

leaderbank.com

leaderloancenter.com

zrent.net

zdeposit.net



2018 ANNUAL REPORT



leaderbizloans.com

elevate.leaderbank.com

leader1031.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, and now serves its 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 offers a complete suite of retail and commercial banking services for individuals and 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, leaderbank.com, and mobile app, customers can view their account balances, make transfers, download account statements, deposit checks, and pay their bills online.

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

In 2018, Leader Bank received a Corporate Citizenship Award from Boston Business Journal for the second year in a row, lauding the Bank as one of the largest charitable contributors in Massachusetts. Leader Bank officers were proud to attend a reception at Fenway Park to honor award recipients. The Boston Business Journal recognized

Leader Bank for giving over \$150,000 in donations and in-kind contributions to a host of Massachusetts charities in 2017, and Leader Bank’s employees and officers also volunteered well over 1,500 hours of their time to various non-profit organizations.

The 13th 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:

It is my pleasure to once again update you on the continued story of Leader Bank's success. Leader Bank further cemented our place as an industry leader and innovator in 2018, from the introduction of ZDeposit as a part of our unique technology platform to our growing business as a qualified intermediary for 1031 transactions through Leader1031.com, LLC. As competition for market share continues to rise, we are proud to always find ways to set Leader Bank apart and chart a course to allow us to thrive in 2019 and beyond.

Leader Bancorp returned robust profits for our shareholders in 2018, with net income of more than \$19.3 million, representing 1.45% return on average assets and 16.22% return on average equity. These returns on our shareholders' investments were backed by continued growth in all business lines, as Leader Bancorp ended the year with \$1.35 billion in assets, representing a 10.3% increase over 2017, and more than \$1.17 billion in net loans. Our commercial and residential lending teams continue to excel in the competitive New England markets, closing more than \$2 billion dollars of loans. As a result, in Massachusetts Leader Bank ranked as the largest bank home purchase lender, the ninth largest residential lender overall, and the fifth largest SBA lender. We have also expanded our retail and commercial banking teams with a strong branch network and product offerings tailored to meet the needs of the communities we serve. Our new Elevate Banking team provides high-touch, customized services to a crucial segment of the deposit market, and Leader Bank's deposits rose by 5% to nearly \$939 million in a challenging market.

This strong performance continues to rank Leader Bank as one of the top community banks in the state and the country. Leader Bank yet again received both an A grade from Weiss Ratings and a Five Star Rating from BauerFinancial, Inc., marking ten years of national recognition for our financial performance. Also, Leader Bank was recognized as one of the most charitable contributors in all of Massachusetts, receiving a Corporate Citizenship Award from the Boston Business Journal for the second year in a row.

Leader Bancorp's entire management team is grateful to all who have allowed us to succeed in 2018, from our Board of Directors and our employees to our valued customers and shareholders. We anticipate even greater things to come in 2019, and thank you all for your continued support. With all of us working together, Leader Bank looks forward to remaining A Step Ahead.

Sushil K. Tuli, President & CEO



Financial Highlights

LEADER BANCORP, INC.

(IN THOUSANDS, EXCEPT ACCOUNTS)

PERFORMANCE STATISTICS	2018	2017	2016
Total Assets	\$1,345,215	\$1,220,148	\$1,084,462
Total Deposits	\$938,952	\$894,569	\$777,853
Total Equity	\$129,088	\$111,038	\$97,163
Total Net Loan Portfolio	\$1,172,660	\$1,037,873	\$873,877
Total Loans Closed	\$2,041,186	\$2,048,440	\$3,033,458
Deposit Accounts	21,696	18,814	17,379
EARNINGS			
Net Interest Income	\$41,505	\$35,876	\$32,416
Non-Interest Income	\$23,820	\$21,911	\$24,141
Non-Interest Expense	\$35,005	\$33,396	\$30,700
Income Before Taxes	\$26,522	\$23,371	\$24,749
Net Income	\$19,327	\$14,412	\$14,637
RATIO			
Return on Average Assets	1.45%	1.25%	1.35%
Return on Average Equity	16.22%	13.89%	15.85%
Net Interest Margin	3.20%	3.24%	3.15%
Efficiency Ratio	53.59%	57.59%	54.28%
CAPITAL			
Equity Capital to Assets	9.60%	9.11%	8.99%
Core Capital (leverage)	9.53%	9.02%	8.08%
Tier 1 Risk-based Capital	11.98%	11.26%	9.88%
Total Risk-based Capital	15.63%	15.79%	13.21%

2018 Peer Group Comparative Performance

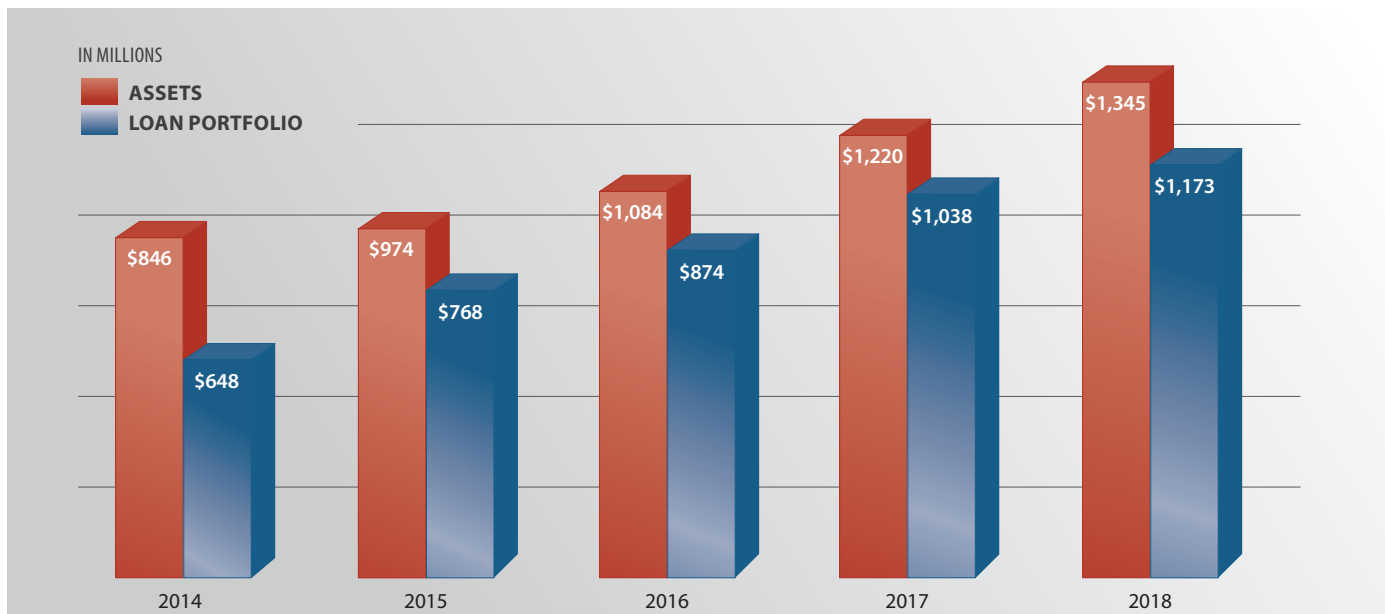
PERFORMANCE METRICS	LEADER BANK ⁽¹⁾	PEER GROUP AVERAGE	LEADER BANK PERCENTILE RANK
Return on Assets	1.59%	1.24%	82
Return on Common Equity	14.23%	11.72%	76
Net Interest Margin	3.33%	3.72%	21
Non-Interest Income / Assets	1.77%	0.83%	90
Efficiency Ratio	52.23%	61.83%	83
ASSET QUALITY METRICS			
Net Loans / Assets	90.48%	72.17%	98
Non-Performing Loans / Total Loans	0.15%	0.63%	86
GROWTH METRICS			
Net Loans & Leases	10.83%	10.00%	66
Total Assets	10.28%	8.09%	70

(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 8, 2019.



