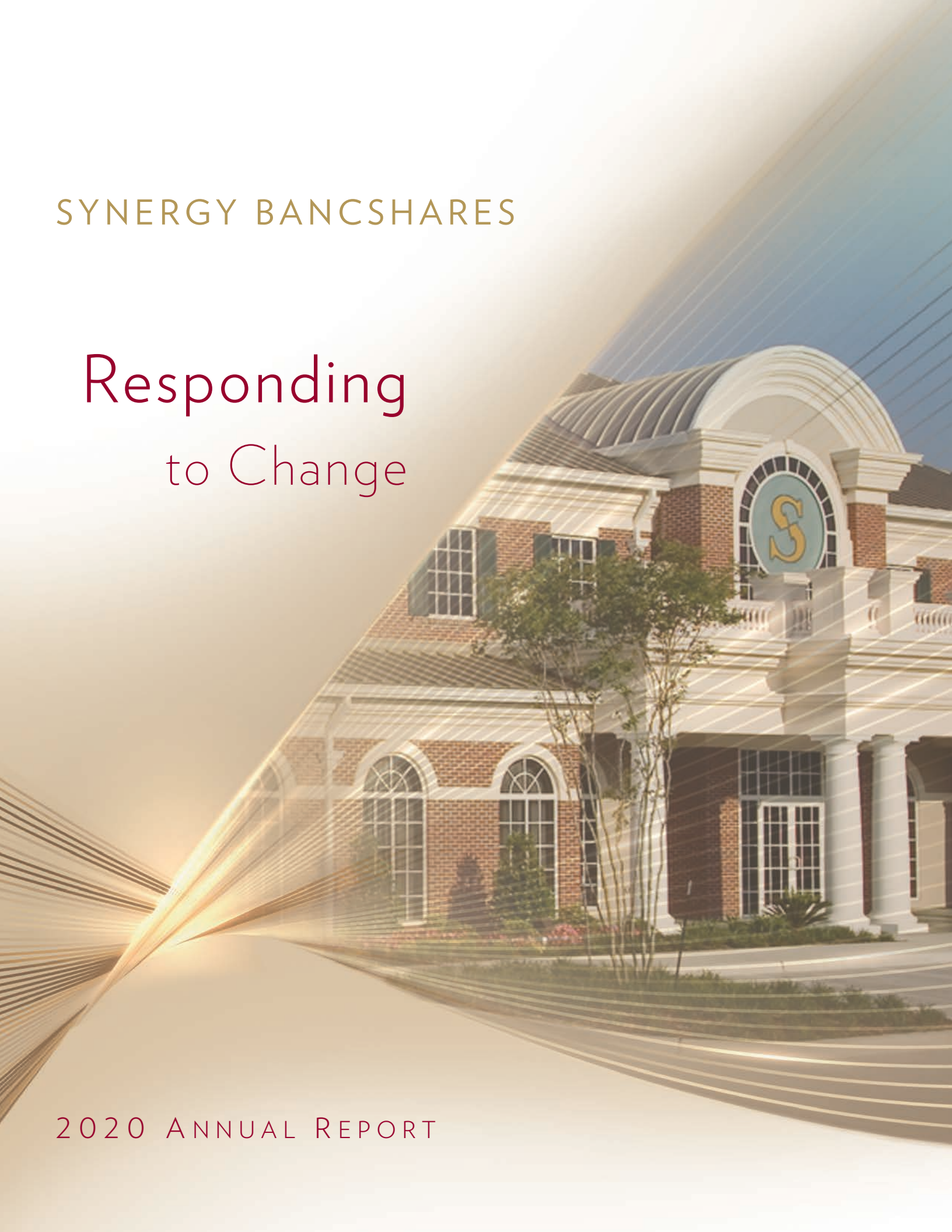


SYNERGY BANCSHARES

Responding to Change

2020 ANNUAL REPORT





Synergy Bancshares

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at a glance SYNERGY BANCSHARES

as of December 31, 2020

ASSETS \$ 671,516,233

NET LOANS \$409,688,046

DEPOSITS \$590,944,879

EQUITY CAPITAL \$ 77,030,372

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.

