



## **2011 FBR Fall Investor Conference**

**November 29, 2011**

# Disclaimer

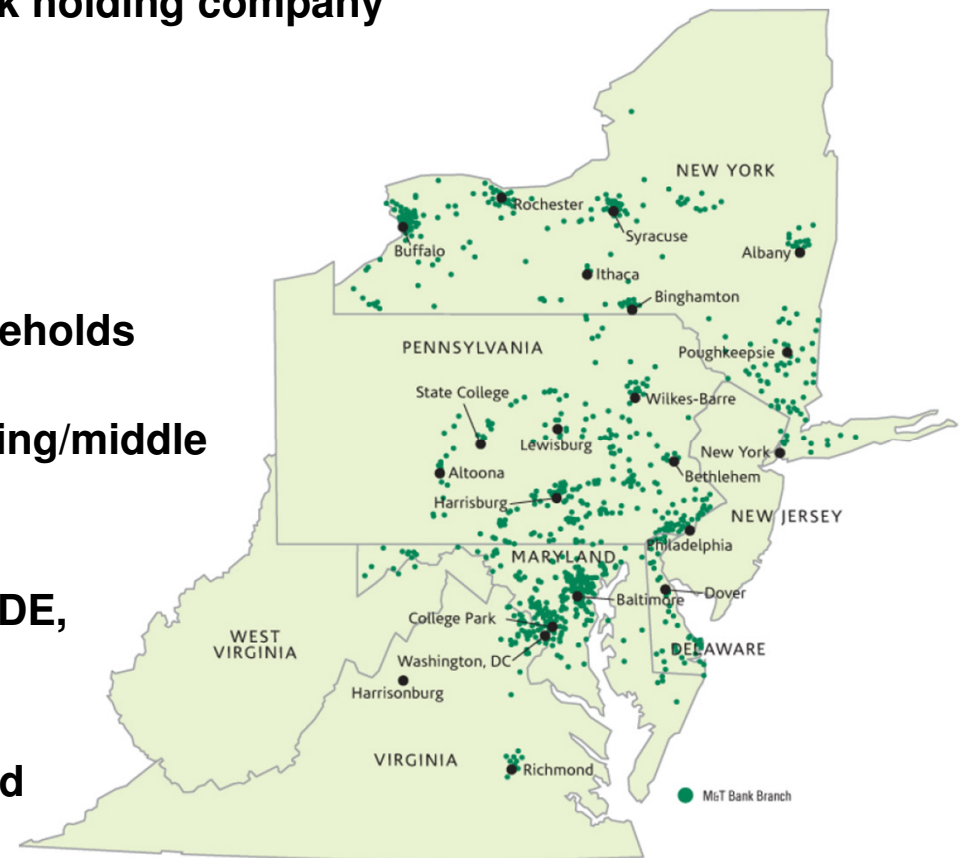
*This presentation contains forward looking statements within the meaning of the Private Securities Litigation Reform Act giving the Company's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" 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 forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements.*

*In addition to factors previously disclosed in our SEC reports and those identified elsewhere in this presentation, the following factors among others, could cause actual results to differ materially from forward-looking statements or historical performance: changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer acceptance of M&T products and services; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms, including those associated with the Dodd-Frank Wall Street Reform and Consumer Protection Act.*

*Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.*

# Who is M&T Bank?

- ❑ 16<sup>th</sup> largest US-based commercial bank holding company
- ❑ \$78 billion in assets
- ❑ 15,643 employees
- ❑ Almost 2 million consumer/retail households
- ❑ Approximately 220,000 business banking/middle market customers
- ❑ Over 770 branches in NY, MD, PA, VA, DE, NJ, WV, & DC.
- ❑ \$52 billion of new loan originations and renewals from 2008 through 2010
- ❑ 23 acquisitions over the past 24 years



# M&T's interests are aligned with stakeholders in the community



Westminster Community Charter School



United Way Day of Caring in Baltimore



Gettysburg Visitor Center

**Our employees practice the community banking model**

More than 2,700 employees serve over 4,700 different not-for-profit organizations

**M&T Charitable Foundation** has contributed almost \$144 million over the past 10 years

\$12.4M+ invested in Westminster Community Charter School since the partnership began in 1993

M&T earned the highest rating from the Federal Reserve on each **Community Reinvestment Act** exam since 1982

## Stability through the recent financial crisis

- ☐ **Lowest percentage credit losses among top 20 commercial banks**
- ☐ **Lowest TARP participation (1%) among largest 25 BHCs**
- ☐ **Consistently profitable throughout crisis**
- ☐ **No quarterly losses since 1976 – 141 quarters**
- ☐ **1 of only 2 commercial banks in S&P 500 not to reduce dividend**
- ☐ **5% growth in shares o/s since y/e 2007 vs peer average of 66% (ex acquisitions)**
- ☐ **Lowest construction & CRE charge-offs among large regional / super-regional banks**

# Superior Returns to Shareholders

- ❑ **#1 stock market performance among 100 largest banks since 1983\***
- ❑ **19.2% annual return since 1980 / Berkshire Hathaway – 20.4%\***
- ❑ **Highest return among 50 largest banks from January 2000 – December 2010: 172%**
- ❑ **Outperformed S&P Bank Index by 20%, 31% and 69% over 3, 5, and 10-years\***
- ❑ **18.95% return on tangible common equity in 2010 vs. industry average of (0.3%)**
- ❑ **Insiders control over 20% of M&T; Berkshire Hathaway major holder since 1991**

\*Note: As of 10/31/2011

# Financial Update

# Third Quarter 2011 Earnings Summary

<u>(\$ millions)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>3Q10</u>	<u>2Q11</u>	<u>3Q11</u>
Net Operating Income	881	704	599	455	755	200	289	210
GAAP Net Income	839	654	556	380	736	192	322	183
<u>(\$ per share)</u>								
Net Operating EPS	7.73	6.4	5.39	3.54	5.84	1.55	2.16	1.53
GAAP EPS	7.37	5.95	5.01	2.89	5.69	1.48	2.42	1.32

Net Operating Income and Net Operating EPS are non-GAAP financial measures. Refer to the Appendix for a reconciliation between these measures and GAAP



