

Z *deposit*

Z eugma

Z *rent*



2017 ANNUAL REPORT

Z *deposit*

Z eugma

Z *rent*



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 for individuals as well as businesses, including innovative deposit accounts and online offerings, such as its Zeugma Reward accounts and ZRent and ZDeposit platforms. 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, 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 by 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 Named One of the Top Charitable Contributors in Massachusetts by Boston Business Journal



Leader Bank received a 2017 Corporate Citizenship Award, recognizing the Bank as one of the largest charitable contributors in Massachusetts. Sushil Tuli and other Bank officers were proud to attend a reception at Fenway Park to honor award recipients. The Boston Business Journal recognized Leader Bank for donating over \$150,000 in donations and in-kind contributions to a host of Massachusetts charities in 2016, and Leader Bank's employees and officers also volunteered well over 1,500 hours of their time to various non-profit organizations.

The 12th Annual Corporate Citizenship Awards recognized businesses and organizations who have donated at least \$100,000 to charitable organizations in the previous year. Leader Bank's contributions addressed a variety of needs, including financial education, support for affordable housing, and donations to key civic organizations.



Chairman's Letter



Dear Shareholders, Customers, and Friends:

As we enter yet another chapter in Leader Bank's remarkable history, 2017 allowed us the opportunity to reflect on the Bank's successes as we celebrated our fifteenth anniversary throughout the year. Our celebrations with employees, customers, and the communities we serve impressed upon me how much Leader Bank has grown and become an integral part of the community banking landscape in such a short period of time. Despite the pressures of a rising rate environment on residential lending across the country and the robust competition for commercial lending and deposit customers, I am confident that the best is yet to come for Leader Bank, and look forward to the challenges that 2018 shall bring.

Leader Bancorp had another very successful year in 2017, with net income of more than \$14.4 million, representing a 1.25% return on average assets and a 13.89% return on average equity. We again experienced growth beyond our own projections in 2017, ending the year with \$1.22 billion in assets, a 12.5% increase over 2016. The past year was also a successful one for both our residential and consumer lending departments, who combined to originate over \$2 billion of loans while increasing our net interest margin in an era when many competitors are slashing rates to fund growth. Thanks to these efforts, Leader Bank ranked as the largest home purchase lender among banks in Massachusetts, the seventh largest residential lender in the state overall, and the sixth largest SBA lender in the Commonwealth due to our ever-growing commercial presence. We continue to expand our retail and commercial banking teams with a strong branch network and product offerings tailored to the needs of our communities. As a result, Leader Bank's deposits have risen by more than 15% to \$894.6 million.

This strong performance continues to rank Leader Bank as one of the top community banks in the state and the country. Inc. Magazine recently named Leader Bank to its Honor Roll, marking the eighth time that the Bank has placed as one of the 5,000 fastest growing companies in the country. We have maintained an "A" rating from Weiss Ratings and Five Star Rating from BauerFinancial, Inc. for nearly a full decade, showing the consistency of our performance and growth. However, I am perhaps most proud that Leader Bank was recognized as one of the most charitable contributors in all of Massachusetts, receiving a 2017 Corporate Citizenship Award from the Boston Business Journal.

None of what Leader Bank has accomplished in the last year, and what we know we will accomplish in 2018, would be possible without the guidance of our Board of Directors, the support of our valued customers, and the dedication of our incredible employees. We ask that you actively support your investment by placing your business with our Bank and referring others at every opportunity. Let's keep working together to ensure Leader Bank remains A Step Ahead.

Sushil K. Tuli, President & CEO



Financial Highlights

LEADER BANCORP, INC.

(IN THOUSANDS, EXCEPT ACCOUNTS)

PERFORMANCE STATISTICS	2017	2016	2015
Total Assets	\$1,220,148	\$1,084,462	\$973,560
Total Deposits	\$894,569	\$777,853	\$660,095
Total Equity	\$111,038	\$97,163	\$95,871
Total Net Loan Portfolio	\$1,037,873	\$873,877	\$768,421
Total Loans Closed	\$2,048,440	\$3,033,458	\$2,323,465
Deposit Accounts	18,814	17,379	16,007
EARNINGS			
Net Interest Income	\$35,876	\$32,416	\$27,506
Non-Interest Income	\$21,911	\$24,141	\$20,001
Non-Interest Expense	\$33,396	\$30,700	\$24,821
Income Before Taxes	\$23,371	\$24,749	\$21,512
Net Income	\$14,412	\$14,637	\$12,725
RATIO			
Return on Average Assets	1.25%	1.35%	1.36%
Return on Average Equity	13.89%	15.85%	15.34%
Net Interest Margin	3.24%	3.15%	3.08%
Efficiency Ratio	57.59%	54.28%	52.82%
CAPITAL			
Equity Capital to Assets	9.11%	8.99%	9.82%
Core Capital (leverage)	9.02%	8.08%	9.24%
Tier 1 Risk-based Capital	11.26%	9.88%	11.12%
Total Risk-based Capital	15.79%	13.21%	14.75%

2017 Peer Group Comparative Performance

PERFORMANCE METRICS	LEADER BANK ⁽¹⁾	PEER GROUP AVERAGE	LEADER BANK PERCENTILE RANK
Return on Assets	1.39%	0.98%	84
Return on Common Equity	12.41%	9.27%	79
Net Interest Margin	3.38%	3.68%	26
Non-Interest Income / Assets	1.87%	0.86%	91
Efficiency Ratio	56.57%	62.07%	73
ASSET QUALITY METRICS			
Net Loans / Assets	90.03%	70.70%	98
Non-Performing Loans / Total Loans	0.02%	0.66%	96
Net Loss / Total Loans	0.00%	0.11%	84
GROWTH METRICS			
Net Loans & Leases	12.04%	11.81%	62
Total Assets	12.04%	9.52%	72

