

BANK NOTES

QUARTERLY NEWSLETTER

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

STATEMENTS A Letter From The President.

I always look forward to this time of year- the weather change, football, and back to school activity. With the renewed emphasis on school, it's a good time to learn more about the options for saving for what will be a major expense- college. And fortunately, there are many great college savings options available today. These include the Coverdell Education Savings Account and U. S. Savings Bonds. In addition, the two education investment programs offered by the State of Alabama are excellent options. They are the Alabama Higher Education 529 Fund and the Prepaid Affordable College Tuition (PACT) Program. Information on all these savings alternatives is available at the bank.

My father, Lawrence Harris (SNB President 1974-1991), was a true believer in the power of education. After my Dad's death in 1991, the bank established The Lawrence Harris Endowed Scholarship Fund to promote the education of deserving undergraduate students who enroll full time at the University of Alabama. The scholarship is awarded only to graduates of Slocomb High School and is open to entering freshman, transfer students, and continuing full-time undergraduates at the University of Alabama. A total of over \$71,000 has been awarded since the Fund was established. Each year I am honored to announce the scholarship recipients. Congratulations! Pictured here are (left to right): Hope Johnson, President SNB; Trey Harris, \$1,000 recipient; Ashlee Spivey, \$4,000 recipient; Jenna Register, \$1,000 recipient; and John Snider, Assistant to the Dean, University of Alabama.

Warmest regards,



Hope H. Johnson, President



BANK CDs New Options, More Flexibility for Stashing your Cash

Bank CDs, short for "certificates of deposit", have been family favorites for generations to safely invest money for short or long periods. With the traditional FDIC-insured CD, you agree to keep the money in an account for a few weeks to several years. In return, the bank agrees to pay you a higher interest rate than you would receive from a checking or savings account. If you need to withdraw the money before the CD matures, you will pay a penalty. But the old CD is changing. According to James Williams, an FDIC Consumer Affairs Specialist, "What's new is that many banks are tweaking the traditional CD to offer a more flexible product." Williams noted one common variation, the "Liquid" CD, which permits the depositor to withdraw a portion of the original deposit early without paying a penalty. If you're interested in the higher interest rate of a CD, but need the flexibility of a savings account, our new **Legacy Liquid CD** may be the perfect solution. Ask one of our Personal Bankers for details.

FDIC Insurance: What's New, What's Not

What's New: FDIC insurance for certain retirement deposits has increased to \$250,000 from \$100,000 previously. The higher coverage, the result of a new law, applies to the combined total that a consumer has at any one banking institution in Individual Retirement Accounts, both traditional and Roth IRAs.

What's Not: The basic insurance coverage for other deposit accounts remains at \$100,000 per depositor. However, as before, there are ways to qualify for more than the basic coverage.



For more information, contact one of our knowledgeable Personal Bankers including **Abby Brookshire** shown here volunteering her time at the Slocomb Elementary Accelerated Reader Wet And Wild Party.

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Some Important Reminders:

- No depositor has lost a single cent of FDIC-insured funds as a result of a failure.
- FDIC insurance only applies to deposits, not investments.
- If you or your family have \$100,000 or less in all of your deposit accounts at the same insured institution, you don't need to worry about your insurance coverage.

Over One Hundred Years...And Still Growing

As recently announced by SNB's Board of Directors, Joseph Johnson has been named President of SNB's Dothan office.

Congratulations Joseph! Planning is going well for the Dothan office which will be located at the corner of Highway 84 and the Ross Clark Circle. During construction, a temporary location will be opened at the Clock Tower, which is across the street from the permanent site. We'll keep you posted on the opening date for the temporary location. Pictured here at SNB's permanent Dothan site are **Joseph Johnson** (SNB) and Mr. Byron Trawick (also known as "The Peanut Man").



SNB, 100% United Way

In August, SNB reached its 100% employee participation goal in honor of the bank's 101th year in business. 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!

SNB Community Grill A Hot Commodity

Slocomb National Bank's community grill continues to be busy. SNB had the grill custom built to accommodate large functions like church activities; city, school, and church fundraisers; family reunions, etc. Just contact Carol or Abby for reservations if your club or organization has something cooking. Pictured here are friends using the grill at the Alabama Wildlife Federation Cookoff. Congratulations on placing first in Presentation!



You're Invited... To Our Holiday Open House!

For one hundred years, the folks at Slocomb National Bank have enjoyed celebrating the season with friends and neighbors, and this year is no exception. So stop by for a visit and help us spread some holiday cheer. We'll have homemade goodies and even a visit from Santa himself!

*Friday, December 8th, from 4pm to 6pm.
Happy Holidays!*



One Hundred Years... And Still Growing.

SNB, Investing In Our Neighborhoods

Our Home Builders are an important part of our community and we are dedicated to the growing success of our builders. SNB has specialized in 1-4 Family Construction Lending for many years. We appreciate all of our builder friends, both old and new, and the impact that they have on our growing community. Pictured here are just a few of those friends.



