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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): July 22, 2014**

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**M&T BANK CORPORATION**  
(Exact name of registrant as specified in its charter)

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**New York**  
(State or other jurisdiction  
of incorporation)

**1-9861**  
(Commission  
File Number)

**16-0968385**  
(IRS Employer  
Identification No.)

**One M&T Plaza, Buffalo, New York**  
(Address of principal executive offices)

**14203**  
(Zip Code)

**Registrant's telephone number, including area code: (716) 842-5445**

**Not Applicable**  
(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **ITEM 8.01 OTHER EVENTS.**

On July 22, 2014, Manufacturers and Traders Trust Company (“M&T Bank”), a New York banking corporation and a wholly-owned subsidiary of M&T Bank Corporation, a New York corporation (“M&T”), commenced a private offering (the “Bank Note Offering”) to institutional accredited investors of unsecured senior notes (the “Bank Notes”), pursuant to a previously-established bank note program under which M&T Bank may from time to time offer up to an aggregate of \$5 billion of unsecured senior and subordinated notes, which will mature 270 days or more from their date of issue.

On August 27, 2012, M&T entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Hudson City Bancorp, Inc., a Delaware corporation (“Hudson City”) and Wilmington Trust Corporation, a Delaware corporation and a wholly owned subsidiary of M&T (“WTC”). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, Hudson City will merge with and into WTC, with WTC continuing as the surviving entity (the “Merger”).

Subject to the terms and conditions of the Merger Agreement, upon completion of the Merger, Hudson City stockholders will have the right to receive, at their election (but subject to proration and adjustment procedures as specified in the Merger Agreement), either 0.08403 of a share of common stock, par value \$0.50 per share, of M&T (the “M&T Common Stock”) or cash having a value equal to 0.08403 multiplied by the average closing price of a share 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 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.

Consummation of the Merger remains subject to certain customary conditions, including, among others, governmental filings and regulatory approvals and expiration of applicable waiting periods, accuracy of specified representations and warranties of the other party, and material compliance by the other party with its obligations under the Merger Agreement.

In connection with the Bank Note Offering, M&T Bank is furnishing to prospective investors in the Bank Notes preliminary unaudited pro forma combined condensed consolidated financial information reflecting the contemplated Merger (the “Updated Pro Forma Information”). The Updated Pro Forma Information sets forth (a) an unaudited pro forma combined condensed consolidated balance sheet as of March 31, 2014 that is presented as if the Merger had occurred on March 31, 2014 and (b) an unaudited pro forma combined condensed consolidated statements of income for the year ended December 31, 2013 and the quarter ended March 31, 2014 that are presented as if the Merger had occurred on January 1, 2013. The Updated Pro Forma Information is attached hereto as Exhibit 99.1.

This Current Report on Form 8-K is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **Cautionary Statements Regarding Forward-Looking Information**

This Current Report on Form 8-K contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving M&T’s expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “target,” “estimate,” “continue,” “positions,”

“prospects” or “potential,” by future conditional verbs such as “will,” “would,” “should,” “could” or “may”, or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements.

In addition to factors previously disclosed in M&T’s reports filed with the Securities and Exchange Commission (“SEC”) and those identified elsewhere in this filing, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: ability to obtain regulatory approvals and meet other closing conditions to the Merger, on the expected terms and schedule; delay in closing the Merger; difficulties and delays in integrating the M&T and Hudson City businesses or fully realizing cost savings and other benefits; business disruption following the Merger; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer acceptance of M&T products and services; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

**Important Additional Information.**

In connection with the Merger, M&T filed with the SEC on February 22, 2013 a Registration Statement on Form S-4 that included a Joint Proxy Statement of M&T and Hudson City and a Prospectus of M&T. The S-4 has been declared effective.

