



Nearing Retirement? The 3 Best Bank Dividend Stocks to Buy Now

Description

As you get closer to retirement, you should ideally adjust your stock portfolio to minimize your risk profile by investing most of your money in [large-cap Canadian dividend stocks](#). When we talk about safe dividend stocks for retirement, [bank stocks](#) could be worth considering, as they have the ability to weather difficult economic times. Let's take a closer look at the three of the best dividend stocks in Canada from the banking sector you can buy if you're nearing retirement.

Bank of Nova Scotia stock

Bank of Nova Scotia ([TSX:BNS](#)) is my all-time favourite dividend stock from the Canadian banking sector. It currently has a [market cap](#) of \$79 billion, as its stock trades at \$66.22 per share with about 26.1% year-to-date losses. Concerns about slowing global economic growth have driven most bank stocks downward in 2022. Nonetheless, Scotiabank's long-term growth outlook remains strong due mainly to its strong financial position and diversified business model, which should help its stock recover fast.

In the five fiscal years between 2016 and 2021, Scotiabank's total revenue rose by 19%, while its adjusted earnings saw a strong 30% increase. While its recent financial growth trends remain strong, you could expect this growth to improve further in the coming years as the bank strives to expand its presence in high-quality growth markets with a [focus](#) on digital banking. At the current market price, Scotiabank offers a dividend yield of 6.2%.

National Bank of Canada stock

The next on my list of top bank dividend stocks is **National Bank of Canada** ([TSX:NA](#)). This Montréal-based bank has a market cap of \$31.9 billion as its stock currently trades with a 2% year-to-date loss at \$94.71 per share against an 8% drop in the TSX Composite benchmark. At the current market price, it has a decent dividend yield of 3.9%.

National Bank's main focus on providing financial services to small- and medium-sized businesses

makes it stand out from other large Canadian banks. This is one of the key reasons why in the five fiscal years between 2016 and 2021, its revenue jumped by around 45%. With this strong revenue growth and expanding margins, National Bank's adjusted earnings more than doubled during these five years to \$8.98 per share in its fiscal year 2021. These positive factors make it a very reliable dividend stock to rely on for your [retirement plan](#).

Royal Bank of Canada stock

Any list of quality dividend stock from the banking sector looks incomplete without including **Royal Bank of Canada** ([TSX:RY](#)). The largest Canadian bank has a market cap of \$178.8 billion, as its stock hovers at \$128.21 per share, with about a 4.5% year-to-date drop. At this market price, RY stock has a 4% annual dividend yield.

Despite its scale and flourishing financial services business, Royal Bank of Canada's primary commitment remains focused on innovating for its huge client base of 17 million customers. In addition, its strategy to expand its U.S. market presence could help Royal Bank accelerate its financial growth trends further in the coming years. Moreover, its resilient cash flows and robust balance sheet make it a very reliable dividend stock to invest in if you're nearing retirement.

CATEGORY

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1. TSX:BNS (Bank Of Nova Scotia)
2. TSX:NA (National Bank of Canada)
3. TSX:RY (Royal Bank of Canada)

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