

# Banking, Insurance, and Telecom Keep Pumping Out Dividends to Shareholders

## Description

Investment specialists often trumpet portfolio diversification. So, along those lines, here are three distinct companies in three diverse industries that offer shareholders regular dividends — and reasons why each is worthy of your research as possible stocks to add to your income portfolio:

### 1. The Bank of Nova Scotia

**The Bank of Nova Scotia** ([TSX: BNS](#))([NYSE: BNS](#)) has a dividend yield of 3.70% and its dividend rate is \$2.64. With its Q3 2014 net income up 35% from the year prior, the bank recently increased its quarterly dividend to \$0.66 per common share. This represents an increase of \$0.02. As of July 31, 2014, The Bank of Nova Scotia had assets of \$792 billion.

The Bank of Nova Scotia has a solid capital position. Its Common Equity Tier 1 capital was \$33.7 billion as of July 31, 2014 (\$29.3 billion as of April 30, 2014). This represents an increase of \$4.4 billion during Q3 2014. Risk & Capital Management under Basel III is focusing on the Common Equity – Core Tier 1 ratio as the key ratio. Basel III is a complete package of reform measures intended to improve the regulation, supervision and risk management within the banking sector.

The bank recently noted that “Our capital position is very strong, with a Common Equity Tier 1 ratio of 10.9%. The high quality capital level is a source of strength and positions the Bank well for future business growth.”

Canadian banking is strong and there is no reason not to own a good dividend-paying Canadian bank stock. BMO Nesbitt Burns analyst Sohrab Movahedi recently reiterated his “outperform” rating on the Canadian banking sector.

### 2. BCE Inc.

Canada’s largest communications company, **BCE Inc.** ([TSX: BCE](#))([NYSE: BCE](#)) has a dividend yield of 5.00% and its dividend rate is \$2.47. As one of the leading dividend yield stocks in Canada, BCE has a dividend growth model with a target dividend payout ratio of 65%-75% of free cash flow.

Under the Bell Canada and Bell Aliant brands, BCE’s focus is a family of broadband communication services to residential and business customers. The company is a market leader in voice, data, and high-speed Internet.

BCE’s Q2 2014 net earnings (\$606 million) was up 6.1% from Q2 2013. Through its Bell Wireline segment, BCE is the largest local exchange carrier, the largest Internet service provider, and the largest digital television provider in Canada.

BCE is advancing the deployment of the latest wireline fibre and wireless technology to support the continuing network expansion of its Fibe TV and mobile 4G LTE, greater Internet bandwidth usage, and fast growth in mobile data consumption.

### 3. Manulife Financial Corporation

**Manulife Financial Corporation** ([TSX: MFC](#))([NYSE: MFC](#)) — the provider of financial protection and wealth management products and services — has a dividend yield of 2.82% and its dividend rate is \$0.62. Recently, it announced an increase of 19%, or \$0.025 per share, to its quarterly common share dividend. Manulife Financial is Canada's largest insurer by market capitalization, currently at approximately \$41 billion.

Manulife Financial is acquiring the Canadian operations of Standard Life plc, based in Edinburgh, Scotland. Important for Manulife and its investors is that this deal will grow the company's wealth and asset management businesses. Standard Life has a major presence in Quebec and 1.4 million clients in Canada.

As Manulife Financial CEO Donald Guloien said last week, "Part of our strategy is to improve our presence in Quebec and increase our penetration of the market in Quebec." The acquisition of Standard Life's Canadian operations is an efficient way for the company to advance this strategy quickly. For Q2 2014, Manulife's net flows in its asset management and group pension businesses exceeded \$6 billion and \$13 billion year to date. This is the company's 23rd consecutive quarter of record funds under management.

#### CATEGORY

1. Dividend Stocks
2. Investing

#### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:MFC (Manulife Financial Corporation)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:MFC (Manulife Financial Corporation)

#### Category

1. Dividend Stocks
2. Investing

#### Date

2025/08/15

#### Date Created

2014/09/10

#### Author

mugulini

default watermark