



10 Reasons to Own Royal Bank of Canada Shares

Description

Canada's largest bank as measured by assets and market capitalization, **Royal Bank of Canada** ([TSX: RY](#))([NYSE: RY](#)), is a solid investment option for dividend investors. Here are 10 reasons to own Royal Bank of Canada shares as part of your diversified portfolio:

1. Its diversified financial services

Royal Bank of Canada offers a breadth of products and services to its 15+ million personal, business, public sector, and institutional clients. Royal Bank is among the world's largest banks and provides personal and commercial banking, wealth management services, insurance, investor services, and capital markets products and services.

2. Its personal and commercial banking segment

This segment accounted for 56% of Royal Bank's 2013 earnings. For Q3 2014, Canadian banking net income was a record \$1.185 billion. This represents an increase of \$34 million, or 3%. The driver here was volume growth and robust growth in fee-based revenue, chiefly from mutual fund sales.

3. Its wealth management segment

For Q3 2014, Royal Bank had record earnings from wealth management, with earnings up more than 20% from the year prior. This was due to higher average fee-based client assets across all businesses.

4. Its continued investments in growth areas

Royal Bank is experiencing growth in a number of its wealth management businesses, including global asset management. The bank is continuing to invest in its global asset management business to propel long-term growth. RBC global asset management is one of the fastest-growing asset management businesses globally.

5. Its Insurance business

Royal Bank of Canada had a record Q3 2014 in this segment. This was due to favorable actuarial reserve adjustments and improved claims experience. Insurance complements Royal Bank's overall product offering. Insurance net income was a record \$214 million in Q3. This represents an increase of \$54 million, or 34%, from Q3 2013.

6. Its capital markets business

For Q3 2014, Royal Bank of Canada had record earnings of \$641 million from capital markets. This represents an increase of \$225 million, or 66%, over Q3 2013. Trading and origination activities improved for Royal Bank. The driver here was strong equity and debt markets and greater activities from the bank's client-focused strategy.

7. Its Canadian residential mortgage portfolio

Royal Bank's Canadian residential mortgage portfolio comprises 64% of the bank's retail portfolio. The bank has excellent diversification across Canada regarding this mortgage portfolio and this part of its business continues to perform solidly for Royal Bank.

8. Its leading market positions in Canada

Concerning its Canadian operations, Royal Bank of Canada has the No.1 or No.2 market share in all product categories. Royal Bank is the largest Canadian mutual fund provider and among the largest bank-owned insurance companies in Canada.

9. Its recent awards

Royal was awarded Global Retail Bank of the Year recently by Retail Banker International. In 2013, the bank received recognition as one of the most valuable brands in Canada. It ranked in the top 25 among global banking brands.

10. Dividends

Royal Bank of Canada pays dividends quarterly and its current dividend yield is 3.65%. Its dividend rate is \$3.00. The bank's five-year average dividend growth rate is 6.77%. Royal recently announced an increase to its quarterly dividend of \$0.04, or 6%, to \$0.75 per share.

Consider this premier Canadian bank as a financial sector component for your income portfolio. Royal Bank of Canada has a rich history of rewarding shareholders with increasing returns.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:RY (Royal Bank of Canada)

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