Stop Speculating! 3 Dividend Banking Stocks for $9,000 in Passive Income

Description

Hello, Fools. I'm back again to highlight three top dividend growth stocks. As a quick refresher, I do this because businesses with consistently increasing dividend payouts can guard against the negative effects of inflation by providing a growing income stream and tend to outperform the market averages over the long haul.

The three stocks below offer an average dividend yield of 4.5%. If you spread them out evenly in an average $200k RRSP account, the group will provide you with a growing $9,000 annual income stream. Best of all, it's completely passive.

This week, we'll take a look at three dividend banking plays that recently reported earnings.

Let's get to it.

Supernova

Leading off our list is **Bank of Nova Scoti**a (TSX:BNS)(NYSE:BNS), which has grown its dividend by 35% over the past five years.

Scotiabank is widely regarded as a safe haven for Canadian investment dollars, and recent results suggest as much. In Q2, revenue increased 10.5% and adjusted income grew 3% as the company's personal and commercial banking businesses improved 8% year over year.

Moreover, Scotia's global banking and markets segments rebounded sharply.

"We have made good progress toward strengthening our businesses and offering a superior customer experience," said President and CEO Brian Porter. "Looking ahead, we remain focused on delivering against our differentiated strategy and achieving consistent long-term growth."

Scotia shares are up slightly in 2019 and currently offer a yield of 3.8%.

Montreal marvel

Next up we have **Bank of Montreal** (TSX:BMO)(NYSE:BMO), which has delivered solid dividend growth of 29% over the past five years.

BMO's Q2 earnings per share of $2.30 missed analyst expectations by $0.03, but there were plenty of reasons to remain bullish. During the quarter, revenue increased 7.6%, Canadian personal and commercial banking adjusted income improved 5%, and U.S. personal and commercial banking spiked 16%.

On that strength, BMO boosted the quarterly dividend 3% to $1.03 per share.

"BMO's continued strong performance this quarter is highlighted by good momentum across our U.S. platform and in our North American Commercial Banking business, reflecting our differentiated approach to growing customer relationships," said CEO Darryl White.

BMO shares are up 11% in 2019 and currently sport a yield of 4.0%.

Bankable bounce

Rounding out our list is **Laurentian Bank** (TSX:LB), which has grown its dividend by 26.5% over the past five years.

Slumping earnings weighed heavily on the stock in 2018, but recent results suggest that management's turnaround initiatives are taking hold. While Q1 profit and revenue continued to decline, Laurentian showed strong business loan and capital markets growth.

In fact, the company felt confident enough to raise its already fat dividend 1.5% to $0.66 per share.

"Laurentian Bank Financial Group is moving forward," said President and CEO Francois Desjardins. "It continues to have solid capital and liquidity levels as well as industry low loan loss provisions."

Laurentian shares are up 16% so far in 2019 and currently offer a juicy yield of 5.8%.

The bottom line

There you have it, Fools: three attractive dividend growth stocks worth checking out.

As always, they aren't formal recommendations. They're simply a starting point for more research. The snapping of a dividend growth streak can be especially painful, so plenty of due diligence is still required.

Fool on.

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TICKERS GLOBAL

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2. NYSE:BNS (The Bank of Nova Scotia)
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Date
2025/07/22
Date Created
2019/06/10
Author
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