

HUDSON CITY BANCORP INC
Form 425
November 02, 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 filed with the SEC on October 15, 2012 a Registration Statement on Form S-4 that includes a Joint Proxy Statement of M&T and Hudson City and a preliminary Prospectus of M&T (together with the Joint Proxy Statement, as amended, the Joint Proxy Statement/Prospectus), 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 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 are also 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

Edgar Filing: HUDSON CITY BANCORP INC - Form 425

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. Free copies of this document may be obtained as described in the preceding paragraph.

BancAnalysts Association of Boston Conference
November 2, 2012

2
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 Corp., a Delaware corporation and a wholly owned subsidiary of M&T (WTC). The Merger Agreement provides that, upon the terms and conditions set forth therein, Hudson City will merge with and into WTC, with WTC continuing as the surviving corporation (the 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

3
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
728 domestic branches and more than

2,000 ATMs

14,967 employees located in New York,
Maryland, Pennsylvania, Washington,
D.C., Virginia, West Virginia and Delaware

Over 2 million consumer/retail household
customers

207,000 commercial customers

As of 09/30/12

M&T Bank Corporate Profile

4
Financial Update
Outlook / Hudson City
Overview of M&T Bank
Today's Agenda

5
Financial Update

6
Strong 3Q12 Earnings Results
GAAP Earnings
2006
2007
2008
2009

2010

2011

1Q12

2Q12

3Q12

Net Income (\$MM)

839

654

556

380

736

859

206

233

293

EPS (\$ per share)

7.37

5.95

5.01

2.89

5.69

6.35

1.50

1.71

2.17

Net

Operating

Earnings

Net Operating Income (\$MM)

881

704

599

455

755

884

218

247

302

Net Operating EPS (\$ per share)

7.73

6.40

5.39

3.54

5.84

6.55

1.59

1.82

2.24

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

7
Strong
3Q12
Earnings
Results
(continued)
Average loans up **10%**

annualized from 2Q12

Includes **10%**
annualized growth in C&I loans

Residential real estate loans up by **\$1.1 billion**

End-of-period loans up **8%**
annualized from 2Q12

Average

core

deposits

increased

an

annualized

9%

from

2Q12

8
Key Ratios
Superior
pre-credit
earnings
Strong
credit

through
crisis

Focused
on returns
Consistent
capital
generation

2006

2007

2008

2009

2010

2011

1Q12

2Q12

3Q12

Net Interest Margin

3.70%

3.60%

3.38%

3.49%

3.84%

3.73%

3.69%

3.74%

3.77%

3.73%

Efficiency Ratio -

Tangible

(1)

51.51%

52.77%

54.35%

56.50%

53.71%

60.43%

61.09%

56.86%

53.73%

57.11%

Pre-tax, Pre-provision Earnings (\$MM)

(1)

1,312

1,156

1,152

1,123

1,461

1,495

357

412

492
1,262
Allowance to Loans (As At)
1.51%
1.58%
1.61%
1.69%
1.74%
1.51%
1.49%
1.46%
1.44%
1.44%
Net Charge-Offs to Loans
0.16%
0.26%
0.78%
1.01%
0.67%
0.47%
0.32%
0.34%
0.26%
0.31%
Net Operating Return on
Tangible Assets
(2)
1.67%
1.27%
0.97%
0.71%
1.17%
1.26%
1.18%
1.30%
1.56%
1.35%
Tangible Common Equity
(2)
29.55%
22.58%
19.63%
13.42%
18.95%
17.96%
16.79%
18.54%
21.53%
19.03%
Common Equity to Assets -

Tangible

5.84%

5.01%

4.59%

5.13%

6.19%

6.40%

6.51%

6.65%

7.04%

[3]

7.04%

[3]

Tier 1 Common Capital Ratio

6.42%

5.62%

6.08%

5.66%

6.51%

6.86%

7.04%

7.15%

7.47%

[3]

7.47%

[3]

Tier 1 Capital Ratio

7.74%

6.84%

8.83%

8.59%

9.47%

9.68%

9.85%

9.92%

10.22%

[3]

10.22%

[3]

Total Capital Ratio

11.78%

11.18%

12.83%

12.30%

13.08%

13.26%

13.43%

13.29%

13.56%

[3]

13.56%

[3]

Leverage Ratio

7.20%

6.59%

8.35%

8.43%

9.33%

9.28%

9.53%

9.49%

9.82%

[3]

9.82%

[3]

TBV per Share

28.57

27.98

25.94

28.27

33.26

37.79

38.89

40.52

42.80

42.80

3Q'12 YTD

(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. 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 revenues (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.

(3)

Preliminary estimates. Capital ratio estimates are preliminary until Q3 2012 FRY9C report is filed.

