



## Why Scotiabank Is a Dividend Stock to Buy Now and Never Sell

### Description

[Dividend-seeking investors](#) searching for reasonably high yields may want to take a look at the Canadian banking sector and, in particular, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). This top Canadian bank is also a dividend stock with a relatively juicy yield — around [4.3%](#) at the time of writing. As far as bank stocks go, that's up there with the best.

Of course, Scotiabank is a stock that's had a higher yield than its peers for some time. Much of this is due to the larger nature of some of its peers. I think there are reasons to consider Scotiabank's yield as attractive right now, given the bank's fundamentals and forward-looking prospects.

Let's dive into why Scotiabank remains a dividend stock to buy now and never sell.

### Plenty of positives on Scotiabank's plate

Scotiabank has a lucrative valuation that's trading at a relatively modest discount than its peers. This company's price-to-earnings multiple around 12 times in combination with its dividend yield make this an attractive bank stock to consider right now.

Much of the positive outlook behind Scotiabank has been this lender's conservative provisioning for loan losses during the pandemic. This has resulted in positive earnings surprises in the past, which some investors may be factoring out of future earnings. Fair enough.

That said, another key factor investors should consider with Scotiabank is this lender's international exposure. Scotiabank remains among the most diversified Canadian banks, with operations in the Pacific Alliance, Central American and Caribbean countries.

Over the last seven years, the management has exited 20 non-core nations and extended its reach elsewhere, thereby repositioning the bank. Also, the bank's liquidity position and balance sheet are solid.

## A solid long-term dividend stock for investors to buy right now

Scotiabank is a solid grab for those willing to allocate their cash in a reliable dividend play. One among the Big Six Canadian banks, the Bank of Nova Scotia boasts a whopping \$113 billion market capitalization.

Additionally, Scotiabank has the reputation of an extensive dividend-paying streak attached to its name. Impending interest rate increases can benefit the organization, boosting its financials and raising its profit margins.

A wider improvement in economic activities can further boost this bank's profits. Given its juicy dividend yield, investors can certainly consider Scotiabank an excellent buy in this volatile environment. Picking this potential dividend stock at this moment can help investors to introduce stability to their investment portfolio.

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