M&T Bank Corporation Announces Second Quarter Results

BUFFALO, N.Y., July 21, 2021 -- M&T Bank Corporation ("M&T") (NYSE: MTB) today reported its results of operations for the quarter ended June 30, 2021.

GAAP Results of Operations. Diluted earnings per common share measured in accordance with generally accepted accounting principles ("GAAP") were \$3.41 in the second quarter of 2021, up from \$1.74 in the year-earlier quarter and \$3.33 in the first quarter of 2021. GAAP-basis net income was \$458 million in the recent quarter, \$241 million in the second quarter of 2020 and \$447 million in the initial 2021 quarter. GAAP-basis net income for the second 2021 quarter expressed as an annualized rate of return on average assets and average common shareholders' equity was 1.22% and 11.55%, respectively, compared with .71% and 6.13%, respectively, in the corresponding 2020 period and 1.22% and 11.57%, respectively, in the first quarter of 2021. Included in noninterest expenses in the recent quarter were merger-related expenses associated with M&T's proposed acquisition of People's United Financial, Inc. of \$4 million (\$3 million after tax-effect, or \$.02 of diluted earnings per common share), compared with \$10 million (\$8 million after tax-effect, or \$.06 of diluted earnings per common share) in the first quarter of 2021.

Commenting on M&T's results for the second quarter of 2021, Darren J. King, Executive Vice President and Chief Financial Officer, noted, "Reflecting signs of economic recovery, we were encouraged by the increased customer activity experienced during the recent quarter, particularly associated with debit and credit cards. M&T's trust businesses continued their strong performance, with revenues up seven percent from last year's second quarter. The year-over-year expense growth largely resulted from increased costs for incentives and other investments that had been curtailed in 2020 due to the pandemic. M&T's balance sheet remains solid, highlighted by an allowance for credit losses to loans ratio of 1.62% and a Common Equity Tier 1 Capital Ratio of 10.7%, up from 10.4% at March 31, 2021."

Earnings Highlights

							Change 2Q	21 vs.
(\$ in millions, except per share data)		2Q21	2	Q20	1	Q21	2Q20	1Q21
	·							
Net income	\$	458	\$	241	\$	447	90 %	2 %
Net income available to common shareholders – diluted	\$	439	\$	223	\$	428	97 %	2 %
Diluted earnings per common share	\$	3.41	\$	1.74	\$	3.33	96 %	2 %
Annualized return on average assets		1.22 %		.71 %		1.22 %		
Annualized return on average common equity		11.55 %		6.13 %		11.57 %		

For the first six-months of 2021, diluted earnings per common share rose 83% to \$6.73 from \$3.67 in the year-earlier period. GAAP-basis net income for the first half of 2021 increased to \$905 million from \$510 million in the corresponding 2020 period. Expressed as an annualized rate of return on average assets and average common shareholders' equity, GAAP-basis net income in the six-month period ended June 30, 2021 was 1.22% and 11.56%, respectively, improved from .80% and 6.56%, respectively, in the similar 2020 period.

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 and core deposit and other intangible asset balances, net of applicable deferred tax amounts) and expenses associated with merging acquired operations into M&T (when incurred), since such items are considered by management to be "nonoperating" in nature. The amounts of such "nonoperating" expenses are presented in the tables that accompany this release. 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.

Diluted net operating earnings per common share increased to \$3.45 in the second quarter of 2021 from \$1.76 and \$3.41 in the year-earlier quarter and the first quarter of 2021, respectively. Net operating income totaled \$463 million in 2021's second quarter, \$244 million in the second quarter of 2020 and \$457 million in the initial 2021 quarter. Expressed as an annualized rate of return on average tangible assets and average tangible common shareholders' equity, net operating income in the recent quarter was 1.27% and 16.68%, respectively, .74% and 9.04%, respectively, in the corresponding 2020 quarter and 1.29% and 17.05%, respectively, in the first quarter of 2021.

Diluted net operating earnings per common share in the first six months of 2021 rose to \$6.84 from \$3.71 in the similar 2020 period. Net operating income during the first half of 2021 was \$920 million, up from \$516 million in the six-month period ended June 30, 2020. Net operating income expressed as an annualized rate of return on average tangible assets and average tangible common shareholders' equity was 1.28% and 16.86%, respectively, in the initial six months of 2021, compared with .84% and 9.71% respectively, in the similar 2020 period.

<u>Taxable-equivalent Net Interest Income</u>. Net interest income expressed on a taxable-equivalent basis totaled \$946 million in the recent quarter, compared with \$961 million in the second quarter of 2020 and \$985 million in the initial 2021 quarter. The decrease in the recent quarter as compared with the earlier quarters was due to a narrowing of the net interest margin to 2.77% in the second quarter of 2021 from 3.13% in the year-earlier quarter and 2.97% in the first quarter of 2021. The decreased net interest margin resulted from lower interest rates earned on loans and higher amounts of low-yielding balances at the Federal Reserve Bank of New York. Interest income from Paycheck Protection Program ("PPP") loans, including recognition of fees associated with repaid loans, was \$51 million in the recent quarter, \$29 million in the year-earlier quarter and \$70 million in the first quarter of 2021.

Taxable-equivalent Net Interest Income

				Ch	ange 2Q	21 vs.
(\$ in millions)	 2Q21	 2Q20	 1Q21	2Q20	-	1Q21
Average earning assets	\$ 136,951	\$ 123,492	\$ 134,355	11	%	2 %
Net interest income – taxable-equivalent	\$ 946	\$ 961	\$ 985	-2	%	-4 %

Net interest margin 2.77 % 3.13 % 2.97 %

<u>Provision for Credit Losses/Asset Quality.</u> Recaptures of the provision for credit losses of \$15 million and \$25 million were recorded in the second and first quarters of 2021, respectively. The provision for credit losses was \$325 million in the second quarter of 2020. The provision in each quarter adjusts the allowance for credit losses to reflect expected losses that are based on economic forecasts as of each quarter-end date. Net loan charge-offs were \$46 million during the recent quarter, down from \$71 million in the second quarter of 2020 and \$75 million in the first quarter of 2021. Expressed as an annualized percentage of average loans outstanding, net charge-offs were .19% and .29% in the second quarters of 2021 and 2020, respectively, and .31% in the first quarter of 2021.

Nonaccrual loans totaled \$2.24 billion or 2.31% of total loans outstanding at June 30, 2021, compared with \$1.96 billion or 1.97% of total loans at March 31, 2021 and \$1.16 billion or 1.18% at June 30, 2020. The increase in nonaccrual loans from June 30, 2020 to the two most recent quarter-ends reflects the continuing impact of the pandemic on borrowers' ability to make contractual payments on their loans, most notably loans in the hospitality sector. Assets taken in foreclosure of defaulted loans were \$28 million at June 30, 2021, \$67 million a year earlier and \$30 million at March 31, 2021.

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. As a result of those analyses, the allowance for credit losses totaled \$1.58 billion or 1.62% of loans outstanding at June 30, 2021, compared with \$1.64 billion or 1.68% at June 30, 2020 and \$1.64 billion or 1.65% at March 31, 2021. The allowance at June 30, 2021, June 30, 2020, and March 31, 2021 represented 1.69%, 1.79%, and 1.75%, respectively, of total loans on those dates, excluding outstanding balances of PPP loans.

Asset Quality Metrics

Change 2Q21 vs.

(\$ in millions)	 2Q21		2	Q20		1	.Q21		2Q20		1Q21
At end of quarter											
Nonaccrual loans	\$ 2,242		\$	1,157		\$	1,957		94	%	15 %
Real estate and other foreclosed assets	\$ 28		\$	67		\$	30		-58	%	-6 %
Total nonperforming assets	\$ 2,270		\$	1,224		\$	1,987		86	%	14 %
Accruing loans past due 90 days or more (1)	\$ 1,077		\$	536		\$	1,085		101	%	-1 %
Nonaccrual loans as % of loans outstanding	2.31	%		1.18	%		1.97	%			
Allowance for credit losses	\$ 1,575		\$	1,638		\$	1,636		-4	%	-4 %
Allowance for credit losses as % of loans outstanding	1.62	%		1.68	%		1.65	%			
For the period											
Provision for credit losses	\$ (15)		\$	325		\$	(25)		_		_
Net charge-offs	\$ 46		\$	71		\$	75		-35	%	-39 %
Net charge-offs as % of average loans (annualized)	.19	%		.29	%		.31	%			

⁽¹⁾ Predominantly government-guaranteed residential real estate loans.

