

BancAnalysts Association of Boston Conference Presentation

November 4, 2016

M&T Bank Corporation

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Annualized, pro forma, projected and estimated numbers are used for illustrative purpose 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
- Have grown substantially from \$2 billion in assets in 1983 to \$127 billion at September 30, 2016
- 17,090 employees across 803 domestic branches in eight states and Washington DC
- 3.7 million customers representing 5.9 million accounts
- \$78 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 its dividend
- M&T has not posted a quarterly loss going back to 1976 – 161 quarters

Key Ratios

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2Q'16</u>	<u>3Q'16</u>
Superior Pre-Credit Earnings								
Net Interest Margin	3.84%	3.73%	3.73%	3.65%	3.31%	3.14%	3.13%	3.05%
Efficiency Ratio – Tangible ⁽¹⁾⁽³⁾	53.71%	59.49%	55.28%	55.98%	59.29%	57.98%	55.06%	55.92%
PPNR ⁽¹⁾⁽³⁾	1,461	1,531	1,796	1,951	1,766	1,845	562	597
PPNR to RWA ⁽¹⁾⁽³⁾⁽⁴⁾	2.28%	2.26%	2.43%	2.61%	2.35%	2.14%	2.35%	2.43%
Strong Credit Metrics								
Allowance to Loans (As At)	1.74%	1.51%	1.39%	1.43%	1.38%	1.09%	1.10%	1.09%
Net Charge-Offs to Loans	0.67%	0.47%	0.30%	0.28%	0.19%	0.19%	0.11%	0.19%
Focused on Returns								
Net Operating Return on:								
Tangible Assets ^{(1) (2)}	1.17%	1.26%	1.40%	1.47%	1.23%	1.18%	1.18%	1.18%
Tangible Common Equity ^{(1) (2)}	18.95%	17.96%	19.42%	17.79%	13.76%	13.00%	12.68%	12.77%
Consistent Capital Generation								
Tangible Common Equity to Tangible Assets	6.19%	6.40%	7.20%	8.39%	8.11%	8.69%	8.87%	8.55%
Tier 1 Common Capital Ratio	6.51%	6.86%	7.57%	9.22%	9.83%	NA	NA	NA
Common Equity Tier 1 Ratio	NA	NA	NA	NA	NA	11.08%	11.01%	10.78%
Tier 1 Capital Ratio	9.47%	9.67%	10.22%	12.00%	12.47%	12.68%	12.29%	12.04%
Balance Sheet (As At)								
Loans to Deposits	104.39%	101.18%	101.46%	95.46%	90.60%	95.14%	93.53%	91.35%
Securities to Assets	10.51%	9.85%	7.32%	10.33%	13.44%	12.75%	12.08%	11.62%

Notes:

1 – The Efficiency Ratio and Pre-tax, Pre-provision Earnings 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.

3 – Years prior to 2011 not restated for change of accounting policy for LIHTC

4 – Annual PPNR to RWA calculated using a trailing 12 month average

5 – Preliminary

Focus on Returns Drives M&T's Operating Model

Model

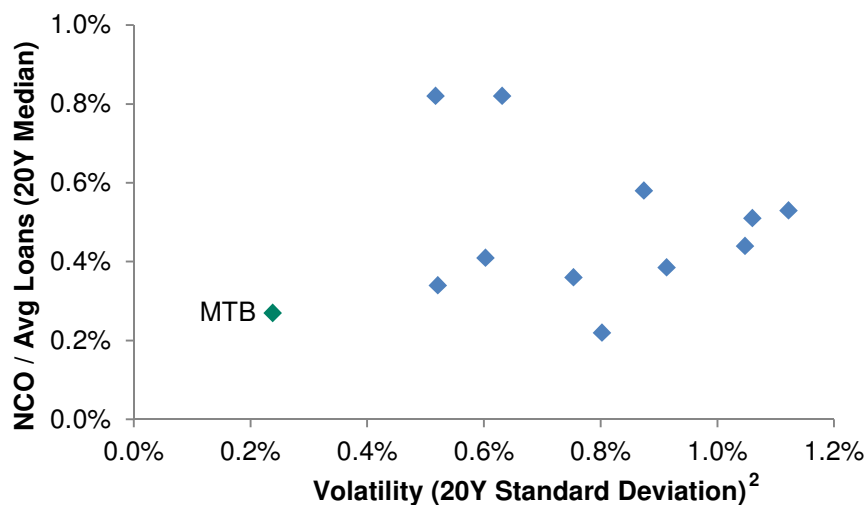
- M&T primarily measures performance using ROTCE throughout the cycle
- ROTCE focus provides consistent decision-making framework for evaluating:
 - Lending decisions
 - Allocation of capital to business units
 - Acquisitions
- Return capital in excess of requirements to shareholders

Results

- Low volatility in credit, PPNR, and ROTCE
- Outperformance in profitability metrics, particularly in stressed environments
- Low cost of capital

