

## M&T Bank Corporation Announces 2010 Fourth Quarter and Full-Year Profits

PR Newswire  
BUFFALO, N.Y.

BUFFALO, N.Y., Jan. 14, 2011-- M&T Bank Corporation ("M&T") (NYSE: MTB) today reported its results of operations for 2010.

**GAAP Results of Operations.** Diluted earnings per common share measured in accordance with generally accepted accounting principles ("GAAP") rose 53% to \$1.59 in the fourth quarter of 2010 from \$1.04 in the fourth quarter of 2009 and were 7% higher than \$1.48 in the third quarter of 2010. GAAP-basis net income in the recent quarter totaled \$204 million, up from \$137 million and \$192 million in the year-earlier quarter and the third quarter of 2010, respectively. Expressed as an annualized rate of return on average assets and average common shareholders' equity, GAAP-basis net income for the fourth quarter of 2010 was 1.18% and 10.03%, respectively, compared with .79% and 7.09%, respectively, in the corresponding quarter of 2009 and 1.12% and 9.56%, respectively, in the third quarter of 2010.

The recent quarter's earnings as compared with the fourth quarter of 2009 reflect higher net interest income, resulting from a widening of the net interest margin, and a significantly lower provision for credit losses. As compared with the third quarter of 2010, a 2% decline in noninterest operating expenses and a lower provision for credit losses contributed to the recent quarter's improved performance.

Diluted earnings per common share for the year ended December 31, 2010 were \$5.69, up 97% from \$2.89 for the year ended December 31, 2009. Net income for 2010 and 2009 was \$736 million and \$380 million, respectively. Expressed as a rate of return on average assets and average common shareholders' equity, net income was 1.08% and 9.30%, respectively, in 2010, compared with .56% and 5.07%, respectively, in 2009.

Reflecting on M&T's financial results, Rene F. Jones, Executive Vice President and Chief Financial Officer, noted, "M&T recorded strong fourth quarter results, capping off a successful year. We were encouraged by the level of our credit costs, which remained well below recent industry experience, and by late fourth quarter growth in our commercial loan and commercial real estate loan portfolios, which were up a combined \$1.2 billion from September 30. Average deposits also rose by \$1.7 billion, or 4%, from the third quarter. Capital generation remained robust as evidenced by our tangible common equity ratio, which rose to 6.19% at the 2010 year-end. Also noteworthy, during the recent quarter we completed the FDIC-assisted acquisition transaction with K Bank and announced our planned merger with Wilmington Trust. We are pleased with the progress achieved to date on those transactions."

**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 gains 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 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, were \$1.52 in the recent quarter, compared with \$1.16 in the corresponding 2009 period and \$1.55 in the third quarter of 2010. Net operating income for the fourth quarters of 2010 and 2009 was \$196 million and \$151 million, respectively, compared with \$200 million in the third quarter of 2010. For the three months ended December 31, 2010, net operating income expressed as an annualized rate of return on average tangible assets and average tangible common shareholders' equity was 1.20% and 18.43%, respectively, compared with .92% and 16.73% in the similar period of 2009 and 1.24% and 19.58%, respectively, in the third quarter of 2010.

Diluted net operating earnings per common share rose 65% to \$5.84 in 2010 from \$3.54 in 2009. Net operating income for 2010 and 2009 aggregated \$755 million and \$455 million, respectively. Net operating income in 2010 expressed as a rate of return on average tangible assets and average tangible common shareholders' equity was 1.17% and 18.95%, respectively, compared with .71% and 13.42%, respectively, in 2009.

**Taxable-equivalent Net Interest Income.** Taxable-equivalent net interest income increased 3% to \$580 million in the fourth quarter of 2010 from \$565 million in the year-earlier quarter, and was up an annualized 3% from \$576 million in the third quarter of 2010. The growth in such income in the recent quarter as compared with the fourth quarter of 2009 reflects a widening of the net interest margin, which improved to 3.85% from 3.71%, partially offset by a 1% decline in average earning assets. Net interest income on a taxable-equivalent basis aggregated \$2.29 billion for the full-year of 2010, 10% higher than \$2.08 billion in 2009. That improvement resulted from lower market interest rates on deposits and borrowings that led to a 35 basis point

widening of the net interest margin to 3.84% in the recent year from 3.49% in 2009.

Provision for Credit Losses/Asset Quality. The provision for credit losses was \$85 million during the recently completed quarter, compared with \$145 million in the corresponding 2009 period and \$93 million in the third quarter of 2010. Net charge-offs of loans were \$77 million in the fourth quarter of 2010, representing an annualized .60% of average loans outstanding, improved from \$135 million or 1.03% in the year-earlier quarter and \$93 million or .73% in 2010's third quarter. The provision for credit losses declined 39% to \$368 million for the year ended December 31, 2010 from \$604 million in 2009. Net loan charge-offs in 2010 totaled \$346 million, or .67% of average loans outstanding, compared with \$514 million or 1.01% of average loans in 2009.

Loans classified as nonaccrual totaled \$1.24 billion, or 2.38% of total loans at December 31, 2010, improved from \$1.33 billion or 2.56% a year earlier, but up from \$1.10 billion or 2.16% at September 30, 2010. The increase in nonaccrual loans from September 30, 2010 to December 31, 2010 was due to the additions to nonaccrual status of two commercial real estate relationships. The ratio of nonperforming assets to total loans plus real estate and other foreclosed assets was 2.79% at December 31, 2010, compared with 2.74% and 2.53% at December 31, 2009 and September 30, 2010, respectively.

Loans past due 90 days or more and accruing interest totaled \$270 million at the recent year-end, including loans guaranteed by government-related entities of \$214 million. Such past due loans were \$208 million and \$215 million at December 31, 2009 and September 30, 2010, respectively, including \$193 million and \$194 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 \$903 million at December 31, 2010, increased from \$878 million a year earlier and \$895 million at September 30, 2010. That allowance expressed as a percentage of outstanding loans was 1.74% at the recent quarter-end, compared with 1.69% at December 31, 2009 and 1.76% at September 30, 2010. 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 an allowance for credit losses. Excluding amounts related to loans obtained in 2009 and 2010 acquisition transactions, the allowance-to-legacy loan ratio was 1.82% and 1.83% at December 31, 2010 and 2009, respectively, and 1.86% at September 30, 2010.

