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https://www.youtube.com/channel/UCzgBb9SM7lrHgz1rzCfhSBg

Royal Bank of Canada

Wide-moat rated **Royal Bank of Canada** reported solid fiscal first-quarter earnings. Adjusted earnings per share were CAD 2.87, coming in above the Factset consensus estimate for CAD 2.70. The bank's results were strong across the board, producing a return on equity of 17%, with net interest income up 5% year over year, fees up 12% (after adjustments), and expenses only up 1%. This led to 7% growth in diluted EPS year over year. Expense expectations are still for something close to 4% growth for the year, which is what we have penciled in. We also have additional net interest income growth in our projections, driven by rate hikes throughout the year. Fees are coming in a bit stronger than we may have foreseen, but given generally how close the rest of the results are with our projections, we do not plan any material changes to our fair value estimate of CAD 141/USD 110.

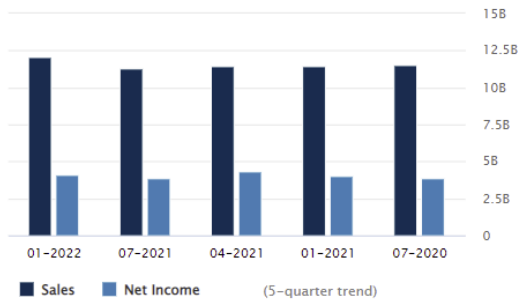
Net interest income was up 5%, a strong result driven by healthy balance sheet growth, as NIM was down year over year. Canadian banking saw average loans rise 2% quarter over quarter and 8% year over year, while City National saw year over year loan growth of 13%. Rate sensitivity disclosures were largely in line with last quarter. Strong fees were driven by continued strength within the wealth and asset management businesses, and investment banking related fees also remained strong. Finally, the bank continues to invest in additional marketing and technology opportunities, and we would expect some expense growth to pick up as the year progresses.

FINANCIAL SUMMARY for Thu, Mar 10th, 2022 Alerts Watch Help

Royal Bank of Canada is one of the two largest banks in Canada. It is a diversified financial services company, offering personal and commercial banking, wealth-management services, insurance, corporate banking, and capital markets services. The bank is concentrated in Canada, with additional operations in the U.S. and other countries.

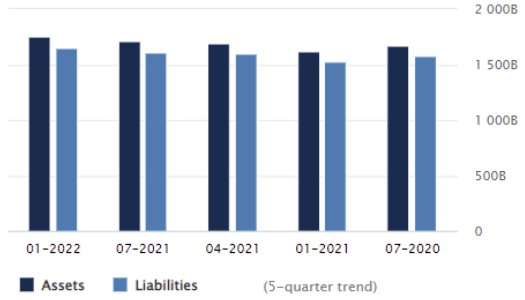
QUARTERLY ANNUAL

Income Statement



(Values in U.S. Thousands)	Jan, 2022	Jul, 2021	Apr, 2021	Jan, 2021	Jul, 2020
Sales	12,040,000	11,310,000	11,405,000	11,419,000	11,512,000
Sales Growth	+6.45%	-0.83%	-0.12%	-0.81%	+8.49%
Net Income	4,093,000	3,887,000	4,292,000	4,014,000	3,845,000
Net Income Growth	+5.30%	-9.44%	+6.93%	+4.40%	+18.42%

Balance Sheet



(Values in U.S. Thousands)	Jan, 2022	Jul, 2021	Apr, 2021	Jan, 2021	Jul, 2020
Total Assets	1,752,469,000	1,706,323,000	1,693,540,000	1,615,316,000	1,671,151,000
Total Assets Growth	+2.70%	+0.75%	+4.84%	-3.34%	+2.87%
Total Liabilities	1,650,461,000	1,607,561,000	1,597,230,000	1,522,494,000	1,580,902,000
Total Liabilities Growth	+2.67%	+0.65%	+4.91%	-3.69%	+2.80%

SUGGESTED

- BUY $ 138 +/-
- SELL $ 143 +/-
- EXIT $ 135

Toronto-Dominion Bank

Wide-moat-rated **Toronto-Dominion** reported decent fiscal first-quarter results. Adjusted earnings per share were CAD 2.08, representing year-over-year growth of 14%. Credit costs remained quite low at only CAD 72 million. Net revenue was up 5% year over year, an average result, as net interest income increased 4.5% and fees increased 5.5%. This puts the bank slightly ahead of our expectations on net interest income and relatively in line on fees. Expenses were up 3% year over year, a bit ahead of the 2% rate we are projecting for the full year. Given that both NII and expenses are slightly ahead of our annual growth rates, we don't anticipate making any material changes to our CAD 97/$76 fair value estimate. We view the shares as fairly valued.

