



## Why Bank of Nova Scotia Should Be in Your Portfolio

### Description

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is the third-largest bank in Canada, but unlike some of the company's peers, the bank represents a solid candidate for your portfolio, regardless of whether your goal is dividend income, growth, or both.

Here's a quick look at why you should consider investing in Bank of Nova Scotia.

#### Bank of Nova Scotia brings in the results

First and foremost, the bank is doing a great job, and this is reflected in recent results. In the most recent quarter, Bank of Nova Scotia provided an update that compared the performance of bank for the first six months of the year against the first six months of last year. The results showed the bank is continuing to grow and provide shareholder value.

Of notable interest, adjusted net income came in at \$3.68 billion, a 4.3% increase over the first six months of last year. Adjusted earnings per share also came in at a 4.3% increase to \$2.89 per share.

Total assets came in at \$894.96 billion, representing a 6.9% increase. Deposits and loans also saw strong increases in the first half of the year with deposits increasing by 5.9% to \$609.31 billion and loans increasing by 7.1% to \$466.85 billion.

The bank is largely structured into three segments: Canadian banking, Global Banking & Markets, and International Banking. The International Banking segment is one that is of considerable interest of late as the segment brought in over \$500 million in earnings for the third consecutive quarter, and earnings from this segment are up 12% over last year.

#### Diversifying is key

Bank of Nova Scotia has a huge international footprint with operations in over 55 countries. Of particular interest, the bank has placed a special emphasis on countries that form part of the Pacific Alliance, which includes Chile, Columbia, Mexico, and Peru.

The Pacific Alliance has a focused goal of slashing tariffs and trade barriers, removing travel visa, and even establishing joint visas. When countries establish working partnerships such as this, the banking sector in particular can make significant revenues by working with those countries. This is what Bank of Nova Scotia has done for the Pacific Alliance, and it has paid off, which can be seen in the growth in the International segment.

Another key point of brilliance in this model is the diversification that Bank of Nova Scotia has undertaken. By expanding into these different regions, Bank of Nova Scotia is set up to weather downturns in the market in one economy, while making up for those losses in a booming economy elsewhere.

### **Shareholder value**

Bank of Nova Scotia is a strong investment option, but one final area where the bank really surpasses the competition is in terms of shareholder value. The bank is undergoing a transition to a new core banking platform and is leveraging technology to help onboarding processes for a variety of products, from mortgages to credit cards.

Bank of Nova Scotia currently trades at \$63.31, and year-to-date the stock is up by over 13%. Bank of Nova Scotia currently pays out a quarterly dividend of \$0.72 per share, which, given the current stock price, results in a yield of 4.55%, making Bank of Nova Scotia one of the best dividend options on the market now.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing

### **TICKERS GLOBAL**

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

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