



BUILDING ON THE FOUNDATION OF SYNERGY

SYNERGY BANCSHARES 2009 ANNUAL REPORT

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## TO OUR SYNERGY FAMILY

When our founding directors first met almost 12 years ago, they envisioned a bank that would foster growth for our community, a bank that would completely fulfill the diverse financial needs of our citizens, and a bank that would embody the community spirit that exists in Houma-Terrebonne. Now, in our 11th year of operation, Synergy Bank has achieved our founders' promise and surpassed their expectations.

Today, Synergy is a beacon of strength and stability, a financial institution dedicated more than ever to the premise that together we are stronger, and a bank completely focused on the prosperity of our region. Synergy Bank remains committed to the ideals first raised in that original meeting. To this end, we pledge to reach out to all of our citizens to provide banking products and services that establish a foundation for growth and opportunity for all.

By every measurable standard, Synergy has met or exceeded the business goals set by your Board of Directors. Total consolidated assets reached \$288 million, a growth of 15% over the previous year. Loans totaled \$232 million, funded by deposits of \$263 million. Net earnings reached \$3 million, or \$4.02 per share—a significant achievement considering the unexpected \$120,000 special assessment imposed by the FDIC on Synergy and all banks based on asset size.

We want to thank Synergy's officers and employees for their commitment to providing our customers with friendly and comprehensive services, our Board of Directors for their leadership and vision, and our Shareholders for their overwhelming support. You have our personal promise that we will do everything possible to continue to build Synergy into the financial institution that this community wants and deserves.

Morris P. Hebert  
Chairman of the Board

Jerry P. Ledet  
President & CEO

# MEETING THE NEEDS OF CONSUMERS, BUSINESSES

Synergy offers a complete package of financial products and services tailored to meet the needs of a diverse and growing economy.



## Business Banking

Synergy's team of Business Bankers offers a wide range of services for today's dynamic business climate, including real estate financing, lines of credit and equipment financing.

## Internet Banking

Balancing your checkbook, transferring funds, or almost any transaction is as easy as the click of your mouse. And it's as safe and secure as banking in person.



## Consumer Services

Synergy is reaching out with modern and efficient consumer checking, savings, ATM and debit card services designed to make life a little easier. And Synergy offers credit card and consumer loan services to provide the things that families want and need.

## Mortgage Lending

Synergy mortgage lending professionals have the expertise to meet the growing demand of the area's real estate market. We can make your home ownership dreams come true.



## Senior Services

Beyond offering IRAs and retirement investment options, Synergy hosts social and educational events that feature topics and speakers of special interest to seniors.

As a full-service office of LPL Financial located at Synergy Bank, Synergy Investment Services offers clients an assortment of quality, non-proprietary investments, including:

# Synergy Investment Services

a division of synergy bank

## MANAGED ASSET PLANS

For professional fee-based portfolio management through LPL Financial

## MUTUAL FUNDS

## INVESTMENT PORTFOLIO ANALYSIS

To keep you informed on how your investments are performing, and to make adjustments as needed

## VARIABLE & FIXED ANNUITIES

## RETIREMENT PLANNING

To design an investment strategy to help you meet your retirement goals

## COLLEGE PLANNING

## MUNICIPAL BONDS

To help protect your hard-earned money from federal taxes\*

## SOLID ADVICE TO HELP YOU REACH YOUR GOALS

To take advantage of all available opportunities, investors need two things: an understanding of which investment products are most appropriate for their situation and a relationship with a trustworthy representative who has a clear understanding of their needs.

By keeping clients' objectives in focus, staying in contact with them throughout all market conditions and making investment adjustments as economic or lifestyle conditions warrant, Synergy Investment Services maintains a constant commitment to putting service first.

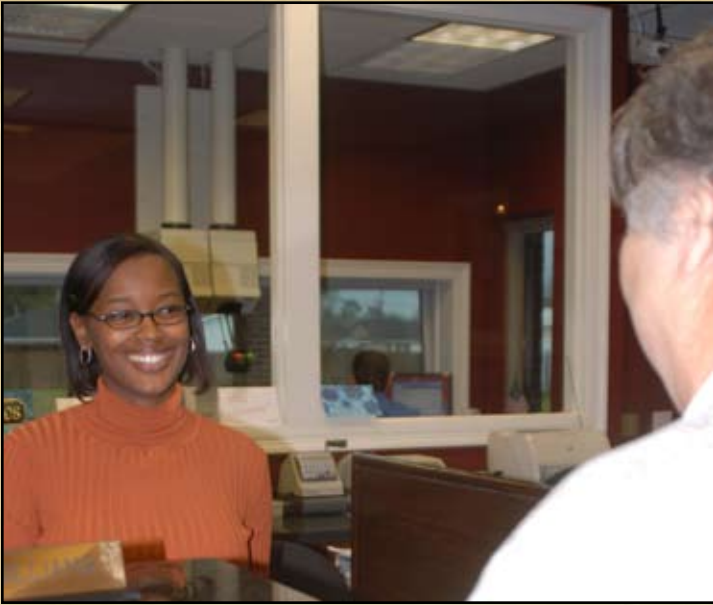
Synergy Investment Services is a division of Synergy Bank. Ann Summers is a registered representative with and securities, advisory services, and insurance products offered through LPL Financial and its affiliates, A Registered Investment Advisor, Member FINRA/SIPC. Synergy Bank and Synergy Investment Services are not registered broker/dealers and are not affiliated with LPL Financial



Not FDIC Insured	No Bank Guarantee
May Lose Value	Not A Deposit
Not Insured By Any Federal Government Agency	

\*Municipal bonds are federally tax-free, but may be subject to state and local taxes, and may be subject to the alternative minimum tax.

