

*building*

**STRONGER  
COMMUNITIES**

SYNERGY BANCSHARES

2021 ANNUAL REPORT

# Synergy Bancshares

I N C O R P O R A T E D



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## OUR MISSION

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.

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.

*at a glance*

### SYNERGY BANCSHARES

as of December 31, 2021

ASSETS    \$ 849,951,892

NET LOANS    \$ 365,000,640

DEPOSITS    \$ 764,005,240

EQUITY CAPITAL    \$ 83,039,664



# BUILDING STRONGER COMMUNITIES

Resiliency and strength have been common themes throughout the Bayou Region for generations. This past year was no different as our people and businesses were faced with incredible challenges from the ongoing coronavirus pandemic coupled with a devastating hurricane. Even in our most fragile moments, our community rallied together to put back the pieces, take care of each other, and move recovery forward. While it will take time to rebuild our homes, remove blue tarps from our roofs, and reopen businesses — we know the Bayou Region will build an even stronger community than before.

In the days following Hurricane Ida, our Synergy team members sprang into action immediately to not only service our customers in their time of need but to also find ways to volunteer their time to help our community recover. Just four days post-storm, Synergy Bank reopened for business. We were able to rapidly address specific needs of our customers by working with them however we could — electronically, by phone, and beyond — ensuring their personal and business financial needs were met and the process of rebuilding our community could begin.

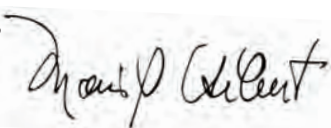
In addition to helping our community come back online after the storm, Synergy facilitated more than \$44 million in new loans through the second round of the Small Business Administration's Payroll Protection Program (PPP). Through these loans, local businesses were able to stay open while battling the continuing effects of coronavirus mandates and issues.

Synergy continues to build in the literal sense, as our expansion of Main Office began and made considerable progress in 2021. This addition will allow us to continue steady growth of our footprint, add more team members, and better serve our customers.

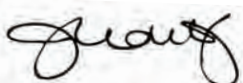
In a record year, Synergy realized net earnings of \$9,066,922, an 18.6% increase over the prior year. Net loans of \$365,000,640 decreased 11%, primarily due to the SBA's forgiveness of PPP loans originated in 2020. Our allowance for loan losses strengthened by 9%, increasing to 2.74% of outstanding loan balances. The additional influx of PPP loans, COVID-19 relief, and hurricane recovery funds helped to grow our deposits by 29% to \$764,005,240. As a result, total assets increased 27% to \$849,951,892. Synergy remains well-capitalized with stockholders' equity of \$83,039,664 or 9.8% of total assets as of the end of the year.

At the heart of our community is a unique cultural heritage anchoring a strong foundation where our people live, play, and work. For Terrebonne and Lafourche, our strength lies within our most important asset — our people. While our people have certainly faced an incredibly tough year, we look forward to what lies ahead. We are committed to working together to continue to build stronger communities. **We are Stronger Together.**

Sincerely,



Morris P. Hebert, Chairman of the Board



Jerry P. Ledet, Jr., President & CEO

**Just four days  
post-storm,  
Synergy Bank  
reopened  
for business.**





## BOARD OF DIRECTORS

*(back row)* Donald P. Callais, Dr. Christopher Z. Rodrigue, Jerry P. Ledet, Jr., Terry C. Calongne, Jeffrey J. Scott, Gordon E. Dove

*(front row)* Kerry J. Chauvin, Michel H. Claudet, Morris P. Hebert, David L. Duplantis

Synergy's Board of Directors continue to fulfill our mission of fostering the growth, development, and prosperity of our area. Our leaders' focus on building strong communities is the foundation that forms our core values and our Synergy brand of customer service.

