



## 2 Top TSX Bank Stocks to Buy in February 2023

### Description

Canadian banks have a reputation for paying consistent [dividends](#), which is why they are an absolute favourite among Canadian investors. It is most likely that you will find a minimum of one bank stock in every Canadian investor's portfolio. That's because bank stocks are usually resilient to market volatility and can offer the much-needed cushion in times of downturn.

As we enter 2023, many investors question whether they should buy bank stock or not. Well, as the market is plagued with many volatility factors, such as inflation, rising Fed rates, and possible recession, it is wise to add some of the top bank stocks to your portfolio. Here are the two bank stocks you can consider in 2023.

### Top TSX bank stocks: TD Bank

**Toronto-Dominion Bank** ([TSX:TD](#)) has been one of the most actively traded stocks for the past few weeks. It is also a darling among investors with passive-income objectives. This is because TD has vigorous growth and a high dividend yield, as per the banking sector standards. TD has also been seeing an increase in its earnings. In fact, it is witnessing some of the strongest revenue growth.

As per the latest news, Crossmark Global Holdings raised their possession by 1.3% in the third quarter. Also, the VI software and solutions company NowVertical Group Inc., has recently announced a new credit agreement with TD Bank worth \$7 million credit facility. It has closed the previous deal of acquiring 100% of its issued and remaining securities of two U.K.-based solution providers: Smartlytics and Acrotrend Solutions.

The bank has recently declared that it will pay its third quarterly dividend on Jan. 31. It will pay a dividend of \$0.7081 per share to investors as of record on Jan. 6. This is a hike from its previous dividend of \$0.70. This represents a dividend yield of over 4.2% and a \$2.83 dividend on an annualized basis. Toronto-Dominion Bank has a current payout ratio of 38.66%.

## Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#)) is another actively traded stock on the Toronto Stock Exchange. BNS got a boost from its retail banking franchise, as the business in Canada and abroad ramped up borrowing.

The company's revenue increased by 11%, to \$3.13 billion in the quarter that ended on Oct. 31, 2022. Profit exceeded analysts' estimates.

Bank of Nova Scotia first announced dividend payments in 1833 and hasn't defaulted on its obligations since then. Scotiabank has a payout ratio of 51% and has managed to increase its dividend at a CAGR of 9.2% during the last 20 years. The stock has a current yield of 6.2% — a significant increase over its long-term average yield of 4.7%.

## Bottom line

Considering the history of dividend payments and growth potential, these two banks' stocks can be worthwhile investments for passive-income investors in 2023.

### CATEGORY

1. Bank Stocks
2. Investing

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1. TSX:BNS (Bank Of Nova Scotia)
2. TSX:TD (The Toronto-Dominion Bank)

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