Noninterest Income and Expense. Noninterest income totaled \$287 million in the recent quarter, compared with \$266 million and \$290 million in the fourth quarter of 2009 and the third quarter of 2010, respectively. Reflected in those amounts were net losses from investment securities of \$27 million, \$34 million and \$8 million, each predominantly due to other-than-temporary impairment charges. Those impairment charges reduced net income and diluted earnings per common share by \$17 million or \$.14 in the recent quarter, \$21 million or \$.18 in the year-earlier quarter and \$6 million or \$.05 in the third quarter of 2010. 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. Excluding gains and losses from investment securities in all periods and the \$28 million pre-tax merger-related gain realized on the K Bank transaction during the recent quarter, noninterest income was \$286 million in the fourth quarter of 2010, compared with \$300 million in the corresponding 2009 quarter and \$298 million in the third quarter of 2010. The declines from the final 2009 quarter and 2010's third quarter reflect lower residential mortgage banking revenues and service charges on deposit accounts, partially offset by higher trading account and foreign exchange gains and credit-related fees. The decline in residential mortgage banking revenues in the recent quarter reflects lower origination volumes, M&T's decision to retain for portfolio a higher proportion of originated loans rather than selling them, and increased settlements related to M&T's obligation to repurchase previously sold loans.

Noninterest income aggregated \$1.11 billion and \$1.05 billion during the years ended December 31, 2010 and 2009, respectively. Excluding gains and losses from investment securities and merger-related gains, noninterest income was \$1.16 billion in each of 2010 and 2009. Declines in revenues related to residential mortgage banking, brokerage services and M&T's trust business were offset by higher service charges on deposit accounts, credit-related fees and other revenues from operations.

Noninterest expense in the fourth quarter of 2010 totaled \$469 million, down from \$478 million in the year-earlier quarter and \$480 million in 2010's third quarter. 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 those expenses, noninterest operating expenses were \$455 million in each of the fourth quarters of 2010 and 2009, down from \$467 million in the third quarter of 2010. The decline from the third quarter of 2010 reflects a \$6 million reduction of the allowance for impairment of capitalized residential mortgage servicing rights in the recent quarter. In comparison, a \$3 million addition to that allowance was recognized during 2010's third quarter.

For the year ended December 31, 2010, noninterest expense aggregated \$1.91 billion, compared with \$1.98 billion in 2009. Excluding those expenses considered to be nonoperating in nature, noninterest operating expenses were \$1.86 billion in 2010 and \$1.83 billion in 2009. That increase was largely attributable to higher costs for professional services and advertising in

2010, and a \$22 million reduction of the allowance for impairment of capitalized residential mortgage servicing rights in 2009. For the year ended December 31, 2010, there was no change to that impairment allowance. Partially offsetting those factors were declines in expenses related to foreclosed properties and FDIC assessments.

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 gains), measures the relationship of operating expenses to revenues. M&T's efficiency ratio was 52.5% in the fourth quarter of 2010, improved from 52.7% in the year-earlier quarter and 53.4% in the third quarter of 2010. M&T's efficiency ratio for the years ended December 31, 2010 and 2009 was 53.7% and 56.5%, respectively.

**Balance Sheet.** M&T had total assets of \$68.0 billion at December 31, 2010, compared with \$68.9 billion a year earlier. Loans and leases, net of unearned discount, totaled \$52.0 billion at the 2010 year-end, compared with \$51.9 billion at December 31, 2009. Outstanding loans and leases at the end of 2010 grew \$1.2 billion from \$50.8 billion at September 30, 2010. That growth was largely attributable to December increases in commercial loans and commercial real estate loans. Total deposits were \$49.8 billion at December 31, 2010, 5% higher than \$47.4 billion at the end of 2009. Deposits at domestic offices rose \$1.8 billion, or 4%, to \$48.2 billion at the recent year-end from \$46.4 billion at December 31, 2009.

Total shareholders' equity was \$8.4 billion and \$7.8 billion at December 31, 2010 and 2009, representing 12.29% and 11.26% respectively, of total assets. Common shareholders' equity was \$7.6 billion, or \$63.54 per share at December 31, 2010, up from \$7.0 billion, or \$59.31 per share, a year earlier. Tangible equity per common share was \$33.26 and \$28.27 at December 31, 2010 and 2009, respectively. In the calculation of tangible equity per common share, common shareholders' 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 6.19% at December 31, 2010, compared with 5.13% and 5.96% at December 31, 2009 and September 30, 2010, respectively.

**Conference Call.** Investors will have an opportunity to listen to M&T's conference call to discuss fourth quarter and full-year 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 #35785107. 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 until January 16, 2011 by calling (800)642-1687, or (706)645-9291 for international participants, and by making reference to ID #35785107. 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.

**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 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.

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M&T BANK CORPORATION

Financial Highlights

| Amounts in thousands,<br>except per share | Three months ended |      |        | Year ended  |      |        |
|---|--------------------|------|--------|-------------|------|--------|
|   | December 31        |      |        | December 31 |      |        |
|   | 2010               | 2009 | Change | 2010        | 2009 | Change |

Performance

|   |            |         |      |            |         |      |
|---|------------|---------|------|------------|---------|------|
| Net income                                  | \$ 204,442 | 136,818 | 49 % | \$ 736,161 | 379,891 | 94 % |
| Net income available to common shareholders | 189,678    | 122,910 | 54   | 675,853    | 332,006 | 104  |

Per common share:

|                  |         |      |      |         |      |      |
|------------------|---------|------|------|---------|------|------|
| Basic earnings   | \$ 1.59 | 1.05 | 51 % | \$ 5.72 | 2.90 | 97 % |
| Diluted earnings | 1.59    | 1.04 | 53   | 5.69    | 2.89 | 97   |
| Cash dividends   | \$ .70  | .70  | -    | \$ 2.80 | 2.80 | -    |

Common shares outstanding:

|                       |         |         |     |         |         |     |
|-----------------------|---------|---------|-----|---------|---------|-----|
| Average - diluted (1) | 119,503 | 117,672 | 2 % | 118,843 | 114,776 | 4 % |
| Period end (2)        | 119,774 | 118,298 | 1   | 119,774 | 118,298 | 1   |

Return on (annualized):

|                                     |         |        |  |        |        |  |
|-------------------------------------|---------|--------|--|--------|--------|--|
| Average total assets                | 1.18 %  | .79 %  |  | 1.08 % | .56 %  |  |
| Average common shareholders' equity | 10.03 % | 7.09 % |  | 9.30 % | 5.07 % |  |

|  |            |         |     |              |           |      |
|--|------------|---------|-----|--------------|-----------|------|
| Taxable-equivalent net interest income | \$ 580,227 | 564,606 | 3 % | \$ 2,291,549 | 2,077,577 | 10 % |
|--|------------|---------|-----|--------------|-----------|------|

|                                      |        |        |  |        |        |  |
|--------------------------------------|--------|--------|--|--------|--------|--|
| Yield on average earning assets      | 4.58 % | 4.58 % |  | 4.61 % | 4.61 % |  |
| Cost of interest-bearing liabilities | .97 %  | 1.13 % |  | 1.02 % | 1.40 % |  |
| Net interest spread                  | 3.61 % | 3.45 % |  | 3.59 % | 3.21 % |  |
| Contribution of interest-free funds  | .24 %  | .26 %  |  | .25 %  | .28 %  |  |
| Net interest margin                  | 3.85 % | 3.71 % |  | 3.84 % | 3.49 % |  |

