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**M&T BANK CORPORATION ANNOUNCES 2016 FOURTH QUARTER
AND FULL-YEAR RESULTS**

BUFFALO, NEW YORK -- M&T Bank Corporation (“M&T”)(NYSE: MTB) today reported its results of operations for 2016.

GAAP Results of Operations. Diluted earnings per common share measured in accordance with generally accepted accounting principles (“GAAP”) for the fourth quarter of 2016 were \$1.98, up 20% from \$1.65 in the year-earlier quarter. GAAP-basis net income in the recent quarter aggregated \$331 million, 22% higher than \$271 million in the fourth quarter of 2015. Diluted earnings per common share and GAAP-basis net income were \$2.10 and \$350 million, respectively, in the third quarter of 2016. GAAP-basis net income for the final quarter of 2016 expressed as an annualized rate of return on average assets and average common shareholders' equity was 1.05% and 8.13%, respectively, compared with .93% and 7.22%, respectively, in the year-earlier quarter and 1.12% and 8.68%, respectively, in 2016's third quarter.

In the fourth and third quarters of 2016, M&T sold its holdings of collateralized debt obligations in response to the provisions of the so-called “Volcker Rule” realizing pre-tax gains of \$2 million and \$28 million, respectively. During the fourth quarter of 2016, M&T made a \$30 million tax-deductible cash contribution to The M&T Charitable Foundation. The after-tax impact of that contribution reduced the recent quarter's net income by \$18 million, or \$.12 of diluted earnings per common share.

Commenting on M&T's financial performance, Darren J. King, Executive Vice President and Chief Financial Officer, noted, “We are pleased with the recent quarter's results which were highlighted by an annualized 15% growth rate in M&T's commercial loan portfolios and a 3 basis point widening of the net interest margin as compared with the third quarter. Expenses remained well-controlled in the quarter. Consistent with recent performance, net charge-offs as a percentage of loans were below M&T's long-term average.”

Earnings Highlights

| (\$ in millions, except per share data) | 4Q16 | 4Q15 | 3Q16 | Change 4Q 2016 vs. | |
|---|---------|---------|---------|--------------------|------|
| | | | | 4Q15 | 3Q16 |
| Net income | \$ 331 | \$ 271 | \$ 350 | 22% | -6% |
| Net income available to common shareholders - diluted | \$ 308 | \$ 248 | \$ 327 | 24% | -6% |
| Diluted earnings per common share | \$ 1.98 | \$ 1.65 | \$ 2.10 | 20% | -6% |
| Annualized return on average assets | 1.05% | .93% | 1.12% | | |
| Annualized return on average common equity | 8.13% | 7.22% | 8.68% | | |

For the year ended December 31, 2016, diluted earnings per common share were \$7.78, up 8% from \$7.18 in 2015. GAAP-basis net income for 2016 aggregated \$1.32 billion, 22% higher than \$1.08 billion in 2015. Expressed as a rate of return on average assets, GAAP-basis net income was 1.06% in each of 2016 and 2015 while the rate of return on average common shareholders' equity was 8.16% in 2016 and 8.32% in 2015.

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 associated with merging acquired operations into M&T, since such items are considered by management to be "nonoperating" in nature. The amounts of such "nonoperating" expenses are presented in the tables that accompany this release. 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.

Diluted net operating earnings per common share were \$2.01 in the fourth quarter of 2016, compared with \$2.09 in the year-earlier quarter and \$2.13 in the third quarter of 2016. Net operating income during the recent quarter was \$336 million, compared with \$338 million in the fourth quarter of 2015 and \$356 million in 2016's third quarter. The combined impact of the securities transactions and the charitable contribution noted earlier increased net operating income in the third quarter and decreased such income in the fourth quarter of 2016 by \$17 million, or \$.11 per diluted common share. Expressed as an annualized rate of return on average tangible assets and average tangible common shareholders' equity, net operating income was 1.10% and 11.93%, respectively, in the recent quarter, compared with 1.21% and 13.26%, respectively, in the fourth quarter of 2015 and 1.18% and 12.77%, respectively, in the third quarter of 2016.

For the year ended December 31, 2016, diluted net operating earnings per common share were \$8.08, up 4% from \$7.74 in 2015. Net operating income in 2016 rose 18% to \$1.36 billion from \$1.16 billion in 2015. Expressed as a rate of return on average tangible assets and average tangible common shareholders' equity, net operating income was 1.14% and 12.25%, respectively, in 2016 and 1.18% and 13.00%, respectively, in 2015.

Taxable-equivalent Net Interest Income. Net interest income expressed on a taxable-equivalent basis totaled \$883 million in the fourth quarter of 2016, up 9% from \$813 million in the year-earlier quarter. Contributing to that improvement was a 10% increase in average earning assets, which grew to \$114.3 billion in the recent quarter from \$103.6 billion in the fourth quarter of 2015. The growth in earning assets was predominantly the result of higher average loans, which rose to \$90.0 billion in the recent quarter, up \$8.9 billion, or 11%, from the fourth quarter of 2015. Partially offsetting the favorable impact of the asset growth was a 4 basis point narrowing of the net interest margin to 3.08% in the recent quarter from 3.12% in the fourth quarter of 2015. The narrowing reflects higher rates paid on interest-bearing time deposits associated with the acquisition of Hudson City Bancorp, Inc. (“Hudson City”). Taxable-equivalent net interest income in the recent quarter was 2% higher than \$865 million in the third quarter of 2016. The improvement resulted from a \$1.4 billion increase in average earning assets, due to growth in average balances of investment securities and loans, and a 3 basis point widening of the net interest margin from 3.05% in the third quarter of 2016. That widening reflects the impact of higher interest rates resulting from actions initiated in December by the Federal Reserve to increase its target federal funds rate.

Taxable-equivalent Net Interest Income

| (\$ in millions) | 4Q16 | 4Q15 | 3Q16 | Change 4Q 2016 vs. | |
|--|------------|------------|------------|--------------------|------|
| | | | | 4Q15 | 3Q16 |
| Average earning assets | \$ 114,254 | \$ 103,587 | \$ 112,864 | 10% | 1% |
| Net interest income - taxable equivalent | \$ 883 | \$ 813 | \$ 865 | 9% | 2% |
| Net interest margin | 3.08% | 3.12% | 3.05% | | |

Provision for Credit Losses/Asset Quality. The provision for credit losses was \$62 million in the recent quarter, \$58 million in the fourth quarter of 2015 and \$47 million in 2016’s third quarter. Net charge-offs of loans were \$49 million during the fourth quarter of 2016, compared with \$36 million and \$41 million in the fourth quarter of 2015 and third quarter of 2016, respectively. Expressed as an annualized percentage of average loans outstanding, net charge-offs were .22% and .18% in the fourth quarters of 2016 and 2015, respectively, and .19% in the third quarter of 2016. The provision for credit losses was \$190 million for the year ended December 31, 2016, compared with \$170 million in 2015. Net loan charge-offs during 2016 and 2015 totaled \$157 million and \$134 million, respectively, or .18% and .19%, respectively, of average loans outstanding.