Dear Synergy Family:

The year 2020 will be a year that will be remembered as a time of change. Triggered by a global pandemic, life as we knew it was transformed, twisted, and reimagined in a matter of days that required all citizens to adjust to “a new normal.” In a year that proved to be filled with financial hardships and challenges for many, Synergy Bank was responsive to change as we pivoted our services to meet the needs of our community.

Synergy team members responded to change by implementing recommended safety guidelines while maintaining the level of service that our customers have come to expect. As a community bank with local management and local decision-making, we were able to rapidly address the specific needs of our customers during this time by adjusting procedures and providing innovative online banking products that would allow for continuity of services in a safe and secure manner. Implementing increased safety and cleaning measures, enhancing electronic and mobile banking options, and becoming an advocate for small businesses are just a few ways Synergy adapted in a time of need.

Despite these challenges, Synergy realized net earnings of \$7,642,492, a 3.6% increase over the prior year, even while strengthening its allowance for loan losses by 23%. Year-end deposits totaled \$590,944,879 and net loans reached \$409,688,046, enhanced by the administration of nearly \$70 million of the Small Business Administration’s Payroll Protection Program (PPP) loans. Synergy’s employees worked tirelessly to administer the PPP loans to help sustain more than 780 small businesses in our community. Through these loans, local businesses were able to remain afloat by paying their employees and other expenses during long mandated business closures. The influx of PPP and other COVID-19 relief funds contributed to

unprecedented asset growth of \$114,695,859 or 21% in 2020. Synergy remains well capitalized with stockholders’ equity of \$77,030,372 or 11.5% of total assets as of the end of the year.

As in our mission, we believe there is strength in community. We are proud to work hand in hand with fellow local businesses and individuals to respond to an ever-changing year to provide stability and hope for a brighter future.

Sincerely,



Morris P. Hebert, *Chairman of the Board*



Jerry P. Ledet, Jr., *President & CEO*



*We are proud to work hand in hand
with fellow local businesses and
individuals to respond to
an ever-changing year...*



Leadership



BOARD OF DIRECTORS

(standing) David L. Duplantis, Donald P. Callais, Terry C. Calongne, Frank Jeffrey Teuton, Gordon E. Dove, and Daniel B. Cannon,
(seated) Kerry J. Chauvin, Jerry P. Ledet, Jr., Morris P. Hebert, Michel H. Claudet and Jeffery J. Scott

In a year of change, one constant remained steadfast — our team's dedication to the highest level of service to our customers and community. Our dedicated professionals rose to many challenges throughout 2020, determined to fulfill our mission while building relationships and assisting customers with their financial needs.

OFFICERS

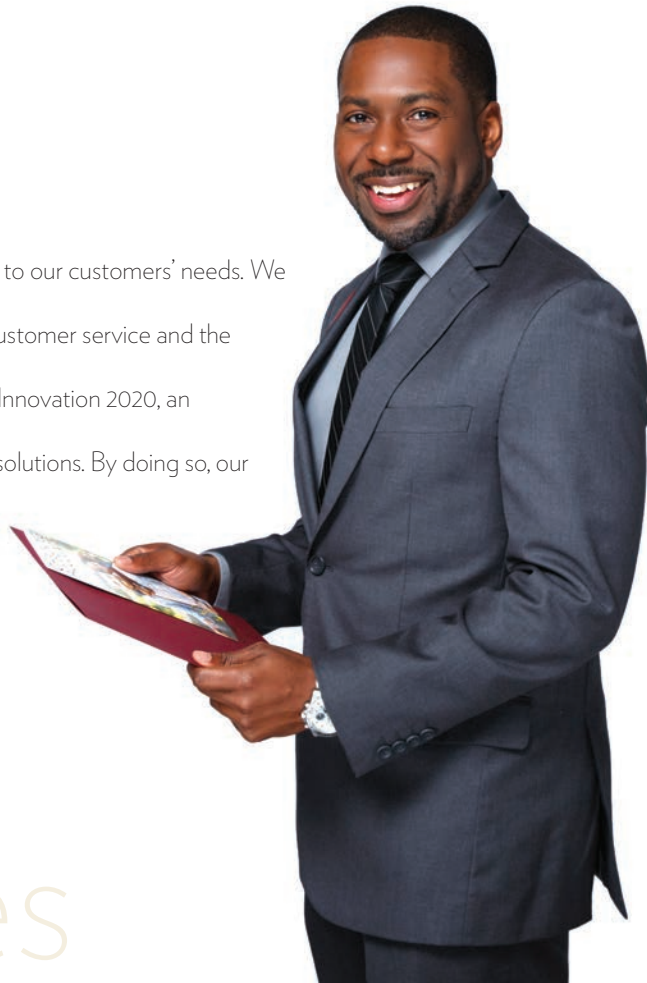
Jerry P. Ledet, Jr.
Benjamin D. Borne
Marie M. Morris, CRCM
Gerald J. Thibodaux II
Harvey P. Authement, Jr.
John G. Hebert
Russell J. Touchet
Ann V. Summers
Angela H. Rodrigue