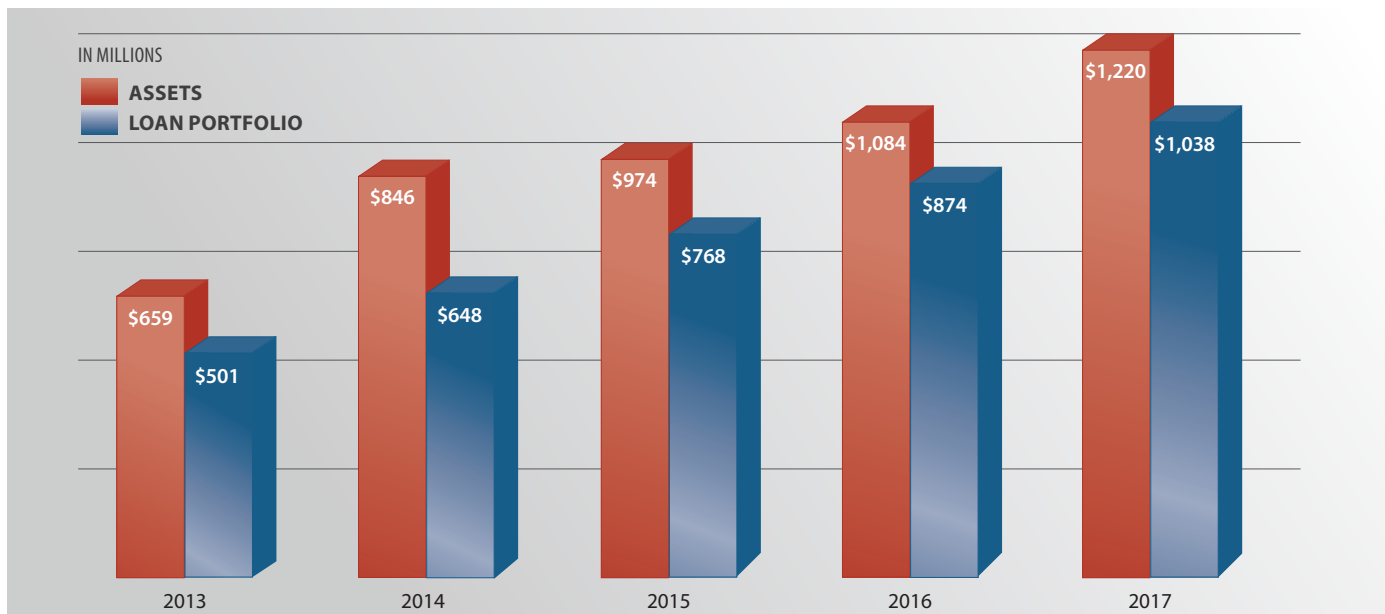
(1) Leader Bank metrics are for Leader Bank, N.A., not Leader Bancorp, Inc., and are based on average assets.

Source: FDIC as of April 4, 2018



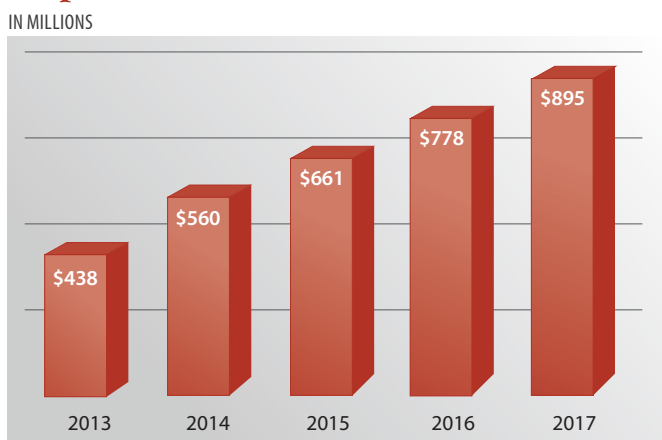
Historical Growth

Assets & Loan Portfolio



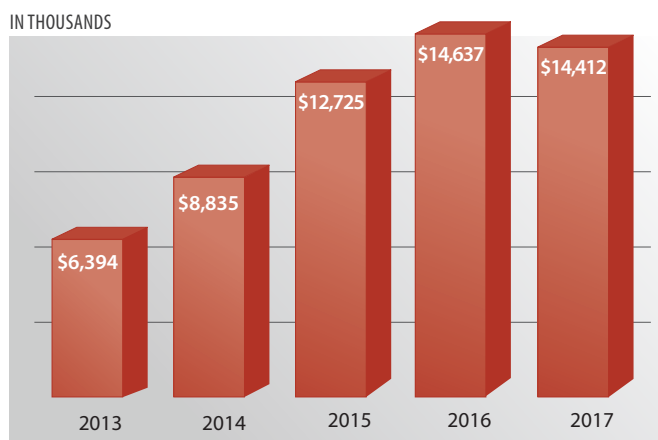
Assets grew by nearly \$136 million, or 12.5%, ending the year at approximately \$1.22 billion. The increase was principally attributed to the growth in the Bank's residential and commercial loan portfolios. The total net loan portfolio grew by \$164 million, or 18.8%, in 2017.

Deposit Balances



Deposits grew by \$117 million, or 15%, in the past year and continue to grow. This growth is the result of the strength of the Leader Bank brand in our communities, 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 remained steady at \$14,412 in 2017, due to the continued strength of the Bank's home purchase lending in the face of an industry-wide reduction in refinancing. Leader Bank's return on assets (ROA) was 1.39%, which according to the FDIC was better than 84% of the Bank's peers across the country.



Financial Statements

LEADER BANCORP, INC. CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, YEARS ENDED DECEMBER 31)

ASSETS	2017	2016	2015
Cash and due from banks	\$31,359	\$22,050	\$11,636
Interest-bearing deposits	22	27	5
CASH AND CASH EQUIVALENTS	31,381	22,077	11,641
Securities held to maturity, at amortized cost	9,366	10,579	44,659
Securities available for sale, at fair value	31,526	16,416	1,058
Restricted equity securities, at cost	11,528	11,603	12,086
Loans held for sale	60,473	101,854	93,849
Loans, net	1,037,873	873,877	768,421
Premises and equipment, net	17,286	17,478	13,639
Accrued interest receivable	3,819	2,850	2,813
Mortgage servicing rights	8,399	17,177	16,310
Goodwill	1,689	1,910	2,130
Other assets	6,808	8,641	6,671
TOTAL ASSETS	<u>\$1,220,148</u>	<u>\$1,084,462</u>	<u>\$973,277</u>
LIABILITIES & STOCKHOLDERS' EQUITY			
Deposits	\$894,569	\$777,853	\$660,095
Federal Home Loan Bank advances	166,877	170,227	180,731
Subordinated debt	35,424	22,912	22,899
Net deferred tax liability	755	2,098	2,853
Other liabilities	11,485	14,209	10,828
TOTAL LIABILITIES	1,109,110	987,299	877,406
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	-	-	12,852
Common stock, \$0.50 par value 10,000,000 shares authorized:			
3,322,340 issued and outstanding in 2017;			
3,317,153 issued and 3,310,278 outstanding in 2016;			
3,311,528 issued and 3,279,625 outstanding in 2015	1,662	1,659	1,656
Additional paid-in capital	22,199	22,056	21,584
Retained earnings	87,848	74,167	60,303
Accumulated other comprehensive income	(671)	(563)	7
Treasury shares (6,875 and 31,903 shares at December 31, 2016 and 2015, respectively)	-	(156)	(531)
TOTAL STOCKHOLDERS' EQUITY	111,038	97,163	95,871
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$1,220,148</u>	<u>\$1,084,462</u>	<u>\$973,277</u>



