



## 3 Top Bank Stocks to Buy Ahead of Earnings

### Description

Canadian banks had a [banner year](#) in 2021 after a difficult 2020. Banks benefited from improved volumes and a big dip in provisions set aside for credit losses. Now, the top financial institutions in the country are set to face a tough test, as the Bank of Canada (BoC) sets its sights on rate tightening. Today, I want to look at three top bank stocks to target ahead of their first-quarter earnings releases.

### Why I'm looking to buy Canada's "International Bank" ahead of Q1 results

**Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) is sometimes referred to as "The International Bank" due to its significant global reach compared to its competitors. It boasts a significant [presence in Latin America](#), which has been hit hard by the pandemic. Shares of this bank stock are up 1.4% in 2022 as of late-morning trading on February 18. The stock is up 29% from the previous year.

The bank is set to release its first quarter 2022 earnings on March 1, 2022. In 2021, Scotiabank delivered adjusted net income of \$10.1 billion, or \$7.87 per diluted share — up from \$6.96 billion, or \$5.36 per diluted share, in the previous year. Coming into 2021, Scotiabank projected that its domestic operations would need to pick up the slack after a rough 2020. Its Canadian Banking segment delivered in 2021, posting net income growth of 60% to \$4.17 billion.

Shares of this bank stock last had a favourable price-to-earnings (P/E) ratio of 11. It last paid out a quarterly dividend of \$1.00 per share, which represents a 4.3% yield.

### Here's an underrated bank stock to snag today

Back in December 2021, I'd looked at bank stocks that [fly under the radar](#) of most investors. **Canadian Western Bank** ([TSX:CWB](#)) is a regional Canadian bank that has also managed to establish a solid presence in the eastern part of the country. Shares of Canadian Western Bank have increased 5.3% so far this year. The bank stock is up 32% from the same period in 2021.

Investors can expect to see the bank's first-quarter 2022 earnings on February 25. In 2021, Canadian Western delivered total revenue growth of 13% to \$1.0 billion. Meanwhile, diluted earnings per common share climbed 30% to \$3.73.

This bank stock last had an attractive P/E ratio of 10. It offers a quarterly dividend of \$0.30 per share, which represents a 3.1% yield.

## One more top bank stock to buy before its earnings release

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is the third bank stock I'd look to snatch up before its first-quarter earnings release. Its shares are up 4.2% so far in 2022. BMO stock has shot up 47% in the year-over-year period.

This top bank is set to release its first-quarter fiscal 2022 earnings on March 1. In 2021, BMO delivered adjusted net income growth of 66% to \$8.65 billion. Meanwhile, adjusted earnings per share jumped 68% to \$12.96. Shares of this bank stock possess a solid P/E ratio of 12. Meanwhile, it offers a quarterly dividend of \$1.33 per share, which represents a 3.6% yield.

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1. Bank Stocks
2. Investing

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2. NYSE:BNS (The Bank of Nova Scotia)
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4. TSX:BNS (Bank Of Nova Scotia)
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