



Dividend Hike Alert: These 2 Dividend Stocks Just Raised Their Dividends

Description

It took the Office of the Superintendent of Financial Institutions (OSFI) a year and eight months to finally consider that the economic environment is safe enough to allow federally regulated financial institutions to resume stock repurchases and dividend hikes.

It did not take long for OSFI's announcement about easing restrictions on dividend hikes to see several Canadian financial institutions raise their shareholder dividends by massive margins. [Dividend investing](#) in the right income-generating assets can set you up to earn a significant passive income.

Today, I will discuss two such **TSX** stocks that have boosted their shareholder dividends after the OSFI announcement to help you determine whether these [income-generating assets](#) could be worthwhile additions to your portfolio.

Manulife Financial

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is a massive \$47.59 billion market capitalization giant in the Canadian wealth management and insurance industry with operations in Canada, the U.S., Europe, and Asia. The company posted strong quarterly earnings despite persistent challenges due to the global health crisis.

The OSFI announcement saw Manulife Financial raise its dividend by 18%, showing that the company's management is confident about its outlook in the near future. At writing, Manulife Financial stock is trading for \$24.43 per share. It is up by almost 9% year to date and boasts a juicy 5.40% dividend yield after its recent most dividend hike.

Sun Life Financial

Sun Life Financial ([TSX:SLF](#))([NYSE:SLF](#)) is another major player in Canada's wealth management and insurance industry. The \$41.53 billion market capitalization company is second only to Manulife Financial in the industry and has customers worldwide. It has a growing presence in Asian markets —

a segment projected to be a key growth driver for Sun Life Insurance in the coming years.

Sun Life Financial has slightly outperformed the broader market over the last five years when you factor in its shareholder dividends. Additionally, it boasts a relatively low degree of volatility compared to the broader stock market, making it a boring asset to own during bull markets but a safe bet in bear market environments.

At writing, Sun Life Financial stock is trading for \$70.68 per share. The stock raised its shareholder dividends by 20% after the OSFI announcement to ease restrictions on dividend hikes. The stock is up by a massive 25% year to date and boasts a juicy 3.11% dividend yield that you can lock into your portfolio today.

Foolish takeaway

If you want to capture a decent dividend yield for [stellar long-term shareholder returns](#) and have the patience to stay invested for a long time, dividend stocks like Manulife Financial stock and Sun Life Financial stock could be ideal additions to your investment portfolio.

You can enjoy significant returns by investing in the shares of both companies through capital appreciation and rising shareholder dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)
3. TSX:SLF (Sun Life Financial Inc.)

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Author

adamothonman

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