



PUBLIC DISCLOSURE

May 28, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Leader Bank, National Association
Charter Number: 24131

180 Massachusetts Avenue, Arlington, MA 02474

Office of the Comptroller of the Currency

99 Summer Street, Suite 1400
Boston, MA 02110

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding

The Lending Test is rated: Outstanding

The Community Development test is rated: Outstanding

The major factors that support this rating include:

- The lending test (LT) rating is based on the record of performance for Leader Bank, National Association ("Leader" or "LBNA," or "Bank") in meeting the credit needs of the assessment area (AA) during the evaluation period through its lending activities. The evaluation period for the LT covers LBNA's performance from January 1, 2016 through December 31, 2018.
 - Considering the Bank's size, financial condition, and credit needs of the AA, LBNA's loan-to-deposit ratio is considered more than reasonable.
 - A majority of the Bank's loans are inside its AA.
 - The Bank exhibits excellent geographic distribution and excellent distribution of loans to individuals of different income levels in the AA given noted performance context.
 - There were no CRA or Fair Lending complaints submitted to the OCC or other agencies against the Bank during the evaluation period of January 1, 2016 through December 31, 2018.
- The community development (CD) test rating is based on the Bank's responsiveness to CD needs in its AAs through CD lending, investments, and services. The evaluation period for the CD test covers the Bank's performance from April 18, 2016 (the date of the last CRA performance evaluation) through December 31, 2018.
 - Based on a full-scope review, LBNA exhibits excellent responsiveness to community development needs in the AA through CD loans, qualified investments, and CD services, as appropriate. This considers the Bank's capacity, as well as the needs and availability of such opportunities for CD within the AA.

Loan-to-Deposit Ratio

Considering the Bank's size, financial condition, and credit needs of the AA, LBNA's loan-to-deposit ratio is considered more than reasonable.

Since the end of the previous evaluation, Leader's quarterly net loan-to-deposit ratio averaged approximately 121 percent over a period of 13 quarters. Specifically, this analysis considered loan-to-deposit data from October 1, 2015 to December 31, 2018. During this time, Leader's quarterly loan-to-deposit ratio ranged from a quarterly low of 113 percent to a quarterly high of 130 percent. The Bank's loan-to-deposit ratio compares favorably to other peer institutions of similar size, business strategy, and geographic location. The peer group reported an average quarterly net loan-to-deposit ratio of 90 percent over the same 13 quarters, ranging from a quarterly low of 89 percent to a quarterly high of 91 percent.

Lending in Assessment Area

A majority of the Bank's loans are inside its AA.

LBNA originated and/or purchased 66.62 percent by number of its total loans inside the AA during the evaluation period of January 1, 2016 through December 31, 2018. Additionally, Leader originated and purchased 71.59 percent by dollar amount of its total loans inside the AA during the evaluation period. This lending activity meets the standard for satisfactory performance.

Please refer to the table below for more details regarding the Bank's level of lending within its AA by both number and dollar amount of loans:

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	5,108	69.8	2,214	30.2	7,322	2,074,315	73.6	742,503	26.4	2,816,818
2017	3,061	65.8	1,590	34.2	4,651	1,353,759	71.9	529,214	28.1	1,882,973
2018	2,985	62.6	1,785	37.4	4,770	1,328,604	68.3	616,268	31.7	1,944,872
Subtotal	11,154	66.62	5,589	33.38	16,743	4,756,678	71.59	1,887,985	28.41	6,644,663
Total	11,154	66.62	5,589	33.38	16,743	4,756,678	71.59	1,887,985	28.41	6,644,663

Source: Evaluation Period: 01/01/2016 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0.

Description of Institution

Leader is an intrastate financial institution headquartered in Arlington, Massachusetts (MA) and commenced operations in May 2002. As of December 31, 2018, the Bank reported total assets of \$1.35 billion. LBNA is wholly owned by Leader Bancorp, Inc. which is a one-bank shell holding company established in August 2006. Leader currently operates seven full-service branches located in the communities of Arlington, Cambridge, Belmont, Burlington, and Boston. All branch locations are included within the Bank's delineated AA; however, only the Belmont branch is located within an upper-income census tract while the remaining branches are all located within middle-income geographies. No branches were opened or closed during the evaluation period of January 1, 2016 through December 31, 2018. Operating hours are reasonable. Hours of operation are largely uniform amongst the seven branch locations, with most branches opening by 9:00 am (if not sooner) and closing by 4:00 pm (if not later) Monday through Friday. While no branches are open on Sunday and operations are reduced on Saturday, the hours of operations are still considered reasonable. Most branches open by 9:00 am (if not sooner) and close by 1:00 pm (if not later) on Saturday. Leader also operates twelve loan production offices, ten of which are located in the State of Massachusetts, while the remaining two are located within the State of Connecticut.

