

M&T BANK CORP  
Form S-4/A  
February 21, 2013  
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As filed with the Securities and Exchange Commission on February 21, 2013

Registration No. 333-184411

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 3**  
**to**  
**FORM S-4**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**M&T Bank Corporation**

(Exact name of registrant as specified in its charter)

<b>New York</b> (State or other jurisdiction of incorporation or organization)	<b>6022</b> (Primary Standard Industrial Classification Code Number) <b>One M&amp;T Plaza</b>  <b>Buffalo, New York 14203</b>  <b>(716) 842-5445</b>	<b>16-0968385</b> (I.R.S. Employer Identification Number)
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(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Drew J. Pfirrmann**  
  
**Senior Vice President and General Counsel**  
  
**One M&T Plaza**  
  
**Buffalo, New York 14203**  
  
**(716) 842-5445**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

<b>Edward D. Herlihy, Esq.</b>  <b>Lawrence S. Makow, Esq.</b>  <b>Wachtell, Lipton, Rosen &amp; Katz</b>  <b>51 W. 52nd Street</b>  <b>New York, New York 10019</b>  <b>Phone: (212) 403-1000</b>	<b>H. Rodgin Cohen</b>  <b>C. Andrew Gerlach</b>  <b>Sullivan &amp; Cromwell LLP</b>  <b>125 Broad Street</b>  <b>New York, New York 10004</b>  <b>Phone: (212) 558-4000</b>	<b>Ronald E. Hermance</b>  <b>Denis J. Salamone</b>  <b>Hudson City Bancorp, Inc.</b>  <b>West 80 Century Road</b>  <b>Paramus, New Jersey 07652</b>  <b>Phone: (201) 967-1900</b>
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**Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the merger.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ..

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ..

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ..

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

If applicable, place an ü in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)	<input type="checkbox"/>
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)	<input type="checkbox"/>

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**Information contained herein is subject to completion or amendment. A registration statement relating to the shares of M&T Bank Corporation common stock to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY PROXY STATEMENT/PROSPECTUS**

**DATED FEBRUARY 21, 2013, SUBJECT TO COMPLETION**

Dear Shareholders of M&T Bank Corporation:

On August 27, 2012, M&T Bank Corporation ( M&T ) entered into a merger agreement to acquire Hudson City Bancorp, Inc. ( Hudson City ) in a stock and cash transaction. If the merger agreement is approved and the merger is subsequently completed, Hudson City will merge with and into Wilmington Trust Corporation, a direct, wholly owned subsidiary of M&T.

In the merger, each share of Hudson City common stock owned by a Hudson City stockholder will be converted, at the election of such stockholder, subject to the proration and adjustment procedures set forth in the merger agreement, into the right to receive either 0.08403 shares of M&T common stock or cash having a value equal to 0.08403 multiplied by the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger. Elections by Hudson City stockholders will be prorated such that in the aggregate approximately 60% of Hudson City's outstanding shares of common stock will be converted into the right to receive shares of M&T common stock and the balance into the right to receive the cash consideration. If the merger is completed, it is currently estimated that payment of the stock portion of the merger consideration will require M&T to issue or reserve for issuance approximately 28 million shares of M&T common stock in connection with the merger. Immediately after the merger, former Hudson City stockholders are currently expected to own approximately 17.5% of the then-outstanding shares of M&T common stock (without giving effect to any shares of M&T common stock held by Hudson City stockholders prior to the merger).

Based on the average closing trading price over the ten trading days ending on August 24, 2012, the last trading day before the announcement of the merger, a share of Hudson City common stock entitled to receive cash would receive cash in an amount equal to approximately \$7.28 per share of Hudson City common stock. Based on the average closing price of M&T common stock on the NYSE for the ten trading days ending February 20, 2013, the latest practicable date before the printing of this document, a share of Hudson City common stock entitled to receive cash would receive cash in an amount equal to approximately \$8.79 per share of Hudson City common stock. However, the value of the cash consideration that a Hudson City stockholder will receive for each share of Hudson City common stock will depend on the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger.

M&T and Hudson City will each hold a special meeting of shareholders to consider the proposed merger and related matters. M&T and Hudson City cannot complete the proposed merger unless M&T's shareholders approve the issuance of M&T common stock in connection with the merger. This letter is accompanied by the attached document, which our board of directors is providing to solicit your proxy to vote for approval of the issuance of M&T common stock in connection with the merger.

The accompanying document is also being delivered to Hudson City stockholders as M&T's prospectus for its offering of M&T common stock in connection with the merger, and as a proxy statement for the solicitation of proxies from Hudson City stockholders to vote for the adoption of the merger agreement and approval of the merger.

In addition, at the M&T special meeting, you will also be asked to approve proposals that are separate from the proposed merger: amendments to the terms of M&T's outstanding Series A Preferred Shares and Series C Preferred Shares. These amendments are being undertaken in connection with the U.S. Treasury's previously announced offering of these preferred shares for sale to the public and the completion of M&T's exit from the U.S. Treasury's TARP program.

**Your vote is very important. To ensure your representation at the M&T special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the M&T special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the M&T special meeting. **The M&T board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the issuance of M&T common stock in the merger. In addition, the M&T board of directors recommends that you vote FOR the amendments to the terms of the Series A Preferred Shares and the Series C Preferred Shares.**

This document provides you with detailed information about the proposed merger. It also contains or references information about M&T and Hudson City and certain related matters. You are encouraged to read this document carefully. **In particular, you should read the Risk Factors section beginning on page 27 for a discussion of the risks you should consider in evaluating the proposed merger and how it will affect you.**

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Sincerely,

Robert G. Wilmers

Chairman of the Board and Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the issuance of the M&T common stock in connection with the merger or the other transactions described in this document, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

This document is dated February 22, 2013, and is first being mailed to shareholders of M&T and Hudson City on or about February 27, 2013.

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To the Stockholders of Hudson City Bancorp, Inc.:

On August 27, 2012, Hudson City Bancorp, Inc. ( Hudson City ) entered into a merger agreement to be acquired by M&T Bank Corporation ( M&T ) in a stock and cash transaction. If the merger agreement is adopted and the merger is subsequently completed, Hudson City will merge with and into Wilmington Trust Corporation, a direct, wholly owned subsidiary of M&T. Hudson City is sending you this document to ask you to vote on the adoption of the merger agreement.

If the merger is completed, you will receive, at your election (but subject to proration and adjustment procedures set forth in the merger agreement), either 0.08403 of a share of M&T common stock or cash having a value equal to 0.08403 multiplied by the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger, for each share of Hudson City common stock you hold immediately prior to the completion date of the merger. Based on the closing price of M&T common stock on the NYSE on August 24, 2012, the last trading day before the announcement of the merger, a share of Hudson City common stock entitled to receive 0.08403 of a share of M&T common stock would receive stock consideration valued at approximately \$7.22 per share of Hudson City common stock. Based on the average closing trading price over the ten trading days ending on August 24, 2012, a share of Hudson City common stock entitled to receive cash would receive cash in an amount equal to approximately \$7.28 per share of Hudson City common stock. Based on the closing price of M&T common stock on the NYSE on February 20, 2013, the latest practicable date before the printing of this document, a share of Hudson City common stock entitled to receive 0.08403 of a share of M&T common stock would receive stock consideration valued at approximately \$8.79 per share of Hudson City common stock. Based on the average closing price of M&T common stock on the NYSE for the ten trading days ending February 20, 2013, a share of Hudson City common stock entitled to receive cash would receive cash in an amount equal to approximately \$8.79 per share of Hudson City common stock. If you receive cash as merger consideration, the value of the merger consideration that you will receive for each share of Hudson City common stock will depend on the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger. If you receive M&T common stock as merger consideration, the value of the merger consideration that you will receive for each share of Hudson City common stock will depend on the price per share of M&T common stock at the time you receive the shares of M&T common stock. Therefore, the value of the merger consideration may be different than the estimated value based on the current price of M&T common stock or the price of M&T common stock at the time of the special meeting.

Elections by Hudson City stockholders will be prorated and adjusted such that in the aggregate approximately 60% of Hudson City's outstanding shares of common stock will be converted into the right to receive shares of M&T common stock and the balance into the right to receive cash consideration. Immediately after the merger, former Hudson City stockholders are currently expected to own approximately 17.5% of the then-outstanding shares of M&T common stock (without giving effect to any shares of M&T common stock held by Hudson City stockholders prior to the merger).

In addition, at the special meeting, you will also be asked to approve, on a non-binding, advisory basis, the compensation to be paid to Hudson City's named executive officers that is based on or otherwise relates to the merger.

**Your vote is very important. To ensure your representation at the Hudson City special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the Hudson City special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Hudson City special meeting. **The Hudson City board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the adoption of the merger agreement.**

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This document provides you with detailed information about the proposed merger. It also contains or references information about M&T and Hudson City and related matters. You are encouraged to read this document carefully. **In particular, you should read the Risk Factors section beginning on page 27 for a discussion of the risks you should consider in evaluating the proposed merger and how it will affect you.**

On behalf of the Hudson City board of directors, I thank you for your prompt attention to this important matter.

Ronald E. Hermance, Jr.

Chairman of the Board and Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the issuance of the M&T common stock in connection with the merger or the other transactions described in this document, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

This document is dated February 22, 2013, and is first being mailed to shareholders of M&T and Hudson City on or about February 27, 2013.

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**WHERE YOU CAN FIND MORE INFORMATION**

Both M&T and Hudson City file annual, quarterly and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that either M&T or Hudson City files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, M&T and Hudson City file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You will also be able to obtain these documents, free of charge, from M&T at [www.mtb.com](http://www.mtb.com) under the Investor Relations link and then under the heading SEC Filings or from Hudson City by accessing Hudson City's website at [www.hcsbonline.com](http://www.hcsbonline.com) under the Investor Relations link and then under the heading Financial Reporting.

M&T has filed a registration statement on Form S-4 of which this document forms a part. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that M&T and Hudson City have previously filed with the SEC. They contain important information about the companies and their financial condition. See Incorporation of Certain Documents by Reference on page 145. These documents are available without charge to you upon written or oral request to the applicable company's principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below.

M&T Bank Corporation

Hudson City Bancorp, Inc.

One M&T Plaza

West 80 Century Road

Buffalo, New York 14203

Paramus, New Jersey 07652

Attention: Marie King, Corporate Secretary

Attention: Veronica A. Olszewski, Corporate Secretary

(716) 842-5445

(201) 967-1900

**To obtain timely delivery of these documents, you must request the information no later than April 9, 2013 in order to receive them before M&T's special meeting of stockholders and no later than April 11, 2013 in order to receive them before Hudson City's special meeting of stockholders.**

M&T common stock is traded on the New York Stock Exchange under the symbol MTB, and Hudson City common stock is traded on the Nasdaq Global Select Market under the symbol HCBK.



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**M&T BANK CORPORATION**

**ONE M&T PLAZA**

**BUFFALO, NEW YORK 14203**

**NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON APRIL 16, 2013**

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of M&T Bank Corporation will be held on the 10<sup>th</sup> floor of One M&T Plaza in Buffalo, New York, at 11:00 a.m., Eastern time, on April 16, 2013, for the following purposes:

1. To approve the issuance of M&T common stock to Hudson City Bancorp, Inc. stockholders pursuant to the Agreement and Plan of Merger, dated as of August 27, 2012, by and among M&T, Hudson City and Wilmington Trust Corporation (the **Stock Issuance proposal**);
2. To approve certain amendments to the terms of the Fixed Rate Cumulative Perpetual Preferred Stock, Series A, par value \$1.00 per share and liquidation preference \$1,000 per share, of M&T, which are referred to as the Series A Preferred Shares, including amendments to the dividend rate and the redemption provisions of the Series A Preferred Shares (the **Series A Preferred Share Amendment proposal**);
3. To approve certain amendments to the terms of the Fixed Rate Cumulative Perpetual Preferred Stock, Series C, par value \$1.00 per share and liquidation preference \$1,000 per share, of M&T, which are referred to as the Series C Preferred Shares, including amendments to the dividend rate and the redemption provisions of the Series C Preferred Shares (the **Series C Preferred Share Amendment proposal**); and
4. To approve one or more adjournments of the M&T special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Stock Issuance proposal, the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment proposal (the **M&T Adjournment proposal**).

The Stock Issuance proposal is not conditioned on the approval of either the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment proposal, which are unrelated to the merger, and only approval of the Stock Issuance proposal is required to complete the merger. Similarly, neither the Series A Preferred Share Amendment proposal nor the Series C Preferred Share Amendment proposal is conditioned on the approval of the Stock Issuance proposal. M&T will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The Stock Issuance proposal, the Series A Preferred Share Amendment proposal and the Series C Preferred Share Amendment proposal are described in more detail in this document, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Appendix A to this document.

The M&T board of directors has set February 20, 2013 as the record date for the M&T special meeting. Only holders of record of M&T common stock at the close of business on February 20, 2013 will be entitled to notice of and to vote at the M&T special meeting and any adjournments or postponements thereof. Any shareholder entitled to attend and vote at the M&T special meeting is entitled to appoint a proxy to attend and vote on such shareholder's behalf. Such proxy need not be a holder of M&T common stock.

**Your vote is very important. To ensure your representation at the M&T special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the M&T special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the M&T special meeting.

**The M&T board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the Stock Issuance proposal, FOR the Series A Preferred Share Amendment proposal, FOR the Series C Preferred Share Amendment proposal and FOR the M&T Adjournment proposal (if necessary or appropriate).**

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BY ORDER OF THE BOARD OF DIRECTORS

Marie King

Administrative Vice President and Corporate Secretary

Buffalo, New York

February 22, 2013

**PLEASE VOTE YOUR SHARES OF M&T COMMON STOCK PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL (716) 842-5138.**

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**HUDSON CITY BANCORP, INC.**

**WEST 80 CENTURY ROAD**

**PARAMUS, NEW JERSEY 07652**

**NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON APRIL 18, 2013**

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of Hudson City Bancorp, Inc. ( Hudson City ) will be held at the Park Ridge Marriott, 300 Brae Boulevard, Park Ridge, New Jersey 07656 at 9:00 a.m., Eastern time, on April 18, 2013, for the following purposes:

1. To adopt the Agreement and Plan of Merger, dated as of August 27, 2012, by and among M&T Bank Corporation, Hudson City and Wilmington Trust Corporation (the Merger proposal);
2. To approve, on a non-binding, advisory basis, the compensation to be paid to Hudson City's named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled The Merger Interests of Hudson City's Directors and Executive Officers in the Merger beginning on page 90 (the Merger-Related Named Executive Officer Compensation proposal); and
3. To approve one or more adjournments of the Hudson City special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger proposal (the Hudson City Adjournment proposal).

Hudson City will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The Merger proposal and the Merger-Related Named Executive Officer Compensation proposal are described in more detail in this document, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Appendix A to this document.

The Hudson City board of directors has set February 20, 2013 as the record date for the Hudson City special meeting. Only holders of record of Hudson City common stock at the close of business on February 20, 2013 will be entitled to notice of and to vote at the Hudson City special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the Hudson City special meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of Hudson City common stock.

**Your vote is very important. To ensure your representation at the Hudson City special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the Hudson City special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Hudson City special meeting.

**The Hudson City board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the Merger proposal, FOR the Merger-Related Named Executive Officer Compensation proposal and FOR the Hudson City Adjournment proposal (if necessary or appropriate).**

BY ORDER OF THE BOARD OF DIRECTORS

Veronica A. Olszewski

Senior Vice President, Treasurer and Corporate Secretary

Paramus, New Jersey

February 22, 2013

**PLEASE VOTE YOUR SHARES OF HUDSON CITY COMMON STOCK PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL GEORGESON TOLL-FREE AT (888) 867-6963 (BANKS AND BROKERS CALL TOLL-FREE AT (800) 223-2064).**

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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS**

*The following are answers to certain questions that you may have regarding the special meetings. We urge you to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.*

**Q: WHAT IS THE MERGER?**

A. M&T, Hudson City and Wilmington Trust Corporation, a wholly owned subsidiary of M&T, have entered into a merger agreement, pursuant to which Hudson City will merge with and into Wilmington Trust Corporation, with Wilmington Trust Corporation continuing as the surviving corporation, in a transaction which is referred to as the merger. A copy of the merger agreement is attached as Appendix A to this document. Immediately following the merger, Hudson City Savings Bank, a wholly owned subsidiary of Hudson City, which is referred to as Hudson City Savings Bank, will merge with and into Manufacturers and Traders Trust Company, a wholly owned subsidiary of M&T and Wilmington Trust Corporation, which is referred to as M&T Bank, with M&T Bank being the surviving entity, which transaction is referred to as the bank merger. In order for us to complete the transaction we need not only the approval of our respective shareholders but the approval of both these mergers by the banking regulators of M&T, Wilmington Trust Corporation, Hudson City, M&T Bank and Hudson City Savings Bank.

**Q: WHY AM I RECEIVING THIS DOCUMENT?**

A. Each of M&T and Hudson City is sending these materials to its shareholders to help them decide how to vote their shares of M&T or Hudson City common stock, as the case may be, with respect to the merger and other matters to be considered at the special meetings. The merger cannot be completed unless M&T shareholders approve the issuance of M&T common stock in the merger and Hudson City stockholders adopt the merger agreement. Each of M&T and Hudson City is holding a special meeting of its shareholders to vote on the proposals necessary to complete the merger. Information about these special meetings, the merger and the other business to be considered by shareholders at each of the special meetings is contained in this document.

This document constitutes both a joint proxy statement of M&T and Hudson City and a prospectus of M&T. It is a joint proxy statement because each of the boards of directors of M&T and Hudson City is soliciting proxies using this document from their respective shareholders. It is a prospectus because M&T, in connection with the merger, is offering shares of its common stock in partial exchange for outstanding shares of Hudson City common stock in the merger.

**Q: WHAT WILL HUDSON CITY STOCKHOLDERS RECEIVE IN THE MERGER?**

A: In the merger, each Hudson City stockholder may elect to receive, for each share of Hudson City common stock owned, either 0.08403 of a share of M&T common stock or cash having a value equal to 0.08403 multiplied by the average of the closing prices of M&T common stock on the New York Stock Exchange, which is referred to as the NYSE, for the ten trading days immediately preceding the completion of the merger, subject to the proration and adjustment procedures set forth in the merger agreement.

**Q: WILL HUDSON CITY STOCKHOLDERS RECEIVE THE FORM OF CONSIDERATION THEY ELECT?**

A: Each Hudson City stockholder may not receive the form of consideration that such stockholder elects in the merger. The proration and adjustment procedures in the merger agreement will result, regardless of the elections made, in approximately 60% of outstanding shares of Hudson City common stock being converted into the right to receive the M&T common stock consideration



in the merger and the balance being

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converted into the right to receive the per share cash consideration. Specifically, the merger agreement provides that 204,338,066 shares of Hudson City common stock, plus 40% of the amount of any shares of Hudson City common stock issued upon the exercise of stock options or other stock awards after August 27, 2012, will be entitled to receive cash consideration, which is referred to as the target cash conversion amount. Pursuant to proration and adjustment procedures in the merger agreement, if the number of Hudson City cash election shares exceeds the target cash conversion amount, a pro rata portion of those shares held by each Hudson City stockholder will instead be converted into the right to receive M&T common stock. Similarly, if the number of Hudson City cash election shares is less than the target cash conversion amount, a pro rata portion of the Hudson City stock election shares held by each Hudson City stockholder will instead be converted into the right to receive the cash consideration. In each case, outstanding shares of Hudson City common stock with respect to which no election will be made will be converted to the undersubscribed form of consideration first. The allocation of the mix of consideration payable to Hudson City stockholders in the merger will not be known until M&T tallies the results of the cash/stock elections made by Hudson City stockholders, which will not occur until near or after the closing of the merger. See The Merger Terms of the Merger beginning on page 59.

**Q: HOW DO HUDSON CITY STOCKHOLDERS MAKE THEIR ELECTION TO RECEIVE CASH, M&T COMMON STOCK OR A COMBINATION OF BOTH?**

A: An election form will be mailed 35 days prior to the anticipated closing date of the merger to each holder of record of Hudson City common stock as of the close of business on the fifth business days prior to the date of mailing. M&T will also make an election form available, if requested, by each person that subsequently becomes a holder of Hudson City common stock. Each Hudson City stockholder should complete and return the election form, along with Hudson City stock certificate(s) (or a properly completed notice of guaranteed delivery), according to the instructions included with the form. The election form will be provided to Hudson City stockholders under separate cover and is not being provided with this document. The election deadline will be 5:00 p.m., New York time, on the date specified in the election form, which is expected to be five days prior to the expected completion date of the merger.

If you own shares of Hudson City common stock in street name through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the bank, broker or other nominee holding your shares concerning how to make an election. If you do not send in the election form with your stock certificate(s) by the election deadline, you will be treated as though you had not made an election.

If you hold your shares of Hudson City common stock indirectly in the Hudson City Savings Bank Employee Stock Ownership Plan, which is referred to as the Hudson City ESOP, you will receive instructions from the trustee of the Hudson City ESOP, who is referred to as the ESOP trustee, concerning how to make your election with respect to shares of Hudson City common stock allocated to your ESOP account.

If you hold your shares of Hudson City common stock indirectly in the Hudson City Savings Profit Incentive Bonus Plan, which is referred to as the Hudson City PIB, you will receive instructions from the trustee of the Hudson City PIB, who is referred to as the PIB trustee, concerning how to make your election with respect to shares of Hudson City common stock allocated to your PIB account.

**Q: WHAT HAPPENS IF A HUDSON CITY STOCKHOLDER DOES NOT MAKE A VALID ELECTION TO RECEIVE CASH OR M&T COMMON STOCK?**

A: If a Hudson City stockholder does not return a properly completed election form by the election deadline specified in the election form, such stockholder's shares of Hudson City common stock will be considered no-election shares and will be converted into the right to receive the stock consideration or the cash consideration according to the allocation procedures specified in the merger agreement. Generally, in the event one form of consideration (cash or shares of M&T common stock) is undersubscribed in the merger, shares of Hudson City common stock for which no election has been validly made will be allocated to that

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form of consideration before shares of Hudson City common stock electing the oversubscribed form will be switched to it pursuant to the proration and adjustment procedures. Accordingly, while electing one form of consideration will not guarantee you will receive that form for all of your shares of Hudson City common stock, in the event proration is necessary electing shares will have a priority over no election shares.

**Q: WHEN WILL THE MERGER BE COMPLETED?**

A: If the stockholders of Hudson City adopt the merger agreement and the shareholders of M&T approve the issuance of shares of M&T stock in connection with the merger, the parties currently expect that the merger will be completed during the second quarter of 2013. Neither M&T nor Hudson City can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company's control, including whether or when the required regulatory approvals will be received. See The Merger Agreement Conditions to the Merger beginning on page 113.

**Q: WHAT AM I BEING ASKED TO VOTE ON AND WHY IS THIS APPROVAL NECESSARY?**

A: Hudson City stockholders are being asked to vote on the following proposals:

- 1 to adopt the merger agreement, a copy of which is attached as Appendix A to this document, which is referred to as the Merger proposal;
- 2 to approve, on a non-binding, advisory basis, the compensation to be paid to Hudson City's named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled The Merger Interests of Hudson City's Directors and Executive Officers in the Merger beginning on page 90, which is referred to as the Merger-Related Named Executive Officer Compensation proposal; and
- 3 to approve one or more adjournments of the Hudson City special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger proposal, which is referred to as the Hudson City Adjournment proposal. Stockholder approval of the Merger proposal is required for completion of the merger. Hudson City will transact no other business at the Hudson City special meeting, except for business properly brought before the Hudson City special meeting or any adjournment or postponement thereof.

M&T shareholders are being asked to vote on the following proposals:

- 1 to approve the issuance of M&T common stock, par value \$0.50 per share, pursuant to the merger agreement, which is referred to as the Stock Issuance proposal;
- 2 to approve certain amendments to the terms of the Fixed Rate Cumulative Perpetual Preferred Stock, Series A, par value \$1.00 per share and liquidation preference \$1,000 per share, of M&T, which are referred to as the Series A Preferred Shares, including amendments to the dividend rate and the redemption provisions of the Series A Preferred Shares, which is referred to as the Series A Preferred Share Amendment proposal;
- 3 to approve certain amendments to the terms of the Fixed Rate Cumulative Perpetual Preferred Stock, Series C, par value \$1.00 per share and liquidation preference \$1,000 per share, of M&T, which are referred to as the Series C Preferred Shares, including amendments to the dividend rate and the redemption provisions of the Series C Preferred Shares, which is referred to as the Series C

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Preferred Share Amendment proposal; and

- 4 to approve one or more adjournments of the M&T special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Stock Issuance Proposal, the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment proposal, which is referred to as the M&T Adjournment proposal.

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The Stock Issuance proposal is not conditioned on the approval of either the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment proposal, which are unrelated to the merger, and only shareholder approval of the Stock Issuance proposal is required to complete the merger. Similarly, neither the Series A Preferred Share Amendment proposal nor the Series C Preferred Share Amendment proposal is conditioned on the approval of the Stock Issuance proposal. M&T will transact no other business at the M&T special meeting, except for business properly brought before the M&T special meeting or any adjournment or postponement thereof.

**Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE HUDSON CITY SPECIAL MEETING?**

A: *The Merger proposal:* The affirmative vote of a majority of the outstanding shares of Hudson City common stock entitled to vote is required to approve the Merger proposal.

*The Merger-Related Named Executive Officer Compensation proposal:* The affirmative vote of a majority of the shares of Hudson City common stock represented (in person or by proxy) at the Hudson City special meeting and entitled to vote on the proposal is required to approve the Merger-Related Named Executive Officer Compensation proposal, which is an advisory vote, and therefore is not binding on Hudson City or on M&T or the boards of directors or the compensation committees of Hudson City or M&T. Since compensation and benefits to be paid or provided in connection with the merger are based on contractual arrangements with the named executive officers, the outcome of this advisory vote will not affect the obligation to make these payments. Hudson City is seeking this non-binding advisory stockholder approval pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Rule 14a-21(c) of the Exchange Act, which requires Hudson City to provide its stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Hudson City's named executive officers in connection with the merger. The Merger-Related Named Executive Officer Compensation Proposal gives Hudson City's stockholders the opportunity to express their views on the merger-related compensation of Hudson City's named executive officers. Approval of the proposal is not a condition to completion of the merger, and failure to approve this advisory matter will have no effect on the vote to approve the Merger proposal.

*The Hudson City Adjournment proposal:* The affirmative vote of a majority of the shares of Hudson City common stock represented (in person or by proxy) at the Hudson City special meeting and entitled to vote on the proposal is required to approve the Hudson City Adjournment proposal.

**Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE M&T SPECIAL MEETING?**

A: *The Stock Issuance proposal:* The affirmative vote of a majority of the shares of M&T common stock represented (in person or by proxy) and entitled to vote on the proposal is required to approve the Stock Issuance proposal, provided that the total votes cast on the proposal (including abstentions) must represent a majority of the shares of M&T common stock outstanding.

*The Series A Preferred Share Amendment proposal:* The affirmative vote of a majority of the outstanding shares of M&T common stock is required to approve the Series A Preferred Share Amendment proposal.

*The Series C Preferred Share Amendment proposal:* The affirmative vote of a majority of the outstanding shares of M&T common stock is required to approve the Series C Preferred Share Amendment proposal.

*The M&T Adjournment proposal:* The affirmative vote of a majority of the shares of M&T common stock represented (in person or by proxy) at the M&T special meeting and entitled to vote on the proposal is required to approve the M&T Adjournment proposal.

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**Q: WHAT DO I NEED TO DO NOW?**

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote your shares as soon as possible so that your shares will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker, bank or other nominee.

**Q: HOW DO I VOTE?**

A: If you are a shareholder of record of M&T as of February 20, 2013, which is referred to as the M&T record date, or a stockholder of Hudson City as of February 20, 2013, which is referred to as the Hudson City record date, you may submit your proxy before your respective company's special meeting in one of the following ways:

use the toll-free number shown on your proxy card;

visit the website shown on your proxy card to vote via the Internet; or

complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at your respective company's special meeting.

If your shares are held in street name, through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name shareholders who wish to vote at the meeting will need to obtain a proxy form from their broker, bank or other nominee.

If you hold your shares indirectly in the M&T Bank Corporation 2009 Equity Incentive Compensation Plan, the M&T Bank Corporation 2005 Incentive Compensation Plan and the M&T Bank Corporation Retirement Savings Plan, which are referred to as the M&T benefit plans, you have the right to direct the trustee of the M&T benefit plans, who is referred to as the M&T trustee, how to vote your shares as described in the voting materials sent to you by the M&T trustee.

If you hold your shares of Hudson City common stock indirectly in the Hudson City ESOP, you have the right to direct the ESOP trustee how to vote the shares allocated to your ESOP account as described in the voting materials sent to you by the ESOP trustee.

If you hold your shares of Hudson City common stock indirectly in the Hudson City PIB, you have the right to direct the PIB trustee how to vote the shares held in your PIB account as described in the voting materials sent to you by the PIB trustee.

**Q: WHEN AND WHERE ARE THE M&T AND HUDSON CITY SPECIAL MEETINGS OF SHAREHOLDERS?**

A: The special meeting of Hudson City stockholders will be held at the Park Ridge Marriott, 300 Brae Boulevard, Park Ridge, New Jersey 07656 at 9:00 a.m., Eastern time, on April 18, 2013. Subject to space availability, all Hudson City stockholders as of the Hudson City record date, or their duly appointed proxies, may attend the Hudson City special meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m., Eastern time.

The special meeting of M&T shareholders will be held on the 10th floor of One M&T Plaza in Buffalo, New York, at 11:00 a.m., Eastern time, on April 16, 2013. Subject to space availability, all M&T shareholders as of the M&T record date, or their duly appointed proxies, may attend the M&T special meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 10:30 a.m., Eastern time.



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**Q: IF MY SHARES ARE HELD IN STREET NAME BY A BROKER, BANK OR OTHER NOMINEE, WILL MY BROKER, BANK OR OTHER NOMINEE VOTE MY SHARES FOR ME?**

A: If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to M&T or Hudson City or by voting in person at your respective company's special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee.

Under the rules of the NYSE and the NASDAQ, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NYSE or the NASDAQ determines to be non-routine without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the M&T special meeting and the Hudson City special meeting are such non-routine matters. Broker non-votes occur when a broker or nominee is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power.

If you are a Hudson City stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the Merger proposal, which broker non-votes will have the same effect as a vote **AGAINST** such proposal; and

your broker, bank or other nominee may not vote your shares on the Merger-Related Named Executive Officer Compensation proposal or the Hudson City Adjournment proposal, which broker non-votes will have no effect on the vote count for each such proposal.

If you are an M&T shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the Stock Issuance proposal, which broker non-votes will have no effect on the vote count for such proposal, unless the aggregate number of broker non-votes results in a failure to meet the NYSE requirement that the total votes cast on such proposal (including abstentions) represent a majority of the shares of M&T common stock outstanding as of the record date;

your broker, bank or other nominee may not vote your shares on the Series A Preferred Share Amendment proposal, which broker non-votes will have the same effect as a vote **AGAINST** such proposal;

your broker, bank or other nominee may not vote your shares on the Series C Preferred Share Amendment proposal, which broker non-votes will have the same effect as a vote **AGAINST** such proposal; and

your broker, bank or other nominee may not vote your shares on the M&T Adjournment proposal, which broker non-votes will have no effect on the vote count for this proposal.

**Q: WHAT IF I DO NOT VOTE OR ABSTAIN?**

A: For purposes of each of the M&T special meeting and the Hudson City special meeting, an abstention occurs when a shareholder attends the applicable special meeting in person and does not vote or returns a proxy with an abstain vote.



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If you are a Hudson City stockholder and you fail to vote or fail to instruct your broker, bank or other nominee how to vote on the Merger proposal, it will have the same effect as a vote cast **AGAINST** the Merger proposal. If you respond with an **abstain** vote on the Merger proposal, your proxy will have the same effect as a vote cast **AGAINST** the Merger proposal.

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If you are an M&T shareholder and you are not present or represented at the M&T special meeting, or fail to instruct your broker, bank or other nominee how to vote on the Stock Issuance proposal, it will have no effect on the vote count for such proposal unless the aggregate number of such number of unvoted shares of M&T common stock results in a failure to meet the NYSE requirement that the total votes cast (including abstentions) on such proposal represent a majority of the shares of M&T common stock outstanding as of the M&T record date.

If you respond with an abstain vote, or if you are present in person but do not vote, your proxy will have the same effect as a vote cast **AGAINST** the Stock Issuance proposal.

If you are an M&T shareholder and you fail to vote or fail to instruct your broker, bank or other nominee how to vote on the Series A Preferred Share Amendment proposal, your failure to vote in each case will have the same effect as a vote cast **AGAINST** the proposal. If you respond to the Series A Preferred Share Amendment proposal with an abstain vote, your proxy will have the same effect as a vote cast **AGAINST** such proposal.

If you are an M&T shareholder and you fail to vote or fail to instruct your broker, bank or other nominee how to vote on the Series C Preferred Share Amendment proposal, your failure to vote in each case will have the same effect as a vote cast **AGAINST** the proposal. If you respond to the Series C Preferred Share Amendment proposal with an abstain vote, your proxy will have the same effect as a vote cast **AGAINST** such proposal.

**Q: WHAT WILL HAPPEN IF I RETURN MY PROXY OR VOTING INSTRUCTION CARD WITHOUT INDICATING HOW TO VOTE?**

A: If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the M&T common stock represented by your proxy will be voted as recommended by the M&T board of directors with respect to that proposal or the Hudson City common stock represented by your proxy will be voted as recommended by the Hudson City board of directors with respect to that proposal.

**Q: MAY I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY OR VOTING INSTRUCTION CARD?**

A: Yes. You may change your vote at any time before your proxy is voted at the M&T or Hudson City special meeting. You may do this in one of four ways:

by sending a notice of revocation to the corporate secretary of M&T or Hudson City, as applicable;

by logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions on the proxy card;

by sending a completed proxy card bearing a later date than your original proxy card; or

by attending the M&T or Hudson City special meeting, as applicable, and voting in person, as long as, in the case of Hudson City, you have also revoked by one of the above methods any previously delivered proxy.

If you choose any of the first three methods, you must take the described action no later than the beginning of the applicable special meeting.

If your shares are held in an account at a broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote. If you hold shares indirectly in the Hudson City ESOP or the Hudson City PIB, you should contact the ESOP trustee or PIB trustee, as

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applicable, to change your vote of the shares allocated to your ESOP account or PIB account, as applicable.

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**Q: ARE HUDSON CITY STOCKHOLDERS ENTITLED TO APPRAISAL RIGHTS?**

A: Yes, Hudson City stockholders are entitled to appraisal rights under Section 262 of the General Corporation Law of the State of Delaware, which is referred to as Delaware law, provided they satisfy the special criteria and conditions set forth in Section 262 of Delaware law. More information regarding these appraisal rights are described in this document, and the provisions of Delaware law that grant appraisal rights and govern such procedures are attached as Appendix E to this document. You should read these provisions carefully and in their entirety. See Appraisal Rights beginning on page 141.

**Q: WHAT ARE THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER TO HUDSON CITY STOCKHOLDERS?**

The obligation of M&T and Hudson City to complete the merger is conditioned upon the receipt of legal opinions from their respective counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Provided that the merger qualifies as a reorganization for United States federal income tax purposes, the specific tax consequences of the merger to a Hudson City stockholder will depend upon the form of consideration such Hudson City stockholder receives in the merger.

