

Barclays Global Financial Services Conference

September 9, 2019

M&T Bank Corporation

Disclaimer

This presentation contains forward- looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving M&T Bank Corporation's ("M&T") 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. Actual results may differ materially from current projections. Forward-looking statements involve known and unknown risks and uncertainties. A number of factors, many of which are beyond M&T's control, could cause our actual results, events or developments, or industry results to be materially different from any future results, events or developments expressed, implied or anticipated by such forward-looking statements and so our business and financial condition and results of operations could be materially and adversely affected. In addition to factors previously disclosed in M&T's reports filed with the U.S. Securities and Exchange Commission (the "SEC") and those identified elsewhere in this document, 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 pressures; the inability to realize cost savings, revenues or other benefits, or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; general economic conditions and weakening in the economy; deteriorating credit quality; political developments, wars or other hostilities may disrupt or increase volatility in securities markets or other economic conditions; changes in accounting policies or procedures; significant litigation; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and other legislative and regulatory actions and reforms.

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

Who is M&T Bank Corporation?

- Top 20 US-based, commercial bank holding company
- Substantial growth from \$2 billion in assets in 1983 to \$122 billion at June 30, 2019
- 17,835 employees across 752 domestic branches in eight states and Washington DC
- 4.1 million customers representing 6.2 million accounts
- \$98 billion of assets under management
- Lowest percentage credit losses among the large money-center / superregional banks through the financial crisis
 - 1 of only 2 commercial banks (out of 20) in S&P 500 not to reduce dividend
- M&T has not posted a loss going back to 1976 – 172 quarters

Key Ratios

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2Q'18</u>	<u>1Q'19</u>	<u>2Q'19</u>
Superior Pre-Credit Earnings									
Net Interest Margin	3.65%	3.31%	3.14%	3.11%	3.47%	3.83%	3.83%	4.04%	3.91%
Efficiency Ratio – Operating ⁽¹⁾	55.98%	59.29%	57.98%	56.10%	55.07%	54.79%	52.42%	57.56%	55.98%
PPNR ⁽¹⁾	1,951	1,766	1,845	2,248	2,492	2,640	690	656	681
PPNR to RWA ⁽¹⁾⁽³⁾	2.61%	2.35%	2.14%	2.29%	2.53%	2.72%	2.86%	2.69%	2.73%
Strong Credit Metrics									
Allowance to Loans (As At)	1.43%	1.38%	1.09%	1.09%	1.16%	1.15%	1.16%	1.15%	1.15%
Net Charge-Offs to Loans	0.28%	0.19%	0.19%	0.18%	0.16%	0.15%	0.16%	0.10%	0.20%
Focused on Returns									
Net Operating Return on:									
Tangible Assets ⁽¹⁾⁽²⁾	1.47%	1.23%	1.18%	1.14%	1.23%	1.72%	1.79%	1.76%	1.68%
Tangible Common Equity ⁽¹⁾⁽²⁾	17.79%	13.76%	13.00%	12.25%	13.00%	19.09%	19.91%	19.56%	18.83%
Consistent Capital Generation									
Tangible Common Equity to Tangible Assets	8.39%	8.11%	8.69%	8.92%	9.10%	8.31%	8.53%	8.43%	8.41%
Common Equity Tier 1 Ratio ⁽⁴⁾	9.22%	9.83%	11.08%	10.70%	10.99%	10.13%	10.52%	10.03%	9.84%
Tier 1 Capital Ratio	12.00%	12.47%	12.68%	11.92%	12.26%	11.38%	11.79%	11.28%	11.06%
Balance Sheet (As At)									
Loans to Deposits	95.46%	90.60%	95.14%	95.14%	95.19%	98.13%	98.35%	97.98%	98.03%
Securities to Assets	10.33%	13.44%	12.75%	13.16%	12.37%	10.57%	11.22%	10.45%	9.53%

Notes:

(1) The Efficiency Ratio and Pre-provision Net Revenue 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).

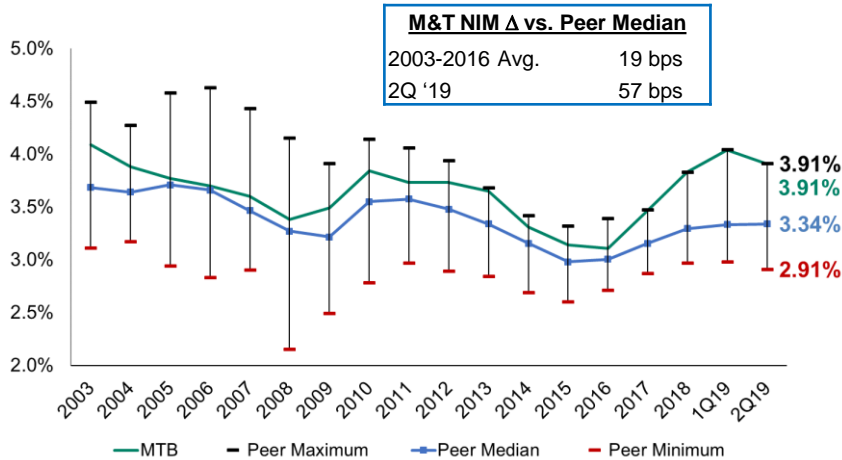
(2) Excludes merger-related gains and expenses and amortization expense associated with intangible assets.

(3) Annual and quarterly PPNR to Risk Weighted Assets calculated using average of quarterly reported RWA balances for 2017 and 2018. Average RWA is calculated using the average of year end balances for 2012-2016.

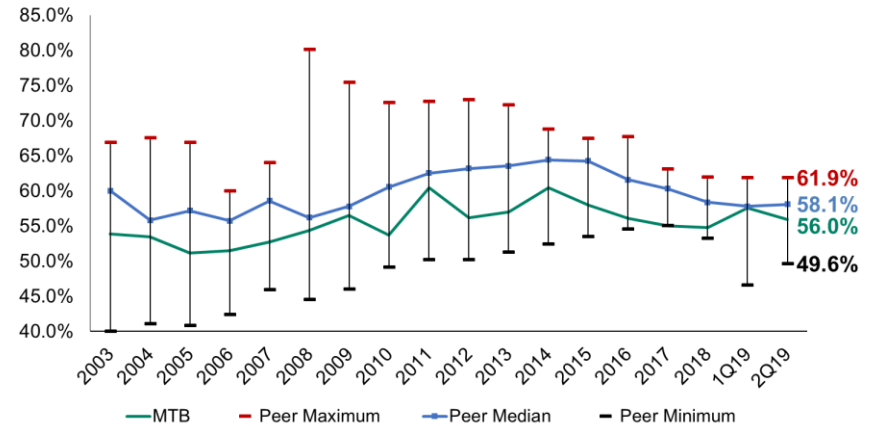
4 (4) For periods prior to 2016, reflects Tier 1 Common ratios under Basel I standards.

