



# Barclays Global Financial Services Conference

September 9, 2013

# Disclaimer

---

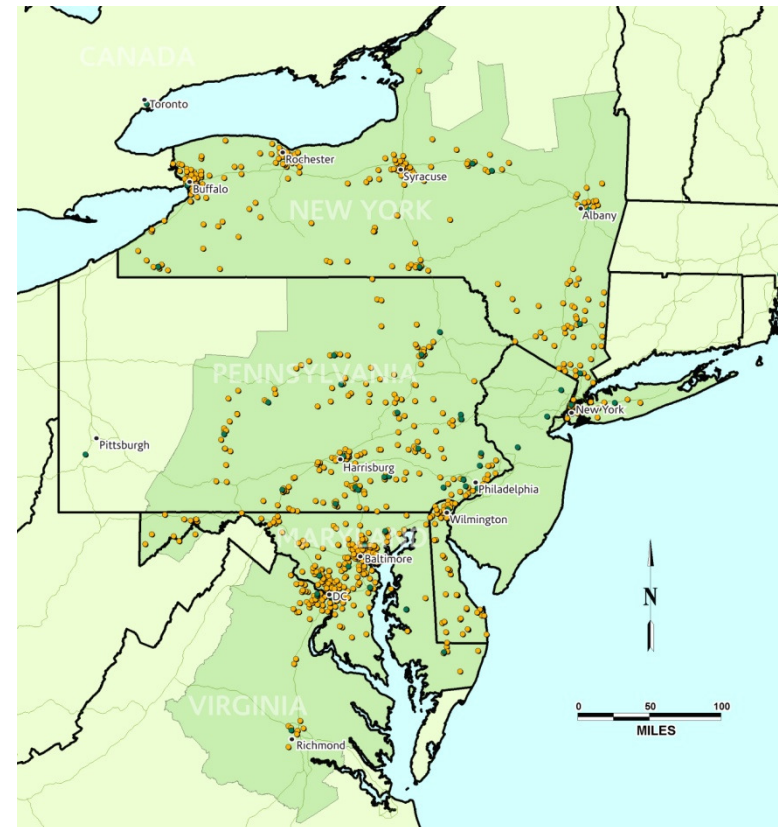
*This presentation contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving M&T's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements.*

*On August 27, 2012, M&T Bank Corporation, a New York corporation ("M&T"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Hudson City Bancorp, Inc., a Delaware corporation ("Hudson City") and Wilmington Trust Corporation, a Delaware corporation and a wholly owned subsidiary of M&T ("WTC"). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, Hudson City will merge with and into WTC, with WTC continuing as the surviving entity (the "Merger"). In addition to factors previously disclosed in M&T's reports filed with the SEC and those identified elsewhere in this filing, the following factors among others, could cause actual results to differ materially from forward-looking statements or historical performance: ability to obtain regulatory approvals and meet other closing conditions to the Merger, including approval by M&T and Hudson City shareholders, on the expected terms and schedule; delay in closing the Merger; difficulties and delays in integrating the M&T and Hudson City businesses or fully realizing cost savings and other benefits; business disruption following the Merger; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer acceptance of M&T products and services; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.*

*Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.*

# M&T Bank Corporate Profile

- ❑ Top 20 US-based full-service commercial bank holding company by assets and Top 15 by market cap
- ❑ Founded in 1856
- ❑ \$83 billion total assets
- ❑ 726 domestic branches and more than 2,000 ATMs
- ❑ 15,411 employees located in New York, Maryland, Pennsylvania, Washington, D.C., Virginia, West Virginia and Delaware
- ❑ Over 2 million consumer/retail household customers
- ❑ 215,000 commercial customers



As of 6/30/13

# A Changing Banking Environment

---

- Higher Liquidity
- Higher Capital
- Strong Risk Management
- Modest Loan Demand
- Low but Rising Interest Rates
- Pressure on Returns
- A Viable Business Model is Essential

# Strong Earnings Results

						<u>2Q13 versus</u>	
<u>GAAP Earnings</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>1Q13</u>	<u>2Q13</u>	<u>YOY</u>	<u>QOQ</u>
Net Income (\$MM)	736	859	1,029	274	348	49%	27%
EPS (\$ per share)	5.69	6.35	7.54	1.98	2.55	49%	29%
 <u>Net Operating Earnings</u>							
Net Operating Income (\$MM)	755	884	1,073	285	361	46%	27%
Net Operating EPS (\$ per share)	5.84	6.55	7.88	2.06	2.65	46%	29%

Net Operating Income and Net Operating EPS are non-GAAP financial measures (Excludes merger-related gains and expenses and amortization expense associated with intangible assets). Refer to the Appendix for a reconciliation between these measures and GAAP.

