

2019 ANNUAL REPORT



*Like the waters that sustain our community,
we are deeply committed to fostering the growth,
development and prosperity of our area.*

S Synergy Bancshares
I N C O R P O R A T E D

20 YEARS

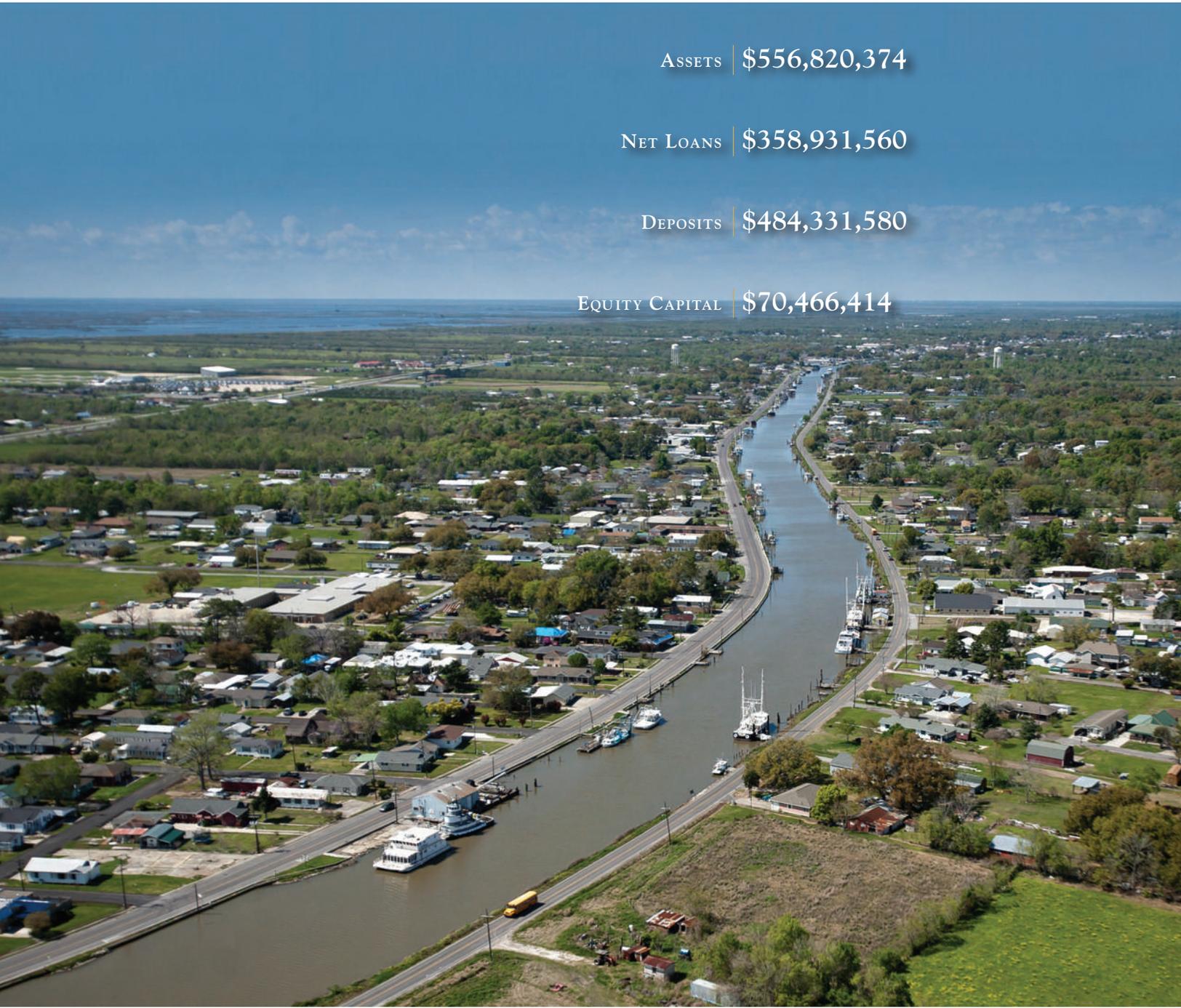
at a glance SYNERGY BANCSHARES as of December 31, 2019

ASSETS | \$556,820,374

NET LOANS | \$358,931,560

DEPOSITS | \$484,331,580

EQUITY CAPITAL | \$70,466,414



Letter to Shareholders 3
Leadership 4
Employees 5
Portfolio of Services 6

Community Service 7
Investments Services 8
Financial Highlights 9-10
Financial Reports 11

In the Bayou Region, our estuaries and waterways define our culture, our industries and our people. Only those who have directly experienced South Louisiana's waters can appreciate the significance that it plays in our community.

