# M&T Bank Corporation Announces Third Quarter Profits

PRNewswire-FirstCall BUFFALO, N.Y.

M&T Bank Corporation ("M&T") today reported its results of operations for the quarter ended September 30, 2009.

GAAP Results of Operations. Diluted earnings per common share measured in accordance with generally accepted accounting principles ("GAAP") for the third quarter of 2009 were \$.97. On the same basis, net income in the recent quarter totaled \$128 million. GAAP-basis net income for 2009's third quarter expressed as an annualized rate of return on average assets and average common stockholders' equity was .73% and 6.72%, respectively.

Several noteworthy items are reflected in M&T's results for the recently completed quarter. As previously announced, on August 28, 2009 M&T's principal bank subsidiary, M&T Bank, entered into an agreement with the Federal Deposit Insurance Corporation ("FDIC") to assume all of the deposits and acquire certain assets of Bradford Bank ("Bradford"), Baltimore, Maryland, under which the FDIC will reimburse M&T Bank for most loan losses. Assets acquired in the transaction totaled approximately \$469 million, including \$302 million of loans, and liabilities assumed aggregated \$440 million, including \$361 million of deposits. In accordance with GAAP, M&T Bank recorded an after-tax gain on the transaction of \$18 million during the recent quarter. Merger-related expenses associated with this transaction and with M&T's second quarter acquisition of Provident Bankshares Corporation ("Provident") totaled \$9 million, after applicable tax effect, in the recent quarter. Also reflected in M&T's third quarter 2009 results were \$29 million of after-tax other-than-temporary impairment charges on certain available-for-sale investment securities. However, because those investment securities were previously reflected at fair value on the consolidated balance sheet, the impairment charges did not reduce stockholders' equity. Finally, M&T's results benefited from a \$10 million reversal of taxes previously accrued for uncertain tax positions in various jurisdictions. The overall impact of the items described herein was to reduce M&T's third quarter 2009 GAAP net income by approximately \$9 million, or \$.08 of diluted earnings per common share.

Commenting on the recent quarter, Rene F. Jones, Executive Vice President and Chief Financial Officer, noted, "M&T posted solid results. Our approach of providing basic banking services to customers we know in the communities where we live and work continues to prove quite successful. Credit costs remain below current industry experience and our net interest margin improved by 18 basis points during the quarter. As a result, diluted net operating earnings per common share rose 24% from this year's second quarter to \$.98 and were up 8% from last year's third quarter. We are pleased to report that our 2009 acquisitions in the Mid-Atlantic region added \$.08 of diluted net operating earnings per common share to the recent quarter's results. Also notable was the 40 basis point rise in our tangible common equity ratio, to 4.89% at the recent quarter-end from 4.49% at June 30, 2009."

Diluted earnings per common share were \$.82 and \$.36 in the third quarter of 2008 and the second quarter of 2009, respectively. Net income for those respective quarters was \$91 million and \$51 million. Net income expressed as an annualized rate of return on average assets and average common stockholders' equity for the third quarter of 2008 was .56% and 5.66%, respectively, compared with .31% and 2.53%, respectively, in the second quarter of 2009.

Supplemental Reporting of Non-GAAP Results of Operations. M&T consistently provides supplemental reporting of its results on a "net operating" or "tangible" basis, from which M&T excludes the after-tax effect of amortization of core deposit and other intangible assets (and the related goodwill, core deposit intangible and other intangible asset balances, net of applicable deferred tax amounts) and acquisition-related income (specifically, the recent quarter's gain on the Bradford transaction) and expenses associated with merging acquired operations into M&T, since such amounts are considered by management to be "nonoperating" in nature. Although "net operating income" as defined by M&T is not a GAAP measure, M&T's management believes that this information helps investors understand the effect of acquisition activity in reported results. Reconciliations of GAAP to non-GAAP measures are provided herein.

