



# 2013 ANNUAL REPORT



BauerFinancial, Inc. 5 ★ Safety Rating



# Leader Bancorp, Inc.

## CORPORATE PROFILE

Leader Bancorp, Inc. is the holding company for Leader Bank, N.A., an FDIC-insured community bank headquartered in Arlington, MA. Leader Bank opened for business on May 8, 2002 and serves our customers through our branches in Arlington, Belmont, Burlington, and Cambridge and our loan production centers in Arlington, Burlington, and Needham.

## OUR BUSINESS

Leader Bank, N.A. offers a complete suite of retail and commercial banking services, including innovative deposit accounts and online products for individuals as well as businesses. Leader Bank also offers a range of residential and commercial lending services, including home equity lines of credit and small business loans. Through our website, [www.leaderbank.com](http://www.leaderbank.com), customers can log on to view their account balances, make transfers, download account statements, and pay their bills.

## OUR MISSION

Leader Bank is committed to being the leading community-based financial institution, providing customer-centric banking products and services. We are dedicated to offering our customers creative financial products and customized solutions that allow them to achieve financial prosperity for themselves, their families, and their businesses. Our ultimate goal is to create life-long partnerships by making sure that we continue to be "A Step Ahead" bank for our customers, our communities, our employees, and our shareholders.

## STRATEGY STATEMENT

To grow to \$750 million in assets by 2015 through a nine branch network with \$450 million in deposits and a \$1.5 billion mortgage origination and servicing platform by providing customers who value relationship banking with a responsive and a highly engaged staff.

**OUR MOBILE BRANCH IS  
OPEN 24 HOURS A DAY**





# Chairman's Letter

Dear Shareholders, Customers, and Friends:

I am proud to report that 2013 was a successful and interesting year for Leader Bank. With slow but steady improvements to the American economy, the entire financial industry saw a decrease in residential mortgage lending, but an upswing in commercial and small business lending, as compared to 2012. In the face of these market changes, Leader Bank continues to be one of the strongest performing community banks in both Massachusetts and the entire country, and we have once again met or exceeded all our goals and objectives for 2013.

Leader Bancorp continues to generate strong profits for our shareholders with net income of approximately \$6.4 million in 2013, representing a 1.06% return on assets and a 10.61% return on equity. Our residential and commercial lending departments were well positioned to take advantage of increased interest in home purchases and small business and commercial real estate transactions. As a result, Leader Bank originated over \$1.85 billion in residential and commercial loans in the past year. Due to the breadth of the loan products we offer, we ended 2013 as the fifth largest home purchase lender in all of Massachusetts, and our commercial and small business lending have reached record highs. Our retail banking team continues to generate strong growth, and our new Arlington Heights branch has built over \$20 million in deposits in one short year. As a result of these successes, Leader Bancorp's assets have grown 12% to \$658.9 million, and our deposits have grown nearly 13% to \$438.3 million for the year.

While we are proud of Leader Bank's financial successes, we have also taken great strides to be an innovator in community banking. In 2013, Leader Bank launched its Zeugma Rewards deposit product, offering strong rewards and competitive interest rates for an ever growing customer base while partnering with businesses to provide discounts to further enhance our local economy. We have also expanded our mobile banking feature to include mobile deposits, allowing customers to deposit checks from their home or office using only their smartphone. Leader Bank plans to continue investing in new products to ensure that we continue to cater to our technology savvy customers and bring banking into the 21st century.

2013 also brought even more accolades to Leader Bank. Thanks to our strong financial performance, we continue to receive Five Star ratings from Bauer Financial Group and "A" grades from Weiss Ratings. Our employees bestowed a great honor upon us, when the Boston Globe yet again named Leader Bank one of the Top Places to Work in Massachusetts based on the feedback from our valued staff. I was also humbled to be named a Community Bank Hero by Banker & Tradesman for 2013, which I could not have achieved without the support of the entire Leader Bank family.

These recognitions form only a small portion of the achievements of Leader Bank over the past year, and we could not sustain such successes without the leadership of our Board of Directors and the hard work of our employees. Their commitment to both Leader Bank and our customers ensures that we will always provide the highest quality of banking and lending. Thanks to their efforts and support from you, our valued shareholders, Leader Bank looks forward to remaining "A Step Ahead" in the years to come.



**Sushil K. Tuli**  
Chairman, President & CEO

Sincerely,

Sushil K. Tuli, President & CEO

# Financial Highlights

## LEADER BANCORP, INC.

(IN THOUSANDS, EXCEPT ACCOUNTS)

<b>PERFORMANCE STATISTICS</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Total Assets	\$658,877	\$587,645	\$509,493
Total Deposits	\$438,306	\$388,289	\$339,550
Total Equity	\$75,568	\$69,747	\$55,918
Total Net Loan Portfolio	\$501,423	\$386,453	\$337,440
Total Loans Closed	\$1,852,933	\$2,464,362	\$1,282,261
Deposit Accounts	12,802	11,687	9,755
<b>EARNINGS</b>			
Net Interest Income	\$17,642	\$16,261	\$12,325
Non-Interest Income	\$13,943	\$28,175	\$11,606
Non-Interest Expense	\$20,255	\$17,704	\$13,057
Income Before Taxes	\$10,681	\$25,254	\$10,257
Net Income	\$6,394	\$14,912	\$6,154
<b>RATIO</b>			
Return on Assets	1.06%	2.71%	1.55%
Return on Common Equity	10.61%	30.03%	13.75%
Net Interest Margin	3.07%	3.10%	3.24%
Efficiency Ratio	63.51%	39.79%	54.56%
<b>CAPITAL</b>			
Equity Capital to Assets	11.47%	11.87%	10.98%
Core Capital (leverage)	12.08%	11.79%	12.12%
Tier 1 Risk-based Capital	15.20%	17.39%	16.05%
Total Risk-based Capital	18.01%	20.99%	20.25%

### 2013 Peer Group Comparative Performance

<b>PERFORMANCE METRICS</b>	<b>LEADER BANK <sup>(1)</sup></b>	<b>PEER GROUP AVERAGE</b>	<b>LEADER BANK PERCENTILE RANK</b>
Return on Assets	1.16%	0.95%	68
Return on Common Equity	8.88%	9.27%	51
Net Interest Margin	3.16%	3.73%	15
Non-Interest Income / Assets	2.39%	0.78%	94
Efficiency Ratio	62.18%	67.57%	65
<b>ASSET QUALITY METRICS</b>			
Net Loans / Assets	82.21%	63.81%	93
Non-Performing Loans / Total Loans	0.07%	1.47%	96
Net Loss / Total Loans	0.04%	0.29%	78
<b>GROWTH METRICS</b>			
Net Loans & Leases	22.88%	5.73%	90
Total Assets	12.04%	3.16%	86

