

CAPE5 COD5

Quarterly Report

Period ended December 31, 2017

From our President

This was a strong year for Cape Cod Five with very robust financial results. As is our practice, we will present these results, audited and in detail, in our Annual Report, which will be published in May.

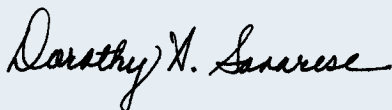
During 2017, we continued our strategic focus on building relationships with our customers as their trusted financial advisors. In order to support the changing needs of our customers, we continued to advance our technological capabilities with the introduction of important digital enhancements like online account opening and mobile mortgage applications. As our customers' lives change, Cape Cod Five is committed to evolving to meet their needs.

For the fourth consecutive year, I am pleased to report that we exceeded \$1 million in financial support for community-based organizations through Bank sponsorships and Foundation grants. We continue to adapt our community engagement through our Five Ways with strategies to impact emerging priorities in the housing needs of our region, the financial empowerment of the citizens in the communities we serve, the economic sustainability of our region and the support of programs and initiatives to ensure access to community health care, meet the region's human needs and address veterans' issues. During the fourth quarter, we also held a successful collection for Cape Cod Cares for Our Troops, a holiday Toy and Food Drive to support local food pantries and several much-needed blood drives.

With the proliferation of data breaches like Equifax, we continued to dedicate time and resources to help our customers understand options and how best to protect themselves from information breaches, cyber security threats and fraud. We conducted seminars, continued to update the security center on our website with relevant information and sent communication designed to keep our customers informed.

Our success in 2017 has been achieved through the hard work of our team of dedicated professionals working together as One Bank. We value the trust that you, our customers, place in us and thank you for the opportunity to serve you.

Sincerely,



President & Chief Executive Officer



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Customer Service Center: 888-225-4636

www.capecodfive.com

Promoting homeownership with new mortgage loan options

Cape Cod Five introduced two new mortgage loan products, the FHA mortgage and the VA mortgage programs, to provide customers with expanded mortgage options. The FHA mortgage is insured by the Federal Housing Administration and requires a low down payment with no income limits while offering expanded qualifying criteria and flexible down payment sources.

The VA mortgage was designed to offer financing to eligible U.S. Veterans and active military service personnel with no down payment, income limit or first-time homebuyer requirement and is guaranteed by the U.S. Department of Veterans Affairs.



The addition of these loan programs complements Cape Cod Five's existing lending options and focuses on promoting accessibility to housing and meeting the diverse needs of residents in our region.

Cape Cod Five supports Cape Cod Healthcare's Nursing Partnership Program

Cape Cod Healthcare partnered with Cape Cod Community College to more effectively meet the growing need for nurses in our market area. Through its Nursing Partnership Program, Cape Cod Healthcare will hire up to 80 Cape Cod Community College graduating nurses each year and provide financial support to help reduce each recipient's student loan debt. The Nursing Partnership Program will

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enhance the organization's ability to continue providing high-quality healthcare to patients and provide local residents with the opportunity to advance their education and develop a career in nursing. Cape Cod Five's Charitable Foundation provided a grant of \$250,000 to the Cape Cod Healthcare Foundation to support this multi-organizational initiative to promote job growth and contribute to the health and vitality of our communities.