

Rental Property Emerging as an Investment/Small Business Option

As people consider investment and small business opportunities, more and more are choosing 1-4 family rental real estate. SNB specializes in this type of real estate lending. As with any small business, SNB believes that realizing your rental business dream is not only about what you know but also about discovering who can help. We are dedicated to the growing success of your rental business.

SNB Prioritizes Small Business and Small Farm Loans

Slocomb National Bank has specialized in small farm loans, small business loans, and government guaranteed loans for many years. Slocomb National has originated loans under the Small Business Administration (SBA) 504, 7A and low doc programs. These programs can be an excellent resource for the small business customer. Another useful resource is the Farm Service Agency (FSA) guaranteed loan. The FSA loan has been a valuable tool for many local farm families. The small business and small farm continue to be an important lending area for Slocomb National. For additional information on how we can help your small business or small farm, contact Joseph Johnson or Jerry Bedsole.



Pictured here at the anniversary luncheon is the Dejong family. Jan and Rinske Dejong own and operate Working Cows Dairy, the largest dairy in the tri-state area.

For more information, contact us at:



One Hundred Years... And Still Growing.

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(Drive up window opens each morning at 8:30am)



To Buy or Not to Buy... That is a question many people face when it comes to a home

Most people want to own a home. Homeownership often is referred to as "the American dream." Why is it so special? Among the reasons: Real estate often is an excellent investment, perhaps the number one source of wealth building for families. Owning your own home also can be a great source of pride and stability. But homeownership may not be for everyone. It's a big financial commitment – starting with the initial shock of your purchase followed by years of monthly mortgage payments, real estate taxes, property insurance and maintenance costs.



SNB employee party: Jerry Bedsole (SNB Loan Officer), Dwight Tew, and Mackenzie Tew (part-time SNB). Joe Sanders and Joseph Johnson (SNB Loan Officers).

How can you learn more about renting vs. buying a home, as well as your rights and your responsibilities as a renter or a homeowner? A good place to start is www.mymoney.gov, the new Web site for financial information from the federal government. Or, go to the Web site of the U.S. Department of Housing and Urban Development (HUD) at www.hud.gov. Better yet, come in and visit with one of our knowledgeable and helpful loan officers. We're always available to answer your questions.

Financial Fraud and Theft: How to Protect Yourself

A big concern today is identity theft or "ID theft", which occurs when an individual learns someone's Social Security number (SSN), bank account information or other details that can be used to go on a buying or borrowing binge. While law enforcement agencies, financial industry regulators, financial institutions and other organizations are working together to prevent ID theft and other financial crimes, consumers need to take precautions.

- Protect your Social Security number, bank account and credit card numbers, PINs (personal identification numbers), passwords and other personal information. Never provide this information in response to a phone call, a fax, a letter or an e-mail you've received – no matter how friendly or official the circumstances may appear. Also be aware that friends, family members, roommates and workers who come into homes make up a large percentage of identity thieves. They are often in the best position to find and use confidential information.
- Guard your mail, which may include a credit card or bank statement, envelope containing a check, documents showing confidential information, or other items that a thief can steal from a mailbox.
- Keep your financial trash "clean." Don't throw away old ATM or credit card receipts, bank statements, tax returns or other documents containing personal information without shredding them first.
- Use extra care with personal information on a computer or over the Internet. Never provide bank, credit card, or other sensitive information when visiting a Web site that doesn't explain how your personal information would be protected, including its use of "encryption" to safely transmit and store data.

Be on guard against incoming e-mails claiming to be from a trusted source – perhaps a bank, another company you know or even a government agency, asking you to "update" or "confirm" personal information. If you get one of those fraudulent e-mails (they're called "phishing" scams), don't click on any links or attachments because doing so could activate some types of spyware or viruses.

- Beware of offers that seem too good to be true. Con artists often pose as charities or business people offering jobs, rewards or "opportunities." They hope that trusting souls will send cash or checks, provide SSNs or credit card numbers, or wire money from a bank account.



