

officers of  
SYNERGY BANK

Jerry P. Ledet, Jr.  
President and CEO

Benjamin D. Borne  
Executive Vice President and CFO

Marie Morris, CRCM  
Senior Vice President

John Hebert  
Vice President

Harvey P. Authement, Jr.  
Vice President

Kaye L. Bergeron  
Vice President

Russell Touchet  
Vice President

Denise Garofalo  
Assistant Vice President

Melanie Boquet  
Executive Secretary

**Synergy Bancshares**  
INCORPORATED

1036 West Tunnel Boulevard • 919 Grand Caillou Road  
Houma, Louisiana  
985.851.3341 • 985.851.2619 • fax 985.851.3352  
[www.banksynergy.com](http://www.banksynergy.com)



This is Synergy

2003

Synergy Bancshares Annual Report



Stronger Together

## Banking on Synergy

A familiar adage, often applied to successful endeavors, declares that the whole is greater than the sum of its parts. And this saying may be aptly applied to Synergy Bank. For this bank is more than just brick and mortar, and more than just a dedicated team of directors, officers and employees. It is the embodiment of community consciousness and community spirit which makes Synergy unique among Houma-Terrebonne financial institutions.

Our focus on the ideals of our founding directors for a true community bank has been sincerely embraced by the citizens of this area, and has set the stage for sound growth and active civic involvement.

Your bank remains a solid pillar of financial strength and stability, as asset growth and profitability remain significantly ahead of the bank's five-year business plan. Synergy ended 2003 with total consolidated assets of \$105,418,274—a growth of 23% over the previous year. Loans totaled \$66,187,094 funded by deposits of \$95,610,621. In addition, net earnings reached \$1,134,307 or \$1.66 per share. We are pleased to report that the Board of Directors declared a cash dividend of \$0.21 per share, which was paid in January of 2004. It represents the third consecutive annual dividend paid to stockholders.

Synergy Bank continues its mission to provide a brand of customer service unequalled in our community. Our accomplishments in this regard are many, not the least of which is Synergy's ongoing recognition by the United States Small Business Administration as one of the top 10 lenders in the State of Louisiana.

Synergy's East Houma Office has firmly established itself as an important factor in reaching out to service our expansive community. Plans for a third full-service office are currently in the development stages.



Synergy Bank remains committed to the growth and prosperity of Houma-Terrebonne and its citizens. We are grateful to our employees for their participation in community and charitable causes. We appreciate the concerted efforts by each member of the Synergy family to provide warm, outstanding service to each and every customer. We thank the Synergy board of directors for its insightful leadership, sound judgement, wisdom and vision.

And finally, we value the loyalty and support of our customers and shareholders, and renew our promise to create synergy for all.

The whole that is Synergy Bank is a result of the bank's founding premise that we are stronger together. It is the fulfillment of a corporate philosophy, a community spirit, a willingness to serve, and a quest for excellence which will serve our shareholders and customers well into the future.

Sincerely,



Jerry P. Ledet, Jr.  
President & Chief Executive Officer



Kerry J. Chauvin  
Chairman of the Board



## banking on BUSINESS



Business success is good for everyone, and Synergy Bank has established itself as an important strategic partner to businesses throughout Houma-Terrebonne.

Our Business Banking team provides a full range of corporate financial services specifically tailored to your needs. Synergy professionals know your business and its demands, and can provide options which translate into cost-effective solutions. From real estate financing, to lines of credit, to equipment financing to checking accounts and savings plans—Synergy Bank is a vital stop on your journey to success.

And success is the true mission of Synergy Bank. With a little help, an empty building can become a thriving business, a good idea can become the wave of the future. It's this type of business banking commitment and business banking know-how which strengthens our economy and our community as a whole.



Synergy Bank is a strategic resource for businesses throughout Houma-Terrebonne.





## consumer CONFIDENCE



There's nothing quite like the security that comes from knowing that your bank is in your corner. And that's the role we play to thousands of members of our community.

accepted at thousands of locations across the nation, so you're never far from home.

With a wide variety of consumer banking products and services, Synergy is your full partner in making banking a little more convenient, and a little more responsive to your needs.

Synergy Savings Accounts, Certificates of Deposit and Individual Retirement Accounts pay competitive rates and Synergy customer service representatives can help you design a savings plan to reach your goals.

A great example is Internet Banking. Now Synergy clients can take advantage of a myriad of services online, like online bill payment, funds transfer and account inquiries—all available 24 hours a day, seven days a week. Customers can remain confident that internet banking with Synergy is as safe and secure as banking in person.

Synergy has specialty banking products designed just for senior citizens—many free of service charge, and other benefits. And we haven't forgotten about students with special terms on checking and savings accounts.

