



# SYNERGY BANCSHARES INCORPORATED



## 2013 ANNUAL REPORT

*Illustrating Our Mission*

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# SYNERGY BANCSHARES AT A GLANCE

# 2013

## SYNERGY BANCSHARES INC.

Synergy Bancshares is a \$433 million community bank holding company with headquarters in Houma, Louisiana servicing customers with five locations in the Bayou Region.

### AS OF DECEMBER 31, 2013:

Assets: \$432,583,051

Net Loans: \$284,403,968

Deposits: \$385,927,659



#### **Main Office**

210 Synergy Center Boulevard  
Houma, LA 70360  
Phone: 985-851-3341

#### **Tunnel Office**

1036 West Tunnel Boulevard  
Houma, LA 70360  
Phone: 985-851-1879

#### **East Houma Office**

919 Grand Caillou Road  
Houma, LA 70363  
Phone: 985-851-2619

#### **Gray Office**

3855 West Park Avenue  
Gray, LA 70359  
Phone: 985-851-2630

#### **Thibodaux Office**

209 East Bayou Road  
Thibodaux, LA 70301  
Phone: 985-446-8442

#### **Mailing Address:**

P.O. Box 2166  
Houma, LA 70361  
Customer Service: 985-851-2217  
Telebanking: 844-SYN-BANK

## OUR MISSION

growth

At Synergy Bank, we believe that there is strength in community. We are deeply committed to fostering the growth, development and prosperity of our area. Synergy Bank was formed specifically to address the unique needs of the people we serve — with the vision of banking for, by and with the community.

To do this, our mission is to work with our customers to ensure that they consistently receive the most personal service, the best-targeted products, and the highest level of expertise that the banking industry has to offer.

service

team

Further, our mission is to foster a working environment in which members of the community will want to work — to be a part of Synergy, not just as a customer, but as a team member. We respect and value each team member; not only as an employee, but also as a representative individual from the community we serve. In addition, we strive to faithfully represent the shareholders, who made Synergy possible.

Synergy was founded for our community by the industries and individuals that form our community. We recognize and embrace the fact that the strength of our association is derived from our diversity, much like our community itself.

strength



**DEAR SYNERGY FAMILY:**

growth

As we look back at our accomplishments in 2013 and reflect on the theme of this year's annual report, illustrating our Mission, the phrase "Fostering Growth" stands out to us. The relationships we have made throughout our 14 years have contributed to the value and growth of the bank. By living our mission daily, we share the source of the strategic decisions we make and of our confidence in the bank's ability to grow in a sustainable way.

We have fostered growth by helping launch and expand numerous new businesses in the Bayou Region. In 2013 alone, we made approximately \$170 million in commercial loans. We understand that successful businesses are the foundation that makes South Louisiana a strong economically viable community, and we are committed to enabling those businesses to develop and prosper.

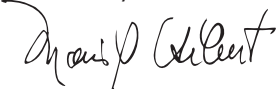
However, it's more than just businesses. It's the people that work and run those businesses that make our community thrive, and ultimately foster the growth of our region. We are mindful of the importance of our efforts as a community bank and recognize that the mortgage and home equity loans made last year assisted or fulfilled a dream of many of our customers. Their success is inextricably linked with our own.

It's through this collaboration that Synergy Bank continues to earn a profit. By year end 2013, Synergy earned \$5.6 million in profit, with assets totaling \$433 million. Deposit operations saw a \$37.6 million increase to a record \$385,927,659.

With more customers to serve, we realize that we have even more needs and expectations to meet going forward. Thus, we are continually examining our products and strategically enhancing our branch network to fully capitalize on available opportunities. To that end, in 2014, we will upgrade our Internet Banking product and launch a new website expanding our technological banking applications to further enhance our customer experience and reach. The new online services will offer account queries, bill paying, and money transfers from smart phones and other hand held personal electronic devices. The new online services are designed to enhance customer service, as we remain committed to providing the personal experience that customers have come to expect from Synergy Bank.

In closing, we reaffirm our steadfast commitment to our mission and to fostering the growth, development and prosperity of our area.

Sincerely,



MORRIS P. HEBERT  
CHAIRMAN OF THE BOARD



JERRY P. LEDET, JR  
PRESIDENT & CEO



# service

Service to our customers and service to our community are the principles by which we operate. By working together, Synergy Bank creates positive change in our community. Through programs such as our Partners in Education, we teach financial literacy to elementary and middle schools students throughout Terrebonne and Lafourche parishes. Teaching financial knowledge provides individuals at a young age the ability to make informed financial decisions that will not only impact their lives but the economic health of our community in the future.

