



**Bank Financial Group**



**Banknorth Group, Inc.**

***Ed Clark***

*President and CEO  
TD Bank Financial Group*

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*Chairman, President and CEO  
Banknorth Group, Inc.*

**RBC Capital Markets  
Financial Institutions Conference  
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### **Forward-Looking Statements And Other Information**

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements relating to anticipated financial and operating results, the companies' plans, objectives, expectations and intentions and other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "will," "should," "may," "and other similar expressions. Such statements are based upon the current beliefs and expectations of TD Bank Financial Group's and Banknorth Group, Inc.'s management and involve a number of significant risks and uncertainties. Actual results may differ materially from the results anticipated in these forward-looking statements. The following factors, among others, could cause or contribute to such material differences: change in general economic conditions; the performance of financial markets and interest rates; the ability to obtain governmental approvals of the transaction on the proposed terms and schedule; the failure of Banknorth Group, Inc.'s shareholders to approve the transaction; disruption from the transaction making it more difficult to maintain relationships with clients, employees or suppliers; increased competition and its effect on pricing, spending, third-party relationships and revenues; the risk of new and changing regulation in the U.S. and Canada; acts of terrorism; and war or political instability. Additional factors that could cause TD Bank Financial Group's and Banknorth Group, Inc.'s results to differ materially from those described in the forward-looking statements can be found in the 2003 Annual Report on Form 40-F for TD Bank Financial Group and the 2003 Annual Report on Form 10-K of Banknorth Group, Inc. filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's Internet site (<http://www.sec.gov>).

Portions of this communication relate to the proposed merger transactions involving the acquisition by TD Bank Financial Group of 51% of the outstanding common stock of Banknorth Group, Inc. In connection with the proposed transactions, a combined registration statement on Form F-4 and S-4 containing a proxy statement/prospectus will be filed with the Securities and Exchange Commission. **Shareholders of Banknorth Group, Inc. are urged to read the proxy statement/prospectus regarding the proposed transaction when it becomes available, because it will contain important information.** Shareholders will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about TD Bank Financial Group and Banknorth Group, Inc., without charge, at the Securities and Exchange Commission's Internet site (<http://www.sec.gov>). Copies of the proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the proxy statement/prospectus can also be obtained, without charge, by directing a request to TD Bank Financial Group 66 Wellington Street West, Toronto, ON M5K 1A2, Attention: Investor Relations 416-308-9030 or to Banknorth Group, Inc., Attention: Investor Relations 207-761-8517.

TD Bank Financial Group, Banknorth Group, Inc. and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction with Banknorth. Information regarding TD Bank Financial Group's directors and executive officers is available in its Annual Report on Form 40-F for the year ended October 31, 2003, which was filed with the Securities and Exchange Commission on December 15, 2003, and its notice of annual meeting and proxy circular for its 2004 annual meeting, which was filed with the Securities and Exchange Commission on February 17, 2004, and information regarding Banknorth Group, Inc.'s directors and executive officers is available in Banknorth's proxy statement, which was filed with the Securities and Exchange Commission on March 17, 2004. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the Securities and Exchange Commission when they become available.

## Banknorth – New Growth Platform

- Banknorth: best in class management, excellent record of value creation, great operators, motivated for future growth
- Banknorth: a scale franchise in attractive markets
- Banknorth: acquisition strategy into attractive Northeast markets continues - TD can both fund and assist Banknorth's move to the next level
- Structure supports TD's strategy, while deploying some excess capital and retaining strategic and financial flexibility
- Geographically diversifies TD's earnings and increases retail mix
- Immediately accretive to earnings and acceptable initial financial return without reliance on synergies
- Upside potential through follow on accretive acquisitions and operational synergies

3

## Who is TD?

- 3rd largest bank in Canada with a market capitalization of C\$28 billion and C\$312 billion in total assets
- Three main business segments:



Net income<sup>1</sup> = C\$2.1B  
YTD 2004

- > Personal and Commercial Banking
  - > #1 market share in most retail products
  - > 10 million customers, including 4.5 million telephone and internet customers
  - > Over 1,000 branches across Canada
  - > About 2,700 Automated Banking Machines
- > Wealth Management
  - > C\$121 billion in AUM and C\$295 billion in AUA
  - > TD Waterhouse - #1 discount brokerage in Canada -
  - > TD Waterhouse USA - top 5 discount brokerage in the US, 150 branches
- > Wholesale Banking
  - > Leading Canadian full service corporate and investment bank
  - > Serving corporate, government and institutional clients globally