Diluted net operating earnings per common share were \$.98 in the third quarter of 2009, up from \$.91 in the third quarter of 2008 and \$.79 in the second quarter of 2009. Net operating income during the recent quarter was \$129 million, up from \$101 million in each of the third quarter of 2008 and the second quarter of 2009. Expressed as an annualized rate of return on average tangible assets and average tangible common stockholders' equity, net operating income was .78% and 14.87%, respectively, in the recent quarter, compared with .65% and 13.17% in the year-earlier quarter and .64% and 12.08% in the second quarter of 2009.

Taxable-equivalent Net Interest Income. Taxable-equivalent net interest income totaled \$553 million in the third quarter of 2009, 12% higher than \$493 million in the year-earlier period and up 9% from \$507 million in the second quarter of 2009. The growth in such income from the second 2009 quarter reflects a widening of the net interest margin which rose to 3.61% from 3.43%. That improvement resulted from lower interest rates paid on deposits and long-term borrowings. Also contributing to the higher

net interest income in the recent quarter as compared with the second quarter of 2009 was the full quarter's impact of the earning assets obtained in the Provident transaction, compared with approximately one-half of such impact in 2009's second quarter.

Provision for Credit Losses/Asset Quality. The provision for credit losses increased to \$154 million in the third quarter of 2009 from \$101 million in the year-earlier period. Net charge-offs of loans totaled \$141 million during the recent quarter, compared with \$94 million in 2008's third quarter. The rise in net charge-offs in the recent quarter as compared with the year-earlier period was largely attributable to a partial charge-off of a commercial relationship that had been transferred to nonaccrual status during the second quarter of 2009. During the second quarter of 2009, the provision for credit losses was \$147 million, while net charge-offs totaled \$138 million. Expressed as an annualized percentage of average loans outstanding, net charge-offs were 1.07%, and .77% in the third quarter of 2009 and 2008, respectively, 1.09% in the second quarter of 2009 and 1.00% for the first nine months of 2009.

Reflecting the difficult economic environment faced by businesses and individuals, loans classified as nonaccrual rose to \$1.23 billion, or 2.35% of total loans at September 30, 2009 from \$688 million or 1.41% a year earlier and \$1.11 billion or 2.11% at June 30, 2009. Assets taken in foreclosure of defaulted loans were \$85 million at September 30, 2009, unchanged from a year earlier but down from \$90 million at June 30, 2009.

In an effort to assist borrowers, M&T has modified the terms of select residential real estate loans, consisting largely of loans in M&T's portfolio of Alt-A loans. At September 30, 2009, outstanding balances of those modified loans totaled \$276 million, of which \$109 million were classified as nonaccrual. The remaining modified loans have demonstrated payment capability consistent with the modified terms and, accordingly, were classified as renegotiated loans and were accruing interest at September 30, 2009.

Loans past due 90 days or more and accruing interest were \$183 million at the end of the recent quarter, compared with \$96 million a year earlier. Included in these past due but accruing amounts were loans guaranteed by government-related entities of \$173 million and \$90 million at September 30, 2009 and 2008, respectively.

Allowance for Credit Losses. M&T regularly performs detailed analyses of individual borrowers and portfolios for purposes of assessing the adequacy of the allowance for credit losses. Reflecting those analyses, the allowance for credit losses was \$868 million at September 30, 2009, compared with \$781 million at September 30, 2008 and \$855 million at June 30, 2009. Beginning in 2009, GAAP requires that expected credit losses associated with loans obtained in an acquisition be reflected in the estimation of loan fair value as of each respective acquisition date and prohibits any carryover of an allowance for credit losses. Excluding loans obtained in the Provident and Bradford acquisitions, the allowance-to-legacy loan ratio increased to 1.81% at September 30, 2009 from 1.76% at June 30, 2009. That same ratio was 1.60% and 1.61% at September 30, 2008 and December 31, 2008, respectively.

