

Have You Considered Manulife Financial Corp. Lately?

Description

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#)) is not only the largest insurer in Canada, but one of the best opportunities for investors looking to diversify their portfolios.

Before passing on Manulife as just another financial insurance company, here are a few compelling reasons for you to consider Manulife.

Expansion into new markets and opportunities

As the largest insurer in the nation, Manulife can count on a significant portion of the population as being clients. And while there's something to be said about insurance companies cross selling additional products to clients, there's only so much that can be done before the market becomes saturated, which is what has happened to the Canadian market.

To continue growing, Manulife opted to expand outside Canada and put an emphasis on a number of international markets. Manulife has a presence in the U.S. market, where the company operates under the John Hancock brand, but the compelling growth story is in Asia.

Asia is currently experiencing the largest generation of wealth ever seen. The emerging middle class has massive buying power and an untapped demand for the products Manulife offers. In terms of how significant this market could be, some experts peg the value of wealth to be passed down to the next generation in Asia to be in excess of US\$30 trillion.

Nearly half of Manulife's insurance sales are attributed to the Asian market. Manulife has focused on that untapped demand through a series of partnerships throughout the region that have seen Manulife expand into nearly every country in Asia.

Overall, the Asia division continued to lead growth across the company. Net income attributed to shareholders came in at US\$430 million in the most recent quarter, which was significantly higher over the US\$84 million posted for the same quarter last year. Sales across the region were 28% higher than they were in the same quarter last year, reaching US\$663 million.

That's not to say that the U.S. market hasn't contributed to Manulife's bottom line either. As of the most recent quarterly results update, the U.S. segment posted net income attributed to shareholders of US\$428 million, which is an increase over the US\$387 million posted in the same quarter last year. Earnings in the U.S. segment also increased in the most recent quarter by US\$16 million to US\$302 million when compared to the same quarter last year.

Looking ahead to more growth and income

Last week we saw the U.S. Fed raise interest rates, and the likelihood of additional rate hikes in 2017 seem fairly likely, especially considering how the U.S. economy is chugging along at a healthy pace and unemployment remains fairly low. Manulife has over \$300 billion invested in a variety of

government bonds, so the potential for significant growth to materialize over the long term becomes more likely.

One final point to consider is the dividend income that Manulife provides to shareholders. Manulife currently pays a quarterly dividend in the amount of \$0.19 per share, which, at the current stock price, gives Manulife a healthy 3.02% yield. That dividend has steadily increased over the past few years, and assuming Manulife continues the current path of growth, there's no reason to doubt that further increases will be coming in 2017 and beyond.

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Date

2025/07/29

Date Created

2016/12/20

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