M&T's Business Model – a Historical Perspective

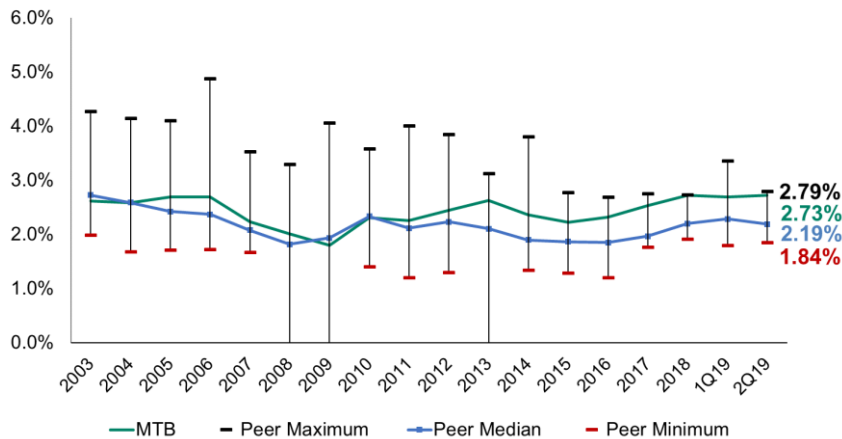
Net Interest Margin



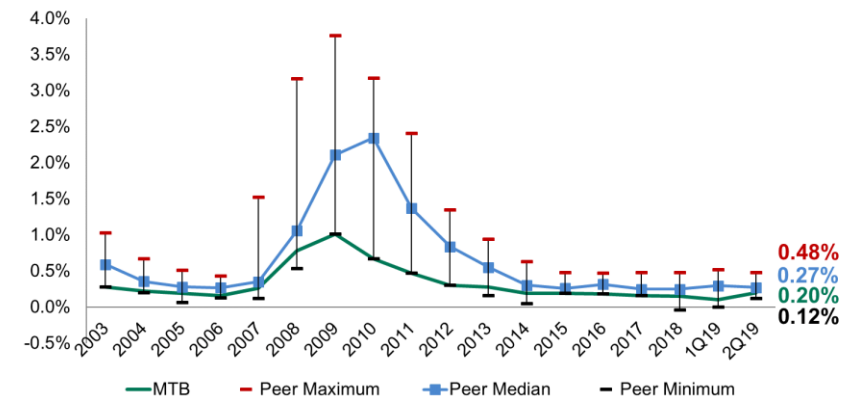
Operating Efficiency Ratio



PPNR / RWA



NCO / Average Loans



Source: S&P Global Market Intelligence
 For MTB, Years prior to 2011 not restated for LIHTC.
 Refer to appendix for peer group list and GAAP reconciliation.

Efficient Balance Sheet Supports Margin and Returns

	Composition (% of Avg. Earning Assets)		Yield / Cost ¹		
	2019 Q2		2019 Q2		
	MTB	Peer Median	MTB	Peer Median	
Other Earning Assets	6%	> 2%	2.38%	< 2.53%	Above-average returns with below-average credit losses
Securities	11%	< 23%	2.49%	< 2.63%	
Loans	83%	> 75%	5.09%	> 4.81%	
Total Earning Assets			4.64%	> 4.28%	
Interest Bearing Deposits	57%	< 59%	0.80%	< 1.02%	Strong core deposit funding, with less reliance on higher cost time deposits and wholesale funding
Borrowings	9%	< 12%	3.11%	= 3.11%	
Total Int. Bearing Liabilities	66%	< 74%	1.11%	< 1.40%	
DDA	28%	> 22%	-	-	Greater share of funding from noninterest deposits
Total Deposits	85%	> 83%	0.54%	< 0.73%	
NIM			3.91%	> 3.34%	

Source: S&P Global Market Intelligence and company reports

6 (1) Coloring based on favorable (green) / unfavorable (red) vs. peer median

Balance Sheet Management Initiatives – 2016 to Present

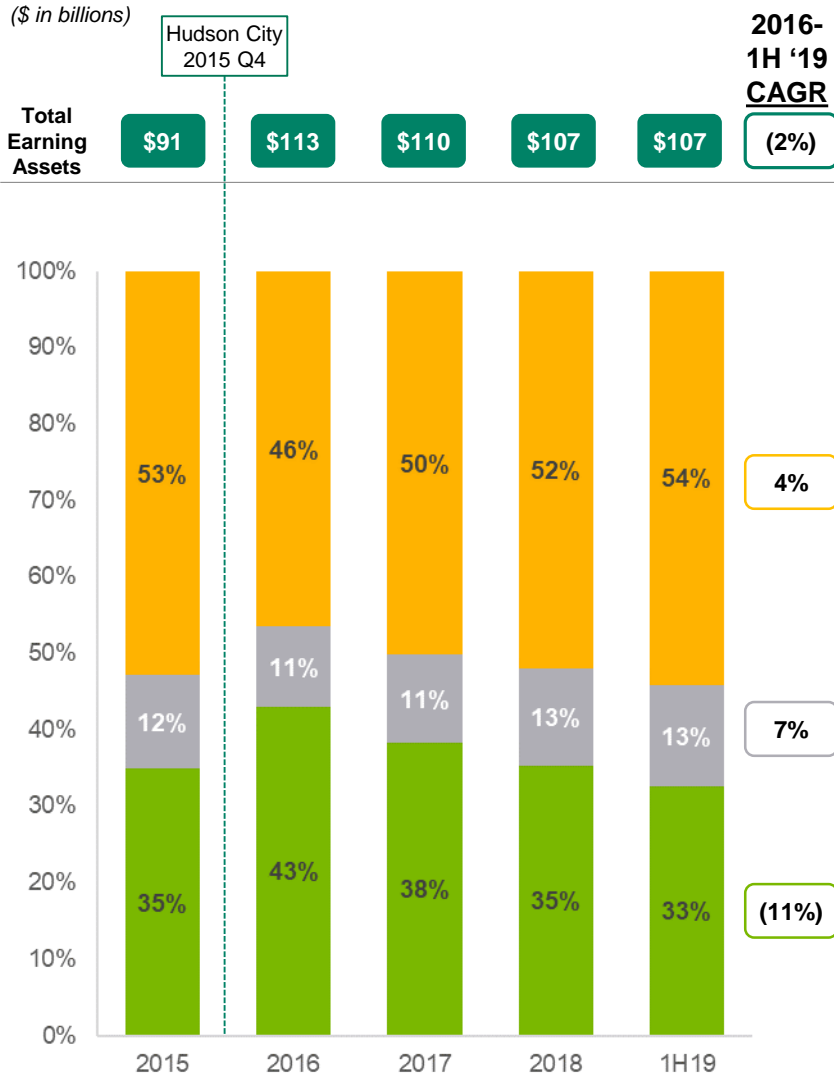
- **Assets**: Transitioning loan portfolio to higher-return categories
 - Replacing residential mortgages from Hudson City with commercial and consumer loans

- **Funding**: Maintain limited reliance on longer-term, high-cost funding
 - Aggressively reduced time deposit balances through runoff of Hudson City CDs
 - Wholesale funding exposure remains stable at levels below peer average

- **Hedging**: Implemented program to reduce net interest income variability in falling or rising rate environments