Net charge-offs to average total

|                        |       |        |  |       |        |  |
|------------------------|-------|--------|--|-------|--------|--|
| net loans (annualized) | .60 % | 1.03 % |  | .67 % | 1.01 % |  |
|------------------------|-------|--------|--|-------|--------|--|

Net operating results (3)

|   |            |         |      |            |         |      |
|---|------------|---------|------|------------|---------|------|
| Net operating income                            | \$ 196,235 | 150,776 | 30 % | \$ 755,165 | 455,376 | 66 % |
| Diluted net operating earnings per common share | 1.52       | 1.16    | 31   | 5.84       | 3.54    | 65   |

Return on (annualized):

|                                |         |         |  |         |         |  |
|--------------------------------|---------|---------|--|---------|---------|--|
| Average tangible assets        | 1.20 %  | .92 %   |  | 1.17 %  | .71 %   |  |
| Average tangible common equity | 18.43 % | 16.73 % |  | 18.95 % | 13.42 % |  |
| Efficiency ratio               | 52.55 % | 52.69 % |  | 53.71 % | 56.50 % |  |

| <u>Loan quality</u>                                   | 2010         | 2009      | <u>Change</u> |
|---|--------------|-----------|---------------|
| Nonaccrual loans                                      | \$ 1,239,194 | 1,331,702 | -7 %          |
| Real estate and other foreclosed assets               | 220,049      | 94,604    | 133 %         |
| Total nonperforming assets                            | \$ 1,459,243 | 1,426,306 | 2 %           |
| Accruing loans past due 90 days or more               | \$ 269,593   | 208,080   | 30 %          |
| Renegotiated loans                                    | \$ 233,342   | 212,548   | 10 %          |
| Government guaranteed loans included in totals above: |              |           |               |
| Nonaccrual loans                                      | \$ 56,787    | 38,579    | 47 %          |
| Accruing loans past due 90 days or more               | 214,111      | 193,495   | 11 %          |
| Purchased impaired loans (4):                         |              |           |               |
| Outstanding customer balance                          | \$ 219,477   | 172,772   | 27 %          |
| Carrying amount                                       | 97,019       | 88,170    | 10 %          |
| Nonaccrual loans to total net loans                   | 2.38 %       | 2.56 %    |               |
| Allowance for credit losses to:                       |              |           |               |
| Legacy loans  | 1.82 %       | 1.83 %    |               |
| Total loans   | 1.74 %       | 1.69 %    |               |

(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,<br>except per share   | Three months ended   |                       |                  |                   |                      |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
|   | December 31,<br>2010 | September 30,<br>2010 | June 30,<br>2010 | March 31,<br>2010 | December 31,<br>2009 |
| <u>Performance</u>                          |                      |                       |                  |                   |                      |
| Net income                                  | \$ 204,442           | 192,015               | 188,749          | 150,955           | 136,818              |
| Net income available to common shareholders | 189,678              | 176,789               | 173,597          | 136,431           | 122,910              |
| Per common share:                           |                      |                       |                  |                   |                      |
| Basic earnings                              | \$ 1.59              | 1.49                  | 1.47             | 1.16              | 1.05                 |
| Diluted earnings                            | 1.59                 | 1.48                  | 1.46             | 1.15              | 1.04                 |
| Cash dividends                              | \$ .70               | .70                   | .70              | .70               | .70                  |
| Common shares outstanding:                  |                      |                       |                  |                   |                      |
| Average - diluted (1)                       | 119,503              | 119,155               | 118,878          | 118,256           | 117,672              |
| Period end (2)                              | 119,774              | 119,435               | 119,161          | 118,823           | 118,298              |
| Return on (annualized):                     |                      |                       |                  |                   |                      |
| Average total assets                        | 1.18 %               | 1.12 %                | 1.11 %           | .89 %             | .79 %                |
| Average common shareholders' equity         | 10.03 %              | 9.56 %                | 9.67 %           | 7.86 %            | 7.09 %               |

|  |    |         |         |         |         |         |
|--|----|---------|---------|---------|---------|---------|
| Taxable-equivalent net interest income | \$ | 580,227 | 575,733 | 573,332 | 562,257 | 564,606 |
| Yield on average earning assets        |    | 4.58 %  | 4.65 %  | 4.63 %  | 4.59 %  | 4.58 %  |
| Cost of interest-bearing liabilities   |    | .97 %   | 1.03 %  | 1.04 %  | 1.04 %  | 1.13 %  |
| Net interest spread                    |    | 3.61 %  | 3.62 %  | 3.59 %  | 3.55 %  | 3.45 %  |
| Contribution of interest-free funds    |    | .24 %   | .25 %   | .25 %   | .23 %   | .26 %   |
| Net interest margin                    |    | 3.85 %  | 3.87 %  | 3.84 %  | 3.78 %  | 3.71 %  |

|   |  |       |       |       |       |        |
|---|--|-------|-------|-------|-------|--------|
| Net charge-offs to average total net loans (annualized) |  | .60 % | .73 % | .64 % | .74 % | 1.03 % |
|---|--|-------|-------|-------|-------|--------|

Net operating results (3)

|   |    |         |         |         |         |         |
|---|----|---------|---------|---------|---------|---------|
| Net operating income                            | \$ | 196,235 | 200,225 | 197,752 | 160,953 | 150,776 |
| Diluted net operating earnings per common share |    | 1.52    | 1.55    | 1.53    | 1.23    | 1.16    |
| Return on (annualized):                         |    |         |         |         |         |         |
| Average tangible assets                         |    | 1.20 %  | 1.24 %  | 1.23 %  | 1.00 %  | .92 %   |
| Average tangible common equity                  |    | 18.43 % | 19.58 % | 20.36 % | 17.34 % | 16.73 % |
| Efficiency ratio                                |    | 52.55 % | 53.40 % | 53.06 % | 55.88 % | 52.69 % |

