INDEPENDENT BANK CORP /MI/
Form 424B3
April 16, 2004

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File No. 333-113854

Prospectus and Proxy Statement

Special Meeting of Shareholders of

Midwest Guaranty Bancorp, Inc.

In Connection with an Offering of up to

1,200,000 Shares of Common Stock of

Independent Bank Corporation

Dear Shareholder of Midwest Guaranty Bancorp, Inc.:

You are cordially invited to attend a special meeting of shareholders of Midwest Guaranty Bancorp, Inc., to be held on May 18, 2004, at 10:00 a.m., local time, at 201 West Big Beaver Road, Suite 190, Columbia Center Conference Room, Troy, Michigan 48098. At this special meeting, you will be asked to approve the acquisition of Midwest Guaranty Bancorp, Inc. (which we refer to in this document as Midwest) by Independent Bank Corporation (which we refer to in this document as IBC). The acquisition will be accomplished through the merger of Midwest into IBC.

If the merger is completed as proposed, Midwest will merge with IBC. Subject to certain possible adjustments, each share of Midwest common stock will be converted into the right to receive total consideration of $43.456, consisting of $17.3824 in cash and shares of IBC common stock valued at $26.0736. The actual number of shares of IBC common stock that each Midwest shareholder will receive will depend on the average closing price of IBC common stock during a period prior to the closing of the merger. For example, if the average closing price of IBC common stock is $27.50 (which was the closing price the day the parties agreed to the merger), you would receive .9481 of a share of IBC common stock for each share of Midwest common stock you own. As another example, if the average closing price of IBC common stock is $27.66 (which was the closing price on April 1, 2004), you would receive .9426 of a share of IBC common stock for each share of Midwest common stock you own. IBC s common stock is listed under the symbol IBCP on the Nasdaq National Market System. Midwest s common stock is not traded on any established trading market.

Alex Sheshunoff & Co. Investment Banking L.P., Midwest s financial advisor, has furnished the Board of Directors of Midwest with its written opinion that the terms of the merger are fair from a financial point of view.

Your vote is very important. IBC and Midwest cannot complete the merger unless, among other things, Midwest s shareholders approve the merger. **Midwest s Board of Directors has approved the merger and recommends that you vote FOR approval of the merger.** Please review and consider this prospectus and proxy statement carefully.

It is important that your shares are represented at the meeting, whether or not you plan to attend. Abstention or failure to vote will have the same effect as a vote against the merger. Accordingly, please complete, date, sign, and return promptly your proxy card in the enclosed envelope. You may attend the meeting and vote your shares in person if you wish, even if you have previously returned your proxy.

Sincerely,

/s/ Clarke B. Maxson
Clarke B. Maxson
President and CEO of Midwest Guaranty Bancorp, Inc.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of these securities or determined if this prospectus and proxy statement is accurate or adequate. Any representation to the contrary is a criminal offense. IBC

common stock is not a savings account, deposit, or other obligation of any bank or nonbank subsidiary of IBC and is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency. IBC common stock is subject to investment risks, including possible loss of value.

This prospectus and proxy statement is dated April 16, 2004,
and is first being mailed to shareholders on or about April 16, 2004.

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This prospectus and proxy statement incorporates business and financial information about IBC that is not included in or delivered with this prospectus and proxy statement. Documents incorporated by reference are available from IBC without charge. You may obtain documents incorporated by reference in this prospectus and proxy statement by requesting them in writing or by telephone from IBC at the following address:

Independent Bank Corporation
Attn: Robert N. Shuster, Chief Financial Officer
230 West Main Street
Ionia, Michigan 48846
(616) 527-9450

To obtain delivery of this information prior to the special Midwest shareholders meeting, you must request the information no later than May 11, 2004, which is five business days before the date of the special meeting at which you are requested to vote. You should rely only on the information contained or incorporated by reference in this prospectus and proxy statement to vote on the merger and the related issuance of IBC common stock. Neither IBC nor Midwest has authorized anyone to provide you with information that is different from what is contained in this prospectus and proxy statement.