Low Volatility Model – 20 Year History Versus Peer Banks¹

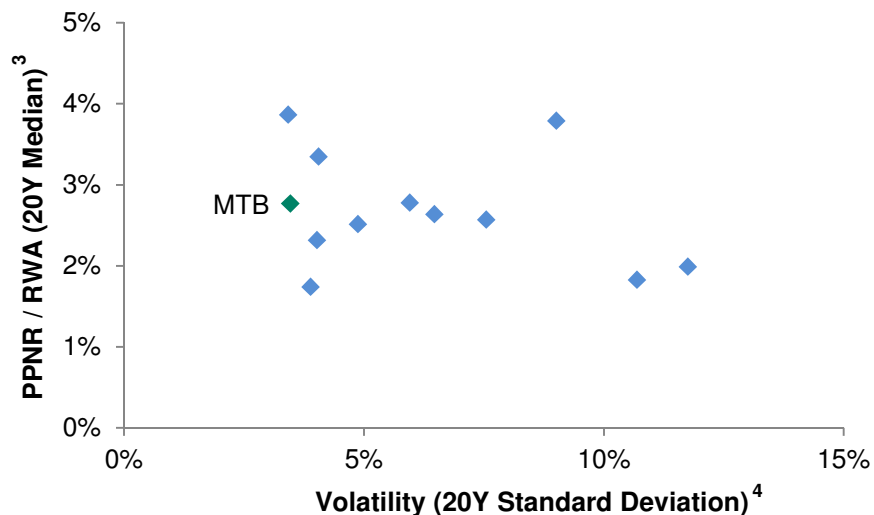
NCOs / Average Loans



NCO / Average Loans Ratio (2Q96 to 2Q16):

	MTB	Peers	Difference
Median	0.27%	0.44%	(0.17%)
Maximum ⁵	1.18%	2.84%	(1.66%)

Pre-tax Pre-provision Net Revenue (PPNR)



PPNR / RWA Ratio (2Q96 to 2Q16):

	MTB	Peers	Difference
Median	2.77%	2.57%	+0.20%
Minimum ⁵	2.09%	1.75%	+0.34%

Low credit losses and stable PPNR throughout the cycle, including in stress

Notes:

1 – Blue dots on above charts represent peer banks. The peer bank list is in the appendix.

2 – Loss volatility is calculated as standard deviation of net charge offs to average loans.

3 – PPNR excludes securities gains/losses, extraordinary items, and amortization of intangibles and goodwill impairment.

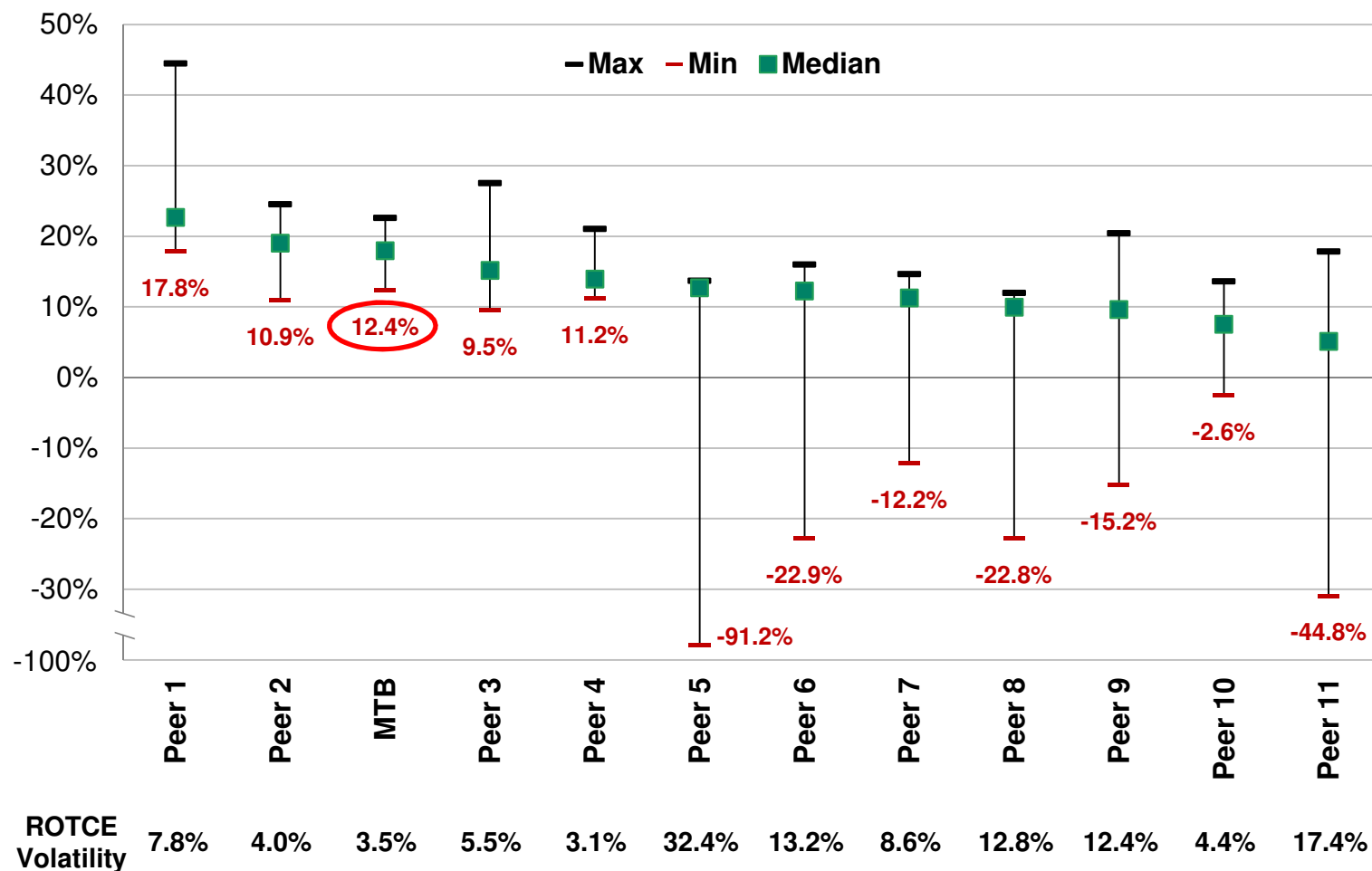
4 – PPNR volatility is calculated as the standard deviation of QoQ change in PPNR as a percent of average risk-weighted assets with PPNR calculated using the trailing 4-quarters and average risk-weighted assets estimated by taking a 5 quarter rolling average of period end balances.