Noninterest Income and Expense. Excluding gains and losses from investment securities and the recent quarter's gain on the Bradford transaction, noninterest income in each of the third and second quarters of 2009 aggregated \$296 million, compared with \$266 million in the third quarter of 2008. The higher level of noninterest income in the recent quarter as compared with the year-earlier quarter resulted largely from higher mortgage banking revenues, service charges on acquisition-related deposit accounts and credit-related fees. As compared with 2009's second quarter, higher service charges on deposit accounts in the recent quarter were largely offset by declines in mortgage banking revenues and M&T's pro-rata portion of the operating results of Bayview Lending Group, LLC.

Noninterest expense in the third quarter of 2009 totaled \$500 million, compared with \$435 million in the year-earlier quarter and \$564 million in the second quarter of 2009. Included in such amounts are expenses considered to be nonoperating in nature consisting of amortization of core deposit and other intangible assets and merger-related expenses. Exclusive of these expenses, noninterest operating expenses were \$469 million in the recent quarter, compared with \$419 million in the third quarter of 2008 and \$482 million in 2009's second quarter. As compared with the third quarter of 2008, the recent quarter's rise in operating expenses was due, in large part, to the operations obtained in the 2009 acquisitions and higher deposit insurance assessments. The decline in noninterest operating expenses from the second to the third quarter of 2009 was due to the \$33 million special deposit insurance assessment levied by the FDIC in 2009's second quarter, partially offset by higher operating expenses resulting from the 2009 acquisition transactions.

The efficiency ratio, or noninterest operating expenses divided by the sum of taxable-equivalent net interest income and noninterest income (exclusive of gains and losses from bank investment securities and gains on merger transactions), measures the relationship of operating expenses to revenues. M&T's efficiency ratio was 55.2% in each of the third quarters of 2009 and 2008, and 60.0% in the second quarter of 2009. If the second quarter 2009 special assessment by the FDIC was excluded from the computation, the efficiency ratio for that quarter would have been 56.0%.

Balance Sheet. M&T had total assets of \$69.0 billion at September 30, 2009, up from \$65.2 billion at September 30, 2008. Loans and leases, net of unearned discount, were \$52.2 billion at September 30, 2009, up 7% from \$48.7 billion a year earlier.

Total deposits aggregated \$46.9 billion at the recent quarter-end, compared with \$42.5 billion at September 30, 2008. Deposits at domestic offices rose \$8.8 billion, or 24%, to \$45.5 billion at the recent quarter-end from \$36.7 billion at September 30, 2008. Moreover, exclusive of the impact of the 2009 acquisitions, core customer deposits increased 18% to \$38.4 billion at September 30, 2009 from \$32.6 billion a year earlier. Fueling that growth were noninterest-bearing deposits, which jumped 42% to \$11.8 billion at the recently ended guarter from \$8.3 billion at September 30, 2008, also excluding the impact of acquisitions.

Total stockholders' equity was \$7.6 billion and \$6.4 billion at September 30, 2009 and 2008, representing 11.03% and 9.83%, respectively, of total assets. Common stockholders' equity was \$6.9 billion, or \$58.22 per share, at September 30, 2009, compared with \$6.4 billion, or \$58.17 per share, at September 30, 2008. Tangible equity per common share was \$27.03 at September 30, 2009, compared with \$27.67 at September 30, 2008. In the calculation of tangible equity per common share, stockholders' equity is reduced by the carrying values of goodwill and core deposit and other intangible assets, net of applicable deferred tax balances, which aggregated \$3.7 billion and \$3.4 billion at September 30, 2009 and 2008, respectively. M&T's tangible common equity to tangible assets ratio was 4.89% at September 30, 2009, compared with 4.93% and 4.49% at September 30, 2008 and June 30, 2009, respectively.

