M&T Bank Newsroom

M&T Bank Corporation Announces First Quarter Profits

PRNewswire-FirstCall
BUFFALO, N.Y.

M&T Bank Corporation ("M&T") today reported its results of operations for the quarter ended March 31, 2010.

GAAP Results of Operations. Diluted earnings per common share measured in accordance with generally accepted accounting principles ("GAAP") for the first quarter of 2010 rose to $1.15, up 135% from $.49 in the first quarter of 2009 and 11% higher than $1.04 in the final 2009 quarter. GAAP-basis net income in the recently completed quarter totaled $151 million, compared with $64 million in the year-earlier quarter and $137 million in the fourth quarter of 2009. GAAP-basis net income for the initial quarter of 2010 expressed as an annualized rate of return on average assets and average common stockholders' equity was .89% and 7.86%, respectively, improved from .40% and 3.61%, respectively, in the initial quarter of 2009 and from .79% and 7.09%, respectively, in the fourth quarter of 2009.

Commenting on the recent quarter's performance, René F. Jones, Executive Vice President and Chief Financial Officer, noted, "M&T posted strong financial results in the first quarter, led by lower credit costs and further widening of our net interest margin. Average core deposits were up again for this period, rising an annualized 6% from the fourth quarter of last year. Our tangible common equity ratio rose significantly from the 2009 year-end, up 30 basis points to 5.43%. The results illustrate how our fundamental business philosophy of offering banking services to consumers and businesses in our local communities, of prudent underwriting based on local knowledge and of making acquisitions only when and where they make sense has never been more relevant."

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 expenses associated with merging acquired operations into M&T, since such expenses 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, which exclude the impact of amortization of core deposit and other intangible assets and merger-related expenses, increased for the fourth consecutive quarter, aggregating $1.23 in the recent quarter, up from $.59 and $1.16 in the first and fourth quarters of 2009, respectively. Net operating income for the quarter ended March 31, 2010 rose to $161 million, improved from $75 million and $151 million in the quarters ended March 31, 2009 and December 31, 2009, respectively. Expressed as an annualized rate of return on average tangible assets and average tangible common stockholders' equity, net operating income was 1.00% and 17.34%, respectively, in the first quarter of 2010, up from .50% and 9.36% in the initial quarter of 2009 and .92% and 16.73% in the final 2009 quarter.

Taxable-equivalent Net Interest Income. Taxable-equivalent net interest income totaled $562 million in the first quarter of 2010, compared with $453 million in the year-earlier quarter and $565 million in the final quarter of 2009. The significant improvement from 2009's initial quarter reflects a 59 basis point widening of the net interest margin, or taxable-equivalent net interest income expressed as an annualized percentage of average earning assets, and a higher level of average earning assets, which rose $2.8 billion or 5% to $60.3 billion from $57.5 billion in the first quarter of 2009. The net interest margin was 3.78% in the recent quarter, compared with 3.19% in the first 2009 quarter. The most significant factors for the higher net interest margin were lower interest rates paid on deposits and long-term borrowings. The higher earning asset level in the recent quarter resulted from the impact of assets obtained in the 2009 acquisitions related to Provident Bankshares Corporation ("Provident") and Bradford Bank ("Bradford"), which totaled approximately $5.5 billion at the respective acquisition dates. Net interest margin in the recent quarter improved 7 basis points from 3.71% in last year's fourth quarter.

Provision for Credit Losses/Asset Quality. The provision for credit losses was $105 million in the first quarter of 2010, down from $158 million and $145 million in the year-earlier quarter and in the fourth quarter of 2009, respectively. Net charge-offs of loans during the recent quarter were $95 million, down from $100 million in the initial quarter of 2009 and $135 million in the final 2009 quarter. Expressed as an annualized percentage of average loans outstanding, net charge-offs were .74% and .83% in the first quarters of 2010 and 2009, respectively, and 1.03% in 2009's final quarter.

Reflecting the impact of the poor economic environment on businesses and consumers, loans classified as nonaccrual totaled $1.34 billion, or 2.60% of total loans at March 31, 2010, compared with $1.33 billion or 2.56% at December 31, 2009 and $1.00 billion or 2.05% at March 31, 2009. During the recent quarter, an increase in loans obtained in the Provident and Bradford transactions classified as nonaccrual was largely offset by a decline in nonaccrual loans associated with the legacy M&T portfolio. Assets taken in foreclosure of defaulted loans were $95 million at each of March 31, 2010 and December 31, 2009, compared with $100 million at March 31, 2009.