## ACCOLADES ACCRUE IN 2009

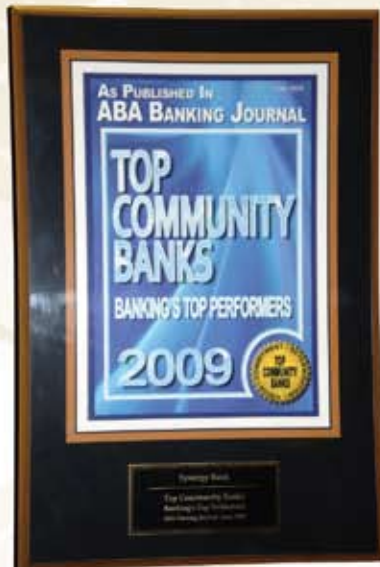


The Bank's efforts to excel in customer service and to foster growth, development and prosperity in the Houma-Terrebonne community were rewarded with two prestigious rankings in 2009.



First, Synergy Bank was ranked 14th in the nation among best-performing community banks between \$100 million and \$3 billion in size, according to the American Banking Association Banking Journal. The ranking was based on consolidated statistics from the highest regulatory reporting level available for each institution.

Next, the Bank was recognized for excellent performance and soundness in the 3rd Quarter 2009 Louisiana Bank Performance Report published by Kentucky-based Financial Management Consulting Group. The report listed Synergy as the 8th Top-Performing Bank out of 132 banks for the quarter. This ranking was based on eight financial factors, including the Bank's strength from an equity and reserve position. A principal at Financial Management Consulting said Synergy's Top-10 ranking is evidence of the Bank's "capable and dedicated" management.



As we move forward, Synergy will continue to focus on the banking fundamentals of service excellence, responsiveness, and attractive products and pricing to improve the customer experience.



## 50+ CLUB

Serving seniors in our community has always been an important part of Synergy's mission. To that end, the Bank hosts events at which experts speak on various topics of particular interest to this group. Synergy's 50+ Club is yet another way we express our appreciation. In 2009, members of the 50+ Club took a trip to Laura Plantation and Oak Alley Plantation. Traveling to Vacherie by charter bus, the group of Synergy customers enjoyed tours of both plantations and a Cajun buffet at Oak Alley. This was the second Synergy 50+ Club trip, and Synergy plans to have many more. Customers 50 years and older automatically receive invitations to these special events.



