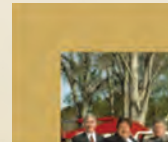




MOVING
FORWARD TOGETHER

Synergy
Bancshares
INCORPORATED
2014 ANNUAL REPORT

REFLECTING ON 15 YEARS OF SERVICE





ADVANCING
TOMORROW

2014

SYNERGY BANCSHARES AT A GLANCE

SYNERGY BANCSHARES INC.

Synergy Bancshares is a \$466 million community bank holding company with headquarters in Houma, Louisiana servicing customers with five locations in the Bayou Region.

AS OF DECEMBER 31, 2014

Assets: \$465,824,666

Net Loans: \$319,854,157

Deposits: \$414,661,513

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 Bank 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.

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
Telebanking: 844-SYN-BANK
banksynergy.com

TABLE OF CONTENTS

| | |
|------------------------|----|
| Letter to Shareholders | 1 |
| Advancing Technology | 2 |
| Portfolio of Services | 3 |
| The Community Spirit | 4 |
| Synergy Team Leaders | 6 |
| Investments | 7 |
| Financial Highlights | 8 |
| Financial Report | 11 |





DEAR SYNERGY FAMILY:

Since opening our doors to the community, the Board of Directors of Synergy Bancshares and the employees of Synergy Bank have strived to create a strong, sustainable institution dedicated to serving the needs of our customers and our community. With five locations serving both Terrebonne and Lafourche Parishes, we have collaborated with numerous organizations and businesses to promote the progress of the Bayou Region. Last year marked fifteen years of service to our communities.

As we reflect on the past, we recognize that our industry and local economy have been presented with many challenges. The banking industry has changed dramatically over the years, yet our unwavering spirit for customer service has overcome these challenges and our dedication lives on today as fiercely as it did in 1999.


At year-end 2014, Synergy Bank was ranked in the top 5 of 138 Louisiana banks for excellent performance and soundness by the Financial Management Consulting Group. Total consolidated assets reached \$465,824,666, a growth of \$33,241,615 or 8% over the previous year. Loans totaled \$319,854,157, funded by deposits of \$414,661,513. Earnings reached \$5,989,959 or \$6.44 per share, an increase of 6.5% over the prior year.

Synergy team members recently successfully executed technological investments to position the bank to capitalize on opportunities now and in the future. By implementing a new account processing and teller system, we better align our services with the advances of the banking industry. Synergy also launched a new website and mobile online banking platform providing further convenience for our existing customers, while increasing our outreach to tech-savvy consumers in markets that lack accessibility to financial services.

As we move forward, we continue to explore our new technological advancements and focus our efforts on lending services, specifically real estate and small to mid-size businesses. Both create new economic opportunities and encourage new investments within our community.

Our success over the years attests to our dedication to the Bayou Region. We remain committed to supporting entrepreneur dreams, establishing a stronger and more stable community, and improving the lives of the citizens in the parishes we serve. We thank you for your continued support of Synergy Bank and look forward to many more years of service to you and our community. We are Stronger Together.

Sincerely,



MORRIS P. HEBERT
CHAIRMAN OF THE BOARD



JERRY P. LEDET, JR
PRESIDENT & CEO

ADVANCING TECHNOLOGY

The retail banking environment is changing rapidly and trends indicate that customers are preferring to conduct their banking business online. In the past year, Synergy Bank has implemented technological advancements to enhance our customers' experience by providing more convenience and accessibility of our services. Synergy unveiled several new digital solutions including a new website, online banking platform, the Synergy Mobile App and Mobile Deposit. The new advancements will help the bank grow its customer base by gaining access to new markets and populations in the surrounding communities in which we serve.



NEW WEBSITE

With Synergy Bank's new website, customers can more efficiently navigate to find information about our products and services. They can also open several accounts online and inquire about loans. The upgrade also allows employees the opportunity to better facilitate and remedy customers' requests and process applications quickly and efficiently.

ONLINE BANKING

By upgrading our online banking services, customers now can easily access their eStatements and online banking with a single sign-on function. Once signed in to online banking, customers can check balances, pay bills, make transfers, and much more from the homepage. Another advantage of the online banking upgrade is PopMoney®, an easy person-to-person payment system where customers can send and receive money to and from an individual.