# Key Ratios

	2006	2010	2011	2012	Prior Quarters			
					2Q12	1Q13	2Q13	
<b>Net Interest Margin</b>	3.70%	3.84%	3.73%	3.73%	3.74%	3.71%	3.71%	<b>Superior pre-credit earnings</b>
<b>Efficiency Ratio - Tangible<sup>(1)</sup></b>	51.51%	53.71%	60.43%	56.19%	56.86%	55.88%	50.92%	
<b>Pre-tax, Pre-provision Earnings<sup>(1)</sup> (\$MM)</b>	1,312	1,461	1,495	1,757	412	453	588	
<b>Allowance to Loans (As At)</b>	1.51%	1.74%	1.51%	1.39%	1.46%	1.41%	1.41%	<b>Strong credit metrics</b>
<b>Net Charge-Offs to Loans</b>	0.16%	0.67%	0.47%	0.30%	0.34%	0.23%	0.35%	
<b>Net Operating Return on Tangible Assets<sup>(2)</sup></b>	1.67%	1.17%	1.26%	1.40%	1.30%	1.48%	1.81%	<b>Focused on returns</b>
<b>Tangible Common Equity<sup>(2)</sup></b>	29.55%	18.95%	17.96%	19.42%	18.54%	18.71%	22.72%	
<b>Common Equity to Assets - Tangible</b>	5.84%	6.19%	6.40%	7.20%	6.65%	7.51%	7.85%	<b>Consistent capital generation</b>
<b>Tier 1 Common Capital Ratio</b>	6.42%	6.51%	6.86%	7.57%	7.15%	7.93%	8.55%	
<b>Tier 1 Capital Ratio</b>	7.74%	9.47%	9.67%	10.22%	9.92%	10.62%	11.31%	
<b>Total Capital Ratio</b>	11.78%	13.08%	13.26%	13.39%	13.29%	13.81%	14.47%	
<b>Leverage Ratio</b>	7.20%	9.33%	9.28%	10.07%	9.49%	10.26%	10.48%	
<b>TBV per Share</b>	28.57	33.26	37.79	44.61	40.52	46.11	48.26	

(1) The Efficiency Ratio and Pre-tax, Pre-provision Earnings are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures is available in the Appendix.

(2) Excludes merger-related gains and expenses and amortization expense associated with intangible assets.

## M&T's 2Q13 Actions Enhancing Capital & Liquidity

---

- Reduced risk sensitive assets
  - Sale of \$1.0 billion of private-label MBS securities
  
- Divested non-core assets
  - Visa / Mastercard stock sale
  
- Securitized \$296 million of FHA loans & held resulting GNMA securities
  
- Securitise and retain FHA loan production

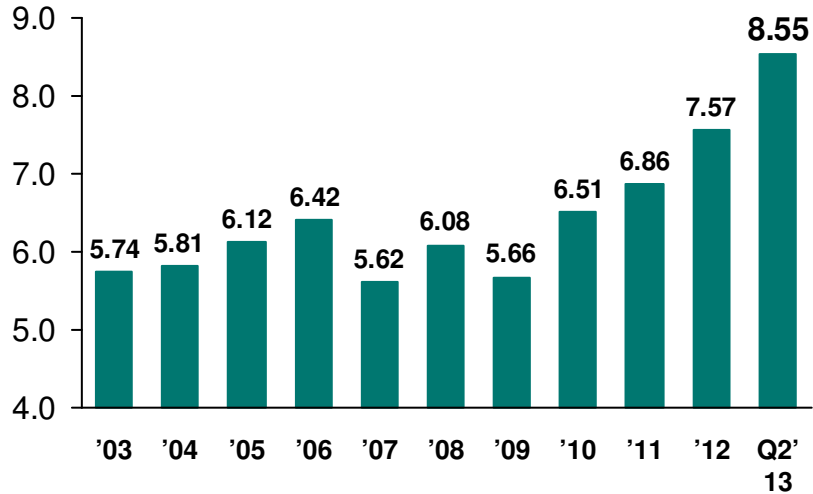
## Further Actions Enhancing M&T's Capital & Liquidity

---

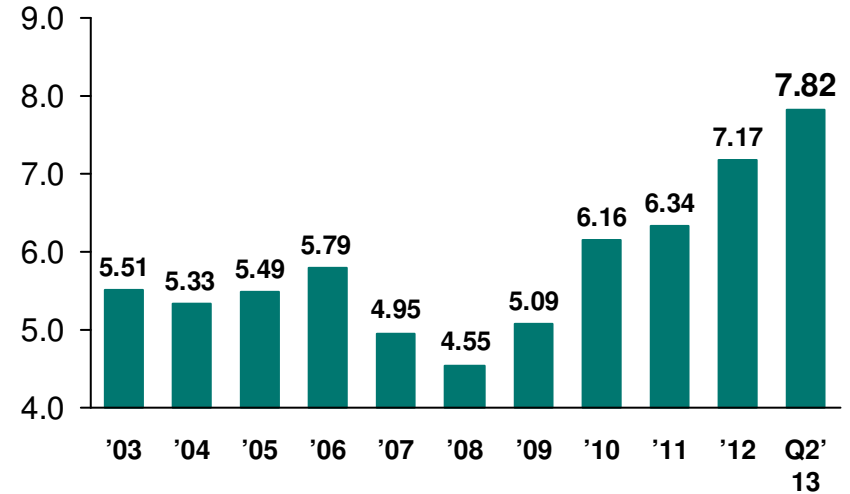
- ❑ Continue to build liquid asset buffer
  - Complete securitization of FHA loans (\$1.3 billion total) and retain as GNMA securities
  - Maintain program to securitize FHA mortgage production & retain as GNMA securities
  