9

M&T Faring Well Against Industry Headwinds

Loan growth

H8 growth -

slow to moderate; M&T aided by Upstate NY

opportunity

Net interest

margin

NIM pressures persist; M&T stable

Fee revenue

Refi-driven mortgage strength; M&T benefiting from

Wilmington Trust & mortgage servicing

Credit

Stabilizing; M&T stable at lower level

Expenses

Regulatory headwinds; M&T benefiting from Wilmington

Trust merger synergies

Capital

Industry capital at high level via share issuance; M&T

building capital through earnings

10
Offsets to Margin Pressures from Low Rates
4.23
4.01
3.59
3.58
3.52

3.54
3.0
3.5
4.0
4.5
'01
'02
'03
'04
'05
'06
'07
'08
'09
'10
'11
1Q'12
2Q'12
3Q'12
MTB
Peer Median
3.73
3.69
3.74
3.77

11

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

Accretable Difference Rollforward

1

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

(1) As disclosed in M&T Bank's 2011 SEC Form 10-K (page 117), 1Q12 SEC Form 10-Q (page 14), 2Q12 SEC Form 10-Q, 3Q12 SEC Form 10-Q (when filed).

(\$ millions)

Total

Commercial, financial, leasing, etc.

977

\$

Commercial real estate

2,963

Residential real estate

743

Consumer

1,700

Total

6,383

\$

(\$ millions)

2011

1Q12

2Q12

3Q12

Balance at beginning of period

457

\$

839

\$

770

\$

789

\$

Additions

688

-

-

-

Interest Income

(295)

(81)

(90)

(87)

Reclassified from (to) nonaccretable balance, net

11

-

140

-

Other
(22)

12

(31)

1

Balance at end of period

839

\$

770

\$

789

\$

703

\$

12

Wilmington Trust & Near-term Mortgage Strength Bolster Fees

Significant increase
in contribution from
Trust/Investments

Reduces reliance
on businesses
facing regulatory
reform headwinds

1Q11

3Q11

Note: Data reflects M&T's reported fee income excluding securities gains/losses.

Components of Fee Income

Fee Income % of Total Revenue, QTD 9/30/12

Note:

Data

reflects

M&T's

reported

operating

results;

Peer

data

excludes

securities

gains/losses

and

non-recurring

income

per

SNL

Financial

3Q12

38%

15%

32%

Trust and Wealth

Management

Service Fees

Mortgage

Other

34%

32%

10%

24%

29%

25%

24%

22%

15%

41%

38%

34%

-10%

0%

10%

20%

30%

40%

50%

60%

Peer 1

Peer 2

MTB

Peer 3

Peer 4

Peer 5

MTB

Peer 6

MTB

Peer 7

Peer 8

Peer 9

Peer 10

Peer 11

13

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

Wilmington Trust cost synergies / mortgage strength
mitigate increased environment costs

51.53%

61.09%

56.86%

57.78%

65.02%

65.32%

62.70%

45%

50%

55%

60%

65%

70%

'01

'02

'03

'04

'05

'06

'07

'08

'09

'10

'11

1Q12

2Q12

3Q12

MTB

Peer Median

53.73%

14
1178%
437%
434%
409%
408%
364%
350%
309%
303%
219%
184%
98%
Peer Median 357%
0%
200%
400%
600%
800%
1000%
1200%
MTB
Peer 1
Peer 2
Peer 3
Peer 4
Peer 5
Peer 6
Peer 7
Peer 8
Peer 9
Peer 10
Peer 11
0.62

1.18
1.38
1.46
1.62
1.64
1.75
2.11
2.15
2.17
2.89
4.46
Peer Median 1.70
0.0
1.0
2.0
3.0
4.0
5.0
Peer 1
Peer 2
Peer 3
Peer 4
MTB
Peer 5
Peer 6
Peer 7
Peer 8
Peer 9
Peer 10
Peer 11
6.0
5.5
3.8
3.1
3.1
2.0
2.0
1.9
1.7
1.5
1.1
1.1
Peer Median 2.0
0.0
1.0
2.0
3.0
4.0
5.0
6.0

7.0
Peer 1
MTB
Peer 2
Peer 3
Peer 4
Peer 5
Peer 6
Peer 7
Peer 8
Peer 9
Peer 10
Peer 11
0.26
0.39
0.42
0.72
0.74
0.85
1.00
1.08
1.36
1.60
1.74
1.95
Peer Median 0.93
0.0
0.5
1.0
1.5
2.0
2.5
MTB
Peer 1
Peer 2
Peer 3
Peer 4
Peer 5
Peer 6
Peer 7
Peer 8
Peer 9
Peer 10
Peer 11
NPA
%
of
Total
Loans
&

OREO

3Q 12
Pre-tax
Pre-provision
Income
to
Net
Charge-Offs

3Q 12
NCOs
%
of
Avg
Loans

3Q 12
Reserve
Coverage
of
NCOs
(in
years)

3Q 12
Source: GAAP data as of September 30, 2012
M&T's Credit Metrics are Best-in-Class

