



# 2014 ANNUAL REPORT

## Top SBA Lender in Massachusetts: 4th Quarter 2014

<b>WILMINGTON</b> Insurance Agency	<b>BOSTON</b> Flooring Contractor	<b>CAMBRIDGE</b> Retail	<b>ARLINGTON</b> Retail	<b>BOSTON</b> Law Firm	<b>ACTON</b> IT Consulting
<b>\$100,000</b> SBA EXPRESS LOAN	<b>\$200,000</b> SBA EXPRESS LINE OF CREDIT	<b>\$348,000</b> SBA EXPRESS TERM LOAN	<b>\$50,000</b> SBA EXPRESS TERM LOAN	<b>\$150,000</b> SBA EXPRESS LINE OF CREDIT	<b>\$2,000,000</b> CAP LINE OF CREDIT
<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>



# 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, Massachusetts. Leader Bank opened for business on May 8, 2002 and serves our customers through branches in Arlington, Belmont, Burlington, and Cambridge and loan production centers in various cities and towns in Massachusetts and Connecticut.

## 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), and mobile application, customers can log on to view their account balances, make transfers, download account statements, deposit checks, 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.

### INTRODUCING ZRENT FOR AUTOMATIC ONLINE RENT PAYMENTS



ZRent is a new automatic rent paying program developed, designed, and supported by Leader Bank. This online tool, available at [www.zrent.net](http://www.zrent.net), is beneficial for both tenants and landlords, deducting rent payments from the tenants' bank accounts and depositing them directly into the landlords' accounts.

After a one-time registration process, tenants can set and forget their monthly payments, and landlords will no longer have the hassle of collecting checks and making the trip to the bank. In this way, ZRent eliminates late or lost rent payments. It also provides peace of mind for the landlords, who will now receive one complete payment for each unit on the same day every month.



## Chairman's Letter

Dear Shareholders, Customers, and Friends:

I am proud to report that 2014 was another incredibly successful year for Leader Bank. With ongoing improvements to the American economy, Leader Bank remains 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 for 2014.

Leader Bancorp continues to generate strong profits for our shareholders, with net income of approximately \$8.8 million for the year, representing a 1.17% return on assets and a 13.28% return on equity. Our residential and commercial lending departments originated nearly \$1.5 billion in loans in the past year, ending 2014 as the fourth largest home purchase loan lender in all of Massachusetts, the fifth largest SBA lender in the Commonwealth, and with record highs in commercial lending overall. As a result of these successes, Leader Bancorp's assets grew over 28% to nearly \$846 million in 2014.

I was extremely proud to see Leader Bank named the Massachusetts SBA Lender of the Fourth Quarter, a reflection of our continued dedication to small businesses. Our retail and commercial banking teams work with customers to ensure we provide the best products to meet their needs, and have introduced new products to serve our savvy customer base, resulting in strong growth of our deposits to over \$560 million. Our residential lending team remains one of the strongest in New England, and Leader Bank has expanded its presence in the home purchase and refinancing markets throughout the Commonwealth.

Even with all these successes, I truly believe the best is yet to come for Leader Bank. We continue to look for new ways to grow the Bank, starting with our upcoming expansion into the city of Boston. In May 2015, we will open our seventh retail branch at 50 Northern Avenue in the Seaport District, one of the fastest growing neighborhoods in Boston. We could not sustain such successes and continued growth without the leadership of our Board of Directors and the hard work of our employees. Thanks to their efforts and support from our valued customers, Leader Bank looks forward to remaining A Step Ahead in the years to come.

Sushil K. Tuli, President & CEO



# Financial Highlights

## LEADER BANCORP, INC.

(IN THOUSANDS, EXCEPT ACCOUNTS)

<b>PERFORMANCE STATISTICS</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total Assets	\$845,694	\$658,877	\$587,645
Total Deposits	\$560,145	\$438,306	\$388,289
Total Equity	\$83,975	\$75,568	\$69,747
Total Net Loan Portfolio	\$648,491	\$501,423	\$386,453
Total Loans Closed	\$1,483,211	\$1,852,933	\$2,464,362
Deposit Accounts	14,306	12,802	11,687
<b>EARNINGS</b>			
Net Interest Income	\$21,999	\$17,642	\$16,261
Non-Interest Income	\$15,553	\$13,943	\$28,175
Non-Interest Expense	\$21,305	\$20,255	\$17,704
Income Before Taxes	\$14,799	\$10,681	\$25,254
Net Income	\$8,835	\$6,394	\$14,912
<b>RATIO</b>			
Return on Assets	1.17%	1.06%	2.71%
Return on Common Equity	13.28%	10.61%	30.03%
Net Interest Margin	3.04%	3.07%	3.10%
Efficiency Ratio	56.73%	64.13%	39.84%
<b>CAPITAL</b>			
Equity Capital to Assets	9.93%	11.47%	11.87%
Core Capital (leverage)	10.39%	12.08%	11.79%
Tier 1 Risk-based Capital	12.20%	15.20%	17.39%
Total Risk-based Capital	15.37%	18.01%	20.99%

### 2014 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	1.27%	1.02%	72
Return on Common Equity	10.89%	9.83%	64
Net Interest Margin	3.13%	3.77%	12
Non-Interest Income / Assets	2.10%	0.75%	93
Efficiency Ratio	55.41%	66.62%	81
<b>ASSET QUALITY METRICS</b>			
Net Loans / Assets	86.31%	65.60%	96
Non-Performing Loans / Total Loans	0.02%	1.06%	96
Net Loss / Total Loans	0.01%	0.18%	80
<b>GROWTH METRICS</b>			
Net Loans & Leases	34.93%	9.17%	94
Total Assets	28.51%	6.52%	93

(1) Leader Bank metrics are for Leader Bank, N.A., not Leader Bancorp, Inc., and are based on average assets.

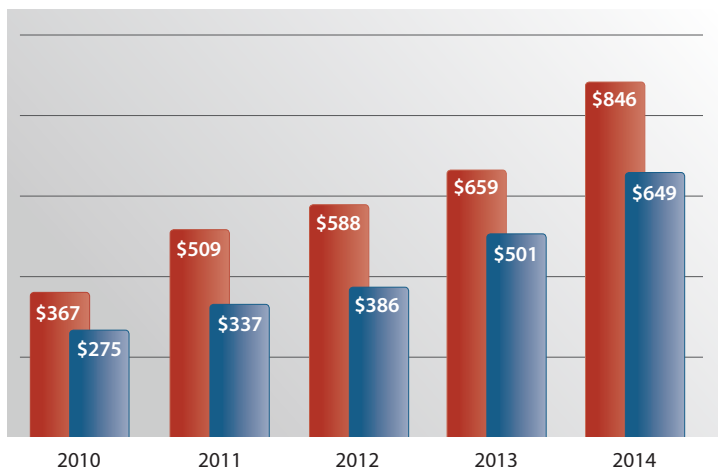
Source: FDIC



# Historical Growth

## Assets & Loan Portfolio

IN MILLIONS

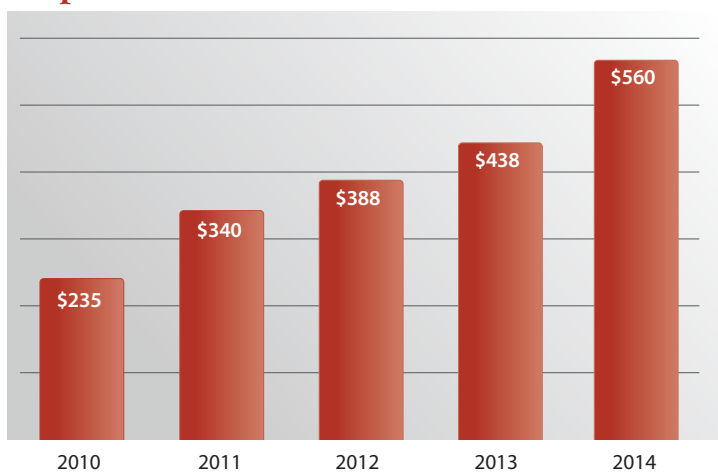


ASSETS  
LOAN PORTFOLIO

**Assets grew by \$187 million**, or 28.3%, ending the year at approximately \$846 million. The increase was principally attributed to the growth in the Bank's residential and commercial loan portfolios. The total net loan portfolio grew by \$148 million, or 29.5%, in 2014.

