

3 Top Financial Picks That Aren't Banks

Description

Bank stocks tend to be the first place investors go when looking to add financial names to their portfolios.

That decision has always been a solid one, but the Canadian banks are heading into a difficult period, and this means investors might want to consider some other options in the sector.

Here are the reasons why I think **Power Financial Corp.** (TSX:PWF), **Intact Financial Corporation** ([TSX:IFC](#)), and **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) are worth a look.

Power Financial

Power Financial is a diversified management and holding company with assets located in Canada, the United States, Europe, and Asia.

The stock offers investors a great way to own some of Canada's best life insurance and wealth management names, such as **Great-West Life** and **Investors Group**, and provides an opportunity to invest indirectly in some of Europe's top companies.

Power Financial delivered Q3 2015 net earnings of \$602 million or \$0.84 per share, pretty much in line with the same period in 2014.

The stock pays a quarterly dividend of \$0.3725 per share that yields about 4.9%.

If you want a dividend that is on par with the banks but don't want the risks tied to the housing market, Power Financial is a solid pick.

Intact

Intact is the largest provider of property and casualty insurance in Canada. The business offers insurance products through a strong broker network as well as directly to consumers through its belairdirect brand.

The company has grown substantially through acquisitions and is one of Canada's top names in the financial space.

Net operating income in Q3 2015 came in at \$199 million, up 8% from the same period in 2014. The gains were mainly driven by higher underwriting and distribution income.

Intact pays a quarterly dividend of \$0.53 per share that yields about 2.5%.

Sun Life

Sun Life had a tough run during the Great Recession, but the company has recovered well, and I think investors should consider adding the name to their buy list.

Management sold off the U.S. annuities business that caused so much grief during the financial crisis and is now investing in asset-management opportunities in the United States. This segment provides steady income with less risk and is a great complement to the existing insurance and wealth management divisions.

Sun Life is also expanding its investments in Asia, with a strong focus on India. The company recently announced plans to boost its ownership of Birla Sun Life from 26% to 49%. The Indian market is expected to see strong growth in the coming years, and Birla Sun Life has grown to be one of the top independent insurance names in the country.

Sun Life reported strong Q3 2015 results. Operating net income came in at \$478 million, or \$0.78 per share, up from \$467 million, or \$0.76 per share, in the same period in 2014.

The stock pays a quarterly dividend of \$0.39 per share that yields about 4.1%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:IFC (Intact Financial Corporation)
2. TSX:SLF (Sun Life Financial Inc.)

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