Loans classified as nonaccrual totaled \$920 million, or 1.01% of total loans outstanding at December 31, 2016, compared with \$799 million or .91% at December 31, 2015 and \$837 million or .93% at September 30, 2016. The higher level of nonaccrual loans at the recent quarter-end as compared with September 30, 2016 reflects higher commercial loans in this category and the normal migration of previously performing loans obtained in the acquisition of Hudson City that became past due over 90 days during the fourth quarter of 2016, and, as such, were not identifiable as purchased impaired as of the acquisition date. Nonaccrual Hudson City-related

residential real estate loans aggregated \$190 million and \$149 million at December 31 and September 30, 2016, respectively. Following the acquisition accounting provisions of GAAP, Hudson City-related loans classified as nonaccrual were insignificant at December 31, 2015. Assets taken in foreclosure of defaulted loans totaled \$139 million at December 31, 2016, compared with \$195 million a year earlier and \$160 million at September 30, 2016.

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 totaled \$989 million at December 31, 2016, compared with \$956 million at December 31, 2015 and \$976 million at September 30, 2016. The allowance represented 1.09% of loans outstanding at each of those dates.

Asset Quality Metrics

| (\$ in millions) | 4Q16 | 4Q15 | 3Q16 | Change 4Q 2016 vs. | |
|---|----------|--------|--------|--------------------|------|
| | | | | 4Q15 | 3Q16 |
| <u>At end of quarter</u> | | | | | |
| Nonaccrual loans | \$ 920 | \$ 799 | \$ 837 | 15% | 10% |
| Real estate and other foreclosed assets | \$ 139 | \$ 195 | \$ 160 | -29% | -13% |
| Total nonperforming assets | \$ 1,059 | \$ 994 | \$ 997 | 7% | 6% |
| Accruing loans past due 90 days or more (1) | \$ 301 | \$ 317 | \$ 317 | -5% | -5% |
| Nonaccrual loans as % of loans outstanding | 1.01% | .91% | .93% | | |
| Allowance for credit losses | \$ 989 | \$ 956 | \$ 976 | 3% | 1% |
| Allowance for credit losses as % of loans outstanding | 1.09% | 1.09% | 1.09% | | |
| <u>For the period</u> | | | | | |
| Provision for credit losses | \$ 62 | \$ 58 | \$ 47 | 7% | 32% |
| Net charge-offs | \$ 49 | \$ 36 | \$ 41 | 37% | 19% |
| Net charge-offs as % of average loans (annualized) | .22% | .18% | .19% | | |

(1) Excludes loans acquired at a discount. Predominantly residential real estate loans.

Noninterest Income and Expense. Noninterest income totaled \$465 million in the recent quarter, compared with \$448 million in the fourth quarter of 2015 and \$491 million in the third quarter of 2016. The recent quarter's improvement as compared with the final 2015 quarter resulted largely from higher mortgage banking revenues and trust income. As compared with the third quarter of 2016, lower gains on investment securities and declines in residential mortgage banking revenues and trading account and foreign exchange gains were the predominant factors for the recent quarter's decline in noninterest income.

Noninterest Income

| (\$ in millions) | 4Q16 | 4Q15 | 3Q16 | Change 4Q 2016 vs. | |
|--|--------|--------|--------|--------------------|------|
| | | | | 4Q15 | 3Q16 |
| Mortgage banking revenues | \$ 98 | \$ 88 | \$ 104 | 13% | -5% |
| Service charges on deposit accounts | 105 | 106 | 108 | -1% | -3% |
| Trust income | 122 | 114 | 119 | 6% | 3% |
| Brokerage services income | 15 | 15 | 16 | -2% | -4% |
| Trading account and foreign exchange gains | 7 | 10 | 12 | -23% | -40% |
| Gain (loss) on bank investment securities | 2 | — | 28 | — | — |
| Other revenues from operations | 116 | 115 | 104 | 1% | 11% |
| Total other income | \$ 465 | \$ 448 | \$ 491 | 4% | -5% |

Noninterest income totaled \$1.83 billion in each of 2016 and 2015. Higher gains on investment securities and trading account and foreign exchange activities in 2016 were offset by a \$45 million gain in 2015 from the sale of M&T's trade processing business.

Noninterest expense totaled \$769 million in the fourth quarter of 2016, \$786 million in the fourth quarter of 2015 and \$752 million in the third quarter of 2016. 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 \$760 million in the recent quarter, \$701 million in the fourth quarter of 2015 and \$743 million in the third quarter of 2016. Significant factors for the higher level of operating expenses in the recent quarter as compared with the final quarter of 2015 were the \$30 million contribution to The M&T Charitable Foundation and higher FDIC assessments. The increase in operating expense from the third quarter of 2016 also resulted from the recent quarter's charitable contribution that was partially offset by lower salaries and benefits and equipment and net occupancy costs.

Noninterest Expense

| (\$ in millions) | 4Q16 | 4Q15 | 3Q16 | Change 4Q 2016 vs. | |
|--|--------|--------|--------|--------------------|------|
| | | | | 4Q15 | 3Q16 |
| Salaries and employee benefits | \$ 393 | \$ 434 | \$ 400 | -9% | -2% |
| Equipment and net occupancy | 70 | 71 | 75 | -1% | -7% |
| Outside data processing and software | 44 | 45 | 43 | -3% | 3% |
| FDIC assessments | 29 | 20 | 28 | 48% | 2% |
| Advertising and marketing | 21 | 18 | 22 | 18% | -4% |
| Printing, postage and supplies | 9 | 11 | 9 | -20% | -3% |
| Amortization of core deposit and other intangible assets | 9 | 9 | 10 | -5% | -7% |
| Other costs of operations | 194 | 178 | 165 | 9% | 17% |
| Total other expense | \$ 769 | \$ 786 | \$ 752 | -2% | 2% |
| Memo: Merger-related expenses included in above | \$ — | \$ 76 | \$ — | | |

For the year ended December 31, 2016, noninterest expense aggregated \$3.05 billion, compared with \$2.82 billion in 2015. Noninterest operating expenses were \$2.97 billion and \$2.72 billion in 2016 and 2015,

respectively. Those increases reflect the full year impact of noninterest expenses associated with Hudson City that was acquired by M&T on November 1, 2015.