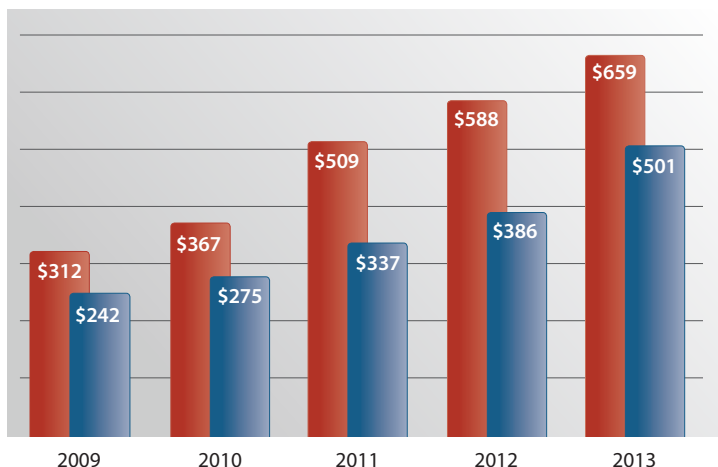
(1) Leader Bank metrics are for Leader Bank, N.A., not Leader Bancorp, Inc.  
Source: FDIC



# Historical Growth

## Assets & Loan Portfolio

IN MILLIONS

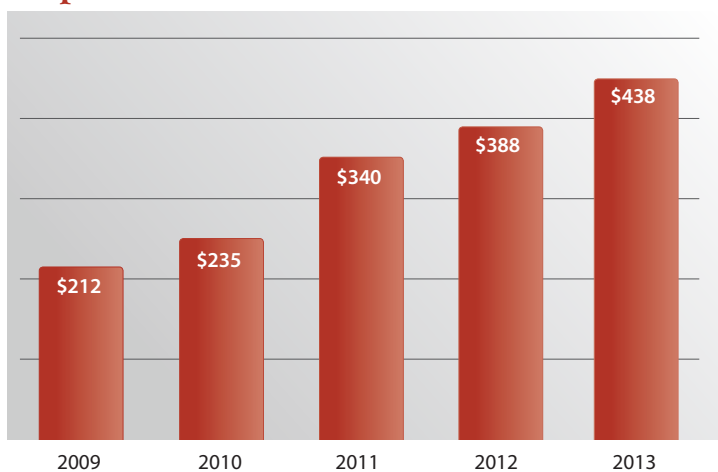


ASSETS  
LOAN PORTFOLIO

**Assets grew by \$71 million**, or 12.1%, ending the year at \$659 million. The increase was principally attributed to the growth of the Bank's residential loan, commercial loan, and mortgage servicing rights portfolios. Total loans for 2013 increased by \$115 million, or 29.8%, and mortgage servicing rights increased by \$1.6 million, or 12.7%.

## Deposit Balances

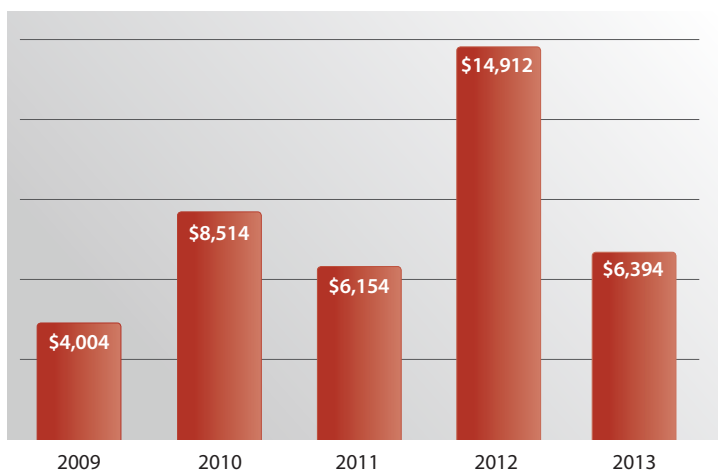
IN MILLIONS



**Deposits increased \$50 million**, or 12.9%, in 2013 and continue to grow. This growth is a result of the strength of the Leader Bank brand in the surrounding communities, as well as our focus on community involvement, personal service, and the flexibility to meet our customers' needs. Since 2009, our deposits have grown at a compound annual rate of 15.62%.

## Net Income

IN THOUSANDS



**Net Income was nearly \$6.4 million** in 2013. This decline was primarily due to the overall reduction in volume in the residential refinance loan market. Leader Bank's return on assets (ROA) was 1.16%, which, according to the FDIC, was better than 68% of Leader Bank's peers across the country.



# Financial Statements

## LEADER BANCORP, INC. CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, YEARS ENDED DECEMBER 31)

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Cash and due from banks	\$21,937	\$55,674	\$62,601
Interest-bearing deposits	8	4	606
CASH AND CASH EQUIVALENTS	21,945	55,678	63,207
Securities held to maturity, at cost	48,075	46,217	30,647
Securities available for sale, at fair value	2,172	-	-
Restricted equity securities, at cost	8,054	7,012	5,851
Loans held for sale	39,759	53,977	32,546
Loans, net	501,423	386,453	337,440
Premises and equipment, net	10,940	11,104	3,072
Accrued interest receivable	1,624	1,427	1,305
Mortgage servicing assets	13,889	12,327	8,346
Investor receivable	6,963	8,416	21,207
Prepaid FDIC Insurance	-	256	468
Other assets	4,033	4,778	5,404
<b>TOTAL ASSETS</b>	<b><u>\$658,877</u></b>	<b><u>\$587,645</u></b>	<b><u>\$509,493</u></b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
Deposits	\$438,306	\$388,289	\$339,550
Federal Home Loan Bank advances	121,375	103,905	92,180
Subordinate debt	12,100	12,100	12,100
Net deferred tax liability	4,016	4,636	2,204
Other liabilities	7,512	8,968	7,541
TOTAL LIABILITIES	583,309	517,898	453,575
Stockholders' equity;			
Preferred stock, \$1.00 par value; 500,000 shares authorized:			
Preferred stock, Series C, \$1.00 par value; \$1,000			
liquidation value; 12,852 shares authorized and issued	12,852	12,852	12,852
Common stock, \$0.50 par value 10,000,000 shares authorized:			
3,286,115 issued and 3,265,015 outstanding in 2013;			
3,252,679 issued and 3,234,779 outstanding in 2012	1,643	1,626	1,591
Additional paid-in capital	21,130	20,739	20,187
Retained earnings	40,375	34,763	21,354
Accumulated Other Comprehensive Income	(145)	-	-
Treasury shares (21,100 and 17,900 shares, respectively)	(287)	(233)	(66)
TOTAL STOCKHOLDERS' EQUITY	<u>75,568</u>	<u>69,747</u>	<u>55,918</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b><u>\$658,877</u></b>	<b><u>\$587,645</u></b>	<b><u>\$509,493</u></b>



## LEADER BANCORP, INC. CONSOLIDATED STATEMENTS OF INCOME

(IN THOUSANDS, YEARS ENDED DECEMBER 31)

