

**INDEPENDENT
BANK CORP.**

Parent of Rockland Trust

COMMITTED
TO STRONG
RELATIONSHIPS

'14 ANNUAL
REPORT





Where Each Relationship Matters®

Independent Bank Corp. had approximately \$6.4 billion in assets as of December 31, 2014, and is the holding company for Rockland Trust Company, a full-service commercial bank headquartered in Massachusetts. Founded 107 years ago by local business owners as a bank for businesses, Rockland Trust has a long heritage of innovation and customer focus. We launched mobile banking twice: First in 1910 with a Model T Ford and again in 2011 with a digital banking suite of services for mobile devices. Our colleagues are recognized year after year for providing exemplary service and living the promise Where Each Relationship Matters®.

- 86 Retail Branches as of February 21, 2015
- 11 Commercial Lending Centers
- 5 Investment Management Centers
- Personal and Business Banking, Commercial Lending, Investment Management, Insurance, Mortgages and Home Equity Lending, and Mobile and Internet Banking
- Received an "Outstanding" Community Reinvestment Act rating

FINANCIAL CONDITION DATA

	As of and for the year ended December 31				
(Dollars in thousands, except per share data)	2014	2013	2012	2011	2010
Loans	\$4,970,733	\$4,718,307	\$4,519,011	\$3,794,390	\$3,555,679
Total assets	6,364,912	6,099,234	5,756,985	4,970,240	4,695,738
Total deposits	5,210,466	4,986,418	4,546,677	3,876,829	3,627,783
Stockholders' equity	640,527	591,540	529,320	469,057	436,472
Operating Data					
Net interest income	\$ 196,042	\$ 182,578	\$ 172,799	\$ 167,079	\$ 163,961
Noninterest income	69,943	68,009	62,016	52,700	46,906
Noninterest expenses	171,838	173,649	159,459	145,713	139,745
Net income	59,845	50,254	42,627	45,436	40,240
Per Share Data					
Net income—Diluted	\$ 2.49	\$ 2.18	\$ 1.95	\$ 2.12	\$ 1.90
Cash dividends declared	0.96	0.88	0.84	0.76	0.72
Operating Ratios					
Return on average assets	0.95%	0.87%	0.83%	0.96%	0.88%
Return on average common equity	9.66%	9.09%	8.66%	9.93%	9.46%
Net interest margin (on a fully tax equivalent basis)	3.45%	3.51%	3.75%	3.90%	3.95%
Asset Quality Ratios					
Nonperforming loans as a percent of gross loans	0.55%	0.73%	0.64%	0.76%	0.65%

ON THE COVER: Michael Hogan, President and CEO of A.D. Makepeace Company (left), and Paul Vickery, Senior Vice President and Regional Lending Manager for Rockland Trust, on site at Redbrook, a planned community currently under development located on approximately 1,320 acres in South Plymouth, Massachusetts. Rockland Trust has a longstanding relationship with A.D. Makepeace and provided major financing for Redbrook, the 160 year old company's most significant real estate development to date.

Dear Fellow Shareholders, Colleagues, Customers, and Members of Our Community,

I'M PLEASED TO TELL YOU THAT 2014 WAS ANOTHER GREAT YEAR FOR OUR COMPANY. OUR FOCUS ON PROVIDING EXEMPLARY SERVICE AND EXECUTING OUR PLAN IN A DISCIPLINED MANNER CONTINUED TO DELIVER SUPERIOR FINANCIAL RESULTS IN A DYNAMIC ECONOMIC, POLITICAL AND REGULATORY ENVIRONMENT. As you will see, we achieved impressive new business momentum, excellent credit quality, good expense control, and the successful integration of Mayflower Bank. At least as importantly, the satisfaction of our customers and engagement of our colleagues ranks among the highest of banks nationwide.

Throughout our 107 years in business, Rockland Trust's vision—"Where Each Relationship Matters"—has been the driving force behind our success in delivering an excellent customer experience. We believe it all begins with a high quality team of happy loyal colleagues who have a passion for serving customers and the drive to make banking easier. This commitment to caring for and respecting our colleagues and customers directly contributed to our outstanding financial performance in 2014:

- Record operating revenue of \$59.9 million, up 8.6%
- Record operating earnings per share of \$2.50, up 4.6%
- Loan growth of \$252.4 million or 5.4%
- Deposit growth of \$224.0 million or 4.5%

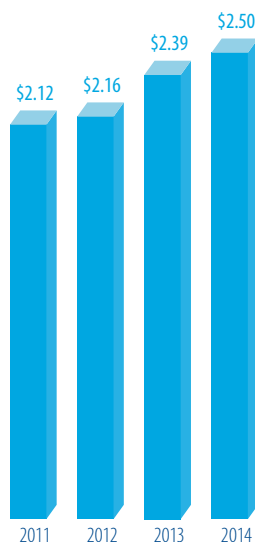
Our management team is careful not to become complacent about our performance, but we are nonetheless gratified when respected third parties acknowledge our achievements.