## Deposit Balances

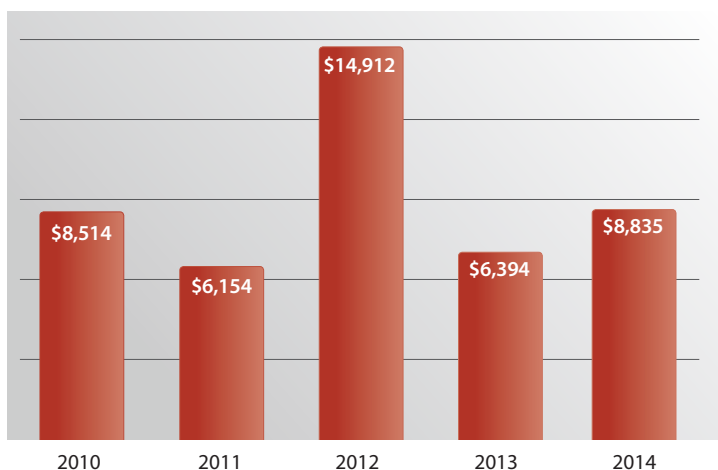
IN MILLIONS



**Deposits increased \$122 million**, or 27.8%, in 2014 and continue to grow. This growth is a result of the strength of the Leader Bank brand in our surrounding communities as well as innovations in our technology, community involvement, and attention to our customers' needs. In total, our deposits have grown nearly 140% in the past five years.

## Net Income

IN THOUSANDS



**Net income increased \$2.4 million**, or 38.2%, in 2014. This increase was due to Leader Bank's positioning as a top home purchase lender as well as a larger overall balance sheet. Leader Bank's return on assets (ROA) was 1.27%, which according to the FDIC was better than 72% 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>2014</b>	<b>2013</b>	<b>2012</b>
Cash and due from banks	\$23,098	\$21,937	\$55,674
Interest-bearing deposits	34	8	4
<b>CASH AND CASH EQUIVALENTS</b>	<b>23,132</b>	<b>21,945</b>	<b>55,678</b>
Securities held to maturity, at cost	47,817	48,075	46,217
Securities available for sale, at fair value	-	2,172	-
Restricted equity securities, at cost	10,925	8,054	7,012
Loans held for sale	81,721	39,759	53,977
Loans, net	648,491	501,423	386,453
Premises and equipment, net	10,620	10,940	11,104
Accrued interest receivable	2,124	1,624	1,427
Mortgage servicing assets	11,189	13,889	12,327
Investor receivable	-	6,963	8,416
Prepaid FDIC Insurance	-	-	256
Other assets	9,675	4,033	4,778
<b>TOTAL ASSETS</b>	<b><u>\$845,694</u></b>	<b><u>\$658,877</u></b>	<b><u>\$587,645</u></b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
Deposits	\$560,145	\$438,306	\$388,289
Federal Home Loan Bank advances	167,953	121,375	103,905
Subordinate debt	15,887	12,100	12,100
Net deferred tax liability	2,920	4,016	4,636
Other liabilities	14,814	7,512	8,968
<b>TOTAL LIABILITIES</b>	<b>761,719</b>	<b>583,309</b>	<b>517,898</b>
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:			
3,295,803 issued and 3,274,703 outstanding in 2014;			
3,286,115 issued and 3,265,015 outstanding in 2013	1,648	1,643	1,626
Additional paid-in capital	21,335	21,130	20,739
Retained earnings	48,427	40,375	34,763
Accumulated Other Comprehensive Income	-	(145)	-
Treasury shares (21,100 shares at December 31, 2014 and 2013)	(287)	(287)	(233)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>83,975</u></b>	<b><u>75,568</u></b>	<b><u>69,747</u></b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b><u>\$845,694</u></b>	<b><u>\$658,877</u></b>	<b><u>\$587,645</u></b>



**LEADER BANCORP, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**

(IN THOUSANDS, YEARS ENDED DECEMBER 31)

	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>INTEREST AND DIVIDEND INCOME</b>			
Interest and fees on loans	\$27,717	\$21,758	\$20,762
Interest and dividends on securities and CDs	1,641	1,516	1,233
Interest on interest-bearing deposits	43	46	61
TOTAL INTEREST AND DIVIDEND INCOME	29,401	23,320	22,056
<b>INTEREST EXPENSE</b>			
Interest on deposits	4,210	2,794	2,973
Interest on Federal Home Loan Bank advances	2,360	2,134	2,054
Interest on subordinated debt	832	750	768
TOTAL INTEREST EXPENSE	7,402	5,678	5,795
<b>NET INTEREST INCOME</b>	21,999	17,642	16,261
Provision for loan losses	1,448	649	1,478
NET INTEREST INCOME, AFTER PROVISION FOR LOAN LOSSES	20,551	16,993	14,783
<b>NON-INTEREST INCOME</b>			
Net gain on sale of loans	13,270	13,064	32,131
Net loan servicing costs	1,625	596	(4,503)
Loss on sale of security	(66)	(267)	-
Miscellaneous	724	550	547
TOTAL NON-INTEREST INCOME	15,553	13,943	28,175
<b>NON-INTEREST EXPENSE</b>			
Salaries and benefits	13,374	12,747	11,105
Occupancy and equipment	2,795	2,474	1,945
Professional services	1,223	1,225	1,046
Data processing	1,269	1,060	849
Advertising and marketing	433	467	374
FDIC insurance	354	276	241
FHLB prepayment penalty	-	-	354
Other general and administrative	1,857	2,006	1,790
TOTAL NON-INTEREST EXPENSE	21,305	20,255	17,704
Income before income taxes	14,799	10,681	25,254
Provision for income taxes	5,964	4,287	10,342
<b>NET INCOME</b>	<b><u>\$8,835</u></b>	<b><u>\$6,394</u></b>	<b><u>\$14,912</u></b>





