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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 11, 2007

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**M&T BANK CORPORATION**

(Exact name of registrant as specified in its charter)

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New York

(State or other jurisdiction of incorporation)

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1-9861

(Commission File Number)

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16-0968385

(I.R.S. Employer Identification No.)

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One M&T Plaza, Buffalo, New York

(Address of principal executive offices)

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14203

(Zip Code)

Registrant's telephone number, including area code: (716) 842-5445

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(NOT APPLICABLE)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On January 11, 2007, M&T Bank Corporation announced its results of operations for the fiscal quarter and full year ended December 31, 2006. The public announcement was made by means of a news release, the text of which is set forth in Exhibit 99 hereto.

The information in this Form 8-K, including Exhibit 99 attached hereto, is being furnished under Item 2.02 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liability of such section, nor shall it be deemed incorporated by reference in any filing of M&T Bank Corporation under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.

99 News Release dated January 11, 2007.

SIGNATURES

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

M&T BANK CORPORATION

Date: January 11, 2007

By: /s/ René F. Jones  
René F. Jones  
Executive Vice President  
and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

99 News Release dated January 11, 2007. Filed herewith.

INVESTOR CONTACT: Donald J. MacLeod  
(716) 842-5462

FOR IMMEDIATE RELEASE:  
January 11, 2007

MEDIA CONTACT: C. Michael Zabel  
(716) 842-2311

**M&T BANK CORPORATION ANNOUNCES FINANCIAL RESULTS FOR 2006**

BUFFALO, NEW YORK — M&T Bank Corporation (“M&T”)(NYSE: MTB) today reported its results of operations for 2006.

GAAP Results of Operations. Diluted earnings per share measured in accordance with generally accepted accounting principles (“GAAP”) rose 10% to \$7.37 in 2006 from \$6.73 in 2005. On the same basis, net income in 2006 increased 7% to \$839 million from \$782 million in 2005. GAAP-basis net income for 2006 expressed as a rate of return on average assets and average common stockholders’ equity was 1.50% and 13.89%, respectively, compared with 1.44% and 13.49%, respectively, in 2005.

GAAP-basis diluted earnings per share for 2006’s fourth quarter of \$1.88 were 6% higher than \$1.78 in the year-earlier period. Net income for the recently completed quarter aggregated \$213 million, up 4% from \$205 million in the final quarter of 2005. Expressed as an annualized rate of return on average assets and average common stockholders’ equity, GAAP-basis net income for the fourth quarter of 2006 was 1.50% and 13.55%, respectively, compared with 1.48% and 13.85%, respectively, in the corresponding period of 2005.

Reflecting on M&T’s financial performance in 2006, René F. Jones, Executive Vice President and Chief Financial Officer, commented, “Despite a rather difficult interest rate environment, 2006 proved to be a successful year for M&T. We completed our infrastructure, smartspend and community bank projects, saw

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strong growth in our Mid-Atlantic franchise, expanded our branch network in upstate New York and had another year of double-digit growth in earnings per share.”

Supplemental Reporting of Non-GAAP Results of Operations. Since 1998, M&T has consistently provided 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, because such expenses are considered by management to be “nonoperating” in nature. 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. Amortization of core deposit and other intangible assets, after tax effect, for the years ended December 31, 2006 and 2005 totaled \$38 million (\$.33 per diluted share) and \$35 million (\$.30 per diluted share), respectively. Similar amortization charges, after tax effect, were \$11 million (\$.10 per diluted share) in the fourth quarter of 2006, compared with \$8 million (\$.07 per diluted share) in the year-earlier quarter. For the year ended December 31, 2006, the after-tax effect of amortization of the core deposit intangible associated with the June 2006 acquisition by M&T Bank of 21 branch offices in Buffalo and Rochester, New York from Citibank, N.A. was \$11 million or \$.09 of diluted earnings per share. Acquisition and integration-related expenses related to the branch acquisition totaled \$3 million, after tax effect, or \$.03 of diluted earnings per share, during 2006. There were no similar expenses in 2006’s fourth quarter or during 2005.

