

M&T Bank Corporation Announces Third Quarter Profits

BUFFALO, N.Y., Oct. 17, 2013 /PRNewswire/ -- M&T Bank Corporation ("M&T") (NYSE: MTB) today reported its results of operations for the quarter ended September 30, 2013.

GAAP Results of Operations. Diluted earnings per common share measured in accordance with generally accepted accounting principles ("GAAP") for the third quarter of 2013 were \$2.11, compared with \$2.17 in the year-earlier quarter and \$2.55 in the second quarter of 2013. GAAP-basis net income in the recently completed quarter aggregated \$294 million, compared with \$293 million and \$348 million in the third quarter of 2012 and the second quarter of 2013, respectively. GAAP-basis net income for the third quarter of 2013 expressed as an annualized rate of return on average assets and average common shareholders' equity was 1.39% and 11.06%, respectively, compared with 1.45% and 12.40%, respectively, in the year-earlier quarter and 1.68% and 13.78%, respectively, in 2013's second quarter.

Reflected in the recent quarter's results were after-tax gains of \$34 million from loan securitization transactions, or \$.26 per diluted common share, while the results for the immediately preceding quarter included net after-tax gains from similar securitization transactions and from sales of investment securities totaling \$38 million, or \$.29 per diluted common share. As compared with the third quarter of 2012 and the second quarter of 2013, declines in mortgage banking revenues and higher operating expenses significantly affected the recent quarter's results.

Commenting on M&T's financial performance in the third quarter of 2013, Rene F. Jones, Executive Vice President and Chief Financial Officer, noted, "Profits clearly softened during the quarter relative to our strong second quarter performance. The higher interest rate environment resulted in a significant reduction in mortgage banking revenues, while operating expenses for the quarter were up as a result of investments we are making in several key areas, including risk management, capital planning and stress testing, regulatory compliance, and our technology and operating infrastructure. The recent quarter was also marked by continued strengthening of our core capital position, as reflected in the 52 basis point jump in our Tier 1 common ratio from June 30 to September 30, to 9.07%."

Supplemental Reporting of Non-GAAP Results of Operations. M&T consistently provides supplemental reporting of its results on a "net operating" or "tangible" basis, from which M&T excludes the after-tax effect of amortization of core deposit and other intangible assets (and the related goodwill, core deposit intangible and other intangible asset balances, net of applicable deferred tax amounts) and gains and expenses associated with merging acquired operations into M&T, since such amounts are considered by management to be "nonoperating" in nature. Although "net operating income" as defined by M&T is not a GAAP measure, M&T's management believes that this information helps investors understand the effect of acquisition activity in reported results. Reconciliations of GAAP to non-GAAP measures are provided in the financial tables included herein.

Diluted net operating earnings per common share, which exclude the impact of amortization of core deposit and other intangible assets and merger-related gains and expenses, were \$2.16 in the recent quarter, compared with \$2.24 and \$2.65 in the third quarter of 2012 and the second quarter of 2013, respectively. Net operating income during the third quarter of 2013 was \$301 million, compared with \$302 million in the year-earlier quarter and \$361 million in 2013's second quarter. Expressed as an annualized rate of return on average tangible assets and average tangible common shareholders' equity, net operating income was 1.48% and 17.64%, respectively, in the recent quarter, compared with 1.56% and 21.53%, respectively, in the third quarter of 2012 and 1.81% and 22.72%, respectively, in the second quarter of 2013.

Taxable-equivalent Net Interest Income. Taxable-equivalent net interest income totaled \$679 million in the third quarter of 2013, compared with \$684 million in the immediately preceding quarter. That decline was due largely to a 10 basis point narrowing of the net interest margin, partially offset by a \$706 million increase in average earning assets. The narrowing of the net interest margin from 3.71% in the second quarter of 2013 to 3.61% in the recent quarter was largely the result of lower levels of prepayment fees and interest on nonaccrual loans. Average earning assets rose in the recent quarter as compared with the second quarter of 2013 largely due to purchases of Ginnie Mae mortgage-backed securities. The \$1.7 billion increase in average investment securities also reflected the recent quarter's securitization of approximately \$1.0 billion of residential real estate loans guaranteed by the FHA that were previously held in the loan portfolio. Late in 2013's third quarter, M&T securitized and sold approximately \$1.4 billion of automobile loans held in its loan portfolio. M&T securitized the loans as a result of changing regulatory liquidity and capital requirements. Taxable-equivalent net interest income in the recent quarter rose \$10 million from \$669 million in the third quarter of 2012. That improvement resulted from a \$4.0 billion increase in average earning assets, offset in part by a 16 basis point narrowing of the net interest margin that reflects the impact in the recent quarter of significantly higher balances of lower yielding interest-bearing deposits at the Federal Reserve Bank of New York.

Provision for Credit Losses/Asset Quality. The provision for credit losses was \$48 million in the recent quarter, compared with \$46 million in the third quarter of 2012 and \$57 million in 2013's second quarter. The provision was equal to net charge-offs in the second and third quarters of 2013, and exceeded net charge-offs by \$4 million in the third quarter of 2012. Expressed as an annualized percentage of average loans outstanding, net charge-offs were .29% and .26% in the third quarter of 2013 and 2012, respectively, and .35% in the second quarter of 2013.

Loans classified as nonaccrual declined to \$916 million, or 1.44% of total loans outstanding at September 30, 2013, improved from \$925 million or 1.44% at September 30, 2012 and \$965 million or 1.46% at June 30, 2013. Assets taken in foreclosure of defaulted loans totaled \$89 million at September 30, 2013, compared with \$112 million and \$82 million at September 30, 2012 and June 30, 2013, respectively.

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 aggregated \$916 million at September 30, 2013, compared with \$921 million at September 30, 2012 and \$927 million at June 30, 2013. During the recent quarter, the allowance was reduced by \$11 million as a result of the securitization and sale of \$1.4 billion of automobile loans held in M&T's loan portfolio. The allowance expressed as a percentage of outstanding loans was 1.44% at each of September 30, 2013 and 2012, compared with 1.41% at June 30, 2013.

Noninterest Income and Expense. Noninterest income totaled \$477 million in the recent quarter, compared with \$446 million and \$509 million in the third quarter of 2012 and the second quarter of 2013, respectively. Reflected in those amounts were gains from loan securitization activities of \$56 million in the recent quarter and \$7 million in the second quarter of 2013. Also reflected in noninterest income were net pre-tax gains from investment securities of \$56 million in the second quarter of 2013, compared with net pre-tax losses of \$5 million in the third quarter of 2012.