## CHILDREN'S BANKING: IT'S IN THE BAG

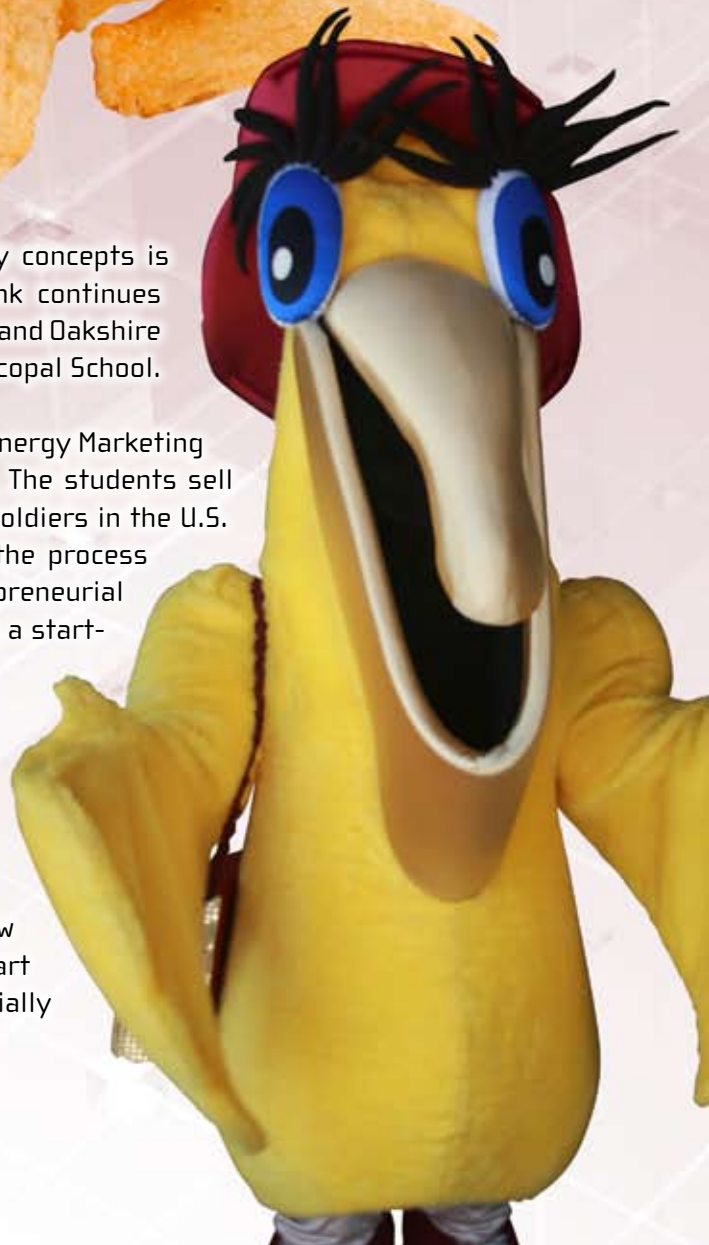


Teaching children the fundamentals of banking and basic monetary concepts is the focus of Synergy's Children's Banking initiatives. Synergy Bank continues its Bank at School / Partner in Education programs at Boudreaux Canal and Oakshire elementary schools, with an expanded program at St. Matthew's Episcopal School.

In 2009, St. Matthews third-graders, with the help of a teacher and Synergy Marketing Administrator Rusty Bourg, started their "Cheap Chips" enterprise. The students sell chips at recess and plan to donate their proceeds to a charity and soldiers in the U.S. military, as well as buy playground equipment for the school. In the process of running their small business, the students get real-world entrepreneurial experience and learn the mechanics of handling money and repaying a start-up business loan.

In late 2009, the Bank reached out to H.L. Bourgeois High School, where a Synergy representative spoke to students about how checking accounts work, and how the financial decisions they make today can greatly affect their futures.

As Synergy continues to grow, we are always looking for new opportunities to expand the Bank at School program and impart knowledge that helps children and teens grow up to be financially responsible and secure adults.







## COMMUNITY INVOLVEMENT

Community involvement and outreach have been Synergy hallmarks since the bank's founding. "Stronger Together" is more than a slogan – it's putting into practice the core of the Bank's community-rooted philosophy. The Bank does this through participation in various special events throughout the year:

Volunteers help in various capacities for Southdown Plantation's semi-annual fundraiser. Synergy employees work shifts at the concession ticket booths and help with admission.

For the annual Ladybug Ball, Synergy partners with RE/MAX realtors in sponsorship of the event each April. Children gather to release more than 100,000 ladybugs and butterflies. They can also participate in everything from crafts and hula-hooping to a silent auction, a dance demonstration and a ladybug costume contest. Synergy has a tent at the event which in the past has featured face-painting and the "adopt-a-ladybug" program, in which rocks are painted and decorated by each child, and then weighed, given a name and an adoption certificate. Proceeds from the event go to children's charities in the area.

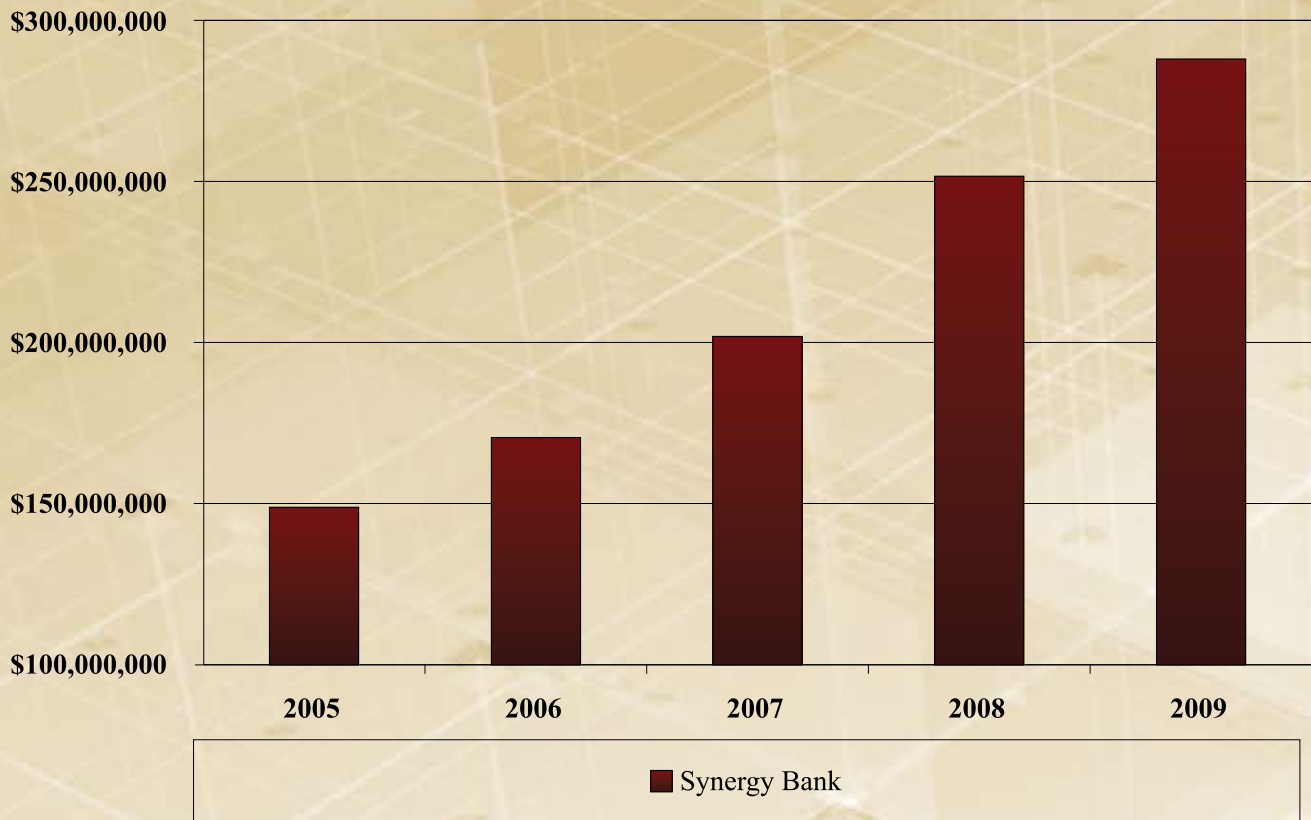
Since 1999 Synergy Bank has sponsored the wildly popular Kids Day. This annual event is held at the Houma-Terrebonne Civic Center, where thousands gather for shows, entertainment, games and more. Synergy hosts the largest booth at the event, featuring free pictures with Penny D. Pelican, mascot for the Children's Banking Program.

