



## 2 Top Canadian Bank Stocks to Consider Right Now

### Description

Those looking for top-notch Canadian bank stocks to buy have reason to do so. Indeed, Canada's big banks have provided some relatively incredible total returns over time.

These bank stocks generally provide [dividend yields](#) well in excess of where bond yields are at, at least over the past decade. For those who believe there's a lower-for-much-longer yield scenario underway, this is a sector investors should focus on.

Additionally, from a capital-appreciation standpoint, most Canadian banks provide excellent historical returns. Those bullish on strength in the Canadian and North American economies have reason to consider these stocks right now.

Here are two of my top picks in this space.

### Top Canadian bank stocks: Bank of Montreal

One of the bank stocks I've looked to for some time as a winner is **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)).

Why?

Well, BMO stock has been on quite the roll of late. From a fundamentals perspective, there's a lot to like about BMO's recent results. The company's bottom-line performance has continued to exceed analyst estimates. This past quarter, the company brought in net income of \$2.28 billion, exceeding analyst estimates by a wide margin.

Additionally, this is one of the Canadian bank stocks with rather impressive top-line growth. BMO posted 7% year-over-year revenue growth, spurred by its U.S. banking operations. The company's capital markets division posted strong performance as well.

I see BMO stock as one of the beneficiaries of aggressive investment strategies. The company has

focused its dollars on segments with higher growth potential, allowing this bank to be more competitive. The company's focus on innovation and technological improvements is something that should benefit long-term investors. Accordingly, I view BMO stock as one with excellent long-term potential.

## Canadian Western Bank

One of the regional banks I've viewed as a high-upside, higher-risk bet has been **Canadian Western Bank** ([TSX:CWB](#)). This bank's focus on Western Canada has proven to be a bullish catalyst of late. As Canada's energy sector rebounds from pandemic lows, there's a lot to like about the positioning of regional bank stocks.

Indeed, Canadian Western Bank's stellar performance last year indicates its potential. Spurred by improving commodities prices, Canadian Western Bank has seen a shift in its fundamentals, which now makes this bank an attractive bet. For those seeking a bank stock with excellent upside as a recovery play, Canadian Western Bank is an intriguing choice.

Over the past five years, this company has put in a lot of effort to transform its business. Indeed, in that regard, this bank has been quite successful. Besides increasing loan volumes, Canadian Western Bank has managed to acquire borrowers with a better credit profile. Indeed, this company was able to bring in these changes at a difficult time for the economy. Accordingly, the bank's shareholders have largely benefited from this transformation.

At the time of writing, CWB offers a [dividend yield of 3.1%](#). However, I believe that this company could announce dividend hikes in future. For long-term investors seeking higher returns along with stable dividend income, I believe that this is an excellent option.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

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2. TSX:BMO (Bank Of Montreal)
3. TSX:CWB (Canadian Western Bank)

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## Date

2025/08/25

## Date Created

2021/10/05

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