Focus on Growing Profitable Assets

Earning Assets – Average Balances

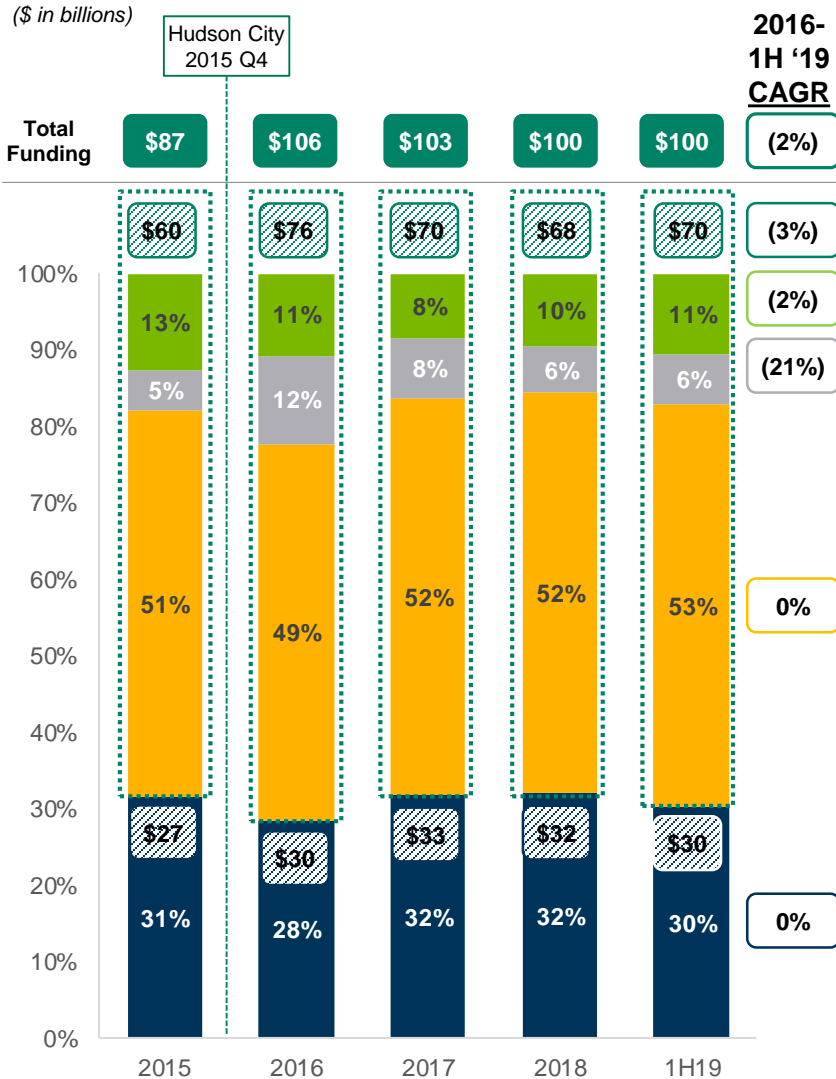


Earning Asset Yields – Annualized

	2016	2017	2018	1H '19	2016-1H '19 Chg.
Total Earning Assets	3.49%	3.82%	4.33%	4.68%	+119 bps
Commercial Loans	3.98%	4.34%	4.95%	5.30%	+132 bps
Consumer Loans	4.54%	4.82%	5.19%	5.52%	+98 bps
Residential Mortgages, Cash, and Securities	2.83%	2.98%	3.19%	3.39%	+55 bps

Stable, Low-Cost Funding...

Funding Sources – Average Balances

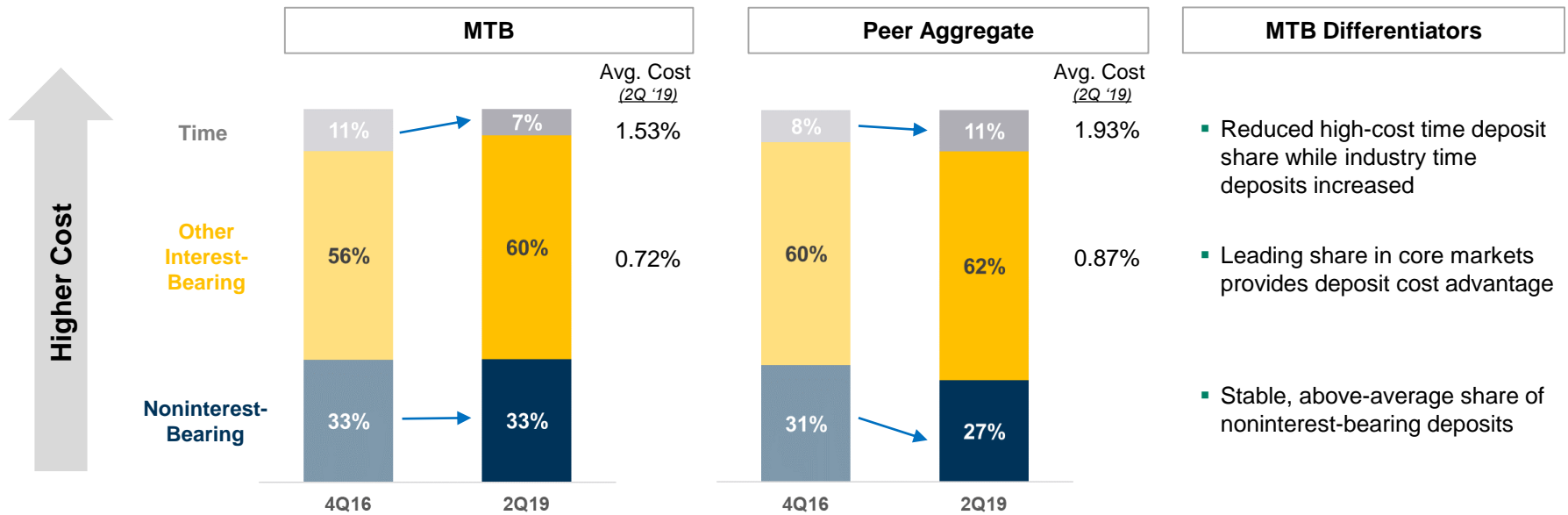


Interest-bearing Liability Costs – Annualized

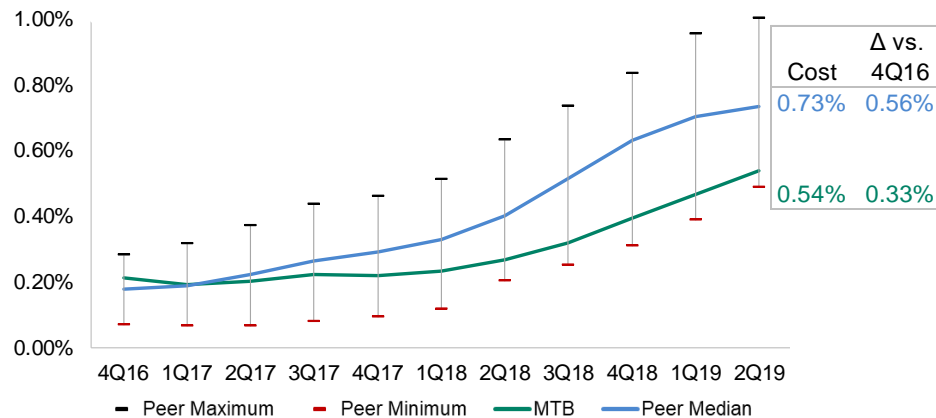
	2016	2017	2018	1H '19	2016-1H '19 Chg.
Total Interest-bearing Liabilities	0.56%	0.55%	0.78%	1.08%	+52 bps
Borrowings and Foreign Deposits	2.08%	2.21%	2.71%	3.00%	+92 bps
Time Deposits	0.84%	0.75%	0.85%	1.44%	+60bps
Savings and Interest Checking Deposits	0.17%	0.25%	0.41%	0.64%	+47 bps
Noninterest-bearing Deposits	0%	0%	0%	0%	0%

...Supported by Deposit Franchise

Deposit Composition – M&T and Peers (Average Balances)



Total Deposit Cost

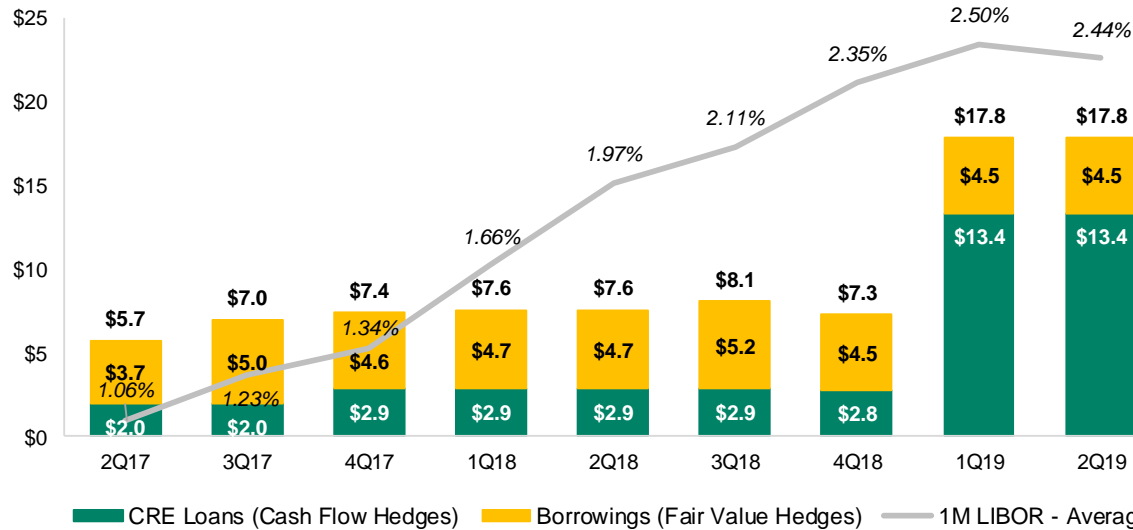


- Maintain 19 bps deposit cost advantage
- M&T 2Q / 3Q '19 costs affected by servicing-related escrow deposit growth