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), measures the relationship of operating expenses to revenues. M&T's efficiency ratio was 56.4% in the recent quarter, 55.5% in the year-earlier quarter and 55.9% in the third quarter of 2016. The efficiency ratio for the full year 2016 was 56.1%, improved from 58.0% in 2015.

Balance Sheet. M&T had total assets of \$123.4 billion at December 31, 2016, compared with \$122.8 billion at December 31, 2015. Investment securities totaled \$16.3 billion at the end of 2016, up 4% from \$15.7 billion at December 31, 2015. Loans and leases, net of unearned discount, aggregated \$90.9 billion at December 31, 2016, \$3.4 billion or 4% above \$87.5 billion a year earlier. Total deposits also increased 4% to \$95.5 billion at the recent year-end from \$92.0 billion at December 31, 2015.

Total shareholders' equity rose 2% to \$16.5 billion at December 31, 2016 from \$16.2 billion a year earlier, representing 13.35% and 13.17%, respectively, of total assets. Common shareholders' equity was \$15.3 billion, or \$97.64 per share, at December 31, 2016, compared with \$14.9 billion, or \$93.60 per share, at December 31, 2015. Tangible equity per common share of \$67.85 at December 31, 2016 was up 6% from \$64.28 at December 31, 2015. Common shareholders' equity per share and tangible equity per common share were \$97.47 and \$67.42, respectively, at September 30, 2016. 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 estimates that the ratio of Common Equity Tier 1 to risk-weighted assets under regulatory capital rules was approximately 10.96% at December 31, 2016.

In accordance with its 2016 capital plan, M&T repurchased 300,000 shares of its common stock during the recent quarter at an average cost per share of \$124.45, for a total cost of \$37 million. During 2016, M&T repurchased a total of 5,607,595 shares of its common stock at an average cost per share of \$114.37, for a total cost of \$641 million.

Conference Call. Investors will have an opportunity to listen to M&T's conference call to discuss fourth quarter and full-year 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 #46296658. The conference call will be webcast live through M&T's website at <http://ir.mandtbank.com/events.cfm>. A replay of the call will be available through Tuesday, January 24, 2017 by calling (800)585-8367, or (404)537-3406 for international participants, and by making reference to ID #46296658. The event will also be archived and available by 7:00 p.m. today on M&T's website at <http://ir.mandtbank.com/events.cfm>.

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M&T BANK CORPORATION

M&T is a financial holding company headquartered in Buffalo, New York. M&T's principal banking subsidiary, M&T Bank, operates banking offices in New York, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Virginia, West Virginia and the District of Columbia. 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 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 December 31 | | | Year ended December 31 | | |
|--|-----------------------------------|-----------|--------|---------------------------|-----------|--------|
| | 2016 | 2015 | Change | 2016 | 2015 | Change |
| Performance | | | | | | |
| Net income | \$ 330,571 | 270,965 | 22% | \$ 1,315,114 | 1,079,667 | 22% |
| Net income available to common shareholders | 307,797 | 248,059 | 24% | 1,223,481 | 987,724 | 24% |
| Per common share: | | | | | | |
| Basic earnings | \$ 1.98 | 1.65 | 20% | \$ 7.80 | 7.22 | 8% |
| Diluted earnings | 1.98 | 1.65 | 20% | 7.78 | 7.18 | 8% |
| Cash dividends | \$.70 | .70 | — | \$ 2.80 | 2.80 | — |
| Common shares outstanding: | | | | | | |
| Average - diluted (1) | 155,700 | 150,718 | 3% | 157,304 | 137,533 | 14% |
| Period end (2) | 156,213 | 159,600 | -2% | 156,213 | 159,600 | -2% |
| Return on (annualized): | | | | | | |
| Average total assets | 1.05% | .93% | | 1.06% | 1.06% | |
| Average common shareholders' equity | 8.13% | 7.22% | | 8.16% | 8.32% | |
| Taxable-equivalent net interest income | \$ 883,147 | 813,401 | 9% | \$ 3,496,849 | 2,867,050 | 22% |
| Yield on average earning assets | 3.45% | 3.48% | | 3.49% | 3.50% | |
| Cost of interest-bearing liabilities | .57% | .54% | | .56% | .55% | |
| Net interest spread | 2.88% | 2.94% | | 2.93% | 2.95% | |
| Contribution of interest-free funds | .20% | .18% | | .18% | .19% | |
| Net interest margin | 3.08% | 3.12% | | 3.11% | 3.14% | |
| Net charge-offs to average total net loans (annualized) | .22% | .18% | | .18% | .19% | |
| Net operating results (3) | | | | | | |
| Net operating income | \$ 336,095 | 337,613 | — | \$ 1,362,692 | 1,156,637 | 18% |
| Diluted net operating earnings per common share | 2.01 | 2.09 | -4% | 8.08 | 7.74 | 4% |
| Return on (annualized): | | | | | | |
| Average tangible assets | 1.10% | 1.21% | | 1.14% | 1.18% | |
| Average tangible common equity | 11.93% | 13.26% | | 12.25% | 13.00% | |
| Efficiency ratio | 56.42% | 55.53% | | 56.10% | 57.98% | |
| At December 31 | | | | | | |
| Loan quality | | | | | | |
| Nonaccrual loans | \$ 920,015 | 799,409 | 15% | | | |
| Real estate and other foreclosed assets | 139,206 | 195,085 | -29% | | | |
| Total nonperforming assets | \$ 1,059,221 | 994,494 | 7% | | | |
| Accruing loans past due 90 days or more (4) | \$ 300,659 | 317,441 | -5% | | | |
| Government guaranteed loans included in totals above: | | | | | | |
| Nonaccrual loans | \$ 40,610 | 47,052 | -14% | | | |
| Accruing loans past due 90 days or more | 282,659 | 276,285 | 2% | | | |
| Renegotiated loans | \$ 190,374 | 182,865 | 4% | | | |
| Accruing loans acquired at a discount past due 90 days or more (5) | \$ 61,144 | 68,473 | -11% | | | |
| Purchased impaired loans (6): | | | | | | |
| Outstanding customer balance | \$ 927,446 | 1,204,004 | -23% | | | |
| Carrying amount | 578,032 | 768,329 | -25% | | | |
| Nonaccrual loans to total net loans | 1.01% | .91% | | | | |
| Allowance for credit losses to total loans | 1.09% | 1.09% | | | | |

- (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 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 on page 15.
- (4) Excludes loans acquired at a discount. Predominantly residential real estate loans.
- (5) Loans acquired at a discount that were recorded at fair value at acquisition date. This category does not include purchased impaired loans that are presented separately.
- (6) Accruing loans acquired at a discount that were impaired at acquisition date and recorded at fair value.

