



# Canadian Imperial Bank of Commerce (CM)

Updated December 10<sup>th</sup>, 2025 by Kay Ng

## Key Metrics

Current Price:	\$92	5 Year Annual Expected Total Return:	5.7%	Market Cap:	\$85.6B
Fair Value Price:	\$73	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	12/29/25
% Fair Value:	126%	5 Year Valuation Multiple Estimate:	-4.5%	Dividend Payment Date:	01/28/26
Dividend Yield:	3.3%	5 Year Price Target	\$105	Years Of Dividend Growth:	15
Dividend Risk Score:	B	Sector:	Financials	Rating:	Hold

## Overview & Current Events

Canadian Imperial Bank of Commerce is a global financial institution that provides banking and other financial services to individuals, small businesses, corporations and institutional clients. CIBC is focused on the Canadian market. The bank was founded in 1961 and is headquartered in Toronto, Canada. If not indicated otherwise, all numbers in this research report are in U.S. dollars.

CIBC reported its fiscal Q4 and full-year 2025 earnings results on 12/04/25. For the quarter, the bank's revenue climbed 14% year-over-year ("YOY") to C\$7.6 billion. Provision for credit losses ("PCL") was C\$605 million, up 44% from a year ago. The loan loss ratio was 0.34%, up from 0.30% a year ago. And net income came in C\$2.2 billion (up 16%) with diluted earnings-per-share ("EPS") also up 16% YOY to C\$2.20. Adjusted net income came in 16% higher at C\$2.2 billion. Ultimately, adjusted EPS climbed 16% to C\$2.21. The adjusted return on equity was 14.1%, up from 13.4% a year ago. The bank's capital position remained solid with a Common Equity Tier 1 ratio of 13.3%, up from 13.4% a year ago. The net interest margin was 1.59% compared to 1.50% a year ago.

CIBC raised its quarterly dividend by 10.3% to C\$1.07 per share, equating to an annualized payout of C\$4.28.

For the fiscal year, revenue climbed 14% YOY to C\$29.1 billion, PCL rose 17% to C\$2.3 billion, while non-interest expense jumped 9.8% to C\$15.9 billion. Ultimately, net income rose 18% to C\$8.5 billion, while the adjusted EPS climbed 16% to C\$8.61. We initiate our fiscal 2026 EPS estimate at US\$6.63.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$7.67	\$8.62	\$9.19	\$9.04	\$7.53	\$11.28	\$5.25	\$4.96	\$5.27	\$6.14	<b>\$6.63</b>	<b>\$9.30</b>
DPS	\$3.58	\$3.88	\$4.13	\$4.21	\$4.32	\$4.64	\$2.52	\$2.55	\$2.67	\$2.76	<b>\$3.07</b>	<b>\$4.31</b>
Shares <sup>1</sup>	397	439	453	446	447	451	906	931	942	941	<b>935</b>	<b>982</b>

In May 2022, the big Canadian bank stock had a two-for-one stock split, which is why its EPS and dividend-per-share ("DPS") appear much lower in 2022 in the table above. Stock splits do not change the valuation of the stock. CIBC's goal is to grow adjusted EPS by 7-10% per year over a 3- to 5-year period under a normal cycle. However, its earnings and dividends have been bumpy due partly to the foreign exchange fluctuations between the U.S. dollar and the Canadian dollar.

From 2016 to 2025, the bank increased its EPS and DPS by 5.5% and 4.9%, respectively, per year in US\$. Fiscal 2020 was one of those abnormal years with a pandemic triggering a decline in CIBC's earnings. For the bank, one key area of growth is its loans and deposits portfolio. The increased loan book leads to higher net interest income, which is a key source of CIBC's revenues. CIBC's fiscal Q4 2025 deposits and loans & acceptances, rose 5.7% and 5.6% YOY, respectively. We project an EPS and DPS growth rate of 7.0% through 2031.

After leading the bank for over 10 years, CEO Victor G. Dodig will be retiring in October 2025, and Harry Culham, the head of the bank's capital markets took over the CEO role in November 2025.

<sup>1</sup> Share count is in millions.

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*



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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	10.1	9.9	10.3	9.2	8.9	10.9	10.0	8.3	10.0	11.9	<b>13.8</b>	<b>11.0</b>
Avg. Yld.	4.5%	4.1%	5.5%	5.1%	6.0%	4.0%	4.8%	6.0%	5.5%	4.0%	<b>3.3%</b>	<b>4.2%</b>

CIBC tends to trade at a lower valuation than its peers. From fiscal 2016 to 2025, its price-to-earnings averaged 10.0, while its yield averaged 5.0%. From 2021 to 2025, its P/E averaged 10.2, while its dividend yield averaged 4.9%. Given a higher expected growth rate, we think a target P/E of 11 is reasonable with a target yield of over 4%. The bank stock appears to be a bit pricey at current levels but the high multiple is due to its strong performance this year and expected higher growth over the next few years. As a Canadian stock, CIBC's dividends may be subject to a 15% dividend withholding tax for U.S. investors. This can possibly be avoided by holding in CIBC in a retirement account.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	47%	45%	45%	47%	57%	41%	48%	51%	51%	45%	<b>46%</b>	<b>46%</b>