Leader continues to provide both traditional loan and deposit product offerings to meet both personal and business customers' banking needs. LBNA's website, www.leaderbank.com, provides a listing and description of product offerings. Personal product offerings include, but are not limited to: checking and savings accounts, individual retirement accounts (IRAs), residential mortgage loans, home equity lines of credit (HELOCs), and auto loans. Business customer product offerings include, but are not limited to: commercial checking and savings accounts, Simplified Employee Pension (SEP) Plan accounts, commercial real estate (CRE) loans, commercial lines/letters of credit, working capital lines, and equipment/vehicle financing. Additionally, Leader also offers various account access services, such as online and mobile banking services with bill pay functionality.

As of December 31, 2018, Leader reported total assets, total deposits, and tier 1 capital of \$1.35 billion, \$948 million, and \$158 million, respectively. The loan portfolio totaled approximately \$1.23 billion or 91 percent of total assets.

The table below provides a summary of the loan mix:

Loan Portfolio Summary by Loan Product December 31, 2018	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgages – Closed End	44
Other Real Estate (Commercial)	27
Multifamily	14
Home Equity	9
Construction & Development	3
Commercial & Industrial	2
Consumer	<1
Total	100

Source: Federal Deposit Insurance Corporation Call Report, December 31, 2018

The Bank has no financial or legal impediments in meeting the credit needs of the AA. The Bank was rated ‘Satisfactory’ using Intermediate Small Bank (ISB) procedures during the previous CRA performance evaluation dated April 18, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

LBNA was evaluated using ISB evaluation procedures, which assesses the Bank’s performance according to CRA under components of both a LT and CD test. The LT evaluates the Bank’s record of performance in meeting the credit needs of the AA during the evaluation period through its lending activities. The CD test evaluates the Bank’s responsiveness to CD needs in its AAs through CD lending, investments, and services.

The evaluation period for the LT covers LBNA’s performance from January 1, 2016 through December 31, 2018. Due to updates made to demographic information during the evaluation period, we evaluated the Bank’s 2016 performance independent of 2017-2018 performance metrics. For year 2016, performance was compared to the 2010 U.S. Census data as well as 2016 Dun & Bradstreet (D&B) data. For years 2017-2018, performance was compared to 2015 American Community Survey (ACS) data and 2018 D&B data. Peer Mortgage Market Share data for 2016 and 2017 was used as supporting performance context (as applicable) for the evaluation periods of 2016 and 2017-2018, respectively. 2018 Peer Mortgage Market Share data was not available for consideration at the time of this evaluation.

The Bank’s primary lending product, based on originations during the evaluation period, is residential mortgage loans. Residential loans, including home purchase, improvement, and refinance loans, accounted for approximately 88 percent by both number and dollar amount of all loans originated and/or purchased from January 1, 2016 through December 31, 2018.

When evaluating Leader’s lending performance, more consideration was given to residential loans originated and/or purchased during the 2017-2018 evaluation period, as more residential lending occurred during this time. Specifically, residential loans originated and/or purchased during 2017-2018 accounted for approximately 55 percent of all residential lending during the full evaluation period.

The evaluation for the CD test covers the Bank’s performance from April 18, 2016 (the date of the last CRA performance evaluation) through December 31, 2018. CD loans, investments, and services submitted by management were reviewed to ensure they qualified per the regulatory definition of community development.

