

BANK NOTES

QUARTERLY NEWSLETTER

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

STATEMENTS

A Letter From The President.

"Be prepared." That motto isn't just for Scouts and it isn't just for kids. It's solid advice for anyone, especially busy people, trying to manage their money in a world full of opportunities...and occasional hazards. SNB wants to help you be better prepared. In this newsletter, we have included articles with practical strategies you can use to deal successfully with some of the most important money matters facing consumers today, including how to make sure you are financially fit and how to avoid bad deals and scams. Our goal is to give you the information and the confidence you need to manage your money and realize your dreams for a better future.

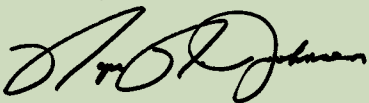
As president of the bank, I am so blessed to have an employee family that is dedicated to that very goal. This family includes employees like 35-year SNB veteran Jerry Bedsole. Jerry will be semi-retiring this year and words cannot express my gratitude for his years of service, loyalty, and friendship. We will be hosting a reception on July 12th to celebrate Jerry's career here at SNB and we hope that you will join us for that special event.

Other examples of our dedicated employee family include our 2006 award winners. Congratulations to Troy Hargrave and Joe Sanders, recipients of our 2006 Distinguished Service

Award. Selected annually, this award recognizes an employee who has contributed significant time and energy to the community and who has an outstanding commitment to the community. Also, congratulations to Pam Spivey, recipient of our 2006 Award of Excellence. Selected annually, this award recognizes an employee who renders extraordinary service to customers and to other employees, who epitomizes the best aspects of the bank's culture, and who goes the extra mile on a regular basis. Although Pam has relocated with her husband Tim to Colorado, I will be eternally grateful for her dedication to SNB over her 10 years of service.

I am grateful to all of our employees for their important role in providing the consistent, exceptional customer service that our customers deserve.

Warmest regards,



Hope H. Johnson, President



Pictured here are SNB Loan Officers Dwight Tew and Jerry Bedsole. Congratulations to Dwight on his retirement from a distinguished 33-year teaching career! Dwight has worked with SNB periodically over the years and we are excited to have him back as a full time banker. Congratulations to Jerry on his semi-retirement from a distinguished 35-year banking career!



IN THIS ISSUE:

- State Announces Unclaimed Property 01
- 5 Ways to Avoid Costly Scams 02
- Make Sure You Are Financially Fit 03
- How Your IRA Can Grow
- Tips For Vacation Credit Card Use 04

PRESS RELEASE

State Treasurer Wants To Reunite Slocomb National Bank Customers With Their Unclaimed Property

MONTGOMERY— Treasurer Kay Ivey recently announced that 1,984 listings with Geneva County addresses and 11,561 Houston County addresses appear on the unclaimed property database. This represents \$548, 140 in assets belonging to the citizens of Geneva County, and \$3,189,715 in assets belonging to Houston County residents. Each year the state treasury brings in millions of dollars in unclaimed property and Treasurer Ivey wants to reunite Alabamians with their unclaimed property.

"Unclaimed property can be in the form of uncashed checks, stocks, bonds, dividend checks, utility deposits, and even items found in abandoned safe deposit boxes. After a business has held unclaimed property for a number of years set by law, they turn it over to the state treasury and we hold it until individuals come forward to claim it," Ivey stated.

Treasurer Ivey went on to announce that the state treasury recently reached the \$100 million mark in claims paid out to citizens across Alabama. Last year, they paid out over \$22 million to over 39,000 claimants. "So much hard work goes into collecting these funds from businesses, banks, and insurance companies that are unable to contact property owners," Ivey said. "All the hard work is worthwhile when owners are located and are able to connect with their assets."

Ivey encourages all Alabamians to search for their name on the Unclaimed Property database by visiting her website at www.treasury.alabama.gov. Claims may be filed online or by calling the Treasurer's Office and requesting a claim form. The Unclaimed Property division of the Treasurer's Office can be reached toll free at 1-888-844-8400.

"Get online or call us, and if you find your name and can prove you are who you say you are, we'll be happy to send you a check!" Ivey stated.