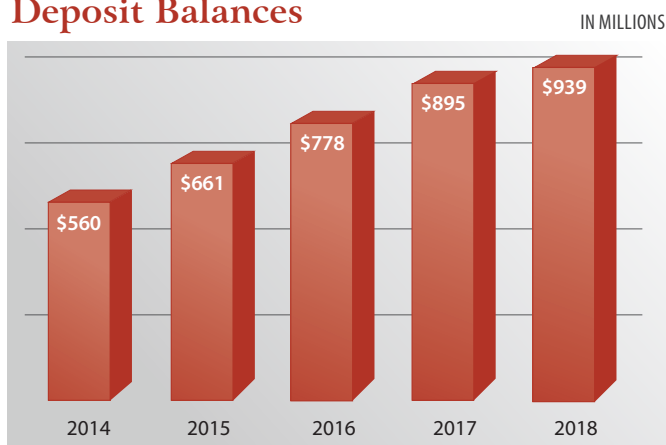
Historical Growth

Assets & Loan Portfolio



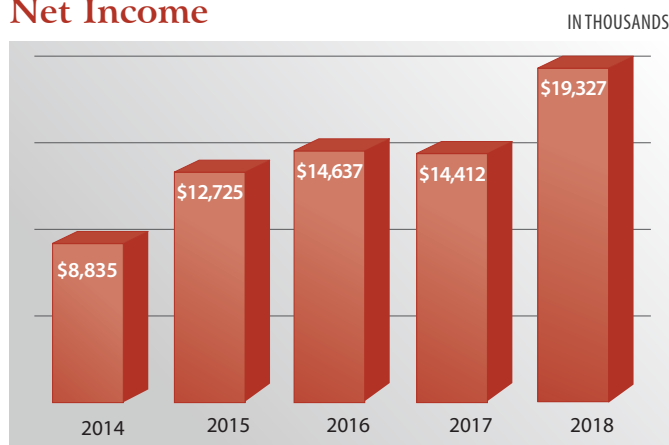
Assets grew by over \$125 million, or 10.3%, ending the year at approximately \$1.35 billion. The increase was principally attributed to the growth in the Bank's residential and commercial loan portfolios. The total net loan portfolio grew by nearly \$135 million, or nearly 13%, in 2018.

Deposit Balances



Deposits grew by \$44.4 million, or nearly 5%, in 2018 and continue to grow. This growth is the result of the strength of the Leader Bank brand in our communities and our expansion into new markets, as well as innovations in technology, personal service, and the flexibility to meet our customers' needs. In total, our deposits have nearly doubled over the past five years.

Net Income



Net income increased in 2018 to \$19.3 million, due to the continued strength of the Bank's home purchase lending and the timely sale of a portion of the Bank's loan servicing portfolio. Leader Bank's return on assets (ROA) was 1.59%, which according to the FDIC was better than 82% of the Bank's peers across the country.



Financial Statements

LEADER BANCORP, INC. CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, YEARS ENDED DECEMBER 31)

ASSETS	2018	2017	2016
Cash and due from banks	\$30,481	\$31,359	\$22,050
Interest-bearing deposits	17	22	27
CASH AND CASH EQUIVALENTS	30,498	31,381	22,077
Securities held to maturity, at amortized cost	8,227	9,366	10,579
Securities available for sale, at fair value	45,491	31,526	16,416
Restricted equity securities, at cost	12,771	11,528	11,603
Loans held for sale	44,466	60,473	101,854
Loans, net	1,172,660	1,037,873	873,877
Premises and equipment, net	16,554	17,286	17,478
Accrued interest receivable	3,968	3,819	2,850
Mortgage servicing rights	2,789	8,399	17,177
Goodwill	1,469	1,689	1,910
Net deferred tax asset	1,148	-	-
Other assets	5,174	6,808	8,641
TOTAL ASSETS	<u>\$1,345,215</u>	<u>\$1,220,148</u>	<u>\$1,084,462</u>
LIABILITIES & STOCKHOLDERS' EQUITY			
Deposits	\$938,952	\$894,569	\$777,853
Federal Home Loan Bank advances	230,674	166,877	170,227
Other Borrowings	4,005	-	-
Subordinated debt	29,436	35,424	22,912
Net deferred tax liability	-	755	2,098
Other liabilities	13,060	11,485	14,209
TOTAL LIABILITIES	1,216,127	1,109,110	987,299
Stockholders' equity;			
Common stock, \$0.50 par value 10,000,000 shares authorized:			
3,331,528 issued and 3,325,028 outstanding in 2018;			
3,322,340 issued and outstanding in 2017;			
3,317,153 issued and 3,310,278 outstanding in 2016	1,666	1,662	1,659
Additional paid-in capital	22,342	22,199	22,056
Retained earnings	106,588	87,848	74,167
Accumulated other comprehensive income	(1,274)	(671)	(563)
Treasury shares (6,500 and 6,875 shares at December 31, 2018 and 2016, respectively)	234	-	(156)
TOTAL STOCKHOLDERS' EQUITY	129,088	111,038	97,163
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$1,345,215</u>	<u>\$1,220,148</u>	<u>\$1,084,462</u>



LEADER BANCORP, INC. CONSOLIDATED STATEMENTS OF INCOME

(IN THOUSANDS, YEARS ENDED DECEMBER 31)

