2002

Synergy Bancshares

Annual

Report

SUCCESS STORIES

Management Letter

An old proverb states that "success is good management in action." The success stories contained herein are examples of hard work, strength of character, and the determination of vision. These qualities are also reflected in the success of Synergy Bank.

While the year 2002 proved to be a trying time for much of the financial world, Synergy Bank and its parent Synergy Bancshares, Inc. continued on a course of sound growth, financial stability and active community involvement.

Of interest to our stockholders, the bank ended the year with total consolidated assets of $85,915,251—a growth of 18% over year 2001. Loans totaled $56,166,027 funded by deposits of $77,568,683. In addition, net earnings reached $843,879 or $1.26 per share. We are pleased to report that the Board of Directors declared a cash dividend of $.18 per share, which was paid in January of 2003. It represents the second consecutive annual dividend paid to stockholders.

Ratios used as measurements indicating financial health are strong, as asset growth and profitability remain significantly ahead of the bank's business plan and budget projections.

From online banking, to full-range lending, to club accounts and a wide variety of options, Synergy Bank continues to work towards its mission of providing the very best service available anywhere. For the third time, the United States Small Business Administration has recognized Synergy Bank as one of the top 10 lenders in the State of Louisiana.

After opening for business on January 2, 2002, the bank's East Houma Office has firmly established itself as an important member of the Synergy family, providing customers with full-service banking and convenience of location.

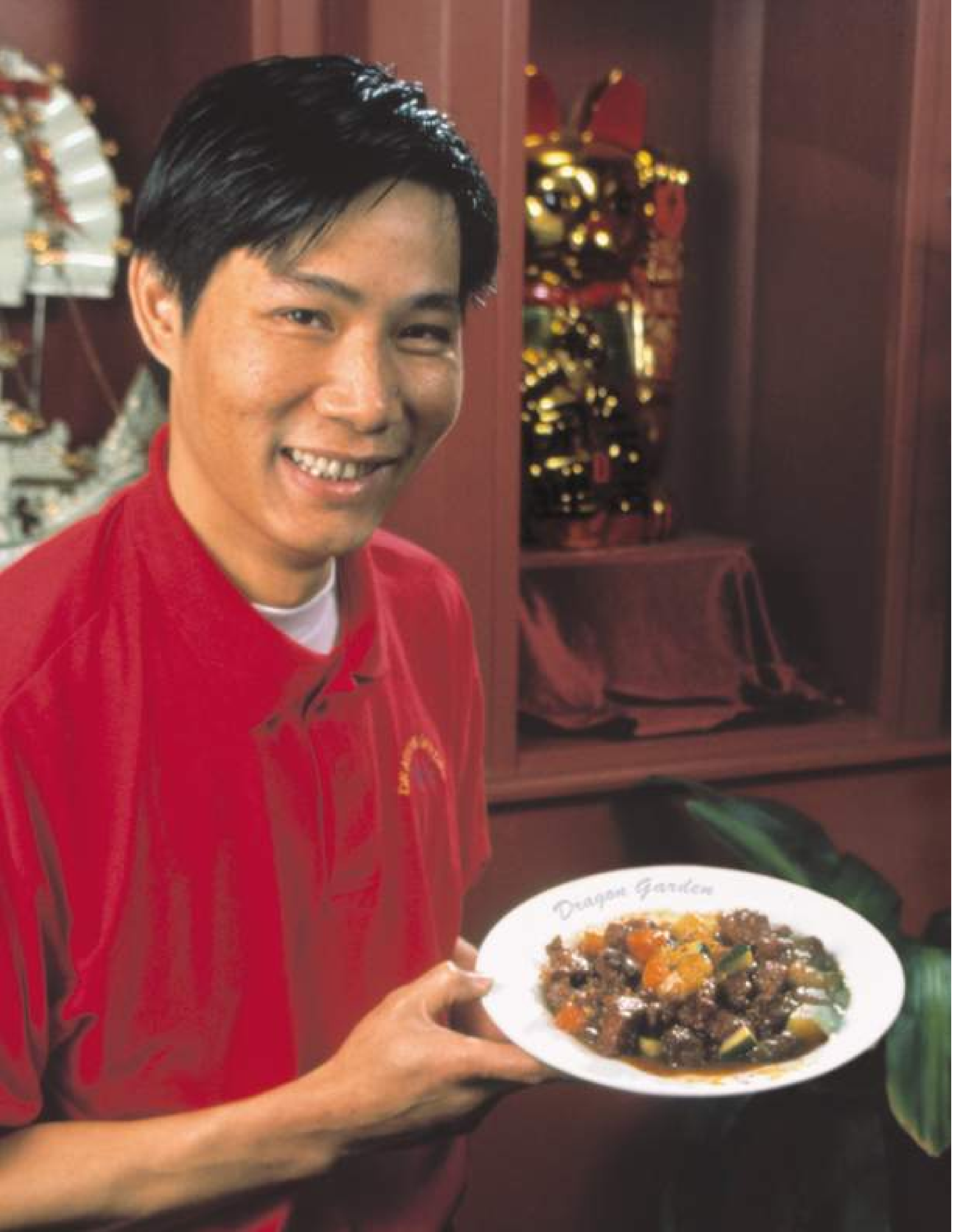
Synergy Bank has remained true to its original vision of its founding directors, establishing the bank as a sound financial institution committed to the community around us and the customers who support us. We are fortunate to have a dedicated team of officers and employees whose tireless work keeps our dream of a true community bank alive and well. Through the vision, wisdom and insightful judgment of our Board of Directors, our path has been well-plotted, and we thank them for their leadership.

To our shareholders and our customers, we pledge to continue on this course of quality and customer service and to strive to surpass the exceptional standards we have set for ourselves. We look forward to working with you, and growing *Stronger Together.*

Sincerely,

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

Michel H. Claudet,
Chairman of the Board



good fortune

TAKES PLANNING

JIN RONG ZENG
Dragon Garden Chinese Restaurant

Choosing the right business banking partner can often be the key to success.

Jin Rong Zeng, Wayne to his friends, and his partner Kenise K. Chim came to Synergy Bank looking to turn their American Dream into reality. With the help of Synergy's Business Banking team, it wasn't long before Wayne and Kenise turned an empty commercial property into the Dragon Garden Chinese Restaurant—one of the more popular and successful restaurants in the Houma area.

That's the true mission of Synergy Bank. With a little help, an empty property can become a thriving business, a good idea can become the road to prosperity. It's this type of business banking commitment which strengthens our economy and our community as a whole.

Synergy is working hard to provide a full range of corporate financial services for large and small businesses alike. From real estate loans, lines of credit, and equipment financing to checking accounts and savings options—Synergy Bank provides business banking services geared for success.

hands on
BANKING

LORI BOLDEN & TIMOTHY BOLDEN
Pastors of Restoration Prayer Center

Lori and Timothy Bolden live a life of service. As Co-pastors of the Restoration Prayer Center, they provide spiritual guidance, comfort to those in need, and help for the less-fortunate—making themselves available 24 hours a day.

People like Lori and Timothy set an example for each of us here at Synergy–an example of social responsibility and service to the community.

