



The 3 Best-Performing Canadian Bank Stocks of 2019

Description

Bank stocks are among the most the most reliable long-term investments on the **TSX**. Due to Canada's highly regulated financial services industry, they enjoy a level of stability that most foreign banks can't match. Canadian banks are known for conservative lending practices and sound financial management.

As a result, they don't grow as quickly as U.S. banks, but they're very safe, having endured not a single banking crisis in the past 150 years.

That said, Canadian banks are not all the same. Differing in terms of their international presence and domestic operations, they produce varying results.

This year, a few **TSX** bank stocks stood out as winners while others were clear losers. The following are the best three performing banks of the year.

The Toronto Dominion Bank ([TSX:TD](#))([NYSE:TD](#)): up 8.8%

TD Bank has been Canada's fastest-growing bank over the past few years. Thanks to its large and growing U.S. retail business, it has outclassed most of its peers on earnings growth.

More recently, that earnings growth trend has begun to slow. For the recently ended fiscal year, TD grew earnings at only 3%, whereas in past years it had been approaching double digit growth.

The earnings slowdown was largely due to challenges in the U.S., where **TD Ameritrade** came under fire from no-fee trading. Regardless, TD was still the third-best performing big bank of the year, posting a solid 8.8% return.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)): up 13.3%

The Bank of Montreal is one of Canada's oldest and most dependable banks. Having not missed a single dividend payment since 1829, it's been a paragon of stability.

BMO's operations fall into a few different categories, which can be arranged by geography.

In Canada, the bank offers the full range of typical financial services: retail, commercial, insurance and wealth management.

In the U.S., BMO has a retail bank, a commercial bank, and an investment advisory business.

Providing solid and stable returns to investors, BMO has risen 13.3% this year.

National Bank of Canada ([TSX:NA](#)): up 28%

National Bank of Canada is the smallest of the Big Six banks. With its operations concentrated mainly in Quebec, it's not quite as ubiquitous as the rest of its peers.

Nevertheless, it's a well-regarded financial institution, having ranked third in **Bloomberg's** 2011 "Most Respected Financial Institutions" list.

In its most recent quarter, National Bank [grew its earnings by 7%](#), making it the strongest grower among the Big Six for that period. The bank also hiked its dividend by a modest but significant 4%. The quarter was very well received, as the bank bucked the trend of Canadian banks under-performing in late 2019.

As a result of National Bank's comparatively strong performance, its stock has risen 28% this year. That's by far the [best performance among the Big Six banks](#), which mostly under-performed.

NA shares also pay a dividend that yields about 4%, so shareholders got an income boost on top of their considerable gains.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BMO (Bank Of Montreal)
4. TSX:NA (National Bank of Canada)
5. TSX:TD (The Toronto-Dominion Bank)

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