Noninterest Income and Expense. Noninterest income increased to \$514 million in the second quarter of 2021 from \$487 million in the year-earlier quarter and \$506 million in the first quarter of 2021. The higher level of the recent quarter's noninterest income when compared with the earlier quarters resulted largely from higher service charges on deposit accounts, merchant discount and credit card fees, and trust income.

Noninterest Income

Change 2Q21 vs.

Service charges on deposit accounts		99		78		93	27	%	6	%	
Trust income		163		152	-	.56	7	%	4	%	
Brokerage services income		10		10		13	-2	%	-22	%	
Trading account and foreign exchange gains		7		8		6	-22	%	3	%	
Gain (loss) on bank investment securities		(11)		7	(12)	_		_		
Other revenues from operations		113		87		111	29	%	2	%	
Total	\$	514	\$	487	\$ 5	506	5	%	2	%	
Noninterest expense totaled \$865 million in the second quarter of 2021, compared with \$807 million in the corresponding quarter of 2020 and \$919 million in the first quarter of 2021. Excluding expenses considered to be nonoperating in nature, such as amortization of core deposit and other intangible assets and merger-related expenses, noninterest operating expenses were \$859 million in the recent quarter, \$803 million in the second quarter of 2020 and \$907 million in 2021's initial quarter. Factors contributing to the increase in noninterest operating expenses in the recent quarter as compared with the year-earlier quarter were higher costs for salaries and employee benefits, outside data processing and software, and professional services. As compared with the first quarter of 2021, the lower level of noninterest expenses in the recent quarter was predominantly attributable to a decline in expenses for salaries and employee benefits, reflecting seasonally higher stock-based compensation and employee benefits expenses during the initial 2021 quarter. Reflecting the impact of lower interest rates on expected prepayments of serviced residential mortgage loans, M&T recorded an \$8 million increase in the valuation allowance for capitalized residential mortgage servicing rights in the recent quarter, compared with a decrease in that valuation allowance of \$9 million in the initial 2021 quarter.											

2Q20

145

\$

1Q21

139

\$

2Q20

-8

Change 2021 ve

1Q21

2Q21

\$

133

(\$ in millions)

Mortgage banking revenues

Noninterest Expense

								Cn	inge 2	.Q21 Vs.	
20	Q21	_	20) 20		1Q21		2Q20		1Q21	
\$	479		\$	459	\$	54	1	4	%	-11	%
	81			77		8	2	5	%	-2	%
	74			61		6	6	21	%	13	%
	18			14		1-	4	26	%	26	%
	13			10		1	5	36	%	-9	%
	11			11		;	9	-1	%	19	%
	3			4			3	-30	%	_	
	186	_		171		18	9	9	%	-2	%
\$	865		\$	807	\$	91	9	7	%	-6	%
	\$	81 74 18 13 11 3	\$ 479 81 74 18 13 11 3	\$ 479 \$ 81 74 18 13 11 3 186	\$ 479 \$ 459 81 77 74 61 18 14 13 10 11 11 3 4 186 171	\$ 479 \$ 459 \$ \$ 81 77 74 61 18 14 13 10 11 11 3 4 186 171	\$ 479 \$ 459 \$ 54 81 77 83 74 61 66 18 14 14 13 10 11 11 11 9 3 4 3 186 171 185	\$ 479 \$ 459 \$ 541 81 77 82 74 61 66 18 14 14 13 10 15 11 11 9 3 4 3 186 171 189	2Q21 2Q20 1Q21 2Q20 \$ 479 \$ 459 \$ 541 4 81 77 82 5 74 61 66 21 18 14 14 26 13 10 15 36 11 11 9 -1 3 4 3 -30 186 171 189 9	2Q21 2Q20 1Q21 2Q20 \$ 479 \$ 459 \$ 541 4 % 81 77 82 5 % 74 61 66 21 % 18 14 14 26 % 13 10 15 36 % 11 11 9 -1 % 3 4 3 -30 % 186 171 189 9 %	\$ 479 \$ 459 \$ 541 4 % -11 81 77 82 5 % -2 74 61 66 21 % 13 18 14 14 26 % 26 13 10 15 36 % -9 11 11 9 -1 % 19 3 4 3 -30 % - 186 171 189 9 % -2

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), measures the relationship of operating expenses to revenues. M&T's efficiency ratio was 58.4% in the second quarter of 2021, 55.7% in the year-earlier quarter and 60.3% in the first quarter of 2021.

Balance Sheet. M&T had total assets of \$150.6 billion at June 30, 2021, compared with \$139.5 billion and \$150.5 billion at June 30, 2020 and March 31, 2021, respectively. Loans and leases, net of unearned discount, were \$97.1 billion at June 30, 2021, compared with \$97.8 billion at June 30, 2020 and \$99.3 billion at March 31, 2021. The lower level of loans and leases at the recent quarter-end as compared with June 30, 2020 reflects a \$3.8 billion decline in commercial loans, largely offset by growth in consumer loans and residential real estate loans of \$1.7 billion and \$1.1 billion, respectively. The lower commercial loan balances reflect declines in PPP and dealer floor plan loans. The rise in consumer loans resulted from higher balances of recreational finance and automobile loans, while the increase in residential real estate loans was attributable to purchased government-guaranteed loans. The decline in total loans and leases at the recent quarter-end as compared with the first quarter of 2021 resulted largely from lower commercial loans of \$2.4 billion and residential real estate loans of \$645 million, partially offset by a rise in consumer loans of \$728 million. The decrease in commercial loans reflects lower balances of PPP loans. Those loans totaled \$4.3 billion at June 30, 2021, compared with \$6.5 billion at June 30, 2020 and \$6.2 billion at March 31, 2021. The consumer loans increase reflects higher balances of recreational finance and automobile loans. Total deposits were \$128.3 billion at the recent quarter-end, compared with \$115.0 billion at June 30, 2020 and \$128.5 billion at March 31, 2021. The increased levels of deposits at the two most recent quarter-ends as compared with June 30, 2020 reflect higher levels of liquidity being maintained by many commercial and consumer customers. During the recent quarter, M&T stopped accepting deposits for its Cayman Islands office.

Total shareholders' equity was \$16.7 billion, or 11.10% of total assets at June 30, 2021, \$15.9 billion, or 11.43% at June 30, 2020 and \$16.4 billion, or 10.93% at March 31, 2021. Common shareholders' equity was \$15.5 billion, or \$120.22 per share, at June 30, 2021, compared with \$14.7 billion, or \$114.54 per share, a year-earlier and \$15.2 billion, or \$118.12 per share, at March 31, 2021. Tangible equity per common share was \$84.47 at June 30, 2021, \$78.62 at June 30, 2020 and \$82.35 at March 31, 2021. 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 estimates that the ratio of Common Equity Tier 1 to risk-weighted assets under regulatory capital rules was approximately 10.7% at June 30, 2021, up from 10.4% three months earlier.

Conference Call. Investors will have an opportunity to listen to M&T's conference call to discuss second quarter financial results today at 11:00 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 #1338608. The conference call will be webcast live through M&T's website at https://ir.mtb.com/events-presentations. A replay of the call will be available through Wednesday, July 28, 2021 by calling (800) 585-8367, or (404) 537-3406 for international participants, and by making reference to the ID #1338608. The event will also be archived and available by 3:00 p.m. today on M&T's website at https://ir.mtb.com/events-presentations.

<u>About M&T</u>: M&T is a financial holding company headquartered in Buffalo, New York. M&T's principal banking subsidiary, M&T Bank, operates banking offices in New York, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Virginia, West Virginia and the District of Columbia. Trust-related services are provided by M&T's Wilmington Trust-affiliated companies and by M&T Bank.