The officers, employees and directors of Synergy Bank feel a keen sense of responsibility to give back to this very special community. To this end, they are involved in numerous charitable, philanthropic, and other worthwhile community endeavors.

The bank encourages its members to participate and give of their time and energies. Additionally, Synergy Bank sponsors and participates in social, charitable and cultural functions throughout our area, helping our community come together to celebrate the unique quality of its landscape and the special character of its citizens.

looking

FORWARD

MARY AUCOIN

Merry Oaks Preschool & Gymnastics Development Center

After 20 years in the school system, Mary Aucoin decided it was time to take on another challenge. She wanted to create a learning center with a different approach, offering a complete child development curriculum. A total program was developed which combined emotional and intellectual development with physical activity. From these ideas, the Merry Oaks Preschool and Gymnastics Development Center was born.

"Movement plays a vital part in a child's development," Mrs. Aucoin explained. "We feel that when a child is physically fit, that child is more prepared for success."

Just as Mrs. Aucoin provides a complete package, so does Synergy. With a wide variety of consumer banking services, Synergy helps everyday folks get the most out of their money through a full-range of personal checking and savings options, and the convenience of quick, safe and secure online banking. And, whether it's a loan for a dream house or new car, personal lines of credit or home equity loans, Synergy will be there.

P&N

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
Synergy Bancshares, Inc.
Houma, Louisiana

We have audited the accompanying consolidated balance sheets of Synergy Bancshares, Inc. and Subsidiary as of December 31, 2002 and 2001, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Synergy Bancshares, Inc. and Subsidiary as of December 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

Postlethwaite & Netterville

Baton Rouge, Louisiana
February 25, 2003

215 St. Patrick St. • P.O. Box 1190 • Donaldsonville, LA 70346 • Tel: 225.473.4179 • Fax: 225.473.7204

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

CONSOLIDATED BALANCE SHEETS
December 31, 2002 and 2001

ASSETS	2002	2001
Cash and due from banks	$ 2,996,752	$ 1,487,291
Interest-bearing deposits with banks	10,883	11,500
Federal funds sold	7,800,000	10,100,000
Securities available-for-sale	15,573,685	10,790,054
Securities held-to-maturity (market values of $129,684 and $1,179,552, respectively)	125,000	1,171,330
Federal Home Loan Bank stock, at cost	105,300	84,600
Loans, less allowance for loan losses of $1,146,605 and $900,085, respectively	56,166,027	46,457,797
Property and equipment, net	2,436,116	2,325,323
Deferred income taxes	281,046	217,313
Accrued interest receivable and other assets	420,442	454,280
TOTAL ASSETS	**$ 85,915,251**	**$ 73,099,488**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Demand deposits	$ 10,835,188	$ 8,687,105
NOW and savings deposits	40,388,825	35,152,397
Other time deposits	26,344,670	21,339,980
Total deposits	77,568,683	65,179,482
Income taxes payable	-	256,232
Accrued expenses and other liabilities	269,445	295,860
Total Liabilities	77,838,128	65,731,574
COMMITMENTS AND CONTINGENT LIABILITIES	-	-
STOCKHOLDERS' EQUITY		
Common stock - $2 par value Authorized - 10,000,000 shares; issued and outstanding - 667,423 shares	1,334,846	1,334,846
Surplus	5,324,928	5,324,928
Retained earnings	1,397,614	673,871
Accumulated other comprehensive income	19,735	34,269
Total Stockholders' Equity	8,077,123	7,367,914
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 85,915,251**	**$ 73,099,488**

The accompanying notes are an integral part of these consolidated financial statements.

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended December 31, 2002, 2001, and 2000

	2002	2001	2000
INTEREST INCOME			
Interest and fees on loans	$ 4,100,703	$ 3,776,774	$ 2,804,486
Interest on investment securities:			
Taxable	308,080	444,075	469,963
Tax-exempt	5,877	4,569	-
Interest on federal funds sold	43,725	161,095	214,308
Interest on deposits with other banks	2,196	481	950
Total interest income	4,460,581	4,386,994	3,489,707
INTEREST EXPENSE			
Interest on deposits	1,336,463	1,741,041	1,540,270
NET INTEREST INCOME	3,124,118	2,645,953	1,949,437
Provision for loan losses	263,000	340,000	342,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2,861,118	2,305,953	1,607,437
NONINTEREST INCOME			
Service charges on deposit accounts	396,053	272,291	210,816
Other income	405,789	324,713	239,949
	801,842	597,004	450,765
NONINTEREST EXPENSES			
Salaries and employee benefits	1,270,417	948,363	789,813
Occupancy and equipment	273,667	196,746	182,790
Data processing	184,425	122,532	106,189
Other general and administrative	652,247	516,533	418,923
	2,380,756	1,784,174	1,497,715
INCOME (LOSS) BEFORE INCOME TAXES	1,282,204	1,118,783	560,487
Applicable income taxes	438,325	373,568	191,938
NET INCOME	**$ 843,879**	**$ 745,215**	**$ 368,549**
Per Common Share Data:			
Net income per share of common stock	$ 1.26	$ 1.12	$ 0.55
Cash dividends per share of common stock	$ 0.18	$ 0.15	$ -
Average shares outstanding	667,423	667,423	665,494

The accompanying notes are an integral part of these consolidated financial statements.

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years Ended December 31, 2002, 2001, and 2000

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance, December 31, 1999	$ 1,330,846	$ 5,308,928	$ (339,780)	$ (19,284)	$ 6,280,710
Comprehensive income:					
Net income	-	-	368,549	-	368,549
Net change in unrealized loss on securities available-for-sale, net of tax of $2,193	-	-	-	34,312	34,312
Comprehensive income	-	-	-	-	402,861
Issuance of stock	4,000	16,000	-	-	20,000
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 $9,913	-	-	-	19,241	19,241
Comprehensive income	-	-	-		764,456
Cash dividends paid	-	-	(100,113)	-	(100,113)
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 ($7,487)	-	-	-	(14,534)	(14,534)
Comprehensive income	-	-	-		829,345
Cash dividends paid	-	-	(120,136)	-	(120,136)
Balance, December 31, 2002	**$ 1,334,846**	**$ 5,324,928**	**$ 1,397,614**	**$ 19,735**	**$ 8,077,123**

The accompanying notes are an integral part of these consolidated financial statements.