Presidential \$1 Coin

As recent headlines suggest, Americans may need to take a closer look at their change this year, watching for familiar faces presented in a new way. On February 15, the United States Mint launched the George Washington Presidential \$1 Coin, the first in a series of circulating \$1 coins honoring former U.S. Presidents. Four new coins will be released each year to at last 2016; each coin will feature the likeness of a past Chief Executive in the order in which they served. This revolving coin design, similar to the popular 50 State Quarters Program, is expected to generate increased demand and public interest. To help serve our customers interested in collecting the new coins, SNB has available free of charge a Coin Collector Board as well as a Coin Release Schedule and Bookmark. Pictured here with the new coin: Hope Johnson (SNB) and our friends Hunter and Brent.

SNB Supports Teamwork

In baseball or in business, teamwork is vital to success. As such, SNB is happy to support community team activities. Senator Harri Anne Smith (SNB) is pictured here presenting a state check for baseball field lights to Geneva County School Superintendent David Snell. Also pictured is Tory Hargrave (SNB) with members of SNB sponsored Slocomb Daisies team and Lora Kelley (SNB) with daughter Macayla, member of SNB sponsored Slocomb Heat team.



SNB Supports Beef Calf Show

The Geneva County Beef Calf and Heifer Show has a proud 56-year tradition in the State of Alabama. Slocomb National Bank is proud to support this fine program and to have purchased the 1200 pound 2007 Reserve Champion Steer. Exhibitor Zachary Beagles is pictured here.



5 Things You Can Do To... Avoid Costly Scams Involving Fake Checks And Money Orders

There's been explosive growth in counterfeit personal and business checks, cashier's checks and money orders in the last few years, due in part to new technologies and the growth of the Internet for transactions among strangers. But what's especially troubling is that individual consumers and businesses are losing significant sums in these scams because they deposited a check from a stranger, withdrew the funds and then sent money or merchandise before their bank discovered that the check was fraudulent.

In these cases, the depositor most likely will be held responsible for the entire amount of the fraudulent check. Why? Because by depositing the check and withdrawing money, the consumer is taking responsibility for the funds that have been spent or sent before the check is found to be worthless. And often the withdrawal cannot be cancelled or reversed, especially with wire transfers, in which funds are transferred out of the account immediately. Also, the person who receives the check usually is in the best position to realize that it may not be good.

Money isn't the only thing that can be lost to a fake check scam. In one example reported to the FDIC several years ago, a person "sold" a classic car then worth \$41,000 to a scam artist who used a counterfeit cashier's check.

The FDIC and SNB have been warning customers about check fraud for years, but given the increase in fake checks and the costs to victims, we offer these reminders.

1. If you deposit a check from a stranger, discuss the situation with your banker before spending that money or handing over anything of value.
2. Walk away from any deal if you get a check for more than the amount due and you're instructed to return the difference.
3. Recognize other warning signs of a check scam. The reasons for receiving a check are suspicious. You're asked to send money outside of the United States. You're pressed to send money right away. You're warned to keep things quiet, to not discuss the deal with a bank employee.
4. Take additional precautions to make sure a check is good.
5. Immediately report if you think you're a victim of a check fraud or if you notice something suspicious.

Beware Of Phone-based "Vishing" Scams

The FDIC has warned numerous times about "phishing" scams in which crooks send e-mails claiming to be from legitimate financial institutions, companies or government agencies asking consumers to "verify" or "re-submit" confidential information such as bank account and credit card numbers, Social Security Numbers, passwords and personal identification numbers. (The term "phishing" is a high-tech variation of the concept of "fishing" for personal information.) Now, the FDIC wants you to know about "vishing" which stands for "voice phishing."

In the typical vishing scam, consumers receive an e-mail supposedly from a financial institution or government agency asking them to call a phone number to provide bank account and other "needed" information using their telephone keypad. Once entered into the automated response system, the information can be used by the crooks to gain unauthorized access to bank accounts or commit identity theft.

The bottom line: Don't call telephone numbers provided in unsolicited e-mails to provide personal identification. When in doubt, contact your financial institution using the telephone number provided in your monthly statements or on the back of your credit or debit card- NOT the number listed in the e-mail.