And when you're on the move, the Synergy STAR Card (ATM and Visa® check card), is

All of these services are part of the way that Synergy works to reach out to this community. Our goal is to be a bank designed to benefit everyone. That's Synergy.





## lending our EXPERTISE



Synergy Bank is about making our community grow and prosper, and the bank's portfolio of consumer and mortgage loan services offer quick and convenient financing solutions.

As this community grows, it builds. That's why mortgage lending is one of our most popular services. From interim construction to permanent finance, Synergy can make your dream home a reality.

As this community prospers, the needs of expanding families increase. Synergy is here to meet that demand with a wide variety of consumer loans including auto, boat, home improvement and recreational vehicles. The bank will continue to focus on those financing services tailored to the needs of our clients.

And, because Synergy is a community bank, decisions are made locally, by people you know and trust.

Making dreams come true is one of the things we like to do best. With competitive rates, solid experience, and a wide range of financing options, Synergy Bank wants to lend its expertise to you.



**SYNERGY BANCSHARES, INC. & SUBSIDIARY**  
Houma, Louisiana

**CONSOLIDATED BALANCE SHEET**  
December 31, 2003 and 2002

<b>ASSETS</b>		
	2003	2002
Cash and due from banks	\$3,162,213	\$2,996,752
Federal funds sold	<u>5,150,000</u>	<u>7,800,000</u>
Cash and cash equivalents	8,312,213	10,796,752
Interest-bearing deposits with banks	10,071	10,883
Securities available-for-sale	22,465,650	15,573,685
Securities held-to-maturity (market values of \$6,146,085 and \$129,684, respectively)	6,119,845	125,000
Federal Home Loan Bank stock, at cost	173,400	105,300
Loans, less allowance for loan losses of \$1,323,692 and \$1,146,605, respectively	64,863,402	56,166,027
Property and equipment, net	2,598,311	2,436,116
Refundable income taxes	52,744	-
Deferred income taxes	294,408	281,046
Accrued interest receivable and other assets	528,230	420,442
<b>TOTAL ASSETS</b>	<b>\$105,418,274</b>	<b>\$85,915,251</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing	\$14,305,244	\$10,835,771
Interest-bearing	<u>81,305,377</u>	<u>66,733,495</u>
Total deposits	95,610,621	77,569,266
Accrued expenses and other liabilities	308,927	268,862
<b>TOTAL LIABILITIES</b>	<b>95,919,548</b>	<b>77,838,128</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES:</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock - \$2 par value		
Authorized - 10,000,000 shares; issued and outstanding - 706,066 shares and 667,423 shares, respectively	1,412,132	1,334,846
Surplus	5,700,737	5,324,928
Retained earnings	2,385,147	1,397,614
Accumulated other comprehensive income	710	19,735
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>9,498,726</b>	<b>8,077,123</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$105,418,274</b>	<b>\$85,915,251</b>



**SYNERGY BANCSHARES, INC. & SUBSIDIARY**  
Houma, Louisiana

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
Years Ended December 31, 2003, 2002, and 2001

	2003	2002	2001
<b>INTEREST INCOME</b>			
Interest and fees on loans	\$4,409,881	\$4,100,703	\$3,776,774
Interest on investment securities:			
• Taxable	257,953	308,080	444,075
• Tax-exempt	6,660	5,877	4,569
Interest on federal funds sold	53,531	43,725	161,095
Interest on deposits with other banks	3,374	2,196	481
<b>TOTAL INTEREST INCOME</b>	<b>4,731,399</b>	<b>4,460,581</b>	<b>4,386,994</b>
<b>INTEREST EXPENSE</b>			
Interest on deposits	1,173,331	1,336,463	1,741,041
<b>NET INTEREST INCOME</b>	<b>3,558,068</b>	<b>3,124,118</b>	<b>2,645,953</b>
Provision for loan losses	243,000	263,000	340,000
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>3,315,068</b>	<b>2,861,118</b>	<b>2,305,953</b>
<b>NONINTEREST INCOME</b>			
Service charges on deposit accounts	537,601	396,053	272,291
Other income	554,331	405,789	324,713
<b>TOTAL NONINTEREST INCOME</b>	<b>1,091,932</b>	<b>801,842</b>	<b>597,004</b>
<b>NONINTEREST EXPENSES</b>			
Salaries and employee benefits	1,420,108	1,270,417	948,363
Occupancy and equipment	300,447	273,667	196,746
Data processing	239,518	184,425	122,532
Other general and administrative	715,349	652,247	516,533
<b>TOTAL NONINTEREST EXPENSES</b>	<b>2,675,422</b>	<b>2,380,756</b>	<b>1,784,174</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>1,731,578</b>	<b>1,282,204</b>	<b>1,118,783</b>
Applicable income taxes	597,271	438,325	373,568
<b>NET INCOME</b>	<b>\$1,134,307</b>	<b>\$843,879</b>	<b>\$745,215</b>
<b>Per Common Share Data:</b>			
Net income per share of common stock	\$1.66	\$1.26	\$1.12
Cash dividends per share of common stock	\$0.21	\$0.18	\$0.15
Average shares outstanding	682,634	667,423	667,423



