M&T Bank Corporation

Manufacturers and Traders Trust Company

Company-Run Stress Test
Dodd-Frank Act Stress Test
Results Disclosure

March 27, 2014

Explanatory Note

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA") and regulations issued by the Board of Governors of the Federal Reserve System ("FRB"), bank holding companies with total consolidated assets of $50 billion or more ("Covered Companies"), including M&T Bank Corporation ("M&T"), are required to conduct annual stress tests to assess the potential impact of certain scenarios specified by the FRB on their prospective earnings, losses and capital levels. Covered Companies are also required to disclose a summary of the stress test results under the Supervisory Severely Adverse Scenario published by the FRB.

On November 1, 2013, the FRB published three macroeconomic scenarios under the publication "2014 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule." Per the disclosure requirements mentioned above, the stress test results disclosed herein are M&T's estimates of resources, losses and capital levels under the Supervisory Severely Adverse Scenario. These estimates do not represent forecasts of expected results. As indicated by the FRB, the economic assumptions embedded in the Supervisory Severely Adverse Scenario represent a hypothetical economic outcome that is more adverse than expected. More information regarding the 2014 supervisory scenarios and the Dodd Frank Act Stress Test ("DFAST") rules is available on the FRB's website at http://www.federalreserve.gov.

Risk Types and Methodologies

A critical goal of M&T's capital adequacy process and stress testing is the identification and measurement of risks and vulnerabilities specific to M&T. While credit risk related to its loans represents the most significant risk inherent in M&T's portfolio, the capital adequacy process and stress testing process is designed to address a comprehensive set of risks. The types of risks considered in the stress test include, but are not limited to the following:

- Credit risk is the potential loss from not being able to collect the principal and interest balance on a loan or other investment contract when it is due. For M&T, most of this risk stems from its loan portfolio that may experience elevated losses in the Supervisory Severely Adverse Scenario that includes a severely stressed economic environment.
- Operational risk represents the potential losses resulting from human error, inadequate or failed internal processes and systems, and external events. It also encompasses reputational, compliance and legal risks. Reputational risk is the risk to business, earnings and capital levels resulting from damaging publicity, which could adversely affect M&T's ability to attract and retain customers. Legal and compliance risk is characterized as 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.
- Liquidity risk is the possibility that M&T would be unable to meet its financial obligations to depositors, investors or borrowers as they come due. M&T's stress test results take into account the impact of the scenario assumptions on M&T's funding needs and its access to liquidity.
- Market risk is the possibility that M&T will suffer losses due to factors affecting the financial markets. It includes risk of losses due to adverse movements in interest rates or market prices. The primary market risk that M&T is exposed to is interest rate risk, which is the risk

of reduction of net interest income due to changes in interest rates. The Supervisory Severely Adverse Scenario provided by the FRB includes assumptions about key interest rates which are incorporated in M&T's stress test results.

These risks, under stressed conditions, may result in diminished revenues, or elevated losses, thereby impacting M&T's prospective capital levels. M&T's capital adequacy process primarily relies on a model-based approach to project resources and losses under various scenarios. It includes a number of statistical models developed to consider applicable material risks and exposures. In forecasting revenues and losses, these models consider the impact of macroeconomic conditions on loan charge-offs, new originations, prepayments, renewals, pay downs, etc. The models are designed to capture M&T's material exposures and consider M&T's specific portfolio and business characteristics. For estimating the provision for loan losses, M&T leverages its regular provision methodology based on several key considerations. These include loan loss forecasts, projections of portfolio balances over the forecast horizon, and macroeconomic factors of the scenario, as applicable.

In addition to model outputs, M&T's capital adequacy process also considers qualitative components that are guided by management's review and governance regarding the stress test results and processes. These management reviews involve subject matter experts from business units and risk areas across the institution and may result in conservative overlays to modeled outcomes.

Changes to M&T's capital position and capital ratios are calculated by analyzing the impact to capital of projected earnings and changes in asset balances based on the aggregated results of the model outputs and qualitative components, as well as prescribed capital actions. Risk-weighted asset projections are based on risk weightings as specified in applicable regulations pertaining to each type of asset category and projected balance sheet changes.