Our employees are catalysts for community involvement and champions for numerous causes in the Bayou Region. They recognize that as we give back, deeper connections to our neighbors and community are established. It is through our service that we gain a better understanding of our customers and their needs, ultimately becoming stronger together.



## LOCAL COMMUNITY INVOLVEMENT



American Legion • Barataria Terrebonne Estuary Foundation  
Bayou Community Academy • Bayou River All Star Football  
Bayou Country Children's Museum • Bayou Industrial Group  
Best of the Bayou Festival • Boogie on the Bayou Festival • CASA of Lafourche  
CASA of Terrebonne • Cerebral Palsy Telethon • Council on Aging  
Covenant Christian Academy • Femmes Natales Annual Runabout  
Friends of Italy • E.D. White Cardinal Annual Clay Shoot  
E.D. White Swampland League Sponsor • Gulf Coast Marketplace  
The Haven • H. L. Bourgeois High School • Houma Christian School  
Houma Terrebonne Chamber of Commerce • Houma Terrebonne Soccer Association  
Junior Auxiliary's Denim & Diamonds • Kid's Day • KIM's Playhouse Museum • Kiwanis  
Krewe of Aphrodite Ball & Tableau • Krewe of Cleophas Parade Float  
Krewe of Cleopatra Fishing Rodeo • Ladybug Ball  
LA Organ Procurement Dream Builders 5K • Leadership Lafourche  
Leadership Terrebonne • Lemonade Day • Le Petit Theatre  
Leonard Chabert Medical Center • LSU AgCenter • NAACP  
Nicholls State University Athletics • NSU Swamp Stomp  
Oakshire Elementary School • Regional Military Museum Foundation  
Relay for Life Spring Fling • Restore or Retreat  
South Central Industrial Association • Southdown Plantation & Museum  
South Louisiana Community Orchestra • South Louisiana Wetlands Discovery Center  
South Louisiana Wildfowl Carvers • St. Matthew's Episcopal School  
Terrebonne Fine Arts Guild • Terrebonne Foundation for Academic Excellence  
Terrebonne General Medical Center's Ladies Night Out  
Terrebonne High School • Terrebonne Historical and Cultural Society  
Terrebonne Men's Carnival Club • Terrebonne's Red Ribbon Campaign  
Thibodaux Chamber of Commerce • Thibodauxville  
Thibodaux Elementary School • Thibodaux High School  
Thibodaux Lions Club • Thibodaux Regional Medical Center  
Thibodaux Volunteer Fire Department  
Upper Little Caillou Elementary School  
Vandebilt Catholic High School  
Voice of the Wetlands Festival • YMCA

# team

Synergy's professional team of bankers set extraordinary standards for the industry. It is through their vision, strength and trust that our mission is built upon. Our directors, officers and employees demonstrate a comprehensive understanding of our services and a successful collaboration in their relationships with our customers and businesses in the Bayou Region. Their hometown roots and remarkable work ethic are why many of our customers regard them as advisors and trusted business partners.

## BOARD OF DIRECTORS



Gordon E. Dove; Terry C. Calongne, Vice Chairman; Michel H. Claudet; Morris P. Hebert, Chairman; Kerry J. Chauvin; Jerry P. Ledet, Jr.; Daniel B. Cannon; Frank J. "Jeff" Teuton; Jeffrey J. Scott; Donald P. Callais

### IN MEMORIAM: KOTIVEERIAIAH "KOTI" SANGISETTY, M.D.

Kotiveeraiah "Koti" Sangisetty, M.D., who served as a board member for 10 years, passed away on July 5, 2013. Dr. Sangisetty provided a knowledgeable perspective from the medical community and a dedication to efficiency and operations.



## OFFICERS

- Jerry P. Ledet, Jr
- Benjamin D. Borne
- Marie M. Morris
- Harvey P. Authement, Jr
- Denise S. Garofalo
- John G. Hebert
- Marla L. Porche
- Russell J. Touchet
- Ann V. Summers
- Angela H. Rodrigue
- Patrice L. Oncale
- Madonna A. McClennen
- Julia L. Filce
- Sallie L. Preston
- Wade J. Richard
- Kassie A. Barrancotto
- Peggy P. Fazio
- Melissa Z. Hutchinson
- Brigitte S. Kinsella
- Tina H. LeBoeuf
- Brett M. Means
- Melanie B. Boquet





# strength

Strength and stability are the foundation of Synergy Bank. Our prudent management throughout our history focuses on protecting the interests of our customers while delivering more value through our products and exemplary customer service.

Our strength is not just in our assets, but the value that we place on our customers. The passion that we have for their success is recognized and appreciated. It is through their loyalty that we keep growing. We appreciate the trust they have placed in us, and will work diligently to continue earning it throughout the years to come.