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Diluted net operating earnings per share, which exclude the impact of amortization of core deposit and other intangible assets and merger-related expenses, rose 10% to \$7.73 in 2006 from \$7.03 in 2005. Net operating income for 2006 increased 8% to \$881 million from \$817 million in 2005. Net operating income in 2006 expressed as a rate of return on average tangible assets and average tangible stockholders' equity was 1.67% and 29.55%, respectively, compared with 1.60% and 29.06% in 2005.

For 2006's fourth quarter, diluted net operating earnings per share were \$1.98, up 7% from \$1.85 in the corresponding 2005 period. Net operating income for the final quarter of 2006 increased 6% to \$225 million from \$213 million in the year-earlier period. For the quarter ended December 31, 2006, net operating income expressed as an annualized rate of return on average tangible assets and average tangible equity was 1.67% and 28.71%, respectively, compared with 1.63% and 29.12% in the similar period of 2005.

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Reconciliation of GAAP and Non-GAAP Results of Operations. A reconciliation of diluted earnings per share and net income with diluted net operating earnings per share and net operating income follows:

|  | Three months ended<br>December 31 |                | Year ended<br>December 31 |                |
|--|-----------------------------------|----------------|---------------------------|----------------|
|  | 2006                              | 2005           | 2006                      | 2005           |
|  | (in thousands, except per share)  |                |                           |                |
| Diluted earnings per share                                   | \$ 1.88                           | 1.78           | 7.37                      | 6.73           |
| Amortization of core deposit and other intangible assets (1) | .10                               | .07            | .33                       | .30            |
| Merger-related expenses (1)                                  | —                                 | —              | .03                       | —              |
| Diluted net operating earnings per share                     | <u>\$ 1.98</u>                    | <u>1.85</u>    | <u>7.73</u>               | <u>7.03</u>    |
| Net income   | \$ 213,329                        | 204,985        | 839,189                   | 782,183        |
| Amortization of core deposit and other intangible assets (1) | 11,404                            | 7,753          | 38,418                    | 34,682         |
| Merger-related expenses (1)                                  | —                                 | —              | 3,048                     | —              |
| Net operating income   | <u>\$ 224,733</u>                 | <u>212,738</u> | <u>880,655</u>            | <u>816,865</u> |

(1) After any related tax effect

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Reconciliation of Total Assets and Equity to Tangible Assets and Equity. A reconciliation of average assets and equity with average tangible assets and average tangible equity follows:

|  | Three months ended<br>December 31 |               | Year ended<br>December 31 |               |
|--|-----------------------------------|---------------|---------------------------|---------------|
|  | 2006                              | 2005          | 2006                      | 2005          |
|  | (in millions)                     |               |                           |               |
| Average assets                           | \$ 56,575                         | 54,835        | 55,839                    | 54,135        |
| Goodwill                                 | (2,909)                           | (2,904)       | (2,908)                   | (2,904)       |
| Core deposit and other intangible assets | (261)                             | (115)         | (191)                     | (135)         |
| Deferred taxes                           | 32                                | 44            | 38                        | 52            |
| Average tangible assets                  | <u>\$ 53,437</u>                  | <u>51,860</u> | <u>52,778</u>             | <u>51,148</u> |
| Average equity                           | \$ 6,244                          | 5,873         | 6,041                     | 5,798         |
| Goodwill                                 | (2,909)                           | (2,904)       | (2,908)                   | (2,904)       |
| Core deposit and other intangible assets | (261)                             | (115)         | (191)                     | (135)         |
| Deferred taxes                           | 32                                | 44            | 38                        | 52            |
| Average tangible equity                  | <u>\$ 3,106</u>                   | <u>2,898</u>  | <u>2,980</u>              | <u>2,811</u>  |

