

**Scotia Capital Financials
Summit 2006**



Steve Boyle
Chief Financial Officer
September 12, 2006



Connected to the Community

**Note on
Forward-Looking Information**



This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of TD Banknorth. Words such as "expect", "feel", "believe", "will", "may", "anticipate", "plan", "estimate", "intend", "should" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to various factors which could cause actual results to differ materially from these estimates. These factors include, but are not limited to, changes in general economic conditions, interest rates, deposit flows, loan demand, competition, legislation or regulation and accounting principles, policies or guidelines, as well as other economic, competitive, governmental, regulatory and accounting and technological factors affecting TD Banknorth's operations. In addition, acquisitions may result in large one-time charges to income, may not produce revenue enhancements or synergies at levels or within time frames originally anticipated and may result in unforeseen integration difficulties. Investors are encouraged to access TD Banknorth's periodic reports filed with the Securities and Exchange Commission for financial and business information regarding TD Banknorth, including information which could affect TD Banknorth's forward-looking statements. TD Banknorth does not undertake any obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

Who is TD Banknorth?



- Headquartered in Portland, Maine
- Approximately 56% owned by TD Bank Financial Group (TD)
- Nearly 600 branches and over 750 ATMs located in 8 Northeastern and Mid Atlantic states
- 9,000 + employees
- Over \$40 billion in assets as of 6/30/06 up from \$2 billion in 1991
- More than 1.5 million households served
- Diversified loan and deposit base with emphasis on retail and commercial banking, investments and insurance
- Poised for continued growth in the Northeast and Mid Atlantic

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A Quick History



- Went public in 1986
- Acquisitions are a core competency
 - Completed 26 bank-related acquisitions since 1987
- Grown from \$2 billion in assets in 1991 to over \$40 billion today
- 51% ownership share sold to TD Bank Financial Group in March 2005
- Expanded footprint into the Mid Atlantic in 2006 with the acquisition of Hudson United in January
- Announced the pending acquisition of Interchange Financial Services Corporation of Saddle Brook, New Jersey

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Major Differences between U.S. and Canadian Banking



In Canada...

- Industry is dominated by 5 large banks while there are still over 9,000 banks and thrifts in the U.S.
- Major banks have achieved scale across all major consumer products including mortgage and credit cards while in the U.S. both the mortgage and credit card businesses tend to be dominated by a few mono-line players.
 - There are no pre-payment penalties on U.S. mortgages.
 - With the exception of our Shoppers Charge business acquired from Hudson United, TD Banknorth is not in the credit card business.
- Proprietary mutual funds have been more readily adopted by Canadian investors than U.S. investors.

In the United States...

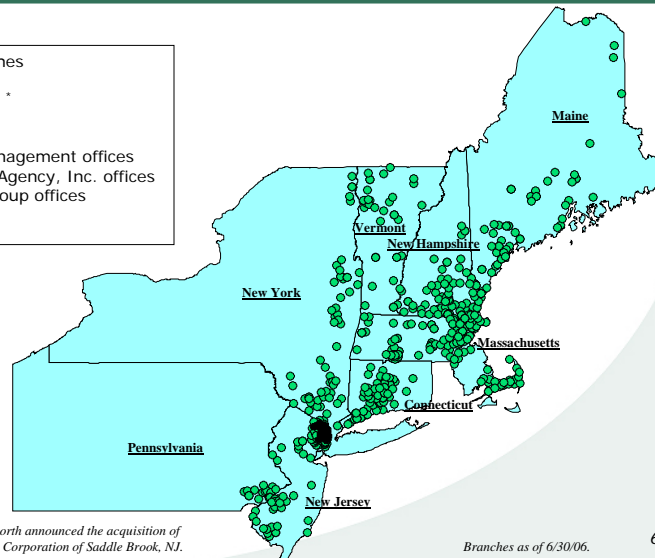
- Regional pricing is prevalent even among larger banks.
- Free checking dominates the personal banking business.
- U.S. banks are subject to Community Reinvestment Act (CRA), Patriot Act, Bank Secrecy Act and other regulatory requirements.