- ❑ Continue to enhance the liquidity, capital and risk profile of the bank
  - Consumer Loan securitization
  - Continue building liquidity through Bank Note Program
  - Potential refinancing of TruPS

# M&T Capital Build

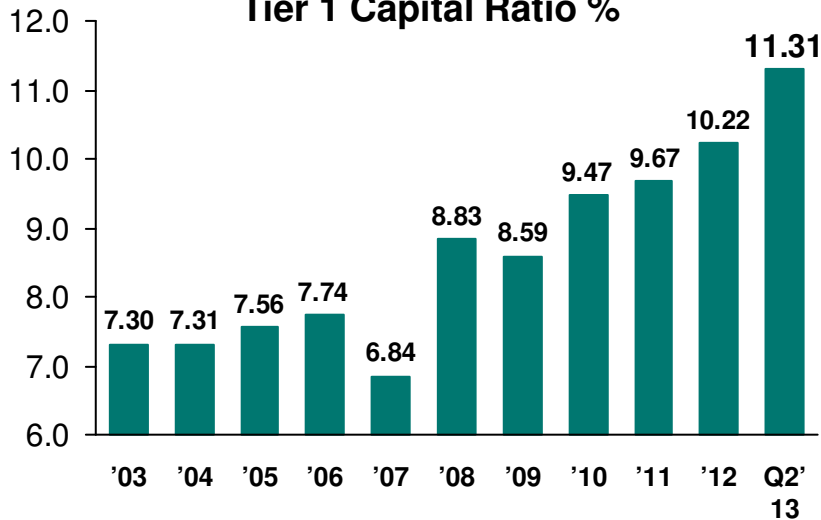
**Tier 1 Common Capital Ratio %**



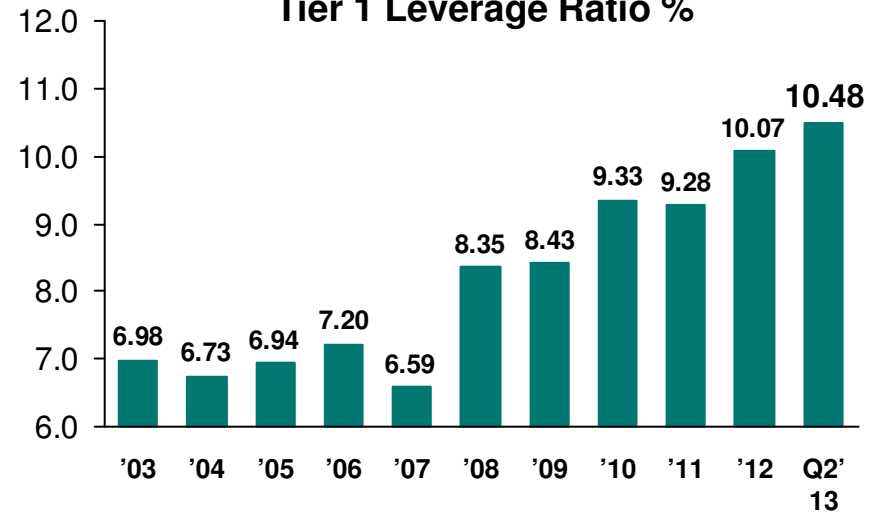
**Tangible Common Equity / Assets %\***



**Tier 1 Capital Ratio %**



**Tier 1 Leverage Ratio %**

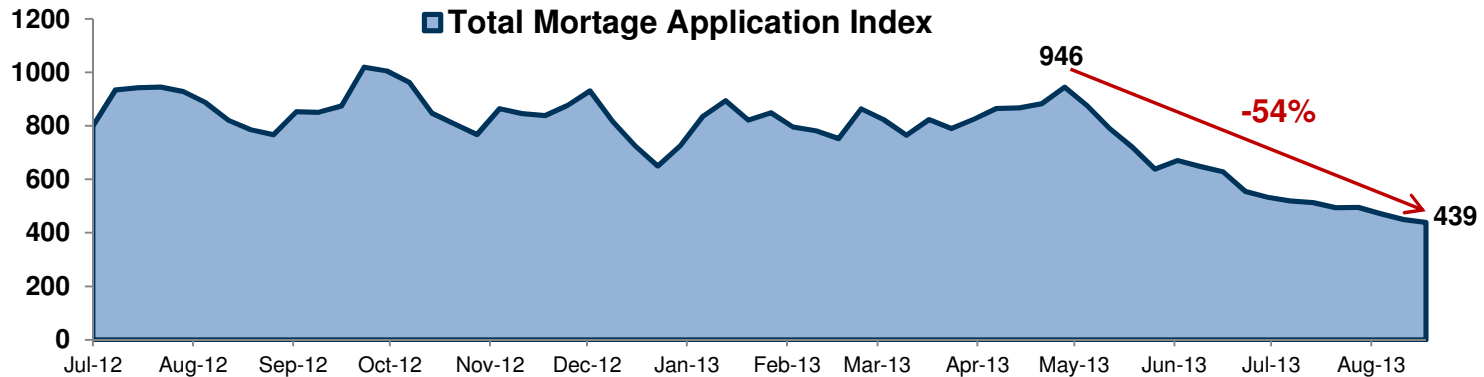
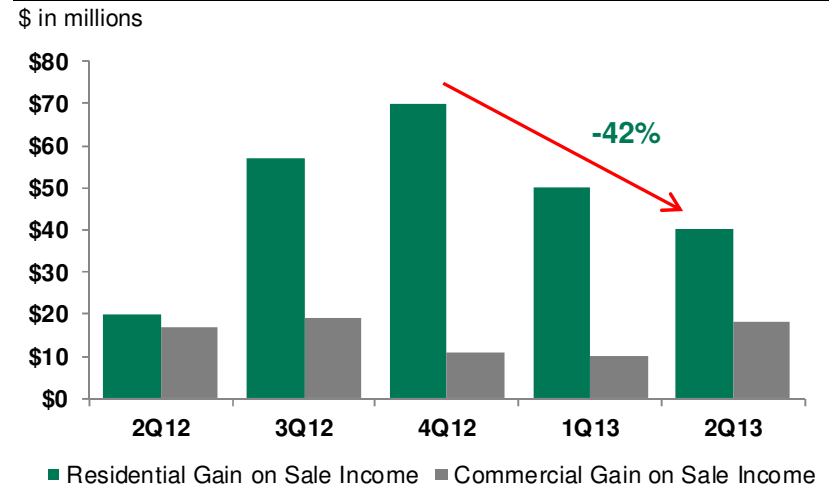