|   |    | December 31,<br>2010 | September 30,<br>2010 | June 30,<br>2010 | March 31,<br>2010 | December 31,<br>2009 |
|---|----|----------------------|-----------------------|------------------|-------------------|----------------------|
| <u>Loan quality</u>                                   |    |                      |                       |                  |                   |                      |
| Nonaccrual loans                                      | \$ | 1,239,194            | 1,099,560             | 1,090,135        | 1,339,992         | 1,331,702            |
| Real estate and other foreclosed assets               |    | 220,049              | 192,600               | 192,631          | 95,362            | 94,604               |
| Total nonperforming assets                            | \$ | 1,459,243            | 1,292,160             | 1,282,766        | 1,435,354         | 1,426,306            |
| Accruing loans past due 90 days or more               | \$ | 269,593              | 214,769               | 203,081          | 203,443           | 208,080              |
| Renegotiated loans                                    | \$ | 233,342              | 233,671               | 228,847          | 220,885           | 212,548              |
| Government guaranteed loans included in totals above: |    |                      |                       |                  |                   |                      |
| Nonaccrual loans                                      | \$ | 56,787               | 38,232                | 40,271           | 37,048            | 38,579               |
| Accruing loans past due 90 days or more               |    | 214,111              | 194,223               | 187,682          | 194,523           | 193,495              |
| Purchased impaired loans (4):                         |    |                      |                       |                  |                   |                      |
| Outstanding customer balance                          | \$ | 219,477              | 113,964               | 130,808          | 148,686           | 172,772              |
| Carrying amount                                       |    | 97,019               | 52,728                | 61,524           | 73,890            | 88,170               |
| Nonaccrual loans to total net loans                   |    | 2.38 %               | 2.16 %                | 2.13 %           | 2.60 %            | 2.56 %               |
| Allowance for credit losses to:                       |    |                      |                       |                  |                   |                      |
| Legacy loans  |    | 1.82 %               | 1.86 %                | 1.86 %           | 1.86 %            | 1.83 %               |
| Total loans   |    | 1.74 %               | 1.76 %                | 1.75 %           | 1.73 %            | 1.69 %               |

(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&amp;T BANK CORPORATION

## Condensed Consolidated Statement of Income

| Dollars in thousands  | Three months ended |          |        | Year ended   |           |        |
|---|--------------------|----------|--------|--------------|-----------|--------|
|   | December 31        |          |        | December 31  |           |        |
|   | 2010               | 2009     | Change | 2010         | 2009      | Change |
| Interest income   | \$ 682,725         | 692,669  | -1 %   | \$ 2,729,795 | 2,725,197 | - %    |
| Interest expense  | 108,628            | 133,950  | -19    | 462,269      | 669,449   | -31    |
| Net interest income   | 574,097            | 558,719  | 3      | 2,267,526    | 2,055,748 | 10     |
| Provision for credit losses                                   | 85,000             | 145,000  | -41    | 368,000      | 604,000   | -39    |
| Net interest income after provision for credit losses         | 489,097            | 413,719  | 18     | 1,899,526    | 1,451,748 | 31     |
| Other income  |                    |          |        |              |           |        |
| Mortgage banking revenues                                     | 35,013             | 50,176   | -30    | 184,625      | 207,561   | -11    |
| Service charges on deposit accounts                           | 111,129            | 127,185  | -13    | 478,133      | 469,195   | 2      |
| Trust income  | 31,031             | 29,660   | 5      | 122,613      | 128,568   | -5     |
| Brokerage services income                                     | 11,648             | 14,396   | -19    | 49,669       | 57,611    | -14    |
| Trading account and foreign exchange gains                    | 12,755             | 6,669    | 91     | 27,286       | 23,125    | 18     |
| Gain on bank investment securities                            | 861                | 354      | -      | 2,770        | 1,165     | -      |
| Other-than-temporary impairment losses recognized in earnings | (27,567)           | (34,296) | -      | (86,281)     | (138,297) | -      |
| Equity in earnings of Bayview Lending Group LLC               | (7,415)            | (10,635) | -30    | (25,768)     | (25,898)  | -1     |
| Other revenues from operations                                | 119,483            | 82,381   | 45     | 355,053      | 325,076   | 9      |
| Total other income  | 286,938            | 265,890  | 8      | 1,108,100    | 1,048,106 | 6      |
| Other expense   |                    |          |        |              |           |        |
| Salaries and employee benefits                                | 243,413            | 247,080  | -1     | 999,709      | 1,001,873 | -      |
| Equipment and net occupancy                                   | 50,879             | 53,703   | -5     | 216,064      | 211,391   | 2      |
| Printing, postage and supplies                                | 8,435              | 9,338    | -10    | 33,847       | 38,216    | -11    |
| Amortization of core deposit and other intangible assets      | 13,269             | 16,730   | -21    | 58,103       | 64,255    | -10    |
| FDIC assessments  | 18,329             | 19,902   | -8     | 79,324       | 96,519    | -18    |
| Other costs of operations                                     | 134,949            | 131,698  | 2      | 527,790      | 568,309   | -7     |
| Total other expense   | 469,274            | 478,451  | -2     | 1,914,837    | 1,980,563 | -3     |
| Income before income taxes                                    | 306,761            | 201,158  | 52     | 1,092,789    | 519,291   | 110    |
| Applicable income taxes                                       | 102,319            | 64,340   | 59     | 356,628      | 139,400   | 156    |
| Net income  | \$ 204,442         | 136,818  | 49 %   | \$ 736,161   | 379,891   | 94 %   |

## M&amp;T BANK CORPORATION

## Condensed Consolidated Statement of Income, Five Quarter Trend

| Dollars in thousands | Three months ended |               |          |           |              |
|----------------------|--------------------|---------------|----------|-----------|--------------|
|                      | December 31,       | September 30, | June 30, | March 31, | December 31, |
|                      | 2010               | 2010          | 2010     | 2010      | 2009         |
| Interest income      | \$ 682,725         | 685,900       | 684,784  | 676,386   | 692,669      |