Excluding gains from loan securitization activities and gains and losses from investment securities in all periods, noninterest income in the third quarter of 2013 aggregated \$421 million, compared with \$451 million in the year-earlier quarter and \$446 million in 2013's second quarter. The predominant contributors to the decline in such income in the recent quarter as compared with the third quarter of 2012 and the second quarter of 2013 were decreases in residential and commercial mortgage banking revenues. Those decreases resulted largely from lower origination activities, in addition to a narrowing of gain on sale margins related to residential mortgage banking activities. As compared with the third quarter of 2012, partially offsetting the lower mortgage banking revenues in the recent quarter was higher trust income, due largely to wealth advisory services.

Noninterest expense in the third quarter of 2013 totaled \$659 million, compared with \$616 million in the year-earlier quarter and \$599 million in the second quarter of 2013. Included in such amounts are expenses considered to be nonoperating in nature consisting of amortization of core deposit and other intangible assets and merger-related expenses. Exclusive of those expenses, noninterest operating expenses were \$648 million in the recent quarter, compared with \$602 million in the third quarter of 2012 and \$578 million in 2013's second quarter. The rise in noninterest operating expenses in the recent quarter was largely attributable to higher costs for salaries and professional services. The higher salaries expenses reflect costs incurred during the quarter to increase M&T's loan servicing capacity to accommodate a subservicing arrangement whereby M&T added approximately \$35 billion of residential real estate loans to its subservicing portfolio. Also contributing to the increased salaries and to the higher professional services expenses in the recent quarter were costs related to risk management, capital planning and stress testing, BSA/AML compliance, and operational and technology initiatives. Reducing expenses in the second quarter of 2013 was the reversal of a \$26 million accrual for a contingent compensation obligation assumed in the May 2011 acquisition of Wilmington Trust that expired.

The efficiency ratio, or noninterest operating expenses divided by the sum of taxable-equivalent net interest income and noninterest income (exclusive of gains and losses from bank investment securities and merger-related gains), measures the relationship of operating expenses to revenues. M&T's efficiency ratio was 56.0% in the recent quarter, compared with 53.7% and 50.9% in the year-earlier quarter and the second quarter of 2013, respectively.

Balance Sheet. M&T had total assets of \$84.4 billion at September 30, 2013, compared with \$81.1 billion at September 30, 2012. Loans and leases, net of unearned discount, totaled \$63.7 billion at September 30, 2013, compared with \$64.1 billion a year earlier. Total deposits aggregated \$66.6 billion at the recent quarter-end, up 4% from \$64.0 billion at September 30, 2012.

Total shareholders' equity rose 11% to \$11.0 billion at September 30, 2013 from \$9.9 billion a year earlier, representing 13.05% and 12.27%, respectively, of total assets. Common shareholders' equity was \$10.1 billion, or \$77.81 per share, at September 30, 2013, compared with \$9.1 billion, or \$71.17 per share, at September 30, 2012. Tangible equity per common share rose 18% to \$50.32 at September 30, 2013 from \$42.80 at September 30, 2012. Common shareholders' equity per share and tangible equity per common share were \$75.98 and \$48.26, respectively, at June 30, 2013. In the calculation of tangible equity per common share, common shareholders' equity is reduced by the carrying values of goodwill and core deposit and other intangible assets, net of applicable deferred tax balances. M&T's tangible common equity to tangible assets ratio was 8.11% at September 30, 2013, compared with 7.04% and

7.85% at September 30, 2012 and June 30, 2013, respectively. M&T's estimated Tier 1 common ratio, a regulatory capital measure, rose to 9.07% at September 30, 2013, up from 7.46% and 8.55% at September 30, 2012 and June 30, 2013, respectively. M&T estimates that the ratio of Common Equity Tier 1 to risk-weighted assets under the new capital rules approved in July 2013 on a fully phased-in basis was approximately 8.75% as of September 30, 2013.

Conference Call. Investors will have an opportunity to listen to M&T's conference call to discuss third 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 #76901603. The conference call will be webcast live through M&T's website at <http://ir.mandtbank.com/events.cfm>. A replay of the call will be available until October 20, 2013 by calling (800)585-8367, or (404)537-3406 for international participants, and by making reference to ID #76901603. The event will also be archived and available by 7:00 p.m. today on M&T's website at <http://ir.mandtbank.com/events.cfm>.

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, Pennsylvania, Maryland, Virginia, West Virginia, Delaware and the District of Columbia. Trust-related services are provided by M&T's Wilmington Trust-affiliated companies and by M&T Bank.

Forward-Looking Statements. This news release contains forward-looking statements that are based on current expectations, estimates and projections about M&T's business, management's beliefs and assumptions made by management. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

Future Factors include changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity; prepayment speeds, loan originations, credit losses and market values on loans, collateral securing loans, and other assets; sources of liquidity; common shares outstanding; common stock price volatility; fair value of and number of stock-based compensation awards to be issued in future periods; the impact of changes in market values on trust-related revenues; legislation affecting the financial services industry as a whole, and M&T and its subsidiaries individually or collectively, including tax legislation; regulatory supervision and oversight, including monetary policy and capital requirements; changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies; increasing price and product/service competition by competitors, including new entrants; rapid technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the mix of products/services; containing costs and expenses; governmental and public policy changes; protection and validity of intellectual property rights; reliance on large customers; technological, implementation and cost/financial risks in large, multi-year contracts; the outcome of pending and future litigation and governmental proceedings, including tax-related examinations and other matters; continued availability of financing; financial resources in the amounts, at the times and on the terms required to support M&T and its subsidiaries' future businesses; and material differences in the actual financial results of merger, acquisition and investment activities compared with M&T's initial expectations, including the full realization of anticipated cost savings and revenue enhancements.

These are representative of the Future Factors that could affect the outcome of the forward-looking statements. In addition, such statements could be affected by general industry and market conditions and growth rates, general economic and political conditions, either nationally or in the states in which M&T and its subsidiaries do business, including interest rate and currency exchange rate fluctuations, changes and trends in the securities markets, and other Future Factors.

