



2 Dividend Stocks With a Payout Streak of Over 188 Years

Description

Companies with long dividend track records reflect fundamental strength and sustainability of payouts to shareholders. Mature and profitable firms or blue-chip companies in particular typically pay dividends. The longevity of dividends also matters to investors because it lends [confidence](#).

If you're chasing after long-term financial goals or saving for retirement, your chosen income stock should be capable of enduring downturns. The stock market [risks are ever present](#), although returns are historically higher if the investment horizon is 20 years or more.

In the U.S., several household names have been paying dividends for more than 100 years. Canadians, however, need not look elsewhere. **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) and **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), or Scotiabank, are in the same league.

Exxon Mobil in the U.S. has been paying dividends since 1882, but its dividend track record pales compared to BMO and Scotiabank. The former started sharing earnings with shareholders in 1829, while the latter began the practice in 1832. In 2021, these Canadian banks remain formidable as ever. I wouldn't be surprised if their records extend to the 22nd century.

Dividend pioneer

Investors describe BMO as the most friendly stock, because the bank started it all. The \$73.5 billion bank is the fourth largest in Canada's banking sector, but its dividend track record is unmatched. I can't backtrack 192 years, but investors must know the total return in the last 48.35 years is 2,023.60% (6.52% CAGR).

The stock market goes through ups and downs most of the time. When you invest in BMO, you're buying peace of mind. Many times before, the markets went haywire due to the Great Depression, two World Wars, the dot.com bubble, and the 2008 financial crisis.

In the 2020 global pandemic, BMO displayed its resiliency once. The stock price tanked as with the other big banks. However, BMO and its peers endured the massive industry headwinds and the fallout

from COVID-19. If you were to initiate a position today, the share price is \$113.64, while the dividend yield is 3.75%.

Investors didn't abandon BMO. They are pleased with the stock's 18.57% year-to-date gain. Assuming you invest \$250,000 today and the yield remains constant for 25 years, the capital will swell to \$627,541.78.

High-yield bank stock

Scotiabank is a rock-solid dividend payer, too. Its \$94.77 billion market capitalization makes it Canada's third-largest bank. The 189-year dividend track record is equally impressive. The dividends experienced a momentary slide during the 2008 financial crisis. However, the pace of its dividend growth was faster since then.

The current share price is \$78.15, and the bank stock pays a higher 4.6% dividend. If you were to invest \$250,000, and if the yield were unchanged, your money would compound to \$769,541.64 in 25 years. Scotiabank has pared down the losses in March 2020 and is up 16.39% year to date.

Over the last 48.35 years, Scotiabank's total return is 4,835.16% (8.4% CAGR), better than BMO's. Market analysts covering the bank stock forecast the price to climb 21.6% to \$95 in the next 12 months. The dividends should be safe given the 67.67% payout ratio. Expect Scotiabank to maintain a solid financial position for decades to come.

Mitigate the risks

BMO and Scotiabank are best for risk-averse investors. While you'll never know when the market will correct again, like in March 2020, both dividend stocks will not disappoint loyal investors.

CATEGORY

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