FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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INDEPENDENT BANK CORP

CIK:**776901**| IRS No.: **042870273** | State of Incorp.:**MA** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-09047** | Film No.: **96665037**
SIC: **6022** State commercial banks

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996
Commission File Number: 1-9047

Independent Bank Corp.
(Exact name of registrant as specified in its charter)

Massachusetts	04-2870273
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

288 Union Street, Rockland, Massachusetts 02370
(Address of principal executive offices, including zip code)

(617) 878-6100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

As of November 1,1996 there were 14,595,112 shares of the issuer's common stock outstanding.

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INDEPENDENT BANK CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited - in thousands)
<TABLE>
<CAPTION>

	SEPTEMBER 30, 1996	DECEMBER 31, 1995
<S>	<C>	<C>
ASSETS		
Cash and Due From Banks	$ 55,430	$ 67,354
Federal Funds Sold and Assets Purchased Under Resale Agreements	6,740	13,000
Interest Bearing Deposits	--	296
Securities Held To Maturity	274,618	226,896
Securities Available For Sale	27,718	32,628
Federal Home Loan Bank Stock	6,831	3,462
Loans, Net of Unearned Discount	668,242	628,141
Less: Reserve for Possible Loan Losses	(12,020)	(12,088)
Net Loans	656,222	616,053
Bank Premises and Equipment	10,041	8,903
Other Real Estate Owned	345	638
Other Assets	20,215	18,359
TOTAL ASSETS	$1,058,160	$ 987,589
LIABILITIES		
Deposits		
Demand Deposits	$ 165,237	$ 166,453
Savings and NOW Accounts	257,005	259,729
Money Market and Super NOW Accounts	101,485	123,659
Time Certificates of Deposit over $100,000	35,462	30,086
Other Time Deposits	296,135	291,158
Total Deposits	855,324	871,085
Federal Funds Purchased and Assets Sold Under Repurchase Agreements	38,842	4,060
Federal Home Loan Bank Borrowings	60,000	20,000

Treasury Tax and Loan Notes	5,703	4,031
Other Liabilities	14,927	10,998
Subordinated Capital Notes	4,834	4,843
Total Liabilities	979,630	915,017
STOCKHOLDERS' EQUITY		
Common Stock, $.01 par value. Authorized: 30,000,000 Shares Outstanding: 14,570,366 Shares at September 30, 1996 and 14,507,925 at December 31, 1995	146	145
Surplus	44,173	43,777
Retained Earnings	34,446	28,710
Unrealized Loss on Securities Available For Sale, Net of Tax	(235)	(60)
Total Stockholders' Equity	78,530	72,572
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$1,058,160	$987,589

</TABLE>

INDEPENDENT BANK CORP.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited - in thousands)
<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		QUARTER ENDED SEPTEMBER 30,	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Interest on Loans	$ 43,084	$ 41,095	$ 14,649	$ 14,042
Interest and Dividends on Securities	14,001	12,221	4,996	4,077
Interest on Federal Funds Sold and Repurchase Agreements	168	545	52	378
Interest on Interest Bearing Deposits	7	15	--	5
Total Interest Income	57,260	53,876	19,697	18,502
INTEREST EXPENSE				
Interest on Deposits	20,425	18,880	6,686	7,068
Interest on Borrowed Funds	3,445	2,569	1,524	618
Total Interest Expense	23,870	21,449	8,210	7,686
Net Interest Income	33,390	32,427	11,487	10,816
PROVISION FOR POSSIBLE LOAN LOSSES	1,250	750	500	250
Net Interest Income After Provision Possible For Loan Losses	32,140	31,677	10,987	10,566
NON-INTEREST INCOME				
Service Charges on Deposit Accounts	4,365	4,272	1,461	1,394
Trust and Investment Services Income	2,114	1,805	700	591
Mortgage Banking Income	2,247	1,640	659	608
Other Non-Interest Income	1,018	893	291	260
Total Non-Interest Income	9,744	8,610	3,111	2,853
NON-INTEREST EXPENSES				
Salaries and Employee Benefits	15,908	16,323	5,088	5,362
Occupancy Expenses	2,479	2,346	805	829
Equipment Expenses	1,847	1,627	596	539
Other Non-Interest Expenses	8,695	8,808	2,985	2,824
Total Non-Interest Expenses	28,929	29,104	9,474	9,554
INCOME BEFORE INCOME TAXES	12,955	11,183	4,624	3,865
PROVISION FOR INCOME TAXES	4,599	3,498	1,600	1,192
NET INCOME	8,356	7,685	3,024	2,673
NET INCOME PER SHARE	0.57	0.52	0.20	0.18
Weighted average common and common equivalent shares outstanding	14,724,745	14,626,512	14,758,987	14,658,788

