



## TFSA Investors: This Bank Is a Top Investment for 2019

### Description

Banks have long been viewed as viable investment options for nearly any portfolio. In fact, in the years since the Great Recession, Canada's big banks have expanded their respective footprints, both domestically and internationally. **Bank of Nova Scotia** ([TSX:BNS](#)) ([NYSE:BNS](#)) is neither the biggest or most renowned of the big banks but does represent an intriguing opportunity at the moment for investors looking for long-term growth and income prospects.

Here are just a few reasons why Scotiabank should be near the top of any investor shopping list in 2019.

### Scotiabank has a diversified approach to expansion

When it comes to expanding operations, Scotiabank took a slightly different path than that of its peers. Instead of opting to head into the U.S. market directly, Scotiabank, which always had a reputation of being Canada's "most international bank" moved towards markets in Latin America, specifically Mexico, Columbia, Peru, and Chile. Together, those four nations are members of a trade bloc known as the Pacific Alliance, and Scotiabank's high visibility across those markets has allowed the bank to become a familiar face and, by extension, a boon for business in the region.

In terms of results, Scotiabank's international banking segment realized 18% adjusted annual earnings growth in the most recent quarter, reflecting strong deposit and loan growth from the region. In addition to those strong growth numbers, Scotiabank continues to invest and expand throughout the Pacific Alliance, including the acquisition of BBVA Chile last year, which effectively made Scotiabank one of the biggest lenders in one of South America's largest economies.

The BBVA deal wasn't the only acquisition completed over the past year worthy of mention. Scotiabank also acquired MD Financial — a financial services provider that targets the medical community — as well as investment firm Jarislowsky Fraser. Both acquisitions have significantly bolstered Scotiabank's wealth management arm, and the bank has stated a goal of getting wealth management earnings to account for 15% of global earnings over the next few years.

## Scotiabank is a great income play

I would be remiss if I didn't at least mention Scotiabank's dividend. The current quarterly distribution works out to an appetizing 4.91% yield that is both stable and growing. In fact, Scotiabank has provided annual and, in many cases, better-than-annual upticks to that dividend going back nearly a decade, and there's little reason to doubt that this [incredible growth story](#) will end any time soon.

The most recent uptick to \$0.87 was reflected in the most recent quarterly payout, becoming the third hike in the past 18-month period.

## Final thoughts

Scotiabank is in many ways the complete package to look for in an investment. Despite showing strong growth during earnings season, the stock has dropped 8% over the course of the past year, effectively making it an opportune investment for value-seeking investors. Furthermore, the recent announcements by the bank that it seeks to consolidate some of its operations in the Caribbean should also be viewed in a positive light over the next few quarters.

In short, Scotiabank remains a [great long-term income producer](#) for nearly any portfolio. TFSA investors should buy it and then forget about it for a decade.

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