M&T Bank Corporation Announces Third Quarter Profits

PR Newswire BUFFALO, N.Y.

BUFFALO, N.Y., Oct. 20 -- M&T Bank Corporation ("M&T")(NYSE: MTB) today reported its results of operations for the quarter ended September 30, 2010.

GAAP Results of Operations. Diluted earnings per common share measured in accordance with generally accepted accounting principles ("GAAP") for the third quarter of 2010 rose 53% to \$1.48 from \$.97 in the year-earlier quarter and were 1% above the \$1.46 earned in the second quarter of 2010. GAAP-basis net income in the recent quarter aggregated\$192 million, up from \$128 million and \$189 million in the third quarter of 2009 and the second 2010 quarter, respectively. GAAP-basis net income for the third quarter of 2010 expressed as an annualized rate of return on average assets and average common stockholders' equity was 1.12% and 9.56%, respectively, compared with .73% and 6.72%, respectively, in the year-earlier quarter and 1.11% and 9.67%, respectively, in the second quarter of 2010.

Commenting on M&T's financial results in the recent quarter, Rene F. Jones, Executive Vice President and Chief Financial Officer, noted, "Revenues and net income held up nicely this quarter and were each improved from a year-earlier, despite lower fee income from deposit service charges resulting from the recently adopted changes in regulation. Once again, credit costs remained well-controlled. Customer loan balances charged off during the recent quarter declined by \$49 million, or 34%, from last year's third quarter. This represents a welcome sign of the improvement in economic conditions relative to a year ago."

The recent quarter's earnings as compared with the third quarter of 2009 reflect higher net interest income, resulting from a widening of the net interest margin, and a lower provision for credit losses. Also contributing to the improved performance as compared with the year-earlier quarter were lower other-than-temporary impairment charges on certain available-for-sale investment securities, which after applicable tax effect totaled \$6 million and \$29 million during the quarters ended September 30, 2010 and 2009, respectively. Reflected in the results for the third quarter of 2009 were net merger-related gains o\$9 million (after-tax), or \$.08 of diluted earnings per common share, related to 2009 acquisitions. As compared with the second quarter of 2010, a recent quarter rise in mortgage banking revenues and lower other-than-temporary impairment charges on available-for-sale investment securities were partially offset by a decline in service charges on deposit accounts.

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 and gains 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 in the financial tables included herein.

Diluted net operating earnings per common share, which exclude the impact of amortization of core deposit and other intangible assets and merger-related gains and expenses, rose for the sixth consecutive quarter, totaling \$1.55 in the recent quarter, improved from \$.98 in the third quarter of 2009 and \$1.53 in the second quarter of 2010. Net operating income during the third quarter of 2010 was \$200 million, up from \$129 million and \$198 million in the third quarter of 2009 and the second quarter of 2010, respectively. Expressed as an annualized rate of return on average tangible assets and average tangible common stockholders' equity, net operating income was 1.24% and 19.58%, respectively, in the recent quarter, compared with .78% and 14.87% in the year-earlier quarter and 1.23% and 20.36% in the second quarter of 2010.

<u>Taxable-equivalent Net Interest Income.</u> Taxable-equivalent net interest income totaled \$576 million in the third quarter of 2010, up from \$553 million in the year-earlier period and \$573 million in the second quarter of 2010. The improvement in such income from the third quarter of 2009 reflects a 26 basis point widening of the net interest margin, which rose to 3.87% from 3.61%. As compared with the second quarter of 2010, a 3 basis point improvement in the recent quarter's net interest margin was partly offset by a 1% decline in average earning assets.

<u>Provision for Credit Losses/Asset Quality.</u> The provision for credit losses was\$93 million in the recent quarter, compared with \$154 million in the third quarter of 2009 and\$85 million in 2010's second quarter. Net charge-offs of loans totaled\$93 million during the third quarter of 2010, compared with \$141 million and \$82 million in the quarters ended September 30, 2009 and June 30, 2010, respectively. Expressed as an annualized percentage of average loans outstanding, net charge-offs were .73% and 1.07% in the third quarter of 2010 and 2009, respectively, and .64% in the second quarter of 2010.

Loans classified as nonaccrual totaled \$1.10 billion, or 2.16% of total loans at September 30, 2010, compared with \$1.23 billion or 2.35% a year earlier and \$1.09 billion or 2.13% at June 30, 2010. Assets taken in foreclosure of defaulted loans were \$193

million at each of June 30 and September 30, 2010, up from \$85 million at September 30, 2009. The higher level of such assets at the two most recent quarter-ends resulted from the second quarter 2010 transfer of \$98 million of collateral related to a single commercial real estate loan. The ratio of nonperforming assets to total loans plus real estate and other foreclosed assets was 2.53% at September 30, 2010, compared with 2.51% and 2.50% at September 30, 2009 and June 30, 2010, respectively.

