

## This Big 5 Bank Has a History of Value and Dividend Increases

### Description

The year started off well for **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) after a 20% run in the stock price to end 2016. But worries of a Canadian housing bubble and a financial crisis for mortgage lender **Home Capital Group Inc.** ([TSX:HCG](#)) helped send CIBC's stock price down 4.8% year to date. Only **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has dropped more since January (-5.5%).

Big Five banks	Cap (billions)	Price	YTD (%)
<b>Royal Bank of Canada</b> ( <a href="#">TSX:RY</a> )( <a href="#">NYSE:RY</a> )	\$138	93.96	-1.67
Toronto-Dominion Bank	\$118	64.02	-5.51
<b>Bank of Nova Scotia</b> ( <a href="#">TSX:BNS</a> )( <a href="#">NYSE:BNS</a> )	\$93	78.00	-0.26
<b>Bank of Montreal</b> ( <a href="#">TSX:BMO</a> )( <a href="#">NYSE:BMO</a> )	\$62	94.72	-4.18
Canadian Imperial Bank of Commerce	\$47	108.29	-4.78

### CIBC

CIBC is the smallest of the Big Five banks in Canada. CIBC is three times smaller than **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)), but its market capitalization of \$47 billion puts it in the big-cap category. To those looking for dividend income, CIBC might be the bank to add to your investment portfolio. The company pays a 4.69% dividend currently.

It does not appear that CIBC would drop the dividend if it were to come on hard times. Take, for instance, the 2008 Financial Crisis; CIBC maintained a \$3.48 dividend payment per share during this time in what can be thought of as an empirical stress test. CIBC has also increased the dividend by 4.8% annually since 2007.

There is, however, more to consider than dividend safety. Stock price volatility over 10 years is important to consider; the average annual stock return for CIBC is 6.4%, with a 28% price depreciation in 2008, and a 47% return a year later.

### TD

TD has broad exposure outside Canada and is the sixth-largest bank in North America by branches. TD's second-quarter 2017 report corroborates its success at cultivating business on both sides of the border. Personal banking deposits totaled \$457 billion—nearly identical in value between Canada and U.S., but there were actually slightly more American deposits during the quarter.

No doubt, TD has a broad business. It pays a 3.75% dividend and is compelling on many grounds when compared to CIBC.

None of the Big Five banks are immune to price swings. Although TD has an average annual stock

price return of 9.2%, which is higher than CIBC's, it also had a deeper drop of 37% in its worst-performing year in a decade.

A dividend investor prioritizes income payments when they put their capital to work. If part of your investment goals is to generate a steady source of income from the financial sector, then CIBC may be the bank stock for you.

## CATEGORY

1. Bank Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. NYSE:RY (Royal Bank of Canada)
5. NYSE:TD (The Toronto-Dominion Bank)
6. TSX:BMO (Bank Of Montreal)
7. TSX:BNS (Bank Of Nova Scotia)
8. TSX:CM (Canadian Imperial Bank of Commerce)
9. TSX:HCG (Home Capital Group)
10. TSX:RY (Royal Bank of Canada)
11. TSX:TD (The Toronto-Dominion Bank)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Bank Stocks
2. Investing

## Date

2025/08/17

## Date Created

2017/08/04

## Author

bmacintosh

default watermark