



M&T Bank Corporation Announces Third Quarter Profits

BUFFALO, N.Y., Oct. 19, 2011 /PRNewswire/ -- M&T Bank Corporation ("M&T") (NYSE: MTB) today reported its results of operations for the quarter ended September 30, 2011.

GAAP Results of Operations. Diluted earnings per common share measured in accordance with generally accepted accounting principles ("GAAP") for the third quarter of 2011 were \$1.32, compared with \$1.48 in the year-earlier quarter. GAAP-basis net income in the recent quarter aggregated \$183 million, compared with \$192 million in the third quarter of 2010. GAAP-basis net income for the third quarter of 2011 expressed as an annualized rate of return on average assets and average common shareholders' equity was .94% and 7.84%, respectively, compared with 1.12% and 9.56%, respectively, in the year-earlier quarter.

As compared with the third quarter of 2010, the recent quarter's performance reflected higher net interest income, a lower provision for credit losses and significantly higher trust income. Those positive factors were muted by higher noninterest expenses and lower residential mortgage banking revenues. The increased net interest income, trust income and noninterest expenses were each predominantly related to the acquisition of Wilmington Trust Corporation ("Wilmington Trust") on May 16, 2011. Included in noninterest expenses in the recent quarter were merger-related expenses associated with the Wilmington Trust acquisition of \$16 million, after applicable tax effect, or \$.13 of diluted earnings per common share. Such expenses were related to systems conversions and other costs of integrating operations and introducing Wilmington Trust's former customers to M&T's products and services. There were no merger-related expenses in the year-earlier quarter.

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 expenses and gains 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 \$1.53 in the recent quarter, down 1% from \$1.55 in the third quarter of 2010. Net operating income during the third quarter of 2011 was \$210 million, up 5% from \$200 million in the year-earlier quarter. Expressed as an annualized rate of return on average tangible assets and average tangible common shareholders' equity, net operating income was 1.14% and 16.26%, respectively, in the recent quarter, compared with 1.24% and 19.58% in the third quarter of 2010.

Commenting on M&T's financial results in the third quarter of 2011, Rene F. Jones, Executive Vice President and Chief Financial Officer, said, "The recent quarter's results reflect the impact of M&T's acquisition of Wilmington Trust. Notably, in late-August the major loan and deposit systems of Wilmington Trust were successfully converted to those of M&T, culminating a significant resource commitment. Now that the conversions are behind us, we are well positioned to turn our attention towards achieving the economic benefits from combining the organizations."

Further commenting on recent quarter highlights, Mr. Jones noted, "Despite the continued challenging economic environment and turbulent markets, which dampened our fee income relative to the second quarter, we experienced a number of positive trends. We were pleased with the credit performance for the period. Specifically, net charge-offs declined for the fourth consecutive quarter. We also continued to experience solid growth in customer deposits."

Taxable-equivalent Net Interest Income. Taxable-equivalent net interest income totaled \$623 million in the third quarter of 2011, up from \$576 million in the year-earlier period and \$593 million in the second quarter of 2011. The improvement in such income from the prior periods resulted from higher average earning assets, partially offset by a narrowing of the net interest margin. The net interest margin was 3.68% in the recent quarter, compared with 3.87% in the third quarter of 2010 and 3.75 percent in the second quarter of 2011. The higher levels of average earning assets in the two most recent quarters as compared with the third quarter of 2010 were predominantly due to the impact of the Wilmington Trust acquisition, which added approximately \$9.6 billion of earning assets on the May 16, 2011 acquisition date. The narrowing of the net interest margin in the recent quarter as compared with the year-earlier quarter and the second 2011 quarter also reflected the impact of the Wilmington Trust transaction, including significantly higher earning balances on deposit with the Federal Reserve.

Provision for Credit Losses/Asset Quality. The provision for credit losses was \$58 million in the recent quarter, improved from \$93 million in the third quarter of 2010 and \$63 million in 2011's second quarter. Net charge-offs of loans totaled \$57 million during the third quarter of 2011, compared with \$93 million and \$59 million in the quarters ended September 30, 2010 and June 30, 2011, respectively. Expressed as an annualized percentage of average loans outstanding, net charge-offs were .39% and .73% in the third quarter of 2011 and 2010, respectively, and .43% in the second quarter of 2011.