\*Street TCE / TA  
Source: SNL Financial

# Mortgage Banking Environment

- ❑ Cautious revenue outlook for 2H-2013 driven by lower gain on sale and volumes
- ❑ Re-fi volumes impacted by higher rates, purchase volume appears to have slowed
- ❑ Industry competition driven by large banks seeking market share
- ❑ QTD Fed H-8 report shows \$13 billion decline in industry mortgages

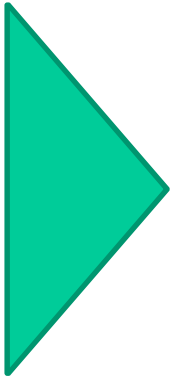
**M&T Gain on Sale Revenues - Last 5 Quarters**



Source: Mortgage Bankers Association

# Significant Investments for the Future

M&T has continued to manage core expenses well, but sizable investments in risk management, compliance and other areas will increase expenses

- Capital Planning
  - IT Investments
  - Risk Management Framework
  - Compliance
  - Sub-servicing Hires
- 
- Higher Expenses**

*We are focused on investing today to position M&T for relative outperformance in the future*

## Net Interest Margin / Rate Sensitivity

---

- ❑ M&T remains positioned for rising rates
- ❑ NII simulation in 2Q1310Q projects a +100bp gradual, parallel increase in rates benefits NII by about 4%
- ❑ 10Q reflects pro-forma impact of initiatives outlined
- ❑ M&T (and most banks) more sensitive to short end of curve
- ❑ Continue to expect ~3bp of core NIM compression/quarter
- ❑ Continued elevated cash balances at the Fed dilutes reported NIM but not NII

