



# Bank of Cape Cod

March 31, 2010

Dear Shareholder,

I am pleased to report solid year-end 2009 financial results for Bank of Cape Cod. We successfully grew loans and deposits, carefully controlled expenses and maintained a conservative level of loan loss reserves. These efforts resulted in profitability for six of the past 8 months.

Financial Highlights for the year ending December 31, 2009:

- Assets rose \$20.2 million to \$97.7 million
- Capital was \$9.2 million and 9.4% of assets
- Loans grew to \$72.4 million
- Deposits were up \$17.8 million to \$77.6 million

At the annual meeting on May 5, 2010, in addition to the usual election of directors and corporate secretary, you will be asked to approve the formation of a holding company for the Bank, which is a common operating structure for banks of all sizes. Though there are no imminent plans, our Board of Directors believes that the holding company structure will enhance our financial and strategic flexibility, which should both improve the competitive position of the Bank and increase long-term value to shareholders. **We encourage you to please cast your ballot for this important vote and refer to the enclosed proxy statement-prospectus for more information.**

2010 will likely be a year of new challenges and exciting opportunities. Our employees, management and directors remain focused on strengthening our position in our market and building shareholder value. Through solid underwriting, distinguished service and constant attention to customer focus we are confident that our growth and success will continue.

I want to thank you all for your continued support and confidence in Bank of Cape Cod and look forward to meeting those of you who will be in attendance at our upcoming annual meeting. If I or anyone on my team can be of assistance, please contact me directly at 508-568-2301.

Best regards,

A handwritten signature in black ink, appearing to read 'Tim', is placed above the printed name.

Timothy T. Telman  
President and Chief Executive Officer