

HUDSON CITY BANCORP INC
Form 425
September 10, 2012

Filed by M&T Bank Corporation

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934

Subject Company: Hudson City Bancorp, Inc.

(Commission File No. 0-26001)

Cautionary Statements Regarding Forward-Looking Information

This Current Report on Form 8-K 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, 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.

Important Additional Information.

In connection with the Merger, M&T will file with the SEC a Registration Statement on Form S-4 that will include a Joint Proxy Statement of M&T and Hudson City and a Prospectus of M&T, as well as other relevant documents concerning the proposed transaction. SHAREHOLDERS OF M&T AND HUDSON CITY ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A free copy of the Joint Proxy Statement/Prospectus, as well as other filings containing information about M&T and Hudson City, may be obtained at the SEC's Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from M&T at www.mtb.com under the tab About Us and then under the heading Investor Relations or from Hudson City by accessing Hudson City's website at www.hcsbonline.com under the heading Investor Relations. Copies of the Joint Proxy Statement/Prospectus can also be obtained, free of charge, by directing a request to Investor Relations, One M&T Plaza, Buffalo, New York 14203, (716) 842-5445.

M&T and Hudson City and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of M&T and Hudson City in connection with the Merger. Information about the directors and executive officers of M&T and their ownership of M&T common stock is set forth in the proxy statement for M&T's 2012 annual meeting of shareholders, as filed with the SEC on Schedule 14A on March 7, 2012. Information about the directors and executive officers of Hudson City and their ownership of Hudson City common stock is set forth in the proxy statement for Hudson City's 2012 annual meeting of shareholders, as filed with the SEC on a Schedule

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14A on March 19, 2012. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Joint Proxy Statement/Prospectus regarding the Merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

Barclays Global Financial Services Conference
September 10, 2012

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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 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 corporation (the "Surviving Merger").

In addition to factors previously disclosed in M&T's reports filed with the SEC and those identified elsewhere in this prospectus, 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 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 market conditions; 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.

Disclaimer

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Financial Update
Opportunity in Metropolitan NYC with Hudson City Bancorp
The M&T Bank Story
Today's Agenda

4
Financial Update

5

Strong 2Q12 Earnings Results

Net Operating Income and Net Operating EPS are non-GAAP financial measures (Excludes merger-related gains and expenses, amortization expense associated with

intangible
assets

).

Refer

to

the

Appendix

for

a

reconciliation

between

these

measures

and

GAAP

GAAP

Earnings

2006

2007

2008

2009

2010

2011

1Q12

2Q12

Net Income (\$MM)

839

654

556

380

736

859

206

233

EPS (\$ per share)

7.37

5.95

5.01

2.89

5.69

6.35

1.50

1.71

Net

Operating

Earnings

Net Operating Income (\$MM)

881

704

599

455

755

884

218

247

Net Operating EPS (\$ per share)

7.73

6.40

5.39

3.54

5.84

6.55

1.59

1.82

6

2Q12 Earnings Results (continued)

Continued strong linked-quarter loan / core deposit growth

EOP loans up 13% annualized

EOP core deposits up 14% annualized

Continued benefit from HSBC branch divestitures in Upstate NY

C&I loans up 18% annualized

Average core deposits up 15% annualized

Credit trends continue improvement, NPLs down to 1.54% of loans

Net interest margin expanded by 5bp to 3.74%

Wilmington Trust cost synergies driving improved efficiency

7
Superior
pre-credit
earnings
Strong
credit
through

crisis
 Focused
 on returns
 Consistent
 capital
 generation

(1)

The Efficiency Ratio and Pre-tax, Pre-provision Earnings are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP measures is available in the appendix. The Efficiency Ratio reflects non-interest expense (excluding amortization expense associated with intangible assets and merger-related expenses) as a percentage of fully taxable equivalent net interest income and non-interest income (excluding gains or losses from securities transactions and merger-related gains).