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What is the proposed transaction?

A: Pursuant to the Agreement and Plan of Merger entered into between IBC, Midwest, and Midwest Guaranty Bank (attached as Exhibit A to this prospectus and proxy statement), IBC will acquire Midwest through a merger transaction in which Midwest will merge into IBC. Promptly after this merger, Midwest Guaranty Bank, a subsidiary owned 100% by Midwest, will be consolidated with Independent Bank East Michigan, a subsidiary owned 100% by IBC.

Q: If I own Midwest common stock, what will I receive in the merger?

A: Each share of Midwest common stock you own will be converted into the right to receive total consideration of $43.456, consisting of $17.3824 in cash and shares of IBC common stock valued at $26.0736, subject to certain possible adjustments as provided in the merger agreement. The number of shares of IBC common stock to be exchanged for each share of Midwest common stock will be based on the average closing price of IBC common stock over a measurement period of 20 consecutive trading days specified in the merger agreement. No certificates for fractional shares will be issued. Instead, you will receive cash in payment for any fractional share, based on the specified average closing price of IBC common stock.

Q: If I have been granted options to buy Midwest common stock, what happens to the options in the merger?

A: Each outstanding option to acquire Midwest common stock that is unexercised will, at the effective time of the merger, be terminated and converted into an option to acquire IBC common stock. Those options will be governed by the terms and conditions of IBC s Long Term Incentive Plan, under which those options will be granted. The number of shares of IBC common stock subject to the converted option and the exercise price will be determined as described in the merger agreement (and described under What Midwest Option Holders Will Receive in the Merger, on page 15 below). Any options to purchase Midwest common stock that are not vested when the merger occurs will become fully-vested at the time they are converted into options to purchase shares of IBC common stock. New stock option agreements setting forth the terms of the converted stock options will be issued and will replace the current Midwest stock option agreements.

Q: What are the tax consequences of the merger to me?

A: Because you will receive a combination of IBC common stock and cash, you should recognize capital gain, but not loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange. This tax treatment may not apply to all Midwest shareholders. Midwest shareholders should consult their individual tax advisors for a full understanding of the tax consequences of the merger. Midwest recommends that Midwest shareholders carefully read the complete explanation of the Material Federal Income Tax Consequences of the merger beginning on page 32.

Q: What vote is required to approve the merger agreement?

A: The affirmative vote of a majority of the shares of Midwest common stock outstanding as of the record date for the special meeting (April 15, 2004) is required to adopt the merger agreement and approve the merger.

Q: What should I do now?

A: After you have carefully read this prospectus and proxy statement, simply indicate on your proxy card how you want to vote with respect to the merger proposal. Complete, sign, date, and mail the proxy card in the enclosed postage-paid return envelope as soon as possible so that your Midwest shares will be represented and voted at the meeting. The Board of Directors of Midwest recommends that Midwest shareholders vote in favor of the merger proposal.

Q: When should I send in my stock certificates?

A: Please DO NOT send in your stock certificates with your proxy card. Promptly after the effective time of the merger (if it is approved and completed), you will receive transmittal materials from the exchange agent with instructions for surrendering your Midwest shares. You should follow the instructions in the letter of transmittal regarding how and when to surrender your stock certificates.

Q: What do I do if I want to change my vote after I have mailed my signed proxy card?

A: You may change your vote by revoking your proxy in any of the three following ways: (i) by sending a written notice to the secretary of Midwest prior to the special meeting stating that you would like to revoke your proxy; (ii) by completing, signing, and dating another proxy card and returning it by mail prior to the special meeting; or (iii) by attending the special meeting and voting in person.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: If you do not provide your broker with instructions on how to vote your shares held in street name, your broker will not be permitted to vote your shares on the merger proposal. You should therefore instruct your broker how to vote your shares. Failure to instruct your broker how to vote your shares will be the equivalent of voting against the merger proposal.