MOBILE APP

Customers can now check account balances, make transfers, view transactions, and pay their bills all from their smartphones or tablet. With the unveiling of the Synergy Bank Mobile App, consumers readily have access to their finances at their fingertips. The Mobile App is available for free for consumers and can be downloaded by iPhone® and Android® users from their respective app stores by searching "Synergy Bank."

MOBILE DEPOSIT

Allowing for even more convenience, customers can now make a check deposit into their account anytime. Mobile Deposit allows consumers to deposit a check by simply taking a picture of the check through the Mobile App. There are qualifications for acquiring the service; however, it has proved to be a successful tool that will help Synergy Bank reach a tech-savvy generation.

PORTFOLIO OF SERVICES

Our products and services continue to grow and evolve with our customers' needs. Now offering enhanced mobile services, Synergy Bank can service a wide range of customers and their individual needs. Whether an individual or business, Synergy Bank can help our customers reach their goals with our full range of products and services, including:

Personal and Business Checking Accounts
Kasasa® Checking Accounts
Savings and Money Market Accounts
Certificates of Deposits
Individual Retirement Accounts
Coverdell Education Savings Accounts
Health Savings Accounts
uSave Club Accounts
Minor Savings Accounts
Safe Deposit Boxes
Investment Services

Online Banking
Mobile Banking
Mobile App
Mobile Deposit
eStatements
Online Bill Payer
Consumer and Business Loans
Mortgage Loans
Consumer and Business Credit Cards
Corporate Cash Management Services
Direct Deposit and ACH for Businesses
Business Remote Deposit Capture
Sweep Accounts





THE COMMUNITY SPIRIT

Since our founding, Synergy Bank has practiced a strong legacy of community commitment and service. Synergy strives to help strengthen the neighborhoods and communities in which we live and work through monetary donations, volunteerism, and support.



DONATIONS

In 2014, Synergy Bank donated nearly \$65,000 to local nonprofit organizations. The bank also partnered with the Federal Home Loan Bank of Dallas' grant program to donate \$17,012 to Hope Extreme, a nonprofit organization helping at risk youth. Synergy's most notable contribution last year was \$25,000 to the Terrebonne Parish Consolidated Government's Handicap Accessibility Grant Program to help low-income residents with disabilities have handicapped accessible accommodations to their home.



VOLUNTEERING

In 2014, Synergy team members volunteered thousands of hours to local events, including the Best of the Bayou Festival, Big Boy Cook-Off, Terrebonne Foundation for Academic Excellence, Ladybug Ball, and many more.



PARTNERS IN EDUCATION

Synergy remains a proud supporter of financial literacy by participating in Partners in Education. Every month, Synergy employees visit five local elementary schools in Terrebonne and Lafourche parishes to teach students about money, and the importance of saving, among other valuable financial lessons.

LOCAL EVENTS

Last year, Synergy Bank hosted two large events for children. At our Lemonade Day in May, hundreds gathered in downtown Houma to visit the 20 young entrepreneurs who were selling products from their lemonade stands. Each child learned valuable lessons about running their own business and how to manage their money. In December, Synergy brought 30 tons of real snow to downtown Houma for the local Christmas Parade. Children also enjoyed falling snow in the Courthouse Square and visited with ice princesses.



50+ CLUB

It was another successful year for Synergy Bank's 50+ Club, open to all customers ages 50 and older. In 2014, the club enjoyed four events, including a Mardi Gras Extravaganza and a trip to view Phantom of the Opera at the Saenger Theatre. Our Ring in the Holidays event featured the popular Vince Vance and the Valiants and over 30 of our restaurant, catering, and retail customers showcasing their delicious food and holiday items.



SYNERGY LEADERS

The team of professional bankers at Synergy Bank are dedicated to providing excellent customer service and building relationships with the people and business owners of our communities.

With the direction of our knowledgeable Board of Directors, our officers and employees work together to effectively communicate our products and services to the community.

