

M&T BANK CORP
Form 424B5
May 22, 2007

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-122147

**PROSPECTUS SUPPLEMENT
(To Prospectus Dated February 14, 2005)**

**\$300,000,000
M&T BANK CORPORATION
5.375% Senior Notes due 2012**

The 2012 senior notes, or Notes, will bear interest at a rate of 5.375% per year. Interest on the Notes is payable on May 24 and November 24 of each year, commencing November 24, 2007. The Notes will mature on May 24, 2012. The Notes are not redeemable prior to maturity.

The Notes will be senior obligations of our company and will rank equally with all of our other unsecured senior indebtedness.

Investing in the Notes involves risks. See Risk Factors beginning on page S-7 and contained in our Annual Report on 10-K incorporated by reference herein.

None of the Securities and Exchange Commission, any state securities commission, the New York State Banking Department or the Board of Governors of the Federal Reserve System has approved or disapproved of the Notes nor have any of the foregoing authorities determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The Notes are our unsecured obligations. The Notes are not savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other government agency or insurer.

	Per Note	Total
Public Offering Price	99.965%	\$ 299,895,000
Underwriting Discount	.250%	\$ 750,000
Proceeds to M&T Bank Corporation (before expenses)	99.715%	\$ 299,145,000

Interest on the Notes will accrue from May 24, 2007 to the date of delivery.

The underwriters expect to deliver the Notes to purchasers in book entry form only through the facilities of The Depository Trust Company, and its participants, including Euroclear System and Clearstream, on or about May 24, 2007.

Sole Book-Runner
Citi

Joint Lead Manager
Credit Suisse

May 22, 2007

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date.

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INFORMATION ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a shelf registration statement on Form S-3 (File No. 333-122147) that was filed with the Securities and Exchange Commission (SEC). By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, any combination of the securities described in this prospectus supplement and the accompanying prospectus. As permitted by SEC rules, this prospectus supplement does not contain all of the information included in the registration statement. For further information, we refer you to the registration statement, including its exhibits. Statements contained in this prospectus supplement and the accompanying prospectus about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of these matters.

You should read this prospectus supplement and the accompanying prospectus together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in Available Information and Incorporation of Certain Documents by Reference below. Information incorporated by reference after the date of this prospectus supplement is considered a part of this prospectus supplement and may add, update or change information contained in this prospectus supplement. Any information in such subsequent filings that is inconsistent with this prospectus supplement will supercede the information in the accompanying prospectus or any earlier prospectus supplement. You should rely only on the information incorporated by reference or provided in this prospectus and any supplement. We have not authorized anyone else to provide you with other information.

References in this prospectus supplement to M&T, we, us, and our refer to M&T Bank Corporation and its consolidated subsidiaries, unless otherwise specified.

References in this prospectus supplement to M&T Bank refer to Manufacturers and Traders Company and its consolidated subsidiaries, unless otherwise specified.

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WHERE YOU CAN FIND MORE INFORMATION

M&T is a New York corporation and a registered bank holding company. We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and in accordance with it file reports and other information with the SEC. All such reports and other information may be inspected and copied at the Public Reference Room of the SEC, at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room. In addition, such material can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, on which exchange securities of M&T are listed. The SEC also maintains a web site (<http://www.sec.gov>) that contains reports and other information regarding registrants that file electronically with the SEC, including M&T. M&T also maintains a web site (<http://www.mandtbank.com>) where information about M&T and M&T Bank can be obtained. The information contained on the M&T web site is not part of this prospectus supplement.

The SEC allows M&T to incorporate by reference into this prospectus supplement the information in documents M&T files with the SEC. This means that M&T can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and should be read with the same care. When M&T updates the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information included and incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus supplement and/or information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later. M&T incorporates by reference its Annual Report on Form 10-K for the year ended December 31, 2006, Quarterly Report on Form 10-Q for the period ended March 31, 2007, Current Reports on Forms 8-K, filed on February 22, 2007 and February 7, 2007, and M&T's Definitive Proxy Statement, filed on March 5, 2007. Each document or report filed by M&T with the SEC pursuant to Section 13(a), 14, or 15(d) of the Exchange Act subsequent to the date of this prospectus supplement and prior to the termination of the offering of the Notes (other than any materials that are deemed furnished and not filed) is incorporated herein by reference.

M&T will provide without charge to each person to whom a copy of this prospectus supplement is delivered, upon the written or oral request of any such person, a copy of any or all of the documents incorporated by reference herein. Requests should be directed to:

M&T Bank Corporation
One M&T Plaza
Buffalo, New York 14203
Attention: Investor Relations
Telephone Number: (716) 842-5445

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the information incorporated by reference herein include forward-looking statements, including statements regarding future financial condition, results of operations, prospects and business of each of M&T and M&T Bank. Forward looking statements are often identified by such words as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions. These statements are subject to risks and uncertainty. Management believes such statements to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Exchange Act. Management has made, and may continue to make, various forward-looking statements. Management cautions that these forward-looking statements are subject to numerous assumptions, risks and uncertainties, and that statements for periods after 2007 are subject to greater uncertainty because of the increased likelihood of changes in underlying factors and assumptions. Actual results could differ materially from those expressed in forward-looking statements. In addition to factors disclosed in documents incorporated by reference in this prospectus supplement and factors identified elsewhere in this document, including disclosure in such various documents labeled Risk Factors and Future Factors, the following occurrences could cause actual results to differ materially from those expressed in forward-looking statements:

competitive pressures among financial services institutions may adversely impact M&T's ability to attract and retain customers, and may also adversely impact M&T's credit spreads and product pricing, which can impact M&T's market share, deposits and revenues;

business and economic conditions generally or specifically in the markets in which M&T does business may deteriorate;

changes in interest rates and in debt and equity market valuations may negatively impact the value of M&T's assets and liabilities and its overall financial performance;

changes in customers' and counterparties' financial performance and preferences may impact their purchase and use of M&T's products and services;

actions by the Federal Reserve and other government agencies, including those that impact money supply, capital requirements and market interest rates, can affect M&T's business operations and financial results and the demand for M&T's products and services;