Jerry Bedsole, SNB VP, also serves as SNB's Security Officer and works closely with local authorities (like Slocomb Police Chief David Land pictured here at the anniversary luncheon) to help fight crime.

Be extremely suspicious of any offer that involves "easy money" or "quick fixes." Be careful if you're being pressured to make a quick decision and you're asked to send money or provide bank account information before you receive anything in return. Also beware of any transaction for which you receive a cashier's check made out for more money than the amount due to you with a request to wire back the difference – you could lose a lot of money if the check is fraudulent.

To learn more about Internet security, go to www.fdic.gov/news/news/press/2004/pr9304a.pdf. To protect against an array of scams, go to the Federal Trade Commission's consumer information Web site at www.ftc.gov/ftc/consumer.htm

BANK NOTES

QUARTERLY NEWSLETTER

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

STATEMENTS A Letter From The President.

We were humbled by the crowd of over 400 who joined us for our 100th anniversary celebration. Thank you not only for your presence but more importantly for your support and friendship over the years. We are particularly grateful to the City



Pictured: Vickie Moore, Mayor and City Council members Frances Hatcher and Magelene Segrest present plaque to Hope Johnson, SNB at the anniversary luncheon.

of Slocomb for the beautiful plaque presented at the luncheon, as well as for the presentations made by Anthony Leigh, Alabama Deputy State Treasurer, and Karen Colquit, Office of the Comptroller of the Currency. I would also like to extend our thanks to those friends and family who traveled such great distances to be with us on our special day.

Finally, I would like to take this opportunity to thank Mayor Vickie Moore and City Council members Henley Hicks, Joe Myles, Frances Hatcher, Robert Hinson and Magelene Segrest for recently selecting Slocomb National Bank to receive the "2005 Community Spirit Award." It is an honor and a privilege for us to be a part of such a wonderful community like Slocomb.

Warmest regards,

Hope H. Johnson, President

In This Issue:

- Celebrating the Unique and Indelible Heritage of Slocomb National Bank 01
- Statements: A Letter From The President
- SNB: In the Community 02
- Advice From Your Friends And Neighbors 03
- Fraud Protection and More 04

Celebrating the Unique and Indelible HERITAGE of Slocomb National Bank

Put together a beautiful fall day on October 5th, great music, fabulous southern food, a hundred years of stories to tell, a host of friends and neighbors and what do you have – a memorable celebration of Slocomb National Bank's One Hundred Year Anniversary.

Picture #1: SNB employees including Carol Reeder, Tory Hargrave, Dianne Bedsole, and Carol Battles, greet guests, distribute programs, and hand out commemorative glass boxes. Picture #2: A host of friends enjoy a Zack's home-cooked meal under the big white tent. Picture #3: Hilda Watford and Joann Spivey (retired SNB employees, pictured with Marjorie Harris, SNB Board Chairman) serve cake. Picture #4: Rev. Larry Newton delivers the Invocation. Picture #5: The Ripe 'N' Ready Band performs for guests. Picture #6: Past bank Directors, bank Presidents, and their families are recognized. Picture #7:

Edward Stutts (retired SNB accountant) enjoys the program "One Hundred Years of Stories to Tell." Picture #8: Joe Dalton, SNB Director, introduces artist Wes Hardin and presents the historical art piece. Picture #9: Enjoying the crowd at the

anniversary luncheon are Janice Cox and Scott Latham, Community Bankers Association of Alabama; Doug Mims, Carr, Riggs, and Ingram; John Harrison, State of Alabama, Superintendent of Banks; and Bobby Pinson, Federal Reserve Bank.



Success Community Checking

SNB offers a special community service to Churches and Charitable Organizations. No minimum balance is required and no check writing fees are charged.

Hats off to the Slocomb Business Association

Thank you Slocomb Area Business and Community Association for all your hard work during the holiday season. The drawings were enjoyed by hundreds. Congratulations to the winners of the two \$100 Savings Bonds donated by SNB as well as all the other winners!

