Thames Howard Davis
Form 4
December 05, 2012

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Thames Howard Davis

(Last) (First) (Middle)

700 MILAM ST, SUITE 800

(Street)

HOUSTON, TX 77002

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CHENIERE ENERGY INC [LNG]

3. Date of Earliest Transaction (Month/Day/Year)
12/03/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Sr. VP - Marketing

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/03/2012		S		10,000 (1)	D	$ 16.9176 (2)	842,183	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Thames Howard Davis 700 MILAM ST SUITE 800 HOUSTON, TX 77002			Sr. VP - Marketing	

Signatures

/s/ Cara E. Carlson under POA by H. Davis Thames	12/05/2012
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sales reported in this Form 4 were affected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person.

(2) This price represents the weighted average sales price. The sales prices for these transactions ranged from $16.87 to $16.98. The Reporting Person undertakes to provide upon request of the Securities and Exchange Commission, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Total interest-bearing deposits:
1,339 48 22 1,409 2,285 1,270 302 3,857
Borrowings:

Federal Home Loan Bank borrowings
$353 $499 $50 $902 $1,062 $2,413 $257 $3,732
Federal funds purchased and assets sold under repurchase agreements
133 68 73 274 280 106 74 460

Junior Subordinated Debentures
4 1,099 2 1,105
Treasury tax and loan notes
15 (1) (4) 10 41 (5) (18) 18

Total borrowings:
501 566 119 1,186 1,387 3,613 315 5,315

Total
$1,840 $614 $141 $2,595 $3,672 $4,883 $617 $9,172

Change in net interest income
$81 $1,511 $108 $1,700 $(513) $8,015 $(36) $7,466

(1) The total amount of adjustment to present income and yield on a fully tax-equivalent basis is $452 and $441 for the three months ended September 30, 2005 and 2004, respectively, and $1,346 and $1,377 for the nine months ended September 30, 2005 and 2004, respectively.

(2) Loans include portfolio loans, loans held for sale and nonperforming loans; however unpaid interest on nonaccrual loans has not been included

for purposes of
determining
interest income.

Provision For Loan Losses The provision for loan losses represents the charge to expense that is required to maintain an adequate level of allowance for loan losses. Management s periodic evaluation of the adequacy of the allowance considers past loan loss experience, known and inherent risks in the loan portfolio, adverse situations which may affect borrowers ability to repay, the estimated value of the underlying collateral, if any, and current and prospective economic conditions. Substantial portions of the Bank s loans are secured by real estate in Massachusetts. Accordingly, the ultimate collectibility of a substantial portion of the Bank s loan portfolio is susceptible to changes in property values within the state.

The provision for loan losses increased to $1.1 million and $3.1 million for the three and nine months ended September 30, 2005, respectively, compared with $761,000 and $2.2 million for the three and nine months ended September 30, 2004, respectively. The Company increased the provision for loan losses commensurate with loan growth. Asset quality remains sound with nonperforming assets of $2.5 million at September 30, 2005. At September 30, 2005 the allowance for loan loss covered nonperforming loans 10.7 times. Nonperforming assets at December 31, 2004 were $2.7 million, with the allowance covering nonperforming loans 9.3 times. The Company maintained a reserve to loan ratio of 1.31% at September 30, 2005.

The provision for loan losses is based upon management s evaluation of the level of the allowance for loan losses in relation to the estimate of loss exposure in the loan portfolio. An analysis of individual loans and the overall risk characteristics and size of the different loan portfolios is conducted on an ongoing basis. This managerial evaluation of individual loans is

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reviewed periodically by a third-party loan review consultant. As necessary, adjustments to the level of allowance for loan losses are reported in the earnings of the period in which they become known.

Non-Interest Income Non-interest income increased by $410,000, or 6.1%, and decreased by $7,000, or 0.03%, during the three and nine months ended September 30, 2005, respectively, as compared to the same periods in the prior year.

Service charges on deposit accounts increased by $283,000, or 8.9%, and by $470,000, or 5.1%, respectively, for the three and nine months ended September 30, 2005, as compared to the same periods in 2004, reflecting growth in core deposits. Investment management services income increased by $142,000, or 11.8%, and $464,000, or 13.1%, for the three and nine months ended September 30, 2005, respectively, compared to the same periods last year due to growth in managed assets. Assets under administration increased by $135.2 million, or 26.2%, from the same period last year to $651.9 million.