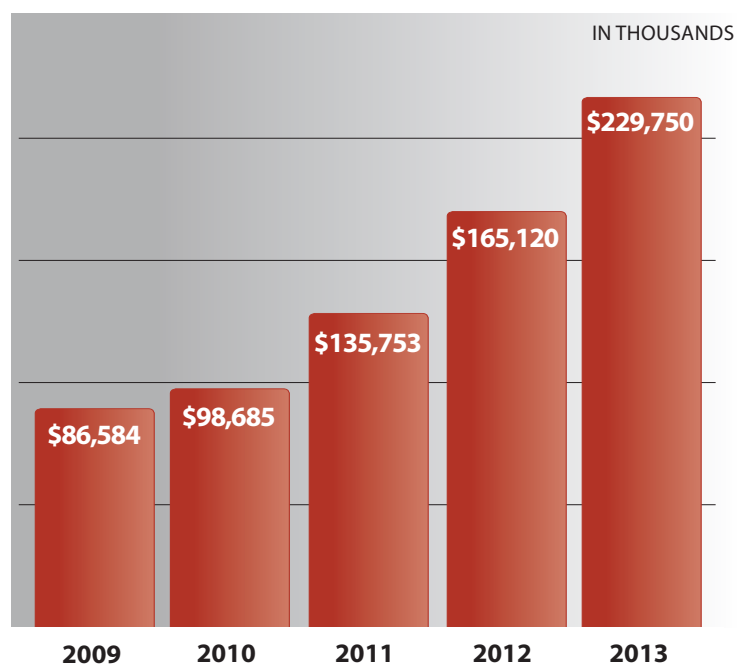
	2013	2012	2011
<b>INTEREST AND DIVIDEND INCOME</b>			
Interest and fees on loans	\$21,758	\$20,762	\$16,796
Interest and dividends on securities and CDs	1,516	1,233	857
Interest on interest-bearing deposits	46	61	44
TOTAL INTEREST AND DIVIDEND INCOME	23,320	22,056	17,697
<b>INTEREST EXPENSE</b>			
Interest on deposits	2,794	2,973	2,597
Interest on Federal Home Loan Bank advances	2,134	2,054	2,023
Interest on subordinated debt	750	768	752
TOTAL INTEREST EXPENSE	5,678	5,795	5,372
<b>NET INTEREST INCOME</b>	17,642	16,261	12,325
Provision for loan losses	649	1,478	617
NET INTEREST INCOME, AFTER PROVISION FOR LOAN LOSSES	16,993	14,783	11,708
<b>NON-INTEREST INCOME</b>			
Net gain on sale of loans	13,064	32,131	12,400
Net loan servicing costs	596	(4,503)	(1,356)
Loss on sale of security	(267)	-	-
Miscellaneous	550	547	562
TOTAL NON-INTEREST INCOME	13,943	28,175	11,606
<b>NON-INTEREST EXPENSE</b>			
Salaries and benefits	12,747	11,105	8,271
Occupancy and equipment	2,474	1,945	1,603
Professional services	1,225	1,046	848
Data processing	1,060	849	625
Advertising and marketing	467	374	275
FDIC insurance	276	241	181
FHLB prepayment penalty	-	354	-
Other general and administrative	2,006	1,790	1,254
TOTAL NON-INTEREST EXPENSE	20,255	17,704	13,057
Income before income taxes	10,681	25,254	10,257
Provision for income taxes	4,287	10,342	4,103
<b>NET INCOME</b>	<u>\$6,394</u>	<u>\$14,912</u>	<u>\$6,154</u>

# Commercial Lending

At Leader Bank, we provide comprehensive and customized financial solutions with fast, local decision making to help our clients prosper and grow. Our commercial lending team, with more than 25 years of combined experience, understand the day to day challenges that our customers face. They have the expertise to find the best solutions for each client, helping customers with deals as small as \$200,000 and as large as over \$21 million.

In 2013, Leader Bank completed over 110 new commercial real estate, investment property, and construction loans, totaling over \$121 million in lending. Our commercial real estate portfolio reached a record high of nearly \$230 million in 2013, representing a 39% increase over 2012. At a time when many banks are restricting their lending, Leader Bank is actively providing competitive and varied commercial loan products to our customers so they can continue to prosper and help drive our local economies.

## Commercial Real Estate Portfolio Balances



## 2013 HIGHLIGHTS

- New originations of over \$121 million
- Record high portfolio balance of nearly \$230 million

## SPECIALTIES

- Retail Properties
- Professional Office Buildings
- Community Service Facilities
- Mixed-Use Properties
- Multi-Unit Residential
- Commercial Construction

## Sample Commercial Lending Transactions

<p><b>BRAINTREE</b> Apartments</p> <p><b>\$2,600,000</b> PURCHASE</p> <p><b>March 2013</b></p>	<p><b>BOSTON</b> Multi-Family Units</p> <p><b>\$3,600,000</b> REFINANCE</p> <p><b>December 2013</b></p>	<p><b>CAMBRIDGE</b> Hotel</p> <p><b>\$6,800,000</b> REFINANCE</p> <p><b>September 2013</b></p>	<p><b>BROOKLINE</b> Apartments</p> <p><b>\$7,500,000</b> REFINANCE</p> <p><b>July 2013</b></p>	<p><b>CHELMSFORD</b> Apartments</p> <p><b>\$16,125,000</b> PURCHASE</p> <p><b>March 2014</b></p>
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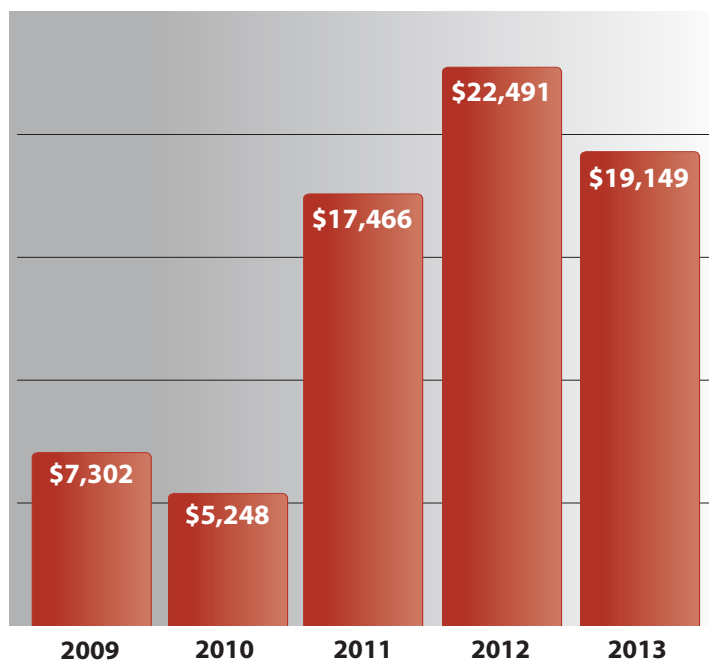


# Small Business Lending

In 2013, Leader Bank continued to strengthen its commitment to small businesses in our local communities. The Bank closed 23 loan transactions for almost \$11 million in lending to small businesses. This lending included traditional business loans, Small Business Administration (SBA) loans, and letters of credit, to name a few. We take the time to understand our customers and provide the best products to meet their needs.

Leader Bank maintains its status as a preferred lender of the SBA, and ended 2013 a top ten SBA lender in Massachusetts. The SBA has recognized our commitment to small business by naming Leader Bank as 2013 Top Export Lender. We are also a proud participant in the Massachusetts Treasury Department's Small Business Banking Partnership, having lent nearly \$18.7 million through this program as of the end of the year.

