



RBC (TSX:RY) Returns Over the Last 7 Years Will Make Your Jaw Drop

Description

The hallmarks of a good dividend stock are consistency and longevity. But **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) or RBC has two more characteristics, which makes it the first choice of income investors. The bank stock offers investment protection and capital preservation.

With the [eerie parallels](#) to the last market crash emerging, your safest anchor today is RBC. The largest Canadian bank is a symbol of financial strength, stability, and growth.

You'll be practically worry-free during the investment period while simultaneously receiving jaw-dropping returns the whole time.

High returns

The total return from a \$10,000 investment in RBC seven years ago is 142.25%, which translates to about an average annual total return of 13.47%.

Likewise, seven years ago, the bank stock was trading at \$57.02. As of this writing, the price is \$105.18 or a capital appreciation of 84.5%.

With a more extended investment period of say 20 years, the total return of your \$10,000 seed capital would be 1,318.40% or a 14.17% average annual total return.

Your overall return on RBC might not be the highest in the market. However, your investment won't lose quality in the face of a recession or economic downturn.

Currently, the stock pays almost 4% with the bank maintaining a payout ratio of 45%, indicating RBC's ability to cover and sustain dividend payments. For the record, this \$150.8 billion banking giant has been paying dividends since 1870.

The launching of RBC's "Insights-as-a-Service Platform" intends to help its large retail sector clients as well as other business banking clients to identify opportunities to grow their business and optimize their

operations. The pioneering program would attract more clients to the bank.

No clear and present danger to profitability

The inverted yield curve that's flashing recession signals does not frighten RBC investors. For one, your money is in the largest company on the TSX by market capitalization. The bank has gone experienced the severest recessions and financial crisis.

The more than 100-year history of uninterrupted dividend payment is testament to the bank's [resiliency to endure cyclical markets](#) as well as geopolitical risks and trade war disputes.

Despite the headwinds and slowing global economy, however, RBC continues to post record profitability and deliver consistent dividend payments.

In the recent third quarter alone, profits have reached \$3.3 billion. Its international presence is growing, with more branches sprouting in several foreign markets.

The recent launching of RBC's "Insights-as-a-Service Platform" shows the bank's role as a growth driver of Canada's economy. The pioneering program intends to help its large retail sector clients as well as other business banking clients to identify opportunities to grow their business and optimize their operations.

Buy on the momentum

There's simply no way the threat of another recession would affect the bank's financial health and profitability. In the next five years, RBC expects average growth of 7.85%. With global economies facing uncertain times, there's no better place to park your money than in RBC.

RBC is going full steam ahead and showing strong momentum. The price is closing in on its 52-week high. It's a must that you add this bank stock to your portfolio in the last quarter of 2019.

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