



## PUBLIC DISCLOSURE

June 21, 2022

## 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:

- Given the bank's size, financial condition and performance context factors, the Lending Test rating is based on Leader Bank, National Association's (Leader or the bank) more than reasonable loan-to-deposit (LTD) ratio, a majority of loans are in the assessment area (AA), an excellent distribution of lending in low- and moderate-income geographies and an excellent distribution of lending to borrowers of different income levels.
- Given the bank's size, capacity and performance context factors, the Community Development (CD) Test rating is based on Leader's excellent responsiveness to the credit needs of its delineated AA through its CD loans, qualified investments, and CD services.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, Leader's LTD ratio is considered more than reasonable.

Leader's quarterly LTD ratio averaged approximately 104 percent over the last 12 quarters since the end of the previous evaluation's LTD analysis. Specifically, this analysis considers LTD data occurring during the evaluation period of January 1, 2019, to December 31, 2021. During the 12-quarter period, the bank's quarterly LTD ratio ranged from a quarterly low of 88 percent to a quarterly high of 120 percent.

Leader's LTD ratio compares favorably to other peer institutions of similar size, business strategy, and geographic location. The peer group had a quarterly average net LTD ratio of 88 percent over the same 12 quarters, ranging from an average quarterly low of 51 percent to an average quarterly high of 111 percent.

### Lending in Assessment Area

A majority of the bank's loans are in its AA.

Leader originated and/or purchased 64.8 percent by number and 70.3 percent by dollar amount of its total home mortgage loans inside its AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. This performance does not include extensions of credit by affiliates that may be considered under the other performance criteria. Leader did not submit affiliate lending for consideration during this evaluation.

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		
	#	%	#	%		\$	%	\$	%	
<b>Home Mortgage</b>										
2019	4,372	63.9	2,475	36.1	6,847	2,090,583	69.6	912,429	30.4	3,003,012
2020	8,890	65.2	4,751	34.8	13,641	4,050,775	69.9	1,747,654	30.1	5,798,430
2021	8,535	65.0	4,592	35.0	13,127	4,505,421	71.0	1,844,707	29.1	6,350,128
<b>Total</b>	<b>21,797</b>	<b>64.8</b>	<b>11,818</b>	<b>35.2</b>	<b>33,615</b>	<b>10,646,779</b>	<b>70.3</b>	<b>4,504,790</b>	<b>29.7</b>	<b>15,151,569</b>
<i>Source: Bank Data – 01/01/2019 – 12/31/2021</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

Leader is an intrastate financial institution located in Arlington, Massachusetts (MA). Leader commenced operations in May 2002 and as of December 31, 2021, the bank reported total assets of \$3.08 billion. Leader is wholly owned by Leader Bancorp, Inc. The bank's total deposits and tier 1 capital are \$2.66 billion and \$361.87 million, respectively, as of December 31, 2021. The bank's loan portfolio is \$2.37 billion which represents 76.9 percent of total assets. Leader operates seven branches within Arlington, Belmont, Burlington, Cambridge, and Boston. The bank did not open or close branches during the evaluation period of January 1, 2019, through December 31, 2021. Branch operating hours are reasonable and nearly uniform. All branches operate at least from 9:00 A.M. through 4:00 P.M. on weekdays, with some branches opening earlier and/or closing later on certain days. Branches operate at reduced hours on Saturdays and do not operate on Sundays. Four of the bank's branches are located in upper-income census tracts, with the remaining three located within middle-income census tracts. Additionally, Leader operates 11 loan production offices, ten in MA and one in Connecticut.

Leader offers a standard array of traditional loan and deposit products for both personal and business customers. Leader's website, [www.leaderbank.com](http://www.leaderbank.com), provides a listing and description of loan and deposit offerings. In addition to in-person services, the bank has made alternative services available such as online banking, mobile banking, and Zelle. Leader ATMs are also available at all of its full-service branches and the Needham loan production office. Personal product offerings include, but are not limited to, checking and savings accounts including IRA accounts, residential mortgage loans, and home equity lines of credit (HELOCs). Leader Bank also offers a variety of government sponsored and First Time Homebuyer loan programs designed to meet the credit needs of its community. Business customer product offerings include, but are not limited to, commercial checking and savings accounts, cash management services, property management solutions, commercial mortgages, U.S. Small Business Administration-backed loan products, and business term loans.