Mortgage banking income increased by $360,000, or 50.9%, and by $280,000, or 12.2%, for the three and nine months ended September 30, 2005, respectively, as compared to the same periods in 2004 as a result of selling a higher percentage of loan production and changes in market rates favorably impacting servicing asset amortization. The balance of the mortgage servicing asset is $3.0 million and loans serviced amounted to $349.1 million as of September 30, 2005.

Bank owned life insurance income increased $43,000, or 10.3%, and decreased $29,000, or 2.1%, for the three and nine months ended September 30, 2005, respectively, as compared to the same periods ended September 30, 2004. The year to date variance is driven by a lower market yield on these assets and increased death benefit expenses due to the aging of the insured pool. Other non-interest income increased by $43,000, or 6.0%, and decreased by $350,000, or 13.6%, for the three and nine months ended September 30, 2005, respectively, as compared to the same periods in 2004. The decrease in the nine month comparison is primarily due to decreases in commercial loan prepayment fees.

There were no gains on sale of securities in the third quarter of 2005. The gain realized on sale of securities in the third quarter of 2004 was $461,000. For the nine months ended September 30, 2005 the gain on sale of securities totaled $616,000 a decrease of $842,000, or 57.8%, from the $1.5 million recorded in the nine months ended September 30, 2004.

Non-Interest Expense Non-interest expense increased by $1.2 million, or 6.2%, and by $3.5 million, or 6.1% for the three and nine months ended September 30, 2005, respectively, as compared to the same periods in the prior year.

Salaries and employee benefits increased by $590,000, or 5.3%, and by $3.6 million, or 11.2%, for the three and nine months ended September 30, 2005, respectively, as compared to the same periods in the prior year. Salaries increased by $155,000 or 1.9%, and by $1.5 million, or 6.1%, respectively, for the three and nine months ended September 30, 2005, compared to the same periods in 2004 as a result of annual merit increases for employees and select additions to staff to support strategic initiatives. Accruals for incentive compensation increased by $205,000 and $1.4 million for the three months and nine months ended September 30, 2005, respectively, as compared to the same periods last year due to improved operating performance.

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Occupancy and equipment related expense increased by $179,000, or 8.6%, and by $873,000, or 13.2%, respectively, for the three and nine months ended September 30, 2005 as compared to the same periods in the prior year. The increase in this expense is primarily driven by facility s rent associated with the Falmouth Bancorp, Inc. acquisition which closed in mid 2004, lease buyout expense associated with branch closings, two de novo branches, and increased depreciation expense related to a new phone system installed in 2004. Snow removal cost also increased by $195,000 on a year over year basis due to the inclement weather experienced in the early part of 2005.

Data processing and facilities management expense has decreased $110,000, or 9.3%, and $367,000, or 10.8%, for the three and nine months ended September 30, 2005 compared to the same period in 2004, respectively, as a result of a new data processing contract finalized in the latter part of 2004.

Other non-interest expenses increased by $991,000, or 24.3%, and by $32,000, or 0.2%, respectively, for the three and nine months ended September 30, 2005, as compared to the same periods in the prior year. The increase in other non-interest expenses for the three month period is primarily attributable to an increase in ATM and debit card service fees of $243,000 mainly due to ATM service provider conversion charges. Also contributing to the increase were increases in audit and examination fees of $102,000, and legal fees of $206,000. The increase in legal fees is a result of large recoveries recognized in the prior period offsetting that periods legal expenses.

Income Taxes For the quarters ending September 30, 2005 and September 30, 2004, the Company recorded combined federal and state income tax provisions of $3.9 million and $3.7 million, respectively. These provisions reflect effective income tax rates of 30.7% and 30.8% for the quarters ending September 30, 2005 and September 30, 2004, respectively. During the second quarter of 2004, the Company announced that one of its subsidiaries (a Community Development Entity, or CDE) had been awarded $30.0 million in tax credit allocation authority under the New Markets Tax Credit (NMTC) Program of the United States Department of Treasury. During the third quarter of 2004, the Bank invested $5.0 million in the CDE providing it with the capital necessary to begin assisting qualified businesses in low-income communities throughout its market area. During the fourth quarter of 2004 the Bank invested an additional $10.0 million in the CDE. Based upon the Bank s $15.0 million investment, it will be eligible to receive tax credits over a seven year period totaling 39% of its investment, or $5.85 million. The Company began recognizing the benefit of these tax credits in 2004. During 2005, the Company will recognize a total of $750,000 related to the $15.0 million of investments made in 2004. During the second quarter of 2005, the Company determined that it was more than likely that it would make an additional $15.0 million investment into the CDE and began recognizing the associated credits. Through September 2005, $5.0 million of that amount has been invested into the CDE. The Company will also receive tax credits on these 2005 investments into its CDE. The Company recognized $438,000 of NMTC credits in the third quarter of 2005 for a total tax credit recognition of $1.5 million projected for 2005.

