Independent Bank Corp. (INDB)

Updated January 26th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$78	**5 Year Annual Expected Total Return:**	8.4%	**Market Cap:**	$3.9 B
Fair Value Price:	$81	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	03/31/26[1]
% Fair Value:	97%	**5 Year Valuation Multiple Estimate:**	0.7%	**Dividend Payment Date:**	04/07/26[2]
Dividend Yield:	3.0%	**5 Year Price Target**	$103	**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 January 22nd, 2026, the company announced results for the fourth quarter of 2025, reporting Q4 non-GAAP EPS of $1.70, beating the market's estimates by $0.05, and revenues of $253.93 million that were up 43.6% year-over-year.

Excluding merger-related costs and a one-time provision tied to the Enterprise acquisition, operating net income reached $84.4 million, topping expectations. Revenue climbed 43.6% year-over-year while profitability strengthened meaningfully, with return on average assets improving to 1.20% and return on average common equity rising to 8.38%. On an operating basis, those returns were even stronger at 1.34% and 9.38%, respectively. Net interest income increased 4.5% sequentially to $212.5 million, supported by a 15-basis-point expansion in net interest margin to 3.77%, driven largely by lower deposit costs.

Balance sheet trends reflected steady growth and disciplined capital management. Loans ended the quarter at $18.5 billion, up modestly from the third quarter, led by commercial and industrial growth, while deposits totaled $20.1 billion, with core deposits representing a solid 83.7% of the mix. Asset quality metrics improved, as nonperforming loans declined to 0.45% of total loans and criticized commercial loans fell nearly 9%. The provision for credit losses normalized to $4.8 million following acquisition-related charges in Q3. Meanwhile, the company repurchased 548,000 shares for $37.5 million and grew tangible book value per share to $47.55, reinforcing a well-capitalized position entering 2026.

Growth on a Per-Share Basis

Year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2031**
EPS	$2.90	$3.19	$4.40	$5.03	$3.64	$3.47	$5.69	$5.40	$4.52	$4.52	***$7.33***	***$9.35***
DPS	$1.16	$1.28	$1.52	$1.76	$1.84	$1.92	$2.08	$2.20	$2.28	$2.28	***$2.36***	***$3.01***
Shares[3]	26.5	27.4	27.7	32.9	33.3	34.9	46.4	50.1	42.5	42.5	***45.1***	***60.7***

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 $7.33 for 2026, 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 $9.35 by 2031. 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

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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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	16.3	15.4	15.5	21.5	19.0	13.9	15.3	13.0	12.9	14.7	***10.6***	***11.0***
Avg. Yld.	2.5%	2.2%	2.3%	2.3%	2.9%	2.6%	2.7%	3.9%	3.9%	3.4%	***3.0%***	***2.9%***

The regional bank currently trades at a forward P/E of 10.6 considerably lower than the long-term average P/E of 14.5. 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 2031 EPS target of $9.35 and P/E of 11.0, our five-year target price for the stock stands at $103.

Safety, Quality, Competitive Advantage, & Recession Resiliency

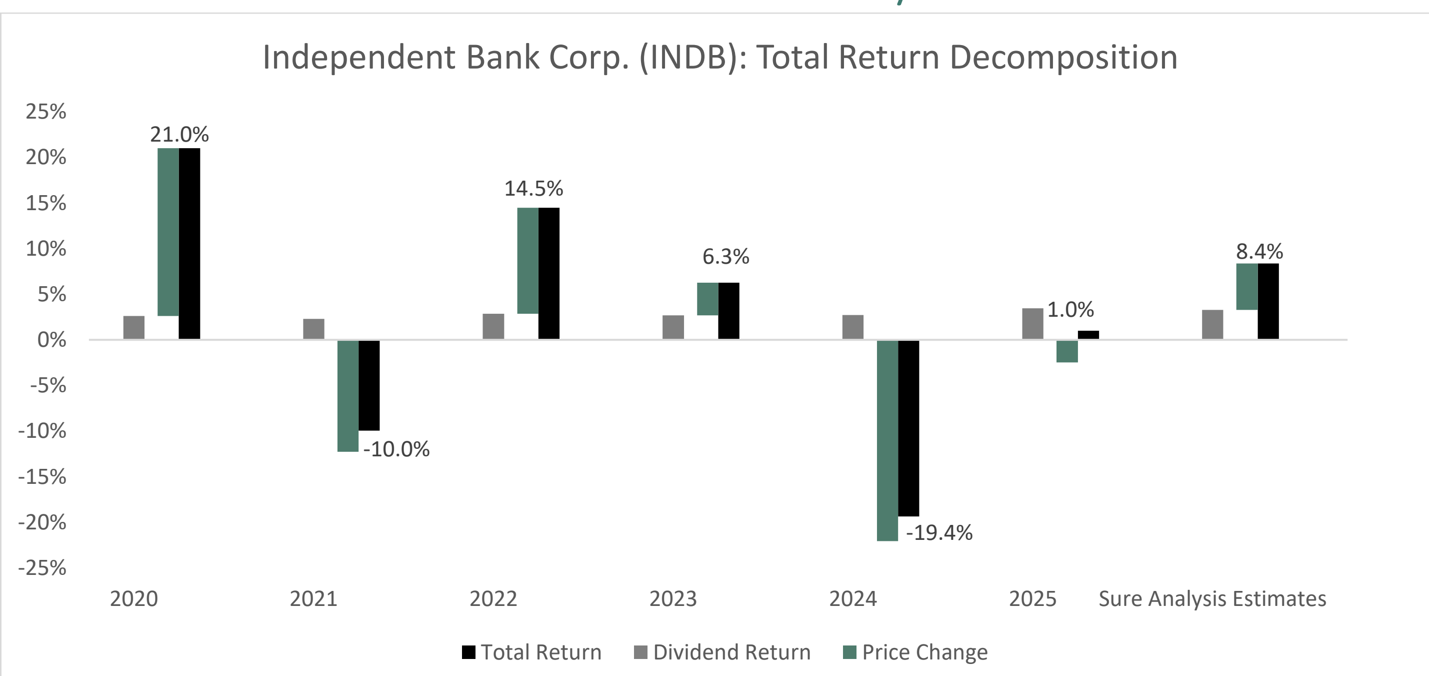
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	40%	40%	35%	35%	51%	55%	37%	41%	50%	50%	***32%***	***32%***

Independent Bank has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging 43.4%, 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. During Q4, the Company repurchased approximately 548,000 shares of common stock for $37.5 million under its $150 million authorization, reflecting continued confidence in its capital position.

Final Thoughts & Recommendation

Independent Bank runs a regional banking business and 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 8.4% annually, driven by 5.0% EPS growth, the 3.0% yield, and valuation tailwind. We maintain our hold rating on the stock due to projected returns and a weak dividend risk score.

Total Return Breakdown by Year



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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.