Selection of Areas for Full-Scope Review

The CRA requires an institution to define its AA in which it will be evaluated. Leader has delineated one full-scope AA within MA that meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. The AA is composed of the entirety of the following counties: Suffolk, Norfolk, and Middlesex. As Suffolk County (#025), Norfolk County (#021), and Middlesex County (#017) are part of the greater Boston-Worcester-Providence, MA-RI-NH-

CT Combined Statistical Area (CSA) (#148), we assessed these geographies as a single, combined rating area for an assessment of the Bank's lending and CD performance according to elements of the CRA. This delineated AA consists of wholly-contiguous, political subdivisions and contains all of the Bank's branch locations and the entirety of the deposit base. Specifically as of calendar year 2018, the AA consists of 652 census tracts, including: 70 low-, 131 moderate-, 220 middle-, and 217 upper-income tracts. Within the Bank's AA there are currently 14 census tracts that have not been assigned an income classification.

Ratings

The Bank's overall rating is based primarily on Leader's single delineated AA, which received a full-scope review. As previously discussed, performance during the 2017-2018 evaluation period was weighted more heavily when arriving at overall conclusions as more of primary product lending occurred during this time.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Massachusetts

CRA rating for the State of Massachusetts: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- Given performance context, the Bank exhibits excellent geographic distribution of loans in the State of Massachusetts. The Bank has excellent geographic distribution within the AA for both the evaluation periods of 2017-2018 and 2016 and noted performance context.
 - Overall, the geographic distribution of home mortgage loans reflects excellent dispersion amongst both low- and moderate-income geographies when considering significant market competition and demographic barriers within the AA.
- Given performance context, the Bank exhibits an excellent distribution of loans to individuals of different income levels. The Bank has excellent borrower distribution within the AA for both the evaluation periods of 2017-2018 and 2016 and noted performance context and offered product lines.
 - Overall, the borrower distribution of home mortgage loans reflects excellent penetration to both low- and moderate-income borrowers when considering significant market competition and demographic barriers exhibited in the AA.
- There were no CRA or Fair Lending complaints submitted to the OCC or other agencies against the Bank during the evaluation period of January 1, 2016 through December 31, 2018.
- Based on a full-scope review, LBNA exhibits excellent responsiveness to community development needs in the AA through CD loans, qualified investments, and CD services, as appropriate. This considers the Bank's capacity, as well as the need and availability of such opportunities for community development within the AA.
 - Specifically, during the full evaluation period, Leader originated 45 CD loans totaling approximately \$17 million; approximately \$4.48 million in CD qualified investments/donations; and Bank officers participated with 17 different CD-eligible organizations in providing 2,231 service hours in response to identified community credit needs.

Description of Institution's Operations in Massachusetts

LBNA has delineated one AA that meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

All municipalities in Suffolk, Norfolk, and Middlesex Counties have been included as the delineated AA due to the quantity of loans originated in those corresponding communities. As these three counties are part of the greater Boston-Worcester-Providence, MA-RI-NH-CT CSA (#148), we assessed these geographies as a single, combined rating area for an assessment of the Bank's lending and CD performance under CRA.

LBNA faces significant competition for both deposits and loan within its AA. Primary competitors consist mainly of larger institutions, such as Bank of America, Citizens Bank, Santander Bank, and TD Bank. The Bank indicated affordable housing and small business lending as the primary demands within the AA. The Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report as of June 30, 2018 shows Leader Bank ranks 24th among 96 deposit-taking institutions. The top three institutions account for approximately 70 percent of the market. Leader's entire deposit base resides within these geographies and approximately 67 percent of primary product lending occurred within this delineated AA.

As reported by Moody's Analytics Inc. in May 2019, the Boston, MA Metropolitan Division (MD) and surrounding metropolitan area is expected to experience a slightly accelerated economy during the next several quarters (as compared to national trends) due to a greater labor force participation; however, a tight housing market will continue to limit overall growth. The healthcare, education, and technology industries remain the primary industries fueling economic growth in the region. Leader has expressed concerns regarding the lack of affordable housing in the AA, as the trend of housing prices continues to favor higher income households.

When evaluating lending performance, we reviewed the disparity between the median income of families within the AA against the median cost of housing and the impact this has on home ownership. For the more heavily weighted 2017-2018 evaluation period, the median housing value in Leader's AA at the CSA level is \$439,000, compared to the median family incomes of \$91,000 in the Boston, MA MD and \$100,000 in the Cambridge-Newton-Framingham, MA MSA. In the AA, 7.6 percent of families are below the poverty line and 40.4 percent of households are low- or moderate-income. We note 43.9 percent of households are upper-income. Consequently, high home prices limit the availability of affordable housing for low- and moderate-income, emphasizing the area's need to support affordable housing.