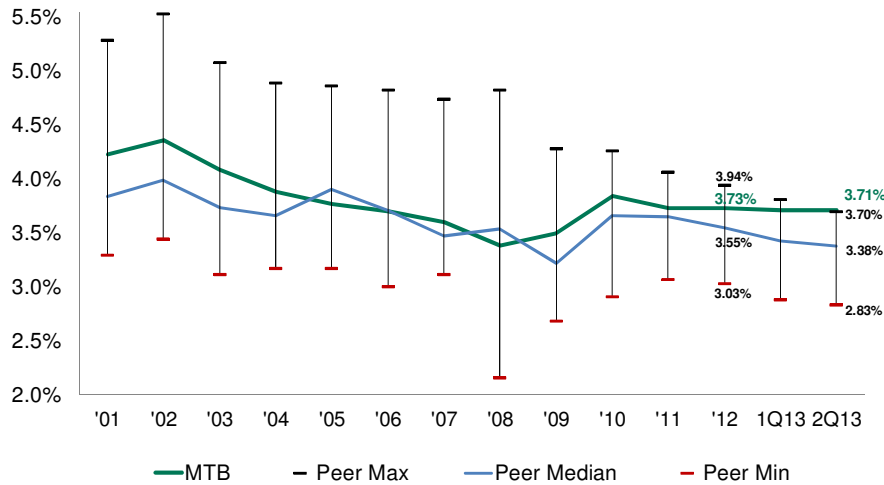
# Summary

---

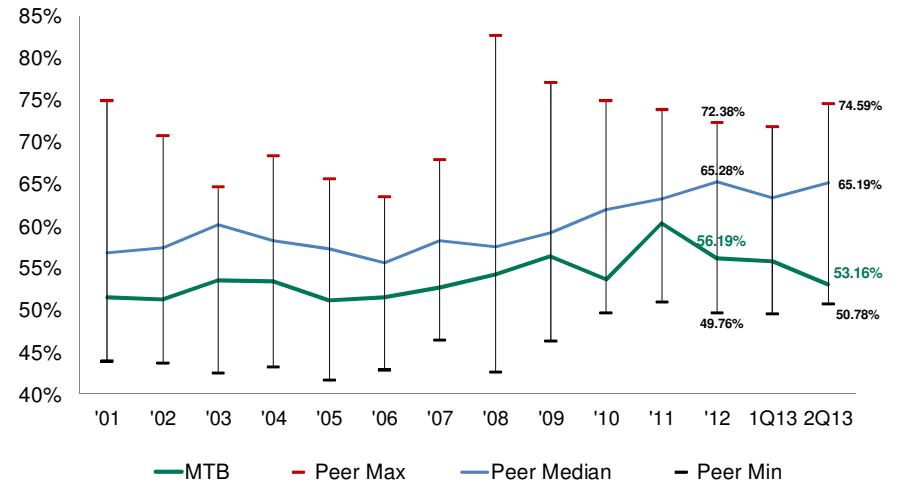
- ❑ Mortgage banking – Residential GOS margins and volumes declining rapidly
  - Commercial originations also down
- ❑ Costs of risk management infrastructure build and staffing for sub-servicing contract driving expense growth
- ❑ Capital and liquidity build continues
- ❑ Modest loan growth
- ❑ Earning assets growing w/ retention of securities
- ❑ Core NIM pressure of about 3 bp per quarter

# Long-term Profitability Outperformance

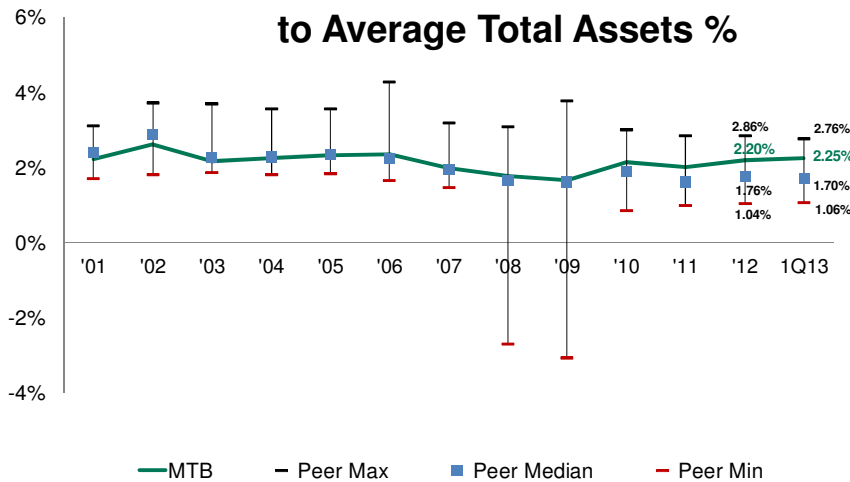
## Net Interest Margin %



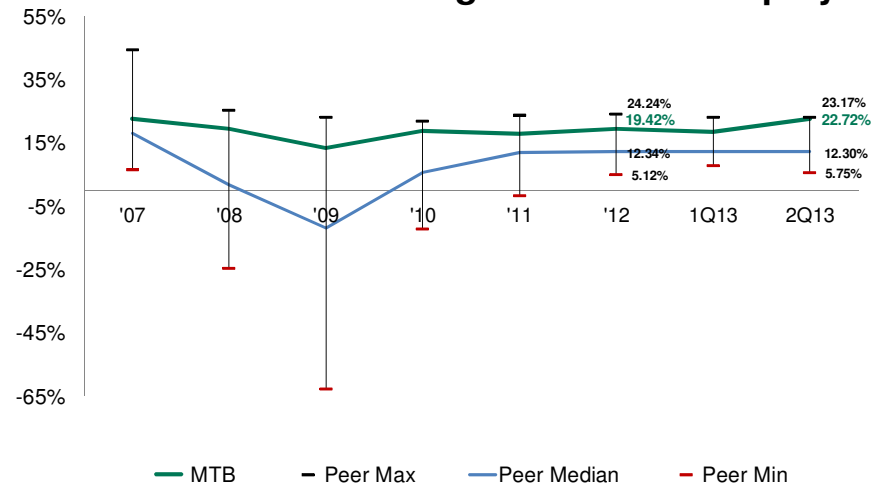
## Operating Efficiency Ratio %



## Pre-Tax Pre-Provision Net Revenues to Average Total Assets %



## Return on Tangible Common Equity %



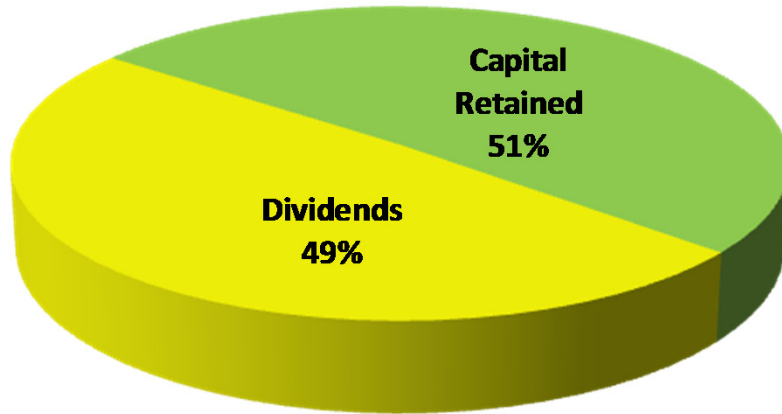
Note: Peer benchmarking group includes BBT, CMA, FITB, HBAN, KEY, MTB, PNC, RF, STI, USB, WFC, and ZION.