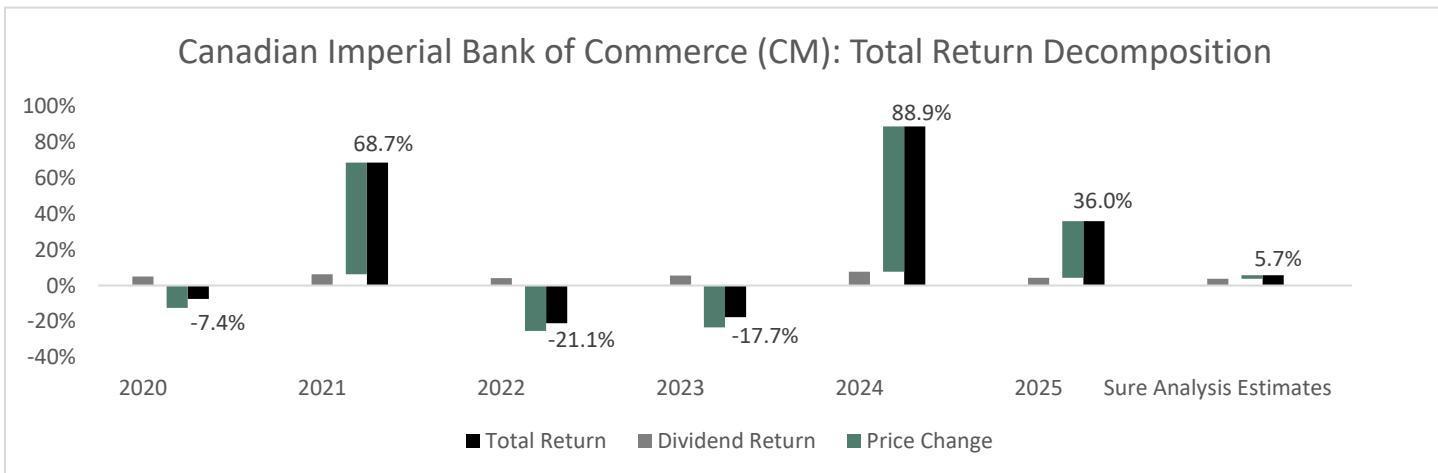
During the last financial crisis that triggered a recession in 2008/2009, the bank stock increased its dividend every year (in the local currency of Canadian dollars), except for fiscal 2009 and 2010 in which it maintained the dividend. The regulator stepped in to be prudent of the potential economic earthquake at that time. During that period, CIBC's adjusted EPS fell about 31% from fiscal 2007-2009 before recovering and having a nine-year run through fiscal 2018. In 2020, CIBC experienced an adjusted EPS decline of 19%.

CIBC is the fifth largest bank in its main market, Canada. Due to a focus on consumer banking, and especially mortgages, which usually are insured in Canada, CIBC has a relatively low-risk portfolio relative to other banks in a normal market. CIBC's performance in the last financial crisis was not good, but also not as disastrous as that of many of its North American peers.

## Final Thoughts & Recommendation

We forecast 5.7% in total returns annually over the next five years, consisting of a yield of 3.3%, 7.0% earnings-per-share growth, and a 4.5% headwind from a price-to-earnings ratio compression. We maintain a hold rating on CIBC stock.

## Total Return Breakdown by Year





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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenue</b>	11,021	10,890	12,137	13,755	13,895	13,882	15,865	16,917	17,270	18,760
<b>SG&amp;A Exp.</b>	4,097	3,859	4,190	4,657	4,578	4,605	5,315	5,818	5,820	6,323
<b>D&amp;A Exp.</b>	351	348	414	511	631	975	808	813	847	860
<b>Net Profit</b>	2,881	3,224	3,593	4,094	3,834	2,819	5,110	4,831	3,706	5,228
<b>Net Margin</b>	26.1%	29.6%	29.6%	29.8%	27.6%	20.3%	32.2%	28.6%	21.4%	27.9%
<b>Free Cash Flow</b>	15,493	7,573	1,879	7,471	13,816	44,621	-3,315	16,782	8,255	7,347
<b>Income Tax</b>	511	541	888	1,105	1,014	817	1,491	1,344	1,433	1,478

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Assets (B)</b>	352	374	441	455	495	578	676	693	706	749
<b>Cash &amp; Equivalents</b>	15,213	11,316	12,203	15,768	17,339	53,797	55,895	53,881	45,680	40,280
<b>Accounts Receivable</b>	1,015	982	1,140	1,646	1,650	1,378	1,719	2,412	3,148	3,919
<b>Goodwill &amp; Int.</b>	2,069	2,198	5,725	5,723	5,634	5,415	5,635	5,834	5,905	5,948
<b>Total Liabilities (B)</b>	336	356	416	428	466	547	639	656	667	707
<b>Accounts Payable</b>	3,033	3,087	3,856	5,539	6,410	6,497	7,140	8,255	9,574	10,160
<b>Long-Term Debt (B)</b>	97	99	109	112	111	109	132	138	141	150
<b>Shareholder's Equity</b>	15,467	16,751	22,790	24,919	27,014	28,207	33,344	33,255	34,710	38,670
<b>D/E Ratio</b>	5.98	5.66	4.49	4.22	3.81	3.52	3.60	3.74	3.68	3.55

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Return on Assets</b>	0.8%	0.9%	0.9%	0.9%	0.8%	0.5%	0.8%	0.7%	0.5%	0.7%
<b>Return on Equity</b>	18.5%	20.0%	18.2%	17.2%	14.8%	10.2%	16.6%	14.5%	9.8%	12.9%
<b>ROIC</b>	3.4%	2.8%	2.9%	3.0%	2.7%	2.0%	3.3%	2.8%	2.1%	2.8%
<b>Shares Out.</b>	796	792	827	889	891	892	900	906	916	942
<b>Revenue/Share</b>	13.85	13.75	14.67	15.47	15.60	15.56	17.62	18.68	18.84	19.92
<b>FCF/Share</b>	19.47	9.56	2.27	8.40	15.51	50.02	-3.68	18.53	9.01	7.80

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

## Disclaimer

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