Who We Are. We are a bank for communities – bringing the capabilities of a large bank with the care of a locally focused institution. Our purpose is to make a difference in people's lives serving all our stakeholders. The keys to our approach are characterized by responsible lending based on the advantages of local knowledge and scale, and our long history of being prudent stewards of our shareholders' capital. For more on our approach as a bank for communities, we committed to communicating our efforts transparently, in our inaugural ESG Report launched this quarter.

We have once again received an "Outstanding" Community Reinvestment Act (CRA) rating from the Federal Reserve Bank of New York – a streak of earning the regulatory agency's highest rating for meeting the credit needs of the bank's communities that dates to 1982. While these acknowledgements might not be the biggest markers of corporate financial success, they are some of the most important to us, because it recognizes our work to improve the quality of lives in all of our communities and for all of our stakeholders. This, we believe, is the hallmark of building a healthier company.

<u>Forward-Looking Statements</u>. This news release and related conference call may contain 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. Any statement that does not describe historical or current facts is a forward-looking statement.

Statements regarding the potential effects of the Coronavirus Disease 2019 ("COVID-19") pandemic on M&T's business, financial condition, liquidity and results of operations may constitute forward-looking statements and are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond M&T's control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on customers, clients, third parties and M&T.

Also as described further below, statements regarding M&T's expectations or predictions regarding the proposed transaction between M&T and People's United Financial, Inc. ("People's United") are forward-looking statements, including statements regarding the expected timing, completion and effects of the proposed transaction as well as M&T's and People's United's expected financial results, prospects, targets, goals and outlook.

Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," or "potential," by future conditional verbs such as "will," "would," "should," "could," or "may," or by variations of such words or by similar expressions. 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 risks, predictions and uncertainties relating to the impact of the COVID-19 pandemic; the impact of the People's United transaction, as described further below; 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; the impact of changes in market values on trust-related revenues; legislation or regulations affecting the financial services industry as a whole, and M&T and its subsidiaries individually or collectively, including tax legislation or regulation; 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, regulatory agencies or legislation; 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, i

In addition, Future Factors related to the proposed transaction between M&T and People's United, include, among others: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between M&T and People's United; the outcome of any legal proceedings that may be instituted against M&T or People's United; the possibility that the proposed transaction will not close when expected or at all because required regulatory or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or are obtained subject to conditions that are not anticipated; the risk that any announcements relating to the proposed combination could have adverse effects on the market price of the common stock of either or both parties to the combination; the possibility that the anticipated benefits of the transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where M&T and People's United do business; certain restrictions during the pendency of the merger that may impact the parties' ability to pursue certain business opportunities or strategic transactions; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; M&T's and People's United's success in executing their respective business plans and strategies and managing the risks involved in the foregoing; and other factors that may affect future results of M&T and People's United; the business, economic and political conditions in the markets in which the parties operate; the risk that the proposed combination and its announcement could have an adverse effect on either or both parties' ability to retain customers and retain or hire key personnel and maintain relationships with customers; the risk that the proposed combination may be more difficult or time-consuming than anticipated, including in areas such as sales force, cost containment, asset realization, systems integration and other key strategies; revenues following the proposed combination may be lower than expected, including for possible reasons such as unexpected costs, charges or expenses resulting from the transactions; the unforeseen risks relating to liabilities of M&T or People's United that may exist; and uncertainty as to the extent of the duration, scope, and impacts of the COVID-19 pandemic on People's United, M&T and the proposed combination.

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 provides further detail regarding these risks and uncertainties in its 2020 Form 10-K, including in the Risk Factors section of such report, as well as in certain other SEC filings. Forward-looking statements speak only as of the date made, and M&T does not assume any duty and does not undertake to update forward-looking statements.

	Three months ended							Six months ended					
		June :	: 30			June 30							
Amounts in thousands, except per share	2021		2020		Change			2021		2020		Change	
<u>Performance</u>	 												
Net income	\$ 458,069		241,054		90	%	\$	905,318		509,876		78	%
Net income available to common shareholders	438,759		223,099		97	%	1	866,852		473,795		83	%
Per common share:													
Basic earnings	\$ 3.41		1.74		96	%	\$	6.74		3.67		84	%
Diluted earnings	3.41		1.74		96	%		6.73		3.67		83	%
Cash dividends	\$ 1.10		1.10		_		\$	2.20		2.20		_	
Common shares outstanding:													
Average - diluted (1)	128,842		128,333		_			128,756		129,044		_	
Period end (2)	128,686		128,294		_			128,686		128,294		_	
Return on (annualized):													
Average total assets	1.22	%	.71	%				1.22	%	.80	%		
Average common shareholders' equity	11.55	%	6.13	%				11.56	%	6.56	%		
Taxable-equivalent net interest income	\$ 946,072		961,371		-2	%	\$	1,931,200		1,943,239		-1	%
Yield on average earning assets	2.85	%	3.38	%				2.97	%	3.75	%		
Cost of interest-bearing liabilities	.14	%	.40	%				.17	%	.60	%		
Net interest spread	2.71	%	2.98	%				2.80	%	3.15	%		
Contribution of interest-free funds	.06	%	.15	%				.07	%	.22	%		
Net interest margin	2.77	%	3.13	%				2.87	%	3.37	%		
Net charge-offs to average total net loans (annualized)	.19	%	.29	%				.25	%	.26	%		
Net operating results (3)													
Net operating income	\$ 462,959		243,958		90	%	\$	920,331		515,663		78	%
Diluted net operating earnings per common share	3.45		1.76		96	%	,	6.84		3.71		84	%
Return on (annualized):													
Average tangible assets	1.27	%	.74	%				1.28	%	.84	%		
Average tangible common equity	16.68	%	9.04	%				16.86	%	9.71	%		
Efficiency ratio	58.4	%	55.7	%				59.4	%	57.4	%		
	F	At Ju	ine 30										
Loan quality	2021		2020		Change								
Nonaccrual loans	\$ 2,242,057		1,156,650		94	%	,						
Real estate and other foreclosed assets	27,902		66,763		-58	%							
Total nonperforming assets	\$ 2,269,959		1,223,413		86	%	J						
Accruing loans past due 90 days or more (4)	\$ 1,077,227		535,755		101	%	,						
Government guaranteed loans included in totals above:													

Nonaccrual loans	\$	49,796		51,165		-3 %				
Accruing loans past due 90 days or more	1,0)29,331		454,269		127 %				
Renegotiated loans	\$ 2	236,377		234,768		1 %				
Nonaccrual loans to total net loans		2.31 %		1.18 %						
Allowance for credit losses to total loans		1.62 %		1.68 %						
(1) Includes common stock equivalents.										
(2) Includes common stock issuable under deferred compet										
(3) Excludes amortization and balances related to goodwill ratio, are net of applicable income tax effects. Reconcil.							ses w	hich, except in the ca	alcula	ition of the efficiency
(4) Predominantly residential real estate loans.										
Financial Highlights, Five Quarter Trend						Three months ende	ed			
	_	June 30,		March 31,		December 31,		September 30,		June 30,
Amounts in thousands, except per share		2021		2021		2020		2020		2020
Performance			_		_	<u> </u>			_	
Net income	\$	458,069		447,249		471,140		372,136		241,054
Net income available to common shareholders	Ψ	438,759		428,093		451,869		353,400		223,099
Per common share:		430,733		420,033		431,003		333,400		223,033
Per common share:	\$	3.41		3.33		3.52		2.75		1.74
Basic earnings	Þ							2.75		
Diluted earnings	_	3.41		3.33		3.52		2.75		1.74
Cash dividends	\$	1.10		1.10		1.10		1.10		1.10
Common shares outstanding:										
Average - diluted (1)		128,842		128,669		128,379		128,355		128,333
Period end (2)		128,686		128,658		128,333		128,303		128,294
Return on (annualized):										
Average total assets		1.22	%	1.22	%	1.30	%	1.06	%	.71 %
Average common shareholders' equity		11.55	%	11.57	%	12.07	%	9.53	%	6.13 %
Taxable-equivalent net interest income	\$	946,072		985,128		993,252		947,114		961,371
Yield on average earning assets		2.85	%	3.08	%	3.15	%	3.13	%	3.38 %
Cost of interest-bearing liabilities		.14	%	.18	%	.25	%	.30	%	.40 %
Net interest spread		2.71	%	2.90	%	2.90	%	2.83	%	2.98 %
Contribution of interest-free funds		.06	%	.07	%	.10	%	.12	%	.15 %
Net interest margin		2.77	%	2.97	%	3.00	%	2.95	%	3.13 %
Net charge-offs to average total net loans (annualized)		.19	%	.31	%	.39	%	.12	%	.29 %
Net operating results (3)										
Net operating income	\$	462,959		457,372		473,453		375,029		243,958