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M&T BANK CORPORATION
Financial Highlights

| Amounts in thousands, except per share | Three months ended | | | Nine months ended | | |
|---|--------------------|---------|--------|-------------------|-----------|--------|
| | September 30 | | Change | September 30 | | Change |
| | 2013 | 2012 | | 2013 | 2012 | |
| Performance | | | | | | |
| Net income | \$ 294,479 | 293,462 | - % | \$ 917,058 | 733,305 | 25 % |
| Net income available to common shareholders | 275,356 | 273,896 | 1 % | 859,000 | 676,842 | 27 % |
| Per common share: | | | | | | |
| Basic earnings | \$ 2.13 | 2.18 | -2 % | \$ 6.69 | 5.39 | 24 % |
| Diluted earnings | 2.11 | 2.17 | -3 % | 6.64 | 5.37 | 24 % |
| Cash dividends | \$.70 | .70 | - | \$ 2.10 | 2.10 | - |
| Common shares outstanding: | | | | | | |
| Average - diluted (1) | 130,265 | 126,292 | 3 % | 129,312 | 125,936 | 3 % |
| Period end (2) | 130,241 | 127,461 | 2 % | 130,241 | 127,461 | 2 % |
| Return on (annualized): | | | | | | |
| Average total assets | 1.39 % | 1.45 % | | 1.48 % | 1.23 % | |
| Average common shareholders' equity | 11.06 % | 12.40 % | | 11.98 % | 10.55 % | |
| Taxable-equivalent net interest income | \$ 679,213 | 669,256 | 1 % | \$ 2,025,517 | 1,950,978 | 4 % |
| Yield on average earning assets | 3.98 % | 4.23 % | | 4.07 % | 4.24 % | |
| Cost of interest-bearing liabilities | .58 % | .71 % | | .61 % | .76 % | |
| Net interest spread | 3.40 % | 3.52 % | | 3.46 % | 3.48 % | |
| Contribution of interest-free funds | .21 % | .25 % | | .22 % | .25 % | |
| Net interest margin | 3.61 % | 3.77 % | | 3.68 % | 3.73 % | |
| Net charge-offs to average total net loans (annualized) | .29 % | .26 % | | .29 % | .31 % | |
| Net operating results (3) | | | | | | |
| Net operating income | \$ 300,968 | 302,060 | - % | \$ 946,838 | 767,853 | 23 % |
| Diluted net operating earnings per common share | 2.16 | 2.24 | -4 % | 6.87 | 5.64 | 22 % |
| Return on (annualized): | | | | | | |
| Average tangible assets | 1.48 % | 1.56 % | | 1.59 % | 1.35 % | |
| Average tangible common equity | 17.64 % | 21.53 % | | 19.66 % | 19.03 % | |
| Efficiency ratio | 56.03 % | 53.73 % | | 54.27 % | 57.11 % | |

| Loan quality | At September 30 | | Change |
|---|-----------------|-----------|--------|
| | 2013 | 2012 | |
| Nonaccrual loans | \$ 915,871 | 925,231 | -1 % |
| Real estate and other foreclosed assets | 89,203 | 112,160 | -20 % |
| Total nonperforming assets | \$ 1,005,074 | 1,037,391 | -3 % |
| Accruing loans past due 90 days or more (4) | \$ 339,792 | 309,420 | 10 % |

| | | | | |
|---|----|---------|---------|-------|
| Government guaranteed loans included in totals above: | | | | |
| Nonaccrual loans | \$ | 68,519 | 54,583 | 26 % |
| Accruing loans past due 90 days or more | | 320,732 | 280,410 | 14 % |
| Renegotiated loans | \$ | 259,301 | 266,526 | -3 % |
| Acquired accruing loans past due 90 days or more (5) | \$ | 153,585 | 161,424 | -5 % |
| Purchased impaired loans (6): | | | | |
| Outstanding customer balance | \$ | 648,118 | 978,731 | -34 % |
| Carrying amount | | 357,337 | 528,001 | -32 % |
| Nonaccrual loans to total net loans | | 1.44 % | 1.44 % | |
| Allowance for credit losses to total loans | | 1.44 % | 1.44 % | |

(1) Includes common stock equivalents.

(2) Includes common stock issuable under deferred compensation plans.

(3) Excludes amortization and balances related to goodwill and core deposit and other intangible assets and merger-related gains and expenses which, except in the calculation of the efficiency ratio, are net of applicable income tax effects. Reconciliations of net income with net operating income appear herein.

(4) Excludes acquired loans.

(5) Acquired loans that were recorded at fair value at acquisition date. This category does not include purchased impaired loans that are presented separately.

(6) Accruing loans that were impaired at acquisition date and recorded at fair value.

M&T BANK CORPORATION
Financial Highlights, Five Quarter Trend

| Amounts in thousands, except per share | Three months ended | | | | | |
|---|-----------------------|------------------|-------------------|----------------------|-----------------------|-----------|
| | September 30, 2013 | June 30, 2013 | March 31, 2013 | December 31, 2012 | September 30, 2012 | |
| Performance | | | | | | |
| Net income | \$ | 294,479 | 348,466 | 274,113 | 296,193 | 293,462 |
| Net income available to common shareholders | | 275,356 | 328,557 | 255,096 | 276,605 | 273,896 |
| Per common share: | | | | | | |
| Basic earnings | \$ | 2.13 | 2.56 | 2.00 | 2.18 | 2.18 |
| Diluted earnings | | 2.11 | 2.55 | 1.98 | 2.16 | 2.17 |
| Cash dividends | \$ | .70 | .70 | .70 | .70 | .70 |
| Common shares outstanding: | | | | | | |
| Average - diluted (1) | | 130,265 | 129,017 | 128,636 | 127,800 | 126,292 |
| Period end (2) | | 130,241 | 129,464 | 128,999 | 128,234 | 127,461 |
| Return on (annualized): | | | | | | |
| Average total assets | | 1.39 % | 1.68 % | 1.36 % | 1.45 % | 1.45 % |
| Average common shareholders' equity | | 11.06 % | 13.78 % | 11.10 % | 12.10 % | 12.40 % |
| Taxable-equivalent net interest income | \$ | 679,213 | 683,804 | 662,500 | 673,929 | 669,256 |
| Yield on average earning assets | | 3.98 % | 4.10 % | 4.13 % | 4.17 % | 4.23 % |
| Cost of interest-bearing liabilities | | .58 % | .62 % | .64 % | .67 % | .71 % |
| Net interest spread | | 3.40 % | 3.48 % | 3.49 % | 3.50 % | 3.52 % |
| Contribution of interest-free funds | | .21 % | .23 % | .22 % | .24 % | .25 % |
| Net interest margin | | 3.61 % | 3.71 % | 3.71 % | 3.74 % | 3.77 % |
| Net charge-offs to average total net loans (annualized) | | .29 % | .35 % | .23 % | .27 % | .26 % |
| Net operating results (3) | | | | | | |
| Net operating income | \$ | 300,968 | 360,734 | 285,136 | 304,657 | 302,060 |
| Diluted net operating earnings per common share | | 2.16 | 2.65 | 2.06 | 2.23 | 2.24 |
| Return on (annualized): | | | | | | |
| Average tangible assets | | 1.48 % | 1.81 % | 1.48 % | 1.56 % | 1.56 % |
| Average tangible common equity | | 17.64 % | 22.72 % | 18.71 % | 20.46 % | 21.53 % |
| Efficiency ratio | | 56.03 % | 50.92 % | 55.88 % | 53.63 % | 53.73 % |
| Loan quality | | | | | | |
| Nonaccrual loans | \$ | 915,871 | 964,906 | 1,052,794 | 1,013,176 | 925,231 |
| Real estate and other foreclosed assets | | 89,203 | 82,088 | 95,680 | 104,279 | 112,160 |
| Total nonperforming assets | \$ | 1,005,074 | 1,046,994 | 1,148,474 | 1,117,455 | 1,037,391 |
| Accruing loans past due 90 days or more (4) | \$ | 339,792 | 340,467 | 331,283 | 358,397 | 309,420 |
| Government guaranteed loans included in totals above: | | | | | | |
| Nonaccrual loans | \$ | 68,519 | 69,508 | 63,385 | 57,420 | 54,583 |
| Accruing loans past due 90 days or more | | 320,732 | 315,281 | 311,579 | 316,403 | 280,410 |
| Renegotiated loans | \$ | 259,301 | 263,351 | 272,285 | 271,971 | 266,526 |
| Acquired accruing loans past due 90 days or more (5) | \$ | 153,585 | 155,686 | 157,068 | 166,554 | 161,424 |
| Purchased impaired loans (6): | | | | | | |
| Outstanding customer balance | \$ | 648,118 | 725,196 | 790,048 | 828,571 | 978,731 |
| Carrying amount | | 357,337 | 394,697 | 425,232 | 447,114 | 528,001 |