M&T's pending acquisition of Hudson City Bancorp, Inc. ("Hudson City") remains subject to regulatory approval, including approval by the FRB, and certain other closing conditions. However, the FRB's instructions for the 2014 stress tests required institutions to incorporate any proposed business plan changes in their stress tests results. Accordingly, M&T's capital plan submission included a pro forma projection of assets, results of operations and net capital issuance incorporating the proposed acquisition of Hudson City. The amount of the new capital assumed in M&T's submission was equivalent to 70% of the Hudson City purchase price.

Summary of Stress Test Results

Table 1 summarizes the projected capital ratios, risk-weighted assets, gains or losses, revenue, and net income before taxes under the Supervisory Severely Adverse Scenario for M&T. The projected capital ratios reflect the DFAST capital actions which include (i) M&T's actual capital actions during the first forecasted quarter, (ii) maintaining common stock dividends equal to the average quarterly amount paid in the previous year in each quarter thereafter, and (iii) no redemptions of any regulatory capital instruments. M&T's projected Tier 1 Common capital ratio reaches a minimum of 8.5% in 2014 before recovering slightly in 2015. Over the nine quarter forecast horizon from September 30, 2013 to December 31, 2015, the Tier 1 Common capital ratio is reduced by approximately 0.3% from 9.1% to 8.8%.

The significant drivers of change in M&T's Tier 1 Common capital ratio under the Supervisory Severely Adverse Scenario are as follows:

- Elevated credit-related losses, predominately in the form of net loan charge-offs and a provision for loan losses necessary to build the allowance for loan losses.
- Pre-provision net revenue that, although adversely affected by the severe economic conditions of the scenario, partially offsets the capital impact from credit losses.
- Decline in M&T's current risk-weighted assets, driven by declining loan balances as a result of elevated charge-offs and diminished new originations. The decrease in risk-weighted assets helps in moderating the adverse impacts mentioned above.

The changes in the Tier 1 Capital, Total Risk-Based Capital, and Tier 1 Leverage ratios reflect the same factors affecting the Tier 1 Common ratio, and incorporate the prescribed regulatory capital credit for M&T's capital securities that were outstanding at September 30, 2013 under applicable regulations, including the pending Basel III capital standards. Apart from these, the projected capital ratios also incorporate the impact of the proposed Hudson City acquisition. All regulatory capital ratios remain above the required minimum levels throughout the nine quarter forecast horizon.

Table 1: Quantitative Disclosure for M&T Bank Corporation

Projected Capital Ratios	Actual	Stressed Capital Ratios(1)	
	Q3 2013	Q4 2015	Minimum
Tier 1 Common Ratio (%)	9.1%	8.8%	8.5%
Common Equity Tier 1 Capital Ratio (%)(2)	NA	9.3%	9.1%
Tier 1 Capital Ratio (%)	11.9%	10.6%	10.4%
Total Risk-based Capital Ratio (%)	15.1%	14.1%	13.5%
Tier 1 Leverage Ratio (%)	10.7%	8.3%	8.3%

1. The capital ratios are calculated using capital action assumptions provided within the DFAST rules. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses, revenues,net income before taxes, or capital ratios. The minimum capital ratio presented is for the period Q4 2013 to Q4 2015.

2. M&T is not an advanced approaches bank holding company and as such is subject to the Common Equity Tier 1 minimum for each quarter starting Q1 2015.

Projected Risk-Weighted Assets	Actual	Projected Q4 2015	
	Q3 2013	Current General Approach	Basel III Standardized Approach
Risk Weighted Assets (Billions of Dollars)(1)	72.6	81.2	83.0

1. For each quarter in 2014, projected risk-weighted assets were calculated using the current general risk-based capital approach. For each quarter in 2015, projected risk-weighted assets were calculated under the Basel III standardized capital risk-based approach, except for the tier 1 common ratio which uses the general risk-based capital approach for all quarters.

