



If You're a Dividend Investor, You'll Love Canadian Bank Stocks

Description

Canadian banks are cash flow behemoths that dispense nice dividends to investors on a regular basis. As an income investor, why would you not invest in one or more of Canada's fundamentally sound and efficiently managed big banks? Here are the top five Canadian banks according to dividend yield.

1. National Bank of Canada

National Bank of Canada's ([TSX: NA](#)) adjusted net income, diluted earnings per share, and total revenues have increased for 11 consecutive years. As at year-end 2013, the bank's personal and commercial segment had compound annual growth in earnings of 6% over the past three years.

In May, National Bank raised its quarterly dividend by 4% to \$0.48 per common share from \$0.46. National Bank has a dividend yield of 4.12%. Its five-year average dividend yield is 7.2%. National Bank's dividend rate is \$1.92.

2. Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce ([TSX: CM](#))([NYSE: CM](#)) had revenue of \$12.8 billion in 2013 versus \$12.5 billion the year prior. For Q2 2014, its wealth management segment reported net income of \$117 million for Q2, up \$26 million, or 29%, from Q2 2013.

In May, the bank announced a quarterly dividend increase of \$0.02 per common share to \$1.00 per share. The bank's dividend yield is 4.1%. Its five-year average dividend yield is 4.7% and its dividend rate is \$4.00. Its five-year total shareholder return is 109.3%.

3. Bank of Montreal

In 2013, **Bank of Montreal** ([TSX: BMO](#))([NYSE: BMO](#)) attained record revenue, net income, and EPS. Recently, the bank announced that it completed the acquisition of F&C Asset Management PLC via its wholly owned subsidiary, BMO Global Asset Management (Europe) Limited. This acquisition provides BMO Global Asset Management with opportunities to service wealth markets in the United Kingdom and the rest of Europe.

Bank of Montreal recently declared a quarterly dividend of \$0.78 per common share for Q3 2014. This represents a \$0.02 increase from the prior quarter. Bank of Montreal's dividend yield is 3.9% and its five-year average dividend yield is 4.5%. The bank's dividend rate is \$3.12.

4. Royal Bank of Canada

For 2013, **Royal Bank of Canada** ([TSX: RY](#))([NYSE: RY](#)) had net income of \$8.4 billion versus \$7.5 billion in 2012. For Q2 2014, the bank's net income was \$2.2 billion. This was up 15% from \$1.9 billion in Q2 2013. As measured by assets and market capitalization, Royal Bank is Canada's largest bank. Based on market capitalization, it is one of the largest banks globally.

Royal Bank's dividend yield is 3.6%. Its five-year average dividend yield is 3.8%. Its dividend rate is \$2.84.

5. Bank of Nova Scotia

Bank of Nova Scotia's ([TSX: BNS](#))([NYSE: BNS](#)) net income was \$6.7 billion in 2013 versus \$6.47 billion in 2012 and \$5.33 billion in 2011. For Q2 2014, the bank reported net income of \$1.8 billion versus net income of \$1.58 billion in Q2 2013. This represents net income growth of 14% for the second quarter. Bank of Nova Scotia serves more than 21 million customers.

In May, the bank announced a quarterly dividend of \$0.64 per share. The bank's dividend yield is 3.53%. Its five-year average dividend yield is 3.8% and its dividend rate is \$2.56.

Dividends abound with Canadian banks. These banks have a track record of regular dividends with consistent dividend increases. If steady income is your goal as a risk-averse, conservative investor, there's no reason not to own Canadian bank stocks.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:NA (National Bank of Canada)
6. TSX:RY (Royal Bank of Canada)

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