1. Before the amortization of intangibles

4

## TD - On Strategy

- Doing what we say we'll do

Generating solid earnings

Creating options


  - Reduce risk profile
    - shift mix to higher P/E businesses
    - reduce wholesale credit risk exposure
  - Invest in our fundamental businesses:
    - Personal & Commercial
      - Build a Better Bank and grow under-penetrated businesses
    - Wealth
      - build advice-based channels and organically grow TD Waterhouse USA
    - Wholesale
      - grow Canadian full service investment bank and expand in niche global capital markets
  - Create strategic choice and re-deploy capital with a balance between:
    - High return add on investments
    - return of capital
    - adding long-term strategic strength and optionality

5

## Investing in New Avenues of Growth

- Why a U.S. Retail / Commercial Bank?


  - TD's position in Canada:
    - Leadership position
    - Solid organic growth opportunities
    - Limited availability of add-on acquisitions like Liberty Insurance and Laurentian branches
  - TD's position in the U.S.
    - TD Waterhouse USA has great organic growth opportunities
    - Our ability to pursue opportunities for scale continue
  - Large, comparatively fragmented growth market
  - TD knows retail/commercial banking - it is an area where we can add value
  - Moves TD toward greater retail mix

TD recognizes the U.S. market is different from the Canadian market – strong local management is key

6

## Strong Management and Business Model

- Why Banknorth?
  - Strong management team
    - Forbes named Banknorth the Best Managed Bank in America
    - 24 bank acquisitions since 1989
    - Prudent operating style
  - Attractive franchise with solid market share
    - #1 combined market share in Maine, New Hampshire, and Vermont, #5 in Massachusetts and #6 in Connecticut
    - Significant expansion opportunities in the U.S. Northeast
  - Banknorth is growth vehicle
    - Operating\* net income 5 year CAGR - 13.8%
    - Total return to shareholder 5 year CAGR – 13.2%

Continues TD's history of acquiring companies with strong management and allowing their businesses to flourish

\* Excluding merger and acquisition costs

7

## Structured for Growth

- Why this structure works
  - Allows for acquisition of a franchise with critical mass
  - Allows for the transaction to be immediately accretive
  - Allows TD to continue doing larger accretive acquisitions
  - Supports Banknorth's and TD's growth strategies
    - Maintains strong local acquisition currency
    - Supports retention and motivation of best in class management
    - Banknorth, with TD's backing, can step up size of future expansion
    - TD capital ratios remain strong with significant on-going capital generation

8

## Transaction Summary

- |   |   |
|---|---|
| <input type="checkbox"/> Pro forma Banknorth ownership                  | <ul style="list-style-type: none"> <li>➢ 51% TD</li> <li>➢ 49% current Banknorth shareholders</li> </ul>  |
| <input type="checkbox"/> Each share of Banknorth will be exchanged for: | <ul style="list-style-type: none"> <li>➢ 0.2351 TD shares, plus</li> <li>➢ US\$12.24 cash, plus</li> <li>➢ 0.49 TD Banknorth shares</li> </ul>                                  |
| <input type="checkbox"/> Valuation of 51% stake sold to TD              | <ul style="list-style-type: none"> <li>➢ US\$40.00 per share (60% cash / 40% stock)</li> <li>➢ US\$3.8 billion (C\$5.0 billion)</li> </ul>                                      |
| <input type="checkbox"/> Conditions                                     | <ul style="list-style-type: none"> <li>➢ Applicable Canadian and U.S. regulatory approval</li> <li>➢ Banknorth shareholder approval</li> </ul>                                  |
| <input type="checkbox"/> Expected closing                               | <ul style="list-style-type: none"> <li>➢ February 2005</li> </ul>   |
| <input type="checkbox"/> Management                                     | <ul style="list-style-type: none"> <li>➢ Banknorth CEO appointed Vice Chairman of TD and appointed to TD's Board</li> <li>➢ Banknorth management agreements in place</li> </ul> |
| <input type="checkbox"/> Brand  | <ul style="list-style-type: none"> <li>➢ TD Banknorth</li> </ul>  |
| <input type="checkbox"/> Rating agencies                                | <ul style="list-style-type: none"> <li>➢ U.S. Rating agencies have confirmed TD's ratings</li> </ul>  |

