

Deutsche Bank Global Financial Services Conference

May 31, 2017

M&T Bank Corporation

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Annualized, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

Introduction

Who is M&T Bank Corporation?

- Top 20 US-based commercial bank holding company
- Substantial growth from \$2 billion in assets in 1983 to \$123 billion at March 31, 2017
- 16,791 employees across 799 domestic branches in eight states and Washington DC
- 3.7 million customers representing 5.9 million accounts
- \$80 billion of assets under management⁽¹⁾
- Lowest percentage credit losses among the large money-center / superregional banks through the financial crisis
 - 1 of only 2 commercial banks (out of 20) in S&P 500 not to reduce dividend
- M&T has not posted a loss going back to 1976 – 163 quarters

Key Ratios

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>1Q'16</u>	<u>4Q'16</u>	<u>1Q'17</u>
Superior Pre-Credit Earnings									
Net Interest Margin	3.73%	3.73%	3.65%	3.31%	3.14%	3.11%	3.18%	3.08%	3.34%
Efficiency Ratio – Tangible ⁽¹⁾	59.49%	55.28%	55.98%	59.29%	57.98%	56.10%	57.00%	56.42%	56.93%
PPNR ⁽¹⁾	1,531	1,796	1,951	1,766	1,845	2,248	517	572	573
PPNR to RWA ⁽¹⁾⁽³⁾	2.26%	2.43%	2.61%	2.35%	2.14%	2.29%	2.19%	2.29%	2.32%
Strong Credit Metrics									
Allowance to Loans (As At)	1.51%	1.39%	1.43%	1.38%	1.09%	1.09%	1.10%	1.09%	1.12%
Net Charge-Offs to Loans	0.47%	0.30%	0.28%	0.19%	0.19%	0.18%	0.19%	0.22%	0.19%
Focused on Returns									
Net Operating Return on:									
Tangible Assets ⁽¹⁾⁽²⁾	1.26%	1.40%	1.47%	1.23%	1.18%	1.14%	1.09%	1.10%	1.21%
Tangible Common Equity ⁽¹⁾⁽²⁾	17.96%	19.42%	17.79%	13.76%	13.00%	12.25%	11.62%	11.93%	13.05%
Consistent Capital Generation									
Tangible Common Equity to Tangible Assets	6.40%	7.20%	8.39%	8.11%	8.69%	8.92%	8.71%	8.92%	8.71%
Tier 1 Common Capital Ratio	6.86%	7.57%	9.22%	9.83%	NA	NA	NA	NA	NA
Common Equity Tier 1 Ratio	NA	NA	NA	NA	11.08%	10.70%	11.06%	10.70%	10.67%
Tier 1 Capital Ratio	9.67%	10.22%	12.00%	12.47%	12.68%	11.92%	12.35%	11.92%	11.91%
Balance Sheet (As At)									
Loans to Deposits	101.18%	101.46%	95.46%	90.60%	95.14%	95.14%	93.27%	95.14%	92.03%
Securities to Assets	9.85%	7.32%	10.33%	13.44%	12.75%	13.16%	12.41%	13.16%	12.96%

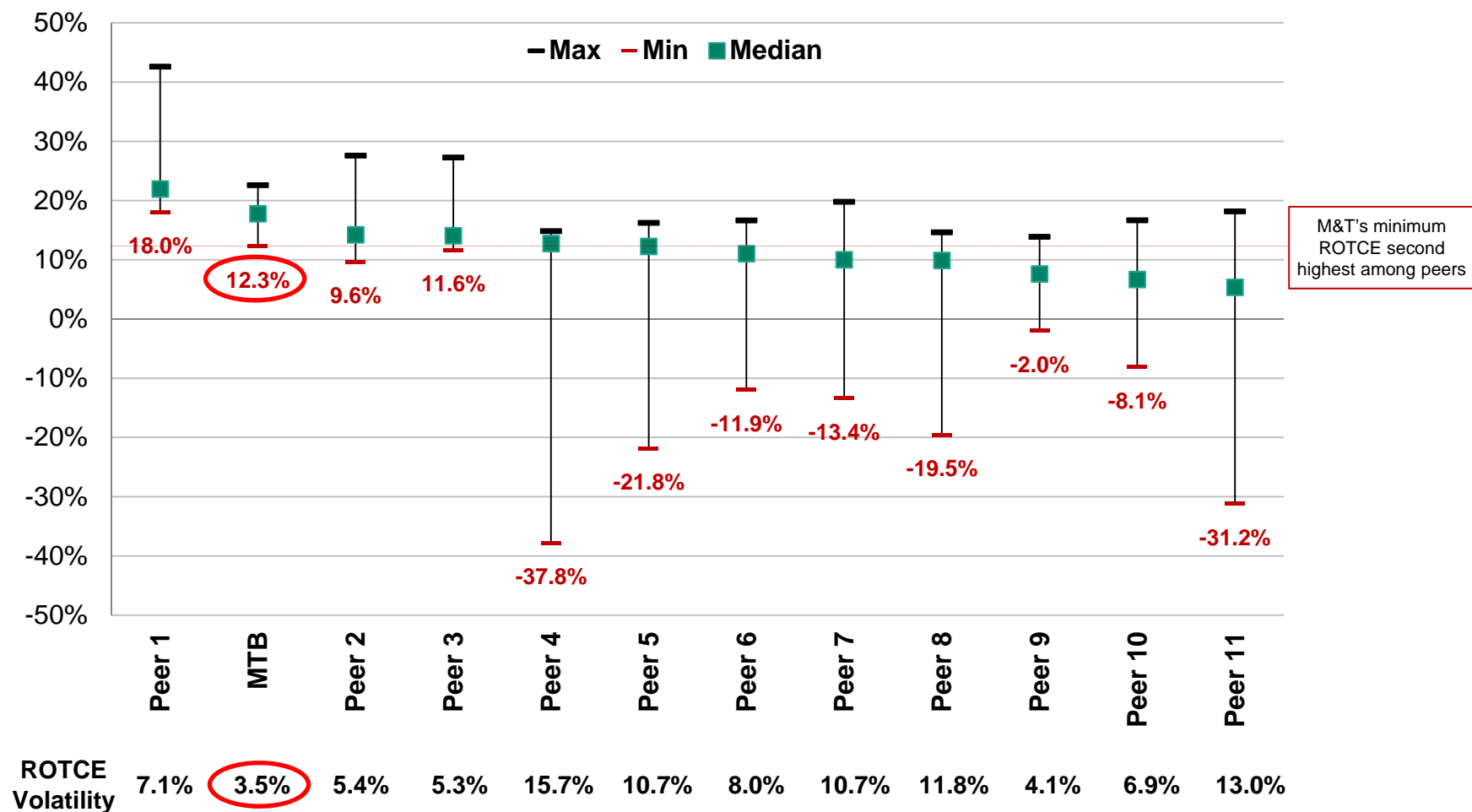
1 – The Efficiency Ratio and Pre-provision Net Revenue are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures is available in the appendix. The Efficiency Ratio reflects non-interest expense (excluding amortization expense associated with intangible assets and merger-related expenses) as a percentage of fully taxable equivalent net interest income and non-interest revenues (excluding gains or losses from securities transactions and merger-related gains).

