

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST

Financial Statements and Additional Information
December 31, 1993 and 1992

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTFinancial Statements and Additional Information
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REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrative Committee of
the First Empire State Corporation
Retirement Savings Plan and Trust

We have audited the accompanying statement of net assets available for plan benefits of the First Empire State Corporation Retirement Savings Plan and Trust (the Plan) as of December 31, 1993 and 1992 and the related statement of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's Administrative Committee. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements audited by us present fairly, in all material respects, the net assets available for plan benefits of the First Empire State Corporation Retirement Savings Plan and Trust at December 31, 1993 and 1992, and the changes in its net assets available for plan benefits for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, the Plan changed its method of accounting for benefit payments for the year ended December 31, 1993.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by ERISA. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PRICE WATERHOUSE

PRICE WATERHOUSE

Buffalo, New York
March 15, 1994

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST

Statement of Net Assets Available for Plan Benefits

	December 31	
	1993	1992
	----	----
ASSETS		
Cash	\$ 20,681	24,465
Investments, at current value:		
Short-term investments (cost: \$9,369,804 and \$9,093,204)	9,369,804	9,093,204
Common stock (cost: \$20,093,839 and \$13,444,485)	29,143,251	21,618,035
U.S. government and agency obligations (cost: \$2,664,196 and \$1,767,317)	2,790,214	1,873,652
Corporate bonds (cost: \$1,083,088 and \$223,356)	1,104,164	226,813
Loans to participants	1,515,189	1,182,054
Total investments	----- 43,922,622	----- 33,993,758
Receivables:		
Employee contributions	98,745	70,128
Employer contributions	64,173	45,983
Interest and dividends	60,805	44,392
Total receivables	----- 223,723	----- 160,503
Total assets	----- 44,167,026	----- 34,178,726
LIABILITIES		
Benefits payable	-	527,103
Due to broker	212,814	26,409
Total liabilities	----- 212,814	----- 553,512
NET ASSETS AVAILABLE FOR PLAN BENEFITS	----- \$43,954,212	----- 33,625,214

The accompanying notes are an integral part of these financial statements.

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST

Statement of Changes in Net Assets Available for Plan Benefits

	Year ended December 31	
	1993	1992
	-----	-----
ADDITIONS TO NET ASSETS AVAILABLE FOR PLAN BENEFITS		
Net investment income:		
Interest	\$ 563,168	678,321
Dividends	383,469	264,154
Net realized gain (loss) on sale of investments	71,023	(50,527)
Net appreciation in current value of investments	1,277,410	4,119,057
	-----	-----
Total net investment income	2,295,070	5,011,005
Contributions:		
Employee	6,445,933	3,728,340
Employer	3,133,797	2,306,946
	-----	-----
Total contributions	9,579,730	6,035,286
	-----	-----
	11,874,800	11,046,291
DEDUCTIONS FROM NET ASSETS AVAILABLE FOR PLAN BENEFITS		
Benefit payments to participants	(2,072,905)	(1,318,639)
	-----	-----
Net increase in net assets available for plan benefits before cumulative effect of change in method of accounting for benefit payments to participants	9,801,895	9,727,652
Cumulative effect on prior year of change in method of accounting for benefit payments to participants (note 2)	527,103	-
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS	10,328,998	9,727,652
	-----	-----
Net assets available for plan benefits at beginning of year	33,625,214	23,897,562
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS AT END OF YEAR	\$43,954,212	33,625,214
	=====	=====
Proforma net increase in net assets available for plan benefits assuming the change in method of accounting for benefit payments to participants is applied retroactively	\$ 9,801,895	9,795,510
	=====	=====

The accompanying notes are an integral part of these financial statements.

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST

Notes to Financial Statements

1. DESCRIPTION OF PLAN

GENERAL

The following description of the First Empire State Corporation Retirement Savings Plan and Trust ("the Plan") is provided for general information purposes and is qualified in its entirety by reference to the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

ELIGIBILITY AND PARTICIPATION

The Plan is a defined contribution plan and was established for the benefit of permanent full-time employees of First Empire State Corporation and its subsidiaries ("the Company"). Persons who are at least 21 years of age and have completed 12 months of continuous service are eligible to participate in the Plan. Eligible employees may elect to participate effective the first day of any January, April, July or October subsequent to meeting the eligibility criteria.