Loans past due 90 days or more and accruing interest totaled\$215 million at the end of the recent quarter, including loans guaranteed by government-related entities of \$194 million. Such past due loans were \$183 million and \$203 million at September 30, 2009 and June 30, 2010, respectively, including \$173 million and \$188 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 for credit losses was \$895 million at each of June 30 and September 30, 2010, compared with \$868 million at September 30, 2009. That allowance expressed as a percentage of outstanding loans was 1.76% at the recent quarter-end, compared with 1.66% at September 30, 2009 and 1.75% at June 30, 2010. 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 carry-over of the acquired entity's allowance for credit losses. Excluding amounts related to loans obtained in 2009 acquisition transactions, the allowance-to-legacy loan ratio was 1.86% at the two most recent quarter-ends, compared with 1.81% at September 30, 2009.

Noninterest Income and Expense. Noninterest income totaled \$290 million in the recent quarter, compared with\$278 million and \$274 million in the third quarter of 2009 and the second quarter of 2010, respectively. Reflected in those amounts were net losses from investment securities of \$8 million, \$47 million and \$22 million, each predominantly due to other-than-temporary impairment charges. During each of those quarters, such charges reflected write-downs of certain of M&T's holdings of privately issued collateralized mortgage obligations and collateralized debt obligations backed by pooled trust preferred securities. In addition, during 2010's second quarter, other-than-temporary impairment charges included a \$12 million write-down of American Depositary Shares of Allied Irish Banks, p.l.c., which were obtained in M&T's acquisition of Allfirst Financial Inc. in 2003. Excluding gains and losses from investment securities and a pre-tax merger-related gain of \$29 million in the third quarter of 2009, noninterest income in the third quarter of 2010 aggregated \$298 million, up from \$296 million in each of the third quarter of 2009 and the second 2010 quarter. The higher level of noninterest income in the recent quarter resulted largely from higher mortgage banking revenues that were largely offset by declines in service charges on deposit accounts. The lower level of deposit service charge revenues was attributable to new regulations that went into effect July 1, 2010 for new customers and August 15, 2010 for pre-existing customers. Such regulations require depositors to elect to be subject to fees for certain deposit account services.

Noninterest expense in the third quarter of 2010 aggregated\$480 million, compared with\$500 million in the year-earlier quarter and \$476 million in the second quarter of 2010. 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 \$467 million in the recent quarter, compared with\$469 million in the third quarter of 2009 and \$461 million in 2010's second quarter.

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 merger-related expenses and gains), measures the relationship of operating expenses to revenues. M&T's efficiency ratio was 53.4% in the recent quarter, compared with 55.2% and 53.1% in the year-earlier quarter and the second quarter of 2010, respectively.

Balance Sheet. M&T had total assets of \$68.2 billion at September 30, 2010, compared with \$69.0 billion at September 30, 2009. Loans and leases, net of unearned discount, were \$50.8 billion at September 30, 2010, down 3% from \$52.2 billion a year earlier. Total deposits aggregated \$48.7 billion at the recent quarter-end, up 4% from \$46.9 billion at September 30, 2009. Reflecting a \$1.9 billion or 15% increase in noninterest-bearing deposits, deposits at domestic offices rose \$2.5 billion, or 5%, to \$48.0 billion at the recent quarter-end from \$45.5 billion at September 30, 2009.

Total stockholders' equity rose 8% to \$8.2 billion at September 30, 2010 from \$7.6 billion a year earlier, representing 12.06% and 11.03%, respectively, of total assets. Common stockholders' equity was \$7.5 billion, or \$62.69 per share, at September 30, 2010, compared with \$6.9 billion, or \$58.22 per share, at September 30, 2009. Tangible equity per common share rose to \$32.23 at September 30, 2010 from \$27.03 at September 30, 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. M&T's tangible common equity to tangible assets ratio was 5.96% at September 30, 2010, compared with 4.89% and 5.75% at September 30, 2009 and June 30, 2010, respectively.

Allied Irish Banks, p.l.c. initiated steps in early October to divest its holdings of M&T common shares. In a public offering, 26.7 million of Contingent Mandatorily Exchangeable Notes, each note exchangeable for one share of M&T common stock, were sold in a single day. The notes were distributed directly to one hundred twenty-three institutional investors as well as through

retail delivery channels.

Conference Call. Investors will have an opportunity to listen to M&T's conference call to discuss third quarter financial results today at 10:30 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 #17941643. The conference call will be webcast live on M&T's website at http://ir.mandtbank.com/conference.cfm. A replay of the call will be available untilFriday, October 22, 2010 by calling (800)642-1687, or (706)645-9291 for international participants, and by making reference to ID #17941643. The event will also be archived and available by 6:00 p.m. today on M&T's website at http://ir.mandtbank.com/conference.cfm.