(2)

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

Key Ratios

2006

2007

2008

2009

2010

2011

1Q12

2Q12

Net Interest Margin

3.70%

3.60%

3.38%

3.49%

3.84%

3.73%

3.69%

3.74%

Efficiency Ratio -

Tangible

(1)

51.51%

52.77%

54.35%

56.50%

53.71%

60.43%

61.09%

56.86%

Pre-tax,

Pre-provision

Earnings

(\$MM)

(1)

1,312

1,156

1,152

1,123
1,461
1,495
357
412
Allowance to Loans (As At)
1.51%
1.58%
1.61%
1.69%
1.74%
1.51%
1.49%
1.46%
Net Charge-Offs to Loans
0.16%
0.26%
0.78%
1.01%
0.67%
0.47%
0.32%
0.34%
Net Operating Return on
Tangible Assets
(2)
1.67%
1.27%
0.97%
0.71%
1.17%
1.26%
1.18%
1.30%
Tangible Common Equity
(2)
29.55%
22.58%
19.63%
13.42%
18.95%
17.96%
16.79%
18.54%
Common Equity to Assets -
Tangible
5.84%
5.01%
4.59%
5.13%

6.19%

6.40%

6.51%

6.65%

Tier 1 Common Capital Ratio

6.42%

5.62%

6.08%

5.66%

6.51%

6.86%

7.04%

7.15%

Tier 1 Capital Ratio

7.74%

6.84%

8.83%

8.59%

9.47%

9.68%

9.85%

9.92%

Total Capital Ratio

11.78%

11.18%

12.83%

12.30%

13.08%

13.26%

13.43%

13.29%

Leverage Ratio

7.20%

6.59%

8.35%

8.43%

9.33%

9.28%

9.53%

9.49%

TBV per Share

28.57

27.98

25.94

28.27

33.26

37.79

38.89

40.52

8
Total
Commercial, finance, leasing, etc.
1,217
\$
Commercial real estate
3,222

Residential real estate

814

Consumer

1,835

Total

7,088

\$

Carrying Amount of Purchased Loan Portfolio as of June 30, 2012

Accretable Difference Rollforward

1

Disclosures on Acquired Loans in 10-K & 10-Q

(\$ millions)

2011

1Q12

2Q12

Balance at beginning of period

457

\$

839

\$

770

\$

Additions

688

-

-

Interest income

(295)

(81)

(90)

Reclassified from (to) nonaccretable balance, net

11

0

140

Other

(22)

12

(31)

Balance at end of period

839

\$

770

\$

789

\$

(\$ millions)

(1) As disclosed in M&T Bank's 2011 SEC Form 10-K (page 117), 1Q12 SEC Form 10-Q (page 14), and 2Q12 SEC Form 10-Q (page 14)

9
51.53%
61.09%
56.86%
57.78%
65.02%
65.15%

45%

50%

55%

60%

65%

70%

'01

'02

'03

'04

'05

'06

'07

'08

'09

'10

'11

1Q12

2Q12

MTB

Peer Median

Efficiency Ratio

The Efficiency Ratio is a non-GAAP financial measure. M&T's Efficiency Ratio reflects non-interest expense (excluding amounts associated with intangible assets and merger-related expenses) as a percentage of fully taxable equivalent net interest income and revenues (excluding gains from securities transactions and merger-related gains). Refer to the Appendix for a reconciliation of this measure with GAAP.

All Peer bank data as noted by SNL Financial; non-recurring income/expenses excluded from efficiency ratio as noted by SNL Financial. Wilmington Trust cost synergies help to mitigate increased environment costs

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Sold to third-party investors in two series:

Series A -

\$230mm

remainder of \$600mm issued by M&T in Dec 2008

Series C -

\$151.5mm

issued by Provident Bankshares in Nov 2008

Modified certain terms of the two series

1

:

Modify dividend at step-up to 6 3/8%, Fixed for Life (previously 9%)

Conform step-up date of the two series to November 2013

NC 5 years from step-up

No change to M&T's capital ratios; continues to qualify as Tier 1 capital

Public Offering of M&T's TARP Preferred Stock by US Treasury

(1) Step-up modification change subject to approval at next Meeting of Shareholders

11
Opportunity in Metropolitan NYC with
Hudson City Bancorp

12

Hudson City Merger: Accretive to Earnings & Capital

1. Preliminary estimate based on Federal Reserve Basel III and Standardized Approach NPRs dated June 7, 2012.

Accretive to

Capital

Tier

1

Common
ratio

8.25%

-

8.50%

pro
forma
at
closing

Immediate

30

-

40

bps
benefit

to

Tier

1

common

ratio

Comparable

benefit

under

recent

Basel

III

proposals

(1)