Source: SNL Financial; M&T Efficiency ratio for 2Q'13 excludes a non-recurring reversal (\$25.5 million) of a contingent compensation obligation from the Wilmington Trust merger.

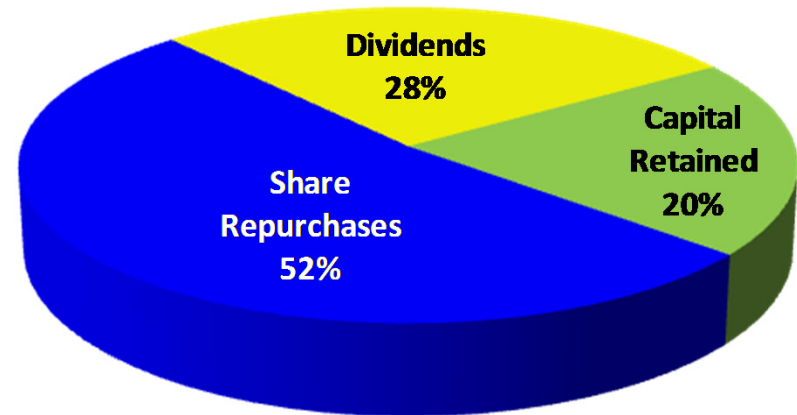
# Deploying Capital Where and When it Makes Sense