Joe Sanders, SNB with Neil McDaniel and Family



Charles Flippo, Flippo Construction Co. and Jerry Bedsole, SNB



Ansley (Tripp) Whatley III and Joe Sanders, SNB



Bruce Hendrix, Dixieland Development and Kellie Ballard, SNB

SNB Supports Education



Slocomb National Bank recently donated \$500 to the Slocomb Alumni Association during the Association's fall 2006 fund raising campaign. Since 1994, the Association has raised over \$243,000 for Slocomb Schools. Slocomb National Bank is proud to support this dedicated volunteer group. Pictured here working on the fund raising letters is **Marjorie Harris**, SNB Chairman and Slocomb Alumni Association Fund Raising Chairman.



Slocomb National Bank always enjoys the opportunity to visit with students about banking basics. Pictured here is **Kellie Ballard** (SNB) addressing a group of Slocomb Elementary School children at Career Day.



By the way, Congratulations to **Kellie** who recently graduated from the Alabama Banking School, Brookley Campus, University of South Alabama Mobile. Kellie graduated third in her class of 42 bankers from across the State of Alabama.

HOME TOWN

Frauds that Target the Elderly: Beware of Strangers Bearing Gifts

Crooks posing as legitimate business people or other “trusted” individuals scheme to trick consumers into giving up money, property or valuable personal information. It’s true- senior citizens are often the targets of fraud and financial crimes. Among the reasons: Some older people have built substantial assets (including their home and large savings accounts), they’re easy to find at home, and they can be swayed by fears of losing their financial independence. “Also, despite the efforts of law enforcement, criminals are getting smarter and using technology to their advantage to commit fraud and other financial crimes, such as identity theft,” said Michael Benardo, manager of the FDIC’s Financial Crimes Section.

The following are common cons designed to trick consumers- especially elderly people. The information is based on reports from the U.S. Justice Department, FDIC fraud specialists, the Federal Trade Commission (FTC) and other sources. **Prize and Sweepstakes Frauds.** This type of scam may involve a congratulatory phone call or letter informing a consumer that he or she has won a prize or a large sum of money in a lottery or sweepstakes. But before the “winnings” are delivered, you are told you must pay for fees, taxes, shipping and handling or other charges. Of course, the prize never comes or any products that do arrive are essentially worthless.

Fraudulent Investments. A firm or individual “guarantees” fantastic returns on investments, business opportunities, gems and other “no-risk” deals. These will sound attractive compared to what local banks are paying on deposits. At some point the seller takes the money and runs, leaving the investor with a big loss.

Home or Auto Repair Scams. Someone calls or knocks at your door offering a super deal to fix your roof or driveway or repair your car. After you hand over the funds you discover the work hasn’t been completed, is of poor quality or wasn’t needed in the first place.

Loan or Mortgage Fraud. These typically involve unscrupulous “predatory” lenders (typically from the non-bank or home improvement industries) that use false or misleading sales tactics to make high-cost loans to consumers in need of cash, including

older homeowners concerned about paying bills. Victims often can’t afford the loan, and they may be pressured to refinance a loan repeatedly and pay high fees each time- a scam known as “loan flipping.” Borrowers who pledge their house as collateral and can’t repay the loan could lose the home in a foreclosure.

“I-Need-Your-Help” Scams. Unlike the previous scams that involved selling or giving something to the victim, here the con artist is asking to receive some assistance...and in the process obtains account information or access to funds. Example: Someone claiming to be a bank examiner, bank security officer or police officer calls asking for help investigating a possible fraud by withdrawing cash from your bank account or providing account information. If the trick works, the bogus investigator can walk away with the money or use the confidential information to raid the victim’s bank account.

Counterfeit Checks. In one example, you sell an item over the Internet and the buyer sends a cashier’s check for more than the agreed-upon price. The buyer instructs you to wire the excess funds back. If you comply, you will more likely find out that the check you received is phony and the money you wired cannot be returned to you.

How to Protect Against Financial Fraud

How can you and your family be on guard against financial scams, especially those that target the elderly?

- Try to deal only with businesses and other organizations you already know or that have been recommended.
- Get key details of a significant offer in writing and thoroughly check them out before agreeing to anything.
- Closely monitor credit card bills and bank statements.
- Periodically review your credit reports for signs that an ID thief is misusing your name.
- Immediately report a fraud or theft to the proper authorities.

SNB ATM/Debit Card Update

Your ATM/Debit Card, with the STAR and VISA symbols, gives you instant access to your SNB account. Use your ATM/Debit Card to get cash at ATMs displaying the STAR symbol in the U.S. and everywhere VISA debit cards are accepted. Effective 9-6-06, you can also use your ATM/Debit Card to get cash at ATMs displaying the CIRRUS symbol.



High-Tech Banking, 24/7

Today it’s hard to imagine life without gadgets and high-tech helpers. We want to make sure you know about some of the attractive electronic banking services beyond ATMs. **Debit cards** look like credit cards but they automatically withdraw the money you want from your account. You can use a debit card to get cash from an ATM or to pay for purchases.