|  |            |         |          |          |          |
|--|------------|---------|----------|----------|----------|
| Interest expense   | 108,628    | 116,032 | 117,557  | 120,052  | 133,950  |
| Net interest income  | 574,097    | 569,868 | 567,227  | 556,334  | 558,719  |
| Provision for credit losses                                      | 85,000     | 93,000  | 85,000   | 105,000  | 145,000  |
| Net interest income after<br>provision for credit losses         | 489,097    | 476,868 | 482,227  | 451,334  | 413,719  |
| Other income   |            |         |          |          |          |
| Mortgage banking revenues  | 35,013     | 61,052  | 47,084   | 41,476   | 50,176   |
| Service charges on deposit accounts                              | 111,129    | 117,733 | 128,976  | 120,295  | 127,185  |
| Trust income   | 31,031     | 30,485  | 30,169   | 30,928   | 29,660   |
| Brokerage services income  | 11,648     | 12,127  | 12,788   | 13,106   | 14,396   |
| Trading account and foreign exchange gains                       | 12,755     | 6,035   | 3,797    | 4,699    | 6,669    |
| Gain on bank investment securities                               | 861        | 1,440   | 10       | 459      | 354      |
| Other-than-temporary impairment losses<br>recognized in earnings | (27,567)   | (9,532) | (22,380) | (26,802) | (34,296) |
| Equity in earnings of Bayview Lending Group LLC                  | (7,415)    | (6,460) | (6,179)  | (5,714)  | (10,635) |
| Other revenues from operations                                   | 119,483    | 77,019  | 79,292   | 79,259   | 82,381   |
| Total other income   | 286,938    | 289,899 | 273,557  | 257,706  | 265,890  |
| Other expense  |            |         |          |          |          |
| Salaries and employee benefits                                   | 243,413    | 246,389 | 245,861  | 264,046  | 247,080  |
| Equipment and net occupancy                                      | 50,879     | 54,353  | 55,431   | 55,401   | 53,703   |
| Printing, postage and supplies                                   | 8,435      | 7,820   | 8,549    | 9,043    | 9,338    |
| Amortization of core deposit and other<br>intangible assets      | 13,269     | 13,526  | 14,833   | 16,475   | 16,730   |
| FDIC assessments   | 18,329     | 18,039  | 21,608   | 21,348   | 19,902   |
| Other costs of operations  | 134,949    | 140,006 | 129,786  | 123,049  | 131,698  |
| Total other expense  | 469,274    | 480,133 | 476,068  | 489,362  | 478,451  |
| Income before income taxes                                       | 306,761    | 286,634 | 279,716  | 219,678  | 201,158  |
| Applicable income taxes  | 102,319    | 94,619  | 90,967   | 68,723   | 64,340   |
| Net income   | \$ 204,442 | 192,015 | 188,749  | 150,955  | 136,818  |

M&T BANK CORPORATION  
Condensed Consolidated Balance Sheet

| Dollars in thousands                                      | December 31 |           | Change |
|---|-------------|-----------|--------|
|   | 2010        | 2009      |        |
| <b>ASSETS</b>   |             |           |        |
| Cash and due from banks                                   | \$ 908,755  | 1,226,223 | -26 %  |
| Interest-bearing deposits at banks                        | 101,222     | 133,335   | -24    |
| Federal funds sold and agreements<br>to resell securities | 25,000      | 20,119    | 24     |
| Trading account assets                                    | 523,834     | 386,984   | 35     |

|  |               |            |      |
|--|---------------|------------|------|
| Investment securities                            | 7,150,540     | 7,780,609  | -8   |
| Loans and leases:                                |               |            |      |
| Commercial, financial, etc                       | 13,390,610    | 13,479,447 | -1   |
| Real estate - commercial                         | 21,183,161    | 20,949,931 | 1    |
| Real estate - consumer                           | 5,928,056     | 5,463,463  | 9    |
| Consumer   | 11,488,555    | 12,043,845 | -5   |
| Total loans and leases, net of unearned discount | 51,990,382    | 51,936,686 | -    |
| Less: allowance for credit losses                | 902,941       | 878,022    | 3    |
| Net loans and leases                             | 51,087,441    | 51,058,664 | -    |
| Goodwill   | 3,524,625     | 3,524,625  | -    |
| Core deposit and other intangible assets         | 125,917       | 182,418    | -31  |
| Other assets                                     | 4,573,929     | 4,567,422  | -    |
| Total assets                                     | \$ 68,021,263 | 68,880,399 | -1 % |
| LIABILITIES AND SHAREHOLDERS' EQUITY             |               |            |      |
| Noninterest-bearing deposits at U.S. offices     | \$ 14,557,568 | 13,794,636 | 6 %  |
| Other deposits at U.S. offices                   | 33,641,800    | 32,604,764 | 3    |
| Deposits at foreign office                       | 1,605,916     | 1,050,438  | 53   |
| Total deposits                                   | 49,805,284    | 47,449,838 | 5    |
| Short-term borrowings                            | 947,432       | 2,442,582  | -61  |
| Accrued interest and other liabilities           | 1,070,701     | 995,056    | 8    |
| Long-term borrowings                             | 7,840,151     | 10,240,016 | -23  |
| Total liabilities                                | 59,663,568    | 61,127,492 | -2   |
| Shareholders' equity:                            |               |            |      |
| Preferred  | 740,657       | 730,235    | 1    |
| Common (1)                                       | 7,617,038     | 7,022,672  | 8    |
| Total shareholders' equity                       | 8,357,695     | 7,752,907  | 8    |
| Total liabilities and shareholders' equity       | \$ 68,021,263 | 68,880,399 | -1 % |

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$205.2 million at December 31, 2010 and \$336.0 million at December 31, 2009.

|   | December 31,  | September 30, | June 30,   | March 31,  | December 31, |
|---|---------------|---------------|------------|------------|--------------|
| Dollars in thousands                                      | 2010          | 2010          | 2010       | 2010       | 2009         |
| <b>ASSETS</b>   |               |               |            |            |              |
| Cash and due from banks                                   | \$ 908,755    | 1,070,625     | 1,045,886  | 1,033,269  | 1,226,223    |
| Interest-bearing deposits at banks                        | 101,222       | 401,624       | 117,826    | 121,305    | 133,335      |
| Federal funds sold and agreements<br>to resell securities | 25,000        | 443,700       | 10,000     | 10,400     | 20,119       |
| Trading account assets                                    | 523,834       | 536,702       | 487,692    | 403,476    | 386,984      |
| Investment securities                                     | 7,150,540     | 7,662,715     | 8,097,572  | 8,104,646  | 7,780,609    |
| Loans and leases:   |               |               |            |            |              |
| Commercial, financial, etc                                | 13,390,610    | 12,788,136    | 13,017,598 | 13,220,181 | 13,479,447   |
| Real estate - commercial                                  | 21,183,161    | 20,580,450    | 20,612,905 | 20,724,118 | 20,949,931   |
| Real estate - consumer                                    | 5,928,056     | 5,754,432     | 5,729,126  | 5,664,159  | 5,463,463    |
| Consumer  | 11,488,555    | 11,668,540    | 11,701,657 | 11,835,583 | 12,043,845   |
| Total loans and leases, net of unearned discount          | 51,990,382    | 50,791,558    | 51,061,286 | 51,444,041 | 51,936,686   |
| Less: allowance for credit losses                         | 902,941       | 894,720       | 894,667    | 891,265    | 878,022      |
| Net loans and leases                                      | 51,087,441    | 49,896,838    | 50,166,619 | 50,552,776 | 51,058,664   |
| Goodwill  | 3,524,625     | 3,524,625     | 3,524,625  | 3,524,625  | 3,524,625    |
| Core deposit and other intangible assets                  | 125,917       | 139,186       | 152,712    | 167,545    | 182,418      |
| Other assets  | 4,573,929     | 4,570,822     | 4,550,684  | 4,521,180  | 4,567,422    |
| Total assets  | \$ 68,021,263 | 68,246,837    | 68,153,616 | 68,439,222 | 68,880,399   |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>               |               |               |            |            |              |
| Noninterest-bearing deposits at U.S. offices              | \$ 14,557,568 | 14,665,603    | 13,960,723 | 13,622,819 | 13,794,636   |
| Other deposits at U.S. offices                            | 33,641,800    | 33,335,104    | 33,010,520 | 33,125,761 | 32,604,764   |
| Deposits at foreign office                                | 1,605,916     | 653,916       | 551,428    | 789,825    | 1,050,438    |
| Total deposits  | 49,805,284    | 48,654,623    | 47,522,671 | 47,538,405 | 47,449,838   |
| Short-term borrowings                                     | 947,432       | 1,211,683     | 2,158,957  | 1,870,763  | 2,442,582    |
| Accrued interest and other liabilities                    | 1,070,701     | 1,157,250     | 1,114,615  | 1,048,473  | 995,056      |
| Long-term borrowings                                      | 7,840,151     | 8,991,508     | 9,255,529  | 10,065,894 | 10,240,016   |
| Total liabilities   | 59,663,568    | 60,015,064    | 60,051,772 | 60,523,535 | 61,127,492   |
| Shareholders' equity:                                     |               |               |            |            |              |