# Key Ratios

	2006	2007	2008	2009	2010	SepYTD'11	
<b>Net Interest Margin</b>	3.70%	3.60%	3.38%	3.49%	3.84%	3.78%	Improving pre-credit earnings
<b>Efficiency Ratio - Tangible <sup>(1)</sup></b>	51.51%	52.77%	54.35%	56.50%	53.71%	57.84%	
<b>Pre-tax, Pre-provision Earnings (\$MM) <sup>(1)</sup></b>	1,312	1,156	1,152	1,123	1,461	1,218	
<b>Allowance to Loans (As At)</b>	1.51%	1.58%	1.61%	1.83% <sup>[3]</sup>	1.82% <sup>[3]</sup>	1.79% <sup>[3]</sup>	Strong credit through cycle
<b>Net Charge-Offs to Loans</b>	0.16%	0.26%	0.78%	1.01%	0.67%	0.46%	
<b>Net Operating Return on Tangible Assets <sup>(2)</sup></b>	1.67%	1.27%	0.97%	0.71%	1.17%	1.39%	Focus on returns
<b>Tangible Common Equity <sup>(2)</sup></b>	29.55%	22.58%	19.63%	13.42%	18.95%	20.16%	
<b>Common Equity to Assets - Tangible</b>	5.84%	5.01%	4.59%	5.13%	6.19%	6.46%	Strong capital generation
<b>Tier 1 Common Capital Ratio</b>	6.42%	5.62%	6.08%	5.66%	6.51%	6.87%	
<b>Tier 1 Capital Ratio</b>	7.74%	6.84%	8.83%	8.59%	9.47%	9.74%	
<b>Total Capital Ratio</b>	11.78%	11.18%	12.83%	12.30%	13.08%	13.43%	
<b>Leverage Ratio</b>	7.20%	6.59%	8.35%	8.43%	9.33%	9.35%	
<b>TBV per Share</b>	28.57	27.98	25.94	28.27	33.26	38.11	

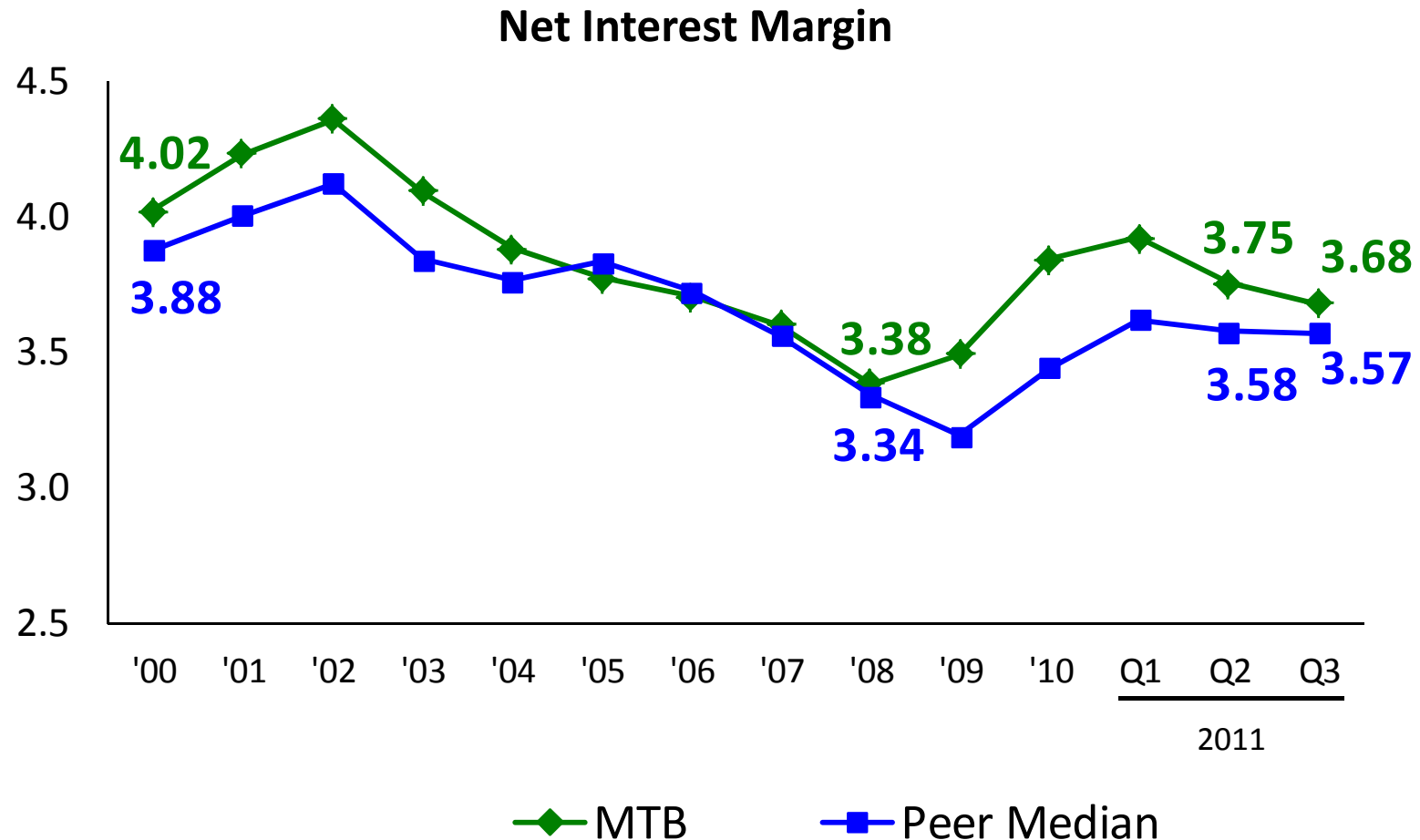
(1) The Efficiency Ratio and Pre-tax, Pre-provision Earnings are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures is available in the appendix. The Efficiency Ratio reflects non-interest expense (excluding amortization expense associated with intangible assets and merger-related expenses) as a percentage of fully taxable equivalent net interest income and non-interest revenues (excluding gains or losses from securities transactions and merger-related gains).

(2) Excludes merger-related gains and expenses and amortization expense associated with intangible assets.

(3) Allowance to legacy M&T loans. Per SFAS No. 141R and SOP 03-3, acquired Provident, Bradford, K Bank and Wilmington Trust loans were marked to fair value at acquisition with no related reserves.

