



The 3 Best Bank Stocks to Buy After Earnings

Description

Not all bank stocks are created equal, but sometimes it is easy to fall into that supposition. Canada's top banks released their [first-quarter results](#) in late February and early March. **BMO Covered Call Canadian Banks ETF** ([TSX:ZWB](#)) has climbed 5.5% month over month as of late-afternoon trading on March 4. Shares of the ETF have increased 8.4% from the prior year. Today, I want to look at my three favourite bank stocks to consider after first-quarter earnings season. Let's dive in.

Why TD Bank is my top bank stock today

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest financial institution in Canada. Its shares have climbed 8.7% in 2021 at the time of this writing. The stock is up 14% from the prior year.

The bank released its first batch of 2021 results on February 25. Like its peers, TD Bank thrived in the first quarter. Adjusted net income came in at \$3.38 billion, or \$1.83 per share — up from \$3.07 billion, or \$1.66 per share, in the prior year. Net income in its Canadian Retail segment rose 14% on the back of improved revenues and lower provisions for loan losses. Its U.S. Retail segment posted a 13% decline in net income due to lower deposit margins and fee income. Regardless, TD Bank beat expectations in a strong first quarter.

Shares of TD Bank last had a price-to-earnings (P/E) ratio of 11. This is the most favourable among its peers. Moreover, the bank stock offers a quarterly dividend of \$0.79 per share. That represents a 4% yield.

Royal Bank delivered strong results in Q1 2021

Royal Bank ([TSX:RY](#))([NYSE:RY](#)) is the largest bank in Canada and the biggest stock on the TSX by market cap. Its shares have climbed 5% in 2021 so far. Moreover, the bank stock is up 10% from the prior year.

Canada's top bank delivered strong results in the first quarter. Net income rose 10% from the prior year

to \$3.8 billion, while diluted earnings per share rose 11% to \$2.66. Moreover, net earnings and EPS were up 19% from the fourth quarter of 2020. Like TD Bank, Royal Bank benefited from reduced provisions for loans losses and improved retail banking conditions. Royal Bank was also fueled by higher trading fees.

This top bank stock last had a P/E ratio of 13. Royal Bank offers a quarterly dividend of \$1.08 per share, representing a 3.9% yield.

One more bank stock to snag right now

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is the third bank stock I want to look at after earnings season. Shares of BMO have [climbed 10%](#) in 2021 so far. The stock is up 21% from the same time in 2020.

The Montreal-based bank released its first-quarter 2021 results on February 23. BMO also beat expectations as it posted a profit of nearly \$2.02 billion, or \$3.03 per diluted share — up from \$1.59 billion, or \$2.37 per diluted share, in Q1 2020. The report followed a common trend. BMO's provisions for loan losses were down. Meanwhile, its U.S. business provided strong growth in the quarter.

BMO stock possess a solid P/E ratio of 13. It last announced a quarterly dividend of \$1.06 per share. This represents a 3.9% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BMO (Bank Of Montreal)
5. TSX:RY (Royal Bank of Canada)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/08/18

Date Created

2021/03/07

Author

aocallaghan

default watermark

default watermark