Never content to rest on our success, Synergy is always looking for new opportunities to expand its outreach efforts and further solidify our relationships with our customers and the community we serve.

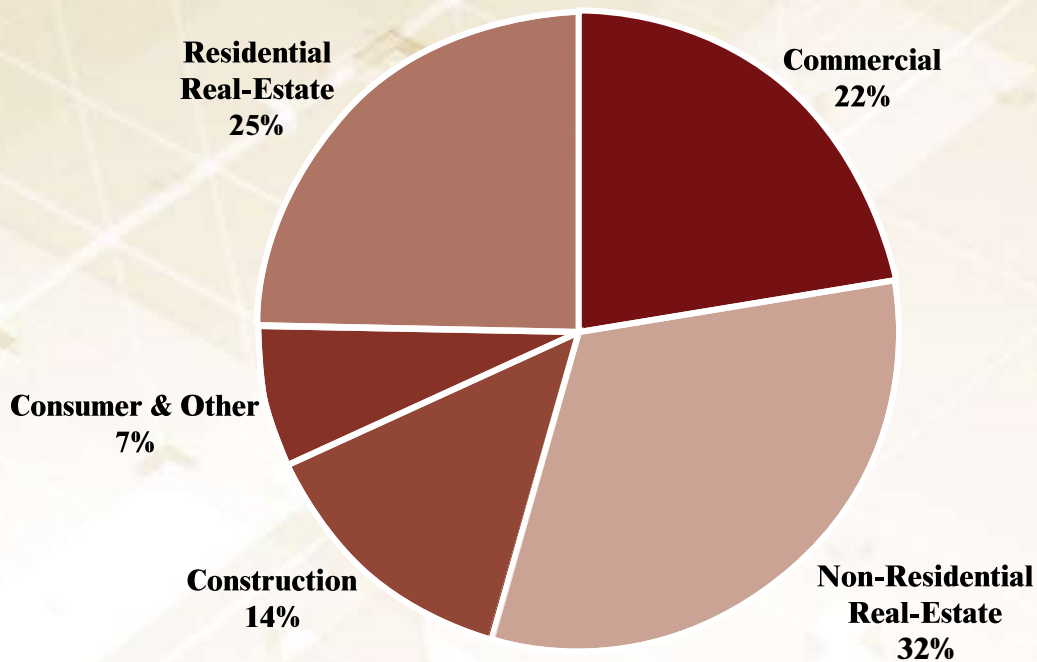
# FINANCIAL DATA

The financial statements presented herein are extracted from the audited 2009 Consolidated Financial Statements of Synergy Bancshares, Inc. and subsidiary. A complete copy of the audited financials and accompanying notes is available upon written request to Synergy Bancshares, Inc., Attn: Chief Financial Officer, P. O. Box 2166, Houma LA 70361-2166.