Each of M&T and Hudson City may file other relevant documents concerning the proposed transaction. SHAREHOLDERS OF M&T AND HUDSON CITY ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

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

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

(d) *Exhibits.*

| <u>Exhibit No.</u> | <u>Description of Exhibit</u>  |
|--------------------|--|
| 99.1               | Unaudited Pro Forma Combined Condensed Consolidated Financial Information. |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 22, 2014

M&T Bank Corporation

By: /s/ René F. Jones

Name: René F. Jones

Title: Executive Vice President and Chief  
Financial Officer

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**EXHIBIT INDEX**

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|--------------------|--|
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**UNAUDITED PRO FORMA  
COMBINED CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The following unaudited pro forma combined condensed consolidated financial statements are based on the separate historical financial statements of M&T and Hudson City after giving effect to the merger and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined condensed consolidated financial statements. The unaudited pro forma combined condensed consolidated balance sheet as of March 31, 2014 is presented as if the merger had occurred on March 31, 2014. The unaudited pro forma combined condensed consolidated statements of income for the year ended December 31, 2013 and the quarter ended March 31, 2014 are presented as if the merger had occurred on January 1, 2013. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations. The pro forma information is not necessarily indicative of what would have occurred had the acquisition taken place on the indicated dates. In particular, no adjustments have been made to the amounts of Hudson City's provisions for credit losses or gains on investment securities that may not have been necessary had the acquired loans and investment securities been recorded at fair value as of January 1, 2013.

The unaudited pro forma combined condensed consolidated financial statements have been prepared using the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States. M&T is the acquirer for accounting purposes. The unaudited pro forma adjustments, including the allocations of the purchase price, are preliminary and have been made solely for the purpose of providing unaudited pro forma combined condensed consolidated financial information. Certain reclassifications have been made to the historical financial statements of Hudson City to conform to the presentation in M&T's financial statements.

A final determination of the acquisition consideration and fair values of Hudson City's assets and liabilities, which cannot be made prior to the completion of the merger, will be based on the actual net tangible and intangible assets of Hudson City that exist as of the date of completion of the transaction. Consequently, amounts preliminarily allocated to acquired assets and assumed liabilities could change significantly from those allocations used in the unaudited pro forma combined condensed consolidated financial statements presented below.

In connection with the plan to integrate the operations of M&T and Hudson City following the completion of the merger, M&T anticipates that nonrecurring charges, such as costs associated with systems implementation, severance, and other costs related to exit or disposal activities, could be incurred. M&T is not able to determine the timing, nature and amount of these charges as of the date hereof. However, these charges could affect the results of operations of M&T and Hudson City, as well as those of the combined company following the completion of the merger, in the period in which they are recorded. The unaudited pro forma combined condensed consolidated financial statements do not include the effects of the costs associated with any restructuring or integration activities resulting from the transaction, as they are nonrecurring in nature and not factually supportable at the time that the unaudited pro forma combined condensed consolidated financial statements were prepared. Additionally, the unaudited pro forma adjustments do not give effect to any nonrecurring or unusual restructuring charges that may be incurred as a result of the integration of the two companies or any anticipated disposition of assets that may result from such integration.

The actual amounts recorded as of the completion of the merger may differ materially from the information presented in these unaudited pro forma combined condensed consolidated financial statements as a result of:

- changes in the trading price for M&T's common stock;
- net cash used or generated in Hudson City's operations between the signing of the merger agreement and completion of the merger;
- other changes in Hudson City's net assets that occur prior to the completion of the merger, which could cause material changes in the information presented below; and
- changes in the financial results of the consolidated company, which could change the future discounted cash flow projections.

The unaudited pro forma combined condensed consolidated financial statements are provided for informational purposes only. The unaudited pro forma combined condensed consolidated financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma combined condensed consolidated financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma combined condensed consolidated financial statements should be read together with:

- the accompanying notes to the unaudited pro forma combined condensed consolidated financial statements;
- M&T's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2013, included in M&T's Annual Report on Form 10-K for the year ended December 31, 2013;
- Hudson City's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2013, included in Hudson City's Annual Report on Form 10-K for the year ended December 31, 2013 (as amended);
- M&T's separate unaudited historical consolidated financial statements and accompanying notes as of and for the quarter ended March 31, 2014 included in M&T's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014; and
- Hudson City's separate unaudited historical consolidated financial statements and accompanying notes as of and for the quarter ended March 31, 2014, included in Hudson City's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.

