



## RRSP Investors: 2 Top Canadian Dividend Stocks to Buy in December and Own for Decades

### Description

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

### Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#)) ([NYSE:BMO](#)) paid its first dividend in 1829. Investors have received a distribution every year since that time and just found out they are getting another large payout increase. Bank of Montreal recently announced a 25% dividend hike, supported by strong fiscal 2021 results.

The bank earned adjusted net income of \$8.65 billion in the year ended October 31. That's up 66% compared to fiscal 2020. Adjusted return on equity (ROE) came in at 16.5% compared to 12.6%.

Heading into 2022, Bank of Montreal is positioned well to benefit from anticipated increases in interest rates. Banks tend to generate better net interest margins when rates rise. The Bank of Canada is expected to begin increasing rates by the first half of next year. Rate hikes are also expected in the United States, where Bank of Montreal has a large presence.

Bank of Montreal also ended fiscal 2021 in a stronger capital position with a CET1 ratio of 13.7% versus 11.9% at the end the previous fiscal year. As a result, the board increased the quarterly dividend by 27 cents per share to \$1.33. The new annualized payout provides a 3.85% yield at the current share price near \$138.

Bank of Montreal also announced plans to buy back up to 22.5 million shares under a new share-repurchase program.

Long-term investors have done well with the stock. A \$10,000 investment in Bank of Montreal 25 years ago would be worth \$170,000 today with the dividends reinvested.

## Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) is Canada's second-largest communications company with a market capitalization of \$38 billion. The firm possesses a great track record of dividend growth, having increased the payout 21 times since 2011.

Telus continues to upgrade its network infrastructure through its copper-to-fibre transition. The company also spent \$1.9 billion on new 3,500 MHz spectrum at the government auction this year. The investment provides the foundation for Telus to expand its 5G network.

Telus reported strong Q3 2021 earnings. The adjusted EBITDA grew 7.1% to \$1.6 billion. Adjusted net income jumped 11.5% compared to Q3 2020.

Looking ahead, 2022 should deliver strong results. Telus is expected to largely complete its copper-to-fibre migration, and the ramp up of [5G](#) services should drive revenue growth. Roaming fees could also get a boost, although travel restrictions due to the Omicron variant might slow the rebound in business and holiday travel.

Telus Health and Telus Agriculture saw strong revenue growth in 2021. These divisions have the potential to be significant contributors to future value expansion.

Telus raised the dividend by 5.2% when it announced the Q3 results. The new payout provides an annualized yield of 4.4%.

This is a good stock to buy if you are searching for a defensive pick to add to your RRSP portfolio. Telus provides essential services that people need and will pay for regardless of the state of the global economy.

## The bottom line for RRSP investors

Bank of Montreal and Telus are top dividend stocks that should continue to deliver solid total returns for years to come. If you have some cash to put to work in 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:TU (TELUS)
3. TSX:BMO (Bank Of Montreal)

4. TSX:T (TELUS)

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