



## Here's a Different Bank to Consider

### Description

A top investment anyone can add to their portfolio is one of Canada's big banks. In many ways, the big banks have offered incredible growth prospects while providing handsome returns in the form of generous dividends.

For investors [looking to diversify](#) that position, there's another Canadian bank that is worth considering. It offers just as much upside as those better-known big banks.

Enter Edmonton-based **Canadian Western Bank** ([TSX:CWB](#)). As the name suggests, Canadian Western primarily serves the western part of the country, but as an investment, the bank can appeal to just about any investor. Here are a few reasons why Canadian Western is an appealing option to consider.

### This is a western bank

Canadian Western is hugely reliant on the Albertan economy, with a third of all loans stemming from within the province. That level of concentration could be a good or bad factor depending on how the local economy is faring at that particular moment. Right now, that factor isn't exactly working in the favour of Canadian Western, but for investors, that perceived weakness in the economy exposes a stock price of under \$29 with a P/E of 9.93, which is nothing short of a steal.

To illustrate that opportunity, over the trailing 12 months, Canadian Western's stock price has dropped over 20%. And so far in 2019, the stock has managed to see a 9% gain. By extension, if oil prices begin to turn around and Alberta's economy picks up again, so too will Canadian Western.

### Canadian Western is a great income pick

One reason why investors flock to the big banks is due to the handsome dividends on offer. Canadian Western has an equally impressive payout that is worthy of consideration. While the current yield of 3.81% is not the highest-yielding return in the market, Canadian Western benefits from an absurdly low

payout level that should stay below 35% for this year, which leaves ample room in the event the market begins to stutter.

Another interesting point is the fact that Canadian Western has provided investors with handsome annual gains for 27 consecutive years, putting the bank in a league of several intriguing investments in the market that are lauded for their stability. That current long span of annual dividend hikes also includes the Great Recession, when Canadian Western's larger peers suspended their own hikes.

## Should you buy?

No investment is without risk, and when it comes to Canadian Western, the bank's reliance on the resource-rich Albertan economy could be viewed as a source of volatility. That being said, the [impressive dividend](#), low payout rate, and precedent-setting history of dividend hikes make Canadian Western a viable option for investors to consider beyond what the traditional big banks can offer.

### CATEGORY

1. Bank Stocks
2. Investing

### TICKERS GLOBAL

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