

Cortland and Binghamton, New York. At September 30, 1994, Ithaca Bancorp reported approximately \$458 million in assets and \$336 million in deposits. Prior to the Merger, Ithaca Bancorp's common stock had been quoted through the NASDAQ National Market System registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (File No. 0-18705).

First Empire will pay the holders of Ithaca Bancorp's common stock a cash consideration of \$19.00 per share. Based on the number of shares of Ithaca Bancorp common stock outstanding as of the Merger, the aggregate Merger consideration approximates \$44.2 million.

The foregoing description of the Merger and the Bank Merger are qualified in their entirety by reference to the Agreement and Plan of Merger dated as of March 31, 1994 by and among First Empire, Scholar Merger Corporation and Ithaca Bancorp filed as Exhibit No. 99.1 to First Empire's Current Report on Form 8-K dated April 1, 1994.

Moreover, on December 10, 1994, M&T Bank consummated the acquisition of six branches in Orange County and one branch in Rockland County, New York from Chemical Bank. M&T Bank assumed approximately \$146 million of deposit liabilities in the transaction.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

First Empire State Corporation

Date: December 14, 1994

By: /s/James L. Vardon
Executive Vice President
and Chief Financial

Officer

