



Have You Considered Bank of Montreal (TSX:BMO) Lately?

Description

Canada's Big Banks are some of the best long-term investments on the market today, and most investors have factored at least one of the Big Banks into their retirement portfolios. Of the Big Six banks, **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is neither the largest nor most popular among investors, but that's not to say that BMO shouldn't be part of your long-term portfolio plans.

Let's take a look at what the bank offers, particularly when compared to its larger more well-known peers and whether that translates into an investment opportunity.

Bank of Montreal is a bank of firsts

Few investors may realize this, but Bank of Montreal is Canada's oldest bank, first opening its doors well before Confederation in 1817. While that is indeed an impressive stat, what should really impress investors is the fact that Bank of Montreal has been paying out dividends since 1829, and the bank has never missed a payment since. That's an impressive feat that covers two world wars, countless market slowdowns, and recessions as well as both the Great Depression and the Great Recession.

Today, that quarterly dividend provides investors with an annualized \$4.00 per share, which works out to a solid 3.78% yield. While that yield may come up short when compared to some of BMO's larger peers, prospective investors should take that incredible dividend history mentioned above as a sign of stability in times of volatility.

That stability is a key point that should be taken into consideration as volatility concerns continue to mount, particularly in the overheated real estate market, where coincidentally Bank of Montreal has a smaller exposure than many of its peers.

Expansion is another area worth noting. Unlike its peers that are rapidly expanding outwards into new markets, BMO hasn't jumped on an acquisition target in several years. That's not to say that BMO hasn't expanded over the years, however, as the bank does have a sprawling network of over 500 branches in the U.S. midwest region, the bulk of which came through the 2010 Marshall & Ilsley acquisition that doubled BMO's presence in the U.S. market.

What about results?

Bank of Montreal is set to provide an update on the second fiscal of 2019 later this month, so until then, let's take a look at how the company fared in the first quarter, which was in a word, impressive.

In the first quarter of fiscal 2019, Bank of Montreal reported revenue of \$5,591 million, representing a 6% increase over the same quarter last year. In terms of earnings, the bank saw net income come in at \$1,510 million, while adjusted net income for the quarter came in at \$1,538 million, an increase of 8% over the same period last year.

On a per share basis, Bank of Montreal earned \$2.32 per share on an adjusted basis, reflecting a solid 10% increase over the same period last year.

Should you buy?

Bank of Montreal may not be the largest bank or have the best yield, but where the bank does excel is in that it continues to deliver solid results with an incredible record when it comes to dividend payouts. Investors looking for a solid long-term investment option that can provide growth and income-earning potential for decades will not be disappointed.

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