INDEPENDENT
BANK CORP.
Parent of Rockland Trust

CONFIDENTIAL TREATMENT REQUESTED
VIA ELECTRONIC MAIL AND OVERNIGHT DELIVERY
(SIGTARP.response@do.treas.gov)

March 13, 2009

Special Inspector General ~TARP
1500 Pennsylvania Avenue, N.W.
Suite 1064
Washington, D.C. 20220

RE: **Independent Bank Corp. (UST No. 268) ~ Capital Purchase Program Inquiry**

Dear Sir/Madam:

I am the Chief Financial Officer of Independent Bank Corp. ("Independent"). I write on behalf of Independent in response to the February 6, 2009 letter I received from Special Inspector General Neil M. Barofsky. Enclosed please find the following items, which are referred to in the responses given below:

(1) December 9, 2008 Press Release entitled "Independent Bank Corp. Receives Preliminary Approval for $78 Million Investment Under United States Treasury's Capital Purchase Program";

(2) January 26, 2009 Press Release entitled "Independent Bank Corp. Earns $24 Million in 2008"; and,

(3) **Confidential Treatment Requested:** February 27, 2009 CPP Incentive Compensation Risk Assessment, with attached Risk Assessment.

This letter and enclosure (3) contain non-public, proprietary, personal, and/or confidential information and, accordingly, have been marked **Confidential Treatment Requested**. I therefore request that you refrain from disclosure of this letter or enclosure (3) and treat them as confidential information to the full extent permitted by applicable law, regulation, policy, and/or procedure. I further request that you notify me prior to any public disclosure of this letter or enclosure (3) so that we may discuss mutually agreeable procedures for the protection of the non-public, proprietary, personal, and/or confidential information they contain.

Independent and its Capital Purchase Program Participation

Independent is a bank holding company, traded on the NASDAQ Global Select Market (ticker symbol: INDB), which has Rockland Trust Company ("Rockland Trust"), a commercial bank, as its wholly-owned bank subsidiary. At December 31, 2008, Independent had consolidated assets of approximately $3.6 billion. Rockland Trust was formed as a Massachusetts-chartered trust company in 1907. Rockland Trust offers a full range of banking services through: its 60 full service branches and 10 commercial lending centers located throughout Southeastern Massachusetts and on Cape Cod; and, from four investment management offices located throughout Southeastern Massachusetts, on Cape Cod, and in Rhode Island. Both Independent and Rockland Trust satisfied and, indeed, exceeded regulatory standards to be considered "well-capitalized" at all applicable times prior to Independent's CPP involvement.

On November 13, 2008 Independent submitted its application to participate in the TARP Capital Purchase Program (the "CPP") to the Federal Deposit Insurance Corporation and to the Federal Reserve Bank of Boston. By a letter dated December 4, 2008 the United States Department of the Treasury (the "Treasury") granted Independent preliminary approval for $78,158,000 in CPP funding. On December 9, 2008 Independent issued a Press Release, a copy of which is enclosed as item (1) above, announcing Independent's receipt of preliminary CPP approval in which Independent stated its intention to use the capital derived from CPP "to expand the flow of credit to businesses and consumers."

On January 9, 2009 Independent formally became a CPP participant when, in return for the Treasury's $78,158,000 investment, Independent issued and sold to the Treasury preferred stock and a warrant to purchase Independent's common stock. On January 26, 2009 Independent issued a Press Release, a copy of which is enclosed as item (2) above, announcing its 2008 earnings. In that Press Release Independent stated:

> Management anticipates using CPP funds to expand lending to creditworthy consumers and businesses and, when appropriate, to modify residential mortgages. The Company's fourth quarter 2008 loan growth was expanded in anticipation of successfully raising capital through CPP participation. The Company fully intends to deploy its CPP capital in a deliberate and responsible manner.

American Recovery and Reinvestment Act of 2009 Considerations

On February 17, 2009 the American Recovery and Reinvestment Act of 2009 was enacted. A portion of that law amended the executive compensation and corporate governance requirements in the Emergency Economic Stabilization Act of 2008 which are applicable to CPP participants. The American Recovery and Reinvestment Act of 2009 requires the Treasury Department and the Securities and Exchange Commission to issue additional regulations to implement its changes. Those regulations have not yet issued, and it is not clear when the amended executive compensation and corporate governance requirements set forth in the American Recovery and Reinvestment Act of 2009 become effective. Independent is evaluating the provisions of the American Recovery and Reinvestment Act of 2009 which relate to the CPP and reserves the right to revise its currently anticipated future CPP plans based upon that review.

Responses Regarding Anticipated Uses and Use of CPP Funds

Anticipated Use of CPP Funds

When Independent originally applied to participate in the CPP Independent anticipated two primary uses for CPP funds: the use of CPP funds as an additional source of capital strength to Independent and Rockland Trust; and, as indicated by the Press Release enclosed as item (1), the use of CPP funds "to expand the flow of credit to businesses and consumers."

Segregation of CPP funds

Independent has segregated CPP funds by placing them in a separate deposit account at Rockland Trust. Independent is prepared to downstream CPP funds by making capital contributions to Rockland Trust if and as necessary. CPP funds, therefore, are not currently commingled with the other forms of capital at Rockland Trust.

Actual Use of CPP Funds to Date

Rockland Trust expanded its fourth quarter 2008 loan growth in anticipation of Independent's CPP participation and has undertaken a number of specific actions to, as stated in the January 26, 2009 Press Release enclosed as item (2) above, "expand lending to creditworthy consumers and businesses and, when appropriate, to modify residential mortgages." The additional capital provided by the CPP has thus far supported actions which include:

- Rockland Trust's commercial loan balances grew by $76 million, or 26% on an annualized basis, in the fourth quarter of 2008. This fourth quarter growth represented approximately half of Rockland Trust's organic commercial loan growth experienced in 2008.

- Thus far in 2009 Rockland Trust continues to experience record commercial loan application activity.

- Rockland Trust's consumer home equity loan and line of credit balances grew by $15 million, or 15% on an annualized basis, in the fourth quarter of 2008. Activity in this lending category remains strong.

- Rockland Trust has typically sold most of its Residential Mortgage production in the secondary market. Since filing the CPP application, however, Rockland Trust created a 15 and 20 year fixed rate portfolio residential loan program in the fourth quarter of 2008, which has led to a pipeline of 68 loans totaling credit requests for $28 million. In addition, a first time home buyer and low income household loan program is being developed for introduction to consumers in our footprint. This innovative program may be introduced with closing cost assistance.

- Rockland Trust has adopted a residential loan modification process in accordance with applicable law and regulatory guidance. To date Rockland Trust has received requests for 45 residential loan modifications (16 of which were investor owned, and 29 of which were owned by Rockland Trust). Of the 29 modification requests for loans owned by Rockland Trust, 11 have been approved, 8 are in process, and 10 have been denied.

