



## Dividend Streak: This 1 Stock Hasn't Missed a Payment in 192 Years

### Description

The Big Five banks in Canada, without exception, have been paying [dividends](#) for over a century. [Long-term investors](#) or people building retirement wealth should own at least one in their dividend portfolios. However, if you filter the bank stocks further, **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) has the longest dividend streak on record.

With a dividend track record of 192 years, Canada's fourth-largest lender is the most [investor-friendly stock](#) on the TSX. No one man can outlive BMO's record, so if you have long-term financial goals, this bank stock can pay dividends for a lifetime.

### Strong earnings growth

The \$89.42 billion bank was the last in the banking sector to report Q4 and full-year fiscal 2021 (year ended October 31, 2021) earnings results. Darryl White, CEO of BMO Financial Group, said, "We delivered another quarter of strong performance with positive operating leverage in each of our diversified businesses, contributing to strong earnings for fiscal 2021."

In Q4 fiscal 2021, net income and adjusted net income grew 36% and 38% versus Q4 fiscal 2020. Net income increased 52% to \$7.75 billion year over year for the entire year. BMO's return on equity ROE increased from 10.1% to 14.9%. At the close of the fiscal year, the common equity tier one ratio was 13.7%, or 1.8% higher than the previous fiscal year.

The best news to investors was management's announcement of a 25% increase in dividends effective Q1 fiscal 2022. As of December 7, 2021, BMO trades at \$138.25 per share. Current investors enjoy a 48.09% gain in addition to the 3.86% dividend.

Management can well afford a considerable dividend increase, given the low 39.55% payout ratio. Based on market analysts' forecasts, the bank stock could climb between 10.3% (\$152.52) and 23% (\$170) in 12 months.

## Bold digital transformation moves

Darryl White emphasized that because of BMO's purpose and winning culture, the bank has significantly advanced its strategy to build a digitally enabled, future-ready bank. BMO chose **Amazon** Web Services (AWS) as its fintech partner regarding the plan to modernize its banking platform.

The American cloud provider will streamline the bank's internal business processes for BMO to achieve its goal to be a cloud-first organization. The bank also plans to move strategic workloads to AWS that support its retail and commercial banking, investment banking, and wealth management operations.

BMO's online and mobile banking applications will migrate to AWS to further push cloud adoption further internally. Management will also utilize AWS to provide a more customer-centric experience for BMO's call centre while supporting remote working capabilities for employees.

Steve Tennyson, chief technology and operations officer at BMO, said, "We continue to make bold moves at BMO to accelerate our digital transformation." With AWS as a partner, the bank will have a reliable global infrastructure that it will need to scale the business rapidly.

Tennyson added that BMO can also move faster and expand the use of analytics, machine learning, and high-performance computing across the entire operation once they possess a comprehensive set of cloud capabilities.

## No regrets

Young and old investors alike will not regret investing in Canada's oldest bank. As an investment prospect in 2022, you can say that BMO is an income, momentum, and growth stock rolled into one.

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