



Another Great Year for Bank of Nova Scotia

Description

The year 2017 marked another great year for **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), Canada's third-largest lender by market capitalization.

In 2017, Bank of Nova Scotia continued to maintain strong capital ratios and drive efficiencies and cost savings through investments in technology and leverage its extensive international trade network to gain competitive advantages.

The best balance sheet in the business

Scotiabank closed the year with a Common Equity Tier 1 (CET1) ratio of 11.5% the very best among the Big Five Canadian banks.

Having a strong capital position first of all means that shareholders are safe, but it also means that Scotiabank is in the best position among its peers to increase its dividend without having to dilute its current shareholder base.

It also means that Scotiabank is in the enviable position of being able to deploy excess capital toward growth initiatives such as acquisitions or investments in technology.

That doesn't mean Scotiabank is necessarily going to be pursuing those options, but it can should it choose to.

Making strategic investments in technology to set the company up for its future

Since taking over as CEO four years ago, Brain Porter has been bold about making strategic investments in technology for Scotiabank that, if successful, should set the company up to succeed over the long term.

Scotiabank's projects are too numerous to list here, but they include the launch of several digital factories across several locations globally, along with some large-scale joint venture projects with tech start-ups including partnerships with NXP Labs and Georgian Partners, to name but a few.

The partnership with Georgian Partners is particularly interesting, as its focus is on security, messaging and artificial intelligence.

One of Scotiabank's counterparts, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has recently been busy with its own [AI initiatives](#), so it could be very interesting to see how this story plays out.

Canada's leading international network

Scotiabank already has on offer Canada's [very best international branch network](#), with 12% of its assets located south of the border – but the real key is the bank's network situated in what it refers to as the Pacific Alliance markets.

Specifically, this refers to the nations of Mexico, Peru, Chile, and Columbia, which have combined to deliver strong results for the bank's international segment, including record earnings in 2017 and year-over-year market share gains in the region.

Bottom line

Despite the good news, shares have suffered a minor pullback as of late, falling a little more than 5% over the last few weeks of trading.

Now might be a good time to start a position in the company, or add to one if you already hold the shares in your TFSA or RRSP.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/07/27

Date Created

2018/04/09

Author

jphillips

default watermark

default watermark