- Rockland Trust works closely with borrowers to, when possible, avoid foreclosure. Rockland Trust initiated a temporary foreclosure moratorium following Independent's CPP application. During 2008 overall Rockland Trust initiated foreclosure proceedings for 1 residential and 2 home equity loans. Rockland Trust currently has 7 residential and 4 home equity loans in the process of foreclosure, a small number when considered against the context of Rockland Trust's overall 2,343 residential and 8,191 home equity loans outstanding as of December 31, 2008.

Expected Use of Unspent CPP Funds

Independent currently expects to deploy CPP funds as follows:

- To support loan modifications, when appropriate and consistent with applicable law and regulatory guidance, in an effort to help homeowners avoid foreclosure;

- To continue to expand lending to creditworthy consumers and businesses. Independent (b) (4) [redacted]

Response Regarding Executive Compensation Requirements

Independent has already implemented CPP executive compensation requirements as in effect prior to enactment of the American Recovery and Reinvestment Act of 2009 in the following ways:

- the Boards of Independent and of Rockland Trust have unanimously voted to amend, for the duration of Independent's CPP participation, any benefit plan or other agreement to which any senior executive officer is a party to comply with CPP requirements;

- each of Independent's five senior executive officers signed waivers and releases effective for the duration of Independent's CPP participation which acknowledged that they were subject to CPP compensation restrictions and which waived and released their rights to receive any compensation in excess of the amounts permitted by CPP requirements;

- Independent's Compensation Committee has formally designated [redacted] the Chief Internal Auditor of Independent and of Rockland Trust, as Independent's senior risk officer for purposes of CPP compliance;

- Independent's Compensation Committee has met with [redacted] and reviewed and accepted her written analysis (including the attached Risk Assessment), a copy of which is enclosed as item (3) above, of senior executive officer incentive compensation; and,

- The Compensation Committee has approved inclusion of the following statement in the Compensation and Discussion Analysis in Independent's proxy statement which will be filed with the Securities and Exchange Commission in the near future:

> The Compensation Committee hereby certifies that it has reviewed with the Company's senior risk officer the senior executive officer incentive compensation arrangements and has made reasonable efforts to ensure that such arrangements do not encourage senior executive officers to take unnecessary and excessive risks that threaten the value of the Company.

Certification

I, Denis K. Sheahan, certify that: I am the Chief Financial Officer of Independent and Rockland Trust; I have read the responses set forth above and the supporting documents; the responses are derived from Rockland Trust business records and from information reported to me by other Rockland Trust employees; based on my knowledge, this response and the supporting documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Yours truly,

Denis K Sheahan

Denis K. Sheahan
Chief Financial Officer

[redacted]
Enclosures: As Stated

cc: Christopher Oddleifson, CEO *(via email – with enclosures)*
Edward H. Seksay, General Counsel *(via email – with enclosures)*
[redacted]

Independent Bank Corp. Receives Preliminary Approval for $78 Million Investment under United States Treasury's Capital Purchase Program

Company Release - 12/09/2008 16:11

ROCKLAND, Mass.--(BUSINESS WIRE)-- Independent Bank Corp. (NASDAQ: INDB), parent of Rockland Trust Company, today announced it has received preliminary approval for an investment of up to approximately $78 million of new capital under the United States Department of Treasury's Capital Purchase Program.

The Capital Purchase Program was enacted into law in October 2008. The Treasury and bank regulators have urged healthy banks to participate in the Capital Purchase Program to help the nation's economy.

"We are pleased to announce our voluntary participation in the Capital Purchase Program and the Treasury's preliminary approval of our application," said Christopher Oddleifson, President and Chief Executive Officer of Independent Bank Corp. and of Rockland Trust. "The fact that the United States Treasury is willing to invest in Independent Bank Corp. is a testament to our strength and stability and confirms our good standing and healthy financial status."

The Treasury will invest up to approximately $78 million in non-voting, senior preferred shares of Independent Bank Corp. and will also receive warrants to purchase Independent Bank Corp. common stock subject to standard Capital Purchase Program terms and conditions. Independent Bank Corp. intends to use the capital to expand the flow of credit to businesses and consumers. The sale of preferred shares and issuance of warrants is subject to the completion of required documentation, which Independent Bank Corp. anticipates will occur in January 2009.

Independent Bank Corp. currently exceeds federal regulatory standards for a "well-capitalized" institution. On a pro forma basis as of September 30, 2008, an investment of up to approximately $78 million in Capital Purchase Program funding would increase Independent's Tier 1 leverage ratio from 7.69 percent to 9.85 percent and its total risk-based capital ratio from 12.06 percent to 15.01 percent. Additionally, Independent's tangible equity to tangible assets ratio would increase from 5.32 percent to 7.47 percent.

About the Capital Purchase Program

The Capital Purchase Program was enacted in October 2008 as part of the Emergency Economic Stabilization Act of 2008. The program's term sheet for public companies is available at the United States Treasury's website at http://www.ustreas.gov.

About Independent Bank Corp.

Independent Bank Corp.'s sole bank subsidiary Rockland Trust Company currently has approximately $3.5 billion in assets. Rockland Trust offers commercial banking, retail banking, and investment management services from: 61 retail branches, 10 commercial lending centers, and 5 mortgage origination offices located throughout southeastern Massachusetts and on Cape Cod; and, from 4 investment management offices located throughout southeastern Massachusetts, on Cape Cod, and in Rhode Island. To find out more about the products and services available at Rockland Trust, please visit https://www.rocklandtrust.com.

Forward-Looking Statements:

This press release contains certain "forward-looking statements" with respect to the financial condition, results of operations and business of the Company. Actual results may differ from those contemplated by these statements. The Company wishes to caution readers not to place undue reliance on any forward-looking statements. The Company disclaims any intent or obligation to update publicly any such forward-looking statements, whether in response to new information, future events or otherwise.

Source: Independent Bank Corp.

Contact: Independent Bank Corp. Investor Contacts: Chris Oddleifson, 781-982-6660 President and Chief Executive Officer or Denis K. Sheahan, 781-982-6341 Chief Financial Officer or Media Contact: Ralph Valente, 781-982-6636 Senior Vice President and Director of Marketing ralph.valente@rocklandtrust.com

Independent Bank Corp. Earns $24 Million in 2008

Company Release - 01/26/2009 16:07

ROCKLAND, Mass.--(BUSINESS WIRE)-- Independent Bank Corp., (NASDAQ: INDB), parent of Rockland Trust Company, today announced net income of $3.0 million, or $0.18 on a per diluted share basis, for the three months ending Decem 2008, compared to net income and diluted earnings per share for the three months ended December 31, 2007 of $7.7 million and $0.56, respectively. Net income was $24.0 million, or $1.52 on a diluted earnings per share basis, for the year en December 31, 2008 compared to net income and diluted earnings per share basis for the year ended December 31, 2007 of $28.4 million and $2.00, respectively.

The decline in earnings from the prior period is primarily the result of Other-Than-Temporary Impairment ("OTTI") losses recorded in the fourth quarter. The quarterly comparisons also reflect higher loan loss provisioning in the fourth quarter to loan loss reserves in light of economic weakening.