Slocomb Elementary Continues to Excel

Since joining the Alabama Reading Initiative, Slocomb Elementary test scores have indicated consistent and significant improvement. As one way to celebrate this continuing success, students were treated to a fun filled day at the movies. Slocomb National Bank was proud to help sponsor the field trip and extends its congratulations to the teachers and students. Keep up the fine work!

Thanks for a Great Open House

SNB held its annual Holiday Open House on December 9th. We were thrilled to have such a big crowd. Thank you for sharing the holiday season with us. A special thanks to retired employees Joann Spivey and Hilda Watford for their help serving. Also, thank you to all of our employees but particularly to Carol Reeder, Pam Spivey, and Lora Kelley (and Lora's mom Maxine Smith) for the wonderful homemade goodies. And finally, thanks Santa!



Pictured: Maurice and Jonnie Glover with Santa.

One Hundred Years... And Still Growing

Along with many other exciting new materials and programs, you've been seeing SNB's new logo more and more. The logo symbolizes our roots, our commitment to growth in the community and our growing relationships with our customers.



Pictured here is our new sign with the new logo.

Congratulations Harri Anne

Senator Harri Anne Smith (SNB) was recently honored by the Arthritis Foundation as the Foundation's 2005 Humanitarian of the Year. Harri Anne accepted the Award at the Foundation's annual banquet held on November 1, 2005 at the Civic Center. About 400 people attended the event which raised in excess of \$40,000 for the Arthritis Foundation. As printed in the program for the



Pictured here: Harri Anne Smith with Al Roberts and Angie Casey, Hosts for the Event.

evening "Harri Anne manages to juggle singularly-exhausting roles as Executive Vice President at Slocomb National Bank, Alabama State Senator and Community volunteer and still have a kind word or a smile for every person she meets. In spite of all her accolades and honors, she remains just plain Harri Anne... the girl with the boy's name... a tireless advocate for those in need, with an indomitable spirit and the unswerving

determination to build a better life for the people of her community. Winston Churchill said, "We make a living by what we get, we make a life by what we give." And so, it is for what she has given, for her life of service to others, that we too are proud to honor Harri Anne. Congratulations!

Same Hometown Friends, New Neighborhood

As announced at the anniversary luncheon, SNB has purchased property to build a second office at 3101 Ross Clark Circle, Dothan (the intersection of Highway 84 and the Circle.) We appreciate your excitement about the location and are currently working with the architect on building plans.



Pictured here at the property closing are: Joseph Johnson, SNB; Danny Sharp, Coldwell Banker Alfred Saliba Commercial Real Estate; Hope Johnson, SNB; and Harri Anne Smith, SNB.

SNB is Proud to Support the East Geneva County Senior Citizens Center

A highlight of our holiday season, SNB is honored to be a part of the annual Senior Christmas Party.



Pictured here bagging the SNB donated fruit are: Nina Williford, Senior Aid; Carol Reeder, SNB; Louise Campbell and Patricia Schofield, Volunteers.

Retirement Savings: A "To-Do" List

A successful retirement depends largely on the steps you take during different stages of your life. Here are some moves to consider.

Your 20s and 30s (Early Career)

- Contribute as much as you can to IRAs, 401(k)s, Keoghs and other retirement savings while meeting other goals, such as buying a home or starting a family.
- Keep your debt from credit cards and other sources manageable.
- If you don't already own a home, consider if this is a good option for you. While a home purchase can be expensive, it also can be an excellent investment and source of tax breaks.

Your 40s and 50s (Mid-Career)

- Continue putting as much as you can into IRAs, 401(k)s, Keoghs and other retirement savings accounts. Once you reach age 50, you can make "catch-up" (extra) contributions to IRAs, 401(k)s and other retirement savings accounts.
- If you haven't bought a house already, consider doing so as a source of equity and a place to live in retirement. If you have a mortgage, periodically compare your interest rate to current market rates. If current rates are better, consider refinancing.
- As you get closer to retirement, consider reducing stock investment and adding more conservative, income-producing investments, like bank CDs.

