

INDEPENDENT BANK CORP

Form S-4/A

April 27, 2004

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**Pre-Effective Amendment No. 1**

to

**Form S-4**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

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**Independent Bank Corp.**

*(Exact name of registrant as Specified in its Charter)*

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**Massachusetts**  
*(State or other Jurisdiction of  
Incorporation or Organization)*

**6036**  
*(Primary Standard Industrial  
Classification Code Number)*

**04-2870273**  
*(I.R.S. Employer  
Identification No.)*

**288 Union Street**

**Rockland, Massachusetts 02370  
(781) 878-6100**

*(Address, including zip code, and telephone number, including area code,  
of Registrant's Principal Executive Offices)*

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**Denis K. Sheahan**  
**Chief Financial Officer and Treasurer**  
**Edward H. Seksay, Esq.**  
**General Counsel**  
**Independent Bank Corp.**  
**288 Union Street**  
**Rockland, Massachusetts 02370**  
**(781) 878-6100**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

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*With copies to:*

**William P. Gelnaw, Jr., Esq.**  
**James A. McDaniel, Esq.**  
**Choate, Hall & Stewart**  
**53 State Street**  
**Boston, Massachusetts 02109**  
**(617) 248-5000**

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**Richard A. Schaberg, Esq.**  
**Thacher Proffitt & Wood LLP**  
**1700 Pennsylvania Avenue, N.W.**  
**Washington, D.C. 20006**  
**(202) 347-8400**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the Registration Statement becomes effective and the completion of the Arrangement as described herein.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional Securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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**THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.**

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**FALMOUTH BANCORP, INC.**

20 Davis Straits  
Falmouth, Massachusetts 02540

(508) 548-3500

April 30, 2004

Dear stockholders:

You are cordially invited to attend a special meeting of stockholders of Falmouth Bancorp, Inc. to be held at 4:30 p.m., local time, on June 7, 2004, at the main office of the bank, 20 Davis Straits, Falmouth, Massachusetts 02540. At the special meeting, you will be asked to consider and vote upon a proposal to approve an agreement and plan of merger pursuant to which Falmouth will merge with a wholly owned subsidiary of Independent Bank Corp., a Massachusetts corporation with its principal place of business in Rockland, Massachusetts.

**If the merger agreement is approved and the merger is subsequently completed, each outstanding share of Falmouth common stock will be converted into the right to receive either \$38.00 in cash or 1.28 shares of Independent Bank common stock, plus cash in lieu of any fractional share interest.** On January 8, 2004, the date the merger agreement was signed, 1.28 shares of Independent Bank common stock was worth \$29.00, and as of April 29, 2004, 1.28 shares of Independent Bank common stock was worth . The 30 day average closing price of Independent Bank common stock as of April 29, 2004 was . You will have the opportunity to elect to receive all cash, all stock or a combination of cash and stock for your shares of Falmouth common stock, subject to allocation procedures designed to ensure that 50% of the shares of Falmouth common stock will be converted into the right to receive shares of Independent Bank common stock and 50% will be converted into the right to receive cash. You will receive a separate mailing that will contain instructions for making your election.

Independent Bank common stock is listed on The Nasdaq National Market under the symbol INDB. On April 29, 2004, the closing sale price of a share of Independent Bank common stock was \$ .

The merger cannot be completed unless the holders of a majority of the outstanding shares of Falmouth common stock, voting in person or by proxy, vote in favor of approval of the merger agreement and the merger at the special meeting.

Stockholders who do not receive any cash in exchange for their shares of Falmouth common stock will generally not be taxed on the exchange. However, stockholders generally will be taxed to the extent they receive cash in exchange for their shares of Falmouth common stock or instead of any fractional share of Independent Bank common stock that they would otherwise be entitled to receive.

