Office Locations

Main Office Branch
24-Hour Check Cashing ATM
24-Hour Drive Up ATM
8700 Centreville Road
Manassas, VA 20110

Bull Run Branch
24-Hour ATM
7800 Sudley Branch
Manassas, VA 20109

Lake Ridge Branch
24-Hour Check Cashing ATM
12493 Dillingham Square (Old Bridge Road)
Woodbridge, VA 22192
"OPENING SOON!"

Contact Information
Phone: (703) 361-1422 ● Toll Free: (800) 825-1870 ● FAX: (703) 361-1361

Lobby Hours: Mon.-Thurs., 9 a.m.-5 p.m., Fri., 9 a.m.- 6 p.m., Sat., 9 a.m.- Noon
Drive-Up: Mon.-Fri. 8 a.m.-7 p.m., Sat. 9 a.m.- Noon (Main Office & Bull Run)
Drive-Up: Mon-Fri. 9 a.m.-6 p.m., Sat. 9 a.m.-Noon (Lake Ridge)

ATM Locations

Northern Virginia Community College Campus Cafeteria
- 6901 Sudley Road, Manassas, VA
- 15200 Neabsco Mills Road, Woodbridge, VA

Java Jack's Coffee House
9112 Center Street, Manassas, VA

Potomac Festival Shopping Center
14556 Potomac Mills Road, Woodbridge, VA

Fort Belvoir Federal Credit Union
14040 Central Loop, Woodbridge, VA

These are "No Surcharge" ATMs and do not count as a "foreign ATM."

24-HOUR Services

Any Hour Loans
(888) 357-5626

Audio Response
(703) 393-6255

E-mail Address
info@synergyonefcu.org

VISA Credit/Check Card
(Lost/stolen reporting line)
(800) 449-7728

Web site
www.synergyonefcu.org

Consumer/Mortgage Loans
Apply online at www.synergyonefcu.org

Service Centers

Woodbridge, VA,
Featherstone Square
14527 Jefferson Davis Highway
(703) 491-6095
Weekdays, 9 a.m.-7 p.m.
Sat: 9 a.m.-5 p.m.

Falls Church, VA
Falls Plaza East Shopping Center
1118 W. Broad Street
(703) 532-9200
Weekdays, 9 a.m-7 p.m.
Sat., 9 a.m.-2 p.m.

Rockville, MD
Federal Plaza Shopping Center
12266 Rockville Pike, Suite G
(301) 984-9578
Weekdays, 9 a.m.-7 p.m.
Sat., 9 a.m.-2 p.m.

Springfield, VA
6314 Springfield Plaza
(703) 912-3933
Weekdays, 9 a.m.- 7 p.m.
Sat., 9 a.m-2 p.m.

Marlow Heights, MD
Marlow Heights Shopping Center
4003 Branch Avenue
(301) 423-1391
Weekdays, 9 a.m.-7 p.m.
Sat., 9 a.m.-2 p.m.

Capitol Heights, MD
Hampton Mall
9001 Central Avenue
(301) 499-6880
Weekdays, 9 a.m. - 7 p.m.
Sat., 9 a.m.- 2 p.m.

***New!* Fairfax, VA**
11307 Lee Highway
(703) 218-9900
Weekdays, 8 a.m.-5 p.m.
Thurs., 9:30 a.m.-5 p.m.
Sat., 9 a.m.-1 p.m.

There is a "No Surcharge" ATM at each of the above location.

For a complete listing of Service Centers nationwide, please log onto www.cuservicecenter.com and ATMs www.co-opnetwork.com.

2003 Annual Report

SYNERGY one

FEDERAL CREDIT UNION

Banking so Advanced, We're a Credit Union!

AGENDA

Wednesday, April 14, 2004
Comfort Suites Hotel
7350 Williamson Boulevard
Manassas, Virginia

