

## **Deutsche Bank Global Financial Services Conference**

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*June 1, 2016*

**M&T** Bank Corporation

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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 Bank Corporation's ("M&T") 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. Actual results may differ materially from current projections.*

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

## Who is M&T Bank Corporation?

- ❑ Top 20 US-based commercial bank holding company
- ❑ Have grown substantially from \$2 billion in assets in 1983 to \$125 billion at March 31, 2016
- ❑ 17,153 employees across 808 domestic branches in eight states and Washington DC
- ❑ 3.8 million customers representing 6.0 million accounts
- ❑ \$73 billion of assets under management<sup>1</sup>
- ❑ Lowest percentage credit losses among the large money-center / superregional banks through the financial crisis
  - 1 of only 2 commercial banks (out of 20) in S&P 500 not to reduce dividend
- ❑ M&T has not posted a loss going back to 1976 – 159 quarters

## M&T's Operating Model

### Consistent Operating Model

- ❑ Long-tenured management team and workforce
- ❑ Consistent credit culture
- ❑ Focus on operating leverage / efficiency
- ❑ Disciplined capital allocation and acquisitions
- ❑ Opportunistic growth

### Results

- ❑ Low credit and earnings volatility
- ❑ Outperformance in stressed environments
- ❑ Consistent capital generation

**Superior Long-Term Performance**

## M&T Talent and Leadership

- ❑ M&T's 14-member Management Group averages 25 years of service
  - Average 11 years on Management Group
- ❑ Deep experience integrating deals with 24 mergers over last 28 years, including 11 thrifts
- ❑ Generally develop general manager talent in-house
  - Two executive training programs in place for over 30 years; recruited 1,859 graduates
- ❑ Actively complement with external hires having industry expertise
- ❑ Bank-wide, M&T's employee tenure averages 10.4 years – more than twice that of the financial services industry

***Our depth of talent is a key competitive advantage***

# Key Metrics

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>1Q'15</u>	<u>1Q'16</u>
<b>Superior Pre-Credit Earnings</b>								
<b>Net Interest Margin</b>	3.84%	3.73%	3.73%	3.65%	3.31%	3.14%	3.17%	3.18%
<b>Net Operating Efficiency Ratio</b> <sup>(1)(3)</sup>	53.71%	59.49%	55.28%	55.98%	59.29%	57.98%	61.46%	57.00%
<b>PPNR</b> <sup>(1)(3)</sup>	1,461	1,531	1,796	1,951	1,766	1,845	413	517
<b>PPNR to RWA</b> <sup>(1)(3)(4)</sup>	2.28%	2.26%	2.43%	2.61%	2.35%	2.14%	2.28%	2.20%
<b>Strong Credit Metrics</b>								
<b>Allowance to Loans (As At)</b>	1.74%	1.51%	1.39%	1.43%	1.38%	1.09%	1.37%	1.10%
<b>Net Charge-Offs to Loans</b>	0.67%	0.47%	0.30%	0.28%	0.19%	0.19%	0.22%	0.19%
<b>Focused on Returns</b>								
<b>Net Operating Return on:</b>								
<b>Tangible Assets</b> <sup>(1) (2)</sup>	1.17%	1.26%	1.40%	1.47%	1.23%	1.18%	1.08%	1.09%
<b>Tangible Common Equity</b> <sup>(1) (2)</sup>	18.95%	17.96%	19.42%	17.79%	13.76%	13.00%	11.90%	11.62%
<b>Consistent Capital Generation</b>								
<b>Tangible Common Equity to Tangible Assets</b>	6.19%	6.40%	7.20%	8.39%	8.11%	8.69%	8.17%	8.71%
<b>Tier 1 Common Capital Ratio</b>	6.51%	6.86%	7.57%	9.22%	9.83%	11.26%	9.99%	11.28%
<b>Common Equity Tier 1 Ratio</b>	NA	NA	NA	NA	NA	11.08%	9.78%	11.06%
<b>Tier 1 Capital Ratio</b>	9.47%	9.67%	10.22%	12.00%	12.47%	12.68%	11.68%	12.35%
<b>Balance Sheet (As At)</b>								
<b>Loans to Deposits</b>	104.39%	101.18%	101.46%	95.46%	90.60%	95.14%	91.17%	93.27%
<b>Securities to Assets</b>	10.51%	9.85%	7.32%	10.33%	13.44%	12.75%	14.63%	12.41%

