



Big 5 Canadian Bank Stocks Ranked by Dividend Yield

Description

The Canadian banking sector has been one of the top-performing sectors in 2021. After most banks faced big challenges due to the global pandemic last year, the ongoing economic recovery is helping the Big Five Canadian banks recover much faster than expected. Their [decent dividends](#) and stable earnings growth are also the reason why investors prefer to invest in **TSX** bank stocks. Here are the Big Five Canadian bank stocks ranked by their current [dividend yields](#).

Bank of Nova Scotia: 4.6%

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) stock currently tops the list of Big Five Canadian bank stocks, as its stock offers a strong dividend yield of 4.6%. The stock is trading at \$78.51 per share with about 14% year-to-date gains.

Scotiabank's earnings growth has consistently been improving for the last three consecutive quarters on a sequential basis. Overall, its strong capital position, steadily improving financial performance, and international expansion strategy make it one of the best bank stocks to own right now.

Canadian Imperial Bank of Commerce: 3.9%

Canadian Imperial Bank of Commerce's ([TSX:CM](#))([NYSE:CM](#)) stock currently has the second-highest dividend yield among the Big Five Canadian bank stocks. Its stock currently trades at \$148.05 per share after gaining 36% in 2021. By comparison, the TSX Composite Index has risen by 18% this year so far.

In the last few quarters, Imperial Bank's commercial banking segment growth has remained strong due to its focus on expanding its client base in Canada and the United States. The bank has also been investing in new technology to enhance the client experience, which could help it grow faster in the long term.

Toronto-Dominion Bank: 3.8%

Toronto-Dominion Bank's ([TSX:TD](#))([NYSE:TD](#)) dividend yield is a tad lower than CIBC right now — at around 3.8% at its market price of \$82.94 per share.

TD Bank is on the path to a sharp financial recovery after facing pandemic-related headwinds last year. Rising customer activity is [driving](#) higher volumes in its personal and commercial banking segments, adding to the bank's fee income. That's why Street analysts expect its fiscal year 2021 adjusted earnings to be around \$7.71 per share — much stronger than pre-pandemic levels. Despite all these positive factors, TD Bank stock has underperformed the broader market so far this year, giving long-term dividend investors an opportunity to buy its stock cheap.

Bank of Montreal and Royal Bank of Canada: 3.3%

The shares of **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) and **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) currently have a 3.3% dividend yield right now. But having lowest dividend yield among the Big Five Canadian banks doesn't mean that these two bank stocks aren't worth investing in.

Bank of Montreal has assets worth \$971 billion and a huge customer base of over 12 million globally. Apart from its highly profitable business in Canada, the bank also has a strong deposit share in the U.S. market. BMO is currently aiming for a digital-first operating model, which should drive higher growth in the coming years by enhancing customer experience.

Royal Bank of Canada currently has a market cap of about \$185 billion, making it the largest Canadian bank among the Big Five. The bank's disciplined approach to risk and cost management, well-diversified revenue streams, and sustainable dividend growth make it a great long-term investment — especially for conservative investors. While BMO stock has risen by 33% in 2021, Royal Bank has yielded a 24% positive return this year so far.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. NYSE:RY (Royal Bank of Canada)
5. NYSE:TD (The Toronto-Dominion Bank)
6. TSX:BMO (Bank Of Montreal)
7. TSX:BNS (Bank Of Nova Scotia)
8. TSX:CM (Canadian Imperial Bank of Commerce)
9. TSX:RY (Royal Bank of Canada)

10. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/08/25

Date Created

2021/09/17

Author

jparashar

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