Return on (annualized):										
Average tangible assets	1.27	%	1.29	%	1.35	%	1.10	%	.74	%
Average tangible common equity	16.68	%	17.05	%	17.53	%	13.94	%	9.04	%
Efficiency ratio	58.4	%	60.3	%	54.6	%	56.2	%	55.7	%
	June 30,		March 31,		December 31,		September 30,		June 30,	
<u>Loan quality</u>	2021		2021		2020		2020		2020	
Nonaccrual loans	\$ 2,242,057		1,957,106		1,893,299	-	1,239,972		1,156,650	
Real estate and other foreclosed assets	27,902		29,797		34,668		49,872		66,763	
Total nonperforming assets	\$ 2,269,959		1,986,903	_	1,927,967		1,289,844		1,223,413	
Accruing loans past due 90 days or more (4)	\$ 1,077,227		1,084,553		859,208		527,258		535,755	
Government guaranteed loans included in totals above:										
Nonaccrual loans	\$ 49,796		51,668		48,820		45,975		51,165	
Accruing loans past due 90 days or more	1,029,331		1,044,599		798,121		505,446		454,269	
Renegotiated loans	\$ 236,377		242,121		238,994		242,581		234,768	
Nonaccrual loans to total net loans	2.31	%	1.97	%	1.92	%	1.26	%	1.18	%
Allowance for credit losses to total loans	1.62	%	1.65	%	1.76	%	1.79	%	1.68	%
(1) Includes common stock equivalents.										

3.41

3.54

2.77

1.76

3.45

Diluted net operating earnings per common share

- (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 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) Predominantly residential real estate loans.

Condensed Consolidated Statement of Income

	Three month	hs ended		Six months ended						
	June 3	30		June 30						
Dollars in thousands	2021	2020	Change	2021	2020	Change				
Interest income	\$ 970,358	1,032,242	-6 %	\$ 1,987,320	2,152,661	-8 %				
Interest expense	28,018	75,105	-63	63,585	218,719	-71				
Net interest income	942,340	957,137	-2	1,923,735	1,933,942	-1				
Provision for credit losses	(15,000)	325,000	-	(40,000)	575,000	_				
Net interest income after provision for credit losses	957,340	632,137	51	1,963,735	1,358,942	45				
Other income										
Mortgage banking revenues	133,313	145,024	-8	272,067	272,933	_				
Service charges on deposit accounts	98,518	77,455	27	191,295	183,616	4				
1										

Trust income	162,991	151,882	7	319,013	300,633	6
Brokerage services income	10,265	10,463	-2	23,378	23,592	-1
Trading account and foreign exchange gains	6,502	8,290	-22	12,786	29,306	-56
Gain (loss) on bank investment securities	(10,655)	6,969	_	(22,937)	(13,813)	_
Other revenues from operations	112,699	87,190	29	223,629	220,366	1
Total other income	513,633	487,273	5	1,019,231	1,016,633	_
Other expense						
Salaries and employee benefits	479,134	458,842	4	1,020,212	995,685	2
Equipment and net occupancy	80,848	77,089	5	163,319	156,729	4
Outside data processing and software	74,492	61,376	21	140,243	125,786	11
FDIC assessments	17,876	14,207	26	32,064	26,478	21
Advertising and marketing	13,364	9,842	36	27,992	32,217	-13
Printing, postage and supplies	11,133	11,260	-1	20,450	22,112	-8
Amortization of core deposit and other intangible assets	2,737	3,913	-30	5,475	7,826	-30
Other costs of operations	185,761	170,513	9	375,034	346,625	8
Total other expense	865,345	807,042	7	1,784,789	1,713,458	4
Income before income taxes	605,628	312,368	94	1,198,177	662,117	81
Applicable income taxes	147,559	71,314	107	292,859	152,241	92
Net income	\$ 458,069	241,054	90 %	\$ 905,318	509,876	78 %

Condensed Consolidated Statement of Income, Five Quarter Trend

			Three months ended		
	June 30,	March 31,	December 31,	September 30,	June 30,
Dollars in thousands	2021	2021	2020	2020	2020
Interest income	\$ 970,358	1,016,962	1,038,890	1,001,161	1,032,242
Interest expense	28,018	35,567	49,610	58,066	75,105
Net interest income	942,340	981,395	989,280	943,095	957,137
Provision for credit losses	(15,000)	(25,000)	75,000	150,000	325,000
Net interest income after provision for credit losses	957,340	1,006,395	914,280	793,095	632,137
Other income					
Mortgage banking revenues	133,313	138,754	140,441	153,267	145,024
Service charges on deposit accounts	98,518	92,777	95,817	91,355	77,455
Trust income	162,991	156,022	151,314	149,937	151,882
Brokerage services income	10,265	13,113	12,234	11,602	10,463
Trading account and foreign exchange gains	6,502	6,284	7,204	4,026	8,290
Gain (loss) on bank investment securities	(10,655)	(12,282)	1,619	2,773	6,969

Other revenues from operations	112,699	110,930	142,621	107,601	87,190
Total other income	513,633	505,598	551,250	520,561	487,273
Other expense					
Salaries and employee benefits	479,134	541,078	476,110	478,897	458,842
Equipment and net occupancy	80,848	82,471	84,228	81,080	77,089
Outside data processing and software	74,492	65,751	68,034	64,660	61,376
FDIC assessments	17,876	14,188	15,204	12,121	14,207
Advertising and marketing	13,364	14,628	17,832	11,855	9,842
Printing, postage and supplies	11,133	9,317	8,335	9,422	11,260
Amortization of core deposit and other intangible assets	2,737	2,738	3,129	3,914	3,913
Other costs of operations	185,761	189,273	172,136	164,825	170,513
Total other expense	865,345	919,444	845,008	826,774	807,042
Income before income taxes	605,628	592,549	620,522	486,882	312,368
Applicable income taxes	147,559	145,300	149,382	114,746	71,314
Net income	\$ 458,069	447,249	471,140	372,136	241,054

Condensed Consolidated Balance Sheet

	Jur			
Dollars in thousands	2021	2020	Change	
ASSETS				
Cash and due from banks	\$ 1,410,468	1,354,815	4	%
Interest-bearing deposits at banks	33,864,824	20,888,341	62	
Trading account	712,558	1,293,534	-45	
Investment securities	6,143,177	8,454,344	-27	
Loans and leases:				
Commercial, financial, etc.	25,409,291	29,203,862	-13	
Real estate - commercial	37,558,775	37,159,451	1	
Real estate - consumer	16,704,951	15,611,462	7	
Consumer	17,440,415	15,782,773	11	
Total loans and leases, net of unearned discount	97,113,432	97,757,548	-1	
Less: allowance for credit losses	1,575,128	1,638,236	-4	
Net loans and leases	95,538,304	96,119,312	-1	
Goodwill	4,593,112	4,593,112	_	
Core deposit and other intangible assets	8,690	21,208	-59	
Other assets	8,351,574	6,812,303	23	
Total assets	\$ 150,622,707	139,536,969	8	%