## OFFICERS

|                          |                       |
|--------------------------|-----------------------|
| Jerry P. Ledet, Jr.      | Russell J. LeBoeuf    |
| Benjamin D. Borne        | Julia L. Filce        |
| Gerald J. Thibodaux II   | Peggy P. Fazzio       |
| Harvey P. Authement, Jr. | Melissa Z. Hutchinson |
| John G. Hebert           | Michel K. Hebert      |
| Russell J. Touchet       | Wayne L. Robinson     |
| Ann V. Summers           | Jéré H. Voisin        |
| Angela H. Rodrigue       | Sarah B. Rhodes       |
| Patrice L. Oncale        | Candace C. Frederick  |
| Madonna A. McClennen     | Cindy P. Doiron       |
| Kassie A. Barrancotto    | Misty P. Guidry       |
| Brett M. Means           | Katie L. Portier      |
| Rusty P. Bourg           | Susan F. Guidry       |



# PORTFOLIO OF SERVICES

By building relationships, our Synergy team members continue to assist our customers with their financial needs with the highest level of customer service and professionalism.



## CONSUMER AND BUSINESS:

- Checking Accounts
- Savings and Money Market Accounts
- Certificates of Deposit
- Sweep Accounts
- Safe Deposit Boxes
- Online Banking
- Mobile Banking
- Mobile Deposit
- eStatements
- Online Bill Payer and Person-to-Person
- Wire and External Transfers
- Loans
- Credit Cards

## CONSUMER:

- Synergy Pays and Synergy Saves Accounts
- Synergy Select Accounts
- uSave Accounts
- Investment Services
- Health Savings Accounts (HSAs)
- Minor Savings Accounts
- Mortgage Loans
- Individual Retirement Accounts (IRAs)

## BUSINESS

- Corporate Cash Management Services
- Direct Deposit and ACH
- Remote Deposit Capture



# Service



## COMMUNITY SERVICE

A cornerstone of Synergy's culture is to give back to our community. Throughout the year, our team continued to volunteer for nonprofit organizations' events throughout Terrebonne and Lafourche Parishes. We proudly volunteered more than 500 hours to help elevate the services these vital organizations provide.

In the days following Hurricane Ida, our Synergy team members sprang into action to not only service our customers in their time of need but to also find ways they could help our community. Our employees coordinated the cooking and serving of meals at two Synergy locations, collected and distributed supplies, helped each other and their neighbors, and worked with local nonprofits to assist in recovery efforts.







## INVESTMENT SERVICES

Synergy Investment Services had another strong year of increasing revenues and building new relationships. Ann Summers, LPL Program Manager and Financial Advisor, led the department in assisting clients develop their financial goals and manage their personal wealth. Ann offers a broad range of services in professional investment management, retirement income planning, and overall wealth management.

Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. Synergy Bank and Synergy Investment Services **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using Synergy Investment Services' name and may also be employees of Synergy Bank. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, Synergy Bank or Synergy Investment Services. Securities and insurance offered through LPL or its affiliates are:

|  |                        |                                     |                |
|--|------------------------|-------------------------------------|----------------|
| Not Insured by FDIC<br>or Any Other<br>Government Agency | Not Bank<br>Guaranteed | Not Bank Deposits<br>or Obligations | May Lose Value |
|--|------------------------|-------------------------------------|----------------|