LEADER BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME

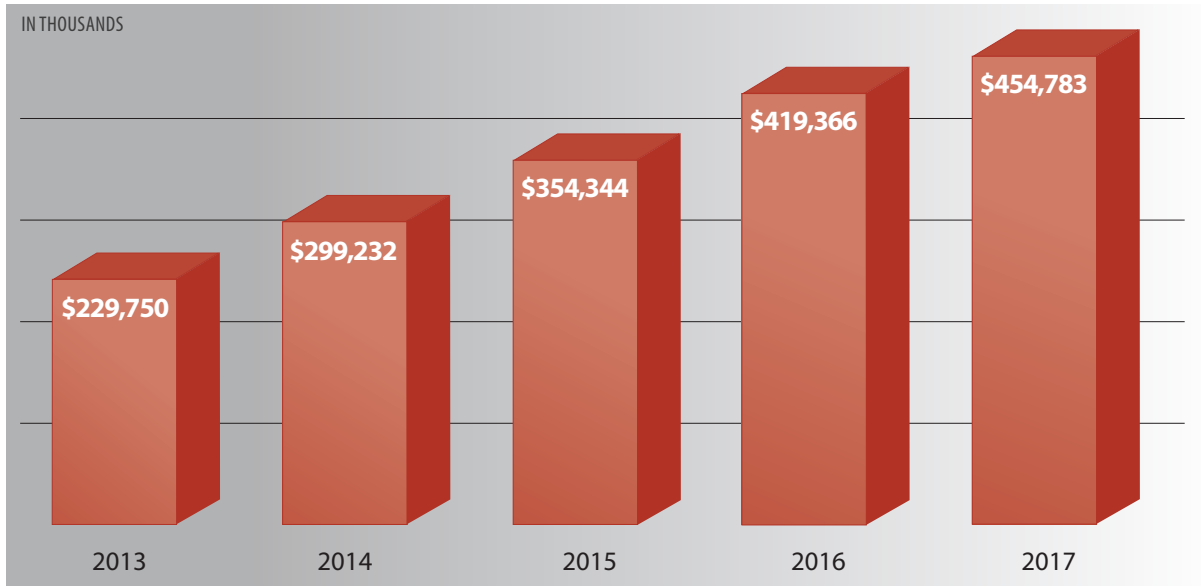
(IN THOUSANDS, YEARS ENDED DECEMBER 31)

	2017	2016	2015
INTEREST AND DIVIDEND INCOME			
Interest and fees on loans	\$45,655	\$41,042	\$34,631
Interest and dividends on securities and CDs	1,324	1,250	1,704
Interest on interest-bearing deposits	312	146	37
TOTAL INTEREST AND DIVIDEND INCOME	47,291	42,438	36,372
INTEREST EXPENSE			
Interest on deposits	6,694	5,843	4,984
Interest on Federal Home Loan Bank advances	2,961	2,915	2,804
Interest on subordinated debt	1,760	1,264	1,078
TOTAL INTEREST EXPENSE	11,415	10,022	8,866
NET INTEREST INCOME	35,876	32,416	27,506
Provision for loan losses	1,020	1,108	1,174
NET INTEREST INCOME, AFTER PROVISION FOR LOAN LOSSES	34,856	31,308	26,332
NON-INTEREST INCOME			
Net gain on sale of loans	14,979	23,583	18,574
Net loan servicing fees	1,566	(995)	504
Gain/loss on sale of securities (net)	479	182	-
Gain on sale of mortgage servicing rights	2,812	-	-
Gain on sales of other real estate owned	-	54	-
Miscellaneous	2,075	1,317	923
TOTAL NON-INTEREST INCOME	21,911	24,141	20,001
NON-INTEREST EXPENSE			
Salaries and benefits	22,401	20,077	15,870
Occupancy and equipment	3,681	3,416	2,988
Professional services	2,072	1,940	1,725
Data processing	1,597	1,463	1,289
Advertising and marketing	686	715	561
FDIC insurance	250	505	428
Other general and administrative	2,709	2,584	1,960
TOTAL NON-INTEREST EXPENSE	33,396	30,700	24,821
Income before income taxes	23,371	24,749	21,512
Provision for income taxes	8,959	10,112	8,787
NET INCOME	<u>\$14,412</u>	<u>\$14,637</u>	<u>\$12,725</u>



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 2017, Leader Bank closed 157 new commercial real estate transactions, totaling over \$201 million in committed lending. Our commercial real estate portfolio reached a record high of nearly \$455 million, which represents an 8.5% increase from 2016. In an active local real estate market, we provide competitive and varied commercial loan products to our customers so they can continue to prosper and help drive our local economies.

2017 HIGHLIGHTS

- Originations of over \$201 million
- Record high CRE portfolio balance of nearly \$455 million

SPECIALTIES

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

CUSTOMER COMMENTS

“I am always delighted and impressed with the service I receive from Leader. I am a huuuuugggeee fan.”

“Thank you for making everything so easy!”

“Another successful deal closed...thank you again for efficiency and fast turnaround. Look forward to many more.”



*Matthew Pierce, Senior Vice President of Commercial Lending at Leader Bank
with Vidhyadhar Mitta, President & CEO of Mittas Group*

Mittas Group

Vidhyadhar “Vid” Mitta has over two decades of experience as an entrepreneur, investor, corporate executive, and mentor to start-up companies throughout New England. As President and CEO of Mittas Group, Mr. Mitta focuses on investment in software, hospitality, early education, and real estate. He has played a key role in establishing several new businesses that provide innovative business models in his areas of expertise.

