



## 2 Dividend Stocks at Rock-Bottom Prices

### Description

One of the most compelling cases for dividend stocks is that they provide an important source of income for investors, while also offering attractive long-term returns. Typically, dividend stocks are bigger, more established companies.

Given the very low yields on bonds, high-yield stocks are attractive. However, you shouldn't just look at the yield, but make sure to choose companies that have the ability to continue or increase payments. **Great-West Lifeco** ([TSX:GWO](#)) and **National Bank of Canada** ([TSX:NA](#)) are two dividend stocks that pay safe dividends and are trading at attractive prices.

### National Bank of Canada

[National Bank of Canada](#) is the sixth-largest bank in the country with a market capitalization of \$22 billion.

Its financials are excellent. In each of its last 10 quarterly reports, the bank has reported a profit. National Bank has shown resiliency in the midst of this pandemic, and that is certainly a great feature of any stock.

The Montreal-based bank beat expectations in the third quarter even as it continued to set aside large sums to account for bad debts during the pandemic.

In the third quarter, it reported net income of \$602 million, slightly lower than its net income of \$608 million for the period a year earlier. Its earnings per share of \$1.66 easily beat consensus estimates of \$1.30.

The bank's revenues were \$2.02 billion, slightly less than \$2.04 billion the previous year. Its allowance for credit losses was \$143 million, down from just \$57 million in the second quarter of 2019.

National Bank shares have soared by more than 70% since March bottom. The stock has a dividend yield of 4.3%. A reduction in the dividend seems unlikely given the stock's low payout rate of 46.8%.

National Bank stock is quite cheap, with a trailing P/E of 11.1 and a forward P/E of 11.

## Great-West Lifeco

Great-West could be your insurance for the future. The \$24.4 billion financial holding company is insurance-focused and has been in operation since 1891. **Power Corporation of Canada** indirectly controls 70.89% of the company's common shares. Great-West Life has approximately \$1.7 trillion in assets under administration. The insurance company serves the markets of Canada, Europe, and the United States.

Great-West is a [Dividend Aristocrat](#) that pays a dividend of 6.5%. If you have \$10,000 to invest today, the income you will generate annually will be \$658. The stock has fallen by 16% year-to-date but has rebounded recently, as shown by its return of 14% over the last three months.

In the second quarter of 2020, Great-West achieved strong business results. The insurance company estimates that its investments in digital technology and the rebound in the markets after the initial shock of the COVID-19 pandemic have enabled it to almost double its bottom line in the most recent quarter.

The Winnipeg-based company posted second-quarter profit attributable to shareholders of \$863 million, or \$0.93 per share, for its second quarter, compared to a profit of \$459 million, or \$0.49 per share, for the same period last year. In the domestic market, net profit climbed 26.07% to \$353 million. At the current price, Great-West is a steal. The stock is very cheap, with a trailing P/E of 9.9 and a forward P/E of 8.5.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:GWO (Great-West Lifeco Inc.)
2. TSX:NA (National Bank of Canada)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
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