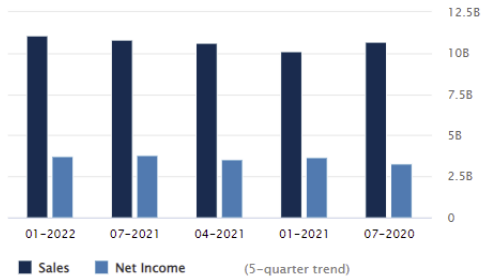
Net interest income grew roughly 4% in the Canadian retail segment, driven by solid loan growth of 9%. Canadian retail also saw strong fee performance, up 8%, driven by solid results in the wealth unit. Expenses increased 8% as higher technology, marketing, and compensation costs all played a role. U.S. retail (in U.S. dollars) saw 6% growth in revenue (similar to Canadian retail), while expenses were down 4%. Wealth results were strong in the United States as well. The wholesale segment did OK, with revenue growth of 3%, partially due to tough comps on trading-related revenue. We saw our first increase in gross impaired loans during the quarter, signaling that the credit environment has begun its normalization process. Toronto-Dominion announced the acquisition of First Horizon on Feb. 28. Overall, we don't think the deal will add value for TD shareholders, and we are not including any extra value in our fair value estimate.

FINANCIAL SUMMARY for Thu, Mar 10th, 2022 Alerts Watch Help

Toronto-Dominion is one of Canada's two largest banks and operates three business segments: Canadian retail banking, U.S. retail banking, and wholesale banking. The bank's U.S. operations span from Maine to Florida, with a strong presence in the Northeast. It also has a 42% ownership stake in TD Ameritrade, a discount brokerage.

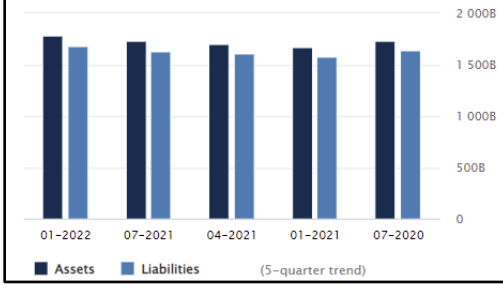
QUARTERLY ANNUAL

Income Statement



(Values in U.S. Thousands)	Jan, 2022	Jul, 2021	Apr, 2021	Jan, 2021	Jul, 2020
Sales	11,064,000	10,829,000	10,603,000	10,120,000	10,714,000
Sales Growth	+2.17%	+2.13%	+4.77%	-5.54%	-2.85%
Net Income	3,733,000	3,781,000	3,545,000	3,695,000	3,277,000
Net Income Growth	-1.27%	+6.66%	-4.06%	+12.76%	-36.28%

Balance Sheet



(Values in U.S. Thousands)	Jan, 2022	Jul, 2021	Apr, 2021	Jan, 2021	Jul, 2020
Total Assets	1,778,588,000	1,728,672,000	1,703,093,000	1,669,058,000	1,735,595,000
Total Assets Growth	+2.89%	+1.50%	+2.04%	-3.83%	+1.15%
Total Liabilities	1,676,611,000	1,628,854,000	1,603,186,000	1,574,543,000	1,640,170,000
Total Liabilities Growth	+2.93%	+1.60%	+1.82%	-4.00%	+1.22%

SUGGESTED

- BUY $ 98 +/-
- SELL $ 103 +/-
- EXIT $ 95

Canadian Imperial Bank of Commerce (CIBC)

Narrow-moat rated **Canadian Imperial Bank of Commerce** reported solid fiscal first-quarter earnings. Adjusted earnings per share were CAD 4.08, coming in above the Factset consensus estimate of CAD 3.68. The bank's results were strong across the board, producing a return on equity of 18%. Revenue was up 11% year over year, driven by net interest income growth of 10% and fee growth of 11%. With rate hikes coming up, we expect momentum for net interest income should continue. Expenses were up 10%, allowing the bank to generate pretax pre-provision growth of 11% year over year. This led to 14% growth in diluted EPS year over year. Based on these results, we don't anticipate any material change to our fair value estimate of CAD 156/USD 122.

