



## The 2 Perfect Bank Stocks to Buy in December

### Description

Investors have a great deal on their plate. For example, how will COVID-19 continue to influence the stock market? Still, there are [great stocks](#) to buy right now on the **Toronto Stock Exchange**.

Canadian banks are strong and secure. These are great options for your retirement portfolio. Moreover, they've bounced back some from the March crash, but not completely.

Here are two great bank stocks to buy for your TFSA or RRSP before the year ends.

### A strong dividend stock

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) fell to \$67.52 during the March market sell-off from a 52-week high of \$115.72. As of Monday, investors are trading the stock for \$111.14 per share. The annual dividend yield of 5.25% is fantastic.

Victor G. Dodig, CIBC President & Chief Executive Officer, commented on the bank's solid performance during the third quarter on August 27:

"We delivered solid financial results in the third quarter as our team maintained a tireless focus on our clients, helping make their ambitions a reality during a period of disruption for many. The continued execution of our strategy and ongoing investments in our business, as well as disciplined expense management, have contributed to our resilience and positioned us well for the evolving macroeconomic environment. Our entire team is engaged and committed to supporting our clients and communities."

Banks have been concerned about increasing default rates during the pandemic as unemployment rose. Stimulus measures curbed those impacts for a while. The next few months will be crucial to understanding COVID-19's overall impact on bank stocks.

Especially after more cash benefits expire, the economy might feel some more temporary pain.

Nevertheless, Canadian banks are positioned well to succeed. If you don't already own [CIBC](#) in your TFSA or RRSP, this is a good stock to buy before the year ends.

## Committed to expense management

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) fell to \$55.76 during the March market sell-off from a 52-week high of \$104.75. At the time of writing, investors are trading the stock for \$96.77 per share. The annual dividend yield is less than CIBC but still a solid 4.38%.

On August 25, Darryl White, Chief Executive Officer of BMO Financial Group, had this to say about the bank's strategy during the COVID-19 pandemic:

"For the third quarter, we delivered very good results in a fluid environment, demonstrating the continued strength and resiliency of our diversified business model. We produced adjusted earnings per share of \$1.85, strong pre-provision pre-tax earnings of \$2.6 billion, up 12% year-over-year, and provided prudently for loan losses and demonstrated capital strength. We entered the COVID-19 pandemic with momentum and in a position of strength and we have served our communities with consistent, safe and uninterrupted access to banking services and personalized financial advice . . . This quarter, we continued to deliver on our commitment to expense management, a critical and appropriate lever in the current environment."

The Bank of Montreal is definitely one of the strongest banks in which to trust your finances. Revenue grew to \$7.189 billion in the third quarter from \$5.264 billion in the second quarter. If you don't already own Bank of Montreal in your retirement portfolio, now is a good time to buy.

### CATEGORY

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### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CM (Canadian Imperial Bank of Commerce)

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