M&T Bank Corporation

Liquidity Coverage Ratio Disclosure

For the Quarter Ended

September 30, 2019

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Company Overview

M&T Bank Corporation ("M&T") is a bank holding company ("BHC") headquartered in Buffalo, New York. Through subsidiaries, M&T provides individuals, corporations and other businesses, and institutions with commercial and retail banking services, including loans and deposits, trust, mortgage banking, asset management, insurance and other financial services. Banking activities are largely focused on consumers residing in New York State, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Virginia, West Virginia and the District of Columbia and on small and medium-size businesses based in those areas. Certain subsidiaries also conduct activities in other areas.

M&T is a New York business corporation which is registered as a financial holding company under the Bank Holding Company Act of 1956, as amended, and as a BHC under Article III-A of the New York Banking Law. The principal executive offices of M&T are located at One M&T Plaza, Buffalo, New York 14203. M&T was incorporated in November 1969. M&T and its direct and indirect subsidiaries are collectively referred to herein as the "Company." As of September 30, 2019, the Company had consolidated total assets of $125.5 billion, deposits of $95.1 billion and shareholders' equity of $15.8 billion.

Liquidity Coverage Ratio Rule Overview

Bank holding companies with total consolidated assets of $100 billion or more, such as the Company, are required to provide market participant information regarding their liquidity risk profile as defined by the Liquidity Coverage Ratio ("LCR") Rule published by the Basel Committee on Banking Supervision and as implemented by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation in the United States. M&T, having less than $250 billion in consolidated assets, is allowed to calculate its LCR using the modified LCR requirements under the LCR Rule.

The LCR Rule requires covered institutions to hold an amount of unencumbered high-quality liquid assets ("HQLA") that equals or exceeds 100% of their respective projected net cash outflows over a 30 calendar-day stress period as calculated in accordance with the LCR Rule.

During October 2019, the Federal Reserve and other Federal bank regulators finalized the Tailoring NPRs as described in M&T's Form 10-K. Within the final rule, M&T is classified as a Category IV firm and, as such, will no longer be subject to LCR requirements effective January 1, 2020. However, M&T will continue to remain subject to the internal liquidity stress testing requirements under the Federal Reserve Board's regulations, which include 30-day and 1-year planning horizons.

The LCR disclosures within this document provide quantitative and qualitative disclosure guidelines pertaining to the components of the LCR calculation. These components include main drivers of LCR results, composition of eligible HQLA, concentration of funding sources, and other inflows and outflows in the LCR that are not specifically identified by the required quantitative disclosures, but that management considers relevant to facilitate an understanding of the Company's liquidity risk profile. These LCR Disclosures should be read in conjunction with the Company's Annual Report on Form 10-K ("Form 10-K") for the year ended December 31, 2018, Quarterly Report on Form 10-Q ("Form 10-Q") for the quarter ended September 30, 2019, and the Consolidated Financial Statements for Bank Holding Companies – FR Y-9C ("FR Y-9C") for the quarter ended September

30, 2019. Forms 10-K and 10-Q are available at **https://ir.mtb.com/financial-information/sec-filings**.

The financial information presented within this LCR disclosure may differ from similar information presented in Form 10-K, Form 10-Q, or the FR Y-9C. All amounts and information presented herein are in conformity with the definitions and requirements of the LCR rules. The LCR Disclosures have not been audited by M&T's external auditors.

Liquidity Risk Management Framework

Liquidity risk is the risk that the Company's financial condition or overall safety and soundness is adversely affected by an inability (or perceived inability) to meet its obligations. Liquidity risk exists during periods of normal operations and generally increases during periods of financial stress that may be due to company-specific circumstances or external factors. The liquidity position of the Company can change at any point in time depending on a number of factors including, but not limited to, market conditions, economic factors, regulatory rulings, or reputational or operational issues. The Company maintains enough primary and contingent funding to ensure adequate liquidity to support its operations under a market and idiosyncratic event.

M&T's Board of Directors delegates the authority to oversee funding and liquidity risk management to the Asset/Liability Committee ("ALCO") through the Management Risk Committee ("MRC"). ALCO performs active, direct oversight of all liquidity risk management practices and reports any developments to the MRC and the Board based on established corporate governance processes.

The Company utilizes key risk indicators, triggers and limits to ensure management is appropriately informed of potential funding and liquidity risks that may exist on and off-balance sheet. Additionally, the Company uses stress testing to ensure there are sufficient funding sources to support on-going operations given idiosyncratic or systemic liquidity events.

Detailed discussions of the risks outlined above and other risks facing the Company are included within Form 10-K in Part I, Item 1 "Business", Part 1, Item 1A "Risk Factors", and Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations." Furthermore, Part II, Item 7 under the heading "Forward-Looking Statements" includes a description of certain risks, uncertainties and assumptions identified by management that are difficult to predict and that could materially affect the Company's financial condition and results of operations, as well as the value of the Company's financial instruments.

For additional information about the liquidity guidelines that the Company is subject to, see "Part I—Item 1. Business—Liquidity" and Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Liquidity, Market Risk, and Interest Rate Sensitivity" in Form 10-K for the year ended December 31, 2018.

Summary of Results

For the quarter ended September 30, 2019, the Company's average monthly LCR was 121%, compared with 120% for the quarter ended June 30, 2019. Average weighted HQLA were $16.76 billion, compared with $13.88 billion of average weighted net cash outflows projected over a 30 day period. See summarized results in Table 1.