**M&T BANK CORPORATION**  
**PRO FORMA COMBINED CONDENSED CONSOLIDATED BALANCE SHEET**  
(in thousands)  
(Unaudited)

The following unaudited pro forma combined condensed consolidated balance sheet gives effect to the acquisition by M&T of Hudson City using the acquisition method of accounting assuming the acquisition was consummated on March 31, 2014.

|  | March 31, 2014      |                     |                             |                      |
|--|---------------------|---------------------|-----------------------------|----------------------|
|  | M&T                 | Hudson City         | Pro Forma<br>Adjustments(1) | Pro Forma            |
| <b>Assets</b>                                    |                     |                     |                             |                      |
| Cash and due from banks                          | \$ 1,671,052        | \$ 105,116          | \$ —                        | \$ 1,776,168         |
| Interest-bearing deposits and federal funds sold | 3,391,251           | 4,997,668           | (2,137,758)(2)              | 6,251,161(13)        |
| Investment securities                            | 10,364,249          | 8,876,032           | 91,005(3)                   | 19,331,286(13)       |
| Loans and leases                                 | 64,135,078          | 23,844,443          | 113,483(4)                  | 88,093,004           |
| Allowance for credit losses                      | (916,768)           | (265,732)           | 265,732(4)                  | (916,768)            |
| Loans and leases, net                            | 63,218,310          | 23,578,711          | 379,215                     | 87,176,236           |
| Goodwill   | 3,524,625           | 152,109             | 1,319,363(5),(12)           | 4,996,097            |
| Core deposits and other intangibles assets       | 58,789              | 862                 | (862)(6)                    | 58,789               |
| Other assets                                     | 6,302,084           | 520,128             | 398,348(7)                  | 7,220,560(13)        |
| Total assets                                     | <u>\$88,530,360</u> | <u>\$38,230,626</u> | <u>\$ 49,311</u>            | <u>\$126,810,297</u> |
| <b>Liabilities and Shareholders' Equity</b>      |                     |                     |                             |                      |
| Interest-bearing deposits                        | \$43,455,166        | \$20,396,905        | \$ 78,471(8)                | \$ 63,930,542        |
| Total borrowings                                 | 6,481,406           | 12,175,000          | 1,506,603(9)                | 20,163,009(13)       |
| Total interest-bearing liabilities               | 49,936,572          | 32,571,905          | 1,585,074                   | 84,093,551           |
| Non interest-bearing deposits                    | 25,244,200          | 668,677             | —                           | 25,912,877           |
| Other liabilities                                | 1,462,725           | 207,186             | 43,813(10)                  | 1,713,724            |
| Total liabilities                                | 76,643,497          | 33,447,768          | 1,628,887                   | 111,720,152          |
| Preferred equity                                 | 1,231,500           | —                   | —                           | 1,231,500            |
| Common equity                                    | 10,655,363          | 4,782,858           | (1,579,576)(11),(12)        | 13,858,645           |
| Total shareholders' equity                       | 11,886,863          | 4,782,858           | (1,579,576)                 | 15,090,145           |
| Total liabilities and shareholders' equity       | <u>\$88,530,360</u> | <u>\$38,230,626</u> | <u>\$ 49,311</u>            | <u>\$126,810,297</u> |

See accompanying notes to pro forma combined condensed consolidated financial statements.



**M&T BANK CORPORATION**  
**PRO FORMA COMBINED CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
(in thousands, except per share data)  
(Unaudited)

The following unaudited pro forma combined condensed consolidated statement of income for the three months ended March 31, 2014 gives effect to M&T's acquisition of Hudson City using the acquisition method of accounting assuming the acquisition was consummated on January 1, 2013.