## Cumulative Capital Retained, Dividends and Share Repurchases

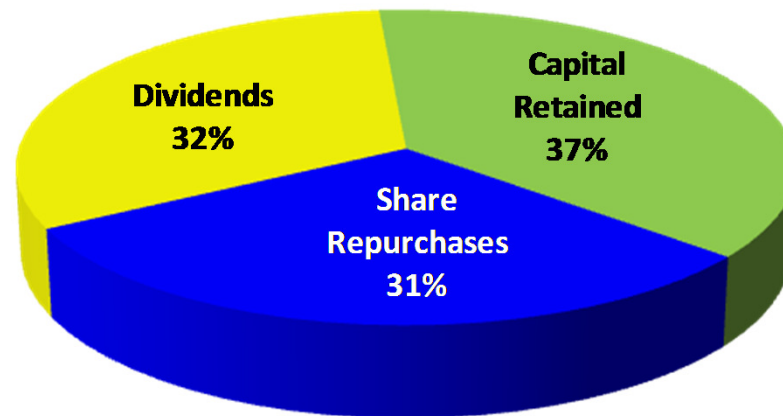
5 Years  
2008 - 2012



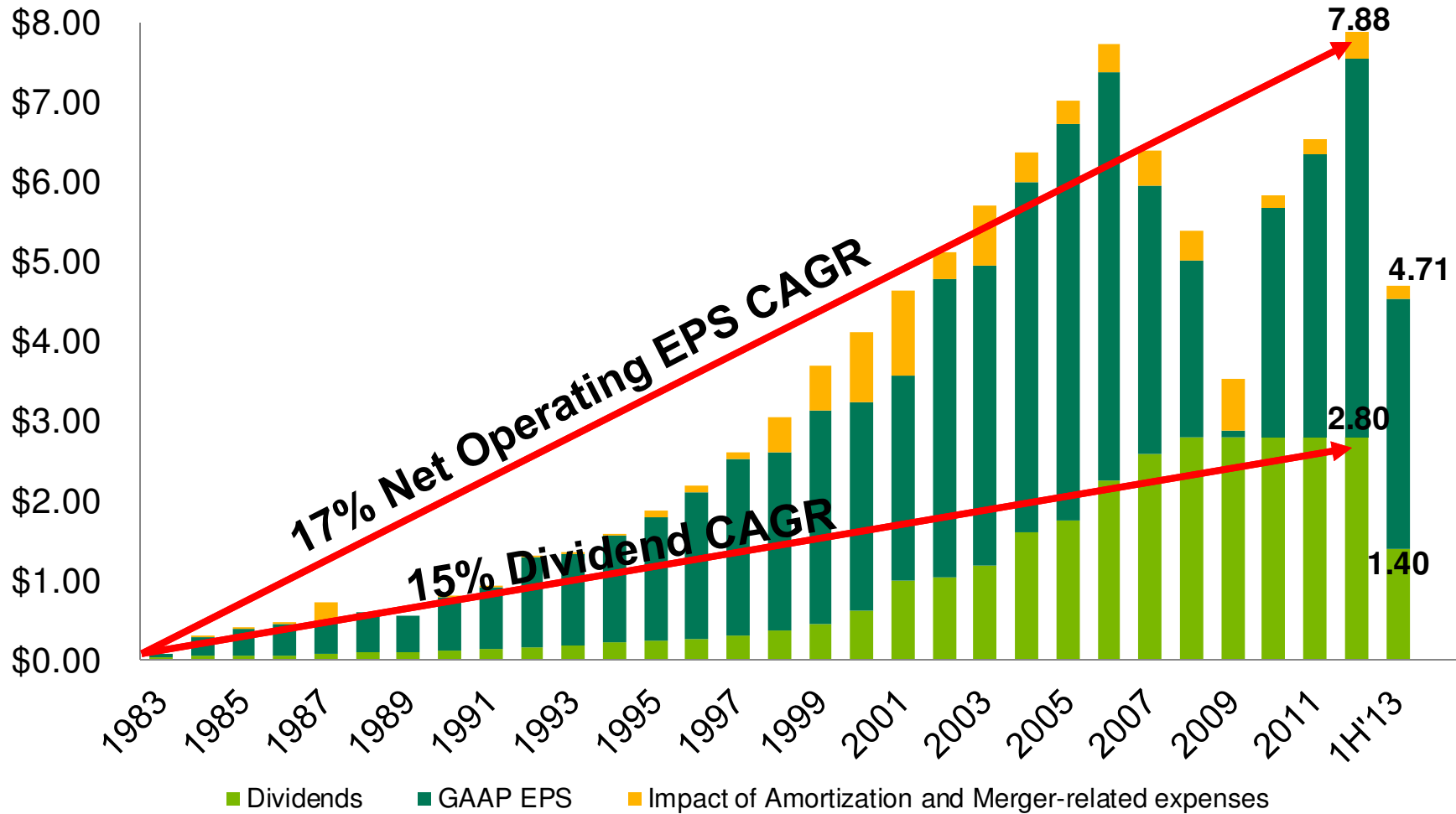
5 Years  
2003 - 2007



30 Years  
1983 - 2012



# Earnings & Dividend Growth: 1983 – 1H13



Note: Data prior to 1998 does not include provisions of SFAS No. 123 and No. 148 stock option expensing. Net Operating Income and Net Operating EPS are non-GAAP financial measures. Refer to the Appendix for a reconciliation between these measures and GAAP



# M&T Bank Corporation... a solid investment

**19.8% Annual rate of return since 1980<sup>1</sup>**

**22<sup>nd</sup> best return of entire universe<sup>2</sup> of U.S. based stocks traded publicly since 1980**

Rank	Company Name	Industry	Annual Return
1	Eaton Vance Corp.	Financials	25.2
2	Gap Inc.	Consumer Discretionary	24.0
3	L Brands Inc.	Consumer Discretionary	22.9
4	TJX Cos.	Consumer Discretionary	22.8
5	Stryker Corp.	Health Care	22.0
6	Wal-Mart Stores Inc.	Consumer Staples	21.9
7	Hasbro Inc.	Consumer Discretionary	21.7
8	Mylan Inc.	Health Care	21.6
9	Precision Castparts Corp.	Industrials	21.5
10	Progressive Corp.	Financials	21.3
11	State Street Corp.	Financials	21.1
12	Valspar Corp.	Materials	21.1
13	HollyFrontier Corp.	Energy	20.8
14	Flowers Foods Inc.	Consumer Staples	20.8
15	Berkshire Hathaway Inc. Cl A	Financials	20.6
16	Danaher Corp.	Industrials	20.0
17	Sherwin-Williams Co.	Materials	19.9
18	Raven Industries Inc.	Industrials	19.9
19	Leucadia National Corp.	Financials	19.8
20	AFLAC Inc.	Financials	19.8
21	Forest Laboratories Inc.	Health Care	19.8
<b>22</b>	<b>M&amp;T Bank Corp.</b>	<b>Financials</b>	<b>19.8</b>

**\$2,385 invested in M&T in 1980 would be worth \$1 million today**

(1) CAGR calculated assuming reinvestment of dividends through June 30, 2013.

