



2 Best TSX Bank Stocks to Buy Today

Description

The earnings season for Canada's banking sector is in as the top financial institutions in the country released their third-quarter earnings reports for fiscal 2021 at the end of August. The economic expansion has continued to benefit the big banks in Canada. The earnings release from these institutions has given many investors a clearer picture of how the banking sector has been doing amid the economic rebound. Reduced discretionary spending, better savings, and the need to generate alternative revenue streams have also led to an increasing interest in stock market investing.

[If you are just starting investing](#) and you are wondering which space you should explore first as a stock market investor, the banking sector is an industry where you can never go wrong.

Today, I will discuss two of the best **TSX** bank stocks that I think should be on your radar in light of the third-quarter earnings season to help you [start investing on the right foot](#).

Scotiabank

The **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is not the largest Canadian bank in terms of its market capitalization, but it boasts a significantly diversified global presence. The company's expansion into international markets, particularly in the Pacific Alliance in Latin America, makes the banking stock an attractive stock to add to your portfolio today.

Scotiabank's third-quarter earnings report revealed that the financial institution registered profits of \$2.54 billion, up from \$1.03 billion in the same quarter last year. The bank reported a massive reduction in its provisions for credit losses (PCLs). Its PCL for Q3 2021 was \$380 million, down from a massive \$2.18 billion in the same quarter last year.

Experts anticipate the economies in the Pacific Alliance countries to grow faster than G7 countries in the coming years. The growing middle-class in the region could provide a massive boost to Scotiabank's international banking segment and fuel its growth as it happens. The stock is trading for \$78.31 per share at writing and boasts a juicy 4.60% dividend yield.

Royal Bank of Canada

The **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is the largest Canadian bank in terms of its market capitalization. The \$184.76 billion market capitalization bank stock was also the largest Canadian stock for its market cap until **Shopify** came along to dethrone the Canadian bank. What better stock to add than the leading company in a reliable banking sector if you are starting investing in the Canadian stock market?

The third-quarter earnings report for the bank saw its net income increase by 34% year over year, hitting the \$4.29 billion mark. The bank also benefitted greatly from reduced PCLs like its peers, and its Wealth Management and Capital Markets divisions enjoyed a stellar quarter in Q3 for fiscal 2021.

RBC stock has long been an ideal investment for long-term investors. At writing, RBC stock is trading for \$129.65 per share and boasts a 3.33% dividend yield that you can lock into your portfolio today.

Foolish takeaway

Canada's banking sector boasts some of the most reliable equity securities that you can find on the **TSX** if you are looking for foundational assets that you can buy and hold forever. These stocks provide you with [reliable wealth growth](#) through capital appreciation and virtually guaranteed shareholder dividends.

You can enjoy the peace of mind that the money you invest in these financial institutions will remain safe and make you a wealthier investor in the long run. Scotiabank stock and the Royal Bank of Canada stock are two of the top assets you should have on your radar if you are venturing into the stock market investing world.

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