Proactive Hedging Reduces Net Interest Income Variability

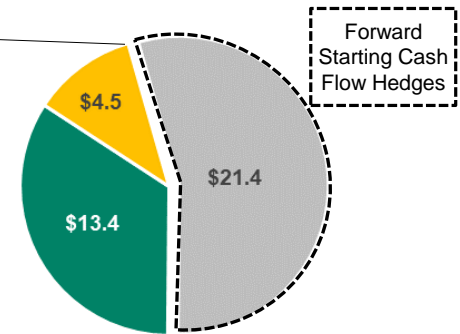
Total Active Hedges

(\$ in billions)



Notional Hedges

\$39.2 billion⁽¹⁾
 \$17.8 bln - Active
 \$21.4 bln - Forward Starting

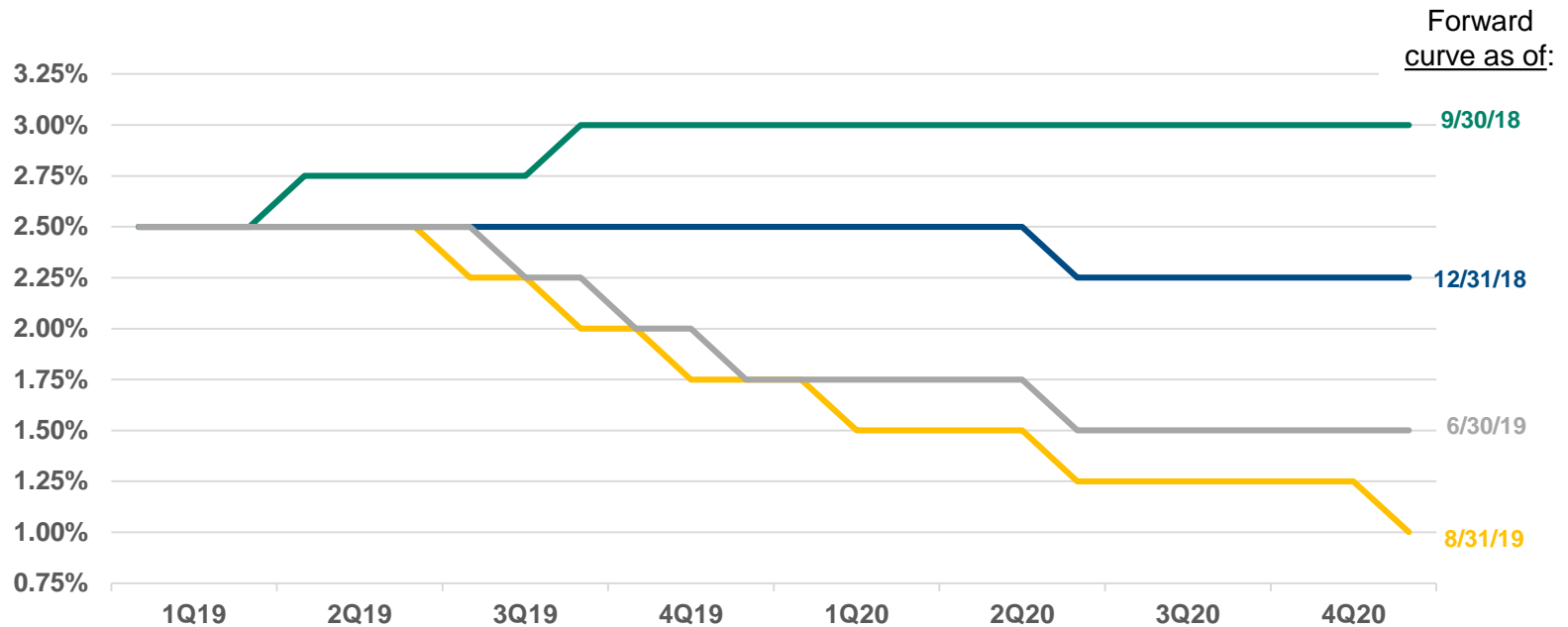


Total Active Hedges/ Earning Assets	5%	6%	7%	7%	7%	8%	7%	17%	17%

- Hedging program initiated early in interest rate cycle and increased in 1H 2019
- Recent increase in notional balance largely driven by forward-starting extensions of current hedges
 - All forward-starting hedges are extensions on active cash flow hedges
- Average maturity has remained stable near 2 years over last few quarters

Uncertain Interest Rate Environment

Forward Curve-Implied Fed Funds Target Rate¹



- 200 basis point decrease in market expectation for year-end 2020 Fed Funds rate since September 2018
- Current outlook for three 25 basis point Fed Funds rate reductions during both 2019 and 2020

Source: Bloomberg

12 Note: (1) Chart and table shows the upper rate of the Federal Funds target rates. The data is an interpretation of the effective Fed Funds forward curve translated to illustrate the implied path of the Federal Funds target rates.

Understanding M&T's Interest Rate Positioning

(\$ in billions)

		<u>2Q19 Average Balance</u>	<u>% of Earning Assets</u>	<u>Primarily Floating?⁽¹⁾</u>	<u>Implied Floating % of Earning Assets</u>
Earning Assets	Commercial Loans ⁽²⁾	\$58.1	54%	✓	64%
	Residential Mortgages	16.7	16%		
	HELOC	4.7	4%	✓	
	Other Consumer Loans	9.6	9%		
	Securities	12.2	11%		
	Cash and Other Earning Assets	6.2	6%	✓	
Funding – Contractual Repricing	Noninterest-Bearing Deposits	30.1	28%		-5%
	Short-term Borrowings & Brokered / Foreign Deposits	5.2	5%	✓	
	Long-term Borrowings ⁽²⁾	8.3	8%		
Funding – Discretionary Repricing	<u>Illustrative Beta</u>				
	Savings & Interest Checking ⁽³⁾	50.8	47%	10% - 50%	-5% to -27%
	Time Deposits	6.5	6%		
Net Position Prior to Hedges					54% to 32%
Hedges	Swaps on Loans and Borrowings	17.8	17%		-17%
Net Position with Hedges					37% to 15%

Deposit repricing pace may vary depending on market conditions, competitor responses, and time deposit maturities

Resulting NIM impact also depends on timing of LIBOR changes and short-term deposit variability (e.g. trust demand, mortgage escrow)

Notes:

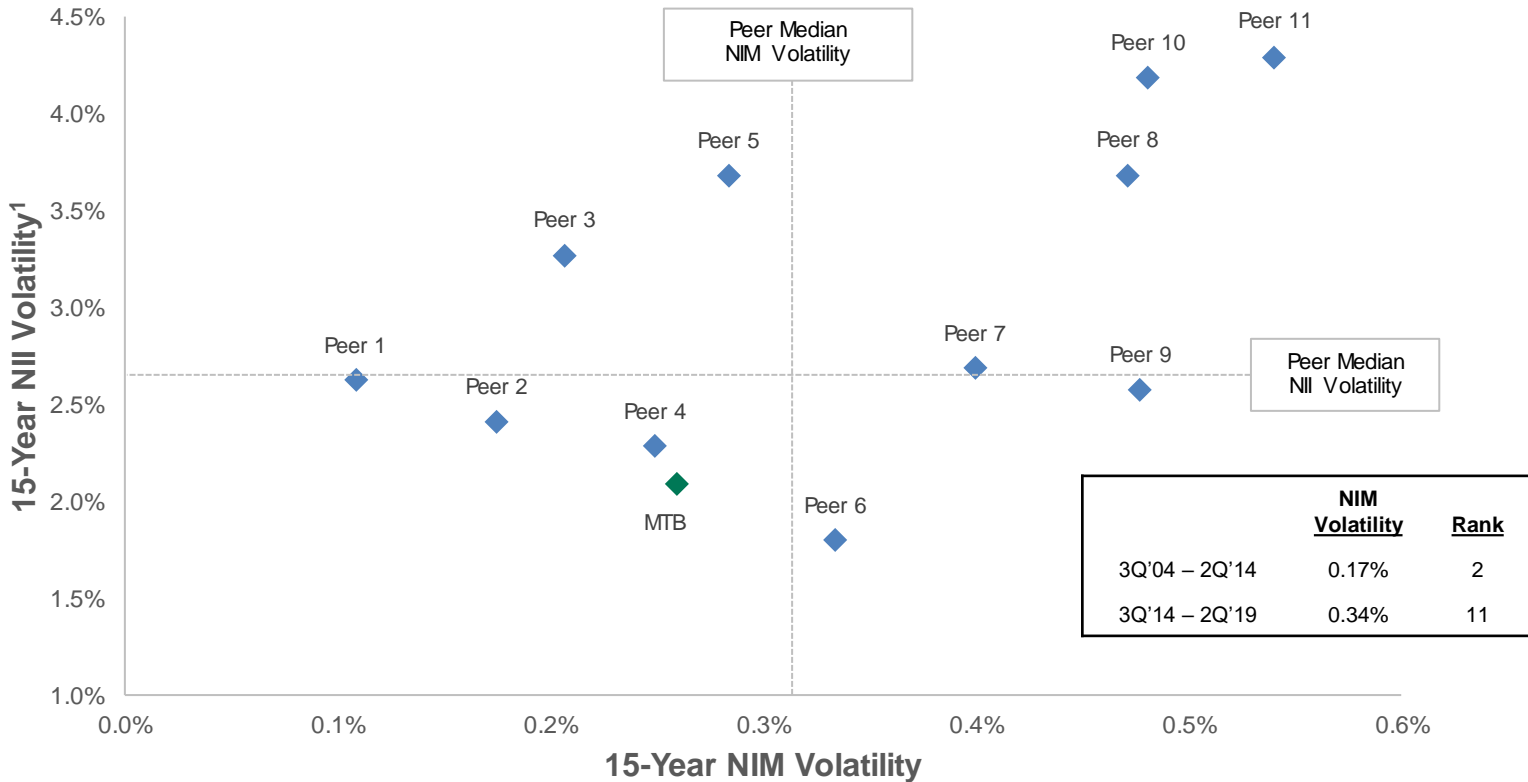
(1) "Primarily Floating" categorization is based on the majority (greater than 50%). For example, a portion of commercial loans are fixed rate balances while a portion of residential mortgages are floating.

(2) The primarily fixed or floating categorization of commercial loans and long-term borrowings excludes the impact of swaps. Hedges are shown independently.

(3) Excluding brokered deposits.

Low Net Interest Income Volatility Through Cycle

Net Interest Income and Margin Volatility

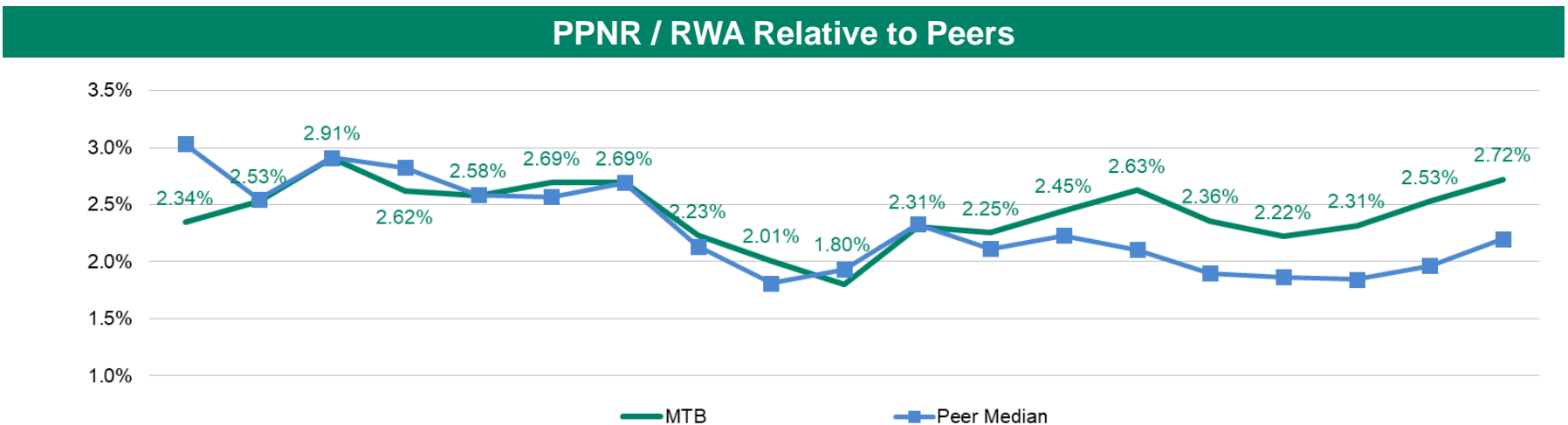
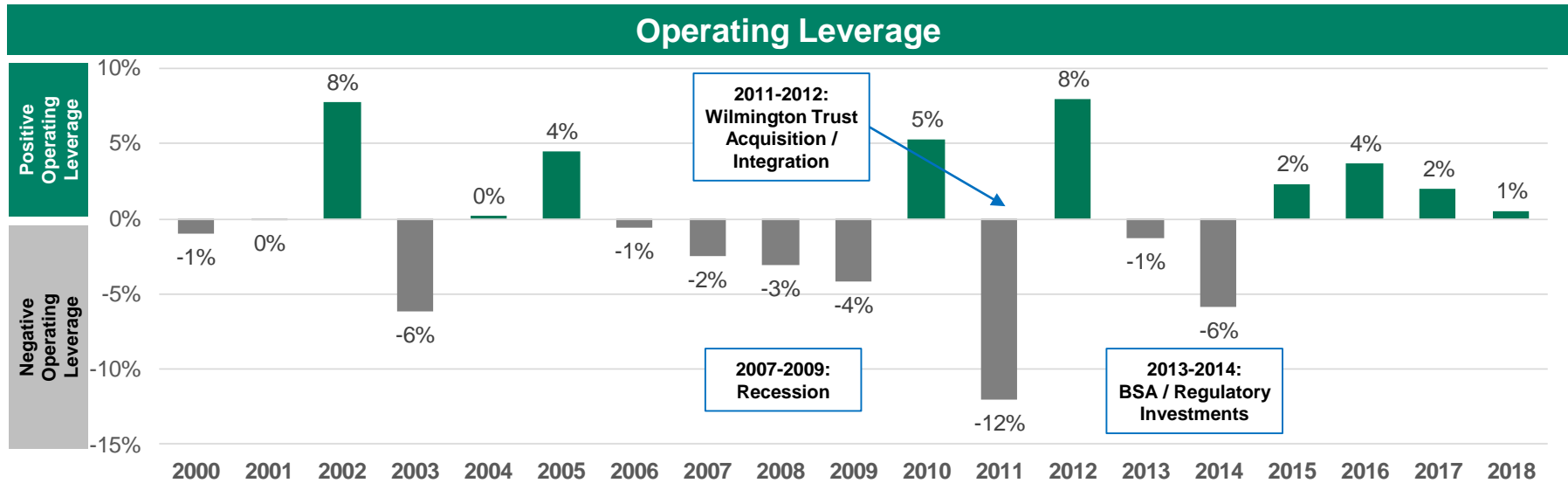


- Transient deposit balances, such as trust demand and escrow, have contributed to M&T's higher NIM volatility in recent years, with more limited impact on NII

Source: S&P Global Market Intelligence and company reports

14 1. NII volatility excludes periods impacted by acquisitions. NII volatility defined as standard deviation of quarter over quarter percent change in NII.

Prudent Investments and Expense Management...