Loans past due 90 days or more and accruing interest totaled $203 million at the end of the recently completed quarter, including loans guaranteed by government-related entities of $195 million. Such past due loans were $143 million and $208 million at March 31, 2009 and December 31, 2009, respectively, including $127 million and $193 million of government guaranteed loans at those respective dates.

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 totaled $891 million at March 31, 2010, increased from $846 million a year earlier and $878 million at December 31, 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 the acquired entity's allowance for credit losses. Excluding loans obtained in the Provident and Bradford acquisition transactions, the allowance-to-legacy loan ratio increased to 1.86% at March 31, 2010 from 1.73% at March 31, 2009. That same ratio was 1.83% at December 31, 2009.

Noninterest Income and Expense. Noninterest income aggregated $258 million in the first quarter of 2010, compared with $232 million and $266 million in the first and fourth quarters of 2009, respectively. Reflected in those amounts were losses from investment securities of $26 million, $32 million and $34 million, respectively, each predominantly due to other-than-temporary impairment charges related to certain of M&T's privately issued collateralized mortgage obligations held in the available-for-sale investment securities portfolio. Because those investment securities were previously reflected at fair value on the consolidated balance sheet, the impairment charges did not reduce stockholders' equity.

Excluding gains and losses from investment securities, noninterest income of $284 million in the recently completed quarter was up 8% from $264 million in the initial quarter of 2009. Contributing to that rise were service charges on acquisition-related deposit accounts and higher credit-related fees, partially offset by lower mortgage banking revenues. Noninterest income in the fourth quarter of 2009, also excluding gains and losses from investment securities, totaled $300 million. The decline in such income during the recent quarter as compared with the final 2009 quarter was due, in part, to lower service charges on deposit accounts and mortgage banking revenues.

Noninterest expense in the first quarter of 2010 aggregated $489 million, compared with $438 million and $478 million in the first and fourth quarters of 2009, respectively. 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 $473 million in the recently completed quarter, $421 million in the first quarter of 2009 and $455 million in the final 2009 quarter. The higher level of operating expenses in the recent quarter as compared with the year-earlier quarter was due largely to the operations obtained in the 2009 acquisitions and higher FDIC assessments. The rise in expenses from the fourth quarter of 2009 was largely the result of seasonally higher costs for stock-based compensation, payroll-related taxes and the Company's contributions for retirement savings plan benefits related to incentive compensation payments.

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 55.9% in the first quarter of 2010, compared with 58.7% in the year-earlier period and 52.7% in the fourth quarter of 2009.

Balance Sheet. M&T had total assets of $68.4 billion at March 31, 2010, up from $64.9 billion a year earlier. Loans and leases, net of unearned discount, were $51.4 billion at the recent quarter-end, up 5% from $48.9 billion at March 31, 2009. Total deposits rose 12% to $47.5 billion at March 31, 2010 from $42.5 billion a year earlier. Deposits at domestic offices increased $6.4 billion, or 16%, to $46.7 billion at the most recent quarter-end from $40.3 billion at March 31, 2009.

Total stockholders' equity increased 15% to $7.9 billion at March 31, 2010 from $6.9 billion at March 31, 2009, representing 11.57% of total assets at the recent quarter-end and 10.64% a year earlier. Common stockholders' equity was $7.2 billion, or $60.40 per share at March 31, 2010, up from $6.3 billion, or $56.95 per share, a year earlier. Tangible equity per common share rose to $29.59 at March 31, 2010 from $26.90 a year earlier. Common stockholders' equity per share and tangible equity per common share were $59.31 and $28.27, respectively, at December 31, 2009. In the calculation of tangible equity per common share, common 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 $3.3 billion at March 31, 2010 and 2009, respectively. M&T's tangible common equity to tangible assets ratio was 5.43% at March 31, 2010, compared with 4.86% and 5.13% at March 31, 2009 and December 31, 2009, respectively.

Conference Call. Investors will have an opportunity to listen to M&T's conference call to discuss first quarter financial results today at 9:30 a.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 #68684577. The conference call will be webcast live through M&T's website at http://ir.mandtbank.com/conference.cfm. A replay of the call will be available until Wednesday, April 21, 2010 by calling (800)642-1687, or (706)645-9291 for international participants, and by making reference to the ID #68684577. The event will also be archived and available by 7:00 p.m. today on M&T's website at http://ir.mandtbank.com/conference.cfm.