2 – Excludes merger-related gains and expenses and amortization expense associated with intangible assets.

5 3 – Annual and quarterly PPNR to Risk Weighted Assets calculated using average of quarterly reported RWA balances.

Low Volatility: Consistently Profitable Throughout the Cycle

Operating Return on Tangible Common Equity: 2007 – Q1 2017

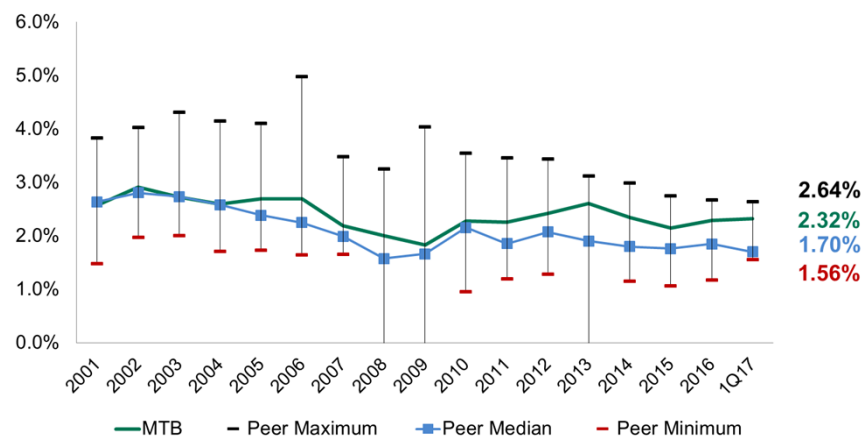


6 Notes: ROTCE range is from 2007-2016 annuals and Q1 2017. Volatility is calculated as standard deviation of ROTCE.

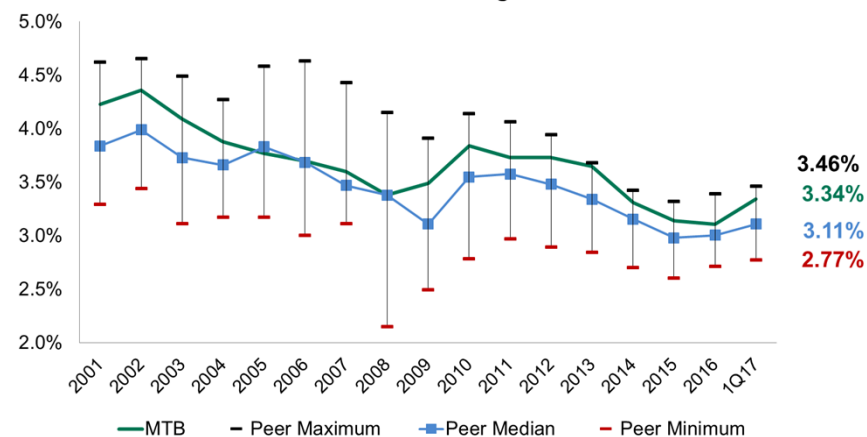
Source: SNL Financial.

Focus on Returns Supports Outperformance

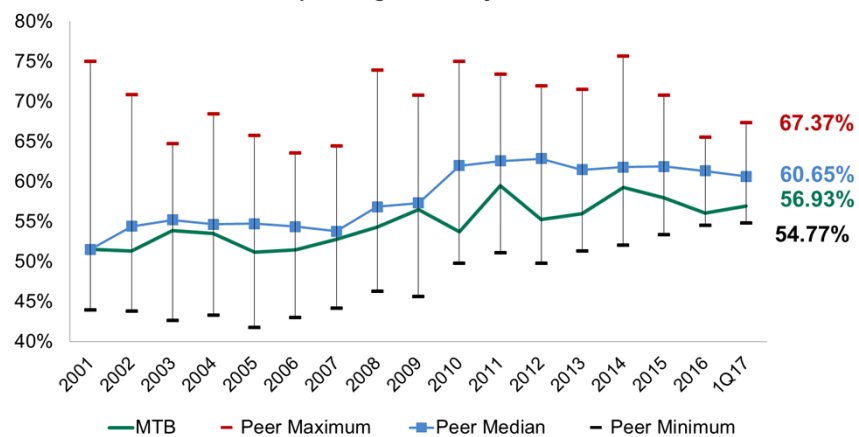
PPNR to RWA %



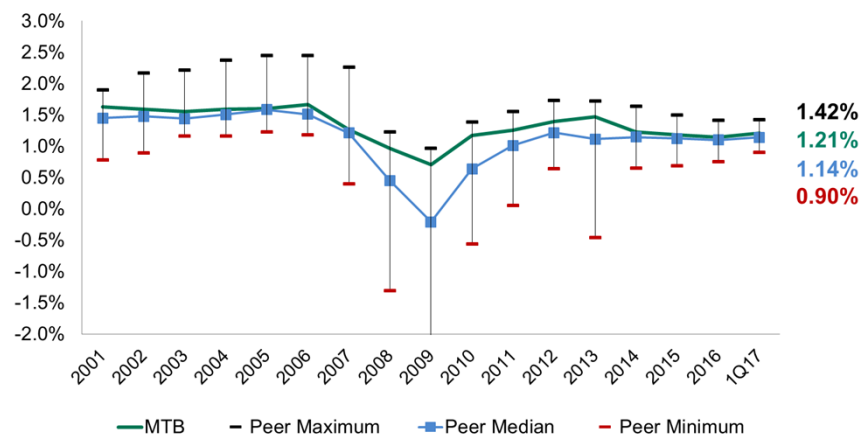
Net Interest Margin %



Operating Efficiency Ratio %



ROTA %



7 Notes: Years prior to 2011 not restated for LIHTC. Refer to appendix for peer group list and GAAP reconciliation.

Source: SNL Financial.