Effective September 30, 2011, M&T has begun to separately report "other acquired impaired loans." M&T defines other acquired impaired loans as loans that ceased performing in accordance with their contractual terms and became impaired subsequent to the acquisition date. Nevertheless, in accordance with GAAP, such loans are included in accounting pools which continue to accrue interest. Other acquired impaired loans, which had previously been aggregated with nonaccrual loans, totaled \$218 million or .37% of total loans at September 30, 2011, compared with \$141 million or .24% at June 30, 2011 and \$98 million or .19% at September 30, 2010. The increase in such loans from June 30, 2011 was due to loans obtained in the acquisition of Wilmington Trust.

Nonaccrual loans, which exclude other acquired impaired loans, were little changed from June 30, 2011. Such loans totaled \$1.11 billion and \$1.12 billion at September 30 and June 30, 2011, respectively, or 1.91% of total loans at each of those dates, compared with \$1.00 billion or 1.97% at September 30, 2010.

Assets taken in foreclosure of defaulted loans were \$150 million at September 30, 2011, down from \$193 million at September 30, 2010 and \$159 million at June 30, 2011. The decrease in such assets at the two most recent quarter-ends as compared with September 30, 2010 resulted from the sale during 2011's second quarter of a commercial real estate property in New York City with a carrying value of \$99 million. Reflected in assets taken in foreclosure of defaulted loans at September 30 and June 30, 2011 were \$51 million and \$57 million, respectively, of assets related to the Wilmington Trust acquisition.

Loans past due 90 days or more and accruing interest totaled \$310 million at September 30, 2011, down from \$373 million at June 30, 2011. Included in such past due but accruing loans at the two most recent quarter-ends were \$64 million and \$130 million, respectively, of loans obtained in the Wilmington Trust acquisition. At September 30, 2010, loans past due 90 days or more and accruing interest were \$215 million. Included in this category were \$212 million, \$207 million and \$194 million of loans guaranteed by government-related entities at September 30, 2011, June 30, 2011 and September 30, 2010, 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 for credit losses was \$909 million at September 30, 2011, compared with \$895 million at September 30, 2010 and \$908 million at June 30, 2011. Beginning in 2009, GAAP requires that expected credit losses associated with loans obtained in an acquisition be reflected in the estimation of loan fair value as of each respective acquisition date and prohibits any carry-over of the acquired entity's allowance for credit losses. Excluding amounts related to loans obtained in acquisition transactions subsequent to 2008, the allowance-to-legacy loan ratio was 1.79% at September 30, 2011, compared with 1.86% at September 30, 2010 and 1.80% at June 30, 2011.

Noninterest Income and Expense. Noninterest income totaled \$368 million in the recent quarter, compared with \$290 million and \$502 million in the third quarter of

2010 and the second quarter of 2011, respectively. Reflected in such income were net pre-tax losses from investment securities of \$10 million and \$8 million in the recent quarter and the third quarter of 2010, respectively, and net pre-tax gains from investment securities of \$84 million in the second quarter of 2011.

Excluding gains and losses from investment securities in all periods and the non-taxable gain of \$65 million recorded in the second quarter of 2011 related to the Wilmington Trust acquisition, noninterest income in the third quarter of 2011 aggregated \$378 million, up from \$298 million in the third quarter of 2010 and \$353 million in 2011's second quarter. Contributing to those increases were significantly higher trust income, predominantly due to the Wilmington Trust transaction, partially offset by a decline in residential mortgage banking revenues. That decline reflected M&T's decision to retain the majority of residential mortgage loan originations in the recent quarter rather than selling them.

Noninterest expense in the third quarter of 2011 aggregated \$662 million, compared with \$480 million in the year-earlier quarter and \$577 million in the second quarter of 2011. 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 \$619 million in the recent quarter, compared with \$467 million in the third quarter of 2010 and \$525 million in 2011's second quarter. The most significant factor for the higher levels of operating expenses in the two most recent quarters as compared with the third quarter of 2010 was the impact of the operations obtained in the Wilmington Trust acquisition mid-way through 2011's second quarter.

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 61.8% in the recent quarter, compared with 53.4% and 55.6% in the year-earlier quarter and the second quarter of 2011, respectively. The higher ratio in the recent quarter reflects expenses associated with the operations obtained in the Wilmington Trust acquisition. M&T should begin to realize certain cost savings related to that acquisition transaction during the final quarter of 2011, but expects that the full realization of operating efficiencies will not happen until 2012.