Conference Call. Investors will have an opportunity to listen to M&T's conference call to discuss third quarter financial results today at 2:30 p.m. Eastern Time. Those wishing to participate in the call may dial 877-780-2276. International participants, using any applicable international calling codes, may dial 973-582-2700. Callers should reference M&T Bank Corporation or the conference ID #33686532. The conference call will be webcast live on M&T's website at <a href="http://ir.mandtbank.com/conference.cfm">http://ir.mandtbank.com/conference.cfm</a>. A replay of the call will be available until Thursday, October 22, 2009 by calling 800-642-1687, or 706-645-9291 for international participants, and by making reference to ID #33686532. The event will also be archived and available by 7:00 p.m. today on M&T's website at <a href="http://ir.mandtbank.com/conference.cfm">http://ir.mandtbank.com/conference.cfm</a>.

M&T is a bank holding company whose banking subsidiaries, M&T Bank and M&T Bank, National Association, operate branch offices in New York, Pennsylvania, Maryland, Virginia, West Virginia, Delaware, New Jersey and the District of Columbia.

Forward-Looking Statements. This news release contains forward-looking statements that are based on current expectations, estimates and projections about M&T's business, management's beliefs and assumptions made by management. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

Future Factors include changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity; prepayment speeds, loan originations, credit losses and market values on loans, collateral securing loans, and other assets; sources of liquidity; common shares outstanding; common stock price volatility; fair value of and number of stock-based compensation awards to be issued in future periods; legislation affecting the financial services industry as a whole, and M&T and its subsidiaries individually or collectively, including tax legislation; regulatory supervision and oversight, including monetary policy and required capital levels; changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies; increasing price and product/service competition by competitors, including new entrants; rapid technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the mix of products/services; containing costs and expenses; governmental and public policy changes; protection and validity of intellectual property rights; reliance on large customers; technological, implementation and cost/financial risks in large, multi-year contracts; the outcome of pending and future litigation and governmental proceedings, including tax-related examinations and other matters; continued availability of financing; financial resources in the amounts, at the times and on the terms required to support M&T and its subsidiaries' future businesses; and material differences in the actual financial results of merger, acquisition and investment activities compared with M&T's initial expectations, including the full realization of anticipated cost savings and revenue enhancements.

These are representative of the Future Factors that could affect the outcome of the forward-looking statements. In addition, such statements could be affected by general industry and market conditions and growth rates, general economic and political conditions, either nationally or in the states in which M&T and its subsidiaries do business, including interest rate and currency exchange rate fluctuations, changes and trends in the securities markets, and other Future Factors.

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	Three months ended	Nine months ended
Amounts in thousands, except per share		
	2009 2008 Cha	nge 2009 2008 Change
Performance		
Net income available to common		40% \$ 243,073 453,646 -46% 25 209,062 453,646 -54
Per common		, ,
Basic earnings	\$ .97 83 17	7%\$ 1.84 4.12 -55%
Diluted		1.84 4.09 -55
Cash		
		\$ 2.10 2.10 -
Common sha outstanding: Average -		
diluted (1)		6% 113,800 111,000 3% 7 118,156 110,313 7
Return on (annualized) Average tota assets Average cor	al .73% .56%	.49% .93%
stockholder		4.35% 9.37%
Taxable- equivalent ne interest income		12% \$1,512,971 1,470,615 3%
Cost of interest-	age ets 4.60% 5.54%	4.62% 5.80%
bearing liabilities	1.26% 2.50%	1.49% 2.80%
Net interest spread	3.34% 3.04%	3.13% 3.00%
Contribution of interest-free		
funds Net interest	.27% .35%	.28% .38%
margin	3.61% 3.39%	3.41% 3.38%
Net charge-or average tota net loans (annualized)	I	1.00% .65%
Net operating results (3)	1	
Net operating income Diluted net operating earnings per	\$128,761 100,809	28% \$ 304,600 486,767 -37%
common sha Return on (annualized) Average	are .98 .91	8 2.37 4.39 -46
tangible assets	.78% .65%	.64% 1.05%

