



Leader   
A STEP AHEAD Bank<sup>®</sup>

2015  
ANNUAL REPORT



BOSTON SEAPORT INNOVATION DISTRICT BRANCH



# 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, serving our customers through branches in Arlington, Belmont, Boston, 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.

## Small Business Administration Lending

At Leader Bank, we maintain a diverse suite of Small Business Administration (SBA) loan products that are designed to help businesses grow. Our local decision making, along with a streamlined process, enables a fast turnaround time. That way, you can focus on your business and leave the banking to us!

### 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.



# Leader Bank



## Chairman's Letter

Dear Shareholders, Customers, and Friends:

I am proud to report that 2015 was a wonderfully successful year for Leader Bank. As the American economy continues to grow despite financial headwinds on the global stage, 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 2015.

Leader Bancorp continues to generate strong profits for our shareholders, with net income of approximately \$12.7 million for the year, representing a 1.36% return on assets and a 15.34% return on equity. Together, our residential and commercial lending departments originated well over \$2.3 billion of loans in the past year, ending 2015 as the sixth largest residential lender in all of Massachusetts, the seventh largest SBA lender in the Commonwealth, and with strong performance in commercial lending overall. As a result of these successes, Leader Bancorp's assets grew more than 15% to over \$976 million.

Our retail and commercial banking teams work with clients to ensure we provide the best products to meet their needs, and we have introduced new products to serve our savvy customer base, resulting in 18% growth of our deposits to over \$660 million. Our newest branch in the Seaport Innovation District of Boston has exceeded even our own high expectations, and Leader Bank has quickly become an integral part of this vibrant neighborhood. 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 achievements, I truly believe the best is yet to come for Leader Bank. We continue to look for new ways to grow the Bank, both through our traditional lending and retail banking channels as well as our continued focus on innovation and new technology. We could not sustain such successes and continued growth without the guidance of our Board of Directors and the hard work of our employees. 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.

A handwritten signature in blue ink, appearing to read "Sushil K. Tuli".

Sushil K. Tuli, President & CEO



# Financial Highlights

## LEADER BANCORP, INC.

(IN THOUSANDS, EXCEPT ACCOUNTS)

<b>PERFORMANCE STATISTICS</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Total Assets	\$976,560	\$845,694	\$658,877
Total Deposits	\$660,095	\$560,145	\$438,306
Total Equity	\$95,871	\$83,975	\$75,568
Total Net Loan Portfolio	\$771,481	\$648,491	\$501,423
Total Loans Closed	\$2,323,465	\$1,483,211	\$1,852,933
Deposit Accounts	16,007	14,306	12,802
<b>EARNINGS</b>			
Net Interest Income	\$27,506	\$21,999	\$17,642
Non-Interest Income	\$20,574	\$15,553	\$13,943
Non-Interest Expense	\$25,394	\$21,305	\$20,255
Income Before Taxes	\$21,512	\$14,799	\$10,681
Net Income	\$12,725	\$8,835	\$6,394
<b>RATIO</b>			
Return on Assets	1.36%	1.17%	1.06%
Return on Common Equity	15.34%	13.28%	10.61%
Net Interest Margin	3.08%	3.04%	3.07%
Efficiency Ratio	52.82%	56.73%	64.13%
<b>CAPITAL</b>			
Equity Capital to Assets	9.82%	9.93%	11.47%
Core Capital (leverage)	9.24%	10.39%	12.08%
Tier 1 Risk-based Capital	11.12%	12.20%	15.20%
Total Risk-based Capital	14.75%	15.37%	18.01%

### 2015 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	1.47%	1.04%	80
Return on Common Equity	13.09%	9.83%	77
Net Interest Margin	3.17%	3.74%	14
Non-Interest Income / Assets	2.22%	0.76%	94
Efficiency Ratio	51.58%	66.26%	88
<b>ASSET QUALITY METRICS</b>			
Net Loans / Assets	87.09%	66.14%	97
Non-Performing Loans / Total Loans	0.08%	0.87%	90
Net Loss / Total Loans	0.01%	0.12%	71
<b>GROWTH METRICS</b>			
Net Loans & Leases	18.50%	8.92%	85
Total Assets	15.44%	6.31%	86

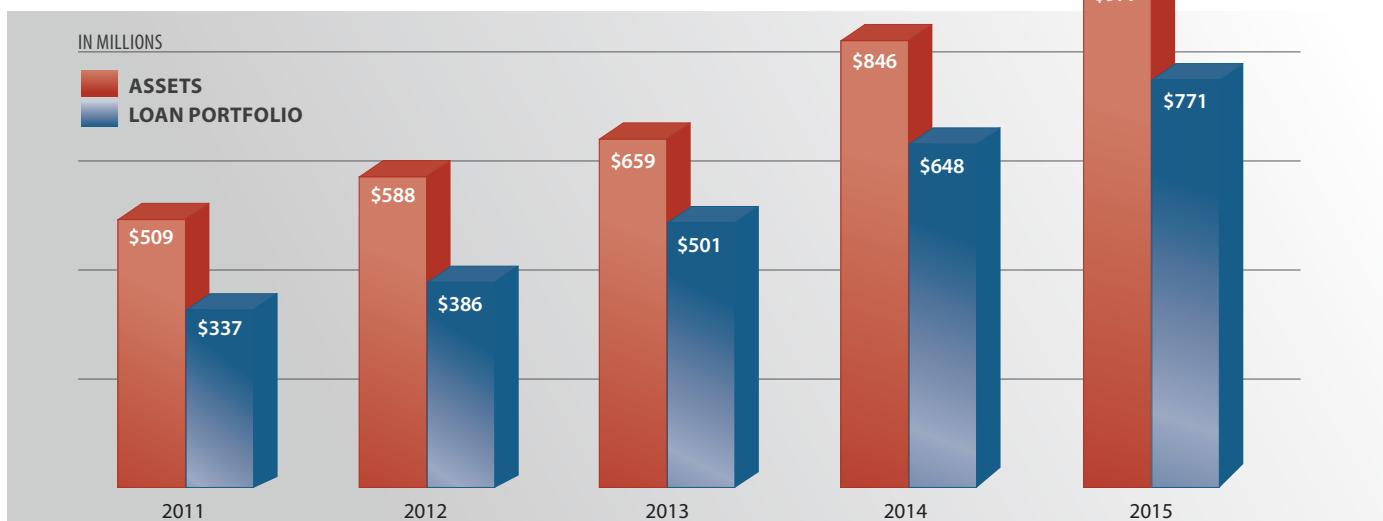
(1) Leader Bank metrics are for Leader Bank, N.A., not Leader Bancorp, Inc., and are based on average assets.

Source: FDIC



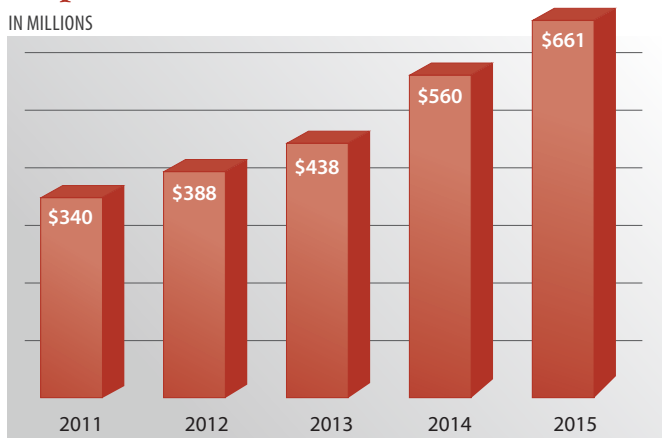
# Historical Growth

## Assets & Loan Portfolio



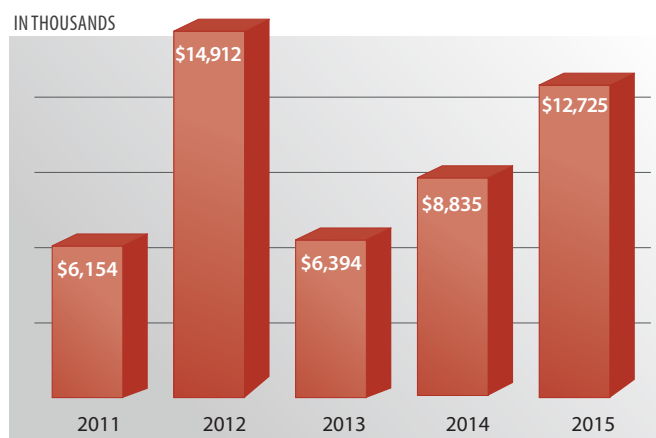
**Assets grew by \$131 million**, or 15.4%, ending the year at approximately \$977 million. The increase was principally attributed to the growth in the Bank's residential and commercial loan portfolios. The total net loan portfolio grew by \$123 million, or 19%, in 2015.