M&T is a bank holding company headquartered in Buffalo, New York. M&T's banking subsidiaries, M&T Bank and M&T Bank, National Association, operate retail and commercial bank branches in New York, Pennsylvania, Maryland, Virginia, West Virginia, Delaware, New Jersey, the District of Columbia and Ontario, Canada.

<u>Forward-Looking Statements.</u> 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 capital requirements; 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.

M&T BANK CORPORATION Financial Highlights

	Three mor	nths ended		Nine month	s ended	
Amounts in thousands,	 Septer	nber 30				
except per share	2010	2009	Change	2010	2009	Change
<u>Performance</u>						
Net income	\$ 192,015	127,664	50 % \$	531,719	243,073	119%
Net income available to common equity	179,306	115,143	56	493,735	211,429	134
Per common share:						
Basic earnings	\$ 1.49	.97	54 % \$	4.12	1.84	124%
Diluted earnings	1.48	.97	53	4.10	1.84	123
Cash dividends	\$.70	.70	- \$	2.10	2.10	-
Common shares outstanding:						
Average - diluted (1)	119,155	117,547	1 %	118,766	113,800	4%
Period end (2)	119,435	118,156	1	119,435	118,156	1

Return on	(annualized)	

Average total assets	1.12 %	.73 %		1.04 %	.49 %	
Average common stockholders' equity	9.56 %	6.72 %		9.05 %	4.35 %	
Taxable-equivalent net interest income	\$ 575,733	553,450	4 % \$	1,711,322	1,512,971	13%
Yield on average earning assets	4.65 %	4.60 %		4.62 %	4.62 %	
Cost of interest-bearing liabilities	1.03 %	1.26 %		1.04 %	1.49 %	
Net interest spread	3.62 %	3.34 %		3.58 %	3.13 %	
Contribution of interest-free funds	.25 %	.27 %		.25 %	.28 %	
Net interest margin	3.87 %	3.61 %		3.83 %	3.41 %	
Net charge-offs to average total						
net loans (annualized)	.73 %	1.07 %		.70 %	1.00 %	
Net operating results (3)						
Net operating income	\$ 200,225	128,761	56 % \$	558,930	304,600	83%
Diluted net operating earnings per common share	1.55	.98	58	4.33	2.37	83
Return on (annualized):						
Average tangible assets	1.24 %	.78 %		1.16 %	.64 %	
Average tangible common equity	19.58 %	14.87 %		19.13 %	12.19 %	
Efficiency ratio	53.40 %	55.21 %		54.10 %	57.90 %	

Αι	Sepi	embe	1 30

Loan quality	2010	2009	Change
Nonaccrual loans	\$ 1,099,560	1,228,341	-10 %
Real estate and other foreclosed assets	 192,600	84,676	127 %
Total nonperforming assets	\$ 1,292,160	1,313,017	-2 %
Accruing loans past due 90 days or more	\$ 214,769	182,750	18 %
Renegotiated loans	\$ 233,671	190,917	22 %
Government guaranteed loans included in totals			
above:			
Nonaccrual loans	\$ 38,232	38,590	-1 %
Accruing loans past due 90 days or more	194,223	172,701	12 %
Purchased impaired loans (4):			
Outstanding customer balance	\$ 113,964	209,138	-46 %
Carrying amount	52,728	108,058	-51 %
Nonaccrual loans to total net loans	2.16 %	2.35 %	
Allowance for credit losses to:			
Legacy loans	1.86 %	1.81 %	
Total loans	1.76 %	1.66 %	

⁽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.

				Three months en	ded	
Amounts in thousands,		September 30,	June 30,	March 31,	December 31,	September 30,
except per share		2010	2010	2010	2009	2009
	_					
<u>Performance</u>						
Net income	\$	192,015	188,749	150,955	136,818	127,664
Net income available to common equity		179,306	176,088	138,341	124,251	115,143
Per common share:						
Basic earnings	\$	1.49	1.47	1.16	1.05	.97
Diluted earnings		1.48	1.46	1.15	1.04	.97
Cash dividends	\$.70	.70	.70	.70	.70
Common shares outstanding:						
Average - diluted (1)		119,155	118,878	118,256	117,672	117,547
Period end (2)		119,435	119,161	118,823	118,298	118,156
Return on (annualized):						
Average total assets		1.12 %	1.11			
Average common stockholders' equity		9.56 %	9.67	% 7.86	% 7.09 %	6.72 %
Taxable-equivalent net interest income	\$	575,733	573,332	562,257	564,606	553,450
Yield on average earning assets		4.65 %	4.63			
Cost of interest-bearing liabilities		1.03 %	1.04			
Net interest spread		3.62 %	3.59			
Contribution of interest-free funds		.25 %	.25			
Net interest margin		3.87 %	3.84	% 3.78	% 3.71 %	3.61 %
Net charge offe to group as total						
Net charge-offs to average total net loans (annualized)		.73 %	.64	% .74	% 1.03 %	1.07
net loans (annualized)		.75 /6	.04	/0 ./4	76 1.03 76	1.07
Net operating results (3)						
Net operating income	\$	200,225	197,752	160,953	150,776	128,761
Diluted net operating earnings per common share		1.55	1.53	1.23	1.16	.98
Return on (annualized):				20		
Average tangible assets		1.24 %	1.23	% 1.00	% .92 %	.78 %
Average tangible common equity		19.58 %	20.36			
Efficiency ratio		53.40 %	53.06			
- · · · · · · · · · · · · · · · · · · ·						