Improves tangible capital generation

Financially

Attractive

IRR of 18%+

Accretive to earnings in 2013; high single-digit EPS accretion by 2014

Attractive

Returns

10% accretive to tangible book value per share

Improves return on tangible equity

Enhanced

Risk Profile

Hudson City's wholesale borrowings and securities restructured post-closing

Mitigates interest rate risk; immediately enhances earnings

Combines two institutions with superior credit performance

Extends M&T's

Community

Banking

Franchise

Hudson City's retail network + M&T's full commercial banking product suite

Expanded presence throughout attractive metro New York / New Jersey region

Increased access to broad base of middle-market / small businesses

13
M&T's Commercial Portfolio and Infrastructure in HCBK's Markets
Hudson City Markets
(\$ in billions)
NYC Market
Philadelphia
NJ

Tarrytown
Long Island

Total

Loans

\$7.6

\$2.4

\$0.4

\$1.9

\$0.4

\$12.7

Deposits

\$2.1

\$1.0

\$0.1

\$0.9

\$0.8

\$4.9

Cmcl. Rel. Mgrs / Lenders

39

30

14

17

9

109

M&T's regional teams have successfully expanded its lending portfolio within these regions despite a limited branch network

Established commercial lending presence would be augmented by expanded branch network

(\$ in billions)

M&T's Commercial Loans in Hudson City's Footprint

Opportunity to

make these regions

self-funded

M&T's Current Total Loans & Deposits in Selected Regions

\$1.4

\$1.7

\$1.9

\$2.1

\$2.3

\$2.5

\$0.0

\$0.5

\$1.0

\$1.5

\$2.0

\$2.5

\$3.0

2007

2008

2009

2010

2011
Jun-12

14

Summary of Key Terms

Consideration:

Consideration per Share: Value fixed at 0.08403 M&T shares

Consideration Mix:

60% stock, 40% cash

Total Value at Announcement

(1)

:

\$7.22 per share, or \$3.7 billion

0.8x tangible book value

Due Diligence:

Comprehensive review, including loans, securities, and borrowings

Synergies and Expenses:

24% operating cost savings

driven by redundant outsourced operations

No near-term revenue synergies assumed, but anticipated

\$223 million in merger-related charges; \$120 million through income statement (pre-tax)

Expected Closing:

Second quarter of 2013

Required Approvals:

Approval of Hudson City and M&T shareholders

Customary Regulatory approvals

Board Representation:

Ronald

E.

Hermance,

Jr.,

Chairman

and

CEO

of

Hudson

City

to

join

M&T's

Board

of

Directors

1.

Based on M&T's closing price of \$85.87 on 8/24/2012

15

Disposition of Investment

Securities & Expected Pre-closing

run off of Mortgage Portfolio

Restructuring Deleverages Balance Sheet and Improves Liquidity

Total = \$44 B

Total = \$28 B

Hudson City Assets

Hudson City Liabilities & Equity

Total = \$44 B

Total = \$28 B

Repayment of

Borrowings

Unwind

high

cost

FHLB

and

repo

borrowings

Q2 12

borrowing

cost

4.20%

Including

fair

value

adjustments

(\$2.5

billion),

M&T

would

retire

\$15.4

billion

of

Hudson

City s

long-term

debt

Prepayment to be funded by liquidating Hudson City s investment securities portfolio (Q2 12 yield = 2.66%), cash equivalents and FHLB stock

Balance sheet reduction results in a de-risked balance sheet comprised of residential mortgages funded with core deposits

28.3

25.9

2.0

1.7

13.3

\$-

\$10

\$20

\$30

\$40

\$50

6/30/2012

Post -Restructure
At Close
Investment securities
Other assets
Loans
4.7
2.2
24.6
23.6
0.9
1.8
13.4
\$-
\$10
\$20
\$30
\$40
\$50
6/30/2012
Post -Restructure
At Close
FHLB/Repo Borrowings
Other liabilities
Deposits
Common equity

16

Loan Credit Marks

Extensive due diligence by M&T, including detailed on-site loan-level
file reviews

Favorable underwriting characteristics

Original LTV: 68%

Average current FICO: 730

~80% of loans in Hudson City's core Tri-State footprint (NJ, NY, CT)

<0.25% of portfolio in sunshine states

Small commercial portfolio of 109 loans; Only 12 loans > \$1 million with the largest loan balance of \$6 million