Taxable-equivalent Net Interest Income. Taxable-equivalent net interest income was \$1.84 billion in 2006, up 1% from \$1.81 billion in 2005. Average loans and leases outstanding rose 5% to \$41.4 billion in 2006 from \$39.5 billion in 2005. Such growth was attributable to higher average outstanding balances in commercial loans, commercial real estate loans and residential real estate loans, offset in part, by a decline in average consumer loans outstanding. The decrease in consumer loan balances resulted from lower automobile loans and leases, reflecting M&T's decision to allow such loan balances to decline rather than matching interest rates offered by competitors. Partially offsetting the positive impact of loan growth was a narrowing of M&T's net interest margin, or taxable-equivalent net interest income expressed as a percentage of average earning assets, to 3.70% in 2006 from 3.77% in 2005.

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During the fourth quarter of 2006, taxable-equivalent net interest income was \$472 million, 4% higher than \$454 million in the corresponding 2005 quarter. Average loans outstanding and annualized net interest margin in the final quarter of 2006 were \$42.5 billion and 3.73%, respectively, compared with \$40.4 billion and 3.69% in the year-earlier period. M&T's net interest margin in the recent quarter was improved from 3.68% in the immediately preceding quarter and 3.66% in 2006's second quarter.

Provision for Credit Losses/Asset Quality. The provision for credit losses totaled \$80 million in 2006, down from \$88 million in 2005. Net loan charge-offs in 2006 totaled \$68 million, or .16% of average loans outstanding, compared with \$77 million or .19% of average loans in 2005. The provision for credit losses was \$28 million during the final three months of 2006, compared with \$23 million in the similar 2005 period. Net charge-offs of loans were \$24 million in the fourth quarter of 2006, representing an annualized .23% of average loans outstanding, compared with \$23 million or .22% during the year-earlier quarter.

Loans classified as nonperforming totaled \$224 million, or .52% of total loans at December 31, 2006, compared with \$156 million or .39% a year earlier. That increase was largely due to the addition of four relationships with automobile dealers totaling approximately \$41 million of loans outstanding at December 31, 2006. Continued slowing of domestic automobile sales has resulted in a difficult operating environment for certain automobile dealers, leading to deteriorating financial results. Also contributing to the higher nonperforming loan balance at December 31, 2006 was a \$10 million commercial loan added to that category in the fourth quarter of 2006 that was subsequently paid off in early January 2007. Loans past due 90 days or more and accruing interest totaled \$111 million at the

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recent year-end, compared with \$129 million at December 31, 2005. Included in these past due, but accruing loans at December 31, 2006 and 2005 were \$77 million and \$106 million, respectively, of loans guaranteed by government-related entities. Assets taken in foreclosure of defaulted loans totaled \$12 million at December 31, 2006 and \$9 million at December 31, 2005.

Allowance for Credit Losses. The allowance for credit losses was \$650 million, or 1.51% of total loans, at December 31, 2006, compared with \$638 million, or 1.58%, a year earlier. The decline in the allowance as a percentage of total loans from 2005's year-end to December 31, 2006 reflects a change in portfolio mix resulting from higher balances of residential real estate loans and lower balances of consumer loans. In general, M&T experiences significantly lower charge-offs on residential real estate loans than on consumer loans. The ratio of M&T's allowance for credit losses to nonperforming loans was 290% and 408% at December 31, 2006 and 2005, respectively.

Noninterest Income and Expense. Noninterest income rose 10% to \$1.05 billion in 2006, from \$950 million in 2005. Higher mortgage banking revenues, service charges on deposit accounts, trust income, brokerage services income, and other revenues contributed to that improvement. Included in noninterest income in 2006 was a \$13 million third quarter gain resulting from the accelerated recognition of a purchase accounting premium related to the call of a \$200 million Federal Home Loan Bank of Atlanta ("FHLB") borrowing assumed in a previous acquisition. Losses from bank investment securities in 2005 included a \$29 million non-cash, other-than-temporary impairment charge in the third quarter related to preferred stock issuances of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. Noninterest income of \$256 million in the fourth

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quarter of 2006 was up 3% from \$249 million in the similar 2005 quarter, due in part to higher trust and brokerage services activities, service charges on deposit accounts and revenues from bank owned life insurance, partially offset by a decline in mortgage banking revenues.