Patrice L. Oncale
Madonna A. McClennen
Kassie A. Barrancotto
Brett M. Means
Wade J. Richard
Rusty P. Bourg
Julia L. Filce
Russell J. LeBoeuf
Peggy P. Fazio
Melissa Z. Hutchinson

Brigitte S. Kinsella
Michel K. Hebert
Wayne L. Robinson
Jere' H. Voisin
Sarah B. Rhodes
Candace C. Frederick
Cindy P. Doiron
Misty P. Guidry
Katie L. Portier

Portfolio of Services

Our products and services continue to be responsive to our customers' needs. We offer a full range of financial services with unparalleled customer service and the latest in digital banking. In early 2020, Synergy unveiled Innovation 2020, an upgrade to our core processing and electronic banking solutions. By doing so, our customers had superior mobile and e-banking options at their fingertips when they needed it the most.



Services

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

Volunteering looked a little different this year, but our Synergy Team was committed as ever to serve our community in any way we could. When hurricanes devastated our neighbors to the west, Synergy answered the call by providing supplies and food to those in need. Reimagined, our Pack the Bus school supply drive went virtual, as well as our financial literacy lessons for six local elementary schools.



Perhaps our biggest commitment to service was our work with nearly 800 local small businesses to administer \$70 million dollars through the Small Business Administration's Payroll Protection Program (PPP). Working with owners of our community's favorite restaurants, stores, physicians, and service companies put us at the forefront of our community working together to weather ever changing guidelines and restrictions.

780 local small businesses affected

\$70,000,000 in SBA PPP relief loans

"Synergy Bank helped my business to survive during 2020 with the SBA PPP Loan. Synergy was very helpful in providing me with the guidance and information that I needed to quickly submit the paperwork and get the loan so that I could pay my employees and get my business re-opened. **The professionalism and the caring attitude of the staff was just what I needed.** Thank you to Synergy Bank!"

– Linda Ayers, Ground Pat'i Grille and Bar

"The assistance Synergy Bank provided during the PPP loan application process was great...the process was flawless. **H & H Marine and its employees thank Synergy for helping guide us through this period of economic uncertainty.**"

– Craig Hutchinson, H & H Marine



Community

Investment Services



Under the direction of LPL Program Manager and Financial Advisor Ann Summers, Synergy Investments Services had another successful

Investment
Synergy Services
a division of synergy bank

year of growing revenues, building relationships, and acquiring new clients. Ann works closely to guide clients to identify and develop their financial goals and plan for the future. Investors can work with Ann to create an investment portfolio, plan for retirement, or many other financial objectives such as creating a retirement income plan.

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:

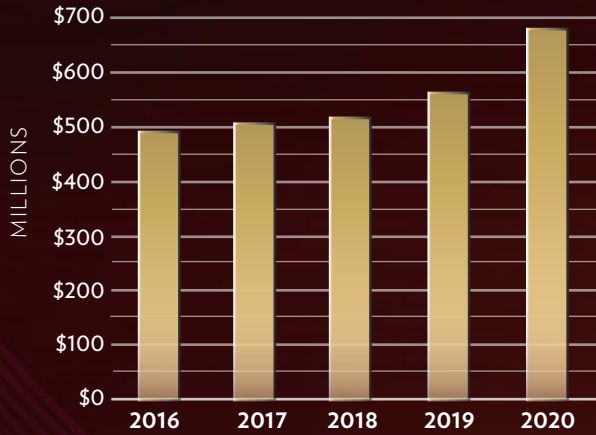
Not Insured by FDIC or Any Other Government Agency · Not Bank Guaranteed
Not Bank Deposits or Obligations · May Lose Value