# Disciplined margin management

M&T focuses on returns and relationships rather than volumes



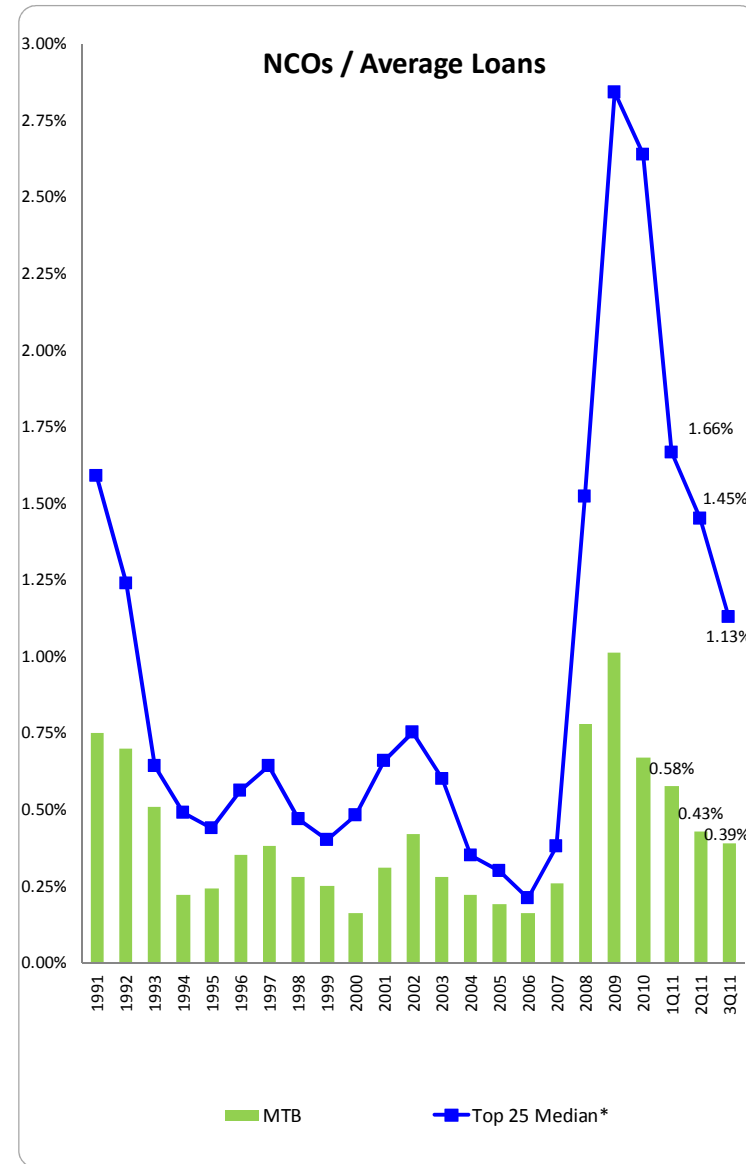
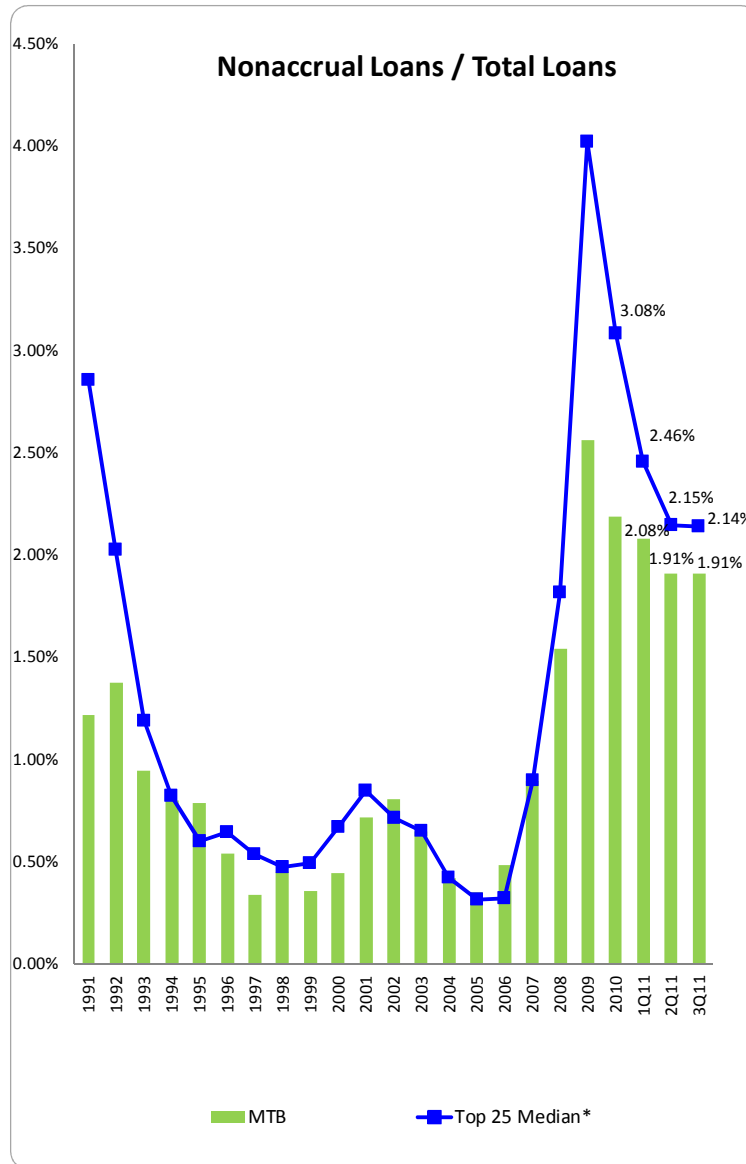
# Acquisition accounting impact on M&T loan yields

	3Q 2011		
<u>(\$ millions)</u>	<u>As reported</u>	<u>Acquired loans</u>	<u>M&amp;T legacy loans</u>
Interest income on loans (FTE)	661	97 *	563
Average balance	58,188	9,027	49,161
Yield	4.51%	4.28%	4.55%

- The amount of interest income recognized on acquired loans closely approximated the contractual interest income received or earned by M&T during the quarter.