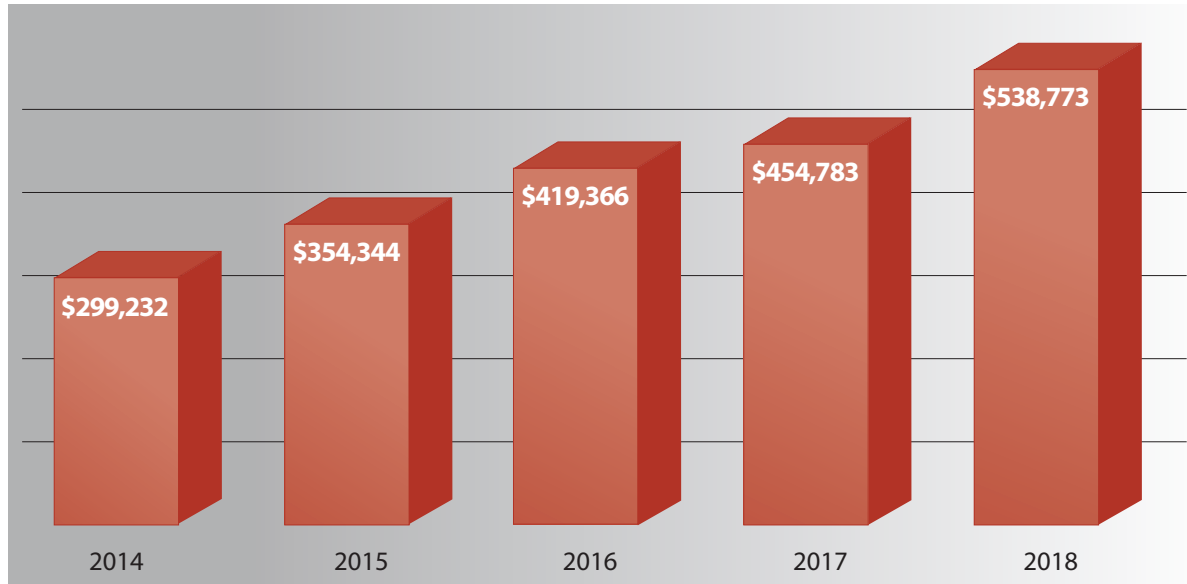
	2018	2017	2016
INTEREST AND DIVIDEND INCOME			
Interest and fees on loans	\$55,884	\$45,655	\$41,042
Interest and dividends on securities and CDs	2,052	1,324	1,250
Interest on interest-bearing deposits	474	312	146
TOTAL INTEREST AND DIVIDEND INCOME	58,410	47,291	42,438
INTEREST EXPENSE			
Interest on deposits	10,814	6,694	5,843
Interest on Federal Home Loan Bank advances	4,271	2,961	2,915
Interest on subordinated debt	1,820	1,760	1,264
TOTAL INTEREST EXPENSE	16,905	11,415	10,022
NET INTEREST INCOME	41,505	35,876	32,416
Provision for loan losses	3,798	1,020	1,108
NET INTEREST INCOME, AFTER PROVISION FOR LOAN LOSSES	37,707	34,856	31,308
NON-INTEREST INCOME			
Net gain on sale of loans	13,511	14,979	23,583
Net loan servicing fees	988	1,566	(995)
Gain/loss on sale of securities (net)	270	479	182
Gain on sale of mortgage servicing rights	7,488	2,812	-
Gain on sales of other real estate owned	-	-	54
Miscellaneous	1,563	2,075	1,317
TOTAL NON-INTEREST INCOME	23,820	21,911	24,141
NON-INTEREST EXPENSE			
Salaries and benefits	23,577	22,401	20,077
Occupancy and equipment	3,866	3,681	3,416
Professional services	2,133	2,072	1,940
Data processing	1,484	1,597	1,463
Advertising and marketing	777	686	715
FDIC insurance	425	250	505
Other general and administrative	2,743	2,709	2,584
TOTAL NON-INTEREST EXPENSE	35,005	33,396	30,700
Income before income taxes	26,522	23,371	24,749
Provision for income taxes	7,195	8,959	10,112
NET INCOME	\$19,327	\$14,412	\$14,637



Commercial Lending

Commercial Real Estate Portfolio Balances

IN THOUSANDS



At Leader Bank, we provide comprehensive and customized financial solutions with fast, local decision-making to help our clients thrive 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 loans ranging from \$10,000 to over \$10 million.

In 2018, Leader Bank closed 155 new commercial real estate transactions, totaling over \$180 million in committed lending. Our commercial real estate portfolio reached a record high of nearly \$539 million, which represents an 18.5% increase from 2017. 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 drive our local economy.

2018 HIGHLIGHTS

- Originations of over \$180 million
- Record CRE portfolio balance of nearly \$539 million

SPECIALTIES

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

Leader1031 Qualified Intermediary Services

Leader Bank now offers 1031 services through its new subsidiary, Leader1031.com, LLC. Launched in 2018, Leader1031 acts as a qualified intermediary for those real estate investors seeking to sell and purchase property using the tax-deferred advantages of a Section 1031 exchange. These services provide even greater integration and efficiencies for our commercial real estate customers, and Leader1031 is committed to providing the highest quality of service. For more information, please contact leader1031@leaderbank.com.





Ladies' Garment Workers' Center

Ladies' Garment Workers' Center, Inc. is 100% owned and operated by The New England Joint Board, UNITE HERE, which formed in the early 1900's from the merger of the International Ladies' Garment Workers' Union and the Amalgamated Clothing and Textile Workers' Union. The New England Joint Board represents 11,000 members throughout New England, including several thousand warehouse and distribution center workers for local clothing retailers. Ladies' Garment Workers' Center owns The New England Joint Board's current headquarters at 27-37 Harrison Avenue in Boston, and its name reflects this history of UNITE HERE's mission.

Ladies' Garment Workers' Center needed to conduct extensive renovations to attract new corporate tenants to their eight-floor building located in the heart of Boston's Chinatown neighborhood. To finance renovations, Ladies' Garment Workers' Center and UNITE HERE engaged Leader Bank as a financing partner in this ambitious endeavor.

"We were pleased that Leader Bank stepped up at a time of enormous growth potential for the Union," said Warren Pepicelli, Manager of the New England Joint Board and International Vice President of UNITE HERE. "We look forward to operating out of our freshly renovated space for many years; we could not have asked for a better community bank partner to work with than Leader Bank."



"We could not have asked for a better community bank partner to work with than Leader Bank."