Minority Interest Minority interest expense was zero for the quarters ending September 30, 2005 and September 30, 2004, respectively, and zero and $1.1 million for the nine months ended September 30, 2005 and 2004, respectively. (See Note 3 to the *Condensed Notes to Unaudited Consolidated Financial Statements* within Item 1 hereof).

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Return on Average Assets and Equity The annualized consolidated returns on average equity and average assets for the three months ended September 30, 2005 were 15.49% and 1.17%, respectively, compared to 16.92% and 1.17% reported for the same period last year, respectively. For the nine months ended September 30, 2005, annualized consolidated returns on average equity and average assets were 15.07% and 1.10%, respectively, compared to 15.73% and 1.09%, for the nine months ended September 30, 2004.

Asset/Liability Management

The Bank s asset/liability management process monitors and manages, among other things, the interest rate sensitivity of the balance sheet, the composition of the securities portfolio, funding needs and sources, and the liquidity position. All of these factors, as well as projected asset growth, current and potential pricing actions, competitive influences, national monetary and fiscal policy, and the regional economic environment are considered in the asset/liability management process.

The Asset/Liability Management Committee (ALCO Committee), whose members are comprised of the Bank s senior management, develops procedures consistent with policies established by the board of directors, which monitor and coordinate the Bank s interest rate sensitivity and the sources, uses, and pricing of funds. Interest rate sensitivity refers to the Bank s exposure to fluctuations in interest rates and its effect on earnings. If assets and liabilities do not re-price simultaneously and in equal volume, the potential for interest rate exposure exists. It is management s objective to maintain stability in the growth of net interest income through the maintenance of an appropriate mix of interest-earning assets and interest-bearing liabilities and, when necessary, within prudent limits, through the use of off-balance sheet hedging instruments such as interest rate swaps, floors and caps. The ALCO Committee employs simulation analyses in an attempt to quantify, evaluate, and manage the impact of changes in interest rates on the Bank s net interest income. In addition, the Bank engages an independent consultant to render advice with respect to asset and liability management strategy.

The Bank is careful to increase deposits without adversely impacting the weighted average cost of those funds. Accordingly, management has implemented funding strategies that include Federal Home Loan Bank (FHLB) advances, brokered certificates of deposits, and repurchase agreement lines. These non-deposit funds are also viewed as a contingent source of liquidity and, when profitable lending and investment opportunities exist, access to such funds provides a means to leverage the balance sheet.

From time to time, the Bank has utilized interest rate swap agreements and interest rates caps and floors as hedging instruments against interest rate risk. An interest rate swap is an agreement whereby one party agrees to pay a floating rate of interest on a notional principal amount in exchange for receiving a fixed rate of interest on the same notional amount for a predetermined period of time from a second party. Interest rate caps and floors are agreements whereby one party agrees to pay a floating rate of interest on a notional principal amount for a predetermined period of time to a second party up to or down to a specified rate of interest. The assets relating to the notional principal amount are not actually exchanged.

At September 30, 2005 the Company had swaps, designated as cash flow hedges, with total notional values of $110.0 million. The purpose of these swaps is to hedge the variability in the cash outflows of LIBOR based borrowings attributable to changes in interest

rates. Under these swap agreements the Company pays a fixed rate of interest of 3.65% on $50 million notional value through November 2006, 2.49% on $25 million notional value through January 2007, and 4.06% on $35 million of the notional value through January 2010, and all receive a 3 month LIBOR rate of interest. These swaps had a positive fair value of $1.7 million at September 30, 2005. The Company also has a $100 million, 4.00%, 3-month LIBOR interest rate cap with an effective date of January 31, 2005 and a maturity date of January 31, 2008. The interest rate cap will pay the Company should 3-month LIBOR exceed 4.00% on a rate reset date during the effective period of the cap. At September 30, 2005 the interest rate cap had a fair value of $1.4 million. At December 31, 2004 the Company had swaps with a total notional value of $75.0 million. These swaps had a positive fair value of $142,000 at December 31, 2004. All changes in the fair value of the interest rate swaps and caps are recorded, net of tax, through equity as other comprehensive income.