**Small Business Portfolio Balances** IN THOUSANDS



## 2013 HIGHLIGHTS

- New originations of nearly \$11 million
- Top Ten SBA Lender in Massachusetts
- 2013 Top SBA Export Lender

## SPECIALTIES

- SBA 7(a) and SBA 504
- Express Lines of Credit
- Term Loans
- Acquisition Loans
- Taxi Medallion Loans

## Sample Small Business Lending Transactions

<p><b>BOSTON</b> Retail</p> <p><b>\$250,000</b> EQUIPMENT TERM LOAN</p> <p><b>February 2013</b></p>	<p><b>LEXINGTON</b> Hotel</p> <p><b>\$375,000</b> TERM LOAN</p> <p><b>December 2013</b></p>	<p><b>ARLINGTON</b> Medical</p> <p><b>\$500,000</b> WORKING CAPITAL LINE OF CREDIT</p> <p><b>August 2013</b></p>	<p><b>WINCHESTER</b> Manufacturing</p> <p><b>\$1,431,000</b> SBA 504 LOAN</p> <p><b>October 2013</b></p>	<p><b>ACTON</b> IT Consulting</p> <p><b>\$2,000,000</b> SBA LINE OF CREDIT</p> <p><b>January 2013</b></p>
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# Commercial Lending Profiles

## Houman Baiany

In 2011, Houman Baiany sold his business enterprise and ventured into real estate development for the first time. While exploring potential financing options, Mr. Baiany met Cheryl Glantz, Senior Vice President for Commercial Lending at Leader Bank. In 2012, Leader Bank commenced a lending relationship with Mr. Baiany and financed his acquisition of real estate investments in Cambridge and Somerville. This relationship has blossomed over the last several years with Ms. Glantz assisting Mr. Baiany in obtaining financing for multiple properties through different products, and the Bank developing a deposit relationship with Mr. Baiany as well.

“As a recent entrant to the real estate market, I was looking for a partner who could help me grow my new business,” said Mr. Baiany. “Cheryl and the entire Leader Bank team have been invaluable as I continue this next phase of my career. Their responsiveness to my needs and quick decision making are crucial for the success of any commercial real estate developer.”

“Leader Bank is proud to partner with Mr. Baiany to help foster his entrepreneurial spirit,” said Ms. Glantz. “We look forward to working with Mr. Baiany as he continues to grow and expand his real estate portfolio.”



Cheryl Glantz, Senior Vice President of  
Commercial Lending with Houman Baiany

*“Cheryl and the entire Leader Bank team have been invaluable as I continue this next phase of my career. Their responsiveness to my needs and quick decision making are crucial for the success of any commercial real estate developer.”*

- Houman Baiany



Andre Danesh and Sean Wilder with Cheryl Glantz, Leader Bank's Senior Vice President of Commercial Lending

## Andre Danesh & Sean Wilder

Andre Danesh has been an avid real estate investor for more than 35 years. With his son-in-law Sean Wilder and other close colleagues, he has invested in large apartment and retail buildings in the Greater Boston, Texas, Florida, and Los Angeles markets. In early 2013, Mr. Danesh and Mr. Wilder became aware of an opportunity to acquire several buildings constituting over 250 condominium units in Arlington. To help finance this acquisition, they turned to Leader Bank and its Senior Vice President of Commercial Lending, Cheryl Glantz. Working together, Leader Bank was able to finance the acquisition and started a burgeoning relationship with Mr. Danesh and Mr. Wilder that has expanded to other loans and deposit accounts.

*“It was important to me to find a local lender who could help me expand into the Arlington market. Leader Bank impressed me with their understanding of the deal I wanted to make and their ability to help me finance it quickly.”*

- Andre Danesh

“Leader Bank’s exemplary work on this deal confirmed their strong reputation in the marketplace and the advantages of having one of the best community banks as a lending partner,” said Mr. Wilder. “I look forward to working with Cheryl and the entire Leader Bank team on other deals in the near future.”



# Small Business Lending Profiles

## Park Avenue Nursing & Rehabilitation Center

Park Avenue Nursing & Rehabilitation Center was established in 1953 and is currently a family owned 89 bed multi-level skilled nursing and rehabilitation facility located in the heart of Arlington Heights. The company has over 130 employees and offers programs that include physical therapy, occupational therapy, speech therapy, and respiratory therapy.

The relationship between Park Avenue Nursing & Rehabilitation Center and Leader Bank was established in 2013 when the owner, John Alessandroni, was looking to establish a local lending and business banking relationship. Mr. Alessandroni was introduced to Matthew Pierce, Senior Vice President of Commercial Lending, and Leader Bank was able to offer both a commercial real estate loan and working capital line of credit for the business. Since then, the Bank and Mr. Alessandroni have continued to expand their relationship, as Leader Bank now supports all of Park Avenue Nursing's business banking services and has arranged for a seminar for their employees to learn about the Bank's personal banking services and residential loan products.

"With the opening of our newest branch in Arlington Heights, we welcome the Park Avenue Nursing & Rehabilitation Center to Leader Bank. This is exactly the type of local business relationship we strive to achieve as the Bank expands its presence throughout Arlington," said Mr. Pierce. "We are excited to be able to grow this relationship as well as provide services to their employees."

"Leader Bank has been a great partner for Park Avenue Nursing & Rehabilitation Center," said Mr. Alessandroni. "As our business has been based in Arlington for over 60 years, it made sense to establish our lending and banking relationship with the only Arlington headquartered Bank to help us support our growth and employees. That, coupled with their outstanding levels of service and commitment to helping us succeed, makes Leader Bank the perfect bank for Park Avenue Nursing & Rehabilitation Center."



*John Alessandroni, owner of Park Avenue Nursing & Rehabilitation Center with Matthew Pierce, Senior Vice President of Commercial Lending at Leader Bank*



*Liam Clancy, owner of Teca-Print with Matthew Pierce, Senior Vice President of Commercial Lending at Leader Bank*

