





## Words from Leader Bank's Founders

"I first joined Sushil Tuli as a founder of Leader Bank in 2002 because he was an inspiring leader who moved me with his vision of building a bank that would make a difference to our community. At the time, community banks were starting to disappear, depriving our neighborhoods of local banks that understood their needs. I considered it a privilege to help create a new bank that would serve our local community, helping it to operate with the highest ethical standards, and providing a foundation for it to grow and succeed. I have watched Leader Bank bring that vision to fruition and thrive beyond my high expectations. I could not be prouder to be a founder of Leader Bank and look forward to being a part of many more years of its success."

- **Nitin Nohria**  
Founding Director

"I have had a front row seat to Leader Bank's entire success story, going back to when we first opened our doors with a handful of employees and big dreams. Having joined the Bank's board of directors to help bring much needed local banking services to the Greater Boston area, it has been gratifying to see everyone's hard work and dedication create the thriving institution that Leader Bank has become. I cannot wait to see what the next fifteen years bring!"

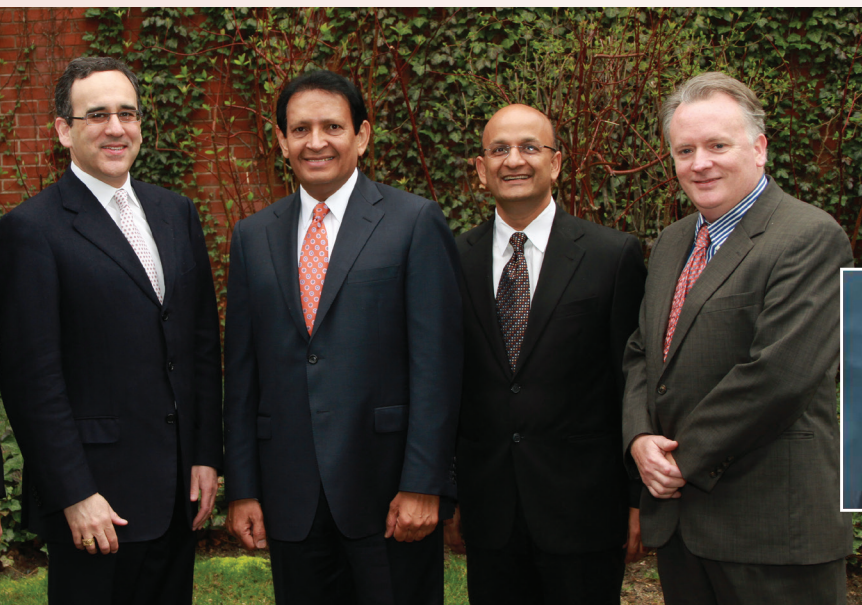
- **James McKenna, Esq.**  
Founding Director

"I have known Sushil Tuli and have been proud to count him as a friend for nearly forty years. When he first approached me to become one of the founding directors of Leader Bank, I eagerly accepted the opportunity. In Leader Bank, I saw the opportunity to serve populations that many other institutions had neglected, such as low and moderate income families and minority communities. During both my time as a director and in my years since as a customer and eager supporter of the Bank, Leader Bank consistently has shown that commitment to true community involvement, and has seen that dedication rewarded through its incredible growth and successes."

- **Dr. Donald Korb**  
Founding Director

"When my good friend Sushil Tuli founded Leader Bank, I said, 'I would like to help!' I became a founding director and investor because I believed in Sushil and the potential for a new community bank in Massachusetts – but I could never have predicted this level of success. As a \$1 billion institution after only fifteen short years, I continue to be amazed at how far Leader Bank has come while still holding on to its core values of sound banking, customer service, and community involvement. It has been my privilege to be a part of Leader Bank's accomplishments, and I know that our best is still ahead of us."

- **Eric Silverman**  
Founding Director



*Leader Bank Founders  
Eric Silverman, Sushil Tuli, Nitin Nohria,  
and James McKenna, Esq.  
Inset: Dr. Donald Korb*



# Chairman's Letter



Dear Shareholders, Customers, and Friends:

2017 marks yet another milestone in Leader Bank's history as we celebrate our fifteenth anniversary, with each year more successful than the last. Since we opened our doors in 2002, the banking industry has experienced incredible volatility and turmoil, but our dedication to building the Bank through community outreach, superior customer service, strong management, and sound business and lending practices has ensured Leader Bank's growth as many others have fallen away. I am proud to report that, yet again, Leader Bank has met or exceeded our goals for the past year.

Leader Bancorp had a record year in 2016, with net income of more than \$14.6 million, 15% higher than last year and representing a 1.35% return on average assets and 15.85% return on average equity. For the first time, Leader Bank ended the year with more than \$1 billion in assets, representing an 11.5% increase over 2015 and demonstrating the incredible growth from our initial asset base of \$6.5 million in 2002. The past year was also our most successful ever in our residential and consumer lending departments, who combined originated over \$3 billion dollars of loans, the most in a year since our founding. In doing so, Leader Bank ranked as the largest home purchase residential lender among banks in the state, the sixth largest residential lender in Massachusetts overall and the sixth largest SBA lender in the Commonwealth due to our ever-growing commercial presence. We also continue to expand our retail and commercial banking teams with a strong branch network and product offerings tailored to the needs of the community we serve. As a result, Leader Bank's deposits rose by nearly 18% last year to \$777.85 million.

This growth has made Leader Bank recognizable as one of the top community banks in the state and the country. The Boston Business Journal recently named Leader Bank as the most profitable Massachusetts-based bank in 2016 as a percentage of assets, outranking institutions of much greater size and longer histories. Financial Management Consulting Group also ranked Leader Bank as the overall top performing bank in Massachusetts for all of 2016, due to our strong return on assets and equity, high asset quality and impressive operating efficiency. As our continued "A" grade from Weiss Ratings and Five Star Rating from Bauer Financial, Inc. also show, Leader Bank truly deserves its place as one of the best financial institutions in all of the Commonwealth.

The past fifteen years have been remarkable for Leader Bank, but even more is to come. As we continue to prioritize innovation, it is not a matter of *if* but *when* Leader Bank will unveil its next product or service that revolutionizes the way our community banks. None of this could be accomplished without the loyal support of our customers, the guidance of our Board of Directors, and the dedication and work ethic of our incredible employees. Thanks to their efforts and the confidence of you, our valued shareholders, Leader Bank looks forward to remaining A Step Ahead.



Sushil K. Tuli, President & CEO



# Financial Highlights

## LEADER BANCORP, INC.

(IN THOUSANDS, EXCEPT ACCOUNTS)

<b>PERFORMANCE STATISTICS</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total Assets	\$1,084,462	\$973,560	\$845,694
Total Deposits	\$777,853	\$660,095	\$560,145
Total Equity	\$97,163	\$95,871	\$83,975
Total Net Loan Portfolio	\$873,877	\$768,421	\$648,491
Total Loans Closed	\$3,033,458	\$2,323,465	\$1,483,211
Deposit Accounts	17,379	16,007	14,306
<b>EARNINGS</b>			
Net Interest Income	\$32,416	\$27,506	\$21,999
Non-Interest Income	\$24,141	\$20,001	\$15,553
Non-Interest Expense	\$30,700	\$24,821	\$21,305
Income Before Taxes	\$24,749	\$21,512	\$14,799
Net Income	\$14,637	\$12,725	\$8,835
<b>RATIO</b>			
Return on Assets	1.35%	1.36%	1.17%
Return on Common Equity	15.85%	15.34%	13.28%
Net Interest Margin	3.15%	3.08%	3.04%
Efficiency Ratio	54.28%	52.82%	56.73%
<b>CAPITAL</b>			
Equity Capital to Assets	8.99%	9.82%	9.93%
Core Capital (leverage)	8.08%	9.24%	10.39%
Tier 1 Risk-based Capital	9.88%	11.12%	12.20%
Total Risk-based Capital	13.21%	14.75%	15.37%