Earning Asset Trends

Interest-Earning Assets (Average Balances)

(\$ in billions)

	<u>Q1 2017 Balance</u>	<u>Q/Q Growth (%)¹</u>		<u>Y/Y Growth (%)</u>	
		<u>M&T</u>	<u>Industry³</u>	<u>M&T</u>	<u>Industry³</u>
<u>Loans:</u>					
Commercial & Industrial	\$22.3	7%	> (7%)	8%	> 3%
Commercial Real Estate	\$33.2	4%	< 6%	13%	> 9%
Residential Real Estate	\$22.2	(16%)	< (3%)	(14%)	< 4%
Auto	\$3.0 ⁽²⁾	14%	> (1%)	17%	> 4%
HELOC	\$5.6	(7%)	> (10%)	(6%)	> (7%)
Other Consumer	\$3.6	4%	> (18%)	15%	> 6%
Total Loans	\$89.8	(1%)	(4%)	3%	4%
Investment Securities	\$16.0	15%		4%	
Fed Deposits & Other	\$6.2	(122%)		(25%)	
Total Earning Assets	\$112.0	(8%)		1%	

- Commercial loan growth supported by Hudson City transformation

- Partially offset by runoff of Hudson City mortgages

- Results in low single-digit annual loan growth

- Variability of cash on deposit at Fed affects earning assets and NIM, with limited NII impact

Notes:

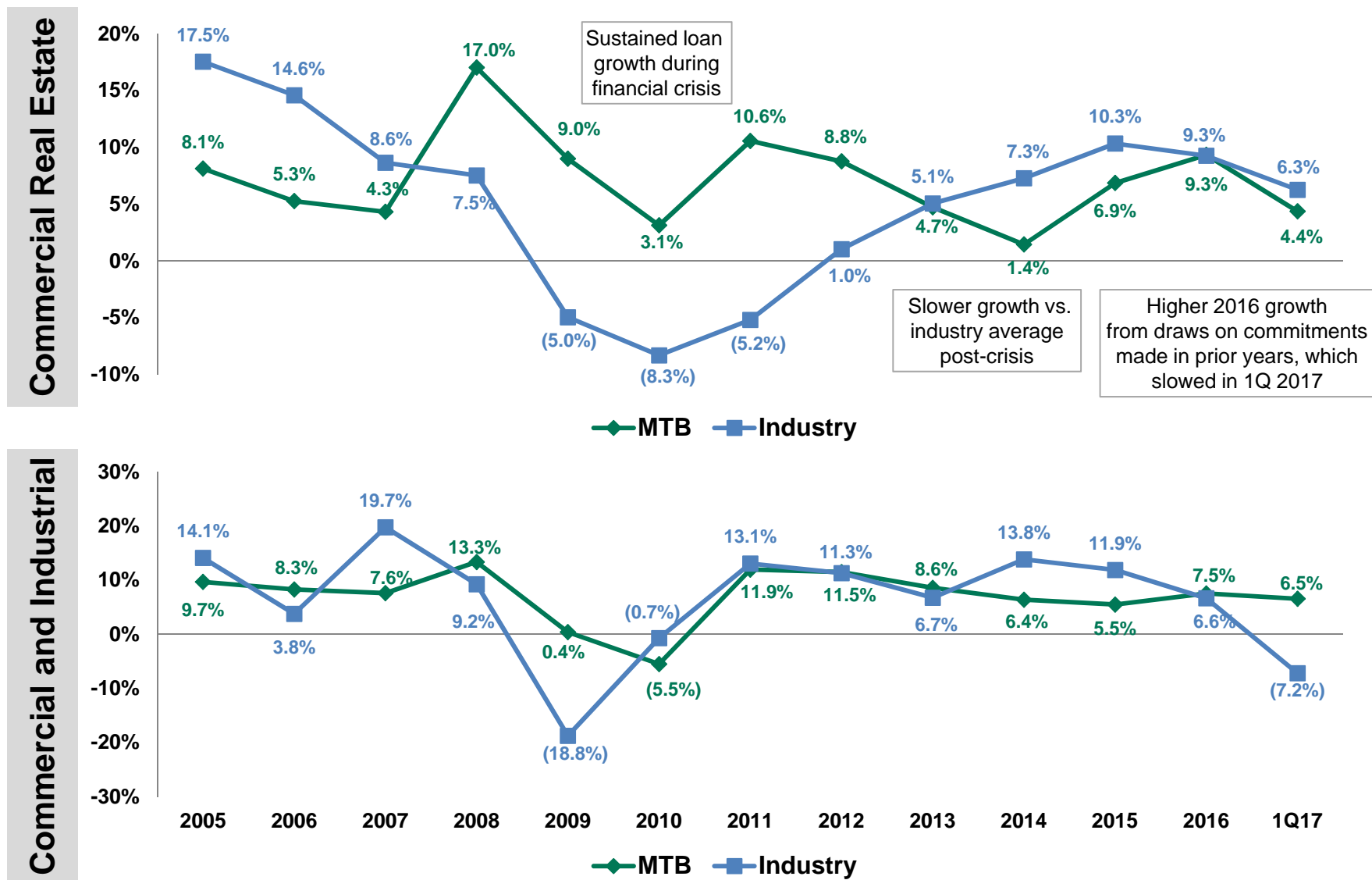
Totals may not appear to foot due to rounding.