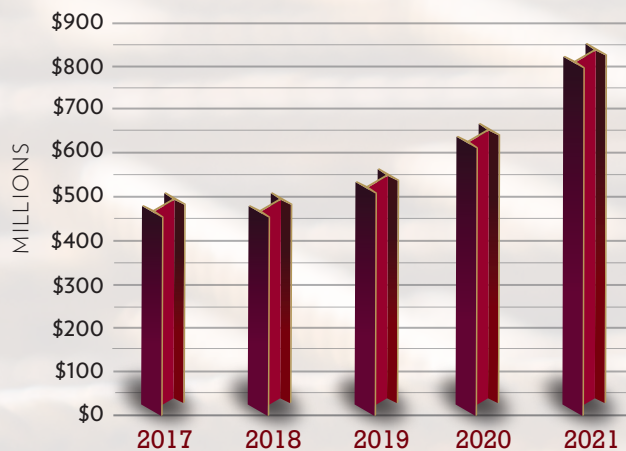


# 2021 Synergy Bancshares, Inc. **FINANCIAL HIGHLIGHTS**

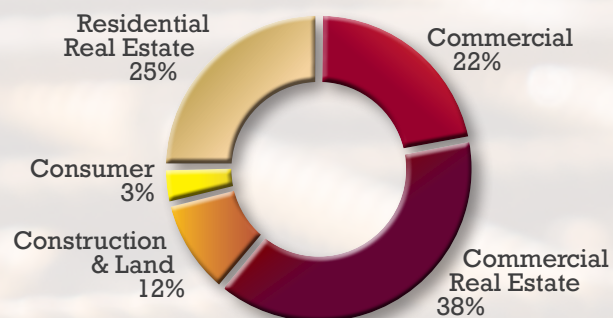
|   | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Selected financial condition data:</b>           |                     |                     |                     |                     |                     |
| Total assets  | \$ 849,951,892      | \$ 671,516,233      | \$ 556,820,374      | \$ 514,499,277      | \$ 513,513,298      |
| Loans, net  | 365,000,640         | 409,688,046         | 358,931,560         | 341,406,996         | 342,672,568         |
| Investment securities                               | 374,135,205         | 157,301,273         | 145,951,376         | 128,223,011         | 104,163,678         |
| Deposits  | 764,005,240         | 590,944,879         | 484,331,580         | 448,997,613         | 452,756,556         |
| Shareholders' equity                                | 83,039,664          | 77,030,372          | 70,466,414          | 63,897,344          | 59,528,155          |
| <b>Selected operations data:</b>                    |                     |                     |                     |                     |                     |
| Interest income                                     | \$ 25,479,656       | \$ 25,778,366       | \$ 25,128,193       | \$ 22,847,491       | \$ 21,288,328       |
| Interest expense                                    | <u>2,107,277</u>    | <u>3,785,991</u>    | <u>4,419,637</u>    | <u>3,333,160</u>    | <u>2,797,887</u>    |
| Net interest income                                 | 23,372,379          | 21,992,375          | 20,708,556          | 19,514,331          | 18,490,441          |
| Provision for loan losses                           | <u>1,185,500</u>    | <u>1,525,414</u>    | <u>724,077</u>      | <u>1,968,546</u>    | <u>2,425,480</u>    |
| Net interest income after provision for loan losses | 22,186,879          | 20,466,961          | 19,984,479          | 17,545,785          | 16,064,961          |
| Noninterest income                                  | 5,167,058           | 4,056,768           | 4,225,882           | 3,756,583           | 3,615,756           |
| Noninterest expense                                 | <u>15,936,398</u>   | <u>14,917,148</u>   | <u>14,942,396</u>   | <u>14,509,970</u>   | <u>14,337,519</u>   |
| Income before income taxes                          | 11,417,539          | 9,606,581           | 9,267,965           | 6,792,398           | 5,343,198           |
| Income tax expense                                  | <u>2,350,617</u>    | <u>1,964,089</u>    | <u>1,890,101</u>    | <u>1,367,342</u>    | <u>2,192,747</u>    |
| Net income  | <u>\$ 9,066,922</u> | <u>\$ 7,642,492</u> | <u>\$ 7,377,864</u> | <u>\$ 5,425,056</u> | <u>\$ 3,150,451</u> |
| Dividends   | \$ 1,874,224        | \$ 1,493,437        | \$ 1,447,565        | \$ 1,168,873        | \$ 1,028,129        |
| <b>Per share data:</b>                              |                     |                     |                     |                     |                     |
| Earnings per share                                  | \$ 9.68             | \$ 8.18             | \$ 7.89             | \$ 5.83             | \$ 3.38             |
| Cash dividends per share                            | 2.00                | 1.60                | 1.55                | 1.25                | 1.10                |
| Book value  | 88.61               | 82.53               | 75.45               | 68.67               | 64.00               |