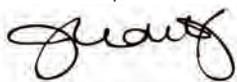
Twenty years ago, when we opened the bank, industries in our region were recuperating from the significant downturn of the 80s. During that time, smaller banks found themselves under increased regulations and were being assimilated by larger financial institutions. The influx of larger banks triggered a void in our area. Several visionaries recognized the need in our area to establish a bank committed to the people in Terrebonne and Lafourche. Just as small waterways come together to form the bayou, they brought together a diverse group of business leaders to form a local bank that embraced the unique culture of south Louisiana with a mission dedicated to growing the region, Synergy Bank.

Today, Synergy Bank has made significant progress since opening our doors on March 10, 1999, with many of our original 19 employees still here today. We've expanded to six locations serving both Terrebonne and Lafourche Parishes with now over 125 employees. Synergy's total deposit market share has grown to fourth in the Houma/Thibodaux Region as of June 30, 2019, and we hold the largest share of community bank deposits in our area.

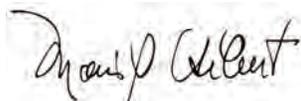
Synergy's consolidated assets have seen a steady increase over the years from \$6 million on opening day in 1999 to \$557 million as of December 31, 2019. At the end of 2019, net loans totaled \$359 million, funded by deposits of \$484 million. With continued asset growth and improvement in credit quality, net earnings reached \$7.4 million for the year, resulting in earnings per share of \$7.89, a 35% increase over the prior year. With these improvements, cash dividends to shareholders increased to \$1.55 per share from \$1.25 the year before. Originally offered at \$10 per share in 1999 and \$40 per share in 2010, the book value of our common stock grew to \$75.45 as of December 31, 2019, increasing \$6.78 or 9.9% from a year earlier. Shareholders' equity strengthened to \$70.5 million representing 12.7% of total assets and providing a solid foundation for future growth.

Like the waters that flow through our bayous, our customers are the driving force of our Bank, and we appreciate their overwhelming support, and that of our community, over the last two decades. Together, we are poised to navigate the future with a continued commitment to foster the growth, development and prosperity of the Bayou Region.

Sincerely,



Jerry P. Ledet, Jr.
President & CEO



Morris P. Hebert
Chairman of the Board

Our consolidated assets have seen a steady increase over the years from \$6 million in 1999 to \$557 million as of December 31, 2019.



SYNERGY *Leadership*

Over the last 20 years, the Board not only formed the bank but helped shape the flow, the path of the organization.

In 1998, when the original Board of Directors formed the bank, they had a shared vision of redefining banking in our area. The first Chair of Synergy Bank, Michel Claudet, played a key role in bringing those directors together. “In the late 1990s, local banks and savings and loans were being acquired by larger banks,” said Michel Claudet. “The time was suitable to open a community bank that celebrated local values and was committed to the growth and prosperity of our community.” Over the last 20 years, the Board not only formed the bank but helped shape the flow, the path of the organization.