**SYNERGY BANCSHARES, INC. & SUBSIDIARY**  
Houma, Louisiana

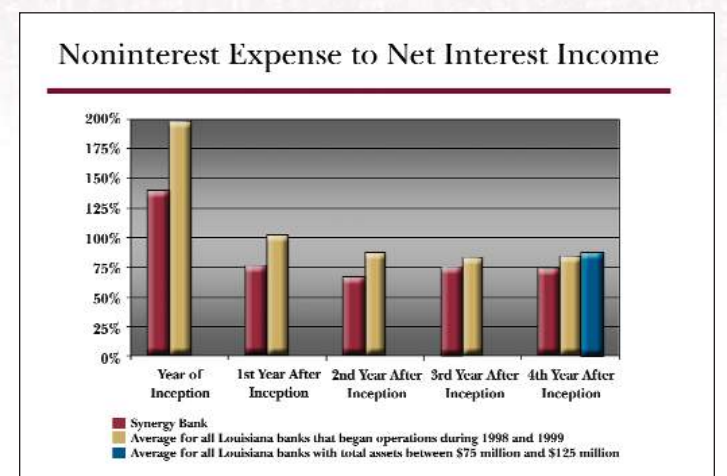
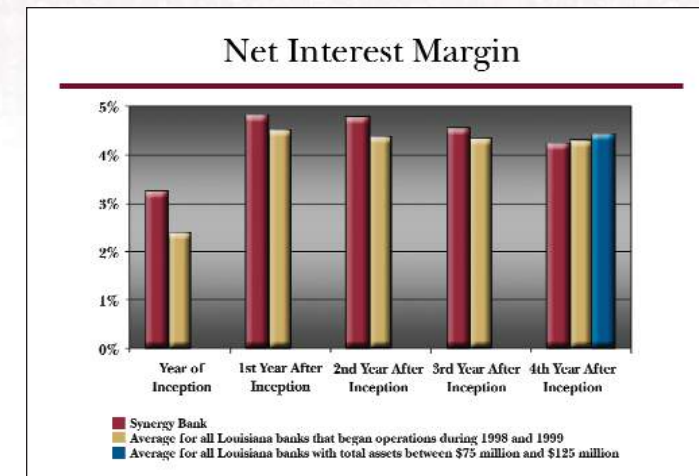
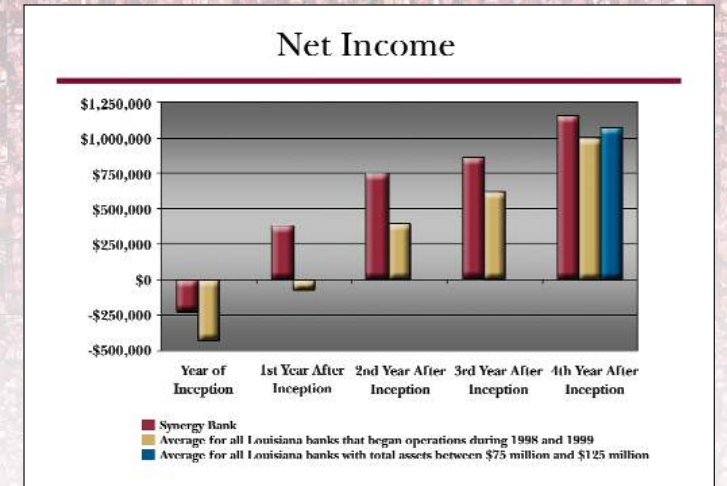
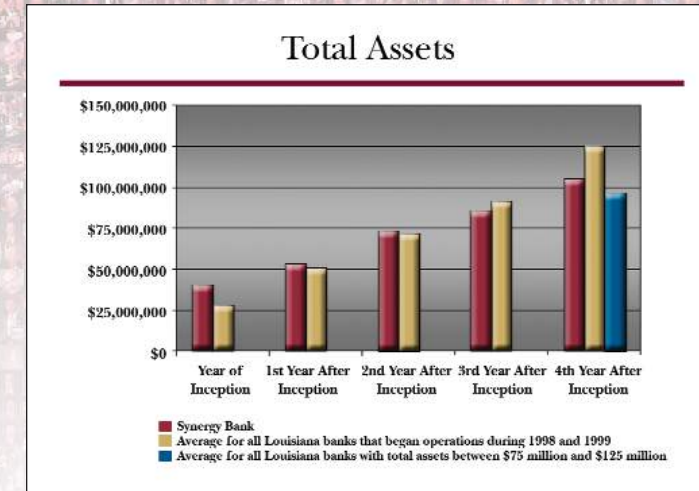
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
Years Ended December 31, 2003, 2002, and 2001