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Extensive Branch Network Throughout the Northeast



- 587 TD Banknorth Branches
 - 30 Interchange Branches *
- More than 750 ATMs
 33 TD Banknorth Wealth Management offices
 28 TD Banknorth Insurance Agency, Inc. offices
 97 Bancnorth Investment Group offices



* On April 13, 2006, TD Banknorth announced the acquisition of Interchange Financial Services Corporation of Saddle Brook, NJ.

Branches as of 6/30/06.

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Deposit Market Share (Pro forma)



Region	State	TD Banknorth Deposits (\$000)	Total Deposits in State/Counties (\$000)	Market Share (%)	Statewide Market Rank
Northern New England/NY	Maine	\$3,146,232	\$18,158,544	17.33	1
	New Hampshire	\$4,049,173	\$20,591,849	19.66	2
	Vermont	\$1,595,038	\$9,517,400	16.76	2
	Upstate New York ¹	\$1,123,379	\$24,358,820	4.61	NA
		<u>\$9,913,822</u>	<u>\$72,626,613</u>		
Southern New England	Massachusetts	\$7,678,806	\$146,509,678	5.24	4
	Connecticut	<u>\$4,157,696</u>	<u>\$76,936,520</u>	5.40	6
		\$11,836,502	\$223,446,198		
Mid-Atlantic	New Jersey	\$4,129,465	\$201,413,265	2.04	9
	New York ²	\$1,512,530	\$423,335,056	0.36	27
	Pennsylvania	<u>\$581,187</u>	<u>\$225,237,756</u>	0.26	44
		\$6,223,182	\$849,986,077		

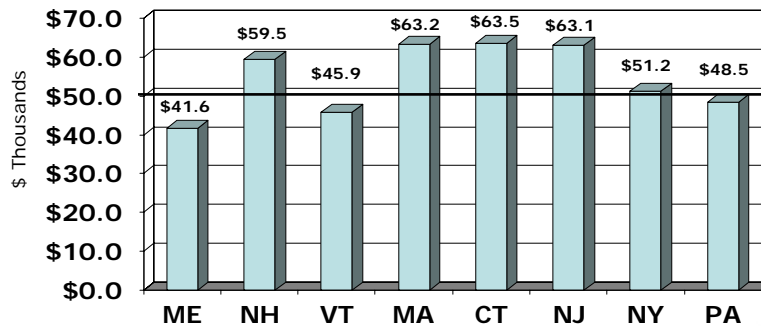
Source: SNL. Deposit data as of June 30, 2005. Pro forma including Hudson United and Interchange.

¹ Upstate New York deposits include Albany, Clinton, Columbia, Rensselaer, Saratoga, Schenectady, Warren and Washington counties. Market share reflects market share at the county level.

² Mid-Atlantic New York deposits include Dutchess, New York, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester counties. Market share reflects market share at the county level.

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Median Household Income



- Median household income in most of TD Banknorth's markets exceeds the U.S. national average of \$49,700.

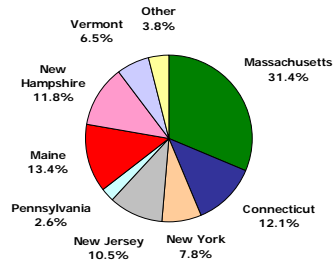
Source: SNL.