Q: When do you expect to complete the merger?

A: The merger is presently expected to be complete at the end of May 2004. However, there can be no assurance of when or if the merger will occur. Midwest must first obtain the approval of Midwest shareholders at the special meeting and certain necessary regulatory approvals must be obtained. In addition, the merger is subject to the satisfaction of certain conditions, as described in Conditions to Closing the Merger, beginning on page 25.

Q: Whom can I call with questions about the special meeting or the merger or to obtain additional information about IBC and Midwest?

A: Midwest shareholders may contact Clarke B. Maxson, President and Chief Executive Officer of Midwest, at 201 West Big Beaver Road, Troy, Michigan 48098, telephone number 248-689-1200. You can also find more information about IBC and Midwest from various sources described under Where You Can Find More Information on page 85 of this prospectus and proxy statement.

SUMMARY

This summary highlights selected information from this prospectus and proxy statement and may not contain all of the information that is important to you. For a more complete description of the legal terms of the merger of IBC and Midwest, you should carefully read this entire document and the documents that are incorporated by reference in this document.

The Companies

Independent Bank Corporation
230 West Main Street
Ionia, Michigan 48846
(616) 527-5820

Independent Bank Corporation is a bank holding company registered under federal law and incorporated in Michigan. IBC owns all of the outstanding stock of four banks, which are also organized under the laws of Michigan. These four banks serve the financial needs of primarily rural and suburban communities across the Lower Peninsula of Michigan and provide a wide range of financial services. At December 31, 2003, IBC had, on a consolidated basis, total assets of $2.4 billion, total deposits of $1.7 billion, and total shareholders' equity of $162.2 million.

Midwest Guaranty Bancorp, Inc.
201 West Big Beaver Road
Troy, Michigan 48098
(248) 689-1200

Midwest Guaranty Bancorp, Inc. is a bank holding company registered under federal law and incorporated in Michigan. Midwest is headquartered in Troy, Michigan and owns Midwest Guaranty Bank. Midwest operates its banking business in Troy, Michigan and the surrounding area. Midwest offers commercial and personal banking services, including checking and savings accounts, certificates of deposit, safe deposit boxes, travelers' checks, money orders, and commercial, mortgage, and consumer loans. As of December 31, 2003, Midwest had, on a consolidated basis, total assets of $235.4 million, total deposits of $189.2 million, and total shareholders' equity of $18.1 million.

The Merger

What Midwest Shareholders Will Receive in the Merger (See page 14)

If the merger is completed as planned, subject to certain possible adjustments as provided in the merger agreement, you will receive total consideration of $43.456, consisting of $17.3824 in cash and shares of IBC common stock valued at $26.0736, for each share of Midwest common stock that you own. The number of shares of IBC common stock to be exchanged for each share of Midwest common stock will be based on the average closing price of IBC common stock over a measurement period of 20 consecutive trading days specified in the merger agreement. For example, if the average closing price of IBC common stock is $27.66, you would receive .9426 ($26.0736 divided by $27.66) of a share of IBC common stock for each share of Midwest common stock you own. No certificates representing fractional shares of IBC common stock will be issued. Instead, you will receive cash in payment for any fractional share, based on the average closing price of IBC common stock over the measurement period.

You should not send in your Midwest stock certificates until IBC instructs you to do so after the merger is completed.

Recommendation to Midwest Shareholders to Approve the Merger (See page 17)

After careful consideration, Midwest's Board of Directors has determined the merger to be in the best interests of Midwest's shareholders. Midwest's Board of Directors recommends that you vote FOR the proposal to approve the merger agreement.

Midwest's Financial Advisor's Opinion that the Financial Terms of the Merger are Fair (See page 17)

In deciding to approve the merger, Midwest's Board of Directors considered the opinion of its financial advisor, Alex Sheshunoff & Co. Investment Banking, L.P., that the terms of the merger are fair to Midwest shareholders from a financial point of view. The written opinion of Sheshunoff is attached as Appendix B to this prospectus and proxy statement.

