



1 Top Canadian Stock for Consistent Dividend Income

Description

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is a leading North American [financial institution](#) with a market capitalization of \$44 billion and a common equity Tier 1 (CET1) ratio of 12.1%. The bank (CIBC) provides a full range of financial products and services to 10 million personal banking, business, public sector, and institutional clients in Canada, the United States (U.S.), and around the world.

CIBC has approximately 44,000 employees, and the bank is dedicated to providing clients with banking solutions for a modern world and delivering sustainable earnings growth for CIBC's shareholders, and giving back to the bank's communities. The company's goal is to deliver superior client experience and top-tier shareholder returns while maintaining CIBC's financial strength.

Purpose-driven culture

To achieve financial outperformance, CIBC focuses on key client segments to accelerate the bank's earnings growth. The bank has also transformed to deliver a modern relationship-banking proposition and advanced CIBC's purpose-driven culture. For many years, CIBC has reported a scorecard of financial measures that it uses to evaluate and report on CIBC's progress to external stakeholders. These measures can be categorized into earnings growth, operational efficiency, profitability, and balance sheet strength.

CIBC is well positioned to succeed amid a changing environment in the years ahead and contribute to a more inclusive, sustainable future. Despite COVID-19, the bank reported earnings in 2020 of \$3.8 billion, or \$4.4 billion on an adjusted basis, down 26% and 18% from 2019, primarily as a result of the economic impact of the COVID-19 pandemic. The bank's capital position remains very strong, with a CET1 ratio of 12.1%, underscoring the strength of CIBC's balance sheet as it focuses on growing the business in an uncertain economic environment.

Enabler of digital solutions

As public health measures such as stay-at-home directives and physical distancing were introduced to slow the spread of COVID-19, CIBC leveraged the bank's investments in technology to support clients. The bank moved quickly to enable digital solutions, including being the first bank to announce the company's readiness to accept Canada Emergency Business Account (CEBA) applications from business owners in Canada using a fully digital application.

In addition, CIBC was the first bank to announce reduced credit card interest rates for clients experiencing hardship. The bank established payment relief programs, as well as priority service for seniors in CIBC's banking centres and on the phone. Also, CIBC made calls to several senior clients to check on the customer's wellbeing and to help clients use mobile and online banking, which saw a surge in demand from clients 65 years of age and over as the pandemic set in.

Top brand

Further, CIBC was recognized as the top-performing brand during the peak of COVID-19 — a reflection of the measures CIBC took to help the bank's clients. CIBC's decisive, early action made a challenging time more manageable. In 2020, the bank helped over 500,000 clients with payment relief and advice when clients needed CIBC most. The bank's team was the foundation of CIBC's client-focused response to the pandemic, which likely increased the bank's [intrinsic value](#). The bank's strategy of putting the customer first will serve it well.

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