



TD Bank (TSX:TD) Stock Has an Absurd 162-Year Dividend Streak!

Description

People with long-term financial goals have only one rule when picking stock investments: the company should be the bedrock of stability. That's [the only way to grow your capital significantly over time](#).

The important things to look for are profitability records, growth, and consistent dividend payments. Furthermore, if the company has a dividend streak of 162 years, your search is over.

Toronto-Dominion ([TSX:TD](#))([NYSE:TD](#)) has all the attributes, including an outrageous history of dividend payments. It is common knowledge that the average of one generation is 25 years, and the impressive track record of Canada's second-largest bank covers about six-and-a-half generations.

Unique dividend policy

The world knows that you can find the most stable, well-developed, and highly competitive banking sector in Canada. TD is one of the top five industry behemoths. All of the banks have been paying dividends for more than 100 years.

Toronto-Dominion stands out because of its assertive dividend policy. This \$137 billion banking institution has adopted a unique approach to sharing profits with shareholders. TD has a once-a-year dividend increase policy in effect. The current yield is 3.94%.

The historical return of a \$10,000 investment in the last 24 years will firm up your decision to make TD your core holding. The total return for the period with the said amount is 2,598.37%, including reinvested dividends. Where else can you find a high-quality investment that delivers an average annual total return of 14.71%?

Differentiated brand

Toronto-Dominion is the cream of the crop. The bank has a proven business model that delivers consistent earnings growth that is predicated on strong risk culture.

The bank is fully diversified, as it operates a Canadian retail banking segment along with the U.S. retail and wholesale banking segments. You can validate the admiration for TD from the approximately 30 million bank clients worldwide. The figure is apart from roughly 15 million online and mobile customers.

Likewise, the growing number of digital banking users indicates that TD is forward-focused and is shaping the future of banking in Canada. The bank is continuously innovating and modernizing operations to suit the digital age.

Revenue generation

Toronto-Dominion's retail banking and wealth management contribute the most to its revenue and profit. Since these business segments are less prone to volatility, cash flows are more stable and predictable.

The bank, however, is well aware of the [possibility of a market downturn](#). In preparation, it has increased loan-loss provision by 17% to \$655 million. But the increase in the provision for credit losses is happening in the entire banking industry.

It is worth mentioning here that Toronto-Dominion was the lone bank to report growth in both revenue and earnings during the 2008 financial crisis. The only drawback is the diminishing margins due to the low-interest environment. Otherwise, it's business as usual.

Hold for generations

Toronto-Dominion is a quality value and high-class investment due to its competitive advantages, enduring low-business model, and fair price. The bank's strong fundamentals will not deteriorate, even if you count another four generations.

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