



M&T Announces 14% Increase in Cash Earnings Per Share

BUFFALO, N.Y. - April 17, 2001--M&T Bank Corporation ("M&T")(NYSE: MTB) today reported diluted cash earnings per share for the quarter ended March 31, 2001 of \$1.14, an increase of 14% from \$1.00 in the first quarter of 2000.

Cash net income for the recent quarter was \$112.4 million, an increase of 41% from \$79.8 million in the corresponding quarter of last year. Expressed as an annualized rate of return on average tangible assets, cash net income was 1.59% in the initial quarter of 2001, compared with 1.47% in the year-earlier quarter. Cash return on average tangible common equity was an annualized 27.93% in the first quarter of this year, compared with 26.95% in the first quarter of 2000. Cash earnings exclude the after-tax effect of expenses associated with merging acquired operations into M&T and amortization of goodwill and core deposit intangible. Robert G. Wilmers, Chairman of the Board, President and Chief Executive Officer noted, "Our 14% growth in cash earnings per share in the first quarter reflects strong performance in many of M&T's business units and the smooth integration of our recent acquisitions."

Taxable-equivalent net interest income increased 40% to \$276.4 million in the recent quarter, compared with \$197.3 million in the year-earlier quarter. The improvement reflects an increase in average loans outstanding and a widening of M&T's net interest margin, or taxable equivalent net interest income expressed as an annualized percentage of average earnings assets. Reflecting the \$4.8 billion and \$1.0 billion of loans and leases obtained at the time of the October 6, 2000 acquisition of Keystone Financial, Inc. ("Keystone") and the February 9, 2001 acquisition of Premier National Bancorp, Inc. ("Premier"), respectively, average loans and leases outstanding during the initial quarter of 2001 were \$23.4 billion, up 34% from \$17.5 billion in the year-earlier quarter. Supplementing the favorable impact of higher balances of loans and leases was a 22 basis point (hundredths of one percent) increase in the net interest margin to 4.16% in 2001's first quarter from 3.94% in the comparable 2000 quarter.

The provision for credit losses was \$18.5 million in the recent quarter, up from \$9.0 million in the first quarter of 2000. Net charge-offs of loans also increased during the first quarter of 2001, rising to \$15.9 million from \$6.6 million a year earlier. The annualized ratio of net charge-offs to average loans outstanding was .28% in the initial 2001 quarter, compared with .15% in the first quarter of 2000. Nonperforming loans totaled \$160.8 million, or .67% of total loans at March 31, 2001, compared with \$67.0 million or .38% a year earlier. Loans past due 90 days or more and accruing interest were \$141.4 million at the recent quarter-end, up from \$29.4 million a year earlier. The increase in these loans resulted primarily from the inclusion at March 31, 2001 of approximately \$101 million of one-to-four family residential mortgage loans serviced by M&T and repurchased during the fourth quarter of 2000 and the first quarter of 2001 from the Government National Mortgage Association. The outstanding principal balances of these loans are fully guaranteed by government agencies. The loans were repurchased to reduce servicing costs associated with the loans. Included in the March 31, 2001 totals of nonperforming loans and loans past due 90 days or more and accruing interest were loans obtained in the Keystone acquisition of \$55 million and \$12 million, respectively, and loans obtained in the Premier acquisition of \$6 million and \$7 million, respectively. M&T's allowance for credit losses totaled \$399.4 million as of March 31, 2001, compared with \$318.6 million a year earlier. As a percentage of total loans, the allowance was 1.65% and 1.80% at March 31, 2001 and 2000, respectively. The ratio of the allowance for credit losses to nonperforming loans was 248% and 476% at March 31, 2001 and 2000, respectively. Assets taken in foreclosure of defaulted loans were \$13.1 million at the recent quarter-end, compared with \$9.2 million a year earlier.

Noninterest income in the recent quarter totaled \$111.7 million, up significantly from \$72.0 million in the first quarter of 2000. Approximately one-half of the increase was attributable to revenues related to operations in market areas associated with the Keystone acquisition. In addition, lower interest rates in 2001 and the January 1, 2001 implementation of Statement of Financial Accounting Standards("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," contributed to an increase in mortgage banking revenues to \$25.7 million in the recent quarter from \$14.6 million a year-earlier.

Noninterest expenses associated with operations, which exclude amortization of goodwill and core deposit intangible and nonrecurring expenses associated with merging acquired operations into M&T, were \$197.0 million in the recent quarter, compared with \$136.2 million in the corresponding 2000 period. Expenses related to the acquired operations of Keystone and, to a lesser extent, Premier were large contributors to the higher expense levels. The efficiency ratio, or noninterest operating expense divided by the sum of taxable-equivalent net interest income and noninterest income, measures how much of a company's revenue is consumed by operating expenses. M&T's cash-basis efficiency ratio, calculated using the operating expense totals noted above and excluding gains or losses from sales of bank investment securities from noninterest income, was 50.8% in the first quarter of 2001, up slightly from 50.6% a year earlier.