5 – Peer maximum and minimums represent the maximum/minimum of the quarterly peer medians.

Source: SNL Financial.

Consistently Profitable Throughout the Cycle

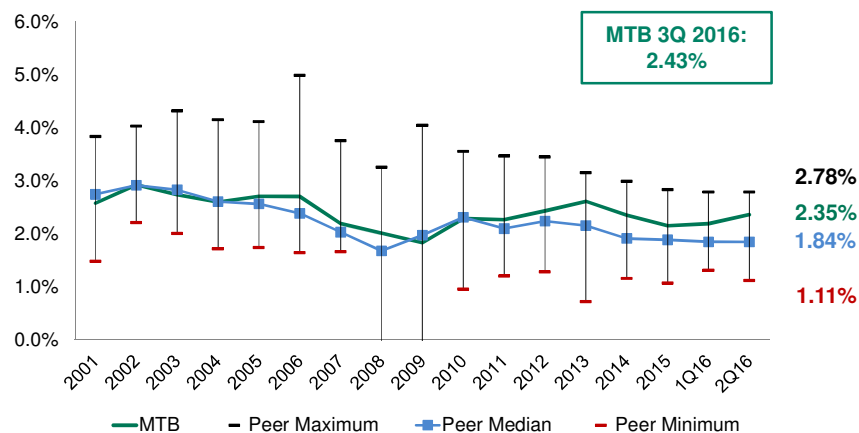
Return on Tangible Common Equity: 2007 – Q3 2016 YTD



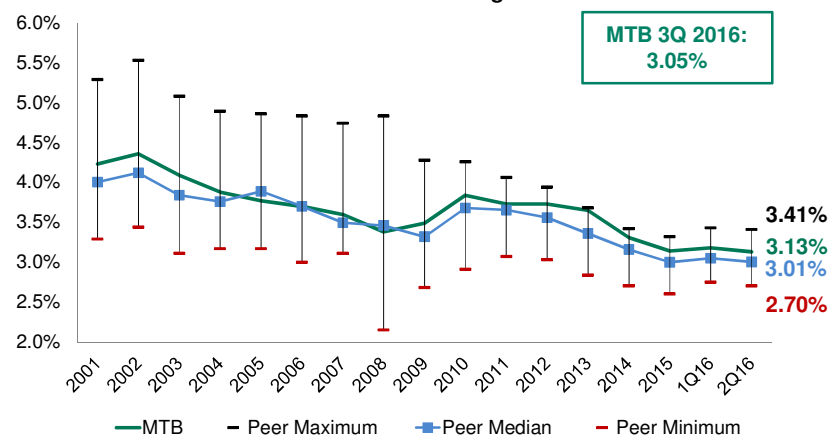
Notes: ROTCE range is from 2007-2015 annuals and Q3 2016 YTD. Volatility is calculated as standard deviation of ROTCE. Net operating income and average tangible common equity calculations are found in the appendix.
Source: SNL Financial.