2020 Synergy Bancshares, Inc. FINANCIAL HIGHLIGHTS

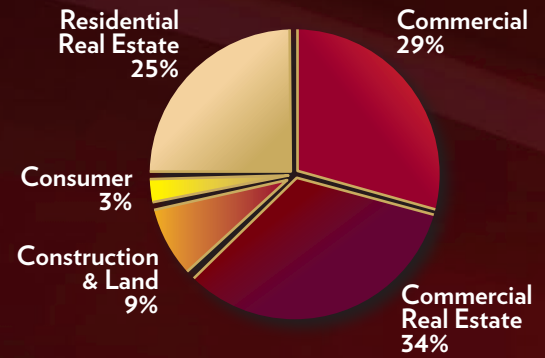
	2020	2019	2018	2017	2016
Selected financial condition data:					
Total assets	\$ 671,516,233	\$ 556,820,374	\$ 514,499,277	\$ 513,513,298	\$ 495,390,318
Loans, net	409,688,046	358,931,560	341,406,996	342,672,568	342,979,753
Investment securities	157,301,273	145,951,376	128,223,011	104,163,678	88,955,632
Deposits	590,944,879	484,331,580	448,997,613	452,756,556	436,725,238
Shareholders' equity	77,030,372	70,466,414	63,897,344	59,528,155	57,574,066
Selected operations data:					
Interest income	\$ 25,778,366	\$ 25,128,193	\$ 22,847,491	\$ 21,288,328	\$ 20,636,101
Interest expense	3,785,991	4,419,637	3,333,160	2,797,887	2,380,840
Net interest income	21,992,375	20,708,556	19,514,331	18,490,441	18,255,261
Provision for loan losses	1,525,414	724,077	1,968,546	2,425,480	4,467,482
Net interest income after provision for loan losses	20,466,961	19,984,479	17,545,785	16,064,961	13,787,779
Noninterest income	4,056,768	4,225,882	3,756,583	3,615,756	3,451,650
Noninterest expense	14,917,148	14,942,396	14,509,970	14,337,519	12,651,914
Income before income taxes	9,606,581	9,267,965	6,792,398	5,343,198	4,587,515
Income tax expense	1,964,089	1,890,101	1,367,342	2,192,747	1,418,562
Net income	\$ 7,642,492	\$ 7,377,864	\$ 5,425,056	\$ 3,150,451	\$ 3,168,953
Dividends	\$ 1,493,437	\$ 1,447,565	\$ 1,168,873	\$ 1,028,129	\$ 1,027,167
Per share data:					
Earnings per share	\$ 8.18	\$ 7.89	\$ 5.83	\$ 3.38	\$ 3.41
Cash dividends per share	1.60	1.55	1.25	1.10	1.10
Book value	82.53	75.45	68.67	64.00	61.92
Performance ratios:					
Return on average assets	1.20 %	1.36 %	1.05 %	0.61 %	0.63 %
Return on average shareholders' equity	10.24	10.87	8.77	5.32	5.50
Dividend payout ratio	19.57	19.65	21.55	32.65	32.41
Net interest margin	3.61	4.02	3.97	3.79	3.81
Efficiency ratio	57.27	59.93	62.35	64.86	58.29
Capital ratios:					
Leverage Ratio (under CBLR* Framework)	11.37 %	12.61 %	12.49 %	11.68 %	11.66 %
Equity to assets	11.47	12.66	12.42	11.59	11.62
<i>*Community Bank Leverage Ratio Framework</i>					
Asset quality:					
Nonperforming loans	\$ 1,679,678	\$ 3,005,940	\$ 4,697,376	\$ 9,416,186	\$ 13,027,930
Nonperforming assets	1,979,679	3,042,894	5,996,018	12,309,286	13,664,181
Allowance for loan losses	9,414,864	7,650,707	7,102,706	7,273,635	11,463,793
Net loan charge-offs (recoveries)	(238,743)	176,076	2,139,475	6,615,638	166,029
Nonperforming loans to total loans	0.40 %	0.82 %	1.35 %	2.69 %	3.68 %
Nonperforming assets to total assets	0.29	0.55	1.17	2.40	2.76
Allowance for loan losses to total loans	2.25	2.09	2.04	2.08	3.23
Other data:					
Banking locations	6	6	6	6	6
Full-time equivalent employees	128	126	123	121	120

Synergy Bancshares, Inc.

