



## Acquisition-Focused Bank of Nova Scotia (TSX:BNS) Makes Another Deal

### Description

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) never fails to impress me. The bank is already one of the most [impressive buys on the market](#), with a lucrative portfolio for growth- or income-seeking investors that will keep shareholders satisfied for years, but this latest venture by the bank is even more profound.

#### Bank of Nova Scotia's latest acquisition

Earlier this month, Bank of Nova Scotia announced that it was purchasing MD Financial — a wealth management firm — for \$2.6 billion.

MD Financial offers specialized financial products and services to 45,000 doctors through its 350 advisors that are situated in 50 locations across the country.

As per Bank of Nova Scotia CEO Brian Porter, the deal will propel Bank of Nova Scotia to become the “largest private investment counsel business in Canada.”

That comment stems from Bank of Nova Scotia's acquisition earlier this year of investment firm Jarislowsky Fraser, which completed just last month. Between the two acquisitions, Bank of Nova Scotia forecasts an additional \$78 billion of assets under management, which will push the total assets under management to well over \$230 billion.

#### Bank of Nova Scotia's other venture holds promise, too

This isn't the sole avenue of expansion that Bank of Nova is making inroads on. The bank's ongoing venture to expand into and serve the nations that comprise the Pacific Alliance continues to provide a massive opportunity for expansion and double-digit growth.

A deal for a majority stake in Chilean lender Banco Bilbao Vizcaya Argentaria SA is a prime example of this. That deal is yet to close, but once it does it will establish Bank of Nova Scotia as one of the largest lenders in one of the best-performing economies in South America.

Bank of Nova Scotia's venture into South America may seem, at least initially, as drastically different from many of its big bank peers that have highlighted the U.S. market as a potential expansion route.

Fortunately, the Pacific Alliance — a set of trade agreements between the nations of Columbia, Chile, Peru, and Mexico presents a compelling case for investment.

The trade bloc was initially set up to eliminate tariffs and foster greater trade between member states. As a secondary objective, the bloc also sought out to have member states provide shared consular activities around the world, which could, in theory, lead to new opportunities in other countries.

To say that the venture has been successful would be an understatement, as the international segment of Bank of Nova Scotia continues to see double-digit gains with each passing quarter.

Those impressive results provide a hedge over the overheated mortgage segment as well as over any potential correction to the Canadian banking segment.

### **What does this latest acquisition mean to Bank of Nova Scotia investors?**

This latest acquisition is interesting, but at the same time it's not entirely unexpected. The mortgage market is finally starting to cool down, so acquisitions like these that add to Bank of Nova Scotia's wealth management portfolio, which accounts for just 12% of earnings, should be expected. Over time, that number should increase to make the bank look much more diversified to potential investors.

While there will be critics who state that the MD Financial acquisition was too expensive, the long-term prospects for the bank remain as strong as ever.

If for no other reason, potential investors should consider Bank of Nova Scotia for its sensational quarterly dividend, which places the stock near the top of any [growth- or income-seeking investor's shopping list](#).

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
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