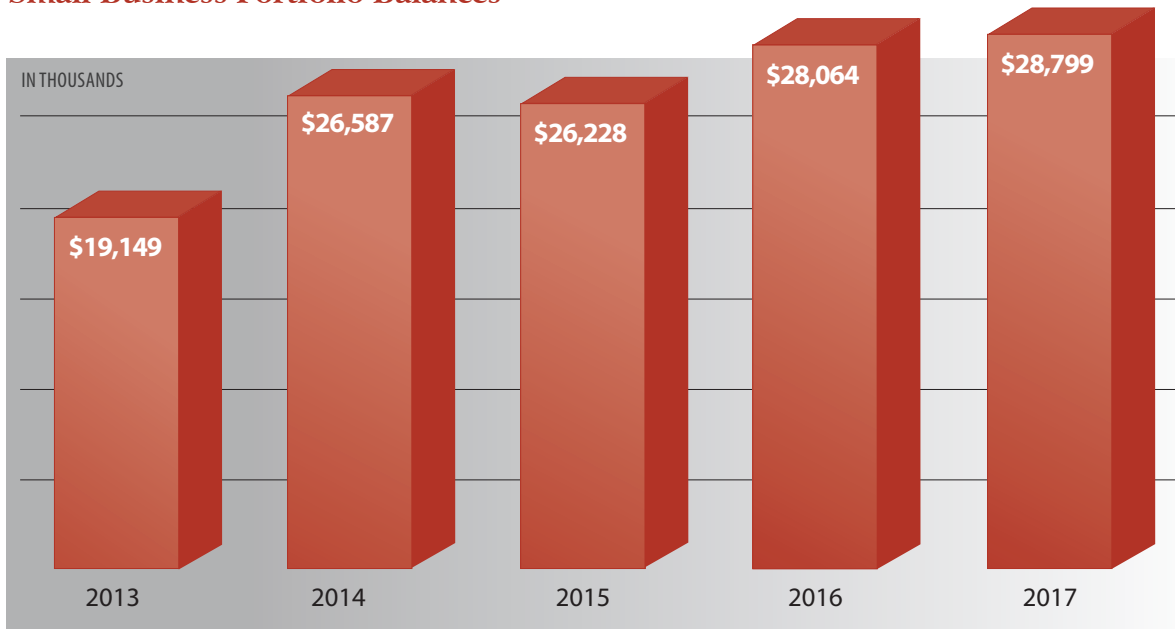
In 2015, Mr. Mitta began exploring options to meet his financing needs for several of his hotel properties. After being introduced by one of the Bank’s longtime customers, Mr. Mitta quickly formed a strong partnership with Leader Bank’s Commercial Lending group and the Bank’s Burlington retail branch. Since that time, Mr. Mitta has worked with Leader Bank to purchase or refinance several hotel properties throughout New England as well as build an early education center in Shrewsbury, Massachusetts. Mr. Mitta’s companies have also taken advantage of Leader Bank’s commercial and business deposit services.

“I am proud to work with Leader Bank as they understand my business needs and help me to achieve my goals,” said Mr. Mitta. “Leader Bank always provides top quality personal attention to my lending and banking needs, when most other institutions can leave me waiting for a week or more. I can simply say that I am one happy customer of this fast growing bank.”



Small Business Lending

Small Business Portfolio Balances



In 2017, Leader Bank continued to strengthen its commitment to small businesses in our local communities. We closed over 75 small business loan transactions in the past year, representing over \$9.4 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 2017 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 \$57 million from the beginning of the Bank's participation in the program through the end of 2017.

2017 HIGHLIGHTS

- *New originations of over \$9.4 million in committed lending*
- *Sixth largest SBA Lender in Massachusetts*
- *Over 75 new small business loans*

CUSTOMER COMMENTS

“Leader Bank has such excellent customer service. They set a high bar. I am so impressed and so appreciative.”

“I have been a long time customer of Leader Bank and I am always impressed with the courtesy and friendliness of the staff.”



{CODE}nasium

Arvind and Varsha Jagannath are accomplished and successful technology professionals, with over two decades of experience in software application development and technology strategy. Believing that early and discovery-based learning of computational concepts is critical for a 21st century education, the Jagannaths founded {CODE}nasium to help fill in gaps not addressed by local schools. {CODE}nasium's Adventure Code Academy is a creative computer learning center in Middlesex County, dedicated to offering after-school enrichment programs to children 6 through 14. Adventure Code Academy's unique creative learning methodology uses 1-1 adaptive coaching, "making" activities, and game based learning for coaching STEM concepts and computational skills.

To make {CODE}nasium and Adventure Code Academy a reality, the Jagannaths needed a small business loan to fund the purchase and renovation of the facility for their center. Leader Bank's focus on small business lending, particularly with its offering of SBA 504 products for small businesses looking to purchase real estate to expand, provided the financing needed by the Jagannaths to realize {CODE}nasium's goals. Thanks to the support offered by Leader Bank, {CODE}nasium now operates a facility in Chelmsford and looks forward to offering summer camps and classes for adults to help expand its mission.

"Leader Bank has helped make {CODE}nasium possible," said Arvind Jagannath. "We wanted to partner with a local lender who understood our needs as a small business, and the ability of Leader's Commercial Lending team to offer us the loan products we needed and help guide us through the process was invaluable. We are proud to call Leader Bank a partner as we seek to teach area children critical 21st century computational skills to succeed in the modern workforce."

Arvind Jagannath, founder of {CODE}nasium with Cheryl Glantz, Senior Vice President of Commercial Lending and Michael Bonsey, Executive Vice President and Chief Credit Officer of Leader Bank





Chevron Partners

Founded in 2014, Chevron Partners is the partnership between Boston developer Marcel Safar and his long-time friend and colleague Xavier Giraud. As a founding partner and U.S. based manager of Chevron Partners, Mr. Safar has used his experience in real estate finance law at some of the top firms in the world to bring renovation projects to life in Boston, from acquisition to design and construction to overall management. Under his leadership, Chevron Partners has revitalized several properties in Boston to provide updated residential and retail spaces.

In order to tackle Chevron's next major project in renovating three connected brownstones on Boston's historic Newbury Street, Mr. Safar turned to Leader Bank for his financing needs. Leader Bank's Commercial Lending Department worked tirelessly with Mr. Safar and Chevron Partners to provide the construction financing needed to convert the buildings into retail spaces and high-end micro-living units needed to meet Boston's diverse housing needs.

"Given our work in the Boston market, we needed a lender who understood the patience and flexibility necessary to manage a construction project given Boston's permitting requirements," said Mr. Safar. "Leader Bank understood our needs perfectly and has provided vital financial assistance as we begin this major renovation. The entire Commercial Lending team has been a valuable resource for Chevron, and we look forward to working with Leader Bank in the years to come."

"The entire Commercial Lending team has been a valuable resource for Chevron, and we look forward to working with Leader Bank in the years to come."

- Marcel Safar, Chevron Partners

Marcel Safar, Founding Partner of Chevron Partners with Sushil Tuli, President & CEO of Leader Bank





2017 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 2017, Leader Bank once again ranked as the largest home purchase lender among banks in Massachusetts.

This marks the fourth consecutive year that the Bank ranked at the top of this category, showing the strength of its focus on the residential purchase market.

Our focus on home purchase lending allowed Leader Bank to increase both the number of such loans and our total dollars lent to homebuyers in the Commonwealth by more than five percent in 2017, despite record low housing inventories.



Jay Tuli Named to '40 Under 40' List

Jay Tuli, Leader Bank's Executive Vice President of Retail Banking and Residential Lending, was named to the Boston Business Journal's exclusive '40 Under 40' List in 2017, in recognition of his leadership of Leader Bank in bringing innovation to the banking industry.



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

A STEP AHEAD Bank[®]

15th Anniversary

2002 - 2017



Grand sponsor of the annual Arlington Patriots' Day parade



Sharing cake with our customers in every location on our anniversary



The Children's Room Memories Walk to raise money for grieving families



15 employees ran the All Ages 5k to benefit the Arlington Council on Aging

Celebrations

To show how grateful we are to our customers and our communities, Leader Bank decided to celebrate our milestone anniversary by giving back to you!



