

## Stocks That Haven't Missed a Dividend Payment In Over 143 Years

### Description

It's almost unimaginable, but each one of the following companies has paid an uninterpreted dividend for over a century. In fact, the longest standing dividend payer on this list hasn't missed a payment since 1829.

Think about how our society has changed since then. Over the past 184 years we've seen the Canadian Confederation, the rise of the automobile, space travel, and the internet. During that time the country pushed through two world wars, the Great Depression, financial crises, and asset bubbles.

Yet for these five companies, it hardly mattered. Through all of the upheaval they continued to send out regular dividend cheques to their shareholders.

So who are these titans of industry? Take a look for yourself.

Company	Paid Dividend Since	Years of Consecutive Payouts	
Bank of Montreal ( <a href="#">TSX: BMO</a> )	1829	184	
Bank of Nova Scotia ( <a href="#">TSX: BNS</a> )	1832	181	
Toronto Dominion Bank ( <a href="#">TSX: TD</a> )	1857	156	
CIBC ( <a href="#">TSX: CM</a> )	1868	145	
Royal Bank ( <a href="#">TSX: RY</a> )	1870	143	

Source: Company filings and Google Finance

Other than the obvious banking theme, there are two important investment insights from this list.

First, in investing, it's not the risky junior prospectors that deliver the best results over the long haul. Nor is it the high flying technology stocks. These companies come and go. Rather, it's the boring businesses that steadily churn out profits year after year.

Every firm on this list exhibits good ol' fashion Canadian conservatism. I can say first hand that the risk culture inside these institutions is about as exciting as a Saturday night game of solitaire. However, this

reserved attitude has made for happy shareholders.

Second, investment success is about identifying companies with a sustainable competitive advantage. By its nature the Canadian banking industry has a wide economic moat that protects it from competition. This allows existing firms to earn excess profits for shareholders decade after decade.

Take Royal Bank for example. With a \$100 billion market capitalization, this is the largest financial institution in the country.

Picture yourself trying to build a competitor. Royal Bank has the lowest cost of capital to undercut you. Royal Bank has the largest distribution network to outsell you. And Royal Bank has a billion marketing budget that's hard to rival. Sure I love an underdog story. I wish you the best of luck. But my money is on Goliath every time.

Given that kind of advantage, it shouldn't be surprising that the Royal Bank has been able to pay an uninterrupted dividend since 1870 and increased its payout more than ten fold over the last 20 years.

Of course, past performance is no guarantee of future results. A dividend payout over the previous century isn't an assurance of anything over the next 100 years.

But if I had to predict who would be on this list a century from now, it would be companies like these — firms that have a sustainable competitive advantage that regularly reward shareholders through dividends and buybacks.

## **CATEGORY**

1. Investing

## **TICKERS GLOBAL**

1. TSX:BMO (Bank Of Montreal)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:RY (Royal Bank of Canada)
5. TSX:TD (The Toronto-Dominion Bank)

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