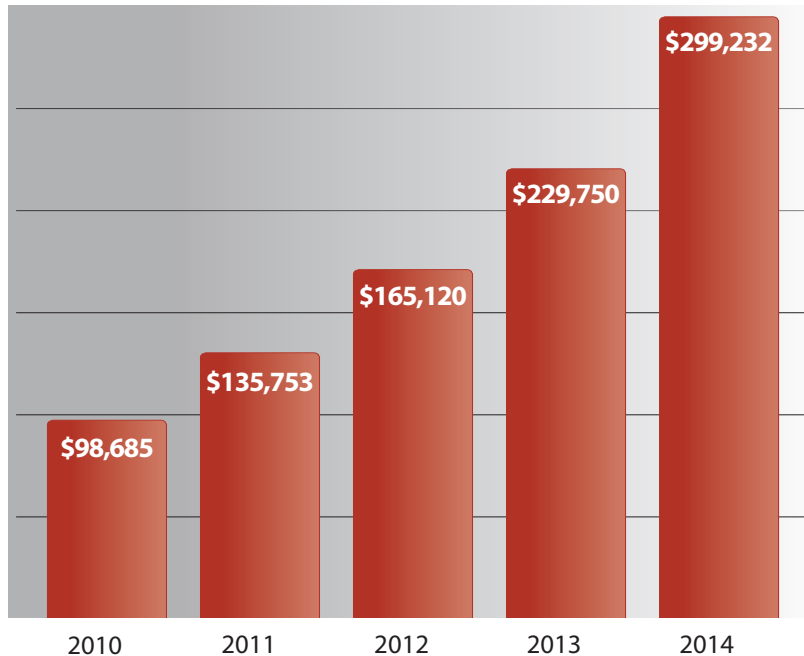
# Commercial Lending

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, understands the day to day challenges that our customers face. They have the knowledge to find the best solutions for each client, helping customers with deals ranging from \$10,000 to over \$10 million.

In 2014, Leader Bank closed more than 230 new commercial lending transactions, totaling over \$163 million in committed lending and representing Leader Bank's most active year in commercial lending to date. Our commercial real estate portfolio reached a record high of nearly \$300 million, representing a 30% increase over 2013. 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

IN THOUSANDS



### 2014 HIGHLIGHTS

- New originations of over \$163 million
- Record high portfolio balance of nearly \$300 million

### SPECIALTIES

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

*“I have arranged a number of commercial loans with Leader Bank. I have always found their rates and terms to be very competitive, their knowledge of commercial lending exceptional, and the overall experience to be professional with a focus on building a long-term personal and supportive relationship.”*

- Bob Bowes  
President of BOWES GMAC Real Estate





## Franklin Pierce University

For fifty years, Franklin Pierce University has been a thriving voice in higher education, offering world-class undergraduate and graduate educations in a host of fields. Now led by Andrew H. Card, Jr., a former White House Chief of Staff, Franklin Pierce looks to take its place among the leading universities in the country. To help fund its expansion needs, Franklin Pierce turned to Leader Bank as its lender of choice. Leader Bank's Commercial Lending department was able to provide several funding sources for Franklin Pierce, and the university has since entered into a strong retail banking relationship with Leader Bank as well.



"Franklin Pierce University is a university that makes a difference. Franklin Pierce achieves outstanding results by taking an active role in the education of each and every student, with the clear goal of preparing them for both personal and professional success in the 21st century. For more than 50 years, Franklin Pierce has been an enormous influence on the lives of thousands of young people across the country and around the world.

Leader Bank has been an important partner in this success. As a valued financial partner, Leader Bank has been a trusted advisor and financial guide as the University navigates the changing landscape of higher education. As new technologies and new realities change what is possible in higher education today, Leader Bank has been right there with us, providing the financial insights, guidance, and strong foundation that allows us to expand the boundaries of education and thought."

- Andrew H. Card, Jr.  
President of Franklin Pierce University

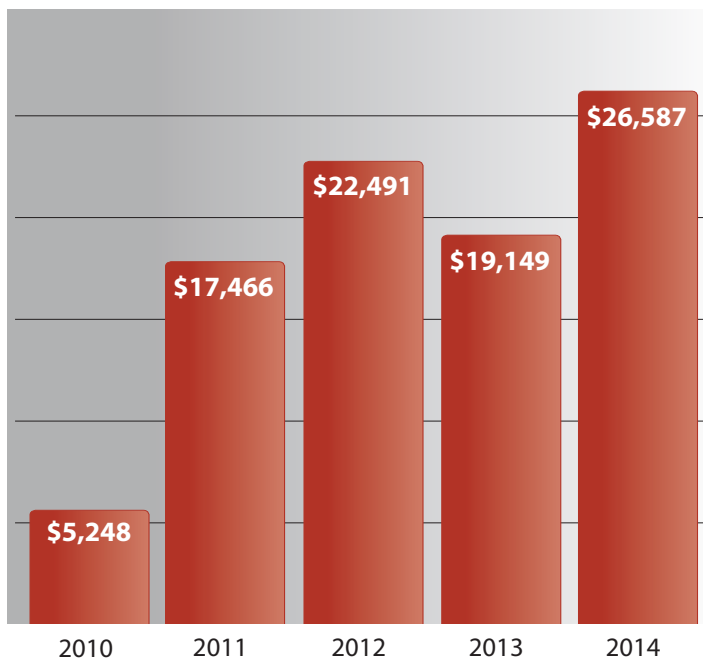


# Small Business Lending

In 2014, Leader Bank continued to strengthen its commitment to small businesses in our local communities. The bank closed 70 small business loan transactions in 2014, totaling nearly \$12.2 million in lending to entrepreneurs. Our small business lending included traditional business loans, Small Business Administration (SBA) loans, and letters of credit. 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 2014 among the top five SBA lenders in Massachusetts. The SBA has recognized our commitment to small businesses by naming Leader Bank as the Lender of the Fourth Quarter in Massachusetts. We are also a proud participant in the Massachusetts Treasury Department's Small Business Banking Partnership, having committed to lend over \$23.25 million as of the end of the year.

**Small Business Portfolio Balances** IN THOUSANDS



## 2014 HIGHLIGHTS

- New originations of over \$12.2 million
- Top Five SBA Lender in Massachusetts
- Massachusetts SBA Lender of the Fourth Quarter 2014

### 7(a) Loans

Term loans with fully amortizing principal and interest payments; may be used for any aspect of small business operations.

### International Trade Loans

Term loans with fully amortizing principal and interest payments; used to acquire or renovate facilities or equipment to make goods or services to be exported.

### CAPLines

Short term financing used to assist businesses to alleviate cash flow fluctuations; ideal for seasonal businesses, contractors with approved contracts and purchase orders, or builders.

### Lines of Credit

Revolving lines of credit with interest only payments during life of the line; used to provide working capital for small businesses.

### 504 Loans

Term loans for the acquisition of long terms fixed assets, such as real estate or permanent equipment.



*David Serabian showing Leader Bank's Matthew Pierce his latest project*

## David Serabian

David Serabian has been the proud owner of Serco Painting & Restoration for over 25 years. The company caters to homeowners, designers, builders, and architects in the greater Boston area. In addition, David Serabian and his wife Tracy Wallace-Serabian also own Serco General Contracting & Real Estate Development and focus on residential development projects throughout the Arlington community. As their companies are based in Arlington, the Serabians wanted a local banking partner to establish a commercial lending relationship for future real estate investment opportunities and residential construction projects.



“David and I are committed to investing in our hometown of Arlington and could not have picked a better banking relationship to partner with, who is also committed and headquartered in Arlington, such as Leader Bank,” states Tracy Wallace-Serabian.