## Teca-Print USA

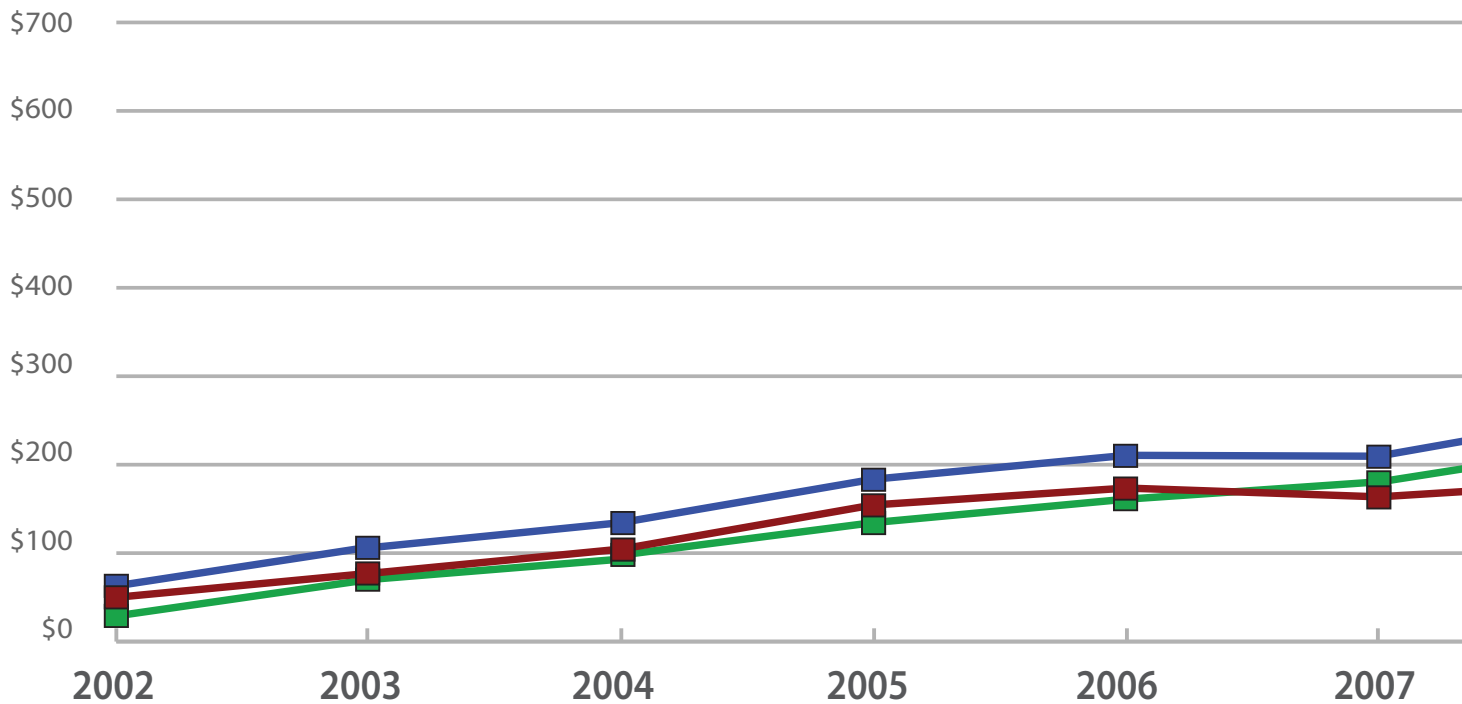
Liam Clancy is owner of Teca-Print USA, a producer of the Pad Printing Machines and Consumables like Pads, Ink, and Cliché Plates. Teca-Print is also considered an expert in Automation for the Pad Printing process and non-related assembly projects. Mr. Clancy first began working with Leader Bank upon financing the purchase of a new primary residence. When it came time to relocate the Teca Print's Billerica office to Winchester in 2013, he identified a new property, including a warehouse for the company's Pad Printing Machines. The new space would provide enough room for Teca-Print to perform and expand on their other Pad Printing processes.

Based on an earlier successful experience, Mr. Clancy and Teca-Print trusted Leader Bank and its Senior Vice President of Commercial Lending Matthew Pierce to provide commercial lending options under the SBA 504 Program, given Leader Bank's status as a Preferred SBA Lender. With the help of the Bank's commercial lending team, Mr. Clancy was able to acquire the property and renovate the space, which now will allow room for Teca-Print to expand and create new job opportunities.

"Leader Bank's exemplary work in securing the necessary financing allowed us to acquire the building and make improvements to the building that met the vision and goal of our company," said Mr. Clancy. "They worked with me and my team closely to develop financing options for the purchase of my new headquarters that met our needs. Leader Bank committed to supporting my business and they have now earned our entire banking relationship."

"We are very proud to see our relationship with Mr. Clancy expand from our residential loan division to our commercial lending division and now onto our business banking division," said Mr. Pierce. "This is a true example of relationship banking and we are honored to partner with Mr. Clancy and Teca-Print to be their personal bank of choice."

# Timeline



## 2002

- Leader Bank opens main office on May 8, 2002 with:
  - \$6.9 million in capital
  - \$6.5 million in assets
  - 7 employees

## 2003

- Leader Bank exceeds \$100 million in total assets.
- Leader Bank CEO Sushil Tuli named finalist for "Entrepreneur of the Year" by Ernst & Young.

## 2004

- Arlington Center branch opens in September.
- FHLB of Boston recognizes Leader Bank for commitment in creating housing opportunities.

## 2005

- Central Square, Cambridge branch opens in July.
- Leader Bank surpasses \$150 million in deposits.

## 2006

- Leader Bancorp, Inc. is formed in August.
- Leader Bank exceeds \$200 million in total assets.

## 2007

- Leader Bank named "Business of the Year" by the Arlington Chamber of Commerce.
- Leader Bank receives "4 Star Recommended" rating from BauerFinancial.

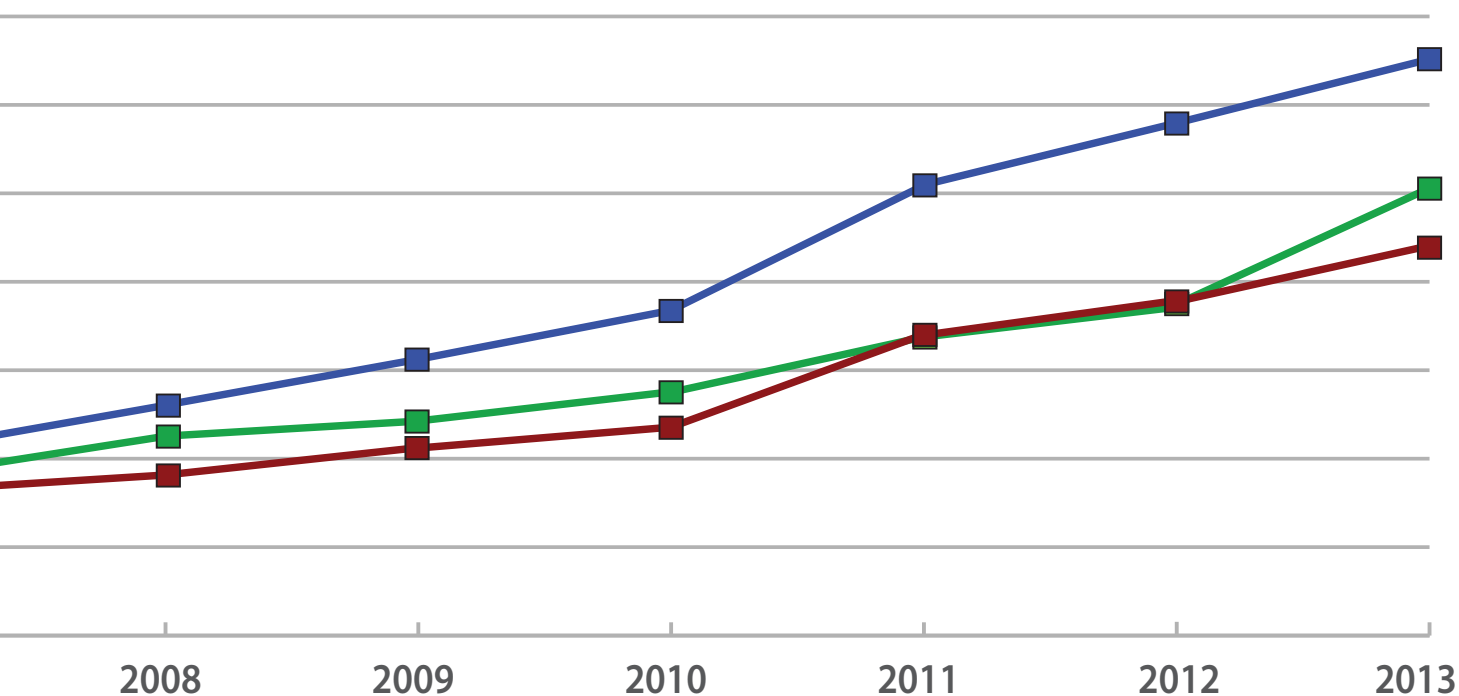
## 2008

- Belmont branch and Burlington loan production center open.
- Leader Bank closes over \$250 million in residential loans.
- Leader Bank receives "SBA Express Lender" status.