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2002, 2001, and 2000

	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 843,879	$ 745,215	$ 368,549
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	150,517	106,257	100,156
Net property and equipment losses	933	-	-
Deferred income taxes (benefit)	(56,246)	(69,272)	10,186
Allowance for loan losses	263,000	340,000	342,000
Dividends - FHLB	(2,700)	(2,700)	(2,400)
(Increase) decrease in accrued income and other assets	23,836	(38,386)	(154,038)
Increase (decrease) in accrued expenses and other liabilities	(80,883)	202,600	240,128
Net cash provided by operating activities	1,142,336	1,283,714	904,581
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net (increase) decrease in federal funds sold	2,300,000	(8,250,000)	5,125,000
Net (increase) decrease in interest-bearing deposits with banks	617	(403)	(1,065)
Proceeds from sale/maturity of investment securities			
Held to maturity	1,025,000	2,500,000	2,435,000
Available for sale	10,600,000	5,001,000	4,000,000
Purchases of investment securities			
Held to maturity	-	(1,182,500)	-
Available for sale	(15,582,665)	(10,823,416)	(3,489,190)
Purchase of FHLB Stock	(18,000)	(36,500)	(28,900)
Net increase in loans	(9,971,230)	(10,315,476)	(18,229,844)
Proceeds from sales of property and equipment	947	-	7,499
Purchases of property, equipment, and software	(256,609)	(655,227)	(304,195)
Net cash used in investing activities	(11,901,940)	(23,762,522)	(10,485,695)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in non-interest bearing demand, savings and NOW deposit accounts	7,384,511	12,257,881	6,294,225
Net increase in time deposits	5,004,690	7,403,365	5,632,312
Proceeds from sale of common stock	-	-	20,000
Dividends paid	(120,136)	(100,113)	-
Net cash provided by financing activities	12,269,065	19,561,133	11,946,537
Net increase (decrease) in cash and due from banks	1,509,461	(2,917,675)	2,365,423
Cash and due from banks at January 1	1,487,291	4,404,966	2,039,543
Cash and due from banks at December 31	$ 2,996,752	$ 1,487,291	$ 4,404,966
SUPPLEMENTAL DISCLOSURES FOR CASH FLOW INFORMATION:			
Cash paid during the year for interest	$ 1,383,991	$ 1,815,520	$ 1,508,192
Cash paid during the year for income taxes	$ 490,803	$ 184,000	$ -

The accompanying notes are an integral part of these consolidated financial statements.

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Synergy Bancshares, Inc. (Company) and its wholly owned subsidiary, Synergy Bank (Bank), conform to accounting principles generally accepted in the United States of America and the prevailing practices within the banking industry. A summary of significant accounting policies is as follows:

Nature of Operations

The Company was formed on August 7, 1998 and approved by the Federal Reserve Bank of Atlanta to become a one-bank holding company for Synergy Bank on January 12, 1999. The Company's wholly owned subsidiary, Synergy Bank, began its operations on March 10, 1999. The Bank generates commercial and consumer loans and receives deposits from customers located primarily in Terrebonne Parish and surrounding areas of Louisiana. The Bank operates under a state charter and provides full banking services. As a state bank, the Bank is subject to regulation by the Commissioner of Financial Institutions of the State of Louisiana and the Federal Deposit Insurance Corporation.

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of Synergy Bancshares, Inc. and its wholly owned subsidiary, Synergy Bank. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Bank's loans are generally secured by specific items of collateral including real property, consumer assets, and business assets. Although the Bank has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions in the oil industry.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Bank to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash and balances due from banks.

Interest-bearing Deposits in Banks

Interest-bearing deposits in banks mature within one year and are carried at cost.

Investment Securities

Bonds, notes, and debentures are classified as held-to-maturity when the Bank has the positive intent and ability to hold the securities to maturity. Securities held-to-maturity are reported at cost, adjusted for premiums and discounts which are recognized in interest income using the interest method over the period to maturity.

Securities not classified as held-to-maturity are classified as available-for-sale. Securities available-for-sale are carried at fair value with unrealized holdings gains and losses, net of tax, reported in other comprehensive income. Realized gains and losses on securities available-for-sale are reported in other income and when applicable, are reported as a reclassification adjustment, net of tax, in other comprehensive income. Gains and losses on the sale of securities available-for-sale are determined using the specific-identification method.

Declines in the fair value of individual held-to-maturity and available-for-sale securities below their cost that are other than temporary result in write-downs of the individual securities to their fair value. Any such write-downs are included in earnings as realized losses.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal adjusted for any charge-offs and the allowance for loan losses. Interest income is accrued on the unpaid balance.

Loan origination and commitment fees, as well as certain direct origination costs, are deferred and amortized as a yield adjustment over the lives of the related loans using the interest method. Amortization of deferred loan fees is discontinued when a loan is placed on nonaccrual status.

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. Consumer loans are typically charged off no later than 180 days past due. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Loans (continued)

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payments shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for commercial and construction loans by either the present value of the expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. Past due status is determined based on contractual terms.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Bank does not separately identify consumer and residential loans for impairment disclosures. Because of uncertainties associated with the regional economic conditions, collateral values, and future cash flows on impaired loans, it is reasonably possible that management's estimate of loan losses inherent in the loan portfolio and the related allowance may change materially in the near term. The allowance is increased by a provision for loan losses, which is charged to expense and reduced by charge-off's, net of recoveries.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Foreclosed Real Estate

Real estate properties acquired through, or in lieu of, loan foreclosure are to be sold and are initially recorded at fair value at the date of foreclosure establishing a new cost basis. After foreclosure, valuations are periodically performed by management and the real estate is carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in loss on foreclosed real estate.

Income Taxes

Income taxes are provided for the tax effects of the transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of the allowance for loan losses and accumulated depreciation. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are reflected at income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. The Company files consolidated income tax returns with its subsidiary.

Property and Equipment

Land is carried at cost. Property and equipment are carried at cost, less accumulated depreciation computed principally by the straight-line method over the estimated useful lives of the assets.

Credit Related Financial Instruments

In the ordinary course of business, the Bank has entered into commitments to extend credit and letters of credit. Such financial instruments are recorded in the financial statements when they become funded.

Net Income Per Share

Net income per share of common stock has been computed on the basis of the weighted-average number of shares of common stock outstanding.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Stock Compensation Plans

Statement of Financial Accounting Standards No. 123, *Accounting for Stock Based Compensation*, encourages all entities to adopt a fair value based method of accounting for employee stock compensation plans, whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. However, it also allows an entity to continue to measure compensation cost for those plans using the intrinsic value based method of accounting prescribed by Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*, whereby compensation cost is the excess, if any, of the quoted market price of the stock at the grant date (or other measurement date) over the amount an employee must pay to acquire the stock. Stock options and warrants issued by the Company had no intrinsic value at the grant date, and under APB Opinion No. 25, no compensation cost is recognized for them. The Company has elected to continue with the accounting methodology in Opinion No. 25 and, as a result, has provided pro-forma disclosures of net income, as if the fair value based method of accounting had been applied.

Reclassifications

The classifications of certain items for 2001 and 2000 have been reclassified to be consistent with current presentation.

Comprehensive Income

Comprehensive income is the change in stockholders' equity during the period from transactions and other events and circumstances from non-owner sources. Comprehensive income includes all changes in equity, including the net change in unrealized gains (losses) on available for sale securities, during the period except those resulting from investments by owners and distributions to owners.

2. INVESTMENT SECURITIES

Investment securities have been classified in the consolidated statement of financial condition according to management's intent. The carrying amount of securities and their approximate fair values at December 31 follow.