In 2011, David and Tracy chose to move their commercial banking and lending relationship to Leader Bank. Over the past four years, their company has completed numerous successful construction projects and Leader Bank is proud to assist David and Tracy with customized financing packages to fit their needs to support the projects.

“Our projects would not have been possible without the quick turnaround time and fast approval process along with the personal assistance from Leader Bank and their commercial loan team,” said David Serabian.

*David Serabian and Tracy Wallace-Serabian with Matthew Pierce, Leader Bank's Senior Vice President of Commercial Lending*





*Leader Bank's Matthew Pierce with local real estate investor Dennis Clair*

## Dennis Clair

Dennis Clair is a successful real estate investor and property manager with experience in the acquisition, development, and management of residential properties throughout the Metropolitan Boston area.

Mr. Clair resides in Belmont and was referred to Leader Bank in 2007 when the Bank opened its Belmont branch. After several successful real estate closings, Mr. Clair decided to grow and expand his relationship with Leader Bank to allow for financing multiple other acquisitions, renovations, and condominium conversion projects. Over the years, Mr. Clair and his family have moved their entire retail banking and the majority of their lending relationship to Leader Bank.

"I have been able to expand my real estate holdings since I have been with Leader Bank," said Dennis Clair. "Their fast turnaround times and willingness to customize a loan proposal that meets everyone's needs, allows me the flexibility to expand my portfolios and take advantage of new opportunities as they arise."

"Over the years, Dennis has been a local and very valuable customer of Leader Bank," stated Matthew Pierce, Senior Vice President of Leader Bank. "We have worked together on several transactions ranging from 2 units to 42 units, and I enjoy working with customers like Dennis who are focused on fostering a strong relationship with a bank that understands their needs and can support their growth."

## Nathan Jacobson, Daniel Jacobson & Lloyd Rosenthal

Nathan and Daniel (Dan) Jacobson, father and son, have engaged in real estate acquisition, construction, renovation, rentals, and sell-outs for over 35 years combined. Lloyd Rosenthal has been involved with real estate development and investment for over 25 years in the Greater Boston real estate market. Over the past several years, Lloyd, Nathan, and Dan have partnered in real estate projects, with Dan and Nathan overseeing the management and leasing of the properties and Lloyd managing the investment strategies.

Cheryl Glantz, Senior Vice President of Leader Bank, has worked with Nathan, Dan, and Lloyd for many years. Under this relationship, Leader Bank has served as the lender for many of their deals, assisting the trio to build their real estate portfolio strategically over the years and financing the acquisition or renovation of multiple properties.

“Cheryl and Leader Bank are true professionals in the commercial real estate lending industry,” says Lloyd Rosenthal. “Leader Bank’s knowledge and experience in the lending industry has made our real estate investments a smooth process, and we could not ask for a better partner.”

“Working with Cheryl and Leader Bank has been an excellent experience,” stated Dan Jacobson. “Financing can be burdensome and time-consuming, so working with a lender like Leader Bank that is thoroughly professional and understands your needs is an irreplaceable asset to have.”

*“Leader Bank’s knowledge and experience in the lending industry has made our real estate investments a smooth process, and we could not ask for a better partner.”*

- Lloyd Rosenthal

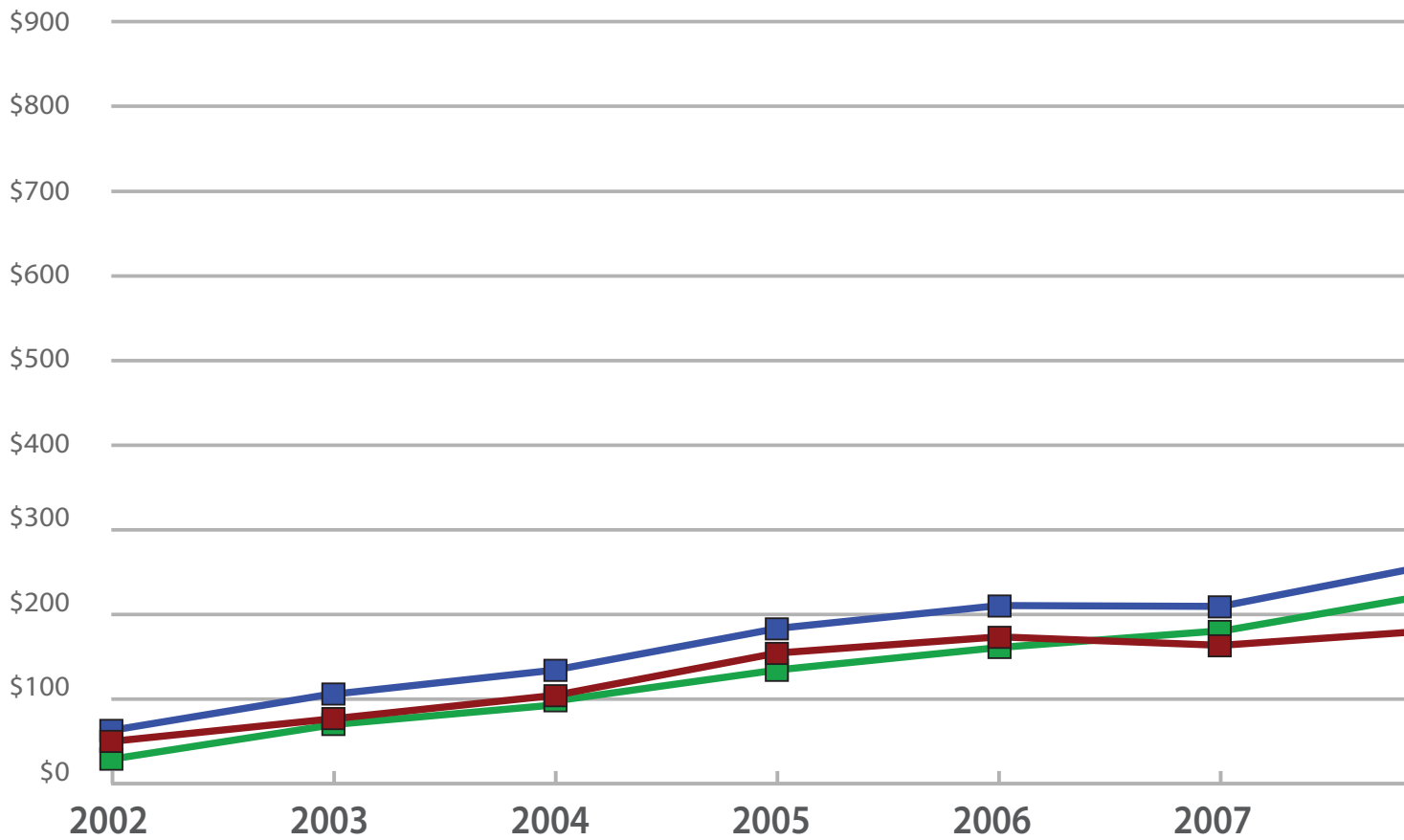


Cheryl Glantz, Senior Vice President of Commercial Lending with Daniel Jacobson, Nathan Jacobson, and Lloyd Rosenthal





# Timeline



## 2002

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

## 2003

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

## 2004

- Arlington Center branch opens in September.
- FHLB Boston recognizes Leader Bank for helping create 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