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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Financial Highlights

Amounts in thousands, except per share	Three months ended March 31 2010	2009	Change
Performance			
Net income	$150,955	64,221	135%
Net income available to common equity	138,341	55,322	150
Per common share:			
Basic earnings	$1.16	.49	137%
Diluted earnings	1.15	.49	135
Cash dividends	$.70	.70	-
Common shares outstanding:			
Average - diluted (1)	118,256	110,439	7%
Period end (2)	118,823	111,132	7
Return on (annualized):			
Average total assets	.89%	.40%	
Average common stockholders' equity	7.86%	3.61%	
Taxable-equivalent net interest income	$562,257	452,740	24%
Yield on average earning assets	4.59%	4.65%	
Cost of interest-bearing liabilities	1.04%	1.74%	
Net interest spread	3.55%	2.91%	
Contribution of interest-free funds	.23%	.28%	
Net interest margin	3.78%	3.19%	
Net charge-offs to average total net loans (annualized)	.74%	.83%	
Net operating results (3)			
Net operating income	$160,953	75,034	115%
Diluted net operating earnings per common share	1.23	.59	108
Return on (annualized):			
Average tangible assets	1.00%	.50%	
Average tangible common equity	17.34%	9.36%	
Efficiency ratio	55.88%	58.68%	

Loan quality	At March 31 2010	2009	Change
Nonaccrual loans	$1,339,992	1,003,987	33%
Real estate and other foreclosed assets	95,362	100,270	-5%
Total nonperforming assets	$1,435,354	1,104,257	30%
	==========	=========	
Accruing loans past due 90 days or more	$203,443	142,842	42%
Renegotiated loans	$220,885	130,932	69%
Government guaranteed loans included in totals above:			
Nonaccrual loans	$37,048	38,460	-4%
Accruing loans past due 90 days or more	194,523	127,237	53%

Purchased impaired loans (4):			
Outstanding customer balance	$148,686	-	-
Carrying amount	73,890	-	-
Nonaccrual loans to total net loans	2.60%	2.05%	
Allowance for credit losses to:			
Legacy loans	1.86%	1.73%	
Total loans	1.73%	1.73%	

(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. Reconciliations of net income with net operating income appear herein.
(4) Accruing loans that were impaired at acquisition date and recorded at fair value.

M&T BANK CORPORATION
Financial Highlights, Five Quarter Trend

Amounts in thousands, except per share	Three months ended March 31, 2010	December 31, 2009	September 30, 2009
Performance			
Net income	$150,955	136,818	127,664
Net income available to common equity	138,341	124,251	115,143
Per common share:			
Basic earnings	$1.16	1.05	.97
Diluted earnings	1.15	1.04	.97
Cash dividends	$.70	.70	.70
Common shares outstanding:			
Average -diluted (1)	118,256	117,672	117,547
Period end (2)	118,823	118,298	118,156
Return on (annualized):			
Average total assets	.89%	.79%	.73%
Average common stockholders' equity	7.86%	7.09%	6.72%
Taxable-equivalent net interest income	$562,257	564,606	553,450
Yield on average earning assets	4.59%	4.58%	4.60%
Cost of interest-bearing liabilities	1.04%	1.13%	1.26%
Net interest spread	3.55%	3.45%	3.34%
Contribution of			

interest-free funds	.23%	.26%	.27%
Net interest margin	3.78%	3.71%	3.61%
Net charge-offs to average total net loans (annualized)	.74%	1.03%	1.07%
Net operating results (3)			

Net operating income	$160,953	150,776	128,761
Diluted net operating earnings per common share	1.23	1.16	.98
Return on (annualized):			
Average tangible assets	1.00%	.92%	.78%
Average tangible common equity	17.34%	16.73%	14.87%
Efficiency ratio	55.88%	52.69%	55.21%

Loan quality	March 31, 2010	December 31, 2009	September 30, 2009
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Nonaccrual loans	$1,339,992	1,331,702	1,228,341
Real estate and other foreclosed assets	95,362	94,604	84,676
Total nonperforming assets	$1,435,354	1,426,306	1,313,017
	==========	=========	=========
Accruing loans past due 90 days or more	$203,443	208,080	182,750
Renegotiated loans	$220,885	212,548	190,917
Government guaranteed loans included in totals above:			
Nonaccrual loans	$37,048	38,579	38,590
Accruing loans past due 90 days or more	194,523	193,495	172,701
Purchased impaired loans (4):			
Outstanding customer balance	$148,686	172,772	209,138
Carrying amount	73,890	88,170	108,058
Nonaccrual loans to total net loans	2.60%	2.56%	2.35%
Allowance for credit losses to:			