1 – Annualized

8 2 – Includes \$130 million of auto loans brought on balance sheet during the first quarter of 2017 following wind-up of securitization.

3 – Industry uses Federal Reserve H8 data (Domestically chartered commercial banks, NSA)

Less Volatile Loan Growth Through Credit Cycles



Notes: Reflects growth in loan balances for each year and annualized for 1Q17. M&T data reflects average loan balances. Industry Commercial loans includes both "Commercial and Industrial Loans" and "Other Loans and Leases" as outlined in the Federal Reserve H8 report. Source: Federal Reserve H8 data – domestically chartered commercial banks, not seasonally adjusted.

M&T Commercial Real Estate

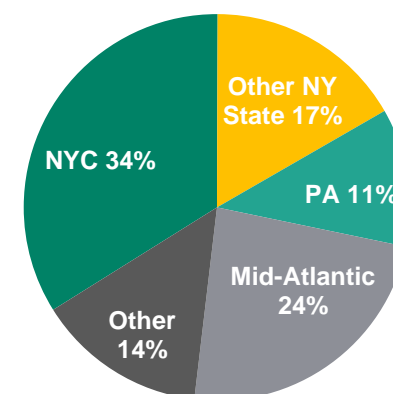
M&T's CRE portfolio remains broadly diversified by property type and geography, with a significant owner-occupied component; credit metrics stable

CRE Portfolio Composition – March 31, 2017

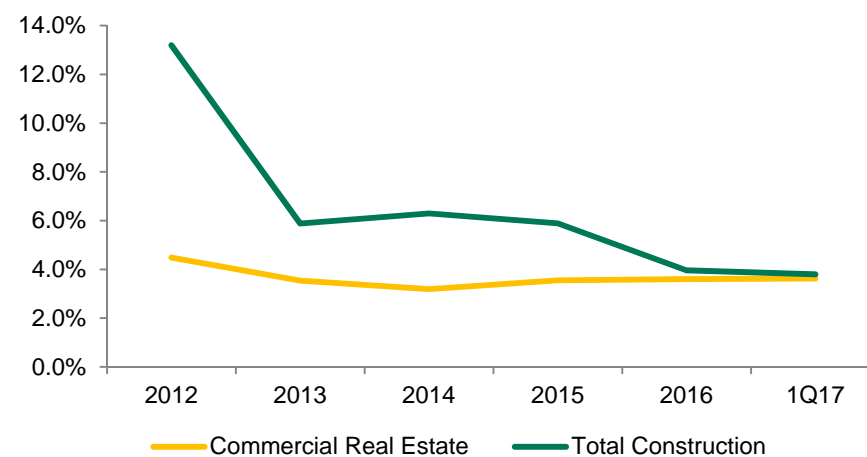
(\$ in billions)	\$	<u>% of Total</u>
Permanent Investor CRE:		
Office	\$4.7	14%
Retail/Service	\$4.1	12%
Multifamily	\$4.1	12%
Hotel	\$2.5	8%
Industrial	\$1.4	4%
Health Facilities & Other	<u>\$0.6</u>	<u>2%</u>
Total Permanent	\$17.4	52%
Commercial Construction	\$5.1	16%
Residential Construction	\$1.8	6%
Owner-Occupied CRE	<u>\$8.8</u>	<u>26%</u>
Total CRE	\$33.1	100%