Portfolio Review

1. Includes AZ, CA, FL, GA, NV

Favorable residential mortgage portfolio characteristics mitigate credit risk exposure

Granular loan portfolio : 69,937 loans, Only 9 loans > \$3 million and 161 loans > \$2 million

Estimated credit mark of \$433 million

~1.5% of total loans

Represents >6 years of Hudson

City's annualized YTD 6/30/12 net charge-offs

17

Commercial real estate (CRE) would comprise smaller share of M&T's pro forma loan portfolio

Acquired
residential
mortgage
portfolio
is

expected
to
run
off
quickly

historical
annual
pay
down
of
20-23%

Approximately 40% of the combined company's loan portfolio marked to fair value
Diversified and De-Risked Loan Portfolio

Source: Regulatory Filings

Note: Owner Occupied CRE is included in C&I segment, as the repayment source for these loans are cash flow from operations
than the real estate.

Loan Portfolio Breakdown (\$ millions)

\$

%

\$

%

\$

%

Loans

CRE

17,877

29%

34

0%

17,911

19%

C&I (Incl. Owner Occupied CRE)

23,470

37%

20

0%

23,490

26%

Residential Mortgage

10,012

16%

27,965

99%
37,977

42%
Home Equity
6,253

10%
243

1%
6,496

7%
Other Consumer
5,239

8%
22

0%
5,261

6%
Total
62,851

28,284

91,135

% of Portfolio Marked

11%

39%

M&T Bank (6/30/2012)

Hudson City (6/30/2012)

Pro Forma (6/30/2012)

Transaction would mitigate Hudson City's residential mortgage monoline focus, resulting in a more diversified loan portfolio

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Low Integration Risk
Extensive prior integration experience: 23 acquisitions in last 25 years
Demonstrated success in previous thrift conversions to M&T commercial banking model (East NY, Empire, Goldome, OnBanc, Partners Trust)
Established presence and operating experience in Hudson City's markets
Strong M&T management team and organization already in place in Hudson City's markets

Hudson City's monoline residential mortgage-focused business model streamlines integration

Active involvement of Hudson City's long-tenured management team

Hudson

City's

core

operating

systems

outsourced

minimizes

systems

integration

complexities

M&T will leverage its extensive integration experience, which includes integration of institutions significantly more complex than Hudson City

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M&T Integration Approach and Experience
Transaction
Announcement
Date
Closing
Date

Conversion

Date

Allfirst

9/26/02

4/1/03

7/4/03

Citibank Branches

4/25/06

6/30/06

Simultaneous

Partners Trust

7/19/07

11/30/07

Simultaneous

Provident

12/19/08

5/23/09

Simultaneous

Wilmington

11/1/10

5/16/11

8/27/11

Integration

Timeline

Recent

M&T

Acquisitions

Our commitment to seamless merger and integration activity is practiced and refined. The following are staples of our approach:

For our 70 most senior people, the Wilmington Trust merger was on average,

the

12th

such

deal

on

which

they've worked

13 senior M&T executives have

worked on all 23 acquisitions

undertaken in the past 25 years

Placement of

M&T's management

in new markets

Significant commitment

on the part of thousands

of back office and front

line employees who

touch each component
of the customer
experience
M&T has
demonstrated a
consistent ability to
efficiently integrate
transactions
simultaneous close
and conversion

20

2008-2013 Expanding the Franchise in a shareholder friendly manner

Compact geography compatible with M&T's hands-on management

Radius = 230 miles

2008 M&T Bank

Pre Provident

2013 Proforma

M&T & Hudson City
Radius = 203 miles

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The M&T Bank Story

22

Top 20 US-based full-service commercial
bank holding company by assets and Top
15 by market cap

Founded in 1856

\$81 billion total assets

735 domestic branches and more than

2,000 ATMs

15,223 employees located in New York,
Maryland, Pennsylvania, Washington,
D.C., Virginia, West Virginia and Delaware

Over 2 million consumer/retail household
customers

208,000 commercial customers

As of 06/30/12

M&T Bank Corporate Profile

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M&T: A Super-Community Bank

We provide banking services in communities where we live
and work

We focus on carefully underwritten lending, based on local
knowledge

We take a prudent approach to acquisitions

we grow when

and where it makes sense

We view our long-tenured and engaged employees as key to
our success

The result is a history of above-average shareholder returns

Our approach is simple:

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Commitment to Our Communities

Charitable Giving

Donated more than \$147 million to community-based organizations over the past 10 years

Community Investment

Earned highest possible Community Reinvestment Act rating on every exam since 1982

Volunteerism

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In the first half of 2012, over 3,600 M&T employees reported volunteering their time with over 1,200 community and not-for-profit organizations, logging more than 30,000 volunteer hours

Consistent and Conservative Lending

Winner of 14 2011 Greenwich Excellence Awards for small business banking

#1 SBA lender in core Mid-Atlantic markets of Baltimore, Wilmington, Washington, DC and Philadelphia and Upstate New York markets of Binghamton, Buffalo, Syracuse and Rochester ranked 6

th

nationally

25

#1 Small Business Administration

Lender in:

Baltimore

Binghamton

Buffalo

Philadelphia

Rochester
Syracuse
Washington, DC
Wilmington
Ranked
6
th
Nationally
Ranked
3
rd
in
Eastern
U.S.
#1 market share for lead bank
relationships
among
middle
market
clients
in:
(1)
Baltimore
Binghamton
Buffalo
Harrisburg
Northern Pennsylvania
Rochester
Syracuse
State of Maryland overall
State of Delaware overall
(1)
Independent
3
rd
party
market
research
(2)
Reflects in-market deposits only
#1 or #2 deposit market share
in 8 of top 10 communities:
#2 in Baltimore
#1 in Binghamton
#1 in Buffalo
#2 in Harrisburg
#2 in Rochester
#1 in Syracuse
#1 Wilmington / State of Delaware
(2)

#1 in York

Strong Presence In Our Communities

We lend in the markets where we live and work to people and enterprises whom we know

26
M&T
has
been
profitable
in
every

quarter
of
the
last
36
years

144
consecutive
quarters

Since 1983, when Chairman Robert Wilmers came to M&T, achieved compound
annual growth in operating earnings per share of 17%

M&T is the only commercial bank in S&P 500 not to cut dividend and execute
dilutive equity offering during the financial crisis

Over
16%
annualized

total
return
to
shareholders from 1983 through 6/30/12

22
nd
highest
annual
total
return

to
shareholders among the universe of 687 US-
based stocks that have traded continuously
since 1980

M&T's
stock
has
outperformed

the
S&P
Bank
Index

by
18%,
37%
and
47%
over
the
3-,
5-,
and
10-year

periods
ending
6/30/12
Highest
stock
price
appreciation
among
100
largest
banks
in
1983,
of
which
only
23
remain
today

A History of Above-Average Shareholder Returns
Our super-community bank
model is validated through our long-term results

Barclays Global Financial Services Conference
September 10, 2012

Appendix

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For FY2012, expect NIM lower than FY2011 s 3.73%

Expect growth in net interest income throughout 2012

Loan growth remains steady; usual seasonal slowdown in floor plan activity in 3Q12

Mortgage banking activity remains strong

Expect continued improvement in the non-accrual and criticized loan ratios

Net charge-offs remain stable

Expect expenses will be well controlled through the remainder of the year.

No further Wilmington merger-related expenses.
Outlook Consistent with Remarks on July earnings call

30
51.5%
60.4%
46.0%
48.0%
50.0%
52.0%

54.0%

56.0%

58.0%

60.0%

62.0%

MTB Efficiency

Ratio - 2006

Elevated Credit

Cycle Expenses

Higher FDIC

Expenses

Lower Revenue

from Reg E &

Durbin

Wilmington Trust

Impact

MTB Efficiency

Ratio - 2011

Efficiency

Ratio

reflects

non-interest

expense

(excluding

amortization

expense

associated

with

intangible

assets,

merger-related

expenses

and

other

non-recurring expenses) as a percentage of fully taxable equivalent net interest income and non-interest revenues (excluding gains on sales of securities, merger-related transactions and merger-related gains).

