be just what you need. Ask a bank representative about our free brochure that includes answers to your safe-deposit box questions.



Dianne Bedsole, SNB employee since 1980, helps customer with a safe-deposit box.

SUCCESS

Smart Money Moves

1. Set goals. They give you an incentive to save. So think about what you want. Then put costs and timetables to your goals. It's your first move toward healthier finances.

2. Build wealth \$100 at a time. Think of it as not going out to dinner one night a week, skipping movies or avoiding a clothing purchase. Then set the money aside in a Tradition Savings account, using automatic transfers. Even if only \$100 a month, you'll save \$1,200 a year plus interest.

Then, each year, put the \$1200 in a certificate of deposit. In 10 years (assuming 3% as an average annual return), you'll have more than \$14,000 or 17 percent more than you contributed. After 30 years, you'll have close to \$59,000...\$23,000 from compounding!

3. Fund IRAs. Most of you can deduct traditional IRA contributions in full, and still earn tax-deferred money for retirement. Also check our Roth IRAs. Although you can't deduct contributions, you accumulate savings tax-free!

4. Refinance your mortgage. Let's say you have a 30-year, \$70,000 mortgage at 7% APR (annual percentage rate). For five years, you've been paying \$466 a month on the loan. Now you decide to refinance the remaining balance for the remaining term. At 5.5% APR, you'll cut payments by \$61. That's another healthy start toward funding your goals.

5. Prepay. For really big savings, pay off your mortgage early. By adding your \$61 savings to your monthly 5.5% APR mortgage payment, you'll reduce the term by nearly six years, and save \$14,900 interest!

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)



Mortgages: More Choices, New Risk for Borrowers

Not that long ago your mortgage choices were relatively simple. Did you want a fixed-rate loan or an adjustable-rate mortgage (ARM)? Would you prefer a 15 or 30-year repayment period? Now, many new loan products are being widely offered that could benefit some people but be huge mistakes for others.

If you're likely to have increasing income or if you are likely to move in a few years, an adjustable-rate mortgage may be appropriate because you should be able to afford the payments if interest rates rise. But if your income is steady and you plan to stay in the house for the foreseeable future, you'll probably benefit from the security of a fixed-rate mortgage. A 30-year, fixed-rate mortgage will have lower monthly payments than a 15-year mortgage but will cost you more in the long-term. You need to decide which repayment period best suits your needs.



Once you're ready to shop for a loan, read more advice in the brochure *Looking for the Best Mortgage: Shop, Compare, Negotiate*, at www.fdic.gov/consumers/looking/index.html.

Among the key tips in the brochure: Don't just ask about the interest rate. Also inquire about loan origination fee (for processing the loan), insurance and other costs, which can be substantial. If you apply for a loan, the Real Estate Settlement Procedures Act entitles you to a "good faith estimate" of closing costs at the time you apply or within three days.

The FDIC brochure also includes information about some new mortgage products that may carry special risks for some borrowers. Those products include Interest-only mortgages, Option ARMs, Mortgages with no down payment, Mortgages with little or no documentation, and a 40-year, fixed-rate mortgage.

Welcome, Joe!

Please help us extend a warm welcome to the newest member of the SNB family, Joe Sanders. A Dothan native, Joe recently graduated from Auburn University with a Bachelor's degree in Economics. While in college, he worked part-time as a bank



teller and bookkeeper. He has also worked as an umpire for the Dothan National League and as a Panama City Beach marina assistant. Joe enjoys fishing, football, and scuba diving. Joe was happy to learn that several of you remember his late grandfather Joe Sanders from Dothan Oil Mill, and he looks forward to getting to know many more of the wonderful folks in this community.

Invest In Family Memories With Our New Legacy Christmas Club

Included in our Legacy Savings series is our new Legacy Christmas Club. By saving regularly, and automatically, you'll have what you need when you need it. Start now for next year's holiday. In 12 months, \$25 from each semi-monthly paycheck will give you \$600, plus interest.

Spread the Risk

Forget about stock market volatility. Your best investment strategy now, as always, is diversification.

In addition to stocks, bonds, and mutual funds, invest in our steady-earning Legacy Certificates of Deposit. You'll diversify returns as well as risks. If stocks are down, you'll enjoy competitive rates plus the safety of federal insurance up to \$100,000.

Another safety tip: Sign up for multiple CDs, all with different terms. By staggering maturity dates, you further protect against rate uncertainty. Let's say rates go up. With a combination of short-, medium-, and long-term certificates, you'll always have funds available to invest at higher yields. If rates drop, some of your savings still will enjoy yesterday's higher rates.

HOMETOWN