Time and Location of the Midwest Shareholder Meeting (See page 12)

Midwest will hold a special meeting of its shareholders to vote on the approval of the merger agreement. This special meeting will be held:

May 18, 2004
10:00 a.m. local time
201 West Big Beaver Road, Suite 190
Columbia Center Conference Room
Troy, Michigan 48098

Vote Required to Approve the Merger and Issuance of Shares (See page 12)

Only holders of record of Midwest common stock on April 15, 2004 have the right to vote on approval of the merger agreement.

To approve the merger agreement, the holders of at least a majority of the shares of Midwest common stock issued and outstanding as of the record date must vote FOR approval of the merger agreement.

As of the record date, Midwest's directors, executive officers, and their affiliates beneficially owned 422,954 shares (excluding shares subject to options), or approximately 44.393% of the shares of Midwest common stock entitled to vote on the merger agreement. Midwest's directors have agreed to vote their shares in favor of the approval of the merger agreement.

How to Cast Your Vote By Proxy

Please mail your signed proxy card in the enclosed return envelope as soon as possible so that your shares of Midwest common stock may be represented at Midwest's special meeting. If you properly sign and return a proxy card but do not include instructions on how to vote your shares, they will be voted FOR approval of the merger agreement.

How to Cast Your Vote if Your Shares are Held by a Broker or Other Nominee in Street Name

If your shares are held by your broker or other nominee in street name, your broker does not have authority to vote your shares unless you provide your broker instructions on how you want to vote. Your broker should send you a form to give such instructions or you may request such a form from your broker.

If you do not provide your broker with voting instructions, your shares will not be voted at the special meeting. Failure to vote Midwest shares will have the same effect as voting against approval of the merger agreement.

How to Change Your Vote (See page 13)

If you want to change your vote, you may send the Secretary of Midwest a later-dated, signed proxy card before the special meeting or attend and vote at the special meeting. You may also revoke your proxy by sending written notice of revocation to the Secretary of Midwest before the special meeting.

You should send any later-dated proxy or notice of revocation to:

Midwest Guaranty Bancorp, Inc.
201 West Big Beaver Road
Troy, Michigan 48098
Attention: Secretary

Bank Regulators Must Approve the Merger (See page 22)

The Board of Governors of the Federal Reserve System must approve the merger. IBC filed its application for approval with the Federal Reserve Board on March 23, 2004.

Certain Conditions Must Be Met Before the Completion of the Merger (See page 25)

There are a number of conditions that must be met before IBC and Midwest will be required to complete the merger. These conditions include the following, among others:

Midwest shareholders owning at least a majority of the issued and outstanding shares of Midwest common stock must vote to approve the merger agreement; and

the Federal Reserve Board must approve the merger.

Other conditions to the completion of the merger are described beginning on page 25.

Certain conditions to the merger may be waived by the party for whose benefit they are provided. In addition, IBC and Midwest each have certain rights to terminate the merger agreement, as discussed below.

If Midwest's shareholders have approved the merger agreement, all regulatory approvals have been received, and all other conditions to the merger have been satisfied or waived, the closing will take place at a time and date set by IBC. The closing must take place on or before 12 business days after the later of regulatory approval of the merger or the Midwest shareholders meeting.

Material Federal Income Tax Consequences of the Merger (See page 32)

As a result of receiving a combination of IBC common stock and cash in exchange for shares of Midwest common stock, you will likely recognize gain, but not loss, equal to the lesser of (1) the amount of cash received or (2) the amount of gain realized in the transaction. Generally, the actual U.S. federal income tax consequences to you will depend on whether your shares of Midwest common stock were purchased at different times and at different prices and the character of the gain, if any, as either capital gain or ordinary income. **You should consult your own tax advisor for a full understanding of the merger's tax consequences that are particular to you.**

No Dissenters' Rights (See page 34)

Under Michigan law, you are not entitled to dissenters' rights with respect to approval of the proposed merger.