### 2016 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	1.45%	1.00%	87
Return on Common Equity	14.30%	9.55%	89
Net Interest Margin	3.23%	3.59%	25
Non-Interest Income / Assets	2.22%	0.85%	94
Efficiency Ratio	53.28%	63.71%	86
<b>ASSET QUALITY METRICS</b>			
Net Loans / Assets	90.04%	69.62%	99
Non-Performing Loans / Total Loans	0.05%	0.73%	95
Net Loss / Total Loans	0.03%	0.10%	64
<b>GROWTH METRICS</b>			
Net Loans & Leases	13.52%	11.62%	66
Total Assets	11.71%	8.77%	73

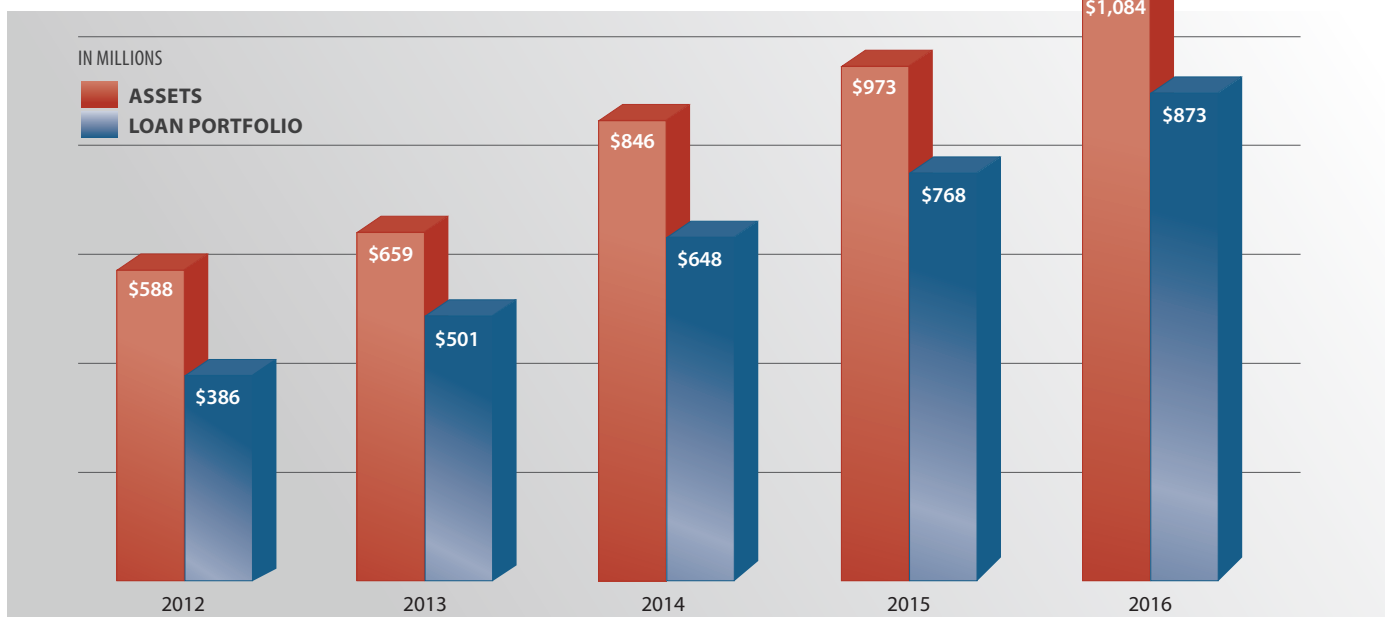
(1) Leader Bank metrics are for Leader Bank, N.A., not Leader Bancorp, Inc., and are based on average assets.  
Source: FDIC





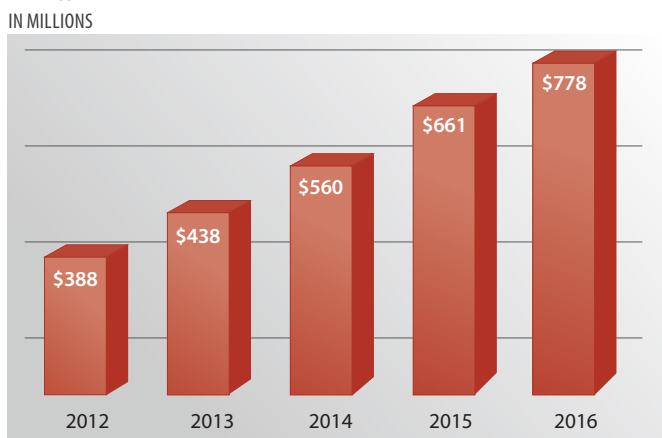
# Historical Growth

## Assets & Loan Portfolio



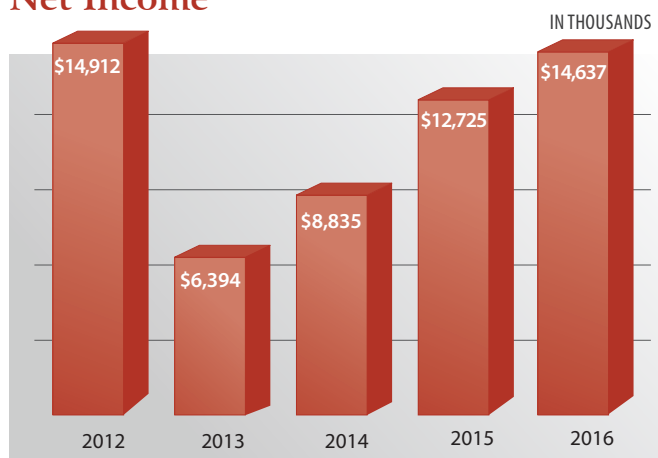
**Assets grew by \$111 million**, or 11.4%, ending the year at approximately \$1.084 billion. The increase was principally attributed to the growth in the Bank's residential and commercial loan portfolios. The total net loan portfolio grew by \$105 million, or 13.7%, in 2016.

## Deposit Balances



**Deposits grew by \$117 million**, or 17.7%, in 2016 and continue to grow. This growth is the result of the strength of the Leader Bank brand in our communities and our expansion into the Boston market, as well as innovations in technology, personal service and the flexibility to meet our customers' needs. In total, our deposits have more than doubled over the past five years.

## Net Income



**Net income increased by over \$1.9 million**, or 15%, in the past year. This increase was due to Leader Bank's presence as one of the top residential lenders in the state as well as continued growth of the Bank's net interest margin. Leader Bank's return on assets (ROA) was 1.45%, which according to the FDIC was better than 87% 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>2016</b>	<b>2015</b>	<b>2014</b>
Cash and due from banks	\$22,050	\$11,636	\$23,098
Interest-bearing deposits	27	5	34
<b>CASH AND CASH EQUIVALENTS</b>	<b>22,077</b>	<b>11,641</b>	<b>23,132</b>
Securities held to maturity, at amortized cost	10,579	44,659	47,817
Securities available for sale, at fair value	16,416	1,058	-
Restricted equity securities, at cost	11,603	12,086	10,925
Loans held for sale	101,854	93,849	81,721
Loans, net	873,877	768,421	648,491
Premises and equipment, net	17,177	13,639	10,620
Accrued interest receivable	2,850	2,813	2,124
Mortgage servicing rights	17,177	16,310	11,189
Goodwill	1,910	2,130	-
Other assets	8,641	6,894	9,675
<b>TOTAL ASSETS</b>	<b><u>\$1,084,462</u></b>	<b><u>\$973,227</u></b>	<b><u>\$845,694</u></b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
Deposits	\$777,853	\$660,095	\$560,145
Federal Home Loan Bank advances	170,227	180,731	167,953
Subordinated debt	22,912	22,899	15,887
Net deferred tax liability	2,098	2,853	2,920
Other liabilities	14,209	10,828	14,814
<b>TOTAL LIABILITIES</b>	<b>987,299</b>	<b>877,406</b>	<b>761,719</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 in 2015 and 2014	-	12,852	12,852
Common stock, \$0.50 par value 10,000,000 shares authorized:			
3,317,153 issued and 3,310,278 outstanding in 2016;			
3,311,528 issued and 3,279,625 outstanding in 2015;			
3,295,803 issued and 3,274,703 outstanding in 2014	1,659	1,656	1,648
Additional paid-in capital	22,056	21,584	21,335
Retained earnings	74,167	60,303	48,427
Accumulated other comprehensive income	(563)	7	-
Treasury shares (6,875, 31,903 and 21,100 shares at December 31, 2016, 2015 and 2014, respectively)	(156)	(531)	(287)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>97,163</b>	<b>95,871</b>	<b>83,975</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b><u>\$1,084,462</u></b>	<b><u>\$973,227</u></b>	<b><u>\$845,694</u></b>





