3 Financial Stocks to Secure a Growing $10K Income Stream

Description

Hello there, Fools. I'm back to highlight three top dividend-growth stocks. As a quick reminder, I do this because businesses with consistently increasing dividend payouts

- can guard against the harmful effects of inflation by providing a rising income stream; and
- tend to outperform the market averages over the long haul.

The three stocks below offer an average dividend yield of 4%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $10,000 annual income stream. And it's all completely passive.

This week, we'll take a look at dividend stocks coming from the particularly attractive financial services space.

Bank on it

Leading off our list is financial services giant **Bank of Montreal** (TSX:BMO)(NYSE:BMO), which has delivered steady dividend growth of 30% over the past five years.

BMO's scale, comfy regulatory environment, and diversified nature continue to support steady payout increases. In the most recent quarter, adjusted EPS clocked in at $2.38 as revenue improved 5%. BMO's Canadian and U.S. personal and commercial banking businesses combined delivered 9% growth in pre-provision pre-tax profit.

Our capital position remains strong at 11.4% and we are taking actions to continue to position our businesses for growth and sustainable long-term performance," said CEO Darryl White.

BMO shares are down 8% over the past three months and currently offer a healthy dividend yield of 4.4%.

Keep it intact

With steady dividend growth of 55% over the past five years, property and casualty (P&C) insurance company **Intact Financial** (TSX:IFC) is next up on our list.

As Canada's largest P&C insurance company, Intact's scale advantages (close to $10 billion in annual premiums written), multi-channel distribution, and in-house claims expertise should continue to underpin its rising dividend. In Q2, EPS came in at $1.44 as revenue improved 8% to $3.2 billion.

Intact ended the quarter with $1.3 billion of total capital margin.

"Hard market conditions continue across the business allowing us to capture growth opportunities," said CEO Charles Brindamour.

Intact is up 31% so far in 2019 and currently offers a decent dividend yield of 2.3%.

Imperial choice

Rounding out our list is banking behemoth **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM), which has increased its dividend 40% over the past five years.

CIBC's long history of earnings and payout growth coupled with the recent sluggishness of its shares make it a particularly timely play. In the most recent quarter, adjusted earnings improved 4% as revenue grew to $4.7 billion.

"In the third quarter, we delivered solid results through the continued execution of our client-focused strategy," said CEO Victor Dodig. "Our diversified growth on both sides of the border is a result of a highly connected, purpose-led team working together to meet the needs of our clients."

CIBC shares remain down about 8% over the past six months and currently offer a healthy dividend yield of 5.4%.

The bottom line

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

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

Fool on.

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:IFC (Intact Financial Corporation)

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