



ALERT: 3 Undervalued Bank Stocks Yielding up to 6.4%

Description

Bank stocks have failed to recover from the losses they incurred during the market crash in the late winter and early spring. In mid-July, I'd discussed whether top bank stocks were [discounted or dangerous](#) for investors in what looks like a pricey market. Canada's economy is on the mend, and it looks like the federal government is prepared to spend aggressively to fuel a recovery for the rest of 2020 and beyond. Because of this, I'm bullish on several of Canada's top bank stocks.

Today, I want to target three banks that boast promising value.

My top bank stock to scoop up right now

Earlier this month, I'd [explained why](#) I was loading up on Canadian bank stocks. **Scotiabank** ([TSX:BNS](#)) ([NYSE:BNS](#)) was one of the stocks I'd targeted in the aforementioned piece. It is expected to release its third-quarter 2020 results on August 25. Scotiabank stock has dropped 19% in 2020 so far.

When this year started, Scotiabank said that it expected to draw on its Canadian operations more than in previous years. The bank has a significant global presence which has fuelled growth in the 2010s. Canada has managed to combat the COVID-19 outbreak effectively in comparison to its peers. This is great news for Scotiabank and its peers.

Scotiabank stock last had a price-to-earnings (P/E) ratio of 9.2 and a price-to-book (P/B) value of one. This puts its shares in very favourable value territory. Moreover, the bank stock offers a quarterly dividend of \$0.90 per share. That represents a tasty 6.4% yield.

Don't forget about this Quebec-based bank

Bank of Montreal stock has dropped 21% so far this year. However, its shares have increased 16% over the past three months. This bank stock will also release its third-quarter 2020 results on August 25.

Like **Toronto-Dominion Bank**, BMO boasts a large footprint south of the border. This has powered its results in recent years. The U.S. has struggled with surging cases this summer, but there has been some positive progress in late August. A significant bounce back for its economy in late 2020 is not out of the question.

BMO stock currently possesses an attractive P/E ratio of 10 and a P/B value of 0.9. It last declared a quarterly dividend of \$1.06 per share, which represents a strong 5.5% yield. This bank stock is undervalued and offers above-average income.

One more bank stock with a hefty dividend

Canadian Imperial Bank of Commerce came into 2020 hoping to bolster its mortgage portfolio. The COVID-19 pandemic derailed its plans early on, but there are some good signs for the housing market this summer. Real estate sales in major metropolitan areas like Vancouver and Toronto surged in June and July. Shares of CIBC have climbed 19% in a three-month span as of close on August 20.

This bank stock also boasts a favourable P/E ratio of 10 and a P/B value of 1.1. It has maintained its quarterly dividend of \$1.46 per share, representing a hefty 5.9% yield. Better yet, CIBC possesses an immaculate balance sheet.

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