Table 1: Liquidity Coverage Ratio Summary Results

	Three Months Ended September 30, 2019 (Dollars in millions)
HQLA	$16,757
Projected net cash outflows	$13,882
LCR	121%
HQLA in excess of projected net cash outflows	$2,875

The quantitative disclosure provides the average values of the LCR components calculated over the quarter. See detailed results in Table 2

Table 2: Liquidity Coverage Ratio Quantitative Disclosure

		Three Months Ended September 30, 2019	
		Average Unweighted Amount	Average Weighted Amount
		(Dollars in millions)	
High-quality liquid assets			
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**$ 17,396**	**$ 16,757**
2	Eligible level 1 liquid assets	13,138	13,138
3	Eligible level 2A liquid assets	4,258	3,619
4	Eligible level 2B liquid assets	-	-
Cash outflow amounts			
5	**Deposit outflow from retail customers and counterparties, of which:**	**45,608**	**2,616**
6	Stable retail deposit outflow	33,424	1,002
7	Other retail funding outflow	9,549	955
8	Brokered deposit outflow	2,635	659
9	**Unsecured wholesale funding outflow, of which:**	**46,580**	**14,523**
10	Operational deposit outflow	28,657	6,894
11	Non-operational funding outflow	17,923	7,629
12	Unsecured debt outflow	-	-
13	**Secured wholesale funding and asset exchange outflow**	**4,648**	**889**
14	**Additional outflow requirements, of which:**	**19,388**	**2,609**
15	Outflow related to derivative exposures and other collateral requirements	347	290
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	19,041	2,319
17	**Other contractual funding obligation outflow**	**410**	**410**
18	Other contingent funding obligations outflow	-	-
19	**Total cash outflow**	**116,634**	**21,047**
Cash inflow amounts			
20	**Secured lending and asset exchange cash inflow**	**-**	**-**
21	**Retail cash inflow**	**295**	**147**
22	**Unsecured wholesale cash inflow**	**1,932**	**979**
23	**Other cash inflows, of which:**	**90**	**90**
24	Net derivative cash inflow	89	89
25	Securities cash inflow	1	1
26	Broker-dealer segregated account inflow	-	-
27	Other cash inflow	-	-
28	**Total cash inflow**	**$ 2,317**	**$ 1,216**
			Average Amount [1]
29	**HQLA amount**		**$ 16,757**
30	**Total net cash outflow amount excluding the maturity mismatch add-on [2]**		
31	**Maturity mismatch add-on [2]**		
32	**Total net cash outflow amount**		**$ 13,882**
33	**Liquidity Coverage Ratio**		**121%**

[1] The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1-28 due to technical factors such as the application of the level 2 liquid asset caps, the total inflow cap, and for depository institution holding companies subject to subpart G, the application of the modification to total net cash outflows.

[2] Institutions calculating LCR under the modified rule are not required to calculate a maturity mismatch add-on.

High-Quality Liquid Assets

HQLA average weighted balance for the quarter ended September 30, 2019 was $16.76 billion. The composition of HQLA is comprised of a mix of Level 1 and Level 2a assets. Level 1 assets were primarily comprised of excess reserves at the Federal Reserve Bank of New York, U.S. Treasury securities, and Ginnie Mae mortgage-backed securities. Level 2a assets represent 22% of HQLA (weighted), under the 40% cap pursuant to the LCR rules. Those Level 2a assets were primarily Fannie Mae and Freddie Mac mortgage-backed securities.

The composition of the Company's HQLA is presented in Table 3.

Table 3: HQLA Composition

	Three Months Ended September 30, 2019	
	Average Unweighted	Average Weighted
	(In millions)	
Eligible HQLA	$ 17,396	$ 16,757
Eligible Level 1 Liquid Assets	13,138	13,138
Eligible Level 2a Liquid Assets	4,258	3,619
Eligible Level 2b Liquid Assets	-	-

Net Cash Outflows

Cash outflow average weighted balance for the quarter ended September 30, 2019 was $21.05 billion. The Company primarily relies on deposits as a low cost and stable source of funding. The Company also uses borrowings from banks, securities dealers, various Federal Home Loan Banks, the Federal Reserve Bank of New York and others as sources of funding.

The primary source of cash outflows arise from deposits of both wholesale and retail counterparties in the amount of $17.14 billion. In addition to deposits, commitments to extend credit and liquidity facilities and mortgage commitments constitute a significant portion of the remaining balance of outflows to the amount of $3.91 billion.

Cash inflow average weighted balance for the quarter ended September 30, 2019 was $1.22 billion. Composition of the cash inflow amount was primarily made up of projected loan payments from wholesale customers of $979 million, followed by projected loan payments from retail customers of $147 million, and other cash inflows of $90 million (comprising of both derivative and securities cash).

Forward-looking Statements

This document and Forms 10-K and 10-Q contain forward-looking statements that are based on expectations, estimates and projections about the Company's business, management's beliefs and assumptions made by management. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could," or "may," or by variations of such words or by similar expressions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") which are difficult to predict and are subject to any impact arising from the risks and risk factors discussed herein and in the aforementioned documents. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Forward-looking statements speak only as of the date they are made and the Company assumes no duty to update 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 of 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 and/or regulation affecting the financial services industry as a whole, and M&T and its subsidiaries individually or collectively, including tax legislation or regulation; 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. A detailed discussion of Risk Factors is included in Forms 10-K and 10-Q.