



Dividends Aren't Guaranteed, Yet 3 TSX Stocks Keep Raising Payouts

Description

Dividend investing is one of the effective strategies to [earn extra money](#) or boost regular income. But with inflation rising at a rapid pace this year, dividend income helps moderate its impact on your purchasing power. However, dividend payments are never guaranteed.

Companies have the sole discretion of sharing a portion of their profits with shareholders through dividends. The board of directors can decide to stop or slash the payouts anytime. It happened in 2020, the first pandemic year, when many companies incurring huge losses had to suspend dividend payments to conserve cash and protect the balance sheet.

Fortunately, the TSX is home to several Dividend Aristocrats. Despite the current headwinds, **National Bank of Canada** ([TSX:NA](#)), **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)), and **Capital Power** ([TSX:CPX](#)) are not about to break their dividend-growth streaks.

Big Six bank

National Bank is Canada's sixth-largest largest lender. This \$30.35 billion bank increased its common share recently by 6% to extend its dividend-growth streak to 12 years. The latest announcement follows the 23% hike in late 2021. Also, the payout is a low 32.41%. At \$90.23 per share, the dividend yield is 3.97%.

In Q2 fiscal 2022 (quarter ended April 30, 2022), net income rose 11% versus Q2 fiscal 2021. For the first half of this fiscal year, the year-over-year growth is 17%. Laurent Ferreira, NA's president and CEO, credits the contribution of each business segment for sustaining the bank's growth.

Notably, the bank's U.S. specialty finance and international arm reported \$152 million in profits, or 18% higher from a year ago. Ferreira said, "We are maintaining our strategic objectives of delivering a high return on equity and ensuring prudent management of risk and regulatory capital."

Diversified business model

Sun Life is an interesting pick today, because it trades at a discount (-13.14% year to date). At only \$59.90 per share, you can partake of the 4.51% dividend. The \$36 billion insurance, wealth, and asset management solutions provider has raised its dividends for seven consecutive calendar years.

In Q1 2022, net income fell 8% to \$858 million versus Q1 2021, but it didn't prevent the insurer from announcing a boost in common share dividends. Its president and CEO Kevin Strain said, "Sun Life delivered solid first-quarter results, driven by the strength of our diversified business model."

Strain added, "Our capital position remained strong and we are pleased to announce a 4.5% increase in our dividend to \$0.69 per common share, reflecting our confidence in meeting our medium-term financial goals."

Defensive position

Capital Power outperforms the broader market year to date at +17.82 versus -6.97%. Like NA and Sun Life, you can expect growing dividends from this utility stock. Its dividend-growth streak is eight years. At \$45.37 per share, the \$5.33 billion independent power producer pays a lucrative 4.72%

In Q1 2022, Capital Power's net income and net cash flows from operations climbed 18% and 101%, respectively, versus Q1 2021. Its president and CEO Brian Vaasjo said, "Our financial results in the first quarter of 2022 exceeded management's expectations." Expect the renewable contracted cash flows to increase, as the company continues its expansion in the renewable energy space.

Secure payouts

The three Dividend Aristocrats can form the nucleus of your stock portfolio if you need more secure payouts.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CPX (Capital Power Corporation)
2. TSX:NA (National Bank of Canada)
3. TSX:SLF (Sun Life Financial Inc.)

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