## PORTFOLIO OF SERVICES

Whether you are an individual or a business, Synergy Bank can help you reach your goals with our full range of products, services and program, including:

Personal and Business Checking Accounts  
Savings and Money Market Accounts  
Certificates of Deposits  
Individual Retirement Accounts  
Online Banking  
Mobile Banking  
eStatements  
Online Bill Payer  
Coverdell Education Savings Accounts  
Consumer and Business Loans  
Health Savings Accounts

uSave Club Accounts  
Kasasa® Checking Accounts  
Investment Services  
Minor Savings Accounts  
Mortgage Loans  
Consumer and Business Credit Cards  
Corporate Cash Management Services  
Sweep Accounts  
Direct Deposit and ACH for Businesses  
Business Remote Deposit Capture  
Safe Deposit Boxes



# Synergy Investment Services

a division of synergy bank

Investment Services Division enjoyed another strong year growing revenues, building existing relationships and gaining new clients. Synergy Investment Services provides retail brokerage and insurance services through its third-party broker dealer LPL Financial. Program manager and Financial Consultant Ann Summers works with clients to address their planning and investment objectives using a broad selection of financial products tailored to fit their needs.

Ann serves clients at our Main and Thibodaux locations.



**ANN SUMMERS,  
CFP®**

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

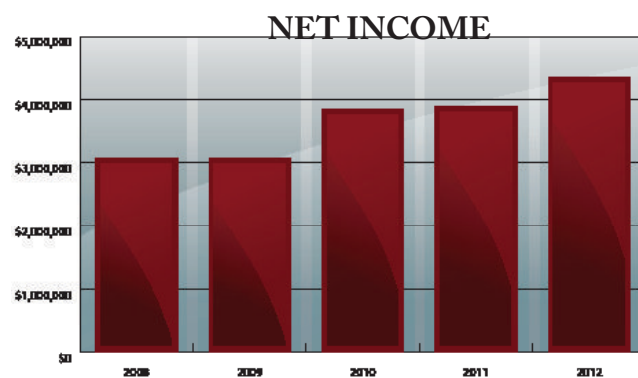
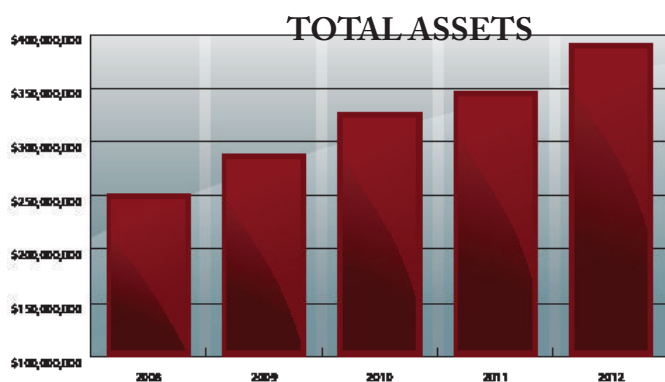
**Not FDIC Insured • Not Bank Guaranteed • May Lose Value • Not Insured by Any Federal Government Agency • Not a Bank Deposit**



# 2013 SYNERGY BANCSHARES

## Financial Highlights

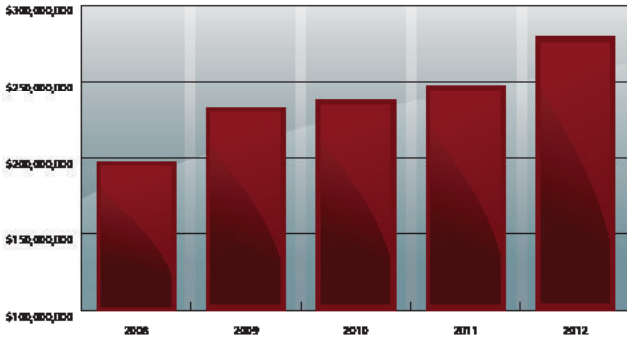
	2013	2012	2011	2010	2009
<b>Selected financial condition data:</b>					
Total assets	\$ 432,583,051	\$ 391,213,602	\$ 347,027,039	\$ 328,025,873	\$ 288,219,417
Loans, net	284,403,968	272,915,025	242,468,311	233,039,115	227,848,391
Investment securities	66,638,134	33,029,342	44,893,717	27,648,478	15,783,866
Deposits	385,927,659	348,336,112	308,799,327	293,407,349	263,241,912
Shareholders' equity	45,564,106	41,093,111	37,308,619	33,762,276	23,514,110
<b>Selected operations data:</b>					
Interest income	\$ 18,088,002	\$ 16,930,760	\$ 15,834,319	\$ 15,914,609	\$ 14,772,145
Interest expense	<u>2,256,114</u>	<u>2,910,471</u>	<u>3,529,146</u>	<u>4,307,568</u>	<u>4,038,095</u>
Net interest income	15,831,888	14,020,289	12,305,173	11,607,041	10,734,050
Provision for loan losses	<u>233,172</u>	<u>1,222,846</u>	<u>757,562</u>	<u>441,999</u>	<u>1,223,286</u>
Net interest income after provision for loan losses	15,598,716	12,797,443	11,547,611	11,165,042	9,510,764
Noninterest income	2,881,970	2,783,263	2,611,454	2,312,680	2,120,910
Noninterest expense	<u>10,005,831</u>	<u>9,067,604</u>	<u>8,309,646</u>	<u>7,693,046</u>	<u>7,083,900</u>
Income before income taxes	8,474,855	6,513,102	5,849,419	5,784,676	4,547,774
Income tax expense	<u>2,851,438</u>	<u>2,208,182</u>	<u>1,989,607</u>	<u>1,958,810</u>	<u>1,514,835</u>
Net income	\$ <u>5,623,417</u>	\$ <u>4,304,920</u>	\$ <u>3,859,812</u>	\$ <u>3,825,866</u>	\$ <u>3,032,939</u>