		September 30,	June 30,	March 31,	December 31,	September 30,
Loan quality		2010	2010	2010	2009	2009
Nonaccrual loans	\$	1,099,560	1,090,135	1,339,992	1,331,702	1,228,341
Real estate and other foreclosed assets		192,600	192,631	95,362	94,604	84,676
Total nonperforming assets	\$	1,292,160	1,282,766	1,435,354	1,426,306	1,313,017
	_					
Accruing loans past due 90 days or more	\$	214,769	203,081	203,443	208,080	182,750

Renegotiated loans	\$ 233,671	228,847	220,885	212,548	190,917
Government guaranteed loans included in totals					
above:					
Nonaccrual loans	\$ 38,232	40,271	37,048	38,579	38,590
Accruing loans past due 90 days or more	194,223	187,682	194,523	193,495	172,701
Purchased impaired loans (4):					
Outstanding customer balance	\$ 113,964	130,808	148,686	172,772	209,138
Carrying amount	52,728	61,524	73,890	88,170	108,058
Nonaccrual loans to total net loans	2.16 %	2.13 %	2.60 %	2.56 %	2.35%
Allowance for credit losses to:					
Legacy loans	1.86 %	1.86 %	1.86 %	1.83 %	1.81%
Total loans	1.76 %	1.75 %	1.73 %	1.69 %	1.66%

⁽¹⁾ Includes common stock equivalents.

M&T BANK CORPORATION

Condensed Consolidated Statement of Income

		Three mon	ths ended			Nine mont	hs ended	
		Septem	ber 30			Septem	ber 30	
Dollars in thousands		2010	2009	Change	_	2010	2009	Change
Interest income	\$	685,900	700,593	-2	% \$	2,047,070	2,032,528	1 %
Interest expense		116,032	152,938	-24	_	353,641	535,499	-34
Net interest income		569,868	547,655	4		1,693,429	1,497,029	13
Provision for credit losses	_	93,000	154,000	-40	_	283,000	459,000	-38
Net interest income after								
provision for credit losses		476,868	393,655	21		1,410,429	1,038,029	36
Other income								
Mortgage banking revenues		61,052	48,169	27		149,612	157,385	-5
Service charges on deposit accounts		117,733	128,502	-8		367,004	342,010	7
Trust income		30,485	31,586	-3		91,582	98,908	-7
Brokerage services income		12,127	14,329	-15		38,021	43,215	-12
Trading account and foreign exchange gains		6,035	7,478	-19		14,531	16,456	-12
Gain (loss) on bank investment securities		1,440	(56)	-		1,909	811	-
Other-than-temporary impairment losses								
recognized in earnings		(9,532)	(47,033)	-		(58,714)	(104,001)	-
Equity in earnings of Bayview Lending Group LLC		(6,460)	(10,912)	-		(18,353)	(15,263)	-
Other revenues from operations		77,019	106,163	-27		235,570	242,695	-3
Total other income		289,899	278,226	4		821,162	782,216	5
Other expense								
Salaries and employee benefits		246,389	255,449	-4		756,296	754,793	-

⁽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.

Equipment and net occupancy	54,353	58,195	-7	165,185	157,688	5
Printing, postage and supplies	7,820	8,229	-5	25,412	28,878	-12
Amortization of core deposit and other						
intangible assets	13,526	16,924	-20	44,834	47,525	-6
FDIC assessments	18,039	21,124	-15	60,995	76,617	-20
Other costs of operations	140,006	140,135	-	392,841	436,611	-10
Total other expense	480,133	500,056	-4	1,445,563	1,502,112	-4
Income before income taxes	286,634	171,825	67	786,028	318,133	147
Applicable income taxes	94,619	44,161	114	254,309	75,060	239
					· · · · · · · · · · · · · · · · · · ·	
Net income	\$ 192,015	127,664	50 %	\$ 531,719	243,073	119 %

