



3 Reasons to Consider Bank of Nova Scotia (TSX:BNS) Today

Description

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is quite possibly the most misunderstood of the big banks. Like its peers, Bank of Nova Scotia offers a compelling number of [long-term opportunities](#) for investors to consider, but those opportunities are often muted in lieu of the bank's larger, more popular peers.

Here's a look at some of the reasons why investors may want to take a look at what Bank of Nova Scotia can offer.

An expansion model outside the traditional norm

When it comes to expanding to foreign markets, Canada's big banks often turn to our neighbours in the south, and there's a good reason for that. The U.S. market is still roaring with opportunity, and several of Bank of Nova Scotia's peers have enjoyed incredible success in recent years by establishing a prominent network within the U.S.

Bank of Nova Scotia instead decided to expand even further south. Specifically, the bank chose Mexico, Columbia, Peru, and Chile to spearhead its international growth portfolio. Those four Latin American nations are members of a lucrative trade bloc known as the Pacific Alliance. The bloc is tasked primarily with reducing tariffs between member nations while also growing trade between those members.

Bank of Nova Scotia's growing presence in the region has resulted in the bank becoming a familiar face for investors across the bloc, leading to a series of strong results during earnings season. In the most recent quarter, Bank of Nova Scotia's international segment saw a 4% gain over the same period last year, fueled by strong loan growth in the region.

A diversified network that continues to expand

Bank of Nova Scotia's expansion into Latin America is not only providing a boost to earnings, but the

effort is also creating a highly diversified network of branches that spans across several countries. This point is particularly important, as signs continue to mount of a slowdown both in the domestic and U.S. markets.

Despite those concerns, Bank of Nova Scotia continues to expand throughout the region. In the past year, Bank of Nova Scotia closed several prominent deals to further that goal, such as the now-completed deals for Dominican Republic-based Banco Dominicano del Progreso and Peru-based Banco Cencosud. Both deals were closed in the most recent quarter.

Also noteworthy is the \$2.2 billion BBVA Chile acquisition that established Bank of Nova Scotia as one of the largest lenders in that country with a market share of 14% in what is arguably South America's strongest economy.

Finally, despite Bank of Nova Scotia's play into Latin America, the bank is also pushing stronger into Canada through acquisitions, such as the recently completed Jarislowsky Fraser and MD Financial Management acquisitions.

An attractive opportunity to buy now and hold for decades

Bank of Nova Scotia is often regarded as Canada's most international bank. As noted above, that designation comes with plenty of opportunities for investors to contemplate, but there's also one more noteworthy point to make.

Bank of Nova Scotia is currently trading at levels not seen in some time. Bank of Nova Scotia currently trades at under \$70 with a P/E of 10.49. Year to date, the stock is down over 3%, which really is a rare sight to behold considering the incredible growth opportunities that the bank has and how the rest of the market has grown this year.

That weakness has made Bank of Nova Scotia's already attractive quarterly dividend surge to a 4.98% yield, handily making it one of the best payouts among the big banks.

Should you buy?

Bank of Nova Scotia has plenty of positives: it has a growing presence across multiple international markets; it's a solid performer in the domestic market; and it has an impressive dividend that is both stable and continues to grow. While there are critics who may view that international expansion as one filled with risk, in my opinion, Bank of Nova Scotia remains an [excellent long-term opportunity](#) for growth- and income-seeking investors.

In other words, buy it, hold it, and get rich.

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dafxentiou

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