- Sandler O'Neill, a respected banking analyst, again selected us for their prestigious 2014 5m-All Stars List, one of only 35 banks nationwide.
- We were named to *Forbes'* list of **Best Banks** for four consecutive years 2011–2014.
- Rockland Trust was again named to *Boston Globe's* **Top Places to Work** for the sixth consecutive year (2009–2014), and was the top ranking bank in its category.



CHRISTOPHER ODDLEIFSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Operating Earnings Per Share



EXEMPLARY BUSINESS RESULTS

We are fortunate to be located in a geographic area which was relatively mildly affected by the Great Recession, and which has recovered more strongly from it. However, business investment and net new lending is just now beginning to expand, meaning that banks in our region have been chasing the same existing transactions for the past several years. Not surprisingly, this has had the effect of driving down pricing and margins.

Despite these headwinds, I am proud of our team for executing our plan and growing our customer base and revenues in a superior manner. Additionally, we see much of our growth coming from satisfied customers referring their friends and colleagues.

Our total loans grew by 5.4 percent to \$5.0 billion, driven primarily by our Commercial Lending group, which continues to attract more businesses with our team of experienced bankers and robust portfolio of financing capabilities. A 9.8 percent increase in the Commercial and Industrial and a 4.4 percent increase in Commercial Real Estate portfolios led to a 6.7 percent growth in total Commercial Loans.

Our Retail team continued to leverage our growing branch network and digital banking capabilities to grow consumer and business households, contributing to a 4.5 percent increase in total deposits, and 7.7% improvement in deposit fee income.

Further, our investment management business continues to gain momentum with record growth in 2014. Assets under administration increased by 9.4 percent to a record \$2.5 billion and revenue from those accounts was up by 16.7 percent to a record \$19.6 million. Strong absolute investment performance and solid new business results were the drivers of the investment team's financial performance.

Improved credit quality, efficiency, and capital position further strengthened our solid fundamentals. Nonperforming assets decreased 11.3 percent and now represent 0.61% of total assets. Net charge-offs on loans also remained low at 0.18% of average loans. Our efficiency ratio improved to 64.6 percent. In addition, we increased our Tier 1 capital Ratio to 8.8 percent. These provide a stronger platform for sustaining long-term growth by permitting us to invest in our people and capabilities to keep pace with the changing environment around us. Examples of investments made in 2014 include: creation of our Low Income Housing Tax Credit affordable housing program; completely new website and tablet banking; and an exciting new branch prototype in Somerville's Davis Square.

GREATER BOSTON EXPANSION

In last year's letter I talked about our progress in expanding our presence north of Boston into Middlesex County through the acquisition of Central Bank, and south of the City through our acquisition of Mayflower Bank. The successful unification of those franchises with Rockland Trust introduced us to new markets, made us more efficient, and opened up significant new avenues of growth. I would like to personally thank all our colleagues who worked so hard to make the Mayflower Bank integration relatively seamless for our new customers and colleagues. This is really important work!

Many of you have heard me talk about how important Greater Boston is to the future of our Company. Most of New England's economic growth occurs in this relatively small and dense geographic area. Fulfilling our master plan for Greater Boston took a giant leap this past year with our announcement in August to join forces with Peoples Federal Savings Bank. Peoples Federal will provide our company for the first time with a retail presence in the neighborhoods of Boston proper and will also enable us to leverage our investment management and commercial lending office in downtown Boston. Peoples' eight branches also create a perfect bridge between our legacy South Shore franchise and our more recent Northern franchise. We recently closed and integrated the Peoples Federal transaction and are excited to welcome our new colleagues and customers to Rockland Trust.

OUR COVERAGE



STRATEGIC FOCUS

An important ingredient for Rockland Trust's success is our strategic discipline and focus. I talked last year about our management realignment to allow us to improve this focus, particularly in the areas of knowledge management and process improvement. Our management team made significant progress in this area in 2014, refining our customer segmentation, gaining customer insight, and enhancing our products and service as a result. All of us are focused on making banking easier for our customers, and we are confident these improvements in our customers' experience will also accrue financial benefits to the Company.

