



Is Bank of Nova Scotia (TSX:BNS) a Buy-and-Forget Dividend Stock?

Description

One of the many benefits that come from investing in Canada's big banks is that they provide a [growing source of income](#) through their increasingly attractive dividends. One bank in particular that has quietly emerged as one of the leaders in the marketplace of dividend-paying investments is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

While most investors may not realize it, Bank of Nova Scotia has provided shareholders with better-than-annual dividend hikes stemming back nearly a decade. The dividend is fueled by the impressive earnings the bank continues to produce, translating into an incredibly stable payout ratio of near 50%, which ultimately produces the appetizing 4.56% yield.

Beyond that, there's also the fact that Bank of Nova Scotia hasn't missed a dividend payment for well over 180 years. In fact, with that level of consistency and growth, the bank is well beyond the typical buy-and-forget label and should be viewed as part of an exclusive club of market performers that are in a league of their own.

What more could you ask for?

As incredible as it sounds, Bank of Nova Scotia's attractive dividend is only the tip of the iceberg. The company offers a number of other compelling reasons that investors should take into consideration.

First, let's talk about Bank of Nova Scotia's growing network. As one of the big banks in Canada, it's no surprise that Bank of Nova Scotia has a prominent branch network around the country. Bank of Nova Scotia, also known as Scotiabank, is also known by another tagline: Canada's most international bank.

Most of Bank of Nova Scotia's peers have taken the opportunity to expand their branch networks in the decade since the Great Recession, and for the most part that expansion has revolved around further penetrating the U.S. market, where an overall less-regulated market has exposed lucrative opportunities for foreign banks to quickly enter the market, acquire a series of distressed regional players, and stitch them together under a single name. Instead of following that model, Bank of Nova Scotia turned its expansion further south into the Latin American markets of Mexico, Columbia,

Peru, and Chile.

Together, those four nations comprise a trade bloc known as the Pacific Alliance, charged with eliminating trade restricting tariffs and fostering a better business relationship between those members. The venture has so far proven incredibly successful, and Bank of Nova Scotia's prominent and still growing — thanks to a series of well-timed acquisitions — presence throughout those nations has positioned the bank as the common and preferred lender across the bloc — something that has provided Bank of Nova Scotia's international segment with double-digit growth for several consecutive quarters with shows no signs of slowing.

While the investment into Latin America is both unique and lucrative, we should also make note of Bank of Nova Scotia's strides in the domestic market. While much of the expansion over the past decade has stemmed from critical arguments — ranging from the need to diversify away from Canada's overheated mortgage market to the Canadian banking environment being oversaturated with no growth — there is still plenty of opportunity within Canada.

For one thing, while we may not realize it, Canada's banking system is incredibly stable and, in some ways, the envy of the western world. Much of that stability stems from regulations in place to prevent the same type of meltdowns that seem to occur nearly every decade in the U.S.

Then there's the dominance of the big banks in the market in Canada itself to take into consideration. The Big Five comprise well over 80% of the market in Canada, which is not a market saturation hindrance, but rather places Bank of Nova Scotia and its peers in a prime position to continue reaping the rewards of a strong economy, through the myriad of products, services, and fees the bank earns each month.

In my opinion, Bank of Nova Scotia remains an excellent long-term option for those investors looking for both [long-term growth and income](#).

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