



Banking on Long-Term Growth and Income

Description

The roller-coaster ride that the market is on is just getting started. This past year, we've seen record inflation, superb job numbers, and oil prices surge into the stratosphere. This comes along with the ongoing pandemic, which finally seems to be waning. In other words, it's a good time to consider one or more [great investments](#), banking on long-term growth.

Here's one such stock to consider for your portfolio.

This is the stock you want

The stock to line your portfolio with is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). Scotiabank is not the largest of Canada's big banks but is an intriguing option.

To be clear, all of Canada's big banks are stellar options if you're banking on long-term growth and income generation. They all offer a combination of stability, growth, and income generation that is hard to match anywhere on the market.

In the case of Scotiabank, that includes both domestic and international segments that continue to outperform. By way of example, in the most recent quarter, Scotiabank earned \$2,740 million, or \$2.14 per diluted share. This represents an impressive bump over the \$2,398 million, or \$1.86 per diluted share reported in the same period last year.

It's impressive. But what exactly makes Scotiabank such an intriguing option over its similarly sized peers?

The simple answer to that question is growth.

Banking on long-term growth

Unlike its big bank peers, Scotiabank opted to focus its expansion efforts not in the U.S., but further

south to Latin America. Specifically, the bank expanded heavily into the markets of Mexico, Chile, Columbia, and Peru.

Those four nations are members of a trade bloc known as the Pacific Alliance. The Alliance is charged with bolstering trade between its members and eliminating tariffs.

Thanks to that established branch network across those countries, Scotiabank has become recognizable, if not preferred lender within the region. This has led to an influx of new deposits, loans, and business across the region.

By way of example, in the most recent quarter, the international banking segment of Scotiabank reported adjusted earnings of \$552 million. This represents a whopping 38% bump over the same period last year. Additionally, the growth of that international segment provides some diversification outside the core domestic business in Canada.

How about income?

Scotiabank's domestic and international segments continue to provide the bank with impressive earnings. That also means that Scotiabank can make good on banking on growth and income generation.

Specifically, Scotiabank offers investors a juicy quarterly dividend, which currently works out to a yield of 4.31%. To put that earnings potential into context, a \$35,000 investment in Scotiabank will earn an income of over \$1,500 in the first year. Investors not ready to draw on that income just yet can reinvest it to let it grow until needed.

Oh, and let's not forget that like its peers, Scotiabank provides investors with healthy annual bumps to that dividend.

Final thoughts

Scotiabank is a great investment for those banking on long-term growth and income. Not only is the bank well diversified, but it also provides one of the healthiest and most stable dividends on the market.

In other words, buy it, hold it, and let it [grow your portfolio](#).

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