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M&T BANK CORPORATION

Financial Highlights, Five Quarter Trend

| Amounts in thousands, except per share | Three months ended | | | | |
|--|----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 |
| Performance | | | | | |
| Net income | \$ 330,571 | 349,984 | 336,031 | 298,528 | 270,965 |
| Net income available to common shareholders | 307,797 | 326,998 | 312,974 | 275,748 | 248,059 |
| Per common share: | | | | | |
| Basic earnings | \$ 1.98 | 2.10 | 1.98 | 1.74 | 1.65 |
| Diluted earnings | 1.98 | 2.10 | 1.98 | 1.73 | 1.65 |
| Cash dividends | \$.70 | .70 | .70 | .70 | .70 |
| Common shares outstanding: | | | | | |
| Average - diluted (1) | 155,700 | 156,026 | 158,341 | 159,181 | 150,718 |
| Period end (2) | 156,213 | 154,987 | 157,917 | 159,156 | 159,600 |
| Return on (annualized): | | | | | |
| Average total assets | 1.05% | 1.12% | 1.09% | .97% | .93% |
| Average common shareholders' equity | 8.13% | 8.68% | 8.38% | 7.44% | 7.22% |
| Taxable-equivalent net interest income | \$ 883,147 | 865,065 | 870,341 | 878,296 | 813,401 |
| Yield on average earning assets | 3.45% | 3.44% | 3.51% | 3.54% | 3.48% |
| Cost of interest-bearing liabilities | .57% | .59% | .56% | .53% | .54% |
| Net interest spread | 2.88% | 2.85% | 2.95% | 3.01% | 2.94% |
| Contribution of interest-free funds | .20% | .20% | .18% | .17% | .18% |
| Net interest margin | 3.08% | 3.05% | 3.13% | 3.18% | 3.12% |
| Net charge-offs to average total net loans (annualized) | .22% | .19% | .11% | .19% | .18% |
| Net operating results (3) | | | | | |
| Net operating income | \$ 336,095 | 355,929 | 350,604 | 320,064 | 337,613 |
| Diluted net operating earnings per common share | 2.01 | 2.13 | 2.07 | 1.87 | 2.09 |
| Return on (annualized): | | | | | |
| Average tangible assets | 1.10% | 1.18% | 1.18% | 1.09% | 1.21% |
| Average tangible common equity | 11.93% | 12.77% | 12.68% | 11.62% | 13.26% |
| Efficiency ratio | 56.42% | 55.92% | 55.06% | 57.00% | 55.53% |
| Loan quality | | | | | |
| | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 |
| Nonaccrual loans | \$ 920,015 | 837,362 | 848,855 | 876,691 | 799,409 |
| Real estate and other foreclosed assets | 139,206 | 159,881 | 172,473 | 188,004 | 195,085 |
| Total nonperforming assets | \$ 1,059,221 | 997,243 | 1,021,328 | 1,064,695 | 994,494 |
| Accruing loans past due 90 days or more (4) | \$ 300,659 | 317,282 | 298,449 | 336,170 | 317,441 |
| Government guaranteed loans included in totals above: | | | | | |
| Nonaccrual loans | \$ 40,610 | 47,130 | 52,486 | 49,688 | 47,052 |
| Accruing loans past due 90 days or more | 282,659 | 282,077 | 269,962 | 279,340 | 276,285 |
| Renegotiated loans | \$ 190,374 | 217,559 | 211,159 | 200,771 | 182,865 |
| Accruing loans acquired at a discount past due 90 days or more (5) | \$ 61,144 | 65,182 | 68,591 | 61,767 | 68,473 |
| Purchased impaired loans (6): | | | | | |
| Outstanding customer balance | \$ 927,446 | 981,105 | 1,040,678 | 1,124,776 | 1,204,004 |
| Carrying amount | 578,032 | 616,991 | 662,059 | 715,874 | 768,329 |
| Nonaccrual loans to total net loans | 1.01% | .93% | .96% | 1.00% | .91% |
| Allowance for credit losses to total loans | 1.09% | 1.09% | 1.10% | 1.10% | 1.09% |

(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 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 on page 16.

(4) Excludes loans acquired at a discount. Predominantly residential real estate loans.

(5) Loans acquired at a discount that were recorded at fair value at acquisition date. This category does not include purchased impaired loans that are presented separately.

(6) Accruing loans acquired at a discount that were impaired at acquisition date and recorded at fair value.

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M&T BANK CORPORATION

Condensed Consolidated Statement of Income

| Dollars in thousands | Three months ended December 31 | | | Year ended December 31 | | |
|--|-----------------------------------|---------|--------|---------------------------|-----------|--------|
| | 2016 | 2015 | Change | 2016 | 2015 | Change |
| Interest income | \$ 982,901 | 902,377 | 9% | \$ 3,895,871 | 3,170,844 | 23% |
| Interest expense | 107,137 | 95,333 | 12 | 425,984 | 328,257 | 30 |
| Net interest income | 875,764 | 807,044 | 9 | 3,469,887 | 2,842,587 | 22 |
| Provision for credit losses | 62,000 | 58,000 | 7 | 190,000 | 170,000 | 12 |
| Net interest income after provision for credit losses | 813,764 | 749,044 | 9 | 3,279,887 | 2,672,587 | 23 |
| Other income | | | | | | |
| Mortgage banking revenues | 98,504 | 87,500 | 13 | 373,697 | 375,738 | -1 |
| Service charges on deposit accounts | 104,890 | 105,748 | -1 | 419,102 | 420,608 | — |
| Trust income | 122,003 | 114,564 | 6 | 472,184 | 470,640 | — |
| Brokerage services income | 15,233 | 15,546 | -2 | 63,423 | 64,770 | -2 |
| Trading account and foreign exchange gains | 7,692 | 9,938 | -23 | 41,126 | 30,577 | 34 |
| Gain (loss) on bank investment securities | 1,566 | (22) | — | 30,314 | (130) | — |
| Other revenues from operations | 115,571 | 114,834 | 1 | 426,150 | 462,834 | -8 |
| Total other income | 465,459 | 448,108 | 4 | 1,825,996 | 1,825,037 | — |
| Other expense | | | | | | |
| Salaries and employee benefits | 393,354 | 434,413 | -9 | 1,623,600 | 1,549,530 | 5 |
| Equipment and net occupancy | 69,976 | 70,747 | -1 | 295,141 | 272,539 | 8 |
| Outside data processing and software | 43,987 | 45,251 | -3 | 172,389 | 164,133 | 5 |
| FDIC assessments | 28,991 | 19,562 | 48 | 105,045 | 52,113 | 102 |
| Advertising and marketing | 21,074 | 17,892 | 18 | 87,137 | 59,227 | 47 |
| Printing, postage and supplies | 8,681 | 10,905 | -20 | 39,546 | 38,491 | 3 |
| Amortization of core deposit and other intangible assets | 9,089 | 9,576 | -5 | 42,613 | 26,424 | 61 |
| Other costs of operations | 193,951 | 177,767 | 9 | 682,014 | 660,475 | 3 |
| Total other expense | 769,103 | 786,113 | -2 | 3,047,485 | 2,822,932 | 8 |
| Income before income taxes | 510,120 | 411,039 | 24 | 2,058,398 | 1,674,692 | 23 |
| Applicable income taxes | 179,549 | 140,074 | 28 | 743,284 | 595,025 | 25 |
| Net income | \$ 330,571 | 270,965 | 22% | \$ 1,315,114 | 1,079,667 | 22% |

