



## Bank of Nova Scotia (TSX:BNS): Is This the Best Dividend Stock to Buy Now?

### Description

One great aspect of investing in [Canadian top banking stocks](#) is that they always recover from their dips. For new investors, finding out which stock is offering the best risk/reward equation is probably the only big hurdle left when they have to decide where to put their money.

Given the performance of the past one year, I see some good opportunities if you want to buy a quality banking stock from Canada. **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is one of them.

The third-largest lender by the market size has had a difficult few quarters following its heavy spending on acquisitions in both Canada and abroad. Its largest-ever spending spree last year made some investors nervous; they raised questions about the merit of this aggressive strategy.

As a result, Scotiabank stock underperformed other top lenders during the past 12 months. But if you compare Scotiabank stock with other players during the past three months, you will see that that bearish spell is winding down and the lender is getting back in the race.

### Strong global expansion

I like Scotiabank stock for long-term income investors for a couple of reasons. First, it has expanded in Latin America to grow at a time when Canadian market was saturated.

Following its aggressive growth in the region, Scotiabank is now one of the largest lenders in the Pacific Alliance — an economic bloc consisting of Mexico, Peru, Chile, and Columbia.

The region is forecast to contribute 30% to the bank's total revenue over the next three years. That diversification away from North American economy is a good hedge to counter any possible weakness in this market in the next two to three years.

From Scotiabank's most recent earnings report, it's clear that the bank is greatly benefiting from this international push. In the fiscal fourth quarter, its global banking division posted record earnings and the biggest profit gain among the Toronto-based lender's three main segments.

Earnings from international banking rose 22%, its biggest jump in three years, helped by contributions from Chilean lender **BBVA Chile**, which it acquired last year. That growth exceeded the 4.5% profit gain from Canadian banking from a year earlier and the 6.4% jump in the global banking and markets division.

The second reason that makes me confident in recommending Scotiabank stock to income investors is the lender's [amazing ability to reward its investors](#). It has been a reliable name when it comes to paying dividends. It has paid a dividend every year since 1832, while it has hiked its payouts in 43 of the last 45 years.

## Bottom line

Trading at \$74.32 at the time of writing, Scotiabank stock yields 4.5% and pays \$0.283 a share quarterly dividend. I think this is one of the best times to add this solid dividend stock to any long-term portfolio, as the lender recovers from the weakness and offers good potential of capital gains.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

#### 4. Stocks for Beginners

##### Tags

1. Editor's Choice

##### Date

2025/08/28

##### Date Created

2019/02/06

##### Author

hanwar

default watermark

default watermark