.78% .65% .64% 1.05%

assets

Average tangible common

14.87% 13.17% equity

12.19% 21.10%

Efficiency ratio

55.21% 55.16%

57.90% 53.47%

At September 30

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Loan quality

2009 2008 Change

Nonaccrual loans

\$1,228,341 688,214 78%

Real estate and other foreclosed assets 84,676 85,305

Total nonperforming assets

\$1,313,017 773,519

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Accruing loans past due 90 days or more \$ 182,750 96,206

90%

Renegotiated loans

190,917 21,804

Purchased impaired loans (4):

Outstanding customer balance

M&T legacy loans

\$ 209,138

Carrying amount

108,058

2.35% 1.41%

Allowance for credit losses to:

Nonaccrual loans to total net loans

1.81% 1.60%

Total loans

1.66% 1.60%

- (1) Includes common stock equivalents.
- (2) Includes common stock issuable under deferred compensation plans.
- (3) Excludes amortization and balances related to goodwill and core deposit and other intangible assets and merger-related gains and expenses which, except in the calculation of the efficiency ratio, are net of applicable income tax effects.
- (4) Accruing loans that were impaired at acquisition date and recorded at fair value.

### M&T BANK CORPORATION

Condensed Consolidated Statement of Income

Three months

Nine months

ended

ended

September 30

September 30

Dollars in

thousands 2009 2008 Change 2009 2008 Change

Interest income \$700,593 801,354 -13% \$2,032,528 2,503,090 -19%

Interest expense 152,938 313,115 -51 535,499 1,049,369 -49

Net interest

income 547,655 488,239

12 1,497,029 1,453,721

Provision for

credit losses 154,000 101,000 52 459,000 261,000

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Net interest income after

provision for

credit losses 393,655 387,239 2 1,038,029 1,192,721 -13

Other income

Mortgage banking

revenues 48,169 38,002 27 157,385 116,291 35

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Service
 charges on
 deposit
 accounts
            128,502 110,371
                              16 342,010 324,165
 Trust income 31,586 38,789 -19
                                   98,908 119,519 -17
 Brokerage
 services
            14,329 16,218 -12 43,215 48,902
                                                  -12
 income
 Trading account
 and foreign
 exchange
            7,478
 gains
                   4,278
                           75
                                16,456
                                         15,627
                                                  5
 Gain (loss)
 on bank
 investment
              (56)
                    306
                                811 34,078
 securities
 Total other-than-
 temporary
 impairment
 ("OTTI")
 losses
           (64,232) (152,579) - (202,737) (158,325)
 Portion of
 OTTI losses
 recognized
 in other
 comprehensive
 income (before
           17,199
                     - - 98,736
 taxes)
  Net OTTI
  losses
  recognized
  in earnings (47,033) (152,579) - (104,001) (158,325)
 Equity in
  earnings
  of Bayview
  Lending
  Group LLC (10,912) (14,480) - (15,263) (28,766)
 Other revenues
  from
  operations 106,163 72,812 46 242,695 226,071
                                                       7
   Total
    other
    income 278,226 113,717 145 782,216 697,562
                                                       12
Other expense
Salaries and
 employee
 benefits
           255,449 236,678
                              8 754,793 724,676
 net occupancy 58,195 47,033
                               24 157,688 141,050
                                                       12
 Printing,
 postage and
 supplies
            8,229 8,443
                          -3
                                28,878 27,459
                                                   5
 Amortization
 of core
 deposit and
 other
 intangible
           16,924 15,840
                                 47.525
                                          50.938
 assets
                             7
                                                  -7
 Deposit
                                 76,617
                                          4,595
            21,124 1,522
 insurance
 Other costs of
 operations 140,135 125,247 12 436,611 331,459
                                                       32
        -----
   Total
    other
    expense 500,056 434,763
                                                        17
                               15 1,502,112 1,280,177
Income before
income taxes 171,825 66,193 160 318,133 610,106
                                                       -48
Applicable
income taxes
(benefit)
           44,161 (24,992) - 75,060 156,460
                                                  -52
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Net income \$127,664 91,185 40% \$ 243,073 453,646 -46%