The Bank hosted a celebration aboard tall ship El Galeon for customers



Free outdoor movie night at Arlington High School



Serving those less fortunate at the Pine Street Inn



Food drive for the Greater Boston Food Bank yielded over 1.5 tons of food

IN MILLIONS

\$1,300
\$1,200
\$1,100
\$1,000



Central Square branch opens in Cambridge



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

\$900
\$800
\$700



East Arlington branch opens



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

In 50

\$600
\$500
\$400
\$300



Arlington Center branch opens



MassHOUSING

Leader Bank becomes an approved MassHousing Lender



\$200
\$100

2002

2003

2004

2005

2006

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



Leader Bank receives 5-Star Superior rating from BauerFinancial



Arlington Patriots' Day Parade

Grand Sponsor for the Bank's 10th anniversary

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

Needham Loan Center opens



Arlington Heights branch opens

Belmont Branch & Burlington Loan Center open for business



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



Burlington branch opens



Volunteering at HO Housing and the C

2007

2008

2009

2010

2011

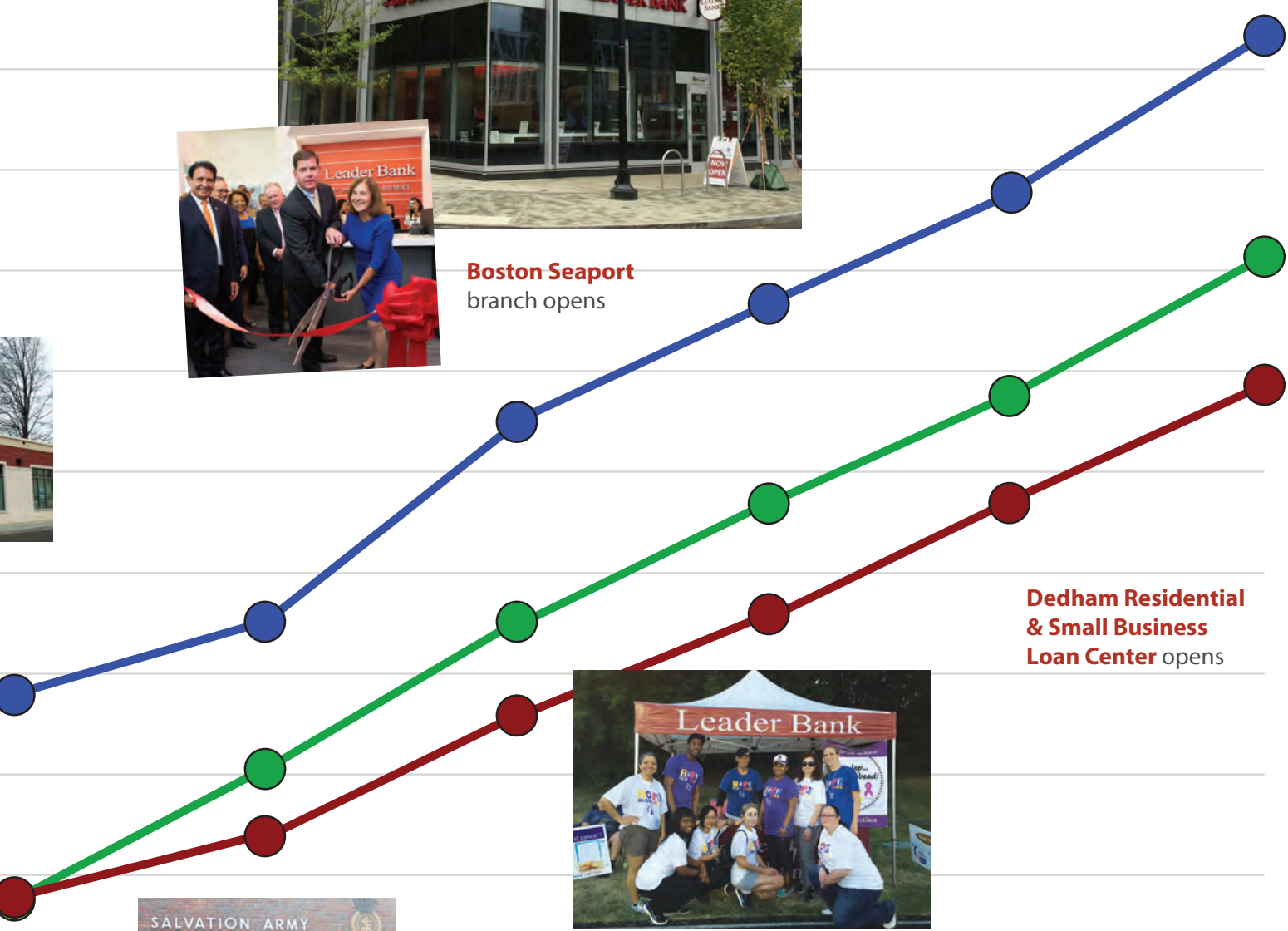
2012

● Deposits ● Loans ● Assets

January 2018: \$1.22 billion



Boston Seaport
branch opens



Dedham Residential & Small Business
Loan Center opens



Leader Bank's Relay for Life team



CA's Walk for Affordable
Cambridge Salvation Army



ZRent, Leader Bank's automatic online rent collection platform, is licensed to other community banks

2012 **2013** **2014** **2015** **2016** **2017**

1 billion assets **\$895 million** deposits **\$1.04 billion** net loans **257** employees



Business Banking

Leader Bank is continuing to expand our business portfolio by giving personalized attention to our customers' individual needs. Deposit growth increased by over \$111 million thanks to our innovative products and services designed for the modern business customer. Our Business Banking specialists guide customers through every step to make the process seamless.

The Business Banking team holds a high level of customer service as the foundation to building long lasting relationships. Leader Bank offers a variety of cash management services designed to fit the needs of any corporation including Easy Deposit, ACH services, wire transfers, mobile deposit, night deposits, lockboxes, and convenient check ordering.

Easy Deposit

Offering Easy Deposit allows Leader Bank's large business customers to scan and transmit check images directly from their place of business using a scanning device rather than make a trip to the bank. In 2017, Leader Bank worked with the Easy Deposit customers to complete a system upgrade which offers additional features including integrated sign on with business online banking accounts.