</TABLE>

INDEPENDENT BANK CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - in thousands)

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30, 1996	1995
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	8,356	7,685
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:		
Depreciation and amortization	2,441	1,955
Provision for possible loan losses	1,250	750
Loans originated for resale	(33,181)	(34,318)
Proceeds from mortgage loan sales	33,192	34,305
Loss (gain) on sale of mortgages	(11)	13
Other Real Estate Owned write-downs	--	149
Changes in assets and liabilities:		
Decrease (increase) in other assets	(713)	388
Increase in other liabilities	2,516	5,978
TOTAL ADJUSTMENTS	5,494	9,220
NET CASH PROVIDED FROM OPERATING ACTIVITIES	13,850	16,905
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net decrease in Interest Bearing Deposits	296	206
Proceeds from maturities of Securities Held to Maturity	117,599	33,246
Proceeds from maturities of Securities Available for Sale	4,565	349
Purchase of Securities Held to Maturity	(166,120)	(24,129)
Purchase of FHLB Stock	(3,369)	(362)
Net increase in Loans	(41,440)	(32,068)
Proceeds from sale of Other Real Estate Owned	601	4,389
Investment in Bank Premises and Equipment	(2,777)	(2,552)
NET CASH USED IN INVESTING ACTIVITIES	(90,645)	(20,921)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in Deposits	(15,762)	41,764
Net increase (decrease) in Federal Funds Purchased and Assets Sold Under Repurchase Agreements	34,782	(21,955)
Net increase (decrease) in Federal Home Loan Bank Borrowings	40,000	(5,000)
Net increase in Treasury Tax & Loan Notes	1,673	2,312
Net decrease in Capital Notes	(9)	(122)
Dividends Paid	(2,470)	(1,735)
Proceeds from stock issuance	397	280
NET CASH PROVIDED FROM FINANCING ACTIVITIES	58,611	15,544
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(18,184)	11,528
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	80,354	57,860
CASH AND CASH EQUIVALENTS AS OF SEPTEMBER 30,	62,170	69,388

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation of the financial statements, primarily consisting of normal recurring adjustments, have been included. Operating results for the three and nine month periods ended September 30, 1996 are not necessarily indicative of the results that may be expected for the year ended December 31, 1996 or any other interim period. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1995.

RECENT ACCOUNTING DEVELOPMENTS

On January 1, 1996, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 122, "Accounting For Mortgage Servicing Rights." SFAS No. 122 requires that a bank recognize the rights to service mortgage loans for others, regardless of the manner in which the servicing rights are acquired, as separate assets. In addition, capitalized mortgage servicing rights are required to be assessed for impairment based on the fair value of those rights. The Company expects the adoption of SFAS No. 122 will have a positive impact on income in 1996, the significance of which will depend on the volume of loans sold during the year.

COMMITMENTS

During 1995, management commenced a study to review its data processing environment. In connection therewith, a decision was made to outsource the data processing operations. In February, 1996, management executed an agreement with an independent third party for a data processing facilities management arrangement for a term of 70 months.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996

SUMMARY

For the nine months ended September 30, 1996, Independent Bank Corp. (the Company) recorded net income of $8,356,000 or $0.57 per share, compared with net income of $7,685,000, or $0.52 per share, for the same period last year. This improvement in 1996 is primarily due to increased net interest income, non interest income and lower operating expenses, as discussed below.

Loan growth and increased purchases of investment securities, offset slightly by increased borrowings, contributed to an increase in net interest income of $963,000 to $33,390,000 in 1996 from $32,427,000 in 1995. The provision for loan losses increased to $1,250,000 for the first nine months of 1996 compared with $750,000 for the same period last year. For the first nine months, non-interest income increased 13% to $9,744,000 in 1996 compared with $8,610,000 in 1995. This is due primarily to an increase in service charges on deposits, the adoption of SFAS No. 122, and improved revenue from the Trust and Financial Services Division.

