



1 Top TSX Bank Stock to Buy in September 2021

Description

Those looking for a top TSX bank stock may have different reasons for doing so. Some like the bond-like [dividend yields](#) these stocks provide. Others like the stability these stocks provide over the long term.

However, whatever the reason, bank stocks have proven to be great core long-term portfolio holdings. Sure, volatility can spring up from time to time. But those who hold bank stocks over the very long term tend to do very well.

Among the Canadian bank stocks I think is the best right now is **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). Here's why.

Latest BMO earnings surpass expectations

BMO's [latest earnings report](#) outperformed profit expectations by a significant margin. The company reported double-digit growth in its flagship domestic business. Additionally, it released funds previously kept aside for loans.

The net income of this financial institution was \$2.28 billion for the fiscal third quarter. In comparison to a year ago, this value was \$1.23 billion. In contrast to analysts' expectations of \$2.94 per share, BMO earned \$3.44 per share.

That's a big beat.

BMO's CEO stated that the bank's leadership in terms of balance sheet and risk management contributed to its robust capital position and potent credit metrics.

The net income in the bank's commercial and personal banking operation more than doubled year over year. This number touched US\$815 million, as revenue increased 14% and reached a value of \$2.24 billion.

The U.S. banking division of BMO also saw profits more than double. These came in at US\$448 million in the latest quarter. Revenue from this segment grew 7% year over year to hit US\$1.1 billion.

A similar story was seen in BMO's capital markets division as well.

Strategic focus paying off for this bank stock

Bank of Montreal seems to be bold regarding its strategic agenda. The company focuses on investing in areas where the bank's businesses are well positioned for delivering substantial returns and have a competitive market share.

The ability of the BMO to decisively and strategically act during disruptive periods of change has ensured this bank stock is in a good position to succeed over the long term.

The Business Intelligence Group recognized Bank of Montreal with a 2020 Artificial Intelligence (AI) Excellence Award. This was for the financial institution's innovative solutions that utilize AI to monitor customers' cash flow requirements. Additionally, it also helps to flag potential shortfalls, thereby enabling clients to adjust budgets proactively.

Bottom line

In 1829, BMO paid its first dividend. Since then, investors have received a share of the bank's profits every year. This implies paying steady dividends for around two centuries.

This dividend income, in combination with the bank's focus on generating new strategic avenues for growth, makes this a top pick. Long-term investors would be remiss to ignore this top bank stock right now.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/09/08

Date Created

2021/09/13

Author

chrismacdonald

default watermark

default watermark