If you receive solely shares of M&T common stock and cash instead of a fractional share of M&T common stock in exchange for your Hudson City common stock, then you generally will not recognize any gain or loss, except with respect to the cash received instead of a fractional share of M&T common stock.

If you receive solely cash, then you generally will recognize gain or loss equal to the difference between the amount of cash you receive and your cost basis in your Hudson City common stock. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Hudson City common stock.

If you receive a combination of M&T common stock and cash, other than cash instead of a fractional share of M&T common stock, in exchange for your Hudson City common stock, then you may recognize gain, but you will not recognize loss, upon the exchange of your shares of Hudson City common stock for shares of M&T common stock and cash. If the sum of the fair market value of the M&T common stock and the amount of cash you receive in exchange for your shares of Hudson City common stock exceeds the cost basis of your shares of Hudson City common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Hudson City common stock. Depending on certain facts specific to you, any gain could instead be characterized as ordinary dividend income.

For a more detailed discussion of the material United States federal income tax consequences of the transaction, see Material United States Federal Income Tax Consequences of the Merger beginning on page 119.

The consequences of the merger to any particular shareholder will depend on that shareholder's particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger.

**Q: WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?**

A: If the merger is not completed, Hudson City stockholders will not receive any consideration for their shares of Hudson City common stock in connection with the merger. Instead, Hudson City will remain an



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independent public company and its common stock will continue to be listed and traded on the Nasdaq Global Select Market, which is referred to as the NASDAQ. Under specified circumstances, Hudson City may be required to pay to or receive from M&T a fee with respect to the termination of the merger agreement, as described under "The Merger Agreement - Termination; Termination Fee" beginning on page 114.

**Q: SHOULD HUDSON CITY STOCKHOLDERS SEND IN THEIR STOCK CERTIFICATES NOW?**

A: No. Hudson City stockholders **SHOULD NOT** send in any stock certificates now. If the merger is approved, an election form and transmittal materials, with instructions for their completion, will be provided to Hudson City stockholders under separate cover and the stock certificates should be sent at that time.

**Q: WHAT ARE THE SERIES A PREFERRED SHARE AMENDMENT PROPOSAL AND THE SERIES C PREFERRED SHARE AMENDMENT PROPOSAL AND WHY ARE M&T SHAREHOLDERS BEING ASKED TO APPROVE THEM?**

A: M&T shareholders are being asked to approve certain amendments to the terms of each of the Series A Preferred Shares and the Series C Preferred Shares that would serve to reduce the dividend rate on each of the Series A Preferred Shares and the Series C Preferred Shares from 9% per annum to 6.375% per annum, effective November 15, 2013, and extend the earliest date that such Series A Preferred Shares and Series C Preferred Shares can be redeemed to November 15, 2018. These amendments have been previously approved by M&T's Board of Directors and by the U.S. Treasury and are being undertaken in connection with the U.S. Treasury's previously announced offering of the Series A Preferred Shares and Series C Preferred Shares for sale to the public and the completion of M&T's exit from the U.S. Treasury's TARP program. The U.S. Treasury completed its offering of the Series A Preferred Shares and Series C Preferred Shares on August 21, 2012.

Currently, under M&T's Certificate of Incorporation, as amended, the Series A Preferred Shares bear an initial dividend rate of 5% per annum through February 14, 2014 and the Series C Preferred Shares bear an initial dividend rate of 5% per annum through November 14, 2013, and these dividend rates will increase to 9% per annum on and after February 15, 2014 for the Series A Preferred Shares and on and after November 15, 2013 for the Series C Preferred Shares. Under the Preferred Share Amendment proposal, the initial dividend rate on each series of preferred shares will be 5% per annum through November 14, 2013, and will increase to 6.375% per annum on and after November 15, 2013. Also, in connection with the previously announced offering of the Series A Preferred Shares and Series C Preferred Shares, M&T contractually agreed for the benefit of holders of the preferred shares not to redeem the preferred shares until on or after November 15, 2018, subject to limited exceptions. These modified redemption terms to each of the Series A Preferred Shares and the Series C Preferred Shares are also included in the Series A Preferred Share Amendment proposal and the Series C Preferred Share Amendment proposal, respectively.

In the event that M&T shareholders do not approve the Preferred Share Amendment proposal, the dividend rate payable on each of the Series A Preferred Shares and Series C Preferred Shares would increase to 9% per annum as of November 15, 2013 instead of to 6.375% per annum, unless M&T shareholders approve the Preferred Share Amendment proposal at a subsequent shareholder meeting.

Approval of neither the Series A Preferred Share Amendment proposal nor the Series C Preferred Share Amendment proposal is a condition to completion of the merger. Only approval of the Stock Issuance proposal is required to complete the merger. Similarly, neither the Series A Preferred Share Amendment proposal nor Series C the Preferred Share Amendment proposal is conditioned on the approval of the Stock Issuance proposal.

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**Q: WHOM SHOULD I CONTACT IF I HAVE ANY QUESTIONS ABOUT THE PROXY MATERIALS OR VOTING?**

A: If you have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this document or the enclosed proxy card, you should contact the proxy solicitation agent for the company in which you hold shares.

If you are an M&T shareholder, you should contact M&T at (716) 842-5138. If you are a Hudson City stockholder, you should contact Georgeson, the proxy solicitation agent for Hudson City, toll-free at (888) 867-6963 (banks and brokers toll-free collect at (800) 223-2064).

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**SUMMARY**

*This summary highlights selected information included in this document and does not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents to which we refer before you decide how to vote with respect to the merger-related proposals. In addition, we incorporate by reference important business and financial information about Hudson City and M&T into this document. For a description of this information, see *Incorporation of Certain Documents by Reference* on page 145. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled *Where You Can Find More Information* in the forepart of this document. Each item in this summary includes a page reference directing you to a more complete description of that item.*

*Unless the context otherwise requires, throughout this document, *M&T* refers to M&T Bank Corporation, *Merger Sub* refers to Wilmington Trust Corporation, *Hudson City* refers to Hudson City Bancorp, Inc. and *we, us and our* refers collectively to M&T and Hudson City. Also, we refer to the proposed merger of Hudson City with and into Merger Sub as the *merger*, the proposed merger of Hudson City Savings Bank with and into Manufacturers and Traders Trust Company as the *bank merger* and the Agreement and Plan of Merger, dated as of August 27, 2012, by and among M&T, Hudson City and Merger Sub as the *merger agreement*.*

**The Merger and the Merger Agreement (page 103)**

The terms and conditions of the merger are contained in the merger agreement, which is attached to this document as Appendix A. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

Under the terms of the merger agreement, Hudson City will merge with and into Merger Sub with Merger Sub surviving the merger as a direct, wholly owned subsidiary of M&T.

**Merger Consideration (page 62)**

Hudson City stockholders will have the right to receive, in exchange for each share of Hudson City common stock, subject to proration and adjustment procedures as specified in the merger agreement, either 0.08403 of a share of M&T common stock, which is referred to as the exchange ratio, or cash having a value equal to 0.08403 multiplied by the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger, which is referred to as the merger consideration. Elections by Hudson City stockholders will be prorated and adjusted such that in the aggregate approximately 60% of Hudson City's outstanding shares of common stock will be converted into the right to receive shares of M&T common stock and the balance will be converted into the right to receive the cash consideration.

Hudson City stockholders may specify different elections with respect to different shares of Hudson City common stock that they hold (if, for example, you own 100 shares of Hudson City common stock, you could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

Based on the closing price of M&T common stock on the NYSE on August 24, 2012, the last trading day before the announcement of the merger, a share of Hudson City common stock entitled to receive 0.08403 of a share of M&T common stock would receive stock consideration valued at approximately \$7.22 per share of Hudson City common stock. Based on the average closing trading price over the ten trading days ending on August 24, 2012, a share of Hudson City common stock entitled to receive cash would receive cash consideration valued at approximately \$7.28 per share of Hudson City common stock. Based on the closing price of M&T



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common stock on the NYSE on February 20, 2013, the latest practicable date before the printing of this document, a share of Hudson City common stock entitled to receive 0.08403 of a share of M&T common stock would receive stock consideration valued at approximately \$8.79 per share of Hudson City common stock. Based on the average closing price of M&T common stock on the NYSE for the ten trading days ending February 20, 2013, a share of Hudson City common stock entitled to receive cash consideration valued at approximately \$8.79 per share of Hudson City common stock. If you receive cash as merger consideration, the value of the merger consideration that you will receive for each share of Hudson City common stock will depend on the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger. If you receive M&T common stock as merger consideration, the value of the merger consideration that you will receive for each share of Hudson City common stock will depend on the price per share of M&T common stock at the time you receive the shares of M&T common stock. Therefore, the value of the merger consideration may be different than its estimated value based on the current price of M&T common stock or the price of M&T common stock at the time of the M&T and Hudson City special meetings.

### **Recommendation of the Hudson City Board of Directors (page 69)**

After careful consideration of a number of factors, including the terms of the merger agreement and the implied value of the merger consideration at the time, the Hudson City board of directors concluded that the merger and the transactions contemplated by the merger agreement are advisable and in the best interests of Hudson City and its stockholders. The Hudson City board of directors recommends that Hudson City stockholders vote **FOR** the Merger proposal, **FOR** the Merger-Related Named Executive Officer Compensation proposal and **FOR** the Hudson City Adjournment proposal (if necessary or appropriate).

For a more complete description of Hudson City's reasons for the merger and the recommendations of the Hudson City board of directors, see Recommendation of the Hudson City Board of Directors and Reasons for the Merger beginning on page 69.

### **Recommendation of the M&T Board of Directors (page 79)**

After careful consideration of a number of factors, including the merger's anticipated expansion of M&T's community banking franchise and the merger's anticipated positive impact on M&T's financial metrics and regulatory capital levels, the M&T board of directors determined that the merger agreement and the transactions contemplated by the merger agreement, including the issuance of M&T common stock in connection with the merger, are advisable and in the best interests of M&T and its shareholders. The M&T board of directors therefore recommends that M&T shareholders vote **FOR** the Stock Issuance proposal, **FOR** the Series A Preferred Share Amendment proposal, **FOR** the Series C Preferred Share Amendment proposal and **FOR** the M&T Adjournment proposal (if necessary or appropriate).

For a more complete description of M&T's reasons for the merger and the recommendations of the M&T board of directors, see Recommendation of the M&T Board of Directors and Reasons for the Merger beginning on page 79.

### **Opinion of Financial Advisors**

#### *Hudson City Financial Advisor (page 72)*

In connection with the merger, the Hudson City board of directors received an opinion from J.P. Morgan Securities LLC, which is referred to as J.P. Morgan. On August 26, 2012, J.P. Morgan delivered to the Hudson City board of directors its oral opinion, which opinion was confirmed by delivery of a written opinion, dated August 26, 2012, to the effect that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth therein, the merger consideration to be paid to the holders of Hudson City common stock in the proposed transaction with M&T was fair, from a financial point of view, to such holders.

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The full text of J.P. Morgan's written opinion is attached to this document as Appendix B. You should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in rendering its opinion. **J.P. Morgan's written opinion is addressed to the Hudson City board of directors, is directed only to the consideration to be paid in the merger and does not constitute a recommendation to any Hudson City stockholder as to how such stockholder should vote with respect to the merger or any other matter.**

### *M&T Financial Advisor (page 81)*

In connection with the merger, the M&T board of directors received an opinion from Evercore Group, L.L.C., which is referred to as Evercore, as to the fairness, from a financial point of view, to M&T of the merger consideration to be paid by M&T to the holders of shares of Hudson City common stock. On August 26, 2012, at a meeting of the M&T board of directors, Evercore rendered its oral opinion, subsequently confirmed by delivery of a written opinion on August 27, 2012, that, as of August 27, 2012, and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the merger consideration pursuant to the merger agreement was fair, from a financial point of view, to M&T.

The full text of Evercore's written opinion, dated as of August 27, 2012, is attached to this document as Appendix C. **Evercore's opinion was addressed to, and provided for the information and benefit of, the M&T board of directors (in its capacity as such) in connection with its evaluation of the fairness of the merger consideration from a financial point of view, and did not address any other aspects or implications of the merger. The opinion does not constitute a recommendation to the M&T board of directors or to any other persons in respect of the merger, including as to how any holder of shares of M&T common stock or Hudson City common stock should vote or act in respect of the merger or the issuance of M&T common stock in the merger. Evercore's opinion does not address the relative merits of the merger as compared to any other business or financial strategies that might be available to M&T, nor does it address the underlying business decision of M&T to engage in the merger.**

### **Hudson City Special Meeting of Stockholders (page 44)**

The Hudson City special meeting will be held at 9:00 a.m., Eastern time, on April 18, 2013, at the Park Ridge Marriott, 300 Brae Boulevard, Park Ridge, New Jersey 07656. At the Hudson City special meeting, Hudson City stockholders will be asked to approve the Merger proposal, the Merger-Related Named Executive Officer Compensation proposal and the Hudson City adjournment proposal.

Hudson City's board of directors has fixed the close of business on February 20, 2013 as the record date for determining the holders of Hudson City common stock entitled to receive notice of and to vote at the Hudson City special meeting. Only holders of record of Hudson City common stock at the close of business on the Hudson City record date will be entitled to notice of and to vote at the Hudson City special meeting and any adjournment or postponement thereof. As of the Hudson City record date, there were 528,212,690 shares of Hudson City common stock outstanding and entitled to vote at the Hudson City special meeting held by 26,258 holders of record. Each share of Hudson City common stock entitles the holder to one vote on each proposal to be considered at the Hudson City special meeting. As of the record date, directors and executive officers of Hudson City and their affiliates owned and were entitled to vote 10,432,955 shares of Hudson City common stock, representing approximately 2% of the shares of Hudson City common stock outstanding on that date. Hudson City currently expects that Hudson City's directors and executive officers will vote their shares in favor of the Merger proposal, the Merger-Related Named Executive Officer Compensation proposal and the Hudson City adjournment proposal, although none of them has entered into any agreements obligating them to do so. As of the record date, M&T did not beneficially hold any shares of Hudson City's common stock.

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Approval of the Merger proposal requires the affirmative vote of a majority of the outstanding shares of Hudson City common stock entitled to vote on the proposal. Approval of the Merger-Related Named Executive Officer Compensation proposal and the Hudson City Adjournment proposal each require the affirmative vote of a majority of the shares of Hudson City common stock represented (in person or by proxy) at the Hudson City special meeting and entitled to vote on the proposal.

### **M&T Special Meeting of Shareholders (page 50)**

The M&T special meeting will be held at 11:00 a.m., Eastern time, on April 16, 2013, on the 10th floor of M&T Plaza in Buffalo, New York. At the M&T special meeting, M&T shareholders will be asked to approve the Stock Issuance proposal, the Series A Preferred Share Amendment proposal, the Series C Preferred Share Amendment proposal and the M&T adjournment proposal.

M&T's board of directors has fixed the close of business on February 20, 2013 as the record date for determining the holders of M&T common stock entitled to receive notice of and to vote at the M&T special meeting. As of the M&T record date, there were 128,727,372 shares of M&T common stock outstanding and entitled to vote at the M&T special meeting held by 15,500 holders of record. Each share of M&T common stock entitles the holder to one vote on each proposal to be considered at the M&T special meeting. As of the record date, directors and executive officers of M&T and their affiliates owned and were entitled to vote 7,353,563 shares of M&T common stock, representing approximately 5.7% of the shares of M&T common stock outstanding on that date. M&T currently expects that M&T's directors and executive officers will vote their shares in favor of the Stock Issuance proposal, the Series A Preferred Share Amendment proposal, the Series C Preferred Share Amendment proposal and the M&T adjournment proposal, although none of them has entered into any agreements obligating them to do so. As of the record date, Hudson City did not beneficially hold any shares of M&T's common stock.

Approval of the Stock Issuance proposal requires the affirmative vote of a majority of the shares of M&T common stock represented (in person or by proxy) and entitled to vote on the proposal, provided that the total votes cast on the proposal (including abstentions) must represent a majority of the shares of M&T common stock outstanding. Approval of each of the Series A Preferred Share Amendment proposal and the Series C Preferred Share Amendment proposal requires the affirmative vote of a majority of the outstanding shares of M&T common stock. Approval of the M&T Adjournment proposal requires the affirmative vote of a majority of the shares of M&T common stock represented (in person or by proxy) at the M&T special meeting and entitled to vote on the proposal.

### **Hudson City's Directors and Executive Officers Have Financial Interests in the Merger (page 90)**

Certain of Hudson City's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Hudson City's stockholders. The members of the Hudson City board of directors were aware of and considered these interests, among other matters, when they approved the merger agreement and recommended that Hudson City stockholders approve the Merger proposal. These interests are described in more detail in the section of this document entitled "The Merger Interests of Hudson City Directors and Executive Officers in the Merger" beginning on page 90.

### **Treatment of Hudson City Stock Options and Other Stock-Based Awards (page 103)**

Upon consummation of the merger, each outstanding Hudson City stock option, time-vested deferred stock unit and other stock-based award (except Hudson City deferred stock unit awards that vest in part based on the achievement of performance conditions) will be converted into a stock option, time-vested deferred stock unit award or other stock-based award with respect to shares of M&T common stock on the same terms and

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conditions as immediately prior to the closing of the merger (with any performance-based vesting conditions for outstanding stock options deemed satisfied), with the number of shares subject to such award (and the exercise price, in the case of stock options) to be adjusted based on the exchange ratio. Each outstanding Hudson City deferred stock unit award granted prior to August 27, 2012 that vests in part based on the achievement of performance conditions will be treated as follows: (1) all performance conditions will be deemed to have been satisfied or to have been achieved at target level, as applicable, (2) a pro-rated portion of each Hudson City performance-based deferred stock unit award will immediately vest and be converted into a right to receive a payment in cash, subject to the holder's delivery of an award surrender agreement, in an amount equal to the merger consideration less applicable taxes and withholding (with such proration to be determined based on the number of days of the applicable performance period that elapsed prior to the closing of the merger), and (3) the remaining portion of the Hudson City performance-based deferred stock unit award will be converted into a deferred stock unit award with respect to M&T common stock on the same terms and conditions as immediately prior to the closing of the merger with the number of shares subject to such award to be adjusted based on the exchange ratio. Each Hudson City performance-based deferred stock unit award granted on or after August 27, 2012 will be converted into a deferred stock unit award with respect to M&T common stock as described in clause (3) of the prior sentence.

### **Regulatory Approvals Required for the Merger (page 99)**

Completion of the merger and the bank merger are subject to various regulatory approvals, including approvals from the Board of Governors of the Federal Reserve System, which is referred to as the Federal Reserve Board, and the New York State Department of Financial Services, which is referred to as the NYDFS. Notice of the bank merger must also be given to the Office of the Comptroller of the Currency, which is referred to as the OCC. Notifications and/or applications requesting approval for the merger or for the bank merger may also be submitted to other federal and state regulatory authorities and self-regulatory organizations. We have filed, or are in the process of filing, notices and applications to obtain the necessary regulatory approvals. Although we currently believe we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to or have a material adverse effect on M&T or its subsidiaries after the completion of the merger. The regulatory approvals to which completion on the merger and bank merger are subject are described in more detail in the section of this document entitled "The Merger Regulatory Approvals Required for the Merger" beginning on page 99.

### **Appraisal Rights (page 141)**

Section 262 of Delaware law provides holders of Hudson City common stock with the ability to dissent from the merger and seek appraisal of their shares. A holder of Hudson City common stock who properly seeks appraisal and complies with the applicable requirements under Delaware law, which are referred to as dissenting stockholders, will forego the merger consideration and instead receive a cash payment equal to the fair value of his, her or its shares of Hudson City common stock in connection with the merger. Fair value will be determined by a court following an appraisal proceeding. Dissenting stockholders will not know the appraised fair value at the time such holders must elect whether to seek appraisal. The ultimate amount dissenting stockholders receive in an appraisal proceeding may be more or less than, or the same as, the amount such holders would have received under the merger agreement. A detailed description of the appraisal rights available to holders of Hudson City common stock and procedures required to exercise statutory appraisal rights is included in the section entitled "Appraisal Rights" beginning on page 141.

To seek appraisal, a Hudson City stockholder must deliver a written demand for appraisal to Hudson City before the vote on the merger agreement at the Hudson City special meeting, and the Hudson City stockholder must not vote in favor of the Merger proposal. Failure to follow exactly the procedures specified under Delaware

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law will result in the loss of appraisal rights. For a further description of the appraisal rights available to Hudson City stockholders and procedures required to exercise appraisal rights, see the section entitled "Appraisal Rights" beginning on page 141.

### **Conditions to the Merger (page 113)**

The obligations of M&T and Hudson City to complete the merger are each subject to the satisfaction (or waiver by all parties) of the following conditions:

approval of the Stock Issuance proposal by the M&T shareholders and approval of the Merger proposal by the Hudson City stockholders;

authorization for listing on the NYSE of the shares of M&T common stock to be issued in the merger;

the effectiveness of the registration statement on Form S-4 of which this document is a part and the absence of a stop order suspending the effectiveness of the registration statement or proceedings initiated or threatened by the SEC for that purpose;

receipt of required regulatory approvals and the absence of any injunction or other legal prohibition or restraint against the merger, in each case without the imposition of a "burdensome condition", defined in the merger agreement to mean a condition that would reasonably be likely to have a material and adverse effect on M&T and its subsidiaries, taken as a whole, giving effect to the proposed transaction (measured on a scale relative to Hudson City and its subsidiaries, taken as a whole);

accuracy of the other party's representations and warranties in the merger agreement as of the closing date of the merger, subject to applicable materiality qualifiers;

the prior performance by the other party, in all material respects, of its obligations under the merger agreement; and

receipt of a legal opinion from its counsel to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

### **No Solicitation (page 109)**

Under the terms of the merger agreement, Hudson City has agreed not to initiate, solicit, encourage or knowingly facilitate inquiries or proposals with respect to, or engage or participate in any negotiations concerning, or provide any confidential or nonpublic information or data to, or have any discussions with, any person relating to, any acquisition proposal. Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances, in response to an unsolicited bona fide acquisition proposal which, in the good faith judgment of the Hudson City board of directors, is or is reasonably likely to result in a proposal which is superior to the merger with M&T, and the Hudson City board of directors determines in good faith (and based on the advice of outside counsel) that failure to take such actions would be more likely than not to result in a violation of its fiduciary duties under applicable law, Hudson City may furnish information regarding Hudson City and participate in discussions and negotiations with such third party.

### **Termination; Termination Fee (page 114)**

M&T and Hudson City may mutually agree at any time to terminate the merger agreement without completing the merger, even if the Hudson City stockholders have adopted the merger agreement and the M&T shareholders have approved the issuance of M&T common stock in connection with the merger.



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The merger agreement may also be terminated and the merger abandoned at any time prior to the effective time of the merger, as follows:

by either party, if a required governmental approval is denied by final, non-appealable action (which denial may be as a result of the applicable governmental entity's willingness to approve the merger only with the imposition of a burdensome condition), or if a governmental entity has issued a final, nonappealable injunction or decree permanently enjoining or otherwise prohibiting or making illegal the closing of the merger;

by either party, if the merger has not closed by the close of business on August 27, 2013, unless the failure to close by such date is due to the terminating party's failure to abide by the merger agreement;

by either party, if there is a breach by the other party that would result in the failure of the conditions of the terminating party's obligation to complete the merger, unless the breach is capable of being, and is, cured within the earlier of August 27, 2013 and 60 days following written notice of the breach (provided that the terminating party is not then in material breach of the merger agreement);

by either party, if the M&T shareholders fail to approve the Stock Issuance proposal;

by either party, if the Hudson City stockholders fail to approve the Merger proposal;

by M&T, if Hudson City or Hudson City's board of directors (1) submits the merger agreement to its stockholders without a recommendation for approval, or otherwise withdraws or materially and adversely modifies its recommendation for approval (or discloses an intention to do so), or recommends to its stockholders certain business combination proposals other than the merger agreement, (2) materially breaches its obligation to call a stockholder meeting or to prepare and mail the proxy statement/prospectus to its stockholders pursuant to the merger agreement or (3) materially breaches its non-solicitation obligations under the merger agreement; or

by M&T, if a tender or exchange offer for 20% or more of the outstanding shares of Hudson City common stock is commenced (other than by M&T or a subsidiary of M&T), and Hudson City's board of directors recommends that the Hudson City stockholders tender their shares in such tender or exchange offer or otherwise fails to recommend that such stockholders reject such tender or exchange offer within ten business days.

Hudson City may be required to pay M&T a termination fee of \$125 million in certain circumstances. M&T may also be required to pay Hudson City a termination fee of \$125 million in circumstances where M&T shareholders have failed to approve the merger and M&T is in breach of certain of its covenants under the merger agreement. See "The Merger Agreement Termination; Termination Fee" beginning on page 114.

**Litigation Related to the Merger (page 117)**

Following the announcement of the proposed transaction on August 27, 2012, multiple purported stockholders of Hudson City filed putative class action law suits challenging various aspects of the proposed transaction. Eighteen of these suits were filed in the Delaware Court of Chancery and six of these suits were filed in the Superior Court for Bergen County, Chancery Division, of New Jersey. These actions name Hudson City, its current board of directors, and M&T as defendants; certain of the suits also name Hudson City Savings Bank and Wilmington Trust Corporation as defendants. As a general matter, these actions allege that the Hudson City board breached their fiduciary duties to Hudson City public stockholders by approving the proposed transaction at an unfair price and through a flawed sales process, including by agreeing to impermissible deal protection devices. Certain of the actions also allege that certain Hudson City directors will benefit personally and financially from the proposed transaction in a way not shared in by Hudson City's public stockholders, and that Hudson City and M&T filed a materially deficient Form S-4 with the SEC in connection with the proposed transaction. The actions all further allege that M&T aided and abetted the Hudson City board's breaches of their fiduciary duties. All 24 lawsuits seek, among other things, to enjoin completion of the merger and an award of





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costs and attorneys' fees. Certain of the actions also seek an accounting of damages sustained as a result of the alleged breaches of fiduciary duty and punitive damages. The defendants believe these actions are without merit. For additional information, see "Litigation Related to the Merger" beginning on page 117.

### **Comparison of Shareholders' Rights (page 129)**

The rights of Hudson City stockholders who continue as M&T shareholders after the merger will be governed by the certificate of incorporation and bylaws of M&T rather than by the certificate of incorporation and bylaws of Hudson City. In addition, the rights of shareholders under New York law, where M&T is organized, may differ from the rights of shareholders under Delaware law, where Hudson City is organized.

### **Preferred Share Amendments (page 54)**

At the M&T special meeting, M&T shareholders will be asked to approve each of the Series A Preferred Share Amendment proposal, which involves a proposal to amend the terms of M&T's outstanding Series A Preferred Shares, and the Series C Preferred Share Amendment proposal, which involves a proposal to amend the terms of M&T's outstanding Series C Preferred Shares. Each of these amendments is being undertaken in connection with the U.S. Treasury's previously announced offering of these preferred shares for sale to the public and the completion of M&T's exit from the U.S. Treasury's TARP program which the U.S. Treasury completed on August 21, 2012. Neither the approval of the Series A Preferred Share Amendment proposal nor the approval of the Series C Preferred Share Amendment proposal is a condition to completion of the merger. Only approval of the Stock Issuance proposal is required to complete the merger. Similarly, neither the Series A Preferred Share Amendment proposal nor the Series C Preferred Share Amendment proposal is conditioned on the approval of the Stock Issuance proposal.

### **The Parties (page 57)**

#### **M&T Bank Corporation**

One M&T Plaza

Buffalo, New York 14203

(716) 842-5138

M&T is a New York business corporation that is registered as a financial holding company under the Bank Holding Company Act of 1956, as amended and as a bank holding company under Article III-A of the New York Banking Law. M&T was incorporated in November 1969. As of September 30, 2012, M&T had consolidated total assets of \$81.1 billion, deposits of \$64.0 billion and shareholders' equity of \$9.9 billion. M&T had 13,673 full-time and 1,294 part-time employees as of September 30, 2012.

#### **Merger Sub**

c/o M&T Bank Corporation

One M&T Plaza

Buffalo, New York 14203

(716) 842-5138

Merger Sub, whose legal name is Wilmington Trust Corporation, is a Delaware corporation and a direct, wholly owned subsidiary of M&T. Upon the completion of the merger, Merger Sub will continue to exist as a direct wholly owned subsidiary of M&T.

#### **Hudson City Bancorp, Inc.**

West 80 Century Road

Paramus, New Jersey 07652

Phone: (201) 967-1900

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Hudson City is a Delaware corporation organized in 1999 and serves as the holding company of its only direct subsidiary, Hudson City Savings Bank. As of September 30, 2012, Hudson City had consolidated total assets of approximately \$41.9 billion, deposits of approximately \$24.0 billion and shareholders' equity of approximately \$4.7 billion. Hudson City had 1,486 full-time and 159 part-time employees as of December 31, 2011. The principal asset of Hudson City is its investment in Hudson City Savings Bank.

Hudson City Savings Bank has served its customers since 1868. Hudson City Savings Bank conducts its operations out of its home office in Paramus in Bergen County, New Jersey and through 134 branches in the New York metropolitan area. In New Jersey, Hudson City Savings Bank operates its home office in Paramus and 96 branches located in 17 counties throughout the state. In New York State, Hudson City Savings Bank operates ten branch offices in Westchester County, 12 branch offices in Suffolk County, 1 branch office each in Putnam and Rockland Counties and 5 branch offices in Richmond County (Staten Island). Hudson City Savings Banks also operates 9 branch offices in Fairfield County, Connecticut and opens deposit accounts through an internet banking service.

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA FOR M&T**

The following table summarizes financial results achieved by M&T for the periods and at the dates indicated and should be read in conjunction with M&T's consolidated financial statements and the notes to the consolidated financial statements contained in reports that M&T has previously filed with the SEC. Historical financial information for M&T can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 and its Annual Report on Form 10-K for the year ended December 31, 2011. See "Where You Can Find More Information" in the forepart of this document for instructions on how to obtain the information that has been incorporated by reference. Financial amounts as of and for the nine months ended September 30, 2012 and 2011 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), but management of M&T believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the nine months ended September 30, 2012 and 2011 indicate results for any future period.

<i>(In Thousands, Except Per Share Data)</i>	<b>Nine Months Ended September 30</b>		<b>Year Ended December 31</b>				
	<b>2012</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>SUMMARIZED INCOME STATEMENT DATA:</b>							
Net interest income	\$ 1,931,094	\$ 1,771,725	\$ 2,389,756	\$ 2,267,526	\$ 2,055,748	\$ 1,939,796	\$ 1,850,237
Provision for credit losses	155,000	196,000	270,000	368,000	604,000	412,000	192,000
Other income	1,214,106	1,184,458	1,582,912	1,108,100	1,048,106	938,979	932,989
Other expense	1,883,114	1,738,485	2,478,068	1,914,837	1,980,563	1,726,996	1,627,689
Income taxes	373,781	309,959	365,121	356,628	139,400	183,892	309,278
<b>Net income</b>	<b>\$ 733,305</b>	<b>\$ 711,739</b>	<b>\$ 859,479</b>	<b>\$ 736,161</b>	<b>\$ 379,891</b>	<b>\$ 555,887</b>	<b>\$ 654,259</b>
Net income available to common equity	\$ 687,296	\$ 661,846	\$ 793,622	\$ 685,418	\$ 335,680	\$ 555,096	\$ 654,259
<b>PER COMMON SHARE DATA:</b>							
Basic net income	\$ 5.39	\$ 5.34	\$ 6.37	\$ 5.72	\$ 2.90	\$ 5.04	\$ 6.05
Diluted net income	5.37	5.32	6.35	5.69	2.89	5.01	5.95
Book value at end of period	71.17	67.70	66.82	63.54	59.31	56.29	58.99
Cash dividends	2.10	2.10	2.80	2.80	2.80	2.80	2.60
<b>WEIGHTED AVERAGE NUMBER OF SHARES:</b>							
Basic	125,510	122,005	122,663	118,191	114,660	110,211	108,129
Diluted	125,936	122,521	123,079	118,843	114,776	110,904	110,012
<b>AVERAGE BALANCE SHEET DATA:</b>							
Total assets	\$ 79,518,313	\$ 72,489,196	\$ 73,977,333	\$ 68,380,119	\$ 67,471,551	\$ 65,132,499	\$ 58,545,310
Total borrowings	6,761,863	7,967,419	7,786,232	11,023,701	14,003,630	17,690,471	13,814,354
Shareholders' equity	9,567,994	8,865,619	9,003,541	8,103,387	7,281,509	6,437,443	6,247,274

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA FOR HUDSON CITY**

The following table summarizes financial results achieved by Hudson City for the periods and at the dates indicated and should be read in conjunction with Hudson City's consolidated financial statements and the notes to the consolidated financial statements contained in reports that Hudson City has previously filed with the SEC. Historical financial information for Hudson City can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 and its Annual Report on Form 10-K for the year ended December 31, 2011. See "Where You Can Find More Information" in the forepart of this document for instructions on how to obtain the information that has been incorporated by reference. Financial amounts as of and for the nine months ended September 30, 2012 and 2011 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), but management of Hudson City believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the nine months ended September 30, 2012 and 2011 indicate results for any future period.

<i>(In Thousands, Except Per Share Data)</i>	Nine Months Ended September 30			Year Ended December 31			
	2012	2011	2011	2010	2009	2008	2007
<b>SUMMARIZED INCOME STATEMENT DATA:</b>							
Net interest income	\$ 661,659	\$ 773,953	\$ 980,934	\$ 1,190,827	\$ 1,243,478	\$ 941,977	\$ 647,183
Provision for credit losses	70,000	95,000	120,000	195,000	137,500	19,500	4,800
Other income	8,728	111,033	113,917	162,994	33,584	8,485	7,273
Loss on extinguishment of debt		1,172,092	1,900,591				
Other expense	269,046	237,974	329,569	266,388	265,596	198,076	167,913
Income tax expense (benefit)	130,146	(244,627)	(519,320)	355,227	346,722	287,328	185,885
Net income (loss)	\$ 201,195	\$ (375,453)	\$ (735,989)	\$ 537,206	\$ 527,244	\$ 445,558	\$ 295,858
Net income (loss) available to common equity	\$ 201,195	\$ (375,453)	\$ (735,989)	\$ 537,206	\$ 527,244	\$ 445,558	\$ 295,858
<b>PER COMMON SHARE DATA:</b>							
Basic net income (loss)	\$ 0.41	\$ (0.76)	\$ (1.49)	\$ 1.09	\$ 1.08	\$ 0.92	\$ 0.59
Diluted net income (loss)	0.41	(0.76)	(1.49)	1.09	1.07	0.90	0.58
Book value at end of period	9.48	10.05	9.20	11.16	10.85	10.10	9.55
Cash dividends	0.24	0.31	0.39	0.60	0.59	0.45	0.33
<b>WEIGHTED AVERAGE NUMBER OF SHARES:</b>							
Basic	496,436	493,995	494,629	493,033	488,908	484,907	499,608
Diluted	496,446	493,995	494,629	494,314	491,296	495,856	509,927
<b>AVERAGE BALANCE SHEET DATA:</b>							
Total assets	\$ 43,661,724	\$ 54,374,601	\$ 53,158,090	\$ 60,833,061	\$ 57,341,318	\$ 48,886,250	\$ 39,845,382
Total borrowings	13,952,024	23,646,545	22,477,142	29,909,110	30,136,019	27,202,597	20,592,085
Shareholders' equity	4,666,006	5,036,286	5,000,925	5,559,437	5,177,785	4,761,558	4,752,285

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**SUMMARY UNAUDITED PRO FORMA CONDENSED  
COMBINED CONSOLIDATED FINANCIAL DATA**

The merger will be accounted for as an acquisition of Hudson City by M&T using the acquisition method of accounting. See "The Merger Accounting Treatment" on page 101. The following tables present, as at the dates and for the periods indicated, selected unaudited pro forma condensed combined consolidated financial information and explanatory note, and include the impact of the merger on M&T's historical financial positions and results of operations. The unaudited pro forma condensed combined consolidated balance sheet data at September 30, 2012 has been prepared to give effect to the merger as if the merger was completed on September 30, 2012. The unaudited pro forma condensed combined consolidated statements of income for the nine months ended September 30, 2012 and year ended December 31, 2011 has been prepared to give effect to the merger as if the merger had been completed on January 1, 2011.

