



## Bank of Nova Scotia: Canada's International Bank

### Description

At first glance, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) doesn't exactly resonate as a bank with a growing international portfolio. Bank of Nova Scotia is neither the largest nor most diversified of the big banks, yet the bank offers investors the opportunity to capitalize on several opportunities that none of the other big banks are invested in.

International banking has become a growing priority for the big banks, especially as the banking sector becomes more competitive and saturated within Canada. To counter this, some of the banks have turned to expanding into U.S. markets, while Bank of Nova Scotia has looked further south to the Pacific Alliance.

### Bank of Nova Scotia and the Pacific Alliance

The Pacific Alliance currently consists of Mexico, Columbia, Peru, and Chile. The agreements between these nations are fostered around improving trade, lowering or even eliminating tariffs between member states, and offering shared consular services in other countries.

The Alliance has proven successful. Trade barriers between member states are already on track to be removed entirely within the next three years. Upwards of 40 other countries are observers to the treaty, and several have already expressed interest in joining the inner circle of the bloc. A growing flurry of economic activity now binds those nations together in a manner much like NAFTA integrated and expanded the economies of the U.S. and Canada.

Bank of Nova Scotia invested heavily in all four nations, realizing the opportunity the Alliance posed for the banking sector, by becoming a familiar icon and conduit for business between those member states.

The effort has been successful as Bank of Nova Scotia's recent results show continued growth from the international segment.

### Quarterly results show massive potential

In the most recent quarter, Bank of Nova Scotia reported \$2.067 billion in net income, far surpassing the \$1.584 billion posted in the same quarter last year. In terms of earnings, Bank of Nova Scotia realized \$1.62 per share diluted, beating the \$1.23 per share diluted reported in the same quarter last year.

The international segment saw net income of \$595 million in the quarter, an impressive 19% increase over the same quarter last year. The Canadian segment didn't fare as well, as net income of \$971 million represented a \$6 million, or 1%, decrease over the same quarter last year. Bank of Nova Scotia's global banking and markets segment reported net income of \$517 million for the quarter, an impressive 60% increase, or \$194 million greater than the same quarter last year.

Overall, the results show that the investment in the Pacific Alliance is starting to deliver record results, despite a slowdown in the Canadian segment.

### **Is Bank of Nova Scotia a good investment?**

Bank of Nova Scotia appeals to both growth- and income-minded investors. From a growth perspective, the bank has surged over 18% in the past 12-month period, and from an income perspective, Bank of Nova Scotia offers a quarterly dividend with a respectable 3.91% yield.

In my opinion, Bank of Nova Scotia is a great investment for nearly any portfolio.

### **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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