ADMINISTRATION

The Plan is administered by a committee (Administrative Committee) which is appointed by the Board of Directors of Manufacturers and Traders Trust Company ("M&T Bank"), a wholly-owned subsidiary of First Empire State Corporation ("First Empire"). The assets of the Plan are held by M&T Bank, as Trustee. The Wyatt Company, an actuarial and consulting firm, provides recordkeeping services on an individual participant basis to the Plan.

The Board of Directors of M&T Bank has the right to terminate, amend or modify the Plan at any time subject to the Plan provisions. Upon Plan termination, participants will receive the assets allocated to their accounts.

CONTRIBUTIONS

Contributions to the Plan are made by the participants through salary reduction and by the Company through employer matching contributions. The participants may elect to reduce their compensation by a specified whole percentage not to exceed 8%, subject to certain limitations under Section 401(k) and Section 415 of the Internal Revenue Code. The Company remits to the Plan on behalf of each participant the amount by which the participant's compensation is reduced. In addition, the Company makes an employer matching contribution in an amount equal to 75% of the participant's contribution limited to 4.5% of the participant's compensation. Compensation is generally defined in the Plan to mean a participant's base salary for the calendar year excluding any form of additional compensation. Generally, total annual contributions may not exceed the lesser of 25% of compensation, as defined in the Internal Revenue Code, or \$30,000, adjusted for inflation. An individual participant's pre-tax contribution was limited to \$8,994 in 1993 and \$8,728 in 1992. Contributions above this limit were treated as post-tax contributions.

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Notes to Financial Statements

Participants' accounts, including all salary reduction contributions, employer matching contributions and increments thereon are at all times fully vested and nonforfeitable.

INVESTMENT PROGRAMS

Participants may invest their salary reduction contributions in the common stock of First Empire State Corporation (the "First Empire stock fund"), equity securities other than those of First Empire (the "diversified equity fund"), short-term fixed income securities other than those of First Empire (the "money-market fund") or long-term fixed income securities other than those of First Empire (the "bond fund") in increments of 25%. A separate account is maintained for each participant's interest in each fund. There were 2,395 participants in the First Empire stock fund, 1,583 in the diversified equity fund, 1,310 in the money-market fund and 1,272 in the bond fund at December 31, 1993. A total of 2,695 employees of the Company were active participants in the Plan at December 31, 1993. The allocation of net assets available for Plan benefits to investment programs and allocation of changes in net assets available for Plan benefits to investment programs are set forth in Exhibit I and II, respectively.

On January 1, April 1, July 1 and October 1 of each year, participants may, in accordance with the rules of the Plan, transfer existing balances among the available investment funds, reduce or increase the percentage of salary reduction elected and/or redirect their current salary reduction contributions into different funds. Contributions may be suspended at any time.

EMPLOYER MATCHING CONTRIBUTIONS

Employer matching contributions are invested in the above funds in the same proportion as elected by the participants.

LOANS TO PARTICIPANTS

Upon written application to the Administrative Committee, participants may borrow from their account an amount not to exceed the lesser of (1) 50% of the participant's vested account balance as of the most recent valuation date or (2) \$50,000 reduced by the participant's highest outstanding loan balance in the twelve months prior to the date of loan origination. The minimum loan amount is \$1,000. Loans bear interest at one percentage point above prime as designated by M&T Bank and are repaid in equal installments through after-tax payroll deductions for a period of up to five years.

WITHDRAWALS AND DISTRIBUTIONS

A participant undergoing financial hardship may make withdrawals from the Plan while employed by the Company, subject to Plan limitations. Upon termination of employment for any reason, participants are entitled to a distribution of the full amount of individual account balances as of the revaluation date immediately following such termination of service.

Unless the participant elects otherwise, distribution of the full amount of the participant's account balance will be made no later than 60 days after the close of the calendar year in which the last of the following

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occurs: (a) the participant attains age 65; (b) the tenth anniversary of the year in which participation began; or (c) the participant terminates service with the Company. The participant may elect to defer distribution until no later than April 1 of the calendar year following the year in which age 70-1/2 is attained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts of the Plan are maintained on the accrual basis.