(2) Includes 667 U.S. based publicly traded stocks



# Barclays Global Financial Services Conference

September 9, 2013

# Appendix

# Reconciliation of GAAP and Non-GAAP Measures

<b>Net Income</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2Q12</b>	<b>2012</b>	<b>1Q13</b>	<b>2Q13</b>
<b><i>\$'s in millions.</i></b>										
Net income	\$839.2	\$654.3	\$555.9	\$379.9	\$736.2	\$859.5	\$233.4	\$1,029.5	\$274.1	\$348.5
Intangible amortization*	38.5	40.5	40.5	39.0	35.3	37.6	9.7	37.0	8.1	7.6
Merger-related items*	3.0	9.1	2.2	36.5	(16.3)	(12.8)	4.3	6.0	2.9	4.6
Net operating income	\$880.7	\$703.8	\$598.6	\$455.4	\$755.2	\$884.3	\$247.4	\$1,072.5	\$285.1	\$360.7
<b><u>Pre-Tax, Pre-Provision</u></b>										
<b><u>Income</u></b>										
Net Income for EPS	\$839.2	\$654.3	\$555.1	\$332.0	\$675.9	\$781.8	\$214.7	\$953.4	\$255.1	\$328.6
Preferred Div., Amort. of Pref. Stock & Unvested Stock Awards	\$0.0	\$0.0	\$0.8	\$47.9	\$60.3	\$77.7	\$18.7	\$76.1	\$19.0	\$19.9
Income Taxes	\$392.4	\$309.2	\$183.9	\$139.4	\$356.6	\$365.1	\$118.8	\$523.0	\$141.2	\$182.2
GAAP Pre-tax Income	\$1,231.6	\$963.5	\$739.8	\$519.3	\$1,092.8	\$1,224.6	\$352.2	\$1,552.5	\$415.3	\$530.7
Provision for credit losses	80.0	192.0	412.0	604.0	368.0	270.0	60.0	204.0	38.0	57.0
Pre-Tax, Pre-Provision Income	\$1,311.6	\$1,155.5	\$1,151.8	\$1,123.3	\$1,460.8	\$1,494.6	\$412.2	\$1,756.5	\$453.3	\$587.7
<b><u>Earnings Per Share</u></b>										
Diluted earnings per share	\$7.37	\$5.95	\$5.01	\$2.89	\$5.69	\$6.35	\$1.71	\$7.54	\$1.98	\$2.55
Intangible amortization*	0.33	0.37	0.36	0.34	0.29	0.30	0.08	0.29	0.06	0.06
Merger-related items*	0.03	0.08	0.02	0.31	(0.14)	(0.10)	0.03	0.05	0.02	0.04
Diluted net operating earnings per share	\$7.73	\$6.40	\$5.39	\$3.54	\$5.84	\$6.55	\$1.82	\$7.88	\$2.06	\$2.65
<b><u>Efficiency Ratio</u></b>										
<b><i>\$'s in millions</i></b>										
Non-interest expenses	\$1,551.7	\$1,627.7	\$1,727.0	\$1,980.6	\$1,914.8	\$2,478.1	\$627.4	\$2,509.3	\$635.5	\$598.6
less: intangible amortization	63.0	66.5	66.6	64.3	58.1	61.6	15.9	60.6	13.3	12.5
less: merger-related expenses	5.0	14.9	3.5	89.2	0.8	83.7	7.2	9.9	4.7	7.6
Non-interest operating expenses	\$1,483.7	\$1,546.3	\$1,656.8	\$1,827.2	\$1,856.0	\$2,332.8	\$604.3	\$2,438.8	\$617.5	\$578.5
Tax equivalent revenues	\$2,883.1	\$2,804.1	\$2,900.6	\$3,125.7	\$3,399.6	\$3,998.6	\$1,046.3	\$4,292.2	\$1,095.4	\$1,192.5
less: gain/(loss) on sale of securities	2.6	1.2	34.4	1.2	2.8	150.2	(0.41)	0.0	-	56.46
less: net OTTI losses recognized	-	(127.3)	(182.2)	(138.3)	(86.3)	(77.0)	(16.2)	(47.8)	(9.8)	-
less: merger-related gains	-	-	-	29.1	27.5	64.9	-	-	-	-
Denominator for efficiency ratio	\$2,880.5	\$2,930.2	\$3,048.4	\$3,233.7	\$3,455.6	\$3,860.5	\$1,062.9	\$4,340.0	\$1,105.2	\$1,136.0
Net operating efficiency ratio	51.5%	52.8%	54.4%	56.5%	53.7%	60.4%	56.9%	56.2%	55.9%	50.9%

\*Net of tax

# Reconciliation of GAAP and Non-GAAP Measures

	2006	2007	2008	2009	2010	2011	2Q12	2012	1Q13	2Q13
<b>Average Assets</b>										
<i>\$'s in millions</i>										
Average assets	\$ 55,839	\$ 58,545	\$ 65,132	\$ 67,472	\$ 68,380	\$ 73,977	\$ 80,087	\$ 79,983	\$ 81,913	\$ 83,352
Goodwill	(2,908)	(2,933)	(3,193)	(3,393)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(191)	(221)	(214)	(191)	(153)	(168)	(151)	(144)	(109)	(95)
Deferred taxes	38	24	30	33	29	43	44	42	32	28
Average tangible assets	\$ 52,778	\$ 55,415	\$ 61,755	\$ 63,921	\$ 64,731	\$ 70,327	\$ 76,455	\$ 76,356	\$ 78,311	\$ 79,760
<b>Average Common Equity</b>										
<i>\$'s in millions</i>										
Average common equity	\$ 6,041	\$ 6,247	\$ 6,423	\$ 6,616	\$ 7,367	\$ 8,207	\$ 8,668	\$ 8,834	\$ 9,448	\$ 9,687
Goodwill	(2,908)	(2,933)	(3,193)	(3,393)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(191)	(221)	(214)	(191)	(153)	(168)	(151)	(144)	(109)	(95)
Deferred taxes	38	24	30	33	29	43	44	42	32	28
Average tangible common equity	\$ 2,980	\$ 3,117	\$ 3,046	\$ 3,065	\$ 3,718	\$ 4,557	\$ 5,036	\$ 5,207	\$ 5,846	\$ 6,095

# M&T Peer Group

---

BB&T Corporation

Comerica Incorporated

Fifth Third Bancorp

Huntington Bancshares Incorporated

KeyCorp

M&T Bank Corporation

PNC Financial Services Group, Inc.

Regions Financial Corporation

SunTrust Banks, Inc.

U.S. Bancorp

Wells Fargo & Company

Zions Bancorporation