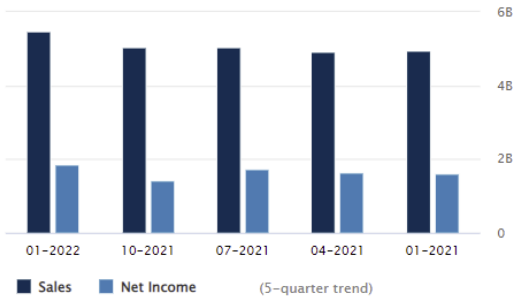
Results were particularly strong within the wealth management segments, with revenue up 19% year over year in Canada and 10% year over year in the United States. Capital markets also saw strong results, with revenue up 11% and net income up 10%. We think this may start to slow down a bit as the trading and investment banking environment normalizes, but so far results are exceptionally strong. Loans were up nearly 5% quarter over quarter, a strong start to the year. This, along with continued growth in card volumes, points to a healthy economic environment. We think loan growth in general, and mortgage growth specifically, will be important trends to watch as rate hikes play out, which may potentially act as a headwind to growth.

FINANCIAL SUMMARY for Thu, Mar 10th, 2022 Alerts Watch Help

Canadian Imperial Bank of Commerce is Canada's fifth- largest bank, operating three business segments: retail and business banking, wealth management, and capital markets. It serves approximately 11 million personal banking and business customers, primarily in Canada.

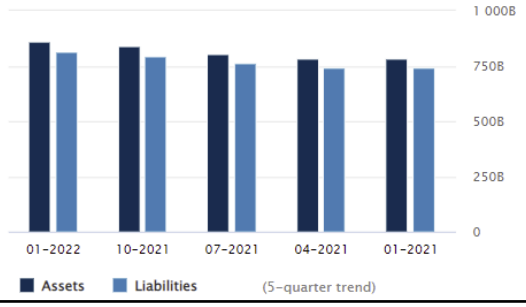
QUARTERLY ANNUAL

Income Statement



(Values in U.S. Thousands)	Jan, 2022	Oct, 2021	Jul, 2021	Apr, 2021	Jan, 2021
Sales	5,485,000	5,053,000	5,044,000	4,916,000	4,947,000
Sales Growth	+8.55%	+0.18%	+2.60%	-0.63%	+7.82%
Net Income	1,864,000	1,436,000	1,725,000	1,647,000	1,621,000
Net Income Growth	+29.81%	-16.75%	+4.74%	+1.60%	+59.70%

Balance Sheet



(Values in U.S. Thousands)	Jan, 2022	Oct, 2021	Jul, 2021	Apr, 2021	Jan, 2021
Total Assets	861,664,000	837,683,000	806,067,000	782,878,000	782,908,000
Total Assets Growth	+2.86%	+3.92%	+2.96%	unch	+1.74%
Total Liabilities	814,372,000	791,853,000	761,782,000	740,198,000	740,979,000
Total Liabilities Growth	+2.84%	+3.95%	+2.92%	-0.11%	+1.75%

SUGGESTED

- BUY $ 157 +/-
- SELL $ 162 +/-
- EXIT $ 155

Bank of Montreal

Narrow-moat rated **Bank of Montreal** reported excellent fiscal first-quarter earnings. Adjusted earnings per share were CAD 3.89, representing year-over-year growth of 27%. The bank was able to record another provisioning benefit, meaning credit costs were a net benefit during the quarter. Adjusted net revenue was up 12%, a strong result, driven by decent loan growth, some positive margin movement within the loan book, and continued strong fee income from investment banking. While revenue was coming in relatively strong, so were expenses. Adjusted expenses were up 7% year over year. This still led to 18% adjusted pre-provision pretax earnings growth. While these initial results are generally ahead of where we expected the bank to be, we do not plan to make any material adjustments to our current fair value estimates of CAD 148/USD 115 just yet, as we wait for at least one more quarter of results in this uncertain environment. We will note that Canadian bank names are generally reacting much less to the current situation than U.S. bank stocks. We've highlighted in the past that Canadian banks tend to be more stable names overall, and we believe they have much less rate risk exposure.

