



## Top 5 Canadian Bank Stocks by Dividend Yield in May 2022

### Description

Despite starting 2022 on a solid note, most [Canadian bank stocks](#) have seen a correction lately due to the broader market selloff. Despite short-term uncertainties, the banking sector's long-term growth outlook remains strong with growing demand for financial services. That's why it could be the right time for investors to consider buying high-dividend yielding **TSX** bank stocks for the long term. Let's look at the top five Canadian bank stocks ranked by their dividend yields in May 2022.

### Scotiabank: 5% dividend yield

With its solid 5% dividend yield, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), or Scotiabank, tops the list of Canadian bank stocks in May 2022. Its stock currently trades at \$80.91 per share with about 9.6% year-to-date losses against a 6.3% drop in the TSX Composite benchmark.

The ongoing growth trend in Scotiabank's financials remains strong, as it has been beating analysts' earnings estimates for the last six consecutive quarters. Its strong financial position has helped the Canadian bank increase its dividend by 25% in the last five fiscal years. Going forward, Scotiabank [expects](#) strong growth momentum to continue in its private banking and global wealth businesses, as its advisory pipelines remain strong.

### CIBC: 4.8% dividend yield

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), or CIBC, is in the second position in this list of top Canadian bank stocks by dividend yield. Its stock currently trades at \$137.78 per share with about 7% year-to-date losses and offers a strong dividend yield of 4.8%.

In its fiscal year 2021 (ended in October 2021), CIBC managed to deliver strong earnings growth of 49.3% YoY (year over year) with the help of strong volume growth and higher fee income. Its strong balance sheet has allowed CIBC to increase its dividend per share by 23% in the last five years.

## Laurentian Bank: 4.7% dividend yield

**Laurentian Bank of Canada** ([TSX:LB](#)) also has a similar dividend yield of around 4.7% at the moment. While it's not considered among the largest Canadian bank stocks on the TSX by market cap, the consistency in its top-line growth in the last few quarters makes LB stock worth considering. This bank stock currently trades with about 6% year-to-date losses at \$37.83 per share.

After COVID-19-related challenges drove its earnings down in the fiscal year 2020, Laurentian Bank's adjusted earnings jumped by 56% YoY, showcasing a sharp recovery. Its focus on diversifying its business geographically and by industry is likely to strengthen its financial position further in the coming years.

## National Bank of Canada: 4.1% dividend yield

**National Bank of Canada** ([TSX:NA](#)) is another fundamentally strong banking sector stock to consider buying right now. The shares of this Montréal-based bank trade at \$89.09 per share with a 7.6% year-to-date decline and offer an attractive dividend yield of around 4.1%.

While most other large banks struggled in 2020, as COVID-driven shutdowns affected their revenues, National Bank of Canada continued to report positive YoY growth in its top line that year. In the fiscal year 2021, its adjusted earnings jumped by 48.2% YoY to around \$8.98 per share. Notably, National Bank of Canada's dividend per share has increased by about 30% in the last five fiscal years.

## Bank of Montreal: 4% dividend yield

In this list of top Canadian bank stocks by dividend yield, **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) stands in the fifth position with a yield of about 4%. This bank stock has seen 3.3% losses in 2022, as it trades at \$131.70 per share. Notably, it has consistently been beating analysts' earnings estimates for the last seven quarters.

In the January quarter, Bank of Montreal's total revenue rose by 11% to about \$7.2 billion with the help of accelerating commercial loan growth and consistent strength in its capital markets segment. As a result, the bank posted a 27.1% YoY increase in its adjusted earnings for the quarter. Its medium-term strategy to boost its earnings growth, operating leverage, and maintain strong capital ratios make it one of the most reliable bank stocks to buy in Canada.

### CATEGORY

1. Bank Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. TSX:BMO (Bank Of Montreal)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:CM (Canadian Imperial Bank of Commerce)
7. TSX:LB (Laurentian Bank of Canada)
8. TSX:NA (National Bank of Canada)

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## **Author**

jparashar

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