Non-interest expense decreased by $175,000 to $28,929,000 in the first nine months of 1996 from $29,104,000 in 1995. The decline in foreclosure expenses, FDIC insurance premiums and other losses and charge offs, partially offset by increased facilities expenses and legal costs contributed to this improvement.

The annualized consolidated returns on average equity and average assets for the first nine months of 1996 were 14.83% and 1.10%, respectively. This compares to annualized consolidated returns on average equity and average assets for the first nine months of 1995 of 15.30% and 1.09%, respectively.

As of September 30, 1996, total assets amounted to $1,058.2 million, an increase of $70.6 million over the 1995 year end balance. Loans, net of unearned discount, increased $40.1 million, or 6.4%, since year end 1995 with growth in the real estate and installment loan categories. Deposit balances have decreased by $15.8 million since year end 1995. It should be noted that the 1995 year-end balances are inflated by a $17 million deposit made on the last day of the year which was subsequently withdrawn on the first business day of January, 1996. Loan demand and an increase in the investment portfolio were funded with lower cost borrowings and repurchase agreements.

Nonperforming assets totaled $6.4 million as of September 30, 1996, $.5 million, or 8.2%, higher than the 1995 year end balance. Management believes that the level of these assets, which currently represent 0.60% of total assets, has reached an inherent base level, given the risks in the industry and in the environment in which the Company operates.

NET INTEREST INCOME

The discussion of net interest income which follows is presented on a fully tax-equivalent basis. Net interest income for the nine months ended September 30, 1996, amounted to $33,692,000, an increase of $950,000, or 2.90%, from the comparable 1995 time frame. The Company's interest rate spread (the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities) decreased by 26 basis points. This is due to the Company's decision to expand the securities portfolio, financed by borrowings, repurchase agreements, and consumer certificates of deposit, to take advantage of a strong capital position. While these funding and investment actions increased net interest income, the net interest margin reflects the lower net interest spread on such transactions. The average balance of interest-earning assets for the first nine months of 1996 was $65.7 million, or 7.5%, higher than the comparable 1995 time frame, while the average balance of interest-bearing liabilities was $49.6 million, or 7.0%, higher. The Company's net interest margin (net interest income as a percent of average interest-earning assets) for the first nine months of 1996 was 4.74% as compared to 4.95% for the comparable 1995 time frame.

Income from interest-earning assets amounted to $57.6 million for the nine months ended September 30, 1996, an increase of $3.4 million, or 6.2%, from the first nine months of 1995. The average balance of taxable investment securities increased more than $33.0 million as the Company selectively took advantage of attractive yields in the bond market. The average balance of non-taxable investment securities increased $1.6 million as the Company continued to invest in the local communities through tax-advantaged securities. The average balance of loans, net of unearned discount, increased $40 million, or 6.5%.

Interest income is impacted by changes in market rates of interest due to variable and floating rate loans in the Company's portfolio. At September 30, 1996, loans having interest rates which adjust in accordance with changes in the Company's base lending rate or other market indices amounted to approximately $302.9 million, or 45.3% of loans, net of unearned discount.

Interest income is also impacted by the amount of non-performing loans. The amount of interest due, but not recognized, on non-performing loans amounted to approximately $400,000 for the nine months ended September 30, 1996, compared to $459,000 for the nine months ended September 30, 1995.

Average interest bearing deposits increased by $23.6 million, or 3.6%, for the first nine months of 1996 over the same period last year, primarily in the demand deposit and consumer certificate of deposit categories. For the nine months ended September 30, 1996, average borrowings were $26 million higher than the first nine months of 1995.

PROVISION FOR POSSIBLE LOAN LOSSES

The provision for possible loan losses represents the charge to expense that is required to fund the reserve for possible loan losses. The level of the reserve for possible loan losses is determined by management of the Company based upon known and anticipated circumstances and conditions. An analysis of individual loans and the overall risk characteristics and size of the different loan portfolios is conducted on an ongoing basis. In addition, the Company considers industry trends, regional and national economic conditions, past estimates of possible losses as compared to actual losses, and historical loss patterns. This ongoing managerial assessment is reviewed periodically by third-party loan review consultants and annually by the Company's independent public accountants. Adjustments are reported in the earnings of the period in which they become known.