	December 31, 2002			
	Amortized Cost	*Gross Unrealized Gains*	*Gross Unrealized Losses*	*Fair Value*
Securities available-for-sale				
U.S. Government and agency securities	$ 15,543,783	$ 33,666	$ 3,764	$ 15,573,685
Securities held-to-maturity				
Obligations of state and political subdivisions	$ 125,000	$ 4,684	$ -	$ 129,684

	December 31, 2001			
	Amortized Cost	*Gross Unrealized Gains*	*Gross Unrealized Losses*	*Fair Value*
Securities available-for-sale				
U.S. Government and agency securities	$ 10,738,131	$ 52,776	$ 853	$ 10,790,054
Securities held-to-maturity				
U.S. Government and agency securities	$ 1,021,330	$ 7,140	$ -	$ 1,028,470
Obligations of state and political subdivisions	150,000	1,355	273	151,082
	$ 1,171,330	$ 8,495	$ 273	$ 1,179,552

There were no gross realized gains or losses on sales of securities for the years ended December 31, 2002, 2001, and 2000.

The scheduled maturities of securities held-to-maturity and securities available-for-sale at December 31, 2002 were as follows:

	Securities Available-for-Sale		*Securities Held-to-Maturity*	
	Amortized Cost	*Fair Value*	*Amortized Cost*	*Fair Value*
Due in one year or less	$ 14,543,783	$ 14,575,805	$ 30,000	$ 30,153
Due from one to five years	1,000,000	997,880	95,000	99,531
Due from five to ten years	-	-	-	-
Due after ten years	-	-	-	-
	$ 15,543,783	$ 15,573,685	$ 125,000	$ 129,684

2. INVESTMENT SECURITIES (continued)

Assets, principally securities, carried at $9,028,902 and $8,621,230 at December 31, 2002 and 2001, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

The Bank has purchased stock in the Federal Home Loan Bank (FHLB) valued at cost of $105,300 and $84,600 at December 31, 2002 and 2001, respectively. It is pledged as collateral for FHLB advances. There were no advances at December 31, 2002 and 2001. The line-of-credit is equal to and is secured by wholly-owned residential (1-4 units) first mortgage loans with balances of approximately $10,689,000 and $8,942,000 at December 31, 2002 and 2001, respectively. The line-of-credit requires a FHLB stock investment of at least 5% of the amount borrowed. As of December 31, 2002 and 2001, the Bank could borrow up to $2,106,000 and $1,692,000, respectively.

3. LOANS

A summary of the balances of loans follows:

	December 31, 2002	December 31, 2001
Commercial and industrial	$ 15,451,055	$ 13,069,306
Real estate	36,159,675	28,723,258
Agricultural loans	-	-
Loans to individuals for personal expenditures	3,596,093	3,547,946
Lease loans	683,024	856,961
Others	1,422,785	1,160,411
	57,312,632	47,357,882
Allowance for loan losses	(1,146,605)	(900,085)
Loans, net	$ 56,166,027	$ 46,457,797

An analysis of the allowance for loan losses follows:

	2002	*2001*	*2000*
Balance at beginning of year	$ 900,085	$ 557,688	$ 243,000
Provision for loan losses	263,000	340,000	342,000
Loans charged off	(17,228)	(12,305)	(27,312)
Recoveries of loans previously charged off	748	14,702	-
Balance at December 31	$ 1,146,605	$ 900,085	$ 557,688

3. **LOANS** (continued)

At December 31, 2002 and 2001, there was no total recorded investment in loans on nonaccrual and the total recorded investment in loans past due ninety days or more and still accruing interest amounted to $155,031 and $5,983, respectively. The average recorded investment in loans on nonaccrual amounted to $7,641 and $166,689 during the years ended December 31, 2002 and 2001, respectively. Interest income on impaired loans of $1,237, $680, and $0 was recognized for cash payments received in 2002, 2001, and 2000, respectively. The Bank has no commitments to loan additional funds to borrowers whose loans have been modified.

4. **PROPERTY AND EQUIPMENT**

A summary of the cost and accumulated depreciation of property and equipment follows:

	Years Ended December 31,	
	2002	*2001*
Cost:		
Land	$ 532,415	$ 532,415
Buildings	1,741,166	1,609,194
Equipment	501,475	403,346
Total cost	2,775,056	2,544,955
Less: Accumulated depreciation	(338,940)	(219,632)
Net book value	$ 2,436,116	$ 2,325,323

Software is included in accrued interest receivable and other assets. A summary of the cost and accumulated amortization of software follows:

	Years Ended December 31,	
	2002	*2001*
Software	$ 144,565	$ 124,390
Less: Accumulated amortization	(88,399)	(61,643)
Net software	$ 56,166	$ 62,747

Depreciation and amortization expenses amounted to $150,517, $106,257 and $100,156 for 2002, 2001, and 2000, respectively.

5. **STOCK-BASED COMPENSATION PLANS**

In connection with the organization of the Company and its subsidiary, the Company issued 50,000 stock purchase warrants to shareholders/organizers on August 10, 1998 and 15,000 stock options to key employees on March 10, 1999. The warrants are exercisable immediately and the options are fully vested to the employees as of March 10, 2002. Each warrant and option represents the right to purchase one share of the Company's common stock at an exercise price of $10, until the expiration dates of August 10, 2008 and March 10, 2009.

The Company applies APB Opinion No. 25, and related Interpretations in accounting for the stock warrants and the stock option plan. Accordingly, no compensation costs have been recognized. Had compensation cost for the Company's stock warrants and stock option plan been determined based on the fair value at the grant dates for awards under the plan consistent with the method prescribed by FASB Statement No. 123, the Company's net income and earnings per share would have been adjusted to the pro forma amounts indicated below:

	Years Ended December 31,		
	2002	*2001*	*2000*
Net income			
As reported	$ 843,879	$ 745,215	$ 368,549
Pro forma	$ 838,621	$ 724,183	$ 347,517
Earnings per share			
As reported	$ 1.26	$ 1.12	$ 0.55
Pro forma	$ 1.26	$ 1.09	$ 0.52

The fair value of each option warrant and option granted is estimated on the date of the grant using the following assumptions:

	Stock Warrants	Stock Options
Dividend yield	-0-	-0-
Expected life	10 years	10 years
Risk-free interest rate	5.71%	5.61%

5. **STOCK-BASED COMPENSATION PLANS** (continued)

The Company calculated options and warrants assuming minimum value which does assumes zero volatility and no dividends.

A summary of the status of the Company's stock warrants and stock option plans are as follows:

	December 31, 2002			
	Stock Warrants		Stock Options	
	Shares	Exercise Price	Shares	Exercise Price
Outstanding – beginning of year	48,000	$ 10	15,000	$ 10
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding – end of year	48,000	$ 10	15,000	$ 10

	December 31, 2001			
	Stock Warrants		Stock Options	
	Shares	Exercise Price	Shares	Exercise Price
Outstanding – beginning of year	48,000	$ 10	15,000	$ 10
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding – end of year	48,000	$ 10	15,000	$ 10

	December 31, 2000			
	Stock Warrants		Stock Options	
	Shares	Exercise Price	Shares	Exercise Price
Outstanding – beginning of year	50,000	$ 10	15,000	$ 10
Granted	-	-	-	-
Exercised	2,000	10	-	-
Forfeited	-	-	-	-
Outstanding – end of year	48,000	$ 10	15,000	$ 10

5. **STOCK-BASED COMPENSATION PLANS** (continued)

Information pertaining to warrants and options outstanding at December 31, 2002 is as follows:

