



2 Bank Stocks Yielding up to 4.4% to Buy After Earnings

Description

Canadian banks just passed through the [final earnings season](#) of fiscal 2021. It was a banner year for banks, as top financial institutions rebounded from a challenging stretch in the previous year. Banks benefited from lower provisions for credit losses, improved volumes across the board, and great conditions in Capital Markets. Today, I want to look at two regional bank stocks that are worth snatching up after releasing their final batch of earnings. Let's jump in.

Why investors can trust this regional bank stock and its long history of dividend growth

Canadian Western Bank ([TSX:CWB](#)) is an Edmonton-based bank stock that has expanded its reach beyond Western Canada in recent years. Shares of this bank stock have climbed 27% in 2021 as of late-morning trading on December 16. However, the stock has plunged 9.6% in the month-over-month period. When this month began, I'd suggested that investors look to scoop up this bank stock.

The bank unveiled its fourth-quarter and full-year 2021 earnings on December 3. In the fourth quarter, total revenue increased 10% year over year to \$261 million. Meanwhile, it delivered loan growth of 2% from the previous quarter to \$32.9 billion. Deposits rose 3% to \$19.3 billion.

For the full year, Canadian Western posted total revenues of \$1.0 billion — up 13% from 2020. Moreover, loans and branched-raised deposits increased 9% and 16% from the previous year. Adjusted earnings per share climbed 37% year over year to \$1.03 in Q4 2021.

This bank stock possesses a favourable price-to-earnings (P/E) ratio of 9.7. Canadian Western had an RSI of 38 at the time of this writing, just shy of technically oversold territory. It offers a [quarterly dividend of \\$0.30 per share](#), representing a 3.2% yield.

Here's a Quebec-based bank I'm looking to add after earnings

Laurentian Bank ([TSX:LB](#)) is another regional bank stock. This bank is based in Quebec, which has stood apart from other Canadian provinces for its [superior economic rebound](#) in 2021. Shares of Laurentian Bank have increased 29% in the year-to-date period. The stock has slipped 4.8% over the past month.

This bank unveiled its Q4 and full-year 2021 results on December 10. Adjusted net income rose to \$47.8 million, or \$1.06 per diluted share — up from \$42.3 million, or \$0.91 per diluted share, in the fourth quarter of 2020. Meanwhile, for the full-year Laurentian Bank posted adjusted net earnings growth of 53% to \$211 million. It delivered 56% growth on an adjusted per-share basis to \$4.57.

Last week, Laurentian Bank also detailed a turnaround strategy. It aims to bolster its mobile services, which have lagged its competitors over the past decade. The bank aims to make smaller fixes that will allow it to be more flexible and capable of competing with the big dogs in the Canadian financial space.

The bank stock is still trading in favourable value territory relative to its industry peers. It last announced a quarterly dividend of \$0.44 per share. That represents a very solid 4.3% yield.

CATEGORY

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2. Investing

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