

2015 ANNUAL REPORT

Growing our bank, one relationship at a time



*Will, Melrose
Branch Manager*

*John, North Quincy
Branch Manager*

Nicole, Deposit Operations

*Friday, Melrose
Relationship Banker*

Parent of Rockland Trust

**INDEPENDENT
BANK CORP.**

INDEPENDENT BANK CORP.

Parent of Rockland Trust

Independent Bank Corp. had approximately \$7.2 billion in assets as of December 31, 2015, and is the holding company for Rockland Trust Company, a full-service commercial bank headquartered in Massachusetts.

Founded 108 years ago by local business owners as a bank for businesses, Rockland Trust has a long heritage of innovation and customer focus. We build strong and enduring relationships by listening to our customers and providing insights to help them feel confident about their financial decisions. Our colleagues are recognized year after year for providing exemplary service and living the promise Where Each Relationship Matters®.

- 85 Retail Branches as of December 31, 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
- "Outstanding" Community Reinvestment Act rating

Financial Condition Data

(Dollars in thousands, except per share data)

	As of and for the year ended December 31				
	2015	2014	2013	2012	2011
Loans	\$ 5,547,721	\$ 4,970,733	\$ 4,718,307	\$ 4,519,011	\$ 3,794,390
Total Assets	7,210,038	6,364,912	6,099,234	5,756,985	4,970,240
Total deposits	5,990,703	5,210,466	4,986,418	4,546,677	3,876,829
Stockholders' equity	771,463	640,527	591,540	529,320	469,057

CAPITAL RATIOS

Tier 1 leverage capital ratio	9.33%	8.84%	8.64%	8.65%	8.61%
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OPERATING DATA

Net interest income	\$ 214,928	\$ 196,042	\$ 182,578	\$ 172,799	\$ 167,079
Noninterest income	75,888	69,943	68,009	62,016	52,700
Noninterest expenses	197,138	171,838	173,649	159,459	145,713
Net income	64,960	59,845	50,254	42,627	45,436

PER SHARE DATA

Net income—Diluted	\$ 2.50	\$ 2.49	\$ 2.18	\$ 1.95	\$ 2.12
Cash dividends declared	1.04	0.96	0.88	0.84	0.76

OPERATING RATIOS

Return on average assets	0.93%	0.95%	0.87%	0.83%	0.96%
Return on average common equity	8.79%	9.66%	9.09%	8.66%	9.93%
Net interest margin (on a fully tax equivalent basis)	3.42%	3.45%	3.51%	3.75%	3.90%

ASSET QUALITY RATIOS

Nonperforming loans as a percent of gross loans	0.50%	0.55%	0.73%	0.64%	0.76%
Nonperforming assets as a percent of total assets	0.41%	0.61%	0.72%	0.74%	0.75%

The selected consolidated financial and other data of the Company set forth above does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the more detailed information, including the Consolidated Financial Statements and related notes, appearing in the Company's Form 10-K.

Dear Friends,

2015 was an outstanding year for Independent Bank Corp. and Rockland Trust Company:

- We achieved record-setting operating net income of \$71.7 million and record-setting operating earnings per share of \$2.76;
- We paid a cash dividend of \$1.04 per share to the owners of Independent Bank Corp. stock;
- *The Boston Globe* ranked Rockland Trust the **number one** place to work among all large employers in Massachusetts;
- *The Boston Business Journal* recognized our charitable giving and community support at its 10th annual Corporate Citizenship Summit by naming Rockland Trust a “Partner of the Year” for the ongoing devotion of my colleagues to the Cardinal Cushing Centers; and,
- The Human Rights Campaign, America’s largest LGBT civil rights organization, named us a Best Place to Work for LGBT Equality because in our first year of consideration, we achieved a 100% score on HRC’s Corporate Equality Index.

What is the secret to our success? Our outstanding results, reflected in both financial measures and third-party recognition, derived from the relentless commitment of my colleagues to our customers and the communities we serve. My colleagues brought their best to work each day and consistently delivered superior value. The individual efforts of my engaged coworkers, along with their passion for excellence and commitment to teamwork, delighted our customers, which led many to expand their relationship with us and also resulted in our welcoming many new



Chris Oddleifson
*President and Chief
Executive Officer*

customers to Rockland Trust. Our collective devotion to being the bank Where Each Relationship Matters® translated into outstanding financial performance, satisfied customers, and community service.