BOARD OF DIRECTORS



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

OFFICERS

Jerry P. Ledet, Jr.
Benjamin D. Borne
Marie M. Morris, CRCM
Harvey P. Authement, Jr.
Denise S. Garofalo
John G. Hebert

Marla L. Porche
Russell J. Touchet
Ann V. Summers, CFP®
Angela H. Rodrigue
Patrice L. Oncale
Madonna A. McClellan

Julia L. Filce
Sallie L. Preston
Wade J. Richard
Kassie A. Barrancotto
Peggy P. Fazio
Melissa Z. Hutchinson

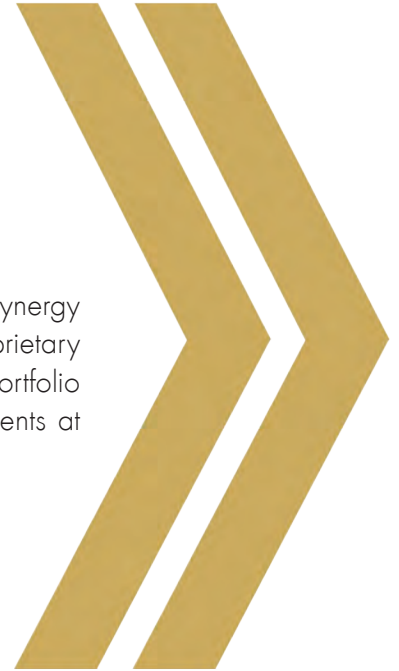
Brigitte S. Kinsella
Tina H. LeBoeuf
Brett M. Means
Melanie B. Boquet

Synergy Investment Services

a division of synergy bank

Synergy Investment Services had another successful year of growing revenues, cultivating customer relationships, and acquiring new clients. Our Investment Services Division provides an array of retail brokerage and insurance services through its third-party broker dealer LPL Financial. Ann Summers, program manager and financial consultant, works with clients to help them assess their objectives and then plan and invest accordingly.

As a full-service brokerage office of LPL Financial located at Synergy Bank, Ann offers clients an assortment of quality non-proprietary investments, insurance, managed accounts, investment portfolio analysis, retirement and education planning. Ann serves clients at our Main and Thibodaux locations.



ANN SUMMERS, CFP®

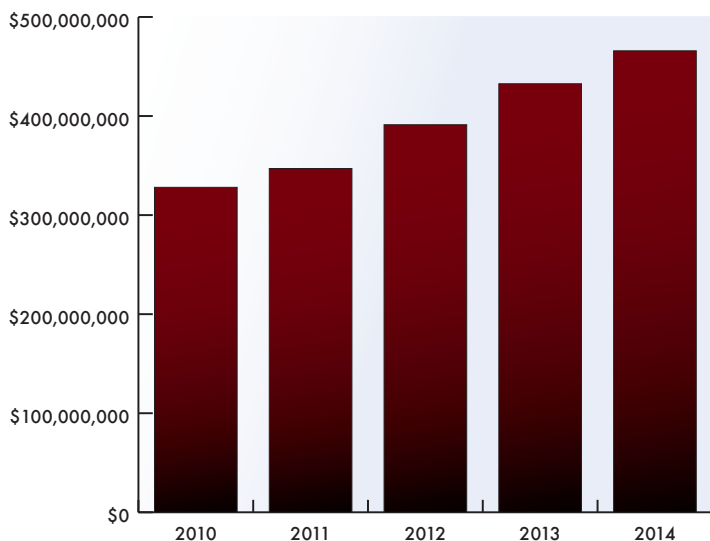
Synergy Investment Services is a division of Synergy Bank. Ann Summers is a registered representative with and securities, advisory services, offered through LPL Financial, A Registered Investment Advisor, Member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates. 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**

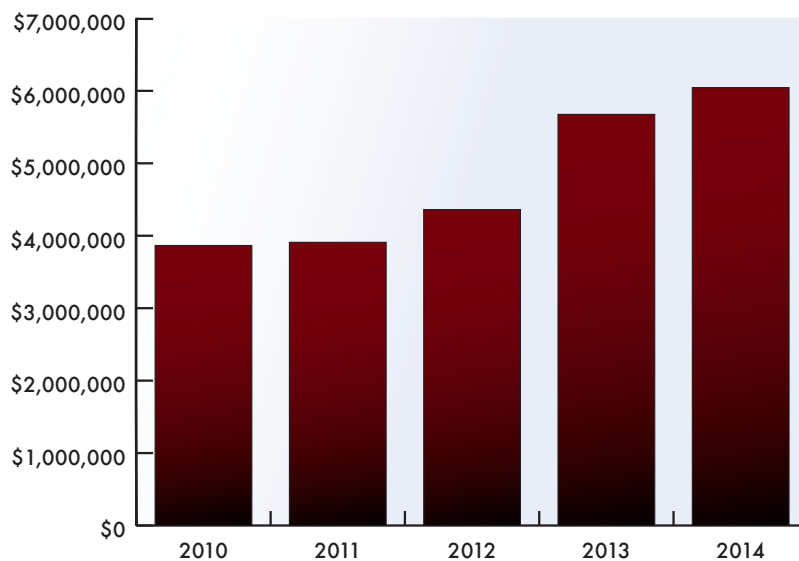
2014 SYNERGY BANCSHARES FINANCIAL HIGHLIGHTS