M&T may not be able to successfully implement its business initiatives and strategies;

from time to time, M&T grows its business by acquiring other financial services companies, which presents various risks and uncertainties, including acquisition-related costs and the failure to achieve the anticipated benefits of the acquisitions;

legal and regulatory developments can adversely impact the ability of M&T to operate its businesses and can negatively impact M&T's financial condition and results of operations, as well as its competitive position and reputation (possibly including adverse litigation results or settlements, failure to satisfy applicable legal requirements and general regulatory requirements or requirements that may be applicable from time to time to M&T specifically, changes to laws and regulations involving tax, pension, the protection of confidential customer information and residential mortgage lending, and changes in accounting policies and principles);

changes in technology may result in unanticipated expenses and may negatively impair M&T's ability to meet customer needs and to meet competitive demands; and

natural disasters, terrorist activities and international hostilities can adversely affect M&T's business and financial results, either as a result of the impact on the economy and financial and capital markets generally, or directly on M&T or on its customers, suppliers or other counterparties.

Management's forward-looking statements speak only as of the dates on which they are made. By making forward-looking statements, management assumes no duty to update them to reflect new, changing or unanticipated events or circumstances except as may be required by applicable law or regulation.

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M&T AND M&T BANK

M&T

M&T is a New York business corporation which is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHCA"), and under Article III-A of the New York Banking Law (the "Banking Law"). The principal executive offices of M&T are located at One M&T Plaza, Buffalo, New York 14203. Its telephone number is (716) 842-5138. M&T was incorporated in November 1969 and acquired all of the then issued and outstanding shares of the capital stock of M&T Bank in December 1969. As of March 31, 2007, M&T reported, on a consolidated basis, total assets of \$57.8 billion, deposits of \$38.9 billion and stockholders' equity of \$6.3 billion. The number of full-time equivalent employees as of March 31, 2007 was 12,628.

As of March 31, 2007, M&T had two wholly-owned subsidiary banks, M&T Bank and M&T Bank, National Association. The majority of M&T's revenues are derived from dividends paid to it by its subsidiary banks.

In connection with M&T's acquisition of Allfirst Financial, Inc. ("Allfirst") from Allied Irish Banks, p.l.c. ("AIB") on April 1, 2003, AIB received 26,700,000 shares of common stock of M&T as part of the consideration, which shareholding represented approximately 24.5% of the issued and outstanding shares of M&T common stock as of March 31, 2007. Currently, the Federal Reserve Board and the New York Superintendent of Banks deem AIB to control M&T and to be M&T's bank holding company under applicable federal and state banking law. For further information regarding the relationship between M&T and AIB and a description of the agreements that govern such relationship, see M&T's Annual Report on Form 10-K for the year ended December 31, 2006, incorporated herein by reference.

M&T Bank

M&T Bank is a banking corporation incorporated and chartered under New York law. M&T Bank was incorporated in June 1893 and traces its origins to the founding of Manufacturers and Traders Bank in August 1856. M&T Bank is a member of the Federal Reserve System and the Federal Home Loan Bank System, and its deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to applicable limits. 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. M&T Bank represented approximately 99% of the consolidated assets and consolidated revenues of M&T as of and for the three months ended March 31, 2007 and a similar amount of consolidated assets and consolidated revenues of M&T as of and for the years ended December 31, 2006, 2005 and 2004. Lending is largely focused on consumers residing in New York, Pennsylvania, Maryland, northern Virginia and Washington, D.C., and on small and medium-size businesses based in those areas. In addition, certain of M&T Bank's subsidiaries conduct lending activities in other states. M&T Bank and certain of its subsidiaries 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 Bank.

As of March 31, 2007, M&T Bank had 667 banking offices located in New York, Pennsylvania, Maryland, Delaware, Virginia, West Virginia, New Jersey and the District of Columbia, plus a branch in George Town, Cayman Islands. As of March 31, 2007, M&T Bank had consolidated total assets of \$57 billion, deposits of \$38.8 billion, and stockholders' equity of \$6.4 billion.

Competitors of M&T Bank include commercial banks, savings and loan associations, consumer and commercial finance companies, credit unions and other financial services companies. Based on legislation passed during 1994 that

effectively permits nationwide banking in the United States and the Gramm-Leach-Bliley Act of 1999, M&T Bank has faced increasing competition in recent years and believes that the level of competition will continue to increase in the future.

M&T Bank is subject to extensive regulation by federal and state regulators, including the Board of Governors of the Federal Reserve System (Federal Reserve Board) and the FDIC, and the New York State Banking Department. These regulatory bodies examine M&T Bank and supervise numerous aspects of its business. The principal offices of M&T Bank are located at One M&T Plaza, Buffalo, New York 14203.

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THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Notes, see "Description of the Notes" in this prospectus supplement.

