

SUPPLEMENT

TO THE

APPLICATION

PURSUANT TO

SECTIONS 3(a)(3) AND 3(a)(5) OF THE BANK HOLDING
COMPANY ACT OF 1956, THE BANK MERGER ACT, AND
SECTION 9 OF THE FEDERAL RESERVE ACT OF 1913

SUBMITTED BY

M&T BANK CORPORATION

TO THE

**BOARD OF GOVERNORS OF THE FEDERAL
RESERVE SYSTEM**

RELATING TO THE PROPOSED ACQUISITION OF

**PEOPLE'S UNITED FINANCIAL, INC. AND PEOPLE'S
UNITED BANK, NATIONAL ASSOCIATION**

AND

RELATED TRANSACTIONS

SUBMITTED

July 27, 2021

EXHIBITS LIST

Confidential Exhibits **Tab**

Confidential Exhibit Q1: People’s United Bank Stop & Shop Branches that People’s United Bank Intends to Close but that Will Not Be Closed until After the Anticipated Closing Date of the Proposed Transaction 1

Confidential Exhibit Q4: People’s United Bank Stop & Shop Branches to be Retained by M&T Bank 2

Confidential Exhibit Q5: M&T Bank Pro Forma Financial Information as of March 31, 2021 3

Confidential Exhibit Q6: People’s United Bank Branches to be Acquired by M&T Bank Upon Closing of the Proposed Transaction 4

Confidential Exhibit Q9: Correspondence with the Vermont Department of Financial Regulation, Banking Division 5

..... 6

..... 6

Public Exhibits **Tab**

Public Exhibit Q2: People’s United Bank Stop & Shop Branches Closed to Date 1

Public Exhibit Q6: People’s United Bank Branches To Be Acquired by M&T Bank upon Closing of the Proposed Transaction 2

Public Exhibit AI1: Updated Pro Forma Organizational Chart 3

Public Exhibit AI2: List of Inactive Subsidiaries of People’s United Bank 4

RESPONSES OF M&T BANK CORPORATION TO THE FOURTH REQUEST FOR ADDITIONAL INFORMATION

Set forth below are the responses of M&T Bank Corporation (“M&T”) to the questions of the staff of the Board of Governors of the Federal Reserve System (the “Board”), dated July 14, 2021, relating to M&T’s application submitted on March 22, 2021 (the “Application”) pursuant to (i) Sections 3(a)(3) and 3(a)(5) of the Bank Holding Company Act of 1956, as amended, and Sections 225.11 and 225.15 of the Board’s Regulation Y promulgated thereunder; (ii) the Bank Merger Act, 12 U.S.C. § 1828(c) and implementing regulations; and (iii) Section 9 of the Federal Reserve Act of 1913, as amended. Preceding each response, the related question is restated in bold. In addition, M&T is providing certain updated information relating to the Application, as described further below. Capitalized terms not otherwise defined herein have the meanings set forth in the Application.

Consumer

- 1. Provide a list of the in-store People’s United Bank branches located in Stop & Shop grocery stores that People’s United Bank plans to close but has not yet closed. For each of these branches, provide the city and state as well as income and minority population information for the census tract in which each branch is located.**

Please see Confidential Exhibit Q1 for a list of People’s United Bank branches located in Stop & Shop stores that People’s United Bank intends to close, but that will not be closed until October 8, 2021, which is after the anticipated closing date of the proposed transaction.¹ Confidential Exhibit Q1 also includes relevant income and minority population information for the census tract in which each branch is located. M&T Bank intends to proceed with the closing of these locations. There are no branch closures scheduled between now and October 8, 2021.

- 2. Provide a list of the People’s United Bank branches located in Stop & Shop grocery stores that have been closed to date. For each of these branches, provide the city and state as well as income and minority population information for the census tract in which each branch is located.**

Please see Public Exhibit Q2 for a list of People’s United Bank branches located in Stop & Shop stores that have been closed to date. Public Exhibit Q2 includes the relevant income and minority population information for the census tract in which each branch is located.

- 3. For each Stop and Shop branch identified in questions 1 and 2 above, identify the nearest receiving People’s United Bank branch or M&T Bank branch. For each nearest receiving branch, provide the city and state; the distance from the branch to the Stop & Shop branch that was closed or will be closed; and income and minority population information for the**

¹ On July 9, 2021, People’s United Bank filed notices pursuant to 12 USC § 1831r-1 notifying the Office of the Comptroller of the Currency of Stop & Shop branches that are scheduled to close October 8, 2021.

census tract in which each receiving branch is located.

Confidential Exhibit Q1 and Public Exhibit Q2 (described above) also include information on the nearest receiving People’s United Bank or M&T Bank branch, the distances from the branch to the Stop & Shop branch that was closed or will be closed, and income and minority population information for the census tract in which each receiving branch is located.