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

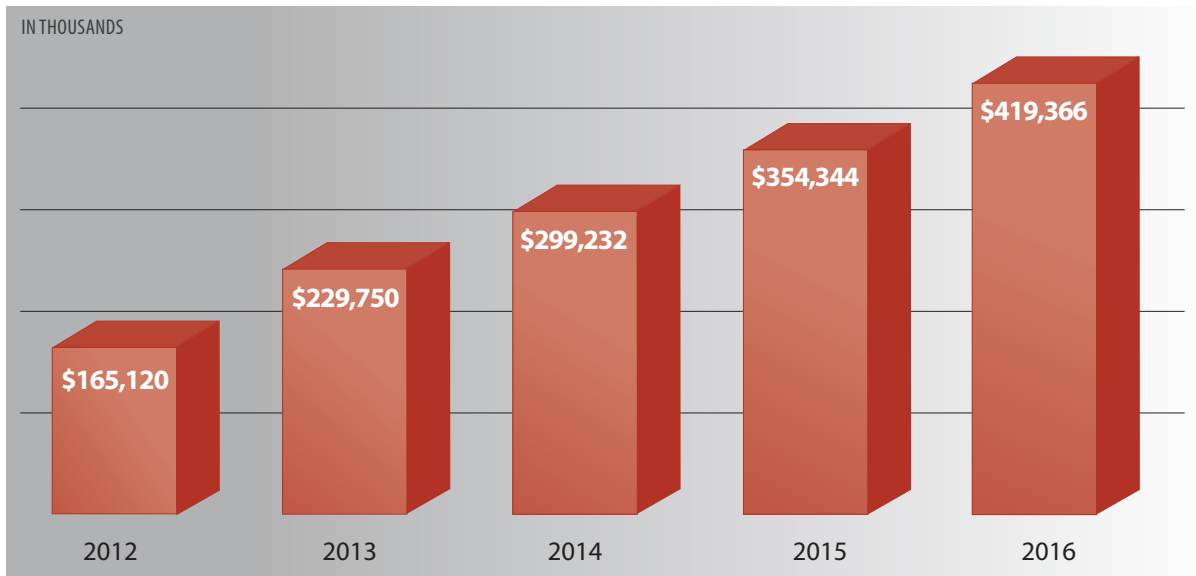
(IN THOUSANDS, YEARS ENDED DECEMBER 31)

	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>INTEREST AND DIVIDEND INCOME</b>			
Interest and fees on loans	\$41,042	\$34,631	\$27,717
Interest and dividends on securities and CDs	1,250	1,704	1,641
Interest on interest-bearing deposits	146	37	43
TOTAL INTEREST AND DIVIDEND INCOME	42,438	36,372	29,401
<b>INTEREST EXPENSE</b>			
Interest on deposits	5,843	4,984	4,210
Interest on Federal Home Loan Bank advances	2,915	2,804	2,360
Interest on subordinated debt	1,264	1,078	832
TOTAL INTEREST EXPENSE	10,022	8,866	7,402
<b>NET INTEREST INCOME</b>	32,416	27,506	21,999
Provision for loan losses	1,108	1,174	1,448
NET INTEREST INCOME, AFTER PROVISION FOR LOAN LOSSES	31,308	26,332	20,551
<b>NON-INTEREST INCOME</b>			
Net gain on sale of loans	23,583	18,574	13,270
Net loan servicing fees	(995)	504	1,625
Gain/loss on sale of securities (net)	182	-	(66)
Gain on sales of other real estate owned	54	-	-
Miscellaneous	1,317	923	724
TOTAL NON-INTEREST INCOME	24,141	20,001	15,553
<b>NON-INTEREST EXPENSE</b>			
Salaries and benefits	20,077	15,870	13,374
Occupancy and equipment	3,416	2,988	2,330
Professional services	1,940	1,725	1,223
Data processing	1,463	1,289	1,734
Advertising and marketing	715	561	433
FDIC insurance	505	428	354
Other general and administrative	2,584	1,960	1,857
TOTAL NON-INTEREST EXPENSE	30,700	24,821	21,305
Income before income taxes	24,749	21,512	14,799
Provision for income taxes	10,112	8,787	5,964
<b>NET INCOME</b>	<b><u>\$14,637</u></b>	<b><u>\$12,725</u></b>	<b><u>\$8,835</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 2016, Leader Bank closed over 170 new commercial real estate transactions, totaling nearly \$220 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 \$420 million, a greater than 18% increase from 2015. 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.

### 2016 HIGHLIGHTS

- New originations of nearly \$220 million
- Record high CRE portfolio balance of nearly \$420 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

<p><b>SOMERVILLE, MA</b></p> <p><b>\$19,155,000</b> CONSTRUCTION</p> <p>MIXED USE</p>	<p><b>ARLINGTON, MA</b></p> <p><b>\$2,200,000</b> REFINANCE</p> <p>APARTMENT BUILDING</p>	<p><b>ROXBURY, MA</b></p> <p><b>\$3,150,000</b> ACQUISITION/ RENOVATION</p> <p>RESIDENTIAL UNITS</p>	<p><b>SHREWSBURY, MA</b></p> <p><b>\$1,900,000</b> REFINANCE</p> <p>DAY CARE FACILITY</p>	<p><b>VERMONT</b></p> <p><b>\$9,950,000</b> CONSTRUCTION/ LINE OF CREDIT</p> <p>RESORT HOTEL</p>
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*Lisi Sesnovich, Director of Finance and Operations; Kathleen Cohen, President; Cheryl Glantz, Senior Vice President of Commercial Lending at Leader Bank; Heidi Carter Pearlson, Treasurer; Mallory Rome, Head of School*

## The Rashi School

### A LEADER IN QUALITY EDUCATION

The Rashi School is the Boston Area Reform Jewish Independent K-8 School. Founded in 1986, the School's mission is to provide a dynamic, child-centered, and academically excellent program that integrates rich secular and Jewish studies curricula and nurtures critical minds and compassionate hearts in its students. The Rashi School is committed to its core values: Ruach - Spirit, Kavod - Honor, Kehillah - Community, Tzedek - Justice, and Limud - Learning.