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Selected financial condition data: | | | | | |
| Total assets | \$ 465,824,666 | \$ 432,583,051 | \$ 391,213,602 | \$ 347,027,039 | \$ 328,025,873 |
| Loans, net | 319,954,157 | 284,403,968 | 272,915,025 | 242,468,311 | 233,039,115 |
| Investment securities | 77,751,796 | 66,638,134 | 33,029,342 | 44,893,717 | 27,648,478 |
| Deposits | 414,661,513 | 385,927,659 | 348,336,112 | 308,799,327 | 293,407,349 |
| Shareholders' equity | 50,687,391 | 45,564,106 | 41,093,111 | 37,308,619 | 33,762,276 |
| Selected operations data: | | | | | |
| Interest income | \$ 19,198,020 | \$ 18,088,002 | \$ 16,930,760 | \$ 15,834,319 | \$ 15,914,609 |
| Interest expense | <u>2,170,115</u> | <u>2,256,114</u> | <u>2,910,471</u> | <u>3,529,146</u> | <u>4,307,568</u> |
| Net interest income | 17,027,905 | 15,831,888 | 14,020,289 | 12,305,173 | 11,607,041 |
| Provision for loan losses | <u>328,084</u> | <u>233,172</u> | <u>1,222,846</u> | <u>757,562</u> | <u>441,999</u> |
| Net interest income after provision for loan losses | 16,699,821 | 15,598,716 | 12,797,443 | 11,547,611 | 11,165,042 |
| Noninterest income | 3,088,520 | 2,909,114 | 2,801,673 | 2,611,454 | 2,312,680 |
| Noninterest expense | <u>10,774,847</u> | <u>10,032,975</u> | <u>9,086,014</u> | <u>8,309,646</u> | <u>7,693,046</u> |
| Income before income taxes | 9,013,494 | 8,474,855 | 6,513,102 | 5,849,419 | 5,784,676 |
| Income tax expense | <u>3,023,535</u> | <u>2,851,438</u> | <u>2,208,182</u> | <u>1,989,607</u> | <u>1,958,810</u> |
| Net income | \$ <u>5,989,959</u> | \$ <u>5,623,417</u> | \$ <u>4,304,920</u> | \$ <u>3,859,812</u> | \$ <u>3,825,866</u> |