Legacy loans	1.86%	1.83%	1.81%
Total loans	1.73%	1.69%	1.66%

Amounts in thousands, except per share	Three months ended June 30, 2009	March 31, 2009
Performance		
Net income	51,188	64,221
Net income available to common equity	40,964	55,322
Per common share:		
Basic earnings	.36	.49
Diluted earnings	.36	.49
Cash dividends	.70	.70
Common shares outstanding:		
Average - diluted (1)	113,521	110,439
Period end (2)	118,012	111,132
Return on (annualized):		
Average total assets	.31%	.40%
Average common stockholders' equity	2.53%	3.61%
Taxable-equivalent net interest income	506,781	452,740
Yield on average earning assets	4.62%	4.65%
Cost of interest-bearing liabilities	1.47%	1.74%
Net interest spread	3.15%	2.91%
Contribution of interest-free funds	.28%	.28%
Net interest margin	3.43%	3.19%
Net charge-offs to average total net loans (annualized)	1.09%	.83%
Net operating results (3)		
Net operating income	100,805	75,034
Diluted net operating earnings per common share	.79	.59
Return on (annualized):		
Average tangible assets	.64%	.50%
Average tangible common equity	12.08%	9.36%
Efficiency ratio	60.03%	58.68%

Loan quality	June 30, 2009	March 31, 2009
Nonaccrual loans	1,111,423	1,003,987
Real estate and other foreclosed assets	90,461	100,270
Total nonperforming assets	1,201,884	1,104,257
Accruing loans past due 90 days or more	155,125	142,842
Renegotiated loans	170,950	130,932

Government guaranteed loans included in totals above:		
Nonaccrual loans	38,075	38,460
Accruing loans past due 90 days or more	143,886	127,237
Purchased impaired loans (4):		
Outstanding customer balance	170,400	-
Carrying amount	97,730	-
Nonaccrual loans to total net loans	2.11%	2.05%
Allowance for credit losses to:		
Legacy loans	1.76%	1.73%
Total loans	1.62%	1.73%

(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. Reconciliations of net income with net operating income appear herein.
(4) Accruing loans that were impaired at acquisition date and recorded at fair value.

M&T BANK CORPORATION
Condensed Consolidated Statement of Income

Dollars in thousands	Three months ended March 31 2010	2009	Change
Interest income	$676,386	654,512	3%
Interest expense	120,052	206,705	-42
Net interest income	556,334	447,807	24
Provision for credit losses	105,000	158,000	-34
Net interest income after provision for credit losses	451,334	289,807	56
Other income			
Mortgage banking revenues	41,476	56,233	-26
Service charges on deposit accounts	120,295	101,029	19
Trust income	30,928	34,880	-11
Brokerage services income	13,106	15,393	-15
Trading account and foreign exchange gains	4,699	1,435	227
Gain on bank investment securities	459	575	-
Other-than-temporary impairment losses recognized in earnings	(26,802)	(32,199)	-
Equity in earnings of Bayview Lending Group LLC	(5,714)	(4,144)	-
Other revenues from operations	79,259	59,139	34
Total other income	257,706	232,341	11

Other expense			
Salaries and employee benefits	264,046	249,392	6
Equipment and net occupancy	55,401	48,172	15
Printing, postage and supplies	9,043	9,095	-1
Amortization of core deposit and other intangible assets	16,475	15,370	7
FDIC assessments	21,348	5,856	265
Other costs of operations	123,049	110,461	11
Total other expense	489,362	438,346	12
Income before income taxes	219,678	83,802	162
Applicable income taxes	68,723	19,581	251
Net income	$150,955	64,221	135%

M&T BANK CORPORATION
Condensed Consolidated Statement of Income, Five Quarter Trend