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

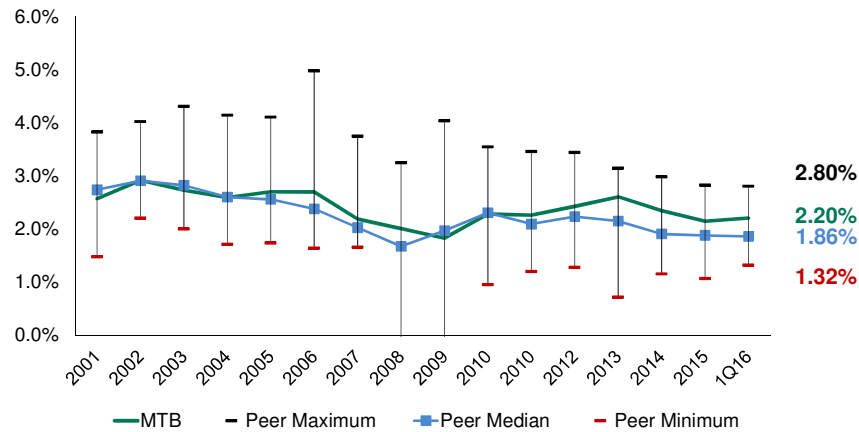
(2) Excludes merger-related gains and expenses and amortization expense associated with intangible assets. Tangible common equity and tangible asset calculations are available in the appendix.

(3) Years prior to 2011 not restated for change of accounting policy for LIHTC

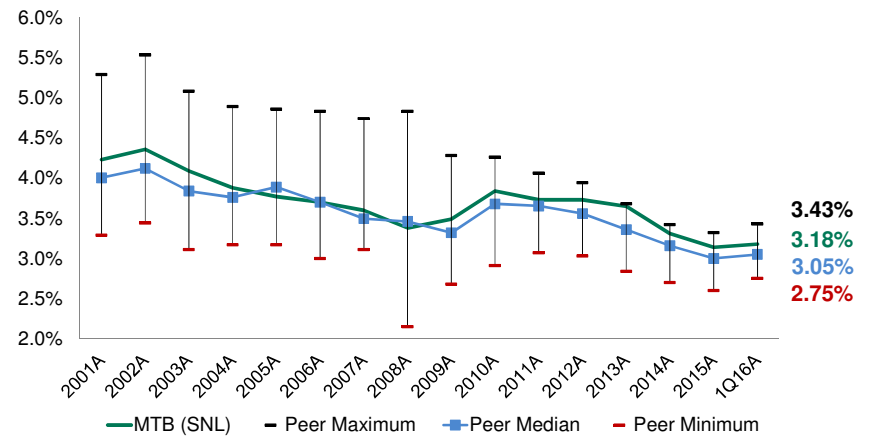
(4) Annual and quarterly PPNR to Risk Weighted Assets calculated using average of quarterly reported RWA balances