INVESTMENTS

Investments are reported on a current value basis. Investments of the First Empire stock fund, diversified equity fund, money-market fund and bond fund are traded on national securities exchanges and are valued using the last reported sales price prior to the close of the Plan year. Loans to participants are valued by the Administrative Committee as no active market exists for such loans. The loans, which are fully secured by a portion of the participant's vested benefits, were determined to have a current value which approximates the outstanding principal balance of the loans at both December 31, 1993 and 1992.

Investment income of the First Empire stock fund, diversified equity fund, money-market fund and bond fund is allocated to participants based on their proportionate share of the respective investment fund's net assets. Interest income on loans to participants is allocated to the participants based on their respective loan agreement.

BENEFIT PAYMENTS TO PARTICIPANTS

During 1993, the Plan changed its method of accounting for benefit payments to participants by no longer accruing for benefit payments payable to participants at the end of the period. This change was made to comply with reporting standards established by the American Institute of Certified Public Accountants as set forth in its Audit and Accounting Guide, "Audits of Employee Benefit Plans", revised as of May 1, 1993. In accordance with Accounting Principles Board Opinion No. 20, "Accounting Changes", the financial statements for 1992 are presented as previously reported. The cumulative effect of applying the new method of accounting is to increase the amount reported as net increase in net assets available for plan benefits for the year ended December 31, 1993 by \$527,103. The proforma net increase in net assets available for plan benefits as though the change in accounting had been adopted retroactively is shown on the Statement of Changes in Net Assets Available for Plan Benefits and in Exhibit II.

Amounts payable to participants who have elected to make withdrawals from the Plan amounted to \$603,796 at December 31, 1993; \$210,907 in the First Empire stock fund, \$120,436 in the diversified equity fund, \$204,527 in the money-market fund, and \$67,926 in the bond fund.

ADMINISTRATIVE EXPENSES

Expenses related to administration of the Plan are paid by the Company. Brokerage commissions, transfer taxes and similar costs of acquiring or

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selling securities are paid by the Plan. The Plan paid \$15,999 and \$17,944 for brokerage commissions in 1993 and 1992, respectively. These amounts have been included in the net realized gain or loss on sale of investments and the net appreciation or depreciation in fair market value of investments for those securities acquired during the year in the Statement of Changes in Net Assets Available for Plan Benefits.

3. INCOME TAXES

The Internal Revenue Service has issued a favorable determination letter regarding the qualified and tax-exempt status of the Plan under Sections 401 and 501 of the Internal Revenue Code. Accordingly, no provision has been made for income taxes.

Participants are not subject to Federal or state income tax on employer matching contributions and pre-tax participant salary reduction contributions until such contributions are withdrawn or distributed. The earnings and appreciation of the assets of the Plan are not subject to Federal or state income taxation until withdrawn or distributed.

4. PLAN AMENDMENTS

Effective January 1, 1993, the Plan was amended to add special eligibility rules for former Central Trust Company of Rochester, New York and Endicott Trust Company of Endicott, New York employees who became employees of the Company after the Company merged these institutions into M&T Bank simultaneously with their acquisition on July 1, 1992.

5. RELATED PARTY TRANSACTIONS

During 1993, the Plan acquired in the open market, in 36 transactions, 36,408 shares of First Empire common stock at a cost of \$5,146,869. The Plan disposed of, in 11 transactions, 2,809 shares of First Empire common stock which resulted in proceeds of \$394,984 and realized gains of \$14,825. In addition, 165,729 shares of First Empire common stock with a total cost of \$14,913,922 and a fair market value of \$23,326,357 were held at December 31, 1993.

6. EMPLOYER AND EMPLOYEE CONTRIBUTIONS

The following table represents employer and employee contributions for the year ended December 31, 1993:

	Employee contributions	Employer contributions
	-----	-----
M&T Bank	\$5,798,161	2,820,953
The East New York Savings Bank	558,760	280,981
M&T Mortgage Corporation	89,012	31,863
	-----	-----
	\$6,445,933	3,133,797
	=====	=====

The East New York Savings Bank and M&T Mortgage Corporation are wholly-owned subsidiaries of First Empire and M&T Bank, respectively.

7. NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS

Net realized gain (loss) on sale of investments is comprised of the following:

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 Notes to Financial Statements

	Total proceeds	Basis of assets sold	Net realized gain (loss)
	-----	-----	-----
For the year ended December 31, 1993:			
First Empire common stock	\$ 394,984	380,159	\$ 14,825
Other common stock	982,585	944,198	38,387
U.S. government and agency obligations	1,214,840	1,198,029	16,811
Corporate bonds	258,198	257,198	1,000
	-----	-----	-----
	\$2,850,607	2,779,584	\$ 71,023
	=====	=====	=====
For the year ended December 31, 1992:			
First Empire common stock	\$ 175,603	128,475	\$ 47,128
Other common stock	1,826,495	1,925,031	(98,536)
U.S. government and agency obligations	554,836	554,299	537
Corporate bonds	51,625	51,281	344
	-----	-----	-----
	\$2,608,559	2,659,086	\$ (50,527)
	=====	=====	=====

In accordance with the requirements of ERISA, the basis of assets sold is equal to either the fair market value at the beginning of the period, for securities held as of that date, or cost, for securities acquired during the year.

8. NET APPRECIATION IN CURRENT VALUE OF INVESTMENTS

Net appreciation in current value of investments is comprised of the following:

	Current value at end of period	Basis of assets held at end of period	Net appreciation
	-----	-----	-----
For the year ended December 31, 1993:			
First Empire common stock	\$23,326,357	22,538,195	\$ 788,162
Other common stock	5,816,894	5,381,390	435,504
U.S. government and agency obligations	2,790,214	2,755,523	34,691
Corporate bonds	1,104,164	1,085,111	19,053

			\$1,277,410
			=====
For the year ended December 31, 1992:			
First Empire common stock	\$17,771,485	13,937,863	\$3,833,622
Other common stock	3,846,550	3,567,052	279,498
U.S. government and agency obligations	1,873,652	1,869,900	3,752
Corporate bonds	226,813	224,628	2,185

			\$4,119,057
			=====

In accordance with the requirements of ERISA, the basis of assets held at end of period is equal to either the fair market value at the beginning of the period, for securities held as of that date, or cost, for securities acquired during the year.

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST

Allocation of Net Assets Available for Plan Benefits to Investment Programs
December 31, 1993

	FIRST EMPIRE STOCK FUND	DIVERSIFIED EQUITY FUND	MONEY- MARKET FUND	BOND FUND	PARTICIPANT LOAN ACCOUNT	TOTAL
ASSETS						
Cash	\$ 317	-	20,271	93	-	\$ 20,681
Investments, at current value (cost \$15,189,628, \$6,099,121, \$8,129,981 and \$3,792,197):						
Short-term investments	275,706	919,204	8,129,981	44,913	-	9,369,804
Common stock	23,326,357	5,816,894	-	-	-	29,143,251
U.S. government and agency obligations	-	-	-	2,790,214	-	2,790,214
Corporate bonds	-	-	-	1,104,164	-	1,104,164
Loans to participants	-	-	-	-	1,515,189	1,515,189
Total investments	23,602,063	6,736,098	8,129,981	3,939,291	1,515,189	43,922,622
Receivables:						
Employee contributions	50,566	22,805	13,607	11,767	-	98,745
Employer contributions	32,414	14,913	9,029	7,817	-	64,173
Interest and dividends	-	8,386	-	52,419	-	60,805
Total receivables	82,980	46,104	22,636	72,003	-	223,723
Total assets	23,685,360	6,782,202	8,172,888	4,011,387	1,515,189	44,167,026
LIABILITIES						
Due to broker	212,814	-	-	-	-	212,814
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ 23,472,546	6,782,202	8,172,888	4,011,387	1,515,189	\$43,954,212

Exhibit I
(continued)FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTAllocation of Net Assets Available for Plan Benefits to Investment Programs
December 31, 1992

