



October 15, 2009

It is my pleasure to review our year-to-date progress and I am particularly pleased to report that the Bank had its first profitable quarter for the period ending September 30, 2009. We are successfully managing through this challenging economic environment and our sound strategies coupled with prudent risk management have enabled us to reach this milestone at the end of our third year of operations.

Financial highlights as of September 30, 2009:

- Assets grew to \$89.7 million.
- Capital is strong at \$9.6 million and the capital to asset ratio is 10.7%.
- Loans increased to \$67.0 million.
- Deposits totaled \$70.4 million.

Our operating deficit continued to decline monthly with September marking the third consecutive month of positive earnings and total net income for the quarter of \$177,000. These results track closely to our business plan and to traditional expectations for de novo banks to reach profitability within the first three years of operations.

Community banks continue to be the backbone of the American economy by lending to small businesses. We have liquidity, employ sensible underwriting standards, and are ready to lend – factors essential to keep our Cape Cod community strong. As committed community bankers, we understand local business and our borrowers and recognize that they may face challenges during economic downturns. We stand ready to work closely with our borrowers through all business cycles.

We also invest locally through charitable contributions and direct involvement. Directors and employees are active in our community where they serve on boards, committees and working groups of a variety of local non-profit organizations such as the Cape and Islands United Way, the Cape and Islands American Red Cross, the Cape Cod Healthcare Foundation and the Cape Cod Times Needy Fund.

At the Annual Meeting of Shareholders in May, Admiral John F. (Jack) Aylmer retired from the Board of Directors and is now Director Emeritus. Jack is a Founding Investor of the Bank and has been an integral member of the board as Chairman of the Audit Committee since the bank opened in August 2006. At the July meeting of the Board of Directors, Charles F. Doe, Jr. (Chad) was unanimously elected to fill the vacant position on the Board. Chad is a prominent member of the local business community who resides in Osterville.

As always, we appreciate your continued support and welcome your comments, questions and referrals of new business.

Best regards,

A handwritten signature in black ink, appearing to read 'Tim', with a stylized flourish at the end.

Timothy T. Telman
President and Chief Executive Officer