

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 1, 1998

FIRST EMPIRE STATE CORPORATION
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation)

1-9861
(Commission File Number)

16-0968385
(I.R.S. Employer Identification No.)

One M&T Plaza, Buffalo, New York
(Address of principal executive offices)

14240
(Zip Code)

Registrant's telephone number, including area code: (716) 842-5445

(NOT APPLICABLE)
(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets.

On April 1, 1998, First Empire State Corporation ("First Empire") consummated the merger (the "Merger") of ONBANCORP, Inc. ("ONBANCORP") with and into Olympia Financial Corp. ("Olympia"), a wholly owned subsidiary of First Empire, pursuant to the Agreement and Plan of Reorganization dated as of October 28, 1997 by and among First Empire, Olympia and ONBANCORP (the "Reorganization Agreement"). Disclosure that First Empire, Olympia and ONBANCORP had entered into the Reorganization Agreement was previously reported by First Empire in its Current Report on Form 8-K dated October 28, 1997.

After application of the election, allocation and proration procedures contained in the Agreement and Plan of Merger (the "Merger Agreement") set forth as Annex A to the Reorganization Agreement, the aggregate consideration for the Merger consisted of 1,429,998 shares of First Empire common stock and approximately \$266 million in cash. On April 2, 1998, the total number of shares of First Empire common stock outstanding, including the shares issued in connection with the Merger, was 8,100,085.

Following the Merger, OnBank & Trust Co., ONBANCORP's commercial bank subsidiary, and Franklin First Savings Bank, ONBANCORP's savings bank subsidiary, were merged (the "Bank Merger") with and into Manufacturers and Traders Trust Company ("M&T Bank"), which had become a wholly owned subsidiary of Olympia. As a result of the Bank Merger, M&T Bank acquired 59 banking offices formerly operated by OnBank & Trust Co. in the Syracuse, Rochester and Albany areas of New York State, and 19 banking offices formerly operated by Franklin First Savings Bank in Northeastern Pennsylvania.

Upon consummation of the Merger, Robert J. Bennett, William F. Allyn, Russell A. King, Peter J. O'Donnell, Jr. and John L. Vensel, all formerly directors of ONBANCORP, became directors of First Empire and M&T Bank. In addition, Mr. Bennett, formerly Chairman, President and Chief Executive Officer of ONBANCORP, became Chairman of the Board of Directors of First Empire and a Vice Chairman of M&T Bank. Robert G. Wilmers, who had been Chairman of the Board of Directors of First Empire, will continue as First Empire's President and Chief Executive Officer and will remain M&T Bank's Chairman and Chief Executive Officer.

The foregoing description of the Merger is qualified in its entirety by reference to the Reorganization Agreement filed as Exhibit 2 to First Empire's Current Report on Form 8-K dated October 28, 1997 and the Merger Agreement filed as Exhibit 2 to First Empire's Current Report on Form 8-K dated January 9, 1998.

First Empire's announcement of the Merger was made by means of a news release, a copy of which is set forth as Exhibit 99.1 hereto and incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(a) The audited consolidated financial statements of ONBANCORP and its subsidiaries as of December 31, 1997 and 1996 and for each of the years ended December 31, 1997, 1996 and 1995, included in ONBANCORP's Annual Report on Form 10-K for the year ended December 31, 1997, are hereby incorporated by reference, together with the report of KPMG Peat Marwick LLP, independent auditors, on such financial statements.

The pro forma financial information required to be filed by Item 7 (b) to Form 8-K shall be filed under cover of Form 8 as soon as practicable, but not later than 60 days after this Current Report on Form 8-K would otherwise be required to be filed.

(b) The following exhibits are filed herewith or incorporated by reference herein as a part of this report:

Exhibit No.

- 2.1 Agreement and Plan of Reorganization dated as of October 28, 1997 by and among First Empire State Corporation, Olympia Financial Corp. and ONBANCORP, Inc. Incorporated by reference to Exhibit No. 2 to the Current Report on Form 8-K dated October 28, 1997 of First Empire State Corporation (File No. 1-9861).
- 2.2 Agreement and Plan of Merger, dated as of October 28, 1997, by and among First Empire State Corporation, Olympia Financial Corp. and ONBANCORP, Inc. Incorporated by reference to Exhibit No. 2 to the Current Report on Form 8-K dated January 9, 1998 of First Empire State Corporation (File No. 1-9861).
- 23 Consent of KPMG Peat Marwick LLP, independent auditors to ONBANCORP, Inc. Filed herewith.
- 99.1 Press Release, dated April 1, 1998. Filed herewith.
- 99.2 ONBANCORP, Inc. 1997 audited Financial Statements, together with the Report of the Independent Auditors thereon. Incorporated by reference to the Annual Report on Form 10-K of ONBANCORP, Inc. for the year ended December 31, 1997 (File No. 0-18011).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FIRST EMPIRE STATE CORPORATION