Welcome.....*Robert J. Lawrence, Chairman*

Call To Order

Ascertainment of Quorum.....*Carl H. Dunn, Jr., Secretary*

Introductions.....*Robert J. Lawrence, Chairman*

Chairman's & President's Report.....*William H. White, President/CEO*

Treasurer's Report.....*Dana V. Hargbol, Treasurer*

Supervisory Committee Report.....*Michael F. Szedlock, Director Emeritus*

Nominating Committee Report.....*Carl H. Dunn, Jr., Secretary*

Unfinished Business

New Business

Conclusion of Annual Meeting.....*Robert J. Lawrence, Chairman*

Door Prizes.....*Patty M. Browne, Community Relations Officer*

Adjournment

BOARD OF DIRECTORS

Robert J. Lawrence, *Chairman*
Dana V. Hargbol, *Treasurer*
Gerard G. Boucher, Jr., *Director*
Ricci L. Heishman, *Director*
Joyce B. Dura, *Associate Director*
David R. Young, *Vice Chairman*
Carl H. Dunn, Jr., *Secretary*
Nancy R. Hughes, *Director*
Michael F. Szedlock, *Director Emeritus*
Stephen G. Russick, *Associate Director*

SERVING OUR COMMUNITY

Prince William County, Manassas & Manassas Park

Synergy One FCU & Heltzel-Synergy One Mortgage Company conducted "Operation Replenish Now" to help replenish the shelves of S.E.R.V.E.'s food pantry. More than 300 non-perishable food items were donated. Staff wore jeans on Fridays in exchange for their food contributions.

Synergy One FCU & Heltzel-Synergy One Mortgage Company sponsored two Blood Drives helping to collect more than 50 units of blood for the American Red Cross. Synergy One employees (Seated L to R) Celine Lee & Crystal Stocker wait their turn to donate blood.

William White, President/CEO makes a donation of $567.50 to Sandy Piry, Prince William United Way's Success by Six Coordinator, to help pay for a Primary Health Care Van. The mobile clinic will serve the uninsured or medically under served adults and children by providing primary care and outreach in the Western Prince William regions. The money was raised through tickets sales to local theme parks.

Synergy One FCU & Heltzel-Synergy One Mortgage Company employees and members collected over 60 back packs and over 100 glue sticks for the "Tools for School" Drive through the Prince William County Regional Chamber of Commerce. The collected school supplies were distributed to children in the community through a local Boys & Girls Club.

Synergy One FCU & Heltzel-Synergy One Mortgage Company employees participated in the Adopt-A-Family Program again this year and raised more than $2,000 for the four sponsored families and one youth from "Youth for Tomorrow". Employees Theresa Baker (L) and Celine Lee (R) wrap gifts as part of the Adopt-A-Family Program.

Synergy One FCU & Heltzel-Synergy One Mortgage Company supported the U.S. Marine Corps Toys for Tots Drive once again this year. Employee Sondra Thomas (R) assists the U. S. Marine Corps representatives in collecting the generous amount of toys donated by employees and members.

Synergy One and Heltzel-Synergy One Mortgage Company supported the March of Dimes in a big way, making it the biggest year ever! With the support of our members, we raised more than $10,000 for the cause. This year's walk team was the largest ever with twenty-five employees and family members participating.

2003 Highlights

● Assets increased to over $170.9 million, our 9th consecutive year of growth. Share deposits reached $122.7 million and our total membership reached 29,163!

● New Services Offered: Turbo Tax, Realty Rewards, expanded insurance options through Nationwide/Puffenbarger Insurance Agency and LifeRing, and Check Imaging through our Online Banking, plus a New Check Cashing ATM (Main Branch Vestibule)

● October 1, 2003 marked the grand opening of the "Tiger Branch, our student-operated In-School branch at Brentsville District High School. The innovative school/ branch partnership has provided financial education and 'real world' work experience for students. The "Tiger Branch" operates during the regular school year and is open to all students, faculty and volunteers at the school.

● SYNERGY ONE was the recipient of the 2003 National Desjardins Youth Financial Education Award sponsored by the Virginia Credit Union League and Credit Union National Association (CUNA). This award recognizes leadership within the credit union on behalf of youth financial literacy. The credit union was honored for our dedication and continued efforts in supporting our young members to secure their financial futures. More than 1,300 area high school students were reached during the 2002/2003 school year. Of the 1,300 students, 575 were reached directly through classroom presentations and workshops, while another 650 were taught personal finance basics through an in-school financial literacy program sponsored by the credit union.

● The credit union, employees and members provided donations and money for the American Red Cross, American Diabetes Association, March of Dimes, and 41 other community organizations.