LIABILITIES AND SHAREHOLDERS' EQUITY					
Noninterest-bearing deposits		\$ 55,621,23	30	45,397,843	23 %
Interest-bearing deposits		72,647,54	1 2	68,701,832	6
Deposits at Cayman Islands office		-	_	868,284	-100
Total deposits		128,268,77	72	114,967,959	12
Short-term borrowings		91,23	35	52,298	74
Accrued interest and other liabilities		2,042,94	48	2,250,316	-9
Long-term borrowings		3,499,44	48	6,321,291	-45
Total liabilities		133,902,40)3	123,591,864	8
Shareholders' equity:					
Preferred		1,250,00	00	1,250,000	_
Common		15,470,30)4	14,695,105	5
Total shareholders' equity		16,720,30)4	15,945,105	5
Total liabilities and shareholders' equity		\$ 150,622,70)7	139,536,969	8 %
Condensed Consolidated Balance Sheet, Five Quarter Trend					
Condensed Consolidated Balance Sheet, Five Quarter Trend	June 30,	March 31,	December 31,	September 30,	June 30,
Condensed Consolidated Balance Sheet, Five Quarter Trend Dollars in thousands	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
		·		-	·
Dollars in thousands		·		-	·
Dollars in thousands ASSETS	2021	2021	2020	2020	2020
Dollars in thousands ASSETS Cash and due from banks	\$ 1,410,468	1,258,989	1,552,743	2020	1,354,815
Dollars in thousands ASSETS Cash and due from banks Interest-bearing deposits at banks	\$ 1,410,468	1,258,989 31,407,227	1,552,743	2020	1,354,815
Dollars in thousands ASSETS Cash and due from banks Interest-bearing deposits at banks Federal funds sold	\$ 1,410,468 33,864,824 —	1,258,989 31,407,227 1,000	1,552,743 23,663,810	2020 1,489,232 20,197,937 —	2020 1,354,815 20,888,341 —
Dollars in thousands ASSETS Cash and due from banks Interest-bearing deposits at banks Federal funds sold Trading account	\$ 1,410,468 33,864,824 — 712,558	1,258,989 31,407,227 1,000 687,359	2020 1,552,743 23,663,810 — 1,068,581	2020 1,489,232 20,197,937 — 1,215,573	2020 1,354,815 20,888,341 — 1,293,534
Dollars in thousands ASSETS Cash and due from banks Interest-bearing deposits at banks Federal funds sold Trading account Investment securities	\$ 1,410,468 33,864,824 — 712,558	1,258,989 31,407,227 1,000 687,359	2020 1,552,743 23,663,810 — 1,068,581	2020 1,489,232 20,197,937 — 1,215,573	2020 1,354,815 20,888,341 — 1,293,534
Dollars in thousands ASSETS Cash and due from banks Interest-bearing deposits at banks Federal funds sold Trading account Investment securities Loans and leases:	\$ 1,410,468 33,864,824 — 712,558 6,143,177	1,258,989 31,407,227 1,000 687,359 6,610,667	1,552,743 23,663,810 — 1,068,581 7,045,697	2020 1,489,232 20,197,937 — 1,215,573 7,723,004	1,354,815 20,888,341 — 1,293,534 8,454,344
Dollars in thousands ASSETS Cash and due from banks Interest-bearing deposits at banks Federal funds sold Trading account Investment securities Loans and leases: Commercial, financial, etc.	\$ 1,410,468 33,864,824 — 712,558 6,143,177	1,258,989 31,407,227 1,000 687,359 6,610,667	1,552,743 23,663,810 — 1,068,581 7,045,697 27,574,564	2020 1,489,232 20,197,937 — 1,215,573 7,723,004 27,891,648	1,354,815 20,888,341 — 1,293,534 8,454,344 29,203,862

	June 30,	March 31,	December 31,	September 30,	June 30,
Dollars in thousands	2021	2021	2020	2020	2020
ASSETS					
Cash and due from banks	\$ 1,410,468	1,258,989	1,552,743	1,489,232	1,354,815
Interest-bearing deposits at banks	33,864,824	31,407,227	23,663,810	20,197,937	20,888,341
Federal funds sold	_	1,000	_	_	_
Trading account	712,558	687,359	1,068,581	1,215,573	1,293,534
Investment securities	6,143,177	6,610,667	7,045,697	7,723,004	8,454,344
Loans and leases:					
Commercial, financial, etc.	25,409,291	27,811,190	27,574,564	27,891,648	29,203,862
Real estate - commercial	37,558,775	37,425,974	37,637,889	37,582,084	37,159,451
Real estate - consumer	16,704,951	17,349,683	16,752,993	16,663,708	15,611,462
Consumer	17,440,415	16,712,233	16,570,421	16,309,608	15,782,773
Total loans and leases, net of unearned discount	97,113,432	99,299,080	98,535,867	98,447,048	97,757,548
Less: allowance for credit losses	1,575,128	1,636,206	1,736,387	1,758,505	1,638,236
Net loans and leases	95,538,304	97,662,874	96,799,480	96,688,543	96,119,312
Goodwill	4,593,112	4,593,112	4,593,112	4,593,112	4,593,112
Core deposit and other intangible assets	8,690	11,427	14,165	17,294	21,208
Other assets	8,351,574	8,248,405	7,863,517	6,702,048	6,812,303
Total assets	\$ 150,622,707	150,481,060	142,601,105	138,626,743	139,536,969