Date: April 9, 1998

By: /s/ Michael P. Pinto

Michael P. Pinto
Executive Vice President
and Chief Financial Officer

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Report Dated: April 1, 1998

Commission File Number: 1-9861

FIRST EMPIRE STATE CORPORATION
(Exact name of registrant as specified in its charter)

EXHIBITS

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CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
First Empire State Corporation as successors to ONBANCORP, INC.:

We consent to incorporation by reference in the Current Report on Form 8-K of First Empire State Corporation of our report dated January 26, 1998, relating to the consolidated balance sheets of ONBANCORP, Inc. and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1997, which report is incorporated by reference in the December 31, 1997 annual report on Form 10-K of ONBANCORP, Inc.

/s/ KPMG Peat Marwick LLP

KPMG Peat Marwick LLP
Syracuse, New York

April 8, 1998

Contact: Gary S. Paul
(716) 842-5130

FOR IMMEDIATE RELEASE
April 1, 1998

FIRST EMPIRE STATE CORPORATION AND
ONBANCORP, INC. COMPLETE MERGER

SYRACUSE AND BUFFALO, NEW YORK (April 1, 1998) -- First Empire State Corporation ("First Empire") (AMEX:FES), Buffalo, New York today completed the acquisition of ONBANCORP, Inc. ("ONBANCORP") (NASDAQ:ONBK), Syracuse, New York and merged ONBANCORP's two banking subsidiaries, OnBank & Trust Co. (Syracuse, New York) and Franklin First Savings Bank (Wilkes-Barre, Pennsylvania), into Manufacturers and Traders Trust Company ("M&T Bank"), First Empire's principal commercial bank subsidiary. All 78 former ONBANCORP banking offices began operating as offices of M&T Bank today. As a result of the acquisition, First Empire will have the largest share of deposits in upstate New York north of Westchester County. First Empire now has 255 banking offices in New York State and northeastern Pennsylvania and nearly \$20 billion in total assets.

Former ONBANCORP chairman, president and chief executive officer Robert J. Bennett becomes chairman of the board of directors of First Empire State Corporation and vice chairman of the board of directors of M&T Bank. Bennett said, "I am pleased to be a part of this fine organization. Our expanded upstate New York and northeastern Pennsylvania presence will provide customers with the best possible products and services."

Robert G. Wilmers, who will continue as president and chief executive officer of First Empire and as chairman and chief executive officer of M&T Bank noted, "First Empire welcomes our newest stockholders to our organization. Combining with ONBANCORP has enabled us to create a banking franchise with enhanced financial resources, product diversity and market presence to compete more effectively. We want to extend to our new customers our commitment to being 'All the bank you'll ever need'."

First Empire acquired ONBANCorp for stock and cash, with 70 percent of the outstanding ONBANCorp shares being exchanged for First Empire common stock at a ratio of 0.161 of a First Empire share for each ONBANCorp common share. Approximately 1,430,000 shares of First Empire common stock will be issued. Each of the remaining 30 percent of ONBANCorp common shares will be exchanged for \$69.50 in cash. The merger was structured as a tax-free exchange for stockholders receiving stock and was accounted for as a purchase transaction.

Stockholders who made stock elections will receive 77.01379% of their stock elections in First Empire common stock (with fractional shares being paid in cash), and the remaining 22.98621% of their stock elections will be converted to cash at \$69.50 for each share of ONBANCorp common stock. Based on yesterday's closing price of \$499.875 per First Empire share, this equates to \$77.96 for each share of ONBANCorp common stock.

Stockholders who made cash elections will receive \$69.50 for each share of ONBANCorp common stock.

Stockholders who made no election, failed to surrender ONBANCorp common stock certificates or other required election documents, or whose election documents were not received by the Exchange Agent by 5:00 p.m. on Tuesday, March 24, 1998 will receive \$69.50 for each share of ONBANCorp common stock.

First Empire is also the parent company of M&T Bank, N.A. (Oakfield, New York).