



Why Manulife Financial Corp. Should Be a Staple of Your Portfolio

Description

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#)) is the largest insurer in Canada. Nearly one in three Canadians are a customer of some capacity with the company.

In the U.S. Manulife operates under the John Hancock brand, and in Asia the company has a presence in every country save for South Korea and India.

The company recently posted results for the first quarter. Here's a look at those results and what investors can expect looking forward to the rest of the year.

First-quarter results are in

In the first quarter, Manulife posted a 45% increase in earnings thanks in part to insurance sales in Asia and interest rate fluctuations. Net income attributable to shareholders hit \$1.05 billion, or \$0.51 per share, bettering the same quarter last year, which saw \$723 million, or \$0.36 per share.

Core earnings for the quarter came in 14% higher at \$905 million, or \$0.44 per share, surpassing analysts' expectations by \$0.01 per share.

Total insurance sales also saw an increase of 14%, coming in at \$954 million thanks in part to the activation of a bancassurance partnership in Hong Kong and Singapore, which saw greater insurance sales. The gains from that partnership offset what was largely minimal growth for the quarter.

Assets under management and administration saw a drop of \$31 billion, coming in at \$904 billion at the end of the quarter, primarily attributed to the loonie gaining in strength.

Manulife is shopping for new deals

The partner deals that Manulife has forged over the past year remain a significant source for new revenue opportunities. Manulife noted the company will continue to pursue other suitable partner deals, much like the DBS deal.

Asian markets now account for 70% of Manulife's insurance premiums, and that figure is likely to continue rising.

With the Canadian market saturated and still in a weakened state, Manulife and other competitors have turned to Asia, where the middle class is expanding rapidly, to fuel growth. By way of example, sales in Singapore alone shot up 500% for the year; other markets such as Vietnam and Philippines are up 50% year over year.

Manulife is still a great investment

Manulife currently trades at \$19.37, up by 3.14% in the past month and up by over 12% in the past three months. The company is still down 6% year-to-date, but given recent trends those losses should be erased as the price continues to rise.

Manulife pays out a quarterly dividend of \$0.19 per share, giving the stock a fairly impressive yield of 3.82%. This gives Manulife the appeal of being both a dividend stock and growth driver for investors.

Investors who are looking to diversify their portfolios with a stock that is in a prime position to capitalize on the growth in Asia as well as continue to show growth here at home will be more than pleased by adding a position in Manulife.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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dafxentiou

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