Issuer	M&T Bank Corporation, a corporation incorporated under New York law.
Notes offered	\$300,000,000 aggregate principal amount of 5.375% Senior Notes due 2012.
Maturity	May 24, 2012.
Interest rate	The Notes will bear interest at the rate of 5.375% per annum from the date of issuance.
Interest payment dates	We will pay interest on the Notes semi-annually in arrears each May 24 and November 24, commencing on November 24, 2007.
Record dates	Interest will be paid to the person in whose name a Note is registered at the close of business on the 15th calendar day (whether or not a Business Day) preceding the related date an interest payment is due with respect to such Note.
Ranking	The Notes will be our senior unsecured obligations and will rank <i>pari passu</i> among themselves and will rank equal in right of payment to all our existing and future unsubordinated and unsecured obligations.
Use of proceeds	The net proceeds from the offering will be approximately \$298,535,000, after deducting the discounts and commissions payable to the underwriters and estimated offering expenses payable by us. We intend to use these proceeds for general corporate and banking purposes in the ordinary course of business. For further information, see "Use of Proceeds" in this prospectus supplement.
Ratings	The Notes have the following senior debt ratings: A- from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (S&P), A2 from Moody's Investor Services, Inc. (Moody's), A- from Inc. (Fitch), and A (low) from Dominion Bond Rating Service (Dominion). Such ratings reflect only the views of S&P, Moody's, Fitch and Dominion, respectively, and are not recommendations to buy, sell or hold the Notes. Ratings are subject to revision or withdrawal at any time by the rating agencies. We are not incorporating any report by any rating agency herein.
Form and denomination	The Notes will be issued as fully registered global notes which will be deposited with, or on behalf of, DTC and registered, at the request of DTC, in the name of Cede & Co. Beneficial interests in the global notes

will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as participants in DTC. Beneficial interests in the global notes must be held in denominations of \$5,000 or any amount in excess thereof which is an integral multiple of \$1,000.

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Certain covenants	<p>The Indenture will contain certain covenants that, among other things, limit our ability to:</p> <p>Dispose of voting stock of our principal banking subsidiary; or</p> <p>Permit liens to be placed on the capital stock of our principal banking subsidiary.</p> <p>See Description of the Notes Certain Restrictive Covenants in this prospectus supplement and Debt Securities Restrictive Covenants in the accompanying prospectus.</p>
Further issuances	<p>The amount of notes we can issue under the Indenture is unlimited. We will issue Notes in the initial aggregate principal amount of \$300,000,000. However, we may, without your consent and without notifying you, create and issue further notes ranking equally and ratably with the Notes offered by this prospectus supplement in all respects, so that such further notes will be consolidated and form a single series with the Notes offered by this prospectus supplement and will have the same terms as to interest rate, maturity, covenants or otherwise.</p>
Events of default	<p>For a discussion of events that will permit acceleration of the payment of the principal of the Notes, see Description of Notes Events of Default; Waivers in this prospectus supplement.</p>
Indenture and Trustee	<p>The Notes will be issued under an Indenture, to be dated as of May 24, 2007, with The Bank of New York, as Trustee.</p>
Governing law	<p>The Notes will be governed by and construed in accordance with the laws of the State of New York.</p>
No listing	<p>The Notes will not be listed on any national securities exchange.</p>

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RISK FACTORS

Your decision whether or not to invest in the Notes will involve risk. You should be aware of, and carefully consider, the following risk factors, along with all of the other information included or incorporated by reference in this prospectus supplement, including the information included in the Risk Factors, Business and Management's Discussion and Analysis of Financial Condition and Results of Operations sections of M&T's Annual Report on Form 10-K for the year ended December 31, 2006, before deciding whether to invest in the Notes.

An active trading market may not develop for the Notes.

There may not be a liquid trading market for the Notes. Illiquidity may have an adverse effect on the market value of the Notes.

We do not intend to arrange for trading of the Notes on the New York Stock Exchange or quotation on any automated dealer quotation system or on any other securities exchange. Accordingly, we cannot assure you that an active trading market for the Notes will develop. If a market for the Notes does develop, the price of such Notes may fluctuate and liquidity may be limited. If a market for the Notes does not develop, you may be unable to resell such Notes for an extended period of time, if at all.

The Notes are unsecured and subordinated to our secured debt, which makes the claims of holders of secured debt senior to the claims of holders of the Notes.

The Notes will be unsecured. The holders of any secured debt that we may have may foreclose on our assets securing our debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt. The holders of any secured debt that we may have also would have priority over unsecured creditors in the event of our liquidation. In the event of our bankruptcy, liquidation or similar proceeding, the holders of secured debt that we may have would be entitled to proceed against their collateral, and that collateral will not be available for payment of unsecured debt, including the Notes. As a result, the Notes will be effectively subordinated to any secured debt that we may have.

The Notes are our obligations and not obligations of our subsidiaries and will be effectively subordinated to the claims of our subsidiaries' creditors.

The Notes are exclusively our obligations and not those of our subsidiaries. We are a holding company that conducts substantially all of our operations through our bank and non-bank subsidiaries. As a result, our ability to make payments on the Notes will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. If we do not receive sufficient cash dividends and other distributions from subsidiaries, it is unlikely that we will have sufficient funds to make payments on the Notes.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the Notes or to provide us with funds to pay our obligations, whether by dividends, distributions, loans or other payments. In addition, any dividend payments, distributions, loans or advances to us by our subsidiaries in the future will require the generation of future earnings by our subsidiaries and may require regulatory approval. There are various regulatory restrictions on the ability of M&T Bank to pay dividends or make other payments to us. At March 31, 2007, M&T Bank could pay a total of approximately \$147 million in dividends to us and still maintain its status as well-capitalized without prior regulatory approval.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise will generally be subject to the prior claims of creditors of that subsidiary. Your ability as a holder of the Notes to benefit indirectly from that distribution also will be subject to these prior claims. The Notes are not guaranteed by any of our subsidiaries. As a result, the Notes will be effectively subordinated to all existing and future liabilities and obligations of our subsidiaries. At March 31, 2007, our

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subsidiaries had, in the aggregate, outstanding debt and other liabilities, including deposits, of approximately \$50.5 billion that would effectively rank senior to the Notes in the event of liquidation or otherwise.