## Deposit Balances



**Deposits increased \$101 million**, or 18%, in 2015 and continue to grow. This growth is a result of the strength of the Leader Bank brand in our surrounding communities and our increased presence in the Boston market, as well as innovations in technology, personal service, and the flexibility to meet our customers' needs. In total, our deposits have nearly doubled over the past five years.

## Net Income



**Net income increased \$3.9 million**, or 44%, in 2015. This increase was due to Leader Bank's presence as one of the top residential lenders in Massachusetts as well as increased net interest margin. Leader Bank's return on assets (ROA) was 1.47%, which according to the FDIC was better than 80% 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>2015</b>	<b>2014</b>	<b>2013</b>
Cash and due from banks	\$11,636	\$23,098	\$21,937
Interest-bearing deposits	5	34	8
<b>CASH AND CASH EQUIVALENTS</b>	<b>11,641</b>	<b>23,132</b>	<b>21,945</b>
Securities held to maturity, at amortized cost	44,659	47,817	48,075
Securities available for sale, at fair value	1,058	-	2,172
Restricted equity securities, at cost	12,086	10,925	8,054
Loans held for sale	93,849	81,721	39,759
Loans, net	771,481	648,491	501,423
Premises and equipment, net	13,639	10,620	10,940
Accrued interest receivable	2,813	2,124	1,624
Mortgage servicing assets	16,310	11,189	13,889
Investor receivable	-	-	6,963
Goodwill	2,130	-	-
Other assets	6,894	9,675	4,033
<b>TOTAL ASSETS</b>	<b><u>\$976,560</u></b>	<b><u>\$845,694</u></b>	<b><u>\$658,877</u></b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
Deposits	\$660,095	\$560,145	\$438,306
Federal Home Loan Bank advances	180,731	167,953	121,375
Subordinated debt	22,899	15,887	12,100
Net deferred tax liability	2,853	2,920	4,016
Other liabilities	14,111	14,814	7,512
<b>TOTAL LIABILITIES</b>	<b>880,689</b>	<b>761,719</b>	<b>583,309</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:			
3,311,528 issued and 3,279,625 outstanding in 2015;			
3,295,803 issued and 3,274,703 outstanding in 2014;			
3,286,115 issued and 3,265,015 outstanding in 2013	1,656	1,648	1,643
Additional paid-in capital	21,584	21,335	21,130
Retained earnings	60,303	48,427	40,375
Accumulated other comprehensive income	7	-	(145)
Treasury shares (31,903, 21,100 and 21,100 shares at	(531)	(287)	(287)
December 31, 2015, 2014 and 2013, respectively)			
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>95,871</b>	<b>83,975</b>	<b>75,568</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b><u>\$976,560</u></b>	<b><u>\$845,694</u></b>	<b><u>\$658,877</u></b>



## LEADER BANCORP, INC. CONSOLIDATED STATEMENTS OF INCOME

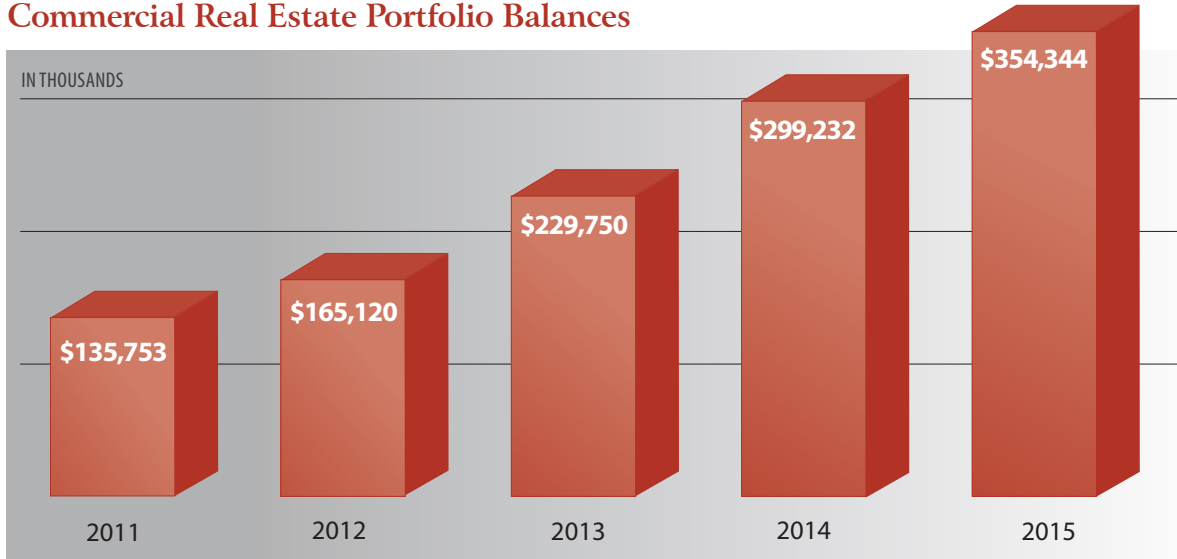
(IN THOUSANDS, YEARS ENDED DECEMBER 31)

	2015	2014	2013
<b>INTEREST AND DIVIDEND INCOME</b>			
Interest and fees on loans	\$34,631	\$27,717	\$21,758
Interest and dividends on securities and CDs	1,712	1,641	1,516
Interest on interest-bearing deposits	29	43	46
TOTAL INTEREST AND DIVIDEND INCOME	36,372	29,401	23,320
<b>INTEREST EXPENSE</b>			
Interest on deposits	4,984	4,210	2,794
Interest on Federal Home Loan Bank advances	2,804	2,360	2,134
Interest on subordinated debt	1,078	832	750
TOTAL INTEREST EXPENSE	8,866	7,402	5,678
<b>NET INTEREST INCOME</b>	27,506	21,999	17,642
Provision for loan losses	1,174	1,448	649
NET INTEREST INCOME, AFTER PROVISION FOR LOAN LOSSES	26,332	20,551	16,993
<b>NON-INTEREST INCOME</b>			
Net gain on sale of loans	19,147	13,270	13,064
Net loan servicing fees	504	1,625	596
Loss on sale of securities available for sale	-	(66)	(267)
Miscellaneous	923	724	550
TOTAL NON-INTEREST INCOME	20,574	15,553	13,943
<b>NON-INTEREST EXPENSE</b>			
Salaries and benefits	15,870	13,374	12,747
Occupancy and equipment	2,840	2,795	2,474
Professional services	1,725	1,223	1,225
Data processing	2,010	1,269	1,060
Advertising and marketing	561	433	467
FDIC insurance	428	354	276
Other general and administrative	1,960	1,857	2,006
TOTAL NON-INTEREST EXPENSE	25,394	21,305	20,255
Income before income taxes	21,512	14,799	10,681
Provision for income taxes	8,787	5,964	4,287
<b>NET INCOME</b>	<b><u>\$12,725</u></b>	<b><u>\$8,835</u></b>	<b><u>\$6,394</u></b>



# Commercial Lending

### Commercial Real Estate Portfolio Balances



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

In 2015, Leader Bank closed over 130 new commercial real estate transactions, totaling nearly \$147 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 \$355 million, which represents an 18% increase from 2014. Despite an uncertain global economy, we actively provide competitive and varied commercial loan products to our customers so they can continue to prosper and help drive our local economies.