Balance Sheet. M&T had total assets of \$77.9 billion at September 30, 2011, compared with \$68.2 billion at September 30, 2010. Loans and leases, net of unearned discount, were \$58.4 billion at September 30, 2011, compared with \$50.8 billion a year earlier. Total deposits aggregated \$59.5 billion at the recent quarter-end, up 22% from \$48.7 billion at September 30, 2010.

Total shareholders' equity rose 14% to \$9.4 billion at September 30, 2011 from \$8.2 billion a year earlier, representing 12.04% and 12.06%, respectively, of total assets. Common shareholders' equity was \$8.5 billion, or \$67.70 per share, at September 30, 2011, compared with \$7.5 billion, or \$62.69 per share, at September 30, 2010. Tangible equity per common share rose 18% to \$38.11 at September 30, 2011 from \$32.23 at September 30, 2010. Common shareholders' equity per share and tangible equity per common share were \$66.71 and \$37.00, respectively, at June 30, 2011. 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 6.46% at September 30, 2011, compared with 5.96% and 6.28% at September 30, 2010 and June 30, 2011, respectively. M&T's estimated Tier 1 common ratio rose to 6.89% at September 30, 2011, improved from 6.42% and 6.67% at September 30, 2010 and June 30, 2011, respectively.

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 #18665770. The conference call will be webcast live on M&T's website at <http://ir.mandtbank.com/events.cfm>. A replay of the call will be available until Friday, October 21, 2011 by calling (800)585-8367, or (404)537-3406 for international participants, and by making reference to ID #18665770. The event will also be archived and available by 5:00 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 retail and commercial bank branches in New York, Pennsylvania, Maryland, Virginia, West Virginia, Delaware, New Jersey, the District of Columbia and Ontario, Canada. 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			September 30		
	2011	2010	Change	2011	2010	Change

Performance

Net income	\$ 183,108	192,015	-5 %	\$ 711,739	531,719	34 %
Net income available to common shareholders	164,671	176,789	-7	651,966	486,831	34
Per common share:						
Basic earnings	\$ 1.32	1.49	-11 %	\$ 5.34	4.12	30 %
Diluted earnings	1.32	1.48	-11	5.32	4.10	30
Cash dividends	\$.70	.70	-	\$ 2.10	2.10	-
Common shares outstanding:						
Average - diluted (1)	124,860	119,155	5 %	122,521	118,766	3 %
Period end (2)	125,678	119,435	5	125,678	119,435	5
Return on (annualized):						
Average total assets	.94 %	1.12 %		1.31 %	1.04 %	
Average common shareholders' equity	7.84 %	9.56 %		10.94 %	9.05 %	
Taxable-equivalent net interest income	\$ 623,265	575,733	8 %	\$ 1,791,066	1,711,322	5 %
Yield on average earning assets	4.29 %	4.65 %		4.42 %	4.62 %	
Cost of interest-bearing liabilities	.86 %	1.03 %		.89 %	1.04 %	
Net interest spread	3.43 %	3.62 %		3.53 %	3.58 %	
Contribution of interest-free funds	.25 %	.25 %		.25 %	.25 %	
Net interest margin	3.68 %	3.87 %		3.78 %	3.83 %	
Net charge-offs to average total net loans (annualized)	.39 %	.73 %		.46 %	.70 %	

Net operating results (3)

Net operating income	\$ 209,996	200,225	5 %	\$ 715,843	558,930	28 %
Diluted net operating earnings per common share	1.53	1.55	-1	5.36	4.33	24
Return on (annualized):						
Average tangible assets	1.14 %	1.24 %		1.39 %	1.16 %	
Average tangible common equity	16.26 %	19.58 %		20.16 %	19.13 %	
Efficiency ratio	61.79 %	53.40 %		57.84 %	54.10 %	