SBA Lending Program

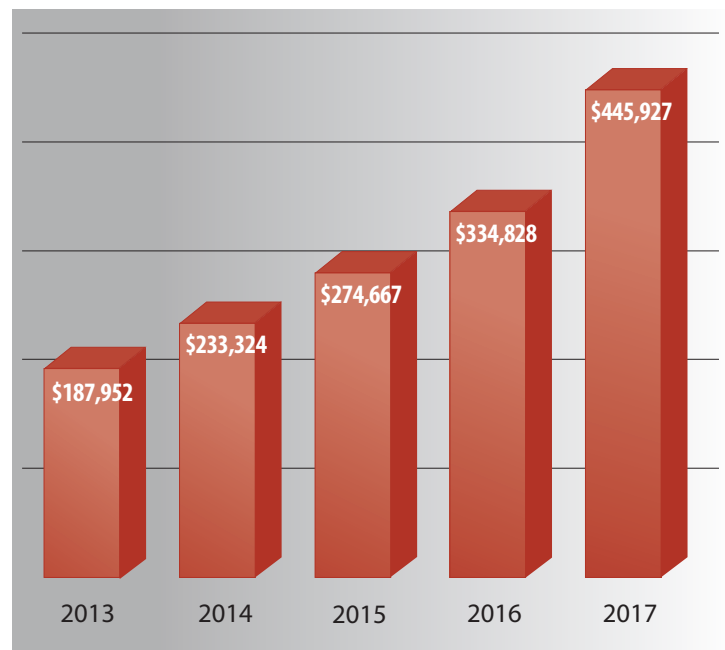
Business owners in Arlington were able to take advantage of a special lending offer. The loan program offered competitive loan terms for businesses to use towards renovations, furniture, equipment, or any other improvement growing businesses needed for up to five year terms.

ACH Manager

The ACH Manager tool streamlines the ACH process to ensure a more secure and easy-to-use system, offering a variety of processing options to suit customer needs. This product allows Leader Bank's eBusiness clients quick access to direct deposit of payroll and collection of receivables. ACH Manager offers an easy way to increase retention, improve collections, and manage inter-bank activity.

Business Account Balances

IN THOUSANDS



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*



Residential Lending

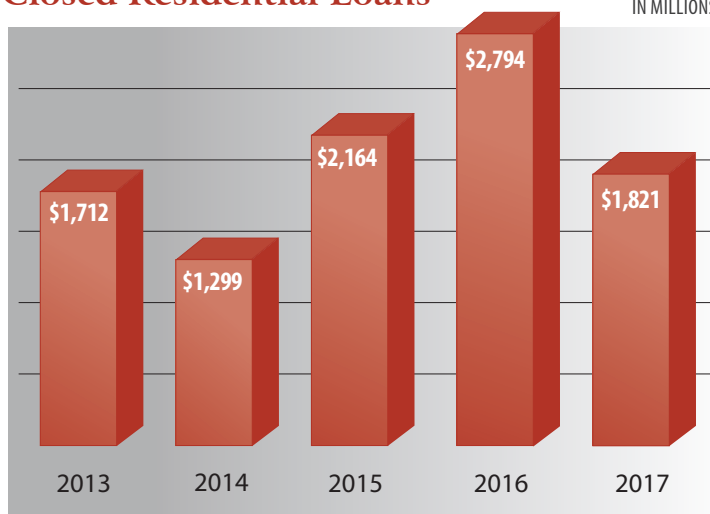
Leader Bank Educates Homebuyers

In 2017, Leader Bank and its loan officers continued to keep prospective homeowners A Step Ahead by hosting complimentary homebuyer seminars for Massachusetts residents. Working with customers with an array of backgrounds and incomes, Leader Bank attempted to demystify the homebuying experience and answer any questions from those looking to share in the American Dream of homeownership.



Closed Residential Loans

IN MILLIONS



2017 HIGHLIGHTS

Our dedicated and growing team of loan officers closed over 4,925 residential loans and home equity lines of credit in 2017, lending over \$1.82 billion and making Leader Bank the seventh largest residential mortgage lender overall and the largest lender among banks for home purchases in all of Massachusetts.

Leader Bank Residential Lending Teams

Arlington Heights Team

Christopher Butts, Sales Manager

Boston Seaport Team

Matthew McCarthy, Sales Manager

Dedham Team

Michael McCarthy, 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

Simsbury, CT Team

Daniel Rosenfeld, Vice President

Southport, CT Team

Hayden Cadwallader, Sales Manager

Peter Ventriglia, Sales Manager

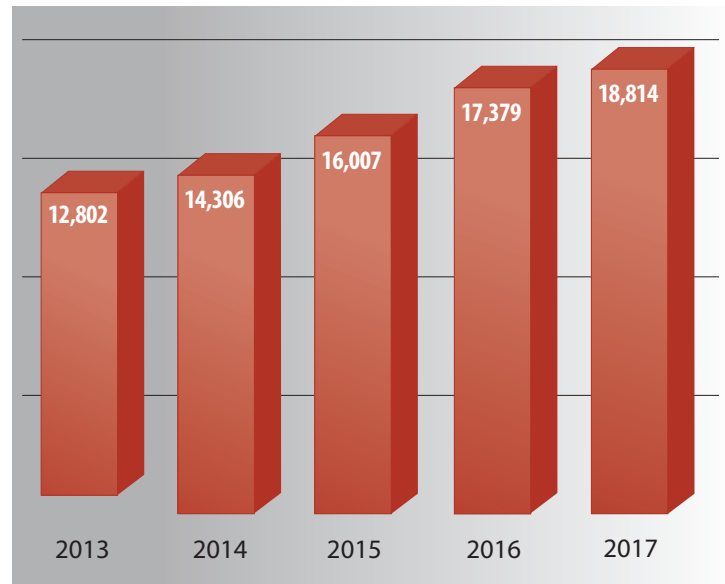


Retail Banking

With an emphasis on evolving our technology offerings, the Retail Banking group increased core deposits yet again. In addition to service enhancements and new product offerings, customer referrals remained a driving force for strong growth. Coupled with our 15th Anniversary celebrations, Leader Bank increased the referral bonus we provide to customers.

Our custom Zeugma Rewards program was another significant growth factor. The product has generated over 1,638 new customer relationships, with balances of just over \$70 million to end 2017. Zeugma accounts have proven popular with our customers, as they are backed by great program perks including 1% cash back on debit card purchases and a high yield interest rate savings account.

Total Accounts



In the Community

In addition to our many 15th Anniversary events, Leader Bank continued to have a large presence in our communities by sponsoring and participating in local events. As part of the Bank's anniversary promotions, each branch took a turn offering Spin the Wheel prizes for customers who visited our brick and mortar locations. Additionally, all seven branches hosted or participated in events throughout the year, including a Festival of Lights celebration in Boston's Seaport, the Central Square Greek Festival in Cambridge, and Trick-or-Treating in all locations.

Continuing our tradition of community involvement, we proudly held our annual Belmont BBQ and played large roles in the Arlington Patriots' Day Parade and Arlington Town Day. The Arlington Heights branch sponsored a Back to School Raffle to engage the younger customers in the community and our Burlington location continued to host regular business networking events for small businesses.



