



3 Cheap Financial Stocks to Consider Buying Today

Description

Home Capital Group Inc. ([TSX:HCG](#)), **Canadian Western Bank** ([TSX:CWB](#)), and **Laurentian Bank of Canada** ([TSX:LB](#)) are three of the largest financial institutions in Canada. All three stocks represent very attractive long-term investment opportunities today, so let's take a closer look at each to determine which would be the best fit for your portfolio.

1. Home Capital Group Inc.

At today's levels, Home Capital Group's stock trades at just 9.6 times fiscal 2015's estimated earnings per share of \$4.32 and only 8.5 times fiscal 2016's estimated earnings per share of \$4.87, both of which are inexpensive compared to the industry average price-to-earnings multiple of 13.1. It also trades at just 1.96 times its book value per share of \$21.18, which is very inexpensive compared to its market-to-book value of 2.32 a year ago.

In addition, Home Capital Group pays a quarterly dividend of \$0.22 per share, or \$0.88 per share annually, giving its stock a 2.1% yield at current levels. The company has also increased its dividend 21 times in the last 10 years, with its most recent increase occurring on May 6.

2. Canadian Western Bank

At current levels, Canadian Western Bank's stock trades at just 10.6 times fiscal 2015's estimated earnings per share of \$2.65 and only 9.9 times fiscal 2016's estimated earnings per share of \$2.84, both of which are inexpensive compared to the industry average price-to-earnings multiple of 13.1. It also trades at just 1.39 times its book value per share of \$20.19, which is very inexpensive compared to its market-to-book value of 2.01 a year ago.

Additionally, Canadian Western Bank pays a quarterly dividend of \$0.22 per share, or \$0.88 per share annually, which gives its stock a 3.1% yield at today's levels. Investors should also note that the company has increased its dividend 19 times in the last 12 years, with its most recent increase occurring on June 5.

3. Laurentian Bank of Canada

At today's levels, Laurentian Bank's stock trades at just 8.9 times fiscal 2015's estimated earnings per share of \$5.52 and only 8.4 times fiscal 2016's estimated earnings per share of \$5.85, both of which are inexpensive compared to the industry average price-to-earnings multiple of 13.1. It also trades at a mere 1.04 times its book value per share of \$47.10, which is inexpensive compared to its market-to-value of 1.06 a year ago.

In addition, Laurentian Bank pays a quarterly dividend of \$0.56 per share, or \$2.24 per share annually, giving its stock a 4.5% yield at current levels. The company has also increased its dividend 13 times in the last 8 years, with its most recent increase occurring on June 3.

Which of these financial stocks belong in your portfolio?

Home Capital Group, Canadian Western Bank, and Laurentian Bank of Canada represent three of the best long-term 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. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

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

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Author

jsolitro

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