



Go Big or Go Home With This Top Canadian Bank Stock

Description

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is the biggest financial company in Canada by market capitalization. This highly profitable bank stock is one that many long-term investors have clung to in recent decades. Much of the reason for this is Royal Bank's competitive business model, fueled by technological innovation.

Indeed, given Royal Bank's long-term track record of [growth](#), this is a company many investors seek out. Let's take a look at why this company may be worth considering right now.

A top Canadian bank stock with a rock-solid business model

Like Royal Bank's peers, investors tend to look for stability when seeking out RY stock. That's because Royal Bank's size and dominance globally really outshines most Canadian banks.

Indeed, this is a Canadian bank stock with one of the most well-diversified earnings streams. This financial institution has a dominant domestic commercial and personal banking franchise, and a top-10 global capital markets business. It also has a leading Canadian wealth management franchise rounded out with smaller investor and insurance services or treasury businesses.

Additionally, this bank is well diversified by geography and has large-scale businesses in several other global financial centres, including Europe, Canada, and the United States. It is a leader in digital banking and artificial intelligence.

The goal of Royal Bank of Canada is to gain 2.5 million new Canadian banking clients within 2023 by itself and with its affinity partners. For this, it is utilizing its scale for heavy investment in these drivers of long-term competitive advantage.

More positives to keep Royal Bank of Canada on the shopping list

In addition to all these factors, Royal Bank stock boasts a solid [dividend yield of 3.2%](#). This dividend yield has actually been increased at a 7% annualized rate over the past decade. Accordingly, most investors look at Royal Bank as a top Canadian bank stock from a total-return perspective.

As we enter Q4, Royal Bank provides investors with an intriguing investment thesis. Inflation concerns are bringing central banks to consider raising rates. Such an environment would actually be bullish for Royal Bank. Net interest margins could improve, along with the company's core business. Rising inflation is typically a sign of increased economic demand. Lending growth could further boost this bank's top and bottom lines.

Bottom line

Royal Bank of Canada appears to be a top-notch Canadian total return stock right now. I remain bullish on this company from a long-term perspective. Indeed, those seeking stable and consistent long-term returns may want to look at this top Canadian bank stock right now.

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Author

chrismacdonald

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