The trading price of the Notes may fluctuate following their issuance.

If any of the Notes are traded after they are initially issued, they may trade at a discount from their initial offering price. If a trading market were to develop, future trading prices of the Notes may be volatile and will depend on many factors, including among others:

our financial condition and results of operations;

prevailing interest rates;

economic, financial, geopolitical, regulatory or judicial events that affect M&T or the financial markets generally;

the interest of securities dealers in making a market for them; and

the market for similar securities.

An increase in interest rates could result in a decrease in the relative value of the Notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase these Notes and market interest rates increase, the market value of your Notes may decline. We cannot predict the future level of market interest rates.

Ratings of each series of Notes may not reflect all risks of an investment in the Notes.

We expect that the Notes will be rated by at least three nationally recognized statistical rating organizations. The ratings of the Notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. Any rating is not a recommendation to purchase, sell or hold the Notes. These ratings do not correspond to market price or suitability for a particular investor. In addition, at any time ratings may be lowered or withdrawn in their entirety.

Our financial performance and other factors could adversely impact our ability to make payments on the Notes.

Our ability to make scheduled payments with respect to our indebtedness, including the Notes, will depend on our financial and operating performance, which, in turn, are subject to prevailing economic conditions and to financial, business and other factors beyond our control.

The Notes are not insured.

The Notes are our unsecured obligations. The Notes are not savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured by the FDIC, the Federal Reserve Board, the New York State Banking Department or any other governmental agency.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our consolidated ratios of earnings to fixed charges for the three-month period ended March 31, 2007 and for each of the years in the three-year period ended December 31, 2006. The consolidated ratios of earnings to fixed charges have been computed by dividing income before income taxes and fixed charges by fixed charges. Fixed charges represent all interest expense (ratios are presented both excluding and including interest on deposits) and the proportion deemed representative of the interest factor of rent expense, net of income from subleases. Interest expense (other than on deposits) includes interest on subordinated notes, federal funds purchased and securities sold under agreements to repurchase, advances from Federal Home Loan Banks (FHLB), and other funds borrowed. Amortization of discounts relating to the issuance of subordinated debt and purchase accounting adjustments relating to advances from FHLB are included in interest expense.

	For the Three Months Ended March 31,		For the Year Ended December 31,		
	2007	2006	2006	2005	2004

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

Excluding interest on deposits	2.54	3.20	3.12	3.56	4.65
Including interest on deposits	1.63	1.90	1.81	2.16	2.83

USE OF PROCEEDS

The net proceeds from the sale of the Notes are estimated to be approximately \$298,535,000, after deducting the discounts and commissions payable to the underwriters and \$610,000 of estimated offering expenses payable by us. The net proceeds of the Notes will be used primarily for general corporate purposes, which may include among other purposes:

reducing or refinancing existing debt, which includes \$200,000,000 aggregate principal amount of 7.2% subordinated notes of M&T due July 1, 2007;

investments by M&T;

investing in, or extending credit to, our subsidiaries;

possible acquisitions; and

stock repurchases.

Pending such use, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds.

Based upon our historical and anticipated future growth and our financial needs, we will from time to time engage in additional financings of a character and amount that we determine as the need arises.

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The following table sets forth the unaudited capitalization of M&T and its consolidated subsidiaries as of March 31, 2007 on an actual basis and on an as adjusted basis to give effect to the sale of the Notes. This table should be read in conjunction with the financial statements of M&T and its subsidiaries incorporated by reference herein.

	As of March 31, 2007	
	Actual	As Adjusted
	(Dollars in thousands unaudited)	
LONG-TERM DEBT		
Senior notes:		
5.375% due 2012 offered hereby	\$	\$ 300,000
6.5% due 2008(a)	29,479	29,479
Subordinated notes of M&T(b):		
7.2% due 2007	201,596	201,596
6.875% due 2009	103,497	103,497
Subordinated notes of M&T Bank(c):		
8% due 2010(d)	126,693	126,693
3.85% Fixed Rate/Floating Rate due 2013	399,914	399,914
5.585% Fixed Rate/Floating Rate due 2020(e)	353,101	353,101
5.629% Fixed Rate/Floating Rate due 2021	500,000	500,000
Junior subordinated debentures associated with preferred capital securities of(f):		
M&T Capital Trust I 8.234% due 2027	154,640	154,640
M&T Capital Trust II 8.277% due 2027	103,093	103,093
M&T Capital Trust III 9.25% due 2027	68,303	68,303
First Maryland Capital I 3-month LIBOR + 100 bps due 2027	143,789	143,789
First Maryland Capital II 3-month LIBOR + 85 bps due 2027	141,488	141,488
Allfirst Asset Trust 3-month LIBOR + 143 bps due 2029	101,835	101,835
Advances from Federal Home Loan Banks	3,602,285	3,602,285
Agreements to repurchase securities	1,625,001	1,625,001
Other	9,595	9,595
TOTAL LONG-TERM DEBT	\$ 7,664,309	\$ 7,964,309
STOCKHOLDERS EQUITY		
Preferred stock (\$1 par value, 1,000,000 shares authorized, none outstanding)		
Common stock (\$.50 par value, 250,000,000 shares authorized, 120,396,611 shares issued)	60,198	60,198
Common stock issuable (83,676 shares)	4,739	4,739
Additional paid-in capital	2,887,623	2,887,623
Retained earnings	4,553,630	4,553,630
Accumulated other comprehensive income (loss), net	(36,167)	(36,167)
Treasury stock common, at cost (11,389,808 shares)	(1,216,839)	(1,216,839)