TOTAL ASSETS

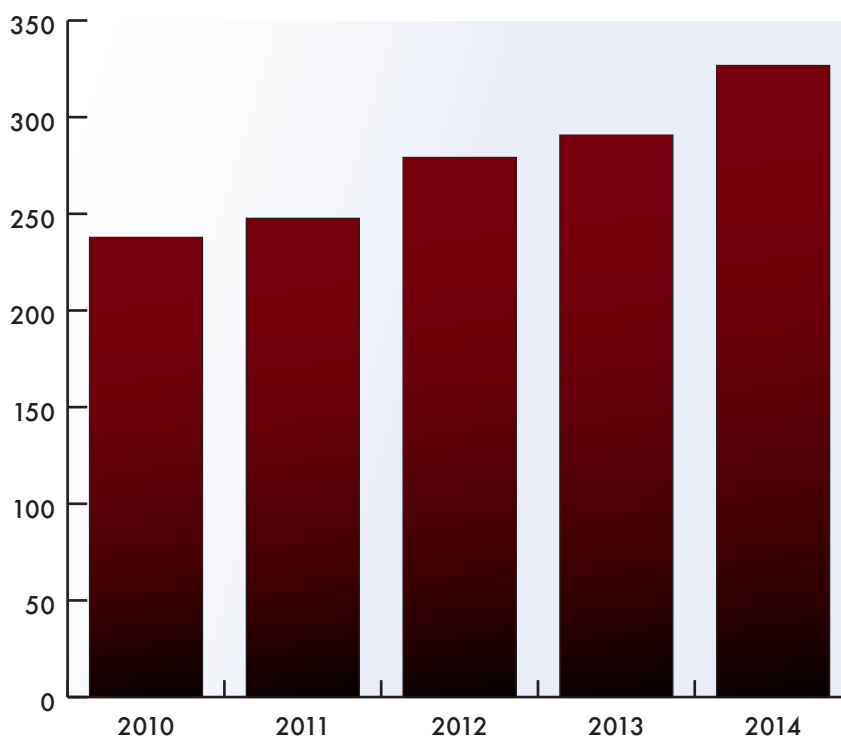


NET INCOME

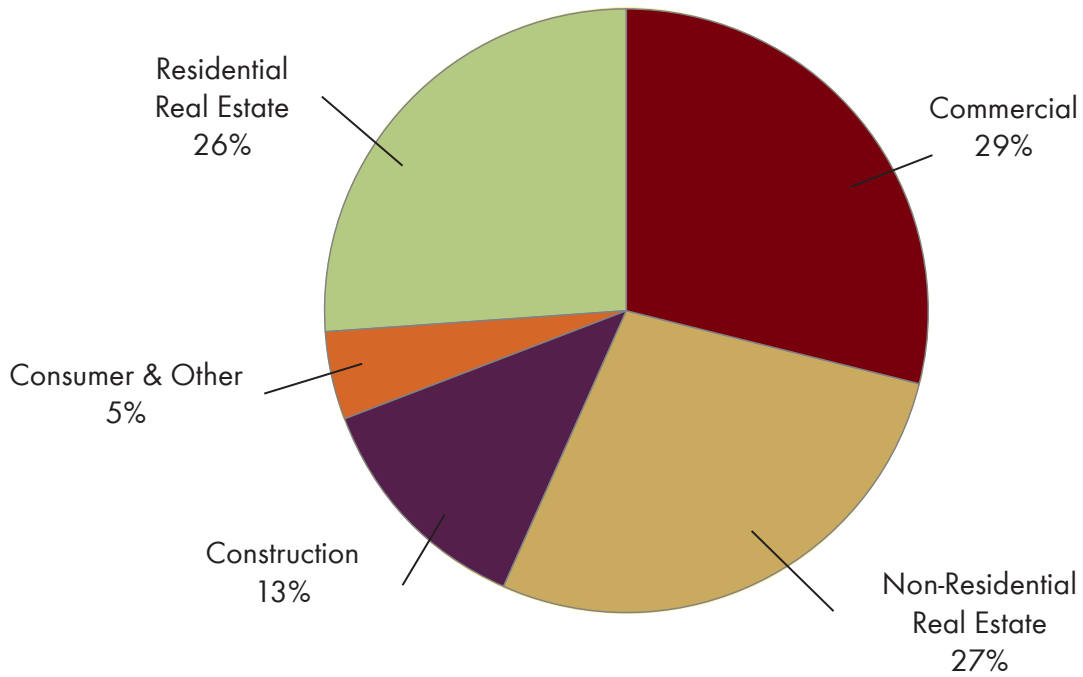


| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|------------|--------------|--------------|--------------|--------------|
| Per share data: | | | | | |
| Earnings per share | \$ 6.44 | \$ 6.05 | \$ 4.63 | \$ 4.16 | \$ 4.62 |
| Cash dividends per share | 1.10 | 1.00 | 0.55 | 0.45 | 0.42 |
| Book value | 54.46 | 49.03 | 44.24 | 40.04 | 36.43 |
| Performance ratios: | | | | | |
| Return on average assets | 1.31% | 1.36% | 1.17% | 1.14% | 1.25% |
| Return on average shareholders' equity | 12.37 | 12.91 | 10.97 | 10.82 | 13.63 |
| Dividend payout ratio | 17.16 | 16.60 | 11.92 | 10.86 | 9.13 |
| Net interest margin | 3.90 | 3.98 | 3.97 | 3.80 | 3.97 |
| Efficiency ratio | 53.56 | 53.47 | 53.96 | 55.71 | 55.27 |
| Capital ratios: | | | | | |
| Leverage ratio | 10.75% | 10.43% | 10.34% | 10.58% | 10.15% |
| Tier 1 capital ratio | 15.78 | 16.11 | 15.63 | 15.80 | 15.33 |
| Total risk-based capital ratio | 17.04 | 17.37 | 16.89 | 17.06 | 16.59 |
| Equity to assets | 10.88 | 10.53 | 10.50 | 10.75 | 10.29 |
| Asset quality: | | | | | |
| Non-performing loans | \$ 642,280 | \$ 2,454,157 | \$ 2,959,384 | \$ 2,804,895 | \$ 1,667,625 |
| Non-performing assets | 1,928,531 | 2,879,057 | 3,224,384 | 2,919,895 | 1,957,625 |
| Allowance for loan losses | 6,772,535 | 6,286,176 | 6,235,875 | 5,174,022 | 4,766,941 |
| Net loan charge-offs (recoveries) | (158,275) | 182,871 | 160,993 | 350,481 | 294,752 |
| Non-performing loans to total loans | 0.20% | 0.84% | 1.06% | 1.13% | 0.70% |
| Non-performing assets to total assets | 0.41 | 0.67 | 0.82 | 0.84 | 0.60 |
| Net charge-offs (recoveries) to average loans | (0.05) | 0.06 | 0.06 | 0.15 | 0.12 |
| Allowance for loan losses to total loans | 2.07 | 2.16 | 2.23 | 2.09 | 2.00 |
| Allowance for loan losses to non-performing loans | 1,054% | 256% | 211% | 184% | 286% |