Loan quality	At September 30		Change
	2011	2010	
Nonaccrual loans	\$ 1,113,788	1,001,454	11 %
Real estate and other foreclosed assets	149,868	192,600	-22 %
Total nonperforming assets	\$ 1,263,656	1,194,054	6 %
Other acquired impaired loans (4)	\$ 217,759	98,106	122 %
Accruing loans past due 90 days or more (6)	\$ 309,966	214,769	44 %
Renegotiated loans	\$ 223,233	233,671	-4 %
Government guaranteed loans included in totals above:			
Nonaccrual loans	\$ 32,937	37,218	-12 %
Other acquired impaired loans	40,961	1,014	-
Accruing loans past due 90 days or more	211,808	194,223	9 %
Purchased impaired loans (5):			
Outstanding customer balance	\$ 1,393,777	113,964	-
Carrying amount	703,632	52,728	-
Nonaccrual loans to total net loans	1.91 %	1.97 %	
Allowance for credit losses to:			
Legacy loans	1.79 %	1.86 %	
Total loans	1.56 %	1.76 %	

(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) Acquired loans that ceased performing in accordance with their contractual terms and became impaired subsequent to the acquisition date, but are included in accounting pools that continue to accrue interest.

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

(6) Excludes purchased impaired and other acquired impaired loans.

M&T BANK CORPORATION
Financial Highlights, Five Quarter Trend

Amounts in thousands, except per share	Three months ended				
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010

Performance

Net income	\$	183,108	322,358	206,273	204,442	192,015
Net income available to common shareholders		164,671	297,179	190,121	189,678	176,789
Per common share:						
Basic earnings	\$	1.32	2.43	1.59	1.59	1.49
Diluted earnings		1.32	2.42	1.59	1.59	1.48
Cash dividends	\$.70	.70	.70	.70	.70
Common shares outstanding:						
Average - diluted (1)		124,860	122,796	119,852	119,503	119,155
Period end (2)		125,678	125,622	120,410	119,774	119,435
Return on (annualized):						
Average total assets		.94 %	1.78 %	1.23 %	1.18 %	1.12 %
Average common shareholders' equity		7.84 %	14.94 %	10.16 %	10.03 %	9.56 %
Taxable-equivalent net interest income	\$	623,265	592,670	575,131	580,227	575,733
Yield on average earning assets		4.29 %	4.40 %	4.60 %	4.58 %	4.65 %
Cost of interest-bearing liabilities		.86 %	.89 %	.91 %	.97 %	1.03 %
Net interest spread		3.43 %	3.51 %	3.69 %	3.61 %	3.62 %
Contribution of interest-free funds		.25 %	.24 %	.23 %	.24 %	.25 %
Net interest margin		3.68 %	3.75 %	3.92 %	3.85 %	3.87 %
Net charge-offs to average total net loans (annualized)		.39 %	.43 %	.58 %	.60 %	.73 %
<u>Net operating results (3)</u>						
Net operating income	\$	209,996	289,487	216,360	196,235	200,225
Diluted net operating earnings per common share		1.53	2.16	1.67	1.52	1.55
Return on (annualized):						
Average tangible assets		1.14 %	1.69 %	1.36 %	1.20 %	1.24 %
Average tangible common equity		16.26 %	24.40 %	20.16 %	18.43 %	19.58 %
Efficiency ratio		61.79 %	55.56 %	55.75 %	52.55 %	53.40 %
<u>Loan quality</u>						
		September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Nonaccrual loans	\$	1,113,788	1,117,584	1,081,920	1,139,740	1,001,454
Real estate and other foreclosed assets		149,868	158,873	218,203	220,049	192,600
Total nonperforming assets	\$	<u>1,263,656</u>	<u>1,276,457</u>	<u>1,300,123</u>	<u>1,359,789</u>	<u>1,194,054</u>
Other acquired impaired loans (4)	\$	217,759	141,391	129,191	99,454	98,106
Accruing loans past due 90 days or more (6)	\$	309,966	373,197	264,480	269,593	214,769
Renegotiated loans	\$	223,233	234,726	241,190	233,342	233,671
Government guaranteed loans included in totals above:						
Nonaccrual loans	\$	32,937	42,337	36,300	39,883	37,218
Other acquired impaired loans		40,961	36,395	33,053	16,904	1,014
Accruing loans past due 90 days or more		211,808	207,135	214,505	214,111	194,223
Purchased impaired loans (5):						
Outstanding customer balance	\$	1,393,777	1,473,237	206,253	219,477	113,964
Carrying amount		703,632	752,978	88,589	97,019	52,728
Nonaccrual loans to total net loans		1.91 %	1.91 %	2.08 %	2.19 %	1.97 %
Allowance for credit losses to:						
Legacy loans		1.79 %	1.80 %	1.81 %	1.82 %	1.86 %
Total loans		1.56 %	1.55 %	1.73 %	1.74 %	1.76 %

(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) Acquired loans that ceased performing in accordance with their contractual terms and became impaired subsequent to the acquisition date, but are included in accounting pools that continue to accrue interest.