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY										
Noninterest-bearing deposits	\$!	55,621,230		53,641,4	4 19	47,572,884	1	44,201,670	45,3	97,843
Interest-bearing deposits		72,647,542		74,193,255		71,580,750)	70,061,680	68,7	01,832
Deposits at Cayman Islands office		_		641,691		652,104	1	899,989	8	68,284
Total deposits	12	28,268,772		128,476,365		119,805,738	3 1	115,163,339	114,9	67,959
Short-term borrowings		91,235		58,9	957	59,482	2	46,123		52,298
Accrued interest and other liabilities		2,042,948		2,000,7	727	2,166,409)	1,857,383	2,2	50,316
Long-term borrowings		3,499,448		3,498,5	503	4,382,193	3	5,458,885	6,3	21,291
Total liabilities	1	33,902,403		134,034,5	552	126,413,822	2 1	122,525,730	123,5	91,864
Shareholders' equity:										
Preferred		1,250,000		1,250,0	000	1,250,000)	1,250,000	1,2	50,000
Common	:	15,470,304		15,196,5	508	14,937,283	3	14,851,013	14,6	95,105
Total shareholders' equity		16,720,304		16,446,5	508	16,187,283	3	16,101,013	15,9	45,105
Total liabilities and shareholders' equity	\$ 1	50,622,707		150,481,0)60	142,601,105	5 1	138,626,743	139,5	36,969
Condensed Consolidated Average Balance Sheet and Ar	nnualized Tax	able-equiv <i>a</i>	nent Rate	Three mo	nths ended					
Condensed Consolidated Average Balance Sheet and Ar	nnualized Tax	June 30, 2021	nent Kate	Three mon			sh 31, 121	_	in balance 2021 from	
Condensed Consolidated Average Balance Sheet and Ar	Balane	June 30, 2021	ate	Three mon	2 30,			_		Balance
		June 30, 2021		Three mon	2 30, 20	20	21	June 30,	2021 from March 31,	Balance
ASSETS		June 30, 2021 ce R		Three mon	2 30, 20	20	21	June 30,	2021 from March 31,	
ASSETS Interest-bearing deposits at banks	Balane \$ 32,08	June 30, 2021 ce R	ate	Three mon June 20 Balance	2 30, 20 Rate	Balance	Rate	June 30, June 30, 2020	2021 from March 31, 2021	\$ 29,8
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities	Balance \$ 32,08	June 30, 2021 ce R	ate	Three mon June 20 Balance	2 30, 20 Rate	Balance 27,666	Rate .10 %	June 30, 2020	2021 from March 31, 2021 16 %	\$ 29,8
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account	Balance \$ 32,08	June 30, 2021 ce R 81 .11 — .48 49 1.76	ate %	Three mon June 20 Balance 16,454 692	230, 20 Rate .10 %	20 Balance 27,666 678	Rate .10 % .12	June 30, 2020 95 %	2021 from March 31, 2021 16 % -100	\$ 29,8
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities	\$ 32,08	June 30, 2021 ce R 81 .11 — .48 49 1.76	ate %	Three mon 200 Balance 16,454 692 49	2 30, 20 Rate .10 % .11 2.04	27,666 678 50	.10 % .12 1.44	June 30, 2020 95 % -100	2021 from March 31, 2021 16 % -100 —	\$ 29,8
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities	\$ 32,08	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23	aate %	Three mon 200 Balance 16,454 692 49	2 30, 20 Rate .10 % .11 2.04	27,666 678 50	.10 % .12 1.44	June 30, 2020 95 % -100	2021 from March 31, 2021 16 % -100 —	\$ 29,8 3
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount	\$ 32,08	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23	ate	Three mon 20 Balance 16,454 692 49 8,500	Rate .10 % .11 2.04 2.24	27,666 678 50 6,605	Rate .10 % .12 1.44 2.28	June 30, 2020 95 % -100 1 -27	2021 from March 31, 2021 16 % -100 -6	\$ 29,8 3 6,4
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount Commercial, financial, etc.	\$ 32,08 	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23 55 3.26 19 3.92	ate	Three mon 200 Balance 16,454 692 49 8,500	Rate .10 % .11 2.04 2.24	27,666 678 50 6,605	Rate .10 % .12 1.44 2.28	June 30, 2020 95 % -100 1 -27	2021 from March 31, 2021 16 % -100 -6	\$ 29,8 3 6,4 27,3 37,5
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount Commercial, financial, etc. Real estate - commercial	\$ 32,08 \$ 32,08 	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23 55 3.26 19 3.92 22 3.54	aate	Three mon 200 Balance 16,454 692 49 8,500 29,733 36,947	Rate .10 % .11 2.04 2.24 3.10 4.42	27,666 678 50 6,605 27,723 37,609	Rate .10 % .12 1.44 2.28 3.53 4.16	June 30, June 30, 2020 95 % -100 1 -27	2021 from March 31, 2021 16 % -100 -6 -2 -1	\$ 29,8 3 6,4 27,3 37,5 17,2
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount Commercial, financial, etc. Real estate - commercial Real estate - consumer	\$ 32,08 \$ 32,08 6,2: 27,09 37,4: 17,02	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23 55 3.26 19 3.92 22 3.54 14 4.44	aate	Three mon 20 Balance 16,454 692 49 8,500 29,733 36,947 15,599	Rate .10 % .11 2.04 2.24 3.10 4.42 4.00	27,666 678 50 6,605 27,723 37,609 17,404	Rate .10 % .12 1.44 2.28 3.53 4.16 3.54	June 30, June 30, 2020 95 % -100 1 -27 -9 1 9	2021 from March 31, 2021 16 % -100 -6 -2 -1 -2	\$ 29,8 3 6,4 27,3 37,5 17,2
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount Commercial, financial, etc. Real estate - commercial Real estate - consumer Consumer	\$ 32,08 \$ 32,08 6,2: 27,09 37,4: 17,02 17,1:	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23 55 3.26 19 3.92 22 3.54 14 4.44 10 3.79	ate	Three mon 20 Balance 16,454 692 49 8,500 29,733 36,947 15,599 15,518	Rate .10 % .11 2.04 2.24 3.10 4.42 4.00 4.85	27,666 678 50 6,605 27,723 37,609 17,404 16,620	Rate .10 % .12 1.44 2.28 3.53 4.16 3.54 4.64	June 30, June 30, 2020 95 % -100 1 -27 -9 1 9 10	2021 from March 31, 2021 16 % -100 -6 -2 -1 -2 3	\$ 29,8 3 6,4 27,3 37,5 17,2 16,8 98,9
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount Commercial, financial, etc. Real estate - commercial Real estate - consumer Consumer Total loans and leases, net	\$ 32,08 \$ 32,08 6,23 27,09 37,43 17,02 17,13 98,63	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23 55 3.26 19 3.92 22 3.54 14 4.44 10 3.79 51 2.85	ate	Three mon 200 Balance 16,454 692 49 8,500 29,733 36,947 15,599 15,518 97,797	Rate .10 % .11 2.04 2.24 3.10 4.42 4.00 4.85 4.05	27,666 678 50 6,605 27,723 37,609 17,404 16,620 99,356	Rate .10 % .12 1.44 2.28 3.53 4.16 3.54 4.64 3.99	June 30, June 30, 2020 95 % -100 1 -27 -9 1 9 10 1	2021 from March 31, 2021 16 % -100 -6 -2 -1 -2 3 -1	\$ 29,8 3 6,4 27,3 37,5 17,2 16,8 98,9
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount Commercial, financial, etc. Real estate - commercial Real estate - consumer Consumer Total loans and leases, net Total earning assets Goodwill	\$ 32,08 \$ 32,08 6,2: 27,09 37,4: 17,02 17,1: 98,6: 136,99 4,59	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23 55 3.26 19 3.92 22 3.54 14 4.44 10 3.79 51 2.85	ate	Three mon 200 Balance 16,454 692 49 8,500 29,733 36,947 15,599 15,518 97,797 123,492	Rate .10 % .11 2.04 2.24 3.10 4.42 4.00 4.85 4.05	27,666 678 50 6,605 27,723 37,609 17,404 16,620 99,356 134,355	Rate .10 % .12 1.44 2.28 3.53 4.16 3.54 4.64 3.99	June 30, June 30, 2020 95 % -100 1 -27 -9 1 9 10 1	2021 from March 31, 2021 16 % -100 -6 -2 -1 -2 3 -1 2	\$ 29,8i 3: 6,4i 27,3i 37,5 17,2 16,8i 98,9i
ASSETS Interest-bearing deposits at banks Federal funds sold and agreements to resell securities Trading account Investment securities Loans and leases, net of unearned discount Commercial, financial, etc. Real estate - commercial Real estate - consumer Consumer Total loans and leases, net Total earning assets	\$ 32,08 \$ 32,08 6,2: 27,09 37,4: 17,02 17,1: 98,6: 136,99 4,59	June 30, 2021 ce R 81 .11 — .48 49 1.76 11 2.23 55 3.26 19 3.92 22 3.54 14 4.44 10 3.75 51 2.85	ate	Three mon 200 Balance 16,454 692 49 8,500 29,733 36,947 15,599 15,518 97,797 123,492 4,593	Rate .10 % .11 2.04 2.24 3.10 4.42 4.00 4.85 4.05	27,666 678 50 6,605 27,723 37,609 17,404 16,620 99,356 134,355 4,593	Rate .10 % .12 1.44 2.28 3.53 4.16 3.54 4.64 3.99	June 30, June 30, 2020 95 % -100 1 -27 -9 1 9 10 1 11 —	2021 from March 31, 2021 16 % -100 -6 -2 -1 -2 3 -1 2 -	Balance \$ 29,88 33 6,40 27,38 37,5 17,2 16,80 98,90 135,60 4,59

