



Millennials: 2 Cheap Bank Stocks to Buy Now

Description

Last month, I'd [discussed](#) some investing strategies for millennials in this volatile environment. Canadian and global markets have thrived since the start of the pandemic in early 2020. However, the promise of rising interest rates has stoked concern over a potential correction. Today, I want to look at two bank stocks that look [discounted](#) after the last bank earnings season of 2021. Let's jump in.

Here's a Quebec-based bank stock to buy after earnings

In late November, I'd [recommended](#) that investors look to snatch up top Quebec-based banks, as the province put together an impressive economic rebound. **National Bank** ([TSX:NA](#)) is the smallest of the Big Six Canadian bank stocks but it is a powerhouse in its home province of Quebec. Shares of National Bank have dropped 8% month over month as of late-morning trading on December 10. Millennials should consider buying this underrated bank stock today.

The bank released its fourth-quarter and full-year 2021 earnings on December 1. National Bank's net earnings were reported at \$776 million or \$2.19 per share — up 58% and 61%, respectively, from the previous year. National Bank delivered strong growth over 2020 due to a sharp drop in provisions set aside for credit losses and improved macroeconomic and better credit conditions. Meanwhile, income before provisions for credit losses jumped 20% year over year to \$4.07 billion in fiscal 2021.

Shares of this bank stock possess a favourable price-to-earnings (P/E) ratio of 10. It currently has an RSI of 31, which puts the stock just outside of technically oversold territory. National Bank hiked its quarterly dividend to \$0.87 per share. That represents a 3.6% yield.

Millennials should not sleep on this regional bank in late 2021

Laurentian Bank ([TSX:LB](#)) is another Montreal-based bank stock that is worth targeting in early December. Its shares have climbed 27% in 2021 at the time of this writing. However, the stock has dipped 5.7% in the month-over-month period. This is another under-the-radar stock that millennials should not overlook.

The bank released its final batch of 2021 results on the morning of December 10. Laurentian posted a loss per share of \$2.39 in Q4 2021 — down from a profit per share of \$0.79 in the fourth quarter of 2020. The bank took a hit in the form of a \$189 million impairment and restructuring charge after the completion of a year-long strategic review. Meanwhile, it moved to write down assets in its personal banking arm.

Laurentian Bank posted earnings of \$48 million, or \$1.06 per share, on an adjusted basis, which beat analyst expectations. Moreover, total revenues increased 3% year over year to \$250 million. The bank delivered commercial lending growth of 11% from the previous year. However, deposits slipped 4% from Q4 2020.

Shareholders have been richly rewarded by Laurentian and other bank stocks throughout 2021. In this report, the bank announced that it would repurchase up to 875,000 common shares. It hiked its quarterly dividend by 10% to \$0.44 per share. That represents a 4.3% yield.

This bank stock last had an attractive P/E ratio of 9.4. Laurentian is on the rebound after sinking into oversold territory in late November and early December. However, it is not too late to snatch up this bank stock on the dip.

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