\* see p15 of M&T's 3Q11 10Q

# Historical Credit Cycle: 1991 - 2011

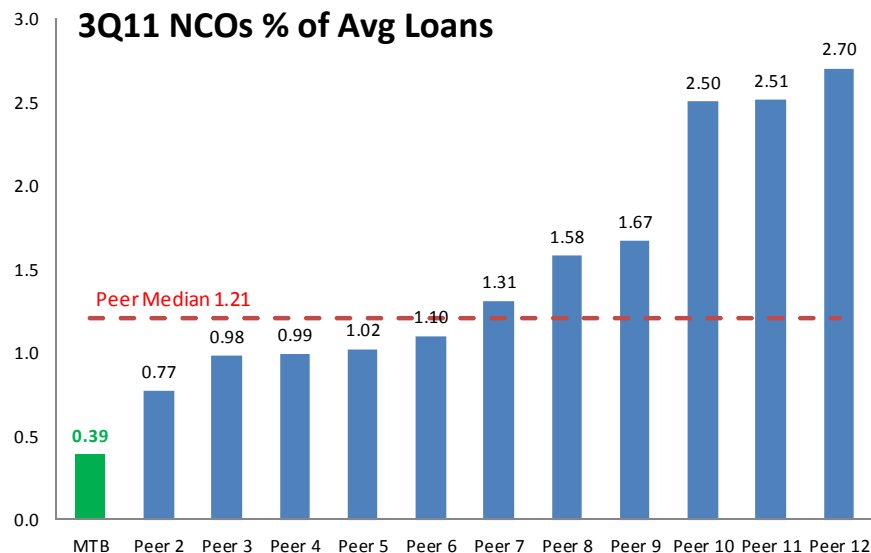


Source: SNL Interactive. FR Y9C data used.

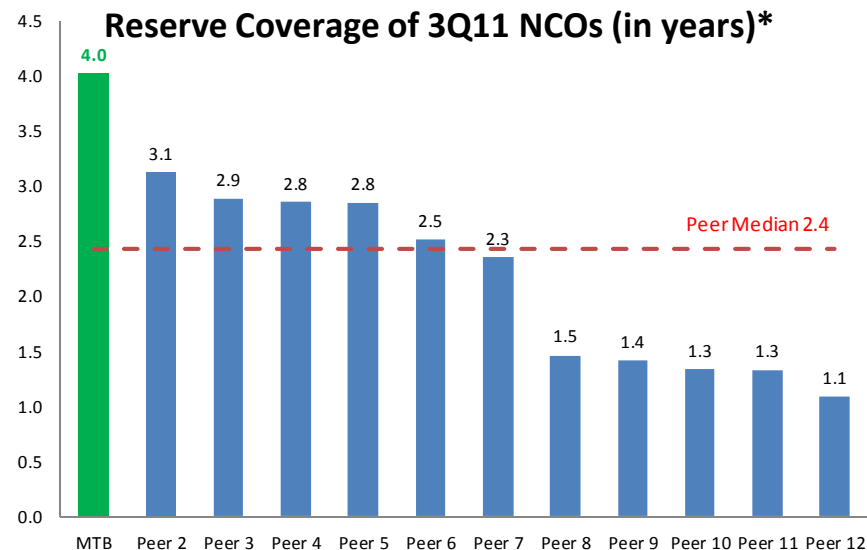
12 \* Top 25 publicly traded banks in each year (excluding IPOs in 2010)

# M&T's Credit Ratios are Best-in-Class

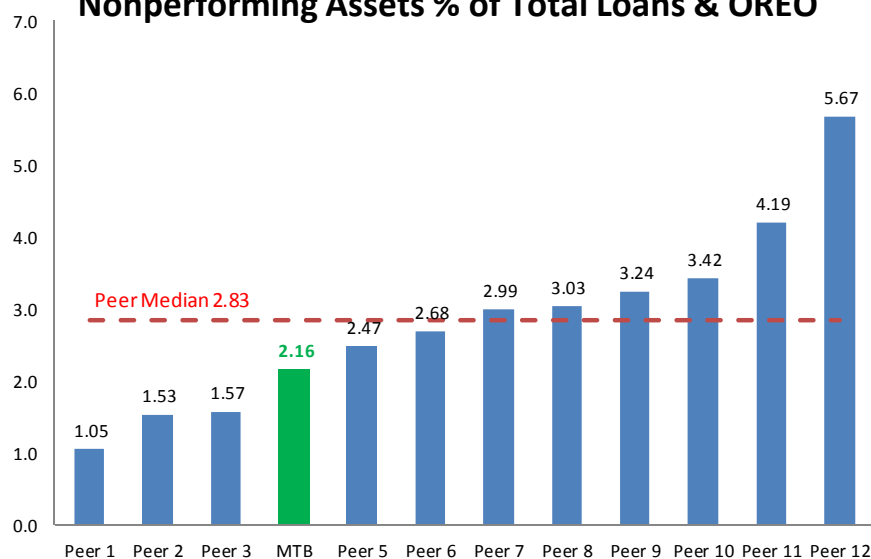
## 3Q11 NCOs % of Avg Loans



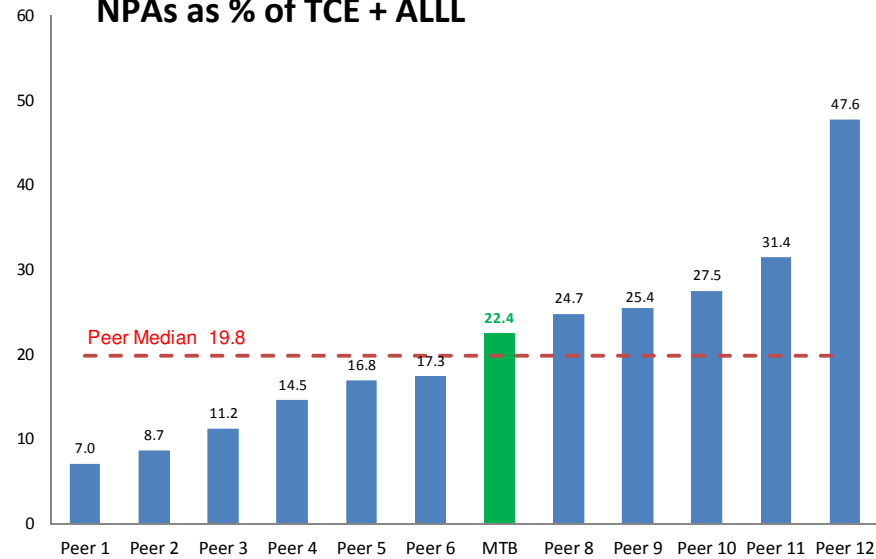
## Reserve Coverage of 3Q11 NCOs (in years)\*



