



## 3 Reasons Manulife Financial Corp. Should Be in Your Portfolio

### Description

**Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)) is the largest insurer in Canada with an impressive one in three Canadians as clients in the books. That presence has led the company in recent years to expand internationally in the U.S. market as well as Asia, where Manulife has enjoyed a lucrative spell of growth and established a foothold in the region.

If you haven't considered investing in Manulife yet, here are three reasons you may want to consider doing so now.

#### **Manulife continues to post positive results**

Manulife released end-of-quarter and end-of-fiscal-2016 results this month which were on target with the company's annual guidance figures.

For 2016, Manulife managed to hit a core earnings target of \$4 billion for the year with net income coming up as \$2.9 billion. This represents a 34% increase in net income and 17% increase in core earnings for the year.

Those results highlighted a strong 15% growth in Asia for new business value over the previous quarter. Net income attributed to shareholders in the quarter was \$63 million, and fully diluted earnings per common share in the quarter was \$0.01 for a return on common shareholders' equity of 0.3%. That figure was attributed to shareholder charges of \$1,202 million related to the impact of markets.

#### **Manulife is becoming a great income investment**

Investors typically view Manulife as a growth investment, and for good reason. Over the past year, the stock has surged nearly 30%, and looking out over the past five years reveals that the stock price has returned approximately 100% in growth.

That's impressive, but there's more.

Manulife pays a quarterly dividend of \$0.205 per share, which, at the current stock price, returns a yield

of 3.36%. This yield itself is impressive, but when factored in with the type of growth the stock has had over the past few years, a massive opportunity is revealed for investors.

Even better, Manulife has raised that dividend three times in the past four years, accounting for a 58% boost in the dividend over that period. The most recent boost, announced during the recent earnings call, amounts to an increase of \$0.02 per share, or 11%.

### **Manulife is poised to continue growing**

Manulife's operations in Asia continue to be a source of growth, revealing the massive opportunity unfolding in Asian markets.

Asia is currently subject to the biggest explosion of wealth ever recorded. Multiple markets on the continent are seeing vast amounts of wealth being created, and a large middle class is emerging with an appetite for the products and investments that Manulife offers.

Manulife has completed several partnership deals with companies in Asia over the past few years that have helped the company establish a foothold in nearly every country on the continent. One such deal with DBS Group of Singapore, which went into effect last year, allowed Manulife to sell insurance products to DBS customers in Singapore, Hong Kong, China, and Indonesia.

The deal has been particularly lucrative for Manulife; Manulife just bought a building in Singapore from DBS to house and expand operations there.

In my opinion, Manulife remains a great investment opportunity for investors looking to diversify their portfolios with a company that has exposure to the booming Asian market.

Manulife's strong presence in Canada as well as operations in the U.S. under the John Hancock brand also provide diversification to the company, making an already attractive long-term growth and income investment look even more attractive.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing

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