



Canadian Imperial Bank of Commerce (CM)

Updated June 4th, 2026 by Kay Ng

Key Metrics

Current Price:	\$109	5 Year Annual Expected Total Return:	6.3%	Market Cap:	\$98.3B
Fair Value Price:	\$85	5 Year Growth Estimate:	8.5%	Ex-Dividend Date:	06/29/26
% Fair Value:	128%	5 Year Valuation Multiple Estimate:	-4.8%	Dividend Payment Date:	07/28/26
Dividend Yield:	2.8%	5 Year Price Target	\$128	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. The bank earns about 69% of revenues from Canada and 18% from the U.S. Segment wise, it earns about 35% of net income from the Canadian Personal & Business Banking segment, 27% from Capital Markets, 26% from Canadian Commercial Banking & Wealth Management, and 11% from U.S. Commercial Banking & Wealth Management.

CIBC reported solid fiscal Q2 2026 results on 05/28/26. For the quarter, the bank's revenue climbed 14% year-over-year ("YOY") to C\$8.0 billion. Provision for credit losses ("PCL") was C\$605 million – flat YOY. The loan loss ratio was 0.38%, up from 0.33% a year ago. And net income came in C\$2.5 billion (up 23%) with diluted earnings-per-share ("EPS") up 24% YOY to C\$2.53. Adjusted net income came in 23% higher at C\$2.5 billion. Ultimately, adjusted EPS climbed 24% to C\$2.54. The adjusted return on equity was 16.4%, up from 13.9% a year ago. The bank's capital position remained solid with a Common Equity Tier 1 ratio of 13.6%, up from 13.4% a year ago. The net interest margin was 1.53% compared to 1.42% a year ago. In the first half of the fiscal year, revenue climbed 15% YOY to C\$16.4 billion. PCL was C\$1.2 billion, essentially flat YOY. The loan loss ratio was 0.36%, up from 0.32% a year ago. And net income came in C\$5.6 billion (up 33%) with diluted EPS up 36% YOY to C\$5.74. Adjusted net income came in 23% higher at C\$5.2 billion. Ultimately, adjusted EPS climbed 25% to C\$5.30. The adjusted return on equity was 16.9%, up from 14.6% a year ago. The bank's capital position remained solid with a Common Equity Tier 1 ratio of 13.6%, up from 13.4% a year ago. The net interest margin was 1.51% compared to 1.39% a year ago. Based on the latest results, we update our fiscal 2026 EPS estimate to US\$7.12.

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	\$7.12	10.71
DPS	\$3.58	\$3.88	\$4.13	\$4.21	\$4.32	\$4.64	\$2.52	\$2.55	\$2.67	\$2.76	\$3.09	\$4.65
Shares¹	397	439	453	446	447	451	906	931	942	941	920	966

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 Q1 2026 deposits and loans & acceptances, both rose ~4.3% YOY. We project

¹ Share count is in millions.

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an EPS and DPS growth rate of 8.5% through 2031. After leading the bank for over 10 years, CEO Victor G. Dodig retired in October 2025, and Harry Culham, the head of the bank's capital markets took over the CEO role in November 2025.

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	15.3	12.0
Avg. Yld.	4.5%	4.1%	5.5%	5.1%	6.0%	4.0%	4.8%	6.0%	5.5%	4.0%	2.8%	3.6%

CIBC used to trade at a lower valuation than its peers but that seems to be changing as it posts higher growth. 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 12 is reasonable with a target yield of close to 4%. The bank stock appears to be 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