Focus on Returns Supports Outperformance

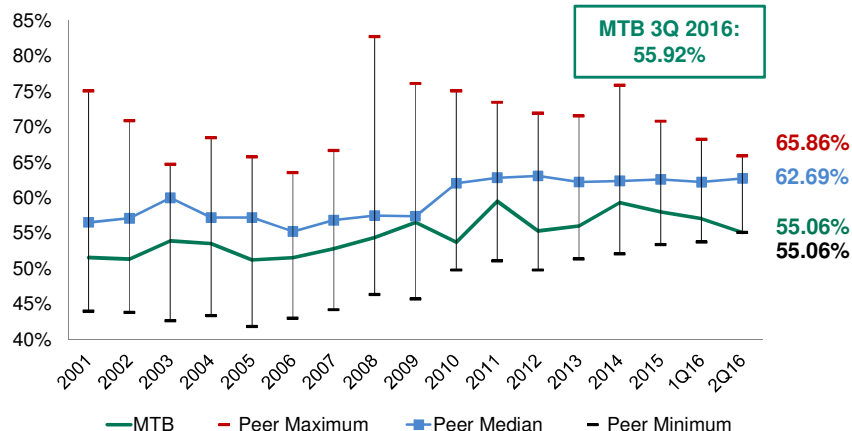
PPNR to RWA %



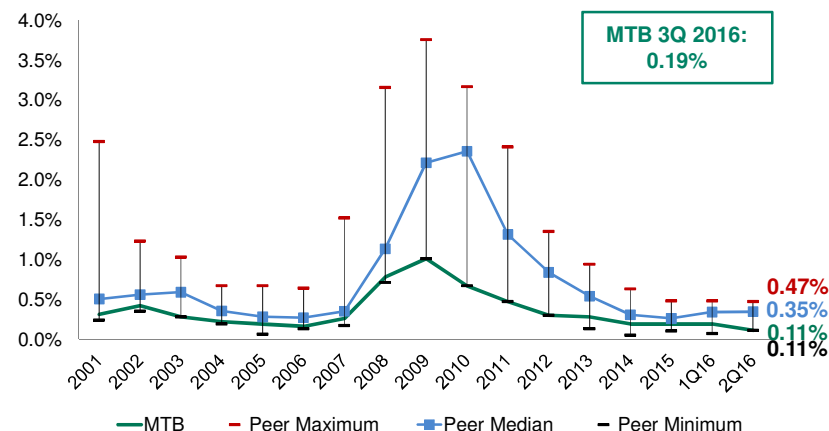
Net Interest Margin %



Net Operating Efficiency Ratio %



NCOs to Average Loans %



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

Source: SNL Financial.

Capacity for Increased Return of Capital

Tier 1 Common Ratio		CET1 Ratio					
2013 Q4		2014 Q4		2015 Q4		2016 Q3 ¹	
Peer 1	11.22%	Peer 7	11.92%	Peer 7	12.22%	Peer 7	12.00%
Peer 2	11.21%	Peer 2	11.65%	MTB	11.08%	Peer 2	11.10%
Peer 3	10.90%	Peer 1	11.17%	Peer 4	11.07%	Peer 4	10.93%
Peer 4	10.82%	Peer 4	11.04%	Peer 1	10.94%	MTB	10.78%
Peer 5	10.64%	Peer 6	10.89%	Peer 2	10.93%	Peer 5	10.68%
Peer 6	10.47%	Peer 8	10.61%	Peer 6	10.64%	Peer 6	10.62%
Peer 7	10.18%	Peer 5	10.50%	Peer 5	10.54%	Peer 10	10.16%
Peer 8	9.87%	Peer 3	10.23%	Peer 8	10.25%	Peer 8	10.06%
Peer 9	9.82%	MTB	9.83%	Peer 9	9.96%	Peer 9	9.77%
Peer 10	9.45%	Peer 11	9.72%	Peer 10	9.82%	Peer 1	9.55%
Peer 11	9.38%	Peer 10	9.65%	Peer 3	9.79%	Peer 11	9.48%
MTB	9.22%	Peer 9	9.60%	Peer 11	9.55%	Peer 3	9.09%

CCAR Non-Objection:



N/A

- 2015 capital growth for M&T supported by Hudson City acquisition
- Increased capital return post-Hudson City

Notes: (1) September 30, 2016 ratios reflect preliminary results based on earnings disclosures and 10-Q filings.
Source: SNL Financial.