|  |               |            |            |            |            |
|--|---------------|------------|------------|------------|------------|
| Preferred                                  | 740,657       | 737,979    | 735,350    | 732,769    | 730,235    |
| Common (1)                                 | 7,617,038     | 7,493,794  | 7,366,494  | 7,182,918  | 7,022,672  |
| Total shareholders' equity                 | 8,357,695     | 8,231,773  | 8,101,844  | 7,915,687  | 7,752,907  |
| Total liabilities and shareholders' equity | \$ 68,021,263 | 68,246,837 | 68,153,616 | 68,439,222 | 68,880,399 |

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$205.2 million at December 31, 2010, \$192.6 million at September 30, 2010, \$197.2 million at June 30, 2010, \$255.2 million at March 31, 2010 and \$336.0 million at December 31, 2009.

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

| Dollars in millions                                    | Three months ended |       |              |       |               |       | Change in balance      |      | Year ended  |       |         |       | Change in balance |
|--|--------------------|-------|--------------|-------|---------------|-------|------------------------|------|-------------|-------|---------|-------|-------------------|
|  | December 31,       |       | December 31, |       | September 30, |       | December 31, 2010 from |      | December 31 |       |         |       |                   |
|  | Balance            | Rate  | Balance      | Rate  | Balance       | Rate  | 2009                   | 2010 | Balance     | Rate  | Balance | Rate  |                   |
| <b>ASSETS</b>  |                    |       |              |       |               |       |                        |      |             |       |         |       |                   |
| Interest-bearing deposits at banks                     | \$ 110             | .15 % | 74           | .08 % | 92            | .15 % | 50 %                   | 19 % | \$ 102      | .09 % | 50      | .07 % | 103 %             |
| Federal funds sold and agreements to resell securities | 780                | .19   | 23           | .19   | 64            | .26   | -                      | -    | 221         | .20   | 52      | .25   | 323               |
| Trading account assets                                 | 165                | .91   | 70           | .66   | 82            | .65   | 135                    | 101  | 94          | .84   | 87      | .74   | 8                 |
| Investment securities                                  | 7,541              | 4.07  | 8,197        | 4.63  | 7,993         | 4.16  | -8                     | -6   | 8,018       | 4.24  | 8,403   | 4.79  | -5                |
| Loans and leases, net of unearned discount             |                    |       |              |       |               |       |                        |      |             |       |         |       |                   |
| Commercial, financial, etc.                            | 13,013             | 4.07  | 13,527       | 3.87  | 12,856        | 3.97  | -4                     | 1    | 13,092      | 3.99  | 13,855  | 3.79  | -6                |
| Real estate - commercial                               | 20,624             | 4.84  | 20,950       | 4.48  | 20,612        | 4.85  | -2                     | -    | 20,714      | 4.70  | 20,085  | 4.45  | 3                 |
| Real estate - consumer                                 | 5,910              | 5.15  | 5,457        | 5.37  | 5,680         | 5.30  | 8                      | 4    | 5,746       | 5.28  | 5,297   | 5.45  | 8                 |
| Consumer   | 11,594             | 5.18  | 12,153       | 5.32  | 11,687        | 5.22  | -5                     | -1   | 11,745      | 5.22  | 11,722  | 5.43  | -                 |
| Total loans and leases, net                            | 51,141             | 4.74  | 52,087       | 4.59  | 50,835        | 4.74  | -2                     | 1    | 51,297      | 4.70  | 50,959  | 4.60  | 1                 |
| Total earning assets                                   | 59,737             | 4.58  | 60,451       | 4.58  | 59,066        | 4.65  | -1                     | 1    | 59,732      | 4.61  | 59,551  | 4.61  | -                 |
| Goodwill   | 3,525              |       | 3,525        |       | 3,525         |       | -                      | -    | 3,525       |       | 3,393   |       | 4                 |
| Core deposit and other intangible assets               | 132                |       | 191          |       | 146           |       | -31                    | -9   | 153         |       | 191     |       | -20               |
| Other assets   | 5,108              |       | 4,752        |       | 5,074         |       | 8                      | 1    | 4,970       |       | 4,337   |       | 15                |
| Total assets   | \$ 68,502          |       | 68,919       |       | 67,811        |       | -1 %                   | 1 %  | \$ 68,380   |       | 67,472  |       | 1 %               |

LIABILITIES AND SHAREHOLDERS' EQUITY

|                                  |        |     |        |     |        |     |     |     |        |     |        |     |      |
|----------------------------------|--------|-----|--------|-----|--------|-----|-----|-----|--------|-----|--------|-----|------|
| <b>Interest-bearing deposits</b> |        |     |        |     |        |     |     |     |        |     |        |     |      |
| NOW accounts                     | \$ 608 | .14 | 579    | .18 | 592    | .15 | 5 % | 3 % | \$ 601 | .14 | 543    | .21 | 11 % |
| Savings deposits                 | 27,545 | .31 | 24,237 | .36 | 26,177 | .33 | 14  | 5   | 26,190 | .33 | 22,832 | .49 | 15   |