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Nonaccrual loans to total net loans | 1.44 % | 1.46 % | 1.60 % | 1.52 % | 1.44 % |
| Allowance for credit losses to total loans | 1.44 % | 1.41 % | 1.41 % | 1.39 % | 1.44 % |

(1) Includes common stock equivalents.

(2) Includes common stock issuable under deferred compensation plans.

(3) Excludes amortization and balances related to goodwill and core deposit and other intangible assets and merger-related gains and expenses which, except in the calculation of the efficiency ratio, are net of applicable income tax effects.

Reconciliations of net income with net operating income appear herein.

(4) Excludes acquired loans.

(5) Acquired loans that were recorded at fair value at acquisition date. This category does not include purchased impaired loans that are presented separately.

(6) Accruing loans that were impaired at acquisition date and recorded at fair value.

M&T BANK CORPORATION
Condensed Consolidated Statement of Income

| Dollars in thousands | Three months ended September 30 | | | Nine months ended September 30 | | |
|---|------------------------------------|---------|--------|-----------------------------------|-----------|--------|
| | 2013 | 2012 | Change | 2013 | 2012 | Change |
| Interest income | \$ 742,686 | 744,851 | - | \$ 2,222,868 | 2,196,332 | 1 |
| Interest expense | 69,578 | 82,129 | -15 | 216,123 | 265,238 | -19 |
| Net interest income | 673,108 | 662,722 | 2 | 2,006,745 | 1,931,094 | 4 |
| Provision for credit losses | 48,000 | 46,000 | 4 | 143,000 | 155,000 | -8 |
| Net interest income after provision for credit losses | 625,108 | 616,722 | 1 | 1,863,745 | 1,776,094 | 5 |
| Other income | | | | | | |
| Mortgage banking revenues | 64,731 | 106,812 | -39 | 249,096 | 232,518 | 7 |
| Service charges on deposit accounts | 113,839 | 114,463 | -1 | 336,505 | 334,334 | 1 |
| Trust income | 123,801 | 115,709 | 7 | 370,132 | 354,937 | 4 |
| Brokerage services income | 16,871 | 14,114 | 20 | 49,840 | 44,187 | 13 |
| Trading account and foreign exchange gains | 8,987 | 8,469 | 6 | 27,138 | 25,278 | 7 |
| Gain on bank investment securities | - | 372 | - | 56,457 | 9 | - |
| Other-than-temporary impairment losses recognized in earnings | - | (5,672) | - | (9,800) | (33,331) | - |
| Equity in earnings of Bayview Lending Group LLC | (3,881) | (5,183) | - | (9,990) | (16,570) | - |
| Other revenues from operations | 153,040 | 96,649 | 58 | 349,581 | 272,744 | 28 |
| Total other income | 477,388 | 445,733 | 7 | 1,418,959 | 1,214,106 | 17 |
| Other expense | | | | | | |
| Salaries and employee benefits | 339,332 | 321,746 | 5 | 1,019,019 | 991,530 | 3 |
| Equipment and net occupancy | 66,220 | 64,248 | 3 | 195,657 | 194,667 | 1 |
| Printing, postage and supplies | 9,752 | 8,272 | 18 | 30,749 | 31,512 | -2 |
| Amortization of core deposit and other intangible assets | 10,628 | 14,085 | -25 | 36,473 | 46,766 | -22 |
| FDIC assessments | 14,877 | 23,801 | -37 | 52,010 | 77,712 | -33 |
| Other costs of operations | 217,817 | 183,875 | 18 | 558,905 | 540,927 | 3 |
| Total other expense | 658,626 | 616,027 | 7 | 1,892,813 | 1,883,114 | 1 |
| Income before income taxes | 443,870 | 446,428 | -1 | 1,389,891 | 1,107,086 | 26 |
| Applicable income taxes | 149,391 | 152,966 | -2 | 472,833 | 373,781 | 27 |
| Net income | \$ 294,479 | 293,462 | - | \$ 917,058 | 733,305 | 25 |