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

(6) Excludes purchased impaired and other acquired impaired loans.

Condensed Consolidated Statement of Income

Dollars in thousands	Three months ended			Nine months ended		
	September 30	September 30	Change	September 30	September 30	Change
	2011	2010		2011	2010	
Interest income	\$ 720,351	685,900	5 %	\$ 2,076,087	2,047,070	1 %
Interest expense	103,632	116,032	-11	304,362	353,641	-14
Net interest income	616,719	569,868	8	1,771,725	1,693,429	5
Provision for credit losses	58,000	93,000	-38	196,000	283,000	-31
Net interest income after provision for credit losses	558,719	476,868	17	1,575,725	1,410,429	12
Other income						
Mortgage banking revenues	38,141	61,052	-38	125,448	149,612	-16
Service charges on deposit accounts	121,577	117,733	3	351,024	367,004	-4
Trust income	113,652	30,485	273	218,565	91,582	139
Brokerage services income	13,907	12,127	15	43,129	38,021	13
Trading account and foreign exchange gains	4,176	6,035	-31	19,253	14,531	32
Gain on bank investment securities	89	1,440	-	150,186	1,909	-
Other-than-temporary impairment losses recognized in earnings	(9,642)	(9,532)	-	(52,213)	(58,714)	-
Equity in earnings of Bayview Lending Group LLC	(6,911)	(6,460)	-	(18,812)	(18,353)	-
Other revenues from operations	93,393	77,019	21	347,878	235,570	48
Total other income	368,382	289,899	27	1,184,458	821,162	44
Other expense						
Salaries and employee benefits	325,197	246,389	32	891,465	756,296	18
Equipment and net occupancy	68,101	54,353	25	184,434	165,185	12
Printing, postage and supplies	10,593	7,820	35	29,518	25,412	16
Amortization of core deposit and other intangible assets	17,401	13,526	29	44,455	44,834	-1
FDIC assessments	26,701	18,039	48	72,404	60,995	19
Other costs of operations	214,026	140,006	53	516,209	392,841	31
Total other expense	662,019	480,133	38	1,738,485	1,445,563	20
Income before income taxes	265,082	286,634	-8	1,021,698	786,028	30
Applicable income taxes	81,974	94,619	-13	309,959	254,309	22
Net income	\$ 183,108	192,015	-5 %	\$ 711,739	531,719	34 %

M&T BANK CORPORATION

Condensed Consolidated Statement of Income, Five Quarter Trend

Dollars in thousands	Three months ended				
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Interest income	\$ 720,351	688,253	667,483	682,725	685,900
Interest expense	103,632	102,051	98,679	108,628	116,032
Net interest income	616,719	586,202	568,804	574,097	569,868
Provision for credit losses	58,000	63,000	75,000	85,000	93,000
Net interest income after provision for credit losses	558,719	523,202	493,804	489,097	476,868
Other income					
Mortgage banking revenues	38,141	42,151	45,156	35,013	61,052
Service charges on deposit accounts	121,577	119,716	109,731	111,129	117,733
Trust income	113,652	75,592	29,321	31,031	30,485
Brokerage services income	13,907	14,926	14,296	11,648	12,127
Trading account and foreign exchange gains	4,176	6,798	8,279	12,755	6,035
Gain on bank investment securities	89	110,744	39,353	861	1,440
Other-than-temporary impairment losses recognized in earnings	(9,642)	(26,530)	(16,041)	(27,567)	(9,532)
Equity in earnings of Bayview Lending Group LLC	(6,911)	(5,223)	(6,678)	(7,415)	(6,460)
Other revenues from operations	93,393	163,482	91,003	119,483	77,019
Total other income	368,382	501,656	314,420	286,938	289,899
Other expense					
Salaries and employee benefits	325,197	300,178	266,090	243,413	246,389
Equipment and net occupancy	68,101	59,670	56,663	50,879	54,353
Printing, postage and supplies	10,593	9,723	9,202	8,435	7,820
Amortization of core deposit and other intangible assets	17,401	14,740	12,314	13,269	13,526
FDIC assessments	26,701	26,609	19,094	18,329	18,039
Other costs of operations	214,026	165,975	136,208	134,949	140,006