|   | For the three months ended March 31, 2014 |                  |                             |                   |
|---|---|------------------|-----------------------------|-------------------|
|   | M&T                                       | Hudson City      | Pro Forma<br>Adjustments(1) | Pro Forma         |
| <b>Interest income</b>  |   |                  |                             |                   |
| Loans and leases, including fees  | \$ 645,222                                | \$ 255,417       | \$ (6,930)(14)              | \$ 893,709        |
| Investment securities   | 75,403                                    | 54,236           | (17,657)(15)                | 111,982           |
| Other interest income   | 2,327                                     | 2,886            | —                           | 5,213             |
| <b>Total interest income</b>  | <b>722,952</b>                            | <b>312,539</b>   | <b>(24,587)</b>             | <b>1,010,904</b>  |
| <b>Interest expense</b>   |   |                  |                             |                   |
| Deposits  | 16,046                                    | 40,638           | (7,626)(16)                 | 49,058            |
| Borrowings  | 50,473                                    | 139,565          | (100,534)(17)               | 89,504            |
| <b>Total interest expense</b>   | <b>66,519</b>                             | <b>180,203</b>   | <b>(108,160)</b>            | <b>138,562</b>    |
| <b>Net interest income</b>  | <b>656,433</b>                            | <b>132,336</b>   | <b>83,573</b>               | <b>872,342</b>    |
| Provision for credit losses   | 32,000                                    | —                | —                           | 32,000            |
| <b>Net interest income after provision for credit losses</b>  | <b>624,433</b>                            | <b>132,336</b>   | <b>83,573</b>               | <b>840,342</b>    |
| <b>Other income</b>   |   |                  |                             |                   |
| Mortgage banking revenues   | 80,049                                    | —                | —                           | 80,049            |
| Service charges on deposit accounts   | 104,198                                   | 1,815            | —                           | 106,013           |
| Trust income  | 121,252                                   | —                | —                           | 121,252           |
| Gain on investment securities   | —   | 15,943           | —                           | 15,943            |
| Other revenues from operations  | 114,608                                   | —                | —                           | 114,608           |
| <b>Total other income</b>   | <b>420,107</b>                            | <b>17,758</b>    | <b>—</b>                    | <b>437,865</b>    |
| <b>Other expense</b>  |   |                  |                             |                   |
| Salaries and employee benefits  | 371,326                                   | 33,611           | —                           | 404,937           |
| Equipment and net occupancy   | 71,167                                    | 9,711            | —                           | 80,878            |
| Amortization of core deposit and other intangible assets  | 10,062                                    | 246              | (246)(18)                   | 10,062            |
| FDIC assessments  | 15,488                                    | 13,924           | —                           | 29,412            |
| Other costs of operations   | 234,228                                   | 22,221           | —                           | 256,449           |
| <b>Total other expense</b>  | <b>702,271</b>                            | <b>79,713</b>    | <b>(246)</b>                | <b>781,738</b>    |
| <b>Income before taxes</b>  | <b>342,269</b>                            | <b>70,381</b>    | <b>83,819</b>               | <b>496,469</b>    |
| Income taxes  | 113,252                                   | 27,860           | 32,899(20)                  | 174,011           |
| <b>Net income</b>   | <b>229,017</b>                            | <b>42,521</b>    | <b>50,920</b>               | <b>322,458</b>    |
| Dividends and amortization on preferred stock and income attributable to unvested stock-based compensation awards | (17,286)                                  | —                | —                           | (17,286)          |
| <b>Net income available to common shareholders</b>  | <b>\$ 211,731</b>                         | <b>\$ 42,521</b> | <b>\$ 50,920</b>            | <b>\$ 305,172</b> |
| <b>Net income per common share</b>  |   |                  |                             |                   |
| Basic   | \$ 1.63                                   | \$ 0.09          | \$ —                        | \$ 1.95           |
| Diluted   | \$ 1.61                                   | \$ 0.09          | \$ —                        | \$ 1.94           |
| <b>Average common shares outstanding</b>  |   |                  |                             |                   |
| Basic   | 130,212                                   | 498,409          | 26,007                      | 156,219           |
| Diluted   | 131,126                                   | 498,409          | 26,007                      | 157,133           |

See accompanying notes to pro forma combined condensed consolidated financial statements.

**M&T BANK CORPORATION**  
**PRO FORMA COMBINED CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
(in thousands, except per share data)  
(Unaudited)

The following unaudited pro forma combined condensed consolidated statement of income for the year ended December 31, 2013 gives effect to M&T's acquisition of Hudson City using the acquisition method of accounting assuming the acquisition was consummated on January 1, 2013.

