



4 Reasons to Add Bank of Montreal to Your Portfolio

Description

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is neither the largest or most well-known bank in Canada, but as the oldest lender in the country, Bank of Montreal does have a compelling set of reasons for potential investors to consider. Here are some of the top reasons you may want to consider Bank of Montreal as a core holding of your portfolio:

1. Over a century of dividend payments

Bank of Montreal has been paying out dividends to shareholders since well before Confederation. In fact, the bank is celebrating its 200th anniversary this year.

That's an incredible amount of time, spanning multiple market crashes, world wars, and countless other crises. Throughout that entire time, Bank of Montreal has continued to make dividend payments, and the bank has raised that dividend over the years to very competitive, if not attractive levels.

The current quarterly dividend stands at \$0.88 per share, providing an appetizing 3.57% yield.

2. A growing presence in the U.S.

Bank of Montreal has undergone some impressive growth over the past few years thanks to a series of great acquisitions. Chief among those acquisitions is the Marshall & Ilsley deal in 2011 which doubled the bank's presence and deposits in the U.S. market.

Bank of Montreal recently announced that COO Daryl White will replace current CEO Bill Downe when he retires later this year. White isn't coy about his strategic intents, noting that conditions are optimal for the bank to continue to expand into U.S. markets.

If the targets that Bank of Montreal has in mind are anywhere near as fruitful as the Marshall Ilsley deal was for the bank, investors will be more than content with the direction the bank is taking.

3. Diversified business

One of the other acquisitions that Bank of Montreal made over the past few years was the acquisition of the transportation financing arm of **General Electric Company**.

That transportation arm constitutes one of the largest lenders in the commercial trucking sector of both the U.S. and Canada, accounting for nearly 20% of all leases. That deal alone places Bank of Montreal in a lucrative position of growth.

Another such acquisition was for Greene Holcombe Fisher, an advisory firm with a team of investment bankers that has over 100 completed deals in the past five years.

4. Strong results

Bank of Montreal continues to impress investors, building on the momentum of previous quarters, which has helped propel the stock up by over 20% in the past year.

In the most recent quarter, Bank of Montreal posted impressive results, with adjusted net income of \$1,350 million, an increase of 30% over the same quarter last year. Earnings per share came in at \$2.22, an impressive 40% higher than the same quarter last year.

While there is an argument to be made that the Big Banks may be a tad expensive at current valuations, Bank of Montreal continues to perform, grow, and in my opinion, remain a great investment option for any portfolio.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:GE (General Electric Company)
3. TSX:BMO (Bank Of Montreal)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/06/29

Date Created

2017/04/24

Author
dafxentiou

default watermark

default watermark