



## Canada's 5 Big Banks Ranked by Quality

### Description

As Canadian bank stocks go, **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) remains my favourite of the Big Five for several reasons, which I'll get into shortly.

Ranking bank stocks are never easy because, despite a large amount of financial data available, it's still very much a service industry with intangibles that are very subjective. You might like the fact your bank provides actively managed ETFs, while the next person prefers the bank that doesn't.

So, I figure the best way to handle this is to lean on some of my colleagues at the Fool to get some viewpoints other than my own, which is that CIBC is the best.

### Toronto Dominion Bank ([TSX:TD](#))([NYSE:TD](#))

Mat Litalien recently [called](#) TD the best Canadian bank stock to own in 2019. His basis for selecting Big Green is its knack for outperforming its peers. It lost the least amount for shareholders in 2018 — down 7.94% — and it beat the other four banks over the past two, five, and 10 years.

At the end of the day, Litalien believes the combination of past performance, the highest growth rates, and the fastest-growing dividend make it the bank to bet on in 2019 and beyond.

### Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

My colleague Joey Frenette thinks Royal Bank has got the stuff to remain the largest Canadian bank on the TSX by market cap.

"Make no mistake: Royal Bank is still firing on all cylinders, although pundits praise other players in the Big Six," Frenette wrote January 29. "The bank is operating at a very high level, and over the medium term, I do believe Royal Bank will continue to hold its spot at the top of the TSX."

But it's not just that Royal Bank has the biggest market cap that's got Frenette confident it will retain the crown as Canada's biggest bank. It's the fact that investors are currently turning a blind eye to the value play that lies before them. Historically, Royal Bank's stock has rarely been so cheap.

## Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#))

I see the bank's ETF operations being one of the telltale signs it's a quality financial institution in this country. Sure, Royal Bank's announcement that it's getting in bed with iShares changes the competitive landscape when it comes to the ETF marketplace in Canada, but BMO is still the second-biggest provider in this country with 31% market share — three times Vanguard in third place.

Innovation is the way for banks to prosper in the future. What BMO is doing with its ETFs is why Fool contributor Christopher Liew is so [confident](#) about the bank's future.

## Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#))

If you're looking to venture outside Canada or the U.S., BNS is and likely will always be the Canadian bank to lean on emerging markets. Fool contributor Matt Smith recently suggested that the bank will benefit from a recovery in countries like Colombia, Peru, and Chile, where it has a significant presence. I couldn't agree more. Despite what's happening in Venezuela at the moment, Latin America is on the rise.

Just as the Canadian and U.S. economies start to stall in late 2019 and 2020, emerging markets will only be getting rolling, leaving BNS to benefit from doing something different from all the other big banks.

## CIBC

As I said at the top, CIBC is my favourite Canadian bank. In December, I'd lamented the fact I've spent the past two years arguing it's the best of the Big Five banks, with little or no effect. Canadians either don't see it, or they don't care, but CIBC is the Rodney Dangerfield of bank stocks.

It's got an excellent CEO in Victor Dodig, a strong U.S. platform, and an innovation bent that only BMO can touch.

It's quality with a Capital Q.

However, if I had to rank the banks on a scale of one to 10, I'd give all five of them a seven. They're good, if not great, on a global level.

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1. Bank Stocks
2. Investing

### POST TAG

1. Editor's Choice

## 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:RY (Royal Bank of Canada)
10. TSX:TD (The Toronto-Dominion Bank)

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