The impact of merger-related expenses was \$4.8 million (\$8.0 million pre-tax) or \$.05 per diluted share for the first quarter of 2001. There were no similar expenses in the first 2000 quarter. Non-cash charges for amortization of goodwill and core deposit intangible, after tax effect, amounted to \$23.9 million (\$29.8 million pre-tax) and \$11.6 million (\$14.4 million pre-tax) during the

first quarter of 2001 and 2000, respectively. Including the impact of these items, diluted earnings per share for the quarter ended March 31, 2001 were \$.85, compared with \$.86 in the corresponding quarter of 2000. On the same basis, net income for the recent quarter was \$83.7 million, compared with \$68.2 million in the year-earlier quarter. Net income for the initial 2001 quarter expressed as an annualized rate of return on average assets and average common stockholders' equity was 1.14% and 11.84%, respectively. The comparable rates for the year-earlier quarter were 1.22% and 15.14%.

At March 31, 2001, M&T had total assets of \$30.9 billion, up 36% from \$22.8 billion a year earlier. Loans and leases, net of unearned discount, increased 37% to \$24.2 billion from \$17.7 billion at March 31, 2000. Deposits were \$21.0 billion at the recent quarter-end, compared with \$15.2 billion at March 31, 2000. Assets, loans and deposits obtained in the Keystone transaction on the October 6, 2000 acquisition date were \$7.4 billion, \$4.8 billion and \$5.2 billion, respectively. Assets, loans and deposits obtained in the February 9, 2001 acquisition of Premier were \$1.8 billion, \$1.0 billion and \$1.4 billion, respectively. Total stockholders' equity was \$3.0 billion at March 31, 2001, representing 9.68% of total assets, compared with \$1.8 billion or 8.05% a year earlier. Common stockholders' equity per share was \$30.84 at the recent quarter-end, an increase of 29% from \$23.83 at March 31, 2000. Tangible equity per common share was \$17.33 and \$15.79 at March 31, 2001 and 2000, respectively.

In November 1999, M&T announced a plan to repurchase up to 1,904,650 common shares for reissuance upon the possible future exercise of outstanding stock options. However, following the announcement of the Keystone acquisition in May 2000, M&T has not been repurchasing stock, instead using the Company's internal generation of capital to support the completed Keystone and Premier acquisitions. Prior to the May 2000 announcement, M&T had repurchased 1,632,860 shares of common stock pursuant to such plan at an average cost of \$42.74 per share.

Investors will have an opportunity to listen to M&T's conference call to discuss first quarter financial results at 9:00 a.m. on Wednesday, April 18, 2001. Those wishing to participate in the call may dial 877-232-1251. The conference call will also be ebcast live by Vcall through M&T's website. To access the live webcast please visit M&T's website at <http://ir.mandtbank.com/calendar.cfm>. A replay of the call will be available until April 19, 2001 by calling 800-642-1687, code 500736. The event will also be archived and available by noon, April 18, 2001 at <http://ir.mandtbank.com/calendar.cfm>.

M&T BANK CORPORATION
Financial Highlights

Amounts in thousands, except per share	Three months ended		
	March 31		
	2001	2000	Change
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Performance			

Net income	\$ 83,666	68,235	23 %
Per common share:			
Basic earnings	\$.88	.89	-1 %
Diluted earnings	.85	.86	-1
Cash dividends	\$.25	.125	100
Common shares outstanding:			
Average - diluted (1)	98,605	79,222	24 %
Period end (2)	97,013	76,901	26
Return on (annualized):			
Average total assets	1.14%	1.22%	
Average common stockholders' equity	11.84%	15.14%	
Taxable-equivalent net interest income	\$ 276,368	197,333	40 %
Yield on average earning assets (3)	8.33%	8.01%	
Cost of interest-bearing liabilities	4.78%	4.64%	
Net interest spread (3)	3.55%	3.37%	
Contribution of interest-free funds	.61%	.57%	
Net interest margin (3)	4.16%	3.94%	
Net charge-offs to average total net loans (annualized)	.28%	.15%	

Cash operating results (4)

Cash net income	\$ 107,547	79,844	35 %
Cash net income, excluding acquisition-related expenses	112,391	79,844	41
Diluted cash earnings per common share	1.09	1.00	9
Diluted cash earnings per common share, excluding acquisition-related expenses	1.14	1.00	14
Return on (annualized):			
Average tangible assets	1.52%	1.47%	
Average tangible assets, excluding acquisition-related expenses	1.59%	1.47%	
Average tangible common equity	26.73%	26.95%	
Average tangible common equity, excluding acquisition-related expenses	27.93%	26.95%	
Efficiency ratio, excluding acquisition-related expenses	50.77%	50.57%	