During the third quarter ending September 30, 2005, the Company sold an interest rate swap that was hedging $25.0 million of 3-month LIBOR revolving FHLB borrowings in connection with the Company s decision not to re-enter into these borrowings. The gain of $215,000 on the sale of this swap was recognized currently in earnings against the interest expense on FHLB borrowings.

To improve the Company s asset sensitivity, the Company sold interest rate swaps hedged against loans during the year ending December 31, 2002 resulting in total deferred gains of $7.1 million. The deferred gain is classified in other comprehensive income, net of tax, as a component of equity. The interest rate swaps sold had total notional amounts of $225.0 million. These swaps were accounted for as cash flow hedges, and therefore, the deferred gains are amortized into interest income over the remaining life of the hedged item, which range between two and five years. At September 30, 2005, there are $1.2 million gross, or $695,000 net of tax, of such deferred gains included in other comprehensive income.

Additionally, the Company enters into commitments to fund residential mortgage loans with the intention of selling them in the secondary markets. The Company also enters into forward sales agreements for certain funded loans and loan commitments to protect against changes in interest rates. The Company records unfunded commitments and forward sales agreements at fair value with changes in fair value as a component of mortgage banking income. At September 30, 2005 the Company had residential mortgage loan commitments with a fair value of $162,000 and forward sales agreements with a fair value of $96,000. At December 31, 2004 the Company had residential mortgage loan commitments with a fair value of $148,000 and forward sales agreements with a fair value of ($47,000). Changes in these fair values of ($14,760), and $164,000 for the quarters ending September 30, 2005, and September 30, 2004, respectively, are recorded as a component of mortgage banking income.

Market Risk Market risk is the sensitivity of income to changes in interest rates, foreign exchange rates, commodity prices and other market-driven rates or prices. The Company has no trading operations and thus is only exposed to non-trading market risk.

Interest-rate risk is the most significant non-credit risk to which the Company is exposed. Interest-rate risk is the sensitivity of income to changes in interest rates. Changes in interest rates, as well as fluctuations in the level and duration of assets and liabilities, affect net interest income, the Company s primary source of revenue. Interest-rate risk arises directly from the Company s core banking activities. In addition to directly impacting net interest income, changes in the level of interest rates can also affect the amount of loans originated,

the timing of cash flows on loans and securities and the fair value of securities and derivatives as well as other affects.

The primary goal of interest-rate risk management is to control this risk within limits approved by the Board. These limits reflect the Company s tolerance for interest-rate risk over both short-term and long-term horizons. The Company attempts to control interest-rate risk by identifying, quantifying and, where appropriate, hedging its exposure. The Company manages its interest-rate exposure using a combination of on and off-balance sheet instruments, primarily fixed rate portfolio securities, and interest rate swaps.

The Company quantifies its interest-rate exposures using net interest income simulation models, as well as simpler gap analysis, and Economic Value of Equity (EVE) analysis. Key assumptions in these simulation analyses relate to behavior of interest rates and behavior of the Company s deposit and loan customers. The most material assumptions relate to the prepayment of mortgage assets (including mortgage loans and mortgage-backed securities) and the life and sensitivity of nonmaturity deposits (e.g. DDA, NOW, savings and money market). The risk of prepayment tends to increase when interest rates fall. Since future prepayment behavior of loan customers is uncertain, the resultant interest rate sensitivity of loan assets cannot be determined exactly.

To mitigate these uncertainties, the Company gives careful attention to its assumptions. In the case of prepayment of mortgage assets, assumptions are derived from published dealer median prepayment estimates for comparable mortgage loans.

The Company manages the interest-rate risk inherent in its mortgage banking operations by entering into forward sales contracts. An increase in market interest rates between the time the Company commits to terms on a loan and the time the Company ultimately sells the loan in the secondary market will have the effect of reducing the gain (or increasing the loss) the Company records on the sale. The Company attempts to mitigate this risk by entering into forward sales commitments in amounts sufficient to cover all closed loans and a majority of rate-locked loan commitments.

