



## 1 Top Canadian Bank Stock to Load Up on Today

### Description

As far as [pandemic reopening plays](#) go, bank stocks have been high on the list for many investors. And rightly so. Banks got hit very hard as a result of the pandemic and have now recovered nicely. Investors who locked in sky-high yields as the pandemic began are now sitting pretty.

However, those who bought stocks like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) a year ago and are considering selling may want to hold off. Indeed, I think more upside could be on the horizon with these stocks, as the recovery picks up steam.

Here's why I'm bullish on TD bank specifically right now.

### Reliable business model and robust yield

Toronto-Dominion Bank has managed to handle pandemic-induced losses better than most of its peers. Indeed, its diverse business portfolio, managerial strategies, and operational efficiencies have played a big role in this.

The company has made some difficult but prudent operational moves of late. Indeed, TD has worked on beefing up its digital offerings while shuttering some underperforming physical locations. The company recently closed 82 of its branches in the U.S. to cushion pandemic-induced losses as much as possible. These moves have worked as intended. However, an ancillary benefit of these moves is increased operational efficiency over the long term, as the bank takes advantage of a tech-heavy shift.

TD has also been able to bring down its provisions for credit losses (PCL) by 66% and managed to save nearly \$12 billion of extra cash. Indeed, this has placed TD in a favourable position when it comes to future growth opportunities.

Above all, the company's 3.6% dividend yield is one that remains the best in its class, in my view. This is a stock with a tremendous amount of growth powering its dividend. I think this stock is a rewarding play for long-term investors looking for a perfect blend of growth and income.

## Bottom line

I think TD is well positioned to grow its way out of this pandemic. Unlike many of its peers, TD has built up a war chest to pursue additional growth avenues other banks may not want to pursue.

This has been evidenced by previous deals I view as bullish for long-term investors. Previously, the company acquired **Well Fargo's** direct equipment finance venture in Canada. Also, in 2020 it sealed a deal with **Charles Schwab** by selling its TD Ameritrade. Accordingly, the bank booked solid earnings in the two consecutive quarters.

These deals signal TD's growth focus. What's surprising to me is how cheap this stock is relative to its growth prospects. Indeed, the company trades at a dirt-cheap valuation of 13 times earnings. Accordingly, I view TD as a [great growth](#)-at-a-reasonable-price play today.

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1. Bank Stocks
2. Dividend 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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