For the nine months ended September 30, 1996, the provision for possible loan losses amounted to $1,250,000 as compared to $750,000 for the same period last year. For the first nine months of 1996, loans charged-off, net of recoveries of loans previously charged-off, amounted to $1.3 million as compared to $1.7 million for the comparable 1995 time frame.

As of September 30, 1996, the ratio of the reserve for possible loan losses to loans, net of unearned discount, was 1.80%, as compared to the 1995 year-end level of 1.92%. The ratio of the reserve for possible loan losses to non-performing loans was 198.7% at September 30, 1996, lower than the 222.6% coverage recorded a year earlier.

NON-INTEREST INCOME

Non-interest income for the nine months ended September 30, 1996 was $9,744,000, an increase of $1,134,000, or 13.2%, from the comparable 1995 time period. Service charges on deposit accounts for the first nine months of 1996 showed a slight increase from the first nine months of 1995. Trust and Financial Services income was $309,000 higher due to an increase in funds under management and a strong securities market. Mortgage banking income increased approximately

$607,000, or 37.0%, due to strong commercial and residential mortgage origination activity plus the impact of the adoption of SFAS No. 122. Other non-interest income increased approximately $125,000, or 14.0%.

NON-INTEREST EXPENSES

Non-interest expenses totaled $28,929,000 for the nine months ended September 30, 1996, a $175,000 decrease from the comparable 1995 period. Salaries and employee benefits decreased by $415,000, or 2.5%, due to the movement of these expenses to other expense as a result of the data processing facilities management agreement negotiated with a third party. Occupancy expenses increased by $133,000 to $2,479,000 for the nine months ended September 30, 1996, from $2,346,000 for the same period last year. The depreciation of facility improvements is the primary reason for this change. Equipment expenses for the first nine months of 1996 showed an increase of $220,000, or 13.5%, over the first nine months of 1995. This is due to higher equipment lease costs, primarily computer and communication upgrades to take advantage of technology advances, and furniture and fixture costs associated with the facility improvements.

Other non-interest expenses for the first nine months of 1996 declined $113,000, or 1.3%, from the first nine months of 1995. The Company recorded a decline in expenses incurred in connection with foreclosed properties and other losses and charge-offs in addition to a reduction in FDIC insurance premiums due to the FDIC's declaration of a premium moratorium for the first nine months of 1996. Partially offsetting these decreases were the allocation of the new data processing facilities management agreement and higher legal expenses.

INCOME TAXES

The Company records income tax expense pursuant to Statement of Financial Accounting Standards No. 109, "Accounting For Income Taxes". The Company evaluates the deferred tax asset and the valuation reserve on a quarterly basis. The Company's effective tax rates for the nine months ended September 30, 1996 and 1995 were 35.5% and 31.3% respectively.

ASSET/LIABILITY MANAGEMENT

The principal objective of the Company's asset/liability management strategy is to reduce the vulnerability of the Company to changes in interest rates. This is done by managing the volume of assets and liabilities maturing, or subject to repricing, and by adjusting rates in relation to market conditions to influence volumes and spreads.

The effect of interest rate volatility on net interest income is minimized when the interest sensitivity gap (the difference between assets and liabilities that reprice within a given time period) is the smallest. Given the inherent uncertainty of future interest rates, Rockland Trust Company's (The Bank or Rockland) Asset/Liability Management Committee evaluates the interest sensitivity gap and executes strategies, which may include off-balance sheet activities, in an effort to minimize the Company's exposure to interest rate movements while providing adequate earnings in most plausible future interest rate environments.

Beginning in 1992, Rockland entered into interest rate swap agreements as a hedge against stable or declining interest rates. As of September 30, 1996, the

Bank had interest rate swap agreements with a total notional value of $90 million. These swaps were arranged through two international banking institutions and have initial maturities ranging from one to five years. The Bank receives fixed rate payments and pays a variable rate of interest tied to 3-month LIBOR.

In May 1995, Rockland also purchased two 2-year interest rate caps with a total notional value of $70 million. The caps will pay the Bank the difference between LIBOR and the cap level if LIBOR exceeds the cap level at any of the quarterly reset dates. If LIBOR remains below the cap level, no payment is made to the bank.