Your Early 60s (Late Career)

- Ask the Social Security Administration, your accountant or your employer's personnel office to help you determine how much Social Security and pension income you'd get if you "retire early" - and how much you'd lose compared to holding off on retirement.
- Discuss with an advisor when to withdraw money from your tax-deferred retirement accounts, such as employer-sponsored retirement plans and traditional IRAs. After age 59, you can withdraw your money without penalty but subject to income taxes. Under IRS rules, you must withdraw a minimum amount from 401(k)s, traditional IRAs and certain other retirement savings plans by April 1 of the year after you reach age 70 1/2 and each year after that. There is an exception to the rules for someone still working for the employer who sponsors the plan.
- Consult with your legal advisor about estate planning - organizing your financial affairs so that your money, property and other assets can go to your heirs with a minimum of costs, taxes and hassles.
- You may need or want to buy health insurance or

long-term care (including nursing home) insurance. Consider the need for disability (wage replacement) or life insurance coverage.

- Reduce your consumer debt as much as possible and consider the pros and cons of paying off your mortgage early. But if you think you'll need to borrow money during retirement, determine whether you want to refinance your mortgage, take out a home-equity loan, apply for a credit card or otherwise take out a loan before you retire. You might have more options for getting a loan when you still have employment income. No matter what loans you have or how old you are, it's important to keep your debt manageable.
- Consider reducing your stock ownership and increasing your conservative investments, like bank CDs.

Your Retirement

- The rules governing retirement can be complicated. So, about a year before you plan to retire, discuss your situation with a Social Security Administration claims representative. After you decide on a retirement date, apply for your Social Security benefits and other pensions about three months in advance. If you plan to work part-time, find out how this will affect your Social Security income or taxes.
- Arrange to have your periodic payments, such as Social Security benefits, directly deposited into your checking account. Ask your personnel department or advisor about whether to receive your 401(k) money in a lump sum or periodic payments.
- Reduce your debts as much as possible. Be careful before taking on new debt.
- Lean toward conservative, income-producing investments, like bank CDs or bank money market accounts.

SNB's Legacy Accounts

Learning from the past is one of our greatest accomplishments. We've all learned there exists a strong connection between what we do today and how it helps define our tomorrow. With this in mind, SNB created our Legacy Accounts - a collection of easy and personal ways to plan ahead for our financial futures. Included in our Legacy Account series is our new Legacy Variable Rate CD.

- Open your account with a minimum of \$50 for a term of 12 months
- Earn a variable 12-month rate of interest
- Automatic transfer from checking based on your specifications
- Security of FDIC insurance
- Automatic renewal option

5 Things Seniors (and Everyone Else) Should Know About FDIC Insurance

Older Americans put their money... and their trust... in FDIC-insured bank accounts because they want peace of mind about the savings they've worked so hard over the years to accumulate. Here are a few things we want senior citizens to know and remember about FDIC insurance.

1. The basic insurance limit is \$100,000 per depositor per insured bank.
2. You may qualify for more than \$100,000 in coverage at one insured bank if you own deposit accounts in different ownership categories.
3. A death or divorce in the family can reduce the FDIC insurance coverage.
4. No depositor has lost a single cent of FDIC-insured funds as a result of a bank failure.
5. The FDIC's deposit insurance guarantee is rock solid.

As "Bank Notes" went to print, Congress was considering legislation that would raise the federal insurance limit. Any changes in the insurance rules will be posted on the FDIC Web site at www.fdic.gov. In addition, Slocomb National's knowledgeable and friendly Customer Service Representatives are always available to answer questions about FDIC insurance.



Pictured here: Two of our Customer Service Representatives, Pam Spivey and Abby Brookshire, greet guests Bro. Dan Raley and Fran and Joe Smith at our anniversary luncheon.