



Bank of Nova Scotia (TSX:BNS) Is Still a Top Bank Stock

Description

It's earnings season again for Canada's big banks, and **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) continues to be the one bank that prospective investors should consider as an investment.

Let's review Scotiabank's latest earnings announcement and why now, more than ever, this should be [the stock to add to your portfolio](#).

Q1 results: Good, but with a warning

Scotiabank reported results for the first quarter of 2020 this week, and the results were a welcome jolt of optimism in what has otherwise been an underwhelming week on the market. In that most recent quarter, Scotiabank reported a net income of \$2,326 million, or \$1.84 per diluted share, reflecting solid gains over the \$2,246 million, or \$1.71 per diluted share reported in the same period last year.

Strong volume growth helped push the Canadian banking segment to an impressive earnings gain of 5% on an adjusted basis to \$908 million over the same period last year. Scotiabank's impressive international segment saw a noted decrease of 17%, or \$128 million, on an adjusted basis in the quarter, reflecting the impact of both tax benefits in the prior year as well as a divesting of operations in some markets.

Worth noting is that while Scotiabank has exited some countries in recent years, it has doubled down on others, such as the Pacific Alliance nations of Mexico, Chile, Peru, and Colombia.

Additionally, the bank established a new segment during the quarter, known as Global Wealth Management. Wealth management results were previously reflected in both the Canadian and international banking segments. In the most recent quarter, the Global Wealth Management segment saw net income hit \$306 million, reflecting a 12% increase over the same period last year.

Here's why you should invest in Bank of Nova Scotia

There are a host of reasons why the Bank of Nova Scotia makes a great long-term investment. To start off that list, let's revisit the Pacific Alliance point I made earlier. The Pacific Alliance is a trade bloc between the nations of Mexico, Chile, Peru, and Columbia that is tasked with fostering business growth between those nations and completely eliminating tariffs. For Bank of Nova Scotia, having a strong presence in each of those member states has provided immense growth opportunities in recent years.

That opportunity leads me to my second point: Bank of Nova Scotia's dividend. With a yield of 4.97%, Bank of Nova Scotia has one of the best and most stable yields not just among the big banks but across the entire market. The bank has been rewarding shareholders with that [handsome dividend](#) for over 180 years, and there's little reason to doubt that superb track record will cease anytime soon.

By way of example, back in 2010, the annual payout of that dividend was \$1.96 per share. Today, that same dividend amounts to \$3.60 per share.

In my opinion, Bank of Nova Scotia remains a stellar long-term investment option that should be core to any well-diversified portfolio. Buy it, hold it, and watch it grow.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Tags

1. Editor's Choice

Date

2025/07/23

Date Created

2020/02/27

Author

dafxentiou

default watermark

default watermark