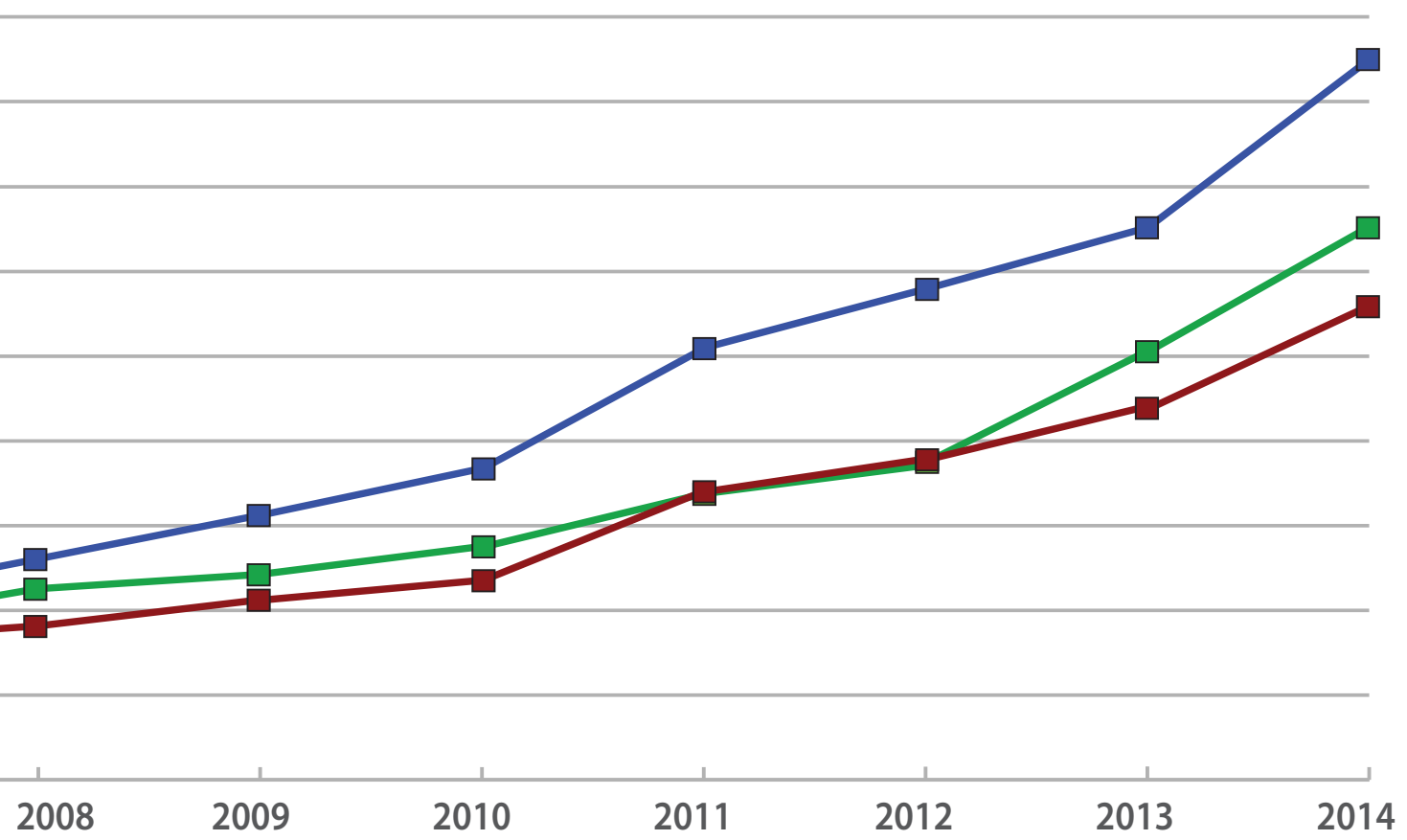
- Belmont branch and Burlington loan center open.
- Leader Bank closes over \$250 million in residential loans.
- Leader Bank receives "SBA Express Lender" status.

## 2009

- Needham loan production center opens.
- Leader Bank receives "5 Star Superior" rating from BauerFinancial.



■ Deposit Balances     
 ■ Assets     
 ■ Loans     
 IN MILLIONS



### 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.

### 2012

- 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 becomes the 5th largest home purchase lender in Massachusetts.
- Sushil Tuli honored as a "Community Bank Hero" by Banker & Tradesman.
- SBA awards Leader Bank the 2013 "Top Export Lender".

### 2014

- Leader Bank grows to:
  - Over \$845 million in assets
  - Over \$560 million in deposits
  - Over \$649 million in net loans
- Leader Bank is the 4th largest home purchase lender and 9th largest residential lender overall in Massachusetts.
- SBA names Leader Bank Lender of the 4th Quarter.
- Leader Bank ranked #1 in purchase mortgages for single family homes, multi-family homes, and condos among banks in Massachusetts.
- Mortgage Executive names Leader Bank one of Top 100 Mortgage Lenders in United States.





# 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 managing their bank accounts.

The Business Banking team is dedicated to giving our business customers the personal service they deserve. Leader Bank offers a variety of cash management services designed to fit the needs of any corporation including ACH services, wire transfers, night deposits, lock boxes, and convenient check ordering.

Our Easy Deposit machines continue to save our clients time by allowing them to scan and transmit check images directly from their place of business rather than make a trip to the bank. Easy Deposit also offers improved funds availability and faster return check notification.

## Business Cash Back

Leader Bank has introduced a new Business Checking account where the customer can earn 0.5% cash back just by using their debit card for everyday business transactions.

## CPA Accounts

We understand the demands of CPAs and have designed an account specifically tailored for this profession which meets the needs of both the business and their clients. The CPA account features a \$50,000 line of credit, ACH origination, and SBA financing options.

## Business Lines of Credit

Working capital lines of credit are available for businesses to provide cash flow for short term needs and to finance inventory and accounts receivable. In 2014, Leader Bank began offering a \$25,000 - \$150,000 Business Line of Credit with no closing costs to better meet the financing needs of our customers.

## Attorney Lines of Credit

Leader Bank values the hard work of our conveyance attorneys and recognizes the volatile nature of the mortgage industry. To that end, we offer a \$50,000 Business Line of Credit for our core attorneys to help manage their cash flow needs.

