



## My Top Bank Stocks to Own in 2022

### Description

Canada's top banks passed through the final batch of earnings for the 2021 fiscal year. It was a very strong year for the country's biggest financial institutions after a challenging period in 2020. The **S&P/TSX Capped Financial Index** has climbed 32% in the year-to-date period as of close on December 30. Today, I want to look at three top bank stocks that I'd look to hang onto in 2022.

### This regional bank stock often flies under the radar

The Big Six Canadian banks typically soak up all the headlines and attention during earnings season. However, investors should not [overlook](#) regional bank stocks like **Canadian Western Bank** ([TSX:CWB](#)). This Edmonton-based bank services clients primarily in Western Canada, but it has expanded eastward. Shares of this bank stock have climbed 27% in 2021.

Canadian Western released its fourth-quarter and full-year 2021 earnings on December 3. In Q4 2021, total revenue rose 10% year over year to \$261 million. Meanwhile, pre-tax and pre-provision income increased 6% to \$123 million. For the full year, income jumped 10% to \$517 million. Moreover, loans and branch-raised deposits climbed 9% and 16%, respectively, from the previous full year.

This bank stock possesses an [attractive price-to-earnings \(P/E\) ratio](#) of 9.7. It last declared a quarterly dividend of \$0.30 per common share. That represents a 3.3% yield.

### Canada's "International Bank" offers nice value and income

**Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) is sometimes referred to as "The International Bank" due to its significant global presence. It boasts nice exposure to the [fast-growing Latin American markets](#). Shares of this bank stock have climbed 34% in 2021 as of close on December 30. The stock has shot up 14% month over month.

In Q4 2021, Scotiabank delivered adjusted net income of \$2.71 billion or \$2.10 per share — up from \$1.93 billion, or \$1.45 per share, in the previous year. For the full year, adjusted diluted earnings per

share increased 46% year over year to \$7.87. Scotiabank benefited from strong volume growth and a big dip in provisions set aside for credit losses. International banking earnings rose 62% from the prior year to \$1.85 billion.

Shares of this bank stock last had a solid P/E ratio of 11. Scotiabank hiked its quarterly dividend to \$1.00 per share, representing a 4.3% yield.

## One more bank stock that is worth owning in 2022

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is the third bank stock I'd look to snatch up in the new year. CIBC is the fifth largest of the Big Six Canadian bank stocks. Its shares have increased 36% in the year-to-date period.

The bank released its final batch of 2021 results on December 2. Adjusted net income climbed 23% year over year to \$1.57 billion in the fourth quarter. CIBC delivered big growth in all segments. Canadian personal and business banking delivered adjusted profit growth of 40% from 2020 to \$2.50 billion. Better yet, U.S. commercial banking and wealth management adjusted net income jumped 124% to \$976 million.

This bank stock last had a favourable P/E ratio of 10. It recently increased its quarterly dividend payout to \$1.61 per share, representing a solid 4.3% yield.

### CATEGORY

1. Bank Stocks
2. Investing

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3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CM (Canadian Imperial Bank of Commerce)
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