The unaudited pro forma condensed combined consolidated financial information has been derived from and should be read in conjunction with M&T's and Hudson City's audited consolidated financial statements as at and for the year ended December 31, 2011, and their respective unaudited consolidated financial statements as at and for the nine months ended September 30, 2012.

The following selected unaudited pro forma condensed combined consolidated financial information is for illustrative purposes only and does not purport to indicate the financial results of the combined company had the merger taken place on January 1, 2011 for consolidated statements of income purposes, and on September 30, 2012 for consolidated balance sheet purposes, and is not intended to be a projection of future results. It does not represent the impact of possible business model changes or potential changes to asset valuations due to changes in market conditions. The unaudited pro forma condensed combined consolidated financial information also does not consider any potential impacts of changes in market conditions on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors. Future results are anticipated to vary significantly from the results reflected because of various factors, including those discussed in the section entitled "Risk Factors" on page 24. The following selected unaudited pro forma condensed combined consolidated financial information should be read in conjunction with the section entitled "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements" and related notes included in this document on page 122.

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<i>(Dollars in thousands)</i>	<b>As of and for the Nine Months Ended September 30, 2012</b>	<b>For the Year Ended December 31, 2011</b>
<b>Consolidated Statements of Income</b>		
Total interest income	\$ 3,285,540	\$ 4,642,762
Total interest expense	503,683	1,036,085
Net interest income	2,781,857	3,606,677
Provision for credit losses	225,000	390,000
Other income	1,222,834	1,696,829
Other expense	2,151,037	4,706,731
Income before taxes	1,628,654	206,775
Income tax expense (benefit)	579,038	(60,428)
Net income	\$ 1,049,616	\$ 267,203
Net income available to common shareholders	\$ 993,132	\$ 189,467
<b>Consolidated Balance Sheet</b>		
Investment securities	\$ 19,740,086 <sup>(1)</sup>	
Loans and leases, net	91,441,117	
Total assets	125,232,192 <sup>(1)</sup>	
Total deposits	88,256,329	
Total borrowings	22,680,007 <sup>(1)</sup>	
Common shareholders' equity	11,550,204	

- (1) Subsequent to the acquisition of Hudson City, M&T expects to restructure the combined entity's balance sheet by extinguishing Hudson City's borrowings with a fair value of \$15,435,477,000 using proceeds from the liquidation of Hudson City's investment securities with a fair value of \$13,116,082,000, the realization of related deferred tax assets of \$900,448,000 and incremental short-term borrowings of \$1,418,947,000. As a result total assets and total liabilities would decrease by an estimated \$14,016,530,000.

**Table of Contents****UNAUDITED COMPARATIVE PER COMMON SHARE DATA**

The following table shows per share data regarding net income (loss), book value and cash dividends for (a) M&T and Hudson City on a historical basis, (b) M&T on a pro forma combined basis and (c) Hudson City on a pro forma equivalent basis. The pro forma earnings per share information was computed as if the merger had been completed on January 1, 2011. The pro forma book value per share information was computed as if the merger had been completed on September 30, 2012.

The following pro forma information has been derived from and should be read in conjunction with M&T's and Hudson City's audited consolidated financial statements as at and for the year ended December 31, 2011, and their respective unaudited consolidated financial statements as at and for the nine months ended September 30, 2012. This information is presented for illustrative purposes only. You should not rely on the pro forma combined or pro forma equivalent amounts as they are not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results. The information below should be read in conjunction with Unaudited Pro Forma Condensed Combined Consolidated Financial Statements on page 122.

	Historical		M&T Pro Forma Combined	Pro Forma Equivalent HCBK Share
	M & T	HCBK		
Per common share data:				
<b>Basic Earnings/(Loss)</b>				
For the nine months ended September 30, 2012	\$ 5.39	\$ 0.41	\$ 6.57	\$ 0.55
For the year ended December 31, 2011	6.37	(1.49)	1.28	0.11
<b>Diluted Earnings/(Loss)</b>				
For the nine months ended September 30, 2012	\$ 5.37	\$ 0.41	\$ 6.55	\$ 0.55
For the year ended December 31, 2011	6.35	(1.49)	1.27	0.11
<b>Cash Dividends</b>				
For the nine months ended September 30, 2012	\$ 2.10	\$ 0.24	\$ 2.10	\$ 0.18
For the year ended December 31, 2011	2.80	0.39	2.80	0.24
<b>Book Value</b>				
At September 30, 2012	\$ 71.17	\$ 9.48	\$ 75.37	\$ 6.33
At December 31, 2011	66.82	9.20		



**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share, as well as the dividend paid per share, of M&T common stock, which trades on the NYSE under the symbol MTB, and Hudson City common stock, which trades on the NASDAQ under the symbol HCBK.

	M&T Common Stock			Hudson City Common Stock		
	High	Low	Dividend	High	Low	Dividend
<b>2011</b>						
First Quarter	\$ 91.05	\$ 84.63	\$ 0.70	\$ 13.26	\$ 9.51	\$ 0.15
Second Quarter	\$ 90.76	\$ 83.31	\$ 0.70	\$ 10.05	\$ 7.89	\$ 0.08
Third Quarter	\$ 90.00	\$ 66.41	\$ 0.70	\$ 8.64	\$ 5.33	\$ 0.08
Fourth Quarter	\$ 80.02	\$ 66.40	\$ 0.70	\$ 6.36	\$ 5.09	\$ 0.08
<b>2012</b>						
First Quarter	\$ 87.37	\$ 76.82	\$ 0.70	\$ 7.62	\$ 6.34	\$ 0.08
Second Quarter	\$ 88.00	\$ 76.92	\$ 0.70	\$ 7.41	\$ 5.75	\$ 0.08
Third Quarter	\$ 95.98	\$ 82.29	\$ 0.70	\$ 8.00	\$ 5.69	\$ 0.08
Fourth Quarter	\$ 105.20	\$ 95.68	\$ 0.70	\$ 8.79	\$ 7.79	\$ 0.08
<b>2013</b>						
First Quarter (through February 20, 2013)	\$ 105.86	\$ 99.59		\$ 8.79	\$ 8.21	\$ 0.08

On August 24, 2012, the last trading day before the public announcement of the signing of the merger agreement, the closing sale price per share of M&T common stock on the NYSE was \$85.87 and the closing sale price per share of Hudson City common stock on the NASDAQ was \$6.44. On February 20, 2013, the latest practicable date before the date of this document, the last sales price per share of M&T common stock on the NYSE was \$104.65 and the last sales price per share of Hudson City common stock on the NASDAQ was \$8.68.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This document, including information included or incorporated by reference in this document contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving M&T's and Hudson City'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 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 M&T and Hudson City assume no duty to update forward-looking statements.

In addition to factors previously disclosed in M&T's and Hudson City's reports filed with the SEC and those identified elsewhere in this filing (including the Risk Factors beginning on page 27), 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 shareholders and Hudson City stockholders, 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;

inability to sustain revenue and earnings growth;

changes in interest rates and capital markets;

inflation;

customer acceptance of M&T and Hudson City's 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 divestiture;

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.

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**RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this document, including the matters addressed under the caption **Forward-Looking Statements**, Hudson City stockholders should carefully consider the following risk factors in deciding whether to vote for adoption of the merger agreement, and M&T shareholders should carefully consider the following risks in deciding whether to vote for approval of the issuance of the shares of M&T common stock in the merger. You should also consider the other information in this document and the other documents incorporated by reference into this document. See **Where You Can Find More Information** in the forepart of this document and **Incorporation of Certain Documents by Reference** on page 145.*

**Risks Related to the Merger**

*Because the Market Price of M&T Common Stock Will Fluctuate, Hudson City Stockholders Cannot Be Sure of the Value of the Merger Consideration They Will Receive.*

Upon completion of the merger, each share of Hudson City common stock will be converted into merger consideration consisting of shares of M&T common stock or cash pursuant to the terms of the merger agreement. If a Hudson City stockholder receives cash as merger consideration, the value of the merger consideration that such Hudson City stockholder will receive for each share of Hudson City common stock will depend on the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger and, if a Hudson City stockholder receives M&T common stock as merger consideration, the price per share of M&T common stock at the time the shares are received. Both the closing price of M&T common stock on the date that the merger is completed and the average trading price over the ten trading days immediately preceding the completion of the merger may vary from the closing price of M&T common stock on the date (a) M&T and Hudson City announced the merger, (b) that this document is being mailed to each of the M&T and Hudson City stockholders, (c) of the special meetings of M&T and Hudson City stockholders and (d) on which a Hudson City stockholder submits an election to receive cash or shares of M&T common stock in the merger. Any change in the market price of M&T common stock prior to completion of the merger will affect the value of the merger consideration that Hudson City stockholders will receive upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations, among other things. Many of these factors are beyond the control of M&T and Hudson City.

Accordingly, at the time of the Hudson City special meeting and at the time the Hudson City stockholders submit their elections to receive cash or shares of M&T common stock in the merger, Hudson City stockholders will not know or be able to calculate the amount of the cash consideration they would receive or the value of the M&T common stock they would receive upon completion of the merger. The exchange ratio of 0.08403 is fixed and will not be adjusted based on changes in the price of shares of M&T common stock or Hudson City common stock prior to the closing.

In addition, because the value of the cash consideration paid to Hudson City stockholders upon the completion of the merger will depend on the average closing price of M&T common stock for the ten trading days immediately preceding the completion of the merger, fluctuations in the closing price of M&T common stock over this period may result in the value of such cash consideration being different, as of the consummation of the merger, from the value of the shares of M&T common stock that are received by Hudson City stockholders who are entitled to receive stock consideration.

*Hudson City Stockholders May Receive a Form of Consideration Different From What They Elect.*

Although each Hudson City stockholder may elect to receive all cash or all M&T common stock in the merger, or cash for certain shares of Hudson City common stock and M&T common stock for other shares, the pool of cash and M&T common stock available for all Hudson City stockholders will be a fixed percentage of the

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aggregate merger consideration at closing. As a result, if either the aggregate cash or stock elections exceed the maximum available, and you choose the consideration election that exceeds the maximum available, some or all of your consideration may be in a form that you did not choose.

*Hudson City Stockholders Who Make Elections May Be Unable to Sell Their Shares in the Market Pending the Merger.*

Hudson City stockholders may elect to receive cash, stock or mixed consideration in the merger by completing an election form that will be sent under separate cover and is not being provided with this document. Elections will require that stockholders making the election turn in their Hudson City stock certificates. This means that during the time between when the election is made and the date the merger is completed, Hudson City stockholders will be unable to sell their Hudson City common stock. If the merger is unexpectedly delayed, this period could extend for a significant period of time. Hudson City stockholders can shorten the period during which they cannot sell their shares by delivering their election shortly before the election deadline. However, elections received after the election deadline will not be accepted or honored.

*Hudson City Stockholders Will Have a Reduced Ownership and Voting Interest After the Merger and Will Exercise Less Influence Over Management.*

Hudson City stockholders currently have the right to vote in the election of the board of directors of Hudson City and on other matters affecting Hudson City. Upon the completion of the merger, each Hudson City stockholder who receives shares of M&T common stock will become a shareholder of M&T with a percentage ownership of M&T that is smaller than the stockholder's percentage ownership of Hudson City. It is currently expected that the former stockholders of Hudson City as a group will receive shares in the merger constituting approximately 17.5% of the outstanding shares of M&T common stock immediately after the merger. Because of this, Hudson City stockholders may have less influence on the management and policies of M&T than they now have on the management and policies of Hudson City.

*The Market Price for M&T Common Stock May Be Affected by Factors Different from Those that Historically Have Affected Hudson City.*

Upon completion of the merger, certain holders of Hudson City common stock will become holders of M&T common stock. M&T's businesses differ from those of Hudson City, and accordingly the results of operations of M&T will be affected by some factors that are different from those currently affecting the results of operations of Hudson City. For example, M&T operates in certain areas of the United States, including Pennsylvania, Maryland, Delaware, northern Virginia and Washington D.C., where Hudson City does not. Accordingly, the results of operations of M&T will be affected by business and other developments in those areas of the country to a larger extent than those of Hudson City. In addition, M&T engages in certain lines of business, including an investment advisory business through its registered investment advisor subsidiaries, that Hudson City does not engage in. Accordingly, the results of operations of M&T will be affected by business and other developments in the investment advisory business that are different than those that historically have affected Hudson City. For a discussion of the businesses of M&T and Hudson City and of some important factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under "Incorporation of Certain Documents by Reference" beginning on page 145.

*M&T May Fail to Realize the Anticipated Benefits of the Merger.*

The success of the merger will depend on, among other things, M&T's ability to combine the businesses of M&T Bank and Hudson City in a manner that permits growth opportunities and does not materially disrupt the existing customer relationships of Hudson City nor result in decreased revenues due to any loss of customers. If M&T is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

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M&T and Hudson City have operated and, until the completion of the merger, will continue to operate, independently. Certain employees of Hudson City may not be employed after the merger. In addition, employees of Hudson City that M&T wishes to retain may elect to terminate their employment as a result of the merger, which could delay or disrupt the integration process. It is possible that the integration process could result in the disruption of M&T's or Hudson City's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of M&T or Hudson City to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger.

*Recent Storm-Related Events May Have a Negative Impact on the Future Earnings of M&T Following the Completion of the Merger.*

During October 28, 2012 to October 31, 2012, Hurricane Sandy severely impacted numerous areas throughout New York, New Jersey and Connecticut in which M&T and Hudson City operate. While it is not possible at this time to assess the impact that this storm may have on the operations of M&T, Hudson City and/or the combined entity with complete accuracy, it is possible that damage from this storm may impact the collateral value of underlying property, delay payment on loans throughout the affected areas and impair certain customers' ability to repay their loans, which would reduce M&T's and Hudson City's net interest income, particularly in the short-term, as customers undertake recovery and clean-up efforts, including the submission of insurance claims. M&T and Hudson City may also need to increase their provisions for losses on loans as a result of loan restructurings and, to the extent that the combination of insurance proceeds and collateral values are insufficient to cover loan balances, loans that may default. These circumstances could have a material impact on M&T's and Hudson City's results of operations for a period of time.

*Regulatory Approvals May Not Be Received, May Take Longer than Expected or May Impose Conditions that Are Not Presently Anticipated or Cannot Be Met.*

Before the transactions contemplated in the merger agreement, including the merger and the bank merger, may be completed, various approvals must be obtained from the bank regulatory and other governmental authorities. These governmental entities may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying completion of the merger or of imposing additional costs or limitations on M&T following the merger. The regulatory approvals may not be received at any time, may not be received in a timely fashion, and may contain conditions on the completion of the merger. In addition, M&T may elect not to consummate the merger if, in connection with any regulatory approval required for the merger, any governmental or regulatory entity imposes any restriction, requirement or condition on M&T that, individually or in the aggregate, would be reasonably likely to have a material and adverse effect on M&T and its subsidiaries, taken as a whole, giving effect to the merger (measured on a scale relative to Hudson City and its subsidiaries, taken as a whole).

*The Merger Agreement May Be Terminated in Accordance with Its Terms and the Merger May Not Be Completed.*

The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger. Those conditions include: approval of the merger agreement by Hudson City stockholders, approval of the issuance of M&T common stock in connection with the merger by M&T shareholders, receipt of requisite regulatory approvals, absence of orders prohibiting completion of the merger, effectiveness of the registration statement of which this document is a part, approval of the shares of M&T common stock to be issued to Hudson City stockholders for listing on the NYSE, the continued accuracy of the representations and warranties by both parties and the performance by both parties of their covenants and agreements, and the receipt by both parties of legal opinions from their respective tax counsels. These conditions to the closing of the merger may not be fulfilled and, accordingly, the merger may not be completed. In addition, if the merger is not completed by August 27, 2013, either M&T or Hudson City may choose not to proceed with the merger, and the parties can mutually decide to terminate the merger agreement at any time, before or after shareholder approval. In addition, M&T may elect to terminate the merger agreement in certain other circumstances. Please refer to "The Merger Agreement Termination; Termination Fee" (page 114) for a fuller description of these circumstances.

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*Termination of the Merger Agreement Could Negatively Impact Hudson City.*

Hudson City's business may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger, and the market price of Hudson City common stock might decline to the extent that the current market price reflects a market assumption that the merger will be completed. If the merger agreement is terminated and Hudson City's board of directors seeks another merger or business combination, Hudson City stockholders cannot be certain that Hudson City will be able to find a party willing to offer equivalent or more attractive consideration than the consideration M&T has agreed to provide in the merger. If the merger agreement is terminated under certain circumstances, Hudson City may be required to pay a termination fee of \$125 million to M&T. Please refer to "The Merger Agreement Termination; Termination Fee" (page 114).

*Hudson City Will Be Subject to Business Uncertainties and Contractual Restrictions While the Merger Is Pending.*

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Hudson City and consequently on M&T. These uncertainties may impair Hudson City's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Hudson City to seek to change existing business relationships with Hudson City. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, M&T's business following the merger could be negatively impacted. In addition, the merger agreement restricts Hudson City from making certain acquisitions and taking other specified actions until the merger occurs without the consent of M&T. These restrictions may prevent Hudson City from pursuing attractive business opportunities that may arise prior to the completion of the merger. See "The Merger Agreement Covenants and Agreements" beginning on page 105 for a description of the restrictive covenants applicable to Hudson City.

*Hudson City Directors and Officers May Have Interests in the Merger Different From the Interests of Hudson City Stockholders.*

The interests of some of the directors and executive officers of Hudson City may be different from those of Hudson City stockholders, and directors and officers of Hudson City may be participants in arrangements that are different from, or are in addition to, those of Hudson City stockholders. For Hudson City directors, these interests include regional advisory board membership, with attendant fees, payments in connection with Hudson City's Outside Directors Consultation Plan, accelerated vesting of their Hudson City deferred stock units and continued indemnification and insurance with respect to claims arising from services to Hudson City. For Hudson City executive officers, these interests include accelerated vesting and payment of a portion of their Hudson City performance-based deferred stock units, accelerated vesting of their other Hudson City equity-based awards upon a qualifying termination of employment in connection with or following the merger, severance payments under employment agreements upon termination without cause or resignation in a 60-day window following the merger for Mr. Hermance and Mr. Salamone, and under change in control agreements upon a qualifying termination of employment in connection with or following the merger for the other executive officers, accelerated vesting of certain supplemental retirement benefits and payments in respect of the Hudson City ESOP and a supplemental ESOP benefit upon the merger and continued indemnification and insurance with respect to claims arising from services to Hudson City. The interests of Hudson City directors and executive officers are described in more detail in the section of this document entitled "The Merger Agreement Interests of Hudson City Directors and Executive Officers in the Merger" beginning on page 90.

The total estimated compensation to be paid to Hudson City directors that is based on or otherwise relates to the merger is approximately \$6.2 million, including as much as \$1.2 million that directors could earn in the aggregate through service on M&T Bank's regional advisory board. The total estimated compensation to be paid

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to Hudson City executive officers that is based on or otherwise relates to the merger and is triggered solely by the merger is approximately \$20.3 million, and the total estimated compensation to be paid to such executive officers that is based on or otherwise relates to the merger and is triggered by the merger and a qualifying termination or resignation of employment in connection with or following the merger, is approximately \$54.4 million. The estimates in the preceding two sentences are determined assuming an effective date of January 31, 2013 for both the merger and, where applicable, termination of the executives' employment and using a per share price of Hudson City common stock of \$7.24. These amounts are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date. As a result, the actual amounts, if any, to be received by the directors and the executive officers may materially differ from these amounts.

*Shares of M&T Common Stock to Be Received by Hudson City Stockholders as a Result of the Merger Will Have Rights Different from the Shares of Hudson City Common Stock.*

Upon completion of the merger, the rights of former Hudson City stockholders who become M&T shareholders will be governed by the certificate of incorporation and bylaws of M&T. The rights associated with Hudson City common stock are different from the rights associated with M&T common stock. In addition, the rights of shareholders under New York law, where M&T is organized, may differ from the rights of shareholders under Delaware law, where Hudson City is organized. For example, Hudson City's amended and restated bylaws provide that, for any proposal offered by any stockholder to be considered at an annual meeting, a stockholder's notice must be delivered to or received by the secretary not later than 90 days in advance of the anniversary of the previous year's annual meeting if the current year's meeting is to be held within 30 days of the previous year's annual meeting. M&T's amended and restated bylaws, on the other hand, require that such notice be delivered to the secretary no later than 120 days prior to the date on which M&T mailed its proxy materials for the preceding year's annual meeting if the date of the annual meeting is not changed by more than 30 days from that of the preceding year. In some circumstances, therefore, former Hudson City stockholders who become M&T shareholders may have less time to properly bring a proposal for consideration at an annual meeting. In addition, Hudson City's amended and restated certificate of incorporation provides that certain specified business combination transactions require a supermajority vote and that, with certain exceptions, no person may acquire 10% or more of the issued and outstanding shares of voting stock of Hudson City. Furthermore, Hudson City is governed by Section 203 of the Delaware General Corporate Law, which is referred to as the DGCL, which prohibits a Delaware corporation from engaging in certain business combination transactions with a person owning 15% or more of the corporation's voting stock for three years following the time that a person becomes a 15% stockholder. With certain exceptions, M&T, on the other hand, has elected not to be governed by Section 912, of the New York Business Corporation Law, which is substantially similar to Section 203 of the DGCL and M&T's governing documents do not specify ownership limits or other restrictions on business combinations. Accordingly, former Hudson City stockholders who become M&T shareholders upon completion of the merger will no longer have the benefit of these anti-takeover provisions and other shareholder protections. See *Comparison of Shareholders' Rights* beginning on page 129 for a more detailed discussion of the different rights associated with M&T common stock.

*The Merger Agreement Contains Provisions that May Discourage Other Companies from Trying to Acquire Hudson City for Greater Merger Consideration.*

The merger agreement contains provisions that may discourage a third party from submitting a business combination proposal to Hudson City that might result in greater value to Hudson City's stockholders than the merger. These provisions include a general prohibition on Hudson City from soliciting, or, subject to certain exceptions, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. In addition, Hudson City may be required to pay M&T a termination fee of \$125 million in certain circumstances involving acquisition proposals for competing transactions. For further information, please see the section entitled *The Merger Agreement Termination; Termination Fee* beginning on page 114.



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*The Unaudited Pro Forma Combined Condensed Consolidated Financial Information Included in This Document Is Preliminary and the Actual Financial Condition and Results of Operations After the Merger May Differ Materially.*

The unaudited pro forma combined condensed consolidated financial information in this document is presented for illustrative purposes only and is not necessarily indicative of what M&T's actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The pro forma combined condensed consolidated financial information reflects adjustments, which are based upon preliminary estimates, to record the Hudson City identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Hudson City as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see Unaudited Pro Forma Combined Condensed Consolidated Financial Information Relating to the Merger beginning on page 122.

*The Opinions of Hudson City's and M&T's Financial Advisors Will Not Reflect Changes in Circumstances Between the Signing of the Merger Agreement and the Completion of the Merger.*

Hudson City and M&T have not obtained updated opinions from their respective financial advisors as of the date of this document. Changes in the operations and prospects of Hudson City or M&T, general market and economic conditions and other factors that may be beyond the control of Hudson City or M&T, and on which Hudson City's and M&T financial advisors' opinions were based, may significantly alter the value of Hudson City or the prices of the shares of M&T common stock or Hudson City common stock by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or as of any date other than the date of such opinions. Because Hudson City and M&T do not currently anticipate asking their respective financial advisors to update their opinions, the opinions will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed. Hudson City's Board of Directors recommendation that Hudson City stockholders vote FOR adoption of the merger agreement and M&T's Board of Directors' recommendation that M&T shareholders vote FOR approval of the stock issuance, however, is made as of the date of this document. For a description of the opinions that M&T and Hudson City received from their respective financial advisors, please refer to The Merger Opinion of Hudson City's Financial Advisor beginning on page 72 and The Merger Opinion of M&T's Financial Advisor beginning on page 81.

## **Risks Related to M&T**

### ***Risks Relating to Economic and Market Conditions***

*Weakness in the economy has adversely affected M&T and may continue to adversely affect M&T.*

From late-2007 through mid-2009, the U.S. economy was in recession. Although there has been gradual improvement in the U.S. economy since then, economic growth has been slow and uneven. The housing market remains weak and unemployment levels are high. Local governments and some businesses are in financial difficulty due to lower consumer spending and the lack of liquidity in the credit markets. A slowing of improvement or a return to deteriorating business and economic conditions could have one or more of the following adverse effects on M&T's business:

A decrease in the demand for loans and other products and services offered by M&T.

A decrease in net interest income derived from M&T's lending and deposit gathering activities.

A decrease in the value of M&T's investment securities, loans held for sale or other assets secured by residential or commercial real estate.

Other-than-temporary impairment of investment securities in M&T's investment securities portfolio.



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A decrease in fees from M&T's brokerage and trust businesses associated with declines or lack of growth in stock market prices.

Potential higher FDIC assessments on M&T due to the FDIC Deposit Insurance Fund falling below minimum required levels.

An impairment of certain intangible assets, such as goodwill.

An increase in the number of customers and counterparties who become delinquent, file for protection under bankruptcy laws or default on their loans or other obligations to M&T. An increase in the number of delinquencies, bankruptcies or defaults could result in higher levels of nonperforming assets, net charge-offs, provision for credit losses and valuation adjustments on loans held for sale. *M&T's business and financial performance is impacted significantly by market interest rates and movements in those rates. The monetary, tax and other policies of governmental agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance over which M&T has no control and which M&T may not be able to anticipate adequately.*

As a result of the high percentage of M&T's assets and liabilities that are in the form of interest-bearing or interest-related instruments, changes in interest rates, in the shape of the yield curve or in spreads between different market interest rates, can have a material effect on M&T's business and profitability and the value of M&T's assets and liabilities. For example:

Changes in interest rates or interest rate spreads can affect the difference between the interest that M&T earns on assets and the interest that M&T pays on liabilities, which impacts M&T's overall net interest income and profitability.

Such changes can affect the ability of borrowers to meet obligations under variable or adjustable rate loans and other debt instruments, and can, in turn, affect M&T's loss rates on those assets.

Such changes may decrease the demand for interest rate based products and services, including loans and deposits.

Such changes can also affect M&T's ability to hedge various forms of market and interest rate risk and may decrease the profitability or protection or increase the risk or cost associated with such hedges.

Movements in interest rates also affect mortgage prepayment speeds and could result in the impairment of capitalized mortgage servicing assets, reduce the value of loans held for sale and increase the volatility of mortgage banking revenues, potentially adversely affecting M&T's results of operations.

The monetary, tax and other policies of the government and its agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance. These governmental policies can thus affect the activities and results of operations of banking companies such as M&T. An important function of the Federal Reserve is to regulate the national supply of bank credit and certain interest rates. The actions of the Federal Reserve influence the rates of interest that M&T charges on loans and that M&T pays on borrowings and interest-bearing deposits and can also affect the value of M&T's on-balance sheet and off-balance sheet financial instruments. Also, due to the impact on rates for short-term funding, the Federal Reserve's policies also influence, to a significant extent, M&T's cost of such funding. In addition, M&T is routinely subject to examinations from various governmental taxing authorities. Such examinations may result in challenges to the tax return treatment applied by M&T to specific transactions. Management believes that the assumptions and judgment used to record tax-related assets or liabilities have been appropriate. Should tax laws change or the tax authorities determine that management's assumptions were inappropriate, the result and adjustments required could have a material effect on M&T's results of operations. M&T cannot predict the nature or timing of future changes in monetary, tax and other policies or the effect that they may have on M&T's business activities, financial condition and results of operations.



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*M&T's business and performance is vulnerable to the impact of volatility in debt and equity markets.*

As most of M&T's assets and liabilities are financial in nature, M&T's performance tends to be sensitive to the performance of the financial markets. Turmoil and volatility in U.S. and global financial markets, such as that experienced during the recent financial crisis, can be a major contributory factor to overall weak economic conditions, leading to some of the risks discussed herein, including the impaired ability of borrowers and other counterparties to meet obligations to M&T. Financial market volatility also can have some of the following adverse effects on M&T and its business, including adversely affecting M&T's financial condition and results of operations:

It can affect the value or liquidity of M&T's on-balance sheet and off-balance sheet financial instruments.

It can affect the value of capitalized servicing assets.

It can affect M&T's ability to access capital markets to raise funds. Inability to access capital markets if needed, at cost effective rates, could adversely affect M&T's liquidity and results of operations.

It can affect the value of the assets that M&T manages or otherwise administers or services for others. Although M&T is not directly impacted by changes in the value of such assets, decreases in the value of those assets would affect related fee income and could result in decreased demand for M&T's services.

In general, it can impact the nature, profitability or risk profile of the financial transactions in which M&T engages. Volatility in the markets for real estate and other assets commonly securing financial products has been and may continue to be a significant contributor to overall volatility in financial markets.

*M&T's regional concentrations expose it to adverse economic conditions in its primary retail banking office footprint.*

Although many of M&T's businesses are national in scope, its core banking business is concentrated within M&T's retail banking office network footprint, located principally in New York, Pennsylvania, Maryland, Delaware, Virginia, West Virginia and the District of Columbia. Therefore, M&T is, or in the future may be, particularly vulnerable to adverse changes in economic conditions in the Northeast and Mid-Atlantic regions.

### ***Risks Relating to the Regulatory Environment***

*M&T is subject to extensive government regulation and supervision and this regulatory environment is being significantly impacted by the financial regulatory reform initiatives in the United States, including the Dodd-Frank Act and related regulations.*

M&T is subject to extensive federal and state regulation and supervision. Banking regulations are primarily intended to protect depositors' funds, federal deposit insurance funds and the financial system as a whole, not security holders. These regulations affect M&T's lending practices, capital structure, investment practices, dividend policy and growth, among other things. Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and/or reputation damage, which could have a material adverse effect on M&T's business, financial condition and results of operations.

The United States government and others have recently undertaken major reforms of the regulatory oversight structure of the financial services industry. M&T expects to face increased regulation of its industry as a result of current and possible future initiatives. M&T also expects more intense scrutiny in the examination process and more aggressive enforcement of regulations on both the federal and state levels. Compliance with these new regulations and supervisory initiatives will likely increase M&T's costs, reduce its revenue and may limit its ability to pursue certain desirable business opportunities.



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Many parts of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which is referred to as the Dodd-Frank Act, are now in effect, while others depend on rules that are in an implementation stage likely to continue for several years. The law requires that regulators, some of which are new regulatory bodies created by the Dodd-Frank Act, draft, review and approve hundreds of implementing regulations and conduct numerous studies that are likely to lead to more regulations. As such, the ultimate impact of the Dodd-Frank Act on M&T currently cannot be fully predicted.

In addition to the reforms discussed in the immediately following risk factor, a number of reform provisions implemented pursuant to the Dodd-Frank Act and related regulations are likely to impact the ways in which banks and bank holding companies, including M&T, conduct their business:

The newly created regulatory bodies include the Bureau of Consumer Financial Protection, which is referred to as the CFPB, and the Financial Stability Oversight Council, which is referred to as the FSOC. The CFPB has been given authority to regulate consumer financial products and services sold by banks and non-bank companies and to supervise banks with assets of more than \$10 billion and their affiliates for compliance with Federal consumer protection laws. Any new regulatory requirements promulgated by the CFPB could require changes to M&T's consumer businesses, result in increased compliance costs and affect the streams of revenue of such businesses. The FSOC has been charged with identifying systemic risks, promoting stronger financial regulation and identifying those non-bank companies that are systemically important and thus should be subject to regulation by the Federal Reserve. In addition, in extraordinary cases and together with the Federal Reserve, the FSOC could break up financial firms that are deemed to present a grave threat to the financial stability of the United States.

The Dodd-Frank Act Volcker Rule provisions prohibit banks from engaging in certain types of proprietary trading. The scope of the proprietary trading prohibition, and its impact on M&T, will depend on the definitions in the final rule, particularly those definitions related to statutory exemptions for risk-mitigating hedging activities, market-making and customer-related activities.

Pursuant to certain provisions of the Dodd-Frank Act, the Federal Reserve promulgated Regulation II, Debit Card Interchange Fees and Routing, which is referred to as Regulation II, which limits debit card interchange fees, eliminates exclusivity arrangements between issuers and networks for debit card transactions, and imposes limits for restrictions on merchant discounting for the use of certain payment forms and minimum or maximum amount thresholds as a condition for acceptance of credit cards. The relevant portions of Regulation II became effective October 1, 2011.

The FDIC and the Federal Reserve have adopted a final rule that requires bank holding companies that have \$50 billion or more in assets, like M&T, to periodically submit to the Federal Reserve, the FDIC and the FSOC a plan discussing how the company could be resolved in a rapid and orderly fashion if the company were to fail or experience material financial distress. In a related rulemaking, the FDIC adopted a final rule that requires insured depository institutions with \$50 billion or more in assets, like M&T Bank, to prepare and submit a resolution plan to the FDIC. The initial plans for M&T and M&T Bank are due December 31, 2013. M&T and M&T Bank will be required to submit updated plans annually thereafter. The Federal Reserve and the FDIC may jointly impose formal and/or informal restrictions on M&T or M&T Bank, including additional capital requirements or limitations on growth, if the agencies determine that the institution's plan is not credible or would not facilitate a rapid and orderly resolution of M&T under the U.S. Bankruptcy Code, or M&T Bank under the Federal Deposit Insurance Act, and additionally could require M&T to divest assets or take other actions if M&T did not submit an acceptable resolution within the applicable time limits.

Pursuant to Section 165 of the Dodd-Frank Act, in November 2011, the Federal Reserve adopted a final rule implementing an annual capital plan review process for bank holding companies that have \$50 billion or more in assets, like M&T. Under this rule, M&T's capital plan is required to include a proposal for any capital distributions, including plans to pay or increase common stock dividends or to reinstate or increase common stock repurchase programs. The Federal Reserve's annual evaluation of a

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subject bank holding company's capital plan is based on its risk profile and the strength of its internal capital assessment process under both currently applicable regulatory capital standards and the institution's plans to address proposed revisions to the regulatory capital framework under Basel III and relevant provisions of the Dodd-Frank Act. In conducting this analysis, the Federal Reserve will consider the projected capital adequacy and performance of each subject bank holding company under base case and adverse economic scenarios developed by both it and the Federal Reserve. After completing a quantitative and qualitative review of a capital plan, the Federal Reserve could object to its proposed dividend and other capital distribution plans. In addition, any proposed capital distributions above the amounts set forth in a capital plan will require the bank holding company to receive prior approval from the Federal Reserve before undertaking such capital distribution.