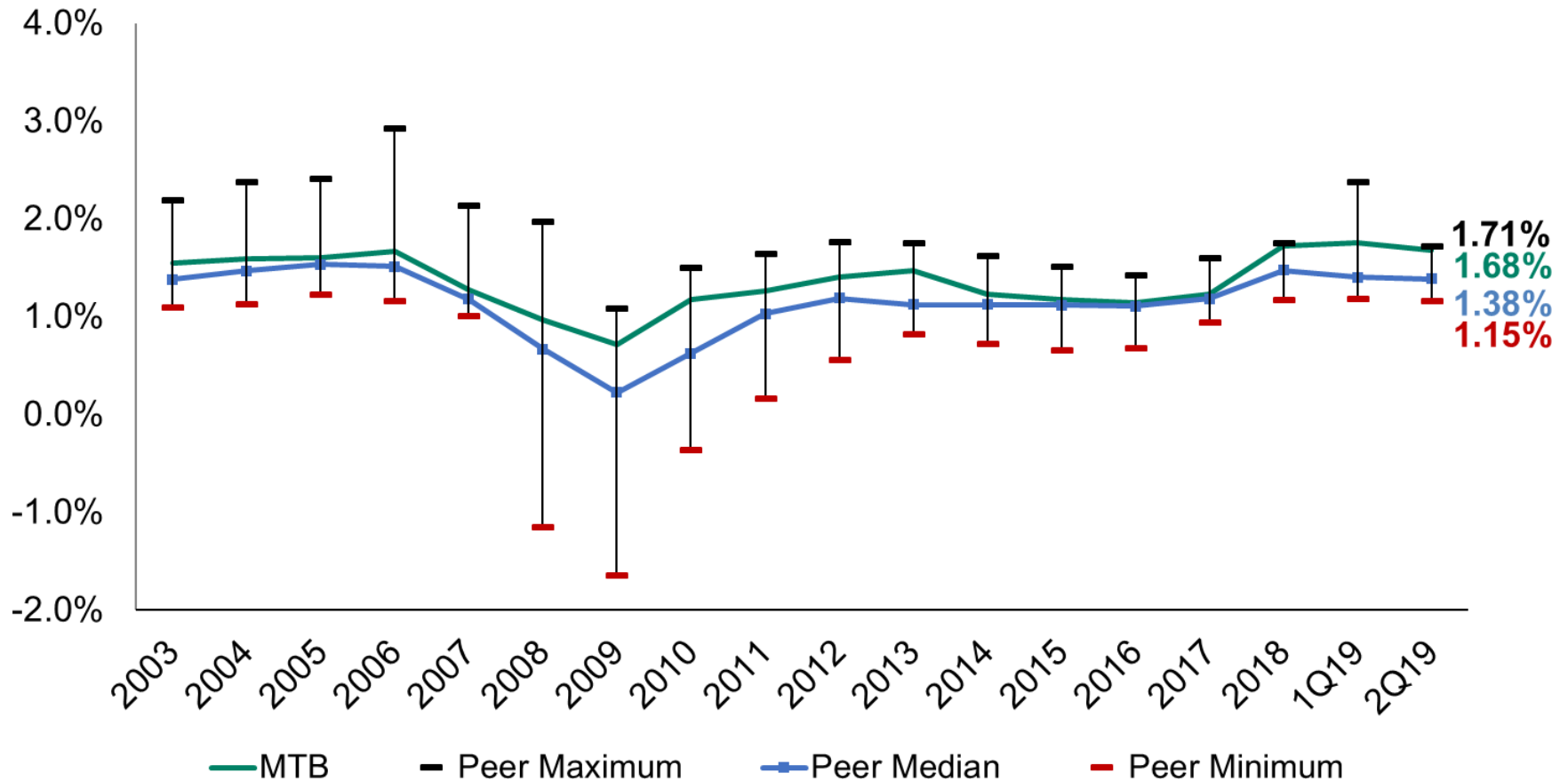


Source: S&P Global Market Intelligence and company reports

15 Note: Operating leverage is the difference between the annual growth rate in total operating revenue minus the annual growth rate in operating expenses. Refer to the appendix for reconciliation of GAAP to non-GAAP figures.

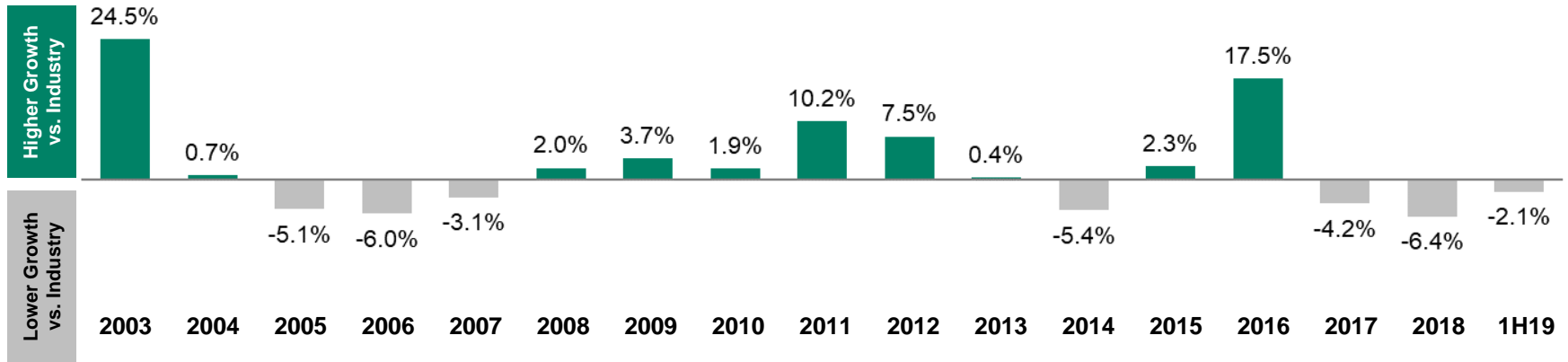
...Support Top Quartile Profitability

Return on Tangible Assets

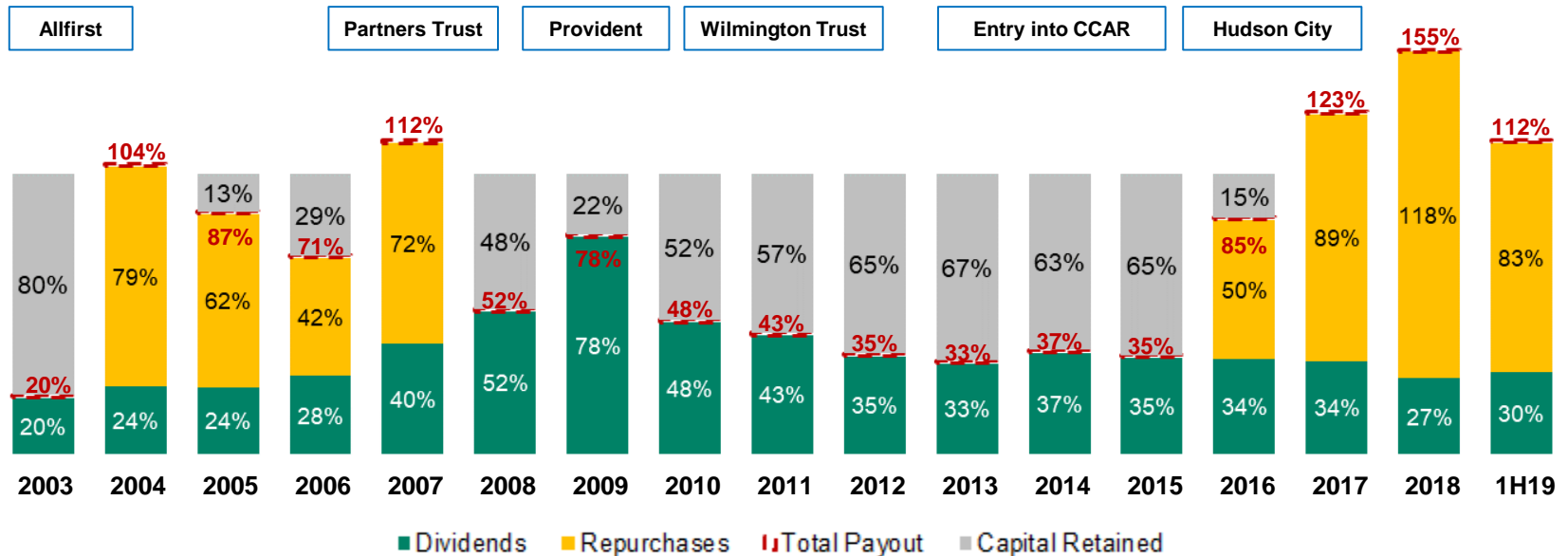


Deploying Capital Where and When it Makes Sense

M&T Loan Growth vs. Industry (Difference in Average Growth Rates)



