



Allied Irish Banks, p.l.c. and M&T Bank Corporation announce strategic partnership;

Allfirst Financial Inc. to be merged into M&T Bank

Buffalo, New York, Dublin, Ireland and Baltimore, Maryland (September 26, 2002) – Allied Irish Banks, p.l.c. (“AIB”) [NYSE:AIB] Dublin, Ireland and M&T Bank Corporation (“M&T”) [NYSE:MTB] Buffalo, NY today jointly announced that they have entered into a strategic partnership designed to create a major US regional bank in a \$3.1 billion transaction (the “Merger”).

The merger of M&T and Allfirst Financial Inc. (“Allfirst”) will create a strong mid-Atlantic banking franchise with over 700 branches in six states and the District of Columbia, and a leading deposit market share in the combined area of upstate New York, central Pennsylvania and Maryland (“Enlarged M&T”). The expanded franchise will be amongst the top twenty largest US banking companies with pro-forma combined assets of approximately \$49 billion as of June 30, 2002. Allfirst’s primary banking subsidiary, Allfirst Bank, will be merged into Manufacturers and Traders Trust Company (M&T Bank), M&T’s principal commercial banking subsidiary. Key details of the merger are attached.

Partnership overview

- Long-term strategic partnership underpinned by:
 - strong alignment between management and shareholders;
 - reciprocal Board representation;
 - AIB’s involvement on key M&T Board committees;
 - the merged entity will be managed by M&T’s proven management team;
 - key AIB executive to join M&T top management team;
- AIB receives 22.5% stake in the Enlarged M&T plus \$886 million in cash;
- It is expected that approx. \$450 million will be used to buy back AIB shares;
- Significant synergies are expected to be realised:
 - cost savings of \$100 million; \$60 million expected in 2003;
- Merger expected to be earnings enhancing for both partners;
- Merger transforms both franchises’ position in U.S. regional banking;
- Combined franchise will have a leading market share in a region which includes six states and the District of Columbia, equivalent to the 6th largest state in the country in terms of deposits and the 5th largest state in terms of population;
- Well positioned for future expansion, post integration.

M&T’s track record as a consistently best in class performer will be applied to developing Allfirst’s strong regional franchise in growth geographies. Since 1983, M&T has achieved:

- a compound annual growth of 25% in cash earnings per share;
- a compound annual rate of return to shareholders of 24%;
- the highest share price appreciation of any of the top 100 U.S. banks;
- the sixth highest return to shareholders compared with all companies in the Fortune 500 since 1981.

M&T’s board of directors received a financial fairness opinion from Lehman Brothers, Inc. and was represented by the legal firm of Arnold & Porter. AIB’s board of directors received a financial fairness opinion from Merrill Lynch and was represented by the law firm of Wachtell, Lipton, Rosen and Katz. AIB’s board of directors was also advised by AIB Corporate Finance.

Michael Buckley, Group Chief Executive, AIB said, “AIB’s partnership with M&T is the ideal opportunity for us to reposition and strengthen our involvement in U.S regional banking. Following a comprehensive review of our strategic options, I believe that we have found in M&T a partner with whom we share a common ethos. Together we create a long term, sustainable growth proposition that is mutually beneficial and which will create compelling value for AIB shareholders.”

Robert G. Wilmers, Chairman, President and CEO of M&T said, “Allfirst is the perfect partner for our growing mid-Atlantic presence. Allfirst is in growing markets, they have strong market share, and business strengths that will enhance our own operating mix. We anticipate a smooth integration of our businesses, great service for our new and old customers, while we continue to enhance value for our shareholders.”

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See notice on page 4 of the release regarding this afternoon's briefings for Investors, Analysts and Media.