Geographic Mix – Permanent Investor CRE

As of December 31, 2016



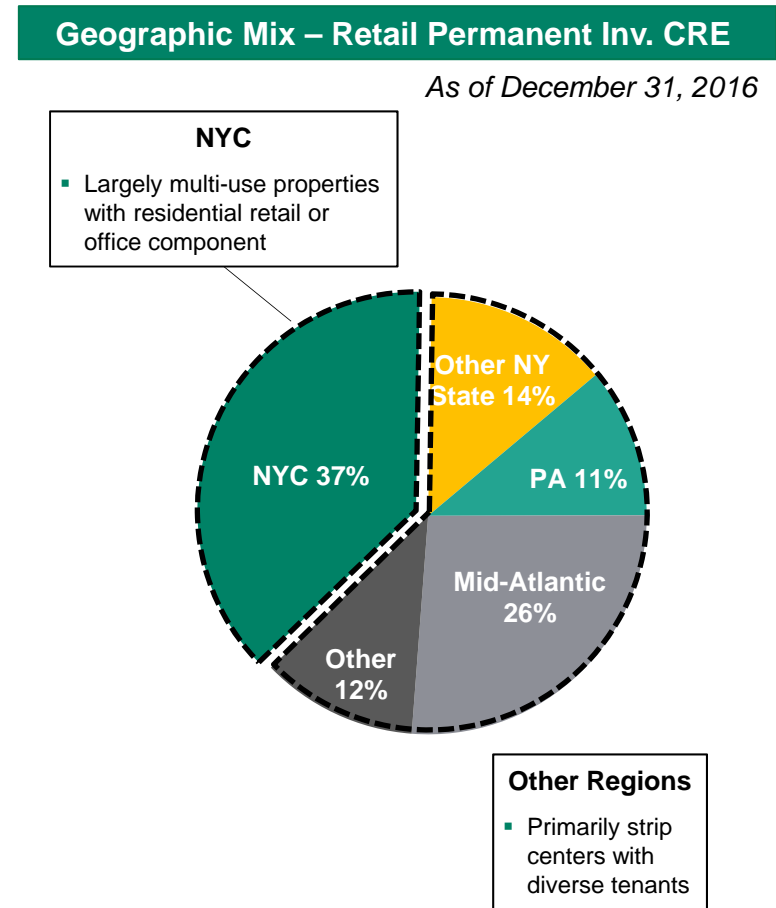
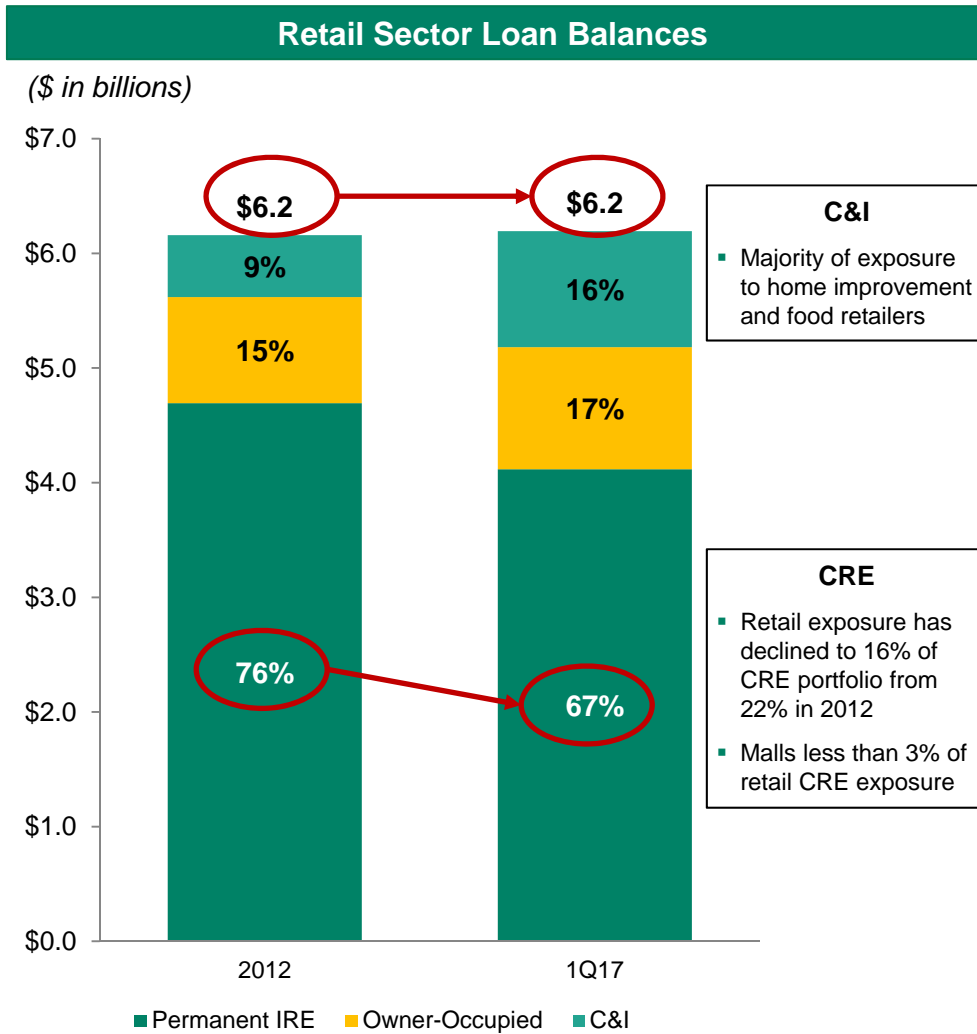
Criticized Loans - % of Total



10 Notes:
Totals may not appear to foot due to rounding.

Retail Exposure

Retail exposure is diversified and granular in both CRE and C&I

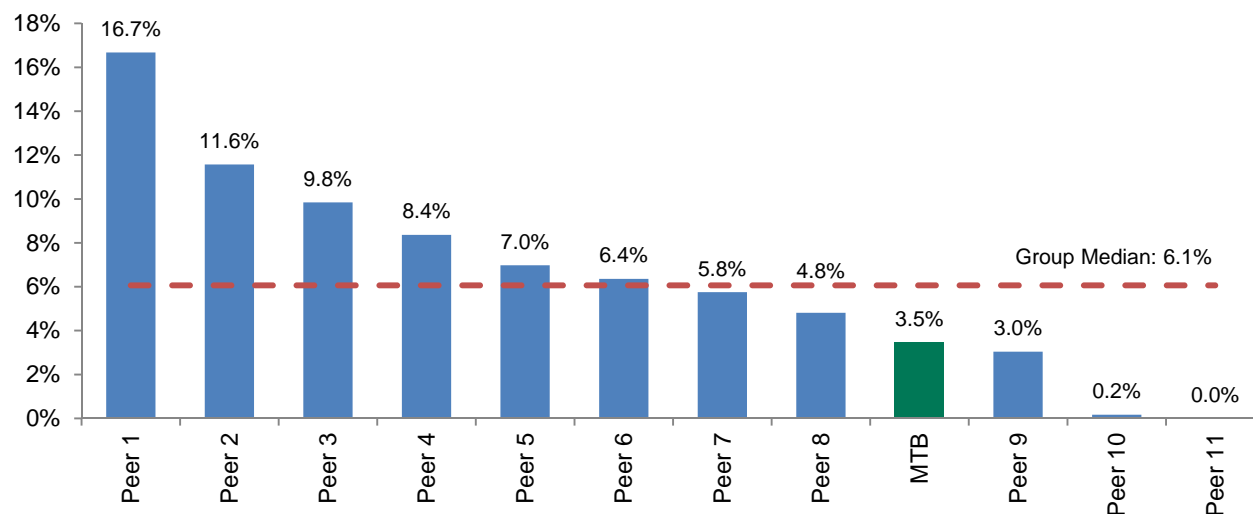


11 Note: C&I excludes automobile dealer services.

Auto Lending

M&T's auto lending strategy and volumes have remained consistent; focus on in-footprint lending to prime customers

Auto % of Total Loans (March 31, 2017)¹



- Indirect auto loans primarily sourced through floor-plan network
- Average origination FICO of 731 in 2016
 - 84% of originations above 680 FICO; with no lending to sub-620 FICOs
 - Only 66% of industry FICOs above 660 FICO