Direct deposit enables your paycheck and certain other payments to be transmitted automatically to your bank account. “Direct deposit is free and it’s fast- there’s no waiting for the check to arrive at home and no waiting in the teller lines,” said Kathryn Weatherby, an Examination Specialist for the FDIC.

Telephone banking allows you to use your touch-tone phone to confirm that a check or deposit has cleared, get your latest balance, transfer money between separate accounts, and obtain details about services.

Automatic withdrawals from your bank account can be arranged free of charge to pay recurring bills (such as phone bills or insurance premiums) or to systematically put a certain amount of money into a savings account.

AND COMING SOON TO SNB :

Internet banking (online banking) enables you to transfer money between your accounts and view account information, deposits as well as loans, at any time.

Internet bill paying allows you to pay monthly and one-time bills over the Internet.

Check imaging allows us to better serve you, our valued customer. The check image system makes photographic images of checks and deposits processed through the bank’s data processing center. Your checking account statement will be better organized and more convenient with the new format. Statements and check images are printed on a laser printer making them easy to read. Check copies will be returned to you on paper in numerical order. This will eliminate the need for you to sort your checks in order to balance your account each month. All statements will be pre-punched for easy insertion into a three-ring binder. This new technology should make it much easier for you to locate a check when you need to. It also helps the bank provide research information for you on your accounts. With the new technology, our bookkeepers can retrieve information for you in an unbelievably short time.

“Your banking can be so much more convenient and easier to monitor and control when you have access to your account 24 hours a day, seven days a week, from your home or practically anywhere else,” added Weatherby. However, she also stressed the need to take security precautions with your electronic transactions and your computer, which SNB will continue to address in future newsletters.

FINANCIAL

Take Off to New Destinations with Platinum Advantage

SNB's Prime Advantage Card, Platinum Advantage Card, and Business Advantage Card are all excellent credit card options.

What makes Platinum shine?

- DreamMiles Rewards Option
- Free Airline Tickets & Discounts
- Quality Merchandise
- Free Cruises
- Hotel & Resort Discounts
- Shopping Awards
- Dining & Entertainment Awards
- No Annual Fee Option
- Free Balance Transfer Option
- Automatic Payment/WebPay Options
- Auto Renewal Insurance
- Fraud Protection- Zero Liability
- \$500,000 Common Carrier Insurance

Experience the worldwide buying power that comes with Platinum Advantage. **Sheila Williamson** (SNB) and **Cindy Mitchell** (our newest SNB employee) are shown here with our SNB Platinum Advantage Card and our SNB Business Advantage Card.



For more information, contact us at:



One Hundred Years... And Still Growing.

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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)



Five Things You Should Know About Credit Cards

CREDIT

1. Use them carefully. Credit cards offer great benefits, especially the ability to buy now and pay later. But you've got to keep the debt levels manageable. If you don't, the costs in terms of fees and interest, or the damage to your credit record, could be significant.

2. Choose them carefully. Don't choose a credit card just to get freebies or because there's no annual fee. Look for a card that's best for your borrowing habits.

3. Pay as much as you can to avoid or minimize interest charges. If possible, pay your bill in full each month. Remember, paying only the minimum due each month means you'll be paying a lot of interest for many years, and those costs could far exceed the amount of your original purchase.

4. Pay on time. You'll avoid a late fee. But more importantly, continued late payments on your credit card may be reported to the major credit bureaus as a sign

that you have problems handling your finances. And if your credit rating gets downgraded, your card company could raise the interest rate on your credit card, reduce your credit limit (the maximum you can borrow) or even cancel your card.

5. Protect your credit card numbers from thieves. Never provide your credit card numbers- both the account numbers and expiration date on the front and the security code on the back- in response to an unsolicited phone call, e-mail or other communication you didn't originate. When using your credit card online make sure that you're dealing with a legitimate Web site and that your information will be encrypted. Major credit card companies are also offering more protection by providing "zero-liability" programs that protect consumers from the unauthorized use of their card. In general, only give your credit card or card numbers to reputable merchants or other organizations.

MERCHANT ADVANTAGE

Our Solution for Credit and Debit Card Acceptance For Our Business Customers

Why trust your credit card processing to a company you don't know? Our Merchant Advantage Program provides all of your processing needs efficiently, cost effectively, and with superior service. For assistance, contact one of our Personal Bankers including **Carol Reeder** shown here volunteering her time to deliver bank donated ferns for a Slocomb Senior Center silent auction.



Hometown Teamwork

In baseball or in business, teamwork is vital to success. As such, SNB is happy to support community team activities. Congratulations again to these players, parents, and coaches.



*Pictured here is the 2006 9 -10 Year Old Slocomb All-Star Baseball Team, sponsored by SNB. Also pictured are **Tory Hargrave** and **Kellie Ballard** with SNB.*



*Pictured here at a SHS Baseball Celebration Dinner, sponsored by SNB, are Joey Merritt, Brad Merritt, Justin Battles, **Carol Battles** (SNB), Chase Merritt, Stan Eldridge, and Jeff Mitchell. The Dinner was held after winning the first round of the State Playoffs.*