- more -

11-11-11-11-11

M&T BANK CORPORATION

Condensed Consolidated Statement of Income, Five Quarter Trend

| Dollars in thousands | Three months ended | | | | |
|--|----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 |
| Interest income | \$ 982,901 | 969,515 | 970,621 | 972,834 | 902,377 |
| Interest expense | 107,137 | 111,175 | 106,802 | 100,870 | 95,333 |
| Net interest income | 875,764 | 858,340 | 863,819 | 871,964 | 807,044 |
| Provision for credit losses | 62,000 | 47,000 | 32,000 | 49,000 | 58,000 |
| Net interest income after provision for credit losses | 813,764 | 811,340 | 831,819 | 822,964 | 749,044 |
| Other income | | | | | |
| Mortgage banking revenues | 98,504 | 103,747 | 89,383 | 82,063 | 87,500 |
| Service charges on deposit accounts | 104,890 | 107,935 | 103,872 | 102,405 | 105,748 |
| Trust income | 122,003 | 118,654 | 120,450 | 111,077 | 114,564 |
| Brokerage services income | 15,233 | 15,914 | 16,272 | 16,004 | 15,546 |
| Trading account and foreign exchange gains | 7,692 | 12,754 | 13,222 | 7,458 | 9,938 |
| Gain (loss) on bank investment securities | 1,566 | 28,480 | 264 | 4 | (22) |
| Other revenues from operations | 115,571 | 103,866 | 104,791 | 101,922 | 114,834 |
| Total other income | 465,459 | 491,350 | 448,254 | 420,933 | 448,108 |
| Other expense | | | | | |
| Salaries and employee benefits | 393,354 | 399,786 | 398,675 | 431,785 | 434,413 |
| Equipment and net occupancy | 69,976 | 75,263 | 75,724 | 74,178 | 70,747 |
| Outside data processing and software | 43,987 | 42,878 | 42,509 | 43,015 | 45,251 |
| FDIC assessments | 28,991 | 28,459 | 22,370 | 25,225 | 19,562 |
| Advertising and marketing | 21,074 | 21,996 | 22,613 | 21,454 | 17,892 |
| Printing, postage and supplies | 8,681 | 8,972 | 9,907 | 11,986 | 10,905 |
| Amortization of core deposit and other intangible assets | 9,089 | 9,787 | 11,418 | 12,319 | 9,576 |
| Other costs of operations | 193,951 | 165,251 | 166,679 | 156,133 | 177,767 |
| Total other expense | 769,103 | 752,392 | 749,895 | 776,095 | 786,113 |
| Income before income taxes | 510,120 | 550,298 | 530,178 | 467,802 | 411,039 |
| Applicable income taxes | 179,549 | 200,314 | 194,147 | 169,274 | 140,074 |
| Net income | \$ 330,571 | 349,984 | 336,031 | 298,528 | 270,965 |

- more -

12-12-12-12

M&T BANK CORPORATION

Condensed Consolidated Balance Sheet

| Dollars in thousands | December 31 | | Change |
|--|-----------------------|--------------------|--------|
| | 2016 | 2015 | |
| ASSETS | | | |
| Cash and due from banks | \$ 1,320,549 | 1,368,040 | -3 % |
| Interest-bearing deposits at banks | 5,000,638 | 7,594,350 | -34 |
| Trading account assets | 323,867 | 273,783 | 18 |
| Investment securities | 16,250,468 | 15,656,439 | 4 |
| Loans and leases: | | | |
| Commercial, financial, etc. | 22,610,047 | 20,422,338 | 11 |
| Real estate - commercial | 33,506,394 | 29,197,311 | 15 |
| Real estate - consumer | 22,590,912 | 26,270,103 | -14 |
| Consumer | 12,146,063 | 11,599,747 | 5 |
| Total loans and leases, net of unearned discount | 90,853,416 | 87,489,499 | 4 |
| Less: allowance for credit losses | 988,997 | 955,992 | 3 |
| Net loans and leases | 89,864,419 | 86,533,507 | 4 |
| Goodwill | 4,593,112 | 4,593,112 | — |
| Core deposit and other intangible assets | 97,655 | 140,268 | -30 |
| Other assets | 5,998,498 | 6,628,385 | -10 |
| Total assets | <u>\$ 123,449,206</u> | <u>122,787,884</u> | 1 % |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Noninterest-bearing deposits | \$ 32,456,102 | 29,110,635 | 11 % |
| Interest-bearing deposits | 62,835,847 | 62,677,036 | — |
| Deposits at Cayman Islands office | 201,927 | 170,170 | 19 |
| Total deposits | 95,493,876 | 91,957,841 | 4 |
| Short-term borrowings | 163,442 | 2,132,182 | -92 |
| Accrued interest and other liabilities | 1,811,431 | 1,870,714 | -3 |
| Long-term borrowings | 9,493,835 | 10,653,858 | -11 |
| Total liabilities | 106,962,584 | 106,614,595 | — |
| Shareholders' equity: | | | |
| Preferred | 1,231,500 | 1,231,500 | — |
| Common (1) | 15,255,122 | 14,941,789 | 2 |
| Total shareholders' equity | 16,486,622 | 16,173,289 | 2 |
| Total liabilities and shareholders' equity | <u>\$ 123,449,206</u> | <u>122,787,884</u> | 1 % |

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$294.6 million at December 31, 2016 and \$251.6 million at December 31, 2015.