TOTAL STOCKHOLDERS EQUITY	6,253,184	6,253,184
TOTAL CAPITALIZATION	\$ 13,917,493	\$ 14,217,493

- (a) These notes were issued by Keystone Financial Mid-Atlantic Funding Corp., a wholly-owned subsidiary of M&T, and are guaranteed by M&T as a result of its acquisition of Keystone Financial Inc. on October 5, 2000. Amount is net of unamortized purchase accounting adjustments of \$(0.5) million.
- (b) M&T assumed these notes in connection with its acquisition of Allfirst on April 1, 2003. Amount is net of unamortized purchase accounting adjustments of \$5.1 million.
- (c) Amount is net of unamortized discounts of \$(0.1) million.
- (d) As a result of hedging activities, amount reflects a \$10.5 million reduction to recognize changes in the fair value of the notes.
- (e) Amount reflects a \$56.3 million reduction to recognize premium paid to exchange a portion of the 8% notes due 2010 in December 2005.
- (f) Net of unamortized purchase accounting adjustments of \$(21.0) million.

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The following information has been derived from our consolidated financial statements as of and for the three-month periods ended March 31, 2007 and 2006 and as of and for each of the years in the three-year period ended December 31, 2006. You should read this information in conjunction with the consolidated financial statements of M&T, and the related notes thereto, and other detailed information, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in M&T's 2007 First Quarter Report on Form 10-Q and in M&T's 2006 Annual Report on Form 10-K. The results of interim periods are not necessarily indicative of results that may be expected for the full year.

M&T
Consolidated Summary Balance Sheet
(Dollars in thousands unaudited)

	As of March 31,		As of December 31,		
	2007	2006	2006	2005	2004
ASSETS					
Cash and balances due from depository institutions	\$ 1,445,767	\$ 1,292,080	\$ 1,612,145	\$ 1,487,647	\$ 1,344,870
Investment securities	7,027,709	8,294,067	7,251,598	8,400,164	8,474,619
Federal funds sold and securities purchased under agreements to resell	429,895	8,670	119,458	11,220	29,176
Loans and leases, net of unearned discount	43,507,176	40,858,598	42,947,297	40,330,645	38,398,477
Allowance for credit losses	(659,757)	(638,831)	(649,948)	(637,663)	(626,864)
Loans and leases, net	42,847,419	40,219,767	42,297,349	39,692,982	37,771,613
Other assets	6,091,681	5,605,278	5,784,355	5,554,393	5,318,443
TOTAL ASSETS	\$ 57,842,471	\$ 55,419,862	\$ 57,064,905	\$ 55,146,406	\$ 52,938,721
LIABILITIES AND STOCKHOLDERS' EQUITY					
LIABILITIES					
Deposits interest-bearing	\$ 31,323,282	\$ 30,473,530	\$ 32,030,526	\$ 28,958,246	\$ 27,012,108
Noninterest-bearing	7,614,624	7,697,855	7,879,977	8,141,928	8,417,365
Total deposits	38,937,906	38,171,385	39,910,503	37,100,174	35,429,473
Short-term borrowings	4,048,782	4,351,347	3,094,214	5,152,872	4,703,664
Subordinated debt	2,397,948	1,903,774	2,396,777	1,906,682	2,030,309
Other long-term borrowings	5,266,361	4,188,796	4,493,964	4,290,312	4,318,250
Accrued interest and other liabilities	938,290	885,091	888,352	819,980	727,411

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Total liabilities	51,589,287	49,500,393	50,783,810	49,270,020	47,209,107
STOCKHOLDERS EQUITY					
Common stock	60,198	60,198	60,198	60,198	60,198
Additional paid-in capital and other	1,675,523	1,975,083	1,831,030	2,059,843	2,415,738
Retained earnings	4,553,630	4,007,075	4,443,441	3,854,275	3,270,887
Accumulated other comprehensive income (loss), net	(36,167)	(122,887)	(53,574)	(97,930)	(17,209)
Total stockholders equity	6,253,184	5,919,469	6,281,095	5,876,386	5,729,614
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 57,842,471	\$ 55,419,862	\$ 57,064,905	\$ 55,146,406	\$ 52,938,721

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M&T
Consolidated Summary Income Statement and Other Information
(Dollars in thousands unaudited)

	For the Three Months Ended		For the Year Ended December 31,		
	March 31,				
	2007	2006	2006	2005	2004
Interest income	\$ 861,049	\$ 777,272	\$ 3,314,093	\$ 2,788,694	\$ 2,298,732
Interest expense	410,622	330,246	1,496,552	994,351	564,160
Net interest income	450,427	447,026	1,817,541	1,794,343	1,734,572
Provision for credit losses	27,000	18,000	80,000	88,000	95,000
Net interest income after provision for credit losses	423,427	429,026	1,737,541	1,706,343	1,639,572
Other income	236,483	252,931	1,045,852	949,718	942,969
Other expense	399,037	382,003	1,551,751	1,485,142	1,516,018
Income before income taxes	260,873	299,954	1,231,642	1,170,919	1,066,523
Income taxes	84,900	97,037	392,453	388,736	344,002
Net income	\$ 175,973	\$ 202,917	\$ 839,189	\$ 782,183	\$ 722,521
Ratio analysis					
Return on average assets	1.25%(a)	1.49%(a)	1.50%	1.44%	1.40%
Return on average tangible assets(b)	1.40%(a)	1.64%(a)	1.67%	1.60%	1.59%
Return on average equity	11.38%(a)	13.97%(a)	13.89%	13.49%	12.67%
Return on average tangible equity(b)	24.11%(a)	29.31%(a)	29.55%	29.06%	28.76%
Net interest margin(c)	3.64%(a)	3.73%(a)	3.70%	3.77%	3.88%
Net charge-offs to average loans	0.16%(a)	0.17%(a)	0.16%	0.19%	0.22%
	As of March 31,		As of December 31,		
	2007	2006	2006	2005	2004
Leverage ratio (Tier 1 capital to total assets)	7.06%	7.02%	7.20%	6.94%	6.73%
Tier 1 capital to risk-weighted assets	7.60%	7.62%	7.74%	7.56%	7.31%
Total capital to risk-weighted assets	11.61%	10.89%	11.78%	10.85%	10.91%
Nonperforming loans as a percent of period end loans (net of unearned discount)	0.63%	0.35%	0.52%	0.39%	0.45%