Stock Warrants				
Warrants Outstanding			Warrants Exercisable	
Number Outstanding	Remaining Contractual Life	Exercise Price	Number Exercisable	Exercise Price
48,000	5.67 years	$10	48,000	$10

Stock Options				
Options Outstanding			Options Exercisable	
Number Outstanding	Remaining Contractual Life	Exercise Price	Number Exercisable	Exercise Price
15,000	6.25 years	$10	15,000	$10

6. **EMPLOYEE BENEFIT PLAN**

401(K) Plan. Effective January 1, 1999, the Bank adopted a 401(k) Plan whereby substantially all employees participate in the Plan. Employees may contribute up to 100 percent of their compensation subject to certain limits based on federal tax laws. The Bank made discretionary matching contributions equal to 25 percent of the first 8 percent of an employee's compensation contributed to the Plan for the years ended December 31, 2002, 2001, and 2000. The Bank also made an additional $12,000 and $10,000 profit-sharing contribution for the years ended December 31, 2002 and 2001, respectively. Expense attributable to the Plan amounted to $24,009, $20,481, and $9,834 at December 31, 2002, 2001, and 2000, respectively.

7. **DEPOSITS**

The aggregate amount of time deposits in denominations of $100,000 or more at December 31, 2002 and 2001 was $12,979,493 and $12,972,293, respectively.

At December 31, 2002, the scheduled maturities of time deposits are as follows:

2003	$ 11,278,002
2004	8,909,849
2005	4,960,288
2006	410,921
2007 and after	785,610
	$ 26,344,670

8. **LINE OF CREDIT**

At December 31, 2002, the Bank had $2,300,000 available under a Federal Funds line-of-credit with First National Bankers Bank that expires on May 15, 2003.

9. **OFF-BALANCE SHEET ACTIVITIES**

In the normal course of business, the Bank has outstanding commitments and contingent liabilities, such as commitments to extend credit and standby letters of credit, which are not included in the accompanying consolidated financial statements. The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and standby letters of credit is represented by contractual or notional amount of those instruments. The Bank uses the same credit policies in making such commitments as it does for instruments that are included in the consolidated balance sheet.

At December 31, 2002 and 2001, the following financial instruments were outstanding whose contract amounts represent credit risk:

	Contract Amount	
	2002	*2001*
Commitments to extend credit	$ 14,043,618	$ 10,591,259
Letters of credit	$ 138,145	$ 86,375

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, property and equipment, and income-producing commercial properties.

Letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. The letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank's policy for obtaining collateral, and the nature of such collateral, is essentially the same as that involved in making commitments to extend credit.

The Bank has not been required to perform on any financial guarantees during the past two years. The Bank has not incurred any losses on its commitments in 2002, 2001, or 2000.

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. **SIGNIFICANT GROUP CONCENTRATIONS OF CREDIT RISK**

Most of the Bank's lending activity is with customers located within Terrebonne and surrounding parishes. Generally, the loans are secured. The loans are expected to be repaid from cash flow or proceeds from the sale of selected assets of the borrowers.

Commercial and standby letters of credit were granted primarily to commercial borrowers.

The contractual amounts of credit-related financial instruments such as commitments to extend credit, and letters of credit represent the amounts of potential accounting loss should the contract be fully drawn upon, the customer default, and the value of any existing collateral become worthless.

11. **INCOME TAXES**

The consolidated provision for income taxes consists of the following:

	Years Ended December 31,		
	2002	*2001*	*2000*
Current tax expense	$ 494,571	$ 442,840	$ 181,752
Deferred tax expense (benefit)	(56,246)	(69,272)	10,186
	$ 438,325	$ 373,568	$ 191,938

The provision for federal income taxes differs from that computed by applying federal statutory rates to income before federal income tax expense, as indicated in the following analysis:

	Years Ended December 31,		
	2002	*2001*	*2000*
Statutory rates	34.0%	34.0%	34.0%
Increase (decrease) resulting from:			
Miscellaneous	0.2	(0.6)	0.2
	34.2%	33.4%	34.2%

11. **INCOME TAXES** (continued)

A cumulative net deferred tax asset is included in other assets. The components of the asset are as follows:

	December 31, 2002	2001	2000
Deferred tax assets:			
Reserve for loan loss	$ 333,466	$ 244,045	$ 139,847
Start up cost	28,667	53,786	78,905
Gross deferred tax asset	362,133	297,831	218,752
Deferred tax liabilities:			
Net unrealized gain of securities available to sale	$ 10,167	$ 17,654	$ 7,741
Federal Home Loan Bank stock dividends	2,808	1,890	972
Depreciation	68,112	60,974	52,086
Gross deferred tax liability	81,087	80,518	60,799
Net deferred tax asset	$ 281,046	$ 217,313	$ 157,953

12. **RELATED PARTY TRANSACTIONS**

The Bank has entered into transactions with its principal officers and directors and their affiliates (related parties). An analysis of activity during 2002 and 2001 with respect to loans to officers and directors of the Bank is as follows:

	2002	2001
Balance, January 1	$ 2,160,734	$ 2,022,169
New loans	657,334	1,698,437
Repayments	(1,200,304)	(1,559,872)
Balance, December 31	$ 1,617,764	$ 2,160,734

13. **RESTRICTIONS ON RETAINED EARNINGS**

The Bank, as a state chartered bank, is subject to the dividend restrictions set forth by the Commissioner of Financial Institutions. Under such restrictions, the Bank may not, without the prior approval of the Commissioner, declare dividends in excess of the sum of the current year's retained net profits (as defined) plus the retained net profits (as defined) from the prior year. The Bank can declare, without the approval of the Commissioner, dividends totaling $734,074 more than its retained net profits during the year ending December 31, 2003.

14. **STOCKHOLDERS' EQUITY**

On August 7, 1998, the Company was authorized to sell 1,000,000 shares of preferred stock, having no par value. As of December 31, 2002 no preferred shares of stock had been issued.

15. **MINIMUM REGULATORY CAPITAL REQUIREMENTS**

Both the Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company and the consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines involving quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification under the prompt corrective action guidelines are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2002, that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2002, the most recent notification from the Office of the Commissioner of Financial Institutions and the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To remain categorized as well as capitalized, the Bank will have to maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the following table. There are no conditions or events since the most recent notification that management believes have changed the Bank's prompt corrective action category.