Total other expense	662,019	576,895	499,571	469,274	480,133
Income before income taxes	265,082	447,963	308,653	306,761	286,634
Applicable income taxes	<u>81,974</u>	<u>125,605</u>	<u>102,380</u>	<u>102,319</u>	<u>94,619</u>
Net income	<u>\$ 183,108</u>	<u>322,358</u>	<u>206,273</u>	<u>204,442</u>	<u>192,015</u>

M&T BANK CORPORATION
Condensed Consolidated Balance Sheet

Dollars in thousands	September 30		Change
	2011	2010	
ASSETS			
Cash and due from banks	\$ 1,349,057	1,070,625	26 %
Interest-bearing deposits at banks	2,226,779	401,624	454
Federal funds sold and agreements to resell securities	5,000	443,700	-99
Trading account assets	605,557	536,702	13
Investment securities	7,173,797	7,662,715	-6
Loans and leases:			
Commercial, financial, etc.	15,218,502	12,788,136	19
Real estate - commercial	23,961,306	20,580,450	16
Real estate - consumer	7,065,451	5,754,432	23
Consumer	<u>12,156,005</u>	<u>11,668,540</u>	4
Total loans and leases, net of unearned discount	58,401,264	50,791,558	15
Less: allowance for credit losses	<u>908,525</u>	<u>894,720</u>	2
Net loans and leases	57,492,739	49,896,838	15
Goodwill	3,524,625	3,524,625	-
Core deposit and other intangible assets	257,656	139,186	85
Other assets	<u>5,228,681</u>	<u>4,570,822</u>	14
Total assets	<u>\$ 77,863,891</u>	<u>68,246,837</u>	14 %
LIABILITIES AND SHAREHOLDERS' EQUITY			
Noninterest-bearing deposits	\$ 19,637,491	14,665,603	34 %
Interest-bearing deposits	39,330,027	33,335,104	18
Deposits at Cayman Islands office	<u>514,871</u>	<u>653,916</u>	-21
Total deposits	59,482,389	48,654,623	22
Short-term borrowings	694,398	1,211,683	-43
Accrued interest and other liabilities	1,563,121	1,157,250	35
Long-term borrowings	<u>6,748,857</u>	<u>8,991,508</u>	-25
Total liabilities	68,488,765	60,015,064	14
Shareholders' equity:			
Preferred	862,717	737,979	17
Common (1)	<u>8,512,409</u>	<u>7,493,794</u>	14
Total shareholders' equity	<u>9,375,126</u>	<u>8,231,773</u>	14
Total liabilities and shareholders' equity	<u>\$ 77,863,891</u>	<u>68,246,837</u>	14 %

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$192.5 million at September 30, 2011 and \$192.6 million at September 30, 2010.