Nonperforming assets as a percent of period end loans and other assets owned (net of unearned discount)	0.66%	0.37%	0.55%	0.41%	0.48%
Allowance for credit losses as a percent of period end loans (net of unearned discount)	1.52%	1.56%	1.51%	1.58%	1.63%
Allowance for credit losses as a percent of nonperforming loans	241%	448%	290%	408%	364%

- (a) Annualized.
- (b) Excludes amortization and balances related to goodwill, core deposit and other intangibles and merger-related expenses, net of applicable taxes.
- (c) Net interest margin on a fully taxable-equivalent basis.

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DESCRIPTION OF THE NOTES

The following summaries of certain provisions of the Notes do not purport to be complete and are subject to and are qualified in their entirety by reference to all of the provisions of the Notes and the Indenture, including the definitions therein.

General

The Notes will be issued under an Indenture to be dated as of May 24, 2007, as the same may be supplemented and amended from time to time (the Indenture), between M&T, as issuer, and The Bank of New York, as trustee (the Trustee). The Indenture is more fully described under the caption Debt Securities in the accompanying prospectus. Any capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture. The Notes will be represented by one or more global notes registered in the name of Cede & Co., as nominee of DTC, as depositary, in denominations of \$5,000 or any amount in excess thereof that is an integral multiple of \$1,000. See Book-Entry Issuance Book-Entry System.

The Notes will be unsecured, senior obligations of M&T. There is no sinking fund for the Notes. The Notes are not redeemable prior to maturity. No recourse shall be had for the payment of principal of or interest on any Note, for any claim based thereon, or otherwise in respect thereof, against any shareholder, employee, agent, officer or director as such, past, present or future, of M&T or of any successor corporation. The Notes will not contain any provision that would provide protection to the holders of the Notes against a sudden and dramatic decline in credit quality resulting from a merger, takeover, recapitalization, or similar restructuring of M&T or its subsidiaries or significant sales of M&T capital stock by holders of such stock or any other event involving M&T or its subsidiaries that may adversely affect the credit quality of M&T.

The Notes do not evidence deposits and are not, and will not be, insured by the FDIC or any other government agency or insurer.

Principal and Interest Payments

Payment of the full principal amount of the Notes will be due on May 24, 2012.

M&T will pay interest on the Notes semi-annually in arrears on each May 24 and November 24, commencing November 24, 2007. Each such payment of interest is referred to as an Interest Payment Date for the Notes. Interest will be paid to the person in whose name such Note was registered at the close of business on the 15th calendar day (whether or not a Business Day) preceding the related Interest Payment Date. However, interest not punctually paid or duly made available for payment, if any, will be paid instead to the person in whose name the Note is registered on a special record date rather than on the regular record date.

From and including the date of issuance, the Notes will bear interest at a rate of 5.375% per annum. M&T will make the first interest payment on November 24, 2007. The amount of interest payable on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Except as described below for the first and last Interest Periods (as defined below), on each Interest Payment Date, M&T will pay interest for the period commencing on and including the immediately preceding Interest Payment Date and ending on and including the next day preceding that Interest Payment Date (an Interest Period). The first Interest Period will begin on and include the date of issuance and end on and include November 24, 2007. The last Interest

Period will begin on and include the Interest Payment Date immediately preceding the date of maturity and end on and include the day immediately preceding the date of maturity.

In the event that an Interest Payment Date is not a Business Day (as defined below), M&T will pay interest on the next day that is a Business Day, with the same force and effect as if made on the Interest Payment Date, and without any interest or other payment with respect to the delay. If the date of maturity falls on a day that is not a Business Day, the payment of principal and interest, if any, will be made on the next

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day that is a Business Day, with the same force and effect as if made on such date of maturity, and without any interest or other payment with respect to the delay. For purposes of this Description of the Notes section, the term Business Day means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are generally authorized or obligated by law or executive order to close in The City of New York or the City of Buffalo, New York or on which the Corporate Trust office of the Trustee is closed for business.

Denominations

The Notes will be issued in book-entry form and will be represented by global certificates in denominations of \$5,000 and integral multiples of \$1,000, deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company.

Ranking of Senior Notes

The Notes will be our senior unsecured obligations and will rank *pari passu* in right of payment with each other and our other unsecured and unsubordinated obligations. Senior indebtedness of M&T presently includes:

any borrowings under the \$30 million credit facility under a Credit Agreement dated as of December 15, 2000 with Citibank, N.A.;

any outstanding commercial paper issued by M&T; and

M&T's guarantee of the 6.5% Senior Medium Term Notes due 2008 issued by Keystone Financial Mid-Atlantic Funding Corp.

As of March 31, 2007, there were no borrowings under the Credit Agreement and no commercial paper issued by M&T. As of March 31, 2007, the outstanding amount due under the unsecured Keystone Financial Mid-Atlantic Funding Corp. Senior Medium Term Notes due 2008 was \$29.5 million.

Although we currently have no senior secured indebtedness, the Notes will be subordinate to any senior secured indebtedness we may issue in the future. In addition, the Notes are our obligations and not those of our subsidiaries and, as such, will be effectively subordinate to the claims of our subsidiaries' creditors.