Based on our reasons for the merger described herein, including the fairness opinion issued by our financial advisor, Trident Securities, a division of McDonald Investments, Inc., our board of directors believes that the merger is advisable, in your best interests and on terms that are fair to you. Accordingly, our board of directors unanimously recommends that you vote **FOR** approval of the merger agreement and the merger.

**Your vote is very important.** Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card. If you do not vote in person or by proxy the effect will be a vote against the proposal to approve the merger agreement.

Following this letter you will find a formal notice of the special meeting and a proxy statement/ prospectus providing you with detailed information concerning the merger agreement, Independent Bank and Falmouth. Please give all the information contained or incorporated by reference in the proxy statement/ prospectus your careful attention. **Please give particularly careful consideration to the discussion in the section entitled Risk Factors beginning on page 23 of the attached proxy statement/ prospectus.**

We look forward to your support.

Sincerely,

Santo P. Pasqualucci  
*President and Chief Executive Officer*

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Independent Bank common stock to be issued in the merger or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense. The shares of Independent Bank common stock are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by any federal or state governmental agency.**

This proxy statement/ prospectus is dated April 30, 2004, and was first mailed to

stockholders of Falmouth on or about May 7, 2004.

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**REFERENCE TO ADDITIONAL INFORMATION**

This proxy statement/ prospectus incorporates important business and financial information about Independent Bank and Falmouth from other documents that are not included in, or delivered with, this proxy statement/ prospectus. This information is available to you without charge upon your written or oral request. We have listed the documents containing this information on page 115. You can obtain these documents relating to Independent Bank or any documents referred to in this proxy statement/ prospectus relating to Falmouth, by requesting them in writing or by telephone from the appropriate company at the following addresses:

Independent Bank Corp.  
288 Union Street  
Rockland, Massachusetts 02370  
Attention: Edward H. Seksay, General Counsel  
(781) 982-6130

Falmouth Bancorp, Inc.  
20 Davis Straits  
Falmouth, Massachusetts 02540  
Attention: Jeanne E. Alves, Secretary  
(508) 548-3500

**If you would like to request documents, you must do so no later than May 31, 2004 in order to receive them before Falmouth's special meeting of stockholders. You will not be charged for any of these documents that you request.**

For additional information regarding where you can find information about Independent Bank and Falmouth, please see the section entitled Where You Can Find More Information beginning on page 114 of this proxy statement/ prospectus. The information contained in this proxy statement/ prospectus with respect to Independent Bank and its subsidiaries was provided by Independent Bank and the information contained in this proxy statement/ prospectus with respect to Falmouth and its subsidiaries was provided by Falmouth.

For information on submitting your proxy, please refer to the instructions on the enclosed proxy card.

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## FALMOUTH BANCORP, INC.

20 Davis Straits  
Falmouth, Massachusetts 02540  
(508) 548-3500

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### NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

**Date: June 7, 2004**  
**Time: 4:30 p.m., local time**  
**Place: Falmouth Bank**  
**20 Davis Straits**  
**Falmouth, Massachusetts 02540**

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At our Special Meeting, we will ask you to:

Consider and vote upon a proposal to approve the amended and restated agreement and plan of merger dated as of April 26, 2004, among Falmouth Bancorp, Inc., Independent Bank Corp. and INDB Sub, Inc., a copy of which is attached as *Annex A* to the accompanying proxy statement/ prospectus, and to approve the merger as contemplated by the merger agreement;

Consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement; and

Transact any other business as may properly come before the special meeting or any adjournment or postponement of the special meeting. Only holders of record of Falmouth common stock at the close of business on April 30, 2004 will be entitled to notice of, and to vote at, the special meeting or any adjournment or postponement of the special meeting.

You will be entitled to have your shares purchased by Independent Bank for cash at their fair market value if you file written notice with Falmouth of your intention to exercise your appraisal rights prior to the special meeting, you do not vote in favor of the merger agreement and you follow the procedures of Section 262 of the Delaware General Corporation Law described in *THE MERGER Dissenter's Rights of Appraisal* in the accompanying document. A copy of Section 262 is attached as *Annex D* to this document.

