



## 3 Stocks From Canada's Financial Sector With Even Better Dividends than Canadian Imperial Bank of Commerce (TSX:CM)

### Description

Ask around and nearly everyone will tell you that **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is offering the best dividend to investors among Canada's Big Five commercial banks.

Mind you, it's not even so much that CIBC stock is even offering investors the best long-term risk-reward potential so much as it's CIBC's dividend yield, which currently sits atop its peer group.

Not to mention that the company's board of directors has done an exemplary job of allocating capital and raising the dividend payout over the past decade.

But at the same time, it's also worthwhile to be on the lookout for other options.

And although most will agree that there's a lot of comfort to be had in buying stock of Canada's largest financial institutions, sometimes it can also make sense to diversify into smaller and sometimes unrelated markets.

In this post we'll look at three companies from Canada's financial sector that can easily make the claim of having their own dividends, which are at least as good, if not even better than larger rival CIBC.

I've written several posts for the Motley Fool in recent weeks espousing the virtues of investing in Canada's investment management sector right now.

It was only a couple of weeks ago that **Gluskin Sheff + Associates Inc** was [bought out](#) by private equity firm for \$445 million, a nearly 30% premium over where the shares had traded prior to the deal.

And I wouldn't be at all surprised if there was more M&A activity about to come down the pike.

In this respect, **AGF Management Limited** ([TSX:AGF.B](#)) would in my view make for a prime takeover candidate.

At a market capitalization of just \$432 million, AGF could easily be gobbled up by a larger competitor

without the purchase doing much to move the needle of a prospective acquirer.

AGF was founded way back in 1957, but given the current market environment and the eagerness on the part of financial institutions to acquire recurring fee revenue streams, it would seem that now could be an opportune time for AGF's board of directors to be considering an exit strategy.

AGF shares were yielding 5.78% as of Wednesday's close.

Quebec-based **Laurentian Bank of Canada** ([TSX:LB](#)) has been dealing with an ongoing and problematic labour dispute amongst a portion of its unionized workforce that dates back to 2016.

Uncertainty around how or if the issue could be resolved has kept sentiment around the shares muted over the past year and a half, but the good news is that shareholders can finally breathe a sigh of relief and move on.

Laurentian recently released a press release stating that the two sides have agreed to come together on a deal that it hopes will ensure the bank's future is a successful one.

The bank is coming off a disappointing first quarter earnings result, but the LB shares yielding more than 6% annually are representing solid long-term value at current levels.

**Power Financial Corp** ([TSX:PWF](#)) is a diversified financial management and holding company whose portfolio of assets includes the likes of **Great-West Lifeco Inc** ([TSX:GWO](#)) and **IGM Financial Inc.** ([TSX:IGM](#)), among others.

Investors are free to buy either of the GWO or IGM shares outright should they choose to do so.

Both companies are independently listed on the [Toronto Stock Exchange](#), yielding 4.81% and 6.16%, respectively.

However, for investors in search of a more diversified play that encompasses the entire spectrum of the Power Financial portfolio, the PWF shares will pay them 5.56% annually.

## CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:AGF.B (AGF Management Limited)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:GWO (Great-West Lifeco Inc.)
5. TSX:IGM (IGM Financial Inc.)
6. TSX:LB (Laurentian Bank of Canada)

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jphillips

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