



3 Cheap Financial Stocks With High Yields to Buy Now

Description

As long-term investors, we know that sell-offs in the market, though tough to endure, are nothing more than opportunities to buy great companies at discounted levels. With this being said, let's take a look at three beaten-down financial stocks that are trading at very inexpensive valuations and have high yields, so you can determine if you should buy one of them today.

1. Sun Life Financial Inc.

Sun Life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#)) is the third-largest insurance company in Canada with more than \$846 billion in assets under management. Its stock has fallen over 8% in the last year, including a decline of more than 12% year-to-date.

At today's levels, Sun Life's stock trades at just 10.7 times fiscal 2015's estimated earnings per share of \$3.55 and only 10 times fiscal 2016's estimated earnings per share of \$3.80, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 17.2 and its industry average multiple of 16.6.

In addition, the company pays a quarterly dividend of \$0.39 per share, or \$1.56 per share annually, which gives its stock a yield of about 4.1%. Investors must also note that it increased its dividend twice in 2015, which puts its streak of annual increases at one year, and it is currently on pace for 2016 to mark the second consecutive year with an increase.

2. Home Capital Group Inc.

Home Capital Group Inc. ([TSX:HCG](#)) is one of Canada's leading alternative financial institutions with over \$20 billion in total assets. Its stock has fallen over 42% in the last year, including a decline of about 4% year-to-date.

At today's levels, Home Capital Group's stock trades at just 6.2 times fiscal 2015's estimated earnings per share of \$4.14 and only six times fiscal 2016's estimated earnings per share of \$4.34, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 9.8 and its industry average multiple of 13.8.

In addition, the company pays a quarterly dividend of \$0.22 per share, or \$0.88 per share annually, which gives its stock a yield of about 3.4%. It is also important to note that it has raised its annual dividend payment for 16 consecutive years.

3. Power Financial Corp.

Power Financial Corp. (TSX:PWF) is a diversified management and holding company with interests, directly or indirectly, in companies in the financial services industries around the world. Its stock has fallen over 16% in the last year, including a decline of more than 5% year-to-date.

At today's levels, Power Financial's stock trades at just 9.5 times fiscal 2015's estimated earnings per share of \$3.16 and only 9.1 times fiscal 2016's estimated earnings per share of \$3.32, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 12.1 and its industry average multiple of 18.6.

In addition, the company pays a quarterly dividend of \$0.3725 per share, or \$1.49 per share annually, which gives its stock a yield of about 4.9%. Investors must also note that it raised its annual dividend payment by 6.4% in 2015, which puts its streak of annual increases at one year.

Which of these financial stocks peaks your interest the most?

Sun Life Financial, Home Capital Group, and Power Financial are three very attractive long-term investment options in the financial industry. Foolish investors should take a closer look and consider establishing positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HCG (Home Capital Group)
2. TSX:SLF (Sun Life Financial Inc.)

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