- Warren Pepicelli

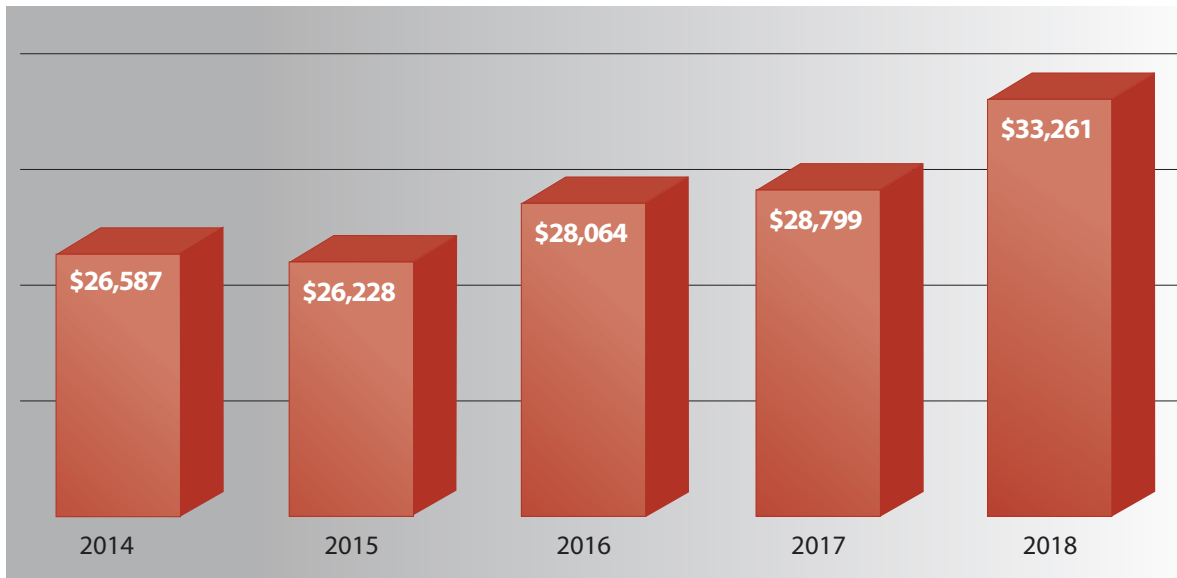
Cheryl Glantz, Senior Vice President of Commercial Lending at Leader Bank with Warren Pepicelli, President; Andy Press, Secretary Treasurer; and Ethan Snow, Director



Small Business Lending

Small Business Portfolio Balances

IN THOUSANDS



In 2018, Leader Bank strengthened its commitment to small businesses in our local communities. The Bank closed 76 small business loan transactions in Massachusetts during 2018, representing over \$14.6 million in committed lending to these entrepreneurs. This lending included traditional business loans, Small Business Administration (SBA) loans, and letters of credit.

We take the time to understand our customers and provide the best products to meet their unique needs. Leader Bank maintains its status as a preferred lender of the SBA, and ended 2018 as the fifth largest SBA lender in the Commonwealth. We are also a proud participant in the Massachusetts Treasury Department's Small Business Banking Partnership, having committed to lend over \$72 million from the beginning of the Bank's participation in the program through the end of the year, and helping to save or create over 1,400 jobs since 2011.

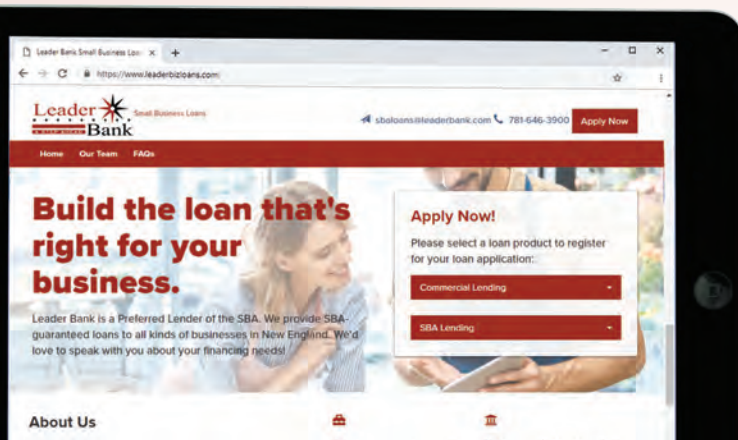
2018 HIGHLIGHTS

- *New originations of over \$14.6 million in committed lending*
- *Fifth largest SBA Lender in Massachusetts*
- *Seventy-six new small business loans*

Leader Bank's New Small Business Lending Website

Leader Bank maintains a diverse suite of small business and SBA loan products that are designed to support entrepreneurs, create jobs, and help businesses prosper. To support our growing SBA portfolio, we have created a new website dedicated to serving our small business customers.

At leaderbizloans.com, clients can learn about our products, meet our team of commercial bankers, and apply for a new loan.





Monsoon Kitchens

Since 2003, Monsoon Kitchens, Inc. has produced high quality frozen appetizers, sauces, and entrees inspired by authentic Indian cuisine. Under the direction of its president, Dr. Swati Elavia, Monsoon Kitchens has grown nationally in the food services market and recently launched its products in the retail market as well. Monsoon Kitchens was recently named as one of the top small businesses in America by the Small Business Association. As the only such business based in Massachusetts to be so recognized, Dr. Elavia will be honored at a ceremony in Washington D.C. this May as one of the nation's leading entrepreneurs.

When Monsoon Kitchens sought to expand its reach beyond New England, Dr. Elavia turned to Leader Bank and its commercial lending team to finance her growth plans. Leader Bank was able to provide several SBA lending products to help Monsoon Kitchens achieve its vision by offering both immediate funding and ongoing working capital.

"Monsoon Kitchens has been a customer of Leader Bank since 2004, and our relationship has only grown over time," said Dr. Elavia. "Leader Bank's ability to remain nimble to meet our needs as we expand has been instrumental to our growth, and we are proud to consider them a partner in our success."

*Dr. Swati Elavia, President of Monsoon Kitchens with
Matthew Pierce, Senior Vice President of Commercial Lending at Leader Bank*





WAVE Equity Partners, LLC

WAVE Equity Partners, LLC is a Boston-based private equity firm that specializes in investments for technology designed to address several of the largest global challenges, including clean energy, food, water and waste recycling. WAVE maintains what it terms a “small and selective portfolio of high conviction companies,” which have included companies that develop safe and superior batteries for electric cars, recycle toxic water and waste, manufacture improved insulation to prevent food and medicine spoilage, grow local and fresh food, and manufacture highly efficient industrial equipment.

When WAVE founded its newest investment fund, Wave Equity Fund II LP, it began discussing a funding mechanism with Leader Bank to allow for better day-to-day management of the Fund. A team of Leader Bank’s commercial lenders worked closely with WAVE’s management team to offer a \$9.5 million capital line of credit. The line of credit will allow WAVE to provide a polished structure to its capital calls and provide better service to the Fund’s investors.

“Leader Bank took the time to meet with us, understand how our fund worked and what we needed to accomplish with this loan,” said Charlie Bridge, the CFO for the Fund. “They went back to their office and structured a solution that was exactly what we needed.”

“Leader Bank is proud to support WAVE in its efforts to improve the world for our employees, customers, and communities,” said Sushil Tuli, President & CEO of Leader Bank.

Managing Directors of WAVE: Praveen Sahay, U. Haskell Crocker II, Mark Robinson, Charlie Bridge





Food Link

Food Link, Inc. delivers nutritious food, including fresh fruits and vegetables, milk, meat and eggs, to organizations that serve people in the Greater Boston area lacking regular access to healthy food, benefiting children, families, seniors, and young adults. Partnering with 19 different area retail partners, Food Link's volunteers work together to rescue excess food, and bring it to over 30 social service agencies in the surrounding area. Food Link collects and distributes food seven days a week - enough for their recipients to prepare 1,300 meals daily. Annually, Food Link helps over 18,000 people in need by providing them regular access to nutritious food at no cost.