The Notes will rank equally with all of our future unsecured indebtedness, except that the Notes will be senior in right of payment to any subordinated indebtedness which states in its terms that it is subordinate to our senior debt securities.

Certain Restrictive Covenants

Disposition of Voting Stock of Certain Subsidiaries.

The Indenture will provide that, subject to the exceptions noted therein and described in the accompanying prospectus, for so long as any Notes are issued and outstanding, we may not sell or otherwise dispose of, or permit the issuance of, any shares of voting stock or any security convertible or exercisable into shares of voting stock of a principal subsidiary bank of ours or any subsidiary of ours which owns a controlling interest in a principal subsidiary bank. A principal subsidiary bank is any subsidiary (as defined in the Indenture) that is a bank (as defined in the Indenture) that has total assets equal to 50% or more of our consolidated assets, determined as of the date of the most recent financial statements of such entities, or any other subsidiary bank designated as a principal subsidiary bank by our board of directors. As of the date of this prospectus supplement, M&T Bank is our only principal subsidiary bank.

Any future designation of a banking subsidiary as a principal subsidiary bank with respect to the Notes will remain effective until the Notes have been repaid.

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Limitation upon Liens on Certain Capital Stock.

The Indenture will provide that, subject to the exceptions noted therein and described in the accompanying prospectus, we will not, at any time, directly or indirectly, create, assume, incur or permit to exist any mortgage, pledge, encumbrance or lien or charge of any kind upon: (i) any shares of capital stock of any principal subsidiary bank, other than directors' qualifying shares; or (ii) any shares of capital stock of a subsidiary which owns capital stock of any principal subsidiary bank.

Events of Default; Waivers

The following events will be Events of Default with respect to the Notes:

Default in any principal or premium payment at maturity;

Default for 30 days in any interest payment;

Failure by us for 90 days in performing any other covenant or warranty in the Notes (other than a covenant or warranty solely for the benefit of another series of senior debt securities) after:

We are given written notice by the Trustee; or

The holders of at least 25% in aggregate principal amount of the outstanding Notes give written notice to us and the Trustee; and

Bankruptcy, insolvency or reorganization of us or one or more of our principal subsidiary banks.

If an Event of Default under the Notes has occurred and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the Notes may declare the principal amount of the Notes to be due and payable immediately. No such declaration is required, however, with respect to an Event of Default triggered by bankruptcy, insolvency or reorganization. Subject to certain conditions, this declaration may be annulled by the holders of a majority in principal amount of the Notes. In addition, the holders of a majority in principal amount of the Notes may waive any past default with respect to the Notes, except for a default:

In any principal, premium or interest payment; or

Of a covenant which cannot be modified without the consent of each holder of the Notes.

Any waiver so effected will be binding on all holders of the Notes.

In the event of our bankruptcy, insolvency or reorganization, Note holders' claims would fall under the broad equity power of a federal bankruptcy court, and to that court's determination of the nature of those holders' rights.

Modification and Waiver

We may modify or amend the Indenture with the consent of the Trustee, in some cases without the consent of the holders of the Notes. Certain modifications and amendments also require the consent of the holders of at least a majority in aggregate principal amount of the Notes. Further, without the consent of the holder of each Note, we may not amend or modify the Indenture to do any of the following:

Change the stated maturity of the principal, or any installment of principal or interest;

Reduce any principal amount, premium or interest;

Change the place of payment where, or the currency or currency unit in which, any principal, premium or interest on any Note is payable;

Impair the right to institute suit for the enforcement of any payment on or after its stated maturity;

Reduce the percentage of holders of the Notes necessary to modify or amend the Indenture; or

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Modify the requirements or reduce the percentage of aggregate principal amount of Notes required to be held by holders seeking to waive compliance with certain provisions of the Indenture or seeking to waive certain defaults.

The holders of at least a majority in aggregate principal amount of the Notes may waive, insofar as the Notes are concerned:

Our compliance with a number of restrictive provisions of the Indenture;

Any past default with respect to the Notes, except a default in the payment of the principal, or premium, if any, or interest on the Notes or in respect of an Indenture covenant which cannot be modified or amended without each Note holder consenting.

Any waiver so effected will be binding on all holders of the Notes.

Consolidation, Merger and Sale of Assets

The Indenture provides that M&T may not consolidate with or merge into another corporation or transfer our properties and assets substantially as an entirety to another person, unless: (i) the entity formed by the consolidation or into which we merge, or to which we transfer our properties and assets, (a) is a corporation, partnership or trust organized and existing under the laws of the United States of America or the District of Columbia and (b) expressly assumes by supplemental indenture the payment of any principal, premium or interest on the Notes, and the performance of any other covenants under the Indenture; and (ii) immediately after giving effect to the transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, will have occurred and be continuing under the Indenture.

Trustee

The Notes will be issued under the Indenture with The Bank of New York, as Trustee.

Defeasance and Discharge

The terms of the Indenture relating to Defeasance and Discharge will apply to the Notes. These provisions are described in the accompanying prospectus under the heading Debt Securities Defeasance and Disclosure.

Further Issuances

The amount of notes we can issue under the Indenture is unlimited. We will issue Notes in the initial aggregate principal amount of \$300,000,000. However, we may, without your consent and without notifying you, create and issue further notes ranking equally and ratably with the Notes offered by this prospectus supplement in all respects, so that such further notes will be consolidated and form a single series with the Notes offered by this prospectus supplement and will have the same terms as to interest rate, maturity, covenants or otherwise.

Notices

Notices to holders of Notes will be given by first-class mail to the addresses of such holders as they appear in the note register.

Governing Law

The Notes and the Indenture will be governed by and construed in accordance with the laws of the State of New York.