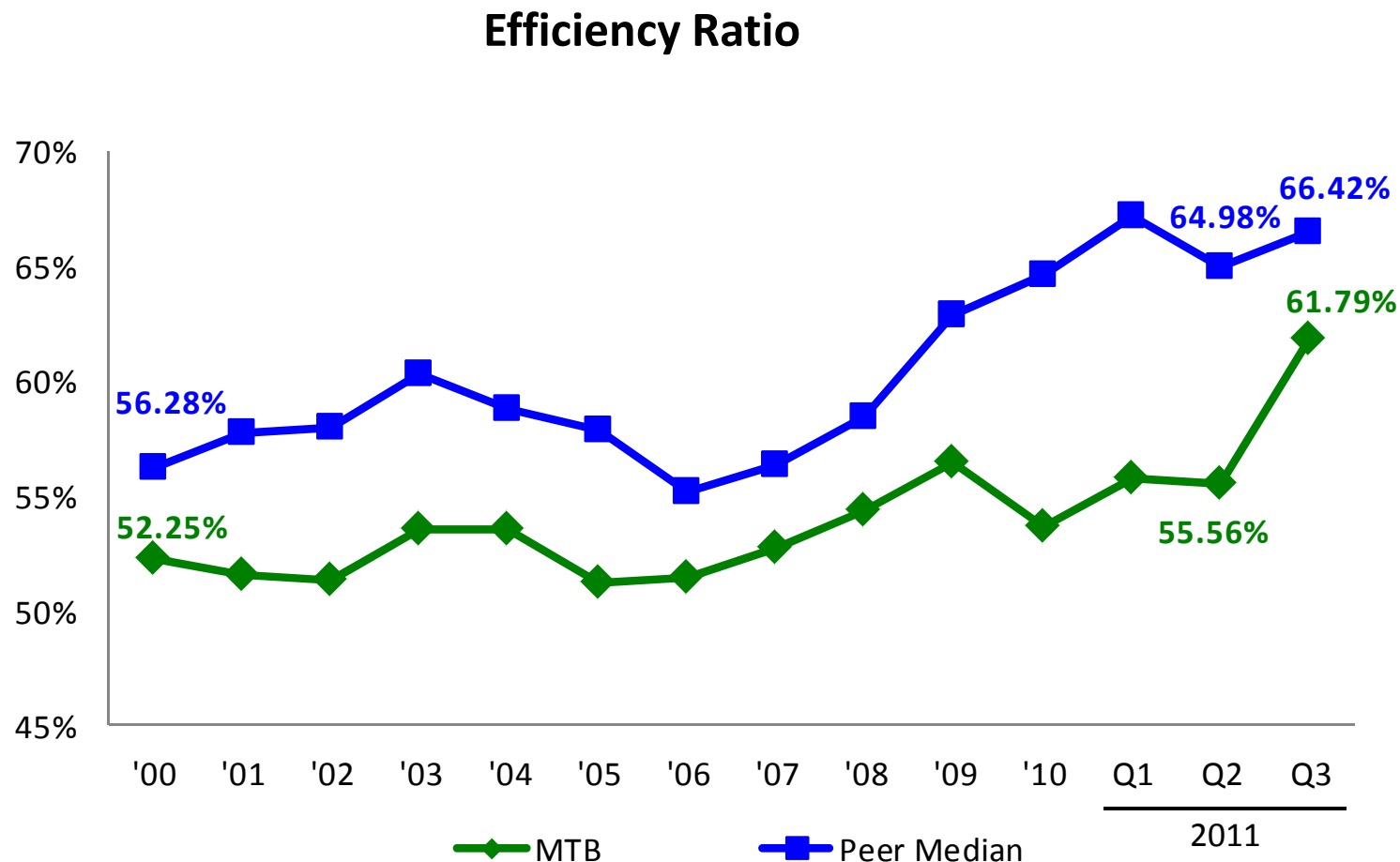
## Nonperforming Assets % of Total Loans & OREO



## NPAs as % of TCE + ALLL



## M&T's model relies on maintaining above-average efficiency



The efficiency ratio is a non-GAAP financial measure. Refer to the appendix for a reconciliation of the efficiency ratio to GAAP financial measures. The Efficiency Ratio reflects non-interest expense (excluding amortization expense associated with intangible assets, and merger-related expenses) as a percentage of fully taxable equivalent net interest income and non-interest revenues (excluding gains or losses from securities transactions and merger-related gains).