LIQUIDITY AND CAPITAL

Liquidity, as it pertains to the Company, is the ability to generate cash in the most economical way for the institution to meet its ongoing obligations to pay deposit withdrawals and to fund loan commitments. The Company's primary sources of funds are deposits, borrowings, and the amortization, prepayment, and maturities of loans and investments.

A strong source of liquidity is the Company's core deposits, those deposits which management considers, based on experience, not likely to be withdrawn in the near term. The Company utilizes its extensive branch banking network to attract retail customers who provide a stable source of core deposits. The Company has established five $100 million repurchase agreements with major brokerage firms as potential sources of liquidity. On September 30, 1996 the Company had $38.9 million outstanding under such lines classified on the Balance Sheet as "Federal Funds Purchased and Assets Sold Under Repurchase Agreements". In addition, as a member of the Federal Home Loan Bank, Rockland has access to approximately $300 million of borrowing capacity. On September 30, 1996 the Company had $60 million outstanding under such lines classified on the Balance Sheet as "Federal Home Loan Bank Borrowings" with initial terms ranging from one to six months. The Company actively manages its liquidity position under the direction of the Bank's Asset/Liability Management Committee. Periodic review under formal policies and procedures is intended to ensure that the Company will maintain access to adequate levels of available funds. At September 30, 1996, the Company's liquidity position was well above policy guidelines.

CAPITAL RESOURCES AND DIVIDENDS

The Company and Rockland are subject to capital requirements established by the Federal Reserve Board and the FDIC, respectively. One key measure of capital adequacy is the risk-based ratio for which the regulatory agencies have established minimum requirements of 4.00% and 8.00% for Tier 1 risk-based capital and total risk-based capital, respectively. As of September 30, 1996, the Company had a Tier 1 risked-based capital ratio of 10.95% and a total risked-based capital ratio of 12.20%. Rockland had a Tier 1 risked-based capital ratio of 10.81% and a total risked-based capital ratio of 12.07% as of the same date.

An additional capital requirement of a minimum 3.00% Tier 1 leverage capital is mandated by the regulatory agencies. As of September 30, 1996, the Company and the Bank had Tier 1 leverage capital ratios of 7.29% and 7.18%, respectively.

In September, the Company's Board of Directors declared a cash dividend of $.06 per share to shareholders of record as of September 27, 1996. This dividend was paid on October 11, 1996. On an annualized basis, the dividend payout ratio amounted to 31.6% of the trailing four quarters earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE QUARTER ENDED SEPTEMBER 30, 1996

SUMMARY

The Company's net income was $3,024,000 for the third quarter of 1996, or $0.20 per share, compared with net income of $2,673,000, or $0.18 per share, for the third quarter of 1995. This increase is due to improved net interest income and non-interest income and a modest decrease in non-interest expenses partially offset by a higher effective tax rate. Net interest income improved by $671,000, or 6%, due to continuing loan growth and an increase in the investment portfolio. This growth was funded through increased deposits and higher borrowings. The provision for loan losses increased to $500,000 in the third quarter of 1996 from $250,000 in the third quarter of 1995. Non-interest income increased by $258,000, or 9.0%, due to an increase in the Trust and Financial Services Division fee income in addition to higher service charge revenue. Non-interest expenses decreased by $80,000 in the third quarter of 1996 from the same period last year, primarily a reduction in other losses and chargeoffs. The annualized consolidated returns on average equity and average assets for the third quarter of 1996 were 15.69% and 1.16%, respectively. This compares to annualized consolidated returns on average equity and average assets for the third quarter of 1995 of 15.44% and 1.11%, respectively.

NET INTEREST INCOME

The discussion of net interest income which follows is presented on a fully tax-equivalent basis. Net interest income for the three months ended September 30, 1996, amounted to $11,583,000, an increase of $655,000, or 6.0%, over the comparable 1995 time frame. The Company's interest rate spread decreased by 2 basis points primarily due to the Company's decision to expand the securities portfolio, financed by borrowings and repurchase agreements, to take advantage of a strong capital position. While these funding and investment actions increased net interest income and return on equity, the net interest margin and return on assets reflects the lower net interest spread on such transactions. The average balance of interest-earning assets for the third quarter of 1996 was $71.4 million, or 7.91% higher than the comparable 1995 time frame, while the average balance of interest-bearing liabilities for the third quarter of 1996 was $66.6 million, or 9.2%, higher than the third quarter of 1995.