13-13-13-13

M&T BANK CORPORATION

Condensed Consolidated Balance Sheet, Five Quarter Trend

| Dollars in thousands | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 |
|--|----------------------|-----------------------|--------------------|--------------------|----------------------|
| ASSETS | | | | | |
| Cash and due from banks | \$ 1,320,549 | 1,332,202 | 1,284,442 | 1,178,175 | 1,368,040 |
| Interest-bearing deposits at banks | 5,000,638 | 10,777,636 | 8,474,839 | 9,545,181 | 7,594,350 |
| Trading account assets | 323,867 | 488,588 | 506,131 | 467,987 | 273,783 |
| Investment securities | 16,250,468 | 14,733,574 | 14,963,084 | 15,467,320 | 15,656,439 |
| Loans and leases: | | | | | |
| Commercial, financial, etc. | 22,610,047 | 21,917,163 | 21,469,242 | 21,226,577 | 20,422,338 |
| Real estate - commercial | 33,506,394 | 32,078,762 | 30,711,230 | 29,713,293 | 29,197,311 |
| Real estate - consumer | 22,590,912 | 23,584,420 | 24,530,249 | 25,299,638 | 26,270,103 |
| Consumer | 12,146,063 | 12,066,147 | 11,811,277 | 11,632,958 | 11,599,747 |
| Total loans and leases, net of unearned discount | 90,853,416 | 89,646,492 | 88,521,998 | 87,872,466 | 87,489,499 |
| Less: allowance for credit losses | 988,997 | 976,121 | 970,496 | 962,752 | 955,992 |
| Net loans and leases | 89,864,419 | 88,670,371 | 87,551,502 | 86,909,714 | 86,533,507 |
| Goodwill | 4,593,112 | 4,593,112 | 4,593,112 | 4,593,112 | 4,593,112 |
| Core deposit and other intangible assets | 97,655 | 106,744 | 116,531 | 127,949 | 140,268 |
| Other assets | 5,998,498 | 6,138,801 | 6,330,943 | 6,336,194 | 6,628,385 |
| Total assets | <u>\$123,449,206</u> | <u>126,841,028</u> | <u>123,820,584</u> | <u>124,625,632</u> | <u>122,787,884</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Noninterest-bearing deposits | \$ 32,456,102 | 33,127,627 | 30,700,066 | 29,709,218 | 29,110,635 |
| Interest-bearing deposits | 62,835,847 | 64,786,035 | 63,756,514 | 64,338,571 | 62,677,036 |
| Deposits at Cayman Islands office | 201,927 | 223,183 | 193,523 | 166,787 | 170,170 |
| Total deposits | 95,493,876 | 98,136,845 | 94,650,103 | 94,214,576 | 91,957,841 |
| Short-term borrowings | 163,442 | 213,846 | 407,123 | 1,766,826 | 2,132,182 |
| Accrued interest and other liabilities | 1,811,431 | 1,938,201 | 1,963,093 | 1,948,142 | 1,870,714 |
| Long-term borrowings | 9,493,835 | 10,211,160 | 10,328,751 | 10,341,035 | 10,653,858 |
| Total liabilities | 106,962,584 | 110,500,052 | 107,349,070 | 108,270,579 | 106,614,595 |
| Shareholders' equity: | | | | | |
| Preferred | 1,231,500 | 1,231,500 | 1,231,500 | 1,231,500 | 1,231,500 |
| Common (1) | 15,255,122 | 15,109,476 | 15,240,014 | 15,123,553 | 14,941,789 |
| Total shareholders' equity | 16,486,622 | 16,340,976 | 16,471,514 | 16,355,053 | 16,173,289 |
| Total liabilities and shareholders' equity | <u>\$123,449,206</u> | <u>126,841,028</u> | <u>123,820,584</u> | <u>124,625,632</u> | <u>122,787,884</u> |

- (1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$294.6 million at December 31, 2016, \$114.6 million at September 30, 2016, \$101.0 million at June 30, 2016, \$150.2 million at March 31, 2016 and \$251.6 million at December 31, 2015.

14-14-14-14

M&T BANK CORPORATION

Condensed Consolidated Average Balance Sheet and Annualized Taxable-equivalent Rates

| Dollars in millions | Three months ended | | | | | | Change in balance | | Year ended | | | | Change in balance |
|---|--------------------|-------|-------------------|-------|--------------------|-------|---|------|-------------------|-------|-------------------|-------|-------------------|
| | December 31, 2016 | | December 31, 2015 | | September 30, 2016 | | December 31, 2016 from September 30, 2016 | | December 31, 2016 | | December 31, 2015 | | |
| | Balance | Rate | Balance | Rate | Balance | Rate | 2015 | 2016 | Balance | Rate | Balance | Rate | |
| ASSETS | | | | | | | | | | | | | |
| Interest-bearing deposits at banks | \$ 8,790 | .54 % | 6,622 | .30 % | 9,681 | .51 % | 33 % | -9 % | \$ 8,846 | .51 % | 5,775 | .26 % | 53 % |
| Federal funds sold | — | — | 1 | .54 | — | — | -100 | — | — | — | 34 | .10 | -100 |
| Trading account assets | 70 | 2.05 | 68 | 1.88 | 90 | 1.52 | 3 | -22 | 85 | 1.71 | 86 | 1.44 | -2 |
| Investment securities | 15,417 | 2.28 | 15,786 | 2.55 | 14,361 | 2.38 | -2 | 7 | 15,009 | 2.44 | 14,456 | 2.62 | 4 |
| Loans and leases, net of unearned discount | | | | | | | | | | | | | |
| Commercial, financial, etc. | 21,936 | 3.47 | 20,221 | 3.23 | 21,480 | 3.44 | 8 | 2 | 21,397 | 3.44 | 19,899 | 3.21 | 8 |
| Real estate - commercial | 32,822 | 4.01 | 28,973 | 4.11 | 31,252 | 4.00 | 13 | 5 | 30,915 | 4.06 | 28,276 | 4.16 | 9 |
| Real estate - consumer | 23,096 | 3.88 | 20,369 | 4.01 | 24,058 | 3.92 | 13 | -4 | 24,463 | 3.92 | 11,458 | 4.09 | 114 |
| Consumer | 12,123 | 4.53 | 11,547 | 4.44 | 11,942 | 4.55 | 5 | 2 | 11,841 | 4.54 | 11,203 | 4.46 | 6 |
| Total loans and leases, net | 89,977 | 3.93 | 81,110 | 3.92 | 88,732 | 3.93 | 11 | 1 | 88,616 | 3.96 | 70,836 | 3.95 | 25 |
| Total earning assets | 114,254 | 3.45 | 103,587 | 3.48 | 112,864 | 3.44 | 10 | 1 | 112,556 | 3.49 | 91,187 | 3.50 | 23 |
| Goodwill | 4,593 | | 4,218 | | 4,593 | | 9 | — | 4,593 | | 3,694 | | 24 |
| Core deposit and other intangible assets | | | | | | | | | | | | | |
| | 102 | | 101 | | 112 | | — | -9 | 117 | | 45 | | 163 |
| Other assets | 6,785 | | 7,146 | | 7,156 | | -5 | -5 | 7,074 | | 6,854 | | 3 |
| Total assets | <u>\$ 125,734</u> | | <u>115,052</u> | | <u>124,725</u> | | 9 % | 1 % | <u>\$ 124,340</u> | | <u>101,780</u> | | 22 % |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | | | | |
| Interest-bearing deposits | | | | | | | | | | | | | |
| Savings and interest-checking deposits | | | | | | | | | | | | | |
| | \$ 54,055 | .20 | 47,305 | .11 | 52,516 | .18 | 14 % | 3 % | \$ 52,194 | .17 | 43,885 | .11 | 19 % |
| Time deposits | 10,936 | .86 | 9,686 | .65 | 12,334 | .90 | 13 | -11 | 12,253 | .84 | 4,641 | .58 | 164 |
| Deposits at Cayman Islands office | 206 | .42 | 224 | .30 | 220 | .37 | -8 | -6 | 199 | .40 | 216 | .28 | -8 |
| Total interest-bearing deposits | 65,197 | .31 | 57,215 | .21 | 65,070 | .32 | 14 | — | 64,646 | .30 | 48,742 | .15 | 33 |
| Short-term borrowings | 200 | .30 | 1,615 | .39 | 231 | .29 | -88 | -14 | 894 | .41 | 548 | .31 | 63 |
| Long-term borrowings | 9,901 | 2.26 | 10,748 | 2.36 | 10,287 | 2.28 | -8 | -4 | 10,252 | 2.25 | 10,217 | 2.47 | — |
| Total interest-bearing liabilities | 75,298 | .57 | 69,578 | .54 | 75,588 | .59 | 8 | — | 75,792 | .56 | 59,507 | .55 | 27 |
| Noninterest-bearing deposits | 31,717 | | 28,443 | | 30,782 | | 12 | 3 | 30,160 | | 27,324 | | 10 |
| Other liabilities | 2,046 | | 2,024 | | 2,008 | | 1 | 2 | 1,969 | | 1,721 | | 14 |
| Total liabilities | 109,061 | | 100,045 | | 108,378 | | 9 | 1 | 107,921 | | 88,552 | | 22 |
| Shareholders' equity | 16,673 | | 15,007 | | 16,347 | | 11 | 2 | 16,419 | | 13,228 | | 24 |
| Total liabilities and shareholders' equity | <u>\$ 125,734</u> | | <u>115,052</u> | | <u>124,725</u> | | 9 % | 1 % | <u>\$ 124,340</u> | | <u>101,780</u> | | 22 % |
| Net interest spread | 2.88 | | 2.94 | | 2.85 | | | | 2.93 | | 2.95 | | |
| Contribution of interest-free funds | .20 | | .18 | | .20 | | | | .18 | | .19 | | |
| Net interest margin | 3.08 % | | 3.12 % | | 3.05 % | | | | 3.11 % | | 3.14 % | | |