Cumulative Capital Retained, Dividends and Share Repurchases



Source: Federal Reserve

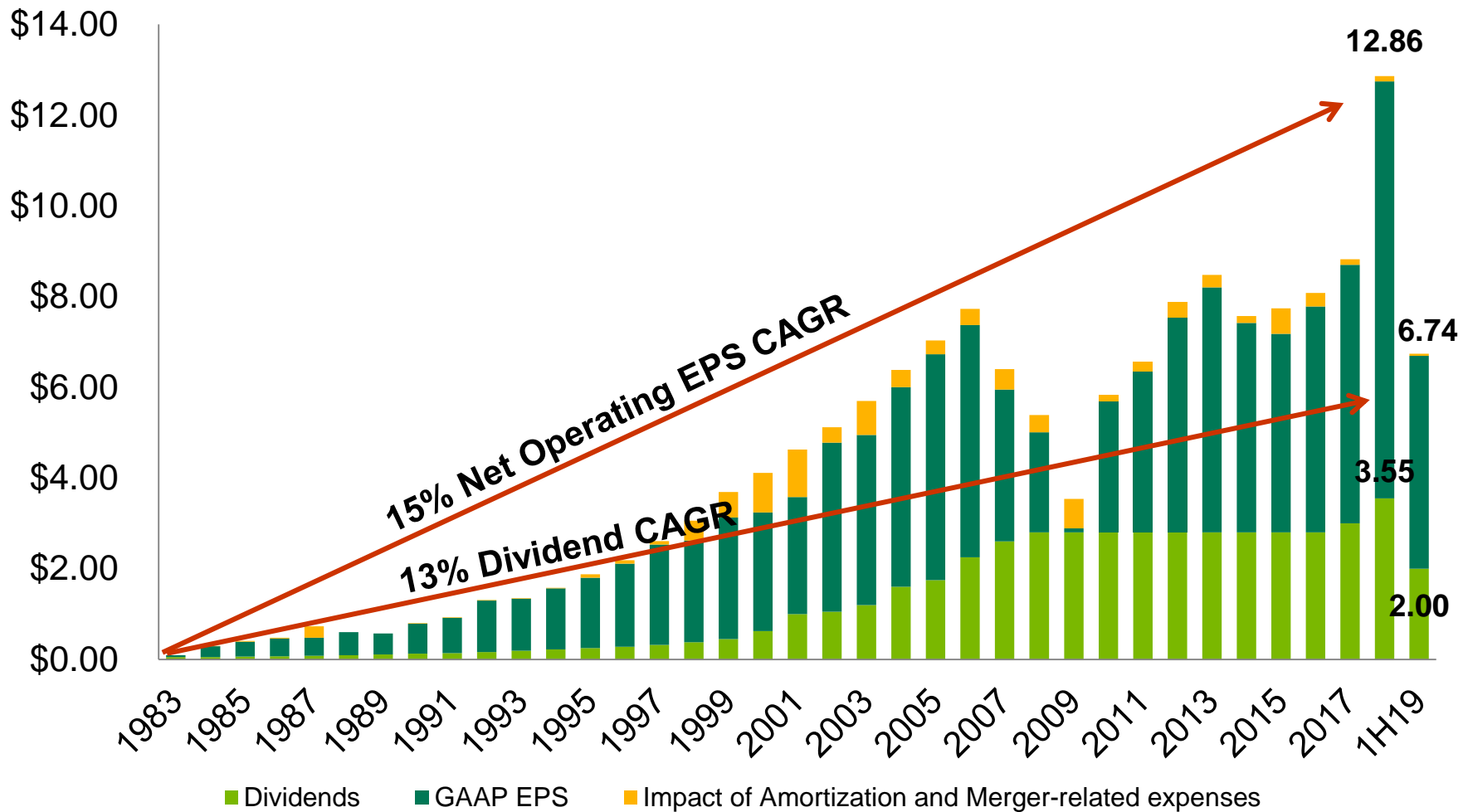
17 Note: Calculated using Net Operating Income, less preferred dividends and discount amortization – see appendix

M&T Outlook Summary

Loan Growth	<ul style="list-style-type: none">▪ FY 2019 average year-over-year loan growth remains in low single-digit range▪ Mid single-digit commercial and consumer loan growth▪ Partially offset by continued planned runoff of Hudson City residential mortgages
Net Interest Income / Margin	<ul style="list-style-type: none">▪ Continue to expect low single-digit net interest income growth in 2019 over 2018▪ Net interest margin influenced by the actual path of interest rates
Fee Income	<ul style="list-style-type: none">▪ Trust income growth continues at mid single-digit pace; driven by new business volume▪ Mortgage banking revenues boosted by acquisition of \$13bil of owned servicing / \$17bil of sub-servicing
Expenses	<ul style="list-style-type: none">▪ Mid-single digit year-over-year expense growth, excluding legal-related provisions & 2Q19 write-down of asset manager
Credit	<ul style="list-style-type: none">▪ Credit conditions and near term loss outlook remain stable
Capital	<ul style="list-style-type: none">▪ Continued capital return consistent with 2019 Capital Plan

Appendix and GAAP Reconciliations

Earnings & Dividend Growth: 1983 – 1H 2019



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 1st in stock price growth

Rank	Company Name	Ticker	Closing Price at		Stock Return CAGR (%)
			6/30/2019 (\$)	3/31/1983 (\$) ¹	
1	M&T Bank Corporation	MTB	170.07	1.34	14.3
2	Northern Trust Corporation	NTRS	90.00	1.51	11.9
3	U.S. Bancorp	USB	52.40	0.92	11.8
4	State Street Corporation	STT	56.06	1.06	11.6
5	Commerce Bancshares, Inc.	CBSH	59.66	1.27	11.2
23	_____		—	—	4.6
Median			—	—	8.3
MTB Price @ Median Growth Rate			24.30	1.34	8.3

M&T Bank Corporation...a solid investment

18.2% Annual rate of return since 1980¹

In the top 30 of the entire universe² of U.S. based stocks traded publicly since 1980

Rank	Company Name	Industry	Annual Return
1	TJX Companies Inc	Consumer Discretionary	22.6
2	Stryker Corporation	Health Care	22.1
3	Eaton Vance Corp.	Financials	21.9
4	Progressive Corporation	Financials	21.8
5	Hasbro, Inc.	Consumer Discretionary	21.2
6	Danaher Corporation	Health Care	20.1
7	Walmart Inc.	Consumer Staples	19.9
8	Sherwin-Williams Company	Materials	19.6
9	Berkshire Hathaway Inc. Class A	Financials	19.1
10	Graco Inc.	Industrials	19.1
11	HEICO Corporation	Industrials	19.0
12	Aflac Incorporated	Financials	18.9
13	V.F. Corporation	Consumer Discretionary	18.6
14	Astronics Corporation	Industrials	18.5
15	Church & Dwight Co., Inc.	Consumer Staples	18.4
16	Equifax Inc.	Industrials	18.4
17	HollyFrontier Corporation	Energy	18.4
18	Robert Half International Inc.	Industrials	18.3
19	Lowe's Companies, Inc.	Consumer Discretionary	18.3
20	Constellation Brands, Inc. Class B	Consumer Staples	18.3
21	M&T Bank Corporation	Financials	18.2
22	L Brands, Inc.	Consumer Discretionary	18.1
23	Flowers Foods, Inc.	Consumer Staples	18.1
24	RLI Corp.	Financials	18.1
25	Gap, Inc.	Consumer Discretionary	18.0
26	Sysco Corporation	Consumer Staples	17.6
27	State Street Corporation	Financials	17.5
28	Raven Industries, Inc.	Industrials	17.5
29	Applied Materials, Inc.	Information Technology	17.3
30	Comcast Corporation Class A	Communication Services	17.1