Fourth quarter 2008 loan and deposit growth was strong, despite the challenging economic environment, as the Company took advantage of opportunities created by market turmoil. During the three month period which ended December 31, 2C deposits increased by $41.0 million and loans increased by $75.3 million, quarterly increases which equate to annualized growth rates of 6.5% and 11.7%, respectively.

In the fourth quarter the Company recorded $4.6 million of OTTI on various trust preferred securities. The after tax impact of this charge was $3.0 million, or $0.18 on a diluted earnings per share basis for the quarter ending December 31, 2008 year ending December 31, 2008 the aggregate charges amounted to $4.7 million, net of tax, or $0.30 diluted earnings per share.

"All in all, 2008 was a very successful year," said Christopher Oddleifson, the Company's President and Chief Executive Officer. "Our strong loan and deposit growth confirms that the current challenging economic climate has actually been a tir opportunity for us. The successful integration of Slade's Ferry Bancorp. early in the year was a significant accomplishment and our franchise will continue to grow with the upcoming Benjamin Franklin Bancorp, Inc. acquisition, which we expect the near future. While our fourth quarter earnings were restrained by security impairments and higher credit costs, we have a solid balance sheet and remain in a strong position to continue to expand our franchise and achieve long term growth disciplined manner."

Total deposits were $2.6 billion at December 31, 2008, a 27.3% increase when compared to $2.0 billion in total deposits at December 31, 2007. Of the year-to-date deposit increase, $410.8 million is a result of the March 2008 acquisition of Sla Bancorp ("Slades"). Excluding the impact of the Slades acquisition, total deposits have grown during 2008 at an annualized rate of 7.0%.

Total loans grew by $617.9 million, or 30.3%, during the twelve months ended December 31, 2008, with the Slades acquisition contributing $471.2 million to total loan growth. Excluding the Slades acquisition, loan growth achieved in 2008 amo $146.7 million, or 7.2%, on an annualized basis, and was concentrated in the commercial (12.6%) and home equity (19.0%) lending categories.

Certain non-core items are included in the computation of earnings in accordance with the United States of America's generally accepted accounting principles ("GAAP") in both 2008 and 2007 as indicated by the table below. In an effort to prov investors with information regarding the Company's results, the Company has disclosed the following non-GAAP information, which management believes provides useful information to the investor. This information should not be viewed as a s for operating results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP information which may be presented by other companies.

Dollars in Thousands, Except Per Share Data	Twelve Months Ending December 31,			
RECONCILIATION TABLE - NON-GAAP FINANCIAL INFORMATION	2008	2007	$ Variance	% Variance
NET INCOME (GAAP)	$ 23,964	$ 28,381	$ (4,417)	-15.6 %
Net Interest Income Components				
Add - Write-Off of Debt Issuance Cost, net of tax	-	590	(590)	n/a
Non-Interest Income Components				
Add - Net Loss on Sale of Securities, net of tax	396	-	396	n/a
Non-Interest Expense Components				
Add - Executive Early Retirement Costs, net of tax	-	264	(264)	n/a
Add - Merger & Acquisition Expenses, net of tax	728	-	728	n/a
Add - Litigation Reserve (net of recovery), net of tax	488	885	(397)	-44.9 %
Less - WorldCom Bond Loss Recovery, net of tax	(272)	-	(272)	n/a
NET OPERATING EARNINGS (NON-GAAP)	$ 25,304	$ 30,120	$ (4,816)	-16.0 %
Diluted Operating Earnings Per Share	$ 1.61	$ 2.13	$ (0.52)	-24.4 %

As shown above, net operating earnings were $25.3 million, or $1.61 on a per diluted share basis, for the year ending December 31, 2008 compared to net operating earnings and diluted earnings per share for the year ended December 31, 20 $30.1 million and $2.13, respectively. The $7.2 million in charges for OTTI of securities recognized during 2008 decreased net operating earnings on a diluted earnings per share basis by approximately $0.30. There were no non-core items for quarter of 2008.

Comparing the three months ending December 31, 2008 to the same period last year, net interest income increased $6.0 million, or 24.5%. For the year ended December 31, 2008, net interest income increased $21.3 million, or 22.1%, from thi period, due to the Slades acquisition in the first quarter of this year and organic growth. The net interest margin for the three and twelve month periods ended December 31, 2008 was 3.81% and 3.95%, respectively. The net interest margin wa: and 3.90% for the three and twelve months ended December 31, 2007. See the tables below for reconciliations of net interest income and the net interest margin as adjusted:

Three Months Ended December 31,		Twelve Months Ended December 31,	
2008	2007	2008	2007
(Dollars in Thousands)			

	Three Months Ended December 31,		Twelve Months Ended December 31,		
	2008	2007	2008	2007	
Net Interest Income GAAP	$ 30,495	$ 24,491	$ 117,462	$ 96,183	
Add - Write-Off of Debt Issuance Cost	-	-	-	907	*
Net Interest Income as Adjusted	$ 30,495	$ 24,491	$ 117,462	$ 97,090	

	Three Months Ended December 31,		Twelve Months Ended December 31,		
	2008	2007	2008	2007	
Net Interest Margin GAAP	3.81 %	3.94 %	3.95 %	3.90 %	
Add - Write-Off of Debt Issuance Cost	-	-	-	0.04 %	*
Net Interest Margin as Adjusted	3.81 %	3.94 %	3.95 %	3.94 %	

*April 2007 refinance of Trust Preferred Securities

On a linked quarter basis the net interest margin decreased from 4.09% in the third quarter of 2008 to 3.81% in the fourth quarter. The primary reason for this change is the drop in the Federal Funds rate, which caused asset yields to drop faste liability costs. Deposit costs, in particular, did not decline as rapidly given the opportunity realized early in the fourth quarter to raise deposits at attractive rates to retain customers and attract prospects.

Non-interest income decreased by $4.8 million, or (57.0%), and by $4.0 million, or (12.4%), during the three and twelve months ended December 31, 2008, respectively, as compared to the same periods in the prior year. See the table below fo calculation of non-interest income:

	Three Months Ended December 31,			
	2008	2007	$ Variance	% Variance
	(Dollars in Thousands)			
Non-Interest Income GAAP	$ 3,652	$ 8,499	($4,847)	-57.0 %
Add - Other-Than-Temporary-Impairment on Certain Pooled Trust Preferred Securities	4,646	-	4,646	n/a
Non-Interest Income as Adjusted	$ 8,298	$ 8,499	($201)	-2.4 %

	Twelve Months Ended December 31,			
	2008	2007	$ Variance	% Variance
	(Dollars in Thousands)			
Non-Interest Income GAAP	$ 28,084	$ 32,051	($3,967)	-12.4 %
Add - Net Loss on Sale of Securities	609	-	609	n/a
Add - Other-Than-Temporary-Impairment on Certain Pooled Trust Preferred Securities	7,216	-	7,216	n/a
Non-Interest Income as Adjusted	$ 35,909	$ 32,051	$ 3,858	12.0 %

The change in non-interest income is attributable to the following:

-- Service charges on deposit accounts increased by $194,000, or 5.2%, and by $1.2 million, or 8.2% for the three and twelve months ended December 31, 2008, as compared to the same periods in 2007, primarily due to the Slades acquisition.