Noninterest expense in 2006 totaled \$1.55 billion, a 4% increase from \$1.49 billion in 2005. Included in such amounts are expenses considered to be "nonoperating" in nature, consisting of amortization of core deposit and other intangible assets of \$63 million in 2006 and \$57 million in 2005 and merger-related expenses of \$5 million in 2006. Exclusive of these nonoperating expenses, noninterest operating expenses were \$1.48 billion in 2006 and \$1.43 billion in 2005. Included in 2006's operating expenses was an \$18 million tax-deductible contribution made in that year's third quarter to The M&T Charitable Foundation, a tax-exempt private charitable foundation. Excluding the impact of the charitable contribution, operating expenses in 2006 increased \$37 million, or 3% from 2005. The most significant contributor to the increase in noninterest expense was a higher level of salaries expense in 2006, reflecting the impact of merit pay increases, an increase in the number of full-time equivalent employees and increased stock-based compensation costs.

Noninterest expense in the final quarter of 2006 totaled \$384 million, compared with \$369 million in the year-earlier quarter. Included in such amounts were amortization of core deposit and other intangible assets of \$19 million in 2006 and \$13 million in 2005. Exclusive of these nonoperating expenses, noninterest operating expenses were \$365 million in the recent quarter, compared with \$356 million in 2005's fourth quarter. Higher costs for salaries and a \$1 million increase to the valuation allowance for the impairment of capitalized residential mortgage

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servicing rights in 2006's fourth quarter, compared with a partial reversal of a portion of such valuation allowance of \$6 million in the year-earlier quarter, were the leading contributors to the rise in noninterest expense.

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 51.5% in 2006, compared with 51.2% in 2005. During 2006's fourth quarter, M&T's efficiency ratio was 50.2%, compared with 50.7% in the year-earlier quarter.

Balance Sheet. M&T had total assets of \$57.1 billion at December 31, 2006, up from \$55.1 billion a year earlier. Loans and leases, net of unearned discount, totaled \$42.9 billion at the 2006 year-end, up 6% from \$40.3 billion at December 31, 2005. Deposits were \$39.9 billion at December 31, 2006, compared with \$37.1 billion at the end of 2005. Total stockholders' equity was \$6.3 billion at December 31, 2006, representing 11.01% of total assets, compared with \$5.9 billion or 10.66% a year earlier. Common stockholders' equity per share was \$56.94 at December 31, 2006, compared with \$52.39 a year earlier. Tangible equity per common share was \$28.57 and \$25.91 at December 31, 2006 and 2005, respectively. In the calculation of tangible equity per common share, stockholders' equity is reduced by the carrying values of goodwill and core deposit and other intangible assets, net of applicable deferred tax balances, which aggregated \$3.1 billion and \$3.0 billion at December 31, 2006 and 2005, respectively.

In November 2005, M&T announced that it had been authorized by its Board of Directors to purchase up to 5,000,000 shares of

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its common stock. Pursuant to such plan, during the three-month and twelve-month periods ended December 31, 2006, M&T repurchased 622,300 shares and 3,259,000 shares, respectively, at an average cost per share of \$120.46 and \$114.72. Through December 31, 2006, M&T had repurchased 3,303,700 shares of its common stock pursuant to the repurchase plan at an average cost of \$114.66 per share.

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 10:00 a.m. Eastern Time. Domestic callers 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 conference ID #8278151. The conference call will also be webcast live on M&T's website at <http://ir.mandtbank.com/conference.cfm>. A replay of the call will be available until Friday, January 12, 2007 by calling 877-519-4471, or 973-341-3080 for international participants, and by making reference to ID #8278151. The event will be archived and available by 3:00 p.m. today on M&T's website at <http://ir.mandtbank.com/conference.cfm>.