SNB Awards 2007 Lawrence Harris Scholarships

The Lawrence Harris Endowed Scholarship Fund was established by Slocomb National Bank in December 1992 in memory of Lawrence Harris, as well as 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 freshmen, transfer students, and continuing full-time undergraduates at the University of Alabama. A total of over \$77,000 has been awarded since the Fund was established.



Pictured here are (left to right): Ashlee Spivey, \$4,000 scholarship recipient; Trey Harris, \$1,000 scholarship recipient; and Jenna Register, \$1,000 scholarship recipient.

SNB Awards 2007 Family Scholarships

The Slocomb National Bank Family Scholarship was established by Slocomb National Bank to recognize the scholastic achievement of SNB employees' college age children.



Pictured here are (left to right): Hope Johnson (SNB) with scholarship recipient Brett Singletary and his mother Kellie Ballard (SNB).

INVITATION

*Please join us
In honoring*

Jerry Bedsole

For his 35 years of service to SNB

Thursday, July 12

4:00 - 6:00

LEGACY

Make Sure You Are Financially Fit

You know it's important to get regular physical exams and take your car in for oil changes and tune-ups. But what are you doing to make sure your finances are in good shape, too? It's never too early or too late to make sure you're properly managing your money. Here's a checklist for conducting a simple yet thorough financial self-examination.

- 1. Periodically review your accounts.** "Talk to a customer service representative at your bank to make sure you're signed up for the accounts and the features that best fit your needs, especially if your financial institution has changed recently," said Janet Kincaid, FDIC Senior Consumer Affairs Officer. "For example, if you tend to carry a balance on your credit card, find out if you can qualify for a card with a lower interest rate. Or, ask if your bank offers special deals if you maintain certain balances or use additional services, such as direct deposit of your paycheck."
- 2. Make sure you have- and have read- the most recent "disclosures" about your accounts.** These descriptions of your account are like a contract with your financial institution. Knowing the features, fees and options as well as limitations- before you open the account and later as you conduct business- can prevent misunderstandings and costly mistakes.
- 3. Get a free copy of your credit report.** These reports summarize your history of paying debts and other bills. If you apply for a loan, insurance or a job, or you want to rent an apartment, chances are your credit report will be reviewed for information about your financial reliability. But you should be reviewing copies of your credit report, too. One reason is to correct errors or omissions, which could damage your credit rating and, in the case of a loan or credit card application, cost you hundreds of dollars each year in interest or other charges. Also, by monitoring your credit reports you help guard against identity theft because you can look for signs that a fraudster has opened credit cards or other accounts in your name.

The three nationwide credit bureaus- Equifax, Experian, and TransUnion- issue their own reports and they sometimes differ, so it's smart to see what each one is saying. By law, you are entitled to one free copy of your report each year from each of those three companies. For more information and to order free credit reports, go to the Web site established by the three credit bureaus at www.AnnualCreditReport.com or call toll free 1-877-322-8228.

- 4. Look at how you're spending money- and how you can do a better job.** It's easy to overspend in some areas and neglect other priorities such as reducing high-interest debt, saving for a down payment on a car or a home, or putting money away for your retirement. That's why you should use your periodic financial checkup as an opportunity to see where your money has been going and make adjustments in your spending and saving plans for the future.

We suggest you try any system- ranging from a computer-based budget program to hand-written notes- that will help you keep track of your spending each month and enable you to set and stick to limits you consider appropriate.

When reviewing your spending, also make sure you have enough insurance to protect your family- such as disability insurance to replace lost income during a serious illness, life insurance in case a wage earner dies, home owner's or renter's insurance, and health insurance to cover medical bills.