M&T BANK CORPORATION

Condensed Consolidated Balance Sheet

September 30

Dollars in thousands 2009 2008 Change

**ASSETS** 

Cash and due from banks \$ 1,356,508 1,368,917 -1%

Interest-bearing deposits at banks 54,443 13,604 300

Federal funds sold and agreements

to resell securities 17,206 108,600 -84

Trading account assets 497,064 370,420 34

Investment securities 7,634,262 8,433,441 -9

Loans and leases, net of unearned

discount 52,203,772 48,693,543 7
Less: allowance for credit losses 867,874 780,683 11

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Net loans and leases 51,335,898 47,912,860 7

Goodwill 3,524,625 3,192,128 10

Core deposit and other intangible

assets 199,148 198,554 -

Other assets 4,378,296 3,648,691 20

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Total assets \$68,997,450 65,247,215 6%

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LIABILITIES AND STOCKHOLDERS' EQUITY

Noninterest-bearing deposits at U.S.

offices \$12,730,083 8,332,060 53%

Other deposits at U.S. offices 32,813,698 28,408,485 16

Deposits at foreign office 1,318,070 5,760,748 -77

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Total deposits 46,861,851 42,501,293 10

Short-term borrowings 2,927,268 2,929,242

Accrued interest and other liabilities 1,241,576 918,029 35

Long-term borrowings 10,354,392 12,481,967 -17

Total liabilities 61,385,087 58,830,531 4

Stockholders' equity:

Preferred 727,748 - -

Common (1) 6,884,615 6,416,684 7

-----

Total stockholders' equity 7,612,363 6,416,684

Total liabilities and stockholders'

\$68,997,450 65,247,215 equity

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$419.3 million at September 30, 2009 and \$462.1 million at September 30, 2008.

#### M&T BANK CORPORATION

Condensed Consolidated Average Balance Sheet and Annualized Taxable-equivalent Rates

> Three months ended September 30

Dollars in millions

2009 2008

----- Change in Balance Rate Balance Rate balance

#### **ASSETS**

Interest-bearing deposits at

banks \$ 66 .04% 9 1.09% -%

Federal funds sold and agreements

to resell securities 102 2.01 -89 11 .58

Trading account assets 83 .82 80 1.81

Investment securities 8,420 4.81 9,303 5.01 -9

Loans and leases, net of unearned discount

Commercial, financial, etc. 13,801 3.78 13,882 5.09 20,843 4.48 18,557 5.62 Real estate - commercial 12 Real estate - consumer 5,429 5.43 4,964 6.01 Consumer

12,247 5.37 11,074 6.31

Total loans and leases, net 52,320 4.58 48,477 5.65 -----

Total earning assets 60,900 4.60 57,971 5.54 5

Goodwill 3,525 3,192 10

Core deposit and other

intangible assets 208 206 1

Other assets 4,521 3,628 25

Total assets \$69.154 64.997 6%

## LIABILITIES AND STOCKHOLDERS' EQUITY

Interest-bearing deposits

NOW accounts \$ 541 .21 484 .54 12% Savings deposits 23,367 .37 18,191 1.29 Time deposits 9,246 2.17 9,318 3.08 -1 Deposits at foreign office 1,444 .13 3,837 1.94 -62

