



Fitch Places Partners Trust on Watch Positive; Affirms M&T Ratings

NEW YORK, Jul 19, 2007 (BUSINESS WIRE) -- Fitch Ratings has placed Partners Trust Financial Group, Inc.'s (PRTR) ratings (long-term Issuer Default Rating (IDR) of 'BBB-') and its subsidiaries on Rating Watch Positive, and affirmed the ratings of M&T Bank Corporation (M&T) and its banking subsidiaries (long-term IDR of 'A-'); the Outlook remains Positive. See a complete list of ratings below. Fitch expects to align PRTR's ratings with higher rated M&T following the close of the transaction.

This action follows the announcement this morning that M&T will acquire PRTR. The deal values PRTR at approximately \$555 million, 50% of which is to be paid in M&T stock and 50% in cash. The deal is expected to close within six months.

PRTR has approximately \$3.7 billion in assets with \$2.3 billion in deposits and \$2.3 billion in loans. Its franchise consists of 33 branches located in the Central and Southeastern upstate New York markets. While not a materially sizeable acquisition for M&T, it is consistent with its commitment to investing in its Upstate New York footprint, deepening its market share and expanding within the area.

Over the past few years, PRTR has been focused on successfully integrating BSB Bancorp, Inc. (BSBN), a bank almost twice its size that had been plagued by weak credit quality. PRTR successfully managed down the problem credits. PRTR exhibits solid asset quality metrics with low levels of problem assets. Further, the company has maintained a strong capital position. Conversely, the company's low profitability metrics and limited earnings and revenue diversity were considered rating constraints.

Fitch affirms the following ratings and places them on Watch Positive:

Partners Trust Financial Group, Inc.

--Long-term Issuer Default Rating (IDR) at 'BBB-';

--Short-term IDR at 'F3';

--Individual at 'C';

--Support at '5'

--Support floor at 'NF'.

Partners Trust Bank

--Long-term Issuer Default Rating (IDR) at 'BBB-';

--Long-term deposits at 'BBB';

--Short-term IDR at 'F3'

--Short-term deposits at 'F3';

--Individual at 'C';

--Support at '5'

--Support floor at 'NF'

Fitch affirms the following ratings; the Outlook remains Positive:

M&T Bank Corporation

--Long-term Issuer Default Rating (IDR) at 'A-';

--Long-term senior at 'A-'

--Short-term IDR at 'F1';

--Subordinate debt at 'BBB+';

--Individual at 'B'.

--Support at '3'.

Manufacturers & Traders Trust Company

--Long-term Issuer Default Rating (IDR) at 'A-';

--Short-term IDR at 'F1';

--Long-term deposits at 'A';

--Long-term senior at 'A-'

--Short-term deposits at 'F1' ;

--Subordinated debt at 'BBB+'.

--Individual at 'B';

--Support at '3'.

M&T Bank, National Association

--Long-term Issuer Default Rating (IDR) at 'A-';

--Long-term deposits at 'A';

--Short-term IDR at 'F1';

--Short-term deposits at 'F1' ;

--Individual at 'B';

--Support at '3'.

M&T Capital Trust I-VI

--Trust preferred 'BBB+'.

Fitch's rating definitions and the terms of use of such ratings are available on the agency's public site, www.fitchratings.com. Published ratings, criteria and methodologies are available from this site, at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance and other relevant policies and procedures are also available from the 'Code of Conduct' section of this site.

SOURCE: Fitch Ratings

Fitch Ratings

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