BOARD OF DIRECTORS



DONALD P. CALLAIS
1998-Current



TERRY C. CALONGNE
1998-Current,
Vice Chairman (2006-Current)



DANIEL B. CANNON
1998-Current



KERRY J. CHAUVIN
1998-Current,
Past Chair (2003-2006)



MICHEL H. CLAUDET
1998-Current,
First Chair (1998-2003)



GORDON DOVE
2005-Current



DAVID DUPLANTIS
Incoming 2020



MORRIS P. HEBERT
1998-Current,
Chair (2006-current)



JERRY P. LEDET, JR.
1998-Current



JEFFERY J. SCOTT
1998-Current



FRANK JEFFREY TEUTON
1998-Current

Past Board Members

BYRON F. BENNETT
1998-2006, Deceased

CHARLES C. THERIOT
1998-2005

DR. KOTI SANGISETTY
2004-2013, Deceased



Jerry P. Ledet, Jr., Marie Morris and Benjamin Borne

EMPLOYEES

*'Your Bank.
Our Community.
Stronger Together.'*

As the Board embarked on this journey, they needed progressive and innovative leaders to take the helm of the new organization. Jerry Ledet was appointed President and Chief Executive Officer, Benjamin Borne was asked to be Executive Vice President and Chief Financial Officer, and Marie Morris Senior Vice President of Compliance. They, along with just 16 employees, many of whom are still with the bank today, opened the first location of Synergy Bank in 1999 on the corner of Polk Street and Tunnel Boulevard. Through their guidance, Synergy Bank has developed a standing culture of providing excellence in customer service that extends well beyond the Bank. "As we grew, we knew that we wanted to create a mission that would differentiate us from other banks," said President Jerry Ledet. "Our tagline for the last 20 years embodies that mission—"Your Bank. Our Community. Stronger Together." In just two short decades, Synergy Bank has grown to six locations in Houma and Thibodaux and employs over 125 employees.



20 Year Anniversary Employees

John Hebert, Linda Milligan, Harvey Authement, Joy Hebert, Jerry Ledet, Marie Morris, Ben Borne, Susan Guidry, Melissa Hutchinson, and Brigitte Kinsella



PORTFOLIO OF SERVICES

Synergy Bank's portfolio of financial services has progressed over the years to reflect the changes in the banking industry. We have traversed the digital trends while assessing the needs of our customers and employees. Synergy continues to be at the forefront of the digital banking with a range of banking products that are tailored to the needs our customers.

Though we have improved our product offerings and digital banking technology over the last decades, we remain steadfast to our corporate philosophy of excellence in customer service. Our employees go the extra mile in helping our customers to achieve their financial goals. Synergy remains dedicated to the Bayou Region and will continue to cultivate opportunities that expand and diversify the economic well-being of our home.



CONSUMER AND BUSINESS

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

CONSUMER

- Kasasa® Checking Accounts
- Synergy Select
- uSave Accounts
- Investment Services
- Health Savings Accounts
- Minor Savings Accounts
- Mortgage Loans
- Individual Retirement Accounts

BUSINESS

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





COMMUNITY SERVICE

Synergy employees are the propelling force of our bank. Our employees are committed to providing excellence in service inside and outside the bank. They volunteer throughout our community for more than 50 nonprofit and civic organizations each year. It's their devotion to the prosperity of our region that differentiates us from other companies. This dedication is emulated at the helm of the organization and one of the reasons in 2019, Synergy's President and CEO, Jerry Ledet was recognized as *The Courier's* Most Useful Citizen. This dedication comes from living the Bank's mission and core values each day and is a testament to the commitment by management and each employee of the bank.

Synergy was founded with a fundamental belief that there is strength in community. We have monetarily supported hundreds of organizations in the Bayou Region. In 2019, through a partnership with the Federal Home Loan Bank, we were able to assist the Options for Independence Affordable Housing Program in constructing 12 homes in the Houma area making the dream of home ownership a reality for many who could not afford it otherwise. Since opening the Bank, Synergy employees have taught financial literacy to the youth in our area through our Partners in Education program. Most recently we have expanded that program by funding the Bank exhibit at the Bayou Country Children's Museum in Thibodaux. These are just a few the of many programs that Synergy Bank has supported in our community and the reason the Bayou Industrial Group (BIG) awarded Synergy Bank with the 2019 BIG Achiever Award.

We were able to assist the Options for Independence Affordable Housing Program in constructing 12 homes in the Houma area making the dream of home ownership a reality.



Synergy Investment Services

a division of synergy bank

Since 2005, Ann Summers, Program Manager and Financial Consultant, has provided a broad range of services in professional investment management, retirement income planning, and overall wealth management.



