Independent Bank Corp. (INDB)

Updated November 18th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$67	**5 Year Annual Expected Total Return:**	6.4%	**Market Cap:**	$3.3 B
Fair Value Price:	$61	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	12/30/25[1]
% Fair Value:	110%	**5 Year Valuation Multiple Estimate:**	-1.9%	**Dividend Payment Date:**	01/06/26[2]
Dividend Yield:	3.5%	**5 Year Price Target**	$78	**Years Of Dividend Growth:**	15
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Independent Bank Corp. (INDB) operates as the holding company for Rockland Trust Company, serving individuals and small-to-medium-sized businesses in Massachusetts. It offers various banking services like interest checking, money market, savings accounts, and commercial lending for real estate, construction, and consumer needs. Additionally, it provides investment management, trust services, online banking, estate settlement, and financial planning.

On October 17th, 2025, the company announced results for the third quarter of 2025, reporting non-GAAP EPS of $1.55, beating the market's estimates by $0.02, and revenues of $243.73 million that were up 39.1% year-over-year.

Independent Bank, parent of Rockland Trust, reported third quarter 2025 net income of $34.3 million, down from $51.1 million, in the prior quarter. The decline was driven by $23.9 million of merger-related expenses and a $34.5 million provision for credit losses tied to the July 1 acquisition of Enterprise Bancorp. Excluding these items, operating net income rose to $77.4 million, or $1.55 per diluted share, up from $53.5 million, or $1.25 per share, with stronger core profitability, a 25 basis point net interest margin expansion to 3.62%, and higher fee income. On this basis, return on average assets and equity increased to 1.23% and 8.63%, respectively.

The Enterprise deal reshaped the balance sheet, adding 27 branches, $3.9 billion in loans, and $4.4 billion in deposits, lifting total assets to $25.0 billion. Loans and deposits each grew 27% quarter over quarter, while wealth management assets under administration rose to $9.2 billion. Management stressed asset quality, with nonperforming loans at 0.47% of total loans and allowance for credit losses at 1.03%. The company also repurchased 365,000 shares for $23.4 million and continues integrating Enterprise while positioning for sustainable earnings growth.

Growth on a Per-Share Basis

Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2030**
EPS	$2.50	$2.90	$3.19	$4.40	$5.03	$3.64	$3.47	$5.69	$5.40	$4.52	***$5.53***	***$7.05***
DPS	$1.04	$1.16	$1.28	$1.52	$1.76	$1.84	$1.92	$2.08	$2.20	$2.28	***$2.36***	***$3.01***
Shares[3]	26.0	26.5	27.4	27.7	32.9	33.3	34.9	46.4	50.1	42.5	***45.2***	***61.4***

The bank's asset quality is maintained through a consistent provision for credit losses and a slight increase in the allowance for credit losses. A dip in performance metrics shows the impact of a challenging operating environment and the impact of rising costs, which emphasizes the need for strategic adjustments heading into the future. Therefore, we have revised our EPS estimate to $5.53 for 2025, matching the analysts' estimates' midpoint.

We also expect an EPS annual growth forecast of 5.0% over the next five years, leading to our estimated EPS of $7.05 by 2030. Lastly, the company has a solid record of paying dividends despite operating in a macro-sensitive sector, as Independent Bank has paid increasing dividends for the past 15 years. Thus, we expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 5.0%, leading to an expected dividend of $3.01 in 2030.

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[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] In Millions

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	18.1	18.0	21.2	17.7	15.6	18.1	22.9	14.5	10.9	12.9	***12.1***	***11.0***
Avg. Yld.	2.3%	2.2%	1.9%	2.0%	2.2%	2.8%	2.4%	2.5%	3.7%	3.9%	***3.5%***	***3.9%***

The regional bank currently trades at a forward P/E of 12.1, considerably lower than the long-term average P/E of 17.0. Even though the core deposit growth and an uptick in loan demand are likely to benefit the company in the near term, we maintain a target P/E of 11.0 on the stock, which is a fair reflection of its value in our view. Accordingly, with a 2030 EPS target of $7.05 and P/E of 11.0, our five-year target price for the stock stands at $78.