	Three months ended		
Dollars in thousands	March 31, 2010	December 31, 2009	September 30, 2009
Interest income	$676,386	692,669	700,593
Interest expense	120,052	133,950	152,938
Net interest income	556,334	558,719	547,655
Provision for credit losses	105,000	145,000	154,000
Net interest income after provision for credit losses	451,334	413,719	393,655
Other income			
Mortgage banking revenues	41,476	50,176	48,169
Service charges on deposit accounts	120,295	127,185	128,502
Trust income	30,928	29,660	31,586
Brokerage services income	13,106	14,396	14,329
Trading account and foreign exchange gains	4,699	6,669	7,478
Gain (loss) on bank investment securities	459	354	(56)
Other-than-temporary impairment losses recognized in earnings	(26,802)	(34,296)	(47,033)
Equity in earnings of Bayview Lending Group LLC	(5,714)	(10,635)	(10,912)
Other revenues from operations	79,259	82,381	106,163
Total other income	257,706	265,890	278,226
Other expense			
Salaries and employee benefits	264,046	247,080	255,449

Equipment and net occupancy	55,401	53,703	58,195
Printing, postage and supplies	9,043	9,338	8,229
Amortization of core deposit and other intangible assets	16,475	16,730	16,924
FDIC assessments	21,348	19,902	21,124
Other costs of operations	123,049	131,698	140,135
Total other expense	489,362	478,451	500,056
Income before income taxes	219,678	201,158	171,825
Applicable income taxes	68,723	64,340	44,161
Net income	$150,955	136,818	127,664

	Three months ended	
Dollars in thousands	June 30, 2009	March 31, 2009
Interest income	677,423	654,512
Interest expense	175,856	206,705
Net interest income	501,567	447,807
Provision for credit losses	147,000	158,000
Net interest income after provision for credit losses	354,567	289,807
Other income		
Mortgage banking revenues	52,983	56,233
Service charges on deposit accounts	112,479	101,029
Trust income	32,442	34,880
Brokerage services income	13,493	15,393
Trading account and foreign exchange gains	7,543	1,435
Gain (loss) on bank investment securities	292	575
Other-than-temporary impairment losses recognized in earnings	(24,769)	(32,199)
Equity in earnings of Bayview Lending Group LLC	(207)	(4,144)
Other revenues from operations	77,393	59,139
Total other income	271,649	232,341
Other expense		
Salaries and employee benefits	249,952	249,392
Equipment and net occupancy	51,321	48,172
Printing, postage and supplies	11,554	9,095
Amortization of core deposit and other intangible assets	15,231	15,370
FDIC assessments	49,637	5,856
Other costs of operations	186,015	110,461
Total other expense	563,710	438,346
Income before income taxes	62,506	83,802

Applicable income taxes	11,318	19,581
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Net income	51,188	64,221
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M&T BANK CORPORATION
Condensed Consolidated Balance Sheet

	March 31		
Dollars in thousands	2010	2009	Change
ASSETS			
Cash and due from banks	$1,033,269	1,117,845	-8%
Interest-bearing deposits at banks	121,305	27,374	343
Federal funds sold and agreements to resell securities	10,400	125,800	-92
Trading account assets	403,476	591,802	-32
Investment securities	8,104,646	7,686,845	5
Loans and leases:			
Commercial, financial, etc	13,220,181	13,986,663	-5
Real estate - commercial	20,724,118	18,833,865	10
Real estate - consumer	5,664,159	5,171,953	10
Consumer	11,835,583	10,925,659	8
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Total loans and leases, net of unearned discount	51,444,041	48,918,140	5
Less: allowance for credit losses	891,265	845,971	5
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Net loans and leases	50,552,776	48,072,169	5
Goodwill	3,524,625	3,192,128	10
Core deposit and other intangible assets	167,545	168,126	-
Other assets	4,521,180	3,901,106	16
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Total assets	$68,439,222	64,883,195	5%
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LIABILITIES AND STOCKHOLDERS' EQUITY			
Noninterest-bearing deposits at U.S. offices	$13,622,819	9,544,932	43%
Other deposits at U.S. offices	33,125,761	30,763,204	8
Deposits at foreign office	789,825	2,169,220	-64
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Total deposits	47,538,405	42,477,356	12
Short-term borrowings	1,870,763	2,641,811	-29
Accrued interest and other liabilities	1,048,473	1,326,545	-21

Long-term borrowings	10,065,894	11,535,644	-13
Total liabilities	60,523,535	57,981,356	4
Stockholders' equity:			
Preferred	732,769	568,284	29
Common (1)	7,182,918	6,333,555	13
Total stockholders' equity	7,915,687	6,901,839	15
Total liabilities and stockholders' equity	$68,439,222	64,883,195	5%

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of $255.2 million at March 31, 2010 and $622.4 million at March 31, 2009.