**Our board of directors has determined that the merger agreement is advisable, in the best interests of Falmouth stockholders and on terms that are fair to Falmouth stockholders and unanimously recommends that stockholders vote FOR approval of the merger agreement and the merger.**

**Your vote is very important.** Even if you plan to be present at the special meeting, please promptly complete, sign, date and return your proxy card in the enclosed envelope. Failure to vote your shares will have the same effect as a vote against the merger agreement.

By Order of the Board of Directors

Jeanne Alves  
*Secretary*

Falmouth, Massachusetts  
April 30, 2004

**Please do not send your stock certificates at this time. If the merger is completed you will be sent instructions regarding the surrender of your stock certificates.**

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QUESTIONS AND ANSWERS

**Q: What am I being asked to vote on?**

A: You are being asked to vote to approve a merger agreement among Independent Bank Corp., Falmouth Bancorp, Inc. and INDB Sub, Inc., a newly-formed, wholly-owned subsidiary of Independent Bank, and the merger as contemplated by the merger agreement. As a result of the merger, Falmouth will become a subsidiary of Independent Bank.

**Q: What will I receive in the merger? (See page 45)**

A: If the merger is completed, each share of Falmouth common stock will be converted into the right to receive either \$38.00 in cash or 1.28 shares of Independent Bank common stock, plus cash in lieu of any fractional share interest. You may elect to exchange your shares of Falmouth common stock for all stock, all cash or a combination of stock and cash. However, the merger agreement provides that 50% of the total number of outstanding shares of Falmouth common stock will be converted into the right to receive Independent Bank common stock and 50% will be converted into the right to receive cash. Therefore, you may not receive exactly the form of consideration that you request.

**Q: How do I elect to receive cash, stock or a combination of cash and stock for my Falmouth stock? (See page 47)**

A: Instructions for making your election and for returning your Falmouth stock certificates will be sent to you by the exchange agent. **Do not return your Falmouth stock certificates with your proxy card.** Instead, please use the envelope that accompanies the election form provided to you by the exchange agent for your stock certificates and the election form. If you do not make a timely election, you will receive Independent Bank common stock and/or cash depending on the elections made by other Falmouth stockholders.

**Q: How does the Falmouth board of directors recommend that I vote? (See page 31)**

A: The Falmouth board of directors unanimously recommends that you vote **FOR** approval of the merger agreement and the merger.

**Q: What vote of Falmouth stockholders and what vote of Independent Bank stockholders is required in connection with the merger? (See page 50)**

A: The affirmative vote of the holders of at least a majority of the outstanding shares of Falmouth entitled to vote on the approval of the merger agreement and the merger is required to approve the merger agreement and the merger. No vote of Independent Bank stockholders is required (or will be sought) in connection with the merger.

**Q: Can the number of shares of Independent Bank common stock to be issued in the merger for each share of Falmouth common stock change between now and the time the merger is completed? (See page 46)**

A: No, except under limited circumstances. The exchange ratio is a fixed ratio, which means that it will not change if the trading price of the Independent Bank common stock changes between now and the time the merger is completed. Therefore, the market value of the Independent Bank common stock you will receive in the merger may increase or decrease depending upon the price of the Independent Bank common stock. However, if the price of the Independent Bank common stock declines by more than 20% and underperforms a peer group by more than 20% during a designated measurement period, Falmouth may terminate the merger agreement unless Independent Bank elects to increase the number of shares to be issued to holders of Falmouth common stock who are to receive shares of Independent Bank common stock in the merger. For more information, see the sections entitled **Risk Factors** beginning on page 23 of this proxy statement/prospectus and **The Merger** **The Merger**

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Agreement Termination and Amendment beginning on page 61 of this proxy statement/ prospectus.