Income from interest-earning assets amounted to $19.8 million for the three months ended September 30, 1996, an increase of $1.2 million, or 6.3%, from the third quarter of 1995. The average balance of loans, net of unearned discount, increased $42 million, or 6.7%. Relative strength in commercial lending, installment lending and residential real estate supported this growth. The Company took advantage of favorable investment security yields, reflected in an increase in the average balance of investments of $51.9 million, or 20.2%. The lower yield on investments, as compared to loans, resulted in a reduction of the Company's net interest margin for the third quarter of 1996 to 4.77% from 4.85% for the comparable 1995 time frame.

Interest on loans is also impacted by the amount of non-performing loans. For the three months ended September 30, 1996, the amount of interest due but not recognized on nonperforming loans amounted to approximately $122,000, compared to $143,000 for the three months ended September 30, 1995.

The increase in the third quarter 1996 average balance of interest-bearing liabilities over third quarter 1995 average balance was in the borrowing category. Interest-bearing deposits decreased $1.5 million. During this same period, average borrowings increased $68 million.

NON-INTEREST INCOME

Non-interest income for the three months ended September 30, 1996 increased by $258,000, or 9.0%, to $3,111,000 from $2,853,000 for the three months ended September 30, 1995. Service charges on deposit accounts for the third quarter of 1996 showed an increase of $67,000, or 4.8%, from the third quarter of 1995. Trust and Financial Services income increased by $109,000, or 18.4%, due to an increase in the volume of managed assets and an improved securities market. Mortgage banking income improved by $51,000, or 8.4%, to $659,000 in the third quarter of 1996 from $608,000 in the same quarter last year.

NON-INTEREST EXPENSES

Non-interest expenses totaled $9,474,000 for the quarter ended September 30, 1996 a $80,000, or 0.8%, decrease from the comparable 1995 period. Salaries and employee benefits decreased by $274,000, due to the movement of these expenses to other expense as a result of the data processing facilities management agreement. Other non-interest expenses increased by $161,000, or 6%, to $2,985,000 in the third quarter of 1996 from $2,824,000 in the third quarter of 1995. The increase in other expense from the allocation of the data processing facilities management agreement is partially offset by lower FDIC insurance premiums and a decrease in other losses and chargeoffs.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings - None

Item 2. Changes in Securities - None

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders - None

Item 5. Other Information

The financial information detailed below is included hereafter in this report:

Consolidated Statements of Changes in Stockholders' Equity
Nine months ended September 30, 1996 and the year ended December 31, 1995

Consolidated Average Balance Sheet and Average Rate Data -
Nine months ended September 30, 1996 and 1995.

Item 6. Exhibits and Reports on Form 8-K

The Company did not file any reports on Form 8-K during the quarter ended September 30, 1996.

INDEPENDENT BANK CORP.
CONSOLIDATED STATEMENTS OF CHANGES
IN STOCKHOLDERS' EQUITY
<TABLE>
<CAPTION>

	COMMON STOCK	SURPLUS	RETAINED EARNINGS	UNREALIZED GAIN(LOSS) INVESTMENTS AVAILABLE	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 1995	$144	$43,381	$20,931	($ 254)	$64,202
Net Income			10,387		10,387
Dividends Declared			(2,608)		(2,608)
Common Stock Sold Under Dividend Reinvestment & Stock Purchase Plan	1	352			353
Stock Option exercised - 10,000 shares		44			44
Unrealized Gain (Loss) on Investments Available for Sale				194	194
Balance, December 31, 1995	$145	$43,777	$28,710	($ 60)	$72,572
Net Income			8,356		8,356
Dividends Declared			(2,620)		(2,620)
Common Stock Sold Under Dividend Reinvestment & Stock Purchase Plan	1	362			363
Stock Option exercised - 13,000 shares		34			34
Unrealized Gain (Loss) on Investments Available for Sale				(175)	(175)
Balance, September 30, 1996	146	44,173	34,446	(235)	78,530

</TABLE>

INDEPENDENT BANK CORP.
SUPPLEMENTAL FINANCIAL INFORMATION
CONSOLIDATED AVERAGE BALANCE SHEET AND AVERAGE RATE DATA
(Unaudited - in thousands)
<TABLE>
<CAPTION>