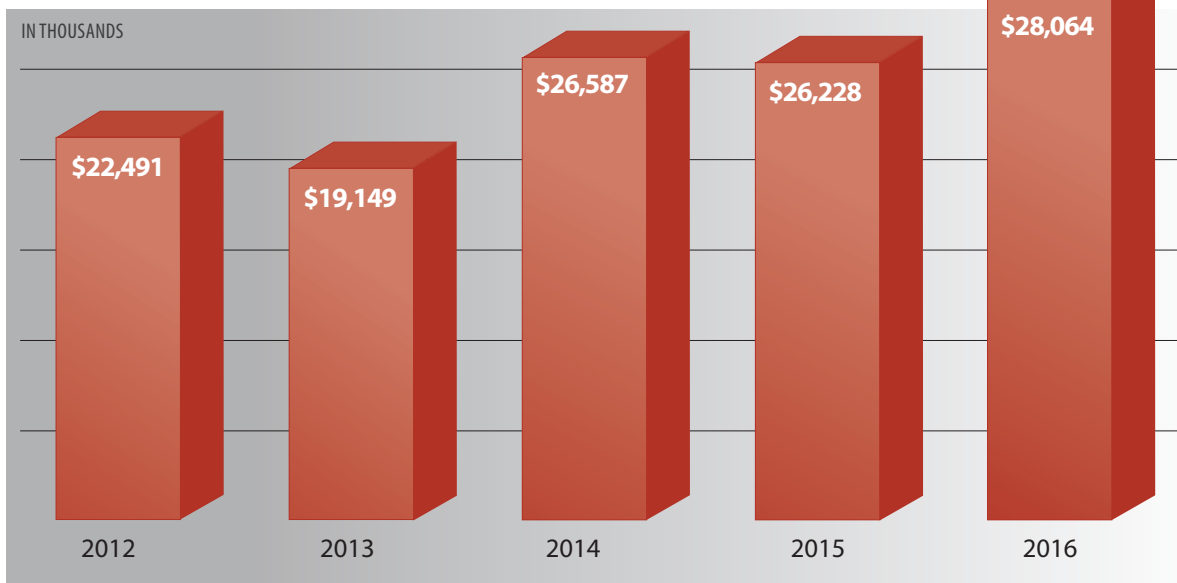
In 2016, the Rashi School began exploring new options to meet their financing needs. After being introduced by one of the Bank's longtime customers, the School met Leader Bank's Commercial Lending Group and was impressed by their commitment to aiding Rashi's continued growth. Through their partnership, Leader Bank was able to refinance the School's existing loans using tax exempt bonds through MassDevelopment and provide additional funding to meet Rashi's working capital needs.

"We are grateful to Leader Bank for its partnership in understanding Rashi's needs and providing this very favorable refinancing," said Mallory Rome, Head of The Rashi School. "The Bank has provided key support that will allow Rashi to redirect more funds annually toward supporting the School's core mission of combining outstanding academics and joyful learning, guided by Jewish values. We are proud to work with Leader Bank and its outstanding team of lenders."



# Small Business Lending

### Small Business Portfolio Balances



In 2016, Leader Bank continued to strengthen its commitment to small businesses in our local communities. The Bank closed 90 small business loan transactions in the past year, representing over \$7.3 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 2016 as the sixth 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 over \$48 million from the beginning of the Bank's participation in the program through the end of the year.

### 2016 HIGHLIGHTS

- *New originations of over \$7.3 million in committed lending*
- *Sixth largest SBA Lender in Massachusetts*
- *90 new small business loans*

### A sample of recent Small Business Lending Transactions

<b>SHREWSBURY, MA</b> <b>\$200,000</b> SBA EXPRESS LINE OF CREDIT <b>FOOD            MANUFACTURING</b>	<b>WAYLAND, MA</b> <b>\$100,000</b> SBA EXPRESS LINE OF CREDIT <b>LANDSCAPING</b>	<b>ALLSTON, MA</b> <b>\$50,000</b> SBA EXPRESS TERM LOAN <b>TOWING</b>	<b>BELMONT, MA</b> <b>\$39,000</b> SBA EXPRESS TERM LOAN <b>DRY            CLEANER</b>	<b>QUINCY, MA</b> <b>\$150,000</b> SBA EXPRESS TERM LOAN <b>CONVENIENCE            STORE</b>
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# DPA Ventures, Inc.

## A LEADER IN VIRTUAL WINDOW TECHNOLOGY

DPA Ventures, Inc. is a prime example of Boston's thriving technology sector. Through a partnership with Rensselaer Polytechnic Institute (RPI), DPA Ventures, Inc. produces high-quality LED technology making it possible to replicate natural light and a real-time view in any windowless space. With their NovoLux windows technology, any solid wall in a hospital, hotel or private home can become a real-time view of anywhere in the world.



The company is already selling these windows to hospitals, seeing positive results in patient satisfaction; shorter ICU stays and decreased dementia. The technology has also drawn significant interest from builders and architects, enabling natural light in interior rooms. After being introduced to Leader Bank, DPA Ventures, Inc. acquired an SBA term loan to hire staff and purchase equipment, and with an SBA line of credit they financed their working capital needs.

"As a small business, it was important for us to work with an experienced local SBA lender who understood our business and goals," said Pooja Devendran, DPA Ventures, Inc. Co-Founder and CEO. "Leader Bank's team helped us understand our financing options. Thanks to their outstanding service, we now have the flexibility to grow our company and expand the reach of our health-driving technology. We feel confident about scaling our business with Leader Bank as a partner by our side."

*Pooja Devendran, CEO and Dr. Kedar Gupta,  
Chairman of the Board at DPA Ventures, Inc.*







# Bananagrams, Inc.

## A LEADER IN FAMILY GAMES

Bananagrams, Inc. is a family-owned Rhode Island company behind a range of innovative tile games, including the international word game phenomenon BANANAGRAMS®. Currently available in more than 30 countries and in multiple languages, classic BANANAGRAMS has garnered millions of fans worldwide.

In order to meet the continued demand for their products, Bananagrams, Inc. began seeking a lending partner to provide additional working capital that would allow for broader distribution for their products in major retailers. Leader Bank's local lenders and array of flexible financing options provided the company with the very support they needed for their growth. As a result, Leader Bank provided Bananagrams, Inc. with a working line of credit in 2016, and the company has been able to reach even more customers across the entire country.

"Leader Bank has been an incredible partner for us," said Rena Nathanson, President and CEO of Bananagrams, Inc. "As we are a family-owned business, we wanted to work with a community bank that understood how important Bananagrams, Inc. is for us both personally and professionally. Leader Bank has taken the time to understand us as a company, and we could not be happier with our relationship with the entire commercial lending team."



*"As we are a family-owned business, we wanted to work with a community bank that understood how important Bananagrams, Inc. is for us both personally and professionally."*

*- Rena Nathanson, President & CEO*



Rena Nathanson, President & CEO of Bananagrams, Inc. with Matt Pierce, Senior Vice President of Commercial Lending at Leader Bank



# 2016 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 2016, Leader Bank was ranked #1 among banks in Massachusetts for purchase mortgages for single family homes and condos, and #2 for multi-family homes.

# BANKER & TRADESMAN

## Boston Business Journal: Most Profitable Bank in Massachusetts

Leader Bank has routinely been ranked among the most profitable banks, and in 2016 was named the most profitable in the state based on our 1.45% return on assets. The Bank's real estate loans grew by 14% last year, and both interest and non-interest income rose as well.



## Outstanding Community Involvement

Leader Bank received an "Outstanding" rating from the OCC for the Bank Community Development test under the Community Reinvestment Act. This rating recognizes the Bank's service with low and moderate income communities and organizations, and helps maintain the Bank's overall compliance with CRA.

## 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.





# *Celebrating Leader Bank's*



*Thank you*

Thank you to all of our customers for an amazing 15 years. It has been our honor to serve you and we look forward to many more years of success!



