



M&T Bank Corporation Announces First Quarter Earnings

BUFFALO, NEW YORK -- M&T Bank Corporation ("M&T")(NYSE: MTB) today reported diluted cash earnings per share for the quarter ended March 31, 2000 of \$10.08, an increase of 6% from \$9.51 in the first quarter of 1999. Cash net income for the recent quarter was \$79.8 million, an increase of 5% from \$76.3 million in the corresponding quarter of last year. Expressed as an annualized rate of return on average tangible assets, cash net income was 1.47% in the initial quarter of 2000, compared with 1.57% in the year-earlier quarter. Cash return on average tangible common equity was an annualized 26.95% in the first quarter of this year, compared with 27.66% in the first quarter of 1999. Cash earnings exclude the after-tax effect of amortization of goodwill and core deposit intangible.

Due to an 11% increase in average loans outstanding, taxable-equivalent net interest income improved to \$197.3 million in the recent quarter, compared with \$183.1 million in the year-earlier quarter. Average loans outstanding during the initial quarter of 2000 were \$17.5 billion, up from \$15.8 billion in the year-earlier quarter. Partially mitigating the favorable impact of loan growth was a decline in the net interest margin, or taxable-equivalent net interest income expressed as an annualized percentage of average earning assets, in 2000's first quarter to 3.94% from 3.98% in the comparable 1999 quarter.

The provision for credit losses was \$9.0 million in the recent quarter, compared with \$8.5 million in the first quarter of 1999. Net charge-offs were \$6.6 million in the first 2000 quarter, compared with \$8.1 million a year earlier. The annualized ratio of net charge-offs to average loans outstanding declined to .15% in the initial quarter of 2000 from .21% in the year-earlier quarter. The allowance for credit losses increased to \$318.6 million as of March 31, 2000, compared with \$306.7 million at March 31, 1999. As a percentage of total loans, the allowance was 1.80% and 1.94% at March 31, 2000 and 1999, respectively. Nonperforming loans declined to \$96.4 million, or .54% of total loans at March 31, 2000, compared with \$115.4 million or .73% a year earlier. The ratio of the allowance for credit losses to nonperforming loans was 331% and 266% at March 31, 2000 and 1999, respectively. Assets taken in foreclosure of defaulted loans were \$9.2 million at March 31, 2000, down from \$11.1 million a year earlier.

Noninterest income in the recent quarter totaled \$72.0 million, compared with \$72.7 million in the first quarter of 1999. Reflecting higher interest rates in 2000, mortgage banking revenues declined to \$14.6 million in the recent quarter from \$21.5 million in the year-earlier quarter. Partially offsetting the decline was an increase in service charges on deposit accounts, which totaled \$20.5 million in the initial quarter of 2000, compared with \$15.9 million in the first quarter of 1999. Noninterest operating expenses, which exclude amortization of goodwill and core deposit intangible, were \$136.2 million in the recent quarter, compared with \$128.6 million in the corresponding 1999 period. The excluded amortization totaled \$14.4 million in the first quarter of 2000 and \$10.9 million in the first quarter of 1999. M&T's efficiency ratio, or noninterest operating expenses divided by the sum of taxable-equivalent net interest income and noninterest income (excluding gains from sales of bank investment securities), was 50.6% in the first quarter of 2000, little changed from 50.3% a year earlier.

Diluted earnings per share measured in accordance with generally accepted accounting principles, which includes the effect of amortization of goodwill and core deposit intangible, for the quarter ended March 31, 2000 were \$8.61, up from \$8.34 in the corresponding quarter of 1999. On the same basis, net income for the recent quarter was \$68.2 million, compared with \$66.9 million in the year-earlier quarter. Net income for the initial 2000 quarter expressed as an annualized rate of return on average assets and average common stockholders' equity was 1.22% and 15.14%, respectively. The comparable rates for the year-earlier quarter were 1.34% and 16.56%.

At March 31, 2000, M&T had total assets of \$22.8 billion, up 12% from \$20.3 billion a year earlier. Loans and leases, net of unearned discount, increased 12% to \$17.7 billion from \$15.8 billion at March 31, 1999. Deposits were \$15.2 billion at the recent quarter-end, compared with \$14.5 billion at March 31, 1999. Total stockholders' equity rose 10% to \$1.8 billion at March 31, 2000 from \$1.7 billion a year earlier. Common stockholders' equity per share was \$238.26 at the recent quarter-end, an increase of 11% from \$215.34 at March 31, 1999. Tangible equity per common share was \$157.92 and \$148.95 at March 31, 2000 and 1999, respectively.

In November 1999, M&T announced a plan to repurchase up to 190,465 common shares for reissuance upon the possible future exercise of outstanding stock options. Through March 31, 2000, M&T had repurchased 112,886 shares of common stock pursuant to such plan at an average cost of \$418.22 per share.

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