Total interest-bearing

deposits 34,598 .84 31,830 1.88

Short-term borrowings         2,663         .26         5,392         2.08         -51           Long-term borrowings         11,008         2.80         12,666         4.23         -13				
Total interest-bearing liabilities 48,269 1.26 49,888 2.50 -3				
Noninterest-bearing deposits 12,122 7,673 58				
Other liabilities 1,242 1,021 22				
Total liabilities 61,633 58,582 5				
Stockholders' equity 7,521 6,415 17				
Total liabilities and stockholders' equity \$69,154 64,997 6% =======				
Net interest spread 3.34 3.04 Contribution of interest-free				
funds .27 .35 Net interest margin 3.61% 3.39%				
Nine months ended September 30				
Dollars in millions 2009 2008				
Change in Balance Rate Balance Rate balance				
ASSETS				
Interest-bearing deposits at banks \$ 43 .06% 9 1.32% 363%				
Federal funds sold and agreements to resell securities 62 .25 110 2.38 -44				
Trading account assets 92 .76 73 1.40 26				
Investment securities 8,472 4.84 9,000 5.10 -6				
Loans and leases, net of unearned discount  Commercial, financial, etc.  Real estate - commercial  Real estate - consumer  Consumer  11,578 5.47 11,192 6.54 3				
Total loans and leases, net 50,579 4.60 48,857 5.94 4				
Total earning assets 59,248 4.62 58,049 5.80 2				
Goodwill 3,349 3,193 5				
Core deposit and other intangible assets 191 222 -14				
Other assets 4,196 3,734 12				

Interest-bearing deposits  NOW accounts \$ 531 .22 49  Savings deposits 22,358 .54 17,7  Time deposits 8,943 2.49 9,64  Deposits at foreign office 1,788 .15 4,7	19 3.57 -7
Total interest-bearing deposits 33,620 1.03 32,174	2.18 4
Short-term borrowings 3,114 .26 6 Long-term borrowings 11,376 3.17	
Total interest-bearing liabilities 48,110 1.49 50,094	2.80 -4
Noninterest-bearing deposits 10,416	7,562 38
Other liabilities 1,313 1,077	22
Total liabilities 59,839 58,733	2
Stockholders' equity 7,145 6,46	5 11
Total liabilities and stockholders' equity \$66,984 65,1	98 3%
Net interest spread 3.13 3 Contribution of interest-free funds .28 .38	3.00
Net interest margin 3.41%	3.38%

## M&T BANK CORPORATION

Reconciliation of Quarterly GAAP to Non-GAAP Measures

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September 30 June 30 September 30 2009 2008 2009 2009 2008
Income statement data
In thousands, except per share Net income
Net income \$127,664 91,185 51,188 243,073 453,646 Amortization of core deposit and other
intangible assets (1) 10,270 9,624 9,247 28,854 30,961
Merger-related gain (1) (17,684) (17,684) - Merger-related
expenses (1) 8,511 - 40,370 50,357 2,160
Net operating income \$128,761 100,809 100,805 304,600 486,767
Earnings per common share Diluted earnings per

common share \$ .97 .82 .36 1.84 4.09 Amortization of core deposit and other intangible assets (1) .09 .09 .08 .25 .28 (.15) Merger-related gain (1) (.15) - -Merger-related .07 - .35 .43 .02 expenses (1)

Diluted net operating

earnings per common \$ .98 .91 .79 2.37 4.39 share 

Balance sheet data

-----In millions Average assets

\$ 69,154 64,997 66,984 66,984 65,198 Average assets Goodwill (3,525) (3,192) (3,326) (3,349) (3,193)

Core deposit and other

intangible assets (208) (206) (188) (191) (222) Deferred taxes 41 28 30 31 31 ------

Average tangible assets \$65,462 61,627 63,500 63,475 61,814 

Average common equity

Average common equity \$ 6,794 6,415 6,491 6,501 6,465 Goodwill

(3,525) (3,192) (3,326) (3,349) (3,193)

Core deposit and other

intangible assets (208) (206) (188) (191) (222) Deferred taxes 41 28 30 31 31

Average tangible common

equity \$ 3,102 3,045 3,007 2,992 3,081

(1) After any related tax effect.

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https://newsroom.mtb.com/2009-10-20-M-T-Bank-Corporation-Announces-Third-Quarter-Profits