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

September 30, June 30, March 31, December 31, September 30,

Dollars in thousands	2011		2011		2011		2010		2010	
ASSETS										
Cash and due from banks	\$	1,349,057		1,297,335		972,005		908,755		1,070,625
Interest-bearing deposits at banks		2,226,779		2,275,450		100,101		101,222		401,624
Federal funds sold and agreements to resell securities		5,000		415,580		10,300		25,000		443,700
Trading account assets		605,557		502,986		413,737		523,834		536,702
Investment securities		7,173,797		6,492,265		6,507,165		7,150,540		7,662,715
Loans and leases:										
Commercial, financial, etc.		15,218,502		15,040,892		13,826,299		13,390,610		12,788,136
Real estate - commercial		23,961,306		24,263,726		20,891,615		21,183,161		20,580,450
Real estate - consumer		7,065,451		6,970,921		6,154,960		5,928,056		5,754,432
Consumer		12,156,005		12,265,690		11,245,807		11,488,555		11,668,540
Total loans and leases, net of unearned discount		58,401,264		58,541,229		52,118,681		51,990,382		50,791,558
Less: allowance for credit losses		908,525		907,589		903,703		902,941		894,720
Net loans and leases		57,492,739		57,633,640		51,214,978		51,087,441		49,896,838
Goodwill		3,524,625		3,524,625		3,524,625		3,524,625		3,524,625
Core deposit and other intangible assets		257,656		275,057		113,603		125,917		139,186
Other assets		5,228,681		5,310,216		5,024,694		4,573,929		4,570,822
Total assets	\$	<u>77,863,891</u>		<u>77,727,154</u>		<u>67,881,208</u>		<u>68,021,263</u>		<u>68,246,837</u>
LIABILITIES AND SHAREHOLDERS' EQUITY										
Noninterest-bearing deposits	\$	19,637,491		18,598,828		15,219,562		14,557,568		14,665,603
Interest-bearing deposits		39,330,027		40,078,834		34,264,867		33,641,800		33,335,104
Deposits at Cayman Islands office		514,871		551,553		1,063,670		1,605,916		653,916
Total deposits		59,482,389		59,229,215		50,548,099		49,805,284		48,654,623
Short-term borrowings		694,398		567,144		504,676		947,432		1,211,683
Accrued interest and other liabilities		1,563,121		1,557,685		1,015,495		1,070,701		1,157,250
Long-term borrowings		6,748,857		7,128,916		7,305,420		7,840,151		8,991,508
Total liabilities		68,488,765		68,482,960		59,373,690		59,663,568		60,015,064
Shareholders' equity:										
Preferred		862,717		860,901		743,385		740,657		737,979
Common (1)		8,512,409		8,383,293		7,764,133		7,617,038		7,493,794
Total shareholders' equity		9,375,126		9,244,194		8,507,518		8,357,695		8,231,773
Total liabilities and shareholders' equity	\$	<u>77,863,891</u>		<u>77,727,154</u>		<u>67,881,208</u>		<u>68,021,263</u>		<u>68,246,837</u>

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$192.5 million at September 30, 2011, \$228.8 million at June 30, 2011, \$197.5 million at March 31, 2011, \$205.2 million at December 31, 2010 and \$192.6 million at September 30, 2010.

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,		September 30,		June 30,		September 30, 2011 from		September 30						
	2011	2010	2011	2010	2011	2010	September 30, 2010	June 30, 2011	2011	2010	Balance	Rate		Balance	Rate
ASSETS															
Interest-bearing deposits at banks	\$	1,861	.25 %	92	.15 %	804	.24 %	- %	131 %	\$	933	.24 %	100	.06 %	834 %

funds	.25	.25	.24	.25	.25
Net interest margin	3.68 %	3.87 %	3.75 %	3.78 %	3.83 %

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

	Three months ended		Nine months ended	
	September 30		September 30	
	2011	2010	2011	2010
Income statement data				
In thousands, except per share				
Net income				
Net income	\$ 183,108	192,015	\$ 711,739	531,719
Amortization of core deposit and other intangible assets (1)	10,622	8,210	27,074	27,211
Merger-related gain (1)	-	-	(64,930)	-
Merger-related expenses (1)	16,266	-	41,960	-
Net operating income	\$ 209,996	200,225	\$ 715,843	558,930
Earnings per common share				
Diluted earnings per common share	\$ 1.32	1.48	\$ 5.32	4.10
Amortization of core deposit and other intangible assets (1)	.08	.07	.22	.23
Merger-related gain (1)	-	-	(.52)	-
Merger-related expenses (1)	.13	-	.34	-
Diluted net operating earnings per common share	\$ 1.53	1.55	\$ 5.36	4.33
Other expense				
Other expense	\$ 662,019	480,133	\$ 1,738,485	1,445,563
Amortization of core deposit and other intangible assets	(17,401)	(13,526)	(44,455)	(44,834)
Merger-related expenses	(26,003)	-	(67,294)	-
Noninterest operating expense	\$ 618,615	466,607	\$ 1,626,736	1,400,729
Merger-related expenses				
Salaries and employee benefits	\$ 285	-	\$ 15,597	-
Equipment and net occupancy	119	-	223	-
Printing, postage and supplies	723	-	1,188	-
Other costs of operations	24,876	-	50,286	-
Total	\$ 26,003	-	\$ 67,294	-

Balance sheet data

In millions				
Average assets				
Average assets	\$ 76,908	67,811	\$ 72,489	68,339
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(266)	(146)	(195)	(160)
Deferred taxes	65	27	44	30
Average tangible assets	\$ 73,182	64,167	\$ 68,813	64,684
Average common equity				
Average total equity	\$ 9,324	8,181	\$ 8,866	8,030
Preferred stock	(862)	(737)	(774)	(735)
Average common equity	8,462	7,444	8,092	7,295
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(266)	(146)	(195)	(160)
Deferred taxes	65	27	44	30
Average tangible common equity	\$ 4,736	3,800	\$ 4,416	3,640