# M&T's Business Model – a Historical Perspective

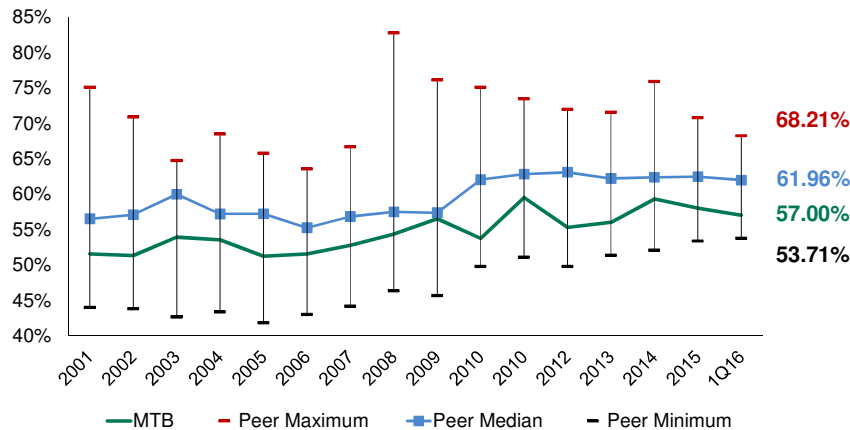
**PPNR to RWA%**



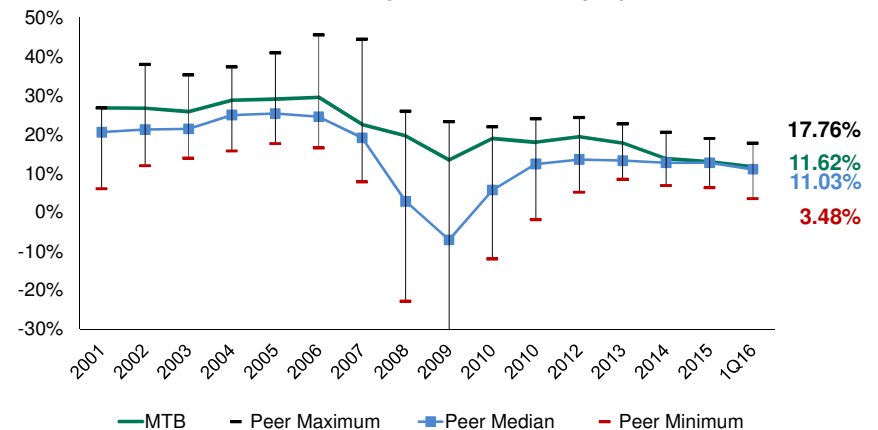
**Net Interest Margin %**



**Net Operating Efficiency Ratio %**



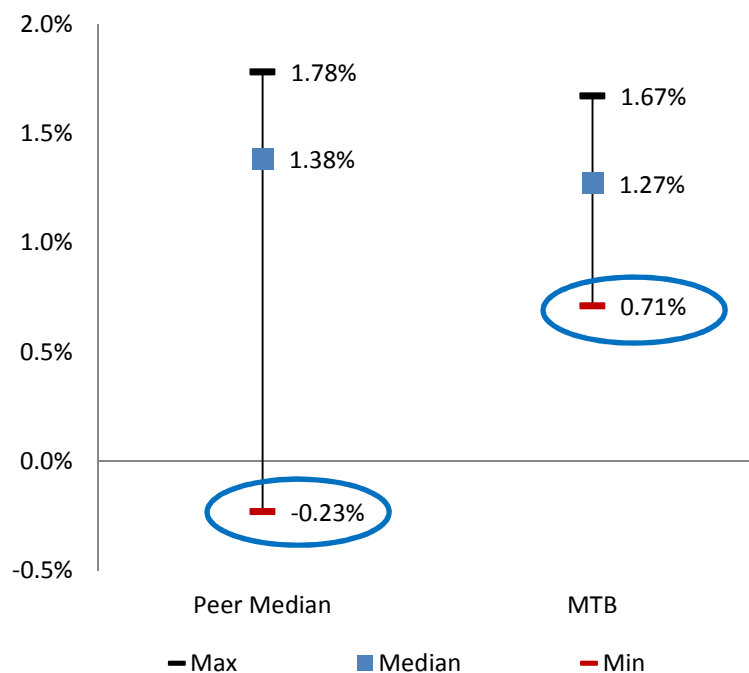
**Return on Tangible Common Equity %**



7 Years prior to 2011 not restated for LIHTC. Refer to appendix for peer group list and GAAP reconciliation.

# Low-Volatility Model → Low Cost of Capital

## Return on Average Tangible Assets 25 Years (1991-2015)



	Peers	MTB
Median	1.38%	1.27%
Volatility (Std Deviation)	0.44%	0.25%

## Relative Cost of Capital 10 Year Beta Average

Company	Beta <sup>1</sup>
Peer 1	1.57
Peer 2	1.51
Peer 3	1.48
Peer 4	1.46
Peer 5	1.45
Peer 6	1.45
<b>Peer Median</b>	<b>1.45</b>
Peer 7	1.34
Peer 8	1.33
Peer 9	1.24
Peer 10	1.23
<b>MTB</b>	<b>1.11</b>
Peer 11	1.10

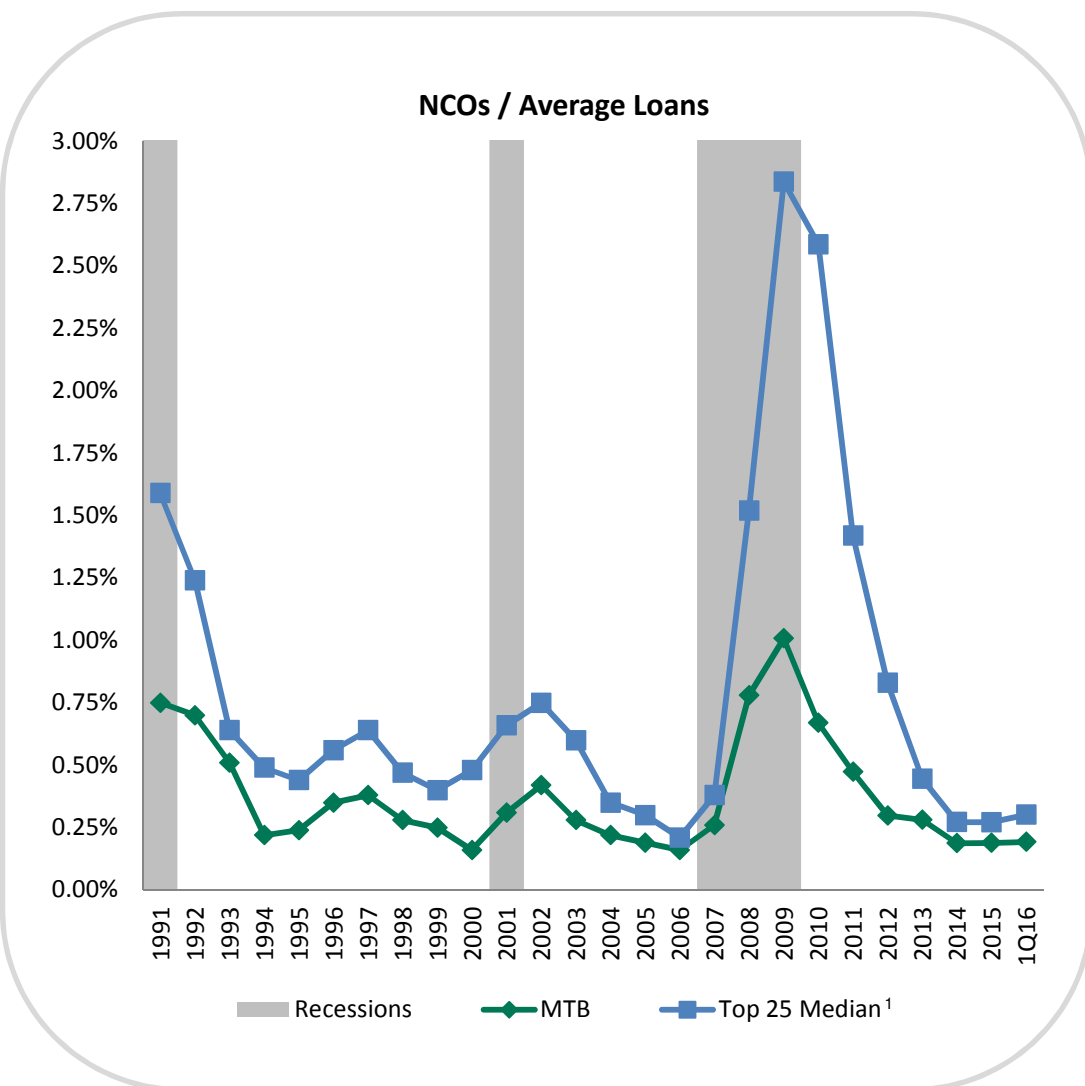
Source: SNL Interactive, Regulatory and GAAP filings.