### 2015 HIGHLIGHTS

- New originations of nearly \$147 million
- Record high CRE portfolio balance of nearly \$355 million

### SPECIALTIES

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

### A sample of recent Commercial Lending Transactions

<b>LEXINGTON, MA</b> <b>\$4,678,000</b> ACQUISITION <b>OFFICE BUILDING</b>	<b>ANDOVER, MA</b> <b>\$14,752,000</b> ACQUISITION <b>APARTMENT COMPLEX</b>	<b>NEWTON, MA</b> <b>\$611,250</b> ACQUISITION/ CONSTRUCTION <b>RESIDENTIAL DEVELOPMENT</b>	<b>ACTON, MA</b> <b>\$2,115,000</b> SBA 504 ACQUISITION <b>MOVING COMPANY</b>	<b>MILFORD, MA</b> <b>\$3,200,000</b> ACQUISITION/ RENOVATION <b>HOSPITALITY</b>
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## Frank Williams, Jr.

*Leader Bank finances conversion of Estelle's Nightclub in Roxbury to residential housing.*

As the son of the long-time owner of Estelle's Nightclub in Roxbury, Frank Williams, Jr. is well aware of his ties to Boston's history.

Estelle's had a long and colorful history in the local R&B music scene with performances from renowned artists such as Marvin Gaye, Gladys Knight, and Dionne Warwick. However, as time passed, Estelle's closed and stood empty for many years, until Frank decided to renovate the building into upscale rental units as part of the continued redevelopment of the neighborhood.

Having worked with Leader Bank for many years for his residential lending needs, Frank turned to the Bank's commercial lending team to help finance this project. With the assistance of Leader Bank's dedicated lenders, Frank was able to obtain the financing needed for a full renovation and return the building that housed Estelle's to its former glory.

"Leader Bank has been a valued partner in the entire project," says Frank Williams, Jr. "Without the experience and expertise of their commercial lending team, this project would never have been the success it has proven to be. I am proud to work with Leader Bank to bring needed improvements and new rental units to Boston and Roxbury."

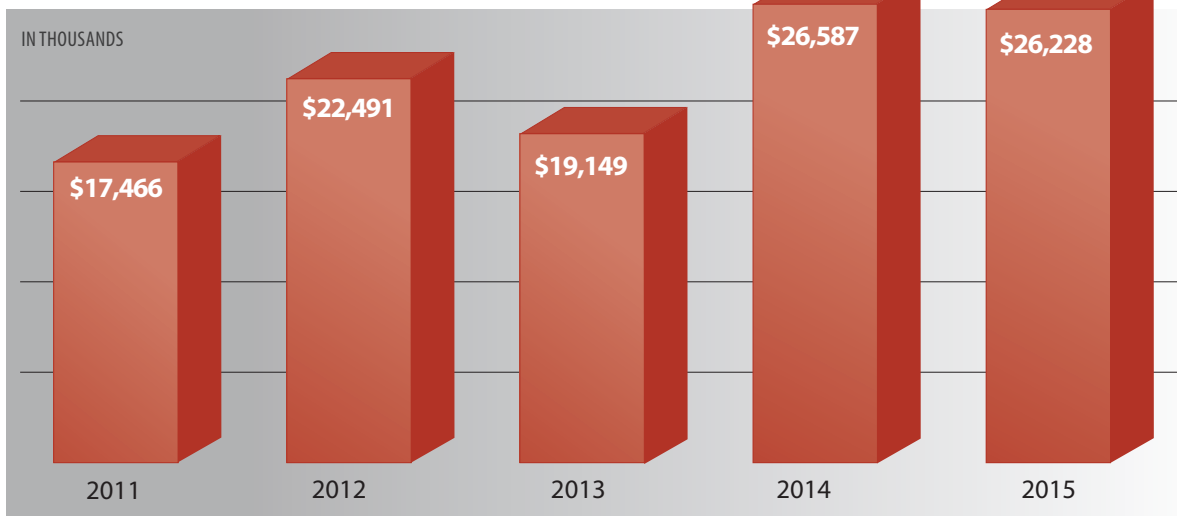
*Frank Williams, Jr. with Leader Bank's Senior Vice President of Commercial Lending, Matthew Pierce, at his newest upscale rental property in Roxbury.*





# Small Business Lending

### Small Business Portfolio Balances



In 2015, Leader Bank continued to strengthen its commitment to small businesses in our local communities. The bank closed 98 small business loan transactions in 2015, representing nearly \$12 million in committed lending to these entrepreneurs. 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 2015 as the seventh largest SBA lender in Massachusetts. We are also a proud participant in the Massachusetts Treasury Department's Small Business Banking Partnership, having committed to lend nearly \$40 million from the beginning of the Bank's participation in the program through the end of the year.

### 2015 HIGHLIGHTS

- *New originations of \$11.9 million in committed lending*
- *Seventh largest SBA Lender in Massachusetts*
- *Nearly 100 new small business loans*

### A sample of recent Small Business Lending Transactions

<b>ARLINGTON, MA</b> <b>\$200,000</b> SBA EXPRESS TERM LOAN <b>INSURANCE            AGENCY</b>	<b>LEXINGTON, MA</b> <b>\$350,000</b> SBA EXPRESS LINE OF CREDIT <b>IT CONSULTING            COMPANY</b>	<b>WOBURN, MA</b> <b>\$100,000</b> SBA EXPRESS TERM LOAN <b>MEDICAL            PRACTICE</b>	<b>LEXINGTON, MA</b> <b>\$75,000</b> SBA EXPRESS TERM LOAN <b>HAIR            SALON</b>	<b>ARLINGTON, MA</b> <b>\$150,000</b> SBA EXPRESS TERM LOAN <b>OIL            COMPANY</b>
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## 3EDGE Asset Management, LP

In January of 2016, 3EDGE Asset Management, LP became one of the newest members of the Leader Bank community in Boston. Founded by a group of experienced investment professionals, 3EDGE seeks to blend scientific methodology with sound judgment and practical experience in making investment decisions for their clients. They also employ an innovative multi-player game theory framework to understand how the actions of different agents may influence the direction of the global markets. Leader Bank's Seaport Innovation District Branch welcomed 3EDGE as a client, and has provided 3EDGE and several of its employees with both business and retail banking services from the firm's inception.

"I am thrilled to work with a local bank dedicated to this community," says Stephen J. Cucchiaro, 3EDGE's President and Chief Investment Officer. "Leader's expertise in providing a comprehensive solution along with exceptional service has allowed us to focus on our investment strategies and customer relationships from the moment we opened our doors. We are happy to have such a valued partner for our business, and look forward to working with Leader in the years to come."



*"Leader's expertise in providing a comprehensive solution along with exceptional service has allowed us to focus on our investment strategies and customer relationships from the moment we opened our doors."*

*- Stephen J. Cucchiaro*





# Welcome to Leader Bank's New Seaport Innovation District Branch!

Leader Bank chose the Fan Pier development in the Seaport Innovation District as the site of its first branch in Boston and its seventh branch location overall. The new branch, located at 48 Northern Avenue, provides much needed banking and lending services to this rapidly growing area of Boston.

The Bank was honored to welcome Boston Mayor Martin J. Walsh and Massachusetts Treasurer Deborah B. Goldberg, along with hundreds of community leaders, customers, and neighbors, to the Grand Opening Ceremony on June 26, 2015.

