Passive Income for Life: 3 Big Banking Stocks to Buy and Hold Forever

Description

Hi there, Fools. I'm back to call your attention to three large cap stocks for your watch-list — or, as I like to call them, my top "forever assets." As a refresher, I do this because companies with a market cap of more than $10 billion help keep your portfolio stable during periods of high volatility; and provide steady and healthy dividends year after year.

This week, we'll take a look at three big banking plays that have reported earnings recently. There could be a solid dividend income opportunity at hand.

Let's get to it.

Royal treatment

Kicking things off is financial services goliath **Royal Bank of Canada** (TSX:RY)(NYSE:RY), which currently boasts a market cap of nearly $150 billion.

RBC has experienced a growth slowdown in recent quarters, but it's still expanding nicely for company of its size. In Q2 last month, net income improved 6% on revenue growth of 14.4%. Moreover, return on equity clocked in at a solid 17.5% while its CET1 ratio — a key leverage statistic — stood at 11.8%.

"Our consistent earnings growth is a testament to the strength of our diversified business model and our strategy to transform the bank to create more value for clients," said President and CEO Dave McKay.

RBC shares are up 10.5% in 2019 and offer a solid yield of 3.8%.

Buyback bonanza

With a market cap of $138 billion, banking giant **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is next up on our list of forever assets.

TD continues to see strong growth both domestically and south of the border. In Q2, Canadian retail adjusted revenue rose 8% on strong volumes and higher margins. Meanwhile, U.S. retail adjusted profits jumped 20% to $1.26 billion.

Based on that strength, management announced plans to buy back up to 20 million common shares.

“We made strong progress in the quarter, adding new capabilities, strengthening our business, and advancing our strategic priorities as we continue to build the bank of the future,” said President and CEO Bharat Masrani.

TD shares are up 11% in 2019 and offer a healthy yield of 3.7%.

Sliding Scotia

Rounding out our list is behemoth **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS), which currently sports a market cap of $85 billion.

Unlike rolling RBC and TD, Scotia has been sliding of late due to rising costs. In fact, the stock continues to trade near its 52-week lows. That said, there are plenty of reasons to remain bullish.

In Q1, earnings from Scotia’s personal and commercial banking businesses increased 8%. Moreover, the company’s international banking division delivered double-digit profit growth.

“Our sharper geographic focus, improved business mix and progress in digital banking position the Bank well for the future,” said President and CEO Brian Porter.

Scotia shares are up just 3% so far in 2019 and offer a rather juicy yield of 4.8%.

The bottom line

There you have it, Fools: three forever banking assets worth considering.

As always, they aren’t formal recommendations. Instead, see them as a starting point for further research. Even the largest companies can suffer setbacks, so plenty of your own due diligence is still required.

Fool on.

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2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:RY (Royal Bank of Canada)
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