136,446

148,157

2 %

10 %

\$ 149,40

\$ 150,641

Total assets

LIABILITIES AND SHAREHOLDERS' EQUITY										
Interest-bearing deposits										
Savings and interest-checking deposits	\$ 71,561	.05	62,927	.17	70,458	.07	14	% 2	%	\$ 71,01
Time deposits	3,358	.61	5,354	1.49	3,732	.76	-37	-10		3,54
Deposits at Cayman Islands office	50	.12	1,017	.06	683	.11	-95	-93		36
Total interest-bearing deposits	74,969	.07	69,298	.27	74,873	.10	8	_		74,92
Short-term borrowings	61	.01	63	.01	62	.01	-3	-1		Э
Long-term borrowings	3,429	1.74	6,189	1.86	3,851	1.78	-45	-11		3,63
Total interest-bearing liabilities	78,459	.14	75,550	.40	78,786	.18	4	_		78,62
Noninterest-bearing deposits	53,444		42,497		50,860		26	5		52,15
Other liabilities	2,167		2,446		2,184		-11	-1		2,17
Total liabilities	134,070		120,493		131,830		11	2		132,95
Shareholders' equity	16,571		15,953		16,327		4	1		16,45
Total liabilities and shareholders' equity	\$ 150,641		136,446		148,157		10	% 2	%	\$ 149,40
Net interest spread		2.71		2.98		2.90				
Contribution of interest-free funds		.06		.15		.07				
Net interest margin		2.77 %		3.13 %		2.97 %				
Reconciliation of Quarterly GAAP to Non-GAAP Measur	res		Three mont	hs andad						
				iis ciiucu			Six	months ended		
			June 3				Six	months ended June 30		
		2021				2021	Six		20	
<u>Income statement data</u>		2021		30		2021	Six	June 30	20	
In thousands, except per share		2021		30		2021	Six	June 30	20	
		2021		30		2021	Six	June 30	20	
In thousands, except per share				2020	,054	2021 905,3		June 30 202	20 509,876	
In thousands, except per share Net income	1)	\$ 45		2020	,054		18	June 30 202		
In thousands, except per share Net income Net income	1)	\$ 45	8,069	2020		905,3	18 57	June 30 202	509,876	
In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1)	\$ 45	.8,069 2,023	2020 2020 241 2		905,3	18 57 56	June 30	509,876	
In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1)	1)	\$ 45	.8,069 2,023 2,867	2020 2020 241 2	2,904	905,3 4,0 10,9	18 57 56	June 30	509,876 5,787 —	
In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (Merger-related expenses (1) Net operating income	1)	\$ 45	.8,069 2,023 2,867	2020 241 243	2,904	905,3 4,0 10,9 920,3	18 57 56	June 30	509,876 5,787 —	
In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (Merger-related expenses (1) Net operating income Earnings per common share		\$ 45	.8,069 2,023 2,867 :2,959	2020 241 243	2,904 — 3,958	905,3 4,0 10,9 920,3	18 57 56 31	June 30	5,787 — 515,663	
In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share		\$ 45	3.41 8,069 2,023 2,867 2,959	2020 241 243	2,904 — 8,958 1.74	905,3 4,0 10,9 920,3	18 57 56 31	June 30	5,787 — 515,663	
In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share Amortization of core deposit and other intangible assets (\$ 45	3,41 .02	241	2,904 — 8,958 1.74	905,3 4,0 10,9 920,3	18 57 56 31 73	June 30	5,787 — 515,663	

Other expense	\$ 865,345	807,042	1,784,789	1,713,458
Amortization of core deposit and other intangible assets	(2,737)	(3,913)	(5,475)	(7,826)
Merger-related expenses	(3,893)		(13,844)	
Noninterest operating expense	\$ 858,715	803,129	1,765,470	1,705,632
Merger-related expenses				
Salaries and employee benefits	\$ 4	_	4	_
Outside data processing and software	244	_	244	_
Advertising and marketing	24	_	24	_
Printing, postage and supplies	2,049	_	2,049	_
Other costs of operations	1,572		11,523	
Other expense	\$ 3,893	_	13,844	_
Efficiency ratio				
Noninterest operating expense (numerator)	\$ 858,715	803,129	1,765,470	1,705,632
Taxable-equivalent net interest income	\$ 946,072	961,371	1,931,200	1,943,239
Other income	513,633	487,273	1,019,231	1,016,633
Less: Gain (loss) on bank investment securities	(10,655)	6,969	(22,937)	(13,813)
Denominator	\$ 1,470,360	1,441,675	2,973,368	2,973,685
Efficiency ratio	58.4	% 55.7	% 59.4	% 57.4 %
Balance sheet data				
In millions				
In millions Average assets				
	\$ 150,641	136,446	149,406	128,513
Average assets	\$ 150,641 (4,593)	136,446 (4,593)	149,406 (4,593)	128,513 (4,593)
Average assets Average assets	\$ •	·	•	·
Average assets Average assets Goodwill	\$ (4,593)	(4,593)	(4,593)	(4,593)
Average assets Average assets Goodwill Core deposit and other intangible assets	\$ (4,593) (10)	(4,593) (23)	(4,593) (11)	(4,593) (25)
Average assets Average assets Goodwill Core deposit and other intangible assets Deferred taxes	(4,593) (10)	(4,593) (23) 6	(4,593) (11)	(4,593) (25)
Average assets Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets	(4,593) (10)	(4,593) (23) 6	(4,593) (11)	(4,593) (25)
Average assets Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity	\$ (4,593) (10) 3 146,041	(4,593) (23) 6 131,836	(4,593) (11) 3 144,805	(4,593) (25) 7 123,902
Average assets Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity	\$ (4,593) (10) 3 146,041	(4,593) (23) 6 131,836	(4,593) (11) 3 144,805	(4,593) (25) 7 123,902
Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity Preferred stock	\$ (4,593) (10) 3 146,041 16,571 (1,250)	(4,593) (23) 6 131,836 15,953 (1,250)	(4,593) (11) 3 144,805 16,450 (1,250)	(4,593) (25) 7 123,902 15,836 (1,250)
Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity Preferred stock Average common equity	\$ (4,593) (10) 3 146,041 16,571 (1,250) 15,321	(4,593) (23) 6 131,836 15,953 (1,250) 14,703	(4,593) (11) 3 144,805 16,450 (1,250) 15,200	(4,593) (25) 7 123,902 15,836 (1,250) 14,586
Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity Preferred stock Average common equity Goodwill	\$ (4,593) (10) 3 146,041 16,571 (1,250) 15,321 (4,593)	(4,593) (23) 6 131,836 15,953 (1,250) 14,703 (4,593)	(4,593) (11) 3 144,805 16,450 (1,250) 15,200 (4,593)	(4,593) (25) 7 123,902 15,836 (1,250) 14,586 (4,593)
Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity Preferred stock Average common equity Goodwill Core deposit and other intangible assets	\$ (4,593) (10) 3 146,041 16,571 (1,250) 15,321 (4,593) (10)	(4,593) (23) 6 131,836 15,953 (1,250) 14,703 (4,593) (23)	(4,593) (11) 3 144,805 16,450 (1,250) 15,200 (4,593) (11)	(4,593) (25) 7 123,902 15,836 (1,250) 14,586 (4,593) (25)
Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity Preferred stock Average common equity Goodwill Core deposit and other intangible assets Deferred taxes	\$ (4,593) (10) 3 146,041 16,571 (1,250) 15,321 (4,593) (10) 3	(4,593) (23) 6 131,836 15,953 (1,250) 14,703 (4,593) (23) 6	(4,593) (11) 3 144,805 16,450 (1,250) 15,200 (4,593) (11) 3	(4,593) (25) 7 123,902 15,836 (1,250) 14,586 (4,593) (25) 7
Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity Preferred stock Average common equity Goodwill Core deposit and other intangible assets Deferred taxes Average tangible common equity	\$ (4,593) (10) 3 146,041 16,571 (1,250) 15,321 (4,593) (10) 3	(4,593) (23) 6 131,836 15,953 (1,250) 14,703 (4,593) (23) 6	(4,593) (11) 3 144,805 16,450 (1,250) 15,200 (4,593) (11) 3	(4,593) (25) 7 123,902 15,836 (1,250) 14,586 (4,593) (25) 7
Average assets Goodwill Core deposit and other intangible assets Deferred taxes Average tangible assets Average common equity Average total equity Preferred stock Average common equity Goodwill Core deposit and other intangible assets Deferred taxes Average tangible common equity At end of quarter	\$ (4,593) (10) 3 146,041 16,571 (1,250) 15,321 (4,593) (10) 3	(4,593) (23) 6 131,836 15,953 (1,250) 14,703 (4,593) (23) 6	(4,593) (11) 3 144,805 16,450 (1,250) 15,200 (4,593) (11) 3	(4,593) (25) 7 123,902 15,836 (1,250) 14,586 (4,593) (25) 7