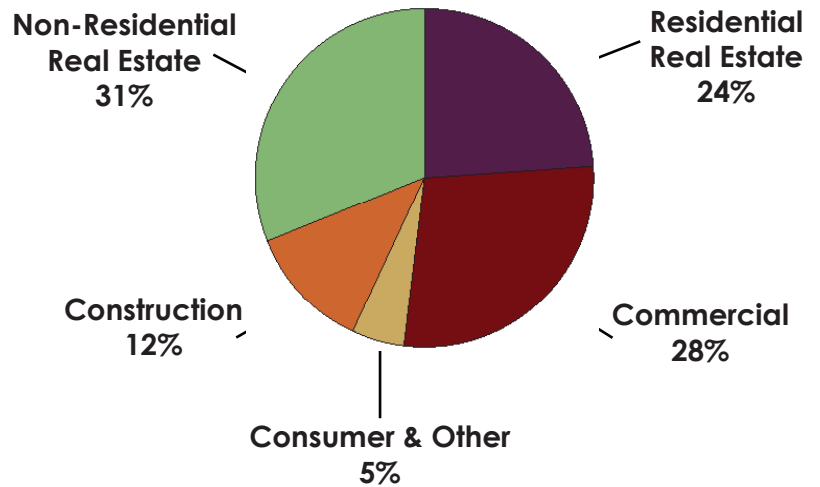
<b>Per share data:</b>					
Earnings per share	6.05	4.63	4.16	4.62	4.02
Cash dividends per share	1.00	0.55	0.45	0.42	0.35
Book value	49.03	44.24	40.04	36.43	31.15
<b>Performance ratios:</b>					
Return on average assets	1.36%	1.17%	1.14%	1.25%	1.14%
Return on average shareholders' equity	12.91	10.97	10.82	13.63	13.68
Dividend payout ratio	16.60	11.92	10.86	9.13	8.75
Net interest margin	3.98	3.97	3.80	3.97	4.28
Efficiency ratio	53.47	53.96	55.71	55.27	55.11
<b>Capital ratios:</b>					
Leverage ratio	10.43%	10.34%	10.58%	10.15%	8.02%
Tier 1 capital ratio	16.11	15.63	15.80	15.33	10.83
Total risk-based capital ratio	17.37	16.89	17.06	16.59	12.10
Equity to assets	10.53	10.50	10.75	10.29	8.16

	2013	2012	2011	2010	2009
<b>Asset quality:</b>					
Non-performing loans	\$ 2,454,157	\$ 2,959,384	\$ 2,804,895	\$ 1,667,625	\$ 1,310,417
Non-performing assets	2,879,057	3,224,384	2,919,895	1,957,625	1,624,078
Allowance for loan losses	6,286,176	6,235,875	5,174,022	4,766,941	4,619,694
Net loan charge-offs (recoveries)	182,871	160,993	350,481	294,752	548,849
Non-performing loans to total loans	0.84%	1.06%	1.13%	0.70%	0.56%
Non-performing assets to total assets	0.67	0.82	0.84	0.60	0.56
Net charge-offs (recoveries) to average loans	0.06	0.06	0.15	0.12	0.25
Allowance for loan losses to total loans	2.16	2.23	2.09	2.00	1.99
Allowance for loan losses to non-performing loans	256%	211%	184%	286%	353%

### TOTAL LOANS



### COMPOSITION OF LOAN PORTFOLIO



### ALLOWANCE FOR LOAN LOSSES TO TOTAL LOANS