15
Outlook / Update on Hudson City Merger

16

Expect stable NIM over remainder of 2012

FY 2012 NIM (3.73%) consistent with FY 2011

Loan pipeline (ex. Mortgage) remains healthy

Resumed sale of mortgage originations in 3Q12

Mortgage originations for sale remain strong over near term

Expect
expenses

will
be
well
controlled

through
the
remainder

of
the
year

Outlook Consistent with Remarks on October earnings call

17

Submitted regulatory applications

Draft S-4/Registration Statement filed with SEC

Meetings with counterparts at HCBK to plan integration

Have begun recruiting commercial bankers for NJ footprint

Update on Hudson City merger

18
Overview of M&T Bank

19
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
728 domestic branches and more than

2,000 ATMs

14,967 employees located in New York,
Maryland, Pennsylvania, Washington,
D.C., Virginia, West Virginia and Delaware

Over 2 million consumer/retail household
customers

207,000 commercial customers

As of 09/30/12

M&T Bank Corporate Profile

20

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:

21

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

In the first half of 2012, over 3,600 M&T employees reported volunteering their time with over 1,200

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

th

community and not-for-profit organizations, logging more than 30,000 volunteer hours

Philadelphia and Upstate New York markets of Binghamton, Buffalo, Syracuse and Rochester ranked

6

nationally

22

#1 Small Business Administration

Lender in:

Baltimore

Binghamton

Buffalo

Philadelphia

Rochester
Syracuse
Washington, DC
Wilmington
Ranked
6
Nationally
Ranked
3
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 or #2 deposit market share
in 8 of top 10 communities:
#2 in Baltimore
#1 in Binghamton
#1 in Buffalo
#2 in Harrisburg
#1 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
th
rd
(1)

Independent 3 party market research

(2)

Reflects in-market deposits only

rd

23

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

17%
annualized
total
return
to
shareholders from 1983 through 9/30/12
21 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
26%,
46%
and
61%
over
the
3-, 5-, and 10-year periods ending 9/30/12
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
M&T has been profitable in every quarter of the last 36 years 145 consecutive
st

BancAnalysts Association of Boston Conference
November 2, 2012

Appendix

26
Reconciliation of GAAP and Non-GAAP Measures
Net Income
2000
2001
2002
2003

2004
2005
2006
2007
2008
2009
2010
2011
1Q12
2Q12
3Q12
2012 YTD
\$'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
\$293.5
\$733.3
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
8.6
28.5
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
 -
 6.0
 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
 \$302.1
 \$767.9
 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
 \$273.9
 \$676.8

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

\$19.6

\$56.5

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

\$153.0

\$373.8

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

\$446.4
\$1,107.1
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
46.0
155.0
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
\$492.4
\$1,262.1
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
\$2.17
\$5.37
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
0.07
0.22
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
-
0.05
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
 \$2.24
 \$5.64
 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
 \$616.0
 \$1,883.1
 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
 14.1
 46.8
 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
 -
 9.9
 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
 \$601.9
 \$1,826.5
 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
 \$1,115.0
 \$3,165.1
 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)
 0.4
 0.0
 less: net OTTI losses recognized
 -
 -
 -
 -
 -
 (29.4)
 -
 (127.3)
 (182.2)
 (138.3)
 (86.3)
 (77.0)
 (11.5)
 (16.2)
 (5.7)
 (33.3)
 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

\$1,120.3

\$3,198.4

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%

53.7%

57.1%

*Net of tax

27
Reconciliation of GAAP and Non-GAAP Measures
Average Assets
2006
2007
2008
2009

2010

2011

1Q12

2Q12

3Q12

2012 YTD

\$'s in millions

Average assets

55,839

\$

58,545

\$

65,132

\$

67,472

\$

68,380

\$

73,977

\$

78,026

\$

80,087

\$

80,432

\$

79,518

\$

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)

(168)

(151)

(136)

(152)

Deferred taxes

38

24

30

33

29

43

48

44

39

44

Average tangible assets

52,778

\$

55,415

\$

61,755

\$

63,921

\$

64,731

\$

70,327

\$

74,381

\$

76,455

\$

76,810

\$

75,885

\$

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

\$

8,919

\$

8,700

\$

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)

(168)

(151)

(136)

(152)

Deferred taxes

38

24

30

33

29

43

48

44

39

44

Average tangible common equity

2,980

\$

3,117

\$

3,046

\$

3,065

\$

3,718

\$
4,557
\$
4,865
\$
5,036
\$
5,297
\$
5,067
\$

28

Important Additional Information

In connection with the Merger, M&T Bank Corporation (**M&T**) filed with the U.S. Securities and Exchange Commission (the **SEC**) on October 15, 2012 a Registration Statement on Form S-4 that includes a preliminary Joint Proxy Statement of M&T and Hudson City Bancorp, Inc. (**Hudson City**) and a preliminary Prospectus of M&T (together with the Joint Proxy Statement, as amended, the **Joint Proxy Statement/Prospectus**), 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 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 are also 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. Free copies of this document may be obtained as described in the preceding paragraph.