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

| Dollars in thousands | Three months ended | | | | |
|---|-----------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2013 | June 30, 2013 | March 31, 2013 | December 31, 2012 | September 30, 2012 |
| Interest income | \$ 742,686 | 750,207 | 729,975 | 745,353 | 744,851 |
| Interest expense | 69,578 | 72,620 | 73,925 | 77,931 | 82,129 |
| Net interest income | 673,108 | 677,587 | 656,050 | 667,422 | 662,722 |
| Provision for credit losses | 48,000 | 57,000 | 38,000 | 49,000 | 46,000 |
| Net interest income after provision for credit losses | 625,108 | 620,587 | 618,050 | 618,422 | 616,722 |
| Other income | | | | | |
| Mortgage banking revenues | 64,731 | 91,262 | 93,103 | 116,546 | 106,812 |
| Service charges on deposit accounts | 113,839 | 111,717 | 110,949 | 112,364 | 114,463 |
| Trust income | 123,801 | 124,728 | 121,603 | 116,915 | 115,709 |
| Brokerage services income | 16,871 | 17,258 | 15,711 | 14,872 | 14,114 |
| Trading account and foreign exchange gains | 8,987 | 9,224 | 8,927 | 10,356 | 8,469 |
| Gain on bank investment securities | - | 56,457 | - | - | 372 |
| Other-than-temporary impairment losses recognized in earnings | - | - | (9,800) | (14,491) | (5,672) |
| Equity in earnings of Bayview Lending Group LLC | (3,881) | (2,453) | (3,656) | (4,941) | (5,183) |
| Other revenues from operations | 153,040 | 100,496 | 96,045 | 101,543 | 96,649 |
| Total other income | 477,388 | 508,689 | 432,882 | 453,164 | 445,733 |
| Other expense | | | | | |
| Salaries and employee benefits | 339,332 | 323,136 | 356,551 | 323,010 | 321,746 |
| Equipment and net occupancy | 66,220 | 64,278 | 65,159 | 62,884 | 64,248 |
| Printing, postage and supplies | 9,752 | 10,298 | 10,699 | 10,417 | 8,272 |
| Amortization of core deposit and other | | | | | |

| | | | | | |
|----------------------------|-------------------|----------------|----------------|----------------|----------------|
| intangible assets | 10,628 | 12,502 | 13,343 | 13,865 | 14,085 |
| FDIC assessments | 14,877 | 17,695 | 19,438 | 23,398 | 23,801 |
| Other costs of operations | 217,817 | 170,682 | 170,406 | 192,572 | 183,875 |
| Total other expense | <u>658,626</u> | <u>598,591</u> | <u>635,596</u> | <u>626,146</u> | <u>616,027</u> |
| Income before income taxes | 443,870 | 530,685 | 415,336 | 445,440 | 446,428 |
| Applicable income taxes | <u>149,391</u> | <u>182,219</u> | <u>141,223</u> | <u>149,247</u> | <u>152,966</u> |
| Net income | <u>\$ 294,479</u> | <u>348,466</u> | <u>274,113</u> | <u>296,193</u> | <u>293,462</u> |

M&T BANK CORPORATION
Condensed Consolidated Balance Sheet

| Dollars in thousands | September 30 | | Change |
|--|----------------------|-------------------|--------|
| | 2013 | 2012 | |
| ASSETS | | | |
| Cash and due from banks | \$ 1,941,944 | 1,622,928 | 20 % |
| Interest-bearing deposits at banks | 1,925,811 | 411,994 | 367 |
| Federal funds sold and agreements to resell securities | 117,809 | - | - |
| Trading account assets | 371,370 | 526,844 | -30 |
| Investment securities | 8,309,773 | 6,624,004 | 25 |
| Loans and leases: | | | |
| Commercial, financial, etc | 17,911,149 | 16,704,575 | 7 |
| Real estate - commercial | 26,345,267 | 24,970,416 | 6 |
| Real estate - consumer | 9,228,003 | 10,808,220 | -15 |
| Consumer | <u>10,174,623</u> | <u>11,628,744</u> | -13 |
| Total loans and leases, net of unearned discount | 63,659,042 | 64,111,955 | -1 |
| Less: allowance for credit losses | <u>916,370</u> | <u>921,223</u> | -1 |
| Net loans and leases | 62,742,672 | 63,190,732 | -1 |
| Goodwill | 3,524,625 | 3,524,625 | - |
| Core deposit and other intangible assets | 79,290 | 129,628 | -39 |
| Other assets | <u>5,414,191</u> | <u>5,054,478</u> | 7 |
| Total assets | <u>\$ 84,427,485</u> | <u>81,085,233</u> | 4 % |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Noninterest-bearing deposits | \$ 24,150,771 | 22,968,401 | 5 % |
| Interest-bearing deposits | 42,084,860 | 39,636,104 | 6 |
| Deposits at Cayman Islands office | <u>316,510</u> | <u>1,402,753</u> | -77 |
| Total deposits | 66,552,141 | 64,007,258 | 4 |
| Short-term borrowings | 246,019 | 592,154 | -58 |
| Accrued interest and other liabilities | 1,491,797 | 1,570,758 | -5 |
| Long-term borrowings | <u>5,121,326</u> | <u>4,969,536</u> | 3 |
| Total liabilities | 73,411,283 | 71,139,706 | 3 |
| Shareholders' equity: | | | |
| Preferred | 879,010 | 870,416 | 1 |
| Common (1) | <u>10,137,192</u> | <u>9,075,111</u> | 12 |
| Total shareholders' equity | <u>11,016,202</u> | <u>9,945,527</u> | 11 |
| Total liabilities and shareholders' equity | <u>\$ 84,427,485</u> | <u>81,085,233</u> | 4 % |

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$198.1 million at September 30, 2013 and \$230.1 million at September 30, 2012.

M&T BANK CORPORATION
Condensed Consolidated Balance Sheet, Five Quarter Trend

| Dollars in thousands | September 30, 2013 | June 30, 2013 | March 31, 2013 | December 31, 2012 | September 30, 2012 |
|-------------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|
| ASSETS | | | | | |
| Cash and due from banks | \$ 1,941,944 | 1,350,015 | 1,231,091 | 1,983,615 | 1,622,928 |