We contacted a local organization based within the AA whose mission is to promote affordable housing awareness and provide related services in the areas of subsidized low- and moderate-income housing and first-time homebuyer seminars for low- and moderate-income groups. Based in Brighton, MA while also serving the surrounding area, our contact described affordable housing as a significant and increasing community credit need. Housing prices continue to appreciate from already elevated levels. Specifically, our contact noted housing prices within Boston and the surrounding communities (including Arlington and Brighton) have experienced increasing values since the previous performance evaluation and have outpaced any increase in median family incomes. Our contact stated there are many

opportunities for banks within the Allston/Brighton and surrounding communities, such as funding low- and moderate-income housing projects and providing financial literacy and first time homebuyer training. Our contact specifically mentioned Leader as an active institution in the area, working with local community groups in meeting identified credit needs.

Please refer to Tables A1 and A2 for demographic information of the Bank's AA during the 2017-2018 and 2016 evaluation periods:

Table A1 – Demographic Information of the Assessment Area						
Assessment Area: Leader Bank AA_2017-2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	652	10.7	20.1	33.7	33.3	2.1
Population by Geography	3,002,756	8.9	20.4	35.8	34.5	0.3
Housing Units by Geography	1,210,872	8.4	20.5	36.7	34.1	0.3
Owner-Occupied Units by Geography	649,664	3.0	14.1	39.4	43.3	0.2
Occupied Rental Units by Geography	492,195	15.1	28.5	33.6	22.3	0.5
Vacant Units by Geography	69,013	10.9	24.4	32.7	31.4	0.6
Businesses by Geography	233,367	6.1	14.0	33.7	45.6	0.5
Farms by Geography	3,736	2.2	10.3	36.9	50.6	0.1
Family Distribution by Income Level	694,385	22.9	15.6	18.8	42.7	0.0
Household Distribution by Income Level	1,141,859	26.4	14.0	15.7	43.9	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$438,842
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$100,380	Median Gross Rent			\$1,340
			Families Below Poverty Level			7.6%
Source: 2015 ACS Census and 2018 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A2 – Demographic Information of the Assessment Area						
Assessment Area: Leader Bank AA_2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	652	10.3	19.6	35.0	33.1	2.0
Population by Geography	2,895,958	8.6	19.2	37.9	34.3	0.1
Housing Units by Geography	1,187,150	8.1	19.5	39.3	33.1	0.0
Owner-Occupied Units by Geography	649,729	2.8	12.9	41.7	42.7	0.0
Occupied Rental Units by Geography	462,252	15.0	28.2	36.5	20.4	0.0
Vacant Units by Geography	75,169	11.7	24.3	36.0	27.9	0.0
Businesses by Geography	221,017	5.9	12.9	34.5	46.4	0.3
Farms by Geography	3,381	1.6	9.0	40.0	49.4	0.0
Family Distribution by Income Level	673,691	22.3	15.7	19.8	42.3	0.0
Household Distribution by Income Level	1,111,981	25.8	14.3	16.9	43.0	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$83,664	Median Housing Value			\$438,051
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$90,625	Median Gross Rent			\$1,204
			Families Below Poverty Level			7.0%
Source: 2010 U.S. Census and 2016 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.						

Scope of Evaluation in Massachusetts

As previously discussed, LBNA has delineated a single AA within the State of Massachusetts for evaluation under the requirements of the CRA. The Bank's AA is composed of the entirety of the following counties of Suffolk, Norfolk, and Middlesex which, being part of the greater Boston-Worcester-Providence, MA-RI-NH-CT CSA (#148), were combined as a single, full-scope rating area for assessment of the Bank's lending and CD performance. This delineated AA consists of wholly-contiguous, political subdivisions, contains all of the Bank's branch locations and the entire deposit base, and does not arbitrarily exclude any low- or moderate-income geographies.

Leader's overall and state rating is based primarily on the single delineated AA which received a full-scope review. Performance during the 2017-2018 evaluation period was more heavily weighted when arriving at overall conclusions as more home mortgage lending occurred during this period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Massachusetts

LENDING TEST

The Bank's performance under the Lending Test in Massachusetts is rated outstanding.

