



Bank of Montreal: Should You Buy This Big Bank Stock Today?

Description

Canada's Big Six banks are among the best long-term investments for your investment portfolio. [If you're just starting investing](#) and wondering where you should begin, you should know that you can virtually never go wrong with any of the Big Six.

The Big Six are some of the best-run businesses in Canada. The financial institutions have strong operations in the domestic market, and the largest Canadian banks have a growing presence elsewhere in the world. One such **TSX** banking stock recently announced that it is growing its international presence further by expanding south of the border.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is one of the largest financial institutions in the country. If you are looking for a [reliable income-generating asset](#) that can offer significant long-term wealth growth, BMO stock could be a solid choice. Today, I will take a closer look at the TSX stock to help you determine why it could be a good addition to your self-directed portfolio as a core holding.

Further U.S. expansion

International diversification is a good thing for Canadian banks, but having a significant presence in the U.S. is not something new. BMO already has substantial operations in the U.S. through its BMO Harris operation in the Chicago area. However, the Canadian bank decided to build on its strong foothold in the U.S. and acquire more assets.

BMO recently announced its acquisition of San Francisco-based Bank of the West, a subsidiary of BNP Paribas bank from France. Bank of Montreal's management is funding the acquisition deal valued at an estimated US\$16.3 billion using the existing liquidity the bank possesses after not having to deploy its provisions for loan losses last year.

It was only a matter of time before BMO's management put the excess capital to use, and it has been an excellent move. The deal now expands BMO's presence in the U.S. by introducing it to the California market. After the acquisition, BMO now serves almost 2 million more customers.

What does this mean for BMO investors?

Expanding into the U.S. for any bank is a major deal. BMO's expansion into California spells excellent news for its investors. California has been a terrific market for Canadian banks. The latest move doesn't just add more customers. BMO's acquisition of the Bank of the West also adds US\$89 billion in deposits and US\$56 billion in loans for the Canadian financial institution.

Entering the California market in this style has opened up the opportunity for significant long-term growth for the bank.

Foolish takeaway

Investing in [Canadian Big Six banks](#) is one of the safest ways to begin your stock market investing career. The financial institutions boast long dividend-paying streaks and offer excellent long-term wealth growth through capital gains.

At writing, BMO stock is trading for \$135.87 per share, and boasts a juicy 3.97% dividend yield that you could lock into your portfolio. If you are looking for a Canadian bank stock to begin investing in the TSX, purchasing shares of BMO stock could be an ideal way to go.

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