As Food Link continued to expand its programs, it began looking to purchase permanent space to serve as its operations center. To finance this purchase, Food Link turned to Leader Bank as a long-time supporter of Food Link's mission. Leader Bank's commercial lending department worked with Food Link to find the lending program that best fit their needs, allowing Food Link to acquire its new home in Arlington, Massachusetts in November 2018. Both Leader Bank and Food Link look forward to celebrating the grand opening of their new location this winter.

"Leader Bank has been a tremendous partner for Food Link as we look forward to moving to our new permanent home," said DeAnne Dupont and Julianna Kremer, co-founders of Food Link. "As a community-based non-profit, we wanted to work with a local bank that understands the needs of the at-risk populations in Arlington and 11 surrounding communities. Leader Bank personifies that spirit, and we look forward to working with the Bank in the years to come."



Sandeep Jain, Commercial Loan Officer at Leader Bank, with DeAnne Dupont and Julianna Kremer, co-founders of Food Link

Ms. Dupont and Ms. Kremer loading donated food for delivery to local organizations





Municipal Banking

Leader Bank's Business Banking Team is made up of experienced bankers who understand the needs of local communities, and can develop custom, complete solutions to help government entities confront their unique challenges and meet their individualized goals. Whether a municipality seeks to increase operational efficiencies, manage funds more effectively, or provide value on interest-bearing deposits, Leader Bank engages a collaborative approach to managing accounts and offers a wide range of complementary products and services. Last year, Leader Bank welcomed several new cities and towns to our municipal bank platform, resulting in \$18 million in new deposits for 2018 alone.

For information on how Leader Bank can help local governments, please contact our Business Banking Team at 781-646-3900 or bbo@leaderbank.com.

SERVICES

- *Business Checking Accounts to meet daily operational needs*
- *Competitive Money Market Accounts and Certificates of Deposit*
- *Remote and Mobile Deposit Services*
- *ACH and Wire Transfer Services*
- *Night Deposit and Lock Box*

Marc Romvos, Director of Business Banking and Sumit Dhankhar, Assistant Vice President of Business Development at Leader Bank, with Patrick Dello Russo, Treasurer and Collector for the Town of Marshfield



COMMUNITY SPOTLIGHT: MARSHFIELD, MA

In 2018, the Town of Marshfield began exploring new options to meet their financial needs, and quickly found a partner in Leader Bank's business banking team.

"Leader Bank has become a true partner in achieving our investment income goals with competitive rates, great service, and foresight in the marketplace," said Patrick Dello Russo, Treasurer and Collector for Marshfield. "The community of Marshfield has maintained its robust investment strategy in large part due to the opportunities offered by Leader Bank that allow for our team to properly manage both our cash on hand and long-term deposits."

IN MILLIONS

\$1,400

\$1,300

\$1,200

\$1,100

\$1,000

\$900

\$800

\$700

\$600

\$500

\$400

\$300

\$200

\$100

2002

2003

2004

2005

2006

2007



Central Square branch opens in Cambridge



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



East Arlington branch opens



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



Leader Bank
Top 5000
Companies
100 Business



Arlington Center branch opens



Leader Bank becomes an approved MassHousing Lender



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

Bank named one of the Fastest Growing Private Companies in the country and Top Companies in Massachusetts

Needham Loan Center opens

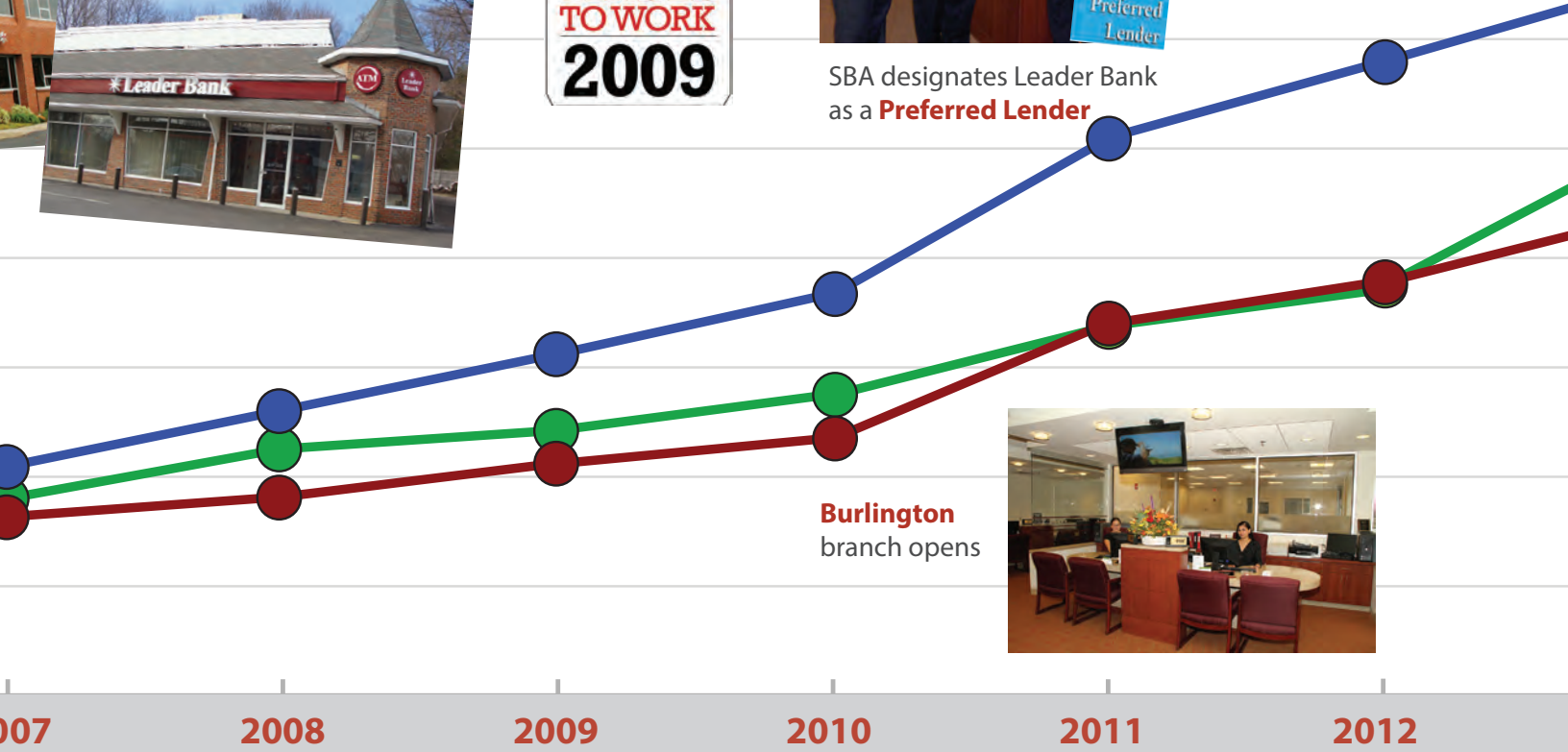
Belmont Branch & Burlington Loan Center open for business



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



Arlington Heights branch opens



Burlington branch opens

● Deposits ● Loans ● Assets

January 2019: \$1.35 billion



Boston Seaport
branch opens

**Dedham Residential
& Small Business
Loan Center** opens

**Southport, CT
Loan Center** opens



Leader Bank is recognized as one of the year's largest charitable contributors in Massachusetts



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



ZDeposit, Leader Bank's innovative online platform to open and manage security deposit accounts, is created



ion assets \$947 million deposits \$1.17 billion net loans 250 employees



Business Banking

Leader Bank’s dedicated team of business banking officers guide customers through every step of the banking process to address their individual requirements. No matter the size of your business or the industry you are in, Leader Bank has a full suite of deposit accounts and services to meet your needs.

