



Looking for an International Bank With Massive Opportunity?

Description

Canada's big banks have proven on more than one occasion to be great investment options. Strong growth, healthy dividends, and a diversified approach to expansion are hallmarks of the banks, with many of them taking similar expansion routes.

One such bank worthy of consideration is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

Bank of Nova Scotia is neither the largest or most recognizable of Canada's big banks, but Bank of Nova Scotia offers some fairly compelling reasons for investors to consider an investment.

Chief among those reasons has to do with a trade bloc called the Pacific Alliance.

The Pacific Alliance is the name given to a series of trade agreements (currently) between the nations of Mexico, Chile, Peru, and Columbia. The trade agreement has at its root the objective of completely eliminating tariffs between member states, increasing investments and trade between members, and even sharing the use of diplomatic services.

The agreement has proven wildly successful so far, with the combined GDP of the bloc coming in at over US\$3.754 trillion. Four nations recently ascended to associate member status, including Canada, Australia, New Zealand, and Singapore.

So, where is the advantage for Bank of Nova Scotia?

Over the past few years, Bank of Nova Scotia has expanded into member states of the Pacific Alliance, opening branches in those countries. By doing so, Bank of Nova Scotia became a familiar face across member states, from which investments and business opportunities across member states could be done easily.

To say that the investment in the region was a success would be an understatement. The international segment of Bank of Nova Scotia continues to perform admirably, with growth from the region helping to propel the bank to new highs.

In the most recent quarter, Bank of Nova Scotia realized net income of \$2,070 million, reflecting an increase of 3% over the same quarter last year. Diluted earnings per share saw an increase from \$1.57 per share to \$1.64 per share.

Over the course of the full fiscal year, the international segment of the bank saw strong earnings growth of 15% when compared with last year. Retail loan growth in particular from Pacific Alliance nations saw double-digit growth levels.

Is the growth sustainable?

Bank of Nova Scotia's expansion into Pacific Alliance nations was a pure stroke of genius. The bank now has a steady and growing revenue stream in the region, and it has even looked at expanding further into the region by [acquiring regional players](#).

Additionally, both the associate member states of the treaty as well as the two candidate states currently looking to become full members and pose an additional opportunity for Bank of Nova Scotia to further expand its international footprint.

Investors considering Bank of Nova Scotia will also be pleased to note that the company provides a handsome quarterly dividend amounting to a yield of 3.87% which is set to continue growing as it did in 2017 by 6%.

In my opinion, Bank of Nova Scotia remains an [excellent opportunity](#) for investors looking to diversify their portfolios with a financial stock.

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