- 5. Find new ways to simplify your financial life.** There are many things you can do to make your banking, bill paying and other financial chores easier. Examples include:

- Organizing your personal and financial papers to make sure you and your family can quickly find what you need;
- Getting rid of the papers you're sure you don't need;
- Looking into consolidating accounts or concentrating your business with fewer financial institutions;
- Signing up for direct deposit of your pay and benefit checks and other regular income;
- Have a certain sum automatically transferred each month to a savings or investment account;
- Arranging for an automatic withdrawal from your checking account to cover a recurring expense such as a mortgage loan or utility bill; and
- Exploring banking and bill paying by phone or online; which not only saves time and money (instead of writing and mailing checks) but also can help you monitor your account more efficiently than waiting for monthly statements in the mail. (COMING SOON: SNB's online banking and bill paying.)

New Options

With us, banking is all about our growing relationships. That's why SNB is proud to offer some exciting new banking options.

Hometown Advantage Checking. With Hometown Advantage Checking you get checking with interest, free personalized Hometown Advantage checks, unlimited check writing and many other features.

Legacy Liquid CD. With our Legacy Liquid CD, you get the higher interest rate of a CD, but the flexibility of a savings account.

Legacy Money Market. With our Legacy Money Market, the higher your balance, the more you earn. We've added additional tiered interest rates.

Ask one of our knowledgeable Personal Bankers for details.



Pictured here at our annual Open House are Carol Reeder (SNB Personal Banker) and Dianne Bedsole (SNB Teller). Also pictured is Abby Brookshire (SNB Personal Banker) on moving day packing office supplies for our new Dothan office.

Member FDIC. Refer to Trust in Savings Disclosure for more information. All accounts, ATM/Debit Cards and Overdraft Protection are subject to credit approval. At our discretion, we may change the interest rate for this account. Interest will begin to accrue no later than the business day we receive credit for the deposit of non-cash items.

Saving Has Never Been Easier

We have answers... so let Slocomb National Bank help you take full advantage of the great new savings opportunities in the Pension Protection Act of 2006 including:

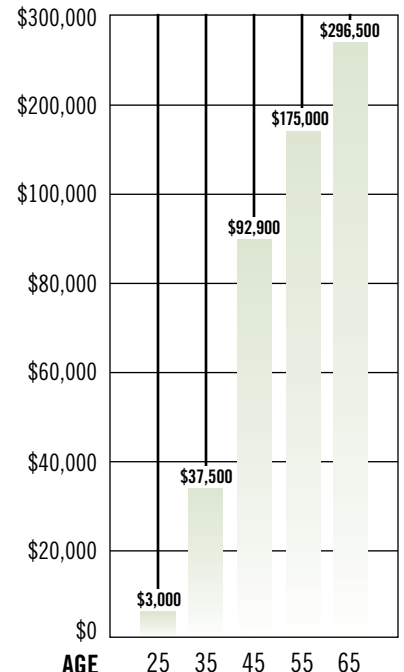
- Enhanced IRA, Roth IRA, and 401(k) retirement savings opportunities
- Special "catch-up" savings contributions for individuals age 50 or older
- Special retirement "Savers Tax Credit" for low- and moderate-income savers
- Generous education savings incentives

And now you can safely deposit all or a portion of your tax refund directly into your IRA account and your bank checking or savings account.

As always, you can turn to one of our knowledgeable Personal Bankers for additional information. Also available free of charge from your Personal Banker, "Saving for Retirement and Education", a booklet designed to highlight traditional IRAs, Roth IRAs, and Cover dell Education Savings Accounts (CESAs). Inside this easy-to-read guide you will find practical IRA and CESA information, from eligibility and contribution limits to deductibility and reporting requirements.

HOW YOUR IRA CAN GROW

The performance of a \$3,000 a year retirement investment plan over time at 4% shows the value of starting early and contributing regularly.



Same Hometown Friends, New Neighborhood

Earlier this year, SNB opened a convenient new business development office in Dothan at #7 Brightleaf Court. Included below are just a few photos of the SNB Dothan bank team at work. Exciting plans are underway for not only the new Dothan bank building but also a new Dothan bank name. Stay tuned.



Pictured here are Joseph Johnson (SNB Dothan) and Robert and Toni Byrd (Sunset Memorial Park).



Pictured here are Julie Long (SNB Dothan) and Sid Branch (MP Surplus and Sales).



Pictured here are Sam Prim (Gordon Planting Company) and Joe Sanders (SNB Dothan).