In the event of a stock split, stock dividend or other similar event prior to the merger, the exchange ratio will be adjusted to provide Falmouth stockholders with the same economic benefit as contemplated by the merger agreement.

**Q: When will I receive shares of Independent Bank common stock or cash? (See page 49)**

A: Shortly after the merger is completed, the exchange agent will allocate cash and Independent Bank common stock among Falmouth stockholders, consistent with their elections and the allocation and proration procedures in the merger agreement. Your shares of Independent Bank common stock and/or cash will be sent to you after the allocation is completed, subject to your adherence to the procedures set forth in this proxy statement/ prospectus, including proper delivery of certificates.

**Q: Will I be able to trade the Independent Bank common stock that I receive in the merger? (See page 43)**

A: Yes. The Independent Bank common stock issued in the merger will be registered with the Securities and Exchange Commission and listed on The Nasdaq National Market under the symbol INDB. All shares of Independent Bank common stock that you receive in the merger will be freely transferable unless you are deemed to be an affiliate of Falmouth prior to the completion of the merger or an affiliate of Independent Bank after the completion of the merger, or your shares are subject to other contractual restrictions. Shares of Independent Bank common stock received by persons deemed to be affiliates in the merger may only be sold in compliance with Rule 145 under the Securities Act or as otherwise permitted under the Securities Act.

**Q: When is the merger expected to be completed? (See page 60)**

A: We expect to complete the merger as soon as practicable after Falmouth and Independent Bank receive all applicable regulatory and stockholder approvals and all applicable waiting periods have expired, which we expect to occur during the third calendar quarter of 2004. However, we cannot be certain when these events will take place or when the merger will occur.

**Q: How much of the combined company will Falmouth stockholders own? (See page 41)**

A: After the merger, Falmouth stockholders will own approximately 3.85% of the Independent Bank common stock (based on shares outstanding as of the date of this proxy statement/ prospectus).

**Q: What are the tax consequences of the merger to the Falmouth stockholders? (See page 70)**

A: The conversion of shares of Falmouth common stock solely into Independent Bank common stock in the merger will be a tax-free reorganization for federal income tax purposes. Accordingly, Falmouth stockholders will generally not recognize any gain or loss for federal income tax purposes on the conversion of their Falmouth common stock into Independent Bank common stock in the merger. However, Falmouth stockholders will generally be taxed to the extent they receive cash in exchange for their shares of Falmouth common stock or instead of any fractional share of Independent Bank common stock that they would otherwise be entitled to receive. Because the tax consequences of receiving cash will differ from the tax consequences of receiving stock, you should carefully read the tax information in the section of this proxy statement/ prospectus entitled The Merger Federal Income Tax Consequences beginning on page 70 and consult your own tax advisors.

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/ prospectus, indicate on your proxy card how you want your shares to be voted. Then complete, sign, date and mail your proxy card in the enclosed prepaid return envelope as soon as possible. This will enable your shares to be represented and voted at the special meeting.

**Q: Why is my vote important?**

A: If you do not return your proxy card or vote in person at the special meeting, it will be more difficult for Falmouth to obtain the necessary quorum to hold the special meeting. In addition, the failure of a Falmouth stockholder to vote, by proxy or in person, will have the same effect as a vote against the merger agreement and the merger. The merger must be approved by the holders of a majority of the outstanding shares of Falmouth common stock entitled to vote at the special meeting.

**Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me? What if I fail to instruct my broker, bank or other nominee?**

A: If your broker, bank or other nominee holds shares that you own in street name, the broker may vote your shares if the broker receives instructions from you. If your broker does not vote on any of the proposals, this will constitute a broker non-vote. For purposes of voting on the proposal to approve the merger agreement, a broker non-vote will have the same effect as a vote against the merger. For purposes of voting on the proposal to adjourn the meeting, broker non-votes will be treated as shares that are not represented and will have no effect on the outcome of the votes.