The Dodd-Frank Act imposes a new regulatory regime on the U.S. derivatives markets. While some of the provisions related to derivatives markets went into effect on July 16, 2011, most of the new requirements await final regulations from the relevant regulatory agencies for derivatives, the Commodities Futures Trading Commission, which is referred to as the CFTC, and the SEC. One aspect of this new regulatory regime for derivatives is that substantial oversight responsibility has been provided to the CFTC, which, as a result, will for the first time have a meaningful supervisory role with respect to some of M&T's businesses. Although the ultimate impact will depend on the final regulations, once these rules are finalized, they could affect the way M&T or its subsidiaries operate, and changes to the markets and participants could impact business models and profitability of M&T or its subsidiaries.

Reforms, both under the Dodd-Frank Act and otherwise, will have a significant effect on the entire financial services industry. Although it is difficult to predict the magnitude and extent of these effects, M&T believes compliance with the Dodd-Frank Act and its implementing regulations and other initiatives will likely negatively impact revenue and increase the cost of doing business, both in terms of transition expenses and on an ongoing basis, and may also limit M&T's ability to pursue certain desirable business opportunities. Any new regulatory requirements or changes to existing requirements could require changes to M&T's businesses, result in increased compliance costs and affect the profitability of such businesses. Additionally, reform could affect the behaviors of third parties that M&T deals with in the course of its business, such as rating agencies, insurance companies and investors. Heightened regulatory practices, requirements or expectations resulting from the Dodd-Frank Act and the rules promulgated thereunder could affect M&T in substantial and unpredictable ways, and, in turn, could have a material adverse effect on M&T's business, financial condition and results of operations.

*Capital requirements imposed by the Dodd-Frank Act, together with new capital and liquidity standards developed through the Basel Committee on Banking Supervision (the Basel Committee) and adopted by the U.S. banking regulators, will result in banks and bank holding companies needing to maintain more and higher quality capital and greater liquidity than has historically been the case.*

New and evolving capital standards, both as a result of the Dodd-Frank Act and implementation in the U.S. of new capital standards adopted by the Basel Committee, including the so-called Basel III capital accord, will have a significant effect on banks and bank holding companies, including M&T. Basel III, when implemented by the U.S. bank regulatory agencies as proposed in a joint notice of proposed rulemaking in June 2012 and fully phased-in, will require bank holding companies and their bank subsidiaries to maintain substantially more capital, with a greater emphasis on common equity. The Basel III final capital framework, among other things:

introduces as a new capital measure Common Equity Tier 1, which is referred to as CET1, specifies that Tier 1 capital consists of CET1 and Additional Tier 1 capital instruments meeting specified requirements, defines CET1 narrowly by requiring that most deductions or adjustments to regulatory capital measures be made to CET1, and expands the scope of the deductions or adjustments as compared to existing regulations;



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when fully phased in on January 1, 2019, requires bank holding companies banks to maintain:

as a newly adopted international standard, a minimum ratio of CET1 to risk-weighted assets of at least 4.5%, plus a 2.5% capital conservation buffer (which is added to the 4.5% CET1 ratio as that buffer is phased in, effectively resulting in a minimum ratio of CET1 to risk-weighted assets of at least 7%);

a minimum ratio of Tier 1 capital to risk-weighted assets of at least 6.0%, plus the capital conservation buffer (which is added to the 6.0% Tier 1 capital ratio as that buffer is phased in, effectively resulting in a minimum Tier 1 capital ratio of 8.5% upon full implementation);

a minimum ratio of Total (that is, Tier 1 plus Tier 2) capital to risk-weighted assets of at least 8.0%, plus the capital conservation buffer (which is added to the 8.0% total capital ratio as that buffer is phased in, effectively resulting in a minimum Total capital ratio of 10.5% upon full implementation); and

as a newly adopted international standard, a minimum leverage ratio of 3%, calculated as the ratio of Tier 1 capital to balance sheet exposures plus certain off-balance sheet exposures (as the average for each quarter of the month-end ratios for the quarter).

Basel III also requires banks and bank holding companies to measure their liquidity against specific liquidity tests that, although similar in some respects to liquidity measures historically applied by banks and regulators for management and supervisory purposes, going forward will be required by regulation. One test, referred to as the liquidity coverage ratio, or LCR, is designed to ensure that the banking entity maintains an adequate level of unencumbered high-quality liquid assets equal to the entity's expected net cash outflow for a 30-day time horizon (or, if greater, 25% of its expected total cash outflow) under an acute liquidity stress scenario. The other, referred to as the net stable funding ratio, which is referred to as NSFR, is designed to promote more medium- and long-term funding of the assets and activities of banking entities over a one-year time horizon. The Basel III liquidity framework originally contemplated that the LCR would be subject to an observation period continuing through mid-2013 and, subject to any revisions resulting from the analyses conducted and data collected during the observation period, implemented as a minimum standard on January 1, 2015. However, on January 6, 2013, the governing body of the Basel Committee endorsed revisions to the LCR which include introducing the LCR as planned on January 1, 2015, but the minimum requirement will begin at 60%, raising in equal annual steps of ten percentage points each to reach 100% on January 1, 2019. The Basel III liquidity framework contemplates that the NSFR will be subject to an observation period through mid-2016 and, subject to any revisions resulting from the analyses conducted and data collected during the observation period, implemented as a minimum standard by January 1, 2018. These new standards are subject to further refinement by the Basel Committee, and their terms may well change before implementation. The U.S. bank regulatory agencies have not yet proposed rules to implement Basel III's liquidity requirements.

U.S. banking regulators require certain large banking organizations, including M&T and M&T Bank, to conduct an annual stress test to evaluate whether such organizations have sufficient capital, on a total consolidated basis, to absorb losses as a result of adverse economic conditions. In October 2012, various U.S. banking regulators adopted their respective final stress testing rules for such banking organizations, which become effective for M&T in October 2013. The rules, among other things, describe the types of supervisory scenarios that may be provided in connection with the annual stress testing process, and require that M&T conduct a separate mid-year stress test and file the results of such test with the Federal Reserve in early July of each year.

In June 2012, the U.S. banking regulators requested comment on three sets of proposed rules that would implement Basel in the U.S. These proposed rules, among other things, would revise the capital levels at which a banking institution would be subject to the prompt corrective action framework (including the establishment of a new Tier 1 common capital requirement), eliminate or reduce the ability of certain types of capital instruments to count as regulatory capital, eliminate the Tier 1 treatment of trust preferred securities (as required by the Dodd-Frank Act) following a phase-in period beginning in 2013, and require new deductions from capital for investments in unconsolidated financial institutions, mortgage servicing assets and deferred tax assets that exceed specified

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thresholds. The proposed rules also would establish a new capital conservation buffer and, for large or internationally active banks not currently including M&T, a supplemental leverage capital requirement that would take into account certain off-balance sheet exposures and a countercyclical capital buffer that would initially be set at zero. The proposed Basel III rules would become effective under a phase-in period currently expected to begin during 2013 and would be in full effect on January 1, 2019.

The second set of proposed rules issued by the U.S. banking regulators in June 2012 would revise the manner in which a banking institution determines its risk-weighted assets for risk-based capital purposes under the Basel II framework applicable to large or internationally active banks (referred to as the advanced approach, which is not currently applicable to M&T) and under the Basel I framework applicable to all banking institutions, including M&T (referred to as the standardized approach). These rules would replace references to credit ratings with alternative methodologies for assessing creditworthiness. In addition, among other things, the standardized approach would significantly modify the risk-weighting framework for residential mortgage assets and thereby increase the risk-weighting for certain categories thereof. The standardized approach changes to the Basel I risk-weighting rules are proposed to become effective no later than January 1, 2015.

Because implementation of the new Basel III capital and liquidity standards in the U.S., as well as any additional heightened capital or liquidity standards that may be established by the Federal Reserve under the Dodd-Frank Act, remain subject to rule making in the U.S. and, in many cases, to extended observation and phase-in periods, the full effect of these standards on M&T's regulatory capital is uncertain at this time.

The need to maintain more and higher quality capital, as well as greater liquidity, going forward than historically has been required, and generally increased regulatory scrutiny with respect to capital levels, could limit M&T's business activities, including lending, and its ability to expand, either organically or through acquisitions. It could also result in M&T being required to take steps to increase its regulatory capital that may be dilutive to shareholders or limit its ability to pay dividends or otherwise return capital to shareholders, or sell or refrain from acquiring assets, the capital requirements for which are not justified by the assets' underlying risks. In addition, the new liquidity standards could require M&T to increase its holdings of unencumbered highly liquid short-term investments, thereby reducing M&T's ability to invest in longer-term assets even if deemed more desirable from a balance sheet management perspective. Moreover, although these new requirements are being phased in over time, U.S. federal banking agencies have been taking into account expectations regarding the ability of banks to meet these new requirements, including under stressed conditions, in approving actions that represent uses of capital, such as dividend increases, share repurchases and acquisitions.

***Risks Relating to M&T's Business***

*Deteriorating credit quality could adversely impact M&T.*

As a lender, M&T is exposed to the risk that customers will be unable to repay their loans in accordance with the terms of the agreements, and that any collateral securing the loans may be insufficient to assure full repayment. Credit losses are inherent in the business of making loans.

Factors that influence M&T's credit loss experience include overall economic conditions affecting businesses and consumers, generally, but also residential and commercial real estate valuations, in particular, given the size of M&T's real estate loan portfolios. Factors that can influence M&T's credit loss experience include: (i) the impact of residential real estate values on M&T's portfolio of loans to residential real estate builders and developers and other loans secured by residential real estate; (ii) the concentrations of commercial real estate loans in M&T's loan portfolio; (iii) the amount of commercial and industrial loans to businesses in areas of New York State outside of the New York City metropolitan area and in central Pennsylvania that have historically experienced less economic growth and vitality than many other regions of the country; (iv) the repayment performance associated with M&T's first and second lien loans secured by residential real estate; and (v) the size of M&T's portfolio of loans to individual consumers, which historically have experienced higher net charge-offs as a percentage of loans outstanding than loans to other types of borrowers. In recent years, M&T has experienced historically high levels of nonaccrual loans and net charge-offs of residential real estate-related

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loans, including first and junior lien mortgage loans and loans to builders and developers of residential real estate. M&T has also experienced higher than historical levels of nonaccrual commercial real estate loans since 2009. Commercial real estate valuations can be highly subjective, as they are based upon many assumptions. Such valuations can be significantly affected over relatively short periods of time by changes in business climate, economic conditions, interest rates and, in many cases, the results of operations of businesses and other occupants of the real property. Similarly, residential real estate valuations can be impacted by housing trends, the availability of financing at reasonable interest rates, governmental policy regarding housing and housing finance and general economic conditions affecting consumers.

M&T maintains an allowance for credit losses which represents, in management's judgment, the amount of losses inherent in the loan and lease portfolio. The allowance is determined by management's evaluation of the loan and lease portfolio based on such factors as the differing economic risks associated with each loan category, the current financial condition of specific borrowers, the economic environment in which borrowers operate, the level of delinquent loans, the value of any collateral and, where applicable, the existence of any guarantees or indemnifications. The effects of probable decreases in expected principal cash flows on acquired loans are also considered in the establishment of the allowance for credit losses.

M&T believes that the allowance for credit losses appropriately reflects credit losses inherent in the loan and lease portfolio. However, there is no assurance that the allowance will be sufficient to cover such credit losses, particularly if housing and employment conditions worsen or the economy experiences a downturn. In those cases, M&T may be required to increase the allowance through an increase in the provision for credit losses, which would reduce net income.

*M&T must maintain adequate sources of funding and liquidity.*

M&T must maintain adequate funding sources in the normal course of business to support its operations and fund outstanding liabilities, as well as meet regulatory expectations. M&T primarily relies on deposits to be a low cost and stable source of funding for the loans M&T makes and the operations of M&T's business. Core customer deposits, which include noninterest-bearing deposits, interest-bearing transaction account deposits and other domestic time deposits up to \$250,000, have historically provided M&T with a sizeable source of relatively stable and low-cost funds. In addition to customer deposits, sources of liquidity include borrowings from third party banks, securities dealers, various Federal Home Loan Banks and the Federal Reserve Bank of New York.

M&T's liquidity and ability to fund and run the business could be materially adversely affected by a variety of conditions and factors, including financial and credit market disruptions and volatility or a lack of market or customer confidence in financial markets in general, which may result in a loss of customer deposits or outflows of cash or collateral and/or ability to access capital markets on favorable terms.

Other conditions and factors that could materially adversely affect M&T's liquidity and funding include a lack of market or customer confidence in, or negative news about, M&T or the financial services industry generally which also may result in a loss of deposits and/or negatively affect the ability to access the capital markets; the loss of customer deposits to alternative investments; inability to sell or securitize loans or other assets, and downgrades in one or more of M&T's credit ratings. A downgrade in M&T's credit rating, which could result from general industry-wide or regulatory factors not solely related to M&T, could adversely affect M&T's ability to borrow funds and raise the cost of borrowings substantially and could cause creditors and business counterparties to raise collateral requirements or take other actions that could adversely affect M&T's ability to raise capital. Many of the above conditions and factors may be caused by events over which M&T has little or no control. There can be no assurance that significant disruption and volatility in the financial markets will not occur in the future.

If M&T is unable to continue to fund assets through customer bank deposits or access funding sources on favorable terms or if M&T suffers an increase in borrowing costs or otherwise fails to manage liquidity effectively, M&T's liquidity, operating margins, financial condition and results of operations may be materially adversely affected.

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*The financial services industry is highly competitive and creates competitive pressures that could adversely affect M&T's revenue and profitability.*

The financial services industry in which M&T operates is highly competitive. M&T competes not only with commercial and other banks and thrifts, but also with insurance companies, mutual funds, hedge funds, securities brokerage firms and other companies offering financial services in the U.S., globally and over the Internet. M&T competes on the basis of several factors, including capital, access to capital, revenue generation, products, services, transaction execution, innovation, reputation and price. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms. These developments could result in M&T's competitors gaining greater capital and other resources, such as a broader range of products and services and geographic diversity. M&T may experience pricing pressures as a result of these factors and as some of its competitors seek to increase market share by reducing prices or paying higher rates of interest on deposits. Finally, technological change is influencing how individuals and firms conduct their financial affairs and changing the delivery channels for financial services, with the result that M&T may have to contend with a broader range of competitors including many that are not located within the geographic footprint of its banking office network.

*M&T may be adversely affected by the soundness of other financial institutions.*

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. M&T has exposure to many different industries and counterparties, and routinely executes transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks, and other institutional clients. Many of these transactions expose M&T to credit risk in the event of a default by a counterparty or client. In addition, M&T's credit risk may be exacerbated when the collateral held by M&T cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the credit or derivative exposure due to M&T. Any such losses could have a material adverse effect on M&T's financial condition and results of operations.

*M&T (the parent holding company) relies on dividends from its subsidiaries for its liquidity.*

M&T is a separate and distinct legal entity from its subsidiaries. M&T typically receives substantially all of its revenue from subsidiary dividends. These dividends are the principal source of funds to pay dividends on M&T stock and interest and principal on its debt. Various federal and/or state laws and regulations, as well as regulatory expectations, limit the amount of dividends that M&T's banking subsidiaries and certain nonbank subsidiaries may pay. Regulatory scrutiny of capital levels at bank holding companies and insured depository institution subsidiaries has increased since the financial crisis and has resulted in increased regulatory focus on all aspects of capital planning, including dividends and other distributions to shareholders of banks such as parent bank holding companies. See Item 1. Business Dividends in M&T's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of regulatory and other restrictions on dividend declarations. Also, M&T's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of that subsidiary's creditors. Limitations on M&T's ability to receive dividends from its subsidiaries could have a material adverse effect on its liquidity and ability to pay dividends on its stock or interest and principal on its debt.

*M&T is subject to operational risk.*

Like all businesses, M&T is subject to operational risk, which represents the risk of loss resulting from human error, inadequate or failed internal processes and systems, and external events. Operational risk also encompasses reputational risk and compliance and legal risk, which is the risk of loss from violations of, or noncompliance with, laws, rules, regulations, prescribed practices or ethical standards, as well as the risk of noncompliance with contractual and other obligations. M&T is also exposed to operational risk through outsourcing arrangements, and the effect that changes in circumstances or capabilities of its outsourcing vendors can have on M&T's ability to continue to perform operational functions necessary to its business. In addition,

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along with other participants in the financial services industry, M&T continually and frequently attempts to introduce new technology-driven products and services that are aimed at allowing M&T to better serve customers and to reduce costs. M&T may not be able to effectively implement new technology-driven products and services that allows M&T to remain competitive or be successful in marketing these products and services to its customers. Although M&T seeks to mitigate operational risk through a system of internal controls which are reviewed and updated, no system of controls, however well designed and maintained, is infallible. Control weaknesses or failures or other operational risks could result in charges, increased operational costs, harm to M&T's reputation or foregone business opportunities.

*Changes in accounting standards could impact M&T's financial condition and results of operations.*

The accounting standard setters, including the FASB, the SEC and other regulatory bodies, periodically change the financial accounting and reporting standards that govern the preparation of M&T's consolidated financial statements. These changes can be hard to predict and can materially impact how M&T records and reports its financial condition and results of operations. In some cases, M&T could be required to apply a new or revised standard retroactively, which would result in the restating of M&T's prior period financial statements.

*M&T's accounting policies and processes are critical to the reporting of M&T's financial condition and results of operations. They require management to make estimates about matters that are uncertain.*

Accounting policies and processes are fundamental to M&T's reported financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the reported amounts of our assets or liabilities and financial results. Several of M&T's accounting policies are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. Pursuant to GAAP, M&T is required to make certain assumptions and estimates in preparing its financial statements. If assumptions or estimates underlying M&T's financial statements are incorrect, M&T may experience material losses.

Management has identified certain accounting policies as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments, and contingencies. A variety of factors could affect the ultimate value that is obtained either when earning income, recognizing an expense, recovering an asset, valuing an asset or liability, or recognizing or reducing a liability. M&T has established detailed policies and control procedures that are intended to ensure these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding judgments and the estimates pertaining to these matters, M&T could be required to adjust accounting policies or restate prior period financial statements if those judgments and estimates prove to be incorrect. For additional information, see Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Estimates and Note 1, Significant Accounting Policies, to the Consolidated Financial Statements in M&T's Annual Report on Form 10-K for the year ended December 31, 2011.

*Difficulties in combining the operations of acquired entities with M&T's own operations may prevent M&T from achieving the expected benefits from its acquisitions.*

M&T has regularly considered opportunities to expand and improve its business through acquisition of other financial institutions, such as the proposed merger with Hudson City Bancorp, Inc., where there is deemed to be an attractive strategic fit. Inherent uncertainties exist when integrating the operations of an acquired entity. M&T may not be able to fully achieve its strategic objectives and planned operating efficiencies in an acquisition. In addition, the markets and industries in which M&T and its potential acquisition targets operate are highly competitive. M&T may lose customers or fail to retain the customers of acquired entities as a result of an acquisition. Future acquisition and integration activities may require M&T to devote substantial time and resources, and as a result M&T may not be able to pursue other business opportunities.

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After completing an acquisition, M&T may not realize the expected benefits of the acquisition due to lower financial results pertaining to the acquired entity. For example, M&T could experience higher credit losses than originally anticipated related to an acquired loan portfolio.

*M&T could suffer if it fails to attract and retain skilled personnel.*

M&T's success depends, in large part, on its ability to attract and retain key individuals. Competition for qualified candidates in the activities and markets that M&T serves is significant and M&T may not be able to hire these candidates and retain them. Growth in M&T's business, including through acquisitions, may increase its need for additional qualified personnel. If M&T is not able to hire or retain these key individuals, M&T may be unable to execute its business strategies and may suffer adverse consequences to its business, financial condition and results of operations.

In June 2010, the federal banking agencies issued joint guidance on executive compensation designed to help ensure that a banking organization's incentive compensation policies do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. In addition, the Dodd-Frank Act requires those agencies, along with the SEC, to adopt rules to require reporting of incentive compensation and to prohibit certain compensation arrangements. The federal banking agencies and SEC proposed such rules in April 2011. If as a result of complying with any such rules M&T is unable to attract and retain qualified employees, or do so at rates necessary to maintain its competitive position, or if the compensation costs required to attract and retain employees become more significant, M&T's performance, including its competitive position, could be materially adversely affected.

*Severe weather, natural disasters, acts of war or terrorism and other external events could significantly impact M&T's business.*

Severe weather, natural disasters (including, for example, Hurricane Sandy), acts of war or terrorism and other adverse external events could have a significant impact on M&T's ability to conduct business. Such events could affect the stability of M&T's deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause significant property damage, result in loss of revenue and/or cause M&T to incur additional expenses. Although M&T has established disaster recovery plans and procedures, and monitors for significant environmental effects on its properties or its investments, the occurrence of any such event could have a material adverse effect on M&T.

*M&T's information systems may experience interruptions or breaches in security.*

M&T relies heavily on communications and information systems to conduct its business. Any failure, interruption or breach in security of these systems could result in disruptions to its accounting, deposit, loan and other systems, and adversely affect M&T's customer relationships. While M&T has policies and procedures designed to prevent or limit the effect of these possible events, there can be no assurance that any such failure, interruption or security breach will not occur or, if any does occur, that it can be sufficiently remediated.

There have been increasing efforts on the part of third parties to breach data security at financial institutions or with respect to financial transactions. In addition, because the techniques used to cause such security breaches change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, M&T may be unable to proactively address these techniques or to implement adequate preventative measures. The ability of M&T's customers to bank remotely, including online and through mobile devices, requires secure transmission of confidential information and increases the risk of data security breaches.

The occurrence of any failure, interruption or security breach of M&T's systems, particularly if widespread or resulting in financial losses to M&T customers, could damage M&T's reputation, result in a loss of customer business, subject it to additional regulatory scrutiny, or expose it to civil litigation and financial liability.

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*M&T is or may become involved from time to time in suits, legal proceedings, information-gathering requests, investigations and proceedings by governmental and self-regulatory agencies that may lead to adverse consequences.*

Many aspects of M&T's business involve substantial risk of legal liability. M&T or its subsidiaries have been named or threatened to be named as defendants in various lawsuits arising from its or its subsidiaries' business activities (and in some cases from the activities of companies M&T has acquired). In addition, from time to time, M&T is, or may become, the subject of governmental and self-regulatory agency information-gathering requests, reviews, investigations and proceedings and other forms of regulatory inquiry, including by the SEC and law enforcement authorities. M&T is also at risk when it has agreed to indemnify others for losses related to legal proceedings, including litigation and governmental investigations and inquiries, they face, such as in connection with the purchase or sale of a business or assets. The results of such proceedings could lead to significant monetary damages or penalties, adverse judgments, settlements, fines, injunctions, restrictions on the way in which M&T conducts its business, or reputational harm.

Although M&T establishes accruals for legal proceedings when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated, M&T does not have accruals for all legal proceedings where it faces a risk of loss. In addition, due to the inherent subjectivity of the assessments and unpredictability of the outcome of legal proceedings, amounts accrued may not represent the ultimate loss to M&T from the legal proceedings in question. Thus, M&T's ultimate losses may be higher, and possibly significantly so, than the amounts accrued for legal loss contingencies, which could adversely affect M&T's financial condition and results of operations.

*M&T relies on other companies to provide key components of M&T's business infrastructure.*

Third parties provide key components of M&T's business infrastructure such as banking services, processing, and Internet connections and network access. Any disruption in such services provided by these third parties or any failure of these third parties to handle current or higher volumes of use could adversely affect M&T's ability to deliver products and services to clients and otherwise to conduct business. Technological or financial difficulties of a third party service provider could adversely affect M&T's business to the extent those difficulties result in the interruption or discontinuation of services provided by that party. M&T may not be insured against all types of losses as a result of third party failures and insurance coverage may be inadequate to cover all losses resulting from system failures or other disruptions. Failures in M&T's business infrastructure could interrupt the operations or increase the costs of doing business.

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**HUDSON CITY SPECIAL MEETING OF STOCKHOLDERS**

**Date, Time and Place**

The special meeting of Hudson City stockholders will be held at the Park Ridge Marriott, 300 Brae Boulevard, Park Ridge, New Jersey 07656 at 9:00 a.m., Eastern time, on April 18, 2013. On or about February 27, 2013, Hudson City commenced mailing this document and the enclosed form of proxy to its stockholders entitled to vote at the Hudson City special meeting.

**Purpose of Hudson City Special Meeting**

At the Hudson City special meeting, Hudson City stockholders will be asked to:

adopt the merger agreement, a copy of which is attached as Appendix A to this document, which is referred to as the Merger proposal;

to approve, on a non-binding, advisory basis, the compensation to be paid to Hudson City's named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled "The Merger Interests of Hudson City's Directors and Executive Officers in the Merger" beginning on page 90, which is referred to as the Merger-Related Named Executive Officer Compensation proposal; and

to approve one or more adjournments of the Hudson City special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger proposal, which is referred to as the Hudson City Adjournment proposal.

**Recommendation of the Hudson City Board of Directors**

The Hudson City board of directors recommends that you vote **FOR** the Merger proposal, **FOR** the Merger-Related Named Executive Officer Compensation proposal and **FOR** the Hudson City Adjournment proposal (if necessary or appropriate). See "The Merger Recommendation of the Hudson City Board of Directors and Reasons for the Merger" on page 90.

**Hudson City Record Date and Quorum**

The Hudson City board of directors has fixed the close of business on February 20, 2013 as the record date for determining the holders of Hudson City common stock entitled to receive notice of and to vote at the Hudson City special meeting.

As of the Hudson City record date, there were 528,212,690 shares of Hudson City common stock outstanding and entitled to vote at the Hudson City special meeting held by 26,258 holders of record. Each share of Hudson City common stock entitles the holder to one vote at the Hudson City special meeting on each proposal to be considered at the Hudson City special meeting.

The representation (in person or by proxy) of holders of at least a majority of the votes entitled to be cast on the matters to be voted on at the Hudson City special meeting constitutes a quorum for transacting business at the Hudson City special meeting. All shares of Hudson City common stock, whether present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Hudson City special meeting.

As of the record date, directors and executive officers of Hudson City and their affiliates owned and were entitled to vote 10,432,955 shares of Hudson City common stock, representing approximately 2% of the shares of Hudson City common stock outstanding on that date. Hudson City currently expects that Hudson City's directors and executive officers will vote their shares in favor of the Merger proposal, the Merger-Related Named Executive Officer Compensation proposal and the Hudson City Adjournment proposal, although none of them has entered into any agreements obligating them to do so. As of the record date, M&T did not beneficially hold any shares of Hudson City common stock.





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### **Required Vote**

#### *Required Vote to Approve the Merger Proposal*

The affirmative vote of a majority of the outstanding shares of Hudson City common stock entitled to vote is required to approve the Merger proposal.

#### *Required Vote to Approve the Merger-Related Named Executive Officer Compensation Proposal*

The affirmative vote of a majority of the shares of Hudson City common stock represented (in person or by proxy) at the Hudson City special meeting and entitled to vote on the proposal is required to approve the Merger-Related Named Executive Officer Compensation proposal.

#### *Required Vote to Approve the Hudson City Adjournment Proposal*

The affirmative vote of a majority of the shares of Hudson City common stock represented (in person or by proxy) at the Hudson City special meeting and entitled to vote on the proposal is required to approve the Hudson City Adjournment proposal.

### **Treatment of Abstentions; Failure to Vote**

For purposes of the Hudson City special meeting, an abstention occurs when a Hudson City stockholder attends the Hudson City special meeting, either in person or by proxy, but abstains from voting.

For the Merger proposal, an abstention or a failure to vote will have the same effect as a vote cast **AGAINST** this proposal.

For the Merger-Related Named Executive Officer Compensation proposal, if a Hudson City stockholder present in person at the Hudson City special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote cast **AGAINST** this proposal. If a Hudson City stockholder is not present in person at the Hudson City special meeting and does not respond by proxy, it will have no effect on the vote count for the Merger-Related Named Executive Officer Compensation proposal.

For the Hudson City Adjournment proposal, if a Hudson City stockholder present in person at the Hudson City special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote cast **AGAINST** this proposal. If a Hudson City stockholder is not present in person at the Hudson City special meeting and does not respond by proxy, it will have no effect on the vote count for the Hudson City Adjournment proposal.

### **Voting on Proxies; Incomplete Proxies**

Giving a proxy means that a Hudson City stockholder authorizes the persons named in the enclosed proxy card to vote its shares at the Hudson City special meeting in the manner it directs. A Hudson City stockholder may vote by proxy or in person at the Hudson City special meeting. If you hold your shares of Hudson City common stock in your name as a stockholder of record, to submit a proxy, you, as a Hudson City stockholder, may use one of the following methods:

By telephone: Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week. Have your proxy card handy when you call. You will be prompted to enter your control number(s), which is located on your proxy card, and then follow the directions given. The telephone voting system is available until 11:59 p.m., Eastern time, on the day preceding the meeting.

Through the Internet: Use the Internet to vote your proxy 24 hours a day, 7 days a week. Have your proxy card handy when you access the website. You will be prompted to enter your control number(s), which is located on your proxy card, to create and submit an electronic ballot. The Internet voting system is available until 11:59 p.m., Eastern time, on the day preceding the meeting.



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By mail: Complete and return the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Hudson City requests that Hudson City stockholders vote by telephone, over the Internet or by completing and signing the accompanying proxy and returning it to Hudson City as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of Hudson City stock represented by it will be voted at the Hudson City special meeting in accordance with the instructions contained on the proxy card. If any proxy is returned without indication as to how to vote, the shares of Hudson City common stock represented by the proxy will be voted as recommended by the Hudson City board of directors.

If a Hudson City stockholder's shares are held in street name by a broker, bank or other nominee, the stockholder should check the voting form used by that firm to determine whether it may vote by telephone or the Internet.

**Every Hudson City stockholder's vote is important. Accordingly, each Hudson City stockholder should sign, date and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the Hudson City stockholder plans to attend the Hudson City special meeting in person.**

**Shares Held in Street Name**

If you are a Hudson City stockholder and your shares are held in street name through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to Hudson City or by voting in person at the Hudson City special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of Hudson City common stock on behalf of their customers may not give a proxy to Hudson City to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a Hudson City stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the Merger proposal, which broker non-votes will have the same effect as a vote **AGAINST** this proposal;

your broker, bank or other nominee may not vote your shares on the Merger-Related Named Executive Officer Compensation proposal, which broker non-votes will have no effect on the vote count for this proposal; and

your broker, bank or other nominee may not vote your shares on the Hudson City Adjournment proposal, which broker non-votes will have no effect on the vote count for this proposal.

**Voting of Shares Held in Hudson City ESOP**

If you hold your shares indirectly in the Hudson City ESOP, you have the right to direct the ESOP trustee how to vote the shares allocated to your ESOP Account as described in the voting materials sent to you by the ESOP trustee.

**Voting of Shares Held in Hudson City PIB**

If you hold your shares indirectly in the Hudson City PIB, you have the right to direct the PIB trustee how to vote the shares held in your PIB account as described in the voting materials sent to you by the PIB trustee.

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### **Revocability of Proxies and Changes to a Hudson City Stockholder's Vote**

A Hudson City stockholder has the power to change its vote at any time before its shares of Hudson City common stock are voted at the Hudson City special meeting by:

filing a notice of revocation to Hudson City's corporate secretary at West 80 Century Road, Paramus, New Jersey 07652, stating that you would like to revoke your proxy;

logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions on the proxy card. The Internet and telephone voting systems are available 24 hours a day, 7 days a week, until 11:59 p.m., Eastern time on the day preceding the special meeting;

sending a completed proxy card bearing a later date than your original proxy card; or

attending the Hudson City special meeting and voting in person, as long as, in the case of Hudson City, you have also revoked by one of the above methods any previously delivered proxy.

If you choose to send a completed proxy card bearing a later date than your original proxy card, the new proxy card must be received before the beginning of the Hudson City special meeting. If you have instructed a bank, broker or other nominee to vote your shares of Hudson City common stock, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your vote.

### **Solicitation of Proxies**

The cost of solicitation of proxies will be borne by Hudson City. Hudson City will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock. Hudson City has retained Georgeson to assist in the solicitation of proxies for a fee of \$11,500 plus related fees for any additional services and reasonable out-of-pocket expenses. In addition to solicitations by mail, Hudson City's directors, officers and regular employees may solicit proxies personally or by telephone without additional compensation.

### **Attending the Hudson City Special Meeting**

Subject to space availability, all Hudson City stockholders as of the record date, or their duly appointed proxies, may attend the Hudson City special meeting. Since seating is limited, admission to the Hudson City special meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m., Eastern time.

If you hold your shares of Hudson City common stock in your name as a stockholder of record and you wish to attend the Hudson City special meeting, please bring your proxy and evidence of your stock ownership, such as your most recent account statement, to the Hudson City special meeting. You should also bring valid picture identification.

If your shares of Hudson City common stock are held in street name in a stock brokerage account or by a bank or nominee and you wish to attend the Hudson City special meeting, you need to bring a copy of a bank or brokerage statement to the Hudson City special meeting reflecting your stock ownership as of the record date. You should also bring valid picture identification.

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**HUDSON CITY PROPOSALS**

**Merger Proposal**

As discussed throughout this document, Hudson City is asking its stockholders to approve the Merger proposal. Holders of Hudson City common stock should read carefully this document in its entirety, including the appendices, for more detailed information concerning the merger agreement and the merger. In particular, holders of Hudson City common stock are directed to the merger agreement, a copy of which is attached as Appendix A to this document.

*Vote Required and Hudson City Board Recommendation*

The affirmative vote of a majority of the outstanding shares of Hudson City common stock entitled to vote is required to approve the Merger proposal.

**The Hudson City board of directors recommends a vote FOR the Merger proposal.**

**Non-Binding Advisory Vote Approving Merger-Related Named Executive Officer Compensation Proposal**

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Rule 14a-21(c) of the Exchange Act, Hudson City is seeking non-binding, advisory stockholder approval of the compensation of Hudson City's named executive officers that is based on or otherwise relates to the merger as disclosed in *The Merger Interests of Hudson City Directors and Executive Officers in the Merger Merger-Related Compensation for Hudson City's Named Executive Officers* beginning on page 96. The proposal gives Hudson City's stockholders the opportunity to express their views on the merger-related compensation of Hudson City's named executive officers. Accordingly, Hudson City is requesting stockholders to adopt the following resolution, on a non-binding, advisory basis:

**RESOLVED, that the compensation that may be paid or become payable to Hudson City's named executive officers, in connection with the merger, and the agreements or understandings pursuant to which such compensation may be paid or become payable, in each case as disclosed pursuant to Item 402(t) of Regulation S-K in *The Merger Interests of Hudson City Directors and Executive Officers in the Merger Merger-Related Compensation for Hudson City's Named Executive Officers*, are hereby APPROVED.**

*Vote Required and Hudson City Board Recommendation*

**The vote on this proposal is a vote separate and apart from the vote to approve the Merger proposal. Accordingly, you may vote not to approve this proposal on merger-related compensation and benefits to be paid or provided to named executive officers of Hudson City and vote to approve the Merger proposal and vice versa. The vote is advisory in nature and, therefore, is not binding on Hudson City or on M&T or the boards of directors or the compensation committees of Hudson City or M&T, regardless of whether the Merger proposal is approved. Approval of the non-binding, advisory proposal with respect to the compensation that may be received by Hudson City's named executive officers in connection with the merger is not a condition to completion of the merger, and failure to approve this advisory matter will have no effect on the vote to approve the Merger proposal. The merger-related named executive officer compensation to be paid in connection with the merger is based on contractual arrangements with the named executive officers and accordingly the outcome of this advisory vote will not affect the obligation to make these payments.**

The affirmative vote of a majority of the shares of Hudson City common stock represented (in person or by proxy) at the Hudson City special meeting and entitled to vote on the proposal is required to approve the Merger-Related Named Executive Officer Compensation proposal.