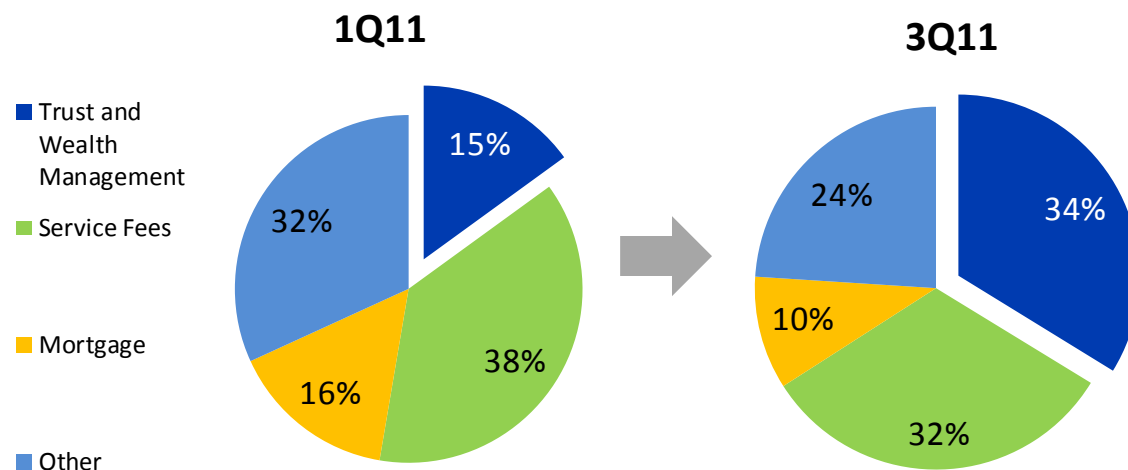


# Wilmington Trust Update

# M&T Achieves Scale / Relevance in Trust and Investments

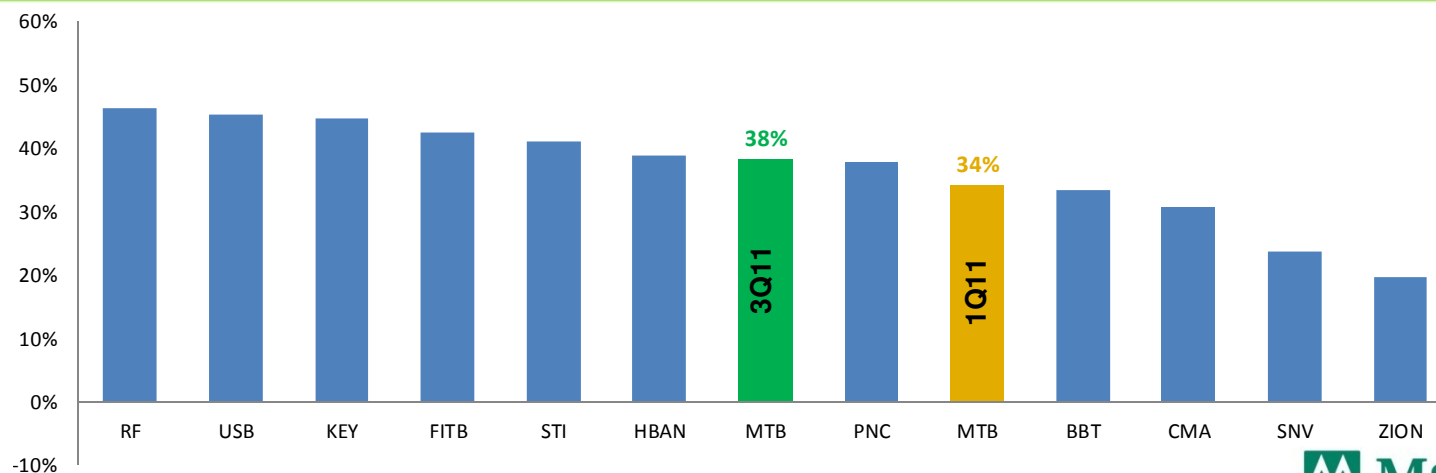
## Components of Fee Income

- More than doubles contribution from Trust/Investments
- Reduces contribution from businesses facing regulatory reform headwinds



Excludes securities impairment charges.

## Fee Income % of Total Revenue, QTD 9/30/11





## Outlook

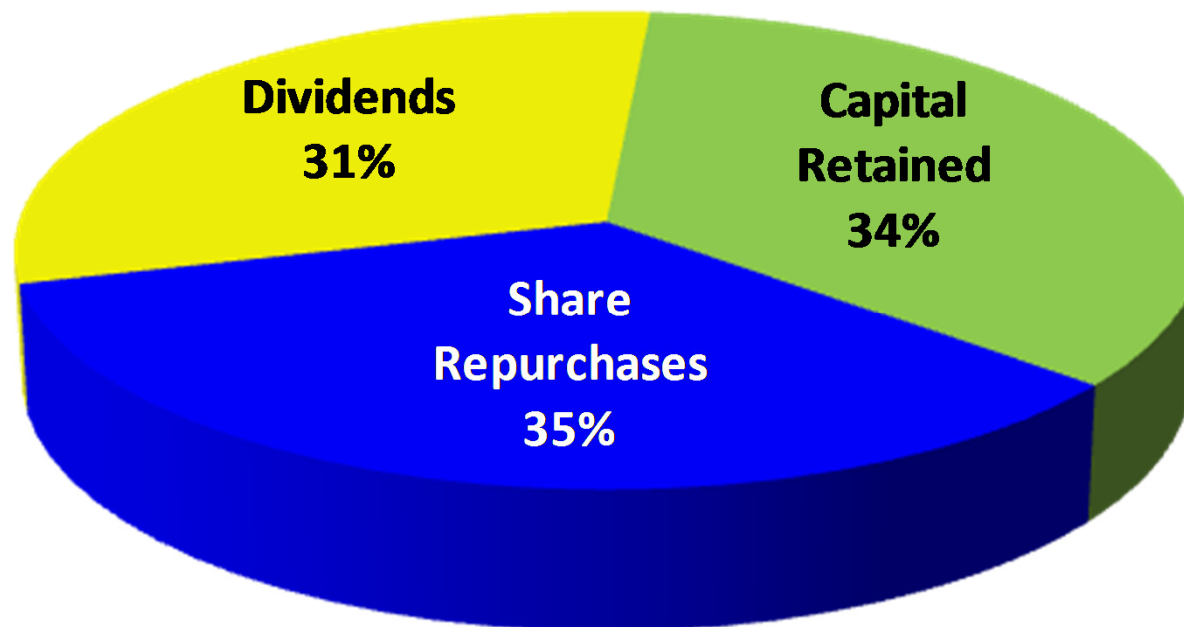
### **Consistent with remarks on October earnings call**

- **B/S positioned for modest NIM pressure-offset by growth in loans/securities**
- **Durbin Amendment impact in 4Q11 -- \$15 to \$20 million**
- **Continue to retain mortgage loan originations**
  - **Limiting growth in mortgage gain-on-sale revenues**
- **Expect Durbin-related revenue loss to be outpaced by linked quarter expense decline**
  - **Includes first phase of WT expense savings**
- **Don't expect FY2011 NCO ratio to vary significantly from September YTD ratio of 0.46%**

# Long Term Performance

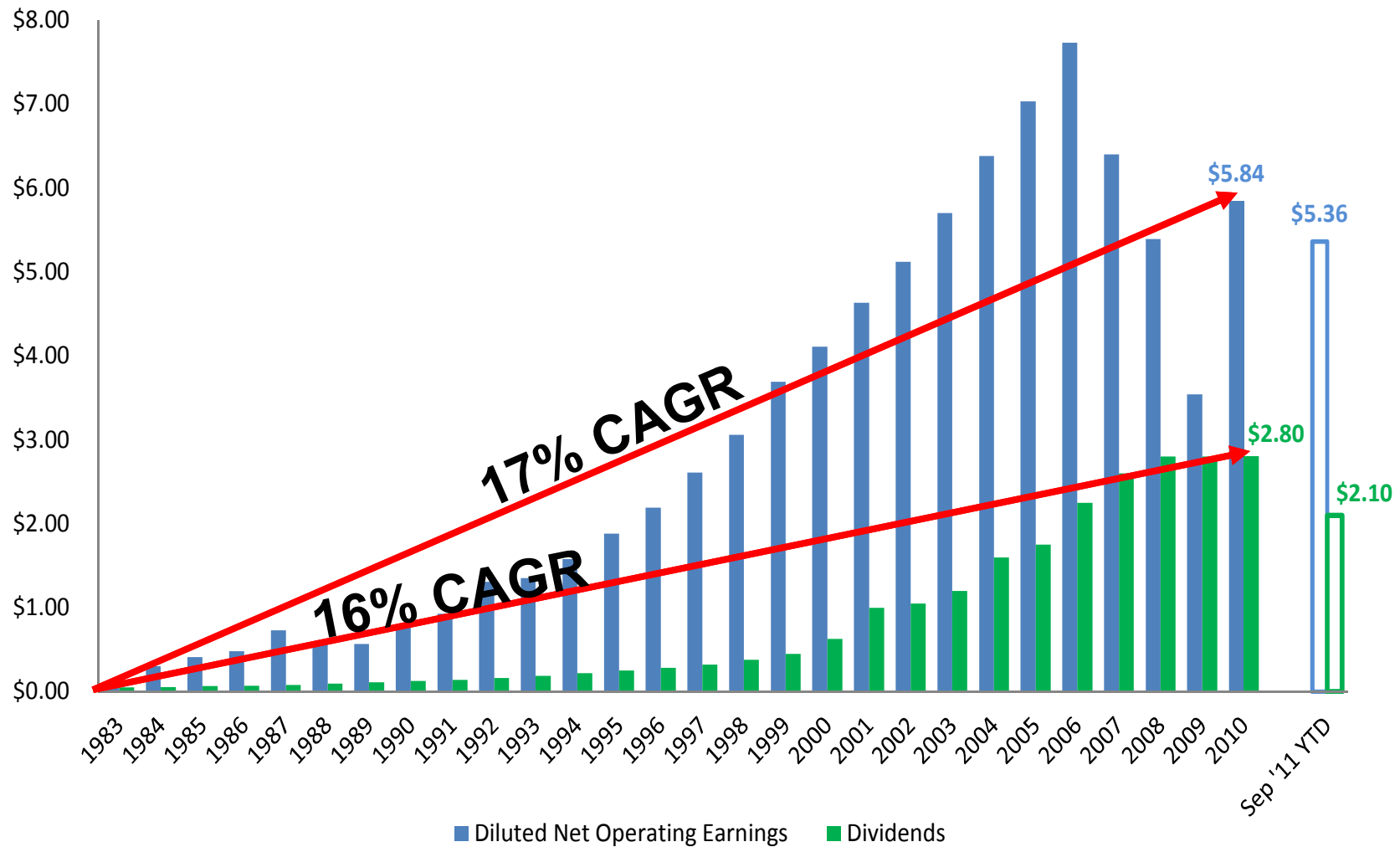
## Focus on Long Term Shareholder Returns