At end of quarter

Total assets				
Total assets	\$ 77,864	68,247		
Goodwill	(3,525)	(3,525)		
Core deposit and other intangible assets	(257)	(139)		
Deferred taxes	63	26		
Total tangible assets	\$ 74,145	64,609		
Total common equity				
Total equity	\$ 9,375	8,232		
Preferred stock	(863)	(738)		
Undeclared dividends - cumulative preferred stock	(3)	(6)		
Common equity, net of undeclared cumulative preferred dividends	8,509	7,488		
Goodwill	(3,525)	(3,525)		
Core deposit and other intangible assets	(257)	(139)		
Deferred taxes	63	26		
Total tangible common equity	\$ 4,790	3,850		

(1) After any related tax effect.

Reconciliation of Quarterly GAAP to Non-GAAP Measures, Five Quarter Trend

	Three months ended				
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Income statement data					
In thousands, except per share					
Net income					
Net income	\$ 183,108	322,358	206,273	204,442	192,015
Amortization of core deposit and other intangible assets (1)	10,622	8,974	7,478	8,054	8,210
Merger-related gain (1)	-	(64,930)	-	(16,730)	-
Merger-related expenses (1)	16,266	23,085	2,609	469	-
Net operating income	\$ 209,996	289,487	216,360	196,235	200,225
Earnings per common share					
Diluted earnings per common share	\$ 1.32	2.42	1.59	1.59	1.48
Amortization of core deposit and other intangible assets (1)	.08	.07	.06	.07	.07
Merger-related gain (1)	-	(.52)	-	(.14)	-
Merger-related expenses (1)	.13	.19	.02	-	-
Diluted net operating earnings per common share	\$ 1.53	2.16	1.67	1.52	1.55
Other expense					
Other expense	\$ 662,019	576,895	499,571	469,274	480,133
Amortization of core deposit and other intangible assets	(17,401)	(14,740)	(12,314)	(13,269)	(13,526)
Merger-related expenses	(26,003)	(36,996)	(4,295)	(771)	-
Noninterest operating expense	\$ 618,615	525,159	482,962	455,234	466,607
Merger-related expenses					
Salaries and employee benefits	\$ 285	15,305	7	7	-
Equipment and net occupancy	119	25	79	44	-
Printing, postage and supplies	723	318	147	74	-
Other costs of operations	24,876	21,348	4,062	646	-
Total	\$ 26,003	36,996	4,295	771	-
Balance sheet data					
In millions					
Average assets					
Average assets	\$ 76,908	72,454	68,045	68,502	67,811
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(266)	(198)	(119)	(132)	(146)
Deferred taxes	65	46	22	24	27
Average tangible assets	\$ 73,182	68,777	64,423	64,869	64,167
Average common equity					
Average total equity	\$ 9,324	8,812	8,451	8,322	8,181
Preferred stock	(862)	(716)	(743)	(740)	(737)
Average common equity	8,462	8,096	7,708	7,582	7,444
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(266)	(198)	(119)	(132)	(146)
Deferred taxes	65	46	22	24	27
Average tangible common equity	\$ 4,736	4,419	4,086	3,949	3,800
At end of quarter					
Total assets					
Total assets	\$ 77,864	77,727	67,881	68,021	68,247
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(257)	(275)	(113)	(126)	(139)
Deferred taxes	63	68	20	23	26
Total tangible assets	\$ 74,145	73,995	64,263	64,393	64,609
Total common equity					
Total equity	\$ 9,375	9,244	8,508	8,358	8,232
Preferred stock	(863)	(861)	(743)	(741)	(738)
Undeclared dividends - cumulative preferred stock	(3)	(3)	(7)	(6)	(6)
Common equity, net of undeclared cumulative preferred dividends	8,509	8,380	7,758	7,611	7,488
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)
Core deposit and other intangible assets	(257)	(275)	(113)	(126)	(139)
Deferred taxes	63	68	20	23	26
Total tangible common equity	\$ 4,790	4,648	4,140	3,983	3,850

(1) After any related tax effect.

SOURCE M&T Bank Corporation

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