



## 3 Inexpensive Financial Stocks to Consider Buying Today

### Description

Canadian banks are considered by most to be must-have investments because of their financial stability and because they face very limited competition. I agree with this investment philosophy and feel that all Foolish investors should own shares in at least one financial institution. With this in mind, let's take a look at three of the top financial stocks that you should consider investing in today.

#### 1. National Bank of Canada

**National Bank of Canada** ([TSX:NA](#)) is Canada's seventh-largest bank in terms of total assets. At today's levels, the company's stock trades at just 10 times fiscal 2015's estimated earnings per share of \$4.59 and a mere 9.5 times fiscal 2016's estimated earnings per share of \$4.86, both of which are very inexpensive compared to its five-year average price-to-earnings multiple of 10.2. Also, its stock trades at only 1.75 times its book value per share of \$26.33, which is inexpensive compared to its market-to-book value of 2.04 at the conclusion of fiscal 2014, and it pays an annual dividend of \$2.00 per share, giving its stock a bountiful 4.3% yield.

#### 2. Canadian Western Bank

**Canadian Western Bank** ([TSX:CWB](#)) is the 10th-largest bank in Canada in terms of total assets. At current levels, the company's stock trades at just 10.4 times fiscal 2015's estimated earnings per share of \$2.68 and only 9.7 times fiscal 2016's estimated earnings per share of \$2.86, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 13.6. Also, its stock trades at a mere 1.39 times its book value per share of \$19.99, which is very inexpensive compared to its market-to-book value of 1.93 at the conclusion of fiscal 2014, and it pays an annual dividend of \$0.84 per share, which gives its stock a generous 3% yield.

#### 3. Home Capital Group

**Home Capital Group** ([TSX:HCG](#)) is one of the largest holding companies in Canada. At today's levels, the company's stock trades at just 9.7 times fiscal 2015's estimated earnings per share of \$4.40 and a mere 8.5 times fiscal 2016's estimated earnings per share of \$5, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 9.9. Also, its stock trades at only 2.07

times its book value per share of \$20.67, which is inexpensive compared to its market-to-book value of 2.57 at the conclusion of fiscal 2014, and it pays an annual dividend of \$0.88 per share, giving its stock a 2.1% yield.

### **Which of these top stocks belong in your portfolio?**

National Bank of Canada, Canadian Western Bank, and Home Capital Group represent three of the top investment opportunities in the financial sector today. Foolish investors should take a closer look and strongly consider establishing positions in one of them.

### **CATEGORY**

1. Bank Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:CWB (Canadian Western Bank)
2. TSX:HCG (Home Capital Group)
3. TSX:NA (National Bank of Canada)

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