IN MILLIONS

\$1,100

\$1,000



**Central Square Branch** branch opens in Cambridge



East Arlington Branch participates in Capitol Square's **Feast of the East**

\$900

\$800

\$700

\$600

\$500

\$400

\$300

\$200

\$100



**East Arlington** branch opens



Leader Bank partners with the Arlington Chamber of Commerce to offer the **Shop Arlington First** program to support local businesses



**Arlington Center** branch opens



Leader Bank becomes an approved MassHousing Lender

2002

2003

2004

2005

2006

**May 2002: \$6.5 million assets \$6.9 million capital 7 employees**



**Inc.  
500**

Leader Bank named one of the Top 5000 Fastest Growing Private Companies in the country and Top 100 Businesses in Massachusetts



Leader Bank receives 5-Star Superior rating from BauerFinancial



**Arlington Patriots' Day Parade**  
Grand Sponsor for the Bank's 10th anniversary

**Belmont Branch & Burlington Loan Center**  
open for business



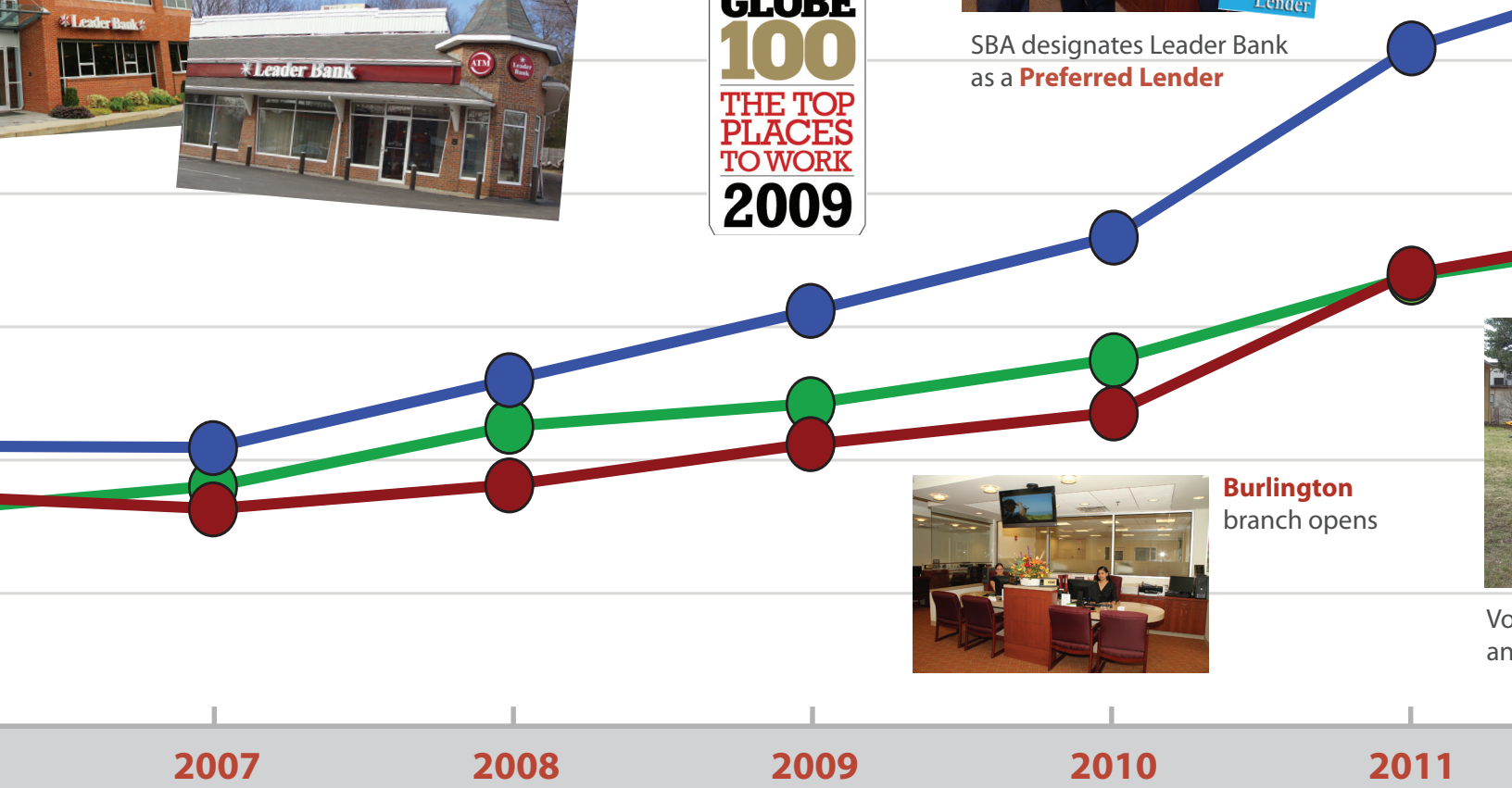
**Needham Loan Center**  
opens



SBA designates Leader Bank as a **Preferred Lender**



**Arlington**  
branch o



**Burlington**  
branch opens

● Deposits    ● Loans    ● Assets

**January 2017: \$1.2 billion**



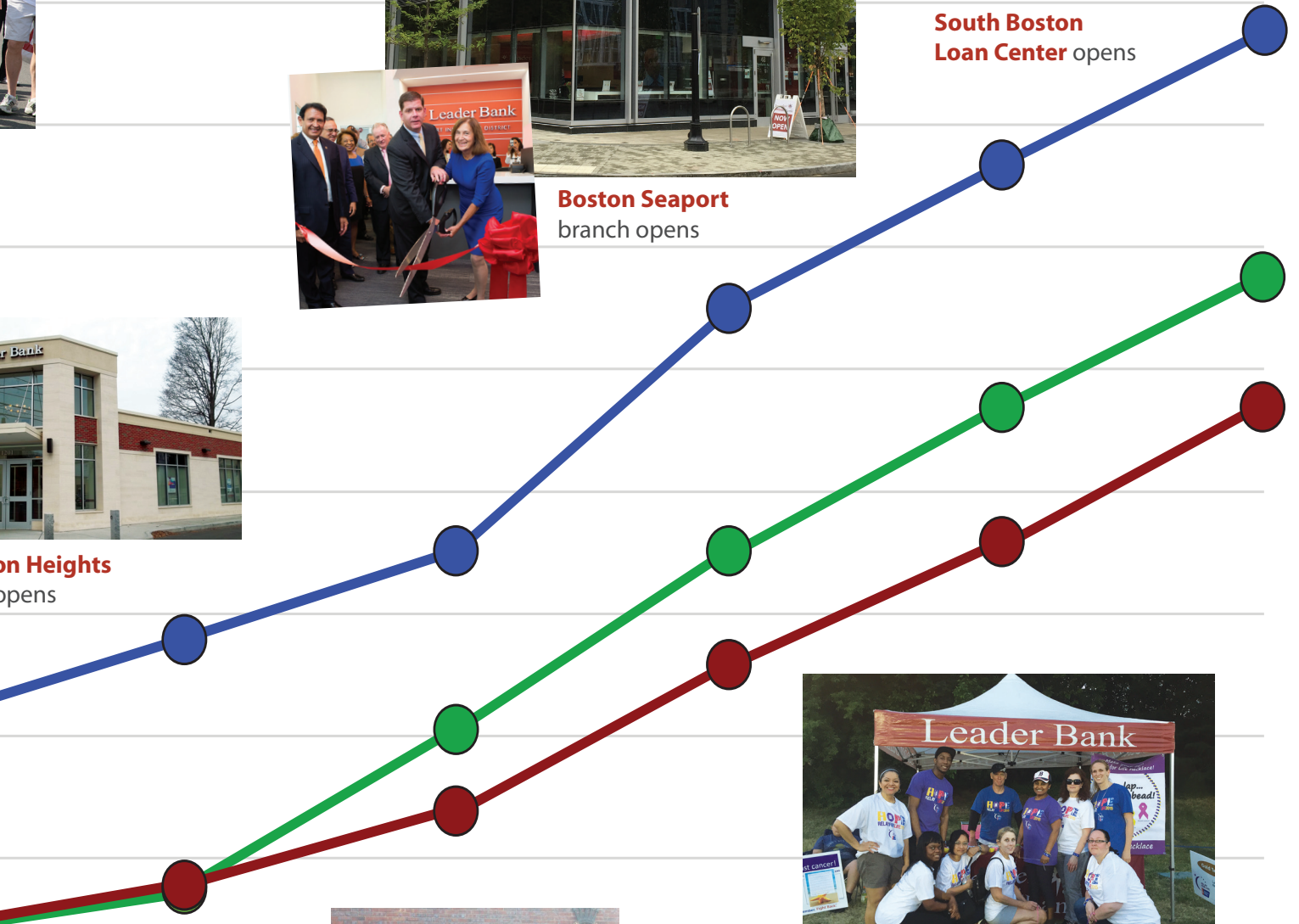


**Boston Seaport**  
branch opens

**South Boston**  
Loan Center opens



**South Boston Heights**  
branch opens



Leader Bank's Relay for Life team



Volunteering at HCA's Walk for Affordable Housing and the Cambridge Salvation Army



2012

2013

2014

2015

2016

**ion assets \$660 million deposits \$780 million net loans 250+ employees**



# 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 allow commercial customers to easily manage their financing and get them back to what they do best – running their business.

