



My Top 3 Bank Stocks to Buy Before Earnings

Description

Bank earnings season is set to kick off in late November and early December. Canadian bank stocks have surged in 2021 on the back of an improved economy. Today, I want to look at three of my top banks to snatch up in your portfolio ahead of fourth quarter earnings. Let's jump in.

Don't sleep on the smallest of the Big Six bank stocks

National Bank ([TSX:NA](#)) is a powerhouse in its home province of Quebec but the smallest of the Big Six Canadian banks. Its shares have [climbed 43%](#) in 2021 as of early afternoon trading on November 1. This bank stock has slipped 1.5% week over week.

Investors can expect to see National Bank's final batch of 2021 results in early December. In Q3 2021, the bank delivered net income growth of 32% to \$839 million. Meanwhile, profit rose 51% in the first nine months of the year to \$2.40 billion. Diluted earnings per share delivered year-over-year growth of 56% to \$6.77 in the year-to-date period.

Like its peers, National Bank saw its Personal and Commercial Banking segment deliver strong income growth on the back of higher revenues and lower provisions for credit losses. Net income in its Wealth Management segment rose 30% year over year to \$165 million. Meanwhile, Financial Markets rose 21% to \$227 million.

This bank stock possesses a favourable price-to-earnings (P/E) ratio of 12. It last paid out a quarterly dividend of \$0.71 per share, representing a 2.7% yield.

Here's a regional bank I'd snatch up in early November

Laurentian Bank ([TSX:LB](#)) is a regional bank based in Quebec. Canada's regional banks may not get the attention of the Big Six, but Laurentian is worth owning. In September, I'd [suggested](#) that investors snatch up this bank stock. Shares of Laurentian have climbed 35% in 2021.

The bank is set to release its final batch of 2021 earnings on December 10. In the third quarter, Laurentian reported adjusted net income of \$59.0 million or \$1.25 per share — up from \$47.1 million, or \$1.02 per share, in the prior year. Meanwhile, total revenue increased 3% to \$254 million.

Shares of this bank stock last had an attractive P/E ratio of 10. It offers a quarterly dividend of \$0.40 per share. That represents a 3.7% yield.

One more top bank stock to buy today

Last month, I'd discussed why **TD Bank** ([TSX:TD](#))([NYSE:TD](#)) was still one of my [top bank stocks](#) to buy on the TSX. This bank stock has increased 25% in the year-to-date period. Its shares are up 53% from the prior year.

TD Bank will release its fourth-quarter and full-year 2021 results on December 2. In Q3 2021, the bank also benefited from lower provisions from credit losses as net income in Canadian Retail rose 68% to \$2.12 billion. Meanwhile, U.S. Retail rose 92% to \$1.29 billion.

This bank stock also possesses an attractive P/E ratio of 10. It last paid out a quarterly dividend of \$0.79 per share. This represents a 3.5% yield.

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