Based on a full-scope review, the Bank's lending performance in the State of Massachusetts is considered excellent, given performance context.

Primary product determination identified residential home mortgages as the Bank's primary vehicle for lending during the evaluation period of January 1, 2016 through December 31, 2018 where residential home mortgages accounted for approximately 88 percent of all loans originated and/or purchased. Other loan types were not identified for evaluation as the level of lending amongst those channels was not considered significant. Additionally, due to the aforementioned census demographic changes, we assessed Leader's lending performance according to two evaluation periods: 2016 and 2017-2018.

Distribution of Loans by Income Level of the Geography

The Bank exhibits excellent geographic distribution of loans in the State of Massachusetts, given their overall excellent geographic distribution within the AA for both the evaluation periods of 2017-2018 and 2016 and noted performance context.

Home Mortgage Loans

The Bank's geographic distribution of home mortgage loans within the AA is considered excellent for both the evaluation periods of 2017-2018 and 2016, given performance context. Overall, the geographic distribution of home mortgage loans reflects excellent dispersion amongst both low- and moderate-income geographies when considering significant market competition and demographic barriers within the AA. Specifically, Leader's level of lending amongst low- and moderate-income geographies falls within a reasonable range below the aggregate lending data, our primary comparator. This performance is considered excellent for both evaluation periods when considering the Bank's position within the market for home mortgage lending and comparable performance to the percentage of owner-occupied housing units dispersed within the AA. When considering 2017 Peer Mortgage Data for home mortgage lending to low- and moderate-geographies within the AA, Leader was ranked fifth amongst 423 lenders with 3.2 percent market share representing 567 instances of lending. Similarly, for 2016 Peer Mortgage Data within the AA, Leader was ranked third amongst 424 lenders with 4.04 percent market share representing 737 instances of lending.

Please refer to Tables O1 and O2 in the State of Massachusetts section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

The following Tables 1 and 2 highlight Leader’s geographic performance of home mortgage lending during both evaluation periods when compared to the aggregate lending data, our primary comparator:

Table 1 – Geographic Distribution of Home Mortgage Loans in the Leader Bank AA – 2017-2018								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Mortgages	4.3	3.3	16.7	14.8	39.0	36.5	39.8	45.1

Source: 2017 HMDA Aggregate Data; 01/01/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0 and 0.3 percent of lending occurred in geographies that have not been assigned an income classification.

Table 2 – Geographic Distribution of Home Mortgage Loans in the Leader Bank AA – 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Mortgages	3.3	2.5	12.9	11.9	41.3	38.4	42.4	47.2

Source: 2016 HMDA Aggregate Data; 01/01/2016 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0.

Distribution of Loans by Income Level of the Borrower

The Bank exhibits an excellent distribution of loans to individuals of different income levels, given their overall excellent borrower distribution within the AA for both the evaluation periods of 2017-2018 and 2016 and noted performance context and offered product lines.

Home Mortgage Loans

The Bank's borrower distribution of home mortgage loans within the AA is considered excellent for both the evaluation periods of 2017-2018 and 2016, given performance context. Overall, the borrower distribution of home mortgage loans reflects excellent penetration to both low- and moderate-income borrowers when considering significant market competition and demographic barriers exhibited in the AA. Specifically, Leader's level of lending amongst low- and moderate-income borrowers falls within a reasonable range below the aggregate lending data, our primary comparator. This performance is considered excellent for both evaluation periods when considering the Bank's position within the market for home mortgage lending occurring in the AA. When considering 2017 Peer Mortgage Data for home mortgage lending to low- and moderate-borrowers within the AA, Leader was ranked seventh amongst 398 lenders with 2.6 percent market share representing 415 instances of lending. Similarly, for 2016 Peer Mortgage Data within the AA, the Bank was ranked sixth amongst 391 lenders with 3.0 percent market share representing 520 instances of lending.