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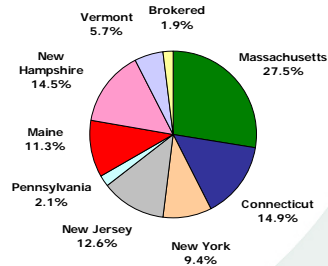
Loans and Deposits Diversified Geographically



Pro forma Loans ⁽¹⁾



Pro forma Deposits ⁽²⁾



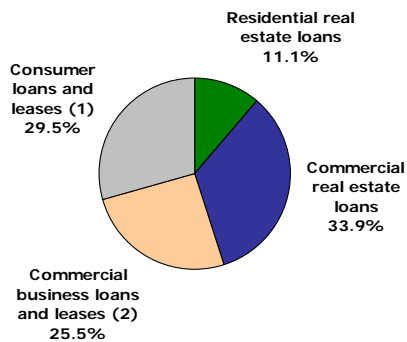
(1) Based on TD Banknorth balances as of February 28, 2006 and Interchange Financial Services Corporation balances as of December 31, 2005
 (2) Based on FDIC data as of June 30, 2005

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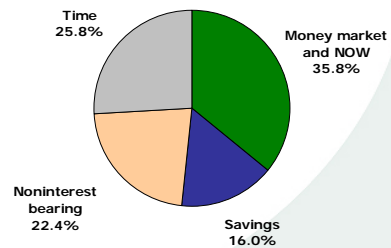
Diversified Loans and Deposits



Diversified Loan Composition



Diversified Deposits



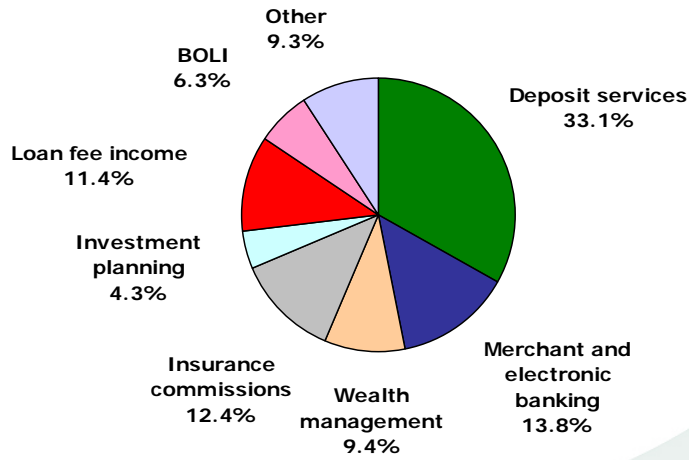
Balances as of June 30, 2006.

(1) Includes apx. \$429 million in credit card balances.

(2) Includes apx. \$317 million in insurance premium finance loans.

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Diversified Adjusted Noninterest Income



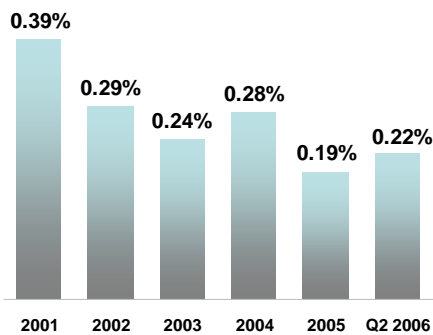
Figures are for the six month period ended June 30, 2006.
Adjusted Noninterest Income excludes net securities gains/(losses) of 10K.

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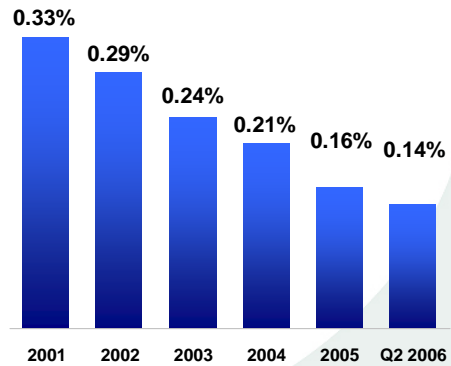
Strong Asset Quality



NPAs as a % of Total Assets



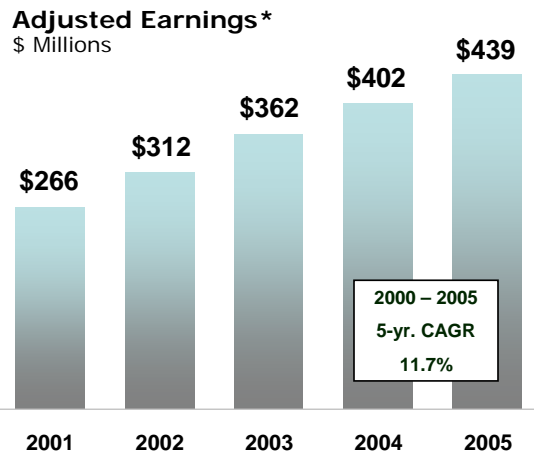
Net charge-offs as a % of Avg. Loans



Net charge-offs to average loans annualized for Q2 2006. Excludes residential real estate loans held for sale.