	Common Stock	Surplus	Retained Earnings	AOCI*	TOTAL
Balance, December 31, 2000	\$1,334,846	\$5,324,928	\$28,769	\$15,028	\$6,703,571
Comprehensive income:					
Net income			745,215		745,215
Net change in unrealized gain on securities available-for-sale, net of tax of \$9,912				19,241	19,241
Comprehensive income				764,456	764,456
Cash dividends paid			(100,113)		(100,113)
<hr/>					
Balance, December 31, 2001	1,334,846	5,324,928	673,871	34,269	7,367,914
Comprehensive income:					
Net income			843,879		843,879
Net change in unrealized gain on securities available-for-sale, net of tax of (\$7,487)				(14,534)	(14,534)
Comprehensive income				829,345	829,345
Cash dividends paid			(120,136)		(120,136)
<hr/>					
Balance, December 31, 2002	1,334,846	5,324,928	1,397,614	19,735	8,077,123
Comprehensive income:					
Net income			1,134,307		1,134,307
Net change in unrealized gain on securities available-for-sale, net of tax of (\$9,801)				(19,025)	(19,025)
Comprehensive income				1,115,282	1,115,282
Issuance of stock (38,643 shares)	77,286	375,809			453,095
Cash dividends paid			(146,774)		(146,774)
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Balance, December 31, 2003	\$1,412,132	\$5,700,737	\$2,385,147	\$710	\$9,498,726

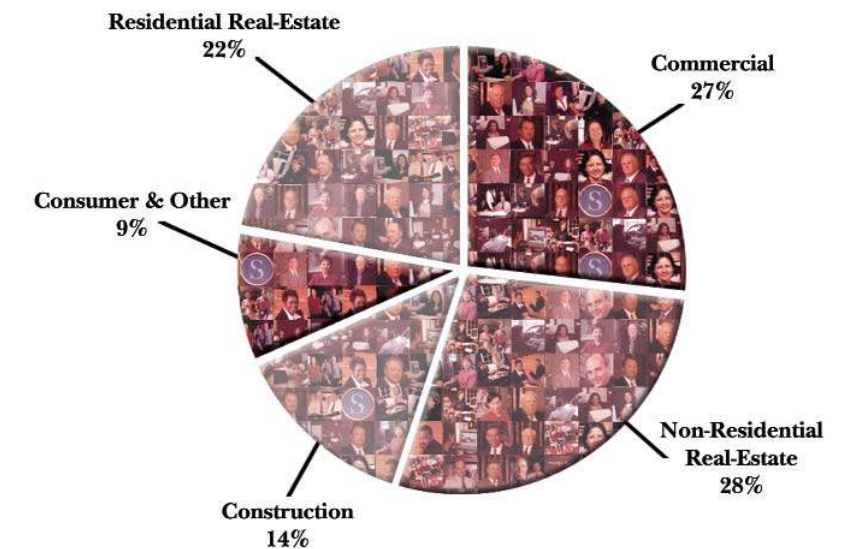
\* Accumulated Other Comprehensive Income



**financial HIGHLIGHTS**



**Composition of Loan Portfolio**





board of directors of  
SYNERGY BANCSHARES

standing:

Daniel B. Cannon, Terry C. Calongne, Charles C. Theriot, Michel H. Claudet, Dr. Koti Sangisetty, Donald P. Callais, Morris P. Hebert

seated:

F. Jeffrey Teuton, Byron F. Bennett, Jerry P. Ledet, Jr., Kerry J. Chauvin, Jeffery J. Scott

## list of SERVICES

Mortgage Loans

Credit Cards

STAR Card - (Visa® Check Card)

Safe Deposit Boxes

Internet Banking

Bill Payer

Corporate Cash Management Services:

Sweep Accounts

Direct Deposit

Cash Concentration

Personal Checking Accounts

Business Checking Accounts

Savings & Money Market Accounts

Certificates of Deposit

Individual Retirement Accounts

Consumer Loans

Business Loans

Christmas Clubs



Your Bank.  
Our Community.  
Stronger Together.