Please refer to Tables P1 and P2 in the State of Massachusetts section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

The following Tables 3 and 4 highlight the Bank's borrower performance of home mortgage lending during both evaluation periods when compared to the aggregate lending data, our primary comparator:

Table 3 – Borrower Distribution of Home Mortgage Loans in the Leader Bank AA – 2017-2018								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Mortgages	4.2	2.0	14.6	11.6	22.7	24.0	46.4	60.4

Source: 2017 HMDA Aggregate Data; 01/01/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0 and 2.1 percent of the Bank's lending and 12.0 percent of aggregate data occurred to borrowers without a reported income.

**Table 4 – Borrower Distribution of Home Mortgage Loans
in the Leader Bank AA – 2016**

Borrower Income Level	Low		Moderate		Middle		Upper	
Loan type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Mortgages	3.2	1.3	12.3	8.9	22.1	23.8	49.8	64.8

Source: 2016 HMDA Aggregate Data; 01/01/2016 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0 and 1.3 percent of the Bank's lending and 12.6 percent of aggregate data occurred to borrowers without a reported income.

Responses to Complaints

Our review of complaints submitted to the OCC or other agencies against the Bank did not identify any CRA or Fair Lending related complaints occurring during the evaluation period of January 1, 2016 through December 31, 2018.

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the Community Development Test in the State of Massachusetts is rated outstanding.

Based on a full-scope review, the Bank exhibits excellent responsiveness to community development needs in the state through community development loans, qualified investments, and community development services. This considers the Bank's capacity and the need and availability of such opportunities for community development in the Bank's AA.

Number and Amount of Community Development Loans

Leader Bank originated a high level of CD loans during the evaluation period, specifically 45 loans totaling approximately \$17 million. This consists of 18 CD loans totaling approximately \$13.6 million originated during the evaluation period, as well as the Bank's Small Business Lending (SBL) portfolio of 27 loans totaling \$3.4 million. This meets the standard for outstanding performance. The CD loans made by the Bank provided financing for nonprofit community organizations who provide affordable housing facilities and related services, promote economic development among low- and moderate-income tracts within the AA, and provide community services related to the prevention of homelessness and hunger. The SBL portfolio consists of loans less than \$1 million to SBA size-eligible businesses. During the evaluation period, the Bank's small business lending activities created 123 jobs within low- and moderate-income geographies.

The highlights of the Bank's CD loans are as follows:

- A commercial real estate loan to a local nonprofit within Suffolk County in the amount of \$1.425 million to obtain 13 affordable housing units to be used for low- and moderate-income veterans.
- An annual renewal of the Bank's \$200,000 participation in a community loan fund used to finance low-income housing and job creating within the AA. Renewal of participation occurred three times during the evaluation period for a total relationship of \$600,000.
- An \$888,000 commercial real estate loan to secure new space of operations for a nonprofit organization based in the AA that is dedicated to the prevention of food and hunger amongst low- and moderate-income groups.
- A \$1.08 million dollar commercial real estate loan to a small business located within a moderate-income tract to expand the scope of operations and provide additional jobs for low- and moderate-income individuals.
- The Bank made ten SBA 504 loans totaling approximately \$8.98 million to local businesses within their AA for the acquisition of property and funding to support opening of new businesses.

Number and Amount of Qualified Investments

The Bank's level of CD qualified investments and donations within the AA is outstanding considering the Bank's capacity, significant market competition, and the availability of CD-related opportunities for investment. Leader's investments and donations during the evaluation period totaled approximately \$102,000 representing 62 instances of qualified investments or donations within the delineated AA. Additionally, the Bank maintained four prior period investments since the previous performance evaluation with an amortized value of \$4.38 million as of December 31, 2018. In total, qualified CD investments and donations amounted to \$4.48 million, meeting the standard for excellent responsiveness. We note that while the total amount of investments and donations made by LBNA during the evaluation period was greater than the aforementioned amounts, some investments and donations did not meet the definition of CD and/or were not located within the delineated AA.

The highlights of the Bank's CD investments and donations are as follows:

- A \$2,000 dollar donation to a local school that provides STEAM based education for low- and moderate-income students to adopt a student and assist with schooling.
- A \$5,000 dollar donation to an initiative that provides funds and assistance to low- and moderate-income inner city neighborhoods to provide schooling and programming for at risk youth.
- A \$2,000 dollar investment in a local community and banking council centered within the AA that creates initiatives designed to assist both the unbanked and underbanked. The council is the sponsor of 'Basic Banking' training programming within the AA that provides education resources to low- and moderate-income populations at low- or no-cost.