## TOTAL ASSETS



## COMPOSITION OF LOAN PORTFOLIO



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

**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2009 and 2008**

**ASSETS**

	<b>2009</b>	<b>2008</b>
Cash and due from banks	\$3,768,703	\$6,867,478
Federal funds sold	500,000	1,400,000
Cash and cash equivalents	4,268,703	8,267,478
Interest-bearing deposits in banks	26,375,517	110,003
Securities available for sale	11,033,866	30,051,360
Securities held to maturity (fair values of \$4,748,125 in 2009 and \$6,561,876 in 2008)	4,750,000	6,508,974
Federal Home Loan Bank stock, at cost	207,200	207,000
First National Banker's Bankshares, Inc. stock, at cost	395,000	245,000
Loans, net of allowance for loan losses of \$4,619,694 and \$3,945,257, for 2009 and 2008, respectively	227,848,392	193,598,780
Property and equipment, net	10,259,920	10,438,986
Other assets	3,080,820	2,176,415
<b>TOTAL ASSETS</b>	<b>\$288,219,418</b>	<b>\$251,603,996</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**LIABILITIES**

**Deposits:**

Noninterest-bearing	\$44,139,625	\$48,902,339
Interest-bearing	219,102,287	180,892,942
Total deposits	263,241,912	229,795,281
Accrued expenses and other liabilities	1,463,396	959,925
<b>TOTAL LIABILITIES</b>	<b>264,705,308</b>	<b>230,755,206</b>

**COMMITMENTS AND CONTINGENT LIABILITIES (Notes 18 and 19)**

**STOCKHOLDERS' EQUITY**

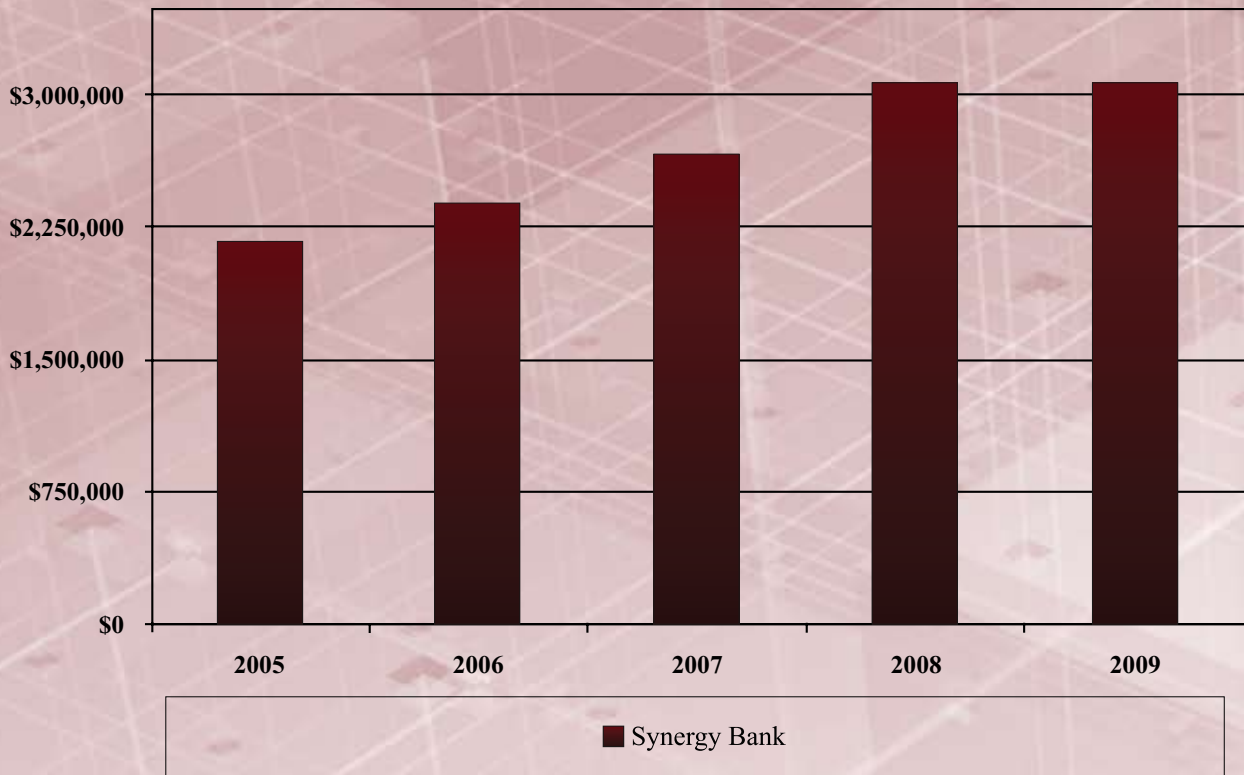
**Common stock - \$2 par value:**

Authorized - 10,000,000 shares; issued and outstanding - 754,806 shares and 753,106 shares, respectively	1,509,612	1,506,212
Nonvested restricted stock	2,130	1,400
Surplus	6,240,761	6,203,657
Retained earnings	15,739,257	12,971,624
Accumulated other comprehensive income	22,350	165,897
Total Stockholders' Equity	23,514,110	20,848,790
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$288,219,418</b>	<b>\$251,603,996</b>