The Business Banking team at Leader Bank offers personalized service for our 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 our clients 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.

Our major focus in 2016 continued to be on our mobile and internet technologies. Leader Bank's eBusiness Banking platform offers a comprehensive, modular one-stop online account management system. eBusiness can be customized to meet the needs of the business, and includes access to tools like EasyDeposit, ACH origination, wire transfers, and much more. Leader Bank works closely with our commercial and business customers to explore the benefits of this platform and expand its functions to better match and serve their needs. When partnered with our competitive deposit products, our clients can better manage their finances and their businesses.

## Zeugma Featured Businesses

Leader Bank partners with local businesses to provide additional rewards to the Bank's Zeugma customers. Upon signing up as a "Featured Business," these neighborhood shops and restaurants provide 5% to 10% cash back to customers who use their Zeugma debit card at that establishment. This provides additional benefits to our Zeugma program and value to local participants through increased advertising and promotion.

## ACH Manager

Leader Bank's "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 their individual needs.

## Business Cash Back

In 2016, Leader Bank saw substantial growth in its newest business checking product. "Business Cash Back" 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

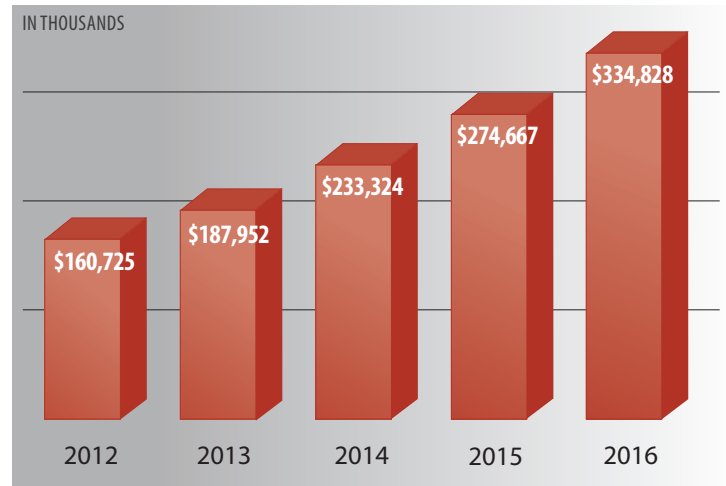
**Marc Romvos**, *Director of Business Banking*

**Paul Mitchell**, *VP, Business Banking Officer*

**Sumit Dhankhar**, *AVP, Business Development*

**Christopher Rodriguez**, *Business Banking Operations Specialist*

## Business Account Balances







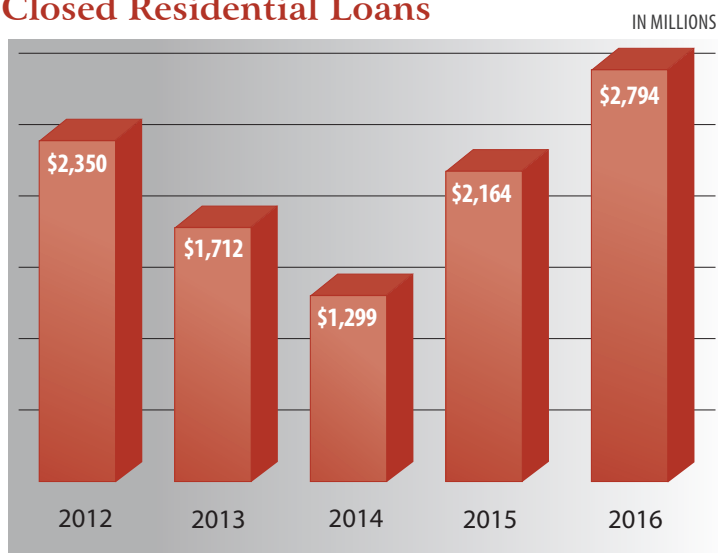
# Residential Lending

## Leader Bank Educates Homebuyers

In 2016, Leader Bank and its loan officers continued to keep prospective homeowners a step ahead by hosting a complimentary home buyer's seminar for Massachusetts residents. Working with customers with an array of backgrounds and incomes, Leader Bank attempted to demystify the home buying experience and answer any questions from those looking to share in the American Dream of home ownership.



## Closed Residential Loans



## 2016 HIGHLIGHTS

*Our dedicated and growing team of loan officers closed nearly \$2.8 billion in new residential loans and home equity lines of credit in 2016, making Leader Bank the sixth largest residential mortgage lender and the largest bank lender for home purchases in 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**, Vice President

### South Boston Team

**Matthew McCarthy**, Sales Manager

### Connecticut Team

**Daniel Rosenfeld**, Vice President

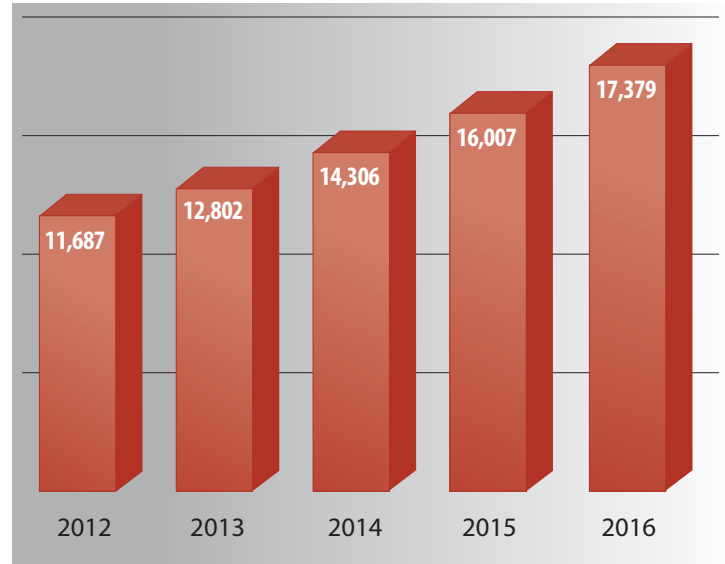


# Retail Banking

2016 marked yet another banner year for Leader Bank's retail banking network. Thanks to a continued emphasis on technology and renowned customer service, the retail team saw an increase of \$121 million in core deposits.

Our Zeugma program continued to thrive in 2016 with 1,867 checking accounts and 1,547 savings accounts opened since the product launch just a few years ago. The Bank's total core deposits for this product since starting the Zeugma program is now \$58.5 million backed by a savings interest rate that is one of the best on the market.

## Total Accounts



## Online Account Opening

In May of 2016, Leader Bank issued major updates to our online account opening platform. For example, our customers can now submit applications online with the use of eSignatures, making the online account opening process seamless. As a result, our customers saw increased efficiency and reduced paperwork when opening new accounts.



## In the Community

Our retail banking team continued to engage the community by taking part in a number of events in 2016. We sponsored many local causes and hosted events throughout the year as a way to give back to our neighbors and thank our customers.

Our Arlington branches continued to play a large role in the Arlington Patriots' Day Parade, marching, hosting a booth in front of our Arlington Center location and providing entertainment in front of Leader Plaza. The Seaport Innovation District branch hosted a BBQ in celebration of its one year anniversary where we encouraged the neighborhood to come out and celebrate with our branch staff.

Central Square too had an anniversary in 2016 when they celebrated their 10th anniversary with a spin the wheel prize giveaway and refreshments at the branch to recognize the customers who helped make the past ten years extraordinary. Our Burlington location continued to host business networking events for local small businesses, and our annual Belmont BBQ provided our staff a key opportunity to mingle with our customers and embrace our community.