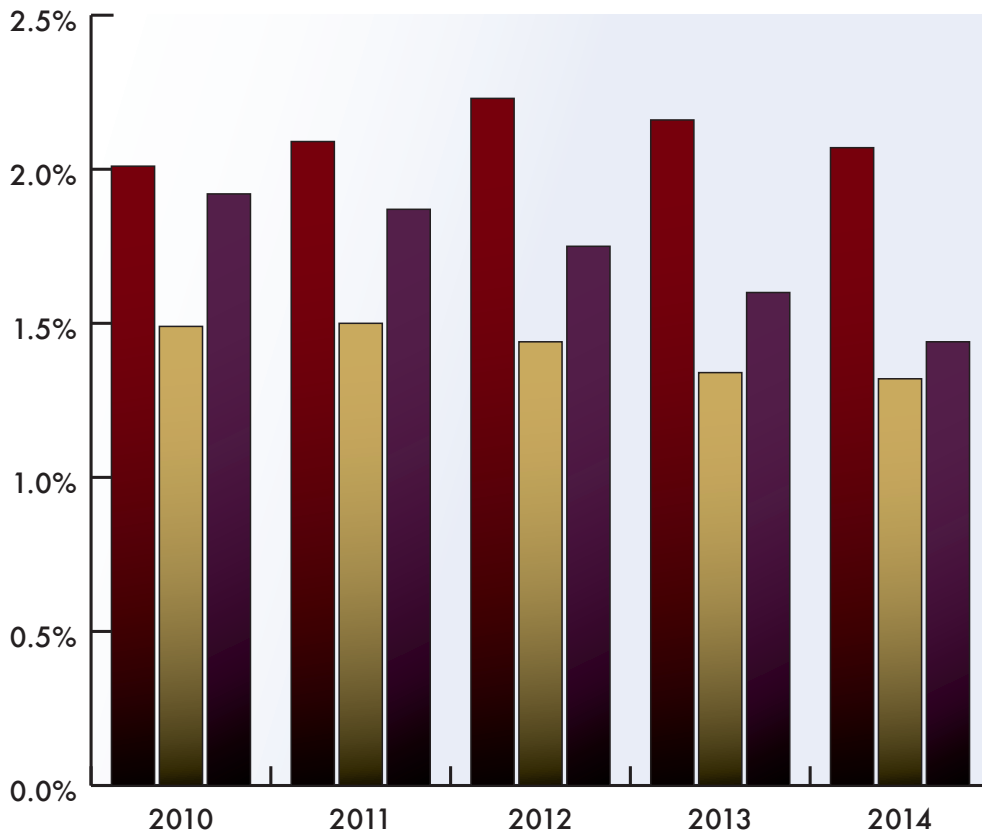
TOTAL LOANS



COMPOSITION OF LOAN PORTFOLIO



ALLOWANCE FOR LOAN LOSSES TO TOTAL LOANS



- Synergy Bank
- Average for all Louisiana banks with total assets between \$100 million and \$1 billion
- Average for all U.S. banks with total assets between \$100 million and \$1 billion

YOUR BANK
OUR COMMUNITY
STRONGER TOGETHER

