



CREATING LIFELONG ENGAGEMENT
with customers and colleagues

2017 ANNUAL REPORT

INDEPENDENT
BANK CORP.

Parent of Rockland Trust

Rockland Trust, the sole subsidiary of Independent Bank Corp. (INDB), is a full-service commercial bank headquartered in Massachusetts. The Bank has more than 1,200 colleagues at 86 branches, 13 commercial lending centers, and 6 investment management offices. Rockland Trust provides personal and business banking, commercial lending, investment management, insurance, mortgages and home equity lending, and mobile and internet banking.

IN 2017, THE COMPANY PRODUCED RECORD RESULTS, INCLUDING:

Net income rose by 13.8% to \$87.2 million

Earnings per share grew 10.0% higher compared to the prior year

Return on average assets **(ROA) increased by 6.7%** to **1.11%** at year end

Return on average common equity **(ROE) grew 1.3%** to **9.55%** at year end

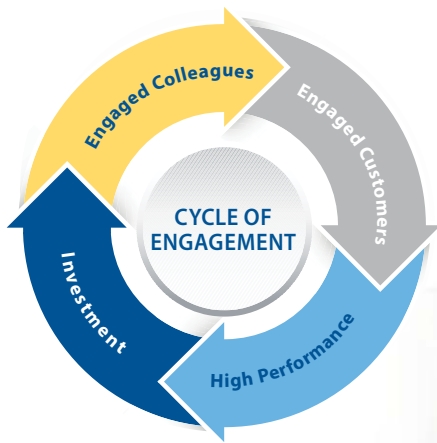
Tangible common equity to tangible assets increased by 49 basis points to **8.96%**

Financial Condition Data

As of and for the year ended December 31

<i>(Dollars in thousands, except per share data)</i>	2017	2016	2015	2014	2013
Loans	\$6,355,553	\$5,999,605	\$5,547,721	\$4,970,733	\$4,718,307
Total assets	8,082,029	7,709,375	7,209,469	6,364,318	6,098,869
Total deposits	6,729,253	6,412,253	5,990,703	5,210,466	4,986,418
Stockholders' equity	943,809	864,690	771,463	640,527	591,540
CAPITAL RATIOS					
Tier 1 leverage capital ratio	10.04%	9.77%	9.33%	8.84%	8.64%
OPERATING DATA					
Net interest income	\$ 258,860	\$ 227,844	\$ 214,928	\$ 196,042	\$ 182,578
Noninterest income	82,994	82,428	75,888	69,943	68,009
Noninterest expenses	204,359	192,122	197,138	171,838	173,649
Net income	87,204	76,648	64,960	59,845	50,254
PER SHARE DATA					
Net income—diluted	\$ 3.19	\$ 2.90	\$ 2.50	\$ 2.49	\$ 2.18
Cash dividends declared	1.28	1.16	1.04	0.96	0.88
OPERATING RATIOS					
Return on average assets	1.11%	1.04%	0.93%	0.95%	0.87%
Return on average common equity	9.55%	9.43%	8.79%	9.66%	9.09%
Net interest margin (on a fully tax equivalent basis)	3.60%	3.40%	3.42%	3.45%	3.51%
ASSET QUALITY RATIOS					
Nonperforming loans as a percent of gross loans	0.78%	0.96%	0.50%	0.55%	0.73%
Nonperforming assets as a percent of total assets	0.62%	0.80%	0.41%	0.61%	0.72%

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.



Chris Oddleifson, President and Chief Executive Officer

Dear Friends,

I studied mechanical engineering in college and have always been fascinated by how events are set in motion, by how one thing in a process affects another, sometimes over and over again. Whenever I attempt to explain Rockland Trust’s sustained organizational success, one of my favorite engineering images always comes to mind—a flywheel, a mechanical device designed to store energy and maintain momentum.

During my time at Rockland Trust, my interest in how things work has helped me to reflect on the influence that our four key constituencies—colleagues, customers, communities, and shareholders—have on each other. While there are many reasons why Rockland Trust has prospered, our Cycle of Engagement, illustrated above, is the reinforcing loop of our success. Acting as our corporate flywheel, it has been set in motion with care and has been essential to our steady growth over the years:

ENGAGED COLLEAGUES: Our process starts with colleagues, who consistently deliver focused, value-added products and services to our customers in a frictionless, easy-to-do-business-with manner;

ENGAGED CUSTOMERS: The efforts of my engaged colleagues forge strong relationships with an increasing number of engaged, loyal customers, which is why Rockland Trust is known as the place Where Each Relationship Matters®;

HIGH PERFORMANCE: The relationships between engaged colleagues and engaged customers lead to strong financial performance as reflected by five consecutive years of record-setting operating earnings;

INVESTMENT: Our financial results permit us to provide superior returns to our shareholders and reinvest in our colleagues, communities, and long-term initiatives that improve the value our customers receive.