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

Three months ended September 30, June 30, March 31, December 31, September 30, Dollars in thousands 2010 2010 2010 2009 2009 Interest income \$ 685,900 684,784 676,386 692,669 700,593 116,032 117,557 120,052 133,950 152,938 Interest expense Net interest income 569,868 567,227 556,334 558,719 547,655 145,000 Provision for credit losses 93,000 85,000 105,000 154,000 Net interest income after 476,868 482,227 451,334 413,719 393,655 provision for credit losses Other income 41,476 50,176 61,052 47,084 48,169 Mortgage banking revenues Service charges on deposit accounts 117,733 128,976 120,295 127,185 128,502 Trust income 30,485 30,169 30,928 29,660 31,586 Brokerage services income 12,127 12,788 13,106 14,396 14,329 Trading account and foreign exchange gains 6,035 3,797 4,699 6,669 7,478 1,440 10 459 354 (56) Gain (loss) on bank investment securities Other-than-temporary impairment losses recognized in earnings (9,532)(22,380)(26,802)(34,296)(47,033)Equity in earnings of Bayview Lending Group LLC (5,714)(10,635)(10,912)(6,460)(6,179)Other revenues from operations 77,019 79,292 79,259 82,381 106,163 Total other income 289,899 273,557 257,706 265,890 278,226 Other expense Salaries and employee benefits 246,389 245,861 264,046 247,080 255,449 54,353 55,431 55,401 53,703 58,195 Equipment and net occupancy Printing, postage and supplies 7,820 8,549 9,043 9,338 8,229 Amortization of core deposit and other intangible assets 13,526 14,833 16,475 16,730 16,924 FDIC assessments 18,039 21,608 21,348 19,902 21,124 140,006 Other costs of operations 129,786 123,049 131,698 140,135 480,133 476,068 489,362 478,451 500,056 Total other expense 279,716 201,158 171,825 Income before income taxes 286,634 219,678 Applicable income taxes 94,619 90,967 68,723 64,340 44,161

Net income	\$ 192,015	188,749	150,955	136,818	127,664

M&T BANK CORPORATION Condensed Consolidated Balance Sheet

		September	30	
Dollars in thousands		2010	2009	Change
SSETS				
Cash and due from banks	\$	1,070,625	1,356,508	-21
nterest-bearing deposits at banks		401,624	54,443	638
ederal funds sold and agreements				
to resell securities		443,700	17,206	-
Frading account assets		536,702	497,064	8
nvestment securities		7,662,715	7,634,262	_
		755 7	,,,,	
Loans and leases:				
Commercial, financial, etc		12,788,136	13,517,538	-5
Real estate - commercial		20,580,450	21,007,376	-2
Real estate - consumer		5,754,432	5,427,260	6
Consumer		11,668,540	12,251,598	-5
Total loans and leases, net of unearned discount		50,791,558	52,203,772	-3
Less: allowance for credit losses		894,720	867,874	3
Net loans and leases		49,896,838	51,335,898	-3
Goodwill		3,524,625	3,524,625	-
Core deposit and other intangible assets		139,186	199,148	-30
ore deposit and offer intangue assets		139,100	199,140	-50
Other assets		4,570,822	4,378,296	4
Total assets	\$	68,246,837	68,997,450	-1
	_			
IABILITIES AND STOCKHOLDERS' EQUITY				
Noninterest-bearing deposits at U.S. offices	\$	14,665,603	12,730,083	15
torimorest bearing deposits at 0.0. Unices	Ψ	14,000,000	12,700,000	10
Other deposits at U.S. offices		33,335,104	32,813,698	2
Deposits at foreign office		653,916	1,318,070	-50
Total deposits		48,654,623	46,861,851	4
Short-term borrowings		1,211,683	2,927,268	-59
Accrued interest and other liabilities		1,157,250	1,241,576	-7
ong-term borrowings		8,991,508	10,354,392	-13

Total liabilities	60,015,064	61,385,087	-2
Stockholders' equity:			
Preferred	737,979	727,748	1
Common (1)	7,493,794	6,884,615	9
Total stockholders' equity	 8,231,773	7,612,363	8
Total liabilities and stockholders' equity	\$ 68,246,837	68,997,450	-1 %

⁽¹⁾ Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$192.6 million at September 30, 2010 and \$419.3 million at September 30, 2009.

