



3 Cheap Bank Stocks to Buy Today

Description

Canadian banks bounced back nicely in 2021 and had a strong start to this year, if we read into the first-quarter earnings season. However, increased market volatility and the promise of a rate-tightening cycle has put a damper on momentum for Canada's largest financial equities. Top Canadian bank stocks have encountered some turbulence in April. Today, I want to look at three bank stocks that look [undervalued](#) at the time of this writing. Let's jump in.

This undervalued bank stock also offers a solid dividend

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is the fifth-largest of the Big Six Canadian banks. Its shares have dropped 1.6% in 2022 as of close on April 21. The [bank stock is still up 17%](#) in the year-over-year period.

Investors can expect to see CIBC's second-quarter results in late May. In Q1 2022, the bank delivered adjusted net income of \$1.89 billion, or \$4.08 per diluted share — up from \$1.64 billion, or \$3.58 per diluted share, in the first quarter of 2021. CIBC achieved this on the back of very solid growth across its major segments. Moreover, it also benefited from a big drop in provisions set aside for credit losses.

Shares of this bank stock currently possess a [favourable](#) price-to-earnings (P/E) ratio of 10. CIBC stock last had an RSI of 36, putting it just outside technically oversold territory. Moreover, it offers a quarterly dividend of \$1.61 per share, which represents a 4.3% yield.

Here's an under-the-radar regional bank to consider right now

Canadian Western Bank ([TSX:CWB](#)) is an Edmonton-based regional bank stock. That means it falls outside of the Big Six Canadian banks. This should not deter investors. Shares of Canadian Western Bank have dropped 6.5% in the year-to-date period. The stock is still in the black year over year as of close on April 21.

This bank is also set to release its next batch of earnings in late May. In the first quarter of 2022,

Canadian Western delivered total revenue growth of 9% to \$266 million. Meanwhile, diluted earnings per share (EPS) jumped 7% to \$0.97. The bank saw its loans and branch-raised deposits grow by 9% and 12%, respectively, from the first quarter of 2021.

Canadian Western Bank last had an attractive P/E ratio of nine. This bank stock possesses an RSI of 37, which is also close to oversold levels. It offers a quarterly dividend of \$0.30 per share. That represents a 3.5% yield.

One more discounted bank stock to snatch up today

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is the third discounted bank stock I'd look to snatch up in the final days of April. Its shares have declined 4.8% so far in 2022. The stock is still up 11% year over year.

In the first quarter of 2022, Scotiabank reported adjusted net income of \$2.75 billion, or \$2.15 per share — up from \$2.41 billion, or \$1.88 per share, in the previous year. Scotiabank's International Banking segment delivered adjusted earnings growth of 38% to \$552 million. Moreover, adjusted earnings in its Canadian Banking segment increased 32% to \$1.20 billion.

This bank stock possesses a favourable P/E ratio of 10. Its RSI is also near oversold territory. Scotiabank last paid out a quarterly dividend of \$1.00 per share, representing a very solid 4.6% yield.

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