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BOOK-ENTRY ISSUANCE

Book-Entry System

The Notes will be issued as fully registered global notes which will be deposited with, or on behalf of, DTC and registered, at the request of DTC, in the name of Cede & Co. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as participants in DTC. Investors may elect to hold their interest in the global notes through DTC in the United States or, in Europe, through Euroclear or Clearstream. Beneficial interests in the global notes must be held in denominations of \$5,000 or any amount in excess thereof which is an integral multiple of \$1,000. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

Notes represented by a global note may be exchanged for definitive notes in registered form only if:

DTC notifies M&T in writing that it is no longer willing or able to act as a depository for that global note and M&T does not appoint a successor depository within 90 days after receiving that notice;

at any time DTC ceases to be a clearing agency registered under the Exchange Act and M&T does not appoint a successor depository within 90 days after becoming aware that DTC has ceased to be registered as a clearing agency;

M&T, at its option, notifies the Trustee in writing that M&T elects to cause the issuance of Notes in definitive form; or

any event shall have happened and be continuing which, after notice or lapse of time, or both, would constitute an Event of Default with respect to the Notes.

In such circumstances, upon surrender by DTC or a successor depository of the global notes, Notes in definitive form will be issued to each person that DTC or a successor depository identifies as the beneficial owner of the related Notes. Upon issuance of Notes in definitive form, the Trustee is required to register these Notes in the name of, and cause the same to be delivered to, this person or these persons (or the nominee thereof). These Notes would be issued in fully registered form without coupons, in denominations of \$5,000 or any amount in excess thereof which is an integral multiple of \$1,000 and subsequently may not be exchanged by a holder for Notes in denominations of less than \$5,000.

M&T will make principal and interest payments on all Notes represented by a global note to the Trustee which in turn will make payment to DTC or its nominee, as the case may be, as the sole registered owner of the Notes represented by global notes. Neither M&T nor the Trustee will be responsible or liable for:

the records relating to, or payments made on account of, beneficial ownership interests in a global note;

any other aspect of the relationship between DTC and its participants or the relationship between those participants and the owners of beneficial interests in a global note held through those participants; or

the maintenance, supervision or review of any records relating to the beneficial ownership interests in a global note.

DTC has advised M&T and the Trustee that its current practice is to credit participants' accounts on each payment date with payments of principal or interest in amounts proportionate to their respective beneficial interests in the principal amount represented in the global notes as shown on DTC's records, upon DTC's receipt of funds and corresponding detail information. Payments by participants to owners of beneficial interests in a global note will be governed by standing instructions and customary practices, as is the case with securities held for customer accounts registered in a street name, and will be the sole responsibility of those participants.

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The Clearing System

DTC. So long as DTC or its nominee is the registered owner of a global note, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the Notes represented by that global note for all purposes of the Notes. Owners of beneficial interests in the Notes will not be entitled to have the Notes registered in their names. Accordingly, each person owning a beneficial interest in a global note must rely on the procedures of DTC and, if that person is not a DTC participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder of the Notes. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of their notes in certificated form. These laws may impair the ability to transfer beneficial interests in a global note.

M&T understands that, under existing industry practices, if M&T requests holders to take any action, or if an owner of a beneficial interest in a global note desires to take any action which a holder is entitled to take under the Indenture, then DTC would authorize the participants holding the relevant beneficial interests to take that action and those participants would authorize the beneficial holders owning through those participants to take that action or would otherwise act upon the instructions of the beneficial owners owning through them.

Beneficial interests in a global note will be shown on, and transfers of those ownership interests will be effected only through, records maintained by DTC and its participants for that global note. The conveyance of notices and other communications by DTC to its participants and by its participants to owners of beneficial interests in the Notes will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect.

DTC has advised M&T that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the Exchange Act.

DTC holds securities that DTC participants deposit with DTC. DTC also facilitates the clearance and settlement of securities transactions among DTC participants in deposited securities through electronic book-entry changes to the accounts of its participants. The electronic book-entry system eliminates the need for physical certificates. DTC direct participants, who maintain accounts directly with DTC, include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation, which, in turn, is owned by a number of DTC's direct participants and by other entities. Access to DTC's system is available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

DTC has advised M&T that the above information with respect to DTC has been provided to its participants and other members of the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Clearstream. Clearstream has advised M&T that it is incorporated under Luxembourg law as a professional depository. Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream customers through electronic book-entry changes in accounts of Clearstream customers, thus eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities, securities lending and borrowing and collateral management. Clearstream interfaces with domestic markets in a number of countries. Clearstream has established an electronic bridge with Euroclear Bank S.A./N.V., the

operator of the Euroclear System, to facilitate settlement of trades between Clearstream and Euroclear.

As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream customers are limited to securities brokers and dealers and

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banks, and may include the underwriters for the Notes. Other institutions that maintain a custodial relationship with a Clearstream customer may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC.

Distributions with respect to the Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream customers in accordance with its rules and procedures, to the extent received by Clearstream.

Euroclear. Euroclear has advised M&T that it was created in 1968 to hold securities for participants of the Euroclear System and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including United States dollars and Japanese Yen. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described below.

Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator), under contract with Euroclear plc, a U.K. corporation (the Euroclear Clearance System). The Euroclear Operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Euroclear Clearance System. The Euroclear Clearance System establishes policy for the Euroclear System on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC.

The Euroclear Operator is a Belgian bank. The Belgian Banking Commission and the National Bank of Belgium regulates and examines the Euroclear Operator.

The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear Operator. Specifically, these terms and conditions govern:

- transfers of securities and cash within Euroclear;
- withdrawal of securities and cash from Euroclear; and
- receipts of payments with respect to securities in Euroclear.

All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding securities through Euroclear participants.

Distributions with respect to Notes held beneficially through Euroclear wil