M&T BANK CORPORATION
Condensed Consolidated Balance Sheet, Five Quarter Trend

Dollars in thousands	March 31, 2010	December 31, 2009	September 30, 2009
ASSETS			
Cash and due from banks	$1,033,269	1,226,223	1,356,508
Interest-bearing deposits at banks	121,305	133,335	54,443
Federal funds sold and agreements to resell securities	10,400	20,119	17,206
Trading account assets	403,476	386,984	497,064
Investment securities	8,104,646	7,780,609	7,634,262
Loans and leases:			
Commercial, financial, etc	13,220,181	13,479,447	13,517,538
Real estate - commercial	20,724,118	20,949,931	21,007,376
Real estate - consumer	5,664,159	5,463,463	5,427,260
Consumer	11,835,583	12,043,845	12,251,598
Total loans and leases, net of unearned discount	51,444,041	51,936,686	52,203,772
Less: allowance for credit losses	891,265	878,022	867,874
Net loans and leases	50,552,776	51,058,664	51,335,898

Goodwill	3,524,625	3,524,625	3,524,625
Core deposit and other intangible assets	167,545	182,418	199,148
Other assets	4,521,180	4,567,422	4,378,296
Total assets	$68,439,222	68,880,399	68,997,450
LIABILITIES AND STOCKHOLDERS' EQUITY			
Noninterest-bearing deposits at U.S. offices	$13,622,819	13,794,636	12,730,083
Other deposits at U.S. offices	33,125,761	32,604,764	32,813,698
Deposits at foreign office	789,825	1,050,438	1,318,070
Total deposits	47,538,405	47,449,838	46,861,851
Short-term borrowings	1,870,763	2,442,582	2,927,268
Accrued interest and other liabilities	1,048,473	995,056	1,241,576
Long-term borrowings	10,065,894	10,240,016	10,354,392
Total liabilities	60,523,535	61,127,492	61,385,087
Stockholders' equity:			
Preferred	732,769	730,235	727,748
Common (1)	7,182,918	7,022,672	6,884,615
Total stockholders' equity	7,915,687	7,752,907	7,612,363
Total liabilities and stockholders' equity	$68,439,222	68,880,399	68,997,450

Dollars in thousands	June 30, 2009	March 31, 2009
ASSETS		
Cash and due from banks	1,148,428	1,117,845
Interest-bearing deposits at banks	59,950	27,374
Federal funds sold and agreements to resell securities	2,300	125,800

Trading account assets	495,324	591,802
Investment securities	8,155,434	7,686,845
Loans and leases:		
Commercial, financial, etc	14,180,609	13,986,663
Real estate - commercial	20,787,198	18,833,865
Real estate - consumer	5,471,775	5,171,953
Consumer	12,275,062	10,925,659
	----------	----------
Total loans and leases, net of unearned discount	52,714,644	48,918,140
Less: allowance for credit losses	855,365	845,971
	-------	-------
Net loans and leases	51,859,279	48,072,169
Goodwill	3,524,625	3,192,128
Core deposit and other intangible assets	216,072	168,126
Other assets	4,451,805	3,901,106
	---------	---------
Total assets	69,913,217	64,883,195
	==========	==========
LIABILITIES AND STOCKHOLDERS' EQUITY		
Noninterest-bearing deposits at U.S. offices	12,403,999	9,544,932
Other deposits at U.S. offices	33,265,704	30,763,204
Deposits at foreign office	1,085,004	2,169,220
	---------	---------
Total deposits	46,754,707	42,477,356
Short-term borrowings	2,951,149	2,641,811
Accrued interest and other liabilities	1,238,959	1,326,545
Long-term borrowings	11,568,238	11,535,644
	----------	----------
Total liabilities	62,513,053	57,981,356
Stockholders' equity:		
Preferred	725,472	568,284
Common (1)	6,674,692	6,333,555
	---------	---------
Total stockholders' equity	7,400,164	6,901,839
	---------	---------
Total liabilities and stockholders' equity	69,913,217	64,883,195

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of $255.2 million at March 31, 2010, $336.0 million at December 31, 2009, $419.3 million at September 30, 2009, $580.8 million at June 30, 2009 and $622.4 million at March 31, 2009.