"By bringing a local bank to the Seaport, we are building a community here," said Mayor Walsh in his remarks at the ceremony. Mayor Walsh went on to predict that Leader Bank "will do so much for this neighborhood and help the City of Boston realize its goals." Treasurer Goldberg also commended Leader Bank for its participation in the Small Business Banking Partnership with the State Treasurer's Office, and said that she "looked forward to working with [Leader Bank] and the Mayor of Boston to help not just the City of Boston but everyone in Massachusetts."

Leader Bank executives observed growth patterns in Boston's neighborhoods and districts for some time before choosing to locate its first Boston branch in the Seaport Innovation District. The City of Boston has made efforts to support innovation and small business growth in the Seaport area, and given the Bank's focus on small business clients, it made sense to open a branch here. Leader Bank is one of the largest Small Business Administration (SBA) lenders in the state, and there are a number of new businesses opening in the Seaport District, many of which may need SBA loans.

Being part of an Innovation District fits well with the Bank's identity. Leader Bank is an innovative bank, creating many new products and standing out from competitors by providing unique solutions for our customers.



*Sushil Tuli, Boston Mayor Martin J. Walsh, and Massachusetts Treasurer Deborah B. Goldberg cutting the ribbon to open Leader Bank's Seaport Innovation District Branch.*

*Staff members of the Seaport branch with Senior Vice President of Retail Banking, Jay Tuli*







## John Drew

John Drew, founder of the Drew Company, is one of Boston's most prominent and renowned real estate developers. Under Mr. Drew's leadership, the Drew Company has been intricately involved in Boston's development for more than thirty years, and his work with the Seaport Hotel and World Trade Center Boston Complex, as well as Waterside Place, have helped make Boston's Seaport District one of the fastest growing neighborhoods in the city. The Drew Company also specializes in real estate management, and its expertise has allowed the company to manage many properties beyond Boston's Seaport, including the management of the Ronald Reagan Building and International Trade Center in Washington, D.C.

Shortly after the opening of its Seaport Innovation District Branch, Leader Bank's President, Sushil Tuli, was introduced to Mr. Drew and formed a fast connection. In a matter of months, Mr. Drew and his company have opened a variety of business accounts with Leader Bank to help manage the many properties and projects the Drew Company has throughout the Seaport.

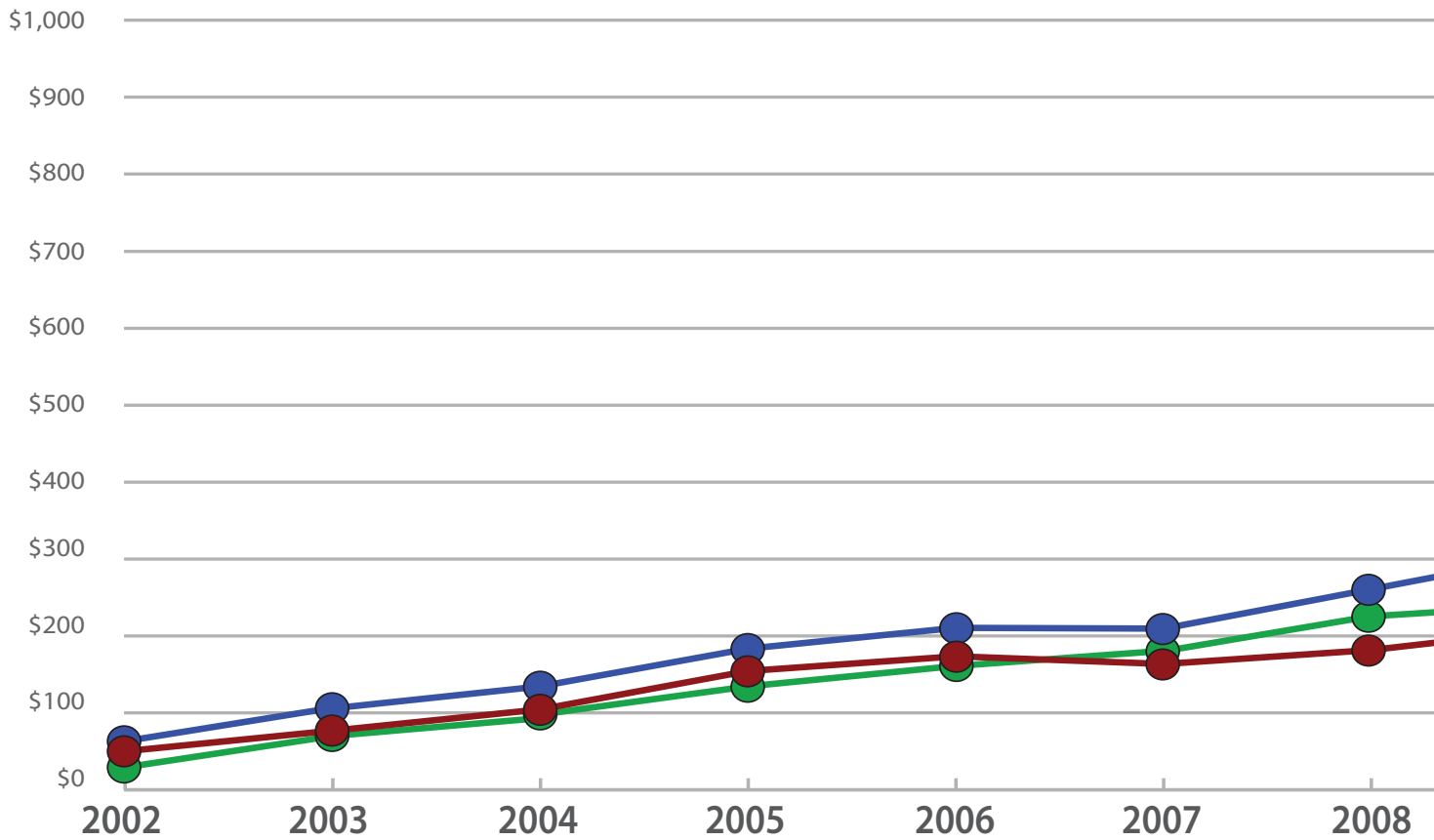
"I could not be happier to work with Leader Bank as a banking partner," says John Drew. "Leader Bank provides the top quality service of a local community bank together with the technological innovations and acumen of a much larger institution. It is a pleasure to have this local bank bring a sense of community to the Seaport District."

*"Leader Bank provides the top quality service of a local community bank together with the technological innovations and acumen of a much larger institution. It is a pleasure to have this local bank bring a sense of community to the Seaport District."*

*- John Drew*



# 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 receives "4 Star Recommended" rating from BauerFinancial.

## 2008

- Belmont branch and Burlington loan center open.
- Leader Bank receives "SBA Express Lender" status.