M&T BANK CORPORATION

Condensed Consolidated Balance Sheet, Five Quarter Trend

	9	September 30,	June 30,	March 31,	December 31,	September 30,	
Dollars in thousands		2010	2010	2010	2009	2009	
ASSETS							
Cash and due from banks	\$	1,070,625	1,045,886	1,033,269	1,226,223	1,356,508	
Interest-bearing deposits at banks		401,624	117,826	121,305	133,335	54,443	
Federal funds sold and agreements							
to resell securities		443,700	10,000	10,400	20,119	17,206	
Trading account assets		536,702	487,692	403,476	386,984	497,064	
Investment securities		7,662,715	8,097,572	8,104,646	7,780,609	7,634,262	
Loans and leases:							
Commercial, financial, etc		12,788,136	13,017,598	13,220,181	13,479,447	13,517,538	
Real estate - commercial		20,580,450	20,612,905	20,724,118	20,949,931	21,007,376	
Real estate - consumer		5,754,432	5,729,126	5,664,159	5,463,463	5,427,260	
Consumer		11,668,540	11,701,657	11,835,583	12,043,845	12,251,598	
Total loans and leases, net of unearned discount		50,791,558	51,061,286	51,444,041	51,936,686	52,203,772	
Less: allowance for credit losses		894,720	894,667	891,265	878,022	867,874	
					_	_	
Net loans and leases		49,896,838	50,166,619	50,552,776	51,058,664	51,335,898	
Goodwill		3,524,625	3,524,625	3,524,625	3,524,625	3,524,625	
Core deposit and other intangible assets		139,186	152,712	167,545	182,418	199,148	
Other assets		4,570,822	4,550,684	4,521,180	4,567,422	4,378,296	
Total assets	\$	68,246,837	68,153,616	68,439,222	68,880,399	68,997,450	
	_						

Noninterest-bearing deposits at U.S. offices	\$ 14,665,603	13,960,723	13,622,819	13,794,636	12,730,083
Other deposits at U.S. offices	33,335,104	33,010,520	33,125,761	32,604,764	32,813,698
Deposits at foreign office	 653,916	551,428	789,825	1,050,438	1,318,070
Total deposits	48,654,623	47,522,671	47,538,405	47,449,838	46,861,851
Short-term borrowings	1,211,683	2,158,957	1,870,763	2,442,582	2,927,268
Accrued interest and other liabilities	1,157,250	1,114,615	1,048,473	995,056	1,241,576
Long-term borrowings	 8,991,508	9,255,529	10,065,894	10,240,016	10,354,392
Total liabilities	60,015,064	60,051,772	60,523,535	61,127,492	61,385,087
Stockholders' equity:					
Preferred	737,979	735,350	732,769	730,235	727,748
Common (1)	 7,493,794	7,366,494	7,182,918	7,022,672	6,884,615
Total stockholders' equity	8,231,773	8,101,844	7,915,687	7,752,907	7,612,363
Total liabilities and stockholders' equity	\$ 68,246,837	68,153,616	68,439,222	68,880,399	68,997,450

⁽¹⁾ Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$192.6 million at September 30, 2010, \$197.2 million at June 30, 2010, \$255.2 million at March 31, 2010, \$336.0 million at December 31, 2009 and \$419.3 million at September 30, 2009.

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

	Three months ended						Change in	Nine months ended					
	Septen	nber 30,	Septeml	September 30,		June 30, Septe		September 30, 2010 from		September 30			
	20	10	200	09	20	10	September 30,	June 30,	201	10	200	19	Change in
	Balanc	e Rate	Balance	Rate	Balance	Rate	2009	2010	Balance	Rate	Balance	Rate	<u>balance</u>
ASSETS													
Interest-bearing deposits at banks	\$ 92	.15	% 66	.04	% 81	.02	% 41 %	14 %	\$ 100	.06	% 43	.06	% 134%
Federal funds sold and agreements													
to resell securities	64	.26	11	.58	10	.41	457	531	33	.27	62	.25	-47
Trading account assets	82	.65	83	.82	66	.96	-1	23	69	.79	92	.76	-24
							_	_					
Investment securities	7,993	4.16	8,420	4.81	8,376	4.27	-5	-5	8,180	4.29	8,472	4.84	-3
Loans and leases, net of unearned discount													
Commercial, financial, etc	12,856	3 97	13,801	3.78	13,096	4.03	-7	-2	13,118	3 96	13,965	3 76	-6
Real estate - commercial.	20,612				20,759		-1	-1	20,745		19,793		5
Real estate - consumer	•	5.30	5,429		5,653		5	-	5,691		5,243		9
Consumer	11,687		12,247		11,770		-5	-1	11,795		11,578		2
Total loans and leases, net	50,835	4.74	52,320	4.58	51,278	4.71	-3	-1	51,349	4.69	50,579	4.60	2
		_		_		_				_		_	
Total earning assets	59,066	4.65	60,900	4.60	59,811	4.63	-3	-1	59,731	4.62	59,248	4.62	1