The table below provides a summary of the loan mix as of December 31, 2021:

<b>Loan Portfolio Summary by Loan Product December 31, 2021</b>	
<b>Loan Category</b>	<b>% of Gross Loans and Leases</b>
<b>1-4 Family Residential Mortgages – Closed End</b>	49.8
<b>Other Real Estate (Commercial)</b>	22.5
<b>Multifamily</b>	16.0
<b>Commercial &amp; Industrial</b>	5.6
<b>Home Equity</b>	3.9
<b>Construction &amp; Development</b>	2.0
<b>Consumer</b>	<1
<b>Municipal Bonds/Loans</b>	<1
<b>Other</b>	<1
<b>Total</b>	100

Source: Federal Deposit Insurance Corporation Call Report, December 31, 2021.

The bank has no financial or legal impediments to meeting the credit needs of the AA. The bank was rated ‘Outstanding’ using Intermediate Small Bank (ISB) procedures at the last CRA performance evaluation dated May 28, 2019.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Leader was evaluated using ISB evaluation procedures, which assesses the bank’s performance according to CRA under components of both a Lending Test and CD Test. The Lending Test evaluates the bank’s record of performance in meeting the credit needs of the AA during the evaluation period (January 1, 2019 through December 31, 2021) through its lending activities. The CD test evaluates the bank’s responsiveness to CD needs in its AA through CD lending, investments, and services.

The scope of our evaluation was based on the bank’s primary loan products which consisted solely of home mortgage information for 2019, 2020, and 2021 as required by the Home Mortgage Disclosure Act (HMDA) and reported CD activities. Examiners determined the HMDA data submitted was reliable and accurate and verified CD activities submitted by management.

We compared the bank’s 2019-2021 lending performance to 2015 American Community Survey (ACS) and 2020 Dun and Bradstreet (D&B) data. The 2020 Peer Mortgage data was used as supporting performance context (as applicable). Peer 2021 deposit market share data is as of June 30, 2021, based on information from the Federal Deposit Insurance Corporation. HMDA aggregate lending and market share percentages consider only lenders that submit HMDA data. Lenders that collect, but do not submit data, are not considered in the percentages.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA

AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

The CRA requires an institution to define its AA in which it will be evaluated. Leader has delineated a single, full-scope AA that meets the requirements of the regulation by consisting of wholly contiguous political subdivisions (counties, cities, towns), does not reflect illegal discrimination, does not arbitrarily exclude low- or moderate-income census tracts (CTs) and does not extend beyond an MSA unless the AA is in a multistate MSA. Leader’s AA consists of a single full-scope area, the Boston-Worcester-Providence, MA-RI-NH-CT CSA AA which is comprised of the entirety of Norfolk (#021), Suffolk (#025), and Middlesex (#017) Counties in MA. Norfolk and Suffolk Counties are both subsets of the larger Boston, MA MD (#14454) while Middlesex County is a subset of the larger Cambridge-Newton-Framingham, MA MD (#15764). Both the Boston, MA MD and the Cambridge-Newton-Framingham, MA MD are subsets of the larger Boston-Worcester-Providence, MA-RI-NH-CT CSA (#148).

### **Ratings**

The Bank’s overall rating is based primarily on Leader’s single delineated AA, which received a full-scope review.

### **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:

- Excellent geographic distribution of home mortgage loans in the state.
- Excellent distribution of home mortgage loans to individuals of different income levels.
- There were no CRA or Fair Lending related complaints received by the bank or the agency since the previous CRA ISB Performance Evaluation, nor were there any noted complaints occurring during the evaluation period.
- CD activities reflect excellent responsiveness to CD needs in the state through its CD loans, qualified investments, and community development services

### Description of Institution's Operations in Massachusetts

As previously discussed, the bank's full-scope AA complies with regulatory requirements and does not exclude any low- or moderate-income geographies and includes all municipalities in the Norfolk, Suffolk, and Middlesex Counties. These three counties are included in the greater Boston-Worcester-Providence, MA-RI-NH-CT CSA and were assessed as one combined rating area for Leader's lending and CD performance for CRA.

Leader's primary business focus is to originate loans funded by its core deposits, and the bank faces significant competition for deposits in its AA. As of the June 30, 2021, FDIC deposit market share data, leading competitors for deposits in the AA include State Street Bank and Trust Company, Bank of America, NA, Citizens Bank, NA, Santander Bank, NA, and First Republic Bank. These top five institutions account for approximately 78 percent of the area's deposits. Within this same space, Leader ranks as the 18<sup>th</sup> largest deposit holder among 89 competitors with less than one percent market share. Outside the top five depositors, all institutions individually maintain less than three percent market share, highlighting the significant level of competition within the AA for deposits.