Refer to appendix for peer group list and GAAP reconciliation.

(1) Daily stock price beta over a 250 trading day holding period versus the S&P 500.



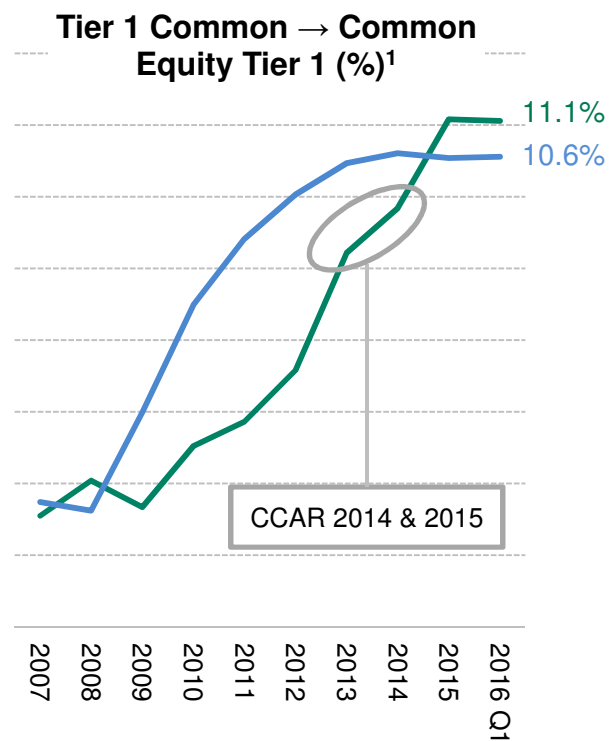
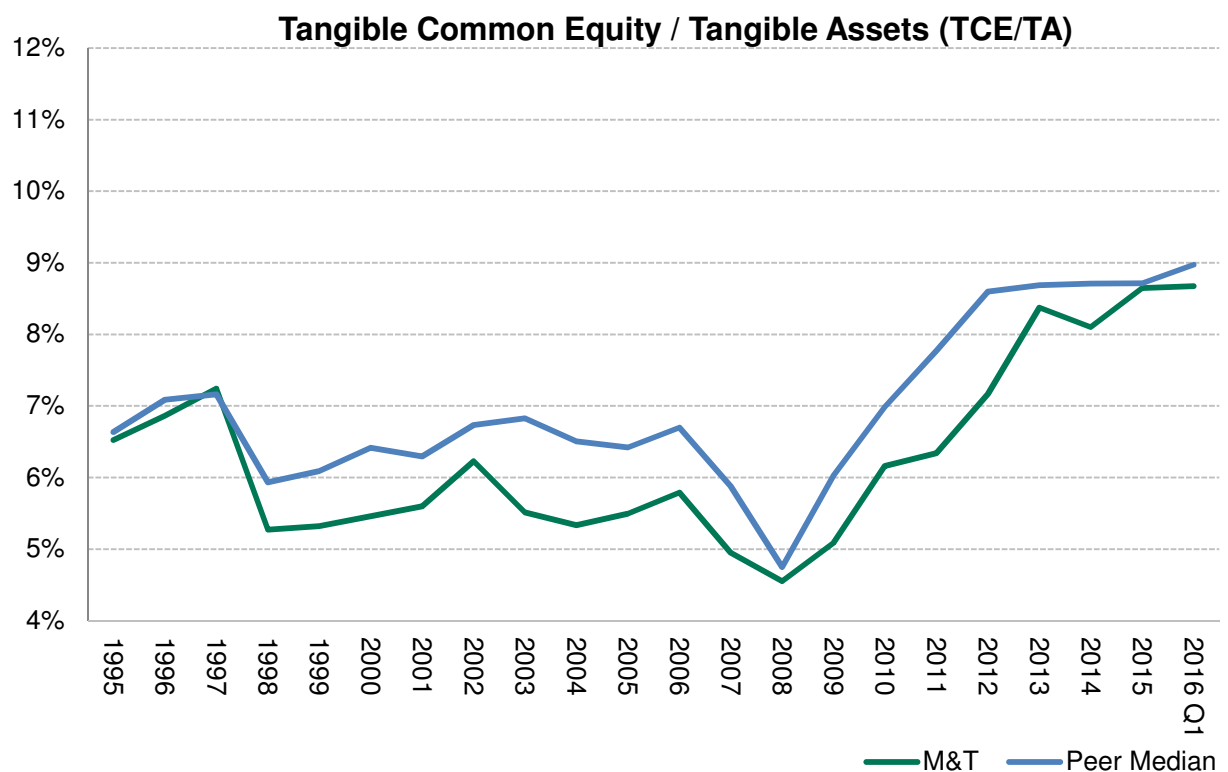
# Outperformance Through the Credit Cycle