Goodwill	3,525		3,525		3,525		-	-	3,525		3,349		5
Core deposit and other intangible assets	146		208		160		-30	-9	160		191		-16
3													
Other assets	5,074		4,521		4,838		12	5	4,923	_	4,196		17
Total assets	\$ 67,811	•	69,154		68,334		-2 %	-1 %	\$ 68,339	=	66,984	=	2%
LIABILITIES AND STOCKHOLDERS' EQUITY													
Interest-bearing deposits													
NOW accounts	\$ 592	.15	541	.21	619 .14		9 %	-4 %	\$ 599	.14	531	.22	13%
Savings deposits	26,177	.33	23,367	.37	25,942 .33		12	1	25,733	.33	22,358	.54	15
Time deposits	6,312	1.46	9,246	2.17	6,789 1.55		-32	-7	6,767	1.56	8,943	2.49	-24
Deposits at foreign office	802	.16	1,444	.13	972 .16		-44	-18	1,002	.14	1,788	.15	-44
Total interest-bearing deposits	33,883	.53	34,598	.84	34,322 .56		-2	-1	34,101	.56	33,620	1.03	1
Short-term borrowings	1,858	.16	2,663	.26	1,763 .17		-30	5	1,994	.16	3,114	.26	-36
Long-term borrowings	8,948	3.10	11,008	2.80	9,454 2.91		-19	-5	9,516	2.91	11,376	3.17	-16
Total interest-bearing liabilities	44,689	1.03	48,269	1.26	45,539 1.04		-7	-2	45,611	1.04	48,110	1.49	-5
Noninterest-bearing deposits	13,647		12,122		13,610		13	-	13,518		10,416		30
Other liabilities	1,294		1,242		1,149		4	13	1,180		1,313		-10
Total liabilities	59,630		61,633		60,298		-3	-1	60,309		59,839		1
Stockholders' equity	8,181		7,521		8,036		9	2	8,030		7,145		12
		•	<u> </u>		 _				<u> </u>	•		_	
Total liabilities and stockholders' equity	\$ 67,811		69,154		68,334		-2 %	-1 %	\$ 68,339	=	66,984	=	2%
Net interest spread		3.62		3.34	3.59					3.58		3.13	
Contribution of interest-free funds		.25		.27	.25					.25		.28	
Net interest margin		3.87	%	3.61	% 3.84	%				3.83	%	3.41	%

M&T BANK CORPORATION Reconciliation of Quarterly GAAP to Non-GAAP Measures

Amortization of core deposit and other

Three months ended Nine months ended September 30 September 30 2010 2009 2010 2009 Income statement data In thousands, except per share Net income 127,664 243,073 \$ 192,015 \$ 531,719 Net income Amortization of core deposit and other intangible assets (1) 8,210 10,270 27,211 28,854 (17,684) (17,684) Merger-related gain (1) Merger-related expenses (1) 8,511 50,357 200,225 558,930 304,600 128,761 Net operating income Earnings per common share 4.10 1.84 Diluted earnings per common share 1.48 .97

		07	00		00	0.5
intangible assets (1)		.07	.09		.23	.25
Merger-related gain (1)		-	(.15)		-	(.15)
Merger-related expenses (1)			.07	_	- 4.00	.43
Diluted net operating earnings per common share	\$ <u></u>	1.55	.98	\$	4.33	2.37
Other expense						
Other expense	\$	480,133	500,056	\$	1,445,563	1,502,112
Amortization of core deposit and other						
intangible assets		(13,526)	(16,924)		(44,834)	(47,525)
Merger-related expenses		-	(14,010)	_	<u> </u>	(82,893)
Noninterest operating expense	\$	466,607	469,122	\$	1,400,729	1,371,694
Merger-related expenses						
Salaries and employee benefits	\$	-	870	\$	-	9,649
Equipment and net occupancy		-	1,845		-	2,430
Printing, postage and supplies		-	629		-	3,444
Other costs of operations		-	10,666		<u> </u>	67,370
Total	\$	-	14,010	\$	-	82,893
				_		
Balance sheet data						
In millions						
Average assets						
Average assets	\$	67,811	69,154	\$	68,339	66,984
Goodwill	•	(3,525)	(3,525)	•	(3,525)	(3,349)
Core deposit and other intangible assets		(146)	(208)		(160)	(191)
Deferred taxes		27	41		30	31
Average tangible assets	\$	64,167	65,462	\$	64,684	63,475
	Φ	04,107	03,402	Ψ	04,004	00,470
Average common equity	^	0.404	7.504	•	0.000	7.145
Average total equity	\$	8,181	7,521	\$	8,030	7,145
Preferred stock		(737)	(727)	_	(735)	(644)
Average common equity		7,444	6,794		7,295	6,501
Goodwill		(3,525)	(3,525)		(3,525)	(3,349)
Core deposit and other intangible assets		(146)	(208)		(160)	(191)
Deferred taxes		27	41	_	30	31
Average tangible common equity	\$	3,800	3,102	\$	3,640	2,992
At end of quarter						
Total assets						
Total assets	\$	68,247	68,997			
Goodwill		(3,525)	(3,525)			
Core deposit and other intangible assets		(139)	(199)			
Deferred taxes		26	39			
Total tangible assets	\$	64,609	65,312			
Total common equity						
Total equity	\$	8,232	7,612			
Preferred stock		(738)	(728)			
Undeclared dividends - preferred stock		(6)	(5)			
Common equity, net of undeclared						
preferred dividends		7,488	6,879			
Goodwill		(3,525)	(3,525)			
Core deposit and other intangible assets		(139)	(199)			
Deferred taxes		26	39			
Total tangible common equity	\$	3,850	3,194			
Total targible common equity	Φ	0,000	5,134			

(1) After any related tax effect.