Ann Summers works closely with clients to guide them in the process of selecting investment strategies to grow assets within their risk objectives while helping them identify and develop financial and wealth planning goals. She and her assistant, Michelle Himel, strive to provide their clients with an exceptional customer service experience.

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 or Any Other Government Agency • Not Bank Guaranteed
Not Bank Deposits or Obligations • May Lose Value**



2019 Synergy Bancshares, Inc. - FINANCIAL HIGHLIGHTS

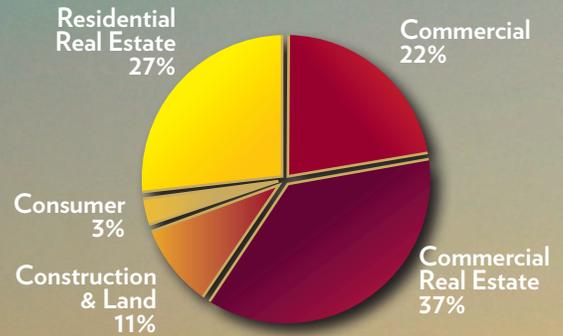
	2019	2018	2017	2016	2015
Selected financial condition data:					
Total assets	\$ 556,820,374	\$ 514,499,277	\$ 513,513,298	\$ 495,390,318	\$ 482,643,459
Loans, net	358,931,560	341,406,996	342,672,568	342,979,753	347,357,114
Investment securities	145,951,376	128,223,011	104,163,678	88,955,632	76,754,554
Deposits	484,331,580	448,997,613	452,756,556	436,725,238	426,549,107
Shareholders' equity	70,466,414	63,897,344	59,528,155	57,574,066	55,516,858
Selected operations data:					
Interest income	\$ 25,128,193	\$ 22,847,491	\$ 21,288,328	\$ 20,636,101	\$ 20,494,910
Interest expense	<u>4,419,637</u>	<u>3,333,160</u>	<u>2,797,887</u>	<u>2,380,840</u>	<u>2,215,405</u>
Net interest income	20,708,556	19,514,331	18,490,441	18,255,261	18,279,505
Provision for loan losses	<u>724,077</u>	<u>1,968,546</u>	<u>2,425,480</u>	<u>4,467,482</u>	<u>836,595</u>
Net interest income after provision for loan losses	19,984,479	17,545,785	16,064,961	13,787,779	17,442,910
Noninterest income	4,225,882	3,756,583	3,615,756	3,451,650	2,963,252
Noninterest expense	<u>14,942,396</u>	<u>14,509,970</u>	<u>14,337,519</u>	<u>12,651,914</u>	<u>11,518,781</u>
Income before income taxes	9,267,965	6,792,398	5,343,198	4,587,515	8,887,381
Income tax expense	<u>1,890,101</u>	<u>1,367,342</u>	<u>2,192,747</u>	<u>1,418,562</u>	<u>2,959,835</u>
Net income	<u>\$ 7,377,864</u>	<u>\$ 5,425,056</u>	<u>\$ 3,150,451</u>	<u>\$ 3,168,953</u>	<u>\$ 5,927,546</u>
Dividends	\$ 1,447,565	\$ 1,168,873	\$ 1,028,129	\$ 1,027,167	\$ 1,025,451
Per share data:					
Earnings per share	\$ 7.89	\$ 5.83	\$ 3.38	\$ 3.41	\$ 6.37
Cash dividends per share	1.55	1.25	1.10	1.10	1.10
Book value	75.45	68.67	64.00	61.92	59.81
Performance ratios:					
Return on average assets	1.36 %	1.05 %	0.61 %	0.63 %	1.22 %
Return on average shareholders' equity	10.87	8.77	5.32	5.50	11.09
Dividend payout ratio	19.65	21.55	32.65	32.41	17.33
Net interest margin	4.02	3.97	3.79	3.81	3.90
Efficiency ratio	59.93	61.59	64.13	58.29	54.22
Capital ratios:					
Leverage ratio	12.44 %	12.32 %	11.52 %	11.40 %	11.35 %
Common equity ratio	18.96	18.36	17.04	16.51	15.75
Tier I capital ratio	18.96	18.36	17.04	16.51	15.75
Total risk-based capital ratio	20.22	19.62	18.30	17.78	17.01
Equity to assets	12.66	12.42	11.59	11.62	11.50
Asset quality:					
Nonperforming loans	\$ 3,005,940	\$ 4,697,376	\$ 9,416,186	\$ 13,027,930	\$ 4,500,602
Nonperforming assets	3,042,894	5,996,018	12,309,286	13,664,181	5,836,853
Allowance for loan losses	7,650,707	7,102,706	7,273,635	11,463,793	7,162,340
Net loan charge-offs	176,076	2,139,475	6,615,638	166,029	446,790
Nonperforming loans to total loans	0.82 %	1.35 %	2.69 %	3.68 %	1.27 %
Nonperforming assets to total assets	0.55	1.17	2.40	2.76	1.21
Net charge-offs to average loans	0.05	0.62	1.86	0.05	0.13
Allowance for loan losses to total loans	2.09	2.04	2.08	3.23	2.02
Other data:					
Banking locations	6	6	6	6	5
Full-time equivalent employees	126	123	121	120	108