—■— Deposit Balances      —■— Assets      —■— Loans      IN MILLIONS



### 2009

- Needham loan production center opens.
- Leader Bank receives “5 Star Superior” rating from BauerFinancial.
- Leader Bank exceeds \$300 million in assets.

### 2010

- Burlington branch opens in September.
- SBA designates Leader Bank as a “Preferred Lender”.
- Leader Bank originates more than \$1.5 billion in residential and commercial loans.

### 2011

- Leader Bank exceeds \$500 million in total assets and \$300 million in deposits.
- Weiss Ratings gives Leader Bank an “A” rating.
- Leader Bank participates in US Small Business Banking Partnership.

### 2012

- Leader Bank becomes the seventh largest residential lender in Massachusetts.
- Arlington Heights branch and Leader Plaza residential lending center open.
- Sushil Tuli named one of area’s “Most Admired CEOs” by Boston Business Journal and “Massachusetts Financial Services Champion” by SBA.

### 2013

- Leader Bank grows to:
  - Over \$650 million in assets
  - Over \$435 million in deposits
  - Over \$500 million in net loans
- Leader Bank is the fifth largest home purchase lender in Massachusetts.
- Boston Globe names Leader Bank a “Top Place to Work” for the fourth time.
- Sushil Tuli honored as a “Community Bank Hero” by Banker & Tradesman.
- SBA awards Leader Bank as the 2013 “Top Export Lender”.

# Business Banking

At Leader Bank, we understand how important it is for local business owners to have a financial institution whose primary focus is to help redirect their attention back to the growth and success of their businesses. To reach that end, Leader Bank offers a variety of products and services for businesses, so they can spend more time servicing customers and less time worrying about managing their bank accounts.

## eBusiness Online Banking

Leader Bank's state-of-the-art online banking platform for businesses offers user-friendly features, including integrated bill pay, eAlerts, eStatements, and other key features. Our eBusiness customers have the ability to set access levels for employees, initiate internal transfers, schedule ACH and wire transfers, and export transactions into QuickBooks.

## Remote Deposit Capture

Using a scanning device, customers can deposit checks directly into a business account from the convenience of their office. This is a safe and secure way for our customers to make and track deposits without having to visit a branch.

## IOLTA Accounts

Leader Bank is a leading community bank when it comes to providing IOLTA depository services to attorneys. All accounts are completely free with no service charges, no charge for checks, and no charge for wires. With over 150 law firm relationships, we have developed a niche specialty in catering to these clients. All interest earned on IOLTA accounts is provided to the Massachusetts IOLTA Committee to provide legal services to low income families and help improve the administration of justice.

## Lockbox Services

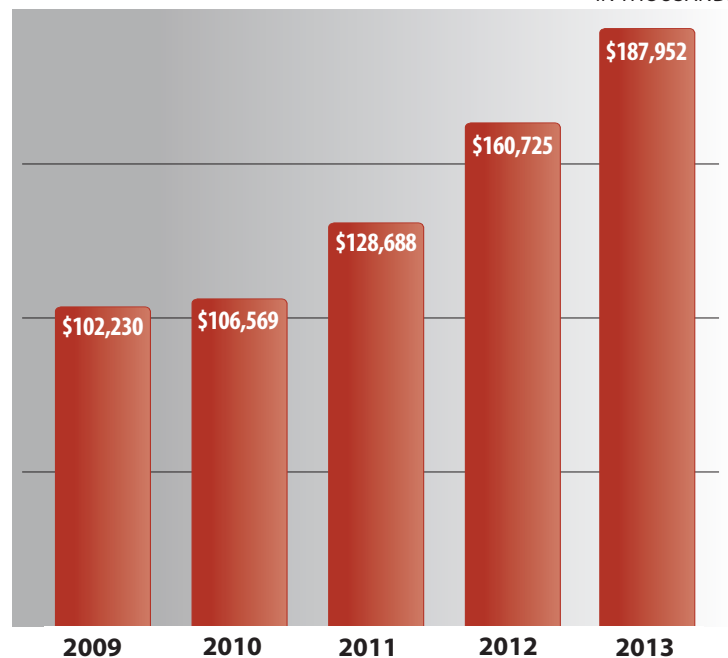
Clients of business customers can mail their checks to a secure post office box location, and Leader Bank will process and deposit the check automatically! We also email our clients images of the deposited checks for their record keeping purposes.



*Marc Romvos, Director of Business Banking;  
Paul Mitchell, Vice President, Business Banking Officer;  
Sumit Dhankhar, Business Banking Officer*

## Business Account Balances

IN THOUSANDS





# Business Banking Profile

## SnapApp

SnapApp, LLC has created a robust software platform that enables businesses to create, publish, manage, and measure their interactive marketing content. Founded in 2010, the SnapApp platform is used by companies to easily generate leads and drive revenue across a variety of marketing outlets, including the web, mobile devices, social media sites, and email campaigns. Leading companies that use SnapApp include Oracle, EMC, Harper Collins, Citizen Watch, the Los Angeles Times, PBS, and the American Red Cross. As a testament to their success, the company now has over 300,000 unique users that engage with SnapApp content on a daily basis.

The relationship between SnapApp and Leader Bank began in September of 2013 when Marc Romvos, Leader Bank's Director of Business Banking, first met Seth Lieberman, SnapApp's CEO. Mr. Lieberman had previously worked with Leader Bank during an earlier business venture, and was eager to renew his relationship with the Bank. "Seth was looking for a bank that offered true relationship banking and was committed to providing the level of customer service that he and his employees deserved. SnapApp now utilizes all of the products that Leader Bank offers as part of our deposit and cash management suite," stated Mr. Romvos. "Working with Seth has proven to be tremendously rewarding and it is a relationship that continues to be highly valued by Leader Bank."

Leader Bank's full range of business account products and relentless dedication to personalized service provide assurance to start-up CEOs like Mr. Lieberman that all of their company's business banking needs will be met. "Leader Bank is a wonderful partner for us as a fast growing technology startup," said Mr. Lieberman.



*Seth Lieberman, CEO of SnapApp with  
Marc Romvos, Director of Business  
Banking at Leader Bank*

# Residential Lending

## Leader Bank Educates First-Time Homebuyers

In 2013, Leader Bank played a leading role in assisting Massachusetts residents looking to become home owners. Working with community customers in English and Spanish, Leader Bank loan officers attempted to demystify the home buying process and answer questions from those looking to share in the American Dream of home ownership.



Leader Bank loan officers Roxana Zelayandia and Elbert Baquero assist Spanish-speaking first-time homebuyers at Telemundo event.

## Closed Residential Loans

IN MILLIONS



## 2013 HIGHLIGHTS

Our dedicated and growing team of loan officers closed over \$1.7 billion in new residential loans and home equity lines of credit in 2013, making us the tenth largest residential mortgage lender and the fifth largest home purchase lender in Massachusetts.