| | | | | | |
|--|---------------|------------|------------|------------|------------|
| Interest-bearing deposits at banks | 1,925,811 | 2,555,354 | 1,304,770 | 129,945 | 411,994 |
| Federal funds sold and agreements to resell securities | 117,809 | 124,487 | 594,976 | 3,000 | - |
| Trading account assets | 371,370 | 378,235 | 420,144 | 488,966 | 526,844 |
| Investment securities | 8,309,773 | 5,210,526 | 5,660,831 | 6,074,361 | 6,624,004 |
| Loans and leases: | | | | | |
| Commercial, financial, etc | 17,911,149 | 18,021,812 | 17,469,138 | 17,776,953 | 16,704,575 |
| Real estate - commercial | 26,345,267 | 26,116,394 | 25,944,819 | 25,993,790 | 24,970,416 |
| Real estate - consumer | 9,228,003 | 10,399,749 | 11,094,577 | 11,240,837 | 10,808,220 |
| Consumer | 10,174,623 | 11,433,911 | 11,415,733 | 11,559,377 | 11,628,744 |
| Total loans and leases, net of unearned discount | 63,659,042 | 65,971,866 | 65,924,267 | 66,570,957 | 64,111,955 |
| Less: allowance for credit losses | 916,370 | 927,065 | 927,117 | 925,860 | 921,223 |
| Net loans and leases | 62,742,672 | 65,044,801 | 64,997,150 | 65,645,097 | 63,190,732 |
| Goodwill | 3,524,625 | 3,524,625 | 3,524,625 | 3,524,625 | 3,524,625 |
| Core deposit and other intangible assets | 79,290 | 89,918 | 102,420 | 115,763 | 129,628 |
| Other assets | 5,414,191 | 4,951,044 | 4,975,950 | 5,043,431 | 5,054,478 |
| Total assets | \$ 84,427,485 | 83,229,005 | 82,811,957 | 83,008,803 | 81,085,233 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | | | | |
|--|---------------|------------|------------|------------|------------|
| Noninterest-bearing deposits | \$ 24,150,771 | 24,074,815 | 23,603,971 | 24,240,802 | 22,968,401 |
| Interest-bearing deposits | 42,084,860 | 41,302,212 | 41,219,679 | 40,325,932 | 39,636,104 |
| Deposits at Cayman Islands office | 316,510 | 284,443 | 266,076 | 1,044,519 | 1,402,753 |
| Total deposits | 66,552,141 | 65,661,470 | 65,089,726 | 65,611,253 | 64,007,258 |
| Short-term borrowings | 246,019 | 307,740 | 374,593 | 1,074,482 | 592,154 |
| Accrued interest and other liabilities | 1,491,797 | 1,421,067 | 1,530,118 | 1,512,717 | 1,570,758 |
| Long-term borrowings | 5,121,326 | 5,122,398 | 5,394,563 | 4,607,758 | 4,969,536 |
| Total liabilities | 73,411,283 | 72,512,675 | 72,389,000 | 72,806,210 | 71,139,706 |
| Shareholders' equity: | | | | | |
| Preferred | 879,010 | 876,796 | 874,627 | 872,500 | 870,416 |
| Common (1) | 10,137,192 | 9,839,534 | 9,548,330 | 9,330,093 | 9,075,111 |
| Total shareholders' equity | 11,016,202 | 10,716,330 | 10,422,957 | 10,202,593 | 9,945,527 |
| Total liabilities and shareholders' equity | \$ 84,427,485 | 83,229,005 | 82,811,957 | 83,008,803 | 81,085,233 |

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$198.1 million at September 30, 2013, \$227.8 million at June 30, 2013, \$226.0 million at March 31, 2013, \$240.3 million at December 31, 2012 and \$230.1 million at September 30, 2012.

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

| Dollars in millions | Three months ended | | | | | | Change in balance | | | | Nine months ended | | | | Change in balance | | |
|--|--------------------|-------|--------------------|-------|---------------|-------|-------------------------|---------------|--------------|-------|-------------------|-------|---------|------|-------------------|---------|------|
| | September 30, 2013 | | September 30, 2012 | | June 30, 2013 | | September 30, 2013 from | | September 30 | | September 30 | | Balance | Rate | | Balance | Rate |
| | Balance | Rate | Balance | Rate | Balance | Rate | September 30, 2012 | June 30, 2013 | Balance | Rate | Balance | Rate | | | | | |
| ASSETS | | | | | | | | | | | | | | | | | |
| Interest-bearing deposits at banks | \$ 2,646 | .25 % | 298 | .18 % | 2,403 | .24 % | 786 % | 10 % | \$ 1,866 | .24 % | 614 | .24 % | 204 % | | | | |
| Federal funds sold and agreements to resell securities | 117 | .08 | 4 | .55 | 199 | .09 | - | -41 | 133 | .09 | 4 | .55 | - | | | | |
| Trading account assets | 67 | 1.27 | 94 | 1.13 | 86 | 1.43 | -29 | -23 | 76 | 2.10 | 96 | 1.45 | -20 | | | | |
| Investment securities | 6,979 | 3.31 | 6,811 | 3.39 | 5,293 | 3.34 | 2 | 32 | 6,030 | 3.33 | 7,195 | 3.47 | -16 | | | | |
| Loans and leases, net of unearned discount | | | | | | | | | | | | | | | | | |
| Commercial, financial, etc. | 17,798 | 3.50 | 16,504 | 3.73 | 17,713 | 3.61 | 8 | - | 17,615 | 3.59 | 16,115 | 3.72 | 9 | | | | |
| Real estate - commercial | 26,129 | 4.51 | 24,995 | 4.61 | 26,051 | 4.72 | 5 | - | 26,033 | 4.55 | 24,764 | 4.56 | 5 | | | | |
| Real estate - consumer | 9,636 | 4.17 | 10,296 | 4.29 | 10,806 | 4.05 | -6 | -11 | 10,522 | 4.10 | 9,270 | 4.43 | 14 | | | | |
| Consumer | 11,295 | 4.57 | 11,660 | 4.76 | 11,409 | 4.58 | -3 | -1 | 11,389 | 4.61 | 11,778 | 4.79 | -3 | | | | |
| Total loans and leases, net | 64,858 | 4.21 | 63,455 | 4.34 | 65,979 | 4.32 | 2 | -2 | 65,559 | 4.26 | 61,927 | 4.37 | 6 | | | | |
| Total earning assets | 74,667 | 3.98 | 70,662 | 4.23 | 73,960 | 4.10 | 6 | 1 | 73,664 | 4.07 | 69,836 | 4.24 | 5 | | | | |
| Goodwill | 3,525 | | 3,525 | | 3,525 | | - | - | 3,525 | | 3,525 | | - | | | | |
| Core deposit and other intangible assets | 84 | | 136 | | 95 | | -38 | -12 | 96 | | 152 | | -37 | | | | |
| Other assets | 5,735 | | 6,109 | | 5,772 | | -6 | -1 | 5,815 | | 6,005 | | -3 | | | | |