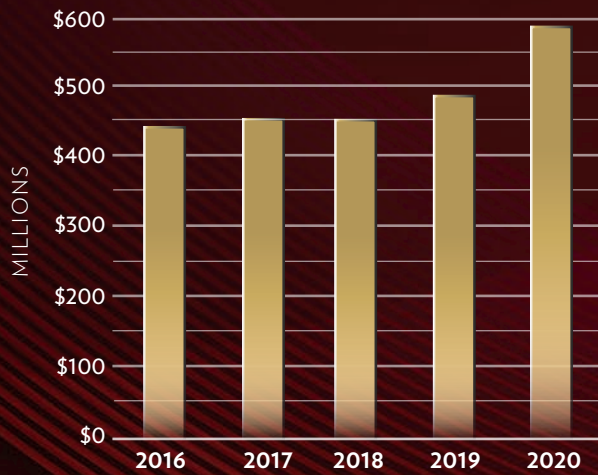
ASSETS



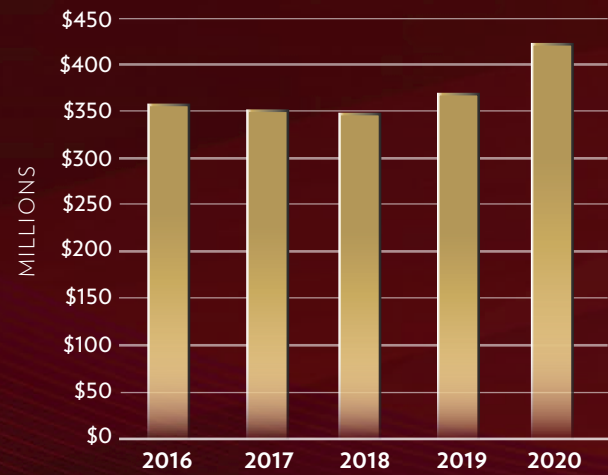
LOAN PORTFOLIO



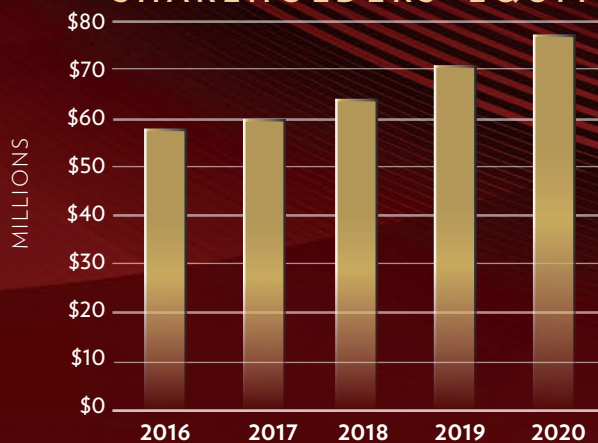
DEPOSITS



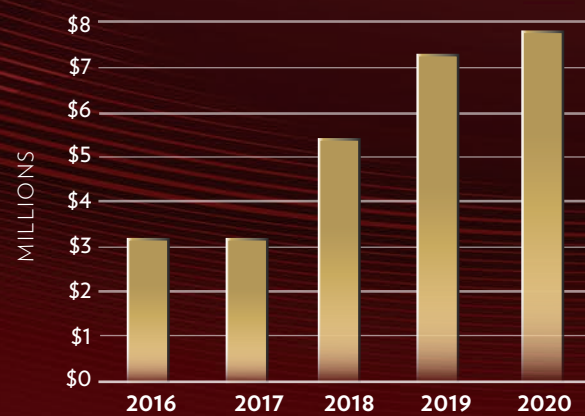
LOANS



SHAREHOLDERS' EQUITY



NET INCOME





Synergy Bank

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

www.banksynergy.com



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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

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