The bank's rate sensitivity disclosures did increase a bit, going from CAD 384 million to CAD 540 million, which was at least partially due to changes in assumptions around surge deposits. We had thought the previous surge deposit assumptions were likely conservative. We expect some gradual benefit from this as rates likely increase throughout 2022. Balance sheet growth was generally strong, with average net loans up 7% year over year and 3% quarter over quarter. This will be important to watch, particularly for mortgage growth and consumer loan growth in general, as rates rise in 2022 and beyond. While expense growth was higher, it was largely driven by performance-based compensation, a good problem to have.

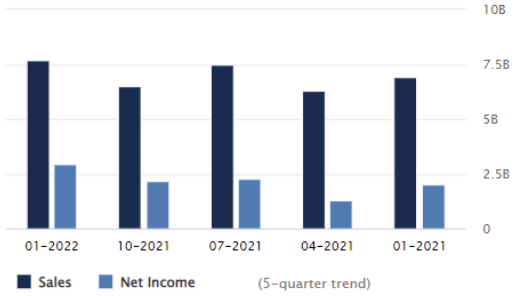
FINANCIAL SUMMARY for Thu, Mar 10th, 2022

Alerts Watch Help

Bank of Montreal is a diversified financial-services provider based in North America, operating four business segments: Canadian personal and commercial banking, U.S. P&C banking, wealth management, and capital markets. The bank's operations are primarily in Canada, with a material portion also in the U.S.

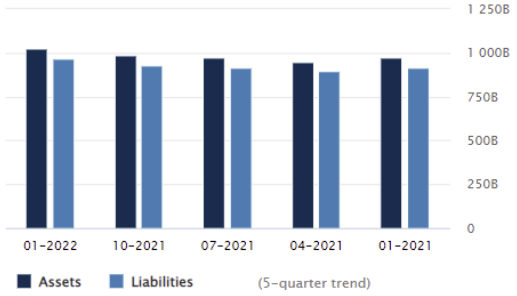
QUARTERLY ANNUAL

Income Statement



(Values in U.S. Thousands)	Jan, 2022	Oct, 2021	Jul, 2021	Apr, 2021	Jan, 2021
Sales	7,657,000	6,508,000	7,495,000	6,270,000	6,919,000
Sales Growth	+17.66%	-13.17%	+19.54%	-9.38%	+16.54%
Net Income	2,933,000	2,159,000	2,275,000	1,303,000	2,017,000
Net Income Growth	+35.85%	-5.10%	+74.60%	-35.40%	+27.34%

Balance Sheet



(Values in U.S. Thousands)	Jan, 2022	Oct, 2021	Jul, 2021	Apr, 2021	Jan, 2021
Total Assets	1,023,172,000	988,175,000	971,358,000	949,839,000	973,211,000
Total Assets Growth	+3.54%	+1.73%	+2.27%	-2.40%	+2.52%
Total Liabilities	963,368,000	930,652,000	913,662,000	894,325,000	917,063,000
Total Liabilities Growth	+3.52%	+1.86%	+2.16%	-2.48%	+2.73%

Bank Of Montreal (BMO.TO)

145.87 -1.27 (-0.86%) 10:58 ET [TSX]