Interest of Midwest Officers and Directors in the Merger (See page 80)

The executive officers and directors of Midwest collectively own over 44% of the issued and outstanding Midwest common stock. Several officers also own stock options.

In addition to his interest generally as a shareholder of Midwest, the President and CEO of Midwest Guaranty Bank will be receiving certain benefits pursuant to an amendment and restatement of his existing employment agreement with the bank, which amendment and restatement will become effective if and when the merger becomes effective and Midwest Guaranty Bank is consolidated with Independent Bank East Michigan.

Terminating the Merger Agreement (See page 26)

Under certain circumstances, IBC can decide not to complete the merger even if Midwest's shareholders have approved it. Also, Midwest has the right to terminate the merger agreement if (1) during the 20-day measurement period referred to above, the average closing price of IBC common stock is less than $23.392, and (2) IBC underperforms the Nasdaq Bank Index by more than 15% between February 3, 2004 and the end of the measurement period, and (3) within five business days after the end of the measurement period, IBC elects to exercise its option to increase the average closing price of IBC common stock to $23.392 (for purposes of calculating the number of shares of IBC common stock to be issued for each share of Midwest common stock). If IBC elects to exercise this option, then Midwest will have the right to terminate the merger agreement at any time within four business days after IBC elects to exercise its option.

SELECTED HISTORICAL FINANCIAL INFORMATION (UNAUDITED)

The following tables show summarized historical consolidated financial data for IBC and Midwest. This information is derived from IBC s and Midwest s audited financial statements for 1999 through 2003. This information is only a summary. You should read it in conjunction with the historical financial statements (and related notes) contained or incorporated by reference in IBC s annual reports on Form 10-K, quarterly reports on Form 10-Q, and other information filed with the Securities and Exchange Commission and in Midwest s financial statements, related notes, Management s Discussion and Analysis of Financial Condition and Results of Operations, and other information included in this prospectus and proxy statement. See Where You Can Find More Information on page 85.

	Year Ended December 31,				
	2003	**2002**	**2001**	**2000**	**1999**
Independent Bank Corporation	(dollars in thousands, except per share amounts)				
Income Statement Data:					
Net interest income	$ 95,253	$ 81,807	$ 72,042	$ 64,976	$ 61,804
Provision for loan losses	4,032	3,562	3,737	3,287	2,661
Net income (1)	37,592	29,467	24,398	20,009	8,669
Balance Sheet Data (period end):					
Assets	$ 2,358,557	$ 2,057,562	$ 1,888,457	$ 1,783,791	$ 1,725,205
Deposits	1,702,806	1,535,603	1,387,367	1,389,900	1,310,602
Loans	1,667,393	1,381,442	1,384,684	1,379,664	1,290,641
Borrowings	385,704	334,253	321,110	223,582	266,920
Shareholders' equity	162,216	138,047	131,903	128,336	113,746
Common Share Summary: (2)					
Diluted earnings per share	$ 1.87	$ 1.44	$ 1.15	$ .93	$ .39
Dividends per share	.59	.44	.37	.32	.24
Book value per share	8.29	7.05	6.42	6.07	5.30
Weighted average diluted shares outstanding	20,059	20,516	21,175	21,525	21,984