- more -

15-15-15-15

M&T BANK CORPORATION

Reconciliation of GAAP to Non-GAAP Measures

| | Three months ended December 31 | | Year ended December 31 | |
|---|-----------------------------------|------------------|---------------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Income statement data | | | | |
| In thousands, except per share | | | | |
| Net income | | | | |
| Net income | \$ 330,571 | 270,965 | 1,315,114 | 1,079,667 |
| Amortization of core deposit and other intangible assets (1) | 5,524 | 5,828 | 25,893 | 16,150 |
| Merger-related expenses (1) | — | 60,820 | 21,685 | 60,820 |
| Net operating income | <u>\$ 336,095</u> | <u>337,613</u> | <u>1,362,692</u> | <u>1,156,637</u> |
| Earnings per common share | | | | |
| Diluted earnings per common share | \$ 1.98 | 1.65 | 7.78 | 7.18 |
| Amortization of core deposit and other intangible assets (1) | .03 | .04 | .16 | .12 |
| Merger-related expenses (1) | — | .40 | .14 | .44 |
| Diluted net operating earnings per common share | <u>\$ 2.01</u> | <u>2.09</u> | <u>8.08</u> | <u>7.74</u> |
| Other expense | | | | |
| Other expense | \$ 769,103 | 786,113 | 3,047,485 | 2,822,932 |
| Amortization of core deposit and other intangible assets | (9,089) | (9,576) | (42,613) | (26,424) |
| Merger-related expenses | — | (75,976) | (35,755) | (75,976) |
| Noninterest operating expense | <u>\$ 760,014</u> | <u>700,561</u> | <u>2,969,117</u> | <u>2,720,532</u> |
| Merger-related expenses | | | | |
| Salaries and employee benefits | \$ — | 51,287 | 5,334 | 51,287 |
| Equipment and net occupancy | — | 3 | 1,278 | 3 |
| Outside data processing and software | — | 785 | 1,067 | 785 |
| Advertising and marketing | — | 79 | 10,522 | 79 |
| Printing, postage and supplies | — | 504 | 1,482 | 504 |
| Other costs of operations | — | 23,318 | 16,072 | 23,318 |
| Other expense | — | 75,976 | 35,755 | 75,976 |
| Provision for credit losses | — | 21,000 | — | 21,000 |
| Total | <u>\$ —</u> | <u>96,976</u> | <u>35,755</u> | <u>96,976</u> |
| Efficiency ratio | | | | |
| Noninterest operating expense (numerator) | <u>\$ 760,014</u> | <u>700,561</u> | <u>2,969,117</u> | <u>2,720,532</u> |
| Taxable-equivalent net interest income | 883,147 | 813,401 | 3,496,849 | 2,867,050 |
| Other income | 465,459 | 448,108 | 1,825,996 | 1,825,037 |
| Less: Gain (loss) on bank investment securities | 1,566 | (22) | 30,314 | (130) |
| Denominator | <u>\$ 1,347,040</u> | <u>1,261,531</u> | <u>5,292,531</u> | <u>4,692,217</u> |
| Efficiency ratio | <u>56.42%</u> | <u>55.53%</u> | <u>56.10%</u> | <u>57.98%</u> |
| Balance sheet data | | | | |
| In millions | | | | |
| Average assets | | | | |
| Average assets | \$ 125,734 | 115,052 | 124,340 | 101,780 |
| Goodwill | (4,593) | (4,218) | (4,593) | (3,694) |
| Core deposit and other intangible assets | (102) | (101) | (117) | (45) |
| Deferred taxes | 40 | 39 | 46 | 16 |
| Average tangible assets | <u>\$ 121,079</u> | <u>110,772</u> | <u>119,676</u> | <u>98,057</u> |
| Average common equity | | | | |
| Average total equity | \$ 16,673 | 15,007 | 16,419 | 13,228 |
| Preferred stock | (1,492) | (1,232) | (1,297) | (1,232) |
| Average common equity | 15,181 | 13,775 | 15,122 | 11,996 |
| Goodwill | (4,593) | (4,218) | (4,593) | (3,694) |
| Core deposit and other intangible assets | (102) | (101) | (117) | (45) |
| Deferred taxes | 40 | 39 | 46 | 16 |
| Average tangible common equity | <u>\$ 10,526</u> | <u>9,495</u> | <u>10,458</u> | <u>8,273</u> |
| At end of quarter | | | | |
| Total assets | | | | |
| Total assets | \$ 123,449 | 122,788 | | |
| Goodwill | (4,593) | (4,593) | | |
| Core deposit and other intangible assets | (98) | (140) | | |
| Deferred taxes | 39 | 54 | | |
| Total tangible assets | <u>\$ 118,797</u> | <u>118,109</u> | | |
| Total common equity | | | | |
| Total equity | \$ 16,487 | 16,173 | | |
| Preferred stock | (1,232) | (1,232) | | |
| Undeclared dividends - cumulative preferred stock | (3) | (2) | | |
| Common equity, net of undeclared cumulative preferred dividends | 15,252 | 14,939 | | |
| Goodwill | (4,593) | (4,593) | | |
| Core deposit and other intangible assets | (98) | (140) | | |
| Deferred taxes | 39 | 54 | | |
| Total tangible common equity | <u>\$ 10,600</u> | <u>10,260</u> | | |