As part of performance context when evaluating the bank's lending, we considered the disparity between the median income of families within the AA compared to the median cost of housing and the overall impact to homeownership. Within the AA approximately 7.6 percent of families were noted as being below the poverty level and 40.4 percent of households are low- or moderate-income. We noted 43.9 percent of households were classified as upper-income. High home prices in the Boston, MA MD and Cambridge-Newton-Framingham, MA MD limits the availability of affordable housing for low- and moderate-income groups as the housing market in the area trends towards higher pricings. Specifically, based on 2021 median family income data reported for both the Boston, MA MD and the Cambridge-Newton-Framingham, MA MD, moderate-income families earning no more than 80 percent of the

metropolitan divisions' median family income would find it challenging to qualify for a mortgage loan given the area's \$438,842 median housing value. These economic challenges are heightened even further when considering the impact to low-income families in the AA.

As reported by Moody's Analytics Inc. in January 2022, MA is experiencing a recovery period in the credit cycle. The tech industry, especially biotech, in the Boston and Cambridge-Newton-Framingham MDs has rebounded above pre-pandemic levels and will continue to drive job growth. The April 2022 MA unemployment rate of 4.1 percent is slightly elevated compared to the national average. The unemployment rates for the Boston and Cambridge-Newton-Framingham MDs in December 2021 were 4.7 and 4.3 percent, respectively. Both MDs' unemployment rates were noted as higher than the national unemployment rate of 3.9 percent at that time.

As part of this evaluation, to better assess the bank's lending performance with AA context, we held two interviews with representatives from local CD organizations. These organizations' primary initiatives are to create and preserve affordable housing and access to credit and financial services within the greater Boston area. With rapidly rising housing and cost of living expenses, there are significant challenges for first-time and low- and moderate-income borrowers to obtain home mortgages. Inundated with colleges and universities in the area, investors have driven housing prices upwards, which contributes to the housing instability faced by low- and moderate-income neighbors. Leader Bank partners with both organizations to sponsor community initiatives, including sponsoring First-time Homebuyers Seminars to assist participants with resources, credit availability, and housing market economics.

Please refer to Table A below for the bank's 2021 demographic information.



<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Boston-Worcester-Providence, MA-RI-NH-CT CSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
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	325,994	6.3	14.9	33.0	45.3	0.5
Farms by Geography	4,978	3.1	11.6	37.2	48.0	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		\$90,699	Median Housing Value			\$438,842
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Gross Rent			\$1,340
			Families Below Poverty Level			7.6%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Massachusetts

Leader delineated a single AA in the State of Massachusetts for analysis under the requirements of the CRA. The bank's AA is composed of Middlesex; Norfolk; and Suffolk Counties, which is part of the greater Boston-Worcester-Providence, MA-RI-NH-CT CSA. These counties were combined into a single, full-scope rating area for the bank's lending and CD tests. The delineated AA is inclusive of all the bank's branch locations, consists of wholly contiguous political subdivisions, and does not arbitrarily exclude any low- or moderate-income geographies.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS**

### **LENDING TEST**

The bank's performance under the Lending Test in Massachusetts is rated Outstanding.

### **Conclusions for Area Receiving a Full-Scope Review**

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

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an excellent geographic distribution of loans in the state.

#### ***Home Mortgage Loans***

Refer to Table O in the State of MA 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 geographic distribution of home mortgage loans is considered excellent given performance context.

The percentage of home mortgage loans in low-income CTs was slightly below both the percentage of owner-occupied units and aggregate lending in the AA. The percentage of home mortgage loans in moderate-income CTs was slightly below both the percentage of owner-occupied units and aggregate lending in the AA.

The geographic distribution of home mortgage loans reflects excellent dispersion amongst low- and moderate-income geographies when considering the significant lending competition within the AA. Leader has limited opportunities to lend in low- and moderate-income geographies as the bank faces significant competition from other lenders that operate in the area and the high housing costs.

In 2020, Leader was ranked fourth out of 458 lenders for home mortgage lending to borrowers in low- and moderate-income geographies in the AA with 3.78 percent of market share within the AA and a total of 1,102 instances of lending. Leader faces significant competition from large mortgage companies and large banks lending in the AA. The top five lenders of home mortgage loans to borrowers located in low- and moderate-income AA geographies, other than Leader, are Quicken Loans, Guaranteed Rate, Citizens Bank, and JP Morgan Chase Bank. The top five lenders account for 20.88 percent of market share. No lenders outside the top five have three or more percent of market share.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an excellent distribution of home mortgage loans to individuals of different income levels.