Projected Losses, Revenue, and Net Income Before Taxes	Billions of Dollars	Percent of Average Assets(1)
Pre-provision Net Revenue(2)	3.9	4.0%
Other Revenue(3)	0.1	
less		
Provisions	3.1	
Realized Gain/Losses on Securities (AFS/HTM)	0.0	
Trading and Counterparty Losses(4)	0.1	
Other Losses(5)	0.8	
Equals		
Net Income Before Taxes	0.1	0.1%

1. Average assets is the nine-quarter average of total assets.

2. Pre-provision net revenue includes losses from operational risk events.

3. Other Revenue includes one-time items not included in pre-provision net revenue.

4. Includes losses arising from counterparty default assumptions.

5. Other losses represent provision for unknown risks associated with model and process uncertainty.

Projected Loan Losses	Billions of Dollars	Portfolio Loss Rates (%)(1)
Loan Losses	2.4	3.3%
First Lien Mortgages, Domestic	0.2	1.4%
Junior Liens and HELOCs, Domestic	0.3	4.2%
Commercial and Industrial(2)	0.6	3.7%
Commercial Real Estate, Domestic	1.1	4.3%
Credit Cards	0.0	8.5%
Other Consumer(3)	0.1	3.1%
Other Loans	0.1	2.0%

1. Average loan balances used to calculate portfolio loss rates exclude loans held for sale and and are calculated over nine quarters.

2. Commercial and industrial loans include small- and medium- size enterprise loans and corporate cards.

3. Other consumer loans include automobile and secured loans.

Capital Ratio Projections for Manufacturers and Traders Trust Company

Pursuant to disclosure guidelines under the FRB's Regulation YY, M&T is also disclosing summary stress test results for its principal FDIC insured depository subsidiary, Manufacturers and Traders Trust Company ("M&T Bank").

M&T Bank is the wholly-owned principal bank subsidiary of M&T. M&T Bank and its consolidated subsidiaries hold approximately 99% of M&T's total assets. Given the proportional size of M&T Bank in relation to the consolidated entity, the impact of the Supervisory Severely Adverse Scenario on M&T Bank very closely tracks that of M&T.

Substantially all of M&T's pre-provision net revenue, losses, and balance sheet changes are derived from M&T Bank. As a result, M&T Bank's capital ratios are impacted largely in the same way as those for M&T. Table 2 represents M&T Bank's capital ratios under the Supervisory Severely Adverse Scenario, including the impact of the Hudson City acquisition.

Table 2: Capital Ratio Projections for M&T Bank

Projected Capital Ratios			
	Actual	Stressed Capital Ratios	
	Q3 2013	Q4 2015	Minimum
Tier 1 Common Ratio (%)	10.0%	9.5%	9.2%
Common Equity Tier 1 Capital Ratio (%)	NA	10.0%	9.8%
Tier 1 Capital Ratio (%)	10.0%	10.0%	9.2%
Total Risk-based Capital Ratio (%)	13.0%	12.4%	11.7%
Tier 1 Leverage Ratio (%)	9.1%	7.8%	7.7%

Forward-Looking Statements

Pursuant to the regulations issued by the FRB under the DFA, M&T and M&T Bank are required to conduct a forward-looking annual company-run stress test exercise and to publicly disclose the results of that exercise.

This release contains certain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including projections of financial condition, results of operations, plans, objectives, future performance or business under a hypothetical supervisory severely adverse scenario that incorporates a set of assumed economic and financial conditions prescribed by the FRB. These statements may address issues that involve significant risks, uncertainties, estimates, expectations, and assumptions made by management. The projections are not intended to be a forecast of expected future economic or financial conditions or a forecast of M&T's expected future financial results or condition and actual results may differ materially from current projections and will be influenced by actual economic and financial conditions and various other factors as described in M&T's periodic and current reports filed with the Securities and Exchange Commission which are available at www.sec.gov. M&T undertakes no obligation to revise these statements following the date of this release.