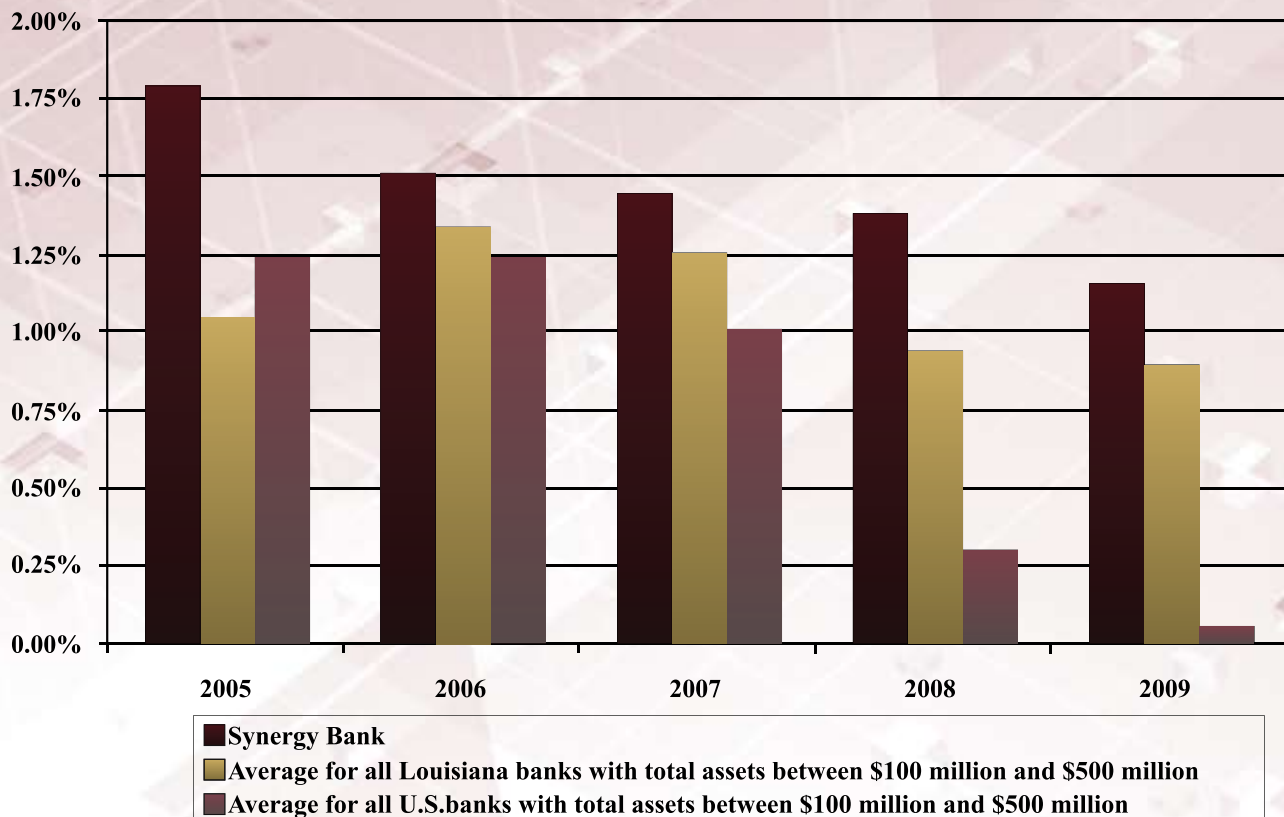
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## NET INCOME



## NET INCOME / AVERAGE ASSETS



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

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Years Ended December 31, 2009, 2008, and 2007**

<b>INTEREST INCOME</b>			
	<b>2009</b>	<b>2008</b>	<b>2007</b>
Loans	\$14,302,790	\$12,943,198	\$11,143,135
Debt securities:			
Taxable	445,398	1,085,215	1,638,753
Tax-exempt	-	-	3,891
Interest on federal funds sold	3,146	216,964	366,246
Interest on deposits with other banks	20,811	5,491	4,987
<b>Total interest income</b>	<b>14,772,145</b>	<b>14,250,868</b>	<b>13,157,012</b>
<b>INTEREST EXPENSE</b>			
Deposits	4,038,095	4,789,880	5,161,075
<b>NET INTEREST INCOME</b>	<b>10,734,050</b>	<b>9,460,988</b>	<b>7,995,937</b>
Provision for loan losses	1,223,286	973,258	703,268
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>9,510,764</b>	<b>8,487,730</b>	<b>7,292,669</b>
<b>NONINTEREST INCOME</b>			
Customer service fees	1,070,012	859,455	853,786
Loan commitment fees and other charges	942,759	919,745	865,055
Other income	108,139	185,777	194,236
	<b>2,120,910</b>	<b>1,964,977</b>	<b>1,913,077</b>
<b>NONINTEREST EXPENSES</b>			
Salaries and employee benefits	3,755,989	3,288,091	2,807,263
Occupancy and equipment	872,597	758,022	703,728
Data processing	446,902	430,451	404,168
Other	2,008,412	1,464,948	1,309,994
	<b>7,083,900</b>	<b>5,941,512</b>	<b>5,225,153</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>4,547,774</b>	<b>4,511,195</b>	<b>3,980,593</b>
Provision for income taxes	1,514,835	1,454,234	1,321,726
<b>NET INCOME</b>	<b>\$3,032,939</b>	<b>\$3,056,961</b>	<b>\$2,658,867</b>
Per Common Share Data:			
Net income per share of common stock	\$4.02	\$4.07	\$3.57
Cash dividends per share of common stock	\$0.350	\$0.350	\$0.310
Average shares outstanding	754,620	751,587	744,311