## Business Banking Team

**Marc Romvos**, *Director of Business Banking*

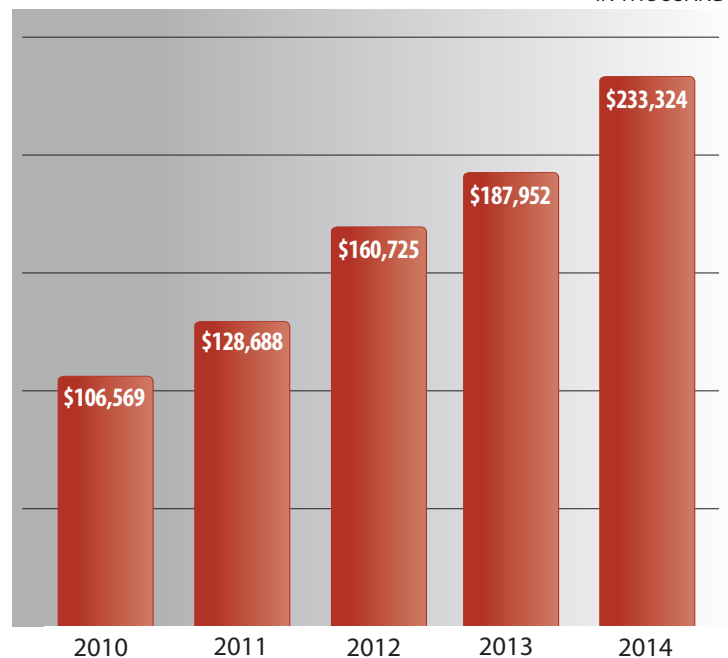
**Paul Mitchell**, *Vice President, Business Banking Officer*

**Sumit Dhankhar**, *Business Banking Officer*

**Jay Kansakar**, *Business Banking Specialist*

## Business Account Balances

IN THOUSANDS





# Residential Lending

## Leader Bank Educates Homebuyers

In 2014, Leader Bank and its loan officers played a leading role in assisting Massachusetts residents looking to become homeowners. Working with customers of all backgrounds and incomes, Leader Bank attempted to demystify the home buying process and answer questions from those looking to share in the American Dream of home ownership.



## Closed Residential Loans

IN MILLIONS



## 2014 HIGHLIGHTS

*Our dedicated and growing team of loan officers closed nearly \$1.3 billion in new residential loans and home equity lines of credit in 2014, making Leader Bank a top ten residential mortgage lender in Massachusetts, and the largest bank home purchase lender for the entire Commonwealth.*

## Leader Bank Residential Lending Offices

### Arlington Heights Team

**Christopher Butts**, Sales Manager

### MetroWest Team

**John Carroll**, Sales Manager

### Needham Team

**David Kurzman**, Vice President

**James Shanahan**, Vice President

### North Shore Team

**Marcus Sohn**, Sales Manager

### South Boston Team

**Matthew McCarthy**, Sales Manager

### Connecticut Team

**Daniel Rosenfeld**, Vice President



# Retail Banking

In 2014, Leader Bank's retail branch network opened 1,518 new deposit accounts. The retail banking team continues to impress customers with its outstanding service, as evidenced by our online reviews, innovative products and services, and strong personal relationships. One of retail banking's more successful products is the Zeugma Rewards program, which ended 2014 with 1,109 accounts and \$30 million in core deposits. With the addition of the new Seaport branch in 2015, Leader Bank's retail banking team is poised for continued growth in the number of customers and total deposits.

## Total Accounts



## In the Community

Our retail banking staff enjoyed participating in a number of community events in 2014. We sponsored many local causes and also hosted events at our branches throughout the year as a way to meet neighbors and thank our customers.

Leader Bank's Belmont branch offered complimentary breakfast every morning in February 2014 as a way to introduce customers to our new Branch Manager. Our Arlington branches marched down Massachusetts Avenue in the 2014 Patriots' Day Parade and scooped Sno Kones for attendees at the Capitol Square's Feast of the East. The Central Square and Burlington branches were the place to go for trick-or-treating due to our staff's fantastic costumes and holiday spirit. Our annual Belmont BBQ, as well as numerous Town Day celebrations were a great opportunity to mingle with our customers and take the time to enjoy our close-knit communities.



David M. Duchesneau,  
Managing Director



### NEW RETAIL BANKING CLIENT PROFILE:

#### Argent Wealth Management

Argent Wealth Management has been a trusted expert in investment management and financial advisory services since 1986. The firm, located in Waltham, Massachusetts, assists clients in comprehensive wealth planning, investment strategies, and estate and retirement planning. Argent recently moved much of their banking relationship to Leader Bank, having seen the benefits of the Bank's retail banking platform.

"We are proud to work with an excellent local community bank," says David M. Duchesneau, Esq., CPA, one of Argent's managing directors. "Leader's dedicated staff and impressive technologies have allowed us to spend more time working with our clients than worrying about our daily banking needs, and we appreciate the peace of mind that Leader Bank provides as our banking partner."



# New Products & Technology

## New and Improved Statements

Earlier this year, Leader Bank launched a new statement design and format for our checking, money market, and savings account customers. The new color statements are easier to read, and also allow us to include notices about new products and special promotions.

## Enhanced Business Online

The layout and design of our business banking platform have been made more user-friendly with enhanced functionality, particularly when viewing Favorite accounts and Recent Transactions. The integration with Wire Manager has been improved to include the option to issue a new transfer or upload a file from the Transfer Funds section. Now, customers can quickly review one transfer at a time from the Review section or select several transfers and update statuses in a single action.

## Making Rent Collection Effortless with ZRent

We are proud to announce our newest and most innovative solution to help landlords collect rent electronically – ZRent!

ZRent is a Leader Bank product that allows landlords to invite their tenants to pay rent online. The rent is deducted automatically each month from tenants and paid via ACH to the landlord. ZRent even allows roommates to split their rent, taking the hassle out of mailing multiple paper checks each month.

ZRent is completely free for landlords with Leader Bank operating accounts, or available for a monthly fee for landlords with external accounts. The program is always free for tenants!

To learn more or sign up, visit [www.zrent.net](http://www.zrent.net)!

## External Transfers

In the past year we have enhanced the functionality of transfers between Leader Bank accounts and those held at other financial institutions. This feature is especially beneficial to loan customers, since it allows them to schedule automatic payments to their Leader Bank loans.

## Zeugma Rewards Checking & Savings Accounts

Our Zeugma Rewards program continues to be a success with over 1,100 participating customers. For those with monthly direct deposit, eStatements, and at least 8 debit transactions, Zeugma Rewards offers a 2.05% APY savings rate (up to \$50,000), 1% cash back on Visa signature purchases, and up to \$15 cash back for non-Leader Bank ATM fees.

In addition, local merchants have been signing up to offer a 10% discount on their products and services to Zeugma Rewards customers. When they use their Zeugma debit card at a Zeugma Featured Business, customers receive a 10% rebate on their purchases at the end of the month. Participating merchants include: Giles Wine & Spirits, Francesca's Kitchen, Anthony's East Side Deli, and J&L Hair Studio.







## A selection of organizations supported by Leader Bank in 2014:

American Cancer Society  
Arlington Boys & Girls Club  
Arlington Center for the Arts  
Arlington Seniors Association, Inc.  
Asperger's Association of New England  
Boys & Girls Club of Middlesex County  
Cambridge Housing Assistance Fund  
Cambridge Montessori School  
Cambridge Rotary Club  
The Children's Room  
Citizens' Housing & Planning Counsel  
Foundation for Belmont Education  
Friends of the Arlington Council on Aging  
The Guidance Center  
Heading Home  
Home Start  
Housing Corporation of Arlington  
Massachusetts Affordable Housing Alliance  
Massachusetts Community & Banking Council  
New Covenant School  
Salvation Army  
Somerville Community Corporation  
Somerville Homeless Coalition  
Visiting Nurse and Community Health  
YMCA Cambridge

# Community Commitment

Leader Bank strives to help its local communities by being a good corporate citizen, donating over \$40,000 and actively participating in area charities in 2014. Some of our donations and activities include:

## Housing Corporation of Arlington

In 2014, Leader Bank employees volunteered to participate in the Walk for Affordable Housing sponsored by the Housing Corporation of Arlington (HCA). The HCA provides and advocates for affordable housing for low- and moderate-income families in Arlington.

