



2 Super-Cheap Bank Stocks to Buy Today

Description

Earlier this month, I'd discussed two of Canada's top bank stocks that had set off [appealing buy signals](#). Today, I want to look at two regional bank stocks that have fallen into discount territory after the release of their fourth-quarter and full-year results in 2019. Not only do these stocks look cheap, but both banks boast an encouraging dividend history.

Canadian Western Bank

Canadian Western Bank ([TSX:CWB](#)) is an Edmonton-based regional bank with a central focus in Western Canada. It has been determined to branch out into the Eastern region over the past few quarters, and this has led to more growth. The bank released its fourth-quarter and full-year results for 2019 on December 5.

Its bank-raised deposits posted 12% growth and rose to \$1.5 billion for the full year. Adjusted cash earnings per common share increased 5% year over year to \$3.15. Like its Big Five peers, Canadian Western's fourth quarter was disappointing. Total revenue rose 6% to \$221 million, but its net interest margin fell six basis points to 2.55%. It was also down five basis points from the previous quarter.

Shares of Canadian Western have dropped 7.5% over the past month as of late-morning trading on December 18. The stock is still up 27% so far in 2019. Its shares still possess a price-to-earnings (P/E) ratio of 10.4 and a price-to-book (P/B) value of 1.1, which is decent value relative to its peers. The stock last had an RSI of 30, which puts it just outside technically oversold territory.

The bank last increased its quarterly dividend to \$0.28 per share, which represents a 3.4% yield. Canadian Western has delivered dividend growth for over 25 consecutive years.

Laurentian Bank

Laurentian Bank ([TSX:LB](#)) is a Quebec-based regional bank stock. The bank battled a crisis with its mortgage underwriting that was resolved in 2018, and its stock has since recovered over the course of

this year. Its shares have fallen 3.7% over the past month. In April, I'd discussed comments made by Steve Eisman, the money manager made famous in the book *The Big Short*. Eisman said he was [targeting Canada's bank stocks](#), and Laurentian was one he specifically mentioned.

Shares of Laurentian have climbed 22% in 2019 so far. The bank released its fourth-quarter and full-year results for 2019 on December 4. Total revenue fell 7% year over year to \$968.5 million, and adjusted net income plunged 20% to \$193.2 million. However, net interest margin was up three basis points from the previous year. In the fourth quarter, Laurentian announced the launch of its digital offering, as it looks to bolster its presence beyond branch banking.

The stock last had a P/E ratio of 11.8 and a P/B value of 0.8. It has recovered from technically oversold territory since its earnings release, but it still a worthy target ahead of the holidays. Laurentian declared a quarterly dividend of \$0.67 per share in December, which represents a tasty 6% yield. The bank has delivered dividend growth for 11 consecutive years.

CATEGORY

1. Bank Stocks
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TICKERS GLOBAL

1. TSX:CWB (Canadian Western Bank)
2. TSX:LB (Laurentian Bank of Canada)

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Date

2025/07/01

Date Created

2019/12/18

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