## Leader Bank Sales Managers

**Arlington Heights**  
**Christopher Butts**  
*Sales Manager*

**MetroWest**  
**John Carroll**  
*Sales Manager*

**North Shore**  
**Marcus Sohn**  
*Sales Manager*

**Burlington**  
**Daniel Lionetta**  
*Vice President*

**Needham/Marshfield**  
**David Kurzman**  
*Vice President*  
**James Shanahan**  
*Vice President*

**Westwood**  
**Ruby Baranowski**  
*Sales Manager*



# Technology

## Social Media

Follow Leader Bank on Facebook, Twitter, and LinkedIn to stay informed of all the latest news and events happening at the bank. You can also sign up for our monthly electronic newsletter so you always know about special promotions, press releases, and Leader Bank's involvement in the community.

## eBusiness Upgrade

Leader Bank's eBusiness platform now offers better usability and functionality, including options for paying bills, creating wire transfer templates, and initiating incoming and outgoing ACH transfers.

## Online Account Opening

The Zeugma Reward relationship accounts are Leader Bank's most innovative deposit products yet. And now you can open Zeugma Reward accounts from the comfort of your own home! Simply complete an application online and receive confirmation of your account opening without ever having to leave your couch.

## 24-hour Banking

Mobile deposit was a very exciting addition to our mobile banking suite, as it allows customers to deposit checks directly from their iPhone or Android smartphones! Since introducing mobile deposit capture in March of 2013, hundreds of customers have used this service to deposit millions of dollars.

## Deposited Check Images

Our online banking customers now have the ability to view the images of deposited checks via Leader Bank's online banking platform! This feature brought a new level of convenience for customers, particularly for landlords, property managers, and others who regularly make deposits in the branch or via mail.



## A selection of organizations which Leader Bank contributed to in 2013:

Arlington Education Foundation

Arlington High School

Arlington Recreation Department

Asperger's Association of New England

Cambridge Housing Assistance Fund

Cambridge Rotary Educational Fund

Caritas Community

Citizens' Housing & Planning Association

Community Service Network

Fidelity House

Margaret Fuller House

New Covenant School

North Shore Medical Center

Potter Road School

Somerville Housing Coalition

Spaulding Rehabilitation Center

St. Agnes School & Parish

The Children's Room

The Guidance Center

The Welcome Project

United India Association of New England

Visiting Nurse & Community Healthy

YWCA (Cambridge & Malden)

# Community Commitment

Leader Bank strives to help its local communities by being a good corporate citizen, donating over \$75,000 to and actively participating in area charities in 2013. Some of our donations and activities include:

## One Fund

In the wake of the tragic events of the Boston Marathon bombing, Leader Bank pledged to donate \$100 for every residential mortgage loan closed on May 31, 2013 to the Boston One Fund to assist those affected by the bombing. Thanks to the hard work of our employees, Leader Bank contributed \$4,800 to the One Fund, and Leader Bank's employees contributed nearly \$1,500 in additional funds.

## Housing Corporation of Arlington

In addition to providing financial support, Leader Bank employees volunteered to participate in the 2013 Walk for Affordable Housing sponsored by the Housing Corporation of Arlington, or HCA. The HCA provides and advocates for affordable housing for low and moderate income families in Arlington.

## Salvation Army

Leader Bank donated \$5,000 toward the Central Square Salvation Army's extension of their Our Place Center, to house homeless children in Cambridge. Our employees also donated their time to help serve food, clean the Salvation Army's day care, and put a fresh coat of paint on rooms in the shelter.



## American Cancer Society

Leader Bank was proud to participate in the American Cancer Society's Arlington Relay for Life. Our team was the top fundraiser for the event, raising over \$10,000 to contribute towards the support of cancer patients and caregivers as well as cancer research and advocacy.



*The Leader Bank Relay for Life team raised over \$10,000 for the American Cancer Society.*





# 2013 Highlights



## Leadership in Residential Lending

Leader Bank continues to be one of the top performing lenders in Massachusetts. Our residential lending team closed over \$1.7 billion in residential loans in 2013 despite the dramatic reduction in the refinance market. Leader Bank's focus on the home purchase market has made us the fifth largest home purchase lender in all of Massachusetts. Leader Bank's residential lending infrastructure has also attracted some of the top originators in the Commonwealth to join our team.



## Sustained Growth in Commercial Lending

Leader Bank continues to place increased emphasis on our commercial and small business lending. All told, our commercial loan team closed more than 150 new loans in Massachusetts and beyond that totaled over \$152 million. As Leader Bank continues to work closely with small businesses in order to meet their lending needs, we also serve the needs of larger investors, as was evidenced by the origination of multiple loans that exceeded \$5 million in 2013.



## Success of Our New Arlington Heights Branch

Leader Bank's newest branch in Arlington Heights had an astonishing level of success in a short period of time. Opening on December 12, 2012, the Arlington Heights branch generated over \$20 million of deposits in only its first year of operations. This success has made the branch a vital part of the Arlington Heights community.



## Mobile Deposit Banking

As banking customers become increasingly tech-savvy, Leader Bank continues to implement new technologies to meet the needs of our 21st century client base. In March of 2013, the retail banking department unveiled its mobile deposit banking application, which allows customers to deposit checks simply by taking a picture with their smartphone. This new application has proven very popular and helped Leader Bank sustain its core deposit growth as a key element of our corporate strategy.

## A Look Ahead to 2014

Leader Bank looks forward to meeting the challenges of the upcoming year and attaining even more success in 2014, including:

### **Sustained Growth in Residential Lending**

With recent additions of loan officer teams from its competitors, Leader Bank has positioned itself to remain a top player in home purchase lending and to increase its overall share of Massachusetts' residential loan market.

### **Expanding Technology & Infrastructure**

Leader Bank will continue to explore new technologies that will allow us to meet the needs of our customers who increasingly rely on mobile and online services, as well as increasing our operational efficiencies.

### **Continued Focus on Commercial & Small Business Lending**

We look forward to continuing our trend of expansion in commercial lending, and look forward to even greater successes in 2014. Leader Bank plans to remain one of the top small business lenders in the state, while expanding our lending platform to make Leader Bank a destination for commercial borrowers seeking loans of more than \$5 million.

# Executive Management



**John A. Fanciullo**  
Executive Vice President

**Sushil K. Tuli**  
President and Chief Executive Officer

**Brian R. Taylor**  
Senior Vice President and Chief Financial Officer

Sushil K. Tuli has served as the President, Chief Executive Officer, and Chairman of the Board of Leader Bank since its formation in 2002 and Leader Bancorp, Inc. since its formation in 2006.

John A. Fanciullo, Leader Bank's Executive Vice President, joined the Bank in 2006. Mr. Fanciullo manages all operational, compliance, and information technology activities for Leader Bank.

Brian R. Taylor is the Senior Vice President and Chief Financial Officer for Leader Bank. Mr. Taylor has more than 15 years of experience in the financial services industry. As the CFO, Mr. Taylor manages all financial operations at Leader Bank.

## **Sushil Tuli Named Community Bank Hero**

Leader Bank was extremely proud to see Sushil Tuli, our President & CEO, honored as one of the top figures in community banking. In 2013, Banker & Tradesman named Mr. Tuli a Community Bank Hero, recognizing him as an innovator in the banking industry.



