



Bank Earnings: 1 of the Best Canadian Bank Stocks for Beginners to Buy Now

Description

The latest [Canadian banking sector](#) earnings season continues to surprise investors. While some of the largest Canadian banks, like **Royal Bank of Canada** and **Bank of Nova Scotia**, continue to disappoint investors by missing analysts' estimates, some smaller banks are continuing to beat expectations.

In this article, I'll talk about the latest quarterly results of one of my favourite bank stocks in Canada, which has just proven again why it's worth buying for the long term. Its consistent financial growth trends make it a very reliable stock to own, even for market beginners.

National Bank of Canada's Q3 2022 earnings report

The reliable Canadian bank stock I want to highlight here is **National Bank of Canada** ([TSX:NA](#)). It's a Montréal-headquartered bank with a [market cap](#) of \$30.8 billion, as NA stock currently trades at \$91.46 per share with about 5.2% year-to-date losses. By comparison, Royal Bank and Scotiabank currently have much larger market capitalizations of around \$174.8 billion and \$90.3 billion, respectively.

National Bank reported the third quarter (Q3) of its fiscal year 2022 (ended in July) results on August 24. During the quarter, the bank's total revenue [rose](#) nearly 8% YoY (year over year) to \$2.5 billion, exceeding analysts' estimates. Similarly, its adjusted earnings for the quarter stood at \$2.35 per share — about flat on a YoY basis but still slightly higher than Street's expectations.

Key growth drivers

National Bank of Canada's net profits from its personal and commercial segment rose by 11% YoY with the help of a 13% increase in the segment's revenue. While its provisions for credit losses increased last quarter — just like most large Canadian banks, solid growth in its net interest income with the help of a higher loan and deposit volume helped National Bank post earnings growth for this segment. Its profits from the wealth management segment also rose by about 10% YoY to around \$181 million.

Moreover, National Bank's financial markets segment continued to perform well, despite a recent surge in market volatility and macroeconomic uncertainties. In Q3, the bank's net profit from its financial market segment rose by 12% YoY to around \$280 million. Higher provisions of credit losses, however, affected the performance of its U.S. specialty finance and international segment in the July quarter.

Why it's the best Canadian bank stock for beginners right now

Overall, the National Bank of Canada's latest quarterly results once again proved its ability to continue performing well, even in difficult economic environments. Last quarter, the bank registered strong organic growth across business segments with the help of its defensive credit positioning and efforts to maintain prudent reserves.

Despite its better-than-expected Q3 financial results, NA stock fell by 0.9% on Wednesday. I expect National Bank's strong financial growth performance to continue in the long run with the help of its robust balance sheet and cash flows, which should help its stock soar. Apart from its strong [fundamentals](#), its attractive dividend yield of around 4% at the current market price makes National Bank's stock worth buying for long-term investors and stock market beginners.

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