|  |                  |      |               |      |               |      |      |     |                  |      |               |      |     |
|--|------------------|------|---------------|------|---------------|------|------|-----|------------------|------|---------------|------|-----|
| Time deposits                              | 6,034            | 1.40 | 8,304         | 1.89 | 6,312         | 1.46 | -27  | -4  | 6,583            | 1.52 | 8,782         | 2.35 | -25 |
| Deposits at foreign office                 | 809              | .17  | 1,300         | .11  | 802           | .16  | -38  | 1   | 953              | .14  | 1,665         | .14  | -43 |
| Total interest-bearing deposits            | <u>34,996</u>    | .49  | <u>34,420</u> | .72  | <u>33,883</u> | .53  | 2    | 3   | <u>34,327</u>    | .55  | <u>33,822</u> | .95  | 1   |
| Short-term borrowings                      | 1,439            | .17  | 2,308         | .17  | 1,858         | .16  | -38  | -23 | 1,854            | .16  | 2,911         | .24  | -36 |
| Long-term borrowings                       | <u>8,141</u>     | 3.14 | <u>10,253</u> | 2.73 | <u>8,948</u>  | 3.10 | -21  | -9  | <u>9,169</u>     | 2.96 | <u>11,092</u> | 3.07 | -17 |
| Total interest-bearing liabilities         | 44,576           | .97  | 46,981        | 1.13 | 44,689        | 1.03 | -5   | -   | 45,350           | 1.02 | 47,825        | 1.40 | -5  |
| Noninterest-bearing deposits               | 14,275           |      | 12,945        |      | 13,647        |      | 10   | 5   | 13,709           |      | 11,054        |      | 24  |
| Other liabilities                          | <u>1,329</u>     |      | <u>1,307</u>  |      | <u>1,294</u>  |      | 2    | 3   | <u>1,218</u>     |      | <u>1,311</u>  |      | -7  |
| Total liabilities                          | 60,180           |      | 61,233        |      | 59,630        |      | -2   | 1   | 60,277           |      | 60,190        |      | -   |
| Shareholders' equity                       | <u>8,322</u>     |      | <u>7,686</u>  |      | <u>8,181</u>  |      | 8    | 2   | <u>8,103</u>     |      | <u>7,282</u>  |      | 11  |
| Total liabilities and shareholders' equity | <u>\$ 68,502</u> |      | <u>68,919</u> |      | <u>67,811</u> |      | -1 % | 1 % | <u>\$ 68,380</u> |      | <u>67,472</u> |      | 1 % |

|                                     |       |       |       |       |       |
|-------------------------------------|-------|-------|-------|-------|-------|
| Net interest spread                 | 3.61  | 3.45  | 3.62  | 3.59  | 3.21  |
| Contribution of interest-free funds | .24   | .26   | .25   | .25   | .28   |
| Net interest margin                 | 3.85% | 3.71% | 3.87% | 3.84% | 3.49% |

#### M&T BANK CORPORATION

##### Reconciliation of Quarterly GAAP to Non-GAAP Measures

|  | Three months ended |                | Year ended          |                  |
|--|--------------------|----------------|---------------------|------------------|
|  | December 31        |                | December 31         |                  |
|  | 2010               | 2009           | 2010                | 2009             |
| <b>Income statement data</b>                                 |                    |                |                     |                  |
| In thousands, except per share                               |                    |                |                     |                  |
| <b>Net income</b>  |                    |                |                     |                  |
| Net income   | \$ 204,442         | 136,818        | \$ 736,161          | 379,891          |
| Amortization of core deposit and other intangible assets (1) |                    |                |                     |                  |
|  | 8,054              | 10,152         | 35,265              | 39,006           |
| Merger-related gain (1)                                      |                    |                |                     |                  |
|  | (16,730)           | -              | (16,730)            | (17,684)         |
| Merger-related expenses (1)                                  |                    |                |                     |                  |
|  | 469                | 3,806          | 469                 | 54,163           |
| Net operating income   | <u>\$ 196,235</u>  | <u>150,776</u> | <u>\$ 755,165</u>   | <u>455,376</u>   |
| <b>Earnings per common share</b>                             |                    |                |                     |                  |
| Diluted earnings per common share                            | \$ 1.59            | 1.04           | \$ 5.69             | 2.89             |
| Amortization of core deposit and other intangible assets (1) |                    |                |                     |                  |
|  | .07                | .09            | .29                 | .34              |
| Merger-related gain (1)                                      |                    |                |                     |                  |
|  | (.14)              | -              | (.14)               | (.15)            |
| Merger-related expenses (1)                                  |                    |                |                     |                  |
|  | -                  | .03            | -                   | .46              |
| Diluted net operating earnings per common share              | <u>\$ 1.52</u>     | <u>1.16</u>    | <u>\$ 5.84</u>      | <u>3.54</u>      |
| <b>Other expense</b>   |                    |                |                     |                  |
| Other expense  | \$ 469,274         | 478,451        | \$ 1,914,837        | 1,980,563        |
| Amortization of core deposit and other intangible assets     |                    |                |                     |                  |
|  | (13,269)           | (16,730)       | (58,103)            | (64,255)         |
| Merger-related expenses                                      |                    |                |                     |                  |
|  | (771)              | (6,264)        | (771)               | (89,157)         |
| Noninterest operating expense                                | <u>\$ 455,234</u>  | <u>455,457</u> | <u>\$ 1,855,963</u> | <u>1,827,151</u> |
| <b>Merger-related expenses</b>                               |                    |                |                     |                  |
| Salaries and employee benefits                               | \$ 7               | 381            | \$ 7                | 10,030           |
| Equipment and net occupancy                                  | 44                 | 545            | 44                  | 2,975            |

|                                |        |       |        |        |
|--------------------------------|--------|-------|--------|--------|
| Printing, postage and supplies | 74     | 233   | 74     | 3,677  |
| Other costs of operations      | 646    | 5,105 | 646    | 72,475 |
| Total                          | \$ 771 | 6,264 | \$ 771 | 89,157 |

#### Balance sheet data

In millions

#### Average assets

|  |           |         |           |         |
|--|-----------|---------|-----------|---------|
| Average assets                           | \$ 68,502 | 68,919  | \$ 68,380 | 67,472  |
| Goodwill                                 | (3,525)   | (3,525) | (3,525)   | (3,393) |
| Core deposit and other intangible assets | (132)     | (191)   | (153)     | (191)   |
| Deferred taxes                           | 24        | 37      | 29        | 33      |
| Average tangible assets                  | \$ 64,869 | 65,240  | \$ 64,731 | 63,921  |

#### Average common equity

|  |          |         |          |         |
|--|----------|---------|----------|---------|
| Average total equity                     | \$ 8,322 | 7,686   | \$ 8,103 | 7,282   |
| Preferred stock                          | (740)    | (729)   | (736)    | (666)   |
| Average common equity                    | 7,582    | 6,957   | 7,367    | 6,616   |
| Goodwill                                 | (3,525)  | (3,525) | (3,525)  | (3,393) |
| Core deposit and other intangible assets | (132)    | (191)   | (153)    | (191)   |
| Deferred taxes                           | 24       | 37      | 29       | 33      |
| Average tangible common equity           | \$ 3,949 | 3,278   | \$ 3,718 | 3,065   |

At end of quarter

#### Total assets

|  |           |         |
|--|-----------|---------|
| Total assets                             | \$ 68,021 | 68,880  |
| Goodwill                                 | (3,525)   | (3,525) |
| Core deposit and other intangible assets | (126)     | (182)   |
| Deferred taxes                           | 23        | 35      |
| Total tangible assets                    | \$ 64,393 | 65,208  |

#### Total common equity

|  |          |         |
|--|----------|---------|
| Total equity   | \$ 8,358 | 7,753   |
| Preferred stock                                      | (741)    | (730)   |
| Undeclared dividends - preferred stock               | (6)      | (6)     |
| Common equity, net of undeclared preferred dividends | 7,611    | 7,017   |
| Goodwill   | (3,525)  | (3,525) |
| Core deposit and other intangible assets             | (126)    | (182)   |
| Deferred taxes                                       | 23       | 35      |
| Total tangible common equity                         | \$ 3,983 | 3,345   |

(1) After any related tax effect.

