



## Measuring Canadian Bank Stocks' Performance

**eResearch Corporation** is pleased to provide an analysis on how Canadian bank stocks have performed over the past five years.

One hypothesis is that the laggard of the Big 5 Canadian bank stocks in any year will become next year's stock price winner. We tested this theory, with mixed results.

Here are our findings:

CANADIAN BANK	Symbol	Stock	2013	Best	Stock	2014	Best	Stock	2015	Best	Stock	2016	Best	Stock	2017	Best
		Price	Annual	Gain	Price	Annual	Gain	Price	Annual	Gain	Price	Annual	Gain	Price	Annual	Gain
		12/31/2013	Change	Rank	12/31/2014	Change	Rank	12/31/2015	Change	Rank	12/30/2016	Change	Rank	2931/2017	Change	Rank
Bank of Montreal	BMO	\$70.81	16.3%	3	\$82.18	16.1%	1	\$78.08	-5.0%	2	\$96.57	23.7%	2	\$100.59	4.2%	5
Bank of Nova Scotia	BNS	\$66.43	15.6%	4	\$66.31	-0.2%	5	\$55.97	-15.6%	5	\$74.76	33.6%	1	\$81.12	8.5%	4
C.I.B.C.	CM	\$90.72	13.4%	5	\$99.84	10.1%	4	\$91.19	-8.7%	4	\$109.56	20.1%	5	\$122.54	11.8%	2
Royal Bank of Canada	RY	\$71.41	19.3%	2	\$80.24	12.4%	2	\$74.15	-7.6%	3	\$90.87	22.5%	3	\$102.65	13.0%	1
Toronto-Dominion Bank	TD	\$50.06	19.5%	1	\$55.51	10.9%	3	\$54.24	-2.3%	1	\$66.22	22.1%	4	\$73.65	11.2%	3

### 2013

The worst performing stock in 2013 was C.I.B.C. Note that the stock prices of all of the banks put in a stellar year.

### 2014

C.I.B.C. was not the best performer in 2014. In fact, it was 4<sup>th</sup>. Bank of Montreal was the best. The worst was Bank of Nova Scotia, which actually returned a negative 0.2%.

### 2015

So, did the Bank of Nova Scotia perform best in 2015? Nope. In fact, it came 5<sup>th</sup> again, and being the only stock to provide negative double digits. The best was the Toronto-Dominion Bank. Note that 2015 was a bad year for all of the bank stocks: all negative returns.

### 2016

After the disastrous 2015 performance, there was a big rebound in bank stock prices in 2016. Bank of Nova Scotia proved the hypothesis right in 2016, the only year in our analysis to do so. C.I.B.C. performed the worst of the group.

### 2017

C.I.B.C. did not attain the coveted "best performer of the year" in 2017, but it did get a solid 2<sup>nd</sup> place. Royal Bank of Canada was the 2017 winner. Bank of Montreal was the loser this year.

### 2018

If the hypothesis is to be believed (the last five-year track record was not good!), then Bank of Montreal is earmarked to be the best performer in 2018.

<continued>



The following table shows each stock's price range in 2017 and its current dividend and yield:

<u>CANADIAN BANK</u>		<u>Stock Price</u>	<u>2017</u>	<u>2017</u>	<u>Annual</u>	<u>Current</u>
<u>Symbol</u>	<u>12/29/2017</u>	<u>High</u>	<u>Low</u>	<u>Dividend</u>	<u>Yield</u>	
Bank of Montreal	BMO	\$100.59	\$104.15	\$88.63	\$3.72	3.70%
Bank of Nova Scotia	BNS	\$81.12	\$85.50	\$73.31	\$3.16	3.90%
C.I.B.C.	CM	\$122.54	\$123.87	\$103.84	\$5.20	4.24%
Royal Bank of Canada	RY	\$102.65	\$103.34	\$90.13	\$3.64	3.55%
Toronto-Dominion Bank	TD	\$73.65	\$75.09	\$61.50	\$2.40	3.26%

### CONCLUSION

Bank of Montreal was the worst-performing Canadian Big 5 bank stock in 2017. It could very well be 2018's best performer. Bank of Nova Scotia was the second worst performer, so it, too, could be worthy of consideration. Both of these stocks also sport good yields, exceeded only by C.I.B.C.

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**Note:** All of the comments, views, opinions, suggestions, recommendations, etc., contained in this report are strictly those of eResearch Corporation.

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