



## RRSP Top Picks: 2 Dividend Stocks to Own for Decades

### Description

RRSP investors are searching for top [dividend](#) stocks to add to their self-directed pension portfolios.

### Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) recently reported solid [fiscal Q2 2021](#) results. Net income came in at \$1.3 billion compared to \$689 million in the same period last year. Provisions for credit losses (PCL) dropped to \$216 million from \$1.5 billion. Return on equity rose to 13% from 9.2%.

Bank of Montreal finished the quarter with a CET1 capital ratio of 13%. This means the bank has excess funds it built up to ride out the pandemic. The low PCL number suggests that government aid over the past year helped business and households avoid defaults on loans and mortgages.

Bank of Montreal has a large U.S. division that should benefit as the American economy rebounds. The stock is a great way to get exposure to U.S. economic growth through a Canadian company.

The bank has paid a dividend every year since 1829. That's a great track record that should continue for decades. Investors could see a generous increase once the government gives the banks permission to raise distributions again, likely later this year or in early 2022.

At the time of writing, the dividend provides a 3.3% yield.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest communications firm with world-class wireless and wireline networks providing homes and businesses with mobile, internet, and TV services. The expansion of [5G](#) provides BCE with new opportunities to grow revenue. The company is also positioned well to tap rising demand for security and remote monitoring systems.

BCE's media division took a hit last year, as sports teams played in empty stadiums and arenas and

advertisers cut back spending to preserve cash. Mobile roaming fees also dropped due to travel restrictions. COVID-19 vaccination rates are ramping up across the country. Fans should be back in their seats for Raptors, Leafs, Argos, and Toronto FC games next season. The reopening of the border between Canada and the United States is expected in the coming months. This means business and holiday travel by BCE's mobile subscribers should recover.

BCE invests significant capital to ensure its network meets the rising data demands of its customers. A recent decision by the CRTC to cancel [wholesale internet price cuts](#) gives BCE more clarity on revenue. As a result of the decision, BCE increased its capital program by \$500 million through the end of next year.

BCE generates solid earnings to cover its generous dividend. The distribution should continue to increase in line with free cash flow growth. Investors who buy BCE now can pick up a 5.7% dividend yield.

The stock is a good defensive pick for investors who don't want to watch the share price every day. Global economic and geopolitical upheaval can often impact markets, but BCE's focus on Canada helps shelter the stock from external events.

## The bottom line for RRSP investors

Bank of Montreal and BCE have long track records of delivering profit growth and rising dividends. If you are searching for top dividend stocks for a self-directed RRSP these stocks deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
4. TSX:BMO (Bank Of Montreal)

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