The Bank's actual and required capital amounts and ratios are as follows:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2002:						
Total Capital (to Risk Weighted Assets)	$7,837,000	14.1%	$4,455,200	≥8.0%	$5,569,000	≥10.0%
Tier I Capital (to Risk Weighted Assets)	$7,135,000	12.8%	$2,227,600	≥4.0%	$3,341,400	≥6.0%
Tier I Capital (to Adjusted Total Assets)	$7,135,000	8.2%	$2,240,400	≥4.0%	$4,351,950	≥5.0%
December 31, 2001:						
Total Capital (to Risk Weighted Assets)	$6,976,000	15.3%	$3,649,440	≥8.0%	$4,561,800	≥10.0%
Tier I Capital (to Risk Weighted Assets)	$6,402,000	14.0%	$1,824,720	≥4.0%	$2,737,080	≥6.0%
Tier I Capital (to Adjusted Total Assets)	$6,402,000	10.9%	$2,345,927	≥4.0%	$2,932,408	≥5.0%

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Synergy Bancshares, Inc. (Parent Company Only) Financial Statements

BALANCE SHEETS

ASSETS

	2002	2001
Cash in Subsidiary Bank	$ 918,982	$ 929,191
Refundable income taxes	-	119
Deferred income taxes	2,823	2,823
Dividends receivable	120,136	100,113
Investment in Subsidiary - Synergy Bank	7,155,318	6,435,781
TOTAL ASSETS	$ 8,197,259	$ 7,468,027

LIABILITIES AND STOCKHOLDERS' EQUITY

	2002	2001
LIABILITIES		
Accrued expenses and other liabilities	$ 120,136	$ 100,113
Total Liabilities	120,136	100,113
STOCKHOLDERS' EQUITY		
Common stock - $2 par value Authorized - 10,000,000 shares; issued and outstanding - 667,423 shares	1,334,846	1,334,846
Surplus	5,324,928	5,324,928
Retained earnings	1,397,614	673,871
Accumulated other comprehensive income	19,735	34,269
Total Stockholders' Equity	8,077,123	7,367,914
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 8,197,259	$ 7,468,027

SYNERGY BANCSHARES, INC. AND SUBSIDIARY
Houma, Louisiana

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Synergy Bancshares, Inc. (Parent Company Only) Financial Statements (cont'd)

STATEMENTS OF OPERATIONS

	Years Ended December 31, 2002	2001	2000
INCOME			
Dividends from Subsidiary - Synergy Bank	$ 120,136	$ 100,113	$ -
EXPENSE			
Other operating expense	15,648	8,144	12,680
LOSS BEFORE EQUITY IN UNDISTRIBUTED INCOME	104,488	91,969	(12,680)
Equity in undistributed income of Subsidiary	734,071	650,496	376,918
INCOME BEFORE INCOME TAXES	838,559	742,465	364,238
Applicable income tax benefit	(5,320)	(2,750)	(4,311)
NET INCOME	$ 843,879	$ 745,215	$ 368,549

16. Synergy Bancshares, Inc. (Parent Company Only) Financial Statements (cont'd)

STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 843,879	$ 745,215	$ 368,549
Adjustments to reconcile net income to net cash provided by operating activities:			
Undistributed income of Subsidiary	(734,071)	(650,496)	(376,918)
Increase (decrease) in refundable income taxes	119	1,350	(1,469)
(Increase) decrease in deferred income taxes	-	19	(19,612)
Increase in accrued income and other assets	(20,023)	(100,113)	-
Increase in accrued expenses and other liabilities	20,023	97,343	2,770
Net cash provided by (used in) operating activities	109,927	93,318	(26,680)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Contribution of capital into subsidiary	-	(750,000)	-
Net cash used in investing activities	-	(750,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(120,136)	(100,113)	-
Proceeds from sale of common stock	-	-	20,000
Net cash provided by (used in) financing activities	(120,136)	(100,113)	20,000
Decrease in cash and cash equivalents	(10,209)	(756,795)	(6,680)
Cash and cash equivalents at January 1	929,191	1,685,986	1,692,666
Cash and cash equivalents at December 31	$ 918,982	$ 929,191	$ 1,685,986
SUPPLEMENTAL DISCLOSURE FOR CASH FLOW INFORMATION:			
Cash paid during the year for:			
Income taxes	$ -	$ -	$ -

17. Synergy Bank - Financial Statements

BALANCE SHEETS

ASSETS

	2002	2001
Cash and due from banks	$ 2,996,752	$ 1,487,291
Interest-bearing deposits with banks	10,883	11,500
Federal funds sold	7,800,000	10,100,000
Securities available-for-sale	15,573,685	10,790,054
Securities held-to-maturity (market values of $129,684 and $1,179,552, respectively)	125,000	1,171,330
Federal Home Loan Bank stock, at cost	105,300	84,600
Loans, less allowance for loan losses of $1,146,605 and $900,085, respectively	56,166,027	46,457,797
Property and equipment, net	2,436,116	2,325,323
Deferred income taxes	278,223	214,490
Accrued interest receivable and other assets	420,442	454,280
TOTAL ASSETS	**$ 85,912,428**	**$ 73,096,665**

LIABILITIES AND STOCKHOLDER'S EQUITY

	2002	2001
LIABILITIES		
Demand deposits	$ 11,754,170	$ 9,616,296
NOW and savings deposits	40,388,825	35,152,397
Other time deposits	26,344,670	21,339,980
Total deposits	78,487,665	66,108,673
Income taxes payable	-	256,351
Accrued expenses and other liabilities	269,445	295,860
Total Liabilities	78,757,110	66,660,884
COMMITMENTS AND CONTINGENT LIABILITIES	-	-
STOCKHOLDER'S EQUITY		
Common stock - $2 par value		
Authorized - 10,000,000 shares; issued and outstanding - 500,000 shares	1,000,000	1,000,000
Surplus	4,750,000	4,750,000
Retained earnings	1,385,583	651,512
Accumulated other comprehensive income	19,735	34,269
Total Stockholder's Equity	7,155,318	6,435,781
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 85,912,428**	**$ 73,096,665**

SYNERGY BANCSHARES, INC. AND SUBSIDIARY

Houma, Louisiana

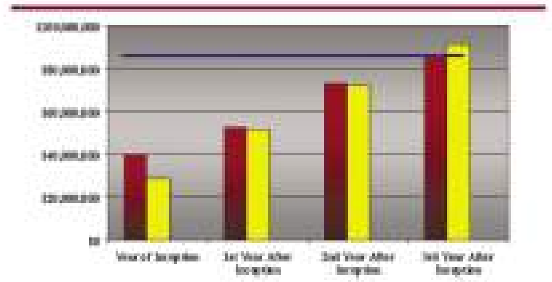
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. **Synergy Bank - Financial Statements (cont'd)**

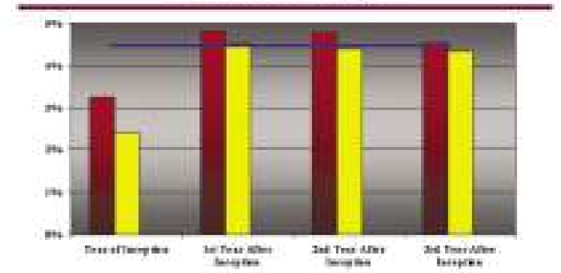
STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2002	**2001**	**2000**
INTEREST INCOME			
Interest and fees on loans	$ 4,100,703	$ 3,776,774	$ 2,804,486
Interest on investment securities:			
Taxable	308,080	444,075	469,963
Tax-exempt	5,877	4,569	-
Interest on federal funds sold	43,725	161,095	214,308
Interest on deposits with other banks	2,196	481	950
Total interest income	4,460,581	4,386,994	3,489,707
INTEREST EXPENSE			
Interest on deposits	1,336,463	1,741,041	1,540,270
NET INTEREST INCOME	3,124,118	2,645,953	1,949,437
Provision for loan losses	263,000	340,000	342,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2,861,118	2,305,953	1,607,437
NONINTEREST INCOME			
Service charges on deposit accounts	396,053	272,291	210,816
Other income	405,789	324,713	239,949
	801,842	597,004	450,765
NONINTEREST EXPENSES			
Salaries and employee benefits	1,270,417	948,363	789,813
Occupancy and equipment	273,667	196,746	182,790
Data processing	184,425	122,532	106,189
Other general and administrative	636,599	508,389	406,243
	2,365,108	1,776,030	1,485,035
INCOME BEFORE INCOME TAXES	1,297,852	1,126,927	573,167
Applicable income taxes	443,645	376,318	196,249
NET INCOME	**$ 854,207**	**$ 750,609**	**$ 376,918**