| | | | | | | | | | | | | | | | |
|--|----|---------------|--------|---------------|--------|---------------|--------|-----|------|----|---------------|------|---------------|------|-----|
| Total assets | \$ | <u>84,011</u> | | <u>80,432</u> | | <u>83,352</u> | | 4 % | 1 % | \$ | <u>83,100</u> | | <u>79,518</u> | | 5 % |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | | | | | | |
| Interest-bearing deposits | | | | | | | | | | | | | | | |
| NOW accounts | \$ | 924 | .14 | 875 | .15 | 941 | .14 | 6 % | -2 % | \$ | 919 | .14 | 848 | .16 | 8 % |
| Savings deposits | | 36,990 | .15 | 33,298 | .20 | 36,459 | .15 | 11 | 1 | | 36,287 | .15 | 32,999 | .21 | 10 |
| Time deposits | | 3,928 | .62 | 5,164 | .84 | 4,210 | .71 | -24 | -7 | | 4,190 | .70 | 5,555 | .88 | -25 |
| Deposits at Cayman Islands office | | <u>392</u> | .22 | <u>702</u> | .19 | <u>326</u> | .25 | -44 | 20 | | <u>524</u> | .20 | <u>552</u> | .19 | -5 |
| Total interest-bearing deposits | | <u>42,234</u> | .19 | <u>40,039</u> | .28 | <u>41,936</u> | .21 | 5 | 1 | | <u>41,920</u> | .21 | <u>39,954</u> | .30 | 5 |
| Short-term borrowings | | 299 | .08 | 976 | .15 | 343 | .11 | -69 | -13 | | 425 | .12 | 893 | .15 | -52 |
| Long-term borrowings | | <u>5,010</u> | 3.89 | <u>5,006</u> | 4.27 | <u>5,051</u> | 4.03 | - | -1 | | <u>4,918</u> | 4.09 | <u>5,869</u> | 3.96 | -16 |
| Total interest-bearing liabilities | | 47,543 | .58 | 46,021 | .71 | 47,330 | .62 | 3 | - | | 47,263 | .61 | 46,716 | .76 | 1 |
| Noninterest-bearing deposits | | 23,998 | | 22,704 | | 23,744 | | 6 | 1 | | 23,570 | | 21,240 | | 11 |
| Other liabilities | | <u>1,589</u> | | <u>1,918</u> | | <u>1,715</u> | | -17 | -7 | | <u>1,676</u> | | <u>1,994</u> | | -16 |
| Total liabilities | | 73,130 | | 70,643 | | 72,789 | | 4 | - | | 72,509 | | 69,950 | | 4 |
| Shareholders' equity | | <u>10,881</u> | | <u>9,789</u> | | <u>10,563</u> | | 11 | 3 | | <u>10,591</u> | | <u>9,568</u> | | 11 |
| Total liabilities and shareholders' equity | \$ | <u>84,011</u> | | <u>80,432</u> | | <u>83,352</u> | | 4 % | 1 % | \$ | <u>83,100</u> | | <u>79,518</u> | | 5 % |
| Net interest spread | | | 3.40 | | 3.52 | | 3.48 | | | | 3.46 | | 3.48 | | |
| Contribution of interest-free funds | | | .21 | | .25 | | .23 | | | | .22 | | .25 | | |
| Net interest margin | | | 3.61 % | | 3.77 % | | 3.71 % | | | | 3.68 % | | 3.73 % | | |

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

| | Three months ended | | Nine months ended | |
|--|---------------------|------------------|---------------------|------------------|
| | September 30 | September 30 | September 30 | September 30 |
| | 2013 | 2012 | 2013 | 2012 |
| <u>Income statement data</u> | | | | |
| In thousands, except per share | | | | |
| Net income | | | | |
| Net income | \$ 294,479 | 293,462 | \$ 917,058 | 733,305 |
| Amortization of core deposit and other intangible assets (1) | 6,489 | 8,598 | 22,269 | 28,547 |
| Merger-related expenses (1) | - | - | 7,511 | 6,001 |
| Net operating income | <u>\$ 300,968</u> | <u>302,060</u> | <u>\$ 946,838</u> | <u>767,853</u> |
| Earnings per common share | | | | |
| Diluted earnings per common share | \$ 2.11 | 2.17 | \$ 6.64 | 5.37 |
| Amortization of core deposit and other intangible assets (1) | .05 | .07 | .17 | .22 |
| Merger-related expenses (1) | - | - | .06 | .05 |
| Diluted net operating earnings per common share | <u>\$ 2.16</u> | <u>2.24</u> | <u>\$ 6.87</u> | <u>5.64</u> |
| Other expense | | | | |
| Other expense | \$ 658,626 | 616,027 | \$ 1,892,813 | 1,883,114 |
| Amortization of core deposit and other intangible assets | (10,628) | (14,085) | (36,473) | (46,766) |
| Merger-related expenses | - | - | (12,364) | (9,879) |
| Noninterest operating expense | <u>\$ 647,998</u> | <u>601,942</u> | <u>\$ 1,843,976</u> | <u>1,826,469</u> |
| Merger-related expenses | | | | |
| Salaries and employee benefits | \$ - | - | \$ 836 | 4,997 |
| Equipment and net occupancy | - | - | 690 | 15 |
| Printing, postage and supplies | - | - | 1,825 | - |
| Other costs of operations | - | - | 9,013 | 4,867 |
| Total | <u>\$ -</u> | <u>-</u> | <u>\$ 12,364</u> | <u>9,879</u> |
| Efficiency ratio | | | | |
| Noninterest operating expense (numerator) | \$ 647,998 | 601,942 | \$ 1,843,976 | 1,826,469 |
| Taxable-equivalent net interest income | 679,213 | 669,256 | 2,025,517 | 1,950,978 |
| Other income | 477,388 | 445,733 | 1,418,959 | 1,214,106 |
| Less: Gain on bank investment securities | - | 372 | 56,457 | 9 |
| Net OTTI losses recognized in earnings | - | (5,672) | (9,800) | (33,331) |
| Denominator | <u>\$ 1,156,601</u> | <u>1,120,289</u> | <u>\$ 3,397,819</u> | <u>3,198,406</u> |
| Efficiency ratio | <u>56.03 %</u> | <u>53.73 %</u> | <u>54.27 %</u> | <u>57.11 %</u> |

Balance sheet data

| In millions | | | | |
|--|------------------|---------------|------------------|---------------|
| Average assets | | | | |
| Average assets | \$ 84,011 | 80,432 | \$ 83,100 | 79,518 |
| Goodwill | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (84) | (136) | (96) | (152) |
| Deferred taxes | 25 | 39 | 28 | 44 |
| Average tangible assets | <u>\$ 80,427</u> | <u>76,810</u> | <u>\$ 79,507</u> | <u>75,885</u> |
| Average common equity | | | | |
| Average total equity | \$ 10,881 | 9,789 | \$ 10,591 | 9,568 |
| Preferred stock | (878) | (870) | (876) | (868) |
| Average common equity | 10,003 | 8,919 | 9,715 | 8,700 |
| Goodwill | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (84) | (136) | (96) | (152) |
| Deferred taxes | 25 | 39 | 28 | 44 |
| Average tangible common equity | <u>\$ 6,419</u> | <u>5,297</u> | <u>\$ 6,122</u> | <u>5,067</u> |