-- Wealth management revenue increased by $340,000, or 15.2%, and $3.0 million, or 37.3%, for the three and twelve months ended December 31, 2008, as compared to the same periods in 2007. Assets under management at December 31, 2008 and 2007 were $1.1 billion and $1.3 billion, respectively.
-- Mortgage banking income decreased by $452,000, or (47.6%), and by $94,000, or (3.0%), for the three and twelve months ended December 31, 2008, as compared to the same periods in 2007. The balance of the mortgage servicing asset was $1.5 million and loans serviced amounted to $250.5 million as of December 31, 2008, as compared to a mortgage servicing asset balance of $2.1 million and loans serviced amounting to $255.2 million at December 31, 2007.
-- There were no gains or losses on the sale of securities during the fourth quarter of 2008 or 2007. There was a net loss on the sale of securities of $609,000 during the first quarter of 2008. Of this loss, $742,000 is associated with the sale of the majority of the Slades securities portfolio, which was partially offset by gains on the sale of agency securities recorded in the first quarter.
-- The Company recorded OTTI on certain investment grade pooled trust preferred securities, resulting in a negative charge to non-interest income of approximately $4.6 million and $7.2 million for the three and twelve month periods ending December 31, 2008.
-- Other non-interest income decreased by $431,000, or (43.1%), and by $803,000, or (18.4%), for the three and twelve months ended December 31, 2008, as compared to the same period in 2007. The decrease for the quarter-to-date and year-to-date periods is primarily attributable to trading asset losses due to the stock market decrease and declines in 1031 exchange income as a result of the slowdown in national commercial real estate markets.

Non-interest expense increased by $4.6 million, or 20.8%, and by $16.2 million, or 18.4%, for the three and twelve months ended December 31, 2008, as compared to the same periods in 2007. When adjusting the twelve month period for the it below, non-interest expense increased $16.5 million, or 19.2%, as compared to the same periods in 2007. There were no adjustments for the three months ended December 31, 2008 and 2007. See the table below for a reconciliation of non-inl expense as adjusted:

	Twelve Months Ended December 31,			
	2008	2007	$ Variance	% Variance
	(Dollars in Thousands)			
Non-Interest Expense GAAP	$ 104,143	$ 87,932	$ 16,211	18.4 %
Less - Executive Early Retirement Costs	-	(406)	406	n/a
Less - Merger & Acquisition Expenses	(1,120)	-	(1,120)	n/a
Less - Litigation Reserve (net of Recovery)	(750)	(1,361)	611	-44.9 %
Add - WorldCom Bond Loss Recovery	418	-	418	n/a
Non-Interest Expense as Adjusted	$ 102,691	$ 86,165	$ 16,526	19.2 %

-- Salaries and employee benefits increased by $1.2 million, or 9.2%, and $5.8 million, or 11.0%, for the three and twelve months ended December 31, 2008, as compared to the same periods in 2007. The increase in salaries and benefits is primarily attributable to the Slades acquisition in the first quarter of 2008 and annual merit and medical insurance increases.
-- Occupancy and equipment expense increased by $1.0 million, or 44.0%, and $2.8 million, or 28.4%, for the three and twelve month periods ending December 31, 2008, as compared to the same periods in 2007. The increase is mainly due to an increase in rent expense due to two new branch locations, increased utility costs, depreciation expense and the effects of the Slades acquisition.
-- Data processing and facilities management expense increased by $187,000, or 15.4%, and $990,000, or 21.6%, for the three and twelve month periods ending December 31, 2008, as compared to the same periods in 2007. The increase is partially a result of new functionality as well as an increase in volume primarily attributable to the Slades acquisition during the first quarter of 2008.

- -- Merger and acquisition related expenditures totaled $1.1 million, for the twelve month period ending December 31, 2008, associated with the Slades acquisition in March 2008. There were no merger and acquisition expenses for the comparable 2007 periods.
- -- Other non-interest expense increased by $2.1 million, or 41.4%, and $5.9 million, or 28.4%, for the three and twelve month periods ending December 31, 2008, as compared to the same periods in 2007. The increase in the twelve-month period is primarily attributable to the amortization of intangible assets of $1.5 million, FDIC deposit insurance assessment of $1.1 million, consulting fees of $779,000, litigation settlement of $750,000, legal loan collection fees of $489,000 due to collection activity, and advertising expense of $299,000.

Total assets increased by $860.1 million, or 31.1%, to $3.6 billion at December 31, 2008 as compared to December 31, 2007. This increase is primarily a result of the Slades acquisition, which closed during the first quarter of 2008.

Securities increased by $152.9 million, or 30.1%, during the twelve months ended December 31, 2008. Securities represented approximately 18% of total assets at both December 31, 2008 and 2007. On a linked quarter basis, securities increa million in anticipation of proceeds from the United States Treasury Capital Purchase Program ("CPP"). As previously mentioned, during 2008, the Company recorded OTTI on certain investment grade pooled trust preferred securities amountin million and $7.2 million for the three and twelve months ended December 31, 2008, respectively. See table below for details regarding the Company's trust preferred securities and related other-than-temporary impairment charges as of Deceml 2008.

Trust Preferred Detail as of December 31, 2008

	Amortized Cost	OTTI	Amortized Cost After Impairment
	(Dollars in Thousands)		
Pooled Trust Preferred	$ 18,677	$ 7,216	$ 11,461
Single Issuer Trust Preferred	14,803	-	14,803
Total Trust Preferred	$ 33,480	$ 7,216	$ 26,264

Certain BBB rated and two of the three A rated pooled trust preferred securities held by the Company were written down to prices of approximately 13% and 24% per dollar, respectively.

The following table summarizes loan growth during the year ending December 31, 2008:

	December 31, 2008	December 31, 2007	Slades Acquisition	Organic Growth/(Loss)
	(Dollars in Thousands)			
Loans				
Commercial and Commercial Real Estate Loans	$ 1,569,082	$ 1,121,310	$ 306,824	$ 140,948
Small Business	86,670	69,977	9,257	7,436
Residential Real Estate	432,325	341,090	114,432	(23,197)
Consumer - Home Equity	406,240	308,744	38,723	58,773
Consumer - Other	166,570	201,831	2,009	(37,270)
Total Loans	$ 2,660,887	$ 2,042,952	$ 471,245	$ 146,690

Excluding the Slades acquisition, organic loan growth achieved in the twelve months of 2008 amounted to $146.7 million, or 7.2%, on an annualized basis, and was concentrated in the commercial (12.6%) and home equity (19.0%) lending cate while the residential real estate and consumer (primarily indirect automobile lending) categories were reduced. Total commercial loans (including small business loans) following the Slades acquisition now represent 62.2% of the total loan portf

The following table summarizes deposit growth during the year ending December 31, 2008:

	December 31, 2008	December 31, 2007	Slades Acquisition	Organic Growth/(Loss)
	(Dollars in Thousands)			
Deposits				

Demand Deposits	$ 519,326	$ 471,164	$ 74,584	$ (26,422)
Savings and Interest Checking Accounts	725,313	587,474	119,908	17,931
Money Market	488,345	435,792	38,668	13,885
Time Certificates of Deposit	846,096	532,180	177,609	136,307
Total Deposits	$ 2,579,080	$ 2,026,610	$ 410,769	$ 141,701

Borrowings increased by $191.0 million, or 37.9%, during the twelve months ending December 31, 2008, as compared to December 31, 2007, attributable to the Slades acquisition and organic loan growth. Additionally, the Company issued $3(of subordinated debt during the quarter ended September 30, 2008, which will be used to support additional loan growth, particularly in commercial lending. The subordinated debt, which qualifies as Tier 2 regulatory capital, has a 10 year matu may be called at the option of the Company after five years, and is priced at a fixed rate of 7.02% for the first five year period.