## ALS Ice Bucket Challenge

In the summer of 2014, 55 Leader Bank employees – including President and CEO Sushil Tuli – participated in the Amyotrophic Lateral Sclerosis (ALS) Ice Bucket Challenge, where each employee dumped an ice cold bucket of water on their head to raise awareness for ALS research. Leader Bank donated \$100 for each participating employee, resulting in a total donation of \$5,500 to the ALS Foundation.



## Arlington Food Pantry

Leader Bank was proud to act as the lender for the Housing Corporation of Arlington, financing the opening of the new Arlington Food Pantry in November 2014. This new space will allow the Arlington Food Pantry to serve those in need in Arlington and the surrounding communities with a convenient, central location.

## American Cancer Society

Last year, Leader Bank once again participated in the American Cancer Society's Relay for Life. Our team was one of the top fundraisers for the event, raising over \$12,300 towards the support of cancer patients and caregivers, as well as cancer research and advocacy.





# 2014 Highlights



## Leadership in Residential Lending

Leader Bank continues to be one of the top performing lenders in Massachusetts. Our residential lending team closed nearly \$1.3 billion in residential loans and home equity lines of credit in 2014, making Leader Bank one of the top ten lenders in the Commonwealth. Leader Bank's focus on the home purchase market has made us the largest home purchase lender among banks in all of Massachusetts and the fourth largest home purchase lender overall. Leader Bank's residential lending infrastructure has also attracted top originators to join our team.



## Sustained Growth in Commercial Lending

Leader Bank continues to place increased emphasis on our commercial and small business lending. Our focus on small business lending resulted in Leader Bank becoming the fifth largest SBA lender in Massachusetts for fiscal year 2014. All told, our Commercial Lending team closed more than 230 new loans in 2014 representing over \$163 million of committed lending in Massachusetts and beyond.



## Retail Banking Success

Leader Bank's focus on outreach to business customers and investment in technology to reach 21st century depositors paid dividends in 2014, with total deposits exceeding \$500 million for the first time in the Bank's history. Each branch played a vital role in this growth, with all branches growing by at least \$7.5 million in 2014, and virtually all branches exceeding \$50 million in deposits each by year's end.

## A Look Ahead to 2015

Leader Bank looks forward to meeting the challenges of the upcoming year and attaining even more success in 2015, including:

**Expansion into Boston.** Leader Bank will open its seventh branch in the spring of 2015 in the Seaport District of Boston. Leader Bank is proud to be the newest addition to this vibrant and fast-growing area of Boston, and we look forward to unveiling our state-of-the-art branch to our newest customers and neighbors.

**Sustained Growth in Residential Lending.** With additions of loan officer teams from its competitors and our expansion into Boston proper, 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 and Infrastructure.** Leader Bank plans 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. As Leader Bank continues to unveil innovative products such as ZRent and Business Cash Back, we look forward to expanding our deposit base further into Suffolk County and beyond.

**Continued Focus on Commercial and Small Business Lending.** We look forward to continuing our trend of expansion in commercial lending, and achieving even greater successes in 2015. Leader Bank plans to keep climbing the rankings of the top small business lenders in Massachusetts, while expanding our lending platform to cover commercial real estate and commercial and industrial loans of all sizes.



# Executive Management



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

**John A. Fanciullo**  
Executive Vice President  
and Chief Operating Officer

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

**Michael W. Bonsey**  
Executive Vice President  
and Chief Credit Officer

**Leader Bank's executive management team share a combined 120 years of experience in the banking, lending, and financial service industries. Having served in roles in nearly every capacity for banking and financial institutions throughout New England, these four well-respected executives have provided invaluable leadership in guiding and shaping Leader Bank's growth and successes.**

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.

Michael W. Bonsey is the Executive Vice President and Chief Credit Officer of Leader Bank. Mr. Bonsey joined Leader Bank in 2014, and oversees the Bank's credit administration and credit approval process.

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

Brian R. Taylor is the Senior Vice President and Chief Financial Officer of Leader Bank. Mr. Taylor, who joined the Bank in 2002, manages all financial operations.





# 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.



## **Priscilla H. Douglas, Ed.D.**

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.



## **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.



## **Rajiv Lal, Ph.D.**

is the Stanley Roth, Sr. Professor of Retailing at Harvard Business School, where he currently co-chairs the program on Building and Leading a Customer Centric Organization.



## **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, Massachusetts. He previously served as Chief of Operations for the City of Gloucester, Massachusetts and as Town Administrator for the Town of Dover, Massachusetts.



## **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, Massachusetts.



# Leader Bank Officers

## Commercial Lending



**Matthew Pierce**  
Sr. Vice President,  
Commercial Lending

**Cheryl Glantz**  
Sr. Vice President,  
Commercial Lending

## Corporate Development



**Michael Tassone**  
Sr. Vice President,  
Business Development

**Patrick Boyaggi**  
Sr. Vice President,  
Residential Lending

**Jay Tuli**  
Sr. Vice President,  
Retail Banking

## Vice Presidents

<b>Mohammad Alam</b>	Residential Lending
<b>Robin Brown</b>	Underwriting
<b>Antonette Davis</b>	Loan Servicing
<b>Thomas Driscoll</b>	Institutional Relations
<b>Gregor Farber</b>	Quality Control and Training
<b>Mark Haroutunian</b>	Credit Officer
<b>Donna Haynes</b>	Community Development Officer
<b>David Kurzman</b>	Sales Manager

<b>Kenneth Masterson</b>	Loan Servicing
<b>Paul Mitchell</b>	Business Banking Officer
<b>Mark Orent</b>	Branch Manager
<b>Liza Pero</b>	Deposit Operations Manager
<b>Gary Roche-Bernard</b>	Information Technology Officer
<b>Marc Romvos</b>	Director of Business Banking
<b>Bret Schofield</b>	Security and Facilities Officer
<b>James Shanahan</b>	Sales Manager
<b>Sean Valiton</b>	New Markets, Residential Lending

## In-House Counsel

**Brook Ames, Esq.** In-House Counsel

## Assistant Vice Presidents

<b>Mackenzie Bigelow</b>	Branch Manager
<b>Lorena Castellanos</b>	Credit Administration
<b>Alexander Clarke</b>	Mortgage Operations
<b>Munaf Ghaswala</b>	Loan Servicing
<b>Savorn Ouk-Fernandes</b>	Branch Manager
<b>Priyanka Patel</b>	Residential Lending Closing Dept

<b>Starry Poe</b>	Branch Manager
<b>Nancy Ruderman</b>	FNMA Loan Servicing Manager
<b>Jessica Shaffer</b>	Retail Operations
<b>Patrick Sylvester</b>	Assistant Controller
<b>Anosh Zaveri</b>	Information Technology



### East Arlington Branch

Savy Ouk-Fernandes, *AVP, Branch Manager*  
141 Massachusetts Avenue, Arlington, MA 02474  
781-641-3900 [sfernandes@leaderbank.com](mailto:sfernandes@leaderbank.com)



### Arlington Center Branch

Asrate Sahlu, *Acting Manager*  
449 Massachusetts Avenue, Arlington, MA 02474  
781-641-0020 [asahlu@leaderbank.com](mailto:asahlu@leaderbank.com)