## Corporate Governance

- |   |  |
|---|--|
| <input type="checkbox"/> Board composition                      | <ul style="list-style-type: none"> <li>➢ TD initially adds up to five members to Banknorth Board</li> <li>➢ Any Board action requires vote of TD nominees</li> <li>➢ TD has right to appoint a majority of Board</li> </ul>  |
| <input type="checkbox"/> TD Ownership level                     | <ul style="list-style-type: none"> <li>➢ TD can buy up to 66 2/3%</li> <li>➢ TD has right of first refusal to contribute additional capital when Banknorth raises capital subject to 66 2/3% cap</li> <li>➢ TD has rights to maintain ownership level in connection with future Banknorth share issuance</li> </ul>                          |
| <input type="checkbox"/> Possible acquisition of 100% of shares | <ul style="list-style-type: none"> <li>➢ In subsequent years, TD can bid for remaining publicly held shares, subject to approval by independent directors and unaffiliated Banknorth shareholders in the first five years and to approval by independent directors or unaffiliated Banknorth shareholders after first five years.</li> </ul> |

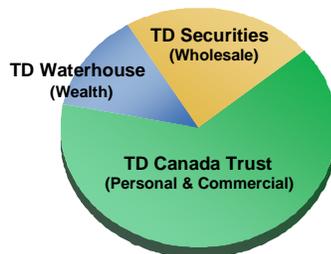
## TD Financial Parameters

- Projected EPS accretive without synergies<sup>(1)</sup>
  - 1% in 2005 to C\$0.03 per share
  - 2% in 2006 to C\$0.09 per share
- Implied pricing
  - US\$3.8 billion (C\$5 billion)
  - 17.2 times 2004 IBES earnings
  - 15.6 times 2005 IBES earnings
  - 2.6 times book value
- Projected capital ratios<sup>(2)</sup>
  - Tier 1 Ratio, 9.3% at close vs 12.3% at Q3/04
  - Net Tangible Common Ratio, 6.2% at close vs 8.5% at Q3/04
- Future share repurchase
  - C\$500MM available at close for future open market repurchases equal to 25% of TD stock consideration
  - Timing and amount of repurchases subject to regulatory approvals and market conditions
  - If used, 2005 EPS accretion is C\$0.08, effect on Tier 1 is (0.4%)

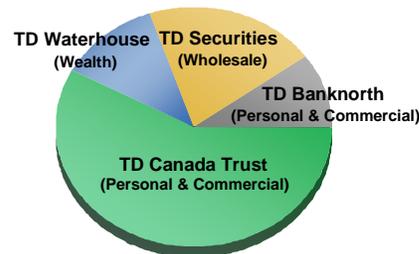
<sup>(1)</sup> Projection based on I/B/E/S consensus estimates for TD and Banknorth <sup>(2)</sup> Projected capital ratios at close

## TD - Illustrative Business Segment Earnings

TD Net Income<sup>1</sup>



TD + Banknorth Net Income<sup>2</sup>



- TD segment Q3/04 net income annualized
- TD segment Q3/04 net income plus Banknorth's Q2/04 net income annualized

## *Bill Ryan*

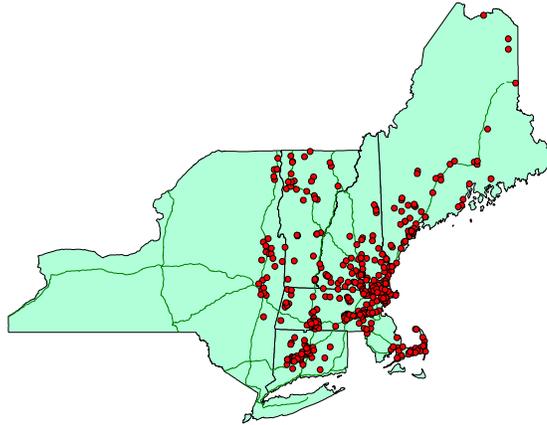
*Chairman, President and CEO Banknorth Group, Inc.*

## Who is Banknorth?

- Best Managed Bank in America – Forbes Magazine, 1/2004
- 7,700+ employees
- Over US\$29 billion in assets
- 1.3 million households
- Net income at 12/31/03 of US\$350 million
- Diversified loan and deposit base with emphasis on retail and commercial banking, investments and insurance
- Community banking model based on local decision-making and superior service