We ended the year on a number of high notes and entered 2016 with a clear strategic and tactical plan to continue our high level of performance. We’re lucky to be located in a part of the country that rebounded strongly from the recession, but that also means the economic resiliency of this region is attractive to other banks. In a challenging and competitive environment, we continue to focus on sound fundamentals and remain true to our strategy of steady, disciplined growth. Our consistent focus gives us a competitive advantage as we continue to grow our loan portfolios, generate more consumer and business deposits, produce healthy fee income growth, and maintain superb credit quality.

Last year, my colleagues grew core deposits by 16.6% to \$5.3 billion at the end of the year. This represented 88.6% of total deposits. Meanwhile our cost of total deposits remained low at 20 basis points. That’s extraordinary in an intensely competitive market like Massachusetts.

We also had a strong year in loan growth. Loan originations were excellent across our footprint. Growth in our commercial loan portfolio was led by commercial construction and commercial real estate. Our Home Equity lending team also had a particularly good year as the economy continued to recover. After the record winter storms, consumers returned to investing in their homes. As a result, our home equity lending portfolio increased by 7.4% to \$927.8 million at year end.

Another great story is the growth of our Investment Management Group. In 2015 IMG grew assets by 8.4%, reaching more than \$2.6 billion in assets under administration. That's a 70.0% increase in just five years and nearly 2½ times greater than in 2006.

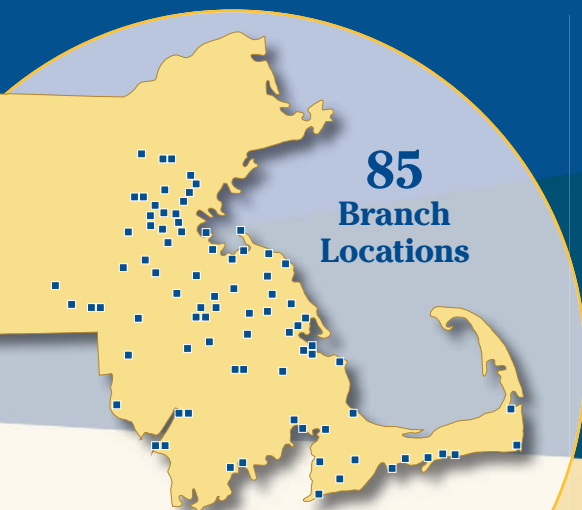
Our asset quality remained strong in 2015, reflecting our well-positioned franchise and the growing power of the Rockland Trust brand. We grew tangible book value per share by more than 10%, in spite of absorbing an acquisition earlier in the year. Nonperforming loans decreased to 0.50% of total loans and net charge-offs were a remarkable 0.01% of average loans.

Looking beyond the numbers, Rockland Trust made considerable strides in a number of other important areas last year that further strengthened us for future growth. We assimilated the Peoples Federal

Bancshares acquisition quickly and seamlessly, providing us with our first retail presence in the city of Boston. Those new bank branches, along with our growing investment management and commercial lending office in Boston's financial district, provided our Company with an attractive platform from which to offer our services, and our customer base in the city is expanding nicely.

We also continued on our journey to make banking easier, offering better technology and improved processes. Instant issue debit card capability was installed in all of our branches, eliminating the necessity to wait 7–10 days to replace cards. In addition, we completed the transition of our mortgage loan processing to national lender Embrace Home Loans. This made it possible for us to offer faster and more efficient service with an expanded product offering—such as Veterans Affairs and United States Department of Agriculture loans.

Our brand also continued to resonate as our community image was further enhanced by acknowledgement from respected third parties. We were recognized for our leadership in economic development by the National Association of Community Development Companies, which bestowed on us a Diamond Award for being an “Extraordinary Lender Partner in Economic Development” for our longtime relationship with the



**Core
Deposits
of
\$5.3
Billion**

**Record Operating
Net Income Of
\$71.7 Million**

South Eastern Economic Development Corporation. The recognition I'm proudest of in 2015, however, was our ranking by *The Boston Globe* as the **number one** place to work among all large employers in Massachusetts. This was our seventh consecutive year on the "Great Places to Work" list, and I'm grateful to my colleagues for rating our Company so highly.

