



Is Toronto-Dominion Bank a Buy After 2nd-Quarter Results?

Description

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)), much like the other big banks, is often seen as a must-have option that should be part of just about any portfolio. With few exceptions, all of the big banks in Canada offer great growth, impressive dividends, and growing portfolios of assets that extend outside the Canadian market.

Toronto-Dominion is the second largest of these banks. It provided a quarterly update this week that, once again, showcased the strength of the banking industry in Canada.

Let's take a look at what those numbers were and whether you should take the opportunity to buy now or wait.

Second-quarter results are in

Toronto-Dominion announced second-quarter results this week that were, in a word, impressive.

Analysts had been calling for Toronto-Dominion to post earnings of \$1.24 per share — a slight increase over the \$1.20 that the bank posted last year in the same quarter. Toronto-Dominion surpassed both of those figures, posting \$1.34 per share.

Net income for the quarter came in at \$2.5 billion, handily beating the figure from the same quarter last year, which came in at just \$2.1 billion. Across Toronto-Dominion's retail side, the bank reported strong growth of 7%, contributing \$1.6 billion.

One of the areas where Toronto-Dominion showed particular strength was in the U.S. segment, which reported an incredible 18% growth for the quarter. This was a surprise, as one of Toronto-Dominion's peers reported weaker results in its U.S. segment this week.

What about that fees issue?

A few months ago, reports by the media about Toronto-Dominion's sales practices led to the bank commencing a review of those practices to determine if staff were indeed moving customers to higher-

fee accounts and boosting credit limits without them even realizing.

During the quarterly update, Toronto-Dominion announced that the internal review was completed and that, as per Toronto-Dominion chief executive Bharat Masrani, that there was "...no widespread problem with people acting unethically in order to achieve sales goals."

Is Toronto-Dominion a good investment?

The latest results from Toronto-Dominion are not only impressive, but they paint a positive picture for the bank moving into the next quarter and the rest of the year. The results also put to rest some of the concerns that investors have with respect to a brewing mortgage crisis that could put a damper on future growth.

Toronto-Dominion did not hike the already impressive dividend the bank offers with these results, but it increased the dividend earlier this year. The quarterly dividend stands at \$0.60 per share, which, at the current stock price of just under \$64, results in a respectable yield of 3.75%.

In my opinion, Toronto-Dominion remains a great investment opportunity for those investors looking to add a bank stock that has plenty of potential over the long term. The bank clearly fits the definition of a stock to buy and forget.

Between the dividend and growth prospects for Toronto-Dominion, investors will be more than satisfied with the performance they will see from Toronto-Dominion over the long term.

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Author
dafxentiou

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