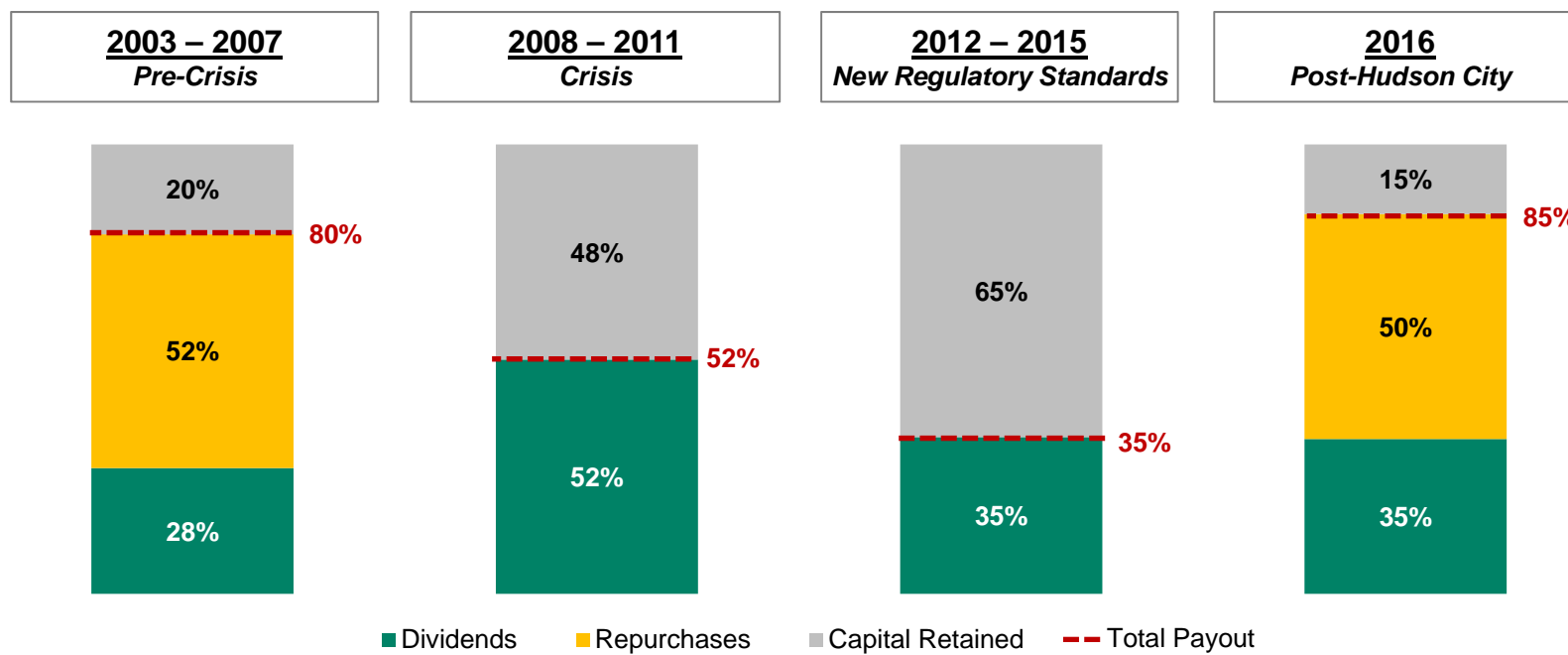
Notes:

1 – Peer group listed in the appendix.

12 Source: New York Fed Consumer Credit Panel/Equifax, Regulatory Filings, and SNL Financial

Deploying Capital Where and When it Makes Sense

Cumulative Capital Retained, Dividends and Share Repurchases



- M&T has maintained a consistent approach to managing its shareholders' capital over time
 - Retain only capital needed to support asset growth / acquisitions with returns > cost of capital
 - Dividends at level sustainable throughout cycle

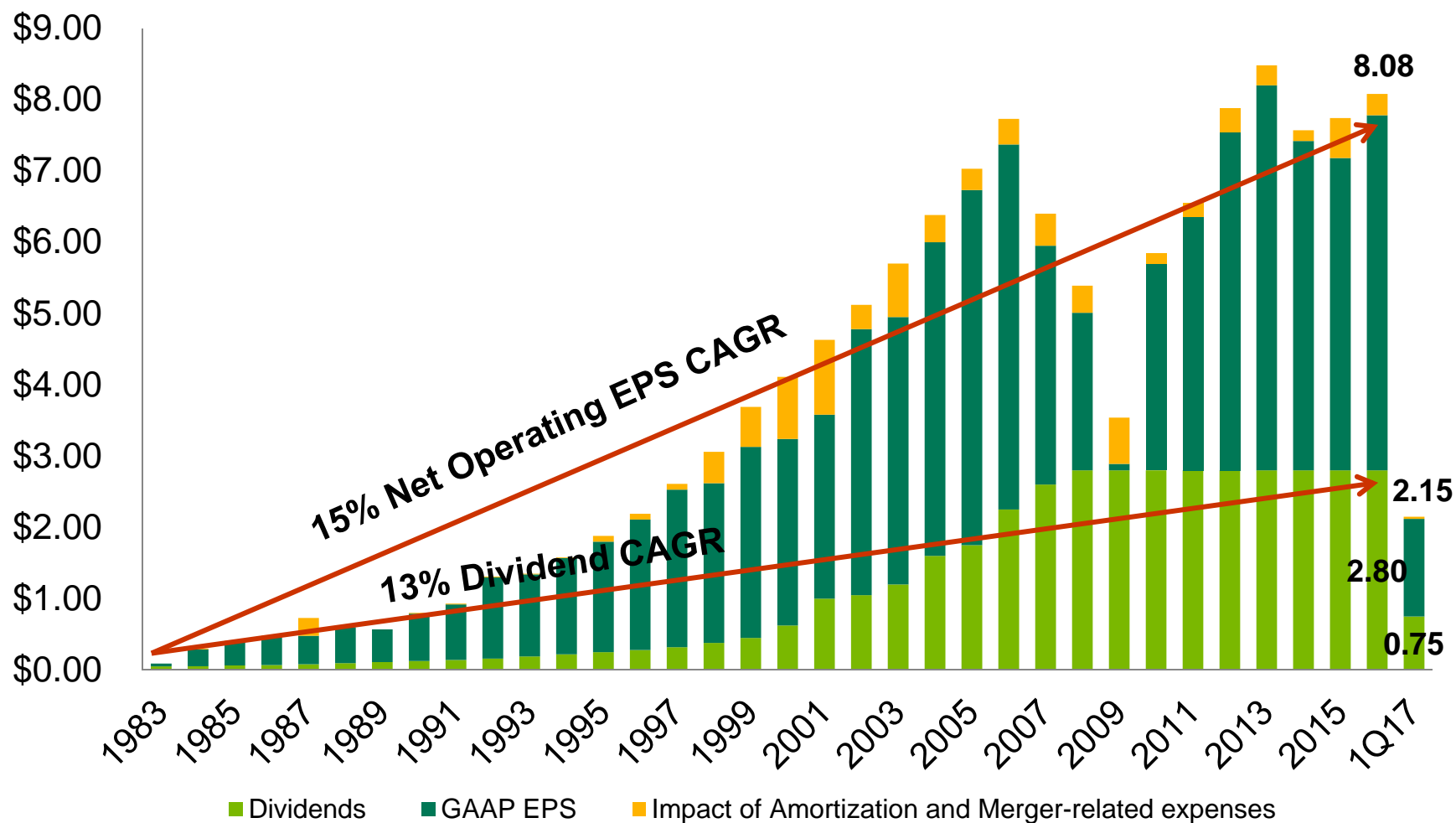
- Key decisions made annually during CCAR, based on year-end outlook for earnings and loan growth
 - Limited flexibility to adjust distributions during the year should conditions change