As previously announced, on January 9, 2009 the Company raised $78,158,000 through the issuance of preferred stock and warrants associated with its participation in the CPP. The CPP funding strengthened the Company's already strong ca position. On a pro forma basis as of December 31, 2008, the CPP funding increased the Company's Tier 1 leverage ratio from 7.58% to 9.63% and its total risk-based capital ratio from 11.79% to 14.58%.

Management anticipates using CPP funds to expand lending to creditworthy consumers and businesses and, when appropriate, to modify residential mortgages. The Company's fourth quarter 2008 loan growth was expanded in anticipation of successfully raising capital through CPP participation. The Company fully intends to deploy its CPP capital in a deliberate and responsible manner.

The Company reported a return on average assets and a return on average equity in the fourth quarter of 2008 of 0.34% and 3.92%, respectively, as compared to 1.13% and 14.08% for the same periods in 2007.

Stockholders' equity at December 31, 2008 totaled $305.3 million, as compared to $220.5 million at December 31, 2007. The Tier 1 leverage capital ratio at December 31, 2008 was 7.58%, maintaining the Company's well-capitalized position.

At December 31, 2008, the balance of goodwill was $116.4 million and other intangible assets, primarily core deposit intangibles, were $9.3 million. The amount of goodwill and core deposit intangible assets derived from the Slades acquisition million and $9.0 million, respectively.

The allowance for loan losses was $37.0 million at December 31, 2008 and $26.8 million at December 31, 2007. A portion of the increase in allowance for loan losses is due to the Slades acquisition with the remainder reflective of overall credit Nonperforming assets totaled $29.9 million at December 31, 2008, or 0.82% of total assets, and $8.3 million at December 31, 2007, or 0.30% of total assets. The primary increase on a linked quarter basis was in the commercial and commercia estate categories of $7.4 million, residential real estate of $2.7 million, and non-accrual securities of $910,000. The Company's allowance for loan losses as a percentage of loans was 1.39% at December 31, 2008 and 1.29% at September 30, provision for loan losses was $5.6 million and $10.9 million for the quarter and year ended December 31, 2008, respectively, as compared to $1.4 million and $3.1 million for the year ago comparative periods. Net charge-offs were $1.8 million a million for the three and twelve month periods of 2008 as compared to $717,000 and $3.1 million for the three and twelve month periods of 2007. The provision was increased in the fourth quarter to account for the significant loan growth experi the quarter in addition to the increase in non-performing loans, particularly in commercial real estate.

Christopher Oddleifson and Denis K. Sheahan, Chief Financial Officer, of Independent Bank Corp. and Rockland Trust Company, will host a conference call to discuss fourth quarter earnings at 4:30 p.m. Eastern Time on Monday, January 26, Internet access to the call is available on the Company's website at http://www.RocklandTrust.com or by telephonic access by dial-in at 1-800-860-2442 reference: INDB. A replay of the call will be available by calling 1-877-344-7529, Replay P 426542. The web cast replay will be available until January 26, 2010 and the telephone replay will be available until February 10, 2009.

Independent Bank Corp.'s sole bank subsidiary, Rockland Trust Company, currently has $3.6 billion in assets. Rockland Trust Company is a full-service community bank serving southeastern Massachusetts, Cape Cod, and Rhode Island. To fi more about the products and services available at Rockland Trust Company, please visit our website at www.RocklandTrust.com.

This press release contains certain "forward-looking statements" with respect to the financial condition, results of operations and business of the Company. Actual results may differ from those contemplated by these statements. The Company caution readers not to place undue reliance on any forward-looking statements. The Company disclaims any intent or obligation to update publicly any such forward-looking statements, whether in response to new information, future events or c

This press release contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's management uses these non-GAAP m its analysis of the Company's performance. These non-GAAP measures may exclude significant gains or losses that are unusual in nature, such as securities losses. Because these gains and losses and their impact on the Company's perform difficult to predict, management believes that presentations of adjusted financial measures excluding the impact of these gains and losses provide useful information that is essential to a proper understanding of the operating results of the Com These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies.

INDEPENDENT BANK CORP.
FINANCIAL SUMMARY

(Unaudited - Dollars in Thousands)

CONSOLIDATED BALANCE SHEETS	December 31,	December 31,	$	%	September 30,	September 30, 2008 vs. December 31, 2008	%
	2008	2007	Variance	Change	2008	Variance	Change
Assets							
Cash and Due From Banks	$ 50,007	$ 67,416	(17,409)	-25.82 %	$ 92,752	$ (42,745)	-46.09 %
Fed Funds Sold and Short Term Investments	100	-	100	n/a	100	-	n/a
Securities							
Trading Assets	2,701	1,687	1,014	60.11 %	3,048	(347)	-11.38 %

Securities Available for Sale	600,291	444,258	156,033	35.12 %	499,879	100,412	20.09 %
Securities Held to Maturity	32,789	45,265	(12,476)	-27.56 %	33,354	(565)	-1.69 %
Federal Home Loan Bank Stock	24,603	16,260	8,343	51.31 %	24,603	-	n/a
Total Securities	660,384	507,470	152,914	30.13 %	560,884	99,500	17.74 %
Loans							
Commercial and Industrial	270,832	190,522	80,310	42.15 %	250,469	20,363	8.13 %
Commercial Real Estate	1,126,295	797,416	328,879	41.24 %	1,092,811	33,484	3.06 %
Commercial Construction	171,955	133,372	38,583	28.93 %	150,615	21,340	14.17 %
Small Business	86,670	69,977	16,693	23.85 %	85,120	1,550	1.82 %
Residential Real Estate	413,024	323,847	89,177	27.54 %	420,809	(7,785)	-1.85 %
Residential Construction	10,950	6,115	4,835	79.07 %	12,868	(1,918)	-14.91 %
Residential Loans Held for Sale	8,351	11,128	(2,777)	-24.96 %	5,511	2,840	51.53 %
Consumer - Home Equity	406,240	308,744	97,496	31.58 %	391,416	14,824	3.79 %
Consumer - Auto	127,956	156,006	(28,050)	-17.98 %	134,866	(6,910)	-5.12 %
Consumer - Other	38,614	45,825	(7,211)	-15.74 %	41,073	(2,459)	-5.99 %
Total Loans	2,660,887	2,042,952	617,935	30.25 %	2,585,558	75,329	2.91 %
Less - Allowance for Loan Losses	(37,049)	(26,831)	(10,218)	38.08 %	(33,287)	(3,762)	11.30 %
Net Loans	2,623,838	2,016,121	607,717	30.14 %	2,552,271	71,567	2.80 %
Bank Premises and Equipment	36,429	39,085	(2,656)	-6.80 %	35,246	1,183	3.36 %
Goodwill and Core Deposit Intangible	125,710	60,411	65,299	108.09 %	126,412	(702)	-0.56 %
Other Assets	132,001	77,910	54,091	69.43 %	109,570	22,431	20.47 %
Total Assets	$ 3,628,469	$ 2,768,413	860,056	31.07 %	$ 3,477,235	$ 151,234	4.35 %
Liabilities and Stockholders' Equity							
Deposits							
Demand Deposits	$ 519,326	$ 471,164	48,162	10.22 %	$ 573,904	$ (54,578)	-9.51 %
Savings and Interest Checking Accounts	725,313	587,474	137,839	23.46 %	711,862	13,451	1.89 %