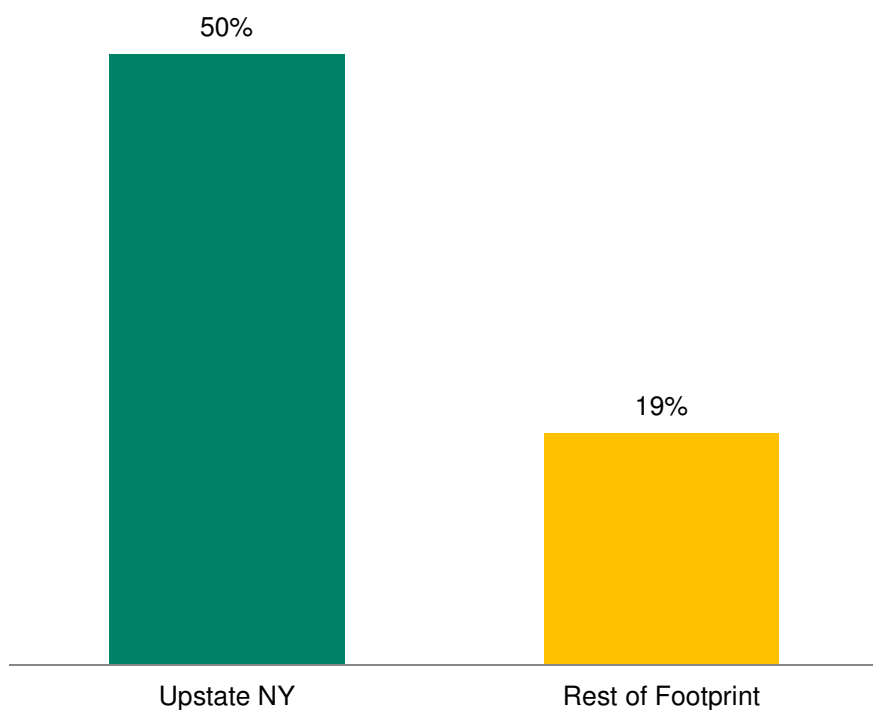
Opportunities

Today's Agenda

- Seize local market opportunities as they present themselves
- Build M&T presence in key geographies – e.g., New Jersey
- Grow capital-efficient, fee-based businesses to complement lending-focused businesses

New Customer Growth

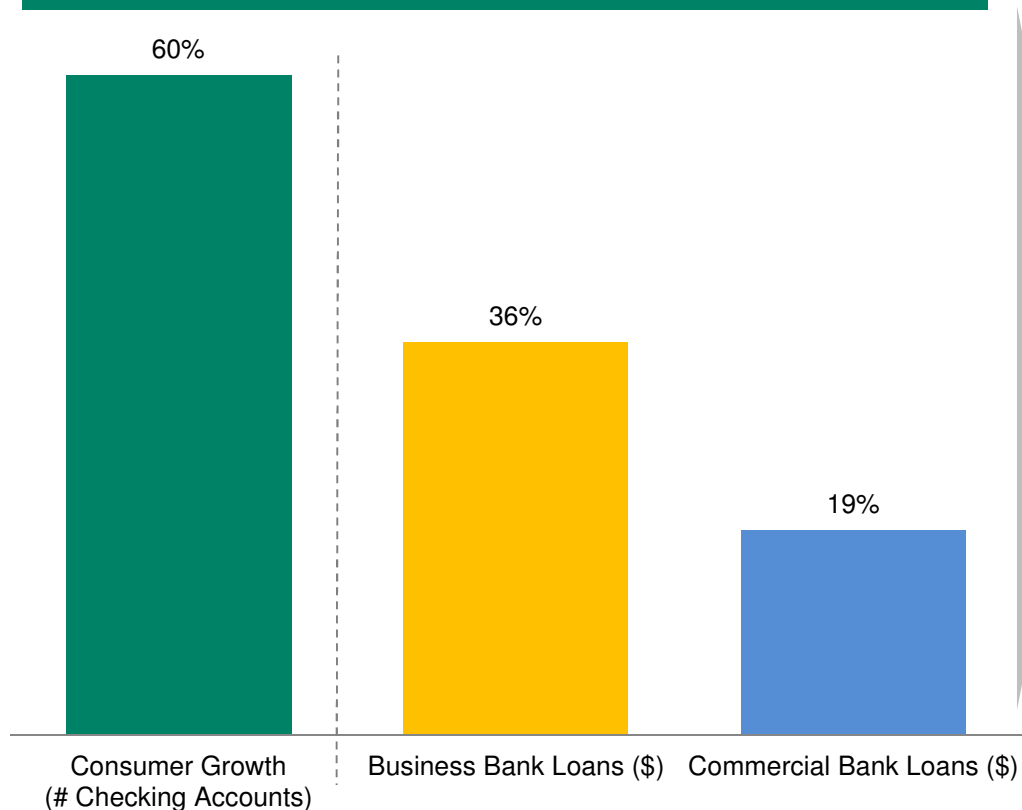
New Customer Growth: 3Q 2016 vs. 3Q 2015



- Focused front line sales efforts across middle market, small business, and retail
- Media support from brand, TV, print, and direct mail
- Customer incentives – focused on active accounts

Building New Jersey Presence

New Jersey Growth: 3Q 2016 vs. 2Q 2016



- Strong growth rates – from a low base
- Balance sheet repositioning continues and will persist through 2017 into 2018
 - Loan portfolio transitioning from residential mortgage to commercial
 - Deposit mix shift

Average Earning Asset Trends

(\$ in billions)

	2Q 2016 Balance	3Q 2016 Balance	Q/Q Change % (Anlzd)
Residential Mortgages	\$24.9	\$24.1	(13%)
Other Loans	\$63.3	\$64.7	+9%
Total Loans	\$88.2	\$88.7	+3%
Investment Securities	\$14.9	\$14.4	(15%)
Other Earning Assets	\$8.8	\$9.8	+44%
Total Earning Assets	\$111.9	\$112.9	+4%