Leader Bank offers a variety of cash management and banking services available to assist any business, including Easy Deposit, ACH services, wire transfer platforms, night deposit and lock box services, Positive Pay, convenient check ordering, and landlord solutions with ZRent and ZDeposit.

Wire Manager

Leader Bank upgraded its wire transfer tool for businesses in 2018, launching “Wire Manager.” This platform simplifies wire origination and processing so that customers and their staff can complete transfers more quickly and easily than ever. An automated workflow guides requests through processing and approval stages. Each transfer file is validated to meet Federal Reserve standards and keeps customers up-to-date with email notifications, so that they can focus on what really matters – their business needs.

IOLTA Accounts

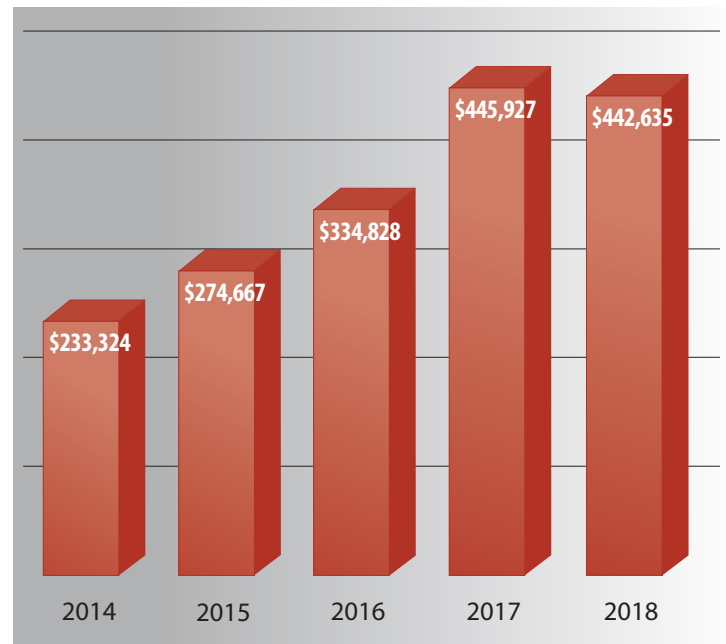
As a leading community bank for IOLTA depository services in Massachusetts, Leader Bank was excited to expand our offering to attorneys in the state of Connecticut in 2018. All IOLTA accounts are completely free with no service charges, no charge for checks, and no charge for wires. With over 270 law firm relationships, Leader Bank prides itself on understanding the needs of our attorney clients. All interest earned on IOLTA accounts is provided to the associated state’s IOLTA Committees to provide legal services to low-income families and help improve the administration of justice.

Zeugma Featured Businesses

Leader Bank has created a unique partnership with local businesses to provide additional rewards to the Bank’s Zeugma Reward customers. Upon signing up as a “Featured Business,” these neighborhood shops and restaurants offer 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. The program expanded in 2018 by adding four new businesses in Arlington, Belmont, and Cambridge.

Business Account Balances

IN THOUSANDS



Business Banking Team

Marc Romvos, *Director of Business Banking*

Tripti Das, *Vice President, Business Banking*

Sumit Dhankhar, *Assistant Vice President,
Business Development*

Christopher Rodriguez, *Business Banking
Operations Specialist*



Residential Lending

Leader Bank Educates Homebuyers

In 2018, 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.

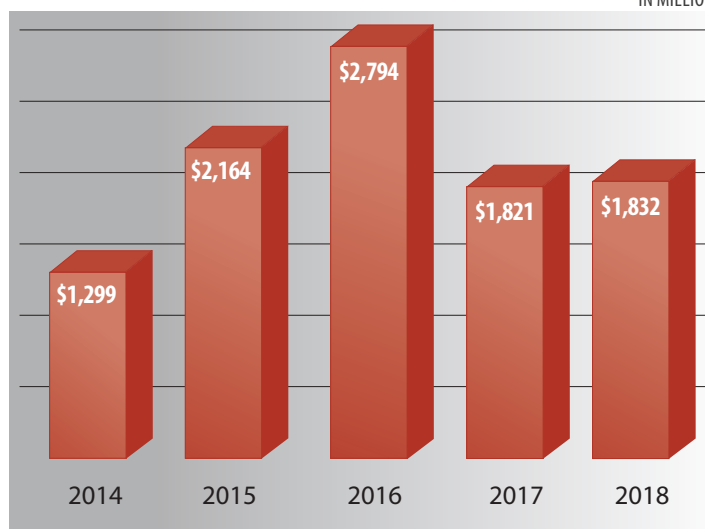


2018 HIGHLIGHTS

Our dedicated and growing team of loan officers closed over 4,700 residential loans and home equity lines of credit in 2018, lending over \$1.8 billion and making Leader Bank the ninth largest residential mortgage lender and the largest bank lender for home purchases in all of Massachusetts.

Closed Residential Loans

IN MILLIONS



Leader Bank Residential Lending Teams

Arlington Heights Team
Christopher Butts, *Vice President*

Dedham Team
Michael McCarthy, *Sales Manager*

Marblehead Team
Matthew 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*

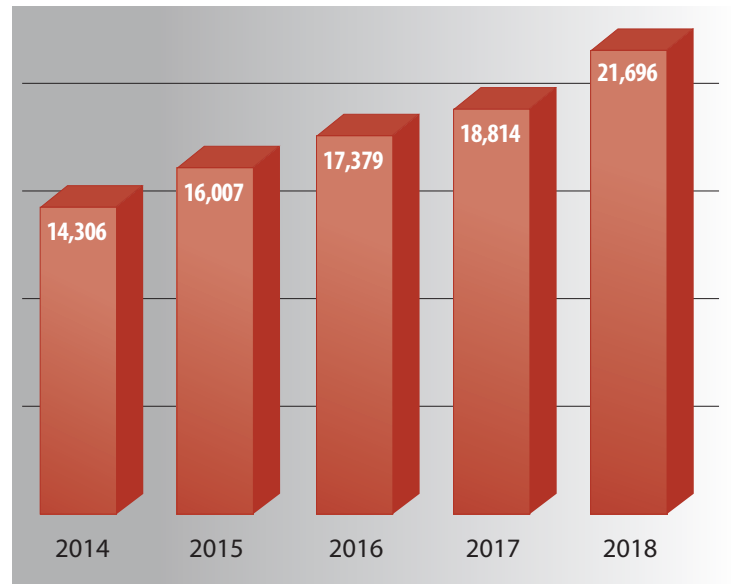


Retail Banking

Leader Bank once again saw growth in its retail customer base, ending 2018 with 21,696 total accounts representing more than a 15% increase over the previous year.