Money Market	488,345	435,792	52,553	12.06 %	464,983	23,362	5.02 %
Time Certificates of Deposit	846,096	532,180	313,916	58.99 %	787,282	58,814	7.47 %
Total Deposits	2,579,080	2,026,610	552,470	27.26 %	2,538,031	41,049	1.62 %
Borrowings							
Federal Home Loan Bank Borrowings	429,634	311,125	118,509	38.09 %	336,792	92,842	27.57 %
Fed Funds Purchased and Assets Sold Under Repurchase Agreements	170,880	138,603	32,277	23.29 %	166,417	4,463	2.68 %
Junior Subordinated Debentures	61,857	51,547	10,310	20.00 %	61,857	-	n/a
Subordinated Debentures	30,000	-	30,000	n/a	30,000	-	n/a
Other Borrowings	2,946	3,069	(123)	-4.01 %	2,103	843	40.09 %
Total Borrowings	695,317	504,344	190,973	37.87 %	597,169	98,148	16.44 %
Total Deposits and Borrowings	3,274,397	2,530,954	743,443	29.37 %	3,135,200	139,197	4.44 %
Other Liabilities	48,798	16,994	31,804	187.15 %	37,295	11,503	30.84 %
Stockholders' Equity	305,274	220,465	84,809	38.47 %	304,740	534	0.18 %
Total Liabilities and Stockholders' Equity	$ 3,628,469	$ 2,768,413	860,056	31.07 %	$ 3,477,235	$ 151,234	4.35 %

INDEPENDENT BANK CORP.
FINANCIAL SUMMARY

(Unaudited - Dollars in Thousands, Except Per Share Data)

CONSOLIDATED STATEMENTS OF INCOME	Three Months Ended				Twelve Months Ended			
	December 31,		$	%	December 31,		$	%
	2008	2007	Variance	Change	2008	2007	Variance	Ch
INTEREST INCOME								
Interest on Fed Funds Sold and Short Term Investments	$ 51	$ 56	$ (5)	-8.93 %	$ 148	$ 1,468	$ (1,320)	-8
Interest and Dividends on Securities	7,351	6,071	1,280	21.08 %	25,135	22,879	2,256	9.
Interest on Loans	38,080	34,033	4,047	11.89 %	151,105	135,391	15,714	11
Total Interest Income	45,482	40,160	5,322	13.25 %	176,388	159,738	16,650	10
INTEREST EXPENSE								

Interest on Deposits	9,964	10,611	(647)	-6.10 %	38,896	43,639	(4,743)	-1
Interest on Borrowed Funds	5,023	5,058	(35)	-0.69 %	20,030	19,916	114	0.
Total Interest Expense	14,987	15,669	(682)	-4.35 %	58,926	63,555	(4,629)	-7
Net Interest Income	30,495	24,491	6,004	24.52 %	117,462	96,183	21,279	22
Less - Provision for Loan Losses	5,575	1,355	4,220	311.44 %	10,888	3,130	7,758	24
Net Interest Income after Provision for Loan Losses	24,920	23,136	1,784	7.71 %	106,574	93,053	13,521	14
NON-INTEREST INCOME								
Service Charges on Deposit Accounts	3,914	3,720	194	5.22 %	15,595	14,414	1,181	8.
Wealth Management	2,580	2,240	340	15.18 %	11,133	8,110	3,023	37
Mortgage Banking Income	497	949	(452)	-47.63 %	3,072	3,166	(94)	-2
BOLI Income	739	591	148	25.04 %	2,555	2,004	551	27
Net Loss on Sale of Securities	-	-	-	n/a	(609)	-	(609)	n/
Other-Than-Temporary-Impairment on Certain Pooled Trust Preferred Securities	(4,646)	-	(4,646)	n/a	(7,216)	-	(7,216)	n/
Other Non-Interest (Loss)/Income	568	999	(431)	-43.14 %	3,554	4,357	(803)	-1
Total Non-Interest Income	3,652	8,499	(4,847)	-57.03 %	28,084	32,051	(3,967)	-1
NON-INTEREST EXPENSE								
Salaries and Employee Benefits	14,468	13,252	1,216	9.18 %	58,275	52,520	5,755	10
Occupancy and Equipment Expenses	3,419	2,375	1,044	43.96 %	12,757	9,932	2,825	28
Data Processing and Facilities Management	1,403	1,216	187	15.38 %	5,574	4,584	990	21
Merger & Acquisition Expense	-	-	-	n/a	1,120	-	1,120	n/
WorldCom Bond Loss Recovery	-	-	-	n/a	(418)	-	(418)	n/
Other Non-Interest Expense	7,300	5,164	2,136	41.36 %	26,835	20,896	5,939	28
Total Non-Interest Expense	26,590	22,007	4,583	20.83 %	104,143	87,932	16,211	18
INCOME BEFORE INCOME TAXES	1,982	9,628	(7,646)	-79.41 %	30,515	37,172	(6,657)	-1
PROVISION FOR INCOME TAXES	(1,039)	1,898	(2,937)	-154.74 %	6,551	8,791	(2,240)	-2
NET INCOME	$ 3,021	$ 7,730	$ (4,709)	-60.92 %	$ 23,964	$ 28,381	$ (4,417)	-1
BASIC EARNINGS PER SHARE	$ 0.19	$ 0.56		-67.86 %	$ 1.53	$ 2.02		-2
DILUTED EARNINGS PER SHARE	$ 0.18	$ 0.56		-67.86 %	$ 1.52	$ 2.00		-2
BASIC AVERAGE SHARES	16,280,552	13,734,231		18.54 %	15,694,555	14,033,257		11
DILUTED AVERAGE SHARES	16,331,118	13,840,654		17.99 %	15,759,482	14,160,598		11
PERFORMANCE RATIOS:								
Net Interest Margin (FTE)	3.81 %	3.94 %		-3.30 %	3.95 %	3.90 %		1.
Return on Average Assets	0.34 %	1.13 %		-69.91 %	0.73 %	1.05 %		-3
Return on Average Equity	3.92 %	14.08 %		-72.09 %	8.20 %	12.93 %		-3
RECONCILIATION TABLE - NON-GAAP FINANCIAL INFORMATION								
NET INCOME (GAAP)	$ 3,021	$ 7,730	$ (4,709)	-60.92 %	$ 23,964	$ 28,381	$ (4,417)	-1
Net Interest Income Components								