**The Hudson City board of directors recommends a vote FOR the Merger-Related Named Executive Officer Compensation proposal.**

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### **Hudson City Adjournment Proposal**

The Hudson City special meeting may be adjourned to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Hudson City special meeting to approve the Merger proposal.

If, at the Hudson City special meeting, the number of shares of Hudson City common stock present or represented and voting in favor of the Merger proposal is insufficient to approve the Merger proposal, Hudson City intends to move to adjourn the Hudson City special meeting in order to enable the Hudson City board of directors to solicit additional proxies for approval of the merger. In that event, Hudson City will ask its stockholders to vote only upon the Hudson City Adjournment proposal, and not the Merger proposal or the Merger-Related Named Executive Officer Compensation proposal.

In this proposal, Hudson City is asking its stockholders to authorize the holder of any proxy solicited by the Hudson City board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Hudson City special meeting to another time and place for the purpose of soliciting additional proxies. If the Hudson City stockholders approve the Hudson City Adjournment proposal, Hudson City could adjourn the Hudson City special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Hudson City stockholders who have previously voted.

**The Hudson City board of directors recommends a vote FOR the Hudson City Adjournment proposal.**

### **Other Matters to Come Before the Hudson City Special Meeting**

No other matters are intended to be brought before the Hudson City special meeting by Hudson City, and Hudson City does not know of any matters to be brought before the Hudson City special meeting by others. If, however, any other matters properly come before the Hudson City special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

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**M&T SPECIAL MEETING OF SHAREHOLDERS**

**Date, Time and Place**

The special meeting of M&T shareholders will be held on the 10th floor of One M&T Plaza in Buffalo, New York, at 11:00 a.m., Eastern time, on April 16, 2013. On or about February 27, 2013, M&T commenced mailing this document and the enclosed form of proxy to its shareholders entitled to vote at the M&T special meeting.

**Purpose of M&T Special Meeting**

At the M&T special meeting, M&T shareholders will be asked to:

approve the issuance of M&T common stock, par value \$0.50 per share, pursuant to the merger agreement, which is referred to as the Stock Issuance proposal;

approve certain amendments to the terms of the Series A Preferred Shares, including amendments to the dividend rate and the redemption provisions of the Series A Preferred Shares, which is referred to as the Series A Preferred Share Amendment proposal;

approve certain amendments to the terms of the Series C Preferred Shares, including amendments to the dividend rate and the redemption provisions of the Series C Preferred Shares, which is referred to as the Series C Preferred Share Amendment proposal; and

approve one or more adjournments of the M&T special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Stock Issuance proposal, the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment proposal, which is referred to as the M&T Adjournment proposal.

**The Stock Issuance proposal is not conditioned on the approval of either the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment proposal, and only approval of the Stock Issuance proposal is required to complete the merger. Similarly, neither the Series A Preferred Share Amendment proposal nor the Series C Preferred Share Amendment proposal is conditioned on the approval of the Stock Issuance proposal. M&T will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.**

**Recommendation of the M&T Board of Directors**

The M&T board of directors recommends that you vote **FOR** the Stock Issuance proposal, **FOR** the Series A Preferred Share Amendment proposal, **FOR** the Series C Preferred Share Amendment proposal and **FOR** the M&T Adjournment proposal (if necessary or appropriate). See "The Merger Recommendation of the M&T Board of Directors and Reasons for the Merger" on page 79.

**M&T Record Date and Quorum**

The M&T board of directors has fixed the close of business on February 20, 2013 as the record date for determining the holders of M&T common stock entitled to receive notice of and to vote at the M&T special meeting.

As of the M&T record date, there were 128,727,372 shares of M&T common stock outstanding and entitled to vote at the M&T special meeting held by 15,500 holders of record. Each share of M&T common stock entitles the holder to one vote at the M&T special meeting on each proposal to be considered at the M&T special meeting.

The representation of holders of at least a majority of the votes entitled to be cast on the matters to be voted on at the M&T special meeting constitutes a quorum for transacting business at the M&T special meeting. All shares of M&T common stock, whether present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence



of a quorum for all matters voted on at the M&T special meeting.

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As of the record date, directors and executive officers of M&T and their affiliates owned and were entitled to vote 7,353,563 shares of M&T common stock, representing approximately 5.7% of the shares of M&T common stock outstanding on that date. M&T currently expects that M&T's directors and executive officers will vote their shares in favor of the Stock Issuance proposal, the Series A Preferred Share Amendment proposal, the Series C Preferred Share Amendment proposal and the M&T Adjournment proposal, although none of them has entered into any agreements obligating them to do so. As of the record date, Hudson City did not beneficially hold any shares of M&T common stock.

### **Required Vote**

#### *Required Vote to Approve the Stock Issuance Proposal*

The affirmative vote of a majority of the shares of M&T common stock represented (in person or by proxy) and entitled to vote on the proposal is required to approve the Stock Issuance proposal, provided that the total votes cast on the proposal (including abstentions) must represent a majority of the shares of M&T common stock outstanding.

#### *Required Vote to Approve the Series A Preferred Share Amendment Proposal*

The affirmative vote of a majority of the outstanding shares of M&T common stock is required to approve the Series A Preferred Share Amendment proposal.

#### *Required Vote to Approve the Series C Preferred Share Amendment Proposal*

The affirmative vote of a majority of the outstanding shares of M&T common stock is required to approve the Series C Preferred Share Amendment proposal.

#### *Required Vote to Approve the M&T Adjournment Proposal*

The affirmative vote of a majority of the shares of M&T common stock represented (in person or by proxy) at the M&T special meeting and entitled to vote on the proposal is required to approve the M&T Adjournment proposal.

### **Treatment of Abstentions; Failure to Vote**

For purposes of the M&T special meeting, an abstention occurs when an M&T shareholder attends the M&T special meeting, either in person or by proxy, but abstains from voting.

For the Stock Issuance proposal, if an M&T shareholder present in person at the M&T special meeting abstains from voting, or responds by proxy with an "abstain" vote, it will have the same effect as a vote cast **AGAINST** this proposal. If an M&T shareholder is not present in person at the M&T special meeting and does not respond by proxy, it will have no effect on the vote count for the Stock Issuance proposal unless the aggregate number of such unvoted shares of M&T common stock results in a failure to meet the NYSE requirement that the total votes cast on such proposal (including abstentions) represent a majority of the shares of M&T common stock outstanding as of the M&T record date.

For the Series A Preferred Share Amendment proposal, an abstention or failure to vote will have the same effect as a vote cast **AGAINST** this proposal.

For the Series C Preferred Share Amendment proposal, an abstention or failure to vote will have the same effect as a vote cast **AGAINST** this proposal.

For the M&T Adjournment proposal, if an M&T shareholder present in person at the M&T special meeting abstains from voting, or responds by proxy with an "abstain" vote, it will have the same effect as a vote cast **AGAINST** this proposal. If an M&T shareholder is

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not present in person at the M&T special meeting and does not respond by proxy, it will have no effect on the vote count for the M&T Adjournment proposal.

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### **Voting on Proxies; Incomplete Proxies**

Giving a proxy means that an M&T shareholder authorizes the persons named in the enclosed proxy card to vote its shares at the M&T special meeting in the manner it directs. An M&T shareholder may vote by proxy or in person at the M&T special meeting. If you hold your shares of M&T common stock in your name as a shareholder of record, to submit a proxy, you, as an M&T shareholder, may use one of the following methods:

**By telephone:** Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week. Have your proxy card handy when you call. You will be prompted to enter your control number(s), which is located on your proxy card, and then follow the directions given.

**Through the Internet:** Use the Internet to vote your proxy 24 hours a day, 7 days a week. Have your proxy card handy when you access the website. You will be prompted to enter your control number(s), which is located on your proxy card, to create and submit an electronic ballot.

**By mail:** Complete and return the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

M&T requests that M&T shareholders vote by telephone, over the Internet or by completing and signing the accompanying proxy and returning it to M&T as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of M&T stock represented by it will be voted at the M&T special meeting in accordance with the instructions contained on the proxy card. If any proxy is returned without indication as to how to vote, the shares of M&T common stock represented by the proxy will be voted as recommended by the M&T board of directors.

If an M&T shareholder's shares are held in street name by a broker, bank or other nominee, the shareholder should check the voting form used by that firm to determine whether it may vote by telephone or the Internet.

**Every M&T shareholder's vote is important. Accordingly, each M&T shareholder should sign, date and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the M&T shareholder plans to attend the M&T special meeting in person.**

### **Shares Held in Street Name**

If you are an M&T shareholder and your shares are held in street name through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to M&T or by voting in person at the M&T special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of M&T common stock on behalf of their customers may not give a proxy to M&T to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are an M&T shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the Stock Issuance proposal, which broker non-votes will have no effect on the vote count for such proposal unless the aggregate number of broker non-votes results in a failure to meet the NYSE requirement that the total votes cast on such proposal (including abstentions) represent a majority of the shares of M&T common stock outstanding as of the M&T record date;

your broker, bank or other nominee may not vote your shares on the Series A Preferred Share Amendment proposal, which will have the same effect as a vote cast **AGAINST** this proposal;

your broker, bank or other nominee may not vote your shares on the Series C Preferred Share Amendment proposal, which will have the same effect as a vote cast **AGAINST** this proposal; and

your broker, bank or other nominee may not vote your shares on the M&T Adjournment proposal, which broker non-votes will have no effect on the vote count for this proposal.

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### **Voting of Shares Held in M&T Benefit Plans**

If you hold your shares indirectly in the M&T benefit plans, you have the right to direct the M&T trustee how to vote your shares as described in the voting materials sent to you by the M&T trustee.

### **Revocability of Proxies and Changes to an M&T Shareholder's Vote**

An M&T shareholder has the power to change its vote at any time before its shares of M&T common stock are voted at the M&T special meeting by:

sending a notice of revocation to M&T's corporate secretary at One M&T Plaza, Buffalo, New York 14203 stating that you would like to revoke your proxy;

logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions on the proxy card;

sending a completed proxy card bearing a later date than your original proxy card; or

attending the M&T special meeting and voting in person.

If you choose either of the first two methods, you must take the described action no later than the beginning of the M&T special meeting. If you choose to send a completed proxy card bearing a later date than your original proxy card, the new proxy card must be received before the beginning of the M&T special meeting. If you have instructed a bank, broker or other nominee to vote your shares of M&T common stock, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your vote.

### **Solicitation of Proxies**

The cost of solicitation of proxies will be borne by M&T. M&T will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock. In addition to solicitations by mail, M&T's directors, officers and regular employees may solicit proxies personally or by telephone without additional compensation.

### **Discontinuing Multiple Mailings**

If you are a shareholder of record and have more than one account in your name or at the same address as other shareholders of record, you may authorize M&T to discontinue mailings of multiple annual reports and proxy statements, including this joint proxy statement/prospectus. To discontinue multiple mailings, or to reinstate multiple mailings, please either mail your request to M&T Bank Corporation, Attention: Shareholder Relations, One M&T Plaza, Buffalo, New York 14203, or send your request to Shareholder Relations via electronic mail at [ir@mtb.com](mailto:ir@mtb.com).

### **Attending the M&T Special Meeting**

Subject to space availability, all M&T shareholders as of the record date, or their duly appointed proxies, may attend the M&T special meeting. Since seating is limited, admission to the M&T special meeting will be on a first-come, first-served basis. Registration and seating will begin at 10:30 a.m., Eastern time.

If you hold your shares of M&T common stock in your name as a shareholder of record and you wish to attend the M&T special meeting, please bring your proxy and evidence of your stock ownership, such as your most recent account statement, to the M&T special meeting. You should also bring valid picture identification.

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If your shares of M&T common stock are held in street name in a stock brokerage account or by a bank or nominee and you wish to attend the M&T special meeting, you need to bring a copy of a bank or brokerage statement to the M&T special meeting reflecting your stock ownership as of the record date. You should also bring valid picture identification.

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**M&T PROPOSALS**

**Stock Issuance Proposal**

It is a condition to completion of the merger that M&T issue shares of M&T common stock in the merger. In the merger, each Hudson City stockholder may elect to receive, for each share of Hudson City common stock owned, 0.08403 of a share of M&T common stock or cash having a value equal to 0.08403 multiplied by the average of the closing prices of M&T common stock on the NYSE for the ten trading days immediately preceding the completion of the merger.

M&T is asking its shareholders to approve the Stock Issuance proposal. The issuance of these securities to Hudson City stockholders is necessary to effect the merger and the approval of the Stock Issuance proposal is required for completion of the merger.

**The M&T board of directors recommends a vote FOR the Share Issuance proposal.**

**Series A Preferred Share Amendment Proposal**

M&T is asking its shareholders to approve certain amendments to the terms of the Series A Preferred Shares that would serve to reduce the dividend rate on the Series A Preferred Shares from 9% per annum to 6.375% per annum, effective November 15, 2013, and extend the earliest date that such Series A Preferred Shares can be redeemed to November 15, 2018. These amendments have been previously approved by M&T's Board of Directors and by the U.S. Treasury and are being undertaken in connection with the U.S. Treasury's previously announced offering of the Series A Preferred Shares for sale to the public and the completion of M&T's exit from the U.S. Treasury's TARP program. The U.S. Treasury completed its offering of the Series A Preferred Shares on August 21, 2012.

Currently, under M&T's Certificate of Incorporation, as amended, the Series A Preferred Shares bear an initial dividend rate of 5% per annum through February 14, 2014, and this dividend rate will increase to 9% per annum on and after February 15, 2014. Under the Series A Preferred Share Amendment proposal, the initial dividend rate on the Series A Preferred Shares will be 5% per annum through November 14, 2013, and will increase to 6.375% per annum on and after November 15, 2013. Also, in connection with the previously announced offering of the Series A Preferred Shares, M&T contractually agreed for the benefit of holders of the preferred shares not to redeem the preferred shares except (i) on or after November 15, 2018, subject to prior approval by the appropriate federal banking agency, or (ii) in whole but not in part, at any time within 90 days following a regulatory capital treatment event, in each case at a redemption price equal to the sum of 100% of the liquidation preference per preferred share plus any accrued and unpaid dividends (including dividends accrued on any unpaid dividends) to but excluding the date of redemption. Prior to such agreement, M&T had been able to redeem the Series A Preferred Shares at any time on or after February 15, 2011, subject to prior approval by the appropriate federal banking agency. The term regulatory capital treatment event means the good faith determination by M&T that, as a result of (a) any amendment to, or change in, the laws or regulations of the U.S. (or any political subdivision thereof) that is enacted or becomes effective after August 17, 2012; (b) any proposed change (including any such change with a prospective effect) in those laws or regulations that is announced after August 17, 2012; or (c) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after August 17, 2012, there is more than an insubstantial risk that M&T will not be entitled to treat the full liquidation value of the Series A Preferred Shares then outstanding as Tier 1 Capital for purposes of the capital adequacy guidelines of the Federal Reserve Board, Regulation Y, 12 C.F.R. Part 225, or any successor regulation of the Board of Governors of the Federal Reserve System, as then in effect and applicable, for as long as any share of Series A Preferred Shares is outstanding. These modified redemption terms are also included in the Series A Preferred Share Amendment proposal.



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Upon approval of the Series A Preferred Share Amendment by M&T shareholders, which has been approved by M&T's Board of Directors and by the U.S. Treasury, in its capacity as sole holder of the Series A Preferred Shares, M&T would be authorized to file with the New York Department of State the certificate of amendment to our Certificate of Incorporation, as amended, as set forth in Appendix D to this document, and the Series A Preferred Share Amendment will thereafter become effective upon filing of the certificate of amendment. Except for the Series A Preferred Share Amendment and the Series C Preferred Share Amendment, the provisions of M&T's Certificate of Incorporation, as amended, would remain unchanged.

Approval of the Series A Preferred Share Amendment proposal is not a condition to completion of the merger. Only approval of the Stock Issuance proposal is required to complete the merger. Similarly, the Series A Preferred Share Amendment proposal is not conditioned on the approval of the Stock Issuance proposal.

**The M&T board of directors recommends a vote FOR the Series A Preferred Share Amendment proposal.**

### **Series C Preferred Share Amendment Proposal**

M&T is asking its shareholders to approve certain amendments to the terms of the Series C Preferred Shares that would serve to reduce the dividend rate on each of the Series C Preferred Shares from 9% per annum to 6.375% per annum, effective November 15, 2013, and extend the earliest date that such Series C Preferred Shares can be redeemed to November 15, 2018. These amendments have been previously approved by M&T's Board of Directors and by the U.S. Treasury and are being undertaken in connection with the U.S. Treasury's previously announced offering of the Series C Preferred Shares for sale to the public and the completion of M&T's exit from the U.S. Treasury's TARP program. The U.S. Treasury completed its offering of the Series C Preferred Shares on August 21, 2012.

Currently, under M&T's Certificate of Incorporation, as amended, the Series C Preferred Shares bear an initial dividend rate of 5% per annum through November 14, 2013, and this dividend rate will increase to 9% per annum on and after November 15, 2013. Under the Series C Preferred Share Amendment proposal, the initial dividend rate on the Series C Preferred Shares will be 5% per annum through November 14, 2013, and will increase to 6.375% per annum on and after November 15, 2013. Also, in connection with the previously announced offering of the Series C Preferred Shares, M&T contractually agreed for the benefit of holders of the preferred shares not to redeem the preferred shares except (i) on or after November 15, 2018, subject to prior approval by the appropriate federal banking agency, or (ii) in whole but not in part, at any time within 90 days following a regulatory capital treatment event, in each case at a redemption price equal to the sum of 100% of the liquidation preference per preferred share plus any accrued and unpaid dividends (including dividends accrued on any unpaid dividends) to but excluding the date of redemption. Prior to such agreement, M&T had been able to redeem the Series C Preferred Shares at any time on or after November 15, 2011, subject to prior approval by the appropriate federal banking agency. The term "regulatory capital treatment event" means the good faith determination by M&T that, as a result of (a) any amendment to, or change in, the laws or regulations of the U.S. (or any political subdivision thereof) that is enacted or becomes effective after August 17, 2012; (b) any proposed change (including any such change with a prospective effect) in those laws or regulations that is announced after August 17, 2012; or (c) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after August 17, 2012, there is more than an insubstantial risk that M&T will not be entitled to treat the full liquidation value of the Series C Preferred Shares then outstanding as Tier 1 Capital for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System, Regulation Y, 12 C.F.R. Part 225, or any successor regulation of the Federal Reserve Board, as then in effect and applicable, for as long as any share of Series C Preferred Shares, as applicable, is outstanding. These modified redemption terms are also included in the Series C Preferred Share Amendment proposal.

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Upon approval of the Series C Preferred Share Amendment by M&T shareholders, which has been approved by M&T's Board of Directors and by the U.S. Treasury, in its capacity as sole holder of the Series C Preferred Shares, M&T would be authorized to file with the New York Department of State the certificate of amendment to our Certificate of Incorporation, as amended, as set forth in Appendix D to this document, and the Series C Preferred Share Amendment will thereafter become effective upon filing of the certificate of amendment. Except for the Series C Preferred Share Amendment and the Series A Preferred Share Amendment, the provisions of M&T's Certificate of Incorporation, as amended, would remain unchanged.

Approval of the Series C Preferred Share Amendment proposal is not a condition to completion of the merger. Only approval of the Stock Issuance proposal is required to complete the merger. Similarly, the Series C Preferred Share Amendment proposal is not conditioned on the approval of the Stock Issuance proposal.

**The M&T board of directors recommends a vote FOR the Series C Preferred Share Amendment proposal.**

### **M&T Adjournment Proposal**

The M&T special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the Stock Issuance, the Series A Preferred Share Amendment or Series C Preferred Share Amendment proposals.

If, at the M&T special meeting, the number of shares of M&T common stock present or represented and voting in favor of the Stock Issuance proposal is insufficient to approve the Stock Issuance proposal, M&T intends to move to adjourn the M&T special meeting in order to enable the M&T board of directors to solicit additional proxies for approval of the Stock Issuance proposal. If, at the M&T special meeting, the Stock Issuance proposal is approved by the M&T shareholders, but the number of shares of M&T common stock present or represented and voting in favor of either or both of the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment Proposal is insufficient to approve either or both of the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment Proposal, M&T may elect to move to adjourn the M&T special meeting solely in order to enable the M&T board of directors to solicit additional proxies for approval of either or both of the Series A Preferred Share Amendment proposal or the Series C Preferred Share Amendment proposal.

In the M&T Adjournment proposal, M&T is asking its shareholders to authorize the holder of any proxy solicited by the M&T board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the M&T special meeting to another time and place for the purpose of soliciting additional proxies. If the M&T shareholders approve the M&T Adjournment proposal, M&T could adjourn the M&T special meeting and any adjourned session of the M&T special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from M&T shareholders who have previously voted.

**The M&T board of directors recommends a vote FOR the M&T Adjournment proposal.**

### **Other Matters to Come Before the M&T Special Meeting**

No other matters are intended to be brought before the M&T special meeting by M&T, and M&T does not know of any matters to be brought before the M&T special meeting by others. If, however, any other matters properly come before the M&T special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

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**INFORMATION ABOUT THE COMPANIES**

*M&T Bank Corporation*

One M&T Plaza

Buffalo, New York 14203

Phone: (716) 842-5138

M&T is a New York business corporation that is registered as a financial holding company under the Bank Holding Company Act of 1956, as amended and as a bank holding company under Article III-A of the New York Banking Law. M&T was incorporated in November 1969. As of September 30, 2012, M&T had consolidated total assets of \$81.1 billion, deposits of \$64.0 billion and shareholders' equity of \$9.9 billion. M&T had 13,673 full-time and 1,294 part-time employees as of September 30, 2012.

M&T has two wholly owned indirect bank subsidiaries: Manufacturers and Traders Trust Company, which is referred to as M&T Bank, and Wilmington Trust, National Association. The bank subsidiaries collectively offer a wide range of retail and commercial banking, trust, wealth management and investment services to their customers. At September 30, 2012, M&T Bank represented 99% of consolidated assets of M&T. M&T Bank is a banking corporation that is incorporated under the laws of the State of New York. As a commercial bank, M&T Bank offers a broad range of financial services to a diverse base of consumers, businesses, professional clients, governmental entities and financial institutions located in its markets. Lending is largely focused on consumers residing in New York State, Pennsylvania, Maryland, Delaware, northern Virginia and Washington, D.C., and on small- and medium-size businesses based in those areas, although loans are originated through lending offices in other states. In addition, M&T conducts lending activities in various states through other subsidiaries. M&T Bank and certain of its subsidiaries also offer commercial mortgage loans secured by income producing properties or properties used by borrowers in a trade or business. Additional financial services are provided through other operating subsidiaries of M&T and M&T Bank.

M&T from time to time considers acquiring banks, thrift institutions, branch offices of banks or thrift institutions, or other businesses within markets currently served by M&T or in other locations that would complement M&T's business or its geographic reach. M&T has pursued acquisition opportunities in the past, continues to review different opportunities, including the possibility of major acquisitions, and intends to continue this practice.

*Merger Sub*

c/o M&T Bank Corporation

One M&T Plaza

Buffalo, New York 14203

Phone: (716) 842-5138

Merger Sub, whose legal name is Wilmington Trust Corporation, is a Delaware corporation and a direct, wholly owned subsidiary of M&T. Upon the completion of the merger, Merger Sub will continue to exist as a direct wholly owned subsidiary of M&T. Merger Sub has two wholly owned direct bank subsidiaries: M&T Bank and Wilmington Trust, National Association, both of which will continue to be direct bank subsidiaries of Merger Sub after the merger and the bank merger.

*Hudson City Bancorp, Inc.*

West 80 Century Road

Paramus, New Jersey 07652

Phone: (201) 967-1900

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Hudson City is a Delaware corporation organized in 1999 and serves as the holding company of its only direct subsidiary, Hudson City Savings Bank.

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Hudson City Savings Bank is a federally chartered stock savings bank subject to supervision and examination by the OCC. Hudson City Savings Bank has served its customers since 1868. Hudson City Savings Bank is a community- and consumer-oriented retail savings bank offering traditional deposit products, residential real estate mortgage loans and consumer loans. In addition, Hudson City Savings Bank purchases mortgages and mortgage-backed securities and other securities issued by U.S. government-sponsored enterprises as well as other investments permitted by applicable laws and regulations. Hudson City Savings Bank retains substantially all of the loans it originates in its portfolio.

Hudson City Savings Bank's business model and product offerings allow it to serve a broad range of customers with varying demographic characteristics. Hudson City Savings Bank's traditional consumer products such as conforming one- to four-family residential mortgages, time deposits, checking and savings accounts appeal to a broad customer base and Hudson City Savings Bank's jumbo mortgage lending proficiency and time deposit and money market products have allowed Hudson City Savings Bank to target higher-income customers successfully.

Hudson City Savings Bank's revenues are derived principally from interest on mortgage loans and mortgage-backed securities and interest and dividends on investment securities. Hudson City Savings Bank's primary sources of funds are customer deposits, borrowings, scheduled amortization and prepayments of mortgage loans and mortgage-backed securities, maturities and calls of investment securities and funds provided by operations.

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**THE MERGER**

*The following is a discussion of the merger and the material terms of the merger agreement between M&T and Hudson City. You are urged to read carefully the merger agreement in its entirety, a copy of which is attached as Appendix A to this document and incorporated by reference herein. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. We encourage you to read the merger agreement carefully and in its entirety. This section is not intended to provide you with any factual information about M&T or Hudson City. Such information can be found elsewhere in this joint proxy statement/prospectus and in the public filings M&T and Hudson City make with the SEC, as described in the section entitled *Where You Can Find More Information* .*

**Terms of the Merger**

*Transaction Structure*

M&T's and Hudson City's boards of directors have approved the merger agreement. The merger agreement provides for the acquisition of Hudson City by M&T through the merger of Hudson City with and into Merger Sub, with Merger Sub continuing as the surviving corporation. Immediately following the merger, Hudson City Savings Bank, a wholly owned subsidiary of Hudson City, will merge with and into M&T Bank, a bank chartered under the laws of the State of New York and a wholly owned subsidiary of M&T, with M&T Bank being the surviving bank.

*Merger Consideration*

In the merger, Hudson City stockholders will have the right, with respect to each of their shares of Hudson City common stock, to elect to receive, subject to proration and adjustment as described below, 0.08403 of a share of M&T common stock or cash having a value equal to 0.08403 multiplied by the average of the closing prices of M&T common stock on the NYSE for the ten trading days immediately preceding the completion of the merger.

**If you are a Hudson City stockholder, whether you receive cash or M&T common stock as merger consideration, the value of the merger consideration that you will receive will fluctuate with the market price of M&T common stock. If you receive cash as merger consideration, the value of the merger consideration that you will receive will depend on the average closing prices of M&T common stock for the ten trading days immediately preceding the completion of the merger. If you receive M&T common stock as merger consideration, the value of the merger consideration that you will receive will depend on the market price of M&T common stock when you receive the shares of M&T common stock.**

When making an election, Hudson City stockholders may specify different elections with respect to different shares of Hudson City common stock held by them (for example, a Hudson City stockholder with 100 shares of Hudson City common stock could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

*Cash Election*

The merger agreement provides that each Hudson City stockholder who makes a valid cash election will have the right to receive, in exchange for each share of Hudson City common stock, subject to proration and adjustment as described below, an amount in cash equal to 0.08403 multiplied by the average of the closing prices of M&T common stock on the NYSE for the ten trading days immediately preceding the completion of the merger, which is referred to as the cash consideration. For example, based on the average of the closing prices of M&T common stock for the ten trading days ending February 20, 2013, the cash consideration per share of Hudson City common stock was approximately \$8.79. Subject to limited exceptions, the aggregate number of shares of Hudson City common stock that will be entitled to receive the cash consideration is fixed at 204,338,066, which is referred to as the target cash conversion amount, and, as a result, even if a Hudson City

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stockholder makes a cash election, such Hudson City stockholder may nevertheless receive a mix of cash and stock consideration. If the number of shares of Hudson City common stock outstanding increases prior to the date of the completion of the merger due to the exercise of outstanding options to purchase or receive shares of Hudson City common stock, the target cash conversion amount will be increased accordingly.

### *Stock Election*

The merger agreement provides that each Hudson City stockholder who makes a valid stock election will have the right to receive, in exchange for each share of Hudson City common stock, subject to proration and adjustment as described below, 0.08403 shares of M&T common stock, which is referred to as the stock consideration. Based on the target cash conversion amount and the number of shares of Hudson City common stock outstanding on February 20, 2013, the stock consideration would be approximately 27.2 million shares of M&T common stock in the aggregate. As described in more detail below, depending on the number of shares of Hudson City common stock for which Hudson City stockholders have made a valid cash election, even if a Hudson City stockholder makes a stock election, such Hudson City stockholder may nevertheless receive some cash consideration.

### *Non-Election*

Hudson City stockholders who make no election to receive cash or shares of M&T common stock in the merger, whose elections are not received by the exchange agent by the election deadline, or whose forms of election are improperly completed and/or are not signed, will be deemed not to have made an election. Hudson City stockholders not making an election may be paid in cash, M&T common stock or a mix of cash and M&T common stock depending on, and after giving effect to, the proration and adjustment procedures described below, the number of valid cash elections and stock elections that have been made by other Hudson City stockholders, and the number of shares held by Hudson City stockholders who have perfected and not lost their right to dissenters' rights of appraisal in accordance with the procedures and requirements of Delaware law.

### *Adjustment on a Prorated Basis*

The cash and stock elections are subject to proration and adjustment to ensure that the number of shares of Hudson City common stock that are converted into the right to receive the cash consideration is equal to the target cash conversion amount. As a result, even if a Hudson City stockholder makes a cash election or stock election, such Hudson City stockholder may nevertheless receive some stock consideration or some cash consideration, respectively. The number of shares of Hudson City common stock that will be converted into the right to receive cash consideration and the number of shares of Hudson City common stock that will be converted into the right to receive stock consideration in the merger are also subject to proration and adjustment to the extent necessary to enable M&T's and Hudson City's respective tax counsel to render their opinions that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

### *Proration Adjustment If Cash Consideration Is Oversubscribed*

Shares of M&T common stock may be issued to Hudson City stockholders who make cash elections if the target cash conversion amount is oversubscribed, which will occur if the number of such cash election shares exceeds the target cash conversion amount. If the target cash conversion amount is oversubscribed, then:

a Hudson City stockholder making a stock election, no election or an invalid election will receive the stock consideration for each share of Hudson City common stock as to which he or she made a stock election, no election or an invalid election;

a Hudson City stockholder making a cash election will receive:

the cash consideration for a number of shares of Hudson City common stock equal to the product obtained by multiplying (1) the number of shares of Hudson City common stock for which such stockholder has made a cash election by (2) a fraction, the numerator of which is the target cash conversion amount and the denominator of which is the number of cash election shares; and





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the stock consideration for the remaining shares of Hudson City common stock for which the Hudson City stockholder made a cash election.

*Proration Adjustment if Cash Consideration is Undersubscribed*

Cash may be issued to Hudson City stockholders who make stock elections if the target cash conversion amount is undersubscribed, which will occur if the number of cash election shares is less than the target cash conversion amount. The amount by which the number of cash election shares is less than the target cash conversion amount is referred to herein as the shortfall number.

If the target cash conversion amount is undersubscribed, then all Hudson City stockholders making a cash election will receive the cash consideration for all shares of Hudson City common stock as to which they made a cash election. Hudson City stockholders making a stock election, Hudson City stockholders who make no election and Hudson City stockholders who failed to make a valid election will receive cash and/or Hudson City common stock based in part on whether the shortfall number is less or greater than the number of the shares of Hudson City common stock for which no elections are made or Hudson City stockholders failed to make a valid election, which are referred to as the non-election shares, as described below.

*Scenario 1: Shortfall Number Is Less than or Equal to Number of Non-Election Shares.* If the shortfall number is less than or equal to the number of non-election shares, then:

a Hudson City stockholder making a cash election will receive the cash consideration for each share of Hudson City common stock as to which he or she made a cash election;

a Hudson City stockholder making a stock election will receive the stock consideration for each share of Hudson City common stock as to which he or she made a stock election; and

a Hudson City stockholder who made no election or who did not make a valid election with respect to any of his or her shares of Hudson City common stock may receive, as determined by a random selection process, either cash or stock consideration with respect to the non-election shares held by such Hudson City stockholder, so that the number of shares of Hudson City common stock to be converted into the right to receive cash in the merger equals the target cash conversion amount.

*Scenario 2: Shortfall Number Exceeds Number of Non-Election Shares.* If the shortfall number exceeds the number of non-election shares, then:

a Hudson City stockholder making a cash election will receive the cash consideration for each share of Hudson City common stock as to which he or she made a cash election;

a Hudson City stockholder who made no election or who has not made a valid election will receive the cash consideration for each share of Hudson City common stock for which he or she made no election or did not make a valid election; and

a Hudson City stockholder making a stock election will receive:

the cash consideration with respect to the number of shares of Hudson City common stock equal to the product obtained by multiplying (1) the number of shares of Hudson City common stock with respect to which the Hudson City stockholder made a stock election by (2) a fraction, (x) the numerator of which is equal to the amount by which the shortfall number exceeds the number of non-election shares and (y) the denominator of which is equal to the total number of stock election shares; and

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stock consideration with respect to the remaining shares of Hudson City common stock held by such Hudson City stockholder as to which he or she made a stock election.

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*No Adjustment if Cash Consideration Is Sufficiently Subscribed*

If the number of cash election shares is equal to the target cash conversion amount, the cash election is sufficient. If the cash election is sufficient, then:

a Hudson City stockholder making a cash election will receive the cash consideration for each share of Hudson City common stock as to which he or she made a cash election;

a Hudson City stockholder making a stock election will receive the stock consideration for each share of Hudson City common stock as to which he or she made a stock election; and

a Hudson City stockholder who made no election or who did not make a valid election with respect to any of his or her shares of Hudson City common stock will receive the stock consideration for each share of Hudson City common stock for which he or she made no election or did not make a valid election.

**Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration**

The conversion of Hudson City common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after the effective time of the merger, the exchange agent will exchange certificates representing shares of Hudson City common stock for merger consideration to be received in the merger pursuant to the terms of the merger agreement.

*Form of Election*

The merger agreement provides that Hudson City stockholders will be provided with a form of election and other appropriate and customary transmittal materials. Each Hudson City stockholder will be sent an election form and transmittal materials after the Hudson City special meeting. The mailing is expected to occur approximately 35 days prior to the anticipated closing date of the merger. Each form of election will allow the holder to make cash or stock elections or no elections. M&T and the exchange agent will also make available forms of election to each person who subsequently becomes a holder of Hudson City common stock.

Holders of Hudson City common stock who wish to elect the type of merger consideration they will receive in the merger should carefully review and follow the instructions set forth in the form of election. Hudson City stockholders who hold their shares in street name should follow their broker's instructions for making an election with respect to such shares. Shares of Hudson City common stock as to which the holder has not made a valid election prior to the election deadline set forth in the election form (currently expected to be the day that is 30 days after the mailing date described above), will be treated as though they had not made an election.

