



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 30, 2010

Mr. Scott F. Posner
Executive Vice President
Global Corporate Trust
Bank of New York Mellon
101 Barclay Street
New York, NY 10286

RE: Capital Purchase Program March 31st Exchange of Securities – Provident Bankshares Corporation & M&T Bank Corporation

Dear Mr. Posner:

In accordance with the Financial Agency Agreement between the U.S. Department of the Treasury (Treasury) and The Bank of New York Mellon (BNY Mellon), effective October 14, 2008, as amended, please take this letter to be Proper Instructions in connection with your role as custodian for the Emergency Economic Stabilization Act of 2008 (EESA).

In connection with a merger between Provident Bankshares Corporation (UST #13) & M&T Bank Corporation (UST#160), upon receiving e-mail confirmation from Thomas Coleman, or another representative of the Treasury duly authorized in writing to provide Proper Instructions under the FAA, you are instructed to deliver the securities listed below to the Treasury's legal agent, Squire, Sanders & Dempsey LLP to the attention of Lauren Pennini on March 31, 2010.

- Certificate Number ZQ000000001 for 75,750 Shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series B in Provident Bankshares Corporation (issued to the Treasury on November 14, 2008)
- Certificate Number ZQ000000002 for 75,750 Shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series B in Provident Bankshares Corporation (issued to the Treasury on November 14, 2008)
- Warrant to Purchase Common Stock in Provident Bankshares Corporation (issued to the Treasury on November 14, 2008)

Concurrently, you will receive and are instructed to take custody of a certificate for 151,500 preferred shares in M&T Bank Corporation and a warrant to purchase 407,542.10 common shares in M&T Bank Corporation with an exercise price of \$55.761 a share. You are further instructed to apply the all existing accrued dividends on the preferred shares in Provident to the 151,500 preferred shares of the newly issued preferred shares in M&T.

Page 2 – Mr. Scott F. Posner, RE: Capital Purchase Program March 31st Exchange of Securities
– Provident Bankshares Corporation & M&T Bank Corporation

You are instructed to record the transaction in the appropriate EESA account and to provide the Treasury with system report(s) reflecting the transaction by the close of business on April 1, 2010.

If you have any questions about these instructions, please call me on [REDACTED]

Sincerely,

[REDACTED]
Thomas A. Coleman
Financial Agent Analyst
Office of Financial Stability

UNITED STATES DEPARTMENT OF THE TREASURY
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

March 26, 2010

Ladies and Gentlemen:

Reference is made to both (i) that certain Letter Agreement incorporating the Securities Purchase Agreement -- Standard Terms dated as of November 14, 2008 (the "*Acquired Company Securities Purchase Agreement*") by and among the United States Department of the Treasury (the "*Investor*") and Provident Bankshares Corporation (the "*Acquired Company*") and (ii) that certain Letter Agreement incorporating the Securities Purchase Agreement -- Standard Terms dated as of December 23, 2008 (the "*Acquiror Company Securities Purchase Agreement*," and together with the Acquired Company Securities Purchase Agreement, the "*Securities Purchase Agreements*") by and among Investor and M&T Bank Corporation (the "*Acquiror Company*"; collectively, Acquiror Company and Acquired Company are referred to as the "*Companies*"). Further detail regarding both Securities Purchase Agreements are set forth on Schedule A hereto. Investor and Companies desire to set forth herein certain additional agreements as a result of the consummation of a merger transaction pursuant to an Agreement and Plan of Merger dated as of December 18, 2008 by and among Acquiror Company, Acquired Company and a merger subsidiary, effective on May 23, 2009 (the "*Merger Transaction*"). This letter shall be referred to as the "Post-Merger Side Letter." Capitalized terms used but not defined herein shall have the meanings assigned to them in the Securities Purchase Agreements and the Certificate of Designations.

As a result of the Merger Transaction, the Acquiror Company has assumed the obligations and responsibilities of Acquired Company with respect to Investor, in addition to its own. Specifically:

1. The Acquiror Company has previously paid all accrued, due and unpaid dividends on the Acquired Company's Designated Preferred Shares and issued a new series of preferred shares in exchange for the Acquired Company's Designated Preferred Shares; and
2. Pursuant to Section 4.3 of the Acquired Company Securities Purchase Agreement and effective as of May 23, 2009, the effective date of the Merger Transaction, Acquiror Company expressly assumed the due and punctual performance and observance of each and every covenant, agreement, and condition of such Securities Purchase Agreement and all ancillary documents to be performed and observed by Acquired Company.

In connection with the foregoing, with the exception of the Securities Purchase Agreements, Acquiror Company is issuing new documentation to Investor to reflect the

investment that Investor initially made in the Acquired Company, including the following (all section references below are to the Securities Purchase Agreement, unless otherwise provided):

1. an officer's certificate regarding a bring down of the representations in the Acquiror Company Securities Purchase Agreement as of the date hereof, per Section 1.2(d)(ii), with any exceptions to such representations noted on a disclosure schedule attached hereto;
2. evidence the Acquiror Company filed a Certificate of Designations in connection with the New Preferred Shares (as defined below) issued to Investor as outlined in paragraph 6 below, per Section 1.2(d)(iii);
3. an officer's certificate regarding compliance with section 111(b) of the Emergency Economic Stabilization Act of 2008 as of the date hereof, per Section 1.2(d)(iv);
4. a legal opinion regarding the New Preferred Shares and New Warrant (as defined below), per Section 1.2(d)(vi);
5. a certificate representing a number of a new series of preferred shares issued by the Acquiror Company to replace the Acquired Company's Designated Preferred Shares (the "*New Preferred Shares*");
6. a warrant to purchase shares of common stock issued by the Acquiror Company to replace the Acquired Company's warrant (the "*New Warrant*"), upon the issuance of which the Acquired Company's warrant shall be cancelled and of no further force and effect;
7. a side letter regarding compliance with ARRA; and
8. a copy of the articles and bylaws of the Acquiror Company.