The Company s policy on interest-rate risk simulation specifies that if interest rates were to shift gradually up or down 200 basis points, estimated net interest income for the subsequent 12 months should decline by less than 6%.

The following table sets forth the estimated effects on the Company s net interest income over a 12-month period following the indicated dates in the event of the indicated increases or decreases in market interest rates:

Table 8 Interest Rate Sensitivity

	200 Basis Point Rate Increase	200 Basis Point Rate Decrease
September 30, 2005	-1.23%	-1.14%
September 30, 2004	-2.69%	+0.70%(1)

(1) Due to the low interest rate environment prevailing in the third quarter of 2004 the Company assumed a 100 basis point decrease in rates.

The results implied in the above table indicate estimated changes in simulated net interest income for the subsequent 12 months assuming a gradual shift up or down in market rates of 200 basis points across the entire yield curve. It should be emphasized, however, that the results are dependent on material assumptions such as those discussed above. For instance, asymmetrical rate behavior can have a material impact on the simulation results. If competition for deposits forced the Company to raise rates on those liabilities quicker than is assumed in the simulation analysis without a corresponding increase in asset yields net interest income may be negatively impacted. Alternatively, if the Company is able to lag increases in deposit rates as loans re-price upward net interest income would be positively impacted.

The most significant factors affecting market risk exposure of the Company s net interest income during the first nine months of 2005 were (i) changes in the composition and prepayment speeds of mortgage assets and loans (ii) the shape of the U.S. Government securities and interest rate swap yield curve (iii) the level of changes in U.S. benchmark interest rates and (iv) the level of rates paid on deposit accounts.

Liquidity Liquidity, as it pertains to the Company, is the ability to generate adequate amounts of 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 securities.

The Bank utilizes its extensive branch network to access retail customers who provide a stable base of in-market core deposits. These funds are principally comprised of demand deposits, interest checking accounts, savings accounts, money market accounts and certificates of deposit. Deposit levels are greatly influenced by interest rates, economic conditions, and competitive factors. For an alternative source of funding to borrowings the Bank will occasionally purchase brokered certificates of deposits. At September 30, 2005, the Bank had no brokered certificates of deposits outstanding. The Bank has also established repurchase agreement lines, with major brokerage firms as potential sources of liquidity. At September 30, 2005 the Company had $25.0 million outstanding under these lines. In addition to agreements with brokers, the Bank also had customer repurchase agreements outstanding amounting to $65.3 million at September 30, 2005. As a member of the Federal Home Loan Bank, the Bank has access to approximately $797.2 million of borrowing capacity. On September 30, 2005 the Bank had $423.5 million outstanding in FHLB borrowings.

The Company, as a separately incorporated bank holding company, has no significant operations other than serving as the sole stockholder of the Bank. It s commitments and debt service requirement, at September 30, 2005 consist of junior subordinated debentures, including accrued interest, issued to two unconsolidated subsidiaries, $25.8 million to Independent Capital Trust III and $25.8 million to Independent Capital Trust IV, in connection with the issuance of 8.625% Capital Securities due in 2031 and 8.375% Capital Securities due in 2032, respectively. The Parent only obligations relate to its reporting obligations under the Securities and Exchange Act of 1934, as amended and related expenses as a publicly traded company. The Company is directly reimbursed by the Bank for virtually all such expenses.

The Company actively manages its liquidity position under the direction of the ALCO. Periodic review under prescribed policies and procedures is intended to ensure that the Company will maintain adequate levels of available funds. At September 30, 2005, the

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Company s liquidity position was within policy guidelines. Management believes that the Bank has adequate liquidity available to respond to current and anticipated liquidity demands.

Capital Resources and Dividends The Federal Reserve Board, the Federal Deposit Insurance Corporation, and other regulatory agencies have established capital guidelines for banks and bank holding companies. Risk-based capital guidelines issued by the federal regulatory agencies require banks to meet a minimum Tier 1 risk-based capital ratio of 4.0% and a total risk-based capital ratio of 8.0%. At September 30, 2005 the Company had a Tier 1 risk-based capital ratio of 10.57% and total risk-based capital ratio 11.82%. The Bank had a Tier 1 risk-based capital ratio of 10.18% and a total risk-based capital ratio of 11.43% as of the same date.

