



## 1 Top Bank Stock to Consider for Income, Value, and Growth

### Description

Every investor aims to maximize total return over the long term. However, in today's market, an outsized emphasis has been placed on growth stocks by investors today. I think investors are missing the value in stocks providing a great mix of growth, income, and value.

In this context, I think considering stocks like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is more important now than ever.

Here's why I think TD bank offers long-term investors with the [perfect total return mix](#).

### Technological focus key for investors

Banks are generally boring businesses. Yes, banks such as TD provide extremely stable long-term growth prospects. However, these stocks lack the excitement many investors seek from high-growth plays that have been all the rage of late.

However, I don't think growth investors should give up on TD stock quite yet.

In fact, I would consider TD a sneaky growth play in the banking space. The company's numbers prove this point. TD has grown its stock price at an impressive CAGR of 15% a year for more than two decades. Few companies are able to do this.

But how has TD done this?

Well, the bank has taken a technologically heavy approach to improving its operations. The company has been a leader in mobile and online banking solutions. Additionally, the company has made significant investments in advanced technologies like artificial intelligence. I expect these investments will continue to boost its return on assets substantially over time.

The pandemic has forced companies in the financial services sector to rely on technology. Hence, I believe that more and more banks will now emphasize making technological improvements to increase

their operational efficiency. That said, Toronto-Dominion Bank had already integrated a wide range of technology before the pandemic. Hence, it appears that this company is in an excellent position to reap the benefits of its forward-looking strategic plan.

## Effective cost management

TD is also a banking stock that has been able to raise its dividend at an average rate of 11% per year in recent years. Doing this is a difficult task for any company to do in any sector.

TD has been able to do this by consistently streamlining its operations. Because of TD's tech-first focus, the company has been aggressive with shutting down underperforming branches. Certain areas that can do without a branch are encouraged to bank online or go elsewhere. Given TD's status with its customer base, it's able to do this — successfully.

The company recently announced that it would be shutting down more than 80 bank branches south of the border. Declining sales and inefficient operations were the cause of these closures. While top-line growth is important, TD isn't sacrificing its bottom line for its top line. Instead, the company's focused on getting more efficient and more profitable over time.

And I like that.

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1. Bank Stocks
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### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

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