#### M&T BANK CORPORATION

#### Reconciliation of Quarterly GAAP to Non-GAAP Measures, Five Quarter Trend

|  | Three months ended |               |          |           |              |
|--|--------------------|---------------|----------|-----------|--------------|
|  | December 31,       | September 30, | June 30, | March 31, | December 31, |
|  | 2010               | 2010          | 2010     | 2010      | 2009         |
| <b>Income statement data</b>                                 |                    |               |          |           |              |
| In thousands, except per share                               |                    |               |          |           |              |
| <b>Net income</b>  |                    |               |          |           |              |
| Net income   | \$ 204,442         | 192,015       | 188,749  | 150,955   | 136,818      |
| Amortization of core deposit and other intangible assets (1) | 8,054              | 8,210         | 9,003    | 9,998     | 10,152       |

|   |            |          |          |          |          |
|---|------------|----------|----------|----------|----------|
| Merger-related gain (1)                         | (16,730)   | -        | -        | -        | -        |
| Merger-related expenses (1)                     | 469        | -        | -        | -        | 3,806    |
| Net operating income                            | \$ 196,235 | 200,225  | 197,752  | 160,953  | 150,776  |
| <b>Earnings per common share</b>                |            |          |          |          |          |
| Diluted earnings per common share               | \$ 1.59    | 1.48     | 1.46     | 1.15     | 1.04     |
| Amortization of core deposit and other          |            |          |          |          |          |
| intangible assets (1)                           | .07        | .07      | .07      | .08      | .09      |
| Merger-related gain (1)                         | (.14)      | -        | -        | -        | -        |
| Merger-related expenses (1)                     | -          | -        | -        | -        | .03      |
| Diluted net operating earnings per common share | \$ 1.52    | 1.55     | 1.53     | 1.23     | 1.16     |
| <b>Other expense</b>                            |            |          |          |          |          |
| Other expense                                   | \$ 469,274 | 480,133  | 476,068  | 489,362  | 478,451  |
| Amortization of core deposit and other          |            |          |          |          |          |
| intangible assets                               | (13,269)   | (13,526) | (14,833) | (16,475) | (16,730) |
| Merger-related expenses                         | (771)      | -        | -        | -        | (6,264)  |
| Noninterest operating expense                   | \$ 455,234 | 466,607  | 461,235  | 472,887  | 455,457  |
| <b>Merger-related expenses</b>                  |            |          |          |          |          |
| Salaries and employee benefits                  | \$ 7       | -        | -        | -        | 381      |
| Equipment and net occupancy                     | 44         | -        | -        | -        | 545      |
| Printing, postage and supplies                  | 74         | -        | -        | -        | 233      |
| Other costs of operations                       | 646        | -        | -        | -        | 5,105    |
| Total   | \$ 771     | -        | -        | -        | 6,264    |

#### Balance sheet data

In millions

#### Average assets

|  |           |         |         |         |         |
|--|-----------|---------|---------|---------|---------|
| Average assets                           | \$ 68,502 | 67,811  | 68,334  | 68,883  | 68,919  |
| Goodwill                                 | (3,525)   | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (132)     | (146)   | (160)   | (176)   | (191)   |
| Deferred taxes                           | 24        | 27      | 30      | 34      | 37      |
| Average tangible assets                  | \$ 64,869 | 64,167  | 64,679  | 65,216  | 65,240  |

#### Average common equity

|  |          |         |         |         |         |
|--|----------|---------|---------|---------|---------|
| Average total equity                     | \$ 8,322 | 8,181   | 8,036   | 7,868   | 7,686   |
| Preferred stock                          | (740)    | (737)   | (734)   | (732)   | (729)   |
| Average common equity                    | 7,582    | 7,444   | 7,302   | 7,136   | 6,957   |
| Goodwill                                 | (3,525)  | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (132)    | (146)   | (160)   | (176)   | (191)   |
| Deferred taxes                           | 24       | 27      | 30      | 34      | 37      |
| Average tangible common equity           | \$ 3,949 | 3,800   | 3,647   | 3,469   | 3,278   |

At end of quarter

#### Total assets

|  |           |         |         |         |         |
|--|-----------|---------|---------|---------|---------|
| Total assets                             | \$ 68,021 | 68,247  | 68,154  | 68,439  | 68,880  |
| Goodwill                                 | (3,525)   | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (126)     | (139)   | (152)   | (167)   | (182)   |
| Deferred taxes                           | 23        | 26      | 28      | 31      | 35      |
| Total tangible assets                    | \$ 64,393 | 64,609  | 64,505  | 64,778  | 65,208  |

#### Total common equity

|  |          |         |         |         |         |
|--|----------|---------|---------|---------|---------|
| Total equity                             | \$ 8,358 | 8,232   | 8,102   | 7,916   | 7,753   |
| Preferred stock                          | (741)    | (738)   | (735)   | (733)   | (730)   |
| Undeclared dividends - preferred stock   | (6)      | (6)     | (7)     | (6)     | (6)     |
| Common equity, net of undeclared         |          |         |         |         |         |
| preferred dividends                      | 7,611    | 7,488   | 7,360   | 7,177   | 7,017   |
| Goodwill                                 | (3,525)  | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (126)    | (139)   | (152)   | (167)   | (182)   |
| Deferred taxes                           | 23       | 26      | 28      | 31      | 35      |

|                              |    |       |       |       |       |       |
|------------------------------|----|-------|-------|-------|-------|-------|
| Total tangible common equity | \$ | 3,983 | 3,850 | 3,711 | 3,516 | 3,345 |
|------------------------------|----|-------|-------|-------|-------|-------|

(1) After any related tax effect.

<https://newsroom.mtb.com/2011-01-14-M-T-Bank-Corporation-Announces-2010-Fourth-Quarter-and-Full-Year-Profits>