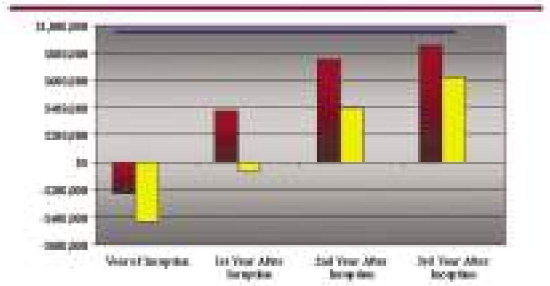
Total Assets



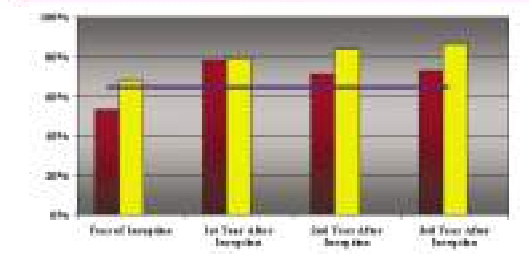
Net Interest Margin



Net Income

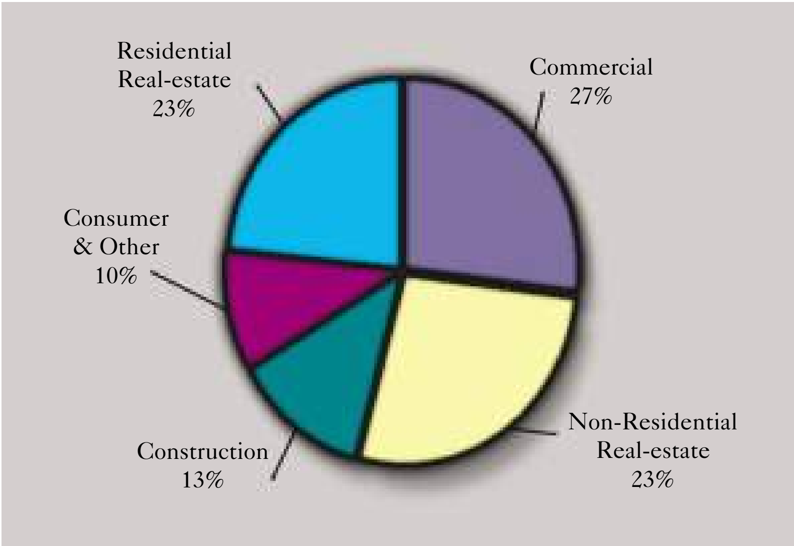


Total Loans to Deposits
(at December 31st)



Synergy Bank
Average for all Louisiana banks that began operations during 1998 and 1999
Average for all Louisiana banks with total assets between $75 million and $100 million

Composition of Loan Portfolio



strong

MEDICINE

DR. KOTI SANGISETTY
Urology Health Center

He has established a thriving medical practice and become well-respected throughout the community for his compassion and vision. As an integral force in the Physicians Surgical Specialty Hospital, Dr. Koti Sangisetty has helped to expand the world-class surgical facilities available to our community.

Along with his wife Aruna, a renowned pediatrician, Dr. Sangisetty exhibits the deep commitment to the growth and well-being of our unique and vibrant community.

Dr. Sangisetty can practice anywhere, but he chose Houma. He can bank anywhere, but he chose Synergy.

Dr. Sangisetty believes, as we do, that this community is rich in its diversity, warm in its compassion, grounded in its history and alive with the promise of its future.

