



## 3 Top Canadian Financial Stocks to Buy for Growing Passive Income

### Description

There's no secret that some of the top stocks to buy in 2022, whether you're a passive-income seeker or not, are Canadian financial stocks.

The changing economic conditions as we begin 2022 have caught a lot of investors' attention. After ultra-low interest rates for years now, both the Federal Reserve in the United States and the Bank of Canada are expected to increase rates multiple times this year. This has led to a tonne of volatility recently, as investors rebalance their portfolios.

And as [higher interest rates](#) are expected to weigh on some industries, for others, such as financials, they should provide an excellent tailwind.

What's important for investors is looking to take advantage of this tailwind. However, you still want to ensure that you're buying high-quality stocks that you can own for years.

If you're a passive-income seeker looking to buy a top Canadian stock, these three are consistently growing their dividends.

### A top Canadian financial stock that returns investors tonnes of passive income

One of the top financial stocks in Canada that you can buy today for passive income is **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)). However, you may want to consider it soon. In recent weeks, it's been on a significant rally.

Manulife is an excellent stock for a few reasons. First, it's been [undervalued](#) for some time, partly because interest rates have been so low. As they are expected to be increased this year, though, Manulife stands to be one of the biggest beneficiaries.

Lately, it's clear the stock is recovering in price, which is why you may want to consider buying it sooner rather than later.

While Manulife is certainly an attractive stock to buy for its short-term potential, it's also worth considering because it's a high-quality stock you can own for years. The company has a significant runway for growth in Asia. Furthermore, it pays a significant dividend that is consistently being increased. Today, the stock offers a yield of 4.9% after recently increasing its dividend by almost 20%.

So, if you're looking to boost your passive income and find a high-quality Canadian financial stock, Manulife is one of the best to buy today.

## A rapidly growing specialty finance stock

Another excellent stock to buy now and hold for years is **goeasy** ([TSX:GSY](#)). goeasy, the specialty Canadian financial stock, doesn't necessarily offer that much passive income. However, it's been one of the best Canadian growth stocks you can own.

goeasy's business has been growing in popularity lately, as Canadians look for alternative lenders from the banks. In addition, its several locations as well as its impressive online platform have helped the business to grow meaningfully.

Most importantly, though, goeasy manages to keep its portfolio strong and its charge offs at a reasonable rate. This allows it to earn massive margins and consistently earn a return on equity of close to 25% — almost double many of its Canadian bank peers.

Last week, it reported incredible earnings and increased its dividend by 38%. However, it only offers a yield of 2.5%, as the company is still in growth mode and retaining more capital to expand its business.

So, if you're looking for a top Canadian growth stock to buy now, goeasy is an excellent choice.

## An ETF full of top financial stocks that offers growing passive income

In addition to these two top stocks, the banks are always an excellent investment if you're looking for attractive dividends. But if you don't want to pick a single bank, you could even consider an ETF such as **BMO Equal Weight Banks Index ETF** ([TSX:ZEB](#)).

ZEB is an excellent way to gain exposure to one of the best long-term industries in Canada. The banks are highly resilient but also constantly growing their business.

So, if you're looking for a fund that offers equal weight to each of the top six bank stocks in Canada, ZEB is worth consideration.

Plus, in addition to the capital gains potential it offers, the fund pays a distribution that currently yields 3%. So, if you're looking to buy a financial stock in this environment but want an investment you can have confidence owning for years, ZEB is one of the best there is.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:GSY (goeasy Ltd.)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:ZEB (BMO Equal Weight Banks Index ETF)

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