	AVERAGE OUTSTANDING BALANCE	INTEREST EARNED/ PAID	AVERAGE YIELD
<S>	<C>	<C>	<C>
FOR THE NINE MONTHS ENDED SEPTEMBER 30,	1996	1996	1996
Interest-Earning Assets			
Taxable Investment Securities	$ 287,349	$13,775	6.39%
Non-taxable Investment Securities	7,429	325	5.83%
Loans, net of Unearned Discount	649,314	43,287	8.89%
Federal Funds Sold and Assets Purchased Under Resale Agreements	4,091	168	5.48%
Interest Bearing Deposits	171	7	5.46%
Total Interest-Earning Assets	948,354	57,562	8.09%

Cash and Due From Banks	46,633		
Other Assets	15,533		
Total Assets	1,010,520		
Interest-Bearing Liabilities			
Savings and NOW Accounts	257,527	4,175	2.16%
Money Market & Super NOW Accounts	105,688	2,206	2.78%
Other Time Deposits	318,450	14,044	5.88%
Federal Funds Purchased and Assets Sold Under Repurchase Agreements	25,991	1,071	5.49%
Federal Home Loan Bank Borrowings	45,380	1,916	5.63%
Treasury Tax and Loan Notes	3,185	102	4.27%
Subordinated Capital Notes	4,836	356	9.82%
Total Interest-Bearing Liabilities	761,057	23,870	4.18%
Demand Deposits	160,157		
Other Liabilities	14,168		
Total Liabilities	935,382		
Stockholders' Equity	75,138		
Total Liabilities and Stockholders' Equity	1,010,520		
Net Interest Income		33,692	
Interest Rate Spread			3.91%
Net Interest Margin			4.74%

</TABLE>

Interest income and yield are stated on a fully tax-equivalent basis. The total amount of the adjustment is $302 in 1996.

INDEPENDENT BANK CORP.
SUPPLEMENTAL FINANCIAL INFORMATION
CONSOLIDATED AVERAGE BALANCE SHEET AND AVERAGE RATE DATA
(Unaudited - in thousands
<TABLE>
<CAPTION>

<S>	AVERAGE OUTSTANDING BALANCE <C>	INTEREST EARNED/ PAID <C>	AVERAGE YIELD <C>
FOR THE NINE MONTHS ENDED SEPTEMBER 30,	1995	1995	1995
Interest-Earning Assets			
Taxable Investment Securities	$254,311	12,031	6.31%
Non-taxable Investment Securities	5,795	272	6.26%
Loans, net of Unearned Discount	609,427	41,328	9.04%
Federal Funds Sold and Assets Purchased Under Resale Agreements	12,702	545	5.72%
Interest Bearing Deposits	384	15	5.21%
Total Interest-Earning Assets	882,619	54,191	8.19%
Cash and Due From Banks	43,252		
Other Assets	14,553		
Total Assets	940,424		
Interest-Bearing Liabilities			
Savings and NOW Accounts	$264,412	$ 4,346	2.19%
Money Market & Super NOW Accounts	111,816	2,284	2.72%
Other Time Deposits	281,864	12,250	5.79%
Federal Funds Purchased and Assets Sold Under Repurchase Agreements	18,786	849	6.03%

Federal Home Loan Bank Borrowings	25,861	1,220	6.29%
Treasury Tax and Loan Notes	3,839	139	4.83%
Subordinated Capital Notes	4,917	361	9.79%
Total Interest-Bearing Liabilities	711,495	21,449	4.02%
Demand Deposits	150,578		
Other Liabilities	11,401		
Total Liabilities	$873,474		
Stockholders' Equity	$ 66,950		
Total Liabilities and Stockholders' Equity	$940,424		
Net Interest Income		$ 32,742	
Interest Rate Spread			4.17%
Net Interest Margin			4.95%

</TABLE>

Interest income and yield are stated on a fully tax-equivalent basis. The total amount of adjustment is $315 in 1995.