	FIRST EMPIRE STOCK FUND	DIVERSIFIED EQUITY FUND	MONEY- MARKET FUND	BOND FUND	PARTICIPANT LOAN ACCOUNT	TOTAL
ASSETS						
Cash	\$ -	1,748	22,597	120	-	\$ 24,465
Investments, at current value (cost \$10,008,572, \$3,794,307, \$8,731,759 and \$1,993,724):						
Short-term investments	2,914	355,480	8,731,759	3,051	-	9,093,204
Common stock	17,771,485	3,846,550	-	-	-	21,618,035
U.S. government and agency obligations	-	-	-	1,873,652	-	1,873,652
Corporate bonds	-	-	-	226,813	-	226,813
Loans to participants	-	-	-	-	1,182,054	1,182,054
Total investments	17,774,399	4,202,030	8,731,759	2,103,516	1,182,054	33,993,758
Receivables:						
Employee contributions	37,175	11,143	13,833	7,977	-	70,128
Employer contributions	23,919	7,380	9,289	5,395	-	45,983
Interest and dividends	-	7,222	-	37,170	-	44,392
Total receivables	61,094	25,745	23,122	50,542	-	160,503
Total assets	17,835,493	4,229,523	8,777,478	2,154,178	1,182,054	34,178,726
LIABILITIES						
Benefits payable	109,764	49,345	303,465	64,529	-	527,103
Due to broker	-	26,409	-	-	-	26,409
Total liabilities	109,764	75,754	303,465	64,529	-	553,512
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$17,725,729	4,153,769	8,474,013	2,089,649	1,182,054	\$33,625,214

Exhibit II

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTAllocation of Changes in Net Assets Available for Plan Benefits to Investment Programs
December 31, 1993

	FIRST EMPIRE STOCK FUND	DIVERSIFIED EQUITY FUND	MONEY- MARKET FUND	BOND FUND	PARTICIPANT LOAN ACCOUNT	TOTAL
ADDITIONS TO NET ASSETS AVAILABLE FOR PLAN BENEFITS						
Net investment income:						
Interest	\$ 4,043	25,772	235,561	197,244	100,548	\$ 563,168
Dividends	291,614	91,855	-	-	-	383,469
Net realized gain on sale of investments	14,825	38,387	-	17,811	-	71,023
Net appreciation in current value of investments	788,162	435,504	-	53,744	-	1,277,410
Total net investment income	1,098,644	591,518	235,561	268,799	100,548	2,295,070
Contributions:						
Employee	3,125,379	1,343,886	1,071,032	905,636	-	6,445,933
Employer	1,670,919	555,572	537,205	370,101	-	3,133,797
Total contributions	4,796,298	1,899,458	1,608,237	1,275,737	-	9,579,730
	5,894,942	2,490,976	1,843,798	1,544,536	100,548	11,874,800
DEDUCTIONS FROM NET ASSETS AVAILABLE FOR PLAN BENEFITS						
Benefit payments to participants	(916,554)	(203,030)	(691,947)	(261,374)	-	(2,072,905)
INTERFUND TRANSFERS						
Loans, net of repayments	140,738	(92,389)	(291,299)	(90,185)	333,135	-
Reallocation of investments - additions (deductions)	517,927	383,531	(1,465,142)	664,232	(100,548)	-
	658,665	291,142	(1,756,441)	574,047	232,587	-
Net increase (decrease) in net assets available for plan benefits before cumulative effect of change in method of accounting for benefit payments to participants	5,637,053	2,579,088	(604,590)	1,857,209	333,135	9,801,895
Cumulative effect on prior year of change in method of accounting for benefit payments to participants (note 2)	109,764	49,345	303,465	64,529	-	527,103
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$5,746,817	2,628,433	(301,125)	1,921,738	333,135	\$10,328,998

The proforma net increase (decrease) in net assets available for plan benefits assuming the change in method of accounting for benefit payments to participants is applied retroactively is equal to the net increase (decrease) in net assets available for plan benefits before cumulative effect of change in method of accounting for benefit payments to participants.

Exhibit II
(continued)

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST
Allocation of Changes in Net Assets Available for Plan Benefits to Investment Programs
December 31, 1992