CUSTOMER COMMENTS

“Best bank ever! They know their customers and we enjoy actually going into the bank.”



New Products & Technology

In 2017, Leader Bank continued its technology initiatives across all branches and departments. In doing so, we introduced numerous products to make the customer banking experience easier than ever.



Instant Debit Card Issuance

A bank-wide initiative for 2017 included instant card issuance at the branches allowing customers to walk out with an EMV “chip” enabled card in hand. This allows for expedited service to meet our customers’ needs.

Mobile App Improvements

As the industry moves to a real-time focus, Leader Bank launched many mobile app improvements during the year. Apple® Touch ID and Android™ Fingerprint Login added security and ease of access to account information from mobile devices. Additionally, we provided new controls to give customers the ability to manage their debit cards directly through the mobile app – such as turning debit cards on and off, setting transaction limits, and adding merchant or location restrictions.

Website Upgrades

Our development team worked hard to launch new websites for both leaderbank.com and leaderloancenter.com. The new sleek designs allow ease of use for customers and are mobile responsive! In addition to these website upgrades, our consumer online banking platform also went through a redevelopment, combining more succinct account use and navigation with an updated design. The update eliminated many of the multi-step processes required in the past, improving the overall customer experience.

ZRent

ZRent continued to focus on providing an exceptional customer experience and released a number of new features that benefited landlords. One such enhancement was the creation of a monthly summary report that is automatically emailed to landlords as well as new features to accommodate condo owners and property managers. In addition, we created a file import tool that allows big landlords to effortlessly add multiple properties and invite a large number of tenants.

ZRent has continued to grow at a rapid rate – last year alone, we had 180 new landlords sign up leading to the invitation of nearly 3,800 additional tenants. In addition to the growth of end users, we were also pleased to bring on two new partner banks, Seneca Savings and Opportunity Bank of Montana. Our participation as a preferred vendor of the Massachusetts Banking Association, which was announced in April 2017, has contributed to ZRent’s increasing brand recognition.

ZDeposit

Change the way you manage security deposits with ZDeposit - a new online tool designed to simplify and automate the opening of security deposit bank accounts. Leader Bank’s most recently launched technological innovation will further help landlords and tenants streamline the complicated rental process.



Community Commitment

A selection of organizations supported in 2017:

Adopt-a-Student Foundation
Allston-Brighton CDC
American Cancer Society
Arlington Chamber of Commerce
Brockton Boys & Girls Club
Cambridge Health Alliance Foundation
Cambridge Historic Society
Cambridge Housing Assistance Fund
Caritas Communities
The Children's Room
Citizens' Housing & Planning Association
Fidelity House
Foundation for Belmont Education
The Guidance Center
Heading Home
Housing Corporation of Arlington
Malden YWCA
Margaret Fuller House
Massachusetts Community & Banking Council
Medford Community Housing
Metro Boston Housing Partnership
Pine Street Inn
Rashi School
Second Chances
Somerville High School
Somerville Homeless Coalition
Spaulding Rehabilitation Hospital
Visiting Nurses & Community Health
We Care Charity
YMCA Cambridge

Leader Bank strives to help its local communities by being a good corporate citizen, donating over \$120,000 to and actively participating in area charities, community groups and towns in 2017. Some of our donations and activities include:

Leader Bank Food Drive

As part of our 15th Anniversary celebrations, over 130 Leader Bank employees and directors participated in a Bank-wide food drive, collecting over 1.5 tons of food. This generosity allowed us to help fund the Boston Food Bank and Arlington Food Pantry with a combined 2,100 meals to those in need.



Financial Education for Low- and Moderate-Income Families

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

Housing Corporation of Arlington

In 2017, 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.



2017 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 2017, Leader Bank remained at the forefront of home purchase lending in the Commonwealth, ranking as the top bank home purchase lender in the state and the seventh largest residential lender overall. This focus on home purchases allowed Leader Bank to maintain its robust performance despite reductions in the refinance loan market throughout the industry, and we look forward to further expanding our reputation as we attract some of the top originators in New England to our industry-leading platform.



Sustained Growth in Commercial Lending

Leader Bank's commercial and small business lending teams have continued their impressive growth with a dedicated team of commercial lenders that is a fraction of the size of our competitors. In 2017, Leader Bank originated over 250 new commercial and small business loans, representing more than \$227 million of committed lending in Massachusetts and beyond. Our focus on lending in our community and its surrounding areas has made Leader Bank the sixth largest SBA lender in the Commonwealth.



Retail Banking Successes

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 nearly \$117 million in 2017. Our success can be attributed to each of our branches, who continue to play a vital role in not only the Bank's growth but the everyday lives of our customer base, as well as our continued focus on technology that modern banking customers demand.

A Look Ahead to 2018

As Leader Bank looks to 2018, we embrace the challenges that come with success and move towards new goals, including:

Using Technology to Meet Customer Needs

Leader Bank prides itself on innovating new ways to reach customers in the 21st century. As we move into 2018, we look forward to introducing even more new products and services, such as ZDeposit, that will allow customers to bank using the most up-to-date resources possible.

Increasing Our Presence in the Home Purchase Markets

As interest rates rise in the coming months, Leader Bank understands the pressures such an environment can place on home sales, particularly for first-time homebuyers. Leader Bank intends to maintain its focus on home purchase lending in the coming year to help customers realize the American Dream of homeownership.

Continued Focus on Commercial and Small Business Lending

As we continue to expand our commercial and small business lending, we will also put an emphasis on finding new and unique ways to assist 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 well-respected executives have provided invaluable leadership in guiding and shaping Leader Bank's growth and success.

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.

Inc. 5000 Honor Roll

Leader Bank was named to Inc. Magazine's Honor Roll in 2017 in recognition of being one of the top 5000 fastest growing private companies in America for the eighth time since our founding. This honor is awarded to less than 10% of all Inc. 5000 honorees.





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 a consultant for towns and cities throughout Massachusetts. He recently served as the Town Manager for the Town of Winthrop for nearly a decade.