Extent to Which the Bank Provides Community Development Services

The Bank demonstrates excellent responsiveness to the CD service needs of its local AA. During the evaluation period, bank officers participated with 17 different CD-eligible organizations in providing 2,231 services hours in response to identified community credit needs. These organizations promote affordable housing and credit availability, provide community services targeted towards low- and moderate-income groups and geographies, and promote overall economic development within the AA. Additionally, Leader has created their own programming for low- and moderate-income populations within the surrounding community. The Bank hosts food drives and dinners serving the homeless and at-risk groups. We note that while the total number of service hours made by Leader during the evaluation period was higher than the aforementioned amounts, some services did not meet the definition of qualified CD services.

The highlights of the Bank's CD services are as follows:

- An officer of the Bank served a total of 108 hours on the Board of Directors for a local CD corporation that provides guidance to help preserve and create jobs for small businesses, particularly among low- and moderate-income populations.
- A Bank employee serves as a volunteer/fundraiser and develops programming for a local non-profit that provides food and nutrition services for low- and moderate-income populations. Noted service during the evaluation period totaled 144 hours.
- An officer of the Bank serves as a trustee for a local affordable housing trust fund whose mission is to create affordable housing rental units within the surrounding community. Noted service during the evaluation period totaled 72 hours.

Appendix A: Scope of Evaluation

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	LT – (01/01/2016 to 12/31/2018); CD test – (04/18/2016 to 12/31/2018)	
Bank Products Reviewed:	HMDA-reportable, residential mortgage loans Community Development-eligible loans, investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed.		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Massachusetts		
<ul style="list-style-type: none"> Leader Bank AA – portion of Boston-Worcester-Providence, MA-RI-NH-CT CSA (#148) 	Full-scope	<ul style="list-style-type: none"> Boston-Worcester-Providence, MA-RI-NH-CT CSA (#148) <ul style="list-style-type: none"> Boston, MA MD (#14454) <ul style="list-style-type: none"> Suffolk County (#025) Norfolk County (#021) Cambridge-Newton-Framingham, MA MD (#15764) <ul style="list-style-type: none"> Middlesex County (#017)

Appendix B: Summary of State Ratings

RATINGS – Leader Bank, National Association			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
Leader Bank, National Association	Outstanding	Outstanding	Outstanding
State:			
Massachusetts	Outstanding	Outstanding	Outstanding

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan.

This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which

half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O1 : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017-2018

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Leader AA_2018	6,046	2,682,363	100.0	84,541	3.0	3.3	4.3	14.1	14.8	16.7	39.4	36.5	39.0	43.3	45.1	39.8	0.2	0.3	0.3
Total	6,046	2,682,363	100.0	84,541	3.0	3.3	4.3	14.1	14.8	16.7	39.4	36.5	39.0	43.3	45.1	39.8	0.2	0.3	0.3

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O2 : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2016

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Leader AA_2016	5,108	2,074,315	100.0	112,052	2.8	2.5	3.3	12.9	11.9	12.9	41.7	38.4	41.3	42.7	47.2	42.4	0.0	0.0	0.0
Total	5,108	2,074,315	100.0	112,052	2.8	2.5	3.3	12.9	11.9	12.9	41.7	38.4	41.3	42.7	47.2	42.4	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P1: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																		2017-2018	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Leader AA_2018	6,046	2,682,363	100.0	84,541	22.9	2.0	4.2	15.6	11.6	14.6	18.8	24.0	22.7	42.7	60.4	46.4	0.0	2.1	12.0
Total	6,046	2,682,363	100.0	84,541	22.9	2.0	4.2	15.6	11.6	14.6	18.8	24.0	22.7	42.7	60.4	46.4	0.0	2.1	12.0
Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			

Table P2: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Leader AA_2016	5,108	2,074,315	100.0	112,052	22.3	1.3	3.2	15.7	8.9	12.3	19.8	23.8	22.1	42.3	64.8	49.8	0.0	1.3	12.6
Total	5,108	2,074,315	100.0	112,052	22.3	1.3	3.2	15.7	8.9	12.3	19.8	23.8	22.1	42.3	64.8	49.8	0.0	1.3	12.6
Source: 2010 U.S. Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			