INDEPENDENT BANK CORP.
SUPPLEMENTAL FINANCIAL INFORMATION
CONSOLIDATED AVERAGE BALANCE SHEET AND AVERAGE RATE DATA
(Unaudited - in thousands)
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<S>	AVERAGE OUTSTANDING BALANCE <C>	INTEREST EARNED/ PAID <C>	AVERAGE YIELD <C>
FOR THE QUARTER ENDED SEPTEMBER 30,	1996	1996	1996
Interest-Earning Assets			
Taxable Investment Securities	300,123	4,914	6.55%
Non-taxable Investment Securities	7,849	115	5.86%
Loans, net of Unearned Discount	661,296	14,712	8.90%
Federal Funds Sold and Assets Purchased Under Resale Agreements	3,855	52	5.40%
Interest Bearing Deposits	0	0	0
Total Interest-Earning Assets	973,123	19,793	8.14%
Cash and Due From Banks	47,503		
Other Assets	21,991		
Total Assets	1,042,617		
Interest-Bearing Liabilities			
Savings and NOW Accounts	259,473	1,410	2.17%
Money Market & Super NOW Accounts	104,030	728	2.80%
Other Time Deposits	319,186	4,548	5.70%
Federal Funds Purchased and Assets Sold Under Repurchase Agreements	33,129	461	5.57%
Federal Home Loan Bank Borrowings	64,162	901	5.62%
Treasury Tax and Loan Notes	3,823	43	4.50%
Subordinated Capital Notes	4,836	119	9.84%
Total Interest-Bearing Liabilities	788,639	8,210	4.16%
Demand Deposits	163,318		
Other Liabilities	13,590		
Total Liabilities	965,547		
Stockholders' Equity	77,070		
Total Liabilities and Stockholders' Equity	1,042,617		

Net Interest Income		11,583	
Interest Rate Spread			3.98%
Net Interest Margin			4.77%

</TABLE>

Interest income and yield are stated on a fully tax-equivalent basis. The total adjustments are $96 for the third quarter 1996.

INDEPENDENT BANK CORP.
SUPPLEMENTAL FINANCIAL INFORMATION
CONSOLIDATED AVERAGE BALANCE SHEET AND AVERAGE RATE DATA
(Unaudited - in thousands
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<CAPTION>

<S>	AVERAGE OUTSTANDING BALANCE <C>	INTEREST EARNED/ PAID <C>	AVERAGE YIELD <C>
FOR THE QUARTER ENDED SEPTEMBER 30,	1995	1995	1995
Interest-Earning Assets			
Taxable Investment Securities	$251,917	$ 4,026	6.39%
Non-taxable Investment Securities	4,185	85	8.12%
Loans, net of Unearned Discount	619,627	14,120	9.12%
Federal Funds Sold and Assets Purchased Under Resale Agreements	25,742	378	5.87%
Interest Bearing Deposits	294	5	6.80%
Total Interest-Earning Assets	901,765	18,614	8.26%
Cash and Due From Banks	44,932		
Other Assets	14,333		
Total Assets	961,030		
Interest-Bearing Liabilities			
Savings and NOW Accounts	$258,778	$ 1,426	2.20%
Money Market & Super NOW Accounts	107,546	749	2.79%
Other Time Deposits	317,878	4,893	6.16%
Federal Funds Purchased and Assets Sold Under Repurchase Agreements	3,156	47	5.96%
Federal Home Loan Bank Borrowings	25,041	394	6.29%
Treasury Tax and Loan Notes	4,767	59	4.95%
Subordinated Capital Notes	4,843	118	9.75%
Total Interest-Bearing Liabilities	722,009	7,686	4.26%
Demand Deposits	156,166		
Other Liabilities	13,593		
Total Liabilities	891,768		
Stockholders' Equity	69,262		
Total Liabilities and Stockholders' Equity	961,030		
Net Interest Income		10,928	
Interest Rate Spread			4.00%
Net Interest Margin			4.85%

</TABLE>

Interest income and yield are stated on a fully tax-equivalent basis. The total amount of adjustment is $112 for the third quarter in 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INDEPENDENT BANK CORP.
(registrant)

Date: November 14, 1996

/s/ John F. Spence, Jr.
John F. Spence, Jr.
Chairman of the Board and
Chief Executive Officer

Date: November 14, 1996

/s/ Richard J. Seaman
Richard J. Seaman
Chief Financial Officer
and Treasurer

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This schedule contains summary financial information extracted from
SEC Form 10-Q and is qualified in its entirety by reference to such financial
statements.
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