



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

Leader Bancorp, Inc.

Person to be contacted regarding this report:	Sushil K. Tuli, Chairman and CEO
CPP Funds Received:	\$5,830,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/23/2008
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	3439236
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	57134
City:	Arlington
State:	Massachusetts

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Leader Bank, N.A. a wholly owned subsidiary of Leader Bancorp, Inc. during the calendar year ended December 31, 2009 increased the loan portfolio by \$44.8 million or 19.2% from \$232 million at December 31, 2008 to \$277 million at December 31, 2009.
---	---

<input checked="" type="checkbox"/>	<p>To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).</p>	<p>\$46.9 million in loans secured by first and junior liens on 1-4 family and multifamily residential properties , \$3 million of home equity lines of credit secured by 1-4 residential properties and \$4.5 million in loans secured by other nonresidential properties and \$2.5 million in small business loans.</p>
<input type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	
<input type="checkbox"/>	<p>Make other investments</p>	
<input type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	

<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

Instead of using the CPP funds to bolster capital and loan loss reserves, Leader Bank used CPP funds to support growth and additional lending. As a result, Leader Bank was able to avoid turning away credit worthy customers, whether consumers or businesses.

Consumers were able to purchase homes or lower monthly payments by refinancing homes with lower interest rates. Business customers were able to support their growth or expand their businesses. Without the infusion of CPP funds, Leader Bank would have had to turn away credit worthy customers because of a lack of balance sheet capacity to support growth. Raising capital in December 2008 was a difficult prospect for community banks. The CPP funds allowed Leader Bank to focus on customers instead of focusing on raising additional capital to support projected growth.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

In 2009, the CPP funds allowed Leader Bank to be an active lender in its community. Leader Bank originated and closed over 3,000 residential loans totaling \$899 million. This included nearly 2,500 loans that were refinance loans, lowering consumers' interest rates. Leader Bank also originated and closed 34 commercial loans totaling over \$31 million. The net increase to the loan portfolio was \$44.8 million. Leader Bank would not have been able to increase its lending while also maintaining sufficient internal capital ratios without the CPP funds.

Leader Bank also hired 45 new employees in loan origination and support staff. These new employees helped Leader Bank expand its lending and created more jobs both inside and outside the bank. This would not have been possible without the CPP funds.

Leader Bank provided interest rate relief on \$1.9 million in loans during 2009. In addition, Leader Bank also provided a short-term waiver of principal and workout assistance on over \$10.6 million of loans in 2009.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

None

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.