# Board of Directors



**Sushil K. Tuli** has served as the President, Chief Executive Officer and Chairman of the Board of Leader Bank since its formation in 2002 and Leader Bancorp, Inc. since its formation in 2006. Mr. Tuli is also Chairman and sole owner of Leader Mortgage Company, which formed in 1986.



**V.G. Narayanan** is the Thomas D. Casserly, Jr. Professor of Business Administration and the Chair of the Accounting and Management unit at Harvard Business School.



**Priscilla H. Douglas** is the founder and principal of PHDouglas & Associates, a consulting firm that coaches individuals and executive teams to be more skillful leaders by working collaboratively and strategically.



**Peter Palandjian** is the Chairman & Chief Executive Officer of Intercontinental Real Estate Corporation, overseeing the affiliated operating companies with primary responsibility for Investment Strategy and Institutional Relationships.



**James M. McKenna** serves as the Town Manager of Winthrop, MA. He previously served as Chief of Operations for the City of Gloucester, MA and as Town Administrator for the Town of Dover, MA.



**Eric Silverman** is an active entrepreneur and investor in a number of businesses. He is a Founder and General Partner of Eastham Capital, a private real estate investment business based in Needham, MA.



# Leader Bank Officers

## Commercial Lending



**Cheryl Glantz**  
Senior Vice President,  
Commercial Lending

**Matthew Pierce**  
Senior Vice President,  
Commercial Lending

## Corporate Development



**Jay Tuli**  
Vice President,  
Retail Banking

**Patrick Boyaggi**  
Vice President,  
Residential Lending

**Michael Tassone**  
Vice President,  
Business Development

## Vice Presidents

Antonette Davis  
Thomas Driscoll  
Jeffrey Esterkes  
Gregor Farber  
Mark Haroutunian  
Donna Haynes  
David Kurzman  
Daniel Lionetta  
Kenneth Masterson  
Mark Orent  
Gary Roche-Bernard  
Bret Schofield  
James Shanahan  
Mark Spencer

Vice President, Loan Servicing  
Vice President, Institutional Relations  
Vice President, Originator  
Vice President, Quality Control and Training  
Vice President, Credit Officer  
Vice President, Community Development Officer  
Vice President, Originator  
Vice President, Originator  
Vice President, Loan Servicing  
Vice President, Branch Manager  
Vice President, Information Technology Officer  
Vice President, Security and Facilities Officer  
Vice President, Branch Manager  
Vice President, Residential Lending Sales Manager

## Assistant Vice Presidents

Mackenzie Bigelow  
Robin Brown  
Munaf Ghaswala  
Jeffrey O'Connor  
Savorn Ouk-Fernandes  
Priyanka Patel  
Liza Pero  
Nancy Ruderman  
Jessica Shaffer  
Patrick Sylvester  
Anosh Zaveri

Assistant Vice President, Branch Manager  
Assistant Vice President, Residential Lending  
Assistant Vice President, Loan Servicing  
Assistant Vice President, Branch Manager  
Assistant Vice President, Branch Manager  
Assistant Vice President, Residential Lending Closing Department  
Assistant Vice President, Deposit Operations Manager  
Assistant Vice President, FNMA Loan Servicing Manager  
Assistant Vice President, Retail Operations  
Assistant Vice President, Accounting  
Assistant Vice President, Information Technology

## Business Development

Marc Romvos  
Paul Mitchell

Director of Business Banking  
Vice President, Business Banking Officer



### East Arlington Branch

Savy Ouk-Fernandes, AVP, Branch Manager  
141 Massachusetts Avenue, Arlington, MA 02474  
Tel: 781-641-3900 Email: sfernandes@leaderbank.com



### Arlington Center Branch

Mackenzie Bigelow, AVP, Branch Manager  
449 Massachusetts Avenue, Arlington, MA 02474  
Tel: 781-641-0020 Email: mbigelow@leaderbank.com



### Arlington Heights Branch

Jeff O'Connor, AVP, Branch Manager  
1201 Massachusetts Avenue, Arlington, MA 02476  
Tel: 781-641-8800 Email: joconnor@leaderbank.com



### Belmont Branch

Artur Nergaryan, Branch Manager  
363 Pleasant Street, Belmont, MA 02478  
Tel: 617-489-5100 Email: anergaryan@leaderbank.com



### Burlington Branch

Victoria Blechter, Assistant Branch Manager  
50 Mall Road, Suite 110, Burlington, MA 01803  
Tel: 781-221-1700 Email: vblechter@leaderbank.com



### Central Square Branch

Mark Orent, VP, Branch Manager  
675 Massachusetts Avenue, Cambridge, MA 02139  
Tel: 617-497-2500 Email: markorent@leaderbank.com

### Corporate Office

**Leader Bank, NA**  
180 Massachusetts Avenue, Arlington, MA 02474  
Tel: 781-646-3900  
www.leaderbank.com

### Residential Lending Offices

**Arlington - Leader Plaza**  
864 Massachusetts Avenue, Arlington, MA 02476  
Tel: 781-641-8600 Email: loans@leaderbank.com

**Burlington Loan Center**  
50 Mall Road, Suite 110, Burlington, MA 01803  
Tel: 781-272-2343

**Needham Loan Center**  
160 Gould Street, Suites 111 & 126, Needham, MA 02494  
Tel: 781-726-7290

# Honors & Accomplishments

## Weiss Rating: Grade "A" Financial Strength since 2011

This grade is determined by analysts based on complex components which are combined into five indexes: capitalization, asset quality, profitability, liquidity, and stability. By earning this outstanding rating, Leader Bank is recognized as a "Weiss Recommended" bank offering exceptional financial dependability for its customers, vendors, and employees.



## Top 100 Places to Work in Massachusetts

This award from The Boston Globe recognizes the most progressive companies in the state based on employee opinions about leadership, compensation, career opportunities, appreciation, and management.



## Inc. 5000 Fastest Growing Private Companies

The ranking for the Inc. 5000 list is based on percentage growth in company net sales over a five-year period.



## BauerFinancial, Inc. 5★ Safety Rating

Under the BauerFinancial rating system, five stars is the firm's highest rating and denotes the highest level of overall banking performance. The award is based upon an analysis of current financial data and designates Leader Bank as one of the strongest banks in the nation in terms of financial health.







# Leader Bank “A Step Ahead” Bank for our...



## CUSTOMERS

- To provide the highest level of individualized customer service
- To create innovative products designed for the needs of the communities we serve
- To find creative and customized solutions that address the individual financial issues and opportunities of each of our customers



## COMMUNITIES

- To establish retail centers in communities that have a need for true community banking
- To be a leading corporate citizen by providing programs that support the communities where we operate
- To create a true partnership with the people of the communities we serve



## EMPLOYEES

- To be an employer of choice by creating a work environment that fosters excellence, creativity, and professional growth
- To challenge our employees to strive for excellence
- To give our employees the tools and training they need to deliver on our customer promises



## SHAREHOLDERS

- To create a bank that gives shareholders pride in their investment
- To always operate with the highest level of ethics, corporate governance, and transparency
- To develop and execute strategies designed to create strong growth and profitability

# Leader Bank Locations



Residential Lending Offices



Retail Branches