Safety, Quality, Competitive Advantage, & Recession Resiliency

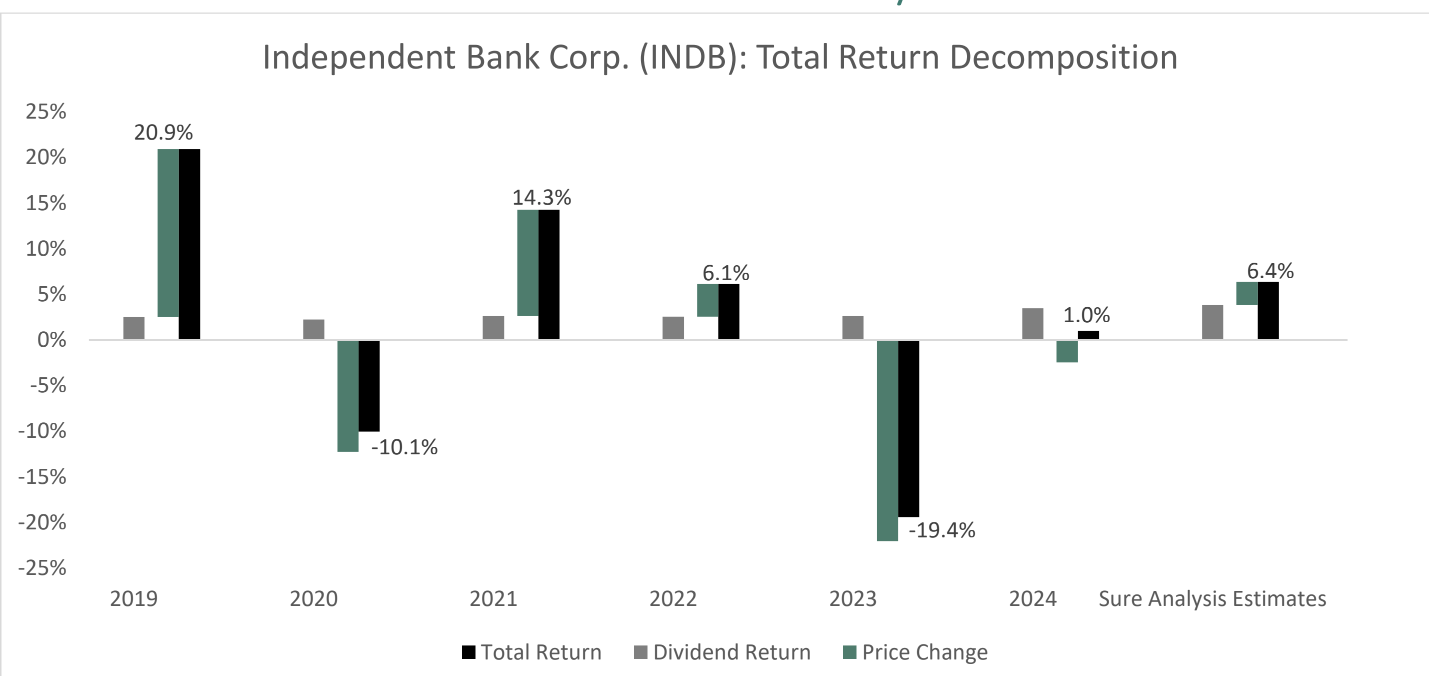
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	42%	40%	40%	35%	35%	51%	55%	37%	41%	50%	***43%***	***43%***

Independent Bank has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging 42.5%, and we expect the company to maintain and increase its payout in the future. The demand for the company's loan products has improved in recent quarters, and we expect the company to be in a much better position in the future compared to where it is today. In addition, the net interest income continues to improve in a rising rate environment, and the asset quality metrics ought to be steady. The company continued its capital return strategy by repurchasing roughly 365,000 shares during the quarter, totaling $23.4 million and reflecting management's confidence in long-term performance.

Final Thoughts & Recommendation

While Independent Bank runs a regional banking business, increased interest income and loan yield will be a positive catalyst for EPS growth. As a result, Independent Bank's dividend growth prospects could remain strong throughout the medium-term, though shares have underperformed in the last year. INDB is expected to return 6.4% annually, driven by 5.0% EPS growth, the 3.5% yield, and valuation headwind. We maintain our hold rating on the stock due to projected returns and a weak dividend risk score.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	287	307	338	387	503	473	502	720	722	683
SG&A Exp.	118	122	130	137	163	155	177	212	234	245
D&A Exp.	12	14	16	16	19	27	33	39	36	41
Net Profit	65	77	87	122	165	121	121	264	240	192
Net Margin	22.6%	24.9%	25.8%	31.5%	32.9%	25.6%	24.1%	36.6%	33.2%	28.1%
Free Cash Flow	79	83	106	131	200	52	165	399	261	209
Income Tax	27	35	47	34	53	32	36	84	76	55

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	7,209	7,709	8,082	8,852	11,395	13,204	20,423	19,294	19,350	19,370
Cash & Equivalents	276	289	213	250	151	1,297	2,241	353	224	220
Goodwill & Int.	213	231	241	271	535	529	1,018	1,010	1,003	997
Total Liabilities	6,438	6,845	7,138	7,778	9,687	11,502	17,405	16,407	16,450	16,380
Long-Term Debt	210	159	161	259	303	181	152	113	1,218	701
Total Equity	771	865	944	1,073	1,708	1,703	3,018	2,887	2,895	2,993
LTD/E Ratio	0.27	0.18	0.17	0.24	0.18	0.11	0.05	0.04	0.42	0.23

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.0%	1.0%	1.1%	1.4%	1.6%	1.0%	0.7%	1.3%	1.2%	1.0%
Return on Equity	9.2%	9.4%	9.6%	12.1%	11.9%	7.1%	5.1%	8.9%	8.3%	6.5%
ROIC	7.1%	7.6%	8.2%	10.0%	9.9%	6.2%	4.8%	8.6%	6.7%	4.9%
Shares Out.	26.0	26.5	27.4	27.7	32.9	33.3	34.9	46.4	44.2	42.5
Revenue/Share	11.06	11.61	12.36	13.98	15.30	14.21	14.40	15.53	16.34	16.07
FCF/Share	3.05	3.12	3.87	4.73	6.09	1.56	4.73	8.60	5.91	4.93

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.