



## Did This Banking Giant Just Become the Best Bang for Your Buck?

### Description

A bank stock I'll invest in without hesitation is none other than **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) or CIBC. One analyst pointed out that CIBC's share price should be close to \$150 and not lower. Hence, if you want [the best bang for your buck](#), this stock is it.

Investors should be taking advantage if the stock price of the fifth-largest bank in Canada is trading at a fairly discounted price of \$103.14. CIBC will certainly attract more attention this month and likely become the hottest buy on the **TSX**.

### True blue chip stock

CIBC is a blue chip company with very strong growth potential. You only need to look at the growing revenue year over year over the last three years to realize this. Net income is also increasing annually at an amazing pace. In 2018, top-line and bottom-line revenue grew by 9.15% and 12.00%, respectively.

The strong performances of the small business, commercial banking, and wealth management business segments in Canada and the U.S. have been the key drivers of growth. CIBC is expected to sustain the 12% growth rate in the next few years. Hence, higher cash flows are on the horizon.

Further, unhindered cash flow would translate into higher share valuation. The bright and sunny outlook hasn't been factored in; thus, capital gain is in the offing too. Significant loan growth is also forthcoming as the bank fortifies client development and increase investments in new markets.

CIBC has been proactive in coping with the evolving requirements of old, new, and prospective clients. The bank has fully embraced technology and digital platforms. The tech investments paid off. CIBC received the highest ranking in client satisfaction among mobile credit card apps offered by the Big Five banks.

About two million accounts were migrated into the Simplii Financial system, a direct banking brand of CIBC. The CIBC Bank USA Smart account was introduced for Canadian customers to have a U.S.-

based account that can be linked to their Canadian accounts.

## U.S. expansion

Last week, CIBC confirmed the acquisition of Milwaukee-based Cleary Gull. The investment bank specializes in mergers, acquisitions, and financing for companies between \$2 million and \$20 million of cash flow. The transaction will be completed in three months.

CIBC is determined to solidify its position in the U.S. An investment bank has to the bank's recent acquisitions: The PrivateBank and Geneva Advisors, the Chicago-based private wealth management firm. There is more business diversification now.

## Build a fortune

Dividend investors can [build a fortune](#) by investing in CIBC. The bank offers an attractive dividend yield of 5.0%. Over the last 10 years, CIBC has compounded dividend growth by 4.5% compounded annually.

Management has a self-imposed mandate to pay out 40 to 50% of earnings as dividends. The goal is to deliver total shareholder return over and above the industry average.

The modern investor looks for a stock with value and growth. If you're seeking this, CIBC offers both — it's the best of the lot!

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)

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