	FIRST EMPIRE STOCK FUND	DIVERSIFIED EQUITY FUND	MONEY- MARKET FUND	BOND FUND	PARTICIPANT LOAN ACCOUNT	TOTAL
ADDITIONS TO NET ASSETS AVAILABLE FOR PLAN BENEFITS						
Net investment income:						
Interest	\$ 4,049	11,234	299,415	144,102	219,521	\$ 678,321
Dividends	191,835	72,319	-	-	-	264,154
Net realized gain (loss) on sale of investments	47,128	(98,536)	-	881	-	(50,527)
Net appreciation in current value of investments	3,833,623	279,497	-	5,937	-	4,119,057
Total net investment income	4,076,635	264,514	299,415	150,920	219,521	5,011,005
Contributions:						
Employee	1,794,305	641,061	954,329	338,645	-	3,728,340
Employer	1,057,254	402,165	627,374	220,153	-	2,306,946
Total contributions	2,851,559	1,043,226	1,581,703	558,798	-	6,035,286
	6,928,194	1,307,740	1,881,118	709,718	219,521	11,046,291
DEDUCTIONS FROM NET ASSETS AVAILABLE FOR PLAN BENEFITS						
Benefit payments to participants	(464,818)	(107,167)	(571,018)	(175,636)	-	(1,318,639)
INTERFUND TRANSFERS						
Loans, net of repayments	(201,499)	(35,486)	(193,295)	(27,996)	458,276	-
Reallocation of investments - additions (deductions)	1,261,412	123,628	(1,240,570)	(62,784)	(81,686)	-
	1,059,913	88,142	(1,433,865)	(90,780)	376,590	-
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR PLAN benefits	\$7,523,289	1,288,715	(123,765)	443,302	596,111	\$ 9,727,652
Proforma net increase (decrease) in net assets available for plan benefits assuming the change in method of accounting for benefit payments to participants is applied retroactively	\$7,520,803	1,289,593	(59,394)	448,394	596,111	\$ 9,795,510

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST

Schedule of Assets Held for Investment
December 31, 1993

Name and title of issue	Number of shares or principal amount	Unit cost	Total cost	Current value Per Unit	Total value
SHORT-TERM INVESTMENTS					
Vision Fiduciary Funds, Inc. Money Market Fund	9,369,804	\$100.000	\$9,369,804	\$100.000	\$9,369,804
Total short-term investments			\$9,369,804		\$9,369,804
COMMON STOCK					
Consumer products and services:					
Albertson's Inc.	1,000	\$21.488	\$ 21,488	\$26.750	\$26,750
Alltrista Corporation	625	17.909	11,193	17.000	10,625
Ball Corporation	3,700	30.528	112,953	30.250	111,925
CPC International Inc.	3,500	43.042	150,647	47.625	166,688
Colgate Palmolive Company	1,000	52.195	52,195	62.375	62,375
Dun & Bradstreet Companies, Inc.	1,300	54.081	70,305	61.625	80,113
First Brands Corporation	3,500	31.904	111,664	34.500	120,750
Kmart Corporation	3,200	22.896	73,268	21.500	68,800
McGraw Hill Inc.	1,000	67.370	67,370	67.625	67,625
Paramount Communications, Inc.	2,000	51.475	102,950	77.750	155,500
PepsiCo, Inc.	1,000	26.665	26,665	40.875	40,875
Stride Rite Corp.	3,000	25.970	77,909	16.375	49,125
Toys-R-Us, Inc.	1,300	34.320	44,616	40.875	53,138
Walt Disney Co.	1,600	43.495	69,592	42.625	68,200
Total consumer products and services			992,815		1,082,489

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTSchedule of Assets Held for Investment
December 31, 1993

Name and title of issue	Number of shares or principal amount	Unit cost	Total cost	Current value Per Unit	Total value
COMMON STOCK (CONTINUED)					
Energy:					
Burlington Resources Inc.	1,300	\$52.399	\$68,119	\$42.375	\$55,087
Exxon Corporation	1,200	53.173	63,807	63.125	75,750
Nabors Industries, Inc.	12,000	9.537	114,440	8.125	97,500
Schlumberger Limited	1,000	57.680	57,680	59.125	59,125
Ultramar Corp.	7,000	18.421	128,948	25.375	177,625
Unocal Corp.	6,700	26.481	177,424	27.875	186,762
			-----		-----
Total energy			610,418		651,849
			-----		-----
Financial:					
American International Group Inc.	1,100	56.872	62,559	87.750	96,525
Federal National Mortgage Association	1,000	58.348	58,348	78.500	78,500
First Empire State Corporation*	165,729	89.990	14,913,922	140.750	23,326,357
General Reinsurance Corp.	600	85.778	51,467	107.000	64,200
Morgan, JP & Company, Inc.	1,200	54.675	65,610	69.375	83,250
			-----		-----
Total financial			15,151,906		23,648,832
			-----		-----
Health care:					
Bristol-Myers Squibb Co.	1,000	77.363	77,363	58.250	58,250
Johnson & Johnson Co.	1,200	48.798	58,558	44.875	53,850
Merck & Co., Inc.	1,500	51.539	77,309	34.375	51,563
Mylan Laboratories, Inc.	2,500	18.996	47,491	25.375	63,438
			-----		-----
Total health care			260,721		227,101
			-----		-----