NCOs/Loans	MTB	Top 25 Median	MTB Advantage
<b>25 Year Average</b>	0.38%	0.82%	0.43%
<b>Recessions</b>			
<b>3Q90-1Q91</b>	0.39%	1.30%	0.91%
<b>1Q01-4Q01</b>	0.31%	0.62%	0.31%
<b>4Q07-2Q09</b>	0.79%	1.47%	0.68%

# Historically Efficient Capital Structure Aligned With Risk Profile

## Tangible and Regulatory Capital



TCE/TA	20-Year Average	3/31/16
MTB	6.2%	8.7%
Peer Median	6.9%	9.0%
<b>Difference</b>	<b>(0.7%)</b>	<b>(0.3%)</b>

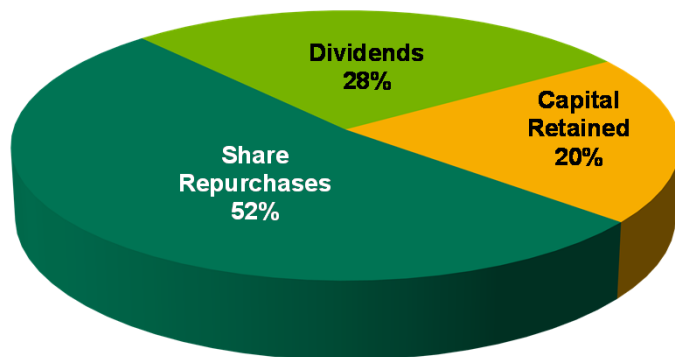
Source: SNL Interactive and Regulatory Filings.

(1) For periods prior to 2015, reflects the Tier 1 Common ratio calculated under previous Basel rules.

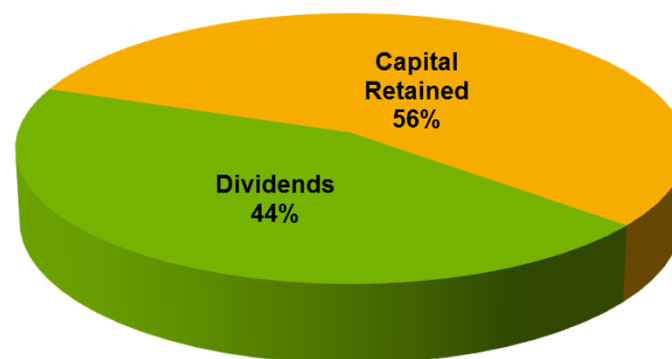
# Deploying Capital Where and When it Makes Sense