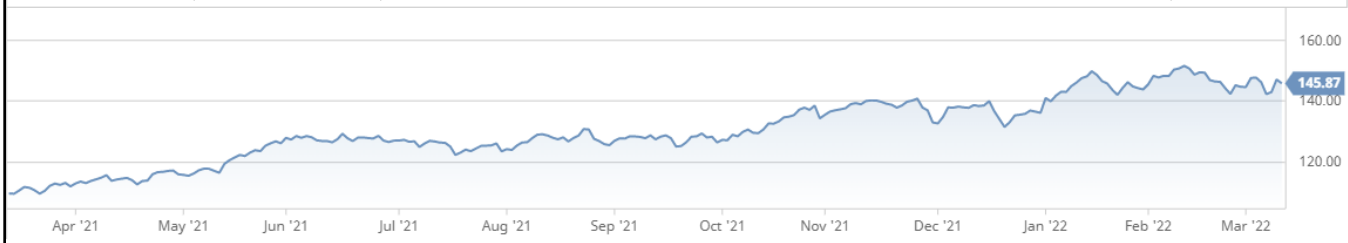
145.84 x 7 145.87 x 7

ANALYST RATINGS for Thu, Mar 10th, 2022

Alerts Watch Help

Analyst Target Prices

HIGH TARGET **178.00** | MEAN TARGET **167.00** | LOW TARGET **151.00** | 52 WK HIGH **152.87** | 52 WK LOW **108.86**



Average Analyst Ratings

3 MTHS AGO	2 MTHS AGO	1 MTH AGO	CURRENT
Moderate Buy	Moderate Buy	Moderate Buy	Moderate Buy
4.17	4.17	4.17	4.25
Based on **6** analysts	Based on **6** analysts	Based on **6** analysts	Based on **8** analysts

RATINGS VALUES: Strong Buy = 5 Moderate Buy = 4 Hold = 3 Moderate Sell = 2 Strong Sell = 1

SUGGESTED

- BUY $ 145 +/-
- SELL $ 150 +/-
- EXIT $ 142

Bank of Nova Scotia

Narrow-moat rated **Bank of Nova Scotia** reported decent fiscal first-quarter earnings. Adjusted earnings per share were CAD 2.15, representing growth of 14% year over year. The bank was able to record another quarter of relatively low provisioning as the credit environment remains benign, while revenue and expenses were each flat year over year. In other words, earnings growth was driven exclusively by declining reserve levels and low charge-off levels. These initial results are generally in line of where we expected the bank to be. We expect some additional balance sheet growth and higher rates will help net interest income see some growth as the year progresses, while we see low-single-digit percentage fee growth and stable expenses for the rest of the year. As such, we do not plan to make any material adjustments to our current fair value estimates of CAD 87/USD 68. We will note that Canadian bank names are generally reacting much less to the current situation than U.S. bank stocks. We've highlighted in the past that Canadian banks tend to be more stable names overall, and we believe they have much less rate risk exposure.

The bank's rate sensitivity disclosures did increase a bit, going from CAD 157 million to CAD 245 million, although the bank remains on the low end of what we see for the Canadian banks. Balance sheet growth in Canada was generally strong, with average loans up 3% quarter over quarter, while it remained a bit weaker abroad, up 2%. We think loan growth will be important to watch, particularly in Canada given the consumer debt loads, as rates

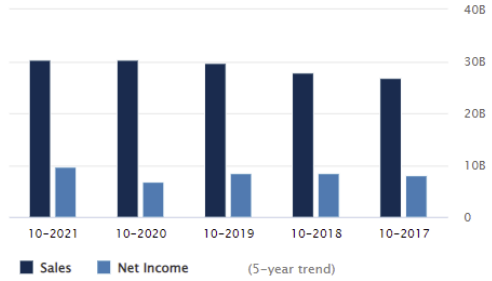
rise in 2022 and beyond. Similar to peers, the bank saw continued strength with its global banking and markets unit. Revenue was up 5% year over year and remained near all-time highs as the overall banking and capital markets environment remained positive.

FINANCIAL SUMMARY for Thu, Mar 10th, 2022 Alerts Watch Help

Bank of Nova Scotia is a global financial services provider. The bank has five business segments: Canadian banking, international banking, global wealth management, global banking and markets, and other. It offers a range of advice, products, and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. The bank's international operations span numerous countries and are more concentrated in Central and South America.