* See note 5 to the financial statements

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTSchedule of Assets Held for Investment
December 31, 1993

Name and title of issue	Number of shares or principal amount	Unit cost	Total cost	Current value Per Unit	Total value
COMMON STOCK (CONTINUED)					
Industrials:					
Aluminum Company of America	1,000	\$70.370	\$70,370	\$69.375	\$69,375
Avnet Inc.	3,300	31.446	103,771	39.000	128,700
Commercial Metals Co.	6,666	19.518	130,108	28.125	187,481
Cooper Industries Inc.	2,000	52.682	105,363	49.250	98,500
Corning Inc.	2,800	36.570	102,396	28.000	78,400
Dresser Industries Inc.	4,000	23.120	92,480	20.750	83,000
Emerson Electric Company	1,400	47.976	67,167	60.250	84,350
Kirby Corp.	7,500	17.621	132,158	21.375	160,312
Santa Fe Pacific Corp.	11,000	17.535	192,885	22.250	244,750
Zero Corp.	9,500	14.234	135,224	16.125	153,187
			-----		-----
Total industrials			1,131,922		1,288,055
			-----		-----
Materials:					
Champion International Corp.	3,200	30.074	96,236	33.375	106,800
Dupont (E.I.) DeNemours & Company	3,100	48.968	151,802	48.250	149,575
Hercules, Inc.	1,600	75.443	120,709	113.500	181,600
International Paper Co.	1,000	68.245	68,245	67.750	67,750
Material Sciences Corp.	10,000	16.907	169,069	22.875	228,750
Newmont Mining Company	3,200	49.731	159,138	57.625	184,400
Pall Corp.	4,000	20.430	81,718	18.375	73,500
Worthington Industries Inc.	6,000	16.833	101,000	20.500	123,000
			-----		-----
Total materials			947,917		1,115,375
			-----		-----

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUST

Schedule of Assets Held for Investment
December 31, 1993

Name and title of issue	Number of shares or principal amount	Unit cost	Total cost	Current value Per Unit	value Total
COMMON STOCK (CONTINUED)					
Technology:					
AMP Inc.	1,800	\$62.322	\$112,180	\$63.125	\$113,625
Continuum Company Inc.	6,600	19.662	129,767	19.250	127,050
Hewlett-Packard Co.	1,600	62.740	100,384	79.000	126,400
Motorola, Inc.	1,300	39.021	50,727	92.250	119,925
Texas Instruments, Inc.	1,700	58.046	98,679	63.500	107,950
			-----		-----
Total technology			491,737		594,950
			-----		-----
Transportation:					
Greyhound Lines, Incorporated	13,000	13.028	169,358	11.500	149,500
UAL Corp.	600	157.952	94,771	146.000	87,600
			-----		-----
Total transportation			264,129		237,100
			-----		-----
Utilities:					
American Telephone & Telegraph Co.	2,300	40.265	92,610	52.500	120,750
MCI Communications Corp	3,000	15.843	47,530	28.250	84,750
SCE Corp.	4,600	22.203	102,134	20.000	92,000
			-----		-----
Total utilities			242,274		297,500
			-----		-----
Total common stock			\$20,093,839		\$ 29,143,251
			-----		-----

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTSchedule of Assets Held for Investment
December 31, 1993