Key details of the merger:

Terms of the agreement, which have been approved by the boards of both companies, call for AIB to receive 26.7 million shares of M&T common stock and approximately \$886 million in cash in exchange for all shares of Allfirst. Based on the 30-day rolling average price of M&T shares, the transaction is valued at \$3.1 billion. The transaction will be accretive to M&T earnings per share (excluding merger related one-time expenses) beginning in 2003. The Merger is subject to a number of conditions, including various regulatory approvals and approvals of each company's share holders. It is expected that the Merger will be completed in the first quarter of 2003.

Following the Merger, Mr. Buckley will join the boards of M&T and M&T Bank and become a member of the M&T board's executive committee. In addition, Mr. Eugene Sheehy, currently Chairman and CEO of AIB's US Division will take the position of Chairman and CEO of M&T's Maryland and Pennsylvania divisions. Mr. Sheehy will join the Executive Management Committee of M&T, and will be nominated to the board of directors of both M&T and M&T Bank, along with two other AIB nominees. Mr. Wilmers will continue as chairman, president and CEO of M&T and chairman and CEO of M&T Bank. Mr. Wilmers will also join the AIB Group board of directors, as a non-executive director.

A number of statements we make in this document are not based on historical fact, but will be "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected in the forward looking statements. Factors that could cause actual results to differ materially from those in the forward looking statements include, but are not limited to, global, national and regional economic conditions, levels of market interest rates, credit or other risks of lending and investment activities, competitive and regulatory factors and technology change.

ADDITIONAL INFORMATION

Information regarding the identity of the persons who may, under SEC rules, be deemed to be participants in the solicitation of shareholders of M&T in connection with the Merger, and their interests in the solicitation, is set forth with in a filing made by M&T on the date of this press release with the SEC.

M&T will be filing a proxy statement and other relevant documents concerning the transaction with the SEC. Investors are urged to read the proxy statement when it becomes available and any other relevant documents filed with the SEC because they will contain important information. Investors will be able to obtain the documents free of charge at the SEC's web site (www.sec.gov). In addition, documents filed with the SEC by M&T may be obtained free of charge at M&T's web site (www.mandtbank.com) or by contacting M&T Bank Corporation at One M&T Plaza, Buffalo, New York 14203, Attention: Investor Relations, (716) 842 5445.

INVESTORS SHOULD READ THE PROXY STATEMENT CAREFULLY WHEN IT BECOMES AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS.

A briefing for Investors and Analysts will take place as follows:

There will be a live video link to New York for a presentation by Robert Wilmers, Chairman, President & Chief Executive Officer, M&T, and Michael Buckley, Group Chief Executive, AIB, followed by a questions and answers session.

Dublin	2:00pm, Main Conference Room, AIB Headquarters, Bankcentre, Ballsbridge, Dublin 4.
London	2:00pm, City Presentation Centre, 4, Chiswell Street, London EC1Y 4UP.
New York	9:00am, The Millennium Broadway Hotel, 145 West Street, New York (between Broadway and 6th Avenue).

Webcast Logon to <http://www.mandtbank.com> and click on the link to the webcast. The webcast will include the full presentation followed by the questions and answers session

A conference call discussing the transaction will be held on Thursday, September 26 at 9 a.m. EDT. The toll-free dial-in number is 1-888-335-6540. For all participants wishing to listen to the replay of the conference call, the U.S. replay number is 1-877-519-4471 and the access code is 3506960. The call will be available from 11 a.m. EDT on September 26, 2002 to 12 a.m. EDT on October 3, 2002.

Today's news release, transaction details and live audio webcast of the call are available online at www.mandtbank.com, www.allfirst.com, www.aib.ie.

A briefing for all media will take place as follows:

There will be a live video link to New York for a presentation by Robert Wilmers, Chairman, President & Chief Executive Officer, M&T, and Michael Buckley, Group Chief Executive, AIB, followed by a questions and answers session.

Dublin	4:00pm, Main Conference Room, AIB Headquarters, Bankcentre, Ballsbridge, Dublin 4.
London	4.00pm, City Presentation Centre, 4, Chiswell Street, London EC1Y 4UP.