



3 Stocks With Better Dividends than Toronto-Dominion Bank (TSX:TD)

Description

Canada's financial sector has long been heralded for its [strength and resiliency](#) in times of market turbulence.

But as we know, sometimes we can have too much of a good thing.

Instead of overpaying for safety, investors may want to consider these three smaller [Canadian financial institutions](#), each offering significantly better dividend yields than **Toronto-Dominion Bank's** ([TSX:TD](#))([NYSE:TD](#)) current 3.97% payout.

Laurentian Bank of Canada ([TSX:LB](#)) shares are yielding the company's shareholders 6.44% annually as of this writing, and with the stock not only trading at below its book value, but also at a 8.86 times price-to-earnings multiple, this is an opportunity that one would think would have value investors salivating.

Laurentian has been steadily but consistently working in recent years to expand the company's geographical footprint beyond its traditional base within the Quebec and Atlantic regions.

Since 2015, Laurentian has managed to expand its presence in each of the Ontario, British Columbia and Western markets while also successfully building out its commercial loan book.

The bank has been dealing with a labour dispute recently with some of its unionized staff, putting some downward pressure on the company's share price.

A resolution to the ongoing labour dispute could provide a welcome catalyst for the LB shares.

Great-West Lifeco Inc ([TSX:GWO](#)) is coming off a strong showing in 2018 that has helped to lift the company's share price more than 15% since late December.

This year, Great-West Life is going to be exiting its U.S. life and annuity business, which is expected to free up \$1.6 billion in cash.

The company says that some of that capital may be directed towards acquisitions to help drive long-term growth, a strategy that should help to fuel continued dividend increases.

In the fourth quarter, Great-West Life announced a 6% increase to its quarterly dividend, which is now yielding 5.37%.

Gluskin Sheff + Associates Inc (TSX:GS) is the highest yielding stock on this list and one of the highest yielding non-REIT stocks, currently trading on the TSX index.

Shares in the leading asset management firm are currently yielding shareholders 9.15% annually.

Gluskin Sheff's stock price spiked 7.04% last month on a positive fourth quarter earnings surprise that saw expenses come in lower than what many analysts had anticipated.

Investors now are in the enviable position of having the option of buying the shares following the breakout while collecting the dividend, or waiting (or adding) on any short-term pullback in the stock.

Foolish bottom line

Investors may want to follow the tried-and-tested "buy on the dip" strategy, favouring the aforementioned stocks and their more attractive dividend yields, rather than chasing after shares in TD Bank, which are up 11% already so far in 2019.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:GWO (Great-West Lifeco Inc.)
2. TSX:LB (Laurentian Bank of Canada)

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