



These Big Banks Just Increased Their Dividends

Description

One of the most well-known facts about investing is that dividend-paying stocks far outperform their non-dividend-paying counterparts over the long term, and the top returners are those that increase their rates as often as possible. With these facts in mind, let's take a look at three big banks that recently increased their dividends, so you can decide if you should buy one of them today.

1. Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is the fourth-largest bank in Canada and the eighth-largest bank in North America with approximately \$641.9 billion in total assets.

In its fourth-quarter earnings report released on December 1, it announced a 2.4% increase to its quarterly dividend to \$0.84 per share, or \$3.36 per share annually, and this gives its stock a 4.25% yield at today's levels.

Investors should also note that Bank of Montreal has raised its annual dividend payment for three consecutive years, and this increase puts it on pace for 2016 to mark the fourth consecutive year with an increase.

2. National Bank of Canada

National Bank of Canada ([TSX:NA](#)) is the sixth-largest bank in Canada with approximately \$216.1 billion in total assets.

In its fourth-quarter earnings report released on December 2, it announced a 3.8% increase to its quarterly dividend to \$0.54 per share, or \$2.16 per share annually, and this gives its stock a 5% yield at today's levels.

It is also very important for investors to note that National Bank of Canada has raised its annual dividend payment for five consecutive years, and this increase puts it on pace for 2016 to mark the sixth consecutive year with an increase.

3. Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is the fifth-largest bank in Canada with approximately \$463.3 billion in total assets.

In its fourth-quarter earnings report released on December 3, it announced a 2.7% increase to its quarterly dividend to \$1.15 per share, or \$4.60 per share annually, and this gives its stock a 4.7% yield at today's levels.

Investors should also make two very important notes. First, this was the fifth consecutive quarter in which CIBC has increased its dividend. Second, the company has raised its annual dividend payment for five consecutive years, and this increase puts it on pace for 2016 to mark the sixth consecutive year with an increase.

Which of these big banks belong in your portfolio?

Bank of Montreal, National Bank of Canada, and Canadian Imperial Bank of Commerce represent three of the top dividend plays in the banking industry. All Foolish investors should strongly consider initiating positions in one of them today.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:NA (National Bank of Canada)

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