**Other earning assets primarily comprised of cash on deposit at the Fed;
Variability affects earning assets and NIM, with limited NII impact**

Fee Businesses and Liquidity Requirements Drive Cash Balances

(\$ in billions)

Trust-Related	<p>Supports trust fee income</p> <ul style="list-style-type: none"> Trust demand deposits-received in a fiduciary or administrative capacity in connection with capital markets transactions - short duration and high turnover prohibit long term investment
Mortgage Escrow	<p>Supports servicing fee income</p> <ul style="list-style-type: none"> Mortgage servicing escrow deposits - monthly cash payments received from mortgagors; aggregated and remitted to bondholders in a lump sum - short duration and high turnover prohibit long term investment
LCR Requirements / Excess Liquidity	<p>Other cash and securities held for liquidity/LCR purposes</p> <ul style="list-style-type: none"> Core deposits deemed to have a high likelihood of outflow during a liquidity crisis (as defined by the LCR rule) held as ultra-short duration asset Liquidity held at Fed pending reinvestment into longer duration HQLA
<p>Total Other Earning Assets</p>	<p>Q3 2016 Average: \$9.8 billion</p> <p>LTM Range: \$6.2 – \$9.8 billion</p>

Illustrative Example – Change in Other Earning Assets

- Variability in trust and escrow deposits affects net interest margin, with limited impact to net interest income

Illustrative Example

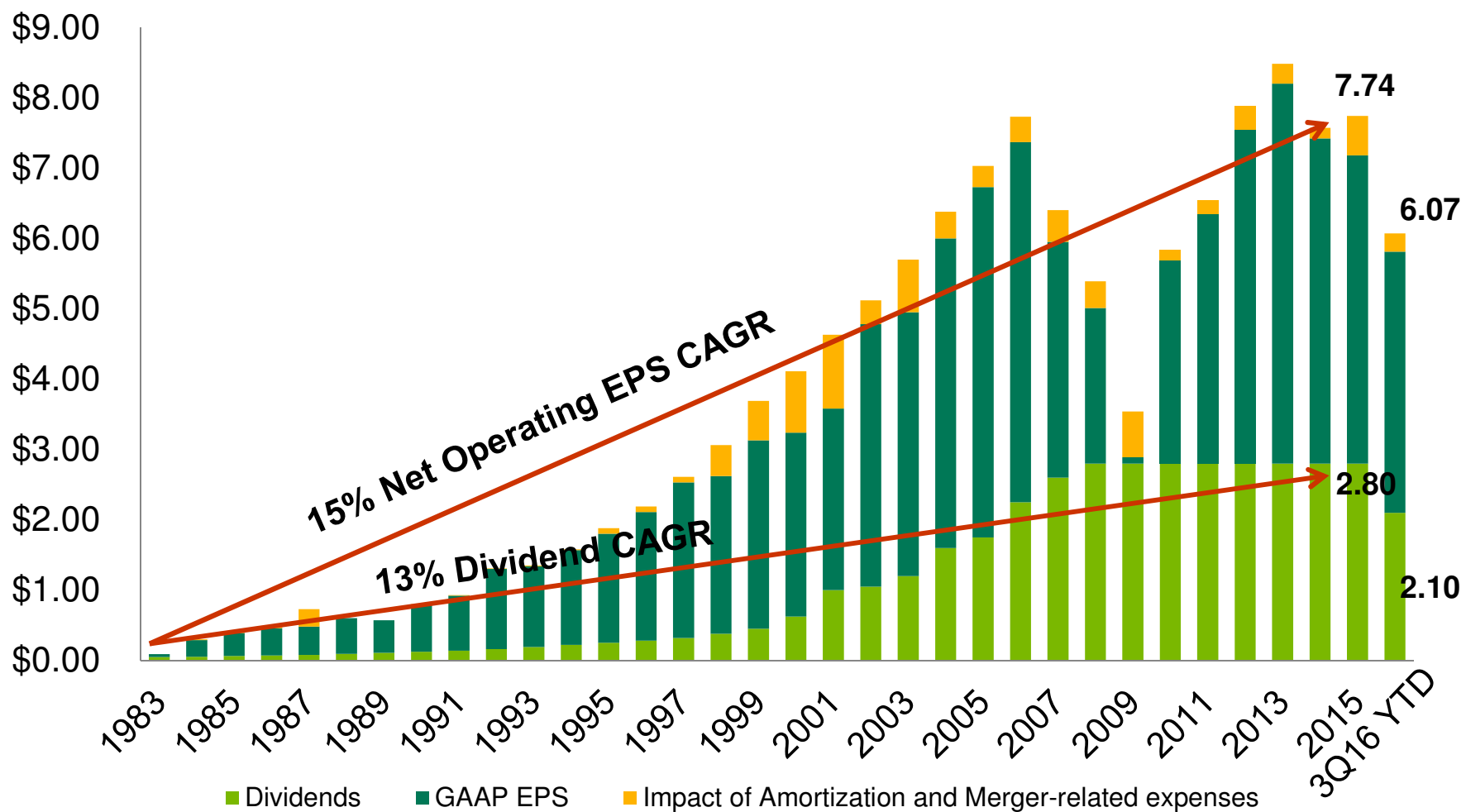
- Increase of \$1 billion in non-interest bearing trust-related deposits
- Funds held at the Federal Reserve earning 50 basis points