- 4. Provide an update on the discussion or decision to maintain any in-store Stop & Shop branches.**

[REDACTED]

[REDACTED]

[REDACTED] M&T will continue to assess the impact of Stop & Shop branch closures and solicit community feedback to determine if there are additional steps that it can take to maintain customers’ access to banking.

For a list of Stop & Shop branches that M&T will retain—subject to any changes to the Exit Agreement—please see Confidential Exhibit Q4.

Financial

- 5. For M&T Bank, please provide the following financial information as of March 31, 2021. The response should include relevant underlying assumptions and any supporting financial analysis. Specifically, provide:**
 - a. The pro forma balance sheet including capital ratios.**
 - b. Pro forma income statements for the three-month period ended March 31, 2021.**

Please see Confidential Exhibit Q5 for M&T Bank pro forma financial information as of March 31, 2021.

Legal

- 6. Provide a final list of the branches of People’s United Bank that M&T Bank would acquire upon closing of the proposed transaction. If a final list is not available:**
- a. Estimate when M&T Bank will be able to provide a final list; and**
 - b. Provide a list of the current branches of People’s United Bank that M&T Bank would acquire upon closing of the proposed transaction and identify any branch that is expected to be closed or consolidated and its expected closure date.**

Please see Public Exhibit Q6 for the final list of branches of People’s United Bank that M&T Bank will acquire upon closing of the proposed transaction (the “M&T Bank Final Branch List”).

In addition, please see Confidential Exhibit Q6 that divides the M&T Bank Final Branch List into three sections as follows:

- Stop & Shop branches that M&T Bank will acquire upon closing of the proposed transaction but that will be closed subsequent to the anticipated closing date of the proposed transaction.
 - Stop & Shop branches that M&T Bank will acquire upon closing of the proposed transaction and intends to retain; and
 - People’s United Bank traditional branches that M&T Bank will acquire upon closing of the proposed transaction.²
- 7. The application identifies Connecticut, New York, Maryland, and Vermont as the only jurisdictions that have state Community Reinvestment Act (“CRA”) laws applicable to the proposed transaction under section 3(d) of the BHC Act and section 44 of the Federal Deposit Insurance Act (“FDI Act”). Please provide the following information:**
- a. Clarify whether M&T Bank is subject to Connecticut’s state CRA law, Conn. Gen. Stat. § 36a-30 to 36a-33. If so, discuss M&T Bank’s compliance with the Connecticut state CRA law, including the date of M&T Bank’s most recent evaluation and M&T Bank’s rating. If M&T Bank has not received a state CRA rating but is subject to the state CRA law, please explain.**

2

[REDACTED]

Connecticut’s CRA law applies to “banks,” defined as “any bank or out-of-state bank that maintains in the state a branch as defined in section 36a-410.”³ M&T Bank currently maintains branches in Connecticut. The statute provides that “[t]he Commissioner shall assess the record of each bank in satisfying its continuing and affirmative obligations to help meet the credit needs of its local communities, including low and moderate-income neighborhoods, consistent with the safe and sound operation of such banks” Connecticut CRA requirements are broadly similar to federal CRA requirements.

The Connecticut Banking Department therefore retains authority to examine or evaluate out-of-state state-chartered banks with a Connecticut branch, such as M&T Bank, for CRA compliance. Section 36a-17(d) gives the commissioner the authority to rely upon, among other things, examination or investigation reports made by another state or federal supervisory agency (among others).⁴ To date, M&T Bank has not been examined by the Connecticut Banking Department for state CRA compliance.

- b. The application states that M&T Bank has branches in the District of Columbia, Massachusetts, and West Virginia. The District of Columbia, Massachusetts, and West Virginia have CRA laws, which are codified at D.C. Code § 26-431.01 et seq., Mass. Gen. Laws. ch. 167, § 14, and W. Va. Code §§ 31A-8B-1 to 31-8B-5, respectively. Discuss whether these CRA laws apply to M&T Bank. If so, provide the date of M&T Bank’s most recent evaluation and M&T Bank’s rating, as applicable.**

The CRA laws of the District of Columbia, Massachusetts and West Virginia are not applicable to M&T Bank, as described below. M&T Bank has not received an evaluation from the relevant authority in any of those jurisdictions.