Update and Outlook

Net Interest Income / Margin	<ul style="list-style-type: none">▪ Continued NIM expansion and NII growth following Fed actions in December and March▪ Still asset sensitive, but....<ul style="list-style-type: none">▪ Reduced upside if rates continue to rise▪ Risk from any decline in rates mitigated as hedging program initiated▪ M&T began aligning Hudson City time deposit pricing in August 2016<ul style="list-style-type: none">▪ \$5.1 billion (52%) of Hudson City time deposits re-priced to M&T rates
Loan Growth	<ul style="list-style-type: none">▪ Remains in line with prior outlook – low single-digit year over year growth▪ Continued runoff in mortgage loan portfolio – pace dependent on rate environment
Noninterest Income	<ul style="list-style-type: none">▪ Assumed \$12 billion in subservicing in late March▪ Balancing trade-off between volumes and margins in residential mortgage loan originations
Noninterest Expense	<ul style="list-style-type: none">▪ Outlook unchanged – nominal year over year growth, excluding 2016 merger-related expenses
Capital	<ul style="list-style-type: none">▪ 2016 CCAR capital plan repurchases substantially complete▪ Increased common stock dividend by \$.05 to \$.75 per quarter

Long-term Shareholder Outperformance

Earnings & Dividend Growth: 1983-Q1 2017



16 The \$8.08 net operating EPS for 2016 and the \$2.15 net operating EPS for 1Q17 are non-GAAP financial measures. A reconciliation of GAAP EPS to net operating EPS is available in the appendix.

M&T Bank Corporation...a solid investment

18.9% Annual rate of return since 1980¹

In the top 30 of the entire universe² of U.S. based stocks traded publicly since 1980

Rank	Company Name	Industry	Annual Return
1	Eaton Vance Corp.	Financials	23.3
2	TJX Companies Inc	Consumer Discretionary	23.0
3	Hasbro, Inc.	Consumer Discretionary	22.2
4	Stryker Corporation	Health Care	22.0
5	L Brands, Inc.	Consumer Discretionary	20.8
6	Progressive Corporation	Financials	20.8
7	Valspar Corporation	Materials	20.7
8	Mylan N.V.	Health Care	20.0
9	Gap, Inc.	Consumer Discretionary	19.9
10	Danaher Corporation	Health Care	19.8
11	Wal-Mart Stores, Inc.	Consumer Staples	19.7
12	State Street Corporation	Financials	19.6
13	Sherwin-Williams Company	Materials	19.6
14	Equifax Inc.	Industrials	19.6
15	Berkshire Hathaway Inc. Class A	Financials	19.6
16	M&T Bank Corporation	Financials	18.9
17	Robert Half International Inc.	Industrials	18.9
18	Constellation Brands, Inc. Class B	Consumer Staples	18.7
19	Graco Inc.	Industrials	18.7
20	Lowe's Companies, Inc.	Consumer Discretionary	18.7
21	Walgreens Boots Alliance Inc	Consumer Staples	18.6
22	Aflac Incorporated	Financials	18.6
23	Flowers Foods, Inc.	Consumer Staples	18.5
24	Astronics Corporation	Industrials	18.4
25	Church & Dwight Co., Inc.	Consumer Staples	18.3
26	V.F. Corporation	Consumer Discretionary	18.0
27	RLI Corp.	Financials	17.9
28	Applied Materials, Inc.	Information Technology	17.9
29	Raven Industries, Inc.	Industrials	17.9
30	HollyFrontier Corporation	Energy	17.8

\$1,581 invested in M&T in 1980 would be worth \$1 million as of today

(1) CAGR calculated assuming reinvestment of dividends through March 31, 2017

(2) Includes 567 U.S. based publically traded stocks

M&T Bank Corporation...a solid investment

Of the largest 100 banks operating in 1983, only 23 remain today.

Among the remaining, M&T ranks 1st in stock price growth

Rank	Company Name	Ticker	Closing Price at		Stock Return CAGR (%)
			3/31/2017 (\$)	3/31/1983 (\$) ¹	
1	<i>M&T Bank Corporation</i>	<i>MTB</i>	<i>154.73</i>	<i>1.34</i>	<i>15.0</i>
2	State Street Corporation	STT	79.61	1.06	13.6
3	Northern Trust Corporation	NTRS	86.58	1.51	12.6
4	U.S. Bancorp	USB	51.50	0.92	12.6
5	Wells Fargo & Company	WFC	55.66	1.18	12.0
23	_____		—	—	4.3
Median			—	—	9.1
MTB Price @ Median Growth Rate			25.62	1.34	9.1