focused on
CONSISTENCY

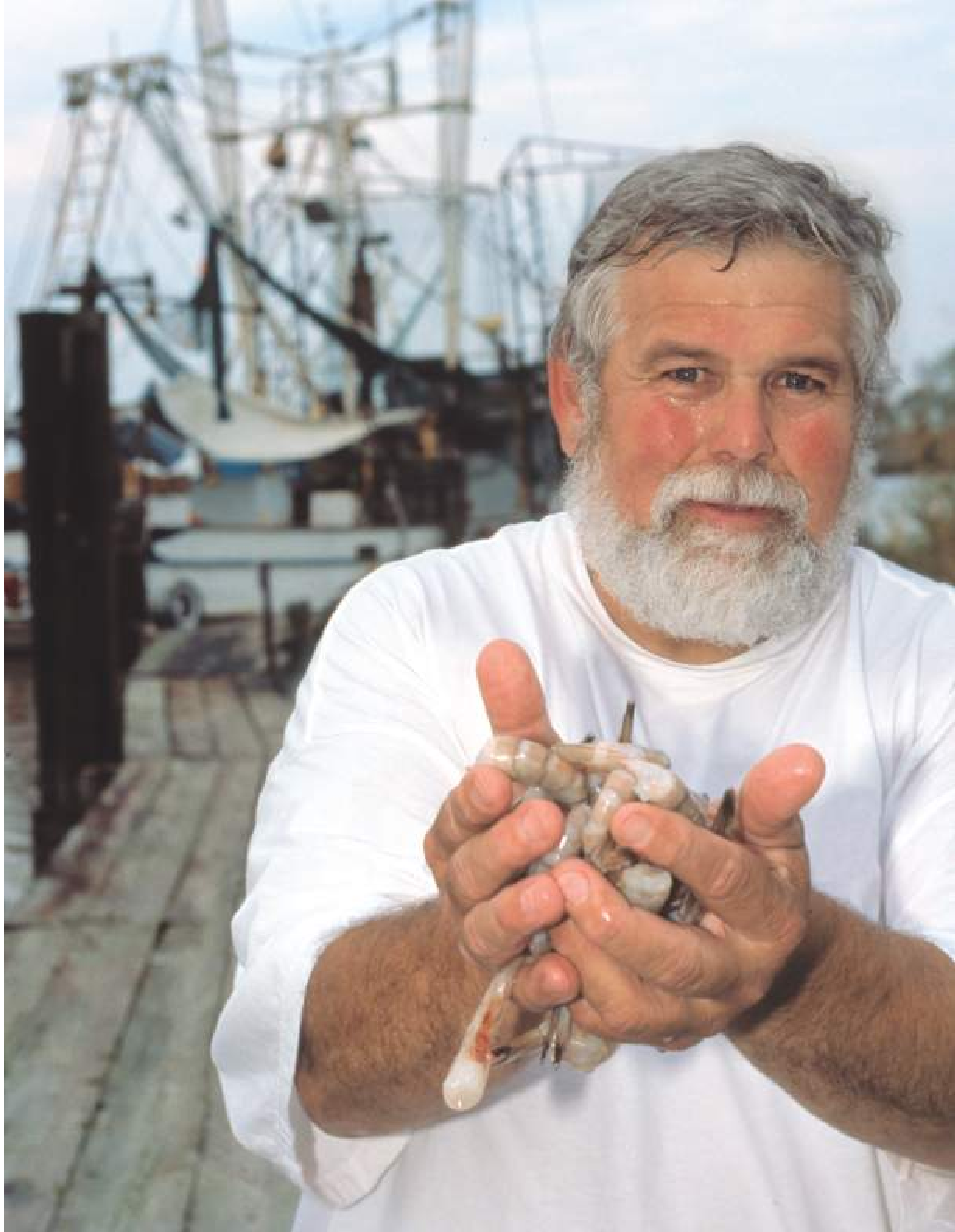
ALLEN ESTAY
Bluewater Shrimp Company

How does that famous Louisiana seafood get from the Gulf of Mexico to restaurants and kitchens around the world? Through the work of men like Allen Estay. His company, Bluewater Shrimp Company, fresh-freezes Gulf shrimp and ships them to restaurants and markets from New Orleans to New York.

His priority is to provide the best product available, with consistency and quality that his customers can count on—time and time again. Come to think of it, Mr. Estay does business a lot like Synergy Bank.

At Synergy, you'll find people who go the extra mile to ensure that your financial needs are handled efficiently and modernly. And, you'll find a full range of banking services designed with your satisfaction in mind. You'll find experienced banking professionals who pride themselves on quick response and total client service.

From online banking to consumer lending, and from club accounts to commercial leasing, Synergy has it all—delivering quality banking products with consistent customer service.



solid
GROWTH

Over the last four years, Synergy Bank has grown from an interesting idea with some potential to an established successful bank with a sound foundation and a bright future.

Synergy is continuously working towards that future—searching for the opportunities to expand the services we offer. Our anchor is our belief in the people and community which we serve.

Through responsible and prudent management strategies, we plan to continue our expansion, working with the people of Terrebonne and Lafourche Parishes and beyond.

list of
SERVICES

Your Bank.
Our Community.
Stronger Together.

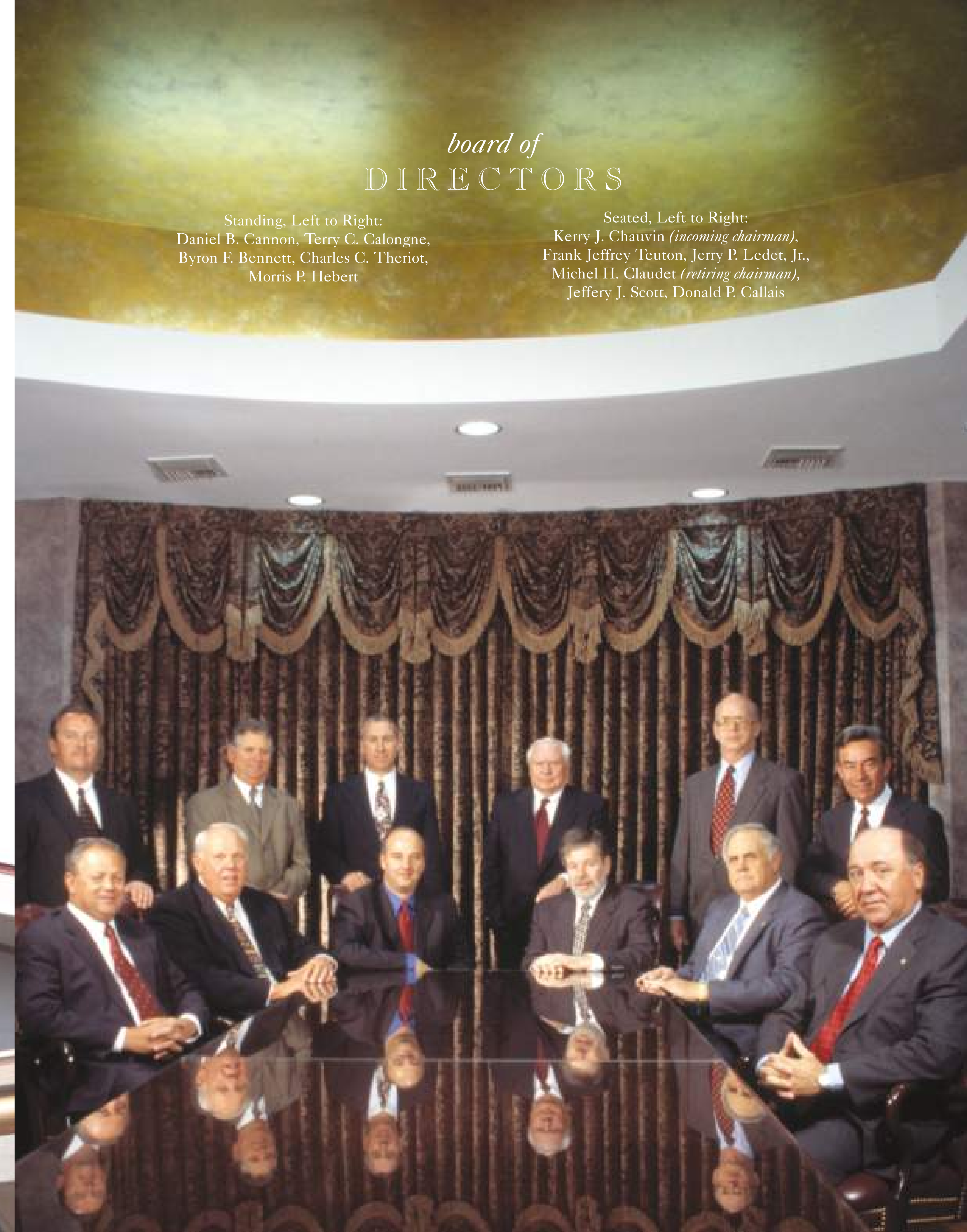
Personal Checking Accounts
Business Checking Accounts
Savings & Money Market Accounts
Certificates of Deposit
Individual Retirement Accounts
Consumer Loans
Business Loans

Mortgage Loans
Credit Cards
STAR Card - Synergy Total Access Resource Card (Visa(R) Check Card)
Safe Deposit Boxes

board of
DIRECTORS

Standing, Left to Right:
Daniel B. Cannon, Terry C. Calongne, Byron F. Bennett, Charles C. Theriot, Morris P. Hebert

Seated, Left to Right:
Kerry J. Chauvin *(incoming chairman)*, Frank Jeffrey Teuton, Jerry P. Ledet, Jr., Michel H. Claudet *(retiring chairman)*, Jeffery J. Scott, Donald P. Callais



EQUAL HOUSING LENDER

FDIC

officers of

SYNERGY BANK

Jerry Ledet
President and CEO

Ben Borne
Executive Vice President and CFO

Marie Morris
Senior Vice President, CRCM

John Hebert
Vice President

Harvey Authement, Jr.
Vice President

Debra Babin
Assistant Vice President

Bryan Pullaro
Banking Officer

Melanie Boquet
Executive Secretary

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