



3 Banks Stocks Yielding Over 3%

Description

Canadian bank stocks are preferred by investors, because of their decent growth aspects and dividend-paying capabilities. The best part about these banks is they can even withstand economic downturns and provide investors a secured income source at the same time due to robust financials. We'll look at three domestic banking giants that have [dividend yields](#) of over 3%.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is one of the [safest investment options](#) that has provided exceptional returns to investors in the past 20 years. Notably, even though TD Bank stock has gained significant momentum since the bear market of 2020, investors are still able to collect a yield of 3.84%

The important aspect about TD Bank is its strong core operations and balance sheet position. As per its third-quarter report, the bank had generated an adjusted net income of about \$3.62 billion, indicating a 56% rise compared to the same period of last year.

Moreover, it also has a significant amount of cash piled up, which it can either use for making important strategic acquisitions or paying out a higher dividend with the approval of the regulatory authority. Share buybacks are also a possibility.

Royal Bank of Canada

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) has been providing attractive returns to investors both in terms of dividends and capital appreciation over the years. This bank is trusted by many for its ability to overcome economic downturns like a pro and for the fact that it had remained profitable, even during the pandemic, unlike most of its peers.

Royal Bank's solid capital position and dividend track record of over 151 years make it all the more attractive to investors. Its financials are also solid. It generates more than \$1 billion in earnings per

month and is currently sitting on a huge pile of cash.

Investors should note that RY stock has generated dividend-adjusted returns of more than 13.5% annually for close to 50 years, making it one of the top stocks on the TSX. It currently offers a forward yield of 3.42%.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is also a TSX giant that should be on the radar of income and value investors. The company has some solid fundamentals and has emerged out of the worst recessions in good shape. Its high-quality earnings, solid base of deposits, high volume of advances, and ample dividend payouts make it a preferred stock for long-term investors.

In the fiscal third quarter of 2021 that ended in July, BMO's net income from operations grew by 85% year over year, including a 110% surge in income generation from operations south of the border. Moreover, BMO stock offers a decent dividend yield of 3.35%, which might increase further, as the bank is presently sitting on a huge pile of cash that it had accumulated previously to survive the pandemic.

Bottom line

Due to their high resiliency, strong financials, and solid core operations, the above-mentioned TSX bank stocks are the best for investors who want to invest in companies that would allow them to generate passive income.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. kduncombe

Category

1. Bank Stocks
2. Investing

Date

2025/08/17

Date Created

2021/09/25

Author

araghunath

default watermark

default watermark