### ***Home Mortgage Loans***

Refer to Table P in the State of MA 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 borrower distribution of home mortgage loans is considered excellent given performance context.

The percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families and below aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers was slightly below both the percentage of moderate-income families and aggregate lending in the AA.

The Bank's distribution of home mortgage loans by income level of borrowers within the AA is considered excellent when factoring performance context. Leader has limited opportunities to lend to low- and moderate-income borrowers due to significant competition from other lenders within the AA and high housing costs.

In 2020, Leader was ranked fifth out of 416 lenders for home mortgage lending to low- and moderate-income borrowers in the AA with 3.31 percent of market share representing a total of 1,070 instances of lending. Leader faces significant competition for home mortgage lending from large mortgage companies and large banks operating in the AA. The top four lenders of home mortgage loans to low- and moderate-income borrowers include Quicken Loans, Citizens Bank, Guaranteed Rate, and JP Morgan Chase Bank. United Wholesale Mortgage, LLC, was ranked sixth with 3.09 percent of market share. The top six lenders account for 26.41 percent of market share. No lenders outside the top six have three or more percentage of market share.

### **Responses to Complaints**

Leader did not receive any complaints about its performance in helping to meet the credit needs in the AA during the evaluation period. Additionally, no complaints were received by the agency related to CRA or Fair Lending during the evaluation period. This has a neutral impact on the bank's CRA assessment.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in Massachusetts is rated Outstanding.

### Conclusions for Area Receiving a Full-Scope Review

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

### Number and Amount of Community Development Loans

The bank provides an excellent level of CD loans in the AA.

Qualified CD loans that were originated or renewed, totaled 14 loans aggregating to approximately \$22.5 million. Specifically, Leader made four SBA 504 Certified Development Company program loans to three borrowers, in an amount greater than \$1 million, totaling \$4.33 million. Outside of the bank's SBA 504 lending, CD loans were made to promote affordable housing for low- and moderate-income individuals or promote economic development initiatives supporting underserved communities within the AA. While the submitted amount of loans made by the bank during the evaluation period was greater than the qualified amount, some loans did not meet the definition of CD and/or were located outside of the delineated AA.

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

- An SBA 504 loan to a family-owned and operated portable restroom rental company, totaling \$1.91 million, to fund the acquisition of a warehouse. The business is located in the AA and provides services to the greater Boston area.
- A \$1.05 million, cash-out refinance loan, to fund the development of two affordable housing properties, collateralized by a 9-unit affordable housing development located in Arlington, MA. The borrower is a non-profit that organized to provide affordable housing to low- and moderate-income families in Arlington, MA, and surrounding communities.
- A \$2.52 million construction loan to a qualified CD entity that provides food services targeted towards low- and moderate-income groups in the greater Boston area. The construction loan will serve to renovate one of the entity's commercial buildings ensuring continued operations and expansion of community services.

In addition to the above qualified CD loans, Leader also participated in the SBA's Payment Protection Plan (PPP) program in response to the economic pressures imposed by the Covid-19 pandemic. Within the delineated AA, the bank made approximately 2,025 instances of PPP lending totaling approximately \$154.6 million during the time period of April 8, 2020, through July 26, 2021. Additionally, the bank also funded 1,014 PPP loans outside of its AA totaling approximately \$81.2 million during the same April 8, 2020, to July 26, 2021, timeframe.

## **Number and Amount of Qualified Investments**

The bank provides an adequate level of community development qualified investments and donations in the AA.

Leader's qualified investments and donations occurring during the evaluation period totaled approximately \$704,540 representing 74 instances of qualified CD giving in the delineated AA. Additionally, the bank had four prior period investments in Fannie Mae CRA-Targeted Mortgage-Backed Securities, pooled by geographically distributed loans in the AA. The amortized value of the investments was \$2.19 million as of December 31, 2021. In consideration with the prior investments, the total qualified CD investments and donations amounted to approximately \$2.9 million. While the submitted number of investments and donations made by Leader during the evaluation period was greater than the qualified amount, some investments and donations did not meet the definition of CD and/or were located outside of the delineated AA.

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

- Aggregate donations totaling approximately \$550,000 to a local community development organization whose mission is to provide affordable housing programming and resources to low- and moderate-income families Middlesex County.
- A \$1,500 dollar donation to a local organization aimed at providing affordable housing in the bank's AA. The funds were designated to the First Time Home Buyers program specifically for low- and moderate-income residents.
- A \$3,000 dollar donation to a community organization that prevents food waste by delivering surplus to communities in need. The funds were used to prevent hunger in low- and moderate-income populations in the Middlesex County.
- A \$2,500 grant to support a local nonprofit organization providing healthcare and human services to the low- and moderate-income population in the greater Boston area. Social services meet the needs of children, family, and adults.