## 2009

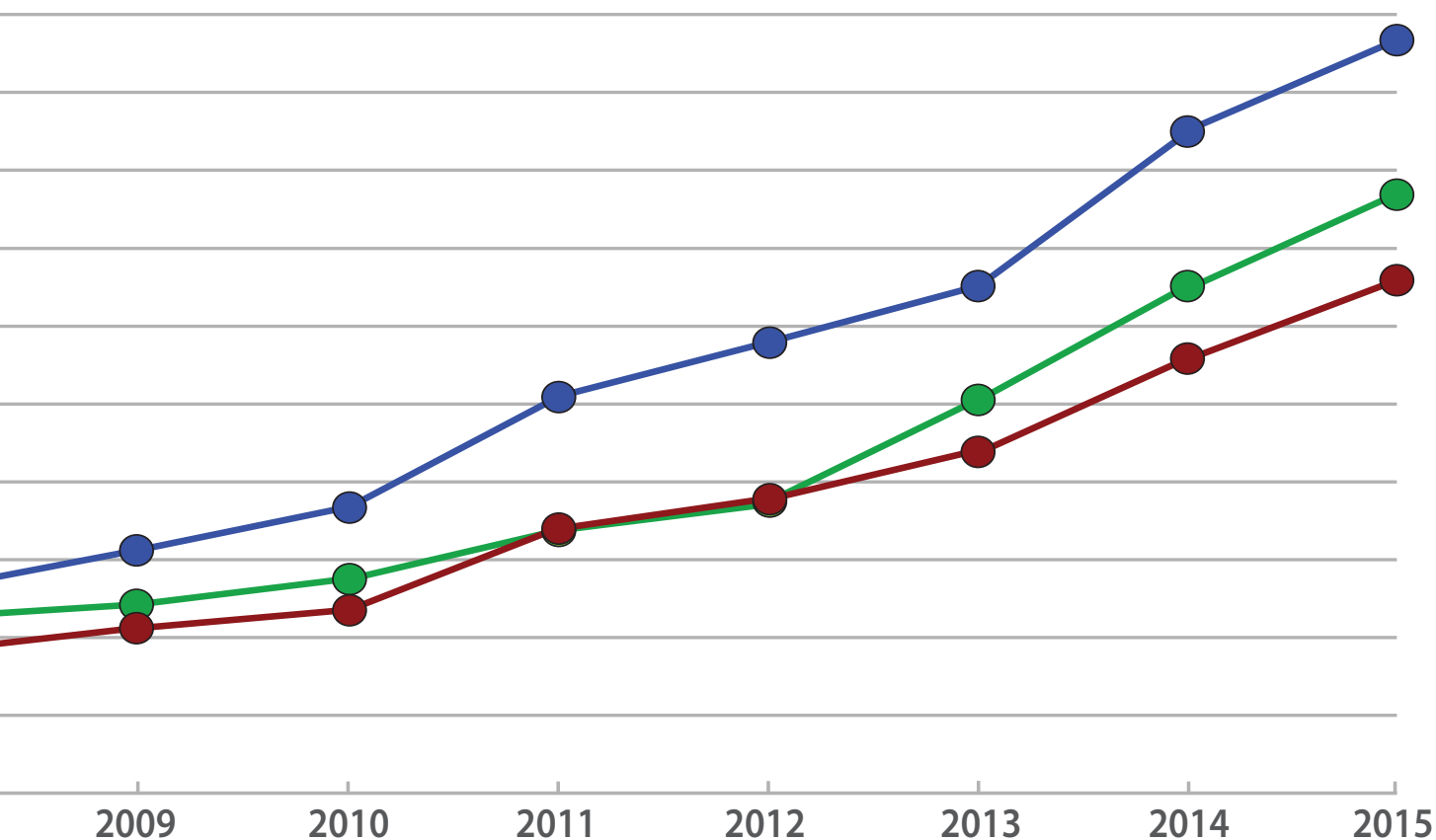
- Needham loan production center opens.
- Leader Bank receives "5 Star Superior" rating from BauerFinancial.

## 2010

- Burlington branch opens in September.
- SBA designates Leader Bank as a "Preferred Lender."



● Deposit Balances     
 ● Assets     
 ● Loans     
 IN MILLIONS



### 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 to list of “Most Admired CEOs” by Boston Business Journal and a “Financial Services Champion” by SBA.

### 2013

- Leader Bank becomes the fifth 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 exceeds \$800 million in assets and \$550 million in deposits.
- Leader Bank ranks as ninth largest residential lender in Massachusetts.
- Massachusetts SBA names Leader Bank the “Lender of the Fourth Quarter.”

### 2015

- Leader Bank grows to:
  - Over \$975 million in assets
  - Over \$660 million in deposits
  - Nearly \$775 million in net loans
- Leader Bank is the fourth largest home purchase lender and sixth largest residential lender overall in Massachusetts.
- Leader Bank ranked as #1 in home purchase mortgages among all banks in Massachusetts.
- Boston Business Journal names Leader Bank as a 2015 “Leader in Diversity.”



# Business Banking

Leader Bank continues to understand that business owners are primarily focused on growing their business and don't want to have to worry about their banking. Leader Bank's suite of products allows business owners to easily manage their financing and get them back to what they do best – *running their businesses*.

The Business Banking team at Leader Bank offers personalized service for our business customers. The team's specialty is cultivating lasting relationships with clients and offering top notch service. When coupled with a suite of products designed to meet the needs of any business, Leader Bank gives business owners peace of mind that their banking is handled by trustworthy professionals. This, in turn, allows them to focus on their business, their employees, and their clients.

A major focus of 2015 was our online and internet technologies. The eBusiness Banking platform offers a comprehensive, modular one-stop online account management system. It can be customized to meet the needs of the business, and includes access to tools like easyDeposit, ACH origination, wire transfers, and much more. In the last year, Leader Bank has worked to grow this platform and expand its functions to better match and serve our business clients. When partnered with our competitive deposit products, our clients can better manage their finances and their businesses.

## Positive Pay

Last year, Leader Bank introduced a new service to our eBusiness users called "Positive Pay." This new online banking tool provides an additional layer of security to business clients, and helps prevent check fraud by ensuring that all of the checks getting processed by Leader Bank match the data as provided by our customers.

## ACH Manager

While ACH has been available for some time, our new "ACH Manager" tool streamlines the ACH process to ensure a more secure and easy-to-use system. This product allows our eBusiness customers to send or accept payments in a variety of ways that best suit the individual needs of each client.

## Business Cash Back

In January 2015, Leader Bank launched a new business checking product called "Business Cash Back." This new product offers 0.50% cash back on all Visa signature debit transactions for business customers who maintain an average balance of \$5,000 and make at least \$1,000 in debit card purchases each month. As always, there are no monthly fees on the product and no deposit or check writing restrictions.

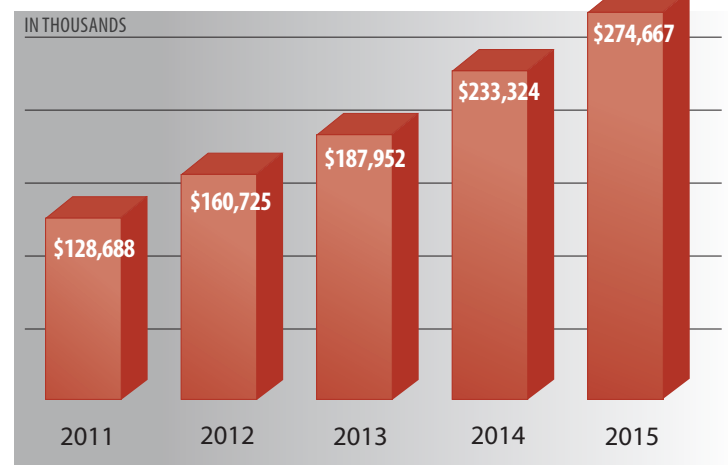
## Business Banking Team

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

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

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

## Business Account Balances







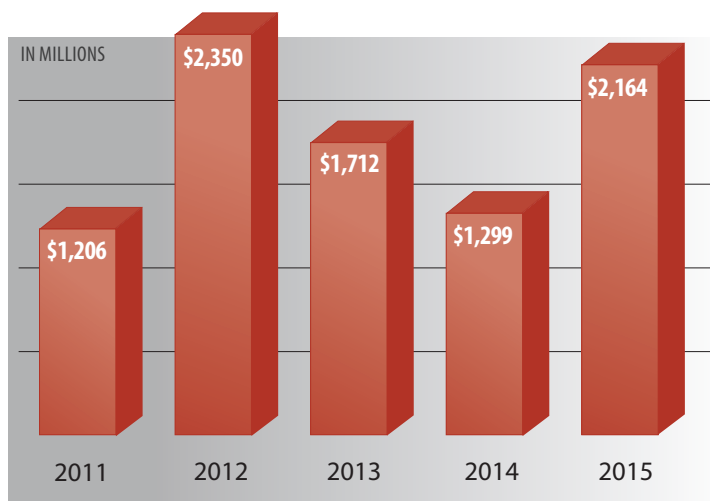
# Residential Lending

## Leader Bank Educates Homebuyers

In 2015, 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



## 2015 HIGHLIGHTS

*Our dedicated and growing team of loan officers closed over \$2.1 billion in new residential loans and home equity lines of credit in 2015, making Leader Bank the sixth largest 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