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.*

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*Future Factors include changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity; prepayment speeds, loan originations and credit losses; 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; legislation affecting the financial services industry as a whole, and M&T and its subsidiaries individually or collectively; regulatory supervision and oversight, including monetary policy and required capital levels; changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other 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; 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 and acquisition 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*

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*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<br>December 31 |         |        | Year ended<br>December 31 |           |        |
|---|-----------------------------------|---------|--------|---------------------------|-----------|--------|
|   | 2006                              | 2005    | Change | 2006                      | 2005      | Change |
| <b>Performance</b>                                      |                                   |         |        |                           |           |        |
| Net income  | \$213,329                         | 204,985 | 4%     | \$ 839,189                | 782,183   | 7%     |
| <b>Per common share:</b>                                |                                   |         |        |                           |           |        |
| Basic earnings  | \$ 1.93                           | 1.82    | 6%     | \$ 7.55                   | 6.88      | 10%    |
| Diluted earnings  | 1.88                              | 1.78    | 6      | 7.37                      | 6.73      | 10     |
| Cash dividends  | \$ .60                            | .45     | 33     | \$ 2.25                   | 1.75      | 29     |
| <b>Common shares outstanding:</b>                       |                                   |         |        |                           |           |        |
| Average — diluted (1)                                   | 113,468                           | 115,147 | -1%    | 113,918                   | 116,232   | -2%    |
| Period end (2)  | 110,308                           | 112,160 | -2     | 110,308                   | 112,160   | -2     |
| <b>Return on (annualized):</b>                          |                                   |         |        |                           |           |        |
| Average total assets                                    | 1.50%                             | 1.48%   |        | 1.50%                     | 1.44%     |        |
| Average common stockholders' equity                     | 13.55%                            | 13.85%  |        | 13.89%                    | 13.49%    |        |
| Taxable-equivalent net interest income                  | \$471,841                         | 454,161 | 4%     | \$1,837,208               | 1,811,654 | 1%     |
| Yield on average earning assets                         | 6.92%                             | 6.16%   |        | 6.71%                     | 5.83%     |        |
| Cost of interest-bearing liabilities                    | 3.83%                             | 2.98%   |        | 3.61%                     | 2.51%     |        |
| Net interest spread                                     | 3.09%                             | 3.18%   |        | 3.10%                     | 3.32%     |        |
| Contribution of interest-free funds                     | .64%                              | .51%    |        | .60%                      | .45%      |        |
| Net interest margin                                     | 3.73%                             | 3.69%   |        | 3.70%                     | 3.77%     |        |
| Net charge-offs to average total net loans (annualized) | .23%                              | .22%    |        | .16%                      | .19%      |        |
| <b>Net operating results (3)</b>                        |                                   |         |        |                           |           |        |
| Net operating income                                    | \$224,733                         | 212,738 | 6%     | \$ 880,655                | 816,865   | 8%     |
| Diluted net operating earnings per common share         | 1.98                              | 1.85    | 7      | 7.73                      | 7.03      | 10     |
| <b>Return on (annualized):</b>                          |                                   |         |        |                           |           |        |
| Average tangible assets                                 | 1.67%                             | 1.63%   |        | 1.67%                     | 1.60%     |        |
| Average tangible common equity                          | 28.71%                            | 29.12%  |        | 29.55%                    | 29.06%    |        |
| Efficiency ratio  | 50.22%                            | 50.69%  |        | 51.51%                    | 51.20%    |        |
| <b>Loan quality</b>                                     |                                   |         |        |                           |           |        |
|   | At December 31                    |         |        |                           |           |        |
|   | 2006                              | 2005    | Change |                           |           |        |
| Nonaccrual loans  | \$ 209,272                        | 141,067 | 48%    |                           |           |        |
| Renegotiated loans                                      | 14,956                            | 15,384  | -3     |                           |           |        |
| Total nonperforming loans                               | \$ 224,228                        | 156,451 | 43%    |                           |           |        |
| Accruing loans past due 90 days or more                 | \$ 111,307                        | 129,403 | -14%   |                           |           |        |
| Nonperforming loans to total net loans                  | .52%                              | .39%    |        |                           |           |        |
| Allowance for credit losses to total net loans          | 1.51%                             | 1.58%   |        |                           |           |        |

(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. A reconciliation of net income and net operating income appears on page 4.