● We're growing and expanding. . . to meet the needs of our increasing membership! We now have almost 30,000 members/owners! We purchased land at the intersection of Sudley Manor Drive and Chatsworth Drive (near Foxchase Manor) to provide for the relocation of our Bull Run branch in early 2005. We also purchased land in Gainesville on Lee Highway, next to the Prince William Health Systems. This property is scheduled to be developed in 2006 and will allow us to reach more of the underserved and our members/owners on the western side of the county. More recently, we had the opportunity to lease a branch location in Woodbridge at 12493 Dillingham Square in the "Festival at Old Bridge" shopping center. This location will be opening in the May/June timeframe and will greatly assist us in reaching the eastern side of the county.

Architectural rendition of our New Bull Run Branch location – coming early 2005!

2003 Annual Meeting Minutes

April 23, 2003
Comfort Suites, Manassas, VA

Call to Order: Chairman, Robert Lawrence, called the Annual Meeting to order at 6:30 p.m., with a quorum present. The Minutes of the 2002 Annual Meeting were approved.

Introductions: Mr. Lawrence introduced the Directors, Associate Directors, Supervisory Committee and Senior Management members present.

Youth Financial Literacy: Mrs. Patty Browne introduced Sally Martin, Future Business Leaders of America (FBLA) Brentsville District High School (BDHS) Head, Kelsey Carlson, FBLA President and Joanna Lilley FBLA Vice-President who then gave the presentation on financial literacy that won first place for the State of Virginia and fourth place at the nationals.

Chairman's Report: Mr. Lawrence informed the membership about the effort in many states to begin taxing their state chartered credit unions, some states propose taxing only those over a certain asset size. Please write your Congressman. The Chairman responded to several questions by members.

President's Report: President/CEO, Bill White, reviewed the accomplishments in 2002: 25% Net Worth increase; 18% growth in loans; 26 mortgage modifications; $138 M mortgage loans granted; Visa Platinum offered; added shared branch facilities in Manassas and Woodbridge; auto and homeowners insurance; real estate partnership for member rebates and savings; financial literacy for high school students; on-line Visa Check cards for quicker access to deposits and reduced losses. Mr. White announced plans for 2003-2004: relocating the Bull Run branch; additional branch in Gainesville or Haymarket; small member business lending; investment & financial planning partnership.

Treasurer's Report: Mr. White presented the Report in Jim Salmon's absence. Mr. White reviewed growth trends in Membership; Net Worth Ratio (25% increase in 2002); Loans; Assets. He also reviewed Operating Expenses, Sources of Income, and Loan Portfolio Allocation as compared to last year. Member, Mr. Wright, asked if the growth is attributed to the economy or the credit union's efforts. Mr. White replied that members are seeking flight to quality. The increase in Salary & Benefits expense is attributed to the addition of the CUSO employees, of which many are commissioned. We continue to focus on building Net Worth.

Minutes continued on Page 4

2003 Minutes, *Continued*

Supervisory Committee Report: Committee Chairman, Michael Szedlock, referred to the Annual Report and stated both the CPA audit and the NCUA Examination went well with no major discrepancies. Mr. Szedlock informed the membership of the internal audits performed by the Committee.

Nominating Committee Report: David Young and Carl Dunn were both reelected for a three year term. Ricci Heishman was elected for a two-year term. One of the candidates, Joyce Duras, will serve as an Associate Director. Dana Hargbol is stepping down to continue his higher education.

Roundtable: Mr. Lawrence stated that Michael Szedlock has served as a Director since 1991 and as Chairman of the Supervisory Committee for ten years. His term as Director expired this year and he did not run again in order to allow another volunteer the opportunity. The Board presented a token of their appreciation for his service, appointed him Director Emeritus and he gladly announced he will continue to serve as Supervisory Committee Chairman.

Questions and Answers: A member stated the Blue Chip Club was taken away and asked what has taken its place. The Chairman replied, "Nothing has been implemented yet."
Pursuant to a member's question regarding 1st mortgage versus 2nd Mortgage volume. We granted 700 mortgages for $138 Million through the CUSO versus 5,800 home equity & 1st Mortgages for $54 Million through the credit union.

Adjournment: After door prizes, Patty Browne moved to adjourn the meeting, motion seconded and carried to adjourn at 7:15 PM

Robert J. Lawrence, Chairman
Carl H. Dunn, Jr., Secretary

Employees represented Synergy One FCU at the annual African-American Cultural Arts Festival for the 5th year. Employees were on hand to provide the community with information on teh products and services we offer.

Supervisory Committee Report

The Supervisory Committee is appointed annually by the Board of Directors to serve as a liaison between the Board/Management and the Member/Owners. The primary responsibility of the Supervisory Committee is to ensure the credit union's financial records are in order and internal controls are in place to protect the member's funds and the credit union.