**Q: Can I attend the meeting and vote my shares in person?**

A: Yes. All stockholders are invited to attend the special meeting. However, if you hold your shares in street name, you will need proof of ownership to be admitted. A recent brokerage statement or letter from a bank or broker are examples of proof of ownership. Only stockholders of record on April 30, 2004 can vote in person at the special meeting. If your shares are held in street name, then you are not the stockholder of record and you must ask your broker, bank or other nominee how you can vote at the special meeting.

**Q: Can I change my vote?**

A: Yes. If you have not voted through your broker, bank or other nominee, there are three ways you can change your vote after you have submitted your proxy:

First, you may send a written notice to the Secretary of Falmouth, stating that you would like to revoke your proxy before the special meeting.

Second, you may complete and submit a new proxy card. The latest vote actually received by Falmouth before the special meeting will be counted, and any earlier proxies will be revoked automatically.

Third, you may attend the special meeting and vote in person. Any earlier proxy will thereby be revoked. However, simply attending the special meeting without voting will not revoke your proxy.

If you have instructed a broker, bank or other nominee to vote your shares, you must follow directions you receive from your broker, bank or other nominee to change your vote.

**Q: Can I submit my proxy by telephone or over the Internet?**

A: If you hold shares directly, then you may not vote by telephone or over the Internet. If you hold your shares through a bank or brokerage firm, you may be able to submit your proxy by telephone or over the Internet. You should refer to the proxy card provided by your bank or brokerage firm for instructions about how to vote. If you vote by telephone or over the Internet, you do not need to complete and mail your proxy card.

**Q: Whom should I call with questions?**

A: You should call Georgeson Shareholder Communications, Inc. at (800) 501-4330 with any questions about the merger and related transactions.

**SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that is important to you. We urge you to read carefully the entire proxy statement/prospectus and other documents to which we refer in order to understand fully the merger and the related transactions. In particular, you should read the annexes attached to this proxy statement/prospectus, including the merger agreement, which is attached to this proxy statement/prospectus as Annex A. We have included page references in parentheses to direct you to a more complete description of the topics presented in this summary. In addition, Independent Bank incorporates by reference into this proxy statement/prospectus important business and financial information. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find More Information* beginning on page 114 of this proxy statement/prospectus.*

**Parties to the Proposed Merger**

**FALMOUTH BANCORP, INC.**

**20 Davis Straits  
Falmouth, Massachusetts 02540  
(508) 548-3500  
[www.falmouthbank.com](http://www.falmouthbank.com)**

Falmouth is a Delaware corporation and a registered bank holding company under the Bank Holding Company Act of 1956, as amended. Falmouth conducts business from its executive offices in Falmouth, Massachusetts. Falmouth's principal asset is all of the capital stock of Falmouth Co-operative Bank, a Massachusetts-chartered co-operative bank in stock form.

Through Falmouth Co-operative Bank, Falmouth is principally engaged in the business of attracting deposits from the general public, borrowing funds and investing those deposits and funds. Falmouth has emphasized various types of residential and commercial real estate loans, commercial loans, residential construction loans, consumer loans and investments in securities. At December 31, 2003, Falmouth had consolidated assets of \$158.1 million and consolidated stockholders' equity of \$17.9 million.

For more information on the business of Falmouth, please refer to the section entitled *Information About Falmouth* beginning on page 73 of this proxy statement/prospectus. Please refer to the section of this proxy statement/prospectus entitled *Where You Can Find More Information* on page 114 in order to find out where you can obtain copies of Falmouth's Annual Report on Form 10-KSB/A for the fiscal year ended September 30, 2003, filed with the SEC on April 7, 2004 and Falmouth's Quarterly Report on Form 10-QSB/A for the period ended December 31, 2003, filed with the SEC on April 7, 2004, as well as other documents Falmouth files with the Securities and Exchange Commission.

