



Why Bank of Montreal Is the Forever Bank Stock to Own

Description

The big banks are widely regarded as some of the best long-term investments on the market. This is, for the most part, a true statement; the banks have amassed a large footprint of operations around the country and internationally over time.

One of those big banks that has impressed me for some time is **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). If you haven't considered Bank of Montreal for your portfolio just yet, here are a few of the reasons why you really should.

Quarterly results that stand out

Bank of Montreal reported Q3 results recently, and the bank impressed once again by bettering the previous quarter's results.

Adjusted net income for the quarter came in 5% stronger over the same quarter last year, topping \$1.295 billion. The bank reported adjusted earnings per share of \$1.94, which bettered the same quarter last year by 4%.

Much of that growth can be attributed to stronger performance in the personal and commercial banking groups. The Canadian segment saw net income of \$561 million for the quarter—up 1% over the same quarter last year. Revenue was up 4% for the quarter to \$73 million, reflecting higher balances across products.

Both the personal and commercial banking units saw loan and deposit growth in the quarter; the personal business reflected a year-over-year loan and deposit growth of 4% and 9%, respectively, whereas the commercial business saw 10% and 5% growth, respectively, in loan and deposits.

Dividend growth that spans more than a century

Bank of Montreal has been paying out a dividend longer than many other banks have been in existence. The bank started paying dividends in 1829 and hasn't stopped providing value to shareholders since that time.

Currently, Bank of Montreal pays out a quarterly dividend of \$0.86 per share, which amounts to a fairly impressive 3.89% yield.

Bank of Montreal has steadily increased this dividend over the years with an increase occurring at least once a year over the past few years. That growth doesn't seem likely to end anytime soon, as the bank continues to perform admirably during earnings season.

It has also made a number of acquisitions made over the past few years that continue to add to the its bottom line.

Growth from acquisitions

Over the years, Bank of Montreal has invested in a number of different businesses that have all served to bolster the various segments of the bank.

The 2011 acquisition of Marshall & Ilsley comes to mind in this regard. That transaction effectively doubled the number of branches and deposits that the bank had in the U.S. market.

The acquisition of the transportation finance business from **General Electric Co.** is another prime example of this. That business has since been branded as BMO Transportation Business and is tasked with providing financing for the trucking industry. This business accounts for 20% of all lending in the trucking industry across the U.S., which has a multi-billion-dollar potential.

Finally, the acquisition of Greene Holcomb Fisher helped shore up the BMO Capital Markets division, adding 30 investment bankers with over 100 completed deals over the past five years to the division.

Bank of Montreal remains a great investment opportunity for those investors seeking long-term growth and dividend income.

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