Each year, your Credit Union is reviewed extensively by two major sources:

1) *McGladrey & Pullen, LLP* - one of the top ranked accounting firms performed an audit of the financial statements for the year-ended 12/31/03.

2) *The National Credit Union Administration*
Performed an examination of major areas of our operations, financial condition, quality of management, and risk of loss to member capital and the share insurance fund.

The Supervisory Committee also conducted monthly reviews of consumer and real estate loans and expense reports with no exceptions found. In addition to its audits in lending, the Committee serves as the representatives to the members in investigating serious errors or account problems.

We are very proud of our audit record history and compliment the CEO, Management, staff, and the voluntary members of the Board and Committee for their undying dedication to the credit union and its' membership.

Michael F. Szedlock, Director Emeritus & Chair, 32-year member
A. Roger Garman, 31-year member
Harold R. Post, 27-year member
Kenneth W. Baxter, Jr, 27-year member

Community Relations Officer, Patty Browne conducts workshop during a Teen Auto Buying Seminar held at our Centreville Road location.

Synergy One Financial Services, LLC

Heltzel-Synergy One Mortgage Company

The mortgage division had a record year in mortgage originations, with over 900 loans closed, and a total loan volume of $161,000,000. This marked a 20% increase over 2002. We expanded our product line in 2003 to include land loans, interest only mortgages, and commercial loans. The projection for 2004 is to originate approximately $135 million, based upon fewer refinance transactions, yet an increase in purchase money transactions as more homes are on the market than in 2003. With interest rates remaining low, we expect to have another good year.

We encourage you, our members, to call us for your mortgage needs since we are very competitive with both our interest rates and fees. Remember, we were voted the "#1 Mortgage Company in Prince William County for 2003" by the readers of the local newspaper. Think of us first when you are thinking of a mortgage.

Commercial Lending & Insurance Services

By now you should have heard that we opened a branch in the Synergy Centre on March 1, 2004. This branch provides space for our mortgage division, Heltzel-Synergy One Mortgage, along with our commercial loan officer, Vice-President, Steve Moore. Theresa Accoo is the Branch Manager for the mortgage division and was promoted after almost 12 years with our firm. Please feel free to speak with Theresa or Steve if you are at the credit union and have a mortgage or commercial lending related question.

In addition, our partnership with Nationwide Insurance is now in full swing. If you have Nationwide insurance on your home or auto, you should notice that Synergy One Financial Services, LLC is now your registered agent. We can offer a full variety of insurance products including auto, home, life and business – and you can meet with the Nationwide representatives in our Synergy Centre office. Both Rob Bain and J.K. Beach are available to help you during regular business hours. In addition, this branch is open on Saturdays from 9 a.m.-12 noon

2003 was a good year for Synergy One Financial Services, LLC, and we appreciate your business and your confidence. We look forward to a successful 2004 and working with you on all of your mortgage and insurance needs. Thank you.

Robert T. Heltzel
CEO/President

Chairman & President's Report

Your credit union continues to work to exceed your expectations for quality service and product delivery, as well as to strategically align the credit union to continue to fulfill our members/owners needs today and in the future. As you will recall we set out a number of strategic initiatives for 2003. Some of these areas of focus for 2003 included branch expansion, surcharge free ATM access, 24/7 online access for mortgage and consumer loan applications, commercial lending and the addition of financial service partners to expand our product line. We are extremely proud to report that we have made significant headway on a number of these fronts, several of which are depicted under the 2003 Highlights. Additionally we continue to look for opportunities that expand and augment our commitment to youth financial literacy. We opened our first student branch in 2003 and won our second Desjardins Youth Financial Education Award!

As a product of our 2003 Strategic Planning Conference, we recognized the need to evaluate our brand. Branding is a not just about changing our credit union colors or our logo; its about capturing what's really important to our members and the credit union in such a way that the spirit of our enthusiasm comes across in our logo, colors, tag line, print materials and most importantly in every way that we communicate with you, our members/owners, whether it be over the phone, via the internet, or face-to-face. During 2003, we made a commitment to further develop our brand. This commitment has included a re-evaluation of our Vision and Mission statement, the establishment of Core Values, the development of Internal and External Service Standards and other initiatives that support the continuous offering of superior member service.