Add - Write-Off of Debt Issuance Cost, net of tax	-	-	-		-	590	(590)	
Non-Interest Income Components								
Add - Net Loss on Sale of Securities, net of tax	-	-	-		396	-	396	
Non-Interest Expense Components								
Add - Executive Early Retirement Costs, net of tax	-	-	-		-	264	(264)	
Add - Merger and Acquisition Expenses, net of tax	-	-	-		728	-	728	
(Less)/Add - Litigation Reserve/(Recovery), net of tax	-	-	-		488	885	(397)	
Less - WorldCom Bond Loss Recovery, net of tax	-	-	-		(272)	-	(272)	
NET OPERATING EARNINGS	$ 3,021	$ 7,730	$ (4,709)	-60.92 %	$ 25,304	$ 30,120	$ (4,816)	-1
Diluted Earnings Per Share, on an Operating Basis	$ 0.18	$ 0.56	$ (0.38)	-67.86 %	$ 1.61	$ 2.13	$ (0.52)	-2

INDEPENDENT BANK CORP.

SUPPLEMENTAL FINANCIAL INFORMATION — Three Months Ended December 31,

CONSOLIDATED AVERAGE BALANCE SHEETS AND AVERAGE RATE DATA

(Unaudited - Dollars in Thousands)		2008			2007		
			Interest			Interest	
	Ending Balance	Average Balance	Earned/ Paid	Yield/ Rate	Average Balance	Earned/ Paid	Yield/ Rate
Interest-Earning Assets:							
Federal Funds Sold and Short Term Investments	$ 100	$ 19,979	$ 51	1.02%	$ 1,073	$ 56	20.88%
Securities:							
Trading Assets	2,701	3,036	45	5.93%	1,724	15	3.48%
Taxable Investment Securities	619,213	558,345	6,937	4.97%	458,080	5,552	4.85%
Non-taxable Investment Securities (1)	38,470	38,461	568	5.91%	49,449	776	6.28%
Total Securities:	660,384	599,842	7,550	5.03%	509,253	6,343	4.98%
Loans (1)	2,660,887	2,617,938	38,200	5.84%	2,015,811	34,154	6.78%
Total Interest-Earning Assets	$ 3,321,371	$ 3,237,759	$ 45,801	5.66%	$ 2,526,137	$ 40,553	6.42%
Cash and Due from Banks	50,007	65,772			57,305		
Other Assets	257,091	244,772			147,935		

Total Assets	$ 3,628,469	$ 3,548,303			$ 2,731,377		
Interest-bearing Liabilities:							
Deposits:							
Savings and Interest Checking Accounts	$ 725,313	$ 720,695	$ 1,490	0.83%	$ 574,727	$ 1,865	1.30%
Money Market	488,345	498,845	2,356	1.89%	447,431	3,155	2.82%
Time Deposits	846,096	859,894	6,118	2.85%	521,902	5,591	4.29%
Total interest-bearing deposits:	2,059,754	2,079,434	9,964	1.92%	1,544,060	10,611	2.75%
Borrowings:							
Federal Home Loan Bank Borrowings	$ 429,634	$ 309,653	$ 2,335	3.02%	$ 277,127	$ 3,050	4.40%
Federal Funds Purchased and Assets Sold							
Under Repurchase Agreement	170,880	168,343	1,144	2.72%	136,040	1,107	3.25%
Junior Subordinated Debentures	61,857	61,857	995	6.43%	51,547	861	6.68%
Subordinated Debentures	30,000	30,000	546	7.28%	-	-	-
Other Borrowings	2,946	2,736	3	0.44%	3,025	40	5.29%
Total Borrowings:	695,317	572,589	5,023	3.51%	467,739	5,058	4.33%
Total Interest-Bearing Liabilities	$ 2,755,071	$ 2,652,023	$ 14,987	2.26%	$ 2,011,799	$ 15,669	3.12%
Demand Deposits	519,326	550,073			485,923		
Other Liabilities	48,798	38,261			14,017		
Total Liabilities	$ 3,323,195	$ 3,240,357			$ 2,511,739		
Stockholders' Equity	305,274	307,946			219,638		
Total Liabilities and Stockholders' Equity	$ 3,628,469	$ 3,548,303			$ 2,731,377		
Net Interest Income			$30,814			$24,884	
Interest Rate Spread (2)				3.40%			3.30%
Net Interest Margin (3)				3.81%			3.94%
Supplemental Information:							
Total Deposits, including Demand Deposits	$ 2,579,080	$ 2,629,507	$ 9,964		$ 2,029,983	$ 10,611	
Cost of Total				1.52%			2.09%

Deposits							
Total Funding Liabilities, including Demand Deposits	$ 3,274,397	$ 3,202,096	$ 14,987		$ 2,497,722	$ 15,669	
Cost of Total Funding Liabilities				1.87%			2.51%

(1) The total amount of adjustment to present interest income and yield on a fully tax-equivalent

basis is $319 and $393 for the three months ended December 31, 2008 and 2007, respectively.

(2) Interest rate spread represents the difference between the weighted average yield on interest-earning assets and the

weighted average cost of interest-bearing liabilities.

(3) Net interest margin represents annualized net interest income as a percentage of average interest-earning assets.

INDEPENDENT BANK CORP.

SUPPLEMENTAL FINANCIAL INFORMATION		Twelve Months Ended December 31,					
CONSOLIDATED AVERAGE BALANCE SHEETS AND AVERAGE RATE DATA		2008			2007		
(Unaudited - Dollars in Thousands)			Interest			Interest	
	Ending Balance	Average Balance	Earned/ Paid	Yield/ Rate	Average Balance	Earned/ Paid	Yield/ Rate
Interest-Earning Assets:							
Federal Funds Sold and Short Term Investments	$ 100	$ 5,908	$ 148	2.51%	$ 26,630	$ 1,468	5.51%
Securities:							
Trading Assets	2,701	3,060	140	4.58%	1,692	48	2.84%
Taxable Investment Securities	619,213	470,668	23,307	4.95%	433,186	20,694	4.78%
Non-taxable Investment Securities (1)	38,470	41,203	2,597	6.30%	51,181	3,288	6.42%
Total Securities:	660,384	514,931	26,044	5.06%	486,059	24,030	4.94%
Loans (1)	2,660,887	2,489,028	151,572	6.09%	1,994,273	135,874	6.81%
Total Interest-Earning Assets	$ 3,321,371	$ 3,009,867	$ 177,764	5.91%	$ 2,506,962	$ 161,372	6.44%
Cash and Due from Banks	50,007	65,992			59,009		