Our 2015 accomplishments would not have been possible without the guidance of our Board of Directors. Last year we further strengthened our Board by appointing Maurice H. Sullivan, Jr. and Frederick Taw as Directors. Maurice and Fred have a long history of community service in the Greater Boston area and their knowledge of that market will provide us with valuable insight.

As we enter 2016 we'll continue to face many challenges, including an unsettled global economy, increased regulation, and continued technological change. Every day our team of over 1,000 dedicated employees do everything they can to ensure we provide the best customer experience possible. We believe that achieving superior performance over time begins with having the right people on the team and giving them the tools and training they need to thrive. I'm confident that we have the right people in place to deliver on our promises.

I'm so proud of what we've accomplished over the last year, and I'm especially proud of our colleagues for their deep commitment to our communities, customers, and each other. Their continued loyalty is vital to our success. We also sincerely appreciate our customers' and shareholders' continued faith in our Company.

We're confident in our long-term strategy and are poised to pursue the opportunities in front of us. We thank you—our shareholders, communities, customers, friends, and colleagues—for your continued support.



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

*Assets Under
Administration of*
\$2.7 Billion

*Record Operating
Earnings Per Share*
\$2.76

2015 Accomplishments

RANKED #1 AMONG THE LARGEST EMPLOYERS IN MASSACHUSETTS.

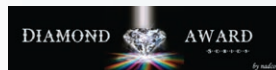
Named to *Boston Globe's* Top Places to Work List for seven consecutive years (2009–2015).



NAMED A BEST PLACE TO WORK FOR LGBT EQUALITY BY THE HUMAN RIGHTS CAMPAIGN. ONE OF A SMALL GROUP OF COMPANIES NATIONWIDE EARNING A SCORE OF 100%.



Named a Top Charitable Contributor by the Boston Business Journal. Also selected as a Partner of the Year—only one of six companies to receive the honor.



RECEIVED NATIONAL ASSOCIATION OF DEVELOPMENT COMPANIES (NADCO) DIAMOND AWARD FOR EXTRAORDINARY LENDER PARTNER IN ECONOMIC DEVELOPMENT.



IN GREENWICH ASSOCIATES 2015 COMMERCIAL BANKING STUDY, 70% OF OUR BUSINESS CUSTOMERS RATED OUR SERVICE AS EXCELLENT—ON AVERAGE 1.5 TIMES HIGHER THAN THE RATING RECEIVED BY OUR LARGEST COMPETITORS.

Community Impact

In 2015 Rockland Trust and its affiliated foundations donated \$2.2 million in aggregate grants. The grants included 14 scholarships to high school seniors in the Bank's service area. Through RockCorp, the Company's community outreach program, our employees volunteered more than 5,000 hours of their time to local organizations.



Corporate Information

BOARD OF DIRECTORS

Donna L. Abelli
Chair

William P. Bissonnette

Kevin J. Jones

Eileen C. Miskell

John J. Morrissey

Daniel F. O'Brien

Christopher Oddleifson

Carl Ribeiro

John H. Spurr, Jr.

Maurice H. Sullivan, Jr.

Frederick Taw

Brian S. Tedeschi

Thomas R. Venables

CORPORATE OFFICERS

Christopher Oddleifson
*President and
Chief Executive Officer*

Robert D. Cozzone
*Chief Financial Officer
and Treasurer*

Ray G. Fuerschbach
*Director of Human
Resources*

Barry H. Jensen
Chief Information Officer

Jane L. Lundquist
*Executive Vice President,
Director of Consumer and
Small Business Banking*

Jennifer M. Marino
Chief Marketing Officer

Gerard F. Nadeau
*Executive Vice President
Commercial Banking*

Kathryn T. Robson
*Senior Vice President and
Chief Internal Auditor*

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

Edward H. Seksay
*General Counsel
and Secretary*

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



Expansion into Boston
SUCCESSFUL CONVERSION OF PEOPLES
FEDERAL SAVINGS TO ROCKLAND TRUST



“*Invest in your most important asset—customer relationships.*”

—CHRIS ODDLEIFSON
Rockland Trust



Nancy, Executive Administration

Rick, Commercial Loan Officer

Doug, Investment Management Group

Lauren, Human Resources

Parent of Rockland Trust
INDEPENDENT
BANK CORP.

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