Along these same lines, we are genuinely thrilled with the opportunity to unveil our new logo and tag line as a part of this Annual Meeting. We hope that you will share in this enthusiasm as we have tried to capture the "synergy" that we exude in every aspect of our business, as well as emphasizing the credit union's capacity to offer each member the very best in service, through financial services that are both cutting edge, as well as the traditional basics that we have all come to know and expect.

We would like to take this opportunity to offer a special thanks to you, our members/owners, who without your support and patronage we would be unable to continue to expand our product and service offering. We realize the diverse and stressful times we all live in today; we have been faced with a sluggish economy, a war in Iraq, continually falling interest rates to all time lows, and rising unemployment. Please know that we are here to serve your financial needs in all times, distressed or prosperous. We encourage you to do your part and continue to take advantage of the many products, services and locations that we offer for your convenience. On behalf of the Board, Management and staff we would like to thank you for your continued patronage.

Robert J. Lawrence, Chairman
William H. White, President/CEO

Treasurer's Report

Synergy One Federal Credit Union continued its run of strong growth combined with excellent financial results in 2003. This marked the 9th straight year your credit union has achieved its profitability goals while delivering mission quality and value to its members.

During the year we were able to increase or improve many financial goals to ensure strong financial performance. Total assets for 2003 grew by 11% to $171 million. Net income at $1.7 million was the second highest in the history of Synergy One. As a result your credit union achieved a very strong return on assets of 1.07% while increasing loan programs to members by 7%, improving credit union Net Worth by 16% and maintaining a high level market growth of 11% by attracting over 7,000 new members.

Our Capital, the core measure of our financial strength, grew over $2 million, an increase of 20% sustaining the tradition of financial strength you would expect from your credit union. At year-end our capital ratio was 7.25%, well above our own expectation and earning us the highest rating from our regulator, the National Credit Union Administration (NCUA).

Serving the community is a cornerstone of our financial mission to our members. This year we were able to continue to excel in providing our members the highest competitive rates on savings and investments while offering new low-cost loan programs to 30% more of our members who could not previously participate in our loan offerings. In addition, the success and quality of your credit union's loan programs underwriting have allowed Synergy One to maintain great asset quality.

By maintaining a strong financial profile, Synergy One is able to provide the services members value most while adding new products – such as GAP Insurance- and improving the security of today's technologies – like online banking- and expanding the value of financial services – by bringing Heltzel-Synergy One mortgage services right to our main office location. We even added a new branch – our Tiger branch – right inside one of our local high schools to reach out to our youngest members who yearn for financial awareness.

Your credit union has never been healthier and is well situated to meet member needs into the foreseeable future. In the year ahead we will be bringing you exciting new opportunities to expand your financial horizon while continuing to provide sound products and services that will help you reach all of your financial goals.

Dana V. Hargbol, Treasurer

Financial Highlights

CONDENSED STATEMENTS OF INCOME

Operating Income	**2003**	**2002**
Interest on Loans	$ 8,088,166	$ 7,689,077
Income from Investments	1,001,589	1,222,654
Rental Income	474,118	386,548
Fees & Miscellaneous Income	5,152,684	4,111,827
Total Operating Income	14,716,557	13,410,106
Operating Expense		
Compensation & Benefits	5,162,587	4,102,344
Office Operations	3,632,018	3,164,044
Rental Expense	449,848	343,856
Provision for Loan Losses	1,021,500	214,000
Interest on Borrowed Money	31	106,788
Total Operating Expense	10,265,984	7,931,032
Non Operating Gains (losses)	0	22,477
Income Before Dividends	4,450,573	5,608,339
Less Dividends	2,656,527	3,339,951
Net Income	**$ 1,794,046**	**$ 2,268,388**

CONDENSED STATEMENTS OF FINANCIAL CONDITION

Assets		
Loans to Members (Net)	$ 122,676,200	$ 115,244,401
Cash & Cash Equivalents	14,390,867	9,672,336
Net Investments	25,549,040	20,691,526
Property, Equipment & Other Assets	8,241,414	7,432,095
Total Assets	**$ 170,857,521**	**$ 153,040,358**
Liabilities & Members' Equity		
Members' Share & Savings Accounts	157,603,546	141,579,962
Accounts Payable & Accrued Expenses	751,968	754,899
Total Liabilities	158,355,564	142,334,861
Members' Equity	12,502,007	10,705,497
Total Liabilities & Equity	**$ 170,857,521**	**$ 153,040,358**