|   | For the year ended December 31, 2013 |                   |                             |                     |
|---|--------------------------------------|-------------------|-----------------------------|---------------------|
|   | M&T                                  | Hudson City       | Pro Forma<br>Adjustments(1) | Pro Forma           |
| <b>Interest income</b>  |                                      |                   |                             |                     |
| Loans and leases, including fees  | \$ 2,734,708                         | \$ 1,113,928      | \$ (23,728)(14)             | \$ 3,824,908        |
| Investment securities   | 216,046                              | 239,828           | (77,011)(15)                | 378,863             |
| Other interest income   | 6,580                                | 7,425             | —                           | 14,005              |
| <b>Total interest income</b>  | <b>2,957,334</b>                     | <b>1,361,181</b>  | <b>(100,739)</b>            | <b>4,217,776</b>    |
| <b>Interest expense</b>   |                                      |                   |                             |                     |
| Deposits  | 83,692                               | 182,391           | (54,606)(16)                | 211,477             |
| Borrowings  | 200,413                              | 566,277           | (403,910)(17)               | 362,780             |
| <b>Total interest expense</b>   | <b>284,105</b>                       | <b>748,668</b>    | <b>(458,516)</b>            | <b>574,257</b>      |
| <b>Net interest income</b>  | <b>2,673,229</b>                     | <b>612,513</b>    | <b>357,777</b>              | <b>3,643,519</b>    |
| Provision for credit losses   | 185,000                              | 36,500            | —                           | 221,500             |
| <b>Net interest income after provision for credit losses</b>  | <b>2,488,229</b>                     | <b>576,013</b>    | <b>357,777</b>              | <b>3,422,019</b>    |
| <b>Other income</b>   |                                      |                   |                             |                     |
| Mortgage banking revenues   | 331,265                              | —                 | —                           | 331,265             |
| Service charges on deposit accounts   | 446,941                              | 10,156            | —                           | 457,097             |
| Trust income  | 496,008                              | —                 | —                           | 496,008             |
| Gain on investment securities   | 56,457                               | 28,933            | —                           | 85,390              |
| Net other than temporary impairment losses recognized in earnings   | (9,800)                              | —                 | —                           | (9,800)             |
| Other revenues from operations  | 544,334                              | —                 | —                           | 544,334             |
| <b>Total other income</b>   | <b>1,865,205</b>                     | <b>39,089</b>     | <b>—</b>                    | <b>1,904,294</b>    |
| <b>Other expense</b>  |                                      |                   |                             |                     |
| Salaries and employee benefits  | 1,355,178                            | 132,733           | —                           | 1,487,911           |
| Equipment and net occupancy   | 264,327                              | 36,790            | —                           | 301,117             |
| Amortization of core deposit and other intangible assets  | 46,912                               | 1,000             | (1,000)(18)                 | 46,912              |
| FDIC assessments  | 69,584                               | 73,463            | —                           | 143,047             |
| Other costs of operations   | 899,884                              | 65,851            | 6,500(19)                   | 972,235             |
| <b>Total other expense</b>  | <b>2,635,885</b>                     | <b>309,837</b>    | <b>5,500</b>                | <b>2,951,222</b>    |
| <b>Income before taxes</b>  | <b>1,717,549</b>                     | <b>305,265</b>    | <b>352,277</b>              | <b>2,375,091</b>    |
| Income taxes  | 579,069                              | 120,049           | 138,269(20)                 | 837,387             |
| <b>Net income</b>   | <b>1,138,480</b>                     | <b>185,216</b>    | <b>214,008</b>              | <b>1,537,704</b>    |
| Dividends and amortization on preferred stock and income attributable to unvested stock-based compensation awards | (75,984)                             | —                 | —                           | (75,984)            |
| <b>Net income available to common shareholders</b>  | <b>\$ 1,062,496</b>                  | <b>\$ 185,216</b> | <b>\$ 214,008</b>           | <b>\$ 1,461,720</b> |
| <b>Net income per common share</b>  |                                      |                   |                             |                     |
| Basic   | \$ 8.26                              | \$ 0.37           | \$ —                        | \$ 9.45             |
| Diluted   | \$ 8.20                              | \$ 0.37           | \$ —                        | \$ 9.39             |
| <b>Average common shares outstanding</b>  |                                      |                   |                             |                     |
| Basic   | 128,654                              | 497,794           | 26,007                      | 154,661             |
| Diluted   | 129,603                              | 498,071           | 26,007                      | 155,610             |

See accompanying notes to pro forma combined condensed consolidated financial statements.