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

- Patrick Cucinotta** Assistant Vice President, Controller
- Antonette Davis** Vice President, Loan Servicing
- Munaf Ghaswala** Assistant Vice President, Loan Servicing
- 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
Executive Vice President,
Retail Banking

- Mackenzie Bigelow** Assistant Vice President, Branch Manager
- Tripti Das** Vice President, Branch Manager
- Kerry Ferraro** Assistant Vice President, Marketing Manager
- Alyne Da Silva Gomes** 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
- Chari Ragounadane** Director of Software Development
- Asrate Sahlu** Assistant Vice President, Branch Manager
- Jessica Santana** Vice President, Product Development
- Donna Spencer** Assistant Vice President, Deposit Operations
- Dennis Walker** Deposit Operations Manager



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

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

Vice President,
Appraisal Manager

Robin Brown

Vice President,
Residential Underwriting

Ellen Collins

Assistant Vice President,
Underwriting Manager

Thomas Driscoll

Vice President,
Institutional Relations

Gregor Farber

Vice President,
Quality Control Manager

Deepak Garg

Assistant Vice President,
Closing Manager

Teri Jackson

Assistant Vice President,
Sr Residential Underwriting

Pranay Jhanjhari

Assistant Vice President,
Secondary Market Manager

Rebecca Kendall

Vice President,
Mortgage Operations

Priyanka Patel

Assistant Vice President,
Closing 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 NMLS# 449250

Small Business Lending Offices

Arlington

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

Dedham

130 Bridge Street, Dedham, MA 02026
617-327-8937

Residential Lending Offices

Arlington - Leader Plaza

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

Arlington Heights

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

Boston Seaport

48 Northern Avenue, Boston, MA 02210
617-268-2846

Burlington

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

Dedham

130 Bridge Street, Dedham, MA 02026
617-327-8937

Marblehead

60 Atlantic Avenue, Marblehead, MA 01945
781-641-0038

Marshfield

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

MetroWest

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

Needham

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

Simsbury, Connecticut

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

Southport, Connecticut

180 Old Post Road, Southport, CT 06890
203-254-8422

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

Alyne Da Silva Gomes

Assistant Vice President, Branch Manager
agomes@leaderbank.com

Boston Seaport Innovation District Branch

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

Savy Ouk-Fernandes

Vice President, District Manager
sfernandes@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





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

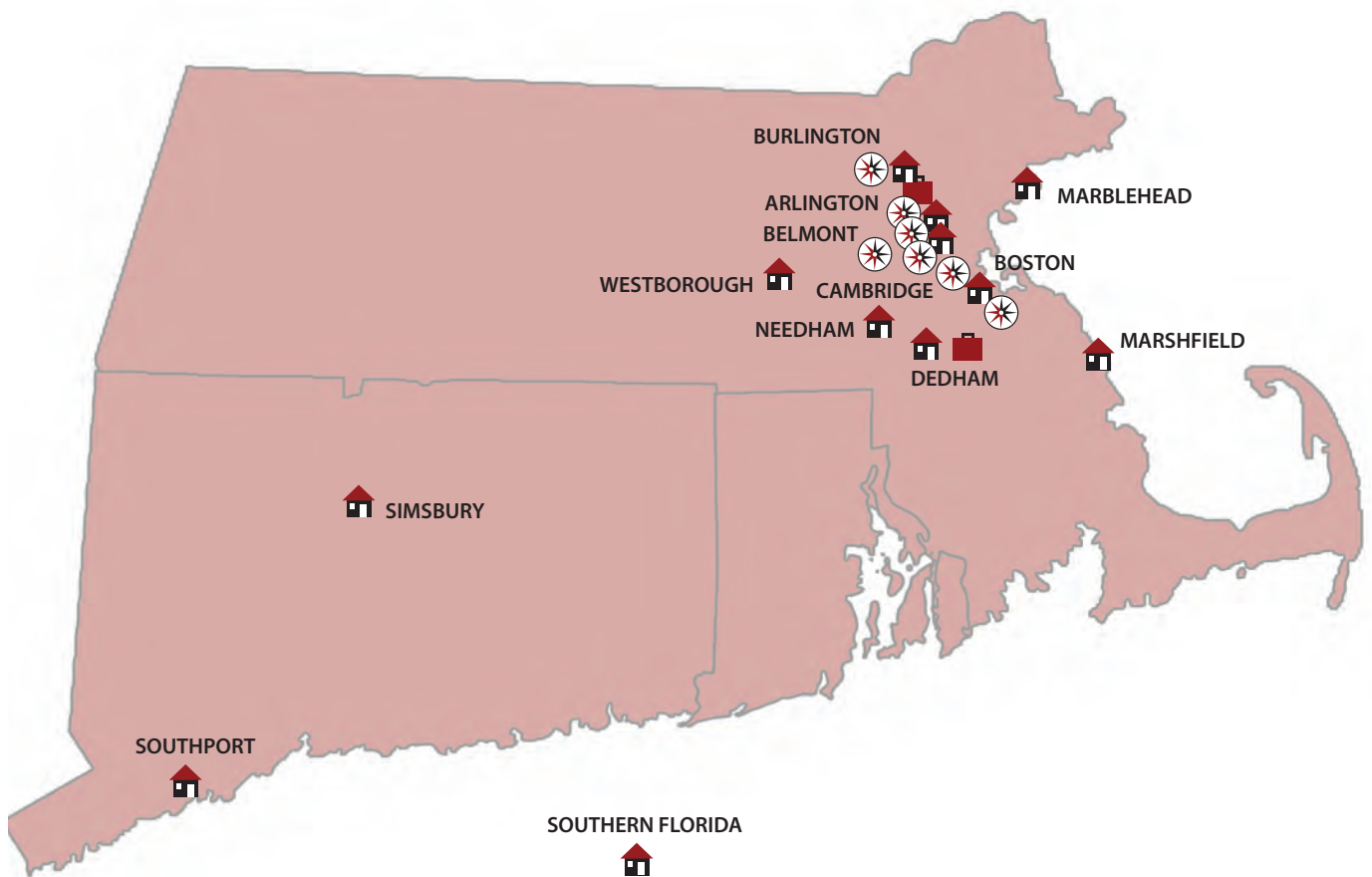
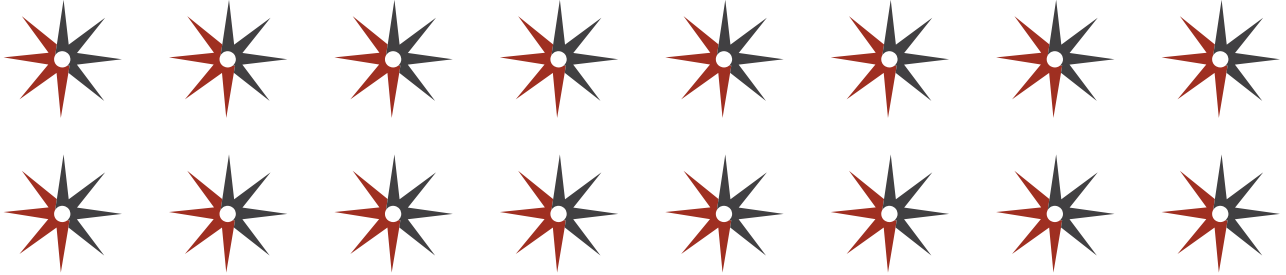
Shareholders


- 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:



Leader Bank 2002 - 2018



-  2 Small Business Lending Offices
-  7 Retail Branches
-  12 Residential Lending Offices ...and still growing!