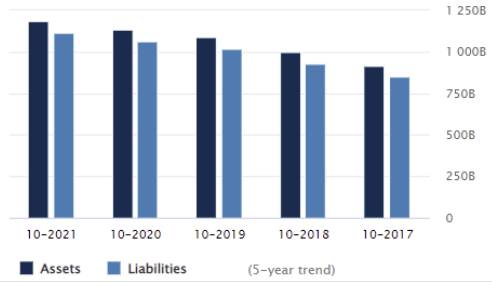
QUARTERLY ANNUAL

Income Statement



(Values in U.S. Thousands)	Oct, 2021	Oct, 2020	Oct, 2019	Oct, 2018	Oct, 2017
Sales	30,258,000	30,391,000	29,685,000	27,762,000	26,748,000
Sales Growth	-0.44%	+2.38%	+6.93%	+3.79%	+3.13%
Net Income	9,624,000	6,778,000	8,390,000	8,548,000	8,005,000
Net Income Growth	+41.99%	-19.21%	-1.85%	+6.78%	+12.48%

Balance Sheet



(Values in U.S. Thousands)	Oct, 2021	Oct, 2020	Oct, 2019	Oct, 2018	Oct, 2017
Total Assets	1,184,844,000	1,136,466,000	1,086,161,000	998,493,000	915,273,000
Total Assets Growth	+4.26%	+4.63%	+8.78%	+9.09%	+2.12%
Total Liabilities	1,111,952,000	1,065,963,000	1,015,969,000	930,813,000	853,648,000
Total Liabilities Growth	+4.31%	+4.92%	+9.15%	+9.04%	+1.81%

Bank Of Nova Scotia (BNS.TO)

91.72 -0.93 (-1.00%) 11:03 ET [TSX]

91.72 x 1 91.74 x 5

ANALYST RATINGS for Thu, Mar 10th, 2022 Alerts Watch Help

Analyst Target Prices

HIGH TARGET 107.00 | MEAN TARGET 99.80 | LOW TARGET 90.00 | 52 WK HIGH 95.00 | 52 WK LOW 75.84

Average Analyst Ratings

3 MTHS AGO	2 MTHS AGO	1 MTH AGO	CURRENT
Moderate Buy	Moderate Buy	Moderate Buy	Moderate Buy
3.88	3.86	3.86	3.86
Based on 8 analysts	Based on 7 analysts	Based on 7 analysts	Based on 7 analysts

RATINGS VALUES: Strong Buy = 5 Moderate Buy = 4 Hold = 3 Moderate Sell = 2 Strong Sell = 1

SUGGESTED

- BUY $ 90 +/-
- SELL $ 93 +/-
- EXIT $ 87

National Bank of Canada

Narrow-moat rated **National Bank of Canada** reported solid fiscal first-quarter earnings. Earnings per share were CAD 2.65, above the Factset consensus estimate of CAD 2.24. The bank's results were strong across the board, producing a return on equity of 22%. Revenue was up 11% year over year, driven by net interest income growth of 10% and fee growth of 12%. Expenses were up 8%, allowing the bank to generate pretax pre-provision (PTPP) growth of 14% year over year and solid operating leverage. This led to 23% growth in diluted EPS year over year. We've highlighted National Bank of Canada's unique revenue growth exposure in the past, along with its industry-leading ROEs, and this quarter's results were no exception. The year is starting off a bit stronger than we anticipated, particularly on the revenue side, however, given slightly higher expenses as well, we do not expect to materially change our fair value estimate of CAD 109. We see National Bank of Canada as still modestly undervalued.

Solid results were present across the bank's operations. P&C banking, wealth management, and financial markets all saw double-digit PTPP growth year over year. ABA, as expected, continued its strong double-digit growth, with revenue up 33%. Average loans were up 3% quarter over quarter and 12% year over year. Management expects mortgage growth to remain strong for the year. We think loan growth in general, and mortgage growth specifically, will be important trends to watch as rate hikes play out, with higher rates being

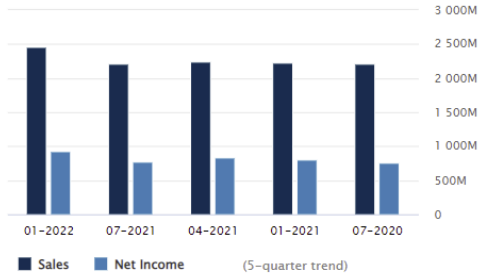
a headwind to growth. Wealth management had strong results, with AUM up 17% year over year and fees-based revenue up 22%. We expect growth to continue for the bank's platform here. Finally, markets-related revenue also remained strong, up 11% year over year, building on what was already a strong 2021. We think this may start to slow down a bit as the trading and investment banking environment normalizes, but so far results are exceptionally strong.

