



## Love Dividends? Snap Up These 3 Top Financial Stocks

### Description

Financial stocks have had a tough year so far. Lower interest rates and uncertain economic outlook have remained a drag on the majority of financial stocks listed on the **TSX**. Despite the challenges, a few of them look like very good investment opportunities for their strong and worry-free dividends.

Investors should note that these financial stocks are coming as a package offering capital appreciation (given the recent decline in their stock prices) as well as attractive dividends. So, let's focus on three top financial stocks in which the dividend money will keep rolling in for years.

I would recommend investors to use Tax-Free Savings Account (TFSA) for investing in these financial stocks to [create tax-free wealth](#).

### Toronto-Dominion Bank

With its quarterly dividends of \$0.79 and an annual yield of 5.1%, shares of **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) remains one of the top financial stocks to generate stellar dividend income. The bank has been continuously paying dividends for an incredible 164 years. Its dividends have increased at an annual rate of 10% in the last 10 years, higher than most of its peers.

Though investors shouldn't expect any dividend hike in the near term, its ability to generate strong net income and improving efficiency are likely to boost its future payouts.

Toronto-Dominion Bank is expected to benefit from consistent growth in loans and deposit volumes. Meanwhile, strength in its wealth and insurance business should further support growth. Toronto-Dominion Bank maintains a strong balance sheet and is well capitalized. Meanwhile, it is likely to bounce back strongly with economic recovery.

### goeasy

Next up are the shares of the subprime lender, **goeasy** ([TSX:GSY](#)). Its ability to consistently generate

profits and drive earnings at a strong double-digit rate has helped in boosting shareholders' returns through increased dividends.

Despite the disruption from COVID-19, goeasy's bottom line surged nearly 49% in the [most recent quarter](#), thanks to the year-over-year revenue growth, lower credit losses, and prudent cost containment. Investors should note that goeasy has reported positive net income in the last 76 consecutive quarters. Moreover, its net income has grown at a compound annual growth rate of over 30% in the last 20 years.

It has been paying dividends for the past 16 years. Moreover, it has consistently increased it in the last six years. goeasy's loan origination volume is expected to improve over the coming quarters. Meanwhile, an underserved market, solid credit and payment performances, geographical and digital expansion, and stable provisions for credit losses indicate that goeasy would continue to hike its dividends in future. Currently, goeasy offers a quarterly dividend of \$0.45 and offers an annual yield of over 2.7%.

## Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is another financial stock offering robust dividend and high yield that is safe. The bank pays a quarterly dividend of \$0.90, which translates into an attractive annual yield of 6.5%.

Investors should note that over 24% year-to-date decline in Bank of Nova Scotia stock has driven its yields higher. However, the bank continues to expand its balance sheet through steady growth in loans and deposits.

Further, it remains well capitalized and has exposure to the high-quality growth markets, which is encouraging. Meanwhile, provisions for credit losses are likely to go down sequentially, which should cushion its bottom line and payouts.

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:GSY (goeasy Ltd.)
5. TSX:TD (The Toronto-Dominion Bank)

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