**INDEPENDENT BANK CORP.**

**288 Union Street  
Rockland, Massachusetts 02370  
(781) 878-6100  
[www.rocklandtrust.com](http://www.rocklandtrust.com)**

Independent Bank is a Massachusetts corporation and is registered with the Board of Governors of the Federal Reserve System as a bank holding company under the Bank Holding Company Act of 1956, as amended. Independent Bank conducts business from its executive offices in Rockland, Massachusetts. Independent Bank's principal assets are all of the capital stock of Rockland Trust Company, a Massachusetts-chartered trust company.

Rockland Trust Company's principal business consists of commercial banking, retail banking, and investment management services. Rockland Trust Company derives its revenues from a wide range of

banking services including lending activities, acceptance of demand, savings and time deposits, trust and investment management services and mortgage banking income. At December 31, 2003, Independent Bank had consolidated assets of approximately \$2.4 billion and consolidated stockholders' equity of approximately \$171.8 million.

For more information on the business of Independent Bank and Rockland Trust Company, please refer to Independent Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2003. Please refer to the section of this proxy statement/prospectus entitled "Where You Can Find More Information" on page 114 in order to find out where you can obtain copies of Independent Bank's Annual Report as well as other documents Independent Bank files with the Securities and Exchange Commission.

**INDB SUB, INC.**

**288 Union Street  
Rockland, Massachusetts 02370  
(781) 878-6100**

INDB Sub, Inc. was formed on January 7, 2004 as a Massachusetts corporation and a wholly-owned subsidiary of Independent Bank. INDB Sub, Inc. was formed solely to effect the merger and has not conducted any business during the period of its existence.

**You May Elect to Receive Cash, Shares of Independent Bank Common Stock or a Combination of Stock and Cash**

Independent Bank and Falmouth have proposed a merger in which Falmouth will merge with INDB Sub, Inc. If the merger is completed, you will have the right to receive either \$38.00 in cash or 1.28 shares of Independent Bank common stock, plus cash in lieu of any fractional share interest, for each share of Falmouth common stock that you hold. You will have the opportunity to elect to receive all cash, all stock or a combination of cash and stock for your shares of Falmouth common stock, subject to allocation procedures set forth in the merger agreement designed to ensure that 50% of the shares of Falmouth common stock will be converted into the right to receive shares of Independent Bank common stock and 50% of the Falmouth shares will be converted into the right to receive cash. At Independent Bank's election, the number of shares of Falmouth common stock that will be converted into the right to receive Independent Bank common stock may be increased if necessary for Independent Bank's and Falmouth's respective legal counsel to render their opinions that the merger will be treated as a reorganization for federal income tax purposes.

Under the limited circumstances described below, the exchange ratio may be increased by Independent Bank. If the average closing price of Independent Bank common stock during the 14 trading days ending on and including the date (the determination date) on which the last required governmental approval of the merger and the related merger of Falmouth Co-operative Bank into Rockland Trust (the bank merger) is received, excluding the two highest and two lowest closing prices, (the average closing price) is (1) less than \$23.20 (80% of the closing price of the Independent Bank common stock on the date of the merger agreement, or \$29.00) and (2) underperforms a peer group of companies by more than 20% during the same 14 day period, Falmouth may give notice of its intent to terminate the merger agreement. If Independent Bank receives such notice, Independent Bank may elect to increase the exchange ratio to a number equal to a quotient (rounded to the nearest one ten-thousandth) obtained by dividing (A) the product of the Independent Bank signing closing price (\$29.00), 0.8 and the exchange ratio (as then in effect) by (B) the Independent Bank average closing price. If Independent Bank elects to increase the exchange ratio in these circumstances, Falmouth would thereafter no longer have the right to terminate the merger agreement for this reason. If Independent Bank does not elect to increase the exchange ratio in these circumstances, Falmouth may terminate the merger. For a more detailed discussion see the section entitled "The Merger - The Merger Agreement - Termination and Amendment" beginning on page 61 of this proxy statement/prospectus.