Name and title of issue	Number of shares or principal amount	Unit cost	Total cost	Current value	
				Per Unit	Total
U.S. GOVERNMENT AND AGENCY OBLIGATIONS					
U.S. Treasury note, 7.000%, due 04/15/94	\$ 100,000	\$ 95.602	\$ 95,602	\$ 101.031	\$101,031
U.S. Treasury note, 4.000%, due 09/30/94	75,000	100.000	75,000	100.312	75,234
U.S. Treasury note, 7.750%, due 02/15/95	50,000	101.390	50,695	104.280	52,140
U.S. Treasury note, 8.500%, due 05/15/95	75,000	100.016	75,012	106.000	79,500
U.S. Treasury note, 8.875%, due 02/15/96	100,000	101.094	101,094	109.156	109,156
U.S. Treasury note, 7.000%, due 09/30/96	50,000	99.710	49,855	106.594	53,297
U.S. Treasury note, 8.125%, due 02/15/98	125,000	98.485	123,106	111.500	139,375
Federal National Mortgage Association, 5.300%, due 07/25/98	191,490	100.203	191,879	99.594	190,712
U.S. Treasury note, 7.000%, due 04/15/99	50,000	99.402	49,701	107.844	53,922
Federal Home Loan Mortgage Corp., 6.000%, due 05/15/99	202,046	101.297	204,666	100.332	202,717
U.S. Treasury note, 8.000%, due 08/15/99	100,000	96.643	96,643	112.937	112,937
U.S. Treasury note, 6.375%, due 01/15/2000	150,000	99.805	149,708	105.062	157,593
U.S. Treasury note, 8.750%, due 08/15/2000	100,000	101.453	101,453	118.000	118,000
U.S. Treasury note, 8.500%, due 11/15/2000	25,000	99.868	24,967	116.844	29,211
U.S. Treasury note, 8.000%, due 05/15/2001	125,000	99.434	124,293	114.344	142,930
U.S. Treasury note, 7.500%, due 11/15/2001	100,000	101.413	101,413	111.562	111,562
U.S. Treasury note, 7.500%, due 05/15/2002	150,000	99.792	149,688	111.844	167,766
U.S. Treasury note, 6.375%, due 08/15/2002	175,000	98.829	172,951	104.250	182,437
U.S. Treasury note, 5.750%, due 08/15/2003	515,000	102.591	528,345	99.625	513,069
Federal National Mortgage Association, 5.500%, due 01/25/2013	200,000	99.063	198,125	98.813	197,625
Total U.S. government and agency obligations			\$ 2,664,196		\$ 2,790,214

Schedule I
(continued)FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTSchedule of Assets Held for Investment
December 31, 1993

Name and title of issue	Number of shares or principal amount	Unit cost	Total cost	Current value Per Unit	Total
CORPORATE BONDS					
General Tel. Co. Calif., 1st mtg., 4.500%, due 03/01/95	\$ 100,000	\$ 100.125	\$ 100,125	\$ 100.375	\$ 100,375
Chevron Capital USA Inc. note, 7.875%, due 03/01/97	50,000	103.074	51,537	100.626	50,313
Shearson Lehman Bros., zero coupon note, due 05/16/97	300,000	82.385	247,155	82.250	246,750
Discover Card, 6.250%, due 08/15/98	100,000	99.681	99,681	103.320	103,320
Allied Corp., zero coupon note, due 09/15/98	100,000	65.935	65,935	75.625	75,625
PepsiCo, Inc. note, 7.625%, due 11/01/98	50,000	99.758	49,879	109.500	54,750
Westinghouse Credit Corp. note, 8.875%, due 06/14/2014	150,000	112.517	168,776	115.854	173,781
Prudential Home Mtg., 2nd mtg., 7.000%, due 08/25/2023	300,000	100.000	300,000	99.750	299,250
			\$ 1,083,088		\$ 1,104,164
LOANS TO PARTICIPANTS					
7%-12%, fully secured by vested benefits, due 1994 through 1998	\$1,515,189	-	\$ 1,515,189	-	\$ 1,515,189
			\$34,726,116		\$43,922,622
			\$34,726,116		\$43,922,622

Schedule II

FIRST EMPIRE STATE CORPORATION
RETIREMENT SAVINGS PLAN AND TRUSTSchedule of Transactions in Excess of 5% of Fair Value of Plan Assets
For the Year Ended December 31, 1993

Description of asset	Purchases		Sales/distributions			
	Number of transactions	Cost	Number of transactions	Proceeds	Basis	Gain (loss)
Short-term investments:						
Vision Fiduciary Funds, Inc.						
Money Market Fund	385	\$12,777,536	209	\$12,500,936	12,500,936	-
Common stock:						
First Empire State Corporation	36	5,146,869	11	394,984	380,159	14,825