

## This Bank Is a Buy-and-Forget Favourite

### Description

Canada's big banks are some of the best-performing stocks on the market and continue to be excellent investment options that are often recommended as core constituents of every portfolio type.

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is one of the big banks that continues to draw interest from investors, and for good reason.

Let's look at how TD differs from its peers, and why this is *the* bank to buy and forget.

### The big banks have some big differences

One thing I love about the big banks is their different investing styles and expansion policies. Most of the big banks see the [U.S. market as a massive opportunity for growth](#), and over the course of the past decade, several of the big banks have done precisely that.

Other banks have expanded to markets outside the U.S. and have similarly [seen impressive growth](#).

In the case of TD, the bank had a small presence in the northeast a decade ago, known as TD BankNorth, but following a string of acquisitions that included three failed banks in the U.S., TD's footprint currently has more branches in the U.S. market than it does in Canada, with branches in 15 states and in Washington, D.C.

The importance of that distribution cannot be understated, as the U.S. banking business contributes greatly to both total deposits and earnings.

### What about results?

TD is set to announce results for the second fiscal quarter of 2018 next month, and analysts are forecasting earnings estimate of \$1.16 per share. Until then, we can look at the performance of TD from the first quarter, which was, in a word, impressive.

Adjusted net income in the quarter came in at \$2,946 million, representing an increase of \$388 million over the same quarter last year. Adjusted diluted earnings per share topped \$1.56 per share, surpassing the \$1.33 per share over the same period last year.

The U.S. retail segment of the bank reported an adjusted net income of \$1,024 million, which was an impressive 19% increase over the same period last year.

### TD makes a great income-producing investment

TD is a great income-producing investment thanks in part to its impressive quarterly dividend, which pays out an appetizing yield of 3.84%.

Two points that potential investors may not realize, however, is that TD has been paying that dividend for well over a century and that the dividend has averaged over 10% annualized growth spanning the past two decades.

That factor alone makes TD a great long-term investment for the buy-and-forget investor.

### **The people factor**

TD prides itself on being what it refers to as “America’s most convenient bank” in the U.S. What this translates to is an added emphasis on providing the highest-quality service possible, either through offering a larger number of branches that are open seven days a week or through participating in community events.

This is in stark contrast to other banks that are closing branches and increasingly pushing customers to online services that remove face-to-face contact.

The strategy is working, as the bank continues to grow and enjoys a loyal following of customers.

TD remains a great investment option for those investors looking for a financial stock that is diversified outside Canada which can provide both growth and income potential.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### **Category**

1. Bank Stocks
2. Dividend Stocks
3. Investing

### **Tags**

1. Editor's Choice

**Date**

2025/08/20

**Date Created**

2018/04/17

**Author**

dafxentiou

default watermark

default watermark