A minimum requirement of 4.0% Tier 1 leverage capital is also mandated. On September 30, 2005, the Company and the Bank had Tier 1 leverage capital ratios of 7.59% and 7.31%, respectively.

In September, the Company s Board of Directors declared a cash dividend of $0.15 per share, a 7.1% increase from September 30, 2004, to stockholders of record as of the close of business on September 26, 2005. This dividend was paid on October 7, 2005. On an annualized basis, the dividend payout ratio amounted to 27.31% of the trailing four quarters earnings.

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Contractual Obligations, Commitments, Contingencies, and Off-Balance Sheet Financial Instruments The Company has entered into contractual obligations and commitments and off-balance sheet financial instruments. The following tables summarize the Company s contractual cash obligation and other commitment and off-balance sheet financial instruments at September 30, 2005:

Table 9 Contractual Obligations, Commitments and Off-Balance Sheet Financial Instruments by Maturity

(Unaudited Dollars in Thousands)

		Payments Due By Period			
Contractual Obligations	**Total**	**Less than One Year**	**One to Three Years**	**Three to Five Years**	**After Five Years**
FHLB advances (2)	$423,505	$216,000	$ 35,374	$	$172,131
Junior subordinated debentures	51,546				51,546
Lease obligations	13,381	2,524	3,612	2,653	4,592
Data processing and Core systems	18,899	5,711	9,264	3,924	
Other vendor contracts	2,400	1,377	1,023		
Retirement benefit obligations (1)	27,513	786	1,597	642	24,488
Other					
Treasury tax & loan notes	1,443	1,443			
Securities sold under repurchase agreements	25,000			25,000	
Customer repurchase agreements	65,349	65,349			
Total Contractual Cash Obligations	$629,036	$293,190	$ 50,870	$ 32,219	$252,757

(1) Retirement benefit obligations include expected contributions to the Company s pension plan, post retirement benefit plan, and supplemental executive retirement plans. Expected contributions for the pension plan have been included only through plan year July 1, 2005 - June 30, 2006. Contributions

beyond this plan year can not be quantified as they will be determined based upon the return on the investments in the plan. Expected contributions for the post retirement plan and supplemental executive plans include obligations that are payable over the life of the participants.

		Amount of Commitment Expiring By Period			
Off-Balance Sheet		**Less than**	**One to Three**	**Three to Five**	**After Five**
Financial Instruments	**Total**	**One Year**	**Years**	**Years**	**Years**
Lines of credit	$ 272,015	$ 32,630	$	$	$ 239,385
Standby letters of credit	8,922	8,922			
Other loan commitments	254,170	224,718	21,899	6,478	1,075
Forward commitments to sell loans	26,467	26,467			
Interest rate swaps notional value (2) (3)	110,000		75,000	35,000	
Interest rate caps notional value	100,000		100,000		
Total Commitments	$ 771,574	$ 292,737	$ 196,899	$ 41,478	$ 240,460

(2) The Company has hedged short term borrowings.

(3) Interest rate swaps on borrowings (Rockland Trust Company pays variable, receives fixed).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information required by this Item 3 is included in Item 2 of Part I of this Form 10-Q, entitled Management s Discussion and Analysis of Financial Condition and Results of Operations.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures. The Company carried out an evaluation, under the supervision and with the participation of the Company s management, including the Company s Chief Executive Officer along with the Company s Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures, as such term is defined under Rule 13a-15(e)

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promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based upon that evaluation, the Company s Chief Executive Officer along with the Company s Chief Financial Officer concluded that the Company s disclosure controls and procedures are effective as of the end of the period covered by this quarterly report.

Changes in Internal Controls over Financial Reporting. There were no changes in our internal control over financial reporting that occurred during the third quarter that have materially affected or are reasonably likely to materially affect the Company s internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Bank is the plaintiff in the pending federal court case known as Rockland Trust Company v. Computer Associates International, Inc., United States District Court for the District of Massachusetts Civil Action No. 95-11683-DPW. The case arises from a 1991 License Agreement (the Agreement) between the Bank and Computer Associates International, Inc. (CA) for an integrated system of banking software products.

