Independent Bank Corp. (INDB)

Updated June 9th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$80	**5 Year Annual Expected Total Return:**	7.8%	**Market Cap:**	$3.8 B
Fair Value Price:	$80	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	06/30/26[1]
% Fair Value:	101%	**5 Year Valuation Multiple Estimate:**	-0.1%	**Dividend Payment Date:**	07/07/26[2]
Dividend Yield:	3.2%	**5 Year Price Target**	$102	**Years Of Dividend Growth:**	16
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 April 16th, 2026, the company announced results for the first quarter of 2026, reporting Q1 non-GAAP EPS of $1.63, which beat the market's estimates by $0.01, and revenues of $252.7 million that were up 41.9% year-over-year.

Independent Bank reported first-quarter 2026 net income of $79.9 million, up from $75.3 million in the prior quarter, while operating net income, which excludes merger-related costs tied to the Enterprise acquisition, totaled $82.1 million. Profitability improved as return on average assets increased to 1.31% from 1.20% and return on average common equity rose to 9.02% from 8.38% in the fourth quarter. Net interest margin expanded 13 basis points to 3.90%, supported by lower funding costs and continued balance sheet optimization. Management highlighted disciplined execution amid an uncertain operating environment, emphasizing its relationship-focused banking strategy, ongoing investment initiatives, and commitment to shareholder returns. During the quarter, the company also increased its quarterly dividend and repurchased approximately 802,000 shares for $63.3 million.

Balance sheet trends were mixed during the quarter. Total assets declined 0.5% to $24.8 billion, reflecting lower loan and cash balances, while total loans decreased 0.4% to $18.4 billion. Commercial and industrial lending posted modest growth, offset by declines in commercial real estate, construction, and residential real estate portfolios. Deposits remained relatively stable at $20.1 billion, down just 0.1% from the prior quarter, with core deposits continuing to represent nearly 84% of total balances. Funding costs improved, as the total cost of deposits fell by 10 basis points. Independent Bank also reduced borrowings and modestly increased its securities portfolio. Tangible book value continued to improve, underscoring the company's solid capital position and resilience despite ongoing loan runoff and seasonal deposit fluctuations.

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	***$7.23***	***$9.23***
DPS	$1.16	$1.28	$1.52	$1.76	$1.84	$1.92	$2.08	$2.20	$2.28	$2.28	***$2.56***	***$3.27***
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 $7.23 for 2026, matching the analysts' estimates' midpoint.

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[1] Estimated ex-dividend date

[2] Estimated dividend payment date

[3] In Millions

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We also expect an EPS annual growth forecast of 5.0% over the next five years, leading to our estimated EPS of $9.23 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 16 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 $3.27 in 2031.

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	***11.1***	***11.0***
Avg. Yld.	2.5%	2.2%	2.3%	2.3%	2.9%	2.6%	2.7%	3.9%	3.9%	3.4%	***3.2%***	***3.2%***

The regional bank currently trades at a forward P/E of 11.1 considerably lower than the long-term average P/E of 15.8. 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 $9.23 and P/E of 11.0, our five-year target price for the stock stands at $102.