<i>(\$ in millions)</i>	Average Earning Assets	Net Interest Income	Net Interest Margin
3Q16 Actuals	\$112,864	\$865.1	3.05%
Increased Trust Deposits	<u>\$1,000</u>	<u>\$1.3</u>	<u>(0.02%)</u>
Net of Increase	\$113,864	\$866.4	3.03%
<i>% Change</i>	<i>+0.9%</i>	<i>+0.1%</i>	

- Deposits support trust and servicing fee income
- Capital efficient with low regulatory capital requirements

Long-term Shareholder Outperformance

Earnings & Dividend Growth: 1983-2015



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 (%)
			9/30/2016 (\$)	3/31/1983 (\$) ¹	
1	<i>M&T Bank Corporation</i>	<i>MTB</i>	<i>116.10</i>	<i>1.34</i>	<i>14.3</i>
2	State Street Corporation	STT	69.63	1.06	13.3
3	U.S. Bancorp	USB	42.89	0.92	12.2
4	Northern Trust Corporation	NTRS	67.99	1.51	12.0
6	Wells Fargo & Company	WFC	44.28	1.18	11.4
23	_____		—	—	3.7
Median			—	—	8.7
MTB Price @ Median Growth Rate			21.95	1.34	8.7

M&T Bank Corporation...a solid investment

18.2% 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	23.1
2	L Brands, Inc.	Consumer Discretionary	22.4
3	TJX Companies, Inc.	Consumer Discretionary	22.1
4	Stryker Corporation	Health Care	21.9
5	Hasbro, Inc.	Consumer Discretionary	21.8
6	Valspar Corporation	Materials	20.8
7	Progressive Corporation	Financials	20.3
8	Mylan N.V.	Health Care	20.2
9	Wal-Mart Stores, Inc.	Consumer Staples	19.9
10	Gap, Inc.	Consumer Discretionary	19.9
11	Equifax Inc.	Industrials	19.8
12	Danaher Corporation	Health Care	19.8
13	Sherwin-Williams Company	Materials	19.5
14	State Street Corporation	Financials	19.5
15	Berkshire Hathaway Inc. Class A	Financials	19.4
16	Astronics Corporation	Industrials	19.3
17	Constellation Brands, Inc. Class B	Consumer Staples	19.1
18	Aflac Incorporated	Financials	18.8
19	Walgreens Boots Alliance Inc	Consumer Staples	18.8
20	Lowe's Companies, Inc.	Consumer Discretionary	18.5
21	RLI Corp.	Financials	18.5
22	Church & Dwight Co., Inc.	Consumer Staples	18.4
23	V.F. Corporation	Consumer Discretionary	18.3
24	Robert Half International Inc.	Industrials	18.3
25	M&T Bank Corporation	Financials	18.2
26	Graco Inc.	Industrials	18.2
27	Flowers Foods, Inc.	Consumer Staples	17.9
28	Tyson Foods, Inc. Class A	Consumer Staples	17.8
29	Sysco Corporation	Consumer Staples	17.7
30	HollyFrontier Corporation	Energy	17.5

\$2,127 invested in M&T in 1980 would be worth \$1 million as of today

(1) CAGR calculated assuming reinvestment of dividends through September 30, 2016