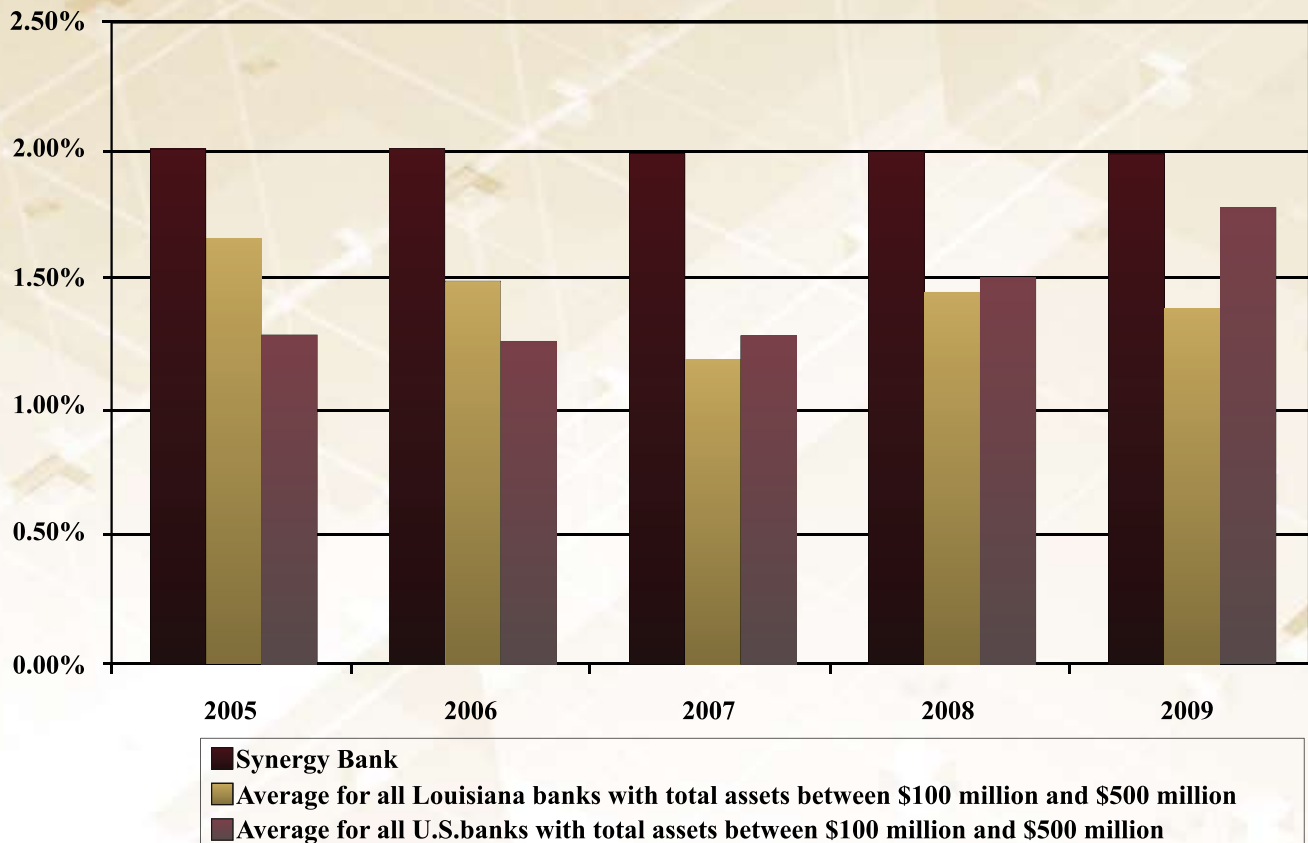
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## TOTAL LOANS



## ALLOWANCE FOR LOAN LOSSES TO TOTAL LOANS



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

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**Years Ended December 31, 2009, 2008, and 2007**