Estimated

Drivers

of

M&T s

Increased

Efficiency

Ratio:

2006

-

2011

1.5

2.0%

2.5

3.0%

1.0

1.5%

2.5

3.0%

Drivers of Increase in Efficiency Ratio 2006 -
2011

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Reconciliation of GAAP and Non-GAAP Measures
Net Income
2000
2001
2002
2003

2004

2005

2006

2007

2008

2009

2010

2011

1Q12

2Q12

\$'s in millions

Net income

\$268.2

\$353.1

\$456.7

\$573.9

\$722.5

\$782.2

\$839.2

\$654.3

\$555.9

\$379.9

\$736.2

\$859.5

\$206.5

\$233.4

Intangible amortization*

56.1

99.4

32.5

47.8

46.1

34.7

38.5

40.5

40.5

39.0

35.3

37.6

10.2

9.7

Merger-related items*

16.4

4.8

-

39.2

-

-

3.0

9.1

2.2

36.5

(16.3)

(12.8)

1.7

4.3

Net operating income

\$340.7

\$457.3

\$489.2

\$660.9

\$768.6

\$816.9

\$880.7

\$703.8

\$598.6

\$455.4

\$755.2

\$884.3

\$218.4

\$247.4

Pre-Tax, Pre-Provision

Income

Net Income for EPS

\$268.2

\$353.1

\$456.8

\$573.9

\$722.5

\$782.2

\$839.2

\$654.3

\$555.1

\$332.0

\$675.9

\$781.8

\$188.2

\$214.7

Preferred Div., Amort. of Pref. Stock
& Unvested Stock Awards

\$0.0

\$0.0

\$0.0

\$0.0

\$0.0

\$0.0

\$0.0

\$0.0

\$0.8

\$47.9

\$60.3

\$77.7

\$18.2

\$18.7

Income Taxes

\$154.1

\$198.5

\$219.1

\$276.8

\$344.0

\$388.7

\$392.4

\$309.2

\$183.9

\$139.4

\$356.6

\$365.1

\$102.0

\$118.8

GAAP Pre-tax Income

\$422.3

\$551.6

\$675.9
\$850.7
\$1,066.5
\$1,170.9
\$1,231.6
\$963.5
\$739.8
\$519.3
\$1,092.8
\$1,224.6
\$308.4
\$352.2
Provision for credit losses
38.0
103.5
122.0
131.0
95.0
88.0
80.0
192.0
412.0
604.0
368.0
270.0
49.0
60.0
Pre-Tax, Pre-Provision Income
\$460.3
\$655.1
\$797.9
\$981.7
\$1,161.5
\$1,258.9
\$1,311.6
\$1,155.5
\$1,151.8
\$1,123.3
\$1,460.8
\$1,494.6
\$357.4
\$412.2
Earnings Per Share
Diluted earnings per share
\$3.24
\$3.58
\$4.78
\$4.95
\$6.00
\$6.73

\$7.37

\$5.95

\$5.01

\$2.89

\$5.69

\$6.35

\$1.50

\$1.71

Intangible amortization*

0.67

1.00

0.34

0.41

0.38

0.30

0.33

0.37

0.36

0.34

0.29

0.31

0.08

0.08

Merger-related items*

0.20

0.05

-

0.34

-

-

0.03

0.08

0.02

0.31

(0.14)

(0.10)

0.01

0.03

Diluted net operating
earnings per share

\$4.11

\$4.63

\$5.12

\$5.70

\$6.38

\$7.03

\$7.73

\$6.40

\$5.39

\$3.54

\$5.84

\$6.55

\$1.59

\$1.82

Efficiency Ratio

\$'s in millions

Non-interest expenses

\$718.6

\$980.6

\$961.6

\$1,448.2

\$1,516.0

\$1,485.1

\$1,551.7

\$1,627.7

\$1,727.0

\$1,980.6

\$1,914.8

\$2,478.1

\$639.7

\$627.4

less: intangible amortization

69.6

121.7

51.5

78.2

75.4

56.8

63.0

66.5

66.6

64.3

58.1

61.6

16.8

15.9

less: merger-related expenses

26.0

8.0

-

60.4

-

-

5.0

14.9

3.5

89.2

0.8

83.7

2.7

7.2

Non-interest operating expenses

\$623.0

\$850.9

\$910.1

\$1,309.6

\$1,440.6

\$1,428.3

\$1,483.7

\$1,546.3

\$1,656.8

\$1,827.2

\$1,856.0

\$2,332.8

\$620.2

\$604.3

Tax equivalent revenues

\$1,189.4

\$1,653.3

\$1,773.6

\$2,446.2

\$2,694.9

\$2,761.3

\$2,883.1

\$2,804.1

\$2,900.6

\$3,125.7

\$3,399.6

\$3,998.6

\$1,003.8

\$1,046.3

less: gain/(loss) on sale of securities

(3.1)