M&T BANK CORPORATION
Condensed Consolidated Average Balance Sheet
and Annualized Taxable-equivalent Rates

	Three months ended					
	March 31, 2010		March 31, 2009		December 31, 2009	
Dollars in millions	Balance	Rate	Balance	Rate	Balance	Rate
ASSETS						
Interest-bearing deposits at banks	$127	.02%	20	.16%	74	.08%
Federal funds sold and agreements to resell securities	24	.22	102	.23	23	.19
Trading account assets	60	.80	73	.67	70	.66
Investment securities	8,172	4.44	8,490	4.81	8,197	4.63
Loans and leases, net of unearned discount						
Commercial, financial, etc.	13,408	3.88	14,031	3.74	13,527	3.87
Real estate - commercial	20,867	4.48	18,795	4.40	20,950	4.48
Real estate - consumer	5,742	5.31	5,033	5.59	5,457	5.37
Consumer	11,931	5.26	10,965	5.62	12,153	5.32
Total loans and leases, net	51,948	4.63	48,824	4.64	52,087	4.59
Total earning assets	60,331	4.59	57,509	4.65	60,451	4.58
Goodwill	3,525		3,192		3,525	
Core deposit and other intangible assets	176		176		191	
Other assets	4,851		3,889		4,752	
Total assets	$68,883		64,766		68,919	

LIABILITIES AND STOCKHOLDERS' EQUITY

Interest-bearing deposits						
NOW accounts	$585	.14	536	.25	579	.18
Savings deposits	25,068	.33	21,203	.80	24,237	.36
Time deposits	7,210	1.66	8,720	2.81	8,304	1.89
Deposits at foreign office	1,237	.11	2,473	.16	1,300	.11
Total interest-bearing deposits	34,100	.60	32,932	1.28	34,420	.72
Short-term borrowings	2,367	.15	3,477	.27	2,308	.17
Long-term borrowings	10,160	2.74	11,643	3.51	10,253	2.73

Total interest-

bearing liabilities	46,627	1.04	48,052	1.74	46,981	1.13
Noninterest-bearing deposits	13,294		8,555		12,945	
Other liabilities	1,094		1,379		1,307	
	-----		-----		-----	
Total liabilities	61,015		57,986		61,233	
Stockholders' equity	7,868		6,780		7,686	
	-----		-----		-----	
Total liabilities and stockholders' equity	$68,883		64,766		68,919	
	=======		======		======	
Net interest spread		3.55		2.91		3.45
Contribution of interest-free funds		.23		.28		.26
Net interest margin		3.78%		3.19%		3.71%

Dollars in millions	Change in balance March 31, 2010 from March 31, 2009	 December 31, 2009
	----	----
ASSETS		
Interest-bearing deposits at banks	535%	73%
Federal funds sold and agreements to resell securities	-76	4
Trading account assets	-18	-14
Investment securities	-4	-
Loans and leases, net of unearned discount		
Commercial, financial, etc.	-4	-1
Real estate - commercial	11	-
Real estate - consumer	14	5
Consumer	9	-2
Total loans and leases, net	6	-
Total earning assets	5	-
Goodwill	10	-
Core deposit and other intangible assets	-	-8
Other assets	25	2
Total assets	6%	- %
LIABILITIES AND STOCKHOLDERS' EQUITY		
Interest-bearing deposits		
NOW accounts	9%	1%
Savings deposits	18	3
Time deposits	-17	-13
Deposits at foreign office	-50	-5

Total interest-bearing deposits	4	-1
Short-term borrowings	-32	3
Long-term borrowings	-13	-1
Total interest-bearing liabilities	-3	-1
Noninterest-bearing deposits	55	3
Other liabilities	-21	-16
Total liabilities	5	-
Stockholders' equity	16	2
Total liabilities and stockholders' equity	6%	- %

Net interest spread
Contribution of interest-free funds
Net interest margin

M&T BANK CORPORATION
Reconciliation of Quarterly GAAP to Non-GAAP Measures, Five Quarter Trend