## Solid Franchise in New England and New York

- ❑ More than 400 branches\* and 548 ATMs located in Massachusetts, Connecticut, Maine, New Hampshire, Vermont and New York
- ❑ #1 combined market share in Maine, New Hampshire and Vermont; #5 in Massachusetts and #6 in Connecticut
- ❑ Attractive demographics



\* Pro forma with Boston Fed

15

## Consistently Strong Performance

- ❑ 10 consecutive years of operating EPS growth
- ❑ Strong profitability, improving consistently:
  - 27% cash ROE
  - 50% cash efficiency ratio
- ❑ Consistent, strong core loan and deposit growth
- ❑ Low-risk fee income growth with emphasis on loan and deposit fees, investment and insurance agency revenue
- ❑ Superior asset quality

16

## History of Successful Acquisitions

- ❑ Acquisitions are a core competency
  - Banknorth utilizes a disciplined and conservative acquisition model
  - Acquisitions must be accretive in year 1
  - No revenue enhancements assumed
- ❑ All acquisitions have met or exceeded financial targets
- ❑ Completed 24 bank acquisitions since 1989
  - 10 acquisitions completed since 2000 in high growth markets of Massachusetts and Connecticut

17

## A Winning Proposition

- ❑ An opportunity to realize value.....
  - US\$40.00 per share for 51% of Banknorth shares:
    - 26% premium based on \$31.70 (8/24/04 close)
    - 58% dividend accretion for those shares exchanged for TD shares
- ❑ .....while retaining an interest in a new Banknorth with enhanced growth potential
  - Continuity in Banknorth franchise:
    - Continued emphasis on community bank model
    - Executive management and directors remain
    - No customer disruption
  - Combination with TD will leverage the successful Banknorth business model:
    - TD brings tremendous resources and commitment to the Banknorth growth strategy
    - TD offers an array of sophisticated financial service products
    - Ability to grow loans, deposits and fee income will be enhanced
    - Revenue synergies will be realized over a reasonable period of time

18

## A Dynamic Partnership

- Why TD?
  - Cultural and strategic fit
  - Improved capital flexibility:
    - Banknorth will be a critical growth vehicle for TD
    - The new Banknorth and pro forma TD expect to continue to generate substantial excess capital
    - Continuance of listed security and access to capital will give Banknorth additional flexibility in structuring acquisitions
  - Commitment to growth:
    - There is a great opportunity for continued consolidation in the United States (8,000 U.S. banks and thrifts, 19 Canadian banks)
    - The new Banknorth will be able to contemplate acquisitions of a scale and geographic scope beyond its recent history

## A Bright Future

- Why TD?
  - Potential synergies:
    - Banknorth will be able to offer TD's broad array of products and services to an expanded customer base
    - TD's IT investments may be leveraged by Banknorth
- Future value potential for Banknorth shareholders
  - Opportunities for growth through future acquisitions
  - Opportunity for subsequent offer by TD to acquire 100% of Banknorth
  - Potential growth in Banknorth earnings based on financial strength and backing of TD

## Same Focused Banknorth Strategy – Only More So

- ❑ Focus on the fundamentals in our core businesses
  - Grow core retail deposits
  - Grow consumer and commercial loans
  - Grow insurance and investment businesses
  - Aggressively cross sell banking and non-banking products and services to existing customer base
  - Continue to exploit market disruption in New England
- ❑ Continue acquisition strategy
  - Look for opportunities within New England and beyond
- ❑ Explore potential revenue and cost saving synergies with TD Bank Financial Group
- ❑ Acquisition of Boston Fed (\$1.7 billion assets) tentatively scheduled to close in January of 2005

21

## Why is the TD Deal in the Best Interest of Banknorth Shareholders?

- ❑ Existing shareholders receive a premium for 51% of their shares
- ❑ Banknorth shareholders will receive a dividend premium
  - Banknorth currently pays \$0.20/share
  - TD currently pays \$.275 /share
  - For the 40% of 51% consideration to be received in TD and common stock, Banknorth shareholders will recognize a 58.8% dividend accretion<sup>1</sup>
- ❑ Shareholders can participate in the further consolidation of the banking industry in the U.S. with a proven management team
- ❑ Possible premium payable in the event TD seeks to acquire 100% of Banknorth in the future

1. Analysis is based on dividends received pre-tax. Dividends received on TD shares are subject to a 15% withholding in Canada which is credited against US taxable income subject to certain restrictions. Exchange ratio of 1.152 (\$40/\$34.71).

22

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23

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