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M&T BANK CORPORATION  
Condensed Consolidated Statement of Income

| Dollars in thousands  | Three months ended<br>December 31 |         |        | Year ended<br>December 31 |           |        |
|---|-----------------------------------|---------|--------|---------------------------|-----------|--------|
|   | 2006                              | 2005    | Change | 2006                      | 2005      | Change |
| Interest income   | \$ 871,074                        | 753,101 | 16%    | \$ 3,314,093              | 2,788,694 | 19%    |
| Interest expense  | 404,356                           | 303,493 | 33     | 1,496,552                 | 994,351   | 51     |
| Net interest income   | 466,718                           | 449,608 | 4      | 1,817,541                 | 1,794,343 | 1      |
| Provision for credit losses                                 | 28,000                            | 23,000  | 22     | 80,000                    | 88,000    | -9     |
| Net interest income after provision for<br>credit losses    | 438,718                           | 426,608 | 3      | 1,737,541                 | 1,706,343 | 2      |
| Other income  |                                   |         |        |                           |           |        |
| Mortgage banking revenues                                   | 30,299                            | 36,069  | -16    | 143,181                   | 136,114   | 5      |
| Service charges on deposit accounts                         | 96,211                            | 93,718  | 3      | 380,950                   | 369,918   | 3      |
| Trust income  | 37,004                            | 34,663  | 7      | 140,781                   | 134,679   | 5      |
| Brokerage services income                                   | 16,296                            | 13,527  | 20     | 60,295                    | 55,572    | 8      |
| Trading account and foreign exchange<br>gains               | 7,005                             | 5,705   | 23     | 24,761                    | 22,857    | 8      |
| Gain (loss) on bank investment<br>securities                | 1,139                             | (384)   | —      | 2,566                     | (28,133)  | —      |
| Other revenues from operations                              | 68,463                            | 65,306  | 5      | 293,318                   | 258,711   | 13     |
| Total other income  | 256,417                           | 248,604 | 3      | 1,045,852                 | 949,718   | 10     |
| Other expense   |                                   |         |        |                           |           |        |
| Salaries and employee benefits                              | 213,129                           | 203,317 | 5      | 873,353                   | 822,239   | 6      |
| Equipment and net occupancy                                 | 41,164                            | 44,042  | -7     | 168,776                   | 173,689   | -3     |
| Printing, postage and supplies                              | 9,023                             | 7,817   | 15     | 33,956                    | 33,743    | 1      |
| Amortization of core deposit and other<br>intangible assets | 18,687                            | 12,703  | 47     | 63,008                    | 56,805    | 11     |
| Other costs of operations                                   | 101,807                           | 101,235 | 1      | 412,658                   | 398,666   | 4      |
| Total other expense   | 383,810                           | 369,114 | 4      | 1,551,751                 | 1,485,142 | 4      |
| Income before income taxes                                  | 311,325                           | 306,098 | 2      | 1,231,642                 | 1,170,919 | 5      |
| Applicable income taxes                                     | 97,996                            | 101,113 | -3     | 392,453                   | 388,736   | 1      |
| Net income  | \$ 213,329                        | 204,985 | 4%     | \$ 839,189                | 782,183   | 7%     |