District of Columbia

The District of Columbia community reinvestment law, D.C. Code 26-431.01, *et seq.*, does not appear to apply to M&T Bank. The law applies to “financial institutions” as defined in the District of Columbia Banking Code, which are defined pursuant to D.C. Code 26-551.02(18), as a “bank, savings institution, credit union, foreign bank, trust company, non-depository financial institution, or any other person” that (a) is regulated, supervised, examined or licensed by the District of Columbia Department of Insurance, Securities and Banking (“DISB”), (b) has applied to be regulated, supervised, examined or licensed by the DISB, (c) is

³ Conn. Gen. Stat. § 36a-30.

⁴ The Connecticut Banking Department appears to examine only Connecticut-chartered institutions for CRA compliance. *See Community Reinvestment Act (CRA) Ratings*, State Conn. Dep’t Banking (June 30, 2021), <https://portal.ct.gov/DOB/Bank-Data/CRA/CT-Bank-Ratings>.

subject to regulation, supervision, examination or licensure by the DISB, and (d) is engaged in an activity covered by the District of Columbia Banking Code. This definition appears to relate to financial institutions for which the DISB is the primary state regulatory or supervisory authority because the DISB appears to examine only state-chartered institutions for compliance with the law.⁵

Massachusetts

The Massachusetts community reinvestment law, Mass. Gen. Laws ch. 167, § 14, requires the commissioner to assess the record of each supervised bank for compliance with the law. Although “supervised” is not defined, it suggests that the Commissioner assesses the record of the banks for which it is the chartering authority and therefore the primary state supervisor.⁶ Based on the performance evaluations it conducts, it appears that the Massachusetts Division of Banks examines only Massachusetts-chartered financial institutions for compliance with the law.⁷ The law also provides that “[i]n considering an application for the establishment of a domestic branch . . . or a merger or consolidation with or the acquisition of assets or assumption of liabilities of any Massachusetts bank, federal bank, foreign bank, out-of-state bank or out-of-state federal bank, the commissioner shall consider . . . the record of performance of the bank and its holding company, including all subsidiaries thereof, relative to this section.” In this case, the law uses the term “bank” rather than “supervised bank” suggesting a broader reach. There is no application required under Massachusetts banking law with respect to the Transaction.

The Massachusetts regulation implementing Mass. Gen. Laws ch. 167, § 14 states that the regulation as a whole applies to “institutions,” which includes a “bank or credit union chartered under the laws of the Commonwealth or an out-of-state bank, an out-of-state national bank or a foreign bank with a branch office in the Commonwealth,” and does not make the same

⁵ It does not appear that the DISB publishes CRA evaluations on its website. However, in a response to a question (in preparation for the FY2019 and FY2020 performance oversight hearing) requesting an update on the status of the DISB’s annual report on financial institution compliance with community development plans required pursuant to D.C. Code 26-431.05, the DISB noted it had completed a CRA review “of our regulated bank, Industrial Bank.” DISB, FY 2019-2020 Performance Oversight Hearing Responses Before the Committee on Business and Economic Development Council of the District of Columbia (Jan. 15, 2020), available at <https://dccouncil.us/wp-content/uploads/2020/03/disb20.pdf>.

⁶ The website for the Massachusetts Division of Banks indicates that the Division examines state-chartered entities. *Community Reinvestment Act*, Massachusetts Division of Banks, <https://www.mass.gov/community-reinvestment-act-cra>.

⁷ See *2020 Institutions Evaluated for CRA Compliance*, Massachusetts Division of Banks, <https://www.mass.gov/info-details/2020-institutions-examined-for-cra-compliance>, which includes CRA evaluations for Massachusetts chartered financial institutions.

apparent distinction between assessing the record of a supervised bank for compliance with the law and evaluating the performance record of any bank that must submit an application to the Division of Banks to establish or acquire a branch in Massachusetts.⁸ Nonetheless, as noted above, M&T Bank has not been subject to examination by the Division of Banks with respect to compliance with the community reinvestment law. In addition, the regulation provides that it “*also* applies to a Massachusetts branch of a bank chartered by another state . . . acquired by acquisition” (emphasis added).⁹ M&T Bank’s branch in Massachusetts is a limited service branch that was not acquired by acquisition. Accordingly M&T Bank’s sole branch presence in Massachusetts may be beyond the scope of the regulation.

