



## Have You Considered National Bank of Canada (TSX:NA) Recently?

### Description

Canada's banks are, in many ways, the envy of their cross-border peers. They are often viewed as more stable and better diversified, and they offer significantly [higher dividend payouts](#) than their peers in the U.S. market.

But what many investors fail to realize is that there are Canadian banks outside the traditional big banks group that is just as impressive of an investment as their bigger more popular peers. One such example is **National Bank of Canada** ([TSX:NA](#)).

What makes National Bank such a great investment? Let's start by taking a look at the bank's most recent quarterly results.

### Strong results, growing dividend

In the most recent quarter, National Bank reported net income of \$569 million, or \$1.52 per diluted share, which came in 10% over the \$518 million, or \$1.37 per share, reported in the same period last year. National Bank's dividend-payout ratio saw an impressive improvement, coming in at just 41% for the quarter, which should signify both the strength and growth prospects for income-seeking investors looking at the bank as a long-term investment.

National Bank saw healthy gains across all of its units. The personal and commercial segment saw a 6% increase in net income to \$248 million over the same period last year. A similar increase was noted in the Financial Markets segment, with net income for the quarter coming in at \$178 million, representing an 8% increase over the same period last year.

National's Wealth management segment was the clear standout with a 22% improvement over the \$103 million reported in the same quarter last year, coming in at \$126 million.

Finally, National Bank's international segment saw a 6% gain in the quarter, with the \$54 million in net income surpassing the \$51 million reported in the same quarter last year.

The current quarterly dividend provides a generous 3.83% yield, which is on par with most of the other

big banks. In terms of dividend growth, most investors may not realize it, but National Bank has been quietly hiking its dividend at a more frequent rate than most of its peers. In the past three years alone, the bank has hiked the dividend a total of six times. As a Dividend Aristocrat, National Bank has a growing history of increases that should appeal to nearly any type of investor.

### What about growth?

Most investors will recognize National Bank for its prominence in the Quebec market, which consists of more than half of the bank's branch network as well as most of its mortgage portfolio. A strong period of growth throughout Quebec as well as a real estate market that has largely avoided the surge that we saw in Toronto and Vancouver have resulted in a period of prolonged growth for National Bank and should alleviate the worries of some investors that believe the bank needs to be more diversified.

In fact, National Bank has an international presence, albeit one that is considerably smaller and less known than its peers. A prime example of this is ABA Bank Cambodia, where National Bank has a 90% interest in the bank, as well as NatBank, National Bank's subsidiary bank operating in Florida.

In my opinion, National Bank remains an excellent long-term option for investors looking to diversify their portfolio with a [bank stock with plenty of income and growth potential](#).

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