At March 31

	2001	2000	Change
Loan quality			
Nonaccrual loans	\$ 151,927	58,060	162 %
Renegotiated loans	8,864	8,910	-1
Total nonperforming loans	\$ 160,791	66,970	140
Accruing loans past due 90 days or more	\$ 141,355	29,407	381 %
Nonperforming loans to total net loans	.67%	.38%	
Allowance for credit losses to total net loans	1.65%	1.80%	

- (1) Includes common stock equivalents
- (2) Includes common stock issuable under deferred compensation plans
- (3) On a fully taxable-equivalent basis
- (4) Excludes amortization and balances related to goodwill and core deposit intangible which, except in the calculation of the efficiency ratio, are net of applicable income tax effects

M&T BANK CORPORATION
Condensed Consolidated Statement of Income

Amounts in thousands, except per share	Three months ended March 31		
	2001	2000	Change
Interest income	\$ 548,578	398,858	38 %
Interest expense	276,597	203,731	36
Net interest income	271,981	195,127	39
Provision for credit losses	18,500	9,000	106
Net interest income after provision for credit losses	253,481	186,127	36

Other income			
Mortgage banking revenues	25,660	14,559	76
Service charges on deposit accounts	32,534	20,460	59
Trust income	15,827	9,980	59
Brokerage services income	10,010	9,408	6
Trading account and foreign exchange gains	802	294	173
Gain on sales of bank investment securities	79	-	-
Other revenues from operations	26,815	17,297	55
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Total other income	111,727	71,998	55
Other expense			
Salaries and employee benefits	105,887	76,701	38
Equipment and net occupancy	28,158	18,119	55
Printing, postage and supplies	7,074	4,494	57
Amortization of goodwill and core deposit intangible	29,811	14,407	107
Other costs of operations	63,871	36,876	73
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Total other expense	234,801	150,597	56
Income before income taxes	130,407	107,528	21
Applicable income taxes	46,741	39,293	19
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Net income	\$ 83,666	68,235	23 %
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M&T BANK CORPORATION
Condensed Consolidated Balance Sheet

March 31

Dollars in thousands	2001	2000	Change
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ASSETS			
Cash and due from banks	\$ 691,104	476,969	45 %
Money-market assets	53,527	1,238,957	-96
Investment securities	3,704,788	2,078,949	78
Loans and leases, net of unearned discount	24,167,786	17,702,663	37
Less: Allowance for credit losses	399,412	318,595	25
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Net loans and leases	23,768,374	17,384,068	37
Goodwill and core deposit intangible	1,379,461	638,245	116
Other assets	1,327,289	944,366	41
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Total assets	\$30,924,543	22,761,554	36 %
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LIABILITIES AND STOCKHOLDERS' EQUITY

Noninterest-bearing deposits at U.S. offices	\$ 3,236,649	2,140,782	51 %
Other deposits at U.S. offices	17,480,164	12,822,756	36
Deposits at foreign office	260,870	187,900	39
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Total deposits	20,977,683	15,151,438	38
Short-term borrowings	2,943,979	3,068,547	-4
Accrued interest and other liabilities	520,376	934,857	-44
Long-term borrowings	3,490,447	1,774,456	97
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Total liabilities	27,932,485	20,929,298	33
Stockholders' equity(1)	2,992,058	1,832,256	63
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Total liabilities and stockholders' equity	\$30,924,543	22,761,554	36 %
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(1) Includes the after-tax impact of net unrealized gains on investment securities classified as available for sale of \$21.1 million at March 31, 2001 and net unrealized losses of \$23.9 million at March 31, 2000.

M&T BANK CORPORATION
Condensed Consolidated Average Balance Sheet

Dollars in thousands	Three months ended March 31		
	2001	2000	Change
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ASSETS			
Money-market assets	\$ 74,634	669,442	-89 %
Investment securities	3,470,016	1,976,514	76
Loans and leases, net of unearned discount			
Commercial, financial, etc.	5,178,321	3,740,576	38
Real estate - commercial	8,934,976	6,591,673	36
Real estate - consumer	4,991,217	4,062,627	23
Consumer	4,287,470	3,106,008	38
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Total loans and leases, net	23,391,984	17,500,884	34
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Total earning assets	26,936,634	20,146,840	34
Goodwill and core deposit intangible	1,300,212	642,196	102
Other assets	1,641,344	1,649,099	-
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Total assets	\$ 29,878,190	22,438,135	33 %

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LIABILITIES AND STOCKHOLDERS' EQUITY			
Interest-bearing deposits	\$ 17,548,687	13,144,562	34 %
Borrowings	5,894,637	4,526,649	30
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Total interest-bearing liabilities	23,443,324	17,671,211	33
Noninterest-bearing deposits	3,185,347	2,113,337	51
Other liabilities	383,129	840,818	-54
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Total liabilities	27,011,800	20,625,366	31
Stockholders' equity	2,866,390	1,812,769	58
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Total liabilities and stockholders' equity	\$ 29,878,190	22,438,135	33 %
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