1.9

(0.6)

2.5

2.9

1.2

2.6

1.2

34.4

1.2

2.8

150.2

0.05

(0.4)

less: net OTTI losses recognized

-

-

-

-

-

(29.4)

-

(127.3)

(182.2)

(138.3)

(86.3)

(77.0)

(11.5)

(16.2)

less: merger-related gains

-

-

-
-
-
-
-
-
-
-
-
29.1
27.5
64.9
-
-

Denominator for efficiency ratio

\$1,192.5
\$1,651.4
\$1,774.2
\$2,443.7
\$2,692.0
\$2,789.5
\$2,880.5
\$2,930.2
\$3,048.4
\$3,233.7
\$3,455.6
\$3,860.5
\$1,015.3
\$1,062.9

Net operating efficiency ratio

52.3%
51.5%
51.3%
53.6%
53.5%
51.2%
51.5%
52.8%
54.4%
56.5%

53.7%

60.4%

61.1%

56.9%

*Net of tax

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Reconciliation of GAAP and Non-GAAP Measures
Average Assets
2006
2007
2008
2009

2010

2011

1Q12

2Q12

\$'s in millions

Average assets

55,839

\$

58,545

\$

65,132

\$

67,472

\$

68,380

\$

73,977

\$

78,026

\$

80,087

\$

Goodwill

(2,908)

(2,933)

(3,193)

(3,393)

(3,525)

(3,525)

(3,525)

(3,525)

Core deposit and other
intangible assets

(191)

(221)

(214)

(191)

(153)

(168)

(168)

(151)

Deferred taxes

38

24

30

33

29

43

48

44

Average tangible assets

52,778

\$

55,415

\$

61,755

\$

63,921

\$

64,731

\$

70,327

\$

74,381

\$

76,455

\$

Average Common Equity

\$'s in millions

Average common equity

6,041

\$

6,247

\$

6,423

\$

6,616

\$

7,367

\$

8,207

\$

8,510

\$

8,668

\$

Goodwill

(2,908)

(2,933)

(3,193)

(3,393)

(3,525)

(3,525)

(3,525)

(3,525)

Core deposit and other

intangible assets

(191)

(221)

(214)

(191)

(153)

(168)

(168)

(151)

Deferred taxes

38

24

30

33

29

43

48

44

Average tangible common equity

2,980

\$

3,117

\$

3,046

\$

3,065

\$

3,718

\$

4,557

\$

4,865

\$

5,036

\$

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Important Additional Information

In connection with the Merger, M&T Bank Corporation (M&T) will file with the U.S. Securities and Exchange Commission (the SEC) a Registration Statement on Form S-4 that will include a Joint Proxy Statement of M&T and Hudson City Bancorp, Inc. (Hudson City) and a Prospectus of M&T, as well as other relevant documents concerning the proposed transaction. **SHAREHOLDERS OF M&T AND HUDSON CITY ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE**

MERGER WHEN IT BECOMES

AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A free copy of the Joint Proxy Statement/Prospectus, as well as other filings containing information about M&T and Hudson City, may be obtained at the SEC's Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from M&T at www.mtb.com under the tab "About Us"

and then under the heading "Investor Relations"

and then

under "SEC Filings"

or from Hudson City by accessing Hudson City's website at www.hcsbonline.com under the heading

"Investor Relations."

Copies of the Joint Proxy Statement/Prospectus can also be obtained, free of charge, by directing a request to Investor Relations, One M&T Plaza, Buffalo, New York 14203, (716) 842-5445.

M&T and Hudson City and certain of their directors and executive

officers may be deemed to be participants in the

solicitation of proxies from the shareholders of M&T and Hudson City in connection with the Merger. Information about the directors and executive officers of M&T and their ownership of M&T common stock is set forth in the proxy statement for M&T's 2012 annual meeting of shareholders, as filed with the SEC on Schedule 14A on March 7, 2012. Information about the directors and executive officers of Hudson City and their ownership of Hudson City common stock is set forth in the proxy statement for Hudson City's 2012 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 19, 2012. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Joint Proxy Statement/Prospectus regarding the Merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.