In July 1995 the Bank filed a Complaint against CA in the federal court in Boston which asserted claims for breach of the Agreement, breach of express warranty, breach of the implied covenant of good faith and fair dealing, fraud, and for unfair and deceptive practices in violation of section 11 of Chapter 93A of the Massachusetts General Laws (the 93A Claim). The Bank is seeking damages of at least $1.23 million from CA. If the Bank prevails on the 93A Claim, it shall be entitled to recover its attorney fees and costs and may also recover double or triple damages. CA asserted a Counterclaim against the Bank for breach of the Agreement. CA seeks to recover damages of at least $1.1 million from the Bank. The party which prevails in the case may also recover some amount of interest on the amount which the court awards to it.

The non-jury trial of the case was conducted in January 2001. The trial concluded with post-trial submissions to and argument before the Court in February 2001. In September 2002 the court, in response to a joint inquiry from counsel for the Bank and counsel for CA, indicated that the judge is actively working on the case and anticipated, at that time, rendering a decision sometime in the fall of 2002. The court, however, has not yet rendered a decision.

The Company has considered the potential impact of this case, and all cases pending in the normal course of business, when preparing its financial statements. While the trial court decision may affect the Company s operating results for the quarter in which the decision is rendered in either a favorable or unfavorable manner, the final outcome of this case will not likely have any material, long-term impact on the Company s financial condition.

In addition to the foregoing, the Company is involved in routine legal proceedings occurring in the ordinary course of business which in the aggregate are believed by the Company to be immaterial to the Company s financial condition and results of operations.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds None
Item 3. Defaults Upon Senior Securities None
Item 4. Submission of Matters to a Vote of Security Holders None
Item 5. Other Information None
Item 6. Exhibits

Exhibits No.	Exhibit
3.(i)	Restated Articles of Organization, as amended as of February 10, 2005, incorporated by reference to the Company s Form 8-K filed on May 18, 2005.
3.(ii)	Amended and Restated Bylaws of the Company, as amended as of February 10, 2005, incorporated by reference to the Company s Form 8-K filed on May 18, 2005.
4.1	Specimen Common Stock Certificate, incorporated by reference to the Company s annual report on Form 10-K for the year ended December 31, 1992.
4.2	Specimen preferred Stock Purchase Rights Certificate, incorporated by reference to the Company s Form 8-A Registration Statement filed by the Company on November 5, 2001.
4.3	Indenture of Registrant relating to the 8.625% Junior Subordinated Debentures issued Independent Capital Trust III, incorporated by reference to the Form 8-K filed by the Company on April 18, 2002.
4.4	Form of Certificate of 8.625% Junior Subordinated Debenture (included as Exhibit A to Exhibit 4.3).
4.5	Amended and Restated Declaration of Trust for Independent Capital Trust III, incorporated by reference to the Form 8-K filed b the Company on April 18, 2002.
4.6	Form of Preferred Security Certificate for Independent Capital Trust III (included as Exhibit D to exhibit 4.5).
4.7	Preferred Securities Guarantee Agreement of Independent Capital Trust III, incorporated by reference to the Form 8-K filed by the Company on April 18, 2002.
4.8	Indenture of Registrant relating to the 8.375% Junior Subordinated Debentures issued to Independent Capital Trust IV, incorporated by reference to the Form 8-K filed by the Company on April 18, 2002.
4.9	Form of Certificate of 8.375% Junior Subordinated Debenture (included as Exhibit A to Exhibit 4.8).
4.10	Amended and Restated Declaration of Trust for Independent Capital Trust IV,