Other Assets	257,091	219,517			148,494		
Total Assets	$ 3,628,469	$ 3,295,376			$ 2,714,465		
Interest-bearing Liabilities:							
Deposits:							
Savings and Interest Checking Accounts	$ 725,313	$ 688,336	$ 6,229	0.90%	$ 575,269	$ 7,731	1.34%
Money Market	488,345	472,065	9,182	1.95%	462,434	13,789	2.98%
Time Deposits	846,096	740,779	23,485	3.17%	531,016	22,119	4.17%
Total interest-bearing deposits:	2,059,754	1,901,180	38,896	2.05%	1,568,719	43,639	2.78%
Borrowings:							
Federal Home Loan Bank Borrowings	$ 429,634	$ 312,451	$ 10,714	3.43%	$ 254,516	$ 11,316	4.45%
Federal Funds Purchased and Assets Sold							
Under Repurchase Agreement	170,880	154,440	4,663	3.02%	109,344	3,395	3.10%
Junior Subordinated Debentures	61,857	60,166	3,842	6.39%	59,950	5,048	8.42%
Subordinated Debentures	30,000	10,410	750	7.20%	-	-	-
Other Borrowings	2,946	2,381	61	2.56%	2,627	157	5.98%
Total Borrowings:	695,317	539,848	20,030	3.71%	426,437	19,916	4.67%
Total Interest-Bearing Liabilities	$ 2,755,071	$ 2,441,028	$ 58,926	2.41%	$ 1,995,156	$ 63,555	3.19%
Demand Deposits	519,326	533,543			485,922		
Other Liabilities	48,798	28,692			13,914		
Total Liabilities	$ 3,323,195	$ 3,003,263			$ 2,494,992		
Stockholders' Equity	305,274	292,113			219,473		
Total Liabilities and Stockholders' Equity	$ 3,628,469	$ 3,295,376			$ 2,714,465		
Net Interest Income			$118,838			$97,817	
Interest Rate Spread (2)				3.50%			3.25%
Net Interest Margin (3)				3.95%			3.90%
Supplemental Information:							
Total Deposits, including Demand Deposits	$ 2,579,080	$ 2,434,723	$ 38,896		$ 2,054,641	$ 43,639	

Cost of Total Deposits				1.60%			2.12%
Total Funding Liabilities, including Demand Deposits	$ 3,274,397	$ 2,974,571	$ 58,926		$ 2,481,078	$ 63,555	
Cost of Total Funding Liabilities				1.98%			2.56%

(1) The total amount of adjustment to present interest income and yield on a fully tax-equivalent

basis is $1,376 for the twelve months ended December 31, 2008 and $1,634 for the twelve months ended December 31, 2007.

(2) Interest rate spread represents the difference between the weighted average yield on interest-earning assets and the

weighted average cost of interest-bearing liabilities.

(3) Net interest margin represents annualized net interest income as a percentage of average interest-earning assets.

	As Of December 31, 2008	December 31, 2007	September 30, 2008
Asset Quality	(Dollars in Thousands, Except Per Share Data)		
Nonperforming Loans			
Commercial & Industrial Loans	$ 1,942	$ 306	$ 1,481
Small Business Loans	1,111	439	773
Commercial Real Estate Loans	12,370	2,568	5,478
Residential Real Estate Loans	9,394	2,380	6,725
Installment Loans - Home Equity	1,090	872	1,106
Installment Loans - Auto	813	833	770
Installment Loans - Other	213	246	311
Total Nonperforming Loans	26,933	7,644	16,644
Non-Accrual Securities	910	-	-
Other Assets in Possession	231	-	-
Other Real Estate Owned	1,809	681	1,239
Nonperforming Assets	29,883	8,325	17,883
Net charge-offs (year to date)	$ 6,194	$ 3,114	$ 4,381
Net charge-offs to average loans (annualized)	0.24 %	0.16 %	0.23 %
Nonperforming Loans/Gross Loans	1.01 %	0.37 %	0.64 %
Allowance for Loan Losses/Nonperforming Loans	137.56 %	351.01 %	199.99 %
Gross Loans/Total Deposits	103.17 %	100.81 %	101.87 %
Allowance for Loan Losses/Total Loans	1.39 %	1.31 %	1.29 %
Financial Ratios			

Book Value per Share	$ 18.75	$ 16.04	$ 18.72
Tangible Capital/Tangible Asset	5.13 %	5.91 %	5.32 %
Tangible Capital/Tangible Asset (proforma to include			
the deductibility of goodwill)	5.67 %	6.45 %	5.76 %
Tangible Book Value per Share	$ 11.03	$ 11.64	$ 10.95
Tangible Book Value per Share (proforma to include			
the deductibility of goodwill)	$ 12.19	$ 12.70	$ 11.85
Capital Adequacy			
Tier one leverage capital ratio (1)	7.58 %	8.02 %	7.69 %

(1) Estimated number for December 31, 2008

Certain amounts in prior year financial statement have been reclassified to conform to the current year's presentation.

Source: Independent Bank Corp.

Contact: Independent Bank Corp. Chris Oddleifson, 781-982-6660 President and Chief Executive Officer or Denis K. Sheahan, 781-982-6341 Chief Financial Officer

CONFIDENTIAL TREATMENT REQUESTED

INTEROFFICE MEMORANDUM

TO: COMPENSATION COMMITTEE

FROM: [redacted] CPP SENIOR RISK OFFICER

SUBJECT: CPP INCENTIVE COMPENSATION RISK ASSESSMENT

DATE: 2/27/2009

CC: RAY FUERSCHBACH, EDWARD JANKOWSKI

By participating in the CPP, INDB agreed to abide by certain restrictions and take certain actions with respect to executive compensation, including a limitation on compensation to exclude incentives for senior executive officers (SEOs) of the financial institution to take unnecessary and excessive risks that threaten the value of the financial institution. INDB must complete the following:

- Within 90 days, the Senior Risk Officer must review the SEOs' compensation arrangements to identify and modify, when necessary, any features that would lead SEOs to take unnecessary and excessive risks that could threaten the value of the Company;

- Thereafter, the Compensation Committee must meet at least annually with the Senior Risk Officer to discuss and review the relationship between the financial institution's risk management policies and practices and the SEOs' incentive compensation arrangements; and

- The Compensation Committee must certify on an annual basis, that it has completed the review of the SEOs incentive compensation arrangements.

Management has developed a Risk Assessment identifying: threats, likelihood, potential damage, assessment of policies, procedures, systems and controls and has assigned a rating relating to "residual" risk. Overall, the controls were assessed to be "Strong" with "Low" residual risk. I have reviewed the Executive Officer Performance Incentive Plan (EPIP), approved by the Board on February 15, 2008, along with management's risk assessment. The results of my review are listed below:

- [redacted]

- [redacted]
- [redacted]
- [redacted]

No issues were identified relating to SEOs compensation that would incent unnecessary or excessive risk taking behavior. [redacted]

(b) (4)

[redacted]

CONFIDENTIAL TREATMENT REQUESTED