(2) Includes 587 U.S. based publically traded stocks

Appendix and GAAP Reconciliations

Reconciliation of GAAP and Non-GAAP Measures

Net Income	2010	2011	2012	2013	2014	2015	2Q16	3Q16
\$ in millions								
Net income	\$736.2	\$859.5	\$1,029.5	\$1,138.5	\$1,066.2	\$1,079.7	\$336.0	\$350.0
Intangible amortization*	35.3	37.6	37.0	28.6	20.7	16.2	6.9	5.9
Merger-related items*	(16.3)	(12.8)	6.0	7.5	-	60.8	7.6	-
Net operating income	<u>\$755.2</u>	<u>\$884.3</u>	<u>\$1,072.5</u>	<u>\$1,174.6</u>	<u>\$1,086.9</u>	<u>\$1,156.6</u>	<u>\$350.6</u>	<u>\$355.9</u>
PPNR⁽¹⁾								
Net Income for EPS	\$675.9	\$781.8	\$953.4	\$1,062.5	\$978.6	\$987.7	\$313.0	\$327.0
Preferred Div., Amort. of Pref. Stock & Unvested Stock Awards	\$60.3	\$77.7	\$76.1	\$75.9	\$87.7	\$92.0	\$23.1	\$23.0
Income Taxes	\$356.6	\$401.3	\$562.5	\$627.1	\$576.0	\$595.0	\$194.1	\$200.3
GAAP Pre-tax Income	\$1,092.8	\$1,260.8	\$1,592.0	\$1,765.6	\$1,642.2	\$1,674.7	\$530.2	\$550.3
Provision for credit losses	368.0	270.0	204.0	185.0	124.0	170.0	32.0	47.0
Pre-Tax, Pre-Provision Net Revenue	<u>\$1,460.8</u>	<u>\$1,530.8</u>	<u>\$1,796.0</u>	<u>\$1,950.6</u>	<u>\$1,766.2</u>	<u>\$1,844.7</u>	<u>\$562.2</u>	<u>\$597.3</u>
Earnings Per Share								
Diluted earnings per share	\$5.69	\$6.35	\$7.54	\$8.20	\$7.42	\$7.18	\$1.98	\$2.10
Intangible amortization*	0.29	0.30	0.29	0.22	0.15	0.12	0.04	0.03
Merger-related items*	(0.14)	(0.10)	0.05	0.06	-	0.44	0.05	-
Diluted net operating earnings per share	<u>\$5.84</u>	<u>\$6.55</u>	<u>\$7.88</u>	<u>\$8.48</u>	<u>\$7.57</u>	<u>\$7.74</u>	<u>\$2.07</u>	<u>\$2.13</u>
Efficiency Ratio⁽¹⁾								
\$ in millions								
Non-interest expenses	\$1,914.8	\$2,441.9	\$2,469.8	\$2,587.9	\$2,689.5	\$2,822.9	\$749.9	\$752.4
less: intangible amortization	58.1	61.6	60.6	46.9	33.8	26.4	11.4	9.8
less: merger-related expenses	0.8	83.7	9.9	12.4	-	76.0	12.6	-
Non-interest operating expenses	<u>\$1,856.0</u>	<u>\$2,296.6</u>	<u>\$2,399.2</u>	<u>\$2,528.6</u>	<u>\$2,655.7</u>	<u>\$2,720.5</u>	<u>\$725.9</u>	<u>\$742.6</u>
Tax equivalent revenues	\$3,399.6	\$3,998.6	\$4,292.2	\$4,563.4	\$4,479.4	\$4,692.1	\$1,318.6	\$1,356.4
less: gain/(loss) on sale of securities	2.8	150.2	0.0	56.5	-	(0.1)	0.3	28.5
less: net OTTI losses recognized	(86.3)	(77.0)	(47.8)	(9.8)	-	-	-	-
less: merger-related gains	27.5	64.9	-	-	-	-	-	-
Denominator for efficiency ratio	<u>\$3,455.6</u>	<u>\$3,860.5</u>	<u>\$4,340.0</u>	<u>\$4,516.7</u>	<u>\$4,479.4</u>	<u>\$4,692.2</u>	<u>\$1,318.3</u>	<u>\$1,327.9</u>
Net operating efficiency ratio	53.7%	59.5%	55.3%	56.0%	59.3%	58.0%	55.1%	55.9%

*Net of tax

Reconciliation of GAAP and Non-GAAP Measures

Average Assets	2010	2011	2012	2013	2014	2015	2Q16	3Q16
<i>\$ in millions</i>								
Average assets	\$ 68,380	\$ 73,977	\$ 79,983	\$ 83,662	\$ 92,143	\$ 101,780	\$ 123,706	\$ 124,725
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,694)	(4,593)	(4,593)
Core deposit and other intangible assets	(153)	(168)	(144)	(90)	(50)	(45)	(122)	(112)
Deferred taxes	29	43	42	27	15	16	48	44
Average tangible assets	<u>\$ 64,731</u>	<u>\$ 70,327</u>	<u>\$ 76,356</u>	<u>\$ 80,074</u>	<u>\$ 88,583</u>	<u>\$ 98,057</u>	<u>\$ 119,039</u>	<u>\$ 120,064</u>
Average Common Equity								
<i>\$ in millions</i>								
Average common equity	\$ 7,367	\$ 8,207	\$ 8,834	\$ 9,844	\$ 10,905	\$ 11,996	\$ 15,145	\$ 15,115
Goodwill	(3,525)	(3,525)	(3,525)	(3,525)	(3,525)	(3,694)	(4,593)	(4,593)
Core deposit and other intangible assets	(153)	(168)	(144)	(90)	(50)	(45)	(122)	(112)
Deferred taxes	29	43	42	27	15	16	48	44
Average tangible common equity	<u>\$ 3,718</u>	<u>\$ 4,557</u>	<u>\$ 5,207</u>	<u>\$ 6,256</u>	<u>\$ 7,345</u>	<u>\$ 8,273</u>	<u>\$ 10,478</u>	<u>\$ 10,454</u>

M&T Peer Group

BB&T Corporation

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

Wells Fargo & Company

Zions Bancorporation