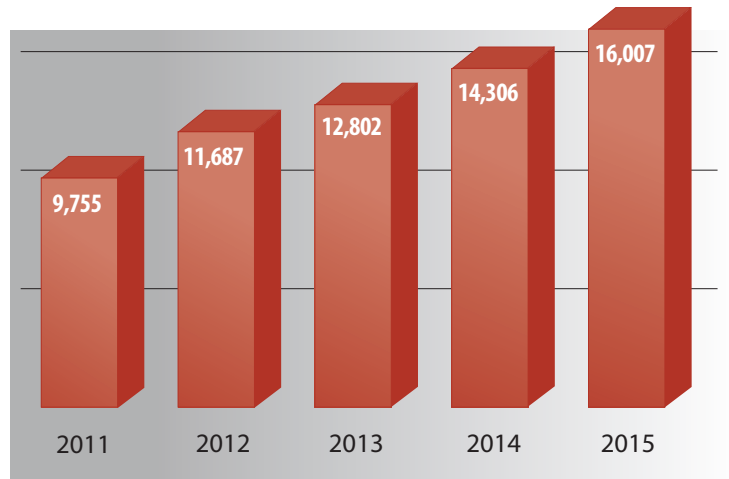


# Retail Banking

2015 was a big year for Leader Bank's retail banking network, with an increase of \$117 million in core deposits. This growth can be attributed to Leader Bank's innovative products and new marketing initiatives as well as to the stellar customer service that our branch personnel continue to provide.

Our Zeugma Rewards product continues to be successful, with 1,151 checking accounts and 1,006 savings accounts since the product's launch in 2013. The Bank's total core deposits for this product topped \$42 million at the end of the year, and the savings interest rate continues to be one of the best rates on the market.

## Total Accounts



EXCHANGE RATES		WE BUY AT	WE SELL AT
AUSTRALIA	AUD	006715	007647
BRAZIL	BRL	002266	002695
CANADA	CAD	006827	007660
CHINA	CNY	001404	001648
EUROPEAN UNION	EUR	00475	011848
JAPAN	JPY	000824	000930
MEXICO	MXN	005009	005677
NORWAY	NOK	001090	001230
RUSSIA	RUB	001120	001420
SWEDEN	SEK	007106	001247
SWITZERLAND	CHF	009502	010769
UNITED KINGDOM	GBP	073523	015295

## Foreign Currency Exchange

In October of 2015, Leader Bank launched a new Foreign Currency Exchange Program. This new service allows both customers and non-customers to exchange foreign currency and US dollars. Leader Bank offers access to over 80 foreign currencies with competitive exchange rates and fast turnaround.

The program was launched based on feedback from our customers who expressed interest in purchasing foreign currency for traveling. Additionally, hotels in our branch network sought a reliable and reputable financial institution to refer their hotel guests to for foreign currency exchanges. Leader Bank is excited to offer this foreign currency exchange service to our valued customers!



Leader Bank staff members and their families joining in a charity walk to benefit The Children's Room in Arlington.

## In the Community

Our retail banking staff enjoyed participating in a number of community events in 2015. We sponsored many local causes and hosted events throughout the year as a way to meet neighbors and thank our customers.

Our Seaport Innovation District branch hosted several Wine and Cheese nights in 2015, bringing together local businesses and residents to help foster a sense of neighborhood pride and togetherness. Our Arlington branches participated in Arlington Town Day. Central Square and Burlington continue to host business networking events for local small businesses, and our annual Belmont BBQ provided a key opportunity to mingle with customers and enjoy our close-knit communities.



# New Products & Technology

## New Branch Technologies

Last year, Leader Bank started an initiative to move toward a paperless and greener process. The Seaport branch piloted many successful technologies, such as signature pads and ID scanners, that are now being used daily as part of the account opening process.

## TransferNow

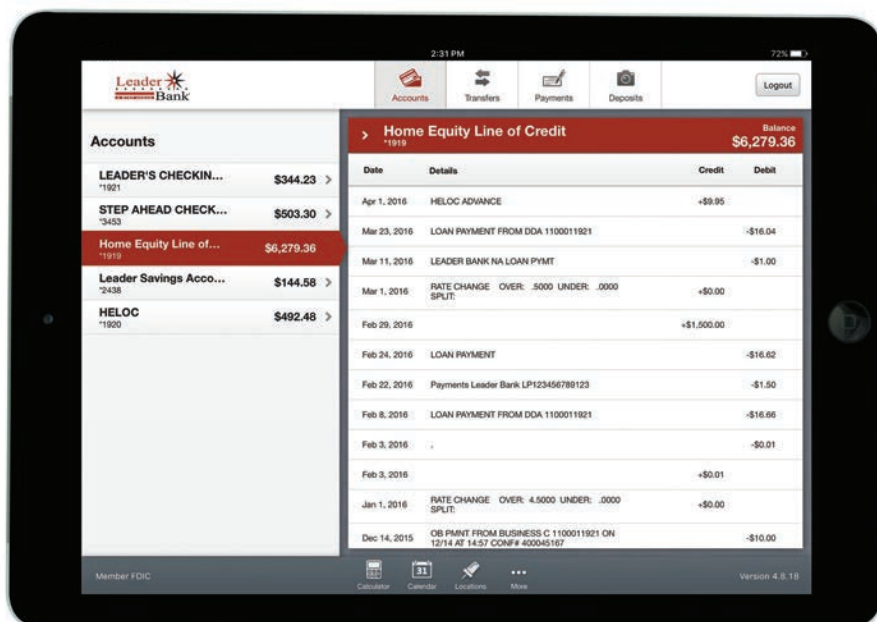
Introduced just over a year ago, this new online tool allows our customers to transfer in and out of accounts outside the Bank. Leader Bank recognizes that some customers use multiple financial institutions for various purposes, and this feature has allowed our clients to better manage their finances.

## ZRent

In March of 2015, Leader Bank launched ZRent, a product that allows landlords to collect automated rent payments from their tenants each month. This new and innovative solution eliminates the hassles associated with rent collection – going forward, you can eliminate those pesky trips to the bank and rest assured that your rent will arrive on time and in one consolidated payment. The service is completely free for landlords if the funds are deposited into a Leader Bank account, and is always free for tenants.

## Tablet App

In 2015, Leader Bank released its long-awaited app for tablets, including iPad and Android tablets. Our customers can now access online banking from any of their devices. This app also offers enhanced features such as the ability to toggle between multiple online banking logins.



## Brad Kirlin, Chief Technology Officer

Leader Bank recently welcomed Brad Kirlin as its newest SVP and Chief Technology Officer. As the Bank explores new technologies that meet the needs of our customers and improve operational efficiency, Brad's years of expertise will provide welcome guidance to our IT team.



## Apple Pay

In 2015 Leader Bank became an Apple approved bank for Apple Pay. Our customers can now add their Visa debit cards to their Apple Pay app, allowing single touch payments using an iPhone or Apple Watch.