		September 30,	June 30,	March 31,	December 31,	September 30,	
		2010	2010	2010	2009	2009	
ncome statement data		2010	2010	2010	2009	2009	
n thousands, except per share							
Net income							
Net income	\$	192,015	188,749	150,955	136,818	127,66	
Amortization of core deposit and other	Ψ	192,015	100,749	150,955	130,010	127,00	
intangible assets (1)		8,210	9,003	9,998	10,152	10,27	
		0,210	9,003	5,550	10,132		
Merger-related gain (1) Merger-related expenses (1)		-	-	-	3,806	(17,68 8,51	
	<u> </u>	200,225	197,752	160,953	150,776	128,76	
Net operating income	Φ	200,225	197,732	100,933	130,770	120,70	
Earnings per common share	•	4.40	4.40		4.04		
Diluted earnings per common share	\$	1.48	1.46	1.15	1.04	2.	
Amortization of core deposit and other							
ntangible assets (1)		.07	.07	.08	.09).	
Merger-related gain (1)		-	-	-	-	(.1	
Merger-related expenses (1)			-		.03	.(
Diluted net operating earnings per common share	\$	1.55	1.53	1.23	1.16	<u> </u>	
Other expense							
Other expense	\$	480,133	476,068	489,362	478,451	500,05	
amortization of core deposit and other							
intangible assets		(13,526)	(14,833)	(16,475)	(16,730)	(16,92	
Merger-related expenses			-		(6,264)	(14,01	
Noninterest operating expense	\$	466,607	461,235	472,887	455,457	469,12	
Merger-related expenses							
Salaries and employee benefits	\$	-	-	-	381	87	
equipment and net occupancy		-	-	-	545	1,84	
Printing, postage and supplies		-	-	-	233	62	
Other costs of operations		_	-	_	5,105	10,66	
Total	\$	-	-		6,264	14,01	
	· <u>-</u>						
Balance sheet data							
n millions							
Average assets							
Average assets	\$	67,811	68,334	68,883	68,919	69,15	
Goodwill		(3,525)	(3,525)	(3,525)	(3,525)	(3,52	
Core deposit and other intangible assets		(146)	(160)	(176)	(191)	(20	
Deferred taxes		27	30	34	37	2	
Average tangible assets	\$	64,167	64,679	65,216	65,240	65,46	
Average common equity							
verage total equity	\$	8,181	8,036	7,868	7,686	7,52	
Preferred stock	•	(737)	(734)	(732)	(729)	(72	
Average common equity		7,444	7,302	7,136	6,957	6,79	
Goodwill		(3,525)	(3,525)	(3,525)	(3,525)	(3,52	
Core deposit and other intangible assets		(146)	(160)	(176)	(191)	(20	
deferred taxes		27	30	34	37	(20	
Average tangible common equity	\$	3,800	3,647	3,469	3,278	3,10	
Average tangine common equity	Ψ	0,000	3,047	5,405	0,270	3,10	
at end of quarter							
Total assets							
otal assets	\$	68,247	68,154	68,439	68,880	68,99	
Goodwill		(3,525)	(3,525)	(3,525)	(3,525)	(3,52	

Deferred taxes	 26	28	31	35	39
Total tangible assets	\$ 64,609	64,505	64,778	65,208	65,312
Total common equity					
Total equity	\$ 8,232	8,102	7,916	7,753	7,612
Preferred stock	(738)	(735)	(733)	(730)	(728)
Undeclared dividends - preferred stock Common equity, net of undeclared	 (6)	(7)	(6)	(6)	(5)
preferred dividends	7,488	7,360	7,177	7,017	6,879
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(139)	(152)	(167)	(182)	(199)
Deferred taxes	 26	28	31	35	39
Total tangible common equity	\$ 3,850	3,711	3,516	3,345	3,194

⁽¹⁾ After any related tax effect.

Media Contact:

C. Michael Zabel

(716) 842-5385

Investor Contact:

Donald J. MacLeod

(716) 842-5138

https://newsroom.mtb.com/2010-10-20-M-T-Bank-Corporation-Announces-Third-Quarter-Profits