To make an election, a holder of Hudson City common stock must submit a properly completed form of election so that it is actually received by the exchange agent at or prior to the election deadline in accordance with the instructions on the form of election. A form of election will be properly completed only if accompanied by certificates representing all shares of Hudson City common stock covered by the form of election (or appropriate evidence as to the loss, theft or destruction, appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification, as described in the form of election), together with duly executed transmittal materials included in the form of election.

Generally, an election may be revoked or changed, but only by written notice received by the exchange agent prior to the election deadline. If an election is revoked and unless a subsequent properly executed form of election is actually received by the exchange agent at or prior to the election deadline, the holder having revoked the election will be deemed to have made no election with respect to his or her shares of Hudson City common stock, and the exchange agent will return those certificates to the stockholder who submitted those certificates via first-class mail upon the holder's request. If the merger agreement is terminated, and any certificates have been transmitted to the exchange agent, the exchange agent will return those certificates to the stockholder who submitted those certificates via first-class mail.

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Hudson City stockholders will not be entitled to revoke or change their elections following the election deadline. As a result, Hudson City stockholders who have made elections will be unable to revoke their elections or sell their shares of Hudson City common stock during the interval between the election deadline and the date of completion of the merger.

Shares of Hudson City common stock as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be deemed non-election shares. If it is determined that any purported cash election or stock election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

### *Letters of Transmittal*

Soon after the completion of the merger, the exchange agent will send a letter of transmittal to only those persons who were Hudson City stockholders at the effective time of the merger and who have not previously submitted a form of election and properly surrendered shares of Hudson City common stock to the exchange agent. This mailing will contain instructions on how to surrender shares of Hudson City common stock (if these shares have not already been surrendered) in exchange for the merger consideration the holder is entitled to receive under the merger agreement. If a certificate for Hudson City common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of appropriate evidence as to that loss, theft or destruction, appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification.

### *Dividends and Distributions*

Until Hudson City common stock certificates are surrendered for exchange, any dividends or other distributions with a record date after the effective time with respect to M&T common stock into which shares of Hudson City common stock may have been converted will accrue but will not be paid. M&T will pay to former Hudson City stockholders any unpaid dividends or other distributions, without interest, only after they have duly surrendered their Hudson City stock certificates. After the effective time of the merger, there will be no transfers on the stock transfer books of Hudson City of any shares of Hudson City common stock. If certificates representing shares of Hudson City common stock are presented for transfer after the completion of the merger, they will be cancelled and exchanged for the merger consideration into which the shares of Hudson City common stock represented by that certificate have been converted.

### *Dissenting Shares*

Shares held by Hudson City stockholders who have perfected and not lost their right to dissenters' rights of appraisal in accordance with the procedures and requirements of Delaware law will not be converted into the right to receive either the cash consideration or stock consideration, and such Hudson City stockholders will be entitled only to the rights granted by Delaware law. If any such Hudson City stockholder withdraws or loses his or her right to dissent under Delaware law at or prior to the effective time of the merger, the shares of Hudson City common stock held by such Hudson City stockholder will be treated as non-election shares and converted into the right to receive the cash consideration, the stock consideration or a mix of cash and stock consideration. Solely for the purpose of calculating any adjustments for oversubscription or undersubscription of cash elections described above, any dissenting shares will be treated as cash election shares. Such dissenting shares, however, will not be converted into the right to receive either the cash consideration or stock consideration.

### *Hudson City ESOP*

The Hudson City ESOP is a tax-qualified plan that covers substantially all salaried Hudson City employees who have at least one year of service and have attained age 21. The Hudson City ESOP has received two loans from Hudson City, the proceeds of which were used to acquire shares of Hudson City common stock for the

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benefit of plan participants. The Hudson City ESOP has pledged the shares of Hudson City common stock acquired with each loan as collateral for that loan and holds them in a suspense account for each loan, releasing them to participant accounts from time to time as their respective loans are repaid, using contributions received from Hudson City. Upon the consummation of the merger, the shares of Hudson City common stock held in each suspense account will be used to repay the loan used to acquire the shares of Hudson City common stock in that account, any shares of Hudson City common stock remaining in either suspense account after repayment will be distributed to plan participants, and the Hudson City ESOP will be terminated.

### **Background of the Merger**

Hudson City has long maintained a traditional residential mortgage lending business model, retaining substantially all the residential mortgage loans it originates in its portfolio. Beginning in 2008 and continuing through 2009, the economy fell into a deep recession, and there was turmoil in the financial marketplace. The recession and the weak economic conditions that prevailed following the recession had an adverse impact on Hudson City. However, as a result of Hudson City's conservative mortgage underwriting process and traditional mortgage lending business model, these economic conditions did not affect Hudson City to the same extent and in the same manner as many other financial institutions, and Hudson City fared relatively well compared to other financial institutions.

However, the U.S. government's response to the recessionary economic environment presented new challenges for Hudson City. In particular, the policy of keeping interest rates at extraordinarily low levels to spur economic growth, and the purchase by U.S. government-sponsored enterprises of an increasing number of mortgage loans to support the housing market, each had an adverse effect on Hudson City. Hudson City believes the low interest rate environment caused Hudson City customers to refinance their loans, which resulted in reduced yields on Hudson City's mortgage loan portfolio and elevated levels of prepayments. In addition, mortgage-related securities held on Hudson City's balance sheet experienced elevated prepayment levels. Yields earned by Hudson City on interest-earning assets have therefore declined substantially, and, coupled with Hudson City's higher-rate and slower-to-re-price interest-bearing liabilities, led to a substantial reduction of Hudson City's net interest margin. These market conditions have made it very difficult for Hudson City, with its traditional mortgage lending model, to grow its business and generate returns on equity and assets at levels consistent with its historical experience.

In the first quarter of 2011, Hudson City began to take steps to strengthen its balance sheet and improve its net interest margin for the future by restructuring its balance sheet, which included the sale of approximately \$8.5 billion of mortgage-backed securities and the extinguishment of approximately \$12.5 billion of high-rate structured borrowings. In addition, in the fourth quarter of 2011, Hudson City used excess liquidity provided by the prepayments of mortgage-related assets and calls of investment securities to extinguish \$4.3 billion of structured borrowings.

In early 2011, in light of the difficult and continuing market conditions, Hudson City retained J.P. Morgan and Sullivan & Cromwell LLP, which we refer to as Sullivan & Cromwell, to assist the Hudson City board of directors and management in their evaluation of various strategic alternatives.

On June 24, 2011, Hudson City Savings Bank entered into a memorandum of understanding with the Office of Thrift Supervision, which is referred to as the OTS, its former regulator. The OTS memorandum of understanding required Hudson City Savings Bank to, among other things, implement enhanced operating policies and procedures with respect to reducing its level of interest rate risk, reducing its funding concentration, diversifying its funding sources, enhancing its liquidity position, monitoring and managing loan modifications and maintaining its capital position. In addition, Hudson City Savings Bank agreed to develop a written strategic plan to establish various objectives, including, among other things, objectives for its overall risk profile, earnings performance, growth and balance sheet mix and to enhance its enterprise risk management program. The same day, Hudson City entered into a separate memorandum of understanding with the OTS, which required Hudson City, among other things, to support Hudson City Savings Bank's compliance with its memorandum of understanding. The Hudson City

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memorandum of understanding also required Hudson City to obtain approval from the OTS prior to receiving a capital distribution from Hudson City Savings Bank or declaring a dividend to its stockholders, obtain approval from the OTS prior to repurchasing or redeeming any of its stock or incurring any debt with a maturity of greater than one year and to submit a comprehensive capital and earnings plan to the OTS.

Beginning in the spring of 2011 and on a few occasions throughout the year, Hudson City was contacted on an unsolicited basis by a few third parties expressing an interest in exploring a possible acquisition of Hudson City. Hudson City's senior management, with the concurrence of its board of directors, held preliminary, exploratory discussions with these parties. Two such parties entered into confidentiality agreements with Hudson City and conducted preliminary due diligence on Hudson City. Those exploratory discussions did not result in the pursuit of a transaction at the time.

In the first half of 2011, as part of its response to the challenging market conditions, Hudson City's board of directors examined various strategic initiatives to position its balance sheet to allow for more profitable growth in the future as market conditions change, including strategies to diversify its revenue sources and funding mix. Through the latter half of 2011 and into 2012, Hudson City's board of directors and management continued to review Hudson City's long-term, overall strategy and traditional mortgage lending business.

Under the Dodd-Frank Act, on July 21, 2011, the Federal Reserve succeeded the OTS as the principal regulator of Hudson City, and the OCC succeeded the OTS as the principal regulator of Hudson City Savings Bank. In March of 2012, Hudson City Savings Bank entered into a new memorandum of understanding with the OCC, which supersedes and is substantially similar to its memorandum of understanding entered into with the OTS. In April of 2012, Hudson City also entered into a new memorandum of understanding with the Federal Reserve, which contains substantially the same terms as, and supersedes, its memorandum of understanding with the OTS.

In the first quarter of 2012, Hudson City retained a leading international consulting firm, McKinsey & Co., which we refer to as the Consultant, to perform a strategic review of its existing business and to assess the feasibility of a diversification of its business and the resources that would be required to implement the new strategic initiatives.

In May of 2012, the Hudson City board of directors directed management to reach out to one of the third parties, referred to as Party A, with which the Hudson City management team had held exploratory discussions in 2011. After entering into a confidentiality agreement, Party A and Hudson City began to conduct mutual due diligence and hold preliminary, exploratory discussions concerning a potential strategic combination.

Also in May of 2012, Mr. Ronald E. Hermance and a personal acquaintance of Mr. Hermance who happened to be an officer of M&T but not a member of its management team had a personal phone conversation concerning, primarily, Mr. Hermance's health. At the time, Mr. Hermance was on medical leave from his positions as Chairman and Chief Executive Officer of Hudson City, although he had continued as a member of the board of directors. During the phone call, Mr. Hermance and the M&T officer briefly discussed whether there might be an interest in exploring a potential transaction between Hudson City and M&T. The call did not involve any proposal or discussion of any terms of a potential transaction. Mr. Hermance informed the Hudson City board of directors about the phone conversation at the next regular meeting of the board in May of 2012.

At the June 2012 meeting of the Hudson City board of directors, the Consultant presented a strategic plan based on its strategic review of the company. The strategic plan presented a variety of options ranging from short-term tactical opportunities to long-term changes to Hudson City's business model. The short-term tactical opportunities included, among other things, changing Hudson City's product pricing strategy, moving from an originate-to-hold mortgage lending model to an originate-to-distribute model and investing in commercial real estate. The long-term strategic options included, among other things, extending the existing business model of Hudson City, introducing a focused diversification of certain products or services offered and becoming a full-service commercial bank. The Hudson City board of directors also discussed the status of discussions with Party A and its due diligence process.

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In mid-June, Mr. Hermance and Mr. Denis J. Salamone, Acting Chairman and Chief Executive Officer during Mr. Hermance's medical leave, met at Mr. Hermance's home with Mr. Michael P. Pinto, Vice Chairman and a director of M&T, and Mr. Mark J. Czarnecki, President and a director of M&T. The meeting was introductory in nature and focused on Hudson City and M&T's respective business models and the economic and regulatory environment in the United States generally. No transaction terms were discussed at the meeting.

Hudson City and M&T entered into a confidentiality agreement on June 22, 2012 and subsequently initiated exploratory discussions to determine whether a combination might be feasible and how that combination might be structured. M&T also commenced due diligence on Hudson City.

During June and July of 2012, Hudson City continued exploratory discussions with Party A, as well as one of the other third parties, referred to as Party B, with which management had held exploratory discussions in 2011 and that had again contacted Hudson City in late June of 2012 after the initial discussions in 2011 did not result in meaningful progress. Ultimately, the discussions with Party A did not result in the potential for a strategic combination that Hudson City believed was acceptable. Party B commenced preliminary due diligence after entering into a new confidentiality agreement with Hudson City, but ultimately did not present any proposal for a potential transaction for consideration by Hudson City.

On June 26, 2012, the Hudson City board approved a strategic plan along the lines previously presented by the Consultant. The strategic plan provided for the development of products and services that complemented Hudson City's current business model while diversifying its balance sheet and revenue sources. The strategic plan set forth initiatives to expand Hudson City's product offerings to include commercial mortgage loans and a program to sell residential mortgage loans in the secondary market. The strategic plan also included longer-term initiatives, which Hudson City has not yet begun to implement, to broaden its retail deposit offerings to increase its share of products per household, as well as to develop a suite of products and services for small businesses. At this meeting, Hudson City management updated the board of directors on discussions with M&T and Party A. At that time, M&T had just begun its due diligence process on Hudson City, the parties had not begun discussing transaction terms, and discussions with Party A had not resulted in meaningful progress.

On July 24, 2012, the Hudson City board of directors met with Messrs. Hermance and Salamone and other members of its management team, its financial advisor, J.P. Morgan, and its legal advisor, Sullivan & Cromwell, and received an update on the status of discussions with Party A, Party B and M&T. The Hudson City board of directors also discussed with Hudson City's advisors various financial and regulatory matters to be considered regarding the merits of a potential transaction with each of the parties, including the fact that Hudson City did not have actionable proposals from Party A and Party B, the recent financial results and relative financial strength of the potential parties, the recent imposition by bank regulators of more stringent requirements for regulatory approvals of acquisitions, overall execution risk for transactions with each of the potential parties, and the likely timeframes for completion of transactions with each of the parties.

During July and early August of 2012, preliminary, exploratory discussions between Hudson City and M&T continued. At a meeting in early August, the Hudson City board of directors and management met and discussed, with J.P. Morgan and Sullivan & Cromwell, potential high-level terms for a strategic combination with M&T. On August 14, 2012, Hudson City sent M&T a draft term sheet containing certain high-level, proposed terms for a possible transaction. These terms included, among other things, a proposed exchange ratio of 0.084; a mix of stock and cash consideration of two-thirds M&T common stock and one-third cash, with a right of Hudson City stockholders to elect the form of consideration to be received, subject to customary allocation procedures; a transaction structure involving the merger of Hudson City with and into M&T, with M&T surviving and qualification as a tax-free-reorganization under the Code; the addition of three members of the Hudson City board of directors to the M&T board of directors following the closing; and a cash termination fee of 2.9% of the transaction value payable to M&T in customary circumstances. On August 17, 2012, Hudson City sent M&T a draft merger agreement prepared by Sullivan & Cromwell reflecting the basic non-price terms discussed with the Hudson City board of directors and contained in the August 14 term sheet.

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On August 20, 2012, M&T sent Hudson City a revised draft of the term sheet reflecting certain changes to the terms proposed by Hudson City on August 14, 2012, including, among other things, a proposed mix of stock and cash consideration reflecting a range of 60-67% M&T common stock and 33-40% cash (with the final allocation to be agreed in the future) and the addition of one member of the Hudson City board of directors to the M&T board of directors following the closing.

During the week beginning August 20, 2012, the parties conducted negotiations of the terms of the potential transaction, including the amount and form of consideration, the structure of the potential transaction and post-closing governance matters, among others. During that week, M&T continued its due diligence efforts on Hudson City, and Hudson City conducted reverse due diligence on M&T.

On August 21, 2012, the M&T board of directors met with Mr. Robert G. Wilmers, Chairman of the Board and Chief Executive Officer of M&T, René F. Jones, Executive Vice President and Chief Financial Officer of M&T, Mr. Pinto and other members of M&T's management team, and reviewed the status of the discussions with Hudson City, including the current terms of the proposed transaction based on recent negotiations with Hudson City and the results of its due diligence on Hudson City to date. After discussion of the proposed transaction, the M&T board of directors authorized M&T management to continue negotiations to reach a definitive agreement with Hudson City.

On the same day, the Hudson City board met with Messrs. Hermance and Salamone and other members of Hudson City's management team and J.P. Morgan and Sullivan & Cromwell to discuss the current terms of M&T's proposal. On August 22, 2012, Wachtell, Lipton, Rosen & Katz, which we refer to as Wachtell Lipton, circulated a revised draft of the merger agreement to Hudson City and Sullivan & Cromwell reflecting terms that included, among other things, a proposed mix of stock and cash consideration of 60% M&T stock and 40% cash and the addition of one member of the Hudson City board of directors to the M&T board of directors following the closing. Early on August 24, 2012, following discussions with Hudson City's management team, Sullivan & Cromwell circulated a further revised draft of the merger agreement to M&T and Wachtell Lipton.

Later on August 24, 2012, the Hudson City board of directors met with Messrs. Hermance and Salamone and other members of Hudson City's management team and J.P. Morgan and Sullivan & Cromwell to review and consider a proposed transaction, including the terms as revised based on recent negotiations with M&T. The key terms considered included, among others, the proposed exchange ratio of 0.08403, a proposed mix of stock and cash consideration of 60% M&T stock and 40% cash, and representations and warranties, covenants and closing conditions (which were still being negotiated). Representatives of J.P. Morgan reviewed with the board of directors various financial aspects of the proposed transaction, which included the proposed exchange ratio and the implied value of the transaction to Hudson City stockholders, an analysis of the respective values of Hudson City and M&T common stock, implied exchange ratio analyses and an analysis of the implied value of Hudson City common stock to the pro forma combined company value, among others. Representatives of Sullivan & Cromwell reviewed with the board of directors its fiduciary duties in connection with a potential strategic transaction and the regulatory requirements for the transaction, and described the significant terms of the proposed transaction documents. After extensive discussion of a proposed transaction, Hudson City's other strategic alternatives, the status of discussions with Party A and Party B and the risks inherent in a transaction, the Hudson City board of directors determined to continue negotiations with M&T in an effort to announce a transaction by the morning of August 27, 2012. In making its determination, the Hudson City board of directors considered the fact that various banking regulators have recently imposed more stringent requirements for regulatory approvals of acquisitions, including, as a result of new statutory requirements imposed by the Dodd-Frank Act, an evaluation of systemic risk in larger acquisition transactions and enhanced capital, liquidity and other requirements for financial institutions with more than \$50 billion in assets, as well as M&T's record of acquisition approvals, its current status under the Dodd-Frank Act as a financial institution with more than \$50 billion in assets, and its long-term strong financial results. In addition, the Hudson City board of directors believed that there would be a likelihood of approval on a timely basis for a transaction with M&T. The Hudson City board of directors also considered the fact that Hudson City did not have actionable proposals from Party A and Party B, the strong performance of M&T's stock, and other factors described under Recommendation of the



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Hudson City Board of Directors and Reasons for the Merger, in making its determination. The Hudson City board of directors also considered the fact that its long-term, standalone strategic plan would require substantial management, financial and employee resources and would take an extended period of time to implement, and the risks and challenges inherent in a successful execution of that plan.

Over the course of the weekend of August 25-26, M&T and its legal advisor and Hudson City and its legal and financial advisors engaged in negotiations of the terms of the proposed transaction, including the form and mix of consideration, representation and warranties, covenants and closing conditions, among others, and M&T completed its due diligence investigation of Hudson City. On the morning of August 26, 2012, Mr. Hermance and Mr. Pinto agreed upon the final key terms for a proposed transaction, including the mix of consideration to be paid to Hudson City stockholders in the proposed transaction of 60% M&T stock and 40% cash. Thereafter, the Hudson City board of directors met with Messrs. Hermance and Salamone and other members of Hudson City's management team and its financial and legal advisors to further review and consider the proposed transaction. Mr. Hermance and representatives of Sullivan & Cromwell updated the board of directors on the progression of negotiations with M&T and the changes to key terms of the merger agreement since the last board meeting as well as regulatory considerations. Representatives of J.P. Morgan updated its presentation on the financial aspects of the proposed transaction, and delivered its oral opinion to the board of directors, subsequently confirmed in writing, that as of such date and based upon and subject to the various factors, assumptions and limitations set forth in its opinion, the merger consideration to be paid to the holders of Hudson City common stock in the proposed transaction with M&T was fair, from a financial point of view, to such holders. Following these discussions, and extensive review and discussion among Hudson City's directors, including consideration of the factors described under Recommendation of the Hudson City Board of Directors and Reasons for the Merger, beginning on page 69, and consideration of the above referenced presentations, Hudson City's board of directors unanimously adopted and approved the merger agreement and the transactions contemplated thereby, and declared the merger and other transactions contemplated by the merger agreement to be advisable. The Hudson City board of directors then directed Messrs. Hermance and Salamone and Hudson City's advisors to finalize and execute a definitive merger agreement on the terms reviewed at the board meeting.

On the afternoon of August 26, 2012, the M&T board of directors met with Messrs. Wilmers, Pinto and Jones and other members of M&T's management team and Evercore and Wachtell Lipton to further review and consider the proposed transaction. At the meeting, M&T's management updated the M&T board of directors on the terms of the proposed transaction, and reviewed the strategic rationale and the anticipated benefits of the proposed transaction to the M&T shareholders. Representatives of Wachtell Lipton reviewed with the M&T board of directors the principal terms of the proposed merger agreement. Representatives of Evercore reviewed their financial analyses of the merger consideration, which is summarized in Opinion of M&T's Financial Advisor, beginning on page 72, and delivered Evercore's oral opinion to the M&T board of directors, subsequently confirmed by delivery of a written opinion on August 27, 2012, that, as of that date, and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the merger consideration pursuant to the proposed merger agreement was fair, from a financial point of view, to M&T. See Opinion of M&T's Financial Advisor, beginning on page 81, for more information. Following these discussions, and extensive review and discussion among M&T's directors, including consideration of the factors described under Recommendation of the M&T Board of Directors and Reasons for the Merger, beginning on page 79, and consideration of the presentations of M&T's advisors and the opinion of Evercore, the M&T board of directors determined the merger agreement and the transactions contemplated by the proposed merger agreement, including the issuance of M&T common stock in connection with the proposed transaction, to be advisable and in the best interests of M&T and its shareholders, and unanimously adopted and approved the proposed merger agreement and the transactions contemplated by it. The M&T board of directors then directed its management team and M&T's legal advisor to finalize and execute a definitive merger agreement on the terms reviewed at the board meeting.

Following the board meetings of Hudson City and M&T, and after finalizing the merger agreement, Hudson City and M&T executed the merger agreement early in the morning of August 27, 2012. The transaction was announced the morning of August 27, 2012 before the opening of the financial markets in New York.

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### **Recommendation of the Hudson City Board of Directors and Reasons for the Merger**

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its stockholders approve the Merger proposal, the Hudson City board of directors consulted with Hudson City management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

the extensive review undertaken by the board of directors and management, with the assistance of financial and legal advisors, with respect to the strategic alternatives available to Hudson City;

each of Hudson City's and M&T's business, operations, financial condition, asset quality, earnings and prospects, including the significant challenges to Hudson City's growth and business model presented by the low interest rate environment and the U.S. government's activities in the housing market, and the potential that those conditions could continue for the foreseeable future;

the anticipated pro forma impact of the merger on the combined company, including the expected impact on financial metrics including earnings and tangible equity per share and on regulatory capital levels;

its understanding of the current and prospective environment in which Hudson City and M&T operate, including national and local economic conditions, the interest rate environment, the competitive and regulatory environments for financial institutions generally, and the likely effect of these factors on Hudson City both with and without the merger;

the substantial management, financial and employee resources required to execute Hudson City's new stand-alone strategic plan, the fact that full execution of the strategic plan would take an extended period of time, and the risks of and challenges inherent in, a successful execution of the strategic plan;

its belief that the merger would accelerate the accomplishment of a variety of key elements of Hudson City's new strategic plan;

the fact that the implied value of the merger consideration as of August 24, 2012 of about \$7.22 for each share of Hudson City common stock represented a 12% premium over the closing price of common stock on August 24, 2012 (the last trading day before public announcement of the merger);

the fact that 60% of the merger consideration would be in stock and the fixed exchange ratio, which would allow Hudson City stockholders to participate in the future performance of the combined company;

the terms of the merger agreement, including the cash and stock election mechanism, tax treatment and mutual deal protection and termination fee provisions;

the complementary nature of the capital and balance sheet structures, business strategies, customers and geographic markets of the two companies, which management believes should provide the opportunity to mitigate integration risks and increase potential returns; including, in particular, that:

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the geographic scope of the two companies contains relatively little overlap, enabling them both to expand their businesses and for Hudson City to preserve retail jobs; and

the nature of the capital structures, business strategies, customers and markets of the two companies would enable Hudson City to achieve goals it would have independently attempted to pursue in connection with its strategic plan;

in the context of the Federal Reserve's more stringent requirements for acquisitions, M&T's record of performance over a lengthy period of time and economic cycles, including its earnings record and stock market valuation;

the written opinion of J.P. Morgan, Hudson City's financial advisor, dated as of August 26, 2012, delivered to the Hudson City board of directors to the effect that, as of such date, and based upon and subject to and the various factors, assumptions and limitations set forth in its opinion, the merger consideration to be paid to the holders of Hudson City common stock in the proposed transaction with M&T was fair, from a financial point of view, to such holders;

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M&T's record of service to its communities as exemplified by its Outstanding Community Reinvestment Act examination rating for many years;

the nature of the proposals and the absence of any actionable proposals by parties that previously had expressed interest in a transaction with Hudson City;

the fact that, in a consolidating industry, institutions with an interest in merging with another institution typically make that interest known;

the fact that, in the current regulatory environment, many institutions would not be able to obtain regulatory approval for a strategic transaction with Hudson City;

M&T's record of achieving regulatory approvals for acquisitions, including relatively recent approvals and approvals for acquisitions that were large in relation to M&T;

its review and discussions with Hudson City's management and financial and legal advisors concerning the due diligence examination of M&T;

the potential risks associated with successfully integrating Hudson City's business, operations and workforce with those of M&T, including the costs and risks of successfully integrating the differing business models of the two companies;

M&T's past record of integrating acquisitions and of realizing projected financial goals and benefits of acquisitions;

the nature and amount of payments and other benefits to be received by Hudson City management in connection with the merger pursuant to existing Hudson City plans and compensation arrangements and the merger agreement;

the potential risk of diverting management attention and resources from the operation of M&T's business and towards the completion of the merger and the integration of the two companies; and

the regulatory and other approvals required in connection with the merger, consideration of the relevant factors assessed by the regulators for the approvals and the parties' evaluations of those factors, and the expected likelihood that such approvals could be received in a reasonably timely manner and without the imposition of unacceptable conditions.

The foregoing discussion of the information and factors considered by the Hudson City board of directors is not intended to be exhaustive, but includes the material factors considered by the Hudson City board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Hudson City board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Hudson City board of directors considered all these factors as a whole, including discussions with, and questioning of, Hudson City's management and Hudson City's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

**For the reasons set forth above, the Hudson City board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Hudson City and its stockholders, and unanimously adopted and approved the merger agreement and the transactions contemplated by it. The Hudson City board of directors unanimously recommends that the Hudson City stockholders vote FOR the Merger proposal, FOR the merger-related named executive officer compensation proposal and FOR the Hudson City adjournment proposal, if necessary or appropriate, to solicit additional**

proxies.

**Certain Hudson City Financial Forecasts**

Hudson City does not, as a matter of course, publicly disclose forecasts or internal projections as to its future performance, earnings or other results due to, among other things, the unpredictability of the underlying assumptions and estimates. However, Hudson City provided J.P. Morgan and M&T with certain nonpublic unaudited prospective

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financial information prepared by its management that was considered by J.P. Morgan for the purpose of preparing its fairness opinion, as described in this joint proxy statement/prospectus under the heading "The Merger - Hudson City's Financial Advisor" beginning on page 72. This nonpublic unaudited prospective financial information was prepared as part of Hudson City's overall process of analyzing various strategic initiatives, and was not prepared for the purposes of, or with a view toward, public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, published guidelines of the SEC regarding forward-looking statements or GAAP. A summary of certain elements of this information is set forth below, and is included in this joint proxy statement/prospectus solely because such information was made available to J.P. Morgan and M&T in connection with their evaluation of the merger.

The financial forecasts set forth below were prepared in August 2012. Although presented with numeric specificity, the financial forecasts reflect numerous estimates and assumptions made at the time they were prepared based on the then-current operating environment of Hudson City, and assume execution of various strategic initiatives that Hudson City is no longer pursuing in light of the proposed merger. These and the other estimates and assumptions underlying the financial forecasts involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among other things, the inherent uncertainty of the business and economic conditions affecting the industry in which Hudson City operates, the interest rate environment, and the risks and uncertainties described under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements," all of which are difficult to predict and many of which are outside the control of Hudson City and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions would prove to be accurate or that the projected results would be realized, and actual results likely would differ materially from those reflected in the financial forecasts, whether or not the merger is completed. The inclusion in this joint proxy statement/prospectus of the unaudited prospective financial information below should not be regarded as an indication that Hudson City, M&T, their respective boards of directors, or J.P. Morgan considered, or now consider, these projections and forecasts to be a reliable predictor of future results. The financial forecasts are not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on this information. In addition, this information represents Hudson City's evaluation at the time it was prepared of Hudson City's future financial performance on a stand-alone basis, assuming execution of various strategic initiatives, and without reference to the proposed merger or transaction-related costs or benefits. No assurances can be given that these financial forecasts and the underlying assumptions are reasonable or that if they had been prepared as of the date of this document, similar assumptions would be used. In addition, the financial forecasts may not reflect the manner in which M&T would operate the Hudson City business after the merger.

The financial forecasts summarized in this section were prepared by the management of Hudson City. KPMG LLP (Hudson City's independent registered public accounting firm) has not examined, compiled or otherwise performed any procedures with respect to the prospective financial information contained in these financial forecasts and, accordingly, KPMG LLP has not expressed any opinion or given any other form of assurance with respect thereto and they assume no responsibility for the prospective financial information. The KPMG LLP reports either incorporated by reference or included in this joint proxy statement/prospectus relate to the historical financial information of Hudson City. Such reports do not extend to the financial forecasts and should not be read to do so.

By including in this joint proxy statement/prospectus a summary of certain financial forecasts, neither Hudson City nor any of its representatives has made or makes any representation to any person regarding the ultimate performance of Hudson City or M&T compared to the information contained in the financial forecasts. Neither Hudson City, M&T, nor, after completion of the merger, the combined company undertakes any obligation to update or otherwise revise the financial forecasts or financial information to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.

The following table presents select unaudited prospective financial data for the fiscal years ending December 31, 2012 through December 31, 2016 prepared by Hudson City's management.

**Table of Contents****Balance Sheet Data\****(Dollars in millions)*

	At or For the Year Ended				
	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Investment securities	\$ 1,108	\$ 1,358	\$ 1,358	\$ 1,358	\$ 1,358
Mortgage-backed Securities	12,189	11,439	10,539	10,439	10,739
Loans (net of allowance for loan losses and net deferred fees)	28,222	30,322	33,022	34,522	35,422
Total assets	43,389	44,989	46,789	48,189	49,389
Deposits	25,014	26,065	27,110	28,155	29,201
Borrowings	13,425	13,825	14,425	14,625	14,625
Total liabilities	38,664	40,115	41,759	43,005	44,051
Total shareholders equity	4,725	4,874	5,029	5,184	5,338

**Income Statement Data\****(Dollars in millions)*

	At or For the Year Ended				
	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Net interest income	\$ 905	\$ 891	\$ 891	\$ 898	\$ 914
Provision for loan losses	90	80	85	85	85
Non-interest income	7	35	66	66	66
Non-interest expense	356	376	390	399	415
Income before income taxes	467	470	481	480	480
Income tax expense	187	188	193	192	192
Net Income	\$ 280	\$ 282	\$ 289	\$ 288	\$ 288

\* Amounts are rounded

**Opinion of Hudson City's Financial Advisor**

Pursuant to an engagement letter effective as of May 22, 2012, Hudson City retained J.P. Morgan as its financial advisor in connection with the merger. At the meeting of the board of directors on August 26, 2012, J.P. Morgan rendered its oral opinion to the board of directors (which was subsequently confirmed in writing by delivery of J.P. Morgan's written opinion dated the same date) that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth in such opinion, the merger consideration to be paid to the holders of Hudson City common stock in the proposed merger was fair, from a financial point of view, to such holders. The J.P. Morgan written opinion, dated August 26, 2012, is sometimes referred to herein as the J.P. Morgan opinion.

The full text of the written opinion of J.P. Morgan, dated August 26, 2012, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in rendering its opinion, is attached as Appendix B to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of J.P. Morgan's opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion. Hudson City stockholders should read this opinion carefully and in its entirety. J.P. Morgan's written opinion is addressed to the Hudson City board of directors, is directed only to the merger consideration and does not constitute a recommendation to any Hudson City stockholder as to how such stockholder should vote with respect to the merger or any other matter. The issuance of the J.P. Morgan opinion was approved by a fairness opinion committee of J.P. Morgan. J.P. Morgan provided its opinion to the Hudson City board of directors in connection with and for the purposes of its evaluation of the merger.





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In arriving at its opinion, J.P. Morgan, among other things:

reviewed a draft, dated August 25, 2012, of the merger agreement;

reviewed certain publicly available business and financial information concerning Hudson City and M&T and the industries in which they operate;

compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies in the same industry and the consideration paid for such companies;

compared the financial and operating performance of Hudson City and M&T with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of Hudson City's common stock and M&T's common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by or at the direction of the management of Hudson City, in the case of analyses and forecasts relating to the business of Hudson City, and by the management of M&T and at the direction of the management of Hudson City, in the case of analyses and forecasts relating to the business of M&T; and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

In addition, J.P. Morgan held discussions with certain members of the management of each of Hudson City and M&T with respect to certain aspects of the merger, and the past and current business operations of Hudson City and M&T, the financial condition and future prospects and operations of Hudson City and M&T, the effects of the merger on the financial condition and future prospects of Hudson City and M&T, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Hudson City and M&T or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan did not independently verify (nor did it assume responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of Hudson City or M&T under any state or federal laws relating to bankruptcy, insolvency or similar matters. J.P. Morgan is not an expert in the evaluation of loan and lease portfolios for assessing the adequacy of the allowances for losses with respect thereto and, accordingly, J.P. Morgan did not make an independent evaluation of the adequacy of the allowance for loan and lease losses of Hudson City or M&T and J.P. Morgan assumed, with Hudson City's consent, that the respective allowances for loan and lease losses for both Hudson City and M&T, respectively, are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best then available estimates and judgments by management as to the expected future results of operations and financial condition of Hudson City and M&T to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts or the assumptions on which they were based. J.P. Morgan also assumed that the merger and the other transactions contemplated by the merger agreement will qualify as a tax-free reorganization for United States federal income tax purposes, and will be consummated as described in the merger agreement, and that the definitive merger agreement would not differ in any material respects from the draft thereof furnished to it. J.P. Morgan also assumed that the representations and warranties made by Hudson City and M&T in the merger agreement and the related agreements are and will be true and correct in all respects material to J.P. Morgan's analysis. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to Hudson City with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Hudson City or M&T or on the contemplated benefits of the merger.



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The J.P. Morgan opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of the J.P. Morgan opinion. It should be understood that subsequent developments may affect the J.P. Morgan opinion, and that J.P. Morgan does not have any obligation to update, revise or reaffirm the J.P. Morgan opinion. The J.P. Morgan opinion is limited to the fairness, from a financial point of view, of the merger consideration to be paid to the holders of Hudson City common stock in the proposed merger and J.P. Morgan has expressed no opinion as to the fairness of any consideration paid in connection with the merger to the holders of any other class of securities, creditors or other constituencies of Hudson City or as to the underlying decision by Hudson City to engage in the merger. Furthermore, J.P. Morgan has expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the merger, or any class of such persons relative to the merger consideration to be paid to the holders of Hudson City common stock in the merger or with respect to the fairness of any such compensation. J.P. Morgan has expressed no opinion as to the price at which the Hudson City common stock or the M&T common stock will trade at any future time.