The Human Rights Campaign

Named Rockland Trust a Best Place to Work for the LGBTQ community for the third year in a row.

It all starts with my colleagues who are responsible for the good things that happen here at Rockland Trust. Our long-term sustainability begins with creating a great place to work because that is how we attract and retain great people. We cannot be a great place to bank unless we are, first and foremost, also a great place to work.

The Rockland Trust corporate culture engages my colleagues at the deepest level and is founded upon a commitment to caring and respecting relationships, exemplary service, and teamwork. The importance we place on lifelong learning, curiosity, and continuous improvement is reflected in a picture prominently displayed on my office wall. It holds 15 years of class photos for our Rockland Trust Scholars, colleagues who have earned a degree or certificate during the prior year. It now represents more than 355 scholars and 364 certificates and degrees. There are so many scholars that I had to add a second picture frame a couple of years ago.

The Boston Globe named Rockland Trust a Top Place to Work, the top-ranked financial services firm in our category and the second-ranked company overall.

We endeavor to foster a great place to work in a variety of ways. We provide mentoring opportunities for colleagues and a strong coaching culture with programs that enhance leadership, professional, and workplace skills. Our employee resource groups support diversity and inclusion, women, and the LGBTQ community. Our award-winning RockFIT program promotes physical, emotional, and financial wellness of our colleagues.

In addition, we encourage volunteerism through RockCorp, which matches our employees with non-profit organizations in need of help. We also have a wide variety of employee reward and recognition opportunities, including our Shining Stars and You Make A Difference peer recognition program. Further, learning opportunities are offered through many on-site training opportunities and tuition assistance for students seeking certificates, and Associate, Bachelor's, and Master's degrees.



Bank Director ranked Rockland Trust the #1 performing bank in Massachusetts in their annual Bank Performance Scorecard.

Respected third parties noticed our high levels of colleague and customer engagement in 2017:

- Rockland Trust was thrilled to receive *J.D. Power's* top ranking for "Highest Customer Satisfaction with Retail Banking in New England."
- *The Boston Globe*, for the ninth consecutive year, named Rockland Trust a Top Place to Work. We were the top-ranked financial services firm in our category and the second-ranked company overall on the list.
- The *Human Rights Campaign* also recognized us by naming Rockland Trust a Best Place to Work for the LGBTQ community for the third year in a row.

These accolades reflect our Cycle of Engagement: investing in colleagues creates an engaged workforce, which creates engaged customers. Since our customers are engaged with the brand, they reward us with more of their business and recommend us to their friends. These enduring relationships with our

J.D. Power awarded Rockland Trust the "Highest Customer Satisfaction with Retail Banking in New England" for the second time in five years.

customers create success, and the connections motivate my colleagues to invest their energy and passion back into Rockland Trust and the communities in which my colleagues and our customers work and live. Ongoing learning is a valuable contributor to this cycle because each time one colleague advances, Rockland Trust also improves.

A continual search for learning and knowledge is a key part of each colleague's journey at Rockland Trust. Rockland Trust's successful journey is the collective result of these individual journeys. There are many examples among long-time colleagues, our newest employees, and those who have joined Rockland Trust from other banks or organizations, whether through bank acquisitions or recruitment.

Gerry Nadeau, who is currently the President of Rockland Trust, is a prime example of a long-time colleague who has thrived and grown throughout his 35-year career. Gerry's Rockland Trust journey began



in 1984 as a management trainee, during which he experienced all roles including time on the teller line. In 1992, Gerry was named a Senior Vice President of Commercial Lending and ran our Brockton Lending Center for many years, working with many of our largest customers. In 2007, Gerry became the leader of the Commercial Banking Division and, during 2017, Gerry was appointed as President of Rockland Trust and joined me on our Board of Directors.