## Cumulative Capital Retained, Dividends and Share Repurchases

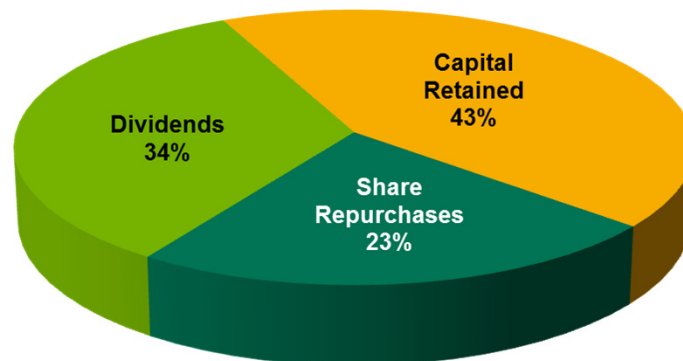
5 Years  
2003 - 2007



8 Years  
2008 - 2015

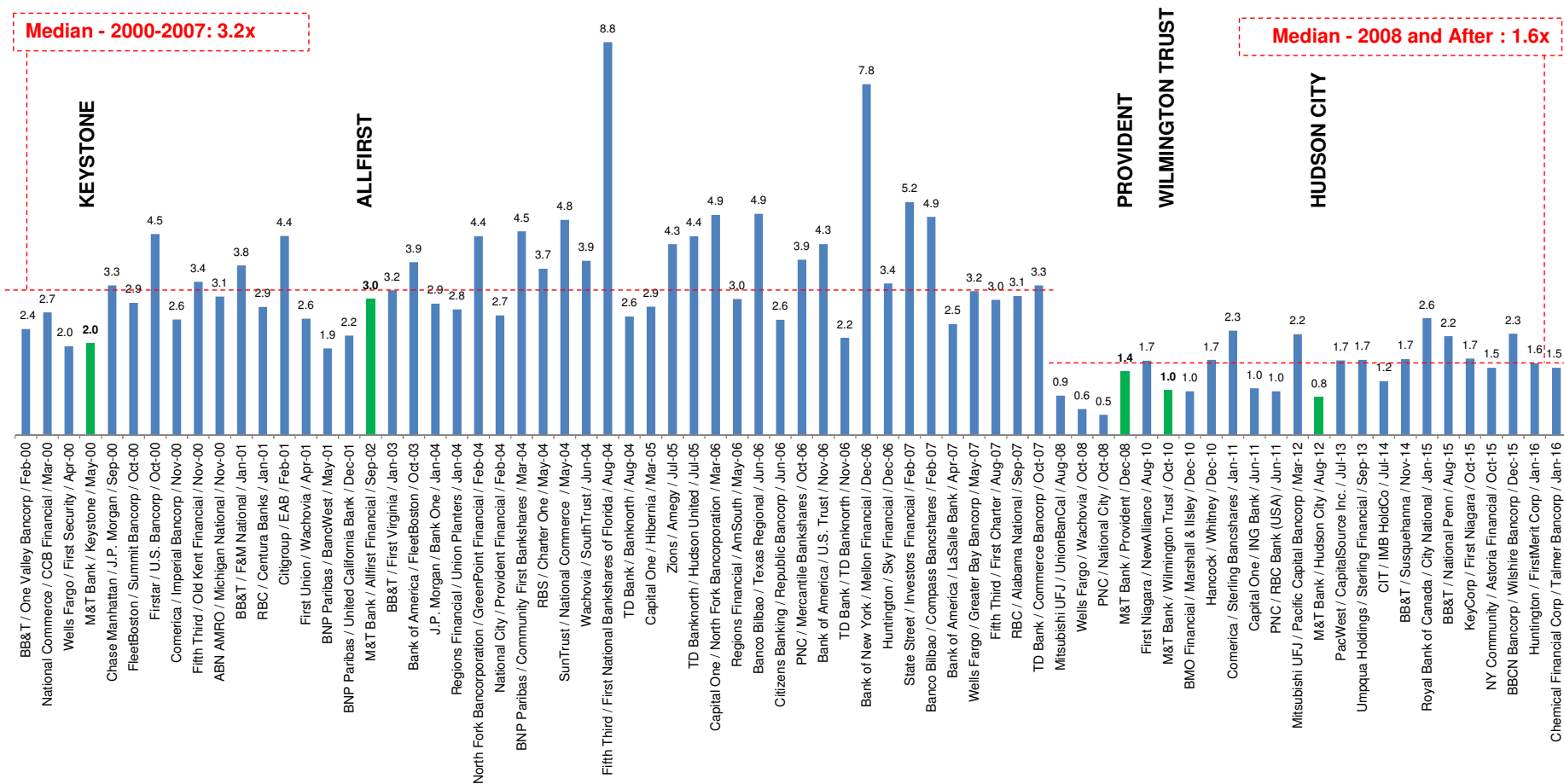


30 Years  
1986 - 2015



# Disciplined Approach to Acquisitions

## M&T's acquisitions vs. bank deals greater than \$1B since 2000: Deal value / TCE



Source: SNL Financial, Company Filings

Deal value at announcement and tangible common equity at most recent quarter before announcement.