\$1,373 invested in M&T in 1980 would be worth \$1 million as of today

(1) CAGR calculated assuming reinvestment of dividends through June 30, 2019

(2) Includes 525 U.S. based publicly traded stocks

Reconciliation of GAAP and Non-GAAP Measures

Net Income \$ in millions	2013	2014	2015	2016	2017	2018	2Q18	1Q19	2Q19
Net income	\$ 1,138.5	\$ 1,066.2	\$ 1,079.7	\$ 1,315.1	\$ 1,408.3	\$ 1,918.1	\$ 493.2	\$ 482.7	\$ 473.3
Intangible amortization*	28.6	20.7	16.2	25.9	19.0	18.1	4.7	3.7	3.7
Merger-related items*	7.5	-	60.8	21.7	-	-	-	-	-
Net operating income	<u>\$ 1,174.6</u>	<u>\$ 1,086.9</u>	<u>\$ 1,156.6</u>	<u>\$ 1,362.7</u>	<u>\$ 1,427.3</u>	<u>\$ 1,936.2</u>	<u>\$ 497.9</u>	<u>\$ 486.4</u>	<u>\$ 477.0</u>
PPNR									
Net Income for EPS	\$ 1,062.5	\$ 978.6	\$ 987.7	\$ 1,223.5	\$ 1,327.5	\$ 1,836.0	\$ 472.6	\$ 462.1	\$ 452.6
Preferred Div., Amort. of Pref. Stock & Unvested Stock Awards	75.9	87.7	92.0	91.7	80.8	82.1	20.6	20.7	20.6
Income Taxes	627.1	576.0	595.0	743.3	915.6	590.2	161.5	151.7	152.3
GAAP Pre-tax Income	1,765.6	1,642.2	1,674.7	2,058.4	2,323.9	2,508.2	654.6	634.5	625.5
Provision for credit losses	185.0	124.0	170.0	190.0	168.0	132.0	35.0	22.0	55.0
Pre-Tax, Pre-Provision Net Revenue	<u>\$ 1,950.6</u>	<u>\$ 1,766.2</u>	<u>\$ 1,844.7</u>	<u>\$ 2,248.4</u>	<u>\$ 2,491.9</u>	<u>\$ 2,640.2</u>	<u>\$ 689.6</u>	<u>\$ 656.5</u>	<u>\$ 680.5</u>
Earnings Per Share									
Diluted earnings per share	\$ 8.20	\$ 7.42	\$ 7.18	\$ 7.78	\$ 8.70	\$ 12.74	\$ 3.26	\$ 3.35	\$ 3.34
Intangible amortization*	0.22	0.15	0.12	0.16	0.12	0.12	0.03	0.03	0.03
Merger-related items*	0.06	-	0.44	0.14	-	-	-	-	-
Diluted net operating earnings per share	<u>\$ 8.48</u>	<u>\$ 7.57</u>	<u>\$ 7.74</u>	<u>\$ 8.08</u>	<u>\$ 8.82</u>	<u>\$ 12.86</u>	<u>\$ 3.29</u>	<u>\$ 3.38</u>	<u>\$ 3.37</u>
Efficiency Ratio \$ in millions									
Non-interest expenses	\$ 2,587.9	\$ 2,689.5	\$ 2,822.9	\$ 3,047.5	\$ 3,140.3	\$ 3,288.1	\$ 776.6	\$ 894.3	\$ 873.0
less: intangible amortization	46.9	33.8	26.4	42.6	31.4	24.5	6.4	5.0	5.1
less: merger-related expenses	12.4	-	76.0	35.8	-	-	-	-	-
Non-interest operating expenses	<u>\$ 2,528.6</u>	<u>\$ 2,655.7</u>	<u>\$ 2,720.5</u>	<u>\$ 2,969.1</u>	<u>\$ 3,109.0</u>	<u>\$ 3,263.5</u>	<u>\$ 770.2</u>	<u>\$ 889.3</u>	<u>\$ 868.0</u>
Tax equivalent revenues	\$ 4,563.4	\$ 4,479.4	\$ 4,692.1	\$ 5,322.8	\$ 5,666.8	\$ 5,950.2	\$ 1,471.6	\$ 1,556.8	\$ 1,559.5
less: gain/(loss) on sale of securities	56.5	-	(0.1)	30.3	21.3	(6.3)	2.3	11.8	8.9
less: net OTTI losses recognized	(9.8)	-	-	-	-	-	-	-	-
less: merger-related gains	-	-	-	-	-	-	-	-	-
Denominator for efficiency ratio	<u>\$ 4,516.7</u>	<u>\$ 4,479.4</u>	<u>\$ 4,692.2</u>	<u>\$ 5,292.5</u>	<u>\$ 5,645.5</u>	<u>\$ 5,956.5</u>	<u>\$ 1,469.3</u>	<u>\$ 1,545.0</u>	<u>\$ 1,550.6</u>
Net operating efficiency ratio	56.0%	59.3%	58.0%	56.1%	55.1%	54.79%	52.4%	57.6%	56.0%

*Net of tax

Reconciliation of GAAP and Non-GAAP Measures

Average Assets	2013	2014	2015	2016	2017	2018	2Q18	1Q19	2Q19
<i>\$ in millions</i>									
Average assets	\$ 83,662	\$ 92,143	\$ 101,780	\$ 124,340	\$ 120,860	\$ 116,959	\$ 116,413	\$ 116,839	\$ 118,487
Goodwill	(3,525)	(3,525)	(3,694)	(4,593)	(4,593)	(4,593)	(4,593)	(4,593)	(4,593)
Core deposit and other intangible assets	(90)	(50)	(45)	(117)	(86)	(59)	(62)	(45)	(41)
Deferred taxes	27	15	16	46	33	16	17	12	11
Average tangible assets	<u>\$ 80,074</u>	<u>\$ 88,583</u>	<u>\$ 98,057</u>	<u>\$ 119,676</u>	<u>\$ 116,214</u>	<u>\$ 112,323</u>	<u>\$ 111,775</u>	<u>\$ 112,213</u>	<u>\$ 113,864</u>
Average Common Equity									
<i>\$ in millions</i>									
Average common equity	\$ 9,844	\$ 10,905	\$ 11,996	\$ 15,122	\$ 15,063	\$ 14,398	\$ 14,301	\$ 14,337	\$ 14,398
Goodwill	(3,525)	(3,525)	(3,694)	(4,593)	(4,593)	(4,593)	(4,593)	(4,593)	(4,593)
Core deposit and other intangible assets	(90)	(50)	(45)	(117)	(86)	(59)	(62)	(45)	(41)
Deferred taxes	27	15	16	46	33	16	17	12	11
Average tangible common equity	<u>\$ 6,256</u>	<u>\$ 7,345</u>	<u>\$ 8,273</u>	<u>\$ 10,458</u>	<u>\$ 10,417</u>	<u>\$ 9,762</u>	<u>\$ 9,663</u>	<u>\$ 9,711</u>	<u>\$ 9,775</u>

M&T Peer Group

BB&T Corporation

Citizens Financial Group, Inc.

Comerica Incorporated

Fifth Third Bancorp

Huntington Bancshares Incorporated

KeyCorp

M&T Bank Corporation

PNC Financial Services Group, Inc.

Regions Financial Corporation

SunTrust Banks, Inc.

U.S. Bancorp

Zions Bancorporation