(1) After any related tax effect.

- more -

16-16-16-16
M&T BANK CORPORATION

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

| | Three months ended | | | | |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 |
| Income statement data | | | | | |
| In thousands, except per share | | | | | |
| Net income | | | | | |
| Net income | \$ 330,571 | 349,984 | 336,031 | 298,528 | 270,965 |
| Amortization of core deposit and other intangible assets (1) | 5,524 | 5,945 | 6,936 | 7,488 | 5,828 |
| Merger-related expenses (1) | — | — | 7,637 | 14,048 | 60,820 |
| Net operating income | \$ 336,095 | 355,929 | 350,604 | 320,064 | 337,613 |
| Earnings per common share | | | | | |
| Diluted earnings per common share | \$ 1.98 | 2.10 | 1.98 | 1.73 | 1.65 |
| Amortization of core deposit and other intangible assets (1) | .03 | .03 | .04 | .05 | .04 |
| Merger-related expenses (1) | — | — | .05 | .09 | .40 |
| Diluted net operating earnings per common share | \$ 2.01 | 2.13 | 2.07 | 1.87 | 2.09 |
| Other expense | | | | | |
| Other expense | \$ 769,103 | 752,392 | 749,895 | 776,095 | 786,113 |
| Amortization of core deposit and other intangible assets | (9,089) | (9,787) | (11,418) | (12,319) | (9,576) |
| Merger-related expenses | — | — | (12,593) | (23,162) | (75,976) |
| Noninterest operating expense | \$ 760,014 | 742,605 | 725,884 | 740,614 | 700,561 |
| Merger-related expenses | | | | | |
| Salaries and employee benefits | \$ — | — | 60 | 5,274 | 51,287 |
| Equipment and net occupancy | — | — | 339 | 939 | 3 |
| Outside data processing and software | — | — | 352 | 715 | 785 |
| Advertising and marketing | — | — | 6,327 | 4,195 | 79 |
| Printing, postage and supplies | — | — | 545 | 937 | 504 |
| Other costs of operations | — | — | 4,970 | 11,102 | 23,318 |
| Other expense | — | — | 12,593 | 23,162 | 75,976 |
| Provision for credit losses | — | — | — | — | 21,000 |
| Total | \$ — | — | 12,593 | 23,162 | 96,976 |
| Efficiency ratio | | | | | |
| Noninterest operating expense (numerator) | \$ 760,014 | 742,605 | 725,884 | 740,614 | 700,561 |
| Taxable-equivalent net interest income | 883,147 | 865,065 | 870,341 | 878,296 | 813,401 |
| Other income | 465,459 | 491,350 | 448,254 | 420,933 | 448,108 |
| Less: Gain (loss) on bank investment securities | 1,566 | 28,480 | 264 | 4 | (22) |
| Denominator | \$ 1,347,040 | 1,327,935 | 1,318,331 | 1,299,225 | 1,261,531 |
| Efficiency ratio | 56.42% | 55.92% | 55.06% | 57.00% | 55.53% |
| Balance sheet data | | | | | |
| In millions | | | | | |
| Average assets | | | | | |
| Average assets | \$ 125,734 | 124,725 | 123,706 | 123,252 | 115,052 |
| Goodwill | (4,593) | (4,593) | (4,593) | (4,593) | (4,218) |
| Core deposit and other intangible assets | (102) | (112) | (122) | (134) | (101) |
| Deferred taxes | 40 | 44 | 48 | 52 | 39 |
| Average tangible assets | \$ 121,079 | 120,064 | 119,039 | 118,577 | 110,772 |
| Average common equity | | | | | |
| Average total equity | \$ 16,673 | 16,347 | 16,377 | 16,279 | 15,007 |
| Preferred stock | (1,492) | (1,232) | (1,232) | (1,232) | (1,232) |
| Average common equity | 15,181 | 15,115 | 15,145 | 15,047 | 13,775 |
| Goodwill | (4,593) | (4,593) | (4,593) | (4,593) | (4,218) |
| Core deposit and other intangible assets | (102) | (112) | (122) | (134) | (101) |
| Deferred taxes | 40 | 44 | 48 | 52 | 39 |
| Average tangible common equity | \$ 10,526 | 10,454 | 10,478 | 10,372 | 9,495 |
| At end of quarter | | | | | |
| Total assets | | | | | |
| Total assets | \$ 123,449 | 126,841 | 123,821 | 124,626 | 122,788 |
| Goodwill | (4,593) | (4,593) | (4,593) | (4,593) | (4,593) |
| Core deposit and other intangible assets | (98) | (107) | (117) | (128) | (140) |
| Deferred taxes | 39 | 42 | 46 | 50 | 54 |
| Total tangible assets | \$ 118,797 | 122,183 | 119,157 | 119,955 | 118,109 |
| Total common equity | | | | | |
| Total equity | \$ 16,487 | 16,341 | 16,472 | 16,355 | 16,173 |
| Preferred stock | (1,232) | (1,232) | (1,232) | (1,232) | (1,232) |
| Undeclared dividends - cumulative preferred stock | (3) | (3) | (3) | (3) | (2) |
| Common equity, net of undeclared cumulative preferred dividends | 15,252 | 15,106 | 15,237 | 15,120 | 14,939 |
| Goodwill | (4,593) | (4,593) | (4,593) | (4,593) | (4,593) |
| Core deposit and other intangible assets | (98) | (107) | (117) | (128) | (140) |
| Deferred taxes | 39 | 42 | 46 | 50 | 54 |
| Total tangible common equity | \$ 10,600 | 10,448 | 10,573 | 10,449 | 10,260 |

(1) After any related tax effect.

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