Although M&T's acquisitions of Provident and Wilmington were both less than \$1.0 billion in deal value, they have been included for reference.

## Strategic Focus: Disciplined Growth and Capital Efficiency

<b>Consistent Credit Culture</b>	<ul style="list-style-type: none"><li>❑ Sustaining credit discipline</li></ul>
<b>Focus on Operating Leverage / Efficiency</b>	<ul style="list-style-type: none"><li>❑ Technology investments for growth and efficiency</li><li>❑ Potential upside from asset sensitive balance sheet</li></ul>
<b>Disciplined Capital Allocation</b>	<ul style="list-style-type: none"><li>❑ Capital structure optimization – deploy excess capital<ul style="list-style-type: none"><li>▪ Investments in franchise</li><li>▪ Dividends</li><li>▪ Repurchases</li><li>▪ Acquisitions?</li></ul></li></ul>
<b>Opportunistic Growth</b>	<ul style="list-style-type: none"><li>❑ Building commercial bank in New Jersey</li><li>❑ Capitalize on market disruption</li></ul>

**Prudent management of shareholders' capital (investment or distribution) remains at the core of M&T's operating philosophy**

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

**18.3% Annual rate of return since 1980<sup>1</sup>**

**In the top 30 of the entire universe<sup>2</sup> of U.S. based stocks traded publicly since 1980**

Rank	Company Name	Industry	Annual Return
1	L Brands, Inc.	Consumer Discretionary	23.4
2	Eaton Vance Corp.	Financials	22.9
3	TJX Companies, Inc.	Consumer Discretionary	22.5
4	Hasbro, Inc.	Consumer Discretionary	22.1
5	Stryker Corporation	Health Care	22.0
6	Mylan N.V.	Health Care	21.2
7	Valspar Corporation	Materials	21.1
8	Gap, Inc.	Consumer Discretionary	21.0
9	Progressive Corporation	Financials	21.0
10	Wal-Mart Stores, Inc.	Consumer Staples	20.0
11	Sherwin-Williams Company	Materials	19.9
12	Danaher Corporation	Industrials	19.8
13	Berkshire Hathaway Inc. Class A	Financials	19.6
14	Equifax Inc.	Industrials	19.6
15	Robert Half International Inc.	Industrials	19.2
16	Walgreens Boots Alliance Inc	Consumer Staples	19.2
17	State Street Corporation	Financials	19.1
18	Astronics Corporation	Industrials	19.0
19	Constellation Brands, Inc. Class B	Consumer Staples	19.0
20	V.F. Corporation	Consumer Discretionary	19.0
21	Lowe's Companies, Inc.	Consumer Discretionary	18.9
22	HollyFrontier Corporation	Energy	18.9
23	Graco Inc.	Industrials	18.8
24	Flowers Foods, Inc.	Consumer Staples	18.7
25	Aflac Incorporated	Financials	18.7
26	RLI Corp.	Financials	18.7
27	Church & Dwight Co., Inc.	Consumer Staples	18.6
<b>28</b>	<b>M&amp;T Bank Corporation</b>	<b>Financials</b>	<b>18.3</b>
29	Helen of Troy Limited	Consumer Discretionary	17.8
30	Sysco Corporation	Consumer Staples	17.8

**\$2,251 invested in M&T in 1980 would be worth \$1 million as of today**

14 (1) CAGR calculated assuming reinvestment of dividends through March 31, 2016  
 (2) Includes 591 U.S. based publicly traded stocks