Leader Bank's innovative Zeugma Reward accounts continued to be one of our most popular personal products. Excluding conversions, the product has generated nearly 1,750 new relationships since its initial launch in 2013, and customers have entrusted Leader Bank with over \$83 million in Zeugma deposits as of the end of 2018. Recently, the Bank made improvements to the Zeugma program such as increasing the maximum savings balance eligible to earn promotional interest rates to \$250,000.

Total Accounts



In the Community

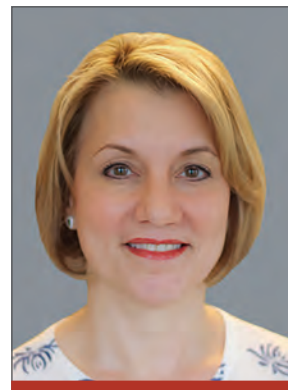
Our branches have also taken pride in giving back to the community. Throughout the year, Leader Bank once again held our annual Belmont neighborhood BBQ and played large roles in the Arlington Patriots' Day Parade and Arlington Town Day. The Seaport branch participated in One Boston Day by donating a pair of sneakers for each deposit made. Additionally, various branches partnered with Leader Bank loan officers to host free homebuyer seminars as well as meet and greet sessions.

Elevate Banking

In 2018, Leader Bank announced the creation of a new deposit generation team known as the Elevate Banking Group. Elevate Banking offers clients with high-balance deposit accounts a customized platform, providing relationship management combined with Leader Bank's extensive product solutions.

Dorothy Zahir and Travis Hall bring many years of experience in relationship management and private banking, and are proud to offer the pinnacle of premier customer service banking. The extensive offerings in both personal and business banking along with the team's one-of-a-kind concierge service allows them to find the best solutions for every customer.

For more information please visit elevate.leaderbank.com.



Dorothy Zahir
Director



Travis Hall
Vice President





New Products & Technology

In 2018, Leader Bank continued its technological initiatives across all departments. In doing so, we introduced numerous products and enhancements to make the customer banking experience easier than ever.

Paperless Account Opening

In 2018, Leader Bank's branch network moved to a paperless account opening system to improve the overall customer experience. Individuals and businesses alike are now able to utilize signature pads and driver's license scanners at all branches to complete the account opening process, reducing the need for document printing, scanning, and paper storage. This simplified process not only reduces costs for the Bank, but creates a more streamlined and efficient experience for new and existing customers looking to open an account.

Mobile App Improvements

Mobile Banking continues to be a crucial part of Leader Bank's outreach to our customer base. 2018 saw many technical updates to our mobile app as part of ever-improving technology, including facial ID recognition for customers using Apple® iPhone X devices. Additionally, we introduced several improvements to money movement functionality in the app, including adding bill payees from phone contacts for Bill Payment, requesting money from friends using PopMoney, and making external account transfers to and from other financial institutions. Finally, Leader Bank enhanced the Bill Payment offering by allowing customers to take a picture of their company's bill to add the details as a payee and set up payments, making the process quick and easy.

ZRent

ZRent, Leader Bank's industry-leading online platform for rent payments, received some key upgrades in 2018, including an improved design for zrent.net, and the ability for landlords to create future leases and invite tenants to onboard and schedule future payments. ZRent's increased brand recognition, along with superior customer service, resulted in record numbers of new users last year, processing over \$55 million in rent payments and condo fees and adding 230 landlords and property managers. Additionally, we are pleased to announce that Needham Bank (MA), South Shore Bank (MA), and Marquette Bank (IL) became ZRent Partner Financial Institutions in 2018. The next generation of ZRent is expected to be launched mid-2019.

ZDeposit

In April 2018, the product development team launched ZDeposit, a new online platform that allows landlords and property managers to seamlessly open security deposit accounts electronically. Not only does the product simplify and automate the account opening process, but it also adds value by sending tenants required disclosures and annual interest payments. In less than a year, the product has attracted 250 unique landlords who have opened nearly 2,500 accounts with balances surpassing \$5.2 million. Partner financial institutions of ZRent will soon be able to license ZDeposit as a new cash management tool to their landlord and property management customer base.



Community Commitment

Leader Bank strives to help its local communities by being a good corporate citizen, donating over \$150,000 to local charities, groups, and towns and actively participating in community service and fundraising events in 2018. Some of our donations and activities include:



Pine Street Inn

Leader Bank had an overwhelming number of employees volunteer to serve dinner at the Pine Street Inn homeless shelter in Boston. The Bank sponsored the cost of the dinner in December, and our team split up to serve dinner to guests in both the women’s and men’s shelters. Before the meal, the volunteers were given a tour of the facilities and learned about the growing issue of homelessness in the city and what people can do to help. In addition to volunteering, Leader Bank employees also donated boxes of food and warm clothing to the Pine Street Inn as well as a number of other shelters in the area. Leader Bank is a long-time supporter of the Pine Street Inn’s mission to aid the homeless by providing shelter and needed support services.

Leader Bank Food Drive

In the spirit of giving, Leader Bank employees participated in a bank-wide food drive during the holiday season in 2018. Employees from all areas of the Bank joined together to collect and donate more than sixty boxes of food. Leader Bank was proud to donate the results of the drive to Food Link to benefit area residents who remained displaced by the Merrimack Valley gas explosion.

A selection of organizations Leader Bank supported in 2018:

- | | | | |
|------------------------------------|--|---|-----------------------------|
| Adopt-a-Student Foundation | Cambridge Montessori School | Father Bill & Mainspring | Project Citizenship |
| Allston-Brighton CDC | Cambridge Rotary Scholarship | Food Link, Inc. | Rashi School |
| American Cancer Society | Caritas Communities | Housing Corporation of Arlington | Riverside Community Care |
| Arlington Council on Aging | The Children’s Room | Massachusetts Community & Banking Council | Saheli Boston |
| Arlington Food Pantry | Citizens’ Housing & Planning Association | Massachusetts General Hospital | Salvation Army of Cambridge |
| Boston Business Journal Foundation | Community Action Agency of Somerville | Medford Community Housing | Somerville High School |
| Bridgeport Rescue Mission | Community Servings | PanMass Challenge | Vision Aid |
| | | | YMCA Cambridge |



2018 Highlights



Leadership in Residential Lending

Leader Bank's continued emphasis on offering our borrowers a wide array of home loan options at competitive rates again made Leader Bank one of the top performing banks in Massachusetts. In 2018, 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 ninth largest residential lender overall. This focus on home purchases allowed Leader Bank to remain an industry leader in helping people realize the dream of homeownership, and our new mobile residential loan application has expanded our brand and platform across the country.



