



3 Top TSX Bank Stocks to Buy for 2021

Description

Canadian bank stocks are some of the safest in the world. During the COVID-19 pandemic, these institutions have proven themselves to be secure. Despite the challenges the banking industry faced this year, Canadian banks have quickly regained shareholder confidence.

Here are three top bank stocks on the **Toronto Stock Exchange** to [buy in 2021](#).

Royal Bank of Canada

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) has essentially rebounded from the March 2020 market sell-off. The stock had fallen to a 52-week low of \$72 in March and has been steadily regaining its market value since. At the time of writing, the stock is trading for \$104.52 per share just under the stock's 52-week high of \$109.42 at the end of February.

Dave McKay, RBC president and chief executive officer, had this to say about the bank's performance this year:

"In what has been an unparalleled year due to the global pandemic, RBC demonstrated the strength and resilience of our franchise. The combination of prudent risk management, a strong balance sheet and diversified business model, and our purpose-led approach to supporting employees, clients and communities, defined our success in a challenging operating environment."

Royal Bank of Canada offers resiliency and a 4.13% annual [dividend yield](#) at the current price. If you don't own this stock, now is a good time to add this lasting institution to your portfolio.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) stock is also just shy of reaching its pre-pandemic

market value of \$76.10. This bank stock fell to a 52-week low of \$49.01 in March 2020. During the last two months of the year, the stock made excellent progress toward rebounding and is now priced at \$71.98.

Bharat Masrani, Group president & CEO, commented on the bank's recent deal with **Charles Schwab**:

"TD delivered solid results in the fourth quarter, capping off a year that demonstrated the strength of our business model and balance sheet, and the resilience of our people throughout the unprecedented COVID-19 pandemic. We also became a major shareholder in The Charles Schwab Corporation, one of the most innovative and highly-regarded investment firms in the U.S., and recorded a significant gain this quarter."

Like Royal Bank of Canada, Toronto-Dominion Bank has distinguished itself as a safe and reliable dividend payer. The dividend yield for this stock is now 4.39% annually at the current share price.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is getting close to a full rebound in its stock price. The stock fell to a low of \$46.38 per share in March 2020. At the time of writing, the stock is trading for \$67.70.

Brian Porter, president & CEO of Scotiabank, feels optimistic about 2021 now that the COVID-19 vaccine is being distributed:

"The bank delivered improved earnings in the fourth quarter with strong operating results to end a year marked by high loan loss provisions driven by the global pandemic. Our repositioning efforts have played a significant role in our operational resilience throughout the COVID-19 pandemic. With our strengthened capital position and strong balance sheet, we remain well positioned for future growth across our footprint. We are encouraged by progress towards a vaccine and we remain cautiously optimistic about the year ahead. The Bank is poised to benefit from the economic recovery that is underway."

Bank of Nova Scotia offers the largest dividend yield of these three banks at 5.23% annually. Moreover, buying this stock soon means that you can catch the last leg of this bank's stock price rebound. Bank of Nova Scotia is still trading at \$7.26 below its 52-week high of \$74.92.

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:RY (Royal Bank of Canada)
6. TSX:TD (The Toronto-Dominion Bank)

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