# Appendix and GAAP Reconciliations

## Reconciliation of GAAP and Non-GAAP Measures

<b>Net Income</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>1Q15</b>	<b>1Q16</b>
<b>\$ in millions</b>								
Net income	\$736.2	\$859.5	\$1,029.5	\$1,138.5	\$1,066.2	\$1,079.7	\$241.6	\$298.5
Intangible amortization*	35.3	37.6	37.0	28.6	20.7	16.2	4.2	7.5
Merger-related items*	(16.3)	(12.8)	6.0	7.5	-	60.8	-	14.0
<b>Net operating income</b>	<b>\$755.2</b>	<b>\$884.3</b>	<b>\$1,072.5</b>	<b>\$1,174.6</b>	<b>\$1,086.9</b>	<b>\$1,156.6</b>	<b>\$245.8</b>	<b>\$320.1</b>
<b>PPNR<sup>(1)</sup></b>								
Net Income for EPS	\$675.9	\$781.8	\$953.4	\$1,062.5	\$978.6	\$978.7	\$218.8	\$275.7
Preferred Div., Amort. of Pref. Stock & Unvested Stock Awards	\$60.3	\$77.7	\$76.1	\$75.9	\$87.7	\$92.0	\$22.8	\$22.8
Income Taxes	\$356.6	\$401.3	\$562.5	\$627.1	\$576.0	\$595.0	\$133.8	\$169.3
GAAP Pre-tax Income	\$1,092.8	\$1,260.8	\$1,592.0	\$1,765.6	\$1,642.2	\$1,674.7	\$375.4	\$467.8
Provision for credit losses	368.0	270.0	204.0	185.0	124.0	170.0	38.0	49.0
<b>Pre-Tax, Pre-Provision Income</b>	<b>\$1,460.8</b>	<b>\$1,530.8</b>	<b>\$1,796.0</b>	<b>\$1,950.6</b>	<b>\$1,766.2</b>	<b>\$1,844.7</b>	<b>\$413.4</b>	<b>\$516.8</b>
<b>Earnings Per Share</b>								
Diluted earnings per share	\$5.69	\$6.35	\$7.54	\$8.20	\$7.42	\$7.18	\$1.65	\$1.73
Intangible amortization*	0.29	0.30	0.29	0.22	0.15	0.12	0.03	0.05
Merger-related items*	(0.14)	(0.10)	0.05	0.06	-	0.44	-	0.09
<b>Diluted net operating earnings per share</b>	<b>\$5.84</b>	<b>\$6.55</b>	<b>\$7.88</b>	<b>\$8.48</b>	<b>\$7.57</b>	<b>\$7.74</b>	<b>\$1.68</b>	<b>\$1.87</b>
<b>Efficiency Ratio<sup>(1)</sup></b>								
<b>\$ in millions</b>								
Non-interest expenses	\$1,914.8	\$2,441.9	\$2,469.8	\$2,587.9	\$2,689.5	\$2,822.9	\$686.4	\$776.1
less: intangible amortization	58.1	61.6	60.6	46.9	33.8	26.4	6.8	12.3
less: merger-related expenses	0.8	83.7	9.9	12.4	-	76.0	-	23.2
<b>Non-interest operating expenses</b>	<b>\$1,856.0</b>	<b>\$2,296.6</b>	<b>\$2,399.2</b>	<b>\$2,528.6</b>	<b>\$2,655.7</b>	<b>\$2,720.5</b>	<b>\$679.6</b>	<b>\$740.6</b>
Tax equivalent revenues	\$3,399.6	\$3,998.6	\$4,292.2	\$4,563.4	\$4,479.4	\$4,692.1	\$1,105.6	\$1,299.2
less: gain/(loss) on sale of securities	2.8	150.2	0.0	56.5	-	(0.1)	(0.10)	0.00
less: net OTTI losses recognized	(86.3)	(77.0)	(47.8)	(9.8)	-	-	-	-
less: merger-related gains	27.5	64.9	-	-	-	-	-	-
<b>Denominator for efficiency ratio</b>	<b>\$3,455.6</b>	<b>\$3,860.5</b>	<b>\$4,340.0</b>	<b>\$4,516.7</b>	<b>\$4,479.4</b>	<b>\$4,692.2</b>	<b>\$1,105.7</b>	<b>\$1,299.2</b>
<b>Net operating efficiency ratio</b>	<b>53.7%</b>	<b>59.5%</b>	<b>55.3%</b>	<b>56.0%</b>	<b>59.3%</b>	<b>58.0%</b>	<b>61.5%</b>	<b>57.0%</b>
*Net of tax								



## Reconciliation of GAAP and Non-GAAP Measures

<b>Average Assets</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>1Q15</b>	<b>1Q16</b>
<b><i>\$ in millions</i></b>								
Average assets	\$ 68,380	\$ 73,977	\$ 79,983	\$ 83,662	\$ 92,143	\$ 101,780	\$ 95,892	\$ 123,252
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,694)	(3,525)	(4,593)
Core deposit and other intangible assets	(153)	(168)	(144)	(90)	(50)	(45)	(31)	(134)
Deferred taxes	29	43	42	27	15	16	10	52
Average tangible assets	<u>\$ 64,731</u>	<u>\$ 70,327</u>	<u>\$ 76,356</u>	<u>\$ 80,074</u>	<u>\$ 88,583</u>	<u>\$ 98,057</u>	<u>\$ 92,346</u>	<u>\$ 118,577</u>
<b><u>Average Common Equity</u></b>								
<b><i>\$ in millions</i></b>								
Average common equity	\$ 7,367	\$ 8,207	\$ 8,834	\$ 9,844	\$ 10,905	\$ 11,996	\$ 11,227	\$ 15,047
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,694)	(3,525)	(4,593)
Core deposit and other intangible assets	(153)	(168)	(144)	(90)	(50)	(45)	(31)	(134)
Deferred taxes	29	43	42	27	15	16	10	52
Average tangible common equity	<u>\$ 3,718</u>	<u>\$ 4,557</u>	<u>\$ 5,207</u>	<u>\$ 6,256</u>	<u>\$ 7,345</u>	<u>\$ 8,273</u>	<u>\$ 7,681</u>	<u>\$ 10,372</u>

## 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