West Virginia

West Virginia’s community reinvestment law does not apply to M&T Bank because M&T Bank is not a West Virginia chartered bank or bank holding company that is subject to examination by the West Virginia Banking Commissioner of Banking nor is M&T Bank, in connection with the Transaction, required to file with the West Virginia Commissioner of Banking or the West Virginia Board of Banking and Financial Institutions an “application for a depository facility” or a request to engage in financially related services.¹⁰

- 8. The application states that M&T Bank’s establishment of People’s United Bank branches in New Hampshire would be permissible under N.H. Rev. Stat. § 383-B:7-702. N.H. Rev. Stat. § 383-B:7-702 appears to set forth the general authority and requirements for banks to establish branches in New Hampshire. Other provisions of New Hampshire law, such as N.H. Rev. Stat. § 383-B:10-1004, appear to address interstate branch establishment. With regard to the permissibility of M&T Bank establishing branches at People’s United Bank’s branch locations in New Hampshire:**
- a. Identify each applicable provision of New Hampshire law; and explain how each provision would permit M&T Bank’s proposed establishment of branches in New Hampshire.**

The relevant provisions of New Hampshire law are:

- N.H. Rev. Stat. Ann. § 383-B:10-1004 appears to subject all foreign banks (*i.e.*, banks other than New Hampshire banks) that establish or acquire a branch in New Hampshire to the deposit concentration limit in N.H. Rev. Stat. Ann. § 383-B:7-702 (stating that “[n]o branch office may be established or acquired if it will result

⁸ Code of Mass. R. 209 CMR § 46.11–12.

⁹ *Id.* § 46.11(2)(b).

¹⁰ W. Va. Code §§ 31A-8B-1–5. *See also* W. Va. Code R. § 106-12-1.

in a violation of the deposit limitation contained in RSA 383-B:7-702(a).”¹¹ As M&T Bank does not currently maintain a depository presence in New Hampshire, the acquisition of People’s United Bank branches in the state will not impact the deposit concentration post-Closing.

- N.H. Rev. Stat. Ann. § 383-B:10-1004 imposes a notice requirement on the establishment of a branch in New Hampshire (i) other than through acquisition and (ii) on the acquisition by a foreign bank of branches of a depository bank (*i.e.*, a banking entity organized under New Hampshire law) or of a national bank with its principal place of business in New Hampshire, neither of which is the case here.

We note that M&T provided a copy of the Application to the New Hampshire Banking Department consistent with 12 U.S.C. § 1831u(b) on March 22, 2021 (“NH Notice”). On March 29, 2021, counsel for M&T Bank spoke with staff of the New Hampshire Banking Department to confirm their receipt of the NH Notice. Staff of the Department indicated that they did not anticipate taking any further action with respect to the NH Notice or the Transaction.

9. The application states that M&T Bank’s establishment of People’s United Bank branches in Vermont would be permissible under Vt. Stat. tit. 8 § 15301(c). Vt. Stat. tit. 8 § 15301(c) requires a state financial institution that has branches in Vermont to “give at least 30 days’ prior written notice . . . to the Commissioner of any merger, consolidation or other transaction that would cause a change of control with respect to such state financial institution or any bank holding company that controls such financial institution” Other provisions of Vermont law, such as Vt. Stat. tit. 8 § 15202, appear to address interstate branch establishment. With regard to the permissibility of M&T Bank establishing branches at People’s United Bank’s branch locations in Vermont:

- a. Identify each applicable provision of Vermont law; and explain how each provision would permit M&T Bank’s proposed establishment of branches in Vermont.**

The relevant provisions of Vermont law are as follows:

- The authority for M&T Bank’s establishment of People’s United Bank branches in Vermont is Vt. Stat. Ann. tit. 8 § 15202(a) and (b)(1),¹² which permit a “state financial institution” (which includes M&T Bank) to establish a branch in Vermont by acquisition of a “financial institution” with branches in Vermont

¹¹ Other than the deposit limit, N.H. Rev. Stat. Ann. § 383-B:7-702 does not otherwise apply to the proposed transaction.

¹² Vt. Stat. Ann. tit. 8 § 15202(b)(2) does not apply because it relates to establishment of a de novo branch in Vermont other than through a merger, consolidation or purchase of all or substantially all of the assets of a financial institution.

Attached as Public Exhibit AI1 is an updated pro forma organizational chart (“Revised Pro Forma Organizational Chart”) that reflects the addition of two additional subsidiaries of People’s United Bank, Montgomery County Properties Acquisition Corp and PCLC Vessel Owner 1, Inc. These subsidiaries were listed in the Application as subsidiaries of People’s United Bank provided as Public Exhibit 2 to the Application but were inadvertently omitted from the pro forma organizational chart provided as Public Exhibit 4 to the Application.

Attached as Public Exhibit AI2 is a list of inactive subsidiaries of People’s United Bank (the “Inactive Subsidiaries”) that were not listed in the Application. These subsidiaries are all currently inactive and are expected to be liquidated or merged out of existence by September 30, 2021, which we expect would be prior to the consummation of the Transaction. It is possible, however, that some of the Inactive Subsidiaries may not have been liquidated or merged out of existence by the closing of the Transaction. Any Inactive Subsidiaries that are not liquidated or merged out of existence prior to the consummation of the Transaction will be as soon as possible following the consummation of the Transaction.