Our Board of Directors led by Donna Abelli has been extremely engaged and provided valuable guidance and insight this past year. In 2014, we had notable departures. Robert Sullivan, Richard Anderson, and Richard Sgarzi each retired after many years of dedicated service. We also bid a sad farewell to long-time Director Benjamin A. Gilmore, II, due to illness. Ben joined our Board in 1989 and served with distinction for more than 20 years. He provided outstanding leadership throughout his tenure, including Chairman for the last several years of our Compensation Committee, and will be missed by all who knew him.

I couldn't be more proud of what our team has achieved this past year. We have a spirit of cooperation and commitment to do what is right for the customer that is rare in our industry today. I want to again thank my colleagues for going above and beyond to make banking easier for our customers. I would also like to thank our customers and shareholders for their continued vote of confidence. We endeavor to build even stronger relationships with each of you in the coming year.

 **\$5 BILLION**
TOTAL DEPOSITS IN 2014

“ Our fundamentals continued to lead the way, reflecting our well-positioned franchise and the growing power of the Rockland Trust brand. ”

Warmly,

Chris Oddleifson
President and Chief Executive Officer
Independent Bank Corp.
Rockland Trust Company

8.6%
INCREASE IN
OPERATING
NET INCOME

A Year of Achievements



The Boston Globe TOP PLACES TO WORK 2014

RANKED 4TH BEST OVERALL AMONG THE LARGEST EMPLOYERS IN MASSACHUSETTS.

TOP RANKING BANK IN OUR CATEGORY.

NAMED TO BOSTON GLOBE'S TOP PLACES TO WORK LIST FOR SIX CONSECUTIVE YEARS (2009–2014).

#1 B&T

COMMERCIAL LENDER IN MASSACHUSETTS BY BANKER & TRADESMAN 2014.

NAMED TO SANDLER O'NEILL'S
2014 SM-ALL STARS LIST OF
TOP PERFORMING SMALL-CAP
BANKS AND THRIFTS IN THE COUNTRY



NAMED TO THE GLOBE 100
**THE BEST OF MASSACHUSETTS
BUSINESSES**
FOR EIGHT CONSECUTIVE
YEARS: 2006–2013.

WE WERE NAMED TO
FORBES' LIST OF
BEST BANKS
FOR FOUR
CONSECUTIVE
YEARS 2011–2014.

“ We believe Rockland Trust is the most valuable independent franchise in its market. ” –Baird, 10/17/14

COMMUNITY IMPACT

Our 1,060 employees receive two paid days off per year to volunteer to nonprofit organizations through RockCORP, the Company's employee volunteer group. In 2014 our employees gave back to the community by volunteering more than 6,000 hours of their time to local organizations. Through our charitable giving programs we focus on improving the quality of life in our neighborhoods and donated more than \$600,000 to community programs and organizations in 2014. For more information, visit: <https://www.rocklandtrust.com/community>

NAMED A 2014 TOP **CHARITABLE CONTRIBUTOR** BY THE BOSTON BUSINESS JOURNAL. HONORED AT THE BBJ'S ANNUAL CORPORATE CITIZENSHIP SUMMIT.



Corporate Information

BOARD OF DIRECTORS

Donna L. Abelli
Chair

William P. Bissonnette

Kevin J. Jones

Eileen C. Miskell

John J. Morrissey

Christopher Oddleifson
President and Chief Executive Officer

Daniel F. O'Brien

Carl Ribiero

John H. Spurr Jr.

Maurice H. Sullivan, Jr.

Brian S. Tedeschi

Thomas R. Venables

CORPORATE OFFICERS

Christopher Oddleifson
President and Chief Executive Officer

Edward Seksay
General Counsel and Secretary

Robert Cozzone
Chief Financial Officer and Treasurer

Mark Ruggiero
Senior Vice President, Controller, and Principal Accounting Officer

Gerard Nadeau
Executive Vice President Commercial Banking

Jane Lundquist
Executive Vice President, Director of Retail Delivery, Business Banking and Home Equity Lending

Edward Jankowski
Director of Residential Lending and Compliance

Barry Jensen
Chief Information Officer

Ray Fuerschbach
Director of Human Resources

Mark Gibson
Chief Marketing Officer

David B. Smith, CFA
Senior Vice President and Chief Investment Officer

Kathryn T. Robson
Senior Vice President and Chief Internal Auditor



Rockland Trust's Davis Square branch in Somerville, MA experienced a transformational renovation in 2014. Somerville has among the highest concentration of Millennials in the U.S., and the exciting facility represents the bank's latest thinking from an advice-based sales and service standpoint as well as digital marketing and branch design.

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Parent of Rockland Trust

INDEPENDENT BANK CORP.

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INDB
NASDAQ
GLOBAL SELECT



ROCKLAND
TRUST



Did You Know?

Did you know you can deposit
checks 24/7 using your smartphone
or tablet? Ask for details.