Synergy Bancshares, Inc.

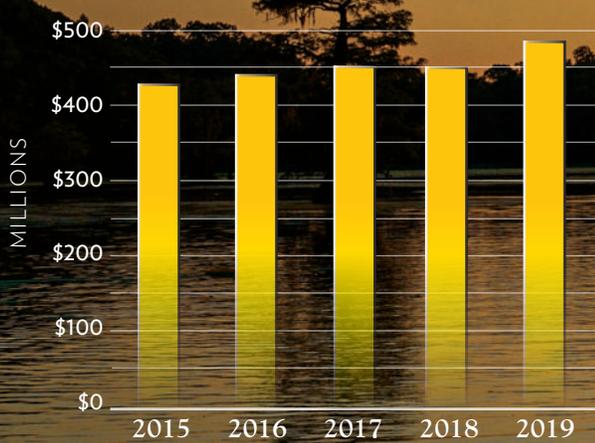
ASSETS



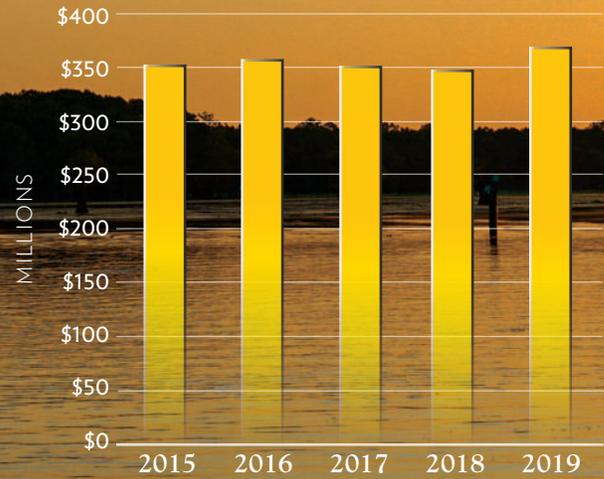
LOAN PORTFOLIO



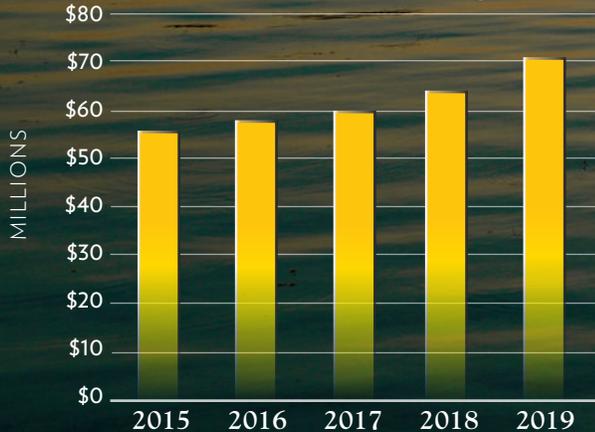
DEPOSITS



LOANS



SHAREHOLDERS' EQUITY



NET INCOME



20 YEARS



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.





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.banksynergy.com

