



Is It Time to Buy Bank of Nova Scotia (TSX:BNS)?

Description

Canada's Big Banks are regarded as some of the best and safest investments to make. While there are many reasons for this, Canada's highly-regulated banking sector is a key reason for that view. That stability has led to far fewer banking crises when compared to banks in the U.S.

That said, the unfolding global market crash has brought all stocks down, including Canada's Big Banks. Those banks now trade at a significant discount, leading many investors to see this as an opportune time to buy. One such bank is to consider is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

Is an international portfolio a good thing?

Bank of Nova Scotia has taken a different approach to expansion over its Big Bank peers. While most Big Banks turned to the U.S. market for expansion, Scotiabank turned to international markets — an expansion saw the bank branch out to different regions such as the Caribbean, Southeast Asia, and Latin America.

Of those, the Latin American nations of Chile, Columbia, Mexico, and Peru offer the best buying opportunity to investors.

Collectively, the four Latin American nations comprise trade bloc known as the Pacific Alliance. The bloc is charged with bolstering trade opportunities and reducing tariffs. Scotiabank's presence across those countries established it as a preferred lender within the bloc and an appealing buying option for investors.

That decision has provided handsome gains for Scotiabank. The international segment has steadily provided a larger share of the bank's earnings over the years.

By way of example, in 2014 the segment provided a quarter of Scotiabank's annual net income. In 2019, that figure grew to nearly one-third of Scotiabank's annual net income. Scotiabank's focus on the bloc has also led to a number of acquisitions throughout the region.

While the Pacific Alliance venture has proven successful, it wasn't the only avenue of growth for Scotiabank. Examples of this include the acquisitions of both Jarislowsky Fraser and MD Financial in 2018. More important, both those acquisitions served to catapult the bank's standing in the wealth management field with \$49 billion in additional assets.

Those handsome gains also helped propel Scotiabank's already [impressive dividend](#) to new highs. As a result, the quarterly dividend provides a very appetizing 6.49% yield, handily making it one of the best options on the market and a great time to buy.

Is it a good time to buy?

The 2020 market crash has provided a unique opportunity to purchase superb stocks at discount prices. Bank of Nova Scotia, which has dropped a whopping 23% year-to-date, is a prime example of that opportunity. That level of decrease is astounding considering the [long-term potential](#) of the bank and the dividend on offer.

In my opinion, Bank of Nova Scotia remains a solid option for any well-diversified portfolio.

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