| <b>Performance ratios:</b>                          |                     |                     |                     |                     |                     |
| Return on average assets                            | 1.20 %              | 1.20 %              | 1.36 %              | 1.05 %              | 0.61 %              |
| Return on average shareholders' equity              | 11.17               | 10.24               | 10.87               | 8.77                | 5.32                |
| Dividend payout ratio                               | 20.66               | 19.57               | 19.65               | 21.55               | 32.65               |
| Net interest margin                                 | 3.21                | 3.61                | 4.02                | 3.97                | 3.79                |
| Efficiency ratio                                    | 55.84               | 57.27               | 59.93               | 62.35               | 64.86               |
| <b>Capital ratios:</b>                              |                     |                     |                     |                     |                     |
| Leverage Ratio (under CBLR* Framework)              | 9.85 %              | 11.37 %             | 12.61 %             | 12.49 %             | 11.68 %             |
| Equity to assets                                    | 9.77                | 11.47               | 12.66               | 12.42               | 11.59               |
| *Community Bank Leverage Ratio Framework            |                     |                     |                     |                     |                     |
| <b>Asset quality:</b>                               |                     |                     |                     |                     |                     |
| Nonperforming loans                                 | \$ 2,219,888        | \$ 1,679,678        | \$ 3,005,940        | \$ 4,697,376        | \$ 9,416,186        |
| Nonperforming assets                                | 2,519,888           | 1,979,679           | 3,042,894           | 5,996,018           | 12,309,286          |
| Allowance for loan losses                           | 10,269,788          | 9,414,864           | 7,650,707           | 7,102,706           | 7,273,635           |
| Net loan charge-offs (recoveries)                   | 330,576             | (238,743)           | 176,076             | 2,139,475           | 6,615,638           |
| Nonperforming loans to total loans                  | 0.59 %              | 0.40 %              | 0.82 %              | 1.35 %              | 2.69 %              |
| Nonperforming assets to total assets                | 0.30                | 0.29                | 0.55                | 1.17                | 2.40                |
| Allowance for loan losses to total loans            | 2.74                | 2.25                | 2.09                | 2.04                | 2.08                |
| <b>Other data:</b>                                  |                     |                     |                     |                     |                     |
| Banking locations                                   | 6                   | 6                   | 6                   | 6                   | 6                   |
| Full-time equivalent employees                      | 122                 | 128                 | 126                 | 123                 | 121                 |