## **Extent to Which the Bank Provides Community Development Services**

The bank provides an excellent level of community development services in the AA.

During the evaluation period, bank employees participated with 14 different CD eligible entities in providing approximately 1,218 services hours in response to the credit needs of the AA. Services provided to these organizations assisted and educated low- and moderate-income individuals on affordable housing and credit availability; provided community services targeted towards low- and moderate-income groups and geographies; and promoted overall economic development within the AA. Furthermore, Leader is involved in hosting First Time Homebuyer Seminars, partnered with local organizations where, due to the COVID-19 pandemic, some of the seminars were held through video conferencing platforms. While the bank's submission of community service hours during the evaluation period was greater than the qualified hours, some community services did not meet the definition of CD and/or were located outside of the delineated AA.

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

- An executive of the bank served as an appointed Board member of an organization that promotes inclusive economic development of small businesses, particularly in underserved communities, throughout the state. An estimated 108 service hours were recorded while in the position.
- A bank employee provided 108 hours of technical services to a nonprofit community organization that owns and manages affordable housing units in Arlington, MA. Eligibility of tenants are determined by household income capped at an annually adjusted percentage of the area median income.
- A bank employee contributed 48 hours to a facility that specializes in preparing medically tailored meals and nutrition services to low- and moderate-income populations with critical and chronic illnesses. Meals and services were delivered to clients across the state.

## Appendix A: Scope of Examination

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”.

<b>Time Period Reviewed:</b>	Lending and Community Development Tests – (01/01/2019 to 12/31/2021)	
<b>Bank Products Reviewed:</b>	HMDA-reportable, residential mortgage loans Community development loans, investments, and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None reviewed.		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Massachusetts		
<b>Boston-Worcester-Providence, MA-RI-NH-CT CSA AA</b>	Full-scope	<p>Full-scope Assessment Area is comprised of the following geographies:</p> <ul style="list-style-type: none"> <li>• Boston-Worcester-Providence, MA-RI-NH-CT CSA (#148) <ul style="list-style-type: none"> <li>• Boston, MA MD (#14454) <ul style="list-style-type: none"> <li>• Suffolk County (#025)</li> <li>• Norfolk County (#021)</li> </ul> </li> <li>• Cambridge-Newton-Framingham, MA MD (#15764) <ul style="list-style-type: none"> <li>• Middlesex County (#017)</li> </ul> </li> </ul> </li> </ul>

## Appendix B: Summary of MMSA and State Ratings

<b>RATINGS – Leader Bank, National Association</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating *</b>	<b>Community Development Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
<b>Leader Bank, National Association</b>	Outstanding	Outstanding	Outstanding
<b>MMSA or State:</b>			
<b>State of Massachusetts</b>	Outstanding	Outstanding	Outstanding

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



## Appendix C: Definitions and Common Abbreviations

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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

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### 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 30<sup>th</sup> 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.

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
Boston-Worcester-Providence, MA-RI-NH-CT CSA AA	21,797	10,646,779	100.0	176,499	3.0	2.3	3.0	14.1	11.6	13.5	39.4	36.1	38.3	43.3	49.6	45.0	0.2	0.3	0.2
<b>Total</b>	<b>21,797</b>	<b>10,646,779</b>	<b>100.0</b>	<b>176,499</b>	<b>3.0</b>	<b>2.3</b>	<b>3.0</b>	<b>14.1</b>	<b>11.6</b>	<b>13.5</b>	<b>39.4</b>	<b>36.1</b>	<b>38.3</b>	<b>43.3</b>	<b>49.6</b>	<b>45.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Boston-Worcester-Providence, MA-RI-NH-CT CSA AA	21,797	10,646,779	100.0	176,499	22.9	1.6	3.5	15.6	11.0	14.8	18.8	24.7	22.8	42.7	61.2	48.0	0.0	1.5	10.9
<b>Total</b>	<b>21,797</b>	<b>10,646,779</b>	<b>100.0</b>	<b>176,499</b>	<b>22.9</b>	<b>1.6</b>	<b>3.5</b>	<b>15.6</b>	<b>11.0</b>	<b>14.8</b>	<b>18.8</b>	<b>24.7</b>	<b>22.8</b>	<b>42.7</b>	<b>61.2</b>	<b>48.0</b>	<b>0.0</b>	<b>1.5</b>	<b>10.9</b>

*Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*