## A selection of organizations supported by Leader Bank in 2015:

Adopt a School Foundation  
Allston-Brighton CDC  
American Cancer Society  
Arlington Boys & Girls Club  
Arlington Education Foundation  
Asperger/Autism Network  
Cambridge Housing Assistance Fund  
Cambridge Montessori School  
Cambridge Rotary Club  
Caritas Communities  
The Children's Room  
Citizens' Housing & Planning Association  
Community Action Agency of Somerville  
Connexion  
Cause + Event Foundation  
Cyrus Dallin Art Museum  
Father Bill Mainsprings  
Fidelity House  
The Guidance Center  
Home Start  
Housing Corporation of Arlington  
Margaret Fuller House  
Massachusetts Affordable Housing Alliance  
Massachusetts Community & Banking Council  
Metro Boston Housing Partnership  
New Covenant School  
Salvation Army Cambridge  
Second Chances  
Somerville Homeless Coalition  
Visiting Nurses and Community Health  
West Medford Community Center  
YMCA Cambridge

# Community Commitment

Leader Bank strives to help its local communities by being a good corporate citizen, donating nearly \$60,000 and actively participating in area charities in 2015. Some of our donations and activities include:

## Housing Corporation of Arlington

In 2015, 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.

## American Cancer Society

Leader Bank was proud to participate in the American Cancer Society's Arlington Relay for Life. Our team was one of the top fundraisers for the event, raising over \$8,000 toward the support of cancer patients and caregivers, as well as cancer research and advocacy.

## Investment in Our Local Schools

Leader Bank values the opportunity to work with area schools to improve education for the communities which we serve. Leader Bank provided donations to multiple schools in 2015, from Burlington High School to Arlington Catholic to Cambridge Montessori, to fund extracurricular activities, provide tuition assistance and offer other key support to students and educators. In 2015, Leader Bank also sponsored several scholarships with local schools and organizations, such as Somerville High School and the Arlington Boys & Girls Club, providing assistance for low- and moderate-income students to attend college and further their education and growth.



*City Councilman Marc McGovern, Mayor David Mahar, Mohammad Noor, and Leader Bank's Mackenzie Bigelow at the donation box ribbon cutting ceremony.*

## Clothing Donation Box

Leader Bank was proud to be a part of the opening of a new clothing donation drop box in Cambridge. Leader Bank's Arlington Heights Branch Manager, Mackenzie Bigelow, worked closely with local charities to help organize the ceremony. The Bank's employees came together to donate clothing and household items to support the event.

All donations and proceeds benefit Rosie's Place, Pine Street Inn, and St. Francis Shelters of Boston. The drop box is located at 769 Concord Avenue, Cambridge. Plans are already underway to open more locations in 2016.





# 2015 Highlights



## Leadership in Residential Lending

Leader Bank continues to be one of the top performing lenders in Massachusetts. Our residential lending team closed over \$2.15 billion in residential loans and home equity lines of credit in 2015, making Leader Bank the sixth largest lender 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 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. Our focus on small business lending made Leader Bank the seventh largest SBA lender in Massachusetts for fiscal year 2015. Moreover, our Commercial Lending team originated over 230 new loans in 2015 representing over \$158 million of committed lending in Massachusetts and beyond.



## Retail Banking Expansion

Leader Bank's entry into Boston with the opening of our Seaport Innovation District Branch has already paid remarkable dividends, with our newest branch shattering the Bank's own expectations for deposit and customer growth. With this expansion and our continued focus on technology and outreach to business customers, the Bank's total deposits exceeded \$650 million for the first time in the Bank's history. Even with the success of our Seaport Innovation District team, each branch played a vital role in this growth.

## A Look Ahead to 2016

Leader Bank looks forward to meeting the challenges of the upcoming year and attaining even more success in 2016, including:

**Sustained Growth in Residential Lending.** With continued growth in its sales force and support staff, Leader Bank has positioned itself to remain a top player in home purchase lending and to increase its overall share of the Massachusetts residential loan market.

**Becoming a Billion Dollar Bank.** Leader Bank expects to exceed \$1 billion in assets by the close of 2016, further demonstrating the Bank's exceptional success and growth. Although surpassing this milestone will bring a new set of challenges, the Bank is proud to reach this landmark less than fifteen years after opening its doors with only \$6.5 million in assets.

**Continued Focus on Commercial and Small Business Lending.** We plan on continuing our trend of expansion in commercial lending, and look forward to even greater successes in 2016. Leader Bank plans to continue climbing the rankings of the top small business lenders in Massachusetts, while expanding its lending platform to cover commercial real estate and commercial and industrial loans of all sizes.



## Executive Management

Leader Bank’s executive management team shares 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.

**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.

**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.

**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.

**HomeStart, Inc.** bestowed its President’s Award on Sushil Tuli at its Fall Gala in 2015. Providing permanent housing for veterans, single parents and victims of domestic violence, HomeStart honored Mr. Tuli for his commitment to affordable housing and reducing homelessness.



**TiE-Boston** named Sushil Tuli its 2015 Lifetime Achievement Award recipient, recognizing Mr. Tuli as an entrepreneur who has demonstrated talent and tenacity in founding a growing a successful business, and as a mentor to other young entrepreneurs throughout Massachusetts.



# 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.



**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, Ph.D.**

is the Thomas D. Casserly, Jr. Professor of Business Administration and the Chair of MBA Elective Curriculum 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, Esq.**

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.





# Leader Bank Officers

## Commercial Lending



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

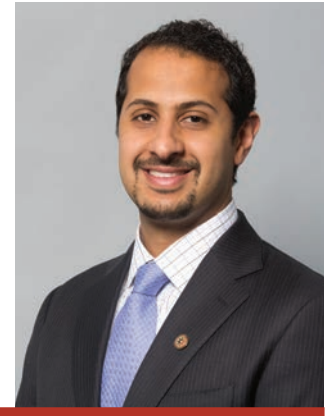


**Matthew Pierce**  
Sr. Vice President,  
Commercial Lending

## Corporate Development



**Jim Madigan**  
Sr. Vice President,  
Residential Lending



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

## Vice Presidents

<b>Mohammad Alam</b>	Residential Underwriting	<b>Paul Mitchell</b>	Business Banking Officer
<b>Robin Brown</b>	Residential Underwriting	<b>Mark Orent</b>	Branch Manager
<b>Alexander Clarke</b>	Mortgage Operations	<b>Debbie Orloff</b>	Commercial Real Estate Lending
<b>Tripti Das</b>	Branch Manager	<b>Savourn Ouk-Fernandes</b>	Branch Manager
<b>Antonette Davis</b>	Loan Servicing	<b>Liza Pero</b>	Deposit Operations Manager
<b>Thomas Driscoll</b>	Institutional Relations	<b>Gary Roche-Bernard</b>	Information Technology Officer
<b>Gregor Farber</b>	Quality Control and Training	<b>Marc Romvos</b>	Director of Business Banking
<b>Mark Haroutunian</b>	Commercial Credit Manager	<b>Bret Schofield</b>	Security and Facilities Officer
<b>Donna Haynes</b>	Community Development Officer	<b>James Shanahan</b>	Sales Manager
<b>Rebecca Kendall</b>	Mortgage Operations	<b>Vanishree Singh</b>	Residential Underwriting
<b>David Kurzman</b>	Sales Manager	<b>Patrick Sylvester</b>	Secondary Markets
<b>Kenneth Masterson</b>	Loan Collections	<b>Sean Valiton</b>	New Market Development

## In-House Counsel, CRA Officer

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

## Assistant Vice Presidents

<b>Dorianne Alexandropoulos</b>	Appraisal Quality Manager	<b>Artur Nergaryan</b>	Branch Manager
<b>Mackenzie Bigelow</b>	Branch Manager	<b>Doreen O'Hare</b>	Branch Manager
<b>Lorena Castellanos</b>	Credit Administration	<b>Priyanka Patel</b>	Residential Lending Closing Dept
<b>Patrick Cucinotta</b>	Controller	<b>Starry Poe</b>	Human Resources
<b>Deepak Garg</b>	Closing Manager	<b>Nancy Ruderman</b>	FNMA Loan Servicing Manager
<b>Kyong Gerlach</b>	Senior Underwriter	<b>Jessica Shaffer</b>	Retail Operations
<b>Munaf Ghaswala</b>	Loan Servicing	<b>John Vaudo</b>	Information Technology
<b>Cynthia Jackson</b>	Senior Underwriter	<b>Anosh Zaveri</b>	Information Technology
<b>Pranay Jhanjhari</b>	Secondary Market Manager		