	Three months ended		
	March 31, 2010	December 31, 2009	September 30, 2009
Income statement data			
In thousands, except per share			
Net income			
Net income	$150,955	136,818	127,664
Amortization of core deposit and other intangible assets (1)	9,998	10,152	10,270
Merger-related gain (1)	-	-	(17,684)
Merger-related expenses (1)	-	3,806	8,511
Net operating income	$160,953	150,776	128,761
Earnings per common share			
Diluted earnings per common share	$1.15	1.04	.97
Amortization of core deposit and other intangible assets (1)	.08	.09	.09
Merger-related gain (1)	-	-	(.15)
Merger-related expenses (1)	-	.03	.07
Diluted net operating earnings per common share	$1.23	1.16	.98
Other expense			
Other expense	$489,362	478,451	500,056
Amortization of core deposit and other intangible assets	(16,475)	(16,730)	(16,924)
Merger-related expenses	-	(6,264)	(14,010)
Noninterest operating expense	$472,887	455,457	469,122
Merger-related expenses			
Salaries and employee benefits	$ -	381	870
Equipment and net occupancy	-	545	1,845

Printing, postage and supplies	-	233	629
Other costs of operations	-	5,105	10,666
	---	-----	------
Total	$ -	6,264	14,010
	===	=====	======

Balance sheet data

In millions

Average assets			
Average assets	$68,883	68,919	69,154
Goodwill	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(176)	(191)	(208)
Deferred taxes	34	37	41
	---	---	---
Average tangible assets	$65,216	65,240	65,462
	=======	======	======
Average common equity			
Average total equity	$7,868	7,686	7,521
Preferred stock	(732)	(729)	(727)
	----	----	----
Average common equity	7,136	6,957	6,794
Goodwill	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(176)	(191)	(208)
Deferred taxes	34	37	41
	---	---	---
Average tangible common equity	$3,469	3,278	3,102
	======	=====	=====
At end of quarter			
Total assets			
Total assets	$68,439	68,880	68,997
Goodwill	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(167)	(182)	(199)
Deferred taxes	31	35	39
	---	---	---
Total tangible assets	$64,778	65,208	65,312
	=======	======	======
Total common equity			
Total equity	$7,916	7,753	7,612
Preferred stock	(733)	(730)	(728)
Undeclared dividends -preferred stock	(6)	(6)	(5)
	---	---	---
Common equity, net of undeclared preferred dividends	7,177	7,017	6,879
Goodwill	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(167)	(182)	(199)
Deferred taxes	31	35	39
	---	---	---
Total tangible common equity	$3,516	3,345	3,194

	Three months ended	
	June 30, 2009	March 31, 2009
	----	----
Income statement data		
In thousands, except per share		
Net income		
Net income	51,188	64,221
Amortization of core deposit and other intangible assets (1)	9,247	9,337
Merger-related gain (1)	-	-
Merger-related expenses (1)	40,370	1,476

Net operating income	100,805	75,034
Earnings per common share		
Diluted earnings per common share	.36	.49
Amortization of core deposit and other intangible assets (1)	.08	.09
Merger-related gain (1)	-	-
Merger-related expenses (1)	.35	.01
Diluted net operating earnings per common share	.79	.59
Other expense		
Other expense	563,710	438,346
Amortization of core deposit and other intangible assets	(15,231)	(15,370)
Merger-related expenses	(66,457)	(2,426)
Noninterest operating expense	482,022	420,550
Merger-related expenses		
Salaries and employee benefits	8,768	11
Equipment and net occupancy	581	4
Printing, postage and supplies	2,514	301
Other costs of operations	54,594	2,110
Total	66,457	2,426

Balance sheet data

In millions

Average assets		
Average assets	66,984	64,766
Goodwill	(3,326)	(3,192)
Core deposit and other intangible assets	(188)	(176)
Deferred taxes	30	22
Average tangible assets	63,500	61,420
Average common equity		
Average total equity	7,127	6,780
Preferred stock	(636)	(568)
Average common equity	6,491	6,212
Goodwill	(3,326)	(3,192)
Core deposit and other intangible assets	(188)	(176)
Deferred taxes	30	22
Average tangible common equity	3,007	2,866

At end of quarter

Total assets		
Total assets	69,913	64,883
Goodwill	(3,525)	(3,192)
Core deposit and other intangible assets	(216)	(168)
Deferred taxes	43	21
Total tangible assets	66,215	61,544
Total common equity		
Total equity	7,400	6,902
Preferred stock	(725)	(568)
Undeclared dividends -preferred stock	(6)	(5)
Common equity, net of undeclared preferred dividends	6,669	6,329

Goodwill	(3,525)	(3,192)
Core deposit and other intangible assets	(216)	(168)
Deferred taxes	43	21
	---	---
Total tangible common equity	2,971	2,990

(1) After any related tax effect.

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