



Have \$2,000? Buy These 2 Bank Stocks After Earnings

Description

Historically, Canada's top bank stocks have been a bright spot during grim times. These top financial institutions beat out expectations during the 2007-2008 financial crisis, winning Canada international praise for the stability of its banking system. Canadian banks faced a stiff challenge when the COVID-19 pandemic broke out, but they have risen to meet it. Today, I want to look at two bank stocks that are worth snatching up if you have extra cash following the most recent bank earnings season. Let's jump in.

Why Canada's top bank stock is still a solid buy after its recent earnings report

Royal Bank ([TSX:RY](#))([NYSE:RY](#)) is the largest bank in Canada and one of the most important financial institutions on the planet. I'd [suggested](#) that investors should snatch up Canada's top bank stock, as the economy was on the rebound. Its shares have climbed 25% in the year-to-date period. However, the bank stock has slipped marginally over the past week.

The bank released its third-quarter 2021 results on August 25. Net income rose 34% year over year to \$4.3 billion while diluted earnings per share posted 35% growth to \$2.97. Its Personal and Commercial Banking division delivered 55% growth from the prior year to \$2.11 billion. Meanwhile, its Wealth Management and Capital Markets segments achieved growth of 31% and 19%, respectively.

Shares of this bank stock last had a price-to-earnings (P/E) ratio of 12. That puts Royal Bank in [favourable value territory](#) at the time of this writing. It last paid out a quarterly dividend of \$1.08 per share. This represents a 3.3% yield.

Canadians with extra cash should not sleep on "The International Bank" right now

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is the second bank stock I'm interested in snatching up before

September. Some investors will know Scotia as “The International Bank” due to its significant exposure to global markets, particularly Latin America. The bank stock has increased 16% in the year-to-date period. Its shares have climbed 39% from the same period in 2020.

This bank released its third-quarter 2021 earnings on August 24. Net income nearly doubled from the previous year to \$2.54 billion or \$1.99 per share — up from \$1.30 billion, or \$1.04 per share, in the third quarter of 2020. Scotia's International Banking segment reported adjusted net income of \$493 million compared to \$53 million in the previous year. Adjusted net income in its Global Wealth Management division posted growth of 19%.

Back in June, I'd suggested that Canadian investors should [snatch up Scotiabank](#), as it still offered solid value. Shares of this bank stock possesses a P/E ratio of 10, putting Scotia in attractive value territory compared to its industry peers. Scotia last paid out a quarterly dividend of \$0.90 per share, which represents a 4.5% yield. This bank stock outpaces many of its peers when it comes to paying out a strong dividend.

CATEGORY

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