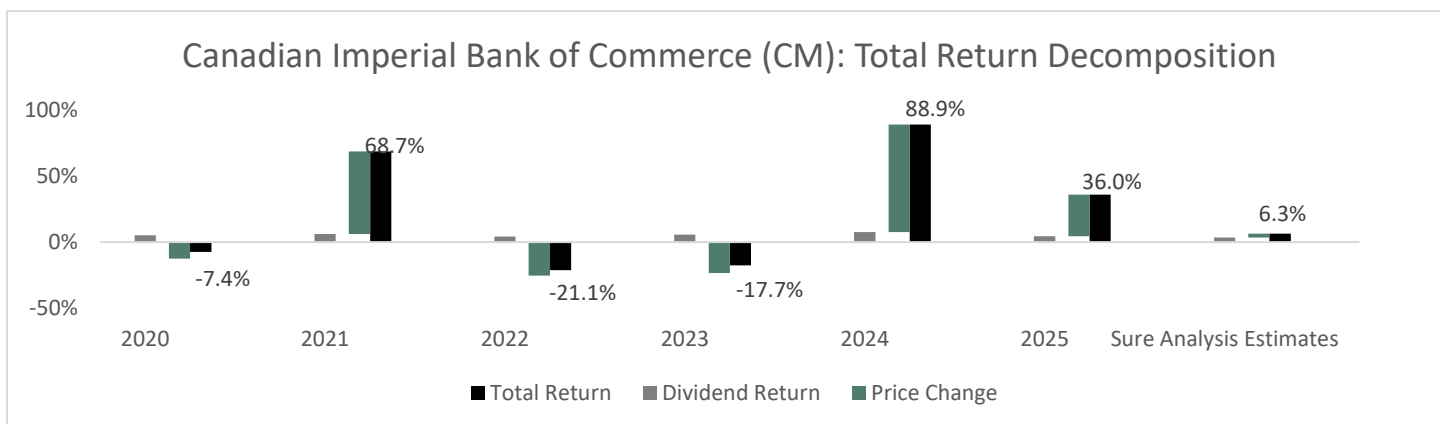
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	47%	45%	45%	47%	57%	41%	48%	51%	51%	45%	43%	43%

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. Like the rest of the Big Six Canadian banks, one of the biggest concerns is the valuation of the bank stocks. CM trades at a 20-year high valuation. Inevitably, during economic downturns, the bank stock valuations should contract and normalize.

Final Thoughts & Recommendation

We forecast 6.3% in total returns annually over the next five years, consisting of a yield of 2.8%, 8.5% earnings-per-share growth, and a 4.8% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	10,890	12,137	13,755	13,895	13,882	15,865	16,917	17,270	18,760	20,742
SG&A Exp.	3,859	4,190	4,657	4,578	4,605	5,315	5,818	5,820	6,323	6,909
D&A Exp.	348	414	511	631	975	808	813	847	860	842
Net Profit	3,224	3,593	4,094	3,834	2,819	5,110	4,831	3,706	5,228	6,026
Net Margin	29.6%	29.6%	29.8%	27.6%	20.3%	32.2%	28.6%	21.4%	27.9%	29.1%
Free Cash Flow	7,573	1,879	7,471	13,816	44,621	-3,315	16,782	8,255	7,347	9,100
Income Tax	541	888	1,105	1,014	817	1,491	1,344	1,433	1,478	1,777

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets (B)	374	441	455	495	578	676	693	706	749	798
Cash & Equivalents	11,316	12,203	15,768	17,339	53,797	55,895	53,881	45,680	40,280	39,854
Accounts Receivable	982	1,140	1,646	1,650	1,378	1,719	2,412	3,148	3,919	4,194
Goodwill & Int.	2,198	5,725	5,723	5,634	5,415	5,635	5,834	5,905	5,948	5,983
Total Liabilities (B)	356	416	428	466	547	639	656	667	707	752
Accounts Payable	3,087	3,856	5,539	6,410	6,497	7,140	8,255	9,574	10,160	6,085
Long-Term Debt (B)	99	109	112	111	109	132	138	141	150	161
Shareholder's Equity	16,751	22,790	24,919	27,014	28,207	33,344	33,255	34,710	38,670	45,846
D/E Ratio	5.66	4.49	4.22	3.81	3.52	3.60	3.74	3.68	3.55	3.51

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.9%	0.9%	0.9%	0.8%	0.5%	0.8%	0.7%	0.5%	0.7%	0.8%
Return on Equity	20.0%	18.2%	17.2%	14.8%	10.2%	16.6%	14.5%	9.8%	12.9%	13.6%
ROIC	2.8%	2.9%	3.0%	2.7%	2.0%	3.3%	2.8%	2.1%	2.8%	
Shares Out.	792	827	889	891	892	900	906	916	942	941
Revenue/Share	13.75	14.67	15.47	15.60	15.56	17.62	18.68	18.84	19.92	22.04
FCF/Share	9.56	2.27	8.40	15.51	50.02	-3.68	18.53	9.01	7.80	9.67

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

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