



Stock Market Crash: 2 Top Bank Stocks Yielding Over 5.6%

Description

With a stock market crash seeming increasingly likely, the Motley Fool Canada website has many ideas for investors. I personally have been creating my list of top stocks to buy when the market crashes. My list is comprised of many different stocks from many different industries.

In this article, I will review the top two banks to buy that are yielding over 5% today. The bank stocks have proven to be extremely resilient over past crises. Buying them in a market crash will be very beneficial over the long term.

Bank of Nova Scotia: The top bank stock offering international diversification and big upside

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) stock is down almost 25% since the beginning of 2020. It is the worst-performing big bank stock. The reason behind this sharp decline lies in the bank's international portfolio.

In fact, a big chunk of the bank's international revenue comes from Latin America. This region was already vulnerable before the coronavirus pandemic. Today, it is even more so. Cases are rising, as the region is still struggling. This may necessitate more lockdowns in the future.

Less-developed countries offer higher growth potential but also present with greater risk (downside). The upside is big in a region where most don't have any banking products. Increased penetration can lead to significant upside for Bank of Nova Scotia stock. This is why I view this bank stock as a solid long-term buy after a market crash.

But today, we are seeing what happens to a bank when the risks are rearing their ugly heads. The pandemic has hit Latin American economies that were already stagnating in the best of times. Today, an out-of-control pandemic has caused soaring provisions for credit losses and massive uncertainty in the area.

Bank of Nova Scotia is yielding 6.5% today and is one of the cheapest bank stocks. The stock is trading as if the stock market crash has already come. Here at Motley Fool, we believe in taking advantage of these types of opportunities. The bank has invested a lot in high-growth regions, and this investment has the potential to pay big.

Canadian Imperial Bank of Commerce yields 5.6% and is a top bank stock to buy after a stock market crash

Over at **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), increasing bad loans continue to plague results as well. The bank cited the coronavirus pandemic and a heavy oil exposure as the main reasons for its 80% rise in credit loss provisions. We should note that provisions of \$525 million in its latest quarter were down sequentially from provisions of \$1.41 billion.

It is clear that for CIBC bank, as well as for all Canadian banks, we can expect the recovery to be a long and drawn-out one. But CIBC bank's stock price has done surprisingly well since March. It has essentially recovered all of its share price losses and now trades only 5% lower than at the beginning of the year.

Although CIBC's latest results do show some signs of a rebound, this disconnect in the share price from fundamentals has me staying on the sidelines. I have added Canadian Imperial Bank of Commerce stock to my watch list. It's a bank stock to buy after the stock market crash. It is a stock to buy on weakness.

Motley Fool: The bottom line for bank stocks

Most, if not all, Canadian banks are very well capitalized. They have taken on increasingly conservative practices over the last 10 years. This has lowered their risk profiles. And it means that over the long term, bank stocks are still attractive stocks to buy.

Canadian bank stocks have proven to be resilient in past crisis. I will look at this experience to guide my opinion today. I am ready for the upcoming coronavirus stock market crash with my list of high-quality, top bank stocks to buy at bargain prices.

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