Maria Harris, Rockland Trust's Director of Human Resources, is another example. After working in retail management and corporate recruiting at the start of her career, Maria joined us in 2004 as a recruiter. Since then Maria has seen the number of our colleagues double and our assets grow by nearly three times. Working with leaders across the Bank, Maria created RockFIT and also led the effort to form the Diversity Council to expand our understanding and appreciation of diversity in the workplace and business opportunities in the marketplace. Soon afterwards, Maria guided colleagues to form their own Employee Resource Groups, such as Women of Action, the Inclusion Network, and the Pride Alliance.

Gerry and Maria are two examples of the thousands of journeys taken by our colleagues. There are many others, such as the talented colleagues in our Rising Stars career development program that helps prepare and promote the next generation of leaders. We also welcome and embrace those who join our organization by providing a Strategic Orientation session to *all* new employees that describes the rich history of

Rockland Trust and introduces new colleagues to our brand and corporate culture. For colleagues who join by way of an acquisition, we customize our approach starting from the day of announcement.

As we look ahead to the next 100 years, I am confident that our focus on building a great place to work positions us to take advantage of the opportunities before us and manage through the challenges that will arise. This approach has withstood the test of time and has led to the healthy growth in our Company's earnings, stock valuation, and tangible book value.

Rockland Trust's future is tied to the future of each of our colleagues and those of our customers, communities, and shareholders. The story we tell collectively will be our story for the next 100 years. I am excited to embark on the next stage of that journey with you.

Thank you for your support and continued trust,

A handwritten signature in blue ink, reading "Chris Oddleifson".

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

2017 Accolades



Awarded the “Highest Customer Satisfaction with Retail Banking in New England” according to the J.D. Power 2017 U.S. Retail Banking Satisfaction Study.*



Named by *The Boston Globe* one of the “**Top Places to Work**” in Massachusetts for the 9th consecutive year.



Human Rights Campaign Best Places to Work for LGBTQ Equality: Human Rights Campaign Foundation designated Rockland Trust a Best Place to Work for LGBTQ Equality for the 3rd consecutive year.



Ranked the #1 performing bank in Massachusetts by **Bank Director** in their annual Bank Performance Scorecard.



Boston Business Journal's Top Corporate Charitable Contributors: Named by the Boston Business Journal for the fourth consecutive year one of the region's top corporate charitable contributors.



Banker & Tradesman: Ranked the top lender of commercial mortgages in terms of both volume and number of loans.



Gramercy Institute Marketing Awards: Rockland Trust and Mediastruction, a marketing consultant firm, won two marketing strategy awards from the Gramercy Institute: The “Innovation” award and overall winner as the “Best of” the Focus Awards category out of 16 international firms. The Institute’s annual global awards honor excellence in marketing strategy for financial institutions.

*Rockland Trust received the highest numerical score among retail banks in New England in the J.D. Power 2017 Retail Banking Satisfaction Study, based on 5,328 total responses from 12 companies measuring experiences and perceptions of customers, surveyed April–February 2017. Your experiences may vary. Visit jdpower.com.

INDEPENDENT BANK CORP.

Parent of Rockland Trust

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Corporate Information

Directors of Independent Bank Corp. and Rockland Trust Company

Donna L. Abelli
Board Chair

Michael P. Hogan

Kevin J. Jones

Mary L. Lentz

Eileen C. Miskell

John J. Morrissey

Gerard F. Nadeau

Daniel F. O'Brien

Christopher Oddleifson

Carl Ribeiro

John H. Spurr, Jr.

Frederick Taw

Brian S. Tedeschi

Thomas R. Venables

Officers of Independent Bank Corp.

Christopher Oddleifson
President and Chief Executive Officer

Robert D. Cozzone
Chief Financial Officer

Barry H. Jensen
Chief Technology and Operations Officer

Jonathan Nelson
Treasurer

Kathryn T. Robson
Chief Internal Auditor

Mark Ruggiero
*Controller and Principal
Accounting Officer*

Edward H. Seksay
*General Counsel and
Corporate Secretary*

Officers of Rockland Trust Company

Christopher Oddleifson
Chief Executive Officer

Gerard F. Nadeau
*President and
Chief Commercial Banking Officer*

Robert D. Cozzone
*Chief Financial Officer and
Executive Vice President,
Consumer & Business Banking*

Maria Harris
Director of Human Resources

Barry H. Jensen
*Chief Technology and
Operations Officer*

Jennifer Marino
*Chief Marketing and
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