# New Products & Technology

In 2016, Leader Bank continued its technology initiative across all branches and departments. In doing so, numerous products were introduced throughout our branches to make the customer banking experience easier than ever.



## EMV Chip Cards

Last year, we debuted Leader Bank debit cards with EMV “Chip” enabled technology, allowing us to increase customer security and reduce the overall risk of fraud. EMV cards are now sent automatically to customers when their debit cards expire or upon request.

## EZ Escrow

In the past year, we began to hear from our landlord customers who craved a product capable of managing the security deposits of their tenants. As a result, we developed EZ Escrow, a Massachusetts compliant security deposit savings account. EZ Escrow is capable of automatically sending interest and payments to tenants each year with built-in IRS reporting. Thanks to EZ Escrow, landlords and tenants know their security deposits are in good hands with Leader Bank.

## Mobile App Improvements

As our customers’ desire for mobile solutions increases, so do the capabilities of our mobile platform. In 2016, ease of access became a focal point of our development. We introduced the option to instantly view balances without logging into the app, redesigned the app to make the user experience more intuitive and added a “What’s New” notification system to explain every new feature to our customers along the way.

## ZRent

Since the launch of ZRent in 2015, the product has continued to grow. In 2016, an emphasis was placed on making the customer experience one of a kind. We integrated a responsive design capable of adjusting to fit any size computer monitor or handheld device. We also added functionality to meet the growing need for condominiums. Now, condo associations can utilize ZRent to reap the benefits many of our traditional landlords have seen, making their condos more marketable to their current and prospective owners. Finally, ZRent can now accept miscellaneous payments, which allow tenants to make payments at any point in the month for items such as parking, trash collection and late fees.

## HELOC Debit Cards

In an effort to ease the way our HELOC customers access funds, we debuted HELOC debit cards. Now our clients can draw their line on their own terms, making advances easier than ever.

## Android Pay™

After the successful launch of Apple Pay® last year, 2016 saw the introduction of Android Pay. Android Pay allows Android customers to add their Leader Bank Visa debit card to Android devices allowing single touch payments on Android compatible devices.





# Community Commitment

## A selection of organizations supported by Leader Bank in 2016:

Adopt A Student Foundation  
Arlington Boys & Girls Club  
Arlington Education Foundation  
Arlington Food Pantry  
Arlington Youth Baseball & Softball Assoc.  
Brackett Library  
Braintree Rotary Foundation  
Brockton Boys & Girls Club  
Cambridge Girls Softball  
Cambridge Health Alliance  
Cambridge Historical Society  
Cambridge Housing Assistance Fund  
Cambridge Salvation Army  
Cambridge YWCA  
Citizens' Housing and Planning Association  
City of Boston - Boston Shines  
Community Servings  
Fidelity House  
Food for Education  
Foundation for Belmont Education  
Friends of the Arlington Council on Aging  
Guidance Center  
Housing Corporation of Arlington  
Malden YWCA  
Margaret Fuller Neighborhood House  
Medford Community Housing  
Metro Boston Housing Partnership  
Mystic River Watershed Association  
NEMLEC Police Foundation  
New Covenant School  
Pan Mass Challenge  
Salvation Army  
Somerville Homeless Coalition  
S. Boston Neighborhood Development Corp  
The Children's Room  
Vision Aid

Leader Bank strives to help its local communities by being a good corporate citizen, donating over \$85,000 and actively participating in area charities and events in 2016. Some of our donations and activities include:

## Housing Corporation of Arlington

In 2016, 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.

## Financial Education for Low and Moderate Income Families

Leader Bank gave both its time and money last year towards helping educate our most vulnerable communities on sound financial practices and the home buying process. Leader Bank donated thousands of dollars to community housing organizations across the state to help fund these seminars, and hosted or taught dozens of classes throughout Massachusetts.



## Investing in Our Youth

Leader Bank values the opportunity to help area students and other youth groups in a variety of ways. The Bank donated to multiple schools in 2016, from the New Covenant School to Arlington Catholic to Cambridge Montessori, providing funds for extracurricular activities, tuition assistance and other key areas. Leader Bank also sponsored a pair of worthy Somerville High School graduates with scholarships to help finance their higher education aspirations, and worked with several Boys & Girls Clubs in the area to provide much needed services to students.



# 2016 Highlights



## Leadership in Residential Lending

Leader Bank's continued emphasis on offering our borrowers a wide array of products at competitive rates again made Leader Bank one of the top performing banks in Massachusetts. In 2016, our residential lending team closed nearly \$2.8 billion in residential mortgage loans and home equity lines of credit, making Leader Bank the largest home purchase lender among banks in the Commonwealth. Our focus on home purchase loans coupled with a robust refinance market ensured that 2016 was our residential lending department's best year yet. Nevertheless, there is still more to come as Leader Bank's commitment to developing the most borrower friendly platform has continued to attract some of the state's top originators.



## Sustained Growth in Commercial Lending

Leader Bank's commercial and small business lending team has continued its rapid growth and expansion. In 2016, the commercial lending team originated 285 new loans, representing almost \$240 million of committed lending in Massachusetts and beyond, a nearly 50% increase from the previous year. Our focus on lending in our community and the surrounding areas has made Leader Bank the sixth largest SBA lender in the Commonwealth.



## Retail Banking Expansion

Leader Bank's retail team continued its growth by placing an emphasis on technology and the needs of business owners in our community. As a result, deposits grew by over \$115 million in 2016. Our success can be attributed to each of our branches who continue to play a vital role in not only Leader Bank's growth, but the everyday lives of our customer base.

## A Look Ahead to 2017

As Leader Bank looks to 2017, we embrace the challenges that come with success and move towards new goals, including:

### Fifteen Years and Counting

As we approach our 15 year anniversary there is plenty to be grateful for — from the rapid growth of the bank, to our consistent recognition from groups such as BauerFinancial, Inc. and Weiss Ratings, to our ever growing employee and technology base. In 2017, we will continue to strive for excellence across all standards of evaluation.

### Expansion of our Low to Moderate Income Programs

As the top bank home purchase lender in the Commonwealth, it's important to place an emphasis on helping the underserved. In 2017, Leader Bank's residential lending team is dedicated to offering a wide variety of products and community trainings dedicated to helping those hoping to make their dream of homeownership a reality.

### Continued Focus on Commercial and Small Business Lending

After expanding our commercial and small business lending in 2016, we will continue to put an emphasis on finding new and unique ways to assist our commercial and small business clients within our community.



## 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.

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

**John A. Fanciullo**, Leader Bank's Executive Vice President and Chief Operating Officer, joined Leader Bank in 2006. Mr. Fanciullo is responsible for 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.

**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.

### Most Profitable Bank in Massachusetts in 2016

#### Customer Reaction

*"Congratulations Sushil to you . . . and your entire team. You deserve the title because you offer the best service the kindest attitudes and a first-class operation. I was blessed the day you walked into my office and asked me for my business. Now I ask others to be your clients and experience [what] first-class service and authenticity is all about."*

*- Paul Iantosca*





# 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.



**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.



**Peter Conrad**

is the retired President and Chief Executive Officer of The Cooperative Central Bank in Boston, where he oversaw the insuring of state chartered cooperative banks and monitored institutions in times of financial crisis.