# Synergy Bancshares, Inc.

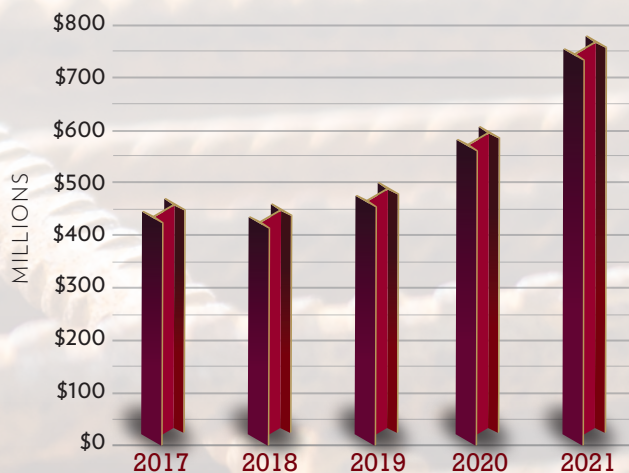
## ASSETS



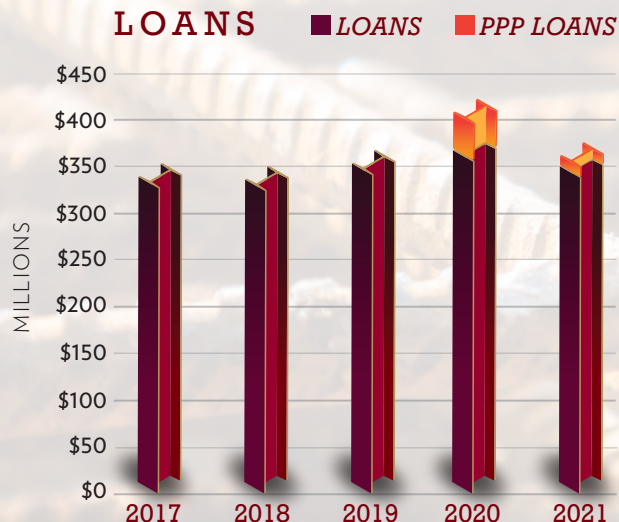
## LOAN PORTFOLIO



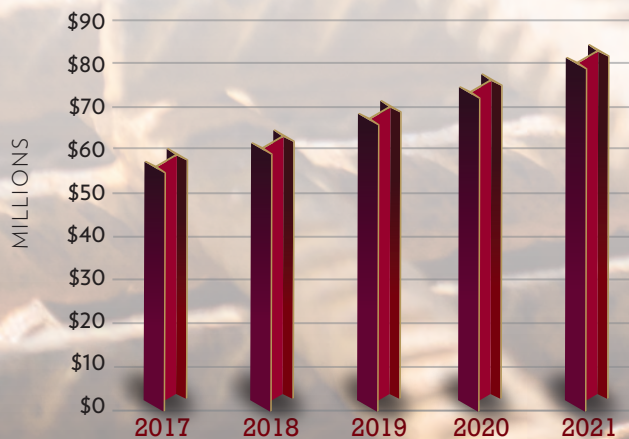
## DEPOSITS



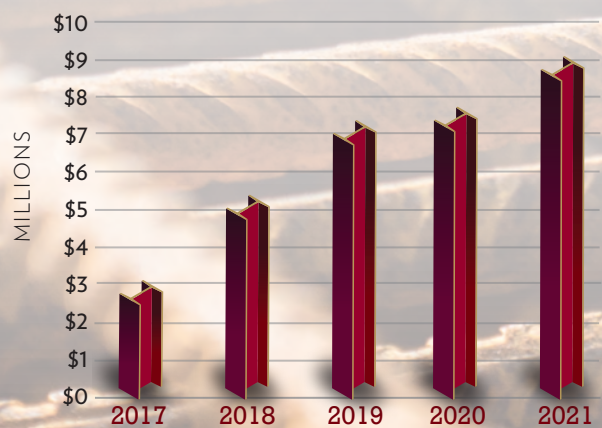
## LOANS



## SHAREHOLDERS' EQUITY



## NET INCOME







## Synergy Bank

Mailing Address: P.O. Box 2166, Houma, LA 70361

Phone: 985-851-2217 · TeleBanc: 844-SYN-BANK

[www.synergybank.com](http://www.synergybank.com)



# Synergy Bank

MEMBER FDIC

## MAIN OFFICE

210 Synergy Center Boulevard  
Houma, LA 70360

## GRAY OFFICE

3855 West Park Avenue  
Gray, LA 70359

## TUNNEL OFFICE

1036 West Tunnel Boulevard  
Houma, LA 70360

## THIBODAUX OFFICE

209 East Bayou Road  
Thibodaux, LA 70301

## EAST HOUMA OFFICE

919 Grand Caillou Road  
Houma, LA 70363

## SOUTH ACADIA OFFICE

1070 South Acadia Road  
Thibodaux, LA 70301

Mailing Address: P.O. Box 2166, Houma, LA 70361



Phone: 985-851-2217 · TeleBanc: 844-SYN-BANK · [www.synergybank.com](http://www.synergybank.com)