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M&T BANK CORPORATION  
Condensed Consolidated Balance Sheet

| Dollars in thousands                                   | December 31         |                   | Change |
|--|---------------------|-------------------|--------|
|  | 2006                | 2005              |        |
| <b>ASSETS</b>  |                     |                   |        |
| Cash and due from banks                                | \$ 1,605,506        | 1,479,239         | 9%     |
| Interest-bearing deposits at banks                     | 6,639               | 8,408             | -21    |
| Federal funds sold and agreements to resell securities | 119,458             | 11,220            | 965    |
| Trading account assets                                 | 136,752             | 191,617           | -29    |
| Investment securities                                  | 7,251,598           | 8,400,164         | -14    |
| Loans and leases, net of unearned discount             | 42,947,297          | 40,330,645        | 6      |
| Less: allowance for credit losses                      | 649,948             | 637,663           | 2      |
| Net loans and leases                                   | 42,297,349          | 39,692,982        | 7      |
| Goodwill   | 2,908,849           | 2,904,081         | —      |
| Core deposit and other intangible assets               | 250,233             | 108,260           | 131    |
| Other assets   | 2,488,521           | 2,350,435         | 6      |
| Total assets   | <u>\$57,064,905</u> | <u>55,146,406</u> | 3%     |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>            |                     |                   |        |
| Noninterest-bearing deposits at U.S. offices           | \$ 7,879,977        | 8,141,928         | -3%    |
| Other deposits at U.S. offices                         | 26,600,858          | 26,148,714        | 2      |
| Deposits at foreign office                             | 5,429,668           | 2,809,532         | 93     |
| Total deposits   | 39,910,503          | 37,100,174        | 8      |
| Short-term borrowings                                  | 3,094,214           | 5,152,872         | -40    |
| Accrued interest and other liabilities                 | 888,352             | 819,980           | 8      |
| Long-term borrowings                                   | 6,890,741           | 6,196,994         | 11     |
| Total liabilities                                      | 50,783,810          | 49,270,020        | 3      |
| Stockholders' equity (1)                               | 6,281,095           | 5,876,386         | 7      |
| Total liabilities and stockholders' equity             | <u>\$57,064,905</u> | <u>55,146,406</u> | 3%     |

(1) Reflects accumulated other comprehensive loss, net of applicable income tax effect, of \$53.6 million at December 31, 2006 and \$97.9 million at December 31, 2005.

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16-16-16-16

M&T BANK CORPORATION  
Condensed Consolidated Average Balance Sheet  
and Annualized Taxable-equivalent Rates