### Cumulative Capital Retained, Dividends and Share Repurchases 1983 – Sept 2011



# Earnings & Dividend Growth: 1983 - 2010

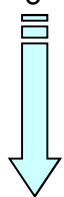
M&T has maintained its dividend throughout the current cycle.



# M&T Bank Corporation... a solid investment

Of the largest 100 banks operating in 1983, only 23 remain today

Among the remaining, M&T ranks 1<sup>st</sup> in stock price growth

Rank	Company Name	Ticker	Closing Price at		Stock Return CAGR (%)
			10/31/2011 (\$)	3/31/1983 (\$) <sup>1</sup>	
1	<b>M&amp;T Bank Corporation</b>	<b>MTB</b>	<b>76.11</b>	<b>1.34</b>	<b>15.2</b>
2	State Street Corporation	STT	40.39	1.06	13.6
4	Northern Trust Corporation	NTRS	40.47	1.51	12.2
3	U.S. Bancorp	USB	25.59	0.92	12.4
5	Wells Fargo & Company	WFC	25.91	1.18	11.4
					
23	_____		—	—	1.5
<b>Median</b>			—	—	7.1
<b>MTB Price @ Median Growth Rate</b>			9.54	1.34	7.1

## M&T Bank Corporation... a solid investment

- **19.2% Annual rate of return since 1980\***
  - 21<sup>st</sup> best return of the entire universe of over 700 U.S. based stocks that have traded publicly since 1980

Rank	Company Name	Industry	Annual Return
1	Eaton Vance Corp.	Financials	25.0
2	Limited Brands Inc.	Consumer Discretionary	23.1
3	Progressive Corp.	Financials	22.5
4	Gap Inc.	Consumer Discretionary	22.2
5	Hasbro Inc.	Consumer Discretionary	22.1
6	TJX Cos.	Consumer Discretionary	22.0
7	Stryker Corp.	Health Care	22.0
8	Wal-Mart Stores Inc.	Consumer Staples	21.9
9	Precision Castparts Corp.	Industrials	21.5
10	Mylan Inc.	Health Care	21.1
11	Raven Industries Inc.	Industrials	20.9
12	Leucadia National Corp.	Financials	20.9
13	Berkshire Hathaway Inc. Cl A	Financials	20.4
14	State Street Corp.	Financials	20.4
15	HollyFrontier Corp.	Energy	20.2
16	Danaher Corp.	Industrials	20.2
17	Family Dollar Stores Inc.	Consumer Discretionary	19.9
18	Forest Laboratories Inc.	Health Care	19.9
19	Valspar Corp.	Materials	19.9
20	Robert Half International Inc.	Industrials	19.7
21	M&T Bank Corp.	Financials	19.2

\$3,703 invested in M&T in 1980 would be worth \$1 million today



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# Appendix



## 2011 Peer Group – Largest 12 Regional Banks

BB&T Corporation

Capital One Financial Corporation

Comerica Incorporated

Fifth Third Bancorp

Huntington Bancshares Incorporated

KeyCorp

**M&T Bank Corporation**

PNC Financial Services Group, Inc.

Regions Financial Corporation

Synovus Financial Corp.

SunTrust Banks, Inc.