J.P. Morgan was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of Hudson City or any other alternative transaction.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses undertaken by J.P. Morgan in connection with rendering the J.P. Morgan opinion. The following summary, however, does not purport to be a complete description of the financial analysis performed by J.P. Morgan. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of each summary. Considering the data set forth herein without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan's financial analyses.

The projections furnished to J.P. Morgan for Hudson City and M&T were prepared by or at the direction of the management of Hudson City, in the case of projections relating to the business of Hudson City, and by the management of M&T and at the direction of the management of Hudson City, in the case of projections relating to the business of M&T, in connection with the merger. Hudson City and M&T do not publicly disclose internal management forecasts of the type provided to J.P. Morgan in connection with J.P. Morgan's analysis of the merger, and such forecasts were prepared in connection with the merger and were not prepared with a view toward public disclosure. These forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such forecasts.

All values in the following Hudson City Public Trading Multiples Analysis, Hudson City Dividend Discount Analysis, M&T Public Trading Multiples Analysis, M&T Dividend Discount Analysis and Historical Exchange Ratio Analysis sections are presented on an equity value per share basis. In arriving at equity value per share for Hudson City and M&T, share count in all cases is based on Hudson City's and M&T's fully diluted shares outstanding as of June 30, 2012 of approximately 515.4 million and 126.7 million, respectively, with diluted share count calculated using the treasury stock method of net share settlement for outstanding options. In determining Hudson City's share count, J.P. Morgan assumed the cancellation of certain Hudson City common shares owned by the Hudson Savings Bank Employee Stock Ownership Plan in accordance with the terms of the merger agreement.

*Hudson City Public Trading Multiples Analysis*

Using publicly available information, J.P. Morgan compared selected financial and market data of Hudson City with similar data for the following companies:

New York Community Bancorp, Inc.;

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People's United Financial, Inc.;

Washington Federal, Inc.; and

Astoria Financial Corporation.

In all instances, multiples were based on closing stock prices on August 24, 2012. For each of the following analyses performed by J.P. Morgan, financial and market data and earnings per share estimates for the selected companies were based on the selected companies' filings with the SEC and information J.P. Morgan obtained from SNL Financial and FactSet Research Systems. The multiples and ratios for each of the selected companies were based on the most recent publicly available information.

With respect to the selected companies, the information J.P. Morgan presented included:

multiple of price to estimated earnings per share for 2013, or Price / 2013 EPS; and

multiple of price to tangible book value per share, or Price / TBV.

Results of the analysis were presented for the selected companies, as indicated in the following table:

	Selected Companies Median	Hudson City
Price / 2013 EPS	13.5x	11.9x
Price / TBV	1.2x	0.8x

Based on the above analysis, J.P. Morgan then applied a multiple reference range of 12.0x to 15.0x for Price / 2013 EPS and 0.9x to 1.0x for Price / TBV. The analysis indicated the following equity values per share of Hudson City common stock, as compared to the total consideration of \$7.21 per share of Hudson City common stock (the Assumed Consideration), which was calculated assuming an equivalent exchange ratio of 0.084 and a closing stock price of M&T common stock of \$85.87 on August 24, 2012:

Price / 2013 EPS	\$ 6.75 - \$8.44
Price / TBV	\$ 7.68 - \$8.54

*Hudson City Dividend Discount Analysis*

J.P. Morgan calculated a range of implied values for Hudson City common stock by discounting to present values estimates of Hudson City's future dividend stream and terminal value. In performing its analysis, J.P. Morgan utilized the following assumptions, among others:

March 31, 2013 valuation date, which was discounted to August 24, 2012;

a terminal value on December 31, 2022 based on a net income multiple range of 10.0x to 12.0x;

earnings assumptions based on Hudson City management estimates for 2013-2016;

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5% per annum long-term (starting 2017) earnings growth based on Hudson City management approved extrapolations;

asset growth assumptions for 2012-2016 based on Hudson City management estimates and 3% long-term asset growth thereafter based on Hudson City management approved extrapolations;

cost of excess capital of 2.0% (pre-tax);

40% marginal tax rate;

dividends per share of \$0.32 annually;

discount rates from 11.0% - 13.0%; and

target Tier 1 leverage ratio of 8.5%.

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These calculations resulted in a range of implied values of \$5.44 to \$6.57 per share of Hudson City common stock, as compared to the Assumed Consideration per share of Hudson City common stock, as illustrated by the following table:

Discount Rate	Terminal Multiple		
	10.0x	11.0x	12.0x
11.0%	\$ 6.05	\$ 6.31	\$ 6.57
12.0%	\$ 5.73	\$ 5.97	\$ 6.20
13.0%	\$ 5.44	\$ 5.65	\$ 5.86

*M&T Public Trading Multiples Analysis*

Using publicly available information, J.P. Morgan compared selected financial and market data of M&T with similar data for the following companies:

BB&T Corporation;

Fifth Third Bancorp;

KeyCorp;

Comerica Incorporated;

BOK Financial Corporation;

Zions Bancorporation;

Commerce Bancshares, Inc.;

Cullen/Frost Bankers, Inc.; and

City National Bancshares Corporation.

In all instances, multiples were based on closing stock prices on August 24, 2012. For each of the following analyses performed by J.P. Morgan, financial and market data and earnings per share estimates for the selected companies were based on the selected companies' filings with the SEC and information J.P. Morgan obtained from SNL Financial and FactSet Research Systems. The multiples and ratios for each of the selected companies were based on the most recent publicly available information.

With respect to the selected companies, the information J.P. Morgan presented included:

Price / 2013 EPS; and

Price / TBV.

Results of the analysis were presented for the selected companies, as indicated in the following table:

	<b>Selected Companies Median</b>	<b>M&amp;T</b>
Price / 2013 EPS	11.3x	11.4x
Price / TBV	1.5x	2.1x

Based on the above analysis, J.P. Morgan then applied a multiple reference range of 10.5x to 15.0x for Price / 2013 EPS and 1.5x to 2.0x for Price / TBV. The analysis indicated the following equity values per share of M&T common stock, as compared to the closing price of M&T common stock of \$85.87 on August 24, 2012:

Price / 2013 EPS	\$ 78.75 - \$112.50
Price / TBV	\$60.30 - \$80.41

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*M&T Dividend Discount Analysis*

J.P. Morgan calculated a range of implied values for M&T common stock by discounting to present values estimates of M&T's future dividend stream and terminal value. In performing its analysis, J.P. Morgan utilized the following assumptions, among others:

March 31, 2013 valuation date, which was discounted to August 24, 2012;

a terminal value on December 31, 2022 based on a net income multiple range of 10.0x to 12.0x;

net income of \$861 million for 2012 based on M&T management estimates;

earnings growth assumptions, based on Hudson City management approved extrapolations, of 8% per year for 2013 and 2014, 7% per year for 2015-2019 and 5% per year thereafter;

asset growth assumptions, based on Hudson City management approved extrapolations, of 0% for the remainder of 2012, 6% per year for 2013 and 2014, 5% per year for 2015-2019 and 3% per year thereafter;

cost of excess capital of 2.0% (pre-tax);

35% marginal tax rate;

dividends per share of \$2.80 annually;

discount rates from 9.0% - 11.0%; and

target tier 1 common ratio of 8.5%.

These calculations resulted in a range of implied values of \$79.23 to \$103.10 per share of M&T common stock, as compared to the closing price of M&T common stock of \$85.87 on August 24, 2012, as illustrated by the following table:

Discount Rate	Terminal Multiple		
	10.0x	11.0x	12.0x
9.0%	\$ 92.51	\$ 97.80	\$ 103.10
10.0%	\$ 85.56	\$ 90.38	\$ 95.19
11.0%	\$ 79.23	\$ 83.62	\$ 88.00

*Relative Value Analysis*

Based upon the implied valuations for each of Hudson City and M&T derived above under Hudson City Public Trading Multiples Analysis, Hudson City Dividend Discount Analysis, M&T Public Trading Multiples Analysis and M&T Dividend Discount Analysis, J.P. Morgan calculated a range of implied exchange ratios of a share of Hudson City common stock to a share of M&T common stock, and then compared that range of implied exchange ratios to the equivalent exchange ratio in the merger of 0.084 shares of M&T common stock per share of Hudson



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City common stock.

For each of the analyses referred to above, J.P. Morgan calculated the ratio implied by dividing the low end of each implied equity value of Hudson City by the high end of each implied equity value of M&T. J.P. Morgan also calculated the ratio implied by dividing the high end of each implied equity value of Hudson City by the low end of each implied equity value of M&T. J.P. Morgan assumed, in each case, that 100% of the merger consideration would be stock consideration.

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This analysis indicated the following implied exchange ratios, compared in each case to the equivalent exchange ratio in the merger of 0.084 shares of M&T common stock per share of Hudson City common stock:

<b>Comparison</b>	<b>Range of Implied Exchange Ratios</b>	
Public Trading Multiples Analysis		
Price / 2013 EPS	0.060	0.107
Price / TBV	0.096	0.142
Dividend Discount Analysis	0.053	0.083

*Value Creation Analysis*

J.P. Morgan prepared a value creation analysis that compared the equity value of Hudson City (based on the dividend discount analysis) to the pro forma combined company equity value. J.P. Morgan determined the pro forma combined company equity value by calculating (x) the sum of (i) the equity value of Hudson City using the midpoint value determined in J.P. Morgan's dividend discount analysis described above in Hudson City Dividend Discount Analysis, (ii) the equity value of M&T using the midpoint value determined in J.P. Morgan's dividend discount analysis described above in M&T Dividend Discount Analysis and (iii) the estimated present value of expense synergies, net of restructuring charges, as estimated by Hudson City management, less (y) the cash consideration to be received by the holders of Hudson City common stock in the merger.

Based on the aggregate value of (1) the cash consideration to be received by the holders of Hudson City common stock in the merger and (2) the equity value of the pro forma combined company to be owned in the aggregate by the holders of Hudson City common stock upon the closing of the merger, the analysis indicated that the merger would create value for the holders of Hudson City common stock as compared to the equity value of Hudson City.

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of the selected companies reviewed is identical to Hudson City or M&T. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of Hudson City or M&T, as applicable. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Hudson City or M&T, as applicable.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. J.P. Morgan was selected to advise Hudson City with respect to the merger on the basis of such experience and its familiarity with Hudson City.

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For financial advisory services rendered in connection with the merger, Hudson City has agreed to pay J.P. Morgan a fee of 0.5% of the total consideration in the merger, which includes the cash consideration and stock consideration to be paid to holders of Hudson City common stock at the consummation of the merger. Based on the average closing stock price of M&T stock for the ten trading days ending on August 24, 2012, the J.P. Morgan fee will be approximately \$19 million, of which \$4 million was payable at the time J.P. Morgan delivered its opinion to the Hudson City board of directors and \$15 million of which will become payable only if the merger is consummated. In addition, Hudson City has agreed to reimburse J.P. Morgan for certain expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify J.P. Morgan for certain liabilities, including liabilities arising under the federal securities laws.

During the two years preceding the date of its opinion letter, neither J.P. Morgan nor its affiliates have had any other material financial advisory or other material commercial or investment banking relationships with Hudson City. During the two years preceding the date of its opinion letter, J.P. Morgan and its affiliates have had commercial or investment banking relationships with M&T, for which J.P. Morgan and its affiliates received customary compensation. Such services during such period have included acting as sole bookrunner for an offering of depository shares and preferred stock of M&T in May 2011. In addition, J.P. Morgan's commercial banking affiliate provides treasury and cash management services to M&T, for which it receives customary compensation or other financial benefits. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of Hudson City or M&T for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities.

### **Recommendation of the M&T Board of Directors and Reasons for the Merger**

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the Share Issuance proposal, the M&T board of directors consulted with M&T management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

each of M&T's and Hudson City's business, operations, financial condition, asset quality, earnings and prospects;

the anticipated pro forma impact of the transaction on the combined company, including the expected impact on financial metrics including earnings and tangible equity per share and on regulatory capital levels;

M&T's ability to restructure Hudson City's balance sheet in connection with the transaction and the anticipated impact of the restructuring;

its understanding of the current and prospective environment in which M&T and Hudson City operate, including national and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on M&T both with and without the proposed transaction;

its review and discussions with M&T's management concerning the due diligence examination of Hudson City;

the complementary nature of the capital structures, business strategies, customers and markets of the two companies, which management believes should provide the opportunity to mitigate integration risks and increase potential returns;

management's expectation that M&T will retain or enhance its strong capital position upon completion of the transaction;

the written opinion of Evercore, M&T's financial advisor, dated as of August 27, 2012, delivered to the M&T board of directors to the effect that, as of that date, and subject to and based on the various factors, procedures, assumptions, qualifications and limitations set forth in the opinion, the merger consideration pursuant to the merger agreement was fair, from a financial point of view, to M&T;



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the financial and other terms of the merger agreement, including merger consideration, the cash and stock election provisions, tax treatment and mutual deal protection and termination fee provisions, which it reviewed with its outside financial and legal advisors;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Hudson City's business, operations and workforce with those of M&T, including the costs and risks of successfully integrating the differing business models of the two companies;

M&T's past record of integrating acquisitions and of realizing projected financial goals and benefits of acquisitions;

the nature and amount of payments and other benefits to be received by Hudson City management in connection with the merger pursuant to existing Hudson City plans and compensation arrangements and the merger agreement;

the potential risk of diverting management attention and resources from the operation of M&T's business and towards the completion of the merger and the integration of the two companies; and

the regulatory and other approvals required in connection with the merger and the expected likelihood that such regulatory approvals will be received in a reasonably timely manner and without the imposition of unacceptable conditions.

The foregoing discussion of the information and factors considered by the M&T board of directors is not intended to be exhaustive, but includes the material factors considered by the M&T board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the M&T board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The M&T board of directors considered all these factors as a whole, including discussions with, and questioning of, M&T's management and M&T's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

**For the reasons set forth above, the M&T board of directors determined that the merger agreement and the transactions contemplated by the merger agreement, including the issuance of M&T common stock in connection with the merger, are advisable and in the best interests of M&T and its shareholders, and adopted and approved the merger agreement and the transactions contemplated by it. The M&T board of directors recommends that the M&T shareholders vote FOR the approval of the issuance of M&T common stock to Hudson City stockholders pursuant to the merger agreement, FOR the Series A Preferred Share Amendment proposal, FOR the Series C Preferred Share Amendment proposal and FOR the M&T adjournment proposal (if necessary or appropriate).**

**Certain Financial Forecasts Provided to M&T's Financial Advisor**

M&T does not, as a matter of course, publicly disclose forecasts or internal projections as to its future performance, earnings or other results due to the unpredictability of the underlying assumptions and estimates. However, M&T provided Evercore with certain nonpublic unaudited prospective financial information prepared by its management that was reviewed by Evercore for the purpose of preparing its fairness opinion, as described in this proxy statement/prospectus under the heading "The Merger - M&T's Financial Advisor" beginning on page 81. A summary of certain elements of this information is set forth below, and is included in this joint proxy statement/prospectus solely because such information was made available to Evercore in connection with the preparation of its fairness opinion. Although this information had not previously been publicly disclosed at the time it was provided to Evercore, this information, or derivations thereof, was subsequently disclosed in M&T's investor presentation dated August 27, 2012 that was attached as an exhibit to M&T's Current Report on Form 8-K filed on August 27, 2012.

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M&T provided the following nonpublic unaudited prospective financial information to Evercore.

Estimated net income to common shareholders for M&T's 2013 and 2014 fiscal years that was within the range of estimates provided by equity research analysts at that time.

As part of Hudson City's balance sheet restructuring, M&T would retire Hudson City's long-term debt by liquidating Hudson City's investment securities portfolio. Including estimated fair value adjustments of \$2.5 billion, M&T would retire approximately \$15.4 billion in debt, which would result in the retention of approximately \$28 billion in assets at closing.

Based on the financial data available at the time, the combined company would have approximately \$109 billion in assets.

Based on the financial data available at the time, the combined company would have approximately \$89 billion in loans and \$87 billion in deposits.

Fully implemented annual cost savings of 24% on Hudson City's operating expense. This level of cost savings is consistent with savings realized in prior M&T transactions.

Tier 1 Common Ratio estimates of 7.90% for M&T and 8.45% for the combined company, in each case as of an assumed closing in the early second quarter of 2013.

The financial forecasts set forth above were prepared in August 2012. Although presented with numeric specificity, the financial forecasts reflect numerous estimates and assumptions made at the time they were prepared based on the then-current operating environment of M&T. These and the other estimates and assumptions underlying the financial forecasts involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among other things, the inherent uncertainty of the business and economic conditions affecting the industry in which M&T operates, the interest rate environment, and the risks and uncertainties described under Risk Factors and Cautionary Statement Regarding Forward-Looking Statements, all of which are difficult to predict and many of which are outside the control of M&T and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions would prove to be accurate or that the projected results would be realized, and actual results likely would differ materially, from those reflected in the financial forecasts, whether or not the merger is completed. The inclusion in this joint proxy statement/prospectus of the unaudited prospective financial information above should not be regarded as an indication that Hudson City, M&T, their respective boards of directors, or Evercore considered, or now consider, these projections and forecasts to be a reliable predictor of future results. The financial forecasts are not fact, do not constitute a representation as to future results and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on this information. No assurances can be given that these financial forecasts and the underlying assumptions are reasonable or that if they had been prepared as of the date of this joint proxy statement/prospectus, similar assumptions would be used. PricewaterhouseCoopers LLP (M&T's independent registered public accounting firm) has not examined, compiled or otherwise performed any procedures with respect to the prospective financial information contained in these financial forecasts.

Neither M&T, Hudson City, nor, after completion of the merger, the combined company undertakes any obligation, to update or otherwise revise the financial forecasts or financial information to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.

### **Opinion of M&T's Financial Advisor**

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In connection with the merger, M&T retained Evercore to provide an opinion to the M&T board of directors as to the fairness, from a financial point of view, to M&T of the merger consideration to be paid by M&T to the

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holders of shares of Hudson City common stock. On August 26, 2012, at a meeting of the M&T board of directors, Evercore rendered its oral opinion, subsequently confirmed by delivery of a written opinion on August 27, 2012, that, as of August 27, 2012, and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the merger consideration pursuant to the merger agreement was fair, from a financial point of view, to M&T.

**The full text of the written opinion of Evercore, dated as of August 27, 2012, which sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached as Appendix C to this document and is incorporated by reference in its entirety into this document. You are urged to read this opinion carefully and in its entirety. Evercore's opinion was addressed to, and provided for the information and benefit of, the M&T board of directors (in its capacity as such) in connection with its evaluation of the fairness of the merger consideration from a financial point of view, and did not address any other aspects or implications of the merger. The opinion does not constitute a recommendation to the M&T board of directors or to any other persons in respect of the merger, including as to how any holder of shares of M&T common stock or Hudson City common stock should vote or act in respect of the merger or the issuance of M&T common stock in the merger. Evercore's opinion does not address the relative merits of the merger as compared to any other business or financial strategies that might be available to M&T, nor does it address the underlying business decision of M&T to engage in the merger.**

In connection with rendering its opinion and performing its related financial analysis, Evercore, among other things:

reviewed certain publicly available business and financial information relating to M&T and Hudson City that Evercore deemed to be relevant, including publicly available research analysts' estimates;

reviewed certain non-public projected financial data relating to Hudson City and M&T prepared by management of M&T and furnished to Evercore via management of M&T;

reviewed certain non-public projected operating data relating to Hudson City and M&T prepared by management of M&T and furnished to Evercore via management of M&T;

discussed the past and current operations, financial projections and current financial condition of Hudson City and M&T with management of M&T (including their views on the risks and uncertainties of achieving such projections);

reviewed the reported prices and the historical trading activity of M&T common stock and Hudson City common stock;

compared the financial performance of Hudson City and M&T and their respective stock market trading multiples with those of certain other publicly traded companies that Evercore deemed relevant;

compared the financial performance of Hudson City and the valuation multiples relating to the merger with those of certain other transactions that Evercore deemed relevant;

reviewed the amount and timing of the cost savings estimated by the management of M&T to result from the merger, which are referred to in this section as the synergies;

reviewed a draft of the merger agreement dated August 25, 2012, which Evercore assumed was in substantially final form and from which Evercore assumed the final form would not vary in any material respect to its analysis; and



performed such other analyses and examinations and considered such other factors that Evercore deemed appropriate. For purposes of its analysis and opinion, Evercore assumed and relied upon, without undertaking any independent verification of, the accuracy and completeness of all of the information publicly available, and all of

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the information supplied or otherwise made available to, discussed with, or reviewed by Evercore, and Evercore assumed no liability therefor. With respect to the projected financial and operating data relating to M&T and Hudson City and the synergies prepared by the management of M&T, Evercore assumed, based on the advice of the management of M&T, that such data had been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of M&T as to the future financial and operating performance of M&T, Hudson City and such synergies. Evercore expressed no view as to such projected financial and operating data relating to M&T, Hudson City, the synergies or the assumptions on which they were based.

For purposes of rendering its opinion, Evercore assumed, in all respects material to its analysis, that the executed merger agreement was substantially the same as the draft dated August 25, 2012 and reviewed by Evercore, that the representations and warranties of each party contained in the merger agreement are true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement, and that all conditions to the consummation of the merger will be satisfied without any material modification or waiver thereof. Further, Evercore assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the merger will be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on M&T or the consummation of the merger or materially reduce the benefits to M&T of the merger.

Evercore did not make or assume any responsibility for making any independent valuation or appraisal of the assets or liabilities of M&T and Hudson City. Evercore did not evaluate the solvency or fair value of M&T or Hudson City under any state or federal laws relating to bankruptcy, insolvency or similar matters. Evercore's opinion was necessarily based upon information made available to it as of the date of the opinion and financial, economic, market and other conditions as they existed and as could be evaluated on the date of the opinion. It is understood that subsequent developments may affect Evercore's opinion and that Evercore does not have any obligation to update, revise or reaffirm its opinion.

Evercore was not asked to opine upon, and expressed no opinion with respect to, any matter other than the fairness to M&T, from a financial point of view, of the merger consideration. Evercore did not express any view on, and its opinion did not address, (i) the fairness of the merger to, or the merger consideration received in connection therewith by, the holders of any securities, creditors or other constituencies of M&T or Hudson City or (ii) the fairness of the amount or nature of any compensation to be paid or payable to any of the directors, officers or employees of M&T or Hudson City, or any class of such persons, whether relative to the merger consideration or otherwise. Evercore has assumed that any modification to the structure of the merger will not vary in any respect to its analysis. Evercore's opinion did not address the relative merits of the merger as compared to other business or financial strategies that might be available to M&T, nor did it address the underlying business decision of M&T to engage in the merger. Evercore's opinion did not constitute a recommendation to the M&T board of directors or to any other persons in respect of the merger, including as to how any holder of M&T common stock or Hudson City common stock should act or vote in respect of the Merger or the issuance of M&T common stock. Evercore expressed no opinion with respect to the election, proration and allocation procedures and adjustments provided for in the merger agreement. Further, Evercore expressed no opinion as to the price at which shares of M&T common stock or Hudson City common stock will trade at any time. Evercore is not a legal, regulatory, accounting or tax expert and has assumed, with M&T's consent, the accuracy and completeness of assessments by M&T's and its advisors with respect to legal, regulatory, accounting and tax matters.

Set forth below is a summary of the material financial analyses performed and reviewed by Evercore with the M&T board of directors on August 26, 2012 in connection with rendering its oral opinion and the preparation of its written opinion letter dated August 27, 2012. Each analysis was provided to the M&T board of directors. The following summary, however, does not purport to be a complete description of the analyses performed and reviewed by Evercore. In connection with arriving at its opinion, Evercore considered all of its analyses as a whole and the order of the analyses described and the results of these analyses do not represent any relative importance or particular weight given to these analyses by Evercore. Except as otherwise noted, the following

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quantitative information, to the extent that it is based on market data, is based on market data that existed on or before August 24, 2012 (the last trading day prior to the public announcement of the merger), and is not necessarily indicative of current market conditions.

**The following summary of financial analyses includes information presented in tabular format. These tables must be read together with the text of each summary in order to fully understand the financial analyses performed by Evercore. The tables alone do not constitute a complete description of the financial analyses performed by Evercore. Considering the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Evercore's financial analyses.**

For purposes of the financial analyses summarized below, Evercore assumed that the implied per share merger consideration payable to holders of shares of Hudson City common stock was \$7.22 per share, which was based on an exchange rate of 0.08403 multiplied by the closing price of M&T common stock on August 24, 2012 which was \$85.87.

*Hudson City Valuation Analysis*

Evercore performed a series of analyses to derive an indicative implied valuation range for the merger consideration which was based on a review of information included in publicly available filings and databases, estimates of projected financial and operating data prepared by M&T management, estimates of earnings per share and other financial data published by I/B/E/S, a service widely used by the investment community to gather earnings estimates from various research analysts, and Wall Street research provided by FactSet Research Systems, Inc.

*(1) Historical Share Price Performance*

Evercore reviewed the range of trading prices for shares of Hudson City common stock for the 52-week period ended on August 24, 2012. During this period, the closing stock price of Hudson City common stock ranged from a low of \$5.09 to a high of \$7.62 per share. As of August 24, 2012, the share price for Hudson City common stock was \$6.44 per share.

*(2) Research Analyst Target Stock Prices*

Evercore reviewed publicly available equity research published on Hudson City relating to the potential future value for Hudson City's common stock (commonly referred to as price targets). Evercore noted that the recent equity research estimates for Hudson City common stock ranged from \$5.00 to \$7.50 per share, with a median share price target of \$6.50 per share.

*(3) Selected Peer Group Trading Analysis*

Using publicly available information, Evercore compared selected financial and market data of certain companies which Evercore deemed comparable to Hudson City. Evercore considered two peer groups in its analysis: (i) publicly traded U.S. thrifts with greater than \$10.0 billion in assets (excluding thrifts with ratios of nonperforming assets to gross loans plus other real estate owned of 10% or greater) and (ii) publicly traded U.S. banks with total assets ranging between \$30.0 billion and \$75.0 billion. The companies in each of the peer groups are identified below.

*Peer Group Thrifts:*

New York Community Bancorp Inc.

People's United Financial Inc.

Washington Federal Inc.

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EverBank Financial Corp.

Astoria Financial Corp.

*Peer Group Banks:*

Comerica Inc.

Huntington Bancshares Inc.

Zions Bancorp

First Niagara Financial Group Inc.

In evaluating the peer group, Evercore relied on publicly available filings and equity research analyst estimates, which estimates are based in part on judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Hudson City. These can include the impact of competition on the business of Hudson City, as well as on industry characteristics generally and the absence of any adverse material change in the financial condition and prospects of Hudson City or the industry or in the markets generally.

Evercore examined the market trading multiples of the selected relevant companies based on the closing price of each respective company's common stock on August 24, 2012 and information publicly available as of such date, including the (i) multiple of the market price per share to the median earnings estimate per share according to GAAP for the calendar year 2013 as reported by I/B/E/S consensus; (ii) multiple of the market price per share to book value per share as reported by the relevant company as of the second quarter of 2012; (iii) multiple of the market price per share to tangible book value per share (excluding all intangible assets) as reported by the relevant company as of the second quarter of 2012; and (iv) an implied premium relative to total deposits as reported by the relevant company as of the second quarter of 2012.

Evercore applied the relevant range of selected multiples for the peer group companies to the corresponding financial data of Hudson City. The results of Evercore's analysis are set forth in the table below.

*Peer Group Thrifts:*

	Thrift peer group multiple range	Indicated value range per Hudson City share	Implied multiple based on merger consideration
<b>Price / 2013E EPS</b>	9.6x - 15.2x	\$5.69 - \$9.02	12.2x
<b>Price / Book Value</b>	0.73x - 1.18x	\$6.89 - \$11.11	0.79x
<b>Price / Tangible Book Value</b>	0.86x - 1.84x	\$7.78 - \$16.74	0.82x
<b>Implied premium to deposits</b>	(1.5%) - 10.6%	\$8.35 - \$14.32	(3.3%)

*Peer Group Banks:*

	Bank peer group multiple range	Indicated value range per Hudson City share	Implied multiple based on merger consideration
<b>Price / 2013E EPS</b>	10.0x - 11.3x	\$5.94 - \$6.68	12.2x
<b>Price / Book Value</b>	0.62x - 1.07x	\$5.84 - \$10.03	0.79x
<b>Price / Tangible Book Value</b>	0.94x - 1.15x	\$8.52 - \$13.69	0.82x
<b>Implied premium to deposits</b>	(0.8%) - 3.4%	\$8.69 - \$10.75	(3.3%)

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Although the peer groups were compared to Hudson City for purposes of this analysis, none of the selected companies identified in the peer group are identical to Hudson City because of the inherent differences between the businesses, operations, performance, financial conditions, and prospects of the selected companies as compared to Hudson City. These companies were chosen because they have certain characteristics that are similar to those of Hudson City.

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**Table of Contents***(4) Selected Precedent Transactions Analysis*

Evercore reviewed publicly available information for the following selected transactions announced since January 1, 2010 which involved either U.S. banks or thrifts and had a transaction value ranging between \$1.0 billion and \$10.0 billion (in each case, the first named company was the acquirer and the second named company was the acquired company, and the transaction announcement date is noted parenthetically).

UnionBanCal Corp. / Pacific Capital Bancorp (March 12, 2012)

PNC Financial Services Group, Inc. / RBC Bank (USA) (June 19, 2011)

Capital One Financial Corp. / ING Direct USA (June 16, 2011)

Comerica Inc. / Sterling Bancshares Inc. (January 16, 2011)

Hancock Holding Co. / Whitney Holding Corp. (December 21, 2010)

BMO Financial Group / Marshall & Ilsley Corp. (December 17, 2010)

First Niagara Bank Inc. / NewAlliance Bancshares Inc. (August 18, 2010)

For each of the selected transactions, Evercore calculated and compared selected relevant transaction valuation information based on information publicly available at the time of the relevant transaction announcement, including the (i) multiple of the transaction price for the common equity to the common equity book value of the acquired company using the relevant acquired company's most recent financial reports at the time of the announcement of the transaction; (ii) multiple of the transaction price to the tangible book value (excluding all intangible assets) of the acquired company using the relevant acquired company's most recent financial reports at the time of the announcement of the transaction; and (iii) an implied premium to total deposits, determined as total price paid minus tangible common equity divided by total deposits using the relevant acquired company's most recent financial reports at the time of the announcement of the transaction.

Set forth in the table below is a summary of the results of the selected precedent transactions analysis as compared to the indicated value range per share of Hudson City common stock and implied multiple based on the merger consideration.

	Precedent transactions multiple range	Indicated value range per Hudson City share	Implied multiple based on merger consideration
<b>Price / Book Value</b>	0.83x - 1.99x	\$7.79 - \$18.69	0.79x
<b>Price / Tangible Book Value</b>	0.97x - 2.34x	\$8.79 - \$21.27	0.82x
<b>Implied premium to deposits</b>	(0.6%) - 18.3%	\$8.79 - \$18.15	(3.3%)

Because the reasons for and the circumstances surrounding each of the transactions reviewed were different, and because of the inherent differences in the businesses, operations, performance, financial conditions and prospects of the companies involved, no selected company or selected transaction utilized in the selected precedent transaction analysis is directly comparable to Hudson City or the merger. The selected transactions involved target companies that Evercore deemed to have certain characteristics that are similar to Hudson City.

*(5) Dividend Discount Model Analysis*

Evercore performed a dividend discount analysis to determine a range of potential per share values for Hudson City on a standalone basis and on a pro forma basis. Evercore calculated a range of implied prices per share of Hudson City common stock based on the sum of the discounted

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after-tax net present values of (i) annual free cash flows that Hudson City is estimated to generate to equity holders as a dividend for the fiscal years ending December 31, 2013 through December 31, 2018, assuming a target tangible common equity ratio of 6.50% and (ii) a projected terminal value of Hudson City common stock as of December 31, 2018.

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For the implied value range of Hudson City on a standalone basis, Evercore reviewed publicly available filings and I/B/E/S estimates on Hudson City to determine growth in total assets and annual net income that Hudson City is expected to generate during fiscal years 2013 through 2018, assuming consensus I/B/E/S estimates for fiscal years ending December 31, 2013 and December 31, 2014 and assumed I/B/E/S long-term growth projections for fiscal years ending December 31, 2015 through December 31, 2018. Evercore then estimated the maximum amount of possible dividends that can be paid out in each year based on the target tangible common equity ratio. To determine implied value per share, Evercore considered a range of discount rates from 9.0% to 13.0% and a range of terminal values based on a multiple of estimated net income in 2018 of 9.0x to 13.0x. Utilizing the range of discount rates and terminal value multiples, Evercore derived an implied valuation range of present value indications per share of Hudson City common stock ranging from \$7.06 to \$9.28.

For the implied value range of Hudson City on a pro forma basis, Evercore used projections prepared by M&T management for Hudson City's net income (included estimated merger synergies) and asset growth, including the impact and timing of cost savings, restructuring charges and certain balance sheet restructuring that was assumed by management of M&T. Evercore then calculated the maximum amount of possible dividends that can be paid out in each year based on the target tangible common equity ratio. To determine implied value per share, Evercore considered a range of discount rates from 9.0% to 13.0% and a range of terminal values based on a multiple of estimated net income in 2018 of 9.0x to 13.0x. Utilizing the range of discount rates and terminal value multiples, Evercore derived an implied valuation range of present value indications per share of Hudson City common stock ranging from \$7.50 to \$9.20. Evercore concluded that such analysis was supportive of its opinion as to the fairness, from a financial point of view, of the merger consideration to be paid by M&T to the holders of Hudson City common stock.

As indicated above, the dividend discount analysis is not necessarily indicative of actual values or future results. A dividend discount analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions being made, including earnings growth rates, asset growth rates, target tangible common equity ratios, dividend payout amounts, terminal values and discount rates.

### *M&T Standalone Valuation Analysis*

Evercore performed a series of analyses to derive an indicative implied valuation range for M&T common stock on a standalone basis, which was based on a review of information included in publicly available filings and databases, estimates of projected financial and operating data provided by M&T management, estimates of earnings per share and other financial data published by I/B/E/S and Wall Street research provided by FactSet Research Systems, Inc.

#### *(1) Historical Share Price Performance*

Evercore reviewed the range of trading prices for shares of M&T common stock for the 52-week period ended on August 24, 2012. During this period, the closing stock price of M&T common stock ranged from a low of \$66.40 to a high \$88.02 per share. As of August 24, 2012, the share price for M&T common stock was \$85.87 per share.

#### *(2) Research Analyst Target Prices*

Evercore reviewed publicly available equity research published on M&T relating to the potential future value for M&T's common stock (commonly referred to as price targets). Evercore noted that the recent equity research estimates for M&T common stock ranged from \$84.00 to \$96.00 per share, with a median share price target of \$90.00 per share.



**Table of Contents***(3) Selected Peer Group Trading Analysis*

Using publicly available information, Evercore compared selected financial and market data of certain publicly traded U.S. banks with total assets between \$50.0 billion and \$200.0 billion which Evercore deemed comparable to M&T. The companies in the peer group are identified below.

SunTrust Banks Inc.