FINANCIAL SUMMARY for Thu, Mar 10th, 2022 Alerts Watch Help

National Bank of Canada is the sixth-largest Canadian bank. The bank offers integrated financial services, primarily in the province of Quebec as well as the city of Toronto. Operational segments include personal and commercial banking, wealth management, and a financial markets group.

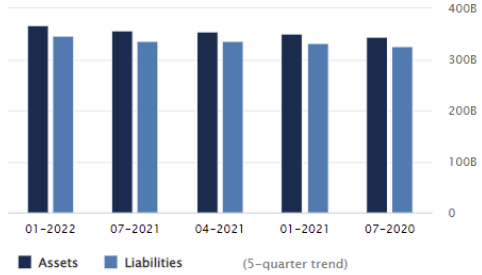
QUARTERLY ANNUAL

Income Statement



(Values in U.S. Thousands)	Jan, 2022	Jul, 2021	Apr, 2021	Jan, 2021	Jul, 2020
Sales	2,461,000	2,205,000	2,248,000	2,233,000	2,218,000
Sales Growth	+11.61%	-1.91%	+0.67%	+0.68%	+11.18%
Net Income	932,000	776,000	839,000	801,000	761,000
Net Income Growth	+20.10%	-7.51%	+4.74%	+5.26%	+55.31%

Balance Sheet



(Values in U.S. Thousands)	Jan, 2022	Jul, 2021	Apr, 2021	Jan, 2021	Jul, 2020
Total Assets	366,888,000	355,795,000	354,040,000	350,742,000	343,637,000
Total Assets Growth	+3.12%	+0.50%	+0.94%	+2.07%	+3.62%
Total Liabilities	347,239,000	336,939,000	335,461,000	332,586,000	326,717,000
Total Liabilities Growth	+3.06%	+0.44%	+0.86%	+1.80%	+3.64%

National Bank Of Canada (NA.TO)

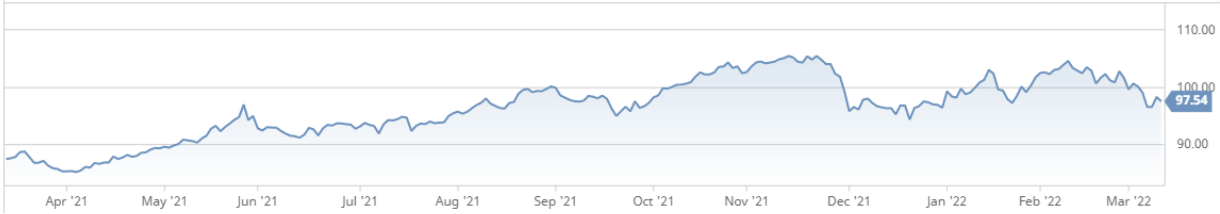
97.57 -0.74 (-0.75%) 11:07 ET [TSX]

97.55 x 3 97.59 x 2

ANALYST RATINGS for Thu, Mar 10th, 2022 Alerts Watch Help

Analyst Target Prices

HIGH TARGET **123.00** | MEAN TARGET **116.67** | LOW TARGET **109.00** | 52 WK HIGH **106.10** | 52 WK LOW **84.90**



Average Analyst Ratings

3 MTHS AGO	2 MTHS AGO	1 MTH AGO	CURRENT
Moderate Buy	Moderate Buy	Moderate Buy	Moderate Buy
3.50	3.50	3.50	4.00
Based on **2** analysts	Based on **2** analysts	Based on **2** analysts	Based on **3** analysts

RATINGS VALUES: Strong Buy = 5 Moderate Buy = 4 Hold = 3 Moderate Sell = 2 Strong Sell = 1

SUGGESTED

- BUY $ 96 +/-
- SELL $ 101 +/-
- EXIT $ 94

PRIOR EXECUTION TRACK

- ☐ Geo-political Events
- ☐ BoC Interest Rate
- ☐ Inflation
- ☐ Technical Indicators

END