Pictured here are Abby Brookshire (SNB Dothan) and Paul Hufham (Healthwest Dental).

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

256 Honeysuckle Road, Suite 7
Dothan, Alabama 36305
p: (334) 792-2550 • f: (334) 792-3745

24 Hour Telephone Banking: (888) 730-7517
Hours: Mon-Thu 9am-4pm; Fri 9am-6pm
(Slocomb drive up window opens each morning at 8:30am)



VACATION

Tips For Vacation Credit Card Use

As we move into the travel season, the following tips for vacation credit card use can help you enjoy your travels.

International trips. Find out which cards you will be able to use. In certain parts of the world, some cards are more widely accepted than others.

Carry lost/stolen phone numbers. Before you leave for foreign ports of call, get the number to call if your card is lost or stolen. The 800 number on the back of your card will probably not work outside the U.S., but your card issuer has an international number and will provide it upon request. Also, find out what happens if the card is lost or stolen in the areas where you are traveling. Many times, the card issuer can courier a new card to you within 24 to 48 hours.

Tell your card issuer your plans. If you are going to be using your credit card in another country or an area of the U.S. that is outside your normal spending pattern, let the card issuer know ahead of time. Unusual activity is a red flag and your card issuer's fraud department may suspend charging privileges when they see unusual transactions. A simple phone call can keep this from happening.

Prepare for emergencies. Have a safe place to keep your account numbers, expiration dates and customer service telephone numbers. If your cards are lost or stolen, you will be able to report them without having to call home or have someone go through your bills. Before you leave on a trip, purge your wallet of the cards and ID's you will not need while traveling.

Check your credit limit and expirations date. Confirm your available credit limit to ensure that your card will work for the duration of your travels.

Keep all receipts. Dispute rights are different when using a card outside the U.S., so keep a copy of every receipt. If a merchant makes a mistake or submits an amount that is higher than you approved and you do not have a receipt, your chargeback rights are waived.

Beware of double billing. Often, travelers use a credit card to hold reservations at hotels or car rental locations, but pay the bill with cash. If a clerk is unscrupulous or sloppy, you could get billed twice. If the establishment already has your credit card number, use that card to pay the bill. Also, remember that when a hotel, motel, or car rental company puts an authorization on your card at the time you check-in, the authorization reduces your available credit line. If the authorized amount and the final billed amount do not match, then the authorized amount will continue to put a hold on the account for up to 15 days.

Watch out for tip hogs. At some businesses, such as restaurants, the charge card slip leaves a blank to add a gratuity. If you tip with cash, fill in the blank with the words "on table" and fill in the total charged at the bottom of the slip. This prevents anyone from adding an additional tip to your bill. Also, be aware that some establishments will automatically add a tip and leave a space for an additional tip, so be sure to review the receipt to ensure you are not double tipping.

Remember that credit cards are the safest form of payment. The reason to use credit cards when you are traveling is to avoid carrying cash that can be stolen.

Leave debit cards at home. When traveling, it is safer to use a credit card than a debit card for purchases and transactions. If someone steals your debit card, they can wipe out your checking account balance.

Use ATMs for cash. The exchange rates at ATM machines are typically better than at a money exchange.

Remember: the card has to be paid. A trip isn't really over until the bill is paid. Keep travel receipts in one organized location. When you receive your account statement, be sure to confirm:

- The amount charged matches the receipt
- The merchant or bank correctly calculated the exchange rate
- You were not double-billed for a purchase

Please contact SNB's BankCard Center at 877-651-8105 with any questions you may have about travel and credit card use.

Design An Ad Winner Curtis Penton Slocomb Middle School



Message From Carol Battles, SNB Technology Security Officer

If you are going to be using your ATM/Debit card in a manner that is outside your normal spending pattern, let SNB know ahead of time. Similar to your credit card, unusual activity on your ATM/Debit Card is a red flag and, in order to protect our customer, SNB's fraud department may suspend charging privileges when we see unusual transactions. A simple phone call can keep this from happening. Pictured here are SNB employees Carol Battles and Melinda Ballard working behind the scenes during a recent teller software upgrade.



HOMETOWN