Zions Bancorporation

# Reconciliation of GAAP and Non-GAAP Measures

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1Q11	2Q11	3Q11	Jun '11 YTD	Sep '11 YTD
<b>Net Income</b>																		
<b><i>\$'s in millions</i></b>																		
Net income	\$198.3	\$252.4	\$268.2	\$353.1	\$456.7	\$573.9	\$722.5	\$782.2	\$839.2	\$654.3	\$555.9	\$379.9	\$736.2	\$206.3	\$322.4	\$183.1	\$528.6	\$711.7
Intangible amortization*	30.0	42.4	56.1	99.4	32.5	47.8	46.1	34.7	38.5	40.5	40.5	39.0	35.3	7.5	9.0	10.6	16.5	27.1
Merger-related items*	14.0	3.0	16.4	4.8	-	39.2	-	-	3.0	9.1	2.2	36.5	(16.3)	2.6	(41.8)	16.3	(39.2)	(23.0)
Net operating income	\$242.3	\$297.8	\$340.7	\$457.3	\$489.2	\$660.9	\$768.6	\$816.9	\$880.7	\$703.8	\$598.6	\$455.4	\$755.2	\$216.4	\$289.5	\$210.0	\$505.8	\$715.8
<b>Pre-Tax, Pre-Provision Income</b>																		
<b><i>Income</i></b>																		
GAAP Pre-tax Income	\$313.1	\$400.6	\$422.3	\$551.6	\$675.9	\$850.7	\$1,066.5	\$1,170.9	\$1,231.6	\$963.5	\$739.8	\$519.3	\$1,092.8	\$308.7	\$448.0	\$265.1	\$756.6	\$1,021.7
Provision for credit losses	43.2	44.5	38.0	103.5	122.0	131.0	95.0	88.0	80.0	192.0	412.0	604.0	368.0	75.0	63.0	58.0	138.0	196.0
Pre-Tax, Pre-Provision Income	\$356.3	\$445.1	\$460.3	\$655.1	\$797.9	\$981.7	\$1,161.5	\$1,258.9	\$1,311.6	\$1,155.5	\$1,151.8	\$1,123.3	\$1,460.8	\$383.7	\$511.0	\$323.1	\$894.6	\$1,217.7
<b>Earnings Per Share</b>																		
Diluted earnings per share	\$2.50	\$3.13	\$3.24	\$3.58	\$4.78	\$4.95	\$6.00	\$6.73	\$7.37	\$5.95	\$5.01	\$2.89	\$5.69	\$1.59	\$2.42	\$1.32	\$4.02	\$5.32
Intangible amortization*	0.38	0.52	0.67	1.00	0.34	0.41	0.38	0.30	0.33	0.37	0.36	0.34	0.29	0.06	0.07	0.08	0.13	0.22
Merger-related items*	0.18	0.04	0.20	0.05	-	0.34	-	-	0.03	0.08	0.02	0.31	(0.14)	0.02	(0.33)	0.13	(0.32)	(0.18)
Diluted net operating earnings per share	\$3.06	\$3.69	\$4.11	\$4.63	\$5.12	\$5.70	\$6.38	\$7.03	\$7.73	\$6.40	\$5.39	\$3.54	\$5.84	\$1.67	\$2.16	\$1.53	\$3.83	\$5.36
<b>Efficiency Ratio</b>																		
<b><i>\$'s in millions</i></b>																		
Non-interest expenses	596.7	\$718.6	\$980.6	\$961.6	\$1,448.2	\$1,516.0	\$1,485.1	\$1,551.7	\$1,627.7	\$1,727.0	\$1,980.6	\$1,914.8	\$499.6	\$576.9	\$662.0	\$1,076.4	\$1,738.5	
less: intangible amortization	49.7	69.6	121.7	51.5	78.2	75.4	56.8	63.0	66.5	66.6	64.3	58.1	12.3	14.7	17.4	27.1	44.5	
less: merger-related expenses	4.7	26.0	8.0	-	60.4	-	-	5.0	14.9	3.5	89.2	0.8	4.3	37.0	26.0	41.3	67.3	
Non-interest operating expenses	\$542.3	\$623.0	\$850.9	\$910.1	\$1,309.6	\$1,440.6	\$1,428.3	\$1,483.7	\$1,546.3	\$1,656.8	\$1,827.2	\$1,856.0	\$483.0	\$525.2	\$618.6	\$1,008.1	\$1,626.7	
Tax equivalent revenues	\$1,049.5	\$1,189.4	\$1,653.3	\$1,773.6	\$2,446.2	\$2,694.9	\$2,761.3	\$2,883.1	\$2,804.1	\$2,900.6	\$3,125.7	\$3,399.6	\$889.6	\$1,094.3	\$991.7	\$1,983.8	\$2,975.5	
less: gain/(loss) on sale of securities	1.6	(3.1)	1.9	(0.6)	2.5	2.9	1.2	2.6	1.2	34.4	1.2	2.8	39.4	110.7	0.1	150.1	150.2	
less: net OTTI losses recognized	-	-	-	-	-	-	(29.4)	-	(127.3)	(182.2)	(138.3)	(86.3)	(16.0)	(26.5)	(9.6)	(42.6)	(52.2)	
less: merger-related gains	-	-	-	-	-	-	-	-	-	-	29.1	27.5	-	64.9	-	64.9	64.9	
Denominator for efficiency ratio	\$1,047.9	\$1,192.5	\$1,651.4	\$1,774.2	\$2,443.7	\$2,692.0	\$2,789.5	\$2,880.5	\$2,930.2	\$3,048.4	\$3,233.7	\$3,455.6	\$866.2	\$945.2	\$1,001.2	\$1,811.4	\$2,812.6	
Net operating efficiency ratio	51.8%	52.3%	51.5%	51.3%	53.6%	53.5%	51.2%	51.5%	52.8%	54.4%	56.5%	53.7%	55.8%	55.6%	61.8%	55.7%	57.8%	

\*Net of tax

# Reconciliation of GAAP and Non-GAAP Measures

	2006	2007	2008	2009	2010	1Q11	2Q11	3Q11	Jun '11 YTD	Sep '11 YTD
<b><u>Average Assets</u></b>										
<b><i>\$'s in millions</i></b>										
Average assets	\$ 55,839	\$ 58,545	\$ 65,132	\$ 67,472	\$ 68,380	\$ 68,045	\$ 72,454	\$ 76,908	\$ 70,262	\$ 72,489
Goodwill	(2,908)	(2,933)	(3,193)	(3,393)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(191)	(221)	(214)	(191)	(153)	(120)	(198)	(266)	(159)	(195)
Deferred taxes	38	24	30	33	29	21	46	65	34	44
Average tangible assets	<u>\$ 52,778</u>	<u>\$ 55,415</u>	<u>\$ 61,755</u>	<u>\$ 63,921</u>	<u>\$ 64,731</u>	<u>\$ 64,423</u>	<u>\$ 68,777</u>	<u>\$ 73,182</u>	<u>\$ 66,612</u>	<u>\$ 68,813</u>
<b><u>Average Common Equity</u></b>										
<b><i>\$'s in millions</i></b>										
Average common equity	\$ 6,041	\$ 6,247	\$ 6,423	\$ 6,616	\$ 7,367	\$ 7,708	\$ 8,096	\$ 8,462	\$ 7,903	\$ 8,092
Goodwill	(2,908)	(2,933)	(3,193)	(3,393)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(191)	(221)	(214)	(191)	(153)	(120)	(198)	(266)	(159)	(195)
Deferred taxes	38	24	30	33	29	21	46	65	34	44
Average tangible common equity	<u>\$ 2,980</u>	<u>\$ 3,117</u>	<u>\$ 3,046</u>	<u>\$ 3,065</u>	<u>\$ 3,718</u>	<u>\$ 4,086</u>	<u>\$ 4,420</u>	<u>\$ 4,736</u>	<u>\$ 4,254</u>	<u>\$ 4,416</u>