Separate instructions will be provided to you regarding how to make your election. Because the tax consequences of receiving cash will differ from the tax consequences of receiving stock, you should carefully read the tax information in the section of this proxy statement/prospectus entitled "The Merger - Federal Income Tax Consequences" beginning on page 70 of this proxy statement/prospectus and consult your own tax advisors.

If you elect to receive stock in the merger and the total number of shares of Independent Bank common stock that Falmouth stockholders elect to receive in the merger exceeds the amount of common stock that Independent Bank has agreed to issue in the merger, you will receive some cash instead of shares of Independent Bank common stock. If you elect to receive cash in the merger and the total amount of cash that Falmouth stockholders elect to receive in the merger exceeds the amount of cash that Independent Bank has agreed to pay in the merger, when combined with any dissenting shares held by Falmouth stockholders who have perfected their dissenters rights, such shares will be deemed cash election shares, exceeds the amount of cash that Independent Bank has agreed to pay in the merger, you will receive some shares of Independent Bank common stock instead of cash. Therefore, you may not receive exactly the form of consideration that you elect.

The aggregate cash consideration to be issued in the merger would amount to \$17,427,332 and the aggregate stock consideration to be issued in the merger would amount to 587,026 shares of Independent Bank common stock based on the number of shares of Falmouth common stock outstanding on April 30, 2004, and an exchange ratio of 1.28.

**Illustrations of Value of Cash and Stock Consideration**

The table below illustrates the value of cash and stock consideration based on various assumed trading prices of Independent Bank common stock. It is important to remember that the merger agreement provides that 50% of the outstanding shares of Falmouth common stock will be exchanged for shares of Independent Bank common stock and 50% will be exchanged for cash. **Even if you request all cash or all stock, whether you receive all cash or all stock will depend on the elections of other Falmouth stockholders. There is no guarantee that you will receive the exact allocation of cash or stock that you request.**

| 1 Share of Falmouth Common Stock<br>Exchanged for All Independent Bank Common Stock |                   |  |   | 1 Share of Falmouth<br>Common Stock<br>Exchanged for All Cash |
|---|-------------------|--|---|---|
| Assumed Trading<br>Price of<br>Independent Bank<br>Stock(1)                         | Exchange<br>Ratio | Number of<br>Independent Bank<br>Shares to be<br>Received(2) | Value of<br>Independent Bank<br>Shares to be<br>Received(2) | Cash Consideration<br>to be Received                          |
| \$23.20(3)  | 1.28              | 1.28   | \$29.70   | \$38.00   |
| \$24.00   | 1.28              | 1.28   | \$30.72   | \$38.00   |
| \$25.00   | 1.28              | 1.28   | \$32.00   | \$38.00   |
| \$26.00   | 1.28              | 1.28   | \$33.28   | \$38.00   |
| \$27.00   | 1.28              | 1.28   | \$34.56   | \$38.00   |
| \$28.00   | 1.28              | 1.28   | \$35.84   | \$38.00   |
| \$29.00(4)  | 1.28              | 1.28   | \$37.12   | \$38.00   |
| \$30.00   | 1.28              | 1.28   | \$38.40   | \$38.00   |
| \$31.00   | 1.28              | 1.28   | \$39.68   | \$38.00   |
| \$32.00   | 1.28              | 1.28   | \$40.96   | \$38.00   |
| \$33.00   | 1.28              | 1.28   | \$42.24   | \$38.00   |
| \$34.00   | 1.28              | 1.28   | \$43.52   | \$38.00   |
| \$35.00   | 1.28              | 1.28   | \$44.80   | \$38.00   |

- (1) On April 29, 2004, the last full trading day before the date of this proxy statement/ prospectus, the closing sale price of Independent Bank common stock was \$ .
- (2) Based upon the exchange ratio of 1.28, 1 share of Falmouth common stock would be converted into 1.28 shares of Independent Bank common stock, but all fractional shares would be paid in cash based on an amount dete