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Consistent Earnings Growth



* Adjusted earnings exclude Items of Note. For a reconciliation of GAAP earnings to earnings adjusted for Items of Note, see the reconciliation table at the end of this presentation.

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Hudson United – Doing What We Said We Would



- Successful systems conversion in May.
- 25% cost saves realized.
- Responding to known retail challenges:
 - Management team in place;
 - Retail incentive plan launched in February;
 - Significant training underway;
 - Retail turnover improving;
 - Completed comprehensive review of branch facilities and are implementing recommendations.
- Launched major branding campaign and No ATM Fees card in Mid Atlantic in June.

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No ATM Fees Card Launch in Mid Atlantic



- First time in large scale consumer magazines
- Billboards reaching 50% of commuting audience
- Over 85 million online impressions
- Largest effort to date targeting Hispanic audience
- Largest TV production in TD Banknorth history
- First time ever on Primetime television



Cumulative effect is that we will reach 94% of our target audience an average of 15 times by campaign end

Examples of the Benefit of Being Part of TD



- TD provided access to capital to facilitate the acquisition of both Hudson United and Interchange.
- TD guaranteed the issuance of \$229 million in subordinated debt saving us approximately \$425 thousand annually.
- Branding of TD Bank Financial Group and TD Ameritrade in U.S. benefits TD Banknorth.
- TD has provided ongoing expertise in areas of Treasury management, International Banking, strategic sourcing, branch optimization and marketing.
- The sale to TD has been a win for TD Banknorth shareholders.
 - Excluding any individual tax impact, as of September 5, 2006, the combined value of the cash, TD stock and TD Banknorth stock shareholders received as part of the sale to TD has increased 27% since August 24, 2004 (the day before the transaction was announced), while the KBW Bank Index has increased 13% during that same time.

U.S. Economic/Banking Outlook



- The U.S. economy continues to expand with 2006 GDP expected to be in the 3% real rate of growth range.
- We look for unemployment to be in the 4.75% - 5.0% range
 - Unemployment is a key barometer we look at to gauge the strength of the economy.
- Housing is slowing but is of greater concern in over-heated markets such as Miami, Las Vegas and San Diego.
 - TD Banknorth exposure to the housing sector is relatively modest
- Competition for loans and deposits remains extremely competitive.
- Flat/inverted yield curve continues to pressure net interest margin.

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Q3 Earnings Update



- Current Thomson First Call consensus estimate is for TD Banknorth to earn \$0.58/share in the third quarter.
- In light of current interest rate and competitive environment, the Company believes the current EPS estimate is too high.
- More realistic estimates for the quarter are in the \$0.51 - \$0.54 range due to a number of factors including:
 - Higher levels of investment in account acquisition, primarily marketing costs, which should result in future benefits;
 - Increase in deposit costs due to a shift in our deposit mix toward higher-priced CDs;
 - Leveling off of both commercial and consumer loans reflecting the current competitive environment for high-quality loans; and
 - A slowdown in noninterest income due to competitive factors across the majority of our fee-income businesses.

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What's Next for TD Banknorth?



- Continue to execute our growth strategy in the Northeast and Mid Atlantic, both organically and through acquisition.
- Interchange closing anticipated early in the first quarter of 2007, subject to Interchange shareholder approval.
 - Interchange shareholder meeting anticipated in October.
- Focus on organic loan and deposit growth.
- Continue to grow and diversify our noninterest income from wealth management, insurance and other businesses.
- Focus on process improvement and expense control.