**Notes to Pro Forma Combined Condensed Consolidated Financial Statements (Unaudited)**

- (1) Pro-forma adjustments reflect increases (decreases) resulting from the use of the acquisition method of accounting.
- (2) Reflects payment of cash consideration to Hudson City Shareholders based on a 10-day average price for M&T common stock from July 1 to 15, 2014.
- (3) Adjustment to reflect preliminary estimate of fair value of acquired investment securities.
- (4) Adjustment to reflect acquired loans at their preliminary estimate of fair value.
- (5) Adjustment to reflect \$1,471,472,000 of preliminary estimated goodwill from this business combination.
- (6) Adjustment to eliminate Hudson City's intangible assets. A significant portion of Hudson City's core deposit base consists of fixed maturity time deposits and interest rate sensitive money market accounts. This fact, combined with Hudson City's above average market pricing, has led M&T to conclude that there is no significant core deposit intangible resulting from this transaction.
- (7) Reflects preliminary estimate to increase deferred tax assets by \$412,571,000 for the effects of acquisition accounting adjustments and to reflect other miscellaneous adjustments of (\$14,223,000).
- (8) Adjustment to reflect the preliminary estimate of fair value on interest-bearing deposits.
- (9) Reflects the preliminary estimate of the adjustment of \$1,506,603,000 to record borrowings at fair value.
- (10) Reflects the preliminary estimate of adjustments to record the estimated liability for change-in-control agreements with former Hudson City employees of \$40,313,000 and other miscellaneous adjustments of \$3,500,000.
- (11) Reflects the issuance of 26,007,000 shares of M&T common stock using the July 15, 2014 closing price of \$123.17 and the elimination of Hudson City's March 31, 2014 equity.
- (12) The following table depicts the sensitivity of the purchase price and resulting goodwill to changes in M&T's common stock price.

| (in thousands)            | <u>Equity<br/>Consideration</u> | <u>Cash<br/>Consideration</u> | <u>Total<br/>Purchase<br/>Price</u> | <u>Estimated<br/>Goodwill</u> |
|---------------------------|---------------------------------|-------------------------------|-------------------------------------|-------------------------------|
| As presented in pro forma | \$ 3,203,282                    | \$ 2,137,758                  | \$5,341,040                         | \$1,471,472                   |
| Up 10%                    | 3,523,610                       | 2,351,534                     | 5,875,144                           | 2,005,576                     |
| Down 10%                  | 2,882,954                       | 1,923,982                     | 4,806,936                           | 937,368                       |

- (13) Subsequent to the acquisition of Hudson City, and dependent on market conditions, M&T may restructure the combined entity's balance sheet by extinguishing some of Hudson City's borrowings using proceeds from the liquidation of a portion of Hudson City's investment securities, the realization of related deferred tax assets and the use of interest-bearing deposits and federal funds sold. As a result total assets and total liabilities could decrease from the amounts presented herein.

|   | <u>Three Months Ended<br/>March 31, 2014</u> | <u>Year Ended<br/>December 31, 2013</u> |
|---|--|---|
|   | (in thousands)                               |   |
| (14) Reflects the estimated net amortization of premiums and discounts on acquired loans using a level-yield method over the estimated remaining terms to maturity of the loans and leases.         | \$ (6,930)                                   | \$ (23,728)                             |
| (15) Reflects the estimated net amortization of premiums and discounts on acquired investment securities.   | (17,657)                                     | (77,011)                                |
| (16) Reflects the estimated amortization of the related fair value adjustments to interest-bearing deposits using the effective interest method over the remaining terms to maturity.               | (7,626)                                      | (54,606)                                |
| (17) Reflects the estimated amortization of net premiums on acquired borrowings.  | (100,534)                                    | (403,910)                               |
| (18) Reflects the reversal of Hudson City's amortization of intangible assets.  | (246)  | (1,000)                                 |
| (19) Reflects estimated legal and other fees associated with the acquisition  | —  | 6,500                                   |
| (20) Income tax expense on pro forma adjustment using a 39.25% tax rate.  | 32,899                                       | 138,269                                 |
| (21) The estimated decreases resulting from the net amortization of acquisition accounting adjustments for each of the five twelve-month periods subsequent to the acquisition date are as follows: |  |   |

|                         | <u>Year 1</u>  | <u>Year 2</u> | <u>Year 3</u> | <u>Year 4</u> | <u>Year 5</u> |
|-------------------------|----------------|---------------|---------------|---------------|---------------|
|                         | (in thousands) |               |               |               |               |
| <b>Interest income</b>  |                |               |               |               |               |
| Loans                   | \$ (23,728)    | \$ (25,860)   | \$ (20,019)   | \$ (17,870)   | \$ (16,957)   |
| Investment securities   | (77,011)       | (66,799)      | (56,588)      | (46,377)      | (36,165)      |
| <b>Interest expense</b> |                |               |               |               |               |
| Deposits                | (54,606)       | (17,515)      | (4,701)       | (1,476)       | (173)         |
| Borrowings              | (403,910)      | (402,136)     | (280,322)     | (172,833)     | (135,932)     |