| Dollars in millions                                    | Three months ended<br>December 31 |       |          |       |         | Change in<br>balance | Year ended<br>December 31 |          |                      |      |  |
|--|-----------------------------------|-------|----------|-------|---------|----------------------|---------------------------|----------|----------------------|------|--|
|  | 2006                              |       | 2005     |       | 2006    |                      | 2005                      |          | Change in<br>balance |      |  |
|  | Balance                           | Rate  | Balance  | Rate  | Balance |                      | Rate                      | Balance  |                      | Rate |  |
| <b>ASSETS</b>  |                                   |       |          |       |         |                      |                           |          |                      |      |  |
| Interest-bearing deposits at banks                     | \$ 11                             | 2.45% | 10       | 2.14% | 8%      | \$ 12                | 3.01%                     | 10       | 1.64%                | 20%  |  |
| Federal funds sold and agreements to resell securities | 125                               | 7.42  | 19       | 4.29  | 541     | 81                   | 6.91                      | 23       | 3.55                 | 256  |  |
| Trading account assets                                 | 69                                | 1.98  | 99       | 2.57  | -30     | 90                   | 2.71                      | 80       | 1.92                 | 12   |  |
| Investment securities                                  | 7,556                             | 4.88  | 8,302    | 4.48  | -9      | 8,036                | 4.80                      | 8,476    | 4.40                 | -5   |  |
| Loans and leases, net of unearned discount             |                                   |       |          |       |         |                      |                           |          |                      |      |  |
| Commercial, financial, etc                             | 11,523                            | 7.32  | 10,738   | 6.25  | 7       | 11,319               | 7.09                      | 10,455   | 5.64                 | 8    |  |
| Real estate — commercial                               | 15,492                            | 7.53  | 14,419   | 6.92  | 7       | 15,096               | 7.32                      | 14,341   | 6.56                 | 5    |  |
| Real estate — consumer                                 | 5,537                             | 6.54  | 4,674    | 6.04  | 18      | 5,015                | 6.38                      | 3,925    | 6.00                 | 28   |  |
| Consumer   | 9,922                             | 7.42  | 10,572   | 6.53  | -6      | 10,003               | 7.12                      | 10,808   | 6.15                 | -7   |  |
| Total loans and leases, net                            | 42,474                            | 7.29  | 40,403   | 6.51  | 5       | 41,433               | 7.09                      | 39,529   | 6.15                 | 5    |  |
| Total earning assets                                   | 50,235                            | 6.92  | 48,833   | 6.16  | 3       | 49,652               | 6.71                      | 48,118   | 5.83                 | 3    |  |
| Goodwill   | 2,909                             |       | 2,904    |       | —       | 2,908                |                           | 2,904    |                      | —    |  |
| Core deposit and other intangible assets               | 261                               |       | 115      |       | 127     | 191                  |                           | 135      |                      | 41   |  |
| Other assets   | 3,170                             |       | 2,983    |       | 6       | 3,088                |                           | 2,978    |                      | 4    |  |
| Total assets   | \$56,575                          |       | \$54,835 |       | 3%      | \$55,839             |                           | \$54,135 |                      | 3%   |  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>            |                                   |       |          |       |         |                      |                           |          |                      |      |  |
| Interest-bearing deposits                              |                                   |       |          |       |         |                      |                           |          |                      |      |  |
| NOW accounts   | \$ 461                            | .92   | 421      | .67   | 10%     | \$ 435               | .79                       | 400      | .55                  | 9%   |  |
| Savings deposits                                       | 14,549                            | 1.60  | 14,498   | 1.12  | —       | 14,401               | 1.40                      | 14,889   | .94                  | -3   |  |
| Time deposits  | 12,086                            | 4.66  | 11,018   | 3.69  | 10      | 12,420               | 4.44                      | 9,158    | 3.22                 | 36   |  |
| Deposits at foreign office                             | 3,777                             | 5.20  | 3,227    | 3.95  | 17      | 3,610                | 4.94                      | 3,819    | 3.15                 | -5   |  |
| Total interest-bearing deposits                        | 30,873                            | 3.23  | 29,164   | 2.40  | 6       | 30,866               | 3.03                      | 28,266   | 1.97                 | 9    |  |
| Short-term borrowings                                  | 4,794                             | 5.31  | 4,625    | 4.03  | 4       | 4,530                | 5.03                      | 4,890    | 3.23                 | -7   |  |
| Long-term borrowings                                   | 6,174                             | 5.73  | 6,606    | 4.81  | -7      | 6,013                | 5.55                      | 6,411    | 4.37                 | -6   |  |
| Total interest-bearing liabilities                     | 41,841                            | 3.83  | 40,395   | 2.98  | 4       | 41,409               | 3.61                      | 39,567   | 2.51                 | 5    |  |
| Noninterest-bearing deposits                           | 7,631                             |       | 7,842    |       | -3      | 7,555                |                           | 8,050    |                      | -6   |  |
| Other liabilities                                      | 859                               |       | 725      |       | 19      | 834                  |                           | 720      |                      | 16   |  |
| Total liabilities                                      | 50,331                            |       | 48,962   |       | 3       | 49,798               |                           | 48,337   |                      | 3    |  |
| Stockholders' equity                                   | 6,244                             |       | 5,873    |       | 6       | 6,041                |                           | 5,798    |                      | 4    |  |
| Total liabilities and stockholders' equity             | \$56,575                          |       | \$54,835 |       | 3%      | \$55,839             |                           | \$54,135 |                      | 3%   |  |
| Net interest spread                                    |                                   | 3.09  |          | 3.18  |         |                      | 3.10                      |          | 3.32                 |      |  |
| Contribution of interest-free funds                    |                                   | .64   |          | .51   |         |                      | .60                       |          | .45                  |      |  |
| Net interest margin                                    |                                   | 3.73% |          | 3.69% |         |                      | 3.70%                     |          | 3.77%                |      |  |

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