Safety, Quality, Competitive Advantage, & Recession Resiliency

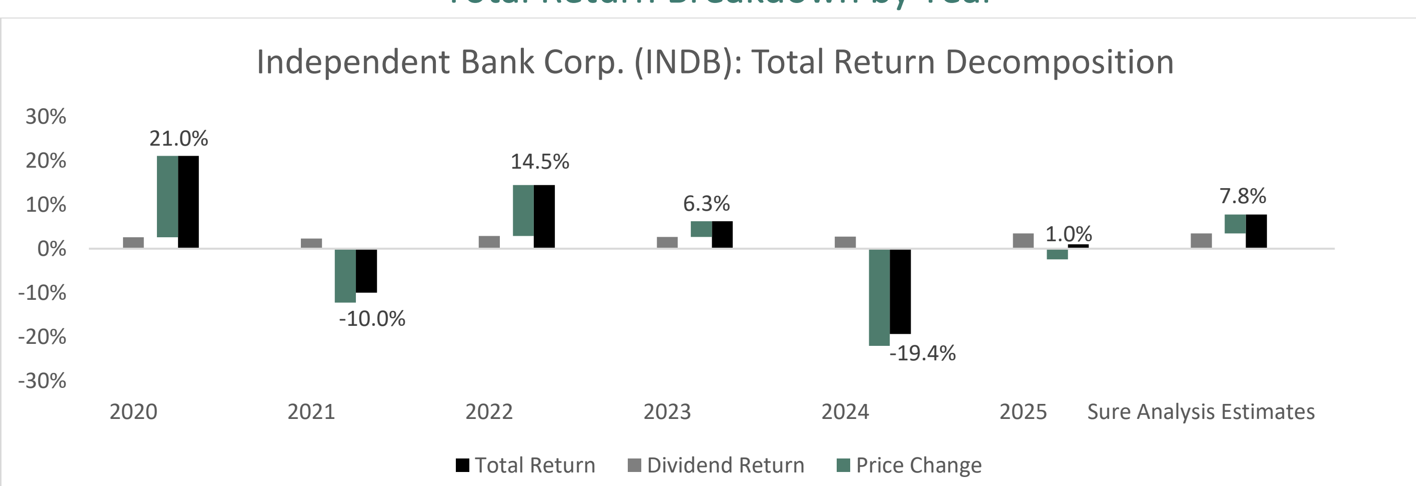
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	40%	40%	35%	35%	51%	55%	37%	41%	50%	50%	***35%***	***35%***

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 Q1, Independent Bank continued to return capital to shareholders during the quarter, repurchasing approximately 802,000 shares for $63.3 million, reflecting management's confidence in the company's earnings outlook and 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 7.8% annually, driven by 5.0% EPS growth, the 3.2% 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



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	307	338	387	503	473	502	720	722	683	1,167
SG&A Exp.	122	130	137	163	155	177	212	234	245	---
D&A Exp.	14	16	16	19	27	33	39	36	41	42
Net Profit	77	87	122	165	121	121	264	240	192	205
Net Margin	24.9%	25.8%	31.5%	32.9%	25.6%	24.1%	36.6%	33.2%	28.1%	17.6%
Free Cash Flow	83	106	131	200	52	165	399	261	209	239
Income Tax	35	47	34	53	32	36	84	76	55	57

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,709	8,082	8,852	11,395	13,204	20,423	19,294	19,350	19,370	24,910
Cash & Equivalents	289	213	250	151	1,297	2,241	353	224	220	230
Goodwill & Int.	231	241	271	535	529	1,018	1,010	1,003	997	1,224
Total Liabilities	6,845	7,138	7,778	9,687	11,502	17,405	16,407	16,450	16,380	21,350
Long-Term Debt	159	161	259	303	181	152	113	1,218	701	486
Total Equity	865	944	1,073	1,708	1,703	3,018	2,887	2,895	2,993	3,566
LTD/E Ratio	0.18	0.17	0.24	0.18	0.11	0.05	0.04	0.42	0.23	0.25

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.0%	1.1%	1.4%	1.6%	1.0%	0.7%	1.3%	1.2%	1.0%	0.9%
Return on Equity	9.4%	9.6%	12.1%	11.9%	7.1%	5.1%	8.9%	8.3%	6.5%	6.3%
ROIC	7.6%	8.2%	10.0%	9.9%	6.2%	4.8%	8.6%	6.7%	4.9%	5.0%
Shares Out.	26.5	27.4	27.7	32.9	33.3	34.9	46.4	44.2	42.5	46.2
Revenue/Share	11.61	12.36	13.98	15.30	14.21	14.40	15.53	16.34	16.07	25.27
FCF/Share	3.12	3.87	4.73	6.09	1.56	4.73	8.60	5.91	4.93	5.18

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