BB&T Corp.

Fifth Third Bancorp

Regions Financial Corp.

KeyCorp

Comerica Inc.

Huntington Bancshares Inc.

Zions Bancorp

In evaluating the peer group, Evercore relied on publicly available filings and equity research analyst estimates, which estimates are based in part on judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of M&T. These can include the impact of competition on the business of M&T, as well as on industry characteristics generally and the absence of any adverse material change in the financial condition and prospects of M&T or the industry or in the markets generally.

For the selected companies, Evercore examined the market trading multiples based on closing stock prices for each respective company's common stock on August 24, 2012 and financial information publicly available as of such date, including the (i) multiple of the market price per share to the median earnings estimates per share according to GAAP for the calendar year 2013 reported by I/B/E/S; (ii) multiple of the market price per share to book value per share as reported by the relevant company as of the second quarter of 2012; (iii) multiple of the market price per share to tangible book value per share (excluding all intangible assets) as reported by the relevant company as of the second quarter of 2012; and (iv) an implied premium to total deposits as of the second quarter of 2012.

Evercore applied the relevant range of selected multiples for the peer group companies to the corresponding financial data of M&T. The results of its analysis are set forth in the table below.

	Peer group multiple range	Indicated value range per M&T share	Current M&T multiple
<b>Price / 2013E EPS</b>	9.0x - 11.3x	\$70.23 - \$88.13	11.4x
<b>Price / Book Value</b>	0.67x - 1.19x	\$46.05 - \$82.14	1.24x
<b>Price / Tangible Book Value</b>	0.88x - 1.84x	\$35.80 - \$74.50	2.12x

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**Implied premium to deposits**

(1.7%) - 7.4%

\$31.93 - \$78.76

9.1%

Although the peer groups were compared to M&T for purposes of this analysis, none of the selected companies identified in the peer group analysis are identical to M&T because of the inherent differences between the businesses, operations, financial conditions, and prospects of the selected companies compared to M&T. These companies were chosen because they have certain characteristics that are similar to those of M&T.

*(4) Dividend Discount Model*

Evercore performed a dividend discount analysis to determine a range of potential per share values for M&T common stock on a standalone basis. Evercore calculated a range of implied prices per share of M&T common stock based on the sum of the discounted after-tax net present values of (i) annual free cash flows that M&T is estimated to generate to equity holders as a dividend for the fiscal years ending December 31, 2013 through

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December 31, 2018, assuming a target tangible common equity ratio of 6.50% and (ii) a projected terminal value of M&T common stock as of December 31, 2018.

Evercore reviewed publicly available filings, estimates prepared by M&T management and I/B/E/S estimates on M&T to determine the total assets and adjusted net income that M&T is expected to generate during fiscal years 2013 through 2018. Evercore then estimated the maximum amount of possible dividends that can be paid out in each year based on the target tangible common equity ratio. To determine implied value per share, Evercore considered a range of discount rates from 9.0% to 13.0%, and a range of terminal values based on a multiple of estimated net income from 2018 of 10.0x to 14.0x. Utilizing the range of discount rates and terminal value multiples, Evercore derived an implied valuation range of present value indications per share of M&T common stock ranging from \$78.34 to \$118.87.

*Pro Forma Impact Analysis*

Evercore analyzed the pro forma earnings impact of the merger on the future performance of M&T as reflected in the pro forma earnings per share of M&T. In conducting its analysis, Evercore relied upon certain assumptions and financial projections (included estimated merger synergies) provided by M&T management, including the impact and timing of cost savings, restructuring charges and certain balance sheet restructuring. The analysis indicated that the pro forma impact of the merger would be accretive to both M&T's 2013 estimated earnings per share and M&T's 2013 tangible book value per share. The financial forecasts on which this analysis is based are subject to substantial uncertainty and, therefore, actual results may be substantially different.

*Miscellaneous*

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by Evercore. In connection with the review of the merger by the M&T board of directors, Evercore performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Evercore's opinion. In arriving at its fairness determination, Evercore considered the results of all the analyses and did not draw, in isolation, conclusions from or with regard to any one analysis or factor considered by it for purposes of its opinion. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Evercore may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Evercore with respect to the actual value of the common stock of M&T or Hudson City. No company used in the above analyses as a comparison is directly comparable to M&T or Hudson City, and no transaction used is directly comparable to the merger. Furthermore, Evercore's analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or transactions used, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of M&T or Hudson City and their respective advisors. Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the totality of the factors and results of all the analyses.

Evercore prepared these analyses solely for the purpose of providing an opinion to the M&T board of directors as to the fairness, from a financial point of view, of the merger consideration to M&T pursuant to the merger agreement. These analyses do not purport to be appraisals or to necessarily reflect the prices at which the business or securities actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by

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such estimates. Accordingly, estimates used in, and the results derived from, Evercore's analyses are inherently subject to substantial uncertainty, and Evercore assumes no responsibility if future results are materially different from those forecasted in such estimates.

The issuance of the fairness opinion was approved by an opinion committee of Evercore.

The merger consideration pursuant to the merger agreement was determined through arm's-length negotiations between M&T and Hudson City and was approved by the M&T board of directors. Evercore did not recommend any specific merger consideration to M&T or the M&T board of directors or that any specific merger consideration constituted the only appropriate consideration for the merger. Evercore's opinion to the M&T board of directors was one of many factors taken into consideration by the M&T board of directors in deciding to approve the merger. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the M&T board of directors with respect to the merger consideration or of whether the M&T board of directors would have been willing to agree to different consideration.

Under the terms of Evercore's engagement letter with M&T, Evercore provided a financial opinion in connection with the merger to the M&T board of directors. Pursuant to the terms of its engagement letter, a fee of \$500,000 was payable to Evercore upon delivery of Evercore's financial opinion to the M&T board of directors. In addition, M&T has agreed to reimburse Evercore for its reasonable expenses (including legal fees, expenses and disbursements) incurred in connection with its engagement and to indemnify Evercore against certain liabilities and expenses arising out of or in connection with its engagement.

During the two year period prior to the date of Evercore's opinion, no material relationship existed between Evercore and its affiliates, on the one hand, and Hudson City or M&T, on the other hand, pursuant to which compensation was received or was intended to be received by Evercore or its affiliates as a result of such a relationship. Evercore may provide financial or other services to Hudson City, M&T or any of their respective affiliates in the future and in connection with any such services Evercore may receive compensation.

In the ordinary course of business, Evercore or its affiliates may actively trade the securities, or related derivative securities, or financial instruments of M&T, Hudson City or any of their respective affiliates, for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or instruments.

The management of M&T recommended, and the M&T board of directors determined, to engage Evercore to render a fairness opinion to the M&T board of directors based on its qualifications, experience and reputation. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes.

### **Management and Board of Directors of M&T After the Merger**

Upon completion of the merger, Ronald E. Hermance, Jr., who is currently Chairman of the Board and Chief Executive Officer of Hudson City, will become a member of the M&T board of directors.

The remaining current directors and senior officers of M&T are expected to continue in their current positions, other than has been publicly announced by M&T in the normal course. Information about the current M&T directors and executive officers can be found in the documents listed under "Incorporation of Certain Documents by Reference" beginning on page 145.

### **Interests of Hudson City Directors and Executive Officers in the Merger**

In considering the recommendations of the board of directors of Hudson City, Hudson City stockholders should be aware that certain directors and executive officers of Hudson City have interests in the merger that may

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differ from, or may be in addition to, the interests of Hudson City stockholders generally. These interests are described in more detail and quantified below. The board of directors of Hudson City was aware of these interests and considered them, among other matters, when it approved the entering into of the merger agreement and in making its recommendations that the Hudson City stockholders approve the Merger proposal. For purposes of all Hudson City agreements and plans described below, the completion of the transactions contemplated by the merger agreement will constitute a change of control, change in control or term of similar meaning.

*Board Membership.* Under the merger agreement, M&T will appoint Ronald E. Hermance, Jr., currently Hudson City's Chairman and Chief Executive Officer as a director of M&T with a term expiring at the first annual meeting of M&T shareholders following the merger. Also under the merger agreement, M&T will invite all other members of Hudson City's board of directors to serve for three years as paid members of a regional advisory board to advise M&T with respect to deposit and lending activities in Hudson City's former market area, and to maintain and develop customer relationships. Members of the regional advisory board will be paid annual fees of \$50,000.

*Indemnification and Insurance.* Under the merger agreement, M&T will indemnify each present and former director, officer and employee of Hudson City and its subsidiaries, and the fiduciaries under their benefit plans, to the fullest extent permitted under law, against claims arising prior to the effective time of the merger; and advance expenses incurred by any such person subject to the person's undertaking to repay if it is later determined that he or she is not entitled to indemnification. Also under the merger agreement, M&T will provide or purchase, or direct Hudson City to purchase, director and officer liability insurance for a period of six years following the effective time of the merger, to reimburse each present and former director and officer of Hudson City or its subsidiaries with respect to claims arising from facts or events occurring before that effective time.

*Outside Directors Consultation Plan.* Vesting and payment of benefits under Hudson City's Outside Directors Consultation Plan will accelerate due to the merger. This plan applies to individuals who became outside directors of Hudson City before January 1, 2005, and who agree to serve Hudson City as consultants with continued compensation after retiring from the board at or above age 65 and ten years of service. The monthly consulting fee is equal to the sum of: (a) 5/12 of 1% of the annual retainer fee for Hudson City's outside directors; and (b) 5% of the fee for attendance at a board meeting (each as in effect at the date of retirement), multiplied by the number of full years of service as an outside director, to a maximum of 20 years of service. A director's consulting arrangement would generally continue for 120 months or until an earlier date when the director withdraws from the performance of consulting services. On completion of the merger, this plan will terminate and all obligations under the plan will be paid in a lump sum to all participants (presuming each to have attained age 65 and completed 20 years of service and served as a consultant for a full 120 months). Based on an assumed effective time of the merger on January 31, 2013, the lump sum amount that would be payable to each participating director, including each outside director of Hudson City other than Mr. Golding, is \$671,973. In recognition of the contributions of Mr. Golding, the one outside director of Hudson City who is not eligible for a benefit under this plan, the Hudson City board has approved a payment to him of \$330,000, conditioned on completion of the merger in 2013. Based on an assumed effective time of the merger on January 31, 2013, the aggregate amount that would be payable upon the completion of the merger to the seven outside directors of Hudson City (as a group) pursuant to these arrangements is \$4,361,837.

*Outstanding Stock Options.* Hudson City has awarded stock options to acquire Hudson City common stock to its non-employee directors and executive officers. If the merger occurs during the performance period for any stock option that is subject to performance-based vesting conditions, the performance-based vesting conditions applicable to the option will be deemed satisfied at the effective time of the merger. Any remaining service conditions applicable to an outstanding Hudson City stock option held by an executive officer will be deemed satisfied upon the termination of the officer's employment without cause, or the officer's resignation with good reason (each as defined in the applicable Hudson City stock incentive plan), on or following the completion of the merger. Any remaining service conditions on any Hudson City stock option held by a non-employee director will be deemed satisfied upon the completion of the merger. To the extent provided in the applicable Hudson City equity plan or award agreement, the exercise period for a Hudson City stock option outstanding on the completion of the merger will continue for three years after the merger, but not beyond the tenth anniversary of the grant date of the stock option award, regardless of the holder's separation from service.

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Based upon equity compensation holdings as of January 31, 2013, the number of unvested Hudson City stock options held by the executive officers and the non-employee directors are as follows: Mr. Hermance, 437,500, with a weighted-average exercise price of \$9.50; Mr. Salamone, 195,100, with a weighted-average exercise price of \$9.50; Mr. Kranz, 51,500, with a weighted-average exercise price of \$9.50; Mr. Laird, 45,900, with a weighted-average exercise price of \$9.50; Mr. Butkovich, 33,500, with a weighted-average exercise price of \$9.50; the 13 other executive officers (as a group), 240,413, with a weighted-average exercise price of \$9.50; and the seven non-employee directors (as a group), none.

*Deferred Stock Units.* Hudson City has awarded deferred stock units that become vested solely based on the continued service of the holder of the deferred stock unit to its non-employee directors. Any remaining service conditions on such deferred stock units held by non-employee directors will be deemed satisfied upon the completion of the merger. The service-based deferred stock units that are outstanding as of the completion of the merger will be settled at that time.

Based upon equity compensation holdings as of January 31, 2013, the number of unvested Hudson City deferred stock units held by the seven non-employee directors (as a group) is 82,214, including 10,761 units for each of the non-employee directors of Hudson City, other than Mr. Golding, and 17,648 units for Mr. Golding.

*Performance-Based Deferred Stock Units.* Hudson City has awarded deferred stock units that vest in part based on the achievement of performance conditions to its executive officers. If the merger occurs during the performance period for any performance-based deferred stock unit award granted prior to August 27, 2012, the performance conditions for that period will be deemed to have been satisfied or to have been achieved at target level, as applicable, upon the effective time of the merger. A prorated portion of such outstanding performance-based deferred stock unit awards (determined based on the ratio of the service period completed prior to the merger to the full scheduled service period for the award) will immediately vest (at the performance level determined based on the prior sentence) and will be converted into a right to receive cash equal to the number of vested units multiplied by the merger consideration (less applicable taxes and withholding). The remaining performance-based deferred stock units (and all performance-based deferred stock units granted on or after August 27, 2012) will be converted into deferred stock units with respect to M&T common stock based on the exchange ratio and will continue to vest based on existing service conditions, with such service conditions deemed satisfied upon the termination of the executive officer's employment without cause, or the officer's resignation with good reason, (each as defined in the applicable Hudson City stock incentive plan) on or following the completion of the merger.

Based upon equity compensation holdings as of January 31, 2013, the number of unvested Hudson City performance-based deferred stock unit awards held by the executive officers are as follows: Mr. Hermance, 658,015; Mr. Salamone, 426,807; Mr. Kranz, 104,960; Mr. Laird, 93,561; Mr. Butkovich, 57,324; and the 13 other executive officers (as a group), 508,493.

*Employment Agreements.* Hudson City and Hudson City Savings Bank are party to employment agreements with each of Mr. Hermance and Denis Salamone providing for severance benefits that may be triggered on termination of employment in connection with the merger. The employment agreements with Hudson City provide for a 3-year employment period that renews automatically on a daily basis. The employment agreements with Hudson City Savings Bank provide for a three-year term that the board has renewed each year in connection with its annual review. In the event that Hudson City discharges either executive without cause or either executive resigns for good reason (each as defined in the employment agreements), Hudson City and Hudson City Savings Bank will provide the executive with the following severance benefits:

continued group life, health, dental, accident and long-term disability insurance benefits for the remaining employment period;

a lump sum payment equal to the estimated present value of the executive's base salary for the remaining employment term at the highest annual salary rate paid plus bonuses for the remaining employment period assuming future bonuses would be granted at the average percentage of salary granted during the three-year period prior to the date of termination and assuming, pursuant to the merger agreement, that, for purposes of calculating this payment, annual bonuses for 2012, which were

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paid at the end of 2012 based upon a determination of attainment of pre-established performance goals, will be recognized only to the extent they did not exceed the target opportunity, and, the bonus component will be no less than that which would have applied upon a termination of employment on August 27, 2012 (\$5,355,261 for Mr. Hermance and \$2,812,332 for Mr. Salamone);

a lump sum makeup payment under Hudson City's qualified and nonqualified defined benefit and defined contribution pension plans computed as if the executive had continued employment for the remaining employment term; and

Hudson City will provide a lump sum payment to indemnify executive against any after-tax effects of the 20% federal excise tax on excess parachute payments within the meaning of section 280G of the Internal Revenue Code.

The same severance benefits are payable if the executive resigns for any reason or no reason within 60 days after the completion of the merger, or if the executive's employment terminates within one year after the signing of the merger agreement but before the completion of the merger due to his death or disability (if the merger takes effect within two years of such termination). In the event of any qualifying termination of employment in connection with a change in control, severance benefits would be calculated based on a remaining employment term of three years.

The employment agreements allow Hudson City or Hudson City Savings Bank to condition payment of severance benefits on the executive's resignation from all positions as an officer, director or committee member of Hudson City, Hudson City Savings Bank or any of its or their subsidiaries or affiliates. The employment agreements also contain a non-solicitation provision, pursuant to which the executives have agreed to refrain from soliciting the employees and customers of Hudson City and Hudson City Savings Bank for a period of one year following their termination of employment.

For an estimate of the amounts payable to Messrs. Hermance and Salamone under their employment agreements described above in connection with a termination of employment following the merger, see *The Merger Interests of Hudson City Directors and Executive Officers in the Merger Merger-Related Compensation for Hudson City's Named Executive Officers* below.

*Change in Control Agreements.* Hudson City and Hudson City Savings Bank have jointly entered into two-year change in control agreements with James Kranz, Thomas Laird and Ronald Butkovich (as well as each of their other 13 executive officers). Pursuant to the change in control agreements, in the event that Hudson City Savings Bank terminates an executive officer's employment without cause (as defined in the change in control agreements) at any time after either Hudson City or Hudson City Savings Bank has entered into a definitive merger or other business combination agreement, such as the merger agreement, or the officer resigns for good reason (as defined in the change in control agreements) at any time after a change in control, the executive officer will be entitled to the severance benefits described below. These agreements continue in effect until the second anniversary of the latest entry into or consummation of a definitive agreement. The severance payments and benefits under these agreements generally include:

continued group life, health, dental, accident and long-term disability insurance benefits for two years;

a lump sum payment equal to the estimated present value of the executive's salary for two years at the highest annual salary rate paid plus two years of bonuses at the average percentage of salary granted for the three-year period immediately prior to the date of termination assuming, pursuant to the merger agreement, that, for purposes of calculating this payment, annual bonuses for 2012, which were paid at the end of 2012 based upon a determination of attainment of pre-established performance goals, will be recognized only to the extent they did not exceed the target opportunity, and the bonus component for Messrs. Kranz and Laird and two (2) other Executive Vice Presidents will be no less than that which would have applied upon a termination of employment on August 27, 2012 (\$783,110 for Mr. Kranz and \$701,862 for Mr. Laird); and

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a lump sum makeup payment under Hudson City's qualified and non-qualified defined benefit and defined contribution pension plans computed as if the executive had continued employment for an additional two years.

These severance benefits cannot exceed three times the executive's average annual total compensation for the last five calendar years to end prior to the executive's termination of employment (or for the executive's entire period of employment if less than five calendar years). In the event that the executive would be subject to taxation on excess parachute payments within the meaning of section 280G of the Internal Revenue Code, these severance benefits will be reduced to the highest amount that could be paid without triggering such taxes, but only if that reduction would not reduce the executive's aggregate after-tax benefits.

The change in control agreements allow Hudson City Savings Bank to condition payment of severance benefits on the executive's resignation from all positions as an officer, director or committee member of Hudson City Savings Bank or any of its subsidiaries or affiliates. The agreements also allow Hudson City Savings Bank to condition payments on a release of claims against Hudson City Savings Bank and its officers, directors, shareholders, subsidiaries and affiliates from liability for compensation or damages in connection with the executive's employment and termination of employment except liability for severance benefits. Hudson City guarantees all amounts payable under the change in control agreements.

For an estimate of the amounts payable in connection with a qualifying termination of employment following the merger to Hudson City's named executive officers who are party to the change in control agreements described above, see *The Merger Interests of Hudson City Directors and Executive Officers in the Merger Merger-Related Compensation for Hudson City's Named Executive Officers* below.

Based on compensation levels as of January 31, 2013 (and for each of Hudson City's Executive Vice Presidents assuming that the bonus component will be no less than the bonus component that would have resulted in respect of a termination of employment on August 27, 2012) and assuming a qualifying termination of employment on January 31, 2013, the amount of cash severance that would be payable to the 13 other executive officers with change in control agreements, as a group, is \$12,993,120 and the aggregate estimated value of the continued group life, health, dental, accident and long-term disability insurance benefits that would be provided to such group is \$614,790.

*Pension Benefits.* The Hudson City Savings Bank Benefit Maintenance Plan includes a Supplemental Retirement Benefit that provides selected executive officers, including each of Hudson City's named executive officers, with defined benefits that would be payable under the Employees Retirement Plan of Hudson City Savings Bank but for certain limitations imposed by the Internal Revenue Code. This Supplemental Retirement Benefit vests on any of the following events: (i) retirement at or after age 65; (ii) attainment of ten years of service; (iii) termination of employment for death or disability (as defined in the Employees Retirement Plan); or (iv) in the event of a change in control. Also in the event of a change in control, if the executive is eligible for early retirement benefits, that benefit will be provided without reduction for accelerated payment.

For an estimate of the amounts payable under the Supplemental Retirement Benefit in connection with the merger to Hudson City's named executive officers, see *The Merger Interests of Hudson City Directors and Executive Officers in the Merger Merger-Related Compensation for Hudson City's Named Executive Officers* below.

Based on compensation levels as of, and an assumed effective date of the merger on, January 31, 2013, because the two executive officers who are not named executive officers, but who are eligible to participate in the Supplemental Retirement Benefit, have already vested in that benefit, none of the 13 other executive officers would vest in the Supplemental Retirement Benefit upon the effective time of the merger. Based on compensation levels as of, and an assumed effective date of the merger on, January 31, 2013, the present value of



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the early retirement benefits that the 13 other executive officers (as a group) would become entitled to upon the effective time of the merger due to removal of actuarial reduction for accelerated payment is \$22,915.

For the mortality, discount rate and other assumptions used for the above present values, please refer to note 11(a) to the audited financial statements included in Hudson City's 2011 Annual Report to Shareholders filed as Exhibit 13.1 to its Annual Report on Form 10-K for the year ended December 31, 2011.

As described above under the Employment Agreements and Change in Control Agreements, severance benefits may include makeup payments for defined benefits that would have accrued under the Employees' Retirement Plan (and Supplemental Retirement Benefit, where applicable) during the remainder of the employment term or the two year assurance period covered by each agreement.

*Directors' Deferred Compensation Plan.* The Directors' Deferred Compensation Plan of Hudson City permits each director who participates in the plan to elect to receive a lump sum cash payment of his or her deferred compensation under the plan upon the occurrence of a change in control for purposes of section 409A of the Internal Revenue Code. Directors are fully vested at all times in the amounts of compensation that they have deferred under the plan.

*Employee Stock Ownership Plan.* The Employee Stock Ownership Plan of Hudson City Savings Bank, or ESOP, is a tax-qualified plan that covers substantially all salaried employees of Hudson City who have at least one year of service and have attained age 21. The ESOP has received two loans from Hudson City, the proceeds of which were used to acquire shares of Hudson City common stock for the benefit of plan participants. The plan has pledged the shares acquired with each loan as collateral for that loan and holds them in a suspense account for each loan, releasing them to participant accounts from time to time as the respective loans are repaid, using contributions received from Hudson City. On a change in control, the ESOP provides that the shares held in each suspense account will be used to repay the applicable loan, any shares remaining in either suspense account after repayment will be allocated to the accounts of plan participants, and the plan will be terminated. Each of Hudson City's executive officers would receive a benefit in connection with the ESOP's termination to the extent that the stock price multiplied by the number of shares held in either of the suspense accounts exceeds the outstanding loan used to acquire those shares.

For an estimate of the value of the additional benefit that Hudson City's named executive officers would receive under the ESOP upon the effective time of the merger, see *The Merger: Interests of Hudson City Directors and Executive Officers in the Merger: Merger-Related Compensation for Hudson City's Named Executive Officers* below. Based on account levels as of January 31, 2013, and a stock price of \$7.24, the estimated value of the additional benefit that the 13 other executive officers (as a group) would receive under the ESOP upon the effective time of the merger is \$4,648,331.

The Benefit Maintenance Plan includes a *Supplemental ESOP Benefit* that provides selected executive officers, including each of Hudson City's named executive officers, with benefits that would be payable under the Hudson City ESOP but for certain limitations imposed by the Internal Revenue Code. On repayment of an ESOP loan in connection with a change in control, as described above, each executive officer's *Supplemental ESOP Benefit* account would be credited with the value (on a per-share basis) of any resulting allocation of excess shares from the suspense account as if such account had existed within the tax-qualified ESOP. For purposes of determining the cash value of the *Supplemental ESOP Benefits* for Messrs. Hermance and Salamone only, share equivalents will be deemed to have a per share value equal to the average closing price of Hudson City common stock for the last day of each of the last 12 quarters to end immediately prior to the date of termination of employment.

For an estimate of the amounts payable under the *Supplemental ESOP Benefit* in connection with the merger to Hudson City's named executive officers, see *The Merger: Interests of Hudson City Directors and Executive Officers in the Merger: Merger-Related Compensation for Hudson City's Named Executive Officers*

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below. Assuming the effective time of the merger occurs on January 31, 2013, the estimated value of the additional benefit that the 13 other executive officers (as a group) would receive under the Benefit Maintenance Plan in respect of their Supplemental ESOP Benefit is \$28,305.

**Merger-Related Compensation for Hudson City's Named Executive Officers**

The following table and the related footnotes provide information about the compensation to be paid to Hudson City's named executive officers that is based on or otherwise relates to the merger. The compensation shown in this table and described in these footnotes is the subject of a non-binding, advisory vote, of the Hudson City stockholders at the Hudson City special meeting, as described in Hudson City Proposals Non-Binding Advisory Vote Approving Merger-Related Named Executive Officer Compensation Proposal on page 48. The figures in the table are estimated based on compensation levels as of the date of this document and an assumed effective date of January 31, 2013 for both the merger and, where applicable, termination of the executive's employment. The amounts reported below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including assumptions described in this document, and do not reflect certain compensation actions that will likely occur before the completion of the merger (such as the grant of annual awards of equity compensation in 2013). As required by applicable SEC rules, all amounts below determined using the per share value of Hudson City common stock have been calculated based on a per share price of Hudson common stock of \$7.24 (the average closing market price of Hudson City common stock over the first five business days following the public announcement of the merger on August 27, 2012). As a result of the foregoing assumptions, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below.

**GOLDEN PARACHUTE COMPENSATION**

Name	Cash (\$) (1)	Equity (\$) (2)	Pension/ NQDC (\$) (3)	Perquisites/ Benefits (\$) (4)	Tax Reimbursement (\$) (5)	Other (\$) (6)	Total (\$)
Ronald E. Hermance, Jr.	\$ 10,379,216	\$ 4,766,657	\$ 4,927,275	\$ 7,989		\$ 789,303	\$ 20,870,440
Denis J. Salamone	6,012,113	3,091,788	4,755,046	70,186	\$ 5,529,097	565,332	20,023,561
James C. Kranz	1,789,355	760,327	659,126	5,383		789,303	4,003,495
Thomas E. Laird	1,599,938	677,760	674,525	11,511		762,801	3,726,534
Ronald J. Butkovich	1,101,353	415,260	2,332,606	47,292		424,669	4,321,179

- (1) Upon qualifying terminations of employment (as described above), which include terminations for cause or resignations for good reason regardless of the occurrence of a change in control, the employment agreements with Messrs. Hermance and Salamone provide for a lump sum cash payment equal to the present value of the salary payments (Mr. Hermance, \$5,023,955; Mr. Salamone, \$3,199,781) and estimated cash incentives (based on the prior three years' cash incentives, as a percentage of salary) (Mr. Hermance, \$5,355,261; Mr. Salamone, \$2,812,332) that would be earned during the remaining contract term, which, on a termination or resignation on or following a change in control, would be three years long. This severance payment is a modified single trigger benefit due to Mr. Hermance and Mr. Salamone's right to payment on resignation for any reason or no reason within 60 days after a change in control. The merger agreement provides that, for purposes of calculating these severance payments, annual bonuses for 2012 will be recognized only to the extent they did not exceed the target opportunity, and the cash incentive component will be no less than that which would have applied upon a termination of employment on August 27, 2012. The employment agreements contain a non-solicitation provision, pursuant to which the executives have agreed to refrain from soliciting the employees and customers of Hudson City and Hudson City Savings Bank for a period of one year following their termination of employment.

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Upon a qualifying termination of employment (as described above), the change in control agreements in effect for each of Messrs. Kranz, Laird and Butkovich provide for a lump sum cash payment equal to the present value of the salary payments (Mr. Kranz, \$1,006,245; Mr. Laird, \$898,076; and Mr. Butkovich, \$770,430) and estimated cash incentive payments (based on the prior three years' cash incentives, as a percentage of salary) (Mr. Kranz, \$783,110; Mr. Laird, \$701,862; and Mr. Butkovich, \$330,923) that would be earned during the two-year period following termination of employment. The severance benefits pursuant to the change in control agreements are double trigger benefits. The merger agreement provides that, for purposes of calculating these severance payments, annual bonuses for 2012 will be recognized only to the extent they did not exceed the target opportunity, and the cash incentive component for Messrs. Kranz and Laird will be no less than the that which would have applied upon a termination of employment on August 27, 2012.

Present values for these agreements are calculated using 0.21% the applicable short-term federal rate for monthly compounding for January 2013 as published by the Internal Revenue Service.

- (2) On a recipient's discharge without cause or resignation for good reason following a change in control, stock options granted under Hudson City's 2006 Stock Incentive Plan or the Amended and Restated 2011 Stock Incentive Plan become fully vested and exercisable. The merger agreement provides that the performance conditions on all stock options shall be deemed satisfied upon the completion of the merger. This accelerated vesting is a single-trigger benefit with respect to satisfaction of performance conditions, and a double-trigger benefit with respect to service conditions. On a change in control, stock options granted under the 2006 Stock Incentive Plan or the Amended and Restated 2011 Stock Incentive Plan will remain exercisable through the third anniversary of the change in control (but not beyond their tenth anniversary). This extended exercise period is a single-trigger benefit. No amount has been included in this table for the options held by Hudson City's named executive officers, as none of those options has an exercise price below \$7.24.

Performance-based deferred stock units granted under the 2006 Stock Incentive Plan or the Amended and Restated 2011 Stock Incentive Plan of Hudson City vest only when both performance conditions and service conditions specified for the award are satisfied. On a change in control, performance conditions for these performance-based deferred stock units will be deemed satisfied, and, pursuant to the merger agreement, service conditions will be deemed satisfied with respect to a pro rata number of units under each award granted prior to August 27, 2012, based on the ratio of the service period completed prior to the merger to the full scheduled service period for the award, and such pro rata number of units will be converted into a right to receive a payment in cash in an amount equal to the merger consideration less applicable taxes and withholding. This portion of the awards vests on a single trigger with respect to both performance and service conditions, and is estimated to have the following values for the named executive officers: Mr. Hermance \$1,466,968; Mr. Salamone, \$1,141,832; Mr. Kranz, \$288,175; Mr. Laird, \$256,674; and Mr. Butkovich, \$168,534. On a recipient's discharge without cause or resignation with good reason following a change in control, any remaining service conditions for the performance-based deferred stock units that are not converted into a cash payment will be deemed satisfied and in certain instances these performance-based deferred stock units will be distributed upon such separation from service, rather than their original deferral date. This portion of the awards vests on a single trigger with respect to performance conditions, but on a double trigger with respect to service conditions and is estimated to have the following values for the named executive officers: Mr. Hermance \$3,299,689; Mr. Salamone, \$1,949,955; Mr. Kranz, \$472,152; Mr. Laird, \$421,086; and Mr. Butkovich, \$246,726. The figures shown are calculated based on a per share value of \$7.24.

- (3) On a change in control, any unvested Supplemental Retirement Benefits under the Benefit Maintenance Plan will become vested (resulting in a benefit for Mr. Butkovich with a present value of \$1,794,934), and any executives who are eligible for early retirement benefits under the Employees' Retirement Plan and Supplemental Retirement Benefit will become eligible for early retirement benefits that are not reduced for early commencement of payments (resulting in benefits with the following present values: Mr. Kranz, \$25,077; Mr. Laird, \$379,166; Mr. Butkovich, \$92,082). In addition, upon the occurrence of a change in control for purposes of section 409A of the Internal Revenue Code, the Benefit Maintenance Plan will be

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terminated, and the payment of benefits will commence as if the executive had terminated employment on the date of the change in control. Each of these benefits is a single-trigger benefit. All of Hudson City's named executive officers other than Mr. Butkovich have already vested in the Supplemental Retirement Benefit. Mr. Salamone is not currently eligible for early retirement benefits under the Employees' Retirement Plan and Supplemental Retirement Benefit, but would become eligible on continued service through his 60th birthday on March 27, 2013. Mr. Hermance has reached normal retirement age, and would receive no additional value from an unreduced early retirement benefit.

For the mortality, discount rate and other assumptions used for the above present values, please refer to note 11(a) to the audited financial statements included in Hudson City's 2011 Annual Report to Shareholders filed as Exhibit 13.1 to its Annual Report on Form 10-K for the year ended December 31, 2011.

Upon qualifying terminations of employment (as described above), which include terminations for cause or resignations for good reason regardless of the occurrence of a change in control, the employment agreements in effect for Messrs. Hermance and Salamone provide for lump sum cash payments of additional qualified and non-qualified pension plan benefits that would be earned during the remaining contract term using the following discounts rates: 1.00% for amounts payable within 5 years, 3.57% for amounts payable from 5 to 20 years, and 4.77% for amounts payable after 20 years (resulting in the following present values: Mr. Hermance, \$1,682,399; Mr. Salamone, \$3,214,369). This additional pension benefit is a modified single trigger benefit due to Mr. Hermance and Mr. Salamone's right to payment on resignation for any reason or no reason within 60 days after a change in control.

Upon qualifying terminations of employment (as described above), the change in control agreements in effect for Messrs. Kranz, Laird and Butkovich provide for cash payments of additional qualified and non-qualified pension plan benefits that would be earned during continued service for the two years following termination using a discount rate of 2.80% (resulting in the following present values: Mr. Kranz, \$366,934; Mr. Laird, \$132,456; and Mr. Butkovich, \$331,734). This additional pension benefit is a double-trigger benefit.

As described above, each named executive officer is entitled to certain payments pursuant to the Supplemental ESOP Benefit under the Benefit Maintenance Plan upon the closing of the merger. Assuming a per share value for Hudson City common stock of \$7.24, and account balances as of January 31, 2013, and determining the value of share equivalents for Messrs. Hermance and Salamone based on a per share price of \$9.25, the average closing price of Hudson City common stock on the last day of the last 12 quarters to end prior to January 31, 2013, the named executive officers would be entitled to the following amounts as a result of the repayment of the ESOP loans and the resulting allocation of share equivalents under the Supplemental ESOP Benefit: Mr. Hermance, \$3,234,876; Mr. Salamone, \$1,540,677; Mr. Kranz, \$267,115; Mr. Laird, \$162,903; and Mr. Butkovich, \$113,855. This additional benefit with respect to the ESOP is a single-trigger benefit.

- (4) Upon a qualifying termination of employment (as described above), which includes termination for cause or resignation for good reason regardless of the occurrence of a change in control, the employment agreements with Messrs. Hermance and Salamone provide for continued group life, health, dental, accident and long-term disability insurance benefits for the remaining contract term, which, on a termination on or following a change in control, would be three years long. This continuation of benefits is a modified single trigger benefit due to Mr. Hermance and Mr. Salamone's right to continuation on resignation for any reason or no reason within 60 days after a change in control.

Upon a qualifying termination of employment under the change in control agreement (as described above), Messrs. Kranz, Laird and Butkovich will each be provided with group life, health, dental, accident and long-term disability insurance benefits for two years after termination. Each of these agreements provides for an offset to these benefits for any benefits provided by a subsequent employer. This continuation of benefits is a double trigger benefit.

The figures shown represent the present values of th