Sustained Growth in Commercial Lending

Leader Bank's commercial and small business lending platform has continued its impressive growth with a team of commercial lenders that is a fraction of the size of our competitors. In 2018, the commercial lending department originated over 225 new loans, representing almost \$200 million of committed lending in Massachusetts and beyond. Our focus on lending in our community and its surrounding areas has made Leader Bank the fifth largest Small Business Administration (SBA) lender in the Commonwealth.



Retail Banking Success

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 \$45 million in 2018. This performance can be attributed to each of our branches who continue to play key roles in Leader Bank's success, as well as our hard-working business banking officers and the relationships built by our new Elevate Banking team.

A Look Ahead to 2019

As Leader Bank looks to 2019, we embrace the challenges that come with success and move towards new goals, including:

Expanding Our SBA Commercial Lending Presence

In addition to our strong market presence in the commercial real estate lending market, Leader Bank intends to focus even greater efforts on our SBA lending. By building off our existing platform and introducing our new online application process, we look to provide even greater resources to meet the funding needs of local small businesses.

Promoting Our Presence in the Home Purchase Market

Allowing borrowers to realize the dream of homeownership remains a primary goal of Leader Bank. Our residential lending team has established itself as one of the top lenders in the home purchase market, and we continue to look for new ways to reach all homebuyers across the Commonwealth and beyond.

Encouraging Innovation in Community Banking

Leader Bank remains on the forefront of using technology to expand the reach of banking services. Our product development team will continue to enhance our existing platforms while finding new ways to improve each customer's experience and provide ever greater efficiencies.



Executive Management



Jay Tuli, John A. Fanciullo, Sushil K. Tuli, Brian R. Taylor, Michael W. Bonsey

Leader Bank's Executive Management team brings a wealth 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 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.

Jay Tuli is the Executive Vice President of Retail Banking and Residential Lending, having served in various roles at Leader Bank since 2006. Mr. Tuli oversees the Bank's residential lending and branch networks, as well as Leader Bank's marketing and product development teams.



Board of Directors



V.G. Narayanan, Ph.D., James M. McKenna, Esq., Peter Conrad, Sushil K. Tuli, Priscilla H. Douglas, Ed.D., Peter Palandjian

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.

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.

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.

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.



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.



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.



Leader Bank Officers



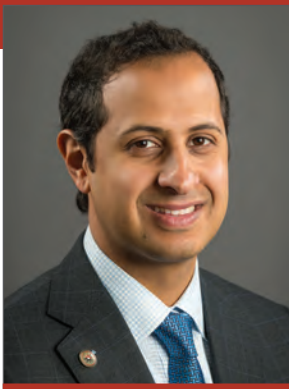
Brook Ames, Esq.
General Counsel &
CRA Officer



Larry Lou
Senior Vice President,
Chief Technology Officer

BANK OPERATIONS

- Patrick Cucinotta** Vice President, Controller
- Antonette Davis** Vice President, Loan Servicing
- Gregor Farber** Vice President, Internal Audit
- Munaf Ghaswala** Assistant Vice President,
Loan Servicing
- Starry Poe** Vice President, Human Resources
- Nancy Ruderman** Assistant Vice President,
Loan Servicing
- Bret Schofield** Vice President, Security & Facilities
- John Vaudo** Assistant Vice President,
Information Technology
- Anosh Zaveri** Vice President,
Information Technology



Jay Tuli
Executive Vice President,
Retail Banking &
Residential Lending

RETAIL BANKING, DEPOSIT OPERATIONS & PRODUCT DEVELOPMENT

- Mackenzie Bigelow** Assistant Vice President,
Branch Manager
- Brenda Echeverry** Assistant Vice President,
Branch Manager
- Kerry Ferraro** Assistant Vice President,
Marketing Manager
- Alyne Da Silva Gomes** Assistant Vice President,
Branch Manager
- Craig Griffin** Vice President, Business
Development, ZRent Division
- 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, ZRent Division
- Lindsey Rohan** Assistant Vice President,
Retail Operations
- Jessica Santana** Vice President,
Product Development
- Donna Spencer** Assistant Vice President,
Deposit Operations
- Corrie Stirrat** Assistant Vice President,
Operations, ZRent Division
- Dennis Walker** Vice President,
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
- Tripti Das** Vice President, Business Banking
- Sumit Dhankhar** Assistant Vice President,
Business Development
- Mark Haroutunian** Vice President,
Commercial Credit Manager
- Sandeep Jain** Assistant Vice President,
Commercial Loan Officer
- Marc Romvos** Director of Business Banking
- Vanishree Singh** Vice President,
Commercial Underwriting

RESIDENTIAL LENDING



Alex Clarke
Senior Vice President,
Residential Lending
Operations



James Madigan
Senior Vice President,
Underwriting Risk
Management

- Dori Alexandropoulos** Vice President,
Appraisal Manager
- Robin Brown** Vice President,
Residential Underwriting
- Ellen Collins** Assistant Vice President,
Underwriting Manager
- Deepak Garg** Assistant Vice President,
Secondary Markets
- Teri Jackson** Assistant Vice President,
Senior Underwriter
- Pranay Jhanjhari** Assistant Vice President,
Secondary Market Manager
- Rebecca Kendall** Vice President,
Mortgage Operations
- Priyanka Patel** Assistant Vice President,
Post-Closing Manager
- Eric Prue** Assistant Vice President,
Business Enablement
- Vidurshi Sehgal Zaveri** Assistant Vice President,
Closing Manager



Patrick Sylvester
Senior Vice President,
Secondary Markets &
Investor Relations



Sean Valiton
Senior 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

Mackenzie Bigelow

Assistant Vice President, Branch Manager
mbigelow@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

Brenda Echeverry

Assistant Vice President, Branch Manager
becheverry@leaderbank.com

Central Square Branch

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

Mark Orent

Vice President, District Manager
markorent@leaderbank.com





2018 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 Bank Purchase Lender

In 2018, Leader Bank once again ranked as the largest home purchase lender among banks in Massachusetts.

This marks the fifth consecutive year that the Bank ranked at the top of this category, showing the strength of its presence in the residential purchase market.

Our focus on home purchase lending allowed Leader Bank to increase our market share of home purchase loans in Massachusetts by nearly 5% over 2017.



SBA Lender of the Year to Veterans in Massachusetts

In 2018, the Massachusetts District Office of the Small Business Administration (SBA) recognized Leader Bank for its commitment to small business loans to veterans throughout the Commonwealth.



Leader Bank is privileged to help our veterans by providing them the funding they need to make their businesses succeed.

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.



Zdeposit

Zeugma

Zrent

Leader Bank Locations



-  2 Small Business Lending Offices
-  7 Retail Branches
-  11 Residential Lending Offices

Zdeposit

Zeugma

Zrent