



## This Stock Just Raised its Dividend by 14%!

### Description

In today's volatile market, there are few sure things to invest in. This is why analysts are paying closer attention to stocks that offer strong dividends –particularly companies that are consistently increasing those dividends.

That's why today I'm focusing my attention on **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)). While there are a lot of insurance companies out there, Manulife is one of the largest and strongest if you're going to put your hard-earned cash towards a new investment. However, the best news is that the company announced in its Q3 report that it would be increasing its dividend by 14%!

### Canada and beyond

Manulife may be well known throughout North America, but it's the [Asian expansion](#) that has analysts really excited. The insurance company has a number of new distribution agreements throughout Asia, which has produced some solid revenue growth.

New business value in Asia grew 29% compared to Q3 of 2017, with core earnings at \$457 million. There's still room to grow, as the company provides insurance products and insurance-based wealth accumulation products, but not yet banking services.

### Strong Q3...

Historically speaking, Manulife has had a tough go in the last 10 years. The company was hit hard by the recession, falling almost 70%, and has only been up by about 9% in the last five years. Since then, revenue hasn't been growing as quickly as analysts would hope. This could be in part due to its higher exposure to products linked to capital markets, making them more difficult to manage. This has put Manulife's return on equity (ROE) at just over 8% in the past five years, putting it in a much lower position than most of its counterparts.

But Q3 had some strong numbers to report. As of Sep. 30, Manulife had over \$1.1 trillion in assets

under management and administration. The company's market cap is also impressive at almost \$50 billion, and while the ROE may not have been impressive in the last five years, the last year has seen an ROE of 15.1%, an increase of almost 5% since last year.

All this to say that while it's been slow, growth has been steady. And there is a lot more growing that Manulife is prepared to do.

## ...But shares remain low

Now let's get back to the point. To keep shareholders interested, Manulife has focused on dividend growth while it grows its revenue. Since 2014 the dividend has grown 41%, and since 2017 to 2018 it has grown 7.8%. Now, before we even reach 2019, we'll have more dividend growth of 14%! [That's \\$0.25 per share](#), paid quarterly, and an increase of \$0.03, bringing the dividend yield to 4.95%.

The best news is that this dividend comes at a huge discount. Manulife is currently trading at historic lows, putting share prices 22% lower than the start of the year. That puts shares in a place where it's likely to go nowhere but up.

So, while this stock will absolutely see some risky quarters as it attempts to gain back what it lost in 2008, investors can be happy knowing they'll at least get something in return for their patience.

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