# Locations

## Corporate Headquarters

180 Massachusetts Avenue, Arlington, MA 02474  
781-646-3900

[www.leaderbank.com](http://www.leaderbank.com)

Member FDIC, Equal Housing Lender, NMLS# 449250

## Small Business Lending Office

399 Washington Street, Dedham, MA 02026  
781-326-4254

## Residential Operations Centers

### Leader Plaza

864 Massachusetts Avenue, Arlington, MA 02476  
781-641-8600

### Arlington Heights

1201 Massachusetts Avenue, Arlington, MA 02476  
781-641-8800

### Burlington Loan Center

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

### Connecticut Loan Center

8 Wilcox Street, Suite D, Simsbury, CT 06070  
860-413-2171

### Marshfield Loan Center

1020 Plain Street, Suite 170, Marshfield, MA 02050  
781-710-1812

### Metro West Loan Center

80 Flanders Road, Suite 101, Westborough, MA 01581  
508-351-9900

### Needham Loan Center

160 Gould Street, Suite 205, Needham, MA 02494  
781-726-7290

### South Boston Loan Center

497 East Broadway, South Boston, MA 02127  
617-620-9278



## East Arlington Branch

141 Massachusetts Avenue, Arlington, MA 02474  
781-641-3900

### Doreen O'Hare

*Assistant Vice President, Branch Manager*  
[dohare@leaderbank.com](mailto:dohare@leaderbank.com)

## Arlington Center Branch

449 Massachusetts Avenue, Arlington, MA 02474  
781-641-0020

### Asrate Sahlu

*Branch Manager*  
[asahlu@leaderbank.com](mailto:asahlu@leaderbank.com)

## Arlington Heights Branch

1201 Massachusetts Avenue, Arlington, MA 02476  
781-641-8800

### Mackenzie Bigelow

*Assistant Vice President, Branch Manager*  
[mbigelow@leaderbank.com](mailto:mbigelow@leaderbank.com)

## Belmont Branch

363 Pleasant Street, Belmont, MA 02478  
617-489-5100

### Artur Nergaryan

*Assistant Vice President, Branch Manager*  
[anergaryan@leaderbank.com](mailto:anergaryan@leaderbank.com)

## Burlington Branch

50 Mall Road, Suite 110, Burlington, MA 01803  
781-221-1700

### Tripti Das

*Vice President, Branch Manager*  
[tdas@leaderbank.com](mailto:tdas@leaderbank.com)

## Central Square Branch

675 Massachusetts Avenue, Cambridge, MA 02139  
617-497-2500

### Mark Orent

*Vice President, Branch Manager, Sales & Service Lead*  
[markorent@leaderbank.com](mailto:markorent@leaderbank.com)

## Seaport Innovation District Branch

48 Northern Avenue, Boston, MA 02210  
617-261-6300

### Savy Ouk-Fernandes

*Vice President, Branch Manager*  
[sfernandes@leaderbank.com](mailto:sfernandes@leaderbank.com)



# 2015 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 2015, Leader Bank was ranked #1 for purchase mortgages among banks in Massachusetts for single family homes, multi-family homes, and condos.

# BANKER & TRADESMAN

## Boston Business Journal Leader in Diversity

Leader Bank and Sushil K. Tuli were recipients of the 2015 Boston Business Journal's Leaders in Diversity Award for Corporate Innovation. The award honors companies that have successfully established diversity programs and have created measurable opportunity and change.



## 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®




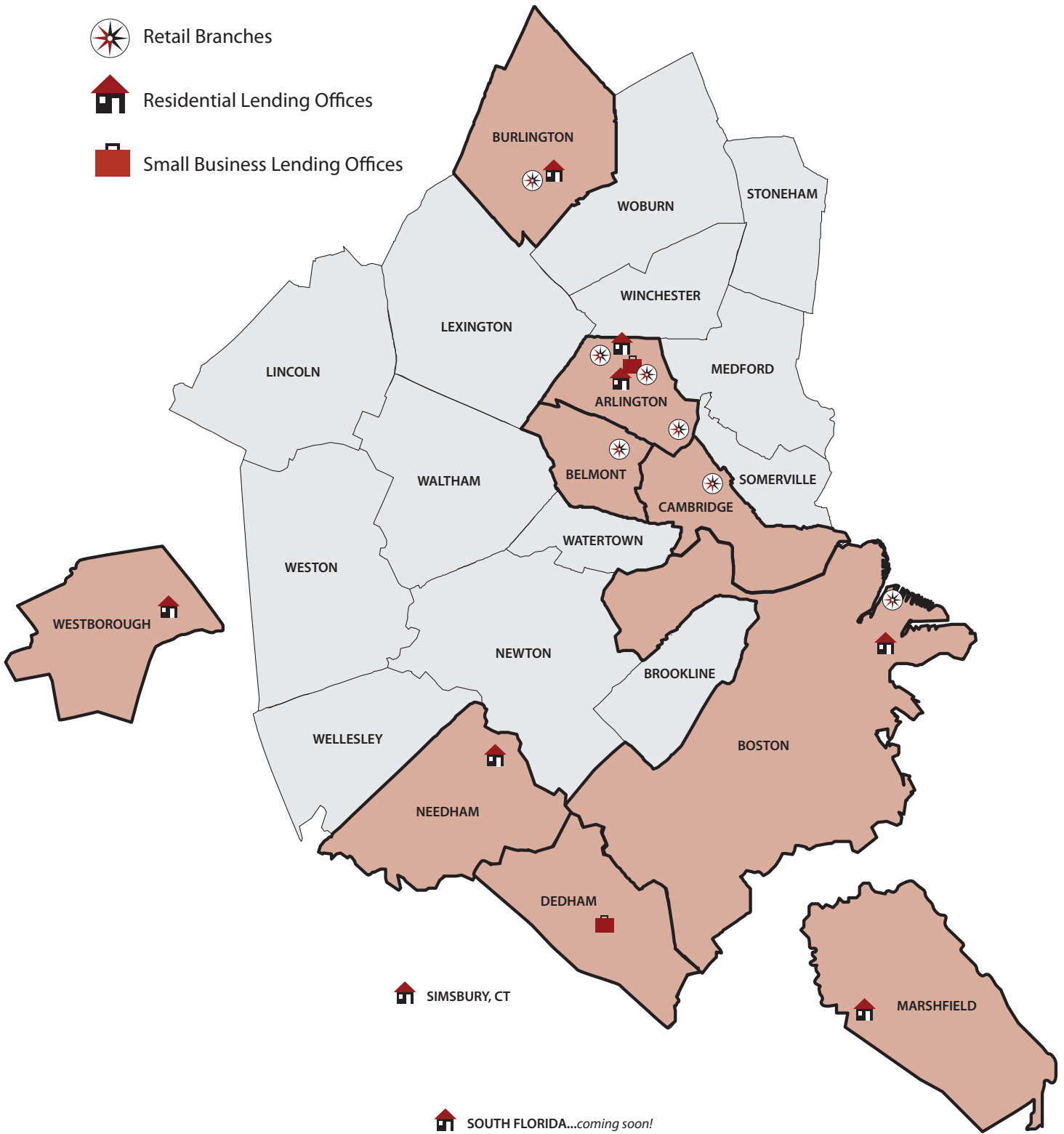
Massachusetts  
Bankers  
Association



 Retail Branches

 Residential Lending Offices

 Small Business Lending Offices



 SOUTH FLORIDA...coming soon!