	Common Stock	Nonvested Restricted Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
<b>Balance, December 31, 2006</b>	<b>\$1,486,990</b>	<b>\$-</b>	<b>\$6,100,169</b>	<b>\$7,752,943</b>	<b>\$(26,219)</b>	<b>\$15,313,883</b>
Comprehensive income:						
Net income	-	-	-	2,658,867	-	2,658,867
Net change in net unrealized loss on securities available-for-sale, net of tax of \$31,309	-	-	-	-	60,777	60,777
Comprehensive income						2,719,644
Issuance of stock (5,761 shares)	11,522	-	46,088	-	-	57,610
Nonvested restricted stock (350 shares)		700	9,363			10,063
Cash dividends declared	-	-	-	(232,703)	-	(232,703)
<b>Balance, December 31, 2007</b>	<b>1,498,512</b>	<b>700</b>	<b>6,155,620</b>	<b>10,179,107</b>	<b>34,558</b>	<b>17,868,497</b>
Comprehensive income:						
Net income	-	-	-	3,056,961	-	3,056,961
Net change in net unrealized gain on securities available-for-sale, net of tax of \$67,659	-	-	-	-	131,339	131,339
Comprehensive income						3,188,300
Issuance of stock (3,500 shares)	7,000	-	28,000	-	-	35,000
Issuance of vested stock (350 shares)	700	(700)				-
Nonvested restricted stock (700 shares)		1,400	20,037			21,437
Cash dividends declared	-	-	-	(264,444)	-	(264,444)
<b>Balance, December 31, 2008</b>	<b>1,506,212</b>	<b>1,400</b>	<b>6,203,657</b>	<b>12,971,624</b>	<b>165,897</b>	<b>20,848,790</b>
Comprehensive income:						
Net income	-	-	-	3,032,939	-	3,032,939
Net change in net unrealized gain on securities available-for-sale, net of tax of (\$73,948)	-	-	-	-	(143,547)	(143,547)
Comprehensive income						2,889,392
Issuance of stock (1,000 shares)	2,000	-	8,000	-	-	10,000
Issuance of vested stock (700 shares)	1,400	(1,400)				-
Nonvested restricted stock (1,065 shares)		2,130	32,083			34,213
Stock issue costs			(2,979)			(2,979)
Cash dividends declared	-	-	-	(265,306)	-	(265,306)
<b>Balance, December 31, 2009</b>	<b>\$1,509,612</b>	<b>\$2,130</b>	<b>\$6,240,761</b>	<b>\$15,739,257</b>	<b>\$22,350</b>	<b>\$23,514,110</b>

# MARKETING AND ADVERTISING

Synergy uses a variety of methods to promote our products and services, market the Bank and educate our customers and potential customers. The Bank's brochures and print advertisements increase Synergy's brand recognition while keeping customers informed. Our Portfolio and Penny newsletters have been revamped with expanded, substantive content and information that enables our customers to be more savvy about financial matters. All of these tools reinforce the message that Synergy is a strong, stable financial institution with deep roots in the community.

**Synergy Portfolio**

**Synergy Bank Ranked Among Nation's Best Performers**  
CEO Credits S...



**Synergy cents**

Have Synergy with you.  
Today I want to talk to you about money to a banker.  
What's the best way to get someone who'll make sure you get  
the best financing for you and your family. A banker who is to make a bank loan  
at a rate to the bank and the bank will follow it up.  
What's the best way to get someone who'll make sure you get  
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**Do the Math**  
It all adds up to experienced consumer lenders

29 years  
28 years  
32 years  
39 years

**We've got the Home Team Advantage**

Bank

**We hold the key**  
to your mortgage loan needs

bank synergy.com





## SERVICES

MORTGAGE LOANS  
CREDIT CARDS  
SYNERGY ATM - VISA® DEBIT CARD  
SAFE DEPOSIT BOXES  
INTERNET BANKING  
ONLINE BILL PAYER  
ESTATEMENTS  
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  
COVERDELL EDUCATION  
SAVINGS ACCOUNTS  
CONSUMER LOANS  
BUSINESS LOANS  
CHRISTMAS CLUBS  
HEALTH SAVINGS ACCOUNTS  
INVESTMENT SERVICES  
MINOR SAVINGS

## DIRECTORS



(FROM LEFT TO RIGHT)

TOP: Gordon E. Dove, Dr. Koti V. Sangisetty, F. Jeffrey Teuton, Jeffery J. Scott, Terry C. Calongne, Donald P. Callais

BOTTOM: Michel H. Claudet, Jerry P. Ledet Jr., Morris P. Hebert, Kerry J. Chauvin, Daniel B. Cannon

## OFFICERS

**Jerry P. Ledet Jr.**  
president & CEO

**Benjamin D. Borne**  
EXECUTIVE VICE PRESIDENT  
CFO

**Marie M. Morris**  
senior vice president  
CRCM

**Harvey P. Authement Jr.**  
vice president

**Kaye L. Bergeron**  
vice president

**Denise S. Garofalo**  
vice president

**John G. Hebert**  
vice president

**Marla L. Porche**  
vice president

**Russell J. Touchet**  
vice president

**Ann V. Summers, CFP®**  
vice president

**Angela H. Rodrigue**  
vice president

**Gerald J. Thibodaux II, CPA**  
vice president

**Julia L. Filce**  
ASSISTANT VICE PRESIDENT

**Madonna A. McClennen**  
ASSISTANT VICE PRESIDENT

**Sallie L. Preston, PHR**  
ASSISTANT VICE PRESIDENT

**Melissa Z. Hutchinson**  
BANKING OFFICER

**Melanie B. Boquet**  
EXECUTIVE SECRETARY



## SYNERGY CENTER OFFICE

210 SYNERGY CENTER BOULEVARD  
HOUMA, LOUISIANA 70360  
PHONE: 985.851.3341  
FAX: 985.851.3352

## EAST HOUMA OFFICE

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FAX: 985.851.2024

## TUNNEL OFFICE

1036 WEST TUNNEL BOULEVARD  
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FAX: 985.851.2742

## GRAY OFFICE

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**SYNERGY BANCSHARES**