

Independent Bank Corp. (NASDAQ: INDB; Rockland, MA) has agreed to acquire Island Bancorp, Inc. (Grey Mkt: IDBP; Edgartown, MA)

Deal Value: Approximately \$24.5 million

Sandler O'Neill rendered a fairness opinion to the Board of Directors of Independent Bank Corp. in this transaction. This transaction represents Sandler O'Neill's 95th bank or thrift transaction nationwide since January 1, 2015, representing approximately \$30.8 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹ Since January 1, 2014, Sandler O'Neill has advised on 10 transactions in New England, more than any other investment bank during that time period.¹

Rockland, Massachusetts and Edgartown, Massachusetts (October 20, 2016). Independent Bank Corp. (NASDAQ: INDB), parent of Rockland Trust Company, and Island Bancorp, Inc., parent of The Edgartown National Bank, have signed a definitive merger agreement for Independent to acquire Island Bancorp and Rockland Trust to acquire Edgartown National. The parties anticipate that the consummation of the transaction will occur in the second quarter of 2017.

Edgartown National was chartered in 1905 and has continuously served the people and communities of Martha's Vineyard since its inception. Edgartown National currently has four bank branches in the Martha's Vineyard communities of Edgartown, where it has two locations, Oak Bluffs, and Vineyard Haven, all in Dukes County Massachusetts. Edgartown National currently has approximately \$171 million in deposits and approximately \$153 million in loans. Rockland Trust intends to operate all Edgartown National bank branches when the transaction closes.

"Rockland Trust already has many customer relationships with close ties to Martha's Vineyard, so we welcome the opportunity to expand our Martha's Vineyard physical presence by joining Edgartown National with Rockland Trust," said Christopher Oddleifson, the President and Chief Executive Officer of Independent and Rockland Trust. "It is a natural expansion and strengthening of our Cape Cod franchise. Edgartown National and Rockland Trust share the same values, and are committed to the communities they serve and the families that live in them. We look forward to welcoming Edgartown National colleagues and customers to Rockland Trust."

"We are extremely pleased to join Rockland Trust, a growing bank with a terrific brand," said Fielding Moore, the Chief Executive Officer of Edgartown National. "Our customers will enjoy the greater range of products, services, and convenience that Rockland Trust offers while still being served by the same Edgartown National customer service staff they know and trust."

Under the merger agreement each share of Island Bancorp stock will be exchanged for either 9.525 shares of Independent common stock or \$500 in cash, subject to customary pro-rata procedures which will result in an aggregate stock/cash consideration mix of 80% stock/20% cash. Independent anticipates that the acquisition will be approximately three to four cents (i.e., \$0.03 to \$0.04) accretive to its 2018 earnings. Independent estimates that the transaction will generate an internal rate of return of about 20% and expects the transaction will be neutral to tangible book value per share.

Financial Highlights

(Dollars in millions)

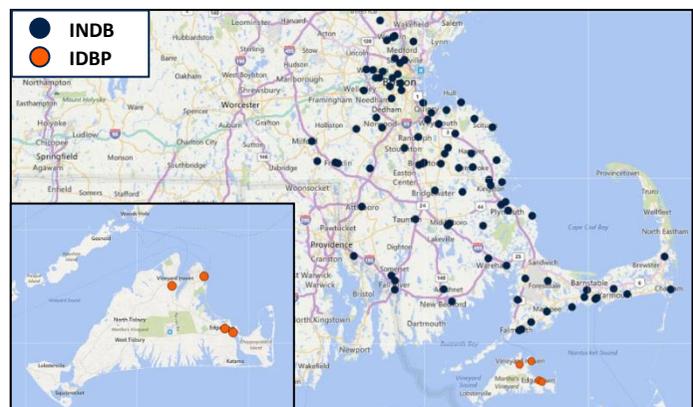
	INDB	IDBP
Total Assets	\$7,418.9	\$187.0
Total Net Loans	\$5,629.5	\$149.0
Total Deposits	\$6,197.9	\$161.6
Total Equity	\$803.9	\$18.1
TCE / TA	8.22%	8.60%
NPA's / Assets ²	0.75%	0.00%

(1) Excludes terminated transactions and self-advisory roles

(2) Nonperforming assets defined as nonaccrual loans and leases, renegotiated loans and leases, and real estate owned

Note: Financial data as of June 30, 2016; Source: SNL Financial

Pro Forma Branch Map



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