At end of quarter

| | | |
|---|-----------|---------|
| Total assets | | |
| Total assets | \$ 84,427 | 81,085 |
| Goodwill | (3,525) | (3,525) |
| Core deposit and other intangible assets | (79) | (129) |
| Deferred taxes | 24 | 38 |
| Total tangible assets | \$ 80,847 | 77,469 |
| Total common equity | | |
| Total equity | \$ 11,016 | 9,945 |
| Preferred stock | (879) | (870) |
| Undeclared dividends - cumulative preferred stock | (4) | (4) |
| Common equity, net of undeclared cumulative preferred dividends | 10,133 | 9,071 |
| Goodwill | (3,525) | (3,525) |
| Core deposit and other intangible assets | (79) | (129) |
| Deferred taxes | 24 | 38 |
| Total tangible common equity | \$ 6,553 | 5,455 |

(1) After any related tax effect.

M&T BANK CORPORATION
Reconciliation of Quarterly GAAP to Non-GAAP Measures, Five Quarter Trend

| | Three months ended | | | | |
|--|-----------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2013 | June 30, 2013 | March 31, 2013 | December 31, 2012 | September 30, 2012 |
| <u>Income statement data</u> | | | | | |
| In thousands, except per share | | | | | |
| Net income | | | | | |
| Net income | \$ 294,479 | 348,466 | 274,113 | 296,193 | 293,462 |
| Amortization of core deposit and other intangible assets (1) | 6,489 | 7,632 | 8,148 | 8,464 | 8,598 |
| Merger-related expenses (1) | - | 4,636 | 2,875 | - | - |
| Net operating income | \$ 300,968 | 360,734 | 285,136 | 304,657 | 302,060 |
| Earnings per common share | | | | | |
| Diluted earnings per common share | \$ 2.11 | 2.55 | 1.98 | 2.16 | 2.17 |
| Amortization of core deposit and other intangible assets (1) | .05 | .06 | .06 | .07 | .07 |
| Merger-related expenses (1) | - | .04 | .02 | - | - |
| Diluted net operating earnings per common share | \$ 2.16 | 2.65 | 2.06 | 2.23 | 2.24 |
| Other expense | | | | | |
| Other expense | \$ 658,626 | 598,591 | 635,596 | 626,146 | 616,027 |
| Amortization of core deposit and other intangible assets | (10,628) | (12,502) | (13,343) | (13,865) | (14,085) |
| Merger-related expenses | - | (7,632) | (4,732) | - | - |
| Noninterest operating expense | \$ 647,998 | 578,457 | 617,521 | 612,281 | 601,942 |
| Merger-related expenses | | | | | |
| Salaries and employee benefits | \$ - | 300 | 536 | - | - |
| Equipment and net occupancy | - | 489 | 201 | - | - |
| Printing, postage and supplies | - | 998 | 827 | - | - |
| Other costs of operations | - | 5,845 | 3,168 | - | - |
| Total | \$ - | 7,632 | 4,732 | - | - |
| Efficiency ratio | | | | | |
| Noninterest operating expense (numerator) | \$ 647,998 | 578,457 | 617,521 | 612,281 | 601,942 |
| Taxable-equivalent net interest income | 679,213 | 683,804 | 662,500 | 673,929 | 669,256 |
| Other income | 477,388 | 508,689 | 432,882 | 453,164 | 445,733 |
| Less: Gain on bank investment securities | - | 56,457 | - | - | 372 |
| Net OTTI losses recognized in earnings | - | - | (9,800) | (14,491) | (5,672) |
| Denominator | \$ 1,156,601 | 1,136,036 | 1,105,182 | 1,141,584 | 1,120,289 |
| Efficiency ratio | 56.03 % | 50.92 % | 55.88 % | 53.63 % | 53.73 % |

Balance sheet data

In millions

| | | | | | |
|--|-----------|---------|---------|---------|---------|
| Average assets | | | | | |
| Average assets | \$ 84,011 | 83,352 | 81,913 | 81,366 | 80,432 |
| Goodwill | (3,525) | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (84) | (95) | (109) | (122) | (136) |
| Deferred taxes | 25 | 28 | 32 | 36 | 39 |
| Average tangible assets | \$ 80,427 | 79,760 | 78,311 | 77,755 | 76,810 |
| Average common equity | | | | | |
| Average total equity | \$ 10,881 | 10,563 | 10,322 | 10,105 | 9,789 |
| Preferred stock | (878) | (876) | (874) | (872) | (870) |
| Average common equity | 10,003 | 9,687 | 9,448 | 9,233 | 8,919 |
| Goodwill | (3,525) | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (84) | (95) | (109) | (122) | (136) |
| Deferred taxes | 25 | 28 | 32 | 36 | 39 |
| Average tangible common equity | \$ 6,419 | 6,095 | 5,846 | 5,622 | 5,297 |

At end of quarter

| | | | | | |
|--|-----------|---------|---------|---------|---------|
| Total assets | | | | | |
| Total assets | \$ 84,427 | 83,229 | 82,812 | 83,009 | 81,085 |
| Goodwill | (3,525) | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (79) | (90) | (102) | (116) | (129) |
| Deferred taxes | 24 | 27 | 30 | 34 | 38 |
| Total tangible assets | \$ 80,847 | 79,641 | 79,215 | 79,402 | 77,469 |
| Total common equity | | | | | |
| Total equity | \$ 11,016 | 10,716 | 10,423 | 10,203 | 9,945 |
| Preferred stock | (879) | (877) | (875) | (873) | (870) |

| | | | | | |
|---|-----------------|--------------|--------------|--------------|--------------|
| Undeclared dividends - cumulative preferred stock | <u>(4)</u> | <u>(3)</u> | <u>(3)</u> | <u>(3)</u> | <u>(4)</u> |
| Common equity, net of undeclared cumulative preferred dividends | 10,133 | 9,836 | 9,545 | 9,327 | 9,071 |
| Goodwill | (3,525) | (3,525) | (3,525) | (3,525) | (3,525) |
| Core deposit and other intangible assets | (79) | (90) | (102) | (116) | (129) |
| Deferred taxes | <u>24</u> | <u>27</u> | <u>30</u> | <u>34</u> | <u>38</u> |
| Total tangible common equity | \$ <u>6,553</u> | <u>6,248</u> | <u>5,948</u> | <u>5,720</u> | <u>5,455</u> |

(1) After any related tax effect.

SOURCE M&T Bank Corporation

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