Appendix and GAAP Reconciliations

Reconciliation of GAAP and Non-GAAP Measures

	2011	2012	2013	2014	2015	2016	1Q16	4Q16	1Q17
Net Income									
\$ in millions									
Net income	\$ 859.5	\$ 1,029.5	\$ 1,138.5	\$ 1,066.2	\$ 1,079.7	\$ 1,315.1	\$ 298.5	\$ 330.6	\$ 348.9
Intangible amortization*	37.6	37.0	28.6	20.7	16.2	25.9	7.5	5.5	5.1
Merger-related items*	(12.8)	6.0	7.5	-	60.8	21.7	14.0	-	-
Net operating income	\$ 884.3	\$ 1,072.5	\$ 1,174.6	\$ 1,086.9	\$ 1,156.6	\$ 1,362.7	\$ 320.1	\$ 336.1	\$ 354.0
PPNR									
Net Income for EPS	\$ 781.8	\$ 953.4	\$ 1,062.5	\$ 978.6	\$ 987.7	\$ 1,223.5	\$ 275.7	\$ 307.8	\$ 328.6
Preferred Div., Amort. of Pref. Stock & Unvested Stock Awards	77.7	76.1	75.9	87.7	92.0	91.6	22.8	22.8	20.4
Income Taxes	401.3	562.5	627.1	576.0	595.0	743.3	169.3	179.5	169.3
GAAP Pre-tax Income	1,260.8	1,592.0	1,765.6	1,642.2	1,674.7	2,058.4	467.8	510.1	518.3
Provision for credit losses	270.0	204.0	185.0	124.0	170.0	190.0	49.0	62.0	55.0
Pre-Tax, Pre-Provision Net Revenue	\$ 1,530.8	\$ 1,796.0	\$ 1,950.6	\$ 1,766.2	\$ 1,844.7	\$ 2,248.4	\$ 516.8	\$ 572.1	\$ 573.3
Earnings Per Share									
Diluted earnings per share	\$6.35	\$7.54	\$8.20	\$7.42	\$7.18	\$7.78	\$1.73	\$1.98	\$2.12
Intangible amortization*	0.30	0.29	0.22	0.15	0.12	0.16	0.05	0.03	0.03
Merger-related items*	(0.10)	0.05	0.06	-	0.44	0.14	0.09	-	-
Diluted net operating earnings per share	\$6.55	\$7.88	\$8.48	\$7.57	\$7.74	\$8.08	\$1.87	\$2.01	\$2.15
Efficiency Ratio									
\$ in millions									
Non-interest expenses	\$2,441.9	\$2,469.8	\$2,587.9	\$2,689.5	\$2,822.9	\$3,047.5	\$776.1	\$769.1	\$787.9
less: intangible amortization	61.6	60.6	46.9	33.8	26.4	42.6	12.3	9.1	8.4
less: merger-related expenses	83.7	9.9	12.4	-	76.0	35.8	23.2	-	-
Non-interest operating expenses	\$ 2,296.6	\$ 2,399.2	\$ 2,528.6	\$ 2,655.7	\$ 2,720.5	\$ 2,969.1	\$ 740.6	\$ 760.0	\$ 779.4
Tax equivalent revenues	\$ 3,998.6	\$ 4,292.2	\$ 4,563.4	\$ 4,479.4	\$ 4,692.1	\$ 5,322.8	\$ 1,299.2	\$ 1,348.6	\$ 1,369.1
less: gain/(loss) on sale of securities	150.2	0.0	56.5	-	(0.1)	30.3	0.00	1.6	-
less: net OTTI losses recognized	(77.0)	(47.8)	(9.8)	-	-	-	-	-	-
less: merger-related gains	64.9	-	-	-	-	-	-	-	-
Denominator for efficiency ratio	\$ 3,860.5	\$ 4,340.0	\$ 4,516.7	\$ 4,479.4	\$ 4,692.2	\$ 5,292.5	\$ 1,299.2	\$ 1,347.0	\$ 1,369.1
Net operating efficiency ratio	59.5%	55.3%	56.0%	59.3%	58.0%	56.1%	57.0%	56.4%	56.9%

*Net of tax

Reconciliation of GAAP and Non-GAAP Measures

	2011	2012	2013	2014	2015	2016	1Q16	4Q16	1Q17
Average Assets									
\$ in millions									
Average assets	\$ 73,977	\$ 79,983	\$ 83,662	\$ 92,143	\$ 101,780	\$ 124,340	\$ 123,252	\$ 125,734	\$ 122,978
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,694)	(4,593)	(4,593)	(4,593)	(4,593)
Core deposit and other intangible assets	(168)	(144)	(90)	(50)	(45)	(117)	(134)	(102)	(98)
Deferred taxes	43	42	27	15	16	46	52	40	39
Average tangible assets	<u>\$ 70,327</u>	<u>\$ 76,356</u>	<u>\$ 80,074</u>	<u>\$ 88,583</u>	<u>\$ 98,057</u>	<u>\$ 119,676</u>	<u>\$ 118,577</u>	<u>\$ 121,079</u>	<u>\$ 118,326</u>
Average Common Equity									
\$ in millions									
Average common equity	\$ 8,207	\$ 8,834	\$ 9,844	\$ 10,905	\$ 11,996	\$ 15,122	\$ 15,047	\$ 15,181	\$ 15,091
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,694)	(4,593)	(4,593)	(4,593)	(4,593)
Core deposit and other intangible assets	(168)	(144)	(90)	(50)	(45)	(117)	(134)	(102)	(98)
Deferred taxes	43	42	27	15	16	46	52	40	39
Average tangible common equity	<u>\$ 4,557</u>	<u>\$ 5,207</u>	<u>\$ 6,256</u>	<u>\$ 7,345</u>	<u>\$ 8,273</u>	<u>\$ 10,458</u>	<u>\$ 10,372</u>	<u>\$ 10,526</u>	<u>\$ 10,439</u>

M&T Peer Group

BB&T Corporation

Citizens Financial Group, Inc.

Comerica Incorporated

Fifth Third Bancorp

Huntington Bancshares Incorporated

KeyCorp

M&T Bank Corporation

PNC Financial Services Group, Inc.

Regions Financial Corporation

SunTrust Banks, Inc.

U.S. Bancorp

Zions Bancorporation