**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.



**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.



**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.



**Rajiv Lal, Ph.D.**

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



**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.

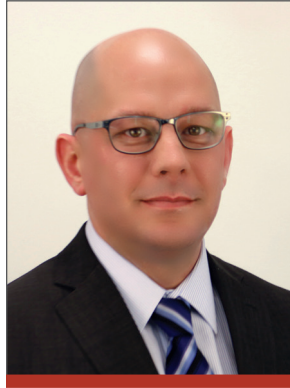


# Leader Bank Officers

## Bank Operations



**Brook Ames, Esq.**  
General Counsel



**Brad Kirlin**  
Chief Technology Officer

- Darryl Caffee** Assistant Vice President, Associate Counsel
- Patrick Cucinotta** Assistant Vice President, Controller
- Antonette Davis** Vice President, Loan Servicing
- Munaf Ghaswala** Assistant Vice President, Loan Servicing
- Donna Haynes** Vice President, Community Development Officer
- Kenneth Masterson** Vice President, Servicing
- Starry Poe** Assistant Vice President, Human Resources & Training
- Nancy Ruderman** Assistant Vice President, Loan Servicing
- Bret Schofield** Vice President, Security & Facilities
- John Vaudo** Assistant Vice President, Information Technology
- Anosh Zaveri** Assistant Vice President, Information Technology

## Retail Banking, Deposit Operations & Product Development



**Jay Tuli**  
Senior Vice President, Retail Banking

- Mackenzie Bigelow** Assistant Vice President, Branch Manager
- Tripti Das** Vice President, Branch Manager
- Artur Nergaryan** Assistant Vice President, Branch Manager
- Doreen O'Hare** Assistant Vice President, Branch Manager
- Mark Orent** Vice President, District Manager
- Savourn Ouk-Fernandes** Vice President, District Manager
- Liza Pero** Vice President, Deposit Operations
- Vengatchary Ragounadane** Director of Software Development
- Asrate Sahlu** Assistant Vice President, Branch Manager
- Jessica Shaffer** Vice President, Product Development





## Commercial Lending & Business Banking



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



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

**Lorena Castellanos** Assistant Vice President,  
Credit Administration

**Sumit Dhankhar** Assistant Vice President,  
Business Development

**Mark Haroutunian** Vice President,  
Commercial Credit Manager

**Kathleen Kelly** Vice President,  
SBA Relationship Manager

**Paul Mitchell** Vice President,  
Business Development

**Debbie Orloff** Vice President, Commercial  
Real Estate Lending

**Marc Romvos** Director of Business Banking

## Residential Lending



**Alex Clarke**  
Vice President,  
Residential Lending  
Operations



**James Madigan**  
Senior Vice President,  
Underwriting Risk  
Management

**Mohammad Alam** Vice President,  
Residential Underwriting

**Dori Alexandropoulos** Assistant Vice President,  
Appraisal Manager

**Robin Brown** Vice President,  
Residential Underwriting

**Thomas Driscoll** Vice President,  
Institutional Relations

**Gregor Farber** Vice President,  
Quality Control Manager

**Deepak Garg** Assistant Vice President,  
Closing Manager

**Kyong Gerlach** Assistant Vice President,  
Senior Underwriter

**Cynthia Jackson** Assistant Vice President,  
Senior Underwriter

**Pranay Jhanjhari** Assistant Vice President,  
Secondary Market Manager

**Rebecca Kendall** Vice President,  
Mortgage Operations

**David Kurzman** Vice President,  
Sales Manager

**Priyanka Patel** Assistant Vice President,  
Closing Manager

**James Shanahan** Vice President,  
Sales Manager

**Vanishree Singh** Vice President, Residential  
Underwriting



**Patrick Sylvester**  
Vice President,  
Secondary Markets &  
Investor Relations



**Sean Valiton**  
Vice President,  
Sales & New Markets



# Locations

## Corporate Headquarters

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

## Arlington Center Branch

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

### Asrate Sahlu

*Assistant Vice President, Branch Manager*  
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

## Belmont Branch

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

### Artur Nergaryan

*Assistant Vice President, Branch Manager*  
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

## Central Square Branch

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

### Mark Orent

*Vice President, District Manager*  
markorent@leaderbank.com

## Seaport Innovation District Branch

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

### Savy Ouk-Fernandes

*Vice President, District Manager*  
sfernandes@leaderbank.com







# 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, Connecticut, and Florida.

## 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.

## 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

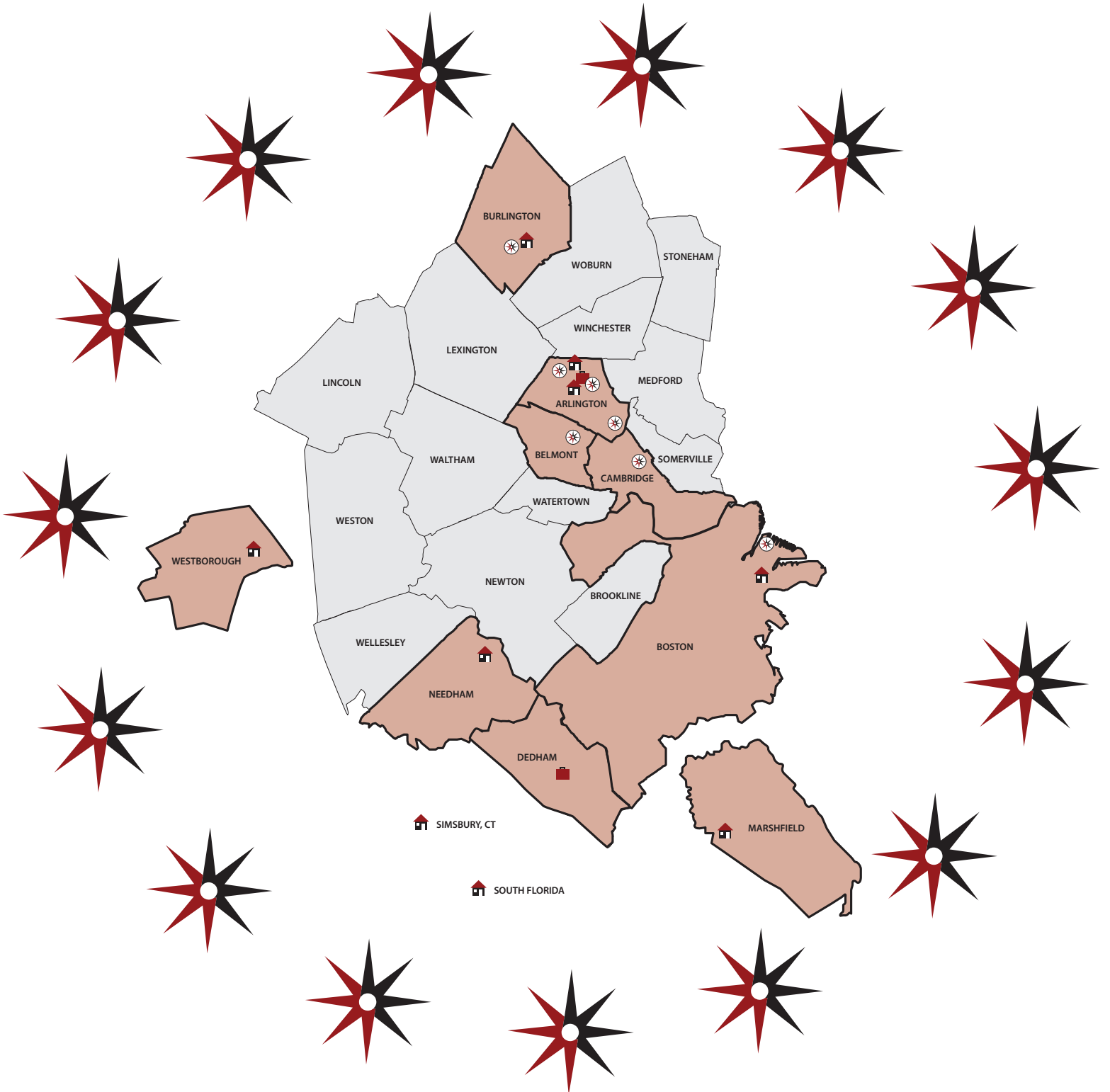
- To create a bank that gives shareholders pride in their investment
- To always operate with the highest level of ethics, corporate governance, and transparency
- To develop and execute strategies designed to create strong growth and profitability



American Bankers Association



# 15 years of growth in Massachusetts and beyond!



 2 Small Business Lending Offices

 7 Retail Branches

 9 Residential Lending Offices ...and still growing!