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Exhibits No.	**Exhibit**
	incorporated by reference to the Form 8-K filed by the Company on April 18, 2002.
4.11	Form of Preferred Security Certificate for Independent Capital Trust IV (included as Exhibit D to Exhibit 4.10).
4.12	Preferred Securities Guarantee Agreement of Independent Capital Trust IV, incorporated by reference to the Form 8-K filed by the Company on April 18, 2002.
10.1	Amended and Restated Independent Bank Corp. 1987 Incentive Stock Option Plan (Stock Option Plan) (Management contract under Item 601 (10)(iii)(A)). Incorporated by reference to the Company s annual report on Form 10-K for the year ended December 31, 1994.
10.2	Independent Bank Corp. 1996 Non-Employee Directors Stock Option Plan (Management contract under Item 601 (10)(iii)(A)). Incorporated by reference to the Company s Definitive Proxy Statement for the 1996 Annual Meeting of Stockholders filed with the Commission on March 19, 1996.
10.3	Independent Bank Corp. 1997 Employee Stock Option Plan (Management contract under Item 601 (10)(iii)(A)). Incorporated by reference to the Company s Definitive Proxy Statement for the 1997 Annual Meeting of Stockholders filed with the Commission on March 20, 1997.
10.4	Independent Bank Corp. 2005 Employee Stock Plan incorporated by reference to Form S-8 filed by the Company on July 28, 2005.
10.5	Renewal Rights Agreement noted as of September 14, 2000 by and between the Company and Rockland, as Rights Agent (Exhibit to Form 8-K filed on October 23, 2000).
10.6	Independent Bank Corp. Deferred Compensation Program for Directors (restated as amended as of December 1, 2000). Incorporated by reference to the Company s annual report on Form 10-K for the year ended December 31, 2000.
10.7	Master Securities Repurchase Agreement, incorporated by reference to Form S-1 Registration Statement filed by the Company on September 18, 1992.
10.8	First Amended and Restated Employment Agreement between Christopher Oddleifson and the Company and Rockland Trust dated April 14, 2005 is filed as an exhibit under the Form 8-K filed on April 14, 2005.
10.9	Revised employment agreement between Raymond Fuerschbach, Edward F. Jankowski, Ferdinand T. Kelley, Jane Lundquist, Edward Seksay and Denis Sheahan and the Company and Rockland Trust (Management Contracts under Item 601 (10)(iii)(A)) dated December 6, 2004 are filed as an exhibit under the Form 8-K filed on December 9, 2004.
10.10	Revised Change of Control Agreements between Amy A. Geogan and Anthony A. Paciulli and the Company and Rockland dated December 6, 2004 are filed as an exhibit under the Form 8-K filed on December 9, 2004.

10.11 Options to acquire shares of the Company s Common Stock pursuant to the Independent Bank Corp. 1997 Employee Stock Option Plan were awarded to Christopher Oddleifson, Raymond G. Fuerschbach, Amy A. Geogan, Edward

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Exhibits No.	**Exhibit**
	F. Jankowski, Ferdinand T. Kelley, Jane L. Lundquist, Anthony A. Paculli, Edward H. Seksay and Denis K. Sheahan pursuant to option agreements dated December 9, 2004. The form of these option agreements was filed as an exhibit under the Form 8-K filed on December 15, 2004.
10.12	On-Site Outsourcing Agreement by and between Fidelity Information Services, Inc. and Independent Bank Corp., effective as of November 1, 2004. Incorporated by reference to the Company s annual report on Form 10-K for the year ended December 31, 2004 filed on March 4, 2005. (PLEASE NOTE: Portions of this contract, and its exhibits and attachments, have been omitted pursuant to a request for confidential treatment sent on March 4, 2005 to the Securities and Exchange Commission. The locations where material has been omitted are indicated by the following notation: {****} . The entire contract, in unredacted form, has been filed separately with the Commission with the request for confidential treatment.)
10.13	Independent Bank Corp and Rockland Trust Company Executive Officer Performance Incentive Plan (Management contract under Item 601 (10)(iii)(A)). Incorporated by reference to the Company s Form 10-Q for the quarter ended March 31, 2005, filed on May 3, 2005. (PLEASE NOTE: Portions of this Plan, and its schedules, have been omitted pursuant to a request for confidential treatment sent on May 3, 2005 to the Securities and Exchange Commission. The locations where material has been omitted are indicated by the following notation: {****} . The entire Plan, in unredacted form, has been filed separately with the Commission with the request for confidential treatment.)
10.14	New Markets Tax Credit program Allocation Agreement between the Community Development Financial Institutions Fund of the United States Department of the Treasury and Rockland Community Development with an Allocation Effective Date of September 22, 2004 is filed as an exhibit under the Form 8-K filed on October 14, 2004.
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.*
31.2	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.*
32.1	Certification by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act.+
32.2	Certification by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.+

*Filed herewith
+Furnished herewith

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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: October 26, 2005 /s/ Christopher Oddleifson

Christopher Oddleifson
President and
Chief Executive Officer

Date: October 26, 2005 /s/ Denis K. Sheahan

Denis K. Sheahan
Chief Financial Officer
and Treasurer
(Principal Financial and
Principal Accounting Officer)

INDEPENDENT BANK CORP.
(registrant)

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