Acquiror Company hereby acknowledges receipt of each of the closing documents in connection with each of the initial Investor closings for Acquired Company and Acquiror Company, with the exception of the Securities Purchase Agreements.

This side letter agreement, the Securities Purchase Agreements and the above-listed documentation constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, between the parties with respect to the subject matter hereof.


This side letter agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. This side letter agreement shall be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such state.

United States Department of the Treasury
M&T Bank Corporation
March 26, 2010
Signature Page


UST Sequence No. 160

In witness whereof, this side letter agreement has been duly executed by the authorized representatives of the parties hereto as of the date first above written.

M&T BANK CORPORATION

By: 
Name: René F. Jones
Title: Executive Vice President & Chief
Financial Officer

**UNITED STATES DEPARTMENT OF
THE TREASURY**

By: 
Name: Herbert M. Allison, Jr.
Title: Assistant Secretary for
Financial Stability

SCHEDULE A

General Information Regarding Acquiror Company Initial Closing:

Acquiror Company Name: M&T Bank Corporation

Date of Acquiror Company Letter Agreement incorporating
the Securities Purchase Agreement: December 23, 2008

Corporate or other organizational form of the Acquiror Company: New York corporation

Number and series of preferred stock issued to the
Investor at the Acquiror Company Closing: 600,000

Number of Acquiror Company Initial Warrant Shares: 1,218,522

General Information Regarding Acquired Company Initial Closing:

Acquired Company Name: Provident Bankshares Corporation

Date of Acquired Company Letter Agreement incorporating
the Securities Purchase Agreement: November 14, 2008

Corporate or other organizational form of the Acquired Company: Maryland corporation

Number and series of preferred stock issued to the
Investor at the Acquired Company Closing: 151,500

Number of Acquired Company Initial Warrant Shares: 2,374,608

Terms of the Merger/Acquisition:

Effective Date of Merger/Acquisition: May 23, 2009

Resultant Acquiror Securities:

Number of New Preferred Shares Issued to Investor by Acquiror Company
Post-Merger to Replace the Acquired Company's Preferred Shares: 151,500

Par Value of Such New Preferred Shares: \$1.00 per share

Number of Initial Warrant Shares under the New Warrant Issued to Investor by Acquiror
Company Post-Merger to Replace the Acquired Company's Warrant: 407,542.10

Par Value of Such Initial Warrant Shares under the New Warrant: \$0.50

SCHEDULE B

CAPITALIZATION

Capitalization Date: February 26, 2010

Common Stock

Par value: \$0.50

Total Authorized: 250,000,000

Outstanding: 118,707,781 (includes 987,228 restricted shares)

Subject to warrants, options, convertible securities, etc.: 11,925,124 options (excludes restricted shares); 1,218,522 with respect to the Acquiror Company TARP-related Warrant; 407,542 with respect to the Acquired Company TARP-related Warrant; 433,148 with respect to the Acquiror Company Series B Mandatory Convertible Non-Cumulative Preferred Stock

Reserved for benefit plans and other issuances: 7,729,148

Remaining authorized but unissued: 131,292,219

Shares issued after Capitalization Date (other than pursuant to warrants, options, convertible securities, etc. as set forth above): 0

Preferred Stock

Par value: \$1.00

Total Authorized: 1,000,000

Outstanding (by series): 778,000 in total:

Fixed Rate Cumulative Perpetual Preferred Stock, Series A: 600,000

Series B Mandatory Convertible Non-Cumulative Preferred Stock: 26,500

Fixed Rate Cumulative Perpetual Preferred Stock, Series C: 151,500

Reserved for issuance: 0

Remaining authorized but unissued: 222,000

United States Department of the Treasury
M&T Bank Corporation
March 26, 2010
Signature Page

UST Sequence No. 160

In witness whereof, this side letter agreement has been duly executed by the authorized representatives of the parties hereto as of the date first above written.

M&T BANK CORPORATION

By: _____
Name: René F. Jones
Title: Executive Vice President & Chief
Financial Officer

**UNITED STATES DEPARTMENT OF
THE TREASURY**

By: _____
Name: Herbert M. Allison, Jr.
Title: Assistant Secretary for
Financial Stability

United States Department of the Treasury
M&T Bank Corporation
March 26, 2010
Signature Page

UST Sequence No. 160

In witness whereof, this side letter agreement has been duly executed by the authorized representatives of the parties hereto as of the date first above written.

M&T BANK CORPORATION

By: _____
Name: René F. Jones
Title: Executive Vice President & Chief
Financial Officer

**UNITED STATES DEPARTMENT OF
THE TREASURY**

By: _____
Name: Herbert M. Allison, Jr.
Title: Assistant Secretary for
Financial Stability

In witness whereof, the parties have duly executed this letter agreement as of the date first written above.

UNITED STATES DEPARTMENT OF
THE TREASURY

By: 

Name: Herbert M. Allison, Jr.
Title: Assistant Secretary for
Financial Stability

ACQUIROR COMPANY:

M&T BANK CORPORATION

By: _____

Name: René F. Jones
Title: Executive Vice President & Chief Financial
Officer

In witness whereof, the parties have duly executed this letter agreement as of the date first written above.

UNITED STATES DEPARTMENT OF
THE TREASURY

By 

Name: Herbert M. Allison, Jr.
Title: Assistant Secretary for
Financial Stability

ACQUIROR COMPANY:

M&T BANK CORPORATION

By: _____

Name: René F. Jones
Title: Executive Vice President & Chief Financial
Officer