### Arlington Heights Branch

Mackenzie Bigelow, *AVP, Branch Manager*  
1201 Massachusetts Avenue, Arlington, MA 02476  
781-641-8800 [mbigelow@leaderbank.com](mailto:mbigelow@leaderbank.com)



### Belmont Branch

Artur Nergaryan, *Branch Manager*  
363 Pleasant Street, Belmont, MA 02478  
617-489-5100 [anergaryan@leaderbank.com](mailto:anergaryan@leaderbank.com)



### Burlington Branch

Starry Poe, *AVP, Branch Manager*  
50 Mall Road, Suite 110, Burlington, MA 01803  
781-221-1700 [spoe@leaderbank.com](mailto:spoe@leaderbank.com)



### Central Square Branch

Mark Orent, *VP, Branch Manager, Sales & Service Lead*  
675 Massachusetts Avenue, Cambridge, MA 02139  
617-497-2500 [markorent@leaderbank.com](mailto:markorent@leaderbank.com)

## Corporate Headquarters

### Leader Bank, N.A.

180 Massachusetts Avenue, Arlington, MA 02474  
781-646-3900  
[www.leaderbank.com](http://www.leaderbank.com)  
Lender NMLS# 449250

## Residential Lending Centers

### Arlington - Leader Plaza

864 Massachusetts Avenue, Arlington, MA 02476  
781-641-8600 [loans@leaderbank.com](mailto:loans@leaderbank.com)

### Burlington Loan Center

50 Mall Road, Suite 110, Burlington, MA 01803  
781-272-2343

### Needham Loan Center

160 Gould Street, Suites 111 & 126, Needham, MA 02494  
781-726-7290





# 2014 Honors & Accomplishments

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

This grade is determined by an analysis of 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.



## Banker & Tradesman Top Purchase Lender

In 2014, Leader Bank was ranked #1 for purchase mortgages among banks in Massachusetts for single family homes, multi-family homes, and condos.

# BANKER & TRADESMAN

## Mortgage Executive Top 100 Mortgage Lenders

Mortgage Executive Magazine named Leader Bank one of the Top 100 Mortgage Lenders in the United States based on total yearly mortgage volume.

Leader Bank's President and CEO, Sushil Tuli, was also named one of the most influential mortgage executives in the country based on his hard work, dedication, and the overall success of the bank.



## Sageworks Healthiest Banks in the U.S.

Leader Bank was named one of the healthiest banks in the country by Sageworks, based on their "Texas ratio" measurement. The bank's credit health was determined by dividing the bank's non-performing assets by its tangible common equity and loan loss reserve.

## 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 needs of all 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 is proud to be a member of the following Agencies and Associations:



Member  
**FDIC**



American  
Bankers  
Association®



Massachusetts  
Bankers  
Association

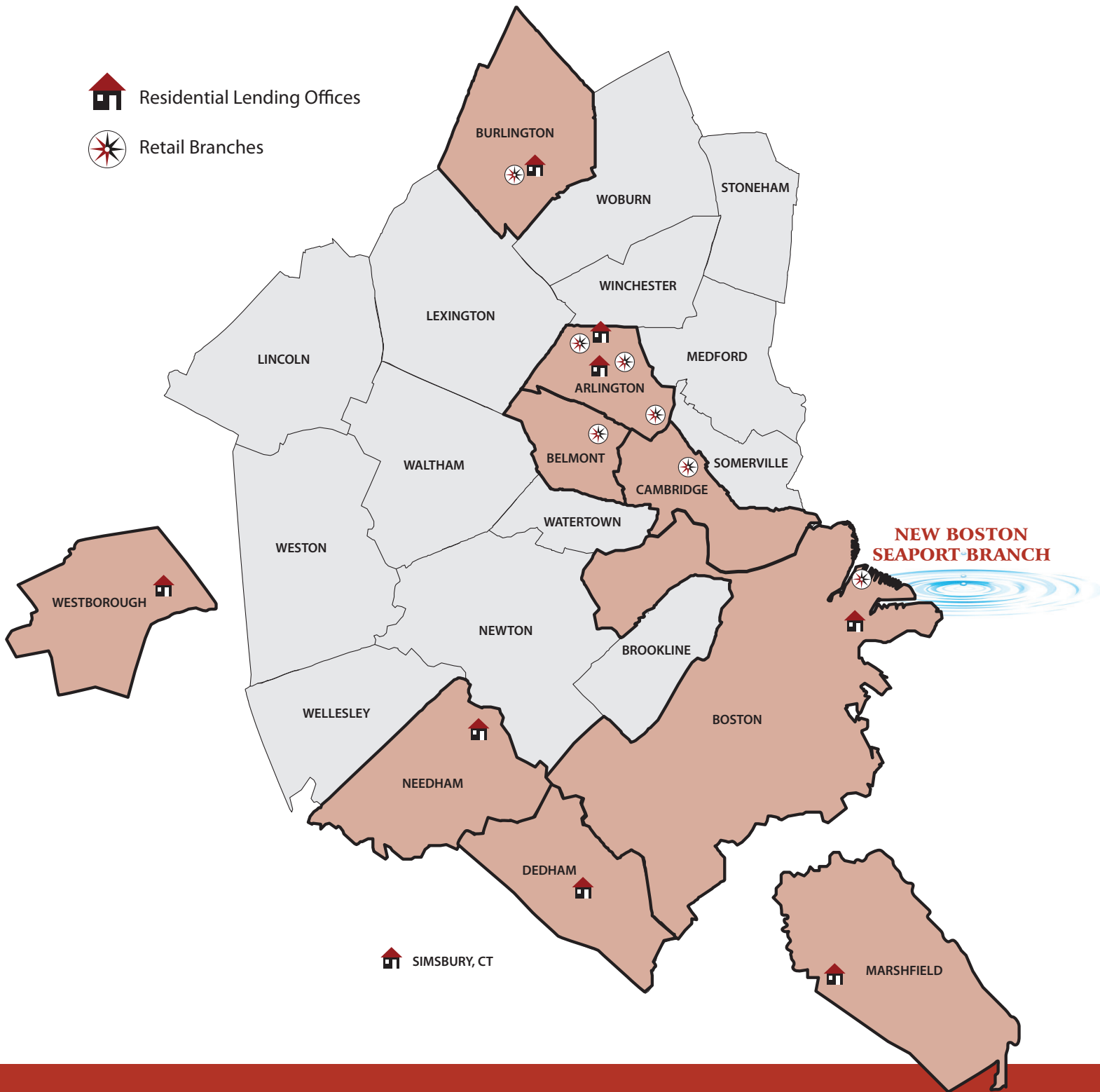




Residential Lending Offices



Retail Branches



**NEWTON**  
Technology

**\$50,000**  
SBA EXPRESS  
TERM LOAN

**2014**

**HAVERHILL**  
Dentist Office

**\$25,000**  
SBA EXPRESS  
TERM LOAN

**2014**

**CHELMSFORD**  
Shipping  
& Trucking

**\$34,000**  
SBA EXPRESS  
TERM LOAN

**2014**

**NEEDHAM**  
Accountant Firm

**\$50,000**  
SBA EXPRESS  
TERM LOAN

**2014**

**MARION**  
Restaurant

**\$150,000**  
SBA EXPRESS  
TERM LOAN

**2014**

**HINGHAM**  
Insurance

**\$60,000**  
SBA EXPRESS  
TERM LOAN

**2014**