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Note on Non-GAAP Financial Information



This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's management uses these non-GAAP measures in its analysis of the Company's performance. The Company arrives at these measures, indicated by the use of the term "adjusted," by removing "items of note" from the reported GAAP measure. The items of note excluded from adjusted measures and a reconciliation of these non-GAAP measures to the most comparable GAAP measure can be found at the end of this presentation and on our website at www.tdbanknorth.com. The items of note relate to items which management does not believe are indicative of underlying business performance, and typically are the effects of charges and expenses related to the consummation of mergers and acquisitions and costs related to the integration of merged entities, as well as the amortization of intangible assets. Items of note may also be other significant gains or losses that are unusual in nature, such as securities gains or losses and prepayment penalties incurred in connection with deleveraging strategies. Because these items and their impact on the Company's performance are difficult to predict, management believes that presentations of adjusted financial measures excluding the impact of these items of note provide useful supplemental information that is essential to a proper understanding of the operating results of the Company's core businesses. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies.

We used the method of purchase accounting to account for TD Bank Financial Group's acquisition of a majority interest in us on March 1, 2005. To most accurately reflect the application of purchase accounting, we use the term "predecessor" to refer to the results of Banknorth Group, Inc., the predecessor entity to TD Banknorth Inc., at the dates and for the periods ending on or prior to February 28, 2005, which are based on historical accounting, and the term "successor" to refer to the results of TD Banknorth Inc. at the dates and for the periods beginning on or after March 1, 2005, which are based on the application of purchase accounting. To assist in the comparability of our financial results and to make it easier to discuss and understand these results, the financial information discussed herein under the heading "Combined" combines the "predecessor period" January 1, 2005 to February 28, 2005 with the applicable "successor period" thereafter. Due to the application of purchase accounting as of March 1, 2005, results for the combined periods may not be comparable to the results for the respective predecessor periods.

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TD Banknorth Inc. and Subsidiaries Reconciliation Table – Non-GAAP Financial Information



Reconciliation Table - Non-GAAP Financial Information (Unaudited)
(In thousands, except per share data)

	Predecessor 2001	Predecessor 2002	Predecessor 2003	Predecessor 2004	Combined 2005	Successor G-2-06
Net Income (GAAP)	\$238,795	\$298,638	\$350,759	\$304,643	\$273,978	\$93,386
Add back the following, net of tax:						
Cumulative effect of change in accounting principle	290	-	-	-	-	-
Merger and restructuring charges	4,945	9,566	5,275	40,394	30,988	9,556
Loss from discontinued operations	-	-	-	-	-	1,323
Deleveraging losses	3,897	-	-	51,560	70,703	-
Change in unrealized loss on certain derivatives	-	-	-	-	(3,866)	-
Amortization of intangibles	18,471	4,220	5,815	5,608	66,734	24,025
Net income, as adjusted (cash operating earnings)	<u>\$266,398</u>	<u>\$312,424</u>	<u>\$361,849</u>	<u>\$402,205</u>	<u>\$438,537</u>	<u>\$128,290</u>
Diluted earnings per share (GAAP)	\$1.68	\$1.99	\$2.15	\$1.75	\$1.55	\$0.41
Add back the following, net of tax:						
Cumulative effect of change in accounting principle	-	-	-	-	-	-
Merger and restructuring charges	0.04	0.07	0.03	0.23	0.17	0.04
Loss from discontinued operations	-	-	-	-	-	0.01
Deleveraging losses	0.03	-	-	0.30	0.40	-
Effects of change in unrealized loss on certain derivatives	-	-	-	-	(0.02)	-
Effects of amortization of intangibles	0.13	0.03	0.03	0.03	0.38	0.10
Diluted earnings per share, as adjusted (cash operating earnings)	<u>\$1.88</u>	<u>\$2.09</u>	<u>\$2.21</u>	<u>\$2.31</u>	<u>\$2.48</u>	<u>\$0.56</u>

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