Core deposit and other intangible assets			(9)		(21)				
Deferred taxes			2		5				
Total tangible assets		\$	146,023		134,928				
Total common equity									
Total equity		\$	16,720		15,945				
Preferred stock			(1,250)		(1,250)				
Common equity			15,470		14,695				
Goodwill			(4,593)		(4,593)				
Core deposit and other intangible assets			(9)		(21)				
Deferred taxes			2		5				
Total tangible common equity		\$	10,870		10,086				
(1) After any related tax effect.									
Reconciliation of Quarterly GAAP to Non-GAAP Measures, F.	ive Qua	arter Trend							
Reconcination of Quarterly GITH to Non-GITH Measures, 1									- 1
reconcination of Quarterly GAVA to Non-GAVA Measures, 1.					Throo months as	ndad .			
Reconcination of Quarterly GAVA to Non-GAVA Measures, 1		r 20		34ab 21	Three months e		20	L-ma 20	
Reconcination of Quarterly GAVA to Non-GAVA Measures, 1	J	June 30,		March 31,	December 3	1, Septemb		June 30,	
	j	June 30, 2021		March 31, 2021				June 30, 2020	
Income statement data	:				December 3	1, Septemb			
Income statement data In thousands, except per share	j		_		December 3	1, Septemb			
Income statement data In thousands, except per share Net income	_	2021		2021	December 3.	1, Septemb)	2020	
Income statement data In thousands, except per share Net income Net income	\$	2021		2021	December 3. 2020 471,14	1, Septemb 2020	2,136	2020	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1)	_	2021 458,069 2,023		2021 447,249 2,034	December 3.	1, Septemb 2020)	2020	
Income statement data In thousands, except per share Net income Net income	\$	2021 458,069 2,023 2,867		2021 447,249 2,034 8,089	December 3: 2020 471,14 2,31	1, Septemb 2020 0 37:	2,136 2,893	2020 241,054 2,904 —	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1)	_	2021 458,069 2,023		2021 447,249 2,034	December 3. 2020 471,14	1, Septemb 2020 0 37:	2,136	2020	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1)	\$	2021 458,069 2,023 2,867		2021 447,249 2,034 8,089	December 3: 2020 471,14 2,31	1, Septemb 2020 0 37:	2,136 2,893	2020 241,054 2,904 —	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income	\$	2021 458,069 2,023 2,867		2021 447,249 2,034 8,089	December 3: 2020 471,14 2,31	1, Septemb 2020 0 37: 3 3 37:	2,136 2,893	2020 241,054 2,904 —	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income Earnings per common share	\$	2021 458,069 2,023 2,867 462,959		2021 447,249 2,034 8,089 457,372	December 3: 2020 471,14 2,31 - 473,45	1, Septemb 2020 0 37: 3 - 37:	2,136 2,893 — 5,029	241,054 2,904 — 243,958	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share	\$	2021 458,069 2,023 2,867 462,959		2021 447,249 2,034 8,089 457,372	December 3: 2020 471,14 2,31 473,45	1, Septemb 2020 0 37: 3 - 37:	2,136 2,893 — 5,029	241,054 2,904 — 243,958	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share Amortization of core deposit and other intangible assets (1)	\$	2021 458,069 2,023 2,867 462,959 3.41 .02		2021 447,249 2,034 8,089 457,372 3.33 .02	December 3: 2020 471,14 2,31 473,45	1, Septemb 2020 0 37: 3 3 2 2 2	2,136 2,893 — 5,029	241,054 2,904 — 243,958	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share Amortization of core deposit and other intangible assets (1) Merger-related expenses (1)	\$ \$	2021 458,069 2,023 2,867 462,959 3.41 .02 .02		2021 447,249 2,034 8,089 457,372 3.33 .02 .06	December 3: 2020 471,14 2,31 473,45 3.5 .0	1, Septemb 2020 0 37: 3 3 2 2 2	2,136 2,893 — 5,029 2.75 .02	241,054 2,904 — 243,958 1.74 .02	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Diluted net operating earnings per common share	\$ \$	2021 458,069 2,023 2,867 462,959 3.41 .02 .02		2021 447,249 2,034 8,089 457,372 3.33 .02 .06	December 3: 2020 471,14 2,31 473,45 3.5 .0	1, Septemb 2020 0 37: 3 3 2 2 2 4	2,136 2,893 — 5,029 2.75 .02	241,054 2,904 — 243,958 1.74 .02	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Diluted net operating earnings per common share Other expense	\$ \$ \$	2021 458,069 2,023 2,867 462,959 3.41 .02 .02 .02		2021 447,249 2,034 8,089 457,372 3.33 .02 .06 3.41	December 3: 2020 471,14 2,31 473,45 3.5 .0 - 3.5	1, Septemb 2020 0 37: 3 3 2 2 2 4 8 82	2,136 2,893 — 5,029 2.75 .02 —	241,054 2,904 — 243,958 1.74 .02 — 1.76	
Income statement data In thousands, except per share Net income Net income Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Net operating income Earnings per common share Diluted earnings per common share Amortization of core deposit and other intangible assets (1) Merger-related expenses (1) Diluted net operating earnings per common share Other expense Other expense	\$ \$ \$	2021 458,069 2,023 2,867 462,959 3.41 .02 .02 .02 3.45		2021 447,249 2,034 8,089 457,372 3.33 .02 .06 3.41	December 3: 2020 471,14 2,31 473,45 3.5 .0 3.5	1, Septemb 2020 0 37: 3 3 2 2 2 4 8 82	2,136 2,893 — 5,029 2.75 .02 — 2.77	241,054 2,904 — 243,958 1.74 .02 — 1.76	

Noninterest operating expense	\$ 858,715		906,755		841,879	822,860	803,129	
Merger-related expenses		•						
Salaries and employee benefits	\$ 4		_		_	_	_	
Outside data processing and software	244		_		_	_	_	
Advertising and marketing	24		_		_	_	_	
Printing, postage and supplies	2,049		_		_	_	_	
Other costs of operations	 1,572	_	9,951	_				
Other expense	\$ 3,893		9,951	_				
Efficiency ratio							-	
Noninterest operating expense (numerator)	\$ 858,715		906,755	_	841,879	822,860	803,129	
Taxable-equivalent net interest income	\$ 946,072		985,128		993,252	947,114	961,371	
Other income	513,633		505,598		551,250	520,561	487,273	
Less: Gain (loss) on bank investment securities	(10,655)		(12,282)	_	1,619	2,773	6,969	
Denominator	\$ 1,470,360		1,503,008		1,542,883	1,464,902	1,441,675	
Efficiency ratio	58.4	%	60.3	%	54.6	% 56.2	% 55.7 %	%
Balance sheet data								
In millions								
Average assets								
Average assets	\$ 150,641		148,157		144,563	140,181	136,446	
Goodwill	(4,593)		(4,593)		(4,593)	(4,593)	(4,593)	
Core deposit and other intangible assets	(10)		(13)		(16)	(19)	(23)	
Deferred taxes	 3		3	_	4	5	6	
Average tangible assets	\$ 146,041	_	143,554	_	139,958	135,574	131,836	
Average common equity								
Average total equity	\$ 16,571		16,327		16,213	16,073	15,953	
Preferred stock	 (1,250)		(1,250)	_	(1,250)	(1,250)	(1,250)	
Average common equity	15,321		15,077		14,963	14,823	14,703	
Goodwill	(4,593)		(4,593)		(4,593)	(4,593)	(4,593)	
Core deposit and other intangible assets	(10)		(13)		(16)	(19)	(23)	
Deferred taxes	 3		3		4	5	6	
Average tangible common equity	\$ 10,721		10,474	_	10,358	10,216	10,093	
At end of quarter								
Total assets								
Total assets	\$ 150,623		150,481		142,601	138,627	139,537	
Goodwill	(4,593)		(4,593)		(4,593)	(4,593)	(4,593)	
Core deposit and other intangible assets	(9)		(12)		(14)	(17)	(21)	
Deferred taxes	 2		3	_	4	4	5	
Total tangible assets	\$ 146,023		145,879		137,998	134,021	134,928	

Total common equity					
Total equity	\$ 16,720	16,447	16,187	16,101	15,945
Preferred stock	 (1,250)	(1,250)	(1,250)	(1,250)	(1,250)
Common equity	15,470	15,197	14,937	14,851	14,695
Goodwill	(4,593)	(4,593)	(4,593)	(4,593)	(4,593)
Core deposit and other intangible assets	(9)	(12)	(14)	(17)	(21)
Deferred taxes	2	3	4	4	5
Total tangible common equity	\$ 10,870	10,595	10,334	10,245	10,086

(1) After any related tax effect.

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https://newsroom.mtb.com/2021-07-21-M-T-Bank-Corporation-Announces-Second-Quarter-Results