	Year Ended December 31,				
	2003	**2002**	**2001**	**2000**	**1999**
Midwest Guaranty Bancorp, Inc.	(dollars in thousands, except per share amounts)				
Income Statement Data:					
Net interest income	$ 10,375	$ 9,217	$ 8,130	$ 7,900	$ 6,726
Provision for loan losses	483	590	480	595	420
Net income	2,262	1,825	1,407	1,361	1,213
Balance Sheet Data (period end):					
Assets	$ 235,445	$ 202,459	$ 167,840	$ 141,843	$ 135,192
Deposits	189,248	167,961	150,437	127,190	122,147
Loans	200,426	160,656	129,537	108,401	97,507
Borrowings	19,250	10,000	2,500	-	-
Subordinated debentures (3)	7,732	7,500	-	-	-
Shareholders' equity	18,119	15,978	14,005	13,558	12,543
Common Share Summary:					
Diluted earnings per share	$ 2.33	$ 1.90	$ 1.39	$ 1.31	$ 1.15
Dividends per share	-	-	-	-	-
Book value per share	19.12	16.86	14.78	13.47	11.93
Weighted average diluted shares outstanding	972	961	1,010	1,039	1,054

(1) 2001 net income includes the cumulative effect of a change in accounting principle, net of the related tax effect, due to the implementation of SFAS #133.

(2)

Per share data has been adjusted for a 10% stock dividend in 2003, 5% stock dividends in 2002, 2001, 2000, and 1999, and three-for-two stock splits in 2002 and 1998.

(3) See Note 8 to the consolidated financial statements for Midwest included elsewhere in this document for the accounting of Midwest s subordinated debentures.

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SUMMARY SELECTED PRO FORMA COMBINED DATA (UNAUDITED)

The following table shows selected financial information on a pro forma combined basis giving effect to the merger as if the merger had become effective at the end of the period presented, in the case of balance sheet information, and at the beginning of the period presented, in the case of income statement information. The pro forma information reflects the purchase method of accounting.

IBC anticipates that the merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect these benefits and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined as of the date and during the periods presented.

You should read this summary pro forma information in conjunction with the information under Unaudited Pro Forma Financial Information beginning on page 35.

	Year Ended December 31, 2003	
	(dollars in thousands)	
Pro Forma Combined Income Statement Data:		
Net interest income	$	105,169
Provision for loan losses		4,515
Net income		39,113
Pro Forma Combined Balance Sheet Data (period end)(1):		
Assets	$	2,620,509
Deposits		1,892,258
Loans		1,902,450
Borrowings		422,307
Shareholders' equity		186,927

(1) The pro forma combined balance sheet data assumes the issuance of 895,339 shares of IBC common stock, plus the payment of $16,474,239 in cash, in exchange for all of the outstanding shares of Midwest common stock. This assumes an exchange ratio of .9447 of a share of IBC common stock for each share of Midwest common stock outstanding as of December 31, 2003. It also assumes that none of the outstanding Midwest stock options will be exercised before completion of the merger. The actual exchange ratio will depend on the average closing price of IBC common stock over a measurement period of 20 consecutive trading days specified in the merger agreement. In addition, the aggregate merger consideration to be paid by IBC to all Midwest shareholders is subject to certain possible adjustments pursuant to the merger agreement.

CAPITAL RATIOS

Under the risk-based capital guidelines presently in effect for banks and bank holding companies, minimum capital levels are based on the perceived risk in the various asset categories. Certain off-balance-sheet instruments, such as loan commitments and letters of credit, require capital allocations. Bank holding companies such as IBC and Midwest and banks such as Midwest Guaranty Bank and Independent Bank East Michigan are required to maintain minimum risk-based capital ratios. IBC s and Midwest s ratios are above the regulatory minimum guidelines, and Midwest Guaranty Bank and Independent Bank East Michigan each met the regulatory criteria to be categorized as well-capitalized institutions at December 31, 2003. The well-capitalized classification may permit banks to minimize the cost of FDIC insurance assessments by being charged a lesser rate than those that do not meet this definition. Designation as a well-capitalized institution does not constitute a recommendation by federal bank regulators. The following table shows capital ratios and requirements as of December 31, 2003.

		Risk-based Capital	
	Leverage %	Tier 1 %	Total %
IBC's capital ratios	7.91	10.55	11.57
IBEM's capital ratios	6.85	9.81	10.81
Midwest's capital ratios			